



MEMO

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

FROM: Eric Cannon, Chief Financial Officer
Steven Glickman, Assistant Chief Financial Officer

SUBJECT: FY2018 – 4th Quarter Financial Report

DATE: October 23, 2018

Attached is the report of revenues collected and expenditures spent for the fourth quarter of Fiscal Year 2018. This activity took place between July 1, 2018 and September 30, 2018.

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 category is slightly behind expectations. The primary reason can be attributed to the Event Center based on the mix of events.
- Intergovernmental revenues are still yet to be received from Collin County for their 4th Quarter contribution to the Child Safety Traffic Fund.
- The Engineering Department, Community Development Department, Human Resources Department, Finance Department, Information Technology Department, and Municipal Court Division have experienced turnover throughout the year leading to savings in personnel costs compared to budgets.
- Additional expenditures remain outstanding for the Internal Services division which will bring actual expenditures closer to 100% of the total budget.
- Expenditures at the Service Center are down largely due to the low cost of Fuel.
- Operating expenditures for the Parks and Recreation department account for approximately 59% of the overall savings in expenditures vs. budget with personnel savings accounting for the other 41%. Personnel savings was highly concentrated in Full-Time and Temporary Staff accounts.
- 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.

WATER & SEWER FUND

- Water Sales are anticipated to come in over-budget based on eleven months of collections.
- Sewer Charges link directly to the amount of Water Sales therefore they experience a similar trend regarding their financials.
- Miscellaneous revenue does not include accrued revenue from the North Texas Municipal Water District for the take-or-pay rebate which is yet to be received. FY18 is the last year for this process, in FY19 the rebate will be factored into the potential rate adjustment.
- Water & Sewer Debt Service payments are made annually.
- The cost of Water and Pre-Treatment from the North Texas Municipal Water District continues to rise.
- Professional Services appears to be below budget, however, Credit Card costs for August and September 2017 have not yet been processed.

SOLID WASTE FUND

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

DRAINAGE FUND

- Revenues are trending slightly higher than expected and represent eleven months of collections.
- Expenses are trending as slightly below expectations primarily related to supplies and professional services.

GOLF COURSE FUND

- Revenues and expenses are performing below expectations primarily due to rainy weather resulting in less playable days. 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 FY2017 due to slight decreases in demand occupancy.
- Expenditures are trending as expected.

ASSET FORFEITURE FUND

- Revenues are recognized as awarded in both Federal and State forfeitures.
- Federal forfeitures are trending below expectations due to the timing of the award process.
- Auction revenues are higher than expected due to the number of items up for auction.

SPECIAL REVENUE FUND

- PEG Fees are collected quarterly, with the last payment to be collected in late October/early November 2018. Revenues are trending below expectations due to transitioning away from “standard cable”.
- Red Light Fine Revenues represent amounts collected on bills that were previously outstanding.
- Court Security and Court Technology revenues and expenditures are trending slightly below and above anticipated amounts, respectively.
- Expenditures for Juvenile Case Management are trending slightly above expectations while revenues are trending as anticipated.

GRANT FUND

- Revenues and expenditures are trending as expected.

REPLACEMENT FUND

- Auction Revenue is trending higher than expected based on a large amount of replacement vehicles at auction this year.
- Unspent IT Master Plan funds will be rolled into FY2019 to support the next phases of the Tyler MUNIS software implementation.
- Expenditures are trending below expectations primarily due to a fire engine appropriated in FY18 not yet completed.

FACILITY MAINTENANCE FUND

- Revenues are trending as expected.
- Expenditures occur as maintenance is performed with project savings rolling to fund balance.

RISK MANAGEMENT FUND

- Reimbursement revenues are collected through insurance and subrogation from damaged or destroyed property claims.
- The recent OPEB study discovered that our pension liability is 100% funded, thus revenues and significant expenditure for this Fiscal Year were unnecessary.
- Claims expenses are trending below expectations.

ECONOMIC DEVELOPMENT CORPORATION

- Sales Tax revenues are received two months behind the actual month incurred. Actuals collected account for purchases made from October 2017 to July 2018.
- Land was sold in September 2018 resulting in significant revenues.
- Expenses are trending below budget.

COMMUNITY DEVELOPMENT CORPORATION

- Sales Tax revenues are received two months behind the actual month incurred. Actuals collected account for purchases made from October 2017 to July 2018.
- Operating Costs represent Economic Grant Expenses.