

Quarterly Financial Report Fiscal Year 2020 Fourth Quarter

November 10, 2020



ADDISON

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 9/30/20	% Annual Budget
Ad Valorem Taxes - General Fund	\$ 18,752,174	\$ 18,682,521	99.63%
Non-Property Taxes - General Fund	14,840,000	15,191,224	102.37%
Hotel Tax	5,540,000	3,097,548	55.91% ⁽¹⁾
Franchise Fees - General Fund	2,332,100	2,202,455	94.44%
Service/Permitting/License Fees - General Fund	2,806,790	2,985,665	106.37%
Rental Income - All Funds	5,223,600	4,733,139	90.61%
Fines and Penalties - All Funds	427,000	264,445	61.93% ⁽²⁾
Special Event Revenue - Hotel Fund	1,297,500	107,030	8.25% ⁽³⁾
Fuel Flowage Fees - Airport Fund	916,000	867,778	94.74%
Water and Sewer Charges - Utility Fund	12,927,738	12,841,076	99.33%

⁽¹⁾ Hotel tax revenue reflects less hotel occupancy due to COVID-19

⁽²⁾ Municipal court fines due to fewer citations issued

⁽³⁾ Special event revenue reflects cancellation of special events due to COVID-19

Executive Dashboard – Key Expenditures

Key Expenditures	FY2020 Budget	Actual through 9/30/20	% Annual Budget
General Fund	\$ 43,219,096	\$ 40,178,157	92.96%
Hotel Fund	7,971,396	4,003,556	50.22% ⁽³⁾
Economic Development	1,870,331	1,383,358	73.96%
Airport Operations	5,661,675	5,145,294	90.88%
Utility Operations	13,112,660	12,264,833	93.53%

⁽¹⁾ Hotel tax revenue reflects less hotel occupancy due to COVID-19

⁽²⁾ Municipal court fines due to fewer citations issued

⁽³⁾ Special event revenue reflects cancellation of special events due to COVID-19

Personnel Information

Staffing Indicators

Personnel Information:

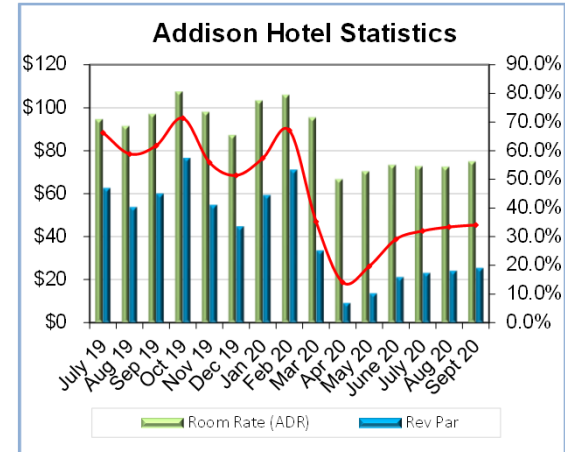
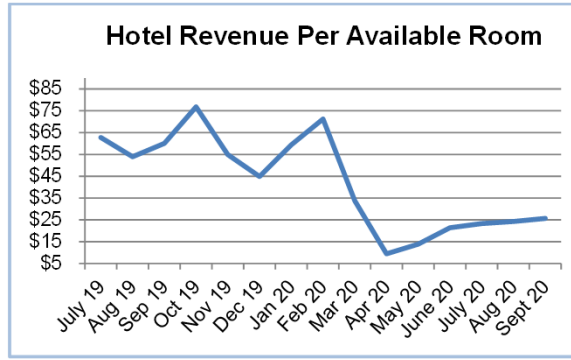
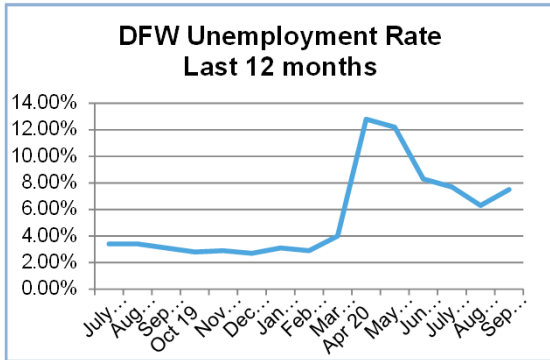
Separations - Benefitted Positions				
Department	7/2020-9/2020			FY2020
	Part-Time Positions	Full-time positions	Total 4th Qtr	YTD
City Manager	0	0	0	0
Conference Centre	0	7	7	8
Development Services	0	1	1	1
Finance	0	1	1	3
Fire	0	0	0	3
General Services	0	1	1	2
Human Resources	0	0	0	0
Public Works	0	0	0	6
Marketing & Communications	0	1	1	1
Municipal Court	0	0	0	0
Parks	0	0	0	1
Police	0	1	1	5
Recreation	0	1	1	3
Special Events	0	0	0	1
Streets	0	0	0	0
Grand Total	0	13	13	34

