

CITY COUNCIL AGENDA ITEM COVER SHEET

Meeting Date: May 10th, 2021

To: Honorable Mayor and Members of the City Council

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

Subject: 3rd Quarter Financial Performance Report

Background:

The 3rd Quarter (Q3) Financial Report includes nine months of financial data through 75% of Fiscal Year (FY) 2020-21. The attached report includes full-year estimates-to-close based on historical spending patterns and staff knowledge of upcoming expenditures. The attached projections are staff's best projections given financial data through March 31, 2021.

Discussion:

Yearend estimates-to-close are nearly finalized by this time in the fiscal year absent a large and unexpected occurrence. Although it is relevant to note the City has become increasingly accustomed to large and expected occurrences over the last several years. Nonetheless, the Q3 Financial Performance report is submitted with a relatively high-level of confidence.

The largest change between the Q2 and Q3 reports is the inclusion of the first installment of the American Rescue Plan monies, estimated at \$795K. This federal money, that unlike the CARES Act can be used for revenue replacement, literally rescued the City from a large declining General Fund balance in FY2020-21. Instead, the Q3 Report expects a minor increase in fund balance of \$33K. The American Rescue Plan monies have been incorporated in the FY2021-22 Proposed Budget's General Fund beginning balance.

Another bright point is lodging taxes. A major lodging upswing in the early months of 2021 resulted in an \$145K upward revision in yearend projections from the Q2 report provided to City Council in February. Unfortunately, parking revenues have not experience as dramatic an upswing. Meter receipts are still down about 25% as compared to pre-pandemic months but up from the worst months of the pandemic.

Overall, higher lodging taxes plus broad-based incremental improvement across many other revenue sources is contributing to a projected ending fund balance of \$3,557,401. This amount is \$296,535 higher than the expectation built into the FY2021-22 Proposed Budget. The FY2021-22 Budget Committee can choose whether to incorporate this updated estimate into the Approved Budget.

Staff Recommendation:

Receive and file quarterly financial report for the period ending March 31, 2021.

Attachments: Quarterly Financial Report for the period ending March 31, 2021

GENERAL FUND REVENUE SUMMARY, Through March (75% of Fiscal Year)							
Resources	Budget	Actual Through Mar. 2021	Year End Estimate	Year End Estimate Over / (Under) Budget	Percent of Budget Received thru Mar. 2021	Fiscal Year 2019-20 Revenue thru Mar. 2020	Year-End Actual
Taxes							
Current Property Tax	3,062,665	2,983,035	3,120,799	58,134	97%	2,311,072	2,399,334
Previously Levied Tax	44,453	99,922	112,960	68,507	225%	64,069	74,312
Transient Room Tax	1,269,563	874,957	1,417,148	147,585	69%	1,064,459	1,225,526
Local Marijuana Tax	135,481	94,819	160,192	24,711	70%	90,233	109,606
CET - Admin	10,500	3,946	4,795	(5,705)	38%	6,894	8,377
Licenses & Permits							
Franchise Fees	791,843	463,666	744,006	(47,837)	59%	494,358	777,172
Utility Fees	614,690	468,708	612,652	(2,038)	76%	454,958	601,771
Parking Meter Receipts	572,050	289,255	390,047	(182,003)	51%	461,931	533,758
All Other	140,238	98,179	125,245	(14,993)	70%	105,633	121,723
Fines & Forfeitures							
Parking Fines	162,108	107,417	142,822	(19,286)	66%	151,023	169,597
Municipal Court Revenue	252,975	137,684	144,811	(108,164)	54%	246,501	227,922
All Other	32,000	19,449	25,481	(6,519)	61%	21,055	24,844
Intergovernmental							
Fed. COVID19 Relief	-	202,241	997,295	997,295		-	97,392
All Other	341,211	242,301	344,809	3,598	71%	220,610	331,506
Charges for Services							
Ambulance Revenues	822,186	740,096	948,222	126,036	90%	676,797	856,369
GEMT	57,484	83,016	133,988	76,504		57,419	57,419
All Other	197,343	183,340	236,193	38,850	93%	189,363	211,985
Interest Earnings	81,681	20,818	28,561	(53,120)	25%	74,263	89,819
Misc. Revenues	111,410	115,008	124,313	12,903	103%	107,044	119,491
REVENUE TOTAL	8,699,881	7,227,859	9,814,340	1,114,459	83%	6,797,683	8,037,922

GENERAL FUND EXPENDITURE SUMMARY, through March (75% of Fiscal Year)							
Department	Budget	Actual Through Mar. 2021	Year End Estimate	Year End Estimate Over / (Under) Budget	Percent of Budget Expended thru Mar. 2021	Fiscal Year 2019-20 Expenses thru Mar. 2020	Year-End Actual
Fire / EMS	3,926,354	3,177,698	3,818,934	(107,420)	81%	2,829,715	3,657,674
Police	2,693,486	1,829,809	2,431,870	(261,616)	68%	1,853,598	2,439,863
Parks	584,489	356,784	537,420	(47,069)	61%	338,737	460,663
Planning	651,888	414,125	613,498	(38,390)	64%	392,829	531,337
Parking	533,013	349,305	476,529	(56,484)	66%	312,781	411,976
Engineering	166,676	241,165	339,448	172,772	145%	195,700	345,819
Municipal Court	142,872	91,559	124,763	(18,109)	64%	97,434	131,982
City Council	24,745	6,472	9,767	(14,978)	26%	8,037	9,836
<i>sub-total Department Expenditures</i>	<i>8,723,523</i>	<i>6,466,918</i>	<i>8,352,229</i>	<i>(371,294)</i>	<i>74%</i>	<i>6,028,831</i>	<i>7,989,151</i>
Non-Departmental							
Personnel	-	982	1,964	1,964		-	1,169
Materials & Services	470,850	345,621	370,621	(100,229)	73%	187,612	277,186
Contingency	243,000	-	20,000	(223,000)	0%	-	-
One-time FY2020-21 Transactions							
PERS Side Account Deposit	754,595	736,601	736,601	(17,994)	98%	-	-
Fire/EMS Comp. Absences	300,000	-	300,000	-	0%	-	-
TOTAL	10,491,968	7,550,122	9,781,415	(710,553)	72%	6,216,443	8,267,505

FY2020/21 Beginning Bal.	3,544,477
Proj. FY2020/21 Change in Fund Bal.	32,925
Proj. FY2020/21 Ending Bal.	3,577,401

Pooled Cash & Investments (All Funds, Including URA)	
Mar. 2020	28,128,454
Mar. 2021	26,157,865

OTHER MAJOR REVENUE SOURCES SUMMARY, through March (75% of Fiscal Year)							
Revenue	Budget	Actual Through Mar. 2021	Year End Estimate	Year End Estimate Over / (Under) Budget	Percent of Budget Received thru Mar. 2021	Fiscal Year 2019-20 Revenues thru Mar. 2020	Year-End Actual
Gas Tax - Local	371,761	204,382	326,459	(45,302)	55%	251,658	345,955
Gas Tax - State	655,597	429,383	547,098	(108,499)	65%	444,445	609,535
Utility Charges							
Water	2,895,169	2,213,507	2,930,240	35,071	76%	2,121,990	2,775,020
Sewer	4,226,385	3,116,221	4,164,036	(62,349)	74%	3,049,650	4,021,543
Storm	562,070	422,897	563,876	1,806	75%	410,777	546,096