



City of Gainesville

Finance Department

To: Lee R. Feldman, ICMA-MA, City Manager

Via: Fred Murry, Assistant City Manager *Fredrick J Murry*
Fredrick J Murry (Mar 19, 2021 16:40 EDT)

From: Cintya Ramos, Finance Director *CR*

Date: March 15, 2021

RE: FIRST QUARTER ANALYSIS OF BUDGET COMPARED TO ACTUAL REVENUES AND EXPENDITURES FOR THE PERIOD BEGINNING OCTOBER 1, 2020 AND ENDING DECEMBER 31, 2020 WITH PROJECTIONS THROUGH SEPTEMBER 30, 2021

The purpose of this summary is to provide the Mayor and City Commission, City community builders and our neighbors, an update on the status of the FY 2021 budget relative to actual revenue and expenditures through the first quarter of the fiscal year and operating projections through September 30, 2021. The first quarter of any fiscal year is not necessarily the most reliable indication of the experience for the remainder of the fiscal year, but it does provide a first glance in identifying any potential issues.

GENERAL FUND OVERVIEW

The General Fund accounts for those resources and their uses traditionally associated with government, which are not required to be budgeted and accounted for in another fund. The General Fund is the City's only major fund. An analysis of the General Fund actual three-month operating revenues and expenditures for the period October 1, 2020 through December 31, 2020 indicates an estimated General Fund operating budget will break even.

GENERAL FUND YEAR END PROJECTION			
	FY2021 Proposed Amended Budget	FY2021 Q1 Actual	FY2021 Year-End Projection
Revenues	143,092,546	49,506,900	143,092,546
Expenditures	143,092,545	20,206,629	143,092,545
Projected Surplus / (Deficit)	0	29,300,271	0

General Fund Operating Revenues

As of the end of the first quarter of FY 2021, \$49.5 million or 34.6 percent of budgeted revenues have been collected. Property Tax revenues represent approximately 27 percent of total budgeted revenues and represent 53.4 percent of the revenues received in the first quarter of the fiscal year as a greater percentage of ad valorem taxes are typically collected during the first quarter of any given fiscal year.

GENERAL FUND					
Revenues	FY2020 Actual (Unaudited)	FY2021 Proposed Amended Budget	FY2020 Q1 Actual (Unaudited)	FY2021 Q1 Actual	FY2021 Year End Projection
Property Taxes	36,581,736	38,619,660	21,320,406	26,439,224	38,619,660
Other Taxes	19,665,255	20,282,963	599,425	4,262,422	20,282,963
Licenses and Permits	8,727,090	9,159,715	5,689,103	6,688,691	9,159,715
Intergovernmental	13,672,637	13,125,717	2,269,620	3,220,375	13,125,717
Charges For Services	11,910,115	14,236,612	2,272,208	2,221,191	14,236,612
Fines and Forfeitures	989,814	888,340	136,535	159,115	888,340
Miscellaneous Revenues	1,656,057	1,338,358	731,577	134,738	1,338,358
Transfers In	1,930,144	1,930,144	6,380,833	6,381,143	1,930,144
General Fund Transfer	38,285,013	38,285,013	0	0	38,285,013
Use of Fund Balance	0	5,226,024	0	0	5,226,024
TOTAL REVENUES	133,417,861	143,092,546	39,399,707	49,506,900	143,092,546

General Fund Operating Expenditures

Year-end projections through September 30, 2021, indicate that citywide expenditures will be just below the proposed amended budget at \$143.1 million. Overall expenditures for the quarter are at 14.1 percent of budget or \$20.2 million, well below the 25% threshold for the first quarter of \$35.8 million. While this is a positive start to the fiscal year, the first quarter of any fiscal year is not necessarily the most reliable indication of the experience for the remainder of the fiscal year, but it does provide a first glance in identifying any potential issues.

