



DEPARTMENT OF FINANCE
FY2020 SECOND QUARTER
FINANCIAL STATUS REPORT

MARCH 11, 2020

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AGENDA

QUARTERLY REPORT OVERVIEW

GOVERNMENTAL FUNDS OVERVIEW

General Fund Revenues
General Fund Expenses

PROPRIETARY FUNDS OVERVIEW

Enterprise Funds

DEBT/INVESTMENT PORTFOLIOS





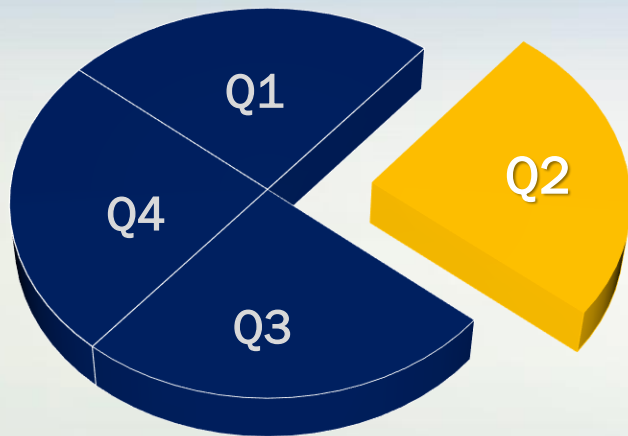
QUARTERLY FINANCIAL REPORT

FY2020 SECOND QUARTER FINANCIAL STATUS REPORT

As of December 31, 2019



Quarterly Financial Report



- Q2 Report covers the Second Quarter of FY 2020 (Jul-Dec 2019)
- Provides a summary analysis of the City of Atlanta's budget to actual performance
- Forecasts projected revenue and expenditure activity with explanations of variances
- Identifies and addresses significant issues that may impact year-end performance
- Accounts for legislative items adopted and foreseen during the second quarter.

A blue-tinted cityscape at night, featuring a prominent bridge in the foreground and several skyscrapers in the background. The scene is reflected in water at the bottom. A semi-transparent text box is centered over the image, containing the title.

