

CITY OF LOCKPORT
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TIM RUSSO
Director of Finance

March 16, 2022

To: Department Heads, Mayor, and Common Council
From: Director of Finance

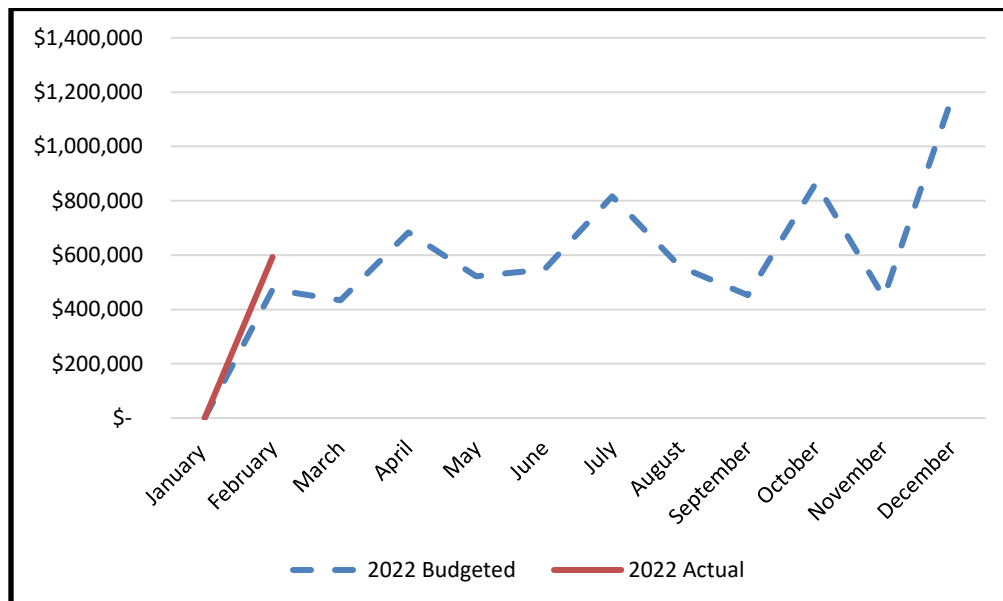
Re: Monthly Financial Update - March

This memo will provide an update to the monthly budget reports and discuss relevant changes that occurred during the month of February. The format of this month's memo is accompanied by **Exhibits A through H** as well as an **updated budget performance/trial balance report**.

Favorable Results

Combined sales tax for the month of February amounted to \$593k and was 26% higher than that of FY 2021 and 10% higher than FY 2020. More importantly, the revenue amount experienced for the month is greater than the monthly amount we budgeted for the current fiscal year by \$120k, alluding to a potential in which we have excess revenues over our total annual budget. As we progress throughout the year, we will continue to monitor our combined sales tax attainment compared to our budgeted amounts (which can be found in the [FY 2022 Appropriated Budget's](#) page 12).

Exhibit 1. FY 2022 Actual Monthly Combined Sales Taxes YTD Versus Budgeted



Trends to Watch

Health insurance medical claims have continued to remain at all-time low levels for the first two months of FY 2022 (and can be found in Exhibit A). While claim quantities/costs may be decreasing, this is also likely due to delayed billing from the recent transition from BCBS to Highmark BCBS on January 1, 2022. This will be monitored to ensure that we do in fact remain on track with our claim related expenses. If in fact the quantity/cost of claims is decreasing in a stable and predictable pattern, this may allude to the possibility of reducing the plan's premium equivalents in the FY 2023 budget cycle. For reference, in FY 2022, the City raised these premiums by 10% to ensure that the fund had sufficient income and cash solvency to pay for the estimated medical claims costs for the year.

Unfavorable Results

As noted in last month's finance update, costs associated to street lighting are continuing to be higher than anticipated. In February, expenses totaled \$23k, which is greater than the projected amount in the NYSEG proposal of \$12k. That being said, the proposal did not denote the effect of seasonality on the costs, rather noting an annual total and average monthly cost. In prior years, February and March were some of the highest monthly costs experienced by the City (last year amounting to \$30k each month). While there are in fact savings associated with the program, we must continue to monitor throughout the year to ensure that we do not need to take budgetary action.

