



# FINANCIAL UPDATE

For the Period Ended March 31, 2019

Presented May 2, 2019

CITY OF FARMERS BRANCH | 4/30/2019



# General Fund Results – Summary

March 2019 – Fiscal Year to Date

Revenues	YTD Est.	YTD Actual	Expenditures	YTD Est.	YTD Actual
Property Taxes	\$27,507,310	\$26,865,476	General Government	\$6,316,500	\$5,454,492
Sales & Use Taxes	7,408,764	8,361,148	Public Works	4,910,050	3,629,919
Charges for Service	2,846,686	2,840,318	Public Safety	13,165,600	13,395,676
Licenses & Permits	2,328,850	1,899,453	Culture & Recreation	6,518,400	5,260,104
Franchise Fees	2,134,750	2,120,057			
Fines, Forfeits & Assessments	1,071,581	859,156			
Interest, Contributions & Misc.	606,400	641,591			
Other Taxes	65,000	40,307			
<b>TOTAL</b>	<b>\$43,969,341</b>	<b>\$43,627,506</b>	<b>TOTAL</b>	<b>\$30,910,550</b>	<b>\$27,740,191</b>

# General Fund Results – Revenue

March 2019 – Fiscal Year to Date – Budget to Actual

	YTD ESTIMATED 03/31/2019	YTD ACTUAL 03/31/2019	DIFFERENCE (Actual vs. Estimated)	ACTUAL AS % OF YTD ESTIMATED	EXPECTED AS % OF BUDGET (YTD)
Property Taxes	\$ 27,507,310	\$ 26,865,476	\$ (641,833)	97.67%	99.43%
Sales & Use Taxes	7,408,764	8,361,148	952,384	112.85%	50.11%
Charges for Services	2,846,686	2,840,318	(6,368)	99.78%	43.00%
Franchise Fees	2,134,750	2,120,057	(14,693)	99.31%	50.00%
Licenses & Permits	2,328,850	1,899,453	(429,397)	81.56%	47.00%
Fines, Forfeits & Assessments	1,071,581	859,156	(212,425)	80.18%	49.00%
Interest, Contributions, Misc.	606,400	641,591	35,191	105.80%	52.00%
Penalties & Interest	65,000	40,307	(24,693)	62.01%	50.00%
	<u>\$ 43,969,340</u>	<u>\$ 43,627,506</u>	<u>\$ (341,834)</u>	<u>99.22%</u>	<u>71.00%</u>

- **Property Taxes** are trending behind budget due to the timing of receipts of property taxes. Any parcels that are uncollected are submitted to our third-party attorneys for collection efforts.
- **Sales & Use Taxes** continuing the trend of performing better than budget due to positive economic outlook during the First and Second Quarters and additional businesses in the City.
- **Licenses & Permits** is performing behind budget, partially due to a timing of construction activities. We also note an anticipated slowing of new commercial and apartment activities. There are several apartments in the pipeline which haven't submitted applications yet.
- **Fines, Forfeits & Assessments** is behind budget due to the vacancy of the second Marshal position that existed for the majority of the First and Second Quarters; new PT Marshal was hired in March 2019. Also, the average dollar disposed case has declined due to new legislation impacting municipal courts statewide.

# General Fund Results – Revenue

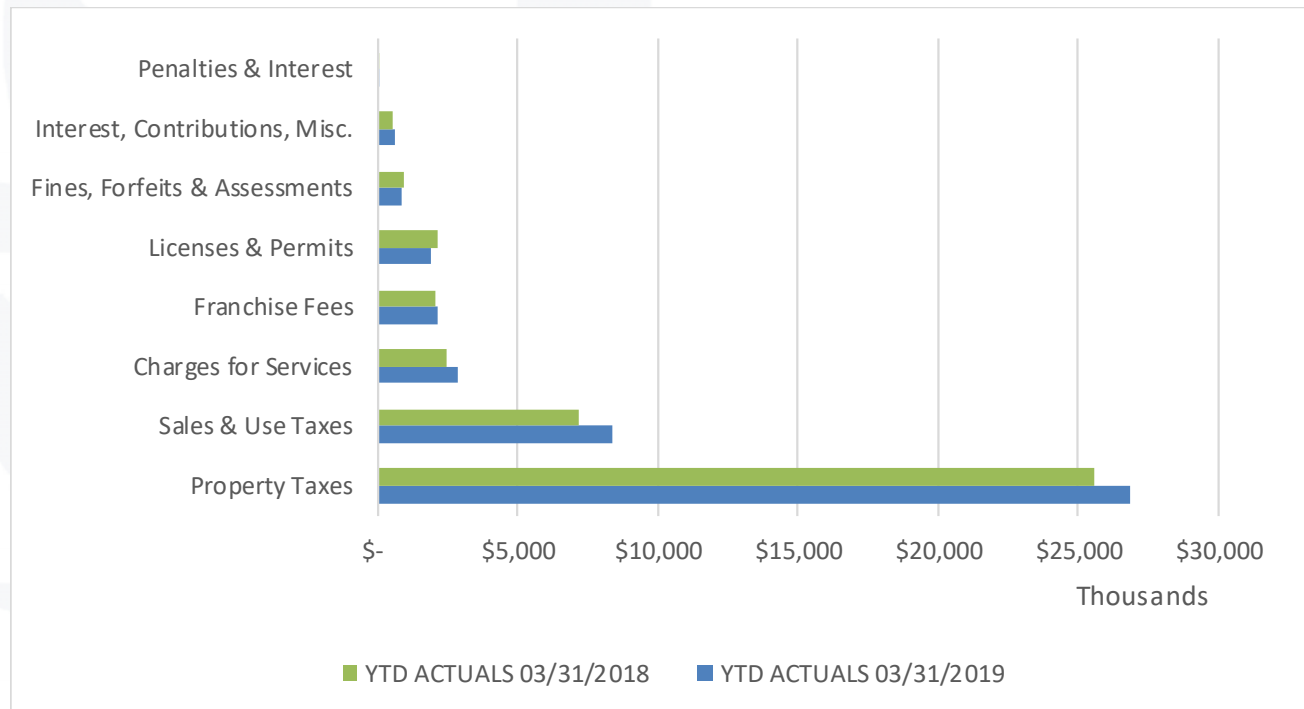
March 2019 – Fiscal Year to Date – CY Actual to PY Actual

