



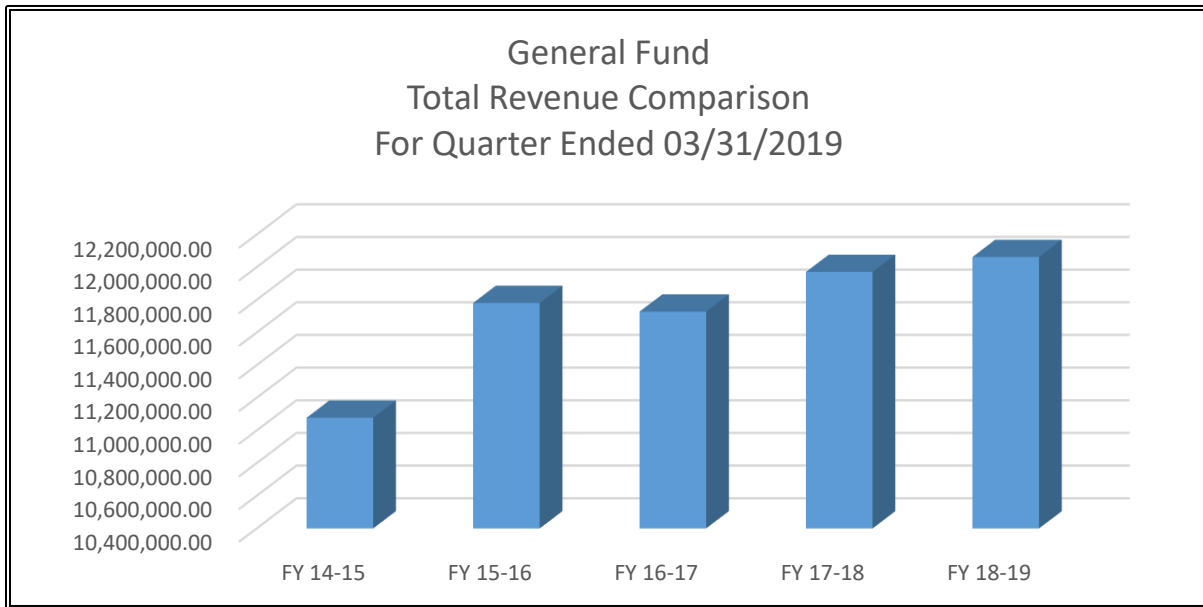
FY 2018-2019
QUARTERLY BUDGET
REPORT

FOR QUARTER ENDED
MARCH 31, 2019

2ND QUARTER FY 2019 BUDGET REPORT

At the end of the second quarter of the fiscal year, there were twelve (12) payroll periods out of twenty-six (26), which indicates that total expenditures for salaries and benefits should be at forty-six percent (46%). Being six months into the year, revenue and other expenditure items should be at approximately fifty percent (50%) of the FY 18-19 budget. Sales tax is presented based on when funds are received and is adjusted to a modified accrual basis during year end.

The audit is completed and all beginning balances and prior year numbers have been audited.



	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	18,730,749.94	\$18,882,127.00	\$18,440,450.00	\$19,964,646.00	19,242,811.00
Actuals	11,077,962.36	\$11,780,780.64	\$11,727,483.06	\$11,970,841.43	12,062,240.57
Actuals vs Budget	59.14%	62.39%	63.60%	59.96%	62.68%

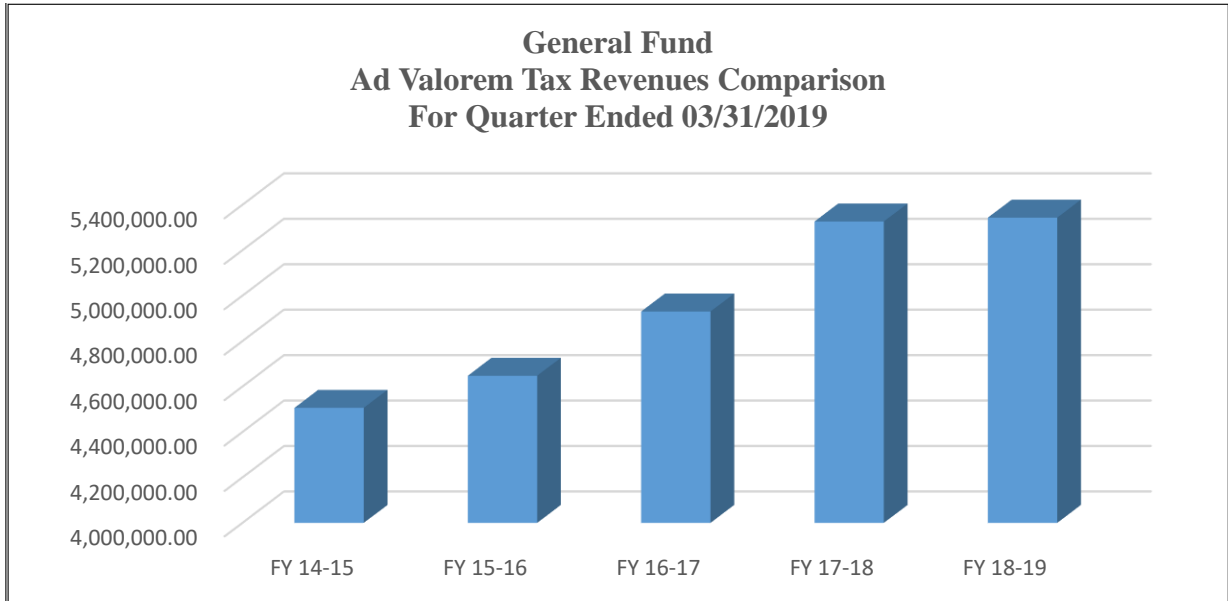
First quarter revenues are trending as expected at 62.68%

I. General Fund Revenues

A. Ad Valorem Taxes

The majority of Ad Valorem Taxes are collected in the early part of each fiscal year as penalties and interest are assessed on homeowners who do not make payment by January 31st.

First quarter revenues are trending as expected at 92.96% and on track compared to last fiscal year at this time.

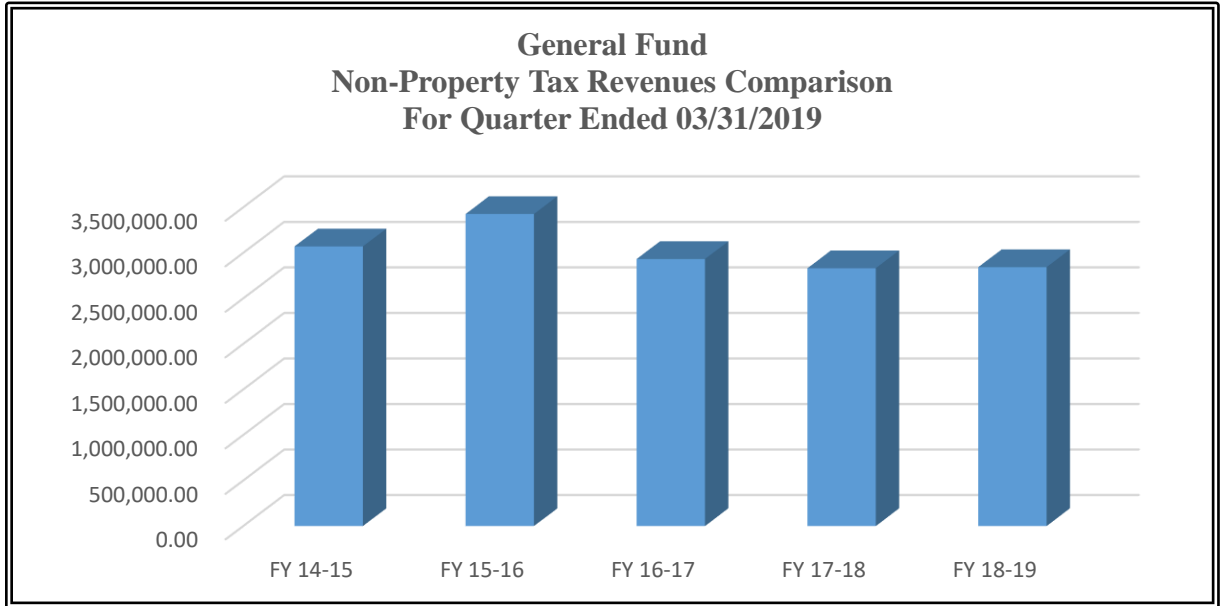


	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	\$4,968,811.00	\$5,187,728.00	\$5,338,940.00	\$5,761,672.00	\$5,747,927.00
Actuals	\$4,506,237.91	\$4,647,493.49	\$4,930,131.15	\$5,326,377.73	\$5,343,366.48
Actuals vs Budget	90.69%	89.59%	92.34%	92.45%	92.96%

B. Non-Property Taxes

This category contains sales tax, mixed drink and franchise taxes. Only City sales taxes are received on a monthly basis while all other taxes are received on a quarterly or semi-annual basis. Sales tax revenues is presented based on when revenues are received and adjusted to the modified accrual basis at year end.

Revenues in this category are trending slightly lower than expected due to the reasons stated above. Revenues should be at \$2,965,000 which is \$121,677.83 short.

