



FY 2019

END OF YEAR REPORT



Image: African Dog, Gorongosa Grand Opening 2019

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Dear council members and Boise residents,

Boise's unique and nationally-recognized success may seem to have come so naturally that Boiseans sometimes take that progress for granted. Instead, Boise's success is the result of generations of clear-eyed collective civic leadership that has thought big, then rolled up its sleeves and made it happen.

That kind of foresight brought the city's beloved Boise River Greenbelt into existence 50 years ago, and today we must bring similar energy to building a new vision for Boise's future.

Fundamental to Boise's success and celebrated livability is public safety. This year, we announced that crime in Boise is at the lowest point in decades - 17 percent below last year and 45 percent lower than when I took office. This dramatic decline can be linked to community-based policing and our residents taking an active role in crime prevention.

We've also made tremendous progress in creating new services for the most vulnerable among us – those experiencing homelessness. New Path Community Housing is up and running for about 40 Boiseans experiencing chronic homelessness, and soon we will celebrate the opening of Valor Pointe, which will offer permanent supportive housing to local veterans experiencing homelessness.

These successes have emboldened us to take on a new challenge – ending family homelessness. Moving forward, I am recommending to council that we allocate \$2 million to help with this effort, which will again require the efforts of the entire community, including a significant philanthropic funding effort. With robust partnership, we could be the first community in America to end family homelessness. The first one where every family is either in stable housing or is working with our team to find it.

Additionally, I'm very proud of our commitment to leading cities across the West on climate change, including our city government goal of using 100 percent clean electricity by 2030 and a community-wide commitment to use 100 percent clean electricity by 2035. But we need to do more, and to guide that work we've created Boise Climate Now, a program to frame the city's efforts on climate and engage residents and businesses in partnering to develop local solutions.

Here are a handful of other accomplishments from fiscal year 2019 that illustrate our vision and work to make Boise the most livable city in the country:

- Kicked off **Boise Kind**, our citywide initiative to protect and promote our community's core values, ensuring that Boise remains a kind and welcoming city.
- Addressing Boise's housing needs through **Grow Our Housing**, our initiative to pursue a balanced housing ecosystem and compact development pattern through goals that are possible.
- Celebrated the Boise **Greenbelt 50th Anniversary** with a three-day community-wide celebration in September for this iconic 25-mile riverside pathway.
- Opened Zoo Boise's new **Gorongosa National Park Exhibit**, which will provide educational opportunities and generate \$2 million to protect wild elephants, lions, zebras and more in Mozambique.
- Continued discussions with dozens of residents around Boise's strengths and challenges through **Community Conversations on Growth, Housing, and Transportation**.

- Completed the second phase of the **J.A. and Kathryn Albertson Family Foundation Boise Whitewater Park** and celebrated the opening of two new neighborhood parks in West Boise: **Mariposa Park and Pine Grove Park**.
- Opened Boise's newest dog park, **Dog Island in Ann Morrison Park**, giving Boise more dog parks per capita than any city in the country.
- Finalizing the completion of a new **Bike Skills Park**, new **Archery Range**, and new **Dog Park** in the Military Reserve.
- Reopened **Fire Station 9**, which while funded through the City's general fund, was made possible by citizen support of the public safety no-tax bond which had a 76% approval in November 2014.
- Purchased 4.7 acres at the intersection of Franklin Road and Orchard Street as a site for a mixed-used project that will help with housing affordability in our city.

Our policy choices are important, but to me, Boise's soul rests in how we treat our fellow Boiseans – whether they are our elderly neighbor, a stranger on the street, or someone at a city council meeting who disagrees with your perspective.

If Boiseans continue to embrace and openly embody the kindness, civility and respect that has helped build our city into what it is today, our future will indeed be bright.

Respectfully submitted,



David H. Bieter
Mayor

General Fund

The General Fund is a property tax-supported fund that includes all revenues and expenditures not accounted for in a specific-purpose fund. The general governmental functions of the City, carried out by its departments, are within the General Fund.

Fiscal year (FY) 2019 concluded on September 30, 2019. The economic environment remains very positive and the City of Boise's General Fund ended the year with net available resources of \$8.6 million. There were no June budget workshop initiatives planned for year-end funding (Appendix A). The projected use of prior year resources within the General Fund was \$18.9 million. During the year, General Fund revenues were \$2.3 million below expenditures. Adding this negative figure to prior year spendable resources (net of rebudgeted items and encumbrances) results in \$12.0 million of available resources. After excluding an unrealized accounting gain of \$610k and considering \$2.8 million of changes in designations and reservations, the result is the \$8.6 million mentioned above. This amount is available for FY 2020 use.

General Fund	FY 2018 Audited	FY 2019 Un-Audited	FY 2019 Revised Budget	FY 2019 Actual to Revised Budget	FY 2019 Actual to FY 2018 Actual
Total Revenues	\$ 226,498,357	\$ 240,613,101	\$ 257,177,420	\$ (16,564,319)	\$ 14,114,745
Total Expenditures	218,498,170	242,949,990	257,177,420	(14,227,430)	24,451,820
Net General Fund Operations	\$ 8,000,187	\$ (2,336,889)	\$ -	\$ (2,336,889)	\$ (10,337,076)
Prior Year Spendable Resources		14,306,348			
Net Operating Resources		11,969,459			
Exclude Unrealized Gain		(610,181)			
Changes in Designations & Reservations		(2,773,127)			
Subtotal:		8,586,151			
Budget Workshop Initiatives		-			
Available Resources		\$ 8,586,151			

While the General Fund technically had an operational deficit of \$2.3 million, due to the treatment of prior year resources, as described below, in FY 2019 the revenues the City received were above budget and operating expenditures were below budget. The net available resources shown above were primarily attributable to increased sales tax revenue and higher than budgeted development fees from a strong economy, plus expense savings within personnel, maintenance & operations (M&O), and unused contingency funds. The City anticipated that sales tax would exceed budget, and that development fees would also exceed budget, provided the economy continued to perform well.

To maintain a sustainable fiscal approach, the City has elected to treat higher than expected revenues as one-time in nature. This prevents building base expenditure increases on unreliable revenue. Revenues above budget go toward one-time needs via mid-year budget adjustments or end-of-year allocations. This practice helps ensure that base operations remain sustainable in the future. The budget for sales tax has been increased by \$1.3 million for FY 2020, to reflect a new collection threshold that appears to be sustainable. Development fees for FY 2020 continue to be budgeted at a conservative level given their sensitivity to economic conditions.

The following summarizes the major components of the General Fund's performance. Detailed revenue and expenditure analysis occurs later in the report.

- Total General Fund revenues were \$240.6 million, \$16.6 million below the revised budget figure but \$2.4 million more than revised budget when \$18.9 million of prior year resources are

excluded. (The General Fund revised budget includes the planned use of prior year resources to balance the budget for rebudgeted and end of year items. This is done for budget purposes only. By accounting best practice these carryover funds are not realized as current year revenue - prior year resources are only reflected on the balance sheet.)

- Expenditures totaled \$242.9 million, which is \$14.3 million (5.6%) below the revised budget.

Staff recommends that City Council consider the following proposed deployment of the \$8.6 million of FY 2019 unallocated funds:

Funding to address family homelessness	\$2.0 million
Contribution to the Workers' Compensation Fund	\$2.0 million
City facilities renovation	\$0.8 million
FY 2020 Operating Contingency	\$1.5 million
Transfer to the Capital Fund	<u>\$2.3 million</u>
Total	\$8.6 million

A full description of these proposed uses is included in the Interim Budget Changes report that the City Council will consider on December 17th, 2019. The \$2.0 million for family homelessness will support the Our Path Home public/private partnership to end family homelessness in Ada County by 2025. Funds will be distributed to eligible nonprofit partners, according to guidelines set out by the executive committee of Our Path Home. The \$2.0 million contribution to the Workers' Compensation Fund will be used to stabilize the fund as it has experienced a higher level of claims than anticipated over the past year. These funds will help to protect against rapid rate spikes that might otherwise be necessary over the next year in response to claims activity. The \$0.8 million for City facilities renovation is for pending projects at City Hall and City Hall West, including space optimization, staff relocation, gender-neutral restrooms, and security measures. Specific recommendations have yet to be developed for the \$1.5 million Operating Contingency adjustment and the \$2.3 million transfer to the Capital Funds. As specific recommendations are identified in the Capital Fund, they will be brought forward for City Council review and approval.

Capital Projects Fund

The Capital Projects Fund (Capital Fund) is a property tax-supported fund primarily reserved for approved single- or multi-year capital projects, major repairs & maintenance, and major equipment.

The following summarizes the major components of the Capital Fund performance:

- Capital Fund revenues amounted to \$56.3 million, which was \$60.0 million less than budget. The Capital Fund is balanced with transfers from various funds (General, Impact Fee, Foothills Levy, Heritage, and Debt Service) and the use of fund balance. The revenue received within the Capital Fund is largely dependent on the progress of projects and the timing of expenses. The budgeted transfers assume all expenditures occur within the fiscal year. Many of the projects are multi-year in nature and thus did not require a corresponding transfer because expenses did not occur in FY 2019. The variation from budget is primarily attributable to the Main Library project, which is currently being reevaluated following the citizen-led ballot initiative that passed in November. Another significant contributor to the shortfall was Parks & Recreation projects that will continue into FY 2020. Of the remaining shortfall, \$8.5 million is recommended to be rebudgeted into FY 2020.

- Capital Fund expenditures of \$35.7 million were significantly less than the budgeted amount of \$154.2 million. Of the \$118.5 million difference, \$26.8 million is recommended to be carried forward into FY 2020, which includes \$5.1 million in encumbrances, for the continuation of approved projects. \$71.2 million of the shortfall was due to the Main Library project, with Parks & Recreation, Public Works, and Planning & Development Services each also having expenditures under budget by more than \$5.0 million. Although the delay of the Main Library project resulted in substantially reduced expenditures in FY 2019 (as discussed above), it is important to note that if a new Main Library is not built, the existing facility will require significant maintenance expenditures over the coming years.

Capital Fund	FY 2018 Audited	FY 2019 Un-Audited	FY 2019 Revised Budget	FY 2019 Actual to Revised Budget	FY 2019 Actual to FY 2018 Actual
Total Revenues	\$ 33,677,126	\$ 56,299,433	\$ 116,346,866	\$ (60,047,433)	\$ 22,622,306
Total Expenditures	30,983,902	35,699,566	154,201,620	(118,502,054)	4,715,664
Net Capital Fund Operations	\$ 2,693,224	\$ 20,599,867	\$ (37,854,754)	\$ 58,454,621	\$ 17,906,642
Prior Year Resources		14,400,620			
Net Operating Resources (incl. PYR)		35,000,487			
Changes in Designations & Reservations		13,858,010			
Available Resources		\$ 48,858,497			

FY 2019 figures in this report reflect year-end results, which are not yet audited by the City's independent auditors and are subject to change.

Economic Summary

The Budget Office in the Department of Finance & Administration reports on key economic indicators on a quarterly basis. These economic reports are included with quarterly reports and can be found on the city's website at:

<https://www.cityofboise.org/departments/finance-and-administration/budget-and-financial-management/quarterly-financial-reports/>

Employment

Figures provided by the Idaho Department of Labor indicate the Boise labor market has continued to grow. At the start of FY 2019, Boise City had an unadjusted unemployment rate of 2.0% in a labor force of 129,595 willing workers. By the end of FY 2019, the unadjusted unemployment rate rose 10 basis points to 2.1%. Although the unemployment rate was slightly higher, the city's labor force grew by 4,033 workers (3.1%) during the year, totaling 133,628 at fiscal year-end. Compared to most other cities, and the nation, Boise's unemployment rate is quite low.

Development

Construction activity in FY 2019 continued at a strong pace. Total permit issuances decreased slightly from 22,812 in FY 2018 to 22,154 total permits in FY 2019, a 2.9% decrease. Total development fee revenues increased from \$12.6 million to \$13.3 million during the same period, a 5.7% increase. The higher revenues are due to the mix of projects permitted, which trended more toward higher valuation commercial projects. The rate of development growth is high, with the industry continuing to operate at or near capacity.

Sales Tax

Gross sales tax collected by the State, a portion of which is shared with cities, increased by \$131.3 million, or 7.2%, in FY 2019. Sales tax revenue for the City in FY 2019 posted a similar increase of 6.2% to \$20.1 million. This increase follows growth of 8.9% for FY 2018.

For FY 2020, the budget for sales tax revenue was increased to \$19.6 million, from \$18.3 million for FY 2019. Given continued high growth, the actual figure for FY 2019 exceeded the FY 2020 budget figure. State sales tax collection will be monitored throughout the year and recommendations to adjust the budgeted amount, if warranted, will be brought forward for City Council consideration.

Air Transportation

Boise Airport passenger traffic is an important economic indicator. During FY 2019, passenger volume increased by 6.7% over FY 2018, the sixth straight fiscal year of growth. FY 2019 growth resulted from the addition of more flights and larger planes to existing destinations, with no new major routes or destinations added.

Outlook

Economic growth in calendar year 2019 has been lower than 2018. National Real U.S. Gross Domestic Product (GDP adjusted for inflation) is projected to be 2.3%, 0.6% lower than the 2.9% from 2018. Barring a recession, Real GDP is projected to be in a similar range for 2020, 2.1%, then decline below 2.0% in 2021 and 2022.

Economists also project that interest rates will trend lower in 2020, then increase in 2021 and 2022. Consumer sentiment, as measured by the University of Michigan Consumer Sentiment Index, remains in a high range, 96.8 for November and a preliminary December figure of 99.2.

Calendar year 2019 marks the tenth consecutive year of economic growth, which is a long period without experiencing an economic downturn. The City continues to build long-term forecasts based on conservative growth, while striving to use anticipated revenue receipts for budgeting and short-term forecasts. Forecasting also considers the effects of a potential recession. Recession analyses are done, and presented to City leadership, since tradeoffs will be necessary to balance the budget when the next recession occurs.

Fund Summaries

The following analysis provides a closer review of the city's primary funds: General, Capital, Airport, Geothermal, Solid Waste, Water Renewal, Housing, Fleet Services, and Risk Management and Workers' Compensation. The review briefly describes the most significant differences from the revised budget and last fiscal year. Because budget appropriation is approved at the department level within the General Fund, department financial summaries are included in the General Fund section.

General Fund

The General Fund ended the year with \$8.6 million in net available resources, after excluding an unrealized gain and adjusting for changes in balance sheet reserve accounts. The strong local economic environment, bolstered by significant in-migration, generated higher development fee and sales tax revenue. Another primary factor contributing to the positive end of year figure was departmental spending control and higher than normal staff vacancies. (Note: in the chart below, the Other revenue category is primarily interest income, operating grants, donations, and miscellaneous revenue.)

2019 Year End General Fund

	Actual		Year over Year Variance Over/(Under)	Budget 2019	Actual/Budget Variance Over/(Under)
	2018	2019			
Prior Year Resources *					
Planned Use				\$ 18,936,752	\$ (18,936,752)
Revenues					
Property Tax	\$ 144,398,918	\$ 152,974,914	\$ 8,575,996	\$ 152,126,516	\$ 848,398
Sales Tax	18,980,347	20,148,470	1,168,123	20,082,888	65,582
Development Fees	12,573,169	13,288,537	715,368	12,521,485	767,052
Franchise Fees	5,384,681	5,272,423	(112,258)	5,343,990	(71,567)
Liquor Tax	4,315,594	4,463,414	147,820	4,395,974	67,440
Departmental	26,314,452	28,385,119	2,070,668	26,629,177	1,755,942
Fines & Forfeitures	2,760,518	2,932,827	172,309	3,981,652	(1,048,825)
Internal Charges	7,397,351	7,492,295	94,944	8,112,719	(620,424)
Other	4,373,326	5,655,101	1,281,775	5,046,267	608,834
Total Revenue	\$ 226,498,357	\$ 240,613,101	\$ 14,114,745	\$ 257,177,420	\$ (16,564,319)
Expenditures					
Personnel	\$ 146,831,282	\$ 152,996,009	\$ 6,164,727	\$ 156,171,756	\$ (3,175,747)
Maintenance & Operations	35,114,107	37,339,219	2,225,112	46,744,195	(9,404,976)
Miscellaneous	9,653,295	9,433,815	(219,480)	10,673,764	(1,239,949)
Major Equipment	1,071,278	1,068,538	(2,740)	1,324,510	(255,972)
Cost Allocation Plan	(0)	11,015	11,015	(80,653)	91,668
Capital	182,205	105,833	(76,372)	342,732	(236,899)
Transfers Out	25,646,003	41,995,561	16,349,558	42,001,116	(5,555)
Total Expenditures	\$ 218,498,170	\$ 242,949,990	\$ 24,451,820	\$ 257,177,420	\$ (14,227,430)
Net Fund Source/(Use)	\$ 8,000,187	\$ (2,336,889)	\$ (10,337,076)	\$ -	\$ (2,336,889)
Exclude Unrealized Gain	-	(610,181)			
Changes in Designations & Reservations	(6,772,099)	(2,773,127)			
Prior Year Spendable Resources	13,078,261	14,306,348			
Budget Workshop Initiatives	(1,236,675)	-			
Net Available Resources	\$ 13,069,674	\$ 8,586,151			

*Prior Year Resources are not realized in actuals but are shown only for a balanced budget perspective.

General Fund Revenues

Total actual revenues were \$16.6 million less than revised budget since prior year resources, reserved on the balance sheet, are in the budget but not recognized on the income statement. When adjusting out prior year resources for comparison purposes, however, actual operating revenues exceeded the revised budget amount by \$2.4 million (0.9%). Compared to FY 2018, revenue was \$14.1 million or 6.2% higher. Sales tax revenue was anticipated to exceed budget, along with development fee revenue. To maintain a fiscally sustainable approach, the City generally treats these increases as one-time in nature until a higher level is deemed reliable enough to be sustainable. This prevents building base expenditure increases above sustainable revenues. Higher than budgeted revenues will be considered in the development of revenue estimates for FY 2021. Major revenue categories are discussed below:

- Property tax revenue totaled \$153.0 million, \$848k (0.6%) above the budgeted amount. Compared to FY 2018, the figure is \$8.6 million or 6.0% higher, reflecting 3.0% budget growth, a high level of new construction that was added to the tax roll, and sunset of the Central Urban Renewal District, another addition to the tax roll. (These figures exclude the \$5.0 million for the final year of the foothills special levy, which was received and moved to a separate fund for foothills and open space-related preservation.) The overage is due to collection of delinquent property taxes from prior years, and partial year taxes on newly occupied properties. The strong economy also maintains a high collection level for current year taxes (fewer properties go into delinquent status). Property tax associated with new construction generally has expenditure offsets as costs are added to the budget in order to serve new residents and businesses.
- Sales tax revenue totaled \$20.1 million or \$66k (0.3%) over the revised budget amount of \$20.1 million. (The adopted budget was \$18.3 million.) This represents a \$1.2 million (6.2%) increase compared to FY 2018. Sales tax receipts continue to experience high year-over-year growth due to strong local economic conditions. The FY 2020 budget is currently set at \$19.6 million, \$1.3 million more than the adopted budget for FY 2019, yet the FY 2019 actual figure ended the year higher than the FY 2020 budget. This revenue is frequently monitored and, if a budget adjustment is deemed necessary in FY 2020, it will be brought to City Council for discussion and action.
- Total development fee revenues were \$13.3 million, \$0.8 million (6.1%) over revised budget and \$0.7 million (5.7%) above last year. The increase was due to sustained building permit and related activity from a continued high level of construction development in Boise. The FY 2020 development fee budget was conservatively set at \$10.4 million, to reflect risk of significantly lower revenues should an economic slowdown occur. This figure is \$2.9 million (21.5%) below the FY 2019 actual figure, but a higher budget figure may not be sustainable. The City is also implementing a new permitting and licensing system that will increase corresponding operating costs. If high development activity continues, the FY 2020 budget can be adjusted upward during the year.
 - According to city construction reports, the number of new single-family permits decreased by 91 (12.0%) and multi-family permits decreased by 12 (25.0%) during FY 2019 compared to FY 2018. Trade permits decreased by 547 (2.9%). Commercial construction permits increased by 65 (6.0%) and commercial construction valuation increased by 25.7%. Despite some declines in permit numbers compared to FY 2018, construction

remains at a high level. Also, regarding multi-family permits, numerous projects are being planned.

- Total franchise fee revenue (within the Other revenue category) was \$72k (1.3%) below the budgeted amount of \$5.3 million, and \$112k (2.1%) below FY 2018. Cable television revenue again fell short of budget. Conversely, garbage franchise fees exceeded budget and may be increased for the FY 2021 budget. Natural gas was significantly below budget (15.9%) and the prior year. Water was also below the budgeted amount (7.8%).

Franchise Fees	2018 Audited	2019 Un-Audited	2019 Budget	Variance Over/(Under)	% of Budget Collected/ Expended
Natural Gas	\$ 1,598,717	\$ 1,471,968	\$ 1,749,219	\$ (277,251)	84%
Garbage	1,631,919	1,747,522	1,328,392	419,130	132%
Cable Television	855,974	827,812	937,987	(110,175)	88%
Water	1,298,071	1,225,122	1,328,392	(103,270)	92%
Total Franchise Fees	\$ 5,384,681	\$ 5,272,423	\$ 5,343,990	\$ (71,567)	99%

- **Natural Gas:** The total amount anticipated for natural gas franchise fee revenue was \$1.7 million. The total received was \$1.5 million or \$277k (15.9%) under budget, and \$127k (7.9%) below FY 2018. The year-over-year decline was mainly due to lower gas rates.
- **Garbage:** Solid waste franchise fees ended the year \$419k (31.6%) over budget and \$116k (7.1%) above FY 2018. The year-over-year growth was driven by customer growth and rate increases.
- **Cable:** Cable franchise fee revenue ended the year \$110k (11.7%) below budget and \$28k (3.3%) below FY 2018. Cable franchise fee receipts continue to decline given fewer cable customers and increased use of internet streaming options. The FY 2020 budget is set at \$844k, which may be high given a further likely decline from the FY 2019 revenue figure of \$828k. The potential revenue shortfall is immaterial at the fund level, and the need for a lower estimate will be evaluated during FY 2021 budget development.
- **Water:** Water franchise fee revenue was \$103k (7.8%) under budget and \$73k (5.6%) below the FY 2018 figure. The variance was due to reduced water usage given a wet late winter and early spring in FY 2019.
- **Liquor Tax** revenues were budgeted at \$4.4 million. Actual revenues totaled \$4.5 million, \$67k (1.5%) above budget and \$148k (3.4%) more than FY 2018. Revenue is based on proportionate liquor sales within the city and is paid a year in arrears, based on a calendar year. Growth in liquor sales in Boise in calendar year 2018 occurred due to population growth and fast growth in commercial sales to bars and restaurants. For budgeting, the City is being conservative with liquor tax revenue growth given a recent legislative change where some of this revenue is being diverted to fund magistrate courts (resulting in a lower level of expenditure for the City).
- **Departmental Revenue** total \$28.4 million, \$1.8 million (6.6%) above budget and an increase of \$2.1 million (7.9%) over FY 2018. This category includes various revenue items, such as fire and police service contracts, park user fees, business licenses and permits, parking revenues, and rental revenues. The budget overage of \$1.8 million was driven by parking revenues (meter and related) exceeding budget by \$900k (47.3%), due to higher parking demand and more

enforcement hours. The budget for FY 2020 is higher and may need to be adjusted higher for FY 2021. The overage in parking revenue is higher than intended as an interim budget change (IBC) of \$850k was inadvertently booked to Parking & Towing Fines instead of parking revenues. Other positive variances were Parks & Recreation user fees \$373k (4.5%) above budget and public safety contracts \$353k (2.5%) above budget.

- **Fines & Forfeitures** revenue amounted to \$2.9 million, \$172k (4.9%) over FY 2018 and \$1.0 million (26.3%) below the revised budget. While revenues in this category were mostly below budget figures, the negative variance is much larger due to the \$850k IBC mentioned above that was intended for parking revenue but inadvertently booked to Parking & Towing Fines instead. Without this error the budget shortfall in this category would have been much smaller, \$199k or 6.3%. Parking & Towing Fines did exceed the adopted budget figure, in correlation with higher parking revenues. The next largest variance was Traffic Fines, which were \$118k (11.8%) below budget.
- **Internal Charges** revenue was \$7.5 million, \$620k (7.6%) below budget and \$95k (1.3%) above FY 2018. This revenue consists primarily of indirect reimbursement from the enterprise funds for administrative and other services, and general overhead costs, provided by General Fund departments. These costs are charged out via a cost allocation plan (CAP). The revenue shortfall was due to underspend in enterprise funds compared to budget, as the CAP plan has been based on payers' budgeted (not actual) costs. For FY 2020, the CAP plan has been modified to allocate out actual costs from service-providing departments.
- **Other Revenue** was \$5.7 million, \$609k (12.1%) above budget and \$1.3 million (29.3%) above FY 2018. The increase over last year, and budget overage, are explained by significantly higher interest income. Interest income was \$374k (61.1%) above budget based on higher interest rates and larger cash balances. Interest income also reflects a \$947k gain based on interest rate changes on short-term investments, versus a loss in FY 2018 of \$326k.

