



**City of Fresno**  
**Monthly Financial Report**  
**For the Nine Months Ended March 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	216,129	65%	197,098
Expenditures	(326,379)	(226,069)	69%	(216,025)
Revenues Over (Under) Expenditures	<u>6,065</u>	<u>(9,940)</u>		<u>(18,927)</u>

**GENERAL FUND REVENUES**

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	97,665	62,084	64%	59,503
Prop. 172 Sales Tax	3,156	2,456	78%	2,386
Property Tax	131,683	72,362	55%	68,234
Business Tax	19,640	12,259	62%	12,003
Franchise Tax	14,350	6,183	43%	4,593
Other Local Taxes	14,544	11,811	81%	10,618
Card Room Receipts	971	776	80%	766
Charges for Services	16,592	12,774	77%	11,614
Development Fees	19,266	13,025	68%	12,883
Intergovernmental Revenues	10,492	8,976	86%	6,428
Intragovernmental Revenues	14,591	10,270	70%	9,042
Transfers In/Out	(31,856)	(16,810)	53%	(20,939)
All Other Revenue Sources	21,350	19,963	94%	19,967
Total General Fund Revenues	<u>332,444</u>	<u>216,129</u>	<u>65%</u>	<u>197,098</u>

**ANALYSIS OF GENERAL FUND REVENUES**

General Fund revenues for the nine months ended March 31, 2019 were \$216.1 million. This is an increase of \$19.0 million, or 9.7%, above actual revenues during the first nine months of last fiscal year. Total revenues at the end of March 2019 are at 65.0% of the annual estimate for Fiscal Year 2019.

Sales Tax revenues during the first nine months of Fiscal Year 2019 increased \$2.6 million (4.3%) compared to the first nine months last fiscal year. Property Tax revenues during the nine months ended March 31, 2019 increased \$4.1 million (6.0%) compared to last year due to increased Real and Personal Property Tax, VLF Swap revenue, Secured Personal Tax-Override, and higher amount of delinquent property taxes and penalties received. Franchise Tax during the first nine months of Fiscal Year 2019 increased \$1.6 million (34.6%) compared to the same period last year mostly due to timing of the Commercial Solid Waste franchise fees. Other Local Taxes during the first nine months of Fiscal Year 2019 increased \$1.2 million (11.2%) compared to the same period last year mainly due to increased Room Tax and Real Estate Transfer Tax revenues.

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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.

Charges for Services during the nine months ended March 31, 2019 increased \$1.2 million (10.0%) 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 nine months of Fiscal Year 2019 increased \$2.5 million (39.6%) compared to the first nine months of last fiscal year mostly due to increased repayments from the RDA Successor Agency that were partially offset by reduced State and Federal reimbursements. Intragovernmental Revenues during the nine months ended March 31, 2019 increased \$1.2 million (13.6%) compared to the same period last year mostly due to increased fixed and variable reimbursements.

Transfers Out during the nine months ended March 31, 2019 decreased \$4.1 million (-19.7%) compared to the same period last fiscal year mostly due to transfers last year for the Southeast Police station and replenishment of the Self-Insurance fund for which there are no similar transfers this year.

As of March 31<sup>st</sup>, 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	168,564	120,438	71%	114,771
Fire Department	65,682	44,332	67%	43,747
Parks, Recreation & Community Services	18,942	10,672	56%	10,416
Finance/Purchasing/Central Printing	7,091	5,083	72%	5,003
Public Works	9,697	7,059	73%	6,594
City Council Offices	4,683	2,465	53%	2,218
City Clerk's Office	910	667	73%	602
Office of the Mayor/City Manager/Budget	4,134	3,008	73%	2,650
Development and Resource Management (DARM)	30,432	19,259	63%	17,862
Personnel	3,224	2,410	75%	2,278
City Attorney's Office	6,331	4,705	74%	4,123
General City Purposes	12,136	5,971	49%	5,761
Attrition Savings	(5,447)	0	0%	0
<b>Total General Fund Expenditures</b>	<b>326,379</b>	<b>226,069</b>	<b>69%</b>	<b>216,025</b>

