

# Monthly Financial Status Report September 2019

Report is prepared on a cash basis

City of Topeka Financial Services Department September 30, 2019

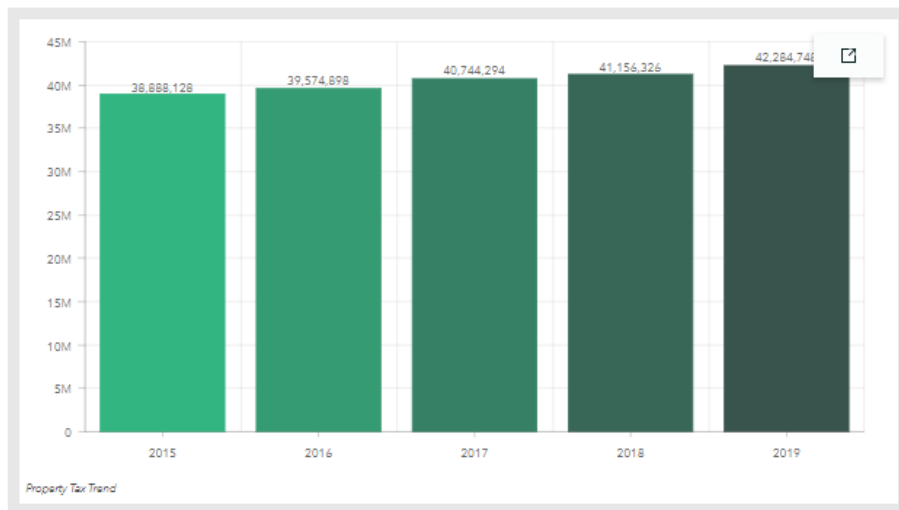


# Key Revenue Indicators Overview



## Property Tax

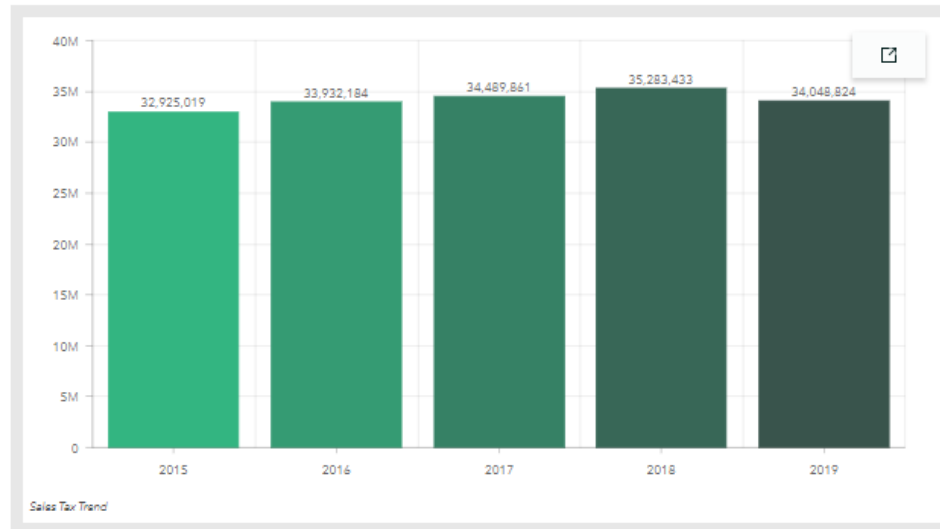
The ad valorem tax revenues are derived from taxes levied on real property, personal property, and state assessed utilities. This is one of the largest revenue sources for the City of Topeka, with ad valorem taxes levied for the General, Debt Service, and Special Liability Funds. To date, property tax collections increased 2.8% in 2019 to \$42,284,748 from the 2018 collections of \$41,156,326. They have increased 4.2% from 2015 collections of \$38,888,128.



