

***BIC Regular Meeting  
of  
September 20, 2023***

***Agenda Item 7c***

# DBI Finance Update

Building Inspection Commission – September 20, 2023

# Financial Calendar – Annual Cycle

## Fiscal Year: July 1 through June 30

- Books close August – September
- City's Annual Comprehensive Financial Report published at the end of the year/beginning of next year

## Budget Calendar

- December – February: departments create and submit a 2-year budget proposal
- February – June: Mayor's Budget Office develops the Mayor's budget
- July – August: BOS modifies the Mayor's budget and approves the final budget

# BIC Finance Reporting – What to Expect

Months	Finance Reporting
July – August	Regular update
September	Previous Fiscal Year close and new Fiscal Year budget
October – December	Regular update
January	6-Month projections
February	Next two FY department budget submission, special meeting
March	Regular update
April	9-Month projections
May – June	Regular update

# Fund Balance

Revenue began to rise sharply in FY11

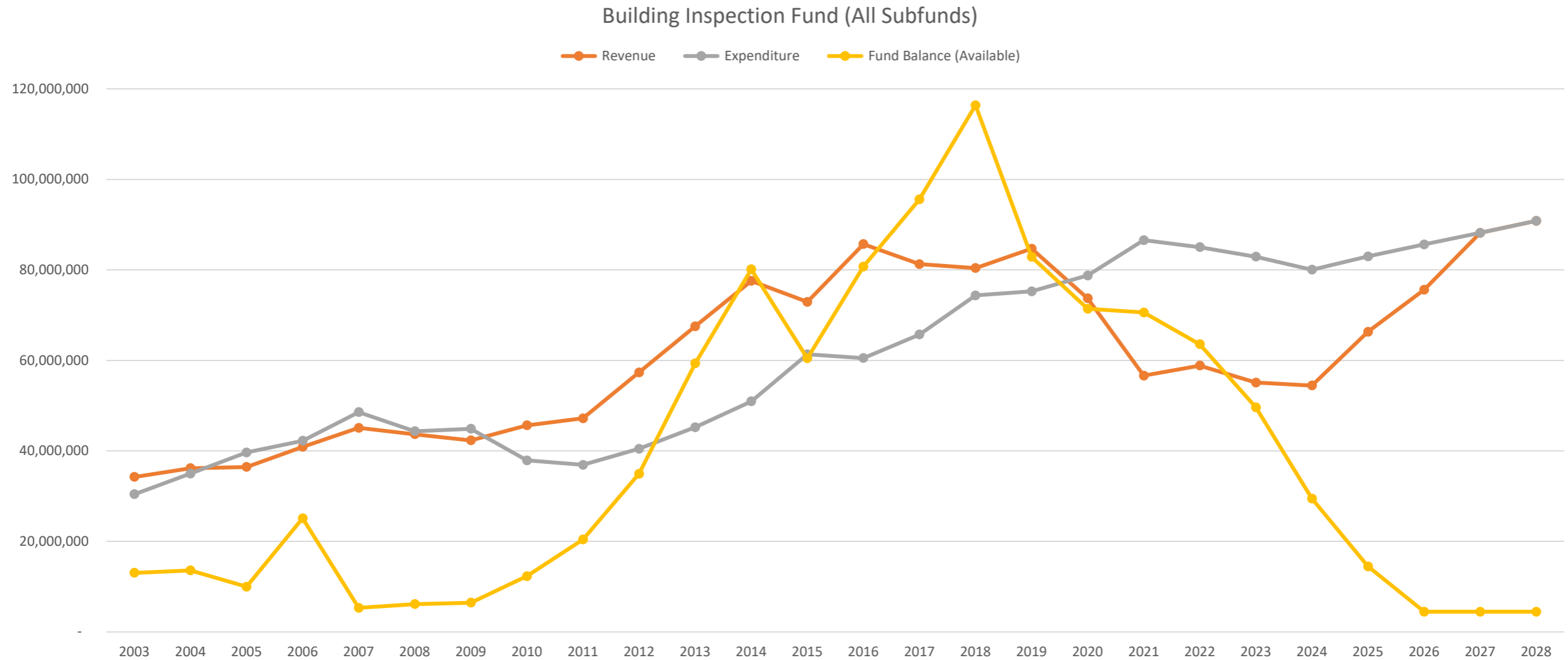
In 2020 due to the pandemic revenue dropped \$28M (33%)

