

Year-End Report

Fiscal Year 2016-17



Downtown Roundabout, Roseville, California

Fiscal Year 2016-2017 Year-End Report

Introduction

This report displays financial data for FY2016-17 for (1) the General Fund, (2) the enterprise operating funds, and (3) revenues in selected other funds. Each page includes:

- Year-end actuals for FY2015-16
- Year-end actuals for FY2016-17
- Amended budget for FY2016-17
- Budget-to-actual variance for FY2016-17

Year-end actuals for two consecutive years are provided to show how the City performed compared to the previous year. The amended budget reflects the changes in revenue and expense estimates that were approved through the budget adjustment process since budget adoption. This report will discuss the difference between the FY2015-16 and FY2016-17 actuals.

General Fund Operating Revenue & Transfers In (page 3)

General Fund operating revenues increased by nearly \$4 million (2.8 percent) from FY2015-16 to FY2016-17 due mostly to rising property taxes and increases in building permit and plan check fees related to development activity. Property tax increased by approximately \$2.7 million (7.1 percent) to \$40.4 million in FY2016-17 due to rising assessed values.

In FY2016-17, sales tax came in at \$52.7 million—about \$850,000 less than the prior year due to the sunset of the “triple flip” (property tax in lieu of sales tax) in FY2015-16 when the City received a final true-up of this revenue. The City anticipated this one-time decrease in total sales tax.

General Fund Operating Expenditures & Transfers Out (page 4)

General Fund operating expenses rose by \$5.9 million (4.4 percent) from FY2015-16. With the exception of Economic Development & Housing, all the General Fund departments saw their costs increase from FY2015-16 to FY2016-17; however, all of them came in below the amended budget.

The biggest increases in year-to-year operating costs were for Fire (nearly \$1.6 million) and Police (\$1.3 million). On a percentage basis, the biggest increases were for Development Services (7.6 percent), Public Works (6.9 percent), and Fire (5.4 percent). These increases are due to the following:

- **Fire:** constant staffing overtime, strike team-related overtime, and changes to the memorandum of understanding (MOU)
- **Police:** filling vacancies and MOU changes
- **Development Services:** addition of two Compliance Officers (per City Council direction) and costs related to increased development

- **Public Works:** filling vacancies

The General Fund transfer out for post-retirement expenses increased by more than \$800,000 over the prior year due to an increase in retirement-related leave balance payoffs.

Enterprise Funds: Operating Revenue (page 5)

Notable changes in enterprise operating fund revenues are as follows:

- **Water Operations:** increase of \$5 million due to a rate adjustment (effective July 1, 2016) and increased demand after drought restrictions were lifted.
- **Transit and Transportation:** Transit revenue rose \$2.3 million (41 percent) while Transportation revenue decreased by \$1.2 million (33 percent). These swings are a reflection of the amounts submitted for Transportation Development Act revenues which can be claimed for either transportation or transit purposes.

Enterprise Funds: Operating Expenditures (page 6)

For expenditures in the enterprise operations funds, all variances were within an expected range.

Other Revenue (page 7)

The “Other Revenue” table shows the amount collected by the City in three important funds. Two had significant increases compared to the prior year:

- **Fire Facilities Fund:** approximately \$400,000 (32 percent) higher due to increased fire facilities fee revenue from development.
- **Public Facilities Fund:** almost \$1.2 million (45 percent) higher due to development and an increase in the public facilities fee.

Conclusion

The General Fund ended FY2016-17 with nearly \$5.8 million more in operating revenue than operating expenses. However, from FY2015-16 to FY2016-17, General Fund operating revenues increased by \$4 million (2.8 percent) while operating expenses increased by \$5.9 million (4.4 percent)—an unfavorable difference of more than \$1.9 million. After taking into account carryforward amounts for operating and capital appropriations, the General Fund ended the year \$4 million (2.6 percent of revenue) higher than the amended budget to pay for one-time critical unfunded needs.

