

The Colony, Texas

Annual Budget 2013/2014





Annual Operating Budget For Fiscal Year 2013/2014

This budget will raise more total property taxes than last year's budget by \$787,500 or 5.9% and of that \$157,385 is tax revenue to be raised from new property added to the tax roll this year.

The proposed tax rate of \$.6775 per \$100 valuation which is ¼ cent less than the current tax rate of \$.6800 per \$100 valuation.

Record Vote on Tax Rate:

At the meeting on September 17, 2013, the members of the governing body voted to approve the budget for the 2013/2014 fiscal year as follows:

FOR:	Marks, Shrag, Terre, McCourry, Connelly, Boyer
AGAINST:	None
PRESENT and not voting:	None
ABSENT:	Mikulec

Property Tax Comparison:

	<u>2012/2013</u>	<u>2013/2014</u>
Adopted Tax Rate	.680	.6775
Effective Tax Rate	.691431	.632009
Effective Maintenance/Operations Tax Rate	.460260	.459022
Rollback Tax Rate	.712118	.664372
Debt Rate	.219740	.218478

City Debt Obligations Secured by Property Taxes

\$ 4,702,200.00

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Letter to Mayor and Council

The Honorable Mayor and City Council,

In accordance with Civil Statutes of Texas and the City Charter, the annual budget, for the fiscal year October 1, 2013 through September 30, 2014, is presented for your consideration. The Budget is an important policy document because it presents in financial terms the overall plan to accomplish the City's program of services during the upcoming fiscal year.

Highlights and Issues of the 2013-2014 budget:

Ad Valorem Taxes are the City's major revenue source. Total current Ad Valorem Taxes budgeted this year are \$15,473,954, which is \$787,000 more than the prior year. The increase is attributed to an increase in the City's tax base of about \$117 million, offset by a reduction in the tax rate from 68 to 67.75 cents per \$100 dollars of valuation. A collection rate of 99% is used as taxpayers have consistently been current on their property taxes during the past numerous years.

Sales Tax receipts were increased by \$200,000 from the prior year's budget as collections in 12-13 trended 3% higher than 11-12, which the budget was based.

Building permit fees were increased by \$364,000 from the prior year budget as residential construction in the Tribute improved significantly in 12-13 and is expected maintain this pace in 13-14. Home values and sizes in the Tribute are significantly higher and larger than the City has experienced in the past, which adds to the permit fee.

Court Fines were increased by \$200,000 as 12-13 revenues were strong and continued street construction is expected during the budget year.

Allocated Costs were kept the same as prior years. General Fund internal service department costs allocated to other Funds is \$3,945,663. Allocated to the Utility Fund is \$2,549,649, Parks \$1,049,887, and 4A, 4B, and Capital Projects Admin Funds make up the balance of \$346,127.

This budget doesn't include any additional funding sources from debt, and a little over \$1.6 million in replacement equipment and vehicles and additional street and sidewalk repairs.

Ending Fund balance in the General Fund is maintained at 80 operating days in reserves, and 60 operating days in Utility and Parks Funds.

Economic incentives have been budgeted in the Economic Development (Type A) Fund to promote new enterprises and residential development and to retain existing business.

To assure a quality community, cultural and leisure activities, and park improvements, funding has been provided in the Special Events and CDC (Type B) budgets.

The total adopted budget is \$51,354,191, excluding transfers out, a 3 percent decrease from the 12-13 revised budget.

Economic Development

The Nebraska Furniture Mart TIRZ was established November 2012 and the 433 acre \$1.5 billion dollar project is expected to open its anchor store in March 2015. Construction will bring thousands of jobs to the City. The anchor store itself is expected to employ around 2,000 people when operational. Commercial interest surrounding the TIRZ has increased dramatically.

The widening of FM 423 (Main Street) to a 6 and 8 lane divided street has increased redevelopment along this vital corridor. Many businesses are improving the appearance of their existing businesses in anticipation of the completion of this project and new and existing businesses are either opening or relocating into the corridor.

The Tribute has plans to significantly increase the number of buildable lots. Housing permits doubled during the current year from prior year. Ground breaking for a Little Elm School District STEM elementary took place 10/13 with an opening date of fall 2014.

Quality of Life

The City values quality of life for all its residents. The City continues to fund the Library and the Parks and Recreation Department's operating budgets to assure quality community programs. Beautification, landscaping, and park improvements are also included in the budget to enhance the City's image. The City's emphasis on opportunities for quality recreational programs and facilities led to The Colony being designated as a "Playful City USA" - one of only 9 cities in Texas and 151 across the country to receive this honor. The City has also been recognized by Money Magazine as one of the top 20 places to live in the country.

Future

The City Council and management team want to keep the items below on its radar.

- The City Council has expressed a desire to continually reduce the tax rate.
- CDC will continue to provide for Five Star maintenance.
- Although not required contractually, there will be a need for fire stations in Austin Ranch and the Tribute based on current response times. The Tribute developer is required to provide some capital dollars for a station and equipment, but the City will be required to pay the majority of capital costs related to these two stations. Additionally, there will be significant additional personnel costs associated with these stations.
- Although there will be additional operating costs as The Tribute development populates, revenues from this development will be limited for the next several years as a result of property tax rebates; however, once the rebate period ends, there should be an increase that could aid the City in a number of ways.
- City Hall and Library operations can't co-exist indefinitely. Efficiency and service improvements could be obtained by relocating one or both operations.
- There are many drainage issues throughout the City and the existing drainage fee will not cover paying for the necessary improvements.

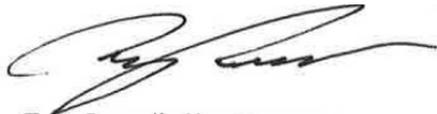
Strategic Plans

The budget process provides a road map for short-term and long-term needs and aids in the allocation of limited resources to prioritized services and needs. Each year a Capital Improvement Program is developed which helps gauge future funding priorities and is the foundation on which annual budgets are built. Revenues, expenses, and capital needs are projected for each of the 5 following years to identify service needs and financing available. Staff helps Council with the challenge of prioritizing and providing efficient and effective services to the community with current and future available funds.

As a combined effort, the City Manager's Office, Finance Director, and all departments monitor the revenues and expenditures throughout the year. Appropriate actions are taken to control expenditures, and to make adjustments when revenues fall short of expectations.

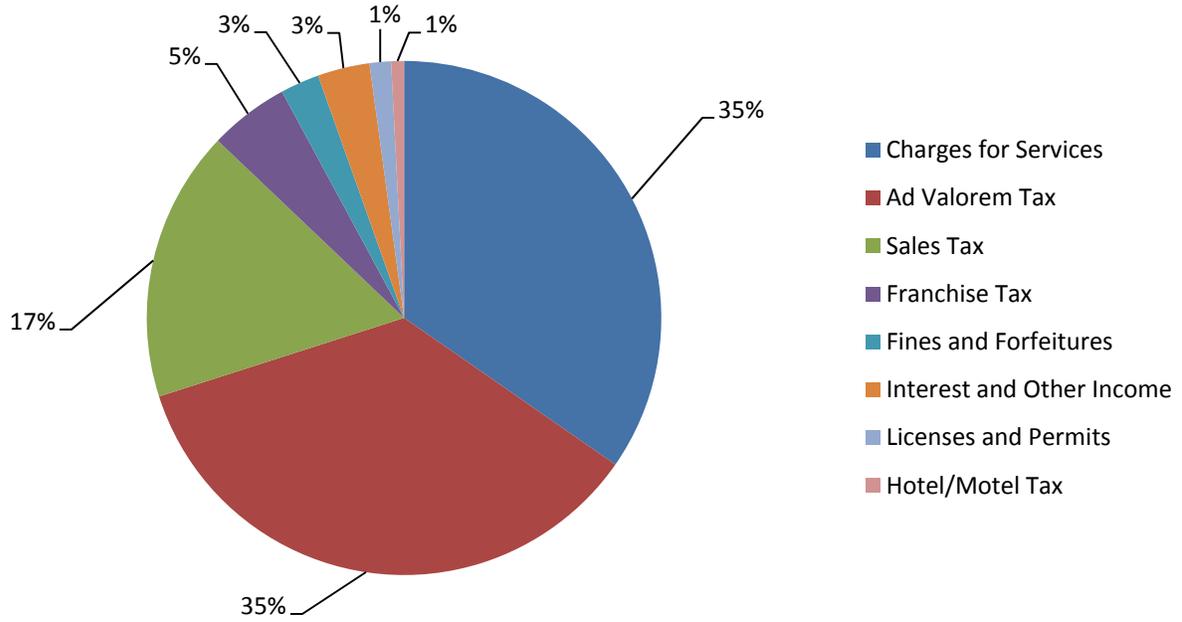
Conclusions

The 2013-2014 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!

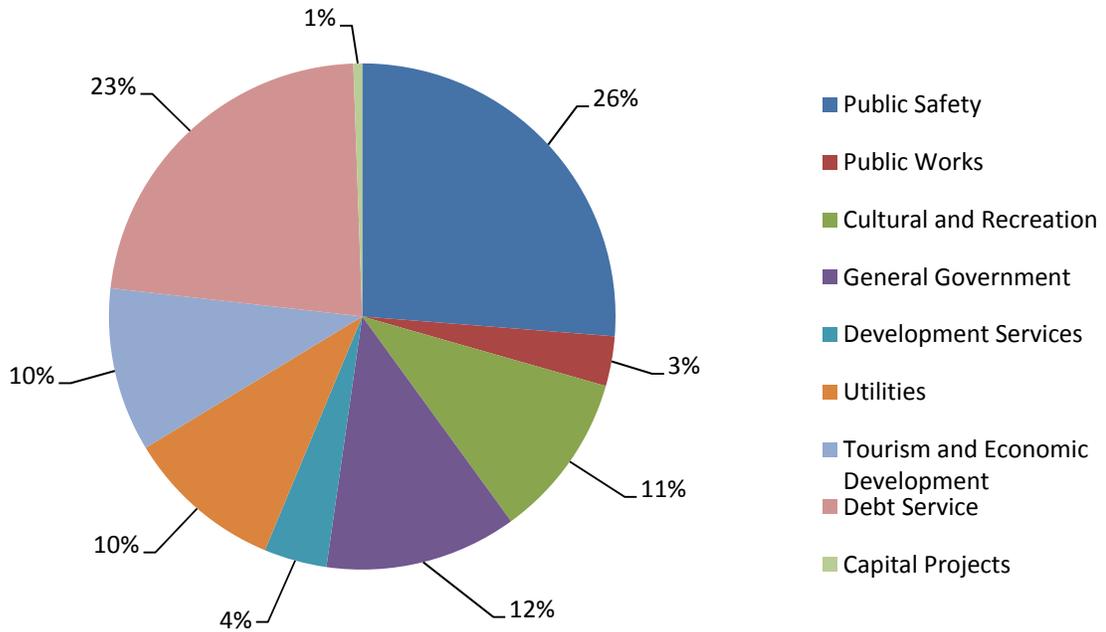


Troy Powell, City Manager

All Funds Revenues by Type



All Funds Expenditures by Type



Ad Valorem Tax Assessment Summary

2013 - 2014 ANNUAL BUDGET AD VALOREM TAX ASSESSMENT SUMMARY

CLASSIFICATION	11 - 12 TOTAL		12 - 13 TOTAL		13 - 14 TOTAL
Residential					
Land - Homesite	384,674,354		381,633,239		388,057,370
Improvements - Homesite	1,216,558,593		1,188,962,171		1,250,951,110
Gross Residential	1,601,232,947		1,570,595,410		1,639,008,480
Over Age Exemption	(9,812,500)		(11,469,116)		(12,407,070)
Disabled Persons Exemption	(1,330,000)		(1,350,000)		(1,342,466)
Disabled Veterans Exemption	(3,843,795)		(4,391,255)		(5,476,334)
House Bill 366	(4,444)		(5,286)		(5,421)
Pollution	-		-		-
Prorated Exempt Property	-		-		-
Charitable Organization	(1,535,517)		-		(2,078,417)
Homestead Cap Adjustment	(3,781,493)		(2,525,790)		(4,621,365)
Net Residential	1,580,925,198	73%	1,550,853,963	71%	1,613,077,407
Commercial					
Land - Non Homesite	253,048,284		255,265,102		323,539,376
Improvements - Non Homesite	324,975,864		372,493,177		417,841,936
Personal Property	87,842,928		97,339,590		108,802,624
Minerals	-		-		-
Gross Commercial	665,867,076		725,097,869		850,183,936
Abatement	(2,755,762)		(2,830,521)		(3,182,008)
Freeport	(6,740,470)		(8,556,422)		(9,499,640)
Exempt Property	(81,509,288)		(84,737,369)		(143,653,879)
Net Commercial	574,861,556	27%	628,973,557	29%	693,848,409
Farm Land					
Land - AG Market	151,296,903		119,916,725		97,622,211
Land - Exempt AG/Timber Mkt	-		-		-
Agricultural Exemption	(151,088,549)		(119,755,829)		(97,497,249)
Net Farm Land	208,354	0%	160,896	0%	124,962
Net Assessment	2,155,995,108	100%	2,179,988,416	100%	2,307,050,778

Property Tax Distribution Calculations

CITY OF THE COLONY

Tax Rate for Fiscal Year 2013-2014

Tax Roll	2,307,050,778
Tax Rate	<u>.6775/100 valuation</u>
Gross Taxes	15,630,269
Less: 1% uncollectable	<u>156,303</u>
Net Taxes	<u><u>15,473,966</u></u>

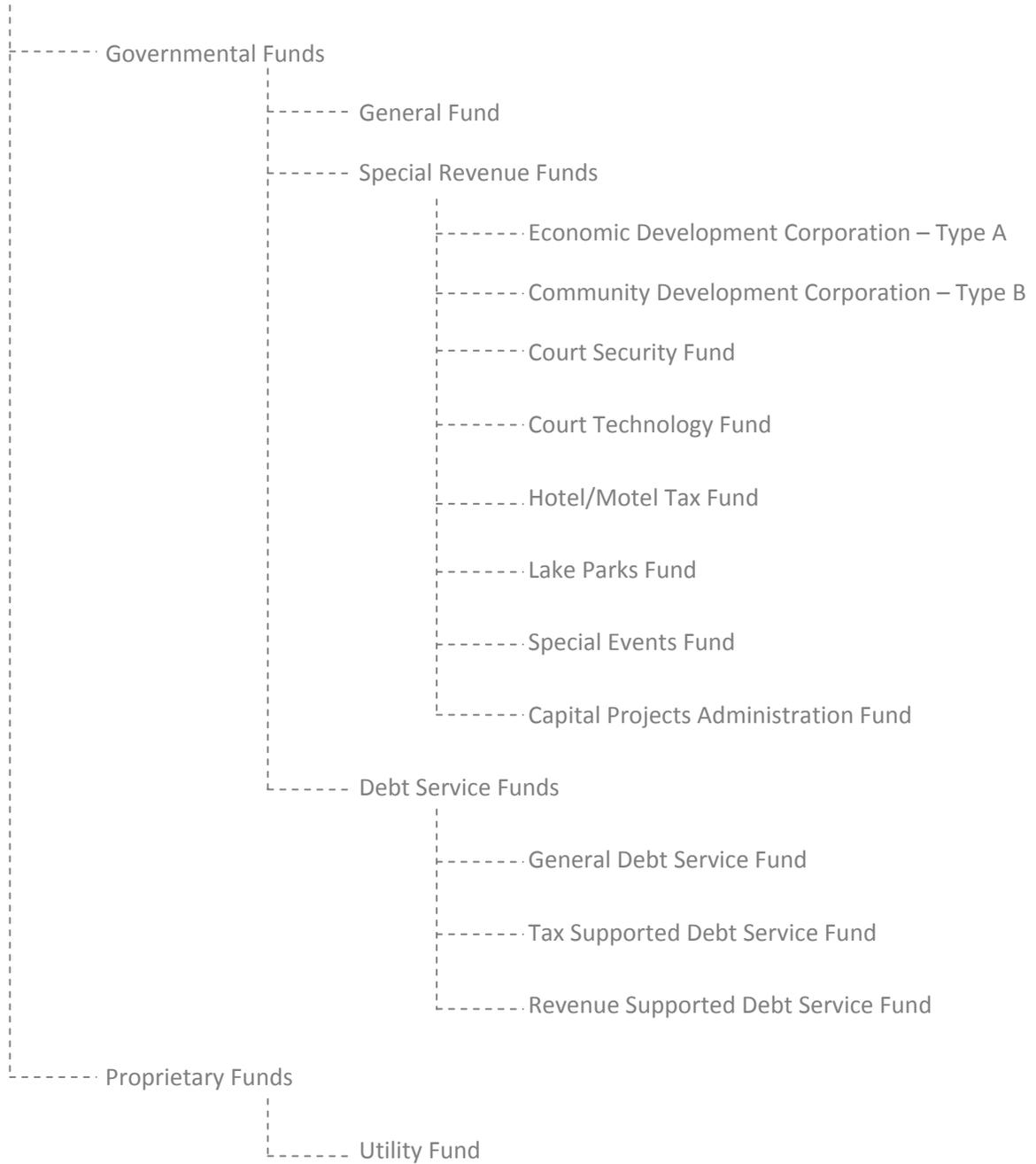
	General Fund	Total Debt Service
Rate Distrib. % of Tax Rate	0.459022 68	0.218478 32
Gross Taxes	10,589,865	5,040,404
1% uncollect.	<u>105,899</u>	<u>50,404</u>
Net Taxes	<u><u>10,483,966</u></u>	<u><u>4,990,000</u></u>

Tax Rate for Fiscal Year 2012-2013

Tax Roll	2,179,988,416
Tax Rate	<u>.680/100 valuation</u>
Gross Taxes	14,823,921
Less: 1% uncollectable	<u>148,239</u>
Net Taxes	<u><u>14,675,682</u></u>

	General Fund	Total Debt Service
Rate Distrib. % of Tax Rate	0.460260 68	0.219740 32
Gross Taxes	10,033,612	4,790,309
1% uncollect.	<u>100,803</u>	<u>47,437</u>
Net Taxes	<u><u>9,932,809</u></u>	<u><u>4,742,873</u></u>

Fund Overview



Staff Organization



Authorized Funded Positions

	Fiscal years ended September 30					
	2011/12		2012/13		2013/14	
	PT	FT	PT	FT	PT	FT
General Fund						
General Administration	-	5	-	6	-	6
Community Image	-	5	-	5	-	5
Fleet Services	-	6	-	6	-	6
City Secretary	-	2	-	2	1	2
Human Resources	1	2	1	2	1	2
Finance	-	6	-	6	-	6
Information Technology	-	4	-	3	-	3
Municipal Court	-	5	-	5	-	5
Facility Maintenance	-	3	-	3	-	3
Engineering/Development	-	13	-	13	-	13
Fire	-	53	-	53	-	53
Police	15	82	15	82	15	83
Library	6	14	6	14	7	14
Total General Fund	22	200	22	200	24	201
Parks Fund						
Parks and Recreation	5	20	5	20	5	20
Aquatic Park	9	2	9	2	9	2
Community Center	1	1	1	1	1	1
Total Parks Fund	15	23	15	23	15	23
Utility Fund						
Water Distribution	-	16	-	16	-	16
Wastewater	-	5	-	5	-	5
Utility Administration	-	9	-	9	-	9
Water Production	-	7	-	7	-	7
Public Works	-	19	-	18	-	19
Environmental	-	1	-	1	-	1
Total Utility Fund	-	57	-	56	-	57
Economic Development Fund	-	2	-	2	-	2
Community Development Fund	-	1	-	1	-	1
Hotel/Motel Fund	-	2	-	3	-	3
Special Events Fund	-	1	-	1	-	1
Total All Funds	37	286	37	286	39	288

Fund Summaries

	10-11 Actual	11-12 Actual	12-13 Budget	13-14 Budget
REVENUES:				
General Fund	20,328,420	19,514,496	18,364,849	19,506,511
Parks Fund	-	687,692	747,825	787,960
Utility Fund	13,879,617	13,727,525	13,013,842	13,613,746
General Debt Service	4,272,101	4,474,517	4,809,380	5,056,500
Utility Tax Debt	5,251	7,882	-	401,000
Revenue Debt	398,708	406,123	402,400	-
Economic Development - 4A	1,677,004	5,750,918	1,793,865	1,828,093
Community Development - 4B	1,671,643	1,795,353	1,788,365	1,824,092
Hotel/Motel Tax Fund	371,361	371,240	340,030	350,000
Lake Parks	189,014	255,718	231,650	243,000
Special Events Fund	55,210	56,480	48,000	48,000
Capital Projects Administration Fund	717	149,566	190,000	-
Water/Sewer Impact Fee Fund	467,696	262,744	190,724	280,000
TOTAL REVENUES	43,316,742	47,460,254	41,920,930	43,938,902
TRANSFERS IN:				
General Fund	6,942,996	3,538,166	1,790,290	2,131,706
Parks Fund	-	3,774,021	2,567,729	2,612,729
Utility Fund	-	-	552,259	350,000
General Debt Service	1,438,327	1,664,476	1,008,081	1,165,002
Utility Tax Debt	2,307,680	2,355,577	2,566,999	4,672,217
Revenue Debt	1,672,000	1,530,000	1,295,630	-
Hotel/Motel Tax Fund	-	-	140,000	165,000
Lake Parks	-	-	-	-
Special Events Fund	241,696	319,138	320,000	350,000
Capital Projects Administration Fund	446,446	490,000	201,000	200,000
TOTAL TRANSFERS IN	13,049,145	13,671,378	10,441,988	11,646,654
TOTAL REVENUES & TRANSFERS IN	56,365,887	61,131,632	52,362,918	55,585,556
EXPENDITURES/EXPENSES:				
General Fund	25,788,438	20,553,051	22,315,741	23,125,568
Parks Fund	-	3,511,432	3,494,563	3,574,573
Utility Fund	7,599,742	9,300,080	9,402,882	9,473,917
General Debt Service	6,409,549	6,425,556	6,117,461	6,522,158
Utility Tax Debt	2,555,265	2,699,581	2,805,624	4,691,860
Revenue Debt	2,073,941	1,675,921	1,936,326	1,990,506
Economic Development - 4A	730,272	775,514	3,542,205	1,386,004
Community Development - 4B	246,374	187,799	189,978	186,146
Hotel/Motel Tax Fund	135,207	168,435	356,031	353,791
Lake Parks	110,060	90,863	108,750	107,010
Special Events Fund	336,228	374,018	438,793	368,193
Capital Projects Administration Fund	417,598	262,921	262,615	271,315
Water/Sewer Impact Fee Fund	273,824	65,976	62,500	95,000
TOTAL EXPENDITURES/EXPENSES	46,676,498	46,091,147	51,033,469	52,146,041

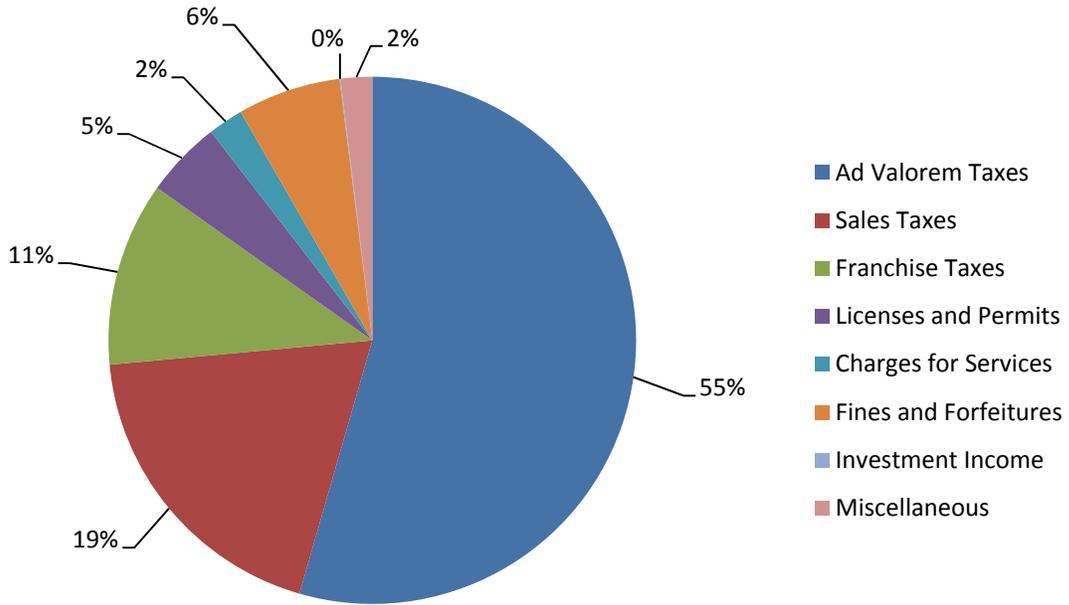
	10-11 Actual	11-12 Actual	12-13 Budget	13-14 Budget
TRANSFERS OUT:				
General Fund	654,587	3,991,268	2,419,884	2,574,884
Utility Fund	5,805,000	5,545,000	5,079,120	4,589,906
Economic Development - 4A	4,922,576	625,027	947,546	778,720
Community Development - 4B	1,312,815	1,610,040	1,463,379	1,630,300
Hotel/Motel Taxes	197,105	180,000	180,000	250,000
Lake Parks	35,000	35,000	35,000	35,000
Capital Projects Administration Fund	-	580,000	-	-
Water/Sewer Impact Fee Fund	622,000	355,000	201,000	300,000
TOTAL TRANSFERS OUT	13,549,083	12,921,335	10,325,929	10,158,810
TOTAL EXPENDITURES & TRANSFERS OUT	60,225,581	59,012,482	61,359,398	62,304,851
EXCESS (DEFICIENCY)	(3,859,694)	2,119,150	(8,996,480)	(6,719,295)
BEGINNING FUND BALANCE:				
General Fund	6,927,098	7,755,489	6,263,832	5,629,009
Parks Fund	-	-	950,281	771,272
Utility Fund	3,911,910	4,386,785	3,269,230	2,353,329
General Debt Service	1,592,933	893,812	607,249	307,249
Utility Tax Debt	498,137	255,803	(80,319)	(318,944)
Revenue Debt	1,971,833	1,968,600	2,228,802	1,990,506
Economic Development - 4A	5,279,745	1,303,901	5,654,278	2,958,392
Community Development - 4B	1,312,146	1,424,600	1,422,115	1,557,123
Hotel/Motel Tax Fund	83,969	123,018	145,823	89,822
Lake Parks	52,799	96,753	226,608	314,508
Special Events Fund	80,370	41,048	42,648	(28,145)
Capital Projects Administration Fund	141,513	171,078	(32,277)	96,108
Water/Sewer Impact Fee Fund	803,260	375,132	216,900	144,124
TOTAL BEGINNING BALANCE	22,655,713	18,796,019	20,915,170	15,864,353
ENDING FUND BALANCE:				
(before adjustments and reserves)				
General Fund	7,755,489	6,263,832	5,629,009	5,512,437
Parks Fund	-	950,281	771,272	597,388
Utility Fund	4,386,785	3,269,230	2,353,329	2,253,252
General Debt Service	893,812	607,249	307,249	6,593
Utility Tax Debt	255,803	(80,319)	(318,944)	62,413
Revenue Debt	1,968,600	2,228,802	1,990,506	-
Economic Development - 4A	1,303,901	5,654,278	2,958,392	2,621,761
Community Development - 4B	1,424,600	1,422,115	1,557,123	1,564,769
Hotel/Motel Tax Fund	123,018	145,823	89,822	1,031
Lake Parks	96,753	226,608	314,508	415,498
Special Events Fund	41,048	42,648	(28,145)	1,662
Capital Projects Administration Fund	171,078	(32,277)	96,108	24,793
Water/Sewer Impact Fee Fund	375,132	216,900	144,124	29,124
TOTAL ENDING BALANCE	18,796,019	20,915,170	15,864,353	13,090,721

General Fund

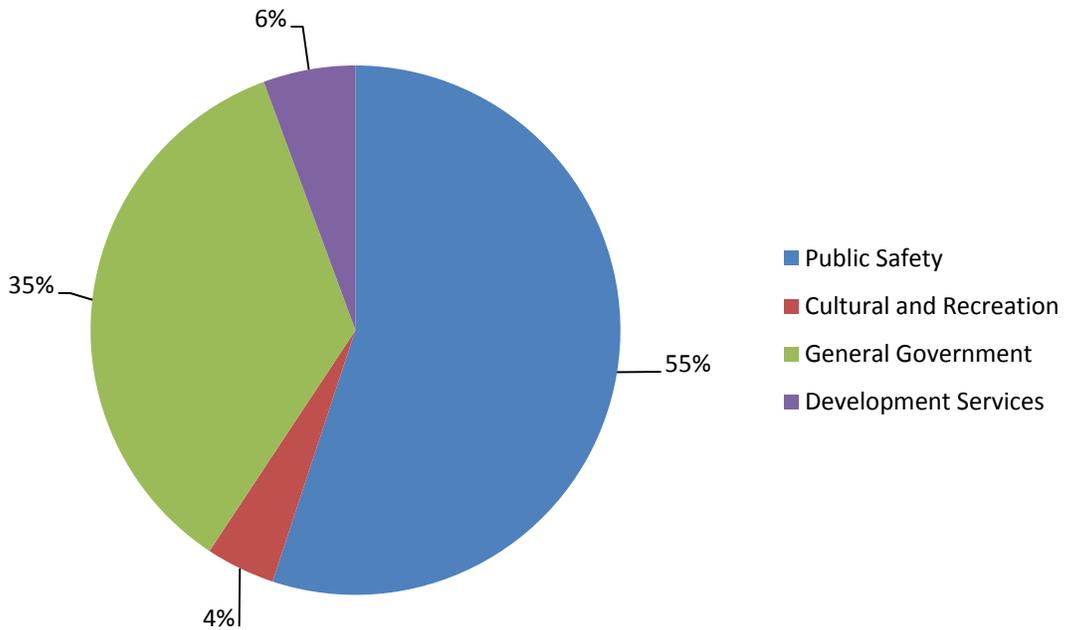
The General Fund is the operating fund of the City. The General Fund receives and accounts for all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other designated fund. The General Fund includes a greater variety and amount of revenues, and finances a wider range of governmental activities than any other fund. The primary revenue sources for the General Fund are Ad Valorem taxes, general sales taxes, utility franchise fees, license and permit fees, service charges, fines, intergovernmental funds, and miscellaneous general revenues.

The General Fund accounts for general purpose expenditures for most major government functions. Operations in the General Fund provide basic services such as Administration, Development Services, Community Image, Fleet Services, Human Resources, Finance, Municipal Court, Facility Maintenance, Engineering, Fire, Police, and Library. Included for each operational area is an organizational chart, program description, goals and objectives, position classification schedule and an expenditure summary.

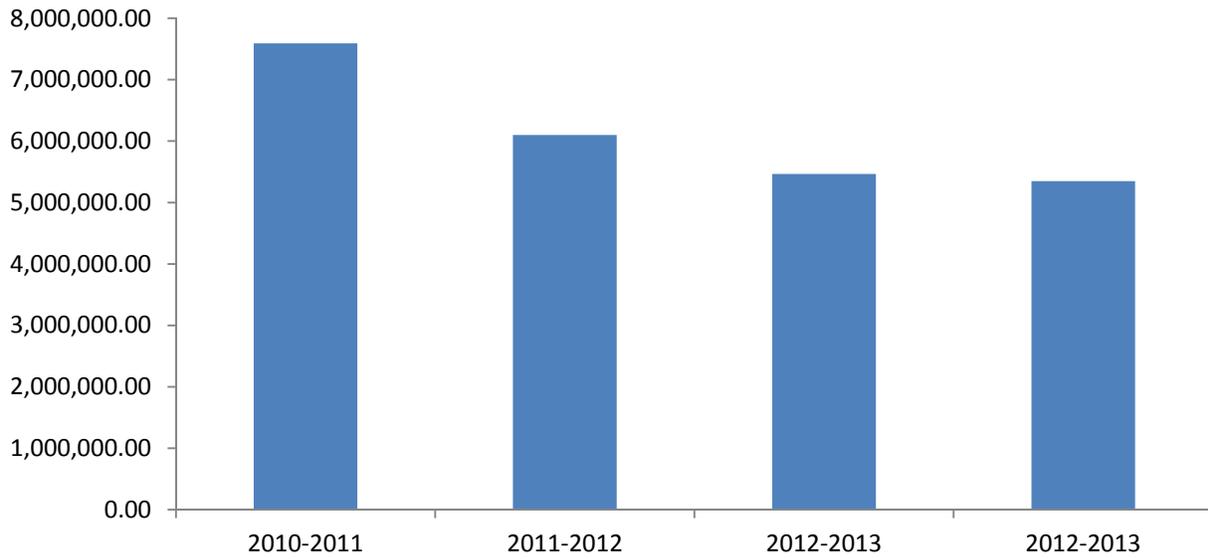
Summary of Revenues



Summary of Expenditures by Function



Fund Balance



Fiscal Year	Working Days in Fund Balance	Value of Each Day
2010-2011	105	\$72,290
2011-2012	90	\$63,526
2012-2013	80	\$63,526
2013-2014	80	\$67,244

The City adopted the Financial Management Policies in 2002 which set the working days in fund balance of the major operating funds at 60 days. The City conscientiously meets the requirement by conservatively budgeting revenues and putting strong controls on expenditures. It is management’s decision to draw down fund balance to avoid tax rate increases. In fact, the ad valorem tax rate has steadily declined over the past few years.

