



# FY 2016-2018 Two-Year Budget: FY 2017-18 2nd Quarter Update

Finance Department

City Council Meeting  
March 27, 2018

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## BACKGROUND

December 12, 2017 – City Council received FY 2017-2018 First Quarter projections for the General Fund and Measure Z.



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## GENERAL FUND BOTTOM LINE

The FY 2017-18 Second Quarter financial analysis projects the City to be in a surplus position by year-end of approximately \$2.6 million.



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## GENERAL FUND REVENUES (2<sup>nd</sup> Quarter)

1. No changes from First Quarter projections;
2. Compared to Mid-Cycle Amended Budget:
  - a) Sales Tax – \$1.5 million lower
  - b) Property Tax – \$750,00 million higher
  - c) Franchise Fee – \$600,000 lower
  - d) General Fund Transfers – \$900,000 higher
  - e) Fines and Forfeitures – \$630,000 higher



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## GENERAL FUND EXPENDITURES (2<sup>nd</sup> Quarter)

1. Changes from First Quarter Projections:
  - a) \$250,000 savings in Community & Economic Development
2. Compared to Mid-Cycle Amended Budget (Savings/Deficit):
  - a) Office of the City Attorney: \$400,000
  - b) Community & Economic Development \$250,000
  - c) General Services: \$275,000
  - d) Public Works: \$500,000
  - e) Fire: (\$750,000)
  - f) Pension Obligation Bonds: \$2 million



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## GENERAL FUND RESERVE

1. FY 2017-18 Second Quarter Report
  - a) \$59.3 million
  - b) 23.3%



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## MEASURE Z : FY 2017-18

1. May 16, 2017 - City Council approval of Five-Year Spending Plan:
  - a) Estimated Revenues of \$51.5 million;
  - b) Estimated Expenditures of \$47.2 million for 33 initiatives.
2. No changes to projections on revenues;
3. Expenditure change from first quarter:
  - a) \$1 million Measure Z Contingency Funds allocated to New Main Library Archive project.



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## DEBT AND INVESTMENT REPORTS

1. The quarterly investment report:
  - a) Report shows cash balances by fund;
  - b) No major concerns with fund cash balances.
2. The quarterly debt report:
  - a) October 2017 – new capital lease financing agreement with Banc of America Public Capital Corp for \$14,500,000, payable over a seven to ten year period.



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## RECOMMENDATIONS

That the City Council receive the FY 2017-18 Second Quarter Financial Report for the General Fund, analysis of Measure Z, cash and investment reports, and debt report for all funds.

