

**MAYOR**  
Brian West

**MAYOR PRO TEM**  
Monty Parks

**CITY COUNCIL**  
Bill Garbett  
Spec Hosti  
Tony Ploughe  
Nick Sears  
Kathryn Williams



**CITY MANAGER**  
Bret Bell

**CITY CLERK**

**ASST CITY MANAGER**  
Michelle Owens

**CITY ATTORNEYS**  
Edward M. Hughes  
Tracy O'Connell

## **CITY OF TYBEE ISLAND**

### **CITY COUNCIL WORKSHOP AGENDA**

**October 30, 2024 at 3:00 PM**

#### **Call to Order**

#### **Items for Consideration**

1. Audit Firm Presentation - CliftonLarsonAllen
2. Financial Update - Jen Amerell

#### **Adjournment**

*Individuals with disabilities who require accommodation in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities are required to contact Michelle Owens at 912.472.5071 promptly to allow the City to provide reasonable accommodation.*

**403 Butler Avenue  
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Tybee Island, Georgia 31328-2749**



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**File Attachments for Item:**

2. Financial Update - Jen Amerell



# FY2024 Financial Summary

# FY24 Budget to Actual Analysis

General Fund	FY24 BUDGET Original	FY24 BUDGET Amended	FY24 ACTUAL - 6/30/24	Favorable / (Unfavorable)
Revenue:				
Taxes	\$ 5,399,200	\$ 5,399,200	\$ 5,739,355	\$ 340,155
Licenses & Permits	1,006,000	1,006,000	1,043,569	37,569
Intergovernmental Revenue	50,000	50,000	127,521	77,521
Charges for Services	7,234,500	7,232,000	6,640,135	(591,865)
Fines & Forfeitures	910,000	1,410,940	1,444,269	33,329
Misc. (donations, interest, leases, other)	275,300	275,300	752,605	477,305
Transfers In	2,925,000	2,925,000	3,677,128	752,128
Applied General Fund	-	6,285,510	-	(6,285,510)
<b>Total Revenue</b>	<b>\$ 17,800,000</b>	<b>\$ 24,583,950</b>	<b>\$ 19,424,582</b>	<b>\$ (5,159,368)</b>
Expenditures:				
Council	\$ 354,090	\$ 681,040	\$ 671,674	\$ 9,366
Clerk of Council	149,905	169,905	169,426	479
City Manager	1,165,400	1,601,400	1,525,731	75,669
Finance	1,224,390	1,239,390	1,239,139	251
Information Technology	742,985	975,985	964,104	11,881
Human Resources	492,560	563,560	562,973	587
Court	337,555	851,995	851,613	382
Police / Code Enf	4,237,160	4,818,070	4,615,163	202,907
Code Enf / Parking	1,285,440	704,530	668,740	35,790
Fire & Beach Safety	2,945,110	2,945,110	2,574,085	371,025
Public Works	3,481,370	3,521,370	3,519,822	1,548
Community Development	341,435	341,435	298,574	42,861
Other Uses - Transfers/NP	1,042,600	6,170,160	6,129,265	40,895
<b>Total Expenditures</b>	<b>\$ 17,800,000</b>	<b>\$ 24,583,950</b>	<b>\$ 23,790,309</b>	<b>\$ 793,641</b>
<b>Surplus / (Deficit) Expectation</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,365,727)</b>	

# FY24 Revenue Analysis

General Fund	FY24 BUDGET Original	FY24 BUDGET Amended	FY24 ACTUAL - 6/30/24	Favorable / (Unfavorable) Variance	Variance Description
Taxes	5,399,200	5,399,200	5,739,355	340,155	Conservative budgeting for property tax resulted in favorable budget to actual
Licenses & Permits	1,006,000	1,006,000	1,043,569	37,569	Bldg permits \$82,000 or 47% higher than expected, STR license revenue \$68,000 or 12% less than anticipated
Intergovernmental Revenue	50,000	50,000	127,521	77,521	Unexpected LGIP grant rec'd
Charges for Services	7,234,500	7,232,000	6,640,135	(591,865)	Parking revenue \$650,000 or 9% less than expected
Fines & Forfeitures	910,000	1,410,940	1,444,269	33,329	Parking fine revenue \$135,000 or 32% higher than anticipated, police fine revenue was \$60,000 or 20% less than budgeted and admin citation revenue was \$50,000 or 50% less than budgeted
Misc. (donations, interest, leases, other)	275,300	275,300	752,605	477,305	Investment income was 272% higher than budget or \$400,000
Transfers In	2,925,000	2,925,000	3,677,128	752,128	Conservative budget for room revenue resulted in \$70,000 more than budget for unassigned room revenue
Applied General Fund	-	6,285,510	-	(6,285,510)	The City was able to use department expense savings to fund budget amendments rather than using fund balance. The City used \$5.1m of fund balance for planned capital expenditures.
<b>Total Revenue</b>	<b>\$ 17,800,000</b>	<b>\$ 24,583,950</b>	<b>\$ 19,424,582</b>	<b>\$ (5,159,368)</b>	

