



## *Executive Summary* *September 2014*

### *I. Year-to-Date Financial Analysis*

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#### **GENERAL FUND**

##### **General Fund Revenues:**

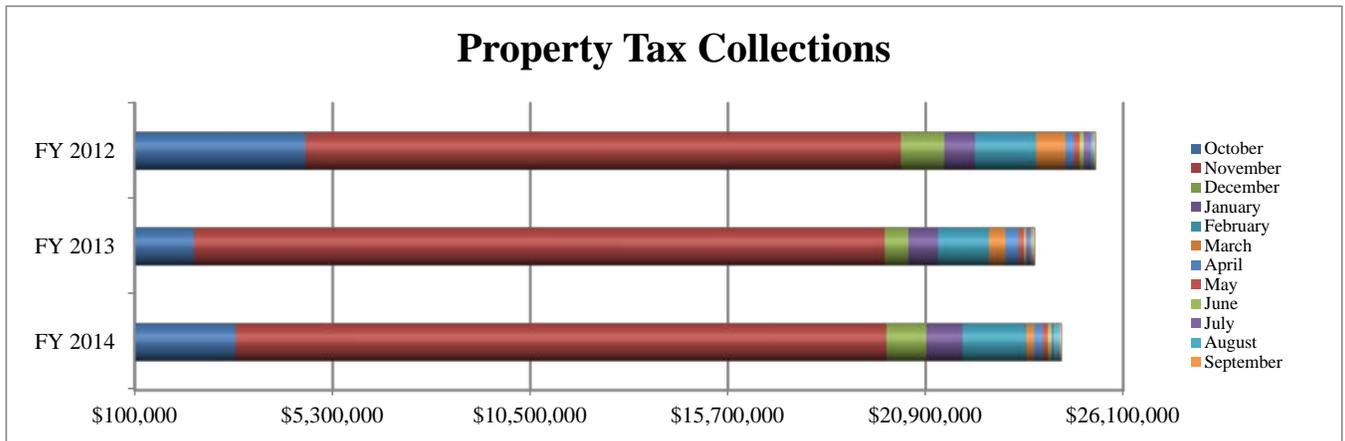
Total general fund revenues for September are \$3,666,479. Year-to-date general fund revenues are \$62,700,951, an increase of 1.99% from the year-to-date total of \$61,479,206 last year.

##### **PROPERTY TAX**

Current property tax collections are at 94.60% of budget at this point in the fiscal year. The annual budget was based on a collection rate of 98% of the tax levy, and we are currently at a 94.83% collection rate. Most of the current property tax levy was collected from October through January. Taxes became delinquent on February 1; so January was the last month to pay without penalty.

Delinquent property taxes represent collection on prior year levies. Penalty and interest are being collected on prior year taxes.

Total property tax collections which include prior year collections as well as penalties and interest for September are \$51,779. Year-to-date total property tax collections are \$24,476,353, an increase of 2.95% from the year-to-date total of \$23,774,586 last year.



## **SALES TAX**

Sales tax revenues for the month of September are \$1,746,116. The year-to-date sales tax collections are \$20,396,264, an increase of 0.17% from the year-to-date total of \$20,361,889 last year.

## **FRANCHISE FEES**

The City collects a 4.50% franchise fee on electrical, natural gas, cable, and non-cellular telephone revenues provided by entities other than the City. Electrical, cable, and non-cellular telephone franchise fees are received quarterly. The gas franchise is received annually during the first quarter of the year. Franchise fees collected during September are \$753,085. The year-to-date franchise revenues are \$5,225,385, an increase of 3.66% from the year-to-date total of \$5,040,941 last year.

## **PERMITS**

Permits for September are at 143.50% of budget. Ninety-one single family permits were issued. No duplex or commercial permits were issued for the month of September.

The dollar value of permits issued for the month of September is \$24,849,235. The year-to-date dollar value of permits issued is \$236,700,235, an increase of 13.14% from the year-to-date total of \$209,214,479 last year.

## **General Fund Expenditures:**

Total expenditures for September are \$6,744,873. The year-to-date expenditures are \$73,203,284, an increase of 4.99% from the year-to-date total of \$69,721,506 last year. The general fund has spent a total of 92.29% of projected expenditures.

## **General Fund Transfers:**

Total transfers-in for September is \$698,302. Year-to-date transfers-in are \$8,480,793, an increase of 11.76% from the year-to-date total of \$7,588,176 last year. Transfers-out have not been recorded or budgeted this fiscal year, yet \$662,306 had been transferred-out as of September 2013.

## **General Fund Balance:**

The ending fund balance for September is \$20,314,328. The year-to-date net change in fund balance is a decrease of \$2,021,540. Fund balance policy targets 25% and a minimum of 22% of operating costs, current fund balance is at 27.75% of operating costs.

## ***AVIATION FUNDS***

### **Aviation Funds Revenues:**

KFHRA (Killeen Fort Hood Regional Airport) operating revenues for September are \$306,911. The year-to-date revenues are \$3,050,974, a decrease of 4.30% from the year-to-date total of \$3,188,219 last year.

Skylark operating revenues for September are \$62,231. Total year-to-date revenues are \$596,757, a decrease of 26.30% from the year-to-date total of \$809,681 last year. The majority of the decrease is attributable to a decrease in fuel sales and airport use fees.

### **Aviation Funds Expenses:**

KFHRA operating expenses (non-construction) for September are \$327,141. Year-to-date expenditures are \$3,108,590, an increase of 5.62% from the year-to-date total of \$2,943,146 last year.

Skylark operating expenses for September are \$47,087. Year-to-date expenditures are \$586,287, a decrease of 12.97% from the year-to-date total of \$673,631 last year. Fuel cost of goods sold has seen a year-to-date decrease of 21.21% as fuel sales have declined.

### **Aviation Funds Balance:**

KFHRA ending fund balance for September is \$2,410,734. The year-to-date net change in fund balance is a decrease of \$458,990.

Skylark ending fund balance for September is \$626,556. The year-to-date net change in fund balance is an increase of \$16,190.

