

City Council Work Session Handouts

February 12, 2018

- I. Review and Discuss Sign Control Board Case #18-01, Berkner High School
- II. Review and Discuss the 2016-2017 Comprehensive Annual Financial Report
- III. Review and Discuss the Over 65 and Disabled Person Exemption
- IV. Review and Discuss the 2017-2018 First Quarter Financial Report

**Sign Control Board of Adjustment
February 7, 2018 Meeting**

SCB Cases # 18-01
Berkner High School
1600 E. Spring Valley Rd.

Applicable Ordinance

- ❖ Chapter 18, Article III, Section 18-96(7);
 - ❖ (c) Number: Educational Institutions are allowed one pole or one monument sign.

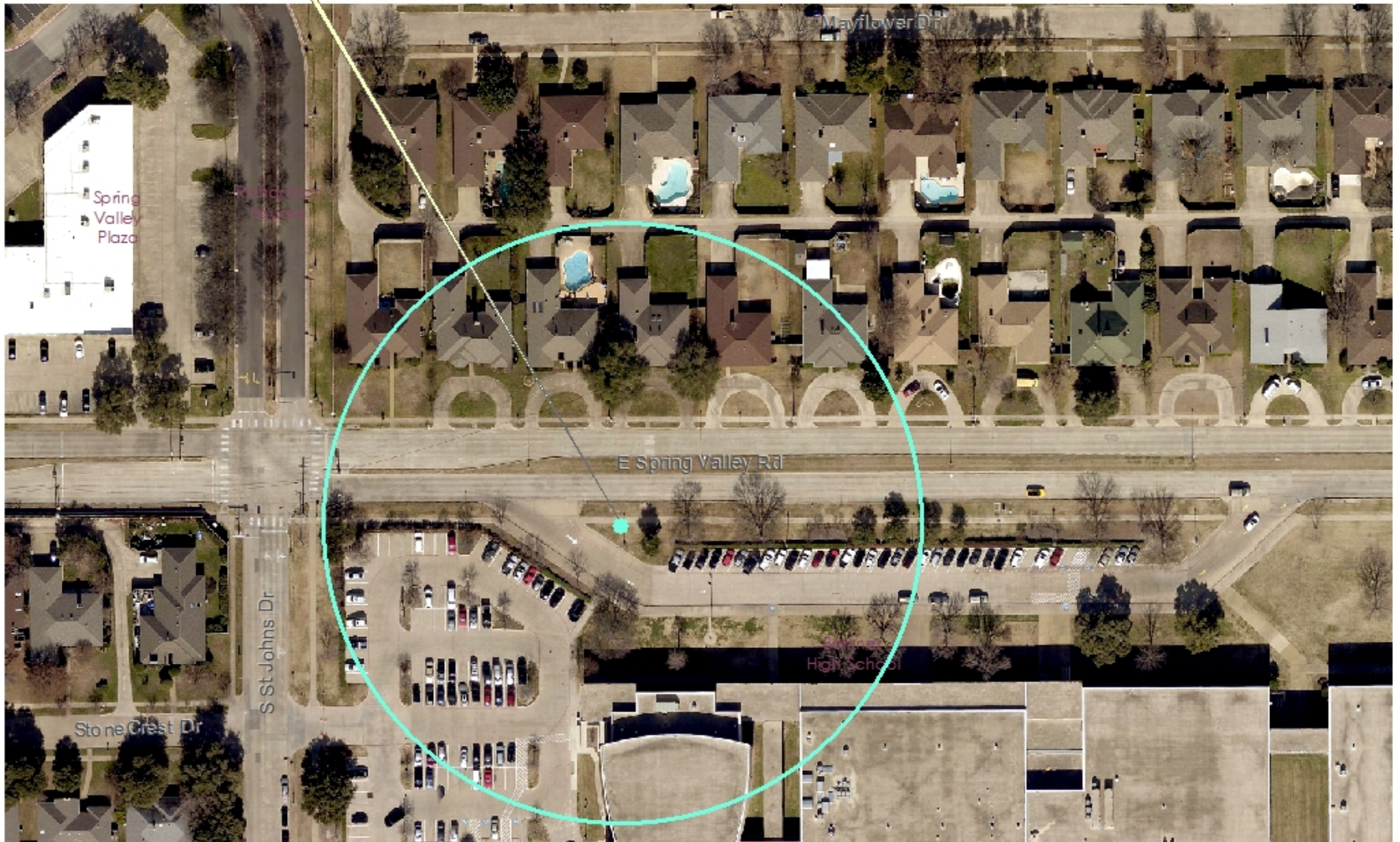
Requested Variance

- ❖ Allow for a second monument sign at an educational institution. (Maximum of one monument sign)

Reason for request

- ❖ Second sign would be visible from Spring Valley and is needed to promote school functions and to provide information to students and parents.

