



FARMERS
BRANCH

FINANCIAL UPDATE

For the Period Ended March 31, 2020

Presented May 5, 2020

CITY OF FARMERS BRANCH | 5/5/2020



General Fund Results – Summary

March 2020 – Fiscal Year to Date

Remember: Actuals include funds that have been Encumbered but not spent

Revenues	YTD Budget	YTD Actual	Expenditures	YTD Budget	YTD Actual
Property Taxes	\$31,399,994	\$30,178,484	General Government	\$6,528,995	\$6,348,996
Sales & Use Taxes	8,795,000	9,105,930	Public Works	5,253,197	5,912,158
Charges for Service	2,887,450	2,994,212	Public Safety	14,164,688	14,156,266
Franchise Fees	1,910,000	2,077,120	Culture & Recreation	7,000,546	7,296,620
Licenses & Permits	1,331,980	1,555,698			
Fines, Forfeits & Assessments	881,020	1,021,714			
Interest, Contributions & Misc.	512,356	539,159			
Penalties & Interest	72,000	42,296			
TOTAL	\$47,789,800	\$47,464,614	TOTAL	\$32,947,427	\$33,714,040

Note: Totals may vary slightly due to rounding. March 2020 YTD Actual Expenditures include \$408,754 in Carry-Forwards, which are purchase orders that remain open from the prior fiscal year. Expenditure Carry-Forwards and related budgetary impacts are detailed in each funds expenditure presentation included in this report.

General Fund Results – Revenue

March 2020 – Fiscal Year to Date – Budget to Actual

	YTD ESTIMATED 3/31/2020	YTD ACTUAL 3/31/2020	DIFFERENCE (Actual vs. Estimated)	ACTUAL AS % OF YTD ESTIMATED	EXPECTED AS % OF BUDGET (YTD)
Property Taxes	\$ 31,399,994	\$ 30,178,484	\$ (1,221,510)	96.11%	99.43%
Sales & Use Taxes	8,795,000	9,105,930	310,930	103.54%	50.00%
Charges for Services	2,887,450	2,944,212	56,762	101.97%	43.00%
Franchise Fees	1,910,000	2,077,120	167,120	108.75%	50.00%
Licenses & Permits	1,331,980	1,555,698	223,718	116.80%	47.00%
Fines, Forfeits & Assessments	881,020	1,021,714	140,694	115.97%	49.00%
Interest, Contributions, Misc.	512,356	539,159	26,803	105.23%	52.00%
Penalties & Interest	72,000	42,296	(29,704)	58.74%	60.00%
	\$ 47,789,800	\$ 47,464,614	\$ (325,186)	99.32%	67.00%

- **Property Taxes and Penalties & Interest** near the planned budget. Received over 97% of property taxes by March 2020.
- **Sales & Use Taxes** are performing slightly better than budget continuing with Q1-2020 trend.
- **Charges for Services** performed ahead of budget. This increase is primarily driven by positive performance with false alarm collections and Parks & Recreation related revenue (including Building Use Fee, Concessions, and Aquatics Center Revenues).
- **Franchise Fees** are trending higher than expected due to the unanticipated receipt of franchise cable revenue receipts. The funds received represent receipts from cable providers that do not offer telephone service.
- **Licensing & Permits** started the year strong due to construction on the West and East sides.

General Fund Results – Revenue

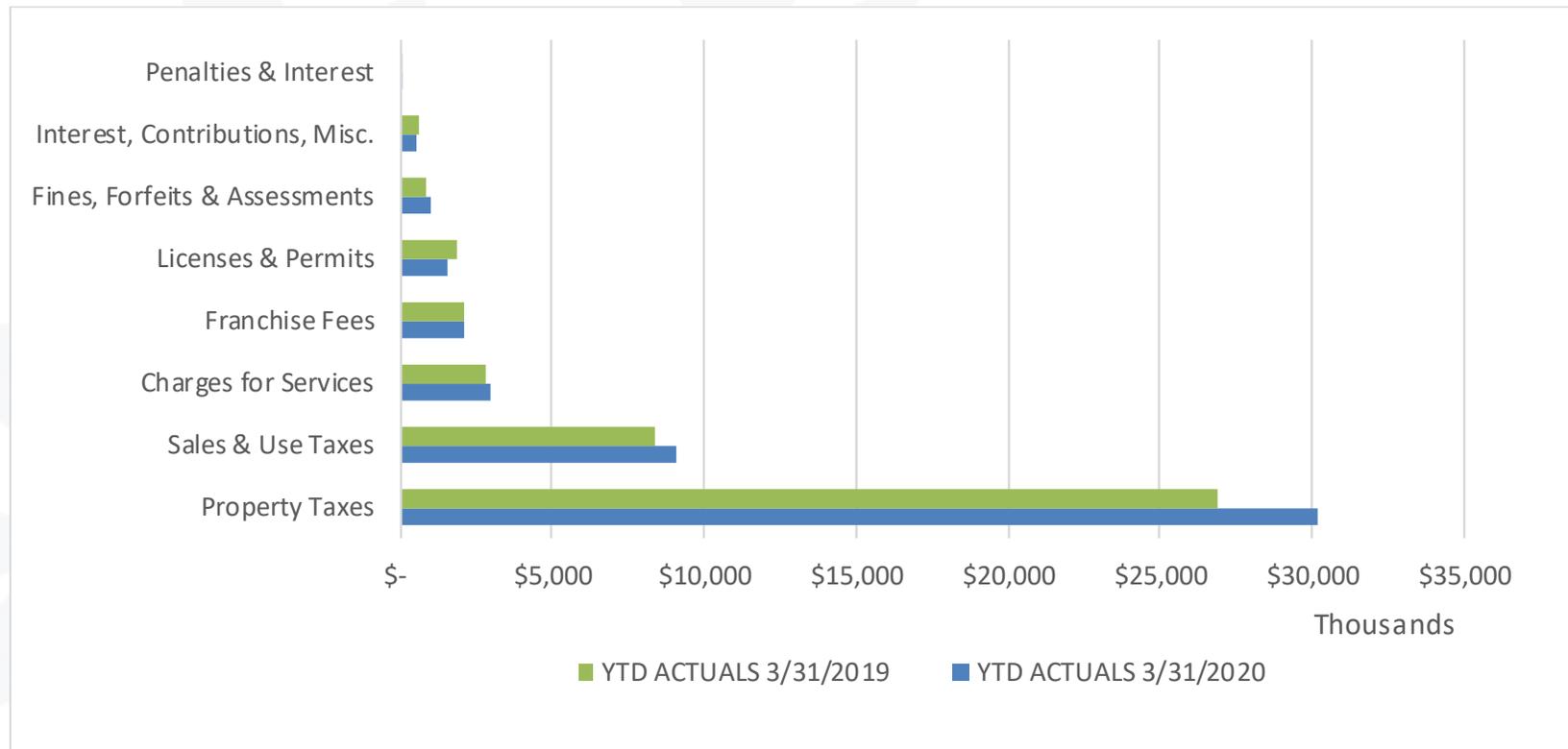
March 2020 – Fiscal Year to Date – CY Actual to PY Actual