New Hires - Benefitted Positions				
Department	7/2020-9/2020			FY2020
	Part-Time Positions	Full-time positions	Total 4th Qtr	YTD
City Manager	0	0	0	0
Conference Centre	0	0	0	3
Development Services	0	0	0	1
Finance	0	0	0	2
Fire	0	0	0	6
General Services	0	0	0	0
Human Resources	0	0	0	0
Public Works	0	2	2	6
Marketing & Communications	0	0	0	0
Municipal Court	0	0	0	0
Parks	0	1	1	3
Police	0	2	2	6
Recreation	0	0	0	2
Special Events	0	0	0	1
Streets	0	0	0	2
Grand Total	0	5	5	32

Public Safety Sworn Positions	Budgeted FY 2020	Filled Positions	Percent Filled
Police	74	72	97%
Fire ⁽¹⁾	58	59	102%

⁽¹⁾ FY2020 budget includes 58 budgeted positions plus overfill of 1 Firefighter (F3) position

Economic Indicators



Occupancy Indicators:

Office Occupancy = 79.0%

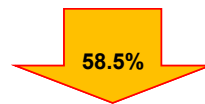
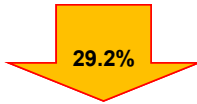
Retail Occupancy = 93.0%



Hotel Indicators

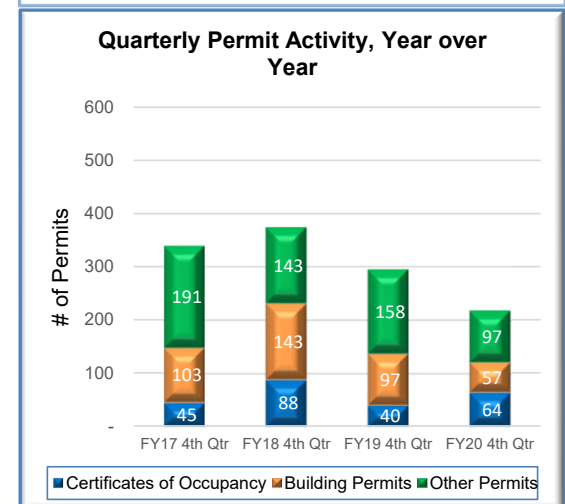
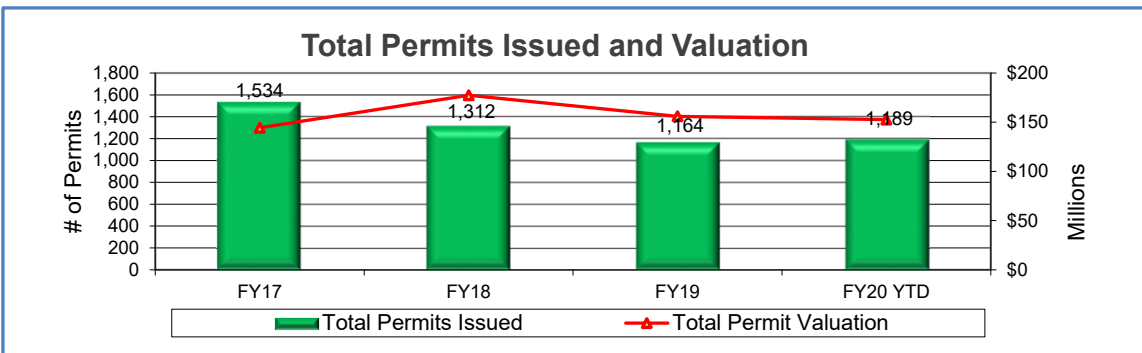
Hotel Occupancy = 33.2%

