
T R A N S M I T T A L

TO: Mayor Bill McMurray and City Council Members

THROUGH: J. Bruce Woody, City Manager

FROM: Tom Mahoney, Director of Administrative Services

DATE: October 6, 2018

SUBJECT: FY2018 Year End Financial Report

Attached is the FY2018 Year End Financial Report which includes a narrative summarizing the City's budget position as of June 30, 2018.

Attachment

cc: Department Directors
Administrative Services Managers
St. Joseph Web Site

FY2018 Year End Financial Report

For the Year Ending June 30, 2018

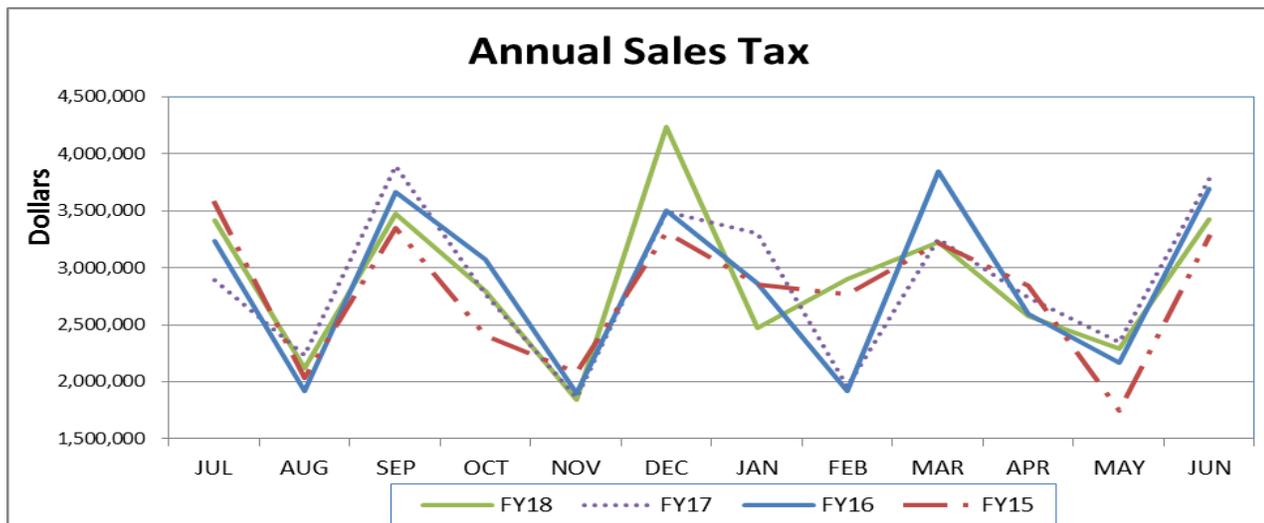
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By the end of the fourth quarter of the fiscal year, twenty-six (26) payroll periods had occurred which indicates that total expenditures for salaries and benefits should be at one-hundred percent (100%). Revenue and other expenditure items should be at approximately one-hundred percent (100%) of the FY2018 budget as well.

I. Multi-Fund Revenues

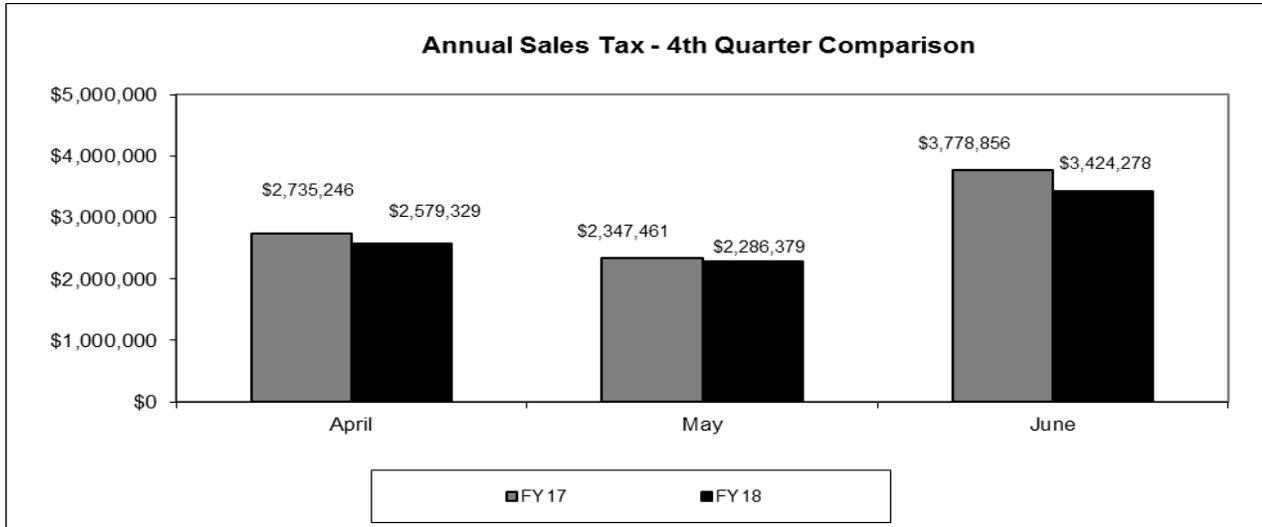
A. Sales Tax Revenues

Annual sales tax (sales tax plus City EATs) finished ahead of budget by slimmest of margins at 0.1% and showed an increase of \$245,000 when compared to totals from FY17. This includes the Public Safety tax that went into effect during the City's third quarter of FY14. Collections continue to remain flat with online shopping becoming a bigger factor each year. Totals may have only been able to meet budget with the eclipse event that took place in August. The city hosted many travelers that weekend in seek of the celestial show. Businesses would have been even more beneficial if last minute cloudy weather wouldn't have deterred several more thousands of tourists. The high mark came in December when the month equaled to \$4,200,000 which was \$1,300,000 more than the year's monthly average. The amounts below also include the General, SIMR, CIP, and Transit sales taxes along with the City's portion of the EATS generated by the various TIF and STRA development projects.



The final quarter was not a successful one in comparison to the fourth quarter of the previous year. The three months combined showed a decrease of 6.5%. Revenues are projected to remain flat once again for fiscal year 2019.

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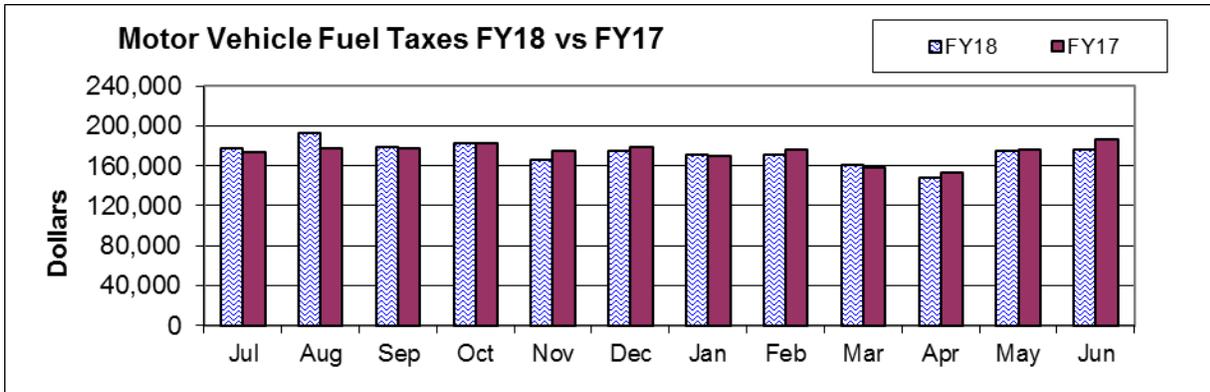
Cigarette tax revenue was a little below its target at 92%, down \$29,600 from FY17. This stream of revenue has been in decline for several years. It only briefly showed an uptick during the prior year when the State of Kansas made a significant increase to their cigarette tax. **Motor vehicle sales tax** revenues ran above target all year and ended \$34,800 more than projections and brought in 3% more than last year. Revenues were expected to dip based on changes to State Statutes for out of state vehicle tax a few years ago, but this has not been the case. One explanation could be that there does not appear to be a significant amount of individuals that purchase vehicles outside the state.