General Fund Expenditures

At fiscal year-end, General Fund expenditures totaled \$242.9 million and were \$14.2 million (5.5%) below budget. The amount was \$24.5 million (11.2%) above the amount expended in FY 2018.

Total expenditures within the General Fund include typical operating expenses. General Fund expenditures also include a transfer to the Capital Fund based on the capital plan. Two-thirds (66.9%) of the year-over-year increase is due to a larger one-time transfer out from the General Fund, primarily to the Capital Fund. Approximately one-fourth (25.2%) of the increase is due to personnel costs, with 7.9% of the increase due to Maintenance & Operations (M&O) and other costs.

The \$14.2 million budget to actual variance for FY 2019 was due primarily to M&O and personnel cost savings. M&O budgetary savings of \$9.4 million were realized across various cost areas, the most notable being \$4.9 million in operating contingencies, professional services of \$1.9 million, and \$1.1 million in contracted & miscellaneous costs. Contingencies are budgeted annually, and savings are one-time in nature. Of the operating contingency amount, \$1.5 million was planned to be used at year-end to increase the cash flow reserve, to get the City closer to the goal of 8.0% of the General Fund budget. Savings within professional services and contract services are dependent on the timing of projects and expenditures, and

a significant portion of the savings within professional services is requested for future use via the year-end rebudget/encumbrance process.

Personnel savings of \$3.2 million were primarily due to vacant positions. The savings were composed of \$1.9 million of salaries and other compensation, \$1.1 million of healthcare cost, and \$0.2 million of unused personnel cost contingencies.

Additionally, miscellaneous expenditures were \$1.2 million under budget, most all of which represents operational and capital grant expense for Valley Regional Transit (VRT), funding which will be carried forward through the rebudget process.

General Fund End of Year

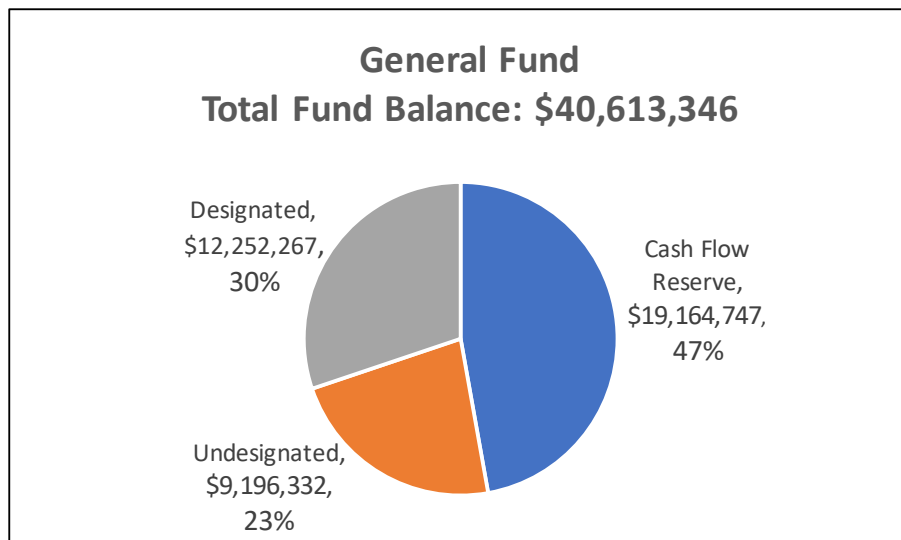
Budget

Of the total General Fund budget savings of \$14.2 million, \$4.4 million in expenditure appropriation is requested via the rebudget process. Requested revenue rebudgets total \$202k, for a net rebudget request of \$4.2 million. The rebudget expenditures consist of the following:

- \$3.7 million in rebudget requests for operating projects or purchases initiated but not yet completed
- \$653k in encumbrances to account for contractual obligations that could not be completed within the fiscal year

General Fund Balance

At the end of FY 2019, the General Fund had a total fund balance of \$40.6 million: \$12.3 million designated for specific purposes, \$9.2 million undesignated and available for Mayor and City Council discretionary spending, and \$19.2 million in Cash Flow Reserve. The General Fund Cash Flow Reserve amounts to 7.9% of FY 2020 adopted budget expenditures of \$241.3 million. (The Executive Summary section has proposed recommendations for use of \$8.6 million of the \$9.2 million undesignated amount, the difference of \$0.6 million being due to the exclusion of an unrealized gain.)



General Fund Department Summaries

The following departmental sections provide a closer review of each General Fund department. The review briefly describes significant variances from the revised budget and significant changes from last fiscal year. The City continues to look at long-term models to measure financial sustainability and make decisions accordingly. Personnel costs make up the majority of base operating costs within the General Fund and thus are frequently subject to analyses across departments to ensure the City's operations remain financially sustainable and prudent.

Departmental Analysis

At the close of each fiscal year, the Department of Finance & Administration (DFA) reviews each department's financial status to determine its net departmental position. The following department summaries show departmental overages or shortages, both before and after encumbrances and rebudget items (adjustments).

Indirect Cost Plan Note

In FY 2016, the City implemented a new indirect cost allocation plan (CAP), to allocate costs from certain General Fund departments and functions that provide administrative and other services citywide. To allocate indirect costs, the organization is broken down into numerous cost and activity centers that are then set up as "payers" of indirect costs or "receivers" of indirect costs (as internal charge revenues). The result is that all departments show indirect costs as an expense, with some General Fund departments also receiving revenue (from payers).

The CAP plan enables the General Fund to recover expenses from the Enterprise Funds for citywide services provided by and budgeted within the General Fund. CAP entries also include transactions across General Fund departments, to more accurately reflect the true cost of service delivery. It is important to note that within the General Fund, there is no net financial effect from General Fund-to-General Fund transactions, since all revenues have offsetting expenses. Accordingly, for General Fund departments, variances in CAP amounts are typically not discussed.

Arts & History

Arts & History	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	89,966	0	0	0	0.0%
General Fund Contribution	1,962,542	2,158,527	2,158,527	0	0.0%
Departmental	0	0	5,000	(5,000)	-100.0%
Fines & Forfeitures	0	0	0	0	0.0%
Development Fees	0	0	0	0	0.0%
Internal Charges	0	14,947	4,100	10,847	264.6%
Other	32,326	32,454	42,809	(10,355)	-24.2%
Subtotal	2,084,834	2,205,929	2,210,436	(4,507)	-0.2%
Expenses					
Personnel	1,129,332	1,201,157	1,184,663	16,494	1.4%
Maintenance & Operations	541,272	476,225	577,417	(101,192)	-17.5%
Miscellaneous	0	40	2,523	(2,483)	-98.4%
Major Equipment	0	0	0	0	0.0%
Cost Allocation Plan	457,656	479,228	445,833	33,395	7.5%
Capital	0	0	0	0	0.0%
Subtotal	2,128,260	2,156,650	2,210,436	(53,786)	-2.4%
Departmental Net Position	\$ (43,426)	\$ 49,279	\$ -	\$ 49,279	0.0%
Encumbrances	0	30,639		30,639	
Net Grants/Dedicated Funding	0			0	
Rebudgets/Adjustments	0	7,500		7,500	
Departmental Net Position After Adjustments	\$ (43,426)	\$ 11,140	\$ -	\$ 11,140	

Arts & History ended the year with unused expense appropriation of \$54k and operating revenue \$5k under budget. The department had a net position of \$49k before year-end adjustments and \$11k after adjustments. Operating revenue (non-General Fund Contribution) was close to budget given offsetting amounts for different revenue items. Staff reimbursement revenue was higher than budgeted and retail sales were below budget. Personnel cost was slightly (\$16k) over budget due to higher temporary wages and retirement costs. Maintenance & Operations (M&O) cost was \$101k (17.5%) below budget due to lower contracted & miscellaneous and professional services costs.

Compared to FY 2018, department operating revenue increased by \$15k (46.6%), a variance explained by staff reimbursement revenue. Year-over-year expenses increased \$28k (1.3%). Personnel cost increased \$72k or 6.4%, due to salary increases and a slight increase in staff. M&O cost decreased \$65k (12.0%) due to lower costs for advertising, marketing, and programs within contracted & miscellaneous and professional services.

City Council

City Council	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	2,732	0	0	0	0.0%
General Fund Contribution	632,043	690,411	690,411	0	0.0%
Departmental	0	0	0	0	0.0%
Fines & Forfeitures	0	0	0	0	0.0%
Development Fees	0	0	0	0	0.0%
Internal Charges	152,961	137,556	144,609	(7,053)	-4.9%
Other	0	0	0	0	0.0%
Subtotal	787,736	827,967	835,020	(7,053)	-0.8%
Expenses					
Personnel	707,309	777,023	765,777	11,246	1.5%
Maintenance & Operations	68,973	43,938	69,243	(25,305)	-36.5%
Miscellaneous	(0)	0	0	0	0.0%
Major Equipment	0	0	0	0	0.0%
Cost Allocation Plan	0	0	0	0	0.0%
Capital	0	0	0	0	0.0%
Subtotal	776,282	820,961	835,020	(14,059)	-1.7%
Departmental Net Position	\$ 11,454	\$ 7,006	\$ -	\$ 7,006	0.0%
Encumbrances	0			0	
Net Grants/Dedicated Funding	0			0	
Rebudgets/Adjustments	0	6,600		6,600	
Departmental Net Position After Adjustments	\$ 11,454	\$ 406	\$ -	\$ 406	

City Council ended the year with unused appropriation of \$14k and lower than budgeted revenue of \$7k, resulting in a departmental net position of \$7k. After year-end adjustments, the net position is less than \$1k. Operating revenue was below budget by \$7k due to lower indirect cost reimbursement from enterprise funds. An overspend of \$11k in personnel costs is attributable to the budget not reflecting full staff costs in City Council and Internal Audit. The underspend of \$25k in M&O is mainly due to contracted & miscellaneous services.

Compared to FY 2018, the department had a revenue increase of \$40k (5.1%), and an expense increase of \$45k (5.8%). Operating revenue decreased \$15k due to lower CAP plan revenue. The expense increase was due to a \$70k increase in personnel costs, including City Council salary increases and higher healthcare and retirement costs. M&O costs were \$25k lower, following the purchase of computers in FY 2018, and reflect lower travel and training and contracted & miscellaneous costs.

Community Engagement

Community Engagement	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	36,892	47,800	47,800	0	0.0%
General Fund Contribution	1,180,946	1,381,240	1,381,240	0	0.0%
Departmental	0	0	0	0	0.0%
Fines & Forfeitures	0	0	0	0	0.0%
Development Fees	0	0	0	0	0.0%
Internal Charges	186,034	168,198	179,813	(11,615)	-6.5%
Other	0	115	0	115	0.0%
Subtotal	1,403,872	1,597,353	1,608,853	(11,500)	-0.7%
Expenses					
Personnel	1,177,148	1,326,752	1,342,050	(15,298)	-1.1%
Maintenance & Operations	149,898	225,038	261,803	(36,765)	-14.0%
Miscellaneous	0	5,000	5,000	(0)	0.0%
Major Equipment	0	0	0	0	0.0%
Cost Allocation Plan	0	0	0	0	0.0%
Capital	0	0	0	0	0.0%
Subtotal	1,327,047	1,556,790	1,608,853	(52,063)	-3.2%
Departmental Net Position	\$ 76,826	\$ 40,563	\$ -	\$ 40,563	0.0%
Encumbrances	0	16,625		16,625	
Net Grants/Dedicated Funding	0			0	
Rebudgets/Adjustments	47,800	15,000		15,000	
Departmental Net Position After Adjustments	\$ 29,026	\$ 8,938	\$ -	\$ 8,938	

Community Engagement ended FY 2019 with a positive departmental net position of \$41k, based on underspend in M&O costs. After year-end adjustments, the net position is \$9k.

Operating revenue was below budget by \$12k (6.4%) due to lower indirect cost reimbursement from enterprise funds. Personnel expenses were \$15k (1.1%) under budget. M&O expenditures were \$37k (14.0%) under budget, primarily due to underspend in professional services and software maintenance.

Compared to FY 2018, the department had a revenue decrease of \$18k (9.5%), due to lower CAP revenue from enterprise funds, and an expense increase of \$230k (17.3%). The expenditure increase was due to higher personnel costs (\$150k or 12.7%) and reflects a higher staffing level in FY 2019 (versus FY 2018). M&O was higher also (\$75k or 50.1%), due to professional services, contracted & miscellaneous costs, and travel and training costs.

Contractual Services

Contractual Services	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	450,622	583,648	583,648	0	0.0%
General Fund Contribution	9,993,677	9,727,214	9,727,214	0	0.0%
Departmental	0	0	0	0	0.0%
Fines & Forfeitures	0	0	0	0	0.0%
Development Fees	0	0	0	0	0.0%
Internal Charges	0	0	0	0	0.0%
Other	117,085	806,521	800,000	6,521	0.8%
Subtotal	10,561,384	11,117,383	11,110,862	6,521	0.1%
Expenses					
Personnel	0	0	0	0	0.0%
Maintenance & Operations	382,202	392,478	645,478	(253,000)	-39.2%
Miscellaneous	9,123,187	9,202,368	10,360,339	(1,157,971)	-11.2%
Major Equipment	0	0	0	0	0.0%
Cost Allocation Plan	384,234	137,810	105,045	32,765	31.2%
Capital	0	0	0	0	0.0%
Subtotal	9,889,624	9,732,656	11,110,862	(1,378,206)	-12.4%
Departmental Net Position	\$ 671,761	\$ 1,384,726	\$ -	\$ 1,384,726	0.0%
Encumbrances	0			0	
Net Grants/Dedicated Funding	0			0	
Rebudgets/Adjustments	583,648	1,284,571		1,284,571	
Departmental Net Position After Adjustments	\$ 88,113	\$ 100,155	\$ -	\$ 100,155	

Contractual Services includes contributions to: Valley Regional Transit (VRT), Idaho Humane Society (Animal Control), Magistrate Court, and Allumbaugh House. Collectively, this category ended the year with unused appropriation of \$1.4 million and revenue \$7k above budget. The net position was \$1.4 million before adjustments and \$100k after adjustments.

Expenditures for VRT were \$7.6 million, \$1.3 million (14.9%) below budget. M&O costs were \$252k (62.5%) below budget, due mainly to minor equipment. Miscellaneous costs of \$7.4 million were \$1.1 million (12.6%) below budget due to the timing of reimbursement for capital grant costs. Budgeted grant costs reflect the midyear transfer of \$800k of unneeded Other Postemployment Benefits (OPEB) funds that were reallocated towards VRT capital maintenance. VRT rebudget items total \$1.3 million for M&O and capital maintenance. Given that the timing of VRT's capital expenditures varies, the City has made it a practice to rebudget remaining VRT funds. Compared to FY 2018, total VRT contributions were slightly higher (\$51k or 0.7%).

Expenditures for Idaho Humane Society of \$967k were slightly over budget (\$19k or 2.0%) due to higher CAP expenses charged to this activity. Costs to the City increased \$14k (1.4%) from FY 2018.

Expenditures for Magistrate Court of \$892k were slightly under budget (\$74k or 7.7%) due mainly to lower than budgeted costs charged by Ada County. This was a cost decrease of \$230k (20.5%) from FY 2018.

Expenditures for Allumbaugh House were at budget of \$296k. Costs increased \$8k (2.9%) from FY 2018.

Finance & Administration

Finance & Administration	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	264,341	105,000	105,000	0	0.0%
General Fund Contribution	5,667,260	5,772,755	5,772,755	0	0.0%
Departmental	1,932,133	2,309,229	2,021,672	287,557	14.2%
Fines & Forfeitures	467,336	664,078	702,665	(38,587)	-5.5%
Development Fees	26,643	7,097	25,000	(17,904)	-71.6%
Internal Charges	891,737	1,163,905	1,261,625	(97,720)	-7.7%
Other	138,962	146,043	133,986	12,057	9.0%
Subtotal	9,388,412	10,168,107	10,022,703	145,404	1.5%
Expenses					
Personnel	6,434,543	6,530,765	6,833,631	(302,866)	-4.4%
Maintenance & Operations	1,489,541	2,428,564	2,458,330	(29,766)	-1.2%
Miscellaneous	14,568	6,916	17,000	(10,084)	-59.3%
Major Equipment	0	0	0	0	0.0%
Cost Allocation Plan	714,431	753,890	713,742	40,148	5.6%
Capital	0	0	0	0	0.0%
Subtotal	8,653,083	9,720,135	10,022,703	(302,568)	-3.0%
Departmental Net Position	\$ 735,329	\$ 447,971	\$ -	\$ 447,971	0.0%
Encumbrances	0	21,185		21,185	
Net Grants/Dedicated Funding	0			0	
Rebudgets/Adjustments	105,000	150,000		150,000	
Departmental Net Position After Adjustments	\$ 630,329	\$ 276,786	\$ -	\$ 276,786	

Finance & Administration (DFA) ended the year with unused appropriation of \$303k and higher than budgeted revenue of \$145k. The departmental net position was \$448k before adjustments and \$277k after adjustments. Departmental revenue exceeded budget due to higher parking revenues (\$291k or 30.8% above budget). Fines & forfeitures revenue was below budget by \$39k (5.5%) due to lower parking & towing fines later in the year, and lower than budgeted animal and miscellaneous fines. Development fees in DFA were also below budget but this revenue is not significant to the department. Internal charges were \$98k (7.7%) below budget due to a 5.3% shortfall in internal services revenue from enterprise funds and a change in how internal printing and postage costs are accounted for. M&O had a slight underspend of \$30k (1.2%) on a net basis, reflecting generally modest savings in several areas that were largely offset by other cost areas.

Compared to FY 2018, the department experienced a revenue increase of \$780k (8.3%) and an expense increase of \$1.1 million (12.3%). Within revenue, operating revenue increased \$762k, or 22.0%, mainly from higher parking receipts, parking & towing fines, CAP revenue, and business licenses and permits. The year-over-year personnel cost increase was small (\$96k or 1.5%). Most of the increase was in M&O costs, which increased \$939k (63.0%) due to how postage and print shop costs are accounted for (more printing and postage costs now go through the CAP plan), and higher costs for licenses and fees, minor equipment, and professional services.

Fire

Fire	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	269,925	50,000	50,000	0	0.0%
General Fund Contribution	44,772,177	46,803,020	46,803,020	0	0.0%
Departmental	9,215,851	9,513,663	9,513,788	(125)	0.0%
Fines & Forfeitures	13,925	16,500	19,000	(2,500)	-13.2%
Development Fees	526,810	589,806	416,108	173,698	41.7%
Internal Charges	0	0	0	0	0.0%
Other	563,495	463,912	528,875	(64,963)	-12.3%
Subtotal	55,362,183	57,436,901	57,330,791	106,110	0.2%
Expenses					
Personnel	42,770,433	45,140,084	45,379,221	(239,137)	-0.5%
Maintenance & Operations	4,640,396	4,723,984	4,865,974	(141,990)	-2.9%
Miscellaneous	15,600	0	0	0	0.0%
Major Equipment	24,486	11,158	31,159	(20,001)	-64.2%
Cost Allocation Plan	6,399,871	7,015,201	7,054,437	(39,236)	-0.6%
Capital	0	0	0	0	0.0%
Subtotal	53,850,786	56,890,427	57,330,791	(440,364)	-0.8%
Departmental Net Position	\$ 1,511,397	\$ 546,474	\$ -	\$ 546,474	0.0%
Encumbrances	0	39,132		39,132	
Net Grants/Dedicated Funding	0	48,684		48,684	
Rebudgets/Adjustments	50,000			0	
Departmental Net Position After Adjustments	\$ 1,461,397	\$ 458,658	\$ -	\$ 458,658	

Fire ended the year with higher than budgeted revenue of \$106k and unused appropriation of \$440k. The resulting net departmental position was \$546k before year-end adjustments, and \$459k after adjustments. Operating revenues were above budget due to higher development fees (\$174k or 41.7%), partially offset by lower than budgeted revenue for operating grants and miscellaneous revenue. Personnel expenditures were slightly below budget (\$239k or 0.5%). Salaries cost was below budget (\$917k or 3.6%) due to unusually high retirements, but the savings were offset by higher constant staffing costs of \$1.1 million (52.9% over budget). M&O costs were \$142k (2.9%) below budget, due primarily to lower than budgeted costs for minor equipment, professional services, and maintenance costs, partially offset by higher contracted & miscellaneous costs.

Compared to FY 2018, the department experienced a revenue increase of \$2.1 million (3.7%) and an expense increase of \$3.0 million (5.6%). Within revenue, operating revenue increased \$264k or 2.6%. The operating revenue increase is due to standard increases in service contracts with other fire districts, and higher development fees. Year-over-year expenditure increases were mainly due to higher personnel cost of \$2.4 million (5.5%), a majority of which is set by contract, plus higher workers compensation insurance, software maintenance, and higher CAP plan costs, offset by lower uniform and supplies costs.

Human Resources

Human Resources	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	7,050	128,000	128,000	0	0.0%
General Fund Contribution	2,176,506	2,192,802	2,192,802	0	0.0%
Departmental	0	0	0	0	0.0%
Fines & Forfeitures	0	0	0	0	0.0%
Development Fees	0	0	0	0	0.0%
Internal Charges	436,911	437,183	457,382	(20,199)	-4.4%
Other	111,538	123,042	106,641	16,401	15.4%
Subtotal	2,732,004	2,881,027	2,884,825	(3,798)	-0.1%
Expenses					
Personnel	1,793,815	2,024,982	2,091,159	(66,177)	-3.2%
Maintenance & Operations	461,542	525,146	793,666	(268,520)	-33.8%
Miscellaneous	(0)	(0)	0	(0)	0.0%
Major Equipment	0	0	0	0	0.0%
Cost Allocation Plan	0	0	0	0	0.0%
Capital	0	0	0	0	0.0%
Subtotal	2,255,356	2,550,128	2,884,825	(334,697)	-11.6%
Departmental Net Position	\$ 476,648	\$ 330,898	\$ -	\$ 330,898	0.0%
Encumbrances	0	7,529		7,529	
Net Grants/Dedicated Funding	0			0	
Rebudgets/Adjustments	128,000	272,000		272,000	
Departmental Net Position After Adjustments	\$ 348,648	\$ 51,369	\$ -	\$ 51,369	

Human Resources (HR) ended the year with unused appropriation of \$335k and revenue slightly under budget (\$4k). The departmental net position was \$331k before adjustments and \$51k after adjustments. The small revenue shortfall was due to lower than budgeted CAP plan revenue from enterprise funds. Personnel cost was \$66k below budget (3.2%), reflecting lower than budget temporary wages and some staff vacancy. M&O costs were \$269k lower, due to the timing of contracted & miscellaneous and professional services expenditures, offset by software maintenance expenses.

Compared to FY 2018, the department experienced a revenue increase of \$149k (5.5%) and an expense increase of \$295k (13.1%). Within revenue, operating revenue increased \$12k or 2.2%, due to higher CAP plan revenue and external service reimbursement. Personnel expenditures, compared to FY 2018, are \$231k (12.9%) higher, reflecting a higher staffing level and increased retirement cost. M&O costs are \$64k (13.8%) higher, however still within budgeted levels.

Information Technology

Information Technology	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	279,742	239,758	239,758	0	0.0%
General Fund Contribution	7,452,973	8,149,741	8,149,741	0	0.0%
Departmental	0	0	0	0	0.0%
Fines & Forfeitures	0	0	0	0	0.0%
Development Fees	0	0	0	0	0.0%
Internal Charges	1,526,835	1,667,822	1,702,005	(34,183)	-2.0%
Other	0	8,704	23	8,681	37744.0%
Subtotal	9,259,550	10,066,025	10,091,527	(25,502)	-0.3%
Expenses					
Personnel	6,349,637	6,763,813	6,777,695	(13,882)	-0.2%
Maintenance & Operations	2,615,607	3,051,105	3,313,832	(262,727)	-7.9%
Miscellaneous	0	30	0	30	0.0%
Major Equipment	0	0	0	0	0.0%
Cost Allocation Plan	0	0	0	0	0.0%
Capital	0	0	0	0	0.0%
Subtotal	8,965,245	9,814,949	10,091,527	(276,578)	-2.7%
Departmental Net Position	\$ 294,306	\$ 251,076	\$ -	\$ 251,076	0.0%
Encumbrances	101,455	77,669		77,669	
Net Grants/Dedicated Funding	0			0	
Rebudgets/Adjustments	138,303	17,456		17,456	
Departmental Net Position After Adjustments	\$ 54,548	\$ 155,951	\$ -	\$ 155,951	

Information Technology (IT) ended the year with \$277k of unused appropriation and revenue that was \$26k below budget. The department's net position was \$251k before adjustments and \$156k after adjustments. The lower than budgeted revenue is attributable to lower CAP plan revenue from enterprise funds. The expenditure savings were due to personnel savings of \$14k (0.2%) and M&O savings of \$263k (7.9%), the latter mainly in professional services, minor equipment, and travel and training costs.

