



---

## CITY COUNCIL CONSIDERATION ITEM

### CITY OF FAIR OAKS RANCH, TEXAS

May 4, 2023

---

AGENDA TOPIC: Presentation of the Quarterly Financial Update for the Quarter Ended March 31, 2023

DATE: May 4, 2023

DEPARTMENT: Finance

PRESENTED BY: Scott M. Huizenga, Interim City Manager

---

#### **INTRODUCTION/BACKGROUND:**

The purpose of this presentation is to review the City's financial results for the quarter ended March 31, 2023, and projected fund balances.

#### **POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

Fiscal transparency informs the Council and citizens how the City spent tax revenues and is a critical element of effective public financial management.

#### **LONGTERM FINANCIAL & BUDGETARY IMPACT:**

The Finance Department has updated its Fiscal Year 2022-23 projections based on financial performance through the 2<sup>nd</sup> quarter of the fiscal year. The department projects a \$727,000 total increase in General Fund revenues over budget, largely attributable to interest earnings. Due to the rise in yield for both TexPool and Texas CLASS, interest earnings are expected to be \$449,000 higher than the budget of \$72,000. Ad valorem taxes are projected to be \$104,000 higher than budget due to levy adjustments made after the settlement of appraisal value protests. Additionally, grants and contributions are projected to be \$96,000 higher than budget due to the approved grant awarded to the police department for ballistic shields, and receipt of a contribution from BISD for the Chartwell realignment project.

General Fund expenditures are projected to be \$87,000 higher than budget mostly due to the costs of brush removal throughout the City, the addition of M365 licenses and the purchase of the grant-awarded ballistic shields. These overages have been offset with savings in personnel due to vacancies. In total the General Fund is projected to have a positive budget variance of \$640,000.

The Finance Department is projecting a \$465,000 savings to budget in the Strategic Projects Fund due to the cancellation or decreased scope of several drainage projects.

The department projects a net loss in the Utility Fund of \$109,000, which is a savings to budget of \$124,000. The savings to budget is largely due to a projected \$310k increase in budgeted interest earnings offset with decreased impact fee revenue of \$240k.

#### **LEGAL ANALYSIS:**

Not applicable.

#### **RECOMMENDATION/PROPOSED MOTION:**

This presentation is for informational purposes only.