

CITY OF LOCKPORT
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TIM RUSSO
Director of Finance

May 25th, 2022

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

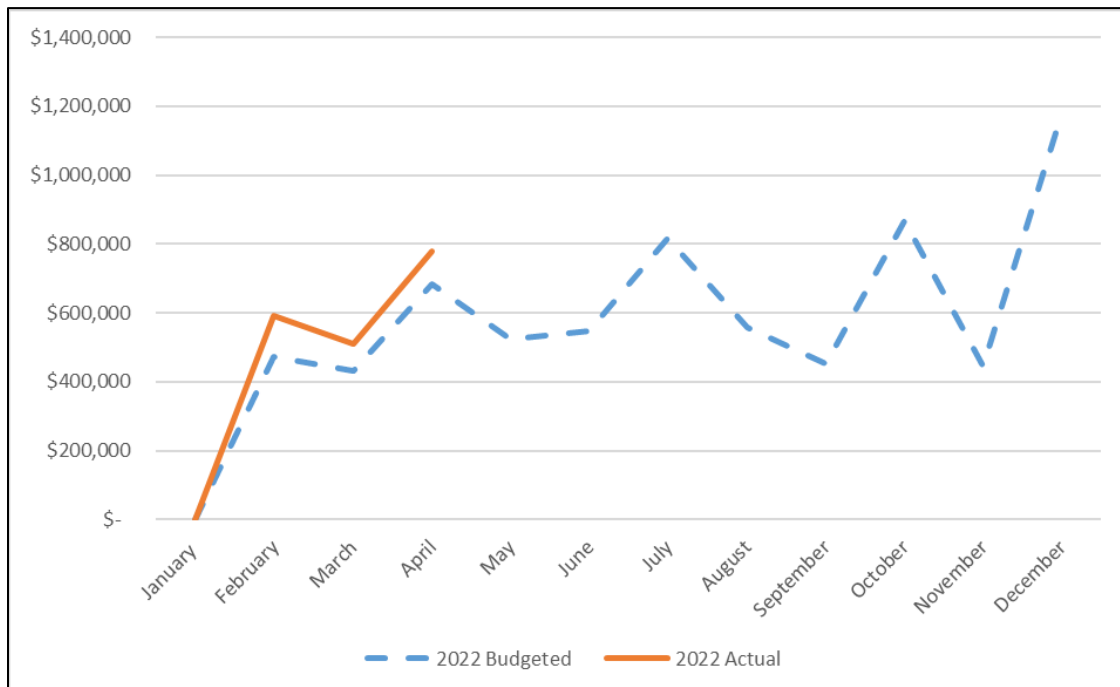
Re: Monthly Financial Update - May

This memo will provide an update to the monthly finance reports and discuss relevant changes that occurred during the months of April and May. 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

Monthly combined sales tax revenues continue to exceed the budgeted allocations by relatively significant amounts. As stated in the FY 2022 Appropriation, sales taxes for this year were forecasted based on the last twelve months of experienced revenue plus a minor 1% increase for inflation. As seen in **Exhibit 1** (below) City revenues exceed this amount, producing a budget surplus in the line item amounting to \$291k.

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



Capital project H181 – Financial System Implementation has been on pause since late 2019 when City officials were unable to provide required documentation for reimbursement. The project, which already had \$360k in spending, formally left an active contract status with NYS in early FY 2020. Fortunately, a new contract has been approved as of last December and the first round of reimbursement has been officially received by the City. A second voucher has been supplied to NYS for the remainder of the paid costs to date. Once received, the City’s Finance Department, in coordination with the IT Department, will propose changes to the contract to fit current needs of the City’s IT infrastructure as it relates to financial capabilities.

