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# 2019 2<sup>ND</sup> QUARTER OUTLOOK

PRESENTATION TO FINANCE COMMITTEE

AUGUST 12<sup>TH</sup>-2019



## 2019 PROJECTION: GENERAL & LIBRARY FUNDS

	2019 Adopted Budget			
	Adopted Budget	2 <sup>nd</sup> Quarter Actuals	Yearend Projection	Difference
General Fund Revenue	(90,236,721)	(35,485,923)	(90,530,288)	293,567
Property Taxes	(241,829,723)	(199,757,257)	(241,829,723)	-
<b>Total Revenues</b>	<b>(332,066,444)</b>	<b>(235,243,180)</b>	<b>(332,360,011)</b>	<b>293,567</b>
Agency Revenues	(16,664,507)	(4,395,310)	(16,355,867)	(308,640)
Expenditures	348,730,950	182,985,594	349,217,059	(486,109)

- If 2<sup>nd</sup> Quarter trends continue, 2019 will close with net expenditures exceeding revenues by \$501,000.

## 2019 PROJECTION: GENERAL & LIBRARY FUNDS

- Overall General Fund revenues up \$300,000, with a one-time TIF equity payment (TID 42 – Wingra) and investment income offsetting revised revenue projections in other areas:
  - Licenses & Permits: down \$0.4m (Building Permits)
  - State Aid: down \$0.8m (Municipal Services Payment)
  - Fines and forfeitures down \$0.4m (Parking Violations)
  - Investment Income: up \$0.2m
  - TIF Equity Payment -- \$1.9 m
- Investment income grew in 2018 and 2019 on rising interest rates. Due to on-going trade conflicts and slowing global economic activity, investment returns for the city are anticipated to fall by 50 basis points (0.5%) by the end of 2019 and by another 25 basis points (0.25%) in 2020. As a result, General Fund investment income is expected to decline in 2020 compared to 2019.
- Based on 2<sup>nd</sup> Quarter trends, appropriations will need to increase by \$800,000 above the adopted General Fund budget. There is a maximum of \$1 million of additional appropriations allowed before reaching the state Expenditure Restraint Program limit.

## 2019 PROJECTION: MAJOR CHANGES FROM 1<sup>ST</sup> QUARTER

AGENCY	Q2 REVISED BUDGET	Q1 PROJECTION	Q2 PROJECTION	Q1 DIFFERENCE	Q2 DIFFERENCE	CHANGE	RISK LEVEL
STREETS	26,387,940	26,927,507	27,443,582	(539,567)	(1,055,642)	(516,074)	Yellow
DIRECT APPROPRIATIONS	8,709,999	3,751,540	3,844,348	5,083,052	4,865,651	(217,401)	Yellow
MAYOR	1,290,238	1,210,588	1,376,322	79,650	(86,084)	(165,734)	Green
FIRE	52,875,771	54,624,546	54,787,659	(1,771,489)	(1,911,888)	(140,399)	Red
ENGINEERING	4,355,065	4,416,336	4,545,791	(61,876)	(190,726)	(128,850)	Yellow
POLICE	76,765,337	79,135,928	79,256,034	(2,387,493)	(2,490,697)	(103,205)	Red
INFORMATION TECHNOLOGY	6,998,694	6,926,346	7,007,033	72,348	(8,339)	(80,687)	Yellow
FINANCE	3,395,747	3,211,802	3,290,643	183,856	105,104	(78,752)	Green
COMMON COUNCIL	831,869	766,923	820,569	64,946	11,300	(53,646)	Green
COMMUNITY DEVELOPMENT	13,958,039	13,774,495	13,826,143	183,544	131,896	(51,648)	Green
PCED OFFICE OF DIRECTOR	822,094	840,386	889,097	(18,292)	(67,003)	(48,711)	Yellow
ASSESSOR	2,667,024	2,420,639	2,469,343	246,385	197,681	(48,704)	Green
BUILDING INSPECTION	4,732,000	4,448,221	4,482,644	283,424	249,356	(34,068)	Green
ATTORNEY	3,123,351	2,961,235	2,968,044	162,116	155,307	(6,809)	Green
TRANSPORTATION	461,293	480,904	481,978	(19,611)	(20,685)	(1,075)	Yellow
SUBTOTAL	207,374,461	205,897,396	207,489,230	1,560,993	(114,770)	(1,675,762)	

