



**FINANCE**

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CITY OF DURHAM

# 3<sup>rd</sup> Quarter Financial Report

Finance and BMS | May 23, 2019

# General Fund

# General Fund - Expenditures

<b>DEPARTMENT</b>	<b>FY2019 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH MARCH 2019</b>	<b>ENCUMBRANCES</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
Audit Services	\$ 639,386	\$ 438,042	\$ -	\$ 588,417	\$ 50,969
Budget & Management Services	1,675,950	1,248,795	26,676	1,666,152	9,798
City Attorney	1,958,910	1,495,111	4,823	1,958,910	-
City Clerk	805,929	563,454	35,349	790,929	15,000
City Council	664,142	544,976	3,825	664,142	-
City Manager/One Call/Public Affairs	3,855,605	2,816,115	26,142	3,755,499	100,106
City/County Planning	4,566,424	2,984,315	51,397	4,326,176	240,247
Community Development	2,191,626	2,004,688	64,122	2,101,054	90,572
Economic & Workforce Development	5,791,297	1,857,409	2,544,906	4,935,614	855,683
Emergency Communications	6,902,165	4,000,185	355,289	6,302,165	600,000
Emergency Management	334,069	222,713	-	334,069	-
Equal Opportunity-Equity Assurance	585,069	446,771	3,453	583,569	1,500

# General Fund - Expenditures

DEPARTMENT	FY2019 ADJUSTED BUDGET	ACTIVITY THROUGH MARCH 2019	ENCUMBRANCES	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
Finance	4,860,392	3,719,073	35,194	4,773,166	87,226
Fire	34,257,736	25,997,039	418,403	34,257,736	-
Fleet Maintenance	3,982,134	2,794,816	74,263	3,799,182	182,952
General Services	15,124,183	9,846,609	2,304,607	15,124,183	-
Human Resources	2,880,461	2,098,039	37,835	2,880,461	-
Neighborhood Improvement Service	4,690,171	3,374,961	518,430	4,630,608	59,563
Parks & Recreation	15,252,213	10,562,942	810,302	14,890,564	361,649
Police	65,167,869	49,155,064	1,018,192	65,093,448	74,421
Public Works	9,521,923	5,104,604	1,040,756	7,941,873	1,580,050
Technology Solutions	7,978,136	6,318,697	484,987	7,978,136	-
Transportation	8,830,929	6,228,234	298,240	8,787,127	43,802
Non-departmental	13,194,400	8,659,690	385,401	12,587,545	606,855
Indirect Cost	(10,759,533)	(8,069,650)	-	(10,759,533)	-
Transfers To Other Funds	9,274,896	9,194,857	-	9,274,896	-
<b>Total</b>	<b>\$ 214,226,481</b>	<b>\$ 153,607,549</b>	<b>\$ 10,542,591</b>	<b>\$ 209,266,088</b>	<b>\$ 4,960,393</b>

# General Fund - Expenditures

<b>CLASS</b>	<b>FY2019 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH MARCH 2019</b>	<b>ENCUM- BRANCE BALANCE</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
Personnel Services	\$ 157,038,660	\$ 118,231,049	\$ 121,270	\$ 155,357,853	\$ 1,680,807
Operating Expenditures	45,127,593	25,189,905	9,569,222	42,258,235	2,869,358
Capital Outlay	2,445,113	991,738	852,099	2,327,604	117,509
Appropriation Not Authorized for Expenditures	340,219	-	-	47,500	292,719
Transfers To Other Funds	9,274,896	9,194,857	-	9,274,896	-
<b>Total</b>	<b>\$ 214,226,481</b>	<b>\$ 153,607,549</b>	<b>\$ 10,542,591</b>	<b>\$ 209,266,088</b>	<b>\$ 4,960,393</b>

# General Fund - Expenditures

- Year-end expenditures projected at \$5.0M less than budgeted:
  - Personnel costs under budget by \$1.7M or 1.1% due to vacancies.
  - Operating costs under budget by \$2.9M or 6.4% due to contract savings.
- No departments are projected to exceed budget.
  - Public Works projected to be under budget by \$1.6M due to vacancies and contract savings.

# General Fund - Revenues

	<b>FY2019 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH MARCH 2019</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>				
Property Taxes	\$ 98,310,069	\$ 97,340,552	\$ 98,703,309	\$ 393,240
Sales Taxes	67,035,230	32,480,011	65,694,525	(1,340,705)
Hotel/Motel Occupancy Tax	2,792,259	2,019,919	2,736,414	(55,845)
Utility Franchise tax	4,146,883	1,823,605	3,939,539	(207,344)
Other Taxes	313,915	325,332	361,002	47,087
Powell Bill	6,285,588	6,313,103	6,313,103	27,515
Other Intergovernmental Revenues	8,238,534	6,080,527	8,197,341	(41,193)
Licenses & Permits	223,000	262,831	271,699	48,699
Rental Income	103,661	76,341	105,734	2,073
Charges For Services	8,930,425	7,330,361	9,064,381	133,956
Assessments	28,550	102,046	103,066	74,516
Sale of Property and Miscellaneous	828,500	878,929	966,822	138,322
<b>TOTAL REVENUES</b>	<b>\$ 197,236,614</b>	<b>\$ 155,033,556</b>	<b>\$ 196,456,937</b>	<b>\$ (779,677)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 214,226,481</b>	<b>\$ 153,607,549</b>	<b>\$ 209,266,088</b>	<b>\$ 4,960,393</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ (16,989,867)</b>	<b>\$ 1,426,007</b>	<b>\$ (12,809,151)</b>	
<b>To/(From) Fund Balance</b>				
			<b>Overall Budget Variance</b>	<b>\$ 4,180,716</b>