## ***SOLID WASTE FUND***

### **Solid Waste Fund Revenues:**

Solid Waste revenues for September are \$1,366,742. Year-to-date revenues are \$15,473,875, an increase of 1.69% from the year-to-date total of \$15,217,178 last year.

### **Solid Waste Fund Expenses:**

Solid Waste expenses and transfers for September are \$2,033,066. Year-to-date expenses are \$12,371,351, an increase of 0.35% from the year-to-date total of \$12,328,731 last year.

### **Solid Waste Transfers:**

Total transfers-out for September is \$228,529. Year-to-date transfers-out is \$3,058,906, an increase of 1.34% from the year-to-date total of \$3,018,558 last year.

### **Solid Waste Fund Balance:**

The ending fund balance for September is \$3,495,137. The year-to-date net change in fund balance is an increase of \$43,618.

## ***WATER AND SEWER FUND***

### **Water and Sewer Fund Revenues:**

Water and Sewer revenues for September are \$3,567,431. Year-to-date revenues are \$35,668,416, a decrease of 3.36% from the year-to-date total of \$36,909,172.

#### **WATER**

Water revenues for September are at 91.24% of budget. Year-to-date water revenues are \$16,541,894, a decrease of 4.87% from the year-to-date total of \$17,388,101 last year.

#### **SEWER**

Sewer revenues for September are at 98.58% of budget. Sewer revenues are based on consumption with a cap for residential consumption. Year-to-date sewer revenues are \$16,023,890, a decrease of 1.04% from the year-to-date total of \$16,192,282 last year.

#### **TAP FEES**

Tap fees for September are \$63,264. Year-to-date tap fees are \$698,727, a decrease of 17.99% from the year-to-date total of \$852,030 last year.

### **Water and Sewer Expenses:**

Water and sewer expenses for September are \$2,941,384. Year-to-date expenses are \$31,639,342, an increase of 25.73% from the year-to-date total of \$25,164,890 last year. This increase is attributable to the \$5,000,000 investment in the water treatment plant on Stillhouse Hollow Reservoir.

### **Water and Sewer Transfers:**

Total transfers-out for September is \$745,893. Year-to-date transfers-out are \$13,185,711, an increase of 14.24% from the year-to-date total of \$11,541,852 last year.

### **Water and Sewer Fund Balance:**

Fund balance for September is \$16,273,406. The year-to-date net change in fund balance is a decrease of \$9,156,636.

# ***DRAINAGE UTILITY FUND***

## **Drainage Utility Fund Revenues:**

Drainage utility revenues for September are \$325,791. Year-to-date revenues are \$3,850,048, an increase of 1.27% from the year-to-date total of \$3,801,892 last year.

Year-to-date residential fees are \$3,261,923, an increase of 1.63%, and year-to-date commercial fees are \$587,535, a decrease of 0.48% from last fiscal year's total. These revenues are extremely stable because they are levied at a flat monthly rate, changing only to reflect the number of customers.

## **Drainage Utility Fund Expenses:**

Drainage utility expenses for September are \$634,403. Year-to-date expenditures are \$3,557,607, an increase of 24.83% from the year-to-date total of \$2,849,863 last year. The increase is primarily due to drainage projects that are currently in progress.

The major drainage capital improvement project budget is \$3,974,531 with \$405,854 expended year-to-date. These projects are funded with the proceeds from the \$8 million Certificate of Obligation issued in September, 2006.

## **Drainage Utility Fund Transfers:**

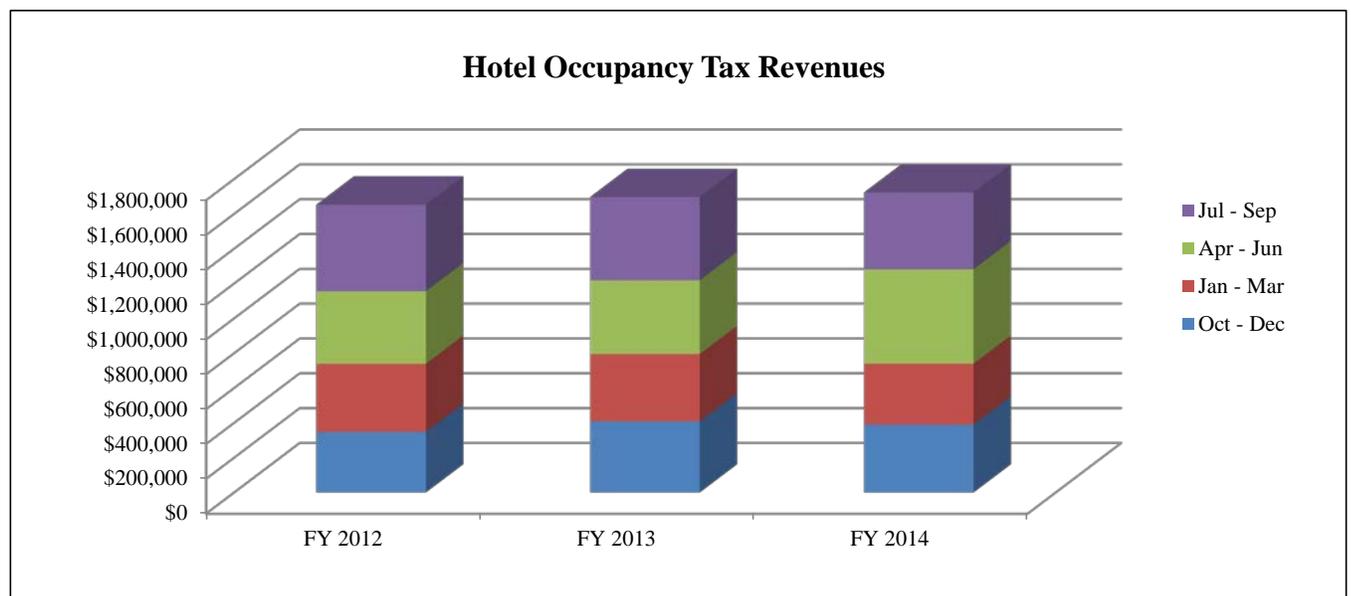
Total transfers-out for September are \$38,476. Year-to-date transfers-out are \$858,924, a decrease of 0.72% from the year-to-date total of \$865,113 last year.

