

Fund Balance Discussion FY2019

Budget, Finance and Economic
Development Committee

October 29, 2019

Department of Finance



Moody's Local Government Scorecard

Metrics	Weight
Economy/Tax Base (30%)	
Tax Base Size: Full Value	10%
Full Value Per Capita	10%
Socio Economic Indices: MFI	10%
Finances (30%)	
Fund Balance as % of Revenues	10%
5-Year Change in Fund Balance as % of Revenues	5%
Cash Balance as a % of Revenues	10%
5-Year Change in Cash Balance as % of Revenues	5%
Management (20%)	
5 yr. Avg. of Operating Revenues as a % of Revenues	10%
Institutional Frame work	10%
Debt/Pensions (20%)	
Net Direct Debt / Full Value	5%
Net Direct Debt / Operating Revenues	5%
3 yr. Avg. of Moody's Pension Liability / Full Value	5%
3 yr. Avg. of Moody's Pension Liability Liability/Operating Revenues	5%



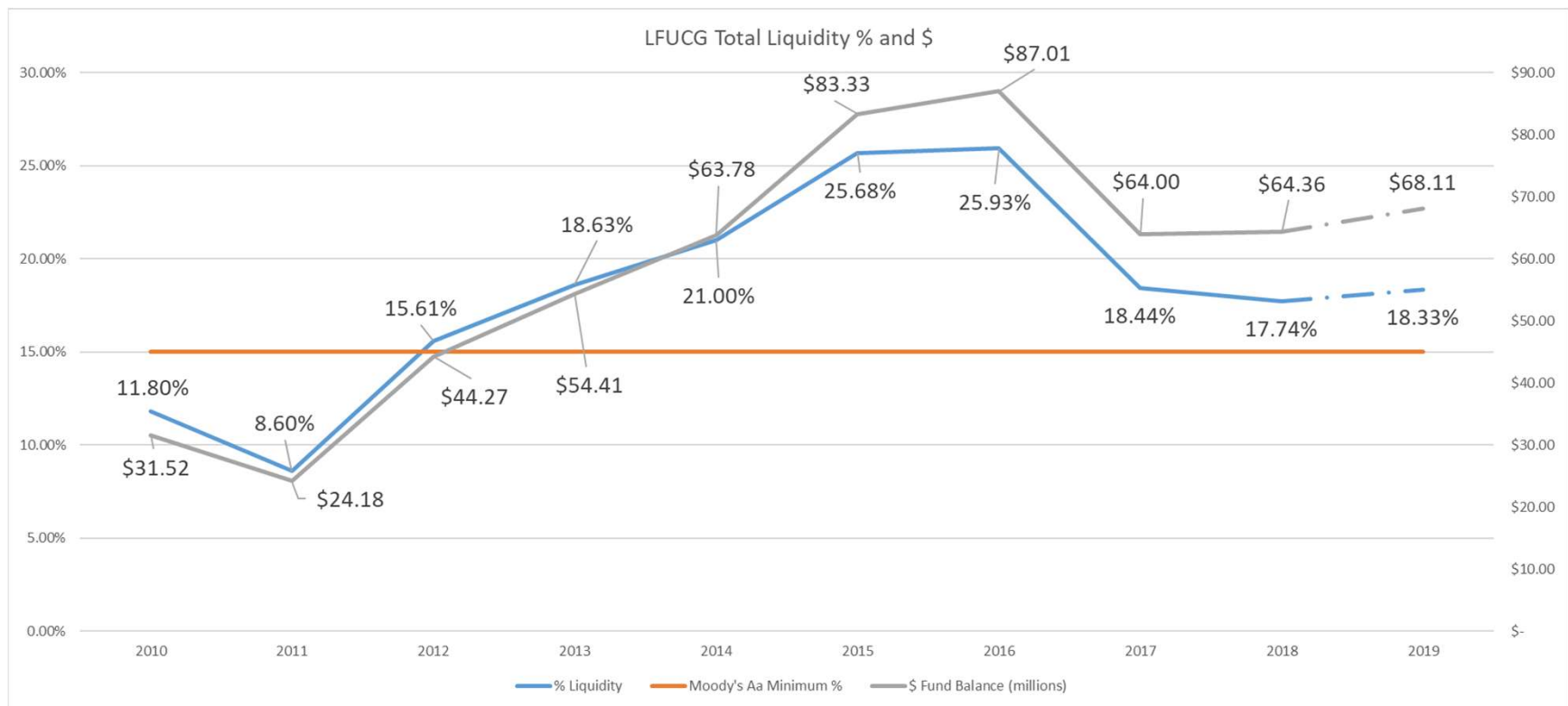
FY2019 Fund Balance Discussion

- Slight uptick after approaching the 15% floor for Moody's Liquidity metric for Aa rated governments
- Moody's also measures the 5-year change in fund balance
 - This is the second year that the fund balance as a percent of revenue is lower now than it was five years ago
 - Primarily due to \$17.7 million legal settlement in FY 2017
- Ratings agencies can adjust for anticipated expenditures, but do monitor this as a piece of their scorecard



