



# City of Springfield

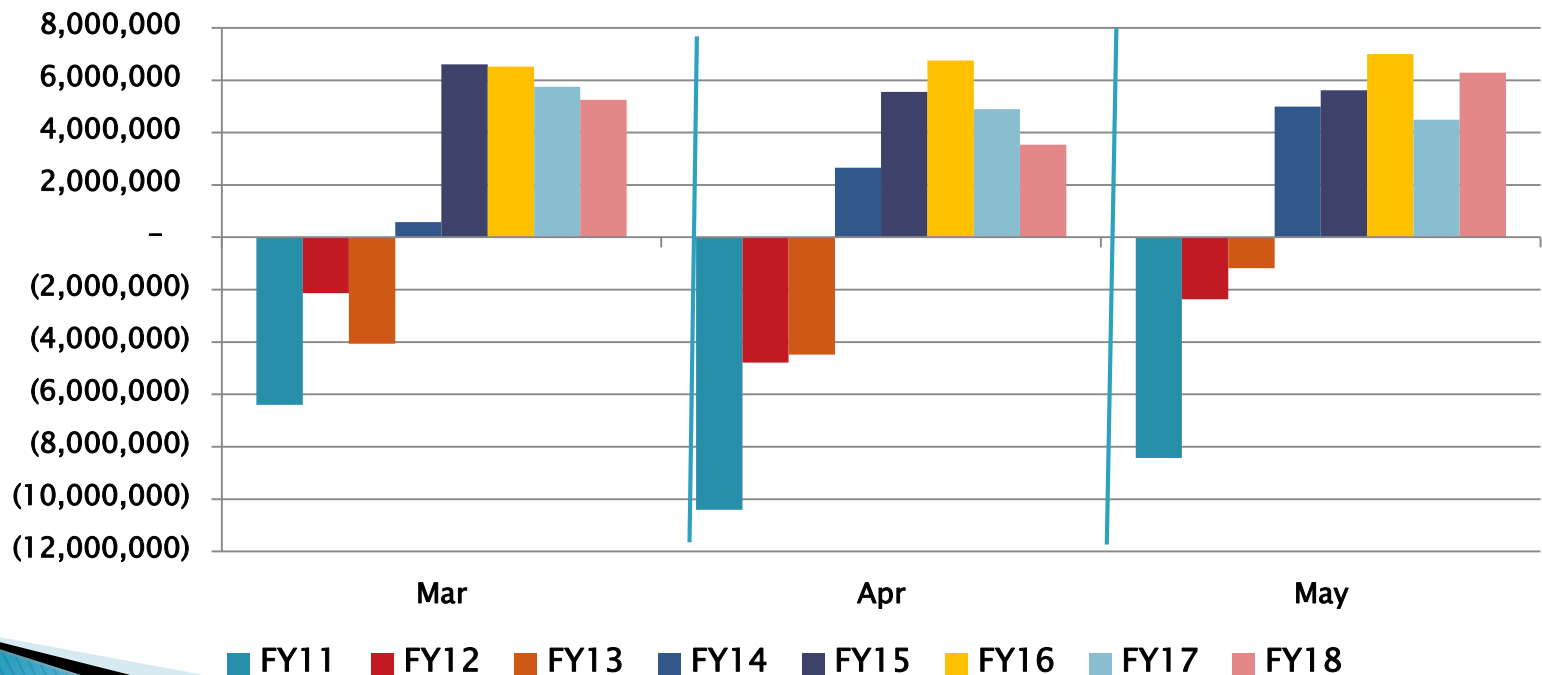
## Office of Budget & Management

### William D. McCarty, Director

FY 2018 Q1 Report  
July 18, 2017

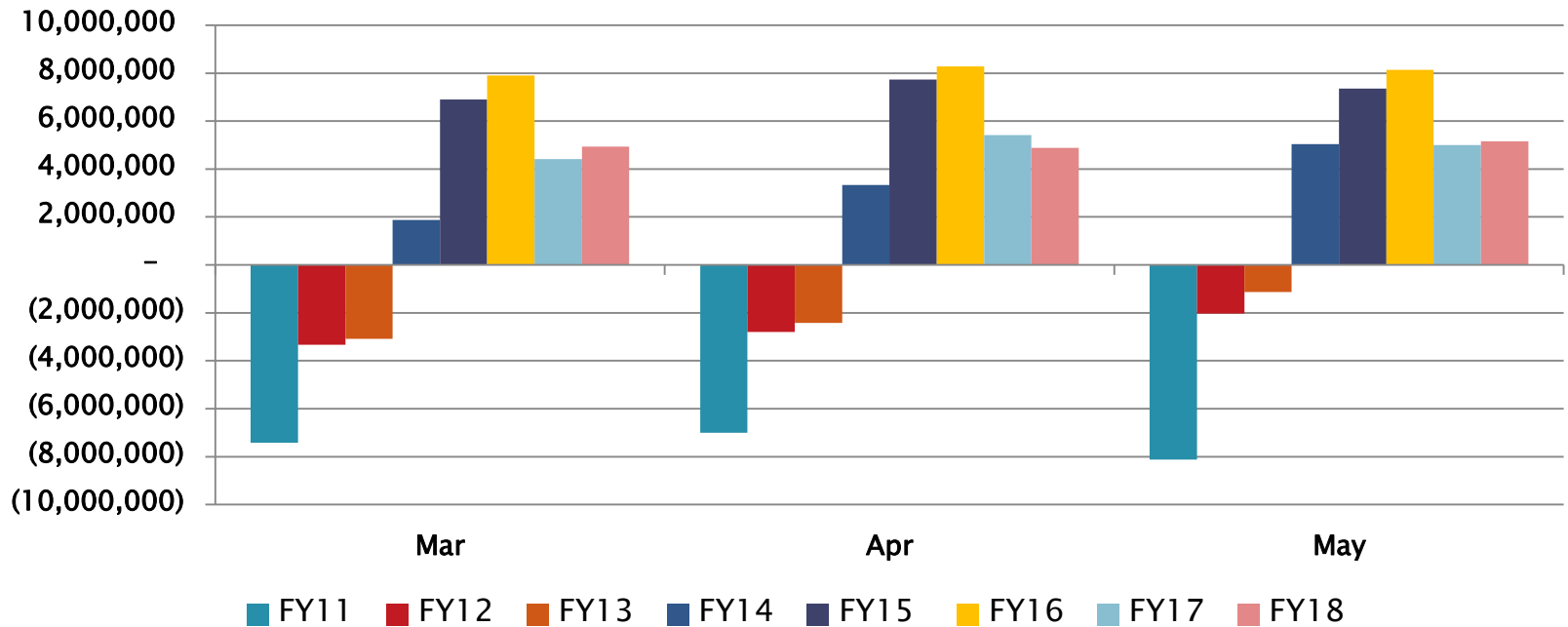
# Corporate Fund Monthly End of Cash Summary

	Mar	Apr	May
FY11	(6,394,891)	(10,405,221)	(8,431,637)
FY12	(2,138,647)	(4,781,481)	(2,364,703)
FY13	(4,062,539)	(4,475,298)	(1,185,225)
FY14	579,848	2,652,708	4,996,649
FY15	6,601,041	5,557,725	5,616,341
FY16	6,524,701	6,756,525	6,995,823
FY17	5,755,319	4,892,275	4,494,765
FY18	5,248,877	3,532,043	6,284,214



# Corporate Fund Monthly Average Daily Balance

	Mar	Apr	May
FY11	(7,412,513)	(7,000,396)	(8,117,599)
FY12	(3,327,878)	(2,799,840)	(2,029,824)
FY13	(3,087,534)	(2,416,729)	(1,125,813)
FY14	1,881,436	3,329,691	5,041,050
FY15	6,906,071	7,728,093	7,359,638
FY16	7,903,191	8,286,083	8,142,620
FY17	4,418,957	5,411,918	4,995,701
FY18	4,934,311	4,885,819	5,150,626





# Online shopping habits hurt retail job market

By Danielle Paquette  
Washington Post News Service

More and more Americans are embracing a trend that labor groups have come to fear: We are shopping online now about as often as we take out the trash.

