



**City of Fresno**  
**Monthly Financial Report**  
**For the Eight Months Ended February 29, 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	355,120	217,190	61%	211,535
Expenditures	(351,028)	(212,065)	60%	(199,123)
Revenues Over (Under) Expenditures	<u>4,092</u>	<u>5,125</u>		<u>12,412</u>

**GENERAL FUND REVENUES**

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	95,171	51,648	54%	54,678
Prop. 172 Sales Tax	3,223	2,476	77%	2,094
Property Tax	140,218	74,390	53%	72,268
Business Tax	20,091	11,917	59%	11,963
Franchise Tax	15,423	5,922	38%	5,322
Other Local Taxes	15,792	11,045	70%	10,666
Card Room Receipts	1,070	660	62%	689
Charges for Services	18,796	12,533	67%	11,335
Development Fees	18,705	14,114	75%	11,400
Intergovernmental Revenues	9,947	6,440	65%	7,992
Intragovernmental Revenues	13,651	8,748	64%	9,202
Transfers In/Out	(24,572)	(9,379)	38%	(5,901)
All Other Revenue Sources	<u>27,605</u>	<u>26,676</u>	97%	<u>19,828</u>
Total General Fund Revenues	<u>355,120</u>	<u>217,190</u>	61%	<u>211,536</u>

**ANALYSIS OF GENERAL FUND REVENUES**

General Fund revenues for the eight months ended February 29, 2020 were \$217.2 million. This is an increase of \$5.7 million, or 2.7%, above actual revenues during the first eight months of last fiscal year. Total revenues at the end of February 2020 are at 61.2% of the annual estimate for Fiscal Year 2020.

Sales Tax revenues during the first eight months of Fiscal Year 2020 decreased \$3.0 million (-5.5%) compared to the first eight 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 eight months ended February 29, 2020 increased \$2.1 million (2.9%) compared to last year due to increased Real and Personal Property tax, and VLF Swap revenue. Franchise Tax during the first eight months of Fiscal Year 2020 increased \$0.6 million (11.3%) compared to the same period last year mostly due to timing of the Commercial Solid Waste franchise fees.

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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 eight months ended February 29, 2020 increased \$1.2 million (10.6%) 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 fire surcharge on permits and subdivision tract maps. Development Fee revenues during the first eight months of Fiscal Year 2020 increased \$2.7 million (23.8%) due to higher revenues for building permits and plan checks.

Intergovernmental Revenues during the eight months ended February 29, 2020 decreased \$1.6 million (-19.4%) compared to the same period last fiscal year mostly due to lower payment from the Successor Agency and timing of payments for school resource officers. Transfers Out during the eight months ended February 29, 2020 increased \$3.5 million (58.9%) 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 eight months of Fiscal Year 2020 increased \$6.8 million (34.5%) mostly due to higher General Fund carryover into Fiscal Year 2020 compared to last fiscal year.

As of February 29<sup>th</sup>, the City maintained \$34.8 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	181,919	114,173	63%	107,448
Fire Department	68,354	43,889	64%	39,696
Parks, Recreation & Community Services	21,637	10,196	47%	9,484
Finance/Purchasing/Central Printing	6,635	3,703	56%	4,200
Public Works	13,031	5,535	42%	6,250
City Council Offices	5,521	2,115	38%	2,023
City Clerk's Office	969	584	60%	496
Office of the Mayor/City Manager/Budget	4,499	2,832	63%	2,644
Planning and Development	22,052	11,588	53%	15,678
Personnel	3,519	2,104	60%	2,016
City Attorney's Office	16,841	9,880	59%	4,091
General City Purposes	12,964	5,466	42%	5,097
Attrition Savings	(6,913)	0	0%	0
<b>Total General Fund Expenditures</b>	<b>351,028</b>	<b>212,065</b>	<b>60%</b>	<b>199,123</b>

**GENERAL FUND EXPENDITURES BY TYPE**

<b>Expenditure Type</b>	<b>Amended Budget</b>	<b>YTD Actual</b>	<b>% of Budget</b>	<b>Prior Year Actuals</b>
Salaries and Benefits Public Protection	193,313	127,371	66%	117,929
Salaries and Benefits Others	44,076	32,017	73%	29,566
Overtime Public Protection	4,409	3,348	76%	4,966
Overtime Others	149	152	102%	121
Pension Obligation Bonds	12,674	2,979	24%	3,187
Operations and Maintenance	41,499	20,367	49%	21,817
Interdepartmental Charges	42,143	23,830	57%	16,523
Capital	12,765	2,001	16%	5,014
<b>Total General Fund Expenditures</b>	<b>351,028</b>	<b>212,065</b>	<b>60%</b>	<b>199,123</b>

**ANALYSIS OF GENERAL FUND EXPENDITURES**

General Fund expenditures for the eight months ended February 29, 2020 were \$212.1 million. This is an increase of \$12.9 million (6.5%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of November 2019 were at 60.4% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced increases of \$6.7 million (6.3%) and \$4.2 million (10.6%) 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).

Public Works expenditures decreased \$0.7 million (-11.9%) during the first eight months of Fiscal Year 2020 compared to the same period last fiscal year mostly due to lower contract construction expenditures.

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 \$5.8 million (141.5%) and Planning and Development expenditures decreased \$4.1 million (-26.1%) compared to the first eight 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 \$9.4 million (8.0%) and \$2.5 million (8.3%) respectively during the first eight months of Fiscal Year 2020 compared to the same period last year. Overtime for Public Protection during the eight months ended February 29, 2020 decreased \$1.6 million (-32.6%) compared to last year.

