Finance & HR Committee FY23 Q2 Report

February 14, 2023

Taylor Floyd, Budget Manager



Presentation Overview

- Revenues
- Personnel expenses
- Operating expenses
- Next steps

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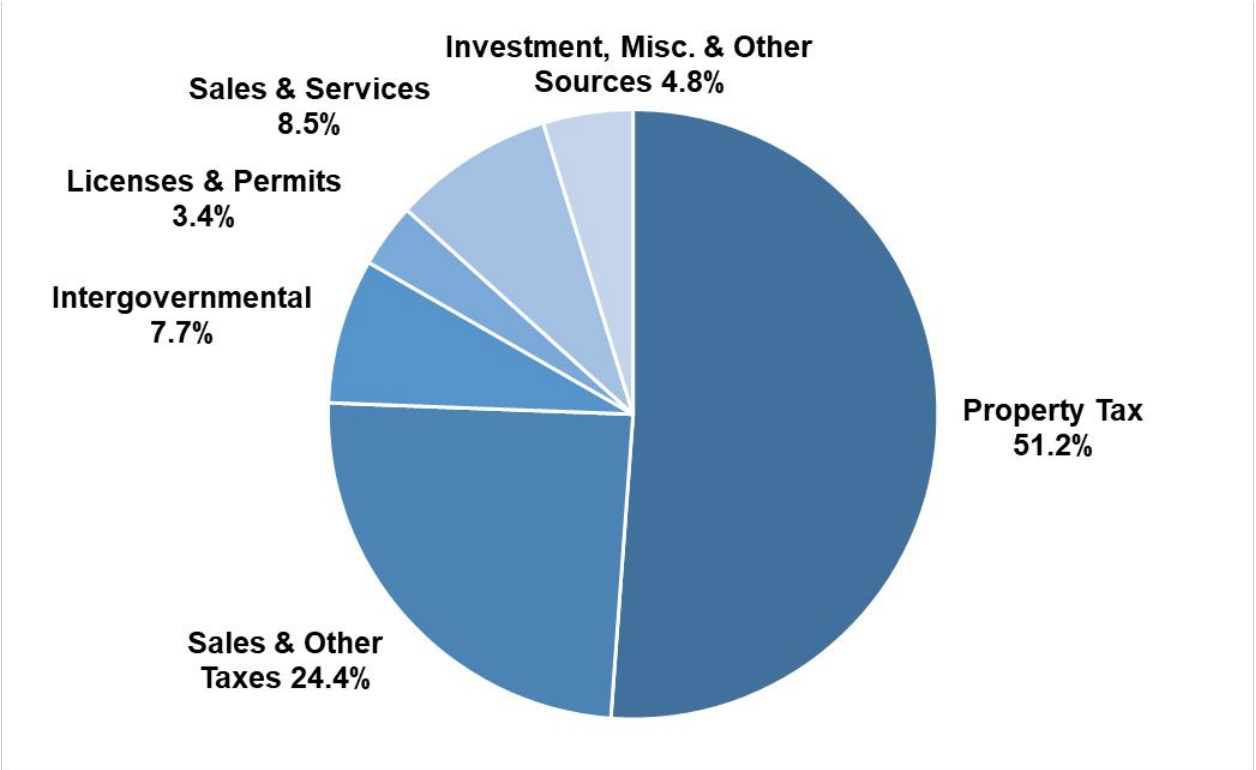
Key Takeaways

- Revenues are expected to meet or exceed budget.
- Sales tax revenues continue to exceed estimates.
- Spending is occurring as expected.

Q2 Revenues Overview

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FY23 Adopted General Fund Revenues



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Property and Sales Tax Updates

- City received official FY23 tax base data from Buncombe County at the end of January which confirmed that property tax revenue will end the year near budget estimates.
- Sales tax revenue continues to perform better than budget.
    - Up 12.1% compared to the first four months of the prior fiscal year.