Property Tax Collections

## Sales Tax

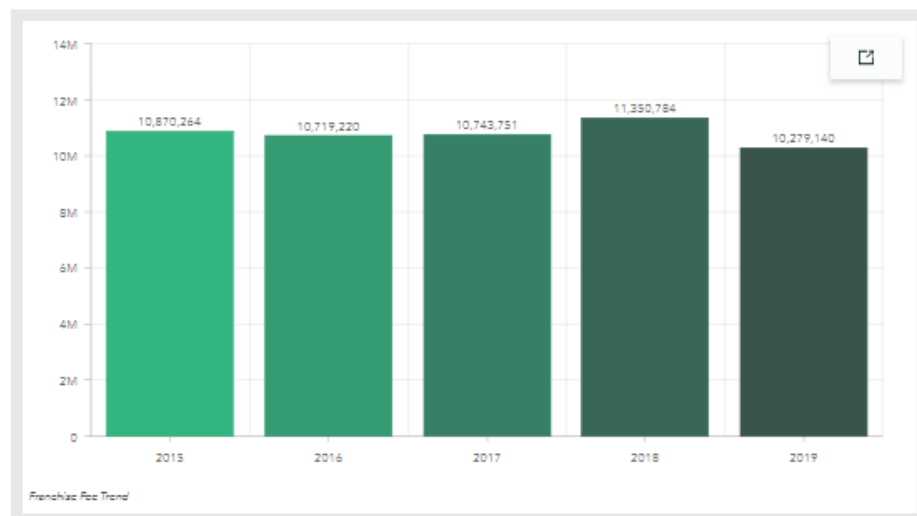
The City of Topeka receives two sales taxes for direct operations: a citywide 1 cent sales tax for general purposes and a 1/2 cent sales tax set aside for existing street improvements. Sales tax distributions have a two month lag compared to when they are collected versus when the City receives them. To date, total sales tax collections decreased -3.5% in 2019 to \$34,048,824 compared to 2018 collections of \$35,283,433. The 2019 collections are \$87,040 below the five-year collection average of \$34,135,864.



Sales Tax Collections

## Franchise Fees

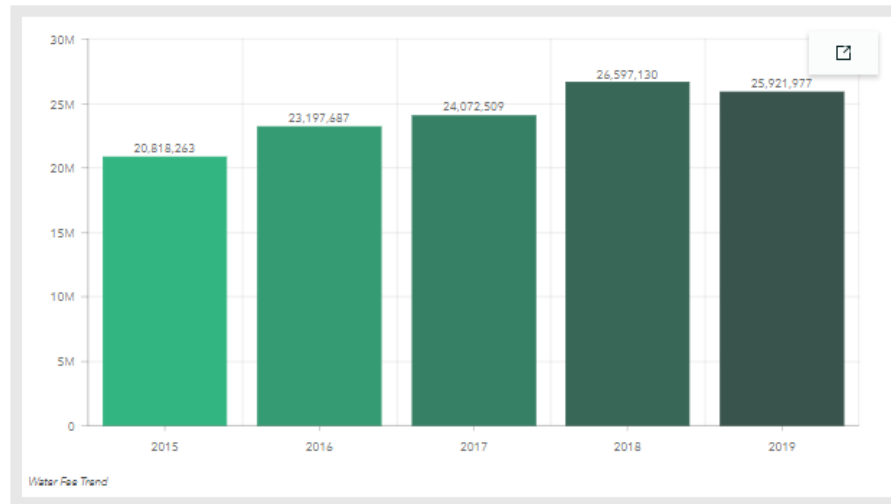
Franchise fee revenues are based on agreements between the City and local utilities. Generally, these agreements are long term and result in payments to the City of 5-6% of utility revenues. All franchise fee revenue is credited to the General Fund. Franchise Fee revenue tend to be volatile as it is influenced by the weather, commodity pricing, and utility rates. To date, franchise fee collections decreased -9.4% in 2019 to \$10,279,140 from the 2018 collections of \$11,350,784. The collections are \$513,492 below the five-year collection average of \$10,792,632.