About a third of adults buy something on a computer or phone at least once per week, up from 21 percent in 2013, according to a new survey from a consulting firm that watches e-commerce trends.

The poll of roughly 1,600 people across the country also found that nearly half prefer to purchase goods on the web, the Walker Sands data show. These days, that includes just about everything: groceries, prescription refills, mattresses, party dresses. Just 4 percent of respondents said they avoided online deliveries entirely.

Our shifting preference, however, is taking a toll on certain retail jobs.

"It's gotten so easy and convenient," said analyst Erin Jordan, who led the report. "People are getting used to that."

The data build on findings last year from the Pew Research Center, which reported that 8 in 10 Americans shop online. When the researchers first asked that question in 2000, only 22 percent of respondents said they'd ever ordered something on a screen.

Since 2000, a whopping 46 percent of department store jobs have vanished, government data show. The pace is picking up.

At least 5,300 stores have announced closures this year, which is triple the number over the same period in 2016, according to data from Fung Global Retail & Technology, a New York think tank.

Between 2013 and 2017, America's clothing stores lost about 64,000 jobs. From January to June, general merchandise retailers, such as Sears and Macy's, saw 31,000 jobs disappear.

These positions, which pay a mean hourly wage of \$13 an hour, are disproportionately held by women (60 percent). They're scattered nationwide but tend to concentrate in cities. Though more store clerks have lost their jobs in recent years than, say, coal workers, retail clusters don't economically bolster specific states the way coal did for West Virginia.

The brick-and-mortar decline has coincided with an e-commerce surge. The National Retail Federation, a trade group in Washington, expects that online retail this year will grow between 8 percent and 12 percent, or up to about three times the

broader industry's rate.

This isn't the first time a cultural shift has rocked the retail world.

Back in the '70s and '80s, the rise of malls in suburbia created more work in outer-city communities but wiped out downtown shopping centers. Heightened interest in online shopping today is doing the same thing to the country's storefronts - "only faster," said Mark Cohen, director of retail studies at Columbia University's business school.

The trend, Cohen said, "is in a state of acceleration. And the internet is going to keep growing."

Driving this trend, Cohen said: Older shoppers are getting less skeptical about typing their credit card number into a machine. And younger generations, he added, are adopting voice assistants,

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## TRENDS

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such as Google Home and Amazon's Alexa; that can make the orders for them.

Meanwhile, entry-level jobs in stores that are still thriving aren't proliferating at the rate they

once did, thanks in part to automation.

Over the next seven years, per the Bureau of Labor statistics, employment of cashiers in the United States is projected to grow 2 percent, while the average for all jobs is expected to increase 7 percent.

"Advances in technology, such as self-service checkout

stands in retail stores and increasing online sales, will continue to limit the need for cashiers," according to the BLS website.

Amazon reported what it called record-breaking sales on Tuesday. The

e-commerce giant said sales from Prime Day, its annual shopping event, surged 60 percent from last year's 30-hour window. (The company didn't release any hard sales numbers.)

As Prime Day hype

flooded social media - the sale trended on both Facebook and Twitter - the United Food and Commercial Workers International Union, which represents retail workers, released a statement urging buyers to

"examine the high cost of Amazon's business model."

"Amazon's brutal vision for retail is one where automation needlessly replaces good people and good jobs," said Marc Perrone, the group's president.