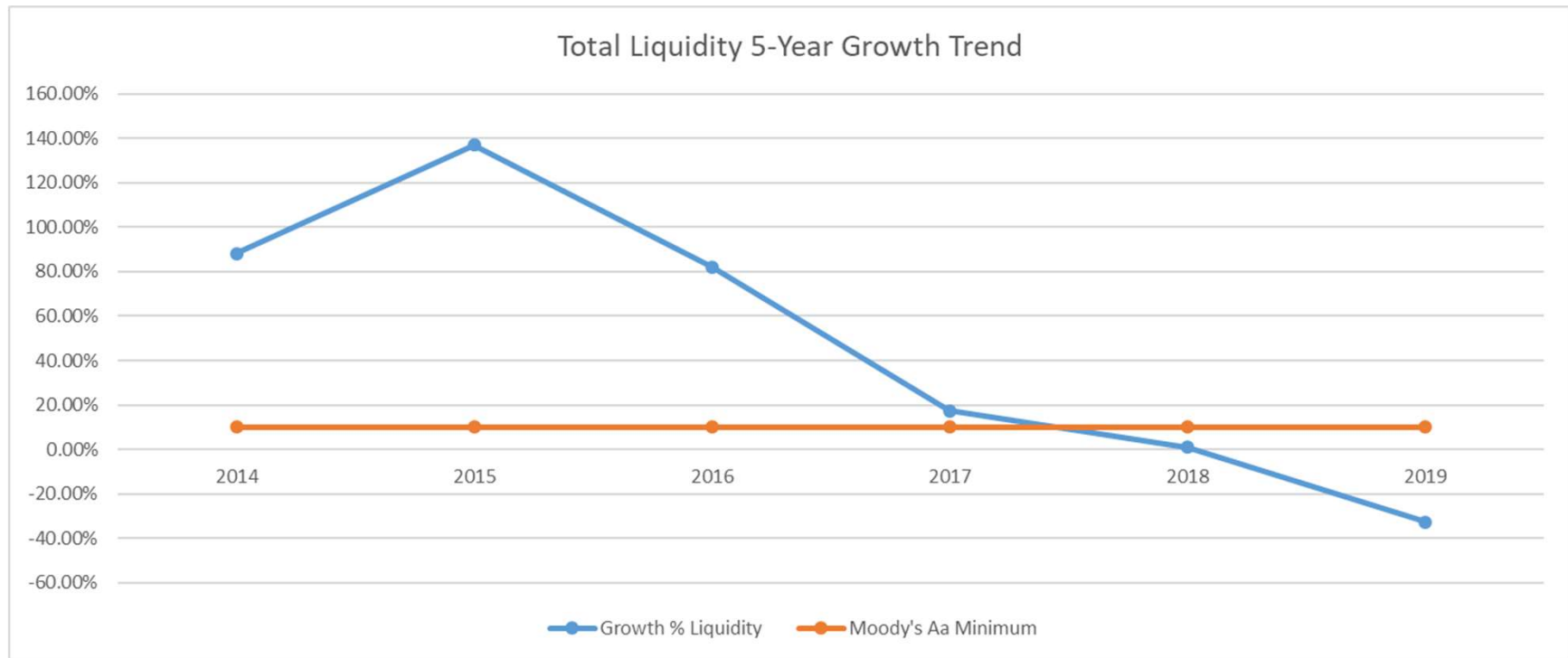
FY2019 Fund Balance Discussion

Total Fund Balance History



FY2019 Fund Balance Discussion

Liquidity Growth Trend



Economic Contingency



FY2019 Fund Balance Discussion

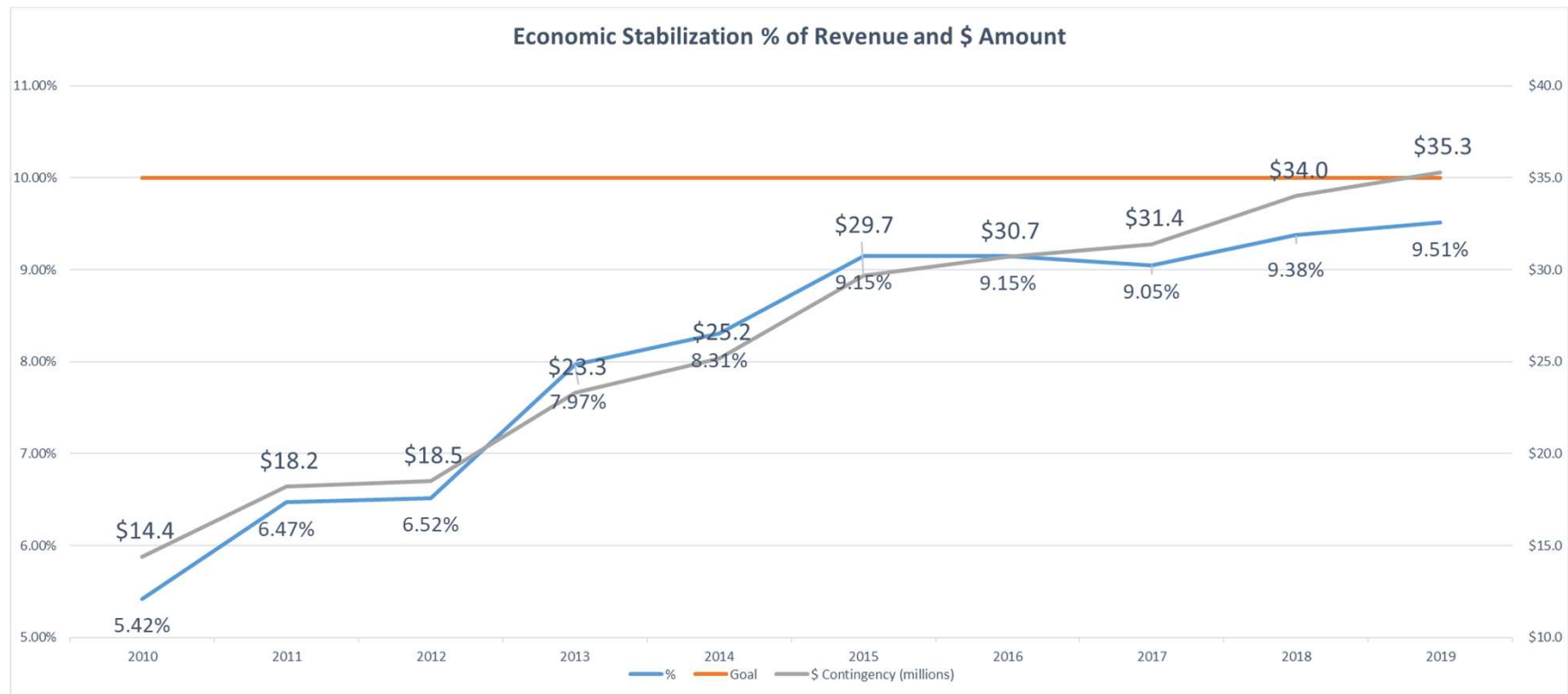
Economic Contingency Fund History

- Steady growth in funding and percent of revenue through FY 2015
 - Since FY 2016, the growth of the balance has not kept pace with revenue growth
- The Economic Contingency Fund is approximately \$2 million from the 10% mark
 - As revenue grows over time, more contributions will be required to stay near the 10% goal



FY2019 Fund Balance Discussion

Economic Contingency Fund History



Fund 1101 – General Fund



Fund 1101 – General Fund

- FY2019 ended with Revenues exceeding Expenses by \$3.7 million
- Revenue - 0.9% under budget
 - Total Revenue: \$369.6 million
- Expenses – 3.4% under budget
 - Personnel Expense: \$233.1 million
 - Operating Expense: \$52.1 million
 - Insurance Expense: \$7.1 million
 - Debt Service Expense: \$44.0 million
 - Partner Agencies Expense: \$22.3 million
 - Capital Expense: \$1.1 million
- Transfers – 6.8% over budget
 - Total Transfers: \$6.1 million



Fund Balance Growth and Allocation



Total Fund Balance

- Increase in FY2019 revenue over expense offset by...
 - Spend down of 1105 Capital Projects
 - Decrease in asset value
- Net impact to total fund balance - increase of \$3.61 million over 2018



Fund Balance Allocations

	<u>2019</u>	<u>2018</u>	
