



MEMO

TO: Honorable Mayor Stephen Terrell
Allen City Council
Peter H. Vargas, City Manager
Department Heads

FROM: Eric Cannon, Chief Financial Officer
Chris Landrum, Budget Manager
Casey Bennett, Financial Analyst

SUBJECT: FY2017 – 1st Quarter Financial Report

DATE: March 14, 2017

Attached is the report of revenues collected and expenditures spent for the first quarter of Fiscal Year 2017. This activity has taken place between October 1, 2016 and December 31, 2016.

GENERAL FUND

- Multi-family permit revenue is usually high dollar, low-volume permits and are not cyclical.
- The Reimbursements category includes the first payment from AISD for School Resource Officers.
- Transfer In Revenues are up as transfers have been booked from the Water & Sewer Fund based on the Rate Study to support costs in the General Fund.
- Expenditures from the Internal Services division increased by just over \$2.7 Million versus the same period in FY2016, primarily due to the processing of transfers of beginning fund balances to the Special Revenue fund, as well as annual operational transfers to the Facility Maintenance and Golf Course funds.

DEBT SERVICE FUND

- Principal payments are made in the 4th Quarter of the fiscal year. Interest payments are made biannually, and occur the 2nd and 4th Quarters of the fiscal year.

HOTEL OCCUPANCY FUND

- Hotel Occupancy Tax revenues are collected one month behind, thus showing only two of the three months in the 1st Quarter of FY2017. To date, revenues are trending on target for FY2017.
- Hotel Occupancy Tax Grant recipients are paid once requests are submitted, therefore making this category difficult to compare from year to year.

ASSET FORFEITURE FUND

- Revenues are recognized as awarded in both Federal and State forfeitures.

TAX INCREMENT FINANCING (TIF) FUND

- Revenues in TIF#2 must meet the Increment cap prior to collecting Property and Sales Taxes. Revenues are anticipated to be collected in the 3rd and 4th Quarters of FY2017.
- Economic Grant Expenses are typically paid after April 1st of each fiscal year.

SPECIAL REVENUE FUND

- PEG Fees are collected on a quarterly basis, with the first payment to be collected in the 2nd Quarter of FY2017.
- Red Light Fine Revenues are outperforming budget.
- All transfers from the General Fund have been completed as fund balances were established at the beginning of the fiscal year.

GRANT FUND

- Salaries in the Police Department are not pacing as quickly as Benefits as there is a large amount of Overtime that has not been spent yet.

REPLACEMENT FUND

- Reimbursement revenues were collected during the 1st Quarter by the Police Department for three vehicles that were totaled in the 1st Quarter.
- Transfers came from the Water & Sewer Fund for the upgrade of the replacement CUES TV Van, which will be used by the new FOGS crew in April.
- Replacement IT Switches were purchased in the 1st Quarter. Remaining budget is outstanding for the Phone System Upgrade project.
- Fire replacements were delayed from FY2016 by approximately \$400 thousand and completed in the 1st Quarter as there were delays in the manufacturing and purchasing processes for one of the Fire Engines, as well as a Tahoe and F-250.
- Transfers out went to the Special Revenue fund as the Court Technology fund balance was moved into the newly established fund.

FACILITY MAINTENANCE FUND

- Revenues and Expenditures are performing as expected.

RISK MANAGEMENT FUND

- Property and Liability revenue was collected in the first quarter.
- Expenses in the Property & Liability Insurance and Worker's Comp categories are typically paid at the beginning of the fiscal year, lasting for the duration of the year.

WATER & SEWER FUND

- Water Sales for the 1st Quarter of FY2016 are down due to more mild Fall temperatures combined with a heavier rain total during the Summer. Most revenue is collected in the summer months that corresponds with the 3rd and 4th Quarters.
- Sewer Charges link directly to the amount of Water Sales therefore they experience a similar trend regarding their financials.

- The majority of the Transfer In Revenues are capital transfers booked at the beginning of the year with Operating Transfers booked throughout the Fiscal Year.
- Non-Operating Expenditures are high as large capital transfers were booked during the 1st Quarter.

SOLID WASTE FUND

- Commercial Garbage and Composting revenues represent two months of collections, as compared to one month of collections during the same period last fiscal year.
- Other Financing Uses are monthly transfers, with a lump sum transfer for capital projects.

DRAINAGE FUND

- Inspection Fee revenues are collected as new developments are being built throughout the City. These fees primarily correspond with recent developments at Vera Watters Creek Apartments and the Lowery Freshman Center.
- Expenditures are trending as expected.

GOLF COURSE FUND

- Revenues and expenses are performing as expected.

ECONOMIC DEVELOPMENT CORPORATION

- Sales Tax revenues are received two months behind the actual month incurred. Actuals collected only account for purchases made in October 2016.
- Economic Grant Expenses are only paid out for those entities that are meeting the stipulations of their agreements. The total \$11.4 Million represents all possible economic grants.

COMMUNITY DEVELOPMENT CORPORATION

- Sales Tax revenues are received two months behind the actual month incurred. Actuals collected only account for purchases made in October 2016.
- Expenditures are trending as expected.