RevPar = \$24.43



Source: CoStar (compares to prior year Q4)

Source: STR Report (compares to prior year Q4)

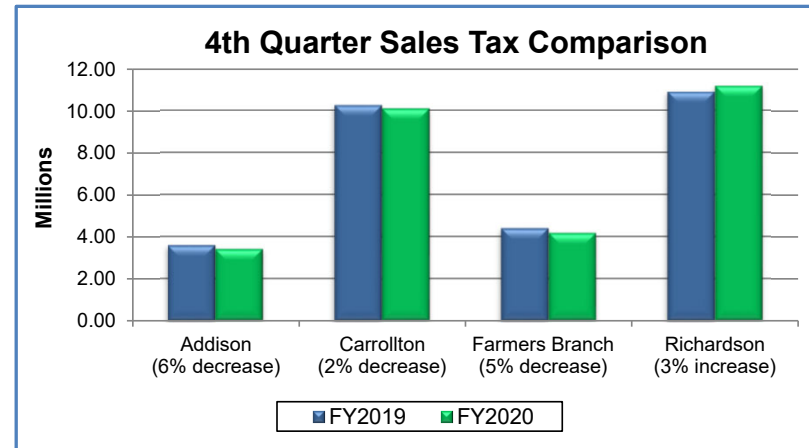


Economic Indicators

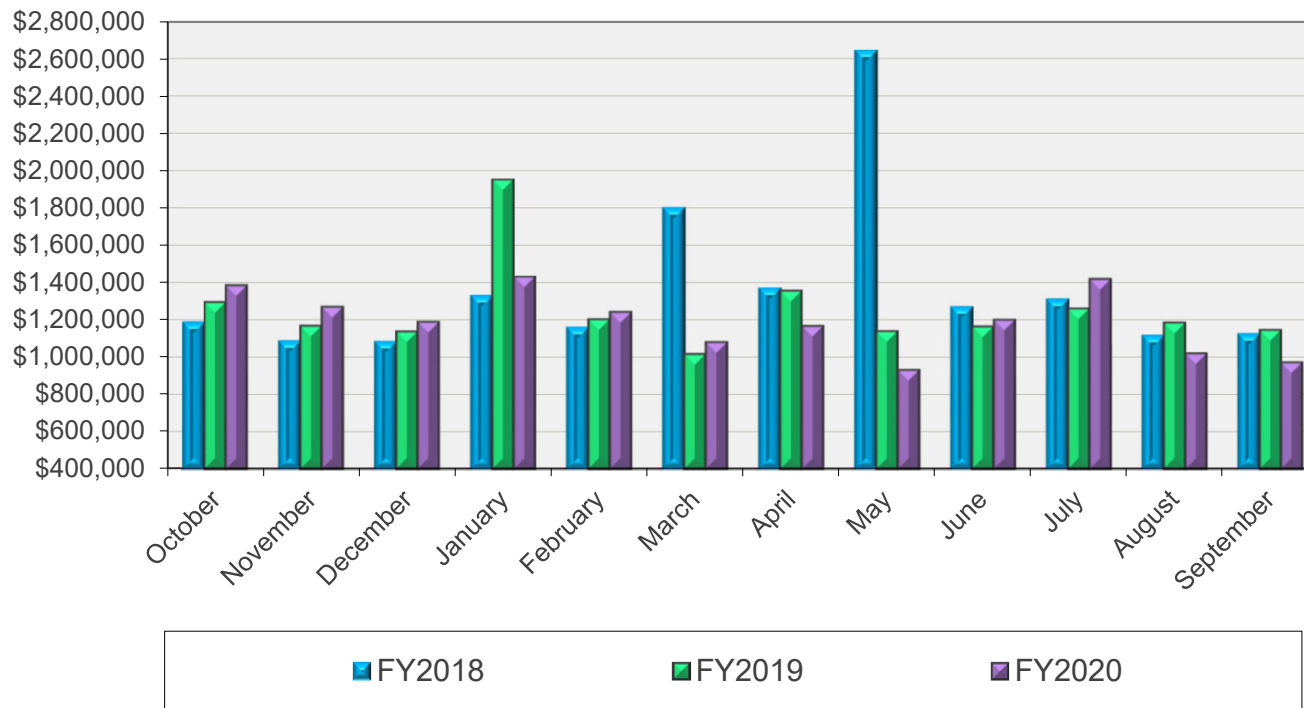


Economic Development Incentives:

Executed Agreements	Amount Paid FY20	Total Incentives Committed
5	\$384,869	\$480,334



Monthly Sales Tax Collections

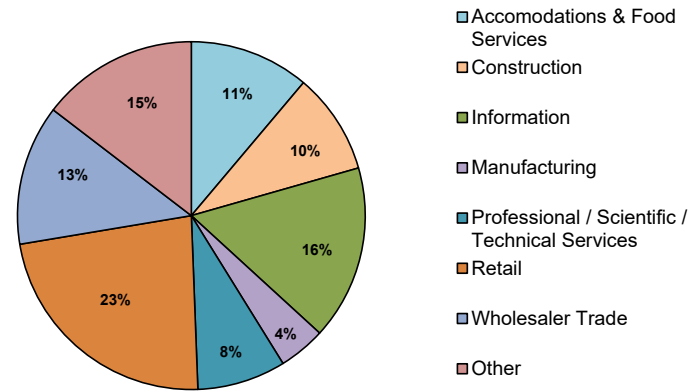


Sales Tax Collections

TOWN OF ADDISON
Schedule of Sales Tax Collections
For the quarter ending September 30, 2020

	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	1,430,683	-26.7%	1,951,678
February	1,241,465	3.3%	1,202,189
March	1,080,029	6.3%	1,016,343
April	1,166,877	-13.9%	1,355,558
May	931,272	-18.2%	1,138,099
June	1,199,683	3.0%	1,164,646
July	1,418,491	12.6%	1,259,503
August	1,019,598	-13.9%	1,184,583
September	971,556	-15.1%	1,144,891
	\$ 14,302,624		\$ 15,017,081
Budget:	13,700,000	104.4%	13,700,000

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 4TH QTR	FY 2019-20 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:					
Current taxes	\$ 17,296,733	\$ 18,781,674	\$ 96,660	\$ 18,991,094	101.1%
Delinquent taxes	(96,002)	(70,000)	4,993	(356,413)	509.2% ⁽¹⁾
Penalty & interest	40,238	40,500	20,040	47,840	118.1%
Non-property taxes:					
Sales tax	15,017,081	13,700,000	3,409,645	14,302,624	104.4%
Alcoholic beverage tax	1,151,057	1,140,000	297,253	888,599	77.9%
Franchise / right-of-way use fees:					
Electric franchise	1,534,930	1,560,000	311,363	1,485,546	95.2%
Gas franchise	253,426	216,600	-	204,919	94.6%
Telecommunication access fees	400,099	400,000	61,959	316,471	79.1%
Cable franchise	270,799	150,000	31,735	196,520	131.0%
Street rental fees	-	5,500	(1,000)	(1,000)	0.0%
Licenses and permits:					
Business licenses and permits	222,420	165,700	27,382	110,964	67.0%
Building and construction permits	1,144,521	674,500	132,117	1,072,321	159.0%
Service fees:					
General government	-	-	-	20	0.0%
Public safety	907,174	942,300	182,367	836,792	88.8%
Urban development	2,180	60,300	7,682	17,727	29.4%
Streets and sanitation	403,677	377,200	102,768	396,436	105.1%
Recreation	64,452	70,300	3,758	34,914	49.7%
Interfund	349,380	516,490	129,123	516,490	100.0%
Court fines	376,362	352,000	35,433	227,998	64.8% ⁽²⁾
Interest earnings	643,083	100,000	26,138	402,873	402.9%
Rental income	7,380	7,600	3,600	9,252	121.7%
Other	262,961	3,000	(58,819)	163,278	5442.6% ⁽³⁾
Total Revenues	40,251,951	39,193,664	4,824,197	39,865,265	101.7%