# FY24 Expenditure Analysis

General Fund	FY24 BUDGET Original	FY24 BUDGET Amended	FY24 ACTUAL - 6/30/24	Favorable / (Unfavorable) Variance	% of Budget Used
Expenditures:					
Council	\$ 354,090	\$ 681,040	\$ 671,674	\$ 9,366	99%
Clerk of Council	149,905	169,905	169,426	479	100%
City Manager	1,165,400	1,601,400	1,525,731	75,669	95%
Finance	1,224,390	1,239,390	1,239,139	251	100%
Information Technology	742,985	975,985	964,104	11,881	99%
Human Resources	492,560	563,560	562,973	587	100%
Court	337,555	851,995	851,613	382	100%
Police / Code Enf	4,237,160	4,818,070	4,615,163	202,907	96%
Code Enf / Parking	1,285,440	704,530	668,740	35,790	95%
Fire & Beach Safety	2,945,110	2,945,110	2,574,085	371,025	87%
Public Works	3,481,370	3,521,370	3,519,822	1,548	100%
Community Development	341,435	341,435	298,574	42,861	87%
Other Uses - Transfers/NP	1,042,600	6,170,160	6,129,265	40,895	99%
<b>Total Expenditures</b>	<b>\$ 17,800,000</b>	<b>\$ 24,583,950</b>	<b>\$ 23,790,309</b>	<b>\$ 793,641</b>	

# FY24 Ending Fund Balance

Fund Balance:	6/23/2023	Amendments	Surplus / (Deficit)	Capital Transfers	YE Adj	6/30/2024
Nonspendable	\$ 237,759	-	-	-	(3,914)	233,845
Capital Projects	2,407,298	-	-	(2,407,298)	593,562	593,562
Economic Stabilization	5,552,136	-	-	-	178,921	5,731,057
Beach Projects	2,752,989	(371,000)	681,273	-	-	3,063,262
Back River Project	-	-	79,253	-	-	79,253
Unassigned	4,150,567	371,000	(5,126,253)	2,407,298	(768,569)	1,034,043
Total	\$ 15,100,749	\$ -	\$ (4,365,727)	\$ -	\$ -	\$ 10,735,022

- ▶ Total General Fund fund balance decreased by \$4,365,727. The City planned to use \$5,126,253 for approved capital purchases and acquisition of property
- ▶ Operating revenues less operating expenses resulted in a surplus of \$760,256. \$681,273 of surplus is from room tax assigned to beach related projects. The remaining \$79,253 is assigned to the back river project to cover part of the City's cost share
- ▶ 53% or \$5.7m of fund balance is assigned to economic stabilization
- ▶ 29% or \$3m of fund balance is assigned to beach related projects
  - ▶ \$681,273 of room tax revenue added in current year

# FY24 Summary

- ▶ Revenue exceeded original budget
- ▶ The City did not use fund balance for expected department overages
- ▶ Department overages were supplemented by other department surpluses
- ▶ Operating surplus was \$760,526, of which \$681,273 was added to beach related projects fund balance and \$79,253 was set aside for the back river project costs
- ▶ The City continues to have a healthy fund balance of which 53% of fund balance is set aside for economic stabilization
- ▶ Unassigned fund balance was significantly used during FY24 for a land acquisition and capital purchases resulting in ending unassigned fund balance of \$1,034,043



