



City of Fresno
Monthly Financial Report
For the Five Months Ended November 30, 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	348,491	72,472	21%	76,651
Expenditures	(346,426)	(137,127)	40%	(127,866)
Revenues Over (Under) Expenditures	<u>2,065</u>	<u>(64,655)</u>		<u>(51,215)</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	95,171	25,365	27%	31,480
Prop. 172 Sales Tax	3,223	1,633	51%	1,298
Property Tax	140,218	1,045	1%	1,344
Business Tax	20,091	11,365	57%	10,699
Franchise Tax	15,423	3,263	21%	3,166
Other Local Taxes	15,792	7,113	45%	7,278
Card Room Receipts	1,070	399	37%	422
Charges for Services	18,796	7,706	41%	6,839
Development Fees	18,705	8,640	46%	7,532
Intergovernmental Revenues	9,947	5,174	52%	5,623
Intragovernmental Revenues	13,651	4,876	36%	5,083
Transfers In/Out	(24,572)	(5,017)	20%	(5,023)
All Other Revenue Sources	<u>20,976</u>	<u>910</u>	4%	<u>910</u>
Total General Fund Revenues	<u>348,491</u>	<u>72,472</u>	21%	<u>76,651</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the five months ended November 30, 2019 were \$72.5 million. This is a decrease of \$4.2 million, or -5.5%, below actual revenues during the first five months of last fiscal year. Total revenues at the end of November 2019 are at 20.8% of the annual estimate for Fiscal Year 2020.

Sales Tax revenues during the first five months of Fiscal Year 2020 decreased \$6.1 million (-19.4%) compared to first five months of last fiscal year because Sales Tax revenue received during August 2019 was accrued as Fiscal Year 2019 revenue.

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(All figures in thousands)

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 five months ended November 30, 2019 increased \$0.9 million (12.7%) compared to same period last fiscal year mostly due to a payment from North Central Fire District this year for which there was no similar payment last year. Additionally, there have been increased fee revenues for traffic signal startups and street work permits. Development Fee revenues during the first five months of Fiscal Year 2020 increased \$1.1 million (14.7%) due to higher revenues for plan checks, parking, and building permits.

As of November 30th, the City maintained \$34.6 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	183,234	74,015	40%	69,741
Fire Department	68,355	28,434	42%	26,137
Parks, Recreation & Community Services	19,912	6,797	34%	5,745
Finance/Purchasing/Central Printing	6,824	2,293	34%	2,699
Public Works	10,402	3,492	34%	3,285
City Council Offices	4,585	1,361	30%	1,327
City Clerk's Office	969	369	38%	337
Office of the Mayor/City Manager/Budget	4,499	1,825	41%	1,709
Planning and Development	22,090	7,458	34%	10,095
Personnel	3,540	1,366	39%	1,297
City Attorney's Office	16,840	6,397	38%	2,659
General City Purposes	12,089	3,320	27%	2,835
Attrition Savings	(6,913)	0	0%	0
Total General Fund Expenditures	346,426	137,127	40%	127,866

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	194,740	81,971	42%	75,824
Salaries and Benefits Others	44,550	20,890	47%	19,163
Overtime Public Protection	4,409	2,431	55%	3,433
Overtime Others	152	115	76%	89
Pension Obligation Bonds	12,674	2,979	24%	3,187
Operations and Maintenance	38,445	13,695	36%	13,782
Interdepartmental Charges	41,959	13,473	32%	9,611
Capital	9,497	1,573	17%	2,777
Total General Fund Expenditures	346,426	137,127	40%	127,866

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the five months ended November 30, 2019 were \$137.1 million. This is an increase of \$9.3 million (7.2%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of November 2019 were at 39.6% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced increases of \$4.3 million (6.1%) and \$2.3 million (8.8%) respectively. The changes in the Police Department's expenditures are primarily due to increased Police personnel costs and higher interdepartmental charges. The Fire Department's results stemmed from increased salaries and interdepartmental charges, which were partially offset by decreased Fire overtime (as a result of a drop in requests for personnel fighting fires). Parks, Recreation & Community Services' expenditures increased \$1.1 million (18.3%) during the first five months of Fiscal Year 2020 compared to the same period last fiscal year, mostly due to higher utility expense and increased cost for temporary summer help and permanent employees.

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 \$3.7 million (140.6%) and Planning and Development expenditures decreased \$2.6 million (-26.1%) compared to the first five months of last fiscal year mostly due to the transfer of Code Enforcement, in Fiscal Year 2020, from the former Development and Resource Management Department to the City Attorney's Office.

By category, Salaries/Benefits for Public Protection and Others increased \$6.1 million (8.1%) and \$1.7 million (9.0%) respectively during the first five months of Fiscal Year 2020 compared to the same period last year. Overtime for Public Protection during the five months ended November 30, 2019 decreased \$1.0 million (-29.2%) compared to last year.