⁽¹⁾ Delinquent property tax refunds

⁽²⁾ Municipal court has fewer court fines/fees issued due to COVID-19

⁽³⁾ Includes sale of City property not budgeted for in FY2020

General Fund Expenditures

CATEGORY	FY 2018-19 ACTUAL PRIOR YEAR	FY 2019-20 REVISED BUDGET	FY 2019-20 ACTUAL 4TH QTR	FY 2019-20 ACTUAL YTD	ACTUAL YTD as % of Budget
Expenditures:					
General Government:					
City Secretary	175,970	207,783	49,947	172,993	83.3%
City Manager	1,186,118	1,246,999	360,267	1,243,138	99.7%
Finance	2,044,165	1,849,829	645,208	1,820,999	98.4%
General Services	716,848	766,195	207,706	680,201	88.8%
Municipal Court	650,660	739,563	173,583	644,147	87.1%
Human Resources	643,118	713,207	176,670	640,255	89.8%
Information Technology	2,006,930	2,220,737	508,719	1,899,127	85.5%
Combined Services	1,163,133	1,388,593	307,599	1,320,146	95.1%
Council Projects	330,555	351,811	(60,294)	339,790	96.6%
Public Safety:					
Police	9,354,818	9,988,388	2,677,450	9,302,777	93.1%
Emergency Communications	1,365,490	1,432,188	4,533	1,360,463	95.0%
Fire	7,868,725	8,462,015	2,456,021	8,466,819	100.1% ⁽¹⁾
Development Services	1,350,598	1,626,900	489,978	1,498,545	92.1%
Streets	1,777,128	2,220,634	658,693	1,791,421	80.7%
Parks and Recreation:					
Parks	3,911,318	4,044,545	1,203,493	3,759,534	93.0%
Recreation	1,609,586	1,899,309	491,552	1,628,903	85.8%
Other financing uses:					
Transfers to other funds	4,471,504	4,060,400	491,637	3,608,900	88.9%
Total Expenditures	40,626,664	43,219,096	10,842,763	40,178,157	93.0%
Net Change in Fund Balance	(374,713)	(4,025,432)	(6,018,566)	(312,892)	
Fund Balance at Beginning of Year	20,962,956	20,588,243		20,588,243	
Fund Balance at End of Year	\$ 20,588,243	\$ 16,562,811		\$ 20,275,351	

⁽¹⁾ Personnel costs slightly exceeded budget for FY 2020

Hotel Fund

CATEGORY	FY 2018-19 ACTUAL PRIOR YEAR	FY 2019-20 REVISED BUDGET	FY 2019-20 ACTUAL 4TH QTR	FY 2019-20 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Hotel/Motel occupancy taxes	\$ 5,401,691	\$ 5,540,000	\$ 413,760	\$ 3,097,548	55.9% ⁽¹⁾
Proceeds from special events	1,043,162	1,297,500	(8,090)	107,030	8.2% ⁽²⁾
Conference centre rental	523,710	630,000	(25,225)	233,182	37.0% ⁽³⁾
Theatre centre rental	88,460	77,000	11,388	68,781	89.3%
Interest and miscellaneous	108,265	25,000	3,576	57,203	228.8%
Total Revenues	7,165,288	7,569,500	395,408	3,563,745	47.1%
Expenditures:					
Addison theatre centre	291,298	421,938	97,644	246,506	58.4%
Conference centre	956,507	1,152,735	139,053	796,480	69.1%
General hotel operations	142,763	144,173	1,716	53,548	37.1%
Marketing	962,526	1,134,939	165,366	617,618	54.4%
Performing arts	437,900	505,000	-	505,000	100.0% ⁽⁴⁾
Special events	2,579,212	2,812,567	226,190	761,982	27.1% ⁽²⁾
Special events operations	903,337	998,354	91,771	606,660	60.8%
Attractions Capital Projects	1,039,680	33,690	17,808	31,761	94.3%
Other financing uses:					
Transfer to Economic Development Fund	715,000	768,000	-	384,000	50.0%
Total Expenditures	8,028,225	7,971,396	739,550	4,003,556	50.2%
Net Change in Fund Balance	(862,937)	(401,896)	(344,141)	(439,811)	
Fund Balance at Beginning of Year	4,122,537	3,259,600		3,259,600	
Fund Balance at End of Year	\$ 3,259,600	\$ 2,857,704		\$ 2,819,789	

