

# REPORT / RECOMMENDATION



**To:** Mayor and Council

**Agenda Item #:** Worksession

**From:** Eric Roggeman, Assistant Finance Director

**Action**

**Date:** October 10, 2013

**Discussion**

**Subject:** Financial Review

**Information**

**Action Requested:**

This item is for review only

**Information / Background:**

The attached materials will be discussed at the worksession. We will also review Q3 enterprise financials at the worksession.

**Attachments:**

Quarterly Financial Update for September 2013.



## CITY OF EDINA, MINNESOTA

### Quarterly Financial Update September 2013

#### **General Fund - Revenues**

General Fund revenues total \$17,771,254 through September 30, 2013. This amount represents 57% of total budgeted revenues for all of 2013, which is about the same as a year ago at the same time.

License and permit revenue increased \$518,562 from last year due to increased permit activity. Through 9 months we have collected 99.8% of our annual licenses and permits budget. The City has experienced rapid growth in permit revenue since 2009 of 15%, 13%, and 16% in 2010, 2011, and 2012, respectively.

#### **General Fund – Expenditures**

Total General Fund expenditures are 71.4% of budget so far this year, which is about the same as a year ago. With a large percentage of our General Fund budget tied to salaries and benefits, it is common for our expenditures to be very consistent throughout the year, meaning that most years we use about 25% of our budget every quarter. A breakdown of expenditures by functional category follows.

General government expenditures are 74% of budget so far this year, which is higher than 71% through September 2012. The increase this year is partially due to retirements in 2013 that resulted in large severance expenses of over \$240,000 total this year. Although these expenses are higher than budgeted, the excess is paid for by assigned fund balance that we hold in the general fund for this purpose.

Public safety expenditures are 72% of budget for 2013, which is right where we expect them to be and the same as the 2012 rate.

Public works expenditures total 65% of budget for 2013, which is lower than the 2012 rates and below the expected expenditure rate. The low expenditure rate is partially due to the Street Maintenance Division in the Public Works Department getting a late start on street maintenance because of the late spring we had this year. There is still a chance 2013 work and spending for these projects will catch up if the fall weather continues to cooperate.

Parks expenditures are 70% of budget in 2013, which is a little lower than the 2012 rate of 73%. The parks department can have a spending pattern that is somewhat seasonal, and it can vary from year to year and quarter to quarter.

Nondepartmental and other expenditures decreased from the prior year due to timing differences in overall insurance payments. Finance distributes these insurance expenditures to other departments through our Central Services function at the end of the year as part of the annual audit process, so large variances during the year can be common.



# CITY OF EDINA, MINNESOTA

## Quarterly Financial Update September 2013

### General Fund Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual For the nine months ended September 30, 2013

	2013		Over/ (Under)	2012		Increase/ (Decrease)
	Budget	Actual		Actual		
<b>Revenues:</b>						
Taxes (1)	\$ 21,711,894	\$ 10,787,547	\$ (10,924,347)	\$ 10,790,363	\$	(2,816)
Franchise fees	730,000	389,032	(340,968)	381,826		7,206
Licenses and permits (2)	2,866,814	2,860,736	(6,078)	2,342,174		518,562
Intergovernmental (3)	760,000	409,335	(350,665)	421,815		(12,480)
Charges for service (4)	3,277,248	2,164,891	(1,112,357)	2,151,567		13,324
Fines and forfeitures	1,034,000	677,876	(356,124)	666,035		11,841
Other revenues	655,000	481,837	(173,163)	442,837		39,000
<b>Total revenues</b>	<b>31,034,956</b>	<b>17,771,254</b>	<b>(13,263,702)</b>	<b>17,196,617</b>		<b>574,637</b>
<b>Expenditures:</b>						
General government	5,703,900	4,213,515	(1,490,385)	3,923,717		289,798
Public safety	15,361,169	11,078,157	(4,283,012)	10,769,044		309,113
Public works	6,753,475	4,384,225	(2,369,250)	4,394,352		(10,127)
Parks	3,981,512	2,786,385	(1,195,127)	2,830,997		(44,612)
Other	-	252,945	252,945	245,872		7,073
<b>Total expenditures</b>	<b>31,800,056</b>	<b>22,715,227</b>	<b>(9,084,829)</b>	<b>22,163,982</b>		<b>551,245</b>
<b>Revenues over (under) expenditures</b>	<b>(765,100)</b>	<b>(4,943,973)</b>	<b>(4,178,873)</b>	<b>(4,967,365)</b>		<b>23,392</b>
<b>Other financing sources (uses):</b>						
Transfers in (out)						
Liquor fund (5)	765,100	-	(765,100)	-		-
Construction fund (6)	-	-	-	-		-
Other	-	-	-	-		-
Parkland dedication	-	-	-	702,100		(702,100)
<b>Total other financing source</b>	<b>765,100</b>	<b>-</b>	<b>(765,100)</b>	<b>702,100</b>		<b>(702,100)</b>
<b>Net increase (decrease) in fund balance</b>	<b>\$ -</b>	<b>\$ (4,943,973)</b>	<b>\$ (4,943,973)</b>	<b>\$ (4,265,265)</b>		<b>\$ (678,708)</b>

- 1 The City receives the first property tax payment from the County in June and the second payment in December.
- 2 The licenses and permits category includes building permits.
- 3 The intergovernmental category includes grants from Federal, state and county sources. Generally, most of the grants the City receives are reimbursement grants, which means that if grant revenue increases, expenditures must also increase by an equal or greater amount.
- 4 Charges for services includes ambulance revenue.
- 5 The annual liquor fund transfer is always made in December.
- 6 The annual construction fund transfer is always made in December.