

# CITY COUNCIL AGENDA ITEM COVER SHEET

**Meeting Date:** November 13, 2018

**To:** Honorable Mayor and Members of the City Council

**From:** Will Norris, Finance Dir. / Asst. City Manager

**Subject:** First Quarter Financial Performance Report

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## **Background:**

The First Quarter Financial Report includes three months of financial data through 25% of the fiscal year. The attached report includes full-year estimates-to-close based on historical financial patterns, knowledge of upcoming expenditures, and actual spending and revenue received through September 30, 2018. Financial data for programs returned to the General Fund in FY2018-19 (Emergency Medical Services, Parking, Municipal Court, and Engineering) are displayed as if each had been part of the General Fund in FY2017-18. This provides an easier year-to-year financial comparison.

## **Discussion:**

Financial trends through the first three months of FY2018-19 are in alignment with expectations. Due to the very strong revenue growth experienced over the prior three-years, the City continues to enjoy an operating surplus and will likely continue to do so until the next recession. Additional points worth noting include:

### *Transient Room Tax*

After transient revenue tax growth stagnated in the latter half of FY2017-18, the City experienced a large increase in July and August receipts. These months were up 8% compared to the same two months the prior year. This lends support to the assertion that wild fires were largely to blame for the below average summer growth rates.

### *Parking Meter Receipts*

Parking meter receipts have continued a two-year trend of no growth. This most likely is due to a maximum saturation of available spaces. Staff continues to monitor this and other revenue sources that may be a leading indicator of economic activity, such as local gas tax.

### *Miscellaneous Revenues*

The timing of receipt of Children's Park donations held in trust by the Rotary Foundation is the reason why miscellaneous revenues are well above budget. An adjustment for these revenues will be included in the next supplemental budget.

## **Staff Recommendation:**

Receive and file quarterly financial report for the period ending September 30, 2018.

### Attachments

Quarterly Financial Report for the period ending September 30, 2018

**GENERAL FUND REVENUE SUMMARY**  
Through September 2018 (25% of Fiscal Year)

Resources	Budget	Actual Through Sept. 2018	Year End Estimate	Year End Estimate Over / (Under) Budget	Percent of Budget Received thru Sept. 2018	Fiscal Year 2017-18	
						Revenue thru Sept. 2017	Year-End Actual
<b>Taxes</b>							
Current Property Tax	2,299,478	-	2,299,478	-	0%	-	2,190,996
Previously Levied Tax	51,278	43,866	64,035	12,757	86%	11,081	43,505
Transient Room Tax	1,566,463	448,667	1,644,429	77,966	29%	553,679	1,894,382
Local Marijuana Tax	88,000	-	88,000	-	0%	-	98,721
<b>Licenses &amp; Permits</b>							
Franchise Fees	801,866	107,377	816,073	14,207	13%	111,687	808,386
Utility Fees	571,913	164,828	590,501	18,588	29%	153,157	543,529
Parking Meter Receipts	669,165	211,484	645,801	(23,364)	32%	216,012	658,701
All Other	133,000	42,277	142,666	9,666	32%	41,227	135,263
<b>Fines &amp; Forfeitures</b>							
Parking Fines	176,588	69,375	172,750	(3,838)	39%	62,913	137,646
Municipal Court Revenue	260,073	98,350	285,085	25,012	38%	90,419	283,983
All Other	38,000	5,820	35,269	(2,731)	15%	(12,473)	38,135
<b>Intergovernmental</b>	276,007	47,394	259,984	(16,023)	17%	35,301	265,481
<b>Charges for Services</b>							
Ambulance Revenues	919,803	193,121	871,286	(48,517)	21%	185,488	724,197
All Other	215,066	34,822	196,124	(18,942)	16%	60,819	247,122
<b>Interest Earnings</b>	68,684	11,793	77,272	8,588	17%	59,350	74,739
<b>Misc. Revenues</b>	53,306	187,385	284,904	231,598	352%	8,660	252,010
<i>Sub-total Operating Revenues</i>	<i>8,188,690</i>	<i>1,666,557</i>	<i>8,473,658</i>	<i>284,968</i>	<i>20%</i>	<i>1,577,319</i>	<i>8,396,797</i>
<b>Interfund Transfers In</b>	831,395	806,101	806,101	(25,294)	97%	137,500	550,000
<b>TOTAL</b>	<b>9,020,085</b>	<b>2,472,658</b>	<b>9,279,759</b>	<b>259,674</b>	<b>27%</b>	<b>1,714,819</b>	<b>8,946,797</b>

