



City of Fresno
Monthly Financial Report
For the Eleven Months Ended May 31, 2020
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	357,620	315,499	88%	318,444
Expenditures	(351,726)	(310,469)	88%	(289,641)
Revenues Over (Under) Expenditures	<u>5,894</u>	<u>5,030</u>		<u>28,803</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	95,171	69,690	73%	77,148
Prop. 172 Sales Tax	3,223	3,304	103%	2,917
Property Tax	140,218	136,985	98%	132,088
Business Tax	20,091	15,255	76%	19,494
Franchise Tax	15,423	13,849	90%	12,971
Other Local Taxes	15,792	13,683	87%	14,420
Card Room Receipts	1,070	781	73%	962
Charges for Services	18,796	17,062	91%	16,573
Development Fees	18,705	17,406	93%	16,613
Intergovernmental Revenues	9,947	8,038	81%	10,710
Intragovernmental Revenues	13,651	12,461	91%	13,316
Transfers In/Out	(22,072)	(20,248)	92%	(19,191)
All Other Revenue Sources	27,605	27,233	99%	20,423
Total General Fund Revenues	<u>357,620</u>	<u>315,499</u>	88%	<u>318,444</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the eleven months ended May 31, 2020 were \$315.5 million. This is a decrease of \$2.9 million, or -0.9%, below actual revenues during the first eleven months of last fiscal year. Total revenues at the end of May 2020 are at 88.2% of the annual estimate for Fiscal Year 2020.

Sales Tax revenues during the first eleven months of Fiscal Year 2020 decreased \$7.5 million (-9.7%) compared to the first eleven months of last fiscal year because Sales Tax revenue received during August 2019 was accrued as Fiscal Year 2019 revenue. Property Tax revenues during the eleven months ended May 31, 2020 increased \$4.9 million (3.7%) compared to last year due to increased Real and Personal Property Tax, Vehicle License Fee (VLF) Swap revenue, Delinquent Property Tax, and Tax Penalty and Interest. This was partially offset by lower Supplemental Tax revenue compared to last fiscal year. Business Tax revenues during the first eleven months of Fiscal Year 2020 decreased \$4.2 million (-21.7%) compared to last fiscal year due to the City postponing the reporting date for Business Taxes from April

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30 to June 1 out of consideration for the effect COVID-19 closures were having on the business community. COVID-19 impacts on the business community were also the driving factors behind the \$0.7 million (5.1%) decline in Other Local Taxes (specifically, Room Tax) and the \$0.1 million (15.1%) decline in Card Room Receipts.

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.

Intergovernmental Revenues during the eleven months ended May 31, 2020 decreased \$2.7 million (-24.9%) compared to the same period last fiscal year mostly due to lower payment from the Successor Agency, lower State reimbursements, and reduced revenues for school resource officers. This was partially offset by increased federal grant receipts. Transfers Out during the eleven months ended May 31, 2020 increased \$1.1 million (5.5%) mostly due to the transfer for the construction of Fire Station 18. All Other Revenues during the first eleven months of Fiscal Year 2020 increased \$6.8 million (33.3%) mostly due to higher General Fund carryover into Fiscal Year 2020 compared to last fiscal year plus higher revenue for VLF in excess.

As of May 31st, the City maintained \$35.0 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	180,584	165,592	92%	156,102
Fire Department	68,354	63,656	93%	57,720
Parks, Recreation & Community Services	20,972	14,612	70%	13,138
Finance/Purchasing	6,499	5,696	88%	6,302
Public Works	13,031	8,470	65%	8,323
City Council Offices	5,521	3,188	58%	3,018
City Clerk's Office	969	891	92%	830
Office of the Mayor/City Manager/Budget	4,499	4,083	91%	3,806
Planning and Development	21,899	17,215	79%	24,374
Personnel	3,506	3,156	90%	2,924
City Attorney's Office	16,591	14,658	88%	5,851
General City Purposes	16,214	9,252	57%	7,253
Attrition Savings	(6,913)	0	0%	0
Total General Fund Expenditures	351,726	310,469	88%	289,641

