

Quarterly Financial Report Fiscal Year 2020 First Quarter

The logo for ADDISON, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. The circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes a white diagonal line and a grey triangle.

February 25, 2020

Executive Dashboard – Key Revenue Sources

Financial Indicators

Positive variance compared to historical trends

Positive

Negative variance of 3%-5% and more than \$50,000 compared to historical trends

Warning

Negative variance of >5% and more than \$50,000 compared to historical trends

Negative

Key Revenue Sources	FY2020 Budget	Actual through 12/31/19	% Annual Budget
Ad Valorem Taxes - General Fund	\$ 18,752,174	\$ 4,718,551	25.16%
Non-Property Taxes - General Fund	14,840,000	3,842,970	25.90%
Hotel Tax	5,540,000	984,296	17.77% ⁽¹⁾
Franchise Fees - General Fund	2,332,100	617,579	26.48%
Service/Permitting/License Fees - General Fund	2,706,790	645,926	23.86%
Rental Income - All Funds	5,223,600	1,258,445	24.09%
Fines and Penalties - All Funds	427,000	109,388	25.62%
Special Event Revenue - Hotel Fund	1,297,500	145,805	11.24% ⁽¹⁾
Fuel Flowage Fees - Airport Fund	916,000	266,788	29.13%
Water and Sewer Charges - Utility Fund	12,927,738	2,431,986	18.81% ⁽¹⁾

⁽¹⁾ Percentages are below the quarterly threshold but actuals are in line with historical trends

Executive Dashboard – Key Expenditures

Financial Indicators

Positive variance compared to historical trends

Positive

Negative variance of 3%-5% and more than \$50,000 compared to historical trends

Warning

Negative variance of >5% and more than \$50,000 compared to historical trends

Negative

Key Expenditures	FY2020 Budget	Actual through 12/31/19	% Annual Budget
General Fund	\$ 43,119,096	\$ 9,040,948	20.97%
Hotel Fund	7,937,706	1,230,242	15.50%
Economic Development	1,870,331	315,632	16.88%
Airport Operations	5,635,675	1,135,683	20.15%
Utility Operations	13,112,660	2,301,062	17.55%

⁽¹⁾ Percentages are below the quarterly threshold but actuals are in line with historical trends

Personnel Information

Separations - Benefitted Positions				
	10/2019-12/2019			FY2020
Department	Part-Time Positions	Full-time positions	Total 1st Qtr	YTD
City Manager	0	0	0	0
Conference Centre	0	1	1	1
Development Services	0	0	0	0
Finance	0	2	2	2
Fire	0	0	0	0
Development Services	0	0	0	0
Human Resources	0	0	0	0
Public Works	0	1	1	1
Municipal Court	0	0	0	0
Parks	0	1	1	1
Police	0	1	1	1
Recreation	2	0	2	2
Special Events	0	1	1	1
Streets	0	0	0	0
Grand Total	2	7	9	9

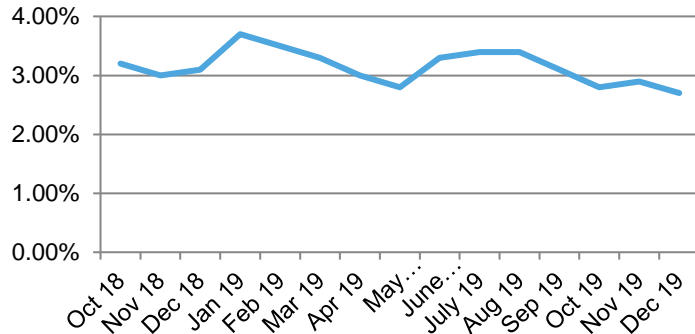
New Hires - Benefitted Positions				
	10/2019-12/2019			FY2020
Department	Part-Time Positions	Full-time positions	Total 1st Qtr	YTD
City Manager	0	0	0	0
Conference Centre	0	1	1	1
Development Services	0	0	0	0
Finance	0	0	0	0
Fire	0	3	3	3
General Services	0	0	0	0
Human Resources	0	0	0	0
Public Works	0	1	1	1
Municipal Court	0	0	0	0
Parks	0	1	1	1
Police	0	2	2	2
Recreation	0	0	0	0
Special Events	0	1	1	1
Streets	0	1	1	1
Grand Total	0	10	10	10