	YTD ACTUALS 03/31/2019	YTD ACTUALS 03/31/2018	DIFFERENCE CURRENT YEAR TO PRIOR YEAR	ACTUAL AS % OF BUDGET (YTD)
Property Taxes	\$ 26,865,476	\$ 25,605,519	\$ 1,259,957	4.69%
Sales & Use Taxes	8,361,148	7,148,974	1,212,173	14.50%
Charges for Services	2,840,318	2,504,187	336,131	11.83%
Franchise Fees	2,120,057	2,093,844	26,213	1.24%
Licenses & Permits	1,899,453	2,122,766	(223,313)	-11.76%
Fines, Forfeits & Assessments	859,156	926,247	(67,090)	-7.81%
Interest, Contributions, Misc.	641,591	523,653	117,938	18.38%
Penalties & Interest	40,307	81,943	(41,636)	-103.30%
	<b>\$ 43,627,506</b>	<b>\$ 41,007,134</b>	<b>\$ 2,620,372</b>	<b>6.01%</b>

- **Property Taxes** at March 2019 exceeds that of March 2018 due to the growth in values.
- **Sales & Use Taxes** is performing significantly better than the same period in 2018 because of increased businesses and improved economic outlook.
- **Charges for Services** is performing better than the same period in 2018 because the landfill expansion revenue has been fully realized in the 2019 amounts.
- **Licenses & Permits** is performing behind the same period in 2018 due to the timing of some apartment permit and a delay in our West Side buildout.

