



## CITY OF PORT LAVACA

### FY 2013-2014 2nd Quarter Financial Overview

### As of March 31, 2014

*The City of Port Lavaca Finance Department is dedicated to excellence in local government, comprehensive fiscal management, compliance and reporting. The Quarterly Report is used to provide our internal and external customers financial reporting with easy to read narratives regarding the City's financial position. This report is comprised of three sections:*

1. The **Financial Overview** reports the performance of the major operating funds of the City primarily a narrative context. The fund descriptions are as follows:
  - The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those accounted for in other specific funds. This fund includes all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund. General operating expenditures, fixed charges and capital improvement costs not paid through other funds are paid from this fund.
  - The **Public Utility Fund** accounts for the operations of the Public Utility Administration, Water Distribution, Sewer, and Solid Waste departments.
  - The **Beach Operating Fund** is used to account for the operations of the Port Lavaca Beach, RV Park, and Pier.
  - The **Port Revenue Fund** is used to account for the operations of the Port Commission, and to account for the rent generated from its harbors and docks.
2. The **Financial Summary** provides comparative data for major revenue and expenditure sources and by fund and department comparing to budget and prior year actual.
3. The **Investment Report** provides a description of investment activity during the quarter

Since this report does not include all funds related to the City of Port Lavaca's Operations—please refer to the City's Comprehensive Annual Financial Report available on the City's website ([www.portlavaca.org](http://www.portlavaca.org)).  
Go to the Finance Department's Page for all financial transparency information.

## FINANCIAL OVERVIEW- City Wide

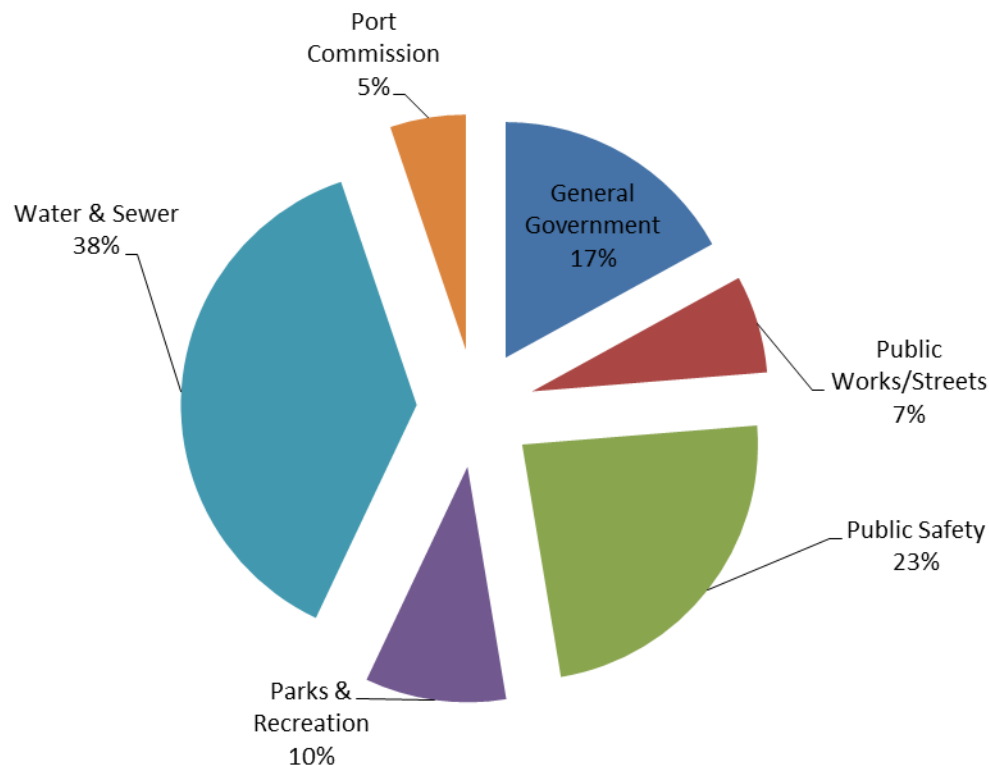
### ***City Wide Revenues\****

Total City Wide Revenues are up \$279,324 combining all major funds as compared to quarter ended March 2013. This increase is due the timing of property tax payments and the increase payment from the County (fire interlocal agreement plus funding of brush truck).

### ***City Wide Expenditures\****

Expenditures are up \$9,100 as compared to March 2013. This is primarily contributed to the increase in health care claims as compared to prior year.

