



QUARTERLY FINANCIAL REPORT

FY 2020 Second Quarter

CHRIS KUKULSKI, CITY ADMINISTRATOR

Attached is the second quarter FY 2020 financial report for your review. The fiscal year 2020 is 50% completed, as such, funds should have used approximately 50% of their operating budget. This may not hold true for Debt Service or Capital Project funds, as the expenditures within these fund do not occur evenly throughout the year.

Andy Zoeller

A handwritten signature in blue ink that reads "Andy Zoeller". The signature is written in a cursive style.

FY 2020 Q2

GENERAL FUND

REVENUES

Property taxes were billed, and first half payments have been collected. As of the end of the 2nd quarter, 55% of the budgeted amount had been collected. This is an increase of nearly \$250,000 over the same time last year.

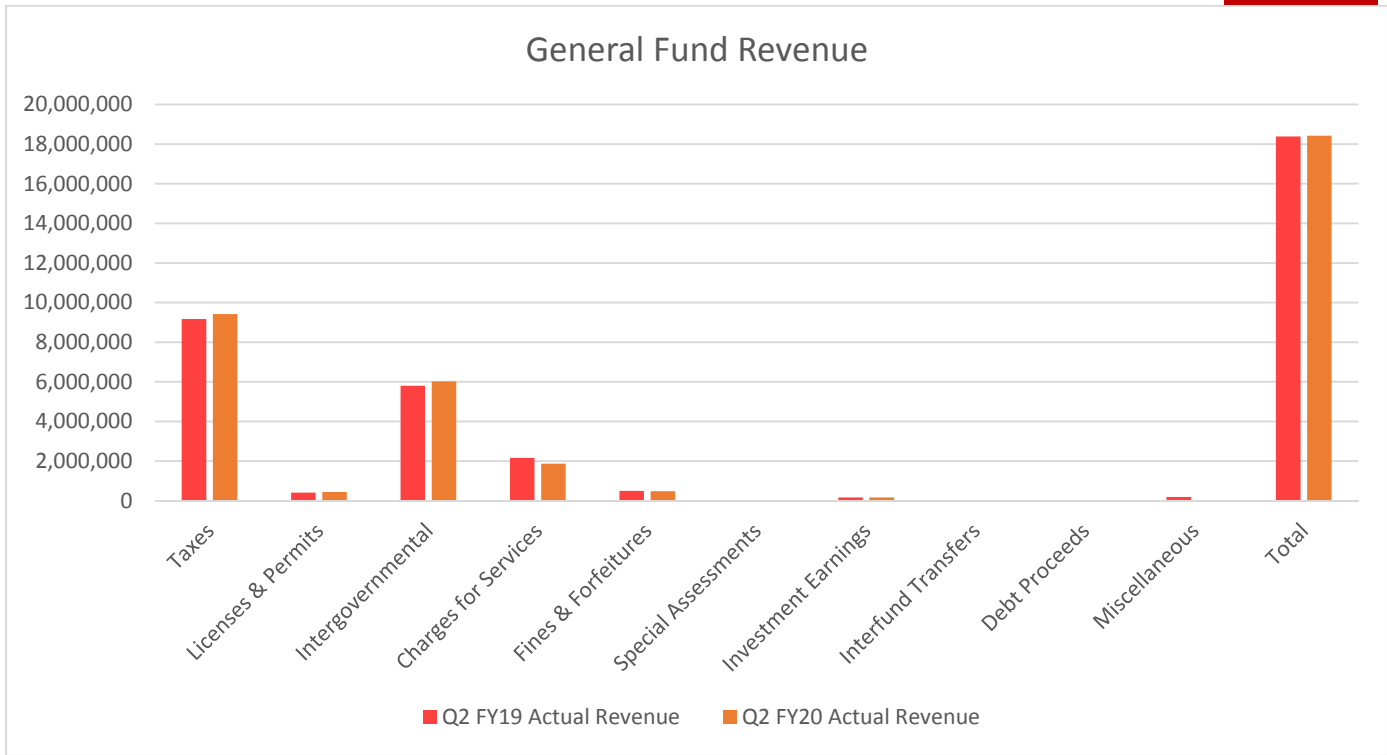
License and permit revenue is collected throughout the year. When compared to the same time in the prior year, there is an increase of 8.2%, or \$33,349. The total collected is 20% of what was budgeted. This is expected, as the major revenue, Cable Franchise Fee, isn't expected until January 2020.