## **Drainage Utility Fund Balance:**

Ending fund balance for September is \$6,524,020. The year-to-date net change in fund balance is a decrease of \$323,558.

## **Other Revenues:**

Hotel/Motel taxes are required to be remitted quarterly, with payments due 30 days after the end of each quarter. Hotel occupancy tax revenue for September is \$110,299. Year-to-date revenues are \$1,722,623, an increase of 1.53% from the year-to-date total of \$1,696,607 last year.



## ***II. Capital Projects***

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### **Capital Improvement Program:**

The projects in the Capital Improvement Program (CIP) generally consist of infrastructure and related construction and do not include small capital items or maintenance. Approved capital improvement projects, including year-to-date budget status and project-to-date information, can be found in the Bond Construction Funds section of the unaudited Financial Report for September 2014.

The State Highway 195 overpass opened to traffic on June 30, 2013. Landscaping and aesthetics were completed in October 2013, and the vegetation growth maintenance is expected to continue until October 2014.

The city broke ground on the US 190 Rosewood overpass, widening FM 2410 and extending Rosewood Drive to the south in March 2013, projected for completion in October 2015.

## ***III. Investments***

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### **Compliance Statement:**

The investment activity and strategies described in this report are in compliance with the Public Funds Investment Act, the City's investment policy, and generally accepted accounting principles. This report includes the investment position of the City at the end of the fourth fiscal quarter 2014.

The City's investment strategy is to "ladder" or stagger maturities, thus minimizing interest rate fluctuations. The majority of the City's investments are in certificates of deposit, money markets, and TexPool.

**Financial Report Detail is located under Financial Reports and Executive Summaries on the City Website:**

<http://www.killeentexas.gov/finance>

**CITY OF KILLEEN  
ECONOMIC INDICATORS  
REPORT SUMMARY  
SEPTEMBER 2014**

There are seven economic indicators monitored by this report, summarized below. For the month of September 2014, six (See \* below.) of the seven economic indicators were positive.

**\*UNEMPLOYMENT RATE**

The unemployment rate for the month of September 2014 is 6.3%.

**\*SALES TAX REVENUE**

Sales tax revenues for the month of September are \$1,746,116. The year-to-date sales tax collections are \$20,396,264, an increase of 0.17% from the year-to-date total of \$20,361,889 last year.

**AVIATION ENPLANEMENTS AND DEPLANEMENTS**

Enplanements for the month of September total 12,209. The year-to-date enplanements are 165,452, a decrease of 5.65% from the year-to-date total of 175,353 last year.

Deplanements for the month of September total 12,235. The year-to-date deplanements are 163,722, a decrease of 6.42% from the year-to-date total of 174,961 last year.

**\*BUILDING PERMITS**

Ninety-one single family permits were issued. No duplex or commercial permits were issued for the month of September.

The dollar value of permits issued for the month of September is \$24,849,235. The year-to-date dollar value of permits issued is \$236,700,235, an increase of 13.14% from the year-to-date total of \$209,214,479 last year.

**\*UTILITY CUSTOMERS**

Utility customers for the month of September totaled 46,073.

**\*WATER AND SEWER TAP FEES**

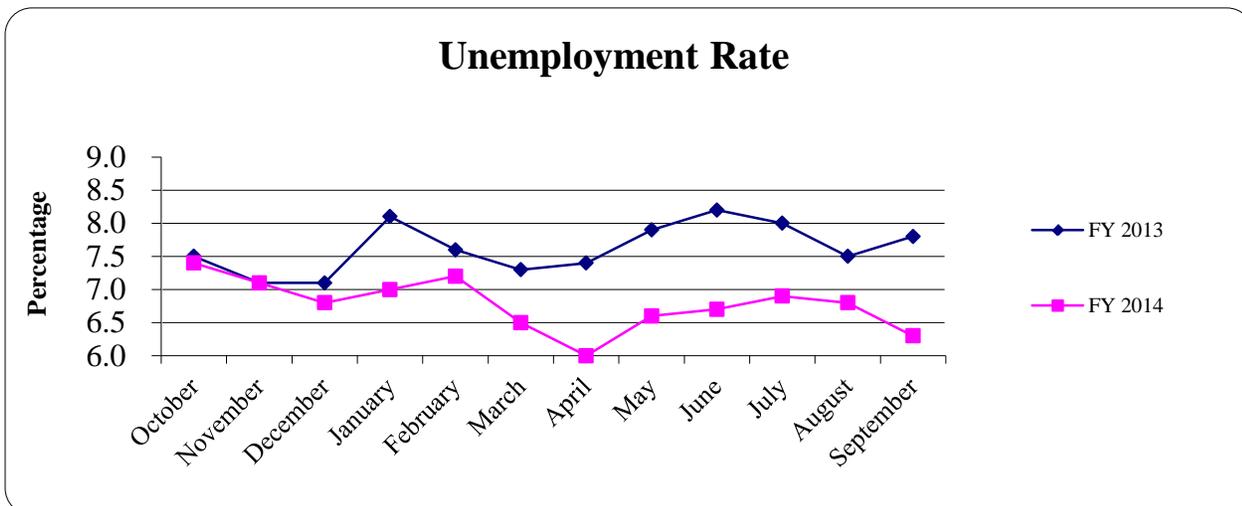
Tap fees for the month of September are \$63,264. The year-to-date tap fees are \$698,727, a decrease of 17.99% from the year-to-date total of \$852,030 last year.

**\*HOTEL OCCUPANCY TAX REVENUE**

Hotel occupancy tax revenues for the month of September are \$110,299. The year-to-date revenues are \$1,722,623, an increase of 1.53% from the year-to-date total of \$1,696,607 last year.