Proposed Monument

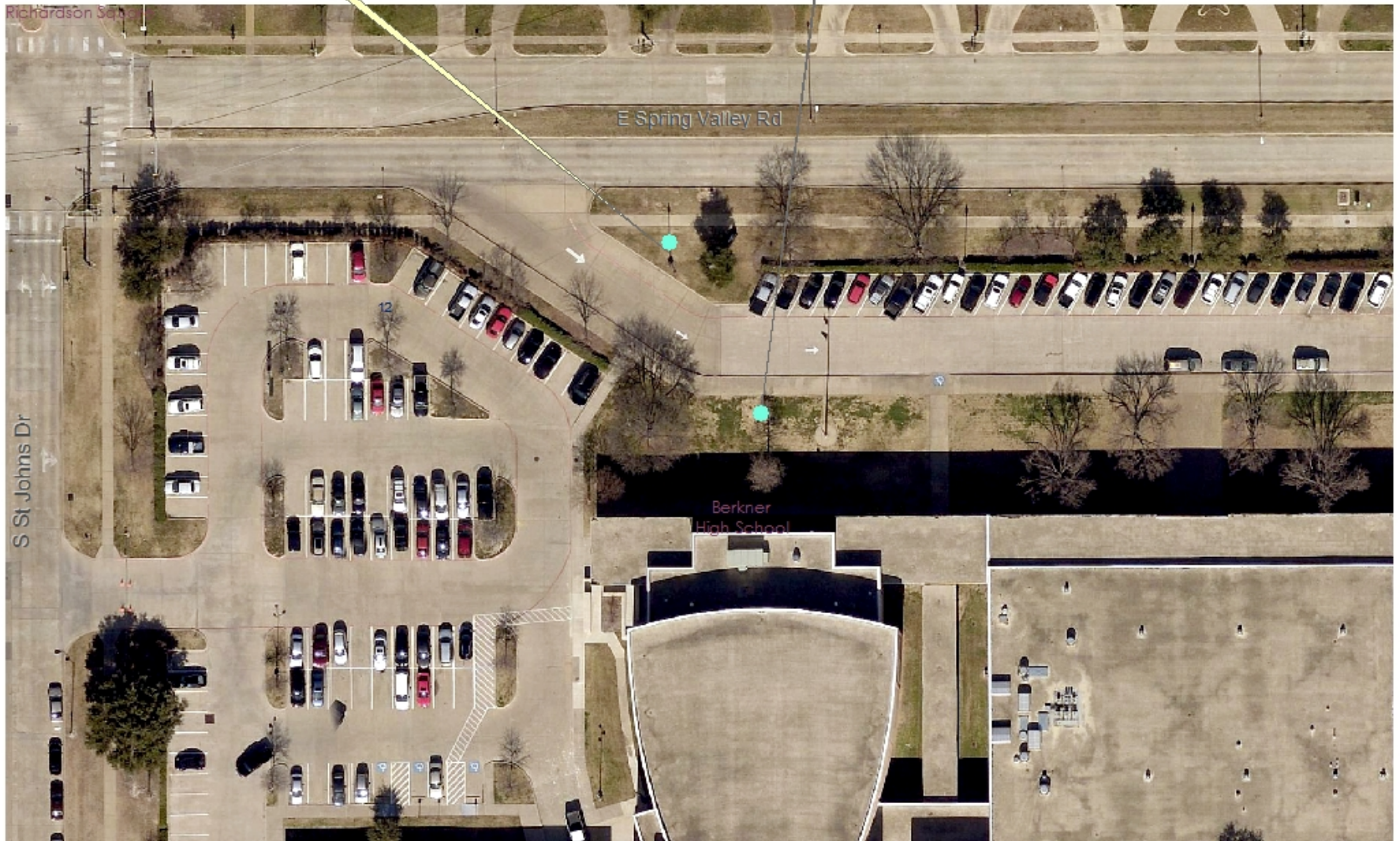


Zoning 250 feet from proposed sign:
Residential



Proposed Monument

Existing Monument



Berkner High School:
85 feet from the existing monument sign
85 feet from the nearest residential property



Proposed Sign

Monument Sign

- ❖ 6 foot overall height
- ❖ 33 sf digital display
- ❖ Same size as the existing monument sign
- ❖ Double sided digital display



Existing Sign

Monument Sign

- ❖ 6 foot overall height
- ❖ 33 sf digital display (the display will be removed and converted to a non-digital display if the proposed sign is approved)
- ❖ Single sided



Westbound View



Eastbound View



Sign Control Board Action

The Sign Control Board voted 3-2 to approve SCB Case 18-01.

**Sign Control Board of Adjustment
February 7, 2018 Meeting**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members of the City Council,
City of Richardson, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Richardson (the "City") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 9, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Dallas, Texas
February 9, 2018

Honorable Mayor, City Council Audit Committee
and City Manager
City of Richardson, Texas

Professional standards require that we communicate certain matters to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with the City for further information on the responsibilities of management and of Crowe Horwath LLP.

AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

PLANNED SCOPE AND TIMING OF THE AUDIT

We are to communicate an overview of the planned scope and timing of the audit.

- How we proposed to address the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.
- Where the entity has an internal audit function, the extent to which the auditor will use the work of internal audit, and how the external and internal auditors can best work together.

- Your views and knowledge of matters you consider warrant our attention during the audit, as well as your views on:
 - The allocation of responsibilities between you and management.
 - The entity's objectives and strategies, and the related business risks that may result in material misstatements.
 - Significant communications with regulators.
 - Other matters you believe are relevant to the audit of the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Also, Those Charged with Governance should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform Those Charged with Governance about such matters. To assist with your oversight role, we also provide the following:

Accounting Standard	Impact of Adoption
<p>GASB Statement No. 74, <i>Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans</i>. This statement establishes reporting requirements for reporting defined benefit OPEB plans and defined contribution OPEB plans administered through trusts or equivalent arrangements. It supersedes the remaining provisions of GASB Statements 25 and 50 as well as GASB Statement 43 and certain paragraphs of Statements 45 and 57.</p>	<p>Adoption of this Statement did not have a material impact on the City's financial position or results of operations.</p>
<p>GASB Statement No. 78 <i>Pensions Provided through Certain Multiple-employer Defined Benefit Pension Plans</i>. This statement provides reporting guidance for employers whose employees are provided defined benefit pensions through cost-sharing multiple-employer plans with certain characteristics. The requirements include recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information.</p>	<p>Adoption of this Statement did not have a material impact on the City's financial position or results of operations.</p>
<p>GASB Statement No. 82, <i>Pension Issues—An Amendment of GASB Statements No. 67, No. 68, and No. 73</i>. This Statement addresses certain issues that have been raised with respect to Statement No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.</p>	<p>Adoption of this Statement did not have a material impact on the City's financial position or results of operations.</p>

Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management's current judgments and may be subject to significant change in the near term.

The following describes the significant accounting estimates reflected in the City's year-end financial statements, the process used by management in formulating these particularly sensitive accounting estimates and the primary basis for our conclusions regarding the reasonableness of those estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Allowance for Doubtful Accounts and Bad Debt Expense	The allowance for doubtful accounts was determined by management by a process involving consideration of past experiences, current aging information, and other available data.	We tested this accounting estimate by reviewing, on a test basis, the information.
Useful Lives of Capital Assets	Management has determined the economic useful lives of capital assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the City.	We tested the propriety of information underlying management's estimates.
Fair Values of Investment Securities and Other Financial Instruments	The disclosure of fair values of securities and other financial instruments requires management to use certain assumptions and estimates pertaining to the fair values of its financial assets and financial liabilities.	We tested the propriety of information underlying management's estimates. In addition, we compared the amounts reported to a separate pricing analysis.
Net Pension Liability and related amounts	Amounts reported for pension and postretirement obligations require management to use estimates. These estimates are based on projection of rate of increase in future compensation levels, and weighted average expected long-term rate of return on pension assets.	We reviewed the reasonableness of these estimates and assumptions. We tested certain assumptions of the third party actuary, examined SOC-1 report provided to us by TMRS on the controls at TMRS, and performed certain tests on census data used by the actuary in the calculations.
Postretirement Obligations	Amounts reported for postretirement obligations require management to use estimates. These estimates are based on projection of rate of increase in future compensation levels, and weighted average expected long-term rate of return on pension assets.	We reviewed the reasonableness of these estimates and assumptions.

AUDITOR’S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES

We are to discuss with you our comments about the following matters related to the City’s accounting policies and financial statement disclosures. Accordingly, these matters will be discussed during our meeting with you.

- The appropriateness of the accounting policies to the particular circumstances of the entity, considering the need to balance the cost of providing information with the likely benefit to users of the entity’s financial statements.
- The overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- The effect of the timing of transactions in relation to the period in which they are recorded.
- The potential effect on the financial statements of significant risks and exposures, and uncertainties that are disclosed in the financial statements.
- The extent to which the financial statements are affected by unusual transactions including nonrecurring amounts recognized during the period, and the extent to which such transactions are separately disclosed in the financial statements.
- The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures.
- The factors affecting asset and liability carrying values, including the entity’s basis for determining useful lives assigned to tangible and intangible assets.
- The selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no such corrected misstatements.

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements. There were no such uncorrected misstatements.