⁽¹⁾ Hotel tax fell significantly in the 3rd quarter due to the effects of COVID-19

⁽²⁾ Special event revenues and expenses are low because of cancellation of events due to COVID-19

⁽³⁾ Conference Centre rental revenue fell sharply due to COVID-19 and the subsequent closure of the Conference Centre

⁽⁴⁾ Final matching grant payment for non-profit grant funding to Water Tower Theatre in June 2020. Amount is in line with historical data.

Economic Development Fund



CATEGORY	FY 2018-19 ACTUAL PRIOR YEAR	FY 2019-20 REVISED BUDGET	FY 2019-20 ACTUAL 4TH QTR	FY 2019-20 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:	\$ 1,086,365	\$ 1,105,981	\$ 7,140	\$ 1,096,177	99.1%
Business license fee	64,026	50,500	3,153	47,043	93.2%
Interest income and other	48,416	30,000	2,404	34,160	113.9%
Transfers from General/Hotel Fund	715,000	768,000	-	384,000	50.0% ⁽¹⁾
Total Revenues	1,913,807	1,954,481	12,697	1,561,380	79.9%
Expenditures:					
Personnel services	453,011	479,272	139,110	477,439	99.6%
Supplies	18,456	23,645	3,678	8,507	36.0%
Maintenance	17,805	23,237	5,741	19,393	83.5%
Contractual services	1,042,520	1,327,180	231,511	861,021	64.9%
Capital replacement/lease	22,021	16,997	4,249	16,997	100.0%
Total Expenditures	1,553,813	1,870,331	384,290	1,383,358	74.0%
Net Change in Fund Balance	359,994	84,150	(371,593)	178,023	
Fund Balance at Beginning of Year	1,437,025	1,797,019		1,797,019	
Fund Balance at End of Year	\$ 1,797,019	\$ 1,881,169		\$ 1,975,042	

⁽¹⁾ Reduced transfer from the Hotel Fund

Airport Fund



CATEGORY	FY 2018-19 ACTUAL PRIOR YEAR	FY 2019-20 REVISED BUDGET	FY 2019-20 ACTUAL 4TH QTR	FY 2019-20 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating Revenues:					
Operating grants	\$ -	\$ 1,360,000	\$ 157,000	\$ 1,381,219	101.6%
Service fees	103,306	138,000	25,022	103,234	74.8% ⁽¹⁾
Fuel flowage fees	1,019,452	916,000	236,475	867,778	94.7% ⁽¹⁾
Rental income	5,488,112	4,509,000	1,110,864	4,421,924	98.1%
Interest income and other	356,442	780,000	61,357	892,665	114.4%
Total Operating Revenues:	6,967,312	7,703,000	1,590,717	7,666,819	99.5%
Operating Expenses:					
Town - Personnel services	324,776	470,762	98,822	338,805	72.0%
Town - Supplies	33,600	41,000	34,369	39,577	96.5%
Town - Maintenance	77,453	53,441	22,655	69,292	129.7% ⁽²⁾
Town - Contractual services	186,367	287,983	33,461	183,231	63.6%
Town - Capital Replacement/Lease	32,292	217,258	54,315	217,258	100.0%
Town - Debt service	763,934	853,910	174,643	866,353	101.5%
Operator - Operations and maintenance	2,761,617	3,308,028	753,524	3,070,472	92.8%
Operator - Service contract	522,020	429,293	87,436	360,307	83.9%
Total Operating Expenses:	4,702,059	5,661,675	1,259,224	5,145,294	90.9%
Capital Projects (Cash Funded)	31,703	3,663,917	2,476,184	3,633,777	99.2%
Total Expenses:	4,733,762	9,325,592	3,735,408	8,779,072	94.1%
Net Change in Working Capital	2,233,550	(1,622,592)	(2,144,691)	(1,112,253)	
Working Capital at Beginning of Year	4,812,377	7,045,927		7,045,927	
Working Capital at End of Year	\$ 7,045,927	\$ 5,423,335		\$ 5,933,674	