Operations and Maintenance expenses during the first eight months of Fiscal Year 2020 decreased \$1.5 million (-6.6%) compared to the same period last year primarily due to decreased costs for inventory, outside agency support, printing, and professional and technical services.

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Interdepartmental charges during the first eight months of Fiscal Year 2020 increased \$7.3 million (44.2%) 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 \$3.0 million (-60.1%) decrease for the first eight 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.

<b>Enterprise Fund</b>	<b>Budget</b>	<b>YTD Actual</b>	<b>% of Budget</b>	<b>Prior Year</b>
<b>Community Sanitation</b>				
Revenues	9,510	5,968	63%	5,372
Carryover	874	1,192	136%	3,954
Available Resources	10,384	7,160	69%	9,326
Expenditures	(10,384)	(5,839)	56%	(6,606)
Available Resources Over/(Under) Expenditures		1,321		2,720
<b>Transportation/FAX</b>				
Revenues	31,556	14,162	45%	21,524
Carryover	(1,260)	(1,795)	142%	(2,640)
Available Resources	30,296	12,367	41%	18,884
Expenditures	(29,581)	(16,576)	56%	(21,028)
Available Resources Over/(Under) Expenditures	715	(4,209)		(2,144)
<b>Airport Operating</b>				
Revenues	11,971	12,613	105%	14,143
Carryover	28,466	37,015	130%	34,316
Available Resources	40,437	49,628	123%	48,459
Expenditures	(19,540)	(12,148)	62%	(10,668)
Available Resources Over/(Under) Expenditures	20,897	37,480		37,791
<b>Sewer System</b>				
Revenues	49,529	30,000	61%	37,505
Carryover	56,335	65,274	116%	41,100
Available Resources	105,864	95,274	90%	78,605
Expenditures	(86,617)	(31,780)	37%	(32,038)
Available Resources Over/(Under) Expenditures	19,247	63,494		46,567
<b>Solid Waste System</b>				
Revenues	34,010	18,532	54%	21,964
Carryover	4,989	4,840	97%	3,035
Available Resources	38,999	23,372	60%	24,999
Expenditures	(35,885)	(20,330)	57%	(19,749)
Available Resources Over/(Under) Expenditures	3,114	3,042		5,250
<b>Water System</b>				
Revenues	117,532	90,634	77%	87,222
Carryover	108,256	112,593	104%	89,619
Available Resources	225,788	203,227	90%	176,841
Expenditures	(141,208)	(66,105)	47%	(52,965)
Available Resources Over/(Under) Expenditures	84,580	137,122		123,876

## **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 16.6% of total available resources during the eight months ended February 29, 2020. Transportation/FAX Revenues during the first eight months of this fiscal year decreased \$7.4 million (-34.2%) from the same period last fiscal year mostly due to timing of the receipt of State of California TDA payments. Airport YTD Revenues for the eight months ended February 29, 2020 decreased \$1.5 million (-10.8%) from the same period last fiscal year primarily due to increased transfers out for capital projects. This was partially offset by increased parking and customer fees. Airport Operating carryover represents about 74.6% of total available resources through February 29<sup>th</sup>.

Sewer System YTD Revenues for the eight months ended February 29, 2020 decreased \$7.5 million (-20.0%) 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, City of Clovis share payments, and interest revenue. Sewer System carryover represents about 68.5% of total available resources for this fiscal year. Solid Waste Revenues for the first eight months of Fiscal Year 2020 decreased \$3.4 million (-15.6%) 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 20.7% of total available resources for this fiscal year.

Water System YTD Revenues for the first eight months of this fiscal year increased \$3.4 million (3.9%) 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 55.4% of total available resources through February 29, 2020.

Transportation/FAX expenditures for the first eight months of this fiscal year decreased \$4.5 million (-21.2%) 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 eight months ended February 29, 2020 increased \$1.5 million (13.9%) compared to the same period last fiscal year primarily due to increased costs for personnel, technical/professional services, interdepartmental reimbursement to the General Fund, utilities, and materials and parts.

Water System expenditures during the eight months ended February 29, 2020 increased \$13.1 million (24.8%) 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**

<b>Debt Source (in thousands)</b>	<b>Governmental</b>	<b>Business-Type</b>	<b>Principal Outstanding</b>
<b>Lease Revenue Bonds:</b>			
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
<b>Judgment Bonds:</b>			
Pension Obligation Bonds	116,160		116,160
<b>Enterprise Bonds:</b>			
Water		124,995	124,995
Sewer*		6,935	6,935
Airport**		80,865	80,865
<b>Total Bonds</b>	<b>\$232,175</b>	<b>\$264,715</b>	<b>\$496,890</b>
<b>Notes and Loans:</b>			
HUD – Neighborhood Streets and Parks	\$365		\$365
CIEDB – Roeding Business Park	1,481		1,481
State Water Resources Control Board Loans		\$333,143	333,143
Clean Water – Southwest Quadrant		36,997	36,997
Safe Drinking Water Loans		38,072	38,072
<b>Total Notes and Loans</b>	<b>\$1,846</b>	<b>\$408,212</b>	<b>\$410,058</b>
<b>Capital Leases</b>	<b>36,343</b>		<b>36,343</b>
<b>Total City Debt</b>	<b>\$270,364</b>	<b>\$672,927</b>	<b>\$943,291</b>

\* 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.