OTHER COMMUNICATIONS

Communication Item	Results
<p>Other Information In Documents Containing Audited Financial Statements Information may be prepared by management that accompanies the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether such information, or the manner of its presentation, is materially inconsistent with information in the financial statements. If we consider the information materially inconsistent based on this reading, we are to seek a resolution of the matter.</p>	<p>We read the following items and noted no material inconsistencies or misstatement of facts in such information based on our reading thereof.</p> <ul style="list-style-type: none"> • Transmittal Letter • Management’s Discussion and Analysis • Required Supplementary Information • Combining Statements • Statistical Data
<p>Significant Difficulties Encountered During the Audit We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.</p>	<p>There were no significant difficulties encountered in dealing with management related to the performance of the audit.</p>

Communication Item	Results
<p>Disagreements With Management We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the City's financial statements or the auditor's report.</p>	<p>During our audit, there were no such disagreements with management.</p>
<p>Consultations With Other Accountants If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.</p>	<p>We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.</p>
<p>Representations The Auditor Is Requesting From Management We are to provide you with a copy of management's requested written representations to us.</p>	<p>We direct your attention to a copy of the letter of management's representation to us provided separately.</p>
<p>Significant Issues Discussed, or Subject to Correspondence, With Management We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.</p>	<p>There were no such significant issues discussed, or subject to correspondence, with management.</p>
<p>Significant Related Party Findings and Issues We are to communicate to you significant findings and issues arising during the audit in connection with the City's related parties.</p>	<p>There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>
<p>Other Findings or Issues We Find Relevant or Significant We are to communicate to you other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>	<p>There were no such other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>

We are pleased to serve your City as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities, and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the City of Richardson and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.

Crowe Horwath LLP

Crowe Horwath LLP

Dallas, Texas
February 9, 2018

Executive Summary
Review of Over 65 & Disabled Person Exemption
February 12, 2018

Background:

- The City's Financial Policies provide that the City Council will review the property tax exemption for Over 65 and Disabled Persons with a goal to maintain a tax benefit of approximately 30% of the average home value.
- There are currently 8,013 accounts that receive the exemption and the number of accounts has grown about 2% per year on average over the last 5 years.
- Senior Accounts make up 28.5% of the total number of Residential Accounts.
- The exemption was increased from \$70,000 to \$80,000 for tax year 2017 (2017-2018 fiscal year).
- At the current tax rate \$0.62516/\$100 of property value, each \$5,000 increment is worth \$31.26 in tax reduction.

Individual Impact	
Exemption Value	Tax Savings
\$80,000 (current)	\$500
\$85,000	\$531
\$90,000	\$563

- An increase in the exemption must be approved before July 1, 2018 in order for it to be effective for the 2018-2019 fiscal year.
- If an increase in the exemption is approved by February 28, the appraisal districts can incorporate the higher amount on notices mailed to residents.
 - HB 2228 in the 2017 Legislature has changed the timing of when appraisal notices will be mailed out. Taxpayers will receive their notices approximately two weeks earlier than last year, with mailings taking place around April 15th instead of May 1st.

Over 65/Disabled Person Exemption Analysis:

- The current average market value of a senior's home is \$254,115.
 - This was a 10.71% increase from the prior fiscal year

- Most seniors will be eligible for the 10% annual increase limit provided by state law
- For fiscal year 2017-2018, the \$80,000 exemption amounted to 31.48% of the current average market value of a senior's home.
- Property values are expected to increase and staff is recommending increasing the exemption to \$85,000.
- On average, seniors would pay \$128 more for their City taxes if the exemption is increased to \$85,000 and property values increase by 10%.
- The average market value of a senior's home would have to increase by 12% before an \$85,000 exemption fell below the 30% financial policy goal.
- For Fiscal Year 2017-2018 the senior exemption amounted to \$4,007,525 in exempted taxes.
- With a \$5,000 increase from \$80,000 to \$85,000, the exempted taxes are estimated to amount to \$4,257,996.
 - The incremental cost to the City is \$250,471
 - General Fund = \$148,365 and Debt Service = \$102,106

City Impact			
Exemption Value for 8,013 accounts	Total Cost of Exemption	General Fund Impact	Debt Service Impact
\$80,000	\$4,007,525	\$2,373,835	\$1,633,690
\$85,000	\$4,257,996	\$2,522,200	\$1,735,796
\$90,000	\$4,508,467	\$2,670,565	\$1,837,902

Recommendation:

- Property values for seniors are estimated to grow at a similar percent as last year's growth.
 - Even if market value does not increase as strongly as last year, most seniors will experience taxable value increase due to the 10% limit in this year's homestead cap.
- At 10% property value growth, the current exemption amount of \$80,000 would yield an exemption of 28.62%.

- Staff recommends increasing the exemption to \$85,000. This increase will maintain the policy goal even if values increase similar to last year for the 2018-2019 fiscal year.
 - This is estimated to provide a 30.41% exemption for the 2018-2019 fiscal year

- An ordinance can be placed on the February 26, 2018 agenda if the City Council approves of an increase in the exemption amount.

Attachments:

- Average Senior Home Value History

Average Senior Home Value History

Average Senior Home Value Statistics									
Tax Year	Senior Exempt.	# of Senior Accounts	% Change	Avg Sr. Home Mkt Value (1)	% Change From Year to Year	% of Total Val	Exemption Loss at \$0.62516 per \$100 (2)		
							General	Debt	Total
1997	\$ 30,000	4,475	12.00%	\$ 105,093	3.88%	28.55%			
1998	\$ 30,000	4,712	5.30%	\$ 108,396	3.14%	27.68%			
1999	\$ 30,000	4,922	4.50%	\$ 114,593	5.72%	26.18%			
2000	\$ 30,000	5,074	3.10%	\$ 125,955	9.92%	23.82%			
2001	\$ 30,000	5,310	4.70%	\$ 133,573	6.05%	22.46%			
2002	\$ 30,000	5,479	3.20%	\$ 146,315	9.54%	20.50%			
2003	\$ 30,000	5,617	2.50%	\$ 151,997	3.88%	19.74%			
2004	\$ 30,000	5,630	0.20%	\$ 155,650	2.40%	19.27%			
2005	\$ 30,000	5,737	1.90%	\$ 163,726	5.19%	18.32%			
2006	\$ 50,000	5,923	3.20%	\$ 168,609	2.98%	29.65%			
2007	\$ 50,000	6,095	2.90%	\$ 173,581	2.95%	28.80%			
2008	\$ 55,000	6,302	3.40%	\$ 178,094	2.60%	30.88%			
2009	\$ 55,000	6,563	4.10%	\$ 178,961	0.49%	30.73%			
2010	\$ 55,000	6,769	3.10%	\$ 178,079	-0.49%	30.89%	\$ 1,350,723	\$ 1,013,945	\$ 2,364,669
2011	\$ 55,000	6,972	3.00%	\$ 178,788	0.40%	30.76%	\$ 1,391,231	\$ 1,044,353	\$ 2,435,585
2012	\$ 55,000	7,273	4.30%	\$ 178,609	-0.10%	30.79%	\$ 1,451,294	\$ 1,089,441	\$ 2,540,735
2013	\$ 55,000	7,431	2.20%	\$ 180,265	0.93%	30.51%	\$ 1,493,040	\$ 1,102,890	\$ 2,595,931
2014	\$ 60,000	7,597	2.20%	\$ 187,251	3.88%	32.04%	\$ 1,687,947	\$ 1,207,239	\$ 2,895,186
2015	\$ 60,000	7,700	1.40%	\$ 202,187	7.98%	29.68%	\$ 1,757,032	\$ 1,177,407	\$ 2,934,439
2016	\$ 70,000	7,883	2.40%	\$ 229,526	13.52%	30.50%	\$ 2,043,408	\$ 1,406,288	\$ 3,449,695
2017	\$ 80,000	8,013	1.60%	\$ 254,115	10.71%	31.48%	\$ 2,373,835	\$ 1,633,690	\$ 4,007,525

