

2022 Budget Amendment Forecast

Council members,

7/6/22

Please find attached an analysis of the funds in the Current Expense Fund. The analysis includes all revenue funds as well as expenditure funds. When developing budget forecasts, it is always better if you can apply a logical mathematical approach, if possible, rather than just doing “guestimates” . This analysis shows, historically, that there is definitely a correlation between first half cash issues and 2nd half cash issues. The new forecasted numbers are not hugely different than what is already in the budget but these new forecasts are based on mathematical logic.

The analysis was performed as follows:

- 1) In order for the mathematical process to work correctly, there were adjustments we needed to be make in order to eliminate actuals that were anomalies or one time issues. We made those changes first. Those adjustments are explained for each fund within the fund analysis section.
- 2) We then did a comparison of the first six months of actual data for 2019 through 2021 and compared those costs to the second six months of actual data for the same years. We then took an average of the differences for all three years.
- 3) We then applied this average difference across the three years to the actual spent for the first 6 months of 2022 which gave us calculated projections for the second half 2022 revenues and expenditures based on historical data.
- 4) In order to be conservative in our budget estimates, we multiplied the newly calculated revenue forecasts by .95. This basically reduced the calculated revenue numbers by 5%.
- 5) In order to be conservative in our budget estimates, we multiplied the newly calculated expenditure forecasts by 1.05 thereby increasing the expenditures by 5%.
- 6) We then incorporated known cost changes into each fund (as outlined on Miranda’s budget amendment spreadsheet.
- 7) We then rolled up all the fund revenues and expenditures (after adjustments) to end up with our new overall Current Fund budget forecast.

The included analysis is at the fund level and the budget cannot be amended until we filter the projected amounts into the sub-accounts within each fund. If you have any questions on any of this, please give me a call and I will go over whatever issues you may have to ensure that you understand the methodology behind the calculations.

Thanks!

David

253-222-4935

2022 budget amendment analysis projecting from 1st half revenues and expenditures 7/1/22

Revenues

Taxes				
Year	1st half	2nd half	Change*	%*
2019*	\$ 845,474	\$ 774,906	\$ (70,568)	92%
2020*	\$ 843,914	\$ 890,024	\$ 46,110	105%
2021*	\$ 1,004,704	\$ 886,358	\$ (118,346)	88%
2022	\$ 1,010,901	\$ 915,135	\$ (95,766)	91%
*Average 2nd half performance compared to 1st half			\$ (47,601)	95%
New 2nd half forecast ((1st half + average change) *.95)			\$ 915,135	91%
Analysis adjustments:			Analysis projected 2nd half revenues multiplied by .95	
Current budget 2nd half:			\$ 705,249	\$ 209,886 ↑

Licenses and Permits				
Year	1st half	2nd half	Change*	%*
2019*	\$ 33,904	\$ 50,106	\$ 16,202	148%
2020*	\$ 54,635	\$ 64,894	\$ 10,259	119%
2021*	\$ 63,611	\$ 42,605	\$ (21,006)	67%
2022	\$ 48,888	\$ 48,171	\$ (717)	99%
*Average 2nd half performance compared to 1st half			\$ 1,818	111%
New 2nd half forecast ((1st half + average change) *.95)			\$ 48,171	99%
Analysis adjustments:			Analysis projected 2nd half revenues multiplied by .95	
Current budget 2nd half:			\$ 29,312	\$ 18,859 ↑

State Generated Revenues				
Year	1st half	2nd half	Change*	%*
2019*	\$ 68,752	\$ 49,891	\$ (18,861)	73%
2020*	\$ 41,018	\$ 66,173	\$ 25,155	161%
2021*	\$ 67,871	\$ 52,945	\$ (14,926)	78%
2022	\$ 67,648	\$ 61,532	\$ (6,116)	91%
*Average 2nd half performance compared to 1st half			\$ (2,877)	104%
New 2nd half forecast ((1st half + average change) *.95)			\$ 61,532	91%
Analysis adjustments:			Analysis projected 2nd half revenues multiplied by .95	
			Removed unbudgeted grants from 2019, 2020 & 2021	
Current budget 2nd half:			\$ 38,003	\$ 23,529 ↑

