

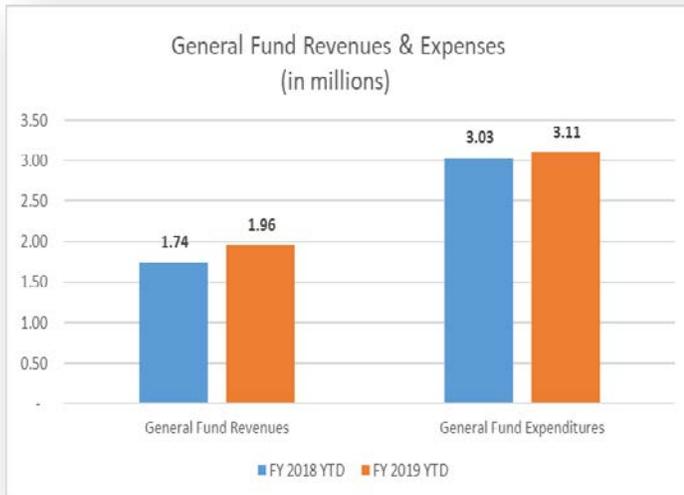
FY 2019 MONTHLY FINANCE UPDATE THROUGH OCTOBER

January 29, 2019

To: The Honorable Mayor Van Arsdale, Members of the City Council and Citizens of Cedar Park:

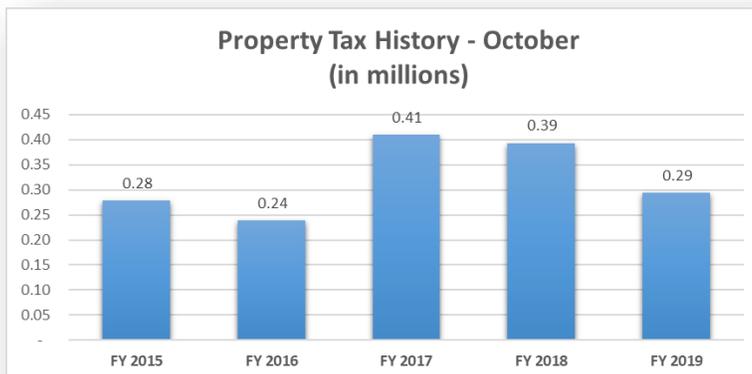
I am pleased to present to you the Monthly Finance Update for FY 2019 year-to-date activities through October 2018. This update includes a detailed look at key revenues, expenditures and summary for all operating funds. Overall, the revenues and expenses in the General Fund and Utility Fund are in line with budget expectations.

General Fund Overview



The chart to the left displays the City's revenues and expenses through October. Revenues to date are \$1.96 million, up by 12.5% over last year's collections year-to-date. This is primarily due to the implementation of the 1/8 cent sales tax funded storm water drainage program, which began in October 2018. Expenditures to date are \$3.11 million, up by 2.4% over last year's expenses year-to-date.

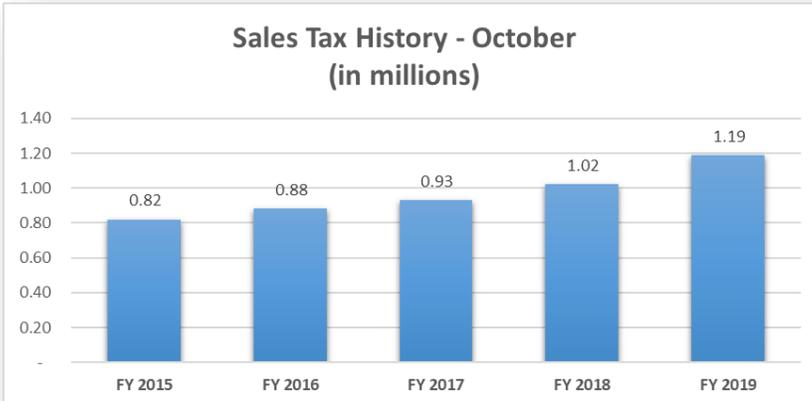
Property Tax Collections



Property tax collections, excluding any delinquent or penalty property tax collections and the annual transfer to TIRZ, amount to \$293,704 through October. Collections in October are historically inconsistent. We will see the activity normalize in the next few months. The majority of collection activity occur between December and February.