Inc 5,000

Inc 10%

Assuming 10% Value Increase with \$5,000 Exemption Increase									
Tax Year	Senior Exempt.	# of Senior Accounts	% Change	Avg Sr. Home Mkt Value (1)	% Change From Year to Year	% of Total Val	Exemption Loss at \$0.62516 per \$100 (2)		
							General	Debt	Total
2018	\$ 85,000	8,013	1.60%	\$ 279,527	10.00%	30.41%	\$ 2,522,200	\$ 1,735,796	\$ 4,257,996
2019	\$ 85,000	8,013	0.00%	\$ 307,479	10.00%	27.64%	\$ 2,522,200	\$ 1,735,796	\$ 4,257,996
2020	\$ 85,000	8,013	0.00%	\$ 338,227	10.00%	25.13%	\$ 2,522,200	\$ 1,735,796	\$ 4,257,996
2021	\$ 85,000	8,013	0.00%	\$ 372,050	10.00%	22.85%	\$ 2,522,200	\$ 1,735,796	\$ 4,257,996
2022	\$ 85,000	8,013	0.00%	\$ 409,255	10.00%	20.77%	\$ 2,522,200	\$ 1,735,796	\$ 4,257,996

Inc 10,000

Inc 10%

Assuming 10% Value Increase with \$10,000 Exemption Increase									
Tax Year	Senior Exempt.	# of Senior Accounts	% Change	Avg Sr. Home Mkt Value (1)	% Change From Year to Year	% of Total Val	Exemption Loss at \$0.62516 per \$100 (2)		
							General	Debt	Total
2018	\$ 90,000	8,013	1.60%	\$ 279,527	10.00%	32.20%	\$ 2,670,565	\$ 1,837,902	\$ 4,508,467
2019	\$ 90,000	8,013	0.00%	\$ 307,479	10.00%	29.27%	\$ 2,670,565	\$ 1,837,902	\$ 4,508,467
2020	\$ 90,000	8,013	0.00%	\$ 338,227	10.00%	26.61%	\$ 2,670,565	\$ 1,837,902	\$ 4,508,467
2021	\$ 90,000	8,013	0.00%	\$ 372,050	10.00%	24.19%	\$ 2,670,565	\$ 1,837,902	\$ 4,508,467
2022	\$ 90,000	8,013	0.00%	\$ 409,255	10.00%	21.99%	\$ 2,670,565	\$ 1,837,902	\$ 4,508,467

Notes: (1) Average market value is the average value for all accounts that have the Over 65, Surviving Spouse, & Disabled Person Exemption.
 (2) General & Debt split is \$0.37031/\$0.25485 for 2017-2018 and future year projections.



First Quarter Report

February 12, 2018

City of Richardson
Budget Office



Overview

- Fund by Fund Review of the first quarter of Fiscal Year 2017-2018
 - General Fund
 - Water and Sewer Fund
 - Solid Waste Services Fund
 - Golf Fund
 - Hotel/Motel Tax Fund

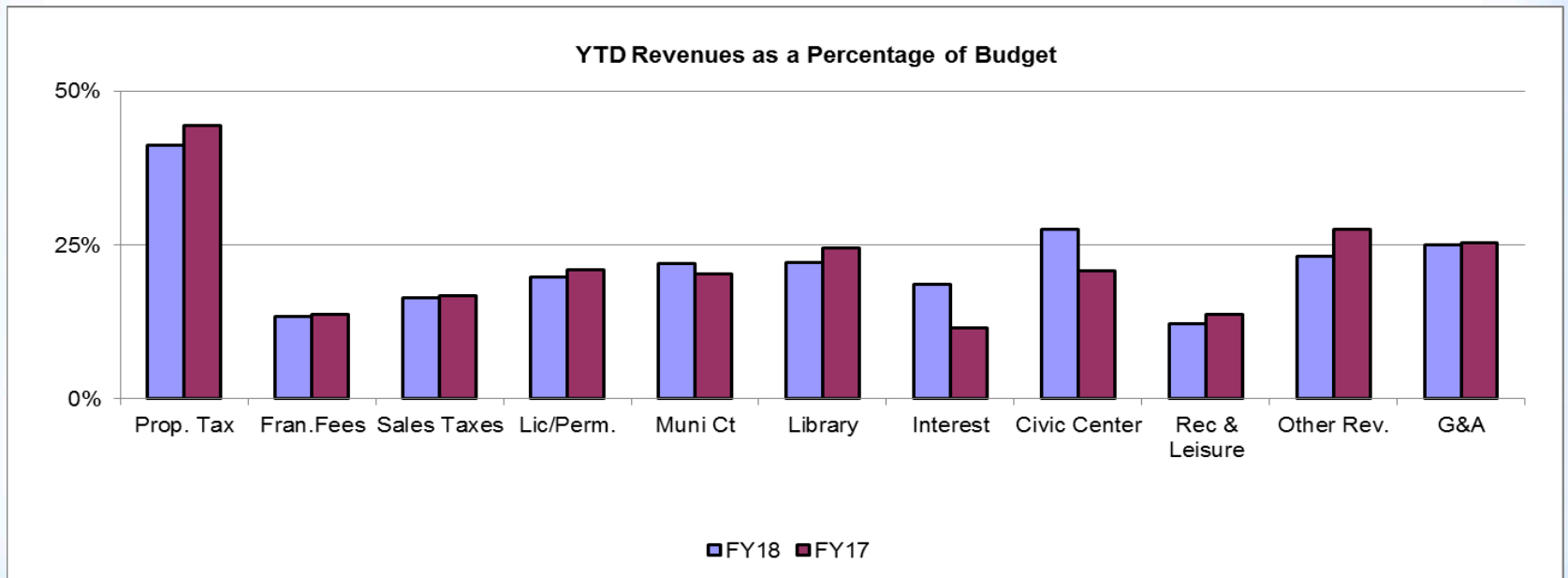


General Fund



Revenues

- Total revenues of \$35.2M, or 27.1% of the original budget compared to \$35.5M, or 28.1% of FY2016-17 YTD actual collections