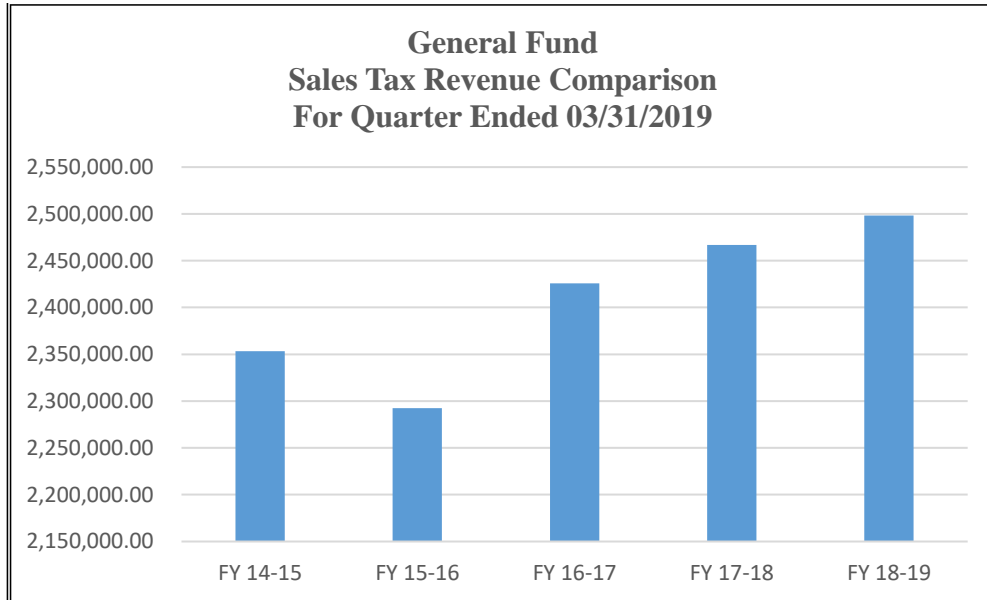


	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	\$5,567,000.00	\$5,615,500.00	\$5,577,000.00	\$5,702,000.00	\$5,930,000.00
Actuals	\$3,070,828.83	\$3,426,877.87	\$2,932,241.17	\$2,831,430.37	\$2,843,322.17
Actuals vs Budget	55.16%	61.03%	52.58%	49.66%	47.95%

C. Sales Tax

City sales tax revenue is trending as expected at 50.19% and better than last FY at this time, volume wise.

Revenues reflected are based on when received. During the last quarter of the fiscal year, sales taxes are adjusted to reflect when revenues are earned rather than when received for audit purposes.

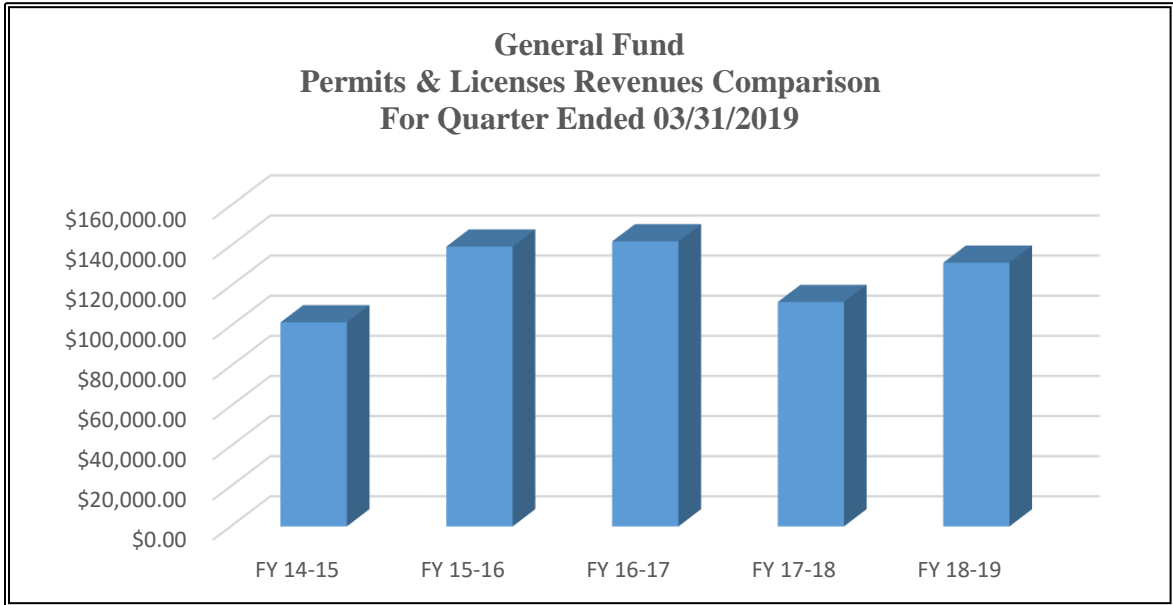


	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	\$4,550,000.00	\$4,550,000.00	\$4,575,000.00	\$4,700,000.00	\$4,978,000.00
Actuals	\$2,353,315.99	\$2,292,399.55	\$2,425,684.80	\$2,466,946.63	\$2,498,438.61
Actuals vs Budget	51.72%	50.38%	53.02%	52.49%	50.19%

D. Permits & Licenses

This revenue category consists of all permits and licensing revenue generated by the Planning Department. Revenues in this category are significantly higher than the prior year, and higher than what was projected.

Due to past year’s performance, the budget was again reduced to \$213,000 versus the \$256,625 in FY 17-18. The budget for this category has been reduced each year for the last 5 fiscal years. We still have not reached the revenue volume of FY16 and FY17, but improvement has occurred over last year’s revenues.



	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	\$361,450.00	\$277,975.00	\$275,225.00	\$256,625.00	\$213,000.00
Actuals	\$101,723.17	\$139,520.97	\$142,111.39	\$111,883.93	\$131,478.18
Actuals vs Budget	28.14%	50.19%	51.63%	43.60%	61.73%

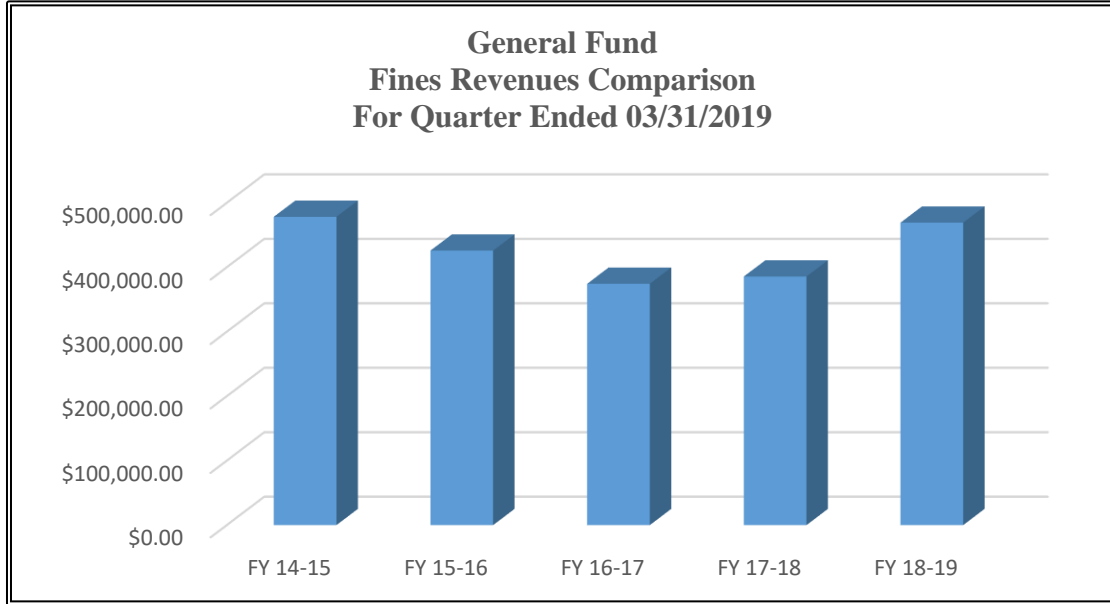
FY 18-19 notable permits issued:

- August 2, 2018 – McDonalds - \$1,392
- November 2, 2018 – Jubilee - \$1,280
- February 5, 2019 – HEB - \$14,497
- February 14, 2019 – Burger King - \$1,597
- March 5, 2019 – Polaris - \$3,581

E. Fines

Municipal Court revenues are trending higher than expected and better than this time last FY.

The construction on the first floor is now completed and municipal court is now able to schedule full dockets. Warrant roundup occurred in February and contributed to the increase in revenues.



	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	\$735,500.00	\$960,200.00	\$835,000.00	\$760,500.00	\$741,100.00
Actuals	\$478,246.53	\$425,874.20	\$374,350.13	\$385,654.08	\$469,193.38
Actuals vs Budget	65.02%	44.35%	44.83%	50.71%	63.31%

FY 18-19 Warrant Roundup Statistics

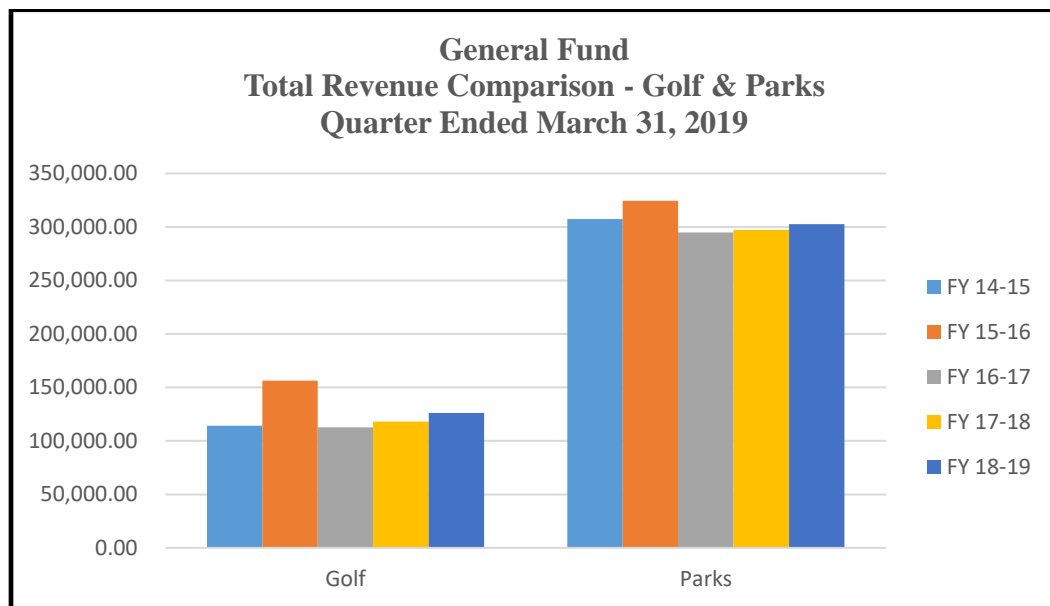
- 476 Warrants cleared
- \$54,502.29 collected
- \$15,134.76 cash bonds applied
- \$22,679.50 cleared by arrest
- Total amount cleared by payment and arrest \$92,316.55

F. General Service Fees

This category contains the revenues for two divisions that were assumed by the City from the County in FY 14-15. The county contributes \$35,000 annually for the L.E. Ramey Golf Course. Golf Course budgeted revenues represents 38.25% of the FY 18-19 budget versus 42.56% last year. Actual revenues increased \$8,117.93 over the same period last fiscal year. The percentage decreased due to a higher budget in FY 18-19.

