



City of Springfield

Office of Budget & Management

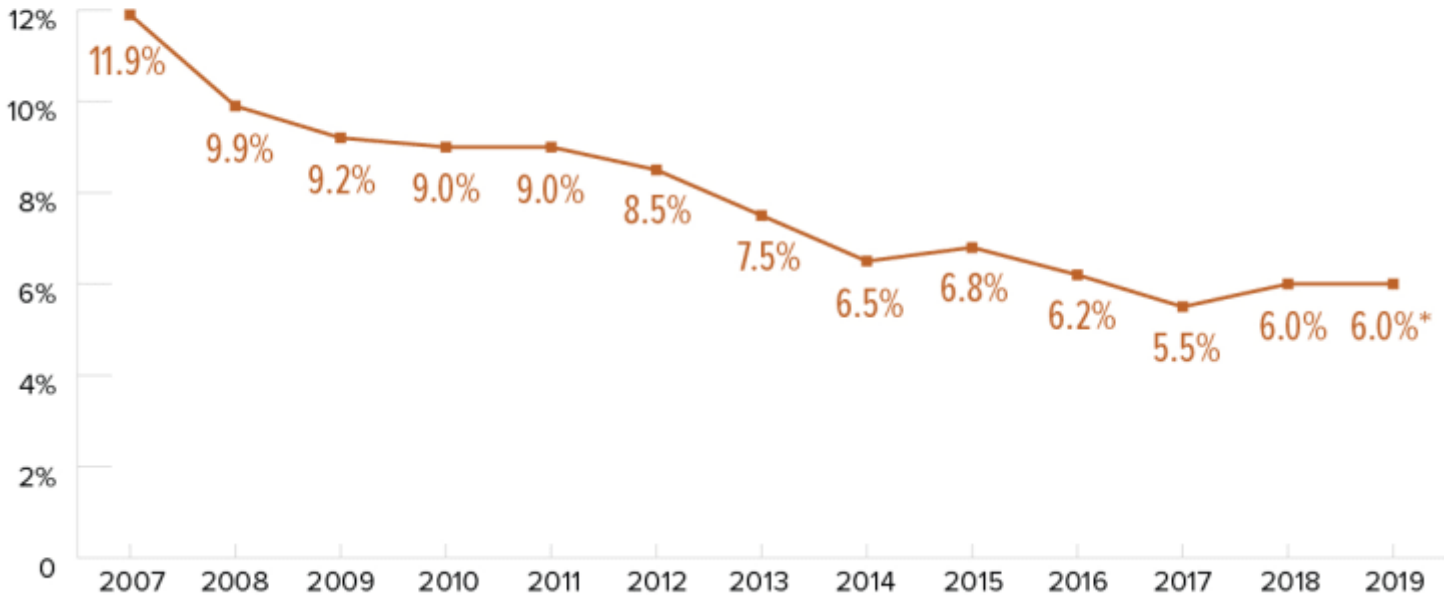
William D. McCarty, Director

FY 2019 Q2 Report
October 16, 2018

Healthcare Growth

Annual Health Care Cost Increases for Large Group Health Plans

The medical cost trend fell for seven consecutive years before stabilizing around 6 percent.