Current Position: \$77M cash, \$29M fund balance

Current Operating Deficit: \$23M per year

Absent additional intervention, projected to exhaust remaining balance in FY26

# Estimated Fund Balance



# Fiscal Year 2023 Summary

- \$3.3M shortfall of budget revenue, \$3.4M expenditure savings
- \$27.1M use of fund balance
- \$45.3M remaining operating fund balance
- \$6.6M expenditure appropriation carryforward
  - \$1.1M work order, \$5.1M nonpersonnel, \$0.3M grants, \$0.1M M&S

# Fiscal Year 2023 Report – Revenue Table

## Fiscal Year 2022-23 Revenue

Fund Group	Account Description	2023 Revised Budget	2023 Year End Actuals	YTD %	Operating Surplus / (Deficit)	2023 Projected Operating	Projected Operating Surplus /
Operating	Charges for Services	49,295,163	45,594,792	92%	(3,700,371)	44,084,173	(5,210,990)
	Expenditure Recovery	219,693	147,175	67%	(72,518)	219,693	0
	Interest & Investment Income	1,422,127	1,924,247	135%	502,120	965,184	(456,943)
	Licenses, Permits, & Franchises	6,937,815	6,906,525	100%	(31,290)	7,222,297	284,482
	Other Revenues	-	15,433	100%	15,433	9,274	9,274
	Transfers In	325,000	325,000	100%	-	325,000	-
	IntraFund Transfers In	27,098,920	27,098,920	100%	-		
<b>Operating Total</b>		<b>85,298,718</b>	<b>82,012,092</b>	96%	(3,286,626)	52,825,621	(5,374,177)
Non-Operating	Charges for Services	140,590	184,458				
	Unappropriated Fund Balance	34,520,961	34,520,961				
<b>Revenue Total</b>		<b>119,960,269</b>	<b>116,717,511</b>				



# Fiscal Year 2023 Report – Expenditure Table

## Fiscal Year 2022-23 Expenditure

Fund Group	Account Description	2023 Revised Budget	2023 Year End Actuals	YTD %	Operating Surplus / (Deficit)	2023 Projected Operating	Projected Operating Surplus / (Deficit)
Operating	Salaries	37,487,568	38,157,599	102%	670,031	37,915,113	427,545
	Mandatory Fringe Benefits	16,403,444	16,904,096	103%	500,652	16,633,660	230,216
	Overhead and Allocations	1,087,245	344,993	32%	(742,252)	1,087,245	-
	Non-Personnel Services	7,316,529	1,926,555	26%	(5,389,974)	5,219,580	(2,096,949)
	Materials & Supplies	763,622	377,810	49%	(385,812)	512,192	(251,430)
	City Grant Program	6,342,266	4,454,721	70%	(1,887,545)	4,925,694	(1,416,572)
	Equipment	187,746	187,746	100%	-	187,746	-
	Carry-Forward Budgets Only	16,422	6,595,617	40163%	6,579,195	-	(16,422)
	Services Of Other Depts	20,990,024	18,232,991	87%	(2,757,034)	20,947,616	(42,408)
<b>Operating Total</b>		<b>90,594,867</b>	<b>87,182,127</b>	96%	(3,412,740)	87,428,846	(3,166,021)
Non-Operating	Non-Operating	14,073,454	1,684,817				
	Interfund Transfer Out	27,098,920	27,098,920				
	Unappropriated Reserve	45,311,293	-				
Other	Other	451,959	634,115				
<b>Expenditures Total</b>		<b>177,530,493</b>	<b>116,599,979</b>				

# Fee Study

- Currently underway, expected completion in November for FY25 implementation
- Maximum allowed fee amount is the cost to provide each service
- Cost to provide service = staff hourly rate x hours to provide service
- Hourly staff cost has been determined
- Time study nearly complete
- Demand/volume estimates based on FY23

# August 2023 Report – Revenue/Expenditures

- 17% of the year has elapsed
- Budgeted fee revenue collected is 15%
  - The 15% fee increase took effect 8/28
- It's too early to project year-end revenue and expenditures. We will monitor and develop projections at 6 months