Compared to FY 2018, the department experienced a revenue increase of \$806k (8.7%) and an expense increase of \$850k (9.5%). Within revenue, operating revenue increased \$150k (9.8%), primarily due to higher CAP plan revenue from enterprise funds and internal supply and parts reimbursement. The year-over-year personnel cost increase (\$414k or 6.5%) was due to salaries, temporary wages, and increased retirement costs. M&O costs increased \$435k (16.6%) due primarily to software maintenance costs (up \$461k or 27.9%) and professional services, partially offset by lower travel and training costs.

Legal

Legal	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	205,457	0	0	0	0.0%
General Fund Contribution	4,837,994	5,288,118	5,288,118	0	0.0%
Departmental	566,633	639,410	550,236	89,174	16.2%
Fines & Forfeitures	0	0	0	0	0.0%
Development Fees	0	0	0	0	0.0%
Internal Charges	545,412	463,456	624,094	(160,638)	-25.7%
Other	0	446	0	446	0.0%
Subtotal	6,155,496	6,391,430	6,462,448	(71,018)	-1.1%
Expenses					
Personnel	5,186,587	4,951,091	5,466,599	(515,508)	-9.4%
Maintenance & Operations	330,509	325,468	396,661	(71,193)	-17.9%
Miscellaneous	181,000	(0)	0	(0)	0.0%
Major Equipment	0	0	0	0	0.0%
Cost Allocation Plan	456,110	496,165	599,188	(103,023)	-17.2%
Capital	0	0	0	0	0.0%
Subtotal	6,154,207	5,772,724	6,462,448	(689,724)	-10.7%
Departmental Net Position	\$ 1,289	\$ 618,706	\$ -	\$ 618,706	0.0%
Encumbrances	2,748			0	
Net Grants/Dedicated Funding	0			0	
Rebudgets/Adjustments	178,252			0	
Departmental Net Position After Adjustments	\$ (179,711)	\$ 618,706	\$ -	\$ 618,706	

Legal ended the year with unused appropriation of \$690k and lower than budgeted revenue of \$71k, resulting in a departmental net position of \$619k.

Total revenue was slightly below budget (\$71k or 1.1%) due to lower than planned staff reimbursement from enterprise funds, and slightly lower CAP plan revenue, partially offset by higher legal services contract revenue. Personnel costs were significantly below budget (\$516k or 9.4%) due to staff vacancies. M&O expenses were \$71k (17.9%) below budget due to relatively small savings in multiple areas.

Compared to FY 2018, the department experienced a revenue increase of \$236k (3.8%) and an expense decrease of \$381k (6.2%). Within revenue, operating revenue categories decreased \$9k (0.8%), reflecting lower CAP plan revenue largely offset by higher legal services contract revenue. Personnel expense decreased \$235k (4.5%) due to staff vacancies. M&O costs decreased \$5k (1.5%), mainly due to lower professional services costs.

Library

Library	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	186,877	174,592	174,592	0	0.0%
General Fund Contribution	11,289,223	12,466,758	12,466,758	0	0.0%
Departmental	285,836	356,503	323,014	33,489	10.4%
Fines & Forfeitures	142,515	116,392	124,139	(7,747)	-6.2%
Development Fees	0	0	0	0	0.0%
Internal Charges	34,764	34,506	44,540	(10,034)	-22.5%
Other	238,584	99,054	104,873	(5,819)	-5.5%
Subtotal	12,177,798	13,247,806	13,237,916	9,890	0.1%
Expenses					
Personnel	6,048,894	6,380,100	6,557,329	(177,229)	-2.7%
Maintenance & Operations	2,963,610	2,967,697	3,167,084	(199,387)	-6.3%
Miscellaneous	10,892	(0)	55,000	(55,000)	-100.0%
Major Equipment	1,008,759	943,958	993,818	(49,860)	-5.0%
Cost Allocation Plan	1,540,798	2,474,504	2,464,685	9,819	0.4%
Capital	0	0	0	0	0.0%
Subtotal	11,572,953	12,766,259	13,237,916	(471,657)	-3.6%
Departmental Net Position	\$ 604,845	\$ 481,547	\$ -	\$ 481,547	0.0%
Encumbrances	0			0	
Net Grants/Dedicated Funding	174,592	175,000		175,000	
Rebudgets/Adjustments	0			0	
Departmental Net Position After Adjustments	\$ 430,253	\$ 306,547	\$ -	\$ 306,547	

Library ended the year with unused expense appropriation of \$472k and revenue \$10k above budget. The resulting departmental net position was \$482k before adjustments and \$307k after adjustments. Operating revenue categories were a net \$10k above budget due to courier services, system share revenue, and grant revenue, offset by lower than budgeted donations, overdue fines, and other relatively small revenue items. Personnel savings of \$177k (2.7%) were due to salaries costs (\$57k or 98.7% of budget) and lower than planned healthcare costs (\$109k or 89.8% of budget). M&O savings of \$199k (6.3%) were mainly due to lower contracted & miscellaneous costs, minor equipment, and utilities. Miscellaneous expense savings of \$55k are due to gift fund donations being budgeted but the corresponding costs not yet incurred, and major equipment savings of \$50k reflect lower than budgeted costs for library materials.

Compared to FY 2018, the department experienced a revenue increase of \$1.1 million (8.8%) and an expense increase of \$1.2 million (10.3%). Within revenue, operating revenue decreased \$95k (13.6%), reflecting lower donations, miscellaneous rebate income, and overdue fines, partially offset by higher system share revenue. The year-over-year expenditure increase consisted of personnel costs of \$331k (5.5%), due to salary and benefit increases and fewer vacancies. M&O increased a small amount (\$4k or 0.1%), with higher software maintenance costs being offset by savings elsewhere. Major equipment costs (library materials) decreased \$65k (6.4%).

Office of the Mayor

Office of the Mayor	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	59,151	141,077	141,077	0	0.0%
General Fund Contribution	2,625,478	2,609,581	2,609,581	0	0.0%
Departmental	5,883	5,307	0	5,307	0.0%
Fines & Forfeitures	0	0	0	0	0.0%
Development Fees	0	0	0	0	0.0%
Internal Charges	298,643	363,638	380,402	(16,764)	-4.4%
Other	60,000	22,500	40,000	(17,500)	-43.7%
Subtotal	3,049,154	3,142,103	3,171,060	(28,957)	-0.9%
Expenses					
Personnel	1,720,106	1,817,520	2,027,336	(209,816)	-10.3%
Maintenance & Operations	1,000,245	1,000,572	1,081,290	(80,718)	-7.5%
Miscellaneous	0	(0)	0	(0)	0.0%
Major Equipment	0	0	0	0	0.0%
Cost Allocation Plan	167,198	92,745	62,434	30,311	48.5%
Capital	0	0	0	0	0.0%
Subtotal	2,887,549	2,910,837	3,171,060	(260,223)	-8.2%
Departmental Net Position	\$ 161,605	\$ 231,265	\$ -	\$ 231,265	0.0%
Encumbrances	0	59,011		59,011	
Net Grants/Dedicated Funding	0			0	
Rebudgets/Adjustments	0			0	
Departmental Net Position After Adjustments	\$ 161,605	\$ 172,254	\$ -	\$ 172,254	

The Mayor's Office ended the year with unused appropriation of \$260k and revenue \$29k below budget, resulting in a departmental net position of \$231k before adjustments and \$172k after adjustments. The revenue shortfall was due to lower CAP plan revenue from enterprise funds and lower donations. Personnel expense was significantly below budget (\$210k or 10.3%) due to staff vacancies. M&O was under budget by \$81k due to lower professional services and travel and training costs, partially offset by contracted & miscellaneous costs.

Compared to FY 2018, the department experienced a revenue increase of \$93k (3.0%) and an expense increase of \$23k (0.8%). Within revenue, operating revenue categories increased \$27k (7.4%) due to higher CAP revenue, partially offset by lower donations. Year-over-year personnel costs increased \$97k (5.7%), reflecting a position transferred from another department. M&O costs were essentially flat, increasing less than \$1k.

Parks & Recreation

Parks & Recreation	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	795,805	500,000	500,000	0	0.0%
General Fund Contribution	22,960,739	25,510,908	25,510,908	0	0.0%
Departmental	8,737,772	9,346,540	8,922,543	423,997	4.8%
Fines & Forfeitures	0	0	0	0	0.0%
Development Fees	5,777	8,891	3,237	5,654	174.7%
Internal Charges	207,175	70,814	220,152	(149,338)	-67.8%
Other	787,564	647,279	590,876	56,403	9.5%
Subtotal	33,494,831	36,084,432	35,747,716	336,716	0.9%
Expenses					
Personnel	15,732,809	16,669,100	16,580,053	89,047	0.5%
Maintenance & Operations	8,765,094	9,051,419	9,404,214	(352,795)	-3.8%
Miscellaneous	727,816	568,976	605,000	(36,024)	-6.0%
Major Equipment	26,133	0	0	0	0.0%
Cost Allocation Plan	7,761,446	9,500,111	9,158,449	341,662	3.7%
Capital	0	0	0	0	0.0%
Subtotal	33,013,298	35,789,605	35,747,716	41,889	0.1%
Departmental Net Position	\$ 481,533	\$ 294,827	\$ -	\$ 294,827	0.0%
Encumbrances	0			0	
Net Grants/Dedicated Funding	0			0	
Rebudgets/Adjustments	0			0	
Departmental Net Position After Adjustments	\$ 481,533	\$ 294,827	\$ -	\$ 294,827	

Parks & Recreation ended the year with unused appropriation of \$42k and higher than budgeted revenue of \$337k. The resulting departmental net position was \$295k. Departmental revenue was above budget \$424k, due primarily to various park fees (\$323k or 4.0% above budget) and event fees. Staff reimbursement revenue was slightly lower than planned due to a contractual change for downtown maintenance. Other revenue exceeded budget by \$56k (9.5%) due to higher impact fee surcharge revenue, and several miscellaneous items.

Personnel costs exceeded budget by \$89k (0.5%), due primarily to higher retirement cost (\$76k or 3.7% above budget), overtime (\$34k or 27.4% above budget), and salaries for private lessons (\$32k or 39.7% above budget), partially offset by lower healthcare costs (\$66k or 2.6% below budget). The department has been challenged staying fully staffed for seasonal maintenance positions given the low unemployment rate and rising wages. Alternatively, personnel costs for recreation trended higher as a result of higher fee revenue. M&O costs were \$353k (3.8%) under budget, with lower costs for software maintenance and contracted & miscellaneous partially offset by higher costs for buildings & grounds and fleet vehicles.

Compared to FY 2018, revenue increased \$2.6M (7.7%) and expenses increased \$2.7 million (8.1%). Within revenue, operating revenue categories increased a net \$335k or 3.4% due to higher parks fees partially offset by lower donations and other items. Personnel costs increased \$936k (6.0%), reflecting six new staff positions, higher costs for temporary wages and private lesson salaries, and higher retirement and healthcare costs. M&O costs increased \$286k (3.3%) due to higher costs for supplies, contracted & miscellaneous, building & grounds maintenance, and professional services. CAP costs also increased significantly, \$1.7 million or 22.4%.

Planning & Development Services

Planning & Development Services	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	1,225,642	954,085	954,085	0	0.0%
General Fund Contribution	2,662,779	264,792	264,792	0	0.0%
Departmental	0	(500)	0	(500)	0.0%
Fines & Forfeitures	0	0	0	0	0.0%
Development Fees	11,863,005	12,531,833	11,911,689	620,144	5.2%
Internal Charges	0	0	0	0	0.0%
Other	24,704	82,275	67,600	14,675	21.7%
Subtotal	15,776,130	13,832,486	13,198,166	634,320	4.8%
Expenses					
Personnel	8,003,520	8,179,998	8,439,991	(259,993)	-3.1%
Maintenance & Operations	1,385,499	1,565,021	2,730,636	(1,165,615)	-42.7%
Miscellaneous	222,285	0	0	0	0.0%
Major Equipment	0	0	0	0	0.0%
Cost Allocation Plan	1,947,474	1,706,172	1,927,439	(221,267)	-11.5%
Capital	0	0	100,100	(100,100)	-100.0%
Subtotal	11,558,778	11,451,191	13,198,166	(1,746,975)	-13.2%
Departmental Net Position	\$ 4,217,352	\$ 2,381,294	\$ -	\$ 2,381,294	0.0%
Encumbrances	0	172,116		172,116	
Net Grants/Dedicated Funding	0	572,401		572,401	
Rebudgets/Adjustments	564,085			0	
Departmental Net Position After Adjustments	\$ 3,653,267	\$ 1,636,777	\$ -	\$ 1,636,777	

Planning & Development Services (PDS) ended FY 2019 with \$1.7 million of unused appropriation and a positive revenue variance of \$634k. (The development fee budget was raised \$2.0 million during the year – without this change the variance would have been \$2.0 million higher.) The departmental net position was \$2.4 million before adjustments and \$1.6 million after adjustments. Revenues above budget were the result of a high level of development activity based on a strong local economy. (For more detail on the development environment, see the quarterly *Economic Brief* provided later in this report.)

Personnel cost savings of \$260k (3.1%) were due to vacancies and timing of hiring. M&O savings of \$1.2 million were primarily due to timing of strategic planning costs (for Grow Our Housing) and other professional services (\$557k), timing of housing incentive payments (\$384k), system maintenance (\$191k), and unused contingency for a grant which was not received (\$150k). In FY 2020, implementation of a new permitting and licensing system will result in higher software maintenance costs. These costs relate primarily to PDS but are budgeted for and managed in IT.

Compared to FY 2018, the department experienced a revenue decrease of \$1.9 million (12.3%) and an expense decrease of \$108k (0.9%). The revenue decrease is due to midyear budget adjustments in FY 2019, which reduced General Fund Contribution in the table above. Within revenue, development fee revenue increased \$726k (6.1%) due to the strong development environment and associated high level of permit activity – a record FY 2018 was followed by another record in FY 2019. Department personnel costs increased \$176k (2.2%). M&O costs increased \$180k (13.0%), primarily due to professional services and contracted & miscellaneous costs, partially offset by travel and training costs and other items. Miscellaneous costs for grants and transfer out also decreased \$222k as certain housing programs were moved out of Housing and into the General Fund.

Police

Police	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	647,460	481,355	481,355	0	0.0%
General Fund Contribution	56,832,830	60,168,434	60,168,434	0	0.0%
Departmental	4,353,588	4,647,117	4,334,760	312,357	7.2%
Fines & Forfeitures	1,131,695	913,702	1,035,706	(122,004)	-11.8%
Development Fees	0	0	0	0	0.0%
Internal Charges	0	0	0	0	0.0%
Other	732,936	627,518	1,022,071	(394,553)	-38.6%
Subtotal	63,698,509	66,838,126	67,042,326	(204,200)	-0.3%
Expenses					
Personnel	46,920,106	48,244,279	49,185,628	(941,349)	-1.9%
Maintenance & Operations	6,664,512	6,700,900	7,247,376	(546,476)	-7.5%
Miscellaneous	130,021	108,133	92,100	16,033	17.4%
Major Equipment	11,900	113,421	299,533	(186,112)	-62.1%
Cost Allocation Plan	8,037,226	9,923,772	10,104,734	(180,962)	-1.8%
Capital	182,205	105,833	112,955	(7,122)	-6.3%
Subtotal	61,945,970	65,196,338	67,042,326	(1,845,988)	-2.8%
Departmental Net Position	\$ 1,752,538	\$ 1,641,788	\$ -	\$ 1,641,788	0.0%
Encumbrances	5,188	32,266		32,266	
Net Grants/Dedicated Funding	0	153,230		153,230	
Rebudgets/Adjustments	366,855	300,000		300,000	
Departmental Net Position After Adjustments	\$ 1,380,495	\$ 1,156,292	\$ -	\$ 1,156,292	

Police ended the year with unused appropriation of \$1.8 million and lower than budgeted revenues of \$204k. The resulting departmental net position was \$1.6 million before adjustments and \$1.2 million after adjustments. The variance in operating revenue categories is attributable to lower than budgeted grant revenue (\$196k), seizure and restitution revenue (\$171k), fines (\$122k), and asset sales (\$90k), partially offset by higher than budgeted revenue for police services contracts (\$274k) and event fees (\$48k).

Personnel costs were \$941k (1.9%) below budget, reflecting staff vacancies due to retirements. M&O savings of \$546k were primarily due to timing of insurance claims and reduced costs for vehicle maintenance and travel and training costs. Major equipment was \$186k or 37.9% below budget due to timing of grant-related purchases.

Compared to FY 2018, the department experienced a revenue increase of \$3.1 million (4.9%) and an expense increase of \$3.3 million (5.2%). Within revenue, operating revenue decreased slightly (\$30k or 0.5%) due to mostly offsetting items: lower fine revenue and seizure and restitution revenues offset by higher services contract revenue. The increase in year-over-year personnel expenditures (\$1.3 million or 2.8%) reflects contractual cost increases and the addition of seven new police officer positions, as well as some vacancy savings. The M&O expenditure increase of \$36k (0.5%) is the result of mostly offsetting positive and negative variances in a number of expense areas. Major equipment costs increased \$102k due to purchase of some technology items, using seizure funds. Capital project costs decreased \$76k, reflecting a lower budget.

Public Works

Public Works	2018	2019		Actual vs Budget Variance	
	Actual	Actual	Budget	\$	%
Revenue/Resources					
Prior Year Resources	455,983	572,395	572,395	0	0.0%
General Fund Contribution	5,851,166	6,112,037	6,112,037	0	0.0%
Departmental	0	0	0	0	0.0%
Fines & Forfeitures	0	0	0	0	0.0%
Development Fees	150,935	150,910	165,451	(14,541)	-8.8%
Internal Charges	841,751	765,972	789,506	(23,534)	-3.0%
Other	181,837	228,993	122,939	106,054	86.3%
Subtotal	7,481,671	7,830,307	7,762,328	67,979	0.9%
Expenses					
Personnel	2,582,265	2,686,753	2,895,229	(208,476)	-7.2%
Maintenance & Operations	3,201,107	3,391,523	4,005,101	(613,578)	-15.3%
Miscellaneous	46,800	46,800	46,800	0	0.0%
Major Equipment	0	0	0	0	0.0%
Cost Allocation Plan	660,424	618,644	815,198	(196,554)	-24.1%
Capital	0	0	0	0	0.0%
Subtotal	6,490,596	6,743,719	7,762,328	(1,018,609)	-13.1%
Departmental Net Position	\$ 991,076	\$ 1,086,588	\$ -	\$ 1,086,588	0.0%
Encumbrances	30,826	16,665		16,665	
Net Grants/Dedicated Funding	0			0	
Rebudgets/Adjustments	536,381	316,909		316,909	
Departmental Net Position After Adjustments	\$ 423,869	\$ 753,014	\$ -	\$ 753,014	

Public Works ended FY 2019 with a positive revenue variance of \$68k and unused expense appropriation of \$1.0 million. The resulting departmental net position was \$1.1 million before adjustments and \$753k after adjustments. The revenue variance was due to higher miscellaneous revenue for rebate income and agency cost sharing, partially offset by lower than budgeted revenue in development fees and CAP plan revenue from enterprise funds. Personnel costs were \$208k (7.2%) below budget due to staff vacancies. M&O savings of \$614k were predominantly due to professional services, including planning costs. Other noteworthy variances include utilities below budget (\$160k) and building & grounds maintenance above budget (\$118k).

Compared to FY 2018, the department's revenue increased \$349k (4.7%) and expenses increased \$253k (3.9%). Within revenue, operating revenue decreased \$29k (2.4%) due mainly to lower CAP plan revenue and staff reimbursement, partially offset by higher miscellaneous revenue. Year-over-year personnel expenses increased \$105k (4.0%), due to salary and benefit increases and a slightly higher staffing level, offset by lower temporary wages. M&O expenses increased by \$190k (5.9%) due to higher costs for building & grounds maintenance, professional services, and contracted & miscellaneous costs, partially offset by some relatively small cost decreases.

Capital Projects Fund

Revenues and expenditures in the Capital Fund fluctuate year-to-year depending on the type and size of projects and the timing of revenues, such as grants, donations, and cash receipts from financing activities.

2019 Year End Capital Fund by Department

	2018 Audited	2019 Un-Audited	2019 Budget	Variance Over/(Under)	% of Budget Collected/ Expended
Revenues					
Electric Franchise Fee Revenue	\$ 3,234,403	\$ 3,031,269	\$ 3,273,423	\$ (242,154)	93%
Transfer In	26,193,091	46,809,650	54,726,044	(7,916,394)	86%
Other Revenue	4,249,633	6,458,514	58,347,399	(51,888,885)	11%
Total Revenue	\$ 33,677,126	\$ 56,299,433	\$ 116,346,866	\$ (60,047,433)	48%
Expenditures					
Intergovernmental	\$ 1,000,000	\$ 2,723,974	\$ 19,140,579	\$ (16,416,605)	14%
Arts & History	1,043,552	345,409	1,767,234	(1,421,825)	20%
Community Engagement	208,302	155,627	553,423	(397,796)	28%
Finance and Administration	31,248	269,182	1,024,936	(755,754)	26%
Fire	2,466,570	1,610,064	2,758,476	(1,148,412)	58%
Human Resources	16,516	100,550	462,520	(361,970)	22%
Information Technology	989,413	919,969	2,623,527	(1,703,558)	35%
Library	1,677,085	2,742,245	73,913,976	(71,171,731)	4%
Parks & Recreation	11,476,143	16,369,905	26,056,924	(9,687,019)	63%
Planning & Development	2,221,817	2,855,696	8,040,102	(5,184,406)	36%
Police	829,729	1,828,602	6,024,387	(4,195,785)	30%
Public Works	9,023,529	5,778,343	11,835,536	(6,057,193)	49%
Total Expenditures	\$ 30,983,902	\$ 35,699,566	\$ 154,201,620	\$ (118,502,054)	23%
Net Capital Fund Operations	\$ 2,693,224	\$ 20,599,867	\$ (37,854,754)	\$ 58,454,621	

Capital Fund Revenues

Capital Improvement Plan (CIP) revenue earned during the fiscal year totaled \$56.3 million, \$60.0 million (51.6%) below the budgeted amount of \$116.3 million, of which \$8.5 million is recommended to be rebudgeted into FY 2020. The majority of the revenue variance is attributable to the Main Library project, which was put on hold following the November ballot initiative.

Although FY 2019 was atypical due to the Main Library project, electric franchise fees and tax support from the General Fund are usually the largest sources of budgeted revenues for the Capital Fund, with impact fees, grants, donations and partnership contributions providing smaller, but essential, resources that allow the city to pay for capital assets.

Electric franchise fee revenue was under budget by \$242k (7.4%). The revenue received is directly correlated to power rates and consumption, thus it frequently varies from the budgeted amount.

A total of \$46.8 million was transferred into the Capital Fund from other City funds during FY 2019 (an increase of \$20.6 million or 78.7% over FY 2018), the majority of which came from the General Fund (\$36.9 million). An additional \$7.7 million of the total transfers came from the Debt Service Fund. This funding was available as a portion of the funds held in the Debt Service Fund for Postemployment Benefits Other than Pensions (OPEB) was reallocated in April 2019 after it was deemed available for other uses. These transfers reflect the amount approved by the City Council as part of the adoption of the budget and IBCs, as well as any amount allocated to the Capital Fund as part of the prior year's end of year allocations (\$12.5 million). Transfers into this fund, such as those from the Impact Fee Fund, are highly dependent

upon timing of expenditures, as the transfers are not recorded from other funds until the expenditures that they support are incurred.

Other Revenue consists of cash from the proceeds of financings, donations, grants, and interest income. There is often a budget to actual variance for donations and grants, as these receipts are often tied to multi-year capital projects.

Capital Fund Expenditures

Expenditures during FY 2019 totaled \$35.7 million (23.2%) of the available expenditure budget (\$154.2 million). The primary reason for the lower expenditures relates to lower spending on capital projects, which were \$110.7 million under budget. This is largely attributable to the Main Library project and a variety of Parks & Recreation that are in the process of being constructed. Although the delay of the Main Library project resulted in lower expenditures in FY 2019 the existing facility will require significant repairs and maintenance over the next several years if a new facility is not constructed. Certain repair and maintenance activities at the existing facility were deferred over the past several years in anticipation of a new/expanded facility. A portion of the underspend relative to budget, \$26.8 million, is recommended to be carried forward to FY 2020. \$18.5 million was not planned for use in FY 2019 since it resulted from the FY 2018 General Fund end of year unallocated contribution (\$12.5 million) plus additional unallocated amounts transferred into the Capital Fund during FY 2019 due to higher than budgeted revenue collections (\$6.0 million). The list below is a sampling of the many projects completed or in progress during the fiscal year (actual costs are shown, excluding encumbrances). A more detailed explanation for all Capital Fund projects can be found in Appendix F.

