



**CITY OF  
DURHAM**

# Budget & Management Services

FY 2021 1<sup>st</sup> Quarter Financial Report

November 19, 2020

- ✓ The update reflects the Administration's effort to continually monitor the City's financial status and update City Council.
- ✓ It is very early in the fiscal year and a lot of uncertainty exists. Projections reflect staff's best estimate given the information available.
- ✓ The next financial update will be given in February 2021 when we have more information.





FISCAL YEAR 2020-21  
**ADOPTED BUDGET**  
JULY 1, 2020 TO JUNE 30, 2021



# *General Fund*

## Reminder...

- First quarter is the least indicative of full year results.
- Property tax revenues, representing 51.7% of General Fund budget, are mostly collected in December and January.
- Property Tax Bills were mailed four to six weeks later than normal.
- First sales tax payment for fiscal year not received until October.

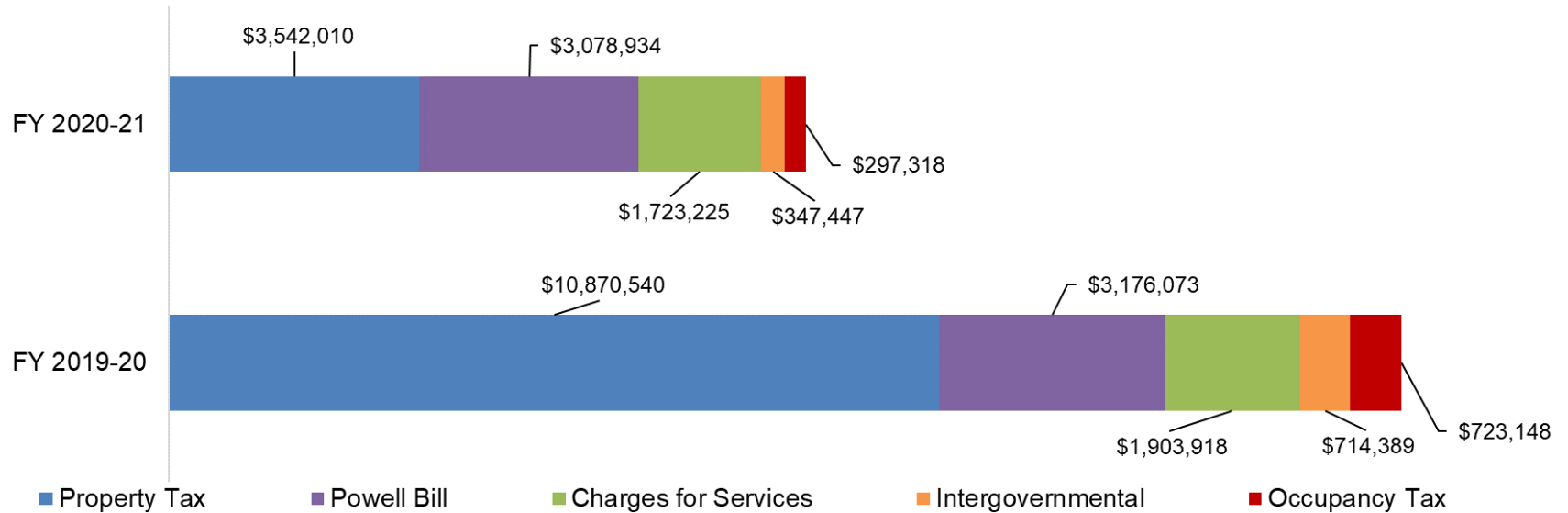


Compared to same period last year:

- Property taxes down (-67.4%).
- Occupancy tax down (-58.9%).
- Powell Bill down (-3.1%).
- Intergovernmental Revenue down (-51.4%).
- Charges for Services down (-9.5%).