Hotel/Motel taxes were not able to recover from a down third quarter and completed the year at 86% of budget. Despite the under-performance, totals represented a 2% increase from the previous fiscal year. As mentioned previously in this report, a cloudy forecast for the eclipse in August may have prevented more business being generated by the hotels.

The **Public Safety** tax is a half-cent tax that was implemented as of January 1, 2014. The total collected by the end of the year was 2.9% above projections, a positive variance of \$185,000. This was up by an amount of \$77,600 when compared to the previous fiscal year. Revenues collected are used to provide salary increases to public safety departments, hire additional police officers, and purchase fire equipment. For the FY19 budget, the Council approved significant salary increases for the Police and Fire departments which could impact equipment purchases going forward.

Motor vehicle fuel taxes topped budget by a small 1% margin in the **Streets Maintenance Fund**. Fuel prices averaged around \$2.00 to \$2.25 per gallon for the first half of the year before steadily rising during the latter half. By the end of the year prices sat at \$2.50 to \$2.65, the highest since 2014. Revenues were 0.4% lower than this time last year, a decrease of \$9,000. According to the graph below, this year was very consistent with FY17 (averaging \$172,600 per month). If rates at the pump continue to rise in FY19, consumers could find other alternatives which would impact collections. **Road and bridge tax** was received from the County during the third quarter. Revenues for the tax came in close to projections, but about \$10,000 less than last year.

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CIP Sales Tax in the Capital Projects Fund remained in step with projections, and showed a small increase of 0.8% from one year ago. A renewal of the tax was recently approved by voters by a comfortable margin of 73%. The new five year cycle of the half-cent sales tax will begin in FY20.

Mass Transit Sales tax also met the target for the year and showed a small increase of 0.8%, an improvement of \$37,800.

B. Real and Personal Tax Revenues

Overall collections for all funds had a good year in relation to projections. Current real estate for the **General Fund - Non Departmental** received 2.0% more than budget, an increase of \$85,000 when compared to the previous fiscal year. Current personal property for General Fund – Non Departmental topped the mark by 2.8%, and showed an increase of \$23,600 from FY17. Prior real estate was down 18% when compared to one year ago. Prior personal property was 14% more the end of the prior fiscal year. In total, collections for General Fund – Non Departmental experienced a slight gain (1.2%) with an increase of \$88,500 from the prior year.

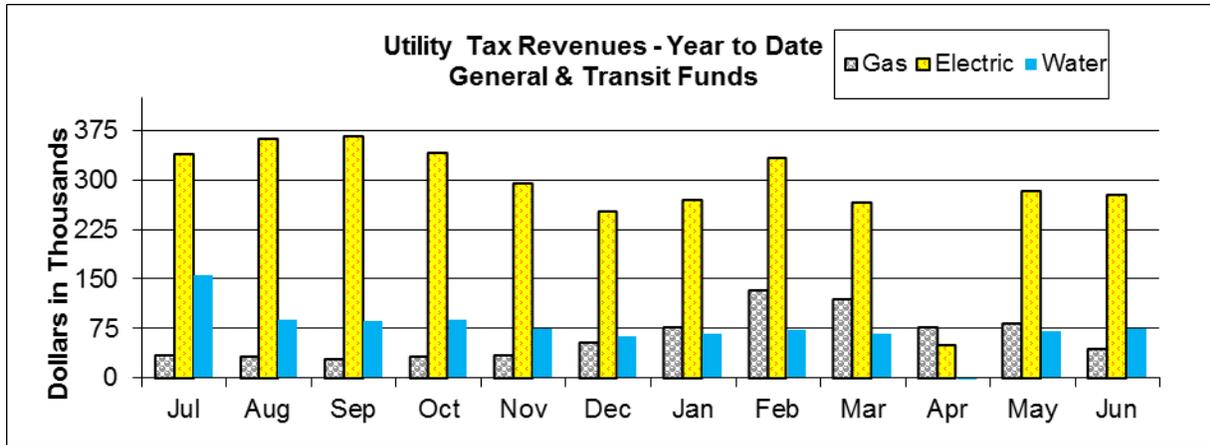
In the **Parks Department within the General Fund**, current real estate received 2.2% more than projections and generated \$29,000 more than the previous year. Current personal property for the department was collected at a total of 1.6% above budget, up \$7,800 from one year ago. The **Health Department within the General Fund** showed similar results with both current real estate (2.3%) and current personal property (1.8%) above total year projections. Current real estate for the **Parks Maintenance Fund** showed an increase of 3.1%.

C. In total, **Utility Franchise Fees** for the General fund met their budgeted goal. Gas revenues finished the year at 99% with winter lasting into April this year. This was a 19% increase compared to FY17. Missouri Gas Energy became Spire in late September and requested a rate increase which was not granted by the Public Service Commission. The company then came back in March and requested a rate decrease due to benefits of tax cuts. Electric franchise revenues collected 98% of its budget. KCP&L requested a rate increase in July to cover costs for a new billing system and electric car charging stations. The Commission should have a decision by December. The combined total of gas and electric was an increase of \$124,500 from the previous year. As shown in the graph below, the relationship between gas and electric is cyclical. In the warmer months, electric is high and gas is low. In colder months, electric decreases/gas increases.

Water revenues exceeded total year projections by \$158,300. It was an extremely dry year all around. Collections had already met budget by the end of the third quarter. Totals received equaled to a gain of 8% when compared to FY17. **Cable** utility taxes were short of the mark at 94%, and decreased by \$19,000. Market shares have trended downward since Cablevision was bought out by Suddenlink during 2011. In addition, online streaming is gaining more and more popularity with the average consumer. **Telephone** revenues ended the year well short of budget at 85%, down \$42,000 from a year ago. Revenues had been very close to projections for the first half of the year, but then

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dropped significantly in the third and fourth quarters. Cell phone revenues exceeded expectations by 9%, but declined by \$291,500 in comparison to one year ago. Numbers for cell phone have been on a steady decline for a few years now due to continued exemptions by federal and state laws. After the FY17 budget was decreased by 33% (\$1,500,000 to \$1,000,000), the FY18 budget was decreased by an additional 10%.



II. Fund Specific Revenues

A. Other Major Revenue Sources

Municipal Court fine revenues struggled mightily at 64%, and showed a major decrease of \$162,600 when compared to the previous year. Revenues have been in a significant downward trend for a few years now. The main reason for the struggle is lack of filed violations. Total violations filed by departments were down 21% from the year before. Most of the decline was attributed to Police which had 23% fewer violations filed (a decrease of 3,172). The traffic unit in the Police department experienced a shortage of two positions for most of the year. Code Enforcement also had a significant drop of 26%. Only Animal Control showed a positive swing with a slight increase of 1%. A total of 3,343 fewer violations had been filed when compared to end of the prior year. **Cash bond forfeitures** were in decline as well at 72% of total budget collected. This represented a dip of \$14,000 in comparison to the previous fiscal year.

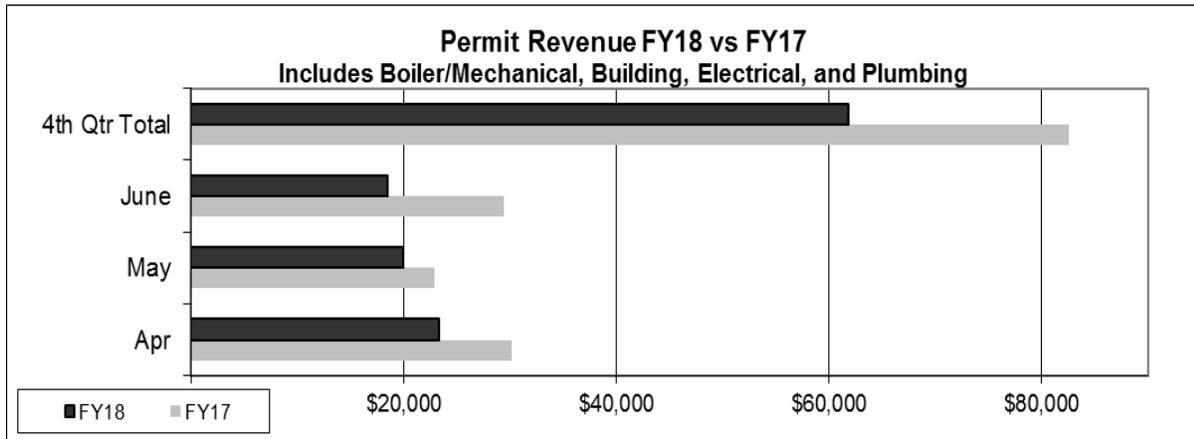
DWI enforcement in the Patrols Operations program didn't collect even half of what was projected at 36%. This is directly related to State legislation creating a max fine of \$250.00 during FY16. Revenues showed a decrease of \$2,300 compared to FY17. This source of revenue has been in free fall as what used to average collections of \$25,000 to \$30,000 now only generates \$10,000 at best. **State DWI enforcement** was under projections at 76%, but up 13% from the previous year. **Police processing fees** took a major hit as of August, 2015 when State legislation abolished all warrant processing fees in response to the incident in Ferguson, Missouri. Only a total of \$3,400 was collected during the year. Prior to the legislation, the revenue generated by this source averaged \$110,000 annually.

