

CITY COUNCIL AGENDA ITEM COVER SHEET

Meeting Date: February 11, 2019

To: Honorable Mayor and Members of the City Council

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

Subject: Second Quarter Financial Performance Report

Background:

The Second Quarter Financial Report includes six months of financial data through the first half of FY2018-19. The attached report includes full-year estimates-to-close based on historical spending patterns and staff knowledge of upcoming expenditures. The attached projections should be interpreted as staff's best full year estimates given expenditures and revenues through December 31, 2018. The second quarter revenue projections in the attached report are particularly significant because they will become the basis for revenue projections in the development of the FY2019-20 Proposed Budget.

Discussion:

No significant changes in financial trends or the overall state of the City finances were identified with the addition of financial performance data from September through December. Both total yearend General Fund revenue estimates and expenditures were revised down slightly with nearly no net effect on projected ending fund balance.

The only financial item worth noting is a downward revision to ambulance revenues. Two-years ago the City budgeted to incrementally add two Fire Fighter positions based on an expectation of resulting ambulance revenue to offset the added personnel cost. The projected revenue materialized after the hire of the first additional Fire Fighter which lead to the planned decision to add the second position in FY2018-19.

Since the hire of the second position, ambulance revenues have declined slightly. Staff has been analyzing the root causes for the missed revenue expectation. While many factors have contributed, the driving cause appears to be lower billing collection rates. Staff will be working with the City's ambulance billing vendor, Systems Design, to determine why collection rates have been declining and whether the trend can be reversed over the next several months. Additional information is expected prior to the issuance of the FY2019-20 Proposed Budget.

Staff Recommendation:

Receive and file quarterly financial report for the period ending December 31, 2018.

Attachments

Quarterly Financial Report for the period ending December 31, 2018

GENERAL FUND REVENUE SUMMARY
Through December 2018 (50% of Fiscal Year)

Resources	Budget* *Inclusive of Q2 Adjustment	Actual Through Dec. 2018	Year End Estimate	Year End Estimate Over / (Under) Budget	Percent of Budget Received thru Dec. 2018	Fiscal Year 2017-18	
						Revenue thru Dec. 2017	Year-End Actual
Taxes							
Current Property Tax	2,299,478	2,128,501	2,358,394	58,916	93%	1,998,542	2,190,996
Previously Levied Tax	51,278	56,707	64,210	12,932	111%	36,813	43,505
Transient Room Tax	1,566,463	844,958	1,565,902	(561)	54%	1,002,820	1,894,382
Local Marijuana Tax	88,000	20,884	94,181	6,181	24%	19,191	98,721
Licenses & Permits							
Franchise Fees	801,866	279,735	787,796	(14,070)	35%	287,072	808,386
Utility Fees	571,913	304,603	580,203	8,290	53%	281,261	543,529
Parking Meter Receipts	669,165	343,030	656,039	(13,126)	51%	337,952	658,701
All Other	133,000	73,909	147,272	14,272	56%	72,303	135,263
Fines & Forfeitures							
Parking Fines	176,588	136,862	249,369	72,781	78%	93,460	137,646
Municipal Court Revenue	260,073	143,668	256,622	(3,451)	55%	164,126	283,983
All Other	38,000	11,269	25,583	(12,417)	30%	18,023	38,135
Intergovernmental	276,007	116,658	282,933	6,926	42%	115,524	265,481
Charges for Services							
Ambulance Revenues	919,803	375,766	755,049	(164,754)	41%	389,557	724,197
All Other	215,066	83,931	194,806	(20,260)	39%	123,957	247,122
Interest Earnings	68,684	34,087	71,767	3,083	50%	34,408	74,739
Misc. Revenues	251,759	264,333	286,372	34,613	105%	64,244	252,010
<i>Sub-total Operating Revenues</i>	<i>8,387,143</i>	<i>5,218,899</i>	<i>8,376,498</i>	<i>(10,645)</i>	<i>62%</i>	<i>5,039,252</i>	<i>8,396,797</i>
Interfund Transfers In	831,395	806,101	806,101	(25,294)	97%	315,000	550,000
TOTAL	9,218,538	6,025,000	9,182,599	(35,939)	65%	5,354,252	8,946,797

GENERAL FUND EXPENDITURE SUMMARY
Through December 2018 (50% of Fiscal Year)

Department	Budget* *Inclusive of Q2 Adjustment	Actual Through Dec. 2018	Year End Estimate	Year End Estimate Over / (Under) Budget	Percent of Budget Expended thru Dec. 2018	Fiscal Year 2017-18	
						Expenses thru Dec. 2017	Year-End Actual
Public Safety - Fire	2,362,284	1,191,063	2,267,927	(94,357)	50%	1,202,390	2,276,563
Public Safety - EMS	823,693	443,019	895,233	71,540	54%	370,281	711,044
Public Safety - Police	2,336,406	1,178,145	2,249,046	(87,360)	50%	1,063,410	2,066,169
Parks	613,412	263,744	511,598	(101,814)	43%	220,574	869,033
Planning	531,294	217,257	466,355	(64,939)	41%	241,975	443,512
Parking	618,478	185,398	483,415	(135,063)	30%	184,076	397,888
Engineering	164,255	60,745	161,491	(2,764)	37%	35,074	92,892
Municipal Court	125,690	53,889	112,501	(13,189)	43%	61,431	122,221
City Council	42,501	11,288	21,342	(21,159)	27%	4,594	67,375
<i>Sub-total Department Expenditures</i>	<i>7,618,013</i>	<i>3,604,549</i>	<i>7,168,907</i>	<i>(449,106)</i>	<i>47%</i>	<i>3,383,806</i>	<i>7,046,698</i>
Non-Departmental							
Materials & Services	199,217	105,923	199,217	-	53%	154,937	573,201
Interfund Transfers Out	1,123,743	988,743	1,123,743	-	88%	70,348	140,696
Contingency	305,000	-	42,000	(263,000)	0%	-	-
TOTAL	9,245,973	4,699,215	8,533,867	(712,106)	51%	3,609,091	7,760,595

FY2018/19 Beginning Bal.	3,068,594
Proj. FY2018-19 Change in Fund Bal.	648,732
Proj. FY2018/19 Ending Bal.	3,717,326

Pooled Cash & Investments (Including URA)	
Dec. 2018	24,334,674
Dec. 2017	22,142,260

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

Revenue	Budget* *Inclusive of Q2 Adjustment	Actual Through Dec. 2018	Year End Estimate	Year End Estimate Over / (Under) Budget	Percent of Budget Received thru Dec. 2018	Fiscal Year 2017-18	
						Revenues thru Dec. 2016	Year-End Actual
Gas Tax - Local	353,020	158,803	352,212	(808)	45%	163,990	348,573
Gas Tax - State	576,578	254,438	610,550	33,972	44%	199,056	508,025
Utility Charges							
Water	2,733,273	1,514,120	2,783,047	49,774	55%	1,424,599	2,640,360
Sewer	3,838,838	1,982,723	3,911,283	72,445	52%	1,809,871	3,605,416
Storm	511,810	259,990	517,400	5,590	51%	244,882	490,901