# August 2023 Report – Revenue Table

## FY 2023-24 Revenue

Elapsed 17% of year

Fund Group	Account Description	2023 Budget	2023 Actuals	2024 Budget	2024 YTD Actuals	YTD %	2024 Projected Operating	Projected Operating Surplus / (Deficit)
Operating	Charges for Services	49,295,163	45,594,792	47,057,008	7,109,401	15%	47,057,008	-
	Expenditure Recovery	219,693	147,175	204,053	1,224	1%	204,053	-
	Interest & Investment Income	1,422,127	1,924,247	1,922,127	-	0%	1,922,127	-
	Licenses, Permits,& Franchises	6,937,815	6,906,525	7,718,319	(1,757)	0%	7,718,319	-
	Other Revenues	-	15,433	1,250,000	1,700	0%	1,250,000	-
	Transfers In	325,000	325,000	5,100,000	1,275,000	25%	5,100,000	-
<b>Operating Total</b>		<b>58,199,798</b>	<b>54,913,172</b>	<b>63,251,507</b>	<b>8,385,568</b>	<b>13%</b>	<b>63,251,507</b>	-
Non-Operating		140,590	184,606	-	101,587			
<b>Revenue Total</b>		<b>58,340,388</b>	<b>55,097,630</b>	<b>63,251,507</b>	<b>8,487,155</b>			

# August 2023 Report – Expenditure Table

## FY 2023-24 Expenditure

Elapsed – 17% of year / 3.5 of 27 pay periods (13%)

Fund Group	Account Description	2023 Budget	2023 Actuals	2024 Budget	2024 YTD Actuals	YTD %	2024 Projected Operating	Projected Operating Surplus / (Deficit)
Operating	Salaries	37,487,568	38,157,599	41,362,210	5,514,184	13%	41,362,210	-
	Mandatory Fringe Benefits	16,403,444	16,904,096	16,798,842	2,252,727	13%	16,798,842	-
	Overhead and Allocations	1,087,245	344,993	1,352,456	-	0%	1,352,456	-
	Non-Personnel Services	7,316,529	1,926,555	7,351,745	400,401	5%	7,351,745	-
	Materials & Supplies	763,622	377,810	521,962	18,450	4%	521,962	-
	City Grant Program	6,342,266	4,454,721	5,123,095	(359,921)	-7%	5,123,095	-
	Equipment	187,746	187,746	-	-	100%	-	-
	Performing Work Orders	16,422	-	-	-	100%	-	-
	Services Of Other Depts	20,990,024	18,232,991	17,587,066	-	0%	17,587,066	-
<b>Operating Total</b>		<b>90,594,866</b>	<b>80,586,510</b>	<b>90,097,377</b>	<b>7,825,840</b>	<b>9%</b>	<b>90,097,377</b>	<b>-</b>
Non-Operating		14,649,931	2,119,064	12,520,154	-			
Other		451,959	199,868	2,092	-			
<b>Expenditures Total</b>		<b>105,696,757</b>	<b>82,905,442</b>	<b>102,619,622</b>	<b>7,825,840</b>			

# August 2023 Report – Permits

- YTD number of permits is 14% higher than last year
- YTD valuation is 23% lower than last year

# August 2023 Report – Permit Table

Year to date

Permit valuation	Values			
	FY23 Permits	FY24 Permits	FY23 Valuation	FY24 Valuation
\$0 - 2,000	531	570	241,045	265,484
\$2,001 - 50,000	2,270	2,559	41,479,850	49,238,788
\$50,001 - 200,000	541	688	53,981,619	67,470,739
\$200,001 - 500,000	147	166	46,039,796	54,180,187
\$500,001 - 1,000,000	45	55	33,069,007	40,396,613
\$1,000,001 - 5,000,000	44	38	91,519,338	62,607,260
\$5,000,001 - 50,000,000	7	7	74,485,587	95,475,867
\$50,000,001 - 100,000,000	2	-	137,400,000	-
\$100,000,001-200,000,000	-	-	-	-
\$200,000,001+	-	-	-	-
<b>Grand Total</b>	<b>3,587</b>	<b>4,083</b>	<b>478,216,241</b>	<b>369,634,937</b>



**THANK YOU**