	YTD ACTUALS 3/31/2020	YTD ACTUALS 3/31/2019	DIFFERENCE CURRENT YEAR TO PRIOR YEAR	ACTUAL AS % OF BUDGET (YTD)
Property Taxes	\$ 30,178,484	\$ 26,865,476	\$ 3,313,008	63.58%
Sales & Use Taxes	9,105,930	8,361,148	744,782	19.18%
Charges for Services	2,944,212	2,840,158	104,054	6.20%
Franchise Fees	2,077,120	2,120,057	(42,937)	4.38%
Licenses & Permits	1,555,698	1,899,453	(343,755)	3.28%
Fines, Forfeits & Assessments	1,021,714	859,156	162,558	2.15%
Interest, Contributions, Misc.	539,159	641,591	(102,432)	1.14%
Penalties & Interest	42,296	40,307	1,989	0.09%
	\$ 47,464,614	\$ 43,627,347	\$ 3,837,267	100.00%

- **Property Taxes** at March 2020 exceed that of the same period in the prior year due to overall growth in property values (11.44%).
- **Sales & Use Taxes** performed better than the same period in the prior year due to positive economic trends across all sectors. This sales tax trend has continued into Q2-2020.
- **Charges for Services** performed better overall in most areas compared to the same period in the prior year. The increased revenue year-over-year is primarily driven by positive performance with Police Services (false alarm billings/collections) and Parks & Recreation related revenue (including Building Use Fee, Concessions, and Aquatics Center Revenues).
- **Fines, Forfeits & Assessments** performed better than the same period in the prior year due to increased court collection efforts.

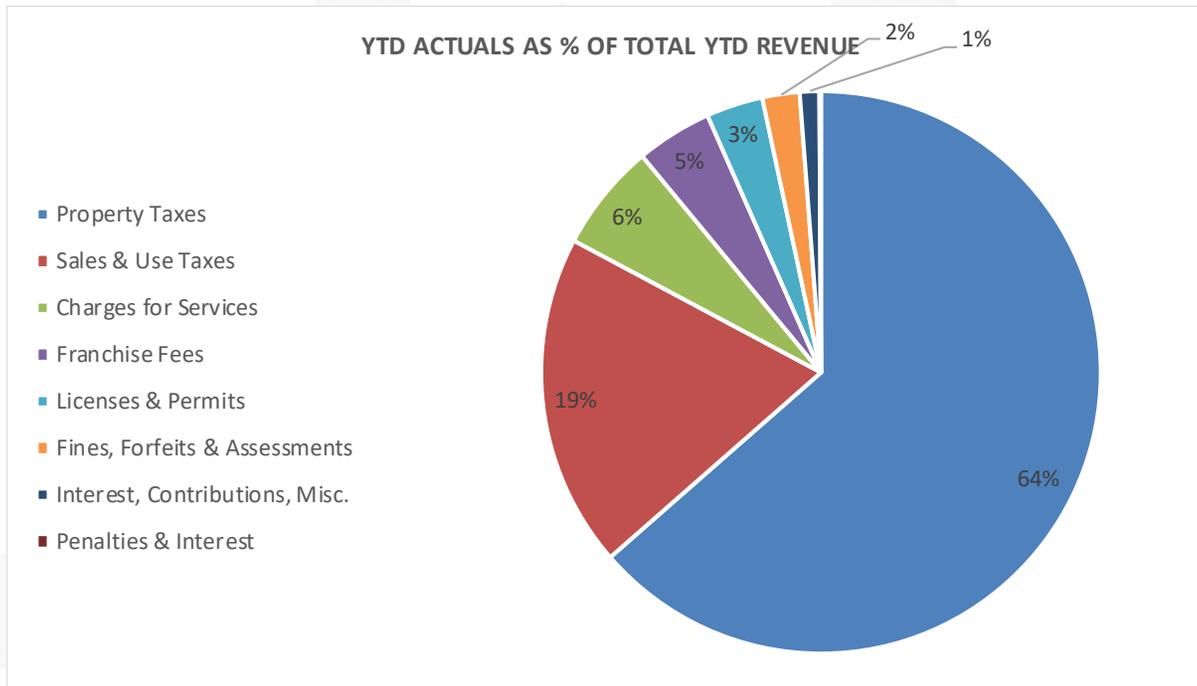
General Fund Results – Revenues

March 2020 – Fiscal Year to Date



General Fund Results – Revenues

March 2020



- Property taxes continue to be the largest source of General Fund Revenue, with current Y-T-D actuals representing 64%.
- Other revenue sources provided a valuable 36% of revenue to support General Fund activities.

