

**CITY OF THE COLONY, TEXAS
HOME RULE, COUNCIL-MANAGER FORM OF GOVERNMENT
ANNUAL OPERATING BUDGET
2009-2010 FISCAL YEAR**

CITY COUNCIL

JOE MCCOURRY
Mayor

ALLEN HARRIS
Place 1

RICHARD BOYER
Place 2

JEFF CONNELLY
Deputy Mayor Pro-Tem, Place 3

KIRK MIKULEC
Mayor Pro-Tem, Place 4

PERRY SCHRAG
Place 5

JOEL MARKS
Place 6

CITY STAFF

ANTONIO JOHNSTON
City Manager

GREG VICK
Assistant City Manager

REBECCA KOO
Finance Director

**CITY OF THE COLONY
PRINCIPAL OFFICIALS
OCTOBER 1, 2009**

ELECTED OFFICIALS

Mayor	Joe McCourry
Place 1	Allen Harris
Place 2	Richard Boyer
Deputy Mayor Pro-Tem, Place 3	Jeff Connelly
Mayor Pro-Tem, Place 4	Kirk Mikulec
Place 5	Perry Schrag
Place 6	Joel Marks

APPOINTED OFFICIALS

City Manager	Antonio Johnston
Assistant City Manager	Greg Vick
City Secretary	Christie Wilson
Finance Director	Rebecca Koo
Human Resources Director	Margaret Burkett
Public Works Director	Steve Eubanks
Community Services Director	Pam Nelson
Library Director	Joan Sveinsson
Fire Chief	Scott Thompson
Police Chief	Joseph T. Clark
Court Administrator	Patti Ristagno
Director of Engineering	Gordon Scruggs
Development Services Director	Vacant
Economic Development Director	Keri Samford
Communications Director/ Assistant to City Manager	Diane Baxter
Director of Utilities	Tod Maurina



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of The Colony
Texas**

For the Fiscal Year Beginning

October 1, 2008

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a "Distinguished Budget Presentation Award" to the City of The Colony, Texas for its annual budget for the fiscal year beginning October 1, 2008.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operation guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

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October 1, 2009

Honorable Mayor
Honorable City Council
City of The Colony
The Colony, Texas 75056

In accordance with the Civil Statutes of Texas and the Charter of the City of The Colony, the annual budget and work program for the fiscal year beginning October 1, 2009 and ending September 30, 2010, are presented for your consideration. The Budget is our most important policy document because it presents in financial terms, the overall plan to accomplish the City's program of services and priorities during the upcoming fiscal year.

The **Budget Overview** section has been prepared to explain in some detail all of the major changes and assumptions of the approved budget. The remainder of this transmittal letter highlights some key objectives and features of the new budget.

Highlights and Issues of the 2009-2010 budget

The adopted budget, a financial and policy plan, strives to meet the City's missions and goals. Economic incentives are budgeted in the Economic Development (Type A) Fund to promote new enterprises and residential development and to retain existing business. To better serve the citizens, one new position is created in the fiscal year 2009-10 budget in the Fire Department. A part-time position as a Convention Visitor Bureau Coordinator is also added. Some positions are eliminated due to improvement of efficiencies in service deliveries. To assure a quality community, full funding of the cultural and leisure activities is provided for. More streets will be reconstructed and repaired with outside funding.

The total adopted budget is \$46,168,831, excluding transfers out, a .87% decrease over the 2008-2009 revised budget. Ad Valorem Taxes are the City's major revenue source. Total current Ad Valorem Taxes are \$14,618,717, which is \$43,588 more than last year. This is attributable to a slight increase in the City's tax base due to new development and a .2 cent reduction in the tax rate from 69 cents to 68.8 cents. One percent is budgeted for uncollectable Ad Valorem Taxes. We have budgeted an increase of \$4,000 in sales tax revenues from the fiscal year 2009-10 original budget in the General Fund, and no increase in sales tax revenues in each of the Type A and Type B Funds.

Economic incentives in the form of sales tax rebate and property tax abatement were granted to Edward Don & Company. In that regards, \$250,000 is budgeted as sales tax rebate in the Type A Fund and \$17,000 transfer from the Type A Fund to the General Fund as a reimbursement for tax revenues lost to the property tax abatement. The City has also granted a tax abatement agreement to Wynnwood Peninsula Venture,

developer at The Tribute. The agreement requires the city to rebate property taxes up to a certain amount. The rebate is budgeted appropriately as an expenditure in the General Fund.

Increases in some revenue sources are anticipated due to new development in Wynnwood Peninsula, Austin Ranch and along Highway 121, and due to increases in existing fees. The following are some highlights and priorities for the new budget year:

Tax Rate

It has been the City's desire to gradually reduce the Ad Valorem Tax Rate. The tax rate has been decreasing with a peak of 80 cents in 1993 to 69 cents per \$100 valuations for the fiscal year 2008-2009. For fiscal year 2009-2010, the tax rate is further reduced to 68.8 cents per \$100 valuation with the same service deliveries. The reduction in tax rate is accomplished through a stable economy with no reduction on total certified value, sales taxes and other fees. New developments account for \$72,868,773 with a devaluation of existing properties at \$60,344,666.

Economic Development

The Colony continues to set aside resources to attract business developments to the City. The City collects a one cent sales tax divided equally between The Colony Economic Development Corporation (Type A) and The Colony Community Development Corporation (Type B). The Type A budget includes approximately a \$2.5 million dollar appropriation to fund economic development incentives. The fund also includes transfers of \$602,733 to Debt Service Funds to help pay for debt service payments, approved streets and water utility capital projects. With new commercial growth, the City reaps the benefits of higher property values and taxes, increases in sales taxes, and concentration of employment centers. The economic benefits can be huge.

A developer, Jackson-Shaw/Cascades Limited Partnership, is developing and constructing a mixed-use development on 92 acres of land located at the northeast corner of State Highway 121 and Morning Star Drive in the city of The Colony, which includes town homes, patio homes, retail, office and flex industrial space. The Colony Economic Development Corporation provided approximately \$3.6 million in economic incentives for infrastructure constructed by Jackson-Shaw. This development serves as a catalyst for increased economic activities. The City benefits from the additional tax revenues and increased daytime population.

Construction Phase V of the Parks of Austin Ranch is nearing completion. This will result in 9,000 square feet of restaurants, 13,631 square feet of retail and office spaces, and 500 multi-family units; this is in addition to the existing four phases in Austin Ranch.

Construction has been completed on a new retail center located at 4171 Main Street which will provide an additional 19,000 square feet of retail and restaurant space along the Main Street corridor.

A building permit for the last unimproved lot in Phase II of The Cascades at The Legends has been issued resulting in an additional 145 single-family attached and detached units. The average valuation for those homes is \$135,000.

Residential building permits continue to be issued at The Tribute for executive homes and golf villas. The cost of those homes has been estimated between \$275,000 and \$1,000,000. In addition, the developer has completed the construction of a second 18 hole golf course and is in the design phases of a new clubhouse to better serve the new development.

The Colony has contracted with Texas Department of Transportation (TxDOT) for \$12.1 million in transportation improvements for the City through the SH 121 Regional Toll Revenue (RTR). Staff is working out the final details on an agreement with Denton County to fund another \$10.9 million towards these transportation improvements through the TRIP-08 bond program as approved by voters last year. The City Council approved the engineering services contract for the first project to be funded. It is the reconstruction of North Colony Boulevard from Curry Drive to Paige Road as a 4-lane divided street with auxiliary turn lanes. Other projects include the widening of Plano Parkway from SH 121 to the south city limits from 4- to 6-lanes, the widening from 4- to 6-lanes of Memorial Drive from Standridge Drive to Paige Road, the addition of traffic signals at three intersections on Memorial Drive, construction of the Archer Drive-Freeman Drive Loop, and construction of the Carr Street-Lake Highlands Drive Connector.

The completion of the widening of the Sam Rayburn Tollway (SH 121) from 4- to 12-lanes has transformed the once congested highway. The widening from 4- to 6-lanes of Main Street (FM 423) from SH 121 to SH 380 will be the most significant roadway improvement for the area. Construction is anticipated to begin in late 2011 and be completed in 2014. These roadway projects are anticipated to provide a significant economic boost to the area.

Quality of Life

The City values quality of life for its residents. The City continues to fund the Library and the Parks and Recreation Department operating budgets to assure a quality community. The City has opened facilities providing residents with high valued and low cost entertainment venues, which include the Five Star Community Complex, the Spray Park, and the Skate Park. Beautification and landscaping improvements are included in the budget to enhance the City's image.

Employee Recognitions

To continue to retain high caliber employees, which in turn provide excellent customer services to our citizens, step plans for Public Safety employees are included in the budget to ensure the City is competitive to the surrounding area. Longevity pay is being maintained at \$10 per month of service. Employees are encouraged and rewarded for a healthy living style by implementing SELF (Successful Employees Living Fit). The program can reduce job downtime, worker's compensation injuries, and health insurance claims. Reduction in those areas has the potential to reduce the city's costs which will benefit the organization as a whole.

Capital Improvements and Debt Services

Various enhancements including construction of municipal buildings, alleys, sidewalks, light poles, fiber optics, vehicles, leasing of computer equipment, improvements and extensions of the City's waterworks and sewer system are provided for in the budget. All these capital improvements are financed by operating funds and the issuance of

Certificates of Obligation. The budget includes funding for all debt service payments for current year. The City's Revenue Bond ratings are rated A3 by Moody's rating agency and A- by Standard and Poor's and the general obligation bonds are rated A2 by Moody's and AA- by Standard and Poor's. These rates are a reflection of the City's diverse economic base, new growth, economic stability, expert management team and proactive City Council.

Future Challenges

One of the main concerns facing the City is the national and regional economy. In the past, the City has experienced rapid growth. However, new construction slowed substantially in 2004, 2005 and 2006. For the next few years continuous development at the Wynnwood Peninsula, Austin Ranch and the Cascades were propelling the economic engine for the city.

We have budgeted \$132,000 for lease payments from the Hawaiian Falls Adventure Park. This is based on annual sales of \$2.5 million. On the expenditure side, we are transferring \$100,000 to debt service to offset the cost of the infrastructure improvements related to this project. Commercial development along State Highway 121 will pick up. However, it is too early to tell what type of impact new commercial development will have on our sales tax revenues.

Due to new development, the City is continuing to expand infrastructure to provide streets, water and wastewater services and storm water management to a growing population. The City has teamed with developers and is working on the construction of a new lift station, force main and trunk sewer line to serve the central and western portions of the Austin Ranch area and Lonzar tract. The total cost of the project is \$2.9 million and this infrastructure is anticipated to be in operation this year. The City's last expansion of the wastewater treatment plant included hydraulic improvements to accommodate treating this additional wastewater.

The City has initiated a citywide street improvement program to address badly needed repairs. A citizen advisory committee along with city staff has outlined the individual streets to be repaired with set priority levels. Construction of new streets to provide easy access to strategic areas has to be considered. The City has issued approximately \$4.5 million dollars of Certificates of Obligation for street projects in the summer of 2007.

The water and sewer rates were not adjusted. However, future increases might be necessary to accommodate expected escalations in expenses, debt service transfers, sewer capital projects and/or increases in water purchases from the city of Dallas.

This year, the City completed the joint construction project with the cities of Carrollton and Lewisville on the water transmission line that brings potable water from Dallas Water Utilities' (DWU's) Elm Fork Water Treatment Plant to the future Southern Pump Station. This once in a lifetime project saved the City millions of dollars not only in construction cost, but also valuable right-of-way and easement acquisition costs. The cost of this project for the City was \$8.4 million.

Providing adequate coverage for police and fire to the outlying and newly developed areas is also very challenging. Two new fire stations will be needed to serve Austin Ranch and the Wynnwood Peninsula areas if we are to continue to provide quick responses to emergencies.

The fire department is focused on maintaining an acceptable level of current services while planning for growth and increased volume of calls for services. Staffing and fleet replacement are among the top immediate priorities; while planning for two new fire stations and one medic company to meet anticipated growth are long-term priorities. The approximate costs for each station are \$3.5 million, equipment approximately \$800,000 for a one hundred foot Quint, \$550,000 for a pumper, and approximately \$270,000 for an ambulance. To staff a fire station, we will require twelve additional personnel and for a medic company nine personnel. The current plan is to add a new firefighter in fiscal year 2009-10. In the next couple of years, two more are required so that the Battalion Chief position can be filled and three more firefighter/paramedics are required for staffing on one Quint to function as a truck company. The all inclusive cost per firefighter/paramedic is \$77,000.

Additional police officers will be needed to patrol the newly developed area to ensure resident safety. To fully cover the two areas of the Tribute and Austin Ranch upon build-out in the next five to fifteen years, fifteen Patrol Officers, four Investigators, and three Sergeants will be needed with an estimated cost of \$1.8 million a year. The upfront cost of equipping the additional police officers will be approximately \$500,000.

The City of The Colony has always placed a high priority on the surrounding lakes, creeks and streams within the City limits. Federal and State Mandates, as well as, localized flooding and erosion problems have increased the demand for Storm Water Improvements and Management, thereby requiring a significant increase in the amount of funding devoted to Storm Water Management Programs. A Storm Water Management Plan was developed and approved for a General Permit by TCEQ on November 11, 2008 with interim goals for compliance with state and federal laws by 2012. The Storm Water Utility was implemented to provide a source of funding for this program. The city had an independent consultant conduct an evaluation of city owned facilities and operations to assess the need for storm water pollution prevention programs and needed improvements. These areas of concern were identified and this year another consultant is going to evaluate and develop a plan of Best Management Practices (BMPs) needed to bring these areas into compliance. These improvements will need to be implemented or the operations cease by the 2012 compliance deadline.

The City completed construction of the third phase of erosion mitigation improvements in the Ridgpointe subdivision adjacent to Office Creek. Staff is preparing an updated Storm Water Capital Improvements report for presentation to City Council this winter.

As the City grows, so does the need for City facilities. City Hall and the Library are both "space" challenged. Library patronage and demand for library services have increased significantly. The current City Hall provides no real accommodations for any staffing increases and storage spaces. The City's fleet has increased through the years and has outgrown the current fleet maintenance shop, which was designed 20 years ago. This can hamper the repairs and preventative maintenances on City vehicles and equipment and may cause safety concerns in the future. Plans are in the works for the construction of the public service building which will replace the current building that houses the fleet maintenance shop, the public works department and utility operations.

The Council has also expedited the expansion of the Police and Court building. The jail and property room are inadequate to serve current needs. The Colony's jail has not been increased in size in twenty years despite an increase of about 94 percent in the

City's population during this period. The property room is filled to capacity. The building needs significant repairs to be brought up to today's standards. The estimated construction cost to build a larger jail area and address other areas of concern of the building is about \$8.5 million. The funding source of construction is from future debt issuance.

The City acquired Hidden Cove Park from the Corps of Engineers and the Park has been operated at deficits. Park operation was privatized to Marine Quest on January 1, 2005. The contract with Marine Quest provides a \$50,000 annual lease payment to the City. The City repays the General Fund with the lease payment to offset contributions from the General Fund to the Hidden Cove Park for the past three years. Marine Quest is developing the park with marinas and other amenities to make it a tourist destination. Marine Quest has made a \$250,000 donation to the City after the Corps of Engineers approved the plans for construction.

Employee healthcare costs are plaguing all employers in the Country. Our rate increased by 5% for 2009-2010. According to State law, we are required to offer health insurance for retirees because of our population size. The retirees pay the premiums themselves with no subsidies from the City. In view of all these, increasing funding will have to be made to anticipate the spiraling costs of providing employee health insurance.

The Texas Municipal Retirement System (TMRS) where City holds its pension fund is revising member cities' actuarial contribution rates and its investment strategies. The rate for the calendar year 2010 has increased by 1.24 percentage points and the city has the option of making additional contributions to TMRS to reduce the city's unfunded pension liabilities. The actuary TMRS hired to review the change in actuarial cost method and amortization schedule recommended an eight-year phase-in of the new contribution rate for cities and this is the second year of the phase-in period. This, undoubtedly, will impact the city's finances in the future and more resources will have to be allocated to the employees' retirement fund.

Strategic Plans

To better guide the City into the future, Departments are requested to develop strategic and capital improvement plans for the next five years. Major issues facing the City are identified. Extension of current services to meet growth and new programs to enhance the quality of life are presented to the Council for developing and prioritizing goals.

Planning is a continuous process. The preparation of the budget starts in early spring with the final document adopted in mid to late September. As a combined effort, the City Manager's Office, the Finance Director and all departments monitor the revenues and expenditures throughout the year. Appropriate actions are taken to control expenditures when revenues fall short of expectations. The Capital Improvement Plan (CIP) projects five years' personnel and capital needs. The CIP becomes the basic foundation on which annual budgets are built on. A twelve year projection of the growth in Ad Valorem taxes and debt service payments and a five year projection of general fund and utility revenues and expenditures are in place to help guide the development of the operating budgets. Expanded or new services are identified and financial plans are put into action.

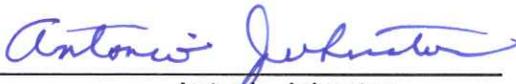
This planning process provides a road map for short-term and long-term needs and aids in the allocation of resources in budget formulations. Development of the Capital Improvement Programs helps to gauge future funding priorities.

To meet all these challenges, the City has to exercise due diligence in forming its spending plans for the future. With limited resources, the future budgets will have to be crafted to prioritize needs and effective service deliveries.

Conclusions

The 2009-2010 budget has been prepared with the assistance of several devoted and dedicated employees who stand ready to accomplish the goals outlined and adopted by the City Council. Under the prudent leadership of the City Council, we commit our best efforts to ensure that the needs of our citizens are met and exceeded!

Respectfully submitted,



Antonio Johnston
City Manager



Rebecca Koo
Finance Director



**2009-2010
BUDGET OVERVIEW
CITY OF THE COLONY, TEXAS**

CITY MISSIONS AND GOALS

The City of The Colony is committed to providing the best possible services for the citizens and business community. The city's goals are to:

- Promote economic development
- Excel in customer service
- Enhance the image of the City
- Assure a quality community
- Insure prudent stewardship of public funds
- Maintain the City's infrastructure
- Build a diversified tax base
- Retain a skilled workforce

BUDGET GOALS

The City is striving to apply sound planning and fiscal management principles to guide future growth and development needs to assure a solid economic future and a quality community. The overall goal of the City's fiscal policy is to establish and maintain effective management of the City's financial resources. Significant policies are:

1. Establishing minimum fund balance requirements for General Fund and Utility Fund at 60 days.
2. Ensuring the most efficient use of resources throughout the City, such as implementing performance measurement and strategic planning efforts.
3. Defining departmental responsibilities to better insure sound financial management practices.

It is the desire of the City Council of The Colony to produce a balanced budget with no tax increase. Due to a stable local economy the fiscal year 2009-2010 Approved Budget contains a reduced Ad Valorem tax rate from 69 to 68.8 cents with no reduction in core services.

FINANCIAL POLICIES

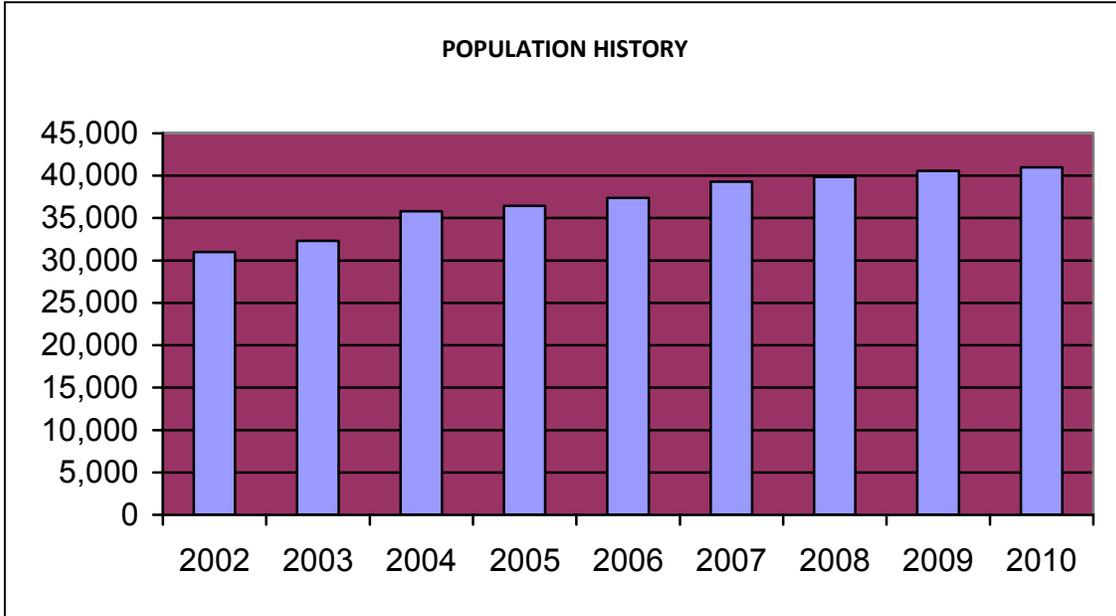
The goal of the financial policies is to enable the city to achieve a long-term stable and positive financial condition. The policies set the structure for the fiscal management of the City. The city has developed the Financial Management Policies (attached in the Appendix) which provides guidelines for the financial management staff in planning and directing the City's day-to-day financial affairs and in developing recommendations to the City Manager and the Council. City management understands that decisions made today have a profound impact on tomorrow's resources. The policies assist in measuring the current activities and recommend future programs.

The City projects five years' revenues and expenditures when formulating the budget goals for the following year. The projections are based on probable events and best estimates due to economic conditions, growth, demographics, development, inflationary pressure, demands, and new or enhanced services for the citizens. The City is considering incorporating the long-term financial planning process with the strategic plans and budget goals to provide for future needs.

GROWTH

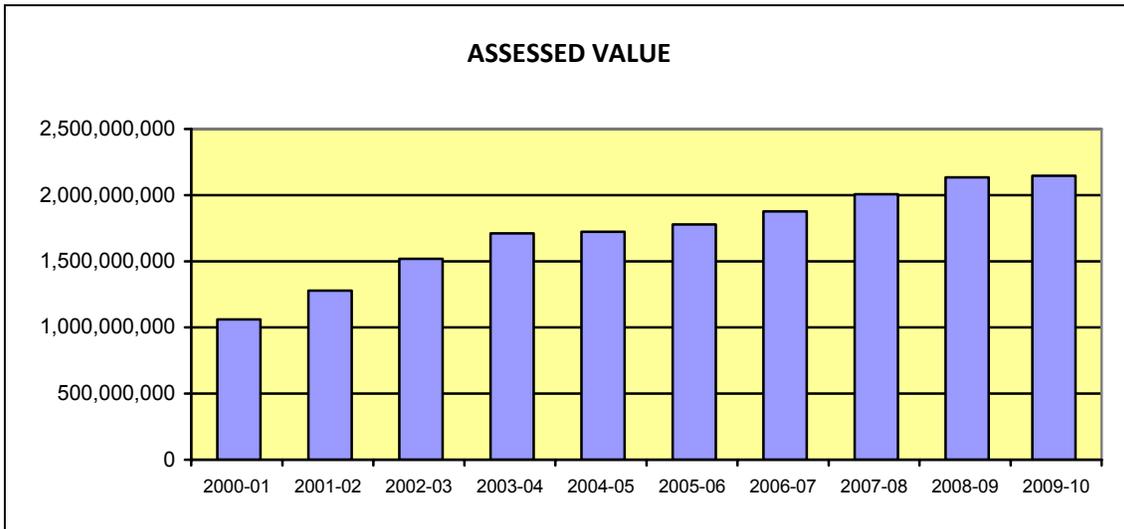
POPULATION

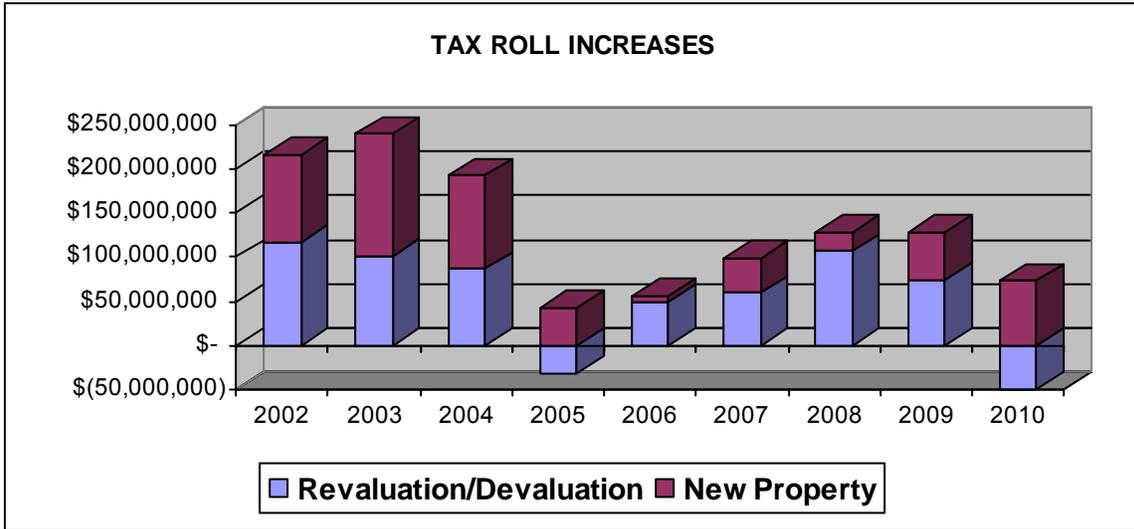
The City's estimated population is projected at 41,000 for 2010. This represents a 1.88% increase over the current year. The Colony's population continues to increase annually with even more growth expected because of development at Wynnwood Peninsula, the Cascades, and Austin Ranch.



TAX BASE

The City's fiscal year 2009-2010 Ad Valorem tax base is \$2,146,276,451. This is an increase of \$12,524,107 or .59% from the 2008-2009 roll. Of this increase, new growth makes up \$72,868,773. This means that \$60,344,666 is the devaluation of existing properties.





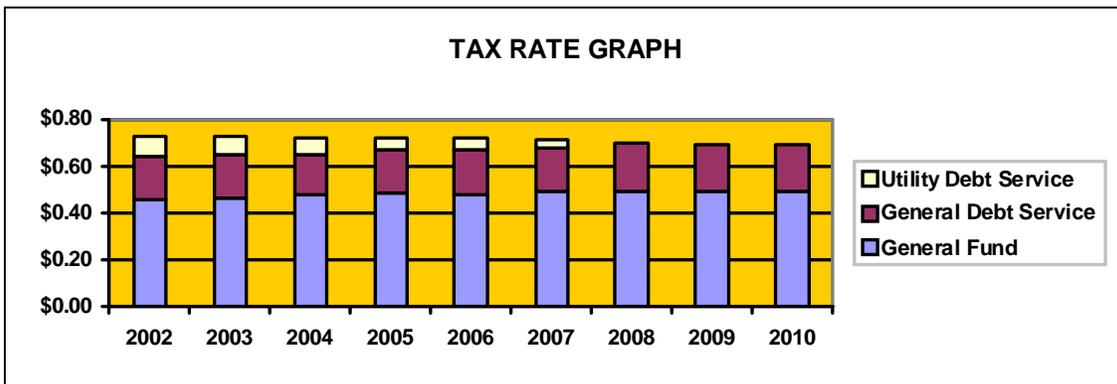
SUMMARY

The City of The Colony 2009-2010 budget for operations and debt service excluding transfers out totals \$46,168,830. This is a .76% decrease over the 2008-2009 original budget. However, modest increases in fines and forfeitures and sales tax collection make reduction of tax rate possible.

The tax rate has been reduced from \$.80 per \$100 property valuation in 1994-1995 budget years to \$.688 per \$100 valuation in 2009-2010.

The adopted tax rate of \$.688 is lower than the effective rate of \$.707270 and the rollback rate of \$.738063. The tax rate is less than a 1% reduction from 2008-2009.

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund	.45680	.46008	.47564	.47953	.47858	.49401	.48750	.48928	.491582
Gen Debt Serv	.18238	.18544	.17105	.18997	.18976	.18121	.21000	.20072	.196418
Util Debt Serv	.08582	.07948	.07331	.05050	.05166	.03978	0	0	0
	.72500	.72500	.72000	.72000	.72000	.71500	.69750	.69000	.688000



There is no increase in the water and wastewater rates for fiscal year 2009-2010. All other fees, including Planning Fees and Permit Fees are reviewed and increased, if needed, for fiscal year 2009-2010.

MUNICIPAL FUND STRUCTURE

The accounting for municipal activities occurs within four major groupings, Operating Funds, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. All fund structures and accounting standards for the city of The Colony are in compliance with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and other recognized professional standards. While we conduct a united municipal operation, the annual budget is a combination and summarization of the planned activities of various separate and distinct funds.

The accounts of the City are organized based on funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. The City maintains the following fund types presented in this budget:

Governmental Fund Types

Governmental Fund Types are those through which most governmental functions of the City are financed. Three fund types are used to account for the operating budget of governmental-type activities for The Colony. These are the General Fund, Special Revenue funds, and Debt Service Funds.

- **General Fund:** The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Special Revenue Funds:** The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. For budget purposes, the City has the following Special Revenue Fund:
 - **Engineering Inspections Fund** - To account for inspections on new streets, drainages, and water and sewer main construction projects.
 - **Economic Development Corporation – Type A Fund** - Organized exclusively for the public purposes of the promotion and development of new and expanded business enterprises.
 - **Community Development Corporation – Type B Fund** - Organized for the purpose of the promotion of economic development by developing, implementing, providing and financing projects under the Development Corporation Act of 1979.
 - **Court Security Fund** – To account for fees collected from traffic offenders dedicated to improve security for the Court.
 - **Court Technology Fund** – To account for fees collected from traffic offenders dedicated to improve technologies for the Court.

- Environmental Fund - To account for recycling fees from residents as well as donated proceeds and state grants for the use of recycling.
 - Hotel/Motel Tax Fund - To account for the receipts and allocations of the City's Hotel/Motel Occupancy Tax.
 - Lake Parks - To account for revenues generated by fees and permits to enter and utilize the park area and facilities located on eastern shore of Lake Lewisville.
 - Hidden Cove Park - To account for revenues and expenditures of the park area and facilities located on Lake Lewisville, northwest of The Colony.
 - Storm Water Utility Fund - To account for storm drainage management to improve water quality in streams and lakes by controlling pollutants from construction sites and developed properties. Storm water utility fees are collected from residents and business enterprises based on their impervious areas.
 - Special Events Fund - To account for various special events of the City including Christmas celebrations, 4th of July fireworks, the Pirate Days, Veteran's Day festivities and other events.
 - Community Center Fund - To account for revenues and expenditures related to the operation of the Community Center and senior activities.
 - Capital Projects Administration Fund – To account for engineering services in monitoring compliance and progress of capital projects.
- Debt Service Funds: The Debt Service Funds are used to account for the accumulation of resources for and the payment of long-term debt principal, interests and related costs. For budget purposes, the City has three Debt Service Funds:
- General Debt Service Fund - To account for the accumulation of resources and the payment of general long-term debt principal and interests. General Obligation Bonds and Certificates of Obligation are issued to finance major improvements for the construction of streets, parks, libraries, recreation centers, fire stations, police stations, and other general governmental improvements. Property taxes are the principal source of revenue.
 - Tax Supported Debt Services Funds - To account for The Colony Municipal Utility District (which was merged with the City on October 1, 1986) debt payments. Tax and revenue bonds are the primary source for financing utility infrastructure for the District. Tax and revenue bond indentures contain legal requirements that both tax and operational revenues must be pledged for the repayment of debt incurred by the former District. The debt was paid off in August, 2007. This fund is now used to account for Certificates of Obligation debt payments financed by Utilities operating fund.
 - Revenue Debt Service - To account for the payment of water utility revenue supported debts. Fees are currently collected on the City's utility bills for this fund. Transfers from impact fees and Utility operating fund are used to retire debt service.

- **Proprietary Fund Types:** Two fund types are used to account for a government's business type activities (activities that receive a significant portion of their funding through user fees). These are the enterprise funds and the internal service funds.
 - **Enterprise Fund** - Operations that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City has one Enterprise Fund:
 - **Utility Fund** – To account for the operations of the Water and Sewer facilities and other services.
 - **Internal Service Funds** - The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost-reimbursement basis. The City has one Internal Service Fund, the Fleet Services Fund, which is responsible for the preventative maintenance and repairs of all City owned vehicles and equipment. For budget purposes, Fleet Services is maintained as a special revenue fund and an internal service fund for financial reporting purposes.

2008-2009 BUDGET RETROSPECTIVE REVIEW

This budget was once again developed as a "maintenance" budget, designed to respond to a few operational staffing and equipment needs.

The City of The Colony's 2008-2009 revised budget totaled \$45,770,325 excluding transfers out, an increase of approximately \$5,659,105 or 14.11% more than expended in 2007-2008.

Economic development continued to expand in 2008-2009. The tax base increased by 6.36%. Due to cost control, the tax rate was lowered to \$.69.

The value of the tax roll for 2008-2009 was \$2,133,752,344, an increase of \$127,504,814 from the previous year. The City had a 100% tax collection rate for the 2008-2009 year. The relatively stable local economy and a vigorous pursuit of taxes were responsible for this outstanding record.

Sales tax revenues were originally forecasted with a slight increase to \$3,092,000 in the City's General Fund original budget. Due to the slowing of the economy, there was no significant change in the sales tax revenue projections.

Franchise taxes were originally forecasted to increase 11.63% to \$1,990,200 in the City's original budget. The total forecasted fees were adjusted at mid-year to \$2,091,800 due to new residential development at the Tribute and Austin Ranch.

Investment income was reduced to \$125,000 in mid-year due to the historical low interest rate.

License and permits revenue was readjusted at mid-year from \$911,382 to \$1,176,175 due to the development at Wynnwood Peninsula, Austin Ranch, The Cascades and other commercial activities.

Fines and Forfeitures were lowered in mid-year from \$1,351,630 to \$1,036,300. The reduction in fine collections was due to the lowering of number of traffic citations issued.

Hidden Cove Park became a part of the City in May of 1995. The Land Fund transferred \$100,000 to initiate the park's repairs and initial operations. The fund has suffered losses in the past few years. The operations of the Park were privatized as of January 1, 2005.

With tight cost control in the General Fund, the City was able to maintain all its promised services and programs as outlined in the budget documentation. Public safety positions were filled. The GIS system has provided needed information for planning purposes. Streets were repaired. In the Utility Fund, the water meter replacement program enhances the accuracies of water utility billings.

The ending fund balances were also exceeding expectations, with the General Fund ending fund balance estimated at 96 days, and the Utility Fund ending fund balance estimated at 91 days. The City's goal is at 60 days. Great things are happening in the City upon continued development at the Wynnwood Peninsula, Austin Ranch and State Highway 121 and the future is very promising.

2009-2010 BUDGET REVIEW

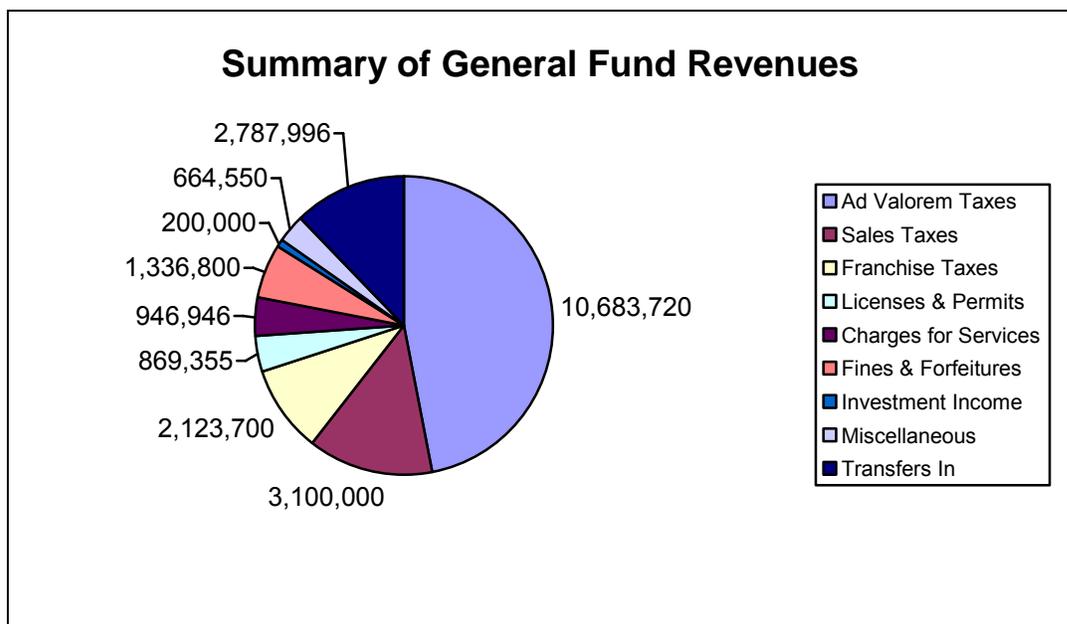
GENERAL FUND

The General Fund is the largest operating fund of the City. This fund provides most basic governmental and administrative services of the City.

REVENUES

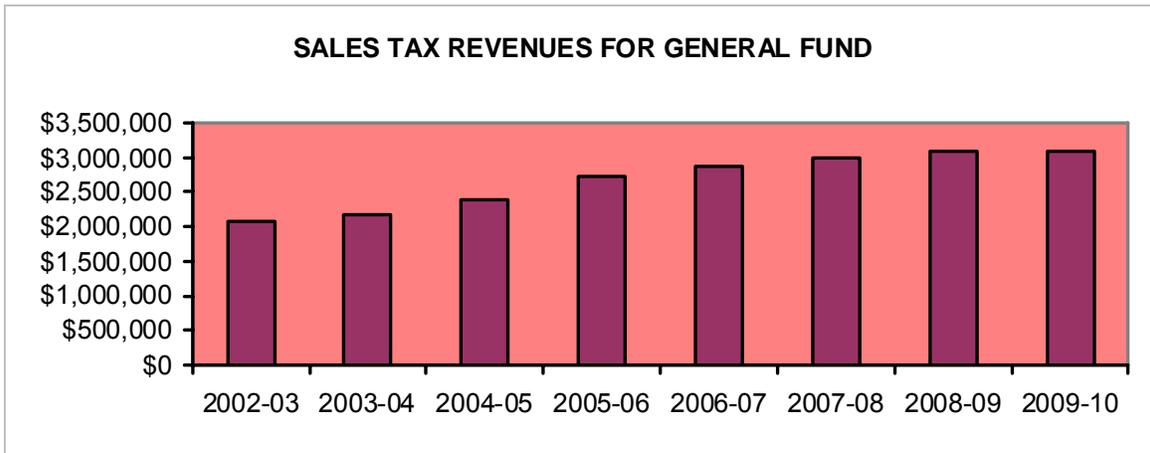
General Fund revenue and transfers in are budgeted at \$22,754,874. This includes \$19,966,878 of current revenue receipts, and \$2,787,996 of transfers in. The total revenue budget is 2.15% more than the 2008-2009 revised budget.

For the fiscal year 2009-2010, 71.45% of every Ad Valorem tax dollar goes to the General Fund operations. The remaining 28.55% goes to the payment of Debt Service obligations and related interests.



The certified tax roll for 2009-2010 is \$2,146,276,451. This is an increase of .59% from the 2008-2009 roll. This increase reflects the stable local economy and is the thirteenth consecutive annual increase. The tax rate is reduced to \$0.688 per \$100 valuation. Service delivery has not been impacted. In fact, one full-time position and one part-time position are added in fiscal year 2009-2010. There are three positions being eliminated and a full-time public works position is replaced by a part-time position to better serve the citizens of The Colony.

Sales taxes represent approximately 15.53% of the City's total income (excluding transfers in) in General Fund. The sales tax rate is 8.25% of taxable sales. The City receives 1% for its General Fund, .5% for the Economic Development– Type A Fund and .5% for the Community Development– Type B Fund. The State keeps 6.25% and remits the City's share of sales tax to the City monthly.



<u>YEAR</u>	<u>AMOUNT</u>	<u>% INCREASE</u>
2002-2003	\$2,085,561	5.56%
2003-2004	\$2,181,326	4.59%
2004-2005	\$2,399,776	10.01%
2005-2006	\$2,731,402	13.82%
2006-2007	\$2,880,582	5.46%
2007-2008	\$2,996,000	4.01%
2008-2009	\$3,096,000	3.34%
2009-2010	\$3,100,000	.13%

The expanding local economy and the relocation of Edward Don and Company's regional distributing center have fueled the increase in sales tax revenues in the previous four years. Due to the uncertainty of consumer spending, sales tax including mixed beverage tax is projected to increase modestly by \$4,000 in the General Fund and none in sales tax each in the Type A and Type B Funds.

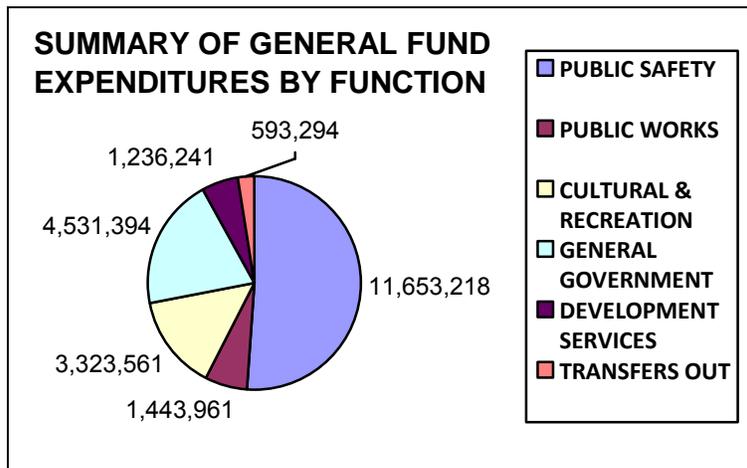
Franchise taxes are projected to increase by 1.53% from the 2008-2009 revised budget. The electrical franchises and all other franchise revenues have increased slightly due to the expanding population and commercial base. However, new home building permit revenues are projected to decrease from a revised \$1,176,175 in fiscal year 2008-2009 to \$869,355 because of the impending financial crisis and the recession in the global economy and also 2007-2008 was an exceptionally prosperous year for new construction. The development at Wynwood Peninsula (The Tribute) and other area of the city has fueled the explosion of the permit fees. Revenues in Fines and Forfeitures are projected to increase by \$300,500 from a revised 2008-2009 budget of

\$1,036,300 to \$1,336,800. The original budget for fiscal year 2008-2009 was at \$1,351,630. Investment income in all funds is lowered because of the historical low interest rates held by the Federal Reserve Bank to stimulate the national and global economy.

There is a \$266,000 contribution by the Wynnwood Peninsula developer for a reimbursement for monies the City has expended in the construction of the lift station and force main serving the Peninsula. The contribution is included in the General Fund as miscellaneous revenues.

NEW AND SHORT-TERM INITIATIVES AND EXPENDITURES FOR THE BUDGET YEAR

Expenditures for 2009-2010 are budgeted at \$22,781,669 or .87% over the 2008-2009 revised budget. The overall emphases in the budget are:



- 1) Adjust for healthcare cost increase.
- 2) Add one full-time position and one part-time position to better serve the growing community.
- 3) Elimination of three full-time positions and down-grade one full-time position to a part-time position due to improved efficiencies.
- 4) Maintain funding in street repair and technology hardware and software.

NON-DEPARTMENTAL

Non-departmental is a special cost center which is being utilized in the 2009-2010 budget in an effort to pool several costs belonging to all departments. The expenditures included legal fees, utility services, worker's compensation insurance, unemployment compensation, general liability insurance, and economic incentives to developers and businesses.

CITY COUNCIL

The City Council makes policies and gives direction to the City Manager to serve the citizens. This department includes City Council expenditures and \$8,000 contract for services for organizations that serve The Colony residents.

GENERAL ADMINISTRATION

The City Manager oversees the operation of the city. This office provides leadership to ensure that mission, goals and objectives are met.

DEVELOPMENT SERVICES

The Development Services Department oversees the duties of Planning, Building Inspections, Health Inspections, and Code Enforcement. An inspector position is eliminated because of reduction in development activity. When development picks up the position will be reinstated.

CITY SECRETARY

The City Secretary is appointed by the Council and works closely with the Mayor and the Council.

HUMAN RESOURCES

The Human Resources Department continues to emphasize citywide training for all levels of staff and personnel.

FINANCE

The Finance Department handles all financial function for the City, including accounting, investment, debt management, purchasing, budgeting and coordinating annual audits.

INFORMATION TECHNOLOGY

The Information Technology Department assists in the broadcasting of Council and Zoning and Planning Commission meetings over the Internet and cable TV channels. The Department has stabilized the IT architecture in the City. The department is implementing a fiber optic loop to link-up all city campuses in various locations.

MUNICIPAL COURT

The Municipal Court is fully staffed and administers all function of the Court.

PARKS & RECREATION

Full year funding and staffing needs are provided for the operation of the city parks and recreation center.

AQUATIC PARK

The Aquatic Park offers a number of activities for its customers. The Spray Park is a favorite destination for children. Continuous funding is provided for the efficient operation of the park.

ENGINEERING

The Engineering Department supervises City Engineers, Engineering Inspections, Storm Water Utility and Capital Projects Administration. All of the director's salary is funded in other operating funds. A part-time GIS Intern is included in the budget to help with the increasing development activities.

FIRE

The Fire budget maintains full funding of all authorized positions to staff the three fire stations. A new firefighter/paramedic position is added in 2009-2010.

POLICE

Architectural and engineering designs for the expansion of the jail and the Police/Municipal Court Building are in the process. The Council approved the expansion in the 2007-2008 budget year. The expansion will be funded with the 2010 debt issuance in the summer of 2010.

LIBRARY

The part-time personnel budget for the Library is increased by \$26,000 to extend library hours on Sundays and \$5,000 to enhance the Library collections of books and periodicals.

PUBLIC WORKS

A full-time position is replaced by a part-time position due to improved efficiencies. Continuing street and drainage repairs are emphasized in the 2009-2010 budget. Funding for street maintenance is provided for in the budget.

RESERVES

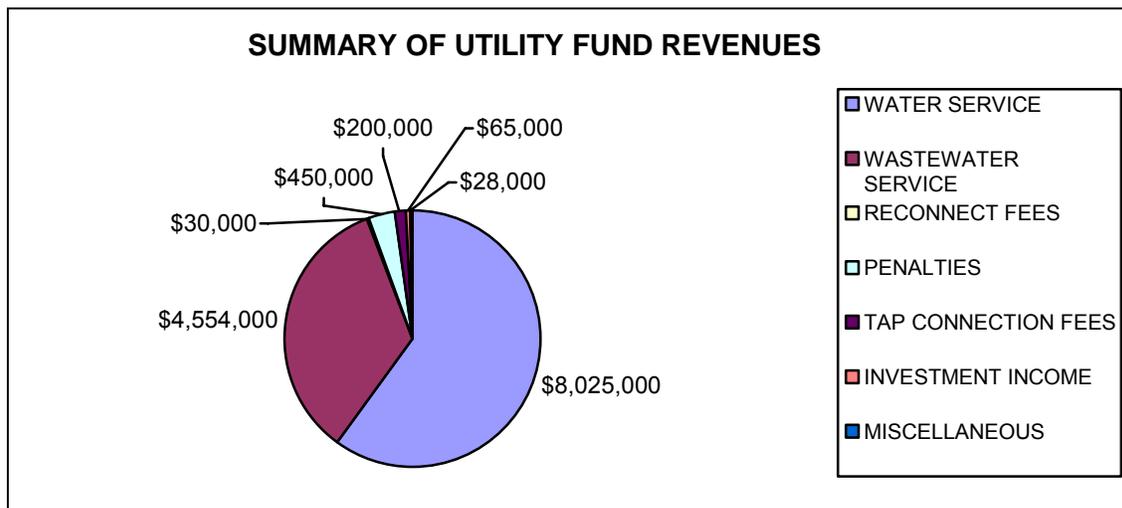
The unreserved and undesignated Fund Balance for the General Fund is budgeted to be \$5,577,962. The balance represents 89 days of Fund Balance or approximately 24.48% of the total annual expenditures. The City has set its goal at sixty (60) days per the City's financial management policies.

UTILITY FUND

The Utility Fund is a proprietary fund, more specifically an enterprise fund. This fund is established to separately account for water and wastewater services.

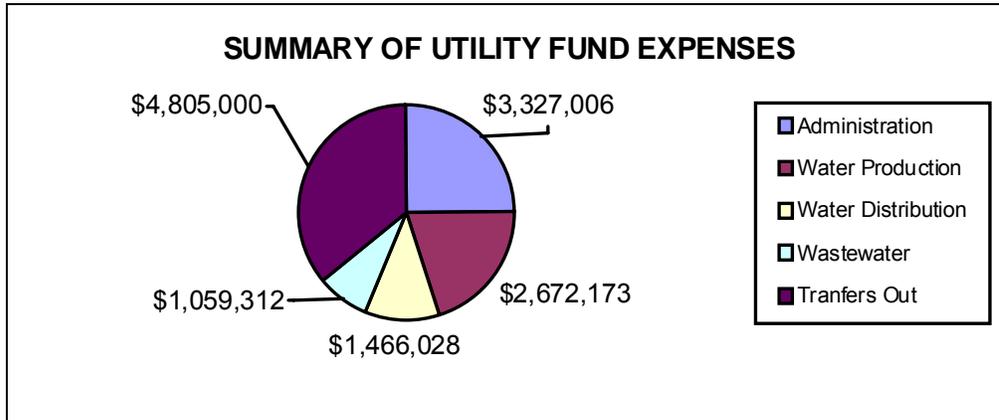
REVENUES

The Utility Fund revenues are budgeted at \$13,352,000 or a 2.38% increase from the revised 2008-2009 budget. There was a slight mid-year upward projection of water revenues for fiscal year 2008-2009. The revenue projection for 2009-2010 does not include a rate increase. Water sales account for 60.10%, wastewater services account for 34.11%, and interest and others account for 5.79% of all Utility Fund revenues. The residential wastewater charges are typically based on a three-month winter average of water usage. The drawdown of fund balance is to pay the escrow deposit to North Texas Municipal Water District. The escrow payment for fiscal year 2009-10 of \$150,000 is for wastewater treatment of Austin Ranch until infrastructure is constructed to treat all wastewater at the City's treatment plant. The total escrow (\$600,000) will be refunded to the City at the end of the contract.



NEW AND SHORT-TERM INITIATIVES AND EXPENSES FOR THE BUDGET YEAR

Expenses for the Utility Fund are proposed at \$7,859,559 and \$5,580,000 of transfers out. This total cost of \$13,439,559 is a 2.42% increase in expenses from 2008-2009 revised budget. This is largely attributed to the increase in transfers out to the Debt Service Fund to start paying for the principal on the Certificates of Obligation, Series 2006. The Certificates of Obligation, Series 2006, was issued in 2006 with the stipulation that payments of the principal would start in August of 2010. The transfer to General Fund was increased by \$500,000 from fiscal year 2008-2009 original budget because of increased allocation of administrative costs.



NON-DEPARTMENTAL

Identical to the General Fund, this cost center is set up to pool various costs associated throughout the Fund. This cost center includes, deposit with North Texas Municipal Water District contract of \$150,000, electricity, workman's compensation insurance, unemployment compensation, and general liability insurance.

WATER PRODUCTION

Dallas Water Utilities, where the city purchases its treated water, has increased its volume rate by 3.0% and increased the demand charge by 3.1%. We did not increase the budget for water purchases from Dallas Water Utilities in anticipation of Well #4 getting on-line.

WATER DISTRIBUTION

A progressive water meter and box replacement program continues in fiscal year 2009-2010. Funding is available from past years. The City, in partner with the City of Carrollton, has completed installing a water main saving millions in construction cost and right-of-way/easement cost. This additional access to water will take care of the City's water needs through final build-out. Due to increased efficiencies a meter reading position is eliminated.

WASTEWATER

This department has an ongoing sludge disposal operation. Construction is completed to expand the capacity of treating wastewater and upgrading the plant to meet the Texas Commission of Environmental Quality regulations. These improvements add more efficiency to this cost center resulting in the elimination of an operator position.

UTILITY ADMINISTRATION

This department continues to handle all billing and collection services for the Utility Fund.

PAYROLL ADMINISTRATION

This department processes employee payroll and have minimal budget impact in fiscal year 2009-2010.

PUBLIC WORKS ADMINISTRATION

This cost center was newly created in the 1995-1996 budget year to better segregate the administrative cost for Public Works area. Half of the Director of Engineering Services is paid out of this fund to better allocate Engineering's involvement in the Utility projects.

FACILITIES MAINTENANCE

Created in the year 1995-1996, this cost center centralizes the City's entire facilities maintenance cost in the Utility Fund. Three full-time positions are included. The building maintenance and improvement budget is increased by \$35,000 from 2008-2009 original budget to provide better upkeep for all City facilities. 15% of the Environmental/Facilities Manager's salaries and benefits are charged to this fund.

RESERVES

The Utility Fund is projected to end the fiscal year at \$3,817,925. This amount reflects the desired 104 days of operating funds for emergency and cash needs. All Debt Service reserve requirements are being met and bond coverage rates are exceeded. The City has set its goal at sixty (60) days per the City's financial management policies.

DEBT SERVICE FUNDS

The City budgets for debt services in three funds: General Debt Service Fund, Utility Tax Supported Debt Service Fund, and Revenue Bond Debt Service Fund. While some of these funds are consolidated for financial reporting purposes, they are isolated and budgeted separately.

All taxable property within the City is subject to the assessment of levy and collection by the City of a continuing direct annual Ad Valorem tax, sufficient to provide for the payment of principal and interests on all Ad Valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum Ad Valorem tax rate to \$2.50 per \$100 assessed valuation for all City purposes. The City operates under a Home Rule Charter, which adopts the constitutional provisions.

The adopted tax rate is \$.688 per \$100 assessed valuation of which \$.196418 is set-aside for debt obligation. Although the State allows the rate to go higher, the State Attorney General's Office will not allow the rate to go higher than \$1.50, unless under appropriate extreme circumstances.

GENERAL DEBT SERVICE

General Debt Service expenditures are budgeted at \$5,293,084 compared to \$5,227,663 in the prior year revised budget. Revenues will be derived from 28.55% of the \$.688 tax rate. This rate

generates \$4,173,497 of tax revenue. \$549,991 is reserved for payment of the Type B Corporation.

UTILITY TAX SUPPORTED DEBT SERVICE

Utility Tax Supported Debt Service expenditures are budgeted at \$2,300,289 compared to \$1,614,961 in the prior year. Revenues will be principally derived from a transfer of \$2,200,000 from the Utility Fund.

REVENUE BOND DEBT SERVICE FUND

The City has refunded the outstanding State Revolving Fund loans made in 1991 and subsequent years because of the favorable interest rate. The total cash outlay savings for 2007-2008 till maturity is \$284,710.75. Revenues are generated to pay this debt by direct fees charged to the residents of the City.

In August of 2004, the City issued \$19,315,000 Water and Sewer System Revenue Bonds to pay for the additions, improvements, and extensions of the City's waterworks and sewer system including the expansion of the sewer treatment plant, ground storage tank, water lines and bond reserve fund of \$1,382,287.03.

Debt service payments of the \$19,315,000 Water and Sewer System Revenue Bonds are structured in such a way that only interests were paid from fiscal year 2004-2005 to 2006-2007 since the MUD debt will be paid off on August 1, 2007. This freed up \$2.625 million to pay for the principal and interest of the 2004 Revenue Bonds. The budgeted revenues for 2009-2010 are at \$2,053,000 with transfers in from impact fees of \$622,000 and from Utility Operating fund of \$1,025,000. Collection of State Revolving Fund fees and investment income makes up the remaining revenues.

OTHER FUNDS

FLEET SERVICES FUND

This cost center was established in 1998 as its own fund identified as an Internal Service Fund. Vehicle maintenance and repairs are included in this cost center. All departments utilizing this service are allocated a vehicle maintenance charge. The budget includes full year funding of the emergency vehicle technician authorized in 2007-2008 to primarily work on emergency response vehicles and free up time of other mechanics to work on other vehicles/equipment.

PARK FUNDS

The budgeted expenditures for Lake Parks Fund are \$236,319 for 2009-2010 and the projected fund balance is \$20,442. It is management's decision to continue to draw down the fund balance. More aggressive marketing efforts will be employed to increase attendance. There is a budgeted transfer of \$35,000 to General Fund for maintenance and administrative services provided by personnel in the General Fund. Hidden Cove Park, although establishing a surplus Fund balance in 1994-1995, has gone into a deficit since the 1996 budget year. The City has attempted to curtail this deficit by transferring supplemental funds of \$110,000 from the General Fund in 2002-2003, 130,000 for the 2003-2004 budget years and \$27,500 for the 2004-2005 budget year. The General Fund has designated \$392,000 in its fund balance to fund the deficit. Operations of the Hidden Cove Park were outsourced as of January 1, 2005. Marine Quest, the company that operates the park, is providing \$50,000 a year to the city as annual rentals. The \$50,000 is

recorded as revenues in the Hidden Cove Park Fund and transferred to the General Fund to repay the advances for subsidizing the park operations in the past years.

ECONOMIC/COMMUNITY DEVELOPMENT TYPE A AND TYPE B FUNDS

On January 17, 1998, the voters of the City of The Colony approved two half-cent sales taxes to promote economic development. Two funds, The Colony Economic Development Type A Fund and The Colony Community Development Type B Fund were established to account for the two half-cent sales taxes. Both funds have budgeted revenues of \$1,498,000 sales tax receipts for fiscal year 2009-2010.

The Colony Economic Development Type A Fund has set aside \$2,500,000 in fiscal year 2009-2010 for economic development incentives to lure development to the City. An economic director and an economic development specialist are paid out of this fund. The fund is also paying a debt service of \$294,863 to the General Debt Service Fund for \$2,850,000 incentives to the Cascades development. \$307,870 is budgeted to be transferred to the Utility Tax Supported Debt Fund for debt service payments for water and sewerage infrastructure improvement approved by the EDC board.

The fund balance is projected to decrease by \$2,303,149 at September 30, 2010 from projected 2009 fund balance. \$2,500,000 incentives are set aside for economic development.

The Colony Community Development is paying for the Five Star Community Complex debt services and other projects approved by its Board. The assistant parks and recreation director is paid out of this fund. The total budget is \$1,475,680 for fiscal year 2009-2010. The fund includes \$175,000 for hike and bike trails, \$75,000 to General Fund for operating costs of Five Star Sports Complex, \$138,148 for partial repayment for funds fronted by General Fund for the Hawaiian Falls parking lot expansion, \$63,500 to the General Debt Service Fund is for debt service payment of the original construction of the Hawaiian Falls parking lot.

STORM WATER UTILITY FUND

The Storm Water Utility Fund was established in fiscal year 2003-2004 to account for storm drainage management pursuant to the Texas Commission on Environmental Quality. The Council approved a loan of \$143,995 from General Fund in fiscal year 2003-2004 to fund cost of service study by outside consultants. In fiscal year 2005-2006, an additional loan of \$115,183 was advanced from the General Fund for engineering services. The fund also borrowed \$250,000 from the General Fund in 2007-2008 to repair drainage on Creek Hollow Way. The expenditure for the repair will be made in 2008-2009. An additional \$185,000 was transferred from General Fund for erosion control at Ridgepoint in 2009-2010. The loans are supposed to be repaid by revenues collected from a monthly fee charged to residential (\$2.50 per month) and commercial units (based on impervious area). The Fund is paying 50% of a senior engineer, 10% of an administrative assistant, a street sweeper, and two maintenance workers. The Storm Water Utility Fund is transferring \$80,000 to the General Fund to repay all the loans. \$25,000 is transferred to the Environmental Fund for the household hazardous waste disposal program. The ending fund balance on September 30, 2010 is estimated to be \$10,721 which is \$13,000 less than 2008-2009 because of various increases.

OTHER SPECIAL FUNDS

An Environmental Fund has been established to handle the City's recycling program, which has been very successful. 85% of the Environmental/Facilities Manager's position is funded from this program along with various expenses dealing with recycling education. Revenues applied to this fund are from recycling charges and any grant revenues awarded to the City. There is a budgeted transfer of \$44,000 from the General Fund for reimbursing the Environmental/Facilities Manager's service for the solid waste disposal program and \$25,000 from the Storm Water Utility

Fund for the household hazardous waste disposal program. Expenditures exceed revenues in 2009-2010 and it is management's decision to draw down fund balance.

The Hotel/Motel Tax Fund was established in fiscal year 1998-1999. The City collects 7% hotel/motel occupancy tax. Two new hotels at the Cascades, Residence Inn and Fairfield Inn, started operation in the summer of 2009. \$189,454 is transferred to Special Events Fund for attracting tourists for July 4th, Christmas, Veteran's Day and Pirate Days celebrations. \$10,000 is transferred to the Community Center Fund for operation needs. \$60,996 is transferred to General Fund for overtime and part of the staff's time incurred in promoting tourism during the July 4th and Veteran's Day events. The fund is paying 10% of the special events coordinator's and athletics coordinator's and 100% of a part-time Convention and Visitor Bureau Coordinator's salaries and fringe benefits started in 2007-2008 and continue into 2009-2010.

The Engineering Inspections Fund was created to account for inspection fee revenues and expenditures. The Fund has four inspector positions authorized, but only three inspectors are budgeted in this fund for fiscal year 2009-2010 with one inspector being paid out of the Capital Projects Administration Fund. When development starts to pick up, the position may be filled to handle the additional workload. Funding is from inspection fees of \$140,000. The ending fund balance as of September 30, 2010 is estimated to be \$11,782 which is lower than 2008-2009 projected fund balance due to the slower economy and increase in outsourcing engineering services.

The Capital Projects Administration Fund was created in fiscal year 2003-2004 to simplify the accounting of engineering personnel. Revenues are transferred from the Bond Funds to fund the director of engineering services (25%), an inspector (100%), lead inspector (100%), customer service representative (100%), engineer (100%), senior engineer (50%), an administrative assistant (90%), and the Finance capital project accountant (20%). The total budgeted expenditures are \$463,547 for fiscal year 2009-2010. It is also management's decision to draw down fund balance.

Special Events Fund provides residents with activities to celebrate July 4th, Veteran's Day, Pirate Days, Christmas and other events. Funding is from donations, transfers from General Fund of \$64,294 and Hotel/Motel Tax Funds of \$189,454. Total budgeted expenditures for fiscal year 2009-2010 are \$263,998. A special events coordinator is funded partly by General Fund. The ending fund balance is estimated to be \$104,116 for fiscal year 2009-2010. Reduction of funding the Christmas Light Show contributes to surplus in 2009-2010. More special events and celebrations are planned and is putting prior year surplus to better serve the citizens.

The Community Center Fund was created for fiscal year 2005-2006 to account for the revenues and expenditures of operating a Community Center. The fund employs one full-time staff and three part-time personnel. The activities at the Community Center are subsidized by the General Fund and the Hotel/Motel Tax Fund. Actual expenditures were below budget in previous years. For 2008-2009 and 2009-2010, expenditures are budgeted to exceed revenues and it is anticipated that past practices of operating below budget will prevail.

The Court Security and the Court Technology Funds are included in the 2009-2010 adopted budget. These funds derived revenues from fees collected from traffic offenders and are dedicated to improve security and technology for the Court. A video security system (\$130,000) to enhance security in the Police/Court building. These capital expenditures are causing the fund balance to decrease by \$102,700 in the Court Security Fund. The Court Technology Fund sustains a surplus of \$13,500 because budgeted revenues exceed budgeted expenditures. The projected fund balance at September 30, 2010 for Court Security Fund is \$163,155 and for Court Technology Fund is \$36,525.

ACTIVITY ENHANCEMENTS

The schedules on page 384 include the approved capital projects and enhancements (vehicles and other equipment), totaling \$16.8 million to be financed by the 2010 Certificates of Obligation. A full-time public works position is replaced with a part-time position and an inspector position in the Development Services Department is eliminated. These reductions in force can be achieved through improved efficiencies while maintaining excellent customer service to our citizens. A part-time Convention and Visitors Bureau position is added and being funded in the Hotel/Motel Tax Fund. The staff is working closely with The Colony Chamber of Commerce to promote tourism in The Colony. In the Utility Fund a meter reading position and a wastewater treatment plant operator position are eliminated also due to improved efficiencies.

One new full-time position is added to the operating budgets of the General Fund to increase support for public safety.

STRATEGIC AND LONG-RANGE PLANNING

The City has entered into a higher phase of planning for the near future and beyond, starting in early part of 1998 and continuing into the present. All departments provide five-year forecasts of projected goals, enhancements, and capital needs. The purpose is to start strategically planning for growth in the City's operational and capital budgets.

The strategic planning includes long-range mission statements as well as major future goals and anticipated programs. These include extra personnel needs, extra operational expenses, and tie to a long-range capital improvement program, which includes future capital projects.

This phase of planning allows the City to start focusing further into the future than one year at a time during the budget process. This process also formalizes the City's long-term policies and goals.

The strategic plan outlines the personnel and capital needs and is presented to Council before presentation of the operating budget. Based on the strategic plan, priorities are set in establishing the service level to the needs of the citizens. The operating budget incorporates the new or enhanced programs in financial terms with added personnel and capital outlays developed in the strategic plan.

The schedules on pages 40-48 outline each department's request for capital improvements and personnel positions. This outline is for the current and the next five years and will be updated annually for modifications and changes. Information from this planning device will be used for budget purposes and future bond issues.

The first schedule, on pages 40-44, summarizes the City of the Colony Improvements Program Requests Summary by fund and by department for each year. A total breakdown of dollars is accumulated at the end of the schedule by fund and by year.

The second schedule, pages 45-48, summarizes the City of the Colony Personnel Requests Summary by fund and by department for each year. A total breakdown of positions and dollars are accumulated at the end of the schedule by fund and by year.

In fiscal year 2002-2003, the City implemented performance measurements to better gauge management effectiveness and public accountability. Performance measurements help the City to allocate resources in support of organization goals, objectives, and service level.

Periodic reports are produced to compare actual results to performance goals. Significant deviations from performance goals are researched and explained. Management believes that aligning performance measurements with the budget process will assist in decision-making and improve service deliveries.

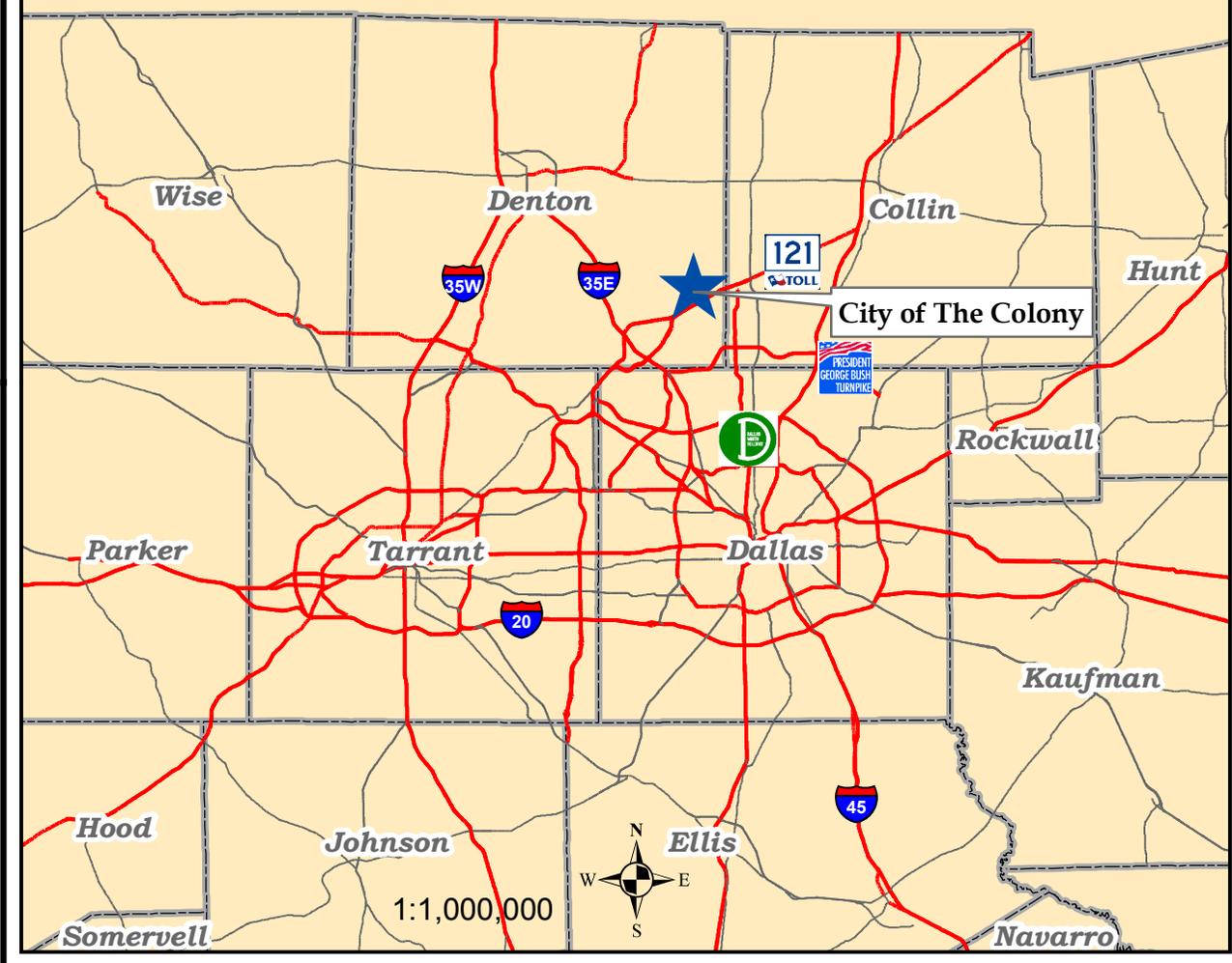
Highlights of Strategic Plan with FY 2010 Budget

Strategic Performance Area	Related Items in the FY 2010 Budget
Growth management.	The City is expecting doubling its population in the next ten to fifteen years. To accommodate the growth and to relieve congestion of thoroughfares, the City is partnering with the County, the State, and the Council of Governments to widen streets and Farm-to-Market 423. The City is also partnering with a developer for the construction of a lift station, force main and gravity trunk sewer line in Austin Ranch. The 4A Fund is contributing the City's portion as economic incentives.
Review of revenue strategies and alignment of City revenues to strategic goals and services.	Management has reviewed the water and sewer rates to determine if rate increases are necessary to continue providing safe drinking water and treatment of wastewater. It is determined that no rate adjustments are necessary for fiscal year 2009-2010. The tax rate is reduced from 69 cents to 68.8 cents per \$100 valuation in response to citizens' desire for a lower tax rate and to stimulate economic growth. Other fees are revised to approximate costs and surrounding cities.
Enhancements of City image.	The budget provides funding for replacement of light poles at public parks, construction of Hike and Bike Trails, special events celebration, parks upkeep and expansion of library hours and collections.
Providing and maintaining adequate infrastructure.	Adequate funding for street maintenance, expansion of Police and Court Building, construction of Public Services Building, replacement of water and sewer lines, expansion of lift station, and drilling of well #4 are included in the operating budget and from the planned issuance of debt in fiscal year 2010.
Excel in customer service.	Spending on technology is maintained in fiscal year 2010 to redesign the delivery of government services through innovative technology. A fiber-optic loop to connect city facilities and for future expansion is in the plan. \$250,000 is appropriated for part of the loop. Various technology upgrades in hardware and software are planned. A part-time Convention and Visitors Bureau position is created to promote and draw tourists to visit the City.
Public Safety enhancement.	A new position is approved in the Fire Department in fiscal year 2010 budget. The addition of personnel will continue to provide residents with a safe living environment and a quality community.



Dallas/Fort Worth Metro Area, Texas

Location of The City of The Colony



BACKGROUND INFORMATION

THE COLONY, TEXAS

COMMUNITY:

The City of The Colony is located in north central Texas, approximately 15 miles north of downtown Dallas on the eastern shore of Lake Lewisville in Denton County. The City is included in the Dallas-Fort Worth Metroplex, identified as one of the fastest growing metropolitan areas in the United States. At 15.86 square miles, The Colony is home to middle and upper class families, most of which commute and work in the north Dallas corridor and the Dallas-Fort Worth Airport area.

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

Year	Estimated Population ^a	Personal Income	Per Capita Personal Income ^b	Median Age ^b	Median Household Income ^b	School Enrollment ^c	Unemployment Rate ^d
2000	28,500	652,735,500	22,903	28	58,418	6,747	2.2%
2001	28,841	660,545,423	22,903	28	58,418	6,658	3.6%
2002	31,000	709,993,000	22,903	31	64,341	6,674	5.0%
2003	32,314	740,087,542	22,903	31	66,956	6,727	5.3%
2004	35,796	819,835,788	22,903	31	71,621	6,730	3.9%
2005	36,450	834,814,350	22,903	32	74,852	6,670	4.7%
2006	37,386	856,251,558	22,903	32	79,071	6,609	3.8%
2007	39,300	1,155,144,900	29,393	32	80,827	6,703	4.0%
2008	39,850	1,469,428,900	36,874	33	88,804	6,584	4.8%
2009	40,588	1,478,620,840	36,430	33	90,162	6,536	7.7%

Sources:

^a Estimated Population – City of The Colony

^b Per Capital Income, Median Age and Median Household Income – Community Sourcebook of Zip Code Demographics

^c School Enrollment – Texas Education Agency

^d Unemployment – Texas Workforce Commission

Note:

Personal Income is calculated by multiplying estimated population by per capita personal income.

GOVERNMENT:

The City was incorporated in 1977 and is operating under a Home Rule Charter adopted by voters in 1979 with a Council-Manager form of government. The Home Rule Charter was last amended in January 2002. The City Council is comprised of a Mayor and six Council members who enact local legislation, determine policies, and adopt the City's annual budget. The Mayor and Council members serve staggered three-year terms.

The City Manager is appointed by the City Council and is responsible to them for the management and proper administration of the affairs of the City.

SERVICES:

A full range of municipal services provided by the City include general administrative services, public safety (police, fire, and emergency medical services), municipal court, public works, culture and recreation, planning and zoning, public improvements, code enforcement, storm water management and water and wastewater utilities. Sanitation collection services are provided through a private contractor with sanitation fees added to municipal utility bills. Elementary and secondary education services within the City are provided by the Lewisville Independent School District.

BUSINESS AND INDUSTRY:

The prospects for the future of The Colony are promising and very optimistic. City officials and the business community strongly believe that the North Central Texas economy will continue to outperform the rest of the country.

Commercial development adjacent to the improved State Highway 121 is planned for future years. The Colony and the Dallas-Fort Worth Metroplex have a highly diversified business environment. A planned and continued emphasis on commercial development is a committed goal for future years. Several major corporations have selected and relocated their national headquarters to the north Dallas area. J.C. Penney, Electronic Data Systems, Frito Lay, a distribution center for Edward Don & Co. and Pizza Inn, are only a few of the major companies who are now located close to or in The Colony.

FUTURE:

The City of The Colony has demonstrated a strong commitment to excellence in service delivery, and in assuring a quality community for citizens of today and tomorrow. A balanced approach of planning, quality maintenance of the community assets, prudent stewardship of public funds and strong customer service efforts are the goals of the City of The Colony. Through the policy leadership of the City Council, and the involvement of numerous citizens in advisory committees, the City attempts to be responsive to the desires of the citizenry.

CITY OF THE COLONY

TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2009/10 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Residences of Austin Ranch Ph IV LTD	Investor (Real Estate)	\$ 38,000,000	1.77%
Residences of Austin Ranch Ph I	Investor (Real Estate)	36,502,098	1.70%
Residences of Austin Ranch Ph II	Investor (Real Estate)	34,000,000	1.58%
Residences of Austin Ranch Ph I-IV LTD	Investor (Real Estate)	32,600,000	1.52%
Estancia at Morningstar II LP	Apartment Complex	24,057,853	1.12%
Wal-Mart	Investor (Real Estate)	23,198,990	1.08%
Sonoma Grande at The Legends LP	Apartment Complex	23,176,013	1.08%
Residences of Austin Ranch Ph V	Investor (Real Estate)	22,971,671	1.07%
Bristol Oaks Apartments P/S II LP	Apartment Complex	17,437,000	0.81%
Wynnwood Peninsula Venture	Investor (Real Estate)	15,472,425	0.72%
		<u>\$ 267,416,050</u>	<u>12.46%</u>

TEN LARGEST WATER CUSTOMERS

Customer	Type of Business	Consumption (000s of Gallons)	% of Total Usage
Austin Ranch Phase I-V	Apartment Complex	75,688	5.06%
City of Frisco (Stonebriar)*	Golf Course	67,971	4.54%
City of The Colony	Municipality	46,108	3.08%
Lewisville ISD	School District	41,122	2.75%
Bristol Oaks Apartments	Apartment Complex	17,965	1.20%
The Legends Texas HOA, Inc	Home Owners Association	17,962	1.20%
Estancia at Morningstar	Apartment Complex	17,080	1.14%
Sonoma Grande at the Legends	Apartment Complex	17,033	1.14%
Budget Suites	Apartment Complex	16,639	1.11%
Billingsley Property Services	Development	13,030	0.87%

* Effluent water

CITY OF THE COLONY

MAJOR BUSINESSES

<u>Name of Business</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Lewisville ISD	Education	722
City of The Colony	Municipality	389
Wal-Mart	Discount Store	364
Hawaiian Falls Water Park	Water Park	230
Home Depot	Hardware Store	119
Edward Don & Company	Distribution Center	105
Texas Roadhouse	Restaurant	103
Tribute	Hotel/Golf	90
Kroger	Grocery Store	50
Austin Ranch	Apartments	47
Pizza Inn	Corporate Office	46
IHOP	Restaurant	45
Angelina's	Restaurant	40
CVS Pharmacies	Drug Store	40
Golden Corral	Restaurant	35
Stan's Lakeside	Restaurant	35
Ross Dress for Less	Retail	22

UTILITY CONNECTIONS

<u>Fiscal Year Ended 9/30</u>	<u>Number of Water Connections</u>	<u>Number of Sewer Connections</u>
2009	11,677	11,260

CITY OF THE COLONY POPULATION GROWTH

FISCAL YEAR	ESTIMATED POPULATION
1991	23,475
1992	23,600
1993	24,081
1994	24,442
1995	24,809
1996	24,947
1997	25,450
1998	26,300
1999	27,400
2000	28,500
2001	28,841
2002	31,000
2003	32,314
2004	35,796
2005	36,450
2006	37,386
2007	39,300
2008	39,850
2009	40,588
2010	41,000

DENTON COUNTY EMPLOYMENT STATISTICS

	September 2009	September 2008	September 2007	September 2006
Civilian Labor Force	351,425	337,284	331,422	319,998
Total Employed	324,538	321,151	318,328	307,907
Unemployed	26,887	16,133	13,094	12,091
% Unemployed	7.7%	4.8%	4.0%	3.8%

**2009 - 2010 ANNUAL BUDGET
AD VALOREM TAX ASSESSMENT
SUMMARY**

CLASSIFICATION	04 - 05 TOTAL		05 - 06 TOTAL		06 - 07 TOTAL	
Residential						
Land - Homesite	288,731,437		291,355,092		303,281,139	
Improvements - Homesite	1,119,434,051		1,117,472,094		1,135,928,111	
Gross Residential	<u>1,408,165,488</u>		<u>1,408,827,186</u>		<u>1,439,209,250</u>	
Over Age Exemption	(5,373,699)		(5,761,425)		(6,630,000)	
Disabled Persons Exemption	(910,000)		(910,000)		(1,020,000)	
Disabled Veterans Exemption	(1,079,500)		(1,200,500)		(1,283,500)	
House Bill 366	(2,914)		(30,544)		(3,798)	
Pollution	(21,049)		(21,049)		(21,049)	
Prorated Exempt Property	(20,992)		(24,529)		-	
Homestead Cap Adjustment	(1,257,551)		(938,667)		(1,785,816)	
Net Residential	<u>1,399,499,783</u>	81%	<u>1,399,940,472</u>	79%	<u>1,428,465,087</u>	76%
Commercial						
Land - Non Homesite	124,348,136		145,044,417		190,188,350	
Improvements - Non Homesite	178,736,109		209,199,952		251,108,360	
Personal Property	71,570,200		77,954,909		66,733,924	
Minerals	-		-		25,201,650	
Gross Commercial	<u>374,654,445</u>		<u>432,199,278</u>		<u>533,232,284</u>	
Abatement	(4,069,448)		(3,794,528)		(8,371,675)	
Freeport	(988,398)		(1,316,490)		(5,931,303)	
Exempt Property	(46,351,581)		(51,634,185)		(69,801,485)	
Net Commercial	<u>323,245,018</u>	19%	<u>375,454,075</u>	21%	<u>449,127,821</u>	24%
Farm Land						
Land - AG Market	133,138,817		119,849,545		144,934,528	
Land - Exempt AG/Timber Mkt	42,480		2,862,990		-	
Agricultural Exemption	(132,831,056)		(119,568,514)		(144,653,590)	
Net Farm Land	<u>350,241</u>	0%	<u>3,144,021</u>	0%	<u>280,938</u>	0%
Net Assessment	<u>1,723,095,042</u>	100%	<u>1,778,538,568</u>	100%	<u>1,877,873,846</u>	100%

**2009 - 2010 ANNUAL BUDGET
AD VALOREM TAX ASSESSMENT
SUMMARY (CON'T)**

CLASSIFICATION	07 - 08 TOTAL		08 - 09 TOTAL		09 - 10 TOTAL	
Residential						
Land - Homesite	318,867,344		326,167,816		369,149,358	
Improvements - Homesite	1,186,127,984		1,207,897,394		1,191,076,912	
Gross Residential	1,504,995,328		1,534,065,210		1,560,226,270	
Over Age Exemption	(7,355,753)		(8,000,000)		(8,240,000)	
Disabled Persons Exemption	(1,147,513)		(1,319,464)		(1,180,000)	
Disabled Veterans Exemption	(1,281,000)		(1,301,500)		(2,658,353)	
House Bill 366	(3,474)		(7,388)		(7,511)	
Pollution	(20,024)		(20,024)		(20,024)	
Prorated Exempt Property	-		-		-	
Homestead Cap Adjustment	(2,792,993)		(1,274,304)		(1,049,860)	
Net Residential	1,492,394,571	74%	1,522,142,530	71%	1,547,070,522	72%
Commercial						
Land - Non Homesite	236,663,985		297,409,342		270,891,422	
Improvements - Non Homesite	271,427,831		307,389,835		325,024,600	
Personal Property	93,318,790		97,394,194		91,725,828	
Minerals	-		-		-	
Gross Commercial	601,410,606		702,193,371		687,641,850	
Abatement	(3,488,045)		(3,770,193)		(3,244,248)	
Freeport	(7,064,259)		(8,970,128)		(6,395,327)	
Exempt Property	(77,255,808)		(78,053,258)		(79,052,394)	
Net Commercial	513,602,494	26%	611,399,792	29%	598,949,881	28%
Farm Land						
Land - AG Market	124,507,965		162,071,245		159,840,111	
Land - Exempt AG/Timber Mkt	-		-		-	
Agricultural Exemption	(124,257,500)		(161,861,273)		(159,584,063)	
Net Farm Land	250,465	0%	209,972	0%	256,048	0%
Net Assessment	2,006,247,530	100%	2,133,752,294	100%	2,146,276,451	100%