Intergovernmental revenue, which is revenue received from other governments, is up \$218,000 over the same time in the prior year. At the end of the second quarter 51% of the amount budgeted has been collected. This is largely comprised of the State Entitlement Share payments made by the State of Montana.

Charge for service revenue for the second quarter of FY20 is \$1.87 million, or 47% of the budgeted amount. This is \$292,000 less than what was collected in the same time in the prior year.

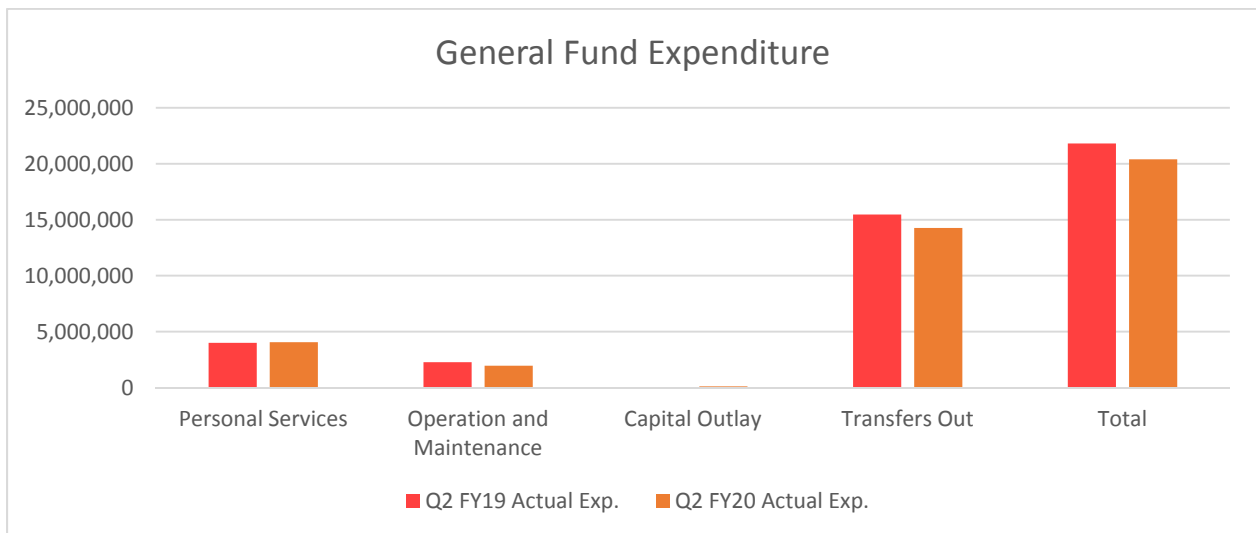
Fines and forfeiture revenue is down about \$20,000 compared to the same time in the prior fiscal year. If current collections continue for the remainder of the year, the General Fund will receive \$561,000 less than what was budgeted for this revenue type.

Overall revenue in the General Fund is nearly flat when compared to the second quarter of FY19. Total revenue collected in the second quarter is 50% of the total amount budgeted for FY20.



EXPENDITURES

The actual expenses in the General Fund for the second quarter of FY20 were 48% of budget, or \$21.9 million. This is a decrease from of \$1.4 million when compared to the same time in the prior fiscal year. The decrease is partially a result of a reduction in Operation and Maintenance costs, but is mostly associated with reduced transfers out.

