



**REPORT TO: CC**

**MEETING DATE: FEBRUARY 10, 2020**

<p><b>Agenda Item:</b></p>	<p>8d. CC-20-27</p>
<p><b>Prior Council Action/Related Items: (Hyperlinks Or PDF)</b></p>	
<p><b>Background / Issue:</b></p>	<p>Attached to this report is the quarterly financial report for the second quarter of fiscal year 2019-2020. The quarterly report includes</p> <ul style="list-style-type: none"> <li>• an at-a-glance summary of General Fund, SUA, SEDA and Other City Funds activity,</li> <li>• a summary of the financial results for major funds only,</li> <li>• a summary of capital expenditures by project, and</li> <li>• a glossary of terms.</li> </ul> <p>These reports are interim reports and therefore unaudited.</p> <p>The monitoring of revenues and expenditures and their relationship to the budget is important in order to inform management and City Council if measures need to be taken to meet projections or to modify the budget.</p> <p>All account balances and fund balances are monitored by staff on an ongoing basis even if not presented in this summarized quarterly report.</p>
<p><b>Proposal/Solution:</b></p>	<p>Revenues are generally on target when taking into account seasonal activity and one-time receipts. Interest revenue in the General Fund is at 157.5% of budget due to an increase in interest earnings as cash balances reserved for transportation projects are invested while the projects are under design.</p> <p>SUA interest revenue is at 127.6% of budget due to increases in interest rates on invested funds since FY20 projections were finalized.</p> <p>The amended expenditure budget differs from the adopted budget largely due to the carry forward of incomplete project</p>

balances from FY19 to FY20 as approved by the Council on July 8, 2019. Expenditures are generally on target when taking into account seasonal activity and cyclical payments such as capital outlay and debt service.

Budget amendments are proposed to reduce appropriations in the City Capital Fund for projects that will not be pursued. These funds will be available to appropriate for future capital projects.

A budget amendment is also proposed to correct the projected negative fund balance in the Stillwater Economic Development Authority (SEDA). A projected transfer in of funds from the General Fund to the SEDA Operating Fund in FY19 was assumed during the FY20 budget preparation but was not realized. The proposed reduction to professional services is not anticipated to impact SEDA operations during the remainder of FY20. This budget amendment is on the SEDA agenda this evening for action.

<b>Financial Impact/Funding Source(s):</b>	N/A
<b>Related Strategic Priority:</b>	#1 Effective Services & Accountable Government: To provide effective services and accountable government for all citizens by practicing fiscal responsibility, transparency and outstanding customer service.
<b>Recommended Action/Motion:</b>	Approve the attached budget amendment to reduce City Capital Fund appropriations by \$240,000 for capital items that will not be purchased at this time. These items <ul style="list-style-type: none"><li>○ \$125,000 - Council Chamber room upgrades</li><li>○ \$65,000 - Fire Department vehicle</li><li>○ \$50,000 - Public Works boom mower</li></ul>
<b>Prepared By:</b>	Christy Cluck, Finance Director
<b>Reviewed By:</b>	Melissa Reames, Deputy City Manager
<b>Submitted By:</b>	Norman McNickle, City Manager
<b>Attachment(s):</b>	2nd Quarter Financial Report – FY20.pdf Budget Amendment – Council Chamber Room Upgrades.pdf Budget Amendment – Fire Department Vehicle.pdf Budget Amendment – Public Works Boom Mower.pdf