

PRESENTATION CORRECTION



**CITY COUNCIL MEETING AGENDA
CITY HALL COUNCIL CHAMBERS
109 E. OLIVE STREET, BLOOMINGTON, IL 61701
MONDAY AUGUST 22, 2016, 7:00 P.M.**

Agenda Item 8F Presentation Correction.

Presentation of the unaudited Fiscal 2016 Year End. *(Presentation by David Hales, City Manager and Patti-Lynn Silva, Finance Director 10 minutes, Council discussion 10 minutes.)*

FY 2016 Year End

An overview of budget versus actuals (unaudited).



August 22, 2016
Patti-Lynn Silva, Finance Director

Agenda

- Year End Overview
- General Fund
- Water Fund
- Sewer Fund
- Storm Water Fund
- Solid Waste Fund
- Discussion

Fund Overview

Fund	Revenues	Expenditures	Favorable (Unfavorable)
General Fund	\$96,664,543	\$92,450,043	\$4,214,500 (1)
Water	\$15,805,992	\$15,774,736	\$31,256
Sewer	\$5,384,922	\$5,639,132	(\$254,211) (2)
Storm Water	\$2,873,072	\$2,848,232	\$24,841
Solid Waste	\$7,478,878	\$7,397,796	\$81,082
State Motor Fuel Tax	\$2,102,156	\$1,741,704	\$360,451 (4)
Capital Improvement Fund	\$3,656,658	\$2,651,586	\$1,005,072 (5)
Employee & Retired Insurance	\$12,369,689	\$10,923,682	\$1,446,007 (6)
Capital Lease	\$3,580,010	\$4,621,395	(\$1,041,385) (3)
General Bond & Interest	\$6,685,959	\$9,029,850	(\$2,343,891) (2)
Coliseum Fund	\$5,724,175	\$4,961,438	\$762,737 (7)
All other Funds	\$15,410,666	\$14,719,066	\$691,601 (8)
TOTALS	\$177,736,720	\$172,758,660	\$4,978,060

- (1) Further explanation on following slide.
- (2) Balance covered by planned use of fund savings.
- (3) Capital lease fund is reimbursed when lease is issued.
- (4) Reserved for future street projects.
- (5) Timing differences as projects can be multi-year.
- (6) More positive year for claim activity.
- (7) Coliseum reflects budget transfer for transition.
- (8) Majority of this is from year end transfers to Golf & CDBG.

FY16 Actuals are unaudited and proposed budget transfers are included above.

General Fund Highlights

	Revenues	Budget	Actual	Favorable/(Unfavorable)
State Sales Tax	\$	13,399,257	\$ 13,698,690	\$ 299,432
Home Rule Sales Tax	\$	13,448,126	\$ 15,021,245	\$ 1,573,119
Other Taxes	\$	29,659,499	\$ 30,807,876	\$ 1,148,377
Charges for Services/Department Fees	\$	12,901,097	\$ 12,265,408	\$ (635,689)
Income Tax	\$	7,584,390	\$ 8,164,515	\$ 580,125
Utility Tax	\$	7,063,163	\$ 6,838,200	\$ (224,963)
Food & Beverage Tax	\$	4,328,539	\$ 4,462,657	\$ 134,118
Other Revenue	\$	7,982,174	\$ 5,405,953	\$ (2,576,222)
Total Revenue	\$	96,366,246	\$ 96,664,543	\$ 298,297
Expenditures				
Salary, Benefits & Overtime	\$	48,223,186	\$ 45,972,732	\$ 2,250,455
Comm - fuel/oil, rock salt, utilities	\$	8,500,574	\$ 6,486,740	\$ 2,013,835
Professional services , Engineering , Vehicle Repair	\$	12,425,758	\$ 11,543,226	\$ 882,532
Bad Debt - Ambulance	\$	3,711,198	\$ 3,021,496	\$ 689,702
All other expenditures	\$	23,505,528	\$ 25,425,850	\$ (1,920,322)
Total Expenditures	\$	96,366,245	\$ 92,450,043	\$ 3,916,202
Total Savings:				\$ 4,214,499

*More detailed explanations can be seen in the appendix.



General Fund Balance Projection

General Fund	Budget	Actual
Revenue*	\$ 94,553,780	\$ 96,664,543
Expenditures	\$ 94,553,780	\$ 92,450,044
Net Surplus/(Deficit)	\$ -	\$ 4,214,499

Beginning Fund Balance as of 5/1/15		\$ 12,074,719
FY 2016 Activity		\$ 4,214,499
Ending Fund Balance 4/30/16	17.62%	<u>\$ 16,289,218</u>

*2016 in budgeted revenue included \$793,382 in use of fund savings.

