



City of Fresno
Monthly Financial Report
For the Eleven Months Ended May 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	332,494	318,444	96%	293,892
Expenditures	(325,765)	(289,641)	89%	(270,931)
Revenues Over (Under) Expenditures	<u>6,729</u>	<u>28,803</u>		<u>22,961</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	97,665	77,148	79%	73,577
Prop. 172 Sales Tax	3,156	2,917	92%	2,806
Property Tax	131,683	132,088	100%	124,476
Business Tax	19,640	19,494	99%	18,913
Franchise Tax	14,350	12,971	90%	10,803
Other Local Taxes	14,544	14,420	99%	13,509
Card Room Receipts	971	962	99%	965
Charges for Services	16,592	16,573	100%	15,321
Development Fees	19,266	16,613	86%	15,690
Intergovernmental Revenues	10,542	10,710	102%	8,219
Intragovernmental Revenues	14,591	13,316	91%	11,617
Transfers In/Out	(31,856)	(19,191)	60%	(22,220)
All Other Revenue Sources	21,350	20,423	96%	20,216
Total General Fund Revenues	<u>332,494</u>	<u>318,444</u>	<u>96%</u>	<u>293,892</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the eleven months ended May 31, 2019 were \$318.4 million. This is an increase of \$24.6 million, or 8.4%, above actual revenues during the first eleven months of last fiscal year. Total revenues at the end of May 2019 are at 95.8% of the annual estimate for Fiscal Year 2019.

Sales Tax revenues during the first eleven months of Fiscal Year 2019 increased \$3.6 million (4.9%) compared to the first eleven months last fiscal year. Property Tax revenues during the eleven months ended May 31, 2019 increased \$7.6 million (6.1%) compared to last year due to increased Real and Personal Property Tax, VLF Swap revenues, and Secrued Personal-Override Tax receipts. Franchise Tax during the first eleven months of Fiscal Year 2019 increased \$2.2 million (20.1%) compared to the same period last year mostly due to timing of the Commercial Solid Waste franchise fees. Other Local Taxes during the first eleven months of Fiscal Year 2019 increased \$0.9 million (6.7%) compared to the same period last year mainly due to increased Real Estate Transfer Tax and Room 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 eleven months ended May 31, 2019 increased \$1.3 million (8.2%) 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 permits. Intergovernmental Revenues occurring in the first eleven months of Fiscal Year 2019 increased \$2.5 million (30.3%) compared to the first eleven months of last fiscal year mostly due to increased repayments from the RDA Successor Agency, and reimbursements for school resource officers. These reimbursements were partially offset by reduced Federal reimbursements. Intragovernmental Revenues during the eleven months ended May 31, 2019 increased \$1.7 million (14.6%) compared to the same period last year mostly due to increased fixed and variable reimbursements.

Transfers Out during the eleven months ended May 31, 2019 decreased \$3.0 million (-13.6%) 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 May 31st, the City maintained \$24.4 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	167,977	156,102	93%	145,051
Fire Department	65,682	57,720	88%	55,044
Parks, Recreation & Community Services	18,992	13,138	69%	12,469
Finance/Purchasing/Central Printing	7,015	6,302	90%	6,056
Public Works	9,697	8,323	86%	7,934
City Council Offices	4,707	3,018	64%	2,658
City Clerk's Office	910	830	91%	712
Office of the Mayor/City Manager/Budget	4,134	3,806	92%	3,276
Development and Resource Management (DARM)	30,432	24,374	80%	22,567
Personnel	3,173	2,924	92%	2,781
City Attorney's Office	6,381	5,851	92%	5,035
General City Purposes	12,112	7,253	60%	7,348
Attrition Savings	(5,447)	0	0%	0
Total General Fund Expenditures	325,765	289,641	89%	270,931

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	180,587	165,353	92%	150,365
Salaries and Benefits Others	41,644	41,455	100%	37,210
Overtime Public Protection	4,787	6,371	133%	5,837
Overtime Others	68	184	272%	136
Pension Obligation Bonds	12,720	12,730	100%	12,749
Operations and Maintenance	41,126	30,496	74%	30,558
Interdepartmental Charges	27,220	25,097	92%	29,074
Capital	17,613	7,955	45%	5,002
Total General Fund Expenditures	325,765	289,641	89%	270,931

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the eleven months ended May 31, 2019 were \$289.6 million. This is an increase of \$18.7 million (6.9%) from actual General Fund expenditures during the same period last fiscal year.

Comparing the first eleven months this year with last year, the Police and Fire Departments experienced increases of \$11.1 million (7.6%) and \$2.7 million (4.9%) 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 expenditures during the eleven months ended May 31, 2019 increased \$1.8 million (8.0%) compared to the same period last fiscal year mainly due to increased personnel and professional services 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 \$0.8 million (16.2%) during the first eleven 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 \$15.0 million (10.0%) and \$4.2 million (11.4%) respectively during the first eleven months of Fiscal Year 2019 compared to the same period last year. Overtime for Public Protection during the eleven months ended May 31, 2019 increased \$0.5 million (9.1%) compared to the same period last year.

