



South St. Paul

WORKSESSION AGENDA
SSP City Hall
125 3rd Avenue North
Training room

Monday, July 11, 2022
7:00 pm

AGENDA:

1. 1st Quarter Financial Report and Budget adjustments
2. Closed session pursuant to Minnesota Statutes § 13D.05, Subd. 3(b), for a confidential attorney-client discussion regarding flooding claim and settlement demand at 308 11th Avenue South – No Attachment
3. Council Comments & Questions




COUNCIL WORKSESSION REPORT

DATE: JULY 11, 2022

DEPARTMENT: FINANCE

Prepared by: Clara Hilger

ADMINISTRATOR: 

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AGENDA ITEM: 2022 First Quarter Financial Report

DESIRED MEETING OUTCOMES:

Discussion on the 2021 First Quarter Financial Report

OVERVIEW:

The first quarter of 2022 is complete and financial results are available. The Finance Director prepared the attached first quarter financial report for Council review. The following items are important to note when reviewing the report:

- The Benchmark is roughly 25% and is based on a fluid calendar year of operations.
- Many of the variances result from seasonality and not all financial transactions occur evenly throughout the year. Some are one time or periodic activities that do not occur in each quarter.
- Investment income is recorded and allocated to the funds on a semi-annual basis.
- Large revenue sources (i.e. tax settlements and LGA) are received in July and December, which underscores the importance of a strong fund balance as a tool to avoid General Fund borrowing for operations.

Finance has not noted any worrisome variances in the operating funds for the third quarter. The variances that have occurred are noted in the attached report. The attached financial report includes budget revisions that affect several departments and funds:

- Personnel costs including fringe benefits were adjusted to reflect settled contracts and insurance elections. These adjustments are reflected in the general, library, arena, airport, water and sewer utility, central garage, EDA and HRA funds. Property taxes were reallocated from the general fund to the library to balance that budget. The contingency fund was reallocated to cover the general fund expenditure budget increases.

The first quarter financial report will be placed on consent for formal council action at the July 18, 2022 City Council meeting.

SOURCE OF FUNDS:

N/A

Description	2022 Original Budget	2022 Amended Budget	Actual thru March 2022	Benchmark 25% Percent of Budget	
GENERAL OPERATING FUND					
GENERAL FUND - REVENUES					
Taxes	11,849,375.00	11,832,750.00	0.00	0.00%	A
Fees	1,781,720.00	1,781,720.00	145,752.70	8.18%	B
Intergovernmental	2,276,618.00	2,276,618.00	157,302.30	6.91%	C
Charges for Services	1,784,268.00	1,784,268.00	449,681.33	25.20%	
Other Revenues	57,140.00	57,140.00	4,152.38	7.27%	D
Transfers In/Fund Balance	190,000.00	190,000.00	47,505.00	25.00%	
Total Revenues	17,939,121.00	17,922,496.00	804,393.71	4.48%	
GENERAL FUND - EXPENDITURES					
General Government					
Mayor & Council	165,918.00	165,918.00	41,835.06	25.21%	
Administration	546,964.00	540,070.00	88,890.32	16.46%	
Human Resources	244,162.00	253,070.00	45,286.63	17.89%	
City Attorney	70,000.00	70,000.00	10,154.67	14.51%	E
City Attorney - Criminal	170,000.00	170,000.00	0.00	0.00%	F
City Clerk	201,694.00	242,898.00	34,868.59	14.36%	G
Information Technology	679,063.00	687,778.00	133,582.37	19.42%	
Recycling	25,588.00	25,588.00	13.62	0.05%	H
Finance	450,328.00	409,478.00	80,218.66	19.59%	I
Total General Government	2,553,717.00	2,564,800.00	434,849.92	16.95%	
Public Safety					
Police	6,852,983.00	7,007,676.00	1,486,587.08	21.21%	
Fire	2,732,483.00	2,732,483.00	1,359,306.00	49.75%	J
Total Public Safety	9,585,466.00	9,740,159.00	2,845,893.08	29.22%	
Public Works					
Engineering	547,885.00	553,584.00	134,056.90	24.22%	
Streets, Alley's and Blvd's	1,919,766.00	1,944,375.00	474,353.85	24.40%	
Buildings	266,459.00	270,138.00	69,648.00	25.78%	
Parks Facilities and Maintenance	1,148,620.00	1,120,713.00	190,726.82	17.02%	
Total Public Works	3,882,730.00	3,888,810.00	868,785.57	22.34%	
Community Development					
Development Services	593,530.00	604,168.00	110,606.05	18.31%	
Code Enforcement	246,802.00	167,111.00	47,044.83	28.15%	
Total Community Development	840,332.00	771,279.00	157,650.88	20.44%	
Leisure Services					
Parks Administration	262,167.00	279,421.00	52,730.01	18.87%	
Splash Pool	69,695.00	70,776.00	4,152.46	5.87%	K
Northview Pool	92,095.00	93,176.00	3,106.74	3.33%	K
Recreation Programs	158,163.00	209,891.00	31,327.21	14.93%	L
Community Affairs	122,280.00	124,901.00	27,189.65	21.77%	
Total Leisure Services	704,400.00	778,165.00	118,506.07	15.23%	
Nondepartmental					
Contingencies	372,476.00	179,283.00	0.00	0.00%	
Total Nondepartmental	372,476.00	179,283.00	0.00	0.00%	
Total Expenditures	17,939,121.00	17,922,496.00	4,425,685.52	24.69%	
Revenues Over (Under) Expenditures	0.00	0.00	(3,621,291.81)		

