



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

April 14, 2020

SUBJECT: FISCAL YEAR 2019-2020 MID-YEAR BUDGET REVIEW

PREPARED BY: Susan Mahoney, Finance Director

Recommendation

Receive and File the FY 2020 Mid-Year Budget Review report.

Background/Discussion

The FY 2020` budget was adopted by Council on June 25, 2019. Attached is a mid-year review of revenues and expenses. It includes:

- Budget projections for all funds for the June 30, 2020 year end including optimistic projections and worst-case projections for the General Fund
- Updated beginning Fund Balance and Net Position balances for July 1, 2019 per the FY 2019 audit

Highlights of the Report:

General Fund

At this point in time, the effects of the COVID-19 pandemic on revenues and expenses are unknown, therefore, the report is presented with two year-end projections: optimistic and worst-case. Under both scenarios it is projected that the City's Unreserved Fund Balance will be depleted. Based on the Council's prior actions, adequate reserves are available to maintain City services in the short term. Staff is hopeful that in the near future the state and federal governments will provide clarity as to any actions they will take that may affect our budget. Recommendations for the steps needed to maintain a balanced budget going forward will be presented to Council during the budget workshops beginning next month.

The report also reflects the long-anticipated correction of Transaction Sales Tax revenue. The correction results in a \$80,000 reduction in Transaction Sales Tax. A reserve of \$1 million was set aside in prior years in anticipation of this correction.

Other Funds

At mid-year, the Special Revenue Funds are on target with original budget projections except for the Gas Tax Fund. The projected decrease in Gas Tax revenue is the result

of lower gasoline sales due to the Governor's stay-at-home directive. The Net Position of the enterprise Funds (Water and Wastewater) are expected to be better than originally projected mainly due to savings from the debt refinancing.

Fiscal Impact

There are no fiscal impacts as a result of receiving and filing the attached report.

Attachments

1. FY 2020 Mid-Year Budget Review report