- Albertson’s Whitewater Park Phase II – \$7.9 million
- Fire Station #9 – \$4.1 million
- Major Repairs & Maintenance – \$3.7 million
- Major Equipment – \$3.2 million
- Main Library – \$2.4 million
- Police Micro District – \$1.4 million
- Grow Our Housing (Franklin & Orchard) – \$1.1 million
- New Permit Management System (PDS) – \$1.0 million
- Zoo Anteater Improvements – \$0.8 million
- Zoo Gorongosa Expansion – \$0.7 million
- Quail Hollow Pathways – \$0.7 million
- Ann Morrison Park Dog Park – \$0.4 million

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Enterprise Funds

An Enterprise Fund is a classification used for business-type activities similar to those found in the private sector. Business-type activities include services primarily funded through user fees.

Airport Fund

The Airport Fund accounts for operation and management of Boise’s airport. All revenues such as terminal rent, landing, parking fees, and other charges and fees at the airport, as well as the expenditures that support the maintenance and general operation of the facility, are tracked in this fund. Capital improvements for the airport are primarily funded from operating cash flow, Federal Aviation Administration (FAA) grants, Passenger Facility Charges, and Customer Facility Charges.

2019 Year End Airport Fund					
	2018 Audited	2019 Un-Audited	2019 Budget	Variance Over/(Under)	% of Budget Collected/ Expended
Revenues					
Departmental	\$ 33,455,276	\$ 35,155,555	\$ 30,333,169	\$ 4,822,386	116%
Fines & Forfeitures	9,448	6,533	18,595	(12,063)	35%
Development Fees	-	-	-	-	0%
Internal Charges	-	-	-	-	0%
Capital	1,146,101	1,193,358	1,096,906	96,452	109%
Other	6,926,809	11,923,407	10,787,356	1,136,051	111%
Total Resources	\$ 41,537,633	\$ 48,278,852	\$ 42,236,026	\$ 6,042,826	114%
Expenditures					
Personnel	\$ 7,182,895	\$ 7,697,403	\$ 8,058,189	\$ (360,786)	96%
Maintenance & Operations	15,670,365	14,173,000	17,117,573	(2,944,573)	83%
Miscellaneous	12,148,082	11,802,633	15,778,245	(3,975,612)	75%
Major Equipment	159,064	1,275,955	1,941,704	(665,749)	66%
Cost Allocation Plan	1,391,129	1,409,358	1,658,482	(249,124)	85%
Capital	8,259,315	7,810,318	74,066,425	(66,256,107)	11%
Total Expenditures	\$ 44,810,851	\$ 44,168,667	\$ 118,620,618	\$ (74,451,951)	37%
Net Change	\$ (3,273,217)	\$ 4,110,185	\$ (76,384,592)	\$ 80,494,777	
Retained Earnings Inc/(Dec) *	\$ (1,882,088)	\$ 5,519,543	\$ (74,726,110)	\$ 80,245,653	

* Retained Earnings Inc/(Dec) excludes non-cash items such as Depreciation.
Expenditures include capitalization amounts for equipment and capital.

Revenues

Airport total revenues were \$48.3 million at fiscal year-end, \$6.0 million (14.3%) above the budgeted amount and \$6.7 million (16.2%) above last year. Approximately 80% of the positive budget variance, \$4.8 million, was due to airport fee revenue. Most of the remaining variance was in the Other revenue category, which was \$1.1M over budget.

Airport fee revenue (in the Departmental category) exceeded budget by \$4.8 million (15.9%), led by positive variances in parking (\$2.0 million or 20.5%), car rental (\$722k or 15.4%), airline revenue (\$669k or 24.4%), and terminal concessions (\$423k or 19.5%). Compared to FY 2018, fee revenue increased \$1.7 million (5.1%), led by parking \$745k (6.6%), car rental \$299k (5.9%), and concessions \$273k (11.8%).

Capital revenue, comprised of \$1.2 million of customer facility charges (CFCs), was \$96k (8.8%) above the budgeted amount. It was \$47k (4.1%) above the FY 2018 amount.

The Other category was \$1.1 million (10.5%) over budget due to interest income that exceeded budget by \$2.4 million (\$1.4 million of which was due to a recognized gain on interest-bearing funds). Additionally, miscellaneous revenue was \$1.0 million over budget, due to the timing and accounting for funding for an FAA project approved in a prior year. These positive variances were partially offset by a shortfall of \$2.4 million (22.9%) in operating grants, due to the timing of federal grant revenues.

Airport fine revenue was significantly below budget (nearly 65%), but with a budget of less than \$20k it is not a significant revenue item.

Operating Expenditures

Total operating expenditures (Total Expenditures excluding Capital and Major Equipment) was \$36.4 million, \$8.2 million (18.4%) under budget. This represents a slight decrease of \$193k (0.5%) from FY 2018.

Personnel costs were \$361k (4.5%) under budget, mainly due to lower than planned retirement and healthcare costs, partially offset by higher temporary wages. Compared to FY 2018, personnel costs increased \$515k (7.2%). M&O costs were \$2.9 million (17.2%) under budget due to asset write-off expense (\$1.9 million), building & grounds maintenance (\$1.1 million), and supplies (\$437k), partially offset by higher professional services (\$366k). Compared to FY 2018, M&O costs decreased \$1.5 million (9.6%) due to lower costs for strategic planning (\$1.1 million), asset write-off (\$389k), and building & grounds maintenance (\$205k).

The Miscellaneous expense category was \$11.8 million, \$4.0 million (25.2%) under budget due primarily to lower depreciation expense (\$3.9 million or 26.6% below budget). Interest cost was \$90k (7.4%) under budget. Compared to FY 2018, this category decreased \$346k (2.8%) due to lower depreciation expense.

Cost allocation plan (CAP) expense was \$249k (15.0%) below budget, primarily due to the Airport spending less than its budget. This expense increased \$18k (1.3%) from FY 2018.

Capital Expenditures

Of the total \$76.0 million budgeted for Capital (including Major Equipment), Airport spent \$9.1 million (12.0% of budget) during FY 2019. Most of the funding is for multi-year projects, with the majority being carried forward to FY 2020. Compared to FY 2018, this cost was \$0.7 million (8.0%) higher.

Cash and Investments

As of September 30, 2019, cash and investment balances amounted to \$62.2 million, which is \$9.2 million more than the \$53.1 million reported last year. Of the total amount, \$28.9 million is in restricted investments or funds set aside for a specific purpose, such as approved CFC capital projects. The balance of \$32.1 million is intended to support other commitments, primarily infrastructure.

Geothermal Fund

The Geothermal Fund supports capital improvement projects and operating needs related to Boise’s management of its unique geothermal energy source downtown. Geothermal is a clean, renewable energy source. Fees paid by customers of the geothermal energy system cover operating costs and the depreciation of assets.

2019 Year End Geothermal Fund					
	2018 Audited	2019 Un-Audited	2019 Budget	Variance Over/(Under)	% of Budget Collected/ Expended
Revenues					
Departmental	\$ 766,772	\$ 707,536	\$ 777,663	\$ (70,127)	91%
Fines & Forfeitures	-	60	-	60	0%
Development Fees	-	-	31	(31)	0%
Internal Charges	-	-	1,958	(1,958)	0%
Capital	-	-	-	-	0%
Other	389,512	776,586	759,783	16,803	102%
Total Resources	\$ 1,156,284	\$ 1,484,182	\$ 1,539,435	\$ (55,253)	96%
Expenditures					
Personnel	\$ 116,598	\$ 125,403	\$ 119,483	\$ 5,920	105%
Maintenance & Operations	334,267	626,405	674,491	(48,086)	93%
Miscellaneous	244,016	258,598	234,284	24,314	110%
Major Equipment	-	-	-	-	0%
Cost Allocation Plan	49,936	70,682	43,041	27,641	164%
Capital	245,529	404,070	592,297	(188,227)	68%
Total Expenditures	\$ 990,347	\$ 1,485,159	\$ 1,663,596	\$ (178,437)	89%
Net Change	\$ 165,937	\$ (977)	\$ (124,161)	\$ 123,184	
Retained Earnings Inc/(Dec) *	\$ 215,873	\$ 69,705	\$ (81,120)	\$ 150,825	

* Retained Earnings Inc/(Dec) excludes non-cash items such as Depreciation.
Expenditures include capitalization amounts for equipment and capital.

Revenues

Total revenues in the Geothermal Fund were \$1.5 million, \$55k (3.6%) under budget, due to lower water sales. Water sales (Departmental Revenue) of \$708k were \$70k (9.0%) under budget due to the effect of a customer disconnect in FY 2018. The Other revenue category was slightly over budget (\$17k or 2.2%) due to higher interest income. For FY 2019 this category includes an incoming \$750k transfer to fund additional maintenance and repair needs.

Total revenue was \$328k (28.4%) above FY 2018, reflecting changes in Other revenue, the incoming transfer net of lower donations and miscellaneous revenue. Water sales revenue was \$59k lower (7.7%).

Operating Expenditures

Total operating expenditures (Total Expenditures Less Capital) were \$1.1 million, a slight variance of \$10k (0.9%). Compared to FY 2018, operating expenditures increased \$336k or 45.2%, due mainly to higher M&O costs.

Personnel costs were \$6k (5.0%) over budget, due to higher than planned compensation and retirement costs. Compared to FY 2018, costs increased \$9k (7.5%) for the same reasons.

M&O expenses of \$626k were \$48k (7.1%) under budget, due to lower maintenance costs and inventory adjustment, partially offset by higher costs for minor equipment and cross charges for internal services. Compared to FY 2018, costs increased \$292k (87.4%) due to higher costs for maintenance and minor equipment, partially offset by lower professional services.

Miscellaneous expenses were \$24k (10.4%) above budget, and slightly higher than FY 2018, due to higher depreciation expense.

Cost allocation plan (CAP) costs were also above budget (28k or 64.2%) due to higher than budgeted expenses.

Capital Expenditures

Of the total \$592k budgeted for Capital, Geothermal spent \$404k (68.2%) during FY 2019.

Cash and Investments

As of September 30, 2019, cash and investments in the Geothermal Fund amounted to \$654k, an increase of \$150k (29.6%) compared to a year ago.

Solid Waste Fund

The Solid Waste Fund is an Enterprise Fund that supports the management and operation of the city’s trash and recycling services. The City currently contracts with Republic Services to meet Boise’s solid waste disposal needs, charging users a fee based on the type of business or residential occupancy. Solid Waste also manages the household hazardous waste collection program and provides outreach services through environmental education programs.

2019 Year End Solid Waste Fund					
	2018 Audited	2019 Un-Audited	2019 Budget	Variance Over/(Under)	% of Budget Collected/ Expended
Revenues					
Departmental	\$ 32,797,405	\$ 35,151,138	\$ 35,566,139	\$ (415,001)	99%
Fines & Forfeitures	3,603	4,450	2,472	1,978	180%
Development Fees	-	-	-	-	0%
Internal Charges	-	-	-	-	0%
Capital	-	-	-	-	0%
Other	2,968,303	2,272,809	2,075,523	197,286	110%
Total Resources	\$ 35,769,310	\$ 37,428,397	\$ 37,644,134	\$ (215,737)	99%
Expenditures					
Personnel	\$ 505,975	\$ 579,413	\$ 597,433	\$ (18,020)	97%
Maintenance & Operations	34,649,526	34,972,728	35,788,154	(815,426)	98%
Miscellaneous	124,642	128,077	144,154	(16,077)	89%
Major Equipment	-	-	55,000	(55,000)	0%
Cost Allocation Plan	1,203,923	745,452	767,955	(22,503)	97%
Capital	-	111,525	141,386	(29,861)	79%
Total Expenditures	\$ 36,484,066	\$ 36,537,195	\$ 37,494,082	\$ (956,887)	97%
Net Change	\$ (714,756)	\$ 891,202	\$ 150,052	\$ 741,150	
Retained Earnings Inc/(Dec) *	\$ 489,167	\$ 1,636,654	\$ 918,007	\$ 718,647	

* Retained Earnings Inc/(Dec) excludes non-cash items such as Depreciation.
Expenditures include capitalization amounts for equipment and capital.

Revenues

Total fund revenue for FY 2019 was slightly below budget (\$216k or 0.6%), due to fee revenue. Compared to FY 2018, total revenue increased \$1.7 million (4.6%).

Departmental revenue was slightly below budget (\$415k or 1.2%) due to slightly lower than anticipated fee revenue for solid waste service. Compared to FY 2018, this revenue was \$2.4 million (7.2%) higher, mostly due to fee increases and customer growth.

Other revenue of \$2.3 million was \$197k (9.5%) above budget, due to interest income (\$176k or 58.8% above budget) and franchise fees (\$60k or 3.6% above budget). Compared to FY 2018, revenue was \$695k (23.4%) lower due to a \$650k one-time adjustment related to the cost allocation plan in FY 2018 and miscellaneous revenue. Offsetting the decrease was higher interest income and franchise fee revenue.

Operating Expenditures

Total operating expenditures (Total Expenditures less Capital and Major Equipment) were \$36.4 million, \$872k (2.3%) below the budgeted amount of \$37.3 million. The variance was primarily due to lower M&O

costs. Compared to FY 2018, operating expenditures decreased \$58k or 0.2%, due to decreased cost allocation plan (CAP) costs offset by higher M&O costs.

Personnel costs of \$579k were \$18k (3.0%) under budget, due to lower temporary wages and other benefits. Compared to FY 2018, costs increased \$73k (14.5%) due to being fully staffed (versus staff vacancy savings last year).

M&O expenses of \$35.0 million were \$815k (2.3%) under budget, reflecting unused contingency costs (\$1.8 million below the budget of \$1.9 million) partially offset by higher trash services contract costs (\$919k above budget). The contingency savings were from the energy bag voucher program and recyclable commodities prices not declining further in FY 2019. Compared to FY 2018, costs increased \$323k (0.9%) due to higher trash services contract costs partially offset by lower costs for supplies, professional services, contract & miscellaneous, and bad debt.

Miscellaneous expenses were slightly above last year and \$16k (11.2%) under budget. These costs are for depreciation expense and code enforcement and are not significant to the fund.

Cost Allocation Plan (CAP) expenses decreased from \$1.2 million in FY 2018 to \$745k in FY 2019, a reduction of \$458k or 38.1%, based mainly on changes in the CAP plan. For FY 2019, the \$745k cost was \$23k (2.9%) under the budgeted amount.

Capital Expenditures

Out of a budget of \$196k for Capital and Major Equipment, \$112k (56.8%) was spent to construct a compost giveback site. There were no expenditures for FY 2018.

Cash and Investments

As of September 30, 2019, cash and investments totaled \$2.2 million, a decrease of \$526k (19.1%) from a year ago.

Water Renewal Fund

The Water Renewal Fund is an Enterprise Fund comprised of four divisions: Operations, Engineering, Environmental, and Administration. Each division supports the management and operation of Boise’s wastewater system. The City of Boise charges customer user fees to fund operating expenses and capital improvements.

2019 Year End Water Renewal Fund					
	2018 Audited	2019 Un-Audited	2019 Budget	Variance Over/(Under)	% of Budget Collected/ Expended
Revenues					
Departmental	\$ 49,654,092	\$ 53,940,363	\$ 54,256,527	\$ (316,164)	99%
Fines & Forfeitures	3,690	4,430	3,162	1,268	140%
Development Fees	-	-	-	-	0%
Internal Charges	1,375,828	1,418,232	1,426,524	(8,292)	99%
Capital	7,288,553	8,411,954	8,013,037	398,917	105%
Other	1,247,254	2,994,633	1,107,006	1,887,627	271%
Total Resources	\$ 59,569,416	\$ 66,769,612	\$ 64,806,256	\$ 1,963,356	103%
Expenditures					
Personnel	\$ 17,495,623	\$ 19,227,096	\$ 19,045,250	\$ 181,846	101%
Maintenance & Operations	12,268,435	15,503,781	17,946,452	(2,442,671)	86%
Miscellaneous	12,022,327	12,601,543	11,915,867	685,676	106%
Major Equipment	2,254,645	3,322,084	5,388,891	(2,066,808)	62%
Cost Allocation Plan	3,387,301	4,100,577	4,127,506	(26,929)	99%
Capital	12,986,463	14,544,525	31,638,576	(17,094,051)	46%
Total Expenditures	\$ 60,414,795	\$ 69,299,604	\$ 90,062,542	\$ (20,762,938)	77%
Net Change	\$ (845,379)	\$ (2,529,991)	\$ (25,256,286)	\$ 22,726,295	
Retained Earnings Inc/(Dec) *	\$ 2,541,922	\$ 1,570,585	\$ (21,128,780)	\$ 22,699,365	

* Retained Earnings Inc/(Dec) excludes non-cash items such as Depreciation.
Expenditures include capitalization amounts for equipment and capital.

Revenues

Total fund revenue for FY 2019 was \$2.0 million (3.0%) above budget. This was mainly due to Other revenue exceeding budget by \$1.9 million based on significantly higher interest income. Compared to FY 2018, total revenue increased \$7.2 million (12.1%).

Departmental revenue was slightly below budget (\$316k or 0.6%) due to slightly lower than anticipated water treatment service revenues. Compared to FY 2018, this revenue was \$4.3 million (8.6%) higher, reflecting rate increases and growth.

Capital revenue was \$8.4 million, which was \$399k (5.0%) above budget. Connection fee revenue of \$6.5 million was \$1.3 million (16.2%) below budget, but development contributions were \$1.6 million above the \$300k budget amount. Compared to last year, capital revenue was \$1.1 million (15.4%) higher.

Other revenue of \$3.0 million was more than twice the budget amount of \$1.1 million. The \$1.9 million variance was mostly due to higher interest income (\$952k) and gains on interest-bearing funds (\$865k). Compared to FY 2018, Other revenue was \$1.7 million (140.1%) higher. Interest income was \$487k higher and gains on interest-bearing funds switched from a loss to a gain, resulting in an increase of \$1.2 million.

Operating Expenditures

Total operating expenditures (Total Expenditures excluding Capital and Major Equipment) were \$51.4 million, \$1.6 million (3.0%) below the budgeted amount of \$53.0 million. The variance was due to lower M&O costs, partially offset by higher miscellaneous costs. Compared to FY 2018, operating expenditures increased \$6.3 million or 13.9%, primarily due to increased M&O and personnel costs.

Personnel costs of \$19.2 million were \$182k (1.0%) above budget, due to retirement expenses exceeding budget by \$638k (29.5%). Compared to FY 2018, costs increased \$1.7 million (9.9%) due to annual salary increases, retirement costs, and healthcare costs, and the addition of new positions.

FY 2019 M&O expenses of \$15.5 million were \$2.4 million (13.6%) below budget. The budgetary savings were primarily due to lower professional services costs, including budget of \$1.6 million for ongoing comprehensive planning that will be carried forward to FY 2020. Compared to FY 2018, costs increased \$3.2 million (26.4%) due to higher costs for asset write-off, building & grounds maintenance, vehicle maintenance, and professional services.

Miscellaneous expenses of \$12.6 million were \$686k (5.8%) over budget, almost wholly due to higher depreciation expense. Compared to FY 2018, costs increased \$579k (4.8%) due to higher costs for depreciation and interest expense.

Cost allocation plan (CAP) costs were slightly under budget (\$27k or 0.7%) and increased significantly (\$713k or 21.1%) from last year.

Capital Expenditures

Of the total \$37.0 million budgeted for Capital and Major Equipment, \$17.9 million was spent (48.3% of budget). The majority of the remainder is being rebudgeted into FY 2020 for the continuation of in-progress capital projects, as many of the projects are multi-year. Compared to FY 2018, the \$2.6 million of increased expenditure represents a 17.2% increase.

Cash and Investments

As of September 30, 2019, cash and investments in the Water Renewal Fund amounted to \$53.7 million, an increase of \$5.5 million (11.5%) compared to FY 2018 year-end. The planned increase was driven by increased revenues related to capital spending.

Other Funds

Housing Funds

The Housing Funds support the receipt and disbursement of federal funds in support of affordable housing and community development for disadvantaged households. Most funding originates from the United States Department of Housing and Urban Development (HUD) and the City is accountable to HUD for related expenditures. Funds are managed by Housing & Community Development.

2019 Year End Housing Funds					
	2018 Audited	2019 Un-Audited	2019 Budget	Variance Over/(Under)	% of Budget Collected/ Expended
Revenues					
Departmental	\$ 10,648	\$ -	\$ 3,937	\$ (3,937)	0%
Fines & Forfeitures	-	-	-	-	0%
Development Fees	-	-	-	-	0%
Internal Charges	1,959	-	-	-	0%
Capital	-	-	-	-	0%
Other	2,983,410	3,232,796	4,696,738	(1,463,942)	69%
Total Resources	\$ 2,996,017	\$ 3,232,796	\$ 4,700,675	\$ (1,467,879)	69%
Expenditures					
Personnel	\$ 553,445	\$ 503,119	\$ 509,379	\$ (6,260)	99%
Maintenance & Operations	68,382	94,808	289,296	(194,488)	33%
Miscellaneous	2,798,372	3,235,059	4,463,063	(1,228,004)	72%
Major Equipment	-	-	-	-	0%
Cost Allocation Plan	272,133	105,889	164,757	(58,868)	64%
Capital	-	41,578	-	41,578	0%
Total Expenditures	\$ 3,692,332	\$ 3,980,454	\$ 5,426,495	\$ (1,446,041)	73%
Net Change	\$ (696,314)	\$ (747,658)	\$ (725,820)	\$ (21,838)	
Retained Earnings Inc/(Dec) *	\$ (424,182)	\$ (641,769)	\$ (561,063)	\$ (80,706)	

* Retained Earnings Inc/(Dec) excludes non-cash items such as Depreciation.
Expenditures include capitalization amounts for equipment and capital.

Revenues

Total FY 2019 revenue for these funds was \$1.5 million (31.2%) under budget. Nearly all revenue is in the Other category. The shortfall was due to the timing of federal grant reimbursements. Grant and entitlement funding fluctuate depending on timing of actual expenditures. Compared to FY 2018, total revenue increased \$237k (7.9%).

Operating Expenditures

Total operating expenditures (Total Expenditures excluding Capital and Major Equipment) were \$3.9 million, \$1.5 million (27.4%) under the budgeted amount of \$5.4 million. The variance was primarily due to lower miscellaneous costs, reflecting a midyear budget increase, based on timing of grants and projects. Compared to FY 2018, operating expenditures increased by \$247k (6.7%) due to increased program costs in the Miscellaneous category.

Personnel costs of \$503k were slightly under budget (\$6k or 1.2%). Compared to FY 2018, costs decreased \$50k (9.1%) due to some staff turnover.

OTHER FUNDS

M&O expenses of \$95k were \$194k (67.2%) below budget, primarily due to lower professional services and contracted & miscellaneous costs due to grant and project timing. Compared to FY 2018, costs increased \$26k (38.6%), reflecting various increasing and decreasing items that largely offset.

Miscellaneous expenses of \$3.2 million were \$1.2 million (27.5%) under budget, due to the midyear budget change mentioned above. Compared to FY 2018, costs increased \$437k (15.6%) due to higher operational grant cost partially offset by depreciation.

Capital Expenditures

There was a \$42k unbudgeted capital expenditure in FY 2019, versus no costs for Capital or Major Equipment for 2018.

Cash and Investments

As of September 30, 2019, cash and investments totaled \$5.1 million, \$828k (19.2%) more than a year ago. Nearly all the cash and investment balance is restricted in use to fund the City's housing programs.

Property Management Fund

The Property Management Fund is responsible for the day-to-day operations of the City's affordable housing portfolio. The rental housing inventory was acquired through US Department of Housing Entitlement Funding.

2019 Year End Property Management Fund					
	2018 Audited	2019 Un-Audited	2019 Budget	Variance Over/(Under)	% of Budget Collected/ Expended
Revenues					
Departmental	\$ 1,450,061	\$ 1,410,546	\$ 1,505,264	\$ (94,718)	94%
Fines & Forfeitures	-	-	-	-	0%
Development Fees	-	-	-	-	0%
Internal Charges	-	-	-	-	0%
Capital	-	-	-	-	0%
Other	243,494	58,921	34,751	24,170	170%
Total Resources	\$ 1,693,556	\$ 1,469,467	\$ 1,540,015	\$ (70,548)	95%
Expenditures					
Personnel	\$ 511,173	\$ 547,306	\$ 549,679	\$ (2,373)	100%
Maintenance & Operations	1,018,765	1,020,344	1,136,268	(115,924)	90%
Miscellaneous	(0)	3,750	10,000	(6,250)	38%
Major Equipment	-	-	-	-	0%
Cost Allocation Plan	125,435	114,124	112,681	1,443	101%
Capital	-	-	-	-	0%
Total Expenditures	\$ 1,655,373	\$ 1,685,525	\$ 1,808,628	\$ (123,103)	93%
Net Change	\$ 38,182	\$ (216,057)	\$ (268,613)	\$ 52,556	
Retained Earnings Inc/(Dec) *	\$ 163,618	\$ (101,933)	\$ (155,932)	\$ 53,999	
* Retained Earnings Inc/(Dec) excludes non-cash items such as Depreciation. Expenditures include capitalization amounts for equipment and capital.					

