



City of Fresno
Monthly Financial Report
For the Seven Months Ended January 31, 2019
Unaudited – Intended for Internal Management Purposes Only
 (All figures in thousands)

GENERAL FUND AT-A-GLANCE

Category	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Revenues	332,444	194,244	58%	165,029
Expenditures	(327,429)	(175,795)	54%	(169,931)
Revenues Over (Under) Expenditures	5,015	18,449		(4,902)

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	97,665	46,286	47%	43,716
Prop. 172 Sales Tax	3,156	2,094	66%	1,793
Property Tax	131,683	71,905	55%	67,033
Business Tax	19,640	11,639	59%	11,790
Franchise Tax	14,350	4,123	29%	3,645
Other Local Taxes	14,544	9,649	66%	8,626
Card Room Receipts	971	598	62%	589
Charges for Services	16,592	9,505	57%	8,405
Development Fees	19,266	10,043	52%	9,862
Intergovernmental Revenues	10,492	6,658	63%	4,712
Intragovernmental Revenues	14,591	8,093	55%	7,072
Transfers In/Out	(31,856)	(5,882)	18%	(3,460)
All Other Revenue Sources	21,350	19,533	91%	1,246
Total General Fund Revenues	332,444	194,244	58%	165,029

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the seven months ended January 31, 2019 were \$194.2 million. This is an increase of \$29.2 million, or 17.7%, above actual revenues during the first seven months of last fiscal year. Total revenues at the end of January 2019 are at 58.4% of the annual estimate for Fiscal Year 2019.

Sales Tax revenues during the first seven months of Fiscal Year 2019 increased \$2.6 million (5.9%) compared to the first seven months last fiscal year. Property Tax revenues during the seven months ended January 31, 2019 increased \$4.9 million (7.3%) compared to last year due to increased Real and Personal Property tax, VLF Swap revenue and higher amount of delinquent property taxes and penalties received. Other Local Taxes during the first seven months of Fiscal Year 2019 increased \$1.0 million (11.9%) compared to the same period last year mainly due to increased Room Tax and Real Estate Transfer Tax revenues.

Revenues other than taxes, which include Charges for Services, Development Fees, Intergovernmental and Intragovernmental Revenues, Transfers Out, and All Other Revenue Sources, will fluctuate from month to month depending upon various activity elements.

Monthly Financial Report

For the Seven Months Ended January 31, 2019

(All figures in thousands)

Charges for Services during the seven months ended January 31, 2019 increased \$1.1 million (13.1%) compared to the same period last year mostly due to higher revenues from vehicle releases, plan check and inspection fees, and street work and conditional use permits. Intergovernmental Revenues occurring in the first seven months of Fiscal Year 2019 increased \$1.9 million (41.3%) compared to the first seven months of last fiscal year mostly due to repayment from the RDA Successor Agency partially offset by reduced State reimbursements. Intragovernmental Revenues during the seven months ended January 31, 2019 increased \$1.0 million (14.4%) compared to the same period last year mostly due to increased fixed and variable reimbursements.

Transfers Out during the seven months ended January 31, 2019 increased \$2.4 million (70.0%) compared to the same period last fiscal year mostly due to timing of debt service payments, transfers to Solid Waste for landfill costs, and transfer for Police data 911 hardware. All Other Revenue during the first seven months of Fiscal Year 2019 increased \$18.3 million compared to the first seven months of last fiscal year mostly due to timing difference in the posting of General Fund carryover.

As of January 31st, the City maintained \$24.3 million in the General Fund Emergency Reserve. The balance is up from the beginning of the fiscal year due to interest/investment revenue. The use of this Reserve is restricted until such time as a declaration of a fiscal emergency is made by the Mayor and approved by Council or for temporary year-end cash balancing purposes in accordance with provisions in the Reserve Management Act.

GENERAL FUND EXPENDITURES BY DEPARTMENT

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Police Department	169,362	94,610	56%	90,874
Fire Department	65,877	35,612	54%	35,044
Parks, Recreation & Community Services	18,942	8,050	42%	8,526
Finance/Purchasing/Central Printing	7,141	3,724	52%	3,737
Public Works	9,697	5,633	58%	5,477
City Council Offices	4,683	1,790	38%	1,522
City Clerk's Office	910	440	48%	448
Office of the Mayor/City Manager/Budget	4,134	2,328	56%	2,038
Development and Resource Management (DARM)	30,432	14,023	46%	13,132
Personnel	3,224	1,767	55%	1,686
City Attorney's Office	6,331	3,627	57%	3,110
General City Purposes	12,143	4,191	35%	4,337
Attrition Savings	(5,447)	0	0%	0
Total General Fund Expenditures	327,429	175,795	54%	169,931

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	182,126	104,018	57%	97,538
Salaries and Benefits Others	41,760	26,096	62%	24,069
Overtime Public Protection	4,787	4,520	94%	4,312
Overtime Others	68	105	155%	85
Pension Obligation Bonds	12,720	3,187	25%	3,385
Operations and Maintenance	41,095	19,254	47%	20,615
Interdepartmental Charges	26,757	14,201	53%	16,526
Capital	18,116	4,414	24%	3,401
Total General Fund Expenditures	327,429	175,795	54%	169,931

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the seven months ended January 31, 2019 were \$175.8 million. This is an increase of \$5.9 million (3.5%) from actual General Fund expenditures during the same period last fiscal year.