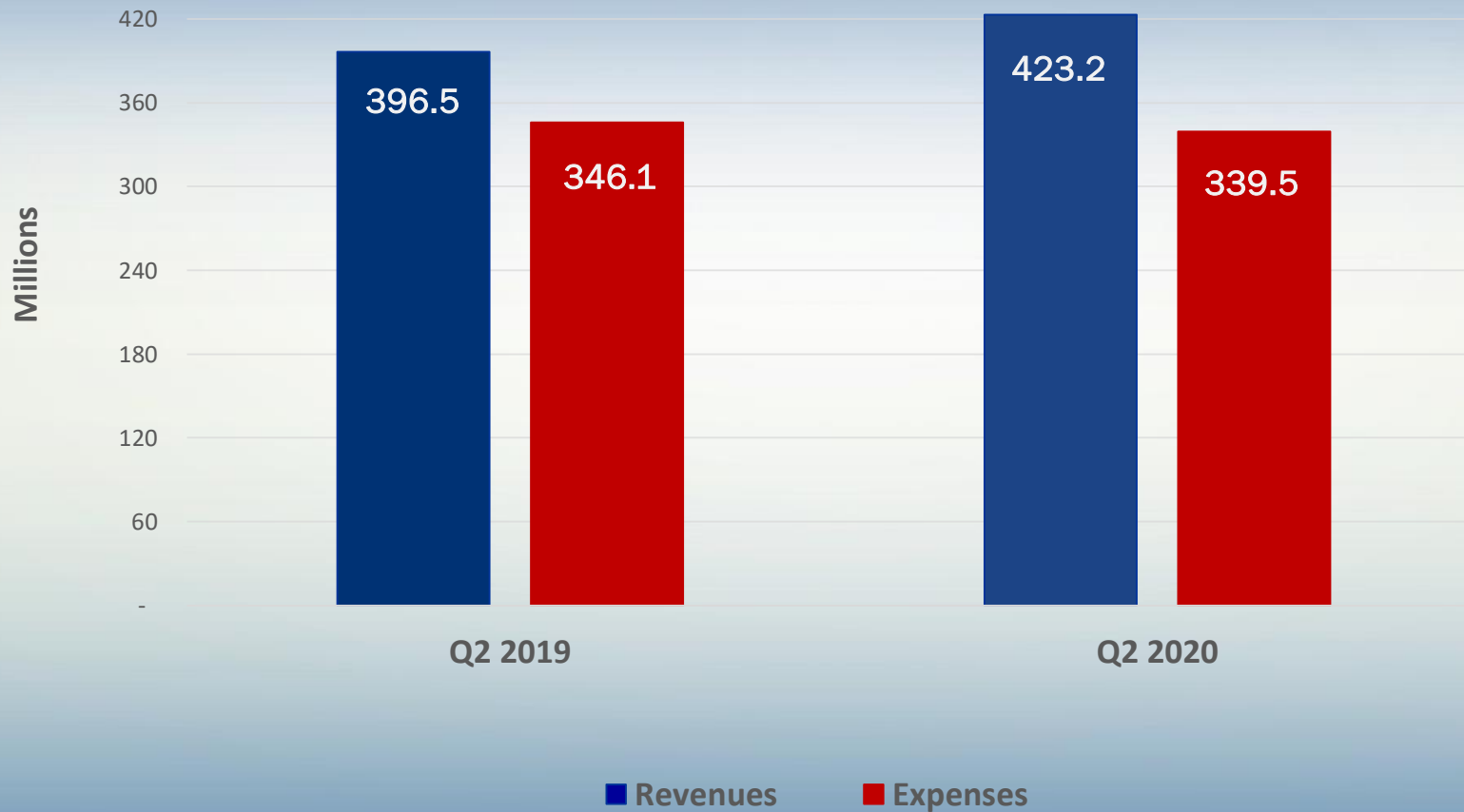
GOVERNMENTAL FUNDS OVERVIEW

GENERAL FUND YEAR TO DATE – REVENUES VS EXPENSES

(Q2 2020)



REVENUES VS EXPENSES

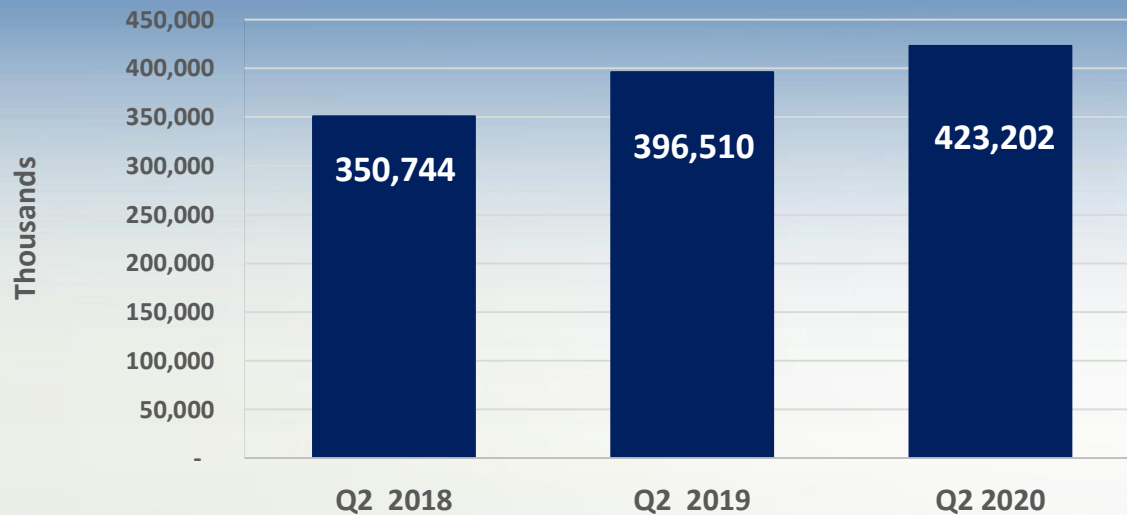


GENERAL FUND REVENUE ACTUAL TREND

(Q2 2020)



REVENUES



	Property Taxes	Public Utility Alc. Bev. & Taxes	Local Option Sales Taxes	Licenses & Permits	Other Revenue	Charges For Services	Fines, Forfeitures & Penalties	Bldg Rentals & Concessions	Indirect Cost Recovery	Hotel & Motel Tax	PILOT & Franchise	Total
FY20	\$211.0	\$52.3	\$59.4	\$36.3	\$6.2	\$2.9	\$10.8	\$3.1	\$20.5	\$10.3	\$10.5	\$423.3
FY19	\$193.6	\$50.9	\$57.1	\$33.6	\$5.2	\$2.9	\$11.4	\$3.8	\$17.4	\$10.3	\$10.3	\$396.5
FY18	\$135.8	\$49.1	\$53.7	\$31.0	\$20.8	\$3.1	\$11.1	\$9.6	\$18.1	\$8.3	\$10.2	\$350.8