Public Safety Sworn Positions	Budgeted FY 2020	Filled Positions	Percent Filled
Police	62	58	94%
Fire ⁽¹⁾	56	57	102%

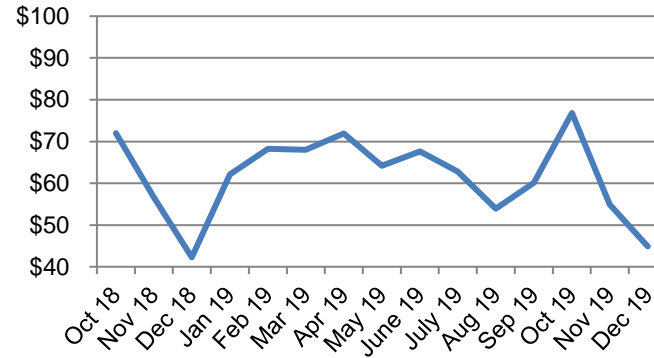
⁽¹⁾ Overfill of 1.00 FTE - Firefighter/Paramedic

Economic Indicators

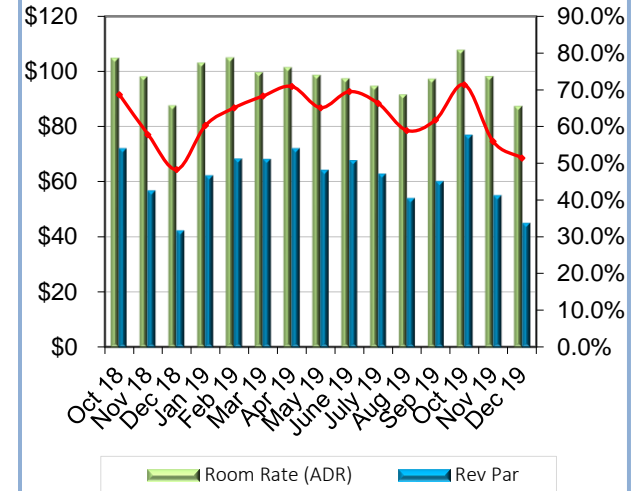
DFW Unemployment Rate Last 12 months



Hotel Revenue Per Available Room



Addison Hotel Statistics



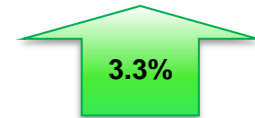
Occupancy Indicators:

Office Occupancy = 82.6%

Retail Occupancy = 94.0%

Hotel Occupancy = 59.6%

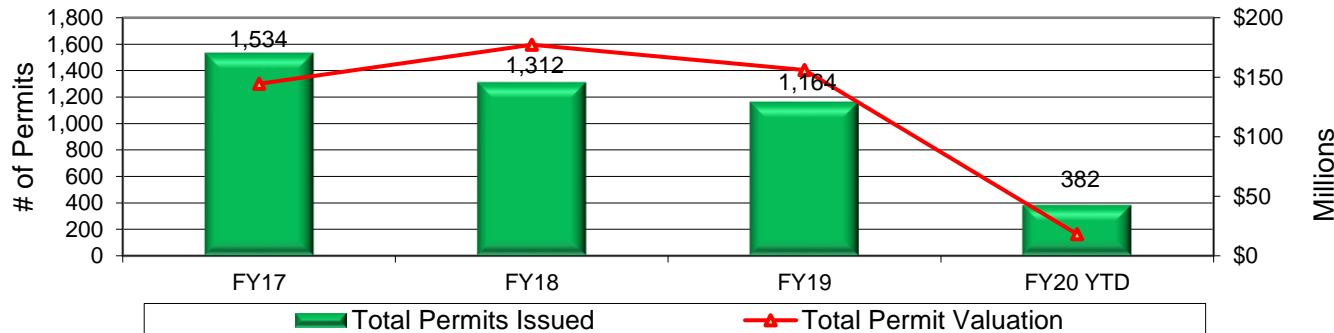
RevPar = \$58.89



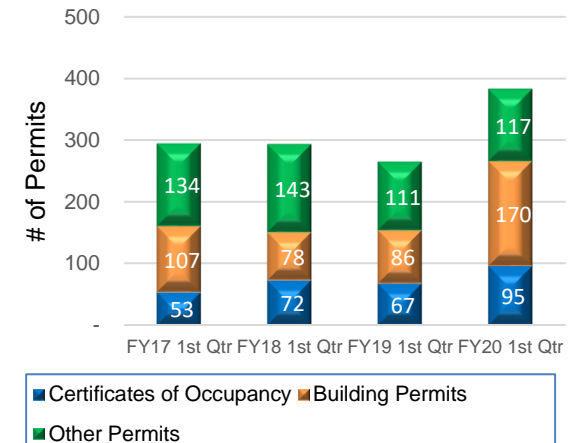
Source: CoStar (compares to prior year Q1)