Comparing the first seven months this year with last year, the Police and Fire Departments experienced increases of \$3.7 million (4.1%) and \$0.6 million (1.6%) respectively. The changes in those two departments' expenditures are primarily due to increased Police and Fire personnel costs which were partially offset by savings on rent for Fire Headquarters and lower Fleet service charges. DARM experienced a \$0.9 million (6.8%) increase for the seven months ended January 31, 2019 compared to the same period last year mostly due to increased personnel costs.

Expenditures for Council Offices, the Clerk's Office, the Mayor/City Manager's Offices, Finance, City Attorney, and Personnel Departments were materially consistent with the amounts expended in the prior year, and are at acceptable levels in accordance with current year budget estimates. City Attorney's Office expenditures increased \$0.5 million (16.6%) during the first seven months of Fiscal Year 2019 compared to the same period last fiscal year mostly due to increased salaries and benefits, and fees for outside legal services.

By category, Salaries/Benefits for Public Protection and Others increased \$6.5 million (6.6%) and \$2.0 million (8.4%) respectively during the first seven months of Fiscal Year 2019 compared to the same period last year. Overtime for Public Protection during the seven months ended January 31, 2019 increased \$0.2 million (4.8%) compared to the same period last year.

Operations and Maintenance for the first seven months of FY2019 is down \$1.4 million (-6.6%) compared to the same period last year primarily due to lower costs for professional and specialized services, rock and mineral products, Parks special projects, and lower rent due to purchase of Fire Headquarters. Interdepartmental Charges for the first seven months of FY2019 decreased \$2.3 million (-14.1%) primarily due to lower Fleet charges. Capital experienced a \$1.0 million (29.8%) increase for the first seven months of Fiscal Year 2019 compared to the same period last year mostly due to lease payments for police cars paid by Public Safety Fleet within the General Fund.

Expenditures are monitored and appropriations possibly adjusted throughout the year in accordance with economic conditions and the inflow of General Fund revenues.

ENTERPRISE OPERATING FUNDS

The following summarizes year-to-date revenues and expenditures for major City enterprises.

Enterprise Fund	Budget	YTD Actual	% of Budget	Prior Year
Community Sanitation				
Revenues	8,296	4,599	55%	5,453
Carryover	<u>3,265</u>	<u>3,954</u>	121%	<u>5,810</u>
Available Resources	11,561	8,553	74%	11,263
Expenditures	<u>(11,494)</u>	<u>(5,718)</u>	50%	<u>(5,506)</u>
Available Resources Over/(Under) Expenditures	<u>67</u>	<u>2,835</u>		<u>5,757</u>
Transportation/FAX				
Revenues	31,791	7,169	23%	5,364
Carryover	<u>196</u>	<u>(2,640)</u>	-1347%	<u>1,411</u>
Available Resources	31,987	4,529	14%	6,775
Expenditures	<u>(30,172)</u>	<u>(18,896)</u>	63%	<u>(17,912)</u>
Available Resources Over/(Under) Expenditures	<u>1,815</u>	<u>(14,367)</u>		<u>(11,137)</u>
Airport Operating				
Revenues	12,789	11,015	86%	10,777
Carryover	<u>32,396</u>	<u>34,316</u>	106%	<u>24,328</u>
Available Resources	45,185	45,331	100%	35,105
Expenditures	<u>(17,561)</u>	<u>(9,503)</u>	54%	<u>(8,931)</u>
Available Resources Over/(Under) Expenditures	<u>27,624</u>	<u>35,828</u>		<u>26,174</u>
Sewer System				
Revenues	87,338	31,661	36%	37,671
Carryover	<u>35,991</u>	<u>41,100</u>	114%	<u>20,634</u>
Available Resources	123,329	72,761	59%	58,305
Expenditures	<u>(109,097)</u>	<u>(28,784)</u>	26%	<u>(35,070)</u>
Available Resources Over/(Under) Expenditures	<u>14,232</u>	<u>43,977</u>		<u>23,235</u>
Solid Waste System				
Revenues	38,640	19,273	50%	18,357
Carryover	<u>2,846</u>	<u>3,035</u>	107%	<u>3,521</u>
Available Resources	41,486	22,308	54%	21,878
Expenditures	<u>(38,432)</u>	<u>(17,688)</u>	46%	<u>(15,810)</u>
Available Resources Over/(Under) Expenditures	<u>3,054</u>	<u>4,620</u>		<u>6,068</u>
Water System				
Revenues	117,542	80,314	68%	71,232
Carryover	<u>89,909</u>	<u>89,619</u>	100%	<u>70,997</u>
Available Resources	207,451	169,933	82%	142,229
Expenditures	<u>(120,426)</u>	<u>(49,338)</u>	41%	<u>(43,479)</u>
Available Resources Over/(Under) Expenditures	<u>87,025</u>	<u>120,595</u>		<u>98,750</u>