Charges for Services				
Year	1st half	2nd half	Change*	%*

2019*	\$	42,373	\$	27,982	\$	(14,391)	66%	
2020*	\$	42,385	\$	29,605	\$	(12,780)	70%	
2021*	\$	25,555	\$	33,467	\$	7,912	131%	
2022	\$	16,561	\$	9,634	\$	3,095	105%	
*Average 2nd half performance compared to 1st half					\$	(6,420)	89%	
New 2nd half forecast ((1st half + average change) *.95)					\$	9,634	105%	
Analysis adjustments:			Analysis projected 2nd half revenues multiplied by .95					
			Current budget 2nd half:	\$	47,064	\$	(37,430)	⬇️

Year	1st half	2nd half	Change*	%*
2019*	\$ 1,242,924	\$ 1,162,178	\$ (80,746)	94%
2020*	\$ 1,238,769	\$ 1,282,117	\$ 43,348	103%
2021*	\$ 1,399,877	\$ 1,244,391	\$ (155,486)	89%
2022	\$ 1,401,240	\$ 1,270,098	\$ (131,142)	91%
*Average 2nd half performance compared to 1st half			\$ (64,295)	95%
New 2nd half forecast (sum of all revenue funds)			\$ 1,270,098	91%
Analysis adjustments:			Analysis projected 2nd half revenues multiplied by .95	
Current budget 2nd half:			\$ 1,075,937	\$ 194,161 ↑

Expenditures

Legislative				
Year	1st half	2nd half	Change*	%*
2019*	\$ 9,581	\$ 9,594	\$ 13	100%
2020*	\$ 10,515	\$ 5,995	\$ (4,520)	57%
2021*	\$ 9,256	\$ 16,089	\$ 6,833	174%
2022	\$ 16,560	\$ 18,202	\$ 1,642	110%
*Average 2nd half performance compared to 1st half			\$ 775	110%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 18,202	110%
Analysis adjustments:			Analysis projected 2nd half expenditures multiplied by 1.05	
Current budget 2nd half:			\$ 17,054	\$ 1,148 ↑

Judicial				
Year	1st half	2nd half	Change*	%*
2019*	\$ 13,606	\$ 22,055	\$ 8,449	162%
2020*	\$ 12,025	\$ 18,921	\$ 6,896	157%
2021*	\$ 14,058	\$ 9,723	\$ (4,335)	69%
2022	\$ 5,200	\$ 9,314	\$ 4,114	179%
*Average 2nd half performance compared to 1st half			\$ 3,670	130%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 9,314	179%
Analysis adjustments:			Analysis projected 2nd half expenditures multiplied by 1.05	
Current budget 2nd half:			\$ 31,800	\$ (22,487) ↓

Executive				
Year	1st half	2nd half	Change*	%*
2019*	\$ 73,750	\$ 74,122	\$ 372	101%
2020*	\$ 75,826	\$ 75,319	\$ (507)	99%
2021*	\$ 78,492	\$ 76,419	\$ (2,073)	97%
2022	\$ 76,035	\$ 79,064	\$ 3,029	104%
*Average 2nd half performance compared to 1st half			\$ (736)	99%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 79,064	104%

Analysis adjustments:		Analysis projected 2nd half expenditures multiplied by 1.05		
		Added costs for Administrator through 12/2021		
Current budget 2nd half:		\$	117,040	\$ (37,976) ↓

Finance				
Year	1st half	2nd half	Change*	%*
2019*	\$ 215,396	\$ 205,527	\$ (9,869)	95%
2020*	\$ 143,041	\$ 152,727	\$ 9,686	107%
2021*	\$ 160,766	\$ 169,891	\$ 9,125	106%
2022	\$ 199,070	\$ 212,153	\$ 13,083	107%
*Average 2nd half performance compared to 1st half			\$ 2,981	103%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 212,153	107%
Analysis adjustments:		Analysis projected 2nd half expenditures multiplied by 1.05		
		Removed Cares Act Funds from 2nd half of 2020		
Current budget 2nd half:		\$	226,680	\$ (14,527) ↓