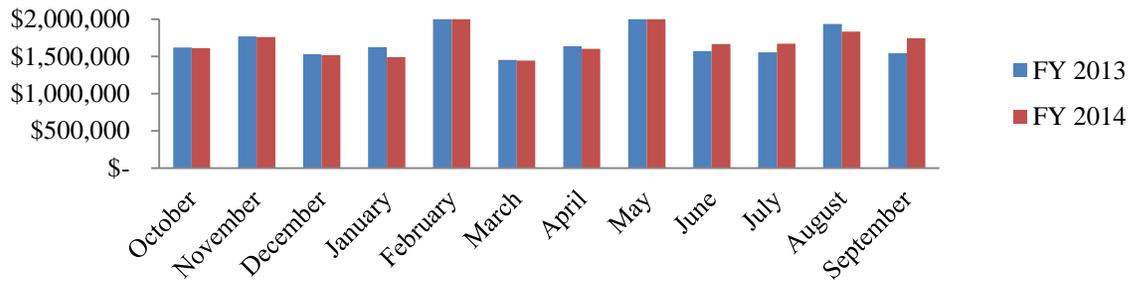
## City of Killeen Economic Indicators Report September 2014

| Economic Indicator                 | Positive | Neutral  | Negative |
|------------------------------------|----------|----------|----------|
| Unemployment Rate                  | <b>X</b> |          |          |
| Sales Tax Revenue                  | <b>X</b> |          |          |
| Aviation Enplanements/Deplanements |          |          | <b>X</b> |
| Building Permits                   | <b>X</b> |          |          |
| Utility Customers                  | <b>X</b> |          |          |
| Water and Sewer Tap Fees           | <b>X</b> |          |          |
| Hotel Occupancy Tax Revenues       | <b>X</b> |          |          |
| Totals                             | <b>6</b> | <b>0</b> | <b>1</b> |

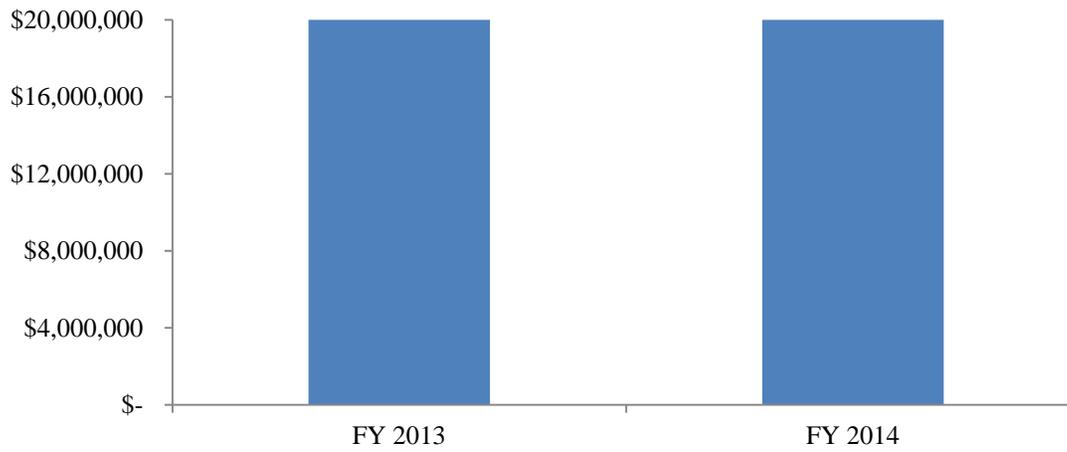


## Sales Tax Revenues

### Monthly

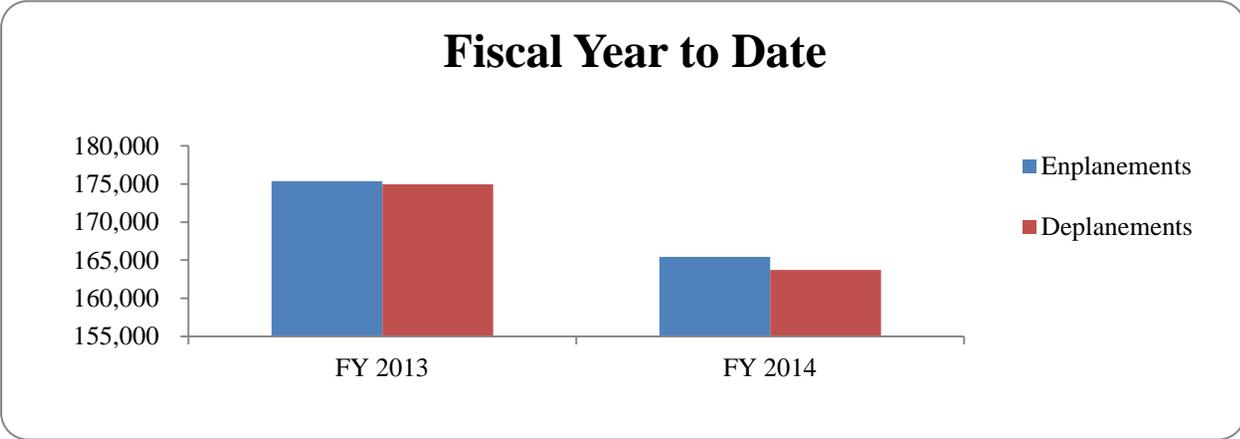
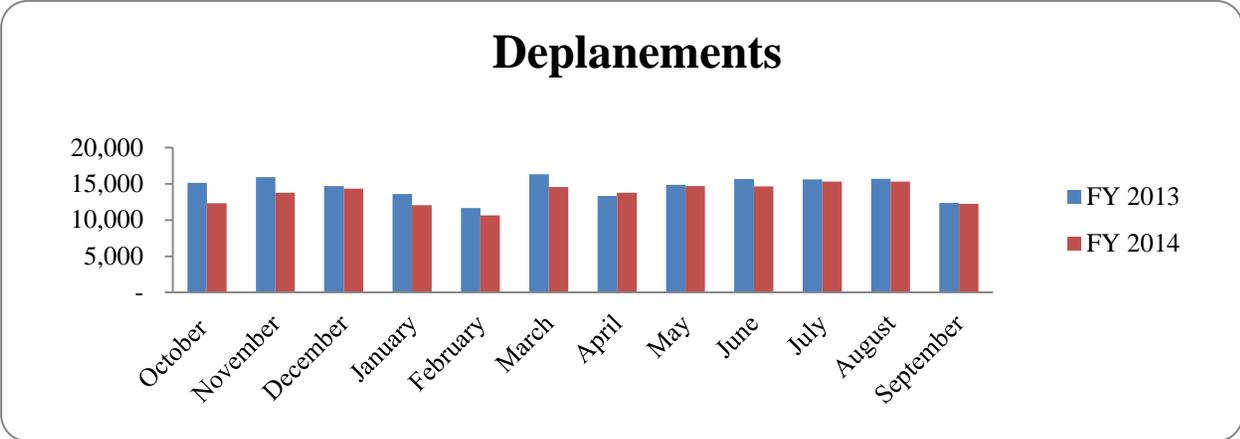
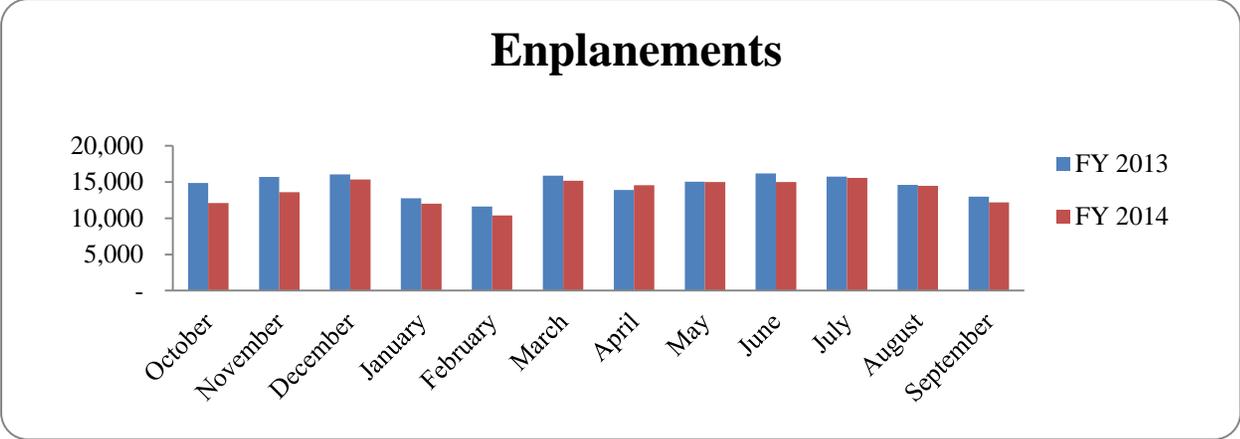


