

Quarterly Financial Report

2020

First Quarter

Summary

- While not obvious in the first quarter numbers, revenue is expected to fall significantly short of budget in the Governmental Funds.
- 51 out of 59 Expense Departments/Projects included in this report are within budget and without issues.
- Of the 8 Departments/Projects over budget, two of them are capital projects, and those are expected to be over budget by around \$900,000.

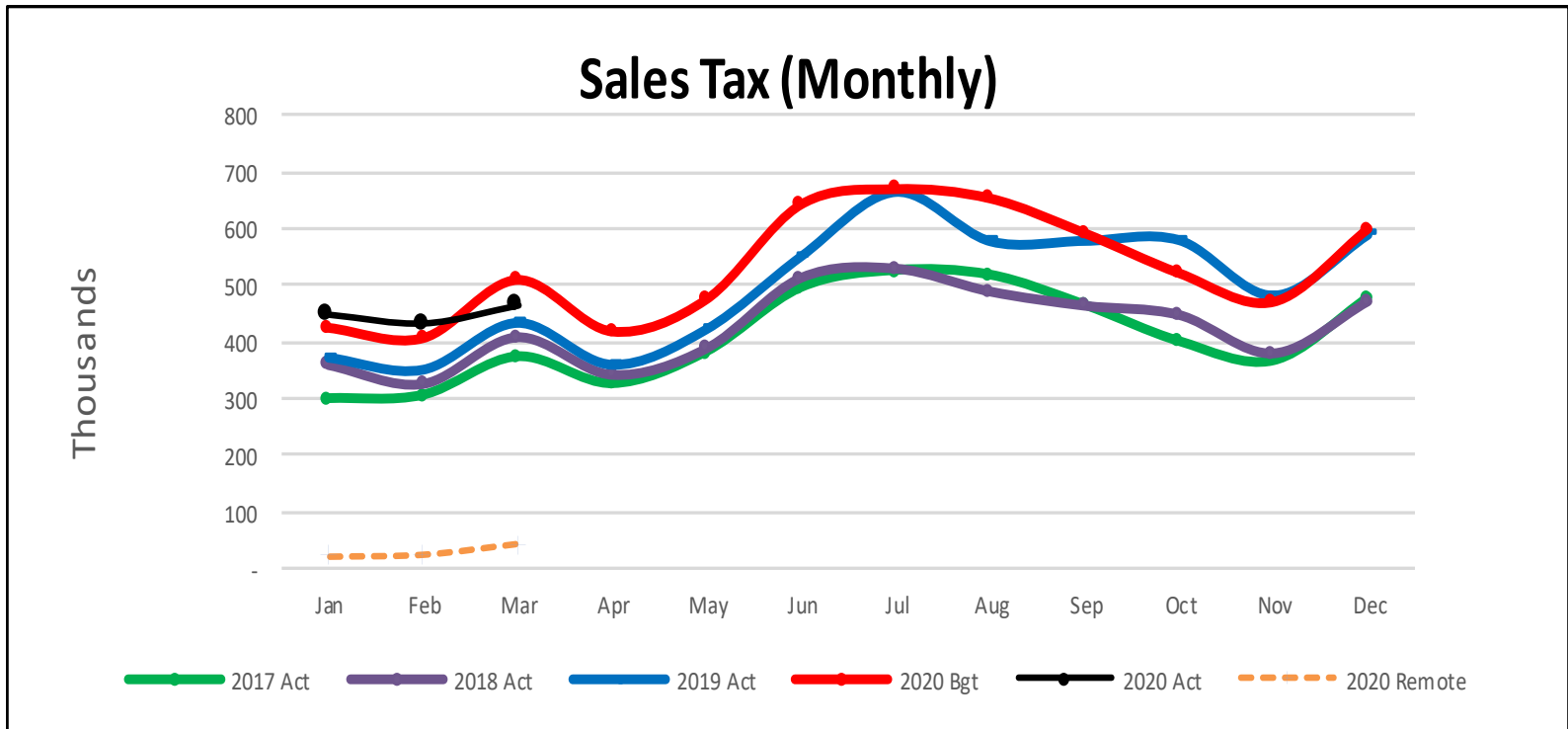
Positive Revenue Developments

- PILT revenue is not yet received, but the Federal government (finally) confirmed it will be funded at approximately the “normal” amount. That could be \$450,000 higher than our 2020 budget.
- We expect to receive \$75,000 (or more) in COVID-19 related special funding.