General Outlook and Other Notes

Based on two months of data, the funds are still anticipated to close FY 2022 with minor variances from their original appropriation. The General Fund, for example, it anticipated to end with a slight \$30k unfavorable variance in addition to the budgeted fund balance utilization of \$585k (hence the total deficiency in Appendix C is \$615k). Similarly, other funds such as the Water and Sewer Funds have a (\$12k) and \$76 surplus/(deficiency) respectively. Again, as we continue to monitor and record monthly revenues/expenditures, we will continue to have a more precise vision of year-end results.

In other notes, the City's first multi-year forecast for FY 2022 to FY 2032 has been published on the City's Finance Department Website. This report and accompanied excel file allows users to input their own assumptions into the model (such as union COLAs, inflation rates, etc..) to determine the property tax / user fee rate increases required for each year. In addition to the multi-year forecast model, an FY 2021 Statement of Cash Flow has also been published to the website. This is an important statement that notes annual changes to our general ledger accounts and how they impact the cash provided and used by each fund over the year.

Thank you,



Tim Russo
Finance Director

Exhibit A) City of Lockport - Monthly Metric Benchmarking

Combined Sales Taxes				
Month	2019	2020	2021	2022
January	\$196	\$0	\$0	\$0
February	\$454,392	\$537,581	\$469,438	\$593,049
March	\$407,892	\$440,772	\$429,461	
April	\$583,444	\$581,503	\$677,151	
May	\$473,367	\$311,836	\$517,738	
June	\$595,675	\$497,539	\$542,171	
July	\$525,611	\$544,038	\$828,544	
August	\$488,937	\$433,779	\$552,974	
September	\$522,860	\$448,402	\$548,900	
October	\$650,166	\$858,609	\$815,211	
November	\$479,254	\$440,361	\$497,773	
December	\$1,063,377	\$1,166,752	\$1,353,428	
Annual Total	\$6,245,172	\$6,261,172	\$7,232,790	\$593,049
YTD Total	\$454,588	\$537,581	\$469,438	\$593,049

Metered Water Sales				
Month	2019	2020	2021	2022
January	\$295,986	\$297,007	\$301,094	\$294,409
February	\$260,683	\$254,496	\$256,025	\$255,502
March	\$405,376	\$395,895	\$380,084	
April	\$289,579	\$296,677	\$303,475	
May	\$256,745	\$256,303	\$254,526	
June	\$398,689	\$647,034	\$373,512	
July	\$298,889	\$37,626	\$310,474	
August	\$265,739	\$269,373	\$262,716	
September	\$425,389	\$397,879	\$405,477	
October	\$323,399	\$226,318	\$328,167	
November	\$258,601	\$278,051	\$269,140	
December	\$424,907	\$546,600	\$401,685	
Annual Total	\$3,903,982	\$3,903,260	\$3,846,375	\$549,911
YTD Total	\$556,668	\$551,503	\$557,119	\$549,911

Health Insurance Medical Claims				
Month	2019	2020	2021	2022
January	\$327,073	\$365,250	\$350,338	\$283,161
February	\$492,824	\$324,937	\$642,054	\$237,148
March	\$355,269	\$331,536	\$423,243	
April	\$341,465	\$150,496	\$330,084	
May	\$271,852	\$261,417	\$385,970	
June	\$226,553	\$307,858	\$337,826	
July	\$438,502	\$283,401	\$427,822	
August	\$349,046	\$320,825	\$481,298	
September	\$367,420	\$265,522	\$178,386	
October	\$261,919	\$372,888	\$398,173	
November	\$347,273	\$428,818	\$329,634	
December	\$349,195	\$297,395	\$200,818	
Annual Total	\$4,128,392	\$3,710,345	\$4,485,646	\$520,309
YTD Total	\$819,897	\$690,188	\$992,392	\$520,309

Refuse and Garbage Charges				
Month	2019	2020	2021	2022
January	\$0	\$0	(\$371)	\$0
February	\$1,604	\$505	\$483	\$638
March	\$918	\$134	\$732	
April	\$885	\$767	\$1,000	
May	\$641,780	\$643,697	\$646,125	
June	\$4	(\$786)	(\$444)	
July	\$868	\$625	\$1,820	
August	\$901	\$566	\$624	
September	\$906	\$1,277	\$817	
October	\$643,591	\$644,891	\$646,619	
November	\$602	\$352	\$371	
December	(\$1,661)	\$9,116	\$332	
Annual Total	\$1,290,398	\$1,301,144	\$1,298,108	\$638
YTD Total	\$1,604	\$505	\$112	\$638