Revenues

Property Management revenues were \$71k (4.6%) under budget due to lower than anticipated rental revenue. Compared to FY 2018, revenue was \$224k (13.2%) lower due to Other revenue and rental revenue.

Departmental (rental) revenue was \$95k (6.3%) less than budget and \$40k (2.7%) below FY 2018 due to high rental unit turnovers, vacancies, and remodels.

Other revenue was \$24k (69.3%) over budget due mainly to interest income. This revenue was \$185k (75.8%) below FY 2018 due to prior year transfers that no longer occur for the budgeting of indirect (CAP) costs.

Operating Expenditures

Total operating expenditures were \$1.7 million, \$123k (6.8%) below the budgeted amount of \$1.8 million. The variance was primarily due to a midyear budget increase for repair and replacement costs. Compared to FY 2018, operating expenditures increased \$30k (1.8%), due mainly to personnel cost.

Personnel costs of \$547k were slightly under budget (\$2k or 0.4%). Compared to FY 2018, costs increased \$36k (7.1%) due to salary increases and being more fully staffed.

OTHER FUNDS

M&O expenses of \$1.0 million were \$116k (10.2%) below budget, due to lower building & grounds maintenance partially offset by higher supplies costs. Compared to FY 2018, costs increased \$2k (0.2%).

Capital Expenditures

There were no capital projects or Major Equipment costs in FY 2019 or FY 2018.

Cash and Investments

As of September 30, 2019, cash and investments totaled \$584k, a \$219k decrease from a year ago. These funds are restricted in use to funding the City's property management programs.

Fleet Services Fund

The Fleet Services Fund is an internal service fund that accounts for all fleet operating costs, including repair facilities and staff for the maintenance of the city's automotive vehicles and equipment. The City uses the Fleet Services Fund unassigned balance to meet unexpected operating shortfalls and capital needs of the fleet maintenance program.

2019 Year End Fleet Services Fund					
	2018 Audited	2019 Un-Audited	2019 Budget	Variance Over/(Under)	% of Budget Collected/ Expended
Revenues					
Departmental	\$ -	\$ -	\$ -	\$ -	0%
Fines & Forfeitures	-	-	-	-	0%
Development Fees	-	-	-	-	0%
Internal Charges	3,423,669	3,333,786	3,538,869	(205,083)	94%
Capital	-	-	-	-	0%
Other	26,609	41,462	3,592	37,870	1154%
Total Resources	\$ 3,450,278	\$ 3,375,248	\$ 3,542,461	\$ (167,213)	95%
Expenditures					
Personnel	\$ 1,216,469	\$ 1,256,781	\$ 1,334,053	\$ (77,272)	94%
Maintenance & Operations	1,869,839	1,833,000	2,161,524	(328,524)	85%
Miscellaneous	92,339	110,154	79,180	30,974	139%
Major Equipment	106,280	32,419	92,995	(60,576)	35%
Cost Allocation Plan	-	-	-	-	0%
Capital	-	-	-	-	0%
Total Expenditures	\$ 3,284,928	\$ 3,232,354	\$ 3,667,752	\$ (435,398)	88%
Net Change	\$ 165,350	\$ 142,894	\$ (125,291)	\$ 268,185	
Retained Earnings Inc/(Dec) *	\$ 165,350	\$ 142,894	\$ (125,291)	\$ 268,185	

* Retained Earnings Inc/(Dec) excludes non-cash items such as Depreciation.
Expenditures include capitalization amounts for equipment and capital.

Resources

FY 2019 total revenues for Fleet Services was \$3.4 million, \$167k (4.7%) below the \$3.5 million budget. The variance was due to lower internal service charges (Internal Charges category in the chart above). Compared to FY 2018, total revenues were \$75k (2.2%) lower for the same reason.

Other revenue of \$41k was \$38k over the small (\$4k) budget figure, mainly due to interest income. Compared to FY 2018, Other revenue was \$15k (55.8%) higher, also due to interest income.

Operating Expenditures

Fleet Services' total operating expenditures (Total Expenditures excluding Major Equipment) of \$3.2 million were \$375k (10.5%) below budget due to lower M&O and personnel costs. Compared to FY 2018, costs were \$21k (0.7%) higher.

Personnel costs were \$77k (5.8%) under budget due to savings in salaries and lower costs for healthcare and other benefits. Compared to FY 2018, costs increased \$40k (3.3%), near the annual 3.0% increase amount.

OTHER FUNDS

M&O costs of \$1.8 million were \$329k (15.2%) below budget, primarily due to lower costs for contract labor and minor equipment. Compared to FY 2018, costs were slightly lower (\$37k or 2.0%) due to lower contract labor costs, partially offset by higher spending on software and parts.

Miscellaneous costs of \$110k were \$31k (39.1%) above budget, mainly due to higher depreciation costs. Compared to FY 2018, these costs were \$18k higher (19.4%), again due to depreciation.

Capital Expenditures

Of the \$93k budget amount for Major Equipment, \$32k (34.9%) was spent. The underspend was due to the timing of vehicle purchases. Compared to FY 2018, this spending was \$74k (69.5%) lower.

Cash and Investments

As of September 30, 2019, cash and investments in the Fleet Service Fund amounted to \$1.2 million, an increase of \$150k (14.1%) compared to a year ago. The fund balance is used to maintain the fleet inventory.

Risk Management and Workers' Compensation Funds

The City of Boise accounts for the operation of its comprehensive liability and insurance programs, and employee training programs through the Risk Management Fund. Self-insured liability and property losses and risk mitigation activities are paid through the Risk Management Fund. Costs are billed directly to City departments based on exposure, actual losses, and services provided. Unassigned fund balance is used to fund operating shortfalls due to unexpected losses and increased liability requirements, if necessary. The Workers' Compensation Fund was initiated in FY 1999, whereby the City funds a claim liability account and self-insured losses are paid through the Workers' Compensation Fund. The workers' compensation program and employee occupational safety and industrial hygiene program are funded through the Workers' Compensation Fund. Costs are billed directly to city departments based on exposure, actual losses and services provided. Unassigned fund balance is used to fund operating shortfalls due to unexpected losses and increased liability requirements, if necessary.

2019 Year End					
Risk Management & Workers' Compensation Funds					
	2018 Audited	2019 Un-Audited	2019 Budget	Variance Over/(Under)	% of Budget Collected/ Expended
Revenues					
Departmental	\$ -	\$ -	\$ -	\$ -	0%
Fines & Forfeitures	-	-	-	-	0%
Development Fees	-	-	-	-	0%
Internal Charges	3,676,379	4,149,072	4,221,570	(72,498)	98%
Capital	-	-	-	-	0%
Other	29,210	1,411,319	1,095,000	316,319	129%
Total Resources	\$ 3,705,589	\$ 5,560,391	\$ 5,316,570	\$ 243,821	105%
Expenditures					
Personnel	\$ 907,941	\$ 1,022,344	\$ 1,136,175	\$ (113,831)	90%
Maintenance & Operations	4,497,245	4,536,168	4,854,822	(318,654)	93%
Miscellaneous	51,520	49,036	55,000	(5,964)	89%
Major Equipment	-	-	-	-	0%
Cost Allocation Plan	-	-	-	-	0%
Capital	-	-	-	-	0%
Total Expenditures	\$ 5,456,706	\$ 5,607,547	\$ 6,045,997	\$ (438,450)	93%
Net Change	\$ (1,751,117)	\$ (47,156)	\$ (729,427)	\$ 682,271	
Retained Earnings Inc/(Dec) *	\$ (1,751,117)	\$ (47,156)	\$ (729,427)	\$ 682,271	

* Retained Earnings Inc/(Dec) excludes non-cash items such as Depreciation.
Expenditures include capitalization amounts for equipment and capital.

Risk Management Funds include the Workers' Compensation Fund and the Risk Fund. Revenues support actuarially determined liability accounts and retained earnings at a targeted 90% confidence level.

Under state law, a person has up to 180 days to file a claim from the date of the incident. The statute of limitations is two years from the date of incident to file a suit. Workers' Compensation law sets forth several filing milestones relating to different stages of a potential claim.

Revenues

FY 2019 Revenues totaled \$5.6 million, which was \$244k (4.6%) above budget. The variance was due to higher interest income. Compared to FY 2018, revenues were \$1.9 million (50.1%) higher, reflecting a

midyear transfer of \$1.0 million to fund higher insurance claims, higher internal insurance premiums of \$473k (12.9%), and \$383k of higher interest income.

Expenditures

Total FY 2019 expenditures were \$438k (7.3%) under budget, due mainly to lower M&O and personnel costs. Compared to FY 2018, costs were \$151k (2.8%) higher.

Personnel costs of \$1.0 million were \$114k (10.0%) under budget due to some vacancy savings. Compared to FY 2018, costs increased \$114k (12.6%) due to salary increases and slightly higher staffing.

M&O costs of \$4.5 million were \$319k (6.6%) under budget, primarily due to lower costs for insurance and professional services. Compared to FY 2018, costs were slightly higher (\$39k or 0.9%).

Going forward, costs are expected to continue being higher given a higher claim count, a higher self-insurance threshold, some large claims, and new legislation. Over the last few years, new legislation has been passed which has increased workers' compensation costs: House Bill 2016-554 for Presumptive Illness Coverage, and Senate Bill 2019-1028 for Post-Traumatic Stress Injury (PTSI) coverage.

Risk Reserves

The City maintains liability accounts for outstanding claims and lawsuits from prior years. The liability accounts were funded at the 50% confidence level during the relevant fiscal year. This funding, combined with the undesignated retained earnings balance, equate to the overall confidence level. The City's goal is to maintain the Risk Management and Workers' Compensation funds above the 90% confidence level. Pending the year-end actuarial review, the Risk Management division believes that the levels are in line with the 90% goal.

Cash and investments amounted to \$7.9 million, an increase of \$1.1 million (16.6%) from a year ago. Risk Management's funding and premium allocation plan was reviewed and revised by an external consultant to ensure that the City maintains an adequate funding formula for claim losses incurred through liability and workers' compensation. The revised plan was used for the development of the FY 2020 budget.

Boise Municipal Health Care Trust Fund

The City's established Health Insurance Trust Fund operates on plan years that conform to the calendar year. Trustees from the Health Trust will present their annual report to the City Council upon the close and audit of the Trust.

Appendix A: Budget Workshop Initiatives

**City of Boise
FY 2020 Budget Workshop Initiatives**

	Preliminary	Revised
Maintain 8% Cash Flow Reserve ¹		
 FY 2020 Interim Budget Changes (12/17/19 City Council Meeting)		
Transfer to the Capital Fund		2,286,151
Transfer to Workers' Compensation Fund		2,000,000
Our Path Home (PDS)		2,000,000
Operating Contingency		1,500,000
City Facilities Renovation		800,000
Total FY 2019 EOY Uses	\$ -	\$ 8,586,151

¹ Item accomplished as part of End of Year process

Appendix B: End of Year Appropriation Resolution and Exhibit

RESOLUTION _____

BY THE COUNCIL:

CLEGG, LUDWIG, MCLEAN, SANCHEZ,
THOMSON, WOODINGS

A RESOLUTION APPROVING THE TRANSFER OF FY 2019 APPROPRIATIONS FROM THE BOISE CITY TRUST FUND TO IDENTIFIED OTHER FUNDS TO PROVIDE BUDGET AUTHORITY FOR CONTINGENT UNAPPROPRIATED GRANT AWARDS, ADDITIONAL SERVICES, AND OTHER APPROVED EXPENSES AND REVENUES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the FY 2019 City budget was adopted with projected fiscal year expenditures and revenues for each City fund, and

WHEREAS, contingent accounts within the FY 2019 City Budget that are established to provide for encumbrances, rebudgets, and contingent unappropriated costs and revenues were consolidated within the Boise City Trust Fund, and

WHEREAS, to enhance visibility and tracking of the use of contingent accounts, transfers of contingent appropriations will be authorized by City Council resolution, with supporting documentation attached, and

WHEREAS, appropriation for unanticipated grant awards, additional services, and other approved expenses and revenues have been requested by departments and agencies, and

WHEREAS, the Contingent Appropriation Fund has a total of \$34,702,155 in contingent appropriations for unanticipated costs and \$121,207,259 in contingent appropriations for unanticipated revenues.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF BOISE, IDAHO:

Section 1. The Department of Finance & Administration is authorized to transfer \$13,738,100 in expenditure appropriations and \$13,588,100 in revenue appropriations to or from the Contingent Appropriation Fund to or from the funds identified in the amounts listed on the attached Exhibit "A," FY 2019 Contingent Unappropriated Expenses and Revenues, September 2019.

Section 2. This Resolution shall be in full force and effect immediately upon its adoption and approval.

APPROVED by the Mayor of the City of Boise, Idaho, this 17th day of December 2019.

ADOPTED by the Council of the City of Boise, Idaho, this 17th day of December 2019.

APPROVED:

ATTEST:

MAYOR

EX-OFFICIO CITY CLERK

City of Boise
FY 2019 Contingent Unappropriated Expenses and Revenues
September 30, 2019

Exhibit "A"

<u>Fund</u>	<u>Description</u>	<u>Approved by</u> <u>Mayor &</u> <u>Council</u>	<u>QR4</u>		
			<u>Expenditures</u>	<u>Revenues</u>	<u>Net</u>
General Fund					
	FR - Wildland Incident Assignments	9/24/2019	295,100	295,100	0
	IG - Increased Revenue (Development Fees, Sales Tax, Liquor Tax, Parking/Towing Fines)	8/27/2019	0	5,250,000	(5,250,000)
	IG - Transfer to Capital	8/27/2019	4,250,000	0	4,250,000
	IG - Transfer to Workers Comp Fund	8/27/2019	1,000,000	0	1,000,000
<i>Subtotal General Fund</i>			<u>\$ 5,545,100</u>	<u>\$ 5,545,100</u>	<u>\$ -</u>
Capital Fund (402)					
	AH - Greenbelt Mural	8/27/2019	10,000	10,000	0
	AH - Westside Park Public Art	7/9/2019	200,000	200,000	0
	IG - Future Capital Needs	8/27/2019	4,250,000	4,250,000	0
	IT - Cyber Security	9/10/2019	70,000	70,000	0
	PK - Gene Harris Bandshell	7/9/2019	438,000	438,000	0
	PK - Greenbelt Rotary Plaza	7/9/2019	76,500	76,500	0
	PK - Molenaar Park Splashpad	8/27/2019	250,000	250,000	0
	PK - Redwood Park Restroom	8/27/2019	225,000	225,000	0
	PW - Major Repairs & Maintenance	8/27/2019	23,500	23,500	0
<i>Subtotal Capital Fund</i>			<u>\$ 5,543,000</u>	<u>\$ 5,543,000</u>	<u>\$ -</u>
Community Development Block Grant Fund (540)					
	Transfer to Fund 542 for Operating Costs	na	(161,710)	0	(161,710)
	Transfer to Fund 543 for Operating Costs	na	(200,000)	0	(200,000)
			0	0	0
			0	0	0
<i>Subtotal Community Development Block Grant Fund</i>			<u>\$ (361,710)</u>	<u>\$ -</u>	<u>\$ (361,710)</u>
HOME Fund (542)					
	Home Ownership Program	8/27/2019	1,500,000	1,500,000	0
	Transfer from Fund 540 for Operating Costs	na	161,710	0	161,710
<i>Subtotal HOME Fund</i>			<u>\$ 1,661,710</u>	<u>\$ 1,500,000</u>	<u>\$ 161,710</u>
Property Management Fund (543)					
	Repair and Maintenance	8/27/2019	150,000	0	150,000
	Transfer from Fund 540 for Operating Costs	na	200,000	0	200,000
<i>Subtotal Property Management Fund</i>			<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ 350,000</u>
Workers Compensation Fund (642)					
	Future Claims Costs	8/27/2019	1,000,000	1,000,000	0
<i>Subtotal Workers Compensation Fund</i>			<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>
TOTAL ALL FUNDS			<u><u>\$ 13,738,100</u></u>	<u><u>\$ 13,588,100</u></u>	<u><u>\$ 150,000</u></u>

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Appendix C: FY 2019 Rebudget and Encumbrance Resolution and Exhibit

RESOLUTION _____

BY THE COUNCIL:

CLEGG, LUDWIG, MCLEAN, SANCHEZ,
THOMSON, WOODINGS

A RESOLUTION APPROVING THE TRANSFER OF FY 2019 APPROPRIATIONS FROM THE CONTINGENT APPROPRIATION FUND TO IDENTIFIED OTHER FUNDS TO PROVIDE BUDGET AUTHORITY FOR APPROVED CARRY FORWARD BUDGETS FROM FY 2019 INTO FY 2020 (REBUDGETED AND ENCUMBERED ITEMS); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the FY 2020 City budget was adopted with projected fiscal year expenditures and revenues for each City fund, and

WHEREAS, contingent accounts within the FY 2020 City Budget that are established to provide for encumbrances, rebudgets and unanticipated costs and revenues were consolidated within the Contingent Appropriation Fund, and

WHEREAS, to enhance visibility and tracking of the use of contingent accounts, transfers of contingent appropriations will be authorized by City Council resolution, with supporting documentation attached, and

WHEREAS, rebudgeted and encumbered accounts and projects from FY 2019 have been requested by departments and agencies to carry forward unspent expenditure and uncollected revenue budgets for projects that are not complete at year end FY 2019, and

WHEREAS, the Contingent Appropriation Fund has a total of \$250,000,000 in contingent appropriations for encumbrances, rebudgets and unanticipated costs and revenues.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF BOISE, IDAHO:

Section 1. The Department of Finance & Administration is authorized to transfer \$110,983,597 in expenditure appropriations and \$8,698,530 in revenue appropriations from the Contingent Appropriation Fund to the funds identified and, in the amounts, listed on the attached Exhibit "A," FY 2019 Final Rebudgets and Encumbrances.

Section 2. This Resolution shall be in full force and effect immediately upon its adoption and approval.

APPROVED by the Mayor of the City of Boise, Idaho, this 17th day of December 2019.

ADOPTED by the Council of the City of Boise, Idaho, this 17th day of December 2019.

APPROVED:

ATTEST:

MAYOR

EX-OFFICIO CITY CLERK

City of Boise
Contingent Account Transfers for FY 2019 Rebudgets and Encumbrances into FY 2020
9/30/2019 QR4

Exhibit "A"

<u>Fund</u>	<u>Description</u>	<u>Approved by Mayor & Council</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Net</u>
General Fund (101)					
	Final Rebudgets		3,711,808	201,914	3,509,894
	Final Encumbrances		652,518	0	652,518
<i>Subtotal General Fund</i>			<u>\$ 4,364,326</u>	<u>\$ 201,914</u>	<u>\$ 4,162,412</u>
Heritage Fund (210)					
	Final Rebudgets		469,031	0	469,031
<i>Subtotal Economic Development Fund</i>			<u>\$ 469,031</u>	<u>\$ -</u>	<u>\$ 469,031</u>
Capital Fund (402)					
	Final Rebudgets		21,621,968	8,496,616	13,125,352
	Final Encumbrances		5,148,327	0	5,148,327
<i>Subtotal Capital Fund</i>			<u>\$ 26,770,295</u>	<u>\$ 8,496,616</u>	<u>\$ 18,273,679</u>
Foothills Fund (403)					
	Final Rebudgets		148,407	0	148,407
	Final Encumbrances		57,512	0	\$ -
<i>Subtotal Foothills Fund</i>			<u>\$ 205,919</u>	<u>\$ -</u>	<u>\$ 205,919</u>
Impact Fees Fund (405)					
	Final Rebudgets		6,515,221	0	6,515,221
<i>Subtotal Impact Fees Fund</i>			<u>\$ 6,515,221</u>	<u>\$ -</u>	<u>\$ 6,515,221</u>
Airport Fund (525)					
	Final Rebudgets		35,639,216	0	35,639,216
	Final Encumbrances		13,640,331	0	13,640,331
<i>Subtotal Airport Fund</i>			<u>\$ 49,279,547</u>	<u>\$ -</u>	<u>\$ 49,279,547</u>
Water Renewal Fund (526)					
	Final Rebudgets		10,654,831	0	10,654,831
	Final Encumbrances		11,335,315	0	
<i>Subtotal Water Renewal Fund</i>			<u>\$ 21,990,146</u>	<u>\$ -</u>	<u>\$ 21,990,146</u>
Geothermal Fund (528)					
	Final Rebudgets		350	0	350
<i>Subtotal Geothermal Fund</i>			<u>\$ 350</u>	<u>\$ -</u>	<u>\$ 350</u>
Solid Waste Fund (531)					
	Final Rebudgets		1,386	0	1,386
	Final Encumbrances		15,040	0	
<i>Subtotal Solid Waste Fund</i>			<u>\$ 16,426</u>	<u>\$ -</u>	<u>\$ 16,426</u>
Community Development Block Grant Fund (540)					
	Final Encumbrances		25,370	0	
<i>Subtotal Community Development Block Grant Fund</i>			<u>\$ 25,370</u>	<u>\$ -</u>	<u>\$ 25,370</u>
Special Activities & Programs (541)					
	Final Rebudgets		40,000	0	40,000
	Final Encumbrances		8,333	0	
<i>Subtotal Special Activities & Programs Fund</i>			<u>\$ 48,333</u>	<u>\$ -</u>	<u>\$ 48,333</u>
HOME Funds (542)					
	Final Rebudgets		1,200,550	0	1,200,550
	Final Encumbrances		3,061	0	
<i>Subtotal HOME Funds Fund</i>			<u>\$ 1,203,611</u>	<u>\$ -</u>	<u>\$ 1,203,611</u>
Property Management (543)					
	Final Encumbrances		15,993	0	15,993
<i>Subtotal Property Management Fund</i>			<u>\$ 15,993</u>	<u>\$ -</u>	<u>\$ 15,993</u>

City of Boise
Contingent Account Transfers for FY 2019 Rebudgets and Encumbrances into FY 2020
9/30/2019 QR4

Exhibit "A"

<u>Fund</u>	<u>Description</u>	<u>Approved by</u> <u>Mayor &</u> <u>Council</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Net</u>
LM Cunningham (640)					
	Final Rebudgets		18,453	0	18,453
	<i>Subtotal LM Cunningham Fund</i>		<u>\$ 18,453</u>	<u>\$ -</u>	<u>\$ 18,453</u>
Fleet Services Fund (645)					
	Final Rebudgets		60,576	0	60,576
	<i>Subtotal Fleet Services Fund</i>		<u>\$ 60,576</u>	<u>\$ -</u>	<u>\$ 60,576</u>
TOTAL ALL FUNDS			<u>\$ 110,983,597</u>	<u>\$ 8,698,530</u>	<u>\$ 102,285,067</u>

Appendix D: Authorized Staffing Levels

City of Boise
Authorized Staffing Levels

Department	FY 2019 Adopted FTE Total	FY 2019 Approved FTE Changes	FY 2019 Final FTE Total	Comments
Airport				
Airport Fund	109.00	-	109.00	
Arts & History				
General Fund	11.50	1.00	12.50	
		1.00		Cultural Sites Program Coordinator
City Council				
General Fund	10.50	-	10.50	
Community Engagement (CE)				
General Fund	13.00	-	13.00	
Finance & Administration (DFA)				
General Fund	88.33	1.00	89.33	
		(1.00)		Transfer to Mayor's Office - Strategic Real Estate Manager
		1.00		Transfer From PW Water Renewal Fund - PW Purchasing Specialist
		1.00		Code Compliance Officer
Fleet Services Fund	19.25	-	19.25	
Fire				
General Fund - General Employees	24.00	-	24.00	
General Fund - Contract Employees	266.25	-	266.25	
Human Resources (HR)				
General Fund	18.80	3.00	21.80	
		1.00		Transfer From PW - Security Program Manager
		1.00		Transfer From PW - Security Program Specialist
		1.00		Payroll and Timekeeping Administrator
Risk Management Fund	6.45	0.50	6.95	
		0.50		Risk and Safety Coord for PW group (split 50/50 with WC Fund)
Workers' Compensation Fund	3.75	0.50	4.25	
		0.50		Risk and Safety Coord for PW group (split 50/50 with Risk Fund)
Information Technology (IT)				
General Fund	59.75	-	59.75	
Legal				
General Fund	52.35	-	52.35	
Library				
General Fund	122.20	-	122.20	
Mayor's Office				
General Fund	15.30	3.00	18.30	
		1.00		Transfer from DFA - Strategic Real Estate Manager
		1.00		Enterprise Portfolio Manager
		1.00		Strategic Initiatives Manager
Parks & Recreation				
General Fund	159.25	7.00	166.25	
		1.00		Custodian
		2.00		Maintenance Worker
		1.00		Park Ranger Rhodes Skate Park
		1.00		White Water Technician
		1.00		Urban Agriculture Specialist
		1.00		Maintenance Mechanic
Planning & Development Services (PDS)				
General Fund	90.93	-	90.93	
Housing Funds	14.57	-	14.57	
Police				
General Fund - General Employees (incl Command)	103.40	-	103.40	
General Fund - Contract Employees	296.50	-	296.50	

