



MEMORANDUM

DATE: May 18, 2016
TO: Mark Perkins, City Administrator
FROM: Daniel Smith, Director of Finance
SUBJECT: Third Quarter FY 2016 Financial Analyses

Attached are the 3rd quarter FY 2016 results for the two major operating funds – the General Fund and the Municipal Enterprise Fund. The significant trends for the 3rd quarter are as follows:

1. General Fund

a. Revenues

The revenues for FY 2016 are less than those for the same time period in FY 2015. The variations are primarily in the areas of:

- Property Taxes – Less in 2016 due to timing difference in distributions.
- Utility Taxes – Overall, Utility Tax revenues are increased compared with FY 2015. Revenues for Electric Gross Receipts Tax are up \$77,887 ending March 31, 2016. Gas Tax Receipts are down approximately \$100,000. Water Tax Receipts are up approximately \$135,000 due to the suspension of the tax for 3 months that occurred in FY 2015. Telephone Gross Receipts are also up approximately \$173,200 primarily due to a one-time transfer of protested funds into the revenue account.
- Intergovernmental – Revenues are down compared with FY 2015. Retail Sales Tax is increased slightly and County Road and Bridge Tax are decreased due to a timing difference in distributions.
- Licenses and Permits – Revenues are down significantly in FY 2016 compared to FY 2015. This decrease is primarily in the area of building permits which is decreased \$149,315 over FY 2015. However, license and permit revenues are anticipated to exceed budgeted amounts.
- Court Revenues – These are down from FY 2015 but appear only slightly less than budgeted projections. Revenues are down in both the Court and Traffic divisions. It appears the decrease in court may have plateaued.
- Charges for Services – Revenues are down in FY 2016. Primary areas of decrease are multi-purpose room rentals, gym rentals and donations.

Overall, staff anticipates revenues to be near the budget projections for FY 2016 primarily due to higher than anticipated utility taxes, licenses & permits, and other revenues. This excess will be offset by lower than anticipated intergovernmental revenues, court revenues and charges for services.

b. Expenditures

Expenditures are anticipated to be below original FY 2016 budget. The only departments that appear substantially outside of prorated amounts are Interdepartmental and Health & Environment.

Most of the variance results from encumbrances of large contracts. These include contracts for refuse and recycling. Interdepartmental variance is due to 100% of insurance premiums paid in the first three quarters.

Overall, staff anticipates that General Fund expenditures will be less than the budgeted amounts for FY 2016. These reduced expenditures will result primarily from projected reduced expenditures including personnel vacancies and related costs and lower costs in other areas especially Community Services.

2. Enterprise Fund

a. Revenues

Revenues for FY 2016 are significantly more than FY 2015. The revenue increase is in all areas of the complex, golf, ice and food. The increase at the golf course is related to additional play and better weather. Revenues at the Ice Arena are increased in most areas including, hockey rental, admissions, figure skating and meeting room rentals.

b. Expenditures

Expenses in the 3rd quarter are higher than in FY 2015. Golf expenditures will be up due to the use of Walters Management and rink expenses are up due to increased electrical, ice repairs, water and sewer costs.

Overall, staff projects revenues will exceed those budgeted and expenditures will also higher than originally budgeted. Hopefully, increased revenues will offset the projected increase in expenditures.

3. Capital Fund

a. Revenues

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 FY 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 higher than budgeted.

Staff continues to anticipate a healthy financial picture for the General Fund now and in the near future. Revenues for the General Fund are anticipated to be near budgeted amounts and expenditures lower. Past lack of revenue growth at the Dielmann Complex on the golf side is a concern. However ice arena revenues continue to increase and golf revenues have increased this year. It is also anticipated revenues for golf will increase in the near future due to assistance in marketing from Walter's Management and implementation of dynamic pricing. Staff will continue close monitoring of their operations.

I would be pleased to respond to any questions.