GENERAL FUND
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
TAXES				
Ad Valorem Taxes				
Current Property Taxes	10,378,445	10,270,912	9,943,593	10,483,964
Rendition Penalty Revenue	2,187	1,874	2,000	2,000
Ag. Roll Back Taxes	-	1,896	4,000	4,000
Delinquent Property Tax	298,782	150,735	149,000	80,000
Penalties & Interest	53,153	98,350	77,000	53,000
Total	<u>10,732,567</u>	<u>10,523,767</u>	<u>10,175,593</u>	<u>10,622,964</u>
City Sales Taxes				
Sales Taxes	3,339,096	3,576,329	3,572,730	3,644,185
Mixed Beverage Tax	96,079	78,782	76,000	76,000
Total	<u>3,435,175</u>	<u>3,655,111</u>	<u>3,648,730</u>	<u>3,720,185</u>
Franchise Taxes				
Electric	1,201,038	1,142,556	1,155,000	1,200,000
Natural Gas	127,608	115,098	123,000	123,000
Telephone	216,618	182,975	197,000	175,000
Cable Television	254,274	225,101	176,000	176,000
Video Service	188,346	359,600	264,000	300,000
Sanitation-Residential	145,248	156,456	142,000	153,590
Sanitation-Commercial	66,119	84,425	64,000	76,000
Total	<u>2,199,251</u>	<u>2,266,211</u>	<u>2,121,000</u>	<u>2,203,590</u>
TOTAL TAXES	16,366,993	16,445,089	15,945,323	16,546,739
LICENSES & PERMITS				
Building Permits-New Homes	203,839	276,546	240,000	475,000
Building Permits-Other	291,971	216,696	150,000	220,000
Commercial Permits	112,454	5,852	20,000	80,000
Certificates Of Occupancy	6,487	5,166	5,000	5,000
Zoning Fees	5,711	9,185	6,000	6,000
Fire Fees	4,510	25,319	20,000	10,600
Solicitors Permits	805	935	745	800
Health Permits	78,112	78,029	80,000	78,000
Platting Fees	13,507	7,104	3,500	7,000
Alcohol Permits	7,200	11,435	7,500	7,000
Rental Registration	30,130	-	-	-
Code Enforcement Fees	25,535	19,761	35,000	26,000
Floodplain Development Permits	900	300	300	800
Grading Permit	600	1,500	600	1,000
TOTAL LICENSES & PERMITS	<u>781,761</u>	<u>657,828</u>	<u>568,645</u>	<u>917,200</u>
CHARGES FOR SERVICES				
Parks & Recreation				
Recreation Program Revenue	153,271	-	-	-
Athletic Program Revenue	97,505	-	-	-
Tournament Revenue	78,534	-	-	-
Pass & Facility Revenue	125,681	-	-	-
Total	<u>454,991</u>	<u>-</u>	<u>-</u>	<u>-</u>
Aquatic Park				
Swimming Lessons	75,038	-	-	-
Season Passes	8,616	-	-	-
Swimming Team	15,351	-	-	-
Entrance Fees	49,866	-	-	-
Concession Sales	1,999	-	-	-
Private Party Fees	32,762	-	-	-
Aerobic Classes	13,637	-	-	-
Total	<u>197,269</u>	<u>-</u>	<u>-</u>	<u>-</u>

GENERAL FUND
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
Fire & Ambulance				
Ambulance Calls	329,263	306,561	300,000	315,000
Liens On Services	30,433	44,782	25,000	25,000
County Ambulance Funds	23,290	21,838	21,836	21,836
County Fire Funds	10,000	10,000	10,000	10,000
Total	392,986	383,181	356,836	371,836
Library				
County Library Funds	48,346	40,555	37,000	37,000
Total	48,346	40,555	37,000	37,000
Engineering Inspections				
Inspection Fees	-	51,289	50,000	12,000
TXDOT	-	-	-	-
Total	-	51,289	50,000	12,000
TOTAL CHARGES FOR SERVICES	1,093,592	423,736	443,836	420,836
FINES & FORFEITURES				
Municipal Court Fines	1,229,238	1,089,986	1,000,000	1,200,000
Library Fees	7,168	7,846	6,700	6,700
Animal Control Fees	33,440	30,510	29,930	28,325
TOTAL FINES & FORFEITURES	1,269,846	1,128,342	1,036,630	1,235,025
INVESTMENT INCOME				
Interest Income	10,027	12,837	10,500	10,500
TOTAL INVESTMENT INCOME	10,027	12,837	10,500	10,500
GRANT REVENUES				
Federal Police Grant	9,119	2,504	1,000	1,000
County Library				
State Grants	4,724		-	-
Library Grant - ELOC	-		9,100	-
LSD Grant	34,752	37,442	33,815	77,211
TOTAL GRANT REVENUES	48,595	39,946	43,915	78,211
OTHER REVENUES				
Auction Proceeds	-	44,848	5,000	5,000
Tower Rental Fees	226,205	239,391	235,000	235,000
Insurance Reimbursement	-	713	1,000	1,000
Miscellaneous	20,891	279,261	35,000	20,000
Police Reports	4,988	3,802	5,000	5,000
Alarm Fees	32,489	38,940	35,000	32,000
Horizon - Rentals	173,033	199,763	-	-
Matthews Southwest - The Tribute	300,000	-	-	-
TOTAL OTHER REVENUES	757,606	806,718	316,000	298,000
TOTAL REVENUES	20,328,420	19,514,496	18,364,849	19,506,511
TRANSFER IN				
Overhead Costs	-	-	-	-
Transfer - CDC	150,000	-	-	-
Transfer - EDC	4,037,000	27,000	78,000	28,000
Transfer - Storm Water Utility	80,000	-	168,800	168,800
Transfer - Hotel/Motel Tax	60,996	-	-	-
Transfer - Utility Fund	2,405,000	2,320,000	1,361,231	1,914,906
Transfer - Utility Fund - Tribute Ad Valorem	-	-	162,259	-
Transfer - Engineering Inspections	50,000	163,311	-	-
Transfer - Lake Parks (Moved to Parks)	35,000	35,000	-	-
Transfer - Fleet Services	-	337,855	-	-
Transfer - Child Safety Fund	75,000	75,000	20,000	20,000
Transfer - SIB Loan	-	-	-	-
Transfer - Capital Projects	-	580,000	-	-
Transfer - HCP	50,000	-	-	-
TOTAL TRANSFERS	6,942,996	3,538,166	1,790,290	2,131,706
TOTAL REVENUES & TRANSFERS	27,271,416	23,052,662	20,155,139	21,638,217

GENERAL FUND
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
EXPENDITURES				
Non-Departmental	6,249,032	1,448,312	3,840,089	3,301,400
General Administration	383,716	525,043	515,943	712,096
City Council	26,965	25,820	33,079	37,845
Development Services	935,282	584,754	-	-
Community Image	-	376,524	403,214	412,813
City Secretary	254,444	239,333	248,056	294,298
Human Resources	255,240	305,902	269,728	259,047
Finance	558,724	800,861	799,944	813,910
Information Technology	578,617	881,277	700,880	478,470
Municipal Court	352,281	357,244	356,742	370,750
Parks & Recreation	1,976,832	-	-	-
Aquatic Park	355,595	-	-	-
Fire	4,835,991	5,157,856	5,151,376	5,361,229
Police	6,669,090	6,865,969	6,752,043	7,003,986
Library	951,611	973,755	976,598	976,523
Engineering	133,707	993,569	1,296,101	1,302,466
Public Works	1,271,311	-	-	-
Facilities Maintenance	-	450,569	403,214	403,925
Fleet Services	-	566,263	568,734	539,007
Reserved - Changes in encumbrances	-	-	-	-
Reserved - Capital Projects	-	-	-	857,803
TOTAL EXPENDITURES	25,788,438	20,553,051	22,315,741	23,125,568
TRANSFER OUT				
Transfer - Environmental Fund	44,000	-	-	-
Transfer - CVB	120,587	139,137	140,000	165,000
Transfer - General Debt Service	400,000	417,131	-	-
Transfer - Special Events	-	-	-	100,000
Transfer - KTB	-	-	20,000	20,000
Transfer - Community Center	90,000	-	-	-
Transfer - Parks Fund	-	3,270,000	2,259,884	2,289,884
Transfer - HCP Reserve to Parks Fund	-	165,000	-	-
TOTAL TRANSFER OUT	654,587	3,991,268	2,419,884	2,574,884
TOTAL EXPENDITURES & TRANSFERS	26,443,025	24,544,319	24,735,625	25,700,452
OH COST ALLOCATION	-	-	(3,945,663)	(3,945,663)
BEGINNING FUND BALANCE	6,927,098	7,755,489	6,263,832	5,629,009
EXCESS/(DEFICIENCY)	828,391	(1,491,657)	(634,823)	(116,572)
ENDING FUND BALANCE	7,755,489	6,263,832	5,629,009	5,512,437
RESERVE FOR HIDDEN COVE PARK	(165,000)	(165,000)	(165,000)	(165,000)
UNRESERVED FUND BALANCE	7,590,489	6,098,832	5,464,009	5,347,437
Working Days in Fund Balance	105	91	81	80

Non-Departmental

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 17,412	\$ 30,001	\$ 30,000
Contractual Services	2,543,056	2,472,327	2,518,500
Supplies	12,616	15,200	12,900
Maintenance	102,258	3,500	8,000
Non-Capital	14,990	225,000	-
Capital Outlay	658,758	252,426	957,803
Total Department Budget	\$ 3,349,090	\$ 2,998,454	\$ 3,527,203



General Administration

Program Description

General Administration consists mainly of the functions and activities of the City Manager, the Assistant City Manager of Administration, and the Assistant City Manager of Operations. These positions provide professional management of all City functions and the implementation of City Council policies in compliance with the duties set out by the City Charter.

Program Narrative

Goals and Objectives for FY2014

- *Provide professional management and leadership in all city activities.*
- Respond to citizen's requests within 24 hours.
- Enhance communications and provide administrative support to the Mayor and the City Council.
- Manage City in fiscally responsible manner.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 496,036	\$ 516,803	\$ 641,259
Contractual Services	22,552	3,125	62,637
Supplies	6,455	5,950	8,200
Total Department Budget	\$ 525,043	\$ 525,878	\$ 712,096

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
City Manager	1	1	1
Assistant City Manager of Administration	1	1	1
Assistant City Manager of Operations	1	1	1
Director of Government Relations*	1	1	1
Management Analyst	1	1	1
Assistant to the City Manager	1	1	1
Total	6	6	6

* Position is funded in the Capital Projects Administration Fund



Community Image

Program Description

The Community Image Department consists of Community Image and Health Inspections. The Department's primary mission is to enforce city and state codes fairly and consistently in regards to public nuisance and health code violations.

Program Narrative

Goals and Objectives for FY2014

Health Inspections

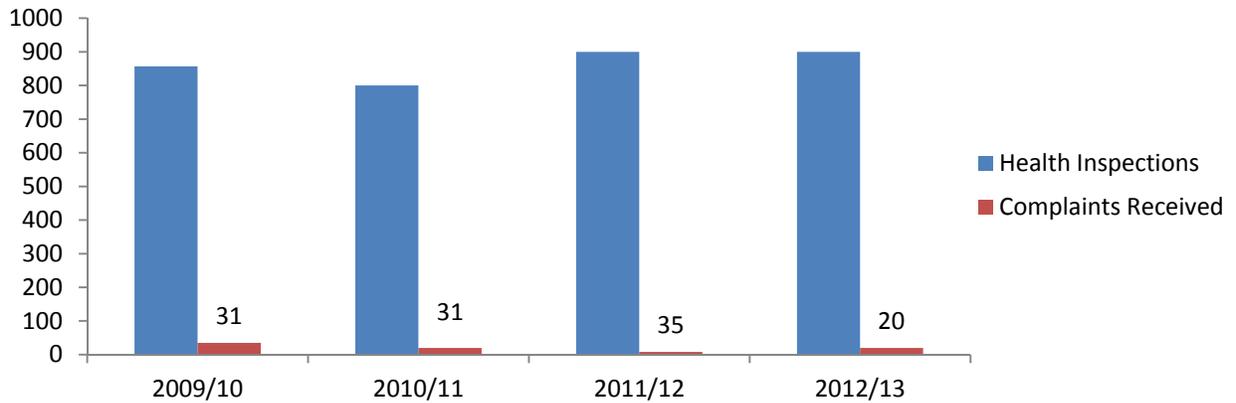
- *Provide a safe and healthy environment for residents and visitors by raising awareness about health issues through routine inspections of various food establishments, daycares and public swimming pools.*
 - Continue to perform a minimum of three (3) inspections per year of all food establishments.
 - Continue to perform swimming pool/spa inspections for all commercial properties within the City.
- Code Enforcement
- *Increase public awareness of code violations and assist residents with improving their neighborhoods.*
 - Continue to enforce codes with a common sense approach and positive attitude.
 - Provide more "how to comply" information with our Notice of Violations along with expanding our Volunteer Assistance Program.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 336,003	\$ 343,910	\$ 345,813
Contractual Services	23,502	50,064	35,600
Supplies	11,470	10,950	12,300
Maintenance	2,550	2,700	19,100
Total Department Budget	\$ 373,525	\$ 407,624	\$ 412,813

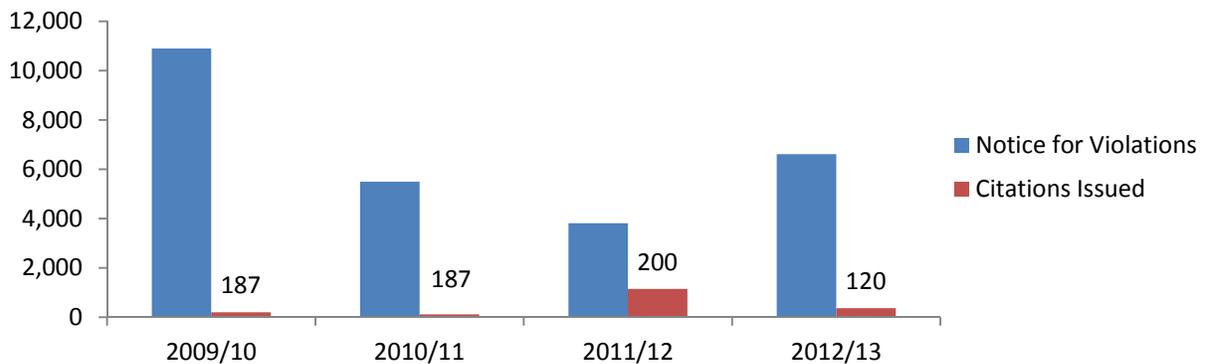
Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Community Image Manager	1	1	1
Health Inspector	1	1	1
Community Image Officer	2	2	3
Neighborhood Enhancement Officer	1	1	0
Total	5	5	5



Health Inspections and Complaints



Violation Notices and Citations



Fleet Services

Program Description

Fleet Services is responsible for the safe operating condition, preventative maintenance, and repairs of all vehicles and equipment owned by the City of The Colony. The Fleet Services personnel are highly trained and certified by the National Institute for Automotive Service Excellence (ASE) to maintain the City fleet. This department maintains vehicle records of all maintenance, repairs, and operating costs for the annual operating budget.

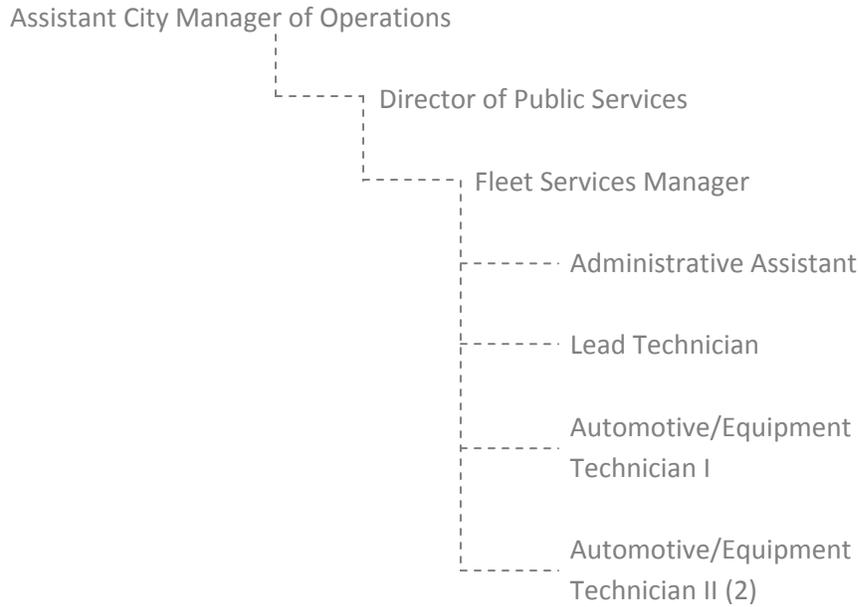
Program Narrative

Goals and Objectives for FY2014

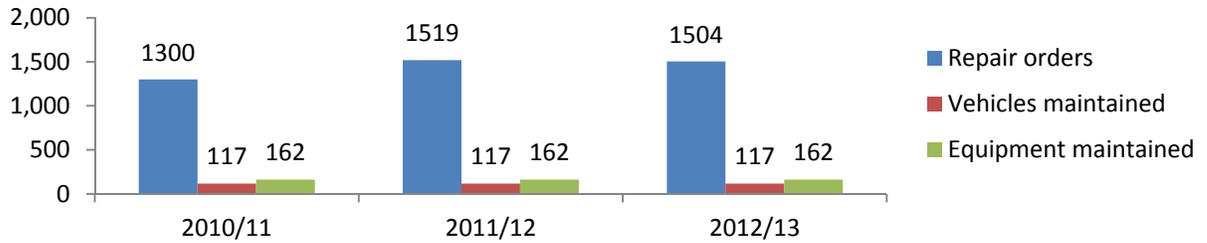
- *Provide excellent customer service through good communication to better understand customer needs.*
- Continue stressing to our personnel that understanding customer needs is the key to excellent customer service.
- Continued education and training of shop personnel to be up to date on the latest diagnostics of vehicle systems.
- *Continue to cut costs by being efficient in maintenance and repairs.*
- To computerize all maintenance schedules and repairs.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 363,931	\$ 367,802	\$ 333,617
Contractual Services	7,090	7,200	6,100
Supplies	43,099	49,090	47,540
Maintenance	152,143	151,500	151,500
Total Department Budget	\$ 566,263	\$ 575,592	\$ 538,757

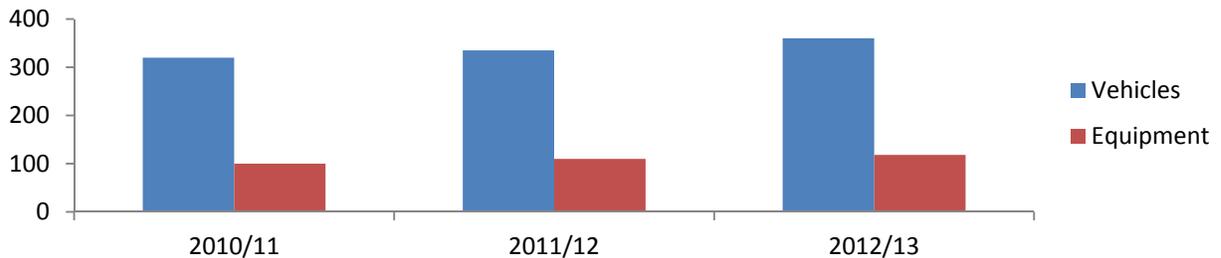
Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Fleet Services Manager	1	1	1
Administrative Assistant	1	1	1
Lead Technician	1	1	1
Automotive/Equipment Technician I	1	1	1
Auotmotive/Equipment Technician II	2	2	2
Total	6	6	6



Vehicles and Equipment



Preventative Maintenance Services



City Secretary

Program Description

The Office of the City Secretary is responsible for a broad range of administrative and clerical duties, including but not limited to, recording and maintaining the minutes of the proceedings of all City Council meetings. The City Secretary also directs the Records Management Program for the City and maintains ordinances, resolutions, and all other official records of the City of The Colony. All municipal elections are conducted by the office of the City Secretary. The City Secretary attends all council meetings, staff meetings, and various other committee meetings. Hundreds of documents are indexed for efficient access and research of legislative and governmental history.

- The processes currently used for records management will be evaluated and redistributed. Improved records maintenance and defined staff roles should be realized by year end.
- ***Publish and Implement revised records Management Manual and Disaster recovery for Records.***
- Revise 2000 edition of Records Management Manual and provide training to city records liaison personnel. Complete Disaster Recovery Manual and review annually for needed updates.

Program Narrative

Goals and Objectives for FY2014

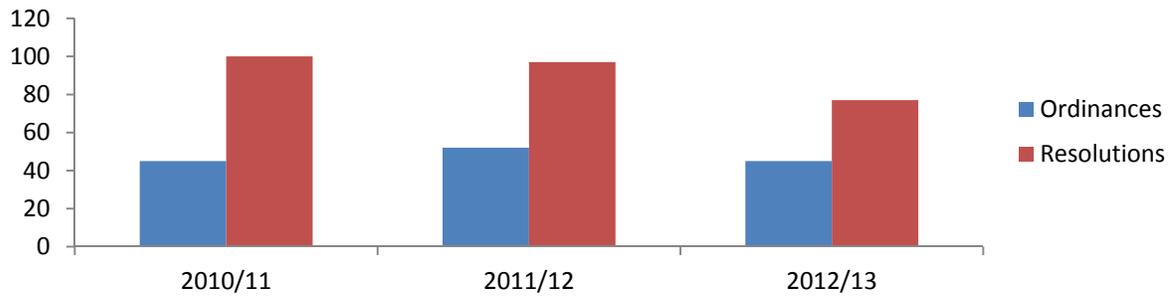
- ***Restructure Records Management processes to improve work flow.***

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 194,659	\$ 196,005	\$ 245,703
Contractual Services	28,779	40,800	32,645
Supplies	6,407	6,650	10,650
Maintenance	5,297	8,300	5,300
Election Expense	4,191	-	-
Total Department Budget	\$ 239,333	\$ 251,755	\$ 294,298

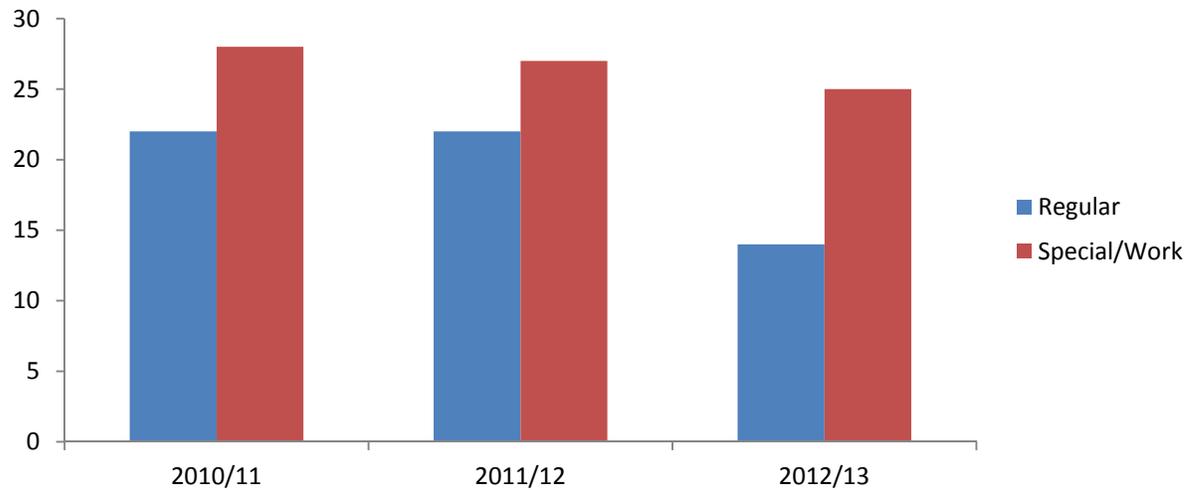
Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
City Secretary	1	1	1
Deputy City Secretary/Records Coordinator	1	1	1
Part-time Records Technician	0	0	1
Total	2	2	3



Ordinances and Resolutions Adopted



City Council Meetings



City Council

Program Description

The City Council is the governing body of the City. The City of The Colony is a Home Rule city with a Council/Manager form of government. The City Council is the legislative branch of the City government. The primary duty of the City Council is policy making, which includes identifying needs of the residents, formulating programs to meet the changing requirements of our community and measuring the effectiveness of ongoing municipal services.

	Actual 2011-12	Budget 2012-13	Budget 2013-14
Expenditures			
Personnel Services	\$ 10,387	\$ 17,354	\$ 12,120
Contractual Services	1,908	2,200	2,200
Supplies	4,555	3,800	3,800
General Government	8,970	9,725	19,725
Total Department Budget	\$ 25,820	\$ 33,079	\$ 37,845

Council	Name	Profession	Term Expires
Mayor	Joe McCourry	Business Analyst	November, 2015
Council Member, Place 1	Kirk Mikulec	Sales Manager	November, 2015
Council Member, Place 2	Richard Boyer	Corporate Compliance Officer	November, 2015
Council Member, Place 3	Jeff Connelly	General Manager Logistics	November, 2014
Council Member, Place 4	David Terre	Retired	November, 2014
Council Member, Place 5	Perry Schrag	Self Employed	November, 2014
Mayor Pro Tem, Place 6	Joel Marks	Sales	November, 2014



Human Resources

Program Description

The Human Resources Department is a staff support function providing services in the area of recruitment, employment screening, benefits, classification, compensation, training, employee relations, counseling, and policy development. Services are provided internally to both supervisors and employees as well as externally to applicants. The department serves in the role of monitoring compliance with state and federal laws and City policies with regard to Human Resources related issues.

Program Narrative

Goals and Objectives for FY2014

- *Provide the highest quality of human resource support to other City functions.*

- Provide effective and timely recruitment, advertising, screening, and referral of qualified applicants for open positions.
- Provide and maintain a compensation system that fairly and equitably compensates employees for performing established duties and responsibilities.
- Administer a competitive and cost effective benefits program.
- Continue updating job descriptions, and ensuring accuracy to existing positions as well as complying with legal requirements.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 215,734	\$ 233,815	\$ 219,297
Contractual Services	30,328	34,200	33,900
Supplies	6,391	5,700	5,850
Total Department Budget	\$ 252,453	\$ 273,715	\$ 259,047

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Human Resources Director	1	1	1
Benefits Coordinator	1	1	1
Part-time HR Technician	1	1	1
Total	3	3	3

Director of Human Resources
----- Benefits Coordinator
----- Part-time HR Technician

Finance

Program Description

The Finance Department is responsible for all fiscal transactions, the preparation of all financial reports, and the development of the City's annual operating budget. This department is also responsible for cash management, revenue collection, debt management, payment disbursements, coordinating all City purchases, and the investment of City funds. An audit of financial transactions is prepared annually by an external auditor to ensure the proper and ethical accounting of public funds. The Finance department also contains the Payroll department which is responsible for the timely and accurate payment of all City employees and administration of the Ceridian Time and Attendance System.

Program Narrative

Goals and Objectives for FY2014

Finance

- ***Implement savings through the bid process and negotiations.***
- Coordinate purchasing efforts through inter-local on-line cooperation.
- ***Improve year-end reporting process.***

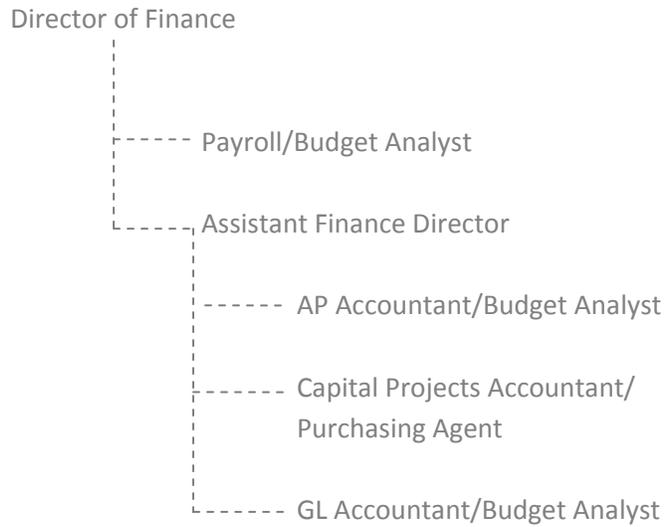
- Design and prepare the FY 2013-2014 annual operating budget according to the guidelines set forth by the Government Finance Officers Association in their Distinguished Budget Presentation Award Program.
- Complete the 2012-2013 audit process by January 31, 2014.
- Produce and print the Comprehensive Annual Financial Report by March 31, 2014.
- ***Strengthen the quality and timeliness of financial reporting.***
- Monitor and report the financial and budgetary status of all capital projects each month.
- Monitor and report the financial and budgetary status of all revenues and expenditures each month.

Payroll

- ***Improve and expand payroll services.***
- Continue employee training to maintain certification and stay abreast of new payroll laws.
- Continue to offer follow-up training on the Ceridian Time and Attendance System.
- Update payroll procedures manual.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 553,024	\$ 556,534	\$ 567,820
Contractual Services	203,853	210,430	203,250
Supplies	11,453	9,610	8,510
Maintenance	32,530	34,330	34,330
Total Department Budget	\$ 800,860	\$ 810,904	\$ 813,910

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Director of Finance	1	1	1
GL Accountant/Budget Analyst	1	1	1
Assistant Finance Director	1	1	1
Capital Projects Accountant/Purchasing Agent	1	1	1
AP Accountant/Budget Analyst	1	1	1
Payroll/Budget Analyst	1	1	1
Total	6	6	6



Information Technology

Program Description

The Information Technology department will provide the highest quality technology-based services in the most cost-effective manner, and to facilitate the City's mission as it applies to our citizens, city departments, and local community.

Program Narrative

Goals and Objectives for FY2014

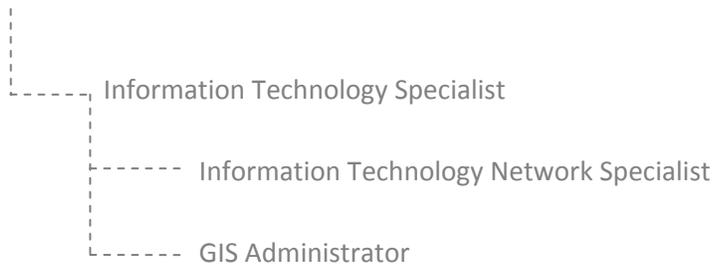
- *Provide the leadership necessary to effectively strategize and tactically plan the best possible use of technology.*
- *Provide policy and guidelines for the security and use of City computers and data.*
- *Develop and maintain highly efficient, reliable, secure and innovative information systems in support of the City's missions and goals.*
- Ensure that all hardware and software purchases comply with the established City purchasing procedures.
- Ensure virus detection software is operating at all times on all workstations, servers and network storage devices.
- Assist in data archiving per the Records Retention policy for the purpose of data recovery.
- Assign usernames for each employee as well as oversee passwords set by each employee. IT will assist selected department staff to ensure proper access security of department specific applications.
- Protect City interests maintaining a database of all application licenses used within the city and equipment/software maintenance contracts.
- Work with vendors to provide periodic secure access to the City's network for maintenance and upgrades.
- Provide secure wireless access for use by city personnel and a public network for use by our citizens and visitors.
- Maintain current aerial photos and digital two-foot contours from NCTCOG within our area.
- GIS will maintain interactive city maps creating more self-service options to staff, citizens and vendors.
- Create policies and procedures to ensure the security for all aspects of Information Technology environment.
- Perform Active Directory Domain migration and consolidation.
- Continue server virtualization to lower overall costs for the Information Technology department.
- Perform system upgrades to all city phone systems to provide reliable communications.
- The City of The Colony seeks to provide its residents with a fast and informative website for relaying important and timely content. Breaking news, upcoming events, City Council meeting videos and a host of other interactive information.

- Work with city departments to utilize multiple forms of Social media to communicate news and city events to the public.
- Provide a data/voice infrastructure that enhances the experience of our staff and citizens.
- Provide backup and disaster recovery solutions to maintain business continuity.
- Research, approve and implement a video/audio security system.
- Maintain our media server with one year's worth of archived videos and provide live streaming videos of several public meetings.
- Work with City Secretary's office to ensure electronic records retention is in compliance with regulations.
- Provide consistent and reliable access to all information systems.

