



MEMO

TO: Honorable Mayor Stephen Terrell
Allen City Council
Eric Ellwanger, City Manager
Department Heads

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

SUBJECT: FY2020 – 1st Quarter Financial Report

DATE: January 28, 2020

Attached is the report of revenues and expenditures for the first quarter of Fiscal Year 2020. This activity has taken place between October 1, 2019 and December 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.
- Charges for Services are down, due to the Event Center and timing of events and shows.
- Fine revenues are down due to a decrease in the number of citations being issued through the first 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 1st Quarter of FY2020 two 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 FY2020.
- 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 FY2020.
- Court related revenues are down due to a decrease in number of citations issued.

GIFT PERMANENT FUND

- This fund was created in FY2019 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 and Sewer Revenues will show increases based on the new rates which went into effect on November 1, 2019.
- The majority of the FY2020 Transfers-In are capital transfers booked as projects commence with operating transfers booked throughout the Fiscal Year.

SOLID WASTE FUND

- Commercial Garbage revenues represent two months of collections.
- Other Financing Uses are quarterly 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 up 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 in October 2019.
- Economic Grant Expenses are only paid out for those entities that are meeting the stipulations of their agreements. The total \$4.45 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 in October 2019.
- Expenditures are trending as expected.