Parks and Recreation revenues are slightly lower than expected at 47.96%, slightly higher than the same period last fiscal year. Park revenues are seasonal and are expected to catch up once the summer months occur. The County contributes \$550,000 annually of which the City is transferring \$25,000 to the Tourism fund to help fund the JK Northway at the request of the County. The full amount of the County contribution will be reflected in the revenues as the reallocation will be reflected in the expenditures.

Contributions from the County are up-to-date.



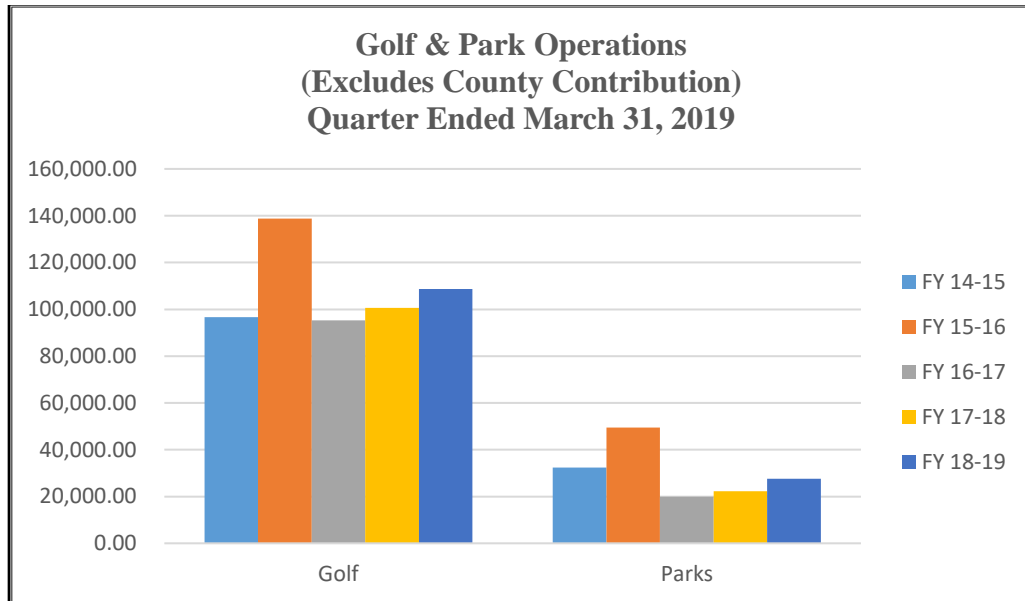
Golf

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	\$450,177.05	\$278,025.00	\$247,200.00	\$277,500.00	\$330,000.00
Actuals	\$114,128.57	\$156,294.63	\$112,779.26	\$118,112.37	\$126,230.30
Actuals vs Budget	25.35%	56.22%	45.62%	42.56%	38.25%

Parks & Recreation

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	\$675,351.66	\$650,680.00	\$610,890.00	\$646,150.00	\$631,050.00
Actuals	\$307,442.11	\$324,498.80	\$294,878.98	\$297,303.88	\$302,622.78
Actuals vs Budget	45.52%	49.87%	48.27%	46.01%	47.96%

Operating budgeted revenues for FY18-19 for the Golf and Parks are \$295,000 and \$81,050 respectively. Operating revenues for both Golf and Parks are trending lower than anticipated, but as expected since revenues are normally strong during the 3rd and 4th quarters of the fiscal year.



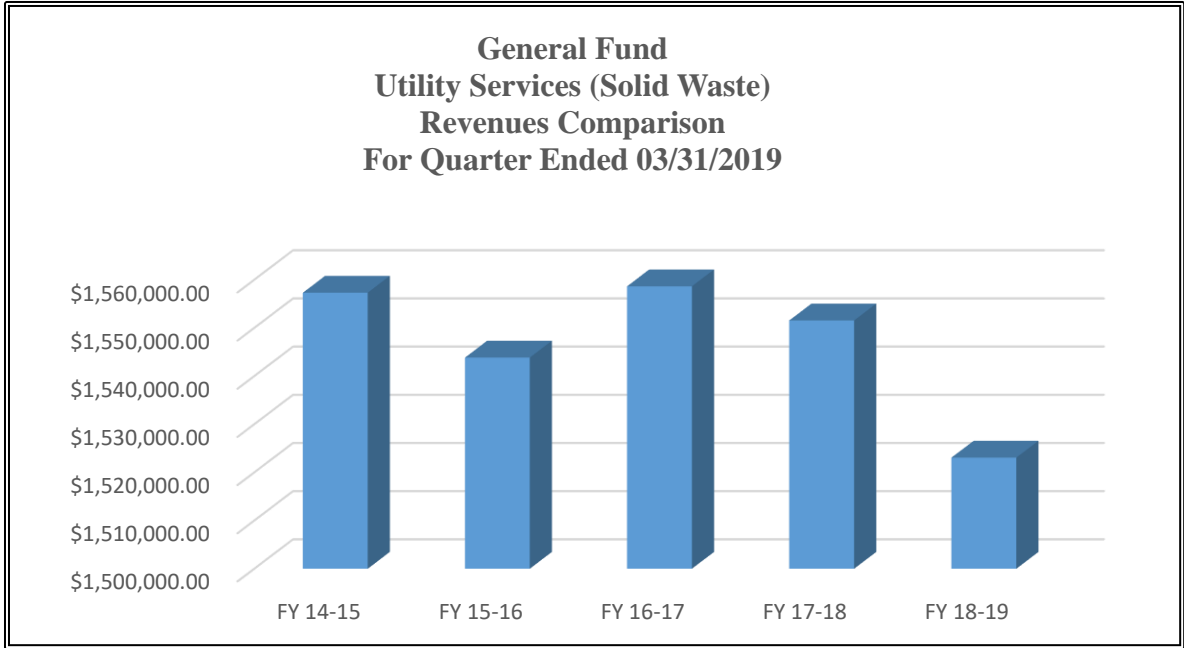
The table below represents operating revenues by excluding the County’s contribution of \$17,500 for the golf course and \$275,000 for the parks which represents the contribution amount for the first six months of this fiscal year.

Division	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Golf	96,628.57	138,794.63	95,279.26	100,612.37	108,730.30
Parks	32,442.11	49,498.80	19,878.98	22,303.88	27,622.78

	Golf		Parks	
	FY 17-18	FY 18-19	FY 17-18	FY 18-19
Operating Budget	242,500.00	295,000.00	118,255.00	81,050.00
Actuals	100,612.35	108,730.30	22,347.40	27,622.78
Actuals vs Budget	41.49%	36.86%	18.90%	34.08%

G. Solid Waste

In General Fund, this revenue category includes landfill and garbage fees. Revenues for this fiscal year have decreased from last fiscal by \$28,478 and is running behind expected. Revenues should be at \$1,603,250 which is short by \$80,179.



	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	\$3,185,700.00	\$3,284,900.00	\$3,284,700.00	\$3,205,500.00	\$3,206,500.00
Actuals	\$1,557,308.05	\$1,543,832.45	\$1,558,634.64	\$1,551,549.20	\$1,523,070.76
Actuals vs Budget	48.88%	47.00%	47.45%	48.40%	47.50%

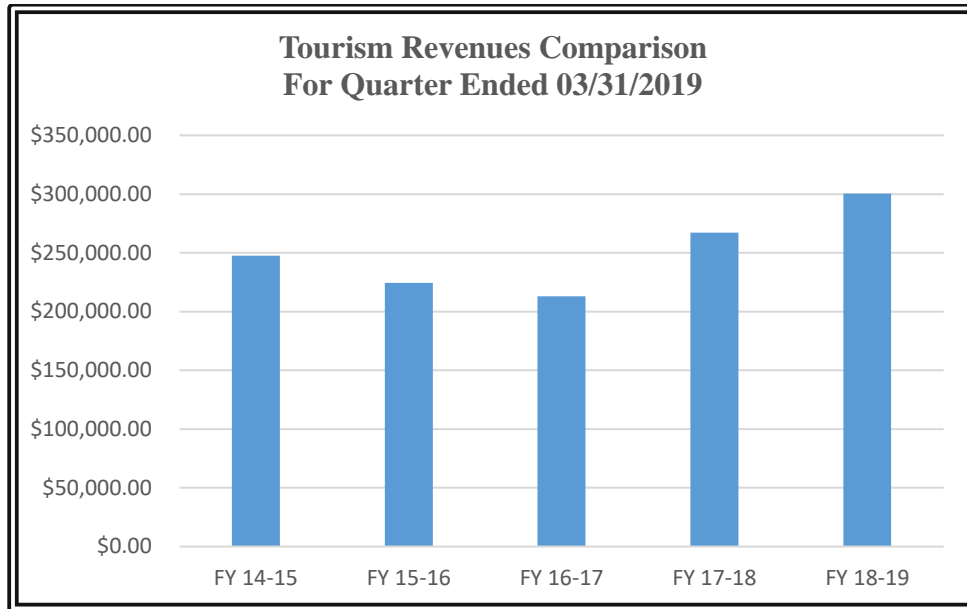
Landfill includes revenues that are billed to commercial accounts and revenues from residential customers. Below is a comparison of those revenues:

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Landfill - Commercial Billing	\$140,583.61	\$127,383.73	\$159,887.30	\$178,192.21	\$141,423.17
Landfill - Scale House	\$19,625.95	\$19,606.80	\$10,864.65	\$8,624.20	\$21,162.80

Tourism Fund Revenues

The main revenue for Tourism Fund are Hotel Occupancy Taxes collected by the hotels from overnight hotel guests. Revenues received for FY 18-19 are greater than what was received for last year, and as expected at 49.71%. Historically, annual revenues are made up in the 4th quarter and if that continues, we should end the year with greater revenues than expected.