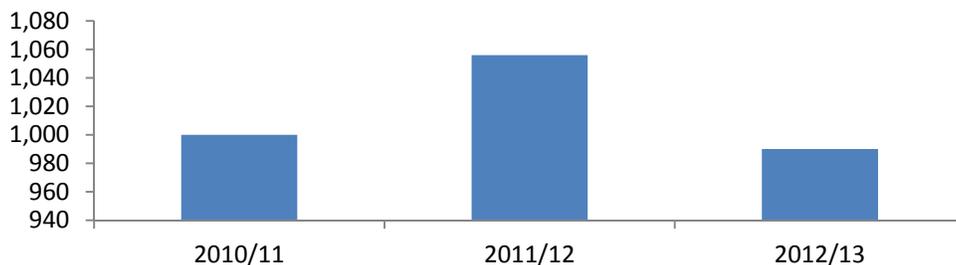
Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 461,128	\$ 420,480	\$ 303,230
Contractual Services	35,321	30,690	15,740
Supplies	36,133	17,600	17,000
Maintenance	140,268	123,250	122,500
Non-Capital	6,784	-	-
Capital Outlay	680	50,000	20,000
Total Department Budget	\$ 680,314	\$ 642,020	\$ 478,470

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Information Technology Manager	1	0	0
Information Technology Specialist	1	1	1
Information Technology Network Technician	1	1	1
GIS Administrator	1	1	1
Total	4	3	3

Director of Government Relations



Help Desk Tickets Processed



Municipal Court

Program Description

The Municipal Court is responsible for the prompt, accurate processing of misdemeanor charges and collections of fines. The Court prepares warrants for unpaid fines and maintains an efficient docket of cases for adjudication. The Colony Municipal Court is dedicated and committed to promoting the highest standards in customer service upholding the integrity of the court and building public trust and confidence.

Program Narrative

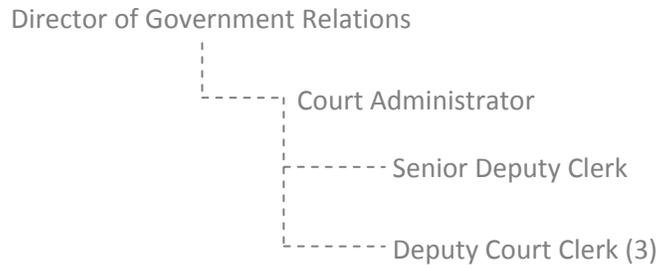
Goals and Objectives for FY2014

Ensure efficient and effective operation of the court.

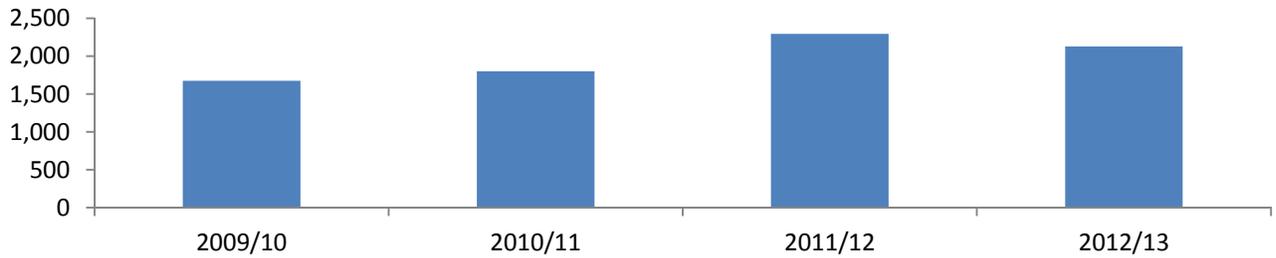
- Provide the best customer service for citizens of The Colony.
- Work closely with the IT and Police Department to get bids and continue to coordinate the security project for the Police and Court Building. Funds are to be taken from the Court Security Fund.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 275,133	\$ 279,105	\$ 281,414
Contractual Services	74,779	75,050	81,136
Supplies	7,113	7,650	7,950
Maintenance	220	200	250
Total Department Budget	\$ 357,245	\$ 362,005	\$ 370,750

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Court Administrator	1	1	1
Senior Deputy Clerk	1	1	1
Deputy Court Clerk	3	3	3
Total	5	5	5



Warrants Issued



Facility Maintenance

Program Description

The Facility Maintenance/Right-Of-Way Departments is responsible for the daily operational maintenance of City facilities ensuring safe, efficient, and economical operation of all electrical, plumbing, HVAC and building systems and support equipment. Additionally, the Department is responsible for all right-of-way repairs, median trash receptacles, and fence and flag maintenance at City facilities. This Department's objective is to provide user departments with the necessary support required to better accomplish their mission in providing services to the citizens of The Colony.

Program Narrative

Goals and Objectives for FY2014

- *Provide necessary support to all city departments and facilities allowing them to better accomplish their mission.*
- Reduce maintenance requests through routine building inspections and surveys.
- Continue expansion of preventative maintenance schedules.
- Create a preventative maintenance schedule database to eliminate unnecessary loss of time due to equipment failure.
- Complete repairs to city right-of ways as necessary, maintain fence and flags in working order.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 159,393	\$ 174,513	\$ 183,325
Contractual Services	15,368	35,192	36,300
Supplies	15,539	16,600	11,300
Maintenance	185,413	180,000	173,000
Total Department Budget	\$ 375,713	\$ 406,305	\$ 403,925

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Facility Maintenance Supervisor	1	1	1
Facility Maintenance Worker	2	2	2
Total	3	3	3

Environmental/Facility Manager



Facility Maintenance Supervisor



Facility Maintenance Worker (2)

Engineering/Development Services

Program Description

The Department serves as a one-stop development center to better serve our customers and facilitate the development process. It combines into one agency the functions necessary to review, approve, and monitor development applications from their inception through construction to the opening of the new development. The department plans and coordinates planning, design, and construction of land development and capital improvement projects. Services include development planning, long range planning, building and infrastructure construction inspections, infrastructure improvement, floodplain administration, impact and building fee administration and traffic administration.

Program Narrative

Goals and Objectives for FY2014

Planning and Development

- *Continue to foster the climate of “Exceptional Customer Service” to both external and internal clients.*
- Continue to find new ways to promote our customer service message to the general public.
- Continue the creation and/or review of Departmental brochures regarding our processes and make them available on the website.
- Find new ways to use our permitting software to provide more economically and time saving ways of providing our services.

- Review all timelines through the development process to ensure complete reviews which meet Development Review Committee (DRC), Ordinance Review Committee (ORC), Open meetings, and notification requirements.
- Continue to improve our external customer service by expediting projects through the use of pre-development meetings.
- Increase the level of detail within the staff reports for greater clarity for the elected officials and appointed board members.
- Continue the rewriting of the Zoning Ordinance and begin the process of updating the Comprehensive Plan to guide the growth of the city in the direction that the citizens and City Council envision.

Engineering

- *Review and approve engineering designs, plans, plats and site plans, other engineering support services.*
- Continue to provide timely and accurate development project reviews.
- Continue to provide drainage studies, street paving/drainage designs, and other technical support services.
- Continue to provide continuous timely updates of the City's utility maps.
- Update the Geographic Information System (GIS) to provide design professionals and the public the capability of accessing city infrastructure details, subdivision

information, floodplain information, etc.

Inspections

- ***Provide quality and timely compliance inspections to contractors for all development and infrastructure projects within the City.***
- Increase the convenience and customer service of obtaining building permits.
- Manage and monitor construction quality.
- Review plans for discrepancies and bring to the attention of the design engineers professionals.
- Respond to requests for inspection within one working day of request.
- Adopt the 2012 International Building Code (IBC), Residential Building Code (IRC) and other updated codes.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 762,101	\$ 1,210,537	\$ 1,217,156
Contractual Services	88,139	66,972	59,660
Supplies	13,300	19,950	19,950
Maintenance	3,150	22,200	5,700
Total Department Budget	\$ 866,690	\$ 1,319,659	\$ 1,302,466

** Development Services is combined with Engineering in FY12/13.

Personnel Detail	Budget 2010-11	Budget 2011-12	Budget 2012-13
Director of Engineering	1	1	1
Planning Director	1	1	1
Senior Engineer	1	1	1
Staff Engineer/Development	1	1	1
Staff Engineer/Capital Projects	1	1	1
Technical Assistant	1	1	1
Inspections Supervisor	1	1	1
Inspector	5	4	4
Part-time Intern	1	0	0
Chief Building Official	1	1	1
Senior Planner	1	1	1
Total	15	13	13





Fire

Program Description

The Colony Fire Department is responsible for safeguarding its citizens from a multitude of possible hazardous situations. The department provides responses to all fire and emergency medical service related emergencies. Responsibilities include fire prevention, public education, basic hazardous materials and rescue responses. Superior customer service is our highest priority.

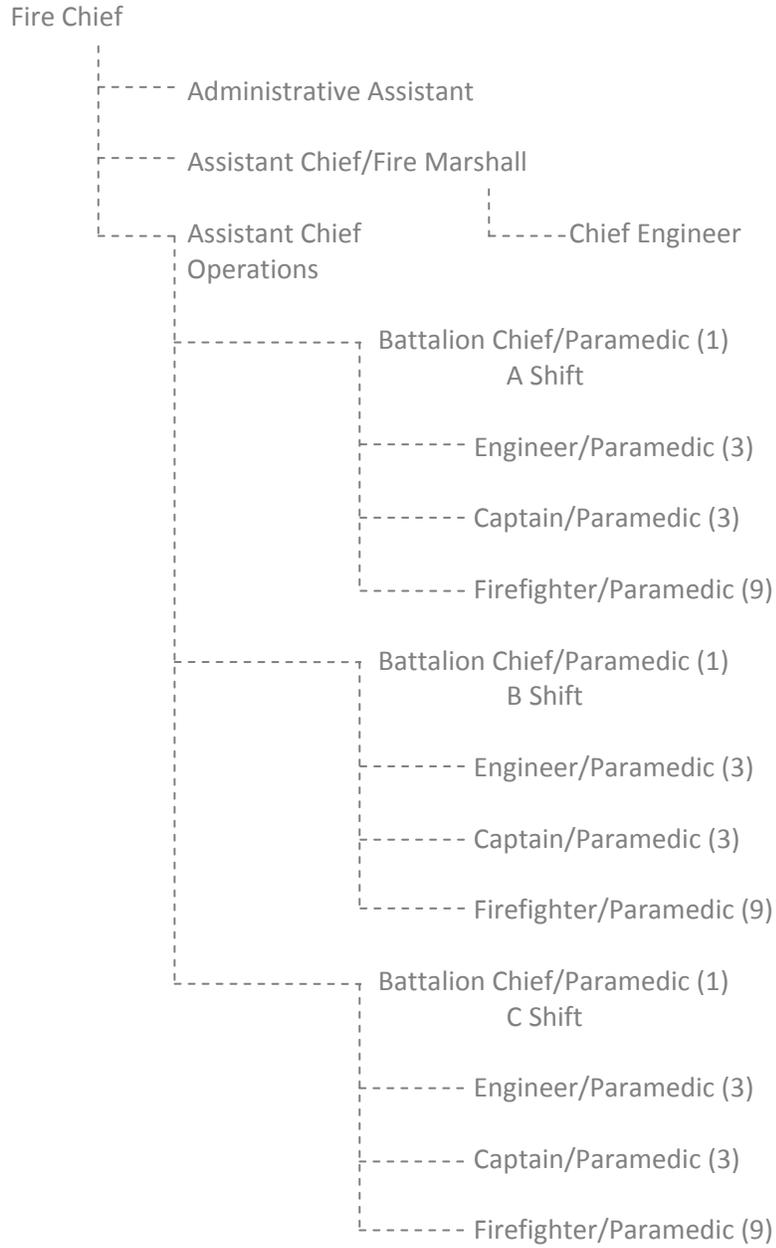
Program Narrative

Goals and Objectives for FY2014

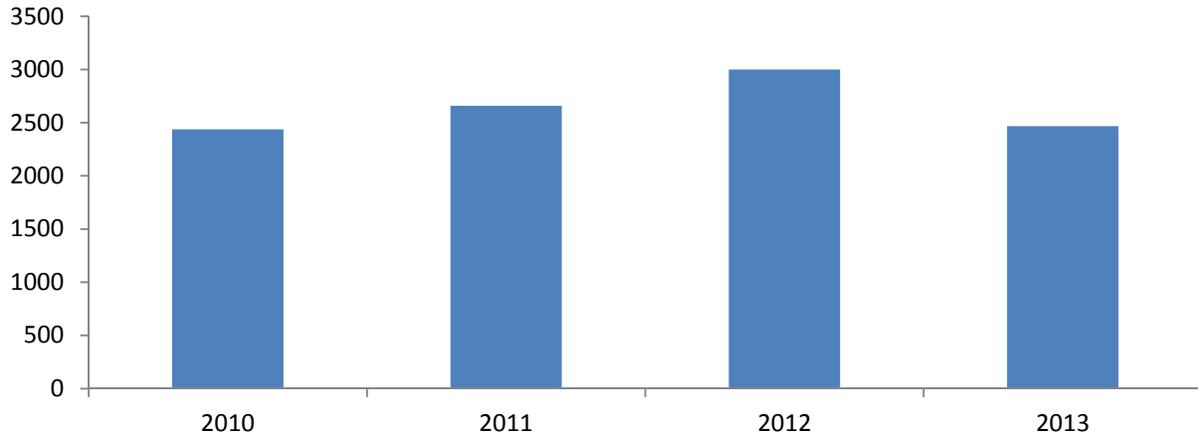
- *Assure health, safety and welfare of fire department members.*
- Increase minimum daily staffing in an effort to comply with nationally accepted guidelines and standards.
- Provide each member with the best possible protective clothing and equipment.
- Implement a physical fitness and medical surveillance program.
- *Maximize fire, rescue and emergency medical operational efficiency and effectiveness.*
- Enhance staffing levels to fire, rescue and emergency medical emergencies. Research the medical squad company concept.
- Reduce dependency on neighboring departments for fire, EMS, hazardous materials and technical rescue assistance.
- Build Fire Stations #4 and #5.
- *Commit to service excellence.*
- Continue to reinforce customer service as part of our core values and organizational culture.
- Conduct annual advanced customer service training.
- Continue the 10C's of Service Commitment.
- *Increase training, professional and leadership development.*
- Develop mentoring programs for each organizational level.
- Send at least (2) members each year to the Fire Department Instructors Conference.
- Make training and professional development a priority in the planning and budget process.
- *Increase community life safety and risk reduction efforts.*
- Replace the fire department's aging fleet: engines, aerials, medics, and admin vehicles.
- Increase the communities' storm readiness.
- Update emergency management plans.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 4,864,981	\$ 4,963,102	\$ 5,043,679
Contractual Services	51,309	70,772	76,900
Supplies	132,542	121,400	137,550
Maintenance	96,027	126,100	103,100
Capital Outlay	12,998	-	-
Total Department Budget	\$ 5,157,857	\$ 5,281,374	\$ 5,361,229

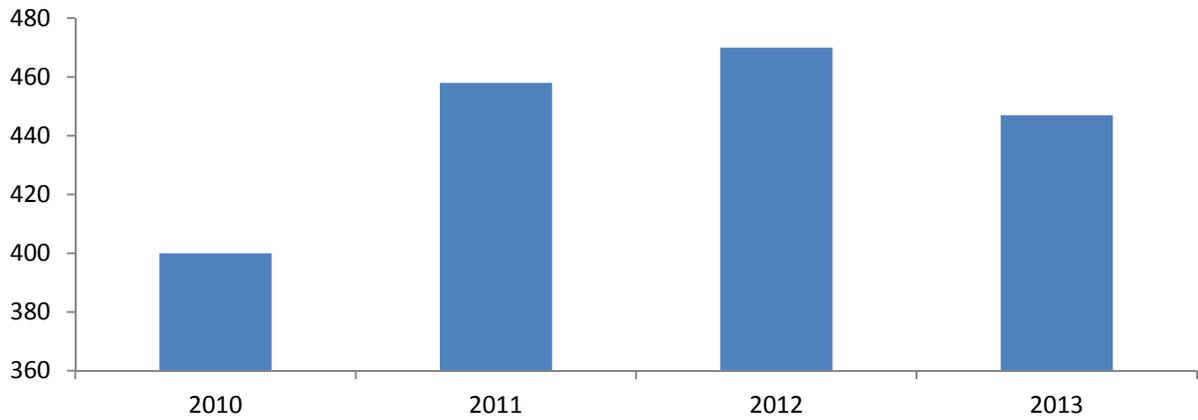
Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Fire Chief	1	1	1
Assistant Chief Operations	1	1	1
Assistant Chief/Fire Marshall	1	1	1
Battalion Chiefs	3	3	3
Captain	9	9	9
Driver Engineer / Paramedic	9	9	9
Firefighter/Paramedic	27	27	27
Administrative Assistant	1	1	1
Chief Engineer	1	1	1
Total	53	53	53



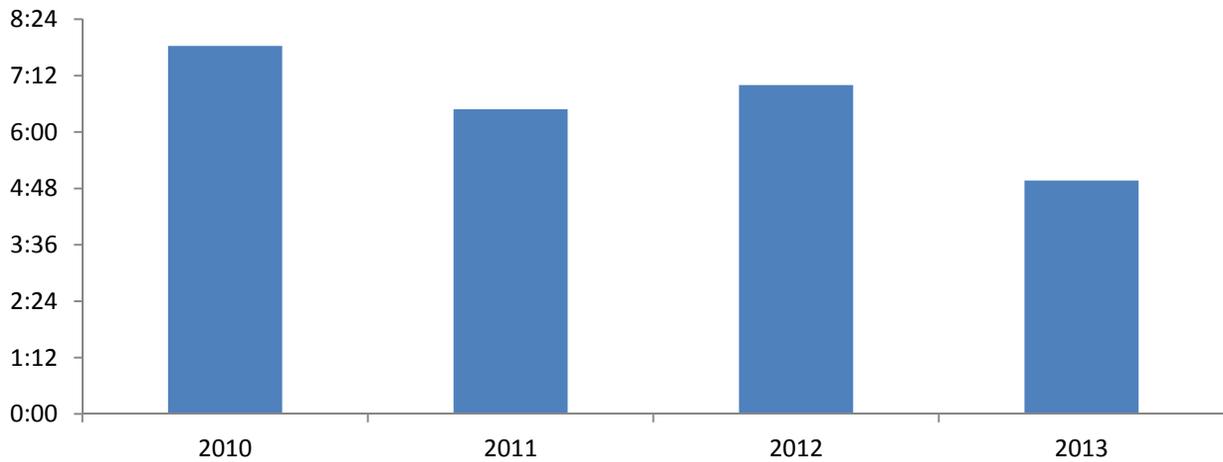
Total Annual Calls



Overlapping Calls



Average Response Time



Police

Program Description

The Colony Police Department's mission statement is: Our citizens' safety, security, and well-being, are our highest priority. All programs are focused on this mission. The Colony Police Department strives to be a recognized leader in the professional delivery of police services by focusing on total quality and customer service in all we do. Basic service functions of the department are the enforcement of all state laws and municipal ordinances, providing animal control services, improvement of traffic safety within the City by investigation, enforcement, and educational activities, youth drug awareness activities, and crime prevention programs.

Program Narrative

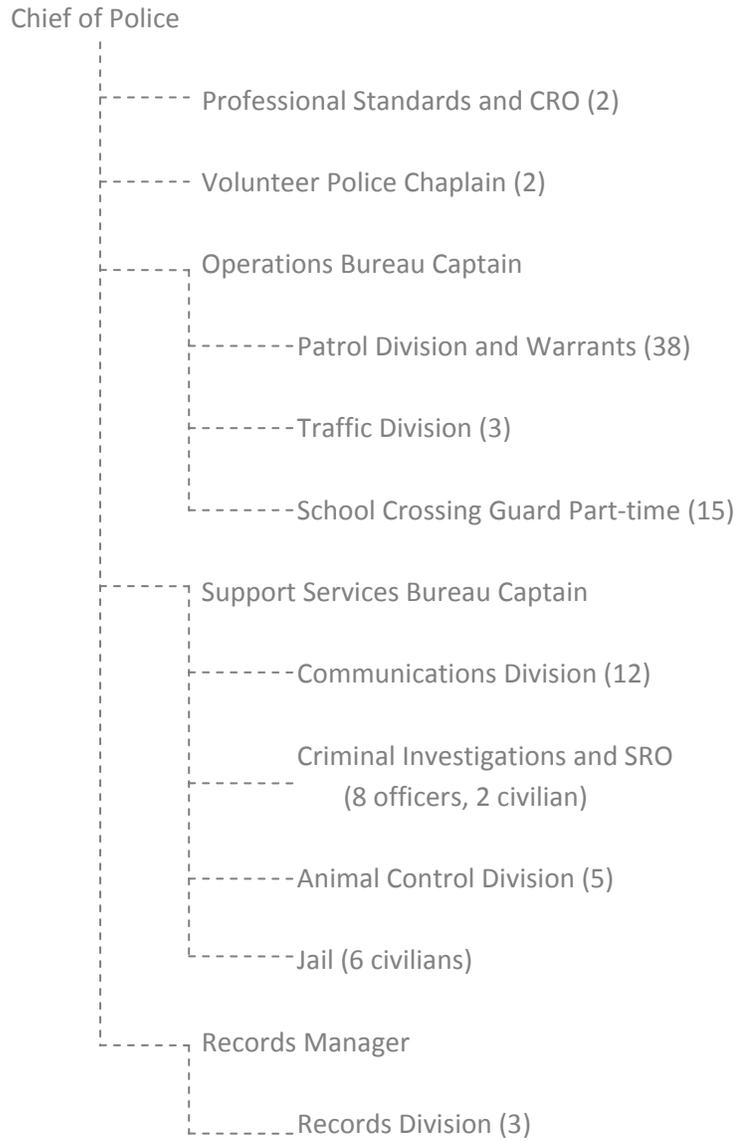
Goals and Objectives for FY2014

- *Provide professional police services.*
- Maintain a sufficient number of trained staff, adequately equipped and supplied, to provide basic police services to the community while actively enforcing laws.
- Continued training to insure a professional staff capable of exceeding expectations, and complete state recognition program.
- Continuing improvement/replacement of equipment and uniforms.
- *Protect our citizens against the criminal actions of others and enhance their sense of security, safety and well-being.*
- Continued reduction in per capita UCR crime.
- Increased recovery of property.
- Increased UCR case clearance rate.
- Improvement in citizen surveys.
- Expand usage of bicycle patrol operations between the hours of 15:30 and 19:00, after school in target areas and within Austin Ranch and along the shoreline trail.
- *Improve traffic safety and our citizen's sense of safety and security.*
- Reduction in vehicle accidents.
- Expand traffic division and enforcement activities.
- *Provide public education to prevent crime, substance abuse, increase school safety and improve public perception and partnerships with The Colony Police.*
- Continue/expand Citizen Police Academy.
- Continue Alcohol and Substance Awareness Program in Elementary Schools.
- Continue School Resource Officer program in The Colony High School.
- Continue supporting National Night Out and Neighborhood Crime Watch activities.
- Increase bicycle patrol activities to increase officer-citizen contacts.
- *Expand narcotic/vice investigations within the City.*
- Increased number of search warrants.
- Increased street value of drugs seized.

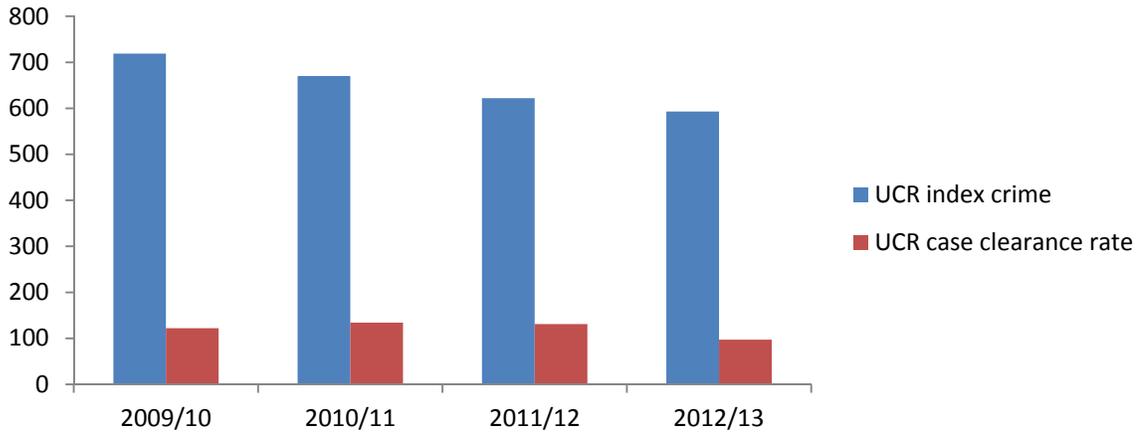
- Increased undercover operations related to all substance abuse by adding an investigator.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 6,485,557	\$ 6,475,344	\$ 6,554,041
Contractual Services	32,606	47,418	73,566
Supplies	230,679	226,276	217,480
Maintenance	114,637	121,805	157,399
Other Charges	2,490	1,500	1,500
Total Department Budget	\$ 6,865,969	\$ 6,872,343	\$ 7,003,986

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Chief	1	1	1
Assitant Chief	2	2	2
Lieutenant	5	5	5
Sergeant	6	6	6
Patrol Officer	28	28	28
Traffic Officer	2	2	2
CID Investigator	5	5	5
Community Resource Officer / A.S.A.P Officer	1	1	1
School Resource Officer	1	1	2
Communications Supervisor	1	1	1
Communications Officer/Dispatcher	11	11	11
Records Coordinator	3	3	3
Records Supervisor	1	1	1
CID Administrative Assistant	1	1	1
Property Room Coordinator	1	1	1
School Crossing Guard	15	15	15
Warrant Officer/Bailiff	2	2	2
Animal Control Manager	1	1	1
Animal Control Officer	4	4	4
Jail Supervisor	1	1	1
Detention Officer	5	5	5
Total	97	97	98



Uniform Crime Reporting



Calls For Service



Library

Program Description

"Information, Imagination, Inspiration, Innovation" - With this motto in mind, The Colony Public Library is dedicated to improving its customers' quality of life by facilitating their search for informational, educational, and recreational resources and materials. TCPL strives to select, organize, and provide access to a wide variety of the best materials, to be responsive to the needs of the public, and to cultivate the maximum use of its resources and services. TCPL's collection consists of over 111,000 items, which include popular materials in various formats, reference materials, 24/7 electronic resources, downloadable ebooks and audiobooks, downloadable and streaming music, live online homework help, and research tools. TCPL's 15,000 sq. ft. facility includes two group study rooms, space devoted to quiet study, a story time corner, 25 public access computers with internet access and popular software programs, 6 online catalog stations, 3 early literacy children's computers, wireless internet access, and a local history collection.

Program Narrative

Goals and Objectives for FY2014

- *Improve quality, quantity, efficiency of and access to services to external and internal customers.*
- Complete 2013 Target Grant goals for development and implementation of Bilingual Early Literacy story time programs; seek additional grant funding for this project.
- Evaluate shelving needs; redeploy/assign shelving freed up by downsizing of print

Reference collection to allow expansion of Local History and Children's collections.

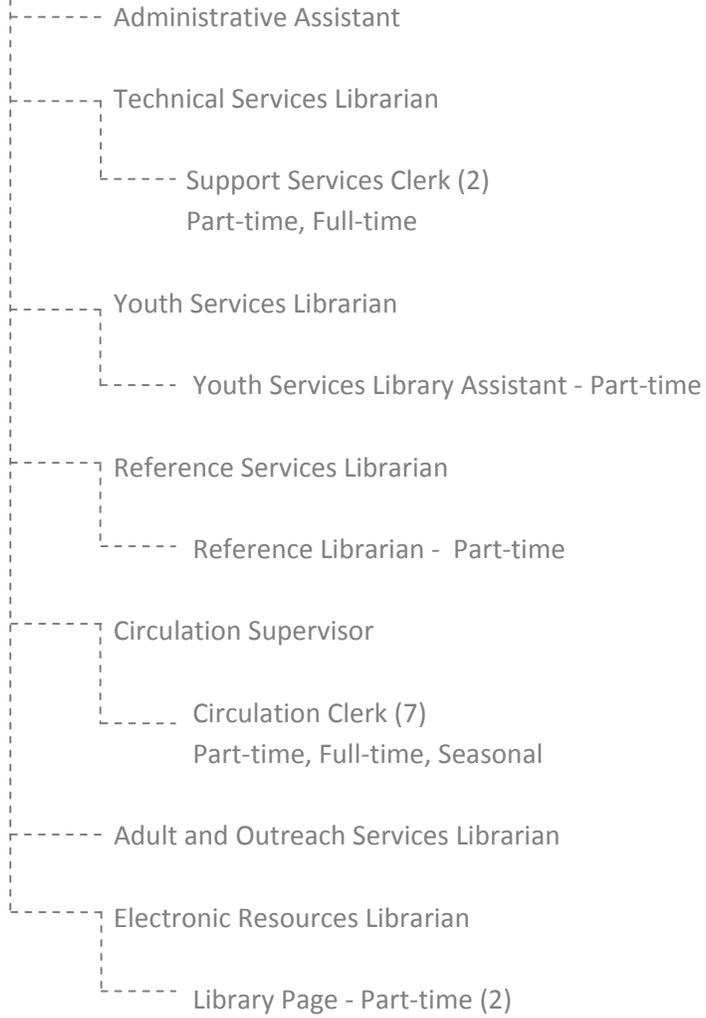
- Negotiate new contract for integrated library system.
- Design and implement customer guidance in the print Reference collection to refer to online resources.
- Continue to seek cost-effective methods of improving and expanding services via consortia and grant opportunities.
- Increase public awareness of TCPL's services, programs, and resources through participation in public relations events in the schools and throughout the community, with special emphasis on the Library's virtual library and downloadable resources.
- Work with the Library Board to implement a speaker's bureau of staff, Library Board, and Friends members to take presentations about TCPL services out into the community.
- Continue to improve coordination of publicity and public relations efforts.
- *Improve the resources available to meet expressed customer needs.*
- Seek grant funding opportunities to implement public computer classes.
- Explore options for acquiring and circulating e-Reader devices.
- Explore options for other digital services for the virtual library, including streaming video and online magazines.

- Explore options through grant-funding and partnerships for implementing youth math and science-related programs.
- Explore funding options for continued microfilming and implementation of digitization of Local History and Local Newspaper collections.
- Continue cataloging of local history collection; continue to seek donations of items relevant to the local history of The Colony area; implement/create a photo database for TCPL's Local History Collection.
- Develop book club kits for circulation to local book clubs.
- Develop early literacy kits for circulation to individual cardholders.

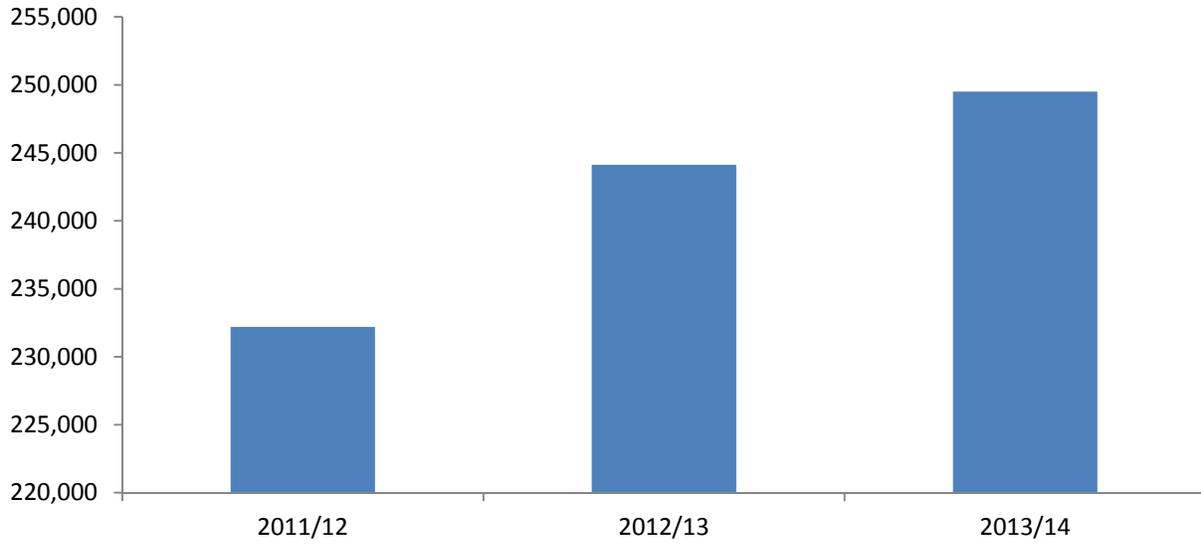
Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 824,405	\$ 828,575	\$ 822,062
Contractual Services	18,122	18,970	17,240
Supplies	117,985	128,190	125,166
Maintenance	13,243	15,250	12,055
Total Department Budget	\$ 973,755	\$ 990,985	\$ 976,523

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Library Director	1	1	1
Reference Services Librarian	1	1	1
Youth Services Librarian	1	1	1
Reference Librarian - Part-time	1	1	1
Technical Services Librarian	1	1	1
Adult & Outreach Services Librarian	1	1	1
Electronic Services Librarian	1	1	1
Circulation Supervisor	1	1	1
Circulation Clerk	2	2	2
Circulation Clerk - Part-time	4	4	4
Library Page - Part-time	2	2	2
Support Services Clerk - Part-time	1	1	1
Support Services Clerk	1	1	1
Administrative Assistant - Part-time	1	1	1
Youth Services Library Assistant -Part-time	0	0	1
Seasonal Circulation Clerk (Summer)	1	1	1
Total	20	20	21

Library Director



Library Resource Usage



Library Resource Usage - Combined total of items circulated, electronic resource usage; computer usage; wireless usage; program attendance; reference transactions, and electronic resource training sessions.

