

# City of Glenn Heights

## Memo

**Date:** May 17, 2010  
**To:** Mayor and City Council  
**From:** Patrick Harvey, Director of Finance  
**Subject:** January 2010 Financial Reports

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This memo accompanies the January 2010 Revenue and Expense Reports for the City of Glenn Heights, and highlights selected financial activities for the first four months of FY 2010. The first four months of the fiscal year represents 33.33% of the total fiscal year, and this memo provides an explanation of variances from that standard.

### General Fund

**Revenues: General fund total revenue for the first four months of the fiscal year is above budget expectations (actual 66.00% vs. expected 33.33%).** The months of December and January are the largest months of collections of **Property tax** revenue, due to the January 31<sup>st</sup> property tax payment deadline. In **Franchise Fee** revenue, we a payment from our cable television franchise in January in the amount of \$1,845.97. The remaining amount of franchise fee revenue was the garbage franchise fee. We received \$15,584.26 in **Sales tax** revenue in the month of January. The amount received was \$2,244.66 above the January 2009 sales tax receipt. Comparing FY 2010 sales tax receipts with FY 2009 sales tax receipts, the City is below last year by \$2,968. This reflects the prolonged slump in the national economy. We may see an upturn in the coming months due to the sales generated by the local option permit, beginning in April, 2010. **Permits and Fees** revenue is above expectations due to developer residential building activity in the Gateway Estates and Kingston Meadow subdivisions. **Ambulance service fees** reflect calls for service and improved collections. **Municipal Court fines** generally are slow during the first quarter of the fiscal year. We anticipate a rebound as we enter the spring and summer months. The continued national economic downturn has prompted the Federal Reserve to maintain lower interest rates, reflected in **Interest** revenue. In **Miscellaneous** revenue: We declined the opportunity for the T Mobile settlement for the following reasons:

- The rental term was for fifth teen (15) years, but the compensation offered was equal to five years rent.
- The company required any insurance settlements from destruction or condemnation of the water tower go directly to them. After deducting their recovery based on a "fair market value" formula, the company would remit the remainder to the city.

**Expenditures: Total General Fund expenditures are below budget expectations (31.3% actual vs. 31.33% expected).**

The month of January is the first month of record for the 3% salary increase granted to employees in the FY 2010 budget adoption process. This increase (which also results in an increase in employer contributions for social security and state municipal retirement) is reflected in departments throughout the General and Water/Sewer funds.

**City Secretary Office** expenditures include a quarterly payment of \$3,753.00 to the De Soto joint city/school tax collection office.

**Fire** expenditures for part time salaries and overtime reflect the completion of a cycle in which five of the annual holidays fall in the first quarter of the fiscal year. The first pay period in January included the holidays of Christmas Eve, Christmas and New Year's Day. Additionally, the department made its \$1,000 annual payment to Dr. Way for professional services. Finally, there were expenditures for repair parts for the air pack and annual flow testing for the air pack (\$937.26) annual pump test for both engines (\$355.50), repairs to the heart monitor (\$765.00) and pump repairs to Engine 302 (\$580.00).

#### **Water and Sewer Fund**

**Revenues: Total Water and Sewer Fund revenues were below budget expectations (26.60% vs. 33.33%).** **Water** sales should accelerate during the summer given the weather conditions. **Late Charges** are generated from enforcing customer prompt payment and exceed budget expectations. **Convenience Fee** represents the customer charge through payment by credit card. **Miscellaneous Fees** reflect the NSF fees charged on customer remittances.

**Expenditures: The year to date expenditure trend is within expectations (27.30% actual vs. 33.33% expected).**

#### **Other Funds**

##### **Impact Fees (Fund 215)**

**Expenditures:** Includes this fund's share of the monthly payment for sewer treatment charges to Trinity River Authority.