**GENERAL FUND EXPENDITURE SUMMARY**  
Through September 2018 (25% of Fiscal Year)

Department	Budget	Actual Through Sept. 2018	Year End Estimate	Year End Estimate Over / (Under) Budget	Percent of Budget Expended thru Sept. 2018	Fiscal Year 2017-18	
						Expenses thru Sept. 2017	Year-End Actual
<b>Public Safety - Fire</b>	2,362,284	571,387	2,283,817	(78,467)	24%	631,221	2,276,563
<b>Public Safety - EMS</b>	823,693	197,890	843,311	19,618	24%	168,645	711,044
<b>Public Safety - Police</b>	2,336,406	561,196	2,286,178	(50,228)	24%	538,931	2,066,169
<b>Parks</b>	613,412	156,571	570,990	(42,422)	26%	125,438	869,033
<b>Planning</b>	531,294	105,432	485,998	(45,296)	20%	130,916	443,512
<b>Parking</b>	618,478	92,224	481,992	(136,486)	15%	97,724	397,888
<b>Engineering</b>	164,255	15,495	156,508	(7,747)	9%	16,585	92,892
<b>Municipal Court</b>	125,690	25,678	113,667	(12,023)	20%	30,067	122,221
<b>City Council</b>	42,501	7,351	36,320	(6,181)	17%	1,847	67,375
<i>Sub-total Department Expenditures</i>	<i>7,618,013</i>	<i>1,733,224</i>	<i>7,258,781</i>	<i>(359,232)</i>	<i>23%</i>	<i>1,741,374</i>	<i>7,046,698</i>
<b>Non-Departmental</b>							
Materials & Services	176,217	88,687	176,217	-	50%	1,591	573,201
Interfund Transfers Out	1,123,743	988,743	1,123,743	-	88%	35,174	140,696
Contingency	328,000	-	82,000	(246,000)	0%	-	-
<b>TOTAL</b>	<b>9,245,973</b>	<b>2,810,654</b>	<b>8,640,741</b>	<b>(605,232)</b>	<b>30%</b>	<b>1,778,139</b>	<b>7,760,595</b>

Estimated Surplus/(Deficit)	<b>639,018</b>
FY2018/19 Beginning Bal.	<b>3,068,594</b>
Projected FY2018/19 Ending Bal.	<b>3,707,612</b>

<b>Pooled Cash &amp; Investments</b> <i>(Including URA)</i>	
Sept. 2018	20,030,834
Sept. 2017	19,121,134

**OTHER MAJOR REVENUE SOURCES SUMMARY**  
Through September 2018 (25% of Fiscal Year)

Revenue	Budget	Actual Through Sept. 2018	Year End Estimate	Year End Estimate Over / (Under) Budget	Percent of Budget Received thru Sept. 2018	Fiscal Year 2017-18	
						Revenues thru Sept. 2016	Year-End Actual
Gas Tax - Local	353,020	66,851	334,678	(18,342)	19%	70,166	348,573
Gas Tax - State	576,578	93,804	586,271	9,693	16%	79,638	508,025
Utility Charges							
Water	2,733,273	885,072	2,818,191	84,918	32%	842,405	2,640,360
Sewer	3,838,838	1,020,467	3,867,667	28,829	27%	935,854	3,605,416
Storm	511,810	129,860	515,746	3,936	25%	123,007	490,901