Description	2022 Original Budget	2022 Amended Budget	Actual thru March 2022	Benchmark 25% Percent of Budget	
OTHER OPERATING FUNDS					
LIBRARY FUND					
Revenues	843,892.00	860,517.00	1,392.99	0.16%	A
Expenditures	843,892.00	860,517.00	174,301.48	20.26%	
Revenues Over (Under) Expenditures	0.00	0.00	(172,908.49)		
DOUG WOOG ARENA					
Revenues	1,075,454.00	1,075,454.00	301,779.82	28.06%	
Expenditures	927,621.00	974,917.00	209,294.28	21.47%	
Revenues Over (Under) Expenditures	147,833.00	100,537.00	92,485.54		
AIRPORT OPERATING FUND					
Revenues	1,357,442.00	1,357,442.00	428,719.24	31.58%	M
Expenditures	1,227,396.00	1,236,125.00	207,360.50	16.78%	
Revenues Over (Under) Expenditures	130,046.00	121,317.00	221,358.74		
STORM WATER UTILITY FUND					
Operating Revenues and Grants	673,010.00	673,010.00	42,434.66	6.31%	N
Expenditures - Operating	364,902.00	364,902.00	196,584.18	53.87%	O
Transfers - Capital	40,000.00	40,000.00	31,602.00	79.01%	O
Revenues Over (Under) Expenditures	268,108.00	268,108.00	(185,751.52)		
STREET LIGHT UTILITY FUND					
Revenues	330,100.00	330,100.00	22,347.27	6.77%	N
Expenditures	291,762.00	291,762.00	46,221.57	15.84%	
Revenues Over (Under) Expenditures	38,338.00	38,338.00	(23,874.30)		
WATER AND SEWER UTILITY FUND					
Revenues					
Administration	40,000.00	40,000.00	0.00	0.00%	
Water Utility	2,766,725.00	2,766,725.00	229,249.81	8.29%	N
Sewer Utility	4,291,300.00	4,291,300.00	413,420.35	9.63%	N
Total Revenues	7,098,025.00	7,098,025.00	642,670.16	9.05%	
Expenditures					
Administration	491,682.00	494,436.00	112,323.45	22.72%	
Water Utility	1,070,236.00	1,077,625.00	253,575.67	23.53%	
Sewer Utility	3,635,084.00	3,640,659.00	1,149,080.16	31.56%	P
Total Expenditures	5,197,002.00	5,212,720.00	1,514,979.28	29.06%	
Transfers					
Water Utility	1,256,125.00	1,256,125.00	56,201.00	4.47%	
Sewer Utility	50,000.00	50,000.00	106,751.00	213.50%	O
Total Transfers	1,306,125.00	1,306,125.00	162,952.00	12.48%	
Net Income (Loss)	594,898.00	579,180.00	(1,035,261.12)		
CENTRAL GARAGE - INTERNAL SERVICE FUND					
Revenues	1,496,213.00	1,496,213.00	400,277.00	26.75%	Q
Expenditures	1,335,699.00	1,340,498.00	223,692.58	16.69%	
Net Income (Loss)	160,514.00	155,715.00	176,584.42		

Description	2022 Original Budget	2022 Amended Budget	Actual thru March 2022	Benchmark 25% Percent of Budget	
OTHER OPERATING FUNDS					
ECONOMIC DEVELOPMENT AUTHORITY					
Revenues	340,084.00	340,084.00	0.00	0.00%	A
Expenditures	340,084.00	270,890.00	66,056.12	24.38%	
Revenues Over (Under) Expenditures	0.00	69,194.00	(66,056.12)		
EDA - HOUSING (HRA LEVY)					
Revenues	441,776.00	441,776.00	27,145.42	6.14%	A
Expenditures	441,257.00	424,194.00	65,448.02	15.43%	
Revenues Over (Under) Expenditures	519.00	17,582.00	(38,302.60)		
HRA - PUBLIC HOUSING					
Revenues	2,038,000.00	2,038,000.00	163,887.93	8.04%	R
Operating Expenses	1,957,144.00	1,957,144.00	369,352.63	18.87%	
Capital Expenses	0.00	0.00	(11,103.35)	0.00%	S
Net Income (Loss)	80,856.00	80,856.00	(194,361.35)		

Red amounts in the 2022 Amended Budget column are recommended budget changes.

Tickmark Explanations for Budget VS Actual Variances

- A. Taxes will be received in June/July and December/January
- B. 1st quarter Franchise fees come in April
- C. LGA is received in July and December
- D. Interest earnings are posted semi-annually and other minor revenues are unpredictable
- E. Legal service invoices for two months only
- F. Criminal legal services paid in April for January and February
- G. Elections costs will be charged in August and November
- H. Composite site costs occur May through October
- I. Assistant Finance Director position vacant during the quarter
- J. Paid two quarters for Fire
- K. Pools are only open June through August
- L. Recreation programs have been limited in the first quarter
- M. Certain revenues come in at the start of the year at the Airport (land leases)
- N. Utility revenues are based on service delivery, bills issued in Jan, Feb, Mar of 2022 are accrued back to the 2021 books as they are for services delivered in 2021. This is an annual occurrence.
- O. Memberships and bond payments made in 1st quarter
- P. Sanitary Sewer has 4 months of MCES charges
- Q. Sale of assets and insurance proceeds are not budgeted
- R. Activity from management company has not been updated for all of 2022
- S. Capital expenses for Public Housing is not budgeted