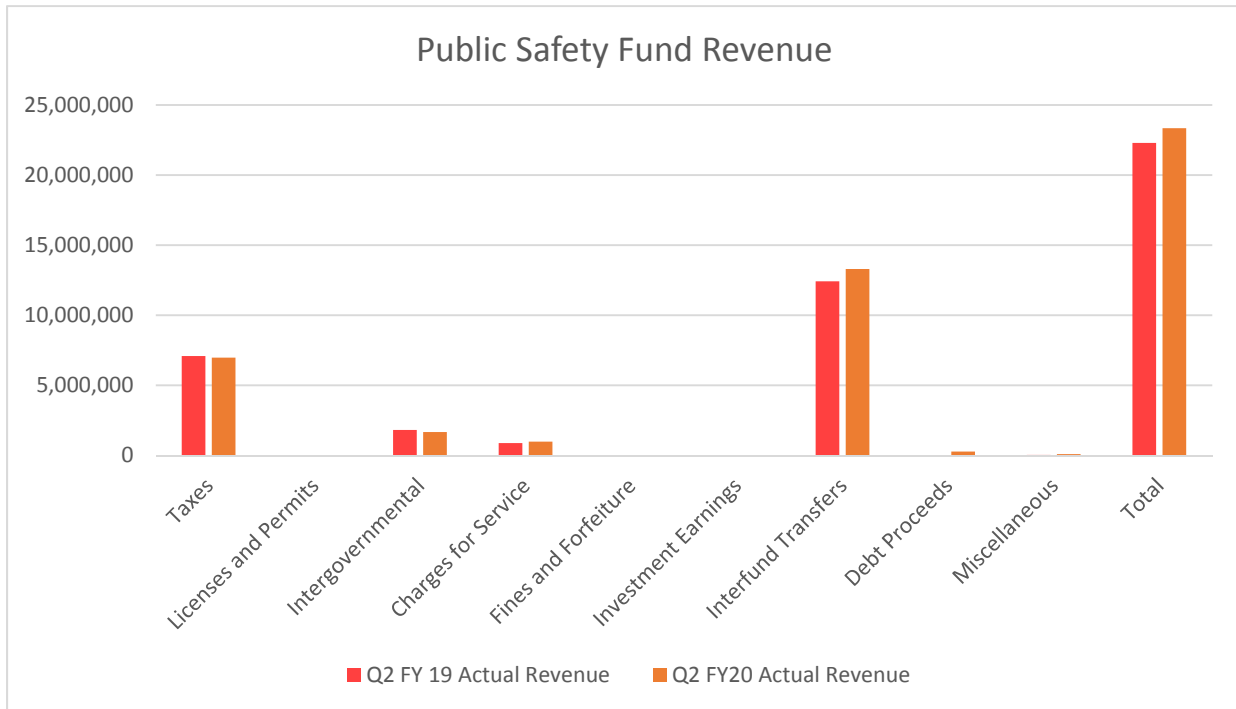


PUBLIC SAFETY FUND

REVENUE

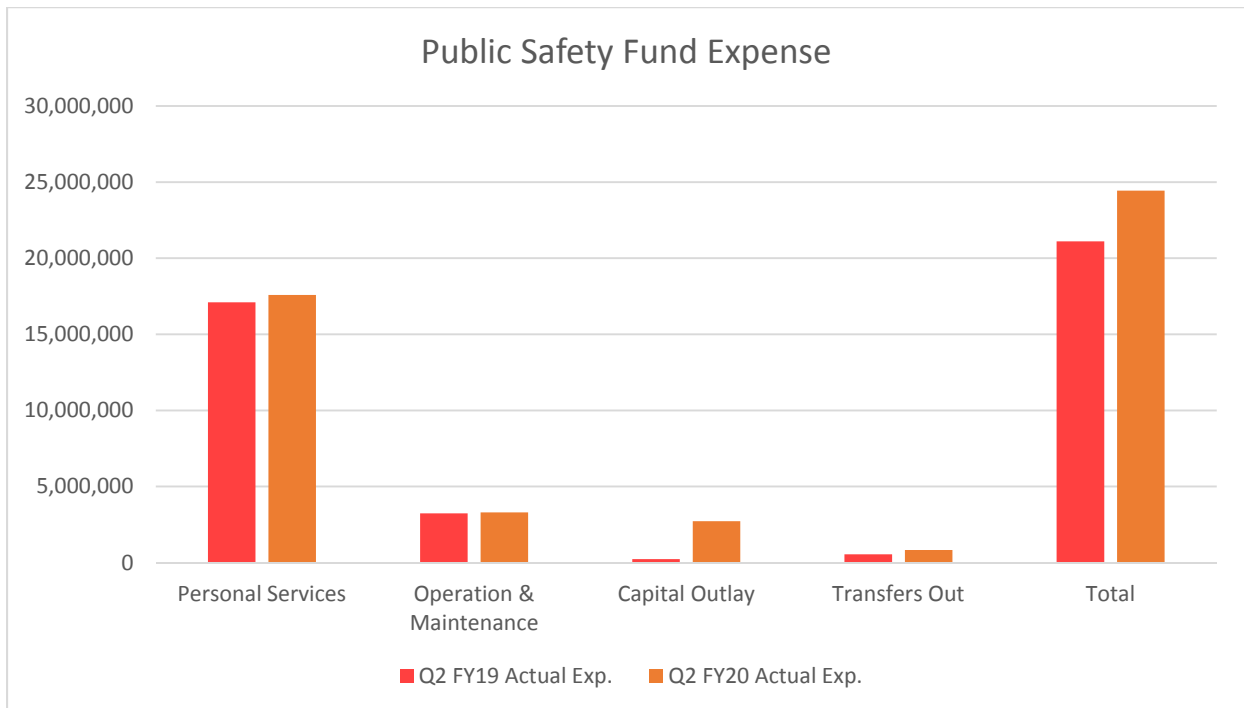
The Public Safety Fund tax revenue is 53%, or \$7.0 million, of the total budgeted amount. Total tax revenue budgeted in the Public Safety Fund for FY20 is \$13 million.