General Fund: Operating Revenue & Transfers In

FY2016-17 Year End

July 1, 2016 - June 30, 2017

	Year End Actual		Amended Budget	Budget-to-Actual Variance
	FY2015-16	FY2016-17	FY2016-17	FY2016-17
Sales Tax	\$ 54,008,257	\$ 52,721,867	\$ 51,871,200	\$ 850,667
Property Tax	37,752,239	40,436,629	40,587,460	(150,831)
Parks, Recreation & Libraries Programs	4,033,934	4,024,458	4,178,358	(153,900)
Building Permits	2,087,097	2,688,300	2,100,000	588,300
Plan Check Fees	1,962,609	2,556,149	2,158,724	397,425
Engineering Inspection Fees	99,431	104,792	106,785	(1,993)
Grants	328,246	220,037	402,294	(182,257)
Other Revenue	16,018,566	16,994,315	15,851,028	1,143,287
Franchise Fee Transfers	7,137,021	7,574,514	7,574,514	0
Operating Transfers	3,081,745	3,042,307	3,604,791	(562,484)
Indirect Cost	13,482,250	13,433,950	13,433,950	0
Prior Year Operating Carryover*	1,167,709	1,346,141	1,346,141	0
Total:	\$ 141,159,104	\$ 145,143,459	\$ 143,215,245	\$ 1,928,214

Comparisons:



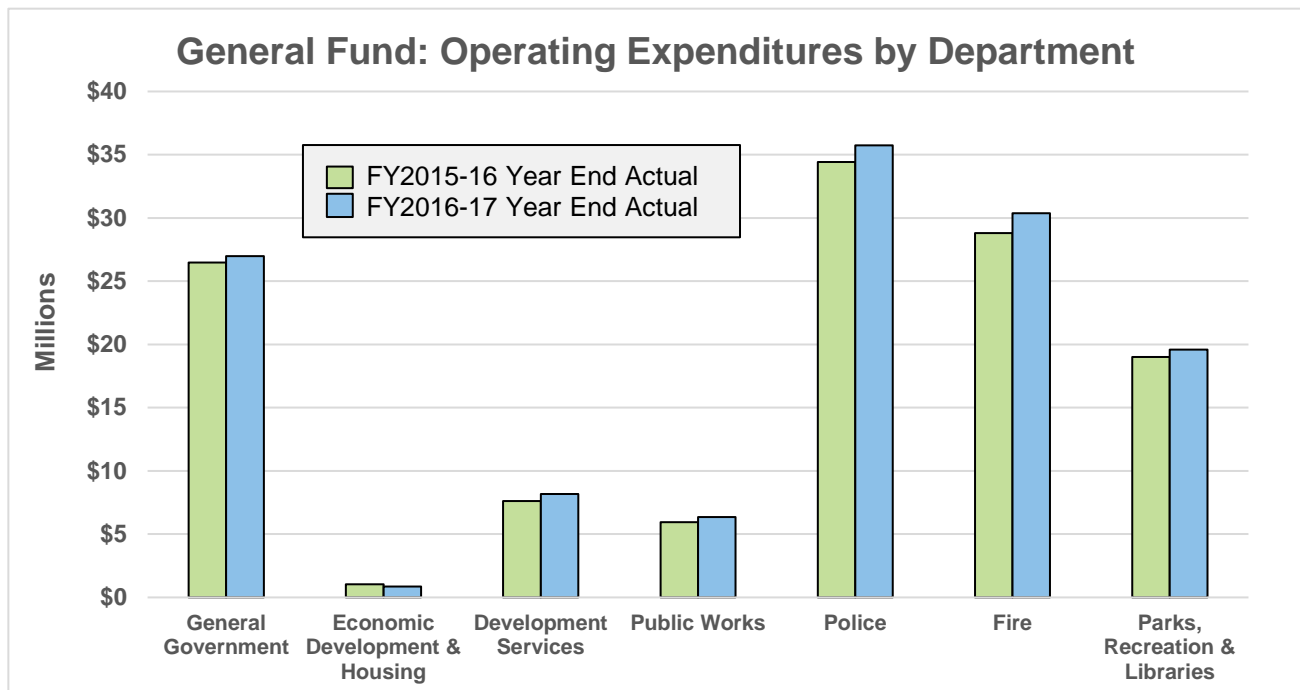
* Prior Year Operating Carryover is included here since it represents the reserve set aside to cover carryover expenses.