### **Where do our dollars go?**



## **General Fund Overview**

### ***Revenue Highlights***

- Total General Fund Revenue as a percentage of budget is **79%** exceeding the 2<sup>nd</sup> quarter benchmark of 50%.
- Sales tax receipts are down approximately \$67,608 (5.4%) from prior year. However, sales tax receipts are still expected to be above budget target of \$2,180,000.
- Franchise fees are up \$12,954 (6%) from prior year.
- Builder & Electrical permits/licenses are down from prior year, however exceeds budget target.
- Fines & Forfeitures (court fines, arrest fees) are slightly below budget target of 50%.
- Interest Income up \$5,678 from prior year and at 95% of budget target.
- Bauer Center Rentals up 2,280 over prior year.
- Grant and Contributions appear above budget due to the County funding a brush truck. Additional revenue will be offset by brush truck when payment made.

### **GENERAL FUND FINANCIAL SUMMARY**

#### ***Revenues by Receipt Type***

	12-13 Actual YTD	12-13 Budget	%	13-14 Actual YTD	13-14 Budget	%
<i>Revenues</i>						
Property Taxes	3,189,905	3,240,000	98%	3,340,822	3,265,000	102%
Sales Taxes	1,252,986	2,315,000	54%	1,185,378	2,180,000	54%
Franchise Taxes	204,501	593,000	34%	217,456	585,000	37%
Licenses and Permits	88,321	143,000	62%	78,407	82,900	95%
User and Svc Charges	40,169	72,000	56%	41,087	45,000	91%
Fines and Forfeitures	167,067	378,000	44%	161,829	349,000	46%
Other Revenue	35,356	159,600	22%	54,553	34,000	160%
Grant and Contribution	242,625	250,500	97%	397,917	248,500	160%
Intergovernmental Revenue	250,208	495,000	51%	282,869	510,600	55%
<b>Total Revenue</b>	<b>\$ 5,471,138</b>	<b>\$ 7,646,100</b>	<b>72%</b>	<b>\$ 5,760,317</b>	<b>\$ 7,300,000</b>	<b>79%</b>

## **General Fund Overview Continued**

### ***General Fund Expenditure Highlights***

- Total General Fund Expenditures as a percentage of budget is 44% falling under the budgetary allocation of 50%.
- Most all departments are under the 50% budget target with the exception of City Council (timing of training & laptop purchases), City Secretary (timing of election cost), and Non-Departmental (health claims & IT Services). Health care claims up from prior year (Non-Departmental). The City will closely monitor claims activity and amend the budget if needed.
- General Fund expenses are down \$54,337 as compared to the same quarter last year (primarily due to the timing of projects).

### **GENERAL FUND FINANCIAL SUMMARY**

#### ***Expenditures by Department***

	11-12 Actual YTD	11-12 Budget	%	12-13 Actual YTD	12-13 Budget	%
City Council	13,599	28,719	47%	17,903	32,655	55%
City Manager	96,416	203,782	47%	101,702	202,098	50%
City Secretary	34,486	80,919	43%	49,662	83,611	59%
Human Resource	33,186	75,932	44%	30,274	77,333	39%
Municipal Court	47,452	106,310	45%	43,081	111,545	39%
Finance	100,776	205,950	49%	99,129	199,935	50%
City Hall	66,754	131,045	51%	48,684	122,325	40%
Police	786,287	1,606,575	49%	777,528	1,550,550	50%
Fire	509,853	1,192,663	43%	493,169	1,150,362	43%
Animal Control	47,663	105,050	45%	50,480	105,840	48%
Code Enforcement/Inspe	63,019	142,700	44%	66,221	153,619	43%
Streets	398,771	1,436,800	28%	376,470	1,606,975	23%
Parks and Recreation	305,445	654,500	47%	108,300	273,500	40%
Bauer Center	109,418	246,100	44%	82,014	229,500	36%
Swimming Pool Operatio	10,719	44,550	24%	5,481	30,350	18%
Non-Departmental	618,239	1,384,505	45%	837,645	1,369,802	61%
<b>Total Expenditures</b>	<b>\$ 3,242,081</b>	<b>\$ 7,646,100</b>	<b>42%</b>	<b>\$ 3,187,744</b>	<b>\$ 7,300,000</b>	<b>44%</b>
<b>Revenues Over/Under</b>	<b>\$ 2,229,057.39</b>			<b>\$ 2,572,573.30</b>		

## **Public Utility Fund Overview**

### ***Revenue Highlights***

- Total Water & Sewer Revenue as a percentage of budget is 41%. This is due to timing of the budgeted capital project (Automated Meter Reading). Core revenues are exceeding the budget target.
- Other Revenue is below budget target. This is due to the City budgeting to use \$1,166,000 of the reserve to fund various water and sewer projects including a large meter replacement.

### ***Expenditure Highlights***

- Total expenditures for the Utility Fund sit nicely at 36% of budget.
- Utility Maintenance is up from prior year due to timing of the Water & Sewer projects.
- Health care claims are down \$60,000 from prior year.