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	191,977	177,516	81%	165,353
Salaries and Benefits Others	43,719	44,748	90%	41,455
Overtime Public Protection	4,769	4,301	83%	6,371
Overtime Others	150	202	124%	184
Pension Obligation Bonds	12,674	12,722	24%	12,730
Operations and Maintenance	43,555	29,996	68%	30,496
Interdepartmental Charges	42,312	36,767	74%	25,097
Capital	12,570	4,217	25%	7,955
Total General Fund Expenditures	351,726	310,469	76%	289,641

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the eleven months ended May 31, 2020 were \$310.5 million. This is an increase of \$20.8 million (7.2%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of May 2020 were at 88.3% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced increases of \$9.5 million (6.1%) and \$5.9 million (10.3%) respectively. The changes in the Police Department's expenditures are primarily due to increased Police personnel costs, higher interdepartmental charges, and higher expenditures for new, replacement and leased equipment. The Fire Department's results stemmed from increased minimum staffing pay and interdepartmental charges, which were partially offset by decreased Fire overtime (as a result of a drop in requests for personnel fighting wildfires).

Parks, Recreation & Community Services' expenditures increased \$1.5 million (11.2%) during the first eleven months of Fiscal Year 2020 compared to the same period last fiscal year, mostly due to higher costs for professional and consulting services, utility expense, and increased cost for temporary summer help.

City Attorney's Office expenditures increased \$8.8 million (150.5%) while Planning and Development's expenditures decreased \$7.2 million (-29.4%) compared to the first eleven months of last fiscal year mostly due to the transfer in Fiscal Year 2020 of Code Enforcement from the former Development and Resource Management Department to the City Attorney's Office. The City Attorney's Office also experienced increased personnel and interdepartmental expenditures.

Expenditures for General City Purposes during the eleven months ended May 31, 2020 increased \$2.0 million (27.6%) compared to the same period last year mostly due to expenditures for grant for housing, animal shelter study and design work, and District 2 special election for which there were no similar expenditures last year.

Expenditures for Council Offices, the Clerk's Office, the Mayor/City Manager's Offices, Finance, 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. Finance's expenditures during the eleven months ended May 31, 2020 decreased \$0.6 million (-9.6%) compared to the same period last fiscal year mostly due to the transition in Fiscal Year 2020 of Central Printing from the General Fund to an Internal Service Fund.

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By category, Salaries/Benefits for Public Protection and Others increased \$12.2 million (7.4%) and \$3.3 million (7.9%) respectively during the first eleven months of Fiscal Year 2020 compared to the same period last year. Overtime for Public Protection during the eleven months ended May 31, 2020 decreased \$2.1 million (-32.5%) compared to last year.

Interdepartmental charges during the first eleven months of Fiscal Year 2020 increased \$11.7 million (46.5%) compared to the same period last year mostly due to increased costs for fleet charges, liability self-insurance, and computer network replacement charges. Capital expenditures experienced a \$3.7 million (-47.0%) decrease for the first eleven months of Fiscal Year 2020 compared to the same period last year, mostly due to police car lease payments and contract construction last fiscal year for which there are no similar expenditures 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	8,306	87%	7,841
Carryover	874	1,192	136%	3,954
Available Resources	10,384	9,498	91%	11,795
Expenditures	(10,384)	(8,191)	79%	(10,164)
Available Resources Over/(Under) Expenditures		1,307		1,631
Transportation/FAX				
Revenues	31,556	30,358	96%	25,649
Carryover	(1,260)	(1,795)	142%	(2,640)
Available Resources	30,296	28,563	94%	23,009
Expenditures	(29,581)	(23,792)	80%	(28,964)
Available Resources Over/(Under) Expenditures	715	4,771		(5,955)
Airport Operating				
Revenues	3,121	16,838	540%	18,792
Carryover	37,316	37,015	99%	34,316
Available Resources	40,437	53,853	133%	53,108
Expenditures	(19,540)	(16,761)	86%	(15,129)
Available Resources Over/(Under) Expenditures	20,897	37,092		37,979
Sewer System				
Revenues	49,529	49,148	99%	57,469
Carryover	56,335	65,274	116%	41,100
Available Resources	105,864	114,422	108%	98,569
Expenditures	(86,617)	(42,960)	50%	(44,230)
Available Resources Over/(Under) Expenditures	19,247	71,462		54,339
Solid Waste System				
Revenues	34,010	28,096	83%	30,174
Carryover	4,989	4,840	97%	3,035
Available Resources	38,999	32,936	84%	33,209
Expenditures	(35,885)	(28,885)	80%	(27,951)
Available Resources Over/(Under) Expenditures	3,114	4,051		5,258
Water System				
Revenues	117,532	113,531	97%	114,424
Carryover	108,256	112,593	104%	89,619
Available Resources	225,788	226,124	100%	204,043
Expenditures	(141,208)	(96,458)	68%	(77,559)
Available Resources Over/(Under) Expenditures	84,580	129,666		126,484

