



# MEMORANDUM

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**DATE:** February 3, 2016

**TO:** Mark Perkins, City Administrator

**FROM:** Daniel Smith, Director of Finance

**SUBJECT:** Second Quarter FY 2016 Financial Analyses

Attached are the 2<sup>nd</sup> quarter FY 2016 results for the two major operating funds – the General Fund and the Municipal Enterprise Fund. The significant trends for the 2<sup>nd</sup> quarter are as follows:

**1. General Fund**

a. Revenues

The revenues for 2016 are substantially decreased over those for the same period in 2015. The variations are primarily in the areas of:

Property Taxes – Due to distributions from the County Collector being delayed property tax revenues are approximately \$118,800 less.

Utility Taxes – Overall, utility tax revenues are down compared with 2015. However most of the decrease is due to electric utility payments for December 2015 not being booked until January. Taking that into account, utility revenues are actually increased. Telephone taxes continue its decrease and gas utility tax is also down. Water taxes are up due to one-time rebate to users in FY 2015.

Charges for Services – Decreased due to decreases primarily in multipurpose room rental, donations and ball field rental.

Intergovernmental – Revenues are decreased compared with 2015. Sales tax revenues are down over \$95,000. In addition, Road & Bridge tax is decreased by \$185,694 due to later distributions from the County Collector.

Licenses and Permits – Revenues are down in FY 2016 compared to 2015. This decrease is primarily in the areas of building permits which decreased approximately \$160,654 over the 2<sup>nd</sup> quarter 2015. However, last year was an abnormally high year for building revenues. I anticipate meeting or exceeding budget projections for licenses and permits.

Court Revenues – These have decreased from FY 2015 in the areas of fines and traffic violations. This decrease is approximately \$82,230. As indicated in the first quarter memo we anticipate that trend continuing throughout the year.

Other Revenues – These are slightly lower than in 2015.

Overall, staff anticipates revenues to be less than budget projections for FY 2016 primarily due to less than anticipated sales tax and court revenues. The sales tax appeared to recover somewhat in January so the 3<sup>rd</sup> quarter report will be a better indicator.

b. Expenditures

Expenditures are anticipated to be below original FY 2016 budget. The only departments that appear substantially outside of prorated amounts are Legislative, Non-Departmental and Health & Environment. Most of the variance results from encumbrances of large contracts. These include contracts for legal services and refuse and recycling. Non-departmental variance is due to 100% of insurance premiums paid in the first half.

Overall, staff anticipates that General Fund expenditures will be less than the budgeted amounts for 2016. These reduced expenditures will result primarily from projected reduced expenditures including personnel vacancies and other savings.

**2. Enterprise Fund**

a. Revenues

Revenues for FY 2016 are more than 2015. Revenues are increased in all areas of the Enterprise Fund. These include Golf, Ice and Food. Increases appear to result from increased usage.

b. Expenditures

Expenses in the 2<sup>nd</sup> quarter are slightly less than in FY 2015. This results from a decrease at the Golf Course and increased expenses at the Ice Arena due to increased repairs.

Overall, staff projects revenues will be slightly above those budgeted and expenditures will be close to or less than budgeted amounts for FY 2016.

**3. Capital Fund**

a. Revenues

At this time staff anticipates revenues for the Capital Fund to be less than 2015. Sales tax revenues are projected to be less than budgeted. Also, revenues are down due to delay in reimbursement for Coeur de Ville project.

b. Expenditures

Capital expenditures will be less than anticipated. This is also due to delay with the Coeur de Ville resurfacing and the golf course dam rehabilitation not being done this year. This reduction is partially offset by unbudgeted 2016 expenditures for the Dielmann Recreation Complex project which will be paid in 2016 instead of 2015.

**4. Interest Rates**

At this time it is projected interest revenues will be slightly higher than budgeted.

The Fiscal Year 2015 was again a good year. Staff continues to anticipate a healthy financial picture for the remainder of 2016. However, lower than anticipated court revenues and sales tax require monitoring in the future. Revenues at the Dielmann Recreation Complex appear increased but the financial situation there requires continued monitoring. In addition, adequate pension funding needs to be provided in the future.

I would be pleased to respond to any questions.



