

DURHAM



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CITY OF MEDICINE

FY 2016-17 4th Quarter & Preliminary Year-End Financial report

(Quarter Ending 06/30/2017)

September 7, 2017



General Fund

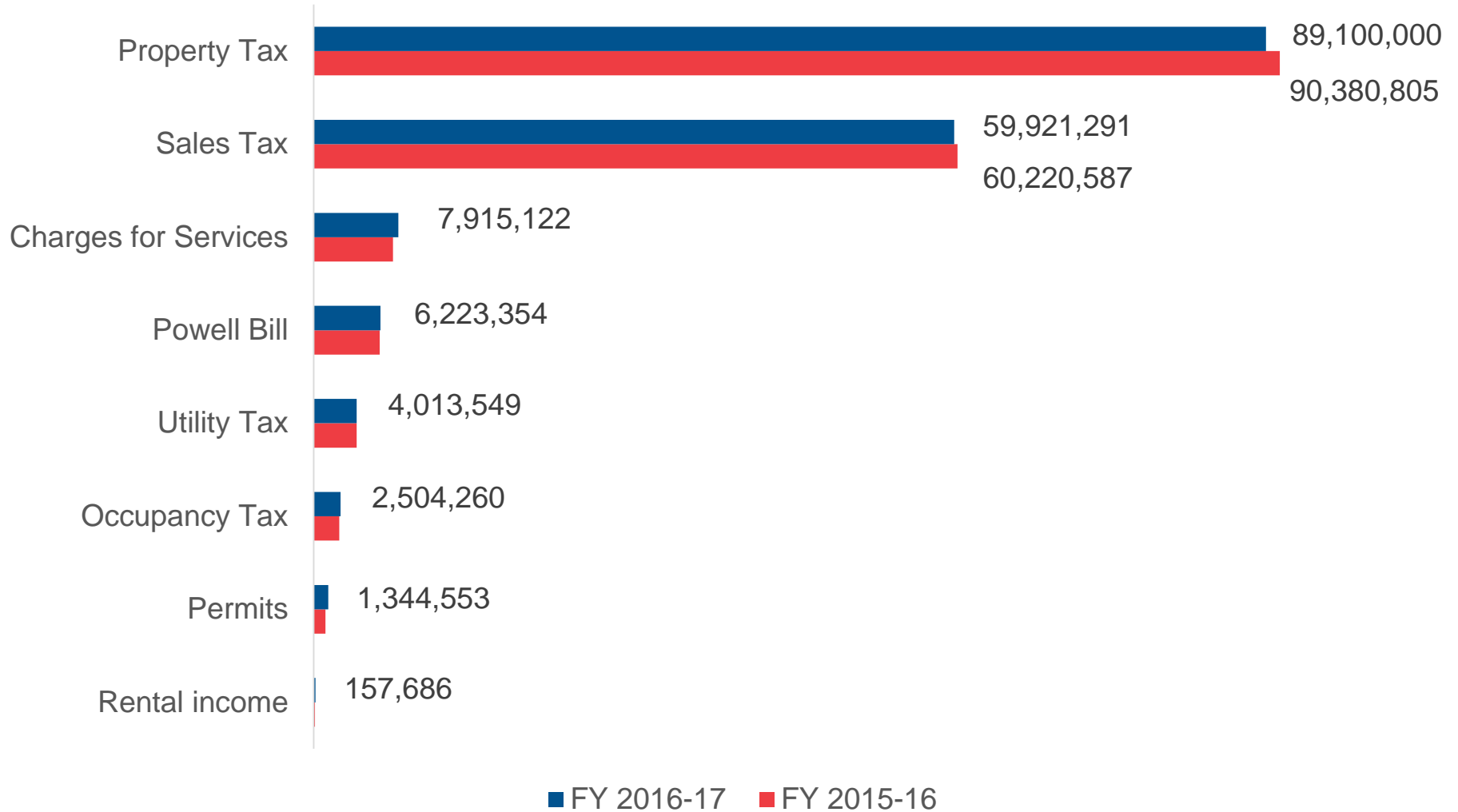


Summary Results

- Departmental expenditures projected to be under budget by approximately \$9.5M.
- All departments projected to be within budget at year end.
- Expected Revenue surplus of approximately \$2.3M.
- Other Financing Sources – Of the \$22.7M reserved from fund balance in the revised budget, we will only need \$10.9M, returning \$11.8M to fund balance.



General Fund Major Revenue Quarter 4 - 2017 vs 2016



Property Tax Levy Comparison

Year	Total Billed	Actual Collections	% Collected
2016 (FY2017)	\$ 159,273,899	\$ 158,964,136	99.81%
2015 (FY2016)	\$ 152,461,238	\$ 152,002,940	99.70%
2014 (FY2015)	\$ 148,820,519	\$ 148,235,839	99.61%
2013 (FY2014)	\$ 141,352,436	\$ 140,270,190	99.23%
2012 (FY 2013)	\$ 135,058,514	\$ 133,482,401	98.83%