# QTR 1 Financial Update

# Qtr 1 Revenue Budget to Actual Analysis

July through September 30, 2024

General Fund	FY25 BUDGET Original	FY25 BUDGET Amended	FY25 ACTUAL	(Unfavorable) Variance	% of Budget
<b>Revenue:</b>					
Taxes	\$ 5,426,500	\$ 5,426,500	\$ 447,112	\$ (4,979,388)	8%
Licenses & Permits	930,000	930,000	50,199	(879,801)	5%
Intergovernmental Revenue	55,000	55,000	-	(55,000)	0%
Charges for Services	6,524,250	6,524,250	2,060,632	(4,463,618)	32%
Fines & Forfeitures	990,000	990,000	282,396	(707,604)	29%
Misc. (donations, interest, leases, misc)	337,420	337,420	204,029	(133,391)	60%
Transfers In	<u>2,930,000</u>	<u>2,930,000</u>	<u>657,390</u>	<u>(2,272,610)</u>	22%
Total Revenue	\$ 17,193,170	\$ 17,193,170	\$ 3,701,758	\$ (13,491,412)	22%
<b>Dept Expenditures:</b>					
Council	\$ 530,575	\$ 530,575	\$ 50,093	\$ 480,482	9%
Clerk of Council	169,550	169,550	52,152	117,398	31%
City Manager	1,557,485	1,557,485	372,785	1,184,700	24%
Finance	990,157	990,157	394,280	595,877	40%
Human Resources	559,838	559,838	172,404	387,434	31%
Court	364,339	364,339	78,686	285,653	22%
Police	4,075,260	4,075,260	802,682	3,272,578	20%
Code Compliance	1,647,196	1,647,196	322,205	1,324,991	20%
Fire & Ocean Rescue	2,444,668	2,444,668	592,202	1,852,466	24%
Public Works	3,570,550	3,570,550	719,975	2,850,575	20%
Community Development	384,420	384,420	57,978	326,442	15%
Other Uses - Transfers/NP	<u>899,132</u>	<u>899,132</u>	<u>81,977</u>	<u>817,155</u>	9%
Total Expenditures	\$ 17,193,170	\$ 17,193,170	\$ 3,697,419	\$ 817,155	22%
% of Budget Used (3 months)					25%
Revenue designated for beach projects			-		
Surplus / (Deficit)	\$ -	\$ -	\$ 4,339		

# QTR 1 Budget to Actual Expenditure Analysis

July through September 2024

General Fund	FY25 BUDGET Original	FY25 BUDGET Amended	FY25 ACTUAL	(Unfavorable) Variance	% of Budget
Council	\$ 530,575	\$ 530,575	\$ 50,093	\$ 480,482	9%
Clerk of Council	169,550	169,550	52,152	117,398	31%
City Manager	1,557,485	1,557,485	372,785	1,184,700	24%
Finance	990,157	990,157	394,280	595,877	40%
Human Resources	559,838	559,838	172,404	387,434	31%
Court	364,339	364,339	78,686	285,653	22%
Police	4,075,260	4,075,260	802,682	3,272,578	20%
Code Compliance	1,647,196	1,647,196	322,205	1,324,991	20%
Fire & Ocean Rescue	2,444,668	2,444,668	592,202	1,852,466	24%
Public Works	3,570,550	3,570,550	719,975	2,850,575	20%
Community Development	384,420	384,420	57,978	326,442	15%
Other Uses - Transfers/NP	899,132	899,132	81,977	817,155	9%
Total Expenditures	\$ 17,193,170	\$ 17,193,170	\$ 3,697,419	\$ 817,155	22%
% of Budget Used (3 months)					25%

25% of budget period

Most departments are on budget target or slightly less than

Variances from expectation:

- ▶ City Clerk paid record retention subscription for full year
- ▶ Finance paid six months of insurance premium. Fees are still higher than anticipated as we continue to reconcile various credit card charges
- ▶ Human Resources paid six months of workers comp premium

# QTR 1 Budget to Actual Revenue Analysis

July through September 2024

General Fund	FY25 BUDGET Original	FY25 BUDGET Amended	FY25 ACTUAL
Taxes	\$ 5,426,500	\$ 5,426,500	\$ 447,112
Licenses & Permits	930,000	930,000	50,199
Intergovernmental Revenue	55,000	55,000	-
Charges for Services	6,524,250	6,524,250	2,060,632
Fines & Forfeitures	990,000	990,000	282,396
Misc. (donations, interest, leases, misc)	337,420	337,420	204,029
Transfers In	2,930,000	2,930,000	657,390
Total Revenue	\$ 17,193,170	\$ 17,193,170	\$ 3,701,758

- ▶ Parking meter revenue for the 1<sup>st</sup> quarter is \$310,000 or 13% lower than the same period last year
- ▶ July through Sept room tax transferred to the General Fund is \$131,000 or 13% less than the same period last year
- ▶ Interest revenue continues to earn a return of 5.36% for \$116,927 in earnings
- ▶ Decrease in meter and room tax consistent with decrease in visitor count of approximately 18% from previous year

# QTR 1 Revenue Lookback

July through September

General Fund	FY23 Qtr 1	FY24 Qtr 1	FY25 Qtr 1	% Change from PY	% Change from 2 yr Avg
Taxes	\$ 486,207	\$ 418,510	\$ 447,112	7%	-1%
Licenses & Permits	60,088	80,679	50,199	-38%	-29%
Intergovernmental Revenue	-	55,952	-	0%	-100%
Charges for Services	2,041,612	2,386,548	2,060,632	-14%	-7%
Fines & Forfeitures	276,775	326,174	282,396	-13%	-6%
Misc. (donations, interest, leases, misc)	62,098	176,740	204,029	15%	71%
Transfers In	904,829	854,360	657,390	-23%	-25%
Total Revenue	\$ 3,831,609	\$ 4,298,963	\$ 3,701,758	-14%	-9%