Server licenses, in the Support Services program, completed the year just under the mark at 96%. This was only within a few hundred dollars of what was received in FY17. The server license is a three-year license which means fluctuations will occur from year to year.

Construction and project development appeared to be down in the city this year. **Building Development permits** were on the decline and well under budget at 73%. Although weather was ideal, total revenues for the final quarter struggled with \$20,700 less collected than the same quarter of the prior year (as indicated by the graph below). **Building permits** were under target at 63% of

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the budget collected, and decreased by \$48,900 when compared to one year ago. **Boiler/Mechanical permits** were also below projections (73%), and dropped \$11,400 from the previous year. **Electrical permits** were the only category to meet budget, topping projections by 3%. This was a slight jump of \$1,700 from a year ago. **Plumbing permits** were under the mark as well at 83%, and showed a sizeable decline of \$10,100 compared to the prior year. Hopefully projects and construction will increase in FY19 and revenues will bounce back.



Of the other development related fees and permits – **Sidewalk/Street permits** were short of target at 64% and were down \$2,000 from FY17. **Land Disturbance permits** collected over \$10,000 which was 34% above projections. **Plan Review fees** met budget, but dropped by 30% when compared to the previous year. **Trade Licenses** equaled projections and showed a slight decline of 3% from the year before.

Garage sale permits have been in decline for quite some time and this year was no different. Collections finished the year at 77% and were 11% lower than the previous year. For several consecutive years now, Council has approved a four-day free garage sale weekend in August where the permit fee was waived. It is also possible that a contributor could be that citizens are ignoring City code by not purchasing a permit when conducting a garage sale. **Business Licenses** and **Liquor Licenses** were billed in May and due June 30th. Business licenses experienced a high rate of delinquency and missed the target at 86%, \$136,000 under budget. At the time of this report, a majority of the outstanding balance had been received after July 1st. Liquor licenses fared much better with 96% collected by the end of the year, but still showed a reduction of \$8,100 when compared to FY17.

Weed/Trash Abatements and **Administrative Code Penalties** in the Property Maintenance program were both successful in meeting budget. The two combined increased by 13% over the prior year. This was somewhat of a surprise assuming that the drier conditions would lead to less growth.

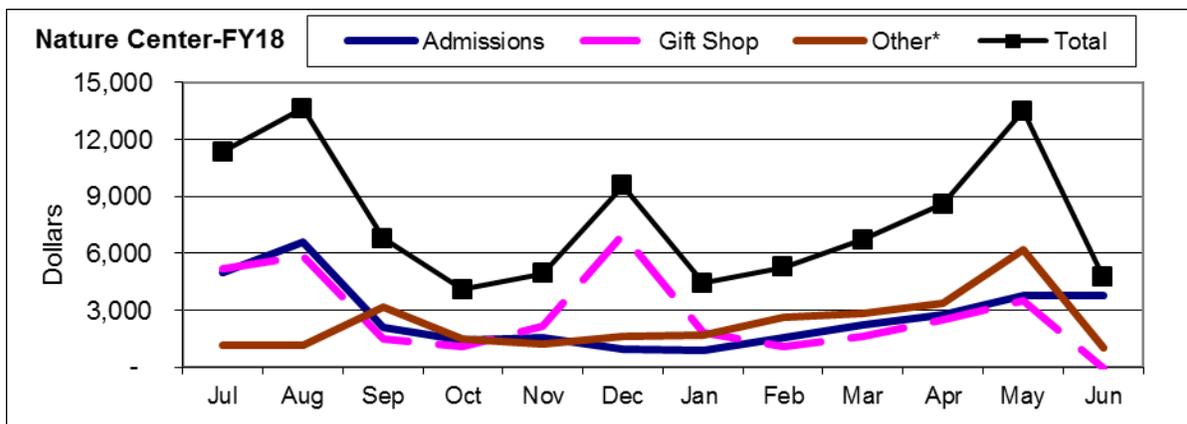
The **Parks, Recreation & Civic Facilities** department had a much better outcome this year by meeting budgeted projections and surpassing them by 2.2%. Thanks to some strong showings by a few programs and some significant donations, the department improved by \$37,800 from the previous year.

- **Softball/Baseball** league fees for both summer and fall continue to struggle leading the program to a collection rate of 78%. The two sessions were under budget by a combined total of \$23,100. Revenues for league fees have been in decline for a number of years. Council

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recently passed an ordinance to increase league fees for both slow-pitch and fast pitch which will go into effect in FY19. Rental revenue for the complex did very well collecting \$13,400 more than projections.

- With hot temperature and lack of rain, **Swimming** had a satisfactory year and finished well ahead of budget. Projections for FY18 were significantly reduced by 50%. With the decrease, receipts finished \$40,400 above budget. Daily fees for the Aquatic Park topped the target by \$31,000 and improved on the previous year by 7%.
- Total revenues for the **Nature Center** steadily picked back up during the quarter and the program was in great shape at 90%. This was a small decrease of \$1,400 in comparison to this time in FY17. The total does not include a \$60,000 donation received in November from Friends of the Park. Admissions were under target at 64%, and had experienced an decrease of 6% from one year ago. As indicated by the graph below, Gift shop revenues flourished in December and more than doubled the average monthly collection of the first five months. The shop has been a popular source for holiday gifts the last two years. The shop had generated \$3,100 more than this time last year. Rental of the meeting room was close to expectations at 72%, and decreased by \$1,900 compared to the same time the previous year. Educational programs for the Nature Center were flat from the year before and met budget for the year with still three months remaining. The Center has held its own through the slow season of winter and now should be primed to have a strong finish to FY18.



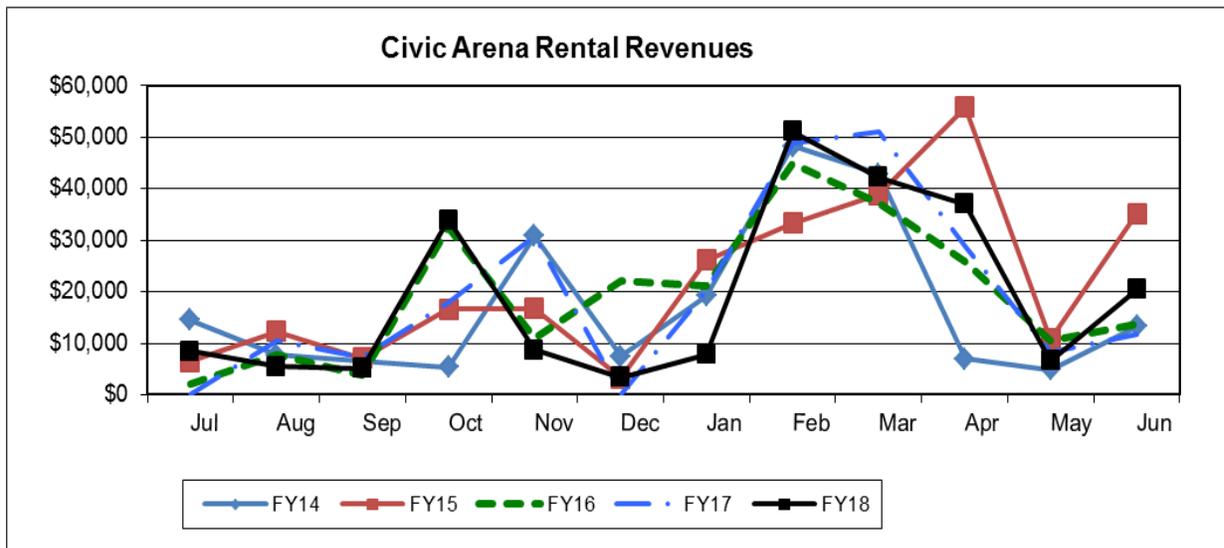
*Other includes Memberships, Program Income, and Meeting Room Rent