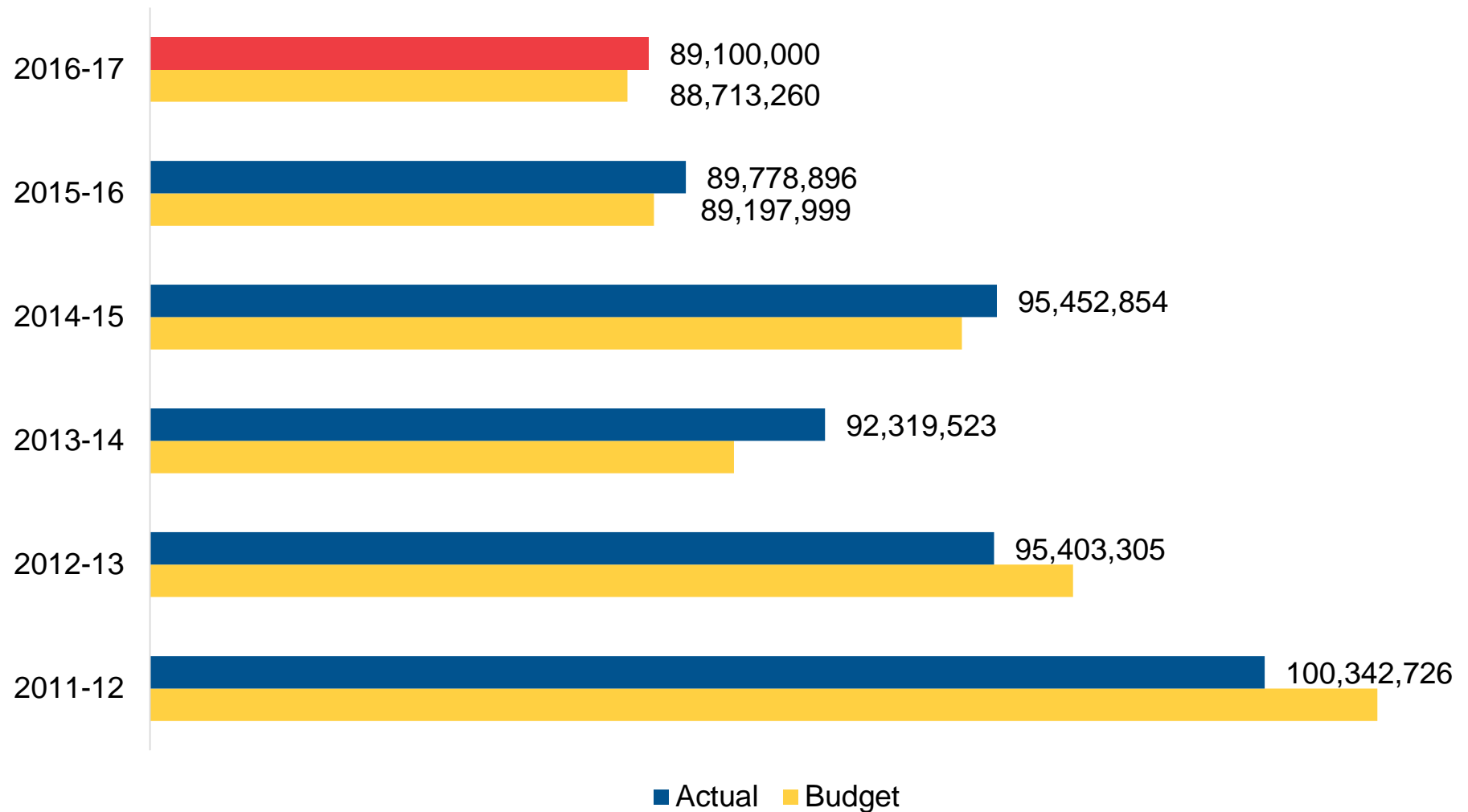


Sales Tax Collections

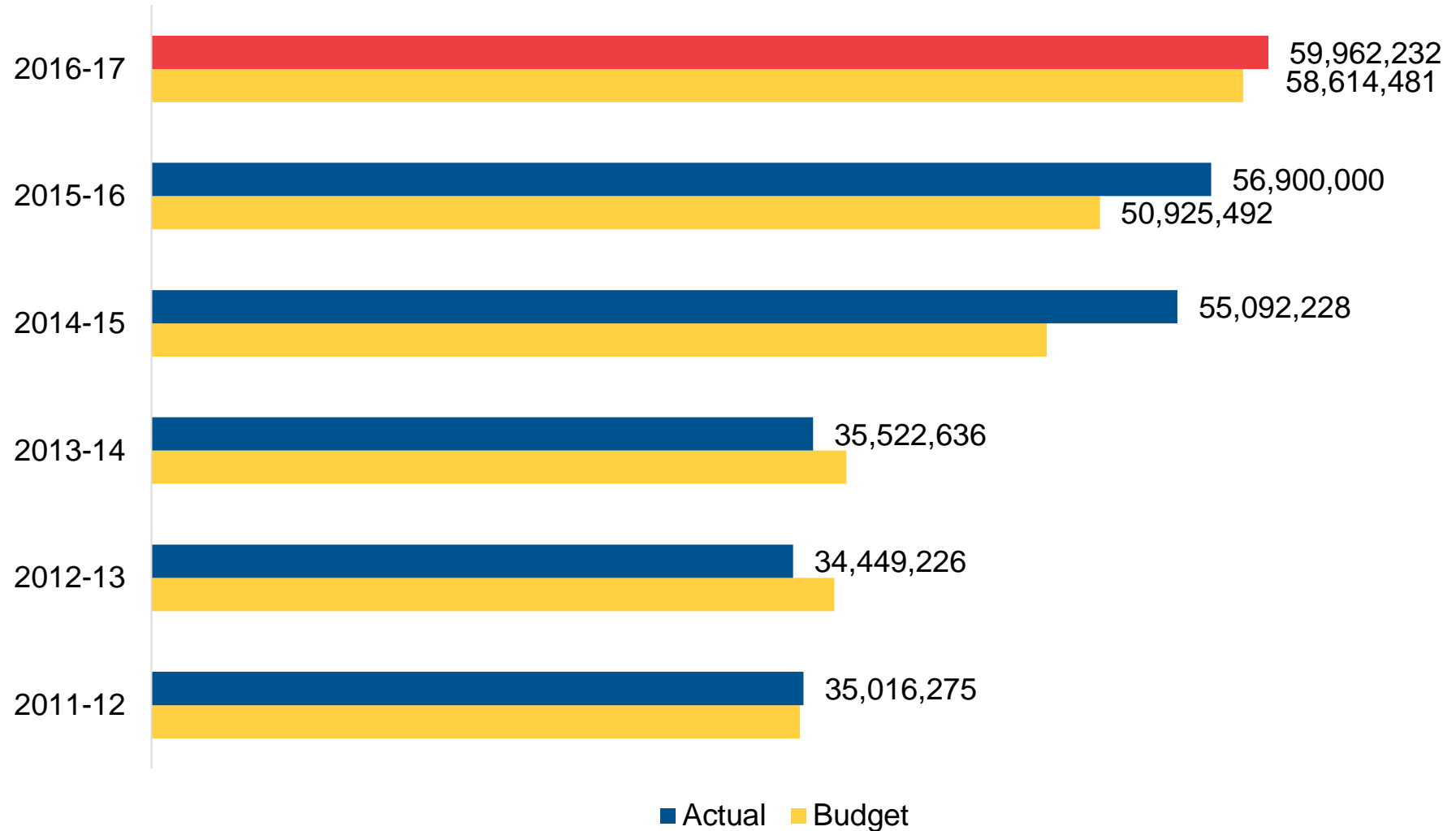
- \$52.99M in collections to date including sales tax on electricity and gas.
 - Up \$240K (0.5%) versus FY 2016
 - Up \$1.68M (3.3%) versus budget to date
- Budgeted \$58.6M for FY2016-17 compared to \$50.9M for FY2015-16. Expect to exceed budget projections for FY2016-17.
 - Final Payment for FY2016-17 (September 2017)