## **PUBLIC UTILITY FUND FINANCIAL SUMMARY**

### ***Revenues by Receipt Type***

	12-13 Actual YTD	12-13 Budget	%	13-14 Actual YTD	13-14 Budget	%
<i>Revenues</i>						
User and Svc Charges	2,532,006	5,078,300	50%	2,519,367	5,031,000	50%
Fines and Forfeitures	46,215	90,000	51%	46,927	92,000	51%
Other Revenue	32,091	753,700	4%	27,093	1,228,000	2%
Grant and Contribution	-	-	0%	-	-	0%
Intergovernmental Rev.	-	-	0%	-	45,000	0%
<b>Total Revenue</b>	<b>\$ 2,610,313</b>	<b>\$ 5,922,000</b>	<b>44%</b>	<b>\$ 2,593,387</b>	<b>\$ 6,396,000</b>	<b>41%</b>
<i>Expenditures</i>						
Billing	107,486	294,425	37%	108,757	267,347	41%
Maintenance	292,452	1,340,467	22%	365,008	1,954,725	19%
WWTP	268,847	714,709	38%	229,936	641,572	36%
Non-Departmental	1,576,293	1,691,199	93%	1,582,375	3,532,356	45%
<b>Total Expenditures</b>	<b>\$ 2,245,079</b>	<b>\$ 4,040,800</b>	<b>56%</b>	<b>\$ 2,286,075</b>	<b>\$ 6,396,000</b>	<b>36%</b>
<b>Revenues Over/Under</b>	<b>\$ 365,233.59</b>			<b>\$ 307,312.19</b>		

## **Beach Fund Overview**

### ***Revenue Highlights***

- Total Beach Fund Revenue as a percentage of budget appears to be below target due to the budgeting of reserves to fund capital projects. Revenues are at 24% of budget without respect to using reserves for capital initiatives.
- R.V. rentals are up compared to prior year and 9% over our current year budget target.

### ***Expenditure Highlights***

- Expenditures met the 50% target due to the timing of capital improvements at Lighthouse Beach Park (Splash Pad & T-Head on Fishing Pier).

## **BEACH FUND FINANCIAL SUMMARY**

### ***Revenues by Receipt Type***

	12-13 Actual YTD	12-13 Budget	%	13-14 Actual YTD	13-14 Budget	%
<i>Revenues</i>						
User and Svc Charges	115,663	228,000	51%	123,179	234,000	53%
Other Revenue	2,091	132,000	2%	1,422	296,000	0%
Intergovernmental Reve	-	-	0%	-	-	0%
<b>Total Revenue</b>	<b>\$ 117,754</b>	<b>\$ 360,000</b>	<b>33%</b>	<b>\$ 124,601</b>	<b>\$ 530,000</b>	<b>24%</b>
<i>Expenditures</i>						
Operations & Admin	149,564	360,000	42%	264,077	530,000	50%
<b>Total Expenditures</b>	<b>\$ 149,564</b>	<b>\$ 360,000</b>	<b>42%</b>	<b>\$ 264,077</b>	<b>\$ 530,000</b>	<b>50%</b>
<b>Revenues Over/Under</b>	<b>\$ (31,810)</b>			<b>\$ (139,476)</b>		

## **Port Commission Fund Overview**

### ***Revenue Highlights***

- Total Port Commission revenue as a percentage of the budget is right on target.
- All building and dock leases are above budgetary mark of 50%.
- Tariffs are down from prior year by \$6,000.

### ***Expenditure Highlights***

- Overall expenditures are below budget targets due to timing of operational planned expenditures.
- Port Commission expenses are down from prior year by \$ 92,000 due to timing of capital projects in prior year. (i.e. Building renovation & Railroad Repair)

## **PORT COMMISSION FUND FINANCIAL SUMMARY**

### ***Revenues by Receipt Type***

	12-13 Actual YTD	12-13 Budget	%	13-14 Actual YTD	13-14 Budget	%
<i>Revenues</i>						
User and Svc Charges	242,277	481,000	50%	243,367	470,000	52%
Fines and Forfeitures	377	200	189%	455	200	228%
Other Revenue	2,293	669,800	0%	1,350	2,800	48%
Grant and Contribution		2,000	0%		2,000	0%
Intergovernmental Revenue	-	-	0%	-	-	0%
<b>Total Revenue</b>	<b>\$ 244,948</b>	<b>\$ 1,153,000</b>	<b>21%</b>	<b>\$ 245,172</b>	<b>\$ 475,000</b>	<b>52%</b>
<i>Expenditures</i>						
Operations & Admin	309,535	1,153,000	27%	217,464	475,000	46%
<b>Total Expenditures</b>	<b>\$ 309,535</b>	<b>\$ 1,153,000</b>	<b>27%</b>	<b>\$ 217,464</b>	<b>\$ 475,000</b>	<b>46%</b>
<b>Revenues Over/Under</b>	<b>\$ (64,587)</b>			<b>\$ 27,708</b>		

## FINANCIAL CHALLENGES OF THE CITY

### *Governmental Funds*

#### [General Fund](#)

Health care claims

Sales Tax

### *Proprietary Funds*

#### [Public Utility Fund-No issues](#)

None

#### [Beach Fund- No issues](#)

None

#### [Port Commission-No issues](#)

None

### **Other Information:**

Budgeting depreciation expense will continue to help the Utility, Beach, and Port Commission build reserves each year to help fund future infrastructure improvements, therefore balancing with reserve is what I will recommend to do when we have enough to fund a project and the City is able to maintain our reserve levels according to policy.