## 2019 PROJECTION: MAJOR CHANGES FROM 1<sup>ST</sup> QUARTER

AGENCY	Q2 REVISED BUDGET	Q1 PROJECTION	Q2 PROJECTION	Q1 DIFFERENCE	Q2 DIFFERENCE	CHANGE	RISK LEVEL
CDA HOUSING OPERATIONS	175,000	175,000	175,000	-	-	-	
DEBT SERVICE	54,708,710	54,708,710	54,708,710	-	-	-	
PUBLIC HEALTH MADISON DANE	5,384,683	5,384,683	5,384,683	-	-	-	
ECONOMIC DEVELOPMENT	1,870,069	1,730,764	1,727,150	139,130	142,919	3,790	
LIBRARY	17,703,565	17,774,545	17,769,433	(70,980)	(65,868)	5,111	
TREASURER	764,563	763,356	756,480	1,207	8,083	6,876	
PARKS	14,236,916	14,451,715	14,437,589	(214,799)	(200,673)	14,126	
MUNICIPAL COURT	55,494	164,570	147,631	(109,076)	(92,137)	16,939	
CIVIL RIGHTS	1,862,962	1,993,633	1,970,673	(137,707)	(107,711)	29,995	
EMPLOYEE ASSISTANCE PROGRAM	413,502	388,322	357,788	25,180	55,714	30,535	
CLERK	1,736,064	1,749,215	1,706,873	(13,151)	29,191	42,342	
HUMAN RESOURCES	1,617,595	1,692,027	1,640,584	(78,032)	(22,989)	55,043	
TRAFFIC ENGINEERING	6,649,535	6,719,105	6,650,674	(69,683)	(1,140)	68,543	
PLANNING	3,302,176	3,362,061	3,276,546	(132,989)	25,630	158,619	
METRO TRANSIT	14,211,148	14,911,148	14,662,148	(700,000)	(451,000)	249,000	
SUBTOTAL	124,691,982	125,968,854	125,371,961	(1,360,899)	(679,979)	680,920	
<b>TOTAL</b>	<b>332,066,443</b>	<b>331,866,250</b>	<b>332,861,192</b>	<b>200,093</b>	<b>(794,749)</b>	<b>(994,842)</b>	

## 2019 PROJECTION: MAJOR CHANGES FROM 1<sup>ST</sup> QUARTER

AGENCY	Q2 REVISED BUDGET	Q1 PROJECTION	Q2 PROJECTION	Q1 DIFFERENCE	Q2 DIFFERENCE	CHANGE	RISK LEVEL
STREETS	26,387,940	26,927,507	27,443,582	(539,567)	(1,055,642)	(516,074)	Yellow
DIRECT APPROPRIATIONS	8,709,999	3,751,540	3,844,348	5,083,052	4,865,651	(217,401)	Yellow
MAYOR	1,290,238	1,210,588	1,376,322	79,650	(86,084)	(165,734)	Green
FIRE	52,875,771	54,624,546	54,787,659	(1,771,489)	(1,911,888)	(140,399)	Red
ENGINEERING	4,355,065	4,416,336	4,545,791	(61,876)	(190,726)	(128,850)	Yellow
POLICE	76,765,337	79,135,928	79,256,034	(2,387,493)	(2,490,697)	(103,205)	Red
INFORMATION TECHNOLOGY	6,998,694	6,926,346	7,007,033	72,348	(8,339)	(80,687)	Yellow