**City of Boise
Authorized Staffing Levels**

Department	FY 2019 Adopted FTE Total	FY 2019 Approved FTE Changes	FY 2019 Final FTE Total	Comments
Public Works (PW)				
General Fund	30.98	(2.00)	28.98	
		(1.00)		Transfer to HR - Security Program Manager
		(1.00)		Transfer to HR - Security Program Specialist
Geothermal Fund	1.00	-	1.00	
Solid Waste Fund	6.50	-	6.50	
Water Renewal Fund	235.02	(1.00)	234.02	
		(1.00)		Transfer to DFA - PW Purchasing Specialist
Total All Funds				
	1,758.58	13.00	1,771.58	
Summary Totals by Fund				
General Fund	1,363.04	13.00	1,376.04	
Aiport Fund	109.00	-	109.00	
Fleet Services Fund	19.25	-	19.25	
Risk Management Fund	6.45	0.50	6.95	
Workers' Compensation Fund	3.75	0.50	4.25	
Housing Funds	14.57	-	14.57	
Geothermal Fund	1.00	-	1.00	
Solid Waste Fund	6.50	-	6.50	
Water Renewal Fund	235.02	(1.00)	234.02	
Total All Funds	1,758.58	13.00	1,771.58	

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Appendix E: Year-End Contingency Accounts

Citywide Contingency Status Report FY 2019 YTD

Account	Date Approved	Item Description	Amount Approved	Actual Balance
Workforce Planning Contingency: <i>Used to address workforce needs that occur outside of the budget process, such as, but not limited to, staffing and classification changes, and pay adjustments that result in a budgetary personnel overage for a department.</i>				
	10/01/18	FY 2019 Adopted Budget	\$	493,000
	06/26/18	CE - 85% of Market Adjustment	2,226	490,774
	06/26/18	CC - 85% of Market Adjustment	1,011	489,763
	06/26/18	FA - 85% of Market Adjustment	59,489	430,274
	06/26/18	FR - 85% of Market Adjustment	3,477	426,797
	06/26/18	HR - 85% of Market Adjustment	3,150	423,647
	06/26/18	IT - 85% of Market Adjustment	28,061	395,586
	06/26/18	LG - 85% of Market Adjustment	74,977	320,609
	06/26/18	LB - 85% of Market Adjustment	67,857	252,752
	06/26/18	MA - 85% of Market Adjustment	12,124	240,628
	06/26/18	PK - 85% of Market Adjustment	22,186	218,442
	06/26/18	PL - 85% of Market Adjustment	12,649	205,793
	06/26/18	PD - 85% of Market Adjustment	123,907	81,886
	06/26/18	PW - 85% of Market Adjustment	9,960	71,926
		Balance	\$	71,926

Health Contingency: *Used to address health plan selections that may change due to a qualifying event that result in a budgetary personnel overage for a department.*

	10/01/18	FY 2019 Adopted Budget	\$	400,000
	05/21/19	FA - Transfer to Fund 402	400,000	0
		Balance	\$	-

Strategic Planning Contingency: *Used for City Council initiated strategic expenditures.*

	10/01/18	FY 2019 Adopted Budget	\$	500,000
	08/27/19	PK - Molenaar Park Splashpad	250,000	250,000
	08/27/19	PK - Redwood Park Restroom	225,000	25,000
		Balance	\$	25,000

Operating Contingency: *Used to address operating issues as they arise throughout the fiscal year, including the operating impact of capital projects, and other planned commitments such as the effort to increase the cash flow reserve.*

	10/01/18	FY 2019 Adopted Budget	\$	2,750,000
	06/26/18	Planned Cash Flow Contribution - distribution at FY 2019 EOY	1,500,000	1,250,000
	06/26/18	Priority Based Budgeting - distributed as needed	500,000	750,000
	06/26/18	Capital Projects Operating Impact - distributed as needed	250,000	500,000
	07/17/18	HR - Security Division positions reclass	25,600	474,400
	11/27/18	ValleyRide Route 1	99,770	374,630
	na	PD - Overtime Reduction	-300,000	674,630
	na	FA - Budget Survey	5,400	669,230
	na	CW - General Employee Health Reduction	-410,565	1,079,795
	02/12/19	AH - Cultural Sites Program Coordinator	41,022	1,038,773
	na	FR - PEPM Reduction	-391,000	1,429,773
	na	PD - PEPM Reduction	-130,000	1,559,773
	05/21/19	FA - Transfer to Fund 402	500,000	1,059,773
	na	AH - Audience Research	25,000	1,034,773
		Balance	\$	1,034,773

Citywide Contingency Status Report FY 2019 YTD

Account	Date Approved	Item Description	Amount Approved	Actual Balance
Revenue Neutral Contingency: <i>Used to address revenue neutral appropriation increases that are under \$25,000. Usage can come</i>				
	10/01/18	FY 2020 Adopted Budget		\$ 500,000
	10/09/18	AH - Idaho Commission for Arts Grant	1,609	498,391
	02/12/19	FR - USDA WRTC Grant	10,000	488,391
	03/12/19	FR - ACCEM Grant	1,628	486,763
	03/12/19	FR - ARFF Academy	20,000	466,763
	08/27/19	FR - Idaho Fire Chief's Association License Plate Grant	3,000	463,763
		<i>Balance</i>		\$ 463,763

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Appendix F: Capital Fund Status Report

Capital Fund: EOY FY 2019 Status Report

Dept.	Project	Total		FY 2019		Completion/ Estimated Completion Date	Comments/Notes		
		Commitments & Actuals	Expended/ Committed	FY 2019 Total Budget	Commitments & Actuals				
A&H	Boise Visual Chronicle	78,146	73,140	94%	25,000	19,995	Implementation	Winter 2020	Biannual project that is completed for FY 2019, with one final invoice/work remaining (the exhibit is currently out of the country).
A&H	CCDC Broad Street Gateway Art	75,000	60,000	80%	75,000	60,000	Design	Summer 2020	Project in concept design phase, installation anticipated in July 2020.
A&H	CCDC Traffic Box Art	***N/A - Ongoing/Recurring Project***	60,122	60,122	60,122	60,122	N/A: Recurring Project	N/A: Recurring Project	Project complete for FY 2019, but already beginning FY 2020 work.
A&H	Depot Bench Public Art	90,000	-	0%	90,000	-	Negotiation	Winter 2020	Artist selection in November 2019, moving into contracting and design for spring 2020.
A&H	Greenbelt Mural	15,000	15,000	100%	15,000	15,000	Complete	Summer 2019	Project complete.
A&H	Hayman House Plaza/Art	110,000	10,000	9%	100,000	-	Negotiation	Spring 2021	Artist selection is anticipated in December 2019, design in spring 2020, with completion approximately one year later.
A&H	Hayman House Remodel	253,174	45,050	18%	203,174	39,224	Design	Fall 2020	Architect is in design document phase. Construction documents, permits and bidding scheduled to be completed in April with construction to begin in May 2020.
A&H	James Castle	1,438,285	1,431,329	100%	49,754	42,797	Implementation	Summer 2020	The house was completed in 2018, however there is work remaining related to the preservation of shed and trailer. Additional funding would be required to preserve these elements, as they were not in the original scope of the project.
A&H	James Castle Mural	77,941	77,941	100%	71,441	71,441	Complete	Summer 2019	Project complete.
A&H	Linen District Fence Art	***N/A - Ongoing/Recurring Project***	4,000	4,000	4,000	4,000	N/A: Recurring Project	N/A: Recurring Project	To date, \$18k has been spent on this project. Going forward, A&H will treat this as an annual recurring project with a \$4k annual budget (allocated from Percent for Art).
A&H	Main Street Station Art	1,750	1,750	100%	1,750	1,750	Complete	Summer 2019	Project complete.
A&H	Pedestrian Homage Relocation	4,160	4,160	100%	3,000	3,000	Complete	Fall 2019	Project complete.
A&H	Pioneer Cemetery	20,000	-	0%	20,000	-	Negotiation	Fall 2020	Developing project scope, drafting RFQ.
A&H	Shoshone/Bannock Art	20,000	-	0%	20,000	-	Negotiation	TBD	These funds have been dedicated to a collaborative project with the Boise Valley Tribes (BVT) and a number of concepts have been discussed. A&H will not have an estimated completion date until receiving further direction from BVT.
A&H	Treefort Art	56,365	56,365	100%	14,365	14,365	Negotiation	Spring 2020	Artist selected in November 2019.
A&H	Vista Art	40,000	-	0%	40,000	-	Implementation	Spring 2020	Planning on May 2020 installation.
A&H	Vista Art Gateway	154,000	114,000	74%	147,000	107,000	Implementation	Spring 2020	Planning on May 2020 installation.
A&H	Wall of Mayors/Boise History	94,500	92,925	98%	50,366	48,791	Implementation	Winter 2019	Actively purchasing material for fabrication; finalizing changes to the text.
A&H	Westside Park Public Art	200,000	-	0%	200,000	-	Pre-Design	Fall 2020	The artist has been selected and the design has been submitted.
CE	CRM	517,965	189,787	37%	343,178	15,000	Implementation	Winter 2020	No other projects are planned and no additional funds are required. A recommendation to repurpose these funds to the Registration Software and Permit Management projects will be brought forward for City Council consideration on 12/17/19.
CE	Website Redesign	461,150	398,491	86%	210,245	147,586	Implementation	Fall 2019	The website has gone live; however, there are still some expenses related to the contractor's final work. It is recommended that the remaining funds be used for the library website project.
DFA	Advantage Replacement	50,000	-	0%	50,000	-	Implementation	Fall 2020	Vendor selected; currently in the process of mapping and data migration.
DFA	Budget Software	185,000	174,942	95%	185,000	174,942	Implementation	Winter 2020	Phase 1 of the Quesica software implementation (operating and salary modules) is scheduled to go live on 2/1/20.

Capital Fund: EOY FY 2019 Status Report

Dept.	Project	Total		FY 2019		Project Phase	Completion/ Estimated Completion Date	Comments/Notes	
		Commitments & Actuals	Expended/ Committed	FY 2019 Total Budget	Commitments & Actuals				
DFA	Procure to Pay System	500,000	-	0%	500,000	-	Negotiation	Spring 2021	After cost estimates came in higher than expected, the project team is re-evaluating system requirements and will preview proposals internally to get leadership and user buy-in. Expecting to have the contract signed this calendar year and begin design in late winter 2020, with a targeted completion of spring 2021.
Fire	Fire Station Master Plan (Formerly F56 redesign)	313,000	96,785	31%	310,650	94,435	Design	Winter 2020	Condition assessments complete, analysis and prioritization underway.
Fire	Fire Training Facility	12,232,062	12,232,062	100%	38,529	38,529	Complete	Summer 2018	Completed in FY 2018, with only minor follow-up work in FY 2019.
Fire	Fire Station #9	5,354,822	4,665,637	87%	4,910,888	4,221,703	Complete	Fall 2019	Station in operation; warranty and punch-list follow-up underway. Phase 1 of the ConnectBoise application was built in-house and it did not require utilization of these funds. This project is now in Phase 2 design and, due to IT staffing constraints, the intention is to use the remaining funds for professional services to support the design of Phase 2.
HR	Performance Management System	104,036	-	0%	104,036	-	Design	Fall 2020	There are multiple enhancement projects related to cameras and access control - all at some stage of implementation or planning, with the target of having all completed by the end of FY 2020. Project delays have been due to internal capacity (both people and physical space) constraints.
HR	Security Enhancements	375,000	129,791	35%	358,484	113,275	Implementation	Fall 2020	Software systems have been purchased. Before proceeding, the IT department needs to clear a few more projects in order to create internal bandwidth.
IT	Central Addition LIV District Fiber (Broad Street Fiber)	40,000	40,000	100%	21,983	21,983	Complete	Summer 2019	Project complete.
IT	Disaster Recovery Software	110,000	88,545	80%	110,000	88,545	Implementation	Spring 2020	Enterprises Applications will work with DFA and HR to develop system roadmaps, which will then be used to prioritize projects to ensure efficient use of budgeted money. This will be a system life-cycle management, strategic plan-based project.
IT	Enterprise Applications Enhancements	1,329,513	589,643	44%	753,001	13,131	Pre-Design	Spring 2023	Project complete.
IT	Fiber Optics	50,000	50,000	100%	50,000	50,000	Complete	Fall 2019	Ongoing lifecycle replacement.
IT	IT IS Hardware	***N/A - Ongoing/Recurring Project***	536,217	525,054	N/A: Recurring Project	N/A: Recurring Project	Implementation	Spring 2020	This is now a Program with associated projects. A steering committee has been put in place to provide high level strategy direction. As part of the FY 2021 budget development process, it is anticipated that this project will be converted to an annual/recurring project.
IT	Maintenance Management System	1,193,233	780,899	65%	420,002	7,668	Implementation	Spring 2020	The go-live date for the PDS and PW permitting and inspection portions of the Accela project is May 2020.
IT	Permit Management System	150,000	-	0%	150,000	-	Implementation	Fall 2020	Project substantially complete, funds remaining are being held until anticipated upgrades are defined.
IT	Relocate Data Center	775,000	756,888	98%	107,016	88,905	Pre-Design	Spring 2020	Ongoing lifecycle replacement.
IT	Telephone System Upgrade/Replacement	***N/A - Ongoing/Recurring Project***	155,440	110,827	N/A: Recurring Project	N/A: Recurring Project	Complete	Spring 2017	Project complete.
Library	Bown Crossing Branch	8,930,000	8,906,436	100%	23,565	-	On Hold	N/A: On Hold	Project on hold pending City Council direction.
Library	Main Library Redesign	74,470,969	12,976,953	17%	73,231,082	11,737,067	Design	Fall 2020	Masterplan update approved by the Parks Commission and construction documents are currently being produced. Anticipate bidding the project this winter.
Parks	Alta Harris Greenup	1,800,000	40,260	2%	1,800,000	40,260	Design	Fall 2020	

Capital Fund: EOY FY 2019 Status Report

Dept.	Project	Total		FY 2019		Completion/ Estimated Completion Date	Comments/Notes
		Commitments & Actuals	Expenditures Committed	FY 2019 Total Budget	Commitments & Actuals		
Parks	Alta Harris to Lysted Greenbelt	841,500	-	841,500	0%	Summer 2021	The section located in Alta Harris Park will be completed concurrently with construction of the park. The remaining section will be completed when the greenbelt underpass is constructed under Eckert Project substantially complete, with landscape repairs to occur this spring.
Parks	Ann Morrison Park Dog Park	430,000	390,220	430,000	91%	Spring 2020	
Parks	Bernadine Quinn - Greenup	500,000	453,061	474,538	91%	Summer 2020	The contract was awarded and construction is anticipated to begin in December. This project is tentatively scheduled for completion by the end of May (with minor landscaping to follow).
Parks	Cottonwood Park	540,000	294,722	540,000	55%	Summer 2020	New restroom to be installed this summer.
Parks	Downtown Plazas & Significant Spaces	1,000,000	-	1,000,000	0%	Pre-Design	Land agreements with the property owner expire at the end of the calendar year and need to be reauthorized by City Council (project delay due to artist selection).
Parks	Esther Simplot Park Restroom	499,372	495,426	7,426	99%	Summer 2018	Project complete.
Parks	Foothills Learning Center Playground	21,000	11,058	9,942	53%	Summer 2018	Project substantially complete. Evaluating amenities which would be complete in the summer of 2020.
Parks	Franklin Park Amenities	75,000	48,859	75,000	65%	Pre-Design	Shelter has been constructed, with additional amenities being evaluated.
Parks	Franklin Park Greenup	920,374	885,726	45,895	96%	Implementation	Due to the City's purchase of the remainder of this property, there are sufficient water rights to irrigate, so a pump/well system is being evaluated.
Parks	Garden City to Americana Greenbelt	3,930,815	3,563,885	367,423	91%	Complete	Idaho Transportation Department (ITD) project complete. Pending certifications from design firm and final ITD audit.
Parks	Gene Harris Bandshell	858,000	657,698	858,000	77%	Summer 2020	The contractor is identifying elements of the structure that were damaged during the fire and revising costs for the insurance claim.
Parks	Golda Harris Land Donation	20,000	3,802	16,198	19%	Summer 2018	Project complete.
Parks	Golda Harris Reserve Development	300,000	25,213	300,000	8%	Summer 2020	Construction documents are being completed with bidding anticipated in December 2019.
Parks	Greenbelt-Additional Connectivity	65,390	65,390	64,190	100%	N/A: Recurring Project	Julia Davis to Capitol Boulevard complete. Currently working on Fairview connector (out to bid).
Parks	Greenbelt Rotary Plaza	76,500	47,105	76,500	62%	Summer 2020	Open purchase order, with completion expected in spring or summer 2020.
Parks	Julia Davis Restroom	586,000	42,573	545,284	7%	Fall 2020	Pending a decision on the relocation of the Cabin.
Parks	Military Reserve Archery Range	250,000	241,098	250,000	96%	Summer 2019	Pending final invoices, tax release and retainage.
Parks	Military Reserve Dog Park Relocation	320,000	309,941	315,489	97%	Winter 2019	Project complete.
Parks	Pine Grove Park Greenup	762,000	761,026	484	100%	Summer 2019	Project complete.
Parks	Quail Hollow Pathways	775,000	667,600	775,000	86%	Summer 2019	Project complete.
Parks	Registration Software	570,000	483,925	417,677	85%	Winter 2020	This project is anticipated to go-live onto the upgraded platform in February 2020. Additional funding, a portion of which will come from the Project Dox and CRM projects, will be requested at the 12/17/19 City Council meeting.
Parks	Rhodes Park Landscaping	1,338,000	1,291,985	46,015	97%	Summer 2020	Currently scoping the installation of a new restroom.
Parks	River Recreation Park Phase II Albertsons	9,868,662	9,821,924	7,970,745	100%	Spring 2020	Pending finalization of contracts and electrical work.
Parks	Spaulding Ranch	722,500	521,916	267,422	72%	Spring 2022	Bids opened for irrigation system and contract will be awarded in December.
Parks	Sterling Park Greenup	1,187,000	1,186,949	241,858	100%	Summer 2019	Project complete.

Capital Fund: EOY FY 2019 Status Report

Dept.	Project	Total		FY 2019		Completion/ Estimated Completion Date	Comments/Notes
		Total Budget	Commitments & Actuals	Expended/Committed	FY 2019 Total Budget & Actuals		
Parks	Terry Day Park Amenities	1,045,789	1,043,560	100%	2,229	Spring 2018	Completed the second parking lot in FY 2019. Currently evaluating memorial garden (in connection with the Terry Day House).
Parks	Trailheads with Restrooms	250,000	1,975	1%	250,000	Spring 2020	Warm Springs trailhead and Harrison Hollow trailhead will be constructed this winter.
Parks	Upper Hyatt TH Parking and Restroom	255,000	254,415	100%	25,126	Spring 2019	Project complete.
Parks	Zoo Anteater Improvements	840,000	839,998	100%	773,653	Spring 2019	Project complete.
Parks	Zoo Expansion - Gorongosa Project	2,329,730	2,324,178	100%	675,000	Summer 2019	Project complete.
PDS	Neighborhood Improvement Projects (NIP)	***N/A - Ongoing/Recurring Project***	1,489,793	534,240	N/A: Recurring Project	N/A: Recurring Project	Projects funded in FY19 are underway, with planned completion by FY 2022.
PDS	Permit Management System	4,026,000	3,866,840	96%	1,186,701	Summer 2020	Finishing configuration of the Accela system; beta and UAT testing will begin in February. Targeting a May 2020 go-live. Additional funding, a portion of which will come from the Project Dox and CRM projects, will be requested at the 12/17/19 City Council meeting.
PDS	Project Dox	541,000	442,046	82%	98,954	Winter 2020	Project Dox was recently completed and a recommendation to repurpose these funds to the Registration Software and Permit Management projects will be brought forward for City Council consideration on 12/17/19.
PDS	Valor Pointe	250,000	250,000	100%	250,000	Summer 2020	Framing has begun on the third floor and the developer is hoping to have a roof over the building in early to mid-December. They are on pace to have the building completed in late July or early August of 2020.
PDS	Various Housing Initiatives (4/23/19 OPEB IBC)	5,000,000	1,095,328	22%	5,000,000	Summer 2022	To date, the land at Franklin and Orchard land has been acquired. Development RFP anticipated in January or February 2020.
Police	Micro District	3,871,200	1,458,823	38%	3,828,806	Fall 2020	It is anticipated that bids for this project will open by mid-December.
Police	Shooting Range	3,709,347	3,658,777	99%	107,840	Summer 2020	Project is mostly complete, with minor building improvements, a federally funded rotating target system and road paving remaining. All work will be completed in FY 2020.
PW	Boise Sports Park Contribution	3,000,000	-	0%	3,000,000	N/A: On Hold	Project on hold pending City Council direction.
PW	City Hall Plaza	4,471,764	4,457,544	100%	90,377	Spring 2020	Main project complete; minor follow-up work is underway and anticipated to be completed by spring 2020.
PW	Downtown Circulator Alt Analysis	481,851	231,851	48%	292,273	Summer 2020	Due to ongoing changes in federal grant funding, the scope of this project was reduced (along with the budget). Staff will continue to monitor emerging technology as well as revising the origin and destination data to be used to evaluate how a circulator and bike network may interface.
PW	LED Streetlights	1,496,537	1,443,705	96%	245,000	Winter 2024	This is a continuous program focused on the conversion of high pressure sodium fixtures to LED, resulting in power (and, therefore, M&O) savings. Estimate five years remaining to complete
PW	Neighborhood Street Lighting	150,000	16,108	11%	150,000	Summer 2020	Ongoing project for street light installation in areas that were previously annexed into the City limits.
PW	Public Safety Lights	148,500	70,915	48%	3,500	N/A: Recurring Project	Funds are used to install lights for citizen or police safety requests. Ongoing annual funding of \$24,000 per year.

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Appendix G: Quarterly Economic Brief

CITY OF BOISE

Budget Office, Department of Finance & Administration Economic Brief

Mike Sherack, Senior Budget Analyst & Eric Bilimoria, Budget Manager

Quarter 3 (CY) 2019

(July 1 - September 30)



Inside this issue:

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CY = Calendar Year
Q = Quarter
YOY = Year-Over-Year
MSA = Metropolitan
Statistical Area
COLI = Cost of Living
Index
100 basis points = 1.0%

Quarterly Summary

- Employment** ↑ The labor force and employment in Boise continue to grow; the September unemployment rate was 2.1%, 0.1% higher than a year ago.
- Construction** ↑ Construction continues at a high level, particularly commercial activity. Quarterly permit valuation and revenue were higher than the previous three years.
- Housing** — A housing shortage continues. The housing market has slowed slightly, but prices and rents continue to rise.
- Sales Tax** ↑ State sales tax receipts increased 9.4% compared to the same quarter last year.
- Airport Traffic** ↑ Quarterly air passenger traffic increased 5.2% over last year.
- Cost of Living** ↓ Boise costs, as measured by cost of living indices, have increased further in 2019.
- Projections** — While consumer sentiment remains in a healthy range, GDP economic growth is projected to slow after 2019.

NOTE: Signs indicate a general economic outlook compared to the previous quarter and/or year.

Employment ↑

Total Boise employment for September 2019 was up 5,858 jobs, or 4.7%, compared to September 2018. Comparing September to June, total employment increased by 99 jobs, or 0.1%.

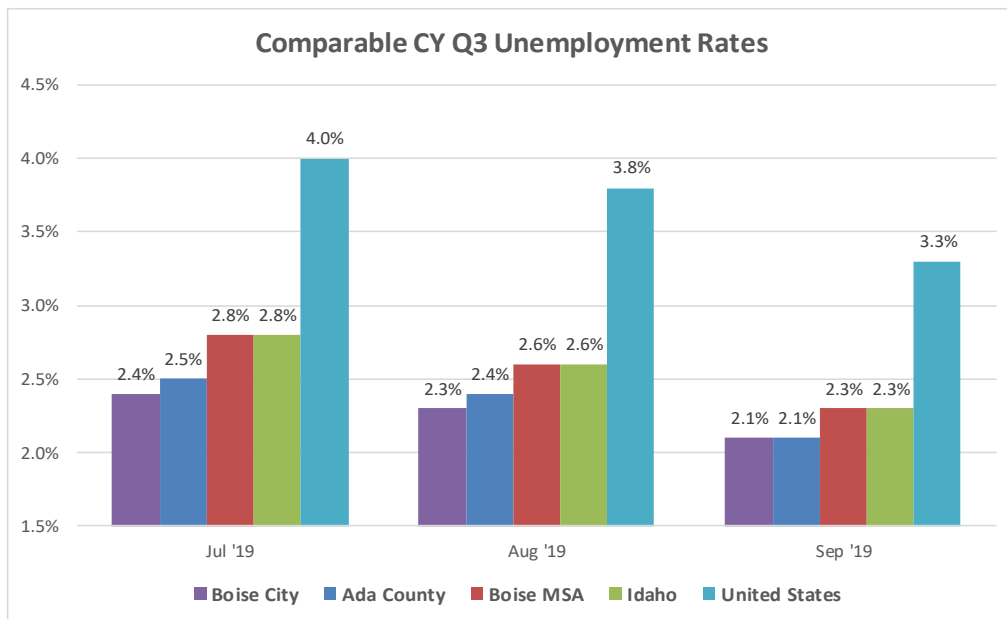
When compared with September 2018, Boise's unemployment rate (unadjusted) is 10 basis points higher at 2.1%. When compared to the prior quarter end (June), the unemployment rate is lower by 20 basis points, decreasing from 2.3% to 2.1%.