- Overall, the **Senior Center** was meeting projections, and showed an increase of 13% in comparison to the same time the previous year. Recreation fees were just under target at 67%, and had decreased by 6% from a year ago. Cafeteria fees were just below budget at 72%, and down 10% from this time last year. Construction of the new parking garage located at 8th & Felix may have created a deterrent for customers of the center. Work on the project has continued since the fall of 2016. The garage was completed in January so revenues should pick back up if this was indeed a factor. Donations that had been received improved by 53% when compared to the same timeframe of FY17. Memberships had been collected at 85% of the budget to date.
- Revenues for the **REC Center** were just above the mark at 76%. A majority of the program's success came from volleyball/youth basketball that had collected 77% of budget by the end of the quarter. This was an increase of \$35,000 when compared to the same timeframe as last year. New leagues have been added this year with the addition of the outdoor pickle ball courts. Memberships had made a turnaround and were up 14% (\$7,300) compared to the prior year. Individual day passes also saw a s during the quarter and were at 82%, and totals collected were very close to the prior year. Fitness classes collected 94% of the budget by

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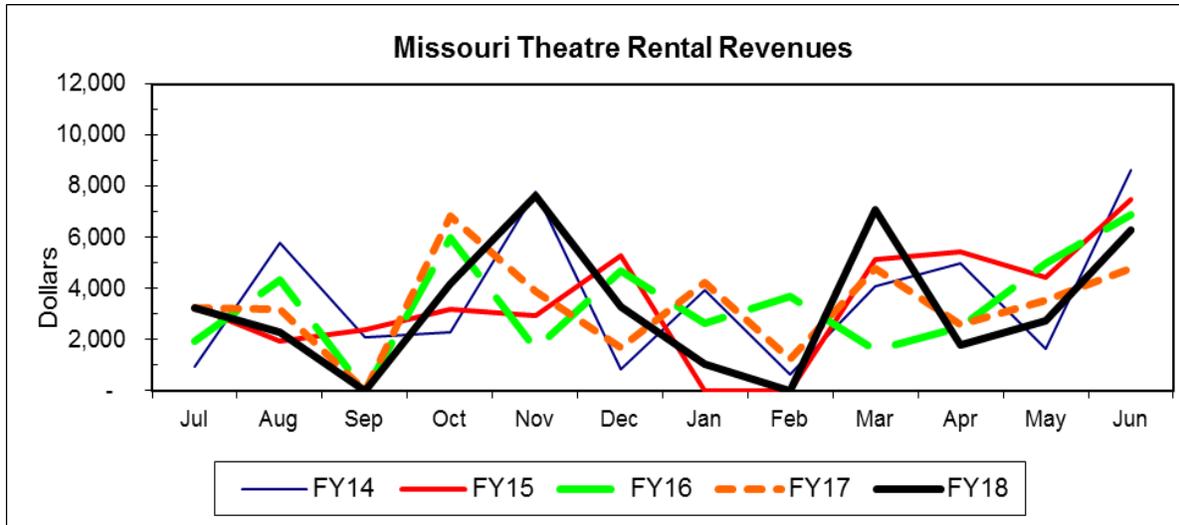
quarter's end. Concessions were close to projections at 74%, but showed a decline of \$5,000. This stream of revenue, normally a bright spot for the program, has been in decline for most of the year. With a positive swing this quarter, it remains to be seen if this is the beginning of a positive trend or only the by-product of New Year's resolutions and the Pound Plunge program. Overall, the program has improved by 22% compared to the prior year.

- All positive news continues at the **Bode Complex**. A busy third quarter had the facility surpassing total year budgeted projections by \$19,500. In fact, all main facets of the program had reached their budgeted targets for the year. Ice rink admissions were up 8% from this time in FY17. In the last few years, the arena has become a popular spot for birthday parties and other events which have greatly helped admissions. Skating lessons showed a significant increase of 17% compared to the prior year. General ice rental was 24% above total budget, and revenues were up \$4,500 from one year ago. Ice rental for hockey had also met budget at the end of the quarter and had collected nearly equal to the same time frame of the previous year. The complex was \$17,500 ahead of pace compared to March year-to-date of FY17.
- The Civic Arena had a productive quarter and played catch up from a very slow first six months of the year. Rental for the arena was at 66% of the projected budget. Revenues were much improved collecting \$21,300 more than the first two quarters combined. Despite the good quarter, revenues were still 20% behind the pace of FY17. As noted by the next graph, the third quarter of the fiscal year is typically the strongest for the arena. Equipment rental was on track, but down \$17,700 compared to the same time in FY17. Special promotions were \$5,800 above total budget for the year. Concessions for the arena registered at 86% of its budget, but showed an improvement of \$14,400 compared to one year ago. Many events were held at the arena during the third quarter, and many more are needed for the fourth quarter. Unfortunately, history shows that the fourth quarter is not traditionally a strong one.



- A strong March had the **Missouri Theatre** on pace with projections at 73% with not much change from the previous year. Much like the Civic Arena, revenues are usually stronger after the first quarter. More shows and events are scheduled for the fourth quarter. The program has a decent chance to match budget. The following graph shows a comparison between the five most recent fiscal years. Office rental was in line with budget.

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Health department revenues in all programs were on track, and up 8% from the same period of the previous year. **Birth & Death certificates** were in good condition at 91% of budget, and increased by \$8,800 from a year ago. This revenue stream can be highly unpredictable from year to year. **Animal Control** collections were on target with budget, and were up \$12,200 when compared to the same time in FY17. A majority of the pet licenses are renewed in April and May.

B. Special Revenue & Enterprise Funds

The **Gaming Initiatives** fund fell short of projections at 66%. These totals equaled to a decrease of \$11,700 when compared to the same timeframe of FY17. State admissions were the culprit with the lower revenues, collecting 16% less than budget. State gaming met the target and actually showed a small increase of \$6,800 compared to this time last year.

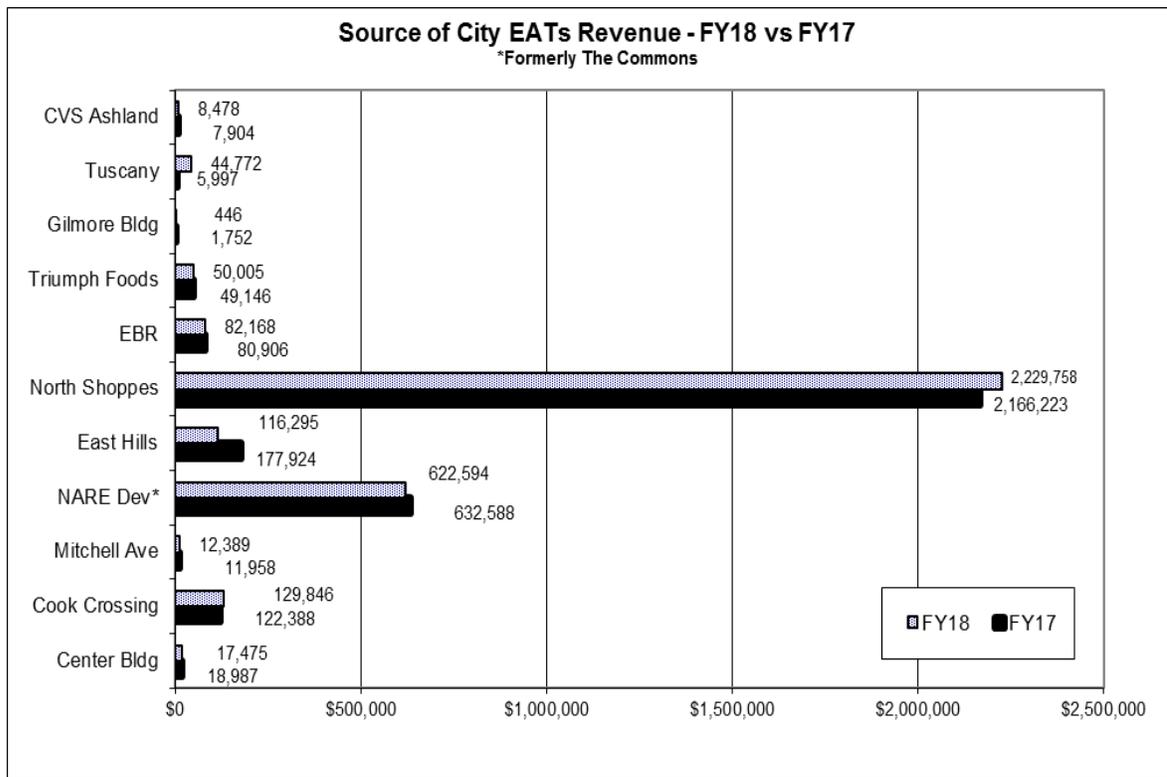
In the **Special Allocations** fund, **PILOTs (property tax)** revenues were billed by the Buchanan County Collector in November, 2017. All funds have been received for the year. In total, PILOTs for the fund finished 3% ahead of projections and showed a minimal increase of 0.7% when compared to the previous year. **EATs (sales tax)** revenues for most of the developments were close to their respective targets.