# Property Taxes – All Funds

Collections through March 31<sup>st</sup>:

- 2019: \$172,253,865 (99.1% Of current levy)
- 2018: \$164,404,329 (99.1% of current levy)
- YTD FY19/18 increase: +4.8%

EOY Projections:

- +4.8% over FY18
- +1.2M vs. budget



# General Fund - Revenues

- \$780K under budget in total.
- Sales taxes projected to be \$1.3M below budget (2.0%).
- Utility franchise taxes projected to be \$207K unfavorable to budget (5.0%).
- Property taxes + \$393K.

# Fund Balance – Projected

Fund Balance 6/30/18 - \$51.1 million

**Minus** 2019 Projected Use of Fund Balance - \$12.8 million

**Plus Encumbered Funds Released in 2019 - \$9.3 million**

**Projected Fund Balance 6/30/19 = \$47.6 million (24.8%)**

16.7% Required Level = \$32.1 million

Amount over Required Level = \$15.5 million

# Enterprise Funds

# Water & Sewer Fund - Revenues

	<b>FY2019 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH MARCH 2019</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>				
Operating Revenues	\$ 99,931,387	\$ 74,669,480	\$ 98,340,754	\$ (1,590,633)
Permits	139,750	151,414	205,028	65,278
<b>Total Operating Revenues</b>	<b>\$ 100,071,137</b>	<b>\$ 74,820,894</b>	<b>\$ 98,545,782</b>	<b>\$ (1,525,355)</b>
 Non-Operating Revenues				
Miscellaneous	\$ 1,665,080	\$ 2,118,395	\$ 2,616,309	\$ 951,229
Investment Income	414,000	441,677	567,531	153,531
<b>Total Non-Operating Revenues</b>	<b>\$ 2,079,080</b>	<b>\$ 2,560,072</b>	<b>\$ 3,183,840</b>	<b>\$ 1,104,760</b>
 <b>TOTAL REVENUES</b>	<b>\$ 102,150,217</b>	<b>\$ 77,380,966</b>	<b>\$ 101,729,622</b>	<b>\$ (420,595)</b>

# Water & Sewer Fund - Expenses

	<b>FY2019 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH MARCH 2019</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>EXPENDITURES</b>				
Personnel Services	\$ 30,561,372	\$ 22,426,754	\$ 29,884,154	\$ 677,218
Operating Expenditures	24,754,682	17,361,167	23,749,165	1,005,517
Non-Departmental Administration	5,462,352	4,096,764	5,462,352	-
Capital Outlay	721,341	548,612	721,584	(243)
Debt Service Principal and Interest	9,243,790	3,510,486	9,239,661	4,129
Operating Transfers to Other Funds	89,165,102	89,165,102	89,165,102	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 159,908,639</b>	<b>\$ 137,108,885</b>	<b>\$ 158,222,018</b>	<b>\$ 1,686,621</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ (57,758,422)</b>	<b>\$ (59,727,919)</b>	<b>\$ (56,492,396)</b>	
<b>To/(From) Fund Balance</b>				
			Overall Budget Variance	\$ 1,266,026

# Water & Sewer Fund

- Overall, fund is expected to finish with a positive budget variance of \$1.3M for FY19.
- Operating Revenue \$1.6M unfavorable primarily due to a stretch budget target.
- Personnel Services \$0.7M favorable due to vacancies.
- Expenditures \$1.0M favorable: savings on materials including chemicals.

# Transit Operations Fund - Revenue

	<b>FY2019 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH MARCH 2019</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>				
Operating Revenues	\$ 2,800,184	\$ 1,652,785	\$ 2,581,760	\$ (218,424)
Non-Operating Revenues				
Taxes	\$ 10,384,372	\$ 10,372,473	\$ 10,721,849	\$ 337,477
Miscellaneous	8,770,387	5,885,552	8,743,263	(27,124)
Total Non-Operating Revenues	\$ 19,154,759	\$ 16,258,025	\$ 19,465,112	\$ 310,353
<b>TOTAL REVENUES</b>	\$ 21,954,943	\$ 17,910,810	\$ 22,046,872	\$ 91,929

