

# **Fiscal Year 2016-2017 Q1 Budget Review**



# First Quarter Results

## General Fund

- ▶ High Level Overview – Early in the year
- ▶ Revenues/Expenditures not straight line
  - Cash Flows uneven throughout the year
- ▶ Performing as expected
  - Revenues estimated to exceed budget
  - Expenditures projected at or below budget
- ▶ Reserves remain healthy



# **General Fund Revenues**

Fiscal Year 2016-2017 Q1 Budget Review



# General Fund Revenues

- ▶ Total \$10.4 million, increase of \$202,053 (2.0%)
- ▶ Overall: 15.3% realized though 25% of year
- ▶ Noteworthy:
  - TOT – up 8.7% from last year (\$108,727)
  - Sales Tax – up 25.7% (\$460,390) due to unwinding of “Triple Flip”
    - Under the Triple Flip, State withheld 0.25% from City’s monthly allocation then re-compensated in January and May
    - Jump in revenue will smooth out over coming months
  - Parking Citations up 19.7% (\$124,564) from last year when Downtown streetscape improvements occurred



# General Fund Revenues

- ▶ Property Taxes budgeted at \$27.8 million
  - Increase in Secured Property Tax budgeted at 6%
  - Assessed values up 7.1% in FY 2016-17
  - Expecting Secured Property Tax to exceed budget by 1% or \$201,000
- ▶ Real Estate Transfer Taxes down by \$67,098 (29%) from prior year
  - Prior year activity included sale of Residence Inn hotel and six high-value residences



# General Fund Revenues

- ▶ Building Permits down 46% (\$293,682) from prior year
  - FY15-16 fees jumped because of miscalculation in permit system
  - FY 16-17 fees in line with FY 14-15
- ▶ Plan Check fees down 9.7% (\$27,405)
  - Trending down due to fee structure change in 2015 cost allocation study



# **General Fund Expenditures**

Fiscal Year 2016-2017 Q1 Budget Review



# General Fund Expenditures

- ▶ Total \$16.0 million – increase of \$1.7 million (12.4%)
- ▶ Personnel Costs substantially higher due to additional payroll date in Q1
  - Salaries and Wages up \$1.1 million (16.5%)
  - Employee Benefits up \$245,144 (8.2%)
  - Mid-Year Budget Review will include same number of payrolls for true comparison





# General Fund Expenditures

- ▶ Contract & Professional Services and Materials & Services both trending over prior year but will remain within budget
- ▶ Internal Services Charges up due to Insurance Fund charge-outs
  - General Fund charge outs to Insurance Fund increasing \$895,740 or 45% in FY 2016-17
- ▶ 24.4% of budget expended 25% through the year



# Other Funds

Fiscal Year 2016-2017 Q1 Budget Review



# Other Funds

- ▶ Other funds appear to be tracking appropriately through Q1
- ▶ Insurance Reserve Fund
  - 50.1% of budget expended
  - \$2.0 million in annual insurance premiums paid in August (30.9% of total budget)
  - Workers Compensation Claims Paid – 34.2% of budget
  - Liability Claims Paid – Negative due to reduction in required case reserves (adjusted every month per claim activity and settlements)



# Other Funds

- ▶ Water and Waste Water Funds
  - Conservation affected revenues – Water Fund revenues down \$1.8 million from FY 2013-14
  - Cost savings from reduced water purchases
  - Sufficient funds available in near term to sustain operations and capital projects
  
- ▶ Revenues, expenditures and fund balances actively monitored
  - Adjustments will be recommended if necessary



# Summary

- ▶ Budget performing as expected
- ▶ No budget adjustments recommended at this time
- ▶ Reserves maintained and enhanced after FY2016
- ▶ Looking ahead...
  - January 3, 2017: Presentation of FY 2015-16 Comprehensive Annual Financial Report (CAFR)
  - January 17, 2017: Budget Calendar and Policies for FY 2017-18 budget cycle
  - February 2017: FY 2016-17 Mid-Year Budget Review



# Budget Questions

