

Third Quarter Report

8/27/2019

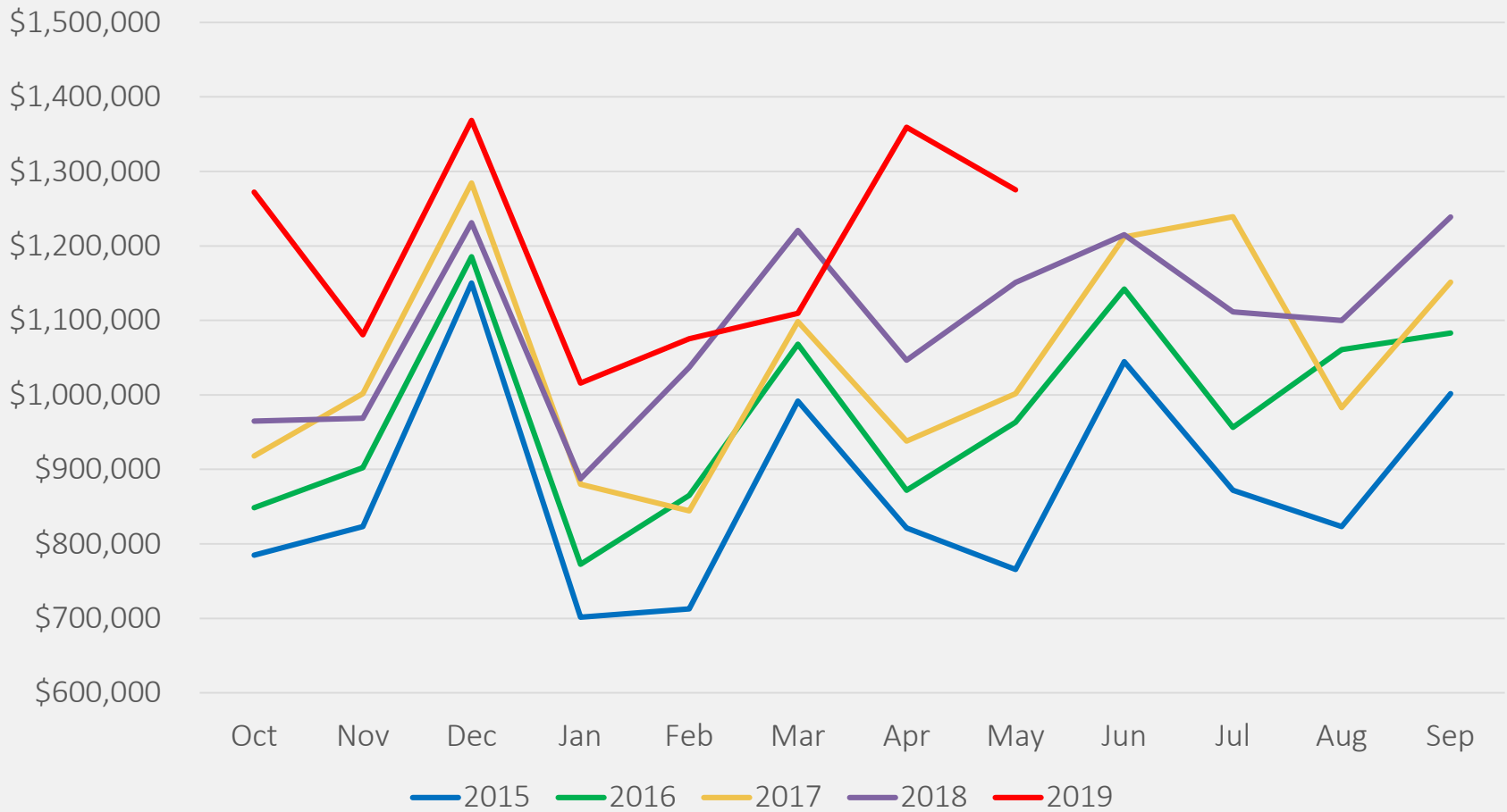
Third Quarter Report

- All figures are consistent with the Budget presentation on July 17th and City Manager's Proposed Budget
 - Staff has an updated projection for Electric Fund to reflect July receipts for purchased power.

General Fund Revenues

- General Fund revenues total \$53.3 million, or 75% of budget. Year to date, revenues exceed last year's third quarter revenue by 9.3%.
 - Projecting to finish **slightly higher than budget.**
- The sales tax revenue represents 22% of revenue.
 - Revenue through this quarter totals \$9.6 million, or 60.2% of budget.
 - At this stage of the fiscal year, all four year-end regression models have the City finishing the year around 5% higher than budget. (**higher than budget**)

