



**Monthly Financial Report - April 2018**

FUND No.	FUND NAME	2017 ENDING FUND BALANCE	APRIL 2018 BEGINNING FUND BALANCE	APRIL 2018 REVENUES	APRIL 2017 REVENUES	APRIL 2018 EXPENSES	APRIL 2017 EXPENSES	APRIL 2018 ENDING FUND BALANCE	TARGET RESERVE
001	General Fund	\$ 15,215,654	\$ 13,985,233	\$ 3,465,393	\$ 3,495,478	\$ (1,182,666)	\$ (1,323,248)	\$ 16,267,960	\$ 5,191,000
101	Street Fund	\$ 852,718	\$ 848,801	\$ 78,949	\$ 607,980	\$ (147,495)	\$ (130,714)	\$ 780,255	N/A
103	REET Fund	\$ 56,801	\$ 286,574	\$ 220,353	\$ 163,953	\$ (140,337)	\$ -	\$ 366,591	N/A
104	Civic Impr. Fund	\$ 296,032	\$ 348,858	\$ 12,603	\$ 11,558	\$ (13,591)	\$ (28,423)	\$ 347,871	N/A
108	Affd. Housing Fund	\$ 159,176	\$ 159,176	\$ 100,000	\$ -	\$ (1,125)	\$ -	\$ 258,051	N/A
301	Capital Const. Fund	\$ 4,361,129	\$ 5,692,937	\$ 369,803	\$ 509,369	\$ (97,249)	\$ (425,070)	\$ 5,965,492	N/A
401	Water Fund	\$ 7,324,500	\$ 7,371,850	\$ 119,220	\$ 101,525	\$ (104,934)	\$ (111,472)	\$ 7,386,135	\$ 341,074
402	Sewer Fund	\$ 6,687,583	\$ 6,863,858	\$ 407,761	\$ 392,139	\$ (207,780)	\$ (195,934)	\$ 7,063,839	\$ 2,351,822
403	Storm Water Fund	\$ 1,217,817	\$ 1,082,505	\$ 972,851	\$ 807,577	\$ (125,019)	\$ (187,816)	\$ 1,930,337	\$ 800,875
407	Building Svcs. Fund	\$ 324,723	\$ 320,260	\$ 201,167	\$ 336,180	\$ (223,048)	\$ (170,812)	\$ 298,379	N/A

**NOTES:**

The City has adopted reserve policies for the General Fund (Fund 001) and the Water, Sewer, and Storm and Surface Water Funds (Fund 401, Fund 402, Fund 403, respectively). The General Fund reserve amount was taken from the 2017-2018 Adpoted Budget. Utility reserve targets were calculated based on the policies in Section 6 of Resolution No. 2016-19. Operating expenses used in the calculation were taken from the 2017-2018 Adopted Budget, and capital assets used in the calculation were taken from the 2017 CAFR.

Monthly revenue and expense amounts may include non-cash transactions.