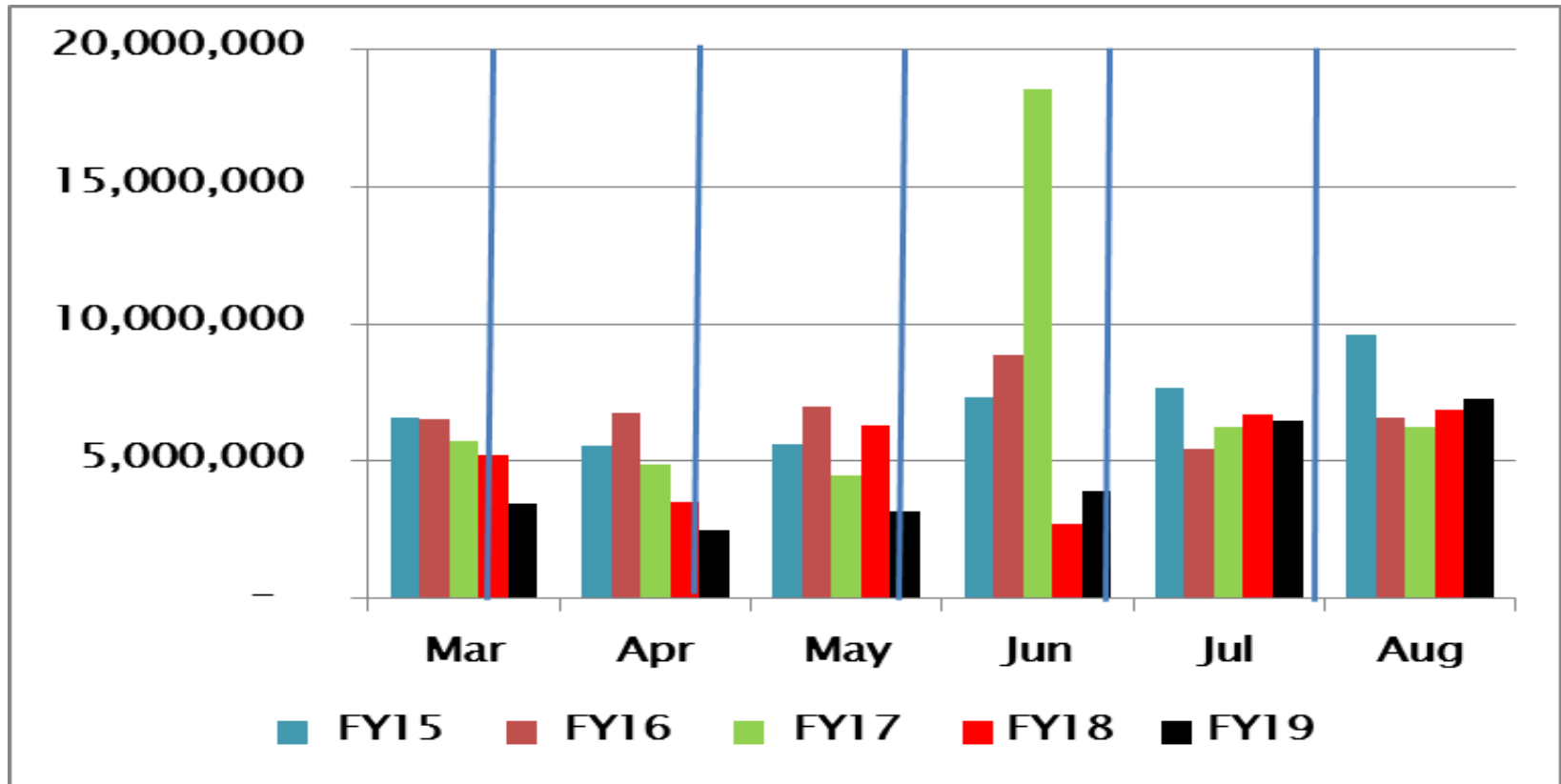


*Projected.
Source: PwC's Health Research Institute.

City of Springfield Healthcare Plan Expense (\$ millions)

