



City of Fresno
Monthly Financial Report
For the Five Months Ended November 30, 2018
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	323,856	76,651	24%	69,891
Expenditures	(319,939)	(127,866)	40%	(117,447)
Revenues Over (Under) Expenditures	<u>3,917</u>	<u>(51,215)</u>		<u>(47,556)</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	97,665	31,480	32%	29,035
Prop. 172 Sales Tax	3,156	1,298	41%	1,260
Property Tax	131,683	1,344	1%	839
Business Tax	19,640	10,699	54%	10,641
Franchise Tax	14,350	3,166	22%	2,517
Other Local Taxes	14,544	7,278	50%	6,423
Card Room Receipts	971	422	43%	417
Charges for Services	16,519	6,839	41%	6,106
Development Fees	19,266	7,532	39%	7,269
Intergovernmental Revenues	10,492	5,623	54%	3,641
Intragovernmental Revenues	14,591	5,083	35%	4,366
Transfers In/Out	(31,597)	(5,023)	16%	(3,401)
All Other Revenue Sources	12,576	910	7%	778
Total General Fund Revenues	<u>323,856</u>	<u>76,651</u>	<u>24%</u>	<u>69,891</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the five months ended November 30, 2018 were \$76.7 million. This is an increase of \$6.8 million, or 9.7%, above actual revenues during the first five months of last fiscal year. Total revenues at the end of November 2018 are at 23.7% of the annual estimate for Fiscal Year 2019.

Sales Tax revenues during the first five months of Fiscal Year 2019 increased \$2.4 million (8.4%) compared to the first five months last fiscal year. Property Tax revenues during the five months ended November 30, 2018 increased \$0.5 million (60.2%) compared to last year due to higher amount of delinquent property taxes and penalties received.

Franchise Tax revenues during the first five months of Fiscal Year 2019 increased \$0.6 million (25.8%) mostly due to timing differences in the receipt of the roll off bins franchise tax. Other Local Taxes during the first five months of Fiscal Year 2019 increased \$0.9 million (13.3%) 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. Intergovernmental Revenues occurring in the first five months of Fiscal Year 2019 increased \$2.0 million (54.4%) compared to the first five months of last fiscal year mostly due to repayment from the RDA Successor Agency. Transfers Out during the five months ended November 30, 2018 increased \$1.6 million (47.7%) compared to the same period last fiscal year mostly due to timing of debt service payments.

As of November 30th, the City maintained \$24.2 million in the General Fund Emergency Reserve. \$3.4 million associated with the repayment of loans made by the City to the former RDA were received in July 2018 then repaid to the General Fund during November per Council Motion. 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	169,932	69,741	43%	62,118
Fire Department	62,226	26,137	44%	24,485
Parks, Recreation & Community Services	16,968	5,745	34%	6,148
Finance/Purchasing/Central Printing	7,230	2,699	37%	2,373
Public Works	9,088	3,285	36%	4,219
City Council Offices	4,187	1,327	32%	1,032
City Clerk's Office	910	337	37%	354
Office of the Mayor/City Manager/Budget	4,134	1,709	41%	1,399
Development and Resource Management (DARM)	30,025	10,095	34%	9,211
Personnel	3,224	1,297	40%	1,150
City Attorney's Office	6,331	2,659	42%	2,056
General City Purposes	11,131	2,835	25%	2,902
Attrition Savings	(5,447)	0	0%	0
Total General Fund Expenditures	319,939	127,866	41%	117,447

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	182,948	75,824	41%	65,248
Salaries and Benefits Others	41,777	19,163	46%	16,191
Overtime Public Protection	4,787	3,433	72%	3,006
Overtime Others	68	89	131%	67
Pension Obligation Bonds	12,720	3,187	25%	3,385
Operations and Maintenance	38,591	13,782	36%	15,666
Interdepartmental Charges	26,683	9,611	36%	11,232
Capital	12,365	2,777	22%	2,652
Total General Fund Expenditures	319,939	127,866	40%	117,447

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the five months ended November 30, 2018 were \$127.9 million. This is an increase of \$10.4 million (8.9%) from actual General Fund expenditures during the same period last fiscal year.

Comparing the first five months this year with last year, the Police and Fire Departments experienced increases of \$7.6 million (12.3%) and \$1.7 million (6.7%) respectively. The changes in those two departments' expenditures are primarily due to increased Police and Fire personnel costs.

Parks, Recreation, & Community Services expenditures during the first five months of Fiscal Year 2019 are down \$0.4 million (-6.6%) from the same period last year primarily due to savings for utilities. Public Works expenditures decreased \$0.9 million (-22.1%) during the first five months of Fiscal Year 2019 compared to the same period last fiscal year mostly due to lower contract construction expenditures, a drop in the cost for rock and mineral products, and lower overhead 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 five months ended November 30, 2018 increased \$0.9 million (9.6%) compared to the same period last fiscal year mainly due to increased personnel costs. City Attorney's Office expenditures increased \$0.6 million (29.3%) during the first five months of Fiscal Year 2019 compared to the same period last fiscal year mostly due to increased salaries and benefits costs.

By category, Salaries/Benefits for Public Protection and Others increased \$10.6 million (16.2%) and \$3.0 million (18.4%) respectively during the first five months of Fiscal Year 2019 compared to the same period last year. Overtime for Public Protection during the five months ended November 30, 2018 increased \$0.4 million (14.2%) compared to the same period last year.

