



City of Fresno
Monthly Financial Report
For the Eight Months Ended February 28, 2021
Unaudited – Intended for Internal Management Purposes Only
(All figures in thousands)

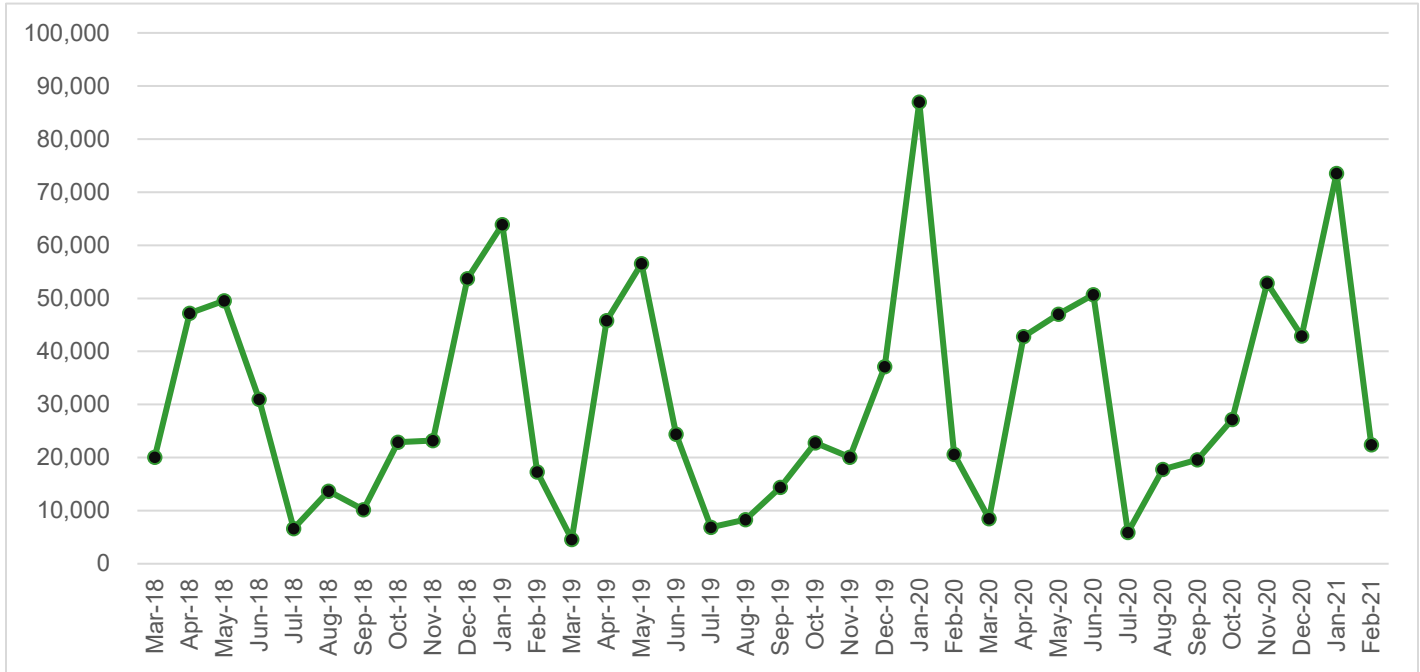
GENERAL FUND AT-A-GLANCE

Category	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Revenues	448,933	262,238	58%	217,190
Expenditures	<u>(431,258)</u>	<u>(269,829)</u>	63%	<u>(212,065)</u>
Revenues Over (Under) Expenditures	<u>17,675</u>	<u>(7,591)</u>		<u>5,125</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	90,826	52,492	58%	51,648
Prop. 172 Sales Tax	3,284	1,866	57%	2,476
Property Tax	148,547	78,230	53%	74,390
Business Tax	18,900	12,140	64%	11,917
Franchise Tax	15,339	6,688	44%	5,922
Other Local Taxes	11,836	8,552	72%	11,045
Card Room Receipts	781	30	4%	660
Charges for Services	20,816	12,221	59%	12,533
Development Fees	17,945	10,450	58%	14,114
Intergovernmental Revenues	9,955	7,157	72%	6,440
Intragovernmental Revenues	13,793	8,199	59%	8,748
Transfers In/Out	68,568	37,830	55%	(9,379)
All Other Revenue Sources	<u>28,343</u>	<u>26,383</u>	93%	<u>26,676</u>
Total General Fund Revenues	<u>448,933</u>	<u>262,238</u>	58%	<u>217,190</u>