### ➤ Reasons for change:

- Streets: recycling revenue is down, refined snow assumptions, and sick leave escrow
- Direct Appropriations: benefits, purchased services, and taxes and special assessments
- Mayor: leave payout and sick leave escrow
- Fire: overtime
- Engineering: sick leave escrow
- Police: special duty (hits agency revenue and overtime), potential two presidential candidate visits, potential extraordinary event
- Information Technology: sick leave escrow

# SUMMARY TABLE BY AGENCY

AGENCY	REVISED BUDGET	2 <sup>ND</sup> Q ACTUAL	YEAR-END PROJECTION	DIFFERENCE	RISK LEVEL
DIRECT APPROPRIATIONS	8,709,999	3,062,283	3,844,348	4,865,651	
BUILDING INSPECTION	4,732,000	2,091,329	4,482,644	249,356	
ASSESSOR	2,667,024	1,128,871	2,469,343	197,681	
ATTORNEY	3,123,351	1,381,552	2,968,044	155,307	
ECONOMIC DEVELOPMENT	1,870,069	824,617	1,727,150	142,919	
COMMUNITY DEVELOPMENT	13,958,039	4,153,485	13,826,143	131,896	
FINANCE	3,395,747	1,839,559	3,290,643	105,104	
EMPLOYEE ASSISTANCE PROGRAM	413,502	153,231	357,788	55,714	
CLERK	1,736,064	1,139,990	1,706,873	29,191	
PLANNING	3,302,176	1,362,781	3,276,546	25,630	
COMMON COUNCIL	831,869	364,609	820,569	11,300	
TREASURER	764,563	322,845	756,480	8,083	
CDA HOUSING OPERATIONS	175,000	-	175,000	-	
DEBT SERVICE	54,708,710	54,708,710	54,708,710	-	
PUBLIC HEALTH MADISON DANE	5,384,683	5,384,683	5,384,683	-	

## SUMMARY TABLE BY AGENCY

AGENCY	REVISED BUDGET	2 <sup>ND</sup> Q ACTUAL	YEAR-END PROJECTION	DIFFERENCE	RISK LEVEL
TRAFFIC ENGINEERING	6,649,535	3,003,001	6,650,674	(1,140)	Green
INFORMATION TECHNOLOGY	6,998,694	3,888,050	7,007,033	(8,339)	Yellow
TRANSPORTATION	461,293	227,607	481,978	(20,685)	Yellow
HUMAN RESOURCES	1,617,595	907,623	1,640,584	(22,989)	Yellow
LIBRARY	17,703,565	7,755,167	17,769,433	(65,868)	Green
PCED OFFICE OF DIRECTOR	822,094	363,811	889,097	(67,003)	Yellow
MAYOR	1,290,238	722,955	1,376,322	(86,084)	Green
MUNICIPAL COURT	55,494	73,539	147,631	(92,137)	Yellow
CIVIL RIGHTS	1,862,962	899,217	1,970,673	(107,711)	Red
ENGINEERING	4,355,065	2,112,790	4,545,791	(190,726)	Yellow
PARKS	14,236,916	8,481,708	14,437,589	(200,673)	Yellow
METRO TRANSIT	14,211,148	-	14,662,148	(451,000)	Red
STREETS	26,387,940	12,905,786	27,443,582	(1,055,642)	Yellow
FIRE	52,875,771	24,410,697	54,787,659	(1,911,888)	Red
POLICE	76,765,337	34,919,789	79,256,034	(2,490,697)	Red



# PROJECTION HIGHLIGHTS BY AGENCY

## 1. Police

### a. Projected deficit = \$2.49m

- i. Driven by personnel costs, specifically benefit expenditures. Health Insurance is projected to be over budget by \$400k, this is driven by plan design change that was assumed in the 2019 budget. Other deficits include: sick leave escrow-budgeted centrally (\$1.4m), WRS (\$600k), and FICA expenses (\$500k). These deficits are partially offset by savings in permanent wages (\$960k) driven by turnover costs.

