

CITY OF NEW RICHMOND



THE CITY BEAUTIFUL



3rd QUARTER 2018 FINANCIAL REPORT



City of New Richmond

OPERATING REVENUE – GENERAL FUND

2018 Year-to-date Actual Revenue Compared to Budget

As of September 30, 2018, \$5,249,470 or 82% of budgeted revenue has been collected, which is trending slightly above the 5-year average of 80.9%. Year-to-date revenue collection is trending slightly higher when compared to prior year by \$16,971 or 0.32%; this is driven by insurance recoveries and building permit revenue.

Revenue Category	2017	2018 YTD	2018B	% Act to Budget	% Revenue by Source
Taxes (Levy & taxes other than property)	\$ 2,999,651	\$ 3,244,160	\$ 3,294,663	98%	62%
Intergovernmental	\$ 1,604,336	\$ 1,028,731	\$ 1,511,150	68%	20%
Licenses and permits	\$ 491,904	\$ 381,596	\$ 287,665	133%	7%
Fines, forfeitures, and penalties	\$ 98,411	\$ 87,069	\$ 110,000	79%	2%
Public charges for services	\$ 287,088	\$ 247,420	\$ 279,833	88%	5%
Intergovernmental charges for services	\$ 28,019	\$ 21,086	\$ 24,720	85%	0%
Special assessments	\$ 8,008	\$ 7,422	\$ 3,196	232%	0%
Investment income	\$ 53,106	\$ 73,929	\$ 54,021	137%	1%
Miscellaneous	\$ 973,445	\$ 158,057	\$ 191,223	83%	3%
Operating Transfers In	\$ 597,263	\$ -	\$ 643,200	0%	0%
Total Revenue	\$ 7,141,231	\$ 5,249,470	\$ 6,399,671	82%	100%

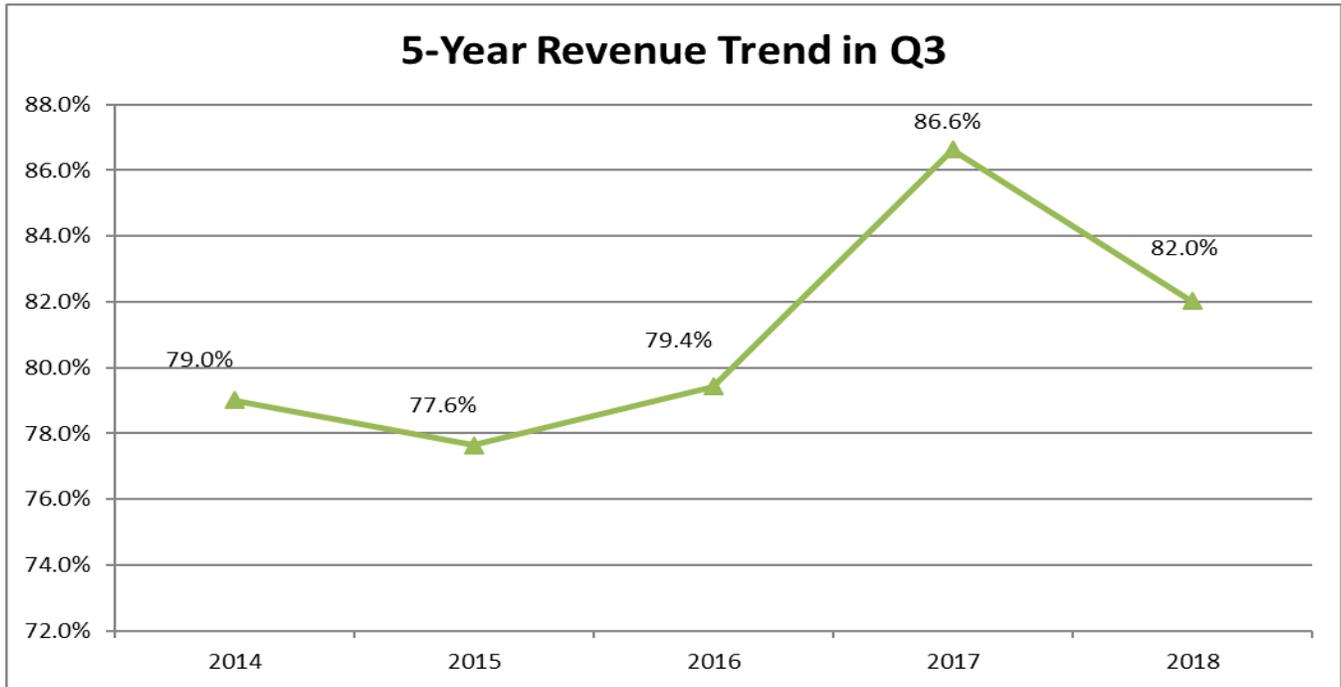
Overall, revenue collected through 3Q tracked to budget with a few notable variances. \$45,618 of unbudgeted insurance claims revenue was collected as repairs were completed on the Parks, Library and Sports Center that sustained hail damage from the June 2017 storm. Building permit and inspection revenue continues to remain strong through 3Q with \$331,538 in collections, exceeding the annual budget by \$111,538 or 150.7%.