# Corporate Fund Summary Q1 – Budgetary

Revenues	Adopted Budget	Current Budget	YTD Actual	Current Budget Remaining	% of Current Budget Collected
Property Tax	\$ 21,525,000	\$ 21,525,000	\$ 1,800,223	\$ 19,724,777	8%
State Sales Tax	\$ 28,973,202	\$ 28,973,202	\$ -	\$ 28,973,202	0%
City Sales Tax	\$ 27,994,193	\$ 27,994,193	\$ -	\$ 27,994,193	0%
City Vehicle Tax	\$ 2,220,000	\$ 2,220,000	\$ 344,319	\$ 1,875,681	16%
Telecomm Tax	\$ 2,481,839	\$ 2,481,839	\$ -	\$ 2,481,839	0%
Miscellaneous Taxes	\$ 1,404,561	\$ 1,404,561	\$ 301,279	\$ 1,103,282	21%
Income Tax	\$ 11,752,002	\$ 11,752,002	\$ 3,330,147	\$ 8,421,855	28%
Personal Property Replacement Tax	\$ 2,065,000	\$ 2,065,000	\$ 1,185,353	\$ 879,647	57%
State Use Tax	\$ 2,920,000	\$ 2,920,000	\$ 781,296	\$ 2,138,704	27%
PILOT	\$ 8,388,000	\$ 8,388,000	\$ 2,081,064	\$ 6,306,936	25%
Licenses-Fines-Fees-Permits-Other	\$ 9,489,451	\$ 9,489,451	\$ 3,335,039	\$ 6,154,412	35%
Fund Balance	\$ 3,418,249	\$ 3,418,249	\$ -	\$ 3,418,249	0%
<b>TOTAL REVENUES</b>	<b>\$ 122,631,497</b>	<b>\$ 122,631,497</b>	<b>\$ 13,158,721</b>	<b>\$ 109,472,776</b>	<b>11%</b>
Expenditures	Adopted Budget	Current Budget	YTD Actual	Current Budget Remaining	% of Current Budget Used
<b>Personal Services:</b>					
Salaries & Fringes	\$ 65,121,659	\$ 65,121,659	\$ 16,368,928	\$ 48,752,731	25%
Health Insurance	\$ 11,463,933	\$ 11,463,933	\$ 2,977,350	\$ 8,486,583	26%
Police Pension	\$ 10,116,706	\$ 10,116,706	\$ -	\$ 10,116,706	0%
Fire Pension	\$ 11,184,141	\$ 11,184,141	\$ -	\$ 11,184,141	0%
<b>Sub-Total Personal Services:</b>	<b>\$ 97,886,439</b>	<b>\$ 97,886,439</b>	<b>\$ 19,346,278</b>	<b>\$ 78,540,161</b>	<b>20%</b>
<b>Operating Lines:</b>					
Contractual	\$ 8,494,732	\$ 8,581,040	\$ 1,722,967	\$ 6,858,073	20%
Commodities	\$ 952,000	\$ 952,563	\$ 224,890	\$ 727,673	24%
Equipment	\$ 573,506	\$ 575,506	\$ 62,312	\$ 513,194	11%
Electronic Data Processing	\$ 1,470,043	\$ 1,470,043	\$ 261,910	\$ 1,208,133	18%
Telecommunications	\$ 787,075	\$ 787,075	\$ 127,337	\$ 659,738	16%
Automotive Equipment	\$ 4,260,382	\$ 4,260,382	\$ 888,249	\$ 3,372,133	21%
Other Expenses	\$ 620,300	\$ 659,136	\$ 132,396	\$ 526,740	20%
<b>Sub-Total Operating Lines:</b>	<b>\$ 17,158,038</b>	<b>\$ 17,285,745</b>	<b>\$ 3,420,061</b>	<b>\$ 13,865,684</b>	<b>20%</b>
<b>Transfers Out:</b>	<b>\$ 7,576,251</b>	<b>\$ 7,576,251</b>	<b>\$ 1,844,063</b>	<b>\$ 5,732,188</b>	<b>24%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 122,620,728</b>	<b>\$ 122,748,435</b>	<b>\$ 24,610,402</b>	<b>\$ 98,138,033</b>	<b>20%</b>
<b>Current FY18 Activity - Favorable/(Unfavorable)</b>					<b>-\$11,451,681</b>