### Fiscal Year to Date



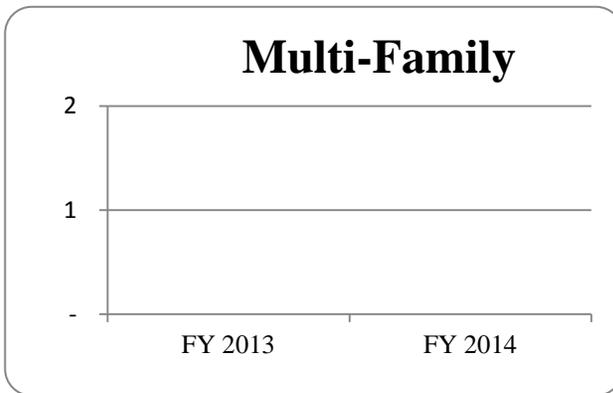
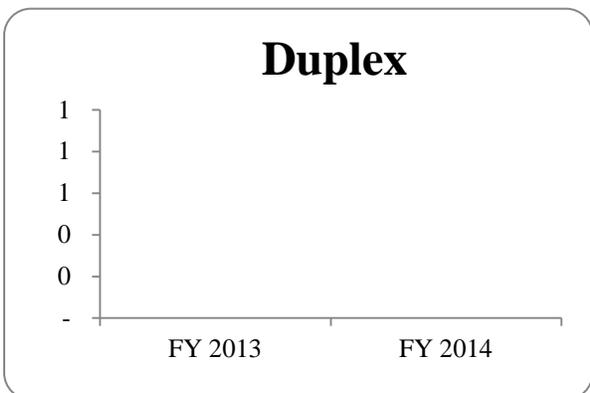
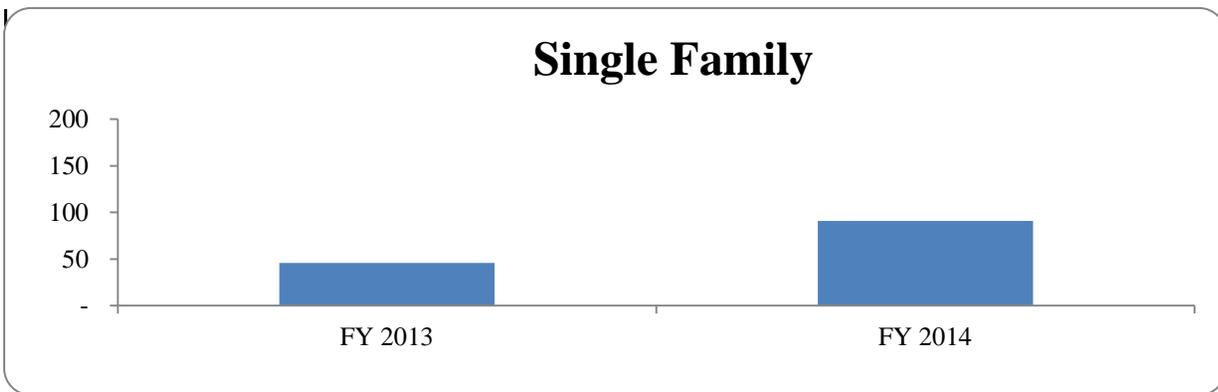
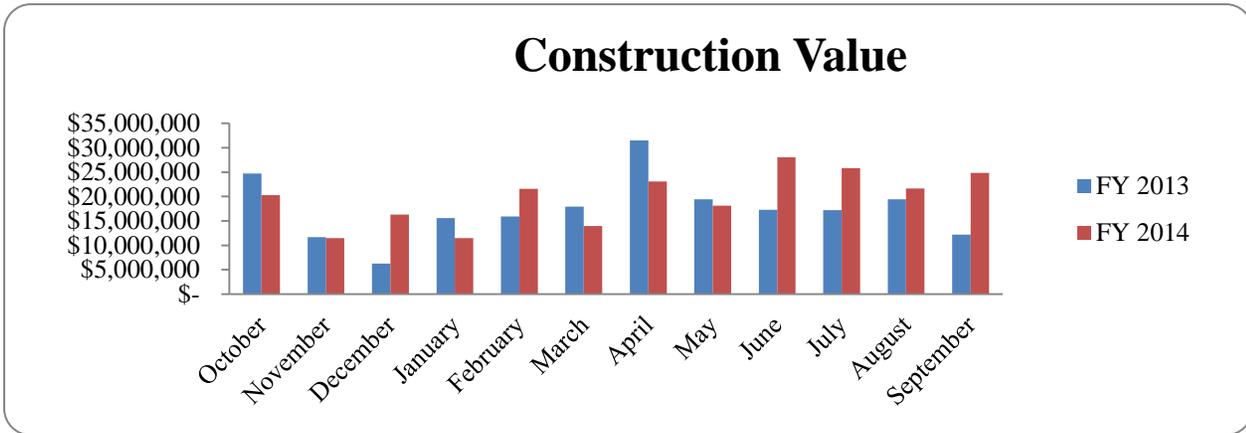
| Economic Indicator | Positive | Neutral | Negative |
|--------------------|----------|---------|----------|
| Sales Tax Revenue  | X        |         |          |

