

FY16-17 Third Quarter Financial Report

Glendale City Council Workshop
June 6, 2017

Overview

- Report on actual results of the major operating funds
 - General Fund
 - Special Revenue Funds
 - Highway User Revenue Fund (HURF)
 - Transportation Sales Tax
 - Public Safety Sales Tax (Police & Fire)
 - Enterprise Funds
 - Water and Sewer
 - Sanitation
 - Landfill

Basis of Analysis

- Actual results through March 31, 2017
- Compared to current budget
 - Adopted June 14, 2016
- Items are on target if they are near 75% of the budget
- Compared actual results of this year to the results at the same time last year
- Three years of data presented

General Fund

Item Description	FY13-14 YTD	FY14-15 YTD	FY15-16 YTD	Budget FY16-17	Actual FY16-17	% of Budget
City Sales Tax	\$ 59,102,217	\$ 63,000,429	\$ 75,872,033	\$ 104,698,767	\$ 77,376,525	74%
State Shared Revenues	39,425,625	42,070,714	43,242,985	61,308,037	45,041,922	73%
Other Revenues	25,780,187	27,027,186	31,176,434	44,270,326	29,867,374	67%
Transfers In	-	18,331,814	18,108,333	25,186,732	18,890,049	75%
Total Revenues	124,308,029	150,430,143	168,399,785	235,463,862	171,175,870	73%
Expenditures	(90,974,557)	(109,252,845)	(134,733,735)	(201,653,699)	(151,414,673)	75%
Transfers Out	(25,381,531)	(23,556,568)	(15,839,009)	(32,770,731)	(23,538,521)	72%
Total Expenditures and Transfers Out	(116,356,088)	(132,809,413)	(150,572,744)	(234,424,430)	(174,953,194)	75%
Excess (Deficiency)	\$ 7,951,941	\$ 17,620,730	\$ 17,827,041	\$ 1,039,432	\$ (3,777,324)	

General Fund

- Revenues are slightly below target at \$171.2 million or 73% of the budget
- Revenues increased \$2.8 million or 2% higher
- City sales tax increased \$1.5 million or 2% higher
- State Shared Revenue is slightly below target at \$45 million or 73% of the budget
 - State Shared Income Tax is on target at 75% of the budget
 - State Shared Sales Tax is below target at 71% of the budget

General Fund

- Other General Fund Revenues are below target at \$29.9 million or 67% of budget
 - Revenues are \$1.3 million or 4% lower
 - One time settlement revenue of \$1 million last year (FY15-16)
 - After adjusting for this one-time settlement revenue, revenues decreased \$215,000
 - Arena revenues are below target at 32% of the annual budget but the budgeted revenues are expected to be received in the 4th quarter.
- General Fund Expenditures are on target at 75% of budget
- Expenditures increased by \$16.7 million or 12%
 - Budgeted one-time \$5 million final payment to the National Hockey League
 - \$3.6 million payment for the stadium parking settlement agreement
 - \$9.9 million budgeted increase in public safety salaries, overtime and retirement expense
- Transfers out are below target at 72% of budget

Highway User Revenue Fund

Item Description	FY13-14 YTD	FY14-15 YTD	FY15-16 YTD	Budget FY16-17	Actual FY16-17	% of Budget
Highway User Revenues	\$ 9,138,751	\$ 10,105,754	\$ 10,687,635	\$ 14,310,810	\$ 11,283,096	79%
Expenditures	(5,912,896)	(5,249,743)	(12,670,032)	(29,489,872)	(9,267,666)	31%
Excess (Deficiency)	\$ 3,225,855	\$ 4,856,011	\$ (1,982,397)	\$ (15,179,062)	\$ 2,015,430	

Highway User Revenue Fund

- Revenues are above target at \$11.3 million or 79% of the budget
 - Revenues increased \$595,000 or 6%
 - \$585,000 special distribution from the State of Arizona General Fund
- Expenditures are significantly below target at \$9.3 million or 31% of the budget
 - Capital projects budget of \$18.5 million but only \$2.3 million or 13% expended

Transportation Sales Tax Fund

Item Description	FY13-14 YTD	FY14-15 YTD	FY15-16 YTD	Budget FY16-17	Actual FY16-17	% of Budget
Revenues	\$ 16,825,000	\$ 20,775,479	\$ 19,650,760	\$ 25,317,441	\$ 19,936,310	79%
Transfers In (Net)	675,000	675,000	675,000	900,000	900,000	100%
Total Revenues and Transfers In	17,500,000	21,450,479	20,325,760	26,217,441	20,836,310	79%
Expenditures	(13,779,835)	(14,529,176)	(13,866,438)	(36,253,248)	(16,894,101)	47%
Excess (Deficiency)	\$ 3,720,165	\$ 6,921,303	\$ 6,459,322	\$ (10,035,807)	\$ 3,942,209	

Transportation Sales Tax Fund

- Total revenues and transfers in are above target at \$20.8 million or 79% of the budget
 - Revenues increased \$286,000 or 2%
 - Grants revenue increased \$112,000
- Expenditures are significantly below target at \$16.9 million or 47% of the budget
 - Capital projects budget of \$20.7 million but only \$7.9 million or 38% expended