Overall Public Safety Fund revenue increased by 4.7% over the same time in FY19, or \$1,049,463. The major reason for this is because the transfer from the General Fund is \$878,000 higher than the prior fiscal year. All other revenue sources are similar to the prior fiscal year.



EXPENDITURE

Expenditures in the Public Safety Fund are up 16%, or \$3,335,849, over the same time in FY19. This is almost entirely a result of increased the Police Evidence Expansion. Total expenditures are 51% of the total annual amount budgeted. If only operating budgets are examined, the Public Safety fund is operating as expected at 48% of budgeted expenditures being utilized.



FY 2020 Q2 SUMMARY

Second Quarter Budget Amendments

The following projects will require budget amendments within the fiscal year

- 1.) On January 13th, 2020 City Council approved the purchase of playground equipment for Ponderosa Park. On the Council memo approving this purchase, it indicated the need for a budget amendment, as this was an approved project for FY19 that was not able to be completed until FY20. The budget amendment will appropriate funds for the purchase and install of the equipment, as well as, provide funds for creating an accessible route and purchasing fall protection.
- 2.) The Police Department will be seeking the budget authority to spend approximately \$9,000 on expanding their Electronic Citation program. This will be paid for through cash that remains from a surcharge that used to be assessed to municipal infractions. The surcharge is no longer being assessed, but the funds that remain will be used to expand the program, as it is a significant efficiency that has been identified.

| City of Billings | | | | | | |
|-------------------------------------|----------------------------------|------------------------|-------------------------|------------------------|-----------|------------------------|
| GENERAL FUND OPERATING | | | | | | |
| For fiscal year 2020, Periods 1 - 6 | | | | | | |
| | Total 2020 Amended Budget | YTD 2020 Actual | 2020 Encumbrance | Variance | % | YTD 2019 Actual |
| Revenues: | | | | | | |
| TAXES | \$ 17,202,088 | \$ 9,418,724 | \$ - | \$ (7,783,364) | 55 | \$ 9,171,132 |
| LICENSES & PERMITS | 2,191,863 | 439,521 | - | (1,752,342) | 20 | 406,172 |
| INTER-GOVERNMENTAL | 11,704,794 | 6,015,682 | - | (5,689,112) | 51 | 5,797,650 |
| CHARGES FOR SERVICES | 4,010,224 | 1,868,838 | - | (2,141,386) | 47 | 2,161,157 |
| FINES & FORFEITS | 1,513,333 | 476,089 | - | (1,037,244) | 31 | 496,517 |
| SPECIAL ASSESSMENTS | - | 2,078 | - | 2,078 | - | 189 |
| INVESTMENT EARNINGS | 290,000 | 166,059 | - | (123,941) | 57 | 163,531 |
| INTERFUND TRANSFERS | 6,600 | 18,245 | - | 11,645 | 276 | 2,022 |
| MISCELLANEOUS | - | 19,122 | - | 19,122 | - | 190,088 |
| Total Revenues | \$ 36,918,902 | \$ 18,424,359 | \$ - | \$ (18,494,543) | 50 | \$ 18,388,458 |
| Expenditures: | | | | | | |
| By Category | | | | | | |
| PERSONAL SERVICES | \$ 9,106,087 | \$ 4,061,507 | \$ - | \$ 5,044,580 | 45 | \$ 4,007,946 |
| OPERATIONS & MAINT | 4,173,093 | 1,850,615 | 112,727 | 2,209,750 | 47 | 2,273,726 |
| CAPITAL | 122,470 | 47,829 | 63,188 | 11,453 | 91 | 60,764 |
| INTERFUND TRANSFERS | 28,977,203 | 14,295,707 | 22,293 | 14,659,203 | 49 | 15,465,910 |
| Total Expenditures | \$ 42,378,852 | \$ 20,255,658 | \$ 198,208 | \$ 21,924,986 | 48 | \$ 21,808,346 |

