

First Quarter FY 2019 Financial Report

Category	Current Year (in thousands)				Prior Yr. (in thousands)		
	FY19 Adp.	FY19 Amd.	Actual 9/30/18	% Amd.	Actual 6/30/18	Actual 9/30/17	% Act.
<i>Revenue</i>							
Property Taxes	42,725	42,725	4,834	11%	41,385	4,475	11%
From Other Gov't.	20,865	20,865	4,724	23%	20,568	2,790	14%
Fines /Forfeitures	1,243	1,243	399	32%	1,443	364	25%
Use of Money/Property	1,486	1,486	100	7%	1,567	73	5%
Charges for Services	6,731	6,731	2,841	42%	7,526	3,051	41%
Licenses/Permits	3,060	3,060	394	13%	3,085	610	20%
Other Revenue	6,309	6,309	1,402	22%	7,029	1,553	22%
Total Revenue (\$)	82,420	82,420	14,693	18%	82,604	12,917	16%
<i>Expenditures</i>							
Personnel	50,834	50,834	14,588	29%	47,691	14,091	30%
Operating	14,815	14,815	2,950	20%	13,119	2,656	20%
Capital Outlay	2,048	2,048	158	8%	1,852	221	12%
Other	1,774	1,774	446	25%	1,641	377	23%
CIP Transfer	6,648	6,648	1,662	25%	11,500	1,650	14%
Transfers Out	6,301	6,301	1,585	25%	6,246	1,562	25%
Total Expenditures (\$)	82,420	82,420	21,388	26%	82,050	20,556	25%

General Fund Summary

Overall, General Fund revenues and expenditures remain in line with adopted targets.

The first FY19 budget amendment was adopted by the Mayor and Council during the 2Q on October 8, 2018, and therefore is not included in this table. The impact of that budget amendment on the estimated ending fund balance is shown on the chart below.

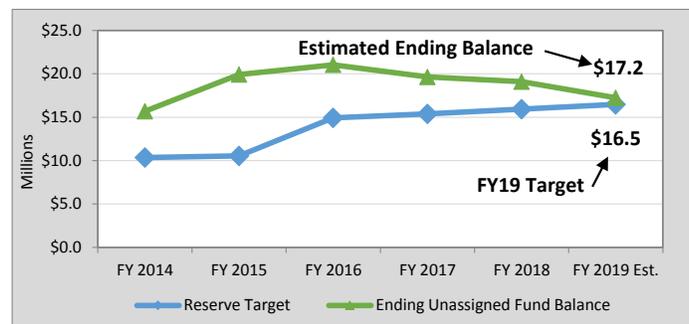
General Fund Unassigned Fund Balance

The estimated ending FY19 unassigned fund balance equals \$17.2 million, just over \$750,000 above the reserve target of \$16.5 million. This estimated ending balance includes the use of fund balance included on the October 8, 2018 budget amendment to support an increased CIP transfer.

City Manager Contingency Status

Per the City's Financial Management Policies, contingency funds are available for unanticipated, unbudgeted expenditures of a non-recurring nature and/or unexpected cost increases.

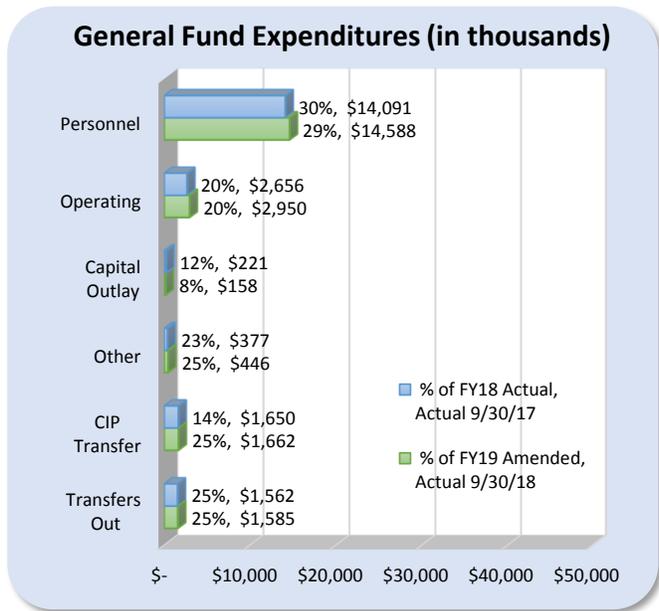
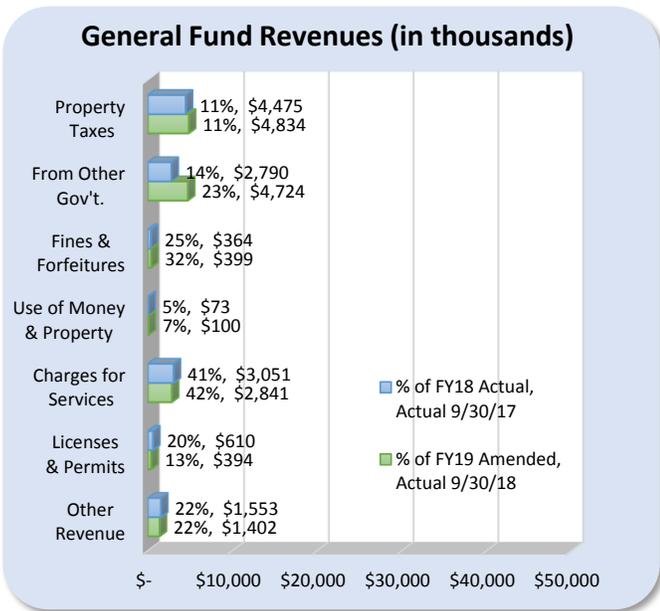
City Manager Contingency Usage through 1Q	Amount
Adopted FY19 City Manager Contingency	400,000
Property appraisals	(5,850)
Repair related to prior City infrastructure installation	(16,850)
Increase in uniform contract	(41,130)
REDI executive director recruitment	(25,000)
FY19 Contingency Remaining (\$)	311,170