Source: STR Report (compares to prior year Q1)

Total Permits Issued and Valuation

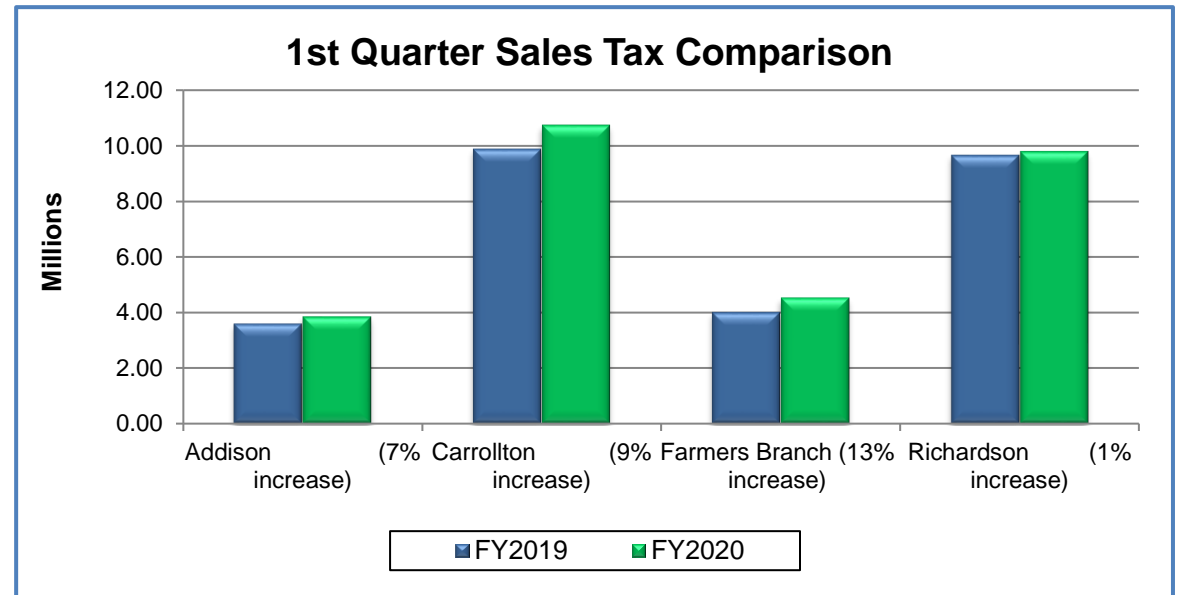


Quarterly Permit Activity, Year over Year

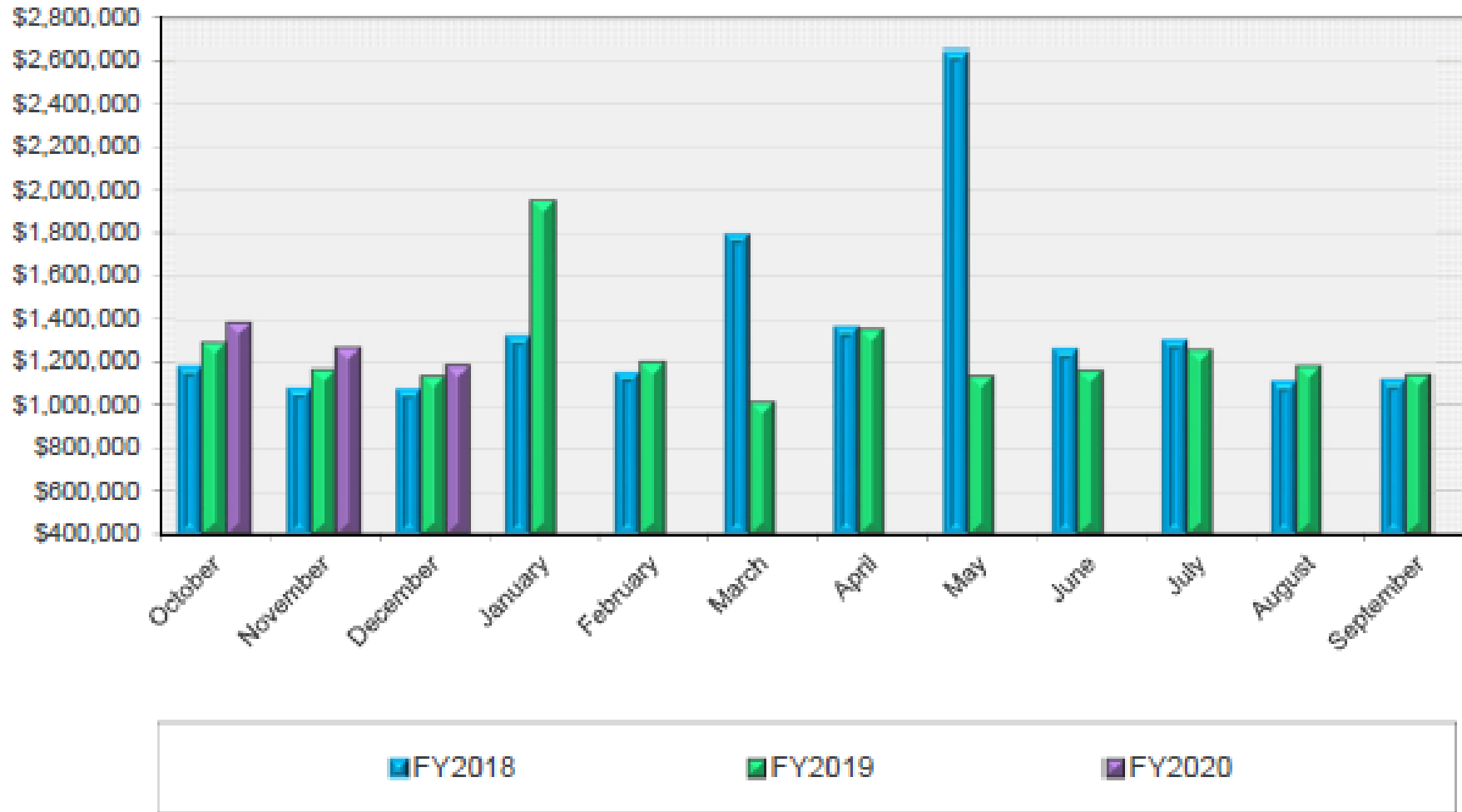


Economic Development Incentives:

Executed Agreements	Amount Paid FY20	Total Incentives Committed
5	\$0	\$505,334



Sales Tax Collections

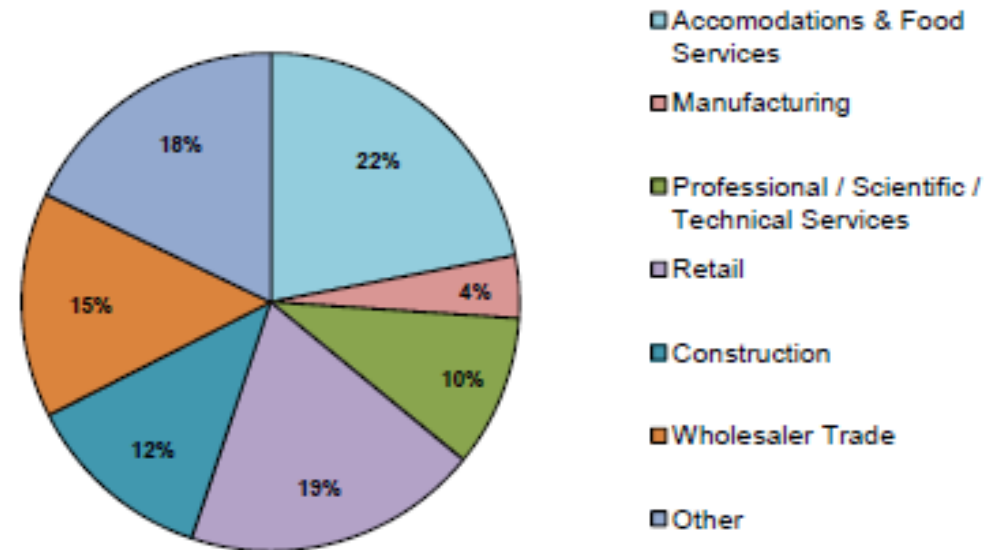


Sales Tax Collections

TOWN OF ADDISON
Schedule of Sales Tax Collections
For the quarter ending December 31, 2019