Parks Fund

The Parks Fund is an operating fund within the city. This fund consists of a combination of funds that were formerly in the general fund or were separated into stand-alone special revenue funds. This fund includes the Parks and Recreation Department, Aquatic Park, and Community Center. The fund gets the majority of its revenue from an operating transfer from the General Fund but it is also funded through Recreation and Athletic program revenue, Swimming fees, and Community Center program revenues. In addition to these revenue sources, there are transfers in from the Community Development Corporation for personnel as well as for maintenance on Five Star Park.

PARKS FUND
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
CHARGES FOR SERVICES				
Parks & Recreation				
Recreation Program Revenue	-	163,845	155,000	160,000
Athletic Program Revenue	-	96,892	93,000	93,000
Athletic & Recreation Facility Revenue	-	100,744	75,000	77,000
Pass Revenue	-	25,149	26,865	49,000
Total	-	386,630	349,865	379,000
Aquatic Park				
Swimming Lessons	-	92,229	75,000	85,000
Season Passes	-	10,986	8,000	9,000
Swimming Team	-	21,947	14,000	20,000
Entrance Fees	-	45,366	45,000	45,000
Concession Sales	-	1,851	3,500	1,500
Private Party Fees	-	33,052	33,660	33,660
Aerobic Classes	-	16,111	14,000	14,000
Total	-	221,542	193,160	208,160
Community Center				
Rental Revenue	-	9,638	8,000	9,000
Program Revenue	-	2,472	1,000	1,000
Trip Revenue	-	53,144	25,000	-
Membership Fees	-	4,855	4,300	4,300
Total	-	70,109	38,300	14,300
TOTAL CHARGES FOR SERVICES	-	678,281	581,325	601,460
OTHER INCOME				
Horizon Lease Payment (Moved From GF)	-	-	165,000	185,000
Miscellaneous	-	7,801	1,000	1,000
Interest Income	-	1,610	500	500
TOTAL OTHER INCOME	-	9,411	166,500	186,500
TOTAL REVENUES	-	687,692	747,825	787,960
TRANSFER IN				
Transfer - General Fund	-	3,270,000	2,259,884	2,289,884
Transfer - CDC Five Star Maintenance	-	122,845	150,000	165,000
Transfer - CDC Fund Personnel	-	150,000	122,845	122,845
Transfer - Lake Parks Fund	-	-	35,000	35,000
Transfer - HCP Reserve from General Fund	-	165,000	-	-
Transfer - Community Center Fund Balance	-	66,176	-	-
TOTAL TRANSFERS	-	3,774,021	2,567,729	2,612,729
TOTAL REVENUES & TRANSFERS	-	4,461,713	3,315,554	3,400,689
EXPENDITURES				
Overhead Expenditures	-	1,014,192	1,014,192	1,014,396
Parks & Recreation	-	1,957,947	1,991,546	2,030,105
Aquatic Park	-	383,892	358,952	377,452
Community Center	-	155,401	129,873	152,620
TOTAL EXPENDITURES	-	3,511,432	3,494,563	3,574,573
BEGINNING FUND BALANCE	-	-	950,281	771,272
EXCESS (DEFICIENCY)	-	950,281	(179,009)	(173,884)
ENDING FUND BALANCE	-	950,281	771,272	597,388
Working Days in Fund Balance	-	-	81	61

Parks and Recreation

Program Description

The Parks and Recreation department is responsible for the maintenance and operation of all City parks, athletic fields, recreational facilities and programs in the City. The Community Center, Lake Parks, Aquatic Park, Special Events and median/right of way maintenance are also administered by this department.

Program Narrative

Goals and Objectives for FY2014

Administration

- ***Ensure the availability of a wide range of leisure and recreational opportunities for our citizens that improve the quality of life in our community.***
- Recruit and develop a high quality staff.
- Develop and implement programs and activities that are unique and desired.
- Utilize volunteer manpower to operate efficiently and cost effectively.
- Host special events that are desired by the community and increase tourism to The Colony.

Recreation

- ***Provide high quality programs that meet a wide variety of interests which will benefit our citizens.***
- Continue to develop and maintain a variety of unique and desired programs.
- Advertise programs using various formats.
- Provide accurate information regarding all programs via telephone, in-person, City website, etc.

- Recruit quality instructors.
- ***Provide high quality, friendly and safe leisure facilities to the citizens of The Colony.***
- Provide staff with training that promotes excellent customer service.
- Use various forms of advertising to notify patrons of upcoming events and activities including an email database, cable TV, newspaper, bulletin boards, direct mailings, etc.
- Perform consistent walkthroughs of facilities to ensure that proper maintenance needs are met.

Athletics

- ***Provide high quality athletic programs for youth and adults that cover a broad range of interests.***
- Continue to develop and maintain a variety of unique and desired athletic programs.
- Recruit and hire quality officiating crews to ensure fair and equitable competitions.
- Improve communications and working relationship with youth sport associations.
- Provide accurate information regarding programs via telephone, in-person, City website, etc.
- ***Provide, promote, and schedule safe, affordable, high quality athletic facilities for the community and north Texas region.***
- Recruit quality youth and adult athletic events from regional, state and national organizations.

- Communicate with local associations to ensure that schedules are known and fields are properly prepared.
- Partner with maintenance department to evaluate calendar and determine ideal scheduling to ensure health and longevity of the fields.
- Relay complaints and concerns by facility users to maintenance department to ensure speedy resolution.
- Communicate with internal departments the approved usage calendar to ensure that all users are adhering to maintenance guidelines.

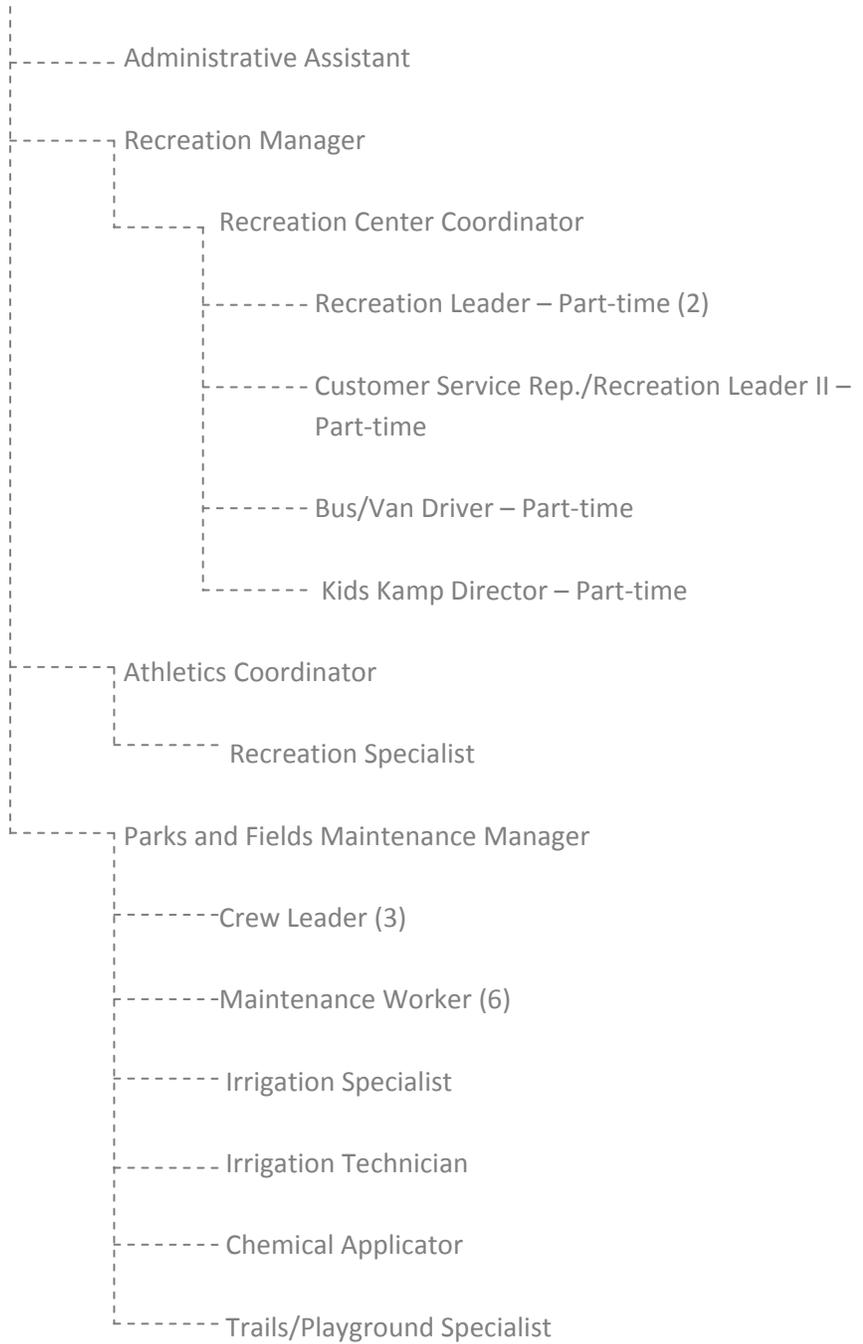
Maintenance

- *Provide a safe and aesthetically pleasing environment for sports organizations and parks and trail users.*
- Promote employee certification in playground safety, chemical applications, and irrigation in a way that those certifications can best serve the needs of the department.
- *Improve the quality of the parks and open spaces through creative construction and maintenance.*
- Research and implement new concepts related to the construction and maintenance of parks and greenbelt areas.

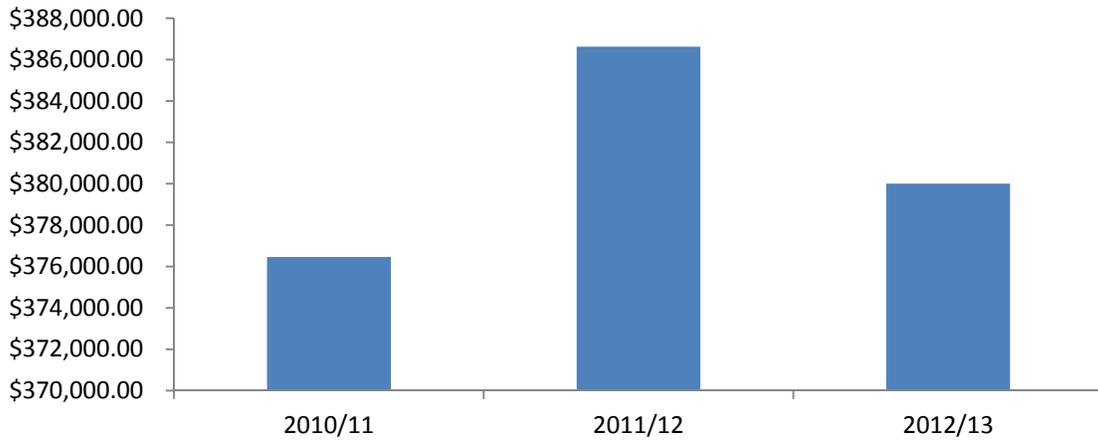
Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 1,344,828	\$ 1,393,651	\$ 1,402,055
Contractual Services	368,407	384,244	388,285
Supplies	146,652	146,489	146,589
Maintenance	95,060	90,426	93,176
Non-Capital	-	-	-
Total Department Budget	\$ 1,954,947	\$ 2,014,810	\$ 2,030,105

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Community Services Director	1	1	1
Recreation Manager	1	1	1
Administrative Assistant	1	1	1
Parks Maintenance Manager	1	1	1
Parks/Trails Crew Leader	1	1	1
Athletic Facilities Crew Leader	1	1	1
Greenscape/Special Projects Crew Leader	1	1	1
Trails/Playground Specialist	1	1	1
Irrigation Specialist	1	1	1
Irrigation Technician	1	1	1
Chemical Applicator	1	1	1
Maintenance Worker	6	6	6
Athletics Coordinator	1	1	1
Recreation Coordinator	1	1	1
Recreation Leader - Part-time	2	2	2
Customer Service Rep./Recreation Leader II - Part-time	1	1	1
Recreation Specialist	1	1	1
Bus/Van Driver - Part-time	1	1	1
Kidz Kamp Director - Part-time	1	1	1
Total	25	25	25

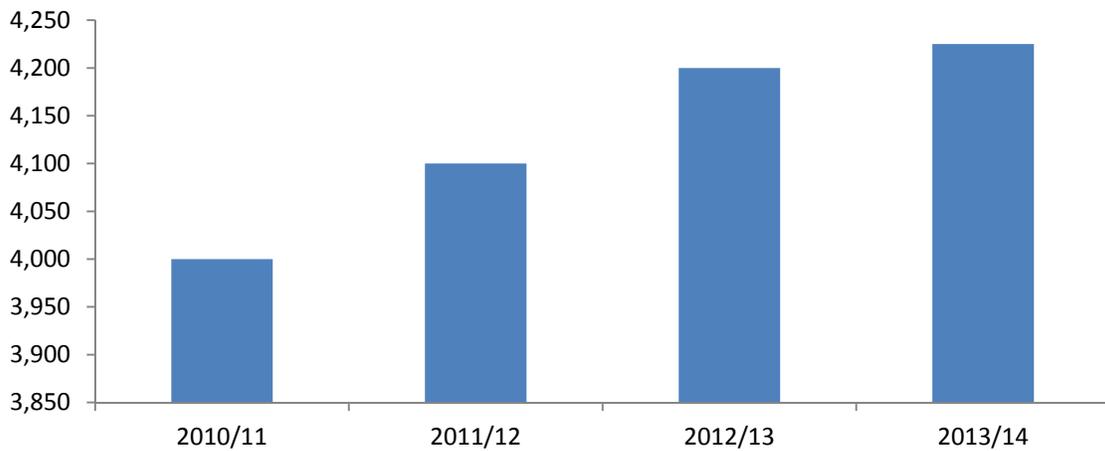
Director of Community Services



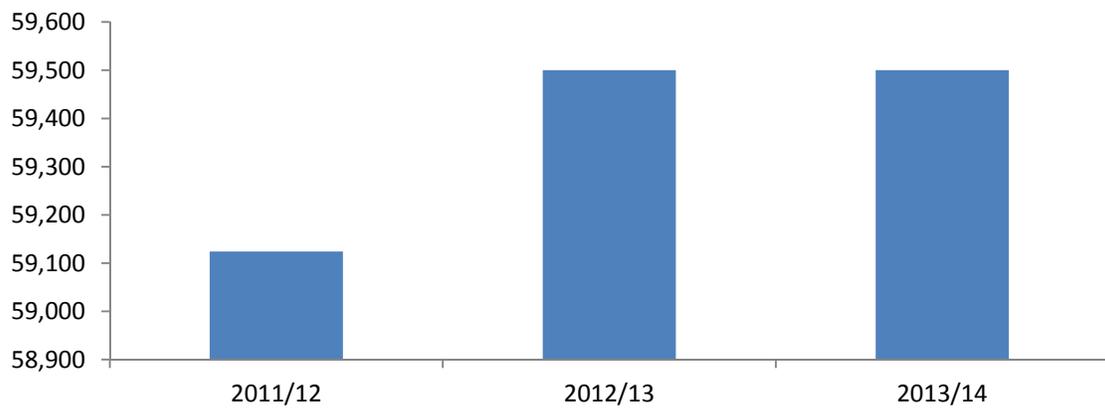
Recreation Revenue Collected



Volunteer Hours for Projects and Events



Recreation Center Visitors



Aquatic Park

Program Description

The Aquatic Park consists of one indoor competitive training pool, two outdoor leisure lagoons, and a children's splash park. The unusual three-acre park includes sand volleyball, shade structures, and two pavilions. Recipient of an international award for innovative staff training programs, this department is responsible for providing a safe, yet exciting water recreation environment. Diverse activities include kayaking, leisure swim, adult exercise classes, SCUBA, three competitive swim teams, triathlete training, SUP boarding, special events, and swim classes for all ages.

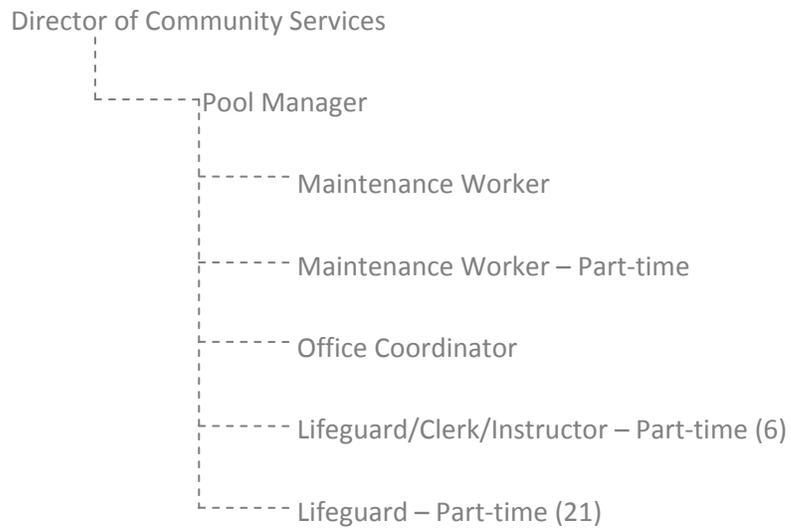
Program Narrative

Goals and Objectives for FY2014

- *Provide high quality water safety education to satisfied guests of all ages and needs.*
- Deliver a wider variety of learning opportunities for children, teens and adults.
- Continue to improve satisfaction on surveys.
- Increase participation during off-peak hours.
- *Continue to provide the highest standards in pool water cleanliness and facility quality.*
- Complete all audits within allowed time frame.
- Monitor facility audits on safety and water conditions.
- Evaluate level of guest satisfaction through surveys.
- Expand outer areas of park by improving landscaping and adding features.
- *Attain or improve annual expected income projections.*
- Expand attendance for Public Swim.
- Enhance revenues by increasing the frequency and variety of group rentals.
- Assist swim team organizers in program development.
- Create a publicity drive that will broaden our reach into outer communities and organizations.
- Utilize volunteer hours to increase customer service and assist in daily summer operations.

	Actual 2011-12	Budget 2012-13	Budget 2013-14
Expenditures			
Personnel Services	\$ 325,639	\$ 310,148	\$ 322,773
Contractual Services	16,440	17,359	19,204
Supplies	23,643	21,525	23,375
Maintenance	18,169	12,300	10,300
Capital	-	-	1,800
Total Department Budget	\$ 383,891	\$ 361,332	\$ 377,452

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Pool Manager	1	1	1
Maintenance Worker	1	1	1
Maintenance Worker - Part-time	1	1	1
Office Coordinator - Part-time	1	1	1
Lifeguard/Clerk/Instructor - Part-time	6	6	6
Lifeguard - Part-time	21	21	21
Total	31	31	31



Community Center

Program Description

The Community Center is responsible for providing recreational programming for The Colony and area seniors. When not in use by the seniors and/or Parks and Recreation, the Community Center provides a rental facility for area citizens.

Program Narrative

Goals and Objectives for FY2014

- *Provide high quality programs to meet the needs of senior citizens at the Community Center.*
- Offer a variety of programming at the center to allow for new activities.
- Offer a travel program of day and overnight trips.
- Advertise programming to public in various formats.
- *Work to maintain a high level of satisfaction among senior citizen patrons.*
- Identify areas for trips/excursions that would appeal to a large segment of the senior population.
- Work closely with outside senior agencies to help provide a comprehensive array of programs, activities, and seminars to meet the needs of seniors.
- Utilize volunteer hours to increase customer service and assist in daily operations.
- *Provide a safe and affordable facility for residents to rent for meetings, banquets, or events.*
- Promote the facility as available for rental in various media.
- Accommodate scheduling of rentals around senior usage whenever possible.
- Provide adequate supervision and oversight of all facility usage to ensure that safety and maintenance issues are addressed in a timely manner.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 95,859	\$ 112,208	\$ 120,126
Contractual Services	53,096	26,285	1,244
Supplies	6,030	6,000	31,000
Maintenance	416	700	250
Total Department Budget	\$ 155,401	\$ 145,193	\$ 152,620

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Community Center Coordinator	1	1	1
Programs Leader - Part-time	1	1	1
Total	2	2	2



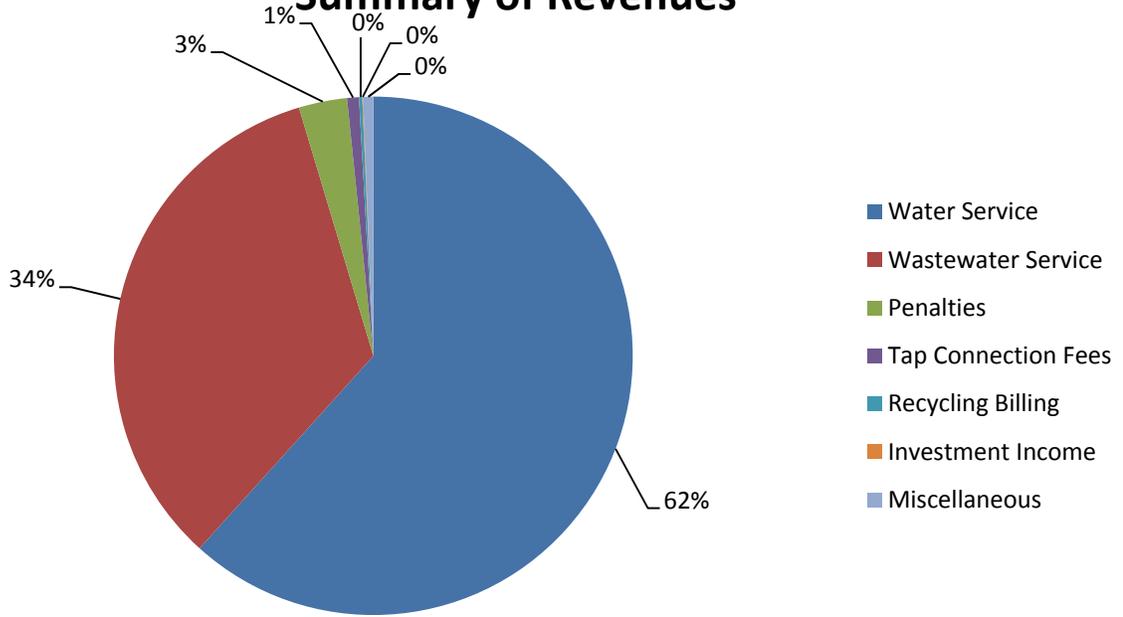
*This position is accounted for in another department.

Utility Fund

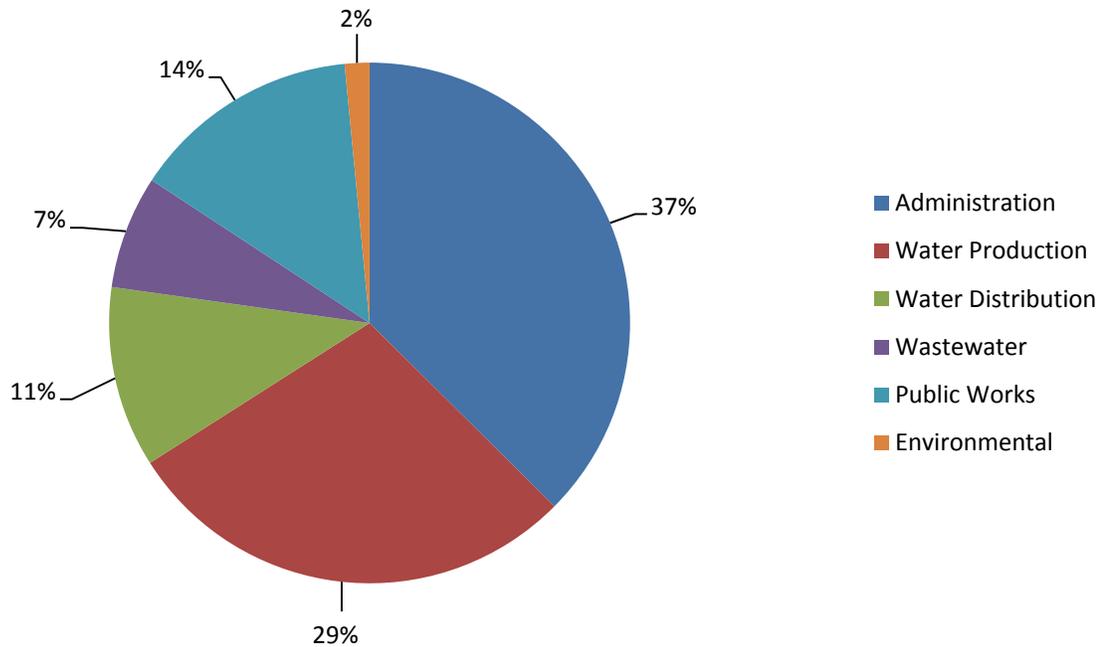
The Utility Fund accounts for all costs in providing water and wastewater services to residential and commercial utility customers. All activities necessary to provide such services are accounted for in this fund including, Administration, Operations, Maintenance, Financing, Customer Billing, Account Collection and related debt service. The operations of the Utility Fund are financed and operated in a manner similar to private business enterprises where expenses (including depreciation) of providing services are recovered primarily through user charges.

An annual cash transfer from the Utility Fund to the General Fund is made each year for reimbursement of payment in lieu of property taxes, franchise fees and administrative overhead costs incurred. Administrative services, such as operations management, personnel functions, financial management, purchasing and payroll are included in this overhead charge.

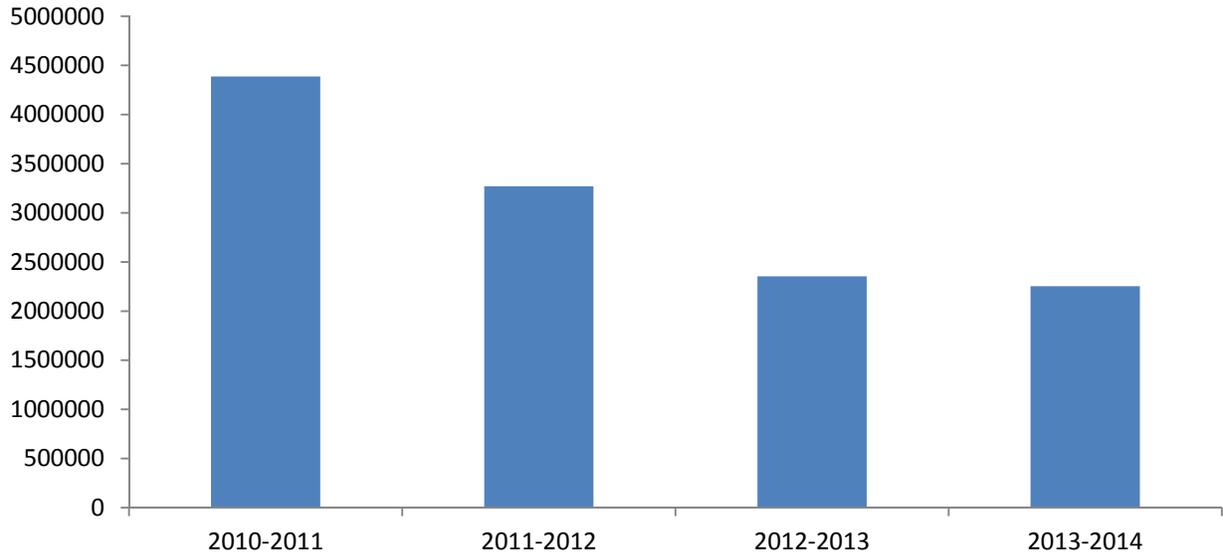
Summary of Revenues



Summary of Expenditures



Fund Balance



Fiscal Year	Working Days in Fund Balance	Value of Each Day
2010-2011	119	\$36,864
2011-2012	79	\$40,971
2012-2013	59	\$39,676
2013-2014	60	\$37,554

The City adopted the Financial Management Policies in 2002 which set the working days in fund balance of the major operating funds at 60 days. The City conscientiously meets the requirement by conservatively budgeting revenues and putting strong controls on expenditures. Water rates will be increased 3% starting October 1st 2013 in anticipation of a 2015 bond issuance for required waste water treatment plant improvements and several maintenance projects.

UTILITY FUND
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
CHARGES FOR SERVICES				
Water Service	8,749,538	8,101,058	7,918,642	8,397,646
Wastewater Service	4,513,492	4,544,938	4,494,500	4,585,400
Reconnect Fees	21,670	22,880	25,000	25,000
Penalties	432,330	413,526	410,000	410,000
Storm Water Utility Fees	-	491,857	-	-
Tap Connection Fees	130,095	82,625	70,000	100,000
Investment Income	6,916	6,412	7,000	7,000
Miscellaneous	25,576	18,650	25,200	25,000
Recycling Billing	-	9,579	27,500	27,700
Recycling Education Contribution	-	36,000	36,000	36,000
TOTAL REVENUES	13,879,617	13,727,525	13,013,842	13,613,746
TRANSFERS IN				
Transfer - Storm Water Utility Fund	-	-	290,000	350,000
Transfer - Capital Projects - Tribute	-	-	162,259	-
Transfer - Capital Projects - 820 Fund Streets	-	-	100,000	-
Transfer - Environmental Fund Balance	-	-	-	-
TOTAL TRANSFERS IN	-	-	552,259	350,000
TOTAL REVENUES & TRANSFERS	13,879,617	13,727,525	13,566,101	13,963,746
EXPENDITURES				
Overhead Expenses	-	2,593,752	2,593,752	2,593,752
Non-Departmental	1,079,490	429,578	128,189	88,835
Water Production	2,579,935	2,581,198	2,548,200	2,702,399
Water Distribution	1,535,338	1,016,804	1,011,277	1,065,291
Wastewater	695,149	645,579	635,658	665,856
Utility Administration	973,878	491,989	687,679	687,614
Payroll Administration	111,252	-	-	-
Public Works	181,163	1,241,065	1,457,885	1,347,254
Facilities Maintenance	443,537	-	-	-
Storm Water - Engineering	-	38,996	37,534	37,534
Storm Water - Public Works	-	116,600	152,019	139,677
Environmental	-	144,519	150,689	145,705
TOTAL EXPENDITURES	7,599,742	9,300,080	9,402,882	9,473,917
TRANSFERS OUT				
Transfer - General Fund	2,405,000	2,320,000	1,361,231	1,914,906
Transfer - D. S. Utility Tax	2,000,000	2,050,000	2,260,000	2,275,000
Transfer - D. S. Revenue bonds	1,050,000	1,175,000	1,295,630	-
Transfer - Special Projects	350,000	-	-	-
Transfer - General Fund - Tribute	-	-	162,259	-
Transfer - Capital Projects	-	-	-	400,000
TOTAL TRANSFERS OUT	5,805,000	5,545,000	5,079,120	4,589,906
TOTAL EXPENDITURES & TRANSFERS	13,404,742	14,845,080	14,482,002	14,063,823
BEGINNING FUND BALANCE	3,911,910	4,386,785	3,269,230	2,353,329
EXCESS (DEFICIENCY)	474,875	(1,117,555)	(915,901)	(100,077)
ENDING FUND BALANCE	4,386,785	3,269,230	2,353,329	2,253,252
Working Days in Fund Balance	119	80	59	60

Non-Departmental

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 11,177	\$ 35,000	\$ 11,000
Contractual Services	414,593	75,251	74,000
Supplies	1,229	1,235	1,235
Maintenance	2,550	2,600	2,600
Capital Project	-	-	400,000
Total Department Budget	\$ 429,549	\$ 114,086	\$ 488,835



Water Distribution

Program Description

The Water Distribution department is responsible for providing a safe, potable water supply for personal use, sanitation, recreation and safety purposes for the citizens of the City. Functions of the Water Distribution department include maintenance of water and sewer lines, water meter readings, and customer field service calls.