Franchise Fee Collections

## Water Fees

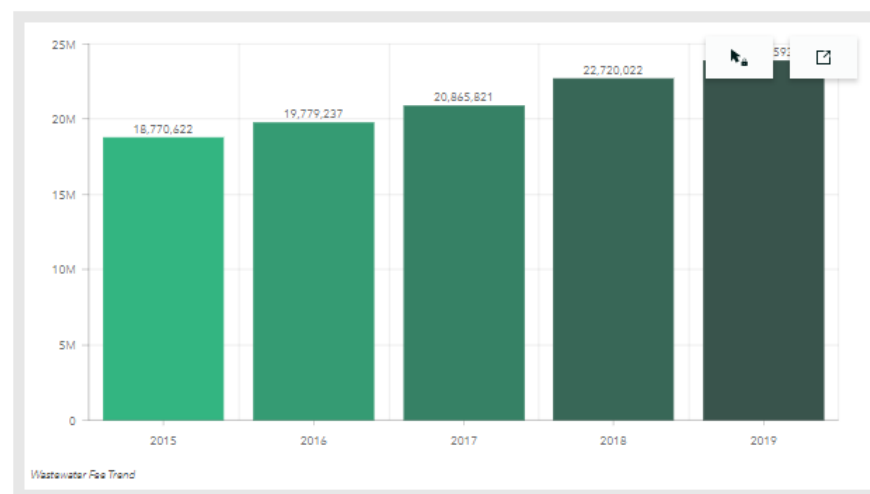
Customers in the City are charged a fee for water services. These fees are reviewed on an annual basis to ensure adequate future financial planning and the capacity to maintain, preserve, and enhance the infrastructure of the City water system. To date, water fee revenue decreased -2.5% in 2019 to \$25,921,977 from 2018 collections of \$26,597,130. The upward trend in water fees is representative of the rate increases of 6% in 2018, 5% in 2019, and 5% in 2020 approved by the Governing Body in 2017. The slight decline year to date in 2019 is largely driven by the higher than average rainfall this summer and fall which decreases consumer consumption of water for lawns and gardens and commercial consumption for landscaping needs.



Water Fee Collections

## Wastewater Fees

Customers in the City are charged a fee for wastewater disposal. These fees are reviewed on an annual bases to ensure adequate future financial planning and the capacity to maintain, preserve, and enhance the infrastructure of the City wastewater system. To date, wastewater revenue increased 5.3% in 2019 to \$23,912,593 from 2018 collections of \$22,720,022. The upward trend in wastewater fees is also representative of the rate increases of 6% in 2018, 5% in 2020 approved by the Governing Body in 2017.