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 12.5% of total available resources during the eleven months ended May 31, 2020. Transportation/FAX Revenues during the first eleven months of this fiscal year increased \$4.7 million (18.4%) from the same period last fiscal year mostly due to a transfer out last year for capital projects for which there was no similar transfer this year, as well as higher State of California TDA payments. Airport YTD Revenues for the eleven months ended May 31, 2020 decreased \$2.0 million (-10.4%) from the same period last fiscal year primarily due to increased transfers out for capital projects. This was partially offset by increased parking, and rental fees. Airport Operating carryover represents about 68.7% of total available resources through May 31st.

Sewer System YTD Revenues for the eleven months ended May 31, 2020 decreased \$8.3 million (-14.5%) 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 City of Clovis share payments, and interest revenue. Sewer System carryover represents about 57.0% of total available resources for this fiscal year. Solid Waste Revenues for the first eleven months of Fiscal Year 2020 decreased \$2.1 million (-6.9%) primarily due to a transfer out this year to the Fleet Replacement Fund for which there were no similar transfers last fiscal year. This was partially offset by transfers in of the federal alternative fuel rebate from Fleet Management for which there were no similar transfers last year. Solid Waste carryover represents about 14.7% of total available resources for this fiscal year. Water System carryover represents about 49.8% of total available resources through May 31, 2020.

Community Sanitation expenditures for the first eleven months of this fiscal year decreased \$2.0 million (-19.4%) compared to the same period last fiscal year mainly due to lower interdepartmental overhead charges and lower Fleet Management charges. Transportation/FAX expenditures for the first eleven months of this fiscal year decreased \$5.2 million (-17.9%) 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 charges for liability self-insurance.

Airport Operating expenditures for the eleven months ended May 31, 2020 increased \$1.6 million (10.8%) compared to the same period last fiscal year primarily due to increased costs for personnel, interdepartmental reimbursement to the General Fund, technical/professional services, utilities, and materials and parts. Water System expenditures during the eleven months ended May 31, 2020 increased \$18.9 million (24.4%) compared to the same period last fiscal year mostly due to higher costs for contract construction, water purchases, personnel, and payments on State loans this year for which there were no similar payments last year. These increases are partially offset by lower expenditures for inventory, and engineering and design services.

CITY DEBT

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds:			
Various Capital Projects	\$22,870		\$22,870
No Neighborhood Left Behind/Selland Arena	8,115		8,115
Parks Impact Fee Projects	21,540	\$1,510	23,050
City Hall Chiller/Convention Center Improvements	2,710	8,865	11,575
Public Safety Impact Fee Projects	29,985		29,985
City Hall Refinancing/Bee Building/Granite Park	22,805		22,805
Exhibit Hall Expansion Project		11,785	11,785
Stadium Project		25,775	25,775
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	\$224,185	\$260,730	\$484,915
Notes and Loans:			
HUD – Neighborhood Streets and Parks	\$365		\$365
CIEDB – Roeding Business Park	1,481		1,481
State Water Resources Control Board Loans		\$333,400	333,400
Clean Water – Southwest Quadrant		36,997	36,997
Safe Drinking Water Loans		38,026	38,026
Total Notes and Loans	\$1,846	\$408,423	\$410,269
Capital Leases	38,711		38,711
Total City Debt	\$264,742	\$669,153	\$933,895

* 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.