



**2011**



**CITY OF PAINESVILLE  
1<sup>ST</sup> QUARTER  
FINANCE SUMMARY**

# 2011

## 1<sup>ST</sup> QUARTER REVENUES – CITY AS A WHOLE

- Through the first three months of 2011 the City has received total revenues of \$18.4 million. This represents 26% of the total budgeted revenues.

Currently the City is on pace to receive the total 2011 budgeted revenues



# 2011

## 1<sup>ST</sup> QUARTER EXPENSES – CITY AS A WHOLE

- Through the first three months of 2011 the City has had total current expenditures of \$17.6 million. This represents 21% of the total current budget.
  - Currently the City is on pace to spend less than the total 2011 budgeted expenditures
  - Expenses are in line with projections and where we expected them to be through the first 3 months of 2011



# GENERAL FUND - 2011 1<sup>ST</sup> QUARTER

## Revenues

- Through the first Quarter of 2011 the General Fund has received 26% of the total budgeted General Fund revenues
  - This number is slightly skewed due to the fact in March the City received the internal note proceeds
- Currently the General Fund is on pace to receive less than the budgeted amount of revenues
- Municipal Income Tax Revenues being down through the first quarter are the main reason the General Fund projections are down



# MUNICIPAL INCOME TAX REVENUES

- Through the first quarter of 2011 the City has collected 24% of the budgeted amount of income taxes
- The City receives the highest percentage of municipal income tax collections in the 2nd quarter of the year (May is traditionally the largest month for muni income tax revenues)
- While there has been a slight increase in the private sector income taxes, the public sector income taxes have decreased
- The City is currently prosecuting individuals for not paying their municipal income taxes



# MUNICIPAL INCOME TAX REVENUES

- Things out of the City's control regarding the municipal income taxes
  - The City's largest employer, Lake County, is laying people off and doing furloughs
    - The City has lost approximately \$40,000 - \$50,000 a year in municipal income tax revenues due to the County's reductions
  - The City's 3<sup>rd</sup> largest employer, Painesville Schools, are also laying people off and reducing their work force through attrition
    - The City has lost approximately \$48,000, over the last two years in municipal income tax revenues due to the Painesville Schools' reductions
    - Schools are doing more layoffs at the end of August which will be additional lost revenues
  - Numerous employers reducing their workforce through attrition



# GENERAL FUND - 1<sup>ST</sup> QUARTER REVENUES

- Local Government Fund Revenues
  - Governor's Cuts to Local Government's - Out of the City's Control
    - 25% cut of the LGF monies the State sends to the Cities in 2<sup>nd</sup> half of 2011
      - Loss of \$170,000 in 2011
    - Even with this loss, the City is still projecting to meet our budgeted LGF
    - Based on the Governor's budget, the City will continue to lose significant amounts of LGF monies in 2012 and 2013
  - Based on what we see, the Governor is not backing down on these cuts
- Building & Trade Permits
  - Through the first 3 months of 2011 these revenues are down
    - ▣ Revenues are down due to the housing market being down and not much construction going on in the winter
    - ▣ The City hopes these revenues improve, as they usually do, as the weather gets better
  - ▣ As of right now, the Governor's proposed budget does not have the elimination or reduction of the KWH tax or the inheritance tax.



# GENERAL FUND - 2011 1<sup>ST</sup> QUARTER

## Expenditures

- Through the 1<sup>st</sup> Quarter of 2011, 22% of the budgeted General Fund expenditures have been spent
- 1<sup>st</sup> Quarter of 2011, the General Fund has spent \$330,000 less than was spent in the 1<sup>st</sup> Quarter of 2010
  - 2011 operating expenses are down 20% from 2010
  - OT is down 41% for all General Fund Departments
    - OT is tracked on a monthly basis and I contact the department heads if there is an issue with their OT
  - 2011 fuel costs are up 11%
- If the State changes the pension laws, there could be unplanned retirements, which would save the City money
- Currently this fund is on pace to spend less than the budgeted amount of expenditures



# GENERAL FUND - 2011 1<sup>ST</sup> QUARTER SUMMARY

- From a revenue standpoint we are not where we hoped to be through the 1<sup>st</sup> QTR
  - Cautiously optimistic the revenues will increase, as the year progresses
- As always the City will be very cautious and control actual expenditures
  - The City Manager and myself closely monitor all expenditures
- Bright Spot – 2<sup>nd</sup> Quarter is Traditionally the City's best Quarter for Municipal Income Tax Revenues
- Maintain a fiscally conservative spending approach



# WATER REVENUE FUND – 2011 1<sup>ST</sup> QUARTER

## Revenues

- Through the 1<sup>st</sup> Quarter of 2011, the City has collected 29% of the 2011 budgeted revenues
- Overall water revenues are slightly down compared to the 1<sup>st</sup> QTR of 2010
  - The reason for the decrease was in 2010 this fund received \$184,000 in grant payments.
- Collected 25% of the budgeted metered water sales
- On average, most of the revenues for the Water Revenue Fund are collected in the 3<sup>rd</sup> and 4<sup>th</sup> Quarters of the year
- Currently this fund is on pace to meet the budgeted revenues
- The revenues being generated are enough to maintain operations, but not sufficient to pay for major capital improvements