# General Fund – Major Revenues / Q1 Comparison



# General Fund – Revenues

	<b>FY2021 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH SEPTEMBER 2020</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>				
Property Taxes	\$ 110,987,559	\$ 3,542,010	\$ 110,987,559	\$ -
Sales Taxes	64,185,206	(0)	64,185,206	-
Hotel/Motel Occupancy Tax	2,091,402	297,318	1,254,841	(836,561)
Utility Franchise tax	4,016,846	-	4,016,846	-
Other Taxes	425,000	121,678	486,710	61,710
Powell Bill	4,714,191	3,078,934	6,157,867	1,443,676
Other Intergovernmental Revenues	8,623,731	347,447	8,623,731	-
Licenses & Permits	326,300	261,290	391,560	65,260
Rental Income	97,001	875	97,001	-
Charges For Services	9,230,717	1,723,225	9,138,410	(92,307)
Assessments	28,000	4,905	28,000	-
Sale of Property and Miscellaneous	1,167,000	175,056	1,167,000	-
Transfers From Other Funds	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 205,892,953</b>	<b>\$ 9,552,736</b>	<b>\$ 206,534,731</b>	<b>\$ 641,778</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 221,296,857</b>	<b>\$ 58,354,263</b>	<b>\$ 220,749,020</b>	<b>\$ 547,837</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ (15,403,904)</b>	<b>\$ (48,801,527)</b>	<b>\$ (14,214,289)</b>	
<b>To/(From) Fund Balance</b>				
			Overall Budget Variance	<b>\$ 1,189,615</b>



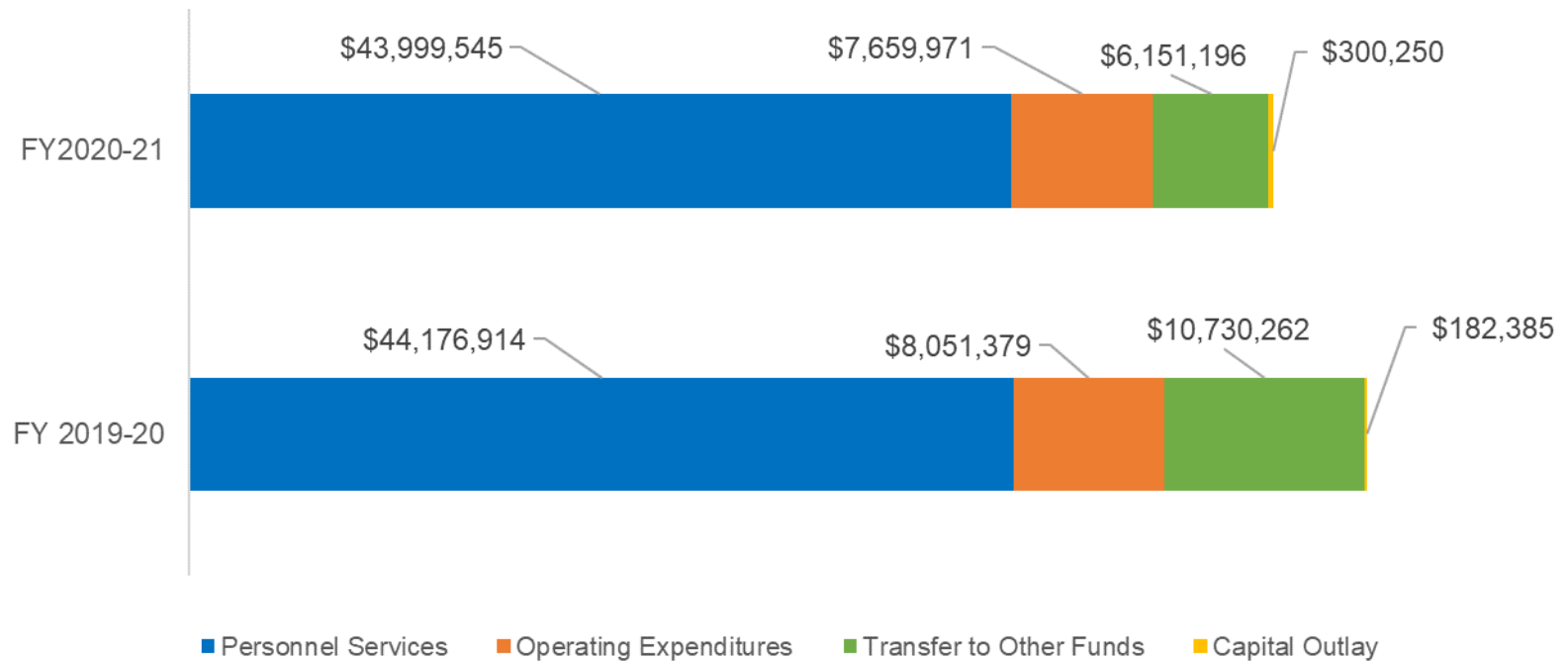
- Year-end operations spending projected at \$548K less than budgeted:
  - Personnel costs at budget
  - Operating and capital costs under budget by \$548K
- No departments are projected to exceed budget