- As of the second quarter, General Fund Revenues are trending above the prior years and is due primarily to the timing of when property tax revenues were received.
- Key Q2 Drivers Impacting Revenues:
 - Property Tax Bills were due in September of 2019 compared to October of 2018; resulting in revenue collections beginning one month earlier.
 - Sales tax collections have improved due to changes to state law which allowed sales taxes to be charged to online retailers.
 - Building permit revenues have grown due to sustained construction activity in the city limits.

GENERAL FUND REVENUE BUDGET PROJECTION

(Q2 2020)



Revenue Category	FY20 Funded Budget	Actual Y-T-D (Dec)	Projected Revenues	Total Projected Revenues	Variance \$	Variance %
Property Taxes	219,141,924	210,975,823	10,581,715	221,557,538	2,415,614	1.10%
Public Utility, Alcoholic Beverage & Other Taxes	107,712,019	52,271,677	56,205,588	108,477,265	765,246	0.71%
Local Option Sales Taxes	115,427,417	59,421,213	59,594,524	119,015,737	3,588,320	3.11%
Licenses And Permits Revenue	121,770,548	36,343,858	85,486,694	121,830,551	60,003	0.05%
Other Revenues	13,799,880	6,164,425	2,456,182	8,620,607	(5,179,273)	-37.53%
Charges For Services	4,561,607	2,869,871	1,864,076	4,733,947	172,340	3.78%
Fines, Forfeitures, And Penalties	22,212,306	10,770,912	10,546,048	21,316,960	(895,346)	-4.03%
Building Rentals And Concessions	3,726,871	3,118,511	621,976	3,740,487	13,616	0.37%
Indirect Cost Recovery	34,311,311	20,511,225	15,433,532	35,944,757	1,633,446	4.76%
Hotel & Motel Tax Revenue	21,800,045	10,259,793	11,374,523	21,634,316	(165,729)	-0.76%
Pilot & Franchise Fees	20,677,178	10,495,081	10,182,097	20,677,178	0	0.00%
Total Revenues	685,141,106	423,202,389	264,346,954	687,549,343	2,408,237	0.35%

- General Fund Revenues as of Q2 are projected to exceed budgeted revenues by fiscal year end by \$2.4M or .35%.

- The Q2 FY20 projections reflect adjustments from the FY20 budget to better align with current trends in the revenues.

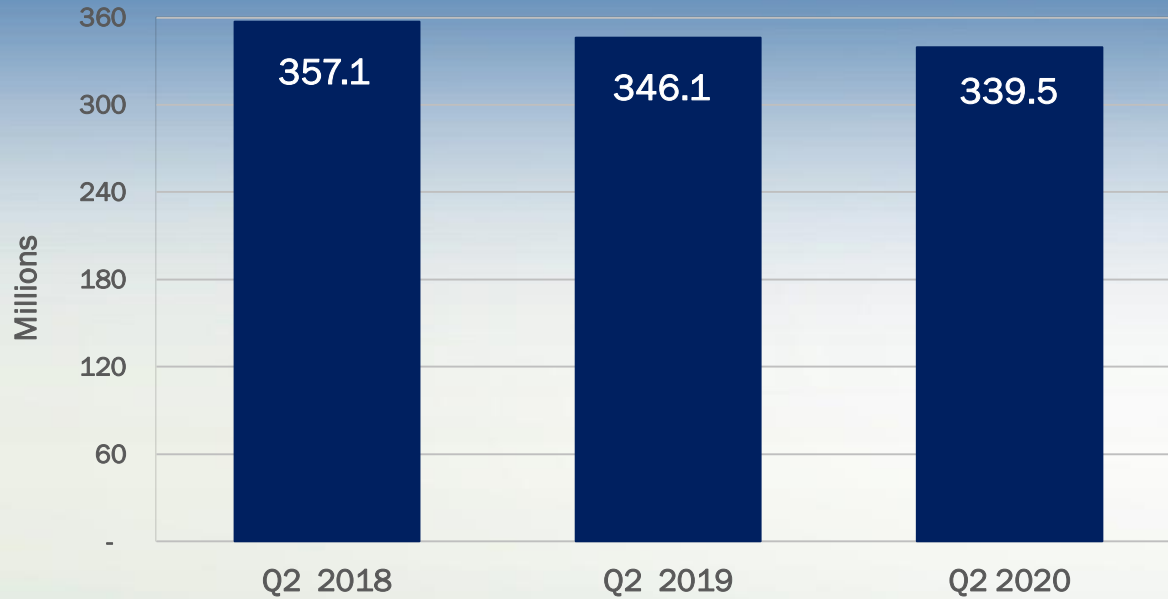
- The increase in General Fund revenues above the budget can be attributed primarily to favorable fiscal, economic, & legislative conditions which have positively impacted Property and Sales Tax.