Legal services				
Year	1st half	2nd half	Change*	%*
2019*	\$ 11,277	\$ 20,891	\$ 9,614	185%
2020*	\$ 10,949	\$ 23,594	\$ 12,645	215%
2021*	\$ 17,855	\$ 17,405	\$ (450)	97%
2022	\$ 19,204	\$ 27,797	\$ 8,593	145%
*Average 2nd half performance compared to 1st half			\$ 7,270	166%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 27,797	145%
Analysis adjustments:		Analysis projected 2nd half expenditures multiplied by 1.05		
Current budget 2nd half:		\$	17,796	\$ 10,001 ↑

Central Services				
Year	1st half	2nd half	Change*	%*
2019*	\$ 6,868	\$ 4,033	\$ (2,835)	59%
2020*	\$ 7,262	\$ 12,199	\$ 4,937	168%
2021*	\$ 13,556	\$ 4,856	\$ (8,700)	36%
2022	\$ 5,424	\$ 3,386	\$ (2,038)	62%
*Average 2nd half performance compared to 1st half			\$ (2,199)	88%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 3,386	62%
Analysis adjustments:		Analysis projected 2nd half expenditures multiplied by 1.05		
Current budget 2nd half:		\$	10,226	\$ (6,840) ↓

General Government Services				
Year	1st half	2nd half	Change*	%*
2019*		\$ -	\$ -	
2020*	\$ 4,244	\$ 5,561	\$ 1,317	131%
2021*	\$ 2,414	\$ 1,658	\$ (756)	69%

2022	\$ 2,948	\$ 3,292	\$ 344	112%
*Average 2nd half performance compared to 1st half			\$ 281	100%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 3,292	112%
Analysis adjustments:			Analysis projected 2nd half expenditures multiplied by 1.05	
Current budget 2nd half:			\$ 7,252	\$ (3,960) ↓

Law Enforcement				
Year	1st half	2nd half	Change*	%*
2019*	\$ 346,662	\$ 389,550	\$ 42,888	112%
2020*	\$ 372,358	\$ 355,920	\$ (16,438)	96%
2021*	\$ 396,615	\$ 383,650	\$ (12,965)	97%
2022	\$ 485,330	\$ 514,316	\$ 28,986	106%
*Average 2nd half performance compared to 1st half			\$ 4,495	102%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 514,316	106%
Budget amendment cost adjustments			\$ 11,249	
2nd half forecast with adjustments			\$ 525,565	
Analysis adjustments:			Analysis projected 2nd half expenditures multiplied by 1.05	
Current budget 2nd half:			\$ 443,250	\$ 82,315 ↑

Fire Control				
Year	1st half	2nd half	Change*	%*
2019*	\$ 257,061	\$ 215,553	\$ (41,508)	84%
2020*	\$ 324,724	\$ 305,703	\$ (19,021)	94%
2021*	\$ 315,614	\$ 301,106	\$ (14,508)	95%
2022	\$ 338,764	\$ 323,498	\$ (15,266)	95%
*Average 2nd half performance compared to 1st half			\$ (25,012)	91%
New 2nd half forecast (actuals)			\$ 323,498	95%
Analysis adjustments:			Assumes consistent monthly costs of \$53,916	
Current budget 2nd half:			\$ 371,444	\$ (47,946) ↓

Jail Costs				
Year	1st half	2nd half	Change*	%*
2019*	\$ 6,453	\$ 23,605	\$ 17,152	366%
2020*	\$ 3,609	\$ 1,678	\$ (1,931)	46%
2021*	\$ -	\$ 241	\$ 241	
2022	\$ 5,165	\$ 13,414	\$ 8,249	260%
*Average 2nd half performance compared to 1st half			\$ 7,611	206%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 13,414	260%
Analysis adjustments:			Analysis projected 2nd half expenditures multiplied by 1.05	
Current budget 2nd half:			\$ 24,835	\$ (11,421) ↓