# General Fund Results – Revenues

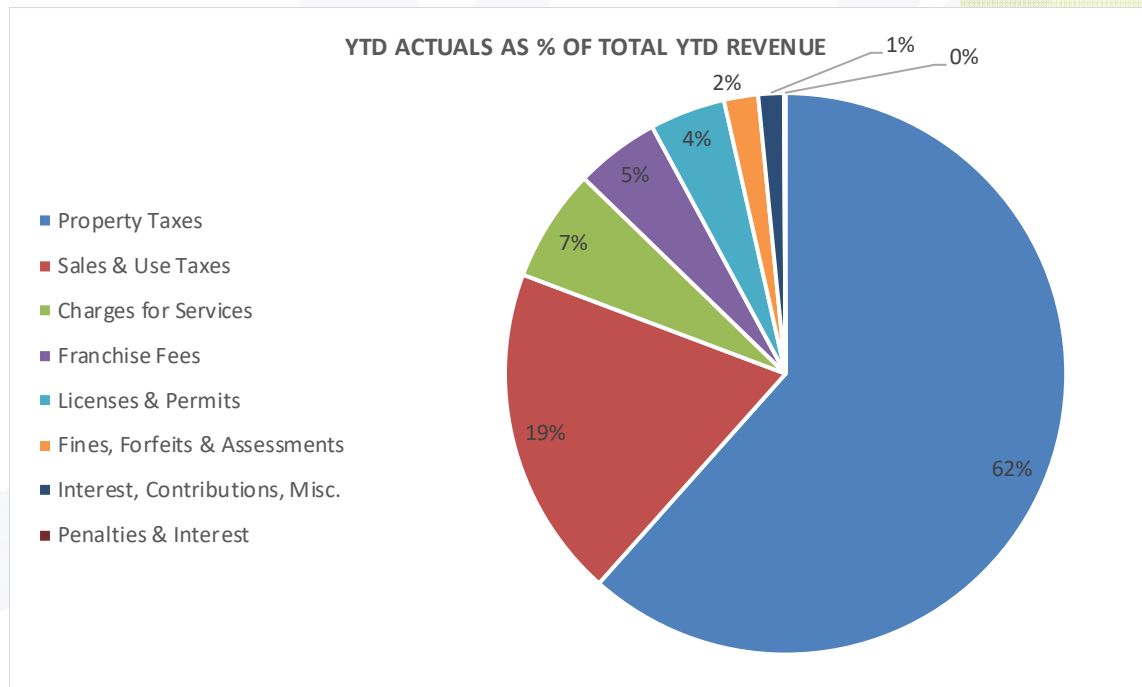
## March 2019 – Fiscal Year to Date





# General Fund Results – Revenues

## March 2019



- Taxes continue to be the largest source of General Fund Revenue, with current Y-T-D actuals representing 62%.
- Other revenue sources are currently providing a valuable 38% of revenue to support General Fund activities.

# General Fund Results – Expenditures

## March 2019 – Fiscal Year to Date

	A	B	C = B/A % OF
	ANNUAL BUDGET	YTD ACTUAL	ANNUAL BUDGET
General Government	\$12,633,000	\$5,454,493	43.2%
Public Works	9,820,100	3,629,919	37.0%
Public Safety	26,331,200	13,395,676	50.9%
Culture & Recreation	13,036,800	5,260,104	40.3%
	<b>\$61,821,100</b>	<b>\$27,740,191</b>	<b>44.87%</b>

# General Fund Results – Expenditures

## March 2019 – Detail by Department

	ADJUSTED BUDGET 2018-19	ACTUAL YTD 3/31/2019	ACTUAL YTD %	PROJECTED YTD 3/31/2019	DIFFERENCE (Projected vs Actual)
<b>General Government</b>	<b>\$12,633,000</b>	<b>\$5,454,493</b>	<b>43.18%</b>	<b>\$6,316,500</b>	<b>\$862,007</b>
General Government	\$1,698,700	\$182,830	10.76%	\$849,350	\$666,520
General Administration	1,081,000	548,005	50.69%	540,500	(7,505)
Communications	726,700	314,684	43.30%	363,350	48,666
Economic Development	448,300	231,925	51.73%	224,150	(7,775)
Human Resources	1,074,000	484,024	45.07%	537,000	52,976
Finance	2,479,500	1,223,201	49.33%	1,239,750	16,549
Information Services	2,729,300	1,420,544	52.05%	1,364,650	(55,894)
Community Services	2,395,500	1,049,280	43.80%	1,197,750	148,470
<b>Public Works</b>	<b>\$9,820,100</b>	<b>\$3,629,919</b>	<b>36.96%</b>	<b>\$4,910,050</b>	<b>\$1,280,131</b>
Public Works	\$4,882,500	\$1,882,106	38.55%	\$2,441,250	\$559,144
Sustainability & Public Health	4,937,600	1,747,813	35.40%	2,468,800	720,987
<b>Public Safety</b>	<b>\$26,331,200</b>	<b>\$13,395,676</b>	<b>50.87%</b>	<b>\$13,165,600</b>	<b>(\$230,076)</b>
Police	\$14,350,500	\$7,267,265	50.64%	\$7,175,250	(\$92,015)
Fire	11,980,700	6,128,410	51.15%	5,990,350	(138,060)
<b>Culture &amp; Recreation</b>	<b>\$13,036,800</b>	<b>\$5,260,104</b>	<b>40.35%</b>	<b>\$6,518,400</b>	<b>\$1,258,296</b>
Parks & Recreation	\$11,166,100	\$4,364,766	39.09%	\$5,583,050	\$1,218,284
Library	1,870,700	895,338	47.86%	935,350	40,012
<b>TOTAL</b>	<b>\$61,821,100</b>	<b>\$27,740,191</b>	<b>44.87%</b>	<b>\$30,910,550</b>	<b>\$3,170,359</b>