Total Fund Balance	67,974,534	64,362,714	3,611,820
<u>Non spendable</u>	2,290,430	2,480,783	(190,353)
EIF	628,995	595,075	33,920
Qualified Energy Bond Reserve	<u>1,026,212</u>	<u>812,350</u>	213,862
Subtotal after Non spendable	64,028,897	60,474,506	3,554,391
<u>Committed</u>			-
Economic Contingency	35,345,181	34,015,454	1,329,727
Balance Non 1101 Funds	<u>4,228,784</u>	<u>3,640,127</u>	588,657
Subtotal After Committed	24,454,932	22,818,925	1,636,007
<u>Assigned</u>			-
Health Insurance Reserve	4,000,000	4,000,000	-
Budget Stabilization Reserve (1)	11,400,000	11,400,000	-
Fund Balance Capital Projects	863,361	1,660,938	(797,577)
Unassigned Fund Balance	8,191,571	5,757,987	2,433,584
Unassigned Fund Balance Uses (2)	5,985,075		
<u>Available for Reallocation</u>	2,206,496		
(1) One-time supplement was a FY 2020 expense and is not represented in 6/30/2019 reporting	(2) Unassigned Fund Balance		
	PO Roll to 2020		2,973,392
	Prepay		735,136
	Grant Match Roll to 2020		776,547
	2020 Beginning Fund Balance		<u>1,500,000</u>
			5,985,075



FY2019 Fund Balance Discussion

Administration Proposal

- \$2.20 million of unassigned fund balance is available for allocation
- The administration proposes the following uses
 - \$745k - repaid to budget stabilization for employee supplement
 - \$745k - estimated for an additional employee supplement
 - Identical to \$500/1% supplement paid in July
 - \$40k - Corrections Recruitment Marketing and Operations Assessment
 - \$670k – Council projects



Questions?