HISTORICAL MONTHLY REVENUE



ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the eight months ended February 28, 2021 were \$262.2 million. This amount is an increase of \$45.0 million, or 20.7%, above actual revenues for the same period last fiscal year. Total revenues at the end of February 2021 are at 58.4% of the annual estimate for Fiscal Year 2021.

Property Tax revenues during the eight months ended February 28, 2021 increased \$3.8 million (5.2%) compared to the same period last fiscal year mostly due to increased Real & Secured Property Tax, VLF Swap Tax, Delinquent Property Tax, and Property Tax Penalty & Interest. Franchise Tax revenues during the eight months ended February 28, 2021 increased \$0.8 million (12.9%) compared to the same period last fiscal year mostly due to higher fees for commercial solid waste and roll-off bins.

COVID-19 impacts on the business community were the driving factor behind the \$2.5 million (-22.6%) decline in Other Local Taxes (specifically, Room Tax and Real Estate Transfer Tax) during the eight months ended February 28, 2021 compared to the same period last year.

Revenues other than taxes, which include Charges for Services, Development Fees, Intergovernmental and Intragovernmental Revenues, Transfers In/Out, and All Other Revenue Sources, will fluctuate from month to month depending upon various activity elements.

Development Fees during the eight months ended February 28, 2021 decreased \$3.7 million (-26.0%) compared to the same period last fiscal year mostly due to lower parking fees and penalties, plan check fees, Housing Code-Enforcement fees, and Worker’s Comp Verification fees.

Transfers In/Out during the eight months ended February 28, 2021 increased \$47.2 million (503.3%) mostly due to increased Transfers In from the CARES Grant Fund for eligible expenditures, plus transfers out last year for the construction of Fire Station 18 and parking revenues to Convention Center for which there were no similar transfers out this year.

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(All figures in thousands)

As of February 28th, the City maintained \$35.4 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.

