



MEMORANDUM

DATE: November 4, 2016

TO: Mark Perkins, City Administrator

FROM: Daniel Smith, Director of Finance

SUBJECT: First Quarter FY 2017 Financial Analyses

Attached are the 1st quarter 2017 results for the two major operating funds – the General Fund and the Municipal Enterprise Fund. The significant trends for the 1st quarter are as follows:

1. General Fund

a. Revenues

The revenues for 2017 are decreased significantly over those for the same time period in 2016. The decreases are primarily in the areas of:

License and Permits – The decrease in licenses and permits is due to a decrease in building permit revenue for the first quarter. The decrease was close to \$115,000 below last year. Even though these revenues are less we believe budget projections will be met since last year permit revenues were unusually high.

Municipal Court – Court revenues are \$62,967 less than FY 2016, a continuation of a trend from the previous year. At the current rate, revenues could be \$250,000 to \$300,000 less than anticipated in the budget, or about 25%.

b. Expenditures

Expenditures are anticipated to be within original FY 2017 budget. The only departments that appear substantially outside of prorated amounts are Legislative, Non-Departmental, Street Maintenance and Health & Environment. Most of the variance results from encumbrances of large contracts. These include contracts for legal services in Legislative, temporary personnel service and snow removal in Street Maintenance and refuse and recycling in Health & Environment. In addition, Non-Departmental is outside prorated amounts due to 50% of insurance expense being expended.

Overall staff anticipates that General Fund expenditures will be within or lower than budgeted amounts and that revenues will be less than budgeted amounts. It is too early to project year-end amounts but it is hoped that savings in General Fund expenses will help offset at least a portion of revenue shortfalls as they have historically. We should have a better indication in the second quarter report.

2. Enterprise Fund

a. Revenues

Operating revenues for FY 2017 are significantly less. Overall revenues are higher due to the \$120,000 up front lease payment for the tower located at the Dielmann Recreation Complex. This major decrease is in the area of the Golf Course. Play was substantially lower during the first quarter primarily due to weather. It is estimated \$8,000 to \$9,000 was lost the weekend of July 4th. This decrease in revenues for Golf was partially offset by increases in Ice Arena revenues.

b. Expenditures

Expenses in the first quarter are slightly higher than in FY 2016. Expenditures are slightly higher in Golf, Food Service and Ice Arena.

Currently, staff anticipates revenues will be lower than budgeted amounts and expenditures will also be within budgeted amounts for FY 2017.

3. Capital Fund

a. Revenues

At this time staff anticipates revenues for the Capital Fund will be less than FY 2016 budget amounts. Sales Tax in this fund also appears to be lagging. Other revenues and interest revenues appear to be close to budget amounts.

b. Expenditures

It currently appears capital projects will be within budgeted amounts.

4. Interest Rates

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

The fiscal year 2016 was a good year financially. In 2017 it appears court revenues are lagging in the General Fund. Also sales tax revenues may not meet expectations. In addition, Capital Sales Tax is not as high as anticipated. Although the City is currently in a very strong financial position, continued decrease in court revenues may require some adjusting. Fortunately, court revenues are a small part of the budgeted revenues. The sales tax is subject to fluctuation and could recover by year end. In spite of these issues staff continues to anticipate a healthy financial picture for the city in the near future.

The significant decrease in golf play is a concern for the Enterprise Fund. Hopefully this is weather related and will work itself out over time. Also it is anticipated that new programs and marketing promotions such as "dynamic pricing" will improve golf revenues.

I would be pleased to respond to any questions.