FY16 Revenues & Expenditures are unaudited.



Water Fund Balance Projection

Water fund	Budget	Actual
Revenue	\$ 22,964,954	\$ 15,805,992
Expenditures	\$ 22,964,954	\$ 15,774,736
Net Surplus/(Deficit)	\$ 0	\$ 31,256

Beginning Fund Balance as of 5/1/15 \$ 25,127,846

FY 2016 Activity \$ **31,256**

Ending Fund Balance as of 4/30/16** 159.49% \$ 25,159,102

*2016 in budgeted revenue included \$6,321,704 in use of fund savings.

**Please refer to the CIP 5 Year Plan.

FY16 Revenues & Expenditures are unaudited.



Sewer Fund Balance Projection

Sewer Fund	Budget*	Actual
Revenue	\$ 6,023,805	\$ 5,384,922
Expenditures	\$ 6,023,805	\$ 5,639,132
Net Surplus/(Deficit)	\$ 0	\$ (254,211)
Beginning Fund Balance as of 5/1/15		\$ 2,898,896
	FY 2016 Activity	\$ (254,211)
Ending Fund Balance as of 4/30/16	46.90%	<u>\$ 2,644,685</u>

*2016 in budgeted revenue included \$589,191 in use of fund savings.

FY16 Revenues & Expenditures are unaudited.



Storm Water Fund Balance Projection

Storm Water	Budget	Actual
Revenue	\$ 3,025,038	\$ 2,873,072
Expenditures	\$ 2,790,996	\$ 2,848,232
Net Surplus/(Deficit)	\$ 234,042	\$ 24,841
Beginning Fund Balance as of 5/1/15		\$ 842,995
	FY 2016 Activity	\$ 24,841
Ending Fund Balance as of 4/30/16	30.47%	<u>\$ 867,836</u>

FY16 Revenues & Expenditures are unaudited.



Solid Waste Fund Balance Projection

Solid Waste	Budget	Actual
Revenue	\$ 6,017,180	\$5,982,965 *
Transfer In	\$ 1,495,913	\$1,495,913
Total Revenue: \$ 7,513,093		\$ 7,478,878
Expenditures \$ 8,454,129		\$ 7,397,796
Net Surplus/(Deficit)	\$ (941,035)	\$ 81,082

Beginning Fund Balance as of 5-1-15 \$ 286,851

FY 2016 Activity \$ 81,082

Ending Fund Balance as of 4-30-16 4.97% \$ 367,933

* Annual recurring revenues are not sufficient to cover annual expenses.

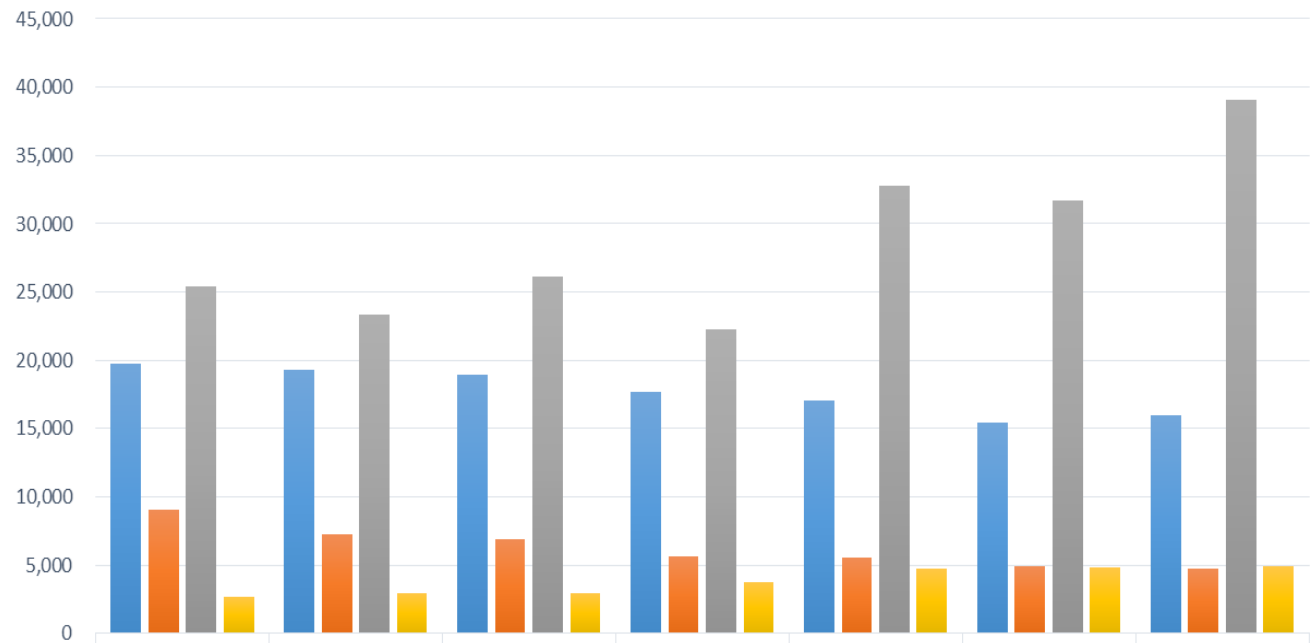
FY16 Revenues & Expenditures are unaudited.

