



# Fiscal Year 2020 General Fund Budget Report

## Nine Months Ending June 30, 2020

### OVERVIEW

This report summarizes the City's General Fund budget position for Fiscal Year 2020 from October 1, 2019 – June 30, 2020. This report is presented on a cash basis.

#### Revised FY 2020 Budget

The revised budget in the report includes budget amendments approved by Council and adjustments to the revenue and expense budget for encumbrances as authorized in Section 9.06 of the City Charter.

The General Fund actual revenues as of June 30, 2020 total \$51.2 million or 89.2% of the revised budgeted amount and expenditures are \$37.0 million or 65.9% of the revised expenditure budget as shown below:

Includes Funds 101, 606, 611, 800	FY 2020 Revised Budget	Actual as of 6/30/2020
<b>Estimated Beginning Fund Balance</b>	<b>(16,921,382)</b>	
Budgeted Revenues	(57,440,526)	(51,234,415) 89.2%
Budgeted Expenditures	56,107,936	36,957,666 65.9%
<b>Budgeted Ending Fund Balance</b>	<b>(18,253,972)</b>	

Budgeted Ending Fund Balance as a % of Expenditures 32.5%

- Fund 101 = General Fund
- Fund 606 = Fleet Replacement
- Fund 611 = IT Replacement
- Fund 800 = Emergency Operations

**Major Revenue Sources** –The primary revenue sources for the General Fund are property taxes, sales & other taxes, franchise fees, and licenses & permits fees. As of June 30, 2020, these sources accounted for 85.5% of the General Fund revised revenue budget.

The chart below shows the General Fund revised revenue budget to actual collections for Fiscal Year 2020 through June 30, 2020. Any significant variances are noted for each type of revenue.

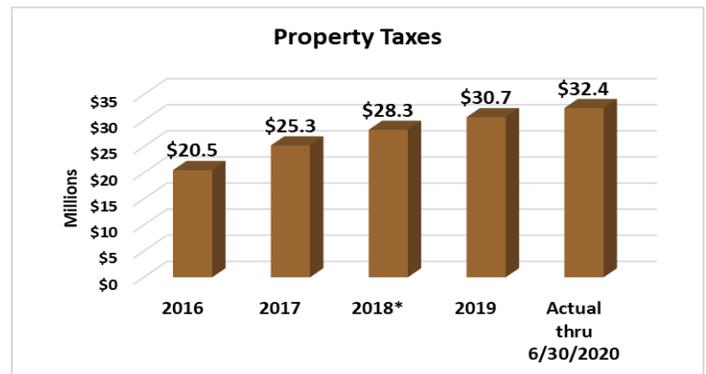
Revenue by Type	FY 2020 Revised Budget	6/30/2020	% Received
40 - Property Tax/Assessments	(32,944,648)	(32,432,716)	98.4%
41 - Sales & Other Taxes	(9,437,800)	(6,204,308)	65.7%
42 - Franchise Revenue	(3,961,000)	(1,929,316)	48.7%
43 - Licenses & Permits	(2,786,737)	(2,801,859)	100.5%
44 - Fines/Fees & Forfeitures	(872,100)	(501,651)	57.5%
45 - Charges for Services	(414,900)	(198,925)	47.9%
46 - Intergov Revenue/Grants	(2,413,279)	(2,085,186)	86.4%
47 - Investment Earnings	(230,612)	(373,891)	162.1%
48 - Other Sources/Donations	(548,750)	(1,225,478)	223.3%
<b>Sub-total</b>	<b>(53,609,827)</b>	<b>(47,753,332)</b>	<b>89.1%</b>
49 - Transfer from & Adm	(3,830,699)	(3,481,083)	90.9%
<b>Total Revenue</b>	<b>(57,440,526)</b>	<b>(51,234,415)</b>	<b>89.2%</b>

**Property Tax** – Revenues from property taxes (ad valorem taxes) are based on a tax rate of \$0.63 per \$100 of assessed valuation for the tax year 2019. This is the same tax rate as the prior year.

Property tax revenue makes up 57.4% of the total General Fund revised revenue budget and includes current year collections, delinquent collections and collections of penalty & interest on delinquent property taxes.

Actual collections of property taxes total \$32.4 million or 98.4% of the revised budgeted amount. Of the \$32.4 million, approximately \$213 thousand is revenue from delinquent taxes and \$127 thousand is revenue from penalty & interest collections.