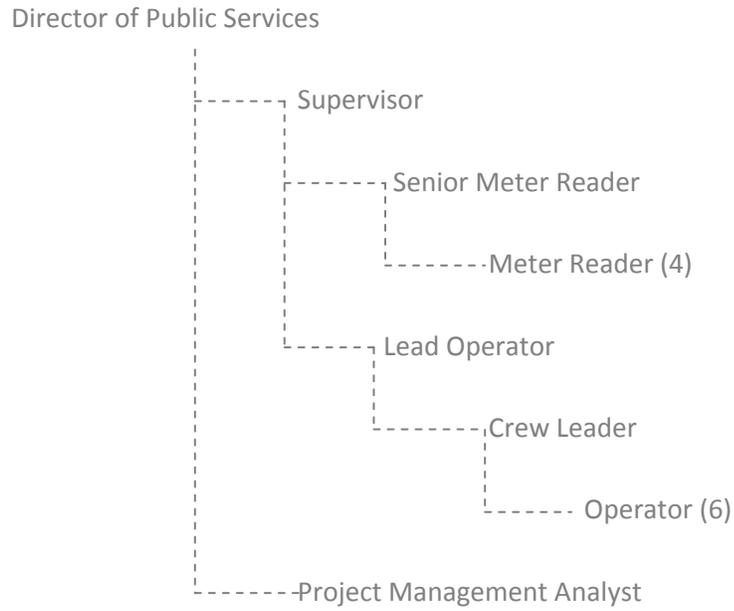
Program Narrative

Goals and Objectives for FY2014

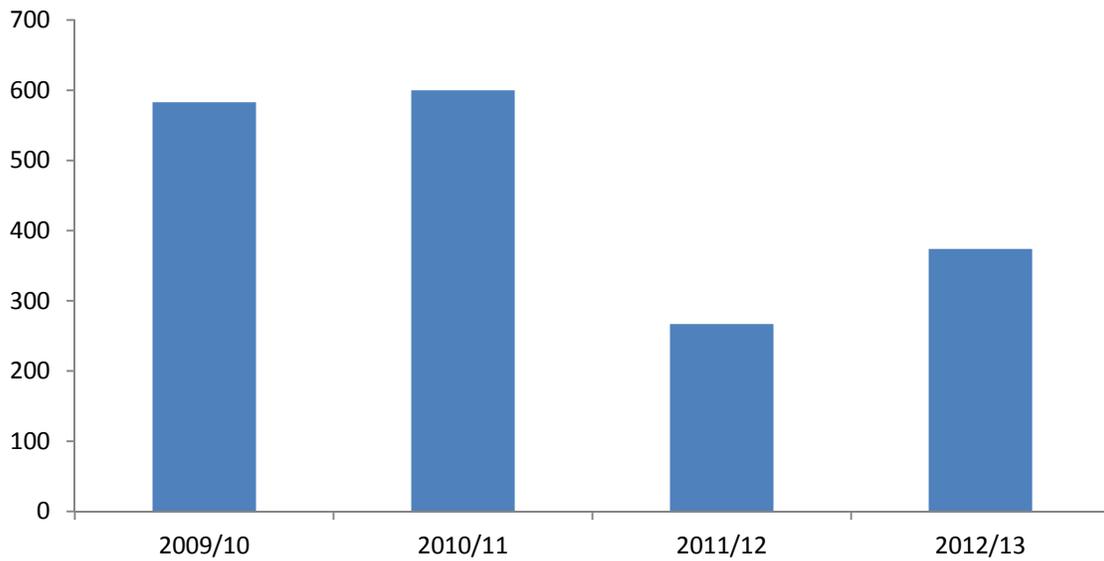
- *Reduce major water leaks and improve communications with customers.*
- Make repairs on water and sewer lines as soon as possible without interrupting service where feasible.
- Continue a water line replacement program.
- Continue replacing malfunctioning water meters for better customer service.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 917,559	\$ 960,855	\$ 968,650
Contractual Services	6,089	5,686	8,686
Supplies	85,523	52,830	79,980
Maintenance	7,663	8,325	7,975
Total Department Budget	\$ 1,016,834	\$ 1,027,696	\$ 1,065,291

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Director of Public Services	1	1	1
Supervisor	1	1	1
Crew Leader	0	0	1
Lead Operator	1	1	1
Operator	7	7	6
Senior Meter Reader	1	1	1
Meter Reader	4	4	4
Project Management Analyst	1	1	1
Total	16	16	16



Water Meters Replaced



Wastewater

Program Description

The Wastewater department is responsible for the treatment of raw sewage into disposable effluent and solid materials in a manner complying with all regulatory parameters required by the Texas Commission on Environmental Quality (TCEQ), and the US Environmental Protection Agency. Functions of the department include operations, monitoring and maintenance of the wastewater treatment plant, and associated lift stations within the City.

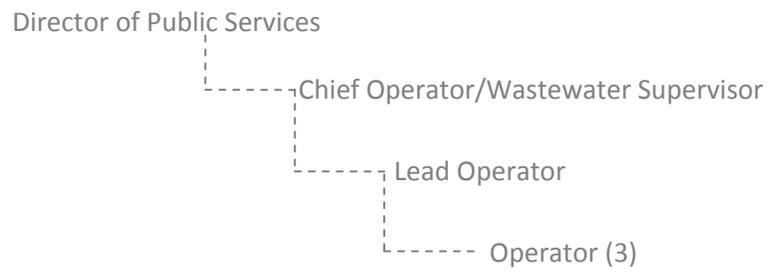
Program Narrative

Goals for FY2014

- *Maintain compliant and efficient operation of wastewater treatment plant systems.*
- *Plan for future plant expansions to accommodate growth of the City.*
- *Oversee construction upgrades and expansion of wastewater treatment plant.*
- *Plan for future EPA and TCEQ regulatory compliance issues.*

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 289,145	\$ 282,033	\$ 278,281
Contractual Services	219,949	205,750	230,700
Supplies	68,233	82,500	86,775
Maintenance	68,252	60,400	70,100
Non-Capital	-	10,000	-
Total Department Budget	\$ 645,579	\$ 640,683	\$ 665,856

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Chief Operator/Wastewater Supervisor	1	1	1
Lead Operator	1	1	1
Operator	3	3	3
Total	5	5	5



Utility Administration-Customer Services

Program Description

Utility Administration Customer Service Department is responsible for the accurate and efficient billing of customer utility accounts, issuing of permits and customer service operations. Duties of the customer service personnel include establishing new accounts, providing customer assistance and information regarding utility accounts and the mailing and collection of residential and commercial bills for water, sewer, sanitation, recycling, EMS, drainage fees, sales tax and issuing permits accurately and efficiently.

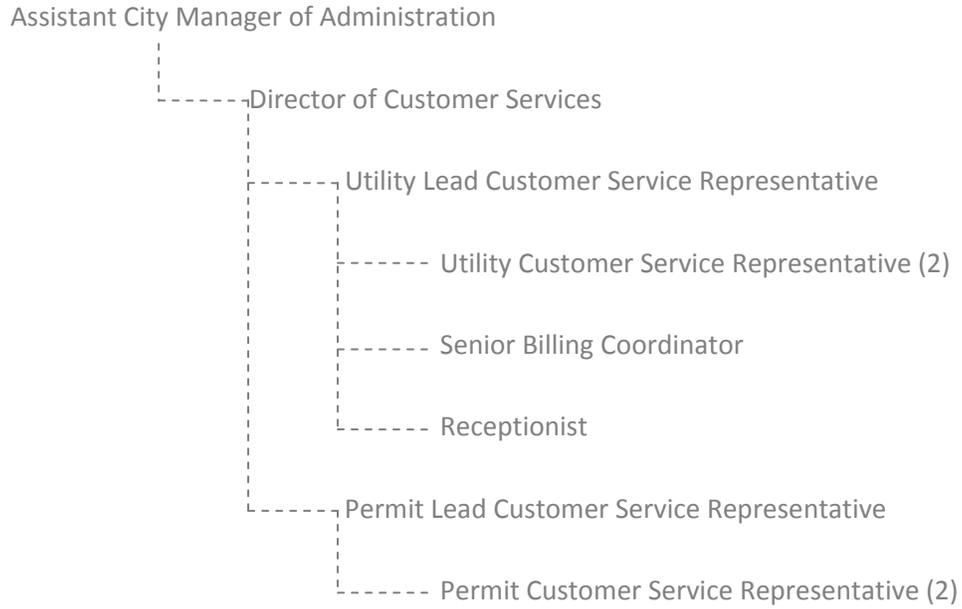
Program Narrative

Goals and Objectives for FY2014

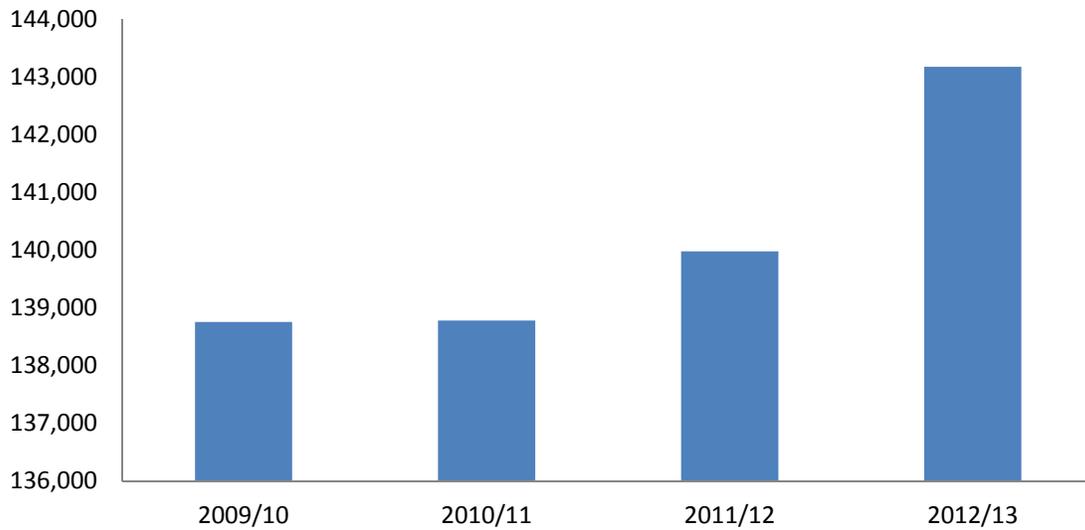
- *Increase customer satisfaction and maximize use of customer information. Explore/implement payment options.*
- Utilize the monthly letter billing to provide information to customers.
- Continue employee cross training in order to provide a one stop customer service experience.
- Continue to maintain, purge and archive utility records.
- Continue improving processes and procedures.

	Actual 2011-12	Budget 2012-13	Budget 2013-14
Expenditures			
Personnel Services	\$ 291,165	\$ 456,747	\$ 474,264
Contractual Services	111,629	136,424	116,455
Supplies	73,529	76,605	71,405
Maintenance	15,667	24,160	25,490
Total Department Budget	\$ 491,990	\$ 693,936	\$ 687,614

	Budget 2011-12	Budget 2012-13	Budget 2013-14
Personnel Detail			
Director of Customer Services	1	1	1
Utility Lead Customer Service Representative	1	1	1
Utility Customer Service Representative	2	2	2
Senior Billing Coordinator	1	1	1
Receptionist	1	1	1
Permit Lead Customer Service Representative	1	1	1
Permit Customer Service Representative	2	2	2
Total	9	9	9



Accounts Billed Annually



Water Production

Program Description

The Water Production department is responsible for providing a safe, potable water supply for personal use, sanitation, recreational and fire protection uses for the citizens of the City. Functions of the department include water quality monitoring, operation of the water pump station, maintenance and operations of all City owned well sites.

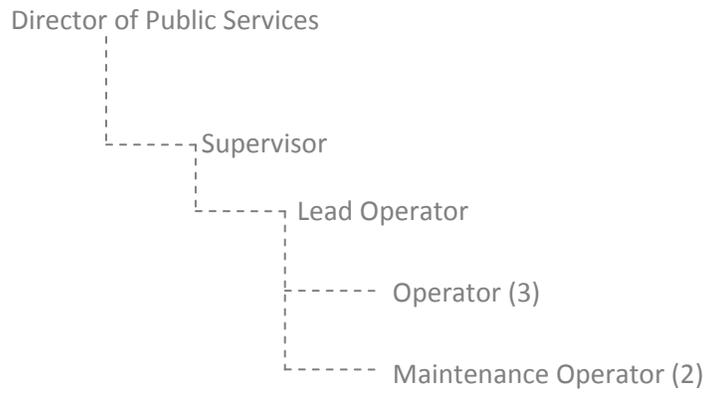
Program Narrative

Goals and Objectives for FY2014

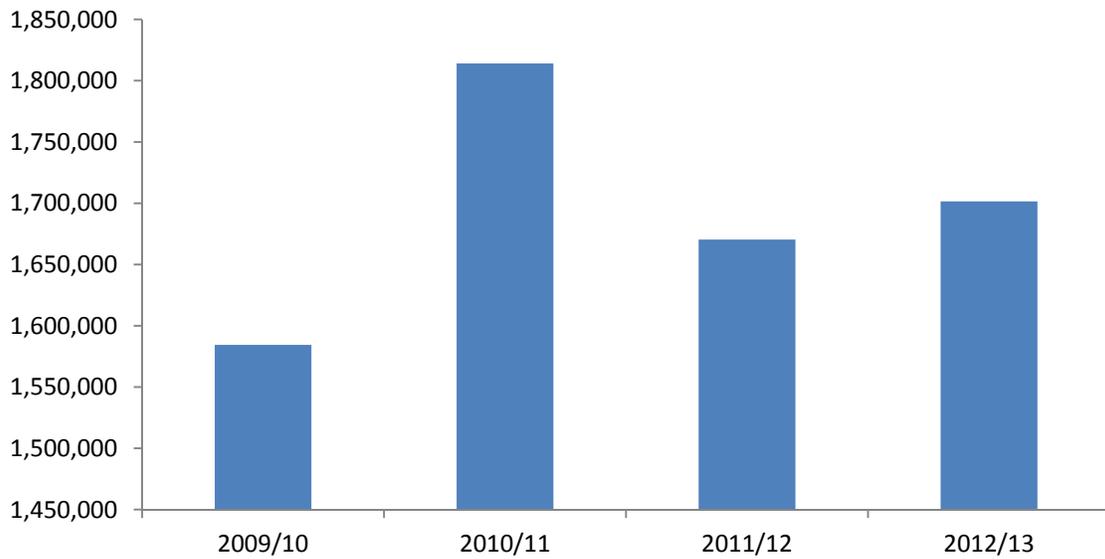
- *Increase the life expectancy and operating efficiency of the City's water assets.*
- Continue upgrading the SCADA System that operates all the City's well sites and the Office Creek Pump Station. Utilization of newer technology will result in better planning and better maintenance programs.
- Continue inspecting and providing preventative maintenance to all water storage facilities.
- *Increase the level of customer satisfaction.*
- Dispatch and respond to after hours, weekend, and holiday emergency calls.
- Address all concerns and questions in a professional manner that citizens may have about water quality and water conservation.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 445,795	\$ 441,555	\$ 445,539
Contractual Services	90,338	83,080	107,200
Supplies	1,886,741	1,890,900	1,983,860
Maintenance	158,325	140,300	165,800
Total Department Budget	\$ 2,581,199	\$ 2,555,835	\$ 2,702,399

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Supervisor	1	1	1
Lead Operator	1	1	1
Operator	3	3	3
Maintenance Operator	2	2	2
Total	7	7	7



Water Usage (millions of gallons)



Public Works

Program Description

Public Works provides guidance and managerial support for all Public Works/Utilities' operations and operates the departments' customer service center to handle requests and concerns from residents received by phone, email or website inquiry. The Public Works department is responsible for maintenance of streets and alleys, sidewalks, storm drainage ways and traffic signage and signal control. The Department also manages residential solid waste collection provided by private contractors and provides internal support for the City's vehicle maintenance and facility maintenance needs.

Program Narrative

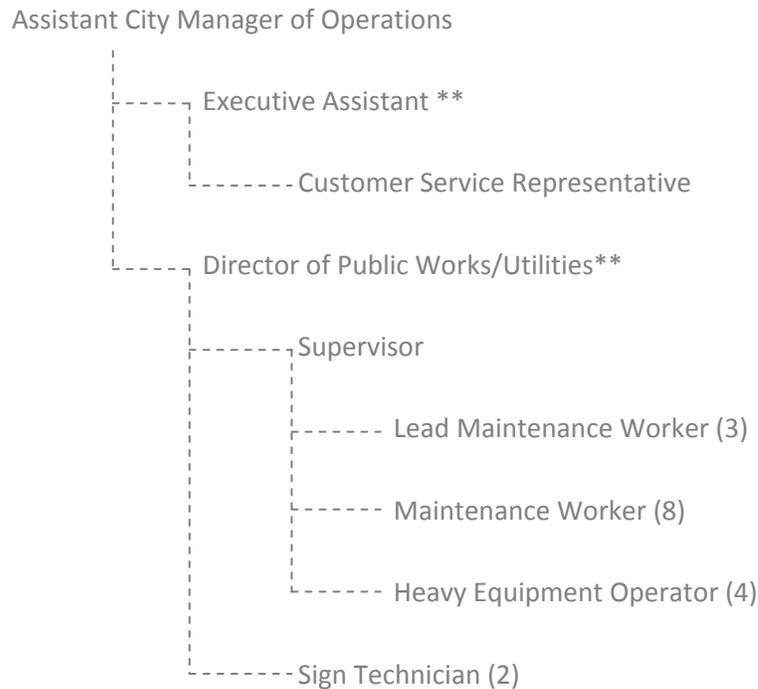
Goals and Objectives for FY2014

- *Provide direction for all Public Works/Utilities Department activities to ensure that resources are utilized in an efficient manner to deliver quality services to the residents and visitors of The Colony.*
- Conduct thorough reviews of all Department activities and establish efficient production goals, whenever possible.
- Evaluate alternative service delivery approaches and systems to improve the efficiency of allocated resources.
- Support Engineering and Utilities departments to improve City project service delivery.
- *Respond to the City's street, alley, sidewalk, and drainage maintenance needs.*
- Emphasize the maintenance and repair of streets, alleys, and sidewalks within the City.
- Support the City's Water and Wastewater Utilities department by making timely surface repairs for underground utility excavations.
- Support safe and efficient traffic flow along City streets and school zones.
- Eliminate potential surface hazards and sub grade erosion by patching or removal and replacement of pavement.
- Clear the City's drainage channels and drainage systems to provide unrestricted flow.
- Repair and minimize soil erosion within unimproved drainage ways.
- Implement Best Management Practices to support the Texas Commission for Environmental Quality Municipal Storm Sewer System storm water permit.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 793,748	\$ 923,499	\$ 884,704
Contractual Services	52,269	48,500	42,850
Supplies	56,205	44,800	57,500
Maintenance	338,843	457,050	362,200
Total Department Budget	\$ 1,241,065	\$ 1,473,849	\$ 1,347,254

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Supervisor	1	1	1
Lead Maintenance Worker	4	3	3
Maintenance Worker	9	8	8
Sign Technician	2	2	2
Heavy Equipment Operator	2	3	4
Customer Service Representative	1	1	1
Total	19	18	19

* Public Works and Public Works Administration are combined in FY11/12 (history is also combined)



** These positions are accounted for in other departments.

Storm Water

Program Description

The City's Storm Water program is managed in a coordinated fashion by both the City's Engineering and Public Works Departments. Engineering administers the Storm Water Management Plan, selects consultants and contractors to design and construct major repairs and improvements to the City's storm water systems, and reviews flood studies and drainage plans to meet federal, state, and City codes. Public Works' Storm Water and drainage crew maintains all improved and unimproved drainage easements within the City to ensure the free flow of storm water and to minimize the probability of structure flooding. Mowing and vegetation control within these areas is performed by the Parks and Recreation department. Public Works also operates the City's street sweeping program and helps to remove dirt, silt, and other pollutants from City streets before they are washed into and through the City's storm water system.

Program Narrative

Goals and Objectives for FY2014

Engineering

- *Continue implementation of the Storm Water Phase II Program.*
- Continue Storm Water Management Plan Annual Report.
- Continue staff training program.
- Engineering Design Manual revisions to include iSWM.

Public Works

- *Continue and enhance Storm Water system maintenance programs.*
- Street sweep 3,000 curb miles.
- Maintain flumes, channels, ditches, inlets and catch basins.
- Maintain and repair storm drain conduits.

	Actual 2011-12	Budget 2012-13	Budget 2013-14
Expenditures			
Personnel Services	\$ 84,765	\$ 91,320	\$ 92,277
Contractual Services	49,104	71,200	56,600
Supplies	2,602	250	-
Maintenance	12,550	18,000	18,000
Capital	6,575	10,334	10,334
Total Department Budget	\$ 155,596	\$ 191,104	\$ 177,211



Environmental

Program Description

The Environmental department is responsible for residential and commercial solid waste collection and transportation activities in The Colony. The Department is also responsible for residential and multi-family recycling activities in The Colony. The Department, in addition, has responsibility for environmental issues and Programs such as Household Hazardous Waste, Adopt-A-Street, Green Waste, sharps and storm water education, along with coordination of all educational and promotional efforts for the solid waste and recycling programs. All grant writing efforts for solid waste, recycling and/or environmental are coordinated through the department, as well.

Program Narrative

Goals and Objectives for FY2014

- *Ensure that 95% of all solid waste and recycling customer service issues are responded to within 24 hours.*
- *Provide direction for public activities concerning recycling and environmental protection.*
- *Pursue public educational, recycling, and environmental programs.*
- *Prepare and submit grant applications to recycling and environmental related grant resources.*

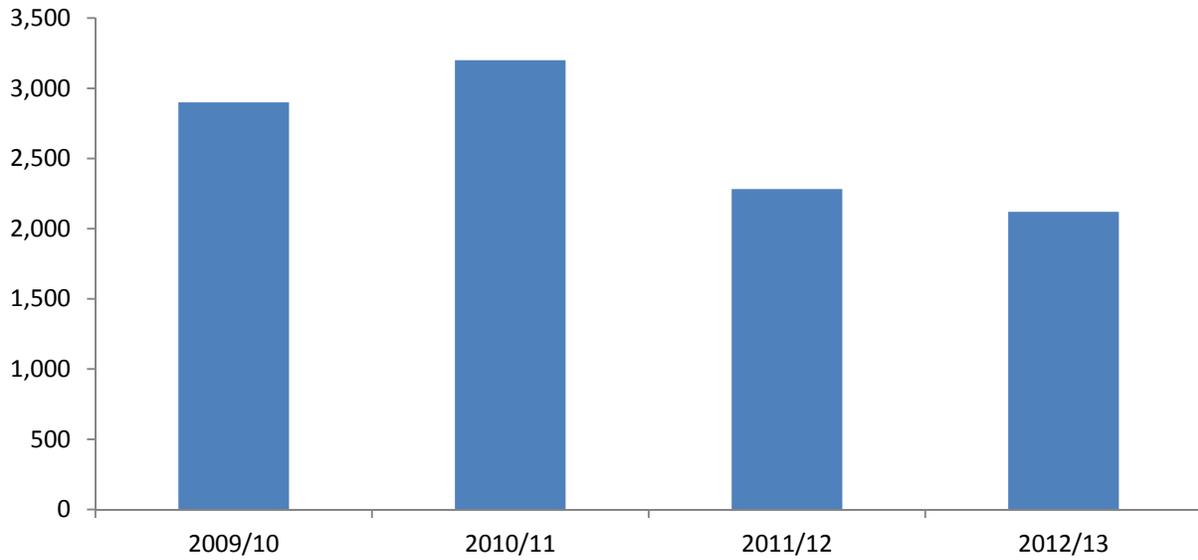
Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 87,179	\$ 92,338	\$ 90,855
Contractual Services	36,230	40,700	35,700
Supplies	21,110	19,110	19,150
Maintenance	-	300	-
Total Department Budget	\$ 144,519	\$ 152,448	\$ 145,705

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Environmental/Facilities Manager	1	1	1
Total	1	1	1

Director of Public Services

Environmental/Facilities Manager

Landfill Passes Distributed



Economic Development Fund – Type A

The Development Corporation Act of 1979 as amended June 2003 provides the guidelines under which the Economic Development Corporation functions.

On January 17, 1998, the voters of the City of The Colony approved two half-cent sales taxes to promote economic development. The Colony Economic Development Corporation (the “EDC”) is funded by a half-cent sales tax. A Director administers the daily operations of the EDC. Five individuals comprise the corporation’s board of directors. These board members are selected and appointed by City Council. The board and the City Council approve the EDC budget. By contract, the city administers and staffs the EDC for the board.

The Colony Economic Development Corporation’s mission is, “To support quality commercial development activities that generate local employment and enhance the economic well-being of The Colony.” To accomplish this mission the EDC focuses on recruitment of retail, corporate office development and warehouse/distribution for the City while maintaining an active business retention program.

Recruitment is accomplished by marketing the City to commercial brokers and developers, site selection companies and site selection executives regionally, statewide and nationally. The business retention program involves the economic development staff visiting businesses within the community.

The Colony is fortunate to have a business friendly City Council and a pro-active EDC Board of Directors. The attitude of both organizations is “make it happen” when it comes to expanding the commercial tax base of the community. Within the guidelines of the Development Corporation Act the EDC will offer attractive incentive packages to recruit retail, corporate office relocations and warehouse/distribution projects as well as local business expansion. The City Council has demonstrated a desire to join the EDC in this effort to do their part to attract development to the City.

ECONOMIC DEVELOPMENT - TYPE A SALES TAXES
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
CITY SALES TAXES				
Sales Tax Revenues	1,669,554	1,788,164	1,786,365	1,822,093
Investment Income	7,101	5,534	7,500	6,000
Miscellaneous Revenue	349	3,957,220	-	-
TOTAL REVENUES	1,677,004	5,750,918	1,793,865	1,828,093
EXPENDITURES-OPERATIONAL				
Personnel Services	281,129	156,851	286,775	286,775
Contractual Services	25,955	23,467	60,000	60,000
Supplies	6,186	4,539	10,890	11,390
Maintenance	-	-	500	500
Capital Outlay	-	37,208	-	-
Overhead Costs	-	71,380	71,380	71,380
TOTAL EXPENDITURES	313,270	293,445	429,545	430,045
EXPENDITURES-ECONOMIC INCENTIVES				
Marketing	110,309	116,404	178,637	182,209
Contingencies	-	-	-	-
Economic Development Incentives	90,835	151,358	2,500,000	500,000
Sales Tax Rebate	215,858	214,307	434,023	273,750
Transfer Out - General Fund BPP	28,000	27,000	28,000	28,000
Transfer Out - General Fund Reimbrse	4,292,014	-	320,000	-
Transfer Out - Debt Service 2013	-	-	-	152,000
Transfer Out - Gen Debt. Serv. Fund	294,882	292,450	292,547	293,161
Transfer Out - Tax Supported Debt	307,680	305,577	306,999	305,559
TOTAL EXPENDITURES	5,339,578	1,107,096	4,060,206	1,734,679
TOTAL EXPENDITURES	5,652,848	1,400,541	4,489,751	2,164,724
EXCESS (DEFICIENCY)	(3,975,844)	4,350,377	(2,695,886)	(336,631)
BEGINNING FUND BALANCE	5,279,745	1,303,901	5,654,278	2,958,392
ENDING FUND BALANCE	1,303,901	5,654,278	2,958,392	2,621,761

Program Description

The Economic Development Corporation's (the "EDC") program is focused on creating quality commercial development activities that generate local employment and enhance the economic well-being of The Colony. This is accomplished through a performance based incentive program, business retention and expansion program, and marketing efforts that target commercial developers, brokers and site selection consultants, as well as individual corporations.

Program Narrative

Goals and Objectives for FY2014

- Provide staff support for the EDC board.

- Assemble the necessary documentation for the EDC board to make informed decisions.
- *Heighten awareness among commercial real estate brokers and developers of development opportunities in The Colony.*
- Arrange meetings and negotiations with corporate prospects focused on recruiting retail, corporate office and light industrial into The Colony.
- *Market the City.*
- Create marketing materials, participate in trade shows and Commercial developer /broker organizations, and establish relationships with representatives of firms considering relocation and expansion.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 156,851	\$ 286,775	\$ 286,775
Contractual Services	23,467	60,000	60,000
Supplies	4,539	10,890	11,390
Maintenance	-	500	500
Capital	37,208	-	-
Incentives	151,358	2,500,000	500,000
Total Department Budget	\$ 373,423	\$ 2,858,165	\$ 858,665

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Economic Development Director	1	1	1
Economic Development Specialist	1	1	1
Total	2	2	2



Community Development Fund – Type B

The Colony Community Development Corporation was formed after the passage of the 4A/4B (Now Type A/B) Sales Tax that was approved by The Colony voters in the Special Election held on January 17, 1998. One half of one percent of the sales tax collected in the city is distributed to the Economic Development Corporation (Type A) and The Colony Community Development Corporation (Type B), with the remaining sales tax going to the City.

Voters approved the following proposition - "The adoption of a Sales and Use Tax within the City of The Colony , Texas , at the rate of one-half of one percent to be used, after the holding of at least one public hearing, for land, buildings, equipment, facilities, and improvements required or suitable for use for sports, athletic, entertainment, tourist, convention, and public park purposes and events, including but not limited to Community Centers, Libraries, and Hike and Bike Trails, and the promotion or development of new or expanded business enterprises, as authorized by Section 4B (Type B) of Article 5190.6 Vernon 's Texas Civil Statutes, as amended (The Development Corporation Act of 1979); and maintenance and operating costs associated with any of the above projects that are publicly owned and operated."

COMMUNITY DEVELOPMENT - TYPE B SALES TAXES
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
CITY SALES TAXES				
Sales Tax Revenues	1,669,554	1,788,165	1,786,365	1,822,092
Investment Income	1,839	2,099	2,000	2,000
Miscellaneous	250	5,089	-	-
TOTAL REVENUES	1,671,643	1,795,353	1,788,365	1,824,092
TRANSFERS IN				
Transfer from General Fund	-	-	-	-
Transfer from Capital Projects Fund	-	-	-	-
TOTAL TRANSFERS IN	-	-	-	-
TOTAL REVENUES & TRANSFERS	1,671,643	1,795,353	1,788,365	1,824,092
EXPENDITURES-OPERATIONAL				
Personnel Services	200,462	97,666	101,088	91,856
Contractual Services	33,445	38,409	26,200	29,500
Supplies	3,343	3,026	4,400	4,000
Maintenance	9,124	13,008	22,600	25,100
Capital Outlay	-	-	-	-
Overhead Costs	-	35,690	35,690	35,690
TOTAL EXPENDITURES	246,374	187,799	189,978	186,146
EXPENDITURES-SPECIAL PROJECTS				
Existing Park Improvements	548,345	382,500	475,000	625,000
Sports Complex-Debt Service	550,798	761,143	523,500	526,100
TOTAL EXPENDITURES	1,099,143	1,143,643	998,500	1,151,100
TRANSFERS OUT				
Transfer to Hotel Motel Fund	-	-	-	-
Transfer to General Fund - HF Parking Lot	-	-	-	-
Transfer to Parks Fund - Five Star Maint.	150,000	150,000	150,000	165,000
Transfer to Gen. Debt Serv.-Hike & Bike Trail	-	130,563	128,938	127,150
Transfer to Gen. Debt Serv.-Parking Lot	63,672	62,989	63,096	64,205
Transfer to Parks Fund - Personnel	-	122,845	122,845	122,845
TOTAL TRANSFERS OUT	213,672	466,397	464,879	479,200
TOTAL EXPENDITURES & TRANSFERS	1,559,189	1,797,839	1,653,357	1,816,446
EXCESS (DEFICIENCY)	112,454	(2,486)	135,008	7,646
BEGINNING FUND BALANCE	1,312,146	1,424,600	1,422,115	1,557,123
ENDING FUND BALANCE	1,424,600	1,422,115	1,557,123	1,564,769

Program Description

The Community Development Corporation's ("the CDC") purpose is to enhance the quality of life in The Colony by developing and improving existing facilities that will promote economic development while meeting the diverse needs of the community.

Program Narrative

Goals for FY2014

- *Develop sound planning strategies for future projects.*
- Use the completed Community Development Master Plan to prioritize projects and facilities development.
- Conduct monthly board meetings to plan and implement projects identified on the priority list of the Community Development Master Plan.
- Receive public input to stay current on the needs of our rapidly growing community.

- *Improve communications with the public, City Council, and other agencies.*
- Advertise and conduct public hearings/meetings on new projects.
- Conduct small events in neighborhood parks to encourage exchange of ideas.
- Seek additional public/private civic minded partnerships to support and promote economic growth.
- *Operate the Corporation in a fiscally sound manner while planning and developing projects that will enhance economic development in the community.*
- Conduct bi-annual review of revenues and expenditures to ensure meeting budget projections.
- Allocate a percentage of the fund balance each year towards a variety of projects while maintaining a four month debt service and operational reserve.

	Actual 2011-12	Budget 2012-13	Budget 2013-14
Expenditures			
Personnel Services	\$ 97,666	\$ 101,088	\$ 91,856
Contractual Services	38,409	26,200	29,500
Supplies	3,026	4,400	4,000
Maintenance	13,008	22,600	25,100
Transfers Out	466,397	464,879	479,200
Total Department Budget	\$ 618,506	\$ 619,167	\$ 629,656

	Budget 2011-12	Budget 2012-13	Budget 2013-14
Personnel Detail			
Park Development Manager	1	1	1
Total	1	1	1



Court Security Fund

The Court Security Fund is a special revenue fund to account for fees collected from traffic offenders dedicated to improve security for the Court. The collection of the fees is authorized by state law. Authorized expenditures are also governed by state law. The main purpose for the collection of the fees is to adequately provide resources to improve security for the Court.