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Sales Tax Collections



Sales tax collections were \$1.19 million through October, up by 16.3% through the same period last year. Sales tax collections continue to trend upward.

Sales Tax – Storm Water

Beginning in October of 2018, the city implemented a Storm Water Drainage program. In May of 2018, residents voted to redirect one-fourth of revenue (or 1/8 of one cent) from the Type A Corporation Fund to the City's General Fund to provide revenue for storm water drainage and related street repairs. Through October, the City has \$148,441 in Sales Tax for the Storm Water Drainage program.

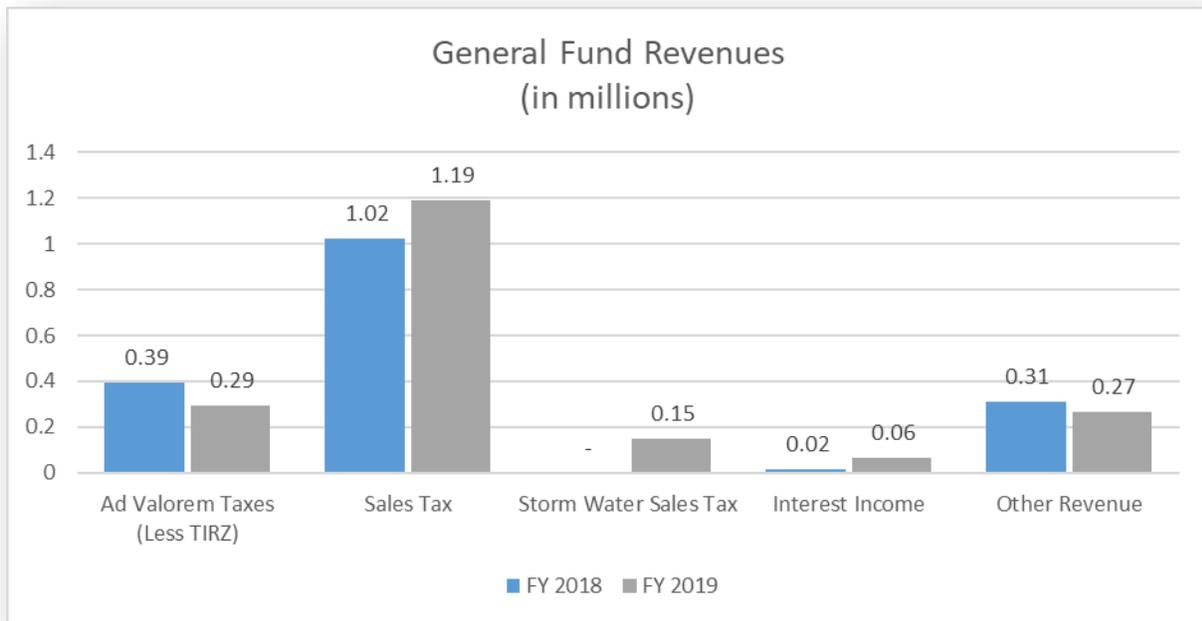
Interest Income

Through October, the City has collected \$64,750 in interest revenue in the General Fund. This is \$48,471 more than the prior year. Revenue through interest has grown as a result of sound investments practices and rising interest rates.