Unspent Personnel Funds

Unspent funds related to vacant General Fund positions are tracked and reported quarterly, along with any uses of these funds. In addition to vacancy-related costs, these funds can be used for weather-related needs such as snow removal or for special projects approved by the City Manager and/or Mayor and Council.

During the 1Q there were no net unspent personnel funds related to vacant positions. The gross unspent funds from vacant positions totaled approximately \$250,500; however, this figure was offset in full by adjustments made for personnel hired above budgeted projections and several large employee departure payouts made in the 1Q.



General Fund Revenues by Category

Property Taxes totaled \$4.8 million for 1Q, or 11% of the adopted budget. The majority of property tax revenue is received in 2Q.

Revenue **From Other Governments** totaled \$4.7 million for 1Q, or 23% of the adopted budget. This total is higher than the prior year's total due to the timing of the one-time \$1.6 million highway user payment from the State, which was received in 1Q FY19 versus 2Q in FY18. Income tax, which is the largest individual revenue source within this category, totaled \$0.5 million in 1Q FY19, compared to \$0.2 million in 1Q FY18. The 1Q income tax receipts vary from year to year, but make up the smallest portion of the total received for the year.

Revenue from **Fines & Forfeitures** totaled \$0.4 million for 1Q. Revenue from redlight camera citations makes up the largest portion of this category, totaling almost \$397,000 for 1Q. Redlight camera citation camera revenue exceeded budgeted estimates in FY18 and is currently on track to do the same in FY19.

Use of Money & Property revenue totaled \$100,000 for 1Q, compared with just over \$73,000 in 1Q FY18. The largest change in this category came from interest earnings, with approximately \$56,000 received in 1Q FY19 versus \$34,000 in 1Q FY18. The adopted FY19 interest earnings revenue estimate is \$200,000.

Charges for Services revenue totaled \$2.8 million for 1Q, down from \$3.1 million in FY18 due to the timing of membership revenues as well as a reduction in facility rental revenue due to the planned closure of the Glenview Mansion during construction.

Licenses & Permits revenue totaled \$0.4 million for 1Q, down from \$0.6 million in FY18 due to timing of rental license payments and relative size of 1Q building permits.

Other Revenue totaled \$1.4 million in 1Q, compared with \$1.6 million in FY18 due to the reduction in the total administrative charge (CAP) paid by other funds to the General Fund in FY19.

General Fund Expenditures by Category

Total **Personnel** spending totaled \$14.6 million through 1Q, or 29% of the adopted personnel budget. 1Q personnel costs include the City's full annual pension and retiree health contributions.

Operating expenditures totaled \$3 million in 1Q, or 20% of the adopted budget. This category includes contractual services, utilities, and supplies.

Capital Outlay expenditures totaled \$0.2 million for 1Q. This funding covers one-time equipment purchases including vehicle replacements, and varies from year to year based on needs and replacement schedules. Because of the long lead times for many vehicle purchases, it is not uncommon for the bulk of the spending to occur at the end of the year.

Other expenditures totaled \$0.4 million for 1Q. The majority of this category is made up of grant funding the City provides to caregiver and outside agencies.

The **CIP Transfer** totaled \$1.7 million for 1Q. This category is expended quarterly based on the amended budget.

The **Transfers Out** category totaled \$1.6 million for 1Q. This category is expended quarterly based on the amended budget, and includes transfers to the Parking, Debt Service, Refuse (for RHE refuse bills), and Special Activities funds.

WATER FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY19	FY19	Actual	%	Actual	Actual	%
	Adp.	Amd.	9/30/18	Amd.	6/30/18	9/30/17	Act.
Total Revenue (\$)	13,760	13,760	1,620	12%	12,525	1,491	12%
<i>Expenses</i>							
Personnel	3,737	3,737	1,042	28%	3,595	1,065	30%
Operating	2,167	2,167	312	14%	2,301	332	14%
Capital Outlay ¹	63	63	50	79%	100	20	20%
Admin/Other/Interest	5,686	5,686	274	5%	5,944	439	7%
Total Expenses (\$)	11,654	11,654	1,679	14%	11,941	1,857	16%

Revenue appears low until the end of the year due to the timing of the receipt of quarterly bill payments.