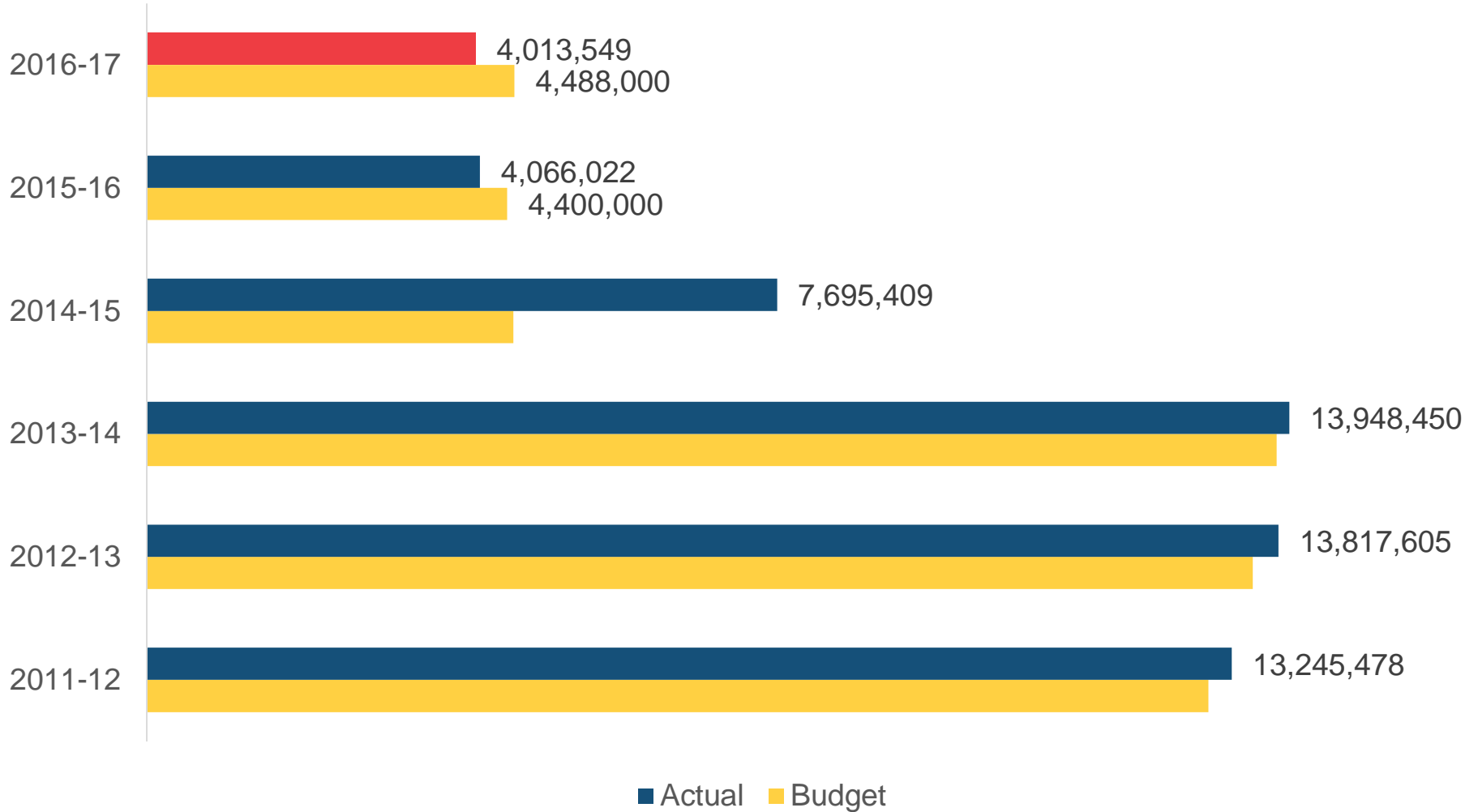
Property Tax (GF) – Multi Year



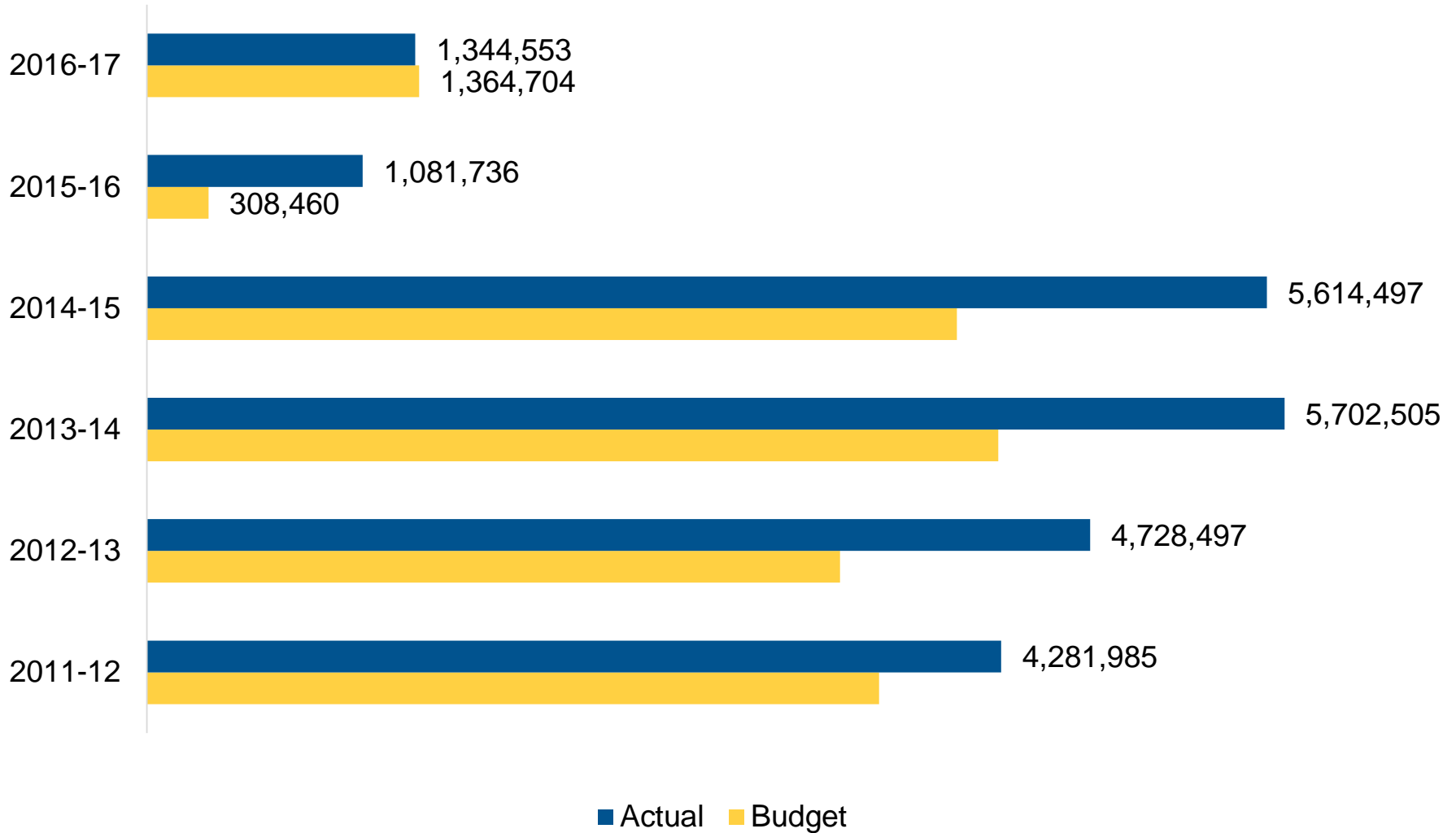
Sales Tax – Multi-Year



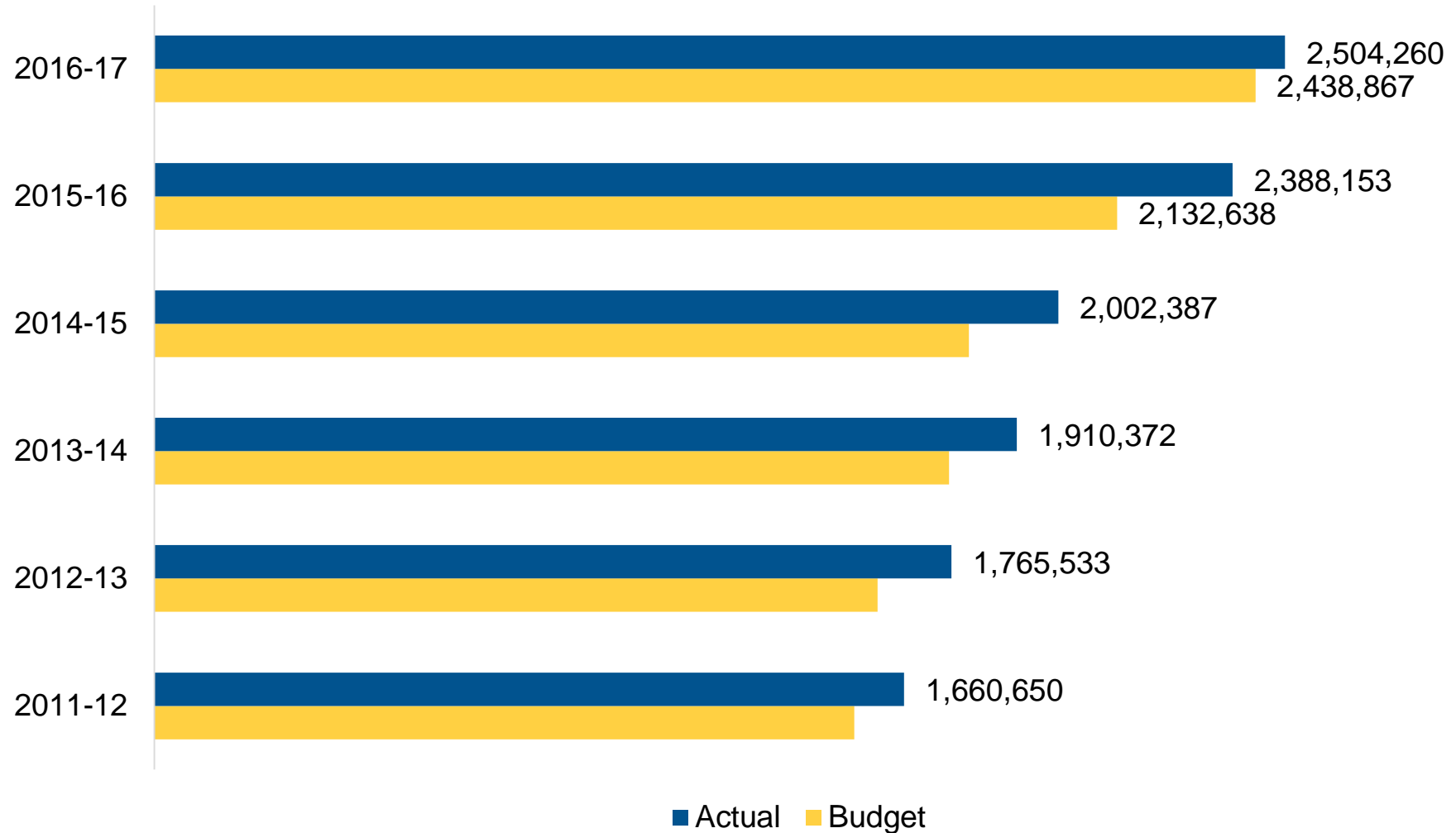
Utility Tax – Multi-Year



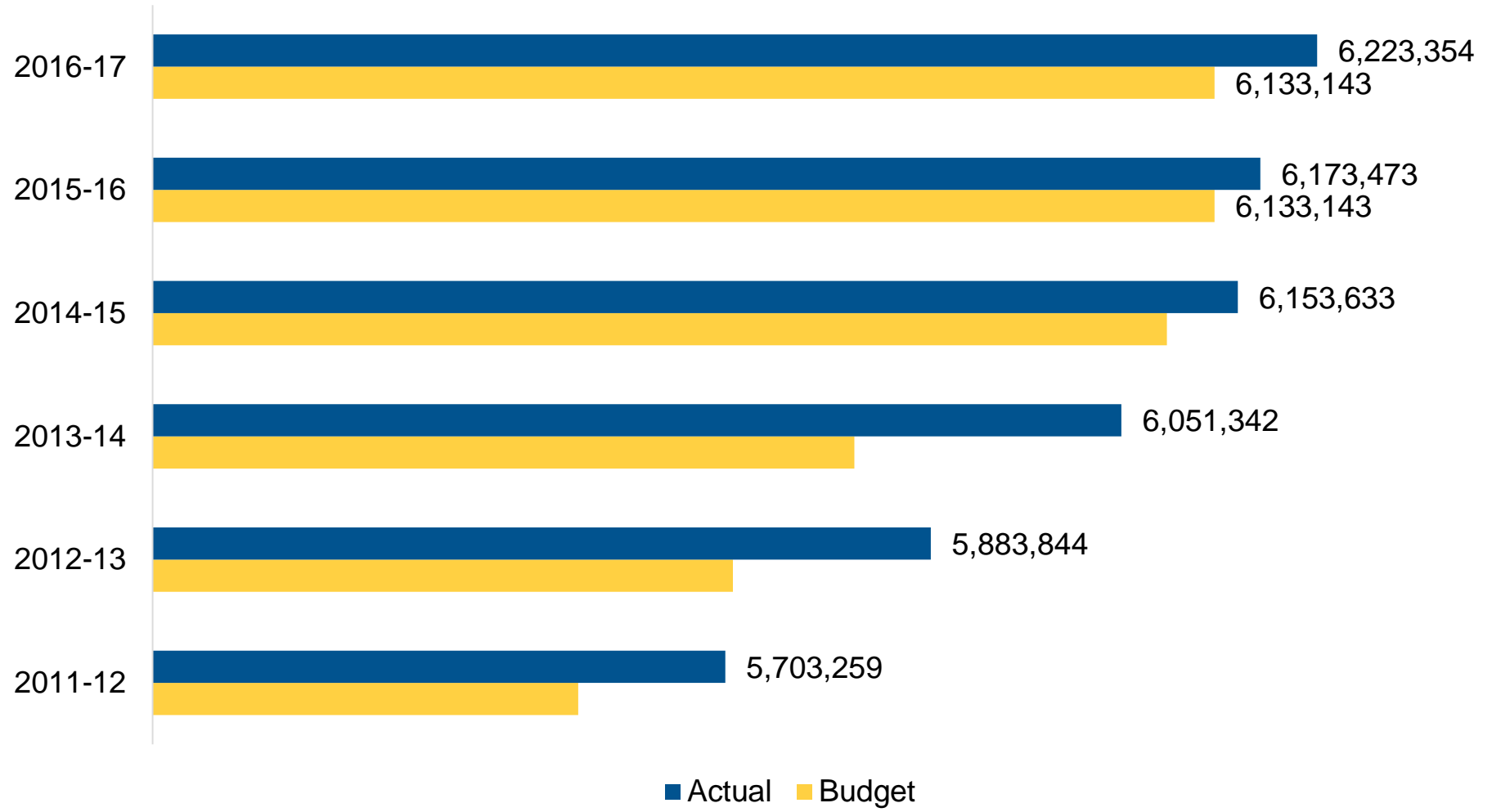
Permits – Multi-Year



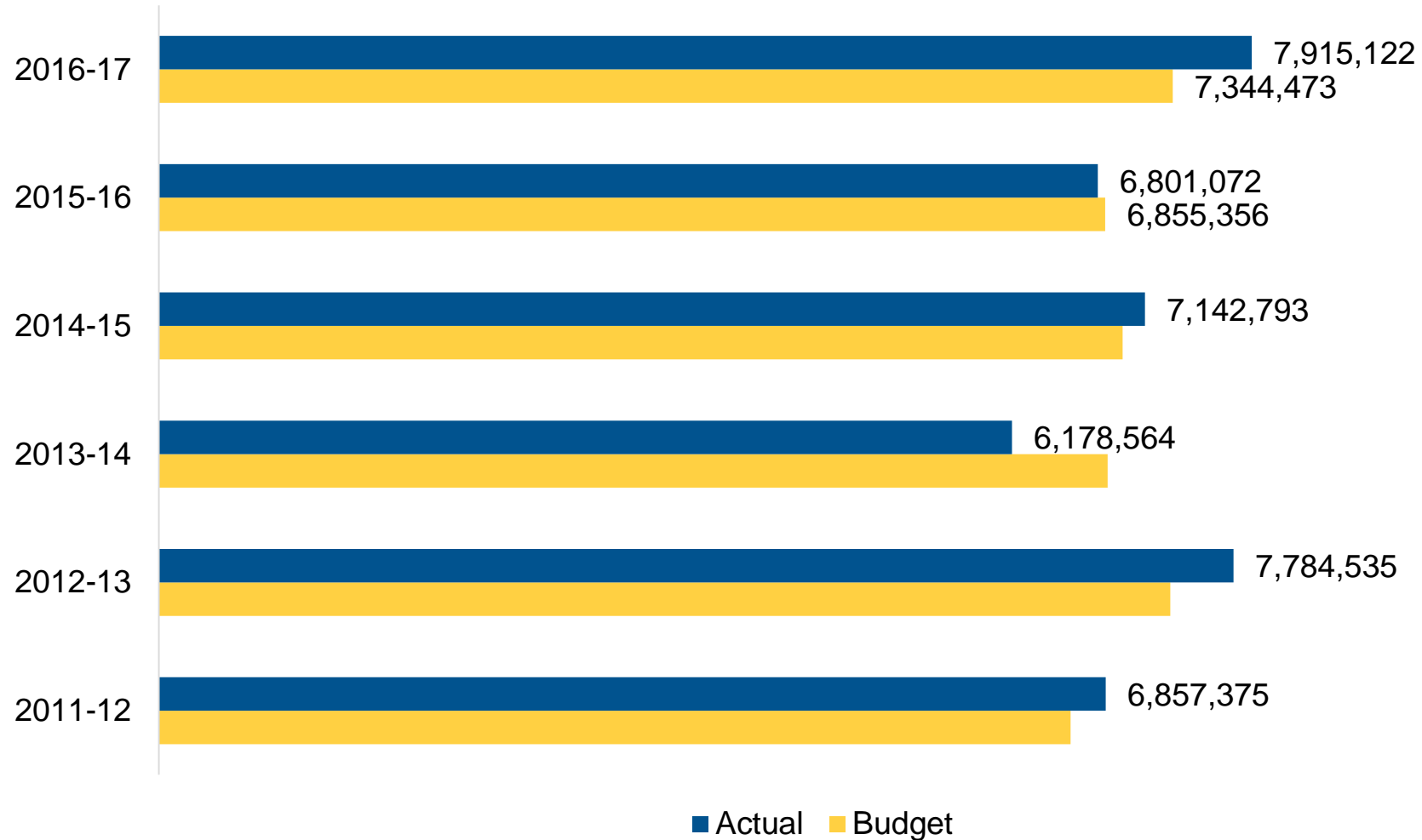
Occupancy Tax– Multi-Year



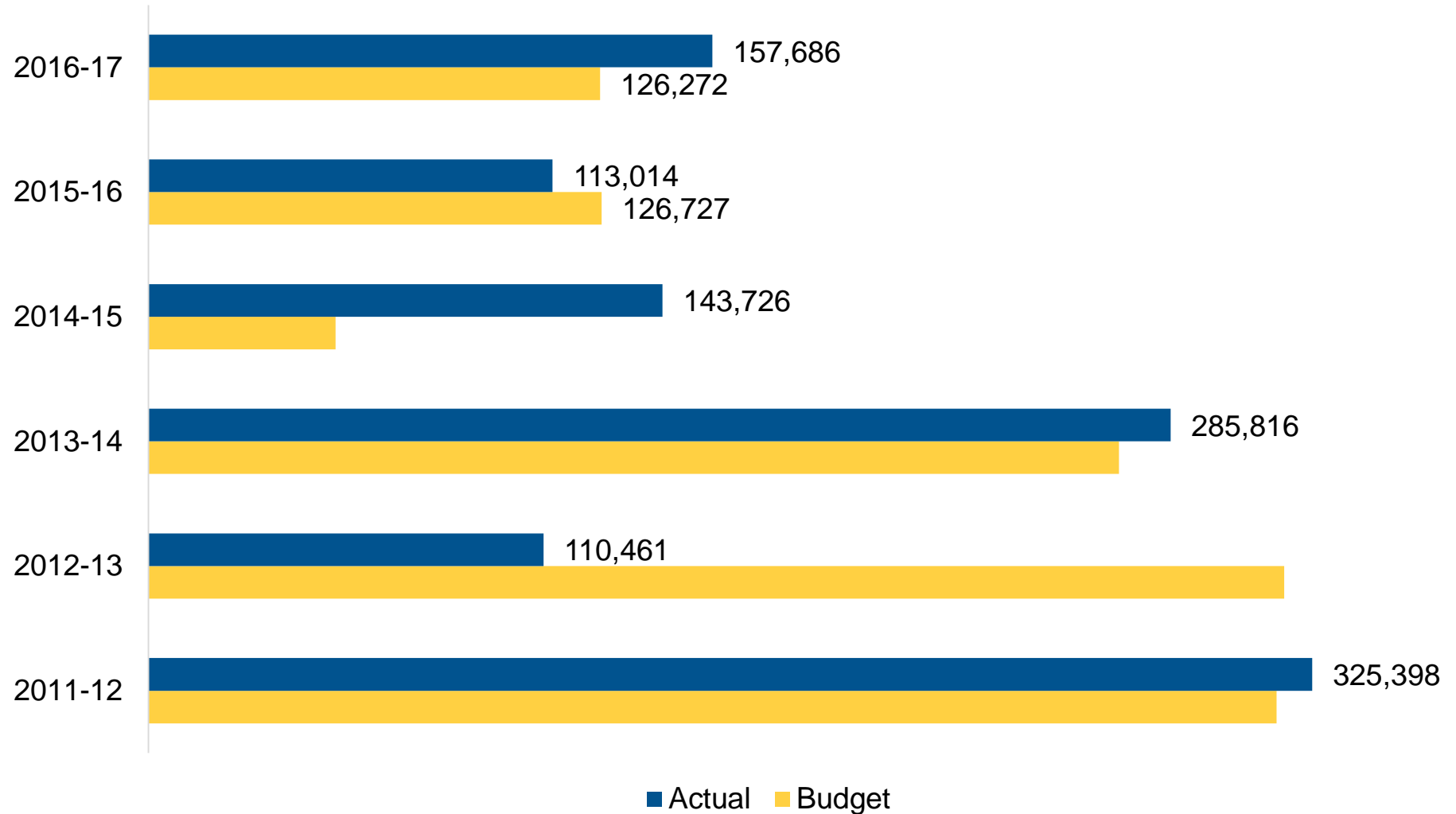
Powell Bill– Multi-Year



Charges for Services– Multi-Year



Investment/Rental– Multi-Year



General Fund - Revenues

	FY 2017 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Property Taxes	\$ 88,713,260	\$ 88,539,749	\$ 89,100,000	\$ 386,740
Sales Taxes	58,614,481	49,317,498	59,921,291	1,306,810
Hotel/Motel Occupancy Tax	2,438,867	2,504,260	2,504,260	65,393
Other Local Taxes	313,915	402,269	402,269	88,354
Permits	1,382,704	1,344,553	1,344,553	(38,151)
Utility Franchise tax	4,488,000	3,023,549	4,013,549	(474,451)
Powell Bill	6,133,143	6,223,354	6,223,354	90,211
Other Intergovernmental Revenues	3,245,066	3,140,232	3,140,232	(104,834)
Rental income	126,272	157,686	157,686	31,414
Charges For Services	7,142,473	7,915,122	7,915,122	772,649
Intragovernmental Services	225,000	579,790	579,790	354,790
Assessments	26,100	28,530	28,530	2,430
Sale of Property and Miscellaneous	1,117,500	882,476	882,476	(235,024)
Transfers From Other Funds	-	19,139	19,139	19,139