Sewer Rents				
Month	2019	2020	2021	2022
January	\$233,862	\$236,104	\$244,087	\$235,263
February	\$183,698	\$197,246	\$209,093	\$196,386
March	\$311,770	\$297,203	\$289,803	
April	\$229,199	\$240,857	\$243,181	
May	\$179,902	\$201,357	\$201,065	
June	\$297,985	\$520,624	\$285,369	
July	\$231,129	\$34,408	\$245,496	
August	\$204,094	\$223,771	\$203,130	
September	\$317,706	\$309,502	\$301,489	
October	\$265,013	\$190,412	\$256,361	
November	\$201,775	\$208,311	\$212,508	
December	\$321,302	\$343,643	\$302,343	
Annual Total	\$2,977,435	\$3,003,440	\$2,993,923	\$431,649
YTD Total	\$417,560	\$433,350	\$453,180	\$431,649

Worker's Compensation Claims and Awards				
Month	2019	2020	2021	2022
January	\$25,962	\$25,361	\$23,927	\$19,423
February	\$156,370	\$28,641	\$21,680	\$19,390
March	\$24,913	\$39,215	\$23,171	
April	\$19,836	\$20,019	\$37,514	
May	\$62,964	\$46,371	\$20,347	
June	\$26,428	\$18,852	\$30,508	
July	\$51,001	\$22,829	\$20,785	
August	\$26,436	\$20,122	\$18,865	
September	\$22,122	\$19,957	\$18,759	
October	\$99,721	\$67,839	\$29,124	
November	\$91,678	\$59,082	\$15,944	
December	\$196,474	\$17,510	\$18,727	
Annual Total	\$803,904	\$385,796	\$279,351	\$38,813
YTD Total	\$182,332	\$54,001	\$45,607	\$38,813

Exhibit B) City of Lockport - Monthly Cash Benchmarking

General Fund				
Month	2019	2020	2021	2022
January	\$7,485,481	\$15,546,525	\$17,798,045	\$19,098,116
February	\$12,556,393	\$14,533,969	\$17,027,879	\$18,263,780
March	\$12,430,769	\$13,857,752	\$16,456,091	
April	\$12,415,323	\$13,536,258	\$15,623,345	
May	\$11,332,144	\$12,231,281	\$14,777,531	
June	\$10,536,564	\$11,213,429	\$13,712,318	
July	\$9,383,100	\$9,993,469	\$12,970,812	
August	\$8,718,197	\$9,146,606	\$12,280,165	
September	\$6,937,385	\$8,283,230	\$11,205,446	
October	\$6,278,031	\$7,651,250	\$10,060,279	
November	\$5,238,105	\$6,880,160	\$8,796,874	
December	\$4,373,616	\$6,664,360	\$7,965,416	

Water Fund				
Month	2019	2020	2021	2022
January	\$1,427,988	\$2,129,208	\$2,628,723	\$2,642,387
February	\$1,390,670	\$2,059,988	\$2,624,789	\$2,528,523
March	\$1,750,379	\$2,145,094	\$2,410,492	
April	\$1,934,555	\$2,187,804	\$2,483,927	
May	\$1,773,832	\$2,082,250	\$2,253,247	
June	\$1,856,442	\$2,243,870	\$2,332,919	
July	\$2,030,345	\$2,315,038	\$2,484,241	
August	\$2,069,234	\$2,407,317	\$2,547,756	
September	\$1,799,286	\$2,376,813	\$2,596,808	
October	\$1,784,054	\$2,238,293	\$2,368,372	
November	\$2,113,688	\$2,216,425	\$2,330,266	
December	\$2,020,072	\$2,579,966	\$2,625,687	

Health Insurance Fund				
Month	2019	2020	2021	2022
January	\$1,100,904	\$1,896,866	\$2,309,292	\$2,309,292
February	\$927,989	\$1,719,295	\$2,069,674	\$2,214,675
March	\$676,129	\$1,750,426	\$1,888,385	
April	\$436,847	\$1,958,385	\$1,910,279	
May	\$264,834	\$1,961,066	\$1,883,529	
June	\$30,955	\$2,105,150	\$2,024,272	
July	\$133,061	\$2,171,030	\$1,818,975	
August	\$14,389	\$2,207,294	\$1,685,015	
September	\$1,768,852	\$2,297,491	\$1,852,391	
October	\$1,536,529	\$2,183,213	\$1,799,002	
November	\$1,658,550	\$2,204,290	\$1,940,100	
December	\$1,806,436	\$2,260,574	\$1,959,592	