### **Monitoring:**

**Health care costs** have continued to increase along with the city's windstorm and liability insurance. The City will closely monitor health care claim activity. The City's claims are trending better than prior year.

**Sales tax payments** as of May is still down close to \$63,000 from prior year or 4%, however the City is still projected to be \$100,000 over the budget target of \$2,180,000.



# Investment Report 2<sup>nd</sup> Quarter 2013-2014

The City has a weighted average portfolio of 46 days with an average book yield of .18%. The City is liquid with 100% of the portfolio in a 0-1 year bucket. Average interest rates have remained steady since prior quarter. All short term investments average less than 1%. Investment earnings are \$7,806 for the quarter and down \$1,910 as compared to the same quarter last year. The investment strategy currently is to stay short with diversification (Checking, Investment Pools, CD's) to minimize interest rate risk in the future. Investment Officer monitors security offerings, but most offerings are lower interest than what we have in our current checking account. Beginning February 1, 2013 the City began earning a fixed rate of .30 from the City's primary depository.

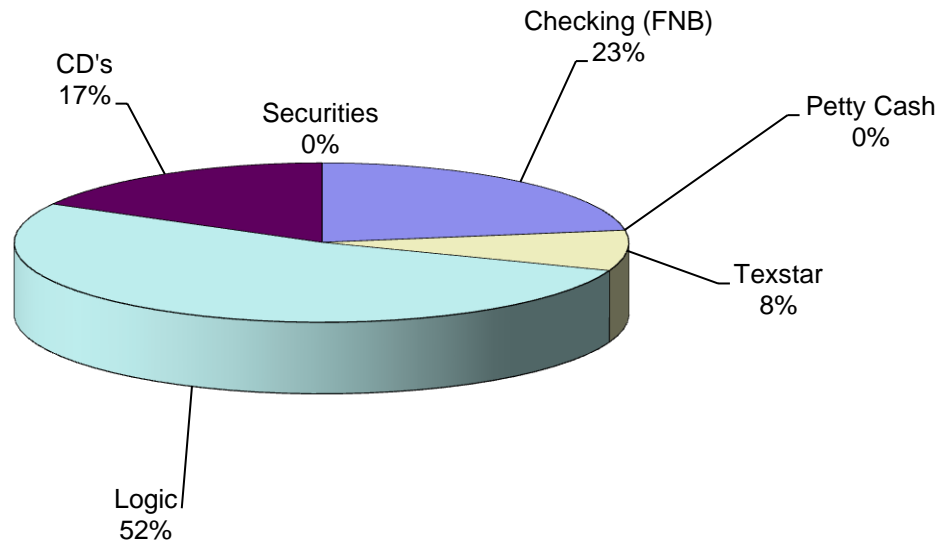
## MARCH 31, 2014 Balances

	Total Bal by Type	% of Portfolio
First National Bank	3,784,577.72	22.55%
Petty Cash (N/A)	2,025.00	0.01%
Texstar	1,377,162.04	8.21%
Logic	8,765,149.84	52.23%
CD's	2,852,497.76	17.00%
Securities		0.00%
	<b>\$16,781,412.36</b>	100.00%

Cash Balance	All Funds	\$16,781,412.36
<b>Less Restricted Cash</b>		
Operating Reserves-Policy	3,695,890.00	
Add'l Operating Reserves-Goal	1,204,299.00	
Health Reserve	676,542.00	
FARF Fund	273,122.00	
Projects Encumbered	1,207,139.35	
Other AP Encumbered	198,135.24	
Debt Payments Due	950,860.00	
<b>Total</b>	<b>\$8,575,424.77</b>	

This is the balance after all reserve policies and short term liabilities (City bills, Projects Encumbered & next scheduled debt payments) are taken into consideration.

### Portfolio Diversification



### City of Port Lavaca vs. Investment Pools for Quarter Ending March 31, 2014

BOOK VALUE	MARKET VALUE	Unrealized Gain/(<Loss>)	Average Book Yield	Benchmark Pools	Benchmark 90 Day T-Bill
\$ 16,781,412.36	\$ 16,781,412.36	-	0.18%	0.06%	0.045%
Weighted Average					
Maturity	46.01	Days	0.18%	Yield	