Wastewater Fee Collections

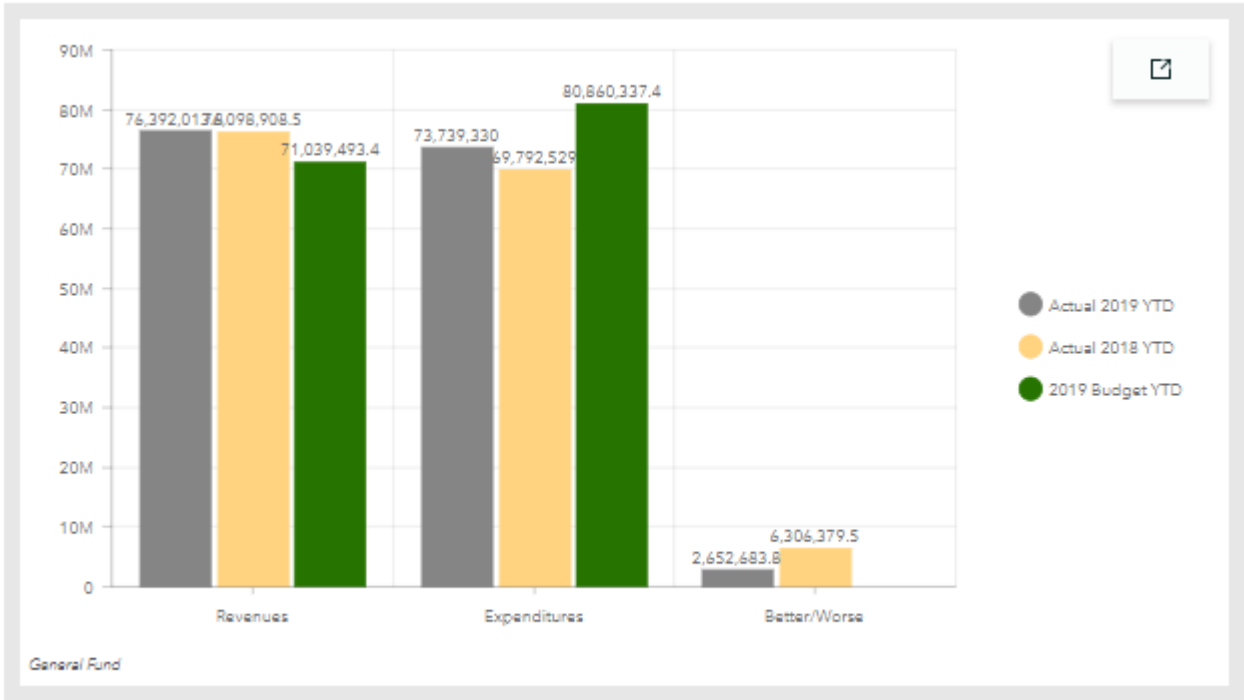


# Fund Overview



## General Fund

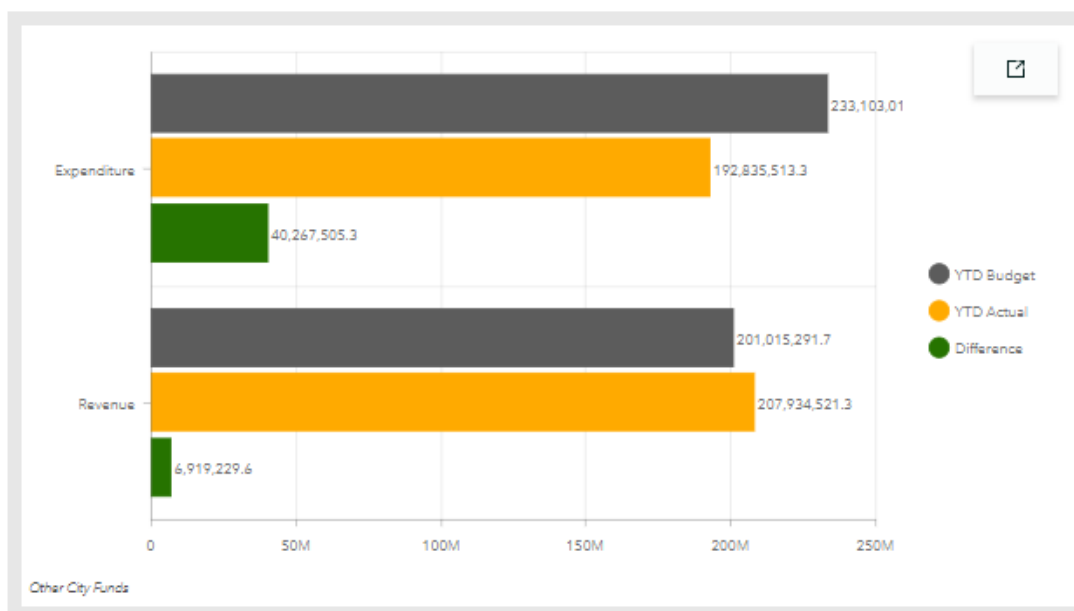
Year to date, General Fund revenue remained flat in 2019 at \$76,392,014 compared to the 2018 collections of \$76,098,908. Year to date, General Fund expenditures increased 5.7% in 2019 to \$73,739,330 from 2018 expenditures of \$69,792,529. The largest increases in expenditures are in the Police Department and Public Works. The increase in Police Department costs are largely driven by an increase of \$1,412,753 in personnel expenditures. The increase in Public Works is mainly driven by an increase of \$1,008,407 in construction services encumbrances related to infrastructure projects.