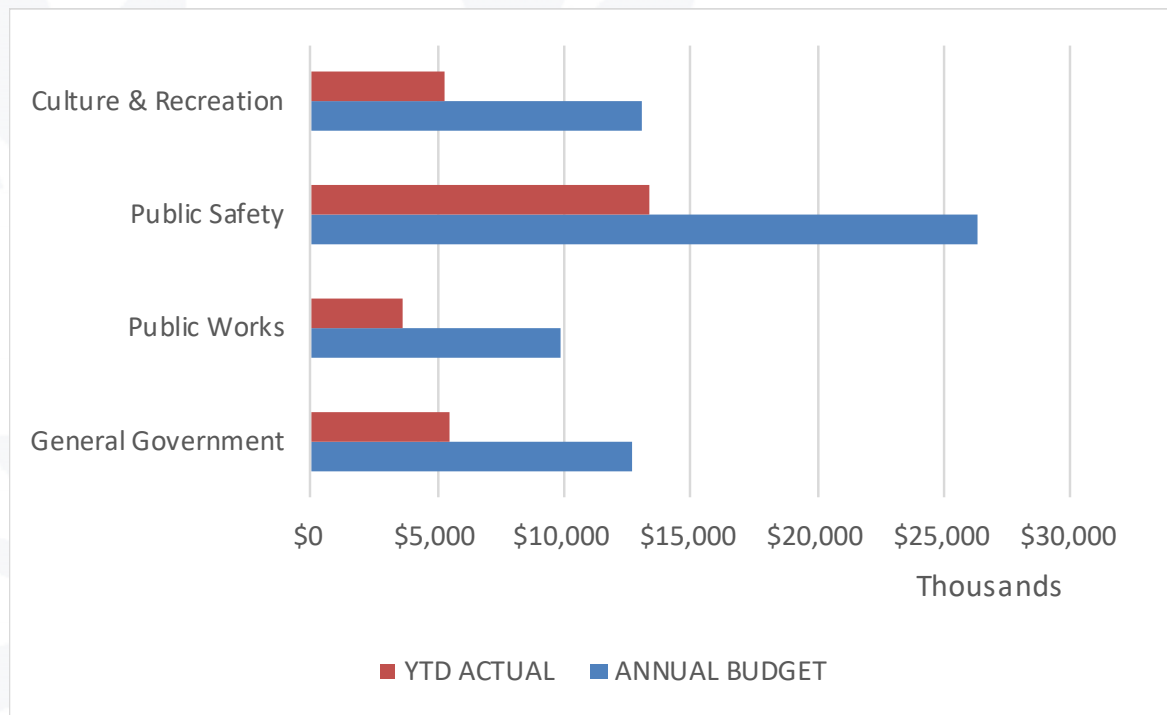
# General Fund Results – Expenditures

## March 2019 – Expenditure by Type

	ADJUSTED BUDGET 2018- 19	% OF BUDGET	ACTUAL YTD 3/31/2019
Personal Services/Benefits	\$ 35,650,800	57.67%	\$ 18,179,175
Purchased Prof & Tech Services	3,908,100	6.32%	1,605,661
Supplies	2,121,800	3.43%	608,539
Repairs & Maintenance	6,580,700	10.64%	2,639,547
Services	7,744,700	12.53%	3,368,023
Production & Disposal	41,500	0.07%	26,338
Contracts	285,000	0.46%	145,000
Events	472,300	0.76%	219,105
Other Objects	2,427,500	3.93%	418,813
Transfers	2,588,700	4.19%	529,990
Total Appropriations	<u>\$ 61,821,100</u>	<u>100.00%</u>	<u>\$ 27,740,191</u>

# General Fund Results – Expenditures

## March 2019 – Fiscal Year to Date



# Enterprise Fund Results – Summary

## March 2019 – Fiscal Year to Date

	ADJUSTED BUDGET 2018- 19	ACTUAL YTD 3/31/2019	ACTUAL AS % OF BUDGET	EXPECTED AS % OF BUDGET	ACTUAL YTD 3/31/2018	DIFFERENCE	% CHANGE
<b>Revenues</b>							
Water/Sewer Sales	\$ 23,215,100	\$ 10,106,099	43.53%	46.00%	\$ 10,336,794	\$ (230,696)	-2.23%
Stormwater Charges for Services	1,445,000	742,743	51.40%	51.40%	680,127	62,616	9.21%
Miscellaneous Fees & Interest	424,500	228,578	53.85%	50.00%	436,507	(207,929)	-47.63%
	<u>\$ 25,084,600</u>	<u>\$ 11,077,420</u>	44.16%	46.00%	<u>\$ 11,453,428</u>	<u>\$ (376,009)</u>	-3.28%
<b>Expenses</b>							
Water/Sewer Administration	4,631,600	2,315,544	49.99%	50.00%	\$ 2,291,172	\$ 24,373	1.06%
Water/Sewer Operations	18,542,300	8,372,489	45.15%	50.00%	8,636,817	(264,327)	-3.06%
Stormwater Utilities	1,449,000	687,915	47.48%	50.00%	88,769	599,145	674.95%
	<u>24,622,900</u>	<u>11,375,948</u>	46.20%	50.00%	<u>\$ 11,016,758</u>	<u>\$ 359,191</u>	3.26%
<b>Net Income/(Loss)</b>	<u><u>\$ 461,700</u></u>	<u><u>\$ (298,528)</u></u>			<u><u>\$ 436,671</u></u>	<u><u>\$ (735,200)</u></u>	