Police Special Revenue Fund

Item Description	FY13-14 YTD	FY14-15 YTD	FY15-16 YTD	Budget FY16-17	Actual FY16-17	% of Budget
Total Revenues	10,035,649	11,208,496	11,491,968	16,086,459	11,793,425	73%
Total Transfers Out	(9,700,242)	(12,413,077)	(12,228,791)	(16,986,459)	(12,739,844)	75%
Excess (Deficiency)	\$ 335,407	\$ (1,204,581)	\$ (736,823)	\$ (900,000)	\$ (946,419)	

Police Special Revenue Fund

- Revenues are slightly below target at \$11.8 million or 73% of the budget
 - Revenues increased \$301,000 or 3%
- Transfers out are on target at \$12.7 million or 75% of the budget
 - Under new accounting method, all uses of this fund are accounted for as transfers
- The deficiency is a budgeted draw down of fund balance

Fire Special Revenue Fund

Item Description	FY13-14 YTD	FY14-15 YTD	FY15-16 YTD	Budget FY16-17	Actual FY16-17	% of Budget
Total Revenues	5,028,303	5,607,727	5,740,964	8,100,273	5,897,837	73%
Total Transfers Out	(5,138,846)	(5,918,737)	(5,879,543)	(8,200,273)	(6,150,205)	75%
Excess (Deficiency)	\$ (110,543)	\$ (311,010)	\$ (138,579)	\$ (100,000)	\$ (252,368)	

Fire Special Revenue Fund

- Revenues are slightly below target at \$5.9 million or 73% of the budget
 - Revenues increased \$157,000 or 3%
- Transfers out are on target at \$6.2 million or 75% of the budget
 - Under new accounting method, all uses of this fund are accounted for as transfers
- The deficiency is a budgeted draw down of fund balance

Water & Sewer

Item Description	FY13-14 YTD	FY14-15 YTD	FY15-16 YTD	Budget FY16-17	Actual FY16-17	% of Budget
Water Revenues	\$ 35,949,877	\$ 34,439,742	\$ 35,635,390	\$ 46,604,000	\$ 36,450,676	78%
Sewer Revenues	24,081,162	23,898,036	24,143,821	32,530,000	24,315,837	75%
Other Revenues	1,821,420	1,749,449	2,462,691	11,885,500	2,681,432	23%
Transfers In (Net)	-	-	-	229,388	-	0%
Total Revenues and Transfers In	61,852,459	60,087,227	62,241,902	91,248,888	63,447,945	70%
Total Expenditures	(50,555,562)	(46,078,926)	(44,517,609)	(165,941,490)	(54,308,512)	33%
Excess (Deficiency)	\$ 11,296,897	\$ 14,008,301	\$ 17,724,293	\$ (74,692,602)	\$ 9,139,433	

Water & Sewer

- Water Revenues are above target at \$36.5 million or 78% of the budget
 - Revenues increased \$815,000 or 2%
- Sewer Revenues increased \$172,000 or 1%
- Other Revenues are significantly below target at only \$2.7 million or 23% of the budget
 - Budgeted revenues for the improvements to the Pyramid Peak Plant which is still in the planning and development stage
- Expenditures are significantly below target at \$54.3 million or 33% of the budget
 - Capital projects budget of \$109.3 million but only \$17.8 million or 16% expended

Sanitation

Item Description	FY13-14 YTD	FY14-15 YTD	FY15-16 YTD	Budget FY16-17	Actual FY16-17	% of Budget
Commercial Sanitation Revenue	2,952,663	3,102,788	3,154,369	3,717,500	2,873,126	77%
Residential Sanitation Revenue	8,012,799	8,043,458	8,072,419	10,683,150	8,146,641	76%
Other Sanitation Revenue	123,244	96,527	193,713	223,000	272,279	122%
Transfers In (Net)	-	-	-	125,392	-	0%
Total Revenues and Transfers In	11,088,706	11,242,773	11,420,501	14,749,042	11,292,046	77%
Total Expenditures	(10,592,688)	(11,737,137)	(10,052,862)	(17,948,718)	(12,944,597)	72%
Excess (Deficiency)	\$ 496,018	\$ (494,364)	\$ 1,367,639	\$ (3,199,676)	\$ (1,652,551)	

Sanitation

- Combined revenues are slightly above target at \$11.3 million or 77% of the budget
 - Revenues are essentially the same as last year
- Expenditures are below target at \$12.9 million or 72% of the budget
 - Expenditures increased \$2.9 million or 29%
 - Increase in capital expenditures and purchase of capital equipment

Landfill

Item Description	FY13-14 YTD	FY14-15 YTD	FY15-16 YTD	Budget FY16-17	Actual FY16-17	% of Budget
Total Revenues and Transfers In	6,820,693	7,323,248	7,514,905	10,946,527	7,318,247	67%
Total Expenditures and Transfers Out	(4,972,808)	(5,762,336)	(9,718,634)	(18,585,234)	(8,063,225)	43%
Excess (Deficiency)	\$ 1,847,885	\$ 1,560,912	\$ (2,203,729)	\$ (7,638,707)	\$ (744,978)	

Landfill

- Revenues are below target at \$7.3 million or 67% of the budget
 - Revenues are \$197,000 or 3% lower than last year
 - Recycling revenues are below target because of the continually unfavorable commodities market
- Expenditures are significantly below target at \$8.1 million or 43% of the budget
 - Capital projects budget of \$7.5 million but only \$898,000 or 12% expended

Overall

- Revenues show consistent financial results when compared to budget
- Expenditures at or below 75%
- Staff will continue to monitor fund performance