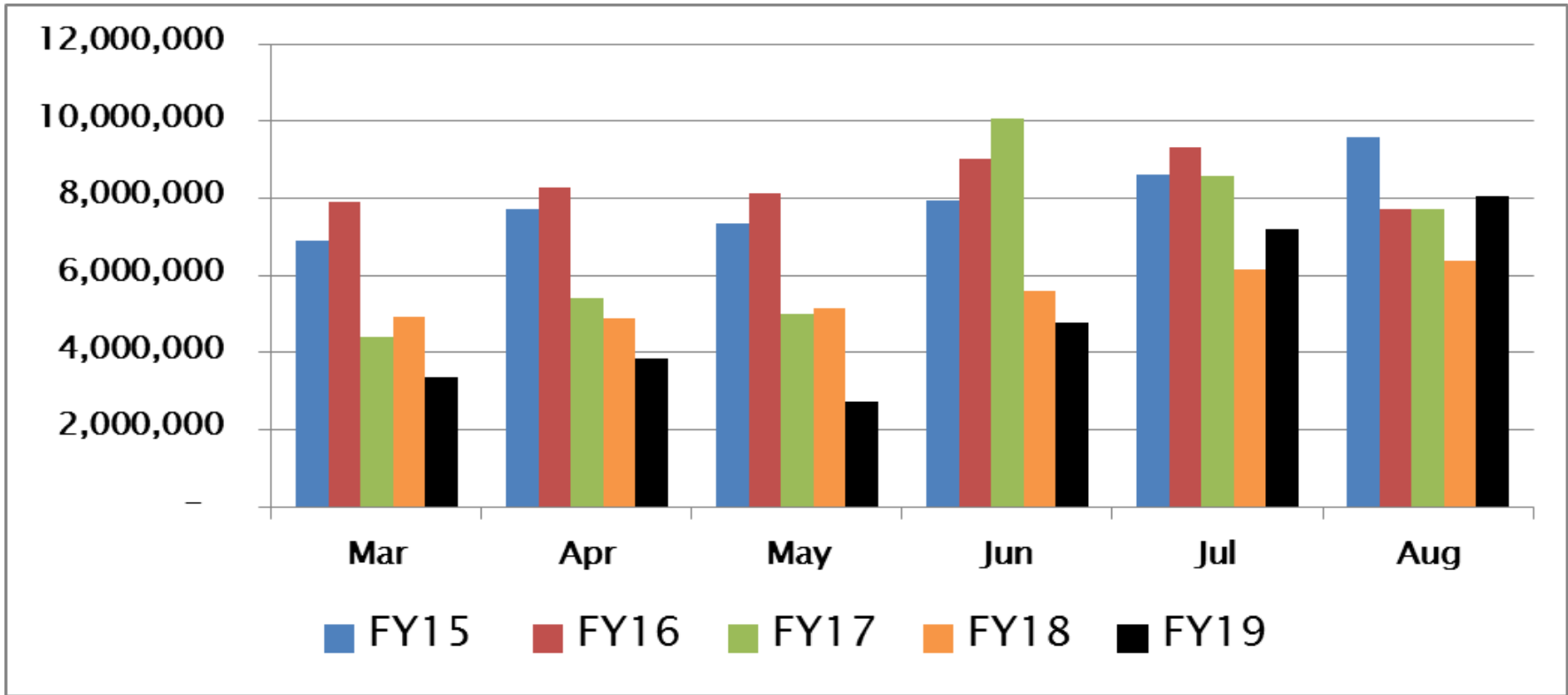
<u>FY19</u>	<u>FY18</u>	<u>FY17</u>	<u>FY16</u>	<u>FY15</u>
\$30.5	\$31.0	\$29.5	\$31.6	\$31.1

Corporate Fund Month End Cash Comparison



	Mar	Apr	May	Jun	Jul	Aug
FY15	6,601,041	5,557,725	5,616,341	7,312,731	7,651,990	9,613,964
FY16	6,524,701	6,756,525	6,995,823	8,880,440	5,435,991	6,614,413
FY17	5,755,319	4,892,275	4,494,765	18,551,896	6,221,142	6,275,948
FY18	5,248,877	3,532,043	6,284,214	2,734,663	6,690,040	6,866,179
FY19	3,488,543	2,513,892	3,176,420	3,902,546	6,470,947	7,274,626