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Other Revenue

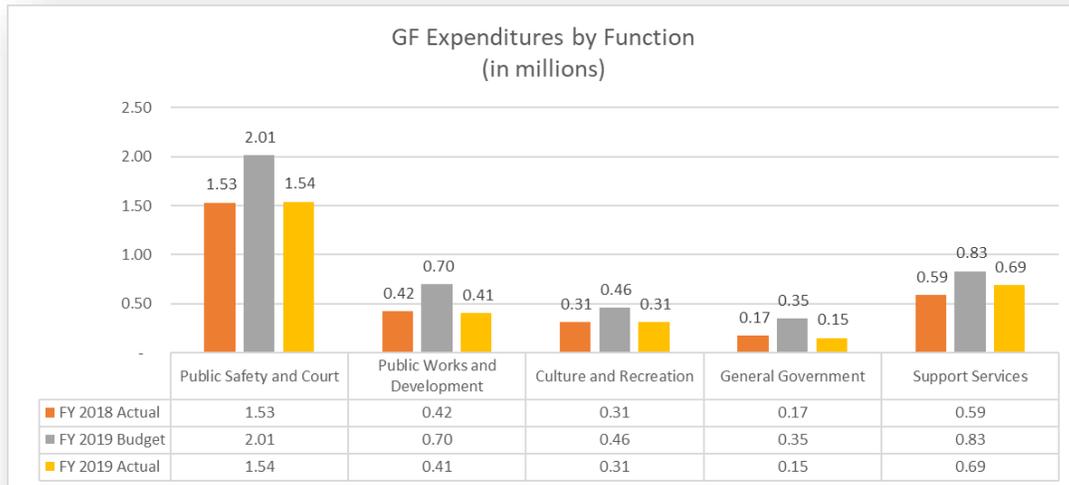
Other Revenue received through fines, forfeitures, and fees for the General Fund total \$266,253 through October (\$44,259 less than prior year). Of the \$266,253, fees for service, such as fire protection and park fees, totaled \$ 78,333 (\$4,440 more than prior year), development related fees totaled \$106,940 (\$8,700 more than prior year), fines and forfeitures totaled \$49,914 (\$2,179 less than prior year), administrative and contract service fees totaled \$14,316 (\$22,345 less than prior year), and franchise fees totaled \$11,408 (\$168 more than prior year).



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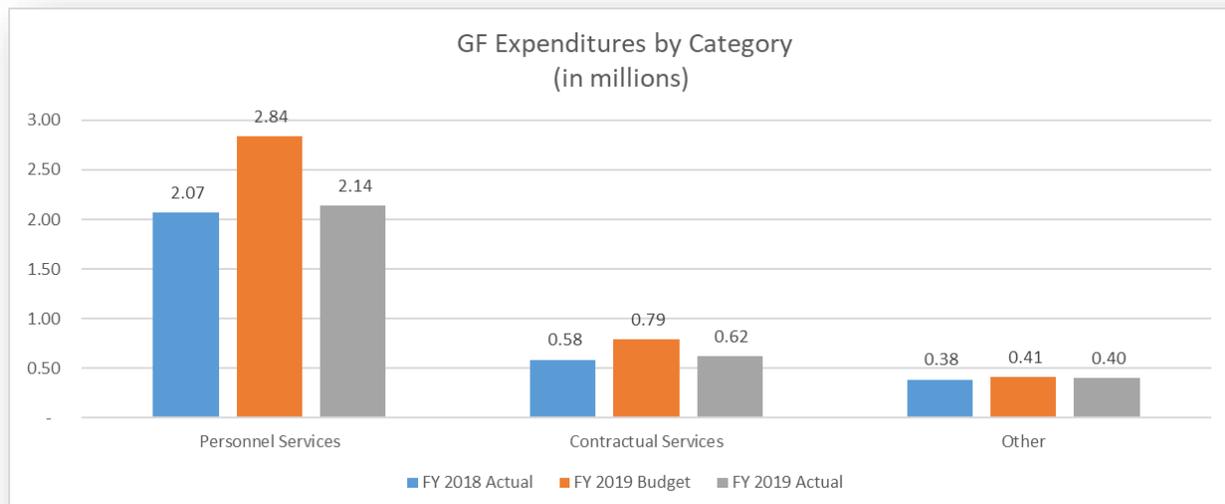
General Fund Expenditures by Function

Expenditures totaled \$3.11 million through October up by 2.4% compared to the same period last year. The chart below provides FY 2018 and FY 2019 budget and actual expenses comparisons by function through the month of October. Public safety expenses account for 50% of all General Fund expenses.