The table below includes the \$25,000 transfer from General Fund.



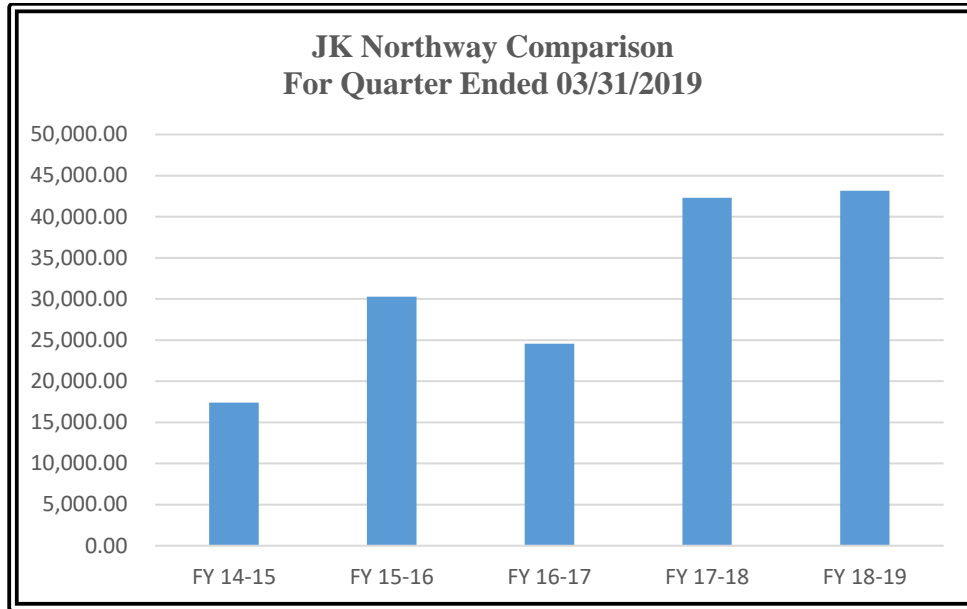
	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	\$575,100.00	\$502,300.00	\$490,700.00	\$554,780.00	\$604,221.00
Actuals	\$247,571.84	\$224,480.07	\$212,903.24	\$267,290.10	\$300,374.56
Actuals vs Budget	43.05%	44.69%	43.39%	48.18%	49.71%

The following table does not include the \$25,000 budgeted transfer from the General Fund which started in FY 17-18 and \$12,500 in revenues associated with the transfer.

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	\$575,100.00	\$502,300.00	\$490,700.00	\$529,780.00	\$579,221.00
Actuals	\$247,571.84	\$224,480.07	\$212,903.24	\$254,790.10	\$287,874.56
Actuals vs Budget	43.05%	44.69%	43.39%	48.09%	49.70%

The JK Northway was moved from the Parks Division to the Tourism Department in FY 16-17. In FY 17-18, the City began transferring \$25,000 from the County’s Park contribution to offset expenditures for the JK Northway. Revenues are trending greater than last FY at this time and greater than expected at 60.58%.

The table below includes the \$25,000 transfer from the General Fund.



	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	\$0.00	\$38,475.00	\$36,375.00	\$61,375.00	\$74,500.00
Actuals	\$17,385.21	\$30,283.45	\$24,550.35	\$42,312.22	\$45,129.63
Actuals vs Budget	0.00%	78.71%	67.49%	68.94%	60.58%

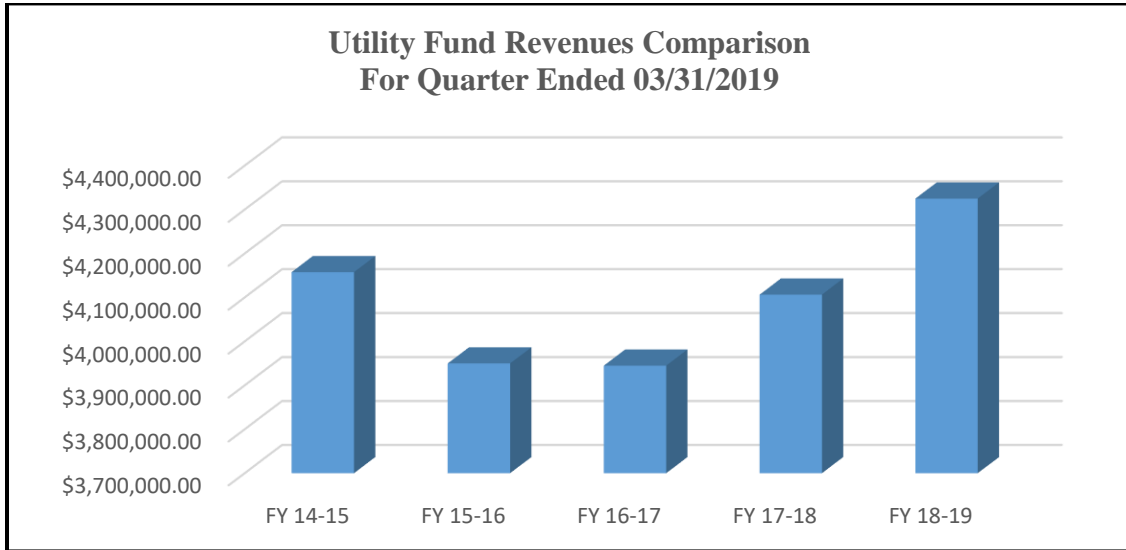
The following table does not include the \$25,000 budgeted transfer from the General Fund which started in FY 17-18 and \$12,500 in revenues associated with the transfer.

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	\$0.00	\$38,475.00	\$36,375.00	\$36,375.00	\$49,500.00
Actuals	\$17,385.21	\$30,283.45	\$24,550.35	\$29,812.22	\$32,629.63
Actuals vs Budget	0.00%	78.71%	67.49%	81.96%	65.92%

JK Northway budgeted expenditures are \$158,147 with \$59,736.49 in actuals through 03/31/2019.

Utility Fund Revenues

Revenues from this fund come mainly from water and sewer sales for both residential and commercial customers. Revenues are up over last FY at this time and trending less than expected at 47.44% due to an increased budget for the increase in water and sewer rates.



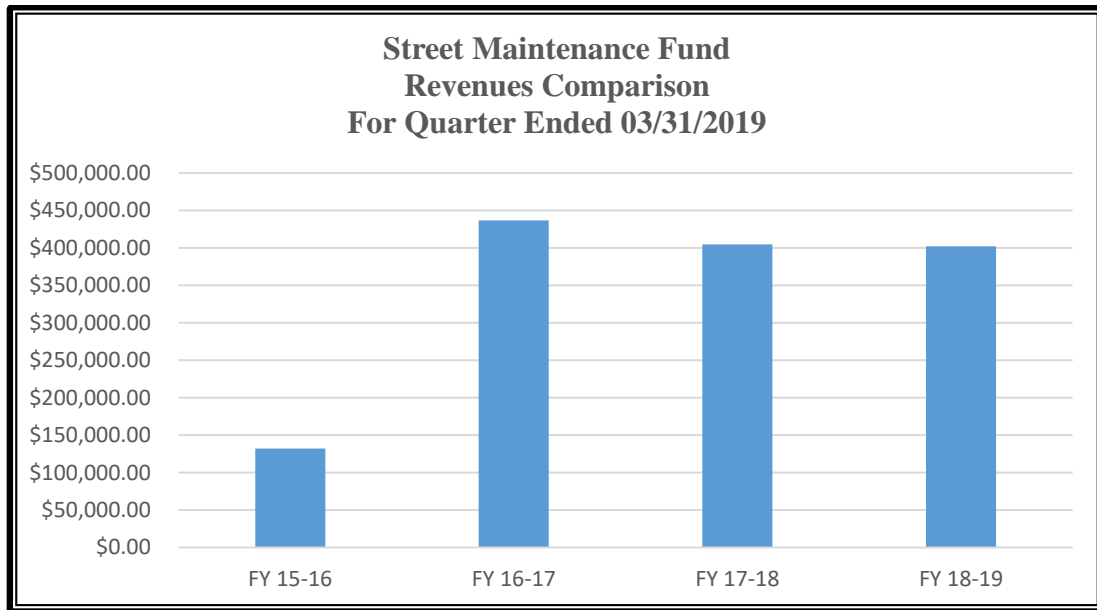
	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	\$8,496,990.00	\$8,570,884.00	\$7,953,785.00	\$7,988,321.00	\$9,117,606.00
Actuals	\$4,157,586.80	\$3,949,775.83	\$3,944,770.35	\$4,106,417.91	\$4,325,008.25
Actuals vs Budget	48.93%	46.08%	49.60%	51.41%	47.44%

There still continues to be issues with failing endpoints on the water meters. The Meter Reading department was caught up on replacing the failed end points at the end of FY 17-18 and were expecting to change and replace those that failed during each week. That expectation quickly changed due to the notice from Badger Meter that there was no longer replacement inventory due to a change in the type of end points at an increased cost. Badger Meter was not able to supply replacement end points for the ones that we were returning failed. Because we were not receiving replacement end points, we reached the point of not having inventory to replace end points that continued to fail through March. In working with Badger Meter, we were able to secure a final batch (384) of current type end points and those were received in March due to backorders, which by that time we had hit 900 failed end points. The 384 that was received in March had to be paid at full price. We are expecting 290 to be received soon at 50% cost which will leave us with 226 needed. We have 96 in stock and 88 being sent back the week of April 15 leaving 42 that we will need to order at full cost. Due to the large number of end points needing to be replaced, we have hired DIA Construction to assist the meter readers in replacing the end points now that we have inventory.