CITY OF THE COLONY

Tax Rate for Fiscal Year 2009-2010

Tax Roll	2,146,276,451
Tax Rate	<u>.6880/100 valuation</u>
Gross Taxes	14,766,382
Less: 1% uncollectable	<u>147,664</u>
Net Taxes	<u><u>14,618,718</u></u>

	<u>General Fund</u>	<u>Total Debt Service</u>	<u>General Debt Service</u>	<u>Utility Debt Service</u>
Rate Distrib.	0.49158	0.19642	0.19642	
% of Tax Rat	71.451	28.549	28.549	-
		% of Total Debt	100.00	-
Gross Taxes	10,550,727	4,215,654	4,215,654	-
1% uncollect	<u>105,507</u>	<u>42,157</u>	<u>42,157</u>	-
Net Taxes	<u><u>10,445,220</u></u>	<u><u>4,173,497</u></u>	<u><u>4,173,497</u></u>	-

Tax Rate for Fiscal Year 2008-2009

Tax Roll	2,133,752,344
Tax Rate	<u>.6900/100 valuation</u>
Gross Taxes	14,722,891
Less: 1% uncollectable	<u>147,229</u>
Net Taxes	<u><u>14,575,662</u></u>

	<u>General Fund</u>	<u>Total Debt Service</u>	<u>General Debt Service</u>	<u>Utility Debt Service</u>
Rate Distrib.	0.48928	0.20072	0.20072	
% of Tax Rat	70.910	29.090	29.090	-
		% of Total Debt	100.00	-
Gross Taxes	10,440,002	4,282,889	4,282,889	-
1% uncollect	<u>104,400</u>	<u>42,829</u>	<u>42,829</u>	-
Net Taxes	<u><u>10,335,602</u></u>	<u><u>4,240,060</u></u>	<u><u>4,240,060</u></u>	-

CITY OF THE COLONY

Tax Rate for Fiscal Year 2007-2008

Tax Roll	2,006,247,530
Tax Rate	<u>.6975/100 valuation</u>
Gross Taxes	13,993,577
Less: 1% uncollectable	<u>139,936</u>
Net Taxes	<u><u>13,853,641</u></u>

	<u>General Fund</u>	<u>Total Debt Service</u>	<u>General Debt Service</u>	<u>Utility Debt Service</u>
Rate Distrib.	0.48750	0.21000	0.21000	
% of Tax Rat	69.892	30.108	30.108	-
		% of Total Debt	100.00	-
Gross Taxes	9,780,457	4,213,120	4,213,120	-
1% uncollect	<u>97,805</u>	<u>42,131</u>	<u>42,131</u>	-
Net Taxes	<u><u>9,682,652</u></u>	<u><u>4,170,989</u></u>	<u><u>4,170,989</u></u>	-

Tax Rate for Fiscal Year 2006-2007

Tax Roll	1,877,873,846
Tax Rate	<u>.715/100 valuation</u>
Gross Taxes	13,426,798
Less: 1% uncollectable	<u>134,268</u>
Net Taxes	<u><u>13,292,530</u></u>

	<u>General Fund</u>	<u>Total Debt Service</u>	<u>General Debt Service</u>	<u>Utility Debt Service</u>
Rate Distrib.	0.49401	0.22099	0.18121	0.03978
% of Tax Rat	69.092	30.908	25.344	5.564
		% of Total Debt	82.00	18.00
Gross Taxes	9,276,885	4,149,913	3,402,929	747,067
1% uncollect	<u>92,803</u>	<u>41,465</u>	<u>34,002</u>	<u>7,546</u>
Net Taxes	<u><u>9,184,082</u></u>	<u><u>4,108,448</u></u>	<u><u>3,368,927</u></u>	<u><u>739,521</u></u>



Five Year Capital Improvement Programs

The City requires departments to provide management a five year capital Improvement plan for capital projects and personnel needs. This is an integral part of the City's strategic planning process. Future needs are identified to aid the development of operating and capital budgets. Operating budgets are funded by current revenues, while the capital budgets are funded as one-time uses of surplus fund balance or from debt proceeds. Debt service payments for the retirement of debts are built into the operating budgets by allocating property taxes and transfers from other sources. The following pages outlined the projected needs for the departments.

CITY OF THE COLONY IMPROVEMENTS PROGRAM - SUMMARY

<i>GENERAL FUND</i>	<i>Fiscal Year 2009-2010</i>	<i>Fiscal Year 2010-2011</i>	<i>Fiscal Year 2011-2012</i>	<i>Fiscal Year 2012-13</i>	<i>Fiscal Year 2013-14</i>	<i>Fiscal Year 2014-15</i>
City Secretary						
Upgrade council meeting recording device	5,000					
Agenda preparation software		10,000				
Upgrade office printers		5,000				
City Secretary Total	5,000	15,000	0	0	0	0
Information Technology						
New phone system for City Hall	48,000					
Storage Drives for EMC	30,000					
Network Switches and Switch modules	35,000					
2 Toughbooks and 2 printers for Fire Department	10,000					
Video Security	250,000					
Fiber Optics from PD to Morningstar	150,000					
Fiber Optic Conduit Along Plano PKWY to Windhaven	100,000					
Fiber Optic Conduit along Memorial Drive Main to Paige	100,000					
New phone system for 1 Harris Plaza Complex	28,000					
Automated Dialer	15,000					
New phone system for Police Department	50,000					
Workstations	8,000					
File Server/Application Server	8,000					
GPS Equipment	20,000					
Replace Video Equipment	12,000					
Replacement of 1/3 of City's Workstations		90,000				
Network Switches and/or Switch modules		20,000				
Fiber Optics from North Colony to Memorial along Morningstar		250,000				
Fiber Optics from Morningstar to Main along Memorial		175,000				
Web Filtering System		15,000				
New phone system for Animal Control		10,000				
New phone system for Wastewater		10,000				
Replacement of 1/3 of City's Workstations			90,000			
Data Storage			30,000			
Fiber Optics from Memorial to Windhaven along Plano PKWY			175,000			
Austin Ranch Fire Department			50,000			
New phone system for Fire Station 2			15,000			
New phone system for Aquatics			10,000			
Replacement of 1/3 of City's Workstations				90,000		
Replace USB Batteries City Hall and Fire Station				20,000		
File Server/Application Server				20,000		
Wynnwood Fire Department				50,000		
ArcServer/SDE Replication Server (disaster recovery)				15,000		
New Data Storage System						200,000
Wireless Hotspots around the City						45,000
Video Conferencing						35,000
Information Technology Total	864,000	570,000	370,000	195,000	0	280,000
Parks & Recreation						
Fitness Center Expansion	180,000					
Lightning Detection System	60,000					
Re-tile Recreation Center floors	10,000					
Gym Scoreboard	5,000					
Five Star Community Center		12,000,000				
Gym Floor Replacement					50,000	
Parks & Recreation Total	255,000	12,000,000	0	0	50,000	0

CITY OF THE COLONY IMPROVEMENTS PROGRAM - SUMMARY

<i>GENERAL FUND</i>	<i>Fiscal Year 2009-2010</i>	<i>Fiscal Year 2010-2011</i>	<i>Fiscal Year 2011-2012</i>	<i>Fiscal Year 2012-13</i>	<i>Fiscal Year 2013-14</i>	<i>Fiscal Year 2014-15</i>
Parks & Recreation Maintenance						
Pave gravel parking lot - Lions Club Park	80,000					
Pond Improvements & Aeration - Lions Club Park	200,000					
Replace Wooden Light poles - old sports field	56,400					
Replace 3/4 Ton pickup	26,044					
Medium Duty Dump Truck	68,500					
Skid Steer Front Loader	33,800					
Pave gravel parking lot - Turner Soccer Field		288,000				
Pond Improvements & Aeration - BB Owen Park		150,000				
Pave parking lot - BB Owen and N Colony parks			392,065			
Pave parking lot - Bridges and Miller				448,800		
<i>Parks & Recreation Maintenance Total</i>	464,744	438,000	392,065	448,800	0	0
Aquatic Park						
Rubber safety play surface at Splash Zone	30,000					
UV Sanitation for pool water	75,000					
Repaint splash zone play equipment	20,000					
Salt water sanitizing system for indoor pool	6,900					
Deck heater for winter swim classes	33,400					
Replace overhead roller doors		12,500				
Entrance upgrade w/shade, volleyball, pavilion		33,000				
Additional splash zone waterplay platform		50,000				
Additional splash zone waterplay platform			55,000			
Indoor water entertainment attraction (5 star)			6,500,000			
Rental pavilion				26,500		
Large tipping bucket				120,000		
<i>Aquatic Park Total</i>	165,300	95,500	6,555,000	146,500	0	0
Fire						
Replace Engine 472	553,500					
1 Vehicle for Battalion Chiefs	52,000					
Outdoor Warning Siren Phase 3 of 3	25,000					
EMS Monitor/Defib Units (5)	90,000					
Tools and Equipment for EVT	30,000					
Replace Brush 472		82,000				
Fire Station #4 - Austin Ranch			3,500,000			
Apparatus for Station #4			565,000			
Quint 471				800,000		
Medic 473				240,000		
Fire Station #5 - Wynnwood					4,000,000	
Apparatus for Station #5					570,000	
Third medic unit (based on call volume)					250,000	
<i>Fire Department Total</i>	750,500	82,000	4,065,000	1,040,000	4,820,000	0
Police						
2 Vehicle replacements	45,000					
1 Police vehicle w/new equipment	36,000					
Police - Court Building carpet replacement and remodel	100,000					
Police - Court furniture/fixture replacements	100,000					
Police - Court facility expansion and remodel	8,500,000					
Telescopic Surveillance Camera - Command Trailer	30,000					
AFIX and Livescan fingerprint system	90,000					
Animal Shelter Expansion 1570 square feet		300,000				
Leather, Gun, Handcuffs, and Baton for Officers		63,300				
3 Police vehicles		88,000				
1 Crime scene search unit and equipment		75,000				
6 Police vehicles		153,264				
5 Police vehicles w/radios and equipment			180,000			
1 K-9 cage insert			7,500			
Digital Radio upgrade			275,000			
6 Police vehicles			153,264			
6 Police vehicles				153,264		
12 Panasonic Toughbooks				48,000		
2 Patrol Vehicles w/radios and equipment					72,000	
6 Police vehicles					153,264	
1 Police vehicle (Detective)						28,000
6 Police vehicles						153,264
<i>Police Department Total</i>	8,901,000	679,564	615,764	201,264	225,264	181,264

CITY OF THE COLONY IMPROVEMENTS PROGRAM - SUMMARY

<i>GENERAL FUND</i>	<i>Fiscal Year 2009-2010</i>	<i>Fiscal Year 2010-2011</i>	<i>Fiscal Year 2011-2012</i>	<i>Fiscal Year 2012-13</i>	<i>Fiscal Year 2013-14</i>	<i>Fiscal Year 2014-15</i>
Library						
Convert to RFID	94,030					
Selfcheck system		35,500				
RFID Automated Book returns (3)		44,200				
Microform reader/printer pc based		9,000				
17 Public Access Network Computers			17,000			
Selfcheck system (second unit)			26,100			
Consulting services - Five Star Library			50,000			
17 Public Access Network Computers				17,000		
Five Star Library Facility construction					10,320,960	
<i>Library Total</i>	94,030	88,700	93,100	17,000	10,320,960	0
Public Works						
Continue contracted alley maintenance	200,000					
Continue contracted sidewalk maintenance	120,000					
Asphalt Patch Truck	145,000					
Stump Grinder	6,500					
<i>Public Works Total</i>	471,500	0	0	0	0	0
GENERAL FUND TOTAL	11,971,074	13,968,764	12,090,929	2,048,564	15,416,224	461,264
Note: Capital projects for bond programs are not included here. They are to be submitted by Engineering.						