Building permit and inspection revenue is expected to remain strong through 2018 due to residential development and continuation of hail damage repairs from the June 2017 storm. As of September 30, 2018, there were 651 permits and 112 new dwelling permits issued representing \$37,410,090 in total construction value. By comparison, 792 permits and 76 dwelling permits representing \$30,532,854 in total construction value were pulled during the same period in 2017.

Additionally, room tax revenues of \$47,978 were collected during the first two quarters of this year, an increase of \$13,543 or 39.3% when compared to 3Q17. Room tax revenues are expected to continue to increase due to the Best Western opening earlier this year in April.

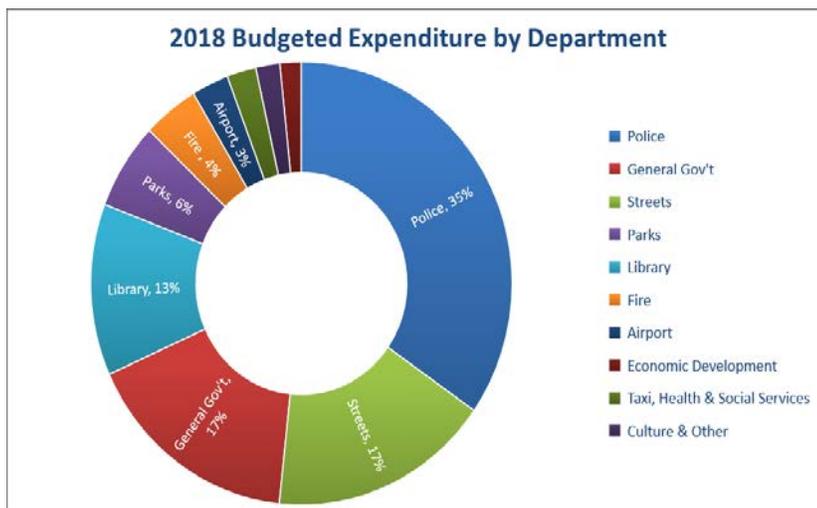
5-Year Revenue Trend

Actual revenue collected in the third quarter of each year has averaged 80.9% or \$4.8M. Revenues collected during 3Q18 trended slightly higher than average at 82.0% or \$5.25M, but lower than last year due to a land sale in TID 6 that occurred in 2Q17. Increased revenue collections in 3Q18 is mainly attributable to insurance recoveries, building and inspection fees and room tax collections.



OPERATING EXPENSES – GENERAL FUND

2018 Expenditure by Department



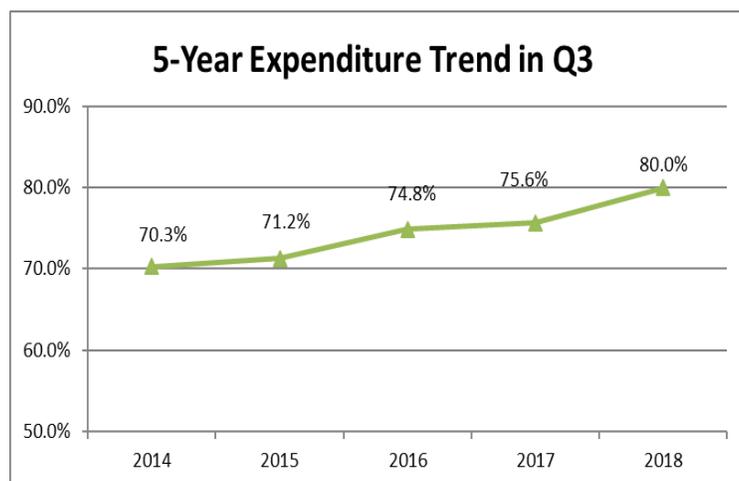
2019 budgeted operating expenditures are \$6,399,670, with expenses related to Public Safety (Police, Fire and Ambulance) accounting for \$2.64M of budgeted expenditures, followed by Public Works at \$1.49M, General Government at \$1.0M, Library at \$800K and Airport, Economic Development and Culture/Other comprising \$460K.

