



CITY OF CONCORD

REPORT TO MAYOR AND CITY COUNCIL

FROM: Brian LeBrun, Deputy City Manager – Finance
DATE: October 16, 2015
SUBJECT: Use of Surplus and Preliminary Fiscal Year 2015 Financial Results

Recommendation

For Fiscal Year ending June 30, 2015, the City is reporting a preliminary General Fund surplus of \$504,600 and makes the following recommendations. Accept this report and authorize the attached resolutions appropriating \$960,000 and \$78,000 for the purposes detailed below. Management plans to allocate \$960,000 at year-end to Assigned Fund Balance.

Management recommends accepting this report and authorizing the attached resolutions: Appropriate \$960,000 from the City's FY15 Assigned Fund Balance and Transfer to Trust Fund Reserves; and appropriate \$78,000 to be transferred from Trust Fund Reserve for the purposes detailed below.

Background

In Fiscal Year ending June 30, 2015 fiscal results were stronger than anticipated resulting in the preliminary surplus reported here.

Again, after considering the FY14 allocation of \$750,000 to Assigned Fund Balance, the General Fund Unassigned Fund Balance will increase by approximately \$295,000 or to 19.1% of expenditures excluding transfers out.

Discussion

The Fiscal Year 2015 General Fund actual revenues received exceeded the amended budget by \$158,700. The major variances (greater than \$20,000) to budget are:

<u>Department Revenue Excess/ (Shortage)</u>	<u>Amount</u>
Assessing – Payment in Lieu of Taxes	\$(24,900)
Finance – Property Taxes	23,700

Cable TV Franchise	54,900
Motor Vehicle Registrations	523,500
Interest Costs and Penalties	189,200
Investment Income	31,700
Reimbursements-NHRS subsidy for Retiree Health Ins	(34,100)
Sale of Surplus Property	23,700
Miscellaneous	346,500
Fire – Advanced Life Support Intercept	255,000
Miscellaneous	53,200
CD – Building, Electrical, Mechanical, Plumbing Permits	(144,000)
Transfer in from Trusts	(51,000)
Parks and Recreation – Miscellaneous Services	(44,100)
Camps	(46,000)
Use of Fund Balance	(1,053,000)
All other revenues	<u>54,400</u>
Total Revenue Excess/ (Shortage)	\$158,700

Conversely, while some General Fund actual line item expenses exceeded the amended budget, overall, actual expenses were under budget by \$345,900. The major areas of (over)/under-expenditures are:

Compensation	\$100,100
Benefits	178,800
Outside Services	93,100
Supplies	116,600
Utilities	3,800
Insurance	10,900
Capital Outlay	(19,200)
Debt Service	(137,300)
Miscellaneous	20,100
Allocated Costs	(8,200)
Transfers Out	<u>(12,800)</u>
Total Under/ (Over) Expended	\$345,900

The basis for the attached resolutions are to support needed initiatives that were either not funded in the FY16 operating budget, issues that arose after the FY16 budget was presented/adopted or looking ahead to resolve future issues early. The items requested in the resolution(s) are:

Highway Reserve (Paving) Reserve	\$480,000
Fire Apparatus Equipment Reserve	152,000
Equipment Reserve	175,000
Economic Development Reserve	75,000
Education and Training Reserve	15,000
Police Security Card Access System	23,000
Community Center Emergency Repairs	20,000
Office Furniture and Equipment	<u>20,000</u>

FY2015 Assigned Fund Balance

\$960,000

The attached supplemental operating resolutions include two authorization requests:

- 1) Appropriate \$15,000 from the Education Reserve Trust account to support continued education and training initiatives.
- 2) Appropriate \$23,000 from Equipment Reserve Trust account to support necessary replacement of Police Department Security Card Access System.
- 3) Appropriate \$20,000 from the Equipment Reserve Trust account to support necessary replacement of office furniture and equipment.
- 4) Appropriate \$20,000 from Equipment Reserve Trust account to support emergency equipment and facility repairs at the community center.

In addition to the General Fund, the FY15 summary year-end performance by other major funds is:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Over/(Under)</u>
Project Inspection Fund	(\$25,500)	\$2,000	\$27,500
Parking Fund	(77,600)	73,100	150,700
Airport Fund	(56,700)	(88,700)	(32,000)
Golf Course Fund	13,900	(8,000)	(21,900)
Arena Fund	(37,700)	49,000	86,700
Solid Waste Fund	(105,000)	(94,800)	10,200
Water Fund	(299,200)	225,600	524,800
Wastewater Fund	110,100	306,800	196,700

cc: City Manager
Asst. Finance Director