



City of Fresno
Monthly Financial Report
For the Eight Months Ended February 28, 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	211,535	64%	177,009
Expenditures	(326,651)	(199,123)	61%	(191,312)
Revenues Over (Under) Expenditures	5,793	12,412		(14,303)

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	97,665	54,678	56%	51,495
Prop. 172 Sales Tax	3,156	2,094	66%	2,037
Property Tax	131,683	72,268	55%	67,333
Business Tax	19,640	11,963	61%	11,926
Franchise Tax	14,350	5,322	37%	4,593
Other Local Taxes	14,544	10,666	73%	9,474
Card Room Receipts	971	689	71%	679
Charges for Services	16,592	11,335	68%	9,812
Development Fees	19,266	11,400	59%	11,214
Intergovernmental Revenues	10,492	7,992	76%	5,895
Intragovernmental Revenues	14,591	9,202	63%	8,028
Transfers In/Out	(31,856)	(5,901)	19%	(7,356)
All Other Revenue Sources	21,350	19,828	93%	1,879
Total General Fund Revenues	332,444	211,536	64%	177,009

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the eight months ended February 28, 2019 were \$211.5 million. This is an increase of \$34.5 million, or 19.5%, above actual revenues during the first eight months of last fiscal year. Total revenues at the end of February 2019 are at 63.6% of the annual estimate for Fiscal Year 2019.

Sales Tax revenues during the first eight months of Fiscal Year 2019 increased \$3.2 million (6.2%) compared to the first eight months last fiscal year. Property Tax revenues during the eight months ended February 28, 2019 increased \$4.9 million (7.3%) compared to last year due to increased Real and Personal Property Tax, Secured Personal Tax-Override, VLF Swap revenue and higher amount of delinquent property taxes and penalties received. Other Local Taxes during the first eight months of Fiscal Year 2019 increased \$1.2 million (12.6%) compared to the same period last year mainly due to increased Real Estate Transfer Tax and Room 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 Eight Months Ended February 28, 2019

(All figures in thousands)

Charges for Services during the eight months ended February 28, 2019 increased \$1.5 million (15.5%) compared to the same period last year mostly due to higher revenues from plan check and inspection fees, vehicle releases and fines, and street work and conditional use permits. Intergovernmental Revenues occurring in the first eight months of Fiscal Year 2019 increased \$2.1 million (35.6%) compared to the first eight months of last fiscal year mostly due to repayment from the RDA Successor Agency partially offset by reduced State and Federal reimbursements. Intragovernmental Revenues during the eight months ended February 28, 2019 increased \$1.2 million (14.6%) compared to the same period last year mostly due to increased fixed and variable reimbursements.

Transfers Out during the eight months ended February 28, 2019 decreased \$1.5 million (-19.8%) compared to the same period last fiscal year mostly due to transfer last year for the Southeast Police station for which there is no similar transfer this year. All Other Revenue during the first eight months of Fiscal Year 2019 increased \$17.9 million compared to the first eight months of last fiscal year mostly due to timing difference in the posting of General Fund carryover.

As of February 28th, 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	168,808	107,448	64%	102,507
Fire Department	65,682	39,696	60%	39,085
Parks, Recreation & Community Services	18,942	9,484	50%	9,469
Finance/Purchasing/Central Printing	7,114	4,200	59%	4,176
Public Works	9,697	6,250	64%	6,011
City Council Offices	4,683	2,023	43%	1,715
City Clerk's Office	910	496	55%	473
Office of the Mayor/City Manager/Budget	4,134	2,644	64%	2,313
Development and Resource Management (DARM)	30,432	15,678	52%	15,253
Personnel	3,224	2,016	63%	1,903
City Attorney's Office	6,331	4,091	65%	3,531
General City Purposes	12,141	5,097	42%	4,876
Attrition Savings	(5,447)	0	0%	0
Total General Fund Expenditures	326,651	199,123	61%	191,312

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	181,417	117,929	65%	110,767
Salaries and Benefits Others	41,731	29,566	71%	27,322
Overtime Public Protection	4,787	4,966	104%	4,720
Overtime Others	68	121	179%	94
Pension Obligation Bonds	12,720	3,187	25%	3,385
Operations and Maintenance	41,062	21,817	53%	22,805
Interdepartmental Charges	26,889	16,523	61%	18,718
Capital	17,977	5,014	28%	3,501
Total General Fund Expenditures	326,651	199,123	61%	191,312

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the eight months ended February 28, 2019 were \$199.1 million. This is an increase of \$7.8 million (4.1%) from actual General Fund expenditures during the same period last fiscal year.

Comparing the first eight months this year with last year, the Police and Fire Departments experienced increases of \$4.9 million (4.8%) 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.

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 \$0.6 million (15.9%) during the first eight 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 \$7.2 million (6.5%) and \$2.2 million (8.2%) respectively during the first eight months of Fiscal Year 2019 compared to the same period last year. Overtime for Public Protection during the eight months ended February 28, 2019 increased \$0.2 million (5.2%) compared to the same period last year.