City of Creve Coeur
Statement of Revenues and Expenditures
As of March 31, 2016
FY 2016

	<u>Annual Budget</u>	<u>Adjusted Budget</u>	<u>YTD Actual</u>	<u>YTD Encumb</u>	<u>Actual As % of Adjusted Budget</u>	<u>2015 3rd Qtr Actual</u>	<u>2015 Actual As % of Budget</u>
<u>General Fund Revenues:</u>							
Property Taxes	577,000	577,000	426,409		73.9%	478,183	83.3%
Utility Taxes	6,113,000	6,113,000	4,507,102		73.7%	4,259,036	75.0%
Intergovernmental	6,794,000	6,794,000	5,046,451		74.3%	5,063,138	78.6%
Licenses and Permits	868,700	868,700	829,712		95.5%	985,982	95.4%
Charges for Services	121,000	121,000	77,329		63.9%	98,968	72.7%
Municipal Court	1,012,500	1,012,500	756,064		74.7%	871,801	79.5%
Other Revenues	454,419	454,419	650,926		143.2%	645,660	75.4%
Transfers	0	0			#DIV/0!		0.0%
Total Revenues	15,940,619	15,940,619	12,293,993		77.1%	12,402,768	78.4%
<u>General Fund Expenditures:</u>							
Legislative Services	409,872	409,872	292,507	28,330	78.3%	278,254	80.0%
Administrative Services	852,975	857,975	586,643	61,856	75.6%	565,481	72.1%
InterDepartmental	593,407	593,407	456,933	40,450	83.8%	473,342	81.3%
Maint. of Municipal Prop.	326,274	326,274	231,330	7,647	73.2%	230,776	66.9%
Municipal Court	331,481	331,481	220,854	12,672	70.4%	265,906	70.5%
Finance Department	589,802	589,802	460,743	0	78.1%	431,479	76.7%
Police Department	7,022,912	7,022,912	5,104,844	211,100	75.7%	5,172,309	75.8%
Park Maintenance	501,057	501,057	336,163	29,339	72.9%	349,050	72.2%
Community Services	145,026	145,026	61,217	0	42.2%	71,325	44.1%
Public Works - Admin.	509,037	509,037	360,521	815	71.0%	315,161	72.9%
Street Maintenance	1,689,859	1,697,259	1,098,426	145,063	73.3%	1,271,522	76.2%
Health and Environment	956,314	956,314	578,138	327,031	94.7%	1,368,987	100.9%
Community Development	1,366,327	1,366,327	994,271	64,833	77.5%	905,996	66.8%
Annual Infrastructure Maintenance	0	0				0	0
Total Expenditures	15,294,343	15,306,743	10,782,590	929,136	76.5%	11,699,588	76.5%
Total Operating Surplus (-Deficit)	646,276		582,267			703,180	
Transfers To Other Funds	730,000		200,000	0		0	
Operating Revenues Over (under) Expenditures	(83,724)		382,267			703,180	

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

	Annual Budget	Adjusted Budget	YTD Actual	YTD Encumb	Actual As % of Adjusted Budget	2015 3rd Qtr Actual	2015 Actual As % of Budget
<u>Municipal Enterprise Fund Revenues:</u>							
Golf Course	378,870	378,870	248,102		65.5%	231,905	57.3%
Food Service	52,870	52,870	39,429		74.6%	36,227	64.2%
Ice Arena	533,640	533,640	496,692		93.1%	451,618	85.4%
Other Revenues	700	700	383		0.0%	1,774	0.0%
Transfers-In	30,000	30,000			0.0%		0
Total Revenue	996,080	996,080	784,606	0	78.8%	721,524	72.1%
<u>Municipal Enterprise Fund Expenditures:</u>							
Golf Course	480,828	480,828	316,548	27,122	71.5%	338,112	71.8%
Food Service	44,387	44,387	31,956	6,374	86.4%	30,971	71.4%
Ice Arena	474,027	474,027	384,738	1,521	81.5%	338,641	69.9%
Transfers	0	0			0.0%	0	0.0%
Total Expenditures	999,242	999,242	733,242	35,017	76.9%	707,724	70.9%
Total Operating Surplus (-Deficit) <i>(excludes encumbrances)</i>	-3,162		16,347	0		13,800	
Transfers to other Funds	0		0	0		0	
Operating Revenues Over (Under) Expenditures	(3,162)		16,347			13,800	

SALES TAX 2006-2016

