



MEMORANDUM

DATE: February 4, 2019

TO: Mark Perkins, City Administrator

FROM: Lori Obermoeller, Director of Finance

SUBJECT: Second 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 2nd 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 \$279,430 more than revenues for the same time period in FY 2018. The increases are primarily in the areas of:

- Property Taxes are \$106,800 more than FY 2018, but that is more of a timing issue. Last year St. Louis County was slow on distributing funds
- Utility Revenues are \$21,370 more than FY 2018 due to an increase in municipal rates
- County Road & Bridge is up \$99,694 again due to timing. Last year St. Louis County was slow on distributing funds
- Municipal Court Revenues are \$94,574 more due to an increase in tickets issued and paid
- Interest Revenues are \$64,283 more due to an increase in interest rates and an increase in investment portfolio
- Other Revenues are \$51,233 more due to \$24,750 from the Sale of GMC dump truck, 2 Dodge Chargers and 1 Ford Explorer, as well as \$19,798 from the closure of the 401a Plan

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

- Sales Tax – down \$72,864
- Licenses & Permits – Building permits are down \$113,650 but we had some really big permits (BJC Hospital) in FY2018

b. Expenditures

Expenditures for the General Fund are \$85,398 more than the same time period in FY 2018. However, due to payroll being paid in arrears, FY 2019 has 1 less payroll than the same time period as FY 2018.

- The financial software is the main reason for this overage. FY 2019 has \$84,130 for the software, where we did not have this expenditure in FY 2018.
- Refuse Collections increased 4% (\$29K more per year) on July 1, 2018, so Health and Environment is higher than FY 2018, but we anticipated and budgeted for this increase
- Park Maintenance is up due to equipment purchase in FY 2019 (8 picnic tables & benches and 2 ADA Drinking fountains), but this was budgeted for FY 2019

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. 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 \$42,570 less than what was received in FY 2018. Golf revenue was down \$12,140, where Ice revenues were down \$31,086. 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 and Figure Skating. 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 the 1st quarter.

b. Expenditures

Expenditures are \$15,364 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 \$11,905 due to an increase in operational expenditures such as water/sewer (we reallocated these expenditures in FY2019 to better reflect actual usage, resulting in higher charges to the golf course), horticultural supplies, small equipment, etc.
- Ice Arena - an overall increase of \$32,573 with part of it being an increase in operational expenditures such as utilities, gas/propane, chemicals, equipment maintenance, etc. There was also an increase in part-time staff and an increase of \$12,500 for Property Insurance due to the bill being paid in December where last year it was paid in January.
- Food Service – a decrease in food and beverage costs of about \$2,214

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 and the timing of the insurance payment, we are pretty much on track with the expenditure budget.

3. Capital Fund

a. Revenues

At this time, revenues for the Capital Fund are down \$50,851 from last year due to FY 2018 including grant reimbursement for Emerson Road and Warson Road. Sales tax revenue is flat.

b. Expenditures

Expenditures are \$853,968 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 is \$3,103 more than FY 2018. But that is due to St. Louis County being slow in disbursement last year.

d. Expenditures

Expenditures are \$10,863.92 less than last year.

Overall, the Sewer Lateral Fund was budgeted with a surplus of \$20,500. We are at a surplus of \$40,416 due to most of the revenue coming in during the 2nd quarter. Because expenditures are down, we are slightly better than anticipated for the year.

5. Public Safety Sales Tax Fund

e. Revenues

The Public Safety Sales Tax revenues are at \$490,300 for the 2nd Quarter of FY 2019, which is \$414,766 more than 2nd Quarter of FY 2018. We didn't start receiving this sales tax until December of last year which is why FY 2019 has more revenue. We budgeted \$500,000 in FY 2018 and received \$634,959, which represented 9 months. We budgeted \$850,000 in FY 2019 and looks like we might be close.

f. Expenditures

So far \$62,858.12 has been expensed for FY 2019 and nothing was expensed in FY 2018.

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 12/31/18 is \$1,060,101.