II. Street Maintenance Fund

Revenues for this new fund are generated by the street maintenance fee that began January 2016, with the first billings sent out in February. Residents are assessed \$5.00 per month and Non-Residential customers are assessed a fee based on square foot of their space x a discounted trip generator x \$5.00 a month. Once the calculation is done, there are several different tiers with a \$150.00 per month cap.

Revenues are trending slightly less than expected at 49.56%.



	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Adjusted Annual Budget	\$536,000.00	\$937,229.38	\$812,000.00	\$812,000.00
Actuals	\$132,141.31	\$436,716.26	\$404,807.12	\$402,439.03
Actuals vs Budget	24.65%	46.60%	49.85%	49.56%

FY 18-19

Total Amount Budgeted For Street Maintenance

Fund 001-General Fund	Regular Budget	\$50,000.00
Fund 033-CO Series 2016	Street Projects & Equip	\$0.00
Fund 087-SW Capital Projects	Alley Maintenance	\$50,000.00
Fund 092-Street Maintenance	Street Projects & Equip	\$1,262,021.00
	Total	\$1,362,021.00

Last Six Years
Total Amount Expended For Street Maintenance
 FY 18-19 Is Based On Budget

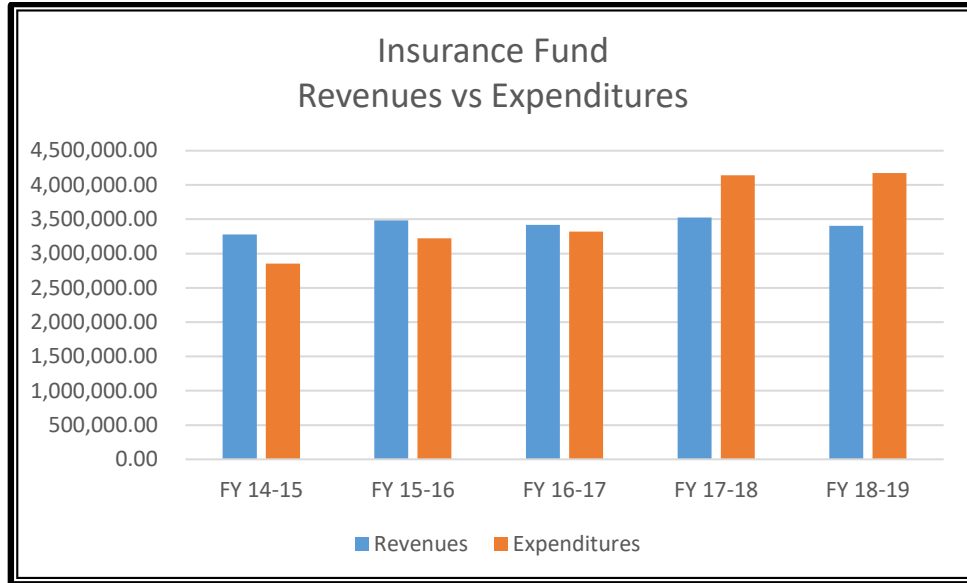
Fund	Actuals FY 13-14	Actuals FY 14-15	Actuals FY 15-16	Actuals FY 16-17	Actuals FY 17-18	Budgeted FY 18-19
Fund 001-General Fund	\$43,861.04	\$22,440.82	\$88,122.02	\$13,048.65	\$64,151.92	\$50,000.00
Fund 033-CO Series 2016	0.00	0.00	0.00	85,026.25	506,408.00	0.00
Fund 065-CO Series 2011	924,152.53	205,228.00	92,459.35	0.00	0.00	0.00
Fund 067-CO Series 2013	3,400.00	611,935.11	295,532.45	0.00	0.00	0.00
Fund 068-CO Series 2013	0.00	0.00	0.00	0.00	0.00	0.00
Fund 071-FEMA Assistance	0.00	0.00	19,850.69	0.00	0.00	0.00
Fund 087-SW Capital Projects	0.00	0.00	0.00	26,539.08	11,531.41	50,000.00
Fund 091-GF Capital Projects	300,000.00	0.00	0.00	0.00	0.00	0.00
Fund 092-Street Maintenance	0.00	0.00	301,435.59	449,584.18	503,085.13	1,262,021.00
Total Street Expenditures	\$1,271,413.57	\$839,603.93	\$797,400.10	\$574,198.16	\$1,085,176.46	\$1,362,021.00

III. Insurance Fund

The City is self-insured for health care and revenues for this fund come from employer and employee contributions through payroll deductions and individual payments from retirees and those on COBRA. During the budget process, determinations are made to decide if the City needs to make additional contributions based on fund balance projections. In FY 18-19, the city chose to make changes to health care premiums for employees.

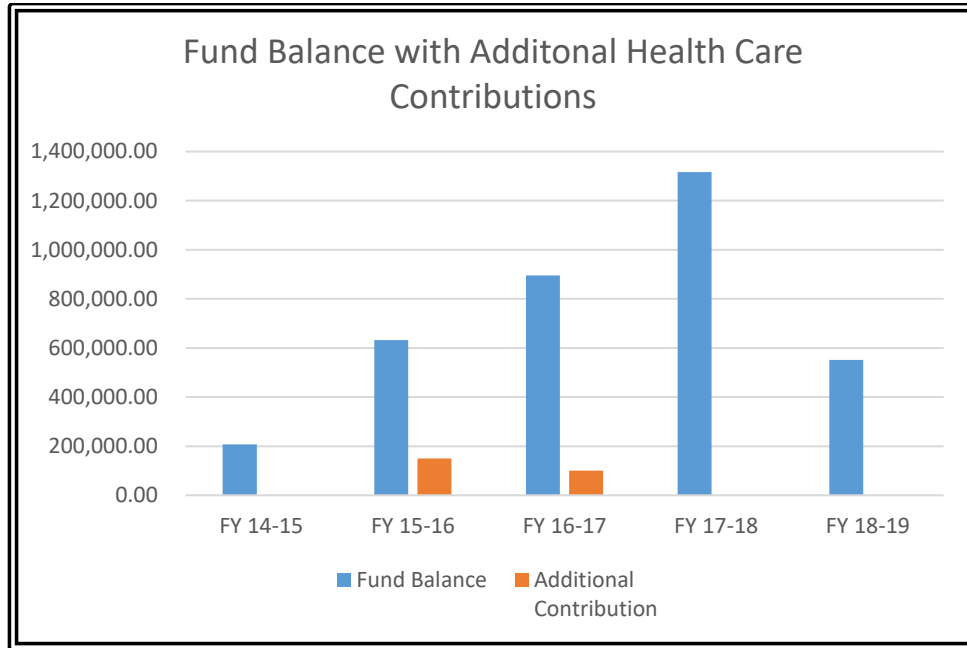
Revenues are set by the City through employer and employer contributions, so the health of the fund depends on keeping claims at levels which can be supported by current contributions. For FY 18-19, expenditures were estimated and budgeted at \$4,172,075. Expenditures for the second quarter are below expected at \$1,870,258.72 or 44.83% of budget.

The chart below compares the revenues to the expenditures with the exception of FY 18 - 19 which compares the budgeted revenues to the budgeted expenditures.



Fiscal Year	Revenues	Expenditures
FY 14-15	3,279,864.17	2,855,051.26
FY 15-16	3,485,717.45	3,222,108.82
FY 16-17	3,416,029.95	3,319,020.00
FY 17-18	3,526,496.00	4,142,026.00
FY 18-19	3,406,489.00	4,172,075.00

The following chart depicts the estimated fund balance for FY 19. With the audit completed, the fund balance ended up stronger than anticipated due to stop loss reimbursements received that are not budgeted. There is no way to estimate the amount or whether there will be any reimbursements. The chart also shows the fiscal year where the city made additional contributions to the health insurance fund.



Fund Balance with Additional Contributions

Fiscal Year	Fund Balance	Additional Contribution
FY 14-15	207,187.00	0.00
FY 15-16	632,000.00	150,000.00
FY 16-17	895,609.00	100,000.00
FY 17-18	1,317,032.13	0.00
FY 18-19	551,446.13	0.00

IV. Overall Revenues

Overall, revenues for FY 18-19 from all sources are trending as expected at 54.85%.

