



# Memo

To: Mayor and Board of Aldermen, Lawrence Perney, City Administrator  
Audit & Finance Committee

From: Donald Yucuis, Director of Finance 

Date: April 17, 2020

Re: 2020 Financial Report – three Months through March 31, 2020

I am providing a summary of the 2020 three month financial report for All Funds for the period ending March 31, 2020 – including comparative data through March 31, 2019.

A summary of each Fund including revenues, expenses, beginning and ending fund balance and is shown in attached Exhibit I pages 1 to 2.

## GENERAL FUND –

- Overall, FY 2020 three month revenue/transfer-in totaled \$2,890,257 or 26.8% of budget and \$295,712 less than the same time period in 2019.
- Expenses/transfer-out totaled \$2,953,962 or 27.6% of budget and \$209,353 more than the same time period in 2019.
- Fund balance currently totals \$3.4 million.

If COVID-19 wasn't occurring I would say we are in good shape through March 31, 2020 and compared to March 31, 2019. But with COVID-19 the City has some revenue and expense concerns going forward that will be monitored closely over the next three months.

On the revenue side:

- Sales Tax revenue lag is two months. Sales tax revenue received in March was for January sales. I will see February sales early next week and start comparing them month to month to see if there is a trend and then model out any impact on revenue from the COVID-19 virus.
- Licenses and permits reflect the renewal date for Merchants and Service Licenses to April 2020 when revenues are starting to come in. The expectation is to get about the same amount as last year but not until the end of the 2<sup>nd</sup> quarter.
- Municipal Court is closed, working remotely but still processing tickets. Colleen Massey anticipates a reduction in revenue over the next several months. Best estimate is approximately \$25,000 to \$30,000 over the next three months and will be monitored closely

On the expense side:

- City Administrator Perney communicated to Department Heads that position vacancies (3 in the Police Department) would not be filled in the near term and to expend funds for only essential items.

Three Month Financial Report at March 31, 2020

- The City front loaded the employer share of the Health Savings Account (HSA) in January 2020 which totaled approximately \$100,000 and more than 2019 as more employees switched to the HSA Insurance Plan. In 2019, the HSA employer funding was spread throughout the year with fewer employees on that plan.

**Debt Service Fund** accounts for the Debt Service on the 2018 General Obligation (GO) Bond issue that funded Prop S concrete streets. A property tax is levied to pay the principal and interest payments on the bonds as they come due. Both 2020 revenue and expenses are in line with the budget and comparable to 2019.

**Tax Increment Financing (TIF) Fund** Both 2020 revenue and expenses are in line with the budget and comparable to 2019. This is another area that relies on Sales Tax revenue and will be monitored very closely.

**Special Accounts Fund** is mainly for Federal Asset Forfeiture tracking and has had no activity in the first quarter.

**Capital Projects Fund** Overall, FY 2020 revenue totaled \$475,062 or 20.6% of budget and \$102,104 less than 2019 due to no grant revenue in 2020 and \$134,225 in 2019. FY 2020 expenses total \$201,859 or 7.2% of budget. Fund balance at March 31, 2020 totaled \$1.0 million. This is another area that relies on Sales Tax revenue and will be monitored very closely. Bob Ruck is moving forward on budgeted capital projects and police vehicle purchases.

**Parks and Storm Water Fund** Overall, FY 2020 revenue totaled \$517,205 or 20.7% of budget and \$8,000 more than 2019. FY 2020 expenses total \$287,058 or 8.2% of budget. Fund balance at March 31, 2020 totaled \$3.1 million. This is another area that relies on Sales Tax revenue and will be monitored very closely. Bob Ruck and Kat Schien are moving forward on budgeted capital projects and other expenses.

**Sanitary Sewer Repair Fund** Overall, FY 2020 revenue totaled \$52,924 or 25.1% of budget and \$5,000 less than 2019. FY 2020 expenses total \$57,631 or 20.3% of budget and \$9,319 less than 2019. Fund balance at March 31, 2020 totaled \$123,000.

**Prop S Capital Fund** Overall, FY 2020 revenue totaled \$58,021. The budget includes a planned \$7 million GO bond issue planned for the 2<sup>nd</sup> quarter to continue the concrete street program into 2021 and 2022. FY 2020 expenses total \$71,204 or 2% of budget. Fund balance at March 31, 2020 totaled \$4 million and is available for the 2020 concrete street program that is underway.

The City's strong fund balance positions in each fund will assist in weathering any revenue reduction. Also, not filling vacant positions and curtailing expenses to only essential items for the next several months until the COVID-19 impact is known will assist getting through these times.