General Fund: Operating Expenditures & Transfers Out

FY2016-17 Year End

July 1, 2016 - June 30, 2017

	Year End Actual		Amended Budget	Budget-to-Actual Variance
	FY2015-16	FY2016-17	FY2016-17	FY2016-17
General Government	\$ 26,472,789	\$ 26,974,313	\$ 28,258,227	\$ 1,283,914
Economic Development & Housing	1,035,838	869,958	885,859	15,901
Development Services	7,611,763	8,187,743	8,514,317	326,574
Public Works	5,950,752	6,359,404	6,515,219	155,815
Police	34,413,201	35,731,267	36,122,792	391,525
Fire	28,800,160	30,361,259	30,487,786	126,527
Parks, Recreation & Libraries	19,011,714	19,580,923	20,035,942	455,019
Annexation Payments	4,076,406	4,734,193	4,750,000	15,807
City Special Assessments	647,705	131,035	84,560	(46,475)
Post-Retirement Transfer	4,814,835	5,625,906	5,632,519	6,613
Other Operating Transfers	589,085	798,426	873,427	75,001
General Fund Contingency	0	0	169,696	169,696
Total:	\$ 133,424,248	\$ 139,354,428	\$ 142,330,344	\$ 2,975,917



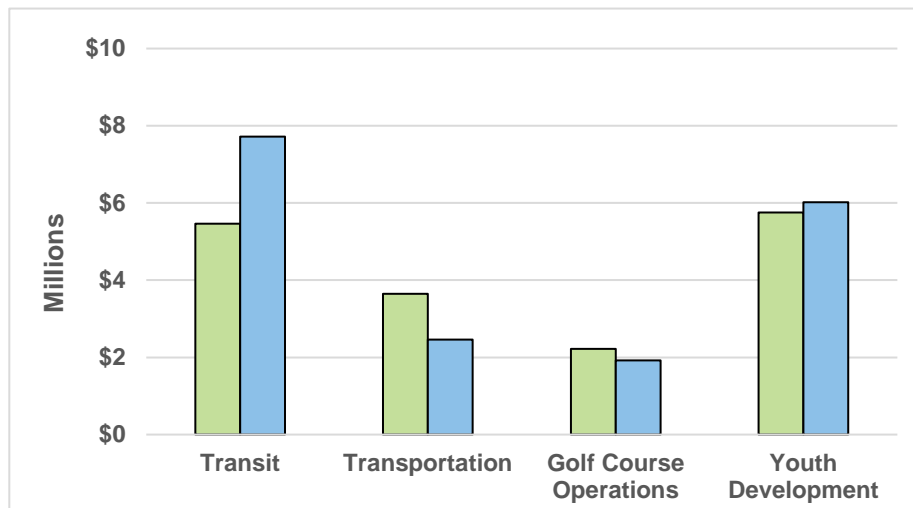
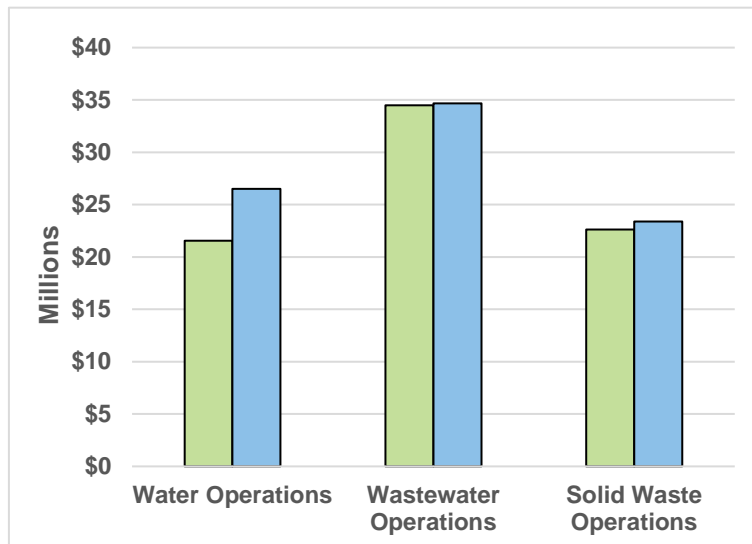
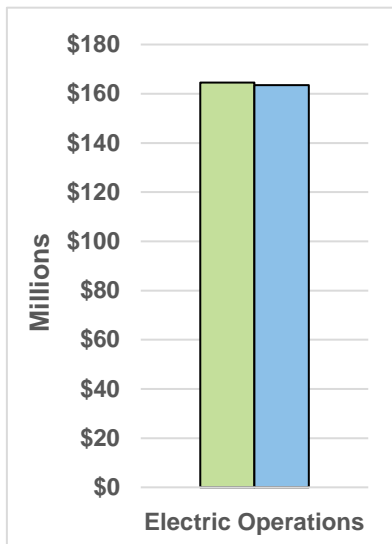
Enterprise Funds: Operating Revenue

