

ATTACHMENT B

Utility Operating Funds and Fleet Operations Summary

April 30, 2023, Budget Review

	FINAL/ AMENDED 2023 BUDGET	PROJECTED YEAR END RESULTS	PROJECTED VARIANCE		VARIANCE	EXPLANATION
			\$ (A)	%		
Water Utility Operating Fund						
Operating Revenue						
Local System Revenue	(7,609,202)	(8,180,574)	(571,372)	8%	Investment portfolio interest rate higher than anticipated plus slightly higher flat-rate customers than anticipated.	
Regional System Revenue	(14,355)	-14,355	0	0%		
Subtotal Operating Revenue	(7,623,557)	-8,194,929	(571,372)	7%		
Operating Expenditures						
Local System Expenditures	6,296,372	6,847,519	551,146	9%	Transfer of interest to reserves higher due to increased interest on investment portfolio. Additional costs for repairs to two watermain leaks plus additional hydrant painting.	
Regional System Expenditures	1,327,185	1,327,185	0	0%		
Subtotal Operating Expenditures	7,623,557	8,174,704	551,146	7%		
Projected Surplus / (Deficit)	0	20,226	20,226		Water Operations projecting a surplus.	
Sewer Utility Operating Fund						
Operating Revenue						
Local System Revenue	(6,811,420)	(7,268,796)	(457,376)	7%	Investment portfolio interest rate higher than anticipated plus slightly higher flat-rate customers than anticipated.	
Regional System Revenue	(321,124)	(321,124)	0	0%		
Subtotal Operating Revenue	(7,132,544)	(7,589,920)	(457,376)	6%		
Operating Expenditures						
Local System Expenditures	5,758,805	6,163,885	405,080	7%	Transfer of interest to reserves higher due to increased interest on investment portfolio.	
Regional System Expenditures	1,373,739	1,373,739	0	0%		
Subtotal Operating Expenditures	7,132,544	7,537,624	405,080	6%		
Projected Surplus / (Deficit)	0	52,296	52,296		Sewer Operations projecting a surplus.	
Drainage Utility Operating Fund						
Operating Revenue	(3,431,507)	(3,543,858)	(112,351)	3%	Investment portfolio interest rate higher than anticipated plus slightly higher drainage levy than anticipated.	
Operating Expenditures	3,431,507	3,537,377	105,870	3%	Transfer of interest to reserves higher due to increased interest on investment portfolio. Additional ditching work.	
Projected Surplus / (Deficit)	0	6,481	6,481		Drainage utility is projecting a surplus.	
Solid Waste Utility Operating Fund						
Operating Revenue	(7,428,233)	(7,588,964)	(160,731)	2%	The revenue sharing formular for Mission is higher than budgeted under new interpretation of 2011 agreement. Investment portfolio interest rate higher than anticipated.	
Operating Expenditures	7,428,233	7,714,857	286,624	4%	The cost allocation for Mission is higher than budgeted under new interpretation of 2011 agreement.	
Projected Surplus / (Deficit)	0	(125,893)	(125,893)		Solid Waste is projecting a deficit.	
Fleet Operations						
Operating Revenue	(4,350,187)	(4,318,824)	31,363	-1%	Lower Revenue from sale of surplus equipment as several vehicles slated for auction retained. This revenue shortfall is partially offset by revenue these vehicles bring in.	
Operating Expenditures	4,350,187	3,944,040	(406,147)	-9%	Lower maintenance projected for City's fleet and equipment, lower accident repairs during first 4 months.	
Projected Surplus / (Deficit)	0	374,784	374,784		Fleet Operations is projecting a surplus.	
Forestry Operations						
Operating Revenue	(5,347,480)	(11,187,832)	(5,840,352)	109%	Timber harvest volumes higher due to dry weather and not completing volume in 2022 plus investment portfolio interest rate higher than anticipated.	
Operating Expenditures	5,347,480	6,925,832	1,578,352	30%	Stumpage fees projected to be \$1.5 million higher than budget as a result of higher timber volumes.	
Projected Surplus / (Deficit)	0	4,262,000	4,262,000		Forestry is projecting a surplus.	

(A) Negative variance represents higher revenue in the revenue section and lower expenses in the expense section.