Airports, Port, Terminal				
Year	1st half	2nd half	Change*	%*

2019*	\$	2,035	\$	1,157	\$	(878)	57%
2020*	\$	1,819	\$	1,127	\$	(692)	62%
2021*	\$	2,051	\$	492	\$	(1,559)	24%
2022	\$	2,018	\$	1,024	\$	(994)	51%
*Average 2nd half performance compared to 1st half					\$	(1,043)	48%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)					\$	1,024	51%
Analysis adjustments:					Analysis projected 2nd half expenditures multiplied by 1.05		
Current budget 2nd half:					\$	6,559	\$ (5,535) ↓

Animal Control				
Year	1st half	2nd half	Change*	%*
2019*	\$ 1,673	\$ 1,141	\$ (532)	68%
2020*	\$ 1,275	\$ 1,014	\$ (261)	80%
2021*	\$ 1,375	\$ 1,160	\$ (215)	84%
2022	\$ 850	\$ 540	\$ (310)	63%
*Average 2nd half performance compared to 1st half			\$ (336)	77%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 540	63%
Analysis adjustments:		Analysis projected 2nd half expenditures multiplied by 1.05		
		Current budget 2nd half:	\$ 2,750	\$ (2,210) ↓

Planning and Community Development				
Year	1st half	2nd half	Change*	%*
2019*	\$ 77,396	\$ 115,977	\$ 38,581	150%
2020*	\$ 112,502	\$ 100,337	\$ (12,165)	89%
2021*	\$ 104,512	\$ 140,197	\$ 35,685	134%
2022	\$ 87,514	\$ 113,625	\$ 26,111	130%
*Average 2nd half performance compared to 1st half			\$ 20,700	124%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 113,625	130%
Budget amendment cost adjustments			\$ 9,000	
2nd half forecast with adjustments			\$ 122,625	
Analysis adjustments:		Analysis projected 2nd half expenditures multiplied by 1.05		
		Current budget 2nd half:	\$ 126,286	\$ (3,661) ↓

Housing and Community Development				
Year	1st half	2nd half	Change*	%*
2019*	\$ -	\$ -	\$ -	
2020*	\$ -	\$ -	\$ -	
2021*	\$ -	\$ -	\$ -	
2022	\$ -	\$ -	\$ -	
*Average 2nd half performance compared to 1st half			\$ -	
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ -	
Analysis adjustments:		No data		
		Current budget 2nd half:	\$ -	\$ -

Substance Abuse				
Year	1st half	2nd half	Change*	%*
2019*	\$ 440	\$ 402	\$ (38)	91%
2020*	\$ 410	\$ 442	\$ 32	108%
2021*	\$ 445	\$ 445	\$ -	100%
2022	\$ 435	\$ 455	\$ 20	105%
*Average 2nd half performance compared to 1st half			\$ (2)	100%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 455	105%
Analysis adjustments:			Analysis projected 2nd half expenditures multiplied by 1.05	
Current budget 2nd half:			\$ 365	\$ 90 ↑

Spectator and Community Events				
Year	1st half	2nd half	Change*	%*
2019*	\$ 142	\$ 136	\$ (6)	96%
2020*	\$ -	\$ 679	\$ 679	0%
2021*	\$ -	\$ 445	\$ 445	0%
2022	\$ -	\$ 391	\$ 391	
*Average 2nd half performance compared to 1st half			\$ 373	
Amount in 2022 2nd half budget			\$ 391	
Analysis adjustments:			Analysis projected 2nd half expenditures multiplied by 1.05	
Current budget 2nd half:			\$ 1,500	\$ (1,109) ↓

Cultural and Recreational Facilities				
Year	1st half	2nd half	Change*	%*
2019*	\$ 14,598	\$ 13,839	\$ (759)	95%
2020*	\$ 14,350	\$ 11,607	\$ (2,743)	81%
2021*	\$ 17,846	\$ 16,760	\$ (1,086)	94%
2022	\$ 16,696	\$ 15,925	\$ (771)	95%
*Average 2nd half performance compared to 1st half			\$ (1,529)	90%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 15,925	95%
Analysis adjustments:			Analysis projected 2nd half expenditures multiplied by 1.05	
Current budget 2nd half:			\$ 19,969	\$ (4,044) ↓

