Ivins City Finance

Monthly Budget Report for November

Date: *December 18, 2014*

Purpose: *Submit November 2014 Budget Summary and Printout to the Mayor and Council*

Background:

The fiscal year is 41.67% complete at the end of November. The City's revenues and expenditures are mostly in line with management's expectations. There are a couple areas of concern dealing with building permits and impact fees. These will be highlighted below in the summaries for each major fund. The overview of the budget through November 30, 2014 is as follows:

- General Fund
    - General Fund Revenues –
        - The City received its first significant property tax deposit of $88,320 during the month. It is anticipated that approximately $875,000 of tax dollars will be remitted to the City next month.
        - Building Permits are down, with only 1 permit being issued in November. This affects not only the Building Permit Revenue but also the Impact Fee Funds and the Enterprise Funds. Management believes that this is a winter slowdown in building and activity will pick up in the 3rd quarter. These revenue sources will be monitored closely.
        - The City will receive the 2nd quarter payment from Santa Clara for their share of law enforcement expenses in December.
        - Outside of the above mentioned items, General Fund Revenue is 30.49% which is meeting expectations.
    - General Fund Expenditures and Departments –
        - The City Manager and Department Heads are reviewing the budgets on a regular basis, having good communication with the Finance Director, and managing their respective department expenditures.
        - The department expenditures are consistent with the planning of the Department Heads. A few departments are slightly over budget for this time of year (+/- 2%) mainly due to the

timing of payments and some concerns with scheduling and overtime. The labor concerns are being addressed within the respective departments.

- The Recreation Department is approximately 9.6% over budget at this time. This is attributable to the timing of the payment for the Sand Hollow Aquatic Center and that this amount is over $7,000 above budget. This department will be monitored and be brought closer to budget as the year progresses. A budget adjustment may need to be made near the end of the year to account for the increase.
- Overall, The General Fund Expenditures are 38.26% which is below the budgeted amount to date.
- The General Fund shows a deficit of ($418,283) through the end of November. This trend will change at the end of the 2nd quarter in December with the receipt of property tax revenue and the SCI installment from Santa Clara.

- Impact Fee Funds

  - All Impact Fee Funds (Public Safety, Street, & Park) are being affected by the drop off in building permits being issued. All 3 funds have realized approximately 30% of their budget revenue. These funds will be monitored closely. Some of the revenues from impact fees directly affect capital projects and adjustments may need to be made if the revenues do not increase.

  - There have been no expenditures made in the Impact Fee Funds through the end of November. The only budgeted expenditures are transfers and will take place at the end of the fiscal year.

- Capital Projects Fund

  - The activities in the Capital Projects Fund are proceeding as planned. The City took delivery of the new ambulance at a cost of $133,022. The City has received a grant for $132,000 and reimbursement will occur during December. The majority of revenue for the capital projects comes from other funds. This fund will typically show a deficit until transfers are made at the end of the year.

- Enterprise Funds

  - All of the Enterprise Funds Non-Operating Items are showing the effect of the slowdown in building permits with reduced impact fee revenue.

    - Water Fund
      - Operating Items
        - Water Fund Operating Revenue is exceeding budget projects through November at 45.98%.
        - Water Fund Operating Expenses are also above budget projections at 47.85%. A large payment for water to St. George City is responsible for most of this overage. Ivins and St. George have addressed this process so that the City does not have a large payment due in the fall next year.
        - Income from Operations is $35,095.
      - Non-Operating Items

- Non-Operating Revenues are down due to the decrease in impact fee revenue foe November and impact fee refunds that were made during the 1st quarter. At this time, the Non-Operating Revenues are at 16.11% of budget.
- Non-Operating Expenses are in line with expectations and are at 6.41% of budget.
- Deficit from Non-Operating Items is ($160,326).

- Overall, the Water Fund is showing a deficit of ($125,231) for the year to date. This gap should close throughout the year. The revenues and expenses will be monitored with adjustments being made as necessary.

- Waste Water Fund
  - Sewer Fund
    - Operating Items
      - Both Operating Revenue and Expenses are in line with expectations at 38.58% and 39.68% respectively.
      - The Operating Income through this period is $35,111.
    - Non-Operating Items
      - Non-Operating Revenue is down at 14.88% due to reduced impact fees.
      - Non-Operating Expenses are as expected at 32.47%.
      - The Non-Operating Deficit is ($13,249).
    - Overall, the Sewer Fund is showing income of $21,861 for the year to date.
  - Storm Water Fund
    - Operating Items
      - Both Operating Revenue and Expenses are in line with expectations at 40.88% and 42.64% respectively.
      - The Operating Income through this period is $62,541.
    - Non-Operating Items
      - Non-Operating Revenue is down at 28.56% due to reduced impact fees.
      - Non-Operating Expenses are as expected at 25.45%.
      - The Non-Operating Deficit is ($56,288).
    - Overall, the Storm Water Fund is showing income of $6,253 for the year to date.

This is a brief summary of the budget through November 30, 2014. Attached is the budget report for your review. If you would like to discuss this or have any questions, please contact me at the office.

Respectfully,

Wally Ritchie
Director of Finance

December 18, 2014