**GENERAL FUND EXPENDITURES BY TYPE**

<b>Expenditure Type</b>	<b>Amended Budget</b>	<b>YTD Actual</b>	<b>% of Budget</b>	<b>Prior Year Actuals</b>
Salaries and Benefits Public Protection	181,174	131,823	73%	123,965
Salaries and Benefits Others	41,751	33,099	79%	30,592
Overtime Public Protection	4,787	5,304	111%	5,124
Overtime Others	68	135	199%	97
Pension Obligation Bonds	12,720	3,187	25%	3,385
Operations and Maintenance	40,979	25,380	62%	25,621
Interdepartmental Charges	26,928	21,169	79%	23,336
Capital	17,972	5,972	33%	3,905
<b>Total General Fund Expenditures</b>	<b>326,379</b>	<b>226,069</b>	<b>69%</b>	<b>216,025</b>

**ANALYSIS OF GENERAL FUND EXPENDITURES**

General Fund expenditures for the nine months ended March 31, 2019 were \$226.1 million. This is an increase of \$10.0 million (4.6%) from actual General Fund expenditures during the same period last fiscal year.

Comparing the first nine months this year with last year, the Police and Fire Departments experienced increases of \$5.7 million (4.9%) and \$0.6 million (1.3%) 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. DARM expenditures during the nine months ended March 31, 2019 increased \$1.4 million (7.8%) compared to the same period last fiscal year mainly due to increased personnel and professional services costs. City Attorney's Office expenditures increased \$0.6 million (14.1%) during the first nine 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 \$7.9 million (6.3%) and \$2.5 million (8.2%) respectively during the first nine months of Fiscal Year 2019 compared to the same period last year. Overtime for Public Protection during the nine months ended March 31, 2019 increased \$0.2 million (3.5%) compared to the same period last year.

Interdepartmental Charges for the first nine months of FY2019 decreased \$2.2 million (-9.3%) primarily due to lower Fleet charges. Capital experienced a \$2.1 million (52.9%) increase for the first nine 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.

<b>Enterprise Fund</b>	<b>Budget</b>	<b>YTD Actual</b>	<b>% of Budget</b>	<b>Prior Year</b>
<b>Community Sanitation</b>				
Revenues	8,296	6,201	75%	6,517
Carryover	<u>3,265</u>	<u>3,954</u>	121%	<u>5,810</u>
Available Resources	11,561	10,155	88%	12,327
Expenditures	<u>(11,494)</u>	<u>(7,449)</u>	65%	<u>(7,301)</u>
Available Resources Over/(Under) Expenditures	<u>67</u>	<u>2,706</u>		<u>5,026</u>
<b>Transportation/FAX</b>				
Revenues	31,791	19,215	60%	19,409
Carryover	<u>196</u>	<u>(2,640)</u>	-1347%	<u>1,411</u>
Available Resources	31,987	16,575	52%	20,820
Expenditures	<u>(30,172)</u>	<u>(23,376)</u>	77%	<u>(23,292)</u>
Available Resources Over/(Under) Expenditures	<u>1,815</u>	<u>(6,801)</u>		<u>(2,472)</u>
<b>Airport Operating</b>				
Revenues	12,789	15,825	124%	13,967
Carryover	<u>32,396</u>	<u>34,316</u>	106%	<u>24,328</u>
Available Resources	45,185	50,141	111%	38,295
Expenditures	<u>(17,561)</u>	<u>(11,924)</u>	68%	<u>(11,142)</u>
Available Resources Over/(Under) Expenditures	<u>27,624</u>	<u>38,217</u>		<u>27,153</u>
<b>Sewer System</b>				
Revenues	87,338	44,514	51%	47,914
Carryover	<u>35,991</u>	<u>41,100</u>	114%	<u>20,634</u>
Available Resources	123,329	85,614	69%	68,548
Expenditures	<u>(109,097)</u>	<u>(35,085)</u>	32%	<u>(41,574)</u>
Available Resources Over/(Under) Expenditures	<u>14,232</u>	<u>50,529</u>		<u>26,974</u>
<b>Solid Waste System</b>				
Revenues	38,640	24,687	64%	19,011
Carryover	<u>2,846</u>	<u>3,035</u>	107%	<u>3,521</u>
Available Resources	41,486	27,722	67%	22,532
Expenditures	<u>(38,432)</u>	<u>(22,149)</u>	58%	<u>(20,157)</u>
Available Resources Over/(Under) Expenditures	<u>3,054</u>	<u>5,573</u>		<u>2,375</u>
<b>Water System</b>				
Revenues	117,542	94,943	81%	85,000
Carryover	<u>89,909</u>	<u>89,619</u>	100%	<u>70,997</u>
Available Resources	207,451	184,562	89%	155,997
Expenditures	<u>(120,426)</u>	<u>(58,606)</u>	49%	<u>(54,764)</u>
Available Resources Over/(Under) Expenditures	<u>87,025</u>	<u>125,956</u>		<u>101,233</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 38.9% of total available resources during the first nine months of this fiscal year. Airport YTD Revenues for the nine months ended March 31, 2019 increased \$1.9 million (13.3%) from the same period last fiscal year primarily due to increased concession, use and landing fees, parking revenue, and customer facility charges. Airport Operating carryover represents about 68.4% of total available resources through March 31<sup>st</sup>.