**Overall Revenues - All Sources
Quarter Ended March 31, 2019**

Fund	Fund Name	Budget	Revenues	Percentage
001	General Fund	19,242,811.00	12,062,240.57	62.68%
002	Tourism Fund	604,221.00	291,391.77	48.23%
005	PD State Seizure Fund	15,000.00	39,563.85	263.76%
009	Law Enf Off Stand-Police	0.00	3,364.52	0.00%
010	Law Enf Off Stand-Fire	2,656.00	0.00	0.00%
011	GO Debt Service	1,499,488.00	1,361,891.76	90.82%
012	UF Debt Service	1,878,013.00	938,420.46	49.97%
016	PD Stonegarden Grant	345,750.21	26,597.30	7.69%
017	PD Borderstar Grant	75,000.00	29,040.44	38.72%
023	PD Step Grant	15,596.00	1,788.50	11.47%
025	Building Security Fund	10,000.00	6,111.26	61.11%
026	Golf Course Capital Maint	5,471.00	2,735.50	50.00%
027	EMS Fund	9,619.00	0.00	0.00%
028	PD Federal Seizure Fund	58.00	53.44	92.14%
029	JAG Grant 2017	0.00	60.00	0.00%
031	Muni Court Technology FD	13,000.00	8,092.25	62.25%
033	CO Series 2016-GF	15,000.00	18,853.77	125.69%
039	CO Series 2002-GF	0.00	64.08	0.00%
051	Utility Fund	9,117,606.00	4,049,647.50	44.42%
054	UF Capital Projects	1,398,000.00	700,055.83	50.08%
055	Stormwater Drainage	405,000.00	198,572.84	49.03%
062	CO Series 2005-UF	800.00	629.43	78.68%
066	CO Series 2011-UF	2,800.00	3,308.28	118.15%
067	CO Series 2013-GF Streets	2,150.00	105.41	4.90%
068	CO Series 2013-Drainage	0.00	2,329.19	0.00%
080	Homeland Security Grant	55,520.00	0.00	0.00%
083	Criminal Justice Division	224,655.00	0.00	0.00%
084	DEAAG Grant Fund	179,520.00	42,855.09	23.87%
085	Certified Local Govt	40,000.00	10,000.00	25.00%
086	TX CDBG Grant 7218269	60,000.00	39,900.00	66.50%
087	Solid Waste Capital Project	562,000.00	286,996.73	51.07%
090	Landfill Closure	367,583.00	184,612.81	50.22%
091	GF Capital Projects	0.00	45.18	0.00%
092	Street Fund	812,000.00	402,439.03	49.56%
093	Park Maintenance	25,000.00	12,500.00	50.00%
094	Texas Parks & Wildlife	421,000.00	98,500.00	23.40%
097	Vehicle Replacement	225,000.00	138,366.27	61.50%
098	Economic Development	106,000.00	0.00	0.00%
138	Self Insurance	3,406,489.00	1,610,051.39	47.26%
202	Tourism - Façade Grant	50,000.00	25,000.00	50.00%
	Revenue Fund Totals	41,192,806.21	22,596,184.45	54.85%

Overall Expenditures

Overall expenditures are trending better than expected at 39.36%.

**Overall Expenditures - All Sources
Quarter Ended March 31, 2019**

Fund	Fund Name	Budget	Expenditures	Percentage
001	General Fund	19,997,703.00	8,520,591.95	42.61%
002	Tourism Fund	759,441.00	324,606.99	42.74%
005	PD State Seizure Fund	983,423.29	556,290.01	56.57%
009	Law Enf Off Stand-Police	0.00	980.00	0.00%
010	Law Enf Off Stand-Fire	2,656.00	0.00	0.00%
011	GO Debt Service	1,433,515.00	257,020.00	17.93%
012	UF Debt Service	1,575,014.00	185,192.50	11.76%
016	Stonegarden	345,750.21	42,037.43	12.16%
017	Borderstar Grant	75,000.00	27,806.74	37.08%
023	PD Step Grant	15,596.00	129.05	0.83%
025	Building Security Fund	10,000.00	4,420.06	44.20%
026	Golf Course Capital Maint	2,500.00	0.00	0.00%
027	EMS	9,619.00	8,290.00	86.18%
028	PD Federal Seizure Fund	30,000.00	10,000.00	33.33%
029	JAG Grant 2017	5,257.00	5,256.80	100.00%
031	Muni Court Technology Fund	32,068.00	18,902.80	58.95%
033	CO Series 2016-GF	1,668,959.00	775,341.20	46.46%
039	CO Series 2002-GF	5,026.00	0.00	0.00%
051	Utility Fund	9,979,613.00	4,655,919.41	46.65%
054	UF Capital Projects	845,832.00	120,380.38	14.23%
055	Stormwater Drainage	291,550.00	145,225.00	49.81%
066	CO Series 2011-UF	112,147.00	114,217.00	101.85%
068	CO Series 2013-Drainage	1,391,015.00	51,968.58	3.74%
080	Homeland Security Grant	55,520.00	46,844.24	84.37%
083	Criminal Justice Division	224,655.00	224,654.53	100.00%
084	DEAAG Grant Fund	179,520.00	25,658.60	14.29%
085	CLG Grant	40,000.00	7,850.00	19.63%
086	TX CDBG Grant 7218269	60,000.00	9,900.00	16.50%
087	Solid Waste Capital Projects	511,904.00	282,420.16	55.17%
090	Landfill Closure	116,695.00	25,220.14	21.61%
091	GF Capital Projects	3,616.00	1,808.00	50.00%
092	Street Fund	1,274,227.00	158,730.93	12.46%
093	Park Maintenance Fund	30,000.00	13,766.77	45.89%
094	Texas Parks & Wildlife	421,000.00	0.00	0.00%
097	Vehicle Replacement	216,665.00	0.00	0.00%
098	Economic Development	174,939.00	71,281.63	40.75%
138	Self Insurance	4,172,075.00	1,870,258.72	44.83%
202	Tourism - Façade Grant	50,000.00	2,922.96	5.85%
601	FEMA Event - Harvey	70,228.00	0.00	0.00%
	Expenditure Fund Totals	47,172,728.50	18,565,892.58	39.36%

V. Revenue Budget Amendments

REVENUE BUDGET AMENDMENTS				
Revenues:				
	Original Budget			40,854,156.00
	Current Budget			41,192,806.21
	Budget Amendment			<u>338,650.21</u>
Ord. No.	Amendment Description			Amount
General Fund - 001				
2019-02	Donations for Recreation Programs	4513-58003	\$	5,500.00
2018-69	Donation for Recreation Programs	4503-58003	\$	1,000.00
2018-73	Child Safety Fund Computer/Software	2100-56680	\$	11,000.00
2018-76	Donation for Fire Prevention Supplies	2200-72030	\$	3,000.00
2018-77	Donation for Park Program & Pool	4503-58003	\$	1,400.00
2018-77	Donation for Park Program & Pool	4513-58003	\$	1,000.00
	Total General Fund 001		\$	<u>22,900.00</u>
PD Stonegarden - 016				
2019-08	Stonegarden Grant	2100-72005	\$	255,750.21
	Total PD Stonegarden Fund 016		\$	<u>255,750.21</u>
CDBG Grant Fund - 086				
2018-72	Manhole Rehabilitation	0000-75010	\$	60,000.00
	Total TXCDBG Grant Fund 082		\$	<u>60,000.00</u>
	Total Revenue Budget Amendments		\$	<u>338,650.21</u>

VI. Expenditure Budget Amendments

EXPENDITURES BUDGET AMENDMENTS

Expenditures:	
Original Budget	45,764,362.00
Current Budget	47,172,728.50
Budget Amendment	1,408,366.50

Ord. No.	Amendment Description	Amount
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General Fund - 001

2018-75	Rollover Purchase Orders	1603-31439	\$	3,884.00
2018-75	Rollover Purchase Orders	1902-31400	\$	14,250.00
2018-75	Rollover Purchase Orders	1902-31410	\$	1,375.00
2018-73	Safety Fund Computer Soft/Equip	2101-22600	\$	11,000.00
2018-65	PD Rollover Projects	2101-22600	\$	10,940.00
2018-65	PD Rollover Projects	2101-22600	\$	6,105.00
2018-65	PD Rollover Projects	2101-72600	\$	25,477.00
2018-75	Rollover Purchase Orders	2103-31400	\$	24,750.00
2018-65	PD Rollover Projects	2103-31400	\$	24,750.00
2018-76	Fire Prevention Supplies	2200-21000	\$	3,000.00
2018-69	Park Donation-Recreation Programs	4503-31499	\$	1,000.00
2018-77	Recreational Programs Donation	4503-59111	\$	1,400.00
2019-02	Donation-Recreation Programs	4513-31499	\$	5,500.00
2018-77	Recreational Programs Donation	4513-31499	\$	1,000.00
	Total General Fund 001		\$	134,431.00

Tourism Fund - 002

2018-75	Rollover Purchase Orders	1071-34600	\$	34,550.00
2018-75	Rollover Purchase Orders	1071-34603	\$	480.00
	Total Tourism Fund 002		\$	35,030.00

PD Seizure Fund - 005

2018-73	Safety Fund Computer Soft/Equip	2100-22600	\$	91,217.29
2018-65	PD Rollover Projects	2100-31400	\$	3,000.00
	Total PD Seizure Fund 005		\$	94,217.29

PD Stone Garden Grant Fund - 016

2019-08	Overtime	2100-11221	\$	109,991.00
2019-08	TMRS	2100-11421	\$	9,888.20
2019-08	FICA	2100-11521	\$	8,634.30
2019-08	Vehicles	2100-71115	\$	110,195.00
2019-08	Mileage	2100-21517	\$	13,000.00
2019-08	Professional Services	2100-31400	\$	4,041.71
	Total PD Stone Garden Grt Fund 016		\$	255,750.21

Expenditures Budget Amendments (con't)