Compared to other western metropolitan areas, Boise's MSA continues to post low unemployment numbers, but not as low as the MSAs for Fort Collins, Salt Lake City, or Denver. At 2.3%, the Boise MSA is tied for 48th out of 389 MSAs. Boise City's unemployment rate for September was level with Ada County's, 20 basis points below the Boise MSA and Idaho overall, and 120 basis points below the national figure.

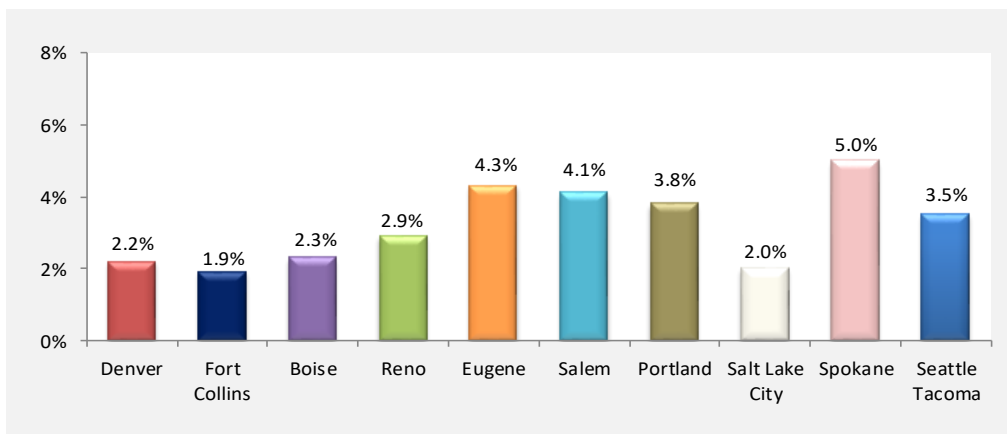
NOTE: This economic information is based on the calendar year, not fiscal year, unless otherwise stated.

Quarter 3, Calendar Year 2019

Employment (continued)



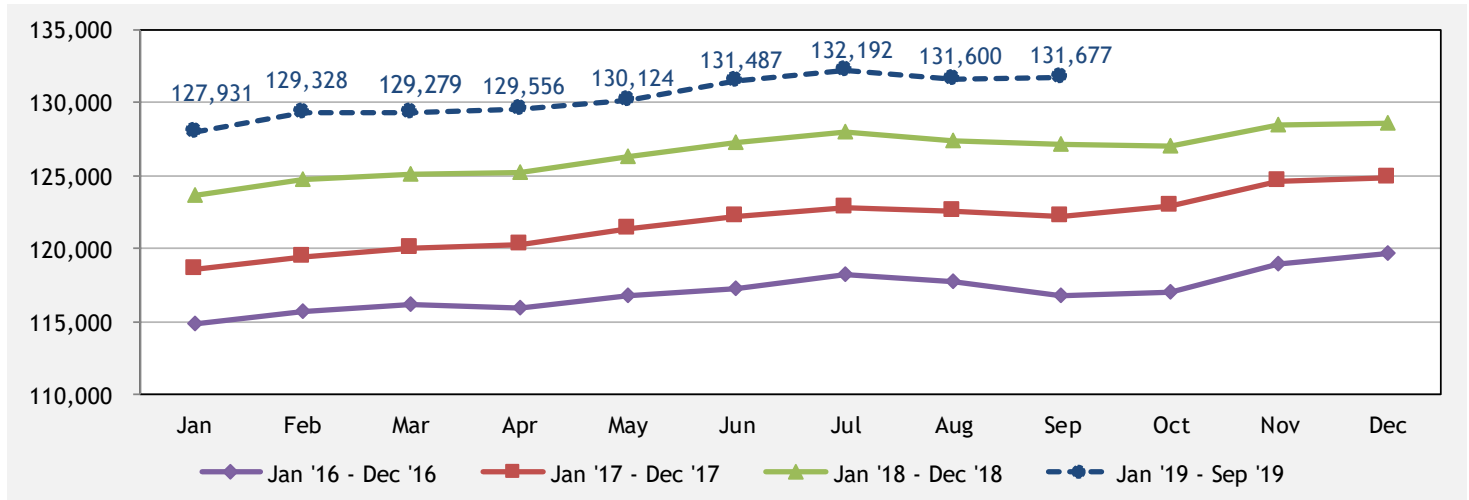
September Unemployment Rates - Comparative Western City MSAs



Quarter 3, Calendar Year 2019

Employment (continued)

Total Boise City Employment - Monthly



Boise MSA Employment Sector Information

The Boise Metropolitan Statistical Area (MSA) has various non-farm employment sectors that respond differently to economic conditions and seasonality. The tables below rank 21 base-level sectors according to quarterly job gains or losses within those sectors. The tables on the left compare Q3 2019 to Q3 2018. Year-over-year, the highest percentage job gains were in accommodation and food services, professional, scientific and technical services, and construction of buildings. The tables on the right compare Q3 2019 to Q2 2019.

Compared to Q3 2018

Highest 5 Sectors

	Q3 2019	Q3 2018	% Chg
ACCOMMODATION AND FOOD SERVICES	32,100	29,433	9.1%
PROF., SCIENTIFIC, AND TECH. SERVICES	20,533	19,000	8.1%
CONSTRUCTION OF BUILDINGS	5,767	5,400	6.8%
HEALTH CARE AND SOCIAL ASSISTANCE	47,633	45,200	5.4%
MGMT. OF COMPANIES & ENTERPRISES	5,033	4,800	4.9%

Lowest 5 Sectors

	Q3 2019	Q3 2018	% Chg
CREDIT INTERMED. & RELATED ACTIVITIES	5,600	5,600	0.0%
SPECIALTY TRADE CONTRACTORS	17,067	17,233	-1.0%
INFORMATION	4,333	4,433	-2.3%
SEMI. & OTHER ELECT. COMPONENT MFG.	8,300	8,500	-2.4%
ADMIN. AND SUPPORT SERVICES	25,367	26,133	-2.9%

Compared to Q2 2019

Highest 5 Sectors

	Q3 2019	Q2 2019	% Chg
CONSTRUCTION OF BUILDINGS	5,767	5,533	4.2%
FEDERAL GOVERNMENT	6,900	6,700	3.0%
ACCOMMODATION & FOOD SERVICES	32,100	31,200	2.9%
MGMT. OF COMPANIES & ENTERPRISES	5,033	4,900	2.7%
WHOLESALE TRADE	15,467	15,100	2.4%

Lowest 5 Sectors

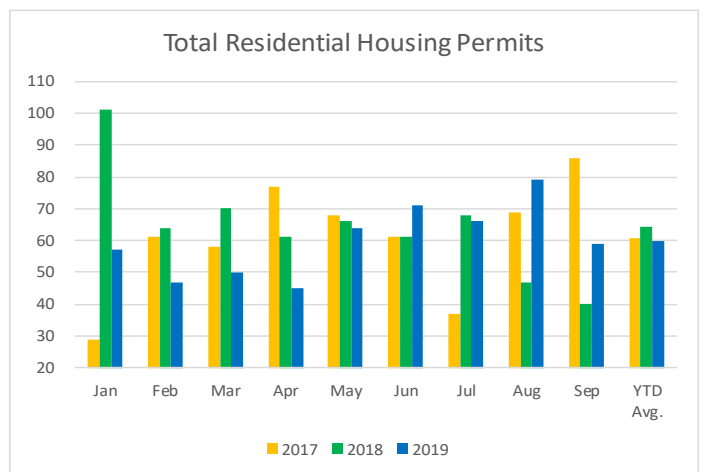
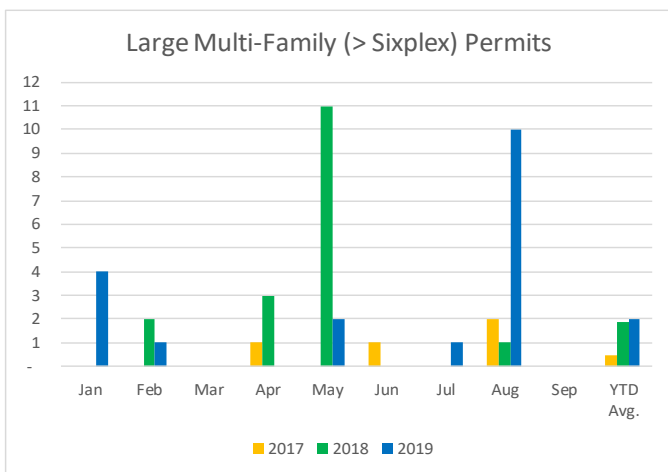
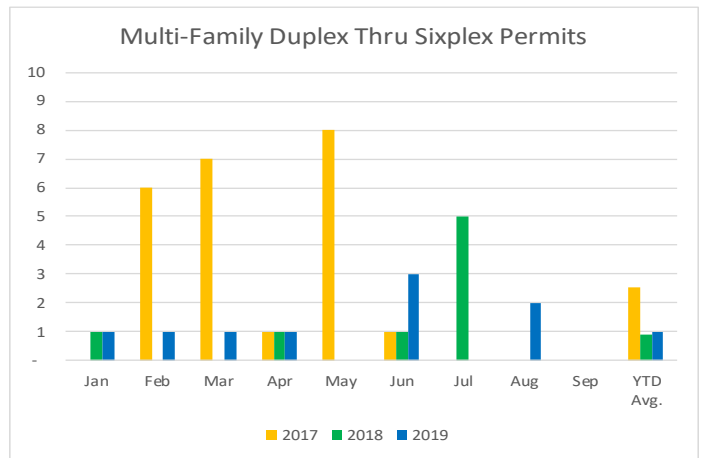
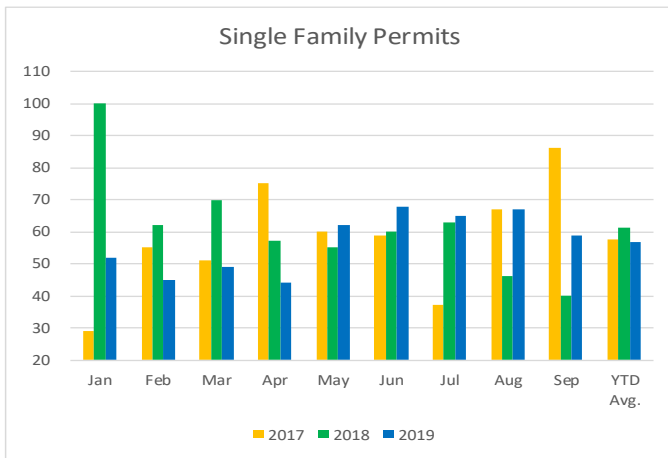
	Q3 2019	Q2 2019	% Chg
FOOD MANUFACTURING	5,200	5,200	0.0%
TRANSP., WAREHOUSING, AND UTILITIES	25,367	25,467	-0.4%
SEMICONDUCTER & OTHER ELECT. MFG.	8,300	8,333	-0.4%
STATE GOVERNMENT	14,900	15,133	-1.5%
LOCAL GOVERNMENT	25,633	27,600	-7.1%

Construction Activity ↑

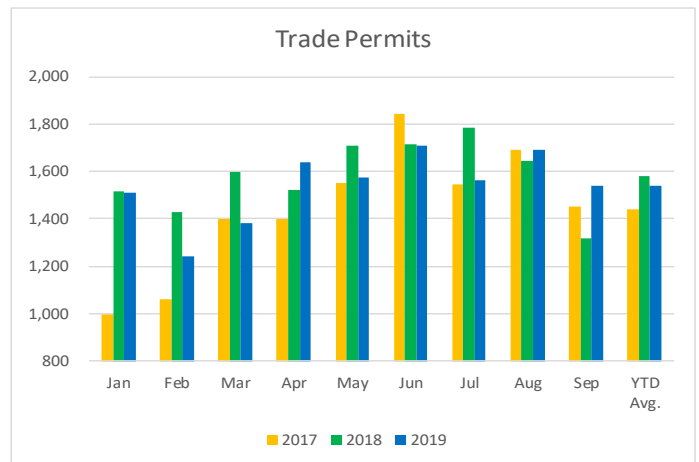
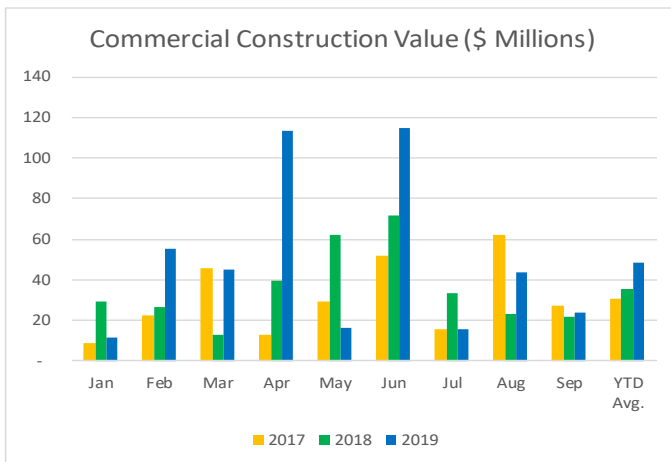
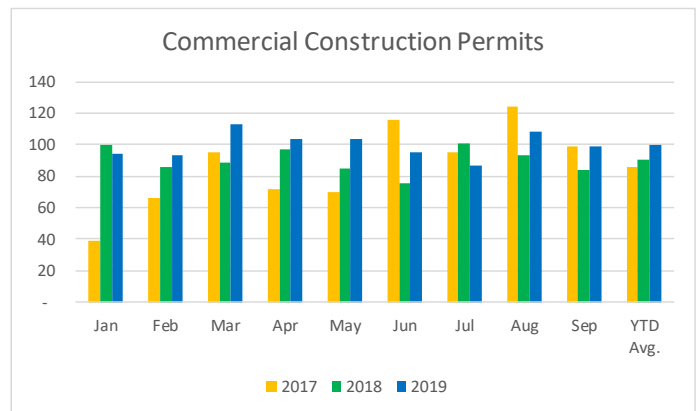
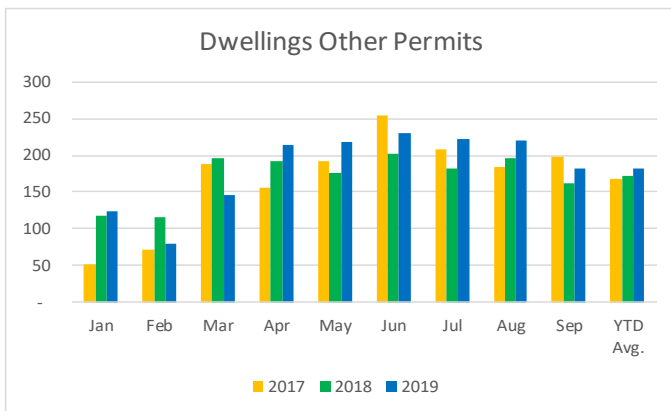
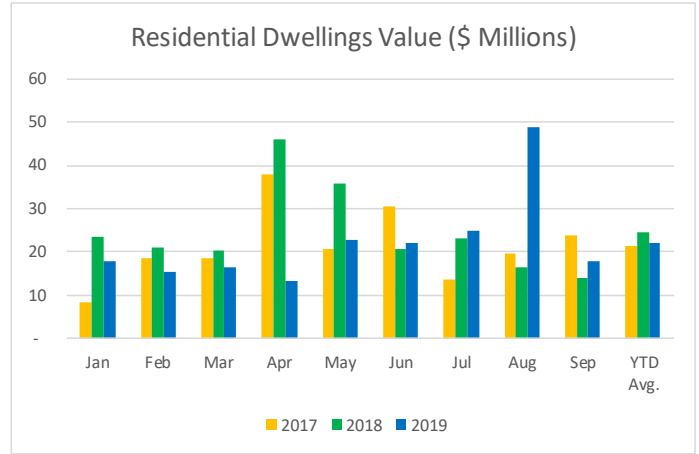
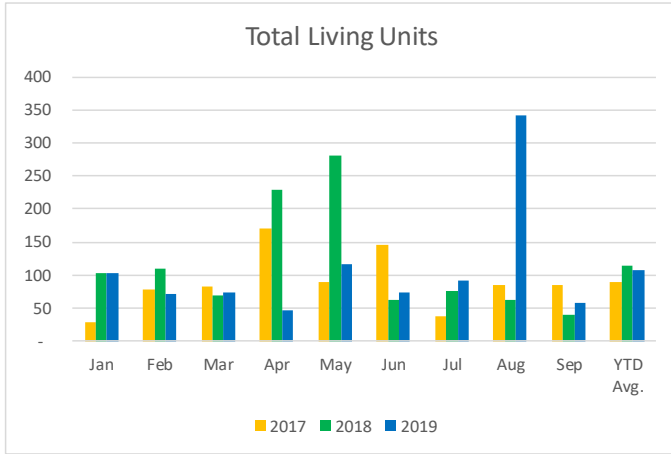
Quarterly permit volume, valuation, and revenue were above the prior three years.

As shown in the graphs below, YTD single family residential construction is trending slightly below the last two years. Large multi-family permits are slightly above the last two years, and numerous large multi-family projects are being planned. Commercial construction permits and value are both up. YTD trade permits are slightly below last year but remain at a high level.

Graphs Showing Monthly Boise Construction Figures (CY 2017–2019)



Construction Activity (continued)

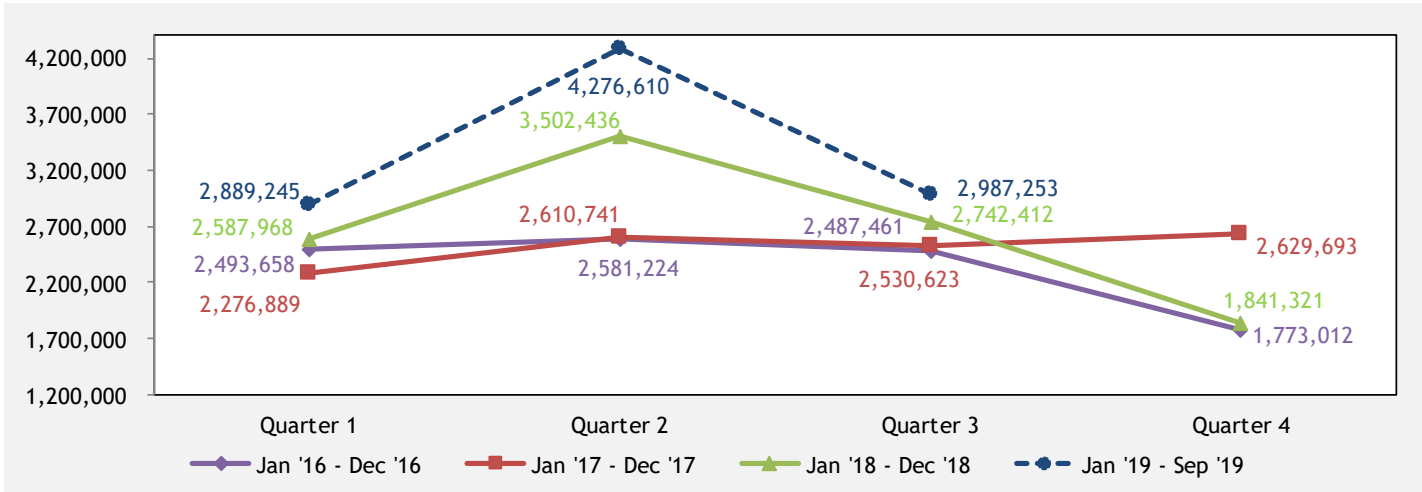


Source: <http://pds.cityofboise.org/building/docs/constreports/>

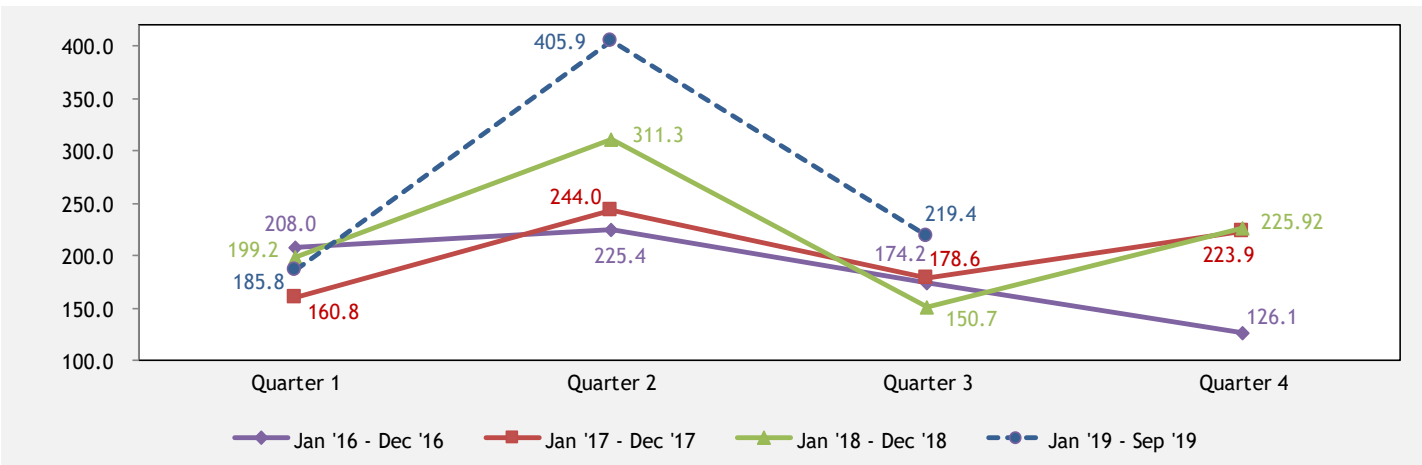
Quarter 3, Calendar Year 2019

Construction Activity (continued)

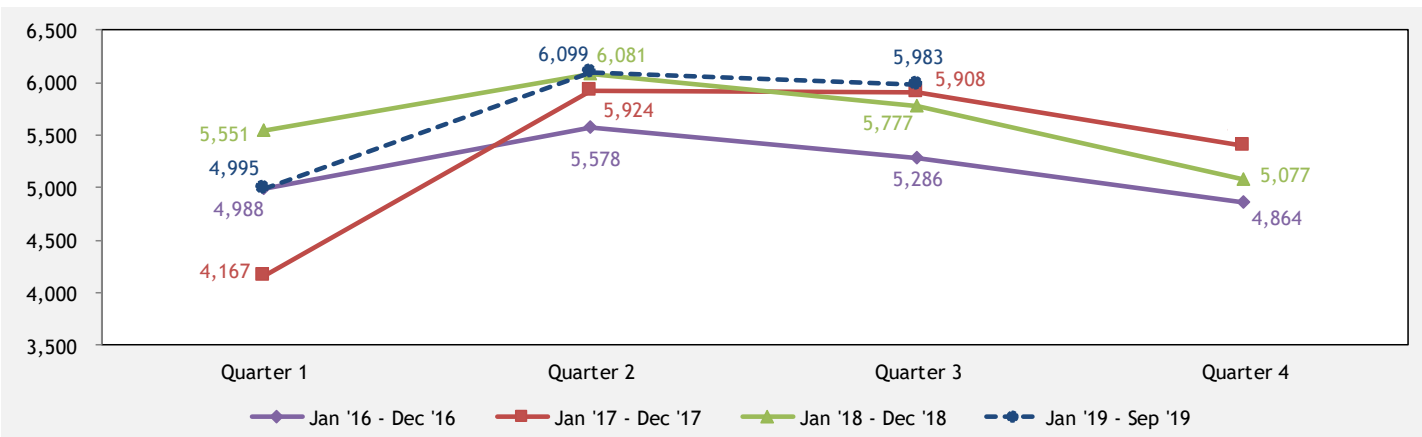
Total Quarterly Permit Revenue (\$)



Total Quarterly Permit Valuation (\$M)