- City EATS for the **North Shoppes** were above budget by 4.7%, and showed an increase of 6% (\$96,000 more) when compared to last year at this time. A new spa (ISpa Nail Lounge) opened for business during the third quarter. Numbers are improving in spite of the fact that a few significant businesses have closed within the last few years (Bob Evan's, Famous Dave's, Pier One Imports, and Payless Shoe Stores). The developer is working to get these pads filled.
- **EBR TIF** City EATS were under budget at 59%, and were down \$7,500 when compared to totals of one year ago. The development has rarely been under projections since it began generating revenue. Plans were recently announced for an 18-hole miniature golf course to be constructed at the west end of the development. It is currently in the construction phase and the goal for completion is this summer.
- Revenues for the **North American R.E.** development (formerly known as the Commons) were just under projections at 72%, but showed a jump of 8% when compared to this time during the prior year. The Human Bean and El Maguey are the most recent additions to the development.

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- The **East Hills TIF** had yet to reach its base by the end of the third quarter. The CID sales tax received is down 11% from the same time last year. Vanity, Charlotte Russe, and Lids all closed during the quarter. The mall lost a significant tenant with Charming Charlie leaving in December. The developer is still in search of an anchor tenant to replace Sears which vacated spring of 2017. The mall recently started construction on a new area called “The River” which will feature several pop-up retail spaces along with a full-time coffee shop.
- City EATS for the **Center Building** were above budget, but down from a year ago. Revenues were collected at 91% of budget by the end of March. This was a decrease of \$1,600 when compared to one year ago. This could be contributed to the inconvenience of new construction taking place downtown. Once these projects are complete revenues for the TIF should improve even further.
- The **Cook Crossing** development is close to target at 74% of budget. This represented an increase of \$6,300 (8%) when compared to the same timeframe of FY17.
- The **Tuscany Village** development began generating revenues early in calendar 2017. This fiscal year \$26,000 in City EATs have been collected, 4% above total year projections. To date, the district consists of a Speedy’s gas station, Subway, Fairfield Inn hotel, and an urgent care center. More businesses are in the plans for the area.

The following graph illustrates the source of EATs for the third quarter in comparison with FY17.

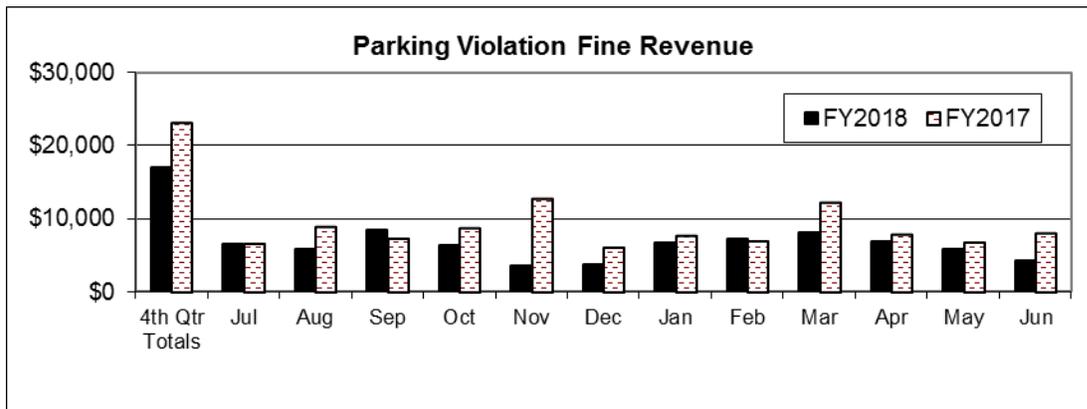


Aviation revenues were in good shape above budget. Hangar rent was well above the quarterly mark at 84%. The taxiway project was completed in the fall which eliminated inconveniences that the construction had presented to tenants the past year. Sales of gas and oil had decreased by 6% in comparison to the same time in FY17, but had topped total revenue projections by 4% with still one quarter to go. All other lease and rentals were up to par with budget. The program saw an additional one-time revenue of \$136,900 for rental spots for the eclipse earlier this year.

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The **Public Parking** fund was on track with budget. The influx of Mosaic employees and customers were making a definite impact. Collections of the garage at 5th & Felix were very strong \$5,500 above projections. This was an increase of \$10,500 when compared to this time last year. Revenues for 6th & Jules were positive with 80% collected for March year to date. As part of the German American Building TIF project, the garage at 8th & Felix was demolished during the fall of 2016. In its place, a multi-purpose garage was completed in January with the potential of a grocery store or other retail to be added later. This project among others in the downtown area should provide a significant boost to the revitalization of downtown and ultimately bring in more revenue for all other lots and garages as well.

Parking violation fine revenues were well under budget at 52%, down \$21,800 from a year ago. As illustrated by the following graph, third quarter totals were cut in half in comparison to collections from the third quarter of the previous year. The Parking Staff which had been down a parking control technician since the spring was able to finally fill the position by the end of the quarter. Tickets issued by the Parking Staff decreased by 43% when compared to the same period in FY17. Police-issued tickets show a drop as well (down 33% from one year ago). In total, over 2,100 fewer tickets had been written during to date for all departments. Hopefully the addition of the technician will increase enforcement of the garages and streets going forward.