Refuse and Recycling Fund				
Month	2019	2020	2021	2022
January	\$278,946	\$279,629	\$228,806	\$275,621
February	\$201,535	\$139,096	\$140,675	\$197,803
March	\$118,686	\$53,833	\$56,990	
April	\$38,739	\$54,447	(\$38,160)	
May	(\$47,902)	(\$134,923)	(\$129,002)	
June	(\$133,056)	\$254,538	\$193,283	
July	\$167,639	\$179,471	\$195,332	
August	\$201,741	\$231,097	\$149,067	
September	\$108,578	\$45,998	\$56,369	
October	\$59,462	(\$110,252)	(\$80,793)	
November	(\$49,681)	\$115,500	\$217,571	
December	\$353,551	\$306,795	\$349,032	

Sewer Fund				
Month	2019	2020	2021	2022
January	\$806,298	\$1,081,511	\$1,536,779	\$1,635,729
February	\$580,701	\$1,088,058	\$1,663,905	\$1,595,185
March	\$692,539	\$1,079,858	\$1,511,408	
April	\$979,887	\$1,276,663	\$1,699,874	
May	\$715,776	\$1,093,714	\$1,431,550	
June	\$766,335	\$1,237,171	\$1,499,025	
July	\$1,058,987	\$1,444,144	\$1,590,576	
August	\$1,084,153	\$1,463,381	\$1,858,622	
September	\$907,957	\$1,550,040	\$1,861,897	
October	\$997,305	\$1,513,652	\$1,568,846	
November	\$979,618	\$1,453,768	\$1,617,365	
December	\$872,968	\$1,526,438	\$1,763,724	

Worker's Compensation Fund				
Month	2019	2020	2021	2022
January	\$1,997,340	\$1,745,702	\$1,998,255	\$2,393,153
February	\$1,810,515	\$1,788,014	\$1,928,873	\$2,334,752
March	\$1,816,543	\$1,701,080	\$1,955,724	
April	\$1,826,967	\$1,888,125	\$1,962,406	
May	\$1,798,140	\$1,850,060	\$2,011,136	
June	\$1,810,951	\$1,876,361	\$2,062,510	
July	\$1,863,941	\$1,914,344	\$2,118,521	
August	\$1,917,557	\$1,940,469	\$2,169,345	
September	\$1,946,815	\$1,935,185	\$2,207,318	
October	\$1,877,740	\$1,901,682	\$2,224,352	
November	\$1,854,624	\$1,903,516	\$2,311,173	
December	\$1,735,301	\$1,960,151	\$2,352,920	

Note: General Fund includes A.1450.11 (NYCLASS Investment) and A.1200.10 Universal Cash. Refuse contains CL.1200.10 Universal Cash. Water contains FX.1200.10 Universal Cash, FX.1201.18 Cash in Time Deposits (for FY 2019), and FX.1450.71 NYCLASS. Sewer contains G.1200.10 Universal Cash, G.1201.18 Cash in Time Deposits, and G.1450.71 NYCLASS. Health Insurance contains MS.1200.13. Worker's compensation contains S.1230.10 Cash, S.1450.71 NYCLASS, S.1452.11/71 Special Reserves.

Appendix C) General Fund - Cash Flow Statement
January to February Actual, Remainder Projected (Value in Thousands)