General Fund Results – Expenditures

March 2020 – Fiscal Year to Date

		A	B	C = B/A	D	E = D - B	
	ADOPTED BUDGET 2019-20	BUDGET TRANSFERS & CARRY-FWDS	ADJUSTED BUDGET 2019-20	YTD ACTUAL MARCH 2020	% OF ANNUAL BUDGET	YTD PROJECTED	DIFFERENCE
General Government	\$ 12,965,500	\$ 92,490	\$ 13,057,990	\$ 6,348,996	48.62%	\$ 6,528,995	\$ 179,999
Public Works	10,315,900	190,495	10,506,395	5,912,158	56.27%	5,253,197	(658,961)
Public Safety	28,306,300	23,077	28,329,377	14,156,266	49.97%	14,164,688	8,423
Culture & Recreation	13,898,400	102,692	14,001,092	7,296,620	52.11%	7,000,546	(296,074)
	\$ 65,486,100	\$ 408,754	\$ 65,894,854	\$ 33,714,040	51.16%	\$ 32,947,427	\$ (766,614)

Note: The Adopted Budget of \$65,486,100 has been adjusted (reference Adjusted Budget 2019-20) to include legally authorized budget transfers between departments and/or divisions [net effect \$0] and \$408,754 in Carry-Forwards, which are purchase orders that remain open from the prior fiscal year. March 2020 YTD Actuals reflect the full amount of the Carry-Forwards.

General Fund Results – Expenditures

March 2020 – Detail by Department

	ADOPTED BUDGET 2019-20	BUDGET TRANSFERS CARRY-FWDS	ADJUSTED BUDGET 2019-20	ACTUAL YTD 3/31/2020	ACTUAL YTD %	PROJECTED YTD 3/31/2020	DIFFERENCE (Projected vs Actual)
General Government	\$12,965,500	\$92,490	\$13,057,990	\$6,348,996	48.62%	\$6,528,995	\$179,999
General Government	\$2,108,300	\$32,687	\$2,140,987	\$597,296	27.90%	\$1,070,493	\$473,198
General Administration	1,106,500	\$0	1,106,500	553,295	50.00%	553,250	(45)
Communications	770,500	\$6,966	777,466	398,665	51.28%	388,733	(9,932)
Economic Development	460,500	\$25	460,525	249,465	54.17%	230,262	(19,202)
Human Resources	1,008,900	\$0	1,008,900	467,055	46.29%	504,450	37,395
Finance	2,276,100	\$1,105	2,277,205	1,323,544	58.12%	1,138,602	(184,941)
Information Services	2,655,500	\$45,459	2,700,959	1,550,181	57.39%	1,350,480	(199,701)
Community Services	2,579,200	\$6,249	2,585,449	1,209,496	46.78%	1,292,724	83,228
Public Works	\$10,315,900	\$190,495	\$10,506,395	\$5,912,158	56.27%	\$5,253,197	(\$658,961)
Public Works	\$4,925,800	\$76,479	\$5,002,279	\$2,942,979	58.83%	\$2,501,140	(\$441,839)
Sustainability & Public Health	5,390,100	\$114,015	5,504,115	2,969,180	53.94%	2,752,058	(217,122)
Public Safety	\$28,306,300	\$23,077	\$28,329,377	\$14,156,266	49.97%	\$14,164,688	\$8,423
Police	\$15,366,600	\$23,077	\$15,389,677	\$7,411,639	48.16%	\$7,694,838	\$283,200
Fire	12,939,700	\$0	12,939,700	6,744,627	52.12%	6,469,850	(274,777)
Culture & Recreation	\$13,898,400	\$102,692	\$14,001,092	\$7,296,620	52.11%	\$7,000,546	(\$296,074)
Parks & Recreation	\$11,601,000	\$102,692	\$11,703,692	\$5,501,935	47.01%	\$5,851,846	\$349,911
Library	2,297,400	\$0	2,297,400	1,794,685	78.12%	1,148,700	(645,985)
TOTAL	\$65,486,100	\$408,754	\$65,894,854	\$33,714,040	51.16%	\$32,947,427	(\$766,614)

Note: The Adopted Budget of \$65,486,100 has been adjusted (reference Adjusted Budget 2019-20) to include legally authorized budget transfers between departments and/or divisions [net effect \$0] and \$408,754 in Carry-Forwards, which are purchase orders that remain open from the prior fiscal year. March 2020 YTD Actuals reflect the full amount of the Carry-Forwards.