Solid Waste Savings

- \$359.3K - Fulltime salaries
 - \$12.4K – Seasonal salaries
 - \$59.7K - Overtime
 - \$190.0K - Benefits
 - \$285.6K – Tipping fees → \$285K
 - \$118.6K – Lease principal & interest
 - \$59.1K – Fuel
 - \$26.3K – Toters
-
- | Category | Amount |
|--|---------------|
| Fulltime salaries | \$359.3K |
| Seasonal salaries | \$12.4K |
| Overtime | \$59.7K |
| Benefits | \$190.0K |
| Tipping fees | \$285.6K |
| Lease principal & interest | \$118.6K |
| Fuel | \$59.1K |
| Toters | \$26.3K |
| Total (Salaries & Benefits) | \$621K |
| Total (Tipping fees) | \$285K |

Solid Waste Tonnage

Disposal Tonnage & Yards



	FY10	FY11	FY12	FY13	FY14	FY15	FY16
■ Garbage - Tons	19,782	19,301	18,955	17,709	17,088	15,425	15,964
■ Bulk - Tons	9,044	7,245	6,893	5,635	5,590	4,931	4,789
■ Brush - Yards	25,387	23,346	26,101	22,308	32,803	31,734	39,072
■ Recycle - Tons	2,706	2,970	2,999	3,734	4,708	4,858	4,938