The City’s annual financial audit, encompassing the accounting and internal controls of financial management for the 2021 fiscal year has been completed by the third-party auditor. While the full reports and management letter are not yet finalized, the group is scheduled to finish and present their findings to Council on June 8th. Secondly, Moody’s annual review of City credit has maintained the A3 issuer rating. The annual review, conducted in early FY 2022, reviewed and analyzed our market position, debt affordability, and financial position. Despite COVID-19 conditions decreasing our financial and environmental stability, the City has managed to prioritize financial improvements which has contributed to our high continued scoring.

Trends to Watch

Cash levels in the Refuse and Recycling Fund amounts to \$37,114 at the end of April. While this does not meet the minimum cash level requirements of the fund per City policy, this number is higher than that of the end of April 2021, which totaled -\$38,160. Continued commitment to minimizing expenses and maximizing revenues will ensure that the fund will continue to increase its cash balances with the goal to meet the minimal threshold.

Unfavorable Results

The purchase of the raw water pump station emergency generator, authorized via resolution 012622.15 with the use of upcoming ARPA funds, has been denied funding by the NYS Water Infrastructure Improvement (WIIA) grant. Without other grant-based funding, it is anticipated that the project will be funded entirely with ARPA funds. Of the total \$2,082,557.84 in ARPA funds to be received by the City over two years, the following projects have been authorized for a total of \$1,807,632:

- Sewer Vacuum (H209) for \$377,527
- Two Street Sweepers (H210) for \$417,440
- Chipper (H211) for \$36,813
- 12-Ton Truck (H212) for \$175,852
- Raw Water Generator (H218) for \$800,000

The City’s first annual reporting to the Federal Treasury for the ARPA funds has been completed for the 2022 fiscal year.

General Outlook and Other Notes

As seen in Appendices C through H, the general outlook for each fund varies slightly from the budgeted amounts. The General Fund has a slight positive variance, ending the year with a deficit of \$305k, compared to the budgeted amount of \$616k. The Water fund is forecasted to end FY 2022 with a deficit of \$100k, largely due to lower-than-anticipated revenue, while the Sewer Fund is forecasted to have a minor surplus based on budgeted costs so far for 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	\$508,689
April	\$583,444	\$581,503	\$677,151	\$778,809
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	\$1,880,547
YTD Total	\$1,445,925	\$1,559,856	\$1,576,050	\$1,880,547

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	\$377,768
April	\$289,579	\$296,677	\$303,475	\$299,208
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	\$1,226,887
YTD Total	\$1,251,623	\$1,244,076	\$1,240,677	\$1,226,887

Health Insurance Medical Claims				
Month	2019	2020	2021	2022
January	\$327,073	\$365,250	\$350,338	\$252,854
February	\$492,824	\$324,937	\$642,054	\$284,383
March	\$355,269	\$331,536	\$423,243	\$326,715
April	\$341,465	\$150,496	\$330,084	\$229,961
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	\$1,093,912
YTD Total	\$1,516,632	\$1,172,220	\$1,745,719	\$1,093,912

Refuse and Garbage Charges				
Month	2019	2020	2021	2022
January	\$0	\$0	(\$371)	\$0
February	\$1,604	\$505	\$483	\$638
March	\$918	\$134	\$732	\$469
April	\$885	\$767	\$1,000	\$1,477
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	\$2,584
YTD Total	\$3,407	\$1,406	\$1,844	\$2,584

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	\$290,996
April	\$229,199	\$240,857	\$243,181	\$239,743
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	\$962,388
YTD Total	\$958,530	\$971,410	\$986,164	\$962,388

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	\$28,327
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	\$67,140
YTD Total	\$227,080	\$113,235	\$106,292	\$67,140

