Ivins City Finance

Monthly Budget Report for February

Date: ***March 17, 2016***

Purpose: ***Submit February 2016 Budget Summary and Printout to the Mayor and Council***

Background:

The fiscal year is 66.67% complete at the end of February. This is the middle of the third quarter of the fiscal year and the City's revenues are in line with management's expectations, while expenditures are slightly inflated due to added projects and commitments. There are a couple areas that staff will be watching and year-end adjustments will be made. These will be highlighted below in the summaries for each major fund. The overview of the budget through February 29, 2016 is as follows:

- General Fund
    - General Fund Revenues –
        - The City received has received 83.1% of budgeted tax revenue through the month. This amounts to $2,543,558. The City receives the majority of its property tax revenue during December and January.
        - Building Permits are a reflection of growth in the community. This affects not only the Building Permit Revenue but also the Impact Fee Funds and the Enterprise Funds. There were 14 permits issued in the month of February, a significant increase from January, and 64 for the fiscal year to date. The budgeted amounts reflect an anticipated 90 permits for the year.
        - General Fund Revenue is 73.1% of the budgeted year to date amount.
    - 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 monitored by the Department Heads. The following departments will need adjustments in the year-end budget to complete: Administration & General Government for travel, elections, software, and public notices; EMS for wages and overtime due to a new employee and this being the first year of breaking out overtime costs;

Building & Zoning for wages due to costs associated with an extended sick leave buyout and the new vehicle.

- Overall, the General Fund Expenditures are 66.1% which is below the budgeted amount to date.
- The General Fund shows a surplus of $391,356 through the end of February. This is typical for this time of year. The largest revenue source for the city is property tax which the majority has been received. The City will carry a diminishing surplus for the balance of the year. This surplus partially funds the ongoing operations of the city for the next 4 months.

- Impact Fee Funds

    - All Impact Fee Funds (Public Safety, Street, & Park) are affected by the number of building permits being issued. All 3 funds have realized at least 76.1% of their budgeted impact fee revenue.

- Capital Projects Fund

    - The activities in the Capital Projects Fund are proceeding as planned. The city has completed work on the 200 East Improvements, some work at the Ivins Reservoir, Tuacahn Roundabout work, Desert Rose Park work, and miscellaneous trail work through the end of February. The majority of revenue for the capital projects comes from other funds.

- Enterprise Funds

    - All of the Enterprise Funds Non-Operating Items (Impact Fees) are near the budgeted amount for the year.

        - Water Fund
            - Operating Items
                - Water Fund Operating Revenue through February at 64.8%.
                - Water Fund Operating Expenses are 65.9%.
                - Income from Operations is $104,362.
            - Non-Operating Items
                - Non-Operating Revenues include impact fees and interest earnings. The Non-Operating Revenues are at 67.3% of budget.
                - Non-Operating Expenses are in line with expectations and are at 8.5% of budget.
                - Deficit from Non-Operating Items is ($116,975).
            - Overall, the Water Fund is showing a deficit of ($12,612) for the year to date. Typically, the winter months produce less revenue due to reduced water usage. As usage increases in the spring and summer, this deficit will be reversed.

- Waste Water Fund
  - Sewer Fund
    - Operating Items
      - Both Operating Revenue and Expenses are in line with expectations at 68.6% and 61.3% respectively.
      - The Operating Income through this period is $79,035.
    - Non-Operating Items
      - Non-Operating Revenue (impact fees and interest) is 84.0% of budget.
      - Non-Operating Expenses are as expected at 52.5%.
      - The Non-Operating Income is $8,912.
    - Overall, the Sewer Fund is showing a surplus of $87,947 for the year to date.

  - Storm Water Fund
    - Operating Items
      - Both Operating Revenue and Expenses are in line with expectations at 65.9% and 67.3% respectively.
      - The Operating Income through this period is $101,582.
    - Non-Operating Items
      - Non-Operating Revenue is at 145.9% due to a NRCS reimbursement.
      - Non-Operating Expenses are as expected at 35.2%.
      - The Non-Operating Deficit is ($14,443).
    - Overall, the Storm Water Fund is showing a surplus of $87,139 for the year to date.

This is a brief summary of the budget through February 29, 2016. 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

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