

City of Glenn Heights

Memo

Date: August 18, 2010
To: Mayor and City Council
From: Patrick Harvey, Director of Finance
Subject: June 2010 Financial Reports

This memo accompanies the June 2010 Revenue and Expense Reports for the City of Glenn Heights, and highlights selected financial activities for the first nine months of FY 2010. The first nine months of the fiscal year represents 75% 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 nine months of the fiscal year is above budget expectations (actual 101.7% vs. expected 75%). **Property tax** revenue collections have exceeded budget expectations, primarily due to assessments levied against delinquent tax remittances. In **Franchise Fees** revenue, we received a telephone franchise remittance from AT&T in the amount of \$12,410.57, and an electricity franchise remittance from Hilco in the amount of \$21,609.07 in addition to the monthly garbage franchise fee of \$3,419.61. We received \$18,267.71 in **Sales tax** revenue in the month of June. The amount received was \$2,739.83 above the June 2009 sales tax receipt. Comparing FY 2010 sales tax receipts with FY 2009 sales tax receipts, the City is above last year by \$11,980.04. The actual sales tax receipts for the fiscal year to date are below budget expectations by \$22,867.80. We have also not received any mixed beverage sales tax during FY 2010. Mixed beverage sales tax was programmed into the FY 2010 budget in the amount of \$14,000.00. **Permits and Fees** revenue is above expectations due to developer residential building activity in the Heritage Lakes and Morgan Heights subdivisions. In **Charges for Services, Ambulance service fees** reflect calls for service and improved collections. The continued national economic downturn has prompted the Federal Reserve to maintain lower interest rates, reflected in **Interest** revenue.

Expenditures: Total General Fund expenditures are below budget expectations (72.1% actual vs. 75% expected).

City Manager Office expenditures include payment for the city wide Customer Service Training to Strategic Government Resources (\$3,000.00), the acquisition of police candidate exams from IPMA (\$465.00), a payment to DRW Partners, Inc. for hosting the senior staff teambuilding workshop (\$3,600.00) and staff attendance at the Keep Texas Beautiful conference in Austin, TX. (\$423.10).

City Secretary expenditures include payment 4 of 4 to Dallas County (\$2,457.00) and payment 3 of 4 to Ellis County (\$2,285.40) for appraisal services. This month's expenditures also include

payment 4 of 4 to the DeSoto Joint City/School tax office for property tax collection services (\$3,753.00)

Municipal Court expenditures reflect an active month for arraignments for the judge (\$1,700.00).

Fire expenditures include purchasing an inventory of ambulance supplies to stock the newly acquired ambulance (\$1,621.95) and the payment of membership fees to Snap Fitness center for the final quarter of the fiscal year (\$1,387.50).

Police expenditures include repair and maintenance for vehicles 813, 814, and 815 and the acquisition of tires for two units. Increased patrol activity during the month increased gasoline expenditures. Mobile equipment includes the down payment for the acquisition of a Chevrolet Tahoe to replace Unit 611. Additionally, animal pound expenditures were up due to the City of Red Oak late submission of February and March, 2010 invoices.

Economic Development expenditures include reimbursement to the Director for trips taken during the fiscal year.

Planning expenditures include payments to Bureau Veritas for third party inspection services. Their fee is included in the development permit fees charged to customers, reflected in **Permits & Fees** revenues.

In building the budget for the **Parks** department, a privatized park mowing initiative was funded in the amount of \$35,100. Additionally, an initiative to provide third party fertilizer and herbicide treatments to the parks was funded in the amount of \$20,623. In the month of May, Hunt Brothers was paid \$7,808.00 for mowing and \$459.60 for fertilizer and herbicide treatments to park facilities. Additionally, a payment was made to Homer's Sand and Gravel for the acquisition of top soil for Heritage Park (\$330.00).

