

CITY OF BELLEFONTAINE NEIGHBORS BOARD MEETING

Date: May 21, 2020

To: Mayor Tommie Pierson Sr.
Board of Aldermen and Alderwomen

From: Patrick Howard, City Treasurer

Re: Treasurer's Report - Summary

At the close of the second fiscal quarter for period ending April 2020, the city held a total of \$3.9 million in funds at the local investment banks administered by the city treasurer, mayor and city clerk.

To summarize, the **cash balance** for all general funds was \$1.1M. The **cash balance** for the capital improvement fund was \$1.2M. The **cash balance** for the sewer fund was \$365k. The **cash balance** for the debt service fund was \$199k. The **cash balance** for the street improvement project fund is \$932K. Bond maturity payments are due annually by March 1st and interest payments are due annually in by September.

With April being the first full month impacted by the "Stay at Home" orders from Governor Parson due to COVID-19, this is the first opportunity to see the impact on city cash flow. Sales tax dropped by 15% from March to April. Total revenue dropped by 20% from March to April. Fiscal year to date revenue is 15% above budget due to unbudgeted items received this fiscal year as reported in prior months.

Total expenses are also down by 18% from March to April. Rec Center expenses and revenue, as expected, were down by 100%. Overall, operating loss were \$5k for the month of April. Fiscal year to date expenses are at roughly 95% of budget.

Overall, as we prepare to finalize the budget, we must acknowledge that these are challenging and unpredictable times. As this crisis continues to bring a high degree of uncertainty for everyone, I want everyone to know that my top priority beyond the safety, health and well-being of everyone and their families, is being fiscally responsible and to properly manage the resources of the city. I believe that we will get through this crisis and achieve our long term goals of growth and opportunity for the city but it is important to understand these are new and challenging times. From a financial standpoint, as we enter the other side of the economy opening back up, I suggest we remember this isn't a business as usual moment and we all must make adjustments to be good stewards of the resources the citizens have entrusted us with.

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To provide brief details on how each fund can and should be used, each fund purpose is as follows:

- General fund serves as the principal pool of revenue that finances the operating expenses of the city government.
- Capital Improvement Fund serves as the principal pool of revenue that finances capital projects, equipment purchases and capital improvements expenses which extends the useful life of the city's existing fixed assets/capital.
- Debt service fund purpose is to account for payments of principal and interest due on the city's debt, such as the bonds outstanding.
- Sewer fund accounts for revenue and expenses related to the provision of water and sewer services to the customers of the City.
- Bond funds held are to cover the cost of constructing, reconstructing, extending, repairing and improving the subsurface conditions affecting city streets and sidewalks, and acquiring any land necessary to do so.