General Fund Expenditures by Category:

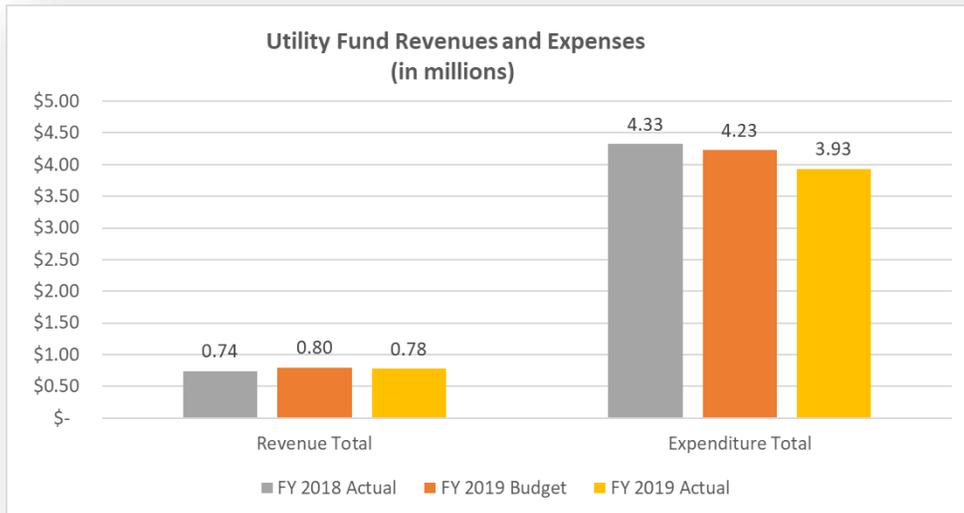
The following chart provides the General Fund expenses by category. Personnel expenses represent \$2.14 million or 68% of General Fund expenses to date. Contractual services totaled \$617,110, accounting for 20% of General Fund expenses. The remaining \$399,565, or 12% of General Fund expenses represent expenditures on materials and supplies, repairs and maintenance, occupancy, economic development, capital outlay, and other charges.



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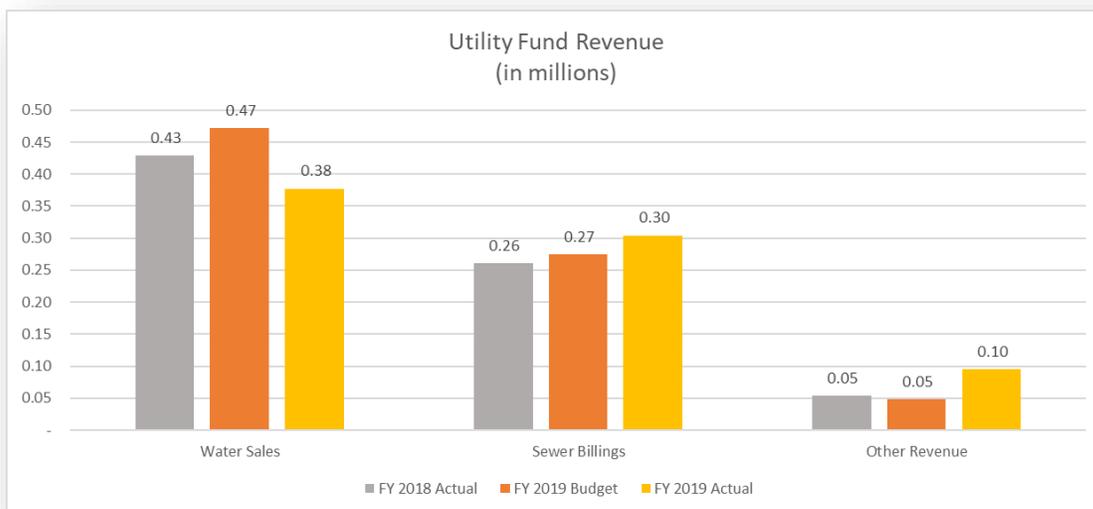
Utility Fund:

Revenues through October totaled \$776,685, while expenses totaled \$3.9 million. Revenues are \$32,270, or 4.3% more than the same period last year and expenditures are \$393,018 or 9.1% less more than last year. The reduction in expense is a result of less funding needed for utility funded projects in FY 2019.