Corporate Fund Monthly Average Daily Balance



	Mar	Apr	May	Jun	Jul	Aug
FY15	6,906,071	7,728,093	7,359,638	7,945,841	8,600,064	9,574,072
FY16	7,903,191	8,286,083	8,142,620	9,027,185	9,316,263	7,709,836
FY17	4,418,957	5,411,918	4,995,701	10,051,927	8,580,105	7,733,859
FY18	4,934,311	4,885,819	5,150,626	5,590,116	6,145,779	6,379,418
FY19	3,350,483	3,859,641	2,730,648	4,778,227	7,206,077	8,058,200

Corporate Fund Cash Receipts & Disbursements – FY2019 vs. FY2018 through Q2

Starting Cash Balance	\$ 1,800,960	\$ 3,206,793	(1,405,833)
Receipts	FY19 Q2	FY18 Q2	Variance
Property Tax	\$ 13,436,607	\$ 12,680,558	\$ 756,049
State Sales Tax	\$ 14,128,282	\$ 13,930,732	\$ 197,550
City Sales Tax	\$ 13,363,697	\$ 13,412,986	\$ (49,289)
City Vehicle Tax	\$ 1,163,896	\$ 1,150,117	\$ 13,779
Telecomm Tax	\$ 1,108,047	\$ 1,180,108	\$ (72,061)
Miscellaneous Taxes	\$ 831,586	\$ 684,383	\$ 147,203
Income Tax	\$ 5,687,788	\$ 7,357,617	\$ (1,669,829)
Personal Property Replacement Tax	\$ 1,454,674	\$ 1,589,571	\$ (134,897)
State Use Tax	\$ 1,597,920	\$ 1,490,571	\$ 107,349
PILOT	\$ 4,242,813	\$ 4,030,112	\$ 212,701
All Other	\$ 7,769,694	\$ 5,517,194	\$ 2,252,500
TOTAL RECEIPTS	\$ 64,785,006	\$ 63,023,949	\$ 1,761,057
Disbursements	FY19 Q2	FY18 Q2	Variance
Personal Services:			
Salaries & Fringes	\$ 30,535,395	\$ 30,216,815	\$ 318,580
Health Insurance	\$ 5,497,267	\$ 5,518,468	\$ (21,201)
Police Pension	\$ 5,421,505	\$ 5,249,192	\$ 172,312
Fire Pension	\$ 5,958,247	\$ 5,803,145	\$ 155,102
Sub-Total Personal Services:	\$ 47,412,413	\$ 46,787,620	\$ 624,792
Sub-Total Operating Lines:	\$ 8,601,025	\$ 8,888,818	\$ (287,793)
Transfers Out:	\$ 3,297,902	\$ 3,688,125	\$ (390,223)
TOTAL DISBURSEMENTS	\$ 59,311,340	\$ 59,364,563	\$ (53,224)
Ending Cash Balance	7,274,626	\$ 6,866,179	\$ 408,447