## Killeen-Fort Hood Regional Airport Total Passenger Count



| Economic Indicator        | Positive | Neutral | Negative |
|---------------------------|----------|---------|----------|
| Enplanements/Deplanements |          |         | X        |

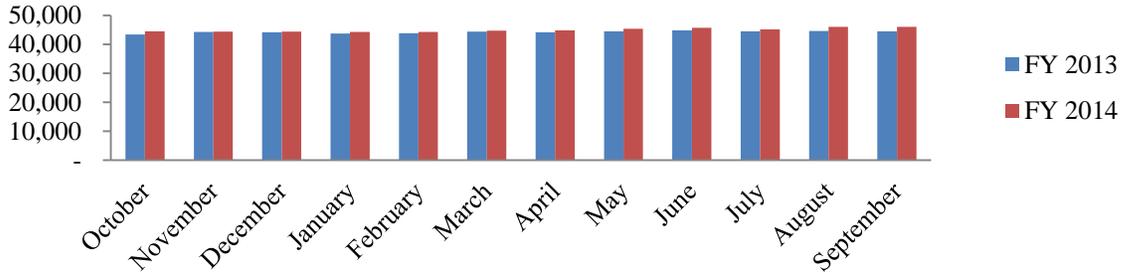
## Building Permits



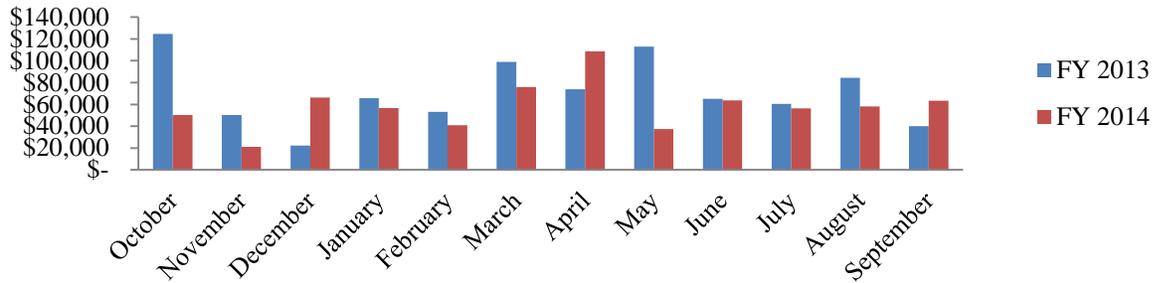
| Economic Indicator | Positive | Neutral | Negative |
|--------------------|----------|---------|----------|
| Building Permits   | X        |         |          |

