

Financial picture looking rosy in Crescent City

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An extremely conservative approach during the COVID-19 pandemic led to a surprise increase in revenue in Crescent City.

City Finance Director Linda Leaver told the city council that due to the pandemic, the staff and council put together a very conservative budget for the 2021 fiscal year. When revenue came in higher than expected, it enabled the city to replenish city reserves and has given the city an unexpected amount of money.

We all know that in fiscal 21 the budget was especially challenging,” Leaver said. “The past year was much more so than usual. The budget was adopted in June 2020, which was only three months after the COVID-19 pandemic began. When the budget was adopted, the council made significant cuts due to all the uncertainty. Wages and benefits are a major driver for the city budget. In fiscal 21, our wages and benefits actual costs were lower than the year before. We had a lot of staff turnover in the last year. We also came in significantly lower in police overtime.”

At the end of the 2021 fiscal year, the city brought in \$7.3 million in general fund revenue with expenses of just \$5.2 million. As a result, the city’s reserve funds, or emergency funds, grew from \$1.4 million to almost \$3.5 million.

Under city ordinances, Crescent City is required to have enough reserve funds to pay for city operations for four months.

After hearing the report, Councilor Blake Inscore said the extra money puts Crescent City in a unique position.

All of this is obviously good news, and I think we'll see better news as we see the projections finalized," Inscore said. "We may have a very unique opportunity this year because of everything that has happened unexpectedly. I think we need to be very aware of those one-time opportunities and be very clear to our community that increased revenues allow us to do those things we've wanted to do but couldn't get done. I think we need to seize this opportunity. I think we ought to take a stab, not waiting for a grant, but do another section on Front Street. I really believe we're going to have an opportunity to do that level of impact this year. I'm excited about the opportunity of reinvesting in our community."

During the same meeting, the city received a clean audit for the 2021 fiscal year.

Auditor Mites Desar said the audit showed the city was in good financial position.

"No significant weaknesses were identified in the audit," he said. "We don't have any concerns about the city ongoing in the future. We don't have any concerns about the city's financial position."