



Legislation Text

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CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Receive 2nd Quarter Financial Report

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Finance Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

Six-month Financial Update

DISCUSSION:

Attached is the CY2017 2nd Quarter Financial Report. Information contained within will be included in the August 15, 2017 presentation; providing Council an opportunity for discussion related to information contained in the report. Staff will be providing the presentation prior to the City Council meeting for review.

The attached six-month financial report is an updated report that is meant to provide a high-level recap of the City's financial status including the three financial principles. The new report structure utilized bullet-point information and charts to convey the highlights of the last six-months. The charts and tables included in past reports will be made available on the City's website for review.

Below are highlights from the second quarter, more detailed information can be found in the attached documents.

Revenues

Citywide revenues totaled \$199.1 million through June, which is 45% of the CY2017 budget. Revenues are down \$14.5 million compared to budget, primarily driven by a shift in the timing of the planned borrowing from June to October. Below are several of the key revenue highlights for the second quarter of 2017.

- *Permits & Licenses* - The City received more than \$1.95 million in permits and licenses through the first six months of CY2017. This accounts for 79% of the year's budget projection and an increase of more than \$542,000 compared to last year. The bump is largely tied to revisions made to the City's liquor licenses ordinance, which now allows businesses to purchase two-year licenses at an increased cost, resulting in the surge.
- *State Income Tax* - Revenues associated the Local Government Distribution Fund totaled \$6.38 million through June. The revenue is below budget projections at 44% and down \$2.45

million compare to last year. This revenue is expected to provide a temporary increase in the coming months as the State will streamline the distribution process. Historically, the state provided funds to municipalities after 60-days of receipt, now the state will eliminate the delay through a direct deposit to municipalities. This will result in the City receiving two additional payments in 2017. However, there will also be a 10% reduction in disbursements through next June as approved in the State's budget.

Expenditures

Citywide expenditures totaled \$179.4 million through June, which is 40% of the CY2017 budget and \$6.6 million more than CY2016 year-to-date actuals.

- A significant portion of the increase is the acquisition of the Boecker property at 190 E. Fifth Avenue. The 1.48-acre land purchase resulted in an additional \$3.41 million expense.
- Another component of the increase is salaries and wages, which are up \$2.97 million compared to last year. This expense is tracking in line with the City's budget and has expended 50% of the annual expense year-to-date.

FISCAL IMPACT:

N/A