General Fund Results – Expenditures

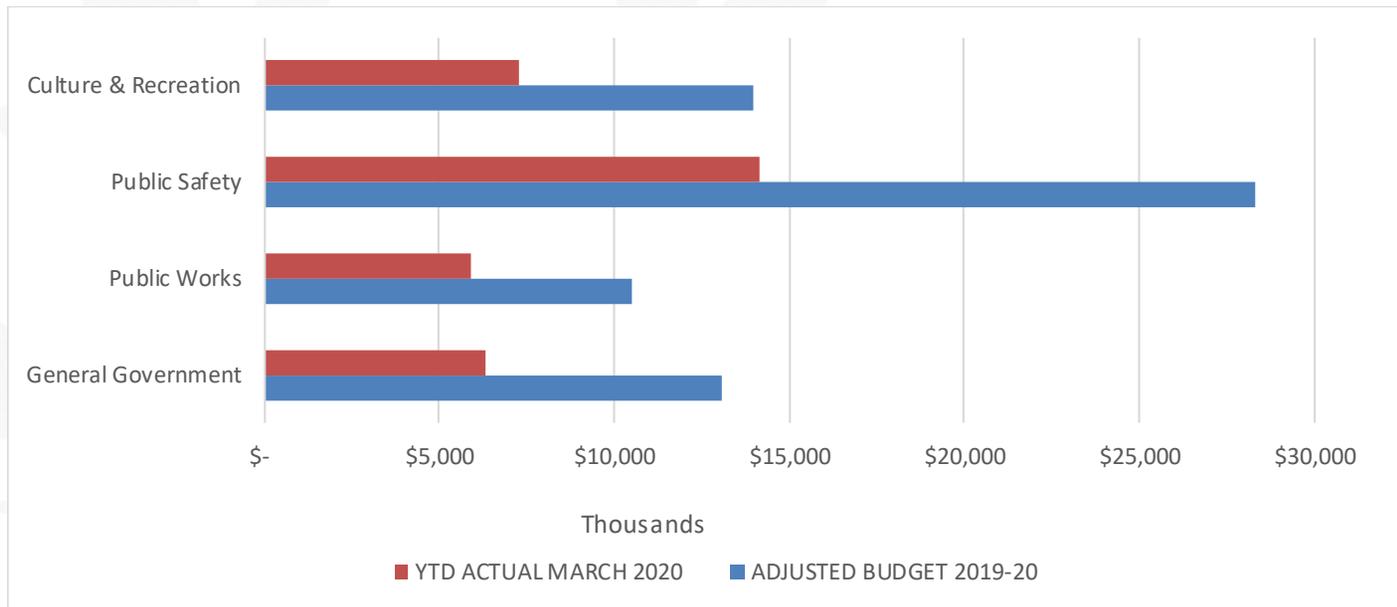
March 2020 – Expenditure by Type

	ADOPTED BUDGET 2019-20	BUDGET TRANSFERS & CARRY-FWDS	ADJUSTED BUDGET 2019- 20	% OF BUDGET	ACTUAL YTD 3/31/2020
Personal Services/Benefits	\$ 36,778,400	\$ 351,800	\$ 37,130,200	56.35%	18,102,973
Purchased Prof & Tech Services	4,073,500	174,075	4,247,575	6.45%	3,477,299
Supplies	2,367,100	67,227	2,434,327	3.69%	1,043,645
Repairs & Maintenance	7,044,900	121,010	7,165,910	10.87%	4,401,864
Services	8,727,000	22,655	8,749,655	13.28%	3,679,133
Production & Disposal	47,500	0	47,500	0.07%	8,516
Contracts	400,000	0	400,000	0.61%	400,000
Events	325,400	0	325,400	0.49%	248,423
Other Objects	2,492,200	(328,013)	2,164,187	3.28%	737,138
Transfers	3,230,100	0	3,230,100	4.90%	1,615,050
Total Appropriations	\$ 65,486,100	\$ 408,754	\$ 65,894,854	100.00%	\$ 33,714,040

Note: The Adopted Budget of \$65,486,100 has been adjusted (reference Adjusted Budget 2019-20) to include legally authorized budget transfers between departments and/or divisions [net effect \$0] and \$408,754 in Carry-Forwards, which are purchase orders that remain open from the prior fiscal year. March 2020 YTD Actuals reflect the full amount of the Carry-Forwards.

General Fund Results – Expenditures

March 2020 – Fiscal Year to Date



Note: The Adjusted Budget 2019-20 includes legally authorized budget transfers between departments and/or divisions [net effect \$0] and \$408,754 in Carry-Forwards, which are purchase orders that remained open at the end of the prior fiscal year. March 2020 YTD Actuals reflect the full amount of the Carry-Forwards.

Enterprise Fund Results – Summary

March 2020 – Fiscal Year to Date

	BUDGET								
	ADOPTED	TRANSFERS	ADJUSTED	ACTUAL	ACTUAL	EXPECTED			
	BUDGET 2019-	& CARRY-	BUDGET 2019-	YTD	AS % OF	AS % OF	ACTUAL YTD		%
	20	FWDS	20	3/31/2020	BUDGET	BUDGET	3/31/2019	DIFFERENCE	CHANGE
Revenues									
Water/Sewer Sales	\$ 24,980,200	\$ -	\$ 24,980,200	\$ 12,637,866	50.59%	46.00%	\$ 10,185,814	\$ 2,452,052	24.07%
Stormwater Charges for Services	2,157,000	-	2,157,000	1,117,951	51.83%	50.00%	748,189	369,763	49.42%
Miscellaneous Fees & Interest	447,100	-	447,100	250,499	56.03%	50.00%	143,418	107,082	74.66%
	<u>\$ 27,584,300</u>	<u>\$ -</u>	<u>\$ 27,584,300</u>	<u>\$ 14,006,318</u>	<u>50.78%</u>	<u>46.00%</u>	<u>\$ 11,077,420</u>	<u>\$ 2,928,897</u>	<u>26.44%</u>
Expenses									
Water/Sewer Administration	\$ 5,008,000	\$ 9,364	\$ 5,015,164	\$ 2,563,494	51.11%	50.00%	\$ 2,315,544	\$ 247,949	10.71%
Water/Sewer Operations	19,114,000	19,730	19,135,930	14,578,474	76.18%	50.00%	8,372,489	6,205,985	74.12%
Stormwater Utilities	3,479,000	707,681	4,186,681	1,137,425	27.17%	50.00%	687,915	449,511	65.34%
	<u>27,601,000</u>	<u>736,775</u>	<u>28,337,775</u>	<u>18,279,393</u>	<u>64.51%</u>	<u>50.00%</u>	<u>\$ 11,375,948</u>	<u>\$ 6,903,445</u>	<u>60.68%</u>
Net Income/(Loss)	\$ (16,700)	\$ (736,775)	\$ (753,475)	\$ (4,273,075)			\$ (298,528)	\$ (3,974,548)	

Note: The Adopted Expense Budget of \$27,601,000 has been adjusted [reference Adjusted Budget 2019-20 Expenses] to include \$736,775 in Carry-Forwards, which are purchase orders that remain open from the prior fiscal year. March 2020 YTD Actuals reflect the full amount of the Carry-Forwards.

- **Water/Sewer Sales** are trending slightly better than expected due to growth on the City's West Side.
- **Stormwater** revenue is higher than the prior year due to a transfer-in from the General Fund of \$500,000 [representing \$250,000 of YTD revenue] to support stormwater initiatives.
- **Water/Sewer Operations** 2020 actual expenses are significantly higher than expected due primarily to purchase orders being opened at the beginning of the year to reserve/encumber funds for the annual purchase of water and annual treatment of sewer. In prior years, payment for these expenses were made as they became due and were not encumbered.
- **Stormwater Utilities** 2020 actual expenses appear higher than the prior year due to \$707,681 in Carry-Forwards, which are included in March 2020 YTD Actuals. When the impact of Carry Forwards is removed, March 2020 YTD Actual expenses are less when compared to the same period in the prior year due to the dredging of Rawhide Creek at the Library, which represented approximately \$666,500 in March 2019 expenses.