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

⁽²⁾ 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 4TH QTR	FY 2019-20 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Water sales	\$ 6,663,348	\$ 7,051,676	\$ 3,158,376	\$ 7,460,287	105.8%
Sewer charges	5,144,473	5,876,062	1,853,292	5,380,789	91.6%
Tap fees	7,050	25,275	4,800	11,375	45.0%
Penalties	124,261	75,000	-	36,448	48.6%
Interest income and other	169,769	94,600	122,074	239,318	253.0%
Total Operating Revenues:	12,108,901	13,122,613	5,138,542	13,128,216	100.0%
Operating expenses:					
Personnel services	1,716,439	2,264,720	533,647	1,926,249	85.1%
Supplies	176,462	217,990	59,969	206,621	94.8%
Maintenance	329,051	495,622	223,220	530,032	106.9%
Contractual services					
Water purchases	3,467,867	3,435,039	1,286,650	3,506,330	102.1% ⁽¹⁾
Wastewater treatment	3,635,316	3,373,435	690,187	3,427,714	101.6% ⁽¹⁾
Other services	863,217	1,390,199	174,203	741,493	53.3%
Capital Replacement/Lease	340,657	331,857	82,964	331,857	100.0%
Debt service	1,133,162	1,513,798	331,066	1,516,118	100.2%
Capital outlay	74,949	90,000	50,583	78,419	87.1%
Total Operating Expenses:	11,737,120	13,112,660	3,432,488	12,264,833	93.5%
Capital Projects (Cash Funded)	338,352	1,813,000	523,752	860,362	47.5%
Total Expenses:	12,075,472	14,925,660	3,956,240	13,125,196	87.9%
Net Change in Working Capital	33,429	(1,803,047)	1,182,301	3,020	
Working Capital at Beginning of Year	6,233,408	6,266,837		6,266,837	
Working Capital at End of Year	\$ 6,266,837	\$ 4,463,790		\$ 6,269,857	

⁽¹⁾ Water wholesale purchases and wastewater treatment expenses slightly exceeded the FY2020 budget

Stormwater Utility Fund

CATEGORY	FY 2018-19 ACTUAL PRIOR YEAR	FY 2019-20 REVISED BUDGET	FY 2019-20 ACTUAL 4TH QTR	FY 2019-20 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Drainage Fees	\$ 2,235,566	\$ 2,349,795	\$ 747,806	\$ 2,320,434	98.8% ⁽¹⁾
Interest income and other	159,165	53,900	8,230	110,961	205.9%
Total Operating Revenues:	2,394,731	2,403,695	756,036	2,431,395	101.2%
Operating expenses					
Personnel services	275,422	304,134	74,955	273,918	90.1%
Supplies	16,117	20,597	5,600	13,239	64.3%
Maintenance	77,810	210,700	27,754	32,637	15.5%
Contractual services	179,173	367,874	60,452	172,465	46.9%
Debt service	546,916	544,466	122,033	543,141	99.8%
Capital outlay	21,035	40,000	-	48,524	121.3% ⁽²⁾
Other financing uses:					
Capital Projects (Cash Funded)	-	-	-	-	0.0%
Total Operating Expenses:	1,116,473	1,487,771	290,794	1,083,926	72.9%
Capital Projects (Cash Funded)	50,449	1,181,000	3,979	33,383	2.8%
Total Expenses:	1,166,922	2,668,771	294,774	1,117,308	41.9%
Net Change in Working Capital	1,227,809	(265,076)	461,262	1,314,087	
Working Capital at Beginning of Year	5,240,798	6,468,607		6,468,607	
Working Capital at End of Year	\$ 6,468,607	\$ 6,203,531		\$ 7,782,694	

