

2022 Budget Adjustments

Adjustments

- Based on the last Finance Committee meeting the take-away was:
 - Re-evaluate revenue estimates and determine if further adjustment is warranted based on what is known now compared to when the budget was first delivered.
 - Evaluate appropriations and determine if any reductions can be made and if any inflationary adjustments are needed.

Revenue Analysis

- Focused on income tax collections only.
- The original estimate:
 - Was based on information known as of September 30, 2021.
 - The original estimate assumed the fourth quarter of the year would be more in line with 2020 average collections.
- Adjusted estimate:
 - Updated to include actual collections for October and November of 2021.
 - Increased the December estimate to be more in line with October and November collections.
 - This resulted in an increased estimate for 2021 of \$1.18million.

Revenue Analysis

- Adjusted estimate:
 - Discussed current projects with Development and Planning noting the following:
 - 14 projects currently underway estimated to have \$175million in capital investment.
 - Of the 14 projects 9 are anticipated to add additional jobs/wages.
 - Reached out to One Columbus about general wage growth expected for the area and it is estimated on average wage growth will be 3.9%.
 - Analyzed collections by type for 2021 to determine if the actual collections contain any anomalies that may not continue into 2022 and noted the following:
 - Net profit tax collections represent 53% of the increase followed by withholding at 43% and then individual at 4%.
 - Withholding taxes were at a .4% increase in the first quarter; moving to a 3% increase at the end of the second quarter; and are at a 7% increase by the end of November.

Revenue Analysis

- Conclusion:
 - The increase in net profit tax collections appears to be an anomaly and it is estimated this will decrease in 2022.
 - Withholding will continue to increase based on general anticipated wage increases; projects that will add new jobs; construction wages for capital investments.
 - The increases in withholding tax is expected to offset any decrease in net profit taxes.
 - Still planning 0% growth based on the above and an increase in refunds.
 - Using the adjusted 2021 income tax estimate a \$1.14million increase was made to the General Fund income tax revenue budget for 2022.

Reconciliation From Original to Final Appropriation Request

General Fund Original Appropriations Request	\$ 27,282,864
Changes Original To Final:	
Adjustment for current increasing trends to natural gas prices	13,000
Premium holiday for health insurance	(82,923)
IT Manager additional increase	4,841
Defer hiring one Police Officer	(47,177)
Eliminate hiring PT Administrative Assistant for Planning	(34,803)
Defer hiring the Facilities Maintenance Coordinator	(98,214)
Phone contract reduction for change in vendors	(35,000)
Defer hiring Public Information Officer	(30,489)
Defer hiring Parks Maintenance Worker	(19,791)
General Fund Amended Request	\$ 26,952,308

General Fund			
	2020 Actual	2021 Budget	2022 Budget
Revenues			
Income Taxes	\$ 18,257,831	\$ 20,461,800	\$ 20,174,100
Property Taxes	1,696,152	1,967,969	2,220,486
Other Local Taxes	226,888	245,020	400,000
Revenue in Lieu of Taxes	-	-	-
Charges for Services	1,386,989	967,190	1,189,190
Licenses & Permits	621,339	566,880	519,880
Fines & Fees	1,187,495	531,880	1,057,540
Intergovernmental	1,065,848	909,418	996,000
Investment Income	849,068	318,198	400,000
Other	44,308	125,000	6,000
Total Revenues	\$ 25,335,918	\$ 26,093,355	\$ 26,963,196
Expenditures			
Current			
General Government	5,330,608	5,304,151	6,967,434
Security of Persons & Property	8,871,538	10,876,095	11,080,889
Transportation	963,555	1,167,135	1,157,062
Community Environment	2,415,365	3,233,230	3,276,200
Public Health & Welfare	-	-	-
Leisure Time Activity	2,547,474	2,548,221	3,401,548
Capital Outlay	553,518	47,793	-
Debt Service	176,669	518,063	527,375
Total Expenditures	\$ 20,858,727	\$ 23,694,688	\$ 26,410,508
Excess (Deficiency) of Revenue Over Expenditures	4,477,191	2,398,667	552,688
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	(1,784,180)	(818,845)	(541,800)
Advances In	272,160	266,490	260,820
Proceeds from sale of capital assets	31,877	-	-
Proceeds from insurance	112,012	-	-
Issuance of Debt	45,000	-	-
Total Other Financing Sources (Uses)	\$ (1,323,131)	\$ (552,355)	\$ (280,980)
Net Change in Fund Balances	3,154,060	1,846,312	271,708
Fund Balances, January 1	17,098,584	20,252,644	22,098,956
Fund Balances, December 31	\$ 20,252,644	\$ 22,098,956	\$ 22,370,664

General Fund Analysis Unassigned Fund Balance

Total General Fund Appropriations 2022	26,952,308
Less Debt Service	527,375
Total Operating Appropriations 2022	26,424,933
25% of Operating Appropriations for Emergency Reserve	6,606,233
Rounded Reserve to be set aside	6,700,000
Projected Ending Fund Balance	19,590,622
Less Emergency Reserve	6,700,000
Remaining Projected Unassigned Fund Balance	12,890,622
Additioin to Unreserved Fund Balance	271,708
Remaining Unreserved Fund Balance	13,162,330
Total Operating Appropriations 2022	26,424,933
Divide by 12 for approximately 1 month	2,202,078
Times 2 for 2 months of operations	4,404,156
Amount of Projected Unassigned in Excess of 2 Months	8,758,174
Projected Number of Months in Remaining Unreserved Fund Balance	5.98