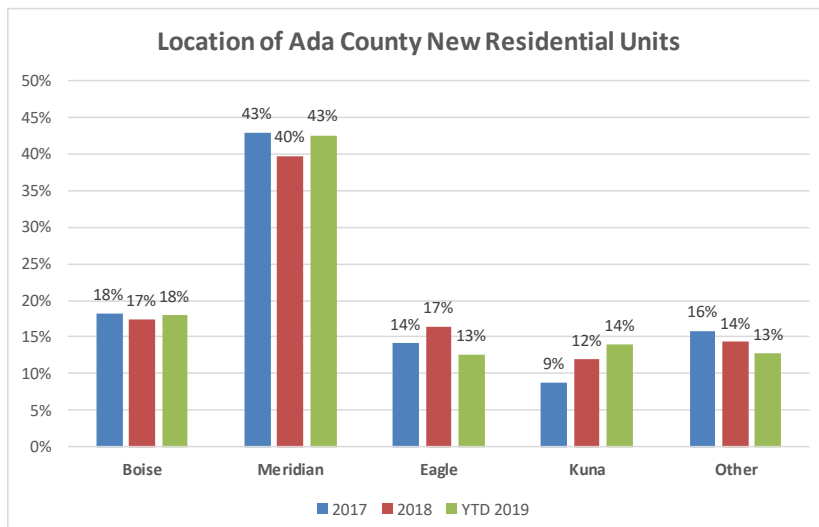
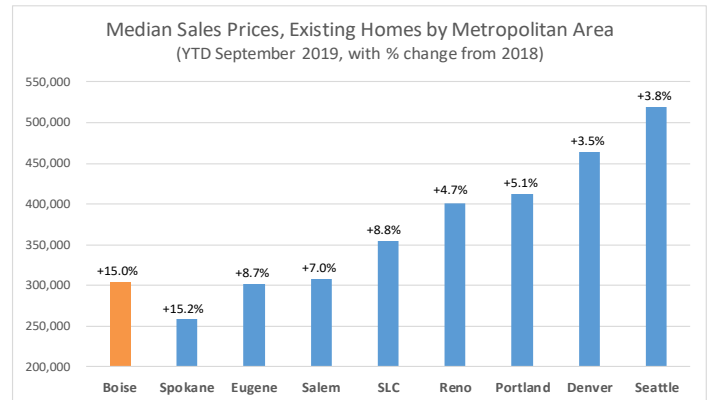
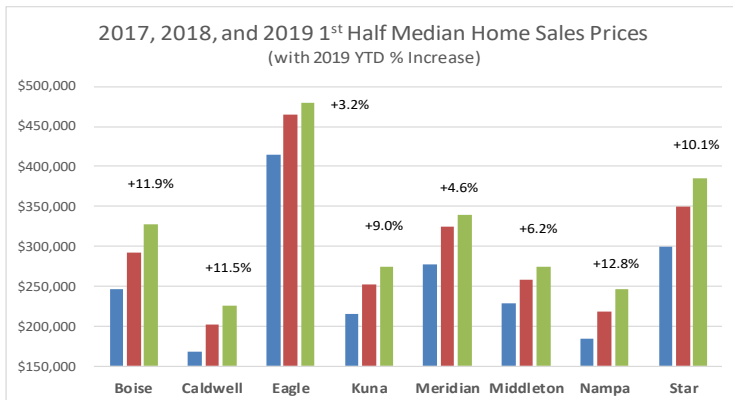
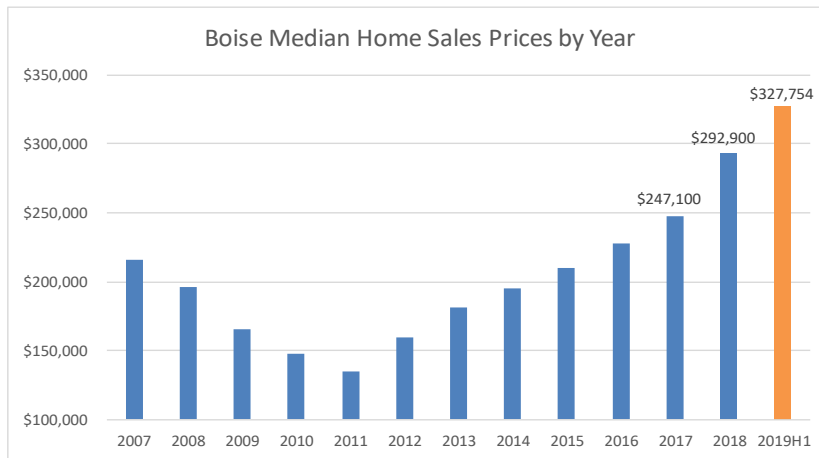


Total Quarterly Permit Volume



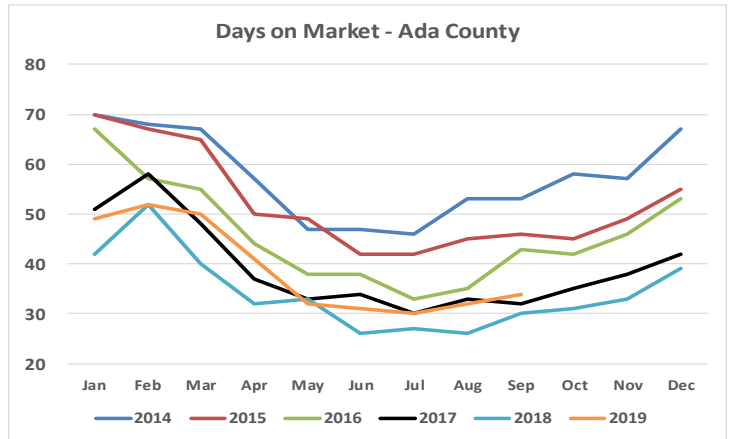
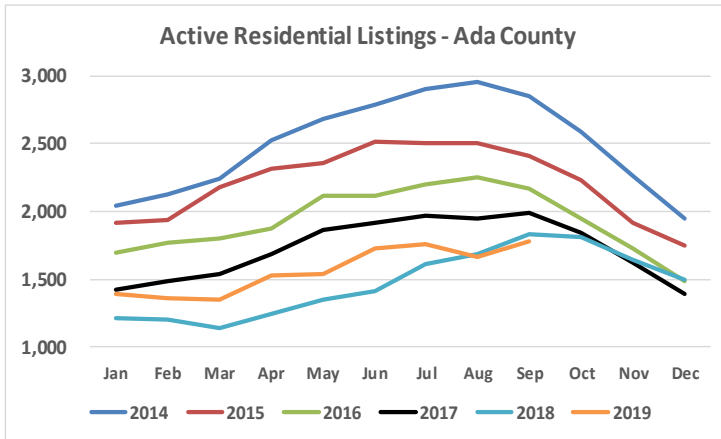
Housing Trends —

Housing prices continue to increase, and the number of residential listings remains low. Increased median home prices (up 11.9% in the first half of 2019 compared to 2018) and rents continue to affect affordability, and there is a shortage of housing for purchase or rent. The CoreLogic home price index (HPI) report shows Idaho home values increased 11.8% in the 12 months ending in September, versus 3.5% nationally. Price growth continues to be higher for lower-priced and entry-level homes. The states with the largest annual gains were Idaho (11.8%), Utah (8.0%), and Maine (8.0%). CoreLogic forecasts home values will increase nationally by an average of 5.6% from September 2019 to September 2020. Despite significant home price appreciation, Boise still ranks favorably on affordability compared to most other western cities of similar or larger size. In Ada County, 43% of new residential units sold YTD 2019 were in Meridian, with 18% in Boise and 14% in Kuna.



Quarter 3, Calendar Year 2019

Housing Trends (continued)

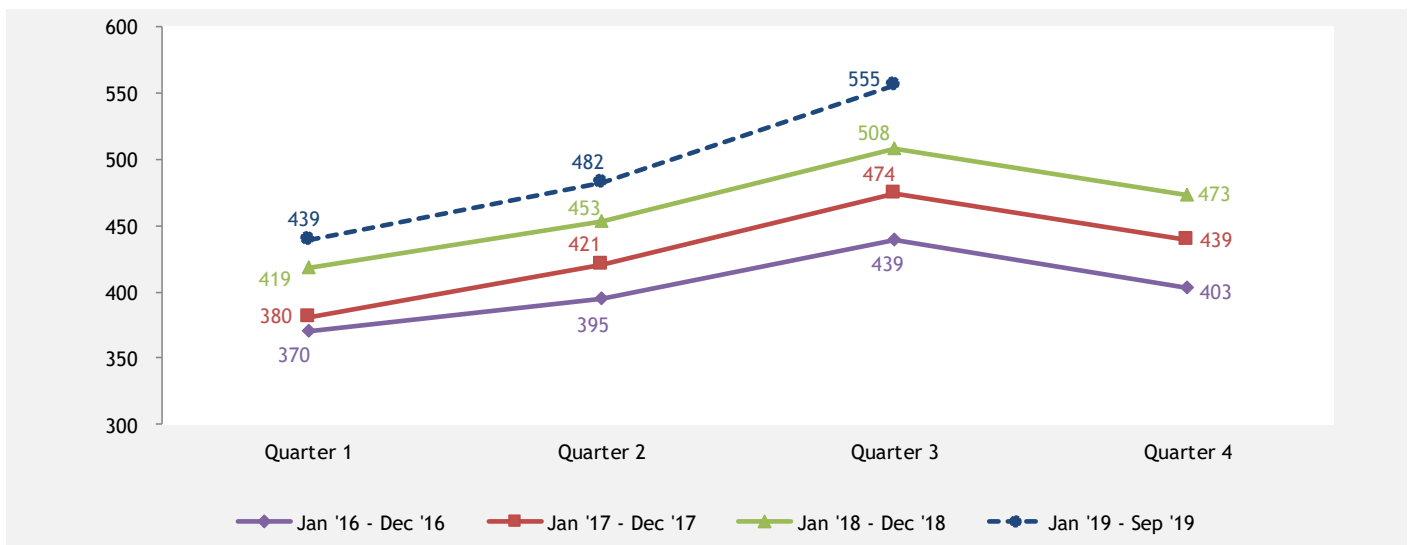


Sources: www.corelogic.com; Boise Regional REALTORS®; National Association of Realtors “Median Sales Price of Existing Single-Family Homes for Metropolitan Areas”; Intermountain Multiple Listing Service, Inc.

State Sales Tax ↑

The City receives sales tax revenue from the State of Idaho on a quarterly basis. A total of 11.5% of gross sales tax collections is shared with Idaho cities, counties, and non-school special districts, a portion of which is based on relative property value and proportionate population. The chart below shows gross sales tax collected by the State. Gross sales tax for Q3 increased by \$48 Million, or 9.4%, compared to Q3 last year. Compared to Q2, gross sales tax increased by \$73 Million, or 15.2%, reflecting seasonality.

Gross State Sales Tax Collection by Quarter (\$ Millions)



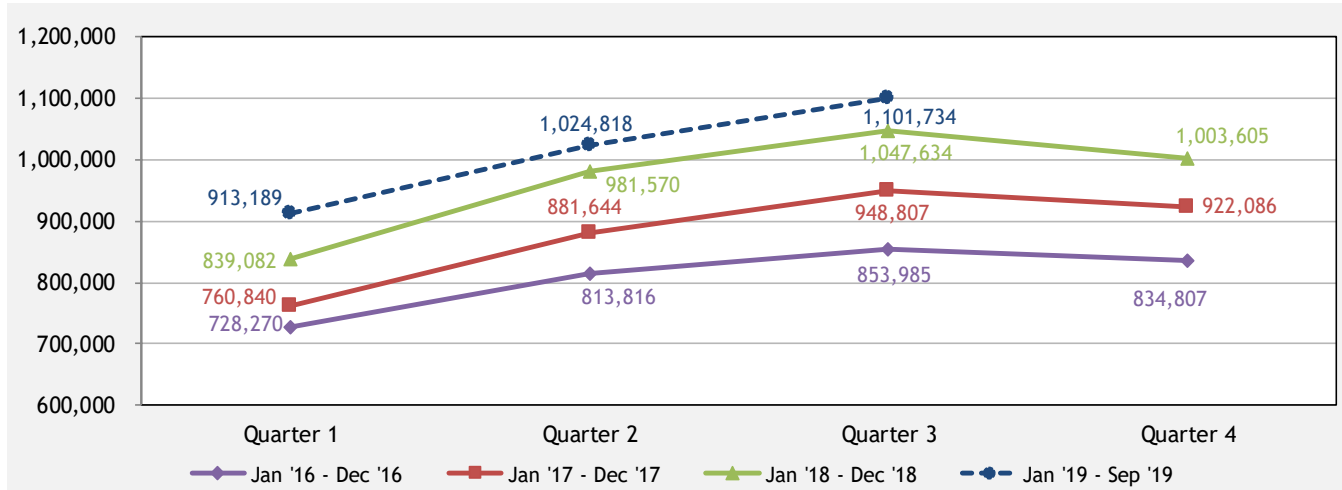
Source: Idaho State Tax Commission

Quarter 3, Calendar Year 2019

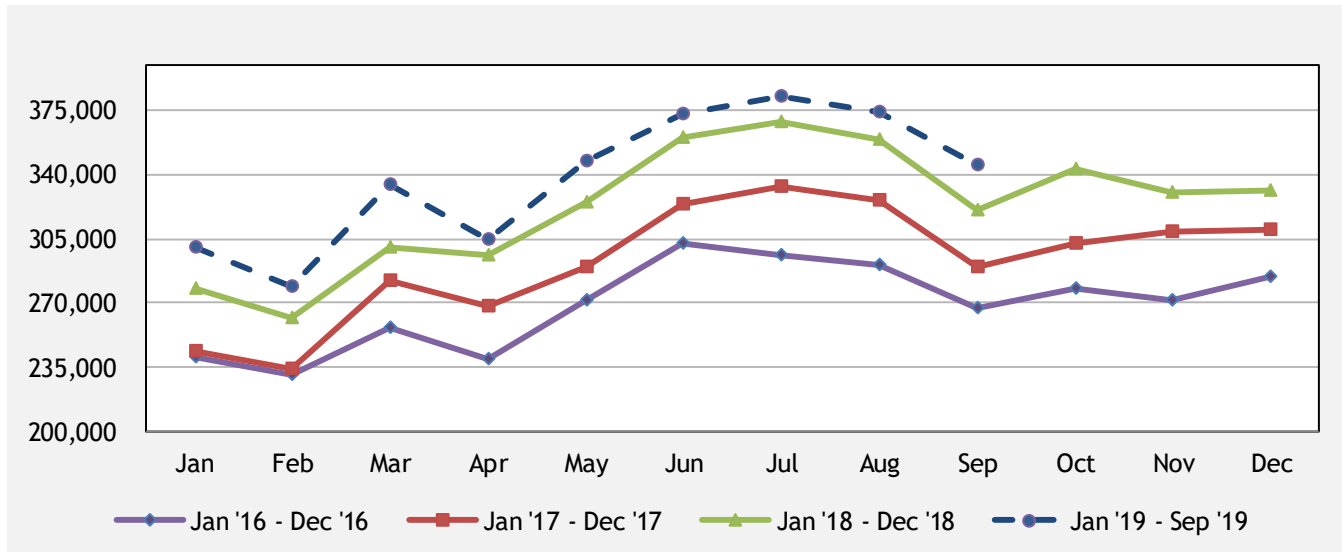
Airport Passenger Traffic ↑

The number of air passengers is typically a good indicator of the global and local economic environment. Passenger traffic at BOI continues to grow. Total passenger traffic for the quarter increased by 54,100 passengers, or 5.2%, compared to Q3 last year. Compared to Q2 of this year, total passenger traffic increased by 76,916, or 7.5%, reflecting seasonality.

Total Passenger Traffic - Quarterly



Total Passenger Traffic - Monthly

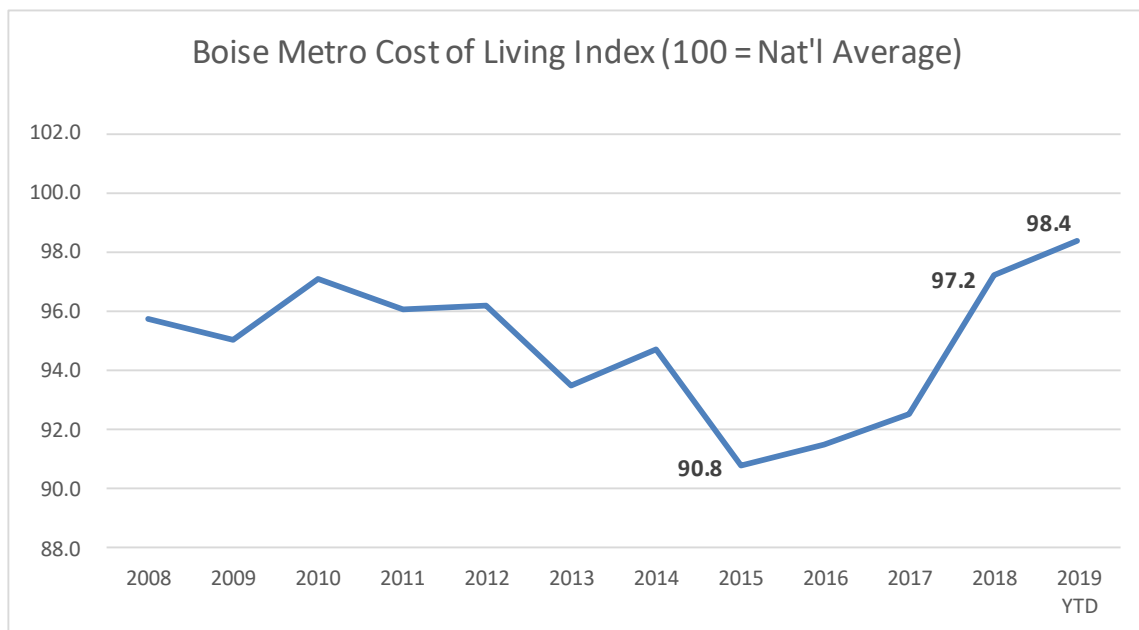


Source: Boise Airport Statistics

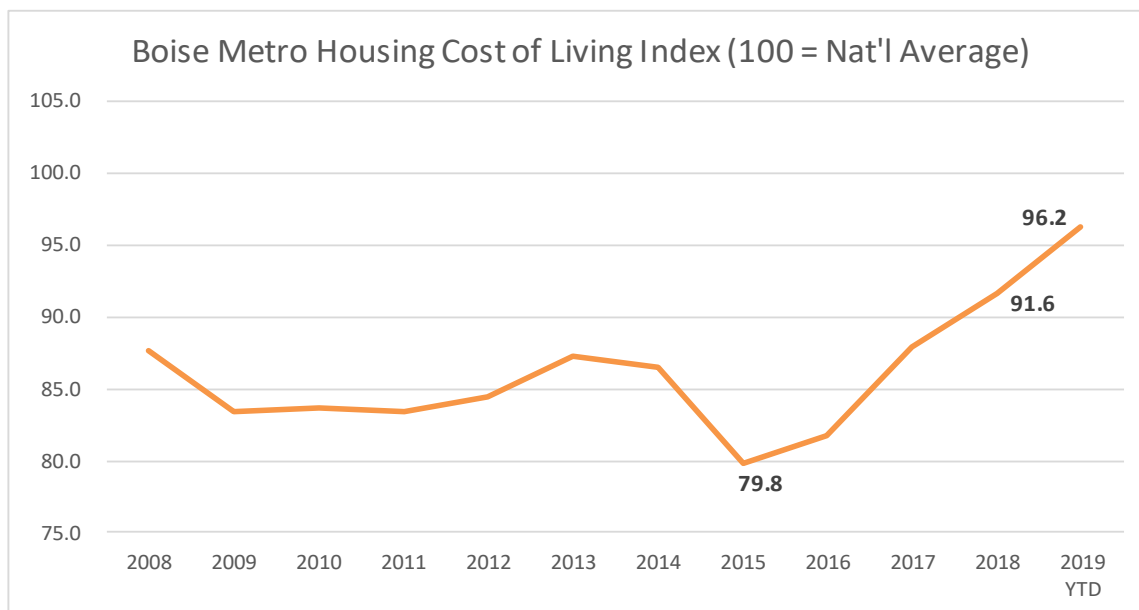
Cost of Living Index ↓

The Council for Community and Economic Research (C2ER) compiles and publishes cost of living index (COLI) information that allows comparisons between cities and the national average for consumer goods and services. A score of 100 equals the national average. Increases or decreases in index score mean costs are changing faster or slower than average. The Boise Metro composite index, for all goods and services measured, and the housing cost index, are shown below back to 2008. Since reaching low points in 2015, Boise's relative costs have increased significantly. The composite index has increased 7.6 points, from 90.8 to 98.4, and the housing index has increased 16.4 points, from 79.8 to 96.

Composite COLI for Boise



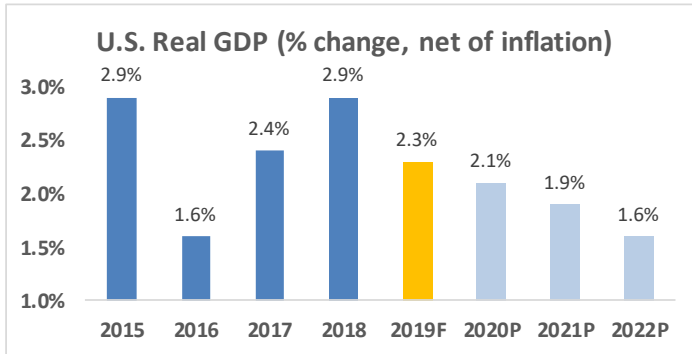
Housing COLI for Boise



Quarter 3, Calendar Year 2019

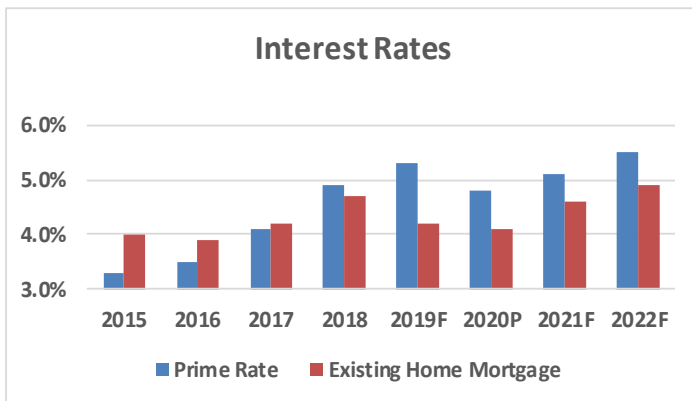
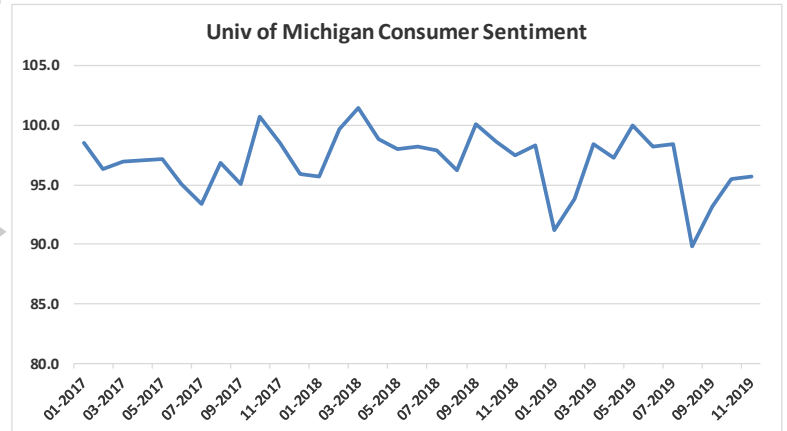
Projections: Economic Growth, Interest Rates, and Housing Starts ↑

Recent, current, and projected key economic indicators are provided to give insight into market and business cycle trends. Data is from the Idaho Division of Financial Management, October 2019 Forecast, which uses IHS Economics for national variables, except for the Consumer Sentiment Index information, which is from the University of Michigan.



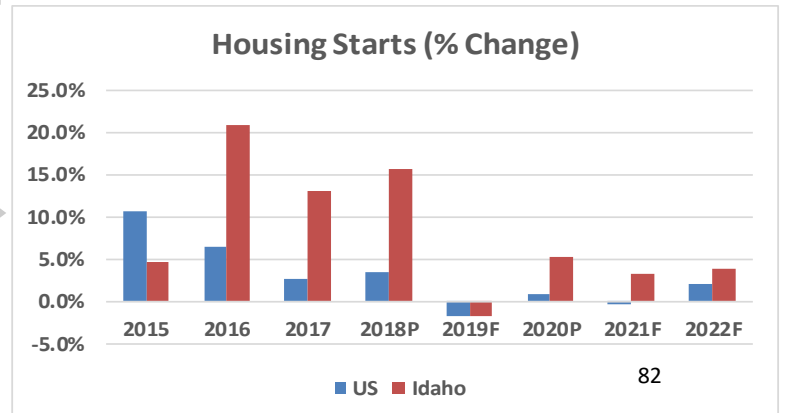
Economic growth projected to slow for 2020-2022

Sentiment has trended higher in recent months



Interest rates projected to be lower in 2020

Housing market growth has slowed nationally



Mayor
David H. Bieter

Council President
Lauren McLean

Council President Pro Tem
Elaine Clegg

Council Member
Scot Ludwig

Council Member
Lisa Sánchez

Council Member
TJ Thomson

Council Member
Holli Woodings

Chief Operating Officer
Jade Riley

Chief Financial Officer
Lynda Lowry

Budget Manager
Eric Bilimoria