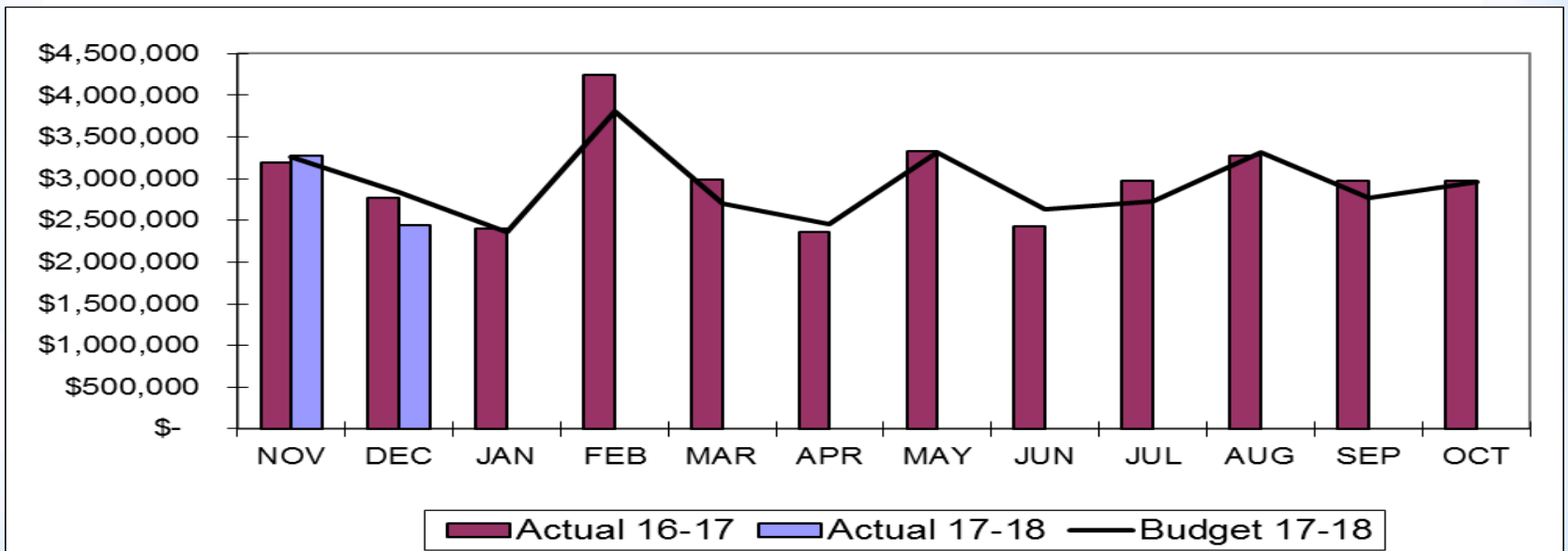
Property Tax

- Property Tax collections of \$21.9M are \$425,000 over last year's actual collections, with 41.3% collected this year compared to 44.5% last year
 - The increase is reflective of not only the growth in the tax base, but also the timing of receipt of the large tax remittances from the mortgage companies
- Property Taxes are not delinquent until February 1



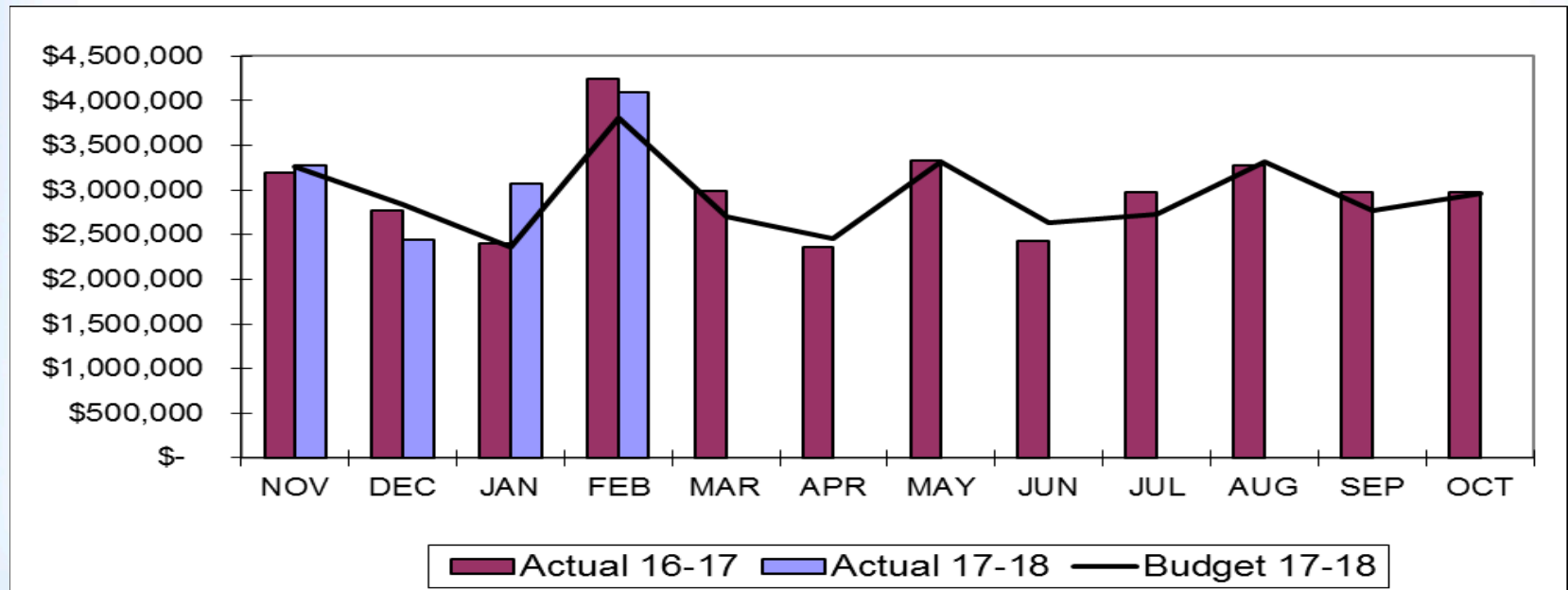
Sales Tax

- Sales and Other Business Tax collections of \$5.9M represent 16.4% of the budget, or (\$250K) below last year
- The First Quarter ends with Sales Tax (\$237K) below last years actual, (\$369K) below budget, and \$134K over last years “base-to-base” collections



Sales Tax

- Not part of this report, both the January and February 2018 remittances has been received
- After 4 months of collection, Fiscal Year 2017-2018 is \$284K over last years actual, \$637K above the original budget, and \$881K above “base-to-base”