	January*	February*	March	April	May	June	July	August	September	October	November	December	Total:
Revenues:													
Real Property Taxes	13,198	223	94	34	180	28	37	8	17	17	24	7	13,867
Nonproperty Tax Items	2	594	494	706	359	571	659	496	537	969	506	1,358	7,251
Intergovernmental	1	36	42	0	-	-	0	-	-	-	-	497	576
Departmental	8	6	15	29	5	15	44	5	9	13	3	32	184
Use of Money	0	1	21	12	8	5	3	1	1	1	1	76	130
Licenses and Permits	16	8	11	9	11	24	19	16	18	17	12	27	188
Fines	-	6	17	34	2	15	5	7	7	24	17	20	154
Sale of Property	-	-	5	0	-	0	-	14	-	1	-	8	28
Miscellaneous	(31)	0	0	0	5	0	2	1	0	0	-	31	8
State Aid	-	0	(0)	63	-	155	10	42	271	9	-	2,619	3,171
Federal Aid	-	5	0	-	-	-	-	-	2	-	4	17	27
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	65	65
Total Revenues:	13,193	879	700	887	570	814	780	590	860	1,052	566	4,757	25,647
Expenditures:													
Personal Services	789	861	871	814	797	1,295	851	879	875	848	856	1,715	11,452
Equipment	10	23	19	17	2	61	1	53	3	44	6	(0)	240
Contractual	396	310	371	314	75	320	349	228	325	188	184	486	3,545
Debt Principal	-	-	-	-	485	-	-	-	-	166	13	-	665
Debt Interest	-	-	-	10	15	0	-	1	-	23	12	-	61
Employee Benefits	1,231	807	787	562	697	618	558	620	829	577	577	2,324	10,186
Interfund Transfers	-	114	-	-	-	-	-	-	-	-	-	-	114
Total Expenditures:	2,426	2,113	2,049	1,717	2,071	2,294	1,759	1,782	2,032	1,846	1,649	4,525	26,262
<i>Surplus (Deficiency)</i>	<i>10,767</i>	<i>9,532</i>	<i>8,183</i>	<i>7,353</i>	<i>5,852</i>	<i>4,371</i>	<i>3,392</i>	<i>2,201</i>	<i>1,029</i>	<i>235</i>	<i>(847)</i>	<i>(615)</i>	
Month-End Cash Balance	19,078	18,264	16,915	16,085	14,583	13,103	12,123	10,932	9,761	8,967	7,884	8,117	

Appendix D) Water Fund - Cash Flow Statement
January to February Actual, Remainder Projected (Value in Thousands)

	January*	February*	March	April	May	June	July	August	September	October	November	December	Total:
Revenues:													
Intergovernmental Charges	-	-	-	-	-	-	-	-	-	-	-	129	129
Departmental Income	311	265	416	310	270	691	61	302	414	238	295	570	4,142
Use of Money and Property	-	1	1	0	1	1	0	0	0	0	0	0	4
Licenses and Permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation for Loss	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
State Aid	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	51	51
Total Revenues:	311	266	416	310	270	692	61	302	414	238	296	750	4,326
Expenditures:													
Personal Services	65	88	92	95	92	93	149	90	93	95	96	128	1,174
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Contractual	23	63	42	82	31	62	40	47	285	91	37	333	1,135
Debt Principal	-	-	-	-	271	-	-	-	-	234	-	-	505
Debt Interest	-	-	-	25	11	34	-	2	-	57	9	-	138
Employee Benefits	130	74	129	81	81	81	87	82	82	83	84	235	1,230
Interfund Transfers	-	78	-	-	-	-	-	-	-	-	-	78	157
Total Expenditures:	218	304	263	283	485	270	276	220	460	559	226	775	4,338
<i>Surplus (Deficiency)</i>	<i>93</i>	<i>55</i>	<i>208</i>	<i>236</i>	<i>21</i>	<i>443</i>	<i>228</i>	<i>310</i>	<i>264</i>	<i>(57)</i>	<i>13</i>	<i>(12)</i>	
Month-End Cash Balance	2,642	2,529	2,682	2,710	2,494	2,917	2,702	2,784	2,738	2,417	2,487	2,462	

Appendix E) Sewer Fund - Cash Flow Statement

January to February Actual, Remainder Projected (Value in Thousands)

