



To: MAYOR AND CITY COUNCIL

Agenda Item #: WS. III.

From: Eric Roggeman, Finance Director

Action

Date: July 21, 2015

Discussion

Subject: Business Meeting

Information

Action Requested:

This item is for discussion only.

Information / Background:

In 2007, the City started a quarterly review process for general fund financials called Quarterly Update. Quarterly Update is a two-page written summary of finances and notable transactions in the general fund.

In 2012, the City added quarterly business meetings held on the second work session after every calendar quarter end. At quarterly business meetings staff presents to Council finances and notable transactions in the general fund and all the enterprise funds. In some quarters, financial data is not ready in time to be included in Council packets prior to the meeting.

This quarter the financial data is ready and is attached for your review.

Attachments:

Business Meeting presentations slides
General Fund Quarterly Update



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Quarterly Council Business Meeting Financial Update

July 21, 2015 City Council Work Session

2015 General Fund

Revenue

- 2015 YTD = \$17.1M vs. \$16M in 2014. (7.2% increase)
- 50% of budget, compared to 48% in 2014
- 2010-2014 average rate is 47.4%

Expenditures

- 2015 YTD = \$16.2M vs. \$15.8M in 2014. (2.5% increase)
- 46.4% of budget, compared to 46.5% in 2014.
- 2010-2014 average rate is 46.9%

Key Metric: License & Permit Revenue

- 2015 YTD = \$2.5M vs. \$2.2M in 2014. (12.6% increase)
- 65% of budget, compared to 67.7% in 2014.



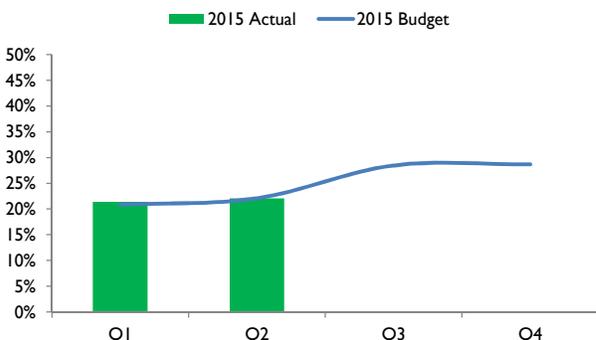
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Utilities Fund



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Utilities Fund Operating Revenue



Key Metric: Water pumped out of City wells

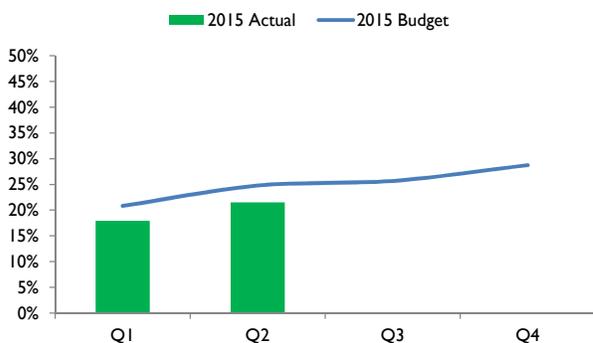
- 2015 YTD water pumped = 1.05B gallons vs. 957M gallons in 2014.
- 20010-2014 average pumping rate was 1.0B gallons Jan-June.

Liquor Fund



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Liquor Fund Operating Revenue



