

REPORT / RECOMMENDATION



To: Mayor and Council

Agenda Item #: WS Item IV

From: Eric Roggeman, Assistant Finance Director

Action
Discussion
Information

Date: October 16, 2012

Subject: Financial Review

Action Requested:

This item is for review only

Information / Background:

The attached materials will be discussed at the worksession. Please find attached the Quarterly Financial Update for September 2012 as well as the Financial Update powerpoint slides.



General Fund - Revenues

General Fund revenues total \$17,196,023 through September 30, 2012. This amount represents 57% of total budgeted revenues for all of 2012, which is lower compared to 59% a year ago at the same time. Please note that some of the numbers reported here for 2011 have been restated from what was reported last year because this year we have retroactively included the Communications Department for better comparability. The Communications Department was a separate fund in 2011.

License and permit revenue increased \$302,285 from last year due to increased permit activity. Through 9 months we have collected 94% of our annual licenses and permits budget and are on pace to collect significantly more permit revenue than we budgeted for 2012. We will continue to monitor this revenue category closely.

General Fund – Expenditures

Total General Fund expenditures are 72% of budget so far this year, which is higher than the 69% rate from 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 71% of budget so far this year, which is higher than 66% through September 2011. The major differences in this category are staffing level changes due to reorganization and filling more open positions.

Public safety expenditures are 72% of budget for 2012, which is right where we expect them to be and a slight decrease from the 2011 rate of 74%.

Public works expenditures total 68% of budget for 2012, which is higher than the 2011 rate, but below the expected expenditure rate. The low expenditure rate is due to salary savings from some supervisor and manager level position openings. During 2011 there were also a couple of unfilled front-line staff positions.

Parks expenditures are 73% of budget so far this year, which is higher than the 2011 rate of 68.5%, but very close to the expected pattern. 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. We distribute 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 2012

General Fund
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the nine months ended September 30, 2012

	2012		Over/ (Under)	2011 (7)	
	Budget	Actual		Actual	Increase/ (Decrease)
Revenues:					
Taxes (1)	\$ 21,494,402	\$ 10,790,363	\$ (10,704,039)	\$ 10,478,425	\$ 311,938
Franchise fees	700,000	381,826	(318,174)	356,917	24,909
Licenses and permits (2)	2,501,600	2,342,174	(159,426)	2,039,889	302,285
Intergovernmental (3)	760,000	421,815	(338,185)	1,062,440	(640,625)
Charges for service (4)	3,096,264	2,151,581	(944,683)	1,890,743	260,838
Fines and forfeitures	1,014,000	666,035	(347,965)	625,252	40,783
Other revenues	516,800	442,229	(74,571)	439,634	2,595
Total revenues	30,083,066	17,196,023	(12,887,043)	16,893,300	302,723
Expenditures:					
General government	5,513,041	3,919,405	(1,593,636)	3,453,955	465,450
Public safety	14,976,971	10,766,319	(4,210,652)	10,493,910	272,409
Public works	6,490,886	4,398,149	(2,092,737)	4,077,383	320,766
Parks	3,867,268	2,830,310	(1,036,958)	2,643,496	186,814
Other	-	252,895	252,895	(232,753)	485,648
Total expenditures	30,848,166	22,167,078	(8,681,088)	20,435,991	1,731,087
Revenues over (under) expenditures	(765,100)	(4,971,055)	(4,205,955)	(3,542,691)	(1,428,364)
Other financing sources (uses):					
Transfers in (out)					
Liquor fund (5)	765,100	-	(765,100)	-	-
Construction fund (6)	-	-	-	-	-
Parkland dedication	-	702,100	702,100	-	702,100
Sale of capital assets	-	7,340	7,340	-	7,340
Total other financing source	765,100	709,440	(55,660)	-	709,440
Net increase (decrease) in fund balance	\$ -	\$ (4,261,615)	\$ (4,261,615)	\$ (3,542,691)	\$ (718,924)

- 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.
- 7 The Communications fund revenues and expenditures are shown as though they were part of the General fund in 2011 even though this transition did not happen until 12/31/11, to aid financial comparisons between the two years shown here.

CITY OF EDINA



October 16, 2012
City Council Worksession

Quarterly Council Business Meeting

Financial Update

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