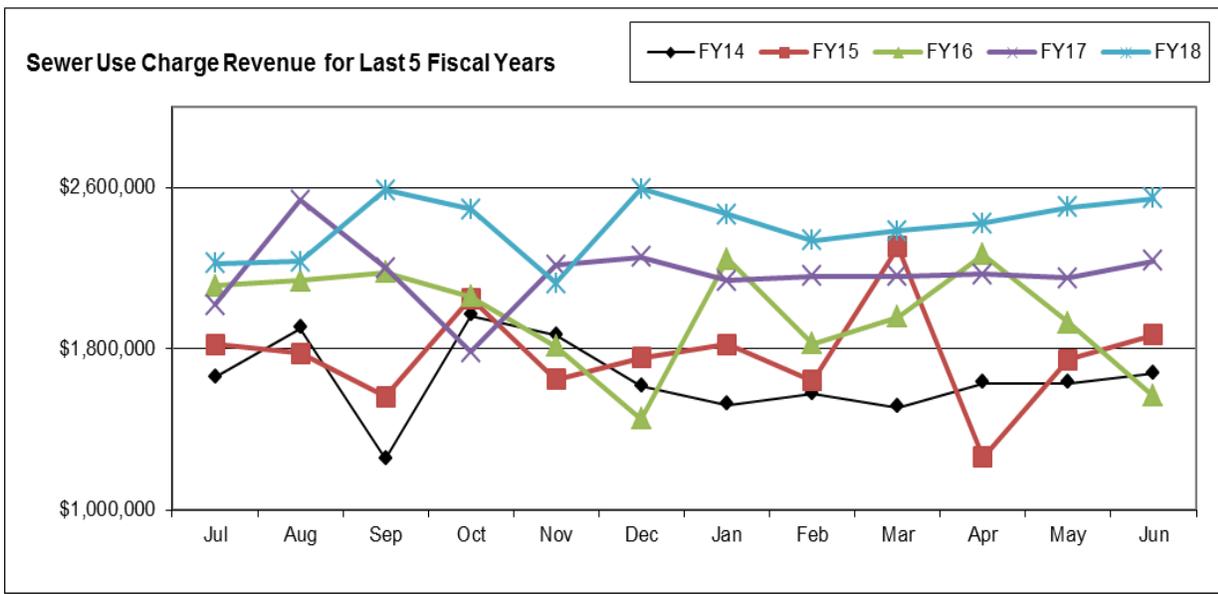


The Water Protection fund was ahead of projections by 3.4%. A rate increase of 11% in July had sewer service charges up 10% from this time the previous year. According to the graph below, monthly sewer use charges have averaged just above \$2,382,000 this fiscal year. In comparison, the first nine months of FY17 received a monthly average of \$2,162,000. A more aggressive collection policy was implemented at the beginning of FY16. The collection policy includes that all customers that are 60 days or greater past due will receive a termination notice. Those customers are given the option to pay the past due amount within 30 days or enter into a payment plan. Failing to do so, they risk termination of water services. Staff also increased the volume of termination notices sent out to past due customers. On average, 1,270 notices have been sent out each month during FY18. Staff has worked diligently to collect on overdue accounts reducing bad debt to 3.7%. To date, over 1,700 customers were disconnected this fiscal year. In most of these instances, the customer made the proper payment/arrangement to have services restored. As of the end of March, 246 customers were actively on some form of payment plan.

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The South St. Joseph Sewer District was below budget by \$137,700, and 2% below totals for this time the previous year. The district added a couple of new businesses to their collection system last year including Daily Premium Meats and Protein Inc. Sewer system development fees were on track, but down \$4,000 when compared to the same time in FY17. Sewer service penalties were comfortably above quarterly projections at 95%, up \$43,700 from a year ago. The fund, in total, had generated over \$1,649,000 more than this time last year.

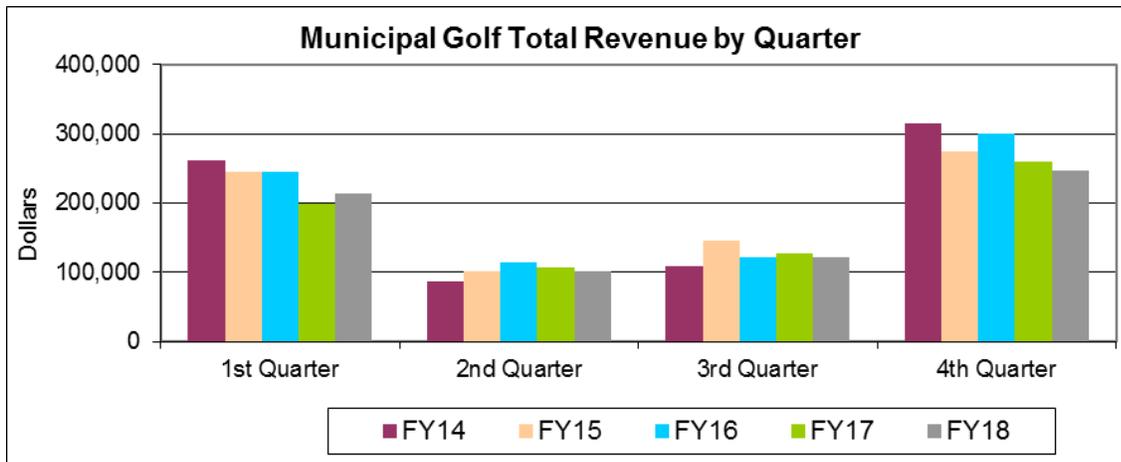
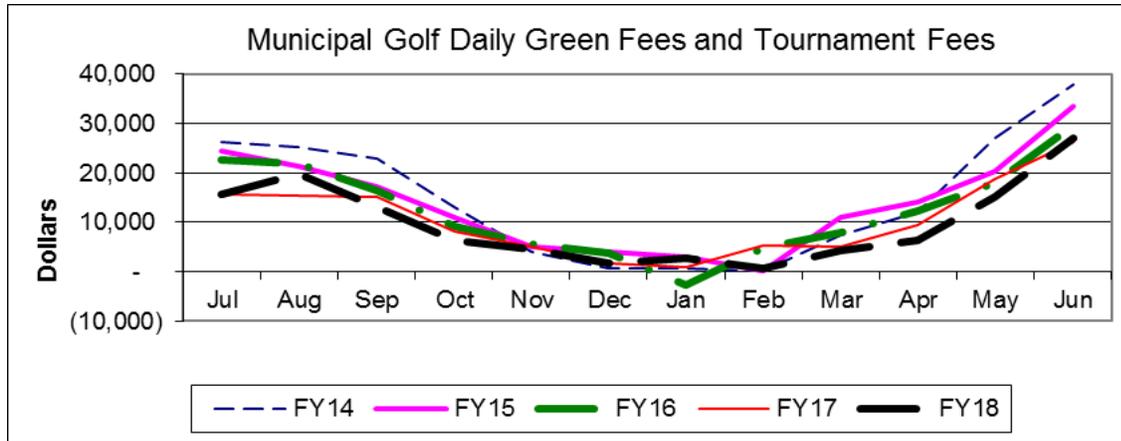
The 11% rate increase that was passed by City Council largely covers the continuing costs of restructuring the sewer system in order to be in compliance with federal regulations. It was recently concluded that there would be no rate increase for FY19. This can be contributed to staff's hard work to eliminate the bad debt and also the small amount of projects planned for the upcoming year in relation to the combined sewer overflow system.



Revenues for the **Municipal Golf** fund continued its downward trend. In comparison to the previous year, revenues received had dropped by 7%. This equaled to a decline of \$32,200 from a year ago. The cold and odd snow events in March resulted in the lowest collection for third quarter green fees in the last nine years. One highlight of the fund was the meeting/banquet room rental that received 86% of budget. Green fees were at 60% by the end of the quarter and tournament fees were well behind at 37%. Indicated by the graph below, thanks to a strong start to the year, green fees were still \$3,400 above totals at this time last year. The pro shop was at 66% with an increase of \$5,900 from a year ago. Concessions have been strong in past, but have tailed off a bit recently, showing a decline of 3% compared to FY17. Annual fees were also down (16%) from last year. The golf simulator, in its third year, has not fared any better. Simulator-related revenues combined to collect \$2,200 less than this time the previous year.

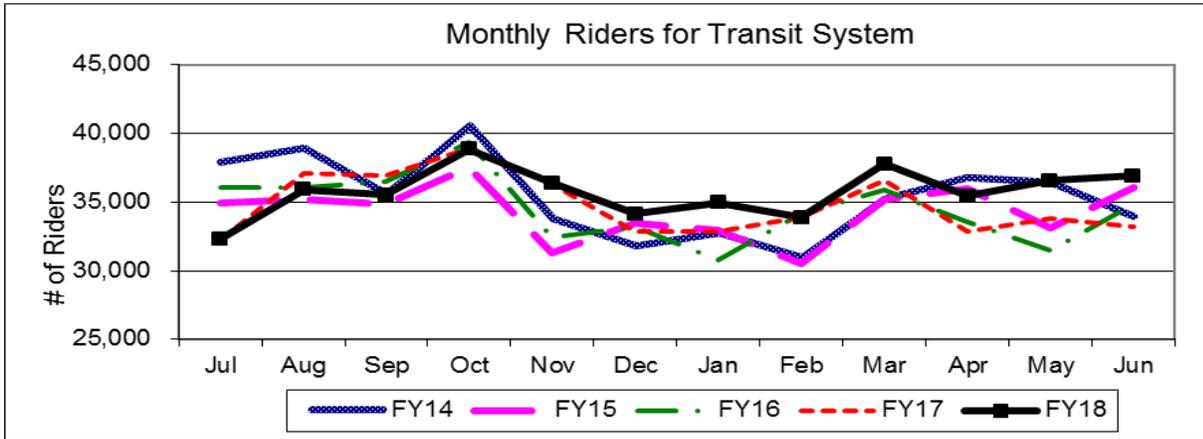
An underlying factor for the slumping revenues could be the game is fading in popularity. Certain sporting goods businesses have dramatically reduced their golf inventory or completely removed it altogether. Over 800 golf courses across the United States in the past decade have closed. In addition there are now more local options for golfers in St. Joseph. In the past year, change of management at two golf courses has resulted in conversions from private to public courses.