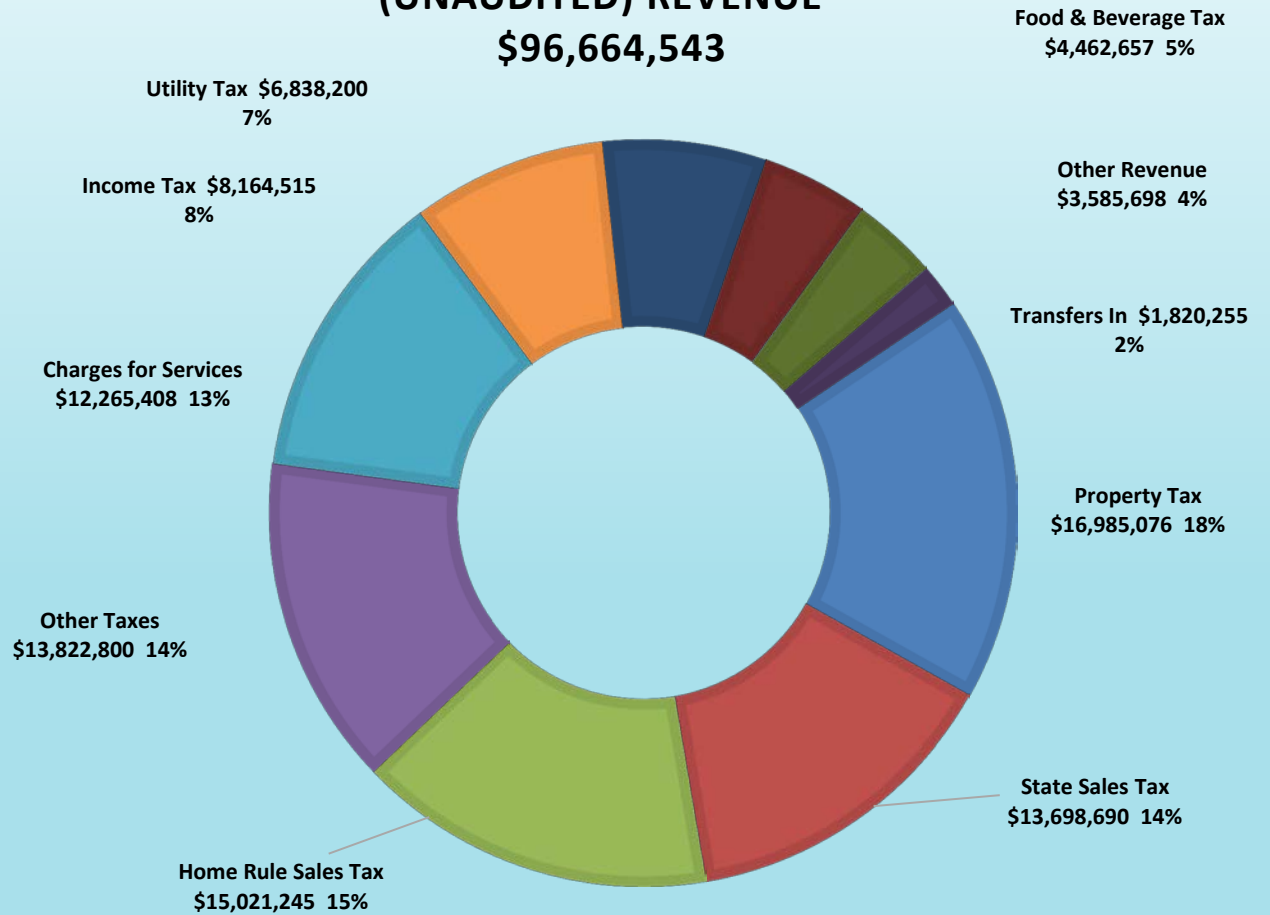
Questions

Appendix

Please note that the following slides do not reflect the proposed year end budget transfer.

General Fund Revenue

FY16 GENERAL FUND (UNAUDITED) REVENUE* \$96,664,543



*Small differences are due to rounding of numbers.

General Fund Revenue Results*

- State Sales tax was down slightly from budget but was approximately 1.7% higher than FY15.
- Income Tax received was \$0.58M more than budget.
- Utility Taxes are about \$0.23M lower than budget which correlates to what the City is seeing in less expenses with water, electricity and gas. Consumption has been down with the milder weather.

*FY16 revenues are unaudited.