Interdepartmental charges during the first five months of Fiscal Year 2020 increased \$3.9 million (40.2%) compared to the same period last year mostly due to increased costs for liability self-insurance and fleet charges. Capital expenditures experienced a \$1.2 million (-43.4%) decrease for the first five months of Fiscal Year 2020 compared to the same period last year mostly due to police car lease payments which were paid by Fleet Management last fiscal year for which there is no similar expenditure this fiscal year.

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	9,510	3,991	42%	3,371
Carryover	874	1,192	136%	3,954
Available Resources	10,384	5,183	50%	7,325
Expenditures	(10,384)	(3,682)	35%	(3,992)
Available Resources Over/(Under) Expenditures	0	1,501		3,333
Transportation/FAX				
Revenues	31,556	9,987	32%	6,050
Carryover	(1,260)	(1,795)	142%	(2,640)
Available Resources	30,296	8,192	27%	3,410
Expenditures	(29,581)	(10,204)	34%	(13,685)
Available Resources Over/(Under) Expenditures	715	(2,012)		(10,275)
Airport Operating				
Revenues	11,712	7,587	65%	7,984
Carryover	28,092	37,015	132%	34,316
Available Resources	39,804	44,602	112%	42,300
Expenditures	(18,906)	(7,624)	40%	(6,795)
Available Resources Over/(Under) Expenditures	20,898	36,978		35,505
Sewer System				
Revenues	49,529	9,506	19%	19,067
Carryover	56,335	65,274	116%	41,100
Available Resources	105,864	74,780	71%	60,167
Expenditures	(86,617)	(20,078)	23%	(20,776)
Available Resources Over/(Under) Expenditures	19,247	54,702		39,391
Solid Waste System				
Revenues	34,010	13,511	40%	12,993
Carryover	4,989	4,840	97%	3,035
Available Resources	38,999	18,351	47%	16,028
Expenditures	(35,885)	(12,537)	35%	(12,605)
Available Resources Over/(Under) Expenditures	3,114	5,814		3,423
Water System				
Revenues	117,532	63,768	54%	62,063
Carryover	108,256	112,593	104%	89,619
Available Resources	225,788	176,361	78%	151,682
Expenditures	(141,208)	(45,460)	32%	(36,502)
Available Resources Over/(Under) Expenditures	84,580	130,901		112,793

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 2020 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 2019 to Fiscal Year 2020 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 23.0% of total available resources during the five months ended November 30, 2019. Transportation/FAX Revenues during the first five months of this fiscal year increased \$3.9 million (65.1%) from the same period last fiscal year mostly due to State of California TDA payments received during August for which there were no similar payments last year. Airport Operating carryover represents about 83.0% of total available resources through November 30th.

Sewer System YTD Revenues for the five months ended November 30, 2019 decreased \$9.6 million (-50.1%) primarily due to a transfer out this year to deposit funds into an escrow account to defease the Series 2008 Sewer bonds. This was partially offset by increased customer charges and interest revenue. Sewer System carryover represents about 87.3% of total available resources for this fiscal year. Solid Waste carryover represents about 26.4% of total available resources for this fiscal year.

Water System YTD Revenues for the first five months of this fiscal year increased \$1.7 million (2.7%) primarily due to timing of the BAB Subsidy payment, increased customer charges, interest earnings, and timing of the annual transfer in to cover O&M costs related to DBCP. Water System carryover represents about 63.8% of total available resources through November 30, 2019.

Transportation/FAX expenditures for the first five months of this fiscal year decreased \$3.5 million (-25.4%) compared to same period last fiscal year mainly due to lower costs for personnel, and technical/professional services. These decreases were partially offset by increased interdepartmental charge for liability self-insurance. Airport Operating expenditures for the five months ended November 30, 2019 increased \$0.8 million (12.2%) compared to the same period last fiscal year primarily due to increased costs for technical/professional services, personnel, and utilities.

Water System expenditures during the five months ended November 30, 2019 increased \$9.0 million (24.5%) compared to the same period last fiscal year mostly due to higher costs for contract construction, personnel, and payment on State loan this year for which there was no similar payment last year. These increases are partially offset by lower expenditures for engineering and design services.

CITY DEBT

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds:			
Various Capital Projects	\$23,420		\$23,420
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		12,650	12,650
Stadium Project		26,545	26,545
Judgment Bonds:			
Pension Obligation Bonds	116,160		116,160
Enterprise Bonds:			
Water		124,995	124,995
Sewer*		6,935	6,935
Airport**		80,865	80,865
Total Bonds	\$232,175	\$264,715	\$496,890
Notes and Loans:			
HUD – Neighborhood Streets and Parks	\$365		\$365
CIEDB – Roeding Business Park	1,481		1,481
State Water Resources Control Board Loans		\$332,852	332,852
Clean Water – Southwest Quadrant		33,426	33,426
Safe Drinking Water Loans		39,386	39,386
Total Notes and Loans	\$1,846	\$405,664	\$407,510
Capital Leases	36,972		36,972
Total City Debt	\$270,993	\$670,379	\$941,372

* Final defeasance of Sewer 2008 Bonds during September 2019 reduced principal by \$27.3 million.

** Issuance of Airport Parking Garage Bonds during May 2019 increased principal by \$35 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.