COURT SECURITY
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
REVENUES				
Court Security Revenue	30,675	27,170	28,000	27,000
Investment Income	424	51	400	50
TOTAL REVENUES	31,099	27,221	28,400	27,050
TOTAL REVENUES	31,099	27,221	28,400	27,050
EXPENDITURES				
Personnel Services	787	-	-	-
Contractual Services	-	-	-	-
Supplies	-	-	-	-
Maintenance	-	-	-	-
Capital Outlay	-	-	-	10,000
TOTAL EXPENDITURES	787	-	-	10,000
EXCESS (DEFICIENCY)	30,312	27,221	28,400	17,050
BEGINNING FUND BALANCE	311,917	342,229	369,450	397,850
ENDING FUND BALANCE	342,229	369,450	397,850	414,900

Court Technology Fund

The Court Technology Fund is a special revenue fund to account for fees collected from traffic offenders dedicated to improve technologies for the Court. The collection of the fees is authorized by state law. Authorized expenditures are also governed by state law. The main purpose for the collection of the fees is to adequately provide resources to acquire new technologies to improve the efficiency and effectiveness of the Court.

COURT TECHNOLOGY
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Revised	2013-2014 Budget
REVENUES				
Court Technology Revenue	40,900	36,223	35,000	35,000
Investment Income	64	9	60	60
TOTAL REVENUES	40,964	36,232	35,060	35,060
TOTAL REVENUES & TRANSFERS	40,964	36,232	35,060	35,060
EXPENDITURES				
Contractual Services	3,391	6,759 2,445	4,000	-
Supplies	-	10,562	-	-
Maintenance	23,290	-	-	-
Non-Capital	-	-	-	-
Capital Outlay	-	-	35,000	80,000
Overhead Costs	-	-	-	-
TOTAL EXPENDITURES	26,681	19,766	39,000	80,000
EXCESS (DEFICIENCY)	14,283	16,466	(3,940)	(44,940)
BEGINNING FUND BALANCE	40,004	54,287	70,753	66,813
ENDING FUND BALANCE	54,287	70,753	66,813	21,873

Hotel/Motel Tax Fund

The Hotel/Motel Tax Fund is used to account for the receipt of the City's Hotel/Motel occupancy tax. The use of this tax is restricted by State Legislation for directly enhancing and promoting tourism. The hotel occupancy tax rate for the City is 7%.

HOTEL/MOTEL TAX FUND
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
HOTEL/MOTEL TAXES				
Taxes	371,056	370,798	340,000	350,000
Miscellaneous	174	427	-	-
Investment Income	131	15	30	-
TOTAL REVENUES	371,361	371,240	340,030	350,000
TRANSFERS IN				
Transfer from - Park Improvement Fund	-	-	-	-
Transfer from - General Fund	-	-	140,000	165,000
Transfer from - Community Development Corp.	-	-	-	-
TOTAL TRANSFERS IN	-	-	-	-
TOTAL REVENUES & TRANSFERS	371,361	371,240	480,030	515,000
EXPENDITURES				
Communications				
Personnel Services	70,206	66,728	200,000	73,706
Contractual Services	61,670	60,956	6,000	840
Supplies	3,331	5,063	500	650
CVB				
Personnel Services	-	-	72,000	201,219
Contractual Services	-	-	36,840	36,195
Supplies	-	-	5,000	5,490
Overhead	-	35,688	35,691	35,691
TOTAL EXPENDITURES	135,207	168,435	356,031	353,791
TRANSFERS OUT				
Transfer to General Fund	60,996	-	-	-
Transfer to Park Improvement	-	-	-	-
Transfer to Community Center - Operational	15,000	-	-	-
Transfer to Special Event	121,109	180,000	180,000	250,000
TOTAL TRANSFERS OUT	197,105	180,000	180,000	250,000
TOTAL EXPENDITURES & TRANSFERS	332,312	348,435	536,031	603,791
EXCESS (DEFICIENCY)	39,049	22,805	(56,001)	(88,791)
BEGINNING FUND BALANCE	83,969	123,018	145,823	89,822

CVB

Program Description

The Colony CVB was founded in 2010 and is the tourism marketing entity for the City of The Colony. We are funded annually by local Hotel & Motel taxes. Through the CVB's marketing efforts, we advocate the advantages and assets of our community as well as in the state of Texas.

business travel, meetings, sporting activities, and by providing a quality experience to these visitors.

- Respond quickly and accurately to visitor inquiries.
- Develop first-class marketing materials.
- Lend support to other city departments, businesses, organizations and events to promote tourism.

Program Narrative

Goals and Objectives for FY2014

- *Positively impact the economic well-being of The Colony by marketing the city as an outstanding destination for leisure travel,*

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ -	\$ 72,000	\$ 201,219
Contractual Services	-	36,840	36,195
Supplies	-	5,000	5,490
Total Department Budget	\$ -	\$ 113,840	\$ 242,904

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Convention and Visitors Bureau Tourism Specialist	1	1	1
Total	1	1	1

Director of Communications and Tourism



----- Convention and Visitors Bureau Tourism Specialist

Communications

Program Description

The Communications department fosters positive relationships with local and national media, and provides timely, proactive and responsive information to media inquiries; creates opportunities for the community to engage through social media outlets; and actively promotes City projects, programs and initiatives.

Program Narrative

Goals and Objectives for FY2014

- *Increase quantity and quality of cable programming, with emphasis on video production.*
- *Continue training city staff members in respect to Social Media Policy, social media usage and Communication Plan.*
- *Coordinate and assist the IT Department with management and use of television/streaming broadcast equipment.*
- *Maximize existing methods of communication while exploring new avenues to increase positive exposure for the city and to ensure residents remain informed of important information.*

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 66,728	\$ 200,000	\$ 73,706
Contractual Services	60,956	6,000	840
Supplies	5,063	500	650
Total Department Budget	\$ 132,747	\$ 206,500	\$ 75,196

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Director of Communications and Tourism	1	1	1
Communications Specialist	0	1	1
Total	1	2	2

Director of Communications and Tourism

Communications Specialist

Lake Parks Fund

The Lake Parks Fund is a special revenue fund used for the operations of Stewart Creek Park, a U.S Army Corps of Engineers Park leased and operated by the City. Revenue generated in the Lake Parks Fund consists of fees and permits to enter and utilize the park area and facilities, which are located on the eastern shore of Lake Lewisville. The City has 3 additional Corps leased parks in its jurisdiction that have been subleased to private entities through public/private partnerships. Lease fee revenues generated through these partnerships are also included in this fund. All revenues from the Lake Parks Fund are required by the Corps to be used solely for the administration, maintenance and upgrades to the Corps leased facilities within the City's jurisdiction.

LAKE PARKS FUND
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
CHARGES FOR SERVICES				
Fees & Permits	122,827	140,041	117,000	130,000
Developer Contributions	59,000	62,000	62,000	62,000
Concession Revenues	681	1,612	650	1,000
Marine Quest	-	51,700	50,000	50,000
Investment Income	299	40	-	-
Mitigation Fees	2,016	-	2,000	-
Miscellaneous	4,191	325	-	-
TOTAL REVENUES	189,014	255,718	231,650	243,000
TOTAL REVENUES & TRANSFERS	189,014	255,718	231,650	243,000
EXPENDITURES				
Salaries	193	102	-	-
Contractual Services	75,331	63,983	68,650	72,660
Supplies	6,897	6,946	17,300	9,350
Maintenance	19,427	12,357	22,800	25,000
Capital Outlay	8,212	7,475	-	-
TOTAL EXPENDITURES	110,060	90,863	108,750	107,010
TRANSFERS OUT				
Transfer to Parks Fund	35,000	35,000	35,000	35,000
TOTAL TRANSFERS OUT	35,000	35,000	35,000	35,000
TOTAL EXPENDITURES & TRANSFERS	145,060	125,863	143,750	142,010
EXCESS (DEFICIENCY)	43,954	129,855	87,900	100,990
BEGINNING FUND BALANCE	52,799	96,753	226,608	314,508
ENDING FUND BALANCE	96,753	226,608	314,508	415,498

Program Description

Stewart Creek Park is accounted for in the Lake Parks department and is a City operated, 52 acre "fee paid" park, leased from the Corps of Engineers. Stewart Creek Park provides users with camping, boating, fishing and other outdoor recreational activities. It is also a venue for a variety of special events throughout the year.

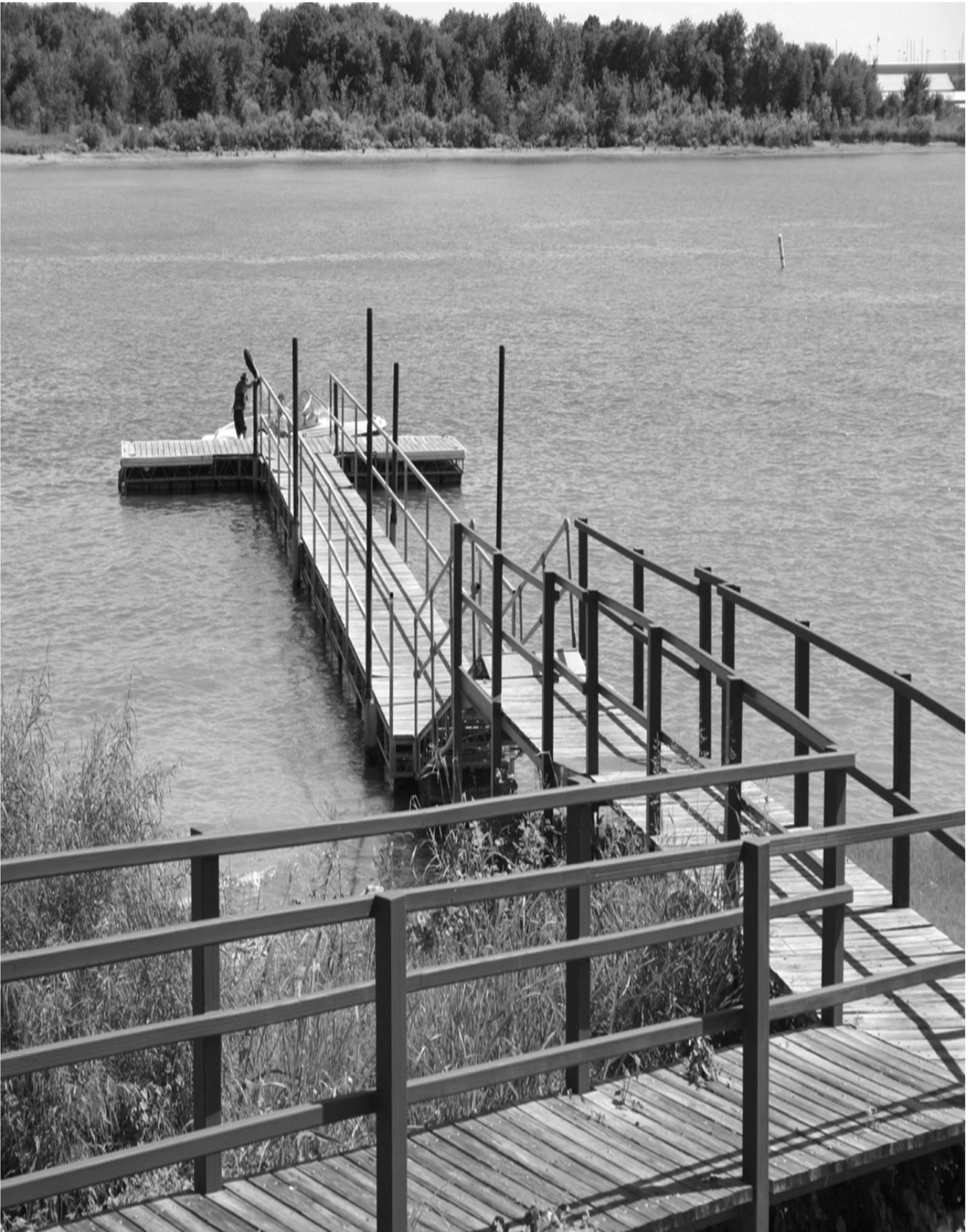
- Upgrade and maintain existing facilities.
- *Increase park visitation and revenues.*
- Collaborate with the CVB to enhance marketing and awareness of the park.
- Provide a variety of entertainment, activities and special events.

Program Narrative

Goals and Objectives for FY2014

- *Enhance overall appearance of park grounds and facilities.*
- Continue improving and expanding park amenities in accordance with the SCP Master Plan.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 102	\$ -	\$ -
Contractual Services	63,983	68,650	72,660
Supplies	6,946	17,300	9,350
Maintenance	12,357	22,800	25,000
Capital	7,475	-	-
Transfers Out	35,000	35,000	35,000
Total Department Budget	\$ 125,863	\$ 143,750	\$ 142,010



Special Events Fund

The Special Events Fund provides special events and activities for the residents of The Colony. Projects included are the July 4th, Christmas holiday, Pirate Days, Veterans Day and other events.

The main source of funding comes from the Hotel/Motel tax revenues, with additional funding provided through the General Fund, donations (sponsorships) and other miscellaneous revenues.

SPECIAL EVENTS FUND
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
REVENUES				
Donations & Sponsorships	10,229	10,457	8,000	8,000
Investment Income	38	-	-	-
Event Revenues	44,943	46,023	40,000	40,000
TOTAL REVENUES	55,210	56,480	48,000	48,000
TRANSFERS IN				
Transfer from - General Fund	120,587	139,138	140,000	100,000
Transfer from - Hotel/Motel Tax	121,109	180,000	180,000	250,000
TOTAL TRANSFERS IN	241,696	319,138	320,000	350,000
TOTAL REVENUES & TRANSFERS	296,906	375,618	368,000	398,000
EXPENDITURES				
Personnel	61,167	63,829	64,747	64,747
City Program	-	2,994	3,476	3,476
Christmas	7,809	4,993	5,000	5,000
Christmas Light Show Supplemental	28,822	24,979	14,500	13,500
Christmas Light Show Base	6,500	6,500	6,500	6,500
Liberty by The Lake	64,038	62,631	85,000	85,000
American Heroes	68,672	61,188	115,000	115,000
Pirate Days/Mail Box	60,000	50,000	-	-
LCT - Haunted House	2,988	10,000	10,000	15,000
Cultural Arts Board - Operating	4,521	-	25,000	-
Cultural Arts Board - Grant	-	-	10,000	-
Chalk This Way	12,335	-	-	-
Parent Child Event	3,704	3,747	3,750	4,250
Halloween Campout	3,263	3,260	3,400	3,400
Easter Egg Hunt	3,181	3,033	3,230	3,300
Event Marketing	1,628	2,917	3,020	3,020
Arbor Day	2,750	2,434	2,500	2,500
Movies In The Park	1,832	2,410	2,550	2,550
Kids Chase	50	557	700	700
Back To School	1,826	1,540	1,950	1,950
Bow Wow Pow Wow	1,142	1,987	1,800	1,800
Colony Playhouse	-	-	6,000	6,000
Road Runners Club	-	-	-	10,000
Cultural Arts Board Grant	-	10,074	25,000	20,500
Cultural Arts Board	-	19,275	10,000	-
Overhead	-	35,670	35,670	35,670
TOTAL EXPENDITURES	336,228	374,018	438,793	403,863
EXCESS (DEFICIENCY)	(39,322)	1,600	(70,793)	(5,863)
BEGINNING FUND BALANCE	80,370	41,048	42,648	(28,145)
ENDING FUND BALANCE	41,048	42,648	(28,145)	(34,008)

Program Description

The Colony Parks and Recreation's Special Events branch exists to solicit, plan, and produce entertaining experiences for residents and visitors to the city while aiding in establishing the city's identity as a family friendly lakeside community.

Program Narrative

Goals and Objectives for FY2014

- *To plan, organize, and execute events that are unique to The Colony and portray the City in a positive light.*
- Continually conduct research that will support the creation of new and exciting events that target the demographic, needs and wishes of citizens within the City.
- Originate creative sponsorship plans and opportunities that will allow local businesses to financially invest in the events of the City.
- Work diligently with other City departments (Fire, Police, and Inspections) to execute well organized, safe and fun events.
- *To provide the public with user-friendly and cost effective methods to participate in City special events.*

- Offer trouble-free registration for special events by accepting phone-in, mail-in and walk-in registration forms, available in both electronic and hard-copy format.
- Accurately reflect current market trends and competitive price points for registration and admission fees.
- *To effectively market and advertise special events to the public and to generate public interest in participating in the City's event programs.*
- Produce informational press releases for each event that will be distributed to local media.
- Work directly with the Director of Communications and Tourism to utilize all avenues of city communication (i.e. Cable channel promotions, City website postings, and inter-office communications).
- Write, produce, and print, photographic, audio/visual and multi-media presentations that will advertise the success of city special events to staff, council, citizens and potential sponsors.
- Update/refine current volunteer program to foster active and growing support from community for special events.

Expenditures	Actual 2011-12	Budget 2012-13	Budget 2013-14
Personnel Services	\$ 63,829	\$ 64,747	\$ 64,747
Contractual Services	274,519	338,376	303,446
Total Department Budget	\$ 338,348	\$ 403,123	\$ 368,193

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Special Events Coordinator	1	1	1
Total	1	1	1

Capital Projects Administration Fund

The Capital Projects Administration Fund is used to account for and provide or reimburse other Funds for personnel providing administrative support for capital projects of the city.

Revenues are transferred in from various Capital Projects. Transfer outs are related to allocated personnel costs from other funds.

CAPITAL PROJECTS ADMINISTRATION
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
REVENUES				
TXDOT	-	149,128	190,000	-
Investment Income	480	11	-	-
Miscellaneous	237	427	-	-
TOTAL REVENUES	717	149,566	190,000	-
TRANSFERS IN				
Transfer - Revenue Bond Projects	116,892	-	-	-
Transfer - Impact Fees Fund	-	-	201,000	200,000
Transfer - Capital Account (216/846)	108,517	490,000	-	-
Transfer - General Obligation Bonds	-	-	-	-
Transfer - Utility Fund Cert of Oblig	221,037	-	-	-
TOTAL TRANSFERS IN	446,446	490,000	201,000	200,000
TOTAL REVENUES & TRANSFERS	447,163	639,566	391,000	200,000
EXPENDITURES				
Personnel Services	405,130	101,150	99,350	108,050
Contractual Services	7,815	-	2,000	1,000
Supplies	4,615	2,495	1,000	3,000
Maintenance	38	-	1,000	-
Overhead Costs	-	159,276	159,265	159,265
TOTAL EXPENDITURES	417,598	262,921	262,615	271,315
TRANSFER OUT				
Transfer - General Fund	-	580,000	-	-
TOTAL TRANSFERS OUT	-	580,000	-	-
TOTAL EXPENDITURES & TRANSFERS	417,598	842,921	262,615	271,315
EXCESS (DEFICIENCY)	29,565	(203,355)	128,385	(71,315)
BEGINNING FUND BALANCE	141,513	171,078	(32,277)	96,108
ENDING FUND BALANCE	171,078	(32,277)	96,108	24,793

Program Description

Capital Projects Administration personnel review construction plans, inspect construction, manage the contractors’ payments, respond to public inquiries, and coordinate issues.

Program Narrative

Goals and Objectives for FY2014

- ***Manage design and construction of capital projects for streets, drainage, water, and wastewater.***
- Review construction plans for discrepancies and bring to the attention of the design engineer.
- Respond to request for inspection within four (4) hours of request.

- Respond to questions and other construction issues.
- Inspect work performed by contractors.
- Coordinate design and/or construction of Memorial-Spring Creek Connector, FM 423 utility relocations, Plano Parkway widening from SH 121 to Parker Road, Phase IVA residential street reconstruction, Pruitt Drive Water Main Replacement, Memorial widening from Main to Navaho, City Hall parking modifications, and parking improvements at Office Creek Pump Station.

	Actual 2011-12	Budget 2012-13	Budget 2013-14
Expenditures			
Personnel Services	\$ 101,150	\$ 99,350	\$ 108,050
Contractual Services	-	2,000	1,000
Supplies	2,495	1,000	3,000
Maintenance	-	1,000	-
Total Department Budget	\$ 103,645	\$ 103,350	\$ 112,050



Debt Service Funds

GENERAL DEBT SERVICE FUND

The Debt Service Fund, established by ordinances authorizing the issuance of General Obligation Bonds and Certificates of Obligation, accounts for the accumulation of resources and the payment of general long-term debt principal and interest. 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 in the Debt Service Fund. The tax rate allocation for the Debt Service Fund is \$0.218478, which is 32% of the 2014 tax rate (\$.6775). The purpose of this fund is to retire outstanding general obligation bonds and pay interest on the indebtedness.

UTILITY TAX SUPPORTED DEBT SERVICE FUND

The Utility Tax Supported Debt was originally established, by the ordinance, which authorized the issuance of Tax and Revenue Bonds, to provide funding for utility projects. The Colony Municipal Utility District (MUD) was merged into the City of The Colony on October 1, 1986. Tax and Revenue Bonds are the primary source for financing utility infrastructure for municipal utility districts. 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, The Colony Municipal Utility District. The MUD debt was paid off in August 2007. Debt proceeds were utilized to finance utility infrastructure such as wastewater treatment plant, water storage tanks, pump stations, and large water distribution lines.

REVENUE DEBT SERVICE

The Revenue Debt Service Fund or the State Revolving Fund (SRF) was initiated on June 21, 1991, through an agreement with the State. The original issue was \$1,330,000 to be paid annually with the last payment due in the year 2011. Since then, two other SRF issues have been included in the Revenue Debt Service. They are: 1995 SRF Bonds, and 1996-A SRF Bonds. The SRF Bonds and other Revenue Bonds were since refunded by the Waterworks and Sewer System Refunding Bonds, series 2008, due to the favorable interest rate environment. Fees are currently collected on the City's utility bills and are deposited to this fund. Expenses incurred are basically principal and interest payments. Subsequent revenue bond debt proceeds are used to finance the acquisition, installation and equipment for additions, improvements and extensions of the City's waterworks and sewer system. To pay the debt services of the Series 2004 Revenue Bonds, impact fees, developer payments and transfers from utility operation fund are used.

GENERAL DEBT SERVICE
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
CHARGES FOR SERVICES				
Current Property Taxes	4,093,016	4,344,118	4,742,880	4,990,000
Delinquent Property Taxes	132,912	69,327	40,000	40,000
Ag. Roll Back Taxes	-	781	-	-
Penalty & Interest	21,338	56,922	25,000	25,000
Investment Income	24,835	3,369	1,500	1,500
TOTAL REVENUES	4,272,101	4,474,517	4,809,380	5,056,500
TRANSFERS IN				
Transfers In - General Fund	400,000	400,000	-	-
Transfers In - Engineering Inspections	17,131	17,131	-	-
Transfers In - 4A - 2013 Bond	-	-	-	155,000
Transfers In - 4A Jackson Shaw/Memorial Drive	294,882	292,450	292,547	292,547
Transfers In - Hike & Bike Trail	112,844	130,563	128,938	127,150
Transfers In - Parking Lot	62,672	62,989	63,096	64,205
Transfers In - Parks 4B Projects - 5 Starr Debt	550,798	761,343	523,500	526,100
TOTAL TRANSFERS IN	1,438,327	1,664,476	1,008,081	1,165,002
TOTAL REVENUES & TRANSFERS	5,710,428	6,138,993	5,817,461	6,221,502
EXPENDITURES				
Certificates of Obligation - 2000:	-	-	-	-
Certificates of Obligation - 2000A:	-	-	-	-
Certificates of Obligation - 2001: Refund 2010	336,536	337,343	-	-
Certificates of Obligation - 2002: Refund 2011	714,400	452,681	-	-
Certificates of Obligation - 2003: Refund 2012	314,005	258,603	208,000	-
Certificates of Obligation - 2004	386,094	381,956	382,606	389,326
Refunding Bonds - 2005	913,794	913,668	1,162,844	1,160,406
Certificates of Obligation - 2006	404,166	244,285	244,501	244,272
Certificates of Obligation - 2007	686,431	691,231	516,231	518,981
Refunding Bonds - 1998/2007:Refunded 2012	771,700	702,400	-	-
Certificates of Obligation - 2008	317,612	322,596	322,034	66,108
Certificates of Obligation - 2010	585,750	945,500	946,625	945,950
Certificates of Obligation - 2010A	213,466	207,900	210,400	212,800
Refunding Bonds - 2010/2001	761,947	423,800	523,500	526,100
Refunding Bonds - 2011/2002	-	217,822	680,732	654,052
Refunding Bonds - 2012/2003 &2007	-	324,641	916,988	995,563
Certificates of Obligation - 2013	-	-	-	155,000
Refunding Bonds - 2013/2004 GF/Utility	-	-	-	650,600
Fiscal Agent Fees & Other	3,648	1,130	3,000	3,000
TOTAL EXPENDITURES	6,409,549	6,425,556	6,117,461	6,522,158
EXCESS (DEFICIENCY)	(699,121)	(286,563)	(300,000)	(300,656)
BEGINNING FUND BALANCE	1,592,933	893,812	607,249	307,249
ENDING FUND BALANCE	893,812	607,249	307,249	6,593

UTILITY TAX SUPPORTED DEBT
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
CHARGES FOR SERVICES				
Current Property Taxes	(1,878)	7,089	-	-
Delinquent Property Taxes	-	-	-	-
Fees	-	-	-	400,000
Penalty & Interest	-	-	-	-
Investment Income	7,129	793	-	1,000
TOTAL REVENUES	5,251	7,882	-	401,000
TRANSFERS IN				
Transfers In - EDC 4A	307,680	305,577	306,999	306,711
Water Impact Fees	-	-	-	100,000
Revenue Bond Refunding	-	-	-	1,990,506
Transfers In - Utility Fund	2,000,000	2,050,000	2,260,000	2,275,000
TOTAL TRANSFERS IN	2,307,680	2,355,577	2,566,999	4,672,217
TOTAL REVENUES & TRANSFERS	2,312,931	2,363,459	2,566,999	5,073,217
EXPENDITURES				
Certificates of Obligation - 2002				
Principal Payments	135,000	140,000	-	-
Interest Payments	94,850	5,776	-	-
Total Bond Payments	229,850	145,776	-	-
Certificates of Obligation - 2006				
Principal Payments	718,952	745,281	783,829	813,812
Interest Payments	750,430	714,486	677,222	645,868
Total Bond Payments	1,469,382	1,459,767	1,461,051	1,459,680
Certificates of Obligation - 2007				
Principal Payments	260,000	270,000	285,000	300,000
Interest Payments	337,138	326,738	313,237	298,988
Total Bond Payments	597,138	596,738	598,237	598,988
Certificates of Obligation - 2010				
Principal Payments	-	140,000	140,000	145,000
Interest Payments	214,350	142,900	139,400	135,550
Total Bond Payments	214,350	282,900	279,400	280,550
Certificates of Obligation - 2010A				
Principal Payments	-	20,000	20,000	20,000
Interest Payments	8,900	17,400	17,000	16,600
Total Bond Payments	8,900	37,400	37,000	36,600
General Obligation Refunding Bonds - 2011				
Principal Payments	-	4,800	156,000	187,800
Interest Payments	-	63,986	58,968	55,848
Total Bond Payments	-	68,786	214,968	243,648
General Obligation Refunding Bonds - 2012				
Principal Payments	-	90,000	156,000	404,350
Interest Payments	-	18,214	58,968	36,638
Total Bond Payments	-	108,214	214,968	440,988
General Obligation Refunding Bonds - 2013 (04)				
Principal Payments	-	-	-	990,000
Interest Payments	-	-	-	640,806
Total Bond Payments	-	-	-	1,630,806

REVENUE BOND DEBT SERVICE
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2010-2011 Actual	2011-2012 Actual	2012-2013 Budget	2013-2014 Budget
CHARGES FOR SERVICES				
Fees	395,768	397,403	400,000	-
Investment Income	2,940	8,720	2,400	-
TOTAL REVENUES	<u>398,708</u>	<u>406,123</u>	<u>402,400</u>	<u>-</u>
TRANSFERS IN				
Transfers In - Utility Fund	1,050,000	1,175,000	1,295,630	-
Transfers In - Impact Fees	622,000	355,000	-	-
TOTAL TRANSFERS IN	<u>1,672,000</u>	<u>1,530,000</u>	<u>1,295,630</u>	<u>-</u>
TOTAL REVENUES & TRANSFERS	<u>2,070,708</u>	<u>1,936,123</u>	<u>1,698,030</u>	<u>-</u>
EXPENDITURES				
Revenue Bonds - 2004				
Principal Payments	895,000	925,000	955,000	-
Interest Payments	739,885	710,350	675,663	-
Total Bond Payments	<u>1,634,885</u>	<u>1,635,350</u>	<u>1,630,663</u>	<u>-</u>
Revenue Refunding Bonds - 2008				
Principal Payments	350,000	40,248	-	-
Interest Payments	88,733	-	-	-
Total Bond Payments	<u>438,733</u>	<u>40,248</u>	<u>-</u>	<u>-</u>
Revenue Refunding Bonds - 2012				
Principal Payments	-	-	263,750	-
Interest Payments	-	-	41,913	-
Total Bond Payments	<u>-</u>	<u>-</u>	<u>305,663</u>	<u>-</u>
Cost of Issuance	(46,986)	(91,671)	-	-
Transfer to Utility Debt Service	-	-	-	1,990,506
Fiscal Agent Fees & Other	323	323	-	-
TOTAL EXPENDITURES	<u>2,073,941</u>	<u>1,675,921</u>	<u>1,936,326</u>	<u>-</u>
EXCESS (DEFICIENCY)	<u>(3,233)</u>	<u>260,202</u>	<u>(238,296)</u>	<u>(1,990,506)</u>
BEGINNING FUND BALANCE	<u>1,971,833</u>	<u>1,968,600</u>	<u>2,228,802</u>	<u>1,990,506</u>
ENDING FUND BALANCE	<u>1,968,600</u>	<u>2,228,802</u>	<u>1,990,506</u>	<u>-</u>
RESERVED	<u>1,850,378</u>	<u>1,850,378</u>	<u>1,846,520</u>	<u>-</u>
REMAINING FUND BALANCE	<u>118,222</u>	<u>378,424</u>	<u>143,986</u>	<u>-</u>

CITY OF THE COLONY
 OUTSTANDING PRINCIPAL ON TAX DEBT
 FISCAL YEAR 2013/2014

ISSUE	PRINCIPAL OUTSTANDING	INTEREST RATES	FINAL MATURITY
Series 2004 Certificates	245,000	3.600% - 4.750%	2024
Series 2005 GO Ref Bonds	6,715,000	3.500% - 4.125%	2021
Series 2006 Certificates	17,218,829	4.000% - 5.000%	2026
Series 2007 Certificates	11,175,000	4.375% - 5.500%	2027
Series 2008 Certificates	305,000	3.642%	2018
Series 2010 Certificates	12,735,000	2.500% - 4.000%	2030
Series 2010A Certificates	2,490,000	2.000% - 4.000%	2030
Series 2010 GO Ref Bonds	3,945,000	2.000% - 4.000%	2022
Series 2011 GO Ref Bonds	7,061,000	2.000% - 4.000%	2022
Series 2012 GO Ref Bonds	6,770,000	2.000% - 3.000%	2023
Series 2013 Certificates	2,085,000	2.000% - 4.375%	2033
Series 2013 GO Ref Bonds	14,515,000	3.000% - 5.000%	2024
	<u>\$ 68,659,829</u>		

OUTSTANDING PRINCIPAL ON WATER & SEWER REVENUE DEBT
 FISCAL YEAR 2013/2014

ISSUE	PRINCIPAL OUTSTANDING	INTEREST RATES	FINAL MATURITY
Series 2004 Wtr & SS Rev	990,000	3.650% - 5.250%	2014
	<u>\$ 990,000</u>		

CITY OF THE COLONY
TAX SUPPORTED DEBT SERVICE
FISCAL YEAR 2013/2014

YEAR	PRINCIPAL	INTEREST	TOTAL
2013-14	6,990,000	4,216,022	11,206,022
2014-15	7,135,000	3,244,126	10,379,126
2015-16	7,030,000	2,997,317	10,027,317
2016-17	7,175,000	2,750,880	9,925,880
2017-18	6,740,000	2,478,563	9,218,563
2018-19	6,405,000	2,223,895	8,628,895
2019-20	6,695,000	1,960,577	8,655,577
2020-21	6,390,000	1,673,957	8,063,957
2021-22	6,385,000	1,388,101	7,773,101
2022-23	5,235,000	1,094,176	6,329,176
2023-24	5,175,000	844,101	6,019,101
2024-25	3,550,000	602,024	4,152,024
2025-26	3,710,000	439,906	4,149,906
2026-27	2,180,000	268,356	2,448,356
2027-28	1,170,000	165,331	1,335,331
2028-29	1,215,000	118,531	1,333,531
2029-30	1,265,000	69,462	1,334,462
2030-31	135,000	18,375	153,375
2031-32	140,000	12,469	152,469
2032-33	145,000	6,348	151,348

Demographic and Economic Statistics

2013 Estimated Population: 39,030

2013 Assessed Value: \$15,473,966 for FY2014

Median Age: 33.1

Average Household Income: \$73,842

Number of Households: 18,126

Square Miles: 16.1

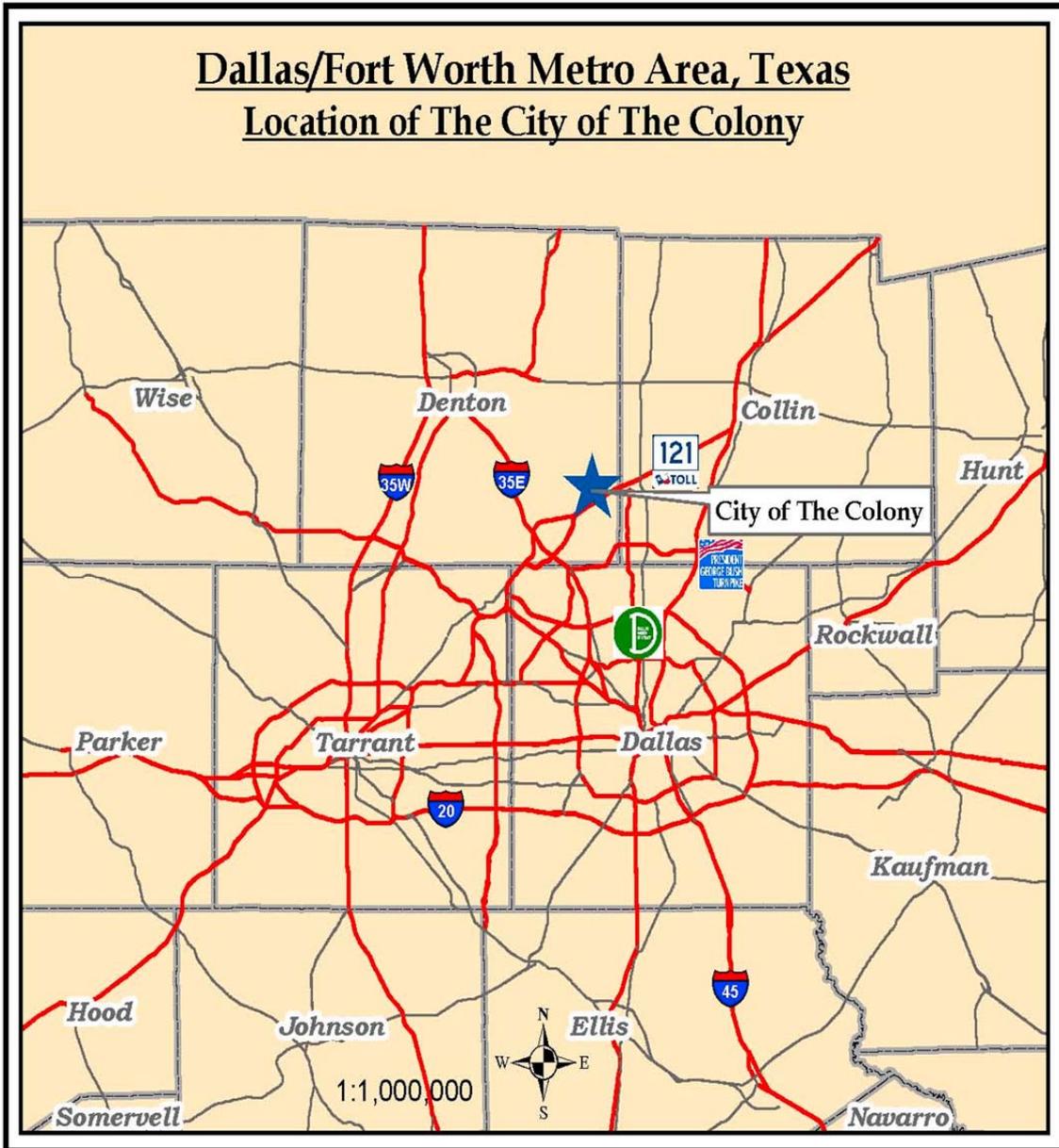
Total Employment in The Colony: 20,530

Unemployment Rate: 6.2%

Major Employers in The Colony:

- Lewisville ISD
- Wal-Mart
- City of The Colony
- Hawaiian Falls
- Home Depot
- Edward Don and Company
- Texas Roadhouse
- Austin Ranch
- The Tribute
- Kroger
- Top Golf

Dallas/Fort Worth Metro Area, Texas Location of The City of The Colony



Appendix A - The Budget Process

The Home Rule Charter of the City of The Colony provides for the preparation and submission of the budget covering the next fiscal year by the City Manager. The preliminary budget shall be submitted to the City Secretary prior to the thirty-first day of July each year. The fiscal year begins on the first day of October of each calendar year and ends on the thirtieth day of September of the following year. The fiscal year is also the accounting and budget year.