FY2016-17 Year End

July 1, 2016 - June 30, 2017

	Year End Actual		Amended Budget	Budget-to-Actual Variance
	FY2015-16	FY2016-17	FY2016-17	FY2016-17
Electric Operations	\$ 164,594,032	\$ 163,443,361	\$ 162,631,394	\$ 811,967
Water Operations	21,542,398	26,508,810	25,810,595	698,215
Wastewater Operations	34,498,261	34,665,834	34,516,476	149,358
Solid Waste Operations	22,609,879	23,397,466	21,889,767	1,507,699
Transit	5,465,659	7,717,905	9,790,686	(2,072,781)
Transportation	3,647,920	2,462,915	5,040,485	(2,577,570)
Golf Course Operations	2,220,478	1,921,831	2,390,000	(468,169)
Youth Development	5,749,990	6,014,413	6,168,762	(154,349)

Comparisons:



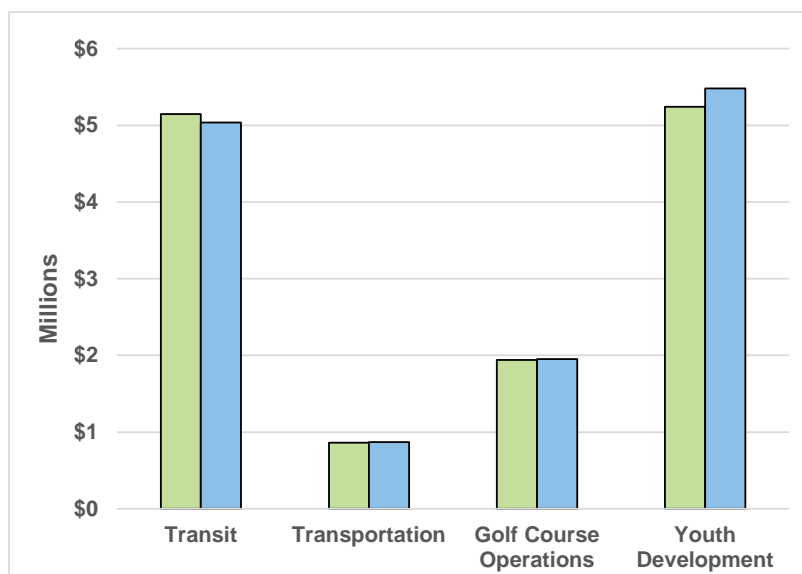
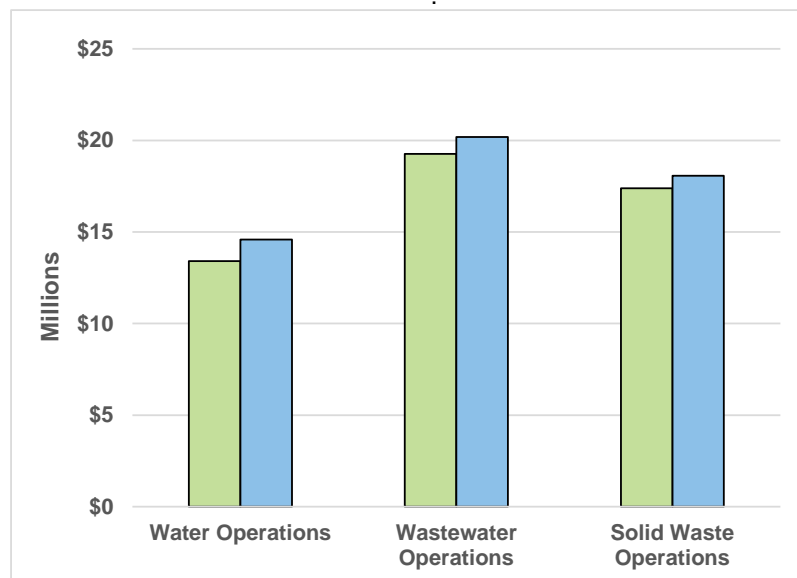
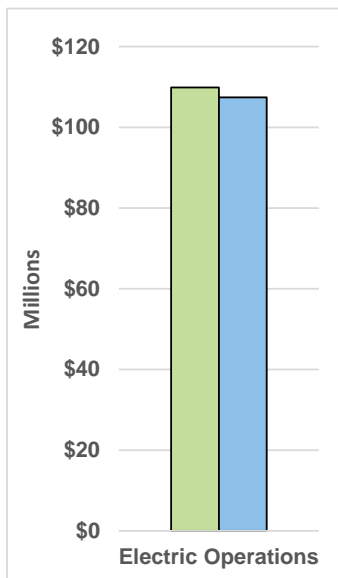
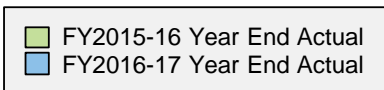
Enterprise Funds: Operating Expenditures

FY2016-17 Year End

July 1, 2016 - June 30, 2017