City of Creve Coeur
Statement of Revenues and Expenditures
FY 2017
As of September 30, 2016

	Annual Budget	Adjusted Annual Budget	YTD Actual	YTD Encumb	Actual As % of Budget	2016 1st Qtr Actual	2016 Actual As % of Budget
General Fund Revenues:							
Property Taxes	563,000	563,000	474		0.1%	0	0.0%
Utility Taxes	6,238,000	6,238,000	1,702,977		27.3%	1,651,354	27.0%
Intergovernmental	6,837,000	6,837,000	1,348,827		19.7%	1,352,110	19.9%
Licenses and Permits	906,450	906,450	209,533		23.1%	325,558	37.5%
Charges for Services	117,500	117,500	31,305		26.6%	37,723	31.2%
Municipal Court	1,000,000	1,000,000	174,320		17.4%	237,287	23.4%
Other Revenues	482,578	482,578	230,890		47.8%	225,220	49.6%
Transfers	0	0			#DIV/0!		0.0%
Total Revenues	16,144,528	16,144,528	3,698,326		22.9%	3,829,252	24.0%
General Fund Expenditures:							
Legislative Services	409,783	409,783	87,377	90,149	43.3%	192,824	47.0%
Administrative Services	1,209,669	1,209,669	212,831	44,524	21.3%	261,302	30.6%
Non-Departmental	557,194	557,194	229,016	18,975	44.5%	263,850	44.5%
Maint. of Municipal Prop.	388,230	388,230	83,852	15,633	25.6%	100,872	30.9%
Municipal Court	339,067	339,067	68,301	21,142	26.4%	85,007	25.6%
Finance Department	619,672	619,672	157,631	19,500	28.6%	142,622	24.2%
Police Department	7,290,342	7,290,342	1,616,650	541,025	29.6%	1,924,573	27.4%
Park Maintenance	525,055	525,055	84,947	40,239	23.8%	118,318	23.6%
Community Services	121,053	121,053	25,906	0	21.4%	29,964	20.7%
Public Works - Admin.	542,739	542,739	122,789	9,002	24.3%	105,688	20.8%
Street Maintenance	1,705,735	1,705,735	366,255	230,307	35.0%	442,733	26.2%
Health and Welfare	814,800	814,800	130,725	656,727	96.6%	238,742	25.0%
Community Development	1,409,900	1,409,900	308,789	35,222	24.4%	393,206	28.8%
Total Expenditures	15,933,239	15,933,239	3,495,069	1,722,445	32.7%	4,299,701	35.0%
Total Operating Surplus (-Deficit)	211,289		(1,519,188)			(470,449)	
Transfers To Other Funds	730,000		0	0		0	
Operating Revenues Over (under) Expenditures	-518,711		(1,519,188)			(470,449)	



City of Creve Coeur
Statement of Revenues and Expenditures
FY 2017
As of September 30, 2016

	Annual Budget	Adjusted Annual Budget	YTD Actual	YTD Encumb	Actual As % of Budget	2016 1st Qtr Actual	2016 Actual As % of Budget
<u>Municipal Enterprise Fund Revenues:</u>							
Golf Course	401,219	401,219	132,581		33.0%	159,498	42.1%
Food Service	55,000	55,000	17,659		32.1%	20,536	38.8%
Ice Arena	548,725	548,725	153,775		28.0%	117,464	22.0%
Other Revenues	700	700	120,072		0.0%	85	0.0%
Transfers	0	0			0	0	
Total Revenue	1,005,644	1,005,644	424,087	0	42.2%	297,583	29.9%
<u>Municipal Enterprise Fund Expenditures:</u>							
Golf Course	520,221	520,221	139,566	18,840	30.4%	152,403	32.4%
Food Service	41,907	41,907	10,293	2,780	31.2%	11,788	27.2%
Ice Arena	476,551	476,551	104,170	9,303	23.8%	112,602	23.2%
Transfers	0	0			#DIV/0!	0	0.0%
Total Expenditures	1,038,679	1,038,679	254,029	30,923	27.4%	276,793	27.7%
Total Operating Surplus (-Deficit)	-33,035		139,135	0		20,790	
Annual Debt Repayment	0		0	0		0	0.00%
Transfers	0		0	0			
Fund Balance Adjustment	(33,035)		139,135			20,790	

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