GENERAL FUND					
Expenditures	FY2020 Actual (Unaudited)	FY2021 Proposed Amended Budget	FY2020 Q1 Actual (Unaudited)	FY2021 Q1 Actual	FY2021 Year End Projection
Budget & Finance	3,779,903	3,768,022	937,111	695,572	3,768,022
Capital Asset Planning & Economic Resilience	N/A	405,782	N/A	51,803	405,782
City Attorney	1,506,171	1,639,541	312,957	317,112	1,639,541
City Auditor	595,480	929,673	87,089	172,192	929,673
City Clerk	1,245,663	1,441,804	288,445	311,327	1,441,804
City Commission	429,385	470,530	86,590	97,281	470,530
City Manager	1,403,167	1,430,966	289,357	284,974	1,430,966
Combined Communications Center	3,637,663	4,046,565	0	(929,345)	4,046,565
Communications & Engagement	842,043	1,066,439	143,220	195,943	1,066,439
Equity & Inclusion	902,955	1,697,693	167,038	181,059	1,697,693
Facilities Management	3,096,364	3,281,309	673,165	539,089	3,281,309
Fire Rescue	20,168,609	20,189,011	4,260,136	4,500,093	20,189,011
Housing and Community Development	1,283,404	388,025	275,454	113,456	388,025
Human Resources	2,239,531	2,811,281	470,051	499,922	2,811,281
Parks, Recreation & Cultural Affairs	10,729,755	13,176,451	2,211,337	2,063,496	13,176,451
Police	38,056,357	36,558,983	9,011,945	7,265,097	36,558,983
Public Works	8,894,759	10,328,551	1,120,421	1,593,400	10,328,551
Risk Management	8,241	7,933	1,742	0	7,933
Strategic Initiatives	1,163,663	1,253,888	256,691	244,099	1,253,888
Sustainable Development	1,629,702	3,798,458	359,272	576,601	3,798,458
Technology & Innovation	N/A	3,427,837	N/A	620,008	3,427,837
Transportation & Mobility	2,954,712	3,579,154	527,511	575,293	3,579,154
Non-Departmental	29,633,160	27,394,648	137,206	238,158	27,394,648
TOTAL EXPENDITURES	134,200,689	143,092,545	21,616,735	20,206,629	143,092,545

Current issues being monitored include: CARES reimbursement for public safety presumption expenses, receipt of American Recovery Plan Act allocation to the City.

DEBT SERVICE FUND OVERVIEW

Debt Service Funds are used to account for the accumulation of resources for the payment of general long-term debt principal and interest. An analysis of the Debt Service Fund actual three-month operating revenues and expenditures for the period October 1, 2020 through December 31, 2020 indicates the Fund will break even at year end.

DEBT SERVICE FUND					
	FY2020 Actual (Unaudited)	FY2021 Proposed Amended Budget	FY2020 Q1 Actual (Unaudited)	FY2021 Q1 Actual	FY2021 Year End Projection
Revenues					
Taxes					0
Licenses and Permits					0
Intergovernmental					0
Charges For Services					0
Fines and Forfeitures					0
Miscellaneous Revenues	215,150,395	1,111,000	8,535,000	390	1,111,000
Transfers	14,175,689	14,826,135	357,458	596,376	14,826,135
Use of Fund Balance					0
TOTAL REVENUES	229,326,084	15,937,135	8,892,458	596,766	15,937,135
	FY2020 Actual (Unaudited)	FY2021 Proposed Amended Budget	FY2020 Q1 Actual (Unaudited)	FY2021 Q1 Actual	FY2021 Year End Projection
Expenditures					
Debt Service	229,393,685	15,937,135	10,080,858	1,619,865	15,937,135
TOTAL EXPENDITURES	229,393,685	15,937,135	10,080,858	1,619,865	15,937,135

PROPRIETARY FUNDS OVERVIEW

The City Proprietary Funds are comprised of the following:

- Enterprise: Building Code Enforcement, Regional Transit System, Solid Waste Collection and Stormwater Management
- Internal Service: Employee's Health and Accidental Benefits, Fleet Management & Replacement and General Insurance

Enterprise Funds

Enterprise funds account for the City's ongoing activities that are similar to those found in the private sector. Building Code Enforcement, Ironwood Golf Course, Regional Transit System, Solid Waste Collection and Stormwater Management are included in this grouping.

An analysis of the actual three-month operating expenditures for the period ending December 31, 2021, indicates that all enterprise funds are expected to operate within their proposed amended budgets. The RTS year end projection includes \$6 million of CARES Act transit funding recently allocated to the City. All enterprise fund first quarter expenditure trends fall below the 25 percent threshold.

Internal Service Funds

The cost of providing centralized services by the Internal Service and Self Insurance funds are allocated to other Departments for a full cost reimbursement. The goods and services provided by Fleet Management and Replacement and Risk Management are included in this grouping.

An analysis of the actual three-month operating expenditures for the period ending December 31, 2020, indicates that both the internal services and the self-insurance funds are expected to end the year on budget. All internal service fund first quarter expenditure trends fall below the 25 percent threshold except for the General Insurance Fund which is at 35 percent of the budgeted amount.