Hotel/Motel Fund Results – Summary

March 2020 – Fiscal Year to Date

	ADOPTED BUDGET 2019- 20	BUDGET TRANSFERS & CARRY- FWDS	ADJUSTED BUDGET 2019- 20	ACTUAL YTD 3/31/2020	ACTUAL AS % OF BUDGET	EXPECTED AS % OF BUDGET	ACTUAL YTD 3/31/2019	DIFFERENCE	% CHANGE
Revenues									
Hotel/Motel Tax	\$ 3,100,000	\$ -	\$ 3,100,000	\$ 1,469,373	47.40%	47.00%	\$ 1,451,463	\$ 17,909	1.23%
Special Revenues	67,000	-	67,000	71,770	107.12%	50.00%	29,155	42,615	146.17%
Interest	35,000	-	35,000	19,936	56.96%	50.00%	22,070	(2,134)	-9.67%
	<u>\$ 3,202,000</u>	<u>\$ -</u>	<u>\$ 3,202,000</u>	<u>\$ 1,561,078</u>	<u>48.75%</u>	<u>47.00%</u>	<u>\$ 1,502,688</u>	<u>\$ 58,390</u>	<u>3.89%</u>
Expenditures									
Historical Preservation	\$ 1,467,000	\$ 10,221	\$ 1,477,221	\$ 704,644	47.70%	50.00%	\$ 586,587	\$ 118,057	20.13%
Promotion of Tourism	1,461,700	248,807	1,710,507	1,194,977	69.86%	50.00%	525,548	669,429	127.38%
Convention Center	19,000	-	19,000	8,815	46.39%	50.00%	-	8,815	N/A
	<u>\$ 2,947,700</u>	<u>\$ 259,028</u>	<u>\$ 3,206,728</u>	<u>\$ 1,908,435</u>	<u>59.51%</u>	<u>50.00%</u>	<u>\$ 1,112,134</u>	<u>\$ 796,301</u>	<u>71.60%</u>
Net Increase/(Decrease) to Fund Balance	\$ 254,300	\$ (259,028)	\$ (4,728)	\$ (347,357)			\$ 390,554	\$ (737,911)	

Note: The Adopted Expenditure Budget of \$2,947,700 has been adjusted [reference Adjusted Budget 2019-20 Expenditures] to include \$259,028 in Carry-Forwards, which are purchase orders that remain open at the end of the prior fiscal year. March 2020 YTD Actuals reflect the full amount of the Carry-Forwards.

- **Hotel/Motel Special Revenue** is trending slightly higher than the same period in the prior year due to new hotel revenue.
- **Historical Preservation Expenditures** are trending higher due primarily to purchase orders being opened at the beginning of the year in order to reserve/encumber funds for known expenditures/vendors. In prior years, payment for these types of expenses were made as they became due and were not encumbered.
- **Promotion of Tourism Expenditures** are trending higher than expected due in part to purchase orders being opened at the beginning of the year to reserve/encumber funds for known expenditures/vendors and due to the Carry-Forward of \$248,807 in prior year Purchase Orders, which are reflected in the current years Actual YTD.

Debt Service Funds – Summary

Fiscal Year 2019-20

Series	Series Description	Issue Amount	Issue Date	Maturity Date	Amount Outstanding	2019-20 Principal	2019-20 Interest	2019-20 Payment	Purpose of Debt
Tax Supported Debt:									
2009	Combination Tax & Revenue Certificates of Obligation, Taxable Series	\$10,000,000	10/15/2009	2/15/2024	\$ 4,050,000	\$ 730,000	\$ 189,869.50	\$ 919,869.50	Dangerous Structures
2010	General Obligation Refunding & Improvement Bonds	5,470,000	5/15/2010	2/15/2030	Refunded 2020	\$ 265,000	69,062.50	334,062.50	Fire Station No. 1 Relocation
2012	Combination Tax & Revenue Certificates of Obligation	3,000,000	12/20/2012	5/1/2023	1,270,000	\$ 310,000	21,463.00	331,463.00	Public Safety Radio System
2013	Combination Tax & Revenue Certificates of Obligation	6,500,000	5/1/2013	11/1/2032	5,015,000	\$ 285,000	152,037.50	437,037.50	Aquatics Facility
2014	General Obligation Bonds	13,920,000	7/15/2014	2/15/2034	8,865,000	\$ 440,000	312,019.00	752,019.00	Street Improvements
2014	Combination Tax & Revenue Certificates of Obligation	1,890,000	7/15/2014	2/15/2024	1,005,000	\$ 185,000	37,050.00	222,050.00	Public Safety Dispatch Facility
2016	Combination Tax & Revenue Certificates of Obligation	2,545,000	5/3/2016	5/1/2036	2,230,000	\$ 110,000	59,400.00	169,400.00	Justice Center Improvements
2018	General Obligation Bonds	13,540,000	4/3/2018	2/15/2038	13,470,000	\$ 155,000	497,118.76	652,118.76	Street and Quality of Life - Improvement Bonds
2018	Combination Tax & Revenue Certificates of Obligation	5,360,000	4/3/2018	2/15/2038	5,320,000	\$ 170,000	199,256.26	369,256.26	Fire Station No. 2 Relocation
2020	General Obligation Refunding Bonds	9,410,000	3/18/2020	2/15/2039	9,410,000	\$ -	115,923.28	115,923.28	Quality of Life - Improvement Bonds (Remaining Authorization)
2020	General Obligation Improvement Bonds	2,895,000	3/18/2020	2/15/2030	2,895,000	\$ 235,000	111,100.00	346,100.00	Refunding Fire Station No. 1 Relocation Bonds
*	Total Property Tax Supported Debt				\$ 53,530,000	\$ 2,650,000	\$ 1,537,276.52	\$ 4,303,199.80	
Self Supporting Debt:									
	Commercial Rent - Dallas Stars Lease							\$ 600,000.00	
	Landfill Revenue							1,181,000.00	
	Total Self-Supporting Debt Revenue							1,781,000.00	
2011	General Obligation Refunding Bonds, Taxable Series	\$ 7,035,000	9/1/2011	11/1/2025	\$ 3,710,000	\$ 480,000	\$ 124,016.50	\$ 604,016.50	Refunding Convention Bonds
2018	Combination Tax & Revenue Certificates of Obligation	5,155,000	4/3/2018	2/15/2023	4,285,000	\$ 990,000	189,500.00	1,179,500.00	Landfill Facility Improvements
	Total Self-Supporting Debt Expense				\$ 7,995,000	\$ 1,470,000	\$ 313,516.50	\$ 1,783,516.50	
**	Net Self-Supporting Debt							\$ (2,516.50)	

* 100% of Tax Supported Debt is supported with property tax.