TOTAL REVENUES	\$173,966,781	\$ 164,078,207	\$ 176,232,251	\$ 2,265,470
TOTAL EXPENDITURES	\$ 196,696,185	\$ 178,046,800	\$ 187,157,767	\$ 9,538,418
NET REVENUES LESS EXPENDITURES	\$ (22,729,404)	\$ (13,968,593)	\$ (10,925,516)	
To/(From) Fund Balance				Overall Budget Variance \$ 11,803,888



General Fund - Expenditures

DEPARTMENT	FY 2017 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
Audit Services	\$ 607,858	\$ 601,626	\$ 602,067	\$ 5,791
Budget & Management Services	1,416,033	1,246,855	\$ 1,289,645	126,388
City Attorney	1,901,300	1,857,381	\$ 1,857,381	43,919
City Clerk	742,340	658,488	\$ 680,211	62,129
City Council	627,001	573,449	\$ 573,449	53,552
City Manager/One Call/Public Affairs	3,797,839	3,252,215	\$ 3,555,428	242,411
City/County Planning	3,518,554	3,205,669	\$ 3,254,422	264,132
Community Development	6,460,337	6,098,381	\$ 6,256,844	203,493
Economic & Workforce Development	4,508,387	2,678,451	\$ 3,914,540	593,847
Emergency Communications	6,486,115	6,196,708	\$ 6,272,113	214,002
Emergency Management	236,613	200,155	\$ 200,155	36,458
Equal Opportunity-Equity Assurance	586,983	565,712	\$ 565,775	21,208



General Fund - Expenditures

DEPARTMENT	FY 2017 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
Finance	4,760,960	4,198,630	\$ 4,458,945	302,015
Fire	26,294,019	25,673,109	\$ 26,004,703	289,316
Fleet Maintenance	3,675,271	3,354,645	\$ 3,600,031	75,240