GENERAL FUND EXPENDITURE ACTUAL TREND

(Q2 2020)



EXPENSES



- As of the **Second Quarter**, General Fund Expenses are trending below prior years and is due primarily to overtime cost containment measures and the timing of payments for contractual obligations.
- Fiscal Year 2018 expenses were relatively high due to the Northside Drive Pedestrian Bridge Project.

	Personnel Services & Employee Benefits	Purchased/ Contracted Services	Supplies	Capital Outlays	Interfund/ Interdepartmental Charges	Other Costs	Debt Service	Other Financing Uses	Total
FY20	\$216.6	\$37.9	\$21.4	\$5.3	\$8.8	\$17.1	\$23.7	\$8.7	\$339.5
FY19	\$215.6	\$50.1	\$22.7	\$0.2	\$7.1	\$19.8	\$7.1	\$23.5	\$346.1
FY18	\$222.2	\$50.6	\$19.5	(\$0.3)	\$7.5	\$19.9	\$10.1	\$27.6	\$357.1

GENERAL FUND EXPENDITURE BUDGET PROJECTION

(Q2 2020)



Department	FY20 Funded Budget	FY20 Actuals (Jul - Dec)	FY20 % Variance	Projected Expenses (Jan - Jun)	Total Projected Expenses (Year-End)	FY20 Variance (Year-End)	FY20 Variance (Year-End)
City Council	11,621,205	4,317,393	37.2%	6,677,971	10,995,364	625,841	5.4%
Executive Offices	19,850,488	8,294,877	41.8%	12,287,127	20,582,004	(731,516)	(3.7%)
Dept. of Atlanta Information Management	30,944,933	14,082,592	45.5%	18,222,546	32,305,138	(1,360,205)	(4.4%)
Department Of Law	6,635,692	3,685,161	55.5%	3,933,718	7,618,880	(983,188)	(14.8%)
Department Of Corrections	20,125,320	9,391,505	46.7%	10,925,695	20,317,200	(191,880)	(1.0%)
Department Of Finance	17,153,613	6,967,479	40.6%	9,795,029	16,762,508	391,105	2.3%
Department Of Procurement	3,232,746	983,437	30.4%	1,720,965	2,704,403	528,343	16.3%
Department Of Public Works	51,727,267	22,287,183	43.1%	31,250,554	53,537,737	(1,810,470)	(3.5%)
Dept of Parks & Recreation	41,799,261	20,870,349	49.9%	21,950,135	42,820,484	(1,021,223)	(2.4%)
Judicial Agencies	13,385,957	5,528,607	41.3%	7,549,380	13,077,987	307,970	2.3%
Non-Departmental	98,788,960	63,141,010	63.9%	29,124,240	92,265,250	6,523,710	6.6%
Department Of Human Resources	7,028,978	3,052,062	43.4%	4,016,135	7,068,197	(39,219)	(0.6%)
Department Of Fire Services	91,213,948	49,556,814	54.3%	46,142,809	95,699,623	(4,485,675)	(4.9%)
Department Of Police Services	205,450,904	102,058,785	49.7%	108,167,087	210,225,873	(4,774,969)	(2.3%)
Department of City Planning	29,006,406	9,209,828	31.8%	18,751,204	27,961,033	1,045,373	3.6%
Department Of The Solicitor	6,703,400	3,641,855	54.3%	3,750,048	7,391,902	(688,502)	(10.3%)
Board of Ethics & Independent Compliance	1,477,864	295,368	20.0%	584,109	879,477	598,387	40.5%
Atlanta Citizens Review Board	917,649	385,928	42.1%	478,327	864,255	53,394	5.8%
Department Of Audit	2,016,044	893,326	44.3%	1,045,937	1,939,263	76,781	3.8%
Department Of Public Defender	3,898,181	1,721,794	44.2%	1,988,020	3,709,814	188,367	4.8%
Dept. Of Enterprise Assets Management	18,626,071	8,726,976	46.9%	9,272,025	17,999,001	627,070	3.4%
Department Of Customer Service	2,786,218	452,234	16.2%	1,379,698	1,831,932	954,286	34.3%
Atlanta Department of Transportation	750,000	-	0.0%	390,000	390,000	360,000	48.0%
Total General Fund	685,141,106	339,544,565	49.6%	349,502,760	689,047,326	(3,906,220)	(0.6%)