**EXHIBIT I**

	B	C	D	E	I	K	L	N	O	P
5	<b>City of Manchester - All Funds- Revenue and Expense Report Three Months Ending March 31, 2020 including comparative totals through March 31, 2019</b>				<b>2019 YTD Activity Three Months through 3-31-2019</b>		<b>2020 Adopted Budget</b>	<b>2020 YTD Activity Three Months through 3-31-2020</b>	<b>2020 Budget less YTD Activity</b>	<b>2020 YTD Activity to Budget</b>
6										
7	<b>Fund: 10 - GENERAL FUND</b>									
8	<b>Revenue</b>									
9				510 - Taxes	2,315,324		7,643,600	2,187,227	5,456,373	28.6%
10				520 - Inter-governmental	379,686		1,285,000	375,738	909,262	29.2%
11				530 - Licenses & Permits	219,578		531,800	54,779	477,021	10.3%
12				540 - Municipal Court	68,981		284,500	52,413	232,087	18.4%
13				550 - Investments	831		36,000	5,066	30,934	14.1%
14				560 - Aquatic Center	8,054		270,000	5,963	264,037	2.2%
15				561 - Park Services	58,202		137,290	69,370	67,920	50.5%
16				562 - Manchester Arts	-		5,800	-	5,800	0.0%
17				565 - Homecoming	2,775		37,250	300	36,950	
18				570 - Miscellaneous	7,538		53,200	14,400	38,800	27.1%
19				<b>Subtotal Revenue before transfers in</b>	<b>3,060,969</b>		<b>10,284,440</b>	<b>2,765,257</b>	<b>7,519,183</b>	<b>26.9%</b>
20				600 - Operating Transfers in	125,000		500,000	125,000	375,000	25.0%
21				<b>Total Revenue</b>	<b>3,185,969</b>		<b>10,784,440</b>	<b>2,890,257</b>	<b>7,894,183</b>	<b>26.8%</b>
22										
23	<b>Expense</b>									
24				410 - Mayor & Board	14,623		71,125	11,986	59,139	16.9%
25				420 - Administration	157,676		682,905	208,502	476,703	30.5%
26				425 - MIS	117,415		325,270	133,374	191,896	41.0%
27				430 - Finance	198,828		719,725	226,378	498,148	31.5%
28				440 - Police	1,034,760		3,985,377	1,081,514	2,958,064	27.1%
29				450 - Aquatic Center	13,737		358,405	7,678	350,727	2.1%
30				460 - Park	235,718		949,740	258,418	708,732	27.2%
31				465 - Homecoming	3,625		38,465	3,250	35,215	8.4%
32				470 - Public Works	630,152		2,581,835	628,818	1,971,732	24.4%
33				475 - Planning & Zoning	83,193		341,985	94,616	254,569	27.7%
34				480 - Legal	62,025		270,855	76,689	200,166	28.3%
35				485 - Manchester Arts	2,862		22,980	5,359	17,621	23.3%
36				<b>Subtotal Expenses before transfers out</b>	<b>2,554,615</b>		<b>10,348,667</b>	<b>2,736,581</b>	<b>7,722,712</b>	<b>26.4%</b>
37				600 - Operating Transfers out	189,994		360,000	217,380	61,275	60.4%
38				<b>Total Expenses</b>	<b>2,744,608</b>		<b>10,708,667</b>	<b>2,953,962</b>	<b>7,783,987</b>	<b>27.6%</b>
39										
40				<b>Fund: 10 - GENERAL FUND Surplus (Deficit):</b>	<b>441,360</b>		<b>75,773</b>	<b>(63,705)</b>		
41										
42				<b>Beginning Fund Balance January 1</b>	<b>2,970,204</b>		<b>3,466,350</b>	<b>3,466,350</b>		
43				<b>Ending Fund Balance December 31</b>	<b>3,411,564</b>		<b>3,542,123</b>	<b>3,402,645</b>		
44				<b>Fund Balance as a % of Expenses--&gt;</b>			<b>33.1%</b>			
45										
46	<b>Fund: 20 - DEBT SERVICE FUND</b>									
47				<b>Revenue</b>	360,591		1,154,000	374,554	779,446	32.5%
48				<b>Expense</b>	766,555		902,962	768,181	134,781	85.1%
49										
50				<b>Fund: 20 - DEBT SERVICE FUND Surplus (Deficit):</b>	<b>(405,964)</b>		<b>251,038</b>	<b>(393,628)</b>		
51										
52				<b>Beginning Fund Balance January 1</b>	<b>863,513</b>		<b>1,040,503</b>	<b>1,040,503</b>		
53				<b>Ending Fund Balance December 31</b>	<b>457,549</b>		<b>1,291,541</b>	<b>646,875</b>		
54										

