



REPORT TO: CITY COUNCIL

MEETING DATE: AUGUST 17, 2020

Agenda Item:	7a. CC-20-138
Background / Issue:	<p>The quarterly financial report for the fourth quarter of fiscal year 2019-2020 includes:</p> <ul style="list-style-type: none"> • an at-a-glance summary of General Fund, SUA, SEDA and other City funds activity, • a summary of the financial results for major funds only, • a summary of capital expenditures by project, and • a glossary of terms. <p>These reports are interim reports and therefore unaudited.</p> <p>The monitoring of revenues and expenditures and their relationship to the budget is important in order to inform management and the City Council if measures need to be taken to meet projections or to modify the budget.</p> <p>All account balances and fund balances are monitored by staff on an ongoing basis even if not presented in this summarized quarterly report.</p>
Proposal/Solution:	<p><u>Revenues</u></p> <p>General Fund revenues in total have met budget projections for FY20 despite a downturn in sales tax receipts during May and June 2020.</p> <p>SUA Funds in total had unrealized revenue in the amount of \$17.8 million due to the following:</p> <ul style="list-style-type: none"> • anticipated grant revenues and loan proceeds in the amount of \$14.8 million that are yet to be received on unfinished grant projects, and unfinished Water 2040 projects financed with debt; • water sales are under projection by \$1.5 million, continuing a trend that started in FY19, • reduction in energy payments from the Grand River Dam Authority for generation of power by the Stillwater Energy Center in the amount of \$0.7 million .

Other City Funds in total had unrealized revenue in the amount of \$13.6 million due to:

- anticipated grant revenues that have not yet been received on unfinished grant projects relating mostly to the Stillwater Regional Airport.

Expenditures

Operating and maintenance expenditures are under budget due in large part to the implementation of spending reductions across all departments in April 2020 in response to the COVID-19 pandemic.

These spending reductions will help to offset any future revenue shortfalls due to the COVID-19 pandemic.

- General Fund - 12% or \$4.0 million
- SUA Funds - 20% or \$10.0 million
- Other City Funds - 10% or \$1.2 million

Incomplete capital projects account for \$32.3 million in unspent expenditures in the SUA and \$30.5 million in the General Fund and Other City Funds. These amounts were approved for carry forward to FY21 by the Council/SUA Trustees on July 6, 2020.

Looking Forward to the New Fiscal Year

- Staff continues to exercise caution with regard to managing cash flow amidst the continued unknown effects that COVID-19 may have on the City's revenues in FY21.
- The spending reductions instituted in April 2020 across all departments continues into the new fiscal year.
- All non-essential spending continues to be eliminated and essential purchase requests continue to be reviewed and approved by the Finance Department and the City Manager's Office.
- Staff will alert the Council should additional budgetary action be needed in FY21.

Related Strategic Priority:

#1 Effective Services & Accountable Government: To provide effective services and accountable government for all citizens by practicing fiscal responsibility, transparency and outstanding customer service.

Recommended Action/Motion:

Report is for informational purposes only.

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Attachment(s):	4th Quarter Financial Report – FY20.pdf