# Hotel/Motel Fund Results – Summary

## March 2019 – Fiscal Year to Date

	ADJUSTED BUDGET 2018- 19	ACTUAL YTD 3/31/2019	ACTUAL AS % OF BUDGET	EXPECTED AS % OF BUDGET	ACTUAL YTD 3/31/2018	DIFFERENCE	% CHANGE
<b>Revenues</b>							
Hotel/Motel Tax	\$ 3,050,000	\$ 1,451,463	47.59%	47.00%	\$ 1,342,606	\$ 108,858	8.11%
Special Revenues	60,500	29,155	48.19%	50.00%	42,573	(13,418)	-31.52%
Interest	35,000	22,070	63.06%	50.00%	14,318	7,752	54.14%
	<u>\$ 3,145,500</u>	<u>\$ 1,502,688</u>	47.77%	47.00%	<u>\$ 1,399,496</u>	<u>\$ 103,192</u>	7.37%
<b>Expenditures</b>							
Historic Preservation	\$ 1,566,800	\$ 586,587	37.44%	50.00%	\$ 943,293	\$ (356,706)	-37.81%
Promotion of Tourism	1,431,900	525,548	36.70%	50.00%	761,171	(235,623)	-30.96%
Convention Center	19,000	-	0.00%	50.00%	-	-	N/A
	<u>\$ 3,017,700</u>	<u>\$ 1,112,134</u>	36.85%	50.00%	<u>\$ 1,704,464</u>	<u>\$ (592,329)</u>	-34.75%
<b>Net Increase/(Decrease) to Fund Balance</b>	<u>\$ 127,800</u>	<u>\$ 390,554</u>			<u>\$ (304,967)</u>	<u>\$ 695,521</u>	

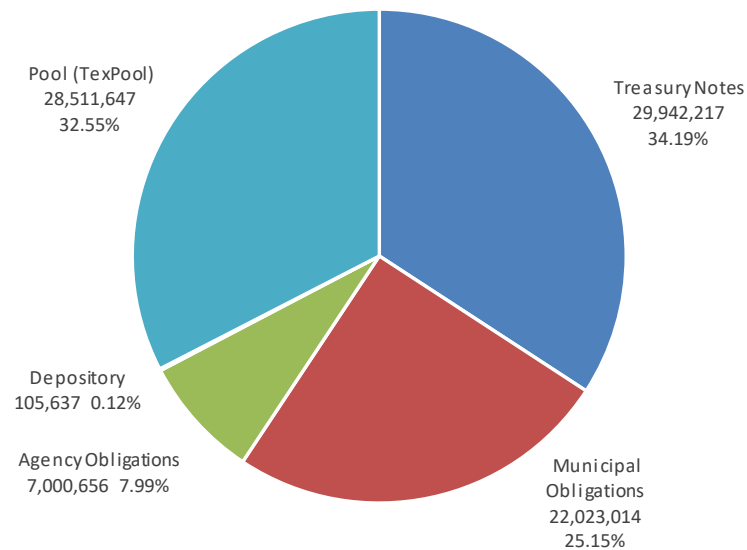
# Investment Portfolio As of March 31, 2019