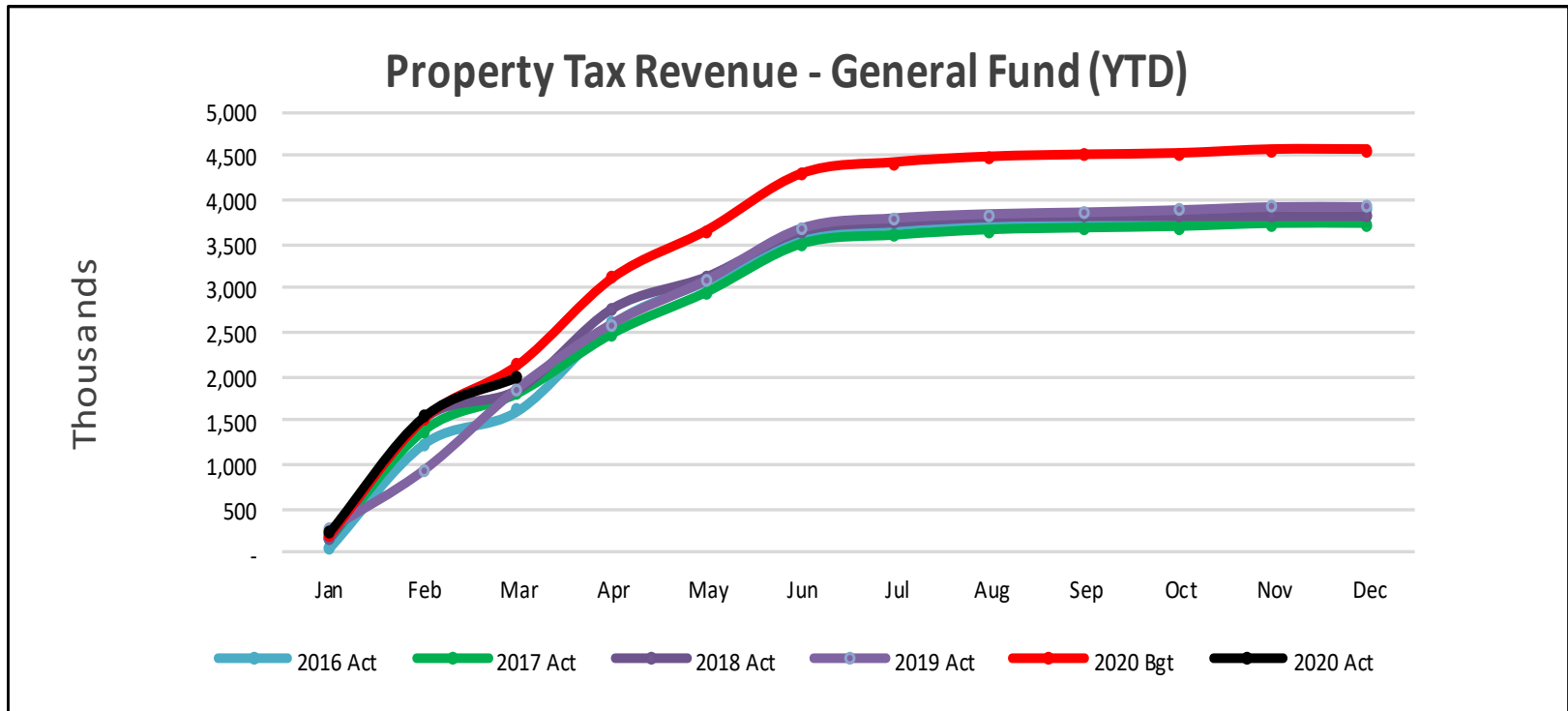
Negative Revenue Developments

- **Sales Tax:** 0.2% down during first quarter (9% down in March); could be 15%, \$960,000 below budget by year end.
- **Property Tax:** 5% down during first quarter; could be 5%, \$310,000 below budget by year end.
- **HUTF:** 3% down during first quarter (13% down in March); could be 15%, \$315,000 below budget by year end.
- **Various Other Revenues:** Could be low by more than \$200,000 by year end.
- **Net Underbudget in 2020:** Could be \$1,260,000 below budget in the Governmental Funds, by year end.