City of Topeka General Fund

Department	Actual 2018 YTD	Actual 2019 YTD	Actual Difference	2019 Budget YTD	% of 2019 Budget YTD	\$ Diff Compared to 2019 Budget
Beginning Fund Balance	20,977,555	22,013,007	1,035,352			
Taxes & Assessments	57,312,156	57,432,588	120,433	51,803,020	110.87%	5,629,569
Intergovernmental	918,614	955,392	36,779	854,926	111.75%	100,466
Licenses/Permits & Franchise Fees	12,271,927	11,802,342	(469,585)	11,985,545	98.47%	(183,203)
Charges for Services	2,820,048	3,027,708	207,660	3,369,002	89.87%	(341,294)
Fines/forfeitures	1,909,843	1,828,196	(81,647)	2,250,000	81.25%	(421,804)
Rents/Interest	502,907	950,889	447,982	390,120	243.74%	560,768
Other	238,165	236,277	(1,888)	228,813	103.26%	7,464
Transfers In	-	-	-	-	0.00%	-
Sale of Assets	125,249	158,622	33,372	158,068	100.35%	554
<b>TOTAL REVENUES</b>	<b>76,098,908</b>	<b>76,392,014</b>	<b>293,105</b>	<b>71,039,493</b>	<b>107.53%</b>	<b>5,352,520</b>
City Council	287,486	275,795	(11,691)	283,870	97.16%	8,075
City Manager	1,017,410	1,150,704	133,294	1,223,814	94.03%	73,110
City Attorney	873,545	868,409	(5,136)	876,185	99.11%	7,776
Financial Services	1,892,837	1,785,199	(107,638)	1,956,457	91.25%	171,258
Municipal Court	1,374,267	1,310,918	(63,349)	1,322,524	99.12%	11,606
Human Resources	960,243	1,038,251	78,008	1,031,659	100.64%	(6,592)
Mayor's Office	138,663	124,789	(13,874)	124,707	100.07%	(82)
Non Departmental	818,548	1,358,301	539,753	8,969,647	15.14%	7,611,346
Prisoner Care	525,962	869,820	343,858	525,000	165.68%	(344,820)
Social Service Grants	339,576	371,644	32,068	318,425	116.71%	(53,220)
Franchise Fee Program	104,500	104,500	-	78,450	133.21%	(26,050)
Topeka Performance Center	447,585	444,519	(3,066)	369,035	120.45%	(75,484)
Cemeteries	216,959	213,764	(3,195)	165,000	129.55%	(48,764)
Fire Department	21,311,274	21,705,737	394,463	21,022,062	103.25%	(683,675)
Police Department	28,369,122	29,780,955	1,411,833	30,143,588	98.80%	362,633
Public Works	5,167,505	5,978,761	811,256	6,305,794	94.81%	327,033
Park and Recreation	459,307	477,696	18,389	427,463	111.75%	(50,233)
Topeka Zoological Park	2,055,579	2,054,827	(752)	1,936,799	106.09%	(118,028)
Planning Department	1,860,569	1,954,713	94,144	2,039,661	95.84%	84,948
Neighborhood Relations	1,571,592	1,870,028	298,436	1,740,197	107.46%	(129,831)
<b>TOTAL EXPENDITURES</b>	<b>69,792,529</b>	<b>73,739,330</b>	<b>3,946,801</b>	<b>80,860,337</b>	<b>91.19%</b>	<b>7,121,007</b>
<b>Better/Worse</b>	<b>6,306,379</b>	<b>2,652,684</b>				
<b>Ending Fund Balance</b>	<b>27,284,034</b>	<b>24,665,691</b>				

### City of Topeka General Fund Revenue and Expense



### City Funds Overview

Type	Fund #	Fund	YTD Actual	2019 YTD Budget	Difference	% of Total Budget
Revenue		101 General	76,392,014	71,039,493	5,352,520	80.65%
Revenue		301 Debt Service	20,729,859	16,209,956	4,519,904	95.91%
Revenue		236 Special Liability	910,880	713,025	197,854	95.81%
Revenue		291 Special Highway	4,653,973	4,484,190	169,783	77.84%
Revenue		228 Special Alcohol & Drug	477,696	427,500	50,196	83.81%
Revenue		229 Alcohol & Drug Safety	37,637	56,100	(18,463)	50.32%
Revenue		232 Law Enforcement	333,247	166,875	166,372	149.77%
Revenue	271/272/273	Transient Guest Tax	1,941,411	2,041,394	(99,983)	71.33%
Revenue		286 Retirement Reserve	1,464,603	1,365,444	99,159	80.45%
Revenue		287 KP&F Rate Equalization	4,051	-	4,051	0.00%
Revenue		288 Neighborhood Revitalization	-	11,250	(11,250)	0.00%
Revenue		289 Historical Asset Tourism	-	-	-	0.00%
Revenue	290/274/275	Half Cent Sales Tax (JEDO)	11,010,919	14,097,158	(3,086,239)	58.58%
Revenue		292 Half Cent Sales Tax (Street)	11,428,728	11,119,576	309,153	77.09%
Revenue	220/293/401	Tax Increment Financing	163,866	187,500	(23,634)	65.55%
Revenue		227 Court Technology	34,457	39,589	(5,132)	65.28%
Revenue		216 Downtown Improvement	183,306	172,352	10,954	79.77%
Revenue		217 Topeka Tourism BID	313,008	375,000	(61,992)	62.60%
Revenue	294/295/296/297/298/400/499	Community Improvement Dist	366,405	495,000	(128,595)	55.52%
Revenue	621-625	Combined Utilities	56,945,580	56,018,169	927,411	76.24%
Revenue		601 Public Parking	2,328,195	2,183,587	144,608	79.97%
Revenue		615 Facilities	1,264,264	1,226,198	38,066	77.33%
Revenue		614 Fleet	1,543,258	2,212,500	(669,242)	52.31%
Revenue		613 IT	2,965,784	2,955,956	9,828	75.25%
Revenue	640-644	Risk Funds	12,441,381	13,417,481	(976,100)	69.54%
Revenue		<b>TOTAL REVENUES</b>	<b>207,934,521</b>	<b>201,015,292</b>	<b>6,919,230</b>	<b>77.58%</b>