| City of Billings | | | | | | |
|--------------------------------------|----------------------------------|------------------------|-------------------------|----------------------|-----------|------------------------|
| GENERAL FUND-BY DEPT DIVISION | | | | | | |
| For fiscal year 2020, Periods 1 - 6 | | | | | | |
| | Total 2020 Amended Budget | YTD 2020 Actual | 2020 Encumbrance | Variance | % | YTD 2019 Actual |
| Expenditures: | | | | | | |
| By Department/Division | | | | | | |
| MAYOR & COUNCIL | \$ 261,042 | \$ 125,771 | \$ - | \$ 135,271 | 48 | \$ 120,263 |
| CITY ADMINISTRATOR | 906,846 | 374,979 | - | 531,867 | 41 | 341,344 |
| HUMAN RESOURCES | 826,205 | 345,932 | - | 480,273 | 42 | 330,217 |
| CITY ATTORNEY | 1,891,799 | 941,496 | - | 950,303 | 50 | 1,012,066 |
| MUNICIPAL COURT | 1,504,239 | 646,922 | - | 857,317 | 43 | 638,836 |
| FINANCE | 1,625,031 | 756,679 | 63,188 | 805,164 | 47 | 685,187 |
| CODE ENFORCEMENT | 564,362 | 209,089 | - | 355,273 | 37 | 234,142 |
| PARKS & RECREATION | 5,617,665 | 2,634,131 | 42,320 | 2,941,214 | 47 | 4,755,499 |
| NON-DEPARTMENTAL | 29,181,664 | 14,220,661 | 92,700 | 14,868,304 | 49 | 13,675,793 |
| COUNCIL CONTINGENCY | - | - | - | - | - | 15,000 |
| Total Expenditures | \$ 42,378,852 | \$ 20,255,658 | \$ 198,208 | \$ 21,924,986 | 48 | \$ 21,808,346 |



| City of Billings | | | | | | |
|-------------------------------------|----------------------------------|------------------------|-------------------------|-----------------------|-----------|------------------------|
| PUBLIC SAFETY FUND | | | | | | |
| For fiscal year 2020, Periods 1 - 6 | | | | | | |
| | Total 2020 Amended Budget | YTD 2020 Actual | 2020 Encumbrance | Variance | % | YTD 2019 Actual |
| Revenues: | | | | | | |
| TAXES | \$ 13,044,663 | \$ 6,976,811 | \$ - | \$ (6,067,852) | 53 | \$ 7,096,841 |
| LICENSES & PERMITS | 28,500 | 1,595 | - | (26,905) | 6 | 16,996 |
| INTER-GOVERNMENTAL | 3,149,574 | 1,667,832 | - | (1,481,742) | 53 | 1,823,023 |
| CHARGES FOR SERVICES | 1,598,256 | 992,961 | - | (605,295) | 62 | 890,024 |
| FINES & FORFEITS | 2,400 | 1,200 | - | (1,200) | 50 | 1,200 |
| INVESTMENT EARNINGS | 700 | 9,409 | - | 8,709 | - | 447 |
| INTERFUND TRANSFERS | 27,316,978 | 13,302,225 | - | (14,014,753) | 49 | 12,424,100 |
| DEBT PROCEEDS | 2,800,000 | 285,388 | - | (2,514,612) | 10 | - |
| MISCELLANEOUS | 49,478 | 103,437 | - | 53,959 | 209 | 38,765 |
| Total Revenues | \$ 47,990,549 | \$ 23,340,859 | \$ - | \$(24,649,690) | 49 | \$ 22,291,396 |
| Expenditures: | | | | | | |
| By Category | | | | | | |
| PERSONAL SERVICES | \$ 37,679,120 | \$ 17,586,860 | \$ - | \$ 20,092,260 | 47 | \$ 17,104,048 |
| OPERATIONS & MAINT | 5,951,080 | 3,042,706 | 256,315 | 2,652,059 | 55 | 3,231,949 |
| CAPITAL | 3,178,236 | 89,696 | 2,635,382 | 453,158 | 86 | 225,288 |
| INTERFUND TRANSFERS | 1,470,841 | 829,040 | - | 641,802 | 56 | 542,866 |
| Total Expenditures | \$ 48,279,277 | \$ 21,548,301 | \$ 2,891,698 | \$ 23,839,278 | 51 | \$ 21,104,150 |
| By Department/Division | | | | | | |
| POLICE | \$ 27,098,702 | \$ 11,796,747 | \$ 2,525,803 | \$ 12,776,152 | 53 | \$ 11,792,681 |
| FIRE | 21,180,575 | 9,751,555 | 365,894 | 11,063,126 | 48 | 9,311,468 |
| Total Expenditures | \$ 48,279,277 | \$ 21,548,301 | \$ 2,891,698 | \$ 23,839,278 | 51 | \$ 21,104,150 |