General Services	14,046,827	12,816,765	\$ 13,870,004	176,823
Human Resources	2,639,294	2,345,441	\$ 2,623,675	15,619
Neighborhood Improvement Service	4,341,055	3,954,125	\$ 4,145,008	196,047
Parks & Recreation	15,286,498	13,397,035	\$ 14,022,002	1,264,496
Police	58,930,662	57,070,013	\$ 58,472,678	457,984
Public Works	10,366,413	7,180,434	\$ 9,261,964	1,104,449
Technology Solutions	7,236,014	6,499,603	\$ 7,011,530	224,484
Transportation	8,077,155	7,297,734	\$ 7,469,096	608,059
NonDepartmental	11,858,722	9,276,367	\$ 9,348,292	2,510,430
Indirect Cost	(9,587,692)	(9,587,692)	\$ (9,587,692)	-
Transfers To Other Funds	7,881,627	7,435,501	\$ 7,435,501	446,126
Total	\$ 196,696,185	\$ 178,046,800	\$ 187,157,767	\$ 9,538,418



General Fund - Expenditures

CLASS	FY 2017	ACTIVITY	PROJECTION	VARIANCE TO
	ADJUSTED BUDGET	THROUGH JUNE 2017	THROUGH YEAR END	ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
Personnel Services	\$ 139,217,301	\$ 133,028,606	\$ 133,266,095	\$ 5,951,206
Operating Expenditures	45,161,004	35,095,247	\$ 43,049,188	2,111,816
Capital Outlay	3,864,308	2,487,446	\$ 3,406,983	457,325
Appropriation Not Authorized for Expenditures	571,945	-	\$ -	571,945
Transfers To Other Funds	7,881,627	7,435,501	\$ 7,435,501	446,126
Total	\$ 196,696,185	\$ 178,046,800	\$ 187,157,767	\$ 9,538,418



General Fund Balance

Fund Balance 6/30/16 = \$54.4 million