Sales Tax

	FY 2016-2017			FY 2017-2018									
	Base Actual	Significant State Audit Adjustments	Actual	Budget	Base Actual	Significant State Audit Adjustments	Actual	Actual to Actual \$	Actual to Actual %	Actual to Budget \$	Actual to Budget %	Base Actual to Base Actual \$	Base Actual to Base Actual %
NOV	\$ 3,000,957	\$ 193,133	\$3,194,090	\$3,257,610	\$3,274,225	\$ -	\$3,274,225	\$ 80,135	2.51%	\$ 16,615	0.51%	\$ 273,268	9.11%
DEC	2,765,735	-	2,765,735	2,834,062	2,626,588	(178,436)	2,448,152	(317,583)	-11.48%	(385,910)	-13.62%	(139,147)	-5.03%
JAN	2,402,076	-	2,402,076	2,358,753	3,071,214	-	3,071,214	669,138	27.86%	712,461	30.20%	669,138	27.86%
FEB	4,018,163	225,689	4,243,852	3,802,228	4,095,942	-	4,095,942	(147,910)	-3.49%	293,714	7.72%	77,779	1.94%
Cumulative	12,186,931	418,822	12,605,753	12,252,652	13,067,969	(178,436)	12,889,533	283,780	2.25%	636,881	5.20%	881,038	7.23%
MAR	2,992,747		2,992,747	2,701,224	-				0.00%		0.00%		0.00%
APR	2,364,320		2,364,320	2,460,999	-				0.00%		0.00%		0.00%
MAY	3,150,793	185,088	3,335,881	3,320,000	-				0.00%		0.00%		0.00%
JUN	2,432,349		2,432,349	2,630,062	-				0.00%		0.00%		0.00%
JUL	2,654,291	319,303	2,973,594	2,724,136	-				0.00%		0.00%		0.00%
AUG	3,280,315		3,280,315	3,313,623	-				0.00%		0.00%		0.00%
SEP	2,975,595		2,975,595	2,770,669	-				0.00%		0.00%		0.00%
OCT	2,772,475	197,121	2,969,596	2,957,042	-				0.00%		0.00%		0.00%
TOTAL	34,809,816	1,120,334	35,930,150	35,130,408	13,067,969	(178,436)	12,889,533						

- To reach a “Base to Base” sales tax receipts comparison, significant audit adjustments are removed. “Base” sales tax receipts through February 2018 are 7.2% above “Base” sales tax receipts for November – February of last year.
- Original FY 2017-18 Budget projected a 2.75% increase from year-end “base” estimate.



Franchise Fees

- YTD Franchise Fees of \$2.2M represent 13.3% of the original budget, even with last years collections of \$2.2M or 13.6% last year
 - The 1st quarter payment of the electric franchise fee is not due for receipt until mid-February



License & Permits

- License and Permits of \$534K represent 19.8% of the budgeted \$2.7M compared to the \$894K or 21.0% of last years actual of \$4.3M



Remaining Revenues

- Remaining revenue collections of \$4.7M represent 21.5% of the original budget compared to \$4.9M, or 22.7% last year



Expenditures

- YTD Expenditures for Fiscal Year 2017-2018 of \$31.3M represent 24.2% of the budgeted expenditures, about equal with the pace of expenditures last year
- For the First Quarter, all categories are within expected spending parameters for the year



Water and Sewer Fund



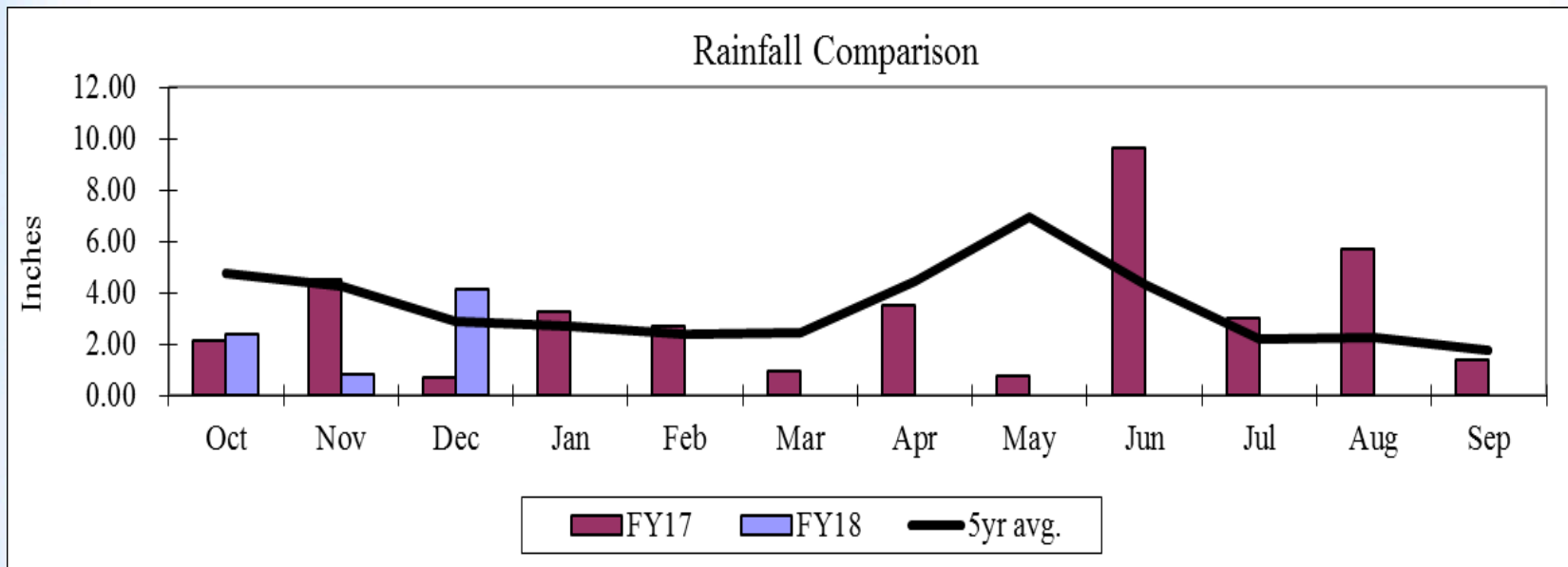
Revenues

- Revenues for the Water and Sewer Fund are \$19.4M, or 25.2% of the budget compared to \$17.3M, or 25.1% last year
- Water Sales of \$11.8M represent 24.6% of the budget compared to \$10.5M or 25.6% last year
- Sewer Sales of \$7.2M represent 26.1% of the budget compared to \$6.4M or 24.4% last year



