

To: Mayor and Council
From: Ron Olson, Finance Director
Subject: Budget Update
Date: July 22, 2019

Attachments:

1. Revenue Information
2. Revenue Graph
3. Expenditure Information
4. 2nd Quarter Vendor Listings
5. Investments

The second quarter General Fund year to date budget to actual comparisons are included with this memo. They are as of the end of June which represents 50% of the year. Revenues are currently at 63.03% of budget with expenditures at 48.0% of budget.

General Fund Revenues

Revenues for the first half of the year have been strong at 63.0%. Property tax proceeds are at 52.1% of budget compared to 62.9% a year ago. The decrease in 2019 collections is the result of an abnormally high collection rate in 2018. The 52.1% collection rate is normal. It is expected that at year's end tax collections will be around 100%.

Building related revenues are off to a strong start in 2018. Building Permits are currently at 72% of budget; Mechanical Permits are at 51%; Plumbing Permits are at 60%, and Plan Check/Site Exam Fees are at 90%. These line items, while generally less than last year, will likely exceed budget for the year. The follow table compares the number of permits issued in 2018 compared to 2017. Permit revenue is based on the value of the work being performed, so the number of permits issued is not a direct indication of permit revenue. However it good indication of construction activity.

		June				YTD			
		New home	Valuation added (new homes only)	Total permits	Zoning	New Home	Valuation added (new homes only)	Total permits	Zoning
2019		3	\$ 1,862,500	158	9	23	\$ 30,701,787	662	46
2018		3	\$ 1,923,000	164	9	35	\$ 20,123,374	789	50

A revenue graph is included as attached #2 to illustrating this year's revenue collections as compared to 2018 collections.

General Fund Expenditures

At 48.0%, the overall expenditure amounts are on target for the year. This compares favorably to 2018 when we were at 50.5% of budget on 6/30/18. Although some adjustments have been made, the expenditure statement should be view as non-adjusted. The Mayor and Council Department is at 65.5%; this is the result of the timing of payments for memberships. Law and Legal Services are trending over budget at 64.1%. Engineering is currently at 59.3 percent for the year. This is less than the 72.3% of last year and is not concerning at this time. The Public Works budget is at 54.8% of budget. This line item is mostly made up of road salt and patching material. The previous winter significantly impacted both of these items.

Investments

A listing of the City's investment portfolio is included for your review. The City's total investment portfolio is \$13,678,348.07. Interest earned through 6/30/2019 is \$104,779.74 which compares to \$74,297.47 for the same period last year. The interest earnings do not include any adjustments for the current market value of the portfolio.

Summary

In summary, the overall General Fund budget is looking good through the 2nd quarter. Revenues are at 63.3% of budget and are on pace to finish the year between 100% - 103%. Overall expenditures are on track to be at budgeted levels, however the street department is currently trending over budget.