The proposed budget is submitted to the City Council. The City Council is required to select a date and place for a public hearing. A notice of the public hearing must be published not less than ten days prior to the hearing. At this formal public hearing, the City Council gives all interested citizens an opportunity to express their opinions concerning the proposed budget.

The City Charter mandates the City Council to adopt the budget submitted, making such changes as in their judgment, the law warrants, and the best interests of the taxpayers demand. The City Council usually adopts the budget ordinance and approves the Ad Valorem Tax Rate during the same City Council meeting.

The budget preparation process begins early in each calendar year. Comprehensive budget forms are distributed to all department heads to assist in expenditure recommendations. The first six months' actual expenditure and revenue totals for the current fiscal year are provided to department heads for consideration in determining budget projections.

The current year budget revenue totals are revised, if necessary, for accurate budget projections. Revenue totals are analyzed, calculated and set for the budget year with projections on long-range extraordinary revenues. The Finance Director presents all revenue estimates for the next fiscal year to the City Manager for final approval and inclusion in the preliminary budget.

In June of each year the City Manager holds meetings with all department heads to review, analyze, and justify all line item expenditure account balances for the budgeted year, as well as long-range extraordinary expenditures. The City Manager and Finance Director finalize the next year's expenditure totals for inclusion in the preliminary budget. Prior to July 31 each year, the City Manager files the preliminary budget with the City Secretary.

During the months of August and September of each year, the Mayor designates dates for budget work sessions for the City Council's review and modifications of the preliminary budget. On September 17th, 2013, the City Council adopted the 2013/14 Annual Operating Budget and approved the Ad Valorem Tax Rate.

March	<i>Information Distributed -</i> Budget workbooks are distributed to all departments and a budget preparation meeting is held.
April	<i>Budget Requests are Submitted and Reviewed –</i> Budget and Capital requests are due to Finance. Fleet and IT needs are reviewed with the respective departments.
May	<i>City Manager Review –</i> Preliminary budget is due to the City Manager for review. The City Manager will meet with departments and review their budget requests.
June	<i>Budget Retreat –</i> A Budget retreat is held for Directors to review the budget requests for all departments. Directors are encouraged to ask each other questions concerning their budgets. The City Manager will decide what budget cuts if any will be necessary from each department.
July	<i>Tax Rolls Received –</i> Certified Tax Roll is turned in by the Denton Central Appraisal District.
July	<i>Preliminary Budget Due –</i> Per the City Charter the preliminary budget is due to the City Secretary’s office not later than July 31 st .
August	<i>Budget Work Sessions -</i> The Mayor and Council hold several budget work sessions to discuss individual priorities.
August	<i>Schedule Public Hearings –</i> The Mayor schedules public hearings for the budget and proposed tax rate.
September	<i>Public Hearings –</i> Public hearings are held as scheduled for the budget and proposed tax rate.
September	<i>Budget is Adopted -</i> Council approves an ordinance to adopt the budget for FY2012/13.

Appendix B - Budget Amendments

The budget can be amended after adoption with City Council's approval. According to Section 10.06 of the City Charter, the City Council may transfer any unencumbered appropriation from one department to another at any time. The City Manager has the authority to transfer appropriated balances from one expenditure account to another within the same department. Section 10.07 of the City Charter, allows the City Council to make emergency appropriations at any time during the fiscal year to meet a pressing need to protect the public's health, safety or welfare.

BASIS OF BUDGETING

The budgets of general government type funds: General Fund, General Debt Service Fund, Utility Tax Supported Debt Service Fund, Revenue Bond Debt Service Fund, Lake Parks, Economic Development Type A & Type B, Court Security, Court Technology, Hotel/Motel Tax Fund, Special Events Fund and Capital Projects Administration Fund, are prepared on a modified accrual basis. Expenditures in the General Fund are budgeted in the year the applicable purchase orders are expected to be issued. Unencumbered appropriations for budgeted funds lapse at the fiscal year end.

The enterprise funds: Utility Fund is budgeted on a full accrual basis. Expenditures are recognized when incurred and revenues are recognized when earned.

The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances based on "generally accepted accounting principles" (GAAP). In most cases this conforms to the way the City prepares its budget.

There are three exceptions:

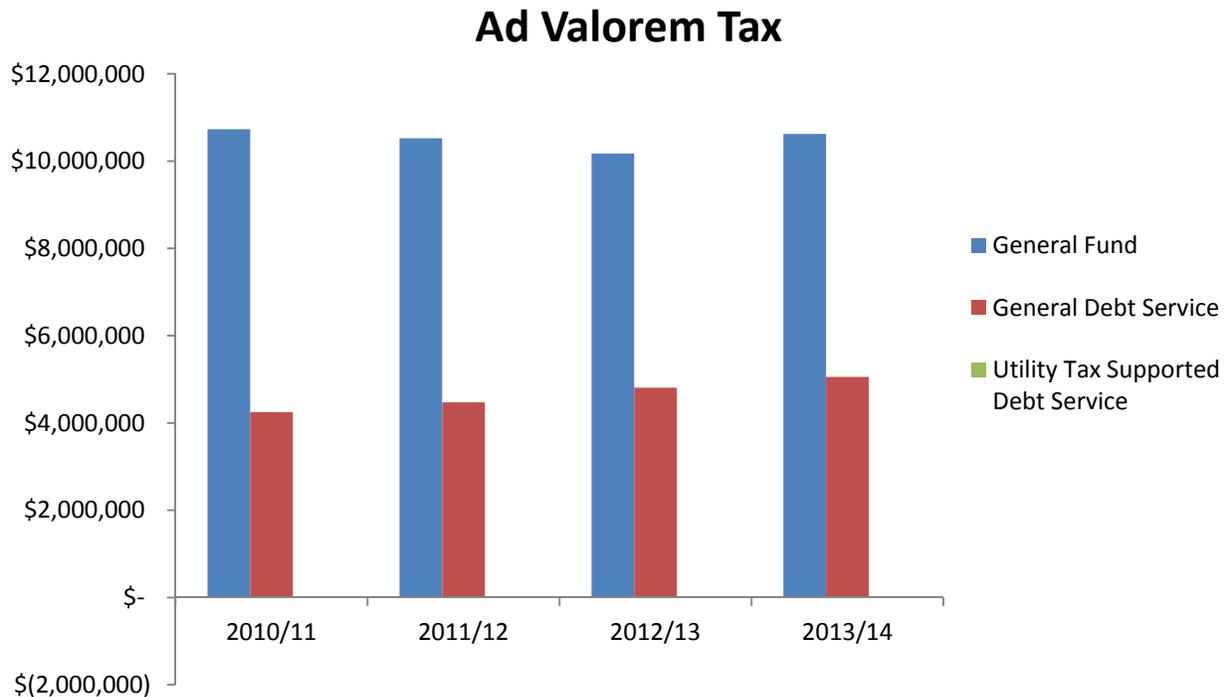
- (1) The treatment of depreciation expense is not shown in the budget. The full purchase price of equipment and capital improvements are shown as expenditures. Purchase of capital improvements are depreciated in the CAFR on the entity-wide financial statements.
- (2) Compensated absences (accrued but unused sick leave) are treated differently in the budget than they are in the CAFR.
- (3) Proceeds from debt issuance are recognized as revenues and principal debt service payments are treated as expenditures for budget purposes, but are recorded as increases and reductions of liabilities on the entity-wide financial statements.

For the year ended September 30, 2003, the City implemented GASB 34 for financial reporting purposes. Entity-wide financial statements were presented for the first time in the Comprehensive Annual Financial Reports (CAFR). The CAFR shows major operating fund expenditures and revenues on both a GAAP basis and budget basis for comparison purposes.

Appendix C - Major Revenue Sources

Ad Valorem Tax:

The City must base its property tax rate on the certified roll provided by the Denton Central Appraisal District. The only variables to be set are the tax rate and the collection percentage. The current tax rate is \$.6755 per \$100 of valuation. The collection percentage is set at 99% based on historically high collection rates. Delinquent tax collections are unstable and difficult to predict. The City takes a conservative approach and budgets no more than what was received in the prior year with a minimal increase. Total Ad Valorem tax revenues are budgeted to increase by about \$787,000 based on reduction in tax rate from \$.6800 to \$.6775 and an increase of property values of \$117 million. New construction was \$23 million of the increase in property values.



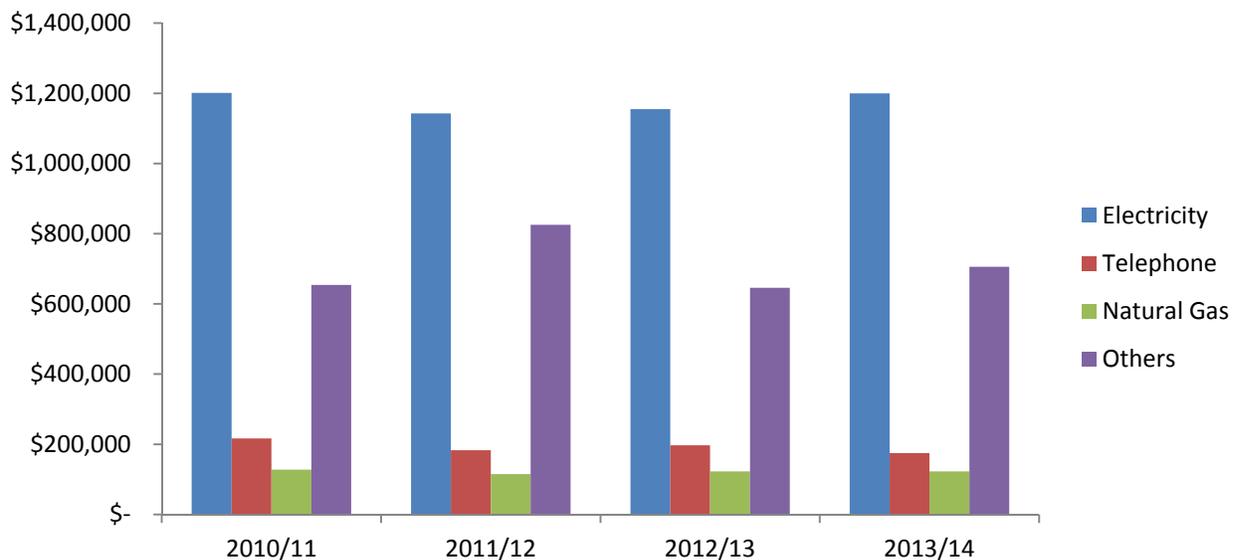
Franchise Tax:

These taxes are based on a percentage of the utilities' gross receipts or formula set by the State. Projections are based on population increases and projected utility use. However, some use is usually related to weather conditions and therefore difficult to project.

The City has a high electric use because of the lack of gas lines in various parts of the City. The electric franchise provides over half the franchise revenue for the City and is a critical driver in formulating the anticipated future collections. If the summer and winter are more severe than the previous year, the City will reap the surplus.

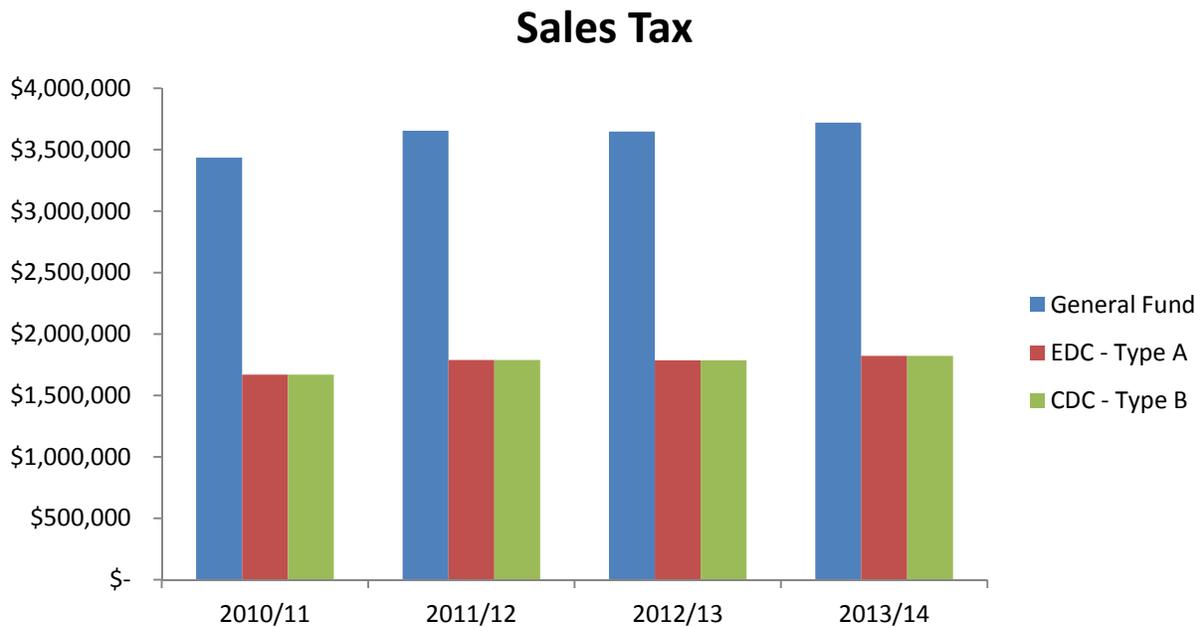
In August of 1995, the City entered into a new agreement with SBC on franchise taxes. The new contract allowed the City to be paid a set minimum of \$180,000 with growth factors thereafter. Beginning in fiscal year 2005-06, TXU Electric started paying the franchise fees on a quarterly basis thus inflating the franchise tax revenues from electricity for that year.

Franchise Tax - General Fund



Sales Tax:

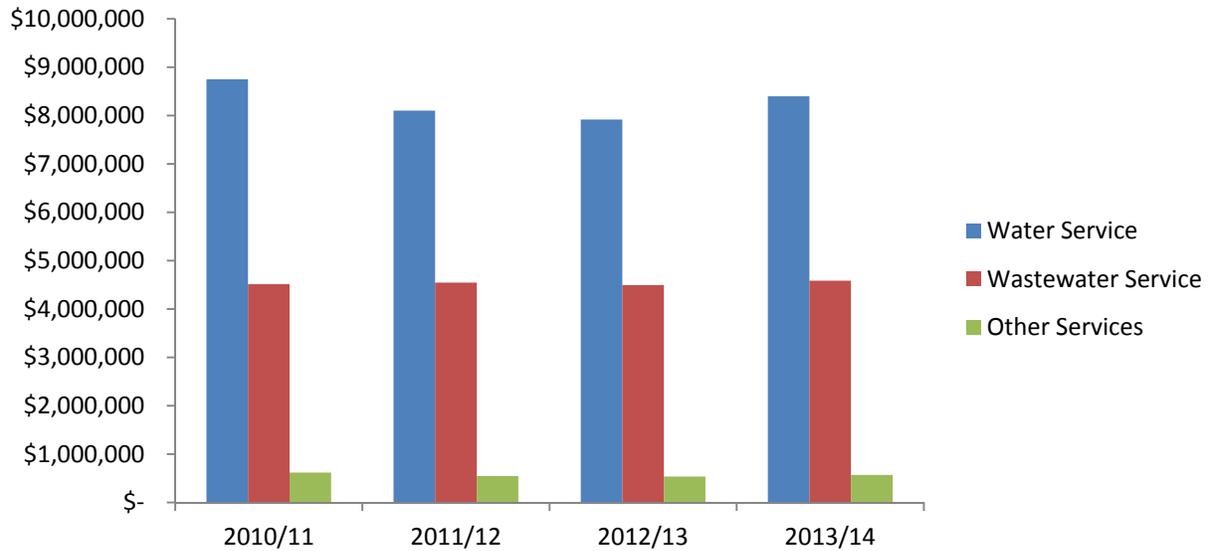
The sales tax projection includes both sales taxes and mixed beverage tax. Aggregate historical data is used to project future sales tax revenues. A conservative approach is taken toward sales tax because of their dependability on economic conditions.



Water and Wastewater Fees:

Water rates will be increased 3% starting October 1st 2013 in anticipation of a 2015 bond issuance for required waste water treatment plant improvements and several maintenance projects. Total Utility Fund revenues were budgeted based on normal rain fall amounts. The City stands to earn extra revenue if drought conditions occur. If unusually wet conditions appear during the summer months, the revenue projections will be adjusted and the expenses will be realigned accordingly.

Water and Wastewater Fees - Utility Fund



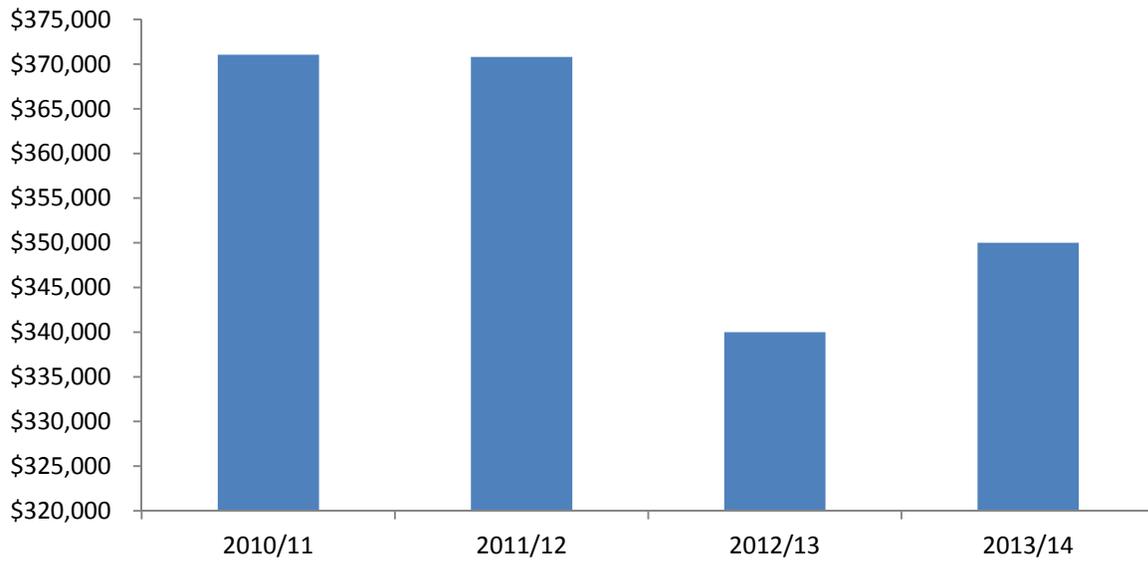
Ten Largest Water Customers

Customer	Type of Business	Consumption (000s of Gallons)	% of Total Usage
Stonebriar Country Club	Country Club	117,107	65.81%
Hawaiian Falls	Water Park	11,035	6.20%
Mario Sinacola and Sons	Construction Company	9,036	5.08%
Mario Sinacola and Sons	Construction Company	6,789	3.82%
Billingsley	Construction Company	6,011	3.38%
City of The Colony	Municipality	5,940	3.34%
Lewisville ISD	School District	5,733	3.22%
Austin Ranch	Apartment Complex	5,644	3.17%
Trinity North Medical Plaza	Medical Building	5,363	3.01%
Austin Ranch	Apartment Complex	5,281	2.97%

Hotel/Motel Occupancy Tax:

The Hotel/Motel Tax Fund was established in fiscal year 1998-1999. The City collects 7% hotel/motel occupancy tax.

Hotel/Motel Occupancy Tax



Appendix D – Capital Projects Summary

4-Year Summary of Projects Expenditures

Description	FY 2010	FY 2011	FY 2012	FY 2013	Inception to Date
Streets/Drainage					
N. Colony improvements	590,266	4,858,168	1,140,513	35,967	6,624,914
Plano Parkway Widening	120,759	365,866	383,164	3,236,436	4,106,225
Plano Parkway Widening Phase II	-	-	-	-	-
Phase IV Streets Reconstruction	3,000	329,065	1,185,947	1,001,300	2,519,312
Memorial Dr. - Spring Creek	-	-	829,168	3,681,387	4,510,555
Memorial Dr. - Main St. to Navaho	-	-	45,702	273,701	319,403
Subtotal:	714,025	5,553,099	3,584,494	8,228,791	18,080,409
Buildings	-	-	-	-	-
Subtotal:	-	-	-	-	-
Parks					
Stewart Creek Park	279,038	173,802	29,765	19,149	501,754
Kids Colony Phase II	-	-	-	396,769	396,769
Carr Chapman	-	-	61,287	30,900	92,186
Friendship Park	-	-	6,660	118,051	124,711
Bill All Park Bridge	-	37,416	167,998	22,454	227,868
Subtotal:	279,038	211,218	265,710	587,323	1,343,288
Enhancements					
Vehicles and Equipment	274,387	593,823	222,765	1,358,278	2,449,253
Subtotal:	274,387	593,823	222,765	1,358,278	2,449,253
General Funds Total:	1,267,450	6,358,140	4,072,969	10,174,392	21,872,950
Water and Sewer Projects					
FM 423 Utility Improvements	71,153	262,137	11,124	18,391	362,805
WWTP Expansion	-	-	-	211,908	211,908
WWTP Phosphorous removal	-	104,353	13,240	122,593	240,186
New Water Well, site #4	2,201,648	190,206	64,621	218,701	2,675,176
Subtotal:	2,272,801	556,696	88,985	571,593	3,490,075
Enhancements					
Vehicles & equipment	57,615	25,300	109,677	-	192,592
Subtotal:	57,615	25,300	109,677	-	192,592
Enterprise Funds Total:	2,330,416	581,996	198,662	571,593	3,682,667
Grand Total:	3,597,866	6,940,136	4,271,630	10,745,985	25,555,617

2013-14 Enhancements from Available Funds

The following list identifies capital projects to be funded from available balances in various capital project funds. There were many requests for additional capital items; however, due to limited resources, only the following items are proposed for purchase via fund balance/savings/contingency from existing sources.

1. ID Authentication mandate	\$20,000
2. Backup storage system	\$35,000
3. Toughbook laptop replacements	\$120,000
4. Upgrade Fire department radio system	\$250,000
5. New World software migration	\$15,000
6. Computer replacements	\$40,000
7. Phone system software	\$30,000
8. Blade server replacements	\$30,000
9. Pool heater replacement	\$15,000
10. School zone flashers	\$5,000
11. Patrol car replacements (6)	\$210,000
12. Pool vacuum	\$10,250
13. Fire safety	\$10,000
14. General vehicle replacement	\$95,000
15. Continued sidewalk repairs	\$75,000
16. Continued street patching	\$125,000
17. Begin Engineering on Wastewater plant upgrade	\$200,000
18. First year of water tower maintenance contracts	<u>\$200,000</u>
Total	\$1,485,250

Appendix E - 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 outline the projected needs for the departments.

2014	2015	2016	2017	2018	GENERAL DESCRIPTION
		\$1,500,000			Purchase of County Building per agreement
\$1,500,000					Possible Realignment of HWY 121 Business exit
City Secretary					
\$4,000					Expand File System \$2k and Replace CS desk/Reconfigure Office \$2k
\$1,700					Electronic Agenda Mgmt System for CC/Boards - no meeting component
	\$7,000				Laserfiche Records Mgmt Module to assist with paper & paperless record retention requirements
	\$1,800				Public Info Mgmt System to better handle information requests between departments
	\$37,000				Electronic Agenda Mgmt System for CC/Boards - meeting component electronic record, Laserfiche compatible, \$16k maintnce
		\$16,000			Electronic Agenda Mgmt System for CC/Boards - meeting component electronic record, Laserfiche compatible, \$16k maintnce
		\$300			Public Info Mgmt System to better handle information requests between departments
			\$16,000		Electronic Agenda Mgmt System for CC/Boards - meeting component electronic record, Laserfiche compatible, \$16k maintnce
			\$300		Public Info Mgmt System to better handle information requests between departments
				\$16,000	Electronic Agenda Mgmt System for CC/Boards - meeting component electronic record, Laserfiche compatible, \$16k maintnce
				\$300	Public Info Mgmt System to better handle information requests between departments
Wastewater					
\$50,000					Outfall Sampling to replace existing model with newer technology \$10k, Electronic Sludge Analyzer \$20K, and Lab Equip \$20k
\$100,000					Repair/Update - 13 Lift Stations - replace failing pumps and electrical components
\$13,400,000					Wastewater Treatment Plant Expansion to 4.5 MGD
	\$20,000				John Deere Gator Replacement for WWTP
	\$60,000				Replace Two 1/2 Ton Pickups
	\$500,000				SCADA Improvements for Lift Stations
	\$450,000				Extend Austin Ranch Forced Main Sewer Line to Office Creek Trunk Line
		\$1,800,000			Master Lift Station 1 expansion to 15MGD - third phase of the expansion project.
		\$800,000			Curry Road Sewer Trunk Line Replacement
				\$24,000,000	Wastewater Treatment Plant Expansion to 6.1 MGD
				\$2,300,000	Extend Austin Ranch Forced Main Sewer to WWTP
Water Distribution					
\$20,000					Pole Inspection Camera (for trunk lines)
\$60,000					Vehicle replacement 6106 and 6108
\$30,000					Replacement, repairs and upgrades to Aries equipment
\$85,000					Small Dump truck
\$20,000					Replace small equipment (pumps, generators, saws, and tapping machines)
\$10,000					Flush Valve Replacement - 5 per year \$10K
\$1,600					Digital Chl. Meter No. 26300
	\$114,000				Mini Excavator
	\$120,000				Ditch Witch
	\$125,000				Tandem Axle Dump Truck 16yd
	\$75,000				3/4 ton flatbed truck
	\$65,000				replace vehicle #6115 Utility bed
	\$6,500				EUI2000i with dual lights (work lights)
	\$30,000				Replacement, repairs and upgrades to Aries equipment
	\$10,000				Flush Valve Replacement - 5 per year
	\$20,000				Replace small equipment (pumps, generators, saws, and tapping machines)
		\$35,946			Valve Machine Software Upgrade - compatible with City Works (work order sys) and provides better blueprint of City.
		\$95,000			John Deere (410G) backhoe and front loader
		\$300,000			Vactruck/Hydro Excavator
		\$30,000			Replacement, repairs and upgrades to Aries equipment
		\$15,000			Ingersoll Air Comp P185WDJ
		\$70,000			Vehicle #6114
		\$20,000			Replace small equipment (pumps, generators, saws, and tapping machines)
			\$95,000		Rubber Tire Loader
			\$90,000		Small Dump truck #6109
			\$90,000		Crane Truck
			\$75,000		Vehicle/Service Trucks
			\$75,000		Vehicle/Service Trucks
			\$20,000		Replacement, repairs and upgrades to (pumps, generators, saws, tapping machine)
			\$30,000		Replacement, repairs and upgrades to Aries equipment
				\$250,000	Camera Van & Equipment
				\$80,000	3/4 Ton Pickup
				\$20,000	Replace small equipment (pumps, generators, saws, and tapping machines)