# General Fund – Expenditures

Q1 Comparison- FY 2021 vs. FY 2020



# General Fund – Expenditures

<b>CLASS</b>	<b>FY2021 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH SEPTEMBER 2020</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
Personnel Services	\$ 168,826,154	\$ 43,939,545	\$ 168,826,154	\$ (0)
Operating Expenditures	43,429,921	7,659,971	42,882,085	547,837
Capital Outlay	1,886,540	300,250	1,886,540	-
Appropriation Not Authorized for Expenditures	415,000	-	415,000	-
Transfers To Other Funds	6,739,241	6,454,496	6,739,241	-
<b>Total</b>	<b>\$ 221,296,857</b>	<b>\$ 58,354,263</b>	<b>\$ 220,749,020</b>	<b>\$ 547,837</b>





# *Enterprise Funds*

- Overall revenues at 25.57% of budget
- Overall expenses at 17.05% of budget
  - Personnel expenses at 25.65% of budget
- Revenues are projected to come in slightly under budget
- Expenditures are projected to come in at budget
- BMS, Finance, and DWM will continue to monitor and address issues in Q2



# Water & Sewer Fund - Revenues

	<b>FY2021 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH SEPTEMBER 2020</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>				
Operating Revenues	\$ 107,130,103	\$ 27,669,960	\$ 106,849,555	\$ (280,548)
Permits	215,560	28,640	215,560	-
Total Operating Revenues	<u>\$ 107,345,663</u>	<u>\$ 27,698,600</u>	<u>\$ 107,065,115</u>	<u>\$ (280,548)</u>
Non-Operating Revenues				
Miscellaneous	\$ 1,275,903	\$ 20,752	\$ 1,275,903	\$ -
Investment Income	250,696	114,987	250,696	-
Total Non-Operating Revenues	<u>\$ 1,526,599</u>	<u>\$ 135,739</u>	<u>\$ 1,526,599</u>	<u>\$ -</u>
<b>TOTAL REVENUES</b>	<u>\$ 108,872,262</u>	<u>\$ 27,834,339</u>	<u>\$ 108,591,714</u>	<u>\$ (280,548)</u>



# Water & Sewer Fund - Expenses

	<b>FY2021 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH SEPTEMBER 2020</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>EXPENDITURES</b>				
Personnel Services	\$ 33,439,187	\$ 8,577,194	\$ 33,032,710	\$ 406,477
Operating Expenditures	24,905,434	5,178,709	26,383,350	(1,477,916)
Non-Departmental Administration	5,795,010	1,448,752	5,795,010	-
Capital Outlay	278,857	118,844	278,857	-
Debt Service Principal and Interest	12,160,881	2,309,867	12,160,881	-
Operating Transfers to Other Funds	31,854,000	854,000	30,782,561	1,071,439
<b>TOTAL EXPENDITURES</b>	<b>\$ 108,433,369</b>	<b>\$ 18,487,365</b>	<b>\$ 108,433,369</b>	<b>\$ -</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ 438,893</b>	<b>\$ 9,346,974</b>	<b>\$ 158,345</b>	
<b>To/(From) Fund Balance</b>			<b>Overall Budget Variance</b>	<b>\$ (280,548)</b>



# Transit Operations Fund

- Transit Operations Fund overall expected to operate under budget due to CARES grant funding; and anticipates coming in under adjusted budget by \$7.2M.
- Revenues will continue to be under budget until such time as COVID related fare free changes are lifted.
- State funding will not be received during FY21 due to cuts.
- Tax rate of 3.75 cents per \$100 (about \$13.5M) is budgeted in the Transit Fund.



# Transit Operations Fund - Revenues

	<b>FY2021 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH SEPTEMBER 2020</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>				
Operating Revenues	\$ 2,754,777	\$ 2,687	\$ 702,286	\$ (2,052,491)
Non-Operating Revenues				
Taxes	\$ 13,429,476	\$ 543,968 <span style="color: red;">▼</span>	\$ 13,515,709	\$ 86,233
Investment Income	-	92	1,200 <span style="color: green;">▲</span>	1,200
Miscellaneous	12,024,800	1,422,709 <span style="color: red;">▼</span>	9,174,765	(2,850,035)
Total Non-Operating Revenues	\$ 25,454,276	\$ 1,966,769	\$ 22,691,674	\$ (2,762,602)
<b>TOTAL REVENUES</b>	\$ 28,209,053	\$ 1,969,456	\$ 23,393,960	\$ (4,815,093)