ANALYSIS OF ENTERPRISE OPERATING FUNDS

Actual revenues and expenditures for Enterprise Operations are recorded on the cash basis of accounting for monthly financial reporting purposes: meaning, revenues are recognized when the cash is received and expenses are recognized when the cash is paid. This can result in material timing differences, particularly when grants are involved. Most grants require the City to incur the expenditure before obtaining reimbursement from the granting agency. Transportation/FAX has significant grant-related revenue sources and will accordingly see the greatest impact as a result of these timing differences.

The budgeted figures for Fiscal Year 2019 were established to support the ongoing operations and anticipated capital improvements for each enterprise. The budgeted revenue figures include estimated carryover from the prior year. Actual carryover amounts from Fiscal Year 2018 to Fiscal Year 2019 are treated as a component of operating revenue and are detailed above. Because carryover is posted in August, early fiscal year Revenue results may appear high.

Community Sanitation carryover represents about 46.2% of total available resources during the first seven months of this fiscal year. Transportation/FAX YTD Revenues for the first seven months of Fiscal Year 2019 increased \$1.8 million (33.7%) from the same period last fiscal year mainly due to timing of the State TDA payment. Airport Operating carryover represents about 75.7% of total available resources through January 31st.

Sewer System YTD Revenues for the seven months ended January 31, 2019 decreased \$6.0 million (-16.0%) primarily due to a large transfer in last year for which there is no similar transfer this year plus higher interest and investment revenue. Sewer System carryover represents about 56.5% of total available resources for the first seven months of this fiscal year. Solid Waste Revenues for the first seven months of Fiscal Year 2019 increased \$0.9 million (5.0%) primarily due to transfers in this year for which there were no similar transfers last fiscal year. Solid Waste carryover represents about 13.6% of total available resources for the first seven months of this fiscal year.

Water System YTD Revenues for the first seven months of this fiscal year increased \$9.1 million (12.7%) primarily due to increased customer charges and a PG&E refund related to the Southeast Water Treatment Facility for which there was no similar payment last year. Water System carryover represents about 52.7% of total available resources through January 31, 2019.

Transportation/FAX expenditures for the first seven months of Fiscal Year 2019 increased \$1.0 million (5.5%) compared to the same period last fiscal year primarily due to increased costs for salaries and benefits, utilities, transverse charge, and the Handy Ride contract. Sewer System expenditures for the first seven months of this fiscal year decreased \$6.3 million (-17.9%) compared to the same period last fiscal year primarily due to lower costs for contract construction and engineering and design.

Solid Waste expenditures for the first seven months of this fiscal year increased \$1.9 million (11.9%) compared to the same period last fiscal year mostly due to increased costs for Fleet charges, landfill tipping fees, salaries and benefits, and professional and technical services. Water System expenditures during the seven months ended January 31, 2019 increased \$5.9 million (13.5%) compared to the same period last fiscal year mostly due to higher costs for specialty chemicals, interest on loans, engineering & design services, contract construction, and fleet service charges.

CITY DEBT

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds:			
Various Capital Projects	\$24,780		\$24,780
No Neighborhood Left Behind/Selland Arena	12,945		12,945
Parks Impact Fee Projects	22,965	\$1,615	24,580
City Hall Chiller/Convention Center Improvements	2,710	13,315	16,025
Public Safety Impact Fee Projects	32,065		32,065
City Hall Refinancing/Bee Building/Granite Park	29,020		29,020
Exhibit Hall Expansion Project		13,742	13,742
Stadium Project		28,035	28,035
Judgment Bonds:			
Pension Obligation Bonds	124,245		124,245
Enterprise Bonds:			
Water		130,725	130,725
Sewer*		34,285	34,285
Airport		47,715	47,715
Total Bonds	\$248,730	\$269,432	\$518,162
Notes and Loans:			
HUD – FMAAA	\$135		\$135
HUD – Neighborhood Streets and Parks	472		472
CIEDB – Roeding Business Park	1,561		1,561
SMG – Employee Benefits Cost Reimbursement		\$250	250
State Water Resources Control Board Loans		317,277	317,277
Clean Water – Southwest Quadrant		25,420	25,420
Safe Drinking Water Loans		40,792	40,792
Total Notes and Loans	\$2,168	\$383,739	\$385,907
Capital Leases	30,043		30,043
Total City Debt	\$280,941	\$653,171	\$934,112

* Partial defeasance of Sewer 2008 Bonds during September 2018 reduced principal by \$132.5 million.

SUMMARY AND CONTACT INFORMATION

This report is based on detailed information produced by the City's Finance Department/Accounting Division. If you would like additional information, or have any questions about this report, please call 621-7001.