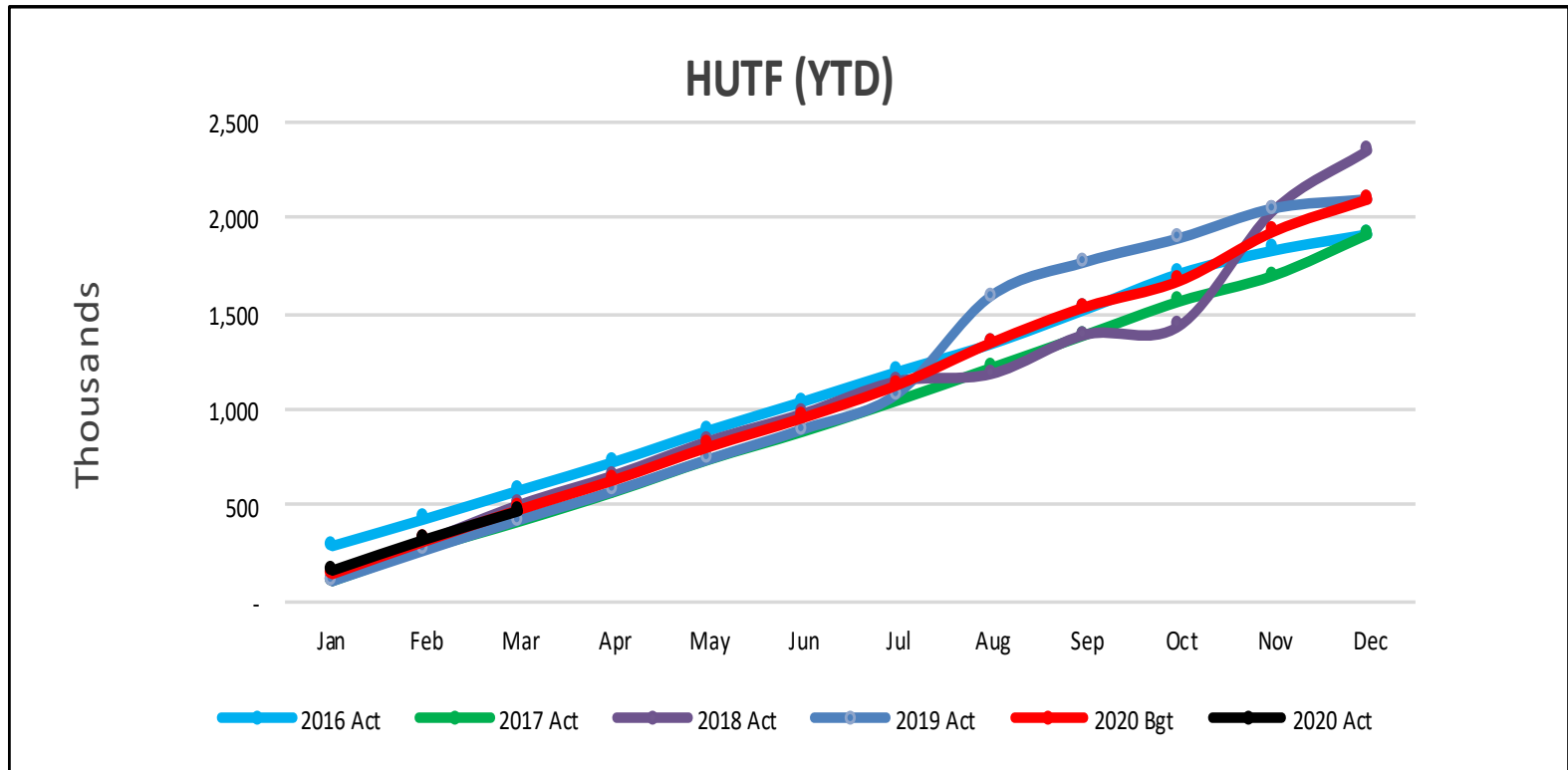
Sales Tax



Property Tax



HUTF Revenue



Dept. Expenses Under Control

- Only six (6) Departments (out of 56) were over budget at end of the first quarter.
- No departments on “watch list” ***at this time.***
- All were due to timing issues only, (being payment of a disproportionate amount of the annual budget in a few payments). Examples;
 - CSU Extension Checking: 54% (Close Out)
 - Clerk’s Elections: 33% (Software Subscription)
 - RCI Bridges: 55% (Engineering)
 - R&B Fund: 45% (Liability Insurance)

Capital Projects

The County has three (3) capital construction projects budgeted in 2020. Two (2) of them are significantly over budget (\$915,000):

- **Detention Center:** Projected to be \$615,000 over budget, due to change orders in excess of the allowance for change orders.
- **Sheriff's Office Remodel:** Projected to be \$302,000 over budget, due to underestimating electrical, HVAC, plumbing and related professional services.

Because of these cost overruns, additional funding is needed to begin the third 2020 capital project (Courthouse).

Addressing the Issues

- Partial hiring freeze.
- Postpone R&B Capital Project (to 2021).
- Proposed additional actions:
 - Transfer \$900,000 of existing General fund 2020 expense appropriations to the JSCF.
 - \$450,000 from GF Contingency
 - \$350,000 from Fleet Transfers
 - \$100,000 from Airport Transfers
 - Postpone any major expense cuts to 2021 budget process, (so decisions can be thoughtful and based on better information). Use Strategic Reserve as a cushion.

Finance Department

COVID-19 Responses Included:

- Worked out how to continue normal work, while disbursed to our homes.
- Set up documentation/tagging of COVID-19 expenditures, for future reimbursement.
- Created additional “leave” benefits in compliance with Families First Coronavirus Response Act.
- Created additional “leave” benefit to provide County with additional flexibility in its response.
- Began working various related budget challenges.

Finance Department - Continued

- Work Related to Capital Construction Projects:
 - IFB for SO Remodel project.
 - Various tasks related to new Courthouse, including:
 - Assist with RFQ for Courthouse “Project Manager”
 - Grant Pitch to DOLA (for Courthouse Design Grant)
 - Troubleshoot Underfunded Courts Grant Issues
- Evaluating and Troubleshooting Justice System Capital Fund cost overruns/responses.

Finance Department - Continued

- Work on various IFB's, RFP's, contracts, etc.. for various departments.
- Completed Solid Waste Financial Assurance submissions.
- 2019 Year End Close.
- Assisted in preparation of "911 Surcharge Increase" application.
- All the usual processes, which (in fact) consume the majority of time and effort.