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	\$17,520,903
April	\$12,415,323	\$13,536,258	\$15,623,345	\$17,042,301
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	\$2,446,885
April	\$1,934,555	\$2,187,804	\$2,483,927	\$2,429,685
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	\$2,296,827
April	\$436,847	\$1,958,385	\$1,910,279	\$2,468,381
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	\$121,517
April	\$38,739	\$54,447	(\$38,160)	\$37,114
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	\$1,412,857
April	\$979,887	\$1,276,663	\$1,699,874	\$1,581,585
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	\$2,058,101
April	\$1,826,967	\$1,888,125	\$1,962,406	\$2,077,857
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	27	37	180	28	37	8	17	17	24	7	13,803
Nonproperty Tax Items	2	594	574	789	359	571	659	496	537	969	506	1,358	7,413
Intergovernmental	1	36	1	1	-	-	0	-	-	-	-	497	536
Departmental	8	6	8	7	5	15	44	5	9	13	3	32	155
Use of Money	0	1	2	4	8	5	3	1	1	1	1	76	102
Licenses and Permits	16	8	34	16	11	24	19	16	18	17	12	27	218
Fines	-	6	9	12	2	15	5	7	7	24	17	20	124
Sale of Property	-	-	10	1	-	0	-	14	-	1	-	8	34
Miscellaneous	(31)	0	3	9	5	0	2	1	0	0	-	31	20
State Aid	-	0	-	-	-	155	10	42	271	9	-	2,619	3,107
Federal Aid	-	5	4	-	-	-	-	-	2	-	4	17	31
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	65	65
Total Revenues:	13,193	879	672	876	570	814	780	590	860	1,052	566	4,757	25,608
Expenditures:													
Personal Services	789	861	836	823	797	1,295	851	879	875	848	856	1,715	11,426
Equipment	10	23	5	40	2	61	1	53	3	44	6	(0)	248
Contractual	396	310	285	221	75	320	349	228	325	188	184	486	3,366
Debt Principal	-	-	60	-	477	-	-	-	-	166	13	-	717
Debt Interest	-	-	9	10	6	0	-	1	-	23	12	-	62
Employee Benefits	1,231	807	575	569	697	618	558	620	829	577	577	2,324	9,981
Interfund Transfers	-	114	-	-	-	-	-	-	-	-	-	-	114
Total Expenditures:	2,426	2,113	1,770	1,664	2,054	2,294	1,759	1,782	2,032	1,846	1,649	4,525	25,913
<i>Surplus (Deficiency)</i>	<i>10,767</i>	<i>9,532</i>	<i>8,434</i>	<i>7,646</i>	<i>6,161</i>	<i>4,681</i>	<i>3,701</i>	<i>2,510</i>	<i>1,339</i>	<i>545</i>	<i>(538)</i>	<i>(305)</i>	
Month-End Cash Balance	19,078	18,264	17,521	17,042	15,558	14,077	13,097	11,906	10,735	9,941	8,858	9,091	

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	386	305	270	691	61	302	414	238	295	570	4,107
Use of Money and Property	-	0	0	0	1	1	0	0	0	0	0	0	3
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	51	51
Total Revenues:	311	265	386	305	270	692	61	302	414	238	296	750	4,290
Expenditures:													
Personal Services	65	88	88	85	92	93	149	90	93	95	96	128	1,160
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Contractual	23	63	133	74	31	62	40	47	285	91	37	333	1,219
Debt Principal	-	-	160	-	271	-	-	-	-	114	-	-	545
Debt Interest	-	-	50	15	11	34	-	2	-	19	9	-	140
Employee Benefits	130	74	74	74	81	81	87	82	82	83	84	235	1,167
Interfund Transfers	-	78	-	-	-	-	-	-	-	-	-	78	157
Total Expenditures:	218	304	506	248	485	270	276	220	460	401	226	775	4,388
<i>Surplus (Deficiency)</i>	<i>93</i>	<i>54</i>	<i>(66)</i>	<i>(9)</i>	<i>(224)</i>	<i>198</i>	<i>(17)</i>	<i>65</i>	<i>19</i>	<i>(143)</i>	<i>(74)</i>	<i>(98)</i>	
Month-End Cash Balance	2,642	2,529	2,447	2,430	2,214	2,637	2,422	2,504	2,458	2,295	2,365	2,340	