** Balance of Self-Supporting Debt due is payable from existing fund balance.

Note: Debt service principal is paid once annually, generally during the month shown for the maturity date. Interest is paid twice annually, with the first interest payment payable during the month shown under maturity date and the second payment due six months thereafter. With the exception of three issues, most debt service principal is paid in February and interest is paid in February and August.

Debt Service Funds – Summary

Fiscal Year 2019-20

Series	Series Description
Tax Supported Debt:	
2009	Combination Tax & Revenue Certificates of Obligation, Taxable
2010	General Obligation Refunding & Improvement Bonds
2012	Combination Tax & Revenue Certificates of Obligation
2013	Combination Tax & Revenue Certificates of Obligation
2014	General Obligation Bonds
2014	Combination Tax & Revenue Certificates of Obligation
2016	Combination Tax & Revenue Certificates of Obligation
2018	General Obligation Bonds
2018	Combination Tax & Revenue Certificates of Obligation
2020	General Obligation Refunding Bonds
2020	General Obligation Improvement Bonds
*	Total Property Tax Supported Debt
Self Supporting Debt:	
	Commercial Rent - Dallas Stars Lease
	Landfill Revenue
	Total Self-Supporting Debt Revenue
2011	General Obligation Refunding Bonds, Taxable Series
2018	Combination Tax & Revenue Certificates of Obligation
	Total Self-Supporting Debt Expense
**	Net Self-Supporting Debt

* 100% of Tax Supported Debt is supported with property tax.
 ** Balance of Self-Supporting Debt due is payable from existing fund balance.
 Note: Debt service principal is paid once annually, generally during the month of June, with the exception of three issues, most debt service principal is paid in two payments, the first payment due in June and the second payment due in December.

Due to the passage of S.B. No. 656, Section 102.007 of the Texas Local Government Code was amended to require that the following information be included as the cover page for a budget document:

This budget will raise more revenue from property taxes than last year's budget by an amount of \$1,542,430, which is a 4.55% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$1,930,791.

Upon calling for a vote for approval of an ordinance adopting the City of Farmers Branch 2019-20 Fiscal Year Budget, the members of the City Council voted as follows:

City Council	Aye	Nay
Cristal Retana, Councilmember - District 1	✓	
Bronson Blackson, Councilmember - District 2		✓
John Norwood, Councilmember - District 3		✓
Terry Lynne, Councilmember - District 4	✓	
Mike Bongardner, Councilmember - District 5	✓	

The municipal property tax rates for the preceding fiscal year, and each municipal property tax rate that has been adopted or calculated for the current fiscal year, include:

Tax Year	2019	2018
Fiscal Year	2019-20	2018-19
Proposed Rate [MAXIMUM]	\$ 0.610000	\$ 0.599507
Total Adopted Rate	\$ 0.599507	\$ 0.599507
Adopted Operating Rate	\$ 0.527348	\$ 0.516722
Adopted Debt Rate	\$ 0.072159	\$ 0.082785
Effective Tax Rate	\$ 0.583953	\$ 0.599508
Effective Maintenance & Operations Rate	\$ 0.503299	\$ 0.515307
Rollback Maintenance & Operations Rate	\$ 0.543562	\$ 0.556531
Debt Tax Rate (I&S)	\$ 0.072159	\$ 0.082785
Rollback Tax Rate	\$ 0.615721	\$ 0.639316

Purpose of Debt

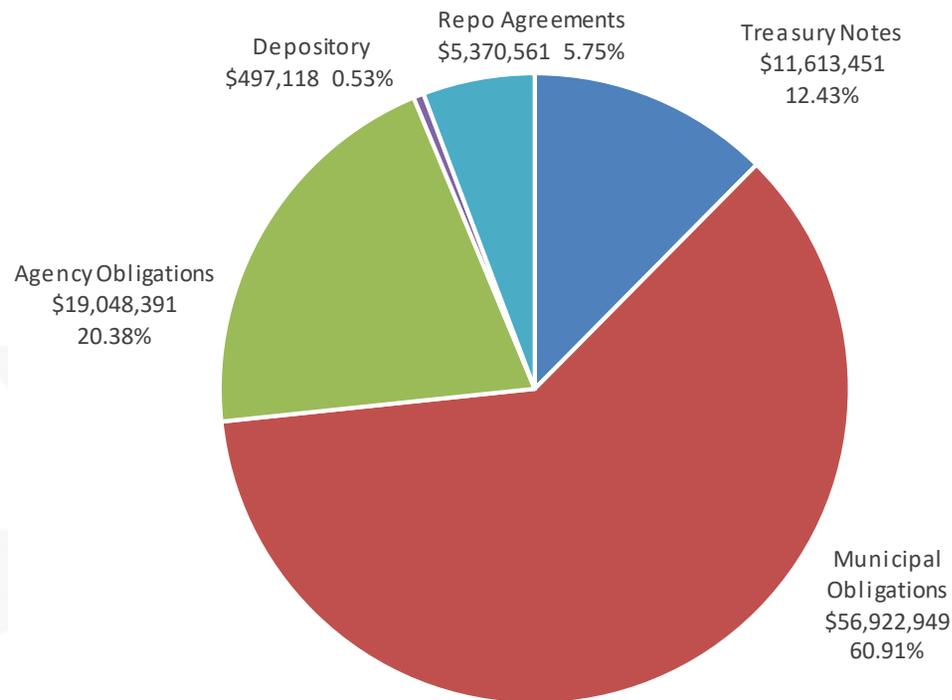
ous Structures
 ation No. 1 Relocation
 Safety Radio System
 is Facility
 mprovements
 Safety Dispatch Facility
 Center Improvements
 and Quality of Life - Improvement Bonds
 ation No. 2 Relocation
 of Life - Improvement Bonds (Remaining Authorization)
 ing Fire Station No. 1 Relocation Bonds

ing Convention Bonds
 Facility Improvements

maturity date and the second payment due



Investment Portfolio As of March 31, 2020



- Book Value at 3/31/2020 - \$93,452,470
- Market Value at 3/31/2020 - \$93,579,697
- Unrealized Gain - \$127,226
- Weighted Average Maturity at 3/31/2020 – 242 Days
- Fiscal Year-to-Date Average Monthly Yield – 2.083%



