

# *City of Brisbane*

## *Agenda Report*

To: City Council via City Manager

From: Administrative Services Director

Subject: December Financial Update

Date: February 27, 2012

### **Purpose:**

Provide the City Council with information related to the current fiscal year revenues and expenditures compared to budget

### **Recommendation:**

Receive the report.

### **Background:**

When the City Council adopted the two year budget plan they also requested updates of where the City was in revenues and expenditures throughout the year.

### **Discussion:**

Attached for your review is the report the Finance Department produces on a periodic basis related to the actual revenues and expenditures compared to budget. This report is meant as a basic snapshot report which collapses a number of revenue accounts into gross categories. It also shows how each individual department is faring compared to the annual budget. The report covers the major funds for the City: General, Parks and Recreation and Utility.

The back up material provided with the two page report is a more in-depth look at Transient Occupancy Tax and Water and Sewer revenues. These are the three revenue sources which looking at monthly can provide a greater understanding of how these revenues will end up. This is in comparison to Property Taxes or Sales Taxes the other two major revenue sources of the City. Property Tax is received basically twice a year; once in December and again in April. We are also a Teeter Plan County. The Teeter Plan requires the County to pay the City the amount of property tax billed for each fiscal year regardless if the property owners pay their taxes. The County then keeps any penalties it collects for missed property tax payments. The City's 1% portion of Sales Tax is received in two different ways currently. Three-quarters of a percent is provided by the State on a monthly basis. Each month the State sends the City an estimated amount of Sales Tax based on prior years' collections. Then once each quarter it provides the City a make-up amount based on the actual sales taking place within the County. According to Generally Accepted Accounting Principles (GAAP), the City is required to book the July and August Sales Tax receipts into the prior year. The reason is both of these payments are for time periods of the prior year. July receipts reflect May payments and August receipts reflect June payments. Therefore, the first payment we receive for the current fiscal year is September

which is just a State estimate. The make-up payments are made in December, March, June, and September. Therefore these do not provide us much useful information in understanding where we are compared to budget during the fiscal year. The second portion of Sales Tax ¼% is paid to the City twice a year through property taxes and is in arrears for receipts of the prior year. This is part of the State's Triple Flip legislation to allow them to sell bonds to offset it deficit in FY 2005.

This report is normally distributed to the City Council by placing it in their mailboxes. Considering, this the first report the new Councilmembers have received staff thought it might be better to provide as part of a staff report to allow City Council to ask additional questions about the report and see if any changes need to be made.

**Fiscal Impact:**

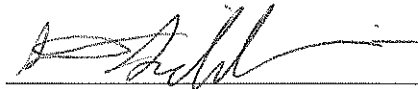
There is no cost for producing the report. The report should provide the City Council information so they are comfortable in understanding how the City is doing compared to the adopted budget.

**Measure of Success**

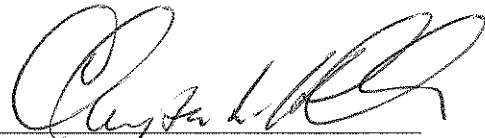
Provide the City Council with an understanding of how current year revenues and expenditures compare to the adopted budget.

**Attachments:**

Monthly Financial Report including Transient Occupancy Tax, Water and Sewer Sales actuals and projections



Administrative Services Director  
Stuart Schillinger



City Manager  
Clay Holstine.

# Memorandum

**To:** City Council  
**From:** Stuart Schillinger  
**Date:** January 26, 2011  
**Re:** Monthly Financial Information for December 2011

When the City Council adopted the two year budget plan they also requested updates of where the City was in revenues and expenditures throughout the year. This is the first update you are being provided for the current fiscal year. One reason is staff who works on the audits also works in gathering the information needed for this report. Second, the six month report is the first one where property taxes are recorded so it the first time that makes some sense for this report to be produced.

Taxes show they are running behind as only 38% has been collected through 50% of the year is gone. This is not an accurate portrayal of what is actually happening. Taxes are a compilation of a number of taxes including Property Tax, Sales Tax Transient Occupancy, and Business Licenses.

Property Tax is at 47% of the budget. Last year at this time we were at 48% of the amount actually received for the year. So I would still anticipate receiving something close to the budget number.

Sales Tax through December shows only 26% of the budget received. Part of the reason for this is the December payment was not received until early January. If the January payment is added into the amount received through December we would be at 38% which is slightly ahead of where we would anticipate being. The first two months of Sales Tax (July and August) receipts are accrued back to the prior fiscal year. Therefore we have only four months worth of Sales Tax in this year's revenues so far or 33% of the year.

Transient Occupancy Tax is running ahead of the budget. Based on past year's we can anticipate receiving about \$1,600,000 instead of the budget of \$1,203,498.

Business License renewals are sent out in December and are mostly paid in January and February.

Licenses and permits are made of a number of sources the largest by far is Truck Haul Fees (Truck Haul Fees are mostly derived from the dirt moving operations on the Baylands.

We are working with UPC to develop a payment plan to ensure they catch up the amount owed the City and are able to stay current.