# Transit Operations Fund - Expenses

	FY2021 ADJUSTED BUDGET	ACTIVITY THROUGH SEPTEMBER 2020	PROJECTION THROUGH YEAR END	VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)
<b>EXPENDITURES</b>				
Operating Expenditures	\$ 23,381,373	\$ -	\$ 11,331,579	\$ 12,049,794
Non-Departmental Administration	516,027	129,007	516,027	-
Capital Outlay	1,715,392	6	1,715,392	-
Debt Service Principal and Interest	240,377	149,238	240,377	-
Operating Transfers to Other Funds	2,030,509	2,012,659	2,030,509	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 27,883,678</u>	<u>\$ 2,290,910</u>	<u>\$ 15,833,884</u>	<u>\$ 12,049,794</u>
<b>NET REVENUES LESS EXPENDITURES</b>	<u>\$ 325,375</u>	<u>\$ (321,454)</u>	<u>\$ 7,560,076</u>	
<b>To/(From) Fund Balance</b>				
			Overall Budget Variance	<u>\$ 7,234,701</u>



- Operating revenues under original budget mostly due to COVID-19.
- Personnel expenditures projected slightly over budget and operating expenditures under budget.
- Solid Waste Fund originally budgeted to receive 31% of revenues from charges and other non-tax revenues.
- Remaining revenue is provided by allocating 5.59 cents of tax rate.



# Solid Waste Fund - Revenues

	<b>FY2021 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH SEPTEMBER 2020</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>				
Operating Revenues	\$ 9,152,614	\$ 2,086,613	\$ 8,252,215	\$ (900,399)
Non-Operating Revenues				
Taxes	\$ 19,885,547	\$ 798,258	\$ 19,885,547	\$ -
Investment Income	113,000	14,220	113,000	-
Miscellaneous	330,922	48,020	330,922	-
Operating Transfers from Other Funds	554,117	554,117	554,117	-
Total Non-Operating Revenues	\$ 20,883,586	\$ 1,414,615	\$ 20,883,586	\$ -
<b>TOTAL REVENUES</b>	\$ 30,036,200	\$ 3,501,227	\$ 29,135,801	\$ (900,399)



# Solid Waste Fund - Expenses

	<b>FY2021 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH SEPTEMBER 2020</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>EXPENDITURES</b>				
Personnel Services	\$ 9,074,745	\$ 2,512,259	\$ 9,236,689	\$ (161,944)
Operating Expenditures	14,753,426	2,716,653	14,333,272	420,154
Non-Departmental Administration	2,892,746	723,186	2,892,746	-
Capital Outlay	91,479	21,708	91,479	-
Debt Service Principal and Interest	4,221,437	435,182	4,221,437	-
Operating Transfers to Other Funds	50,883	50,883	50,883	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 31,084,716</u>	<u>\$ 6,459,871</u>	<u>\$ 30,826,506</u>	<u>\$ 258,210</u>
<b>NET REVENUES LESS EXPENDITURES</b>	<u>\$ (1,048,516)</u>	<u>\$ (2,958,644)</u>	<u>\$ (1,690,705)</u>	
<b>To/(From) Fund Balance</b>				
			Overall Budget Variance	<u>\$ (642,189)</u>



- Provides for the management and maintenance of operational expenses of stormwater activities which include street cleaning.
- The fund is a self-sufficient enterprise fund and receives no tax support.
- At quarter-one, the Stormwater Fund has received 19.48% of projected revenues. Fund anticipating deficit due to revenue actuals and an increase in capital infrastructure expenditures.



# Stormwater Fund - Revenues

	<b>FY2021 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH SEPTEMBER 2020</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>				
Operating Revenues	\$ 17,088,331	\$ 3,247,666	\$ 17,088,331	\$ -
Non-Operating Revenues				
Investment Income	\$ 129,000	\$ 19,274	\$ 129,000	\$ -
Miscellaneous Income	-	-	-	-
Operating Transfers from Other Funds	109,047	109,047	109,047	-
Total Non-Operating Revenues	\$ 238,047	\$ 128,321	\$ 238,047	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 17,326,378</b>	<b>\$ 3,375,987</b>	<b>\$ 17,326,378</b>	<b>\$ -</b>



# Stormwater Fund - Expenses

	<b>FY2021 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH SEPTEMBER 2020</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>EXPENDITURES</b>				
Personnel Services	\$ 9,178,570	\$ 2,324,267	\$ 8,847,636	\$ 330,934
Operating Expenditures	2,945,245	553,190	2,960,246	(15,001)
Non-Departmental Administration	965,652	241,413	965,652	-
Appropriations not authorized	126,516	-	126,516	-
Capital Outlay	175,239	435,405	560,752	(385,513)
Operating Transfers to Other Funds	2,734,000	2,734,000	2,734,000	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 16,125,222</b>	<b>\$ 6,288,275</b>	<b>\$ 16,194,802</b>	<b>\$ (69,580)</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ 1,201,156</b>	<b>\$ (2,912,288)</b>	<b>\$ 1,131,576</b>	
<b>To/(From) Fund Balance</b>				
			Overall Budget Variance	<b>\$ (69,580)</b>



- The Parking fund operating revenues fully cover fund operating expenses.
- Debt Service Fund subsidizes the existing debt portion of the fund.
- Parking Fund is overall anticipated to operate significantly negative budget variance due to COVID-19.