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Parking Fund Revenue Update

- Revenue from parking garages and meters performing as expected and in line with budget.
  - Significantly better than prior fiscal year.
  - Garage revenues are in line with pre-pandemic budget performance, and are much closer to pre-pandemic actuals.

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Other Revenues & Summary

- Q2 General Fund revenues at 17% of budget since most property tax revenue will be recorded in January and shown in Q3 report.
- Q2 Enterprise Funds revenues 37-68% of budget.
    - HCCA Fund performing better than budget with a budget amendment planned for February 28.

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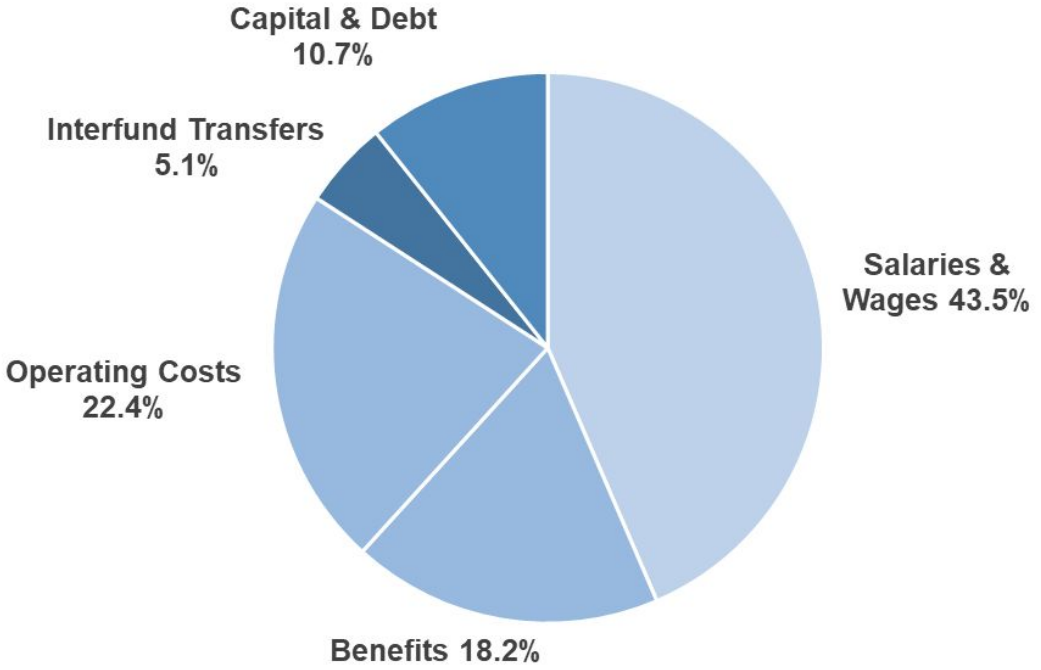
Questions

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Q1 Expenses Overview

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FY23 Adopted General Fund Expenses



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Personnel Expenses

- Actual expenses tracking budget as anticipated.
- July 2022 Adjustments:
  - Increase the minimum salary for full-time employees to $35,360 annually.
  - Provide all other staff a 5.0% or 2.5% increase.
- November 2022 Adjustments:
  - Increase the minimum salary for full-time employees to $36,816 annually.
  - Compression adjustments based on consultant analysis.
- Police recruitment and retention incentives put in place earlier this fiscal year; funded within APD budget.

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Operating Expenses

- Inflation is still a concern, but expenses trending within budget so far.
- Transit service
  - One service interruption still in effect due to driver shortage (frequency reduced on WE1).
  - Management company charges tracking budget as expected.
- Muni Golf Course under new management, fiscal impact in current year is uncertain, current estimate is $225k impact.

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Questions

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Summary

Summary & Next Steps

- Revenues and expenses tracking as expected.
  - Will continue to monitor to see if appropriation of ARPA funds in General Fund & Transit will be needed.
- Personnel costs will likely be significant factor in next budget development process.
- Q3 Financial Report will be presented with the FY24 Proposed Budget in May.

Questions

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