REPORT DATE: 5/22/2018



## **Monthly Financial Report Highlights**

### **April 2018**

- **GENERAL FUND EXPENSES:** Expenses in the General Fund were \$140,000 lower in April 2018 than they were in April 2017, with the primary difference being in timing of the annual payment for fire safety services.
- **STREET FUND REVENUES:** Revenues in the Street Fund were \$529,000 higher in April 2017. A \$400,000 transfer in from the Transportation Benefit District Fund (Fund 171) to support the annual roads program in April 2017 and higher parking fee tax revenues contributed to the difference.
- **REET FUND REVENUES & EXPENSES:** At \$220,000, REET revenues were \$56,000 higher in April 2018 than they were a year ago, resulting from a 28% increase in transaction volume and an 11% increase in the average selling price. Expenses in the REET fund were \$140,000 in April 2018, compared to \$0 in April 2017. The difference in expenses reflects a change in accounting practice made in the middle of 2017. REET revenues are used to make debt payments by transferring money from the REET Fund to the G.O. Bond Fund (debt payments are charged against the G.O. Bond Fund). Beginning in June 2017, monthly transfers have been made from the REET FUND to the G.O. Bond Fund to support upcoming debt payments rather than making larger transfers when debt payments are due. This helps distribute the impact of debt payments, for reporting purposes, more evenly across the year.
- **CIVIC IMPROVEMENT FUND EXPENSES:** Expenses in Fund 104 were 52% lower in April 2018 compared to April 2017. This is primarily due to a difference in the timing of invoices received and reimbursed by the City for LTAC-approved community services funding.
- **AFFORDABLE HOUSING FUND REVENUES:** \$100,000 was moved from the General Fund to Fund 108 as part of an annual budgeted transfer. The 2017 transfer for the same amount and purpose was made in October 2017.
- **CAPITAL CONSTRUCTION FUND REVENUES & EXPENSES:** Fund 301 revenues were \$140,000 lower and expenses were \$328,000 lower in April 2018. This is because of year-to-year fluctuations in the amount and timing of grant reimbursements and transfers in from other funds, the scope and statuses of capital projects underway, and the timing of construction invoices. Notable expenses recorded in April 2017 included a \$200,000 construction payment for the Waterfront Park improvement project, which has since been completed. Notable April 2018 expenses include a \$25,000 construction payment for STO Phases 2 & 4, and a \$61,000 construction payment for the City Dock improvement project.
- **SSWM FUND REVENUES & EXPENSES:** Revenues from SSWM fees were \$165,000 higher in April 2018, due mainly to a fee rate increase from \$169 per impervious surface unit in 2017 to \$184 in

2018. Expenses in the SSWM fund were lower in April 2018 because of issues around the timing and availability of data required to calculate the interfund utility tax. The May financial report will reflect the combined utility tax expense for April and May.

- **BUILDING SERVICES FUND REVENUE:** The Building Services Fund is of continued interest for those analyzing the financial impact on the City of the current development moratorium. Excluding transfers in from the General Fund to maintain a minimum fund balance target in April 2017, April 2018 revenues were \$25,000 higher than April 2017 revenues. A breakdown and comparison of the specific revenue types is presented in the table below. Zoning and subdivision fee revenues were 94% lower in April 2018, which is to be expected considering the specific restrictions currently in place. Revenues from other planning and development fees, and engineering fees, were also lower by 37% and 66% respectively. All other revenue types were higher in April 2018, including revenues from building permits (106% higher), plan checking fees (34% higher), and planning review of building permits (35% higher).

REVENUE TYPE	APRIL 2018 TOTAL	APRIL 2017 TOTAL	INCREASE (DECREASE)	% VARIANCE
Building Permits	102,100	49,652	52,448	106%
Plan Checking Fees	57,934	43,377	14,556	34%
Planning Review of Building Permits	17,658	13,055	4,603	35%
Fire Marshall Plan Review	12,125	7,600	4,525	60%
Clearing Permit - After the Fact	500	-	500	
Transportation Impact Admin Fees	583	163	420	257%
Engineering Fees	78	227	(149)	-66%
Other Planning & Development Fees	6,907	11,039	(4,132)	-37%
Zoning & Subdivision Fees	3,282	50,566	(47,284)	-94%

Despite the development moratorium, we have not seen a reduction in overall fee revenues in 2018 so far. There are several potential reasons for this, some of which may include:

- Permits submitted before the moratorium are still being processed and are generating revenue
- Zoning and subdivision fees generated only \$3,000 of revenue in April 2018 because these fees are paid at time of application, and the types of applications now accepted is limited by the moratorium
- The volume of non-restricted permits has increased, which may require shorter processing times and may be able to generate revenue more quickly.
- The overall volume of permit activity has increased in response to favorable economic conditions.
- **BUILDING SERVICES FUND EXPENSES:** Expenses in Fund 407 were 31% higher in April 2018. Salaries and benefits were 22% higher, and payments for outside legal advice were \$19,000 higher (9% of the total expenses for April 2018).
- **RESERVE CALCULATIONS:** Contingency reserve calculations for the General Fund, Water, Sewer, and Storm Water Funds have been updated using data from the 2017 CAFR.