



CITY OF CONCORD

REPORT TO MAYOR AND CITY COUNCIL

FROM: Brian LeBrun, Deputy City Manager – Finance
DATE: October 27, 2016
SUBJECT: Use of Surplus and Fiscal Year 2016 Financial Results

Recommendation

For Fiscal Year ending June 30, 2016 the City is reporting a General Fund surplus of \$549,700 and makes the following recommendations. Accept this report and authorize the attached resolutions appropriating \$930,000 and \$50,000 for the purposes detailed below as recommended by the City's Fiscal Policy Advisory Committee on September 19, 2016. Management has allocated \$930,000 at year-end to Assigned Fund Balance for the below purposes which can only be utilized upon City Council authorization of the attached resolutions.

Background

In Fiscal Year ending June 30, 2016 fiscal results were stronger than anticipated resulting in the surplus reported here.

Discussion

The Fiscal Year 2016 General Fund actual revenues received were short of the amended budget by \$802,800. 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	\$(46,700)
Finance – Property Taxes	(471,400)
Motor Vehicle Registrations	539,600
Interest Costs and Penalties	122,600
Highway Block Grant	20,200
Investment Income	33,900
General Overhead – NHRS subsidy for Retiree Health Ins	(132,600)
Police – Special Police Duty Services	(20,100)
Fire – Fire Service Aid	(50,000)
Advanced Life Support Intercept	390,500

General Services – Salt Sales	(23,600)
CD – Building, Electrical, Mechanical, Plumbing Permits	175,900
Transfer in from Trusts	(52,900)
Parks and Recreation – Miscellaneous Services	(117,800)
Camps	(40,400)
Use of Fund Balance	(1,260,000)
All other revenues	<u>130,100</u>
Total Revenue Excess/ (Shortage)	(\$802,700)

Conversely, while some General Fund actual line item expenses exceeded the amended budget, overall, actual expenses were under budget by \$1,352,400. The major areas of (over)/under-expenditures are:

Compensation	\$254,600
Benefits	477,400
Outside Services	217,900
Supplies	106,700
Utilities	106,500
Insurance	10,700
Capital Outlay	2,400
Debt Service	14,900
Miscellaneous	<u>161,300</u>
Total Under/ (Over) Expended	\$1,352,400

The basis for the attached resolutions are to support needed initiatives that were either not funded in the FY17 operating budget, issues that arose after the FY17 budget was presented/adopted or looking ahead to resolve future issues early. The items requested in the resolution(s) are:

Highway Reserve (Paving) Reserve	\$450,000
Equipment Reserve	50,000
Office Furniture and Equipment Reserve	30,000
Economic Development Reserve	200,000
Community Improvement Reserve	<u>200,000</u>
FY2016 Assigned Fund Balance	\$930,000

The attached supplemental operating resolution includes an authorization request to:

- 1) Appropriate \$30,000 from the Equipment Reserve Trust account to support necessary replacement of office furniture and equipment including a limited number of adjustable height work stations as part of the City’s Wellness program and \$20,000 from the Education and Training Reserve to support education and training opportunities throughout the fiscal year.

In addition to the General Fund, the FY16 summary year-end performance by other major funds is:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Over/(Under)</u>
Project Inspection Fund	(\$29,600)	(\$26,300)	\$3,300
Parking Fund	(163,800)	(79,200)	84,600
Airport Fund	(89,600)	5,900	95,500
Golf Course Fund	4,400	8,300	3,900
Arena Fund	(32,300)	(1,100)	31,200
Solid Waste Fund	(178,100)	(135,000)	43,100
Water Fund	(387,400)	156,300	543,700
Wastewater Fund	(75,100)	361,200	436,300

cc: City Manager
Asst. Finance Director