Key Metric: Customer Counts

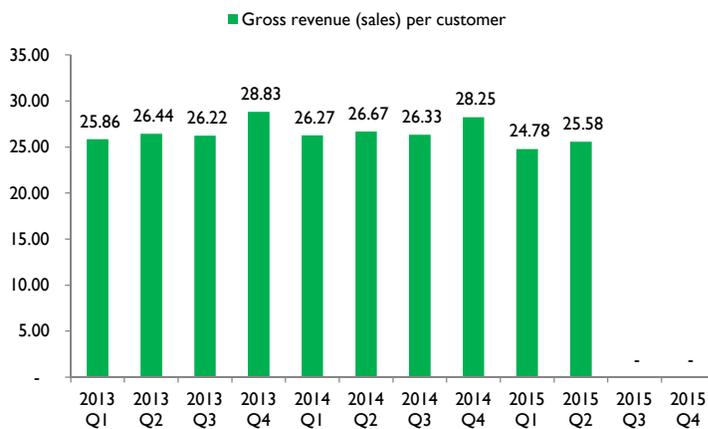
- 2015 YTD customers = 224,620 vs. 239,963 in 2014.
- 20010-2014 average count was 236,521. Based on this figure, 2015 customer numbers are down 5% from historical averages.

Liquor Fund



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Liquor Fund Sales per Customer

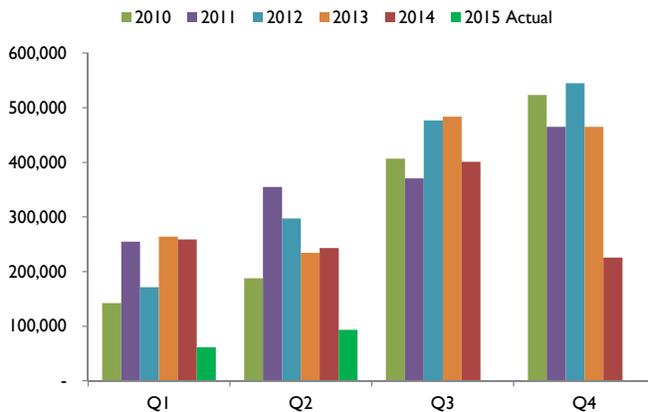


Liquor Fund



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Liquor Fund Operating Income

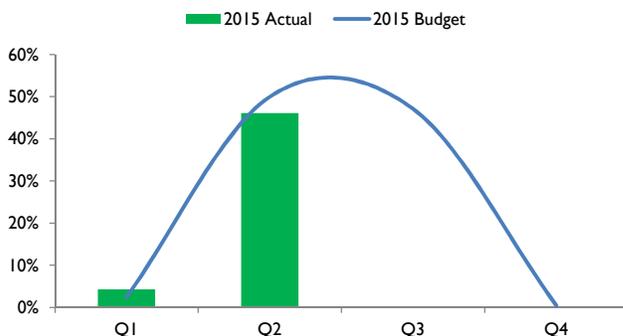


Aquatic Center Fund



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Aquatic Center Operating Revenue



Key Metric: Season passes sold

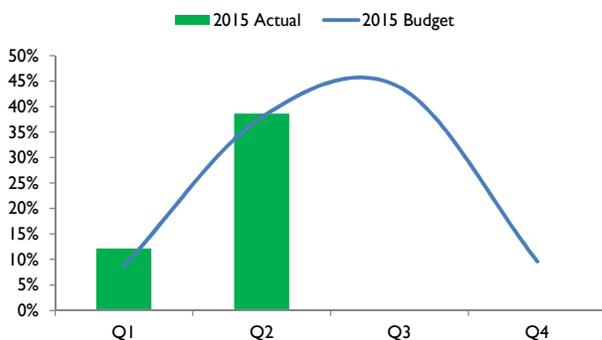
- 2015 YTD passes = 3,257 (10,194 people) vs. 3,344 (10,480 people) in 2014.
- 20010-2014 average sales were 3,178. Note that new POS system in 2012 may distort this comparison slightly.

Golf Course Fund



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Golf Course Fund Operating Revenue



Key Metric: Golf rounds played (Braemar, Executive & Fred Richards)

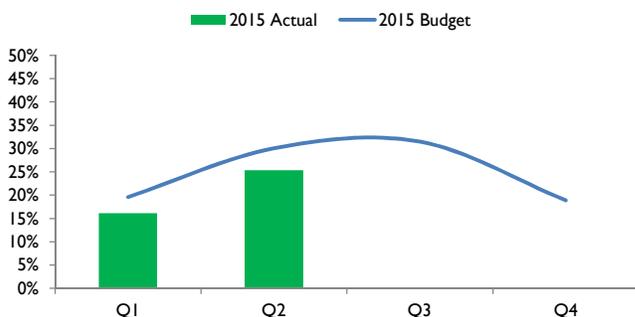
- 2015 YTD rounds = 32,703 vs. 32,230 in 2014.
- 20010-2014 average rounds were 39,066.