Plus 2017 Projected Revenue = \$176.2 million

Minus 2017 Projected Expenditures = \$187.2 million

Plus Encumbered Funds Released in 2017 = \$4.6 million

Equals Projected Fund Balance 6/30/17 = \$48.0 million (27.2%)

Amount Appropriated FY18 Budget = \$6.1 million

Net Fund Balance 6/30/18 = \$41.9 million (23.17%)

**Finance Department estimate does not reflect audited financial statements*



General Fund - Revenues

Revenue	Actual 2015-16	Actual 2016-17	Budget 2017-18	% Change
Property Tax	90,380,805	89,100,000	93,184,096	4.6%
Sales Tax	60,220,587	59,921,291	63,843,076	6.5%
Occupancy Tax	2,388,153	2,504,260	2,609,588	4.2%
Other Local Taxes	365,177	402,269	313,915	-22.0%
Utility Tax	4,018,068	4,013,549	4,065,572	1.3%
Permits	1,077,982	1,344,553	506,000	-62.4%
Other Intergovernmental	1,473,277	3,140,232	1,391,180	-55.7%
Powell Bill	6,173,473	6,223,354	6,285,588	1.0%
Charges for Services	7,591,913	7,915,122	8,037,822	1.6%
Intragovernmental Services	2,028,437	579,790	2,007,073	246.2%
Assessments	37,111	28,530	25,000	-12.4%
Sale of Property and Misc	844,402	882,476	928,100	5.2%
Rental	94,498	157,686	150,082	-4.8%



Enterprise Funds



Water & Sewer Fund

- Operating revenues at 105.6% of budget
- Operating expenses at 88.1%
- Overall, total revenues for the year exceeded total expenses by \$12.9M

- Consumption was up about 2.4%
- Number of accounts grew 2.1%.



