



MEMORANDUM

DATE: October 31, 2018

TO: Mark Perkins, City Administrator

FROM: Lori Obermoeller, Director of Finance

SUBJECT: First Quarter FY 2019 Financial Analysis

Attached is the financial report for the General Fund, the Municipal Enterprise Fund, the Capital Fund, the Sewer Lateral Fund and the Public Safety Fund for the 1st quarter of FY 2019. Some of the fluctuations in both revenues and expenditures worth discussion are as follows:

1. General Fund

a. Revenues

Overall, revenues for FY 2019 are \$136,932 more than revenues for the same time period in FY 2018. The increases are primarily in the areas of:

- Utility Revenues are \$50,088 more than FY 2018 due to an increase in Electric and Water
- Municipal Court Revenues are \$37,057 more due to an increase in tickets paid
- Interest Revenues are \$31,661 due to an increase in interest rates
- Other Revenues are \$115,149 more due to \$77,478 from SLAIT Insurance Reimbursement where last year we didn't receive until October; \$11,911 more from Police Grants; and \$24,750 more from the sale of fixed assets

However, below are some of the revenue sources that have decreased:

- Sales Tax – down \$50,088
- Licenses & Permits – Building permits are down \$23,413

b. Expenditures

Expenditures for the General Fund are \$241,276 more than the same time period in FY 2018, of note:

- Legacy DB Pension Contribution (\$297,921) was made in 1st quarter this year where it was made in October last year—this really affected Police, Public Works and Community Development Departments

While overall revenues and expenditures are up for the FY 2019 General Fund, everything seems to be within the anticipated budgeted amounts. We budgeted a decrease of \$407,880 in revenues in the general fund from FY 2018 budget mainly due to an anticipated decrease in court fines and sales tax revenues. However, we also budgeted \$439,143 less in expenditures due to new software costs (approximately \$200K) being in FY 2018 and not FY 2019 General Fund. Expenditures are also down due to less staffing in the Finance and Public Works Departments, and due to a decrease in the DB Legacy Pension contributions in the police department with retirements occurring. So overall, everything seems to be close to the budgeted amounts for FY 2019.

2. Municipal Enterprise Fund

a. Revenues

Overall, Revenues for the Enterprise Fund are \$28,215 less than what was received in FY 2018. Golf and Food revenues are only down \$2,650, but Ice revenues are down \$25,565. Almost half of the decrease in Ice revenue is a timing issue with the Hockey League Rental. The rest is due to a decrease in Ice Rental and many of the other ice related events such as Learn to Skate, Freestyle, etc. Part of the decrease is a timing issue, and the rest is due to the ice rink closure in late spring. We issued several \$25 credits to be used later, so many of those were applied in this quarter.

b. Expenditures

Expenditures are \$23,153 more than last year. See below for a detailed description of the expenditure fluctuations:

- Golf/Pro-Shop Division – there was an overall increase of about \$15,637 due to an increase in operational expenditures such as water/sewer (we reallocated these expenditures in FY2018 to better reflect actual usage, resulting in higher charges to the golf course), horticultural supplies, small equipment, etc.
- Ice Arena - an increase in operational expenditures such as utilities, gas/propane, chemicals, equipment maintenance, etc. of about \$9,700
- Food Service – a decrease in food and beverage costs of about \$2,200

We budgeted an increase in revenues and a decrease in expenditures for the Enterprise Fund. With the exception of the Rockets payments not being received yet, the revenues are slightly less than anticipated, mainly due to the ice rink being closed for so long in late spring 2018. And while expenditures are slightly more than last year at this time, due to several small one-time capital purchases, we are pretty much on track with the expenditure budget.

3. Capital Fund

a. Revenues

At this time, revenues for the Capital Fund are up \$22,429 from last year at this time due to Capital Sales Tax.

b. Expenditures

Expenditures are \$1,551,568 less than last year at this time due to the Ladue Road Repair Project being a major factor in last year's expenditures. All current expenditures are within the budget.

The Capital Fund is within what was budgeted for FY 2019.

4. Sewer Lateral Fund

c. Revenues

Sewer Lateral Revenue doesn't come in until the 2nd quarter.

d. Expenditures

Expenditures are \$12,013 less than last year.