Utility Fund Revenue by Category:

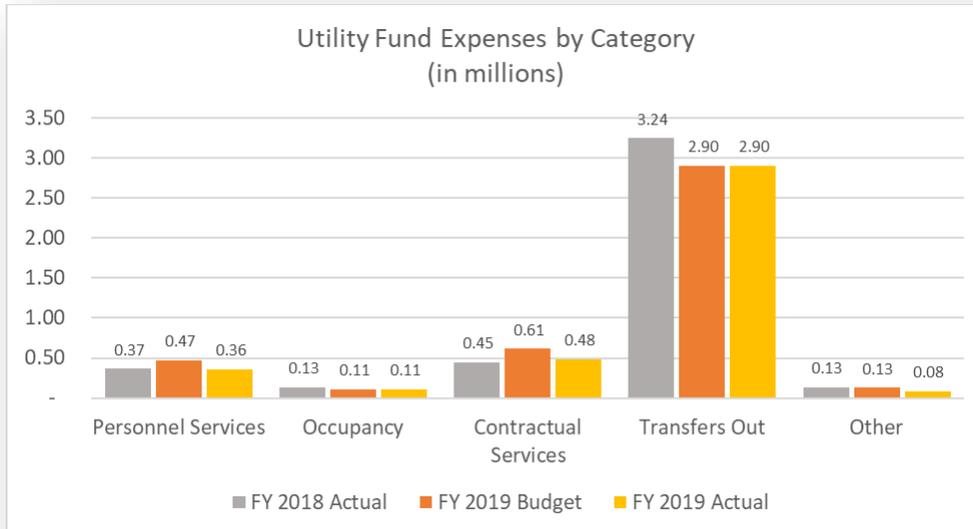
Of the \$776,685 in revenue collected, \$377,344 was collected through water sales, \$304,224 was collected through sewer billings, and \$95,117 was collected as other revenue. The lower than expected collection on water sales is attributed to the large amount of rain that occurred in October. Total precipitation for October this year was 7.39 inches compared to 1.33 inches last year.



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Utility Fund Expenses by Category:

The chart below displays the Utility Fund budget and actual expenses by category through October for FY 2018 and FY 2019. Of the \$3.9 million in total expenses through October, contractual services totaled \$483,007, personnel services totaled \$357,488, occupancy totaled \$106,925, transfers for CIP projects total \$2.9 million, and other expenses totaled \$81,785. All expenses are in line and within budget expectations.



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Investment Activity:

The information below details the City's cash and investment activity for the month of October in relation to our investment policy. In summary, the City is managing \$184.2 million in cash and investments. \$165.1 million is invested, while \$19 million is available cash. The total investment yield in October was 1.999% compared to 0.820% for the same period last year. The "Max" column in the table indicates the maximum percentage of the portfolio that can be invested in each type according to our investment policy. For example, we can invest up to 40% of our portfolio in Certificates of Deposits (CDs). Our policy further limits investments in CDs to no more than 20% in any one bank. In October, we had 14.24% invested in CDs with 14.24% of our portfolio invested in a single bank.

<u>Diversity</u>		<u>Max %</u>	<u>\$ Amount</u>	<u>Actual %</u>
CD	Certificates of Deposit	40.00%	26,232,580	14.24%
CP	Commercial Paper	25.00%	26,816,718	14.56%
MM	Money Market Funds	100.00%	-	0.00%
MUNI	Municipal Obligations	35.00%	2,516,031	1.37%
AGENCY	US Agencies	80.00%	51,865,183	28.16%
USOB	US Obligations	80.00%	-	0.00%
	Total Securities		107,430,512	
LGIP	Local Gov Investment Pools	100.00%	57,706,868	31.33%
	Portfolio Total		165,137,380	89.66%
BANK	Cash in Bank Accounts		19,046,122	10.34%
	Portfolio Total		184,183,503	100.00%
	Maximun in any single institution:			
	CD - Investment in any one bank	20%	26,232,580	14.24%
	CP - Investment in any one Issuer	5%	5,972,307	3.24%

Performance

	<u>Max</u>	<u>Oct-17</u>	<u>Oct-18</u>
Weighted Avg Maturity (days)	365	174	117
Weighted Avg Yield	N/A	0.820%	1.999%