



TO: Michael Ilczyszyn, City Manager
Connie Barron, Assistant City Manager
Mark Mason, Interim Assistant City Manager

FROM: Crystal Feast, Acting Financial Services Director
Brett Limbaugh, Development Services Director

DATE: February 24, 2025

SUBJECT: Response to CCCIA's BIOC Committee Questions

Below are responses to the questions from the CCCIA's BIOC Committee.

1. Where is the Revenue for rent money received on Santa Barbara Building from Heritage Charter? The portion belonging to the Building Fund is recorded each month in *Rent & Royalties*. Pursuant to GASB 87, this lease is recognized as Receivable on the Balance Sheet; therefore, an entry is recorded at yearend to account for the year's activity, reducing the Receivable and reclassing the amount in *Rent & Royalties* to *Capital Lease Revenue*.
2. What is the Lease Proceeds line item in the Revenue for the Bldg. Dept.? This account is not currently being used.
3. What is Rents and Royalties line item in the Revenue for the Bldg. Dept.? The Year End for 2024 showed 53,719 and the FY 2025 shows a beginning balance of \$0. What happened to the money? Revenue accounts don't have beginning balances. I believe they're referring to the FY2024 balance on the FY2025 Financial Statements. This is used to account for rent revenue from Heritage Charter School. The Building Fund's portion of revenue is recorded in *Rent & Royalties* each month. Pursuant to GASB 87, this lease is recognized as Receivable on the Balance Sheet; therefore, an entry is recorded at yearend to account for the year's activity, reducing the Receivable and reclassing the amount in *Rent & Royalties* to *Capital Lease Revenue*.
4. What is Capital Asset Xfer (Sale)? What was sold? This line item is not in the YR End 2024 report but now has a beginning balance. Two trucks were sold to the Fire Department. The transaction was recorded after the Preliminary FY24 Financial Statements were provided.
5. What is Capital Lease Revenue? This line item is not in the YR End 2024 report but now has a beginning balance. The Building Fund's portion of revenue is recorded in *Rent & Royalties* each month. Pursuant to GASB 87, this lease is recognized as Receivable on the Balance Sheet; therefore, an entry is recorded at yearend to

account for the year’s activity, reducing the Receivable and reclassing the amount in *Rent & Royalties to Capital Lease Revenue*.

6. Where are the monies for the recoup cost of staff lending to other municipality for storm? Provide a Breakdown? Requests for reimbursement have been submitted, but funds have yet to be received from the State.
7. Why are we still using outside services when permit applications are down and revenue is down? Why was overtime used in Nov & Dec? The Building Division is continuing to utilize outside services due to difficulties in filling FTE plans examiner and inspector positions. Overtime was used in November and December due to significant staff utilization of paid time off over the Thanksgiving and Christmas holidays.
8. Why is there no adjustment made to postage & Shipping budget based on history of spending? The atypical postage and shipping expenditures are due to the large volume of mailings required for floodplain management projects after Hurricanes Ian, Helene, and Milton. As the City is nearing the completion of its Hurricane Milton notification, inspection, and enforcement project, Development Services expects a return to expected postage and shipping spending.
9. What is computer software license expenditure of \$176,997? What is our share for Energov maintenance? What is the total cost of computer software license? This amount consists of the purchase of a floodplain management software (Forerunner - \$170,500) and a project management software (Bluebeam - \$6,497). The Building Fund’s share of Energov is 70%.
10. Why hasn’t there been any monthly Interfund Svc Payments? A quarterly entry was recorded in January to cover October – December. Moving forward, this entry will be recorded monthly.
11. What is \$31,222 taken from the Emergency Pay in October 24? This expenditure relates to Emergency Pay to employees for work performed during Hurricane Helene and Hurricane Milton.