	FY2020 Monthly Collections	% Change from Prior Year	FY2019 Monthly Collections
October	\$ 1,384,839	7.0%	\$ 1,294,332
November	1,269,353	8.7%	1,168,041
December	1,188,777	4.5%	1,137,218
January			1,951,678
February			1,202,189
March			1,016,343
April			1,355,558
May			1,138,099
June			1,164,646
July			1,259,503
August			1,184,583
September			1,144,891
	\$ 3,842,970		\$ 15,017,081
Budget:	13,700,000	28.1%	13,400,000

Breakdown of Sales Tax by Economic Category



General Fund Revenue

CATEGORY	FY 2018-19 ACTUAL PRIOR YEAR	FY 2019-20 REVISED BUDGET	FY 2019-20 ACTUAL 1ST QTR	FY 2019-20 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:					
Current taxes	\$ 17,311,698	\$ 18,781,674	\$ 4,844,094	\$ 4,844,094	25.8%
Delinquent taxes	(96,218)	(70,000)	(131,123)	(131,123)	187.3% ⁽¹⁾
Penalty & interest	40,238	40,500	5,580	5,580	13.8%
Non-property taxes:					
Sales tax	15,017,081	13,700,000	3,842,970	3,842,970	28.1%
Alcoholic beverage tax	1,151,057	1,140,000	-	-	0.0% ⁽²⁾
Franchise / right-of-way use fees:					
Electric franchise	1,544,669	1,560,000	456,841	456,841	29.3%
Gas franchise	253,426	216,600	-	-	0.0% ⁽³⁾
Telecommunication access fees	400,099	400,000	95,889	95,889	24.0%
Cable franchise	270,799	150,000	64,848	64,848	43.2%
Street rental fees	-	5,500	-	-	0.0%
Licenses and permits:					
Business licenses and permits	222,420	165,700	36,816	36,816	22.2%
Building and construction permits	1,161,087	574,500	190,196	190,196	33.1%
Service fees:					
General government	-	-	-	-	0.0%
Public safety	860,710	942,300	202,453	202,453	21.5%
Urban development	2,180	60,300	660	660	1.1%
Streets and sanitation	384,169	377,200	72,692	72,692	19.3%
Recreation	64,452	70,300	13,986	13,986	19.9%
Interfund	349,380	516,490	129,123	129,123	25.0%
Court fines	376,362	352,000	78,395	78,395	22.3%
Interest earnings	643,083	100,000	102,438	102,438	102.4%
Rental income	6,780	7,600	1,802	1,802	23.7%
Other	185,852	3,000	153,374	153,374	5112.5% ⁽⁴⁾
Total Revenues	40,149,324	39,093,664	10,161,034	10,161,034	26.0%

⁽¹⁾ Delinquent property taxes are property taxes billed that will not be collected by the Town