General Fund Expenses as of Q2 are projected to be over budget by \$3.9M or 0.6% by fiscal year end.

- Key Forecast Considerations:
 - Personnel Adjustments & Auditing of Positions (i.e. AFR Pay Increase)
 - Overtime & Extra Help
 - Body Camera & Maintenance
 - Outside Counsel (Litigation Expenses)
 - IT Software Subscriptions
 - Utilities (Water Expenses)
 - Operating Lease Agreements
 - Fleet Services Repair and Maintenance

GENERAL FUND EXPENDITURE BUDGET PROJECTION

(Q2 2020)



Major Category	FY20 Funded Budget	FY20 Actuals (Jul - Dec)	FY20 % Variance	Projected Expenses (Jan - Jun)	Total Projected Expenses (Year-End)	FY20 Variance (Year-End)	FY20 Variance (Year-End)
Personnel Services and Employee Benefits	435,853,738	216,558,757	49.7%	215,866,563	432,425,320	3,428,418	0.8%
Purchased / Contracted Services	102,330,877	37,966,646	37.1%	66,279,080	104,245,725	(1,914,849)	(1.9%)
Supplies	41,774,628	21,424,179	51.3%	26,392,530	47,816,710	(6,042,082)	(14.5%)
Capital Outlays	2,525,989	5,349,332	211.8%	2,603,244	7,952,576	(5,426,588)	(214.8%)
Interfund / Interdepartmental Charges	15,305,889	8,779,292	57.4%	7,962,237	16,741,529	(1,435,640)	(9.4%)
Other Costs	37,591,141	17,063,126	45.4%	20,177,146	37,240,272	350,869	0.9%
Debt Service	33,922,266	23,735,609	70.0%	9,878,779	33,614,388	307,878	0.9%
Conversion / Summary	5,832,139	-	0.0%	-	-	5,832,139	100.0%
Other Financing Uses	10,004,439	8,667,623	86.6%	343,182	9,010,805	993,634	9.9%
Total General Fund	685,141,106	339,544,565	49.6%	349,502,760	689,047,326	(3,906,220)	(0.6%)

Purchased/Contracted Services projected to be over budget:

- APD operating leases and software/equipment maintenance support (\$1M)
- AIM software maintenance contracts (\$500K)
- Law litigation expenses (\$500K)

Supplies projected to be over budget:

- APD computers/equipment, uniforms, NCAA Final Four (\$3.9M)
- Parks utilities/water and electricity (\$1.5M)
- DPW utilities/electricity (\$500K)

Capital Outlays projected to be over budget:

- APD body worn cameras - (\$5.4M)

Interfund/Interdepartmental Charges projected to be over budget:

- Fleet repair and maintenance - (\$1.4M)



PROPRIETARY FUNDS OVERVIEW

FY2020 ENTERPRISE FUND PROJECTION

(000's)



Enterprise Funds	FY20 Funded Budget	Actuals Y-T-D (Dec)	Projected Revenues/Expenses	Total Projected Revenues/Expenses	Variance (\$)	Variance (%)
Aviation Revenue Fund						
Revenues	587,685,824	302,514,829	285,170,995	587,685,824	-	0.00%
Expenses	587,685,824	201,273,222	260,579,865	461,853,087	125,832,737	21.41%
Water & Wastewater Revenue Fund						
Revenues	592,853,534	335,298,303	296,426,767	631,725,070	38,871,536	6.56%
Expenses	592,853,534	281,734,610	212,989,381	494,723,991	98,129,543	16.55%
Solid Waste Service Fund						
Revenues	62,955,593	35,875,168	27,344,685	63,219,853	264,260	0.42%
Expenses	62,955,593	28,994,653	35,024,193	64,018,846	(1,063,253)	(1.69%)