##### **Park Land Dedication (Fund 230)**

**Expenditures:** Includes the acquisition of a shade structure for Heritage Park.

##### **Debt Service (Fund 300)**

**Expenditures:** Includes the monthly lease for the INCODE financial system (\$2,914.71), payment 9 of 10 on the fire truck lease (\$21,497.55) and lease payment 2 of 3 for the 2009 police car (\$12,292.71).

##### **Capital Projects – 2008 Bonds (Fund 401)**

**Expenditures:** Includes a retainage payment of \$9,098 for Courtney Lane Park development.

**Please note that future monthly reports will focus on highlights for that month.**





**OTHER FUNDS: FINANCIAL SUMMARY**

**FY 2009 - 2010**

**Through January 2009**

**33.33% of Budget Year**

| <b>FUND #</b>                | <b>FUND NAME</b>        | <b>ANNUAL REVENUE BUDGET</b> | <b>CURRENT MONTH REVENUES</b> | <b>ACTUAL YEAR-TO-DATE REVENUES</b> |
|------------------------------|-------------------------|------------------------------|-------------------------------|-------------------------------------|
| <b>OPERATING FUNDS</b>       |                         |                              |                               |                                     |
| 550                          | Drainage                | \$147,192                    | \$12,074                      | \$47,710                            |
| <b>SPECIAL REVENUE FUNDS</b> |                         |                              |                               |                                     |
| 200                          | Mun. Ct. Technology     | \$9,007                      | \$876                         | \$2,667                             |
| 201                          | Mun. Ct. Security Fund  | \$6,511                      | \$660                         | \$2,014                             |
| 205                          | 911 Wireless Fund       | \$40,055                     | \$4,103                       | \$16,745                            |
| 208                          | Anniversary Celebration | \$0                          | \$0                           | \$20                                |
| 209                          | FY 2009 Carryover       | \$0                          | \$2                           | \$16                                |
| 211                          | JAG Fund                | \$0                          | \$1                           | \$15,887                            |
| 212                          | CJD Equipment Grant     | \$0                          | \$0                           | \$0                                 |
| 215                          | Impact Fees             | \$200,455                    | \$11,349                      | \$80,005                            |
| 230                          | Park Land Dedication    | \$41,080                     | \$2,142                       | \$14,167                            |
| <b>DEBT SERVICE FUND</b>     |                         |                              |                               |                                     |
| 300                          | General Debt Service    | \$836,144                    | \$73,393                      | \$355,818                           |
| <b>CAPITAL PROJECTS</b>      |                         |                              |                               |                                     |
| 400                          | 2006 Bonds              | \$333,654                    | \$535                         | \$2,389                             |
| 401                          | 2008 Bonds              | \$15,000                     | \$146                         | \$687                               |

| <b>ANNUAL EXPENDITURE BUDGET</b> | <b>CURRENT MONTH EXPENDITURES</b> | <b>ACTUAL YEAR-TO-DATE EXPENDITURES</b> |
|----------------------------------|-----------------------------------|---|
| <b>OPERATING FUNDS</b>           |                                   |   |
| \$125,375                        | \$111                             | \$3,151                                 |
| <b>SPECIAL REVENUE FUNDS</b>     |                                   |   |
| \$5,000                          | \$0                               | \$2,519                                 |
| \$0                              | \$0                               | \$0                                     |
| \$35,000                         | \$0                               | \$0                                     |
| \$0                              | \$81                              | \$1,057                                 |
| \$0                              | \$357                             | \$12,307                                |
| \$0                              | \$0                               | \$0                                     |
| \$0                              | \$0                               | \$0                                     |
| \$225,708                        | \$18,809                          | \$56,562                                |
| \$32,400                         | \$38,523                          | \$38,523                                |
| <b>DEBT SERVICE FUND</b>         |                                   |   |
| \$862,279                        | \$36,705                          | \$82,981                                |
| <b>CAPITAL PROJECTS</b>          |                                   |   |
| \$2,147,769                      | \$0                               | \$0                                     |
| \$961,150                        | \$9,948                           | \$10,978                                |