⁽²⁾ Alcoholic beverage tax has not yet been distributed by the state

⁽³⁾ Franchise fee payment due in the 3rd quarter

⁽⁴⁾ Includes \$130,550 in sale of City property during the 1st quarter

General Fund Expenditures

CATEGORY	FY 2018-19 ACTUAL PRIOR YEAR	FY 2019-20 REVISED BUDGET	FY 2019-20 ACTUAL 1ST QTR	FY 2019-20 ACTUAL YTD	ACTUAL YTD as % of Budget
Expenditures:					
General Government:					
City Secretary	173,173	207,783	38,036	38,036	18.3%
City Manager	1,182,714	1,246,999	279,337	279,337	22.4%
Finance	2,025,571	1,849,829	346,396	346,396	18.7%
General Services	709,740	766,195	134,163	134,163	17.5%
Municipal Court	640,728	739,563	130,202	130,202	17.6%
Human Resources	632,179	713,207	149,265	149,265	20.9%
Information Technology	1,990,604	2,220,737	353,237	353,237	15.9%
Combined Services	1,131,125	1,388,593	243,740	243,740	17.6%
Council Projects	327,325	351,811	161,667	161,667	46.0% ⁽¹⁾
Public Safety:					
Police	9,235,890	9,988,388	2,011,403	2,011,403	20.1%
Emergency Communications	1,365,005	1,432,188	454,460	454,460	31.7%
Fire	7,819,204	8,362,015	1,902,698	1,902,698	22.8%
Development Services					
Streets	1,341,451	1,626,900	305,620	305,620	18.8%
Parks and Recreation:					
Parks	1,597,712	2,220,634	385,224	385,224	17.3%
Parks	3,886,241	4,044,545	816,978	816,978	20.2%
Recreation	1,593,519	1,899,309	313,422	313,422	16.5%
Other financing uses:					
Transfers to other funds	4,471,504	4,060,400	1,015,100	1,015,100	25.0%
Total Expenditures	40,123,685	43,119,096	9,040,948	9,040,948	21.0%
Net Change in Fund Balance	25,639	(4,025,432)	1,120,086	1,120,086	
Fund Balance at Beginning of Year	20,962,956	20,962,956		20,988,595	
Fund Balance at End of Year	\$ 20,988,595	\$ 16,937,524		\$ 22,108,682	

⁽¹⁾ Council Special Projects is at 46% because many of the non-profit funding distributions take place in Q1

Hotel Fund

CATEGORY	FY 2018-19 ACTUAL PRIOR YEAR	FY 2019-20 REVISED BUDGET	FY 2019-20 ACTUAL 1ST QTR	FY 2019-20 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Hotel/Motel occupancy taxes	\$ 5,401,691	\$ 5,540,000	\$ 984,296	\$ 984,296	17.8% ⁽¹⁾
Proceeds from special events	1,043,162	1,297,500	145,805	145,805	11.2% ⁽²⁾
Conference centre rental	523,710	630,000	125,161	125,161	19.9%
Theatre centre rental	88,460	77,000	27,599	27,599	35.8%
Interest and miscellaneous	108,265	25,000	18,527	18,527	74.1%
Total Revenues	7,165,288	7,569,500	1,301,388	1,301,388	17.2%
Expenditures:					
Addison theatre centre	290,457	421,938	54,562	54,562	12.9%
Conference centre	933,014	1,152,735	225,924	225,924	19.6%
General hotel operations	141,706	144,173	21,942	21,942	15.2%
Marketing	949,693	1,134,939	140,368	140,368	12.4%
Performing arts	437,900	505,000	300,000	300,000	59.4% ⁽³⁾
Special events	2,455,540	2,812,567	130,711	130,711	4.6% ⁽²⁾
Special events operations	857,682	998,354	164,735	164,735	16.5%
Other financing uses:					
Transfer to Debt service fund	-	-	-	-	0.0%
Transfer to Economic Development Fund	715,000	768,000	192,000	192,000	25.0%
Total Expenditures	6,780,992	7,937,706	1,230,242	1,230,242	15.5%
Net Change in Fund Balance	384,296	(368,206)	71,146	71,146	
Fund Balance at Beginning of Year	4,122,537	4,506,833		4,506,833	
Fund Balance at End of Year	<u>\$ 4,506,833</u>	<u>\$ 4,138,627</u>		<u>\$ 4,577,979</u>	

⁽¹⁾ Percentages are below the quarterly threshold but actuals are in line with historical trends

⁽²⁾ Special event revenues and expenses are low due to the timing of events

⁽³⁾ Initial payment for non-profit grant funding to Water Tower Theatre in October 2019

Economic Development Fund

CATEGORY	FY 2018-19 ACTUAL PRIOR YEAR	FY 2019-20 REVISED BUDGET	FY 2019-20 ACTUAL 1ST QTR	FY 2019-20 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:	\$ 1,114,158	\$ 1,105,981	\$ 276,856	\$ 276,856	25.0%
Business license fee	53,295	50,500	3,453	3,453	6.8% ⁽¹⁾
Interest income and other	59,147	30,000	8,885	8,885	29.6%
Transfers from General/Hotel Fund	715,000	768,000	192,000	192,000	25.0%
Total Revenues	1,941,600	1,954,481	481,195	481,195	24.6%
Expenditures:					
Personnel services	451,119	479,272	106,586	106,586	22.2%
Supplies	17,769	23,645	1,960	1,960	8.3%
Maintenance	17,721	23,237	1,399	1,399	6.0%
Contractual services	1,040,308	1,327,180	201,437	201,437	15.2%
Capital replacement/lease	22,021	16,997	4,249	4,249	25.0%
Other financing uses:					
Transfers to other funds	-	-	-	-	0.0%
Total Expenditures	1,548,938	1,870,331	315,632	315,632	16.9%
Net Change in Fund Balance	392,662	84,150	165,562	165,562	
Fund Balance at Beginning of Year	1,437,025	1,829,687		1,829,687	
Fund Balance at End of Year	\$ 1,829,687	\$ 1,913,837		\$ 1,995,249	