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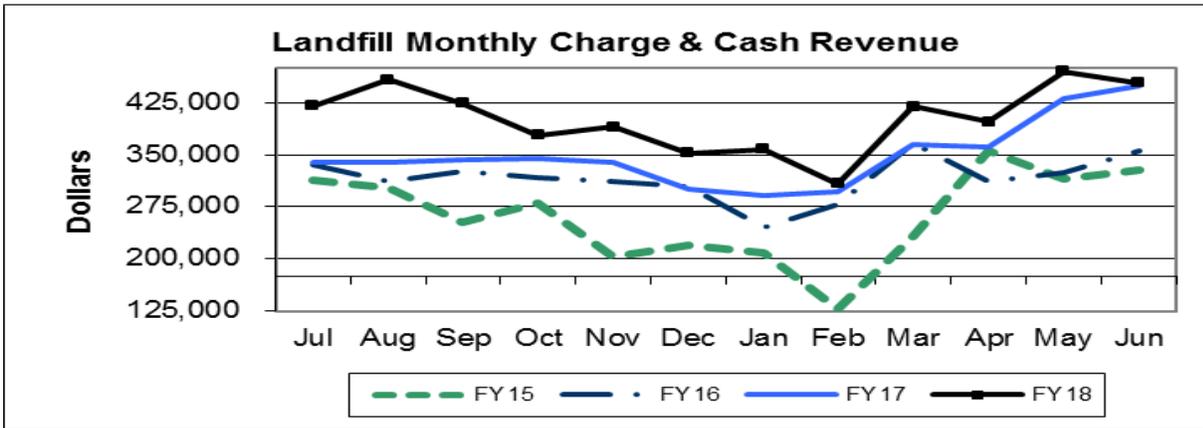


The **Transit** fund did well collecting 80% of projections. However, the total equaled a decrease of \$9,100 when compared to the same timeframe of the previous year. According to the following graph, ridership is up slightly by the smallest of margins at 0.6% from this time in FY17. Daily fare box revenues were just under budget at 73%, and dipped \$8,300 from this time last year. A contributing factor could be the price of fuel remaining low and affordable throughout the end of the quarter. Adult ticket sales were the main driver of the fund being above total year projections by \$9,000, an increase of \$6,400 from the same time during the previous year. Youth tickets sales had collected 85% of the projected budget. Senior/Handicap ticket sales were also above the mark at 80%, and increased by \$1,100 from this time in FY17. Advertising fell off pace at only 50% of budget collected. This represented a decrease of 50% as by this time last fiscal year 100% of projections had been collected. Commissions for tickets sales were behind at 58%.

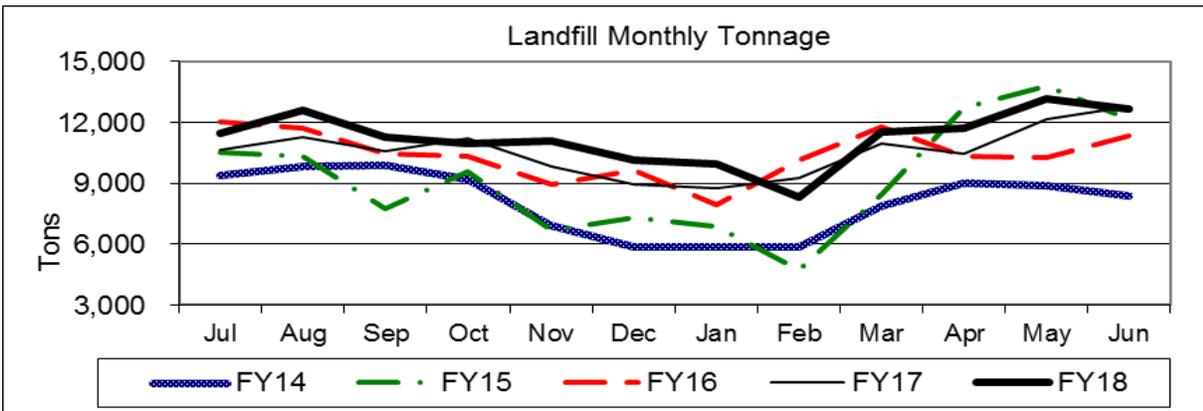
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The **Landfill** fund continued to have positive numbers and topped total year projections by 3.6% (\$120,000) with a quarter remaining. **Daily revenue** had increased by 18% when compared to this time the prior year, and \$550,400 above projections. Revenues have trended upward since the \$4.00 per ton tipping fee increase was implemented in October, 2013 (FY14). In addition Deffenbaugh trash services have increased their frequency of use of the City landfill. Indicated by the graph below, revenues collected on a monthly basis this fiscal year have averaged \$60,900 more compared to the first nine months of the prior year.



Indicated by the graph below, tonnage was a little more than the pace of the previous year (up 6% from this time in FY17).



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Recycling revenues were in excellent shape as both sites have surpassed total year projections. Gas to energy sales slipped at 63% of budget and showed a decrease of \$19,200 compared to one year ago.

II. Fund Expenditures

Unless there is anything of significance to note at this point in the fiscal year, the only information provided is the overall status of the operating funds as of the end of the third quarter. This should be roughly 75% expended.

General Fund

By the end of December, **Legal** had exhausted its budget for professional services. Expenses totaled \$25,000 for outside legal counsel. This equaled the total expense at this point last year. Even with no expenses booked during the third quarter, **Building Development** doubled its total periodical/book budget for the year (an excess of \$1,100). Compared to this time during FY17 the expense had increased by \$1,500. The program also utilized 16% more than of its allowed \$3,500 maintenance & repair of motor vehicle due to issues earlier in the year with power steering and the ignition system. Maintenance & repair of motor vehicles was a costly one for **Property Maintenance** as well. The program sat at 88% of its budget after a \$3,300 transmission repair in March. This was an increase of \$2,000 when compared to this time last year. The budget for professional services in **Customer Assistance** was above total year projections by 12%. Fees for collections and credit card merchants were up \$13,100 from the previous year. Salaries for **Administration & Budget** were above budget at 80% in part to the new position of the revenue accountant that started in October. The program also experienced a significant overage with professional services, \$8,700 over total budget, with expenses related to the transition of the Administration Services Director in November and the Open Gov software program. This was an increase of \$11,200 when compared to the same time in FY17. The two line items had the program at a deficit of \$18,400 over the total budget. Although costs have slowed down during the most recent quarter, this program must be watched closely during the final months of the fiscal year or it may be in need of coverage from within the Administrative Services Department. **Accounting** saw a spike in professional services (92%) with fees associated with the annual audit. No other expenses are anticipated for the remainder of the year. **GIS Development** ended the quarter at 81% of total budgeted expenses. This was caused by annual maintenance and software fees and should level out during the fourth quarter. Minor equipment for **Human Resources** was well over its total budget (by \$5,500) with the new desks, but there was plenty of savings within salaries to cover the expense. The purchase of a used genie lift for Building Maintenance exceeded its minor equipment budget by \$1,700. Despite the overage the program was \$25,400 under projections.

Overtime expenses for **Patrol Operations** was at 87% of budget, and had increased by \$30,800 when compared to this time last year. There were savings in salaries/wages to cancel out the overage. The **Detective Division** had used 88% of its overtime expense budget. The cost was \$3,400 more than what was booked at this time in FY17. The program also experienced a slight quarter overage of 2% in salaries, which equaled to a variance of \$34,500. Part-time & temporary wages were at 96% for **Support Services**, only \$1,000 short of total projections. This was a 39% increase when compared to one year ago. **Police Training** had an increase of \$4,600 with its conference/training/travel expenses and had used the total year budget for FY18. Fuel savings within the department could alleviate the deficits.