	Year End Actual		Amended Budget	Budget-to-Actual Variance
	FY2015-16	FY2016-17	FY2016-17	FY2016-17
Electric Operations	\$ 109,896,500	\$ 107,438,996	\$ 121,920,742	\$ 14,481,746
Water Operations	13,410,853	14,584,343	17,785,321	3,200,978
Wastewater Operations	19,271,730	20,192,099	23,543,886	3,351,787
Solid Waste Operations	17,390,770	18,067,811	19,666,119	1,598,308
Transit	5,147,515	5,037,552	5,394,018	356,466
Transportation	861,933	868,324	1,218,294	349,970
Golf Course Operations	1,939,400	1,950,749	2,009,024	58,275
Youth Development	5,243,158	5,478,940	5,530,742	51,802

Comparisons:



Other Revenue

FY2016-17 Year End

July 1, 2016 - June 30, 2017

	Year End Actual		Amended Budget	Budget-to-Actual Variance
	FY2015-16	FY2016-17	FY2016-17	FY2016-17
Fire Facilities Fund	\$ 1,230,449	\$ 1,629,365	\$ 1,303,328	\$ 326,037
Public Facilities Fund	2,541,936	3,694,381	2,102,650	1,591,731
Strategic Improvement Fund	1,011,575	1,050,690	996,466	54,224

Comparisons:

