

City of Belton



Budget Report 2nd Quarter FY 2014

**City of Belton
Budget Report
As of March 31, 2014**

General Fund	Current Budget	YTD Actual	YTD as % of Budget	Budget Balance
<u>Revenue Summary:</u>				
Ad Valorem Taxes	\$ 4,120,013.00	\$ 3,983,898.88	96.70%	\$ 136,114.12
Sales Tax	\$ 2,917,013.00	\$ 1,442,038.09	49.44%	\$ 1,474,974.91
Franchise Taxes	\$ 1,060,000.00	\$ 655,949.24	61.88%	\$ 404,050.76
Other Taxes	\$ 29,000.00	\$ 16,577.59	57.16%	\$ 12,422.41
Building Permits & Licenses	\$ 167,000.00	\$ 94,801.88	56.77%	\$ 72,198.12
Other Permits & Licenses	\$ 9,960.00	\$ 3,110.00	31.22%	\$ 6,850.00
Municipal Court Revenues	\$ 335,525.00	\$ 220,683.56	65.77%	\$ 114,841.44
Solid Waste Revenue	\$ 1,209,600.00	\$ 498,068.31	41.18%	\$ 711,531.69
Ambulance Revenue	\$ 1,100,000.00	\$ 614,581.09	55.87%	\$ 485,418.91
Rental Income	\$ 44,900.00	\$ 18,791.50	41.85%	\$ 26,108.50
Parks & Rec Income	\$ 26,500.00	\$ 4,967.00	18.74%	\$ 21,533.00
Code Enforcement Revenue	\$ 6,800.00	\$ 6,879.58	101.17%	\$ (79.58)
Intergovernmental Revenue	\$ 197,100.00	\$ 141,844.16	71.97%	\$ 55,255.84
Other Financing Sources	\$ 13,817.00	\$ 17,062.88	123.49%	\$ (3,245.88)
Miscellaneous	\$ 28,500.00	\$ 12,621.33	44.29%	\$ 15,878.67
Transfers	\$ 367,659.00	\$ 183,829.50	50.00%	\$ 183,829.50
Interest Income	\$ 7,000.00	\$ 1,355.60	19.37%	\$ 5,644.40
Total Revenues	\$ 11,640,387.00	\$ 7,917,060.19	68.01%	\$ 3,723,326.81
<u>Expenditure Summary:</u>				
City Council	\$ 68,302.00	\$ 29,894.72	43.77%	\$ 38,407.28
Administration - CM	\$ 298,038.00	\$ 140,435.37	47.12%	\$ 157,602.63
Administration - PIO	\$ 75,992.00	\$ 36,756.20	48.37%	\$ 39,235.80
Finance - Operations	\$ 311,986.00	\$ 139,467.84	44.70%	\$ 172,518.16
Finance - Personnel	\$ 158,656.00	\$ 68,731.24	43.32%	\$ 89,924.76
Municipal Court	\$ 200,968.00	\$ 89,305.15	44.44%	\$ 111,662.85
Police - Administration	\$ 257,004.00	\$ 104,059.49	40.49%	\$ 152,944.51
Police - Operations	\$ 2,002,498.00	\$ 919,281.23	45.91%	\$ 1,083,216.77
Police - Support Services	\$ 853,168.00	\$ 384,937.76	45.12%	\$ 468,230.24
Police - Animal Control	\$ 92,144.00	\$ 63,680.77	69.11%	\$ 28,463.23
Police - Code Enforcement	\$ 84,072.00	\$ 36,291.76	43.17%	\$ 47,780.24
Fire - Suppression	\$ 1,287,701.00	\$ 594,248.81	46.15%	\$ 693,452.19
Fire - EMS	\$ 1,316,864.00	\$ 598,014.35	45.41%	\$ 718,849.65
Information Tech Systems	\$ 147,550.00	\$ 66,861.60	45.31%	\$ 80,688.40
IT Systems - GIS	\$ 26,178.00	\$ 10,120.03	38.66%	\$ 16,057.97
Streets	\$ 1,096,516.00	\$ 381,989.22	34.84%	\$ 714,526.78
Parks - Maintenance	\$ 621,113.00	\$ 251,334.87	40.47%	\$ 369,778.13
Parks - Community Center	\$ 129,505.00	\$ 58,012.40	44.80%	\$ 71,492.60
Parks - Recreation	\$ 112,667.00	\$ 49,679.18	44.09%	\$ 62,987.82
Planning - Planner	\$ 145,303.00	\$ 61,604.73	42.40%	\$ 83,698.27
Planning - Inspections	\$ 208,059.00	\$ 91,060.14	43.77%	\$ 116,998.86
Library	\$ 297,801.00	\$ 121,869.01	40.92%	\$ 175,931.99
Other Costs	\$ 943,342.00	\$ 390,466.11	41.39%	\$ 552,875.89
Solid Waste - Collection	\$ 934,598.00	\$ 375,488.80	40.18%	\$ 559,109.20
Solid Waste - Brush	\$ 90,235.00	\$ 27,447.85	30.42%	\$ 62,787.15
Maintenance - Fleet	\$ 189,193.00	\$ 89,421.65	47.26%	\$ 99,771.35
Maintenance - Buildings & Grounds	\$ 219,335.00	\$ 86,835.68	39.59%	\$ 132,499.32
				\$ -
Total Expenditures	\$ 12,168,788.00	\$ 5,267,295.96	43.29%	\$ 6,901,492.04
Revenue Over(Under) Expenditures	\$ (528,401.00)	\$ 2,649,764.23		\$ (3,178,165.23)

General Fund Revenues

Ad Valorem Taxes:

Current ad valorem tax collections are 94.95% of the tax levy at the end of the second fiscal year quarter. The annual budget was based on a collection rate of 97%, which appears on target with the current trend. This matches the highest collection rate in the last ten years, with a range from 92.98% to 94.95% and an average 94.03% at this point in the fiscal year.