Overall, the Sewer Lateral Fund was budgeted with a surplus of \$20,500. We are at a deficit of \$9,822 due to revenue not coming in until 2nd quarter, so we are ok in regards to the budget for FY 2019.

5. Public Safety Sales Tax Fund

e. Revenues

The Public Safety Sales Tax revenues are at \$267,294 for 1st Quarter of FY 2019. We didn't start receiving this sales tax until December of last year. We budgeted \$500,000 in FY 2018 and received \$634,959, which represented 9 months. We budgeted \$850,000 in FY 2019.

f. Expenditures

So far only \$13,762 has been expensed for FY 2019. However, we have \$47,211 encumbered for the Police Shooting Range, which has been budgeted.

The Public Safety Sales Tax Fund started last fiscal year. So far very little has been used out of this fund. The fund balance as of 9/30/18 is \$886,190.

Also attached is the Investment report. You will notice that the 1st page is all General Fund money, where the 2nd page is for Capital and Escrow money. In regards to the General Fund investments, the 1st half of the page are investments in Agency Securities where the bottom half includes investments in CDs. You will also notice that with each section, it is sorted by Maturity Date with the earliest maturity being listed 1st. The last part of the 2nd page lists who we purchased the investments from and as you can see, most of them are purchased through Multi-Bank Securities (MBS) with the investment being held at Pershing; all of the others are purchased and held at the financial institution listed.

I would be pleased to respond to any questions.



City of Creve Coeur
Statement of Revenues and Expenditures
As of September 30, 2018
FY 2019

	Annual Budget	Adjusted Budget	YTD Actual	YTD With Encumb	2019 Actual As % of Adjusted Budget	2018 1st Qtr Actual	2018 Actual As % of Budget
General Fund Revenues:							
Property Taxes	672,044	672,044	0		0.0%	948	0.2%
Sales Tax	5,339,639	5,339,639	1,218,473		22.8%	1,291,967	24.9%
Utility Taxes	5,834,943	5,834,943	1,752,586		30.0%	1,702,498	29.0%
Intergovernmental	1,442,100	1,442,100	134,226		9.3%	140,011	7.2%
Licenses and Permits	1,029,896	1,029,896	246,034		23.9%	263,276	26.9%
Charges for Municipal Services	99,900	99,900	22,742		22.8%	22,294	21.6%
Municipal Court	428,000	428,000	135,257		31.6%	98,200	16.4%
Interest Revenue	200,000	200,000	103,516		51.8%	71,855	34.2%
Other Revenues	457,776	457,776	155,592		34.0%	40,443	12.4%
Total Revenues	15,504,298	15,504,298	3,768,425		24.3%	3,631,493	23.0%
General Fund Expenditures:							
Legislative Services	254,991	254,991	60,348	60,348	23.7%	100,197	21.1%
Legal Services	278,083	278,083	28,747	28,747	10.3%	0	0.0%
Administrative Services	619,909	619,909	139,232	143,390	22.5%	135,033	21.0%
Information Systems	231,817	231,817	80,158	132,306	34.6%	55,365	12.8%
Finance Department	543,929	543,929	120,137	142,137	22.1%	121,660	21.2%
Municipal Court	261,598	261,598	60,318	82,252	23.1%	49,468	19.1%
InterDepartmental	526,369	526,369	188,017	188,017	35.7%	205,755	41.5%
Community Services	134,059	134,059	37,007	37,007	27.6%	31,778	26.9%
Maint. of Municipal Prop.	358,759	358,759	89,884	118,537	25.1%	73,913	20.8%
Police Department	7,355,427	7,363,359	1,722,296	2,291,608	23.4%	1,627,668	21.8%
Public Works - Admin.	521,580	521,580	130,083	133,463	24.9%	127,307	20.6%
Street Maintenance	1,602,632	1,602,632	353,397	526,586	22.1%	322,387	19.3%
Health and Environment	780,000	780,000	177,900	772,516	22.8%	170,743	22.0%
Park Maintenance	500,244	500,244	113,949	159,435	22.8%	103,673	20.1%
Community Development	1,472,719	1,558,164	368,417	368,417	23.6%	303,662	20.6%
Total Expenditures	15,442,116	15,535,493	3,669,886	5,184,766	23.6%	3,428,610	21.6%
Total Operating Surplus (-Deficit)	62,182	(31,195)	98,539			202,883	
Transfers To Other Funds	400,000	400,000	0			0	
Operating Revenues Over (under) Expenditures	(337,818)	(431,195)	98,539			202,883	