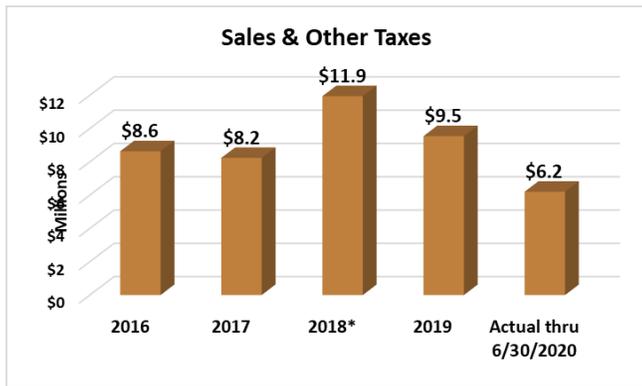
The chart below reflects a history of property tax revenue:



\*Although 2018 represented a 15-month fiscal year, it included only one tax cycle.

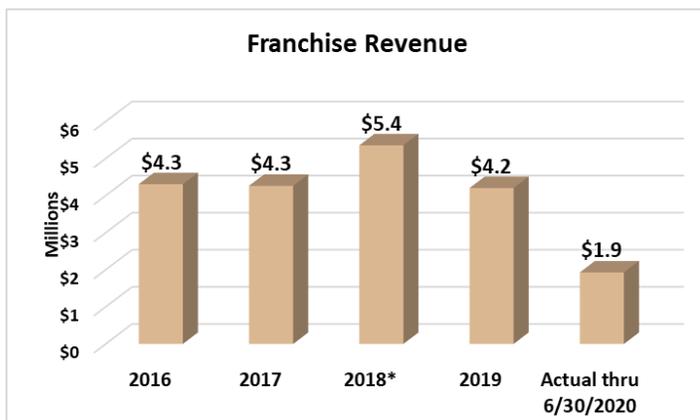
**Sales & Other Taxes** – Consist of sales tax, incentive agreements (rebates) and mixed beverage sales. Actual collections for sales & other taxes (General Fund portion) are \$6.2 million or 65.7% of the revised budgeted amount and represent collections for the months of October 2019 through April 2020 net of sales tax rebates of \$32,979. Rebates are reflected as an offset against the sales tax revenue. Sales tax collections run two months in arrears. Mixed beverage sales revenue is received on a quarterly basis.

The chart below reflects a history of sales & other taxes revenue:



\*2018 represented a 15-month fiscal year.

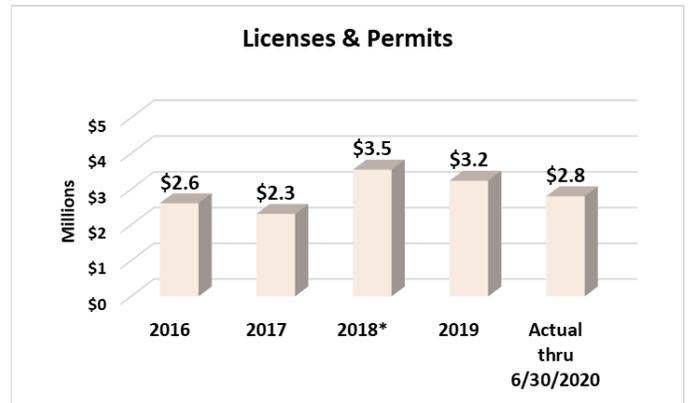
**Franchise Revenue** – Consists of fees paid by public service businesses for the use of the City streets, alleys and property to provide their service to the citizens of the community. Services included in the franchise revenue are electricity, telephone, natural gas, cable television and solid waste. Franchise Fee revenues are generally received quarterly and the City usually receives the revenue 45 days after the end of the quarter. Collections total \$1.9 million or 48.7% of the revised budgeted amount and represent collections through the second quarter FY 2020. The chart below reflects a history of franchise revenue:



\*2018 represented a 15-month fiscal year.

**Licenses and Permits** – Actual collections of licenses and permits revenue through June 30, 2020 are \$2.8 million or 100.5% of the revised budgeted amount. Building permits and infrastructure fees continue to account for the majority of the revenue received. June collections include the implementation of the User Fee Study Recommendations.

The chart below reflects a history of licenses and permits revenue:



\*2018 represented a 15-month fiscal year.

**Other Revenue Sources for the General Fund**

**Fines, Fees & Forfeitures** – Consist primarily of forfeitures, warrants, child safety fees, some court fees, and arrest fees. Actual collections through June 30, 2020 total \$502 thousand or 57.5% of the revised revenue budget. Revenue is under budget due to the impact of COVID-19.

**Charges for Services** – Consist of fees from the recreation center, facilities rentals and animal adoption fees. Actual collections for the 9-month period total \$199 thousand or 47.9% of the revised budget. The decrease in collections is due closure of the Recreation Center, cancellation of events and loss of rental income due to the impact of COVID-19.

**Intergov Revenue/Grants** – Consist of grants such as Houston HIDTA, Fort Bend HIDTA and reimbursements such as MUD Fire Protection and Sienna Fire Station #5. Actual collections for the 9-month period total \$2.1 million or 86.4% of the revised budgeted amount.