## 2. Fire

### a. Projected deficit = \$1.91m

- i. Driven by personnel costs (\$2.1m deficit). Staffing levels in the Fire Department are exceeding budgeted salary savings (assumed at 2%). Based on 2nd Quarter trends, the Department will exceed its budgeted salary savings by \$400k. Overtime is projected over budget \$300k. The Department continues to see an uptick in daily-unplanned absenteeism resulting in overtime. Health Insurance is projected to be over budget by \$600k, this is driven by plan design change that was assumed in the 2019 budget. Other benefit deficit drivers include sick leave escrow payments (budgeted centrally) and WRS payments.

## 3. Streets

### a. Projected deficit = \$1.06m

- i. Driven by deficits in Snow & Ice Removal (\$600k) and Recycling (\$380k).
- ii. Assumes 3.5 major snow events for remainder of 2019 (snow budget fully depleted due to January-March events)

# PROJECTION HIGHLIGHTS BY AGENCY

## 4. Metro

### a. Projected deficit = \$451,000

- i. Driven by the Department exceeding budgeted salary savings coupled with overtime expenditures. The City's 2017 budget increased Metro's budgeted salary savings by \$1.0 million based on turnover trends. In 2018 the budgeted salary savings was increased by an additional \$1.0 million to anticipate the elimination of in-house Paratransit services. The 2019 budget reflected the elimination of 15 Transit Operator positions and reduced the budgeted salary savings by \$1.0 million. Based on current staffing levels, Metro will exceed its personnel budget by \$0.9m by the close of 2019. Metro overtime spending continues at rates consistent with prior year actuals. Based on trends through 2nd quarter, overtime spending will be over budget by \$500k. This is driven partially by absentee trends among Transit Operators.

## 5. Parks

### a. Projected deficit = \$201,000

- i. Driven by personnel costs. Based on current staffing levels the Department is exceeding budgeted salary savings (3.5%). The Department is also projecting \$120k for sick leave escrow payments resulting from retirements (sick leave escrow is budgeted centrally).

## 6. Engineering

### a. Projected deficit = \$191,000

- i. Driven by personnel costs. The Department is exceeding its hourly budget by \$75,000; these expenditures are related to hourly staffing as part of work associated with private development contracts. The Department is also projecting a \$35,000 deficit in overtime costs. 10

# PROJECTION HIGHLIGHTS BY AGENCY

## 7. Civil Rights

### a. Projected deficit = \$108,000

- i. Driven by personnel costs and purchased service (\$30,000 deficit) expenditures. At the close of the 2nd Quarter DCR had one vacancy, which is not sufficient to meet the budget salary savings (1.75%). The Department has also hired hourly staff to assist with the Language Access Plan, this staffing support was not included in the 2019 budget. The projection also assumes hiring summer ASPIRRE interns. This projection does assume DCR will spend their full RESJI budget (\$50,000) and interpretation services budget (\$120,000).

## 8. Municipal Court

### a. Projected deficit = \$92,000

- i. Driven by declining municipal court revenues. The Municipal Court budget assumes \$580,000 in revenue from court fees. Based on 2nd Quarter activity, actual revenues will be \$460,000. This continues downward trends in actual court fee revenue.

## 9. PCED Office of Director

### a. Projected deficit = \$67,000

- i. Driven by sick leave escrow likely to hit in second half of the year.

## 10. Human Resources

- a. Projected deficit = \$23,000
  - i. Driven by the Department exceeding its budgeted salary savings (2%) and not realizing budgeted agency revenue. The Department is currently fully staffed and is not anticipating any turnover through the remainder of 2019.

## 11. Transportation

- a. Projected deficit = \$20,685
  - i. Driven by personnel costs. Actual staff salaries are higher than what was assumed in the 2019 Adopted Budget. Salaries and benefits for these staff will be rebaselined as part of the 2020 budget.