| City of Billings | | | | | | |
|-------------------------------------|----------------------------------|------------------------|-------------------------|----------------------|-----------|------------------------|
| AIRPORT OPERATING FUND | | | | | | |
| For fiscal year 2020, Periods 1 - 6 | | | | | | |
| | Total 2020 Amended Budget | YTD 2020 Actual | 2020 Encumbrance | Variance | % | YTD 2019 Actual |
| Revenues: | | | | | | |
| TAXES | \$ - | \$ - | \$ - | \$ - | - | \$ - |
| LICENSES & PERMITS | - | - | - | - | - | - |
| INTER-GOVERNMENTAL | 5,311,557 | 3,026,047 | - | (2,285,510) | 57 | 1,181,873 |
| CHARGES FOR SERVICES | 13,467,909 | 5,994,419 | - | (7,473,490) | 45 | 6,013,350 |
| FINES & FORFEITS | - | - | - | - | - | - |
| INVESTMENT EARNINGS | 278,272 | 120,822 | - | (157,450) | 43 | 115,831 |
| DEBT PROCEEDS | - | - | - | - | - | - |
| MISCELLANEOUS | 75,580 | 47,091 | - | (28,489) | 62 | 33,472 |
| Total Revenues | \$ 19,133,318 | \$ 9,188,379 | \$ - | \$(9,944,939) | 48 | \$ 7,344,526 |
| Expenditures: | | | | | | |
| By Category | | | | | | |
| PERSONAL SERVICES | \$ 4,420,047 | \$ 2,089,563 | \$ - | \$ 2,330,484 | 47 | \$ 2,090,307 |
| OPERATIONS & MAINT | 3,522,976 | 1,564,590 | 103,767 | 1,854,620 | 47 | 1,266,956 |
| CAPITAL | 46,941,236 | 4,943,503 | 5,843,427 | 36,154,305 | 23 | 3,660,837 |
| DEBT SERVICE | 1,329,394 | 125,570 | - | 1,203,824 | 9 | 153,476 |
| INTERFUND TRANSFERS | - | - | - | - | - | - |
| Total Expenditures | \$ 56,213,653 | \$ 8,723,227 | \$ 5,947,194 | \$ 41,543,232 | 26 | \$ 7,171,576 |



| City of Billings | | | | | | |
|--------------------------------------|----------------------------------|------------------------|-------------------------|-----------------------|-----------|------------------------|
| PUBLIC WORKS-SOLID WASTE FUND | | | | | | |
| For fiscal year 2020, Periods 1 - 6 | | | | | | |
| | Total 2020 Amended Budget | YTD 2020 Actual | 2020 Encumbrance | Variance | % | YTD 2019 Actual |
| Revenues: | | | | | | |
| CHARGES FOR SERVICES | 15,862,598 | 7,994,994 | - | (7,867,604) | 50 | 7,278,701 |
| INVESTMENT EARNINGS | 174,000 | 144,233 | - | (29,767) | 83 | 111,236 |
| MISCELLANEOUS | - | 1,061 | - | 1,061 | - | 759 |
| Total Revenues | \$ 16,036,598 | \$ 8,140,289 | \$ - | \$ (7,896,309) | 51 | \$ 7,390,697 |
| Expenditures: | | | | | | |
| By Category | | | | | | |
| PERSONAL SERVICES | \$ 5,576,090 | \$ 2,637,978 | \$ - | \$ 2,938,112 | 47 | \$ 2,526,714 |
| OPERATIONS & MAINT | 5,622,038 | 2,825,217 | 213,532 | 2,583,288 | 54 | 2,361,176 |
| CAPITAL | 30,969,743 | 8,120,015 | 16,207,323 | 6,642,405 | 79 | 1,341,301 |
| DEBT SERVICE | 1,561,774 | - | - | 1,561,774 | - | - |
| INTERFUND TRANSFERS | - | - | - | - | - | - |
| Total Expenditures | \$ 43,729,645 | \$ 13,583,210 | \$ 16,420,855 | \$ 13,725,579 | 69 | \$ 6,229,191 |