City of Creve Coeur
Statement of Revenues and Expenditures
As of September 30, 2018
FY 2019

	<u>Annual Budget</u>	<u>Adjusted Budget</u>	<u>YTD Actual</u>	<u>YTD Encumb</u>	<u>2019 Actual As % of Adjusted Budget</u>	<u>2018 1st Qtr Actual</u>	<u>2018 Actual As % of Budget</u>
<u>Municipal Enterprise Fund Revenues:</u>							
Golf Course	380,038	380,038	148,329		39.0%	152,789	39.6%
Food Service	59,600	59,600	22,104		37.1%	20,295	36.2%
Ice Arena	687,388	687,388	91,685		13.3%	117,250	19.0%
Capital Contribution	0	0	0		0.0%	0	0.0%
Total Revenue	1,127,026	1,127,026	262,119	0	23.3%	290,334	104.7%
<u>Municipal Enterprise Fund Expenditures:</u>							
Golf Course	528,994	528,994	160,747	167,788	30.4%	145,109	29.6%
Food Service	48,201	48,201	13,397	18,463	27.8%	15,596	38.0%
Ice Arena	524,895	524,895	120,938	126,766	23.0%	111,223	21.0%
Depreciation	0	0	0	0	0.0%	0	0.0%
Total Expenditures	1,102,090	1,102,090	295,082	313,017	26.8%	271,929	25.7%
Total Operating Surplus (-Deficit)	24,936	24,936	(32,963)			18,405	
Transfers to other Funds	0	0	0			0	
Operating Revenues Over (Under) Expenditures	24,936	24,936	(32,963)			18,405	



City of Creve Coeur
Statement of Revenues and Expenditures
As of September 30, 2018
FY2018

	Annual Budget	Adjusted Budget	YTD Actual	YTD Encumb	2019 Actual As % of Adjusted Budget	2018 1st Qtr Actual	2018 Actual As % of Budget
<u>Capital Improvement Fund Revenues:</u>							
Intergovernmental	2,046,955	2,046,955	563,659	0	27.5%	536,241	25.4%
Interest Revenue	3,800	3,800	0	0	0.0%	-10	-0.1%
Other Revenues	332,000	332,000	0	0	0.0%	5,000	1.2%
Total Revenues	2,382,755	2,382,755	563,659	0	23.7%	541,230	21.3%
<u>Capital Improvement Fund Expenditures:</u>							
Personnel	85,000	85,000	20,960	20,960	24.7%	0	0.0%
Building & Improvements	40,000	127,000	5,250	62,250	4.1%	13,568	14.3%
Park Development Projects	122,500	122,500	39,378	40,428	32.1%	127,621	38.7%
Storm water Projects	250,000	250,000	355	355	0.1%	134,016	41.9%
Street Overlay/Repair	2,289,508	2,289,508	277,097	1,277,458	12.1%	1,553,923	70.2%
Capital Equipment	440,372	440,372	4,020	255,347	0.9%	69,500	14.3%
Total Expenditures	3,227,380	3,314,380	347,060	1,656,798	10.5%	1,898,628	55.2%
Total Operating Surplus (-Deficit)	(844,625)	(931,625)	216,599			(1,357,398)	
Transfers in from General Fund	400,000	400,000	0			0	
Operating Revenues Over (Under) Expenditures	(444,625)	(531,625)	216,599			(1,357,398)	



City of Creve Coeur
Statement of Revenues and Expenditures
As of September 30, 2018
FY2018