Expenditures Actual to Budget

As of September 30, 2018, actual expenditures are at 80.0% or \$5,118,949 of budget. Note that operating expenses are not incurred evenly throughout the year, which can create positive and/or negative budget variances depending on the fiscal quarter and expense pattern. For example, ambulance service expenses are fully incurred during the first quarter of the year, creating a variance in the second and third quarters.

Expenditure by Department	2017	2018 YTD	2018B	Variance	% Act to Budget	% Expense by Dept
Police	\$ 2,115,972	\$ 1,646,824	\$ 2,221,165	\$ (574,341)	74%	32%
General Government	\$ 1,069,234	\$ 826,705	\$ 1,062,105	\$ (235,400)	78%	16%
Streets	\$ 1,072,350	\$ 859,019	\$ 1,086,173	\$ (227,154)	79%	17%
Parks	\$ 404,026	\$ 503,564	\$ 405,267	\$ 98,297	124%	10%
Library	\$ 763,007	\$ 560,695	\$ 802,228	\$ (241,533)	70%	11%
Fire	\$ 264,247	\$ 205,486	\$ 273,865	\$ (68,379)	75%	4%
Airport	\$ 163,663	\$ 114,993	\$ 181,939	\$ (66,946)	63%	2%
Economic Development	\$ 93,465	\$ 117,256	\$ 105,291	\$ 11,965	111%	2%
Ambulance & Emer. Gov't	\$ 120,874	\$ 124,188	\$ 127,288	\$ (3,100)	98%	2%
Culture	\$ 71,627	\$ 55,209	\$ 96,450	\$ (41,241)	57%	1%
Taxi	\$ 113,438	\$ 84,188	\$ 10,000	\$ 74,188	842%	2%
Health & Social Services	\$ 5,632	\$ 4,419	\$ 5,900	\$ (1,481)	75%	0%
Outlay Expenditures	\$ 33,882	\$ 6,145	\$ 7,000	\$ (855)	88%	0%
Transfers	\$ 13,614	\$ 10,258	\$ 15,000	\$ (4,742)	68%	0%
Total Expenditures	6,305,031	5,118,949	6,399,671	(1,280,722)	80%	100%

Repairs to police squad vehicles, park shelters, the library roof and Sports Center caused by the June 2017 hailstorm were completed in June and July. While repairs are covered by insurance, the expense will continue to be a variance until year-end when insurance proceeds are appropriated into the budget. Repair expenses account for 3.6% or \$184,138 of actual expenditures through 3Q. Excluding insurance repairs, actual expenditures would be \$4,934,811 or 77.1% of the budget.



5-Year Comparison of Expenditures during Third Quarter

Historically, expenditures have averaged 74.4% of budget over the last five years. Expenditures in 3Q18 are higher than the average trend with actual expenditures being 80.0% of budget. Hail damage repairs completed during the year are the main driver of the increase.