## Corporate Fund Cash Receipts & Disbursements – FY2018 Q1 vs. FY2017 Q1

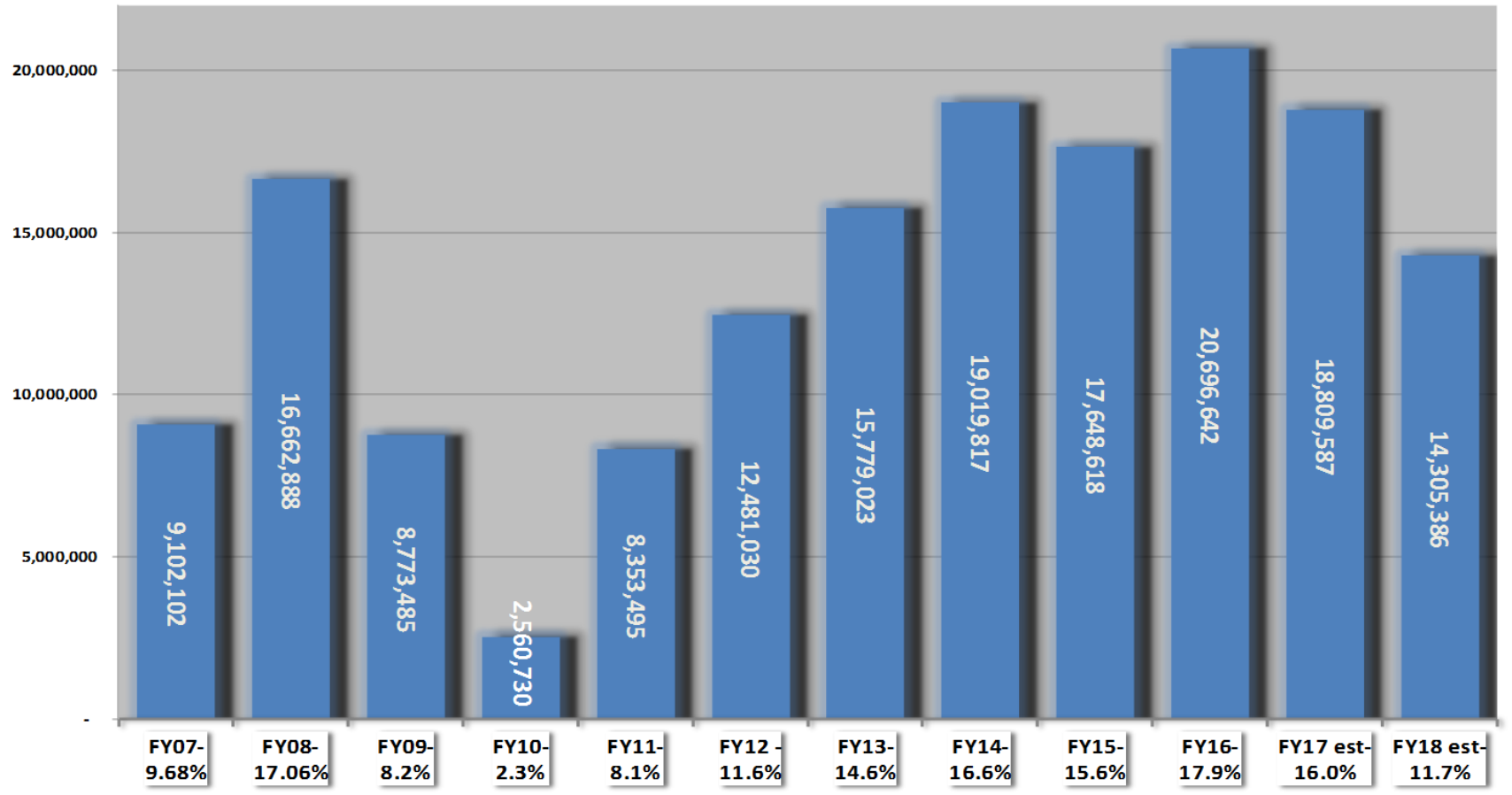
Starting Cash Balance	\$	3,206,793	\$	2,650,762	\$	556,032
Receipts		FY18 Q1		FY17 Q1		Variance
Property Tax	\$	1,544,298	\$	2,326,641	\$	(782,342)
State Sales Tax	\$	6,875,600	\$	7,098,633	\$	(223,033)
City Sales Tax	\$	6,682,074	\$	6,956,332	\$	(274,257)
City Vehicle Tax	\$	540,758	\$	551,806	\$	(11,048)
Telecomm Tax	\$	576,573	\$	879,770	\$	(303,197)
Miscellaneous Taxes	\$	343,700	\$	251,227	\$	92,473
Income Tax	\$	2,760,820	\$	3,130,515	\$	(369,695)
Personal Property Replacement Tax	\$	1,185,353	\$	950,423	\$	234,931
State Use Tax	\$	781,296	\$	937,934	\$	(156,639)
PILOT	\$	2,081,064	\$	2,286,370	\$	(205,306)
All Other	\$	2,476,492	\$	2,156,503	\$	319,989
<b>TOTAL RECEIPTS</b>	<b>\$</b>	<b>25,848,029</b>	<b>\$</b>	<b>27,526,153</b>	<b>\$</b>	<b>(1,678,124)</b>
Disbursements		FY18 Q1		FY17 Q1		Variance
<b>Personal Services:</b>						
Salaries & Fringes	\$	13,850,497	\$	14,076,837	\$	(226,340)
Health Insurance	\$	2,550,351	\$	2,732,559	\$	(182,209)
Police Pension	\$	-	\$	1,071,222	\$	(1,071,222)
Fire Pension	\$	-	\$	1,120,060	\$	(1,120,060)
<b>Sub-Total Personal Services:</b>	<b>\$</b>	<b>16,400,848</b>	<b>\$</b>	<b>19,000,678</b>	<b>\$</b>	<b>(2,599,831)</b>
<b>Operating Lines:</b>						
Contractual	\$	2,191,886	\$	2,050,859	\$	141,027
Commodities	\$	271,210	\$	171,517	\$	99,693