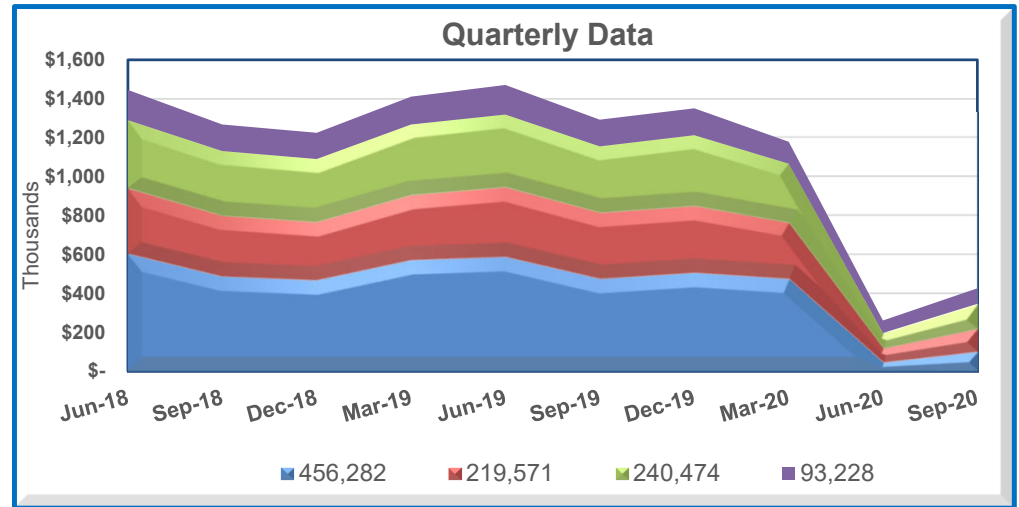
⁽¹⁾ Fees represent a one-month lag in the collection of stormwater revenue but actuals are in line with historical trends

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

Hotel Occupancy Tax Collections



	Rooms		July - Sept. 2020		20 to 19
	Number	%	Amount	%	% Diff.
Full Service					
Marriott Quorum	547	13%	\$ 71,804	17%	-69%
Renaissance	528	13%	27,690	7%	-81%
⁽¹⁾ Crowne Plaza	428	10%	-	0%	-100%
	1,503	37%	99,494	23%	-79%
Extended Stay					
Budget Suites	344	8%	9,811	2%	12%
Hawthorn Suites	70	2%	7,032	2%	-55%
Marriott Residence Inn	150	4%	20,788	5%	-70%
Hyatt House	132	3%	24,164	6%	-44%
⁽²⁾ Homewood Suites	120	3%	17,168	4%	-69%
Home2Suites	132	3%	25,657	6%	-66%
Springhill Suites	159	4%	14,609	3%	-80%
	1,107	27%	119,229	28%	-65%
Business Moderate					
Marriott Courtyard Quorum	176	4%	16,650	4%	-80%
LaQuinta Inn	152	4%	32,381	8%	-34%
Marriott Courtyard Midway	145	4%	13,819	3%	-74%
Radisson - Addison	101	2%	15,552	4%	-51%
Hilton Garden Inn	96	2%	13,649	3%	-73%
Holiday Inn Express	97	2%	16,985	4%	100%
⁽²⁾ Holiday Inn Beltway	102	2%	-	0%	100%
Best Western Plus	84	2%	18,541	4%	-30%
	953	23%	127,577	30%	-63%
Economy					
Motel 6	127	3%	26,879	6%	-22%
Hampton Inn	158	4%	10,749	3%	-80%
Red Roof Inn	105	3%	18,482	4%	-2%
Quality Suites North/Galleria	78	2%	19,393	5%	-20%
America's Best Value Inn	60	1%	4,158	1%	-17%
	528	13%	79,661	19%	-42%
TOTAL	4,091	100%	\$ 425,961	100%	-67%



⁽¹⁾ Crowne Plaza has closed permanently

⁽²⁾ Not yet received one or more payments for the quarter

Investment Report Summary

The logo for ADDISON, consisting of the word "ADDISON" in white capital letters inside a blue circle.

	Book Value	Market Value	Interest Revenue	Weighted Average Yield- to-Maturity
09/30/2020	111,058,442	111,217,841	219,319	0.64%
06/30/2020	106,443,479	106,710,716	341,986	1.08%
Change	4,614,963	4,507,125	(122,667)	-0.44%
% Change	4.34%	4.22%	-35.87%	-40.96%