**Other Sources/Donations** - Consist of donations for special events, tower lease revenues, auction proceeds, reimbursements, and P-card rebate. Actual collections for the 9-month period total \$1.2 million or 223.3% of the revised budgeted amount. This increase in revenue includes reimbursements from Ft. Bend for fire protection and one-time insurance reimbursements.

## GENERAL FUND EXPENDITURES

Operating expenditures (excluding transfers) are \$32.1 million or 62.7% of the revised expense budget as of the 9-month period ending June 30, 2020. Personnel costs, which include the one-time 1% payment employees received, are \$24.3 million or 68.9% of the revised budget. Spending in other categories continue to trend under budget. Other expenditures of \$991 thousand include Property/Liability Insurance. Capital outlay expenditures represent the purchase of fleet and equipment.

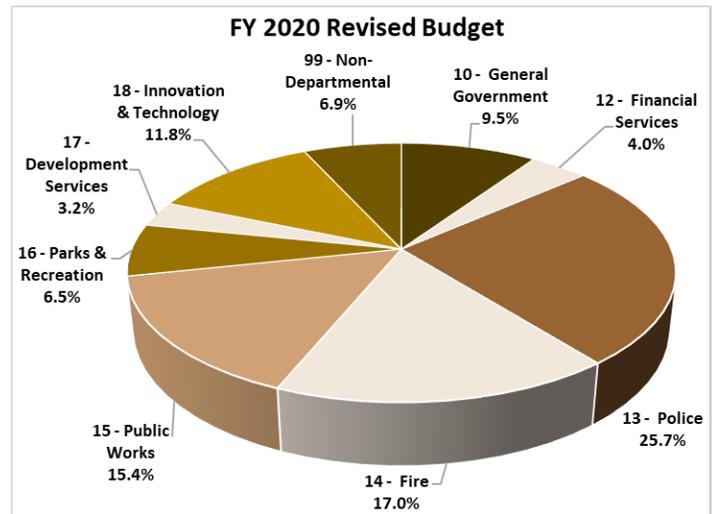
Expenditures by Type	FY 2020 Revised Budget	Actual thru 6/30/2020	% Expended
51 - Personnel Costs	35,231,802	24,280,626	68.9%
52 - Supplies & Materials	3,296,081	1,699,381	51.6%
53 - Prof/Contrac Services	6,583,888	2,934,355	44.6%
54 - Repair & Maintenance	1,184,033	595,660	50.3%
55 - Utilities	2,007,846	956,912	47.7%
56 - Other Expenditures	1,965,289	991,099	50.4%
58 - Capital Outlay	885,677	639,221	72.2%
<b>Sub-total</b>	<b>51,154,617</b>	<b>32,097,254</b>	<b>62.7%</b>
59 - Transfers to Other Funds	4,953,319	4,860,413	98.1%
<b>Total Expenditures</b>	<b>56,107,936</b>	<b>36,957,666</b>	<b>65.9%</b>

**Expenditures by Department** – Expenditures by department continue to trend under budget for the 9-month period ending June 30, 2020. This is due to vacancies in some areas, P-card transactions, and timing of receipt of invoices. The \$4.0 million in Innovation & Technology includes a \$1.7 million one-time transfer out for IT replacement, computer/equipment leasing expenditures and service and maintenance agreements. Expenditures in Non-Departmental include Citywide charges that are not attributed to a specific department. Such charges include retiree insurance, transfers to the TIRZs and legislative affairs. The \$4.9 million in Non-departmental includes the transfer to TIRZs for property taxes. Also included in Non-departmental is a transfer to the Community Development Block Grant (CDBG) to cover the required 20% costs of personnel.

Budget to actual by department is reflected in the chart below:

Expenditures by Department	FY 2020 Revised Budget	Actual thru 6/30/2020	% Expended
10 - General Government	5,347,039	3,375,777	63.1%
12 - Financial Services	2,267,293	1,467,791	64.7%
13 - Police	14,418,401	9,937,687	68.9%
14 - Fire	9,521,081	6,759,103	71.0%
15 - Public Works	8,656,522	5,267,772	60.9%
16 - Parks & Recreation	3,665,370	2,055,712	56.1%
17 - Development Services	1,781,081	986,370	55.4%
18 - Innovation & Technology	6,598,115	3,969,068	60.2%
99 - Non-Departmental	3,853,034	3,138,386	81.5%
<b>Total Expenditures</b>	<b>56,107,936</b>	<b>36,957,666</b>	<b>65.9%</b>

The pie chart below shows the distribution of the FY 2020 General Fund revised expenditure budget by department. Approximately 58% of the General Fund budget is allocated to public safety (Police, Fire and Public Works).



This report is based on detailed information from the City's accounting system from periods 1 through 9, which represent October 1, 2019 – June 30, 2020.