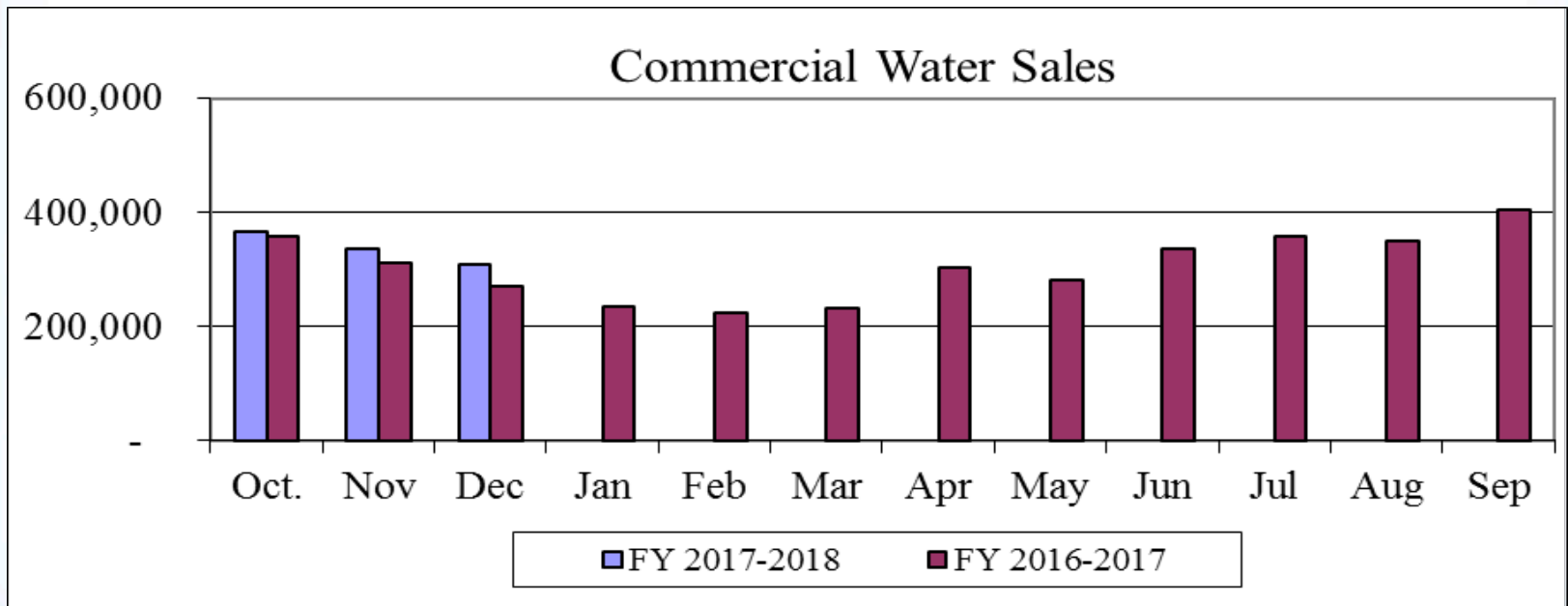
Rainfall

- The following graph compares rainfall YTD of 7.3" compared to last years 7.4" and the 5-year average 11.9"



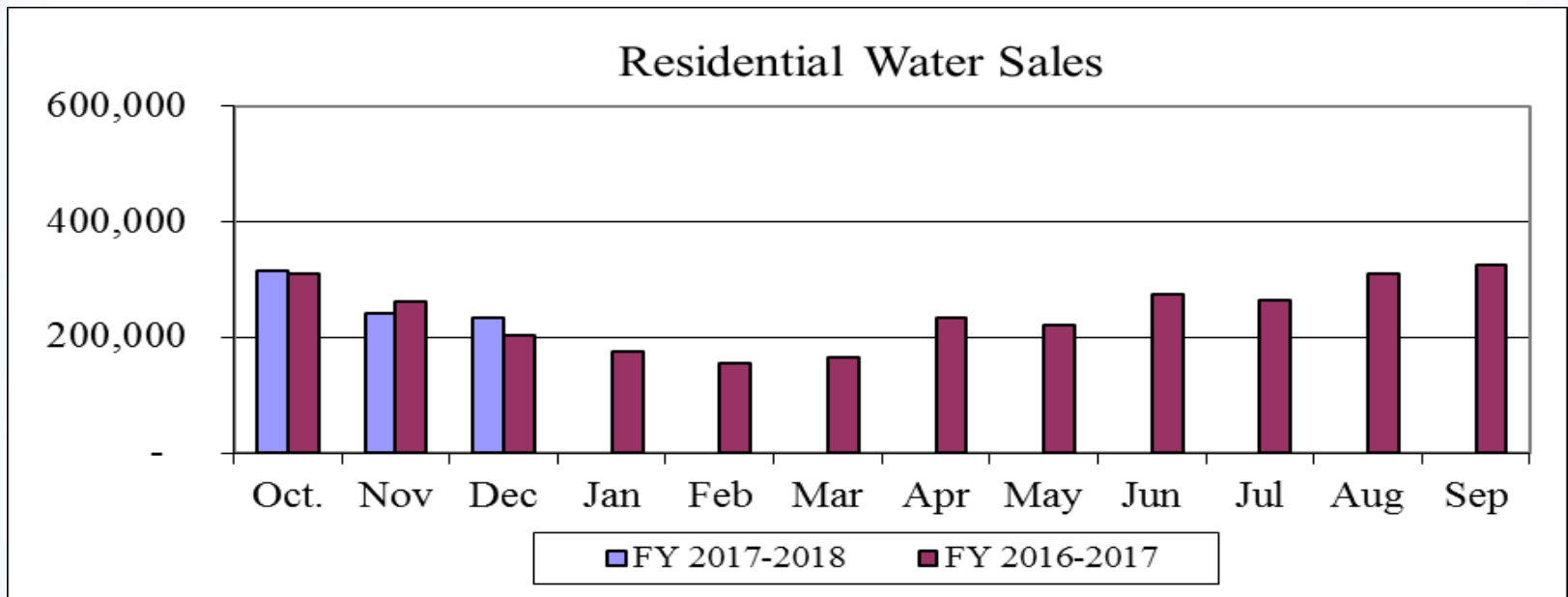
Water Sales

- The following table compares commercial usage, in 1,000 gallon increments, by month for both this year and last