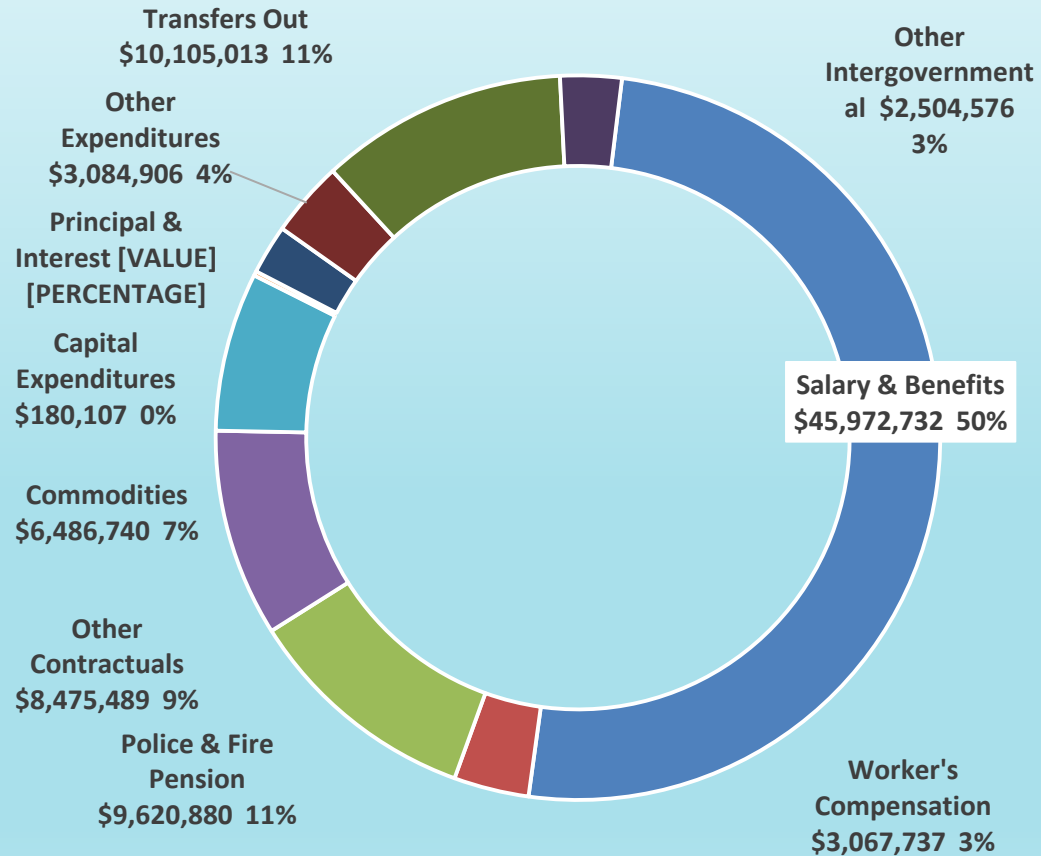
General Fund Revenue Results*

- Video Gaming is not a major revenue but has increased by over 14% since last fiscal year. In FY16, it is \$0.22M over budget.
- Amusement Tax has been trending positively and will end the fiscal year \$0.46M above budget.
- Ambulance fees are down \$0.49M. Bad debt lowered this revenue by \$0.67M.

*FY16 revenues are unaudited.

General Fund Expenditures

FY16 General Fund Actual (Unaudited) Expenditures Total: \$91,513,491



Expenditure Results*

- **Salaries & Benefits - \$2.25M under budget**
 - \$1.17M (Fulltime & Seasonals) – There were numerous fulltime and seasonal vacancies that were not filled part or all of the year throughout the City. The hiring process is not immediate especially with more specialized positions and contract policies such as Fire & Police.
 - \$0.83M (Overtime) – Fire & Police had the largest savings due primarily to less injuries and a conscious effort to reduce overtime. Due to the mild winter, Snow & Ice also had major savings.



*FY16 expenditures are unaudited.

General Fund Expenditure Results*

- **Salaries & Benefits - \$2.25M under budget**
 - \$0.40M (Benefits) were also under budget but they do not always vary the same amount as salaries because employees can change their insurance mix during open enrollment in January.
 - There was some offset to the savings from employee payouts to retirees.

*FY16 expenditures are unaudited.

Expenditure Results*



- **Commodities - \$2.01M under budget**

- \$0.95M (Fuel & Oil) – Accounts for 47% of the commodities savings.
- \$0.45M (Supplies) – Departments were very prudent and cautious with their purchases partly due to State budget concerns. There were also some savings realized from street materials such as traffic line painting and signage.
- \$0.25M (Rock Salt) – Less rock salt was needed during the mild winter.
- \$0.28M (Utilities) – Due to the mild winter and favorable electrical aggregate rates, savings were seen.



*FY16 expenditures are unaudited.

General Fund Facts

- General Fund – City's main operating fund which houses most City operations.
- 80% of General fund operations are funded through state and local taxation.
- 20% is funded by various licenses, permits, fines, and fees.
- Many General Fund revenues are considered elastic and are sensitive to changes in the economy.
- The General Fund also supports other funds that have deficit balances at fiscal year end.

General Fund Expenditure Results*

- **Contractuals - \$0.88M under budget**
 - \$0.30M (Other Prof. & Tech Svcs./Other Purchased Svcs.) – Some contractual positions were not used the full year and some projects were put on hold.
 - \$0.21M (Repair/Main – Licensed Veh./Other) – The City is replacing some of the older vehicles and equipment through the capital lease reducing repairs needed.
 - \$0.20M (Professional Development) – Staff is very lean making it difficult at times to attend training.

*FY16 expenditures are unaudited.

General Fund Expenditure Results*

- **Contractuals - \$0.95M under budget**
 - \$0.12M (Printing) – There were savings from printing fewer budget books and consolidating information with the Water bill inserts.
 - \$0.05M (Other Medical Services) – Less need for some of the Human Resources medical services such as physicals, drug testing, etc. This is a line item that can fluctuate based on need.



*FY16 expenditures are unaudited.

General Fund Expenditure Results*



- **Other Expenditures - \$0.63M under budget**
 - \$0.52M (Bad Debt-Ambulance Charges) – this accounts for 83% of the other expenditure savings. This may be the result of more people having insurance.
 - \$0.10M (Investigation & Other Misc. Expenses) – These are both accounts that are usually variable and depend upon need.
 - \$0.03 (Community Relations) – Some intended savings as a result of concern over the State budget. Also, each year we alternate the MLK expenses with the Town of Normal.

*FY16 expenditures are unaudited.