## Utility Indicators

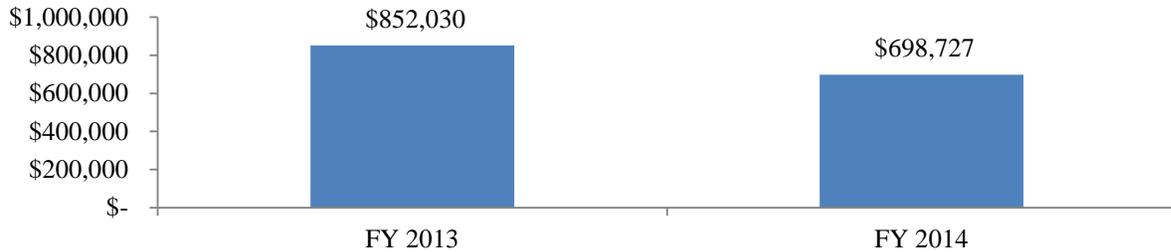
### Customers



### Water and Sewer Tap Fees

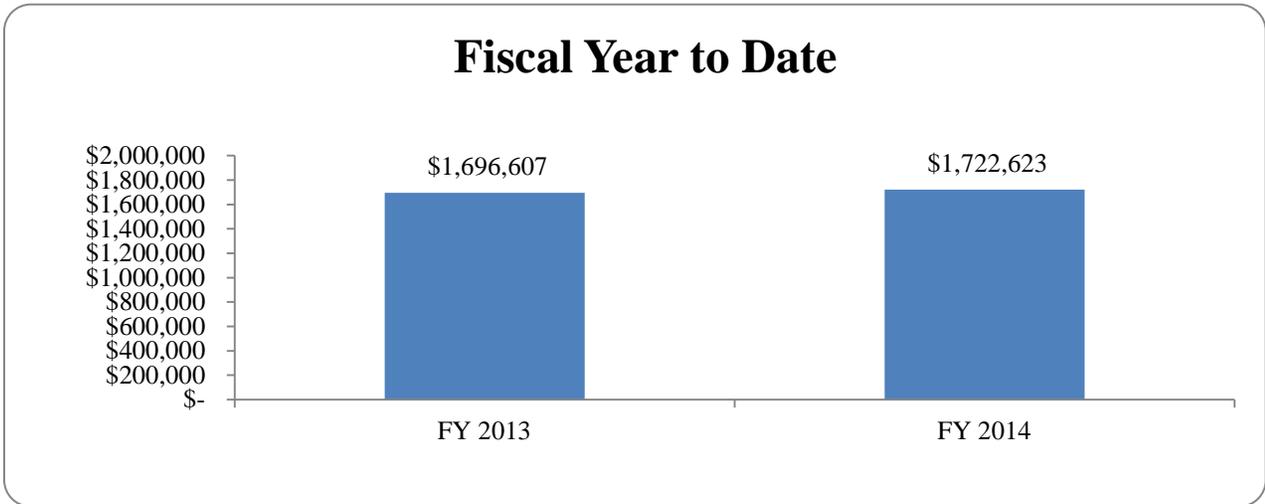
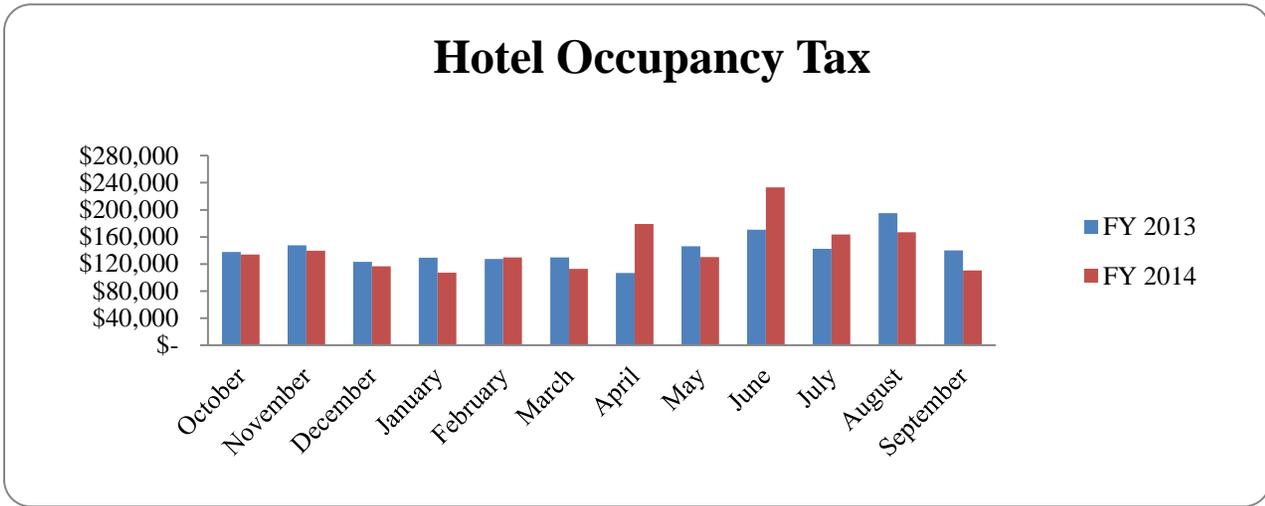


### Fiscal Year to Date Tap Fees



| Economic Indicator       | Positive | Neutral | Negative |
|--------------------------|----------|---------|----------|
| Utility Customers        | X        |         |          |
| Water and Sewer Tap Fees | X        |         |          |

## Hotel Occupancy Tax Revenues



| Economic Indicator           | Positive | Neutral | Negative |
|------------------------------|----------|---------|----------|
| Hotel Occupancy Tax Revenues | X        |         |          |

**City of Killeen  
Data Summaries**

| <b>Killeen Unemployment Rate</b> |         |          |          |         |          |       |       |     |      |      |        |           |
|----------------------------------|---------|----------|----------|---------|----------|-------|-------|-----|------|------|--------|-----------|
|                                  | October | November | December | January | February | March | April | May | June | July | August | September |
| FY 2013                          | 7.5     | 7.1      | 7.1      | 8.1     | 7.6      | 7.3   | 7.4   | 7.9 | 8.2  | 8.0  | 7.5    | 7.8       |
| FY 2014                          | 7.4     | 7.1      | 6.8      | 7.0     | 7.2      | 6.5   | 6.0   | 6.6 | 6.7  | 6.9  | 6.8    | 6.3       |

| <b>Sales Tax Receipts</b> |           |           |           |           |           |           |           |           |           |           |           |           |            |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                           | October   | November  | December  | January   | February  | March     | April     | May       | June      | July      | August    | September | YTD Total  |
| FY 2013                   | 1,622,552 | 1,772,056 | 1,529,758 | 1,624,593 | 2,097,165 | 1,453,451 | 1,639,478 | 2,007,456 | 1,573,055 | 1,558,865 | 1,937,602 | 1,545,858 | 20,361,889 |
| FY 2014                   | 1,610,348 | 1,761,973 | 1,520,239 | 1,492,219 | 2,031,167 | 1,443,641 | 1,604,130 | 2,012,764 | 1,668,098 | 1,672,230 | 1,833,339 | 1,746,116 | 20,396,264 |

