



MEMO

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

FROM: Eric Cannon, Chief Financial Officer
Steven Glickman, Assistant Chief Financial Officer
Martin Clarke, Controller

SUBJECT: FY2019 – 2nd Quarter Financial Report

DATE: April 23, 2019

Attached is the report of revenues and expenditures for the second quarter of Fiscal Year 2019. This activity has taken place between January 1, 2019 and March 31, 2019.

GENERAL FUND

- Multi-Family and Commercial Permit revenues are usually high-dollar, low-volume permits and are not cyclical. They are currently trending higher than anticipated due to a strong first quarter.
- Charges for Services are up, due to the Event Center and timing of events and shows and Parks and Recreation memberships and activities.
- Fine revenues are up due to an increase in the number of citations being issued through the second quarter.
- The majority of Franchise Fees are received quarterly, with payment received within sixty days of quarter-end, thus, this category is currently trending as anticipated.

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 in arrears, and at the end of the 2nd Quarter of FY2019 five month's collections have been received.
- 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 FY2019 for sales taxes.
- Economic Grant Expenses are expected to be paid in May 2019.
- TIF#1 and TIF#2 property taxes were allocated in the 2nd Quarter of FY19 and opposed to the 3rd Quarter of FY18 due to the timing of reports received from Collin County.

SPECIAL REVENUE FUND

- PEG Fees are collected on a quarterly basis, with the first payment to be collected in the 2nd Quarter of FY2019.
- Court related revenues are up due to an increase in number of citations issued.

GIFT PERMANENT FUND

- This is a newly created fund to account for revenue and expenditures associated with cash gifts to the Police Department, Fire Department, and Library in the amounts of \$300,000, 300,000, and \$200,000 respectively.

GRANT FUND

- Revenue and expenditures are trending as expected.

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 second quarter of FY2019.
- Expenses for Premiums 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 Revenue is trending slightly lower than anticipated based on higher amounts of rainfall thus reducing consumption, while Sewer Revenue is trending as expected.
- The majority of the FY2019 Transfers-In are capital transfers booked as projects commence with operating transfers booked throughout the Fiscal Year.

SOLID WASTE FUND

- Commercial Garbage revenues represent five months of collections.
- 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

- Operating revenues are slightly up while expenses are down almost \$140k over the same period in the prior year.

ECONOMIC DEVELOPMENT CORPORATION

- Sales Tax revenues are received two months behind the actual month incurred. Actuals collected only account for purchases made through January 2019.
- Economic Grant Expenses are only paid out for those entities that are meeting the stipulations of their agreements. The total \$5.5 Million represents all possible economic grants expected to be paid in the current fiscal year.

COMMUNITY DEVELOPMENT CORPORATION

- Sales Tax revenues are received two months behind the actual month incurred. Actuals collected only account for purchases made through January 2019.
- Expenditures are trending as expected.