# WATER REVENUE FUND – 2011 1<sup>ST</sup> QUARTER

## Expenditures

- Through the 1<sup>st</sup> Quarter of 2011, 16% of the 2011 budgeted expenditures have been spent
- For the 1<sup>st</sup> quarter of 2011, this fund has spent \$56,000 less than the 1<sup>st</sup> QTR of 2010
- Currently this fund is on pace to spend less than the budgeted amount of expenditures, however expenses will go up as the weather get warmer.
- Majority of the debt payments for this fund are still upcoming

The Water Revenue Fund's 1<sup>st</sup> Quarter revenues exceeded expenditures



# SEWER REVENUE FUND – 2011 1<sup>ST</sup> QUARTER

## Revenues

- Through the 1<sup>st</sup> Quarter of 2011, this fund has collected 25% of the 2011 budgeted revenues
- Total sewer revenues are slightly up through March 31, 2011
- On average, most of the revenues for the Sewer Revenue Fund are collected in the 3<sup>rd</sup> and 4<sup>th</sup> Quarters of year
- Currently this fund is on pace to receive the budgeted revenues



# SEWER REVENUE FUND – 2011 1<sup>ST</sup> QUARTER

## Expenditures

- Through the 1<sup>st</sup> Quarter of 2011, 21% of the 2011 budget has been spent
- Through the 1<sup>st</sup> Quarter of 2011, the Sewer Revenue Fund has spent \$29,000 less than was spent in the 1<sup>st</sup> Quarter of 2010
  - Operating Expenses are down 14%
- Currently this fund is on pace to spend less than the budgeted expenditures, however like the Water Fund, these expenses will increase as the weather gets warmer and the water consumption goes up

The Sewer Revenue Fund's 1<sup>st</sup> quarter revenues exceeded expenditures by 15%



# ELECTRIC REVENUE FUND – 2011 1<sup>ST</sup> QUARTER

## Revenues

- Through the 1<sup>st</sup> quarter of 2011, 30% of the budgeted revenues have been collected
- Total electric revenues are up 9% in the 1<sup>st</sup> QTR of 2011
- Currently the City has collected 29% of the budgeted electric sales
- On the average, most of this funds revenues are collected in the 3<sup>rd</sup> quarter
- This fund is currently on pace to exceed the budgeted revenues



# ELECTRIC REVENUE FUND – 2011 1<sup>ST</sup> QUARTER

## Expenditures

- Through the 1<sup>st</sup> Quarter of 2011, 18% of the 2011 budget has been spent
- Through the 1<sup>st</sup> QTR of 2011, the Electric Revenue Fund has spent 2% less than the 1<sup>st</sup> QTR of 2010
- Currently this fund is on pace to spend less than the budgeted expenditures, however like the other utility funds, the expenses will increase as the weather gets warmer and more electricity is used

1<sup>st</sup> quarter Electric Revenue Fund's revenues exceed expenditures



# STORM WATER FUND – 2011 1<sup>ST</sup> QUARTER

## Revenues

- As of March 31, 2011, the City has received 63% of the budgeted revenues, the main reason for this is the March issuance of notes
- Total Storm Water User Fee Revenues are slightly down for the 1<sup>st</sup> QTR of 2011, compared to the 1<sup>st</sup> QTR of 2010.
- For the 1<sup>st</sup> Quarter of 2011 this fund has received 25% of the budgeted storm water sewer charges revenues
- Currently this fund is on pace to meet the budgeted revenues



# STORM WATER FUND – 2011 1<sup>ST</sup> QUARTER

## Expenditures

- Through the 1<sup>st</sup> quarter of 2011, 51% of the 2011 budget has been spent, which is mostly due to the March note issuance
- Currently this fund is on pace to spend less than the budgeted amount of expenditures



# 2011 FIRST QUARTER SUMMARY

- 2011 General Fund revenues are down, and they are currently below the budgeted projections
- Items Out of the City's Control as far as the General Fund Revenues are concerned
  - Governor's reduction of monies that are sent to the local governments
  - Large employers laying people off, furloughs , and elimination of workforce through attrition
- Through the 1<sup>st</sup> QTR the majority of the City's major funds are on pace to meet budgeted revenues
- Cautiously optimistic the City can make the budgeted revenues
- 2<sup>nd</sup> Quarter is traditionally the General Fund's best quarter as far as revenues are concerned
- If the City does not make the budgeted revenues in the General Fund after the 2<sup>nd</sup> Quarter we probably won't make them for the year



# 2011 FIRST QUARTER SUMMARY

- Control expenditures so we won't have to make drastic adjustments in the upcoming quarters
  - The City Manager and I will meet with all department heads to review the plan on limiting expenditures
- I recommend the City does not have to make any big adjustments right now, as long as there is controlled spending, but if the 2<sup>nd</sup> QTR General Fund revenues do not meet expectations, the City will have to make larger cuts in expenses