Equipment	\$	289,265	\$	364,404	\$	(75,139)
Electronic Data Processing	\$	317,773	\$	812,247	\$	(494,475)
Telecommunications	\$	355,208	\$	285,754	\$	69,454
Automotive	\$	942,716	\$	1,071,229	\$	(128,513)
Other Disbursements	\$	157,640	\$	132,398	\$	25,242
<b>Sub-Total Operating Lines:</b>	<b>\$</b>	<b>4,525,698</b>	<b>\$</b>	<b>4,888,408</b>	<b>\$</b>	<b>(362,710)</b>
<b>Transfers Out:</b>	<b>\$</b>	<b>1,844,063</b>	<b>\$</b>	<b>1,793,064</b>	<b>\$</b>	<b>(866,446)</b>
<b>TOTAL DISBURSEMENTS</b>	<b>\$</b>	<b>22,770,608</b>	<b>\$</b>	<b>25,682,151</b>	<b>\$</b>	<b>(3,828,987)</b>
<b>Ending Cash Balance</b>	<b>\$</b>	<b>6,284,214</b>	<b>\$</b>	<b>4,494,764</b>	<b>\$</b>	<b>2,706,895</b> *

\* A \$2.2 mil payment was made to the pension funds late in Q1 of FY17 that due to timing was made in June for FY18

# Corporate Fund Impact of Public Act 100-0022

	State Cuts			Fund Balance	
	FY18	FY19	Total	FT17 EOY Estimate	18,809,587
LGDF (Income Tax)	(626,358)	(524,087)	<b>(1,150,445)</b>	FY18 Budgeted Use	(3,418,249)
City Sales Tax	(459,593)	(559,502)	<b>(1,019,096)</b>	FY18 State Cuts	(1,085,952)
<b>Total</b>	<b>(1,085,952)</b>	<b>(1,083,589)</b>	<b>(2,169,541)</b>	FY18 Estim EOY Bal	14,305,386

## Fund Balance



# Summary

- ▶ Negative revenue trend continues to diminish Corporate Fund health
- ▶ Expenses in line with expectations at this point
- ▶ State local funds action and other revenue erosion could further diminish fund balance