

Financial Activity | **September** **2020**

Attached are the revenue and expenditure reports for the period ending **September 30, 2020**. The expenditure report shows actual expenditures as of the end of the month as well as purchase orders outstanding and compares to the annual budgeted appropriations. The explanations provided are based on the year to date amounts excluding outstanding purchase orders as purchase order amounts may contain a full year of encumbrance. The revenue report shows actual receipts recorded as of the end of the month compared to the annual budgeted estimations. In this packet, all of the City's funds are presented.

GENERAL FUND

General Fund revenues have exceeded the pro-rata share of the budget at this point in the fiscal year. Property tax bills are typically mailed in November and are delinquent February 1. Licenses & Permits are slightly above their pro-rata amount for the year. Parks fees are below budget at this time due to COVID-19. Municipal court fines are below budget as well due to COVID-19. The majority of the Intergovernmental revenue budget is the amount due from Southside Place in accordance with the Master Interlocal Cooperation Contract, which is payable in December.

All departments are below their pro-rata share of the budget in expenditures. The first payroll paid in January 2020 is expensed back to December 2019, since it is for 2019 time worked. Vacancies have continued primarily in the Police and Public Works departments. Due to COVID-19, part time salary expense for the Parks & Recreation department is below budget.

WATER & SEWER UTILITY FUND

With a one month lag due to billing in arrears, September billing for August is slightly above the pro-rata amount for the year. Regular expenditures are below budget primarily due to the vacancies currently in Public Works and the vacancy earlier this year in the Finance department. There have only been eight utility bills expensed to 2020. Transfer to the Debt Service fund is above the pro-rata due to the allocation of the debt service payment paid February 1.

SOLID WASTE FUND

Again, with the one month lag in billing, September solid waste collection revenues are right on target for this point in the fiscal year. Overall, expenditures for the fund are slightly under the pro-rata for the period.

TECHNOLOGY MANAGEMENT FUND

Technology is integral to the City's ability to provide efficient and necessary services to the citizens. The Technology Management Fund was created to centralize those expenditures, consolidate the management of the resources needed to maintain existing systems and to deploy new solutions.

Revenues are as expected for the current period. Total expenditures are slightly above par for the period. This is mainly due to many annual maintenance contract payments that were expensed earlier in the year as well as the annual radio subscription payment to the City of Houston and the website redesign.

VEHICLE REPLACEMENT FUND

The Vehicle Replacement Fund finances the purchase of vehicles routinely used in providing City services. Each department makes contributions to the fund based on the estimated life and replacement cost of the vehicles it uses. The fund purchases vehicles when a combination of age and repair cost indicates the machine or vehicle has reached the end of its service life; therefore, the expenditures patterns do not follow the pro-rata model. To date, three F-150 trucks, a high water vehicle, two patrol vehicles, a van for Animal Control, and a new fire engine have been purchased.

ASSET REPLACEMENT FUND

The Asset Replacement Fund (formerly known as the Equipment Replacement Fund) finances the purchase of assets routinely used in providing City services. The fund operates in the same manner as the Vehicle Replacement Fund in that each department makes contributions to the fund based on the estimated life and replacement cost of the equipment it uses. The fund purchases equipment when a combination of age and repair cost indicates the equipment has reached the end of its service life; therefore, the expenditures patterns do not follow the pro-rata model. The fund revenues are on target with the budgeted amounts. Expenditures to date have been for the Colonial Park pool resurfacing project as well as new pool furniture at Colonial Park pool and a chiller at City Hall.

EMPLOYEE BENEFIT FUND

The Employee Benefit Fund facilitates accounting and oversight for the cost of healthcare, worker's compensation, dental plans, and other benefits. October insurance premiums were paid at the end of September. Employer contributions to the HSA accounts are made twice a year, January and July.

HUMAN RESOURCES SERVICES FUND

The Human Resources Fund was created in 2020 to break out the non-medical related expenses from the Employee Benefit Fund. The General Fund contributes all funds needed for this fund. Examples of some of the expenses are hiring and recruiting, tuition reimbursement, and incentive/awards. Expenditures patterns in this fund will not follow the pro-rata model.

DEBT SERVICE FUND

The Debt Service Fund is established by ordinances authorizing the issuance of General Obligation Bonds and Certificates of Obligation. The City uses debt financing to fund large capital investments. Streets, drainage, water and wastewater systems are all constructed with borrowed funds. Property tax dollars do not finance all of the City's bonded debt service. The Water and Sewer Fund also provides funds to repay debt associated with water infrastructure projects. Funding the 2020 debt service payments requires an ad valorem tax rate of \$0.11952 per \$100 of assessed value in tax year 2020, a decrease of \$0.00451 per \$100. Debt Service payments are due semi-annually on February 1 and August 1. Principal and interest is due February 1 and interest only is due August 1. Since the debt service payments have been remitted for the year, the expenditures are above the pro-rata amount for this period.

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for the purchase or construction of equipment, property, and buildings. West University Place has four active capital project funds. They are the Capital Project, 2019 Certificates of Obligation, Transportation Improvement, and Water & Sewer Capital Funds. Expenses incurred to date are for the City-wide Facilities Condition and Security Assessment, Virtual Gate, Buffalo Speedway Drainage and Roadway, City-wide Drainage Study, WWTP Inflow & Infiltration, Reclamation Feasibility Study, WWTP Floodwater Protection Study, Water System Chlorination Upgrades, WWTP Grit Removal Project, Water Pumping and Storage Study, Stormwater Management plan, Bissonnet water line, SCADA Water System Replacement, Alternate Stormwater Detention Options Study, and the Lift Station Lining.

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SPECIAL REVENUE FUNDS

Special Revenue Funds are created to account for the proceeds from specific revenue sources that are restricted to expenditures for specific purposes. The City has ten active Special Revenue Funds. Not all expenditures can be anticipated enough to include in the original budgeting process. Budget amendments, if necessary, will be made at year end to reconcile any affected accounts. The large expenditures to date are for the Colonial Pool Park Improvement Project, true bounce basketball system, new pool furniture, annual tree trust planting, fire department training, and two ticket writers.