<u>Ord. No.</u>	<u>Amendment Description</u>		<u>Amount</u>
<u>JAG Grant Fund - 029</u>			
2018-65	PD Rollover Projects	2100-21700	\$ 5,257.00
	Total JAG Grant Fund 029		<u>\$ 5,257.00</u>
<u>CO Series 2016 Fund - 033</u>			
2018-75	Rollover Purchase Orders	4503-71224	\$ 3,285.00
2018-75	Rollover Purchase Orders	4503-71307	\$ 17,500.00
	Total CO Series 2016 Fund 033		<u>\$ 20,785.00</u>
<u>Utility Fund - 051</u>			
2018-75	Rollover Purchase Orders	6002-31400	\$ 11,217.00
2018-75	Rollover Purchase Orders	7003-31400	\$ 5,750.00
2018-72	Manhole Rehabilitaion	6900-80086	\$ 60,000.00
2018-70	State Fees	7002-32100	\$ 48,125.00
	Total Utility Fund 051		<u>\$ 125,092.00</u>
<u>Utility Fund Capital Projects - 054</u>			
2018-75	Rollover Purchase Orders	6201-71300	\$ 135,582.00
2018-75	Rollover Purchase Orders	6202-22800	\$ 4,250.00
	Total Utility Fund Capital Projects Fund 054		<u>\$ 139,832.00</u>
<u>CO Series 2011 - 066</u>			
2018-71	Water Well #22 Emergency Repairs	6002-54400	\$ 112,147.00
	Total CO Series 2011 Fund 066		<u>\$ 112,147.00</u>
<u>CO Series 2013 - 068</u>			
2018-75	Rollover Purchase Orders	3050-53100	\$ 81,815.00
	Total CO Series 2013 Fund 068		<u>\$ 81,815.00</u>
<u>CDBG Grant - 086</u>			
2018-72	Manhole Rehabilitation	7003-54111	\$ 60,000.00
	Total CDBG Grant Fund 086		<u>\$ 60,000.00</u>
<u>Landfill Closure - 090</u>			
2019-07	Landfill Permit Responses	1703-31400	\$ 75,000.00
	Total CDBG Grant Fund 086		<u>\$ 75,000.00</u>
<u>Street Maintenance Fund - 092</u>			
2018-75	Rollover Purchase Orders	3050-31400	\$ 12,206.00
	Total Street Maintenance Fund 092		<u>\$ 12,206.00</u>

Expenditures Budget Amendments (con't)

Ord. No.	Amendment Description		Amount
<u>Vehicle Replacement Fund - 097</u>			
2018-63	Ambulance Purchase	2200-71100	\$ 200,000.00
	Total Vehicle Replacement Fund 097		<u>\$ 200,000.00</u>
<u>Economic Development Fund - 098</u>			
2018-64	County Hospital Purchase	1060-31400	\$ 44,939.00
	Total Economic Development Fund 098		<u>\$ 44,939.00</u>
	Total Expenditure Budget Amendments		<u>\$ 1,396,501.50</u>

VII. Accounts Receivable

There are several categories of accounts receivable to notate and include the following:

- Property Taxes – the County Tax Assessor collects property taxes and submits payments to the City. As of the end of the second quarter, March 31, 2019, delinquent property taxes were \$512,045.74. There is a corresponding allowance for uncollectible accounts in the amount of \$209,452.11 leaving an anticipated collection of \$302,593.63. Linebarger is the collection agency that collects on this receivable.
- Ambulance Services – billings sent out go directly to this receivable, while collections are booked to revenue. There are large adjustments to this receivable throughout the year due to medical provider discounts. As of March 31, 2019, the receivable was \$4,584,678.64. There is a corresponding \$4,526,709.61 allowance for uncollectible accounts leaving an anticipated collection amount of \$57,969.03. We have contracted with a company to provide collection services.
- Sanitation Service – this is for garbage sales for both residential and commercial accounts. As of March 31, 2019, this receivable was \$417,651.25. There is a corresponding allowance for uncollectible accounts in the amount of \$356,959.33 leaving an anticipated collection amount of \$60,691.92. These accounts have been sent to the collection services company.
- Liens – these receivables come about when the City has to perform work for code enforcement violations. When the homeowner does not pay their bill, the only means to collect this obligation is to file a lien against the property. It usually stays unpaid until the property is sold and it becomes part of the property settlement. Linebarger is used for collection services. As of March 31, 2019, the following balances existed:

○ Demolition Liens	\$194,510.15
○ Paving Liens	\$1,317.80
○ Abatement of Noxious Matter	\$181,758.93
○ Weed Liens	\$493,321.30
- Water Accounts – this is for water service for both residential and commercial customers. As of March 31, 2019, this receivable was \$578,831.71.
- Sewer Accounts – this is for sewer service for both residential and commercial customers. As of March 31, 2019, this receivable was \$340,158.24. There is a corresponding allowance for uncollectible accounts of \$617,942.86 for both water and sewer accounts receivable leaving an anticipated collection of \$301,047.09.

The new collection services company will be used for these receivables.

VIII. Budgeted Capital Outlay Status

Department	Description	Approved Budget	Status
General Fund 001			
City Commission	Restoration & Preservation of Minutes 001-5-1000-31400	\$22,200	Books have been picked up by company.
Technology	Initial Lease Recordation for Nimble Array Storage 001-5-1806-72600	\$48,946	Completed
Golf	Chemical Storage container 001-5-4502-71300	\$10,000	Completed
Parks	Splash pad fencing 001-5-4503-71224	\$15,000	Completed
PD Seizure Fund 005			
Police	K9 005-5-2100-71200	\$14,673	Completed K-9 is on the job & working
Police	SWAT Bearcat Vehicle 005-5-2100-71100	\$300,000	Out of state travel approved and set to receive in MA on 5/6
Police	(5) Chevy Tahoe's with equipment 005-5-2100-71100	\$298,586	Ordered – Expect delivery mid to late June
MC Technology Fund 031			
Finance	Kiosk – split funded with 051 & 033 031-5-1800-71200	\$5,068	Ordered. Adcomp is testing the interface.
CO Series 2016 Fund 033			
City Special	Kiosk – split funded with 031 & 051 033-5-1030-71200	\$17,500	Ordered. Adcomp is testing the interface.
Fire	Ferrera Fire apparatus pumper 033-5-2200-71100	\$600,000	Completing final inspection & expect delivery in May
Parks	Brookshire pool decking 033-5-4503-71225	\$60,000	On-going

Department	Description	Approved Budget	Status
Utility Fund 051			
Collections	Kiosk – split funded with 031 & 033 051-5-6201-71200	\$6,000	Ordered. Adcomp is testing the interface.
Utility Capital Projects Fund 054			
Water Production	Ground storage tank replacement 054-5-6002-54300	\$125,000	In design & review
Wastewater – South Plant	(2) stainless steel canal gates in basin 054-5-7002-72100	\$100,000	
Wastewater – South Plant	Polyblen polymer feed unit 054-5-7002-72100	\$9,234	Completed
Solid Waste Capital Projects Fund 087			
Landfill	Tilt trailer for transport of skid loader 087-5-1703-71200	\$5,000	
Park Maintenance Fund 093			
Parks	Baseball field 5 irrigation repair 093-5-4503-71228	\$5,000	Completed

IX. Interdepartmental Transfers

Resolution 2016-62 allows transfers between departments in the same fund without Commission approval as long as those transfers do not increase a department’s appropriation by more than 10%. Interdepartmental transfers above 10% must be documented and provided to Commissioners on a quarterly basis through the Quarterly Budget Report. There are currently no transfers that meet this requirement.

X. Intradepartmental Transfers

Resolution 2016-62 allows intradepartmental transfers between account codes within a department but requires transfers greater than \$5,000 to be documented and provided to Commissions on a quarterly basis through the Quarterly Budget Report. The following transfers meet this threshold:

Transfers Greater Than \$5,000

Explanation	Transfer From		Transfer To	
	Account	Amount	Account	Amount
General Fund 001				
Rental of lift for scaffolding to paint jet at park	Professional Services 4503-31400	(\$2,000.00)	Equipment Rental 4503-31800	\$5,500.00
	Minor Equip 4503-21700	(\$2,500.00)		
	Dick Kleberg Park 4503-59113	(\$1,000.00)		
Mower purchase	Splash Pad 4503-71224	(\$12,852.02)	Mach/Equip 4503-71200	\$12,852.02
John Deere mower & gator	Salaries 4501-11100	(\$7,000.00)	Mach/Equip 4503-71200	\$7,000.00
EMS Fund 027				
Fire Manual Policy	Minor Equip 2200-21700	(\$9,619.00)	Memberships 2200-31700	\$9,619.00
Fund 051 - Utility Fund				
Major repairs to Vactor Unit #7411	Utility Plant 7001-54300	(\$6,000.00)	Vehicle Maint 7003-41100	\$11,000.00
	Utility Plant 7003-54300	(\$5,000.00)		
Total Transfers > \$5,000		(\$45,971.02)		\$45,971.02

XI. Estimated Fund Balances

The schedule below represents the estimated Fund Balance for each fund. The Beginning Fund Balance has been audited and are now final numbers. Current year fund balance is based on the beginning fund balance plus budgeted revenues, transfers in and revenue budget amendments, less budgeted expenditures, transfers out and expenditures budget amendments. If actual revenues and expenditures differ from what was budgeted, there would be either a positive or negative change to the estimated ending fund balance.

For General Fund and Utility Fund, the City established a Fund Balance Policy in 2008 and amended it by Resolution 2011-54 on September 26, 2011. It dictates that the City will maintain a minimum unassigned fund balance in its General Fund-001 and Utility Fund-051 of 25% of the subsequent year’s budgeted expenditures and outgoing transfers. On September 25, 2017, the Commission amended the policy by Resolution 2017-67 that would allow both the General Fund and Utility Fund to be dropped to 20% for a special capital project or capital purchase. If either fund balance would drop to the 20% level, there would be a five-year period to bring the fund balance back up to the 25% level.