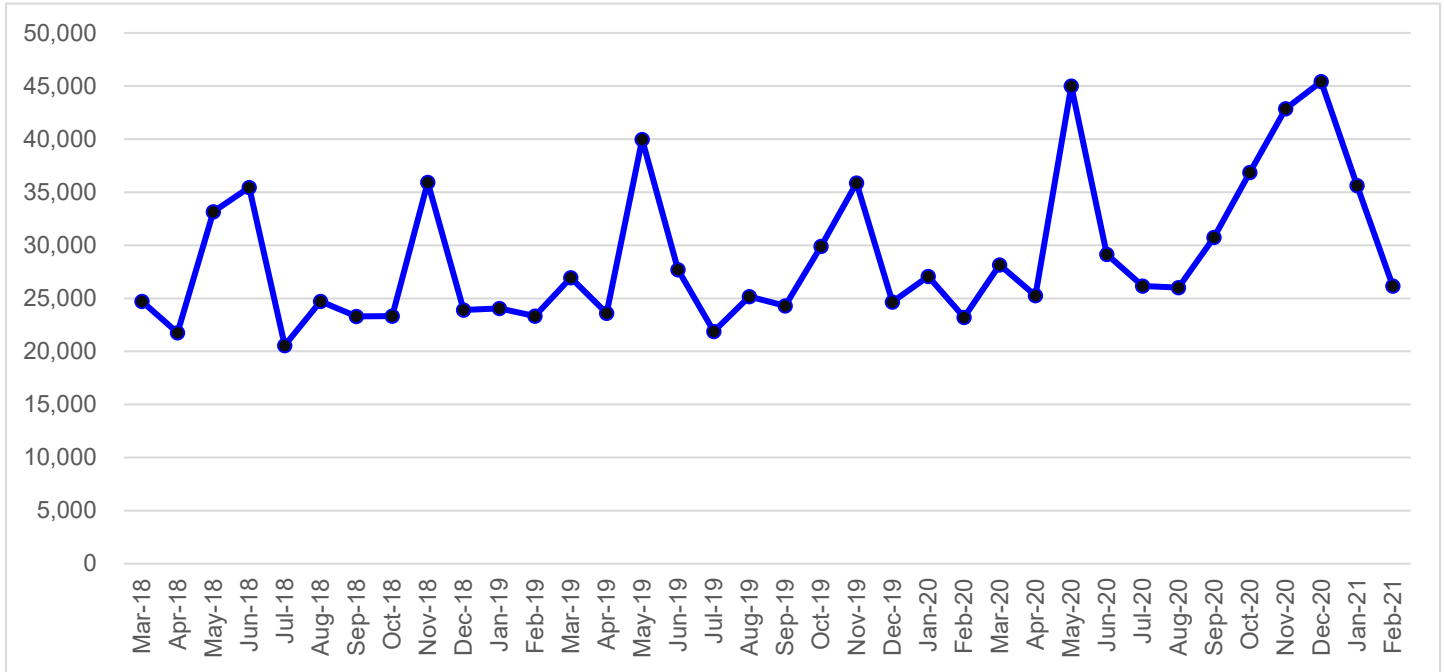
GENERAL FUND EXPENDITURES BY DEPARTMENT

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Police Department	190,494	119,495	63%	114,173
Fire Department	74,121	48,153	65%	43,889
Parks, Recreation & Community Services	29,233	14,252	49%	10,196
Finance/Purchasing	59,346	38,278	64%	3,703
Public Works	11,290	5,963	53%	5,535
City Council Offices	5,580	2,796	50%	2,115
City Clerk's Office	994	558	56%	584
Office of the Mayor/City Manager/Budget	5,114	3,300	65%	2,832
Planning and Development	25,340	11,745	46%	11,588
Personnel	3,731	2,314	62%	2,104
City Attorney's Office	19,030	10,947	58%	9,880
General City Purposes	15,305	12,028	79%	5,466
Attrition Savings	(8,320)	0	0%	0
Total General Fund Expenditures	431,258	269,829	63%	212,065

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	204,272	132,851	65%	127,371
Salaries and Benefits Others	46,990	34,567	74%	32,017
Overtime Public Protection	4,408	5,939	135%	3,348
Overtime Others	146	128	88%	152
Pension Obligation Bonds	12,679	2,738	22%	2,979
Operations and Maintenance	100,226	58,706	59%	20,367
Interdepartmental Charges	50,986	27,670	54%	23,830
Capital	11,551	7,230	63%	2,001
Total General Fund Expenditures	431,258	269,829	63%	212,065

HISTORICAL MONTHLY EXPENDITURES



ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the eight months ended February 28, 2021 were \$269.8 million. This is an increase of \$57.8 million (27.2%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of February 2021 were at 62.6% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced increases of \$5.3 million (4.7%) and \$4.3 million (9.7%), respectively. The changes in the Police Department’s expenditures are primarily due to higher pension contributions, increased Worker’s Compensation, overtime costs, and interdepartmental charges. The Fire Department’s results stemmed from overtime for strike team responses to wild fires, higher pension contributions, and increased minimum staffing pay.

Expenditures for General City Purpose during the eight months ended February 28, 2021 increased \$6.6 million (120.1%) compared to the same period last year mostly due to increased costs for Animal Services contract, and expenditures for CARES Save Our Small Business and Outdoor Dining grants, Covid-19 related technical services, and DAWN Initiative payment to Fresno County EOC for which there were no similar expenditures last year.

Expenditures for Council Offices, the Clerk’s Office, the Mayor/City Manager’s Offices, and Personnel were materially consistent with the amounts expended in the prior year and are at acceptable levels in accordance with current year budget estimates.

Parks, Recreation and Community Services Department expenditures during the first eight months of Fiscal Year 2021 increased \$4.1 million (39.8%) mostly due to higher personnel costs, the purchase of land, cost of COVID food distributions, and the cost for remodel of a new community center at Bulldog Lane and 6th Street for which there were no similar expenditures last year. Finance’s expenditures during the eight months ended February 28, 2021 increased \$34.6 million (933.7%) compared to the same period last fiscal year mostly due to COVID-19 mitigation expenses such as the Save Our Non-Profit grants and the purchase of a hotel as homeless housing, for which there were no similar expenditures last year.

