



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: FY2018 – 1st Quarter Financial Report

DATE: January 23, 2018

Attached is the report of revenues and expenditures for the first quarter of Fiscal Year 2018. This activity has taken place between October 1, 2017 and December 31, 2017.

GENERAL FUND

- Multi-Family and Commercial Permit revenues are usually high-dollar, low-volume permits and are not cyclical.
- Charges for Services are primarily up at the Event Center due to the mix and timing of events and shows.
- Fine revenues are down due to a decline in the number of citations being issued through the first quarter.
- Additional Contributions were received from the Friends of the Library's Endowment Fund and regular Contributions are now booked on a quarterly basis.
- Reimbursement revenues are unusually low as a large payment that has not yet been received for funding of the SRO program.

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.
- Certificates of Obligation issued to support the Golf Course were paid off with excess fund balance. The City is still within allowable limits, per Fund Balance policy.

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 FY2018. To date, revenues are down from FY2017 primarily due to lower than expected occupancy rates.
- 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.
- The Red Light Traffic Camera program was discontinued in FY2017. Revenues continue to trickle in from outstanding citations.
- Expenditures are trending as expected.

GRANT FUND

- Capital expenditures recorded in the CDBG Infrastructure correspond to replacement sidewalks for Beverly and Olsen Elementary Schools. Budget was originally in the Non-Bond Capital Projects Fund but moved to the Grant Fund after a grant was acquired to offset a portion of project expenditures.

REPLACEMENT FUND

- Contributions are made quarterly to cover the required amounts needed for replacements.
- Vehicle purchases are typically made later in the fiscal year to give retailers time to fulfill orders. With larger vehicles, like Fire Engines and Ambulances, installment payments are made across fiscal years.

FACILITY MAINTENANCE FUND

- Revenues and Expenditures are performing as expected.

RISK MANAGEMENT FUND

- Property and Liability revenue was collected in the first quarter of FY2017.
- Expenses in the Property & Liability Insurance and Worker's Comp categories are paid at the beginning of the fiscal year, lasting for the duration of the year.
- Workers Compensation expenditures are dependent on the number of claims currently being paid by the Risk Fund and fluctuate from year to year.

WATER & SEWER FUND

- Water and Sewer Revenues will show marked increases based on the new rates which went into effect on November 1, 2017.
- The majority of the FY2017 Transfers In are capital transfers booked at the beginning of the year with operating transfers booked throughout the Fiscal Year.

SOLID WASTE FUND

- Commercial Garbage revenues represent one month of collections, as compared to two months 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.
- 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 2017.
- 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 2017.
- Expenditures are trending as expected, including a large one-time incentive payment made to the developer of the Hotel/Convention Center.