CITY OF THE COLONY IMPROVEMENTS PROGRAM - SUMMARY

<i>UTILITY FUND</i>	<i>Fiscal Year 2009-2010</i>	<i>Fiscal Year 2010-2011</i>	<i>Fiscal Year 2011-2012</i>	<i>Fiscal Year 2012-13</i>	<i>Fiscal Year 2013-14</i>	<i>Fiscal Year 2014-15</i>
Water Production						
PS #2 pull well pump and piping for inspection/reconditioning	180,000					
PS #2 replace well motor starter, controls, wiring and conduit	40,000					
PS #3 replace fencing and lighting for security. Regrade grounds	100,000					
PS #3 replace electrical & control wiring & conduits	40,000					
EST #2, OCPS #1, PS #1 - treat and clean tanks with Floran	22,000					
PS #2 and 3 install Air conditioning units in control room	30,000					
PS #2 replace valves, piping in high service vault, paint piping	20,000					
Replace truck 6121 (midsize SUV or Mini Van)	28,000					
OCPS - upgrade PLC at OCPS		50,000				
OCPS Rebuild parking lot		30,000				
EST #1,2,3 - Install circulating pumps in tanks		140,000				
EST #3, PS #3, OCPS #2 treat and clean tanks with Floran		32,000				
OCPS - Fence in OCPS building for security		13,000				
OCPS - paint interior and exterior of building		14,000				
Replace truck 6104		27,000				
EST #1 - repaint inside and out, install ladder			250,000			
PS #1 - control building to be replaced, rewired, new controls			150,000			
OCPS inspect and rebuild HS pump #4			40,000			
PS #1, 2 - replace french drain controls and electrical circuits			8,000			
Replace chlorine header piping valves and guages PS 1,2,3			9,000			
OCPS - demolish sewer lift station			15,000			
OCPS - cement rear parking area			80,000			
PS #1 Trinity Well Pump - inspection and reconditioning				180,000		
OCPS - replace controls for HS #1 & #2				100,000		
EST #2 paint interior and exterior, replace fall protection devices				230,000		
PS #2, 3 liners in GSR, refurbish ground storage tank				500,000		
Treat and Clean Wynnwood pump station GST with Floran				13,000		
PS #3 replace fill and conduits in cooling tower				30,000		
Replace truck #6111				26,000		
Ps # 1,2,3 and Wynn, GSR's install circulating pumps in tanks					280,000	
OCPS - paint exterior GST's. Clean and seal bricks					25,000	
EST #3, OCPS #2 - treat and clean tanks with Floran					25,600	
OCPS upgrade operating software and computers					10,000	
EST #2 &3, PS #1,2,3 install sanitation sewer lines					25,000	
PS #1 replace fill and conduits in cooling tower						30,000
PS #2 replace fill on westside of cooling tower, replace conduits						18,000
PS #2 replace electrical, control wiring & conduits to GSR						15,000
All pump stations and EST's upgrade SCADA to Fiber						500,000
Water Production Total	460,000	306,000	552,000	1,079,000	365,600	563,000
Water Distribution						
Residential water line replacement	500,000					
Ditch Witch FX 360 Vacuum Excavator	120,000					
Residential water line replacement		1,000,000				
1 Ton Utility Truck		40,000				
Water Distribution Total	620,000	1,040,000	0	0	0	0
Wastewater						
Backup Phosphorous removal equipment	158,000					
Install new VFD's at ML #2	200,000					
RAS pumping improvements	200,000					
WWTP expansion to 7.0 MGD				6,500,000		
Austin Ranch 20" force main				2,000,000		
Increase ML1 capacity to 15 MG					1,800,000	
Wastewater Total	558,000	0	0	8,500,000	1,800,000	0
Public Works Administration						
Speed Studies	10,000					
Public Works Administration Total	10,000	0	0	0	0	0
Facilities Maintenance						
Replace City Hall and Library Roof	225,000					
Emergency Generator for City Hall	220,000					
Parking Lot construction for Animal Control	25,000					
Parking Lot maintenance for City lots	20,000					
Covered storage area for FS #2 and Facility Maintenance	75,000					
Parks and Rec ceiling and floor upgrade	75,000					
Facilities Maintenance Total	640,000	0	0	0	0	0
UTILITY FUND TOTAL	2,288,000	1,346,000	552,000	9,579,000	2,165,600	563,000

CITY OF THE COLONY IMPROVEMENTS PROGRAM - SUMMARY						
<i>SPECIAL FUNDS</i>	<i>Fiscal Year 2009-2010</i>	<i>Fiscal Year 2010-2011</i>	<i>Fiscal Year 2011-2012</i>	<i>Fiscal Year 2012-13</i>	<i>Fiscal Year 2013-14</i>	<i>Fiscal Year 2014-15</i>
Engineering Inspections						
Replace 2 vehicles	60,000					
Replace 1 vehicle		30,000				
Engineering Inspections Total	60,000	30,000	0	0	0	0
Lake Parks						
Electrical Upgrades - Phase I	65,500					
Permanent Storage Facility	33,500					
RV Site Upgrades	35,200					
Electrical Upgrades - Phase II		50,000				
Camping/Picnic Table Sites		25,000				
Swim Area and Beach Expansion		40,000				
Playground Equipment		50,000				
Gazebo			45,000			
Fishing Pier			50,000			
Basketball Court				40,000		
Road Improvements				200,000		
Lake Parks Total	134,200	165,000	95,000	240,000	0	0
Special Events						
Inflatable Movie Screen	14,000					
Concession Equipment	8,500					
Replacement Christmas Tree	25,000					
Fireworks Barge			65,000			
Special Events Total	47,500	0	65,000	0	0	0
Fleet Services						
Phase I of the PW/Fleet/Utilities building and parking area	2,503,000					
Used pickup truck	15,300					
10,000 gallon fuel dispensing system		135,000				
5,000 gallon diesel fuel dispensing system		100,000				
Suspension aligning equipment			30,000			
Texas state vehicle inspection equipment				12,800		
Air compressor					10,000	
Parts washing machine						5,000
Fleet Services Total	2,518,300	235,000	30,000	12,800	10,000	5,000
Stormwater Utility						
Redesign and construct effective stormwater collection/release infrastructure to repair deteriorated concrete flumes/panels west of Ragan between N Colony and Pruitt	25,000					
Stormwater Utility Total	25,000	0	0	0	0	0
Community Development						
Pave parking lots at N Colony Little League fields	213,500					
Friendship park playground renovation	80,000					
Dave Cowen park playground renovation	80,000					
Carr Chapman park playground renovation	80,000					
Wilcox park playground renovation	80,000					
Stewart Creek Park master plan	30,000					
Image enhancement projects	25,000					
Trailhead bathroom facilities - Stewart Creek Park		80,000				
Trailhead bathroom facilities - Ridgepointe Park		80,000				
Bill Allen Memorial Park bathroom facilities		80,000				
Five Star storage and maintenance facility		750,000				
Historical Parks development		150,000				
Ridgepointe park improvements		125,000				
Image enhancement projects		25,000				
Four plex softball facility			3,250,000			
Kids Colony playground addition			100,000			
Park Loop trail - Electric Easement North			750,000			
Image enhancement projects			25,000			
Dog Park development				175,000		
Austin Ranch Hike & Bike Trail extension				750,000		
Landscape and Beautification projects				50,000		
Turner Soccer Complex renovations					650,000	
Little League Fields renovation					3,000,000	
Landscape and Beautification projects					50,000	
Community Development Total	588,500	1,290,000	4,125,000	975,000	3,700,000	0
SPECIAL FUNDS TOTAL	3,373,500	1,720,000	4,315,000	1,227,800	3,710,000	5,000
GENERAL FUND TOTAL	11,971,074	13,968,764	12,090,929	2,048,564	15,416,224	461,264
UTILITY FUND TOTAL	2,288,000	1,346,000	552,000	9,579,000	2,165,600	563,000
SPECIAL FUNDS TOTAL	3,373,500	1,720,000	4,315,000	1,227,800	3,710,000	5,000
TOTAL	17,632,574	17,034,764	16,957,929	12,855,364	21,291,824	1,029,264

CITY OF THE COLONY PERSONNEL - SUMMARY

GENERAL FUND	Fiscal Year 2009-2010		Fiscal Year 2010-2011		Fiscal Year 2011-2012		Fiscal Year 2012-2013		Fiscal Year 2013-14		Fiscal Year 2014-15	
	Positions	Cost	Positions	Cost	Positions	Cost	Positions	Cost	Positions	Cost	Positions	Cost
General Administration												
CVB Coordinator	1	33,960										
General Admin Total	1	33,960	0	0	0	0	0	0	0	0	0	0
City Secretary												
Administrative Assistant	1	42,300										
Records Technician							1	42,300				
City Secretary Total	1	42,300	0	0	0	0	1	42,300	0	0	0	0
Information Technology												
Webmaster/Media Specialist	1	69,300										
GIS Technician - Part time	1	29,674										
Helpdesk Technician	1	51,300										
GIS Technician			1	62,494								
Network Technician			1	55,000								
Information Technology Total	3	150,274	2	117,494	0	0	0	0	0	0	0	0
Parks & Recreation Administration												
Building Attendant	1	49,178										
Community Center Programs Leader	1	10,388										
Programs Leader			1	10,820								
Five Star Community Center Supervisor			1	56,950								
Five Star Community Center Asst Supervisor			1	52,110								
Programs Coordinator					1	95,540						
Recreation Leaders					1	129,845						
Athletics Leader							1	10,820				
Programs Leader									1	10,820		
Parks & Recreation Administration Total	2	59,566	3	119,880	2	225,385	1	10,820	1	10,820	0	0
Parks & Recreation Maintenance												
Playground and Trails Crew Leader			1	50,161								
Seasonal Maintenance Workers			2	28,237								
Chemical Applicator					1	74,118						
Maintenance Worker Parks and Trails Crew							1	60,514				
Maintenance Worker Mowing Crew									1	40,970		
Seasonal Maintenance Workers											1	14,118
Parks & Recreation Maintenance Total	0	0	3	78,398	1	74,118	1	60,514	1	40,970	1	14,118
Aquatic Park												
Level 2 Lifeguard (per state code)	1	8,983										
Staffing for indoor water attraction (5 star)						TBA						
Aquatic Park Total	1	8,983	0	0	0	0	0	0	0	0	0	0
Fire												
Reclassify Captain to Battalion Chief												
Reclassify Lieutenant to Captain	3	39,000										
Firefighters	3	263,894										
Fire Inspector			1	75,516								
Firefighters			3	154,764								
1/2 Staffing for Station #4					6	400,000						
1/2 Staffing for Station #4							6	400,000				
1/2 Staffing for Station #5									6	400,000		
Training/EMS Chief									1	150,000		
Staffing for third Medic											6	410,000
Fire Department Total	6	302,894	4	230,280	6	400,000	6	400,000	7	550,000	6	410,000
Police												
Patrol Officers	2	173,628										
Communication Officers	1	49,037										
Jailers	2	88,598										
Jailer/Supervisor	1	53,485										
Animal Control Officer	1	47,726										
Detective Professional Standards Division			1	76,814								
Detective w/upgrade to Sergeant			1	93,554								
Communication Officer			1	49,037								
Crime Scene Tech / Property Room			2	135,452								
Bicycle Patrol Officer (Trails)			1	86,814								
Patrol Officers					4	347,256						
Police Detective / K-9 Officer					1	94,314						
Bicycle Patrol Officer (Trails)					1	50,814						
Community Resource Officer / PIO					1	86,814						
Animal Control Officer							1	47,726				
Communication Officers							2	98,074				
Patrol Officers									4	347,256		
Assistant Chief of Police									1	136,814		
Police Detective											1	76,814
Police Department Total	7	412,474	6	441,671	7	579,198	3	145,800	5	484,070	1	76,814

CITY OF THE COLONY PERSONNEL - SUMMARY

<i>GENERAL FUND</i>	<i>Fiscal Year 2009-2010</i>		<i>Fiscal Year 2010-2011</i>		<i>Fiscal Year 2011-2012</i>		<i>Fiscal Year 2012-2013</i>		<i>Fiscal Year 2013-14</i>		<i>Fiscal Year 2014-15</i>	
	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>
Library												
Youth Services Library Assistant (R-FT)	1	45,052										
Page (R-FT)	1	10,066										
Reference Librarian (R-FT)	1	11,339										
Circulation Clerk (R-FT)	2	15,085										
Adult and Outreach Services Library Assistant (R-FT)			1	45,052								
Circulation Clerk (R-FT)			1	14,490								
Youth Services Librarian					1	58,105						
Technical Services Library Assistant (R-FT)					1	45,052						
Page (R-FT)					1	10,066						
Staffing for new Library												TBD
<i>Library Total</i>	5	81,542	2	59,542	3	113,223	0	0	0	0	0	0
Public Works												
Maintenance workers for Asphalt patch crew	2	74,437										
Traffic Signal Technician			1	35,000								
<i>Public Works Total</i>	2	74,437	1	35,000	0	0	0	0	0	0	0	0
GENERAL FUND TOTAL	28	1,166,430	21	1,082,265	19	1,391,924	12	659,434	14	1,085,860	8	500,932

CITY OF THE COLONY PERSONNEL - SUMMARY

<i>UTILITY FUND</i>	<i>Fiscal Year 2009-2010</i>		<i>Fiscal Year 2010-2011</i>		<i>Fiscal Year 2011-2012</i>		<i>Fiscal Year 2012-2013</i>		<i>Fiscal Year 2013-14</i>		<i>Fiscal Year 2014-15</i>	
	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>
Water Distribution												
Operator	1	46,070										
Operator			1	46,070								
Operator					1	46,070						
Operator							1	46,070				
Operator									1	46,070		
<i>Water Distribution Total</i>	1	46,070	1	46,070	1	46,070	1	46,070	1	46,070	0	0
Water Production												
B shift Operator					1	43,979						
<i>Water Production Total</i>	0	0	0	0	1	43,979	0	0	0	0	0	0
Public Works Administration												
Management Intern	1	36,250										
<i>Public Works Administration Total</i>	1	36,250	0	0	0	0	0	0	0	0	0	0
Facility Maintenance												
Facility Maintenance Worker	1	48,108										
<i>Facility Maintenance Total</i>	1	48,108	0	0	0	0	0	0	0	0	0	0
UTILITY FUND TOTAL	3	130,428	1	46,070	2	90,049	1	46,070	1	46,070	0	0

CITY OF THE COLONY PERSONNEL - SUMMARY

<i>SPECIAL FUND</i>	<i>Fiscal Year 2009-2010</i>		<i>Fiscal Year 2010-2011</i>		<i>Fiscal Year 2011-2012</i>		<i>Fiscal Year 2012-13</i>		<i>Fiscal Year 2013-14</i>		<i>Fiscal Year 2014-15</i>	
	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>	<i>Positions</i>	<i>Cost</i>
	0	0	0	0	0	0	0	0	0	0	0	0
SPECIAL FUNDS TOTAL	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL FUND TOTAL	28	1,166,430	21	1,082,265	19	1,391,924	12	659,434	14	1,085,860	8	500,932
UTILITY FUND TOTAL	3	130,428	1	46,070	2	90,049	1	46,070	1	46,070	0	0
SPECIAL FUNDS TOTAL	0	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	31	1,296,858	22	1,128,335	21	1,481,973	13	705,504	15	1,131,930	8	500,932