Sales Tax

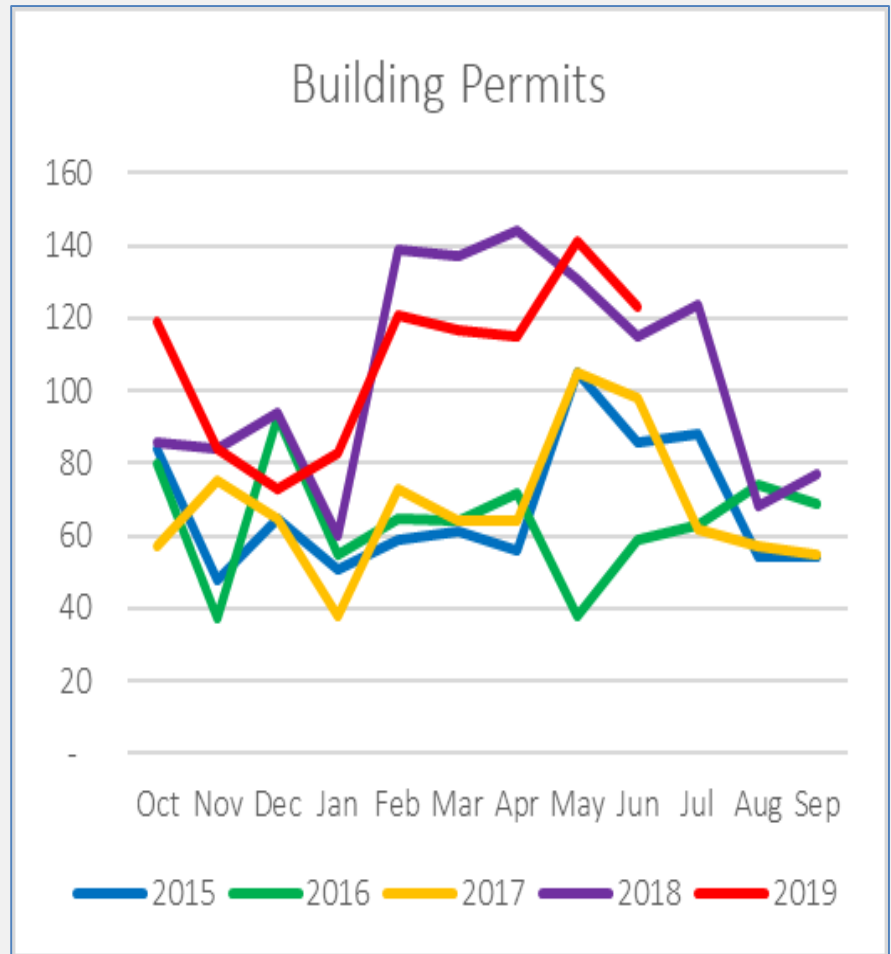


Property Tax

- Property tax revenue represents 20% of revenue.
- For this quarter property tax revenue totals 13.6 M or 98.4% of budget.
- Year to date is up 11.5%, or \$1.4 million from the third quarter of FY2018. (projected slightly above budget).

Development Revenue

- Development related revenue represents 5% of budget.
- Year to date development totals \$2.4 million or 71.2% of budget.
- Dev. Revenues in FY2019 are projected to end 13% higher than budget due to a one time payment of Master Development fees from MUDs in FY2019 of about \$400,000.



Fire/EMS Revenue

- This revenue group represents 10% of the general fund.
- It is comprised of ESD 8 Contract (\$3.5 M), EMS transport revenue (\$2.6 M), and SAFER & TASPP grants (\$826,000)
- FY2019 is projected to end less than 1% below budget due to slightly less grant revenue being received.

Return on Investment (ROI)

- ROI Revenue represents 11% of total general fund revenues. Year to date total \$5.24 M
- ROI is comprised of a transfer from the Electric, Water, and Stormwater funds.
- ROI is projected to end FY2019 at \$7.27 million, or 6.4% less than budget.
 - Staff is proposing transferring only \$3.825 M from the Electric Fund instead of the full budgeted amount of \$4.325 M.

Franchise Fees Projections

- Franchise Fees represent 8% of the general fund revenues.
- The City collects franchise fees on electric, water, cable TV, gas, telephone (land lines), stormwater, and irrigation.
- Franchise fees in FY2019 are projected to end 3% higher than budget.

General Fund Park and Rec Fees

- Parks and Recreation revenue (4% of revenue) totals \$1.9 million through the third quarter. Year to date, Parks and Rec revenues are at 65% of budget.
- FY2019 is projected to end at \$2.7 M, a variance to budget of \$251,000. The variance is primarily due to Garey Park revenue which is projected to come in \$175,000 less than budget (1st year of operations).

General Fund Revenue Summary

- The City's two largest revenue streams, property tax and sales tax, are projecting at or above budget.
- Other revenue streams like EMS and development related revenues continue to grow with population and new development.
- The utility related fees and revenues through the third quarter are down due to the change in billing cycle. However, staff is working to shorten the billing cycle for future months.
- Staff is monitoring parks and rec revenues and adjusted Garey Park revenue in the FY2020 Budget.

General Fund Expenses

- Overall expenditures through the third quarter total \$50.9 million, or 71.8% of budget (projected slightly below budget)
- Total salaries and benefit expenditures through the third quarter total \$30.1 million.
Operational costs total \$20.1 million.
- Through 20 of 26 payrolls = 76.9% target.