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	317	415	247	584	217	246	357	399	219	550	4,010
Use of Money and Property	0	0	1	36	0	0	0	0	0	0	0	0	37
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	83	83
Total Revenues:	239	220	318	451	247	584	217	247	357	399	219	633	4,130
Expenditures:													
Personal Services	58	67	65	60	81	86	135	81	81	84	81	107	987
Equipment	-	-	2	-	-	-	-	-	12	0	-	9	23
Contractual	18	58	79	92	32	69	92	81	119	76	83	497	1,296
Debt Principal	-	-	153	-	274	-	-	-	-	118	51	-	596
Debt Interest	-	-	22	10	12	1	-	6	-	23	12	-	87
Employee Benefits	112	62	60	58	69	70	76	69	69	70	71	205	991
Interfund Transfers	-	38	-	-	-	-	-	-	-	-	-	-	38
Total Expenditures:	188	225	381	220	469	226	303	237	281	372	297	817	4,018
<i>Surplus (Deficiency)</i>	<i>51</i>	<i>46</i>	<i>(17)</i>	<i>213</i>	<i>(9)</i>	<i>349</i>	<i>262</i>	<i>271</i>	<i>347</i>	<i>375</i>	<i>296</i>	<i>113</i>	
Month-End Cash Balance	1,636	1,595	1,413	1,582	1,359	1,717	1,631	1,640	1,716	1,743	1,665	1,481	

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	1	2	698	(1)	1	1	1	699	0	10	1,427
Total Revenues:	14	1	1	2	698	(1)	1	1	1	699	0	10	1,427
Expenditures:													
Equipment and Capital Outlay	-	-	-	-	-	-	-	-	25	-	-	-	25
Contractual	89	88	87	89	107	110	112	1	218	109	109	294	1,415
Debt Principal	-	-	-	-	-	-	-	-	-	31	-	-	31
Debt Interest	-	-	-	2	-	-	-	-	-	2	-	-	5
Total Expenditures:	89	88	87	91	107	110	112	1	243	143	109	294	1,476
<i>Surplus (Deficiency)</i>	<i>(75)</i>	<i>(163)</i>	<i>(249)</i>	<i>(338)</i>	<i>253</i>	<i>141</i>	<i>30</i>	<i>30</i>	<i>(212)</i>	<i>344</i>	<i>235</i>	<i>(49)</i>	
Month-End Cash Balance	276	198	122	37	628	517	406	405	163	719	610	326	

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	553	555	574	574	574	574	574	574	574	574	6,786
Use of Money and Property	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	10	12	8	8	9	10	9	10	9	10	9	9	112
Total Revenues:	550	555	561	563	584	584	583	584	583	584	583	584	6,898
Expenditures:													
Contractual Costs	434	362	531	306	514	574	547	657	522	589	729	531	6,297
Total Expenditures:	434	362	531	306	514	574	547	657	522	589	729	531	6,297
<i>Surplus (Deficiency)</i>	<i>116</i>	<i>309</i>	<i>339</i>	<i>595</i>	<i>664</i>	<i>675</i>	<i>711</i>	<i>638</i>	<i>699</i>	<i>694</i>	<i>549</i>	<i>601</i>	
Month-End Cash Balance	2,309	2,215	2,297	2,468	2,528	2,529	2,556	2,474	2,526	2,511	2,357	2,400	

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	63	63	63	63	94	64	64	64	63	94	840
Total Revenues:	82	62	63	63	63	63	94	64	64	64	63	94	840
Expenditures:													
Contractual Costs	42	121	43	37	72	72	72	72	72	72	72	72	816
Total Expenditures:	42	121	43	37	72	72	72	72	72	72	72	72	816
<i>Surplus (Deficiency)</i>	40	(19)	2	28	20	11	34	26	18	11	2	24	
Month-End Cash Balance	2,393	2,335	2,058	2,078	2,069	2,061	2,084	2,076	2,068	2,060	2,052	2,074	