	<u>Annual Budget</u>	<u>Adjusted Budget</u>	<u>YTD Actual</u>	<u>YTD Encumb</u>	<u>2019 Actual As % of Adjusted Budget</u>	<u>2018 1st Qtr Actual</u>	<u>2018 Actual As % of Budget</u>
<u>Sewer Lateral Fund</u>							
Intergovernmental	132,000	132,000	0	0	0.0%	101	0.1%
Total Revenues	132,000	132,000	0	0	0.0%	101	0.1%
<u>Sewer Lateral Fund Expenditures:</u>							
Technical & Personal Services	1,500	1,500	0	0	0.0%	0	0.0%
Sewer Lateral Reimbursements	110,000	110,000	9,822	0	8.9%	21,835	19.9%
Total Expenditures	111,500	111,500	9,822	0	8.8%	21,835	19.6%
Total Operating Surplus (-Deficit)	20,500	20,500	(9,822)			(21,734)	
Operating Revenues Over (Under) Expenditures	20,500	20,500	(9,822)			(21,734)	



	<u>Annual Budget</u>	<u>Adjusted Budget</u>	<u>YTD Actual</u>	<u>YTD Encumb</u>	<u>2019 Actual As % of Adjusted Budget</u>	<u>2018 1st Qtr Actual</u>	<u>2018 Actual As % of Budget</u>
<u>Public Safety Sales Tax Fund</u>							
Intergovernmental	850,000	850,000	267,294	0	31.4%	0	0.0%
Interest Revenue	1,000	1,000	0	0	0.0%	0	0.0%
Total Revenues	851,000	851,000	267,294	0	31.4%	0	0.0%
<u>Public Safety Sales Tax Fund</u>							
Operating Expenditures	57,008	57,008	13,762	13,846	24.1%	0	0.0%
Capital Expenditures	30,130	77,341	0	47,211	0.0%	0	0.0%
Total Expenditures	87,138	134,349	13,762	61,057	10.2%	0	0.0%
Total Operating Surplus (-Deficit)	763,862	716,651	253,532			0	
Transfers out to General Fund	139,202	139,202	0			0	
Operating Revenues Over (Under) Expenditures	624,660	577,449	253,532			0	

Investments - September 30, 2018

CAPITAL IMPROVEMENT FUND												
Investment	CUSIP Tracking #	Instrument	Holder	Quantity	Premium / Discount	Principal	Market Value	YTM	Purchase Date	Maturity Date	Call Date	Interest Earned
Citibank Natl Assn	17312Q-H7-7	CD	MBS	245,000.00		245,000.00	245,000.00	2.700%	3/29/2018	3/29/2021		3.0
Sifel BK & TR	86063Q-AB-1	CD	MBS	245,000.00		245,000.00	245,000.00	2.700%	3/29/2018	3/29/2021		3.0
Total Capital Improvement Fund				490,000.00		490,000.00						
ESCROW FUND												
Investment	CUSIP Tracking #	Instrument	Holder	Quantity	Premium / Discount	Principal	Market Value	YTM	Purchase Date	Maturity Date	Call Date	Interest Earned
Community CR UN	20369AAC4	CD	MBS	245,000.00		245,000.00	245,000.00	1.60%	11/29/2017	11/26/2018		0.11
Safra Natl Bk	78658Q-2N2	CD	MBS	245,000.00		245,000.00	245,000.00	2.00%	2/28/2018	2/27/2019		0.11
Security State Bank	1052762A6	CD	1STEN	250,000.00		246,962.71	246,962.71	2.20%	4/25/2018	4/25/2019		1.0
Bank India New York	06279KKW5	CD	MBS	245,000.00		245,000.00	245,000.00	2.30%	5/21/2018	5/22/2019		1.0
Bank Hapoalim	06251AU40	CD	MBS	245,000.00		245,000.00	245,000.00	2.35%	8/21/2018	8/27/2019		1.0
Total Escrow Fund				1,230,000.00	-	1,226,962.71						
TOTAL INVESTMENTS FOR ALL FUNDS						15,557,839.10						
Total Investments by Holder												
1sTEN						1,525,120.45						
MBS						13,643,718.65						
MOSIP						389,000.00						
TOTAL INVESTMENTS						15,557,839.10						-
MBS UNVEST CASH												
TOTAL INVESTMENTS FOR ALL FUNDS						15,557,839.10						