Water and Sewer Fund (Fund 500)

Revenues: Total Water and Sewer Fund revenues were below budget expectations (63.9% vs. 75%). Water sales continue to lag fiscal year to date due to higher than average rainfall totals in October, 2009 and March – April, 2010. **Late Charges** are generated from enforcing customer prompt payment. **Reconnection Fees** are lower than anticipated due to a temporary suspension of enforcement activities against delinquent customers during the months of November, December and January. **Miscellaneous Fees** reflect the NSF fees charged on customer remittances.

Expenditures: The year to date expenditure trend is within expectations (67.9% actual vs. 75% expected).

Utility Administration expenditures include payment for temporary clerical assistance for the Director of Finance.

Meter Services expenditures include a payment of \$3,620 to C&M Concrete Contracting (Privatized Meter Replacement Program phase II of II) to replace 252 meters, 12 angle stops and install 35 new meter boxes. Another expenditure of \$5,038.67 was incurred to acquire 102 meters and related supplies from Britton Meter Supply for Phase II of the Privatized Meter Replacement Program in late May 2010.

Wastewater Operations expenditures included a payment of \$160,106 to Trinity River Authority for the Red Oak Creek Regional Wastewater System FY 2009 "Settle Up". In accordance with the terms of the Contract for Wastewater Services, each of the contracting parties in the Red Oak Creek Regional Wastewater System is obligated to pay a share of the annual system costs based on its proportionate share of the total wastewater flow contribution to the system during the fiscal year. For the period of December 1, 2008 through November 30, 2009, an independent audit was performed to establish actual expenditures during the fiscal year and a determination was made as to each contracting party's proportionate share of said expenditures. Each party's annual obligation is compared to the actual collections from that party, and if a variance exists, a refund check or a final invoice is issued to close out the fiscal year. This payment is for that final invoice.

Other Funds

Impact Fees (Fund 215)

Expenditures include payments to J. Stowe and Co., (\$5,061.50) and Freese and Nichols, Inc., (\$15,600.00) for consulting work on impact fee studies.

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

OTHER FUNDS: FINANCIAL SUMMARY

FY 2009 - 2010

Through June 2010

75% of Budget Year

FUND #	FUND NAME	ANNUAL REVENUE BUDGET	CURRENT MONTH REVENUES	ACTUAL YEAR-TO-DATE REVENUES
OPERATING FUNDS				
550	Drainage	\$147,192	\$12,191	\$228,238
SPECIAL REVENUE FUNDS				
200	Mun. Ct. Technology	\$9,007	\$938	\$7,537
201	Mun. Ct. Security Fund	\$6,511	\$604	\$5,570
205	911 Wireless Fund	\$40,055	\$3,843	\$36,986
208	Anniversary Celebration	\$0	\$0	\$637
209	FY 2009 Carryover	\$0	\$2	\$26
211	JAG Fund	\$0		\$15,890
212	CJD Equipment Grant	\$0		\$65,100
215	Impact Fees	\$200,455	\$21,800	\$141,154
216	Keep GH Beautiful			\$51
230	Park Land Dedication	\$41,080	\$4,473	\$25,340
DEBT SERVICE FUND				
300	General Debt Service	\$836,144	\$5,165	\$733,420
CAPITAL PROJECTS				
400	2006 Bonds	\$333,654	\$949	\$5,411
401	2008 Bonds	\$15,000	\$145	\$1,354

ANNUAL EXPENDITURE BUDGET	CURRENT MONTH EXPENDITURES	ACTUAL YEAR-TO-DATE EXPENDITURES
OPERATING FUNDS		
\$125,375	\$6,761	\$164,264
SPECIAL REVENUE FUNDS		
\$5,000	(\$288)	\$2,631
\$0		\$0
\$35,000		\$0
\$0	\$195	\$1,624
\$0		\$12,307
\$0		\$15,889
\$0		\$65,100
\$225,708	\$20,662	\$166,018
		\$0
\$32,400		\$38,523
DEBT SERVICE FUND		
\$862,279	\$5,415	\$639,606
CAPITAL PROJECTS		
\$2,147,769		\$0
\$961,150		\$89,788