Aviation Revenue Fund

- **Revenues** are projected to meet budget expectations
- **Expenses** are projected to be under budget by \$126M
 - \$104M Fund Wide Reserves
 - \$ 5M Personnel Services
 - \$ 17M Contractual Services & Supplies

Water & Wastewater Revenue Fund

- **Revenues** are projected to come in over anticipations by \$39M or 6.56%
- **Expenses** are projected to be under budget by \$98M
 - \$40M Fund Wide Reserves
 - \$21M Bad Debt Reserves
 - \$14M GEFA Loan Reserves
 - \$14M Contractual Services
 - \$ 5M Interfund Charges
 - \$ 1M Personnel Services

Solid Waste Services Revenue Fund

- **Revenues** are projected to come in over anticipations by \$264K or 0.42%
- **Expenses** are projected to be over budget by \$1.1M due to overages in contractual services. Personnel Services savings are offset by Fleet Repair and Maintenance costs
 - \$3.2M Personnel Services
 - (\$2.2M) Fleet Repairs/Maintenance and Supplies
 - (\$2.1M) Contractual Services



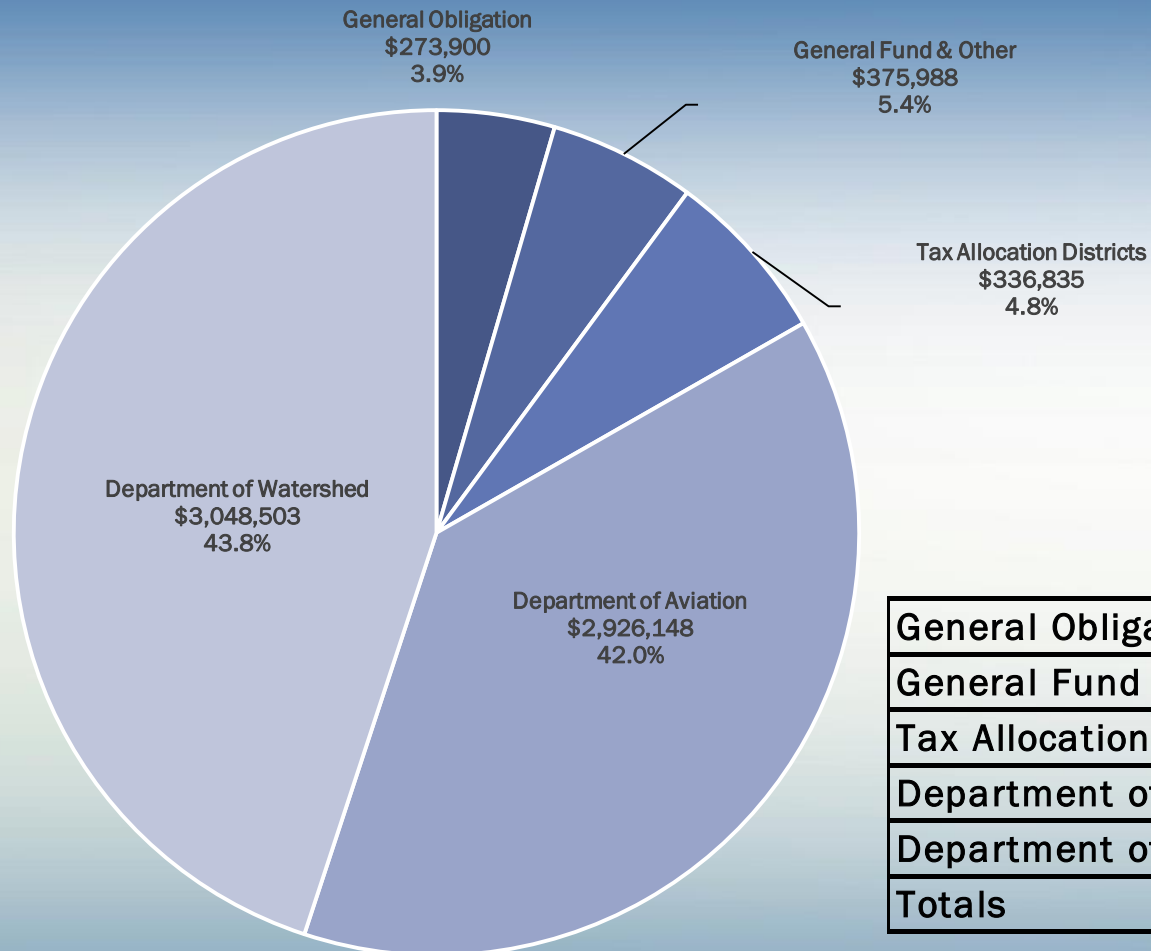
DEBT/INVESTMENT PORTFOLIOS

DEBT PORTFOLIO – TOTAL DEBT OUTSTANDING

As of December 31, 2019 (000's)



