



Monthly Financial Report -February 2019

| FUND No. | FUND NAME | 2019 STARTING FUND BALANCE | YTD 2019 REVENUES | 2018 REVENUES | YTD 2019 EXPENSES | 2018 EXPENSES | FEB 2019 ENDING FUND BALANCE | RESERVES |
|----------|---------------------|----------------------------|-------------------|---------------|-------------------|----------------|------------------------------|--------------|
| 001 | General Fund | \$ 18,594,394 | \$ 2,613,568 | \$ 2,648,750 | \$ (2,856,738) | \$ (3,753,299) | \$ 18,351,224 | \$ 5,633,000 |
| 101 | Street Fund | \$ 313,262 | \$ 502,032 | \$ 458,393 | \$ (483,683) | \$ (363,988) | \$ 331,611 | N/A |
| 103 | REET Fund | \$ 777,649 | \$ 224,496 | \$ 303,355 | \$ (360,885) | \$ (258,337) | \$ 641,260 | N/A |
| 104 | Civic Impr. Fund | \$ 302,403 | \$ 46,500 | \$ 47,357 | \$ - | \$ - | \$ 348,903 | N/A |
| 301 | Capital Const. Fund | \$ 3,607,144 | \$ 338,195 | \$ 1,201,000 | \$ (3,906) | \$ (315,160) | \$ 3,941,433 | N/A |
| 401 | Water Fund | \$ 7,653,930 | \$ 197,732 | \$ 282,188 | \$ (233,090) | \$ (213,908) | \$ 7,618,571 | \$ 397,598 |
| 402 | Sewer Fund | \$ 6,125,113 | \$ 652,768 | \$ 576,985 | \$ (411,681) | \$ (405,132) | \$ 6,366,200 | \$ 2,436,629 |
| 403 | Storm Water Fund | \$ 1,755,534 | \$ 84,996 | \$ 61,617 | \$ (295,028) | \$ (208,974) | \$ 1,545,502 | \$ 830,502 |
| 407 | Building Svcs. Fund | \$ 325,784 | \$ 535,586 | \$ 464,702 | \$ (541,339) | \$ (463,727) | \$ 320,031 | N/A |

NOTES:

The City has adopted reserve policies for the General Fund (Fund 001) and the Water, Sewer, and Storm and Surface Water Funds (Fund 401, Fund 402, Fund 403, respectively). The General Fund reserve amount comes from the 2019-2020 Adpoted Budget. Utility reserve targets were calculated based on the policies in Section 6 of Resolution No. 2018-07. Operating expenses used in the calculation were taken from the 2019-2020 Adopted Budget, and capital assets used in the calculation were taken from the 2017 CAFR.

Monthly revenue and expense amounts may include non-cash transactions.

December 2018 ending fund balances are not finalized and are subject to change through April 2019.

REPORT DATE: 3/25/2019



MONTHLY FINANCIAL REPORT HIGHLIGHTS FEBRUARY 2019

Note to the reader: This report's basis of analysis has been changed from a month-to-month comparison to a year-to-date comparison of the same period in the current and previous year.

- **GENERAL FUND:** Year-to-date (YTD) revenue in the General Fund through February 2019 was within \$35,000, or 1%, compared to the same timeframe in 2018. Property tax revenue was 4% lower in 2019, while sales tax revenue was 18% higher (revenue generated by the construction and retail industries was 26% and 10% higher, respectively). Business and occupation tax revenue was down by 31%, but it is expected to rise to a level comparable to 2018 by the end of April.

Expenses in the General Fund were \$896,000, or 24%, lower so far in 2019 compared to 2018. Normal variances in transfers out of the General Fund to support the maintenance of other funds' minimum fund balance targets created most of the difference. Additional decreases included an \$11,000, or 32%, drop in supplies expenses, a \$14,000, or 98%, drop in computer software expenses, and a \$41,000, or 43%, drop in professional services expenses.

- **STREET FUND:** Revenue in the Street Fund was \$43,000, or 10%, higher through February 2019 compared to the same timeframe in 2018. An 8% increase in revenue from business and occupation taxes for commercial parking facilities, combined with auction proceeds from the sale of surplus vehicles in 2019, created the difference.

Expenses in the Street Fund were \$119,000, or 33%, higher through February 2019 compared to 2018. Snowstorms in February 2019 created a temporary operations and maintenance workload increase, generating higher overtime pay and supplies expenses (\$10,000 and \$25,000 higher, respectively). Emergency repairs to a seawall generated a \$55,000 increase in repair costs in 2019.

- **REAL ESTATE EXCISE TAX (REET) FUND:** REET revenue was \$78,000, or 26%, lower through February 2019 compared to the same period in 2018. Transaction volume and the average selling price were respectively 21% and 9% lower in 2019. The selling price of the most expensive property through February 2018 was just under \$2.5 million, and 22 properties in the \$1-3 million range sold during that period. The most expensive property through February 2019 sold for \$3.6 million, but only 10 properties have sold for over \$1 million in 2019 so far.

- **CAPITAL CONSTRUCTION FUND:** Revenue in the Capital Construction Fund through February 2019 was \$862,000, or 72%, lower compared to the same timeframe in 2018. Normal variances in the quantity and timing of State and Federal grant funding created the difference.

Expenses in the Capital Fund through February 2019 totaled to \$3,900, compared to \$315,000 during the same period in 2018. 2019 expenses included \$3,000 for professional services related to the Harrison building appraisal process.

- **WATER FUND:** Water Fund revenue was \$84,000, or 30%, lower through February 2019 compared to 2018. Connection fee revenue, which varies by the permitting stage and number of construction projects taking place on the Island, was \$138,000, or 95%, lower.

- **BUILDING & DEVELOPMENT SERVICES (B&DS) FUND REVENUES:** Overall revenue in the B&DS Fund was \$75,000, or 15%, higher through February 2019 compared to the first two months of 2018. However, excluding transfers from the General Fund to maintain the minimum fund balance target, YTD revenue in 2019 was \$167,000, or 55%, lower. Contributing factors include revenue from building permits, which was \$101,000, or 71%, lower with both transaction volume and the average permit fee amount respectively dropping by 53% and 37%. Revenue from plan checking fees was also down \$29,000, or 39%, due to a 39% decrease in transaction volume (the average fee amount was nearly identical to 2018). Lastly, revenue from other planning and development fees saw a 67% reduction in transaction volume and a 32% reduction in the average fee amount, which led to a \$16,000, or 77%, decrease in overall revenue compared to January and February 2018.