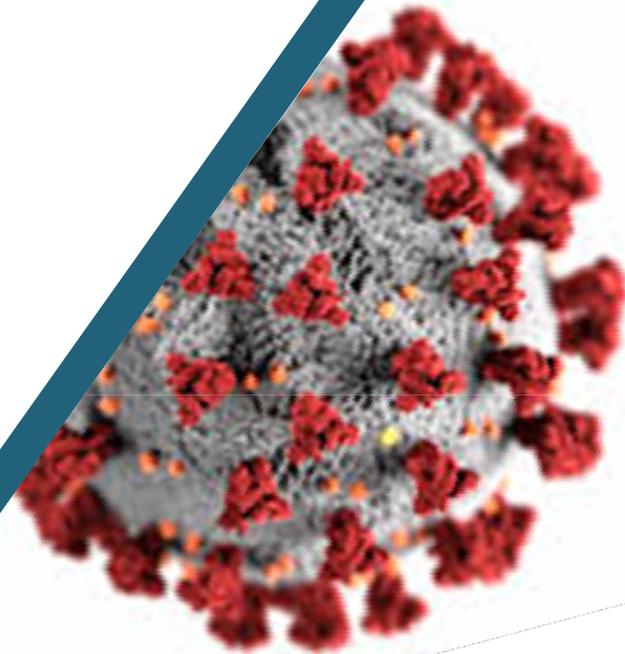
FARMERS
BRANCH

FINANCIAL UPDATE

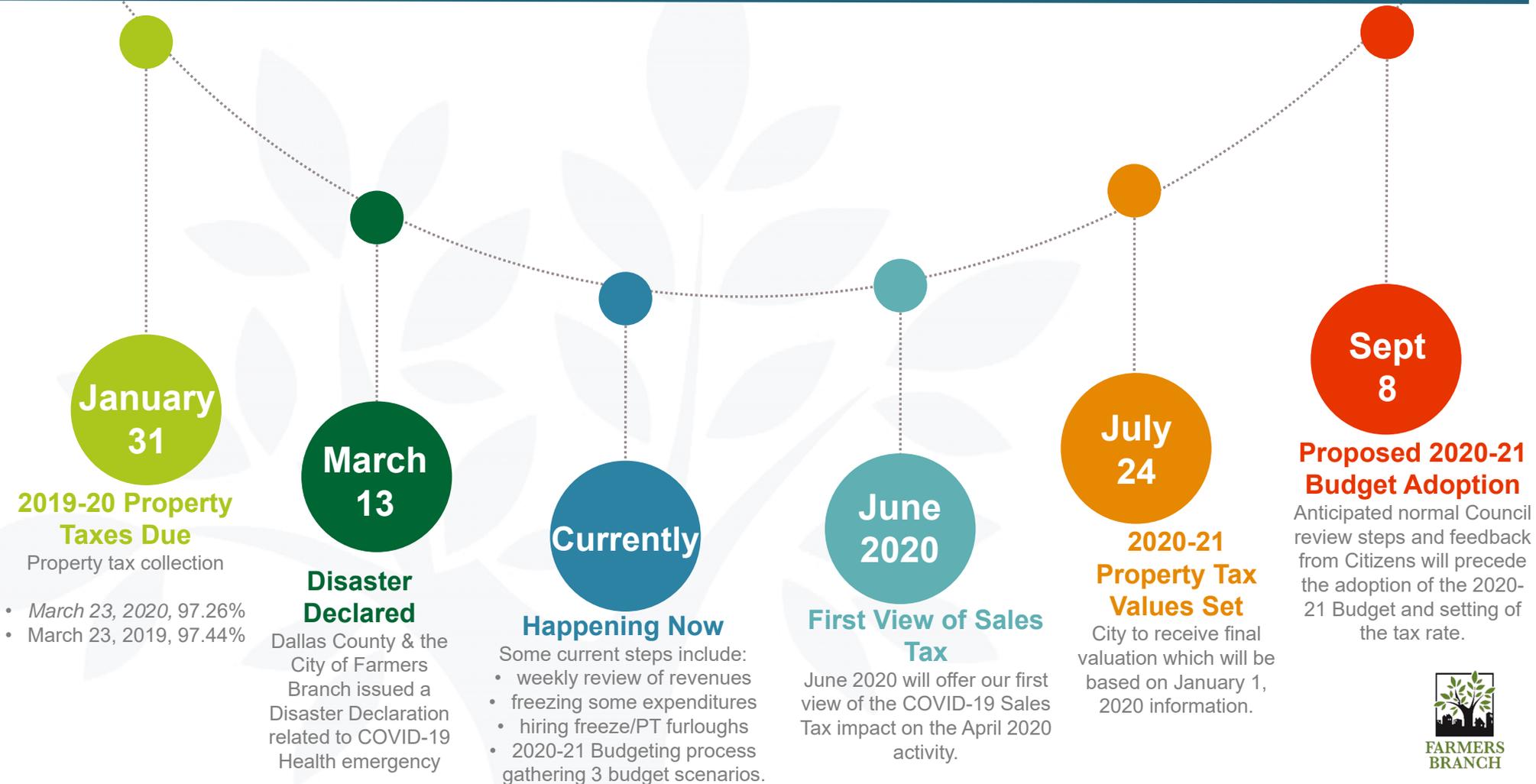
For the Period Ended March 31, 2020

The following slides are intended to provide estimations on the potential financial impact of COVID-19.