*Earlier than expected
Property Tax +\$500k
Annexations +\$250k*

*Income Tax receipts in
FY18 included "catch-up"
payments -\$1.7 mil*

*One time transfer from
Fund 095 +\$1.0 mil
Comcast Audit- +\$980k*

Corporate Fund Summary

Estimated Year-End Budgetary Basis

March 1st, 2018 Fund Balance					\$ 16,138,753
Revenues	Adopted Budget	Current Budget	YTD Actual	Estimated EOY	\$\$\$\$ Variance
Taxes- Local Economy	\$ 85,003,000	\$ 85,003,000	\$ 29,961,957	\$ 86,542,753	\$ 1,539,753
Taxes-Share of Statewide	\$ 16,122,529	\$ 16,122,529	\$ 8,531,033	\$ 16,377,377	\$ 254,848
PILOT	\$ 8,588,666	\$ 8,588,666	\$ 4,254,608	\$ 8,588,666	\$ -
All Other	\$ 11,450,642	\$ 11,551,618	\$ 6,403,797	\$ 12,482,962	\$ 931,344
Fund Balance	\$ 2,636,384	\$ 2,636,384	\$ -		\$ -
TOTAL REVENUES	\$ 123,801,221	\$ 123,902,197	\$ 49,151,395	\$ 123,991,758	\$ 89,561
Expenditures	Adopted Budget	Current Budget	YTD Actual	Estimated EOY	\$\$\$\$ Variance
Personal Services:					
Salaries & Fringes	\$ 65,019,660	\$ 65,026,636	\$ 30,821,303	\$ 64,384,140	\$ 642,496
Health Insurance	\$ 11,561,709	\$ 11,561,709	\$ 5,497,475	\$ 11,561,709	\$ -
Police Pension	\$ 10,843,009	\$ 10,843,009	\$ 5,421,505	\$ 10,843,009	\$ -
Fire Pension	\$ 11,916,494	\$ 11,916,494	\$ 5,958,247	\$ 11,916,494	\$ -
Sub-Total Personal Services:	\$ 99,340,872	\$ 99,347,848	\$ 47,698,529	\$ 98,705,352	\$ 642,496
Sub-Total Operating Lines:	\$ 17,414,545	\$ 17,508,545	\$ 6,831,212	\$ 16,547,413	\$ 961,132
Transfers Out:	\$ 7,045,804	\$ 7,045,804	\$ 3,297,902	\$ 7,045,804	\$ -
TOTAL EXPENDITURES	\$ 123,801,221	\$ 123,902,197	\$ 57,827,643	\$ 122,298,569	\$ 1,603,628
Current FY19 Activity - Favorable/(Unfavorable)					\$ 1,693,189
Projected FY 2019 Ending Fund Balance					\$ 17,831,942

Fund Balance Step-Down

Fund Balance in FY19 approp	\$ (2,636,384)
Earlier and unexpected Property Tax	\$ 520,250
Positive sales tax performance	\$ 873,690
Shared taxes performance	\$ 254,848
Comcast audit (one-time)	\$ 980,000
All Other revenue performance	\$ 97,157
Projected FY 2019 Lapse - All Objects	\$ 1,603,628
Surplus (positive effect on fund balance)	\$ 1,693,189

Take Aways

Revenues:

- ▶ Revenue trends better than expected thus far, but still behind those of years past.
- ▶ Reduced state retention of city funds, Comcast settlement, and annexations providing unexpected revenue.
- ▶ Over-performing and unexpected revenue to date has erased planned use of fund balance thus far.
- ▶ Use of \$1M in Fund 95 dollars has not been eclipsed as of yet.

Expenses:

- ▶ Expenses under budget at this point, primarily through aggressive control of personnel costs.
- ▶ Police and Fire contracts are open at the moment.

S&P Rating Change

- ▶ Affirmed AA
- ▶ Outlook Negative from Stable

Outlook

The negative outlook reflects our expectation that there is a one-in-three chance that Springfield's financial performance will not improve, resulting in deterioration of budgetary flexibility. The outlook is also based on our view of the city's underfunded public safety pensions, and budgetary pressure, caused by increasing pension payments.

We will likely lower the rating if the city is not able to return to balanced operations over the two-year outlook horizon. On the other hand, we may affirm the rating and revise the outlook to stable if the city can restore balanced operations despite increasing public safety pension payments.