Park Facilities				
Year	1st half	2nd half	Change*	%*
2019*	\$ 27,529	\$ 39,753	\$ 12,224	144%
2020*	\$ 26,356	\$ 31,775	\$ 5,419	121%
2021*	\$ 31,280	\$ 48,845	\$ 17,565	156%
2022	\$ 37,805	\$ 52,018	\$ 14,213	138%
*Average 2nd half performance compared to 1st half			\$ 11,736	140%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 52,018	138%
Analysis adjustments:			Analysis projected 2nd half expenditures multiplied by 1.05	

Current budget 2nd half:	\$	30,195	\$	21,823	↑
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Debt Service				
Year	1st half	2nd half	Change*	%*
2019*	\$ 29,580	\$ 3,915	\$ (25,665)	13%
2020*	\$ 29,761	\$ 3,269	\$ (26,492)	11%
2021*	\$ 29,907	\$ 2,603	\$ (27,304)	9%
2022	\$ 21,730	\$ 2,173	\$ (19,557)	10%
*Average 2nd half performance compared to 1st half			\$ (26,487)	11%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 2,173	10%
Analysis adjustments:			Analysis projected 2nd half expenditures multiplied by 1.05	

Current budget 2nd half:	\$	2,125	\$	48	↑
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Capital Expenditures				
Year	1st half	2nd half	Change*	%*
2019*	\$ -	\$ -	\$ -	0%
2020*	\$ -	\$ -	\$ -	0%
2021*	\$ -	\$ -	\$ -	0%
2022	\$ -		\$ -	
*Average 2nd half performance compared to 1st half			\$ -	0%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)				
Analysis adjustments:			No data	

Current budget 2nd half:		#REF!	
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Interfund Transfers				
Year	1st half	2nd half	Change*	%*
2019*	\$ 32,708	\$ 36,735	\$ 4,027	112%
2020*	\$ 34,106	\$ 22,727	\$ (11,379)	67%
2021*	\$ 23,296	\$ 17,447	\$ (5,849)	75%
2022	\$ 55,977	\$ 54,156	\$ (1,822)	97%
*Average 2nd half performance compared to 1st half			\$ (4,400)	85%
New 2nd half forecast ((1st half + average change 2019 to 2021) *1.05)			\$ 54,156	97%
Analysis adjustments:			Analysis projected 2nd half expenditures multiplied by 1.05	

Current budget 2nd half:	\$	19,023	\$	35,133	↑
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Total Current Expense Expenditures				
Year	1st half	2nd half	Change*	%*
2019*	\$ 1,126,755	\$ 1,177,985	\$ 51,230	105%
2020*	\$ 1,185,132	\$ 1,130,594	\$ (54,538)	95%
2021*	\$ 1,219,338	\$ 1,209,432	\$ (9,906)	99%
2022	\$ 1,376,725	\$ 1,464,991	\$ 88,266	106%
*Average 2nd half performance compared to 1st half			\$ (4,405)	100%
New 2nd half forecast (sum of all expenditure funds)			\$ 1,464,991	106%

Analysis adjustments:		Analysis projected 2nd half expenditures multiplied by 1.05		
	Current budget 2nd half:	\$	1,476,149	\$ (11,158) ↓

Forecasted Revenues up by	\$	194,161	
Forecasted Expenditures down by	\$	(11,158)	
Overall change in budget forecast	\$	205,319	
Beginning balance adjustment	\$	79,031	(108,119 - 29,088)
Net change	\$	284,350	

Note 1: For purposes of these calculations, Walk-in Fridge/Freezer cost of \$29,088 was deducted from beginning balance as funds were received in December, 2021 for purchase. Therefore, cost of walk-in not included anywhere else here.

Note 2: Cost of Community Center HVAC not included anywhere in these calculations as it is a pass-through. \$235,455 not included in income or expense.