Operations and Maintenance for the first five months of FY2019 is down \$1.9 million (-12.0%) compared to the same period last year primarily due to lower costs for professional and specialized services, utilities costs, clothing and personal safety items, and lower rent due to purchase of Fire Headquarters. Interdepartmental Charges for the first five months of FY2019 decreased \$1.6 million (-14.4%) primarily due to lower Fleet charges.

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	3,371	41%	3,841
Carryover	<u>3,265</u>	<u>3,954</u>	121%	<u>5,810</u>
Available Resources	11,561	7,325	63%	9,651
Expenditures	<u>(11,494)</u>	<u>(3,992)</u>	35%	<u>(3,739)</u>
Available Resources Over/(Under) Expenditures	<u>67</u>	<u>3,333</u>		<u>5,912</u>
Transportation/FAX				
Revenues	31,791	6,050	19%	4,046
Carryover	<u>196</u>	<u>(2,640)</u>	-1347%	<u>1,411</u>
Available Resources	31,987	3,410	11%	5,457
Expenditures	<u>(30,172)</u>	<u>(13,685)</u>	45%	<u>(11,513)</u>
Available Resources Over/(Under) Expenditures	<u>1,815</u>	<u>(10,275)</u>		<u>(6,056)</u>
Airport Operating				
Revenues	12,789	7,984	62%	7,901
Carryover	<u>32,396</u>	<u>34,316</u>	106%	<u>24,328</u>
Available Resources	45,185	42,300	94%	32,229
Expenditures	<u>(17,561)</u>	<u>(6,795)</u>	39%	<u>(6,422)</u>
Available Resources Over/(Under) Expenditures	<u>27,624</u>	<u>35,505</u>		<u>25,807</u>
Sewer System				
Revenues	87,338	19,067	22%	24,257
Carryover	<u>35,991</u>	<u>41,100</u>	114%	<u>20,634</u>
Available Resources	123,329	60,167	49%	44,891
Expenditures	<u>(109,097)</u>	<u>(20,776)</u>	19%	<u>(27,244)</u>
Available Resources Over/(Under) Expenditures	<u>14,232</u>	<u>39,391</u>		<u>17,647</u>
Solid Waste System				
Revenues	38,640	12,993	34%	13,049
Carryover	<u>2,846</u>	<u>3,035</u>	107%	<u>3,521</u>
Available Resources	41,486	16,028	39%	16,570
Expenditures	<u>(38,432)</u>	<u>(12,605)</u>	33%	<u>(10,284)</u>
Available Resources Over/(Under) Expenditures	<u>3,054</u>	<u>3,423</u>		<u>6,286</u>
Water System				
Revenues	117,542	62,063	53%	54,559
Carryover	<u>89,909</u>	<u>89,619</u>	100%	<u>70,997</u>
Available Resources	207,451	151,682	73%	125,556
Expenditures	<u>(120,426)</u>	<u>(36,502)</u>	30%	<u>(29,305)</u>
Available Resources Over/(Under) Expenditures	<u>87,025</u>	<u>115,180</u>		<u>96,251</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 54.0% of total available resources during the first five months of this fiscal year. Transportation/FAX YTD Revenues for the first five months of Fiscal Year 2019 increased \$2.0 million (49.5%) from the same period last fiscal year mainly due to timing of the State TDA payment. Airport Operating carryover represents about 81.1% of total available resources through November 30th.

Sewer System YTD Revenues for the five months ended November 30, 2018 decreased \$5.2 million (-21.4%) primarily due to a large transfer in last year for which there is no similar transfer this year. Sewer System carryover represents about 68.3% of total available resources for the first five months of this fiscal year. Solid Waste carryover represents about 18.9% of total available resources for the first five months of this fiscal year.

Water System YTD Revenues for the first five months of this fiscal year increased \$7.5 million (13.8%) primarily due to increased customer charges and a PG&E refund related to the Southeast Water Treatment Facility for which there was no similar payment last year. Water System carryover represents about 59.1% of total available resources through November 30, 2018.

Transportation/FAX expenditures for the first five months of Fiscal Year 2019 increased \$2.2 million (18.9%) compared to the same period last fiscal year primarily due to increased costs for salaries and benefits, increased cost of Handy Ride contract, and higher interdepartmental charges. Sewer System expenditures for the first five months of this fiscal year decreased \$6.5 million (-23.7%) compared to the same period last fiscal year primarily due to lower contract construction costs.

Solid Waste expenditures for the first five months of this fiscal year increased \$2.3 million (22.6%) compared to the same period last fiscal year mostly due to increased cost for Fleet charges, landfill tipping fees, professional and technical services, and increased costs for salaries and benefits. Water System expenditures during the five months ended November 30, 2018 increased \$7.2 million (24.6%) compared to the same period last fiscal year mostly due to costs for specialty chemicals, fees for water purchases, engineering & design services, contract construction, Information Services charges, and cost of inventory parts.

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		\$253	253
State Water Resources Control Board Loans		311,400	311,400
Clean Water – Southwest Quadrant		25,420	25,420
Safe Drinking Water Loans		42,105	42,105
Total Notes and Loans	\$2,168	\$379,178	\$381,346
Capital Leases	30,947		30,947
Total City Debt	\$281,845	\$648,610	\$930,455

* 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.