## 12. Information Technology

- a. Projected deficit = \$8,339
  - i. Driven by sick leave escrow due to retirements and small projected deficits in supplies and purchased services. These projected deficits can likely be absorbed by IT's projected surplus in salaries due to multiple vacancies.

## 13. Planning

- a. Projected surplus = \$26,000
  - i. Driven by low projected benefit costs. The projection improved over the first quarter but Planning is still categorized as medium risk because of tight budgeted salaries and being fully staffed with no expected turnover.

# CONTINGENT RESERVE

- Current balance = \$1.5m

## 2019 Approved Amendments

<u>Contingent Reserve Adopted Budget</u>							1,930,000
Total Transferred							434,380
Remaining Balance							1,495,620
<u>Legistar File ID</u>	<u>FC Date</u>	<u>Agency</u>	<u>Item</u>	<u>MUNIS Amend #</u>	<u>Action</u>	<u>Requested Amount</u>	<u>Adopted Amount</u>
53955	1/14/2019	CDD	Security @ Tree Lane	53955	Adopted-Amended	165,000	145,000
54560	2/11/2019	CDD	Support prgs @ Tree Lane	2383	Adopted	275,250	275,250
55531	5/6/2019	Planning	Phoenix to Ashes Project			14,130	14,130

Based on 2<sup>nd</sup> Quarter projection, the remaining balance will be needed to offset projected deficits

Unplanned expenditures should be absorbed within existing appropriations

True emergencies will be handled on a case by case basis

## 2019: MITIGATING RISK

- In 2019, General Fund expenditures can only exceed budget by \$1.0m without violating Expenditure Restraint (ERP)
- Projections reflect seasonality of expenditures, but need to develop plan to address projected deficit that does not involve increasing the budget
- Options to balance
  - Use Metro fund balance to manage projected deficit within that enterprise fund – reduces projected appropriation increase by \$450,000.
  - Defer new initiatives and positions to 2020 budget.
  - Slow non-essential hiring and defer lower priority purchases in General Fund agencies.

# MIDYEAR APPROPRIATION ADJUSTMENT

- Resolution introduced at Aug 6<sup>th</sup> CC meeting to make midyear adjustments, primarily focused on distributing funds budgeted centrally to agencies based on actuals through the 2<sup>nd</sup> Quarter
  - Sick Leave Escrow: total transfer = \$2.5m
    - \$1.96m to Police & Fire
    - \$270k to Streets
    - \$105k to Engineering
    - \$65k to Mayor
    - \$125k to Parks
  - Carryforward Encumbrances: total transfer = \$119,000
- Additional Adjustments
  - Assessor: transfer \$30,000 of appropriation from salaries to supplies and purchased services for increased software costs, hardware to fully utilize recently purchased change detection software, and an independent study of current assessment practices.
  - Parks: transfer \$13,000 of appropriation from purchased services to salaries and benefits for Mall Concourse flower planter program.