Interdepartmental Charges for the first eleven months of FY2019 decreased \$4.0 million (-13.7%) primarily due to lower Fleet charges that were partially offset by increased fixed charges. Capital experienced a \$3.0 million (59.0%) increase for the first eleven 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	7,841	95%	8,144
Carryover	<u>3,265</u>	<u>3,954</u>	121%	<u>5,810</u>
Available Resources	11,561	11,795	102%	13,954
Expenditures	<u>(11,494)</u>	<u>(10,164)</u>	88%	<u>(8,979)</u>
Available Resources Over/(Under) Expenditures	<u>67</u>	<u>1,631</u>		<u>4,975</u>
Transportation/FAX				
Revenues	31,791	25,649	81%	24,446
Carryover	<u>196</u>	<u>(2,640)</u>	-1347%	<u>1,411</u>
Available Resources	31,987	23,009	72%	25,857
Expenditures	<u>(30,172)</u>	<u>(28,964)</u>	96%	<u>(29,421)</u>
Available Resources Over/(Under) Expenditures	<u>1,815</u>	<u>(5,955)</u>		<u>(3,564)</u>
Airport Operating				
Revenues	9,924	18,792	189%	23,501
Carryover	<u>32,396</u>	<u>34,316</u>	106%	<u>24,328</u>
Available Resources	42,320	53,108	125%	47,829
Expenditures	<u>(17,561)</u>	<u>(15,129)</u>	86%	<u>(13,529)</u>
Available Resources Over/(Under) Expenditures	<u>24,759</u>	<u>37,979</u>		<u>34,300</u>
Sewer System				
Revenues	87,338	57,469	66%	61,687
Carryover	<u>35,991</u>	<u>41,100</u>	114%	<u>20,634</u>
Available Resources	123,329	98,569	80%	82,321
Expenditures	<u>(109,097)</u>	<u>(44,230)</u>	41%	<u>(48,887)</u>
Available Resources Over/(Under) Expenditures	<u>14,232</u>	<u>54,339</u>		<u>33,434</u>
Solid Waste System				
Revenues	38,640	30,174	78%	24,540
Carryover	<u>2,846</u>	<u>3,035</u>	107%	<u>3,521</u>
Available Resources	41,486	33,209	80%	28,061
Expenditures	<u>(38,432)</u>	<u>(27,951)</u>	73%	<u>(25,684)</u>
Available Resources Over/(Under) Expenditures	<u>3,054</u>	<u>5,258</u>		<u>2,377</u>
Water System				
Revenues	117,542	114,424	97%	99,931
Carryover	<u>89,909</u>	<u>89,619</u>	100%	<u>70,997</u>
Available Resources	207,451	204,043	98%	170,928
Expenditures	<u>(120,426)</u>	<u>(77,559)</u>	64%	<u>(74,172)</u>
Available Resources Over/(Under) Expenditures	<u>87,025</u>	<u>126,484</u>		<u>96,756</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 33.5% of total available resources during the first eleven months of this fiscal year. Transportation/FAX Revenues during the first eleven months of this fiscal year increased \$1.2 million (4.9%) from the same period last fiscal year mostly due to increased State Transit Assistance payments. Airport YTD Revenues for the eleven months ended May 31, 2019 decreased \$4.7 million (-20.0%) from the same period last fiscal year primarily due to a large transfer covering previously expended capital costs for which there is no similar transfer this year. Airport Operating carryover represents about 64.6% of total available resources through May 31st.

Sewer System YTD Revenues for the eleven months ended May 31, 2019 decreased \$4.2 million (-6.8%) 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, as well as lower City of Clovis share payments. Sewer System carryover represents about 41.7% of total available resources for the first eleven months of this fiscal year. Solid Waste Revenues for the first eleven months of Fiscal Year 2019 increased \$5.6 million (23.0%) 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 9.1% of total available resources for the first eleven months of this fiscal year.

Water System YTD Revenues for the first eleven months of this fiscal year increased \$14.5 million (14.5%) 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 43.9% of total available resources through May 31, 2019.

Community Sanitation expenditures for the first eleven months of this fiscal year increased \$1.2 million (13.2%) compared to the same period last fiscal year mainly due to increased Fleet charges. Airport expenditures for the eleven months ended May 31, 2019 increased \$1.6 million (11.8%) compared to the same period last fiscal year primarily due to increased costs for salaries and benefits, and technical and professional services. Sewer System expenditures for the first eleven months of this fiscal year decreased \$4.7 million (-9.5%) compared to the same period last fiscal year primarily due to lower costs for contract construction. This decrease is partially offset by new debt service payment for the State Loan, and increased costs for salaries and benefits.

Solid Waste expenditures for the first eleven months of this fiscal year increased \$2.3 million (8.8%) compared to the same period last fiscal year mostly due to increased costs for salaries and benefits, landfill tipping fees, Fleet charges, and professional and technical services. Water System expenditures during the eleven months ended May 31, 2019 increased \$3.4 million (4.6%) compared to the same period last fiscal year mostly due to higher costs for specialty chemicals, and salaries and benefits. These increases are partially offset by savings for the cost of outside professional services.

CITY DEBT

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds:			
Various Capital Projects	\$24,255		\$24,255
No Neighborhood Left Behind/Selland Arena	10,580		10,580
Parks Impact Fee Projects	22,270	\$1,565	23,835
City Hall Chiller/Convention Center Improvements	2,710	11,160	13,870
Public Safety Impact Fee Projects	31,050		31,050
City Hall Refinancing/Bee Building/Granite Park	25,985		25,985
Exhibit Hall Expansion Project		12,912	12,912
Stadium Project		27,300	27,300
Judgment Bonds:			
Pension Obligation Bonds	124,245		124,245
Enterprise Bonds:			
Water		130,725	130,725
Sewer*		34,285	34,285
Airport		82,715	82,715
Total Bonds	\$241,095	\$300,662	\$541,757
Notes and Loans:			
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		327,362	327,362
Clean Water – Southwest Quadrant		24,152	24,152
Safe Drinking Water Loans		40,746	40,746
Total Notes and Loans	\$2,033	\$392,510	\$394,543
Capital Leases	40,551		40,551
Total City Debt	\$283,679	\$693,172	\$976,851

* 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.