

CITY COUNCIL AGENDA ITEM COVER SHEET

Meeting Date: November 25, 2018

To: Honorable Mayor and Members of the City Council

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

Subject: First Quarter Financial Performance Report

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, 2019.

Discussion:

Financial trends through the first three months of FY2019-20 are substantially in alignment with expectations and multi-year forecasts. However, all yearend forecasts are highly variable at this early point in the fiscal year. Below is commentary on specific revenue and expenditure items.

General Fund Revenues

Most General Fund revenues are trending right in line with budgeted expectations. It is too early in the year to project certain revenue line-items like property tax or local marijuana tax which don't yet have any actual receipts in the first quarter to report. These items default to budgeted amounts for yearend projections. Parking meter receipts have continued their three-year stagnation. This provides additional confirmation that parking revenues have reach their natural peak given current geographic boundaries and rates.

Ambulance receipts are notoriously difficult to forecast due to varying lag time from actual billings to receipts. With this caveat, ambulance revenues were up 44% compared to the same three months the prior fiscal year. Additionally, the City recently received confirmation that its claim for federal Ground Emergency Medical Transport (GEMT) reimbursement was accepted in the amount of \$57,785 net of applicable fees. GEMT is a new program to Oregon that helps compensate agencies for the unreimbursed cost of Medicaid transports. The GEMT monies are not reflected in current estimates to close, representing upside potential in future financial reports.

Miscellaneous revenues are down significantly from the prior year due to the conclusion of the Children's Park project and its related community donations.

General Fund Expenses

Departmental expenditures are also trending within expectations. Bargaining units currently in negotiations are projected based on a continuation of their prior contract's wage escalators.

The greatest source of uncertainty in the General Fund projections is the Engineering Department. Staff turnover has resulted in greater use of consultants for development review which comes at a higher price per hour. Additionally, workload is dependent on the number and complexity of development applications which can vary widely from one year to the next. The budget volatility in this department is expected to moderate when a permanent Public Works Director is onboard and engineering vacancies are filled. Right now, the spending projection for this department is highly uncertain and likely to shift as additional financial data is available for future financial reports.

Other Major Revenues sources

There are no major deviations from budgeted expectations in the City's other major revenue sources. Water revenues are slightly under trend, likely due to a cooler summer, but are offset by sewer revenues trending slightly above budget. Both utilities are within 2% of budgeted expectations.

Staff Recommendation:

Receive and file quarterly financial report for the period ending September 30, 2019.

Attachments

Quarterly Financial Report for the period ending September 30, 2019

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

| Resources | Budget | Actual Through Sept. 2019 | Year End Estimate | Year End Estimate Over / (Under) Budget | Percent of Budget Received thru Sept. 2019 | Fiscal Year 2018-19 | |
|-------------------------------------|------------------|---------------------------|-------------------|---|--|-------------------------|------------------|
| | | | | | | Revenue thru Sept. 2018 | Year-End Actual |
| Taxes | | | | | | | |
| Current Property Tax | 2,428,417 | - | 2,428,417 | - | 0% | - | 2,315,999 |
| Previously Levied Tax | 52,316 | 30,364 | 61,667 | 9,351 | 58% | 21,953 | 48,960 |
| Transient Room Tax | 1,659,856 | 468,046 | 1,671,000 | 11,144 | 28% | 448,667 | 1,557,097 |
| Local Marijuana Tax | 107,455 | - | 107,455 | - | 0% | - | 87,766 |
| CET - Admin | 3,000 | 2,622 | 7,491 | 4,491 | 87% | 11,388 | 8,432 |
| Licenses & Permits | | | | | | | |
| Franchise Fees | 803,552 | 98,663 | 812,091 | 8,539 | 12% | 107,377 | 802,278 |
| Utility Fees | 594,832 | 170,498 | 606,767 | 11,935 | 29% | 164,828 | 588,237 |
| Parking Meter Receipts | 669,165 | 207,997 | 654,075 | (15,090) | 31% | 211,484 | 661,672 |
| All Other | 135,000 | 54,306 | 140,912 | 5,912 | 40% | 42,277 | 146,682 |
| Fines & Forfeitures | | | | | | | |
| Parking Fines | 190,715 | 64,009 | 196,045 | 5,330 | 34% | 69,375 | 237,674 |
| Municipal Court Revenue | 261,754 | 91,753 | 255,190 | (6,564) | 35% | 98,350 | 222,909 |
| All Other | 36,000 | 7,599 | 41,247 | 5,247 | 21% | 5,820 | 22,735 |
| Intergovernmental | 312,442 | 38,289 | 298,208 | (14,234) | 12% | 47,394 | 276,093 |
| Charges for Services | | | | | | | |
| Ambulance Revenues | 777,700 | 276,976 | 929,545 | 151,845 | 36% | 191,903 | 858,892 |
| All Other | 183,063 | 44,818 | 209,295 | 26,232 | 24% | 36,040 | 195,568 |
| Interest Earnings | 92,933 | 22,184 | 84,910 | (8,023) | 24% | 23,222 | 98,760 |
| Misc. Revenues | 105,069 | 42,918 | 107,238 | 2,169 | 41% | 195,292 | 307,392 |
| <i>Sub-total Operating Revenues</i> | <i>8,413,269</i> | <i>1,621,043</i> | <i>8,611,554</i> | <i>198,285</i> | <i>19%</i> | <i>1,675,369</i> | <i>8,437,149</i> |
| Interfund Transfers In | - | - | - | - | | 806,101 | 806,101 |
| TOTAL | 8,413,269 | 1,621,043 | 8,611,554 | 198,285 | 19% | 2,481,470 | 9,243,250 |