	FY2019 Budget	FY2019 Actuals	% of FY2019 Budget	FY2018 Budget	FY2018 Actuals	% of FY2018 Budget
Expenditure						
Administrative Services						
Personnel Expense	1,967,951	1,518,920	77.2%	1,900,756	1,421,253	74.8%
Operations Expense	671,827	424,686	63.2%	712,883	383,078	53.7%
Administrative Services Total	2,639,778	1,943,606	73.6%	2,613,639	1,804,331	69.0%
Community Services and Finance						
Personnel Expense	7,156,124	5,120,311	71.6%	6,730,047	4,723,930	70.2%
Operations Expense	5,288,877	3,603,863	68.1%	4,910,503	3,422,585	69.7%
Community Services and Finance Total	12,445,001	8,724,175	70.1%	11,640,550	8,146,515	70.0%
Development & Planning						
Personnel Expense	2,308,625	1,623,276	70.3%	2,164,868	1,532,914	70.8%
Operations Expense	714,668	295,941	41.4%	731,484	522,738	71.5%
Development & Planning Total	3,023,293	1,919,217	63.5%	2,896,352	2,055,652	71.0%
Fire Services*						
Personnel Expense	15,104,380	10,859,231	71.9%	12,686,454	9,745,392	76.8%
Operations Expense	3,671,475	2,818,611	76.8%	3,430,316	2,530,882	73.8%
Fire Services Total	18,775,854	13,677,841	72.8%	16,116,770	12,276,274	76.2%
General Gov't Contracts						
Personnel Expense	(1,145,000)	-	0.0%	(750,000)	-	0.0%
Operations Expense	4,575,401	3,460,096	75.6%	4,003,786	3,145,346	78.6%
General Gov't Contracts Total	3,430,401	3,460,096	100.9%	3,253,786	3,145,346	96.7%
GUS						
Personnel Expense	1,875,598	1,395,845	74.4%	1,860,648	1,235,078	66.4%
Operations Expense	10,275,620	6,922,002	67.4%	9,414,929	6,097,499	64.8%
GUS Total	12,151,218	8,317,848	68.5%	11,275,577	7,332,576	65.0%
Police Services						
Personnel Expense	12,502,781	9,591,993	76.7%	12,082,813	9,373,115	77.6%
Operations Expense	3,657,400	2,625,383	71.8%	3,449,346	2,661,068	77.1%
Police Services Total	16,160,181	12,217,376	75.6%	15,532,159	12,034,184	77.5%
Expense Total	68,625,727	50,260,159	73.2%	63,328,832	46,794,877	73.9%

General Fund Expenses

- Overall, General Fund expenditures are within budget and the fund can cover the 90-day Contingency Reserve. (projected at slightly below budget)

Electric Fund

- All op. revenues total \$55.5 million through the third quarter.
 - Electric sales revenue through the third quarter totals \$52.4 million, or 66.3% of budget.
- Net op. expenses total \$51.6 million.
 - Purchased Power expenses total \$35.4 million, or 66.7% of budget.
- Projected ending fund balance is \$5.34 million, with \$4.08 million for contingency and \$1.26 million for rate stabilization reserve.

Water Fund

- Overall water operating revenue totals \$45.6 million, or 76% of budget. (projected higher than budget)
 - Development Impact Fees continue to be strong totaling \$11.8 million through the third quarter.
- Water operating expenses total \$26.8 million, or 72% of budget. (projected 2% higher than budget)
 - Due to mid year change in allocation for Conservation.
- Non-operational expenses total \$29.2 million.
 - These non-operational expenses are capital improvement projects that normally span multiple years and will be part of the CIP Rollforward amendment in Dec.

CVB Fund

- Convention & Visitors Bureau Fund:
 - Hotel Occupancy Tax revenue totals \$951,794 through the third quarter of FY2019, or 70.5% of budget. (projected at under budget by 2%)
 - Year to date expenses in the Convention & Visitors Bureau Fund total \$1.06 M, or 78.9% of budget. (projected at slightly below budget)
 - The fund is budgeted to finish FY2019 with a fund balance of \$1.4 million and able to cover the 90-day operational reserve.

Airport Fund

- Airport operating revenue totals \$2.37 million, which represents 61.7% of budget. (projected below budget – cost of fuel)
- Operating expenses in the Airport fund total \$3.0 million, or 85% of budget.
 - Over \$624K of the year to date expenses is fuel related encumbrances. (Projected less than budget)
- Overall, the fund is expected to end FY2019 with positive cash flow, and \$1.26 M in fund balance.
 - Able meet all of its debt service and contingency requirements.

Investment Report

City			
Date	12/31/2018	3/31/2019	1/2/2019
Total Cash and Investments	177,790,533.00	188,114,708.00	204,976,917.00
Average Yield	2.25	2.41	2.50
GTEC			
Date	12/31/2018	3/31/2019	1/2/2019
Total Cash and Investments	18,526,812	19,423,174	21,345,649.0
Average Yield	2.19	2.53	2.5
GEDCO			
Date	12/31/2018	3/31/2019	1/2/2019
Total Cash and Investments	7,236,643	7,551,001	7,950,908
Average Yield	2.33	2.45	2.43

Questions