GENERAL OBLIGATION DEBT

General Obligation Debt

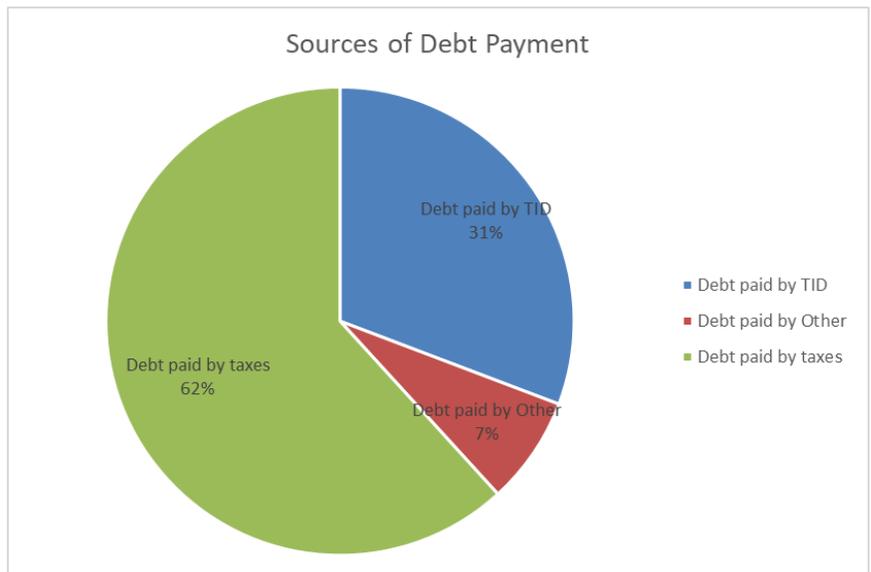
As of September 30, 2018, principal and interest payments of \$2,098,479 and \$529,497 were made, representing 87.7% of the total year’s general obligation payments. The table below outlines principal and interest payments made year to date as well as remaining payments for the year.

Payments	Actual Payments Made thru 9/30/18	Remaining Payment for Balance of 2018	Percent of Budget
Principal	\$2,098,479	\$342,440	86.0%
Interest*	\$529,497	\$26,020	95.3%
Total Debt Service	\$2,627,976	\$368,460	87.7%

Sources of Debt Repayment

The general debt obligations of the City are repaid from a variety of sources based upon the use of borrowed funds, including property taxes, storm water revenue, tax increment, or revenue generated by the electric, water and sewer utilities.

In 2018, 62% or \$1,851,176 of debt payments are paid by general property taxes. Tax Increment Districts (TID) pay \$921,819 or 31% of debt, followed by utilities and golf course revenue at 7% or \$223,441.



INVESTMENT

As of September 30, 2018, total funds inclusive of operating and investments are as follows:

INVESTMENT	September 30, 2018	September 30, 2017
GENERAL CITY INVESTMENTS	2,951,501	2,009,915
RESTRICTED INVESTMENTS		
Stock Funds	10,299	10,137
Future Outlay	10,699	10,531
Future Retirements	42,597	39,924
Police Department	-	501
Sports Center	107,679	99,089
Library	531,192	488,999
Impact Fees	614,492	388,485
Cemetery	50,017	33,280
Revolving Loan Fund	54,494	60,453
Capital Projects Investments	853,938	2,023,614
Landfill Cleanup Investments	30,871	40,906
Stormwater Investments	6,157	433,629
Park Land Trust	205,469	115,231
Library Trust	288,132	257,610
Flex Benefits	25,328	23,016
Armed Services Memorial	1,295	3,833
TOTAL INVESTMENTS	\$ 5,784,161	\$ 6,039,151
CITY OPERATING CASH BALANCE	\$ 223,634	\$ 490,476
TOTAL CITY INVESTMENTS & CASH	\$ 6,007,795	\$ 6,529,627
UTILITIES - RESTRICTED INVESTMENTS	\$ 9,173,100	\$ 8,533,262
UTILITY OPERATING CASH BALANCE	\$ 245,534	\$ 561,467
TOTAL UTILITY INVESTMENTS & CASH	\$ 9,418,634	\$ 9,094,729

K9 Fund

As of September 30, 2018, the ending fund balance for the K9 fund is \$14,781.14.

FUND ACTIVITY		
	Current Quarter	Fiscal YTD 07/01/2018- 09/30/2018
Beginning Fund Balance	14,446.15	14,446.15
CONTRIBUTIONS		
(a) Tax Deductible Gifts and Bequests	2,697.70	2,697.70
(b) Non Tax Deductible Contributions	85.00	85.00
(c) Transfers In	0.00	0.00
Total Contributions	<u>2,782.70</u>	<u>2,782.70</u>
INVESTMENT ACTIVITY		
(d) Realized Income	61.88	61.88
(e) Unrealized Gains (Losses)	0.00	0.00
Total Investment Activity	<u>61.88</u>	<u>61.88</u>
DISBURSEMENTS		
(f) Grants and Scholarships	2,353.95	2,353.95
(g) Administrative and Investment Fees	155.64	155.64
(h) Fund Project Expenses	0.00	0.00
(i) Transfers Out	0.00	0.00
Total Disbursements	<u>2,509.59</u>	<u>2,509.59</u>
Ending Fund Balance as of 09/30/2018	14,781.14	14,781.14