Other Revenue is mostly made up of transfers from other funds and indirect cost reimbursements. We make the transfers at the beginning of the year which explains why this category is ahead of the 50%.

The expenditure side of the equation shows departments are spending less than 50% of their budget.

*February 7, 2012*

Water revenue is below budget since the increase did not go into effect until after this time period.  
The March report will be more telling as to where we stand compared to budget on revenues.

<b>General Fund</b>	<b>Budget</b>	<b>Actual</b>	<b>Percent</b>
Taxes	8,485,730	3,218,843	37.93%
Intergovernmental	42,745	13,553	31.71%
Licenses, permits, and fees	438,764	205,152	46.76%
Charges for Services	301,154	135,398	44.96%
Fines and forfeitures	110,364	33,450	30.31%
Use of Money	172,591	44,998	26.07%
Other Revenue	3,138,684	2,277,479	72.56%

<b>Total</b>	<b>12,690,032</b>	<b>5,928,873</b>	46.72%
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City Council	128,469.00	81,524.00	63.46%
City Manager	719,312.00	304,963.00	42.40%
Finance	1,231,563.00	537,157.00	43.62%
City Attorney	204,898.00	60,237.00	29.40%
Planning	846,004.00	297,815.00	35.20%
Library	28,930.00	23,588.00	81.53%
Police	3,025,935.00	1,411,193.00	46.64%
Fire	2,430,325.00	1,045,793.00	43.03%
Public Works	1,309,224.00	602,016.00	45.98%
Non Departmental	2,852,693.00	1,756,200.00	61.56%
Capital Projects	-	-	

<b>Total</b>	<b>12,777,353.00</b>	<b>6,120,486.00</b>	47.90%
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<b>Parks and Recreation</b>	<b>Budget</b>	<b>Actual</b>	<b>Percent</b>
Taxes	-	-	
Intergovernmental	-	-	
Licenses, permits, and fees	-	-	
Charges for Services	1,980,055	1,003,765	50.69%
Fines and forfeitures	-	-	
Use of Money	-	(1,599)	#DIV/0!
Other Revenue	1,024,388	514,349	50.21%

<b>Total</b>	<b>3,004,443</b>	<b>1,516,515</b>	50.48%
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City Attorney	-	-	
Planning	-	-	
Library	-	-	
Police	-	-	
Fire	-	-	
Public Works	165,462.00	69,204.00	41.82%
Parks and Recreation	3,346,032.00	1,352,970.00	40.44%
Non Departmental	-	-	

<b>Total</b>	<b>3,511,494.00</b>	<b>1,422,174.00</b>	40.50%
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Utility Fund	Budget	Actual	Percent
Taxes	25,000	14,769	59.08%
Intergovernmental	200	28	14.00%
Licenses, permits, and fees	-	-	
Charges for Services	4,467,817	2,260,195	50.59%
Fines and forfeitures	-	-	
Use of Money	-	(257)	
Other Revenue	36,503	37,488	
<b>Total</b>	<b>4,529,520</b>	<b>2,312,223</b>	<b>51.05%</b>
City Council	-	-	
City Manager	-	-	
Finance	-	-	
City Attorney	-	-	
Planning	-	-	
Library	-	-	
Police	-	-	
Fire	-	-	
Public Works	3,986,043.00	1,460,699.00	36.65%
Fund Transfers	431,609.00	-	0.00%
Non Departmental	-	89,924.00	
<b>Total</b>	<b>4,417,652.00</b>	<b>1,550,623.00</b>	<b>35.10%</b>

Transient Occupancy Tax Receipts and Projections

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference from Projected for Previous Year	Year
July	-	32,857	37,130	39,054	53,766	60,396	84,271	101,196	106,399	73,440	101,984	131,794		
August	-	33,191	36,048	55,217	59,037	80,956	94,229	104,892	105,190	84,756	118,348	146,653	28,305	1,540,085
September	-	35,185	31,944	53,006	57,999	85,802	88,234	105,089	111,082	84,591	124,453	152,587	28,134	1,569,499
October	64,146	24,810	28,249	47,509	60,877	81,076	88,316	94,841	107,267	81,990	120,788	141,919	21,151	1,574,556
November	77,577	32,207	32,529	56,071	64,727	72,912	100,037	108,511	93,652	99,661	120,681	161,084	40,403	1,605,085
December	54,092	25,941	27,960	45,312	36,087	62,562	67,379	80,800	58,736	65,058	83,166	110,746	27,580	1,601,178
January	46,659	24,227	28,808	36,998	28,536	49,874	59,174	63,104	64,855	61,567	83,809	-	(83,809)	1,403,284
February	51,153	33,141	33,444	45,253	37,021	64,453	67,230	79,839	59,051	64,209	92,406	-	(92,406)	1,229,747
March	39,588	31,909	36,856	39,790	31,107	65,767	77,973	79,675	56,727	62,531	91,696	-	(91,696)	1,096,018
April	40,775	30,295	40,531	48,327	38,430	80,262	81,971	89,893	72,162	72,931	109,790	-	(109,790)	973,145
May	42,368	33,183	42,454	43,999	37,367	75,383	77,674	89,756	70,816	93,228	102,156	-	(102,156)	875,077
June	41,595	32,747	48,888	46,700	39,739	78,973	95,595	93,936	68,768	96,866	127,053	-	(127,053)	788,993
<b>Total</b>	<b>490,810</b>	<b>373,966</b>	<b>426,764</b>	<b>571,946</b>	<b>550,423</b>	<b>882,289</b>	<b>999,007</b>	<b>1,096,734</b>	<b>941,746</b>	<b>969,372</b>	<b>1,306,119</b>	<b>712,989</b>	<b>(461,336)</b>	