Water & Sewer Fund - Revenues

	FY 2017 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Operating Revenues	\$ 89,648,479	\$ 94,687,348	\$ 94,687,348	\$ 5,038,869
Permits	90,000	190,290	190,290	100,290
Total Operating Revenues	89,738,479	94,877,638	94,877,638	5,139,159
Non-Operating Revenues				
Miscellaneous	1,310,349	2,774,561	2,774,561	1,464,212
Investment Income	192,000	297,456	297,456	105,456
2016 Bond Refunding	56,262,212	55,866,231	55,866,231	(395,981)
Operating Transfers from Other Funds	-	161,555	161,555	161,555
Total Non-Operating Revenues	57,764,561	59,099,802	59,099,803	1,335,242
TOTAL REVENUES	\$ 147,503,040	\$ 153,977,440	\$ 153,977,441	\$ 6,474,401



Water & Sewer Fund - Expenses

	FY 2017 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
EXPENDITURES	-			
Personnel Services	\$ 26,775,882	\$ 25,360,289	\$ 25,360,289	\$ 1,415,593
Operating Expenditures	24,862,711	21,893,005	21,893,005	2,969,706
Non-Departmental Administration	4,773,733	4,773,733	4,773,733	-
Capital Outlay	837,901	655,838	655,838	182,063
2016 Bond Refunding	56,262,212	55,873,429	55,873,429	388,783
Debt Service Principal and Interest	10,198,338	9,561,400	9,561,400	636,938
Operating Transfers to Other Funds	22,911,502	22,911,502	22,911,502	-
TOTAL EXPENDITURES	\$ 146,622,278	\$ 141,029,196	\$ 141,029,196	\$ 5,593,082
NET REVENUES LESS EXPENDITURES	\$ 880,762	\$ 12,948,244	\$ 12,948,245	
To/(From) Fund Balance				\$ 12,067,484



W&S Capital Facility Fee Fund

- Capital Facility Fees are derived from charges to new development or facility expansion.
- Funding provided to the Water and Sewer Construction Fund supports capital improvements.
- Fourth quarter revenues projected at \$5.75M, \$1.33M higher than budget.
- Collected surplus is credited toward fund balance to be transferred to the Water and Sewer Construction Fund when needed.



Transit Operations Fund

- Overall fund operated at a \$1.9M surplus.
- Annual ridership is relatively flat for FY2016-17.



Transit Operations Fund - Revenues

	FY 2017 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Operating Revenues	\$ 3,564,287	\$ 3,343,437	\$ 3,343,437	\$ (220,850)
Non-Operating Revenues				
Taxes	11,299,707	11,387,130	11,387,130	87,423
Investment Income	-	2,043	2,213	2,213
Miscellaneous	7,715,170	7,490,329	7,490,329	(224,841)
Total Non-Operating Revenues	19,014,877	18,879,502	18,879,672	(135,205)
TOTAL REVENUES	\$ 22,579,164	\$ 22,222,939	\$ 22,223,109	\$ (356,055)

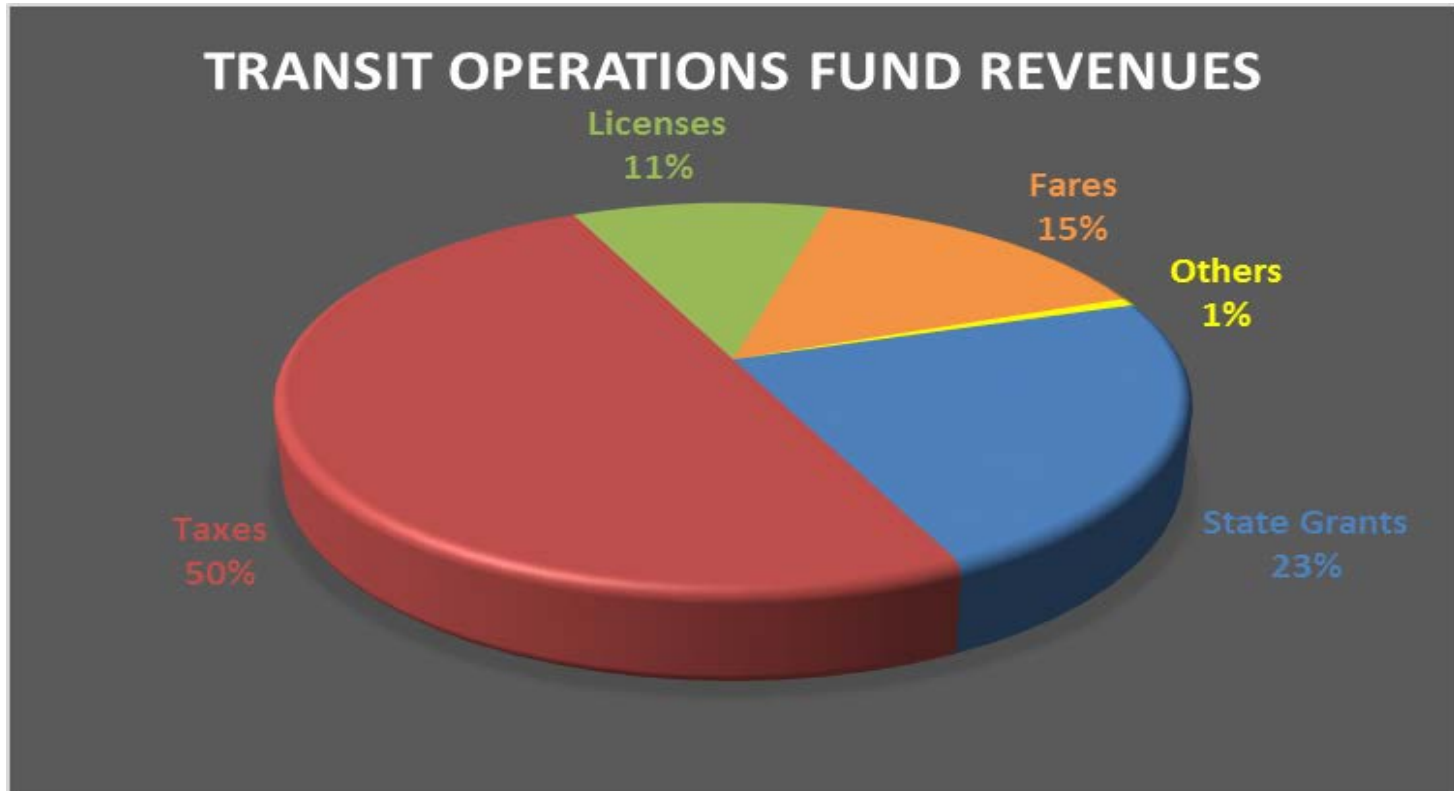


Transit Operations Fund - Expenses

	FY 2017 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
EXPENDITURES				
Operating Expenditures	\$ 20,245,786	\$ 17,716,793	\$ 17,999,153	\$ 2,246,633
Non-Departmental Administration	451,137	451,137	451,137	-
Capital Outlay	200,453	164,743	164,743	35,710
Debt Service Principal and Interest	198,821	198,821	198,821	-
Operating Transfers to Other Funds	2,532,777	2,527,980	2,527,980	4,797
TOTAL EXPENDITURES	\$ 23,628,974	\$ 21,059,474	\$ 21,341,834	\$ 2,287,140
NET REVENUES LESS EXPENDITURES	\$ (1,049,810)	\$ 1,163,465	\$ 881,275	
To/(From) Fund Balance				\$ 1,931,085



