



City of Fresno
Monthly Financial Report
For the Seven Months Ended January 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	348,516	196,563	56%	194,244
Expenditures	(344,903)	(188,862)	55%	(175,795)
Revenues Over (Under) Expenditures	<u>3,613</u>	<u>7,701</u>		<u>18,449</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	95,171	40,018	42%	46,286
Prop. 172 Sales Tax	3,223	2,212	69%	2,094
Property Tax	140,218	74,249	53%	71,905
Business Tax	20,091	11,838	59%	11,639
Franchise Tax	15,423	4,515	29%	4,123
Other Local Taxes	15,792	10,008	63%	9,649
Card Room Receipts	1,070	572	53%	598
Charges for Services	18,796	10,793	57%	9,505
Development Fees	18,705	12,200	65%	10,043
Intergovernmental Revenues	9,947	5,774	58%	6,658
Intragovernmental Revenues	13,651	7,761	57%	8,093
Transfers In/Out	(24,572)	(9,379)	38%	(5,882)
All Other Revenue Sources	21,001	26,002	124%	19,533
Total General Fund Revenues	<u>348,516</u>	<u>196,563</u>	56%	<u>194,244</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the seven months ended January 31, 2020 were \$196.6 million. This is an increase of \$2.3 million, or 1.2%, above actual revenues during the first seven months of last fiscal year. Total revenues at the end of January 2020 are at 56.4% of the annual estimate for Fiscal Year 2020.

Sales Tax revenues during the first seven months of Fiscal Year 2020 decreased \$6.3 million (-13.5%) compared to first seven 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 seven months ended January 31, 2020 increased \$2.3 million (3.3%) compared to last year due to increased Real and Personal Property tax, and VLF Swap revenue.

Monthly Financial Report

For the Seven Months Ended January 31, 2020

(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 seven months ended January 31, 2020 increased \$1.3 million (13.6%) 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 fire surcharge on permits. Development Fee revenues during the first seven months of Fiscal Year 2020 increased \$2.2 million (21.5%) due to higher revenues for plan checks, building permits, and parking.

Intergovernmental Revenues during the seven months ended January 31, 2020 decreased \$0.9 million (-13.3%) compared to the same period last fiscal year mostly due to timing of receipt of Federal grant and school resource officers payments, as well as lower reimbursements from the State of California. Transfers Out during the seven months ended January 31, 2020 increased \$3.5 million (59.5%) mostly due to a transfer out for the construction of Fire Station 18 for which there was no similar transfer last year. All Other Revenues during the first seven months of Fiscal Year 2020 increased \$6.5 million (33.1%) mostly due to higher General Fund carryover into Fiscal Year 2020 compared to last fiscal year.

As of January 31st, the City maintained \$34.7 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	182,160	101,734	56%	94,610
Fire Department	68,354	39,243	57%	35,612
Parks, Recreation & Community Services	19,812	9,031	46%	8,050
Finance/Purchasing/Central Printing	6,687	3,264	49%	3,724
Public Works	10,402	4,875	47%	5,633
City Council Offices	4,585	1,863	41%	1,790
City Clerk's Office	969	507	52%	440
Office of the Mayor/City Manager/Budget	4,499	2,525	56%	2,328
Planning and Development	21,866	10,450	48%	14,023
Personnel	3,528	1,859	53%	1,767
City Attorney's Office	16,840	8,736	52%	3,627
General City Purposes	12,114	4,775	39%	4,191
Attrition Savings	(6,913)	0	0%	0
Total General Fund Expenditures	344,903	188,862	55%	175,795

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	193,667	112,926	58%	104,018
Salaries and Benefits Others	44,122	28,317	64%	26,096
Overtime Public Protection	4,409	3,058	69%	4,520
Overtime Others	149	140	94%	105
Pension Obligation Bonds	12,674	2,979	24%	3,187
Operations and Maintenance	38,348	18,372	48%	19,254
Interdepartmental Charges	42,099	21,184	50%	14,201
Capital	9,435	1,886	20%	4,414
Total General Fund Expenditures	344,903	188,862	55%	175,795

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the seven months ended January 31, 2020 were \$188.9 million. This is an increase of \$13.1 million (7.4%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of November 2019 were at 54.8% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced increases of \$7.1 million (7.5%) and \$3.6 million (10.2%) 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 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 fires). Parks, Recreation & Community Services' expenditures increased \$1.0 million (12.2%) during the first seven months of Fiscal Year 2020 compared to the same period last fiscal year, mostly due to increased cost for temporary summer help and permanent employees, utility expense, capital improvements, replacement equipment, and outside repairs.