# Transit Operations Fund - Expenses

	<b>FY2019 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH MARCH 2019</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>EXPENDITURES</b>				
Operating Expenditures	\$ 20,318,506	\$ 12,809,267	\$ 19,974,156	\$ 344,350
Non-Departmental Administration	486,405	364,804	486,405	-
Capital Outlay	651,766	438,266	530,471	121,295
Debt Service Principal and Interest	239,451	189,080	239,451	-
Operating Transfers to Other Funds	1,589,777	1,567,130	1,589,777	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 23,285,905</b>	<b>\$ 15,368,547</b>	<b>\$ 22,820,260</b>	<b>\$ 465,645</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ (1,330,962)</b>	<b>\$ 2,542,263</b>	<b>\$ (773,388)</b>	
<b>To/(From) Fund Balance</b>				
			<b>Overall Budget Variance</b>	<b>\$ 557,574</b>



# Transit Operations Fund

- Operating Expenses and Capital Outlay projected under budget.
- Total positive budget variance: \$0.6M.
- Tax rate of 3.56 cents per \$100 (about \$10.4M) is budgeted in Transit Fund.

# Solid Waste Fund - Revenues

	<b>FY2019 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH MARCH 2019</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>				
Operating Revenues	\$ 7,728,291	\$ 5,909,971	\$ 7,933,222	\$ 204,931
Non-Operating Revenues				
Taxes	\$ 18,347,668	\$ 18,326,917	\$ 18,747,668	\$ 400,000
Investment Income	18,000	164,332	198,000	180,000
Miscellaneous	167,622	179,172	213,849	46,227
Operating Transfers from Other Funds	82,422	82,422	82,422	-
Total Non-Operating Revenues	\$ 18,615,712	\$ 18,752,843	\$ 19,241,939	\$ 626,227
<b>TOTAL REVENUES</b>	\$ 26,344,003	\$ 24,662,814	\$ 27,175,161	\$ 831,158

# Solid Waste Fund - Expenses

	<b>FY2019 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH MARCH 2019</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>EXPENDITURES</b>				
Personnel Services	\$ 7,995,103	\$ 6,357,649	\$ 8,377,129	\$ (382,026)
Operating Expenditures	12,203,923	8,728,748	12,528,916	(324,993)
Non-Departmental Administration	2,726,690	2,045,018	2,726,690	-
Capital Outlay	124,608	21,840	106,258	18,350
Debt Service Principal and Interest	3,831,134	1,129,820	3,831,134	-
Operating Transfers to Other Funds	10,568	6,750	10,568	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 26,892,026</b>	<b>\$ 18,289,825</b>	<b>\$ 27,580,695</b>	<b>\$ (688,669)</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ (548,023)</b>	<b>\$ 6,372,989</b>	<b>\$ (405,534)</b>	
<b>To/(From) Fund Balance</b>				
			Overall Budget Variance	\$ 142,489

# Solid Waste Fund

- Operating Revenues projected \$205K higher (1.4%) than budgeted.
  - Primarily due to increased Transfer Station activity; partially offset by low commodity prices for recycling.
- Personnel Services projected over budget by \$382K (4.8%), due to use of overtime and contractual personnel services.
- Operating Expenditures projected over budget by \$325K (2.7%), due to incremental costs to handle increased tonnage.
- Total positive budget variance: \$142K.

# Parking Fund - Revenues

	<b>FY2019 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH MARCH 2019</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>				
Operating Revenues	\$ 5,676,422	\$ 2,969,220	\$ 4,929,134	\$ (747,288)
Non-Operating Revenues				
Investment Income	\$ 25,000	\$ 75,779	\$ 126,818	\$ 101,818
Miscellaneous	25,000	1,415	1,500	(23,500)
Operating Transfers from Other Funds	943,176	922,101	922,101	(21,075)
Total Non-Operating Revenues	\$ 993,176	\$ 999,295	\$ 1,050,419	\$ 57,243
<b>TOTAL REVENUES</b>	\$ 6,669,598	\$ 3,968,515	\$ 5,979,553	\$ (690,045)

# Parking Fund - Expenses

	<b>FY2019 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH MARCH 2019</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>EXPENDITURES</b>				
Personnel Services	\$ 797,090	\$ 526,252	\$ 797,090	\$ -
Operating Expenditures	3,613,391	1,863,400	3,110,362	503,029
Non-Departmental Administration	404,026	303,019	404,026	-
Capital Outlay	92,619	82,487	92,619	-
Debt Service Principal and Interest	3,451,866	3,221,274	3,451,866	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,358,992</b>	<b>\$ 5,996,432</b>	<b>\$ 7,855,963</b>	<b>\$ 503,029</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ (1,689,394)</b>	<b>\$ (2,027,917)</b>	<b>\$ (1,876,410)</b>	
<b>To/(From) Fund Balance</b>				
			Overall Budget Variance	<b>\$ (187,016)</b>

# Parking Fund

- Both monthly and hourly parking are trending negatively.
  - Year end projection: \$747K below budget.
- Debt Service Fund subsidizes the existing debt portion of the fund.
- Parking Fund overall is projected to operate with a \$187K full year negative variance.

# Other Enterprise Funds

- Storm Water Fund: YTD revenues are 87% of budget and essentially flat versus last year; currently projected to have positive full year variance of \$1.0M.
- Ballpark Fund: All items projected to be above budget at year end.