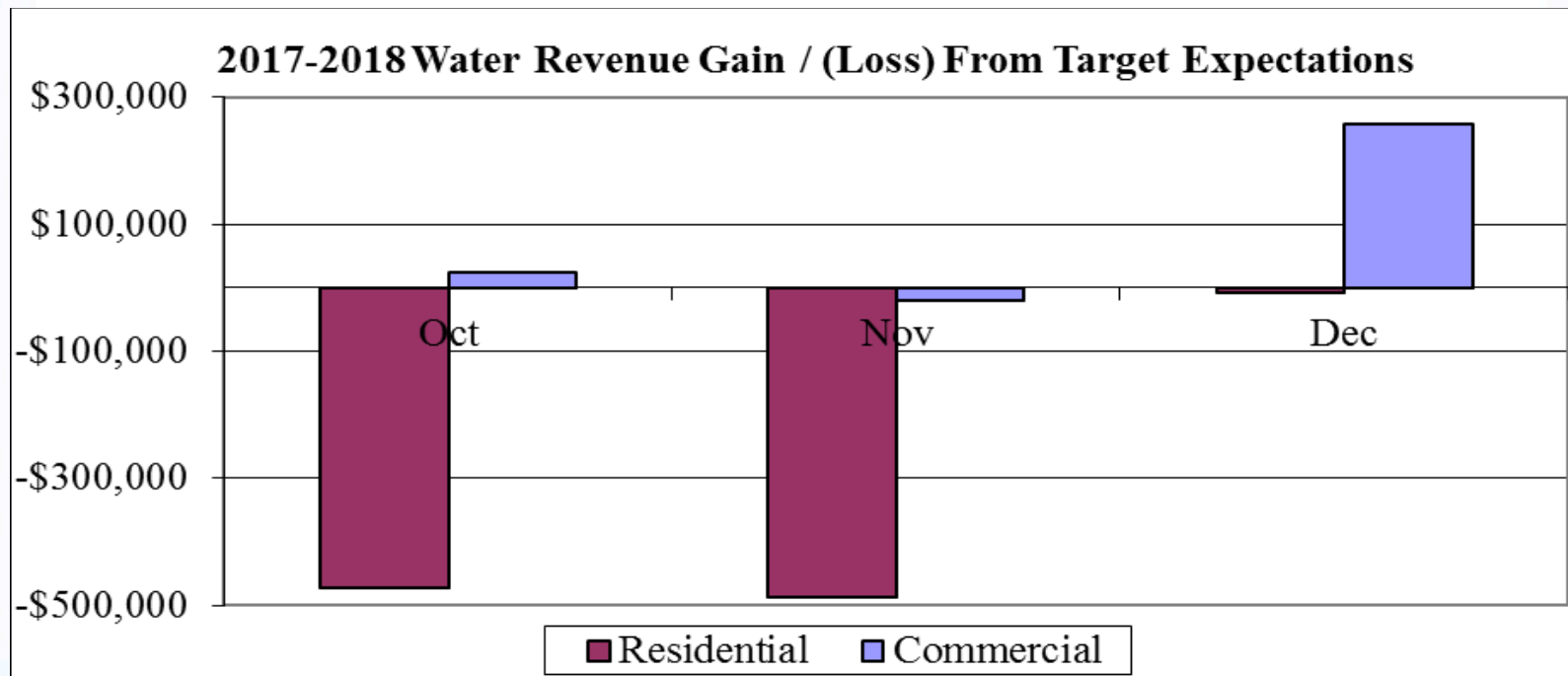
Water Sales

- The following table compares residential usage, in 1,000 gallon increments, by month for both this year and last



Water Sales

- When measured against expected revenue targets water sales are (\$707K) below budget



Revenues

- Remaining revenues of \$382K represent 25.5% of the budget compared to \$366K or 23.2% last year.



Expenditures

- Total Expenditures and Transfers for the Water and Sewer Fund of \$18.6M represent 24.9% of the budgeted \$75.0M compared to last years 25.4%
- YTD Maintenance expenditures are \$811K over last year and represent the increased costs from our wholesale service providers. This increase was planned and budgeted for
- All other expenditure categories are within established parameters for their category



Solid Waste Services



Revenues

- Total YTD revenues of \$3.7M represent 25.2% of the \$14.7M budgeted
- Residential collections of \$1.5M are \$71K over last year while commercial collection fees of \$2.0M are \$6K over the prior year
- The remaining revenue categories combine for \$241K, or 36% of the original budget.
 - Includes \$93K of auction revenue compared to \$20K last year



Expenditures

- YTD expenditures are 27.7% or \$4.1M of the budget compared with 27.3% or \$4.0M at this time last year
- All expenditure categories are performing within established parameters

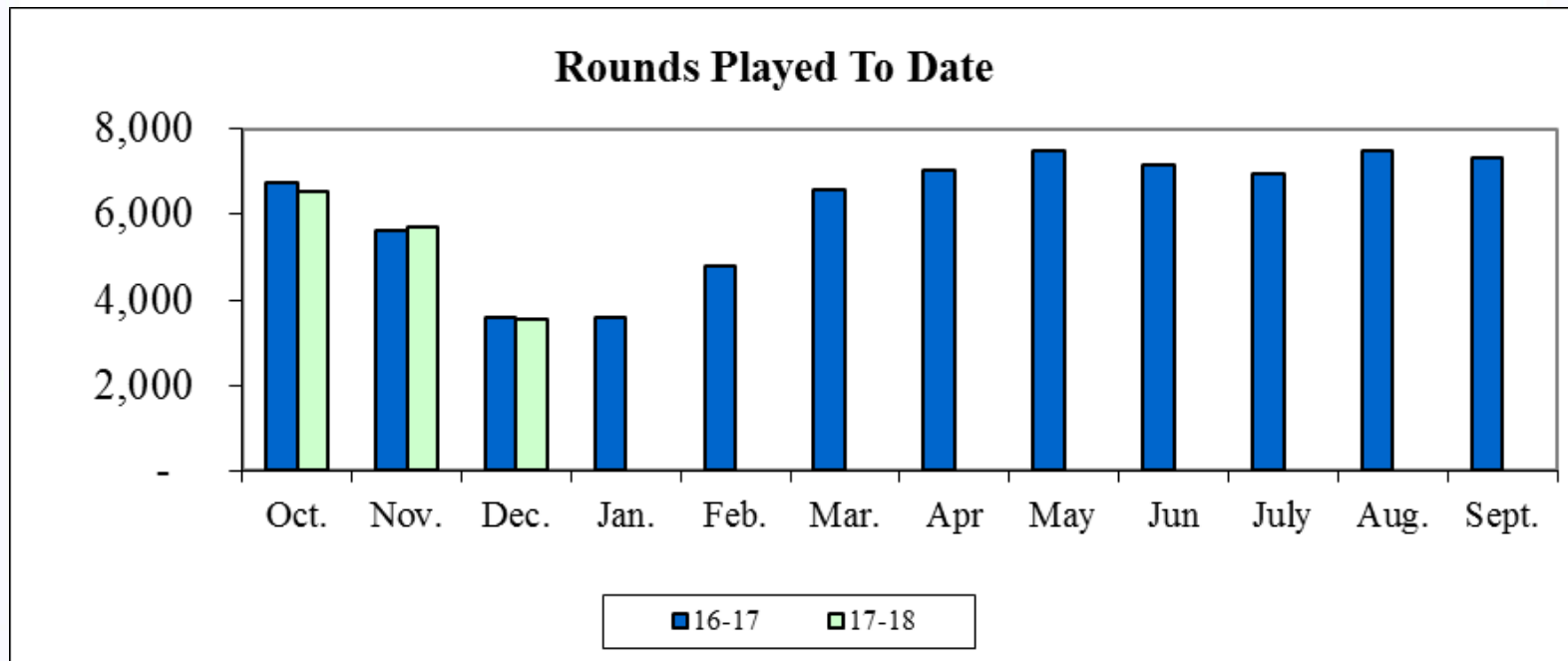


Golf Fund



Revenues

- Total Revenues of \$467K represent 20.5% of the budgeted \$2.3M.
- Rounds played of 15,779 are (167) below last year.



Revenues

- Green Fees of \$315K are (\$14K) below last year actuals and (\$24K) below FY18 budget targets for the year
- Cart Fees of \$132K are even with last year and represent 21.2% of the original budget
- Remaining revenues of \$20K are (\$3,600) below last year



Expenditures

- Total Expenditures and Transfers of \$595K represent 26.0% of the budgeted \$2.3M
- All expenditure categories are within established first quarter parameters



Hotel/Motel Tax Fund



Revenues

- Total revenues of \$1.6M represent 23.2% of expected revenues
- Tax Revenues of \$770K are \$63K over last year's YTD actual collection of \$707K
- Eisemann Center Revenues of \$371K represent 34.2% of the original budget
- Eisemann Center Presents revenue of \$352K represents 32.1% of original budget
- Remaining revenues are performing as expected



Expenditures

- Total Expenditures and Transfers for the Hotel/Motel Tax Fund of \$1.8 M represent 26.4% of the budget
- All expenditures are performing as expected

