




TO: Members of Council Finance Committee

FROM: Matt Rubino, Director of Finance 

CC: Mayor Edward Kraus

DATE: November 15, 2019

RE: **Monthly Financial Summary – October 2019**

Overview

The following monthly financial data includes revenue and expenditure results for the fiscal period ending October 31, 2019. All figures are presented on an unaudited budgetary basis. Through the end of October the results for the General Fund included:

- Operating revenue totaling \$37.4 million collected or 82.0% of the 2019 revenue estimate and 2.7% below the prior year collections at the same point
- Operating expenditures (personal services and other expenditures) totaling \$33.6 million at 81.0% of the approved 2019 budget and 5.6% higher than the prior year period
- Total expenditures (including transfers) exceeded revenue by \$645,265 at month’s end

Operating Revenue

General Fund revenue accounted for approximately 70% of all funds revenue as of October 31, 2019. The majority of that revenue was derived from local sources including income tax collections, charges for services and program fees. A summary of General Fund revenue by major source is provided in Figure 1 below.

<i>General Fund Revenue by Source As of October 31, 2019 *</i>	2017 Total Revenue	2018 YTD Revenue	2018 Total Revenue	2019 YTD Revenue	2019 vs 2018	% Chg 2018-2019	2019 Revenue Estimate	% of Revenue Collected
Local Taxes	35,300,917	32,544,990	37,341,440	30,626,631	(1,918,359)	-5.9%	38,448,130	79.7%
State Shared Tax	227,308	142,973	202,880	220,057	77,084	53.9%	203,400	108.2%
Charges / Fees	3,278,647	2,932,287	3,347,360	3,099,698	167,410	5.7%	3,319,607	93.4%
Licenses, Permits & Fines	979,325	768,003	988,824	908,994	140,991	18.4%	904,895	100.5%
Misc Revenue	703,940	908,380	1,138,563	1,151,005	242,625	26.7%	1,425,130	80.8%
Reimbursements	2,125,425	1,106,466	1,264,735	1,343,703	237,237	21.4%	1,237,500	108.6%
Total Operating Revenue	42,615,562	38,403,099	44,283,802	37,350,088	(1,053,012)	-2.7%	45,538,662	82.0%

* Prior YTD revenue as of comparable period.

Figure 1

- Monthly General Fund revenue totaled \$3.6 million compared to \$3.5 million collected in the prior month (September)
- Total YTD operating revenue was 2.7% lower than the same period in 2018, mostly attributable to lagging receipts from business net profit filings (*refer to the Monthly Income Tax Collection Summary report from October*)

Additional detail on revenue collections by fund and department is provided in Exhibit A.

Operating Expenditures

General Fund operating expenditures (excluding transfers out) through October were \$33.6 million or 81.0% of the approved 2019 budget. The operating expenditures for October were 5.6% higher than the expenditures through comparable period in 2018. The current increase over the previous year is lower than expected as the 2019 budget assumed an 8.2% increase over the 2018 actual expenditures. The 2019 total expenditures (including transfers out) are running 6.6% over the 2018 YTD expenditures. *A summary of General Fund operating expenditures is provided in Figure 2 below.*

<i>General Fund Expenditure Summary As of October 31, 2019 *</i>	2017 Total Expenditures	2018 YTD Expenditures	2018 Total Expenditures	2019 YTD Expenditures	2019 vs 2018	% Chg 2018-2019	2019 Approved Budget	% of Budget Committed
Personal Services	26,426,257	23,269,009	27,569,920	24,282,248	1,013,240	4.4%	29,662,845	81.9%
Other Exp.	9,815,257	8,562,185	10,701,220	9,338,104	775,919	9.1%	11,828,823	78.9%
Operating Exp.	36,241,514	31,831,194	38,271,140	33,620,352	1,789,158	5.6%	41,491,668	81.0%
Transfers Out	4,900,700	3,811,000	5,395,020	4,375,000	564,000	14.8%	4,375,000	100.0%
Total Expenditures	41,142,214	35,642,194	43,666,160	37,995,352	2,353,158	6.6%	45,866,668	82.8%

** Prior YTD expenditures including encumbrances as of comparable period.*

Figure 2

- Personal services expenditures including wages and fringe benefits for the first twenty-two pays of the year totaled \$24.3 million and were 4.4% higher than the prior year
- Other expenditures totaled \$9.3 million and encumbrances for outstanding purchase orders accounted for an additional \$2.1 million of obligated funds
- Operating budgets for other departments are currently running on track with the approved 2019 budget, amendments to various departmental budgets will be forthcoming to correct any projected deficiencies prior to year end
- There were no amendments to the General Fund budget in October
- *Exhibit B provides a summary of General Fund and other fund operating expenditures by department through October 31, 2019. The YTD combined expenditures including encumbrances are compared to the budget for each department by appropriation categories of Personal Services and Other Expenditures.*

Capital Improvement Fund Budgets

Exhibit C provides the YTD actual expenditures for the capital project budgets in the Service & Safety Fund (421), Facility Repair & Maintenance Fund (435) and Capital Equipment Fund (491). The amount of expenditure activity and encumbrances has continually increased as approved capital items are purchased and funds are expended. Through the first ten months of the year \$3.5 million or 66.8% of General Capital Funds have been expended or obligated.

Current Fund Balances

Exhibit D includes a month-end summary of revenues, expenditures and ending balances by fund as of October 31, 2019. The YTD unencumbered balance in the General Fund was \$16.3 million, an increase of \$1.1 million over the previous month. The combined General Fund balance which includes the Budget Stabilization Fund is \$23.8 million or 61.8% of expenditures.

The balance for all funds combined was \$45.9 million. The General Fund balance will continue to grow monthly as ongoing revenues will fill in the funding that was obligated during the first half of the fiscal year. *Refer to Exhibit D for the operating results of the General Fund and other City Funds.*