	January*	February*	March	April	May	June	July	August	September	October	November	December	Total:
Revenues:													
Departmental Income	239	220	335	415	247	584	217	246	357	399	219	550	4,029
Use of Money and Property	0	0	0	0	0	0	0	0	0	0	0	0	1
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	83	83
Total Revenues:	239	220	335	415	247	584	217	247	357	399	219	633	4,112
Expenditures:													
Personal Services	58	67	85	82	81	86	135	81	81	84	81	107	1,030
Equipment	-	-	-	-	-	-	-	-	12	0	-	9	21
Contractual	18	58	59	34	32	69	92	81	119	76	83	497	1,218
Debt Principal	-	-	44	-	274	-	-	-	-	217	51	-	586
Debt Interest	-	-	5	12	12	1	-	6	-	38	12	-	87
Employee Benefits	112	62	115	69	69	70	76	69	69	70	71	205	1,057
Interfund Transfers	-	38	-	-	-	-	-	-	-	-	-	-	38
Total Expenditures:	188	225	308	197	469	226	303	237	281	486	297	817	4,036
<i>Surplus (Deficiency)</i>	<i>51</i>	<i>46</i>	<i>73</i>	<i>291</i>	<i>69</i>	<i>426</i>	<i>340</i>	<i>349</i>	<i>425</i>	<i>339</i>	<i>260</i>	<i>76</i>	
Month-End Cash Balance	1,636	1,595	1,622	1,840	1,618	1,976	1,890	1,899	1,975	1,888	1,810	1,626	

Appendix F) Refuse and Recycling Fund - Cash Flow Statement

January to February Actual, Remainder Projected (Value in Thousands)

	January*	February*	March	April	May	June	July	August	September	October	November	December	Total:
Revenues:													
Fees and Fund Revenues	14	1	0	1	698	(1)	1	1	1	699	0	10	1,425
Total Revenues:	14	1	0	1	698	(1)	1	1	1	699	0	10	1,425
Expenditures:													
Equipment and Capital Outlay	-	-	-	-	-	-	-	-	25	-	-	-	25
Contractual	89	88	99	103	107	110	112	1	218	109	109	294	1,440
Debt Principal	-	-	-	-	-	-	-	-	-	31	-	-	31
Debt Interest	-	-	-	2	-	-	-	-	-	2	-	-	5
Total Expenditures:	89	88	99	105	107	110	112	1	243	143	109	294	1,502
<i>Surplus (Deficiency)</i>	<i>(75)</i>	<i>(163)</i>	<i>(262)</i>	<i>(366)</i>	<i>225</i>	<i>113</i>	<i>2</i>	<i>2</i>	<i>(240)</i>	<i>316</i>	<i>207</i>	<i>(77)</i>	
Month-End Cash Balance	276	198	99	(6)	585	474	363	362	120	676	568	283	

Appendix G) Health Insurance Fund - Cash Flow Statement
January to February Actual, Remainder Projected (Value in Thousands)

	January*	February*	March	April	May	June	July	August	September	October	November	December	Total:
Revenues:													
Intergovernmental Charges	540	543	574	574	574	574	574	574	574	574	574	574	6,827
Use of Money and Property	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	10	12	8	8	9	10	9	10	9	10	9	9	112
Total Revenues:	550	555	582	582	584	584	583	584	583	584	583	584	6,939
Expenditures:													
Contractual Costs	434	362	606	495	514	574	547	657	522	589	729	531	6,561
Total Expenditures:	434	362	606	495	514	574	547	657	522	589	729	531	6,561
<i>Surplus (Deficiency)</i>	<i>116</i>	<i>309</i>	<i>285</i>	<i>372</i>	<i>442</i>	<i>452</i>	<i>488</i>	<i>415</i>	<i>476</i>	<i>472</i>	<i>326</i>	<i>379</i>	
Month-End Cash Balance	2,309	2,215	2,184	2,262	2,322	2,323	2,351	2,268	2,320	2,306	2,151	2,194	

Appendix H) Worker's Compensation Fund - Cash Flow Statement

January to February Actual, Remainder Projected (Value in Thousands)

	January*	February*	March	April	May	June	July	August	September	October	November	December	Total:
Revenues:													
Intergovernmental Charges	82	62	66	64	63	63	94	64	64	64	63	94	843
Total Revenues:	82	62	66	64	63	63	94	64	64	64	63	94	843
Expenditures:													
Contractual Costs	42	121	72	72	72	72	72	72	72	72	72	72	880
Total Expenditures:	42	121	72	72	72	72	72	72	72	72	72	72	880
<i>Surplus (Deficiency)</i>	40	(19)	(25)	(33)	(41)	(50)	(27)	(35)	(43)	(50)	(59)	(37)	
Month-End Cash Balance	2,393	2,335	2,329	2,321	2,313	2,304	2,327	2,319	2,311	2,303	2,295	2,317	