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 \$5.1 million (140.9%) and Planning and Development expenditures decreased \$3.6 million (-25.5%) compared to the first seven 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.

By category, Salaries/Benefits for Public Protection and Others increased \$8.9 million (8.6%) and \$2.2 million (8.5%) respectively during the first seven months of Fiscal Year 2020 compared to the same period last year. Overtime for Public Protection during the seven months ended January 31, 2020 decreased \$1.5 million (-32.3%) compared to last year.

Interdepartmental charges during the first seven months of Fiscal Year 2020 increased \$7.0 million (49.2%) 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 \$2.5 million (-57.3%) decrease for the first seven 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	5,198	55%	4,599
Carryover	874	1,192	136%	3,954
Available Resources	10,384	6,390	62%	8,553
Expenditures	(10,384)	(5,186)	50%	(5,718)
Available Resources Over/(Under) Expenditures		1,204		2,835
Transportation/FAX				
Revenues	31,556	13,064	41%	7,169
Carryover	(1,260)	(1,795)	142%	(2,640)
Available Resources	30,296	11,269	37%	4,529
Expenditures	(29,581)	(14,487)	49%	(18,896)
Available Resources Over/(Under) Expenditures	715	(3,218)		(14,367)
Airport Operating				
Revenues	11,971	10,396	87%	11,015
Carryover	28,466	37,015	130%	34,316
Available Resources	40,437	47,411	117%	45,331
Expenditures	(19,540)	(10,875)	56%	(9,503)
Available Resources Over/(Under) Expenditures	20,897	36,536		35,828
Sewer System				
Revenues	49,529	23,365	47%	31,661
Carryover	56,335	65,274	116%	41,100
Available Resources	105,864	88,639	84%	72,761
Expenditures	(86,617)	(28,250)	33%	(28,784)
Available Resources Over/(Under) Expenditures	19,247	60,389		43,977
Solid Waste System				
Revenues	34,010	15,968	47%	19,273
Carryover	4,989	4,840	97%	3,035
Available Resources	38,999	20,808	53%	22,308
Expenditures	(35,885)	(17,778)	50%	(17,688)
Available Resources Over/(Under) Expenditures	3,114	3,030		4,620
Water System				
Revenues	117,532	83,390	71%	80,314
Carryover	108,256	112,593	104%	89,619
Available Resources	225,788	195,983	87%	169,933
Expenditures	(141,208)	(62,039)	44%	(49,338)
Available Resources Over/(Under) Expenditures	84,580	133,944		120,595

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 18.7% of total available resources during the seven months ended January 31, 2020. Transportation/FAX Revenues during the first seven months of this fiscal year increased \$5.9 million (82.2%) from the same period last fiscal year mostly due to State of California TDA payments received during August and December for which there were no similar payments last year. Airport Operating carryover represents about 78.1% of total available resources through January 31st.

Sewer System YTD Revenues for the seven months ended January 31, 2020 decreased \$8.3 million (-26.2%) 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 73.6% of total available resources for this fiscal year. Solid Waste Revenues for the first seven months of Fiscal Year 2020 decreased \$3.3 million (-17.1%) 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 increased customer charges. Solid Waste carryover represents about 23.3% of total available resources for this fiscal year.

Water System YTD Revenues for the first seven months of this fiscal year increased \$3.1 million (3.8%) primarily due to increased customer charges, BAB Subsidy payment, interest earnings, and timing of the annual transfer in to cover O&M costs related to DBCP. This was partially offset by a PG&E refund last year related to the Southeast Water Treatment Facility for which there was no similar payment this year. Water System carryover represents about 57.5% of total available resources through January 31, 2020.

Transportation/FAX expenditures for the first seven months of this fiscal year decreased \$4.4 million (-23.3%) 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 seven months ended January 31, 2020 increased \$1.4 million (14.4%) compared to the same period last fiscal year primarily due to increased costs for personnel, technical/professional services, interdepartmental reimbursement to the General Fund, and utilities.

Water System expenditures during the seven months ended January 31, 2020 increased \$12.7 million (25.7%) 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 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		\$331,222	331,222
Clean Water – Southwest Quadrant		36,997	36,997
Safe Drinking Water Loans		38,072	38,072
Total Notes and Loans	\$1,846	\$406,291	\$408,137
Capital Leases	35,601		35,601
Total City Debt	\$269,622	\$671,006	\$940,628

* 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.