# NON-GENERAL FUND SUMMARY BY AGENCY

AGENCY	ORIGINAL BUDGET	REVISED BUDGET	Q1 PROJECTION	Q2 PROJECTION	Q1 DIFFERENCE	Q2 DIFFERENCE	RISK
<b>FLEET SERVICES</b>							
Expense	\$ 8,449,245	\$ 8,449,245	\$ 1,953,467	\$ 1,965,158	\$ 6,495,778	\$ 6,484,087	
Revenue	\$ (8,449,245)	\$ (8,449,245)	\$ (2,119,851)	\$ (2,131,829)	\$ (6,329,394)	\$ (6,317,416)	
<i>FLEET SERVICES Total</i>	\$ -	\$ -	\$ (166,384)	\$ (166,672)	\$ 166,384	\$ 166,672	
<b>GOLF COURSES</b>							
Expense	\$ 3,312,981	\$ 3,312,981	\$ 3,358,084	\$ 3,317,216	\$ (45,103)	\$ (4,235)	
Revenue	\$ (3,312,981)	\$ (3,312,981)	\$ (2,971,085)	\$ (2,725,600)	\$ (341,896)	\$ (587,381)	
<i>GOLF COURSES Total</i>	\$ -	\$ -	\$ 386,999	\$ 591,616	\$ (386,999)	\$ (591,616)	
<b>METRO TRANSIT</b>							
Expense	\$ 56,796,149	\$ 57,125,655	\$ 57,852,313	\$ 57,264,122	\$ (1,056,164)	\$ (138,467)	
Revenue	\$ (56,796,149)	\$ (56,796,149)	\$ (57,150,163)	\$ (56,483,351)	\$ 354,014	\$ (312,798)	
<i>METRO TRANSIT Total</i>	\$ -	\$ 329,506	\$ 702,150	\$ 780,771	\$ (702,150)	\$ (451,266)	
<b>MONONA TERRACE COMM CONV CTR</b>							
Expense	\$ 14,693,934	\$ 14,756,979	\$ 14,626,408	\$ 14,520,072	\$ 67,526	\$ 236,907	
Revenue	\$ (14,693,934)	\$ (14,693,934)	\$ (14,625,320)	\$ (14,411,812)	\$ (68,614)	\$ (282,122)	
<i>MONONA TERRACE COMM CONV CTR Total</i>	\$ -	\$ 63,045	\$ 1,088	\$ 108,260	\$ (1,088)	\$ (45,215)	



# NON-GENERAL FUND SUMMARY BY AGENCY

AGENCY	ORIGINAL BUDGET	REVISED BUDGET	Q1 PROJECTION	Q2 PROJECTION	Q1 DIFFERENCE	Q2 DIFFERENCE	RISK
<b>PARKING</b>							
Expense	\$ 15,502,695	\$ 15,574,536	\$ 14,871,359	\$ 12,433,940	\$ 631,336	\$ 3,140,595	
Revenue	\$ (15,502,695)	\$ (15,502,695)	\$ (15,988,287)	\$ (16,013,944)	\$ 485,592	\$ 511,249	
<i>PARKING Total</i>	\$ -	\$ 71,841	\$ (1,116,928)	\$ (3,580,003)	\$ 1,116,928	\$ 3,651,844	
<b>PUBLIC HEALTH MADISON DANE</b>							
Expense	\$ 18,035,879	\$ 18,823,635	\$ 18,813,857	\$ 18,539,145	\$ (18,945)	\$ 284,490	
Revenue	\$ (18,035,879)	\$ (18,799,312)	\$ (18,782,845)	\$ (18,654,063)	\$ (12,067)	\$ (145,250)	
<i>PUBLIC HEALTH MADISON DANE Total</i>	\$ -	\$ 24,322	\$ 31,012	\$ (114,918)	\$ (31,012)	\$ 139,240	
<b>SEWER</b>							
Expense	\$ 40,684,110	\$ 43,445,842	\$ 40,466,317	\$ 40,499,791	\$ 2,773,873	\$ 2,946,051	
Revenue	\$ (40,684,110)	\$ (43,255,913)	\$ (42,807,788)	\$ (42,644,698)	\$ (432,402)	\$ (611,215)	
<i>SEWER Total</i>	\$ -	\$ 189,929	\$ (2,341,472)	\$ (2,144,907)	\$ 2,341,472	\$ 2,334,836	
<b>STORMWATER</b>							
Expense	\$ 17,330,110	\$ 19,402,043	\$ 17,057,648	\$ 17,176,024	\$ 1,557,594	\$ 2,226,018	
Revenue	\$ (17,330,110)	\$ (19,331,465)	\$ (17,877,660)	\$ (17,900,650)	\$ (737,582)	\$ (1,430,815)	
<i>STORMWATER Total</i>	\$ -	\$ 70,578	\$ (820,012)	\$ (724,626)	\$ 820,012	\$ 795,204	
<b>WATER</b>							
Expense	\$ 45,886,000	\$ 46,082,602	\$ 44,506,230	\$ 43,639,981	\$ 1,379,770	\$ 2,442,621	
Revenue	\$ (45,886,000)	\$ (45,886,000)	\$ (44,990,000)	\$ (44,544,850)	\$ (896,000)	\$ (1,341,150)	
<i>WATER Total</i>	\$ -	\$ 196,602	\$ (483,770)	\$ (904,869)	\$ 483,770	\$ 1,101,471	17