- ▶ 1<sup>st</sup> Qtr revenue 14% less than prior year
- ▶ 1<sup>st</sup> Qtr revenue 3% less than FY23 and 9% less than two year average
- ▶ Licenses & Permits include business licenses, building permits, STR licenses
- ▶ Charges for services include revenue from meters, films and rental of city facilities
- ▶ Transfers in include undesignated revenue from room taxes

# Qtr 1 Parking Meter Revenue Lookback

Month	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Actual	% Change from PY	% Change 4 yr Avg
July	\$ 980,342	\$ 986,029	\$ 847,710	\$ 1,076,131	\$ 1,081,381	0%	11%
August	620,732	711,216	662,099	705,018	484,050	-31%	-28%
September	477,381	545,396	456,078	518,062	423,895	-18%	-15%
Qtr 1 Totals	2,078,455	2,242,641	1,965,887	2,299,211	1,989,326	-13%	-8%

- ▶ Parking meter revenue comprises 36% of General Fund budget
- ▶ 1<sup>st</sup> quarter parking meter revenue approximately \$300,000 or 13% lower than the 1<sup>st</sup> quarter of fiscal year 2024
- ▶ 1<sup>st</sup> quarter parking meter revenue is approximately \$160,000 or 7% lower than the 1<sup>st</sup> quarter 4 year average of years 2021-2024 (parking rates increased May 2023)
- ▶ May, June and July are historically our largest revenue generating months, so there are two of our largest revenue months remaining in current fiscal year

# Qtr 1 Room Tax Revenue Lookback

Month	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Actual	% Change from PY	% Change 4 yr Avg
July	\$ 374,538	\$ 421,048	\$ 532,940	\$ 497,386	\$ 322,251	-35%	-29%
August	254,946	541,355	371,889	356,974	335,139	-6%	-12%
September	188,039	315,885	243,763	162,018	228,428	41%	0%
Qtr 1 Totals	817,523	1,278,288	1,148,592	1,016,378	885,818	-13%	-17%

- ▶ Undesignated room revenue totals 17% of General Fund budget
- ▶ 1<sup>st</sup> quarter room revenue is approximately \$131,000 or 13% lower than the 1<sup>st</sup> quarter of fiscal year 2024
- ▶ 1<sup>st</sup> quarter room revenue is approximately \$180,000 or 17% lower than the 1<sup>st</sup> quarter 4 year average of years 2021-2024.
- ▶ June, July and August are historically our largest revenue generating months, so there is one of our largest revenue months remaining in current fiscal year

# General Fund - Fund Balance

Fund Balance:	6/30/2024	Amendments	Surplus / (Deficit)	Capital Transfers	9/30/2024
Nonspendable	\$ 233,845	-	-	-	233,845
Capital Projects	593,562	-	-	-	593,562
Economic Stabilization	5,731,057	-	-	-	5,731,057
Beach Projects	3,063,262	-	-	-	3,063,262
Back River Project	79,253	-	-	-	79,253
Unassigned	1,034,043	-	4,339	-	1,038,382
<b>Total</b>	<b>\$ 10,735,022</b>	<b>\$ -</b>	<b>\$ 4,339</b>	<b>\$ -</b>	<b>\$ 10,739,361</b>

- ▶ Excess revenues over expenditures as of September 30, 2024 is \$4,339 increasing unassigned fund balance to \$1,038,382
- ▶ No surplus has been added to beach projects fund balance yet in the current year. In the prior year, we added \$19,700 in the 1<sup>st</sup> quarter from room tax
- ▶ Total fund balance for the general fund is \$10,739,361 (assuming no changes during audit review)
  - ▶ 53% assigned to economic stabilization
  - ▶ 29% assigned to beach and back river projects
  - ▶ 1% unassigned

# 1<sup>st</sup> Quarter Summary

- ▶ Expenditures are within budget expectations.
- ▶ Revenues are lower than anticipated compared to same time period last year as well as multiple year averages.
- ▶ Visitor numbers for the 1<sup>st</sup> Qtr are lower than the same period last year.
- ▶ Revenue deficits are currently cushioned by conservative investment income budgeted, but this is not a long-term resolution.
- ▶ We continue to seek new or updated revenue streams.
- ▶ We have proactively discussed with department heads about prioritizing spending and managing variable costs like overtime, training, staffing etc. without jeopardizing service.