The following table provides the Proprietary Fund revenue and expenditures details and year over year trend comparisons.

PROPRIETARY FUNDS					
	FY2020 Actual (Unaudited)	FY2021 Proposed Amended Budget	FY2020 Q1 Actual (Unaudited)	FY2021 Q1 Actual	FY2021 Year End Projection
Revenues					
Taxes	3,558,793	2,876,343	925,940	990,420	2,876,343
Licenses and Permits	3,072,862	2,183,397	765,484	1,009,283	2,183,397
Intergovernmental	8,658,243	23,024,643	(1,956,256)	374,080	23,024,643
Charges For Services	31,708,130	34,464,043	6,706,060	7,769,250	34,464,043
Fines and Forfeitures	0	15,482,280	0	0	15,482,280
Miscellaneous Revenues	33,146,287	31,701,615	6,997,210	6,278,961	31,701,615
Transfers	17,813,526	1,379,123	7,222,682	2,070,793	1,379,123
Use of Fund Balance	0	36,163,527	0	0	36,163,527
TOTAL REVENUES	97,957,842	147,274,971	20,661,121	18,492,788	147,274,971
	FY2020 Actual (Unaudited)	FY2021 Proposed Amended Budget	FY2020 Q1 Actual (Unaudited)	FY2021 Q1 Actual	FY2021 Year End Projection
Expenditures					
<i>Enterprise Funds</i>					
Building Code Enforcement	3,247,331	4,351,615	562,717	634,433	4,351,615
Ironwood Golf Course	0	302,469	0	0	302,469
Regional Transit System	32,639,269	62,215,039	6,564,143	6,461,884	62,215,039
Solid Waste Collection	10,456,483	11,963,493	1,390,890	1,789,264	11,963,493
Stormwater Management	9,879,640	15,481,084	1,371,886	1,211,103	15,481,084
<i>Internal Service Funds</i>					
Employees Health and Accidental Benefits	27,071,922	30,331,849	7,440,553	980,299	30,331,849
Fleet Management & Replacement	8,842,592	13,899,711	1,464,779	2,216,982	13,899,711
General Insurance	6,594,784	8,729,710	3,108,632	3,015,243	8,729,710
TOTAL EXPENDITURES	98,732,021	147,274,971	21,903,600	16,309,206	147,274,971

FIDUCIARY FUNDS OVERVIEW

Pension & Other Post Employment Benefit (OPEB) Trust Funds are used to account for public employee

retirement systems and other post-employment benefit trust funds. The City Fiduciary Funds are comprised of the following:

- Pension funds: General Employees' Pension Plan and the Police Officers' & Firefighters' Pension Plan
- OPEB Trusts: Retiree Health Insurance Trust

An analysis of the actual three-month operating expenditures for the period ending December 31, 2020, indicates that both the pension and trust funds are expected to end the year on budget.

FIDUCIARY FUNDS					
	FY2020 Actual (Unaudited)	FY2021 Proposed Amended Budget	FY2020 Q1 Actual (Unaudited)	FY2021 Q1 Actual	FY2021 Year End Projection
Revenues					
Taxes	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges For Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Miscellaneous Revenues	82,943,774	0	13,069,064	18,752,120	0
Transfers	204,901,267	0	0	0	0
Use of Fund Balance	0	308,966	0	0	308,966
TOTAL REVENUES	287,845,041	308,966	13,069,064	18,752,120	308,966
Expenditures					
<i>Pension Plans</i>					
General Employees' Pension Plan	41,453,614	46,645,192	9,169,966	9,406,592	46,645,192
Police Officers' & Firefighters' Pension Plan	23,222,080	30,860,321	4,978,998	5,725,946	30,860,321
<i>Trusts</i>					
Retiree Health Insurance Trust	8,639,370	8,767,512	5,049,807	547,338	8,767,512
TOTAL EXPENDITURES	73,315,065	86,273,025	19,198,772	15,679,876	86,273,025

CONCLUSION

This analysis of budget to actual operating revenues and expenses with projections through September 30, 2021 provides the status of the FY 2021 General Fund, Debt Service, Proprietary and Fiduciary funds' budget for the first three months of the fiscal year. Based on preliminary projections, all of the funds are expected to end the year on budget.

The Budget and Finance Department will continue to monitor revenue and expense trends for the fiscal year and will provide another update at the end of the second quarter on year end projections.