| <b>Aviation-Total Passenger Count</b> |         |          |          |         |          |        |        |        |        |        |        |           |           |
|---------------------------------------|---------|----------|----------|---------|----------|--------|--------|--------|--------|--------|--------|-----------|-----------|
| <b>Enplanements</b>                   |         |          |          |         |          |        |        |        |        |        |        |           |           |
|                                       | October | November | December | January | February | March  | April  | May    | June   | July   | August | September | YTD Total |
| FY 2013                               | 14,871  | 15,691   | 16,045   | 12,744  | 11,601   | 15,892 | 13,916 | 15,049 | 16,194 | 15,756 | 14,616 | 12,978    | 175,353   |
| FY 2014                               | 12,105  | 13,588   | 15,336   | 12,009  | 10,404   | 15,195 | 14,567 | 15,016 | 14,989 | 15,573 | 14,461 | 12,209    | 165,452   |
| <b>Deplanements</b>                   |         |          |          |         |          |        |        |        |        |        |        |           |           |
|                                       | October | November | December | January | February | March  | April  | May    | June   | July   | August | September | YTD Total |
| FY 2013                               | 15,144  | 15,923   | 14,702   | 13,595  | 11,652   | 16,308 | 13,351 | 14,892 | 15,659 | 15,636 | 15,727 | 12,372    | 174,961   |
| FY 2014                               | 12,317  | 13,778   | 14,354   | 12,071  | 10,670   | 14,557 | 13,771 | 14,712 | 14,661 | 15,293 | 15,303 | 12,235    | 163,722   |

| <b>Building Permits</b>   |            |            |            |            |            |            |            |            |            |            |            |            |             |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| <b>Construction Value</b> |            |            |            |            |            |            |            |            |            |            |            |            |             |
|                           | October    | November   | December   | January    | February   | March      | April      | May        | June       | July       | August     | September  | YTD Total   |
| FY 2013                   | 24,710,819 | 11,669,217 | 6,253,471  | 15,583,833 | 15,918,819 | 17,937,302 | 31,519,248 | 19,423,254 | 17,287,541 | 17,248,405 | 19,449,768 | 12,212,802 | 209,214,479 |
| FY 2014                   | 20,259,143 | 11,478,806 | 16,306,389 | 11,475,083 | 21,617,710 | 13,945,543 | 23,068,771 | 18,153,628 | 28,020,532 | 25,857,212 | 21,668,183 | 24,849,235 | 236,700,235 |

| <b>Number of Permits Issued</b> |         |          |          |         |          |       |       |     |      |      |        |           |           |
|---------------------------------|---------|----------|----------|---------|----------|-------|-------|-----|------|------|--------|-----------|-----------|
| <b>Single Family</b>            |         |          |          |         |          |       |       |     |      |      |        |           |           |
|                                 | October | November | December | January | February | March | April | May | June | July | August | September | YTD Total |
| FY 2013                         | 73      | 67       | 30       | 85      | 68       | 112   | 89    | 105 | 90   | 85   | 88     | 46        | 938       |
| FY 2014                         | 76      | 46       | 28       | 60      | 80       | 84    | 84    | 36  | 75   | 60   | 62     | 91        | 782       |

| <b>Duplex</b> |         |          |          |         |          |       |       |     |      |      |        |           |           |
|---------------|---------|----------|----------|---------|----------|-------|-------|-----|------|------|--------|-----------|-----------|
|               | October | November | December | January | February | March | April | May | June | July | August | September | YTD Total |
| FY 2013       | -       | 3        | -        | 23      | -        | -     | 2     | 7   | -    | 1    | 5      | -         | 41        |
| FY 2014       | 2       | -        | 20       | 1       | 2        | 2     | 31    | 3   | 2    | 3    | 17     | -         | 83        |

| <b>Multi-family</b> |         |          |          |         |          |       |       |     |      |      |        |           |           |
|---------------------|---------|----------|----------|---------|----------|-------|-------|-----|------|------|--------|-----------|-----------|
|                     | October | November | December | January | February | March | April | May | June | July | August | September | YTD Total |
| FY 2013             | -       | -        | -        | -       | -        | -     | -     | -   | -    | -    | -      | -         | -         |
| FY 2014             | -       | -        | -        | -       | 1        | -     | -     | -   | -    | -    | -      | -         | 1         |

| <b>Utility Customers</b> |         |          |          |         |          |        |        |        |        |        |        |           |
|--------------------------|---------|----------|----------|---------|----------|--------|--------|--------|--------|--------|--------|-----------|
|                          | October | November | December | January | February | March  | April  | May    | June   | July   | August | September |
| FY 2013                  | 43,446  | 44,313   | 44,147   | 43,761  | 43,846   | 44,412 | 44,187 | 44,567 | 44,870 | 44,519 | 44,658 | 44,510    |
| FY 2014                  | 44,519  | 44,382   | 44,417   | 44,306  | 44,315   | 44,718 | 44,869 | 45,440 | 45,694 | 45,159 | 46,024 | 46,073    |

| <b>Water &amp; Sewer Tap Fees</b> |         |          |          |         |          |        |         |         |        |        |        |           |           |
|-----------------------------------|---------|----------|----------|---------|----------|--------|---------|---------|--------|--------|--------|-----------|-----------|
|                                   | October | November | December | January | February | March  | April   | May     | June   | July   | August | September | YTD Total |
| FY 2013                           | 124,732 | 50,212   | 22,350   | 65,800  | 53,079   | 99,091 | 73,825  | 112,867 | 65,100 | 60,556 | 84,289 | 40,129    | 852,030   |
| FY 2014                           | 50,339  | 21,066   | 66,287   | 56,681  | 40,981   | 76,078 | 108,535 | 37,400  | 63,604 | 56,452 | 58,040 | 63,264    | 698,727   |

| <b>Hotel Occupancy Tax Revenues</b> |         |          |          |         |          |         |         |         |         |         |         |           |           |
|-------------------------------------|---------|----------|----------|---------|----------|---------|---------|---------|---------|---------|---------|-----------|-----------|
|                                     | October | November | December | January | February | March   | April   | May     | June    | July    | August  | September | YTD Total |
| FY 2013                             | 137,539 | 147,597  | 123,086  | 129,285 | 127,171  | 129,937 | 106,752 | 146,285 | 170,818 | 142,560 | 195,286 | 140,293   | 1,696,607 |
| FY 2014                             | 133,883 | 139,470  | 116,630  | 107,248 | 129,584  | 112,841 | 179,005 | 129,971 | 233,064 | 163,563 | 167,066 | 110,299   | 1,722,623 |