Golf Course Fund



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Golf Course Fund Operating Expense



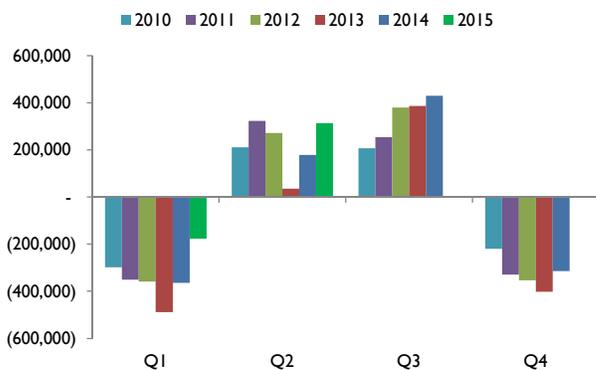
- Expenses are down even though revenue is up.
- Operating income improved \$322,456 from 2014 YTD.
- Revenue pace will be difficult to maintain for the entire season now that the range and Braemar Executive are closed.

Golf Course Fund



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Golf Course Fund Operating Income (Loss)



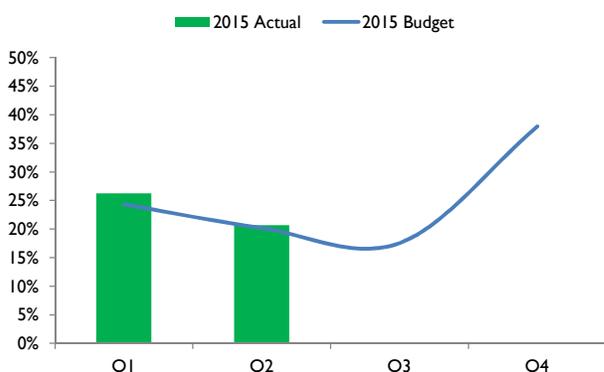
- Expenses are down even though revenue is up.
- Operating income improved \$322,456 from 2014 YTD.
- Revenue pace will be difficult to maintain for the entire season now that the range and Braemar Executive are closed.

Arena Fund



The CITY of EDINA

Arena Operating Revenue



Key Metric: Ice rental hours sold

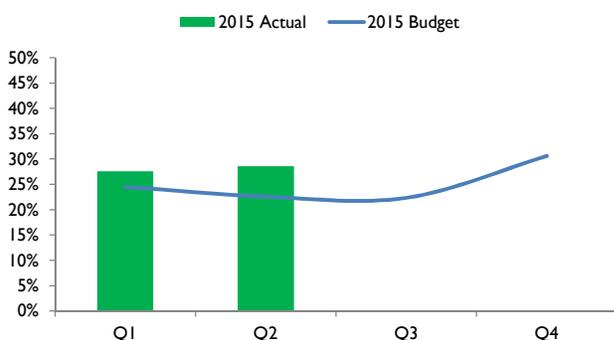
- 2015 hours sold = 2,954 prime & 2,975 nonprime vs. 2,246 prime & 2,647 nonprime in 2014.
- Utilization = 66% in 2015 vs. 67% in 2014.