**EXHIBIT I**

	B	C	D	E	I	K	L	N	O	P
5	<b>City of Manchester - All Funds- Revenue and Expense Report Three Months Ending March 31, 2020 including comparative totals through March 31, 2019</b>				<b>2019 YTD Activity Three Months through 3-31-2019</b>		<b>2020 Adopted Budget</b>	<b>2020 YTD Activity Three Months through 3-31-2020</b>	<b>2020 Budget less YTD Activity</b>	<b>2020 YTD Activity to Budget</b>
6										
55	<b>Fund: 30 - TAX INCREMENT FINANCING FUND</b>									
56										
57		Revenue			2,669,468		6,845,000	2,516,219	4,328,781	36.8%
58		Expense			4,160		6,779,660	564	6,779,096	0.0%
59										
60				<b>Fund: 30 - TAX INCREMENT FINANCING FUND Surplus (Deficit):</b>	2,665,308		65,340	2,515,655		
61										
62				<b>Beginning Fund Balance January 1</b>	8,396,562		2,694,996	2,694,996		
63				<b>Ending Fund Balance December 31</b>	11,061,870		2,760,336	5,210,651		
64										
65	<b>Fund: 40 - SPECIAL ACCOUNTS</b>									
66		Revenue			-		-	-	-	0.0%
67		Expense			-		-	-	-	0.0%
68										
69				<b>Fund: 40 - SPECIAL ACCOUNTS Surplus (Deficit):</b>	-		-	-		
70										
71				<b>Beginning Fund Balance January 1</b>	16,698		27,713	27,713		
72				<b>Ending Fund Balance December 31</b>	16,698		27,713	27,713		
73										
74	<b>Fund: 50 - CAPITAL IMPROVEMENT FUND</b>									
75		Revenue			577,166		2,305,000	475,062	1,829,938	20.6%
76		Expense			124,006		2,797,292	201,859	2,595,433	7.2%
77										
78				<b>Fund: 50 - CAPITAL IMPROVEMENT FUND Surplus (Deficit):</b>	453,160		(492,292)	273,203		
79										
80				<b>Beginning Fund Balance January 1</b>	(15,528)		797,757	797,757		
81				<b>Ending Fund Balance December 31</b>	437,632		305,465	1,070,960		
82										
83	<b>Fund: 60 - PARKS &amp; STORM WATER PROJECTS FUND</b>									
84		Revenue			509,271		2,500,000	517,205	1,982,795	20.7%
85		Expense			132,530		3,521,845	287,058	3,234,787	8.2%
86										
87				<b>Fund: 60 - PARKS &amp; STORM WATER FUND Surplus (Deficit):</b>	376,741		(1,021,845)	230,147		
88										
89				<b>Beginning Fund Balance January 1</b>	1,869,074		2,905,888	2,905,888		
90				<b>Ending Fund Balance December 31</b>	2,245,815		1,884,043	3,136,035		
91										
92	<b>Fund: 70 - SANITARY SEWER REPAIR FUND</b>									
93		Revenue			58,035		211,000	52,924	158,076	25.1%
94		Expense			66,950		283,495	57,631	225,864	20.3%
95										
96				<b>Fund: 70 - SANITARY SEWER REPAIR FUND Surplus (Deficit):</b>	(8,915)		(72,495)	(4,707)		
97										
98				<b>Beginning Fund Balance January 1</b>	190,196		127,958	127,958		
99				<b>Ending Fund Balance December 31</b>	181,281		55,463	123,251		
100										
101	<b>Fund: 80 - PROP S-CAPITAL IMPROVEMENTS</b>									
102										
103		Revenue			62,225		7,075,000	58,021	7,016,979	0.8%
104		Expense			289,988		3,600,000	71,204	3,528,796	2.0%
105										
106				<b>Fund: 80 - PROP S-CAPITAL IMPROVEMENTS Surplus (Deficit):</b>	(227,763)		3,475,000	(13,183)		
107										
108				<b>Beginning Fund Balance January 1</b>	8,443,028		4,014,273	4,014,273		
109				<b>Ending Fund Balance December 31</b>	8,215,265		7,489,273	4,001,090		