Most of the current ad valorem tax levy is collected from October through January. Taxes become delinquent on February 1st, so January is the last month to pay without penalty.

Delinquent ad valorem taxes represent collection of prior year levies. **Penalty and interest** is only being collected on prior year taxes at this point in the year, and will increase once the current levy becomes delinquent on February 1st. Both revenues are within budget parameters.

City **ad valorem tax collections in the TIRZ** zone are budgeted as a reduction of ad valorem taxes in the GF, and are transferred to the TIRZ fund after BCAD notification of the actual collected amount, which occurs in March each year. The City's TIRZ collections this year were \$459,844, or 3.97% above the budgeted amount of \$442,273.

Sales Tax:

YTD sales tax revenues are at \$1,442,038, which is 49.44% of budget. Sales tax revenues are reported to Council each month as payment is received from the State Comptroller – please refer to the April report for more detailed information.

Franchise Taxes:

YTD franchise revenues are at \$1,060,000, which is 61.88% of budget. Electric, cable, garbage, and telecom franchise taxes are received quarterly. The exception is the gas franchise which is received annually during the first quarter of the fiscal year.

- This year's **gas franchise** of \$155,750 was \$69,499 higher than last year's payment, and \$65,750 above the budget amount of \$90,000. The variance was due to additional reimbursement revenues received by Atmos from TXDOT for the relocation of gas lines along Interstate 35.
- Electric franchise forms the bulk of franchise revenue. Year-to-date revenues are \$357,889, which are 51.13% of budget, with the hot summer weather and high A/C bills to come. This year's receipts are \$33,821 ahead of the prior year at this point.
- Telecomm access fees are paid pursuant to State law, which specifies these utilities have 45 days after the end of the quarter to pay. Year-to-date revenues are \$32,695, which is 47.83% of budget. This year's receipts are \$3,658 ahead of the prior year at this point.
- Cable franchise is paid pursuant to State law, which specifies these utilities have 45 days after the end of the quarter to pay. Year-to-date revenues are \$62,696, which is 46.79% of budget. This year's receipts are \$4,784 less than the prior year at this point
- Garbage franchise revenues year to date are \$43,262, which is 64.57% of budget. This year's receipts are \$2,839 ahead of the prior year at this point.

Other Taxes:

The rebate of alcoholic beverage tax to date is \$16,578, which is 57.16% of budget and higher than the first half of last year. The last two quarters of the year are historically higher than the first two.

Building Permits & Licenses:

YTD revenues are at 56.77% of budget and at the same level as the prior year at this point, and FY 2013 set a record level for this revenue stream. The majority of this revenue stream is historically generated in the spring and summer.

Other Permits & Licenses:

Park permits, beer/wine licenses, garage sale permits, and fire marshal inspection fees are both below last year's pace and budget levels. This is not a major revenue stream, and park and garage sale permits will increase as the weather warms up.

Municipal Court Revenues:

Municipal court fines and fees are at 65.77% of budget and ahead of last year's pace. This revenue stream had continued to decline since 2008, but FY 2011 & 2012 saw a reversal in the trend, and FY 2013 receipts exceeded budget levels. Participation in this year's warrant roundup during the quarter further helped this revenue stream.

Solid Waste Revenue:

Solid waste revenues include refuse collection and contract fees, and brush collection fees. This revenue stream is at 41.18% of budget, which only includes five months' of billing at this point. We budgeted these revenues flat from the prior year, as customer rates decreased effective January 1. The decrease in rates will be offset somewhat by increasing customer numbers as the year progresses – Belton's growing!

Ambulance Revenue:

Year to date revenues are 55.87% of the budget and are also ahead of the prior year pace, with EMS runs up slightly from the prior year.

Rental Income:

Harris Center rentals are up 26.7% from last year's level, with significant rental activity still to come in the summer. This category also includes lease of a storage lot by Belco, and \$10K in Public Property Finance Corporation fees from Temple College (received each August).

Parks & Rec Income:

These revenues are generated by park permit fees, and recreation events and programs, most of which will occur in later in the Spring and Summer.

Code Enforcement Revenue:

This revenue stream consists of payments for code enforcement cleanup and compliance work. These receipts were previously credited back to the code enforcement budget, leveraging the amount of funds available for compliance work. This year the receipts are being tracked as revenue, to be offset by increased code enforcement expenditures (Council approved budget amendment).

Intergovernmental Revenues:

This category of revenue includes:

- **Grant Revenues** include FEMA emergency management funds and a small grant for the purchase of police officer bulletproof vests. Both of these grants are reimbursement based, with receipts lagging several months behind expenditures. Year-end revenues will eventually catch up to the budget amount. State LEOSE funds are levied on traffic tickets, remitted to the State, and then redistributed to police agencies across the state for use in training police officers. These funds had been retained by the State for the last two years, but were restored to police agencies this year.

- **Public Safety reimbursements** include ten months' of salary and benefits for the two School Resource Officers at BISD, and payments for off-duty police officers performing security duties.
- The annual check from Bell County for **child safety funds** levied on vehicle registrations. The City in turn gives these funds, as well as local fees collected by our municipal court, to BISD for use in their crossing guard programs.

Other Financing Sources:

This category of revenue includes:

- Proceeds from the **sale of City property**, including obsolete, defunct, or surplus equipment and property. We have begun selling some property online, and you can view our auction website at: www.lonestaronline.com/listings/categories/index.cfm?category=1004904913. (Nothing currently up for auction.) This link is also on our website on the Bids & Auctions page.
- **Insurance proceeds** are not included in the original budget, but are recorded as accidents/incidents occur and insurance claims are filed.

Miscellaneous Income:

Most of this revenue stream is the \$7,500 in administrative fees paid by the BEDC for finance, accounting, and HR functions provided by the City. It also includes copy fees, open records fees, and other small and/or non-recurring revenues not categorized elsewhere.

Interfund Transfers:

These transfers from the Water & Sewer fund for reimbursement of costs and payment in lieu of franchise fees are made monthly to the General Fund.

Interest Income:

Current interest rates are extremely low (less than 0.10%), and interest income is fairly insignificant at these rates.

General Fund Expenditures

Generally, department/division expenditures should be at 40% - 50% of budget at this point in the year. Only fluctuations and deviations from that mark will be addressed here:

- **Animal control:** The largest expenditure in this department is for the annual payment to Bell County for animal control facilities, which was paid in this quarter.
- **Streets:** \$747,652 transfer to the 9th Avenue project was made. Seal coating budgeted at \$125K has not yet been spent.
- **IT-GIS:** Payments on annual software maintenance contracts have not yet come due.
- **Solid Waste - Brush:** This division budget includes \$29K for the brush truck, which will be paid at year end. This year will be the fifth and final payment on the brush truck, funded with an Interfund loan from the GF Capital Equipment Fund.
- **Maintenance - Buildings & Grounds:** Periods of vacancy in the building maintenance superintendent position has led to salary and benefit savings during the first half of the year.

**City of Belton
Budget Report
As of March 31, 2014**

Water & Sewer Fund	Current Budget	YTD Actual	YTD as % of Budget	Budget Balance
Revenue Summary:				
Water Revenues	\$ 3,210,000.00	\$ 1,170,467.81	36.46%	\$ 2,039,532.19
Sewer Revenues	\$ 1,850,000.00	\$ 742,450.42	40.13%	\$ 1,107,549.58
Fees & Other Revenue	\$ 212,900.00	\$ 139,732.00	65.63%	\$ 73,168.00
Other Financing Sources	\$ -	\$ 7,259.25		\$ (7,259.25)
Miscellaneous	\$ 6,000.00	\$ 2,276.90	37.95%	\$ 3,723.10
Interest Income	\$ 5,000.00	\$ 1,011.00	20.22%	\$ 3,989.00
Total Revenues	\$ 5,283,900.00	\$ 2,063,197.38	39.05%	\$ 3,220,702.62
Expenditure Summary:				
Utility Administration - Public Works	\$ 666,134.00	\$ 280,467.29	42.10%	\$ 385,666.71
Utility Administration - Finance	\$ 376,202.00	\$ 175,605.08	46.68%	\$ 200,596.92
Water	\$ 2,865,311.00	\$ 1,496,924.55	52.24%	\$ 1,368,386.45
Sewer - Collection	\$ 472,875.00	\$ 161,752.37	34.21%	\$ 311,122.63
Sewer - Lift Stations	\$ 666,318.00	\$ 348,820.81	52.35%	\$ 317,497.19
Other Costs	\$ 899,012.00	\$ 177,137.84	19.70%	\$ 721,874.16
Total Expenditures	\$ 5,945,852.00	\$ 2,640,707.94	44.41%	\$ 3,305,144.06
Revenue Over (Under) Expenditures	\$ (661,952.00)	\$ (577,510.56)		\$ (84,441.44)

Water & Sewer Fund Revenues

Water Revenues:

Water revenues at March are at 36.46% of the budget, which is lower than the historical trend. However, this contains only 5 months of billings. Additionally, Water revenues are elastic in nature, and will increase as the spring and summer progress and the weather gets warmer.

Sewer Revenues:

Sewer revenues are based on water consumption, with a cap for residential consumption. Current revenues are at 40.13% of budget and also behind last year's pace.

Fees & Other Revenues:

Late payment fees, reconnect fees, new service fees, transfer fees, and taps and connections are all ahead of budget. Taps and connections in particular reflect the strength of the local housing market, and are ahead of last year's pace.

Other Financing Sources:

Proceeds from the **sale of City property**, including obsolete, defunct, or surplus equipment and property. We have begun selling some property online, and you can view our auction website at: www.lonestaronline.com/listings/categories/index.cfm?category=1004904913. (Nothing currently up for auction.) This link is also on our website on the Bids & Auctions page.

Miscellaneous Income:

Most of this revenue stream is from rental of fire hydrant meters, used by construction companies and contractors. It also includes small and/or non-recurring revenues not categorized elsewhere.

Interest Income:

Current interest rates are extremely low (less than 0.10%), and interest income is fairly insignificant at these rates.

Water & Sewer Fund Expenditures

Generally, department/division expenditures should be at 40% - 50% of budget at this point in the year. All department/division expenditures are within that range, except for:

- **Water:** Water purchases will increase during the spring and summer, and payments for reserve and future water are made in the 2nd quarter.
- **Sewer – Collection:** Assistant Public Works Director vacancy has led to salary and benefit savings during the first half of the year.
- **Other Costs:** Includes funding for merit pay plan increases which will be made at year end. Also includes debt service on W&S bonds, with payments due in February and August.

**City of Belton
Budget Report
As of March 31, 2014**

BEDC	Current Budget	YTD Actual	YTD as % of Budget	Budget Balance
<u>Revenue Summary:</u>				
Sales Tax	\$ 1,458,506.00	\$ 721,019.05	49.44%	\$ 737,486.95
Rental Income	\$ 27,600.00	\$ 13,800.00	50.00%	\$ 13,800.00
Other Financing Sources	\$ -	\$ -		\$ -
Interest Income	\$ 3,500.00	\$ 878.66	25.10%	\$ 2,621.34
Total Revenues	\$ 1,489,606.00	\$ 735,697.71	49.39%	\$ 753,908.29
<u>Expenditure Summary:</u>				
Operations	\$ 1,202,947.00	\$ 157,625.30	13.10%	\$ 1,045,321.70
Total Expenditures	\$ 1,202,947.00	\$ 157,625.30	13.10%	\$ 1,045,321.70
Revenue Over (Under) Expenditures	\$ 286,659.00	\$ 578,072.41		\$ (291,413.41)

Economic Development Fund Revenues

Sales Tax:

YTD sales tax revenues are at \$721,029 which is 49.44% of budget. Sales tax revenues are reported to Council each month as payment is received from the State Comptroller – please refer to the April report for more detailed information.

Rental Income:

Income from the leasing of the Micro Distributing building. Year-to-date revenues are at 50.00% of the budget amount, which was developed by the BEDC.

Interest Income:

Current interest rates are extremely low (less than 0.10%), and interest income is fairly insignificant at these rates.

Economic Development Fund Expenditures

Operations include expenditures for personnel, supplies, advertising, travel, services, incentives, bond debt service, and capital outlay. Large amounts for incentives, bond payments, and capital outlay have not been spent at this point in the fiscal year.

**City of Belton
Budget Report
As of March 31, 2014**

Drainage Fund	Current Budget	YTD Actual	YTD as % of Budget	Budget Balance
<u>Revenue Summary:</u>				
Drainage Fees	\$ 362,700.00	\$ 153,273.15	42.26%	\$ 209,426.85
Miscellaneous	\$ -	\$ -		\$ -
Interest Income	\$ 300.00	\$ 92.70	30.90%	\$ 207.30
Total Revenues	\$ 363,000.00	\$ 153,365.85	42.25%	\$ 209,634.15
<u>Expenditure Summary:</u>				
Drainage	\$ 630,700.00	\$ 297,841.27	47.22%	\$ 332,858.73
Total Expenditures	\$ 630,700.00	\$ 297,841.27	47.22%	\$ 332,858.73
Revenue Over (Under) Expenditures	\$ (267,700.00)	\$ (144,475.42)		\$ (123,224.58)

Drainage Fund Revenues

Drainage Fees:

At mid-year, drainage fees are 42.26% of the budget (includes only five months' billing), and are expected to be at budget level by year end. These revenues are extremely stable, because they are levied at a flat monthly rate, changing only for the number of residential customers and the amount of commercial impervious cover, both of which generally increase.

Interest Income:

Current interest rates are extremely low (less than 0.10%), and interest income is fairly insignificant at these rates.

Drainage Fund Expenditures

Drainage fund expenditures are at 47.22% at the end of the second fiscal quarter.

**City of Belton
Budget Report
As of March 31, 2014**

Hotel Motel Fund	Current Budget	YTD Actual	YTD as % of Budget	Budget Balance
Revenue Summary:				
Other Taxes	\$ 157,500.00	\$ 83,112.37	52.77%	\$ 74,387.63
Interest Income	\$ 25.00	\$ 6.69	26.76%	\$ 18.31
Total Revenues	\$ 157,525.00	\$ 83,119.06	52.77%	\$ 74,405.94
Expenditure Summary:				
Chamber	\$ 150,000.00	\$ 75,000.00	50.00%	\$ 75,000.00
City	\$ 2,500.00	\$ 986.35	39.45%	\$ 1,513.65
Total Expenditures	\$ 152,500.00	\$ 75,986.35	49.83%	\$ 76,513.65
Revenue Over (Under) Expenditures	\$ 5,025.00	\$ 7,132.71		\$ (2,107.71)

Hotel/Motel Fund

Hotel/Motel taxes are required to be remitted at least quarterly, with payments due 30 days after the end of each quarter. YTD receipts of \$83,112 are up notably from last year's \$68,760, and topped FY 2008's historic high mid-year of \$80,966.

The bulk of budgeted Hotel/Motel revenues are allocated to the **Chamber of Commerce** for performing the CVB function. Monthly payments are made to the Chamber at 1/12 of the budget amount. The **City** retains a small amount of H/M funds for use in the downtown historical district.

**City of Belton
Budget Report
As of March 31, 2014**

Debt Service Fund	Current Budget	YTD Actual	YTD as % of Budget	Budget Balance
Revenue Summary:				
Ad Valorem Taxes	\$835,557.00	\$804,536.63	96.29%	\$31,020.37
Interest Income	\$500.00	\$147.63	29.53%	\$352.37
Total Revenues	\$836,057.00	\$804,684.26	96.25%	\$31,372.74
Expenditure Summary:				
Debt Service	\$950,737.00	\$211,516.36	22.25%	\$739,220.64
Total Expenditures	\$950,737.00	\$211,516.36	22.25%	\$739,220.64
Revenue Over (Under) Expenditures	(\$114,680.00)	\$593,167.90		(\$707,847.90)

Debt Service Fund Revenues

Ad Valorem Taxes:

Current ad valorem tax collections are 94.95% of the tax levy at the end of the second fiscal year quarter. The annual budget was based on a collection rate of 97%, which appears on target with the current trend. This matches the highest collection rate in the last ten years, with a range from 92.98% to 94.95% and an average 94.03% at this point in the fiscal year.

Most of the current ad valorem tax levy is collected from October through January. Taxes become delinquent on February 1st, so January is the last month to pay without penalty.

Delinquent ad valorem taxes represent collection of prior year levies. **Penalty and interest** is only being collected on prior year taxes at this point in the year, and will increase once the current levy becomes delinquent on February 1st. Both revenues are within budget parameters.

City **ad valorem tax collections in the TIRZ** zone are budgeted as a reduction of ad valorem taxes in the Debt Service Fund, and are transferred to the TIRZ fund after BCAD notification of the actual collected amount, which occurs in March each year. The City's TIRZ collections this year were \$93,008, or 3.97% above the budgeted amount of \$89,454.

Interest Income:

Current interest rates are extremely low (less than 0.10%), and interest income is fairly insignificant at these rates.

Debt Service Fund Expenditures

This fund accounts for the debt service on GO bonds, with payments made in February and August each year.

**City of Belton
Budget Report
As of March 31, 2014**

TIRZ Fund	Current Budget	YTD Actual	% YTD Budget	Budget Balance
Revenue Summary:				
Ad Valorem Taxes	\$870,678.00	\$905,215.65	103.97%	(\$34,537.65)
Interest Income	\$300.00	\$43.88	14.63%	\$256.12
Total Revenues	\$870,978.00	\$905,259.53	103.94%	(\$34,281.53)
Expenditure Summary:				
Debt Service	\$214,394.00	\$44,358.25	20.69%	\$170,035.75
Façade Grants	\$50,000.00	\$10,000.00	20.00%	\$40,000.00
Project Transfers	\$606,584.00	\$0.00	0.00%	\$606,584.00
Total Expenditures	\$870,978.00	\$54,358.25	6.24%	\$816,619.75
Revenue Over (Under) Expenditures	\$0.00	\$850,901.28		(\$850,901.28)

TIRZ Fund

The BCAD sends notification of the **City and County TIRZ tax** amounts in March of each year, so these revenues will be recognized in the second quarter of the fiscal year. We have received notice of those amounts, which were paid in March (City) and April (County). The actual amounts were higher than the budget amounts by \$21,125 (3.97%) and \$13,413 (3.96%) for City and County respectively.

TIRZ expenditures include bond payments, which are made in February and August. Also, most of the transfers for capital projects have not yet been made due to cash flow purposes (awaiting receipt of the TIRZ taxes).

There had been one **façade grants** paid at this point, with several others having been approved by Council.



City of Belton, Texas
Investment Report Summary
For the Quarter Ended March 31, 2014

The Public Funds Investment Act, Chapter 2256 of the Texas Government Code, requires the investment officers of each local government to prepare and submit a written report of investments to its governing body not less than quarterly.

Attached are the detailed investment reports for the quarter ended March 31, 2014. These reports include information regarding the City's cash and investment status, investment yield, portfolio valuation, portfolio activity, and investments by fund type prepared in accordance with GAAP.

Historical rate information, market updates, and monthly newsletters that contain valuable economic information are provided by TexPool and may be accessed at <http://www.texpool.com/TexPool/index.frames.jsp>. TexSTAR rate information may be located online at <https://www.texstar.org/RatesMonthlyHistory.aspx>. Unfortunately, TexSTAR currently restricts online public access to their monthly newsletters; however, the newsletters are available upon request from the Finance Department.

The City's investment portfolio remained in compliance with the Public Funds Investment Act and the City of Belton Investment Policy throughout the quarter.

We will be happy to address any questions or comments that you may have regarding the City's investment portfolio.

Sincerely,

A handwritten signature in black ink that reads "Brandon Bozon".

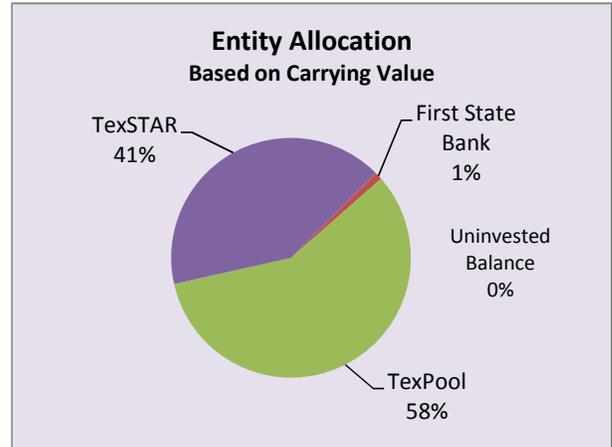
Brandon Bozon
Finance Director

A handwritten signature in black ink that reads "Sam A. Listi".

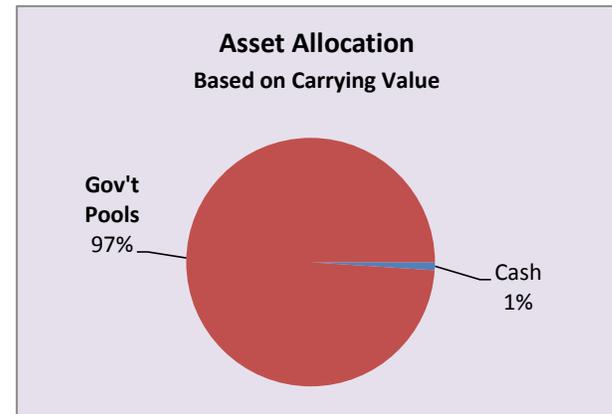
Sam A. Listi
City Manager

City of Belton, Texas
 Schedule of Investment Allocations
 For the Quarter Ended March 31, 2014

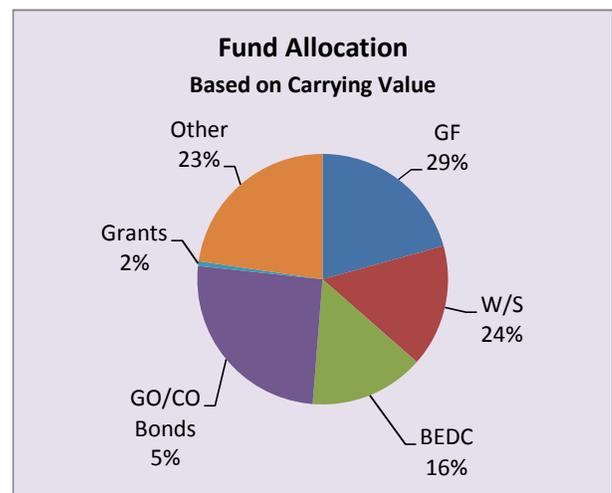
Entity Allocation	Carrying Value	Bank Balance / Fair Value
Uninvested Balance	\$ 2,160	\$ 2,160 [^]
First State Bank	\$ 299,251	\$ 477,440 *
TexPool	\$ 16,759,983	\$ 16,759,983
TexSTAR	\$ 11,867,699	\$ 11,867,699
	<u>\$ 28,929,093</u>	<u>\$ 29,107,282</u>



Asset Allocation	Carrying Value	Bank Balance / Fair Value
Cash	\$ 301,411	\$ 479,600
Government Pools	\$ 28,627,682	\$ 28,627,682
	<u>\$ 28,929,093</u>	<u>\$ 29,107,282</u>



Fund Allocation	Carrying Value	% of Carrying Value
General Fund (GF)	\$ 5,983,079	20.68%
Water/Sewer (W/S)	\$ 4,577,436	15.82%
Drainage	\$ 301,888	1.04%
Development Corporation (BEDC)	\$ 4,264,673	14.74%
Hotel/Motel	\$ 33,715	0.12%
Debt Service	\$ 867,933	3.00%
Tax Increment Reinvestment Zone	\$ 695,540	2.40%
Capital Projects - GO/CO Bonds	\$ 7,362,104	25.45%
Capital Projects	\$ 3,697,314	12.78%
Federal/State Grants	\$ 178,670	0.62%
Other Funds	\$ 966,741	3.34%
	<u>\$ 28,929,093</u>	<u>100%</u>