#### City Fund Revenues

Type	Fund #	Fund	YTD Actual	2019 YTD Budget	Difference	% of Total Budget
Expenditure		101 General	73,739,330	80,860,337	7,121,007	68.40%
Expenditure		301 Debt Service	19,778,837	21,444,601	1,665,764	69.17%
Expenditure		236 Special Liability	583,819	1,572,326	988,507	27.85%
Expenditure		291 Special Highway	4,638,755	5,683,834	1,045,079	61.21%
Expenditure		228 Special Alcohol & Drug	448,891	427,500	(21,391)	78.75%
Expenditure		229 Alcohol & Drug Safety	62,129	301,350	239,221	15.46%
Expenditure		232 Law Enforcement	463,594	518,191	54,596	67.10%
Expenditure	271/272/273	Transient Guest Tax	1,187,397	2,392,513	1,205,116	37.22%
Expenditure		286 Retirement Reserve	922,958	2,347,466	1,424,507	29.49%
Expenditure		287 KP&F Rate Equalization	35,922	22,035	(13,887)	122.27%
Expenditure		288 Neighborhood Revitalization	-	215,648	215,648	0.00%
Expenditure		289 Historical Asset Tourism	1,811	23,367	21,556	5.81%
Expenditure	290/274/275	Half Cent Sales Tax (JEDO)	8,369,215	21,597,158	13,227,943	29.06%
Expenditure		292 Half Cent Sales Tax (Street)	8,337,790	15,817,850	7,480,060	39.53%
Expenditure	220/293/401	Tax Increment Financing	163,866	187,500	23,634	65.55%
Expenditure		227 Court Technology	53,487	235,358	181,870	17.04%
Expenditure		216 Downtown Improvement	97,703	212,472	114,770	34.49%
Expenditure		217 Topeka Tourism BID	302,843	375,000	72,157	60.57%
Expenditure	294/295/296/297/298/400/499	Community Improvement Dist	272,590	495,000	222,410	41.30%
Expenditure	621-625	Combined Utilities	55,684,114	54,332,626	(1,351,489)	76.87%
Expenditure		601 Public Parking	2,478,576	2,738,966	260,390	67.87%
Expenditure		615 Facilities	1,309,521	1,393,226	83,706	70.49%
Expenditure		614 Fleet	1,675,672	2,233,511	557,839	56.27%
Expenditure		613 IT	3,281,006	3,012,967	(268,039)	81.67%
Expenditure	640-644	Risk Funds	8,945,689	14,662,218	5,716,529	45.76%
Expenditure		<b>TOTAL EXPENDITURES</b>	<b>192,835,513</b>	<b>233,103,019</b>	<b>40,267,505</b>	<b>62.04%</b>

#### City Fund Expenditures



# Cash Management

The City recognizes that effective cash management is an integral part of financial management. The City seeks out investments that achieve the highest rates within allowable securities that preserve the safety, liquidity, return on investment, and diversification of funds. The chart below describes the invested value of City investments compared to the guidelines of the investment policy. It also shows the total cash balance of the City as of the month end in the total portfolio balance as well as the average duration of investments. For more information please visit the [Kansas State Legislative statutes governing the investment of public monies](#).