GENERAL FUND EXPENDITURE SUMMARY, through September (25% of Fiscal Year)

| Department | Budget | Actual Through Sept. 2019 | Year End Estimate | Year End Estimate Over / (Under) Budget | Percent of Budget Expended thru Sept. 2019 | Fiscal Year 2018-19 | |
|--|------------------|---------------------------|-------------------|---|--|--------------------------|------------------|
| | | | | | | Expenses thru Sept. 2018 | Year-End Actual |
| Public Safety - Fire | 2,591,204 | 673,900 | 2,455,616 | (135,588) | 26% | 574,193 | 2,373,777 |
| Public Safety - EMS | 945,039 | 236,366 | 958,421 | 13,382 | 25% | 199,661 | 897,411 |
| Public Safety - Police | 2,494,555 | 676,311 | 2,483,143 | (11,412) | 27% | 562,790 | 2,278,108 |
| Parks | 600,490 | 138,615 | 487,138 | (113,352) | 23% | 159,801 | 525,325 |
| Planning | 589,831 | 127,039 | 569,817 | (20,014) | 22% | 105,576 | 461,404 |
| Parking | 506,752 | 114,125 | 487,046 | (19,706) | 23% | 97,094 | 417,085 |
| Engineering | 227,764 | 41,054 | 395,682 | 167,918 | 18% | 15,495 | 271,034 |
| Municipal Court | 133,037 | 35,258 | 130,958 | (2,079) | 27% | 218,779 | 327,237 |
| City Council | 25,376 | 2,475 | 14,805 | (10,571) | 10% | 8,351 | 32,159 |
| <i>Sub-total Department Expenditures</i> | <i>8,114,048</i> | <i>2,045,142</i> | <i>7,982,626</i> | <i>(131,422)</i> | <i>25%</i> | <i>1,941,741</i> | <i>7,583,540</i> |
| Non-Departmental | | | | | | | |
| Materials & Services | 183,765 | 58,001 | 183,765 | - | 32% | 88,700 | 188,194 |
| Interfund Transfers Out | - | - | - | - | | 988,743 | 1,123,743 |
| Contingency | 221,233 | - | 85,000 | (136,233) | 0% | - | - |
| TOTAL | 8,519,046 | 2,103,143 | 8,251,391 | (267,655) | 25% | 3,019,184 | 8,895,477 |

| | |
|-------------------------------------|------------------|
| FY2019/20 Beginning Bal. | 3,608,694 |
| Proj. FY2019/20 Change in Fund Bal. | 360,163 |
| Proj. FY2019/20 Ending Bal. | 3,968,857 |

| | |
|---|------------|
| Pooled Cash & Investments <i>(All Funds, Including URA)</i> | |
| Sept. 2018 | 20,023,761 |
| Sept. 2019 | 24,328,199 |

OTHER MAJOR REVENUE SOURCES SUMMARY, through September (25% of Fiscal Year)

| Revenue | Budget | Actual Through Sept. 2019 | Year End Estimate | Year End Estimate Over / (Under) Budget | Percent of Budget Received thru Sept. 2019 | Fiscal Year 2018-19 | |
|------------------------|-----------|---------------------------|-------------------|---|--|--------------------------|-----------------|
| | | | | | | Revenues thru Sept. 2018 | Year-End Actual |
| Gas Tax - Local | 359,256 | 71,043 | 358,345 | (911) | 20% | 66,851 | 342,356 |
| Gas Tax - State | 626,611 | 143,499 | 627,888 | 1,277 | 23% | 93,804 | 534,032 |
| Utility Charges | | | | | | | |
| Water | 2,869,321 | 886,190 | 2,819,495 | (49,826) | 31% | 885,072 | 2,804,721 |
| Sewer | 4,032,636 | 1,063,141 | 4,086,128 | 53,492 | 26% | 1,018,221 | 3,942,288 |
| Storm | 533,439 | 138,030 | 549,128 | 15,689 | 26% | 129,860 | 521,050 |