## The City of Farmers Branch Investment Portfolio March 31, 2019

Trade Date	Maturity Date	Rating Moody/S&P	Type/ Broker Dealer	CUSIP	Weighted Average Maturity	Coupon	Yield	PAR Value	Purchase Principal	Market Value Mar-2019	Current Book Value	Unrealized Gain/(Loss)	Accrued Interest Receivable	Percent of Total Portfolio
Nov-16-2018	May-31-2019	Aaa	US Treasury Cantor Fitzgerald	912828WL0	10	1.500%	2.499%	5,000,000	4,973,438	4,991,524	4,993,359	(1,836)	25,000	5.70%
Nov-16-2018	Aug-15-2019	Aaa	US Treasury FTN Financial	912828B5	23	0.750%	2.609%	5,000,000	4,931,641	4,967,637	4,965,820	1,816	3,125	5.70%
Nov-20-2018	Nov-30-2019	Aaa	US Treasury BOSC/Bank of Tx	912828G61	24	1.500%	2.712%	3,000,000	2,963,400	2,981,531	2,977,125	4,406	15,000	3.42%
Feb-01-2018	Apr-30-2020	Aaa	US Treasury BOSC/Bank of Tx	912828K58	99	1.375%	2.194%	7,600,000	7,464,625	7,517,053	7,534,916	(17,863)	43,542	8.67%
May-17-2018	May-31-2019	Aaa	US Treasury Cantor Fitzgerald	912828SX9	10	1.125%	2.331%	5,000,000	4,938,477	4,988,574	4,992,310	(3,736)	18,750	5.70%
May-17-2018	Nov-30-2019	Aaa	US Treasury Raymond James	912828H1	37	1.750%	2.508%	4,500,000	4,448,848	4,479,908	4,478,687	1,222	26,250	5.13%
TOTAL US TREASURY NOTES					203	1.319%	2.435%	30,100,000	29,720,427	29,926,227	29,942,217	(15,990)	131,667	34.32%
Jan-09-2017	Jul-01-2019	Aa3/AA	Florida State Board of Admin Wells Fargo	341271AA2	11	2.163%	1.850%	6,255,000	6,302,163	6,255,000	6,260,502	(5,502)	22,549	7.13%
Jan-16-2018	Dec-01-2019	Aa2/AA	Columbus OH City School Hilltop Securities	1995072R4	14	2.286%	2.075%	2,900,000	2,911,165	2,896,172	2,904,126	(7,954)	16,574	3.31%
Jan-16-2018	Feb-01-2020	Aaa/AAA	Georgia St GO Hilltop Securities	373384K88	12	2.750%	2.050%	2,090,000	2,119,093	2,095,392	2,102,219	(6,827)	4,790	2.38%
Feb-01-2018	Apr-01-2020	Aaa/AAA	Texas ST Trans Comm Cantor Fitzgerald	882722VG3	3	3.373%	2.300%	400,000	409,012	403,448	404,333	(885)	5,622	0.46%
Jun-07-2018	Jun-01-2020	Aa2/	Tulsa Cnty OK ISD Wells Fargo	899593LZ8	25	3.000%	2.759%	3,050,000	3,064,061	3,067,660	3,058,495	9,165	68,625	3.48%
May-17-2018	Jul-01-2020	Aa3/AA	Florida State Hur. Catastrophe Wells Fargo	34074GDH4	65	2.995%	2.900%	7,285,000	7,298,987	7,323,465	7,293,339	30,126	36,364	8.31%
TOTAL MUNICIPAL OBLIGATIONS					130	2.649%	2.381%	21,980,000	22,104,480	22,041,137	22,023,014	18,123	154,523	25.06%
Nov-20-2018	Nov-19-2019	Aaa/AA+	FHLB BOSC/Bank of Tx	3130AFGD3	233	2.750%	2.735%	7,000,000	7,001,050	7,007,893	7,000,656	7,236	68,903	7.98%
TOTAL AGENCY OBLIGATIONS					233	2.750%	2.735%	7,000,000	7,001,050	7,007,893	7,000,656	7,236	68,903	7.98%
Mar-31-2019	Mar-31-2019	FDIC/Col	DEPOSITORY JPMorgan-Chase		1	0.910%	0.910%	105,637	105,637	105,637	105,637	0	0	0.12%
TOTAL DEPOSITORY (Collateralized)					1	0.910%	0.910%	105,637	105,637	105,637	105,637	0	0	0.12%
Mar-31-2019	Mar-31-2019	AAAm	POOL TexPool		27	2.416%	2.416%	28,511,647	28,511,647	28,511,647	28,511,647	0	0	32.51%
TOTAL REPO AGREEMENTS (Collateralized)					27	2.416%	2.416%	28,511,647	28,511,647	28,511,647	28,511,647	0	0	32.51%
TOTAL INVESTMENTS							2.122%	87,697,284	87,443,242	87,592,540	87,583,171	9,369	355,093	100.00%
This Month's Yield Calculated on Weighted Average of Total Portfolio							2.437%							
Year to Date Average Monthly Yield through							March 31, 2019	2.355%						
174 Day T-Bill Dated As of							March 31, 2019	Sep-2019	2.400%					
Portfolio Weighted Average Maturity (WAM) in Days							174							
Portfolio Market to Book Value Percentage Gain/Loss							0.01%							



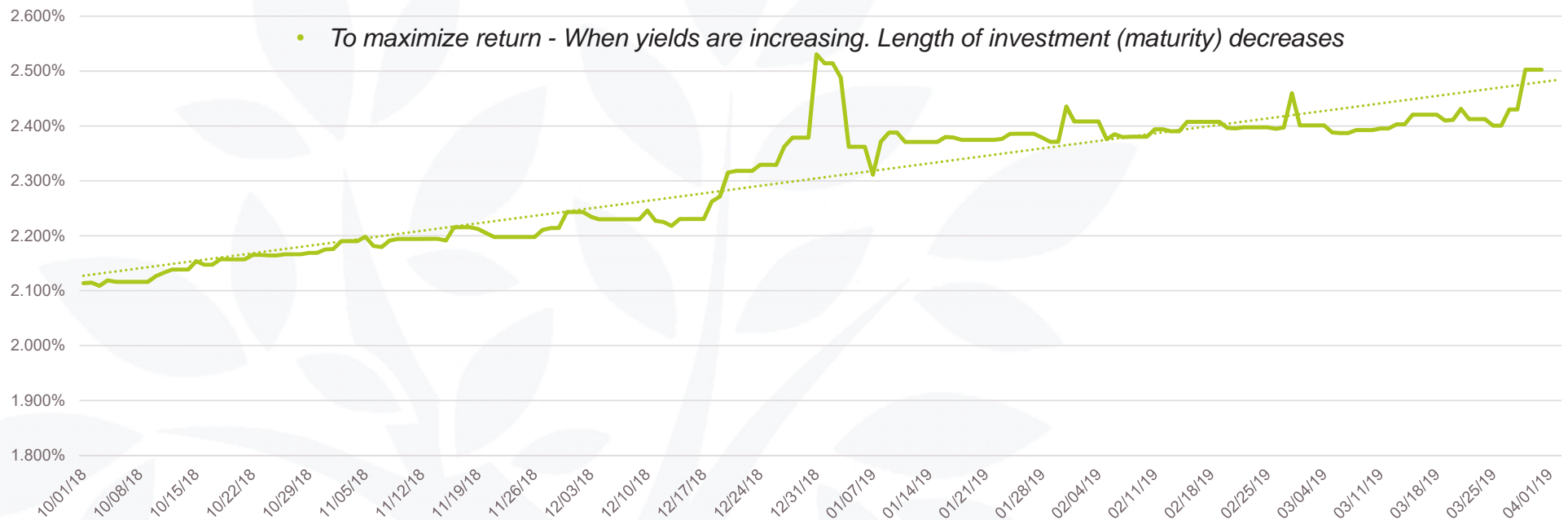
# Investment Portfolio As of March 31, 2019