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City Attorney's Office expenditures increased \$1.1 million (10.8%) during the first eight months of Fiscal Year 2021 compared to the same period last fiscal year mostly due to higher interdepartmental charges, pension contributions, salaries, and outside professional services.

By category, Salaries/Benefits for Public Protection and Salaries/Benefits for Others increased \$5.5 million (4.3%) and increased \$2.6 million (8.0%) respectively during the first eight months of Fiscal Year 2021 compared to the same period last year. Overtime for Public Protection during the eight months ended February 28, 2021 increased \$2.6 million (77.4%) compared to last year.

Operations and Maintenance expenditures experienced a \$38.3 million (188.2%) increase for the first eight months of Fiscal Year 2021 compared to the same period last year, mostly due to increased costs for the Animal Services contract, the DAWN Initiative contract with Fresno County EOC, COVID-19 professional services contracts, food distribution, and grants for which there were no similar expenditures last year.

Interdepartmental charges during the first eight months of Fiscal Year 2021 increased \$3.8 million (16.1%) compared to the same period last year mostly due to timing differences in billing City Hall rent, plus increased costs for information systems, liability self-insurance, and computer network replacement charges. Capital expenditures experienced a \$5.2 million (261.3%) increase for the first eight months of Fiscal Year 2021, mostly due to increased cost for leased equipment, cost to refurbish two soccer fields, the purchase of a hotel for homeless housing, and the purchase of property located on North Sixth Street for which there were no similar expenditures last 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	8,768	5,793	66%	5,968
Carryover	<u>2,040</u>	<u>2,040</u>	100%	<u>1,192</u>
Available Resources	10,808	7,833	72%	7,160
Expenditures	<u>(9,926)</u>	<u>(5,742)</u>	58%	<u>(5,839)</u>
Available Resources Over/(Under) Expenditures	<u>882</u>	<u>2,091</u>		<u>1,321</u>
Transportation/FAX				
Revenues	61,452	15,983	26%	14,162
Carryover	<u>4,528</u>	<u>4,528</u>	100%	<u>(1,795)</u>
Available Resources	65,980	20,511	31%	12,367
Expenditures	<u>(29,544)</u>	<u>(18,082)</u>	61%	<u>(16,576)</u>
Available Resources Over/(Under) Expenditures	<u>36,436</u>	<u>2,429</u>		<u>(4,209)</u>
Airport Operating				
Revenues	6,464	10,030	155%	12,613
Carryover	<u>32,591</u>	<u>33,458</u>	103%	<u>37,015</u>
Available Resources	39,055	43,488	111%	49,628
Expenditures	<u>(19,892)</u>	<u>(12,088)</u>	61%	<u>(12,148)</u>
Available Resources Over/(Under) Expenditures	<u>19,163</u>	<u>31,400</u>		<u>37,480</u>
Sewer System				
Revenues	75,924	50,869	67%	30,000
Carryover	<u>67,536</u>	<u>67,536</u>	100%	<u>65,274</u>
Available Resources	143,460	118,405	83%	95,274
Expenditures	<u>(98,363)</u>	<u>(29,158)</u>	30%	<u>(31,780)</u>
Available Resources Over/(Under) Expenditures	<u>45,097</u>	<u>89,247</u>		<u>63,494</u>
Solid Waste System				
Revenues	42,438	21,883	52%	18,532
Carryover	<u>4,609</u>	<u>4,609</u>	100%	<u>4,840</u>
Available Resources	47,047	26,492	56%	23,372
Expenditures	<u>(44,333)</u>	<u>(21,727)</u>	49%	<u>(20,330)</u>
Available Resources Over/(Under) Expenditures	<u>2,714</u>	<u>4,765</u>		<u>3,042</u>
Water System				
Revenues	114,578	89,700	78%	90,634
Carryover	<u>121,519</u>	<u>121,519</u>	100%	<u>112,593</u>
Available Resources	236,097	211,219	89%	203,227
Expenditures	<u>(142,725)</u>	<u>(81,003)</u>	57%	<u>(66,105)</u>
Available Resources Over/(Under) Expenditures	<u>93,372</u>	<u>130,216</u>		<u>137,122</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 2021 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 2020 to Fiscal Year 2021 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 26.0% of total available resources during the eight months ended February 28, 2021. Transportation/FAX Revenues during the first eight months of this fiscal year increased \$1.8 million (12.9%) from the same period last fiscal year mostly due to higher State of California TDA payments and Low Carbon Fuel Standard payments for which there were no similar payments last year. These were partially offset by lower fare revenues. Transportation/FAX carryover represents about 22.1% of total available resources through February 28, 2021.