Pooled Cash & Investments					
Guidelines					
Type of Investment	Minimum	Maximum	Actual %	Invested Value	Yield to Maturity
Bank Certificates of Deposit	0%	100%	25%	\$ 72,000,000	2.59
US Treasuries	0%	100%	9%	\$ 26,995,348	1.96
US Agencies	0%	100%	30%	\$ 87,339,260	1.87
Repurchase Agreements	0%	50%	-	-	
Municipal Investment Pool	0%	30%	31%	\$ 90,251,656	2.00
Municipal Refunding Bonds	0%	100%	-	\$ -	
Kansas General Obligation Bonds with credit below A3 or A-	0%	5%	-	-	
Kansas General Obligation Bonds with credit of A3 or A- higher	0%	30%	0%	\$ 1,124,454	3.66
General Checking	0%	100%	5%	\$ 14,559,247	
<b>Subtotal of Investments</b>				<b>\$292,269,965</b>	<b>2.42</b>
<b>Total Portfolio Balance</b>				<b>\$292,269,965</b>	
<b>Duration of investments (expressed in years)</b>					<b>0.60</b>

# Debt Management

Finance staff oversee all debt issued by the City, which includes General Obligation (GO), revenue backed, revolving loan funds, temporary notes and special assessment debt. As of the quarter ending September 2019 the City has \$454,808,648 in permanent and temporary debt outstanding, compared to \$448,168,384 in the same quarter in 2018 or an increase of 1.5%.

For more information and to visit the City's fiscal sustainability performance page, click the button below.

City of Topeka Performance Portal



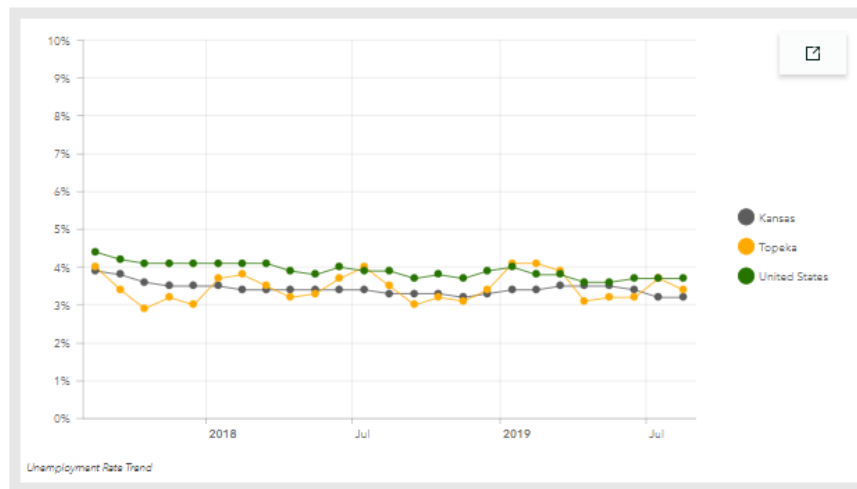
# City of Topeka Checkbook

This tool allows citizens to view who received payments from the City for goods and services and how much they received. The application allows the user to drill down from aggregated spending accounts all the way down to individual payment to a payee. Please visit City of Topeka Checkbook by clicking the button below to review how we allocate public funds.

City of Topeka Checkbook

## Unemployment Rate

The unemployment rate is a measure of the prevalence of unemployment and it is calculated as a percentage by dividing the number of unemployed individuals by those individuals working and those actively seeking employment and willing to work. The unemployment rate for August 2019 was 3.4%, data lags by one month. For more detailed information please visit the [Bureau of Labor Statistics for Topeka, KS](#).



Unemployment Rate Trend

## Building Permits

For a comprehensive review of the status of residential and commercial building permits in the City please visit the [September report](#) prepared by the Planning department.



## From the City Manager's Desk

For weekly reports containing updates from across the City's departments and divisions about past activity and upcoming events, please click the button below to read more.

[City Manager Weekly Reports](#)