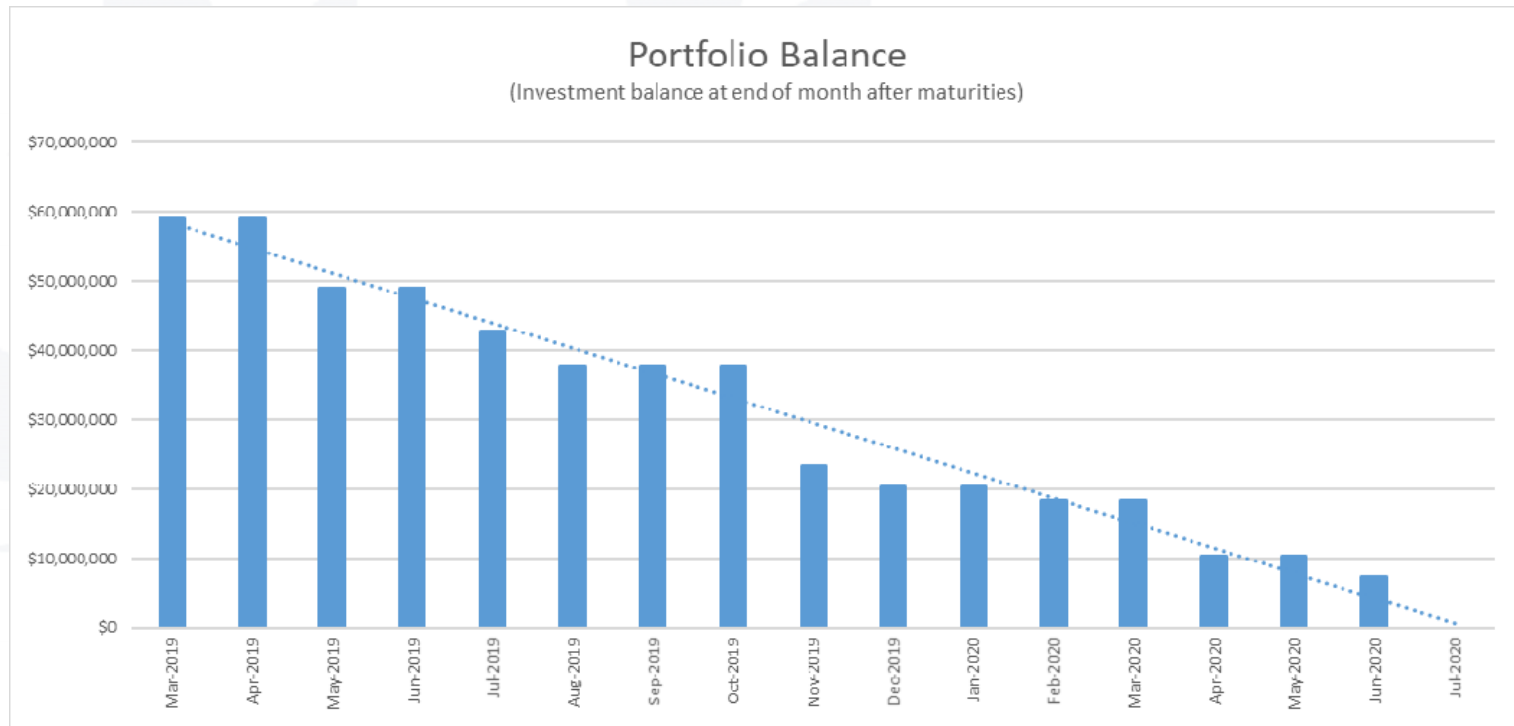
- Book Value at 3/31/19 - \$87,583,171
- Market Value at 3/31/19 - \$87,592,540
- Unrealized Gain - \$9,369  
*(End-of-Year Gain/(Loss) is only Gain/(Loss) that is booked)*
- Weighted Average Maturity at 3/31/19 – 174 Days
- Fiscal Year-to-Date Average Monthly Yield – 2.355%