A large portion of Water Fund spending occurs in the CIP. The Mayor and Council received the results of the most recent utility rate study in December 2017. The study produced recommended rates to bring the Water Fund into compliance with the City's Financial Management Policies by FY21.

SEWER FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY19	FY19	Actual	%	Actual	Actual	%
	Adp.	Amd.	9/30/18	Amd.	6/30/18	9/30/17	Act.
Total Revenue (\$)	14,646	14,646	1,459	10%	13,511	1,359	10%
<i>Expenses</i>							
Personnel	1,936	1,936	569	29%	1,887	546	29%
Operating	4,028	4,028	821	20%	3,785	844	22%
Capital Outlay ¹	441	441	0	0%	24	0	0%
Admin/Other/Interest	7,471	7,471	191	3%	7,357	369	5%
Total Expenses (\$)	13,876	13,876	1,582	11%	13,054	1,760	13%

Revenue appears low until the end of the year due to the timing of the receipt of quarterly bill payments.

A large portion of Sewer Fund spending occurs in the CIP. The Mayor and Council received the results of the most recent utility rate study in December 2017. The study produced recommended rates to bring the Sewer Fund into compliance with the City's Financial Management Policies by FY23.

REFUSE FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY19	FY19	Actual	%	Actual	Actual	%
	Adp.	Amd.	9/30/18	Amd.	6/30/18	9/30/17	Act.
Total Revenue (\$)	6,208	6,208	638	10%	6,396	486	8%
<i>Expenses</i>							
Personnel	2,856	2,856	739	26%	2,572	749	29%
Operating	1,838	1,838	298	16%	1,681	80	5%
Capital Outlay ¹	443	443	0	0%	700	0	0%
Admin/Other/Interest	1,841	1,841	334	18%	2,061	417	20%
Total Expenses (\$)	6,978	6,978	1,372	20%	7,014	1,246	18%

The City's refuse fee is collected through property tax bills, with the majority of the revenue being received in 2Q.

¹Capital outlay purchases with useful lives of more than five years are capitalized and depreciated in accordance with Generally Accepted Accounting Principles (GAAP). The City's financial statements reflect this adjustment, whereas this report shows the actual expense. As a result, the prior year actuals shown on this report in enterprise funds with qualifying capital purchases will differ from the financial statements in the amount of the cost of any capitalized assets.

SWM FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY19	FY19	Actual	%	Actual	Actual	%
	Adp.	Amd.	9/30/18	Amd.	6/30/18	9/30/17	Act.
Total Revenue (\$)	5,852	5,852	1,114	19%	5,797	793	14%
<i>Expenses</i>							
Personnel	2,401	2,401	688	29%	2,233	667	30%
Operating	818	818	70	9%	661	62	9%
Capital Outlay ¹	2	2	0	0%	0	0	0%
Admin/Other/Interest	1,720	1,720	187	11%	1,738	225	13%
Total Expenses (\$)	4,941	4,941	945	19%	4,633	954	21%

The SWM utility fee is collected through property tax bills, with the majority of the revenue being received in 2Q.

A large portion of SWM Fund spending occurs in the CIP. The accumulated balance of revenues in excess of expenses fund SWM CIP projects.

PARKING FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY19	FY19	Actual	%	Actual	Actual	%
	Adp.	Amd.	9/30/18	Amd.	6/30/18	9/30/17	Act.
Total Revenue (\$)	2,547	2,547	785	31%	2,463	713	29%
<i>Expenses</i>							
Personnel	302	302	70	23%	269	87	32%
Operating	96	96	14	15%	74	12	17%
Capital Outlay ¹	0	0	0	0%	9	0	0%
Admin/Other/Interest	1,583	1,583	32	2%	1,855	41	2%
Total Expenses (\$)	1,981	1,981	116	6%	2,207	141	6%

Parking meter revenue and revenue from parking meter violations were both roughly equal to the 1Q FY17 revenue totals. The only large fluctuation in Parking Fund revenue was from the transfer from the General Fund, which increased by \$62,500 per quarter, or \$250,000 per year.

The quarterly admin charge paid to the General Fund is the only 1Q expense in the Admin/Other/Interest category.

Capital Improvements Program (CIP) Transfers, All Funds

The City's Financial Management Policies allow the City Manager to approve transfers of unspent project appropriations between capital projects within the same fund. These transfers will always net to zero, as any change in total appropriation by fund must be approved by the Mayor and Council through an appropriations ordinance. Any transfers between projects during the reporting period are shown below.

1Q CIP Transfers	Amount (\$)	Fund	Reason for Transfer
Pedestrian and Bicycle Safety (4B71)	(68,268)	Special	Additional funding required for Wootton Pkwy. sidewalk project award; bids exceeded project budget.
Sidewalks (TF16)	68,268	Activities	
Pedestrian and Bicycle Safety (4B71)	(6,732)	Capital	
Sidewalks (TF16)	6,732	Projects	

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