# NON-GENERAL FUND PROJECTION HIGHLIGHTS BY AGENCY

## 1. Fleet

a. Projected surplus = \$167,000

- i. Generated by driven by diesel and fuel savings. The 2019 budget used fuel assumptions that exceed the current locked rate.

## 2. Golf

a. Projected deficit = \$592,000

- i. Driven by shortfalls in revenues from user fees. The projection assumes 2019 revenues will be \$270k higher than 2018 actual revenue. The projected deficit will add to the cumulative deficit (\$800k) that has accrued in the Golf Enterprise as of the end of 2018.

## 3. Metro

a. Projected deficit = \$451,000

- i. Metro exceeding budgeted salary savings coupled with overtime expenditures. Prior budgets increased salary savings and reduced positions based on staffing trends and changes in paratransit operations. Based on current staffing levels, Metro will exceed its personnel budget by \$0.9m by the close of 2019. Metro overtime spending continues at rates consistent with prior year actuals. Based on trends through 2nd quarter, overtime spending will be over budget by \$500k. This is driven partially by absentee trends among Transit Operators.

# NON-GENERAL FUND PROJECTION HIGHLIGHTS BY AGENCY

## 4. Monona Terrace

### a. Projected deficit = \$45,000

- i. Event bookings are slightly behind budget assumptions: Projected=534 versus Budgeted=551. The projection assumes utilizing \$200,000 from Monona Terrace fund balance, per the 2019 Budget. Deficits are projected in hourly staffing costs.

## 5. Parking

### a. Projected surplus = \$3.65m

- i. Higher revenues (\$511k) and surpluses in personnel costs (\$500k) and garage maintenance costs (\$160k). The Parking Enterprise uses a conservative approach in developing their annual operating budget. The projected surplus is consistent with prior years.

## 6. Public Health

### a. Projected surplus = \$139,000

- i. Public Health is seeing declining revenue for the federally funded WIC program (\$12k) and the CDC Opioid grant (\$50k). This is offset by savings in personnel costs. In recent years Public Health has carried a significant number of vacant positions. Savings realized through the vacant positions are being offset by hourly wages for LTE positions. These positions will be eliminated when permanent staff is hired. Additional savings are accruing in Health Insurance and WRS due to the vacancies.

# NON-GENERAL FUND PROJECTION HIGHLIGHTS BY AGENCY

## 7. Sewer

a. Projected surplus = \$2.33m

- i. Sewer revenues are projected to come in \$400k below the budgeted amount (\$42.8m). The Utility is absorbing the lost revenue through Sewer's budgeted Contingent Reserve. The projection assumes none of the \$2.3m Contingent Reserve will be needed in 2019.

## 8. Stormwater

a. Projected surplus = \$795,000

- i. Stormwater revenues are projected to come in \$175k below the budgeted amount (\$17.4m). The Utility is absorbing the lost revenue through the Stormwater's budgeted Contingent Reserve. The projection assumes none of the budgeted \$930k will be needed in 2019.

## 9. Water

a. Projected surplus = \$1.1m

- i. Water revenues are projected to come in \$1.3m below the budgeted amount (\$44.8m) due to pumpage volume trends and is subject to change based on weather patterns in the 3rd and 4th quarters. The revenue shortfall is offset by savings from refinancing of debt repayment as well as purchased services savings on electricity and consulting costs.