Transit Operations Fund – Source of Funding



Solid Waste Fund

- Overall Fund operated at a \$2.4M surplus
- Operating revenues more than originally budgeted
- The Solid Waste Fund generated roughly 25% of revenue needs through charges and other non-tax revenues



Solid Waste Fund - Revenues

	FY 2017 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Operating Revenues	\$ 6,273,421	\$ 7,317,756	\$ 7,317,756	\$ 1,044,335
Non-Operating Revenues				
Taxes	16,853,334	16,983,626	16,983,626	130,292
Investment Income	10,000	38,027	38,027	28,027
2016 Bond Refunding	5,332,183	4,828,229	4,828,229	(503,954)
Miscellaneous	157,376	168,804	168,804	11,428
Operating Transfers from Other Funds	90,130	90,130	90,130	-
Total Non-Operating Revenues	22,443,023	22,108,816	22,108,816	(334,207)
TOTAL REVENUES	\$ 28,716,444	\$ 29,426,571	\$ 29,426,571	\$ 710,127



Solid Waste Fund - Expenses

	FY 2017 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
EXPENDITURES				
Personnel Services	\$ 6,823,460	\$ 7,242,638	\$ 7,242,638	\$ (419,178)
Operating Expenditures	11,205,601	9,660,747	9,660,747	1,544,854
Non-Departmental Administration	2,209,626	2,209,626	2,209,626	-
Capital Outlay	115,130	38,599	38,599	76,531
2016 Bond Refunding	5,332,183	4,828,229	4,828,229	503,954
Debt Service Principal and Interest	4,260,951	4,292,800	4,292,800	(31,849)
Operating Transfers to Other Funds	3,818	3,818	3,818	-
TOTAL EXPENDITURES	\$ 29,950,769	\$ 28,276,458	\$ 28,276,458	\$ 1,674,312
NET REVENUES LESS EXPENDITURES	\$ (1,234,325)	\$ 1,150,114	\$ 1,150,114	
To/(From) Fund Balance				\$ 2,384,439



Stormwater Fund

- Provides for the management and maintenance of operational expenses of stormwater activities which include street cleaning.
- The fund is a self-sufficient enterprise fund and receives no tax support.
- Year end results show total revenues realized at 105% of budget and total expenditures at 92% of budgeted expectations.



Stormwater Fund - Revenues

	FY 2017 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Operating Revenues	\$ 15,414,729	\$ 16,149,713	\$ 16,149,713	\$ 734,984
Non-Operating Revenues				
Investment Income	25,000	47,264	47,442	22,442
Operating Transfers from Other Funds	109,047	109,047	109,047	-
Total Non-Operating Revenues	134,047	156,311	156,489	22,442
TOTAL REVENUES	\$ 15,548,776	\$ 16,306,024	\$ 16,306,202	\$ 757,426



Stormwater Fund - Expenses

	FY 2017 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
Expenditures				
Personnel Services	\$ 7,038,350	\$ 6,529,299	\$ 6,431,962	\$ 606,388
Operating Expenditures	2,667,936	2,049,338	2,040,021	627,915
Non-Departmental Administration	836,296	836,296	836,296	-
Capital Outlay	103,200	17,105	17,105	86,095
Operating Transfers to Other Funds	3,828,203	3,828,203	3,828,203	-
TOTAL EXPENDITURES	\$ 14,473,985	\$ 13,260,241	\$ 13,153,587	\$ 1,320,398
NET REVENUES LESS EXPENDITURES	\$ 1,074,791	\$ 3,045,783	\$ 3,152,615	
To/(From) Fund Balance				\$ 2,077,824



Parking Fund

- The Parking fund operating revenues had a shortfall of 12% budget to actual.
- Reduction in operating expenditure helped the Parking Fund address revenue shortfall.



Parking Fund - Revenues

	FY 2017 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Operating Revenues	\$ 4,493,336	\$ 3,987,761	\$ 3,987,761	\$ (505,575)
Non-Operating Revenues				
Investment Income	3,000	17,942	17,942	14,942
Miscellaneous	-	-	-	-
Operating Transfers from Other Funds	914,757	914,757	914,757	-
Total Non-Operating Revenues	917,757	932,699	932,699	14,942
TOTAL REVENUES	\$ 5,411,093	\$ 4,920,460	\$ 4,920,460	\$ (490,633)



Parking Fund - Expenses

	FY 2017 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
EXPENDITURES				
Personnel Services	\$ 224,757	\$ 248,137	\$ 248,137	\$ (23,380)
Operating Expenditures	2,754,275	2,453,514	2,453,514	300,761
Non-Departmental Administration	496,665	496,665	496,665	-
Capital Outlay	285,338	277,431	277,431	7,907
Debt Service Principal and Interest	1,111,276	914,757	914,757	196,519
TOTAL EXPENDITURES	\$ 4,872,311	\$ 4,390,505	\$ 4,390,504	\$ 481,807
NET REVENUES LESS EXPENDITURES	\$ 538,782	\$ 529,955	\$ 529,956	
To/(From) Fund Balance				\$ (8,826)



Debt Services Fund

	FY 2017 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2017	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
REVENUES				
Property Taxes	\$ 35,796,152	\$ 36,073,142	\$ 36,073,142	\$ 276,990
Non-Operating Revenues				
Intergovernmental (Subsidy)	622,013	627,530	627,530	5,517
Investment Income	-	58,609	58,609	58,609
Intergovernmental	939,258	1,000,000	1,000,000	60,742
Debt Refunding	10,554,257	9,596,211	9,596,211	(958,046)
Total Non-operating revenues	12,115,528	11,282,350	11,282,350	(833,178)
TOTAL REVENUES	\$ 47,911,680	\$ 47,355,492	\$ 47,355,492	\$ (556,188)
EXPENDITURES				
Special Contractual Services	393,957	407,827	407,827	(13,870)
Transfers to Other Funds	3,079,221	3,079,221	3,079,221	-
Debt Service Principal	31,189,149	30,370,762	30,370,762	818,387
Debt Service Interest	8,462,961	7,940,285	7,940,285	522,676
TOTAL EXPENDITURES	\$ 43,125,288	\$ 41,798,095	\$ 41,798,095	\$ 1,327,193
NET REVENUES LESS EXPENDITURES	\$ 4,786,392	\$ 5,557,397	\$ 5,557,397	
To/(From) Fund Balance			Overall Budget Variance	\$ 771,005



Related Projects

- Anything we want to bring to Council's attention?

