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Presentation of the FY20 December General Fund Financial Dashboards

Issue/Request:

Presentation of the FY20 December General Fund Financial Dashboards

Key Issues:

The General Fund year-to-date (YTD) revenues through the month of December for FY2020 total approximately \$28.1 million. This total is less than budgeted estimates by approximately \$900,000 (or 3%). The following is information about the major variances:

-Property Taxes: The YTD actuals for property tax are for Payment In Lieu of Taxes (PILOT) revenue. Actual PILOT revenues are approximately \$300,000 (or 10%) less than budgeted estimates. It is important to mention that approximately 85% of the PILOT revenue that is collected is passed on to other entities. As a result, although the PILOT revenue is less than budgeted estimates, there is also a decrease in the PILOT expenses for the City.

-Sales Tax-Local Sales Tax: The YTD actuals for Local Sales Tax totals approximately \$9.1 million. Local Sales Tax is approximately \$500,000 (5%) less than budgeted estimates and less than FY19 actual amounts through the same time period by approximately \$290,000 (or 3%). The following is important to consider regarding Local Sales Tax revenues: In November of FY19, the actuals for that month included a one-time payment of approximately \$300,000. This one-time payment was for a settlement of Local Sales Tax revenues from prior fiscal years. This is important to consider when looking at year-to-year comparisons for Local Sales Tax revenues. Also, the first seven months of Local Sales Tax revenues for FY19 (July through January) started off showing significant levels of growth over the same time period in FY18. Specifically, FY19 Local Sales Tax revenues through the month of January were 7.69% greater than the same time period through FY18. With that said, the remaining five months of FY19 (February through June) did not see the same levels of growth over FY18. FY19 finished the fiscal year with Local Sales Tax revenues being greater than FY18 revenues by 5.07%. This is important to consider because the spreads for the budgeted Local Sales Tax revenues are based

on historical data

-Franchise Taxes: As a category, revenues from franchise taxes are less than budgeted estimates by approximately \$155,000 (or 2%). The primary cause of the variance is due to Telephone Franchise Tax revenues being less than budgeted estimates by approximately \$150,000 (or 16%) and less than FY19 actual amounts through the same time period by approximately \$230,000 (or 22%).

-Motor Vehicle Taxes: This revenue category is greater than budgeted estimates by approximately \$68,000 (or 4%). All three of the revenues that make up this revenue category (MV Fuel Tax, MV Sales Tax, and MV License/ Transfer fee) have YTD actuals greater than the current year YTD budget estimates and previous year YTD actuals.

-Other Taxes: This revenue category is greater than budgeted estimates by approximately \$88,000 (or 63%). The primary cause of the variance is due to actual revenues from the Intangible Tax coming in much higher than FY20 budgeted estimates and prior year actual amounts.

-Fines and Forfeitures: The primary cause of the variance is due to a specific revenue account ("penalty/ interest other") having a significant variance between the YTD budget estimate and the YTD actuals amount.

-Licenses and Permits: This revenue category is approximately \$790,000 (or 63%) greater than budgeted estimates. The largest variances in this revenue category where YTD actuals have exceeded YTD budget estimates are in storm sewer inspection fees, grading permits, codes inspection fees, water inspection fees, and street inspection fees. It is important to mention that due to the weather in FY19 (i.e. multiple snow events, cold temperatures, wet Spring, etc.), construction projects were delayed into FY20, which is a cause for the increased YTD revenues in this category.

-Charges for Services: This revenue category is less than budgeted estimates because the revenue for Ambulance fees had not been processed for the month of the December at the time that the Financial Dashboard report was created. When the revenues for Ambulance Fees in the month of December are processed, it is anticipated that this revenue category will have YTD actual revenues greater than budgeted estimates. It is also important to point out that for the previous 5 months where actual data is available for Ambulance Fees, the trend has been that this revenue has had actuals greater than budget by approximately 2%.

-Other: This revenue category is less than budgeted estimates because the revenues for Capital Project Reimbursement and Law Reimbursement have not yet been processed.

The General Fund YTD expenses and encumbrances through the month of December for FY2020 total approximately \$39.6 million. This total is less than budgeted estimates by approximately \$980,000 (or 2%). The following is information about the major variances:

-Personnel Services: This expense category accounts for approximately two-thirds of all expenses in the General Fund. The YTD actuals for Personnel Services are greater than budgeted estimates by approximately \$660,000 (or 3%).

-EMS Adjustment: This expense category consists of the insurance adjustment and bad debt write-off expense

for Ambulance Fees. As it was mentioned above, the revenues for ambulance fees have been greater than budget estimates. Although those revenues have increased, so have the expenses associated with Ambulance Fees.

-There are several expense categories where the YTD actuals are significantly less than YTD budget estimates. Reasons for these variances include how expenses were spread in the budget and some expenses having not occurred yet but will occur later in the fiscal year.

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