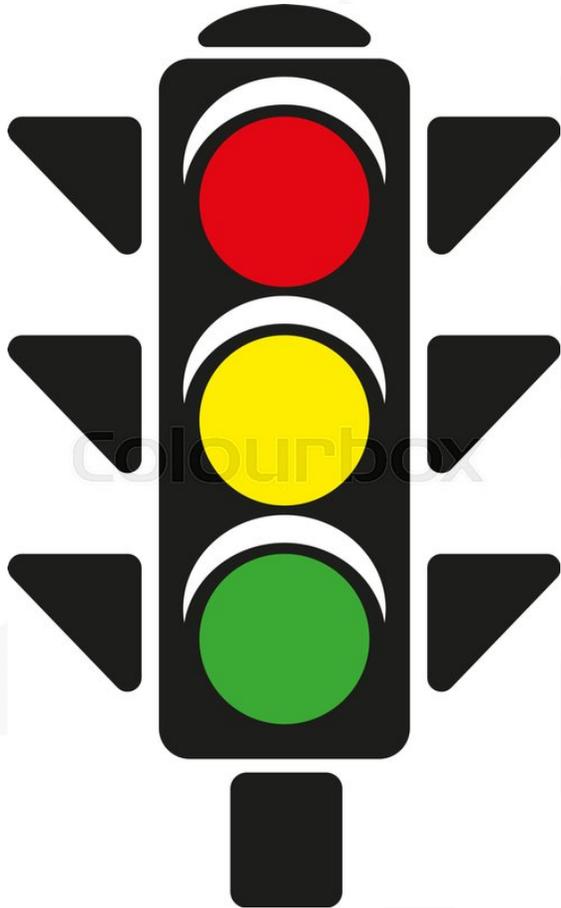
CITY OF FARMERS BRANCH | 5/5/2020



COVID-19 and Financial Evaluation Timing



COVID-19 and Revenues to Watch



Some revenue sources that we believe are most susceptible to COVID-19 or 2019-20 Market decline are:

Hotel/Motel Taxes, Sales Taxes, Court, Parks & Rec Revenues

21%
Of Total Budget

Some revenue sources that we believe are more susceptible to COVID-19 or 2019-20 Market decline are:

Licenses and Permits

3%
Of Total Budget

Some revenue sources that we believe are least susceptible to COVID-19 or 2019-20 Market decline are:

Property Taxes, Water/Sewer Revenue, Franchise Fees, Landfill Revenue

76%
Of Total Budget

COVID-19: Revenues – General Fund

SALES TAXES

Qualitative Considerations

- Sales Tax Tiers Consideration
- Late-April Contact to Key Farmers Branch Businesses

Perspective

- September 11, 2001 –
10% sales tax decline
- 2007 Recession –
2.74% sales tax decline

Sales Tax Revenue Loss
calculated on an estimated 20%
decline (conservative approach)

Projected 2019-20 Revenue Loss
\$1,200,000

MUNICIPAL COURT

Qualitative Considerations

- Lower number of citations in the pipeline.
 - April 2020 – 158 new cases
 - April 2019 – 1,196 new cases
- COVID-19 Low-Contact period
- Unemployment will impact collections of outstanding cases

Projected 2019-20 Revenue Loss
\$140,000

PARKS & REC

Quantitative Considerations

- Several categories of Parks & Rec revenue will be impacted by COVID-19 including:
 - Activity Fees for Aquatics and Rec Center
- The Parks Department performed a detailed review of revenue for the remainder the fiscal year – Thank you Parks and Rec Team!

Projected 2019-20 Revenue Loss
\$500,000

Total Projected 2019-20 Revenue Loss - \$1,840,000

Total Unassigned Fund Balance at 9/30/2019 - \$17,828,976



COVID-19: Expenditures – General Fund

PEOPLE

- ✓ Savings from Frozen Positions and Vacancies - \$595,000 (adverse impact to City Services)
- ✓ Reduced Travel and Training - \$38,000
- ✓ Reduced Contractor Costs - \$17,000
- ✓ Reduced Branch Life Funding - \$12,000

Expenditure Savings
\$662,000



PROJECTS

- ✓ Delayed Start For:
 - ❑ Library Roof Project - \$385,000
 - ❑ Laserfiche Project - \$30,000
- ✓ Reduced Funding For:
 - ❑ Reduced PW Costs - \$155,000 (includes Monument Signs)
 - ❑ Signature Park - \$40,000
 - ❑ Rawhide Creek Lighting - \$170,000
 - ❑ Future Infrastructure - ???
 - ❑ Rec Center Improvement - ???
- ✓ Other:
 - ❑ Marketing - \$20,000
 - ❑ Election Costs - \$15,000
 - ❑ Animal Svc Supplies - \$12,000

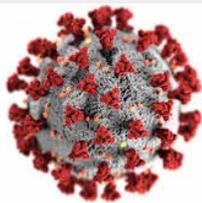
Expenditure Savings
\$827,000



VIRUS SPECIFIC

- ✓ Fuel Costs Savings - \$170,000
- ✓ Reduced Programs & Event Costs - \$135,000
- ✓ Reduced Public Safety Overtime (Events Related) - \$100,000

Expenditure Savings
\$405,000



Total Projected 2019-20 Expenditure Savings - \$1,894,000

COVID-19: Hotel/Motel Fund

REVENUES

Considerations

- Extensive outreach to Farmers Branch – Thank you ED Team!
- Most are late on H/M Tax payments
 - About 80% of Hotel have submitted March 2020 payment.
 - 31% decline in payments from Feb to Mar 2020.
- Payment Plan – 25% down with balance to be paid over 3 months

**Projected 2019-20 Revenue Loss
\$1,100,000**

EXPENDITURES

Items of Reduced expenditures include:

- Tourism Incentives - \$400,000
- Delayed Maintenance of Historic Park - \$58,500 (with no adverse impact to the structures)
- Reduced Contract Labor and Personnel Cost - \$47,000
- Reduced Blooming Blue Grass and Special Events Cost - \$24,500 (if the event is cancelled)
- Reduced Other Historic Park Supplies, etc. - \$28,000
- Postpone Activity Center/Barn Construction – not budgeted

**Projected 2019-20 Expenditure Savings
\$558,000**

Total Hotel/Motel Fund Balance at 9/30/2019 - \$2,012,065





Questions?