



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 – 4th Quarter Financial Report

DATE: October 24, 2017

Attached is the report of revenues collected and expenditures spent for the fourth quarter of Fiscal Year 2017. This activity took place between July 1, 2017 and September 30, 2017.

GENERAL FUND

- Sales Tax are typically received from the State Comptroller two months after the end of the month they were earned. The General Fund only includes Sales Tax from 10 months out of the year, with the other two months scheduled to be received by mid-November.
- Franchise Fees are typically quarterly payments that are received 15-45 days after the end of the quarter. The current actuals only represent fees collected for three fiscal quarters.
- The Charges for Services and Miscellaneous categories are behind expectations. The primary reason can be attributed to the Event Center based on the mix of events.
- Interest Revenue is exceeding expectations.
- Intergovernmental revenues are typically received one month after the close of the quarter from Collin County.
- The Streets Division, Engineering Department, Community Development Department, Human Resources Department and Municipal Court Division have experienced turnover throughout the year leading to savings in personnel costs compared to budgets.
- Internal Services had \$2,000,000 budget for economic incentive for the Convention Center Economic Development agreement with TCH Alterra. No payments have been recorded to date.
- Expenditures at the Service Center are down largely due to the average price per gallon of fuel being lower than expected.
- Parks and Recreation realized savings for personnel due to vacant positions. Operating Expenditure savings were realized in Class/Day Camp Expenses, General Supplies, Professional Services and Contract Mowing.

- Similar to revenues, based on the mix of events at the Event Center, the amount of expenditure has reduced, primarily from operational expenditures.

DEBT SERVICE FUND

- Revenues and expenditures are performing as expected.

TAX INCREMENT FINANCING (TIF) FUND

- Revenues and expenditures are performing as expected. Sales Tax represents 10 months of collections.

WATER & SEWER FUND

- Water Sales represent 11 months of collections. Projected revenues are expected to end just below budgeted figures.
- Sewer Charges link directly to the amount of Water Sales.
- Professional Services appears to be below budget, however, Credit Card costs for August and September 2017 have not yet been expensed.

SOLID WASTE FUND

- Commercial Garbage and Composting revenues represent eleven months of collections.
- All expense categories are in-line with expectations.

DRAINAGE FUND

- Revenues and expenses are trending as expected.

GOLF COURSE FUND

- Revenues and expenses are performing as expected. Only one outstanding item exists in booking the depreciation expense for the year.

HOTEL OCCUPANCY FUND

- Hotel Occupancy Tax revenues are collected one month behind, thus showing only eleven months. To date, revenues are trending behind FY2016 due to slight decreases in demand.
- Most expenditures are trending as expected with the only exception of the Hotel/Convention Center Incentive to be paid in FY2018 rather than FY2017.

ASSET FORFEITURE FUND

- Revenues are recognized as awarded in both Federal and State forfeitures.
- Auction revenues outperformed expectations.

SPECIAL REVENUE FUND

- PEG Fees are collected quarterly, with the last payment to be collected in late October/early November 2017. Revenues are trending below expectations due to the numerous alternatives to traditional cable television.
- The Red Light program officially ended in June, however, revenue is still being collected as past due fines are paid.
- PEG expenses are trending below budget as a large purchase for ACTV was delayed due to issues working with the vendor. The purchase will be re-appropriated for Fiscal Year 2018.
- Expenses for Juvenile Case Management are trending below expectation due to turnover.

GRANT FUND

- Grant Administration expenses of \$30,001 are to correct revenue recognized in a prior fiscal year that was not received.
- Expenditures are trending as expected.

REPLACEMENT FUND

- Reimbursements represent insurance or subrogation revenues from total loss vehicle claims.
- Auction Revenue is trending higher as auction items performed better than expected.
- Unspent IT Master Plan funds will be appropriated in FY2018 to support the next phases of the Tyler MUNIS software implementation.
- The Community Services Department purchased GPS units to replace units no longer supported for fleet vehicles. Similar purchases were made from Water & Sewer, Solid Waste and Drainage sections as well.

FACILITY MAINTENANCE FUND

- Expenditures occur as maintenance is performed with project savings rolling to fund balance.

RISK MANAGEMENT FUND

- Reimbursement revenues were less than budgeted as some retirees discontinued insurance through the City's health plan.
- The recent OPEB study calculated our pension liability at 100% funded, thus revenues and significant expenditure for this Fiscal Year were unnecessary.
- Risk Administration expenditures were below expectation due to employee turnover.

ECONOMIC DEVELOPMENT CORPORATION

- Sales Tax revenues are received two months behind the actual month incurred. Actuals collected account for purchases made from October 2016 to July 2017.

- Economic Grant Expenses are only paid out for those entities meeting the stipulations of their agreements. The total \$9.69 Million represents all possible grants.
- Capital expenses correspond to land purchases.

COMMUNITY DEVELOPMENT CORPORATION

- Sales Tax revenues are received two months behind the actual month incurred. Actuals collected account for purchases made from October 2016 to July 2017.
- Operating Costs represent Economic Grant Expenses, of which \$5.1 million for the Hotel/Convention Center was not yet earned and will be re-appropriated for FY2018.