## Water Sales

	September	November	January	March	May	June
2001	166,560	375,299	487,728	599,548	721,155	977,458
2002	179,013	344,309	479,471	579,012	711,108	923,319
2003	318,819	567,144	736,161	868,638	1,013,272	1,224,096
2004	328,432	611,714	785,714	918,039	1,088,480	1,403,956
2005	328,408	674,017	818,755	980,554	1,149,452	1,480,568
2006	417,130	950,524	1,116,051	1,293,820	1,495,366	1,957,897
2007	364,847	771,291	941,545	1,132,315	1,352,464	1,702,002
2008	441,453	830,615	1,083,406	1,285,038	1,570,440	1,974,391
2009	462,084	893,262	1,208,408	1,443,872	1,707,374	2,178,931
2010	553,199	1,001,961	1,316,229	1,534,122	1,802,097	2,164,322
2011	522,490	988,681	1,266,614	1,517,650	1,754,088	2,158,618
2012	522,941	982,088				
2001	17.04%	38.40%	49.90%	61.34%	73.78%	100.00%
2002	19.39%	37.29%	51.93%	62.71%	77.02%	100.00%
2003	26.05%	46.33%	60.14%	70.96%	82.78%	100.00%
2004	23.39%	43.57%	55.96%	65.39%	77.53%	100.00%
2005	22.18%	45.52%	55.30%	66.23%	77.64%	100.00%
2006	21.30%	48.55%	57.00%	66.08%	76.38%	100.00%
2007	21.44%	45.32%	55.32%	66.53%	79.46%	100.00%
2008	22.36%	42.07%	54.87%	65.09%	79.54%	100.00%
2009	21.21%	41.00%	55.46%	66.27%	78.36%	100.00%
2010	25.56%	46.29%	60.81%	70.88%	83.26%	100.00%
2011	24.20%	45.80%	58.68%	70.31%	81.26%	100.00%
Average	22.19%	43.65%	55.94%	66.53%	78.82%	100.00%
STD	2.49%	3.39%	3.09%	2.99%	2.70%	0.00%
Proj from Average	2,356,362.83	2,249,971.44	-	-	-	-
Proj from Previous Year	2,045,941.56	2,121,394.75	-	-	-	-
Budget	2,623,182	2,623,182	2,623,182	2,623,182	2,623,182	2,623,182



## Sewer Sales

	September	November	January	March	May	June
2001	100,769	208,256	296,526	390,829	490,995	600,224
2002	100,359	195,502	314,579	436,079	546,744	675,587
2003	178,284	328,030	493,156	631,980	778,993	954,348
2004	180,464	278,663	429,487	571,773	720,542	895,637
2005	183,000	370,826	578,436	716,461	896,972	1,123,463
2006	222,587	446,423	665,156	879,503	1,107,389	1,476,353
2007	240,108	489,470	632,684	857,008	1,086,322	1,339,134
2008	268,831	525,796	761,445	987,164	1,227,649	1,485,242
2009	272,177	608,636	879,207	1,141,332	1,411,469	1,712,320
2010	311,788	582,136	833,209	1,085,059	1,332,876	1,605,152
2011	303,064	595,640	863,783	1,126,867	1,393,728	1,678,173
2012	300,581	593,378				
2001	16.79%	34.70%	49.40%	65.11%	81.80%	100.00%
2002	14.86%	28.94%	46.56%	64.55%	80.93%	100.00%
2003	18.68%	34.37%	51.67%	66.22%	81.63%	100.00%
2004	20.15%	31.11%	47.95%	63.84%	80.45%	100.00%
2005	16.29%	33.01%	51.49%	63.77%	79.84%	100.00%
2006	15.08%	30.24%	45.05%	59.57%	75.01%	100.00%
2007	17.93%	36.55%	47.25%	64.00%	81.12%	100.00%
2008	18.10%	35.40%	51.27%	66.46%	82.66%	100.00%
2010	15.90%	35.54%	51.35%	66.65%	82.43%	100.00%
2011	19.42%	36.27%	51.91%	67.60%	83.04%	100.00%
Average	17.32%	33.61%	49.39%	64.78%	80.89%	100.00%
STD	1.72%	2.53%	2.38%	2.15%	2.18%	0.00%
Proj from Average	1,735,562.68	1,765,324.18	-	-	-	-
Proj from Previous Year	1,891,014.76	1,669,392.77	-	-	-	-
Budget	1,722,638	1,722,638	1,722,638	1,722,638	1,722,638	1,722,638