# Parking Fund - Revenues

	<b>FY2021 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH SEPTEMBER 2020</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>				
Operating Revenues	\$ 6,031,158	\$ 839,117	\$ 2,483,155	\$ (3,548,003)
Non-Operating Revenues				
Investment Income	\$ 58,000	\$ 4,651	\$ 58,000	\$ -
Miscellaneous	65,675	-	65,675	-
Operating Transfers from Other Funds	420,125	420,125	420,125	-
Total Non-Operating Revenues	\$ 543,800	\$ 424,776	\$ 543,800	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 6,574,958</b>	<b>\$ 1,263,893</b>	<b>\$ 3,026,955</b>	<b>\$ (3,548,003)</b>



# Parking Fund - Expenses

	<b>FY2021 ADJUSTED BUDGET</b>	<b>THROUGH SEPTEMBER 2020</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>EXPENDITURES</b>				
Personnel Services	\$ 1,825,574	\$ 409,382	\$ 1,825,574	\$ -
Operating Expenditures	2,529,886	289,567	1,284,821	1,245,065
Non-Departmental Administration	428,631	107,158	428,631	-
Capital Outlay	12,000	-	-	12,000
Debt Service Principal and Interest	5,845,214	2,855,731	5,845,214	-
Operating Transfers to Other Funds	40,000	-	40,000	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 10,681,305</b>	<b>\$ 3,661,837</b>	<b>\$ 9,424,240</b>	<b>\$ 1,257,065</b>
<b>NET REVENUES LESS EXPENDITURES</b>	<b>\$ (4,106,347)</b>	<b>\$ (2,397,944)</b>	<b>\$ (6,397,285)</b>	
<b>To/(From) Fund Balance</b>				
			Overall Budget Variance	<b>\$ (2,290,938)</b>



- Provides for support of the Inspections Department and other inspection related activities.
- The Inspections fund operating revenues fully cover fund operating expenses.
- At quarter-one, the Inspections fund has received 28% of revenues. The fund is projected to end the year with surplus.



# Inspections Fund - Revenues

	<b>FY2021 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH SEPTEMBER 2020</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>REVENUES</b>				
Licenses, Permits & Charges for Services	\$ 6,885,570	\$ 1,979,570	\$ 8,111,290	\$ 1,225,720
Non-Operating Revenues				
Impact Fees	\$ 45,842	\$ 15,719	\$ 62,875	\$ 17,033
Investment Income	126,000	18,239	126,000	-
Total Non-Operating Revenues	\$ 171,842	\$ 33,958	\$ 188,875	\$ 17,033
<b>TOTAL REVENUES</b>	<b>\$ 7,057,412</b>	<b>\$ 2,013,528</b>	<b>\$ 8,300,165</b>	<b>\$ 1,242,753</b>



# Inspections Fund - Expenses

	<b>FY2021 ADJUSTED BUDGET</b>	<b>ACTIVITY THROUGH SEPTEMBER 2020</b>	<b>PROJECTION THROUGH YEAR END</b>	<b>VARIANCE TO ADJUSTED BUDGET POSITIVE/ (NEGATIVE)</b>
<b>EXPENDITURES</b>				
Personnel Services	\$ 5,338,376	\$ 1,443,105	\$ 5,338,376	\$ -
Operating Expenditures	1,413,548	280,055	1,403,820	9,728
<b>TOTAL EXPENDITURES</b>	<u>\$ 6,751,924</u>	<u>\$ 1,723,160</u>	<u>\$ 6,742,196</u>	<u>\$ 9,728</u>
<b>NET REVENUES LESS EXPENDITURES</b>	<u>\$ 305,488</u>	<u>\$ 290,368</u>	<u>\$ 1,557,969</u>	
<b>To/(From) Fund Balance</b>			Overall Budget Variance	<u>\$ 1,252,481</u>



# Other Projects

- Resident Satisfaction Survey
- Participatory Budget Process
- Racial Equity