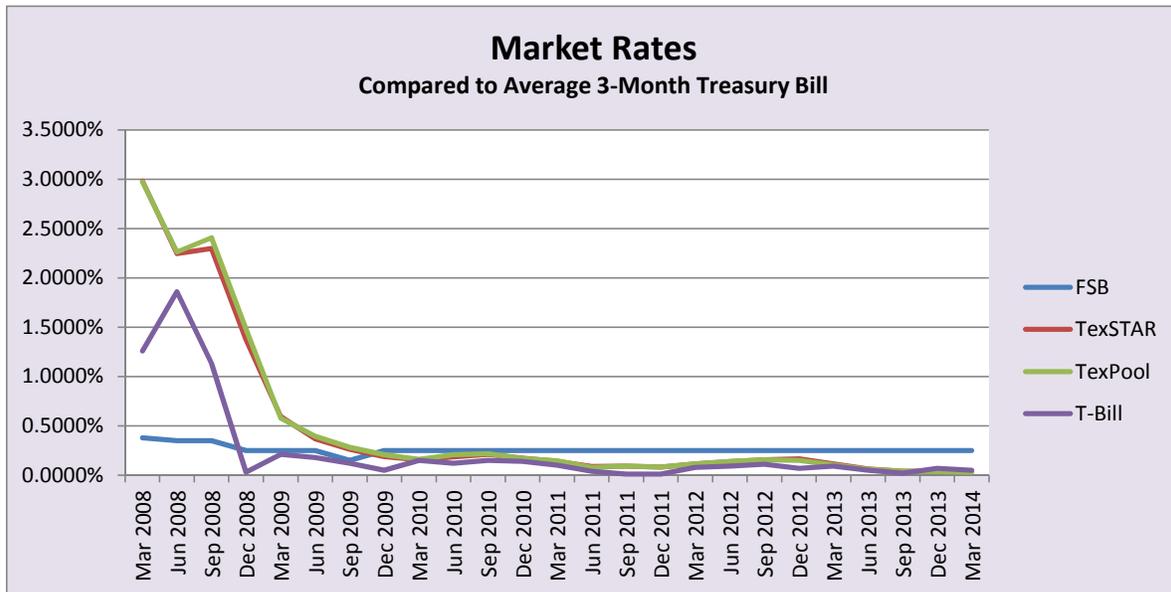
[^] Uninvested balance is cash on hand.

* The difference between Carrying Value and Fair Value is deposits in transit and outstanding checks.

City of Belton, Texas
 Investment Portfolio - Marked to Market
 For the Quarter Ended March 31, 2014

Type	Par Value	Term* (Days)	Yield %	Maturity Date	Carrying Value	Fair Value	Fair vs Carrying Value
Uninvested Balance	\$ 2,160	1	-	-	\$ 2,160	\$ 2,160	N/A
First State Bank	\$ 299,251	1	0.2500%	-	\$ 299,251	\$ 477,440	N/A
TexPool	\$ 16,759,983	73	0.0394%	-	\$ 16,759,983	\$ 16,759,983	\$ -
TexSTAR	\$ 11,867,699	51	0.0390%	-	\$ 11,867,699	\$ 11,867,699	\$ -
	<u>\$ 28,929,093</u>				<u>\$ 28,929,093</u>	<u>\$ 29,107,282</u>	<u>\$ -</u>

Weighted Average Maturity 63.22 Days



* The term reported for the City's investment in local government investment pools is the pool's weighted average maturity in days.

City of Belton, Texas
Investment Portfolio by Fund
For the Quarter Ended March 31, 2014

By Fund/Purpose:	Balance at 12/31/2013					Net Change During Quarter	% Change During Quarter	Balance at 3/31/2014				
	TexPool	TexSTAR	Cash in Bank	Uninvested Balance	Total	Total	Total	TexPool	TexSTAR	Cash in Bank	Uninvested Balance	Total
General Fund	\$ 3,893,175	\$ 2,733,660	\$ 132,213	\$ 2,100	\$ 6,761,148	\$ (778,069) (a)	-11.51%	\$ 3,465,320	\$ 2,453,786	\$ 61,873	\$ 2,100	\$ 5,983,079
Water/Sewer	\$ 3,005,813	\$ 2,110,584	\$ 102,078	\$ -	\$ 5,218,475	\$ (641,039) (b)	-12.28%	\$ 2,652,121	\$ 1,877,960	\$ 47,355	\$ -	\$ 4,577,436
Drainage	\$ 271,360	\$ 190,540	\$ 9,215	\$ -	\$ 471,115	\$ (169,227) (b)	-35.92%	\$ 174,911	\$ 123,854	\$ 3,123	\$ -	\$ 301,888
Development Corporation	\$ 2,347,167	\$ 1,648,104	\$ 79,710	\$ -	\$ 4,074,981	\$ 189,692 (c)	4.66%	\$ 2,470,910	\$ 1,749,645	\$ 44,118	\$ -	\$ 4,264,673
Hotel/Motel	\$ 17,512	\$ 12,297	\$ 595	\$ -	\$ 30,404	\$ 3,311 (d)	10.89%	\$ 19,534	\$ 13,832	\$ 349	\$ -	\$ 33,715
Debt Service	\$ 535,265	\$ 375,846	\$ 18,178	\$ -	\$ 929,289	\$ (61,356) (e)	-6.60%	\$ 502,872	\$ 356,082	\$ 8,979	\$ -	\$ 867,933
Tax Increment Reinvestment Zone	\$ 107,456	\$ 75,452	\$ 3,649	\$ -	\$ 186,557	\$ 508,983 (f)	272.83%	\$ 402,989	\$ 285,356	\$ 7,195	\$ -	\$ 695,540
Capital Projects - GO/CO Bonds	\$ 4,259,393	\$ 2,990,807	\$ 144,649	\$ -	\$ 7,394,849	\$ (32,745) (g)	-0.44%	\$ 4,265,532	\$ 3,020,411	\$ 76,161	\$ -	\$ 7,362,104
Capital Projects	\$ 1,469,515	\$ 1,031,845	\$ 49,905	\$ -	\$ 2,551,265	\$ 1,146,049 (h)	44.92%	\$ 2,142,188	\$ 1,516,877	\$ 38,249	\$ -	\$ 3,697,314
Federal/State Grants	\$ 426,708	\$ 299,620	\$ 14,491	\$ -	\$ 740,819	\$ (562,149) (i)	-75.88%	\$ 103,520	\$ 73,302	\$ 1,848	\$ -	\$ 178,670
Other Funds	\$ 566,741	\$ 397,947	\$ 19,454	\$ 60	\$ 984,202	\$ (17,461) (j)	-1.77%	\$ 560,086	\$ 396,594	\$ 10,001	\$ 60	\$ 966,741
Totals	\$ 16,900,105	\$ 11,866,702	\$ 574,137	\$ 2,160	\$ 29,343,104	\$ (414,011)	-1.41%	\$ 16,759,983	\$ 11,867,699	\$ 299,251	\$ 2,160	\$ 28,929,093