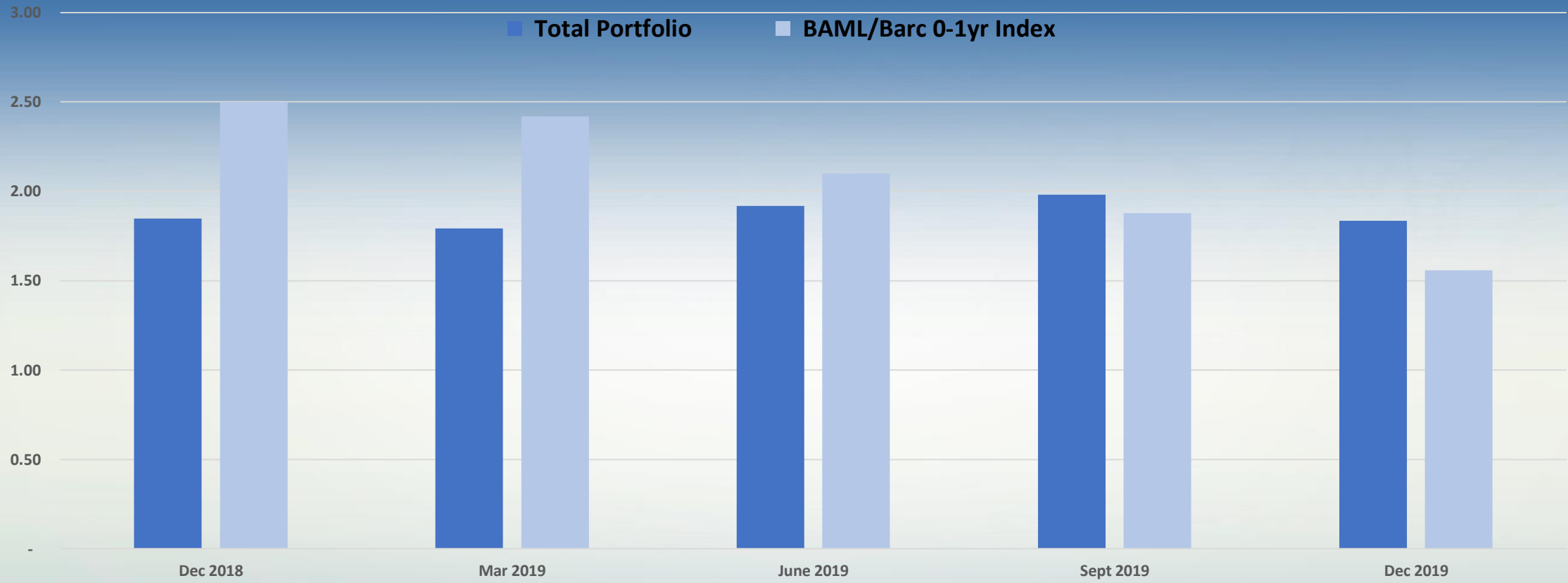
**Total Debt Outstanding is
\$6.9 billion
(net decrease \$61.8 million)**



	Q2 FY20	Q2 FY19	Difference
General Obligation	\$273,900	\$299,095	(\$25,195)
General Fund & Other	\$375,988	\$415,658	(\$39,670)
Tax Allocation Districts	\$336,835	\$413,080	(\$76,245)
Department of Aviation	\$2,926,148	\$2,762,270	\$163,878
Department of Watershed	\$3,048,503	\$3,133,040	(\$84,537)
Totals	\$6,961,374	\$7,023,143	(\$61,769)

INVESTMENT PORTFOLIO

As of December 31, 2019 (000's)



Dec 2018 Mar 2019 June 2019 Sept 2019 Dec 2019

Net Interest
Earnings:

\$10.9 mm \$11.12 mm \$11.08 mm \$11.37 mm \$13.04 mm



QUESTIONS/ANSWERS SESSION