Operations and Maintenance for the first eight months of FY2019 is down \$1.0 million (-4.3%) compared to the same period last year primarily due to lower costs for rock and mineral products, Parks special projects, professional and specialized services, and lower rent due to purchase of Fire Headquarters. Interdepartmental Charges for the first eight months of FY2019 decreased \$2.2 million (-11.7%) primarily due to lower Fleet charges. Capital experienced a \$1.5 million (43.2%) increase for the first eight 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	5,372	65%	6,199
Carryover	<u>3,265</u>	<u>3,954</u>	121%	<u>5,810</u>
Available Resources	11,561	9,326	81%	12,009
Expenditures	<u>(11,494)</u>	<u>(6,606)</u>	57%	<u>(6,311)</u>
Available Resources Over/(Under) Expenditures	<u>67</u>	<u>2,720</u>		<u>5,698</u>
Transportation/FAX				
Revenues	31,791	21,524	68%	5,966
Carryover	<u>196</u>	<u>(2,640)</u>	-1347%	<u>1,411</u>
Available Resources	31,987	18,884	59%	7,377
Expenditures	<u>(30,172)</u>	<u>(21,028)</u>	70%	<u>(20,423)</u>
Available Resources Over/(Under) Expenditures	<u>1,815</u>	<u>(2,144)</u>		<u>(13,046)</u>
Airport Operating				
Revenues	12,789	14,143	111%	12,468
Carryover	<u>32,396</u>	<u>34,316</u>	106%	<u>24,328</u>
Available Resources	45,185	48,459	107%	36,796
Expenditures	<u>(17,561)</u>	<u>(10,668)</u>	61%	<u>(10,041)</u>
Available Resources Over/(Under) Expenditures	<u>27,624</u>	<u>37,791</u>		<u>26,755</u>
Sewer System				
Revenues	87,338	37,505	43%	39,246
Carryover	<u>35,991</u>	<u>41,100</u>	114%	<u>20,634</u>
Available Resources	123,329	78,605	64%	59,880
Expenditures	<u>(109,097)</u>	<u>(32,038)</u>	29%	<u>(37,902)</u>
Available Resources Over/(Under) Expenditures	<u>14,232</u>	<u>46,567</u>		<u>21,978</u>
Solid Waste System				
Revenues	38,640	21,964	57%	20,787
Carryover	<u>2,846</u>	<u>3,035</u>	107%	<u>3,521</u>
Available Resources	41,486	24,999	60%	24,308
Expenditures	<u>(38,432)</u>	<u>(19,749)</u>	51%	<u>(18,008)</u>
Available Resources Over/(Under) Expenditures	<u>3,054</u>	<u>5,250</u>		<u>6,300</u>
Water System				
Revenues	117,542	87,222	74%	77,491
Carryover	<u>89,909</u>	<u>89,619</u>	100%	<u>70,997</u>
Available Resources	207,451	176,841	85%	148,488
Expenditures	<u>(120,426)</u>	<u>(52,965)</u>	44%	<u>(50,144)</u>
Available Resources Over/(Under) Expenditures	<u>87,025</u>	<u>123,876</u>		<u>98,344</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 42.4% of total available resources during the first eight months of this fiscal year. Transportation/FAX YTD Revenues for the first eight months of Fiscal Year 2019 increased \$15.6 million (260.8%) from the same period last fiscal year mainly due to timing of the State TDA payment.

Airport YTD Revenues for the eight months ended February 28, 2019 increased \$1.7 million (13.4%) from the same period last fiscal year primarily due to increased rental, concession, use and landing fees, parking revenue, and reduced transfers out to other Airport funds. Airport Operating carryover represents about 70.8% of total available resources through February 28th.

Sewer System YTD Revenues for the eight months ended February 28, 2019 decreased \$1.7 million (-4.4%) primarily due to a large transfer in last year for which there is no similar transfer this year. Sewer System carryover represents about 52.3% of total available resources for the first eight months of this fiscal year. Solid Waste Revenues for the first eight months of Fiscal Year 2019 increased \$1.2 million (5.7%) primarily due to transfers in this year for which there were no similar transfers last fiscal year, and increased customer charges. Solid Waste carryover represents about 12.1% of total available resources for the first eight months of this fiscal year.

Water System YTD Revenues for the first eight months of this fiscal year increased \$9.7 million (12.6%) primarily due to increased customer charges, a PG&E refund related to the Southeast Water Treatment Facility for which there was no similar payment last year, and higher interest revenue. Water System carryover represents about 50.7% of total available resources through February 28, 2019.

Transportation/FAX expenditures for the first eight months of Fiscal Year 2019 increased \$0.6 million (3.0%) compared to the same period last fiscal year primarily due to increased costs for the Handy Ride contract, Fleet fuel charges, and utilities. Airport expenditures for the eight months ended February 28, 2019 increased \$0.6 million (6.2%) compared to the same period last fiscal year primarily due to increased costs for salaries and benefits, and technical services.

Sewer System expenditures for the first eight months of this fiscal year decreased \$5.9 million (-15.5%) compared to the same period last fiscal year primarily due to lower costs for contract construction partially offset by increased costs for utilities and outside repairs of building and improvements. Solid Waste expenditures for the first eight months of this fiscal year increased \$1.7 million (9.7%) compared to the same period last fiscal year mostly due to increased costs for Fleet charges, professional and technical services, landfill tipping fees, and salaries and benefits. Water System expenditures during the eight months ended February 28, 2019 increased \$2.8 million (5.6%) compared to the same period last fiscal year mostly due to higher costs for specialty chemicals, and interest on loans.

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		317,324	317,324
Clean Water – Southwest Quadrant		24,152	24,152
Safe Drinking Water Loans		40,792	40,792
Total Notes and Loans	\$2,168	\$382,518	\$384,686
Capital Leases	29,874		29,874
Total City Debt	\$280,772	\$651,950	\$932,722

* 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.