Governmental Funds

Fund	FY 18-19 Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 18-19 Ending Fund Balance
001	6,963,102.93	17,625,012.00	1,617,799.00	19,856,292.00	141,411.00	6,208,210.93
025	2,266.23	10,000.00	0.00	10,000.00	0.00	2,266.23
026	14,588.05	0.00	5,471.00	2,500.00	0.00	17,559.05
087	324,777.89	562,000.00	0.00	299,278.00	212,626.00	374,873.89
090	1,368,849.60	270,400.00	97,183.00	116,695.00	0.00	1,619,737.60
091	3,609.32	0.00	0.00	0.00	3,616.00	(6.68)
092	967,541.38	812,000.00	0.00	1,224,227.00	50,000.00	505,314.38
093	17,785.37	0.00	25,000.00	30,000.00	0.00	12,785.37
096	3,873.38	0.00	0.00	0.00	0.00	3,873.38
097	90,000.00	200,000.00	25,000.00	216,665.00	0.00	98,335.00
098	67,171.22	106,000.00	0.00	154,939.00	20,000.00	(1,767.78)
Totals	9,823,565.37	19,585,412.00	1,770,453.00	21,910,596.00	427,653.00	8,841,181.37

To verify the ending fund balance for General Fund 001, budgeted expenditures, and budgeted transfers out for FY 18-19 are used:

- Budgeted Expenditures and Transfers Out for FY 18-19 are \$19,997,703 less the capital lease recordation of \$48,946 (Nimble Storage) = \$19,948,757
- Minimum required fund balance = actual total expenditures of \$19,997,703 x 25% = \$4,999,426
- The estimated ending fund balance of \$6,208,211 for FY 18-19 has a surplus reserve of \$1,208,785
- Estimated Ending Fund Balance for FY 17-18 is 31.12% (Est ending fund balance \$6,208,211 divided by total expenditures less capital lease recordation \$19,948,757)

Transfers out for Fund 091 and expenditure appropriations for Fund 098 will be adjusted to make sure that fund balance does not end in a negative.

The above numbers include all budget amendments that have been approved through the second quarter of FY 18-19.

Fund 001 – General Fund
 Fund 026 – Golf Course Capital Maint
 Fund 090 – Landfill Closure Fund
 Fund 092 – Street Fund
 Fund 096 – Insurance Claim Recovery
 Fund 098 – Economic Development

Fund 025 – Building Security Fund
 Fund 087 – Solid Waste Capital Projects
 Fund 091 – General Fund Capital Projects
 Fund 093 – Park Maintenance Fund
 Fund 097 – Vehicle Replacement
 Fund 099 – Disaster Response Recovery

Capital Improvement Funds – General Fund

Fund	FY 18-19 Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 18-19 Ending Fund Balance
033	1,687,554.82	15,000.00	0.00	1,471,959.00	197,000.00	33,595.82
039	5,071.71	0.00	0.00	5,026.00	0.00	45.71
065	2,288.28	0.00	0.00	0.00	0.00	2,288.28
067	28,718.64	2,150.00	0.00	0.00	0.00	30,868.64
Totals	1,723,633.45	17,150.00	0.00	1,476,985.00	197,000.00	66,798.45

Fund 033 – CO Series 2016

Fund 039 – CO Series 2002-2002A

Fund 065 – CO Series 2011

Fund 067 – CO Series 2013

Police Forfeiture Funds

Fund	FY 18-19 Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 18-19 Ending Fund Balance
005	1,891,578.82	15,000.00	0.00	983,423.29	0.00	923,155.53
028	157,940.30	58.00	0.00	30,000.00	0.00	127,998.30
031	37,848.54	13,000.00	0.00	32,068.00	0.00	18,780.54
Totals	2,087,367.66	28,058.00	0.00	1,045,491.29	0.00	1,069,934.37

Fund 005 – State Forfeiture

Fund 028 – Federal Forfeiture

Fund 031 – Municipal Court Technology

Debt Service – General Fund

Fund	FY 18-19 Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 18-19 Ending Fund Balance
011	559,381.82	1,452,353.00	47,135.00	1,433,515.00	0.00	625,354.82
Totals	559,381.82	1,452,353.00	47,135.00	1,433,515.00	0.00	625,354.82

Tourism Fund

Fund	FY 18-19 Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 18-19 Ending Fund Balance
002	337,404.61	579,221.00	25,000.00	626,847.00	132,594.00	182,184.61
202	0.00	0.00	50,000.00	50,000.00	0.00	0.00
Totals	337,404.61	579,221.00	75,000.00	676,847.00	132,594.00	182,184.61

Even though this fund is not required to keep a specific minimum fund balance, there have been discussions to require some level of minimum fund balance. Currently, estimated ending fund balance is at 23.99%. To keep the same 25%, the required fund balance would need to be \$189,860 based on budgeted expenditures and transfers out. In FY 18-19, a new Fund 202-Façade Grants was created to manage the façade grant allocation from the Tourism fund. By creating this fund, unused allocations can be rolled forward.

Enterprise – Utility Funds

Fund	FY 18-19 Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 18-19 Ending Fund Balance
012	211,077.08	8,000.00	1,870,013.00	1,575,014.00	0.00	514,076.08
051	4,056,635.78	9,089,200.00	28,406.00	5,594,050.00	4,385,563.00	3,194,628.78
054	128,370.32	2,000.00	1,396,000.00	845,832.00	0.00	680,538.32
055	38,670.12	405,000.00	0.00	1,100.00	290,450.00	152,120.12
062	49,742.29	800.00	0.00	0.00	0.00	50,542.29
066	295,784.19	2,800.00	0.00	112,147.00	0.00	186,437.19
068	2,058,003.87	0.00	0.00	1,391,015.00	0.00	666,988.87
Totals	6,838,283.65	9,507,800.00	3,294,419.00	9,519,158.00	4,676,013.00	5,445,331.65

To verify the ending fund balance for Utility Fund 051, budgeted expenditures, and budgeted transfers out for FY 18-19 are used:

- Budgeted Expenditures and Transfers Out for FY 18-19 are \$9,979,613
- Minimum required fund balance = actual total expenditures of \$9,979,613 x 25% = \$2,494,903.
- The estimated ending fund balance of \$3,194,629 for FY 18-19 has a surplus reserve of \$699,726 (estimated ending fund balance less minimum required \$2,494,903)
- Estimated Ending Fund Balance for FY 18-19 is 32.01% (estimated ending fund balance \$3,194,629 divided total expenditures \$9,979,613)

All approved budget amendments through the second quarter have been included in the above calculations.

Fund 012 – Debt Service
 Fund 054 – Capital Projects
 Fund 062 – CO Series 2005
 Fund 068 – CO Series 2013

Fund 051 – Utility Fund
 Fund 055 – Storm Water Drainage
 Fund 066 – CO Series 2011

Internal Service Fund – Insurance

The City is self-funded for employee’s health insurance. The insurance fund receives all insurance contributions from the city, current employees and retirees and then pays claims and administrative costs of the health plan from the contributions. The city provides post-retirement medical insurance benefits on behalf of its eligible retirees. Once an employee retires, it pays 50% of their medical premiums until they reach age 65. In years past, the City was contributing additional reserves to shore up the fund balance. In FY 14-15, the City decided to start charging employees a small portion of the cost of health insurance. In FY 18-19, the city made changes to employee premiums and increased the number of coverage tiers from 2 to 4. The main reason why the beginning balance is high in comparison to the estimated ending fund balance is due to stop loss reimbursements that are not budgeted due to the uncertainty of this revenue. Any reimbursement received will affect the estimated ending fund balance for FY 18-19.

Fund	FY 18-19 Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 18-19 Ending Fund Balance
138	1,317,032.13	3,406,489.00	0.00	4,172,075.00	0.00	551,446.13
Totals	1,317,032.13	3,406,489.00	0.00	4,172,075.00	0.00	551,446.13

Grant Funds

Fund	FY 18-19 Beginning Fund Balance	Budgeted Revenues	Budgeted Transfers In	Budgeted Expenditures	Budgeted Transfers Out	FY 18-19 Ending Fund Balance
010	0.00	2,656.00	0.00	2,656.00	0.00	0.00
013	56.76	0.00	0.00	0.00	0.00	56.76
016	0.00	345,750.21	0.00	345,750.21	0.00	0.00
017	0.00	75,000.00	0.00	75,000.00	0.00	0.00
023	0.00	12,019.00	3,577.00	15,596.00	0.00	0.00
027	0.00	9,619.00	0.00	9,619.00	0.00	0.00
029	0.00	0.00	0.00	5,257.00	0.00	(5,257.00)
030	58.26	0.00	0.00	0.00	0.00	58.26
060	47.76	0.00	0.00	0.00	0.00	47.76
078	3,598.89	0.00	0.00	0.00	0.00	3,598.89
079	3,056.51	0.00	0.00	0.00	0.00	3,056.51
080	0.00	55,520.00	0.00	55,520.00	0.00	0.00
082	13,500.00	0.00	0.00	0.00	0.00	13,500.00
083	0.00	224,655.00	0.00	224,655.00	0.00	0.00
084	0.00	143,616.00	35,904.00	179,520.00	0.00	0.00
085	0.00	20,000.00	20,000.00	40,000.00	0.00	0.00
086	0.00	0.00	60,000.00	60,000.00	0.00	0.00
094	0.00	224,000.00	197,000.00	421,000.00	0.00	0.00
601	63,954.21	0.00	0.00	0.00	70,228.00	(6,273.79)
Totals	84,272.39	1,112,835.21	316,481.00	1,434,573.21	70,228.00	8,787.39

For Fund 029 – JAG Grant, there are additional grant funds that have not been received and will be accepted through commission action once reimbursement is complete. Fund 601 – FEMA Harvey Event transfers out will be adjusted to insure that the fund does not end in a negative.

Fund 010 – Law End Off Stand-Fire
 Fund 016 – PD Stonegarden
 Fund 023 – PD Step Grant
 Fund 029 – JAG Grant
 Fund 060 – Computer Lease Purchase
 Fund 079 – TX Capital Main Street
 Fund 082 – Texas CDBG Grant
 Fund 084 – DEAAG Grant
 Fund 086 – TX CDBG Grant
 Fund 601 – FEMA Harvey Grant

Fund 013 - Texas Historical
 Fund 017 – PD Borderstar
 Fund 027 – EMS Fund
 Fund 030 – Red Ribbon Awareness
 Fund 078 – Texas Parks & Wildlife
 Fund 080 – Homeland Security Grant
 Fund 083 – Criminal Justice Grant
 Fund 085 – Certified Local Govt
 Fund 094 – Texas Parks & Wildlife