| City of Billings | | | | | | |
|-------------------------------------|----------------------------------|------------------------|-------------------------|------------------------|-----------|------------------------|
| PUBLIC WORKS-WASTEWATER FUND | | | | | | |
| For fiscal year 2020, Periods 1 - 6 | | | | | | |
| | Total 2020 Amended Budget | YTD 2020 Actual | 2020 Encumbrance | Variance | % | YTD 2019 Actual |
| Revenues: | | | | | | |
| CHARGES FOR SERVICES | 20,383,650 | 9,296,084 | - | (11,087,566) | 46 | 12,468,954 |
| INVESTMENT EARNINGS | 485,000 | 394,173 | - | (90,827) | 81 | 532,103 |
| MISCELLANEOUS | - | 175,057 | - | 175,057 | - | 1,347 |
| Total Revenues | \$ 20,868,650 | \$ 9,865,314 | \$ - | \$ (11,003,336) | 47 | \$ 13,002,404 |
| Expenditures: | | | | | | |
| By Category | | | | | | |
| PERSONAL SERVICES | \$ 4,184,414 | \$ 1,803,711 | \$ - | \$ 2,380,703 | 43 | \$ 1,758,405 |
| OPERATIONS & MAINT | 5,657,666 | 2,637,082 | 402,597 | 2,617,986 | 54 | 2,295,782 |
| CAPITAL | 37,755,553 | 4,823,537 | 13,927,959 | 19,004,057 | 50 | 14,220,988 |
| DEBT SERVICE | 5,330,000 | - | - | 5,330,000 | - | - |
| INTERFUND TRANSFERS | - | - | - | - | - | - |
| Total Expenditures | \$ 52,927,632 | \$ 9,264,330 | \$ 14,330,557 | \$ 29,332,746 | 45 | \$ 18,275,174 |



| City of Billings | | | | | | |
|-------------------------------------|--|----------------------------|-----------------------------|-----------------|----------|----------------------------|
| PUBLIC WORKS-WATER FUND | | | | | | |
| For fiscal year 2020, Periods 1 - 6 | | | | | | |
| | Total 2020 Amended Budget | YTD 2020 Actual | 2020 Encumbrance | Variance | % | YTD 2019 Actual |
| Revenues: | | | | | | |
| CHARGES FOR SERVICES | 27,991,770 | 13,070,000 | - | (14,921,770) | 47 | 13,332,540 |
| INVESTMENT EARNINGS | 297,300 | 724,637 | - | 427,337 | 244 | 513,145 |
| MISCELLANEOUS | 7,200 | 212,458 | - | 205,258 | 2,951 | 143,851 |
| Total Revenues | \$ 28,296,270 | \$ 14,007,095 | \$ - | \$ (14,289,175) | 50 | \$ 13,989,536 |
| Expenditures: | | | | | | |
| By Category | | | | | | |
| PERSONAL SERVICES | \$ 5,016,863 | \$ 2,156,791 | \$ - | \$ 2,860,072 | 43 | \$ 2,359,008 |
| OPERATIONS & MAINT | 9,104,831 | 4,291,559 | 319,798 | 4,493,474 | 51 | 3,782,698 |
| CAPITAL | 37,527,847 | 8,336,227 | 10,399,142 | 18,792,478 | 50 | 1,910,936 |
| DEBT SERVICE | 2,770,500 | - | - | 2,770,500 | - | - |
| INTERFUND TRANSFERS | - | - | - | - | - | - |
| Total Expenditures | \$ 54,420,040 | \$ 14,784,577 | \$ 10,718,940 | \$ 28,916,524 | 47 | \$ 8,052,641 |