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 December 31, 2018
FY 2019

	Annual Budget	Adjusted Budget	YTD Actual	YTD With Encumb	2019 Actual As % of Adjusted Budget	2018 2nd Qtr Actual	2018 Actual As % of Budget
<u>General Fund Revenues:</u>							
Property Taxes	672,044	672,044	262,816		39.1%	156,016	28.3%
Sales Tax	5,096,789	5,096,789	2,133,437		41.9%	2,206,301	44.6%
Utility Taxes	5,834,943	5,834,943	3,045,554		52.2%	3,024,176	51.6%
Cig., Gas, Road & Auto Sales	1,684,950	1,684,950	755,470		44.8%	657,533	30.0%
Licenses and Permits	1,029,896	1,029,896	436,798		42.4%	519,515	53.1%
Charges for Municipal Services	99,900	99,900	33,538		33.6%	34,733	33.7%
Municipal Court	428,000	428,000	291,882		68.2%	197,308	32.9%
Interest Revenue	200,000	200,000	185,969		93.0%	121,686	57.9%
Other Revenues	457,776	551,153	225,562		40.9%	174,329	53.6%
Total Revenues	15,504,298	15,597,675	7,371,027		47.3%	7,091,597	45.0%
<u>General Fund Expenditures:</u>							
Legislative Services	254,991	257,991	120,376	123,376	46.7%	227,791	48.0%
Legal Services	278,083	278,083	69,395	69,395	25.0%	0	0.0%
Administrative Services	619,909	644,909	309,608	330,562	48.0%	325,429	50.6%
Information Systems	231,817	352,113	209,940	262,713	59.6%	94,623	21.9%
Finance Department	543,929	543,929	265,952	280,452	48.9%	313,577	54.7%
Municipal Court	261,598	261,598	133,573	149,906	51.1%	118,241	45.8%
InterDepartmental	526,369	526,369	311,112	312,810	59.1%	309,039	62.3%
Community Services	134,059	134,059	57,444	59,308	42.8%	49,952	42.2%
Maint. of Municipal Prop.	358,759	358,759	181,429	226,185	50.6%	168,225	47.3%
Police Department	7,355,427	7,363,359	3,782,849	4,281,242	51.4%	3,790,741	50.7%
Public Works - Admin.	521,580	521,580	291,183	298,936	55.8%	311,760	50.5%
Street Maintenance	1,602,632	1,642,331	729,852	901,505	44.4%	733,067	43.9%
Health and Environment	780,000	780,000	376,082	774,715	48.2%	365,510	47.2%
Park Maintenance	500,244	500,244	238,875	254,504	47.8%	226,783	43.9%
Community Development	1,472,719	1,558,164	809,581	811,181	52.0%	767,115	52.1%
Total Expenditures	15,442,116	15,723,488	7,887,250	9,136,789	50.2%	7,801,852	49.1%
Total Operating Surplus (-Deficit)	62,182	(125,813)	(516,223)			(710,255)	
Transfers To Other Funds	400,000	400,000	0			0	
Operating Revenues Over (under) Expenditures	(337,818)	(525,813)	(516,223)			(710,255)	



City of Creve Coeur
Statement of Revenues and Expenditures
As of December 31, 2018
FY 2019

	Annual Budget	Adjusted Budget	YTD Actual	YTD With Encumb	2019 Actual As % of Adjusted Budget	2018 2nd Qtr Actual	2018 Actual As % of Budget
<u>Municipal Enterprise Fund Revenues:</u>							
Golf Course	380,038	380,038	197,717		52.0%	209,857	55.9%
Food Service	59,600	59,600	32,175		54.0%	31,518	56.3%
Ice Arena	687,388	687,388	262,517		38.2%	293,603	46.9%
Capital Contribution	0	0	0		0.0%	0	0.0%
Total Revenue	1,127,026	1,127,026	492,408	0	43.7%	534,978	104.7%
<u>Municipal Enterprise Fund Expenditures:</u>							
Golf Course	528,994	528,994	265,762	268,003	50.2%	256,098	52.3%
Food Service	48,201	48,201	25,632	27,607	53.2%	27,846	67.9%
Ice Arena	524,895	524,895	241,474	266,132	46.0%	233,559	43.9%
Depreciation	0	0	0	0	0.0%	0	0.0%
Total Expenditures	1,102,090	1,102,090	532,867	561,741	48.4%	517,503	48.7%
Total Operating Surplus (-Deficit)	24,936	24,936	(40,459)			17,475	
Transfers to other Funds	0	0	0			0	
Operating Revenues Over (Under) Expenditures	24,936	24,936	(40,459)			17,475	



City of Creve Coeur
Statement of Revenues and Expenditures
As of December 31, 2018
FY2018