**City of Creve Coeur**  
**Statement of Revenues and Expenditures**  
**As of December 31, 2015**  
**FY 2016**

	<u>Annual Budget</u>	<u>Adjusted Budget</u>	<u>YTD Actual</u>	<u>YTD Encumb(1)</u>	<u>Actual As % of Budget</u>	<u>2015 2nd Qtr Actual</u>	<u>2015 Actual As % of Budget</u>
<b><u>General Fund Revenues:</u></b>							
Property Taxes	577,000	577,000	145,317		25.2%	264,121	46.0%
Utility Taxes	6,113,000	6,113,000	2,836,822		46.4%	2,875,015	47.2%
Intergovernmental	6,794,000	6,794,000	2,822,067		41.5%	3,089,961	48.7%
Licenses and Permits	868,700	868,700	520,685		59.9%	687,410	82.5%
Charges for Services	121,000	121,000	49,638		41.0%	70,040	51.4%
Municipal Court	1,012,500	1,012,500	500,733		49.5%	582,965	53.1%
Other Revenues	454,419	454,419	411,194		90.5%	431,226	97.2%
Transfers	0	0			#DIV/0!	0	0.0%
<b>Total Revenues</b>	<b>15,940,619</b>	<b>15,940,619</b>	<b>7,286,456</b>		<b>45.7%</b>	<b>8,000,738</b>	<b>51.6%</b>
<b><u>General Fund Expenditures:</u></b>							
Legislative Services	409,872	409,872	193,478	69,441	64.1%	221,410	62.4%
Administrative Services	852,975	857,975	394,372	55,547	52.7%	378,012	48.8%
Non-Departmental	593,407	593,407	371,655	37,675	69.0%	376,806	65.3%
Maint. of Municipal Prop.	326,274	326,274	156,730	18,575	53.7%	149,311	44.2%
Municipal Court	331,481	331,481	146,250	15,000	48.6%	183,942	49.1%
Finance Department	589,802	589,802	324,560	15,500	57.7%	292,206	52.0%
Police Department	7,022,912	7,022,912	3,400,907	231,989	51.7%	3,526,297	51.8%
Park Maintenance	501,057	501,057	222,012	3,859	45.1%	234,097	49.2%
Community Services	145,026	145,026	42,676	0	29.4%	53,423	33.0%
Public Works - Admin.	509,037	509,037	229,982	681	45.3%	206,878	48.2%
Street Maintenance	1,689,859	1,697,259	712,254	152,577	51.2%	900,067	56.2%
Health and Environment	956,314	956,314	362,688	540,976	94.5%	1,370,029	101.0%
Community Development	1,366,327	1,366,327	624,625	102,337	53.2%	582,224	43.9%
Annual Infrastructure Maintena	0	0				0	0.0%
<b>Total Expenditures</b>	<b>15,294,343</b>	<b>15,306,743</b>	<b>7,182,189</b>	<b>1,244,157</b>	<b>55.1%</b>	<b>8,474,702</b>	<b>56.0%</b>
<b>Total Operating Surplus</b>	<b>646,276</b>		<b>-1,139,890</b>			<b>-473,965</b>	
<b>Transfers To Other Funds</b>	<b>730,000</b>		<b>200,000</b>	<b>0</b>		<b>0</b>	<b>0.00%</b>
<b>Operating Revenues Over (under) Expenditures</b>	<b>-83,724</b>		<b>-1,339,890</b>			<b>-473,965</b>	

	<b>Annual Budget</b>		<b>YTD Actual</b>	<b>YTD Encumb(1)</b>	<b>Actual As % of Budget</b>	<b>2015 2nd Qtr Actual</b>	<b>2015 Actual As % of Budget</b>
<b><u>Municipal Enterprise Fund Revenues:</u></b>							
Golf Course	378,870	378,870	214,810		56.7%	205,187	50.7%
Food Service	52,870	52,870	30,561		57.8%	28,822	51.1%
Ice Arena	533,640	533,640	330,927		62.0%	324,276	61.3%
Other Revenues	700	700	206		0.0%	1,712	0.0%
Transfer- GF	30,000	30,000			0.0%		0%
<b>Total Revenue</b>	<b>996,080</b>	<b>996,080</b>	<b>576,504</b>	<b>0</b>	<b>57.9%</b>	<b>559,997</b>	<b>55.9%</b>

**Municipal Enterprise Fund Expenditures:**

Golf Course	480,828	480,828	221,934	5,175	47.2%	252,746	53.7%
Food Service	44,387	44,387	22,981	0	51.8%	25,385	58.5%
Ice Arena	474,027	474,027	252,955	2,841	54.0%	223,162	46.0%
Transfers	0	0			0.0%	0	0.0%
<b>Total Expenditures</b>	<b>999,242</b>	<b>999,242</b>	<b>497,870</b>	<b>8,016</b>	<b>50.6%</b>	<b>501,293</b>	<b>50.2%</b>
<b>Total Operating Surplus</b>	<b>-3,162</b>		<b>70,618</b>	<b>0</b>		<b>58,703</b>	
<b>Annual Debt Repayment</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>	<b>0.00%</b>
<b>Fund Balance Adjustment</b>	<b>(3,162)</b>		<b>70,618</b>			<b>58,703</b>	

# SALES TAX 2006-2016