New Financial Transparency Reports



Expense vs Budget by Department

Monday, October 1, 2018

Department: 101;102;103;104;105;106;107;108;109;110;111;112;113;114;115;116;600;888;900;999;NA
 Fiscal Year: 2019

103

Department	Unit	Fund	Actual Expense	Encumbered	Adopted Expense	Current Expense	Unobligated Expense
City Clerk	City Clerk	Corporate Fund	293,139.35	50,624.00	611,379	611,379	267,615.65
			293,139.35	50,624.00	611,379	611,379.00	267,615.65

104

Department	Unit	Fund	Actual Expense	Encumbered	Adopted Expense	Current Expense	Unobligated Expense
Treasurer	Treasurer	Corporate Fund	584,564.53	21,385.24	1,172,621	1,172,621	566,671.23
			584,564.53	21,385.24	1,172,621	1,172,621.00	566,671.23

106

Department	Unit	Fund	Actual Expense	Encumbered	Adopted Expense	Current Expense	Unobligated Expense
Human Resources	Human Resources	Corporate Fund	626,263.01	4,923.57	1,328,728	1,328,728	697,541.42
			626,263.01	4,923.57	1,328,728	1,328,728.00	697,541.42

Department – Unit – Fund Level



Expense vs Budget by Department

Monday, October 1, 2018

Department: 101;102;103;104;105;106;107;108;109;110;111;112;113;114;115;116;600;888;900;999;NA
 Fiscal Year: 2019

110

Department	Unit	Fund	Actual Expense	Encumbered	Adopted Expense	Current Expense	Unobligated Expense
Public Works	Gas Tax	Motor Fuel Tax Fund	2,027,770.28	10,080,286.70	19,720,000	19,720,000	7,611,943.02
Public Works	Motor Vehicle Parking	Motor Vehicle Parking Fund	417,645.18	15,549.51	798,301	798,301	365,106.31
Public Works	Oak Ridge Cemetery	Oak Ridge Cemetery Fund	746,500.80	62,929.16	1,277,957	1,312,957	503,527.04
Public Works	Oak Ridge Cemetery	Oak Ridge Endowment Care	0.00	0.00	0	0	0.00
Public Works	Public Works	Capital Improvements Fund	125,029.25	0.00	358,985	358,985	233,955.75
Public Works	Public Works	Corporate Fund	8,215,386.30	329,152.02	15,777,728	15,777,728	7,233,189.68
Public Works	Public Works	Facility Maintenance Revolving Fund	525,297.39	48,886.38	977,381	977,381	403,197.23
Public Works	Sewer	Sewer Fund	3,012,952.25	3,351,327.52	9,758,444	9,758,444	3,394,164.23
Public Works	Solid Waste	Recycling Fund	843,765.01	466,809.17	1,537,440	1,837,440	526,865.82
Public Works	Streets	1996 Capital Improvement Fund	0.00	0.00	640,000	640,000	640,000.00
			15,914,346.46	14,354,940.46	50,846,236	51,181,236.00	20,911,949.08

Appropriation Level Report



Expense vs Budget by Object Class

Monday, October 1, 2018

Department: 102;103;104;105;106;107;108;109;110;111;112;113;114;115;116;600;888;900;999;NA
 Fiscal Year: 2019

103

Department	Unit	Fund	Object Class	Object Class Name	Actual Expense	Encumbered	Adopted Expense Budget(90.2)	Current Expense Budget	Unobligated Expense Budget(90.2)
City Clerk	City Clerk	Corporate Fund	110	Personal Services & Fringe Ben	267,840.37	0.00	487,294	487,294	219,453.63
City Clerk	City Clerk	Corporate Fund	120	Contractual Services	17,284.92	50,624.00	94,285	94,285	26,376.08
City Clerk	City Clerk	Corporate Fund	140	Commodities	1,453.29	0.00	9,200	9,200	7,746.71
City Clerk	City Clerk	Corporate Fund	150	Equipment	0.00	0.00	11,000	11,000	11,000.00
City Clerk	City Clerk	Corporate Fund	160	Electronic Data Processing	5,944.88	0.00	6,000	6,000	55.12
City Clerk	City Clerk	Corporate Fund	170	Telecommunications	375.08	0.00	2,750	2,750	2,374.92
City Clerk	City Clerk	Corporate Fund	260	Travel	240.81	0.00	850	850	609.19
					293,139.35	50,624.00	611,379	611,379.00	267,615.65

Questions