⁽¹⁾ Percentage is below the quarterly threshold but actuals are in line with historical trends

Airport Fund

CATEGORY	FY 2018-19 ACTUAL PRIOR YEAR	FY 2019-20 REVISED BUDGET	FY 2019-20 ACTUAL 1ST QTR	FY 2019-20 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating Revenues:					
Operating grants	\$ -	\$ 50,000	\$ -	\$ -	0.0% ⁽¹⁾
Service fees	103,308	138,000	25,625	25,625	18.6% ⁽²⁾
Fuel flowage fees	1,019,452	916,000	266,788	266,788	29.1%
Rental income	5,488,112	4,509,000	1,103,882	1,103,882	24.5%
Interest income and other	334,809	80,000	46,747	46,747	58.4%
Total Operating Revenues:	6,945,679	5,693,000	1,443,042	1,443,042	25.3%
Operating Expenses:					
Town - Personnel services	319,907	470,762	77,028	77,028	16.4%
Town - Supplies	32,394	41,000	1,719	1,719	4.2%
Town - Maintenance	58,212	53,441	13,997	13,997	26.2%
Town - Contractual services	184,313	261,983	72,868	72,868	27.8%
Town - Capital Replacement/Lease	222,292	217,258	54,315	54,315	25.0%
Town - Debt service	748,948	853,910	388	388	0.0%
Town - Capital Outlay	-	-	-	-	0.0%
Operator - Operations and maintenance	2,761,617	3,308,028	824,707	824,707	24.9%
Operator - Service contract	458,337	429,293	90,661	90,661	21.1%
Total Operating Expenses:	4,786,020	5,635,675	1,135,683	1,135,683	20.2%
Net Change in Fund Balance	2,159,659	57,325	307,359	307,359	
Fund Balance at Beginning of Year	4,854,289	7,013,948		7,013,948	
Fund Balance at End of Year	<u>\$ 7,013,948</u>	<u>\$ 7,071,273</u>		<u>\$ 7,321,307</u>	

⁽¹⁾ Routine Airport Maintenance Project (RAMP) grant funds are typically received in the 4th quarter

⁽²⁾ Percentage is below the quarterly threshold but actuals are in line with historical trends

Utility Fund

CATEGORY	FY 2018-19 ACTUAL PRIOR YEAR	FY 2019-20 REVISED BUDGET	FY 2019-20 ACTUAL 1ST QTR	FY 2019-20 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Water sales	\$ 5,913,375	\$ 7,051,676	\$ 1,425,235	\$ 1,425,235	20.2% ⁽¹⁾
Sewer charges	4,732,132	5,876,062	1,006,751	1,006,751	17.1% ⁽¹⁾
Tap fees	7,050	25,275	1,425	1,425	5.6% ⁽¹⁾
Penalties	107,593	75,000	30,994	30,994	41.3%
Interest income and other	651,282	94,600	68,938	68,938	72.9%
Total Operating Revenues:	11,411,432	13,122,613	2,533,343	2,533,343	19.3%
Operating expenses:					
Personnel services	1,696,403	2,264,720	382,560	382,560	16.9%
Supplies	169,159	217,990	51,770	51,770	23.7%
Maintenance	315,130	495,622	68,952	68,952	13.9%
Contractual services					
Water purchases	3,467,867	3,435,039	414,490	414,490	12.1%
Wastewater treatment	3,635,316	3,373,435	1,032,203	1,032,203	30.6% ⁽²⁾
Other services	855,819	1,390,199	267,762	267,762	19.3%
Capital Replacement/Lease	340,657	331,857	82,964	82,964	25.0%
Debt service	1,133,162	1,513,798	362	362	0.0%
Capital outlay	74,949	90,000	-	-	0.0%
Other financing uses:					
Transfers to other funds	61,494	-	-	-	0.0%
Total Operating Expenses:	11,749,956	13,112,660	2,301,062	2,301,062	17.5%
Net Change in Fund Balance	(338,524)	9,953	232,281	232,281	
Fund Balance at Beginning of Year	12,237,041	11,898,517		11,898,517	
Fund Balance at End of Year	<u>\$ 11,898,517</u>	<u>\$ 11,908,470</u>		<u>\$ 12,130,798</u>	