- (a) From January to March, the General Fund cash decreased primarily due to significant transfers made to capital project funds during the quarter of approximately \$748K to fund the 9th Avenue project and approximately \$314K to fund the Chisolm Trail H&B grant
- (b) Cash balances in the Water and Sewer Fund and Drainage Fund decreased due to cash outflows from transfers and debt service payments. A transfer of approximately \$551K was made from the Water/Sewer fund to the Water Sewer capital projects fund for the lake to lake road water line, and transfers of approximately \$134K and \$28K were made from the Drainage fund to the Drainage capital projects fund to fund Wheat Road drainage projects and drainage studies, respectively. Debt service occurs in the 2nd and 4th quarters of the year.
- (c) BEDC cash increased due to sales tax collections. No significant incentive payments were made during the quarter. Debt service occurs in the 2nd and 4th quarters of the year.
- (d) Hotel/Motel cash increased relative to increased tax receipts for the quarter.
- (e) Debt service cash decreased as the bulk of ad valorem tax is collected in this first quarter of the fiscal year, and debt service payments occur in the 2nd and 4th quarters.
- (f) The cash balance of the TIRZ fund increased due to the receipt of the City portion of TIRZ taxes collected. TIRZ county taxes are received in the 3rd quarter.
- (g) Cash in the 2013 Certificates of Obligation declined slightly as projects got underway. The balance of this fund will typically decline every quarter, as projects progress.
- (h) Cash balances in the Capital Projects funds increased as contributions from operating funds were made (as discussed above), offset by expenditures as projects progressed.
- (i) The bulk of grant funds on hand are City matching funds for 9th Avenue and H&B Trail P2. As these two large projects progress, cash balances will decline as City funds are spent.
- (j) Other funds consist of primarily of the Civil Service Fund, the GH Trust Fund, and assorted special revenue funds. Decreases this quarter were primarily due to various expenses incurred in the civil service fund.

City of Belton, Texas
 Interest Earnings
 For the Quarter Ended March 31, 2014

By Fund/Purpose:	Current Quarter				Year To Date			
	TexPool	TexSTAR	Bank	Total	TexPool	TexSTAR	Bank	Total
General Fund (GF)	\$ 313	\$ 261	\$ 109	\$ 683	\$ 669	\$ 499	\$ 187	\$ 1,355
Water/Sewer (W/S)	\$ 209	\$ 173	\$ 62	\$ 444	\$ 513	\$ 379	\$ 119	\$ 1,011
Drainage	\$ 19	\$ 16	\$ 6	\$ 41	\$ 47	\$ 35	\$ 11	\$ 93
Development Corporation (BEDC)	\$ 170	\$ 141	\$ 51	\$ 362	\$ 447	\$ 329	\$ 102	\$ 878
Hotel/Motel Fund	\$ 1	\$ 1	\$ -	\$ 2	\$ 3	\$ 2	\$ 1	\$ 6
Debt Service Fund	\$ 37	\$ 30	\$ 11	\$ 78	\$ 74	\$ 55	\$ 18	\$ 147
Tax Increment Reinvestment Zone	\$ 10	\$ 9	\$ 3	\$ 22	\$ 22	\$ 17	\$ 5	\$ 44
Capital Projects Funds - GO/CO Bonds	\$ 284	\$ 235	\$ 85	\$ 604	\$ 750	\$ 551	\$ 171	\$ 1,472
Capital Projects - Designated	\$ 101	\$ 84	\$ 30	\$ 215	\$ 275	\$ 202	\$ 62	\$ 539
Federal/State Grants	\$ 19	\$ 15	\$ 9	\$ 43	\$ 64	\$ 46	\$ 14	\$ 124
All Other Funds	\$ 40	\$ 33	\$ 19	\$ 92	\$ 102	\$ 75	\$ 39	\$ 216
Totals	\$ 1,203	\$ 998	\$ 385	\$ 2,586	\$ 2,966	\$ 2,190	\$ 729	\$ 5,885

By Entity:	Current Quarter		Year To Date	
	Amount	%	Amount	%
First State Bank	\$ 385	14.89%	\$ 729	12.39%
TexSTAR	\$ 998	38.59%	\$ 2,190	37.21%
TexPool	\$ 1,203	46.52%	\$ 2,966	50.40%
Total	\$ 2,586	100.00%	\$ 5,885	100.00%