Arena Fund



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Braemar Arena Operating Expense



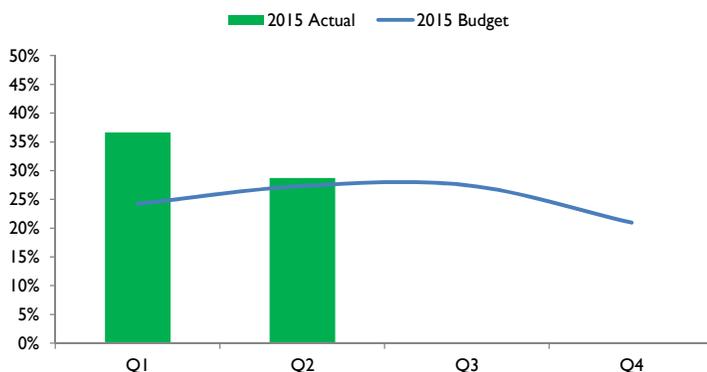
- Expenses have increased about \$235K from 2014 YTD.

Art Center Fund



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Art Center Operating Revenue

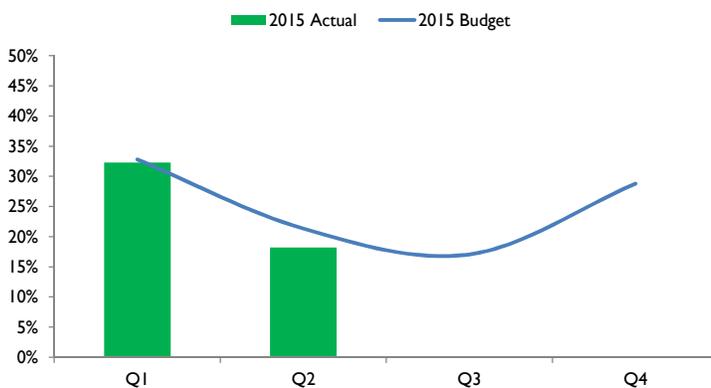


Edinborough Park Fund



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Edinborough Operating Revenue

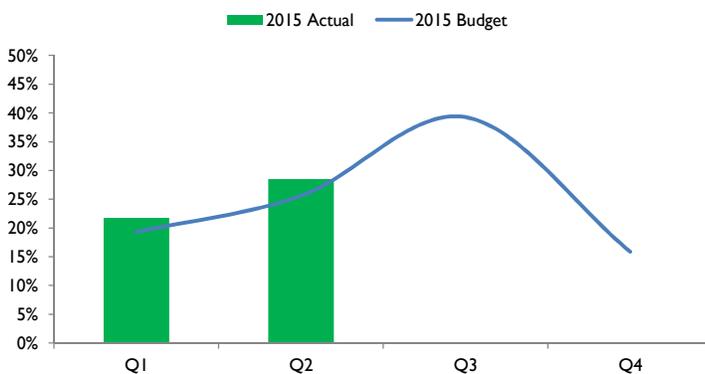


Centennial Lakes Fund



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Centennial Lakes Operating Revenue

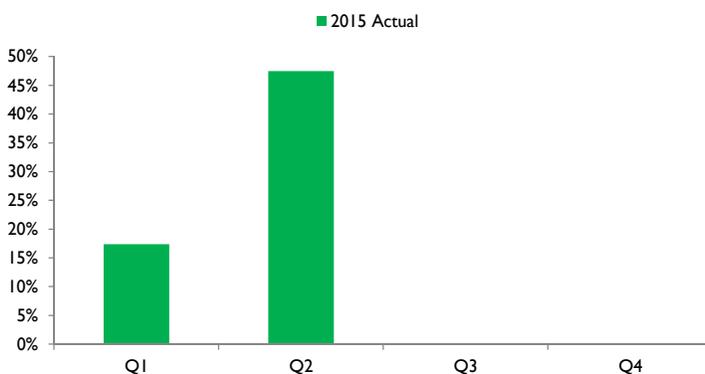


Sports Dome Fund



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Braemar Field Operating Revenue





CITY OF EDINA, MINNESOTA

Quarterly Financial Update June 2015

General Fund - Revenues

General Fund revenues total \$17,131,138 through June 30, 2015. This amount represents 50% of total budgeted revenues for all of 2015, which is higher than 48% a year ago at the same time.