Fire Suppression was above projections in both overtime and FLSA overtime by a combined total of \$98,000. This represented a rise in costs of 17% when compared to the same timeframe as FY17. The increase is mostly due to the short staffing caused by several retirements this year. The gap in salaries can cover these extra expenses. Fire EMT Allowance was just a couple thousand short of reaching total year budget. The amount of this expense was nearly identical to this time last year.

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Safety equipment/clothing had exceeded total budget by \$4,400. Overtime for **Fire Prevention** saw a climb of 61% compared to one year ago. **Fire Maintenance** used 82% of its budget for maintenance & repair of motor vehicle. **Fire Administration** was \$2,000 over total budget on water services. Despite the deficits, all programs within the department were in range of budget.

Overtime for Traffic Personnel had surpassed yearly projections by nearly \$2,000. This was a 35% increase when compared to the same time the previous year. Salaries for **Public Works Administration** were at 79%, \$16,500 above budget. Changes in director and assistant director resulted in an 11% increase from the same time in FY17. The abundance of projects led **Engineering** to \$30,600 more costs for professional services (93% of budget). Most of these expenses were attributed to the energy efficiency study being conducted by an outside firm. Expenses for M&R of motor vehicle jumped \$4,600 due to several repairs to the GMC Sonoma. **Street Maintenance Administration** showed a significant overage of \$19,000 in professional services. Fees from MOPERM totaling \$20,000 were booked with only a budget of \$1,000. At this time last year only a total of \$2,000 had been expensed. A further look may be required for these expenditures. Other materials & supplies had exceeded total budget by 6%. A majority of the funds were used for employee appreciation week in October so not much else is expected going forward. Also over projections was M&R of building and facility due to thermostat and electrical work at the Floyd Building. The department was well within budget and could cancel any existing overages.

In the **Health** department, **Clinic Services** utilized 76% of their total budget for the year. This was due to a \$531,000 contribution made to the Social Welfare Board. These payments were made up front in the first quarter of the fiscal year. It will take most of the year for the program's expense budget to level out. Professional services showed an increase of 33% when compared to one year ago and had maxed out its budget by \$1,600. M&R of machinery and equipment for **Animal Control** topped projections by 7% with an HVAC replacement cost of \$4,300.

As **Swimming** will resume in the fourth quarter, it should be noted that overtime for the program was 29% beyond total year projections and was up \$5,200 from last year. Thankfully, part-time wages were well under budget and could cover the deficit. The **Nature Center** showed a \$1,900 overage in professional services mainly due to internet and credit card fees. M&R of building & facilities was at 94% of projections for \$56,000 in renovations and painting. With the improvements the program, in total, was above budget at 80%, which should level off during the final quarter. The **Senior Center** had more than tripled its budget for M&R of building & facilities due repair work on the building's heating/cooling system. Even with the extra work required, this was \$5,200 less than what was expensed at this time last year. The **Bode Complex** showed an increase of 30% in part-time/temporary wages when compared to the prior year. Electric services sat at 91%, nearly equal to this time last year. The program was over budget at 80% due to new carpeting and upgrades to the chiller system. These were planned projects and expenses should come down going forward. Overtime for **Parks Maintenance Personnel** had increased by \$10,200 when compared to one year ago. Although little expense was booked during the third quarter, the line item remained over total budget by 14%. The **Civic Arena** was just shy of total year projections (98%) on major replacement and repair due to work on the cooling system. Gas services were well above total budget by \$7,900. This was an increase of 78% compared to third quarter year to date of FY17. Total expenditures for the Parks department in the General fund were well within their budget.

Amount of General Fund operating budget expended at year-to-date: 64.9%

Street Maintenance Fund

M&R of building and facility for **Street Maintenance** was above its total year budget by \$5,000 due to excavating and public repairs. The object had experienced a significant increase of \$94,800 when compared to this time during the previous year. Traffic had more than doubled its minor equipment budget with a variety of purchases. Funds spent on the line item equaled to an increase of \$7,400

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from one year ago. Employment services were above projections at 84%. The fund, in total, was comfortably below budget and could cancel out all overages.

Amount of Streets Maintenance operating budget expended at year-to-date: 52.1%

Parks Maintenance Fund

Minor equipment was at 85% of the budget due to a purchase of a mower in August. Expenses were close to equal when compared to this time in FY17. Traffic & lighting supplies were above projections at 96% with a majority dedicated to the lighting of the holiday parks. However this was a drop in costs of \$1,800 from a year ago. M&R of building and facility were also above third quarter projections at 87%. There were a wide variety of charges with some of the larger ones being concrete and lumber. The low price of motor fuel and utilities resulted in significant savings for the program that can be used to cover the deficits.

Amount of Parks Maintenance operating budget expended at year-to-date: 58.3%

CDBG Fund

There are no significant issues for the fund to date. Without the encumbrances, the total percent of expenses used is 46.9%.

Amount of CDBG operating budget expended at year-to-date: 52.8% (with \$308,100 encumbered for special contributions and other services)

Aviation Fund

The fund endured a couple overages, but still in good shape. Street maintenance supplies were at 92% with \$4,000 in charges related to de-icing. Major repairs and replacement was \$2,500 over total budget due to an inspection and bucket repair by Altec.

Amount of Aviation operating budget expended at year-to-date: 60.9%

Parking Fund

Due to a staffing shortage, overtime had topped total budget by 6%, but ample savings reside within the fund with utilities and maintenance and repair.

Amount of Public-Parking operating budget expended at year-to-date: 61.8%

Water Protection Fund

The budget for **Water Protection Utility Support Service** ended the quarter at 77%, but a bulk of the expenses was fees for annual maintenance and lease agreements. Professional services for the program were over total budget by \$10,100 for bank, credit card, merchant, collection fees, etc. Despite being over budget, this was a 26% decrease when compared to a year ago. Overtime for **Water Protection** was \$34,100 above total budget for the year, an increase of 52% when compared to the same timeframe of the previous year. Safety equipment/clothing more than doubled its budget and costs rose by \$19,200 when compared to the prior fiscal year. Minor equipment exceeded its budget by 60%, and significantly increased by \$91,700 when compared to this time in FY17. The program also dealt with overages in employment services which showed an increase of \$27,700 from the prior year. Water services also were above projections by \$11,300. The budget for vehicle and equipment rental was doubled and exceeded projections by \$31,900. The main contributor to the overages was rentals for cranes and pumps. Missouri DNR fees were also maxed out and above budget by \$37,700. Overtime for **Laboratory** exceeded total year projections for FY18 by \$10,500. This was increase of \$10,600 when compared to the same period in FY17. Minor equipment experienced a deficit with expenses over budget totaling \$9,800. Overtime was also an issue for **Sewer Maintenance** (83%), up \$11,800 from last year. Judgment and claims were being utilized at a

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high rate at 90% of the budget. The fund had unused budget in the outside services category that could be used to cancel out the current deficits.

Amount of Sewer operating budget expended at year-to-date: 58.2% (with \$1,390,000 encumbered)

Golf Fund

Recreation supplies ended the quarter only \$1,200 short of total budget with expenses for fungicides and fertilizers. Other materials and supplies were \$6,000 over total budget which is used to purchase the pro shop merchandise. Utilities and minor equipment had both reached their yearly projections before the third quarter ended. M&R of building and facilities had all but reached total utilization at 97%. The gap between expenses and revenues continues to widen as the fund was at a deficit of \$147,000 by the end of the quarter. Without the encumbrances, expenses are at 73.5%.

Amount of Golf operating budget expended at year-to-date: 79.0% (with \$43,800 encumbered)

Transit Fund

No significant issues currently exist within the fund. Without the encumbrances, the program sits at 63.9% of budget expended.

Amount of Transit operating budget expended at year-to-date: 77.7% (with \$1,043,000 encumbered for outside services)

Landfill Fund

Landfill Operations was at 93% for minor equipment with the purchase of a \$4,800 brush cutter. Professional services were at 88% of budget saw many expenses related to the tipping fee study. This was an increase of \$35,000 when compared to one year ago. Maintenance and repair for machinery and equipment exceeded total budget by \$33,000 with numerous charges for Caterpillar parts and tires. The fund is comfortably under budget with savings in motor fuel.

Amount of Landfill operating budget expended at year-to-date: 61.9%