Airport YTD Revenues for the eight months ended February 28, 2021 decreased \$2.6 million (-20.5%) from the same period last fiscal year primarily due to lower customer facility charges, and fees for parking, landing, concessions, and federal inspections which were partially offset by a CARES grant payment for which there was no similar payment last year. Airport Operating carryover represents about 76.9% of total available resources through February 28th.

Sewer System YTD Revenues for the eight months ended February 28, 2021 increased \$20.9 million (69.6%), primarily due to a transfer out last year to deposit funds into an escrow account to defease the Series 2008 Sewer bonds for which a similar entry does not exist this fiscal year. This was partially offset by lower customer charges and timing differences in payments from City of Clovis. Sewer System carryover represents about 57.0% of total available resources for this fiscal year.

Solid Waste YTD Revenues for the first eight months of Fiscal Year 2021 increased \$3.4 million (18.1%) primarily due to lower transfer out to the Vehicle Replacement fund and transfers in from the Residential Solid Waste Reserve Fund and the CARES Grant Fund for which there were no similar transfers in last year. Solid Waste carryover represents about 17.4% of total available resources for this fiscal year.

Water System YTD Revenues for the first eight months of this fiscal year decreased \$0.9 million (-1.0%) primarily due to decreased customer charges and lower interest earnings. Water System carryover represents about 57.5% of total available resources through February 28, 2021.

Transportation/FAX expenditures during the eight months ended February 28, 2021 increased \$1.5 million (9.1%) mostly due to increased costs for salaries, Workers' Compensation, pension contributions, and CNG bus fuel. Sewer System expenditures for the first eight months of Fiscal Year 2021 decreased \$2.6 million (-8.3%) compared to the same period last fiscal year mostly due to lower costs for professional and technical services, outside equipment repairs, timing of payment for software maintenance, and a payment on the State loan last year for which there was no similar payment this year. These were partially offset by increased costs for salaries and pension contributions.

Solid Waste expenditures during the eight months ended February 28, 2021 increased \$1.4 million (6.9%) compared to the same period last fiscal year mostly due to higher landfill tipping fees, Fleet ID charges, and pension contributions. Water System expenditures during the eight months ended February 28, 2021 increased \$14.9 million (22.5%) compared to the same period last fiscal year mostly due to payoff of the Water 2010-A bonds for which there was no similar payment last year. This was partially offset by lower expense for water purchases and contract construction.

CITY DEBT

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds:			
Various Capital Projects	\$21,985		\$21,985
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		11,539	11,539
Stadium Project		24,970	24,970
Animal Services Facility ¹	17,145		17,145
Judgment Bonds:			
Pension Obligation Bonds	107,555		107,555
Enterprise Bonds:			
Water ²		91,340	91,340
Sewer		885	885
Airport		78,144	78,144
Total Bonds	\$231,840	\$217,253	\$449,093
Notes and Loans:			
HUD – Neighborhood Streets and Parks	\$251		\$251
CIEDB – Roeding Business Park	1,397		1,397
State Water Resources Control Board Loans		\$325,115	325,115
Clean Water – Southwest Quadrant		49,029	49,029
Safe Drinking Water Loans		35,349	35,349
Total Notes and Loans	\$1,648	\$409,493	\$411,141
Capital Leases	39,737		39,737
Total City Debt	\$273,225	\$626,746	\$899,971

¹ Issuance of Animal Services Facility Bonds during November 2020 increased principal by \$17.1 million.

² Payoff of Water 2010 Series A-1 Bonds during December 2020 reduced principal by \$27.6 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.