License and permit revenue increased \$279,971 from last year due to increased permit activity. The City has experienced rapid growth in permit revenue since 2009 of 15%, 13%, 16%, 32% and 9% annually from 2010 through 2014. The pace so far in 2015 is another 12% increase.

We have also received \$300,000 of parkland dedication fees through June 30 this year and another \$500,000 already in July.

General Fund – Expenditures

Total General Fund expenditures are 46.4% of budget so far this year, which is the same as a year ago. With a large percentage of our General Fund budget tied to wages 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 is below.

General government expenditures are 50% of budget so far this year, which is the same as last year. Severance expenditures are high again in 2015, with vacation and sick time payouts of about \$236,000 so far this year, which is similar to last year's pace. Although these expenditures 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 46.5% of budget for 2015, which is similar to the 2014 rate. Spending patterns in the Police and Fire Departments seem consistent with expectations at this point in the year with no notable exceptions.

Public works expenditures total 44% of budget for 2015, which is lower than the 2014 rate of 45%. While slightly below the expected expenditure rate, 44% through six months is consistent with historical fluctuations in the Public Works Department, which includes the Parks Maintenance Division since 2014.

Parks and recreation expenditures are 46% of budget in 2015, which is higher than the 2014 rate of 43%. The 46% rate is consistent with expectations for normal spending activity.

Other expenditures increased 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, and large variances during the year can be common.



CITY OF EDINA, MINNESOTA

Quarterly Financial Update June 2015

General Fund Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual For the six months ended June 30, 2015

	2015			2014	
	Budget	Actual	Over/ (Under)	Actual	Increase/ (Decrease)
Revenues:					
Property taxes (1)	\$ 22,810,958	\$ 11,482,800	\$ (11,328,158)	\$ 10,708,100	\$ 774,700
Franchise and lodging tax	770,000	206,041	(563,959)	198,461	7,580
Licenses and permits (2)	3,830,080	2,498,323	(1,331,757)	2,218,352	279,971
Intergovernmental (3)	1,113,500	373,271	(740,229)	237,460	135,811
Charges for service	3,969,494	1,612,494	(2,357,000)	1,664,002	(51,508)
Fines and forfeitures	950,000	474,426	(475,574)	370,845	103,581
Other revenues	611,100	483,783	(127,317)	577,968	(94,185)
Total revenues	34,055,132	17,131,138	(16,923,994)	15,975,188	1,155,950
Expenditures:					
Administration	1,619,238	849,191	(770,047)	769,242	79,949
Comm & tech services	1,040,674	516,464	(524,210)	506,493	9,971
Human resources	495,637	237,854	(257,783)	221,624	16,230
Severance	200,000	235,988	35,988	246,272	(10,284)
Finance	904,918	386,521	(518,397)	410,037	(23,516)
Community development	1,612,160	732,124	(880,036)	735,325	(3,201)
Public works	8,459,610	3,752,972	(4,706,638)	3,710,370	42,602
Engineering	1,735,095	722,865	(1,012,230)	700,109	22,756
Police	10,357,415	4,840,801	(5,516,614)	4,771,055	69,746
Fire	7,007,398	3,241,275	(3,766,123)	2,985,699	255,576
Parks & recreation	1,388,087	633,290	(754,797)	601,316	31,974
Other	-	8,095	8,095	114,886	(106,791)
Total expenditures	34,820,232	16,157,440	(18,662,792)	15,772,428	385,012
Revenues over (under) expenditures	(765,100)	973,698	1,738,798	202,760	770,938
Other financing sources (uses):					
Transfers in (out)					
Liquor fund (4)	765,100	-	(765,100)	-	-
Other	-	-	-	-	-
Parkland dedication	-	300,000	300,000	382,278	(82,278)
Total other financing source	765,100	300,000	(465,100)	382,278	(82,278)
Net increase (decrease) in fund balance	\$ -	\$ 1,273,698	\$ 1,273,698	\$ 585,038	\$ 688,660

- 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 The annual liquor fund transfer is always made in December.