Sewer System YTD Revenues for the nine months ended March 31, 2019 decreased \$3.4 million (-7.1%) primarily due to a large transfer in last year from the SRF loan to reimburse for construction costs for which there is no similar transfer this year. Sewer System carryover represents about 48.0% of total available resources for the first nine months of this fiscal year. Solid Waste Revenues for the first nine months of Fiscal Year 2019 increased \$5.7 million (29.9%) primarily due to transfers out last year to the fleet replacement fund for which there were no similar transfers this fiscal year, and increased customer charges. Solid Waste carryover represents about 10.9% of total available resources for the first nine months of this fiscal year.

Water System YTD Revenues for the first nine months of this fiscal year increased \$9.9 million (11.7%) primarily due to increased customer charges, a PG&E refund related to the Southeast Water Treatment Facility for which there was no similar refund last fiscal year, and higher interest revenue. Water System carryover represents about 48.6% of total available resources through March 31, 2019.

Airport expenditures for the nine months ended March 31, 2019 increased \$0.8 million (7.0%) compared to the same period last fiscal year primarily due to increased costs for salaries and benefits, and interdepartmental charges. Sewer System expenditures for the first nine months of this fiscal year decreased \$6.5 million (-15.6%) compared to the same period last fiscal year primarily due to lower costs for contract construction which are partially offset by increased costs for utilities and outside repairs of building and improvements.

Solid Waste expenditures for the first nine months of this fiscal year increased \$2.0 million (9.9%) compared to the same period last fiscal year mostly due to increased costs for Fleet charges, landfill tipping fees, professional and technical services, and salaries and benefits. Water System expenditures during the nine months ended March 31, 2019 increased \$3.8 million (7.0%) compared to the same period last fiscal year mostly due to higher costs for specialty chemicals, as well as interest on loans. These increases are partially offset by savings for the cost of outside professional services.

**CITY DEBT**

<b>Debt Source (in thousands)</b>	<b>Governmental</b>	<b>Business-Type</b>	<b>Principal Outstanding</b>
<b>Lease Revenue Bonds:</b>			
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
<b>Judgment Bonds:</b>			
Pension Obligation Bonds	124,245		124,245
<b>Enterprise Bonds:</b>			
Water		130,725	130,725
Sewer*		34,285	34,285
Airport		47,715	47,715
<b>Total Bonds</b>	<b>\$248,730</b>	<b>\$269,432</b>	<b>\$518,162</b>
<b>Notes and Loans:</b>			
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
<b>Total Notes and Loans</b>	<b>\$2,168</b>	<b>\$382,518</b>	<b>\$384,686</b>
<b>Capital Leases</b>	<b>30,445</b>		<b>30,445</b>
<b>Total City Debt</b>	<b>\$281,343</b>	<b>\$651,950</b>	<b>\$933,293</b>

\* 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.