⁽¹⁾ Revenues represent a one-month lag in the collection of utility revenues and there is heavy seasonality with water revenue

⁽²⁾ Wastewater treatment expenses are high due to the timing of payments

Stormwater Utility Fund

CATEGORY	FY 2018-19 ACTUAL PRIOR YEAR	FY 2019-20 REVISED BUDGET	FY 2019-20 ACTUAL 1ST QTR	FY 2019-20 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Drainage Fees	\$ 2,068,344	\$ 2,349,795	\$ 408,233	\$ 408,233	17.4% ⁽¹⁾
Interest income and other	159,182	53,900	34,814	34,814	64.2%
Total Operating Revenues:	2,227,526	2,403,695	442,847	442,847	18.4%
Operating expenses					
Personnel services	272,726	304,134	64,384	64,384	21.2%
Supplies	15,392	20,597	3,884	3,884	18.9%
Maintenance	76,850	210,700	535	535	0.3%
Contractual services	173,228	367,874	29,747	29,747	8.1%
Debt service	546,916	544,466	-	-	0.0%
Capital outlay	21,035	40,000	22,762	22,762	56.9% ⁽²⁾
Other financing uses:					
Transfers to other funds	500,000	-	-	-	0.0%
Total Operating Expenses:	1,606,147	1,487,771	121,312	121,312	8.2%
Net Change in Fund Balance	621,379	915,924	321,536	321,536	
Fund Balance at Beginning of Year	5,417,133	6,038,512		6,038,512	
Fund Balance at End of Year	<u>\$ 6,038,512</u>	<u>\$ 6,954,436</u>		<u>\$ 6,360,048</u>	

⁽¹⁾ Fees represent a one-month lag in the collection of stormwater revenue but actuals are in line with historical trends

⁽²⁾ Capital outlay includes the purchase of one delayed arrival vehicle

Hotel Occupancy Tax Collections

	Rooms		Oct. - Dec. 2019		20 to 19 % Diff.
	Number	%	Amount	%	
Full Service					
Marriott Quorum	547	13%	\$ 244,279	18%	33%
Renaissance	528	13%	170,990	13%	0%
Crowne Plaza	428	10%	88,371	7%	-20%
	1,503	37%	503,640	37%	8%
Extended Stay					
Budget Suites	344	8%	12,944	1%	571%
Hawthorn Suites	70	2%	16,331	1%	9%
Marriott Residence Inn	150	4%	58,584	4%	-7%
Hyatt House	132	3%	53,357	4%	29%
Homewood Suites	120	3%	53,960	4%	14%
Home2Suites	132	3%	75,242	6%	11%
Springhill Suites	159	4%	72,862	5%	18%
	1,107	27%	343,280	25%	15%
Business Moderate					
Marriott Courtyard Quorum	176	4%	88,389	7%	4%
LaQuinta Inn	152	4%	47,551	4%	0%
Marriott Courtyard Midway	145	4%	57,847	4%	6%
Radisson - Addison	101	2%	36,805	3%	6%
Hilton Garden Inn	96	2%	48,409	4%	6%
Holiday Inn Express	97	2%	40,552	3%	100%
Holiday Inn Betway	102	2%	20,327	2%	100%
Best Western Plus	84	2%	26,197	2%	11%
	953	23%	366,077	27%	12%
Economy					
Motel 6	127	3%	31,106	2%	20%
Hampton Inn	158	4%	54,640	4%	-2%
Red Roof Inn	105	3%	24,502	2%	-5%
Quality Suites North/Galleria	78	2%	21,184	2%	-2%
America's Best Value Inn	60	1%	7,295	1%	21%
	528	13%	138,727	10%	3%
TOTAL	4,091	100%	1,351,725	100%	10%