# Investment Portfolio As of March 31, 2019

## TexPool Daily Yield



# Investment Portfolio As of March 31, 2019



# Investment Portfolio

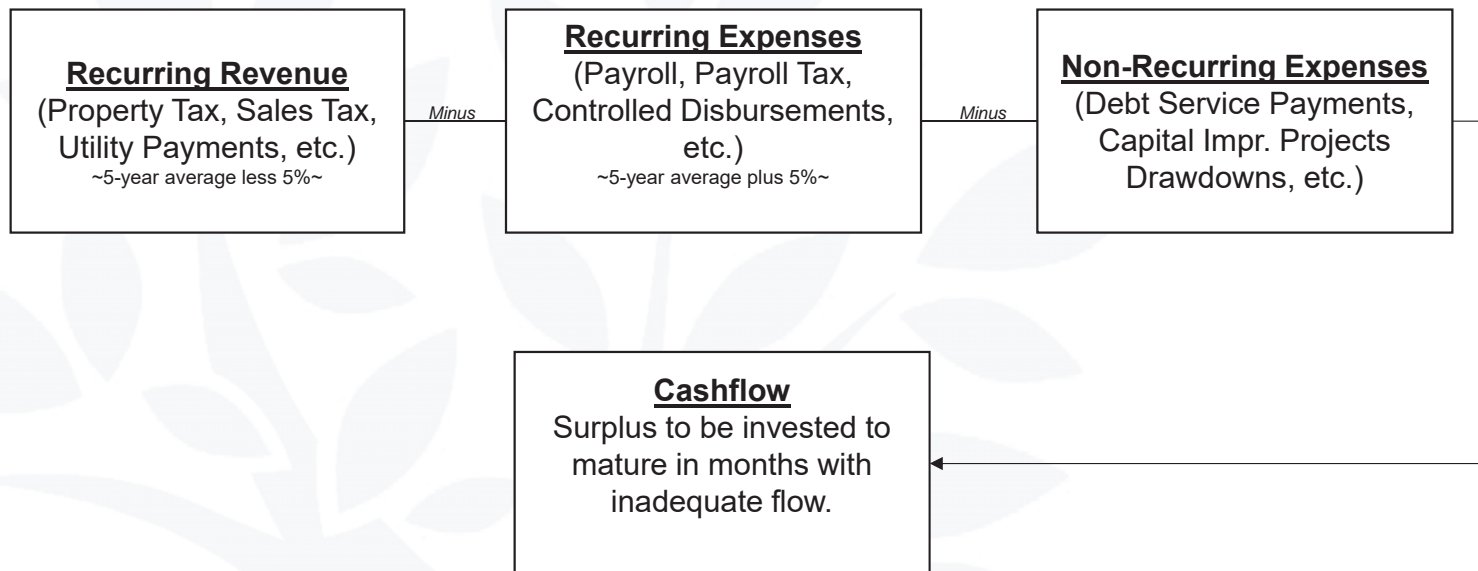
## As of March 31, 2019

Investments by Fair Value Level	March 31, 2019	Weighted Average Maturity (in days)
Municipal Obligations	\$ 22,041,137	130
Federal Home Loan Bank Notes	7,007,893	233
US Treasury Bill	29,926,227	203
Total Investments by Fair Value Level	58,975,256	
Investments Measured at NAV/Amortized Cost		
TexPool	28,511,647	27*
Depository	105,637	1
Total investments at NAV/Amortized Cost	28,617,284	
Total Investments at Carrying Amount	\$ 87,592,540	
Portfolio Weighted Average Maturity		174

\* WAM is of pooled assets. TexPool is same day access.

# Investment Portfolio As of March 31, 2019

## Cash Flow Projection (By Month)





# Investment Portfolio

## As of March 31, 2019

### Interest and Accretion Allocation Method Example:

<b>Fund Description</b>	<b>Average Fund Bal. (Min of 6 months)</b>	<b>Percent of Total</b>	<b>Investment income \$10,000</b>
General Fund	\$18,200,000	21%	\$2,119
Hotel/Motel	1,300,000	2%	151
Fire Station #2/Landfill	10,500,000	12%	1,222
Street Improvements	9,000,000	10%	1,048
Trails and Sidewalks	4,000,000	5%	466
Others	42,900,000	50%	4,994
<b>TOTAL</b>	<b>85,900,000</b>	<b>100%</b>	<b>\$10,000</b>

# Investment Portfolio

## As of March 31, 2019

### Market Gain/(Loss)

- As securities approach maturity their gain/(loss) goes to \$0.
- All securities held to maturity unless extraordinary circumstance(s) require liquidation (*Last liquidation was to make Sept 15<sup>th</sup> 2001 payroll after terrorist attacks*).
- Gain/(Loss) is only booked at fiscal year end and is netted against previous year's booking of gain/(loss).

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# Questions?