	<u>Annual Budget</u>	<u>Adjusted Budget</u>	<u>YTD Actual</u>	<u>YTD With Encumb</u>	<u>2019 Actual As % of Adjusted Budget</u>	<u>2018 2nd Qtr Actual</u>	<u>2018 Actual As % of Budget</u>
<u>Capital Improvement Fund Revenues:</u>							
Intergovernmental	2,046,955	2,046,955	1,048,301		51.2%	1,047,292	49.7%
Interest Revenue	3,800	3,800	0		0.0%	-10	-0.1%
Other Revenues	332,000	736,000	4,465		0.6%	56,336	6.0%
Total Revenues	2,382,755	2,786,755	1,052,766	0	37.8%	1,103,617	36.2%
<u>Capital Improvement Fund Expenditures:</u>							
Personnel	85,000	85,000	40,268	40,268	47.4%	0	0.0%
Building & Improvements	40,000	540,100	67,450	82,750	12.5%	0	0.0%
Park Development Projects	122,500	139,878	68,297	106,716	48.8%	434,711	50.2%
Storm water Projects	250,000	250,000	3,140	4,264	1.3%	141,936	42.9%
Street Overlay/Repair	2,289,508	2,987,875	1,464,040	1,825,940	49.0%	1,855,849	51.7%
Capital Equipment	440,372	440,372	4,833	351,401	1.1%	69,500	17.1%
Total Expenditures	3,227,380	4,443,225	1,648,028	2,411,340	37.1%	2,501,996	46.3%
Total Operating Surplus (-Deficit)	(844,625)	(1,656,470)	(595,262)			(1,398,378)	
Transfers in from General Fund	400,000	400,000	0			0	
Operating Revenues Over (Under) Expenditures	(444,625)	(1,256,470)	(595,262)			(1,398,378)	



City of Creve Coeur
Statement of Revenues and Expenditures
As of December 31, 2018
FY2018

	Annual Budget	Adjusted Budget	YTD Actual	YTD With Encumb	2019 Actual As % of Adjusted Budget	2018 2nd Qtr Actual	2018 Actual As % of Budget
<u>Sewer Lateral Fund</u>							
Intergovernmental	132,200	132,200	83,287	0	63.0%	80,184	60.7%
Total Revenues	132,200	132,200	83,287	0	63.0%	80,184	60.7%
<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	42,871	42,871	39.0%	53,735	48.9%
Total Expenditures	111,500	111,500	42,871	42,871	38.4%	53,735	48.2%
Total Operating Surplus (-Deficit)	20,700	20,700	40,416			26,449	
Operating Revenues Over (Under) Expenditures	20,700	20,700	40,416			26,449	



	Annual Budget	Adjusted Budget	YTD Actual	YTD With Encumb	2019 Actual As % of Adjusted Budget	2018 2nd Qtr Actual	2018 Actual As % of Budget
<u>Public Safety Sales Tax Fund</u>							
Intergovernmental	850,000	850,000	490,300	0	57.7%	75,535	15.1%
Interest Revenue	1,000	1,000	0	0	0.0%	0	0.0%
Total Revenues	851,000	851,000	490,300	0	57.6%	75,535	15.1%
<u>Public Safety Sales Tax Fund</u>							
Operating Expenditures	57,008	57,008	15,647	20,399	27.4%	0	0.0%
Capital Expenditures	30,130	77,341	47,211	47,211	61.0%	0	0.0%
Total Expenditures	87,138	134,349	62,858	67,610	46.8%	0	0.0%
Total Operating Surplus (-Deficit)	763,862	716,651	427,442			75,535	
Transfers out to General Fund	139,202	139,202	0			0	
Operating Revenues Over (Under) Expenditures	624,660	577,449	427,442			75,535	

Investments - December 31, 2018

GENERAL FUND

Total General Fund

13,407,902.45

13,388,273.41

CAPITAL IMPROVEMENT FUND

Investment	CUSIP Tracking #	Instrument	Holder	Quantity	Premium / Discount	Principal	Market Value	YTM	Purchase Date	Maturity Date	Call Date	Years	Interest Earned
Citibank Natl Assn	17312Q-H7-7	CD	MBS	245,000.00		245,000.00		2.700%	3/29/2018	3/29/2021		3.0	
Stifel BK & TR	86063Q-AB-1	CD	MBS	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	Years	Interest Earned
Safra Natl Bk	78658Q-2N2	CD	MBS	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		248,319.17		2.20%	4/25/2018	4/25/2019		1.0	457.07
Bank India New York	06279KKW5	CD	MBS	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		2.35%	8/21/2018	8/27/2019		1.0	
Total Escrow Fund				985,000.00	-	983,319.17							

TOTAL INVESTMENTS FOR ALL FUNDS

14,861,592.58

Total Investments by Holder

1sTEN	1,333,601.14
MBS	13,138,991.44
MOSIP	389,000.00
TOTAL INVESTMENTS	14,861,592.58
MBS UNVEST CASH	14,861,592.58

Do not add interest to MBS principal amount but enter into interest earned column

Add interest to interest earned column and to principal for 1st Tennessee Bank monthly

Add interest to interest earned column and to maturing investments in principal column