Water Production			
\$429,000			Water Tower Rehab(EST#1) to meet TCEQ mandated maint and OSHA safety standards
\$765,000			Well Site Electric Improvements- replace failing motor control equip, underground wires, conduits, switches, and flow meters
\$100,000			Office Creek/EST#2/EST#3 SCADA Operating System Improvement to operating and monitoring systems
\$150,000			Office Creek Pump Station GST#1 Maintenance - repair leak, clean, paint, and stall safety equip.
\$135,000			Water Tower Quality & Treatment (EST1,2, & 3) - Install water circulate pumps to meet TCEQ water quality standards.
	\$2,400,000		Tribute Elevated Storage Tank
	\$468,000		WTR Tower Rehab (EST#2) - rehab to meet TCEQ maint and OSHA standards
	\$484,000		WTR Treatment Building & Equip Improvements - 3 buildings store chlorine connectns/cycliners; injection system, leak monitor
	\$52,000		Five Star Park Irrigation Well Pump Equip Maint and Replacement
	\$30,000		Ammonia Chemical Feeder @ Pump Stations - safety improvement for handling ammonia
	\$205,000		Pump Stations #1,#2, replace existing 38+ year perimeter intrusion fence, install lights, pave, and grade to drain better
	\$65,000		Replace 1/2 Ton Pickup with 1 ton + lift gate & crane
	\$120,000		Office Creek GST#2 Maint/Safety Improvement - clean, repair, and install safety equipment
	\$15,000		Replace Control Wiring and Panels in French Drains System PS1,2,& 3 - existing system in place since mid 70's
	\$50,000		Install Vault & Flow meter at Wynnwood Pump Station
	\$40,000		Office Creek Pump Station Security Improvements - security fence, video alarm system.
	\$400,000		Convert SCADA Operating System @ All Sites From Wireless to Fiber Optics Network
	\$260,000		Trinity Well #3 Pumping Equipment Maintenance/Replacement
	\$150,000		Office Creek Pump Motor Control System - replace current system with more efficient soft start units pumps 1,2,&3
	\$30,000		Remove/Replace Deteriorating Concrete Basin and Steel Beams Under Cooling Station PS3
	\$100,000		Larger Service Pumps/Motors at Wynnwood Pump Station and Additional Pump for increasing use at Tribute
	\$100,000		Pump Station #2 & #3 GSR Maintenance clean, repair, and install safety equipment.
	\$25,000		Well Site #3 Building & Roof Repair
	\$65,000		Replace 3/4 Ton Pickup with 1 ton + lift gate & crane
	\$240,000		Pump Station Water Quality Improvement Wynnwood, Office Creek, & PS1,2, & 3 - install circulating pumps in storage tanks
	\$35,000		Replace Control Pumps and Discharge Plumbing for French Drains System PS1,2,& 3
	\$25,000		Electrical Equipment Shelter for Well #4 at OCPS.
		\$120,000	Aeration Tower Rehab - gear box and motor replacement for PS 1,2, & 3
		\$250,000	Trinity Well #2 Pumping Equipment Maintenance/Replacement
		\$350,000	EST #3 Rehab Structure Meet AWWA, OSHA, TECQ Standards - paint, clean, repair and install safety equip
		\$60,000	Pump Station #1 Water Main Replacement - Replace 8" and 14" mains
		\$16,000	Well Site #2 Building and Roof Repair
		\$20,000	Pump Station #1 GSR Sealant to prevent leaching and increase tank life
		\$95,000	Pump Stations #1,#2, 3 & EST 3 Driveway Replacement and Drainage
		\$80,000	Replace Office Creek Storage Bldg. with Work Shop & Storage Area
		\$50,000	Office Creek Storage Tank Paint and Repairs
		\$50,000	Well Pump Station #1 Rebuild Paluxy Pump, & Replace Column Pipe & Check valves
		\$70,000	Remove/Replace Deteriorating Basin Support Beams for PS 1 & 2 Aeration Towers
		\$50,000	Pump Station #3 Water Main and Valve Replacement replace 12", 18", and 8" mains and valves
		\$60,000	Pump Station #2 Water Main and Valve Replacement replace 10", 18", and 6" mains and valves
		\$120,000	Office Creek Pump Station Roof Replacement
		\$60,000	Reservoir Maintenance clean, repair, and install safety equipment
		\$40,000	Office Creek Pump Station GST #1 Replacement of French Drain System
		\$40,000	EST #1 & #2 Replacement of MOV Vault, Water Main, and Valves
		\$60,000	Add 3/4 Ton Pickup with 1 ton + lift gate & crane
		\$134,000	Water Treatment Quality Control Upgrade - add online chemical analyzers and sanitation sewer lines for PS 1,2, & 3
Facility Maintenance			
\$76,500			BRANT - Court & Admin Security Upgrade - (Court Security Fund \$)
\$25,000			Pickup Replacement
\$45,000			Recoat Roofs at Community Center, Parks & Rec and PD
\$45,000			Upgrade City Works Software Server Version - to replace desktop versions and meet requirement to track sign reflectivity
\$25,000			Fire Station Repairs and Upgrades
\$5,000			School Zone Flashers
	\$50,000		BRANT - Court Room Remodel (Court Security Fund)
	\$35,000		Parking Lot Maintenance for City Lots
	\$28,000		Pickup Replacement
	\$47,000		City Hall/Library HVAC upgrade
	\$15,000		Battery Backup for Traffic Lights
	\$75,000		Remodel 1 Harris Plaza
	\$5,000		School Zone Flashers
	\$10,000		Replace Street Signs
	\$5,000		Replace Traffic Control Signs
	\$20,000		Upgrade Sign Poles to Breakaway
	\$7,500		Electronic Sign Boards
	\$120,000		Video Detection Systems to replace traffic light switches in the street
		\$350,000	A&E for Public Service Building (Architect & Engineering)
		\$47,000	AC & Heater Upgrade (Various City Facilities)
		\$50,000	Fire Station Repairs and Upgrades
		\$10,000	Battery Backup for Traffic Lights
		\$10,000	Replace Street Signs
		\$5,000	School Zone Flashers
		\$20,000	Upgrade Sign Poles to Breakaway
		\$5,000	Replace Traffic Control Signs
		\$3,500,000	Public Service Building
		\$40,000	Parking Lot Maint - City Lots
		\$5,000	School Zone Flashers
		\$10,000	Replace Street Signs
		\$5,000	Replace Traffic Control Signs
		\$20,000	Upgrade Sign Poles to Breakaway
		\$50,000	City Hall/Library HVAC upgrade
		\$38,000	1 Harris Plaza HVAC Upgrade
		\$50,000	AC & Heater Upgrade (Various City Facilities)
		\$50,000	Fire Station Repairs and Upgrades
		\$5,000	School Zone Flashers
		\$5,000	Replace Traffic Control Signs
		\$20,000	Upgrade Sign Poles to Breakaway

IT				
\$40,000				Computer Replacements over 6 years old
\$120,000				Toughbook Laptop Replacements Fire/Police - Microsoft XP support ends 4/14 mandate 6 months later
\$35,000				New Backup System - More capacity and speed are need to properly backup files timely
\$30,000				Current Phone System Software is no longer supported and doesn't operate new Internet Protocol phones.
\$30,000				Blade Server Replacements - 4 blades don't support the 64bit newer servers and the support for 4 is expensive
\$15,000				GPS Hand Held Unit is not compatible with the City's operating system or GIS application the City uses.
\$10,000				Wireless Connectivity at City Facilities - allow employees, police, & Fire to access network when near a City facility.
	\$15,000			New Blade Servers for additional capacity.
	\$300,000			Fiber Loop (Memorial to S Colony to NFM) to provide all City facilities redundant network paths & street light control.
		\$30,000		Start 5 Year Replacement schedule for CPUs and 10 year for monitors
		\$200,000		Fiber Loop (NFM to Plano Parkway) to provide all City facilities redundant network paths & street light control.
			\$30,000	5 Year Replacement schedule for CPUs and 10 year for monitors
			\$15,000	Replacement of Server Core Switch Card which are no longer under warranty
		\$200,000		Fiber Loop (Plano Parkway across 121 to Memorial) to provide City facilities redundant network paths & street light control.
			\$30,000	5 Year Replacement schedule for CPUs and 10 year for monitors
			\$200,000	Fiber Loop (Paige to Main along Memorial) to provide City facilities redundant network paths & street light control.
			\$14,000	UPS Battery Replacement - 8 year replacement schedule for batteries in uninterrupted power at City Hall & PD
Fire				
\$620,000				Fleet replacement - replace reserve engine/equipment (Pierce 94) with Pierce 98.
\$1,175,000				Fleet replacement - replace 75' with 95' Quint/equipment
\$10,000				Replace Hydraulic Rescue Tools - to improve dependability & safety,
\$250,000				Upgrade Radio System, add Mobile Data Capabilities, Upgrade Fire Dispatch
	\$270,000			Replacement Ambulance/Equip & Increase Reserve Fleet
	\$200,000			Replace Breathing Air System - meet modern NFPA standards & incorporate newer technology
	\$80,000			Replace 5 Thermal Imaging Cameras - minimize down time and incorporate newer technology
	\$60,000			Replace Chief Engineer Vehicle - scheduled replacement and to add lift to reduce injuries
	\$185,000			Purchase of Medical Squad/Equip - small engine/ambulance for medical runs to reduce purchase and operating cost
	\$270,000			Additional Ambulance for Station #2
		\$6,725,000		Fire Station at Austin Ranch - Developer Agrmnt > 7.5k Pop (includes equipment and personnel) - best guess timing and \$
			\$6,000,000	New Facility - Admin, Fleet Maint, and Training
			\$250,000	Replacement of Ambulance and Increase Reserve
			\$600,000	Replacement of Quint and Increase Reserve
			\$5,750,000	Fire Station at Tribute - Developer agreement > 1.5k Houses (includes equipment and personnel) - best guess timing and \$
Police				
\$20,000				ID Authentication Mandate
\$15,000				New World Software Migration to blade server
\$420,000				Vehicle Replacement of 12 patrol cars
\$40,000				Incoming Call Recording - Digital Voiceprint Upgrade compatible with existing phone system
\$67,000				Medical Dispatch and Animal Control Software to automate systems from pen and pad
\$250,000				Animal Shelter Exp and Remodel - 1,570 sqft
	\$210,000			6 Patrol Car Replacements
	\$75,000			Crime Scene Search Unit and Equipment
		\$210,000		6 Patrol Car Replacements
			\$210,000	6 Patrol Car Replacements
			\$210,000	6 Patrol Car Replacements
Library				
		\$50,000		Aristech & Eng for New Library
			\$12,702,720	New Library (39,696 sqft)
Fleet				
\$50,500				Service Truck With Lift Gate/ Tool Box and Tools
\$3,000				Fuel Tank (to refill generators)
	\$5,000			Transmission Flush Machine
	\$6,700			A/C Recovery Equip, Freon
		\$2,000		Plasma Cutter
		\$3,000		Parts Washer
			\$2,500	Tire Machine
			\$2,500	Tire Balancer
			\$7,500	Electronic testing Equipment
			\$2,000	Floor jacks and stands
			\$1,000	Battery charger
			\$2,500	(2) Shop floor water cooler
Public Works				
\$2,800,000				Phase 5 Residential Street Reconstruction
\$70,000				Diesel Concrete Saw \$35k, Slide in Hopper Sand Spreader \$10k, Stump Grinder/Small Equip \$25k
\$300,000				Estimate for Alley repairs
	\$3,000,000			Phase 6 Residential Street Reconstruction
	\$200,000			Asphalt Patch Truck
	\$220,000			Street Sweeper
	\$120,000			Backhoe
	\$100,000			8 YRD Dump Truck
	\$60,000			3/4 Ton With Bed & Rack
	\$115,000			Arrow Master Concrete Breaker & Trailer
	\$300,000			Estimate for Alley repairs
		\$160,000		Tandem Axel 16 YRD Dump Truck
		\$180,000		Three 3/4 Ton With Bed & Rack
		\$70,000		Asphalt Lay Down Machine & Trailer
		\$300,000		Estimate for Alley repairs
		\$120,000		Tandem Axel Truck With 5th Wheel
		\$250,000		Excavator & Trailer
		\$75,000		Dump Trailer
		\$65,000		Crack Seal Machine
		\$60,000		3/4 Ton With Bed & Rack
		\$300,000		Estimate for Alley repairs
			\$75,000	Tractor With Loader and Blade
			\$25,000	1.5 Ton Asphalt Roller
			\$60,000	3/4 Ton With Bed & Rack
			\$300,000	Ball Park Estimate for Alley Repair
			\$50,000	3/4 Ton

Engineering				
	\$120,000			Roadway Master Plan Update
		\$200,000		Water & Sewer Master Plan Update
Parks and Recreation				
10,000				Fitness Center Equipment Replacement
	10,000			Fitness Center Equipment Replacement
	40,000			Recreation Center Security Camera System
	75,000			Lightning Detection System
		480,000		Multi-purpose Room Expansion
		20,000		Fitness Center Equipment Replacement
		50,000		Gym Floor Replacement
			1,800,000	Gymnasium Expansion
			20,000	Fitness Center Equipment Replacement
			15,000,000	Five Star Community Center
			725,000	Practice Field Light System Replacement
			20,000	Fitness Center Equipment Replacement
Community Center				
	35,000			Community Center Security Camera System
		750,000		Multi-purpose Room Expansion
Parks Maintenance				
325,000				Pond Improvements and Aeration-Lions Club
	450,000			Pave Gravel Parking Lot and Overview Parking - Turner Soccer Field
		300,000		Pond Improvements and Aeration - BB Owen
			400,000	Pave Gravel Parking Lot - BB Owen
			450,000	Pave Gravel Parking Lot - Bridges Park and Miller
			400,000	Pond Improvements - Bill Allen Memorial Park
Lake Parks				
60,000				Replace Post & Cable
20,000				Trash Receptacles
65,000				Boat Ramp Area Retaining Wall
20,000				Dumpster and Portalet Enclosures (2) - SCP
50,000				Basketball Court
	120,000			Pavilion
	150,000			Trail Head / Boat Ramp Restroom
		50,000		Electrical Upgrades - Phase II
		150,000		Fishing Pier
			750,000	Event Pavilion / Parking Lot
Community Development				
25,000				Image Enhancement Projects
500,000				Maintenance Office and Yard Expansion - Five Star
400,000				Dog Park Development
100,000				W. Lake Highlands Park - Land Acquisition
	25,000			Image Enhancement Projects
	25,000			Playground Equipment Replacement - Slay/Baker
	400,000			Kids Colony 2 Phase III
	150,000			Bill Allen Memorial Park Restroom
	25,000			Skate Park Refurbishment
	100,000			Shade Structure Shade Material Replacement - Five Star
	500,000			Park Loop Trail - Phase II
		25,000		Image Enhancement Projects
		300,000		Kids Colony 2 Phase IV
		500,000		Trail Expansions
			50,000	Image Enhancement Projects
			200,000	Historical Park Development - Phase I
			500,000	Turner Soccer Complex Renovations
			150,000	Ridgepointe Enhancements
Parks Maintenance - Equipment				
36,500				Light Duty 1 Ton Pickup-Landscape Bed - #Replace #553
	15,000			Utility Vehicle - Replace Kawasaki Mule #545E
	15,000			Zero-Turn Mower - Replace 555E
		80,000		Front End Loader / Box Blade - Replace 567E
			27,000	3/4 Ton Pickup - Replace #551
			65,000	Skid Steer with Bucket, Auger and Fork Attachments
Parks Athletics				
5,000				Soccer Goal Replacement (3 sets) - Five Star
6,500				Bleacher Replacement (4 sets)
	5,000			Soccer Goals
	6,500			Bleacher Replacement
Aquatic Park				
\$84,000				Ultraviolet Sanitation for Pools
\$29,418				Pump Replacement on Indoor Pool
\$10,250				Pool Vacuum
\$4,750				Replacement Play Equipment (Floating Log)(
\$25,413				Pump Replacement on Outdoor Pool
	\$35,000			Deck Heater for Winter Swim Classes
	\$15,000			Additional Play Features for Splash Zone
		\$15,000		Additional Play Features for Splash Zone Pad
\$25,230,131	\$14,096,000	\$17,459,246	\$15,684,800	\$65,162,520

Personnel					
2014	2015	2016	2017	2018	
Parks and Recreation					
		12,147			Athletics Leader (p/t)
			12,147		Programs Leader (p/t)
				81,575	Five Star Community Center Supervisor
					Five Star Community Center Asst. Supervisor
					Programs Coordinators (2)
					Recreation Leaders (12)
Community Center					
		8,470			Recreation Specialist Upgrade (pt to ft)
Fleet					
	\$52,000				Fleet Mechanic
				\$52,000	Fleet Mechanic
IT					
\$78,000					IT Specialist
			\$84,500		IT Specialist
Facility Maintenance					
\$54,600					Lead Facility Maint Tech
			\$65,000		Signal Tech position required when 50k population is reached
CVB					
		\$58,500			CVB - Sales & Servicing Repr
Water Distribution					
\$123,552					Two Operators
	\$61,776				Operator
		\$61,776			Operator
			\$61,776		Operator
				\$61,776	Operator
Wastewater					
	\$61,776				Operator
		\$61,776			Operator
			\$61,776		Operator
Community Center					
\$51,046					Maintenance Tech
	\$51,046	\$51,046	\$51,046		Maintenance Tech
		\$62,400			Heavy equipment operator
Fire					
	\$80,000				Fire Inspector
	\$240,000				3 Firefighters/Paramedics (one per shift) includes gear, training,
	\$1,200,000				Hire 14 Firefighters/Paramedics partial Staff for Fire Station #4
		\$492,000			Hire 6 Firefighters/Paramedics complete staff for Fire Station #4
			\$60,000		Admin Assistant
				\$1,100,000	12 Firefighters/Paramedics for Fire Station #5
Police					
\$58,500					Records Coordinator
\$130,000					Two Patrol Officers bring back Narcotics & Traffic units to staff pa
\$80,000					Detective Sergeant
\$51,000					Communications Officer
\$260,000					Four Patrol Officers - Staff NFM new district
\$90,000					Two Detention Officers
	\$65,000				Detective for NFM
	\$90,000				Two Detention Officers
	\$153,000				Three Communications Officers
	\$65,000				Detective
	\$130,000				Two Bicycle Patrol Officers (Trails & Business)
	\$48,000				Animal Control Officer
		\$260,000			Four Patrol Officers
		\$120,000			Two Crime Scene Civilian Techs
			\$65,000		Detective
Library					
\$17,479					Youth Services Assistant (PT)
	\$15,630				Support Services Clerk (PT)
\$994,177	\$2,313,228	\$1,188,115	\$461,245	\$1,295,351	

Appendix F - Glossary of Terms

A

ACCOUNTS PAYABLE - A liability account reflecting amounts owing to private persons or organizations for goods and services received by a government (but not including amounts due to other funds of the same government or to other governments).

ACCOUNTS RECEIVABLE - An asset reflecting amounts owing to the government by private person or organizations for goods or services furnished by a government.

ACCRUAL ACCOUNTING - A basis of accounting in which transactions are recognized at the time they are incurred, regardless of when the cash is received or paid.

AD VALOREM - Latin for "value of". Refers to the tax assessed against real (land and buildings) and personal (equipment and furniture) property.

AMORTIZATION - Payment of principal plus interest over a fixed period of time.

APPROPRIATION - A legal authorization granted by a legislative body (City Council) to make expenditures and incur obligations for designated purposes.

ARBITRAGE - The interest earnings derived from invested bond proceeds or debt service fund balances.

ASSESSED VALUATION - A valuation set upon real estate or other property by a government as a basis for levying taxes.

B

BALANCE SHEET - A statement, showing the assets, liability and equities of an entity at a particular time in conformity with Generally Accepted Accounting Principles (GAAP).

BALANCED BUDGET - Annual financial plan in which expenses do not exceed revenues.

BMP - Best Management Practices.

BOND - A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s).

BUDGET - A plan of financial operation embodying an estimate of proposed expenditures for any given period and the proposed means of financing them.

C

CAPITAL ASSETS - Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible assets that are used in operations, and that have initial useful lives extending beyond a single reporting period.

CAPITAL OUTLAYS - Expenditures, which result in the acquisition of or addition to fixed assets which are individually priced at more than \$5,000.

CAPITAL PROJECTS FUND - A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

CAFR - Comprehensive Annual Financial Report.

CDC - Community Development Corporation (also known as Type B Corporation) is created by State Statute. Council appoints Board members and approves the Board's budget. Revenues are funded by half-cent sales taxes to promote Economic Development.

CERTIFICATES OF OBLIGATION - Legal debt instruments used to finance capital improvement projects. Certificates of obligation are backed by the full faith and credit of the governmental entity and are fully payable from a property tax levy. Certificates of obligation differ from general obligation debt in that they are approved by the City Council and not voter approved.

CIP - Capital Improvement Plan.

CITY CHARTER - The document of a home rule City similar to a constitution, which establishes the City's government structure and provides for the distribution of powers and duties among the various branches of government.

CITY COUNCIL - The Mayor and six (6) Council members collectively acting as the legislative and policymaking body of the City.

CONTINGENCY - A budgetary reserve set aside for emergencies or unforeseen expenditures.

CONTRACTUAL SERVICES - The costs related to services performed for the City by individuals, business or utilities.

COST - The amount of money or other consideration exchanged for property or services. Costs may be incurred before cash outlay; ultimately, money or other consideration must be given in exchange.

CURRENT ASSETS – Those assets which are available or can be made readily available to finance current operations to pay current liabilities. Those assets which will be used up or converted into cash within one year. Some examples are cash, temporary investments, and taxes receivables which will be collected within one year.

CURRENT LIABILITIES - Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded within one year.

D

DEBT SERVICE FUND - A fund established to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

DEFICIT - The excess of an entity's liabilities over its assets. The excess of expenditures over revenues during an accounting period.

DELINQUENT TAXES - Taxes remaining unpaid on or after the date on which a penalty for nonpayment is attached.

DEPRECIATION - Change in the value of assets (equipment, buildings, etc. with a useful life of five years or more) due to use of the assets.

DWU: Dallas Water Utilities

E

EDC - Economic Development Corporation (also known as Type A Corporation) is created by State Statue. Council appoints Board members and approves the Board's budget. Revenues are funded by half-cent sales taxes to promote economic development.

ENCUMBRANCES - Commitments related to unperformed contracts for goods and services used in budgeting. Encumbrances are not expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result upon completion of contracts.

EPA - Environmental Protection Agency.

EXPENDITURES - A decrease in the net financial resources of the City due to the acquisition of goods and services.

EXPENSES - Decreases in net financial resources. Expenses include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays.

F

FISCAL YEAR - A 12-month period to which the annual operating budget applies. The City of The Colony has established October 1 through September 30 as its fiscal year.

FRANCHISE - A special privilege granted by a government permitting the continuing use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

FUND - An independent fiscal and accounting entity with a self-balancing set of accounts, recording cash and other resources together with all liabilities, obligations, reserves, and equities which are segregated for the purpose of maintaining specific activities or accomplishing certain objectives.

FUND BALANCE - The difference between governmental fund assets and liabilities also referred to as fund equity.

G

GAAP – An acronym for Generally Accepted Accounting Principles which are a collection of rules and procedures that set the basis for the fair presentation of financial statements. The accounting and reporting policies of the City conform to the GAAP applicable to state and local governments.

GASB - Acronym for Government Accounting Standards Board, an independent, non-profit agency responsible for the promulgation of accounting and financial reporting procedures for governmental entities.

GENERAL FUND - The fund established to account for those resources devoted to financing the general administration of the City and traditional services provided to citizens.

GENERAL OBLIGATION BOND - Bonds that finance a variety of public improvement projects, which pledge the full faith, and credit of the City. This type of bond requires voter approval.

GENERAL OBLIGATION DEBT - Monies owed on interest and principal to holders of the City's general obligation bonds. The debt is supported by revenue provided from real property, which is assessed through the taxation power of the local governmental unit.

GOVERNMENTAL FUNDS - Those funds through which most governmental functions typically are financed. The acquisition, use, and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects, and Debt Service Funds).

M

MAINTENANCE - Work that is performed regularly to keep a machine, buildings, or piece of equipment in good condition and working order.

MGD - Million gallons per day.

MODIFIED ACCRUAL ACCOUNTING - Accounting system in which revenues are recognized and recorded in the accounts when they are measurable, available and collectible in the fiscal year.

O

OPERATING EXPENDITURE - Expenditure on goods or services that is not a capital expenditure.

ORDINANCE - A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, usually require ordinances.

P

PERSONAL SERVICES: The costs associated with compensating employees for their labor.

PRIOR YEAR SURPLUS - Excess revenues over expenditures from prior years. The excess is rolled into the fund balance every year and is available for appropriations.

PROPRIETARY FUND - Operation that operates like a private commercial operation, in which services are financed through user charges and expenditures include the full cost of operations.

PUBLIC HEARING - The portions of open public meetings held to present evidence and provide information on both sides of an issue.

PURCHASE ORDER (PO) - A document which authorizes the delivery and charge of specified goods or the rendering of certain services.

R

REFUNDING BONDS - Bonds issued to retire bonds already sold and outstanding. The refunding bonds may be sold for cash and the outstanding bonds redeemed or retired by the cash proceeds, or the refunding bonds may be exchanged with holders of outstanding bonds.

REIMBURSEMENT - Cash or other assets received as a repayment of the cost for work or services performed or of other expenditures made for or on behalf of another governmental unit, department or fund.

REVENUE - Funds that the government receives as income. Examples are tax payments, fees from specific services, receipts from other governments, court fines, franchise fees, permits, and interest income.

ROW - Acronym for right-of-way.

RTR - Regional Toll Revenue.

S

SCADA - (Supervisory Control And Data Acquisition System) controls the water pumps to ensure efficient operation of the water distribution system.

SPECIAL REVENUE FUND - A fund used to account for the proceeds of specific revenue sources other than expendable trusts or major capital projects that are legally restricted to expenditures for specified purposes.

SUPPLIES - A cost category for minor items (individually priced at less than \$5,000) required by departments to conduct their operations.

T

TAXES - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. It does not include charges for services rendered only to those paying such charges as, for example, water and sewer service charges.

TAX AND REVENUE BONDS - Bonds utilized by the former "The Colony Municipal Utility District" to finance water and wastewater improvement projects. This type of bond is repaid through a combination of an allocation of the tax levy and utility operational earnings.

TAX LEVY - The total revenues to be raised from ad valorem taxes by applying the tax rate to each \$100 of property-assessed valuation.

TAX ROLL - The official list prepared by the Denton Central Appraisal District showing the amount of taxes levied against each taxpayer or property.

TCEQ - Acronym for Texas Commission on Environmental Quality. A state agency for enforcing federal and state environmental laws.

TRANSFER - The movement of monies from one fund, activity, department, or account to another. This includes budgetary funds or movement of assets.

TRIP-08 - 2008 Transportation Road Improvement Program for Denton County.

TXDOT - Acronym for Texas Department of Transportation, a state agency.

U

UTILITY FUND - A proprietary or enterprise fund used to account for the provision of water and wastewater services to the City's residents on a cost recovery basis through user charges.

W

WORKING CAPITAL - The amount that current assets exceed current liabilities.

Appendix G – Financial Policies

CITY OF THE COLONY

FINANCIAL MANAGEMENT POLICIES

September 20th, 2011

Prepared by the Finance Department

Approved by the City Manager

Confirmed by the City Council on September 20th, 2011

I. PURPOSE STATEMENT

These policies are developed by the City Manager to guide the Finance Director, and staff in financial matters. The overriding goal of the Financial Management Policies is to enable the City to achieve a long-term stable and positive financial condition while conducting its operations consistent with the council-manager form of government established in the City Charter. The watchwords of the City's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure.

The purpose of the Financial Management Policies is to provide 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.

The scope of the policies spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management, expenditure control, and debt management.

II. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

- A. **ACCOUNTING** – The City's Accounting Manager is responsible for establishing the chart of accounts, and for properly recording financial transactions.
- B. **FUNDS** - Self-balancing groups of accounts are used to account for City financial transactions in accordance with generally accepted accounting principles. Each fund is created for a specific purpose except for the General Fund, which is used to account for all transactions not accounted for in other funds. Funds are created and fund names are changed by City Council approval through resolution either during the year or in the City Council's approval of the annual operating budget ordinances.
- C. **EXTERNAL AUDITING** – The City will be audited annually by outside independent auditors. The auditors must be a CPA firm capable to demonstrate that they have the breadth and depth of staff to conduct the City's audit in accordance with generally accepted auditing standards, generally accepted government auditing standards, and contractual requirements. The auditors' report on the City's financial statements including federal grants single audit when required, will be completed within 120 days of the City's fiscal year end, and the auditors' management letter will be presented to the City staff within 150 days after the City's fiscal year end. An interim management letter will be issued prior to this date if any materially significant internal control weaknesses are discovered. The City staff and auditors will jointly review the management letter with the City Council within 60 days of its receipt by the staff.
- D. **EXTERNAL AUDITORS RESPONSIBLE TO CITY COUNCIL** – The external auditors are accountable to the City Council and will have access to direct communication with the City Council if the City staff is unresponsive to auditor recommendations or if the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

The City Council may conduct closed session annually with the auditors present without the presence of City staff. Such meeting shall be conducted in accordance with the Open Meetings Act.

- E. **EXTERNAL AUDITOR ROTATION** – The City will not require external auditor rotation, but will circulate requests for proposal for audit services periodically, normally at five-year intervals.
- F. **EXTERNAL FINANCIAL REPORTING** – The City will prepare and publish a Comprehensive Annual Financial Report (CAFR). The CAFR will be prepared in accordance with generally accepted accounting principles, and will be presented annually to the Government Finance Officers Association (GFOA) for evaluation and awarding of the Certification of Achievement for Excellence in Financial Reporting. The CAFR will be published and presented to the City Council within 120 days after the end of the fiscal year. City staffing limitations may preclude such timely reporting. In such case, the Finance Director will inform the City Manager and the City Manager will inform the City Council of the delay and the reasons therefore.
- G. **INTERNAL FINANCIAL REPORTING** - The Finance Department will prepare internal financial reports sufficient for management to plan, monitor, and control the City's financial affairs. Internal financial reporting objectives are addressed throughout the policies.

III. INTERNAL CONTROLS

- A. **WRITTEN PROCEDURES** – The Finance Director is responsible for developing citywide written guidelines on accounting, cash handling, and other financial matters, which will be approved by the City Manager.

The Finance Department will assist department directors as needed in tailoring these guidelines into detailed written procedures to fit each department's requirements.

- B. **DEPARTMENT MANAGERS RESPONSIBILITY** – Each department director is responsible to the City Manager to ensure that good internal controls are followed throughout his or her department, that all guidelines on accounting and internal controls are implemented, and that all independent auditor internal control recommendations are addressed.

IV. OPERATING BUDGET

- A. **PREPARATION** – The City's "Operating Budget" is the City's annual financial operating plan. It consists of governmental and proprietary funds, including the general obligation and revenue supported Debt Service Funds, but excluding Capital Projects Funds. The budget is prepared by the Finance Department with the cooperation of all City departments, and is submitted to the City Manager who makes any necessary changes and transmits the document to the City Council.

The preliminary budget should be filed with the City Secretary's office on or before July 31 each fiscal year, and presented to the City Council. Thereafter, the final budget should be enacted by the City Council prior to fiscal year end. The operating budget shall be submitted to the GFOA annually for evaluation and awarding of the Award for Distinguished Budget Presentation.

- B. **BALANCED BUDGET** – The operating budgets will be balanced, with current revenues, and prior year surpluses greater than or equal to current expenditures/expenses except a rainy day fund reserve of sixty (60) days.
- C. **PLANNING** – The budget process will be coordinated to identify major policy issues for City Council's consideration several months prior to the budget approval date.
- D. **REPORTING** – Periodic financial reports will be prepared to enable the department directors to manage their budgets and to enable the Finance Department to monitor and control the budget as authorized by the City Council. Summary financial reports will be presented to the City Council each month within four weeks after the month end. Such reports will include current year revenue and expenditures in comparison to budget and prior year actual revenues and expenditures.
- E. **CONTROL** – Operating Expenditure Control is addressed in another section of the Policies.
- F. **PERFORMANCE MEASURES AND PRODUCTIVITY INDICATORS** – Where appropriate, performance measures and productivity indicators will be used as guidelines and reviewed for efficiency and effectiveness. This information will be included in the annual budgeting process.

V. CAPITAL IMPROVEMENT PROGRAM

- A. **PREPARATION** – The City's Capital Improvement Program will include all capital projects. The Capital Improvement Plan will be prepared annually on a fiscal year basis. The Capital Improvement Plan will be reviewed annually by the City Council.

The Capital Improvement Plan will be prepared by the Finance Department with the involvement of all City departments.

- B. **CONTROL** – All capital project expenditures must be approved by City Council. The Finance Department must ensure the availability of resources before a capital project contract is presented by the City Manager to the City Council for approval.
- C. **PROGRAM PLANNING** – The Capital Improvement Plan will include capital improvements program plans for future years. The planning time frame should normally be at least five years. The replacement and maintenance for capital items should also be projected for the next 5 years. Future maintenance and operations will be fully projected, so that these costs can be considered in the operating budget.

- D. **ALTERNATE RESOURCES** – Where applicable, assessments, impact fees, or other user-based fees should be used to fund capital projects, which have a primary benefit to certain property owners.
- E. **DEBT FINANCING** – Recognizing that debt is usually a more expensive financing method, alternative financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives, which equal or exceed the average life of the debt issued. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases.
- F. **STREET MAINTENANCE** – The City recognizes that deferred street maintenance increases future capital costs by an estimated 5 to 10 times. Therefore, a portion of the General Fund Budget and/or debt issuances may be set aside each year to maintain the quality of streets. The amount will be established annually so that repairs will be made.
- G. **WATER/WASTEWATER MAIN REHABILITATION AND REPLACEMENT** – The City recognizes that deferred water/wastewater main rehabilitation and replacement increases future costs due to loss of potable water from water mains and inflow and infiltration into wastewater mains. Therefore, to ensure that the rehabilitation and replacement program is adequately funded, the City may annually appropriate an amount to provide for a water and wastewater main repair and replacement program.
- H. **WATER AND WASTEWATER SPECIAL PROJECTS** – A special fund will be maintained for water and wastewater capital projects. The fund will be funded with operating surpluses, interest earnings, and transfers from water and wastewater operations. As soon as practicable, after each fiscal year end when annual operating results are known, any Water/Wastewater Fund operating surplus in excess of budget which is not required to meet ending resources requirements, may be transferred to the Special Projects Fund with the approval of the City Council. The fund will be used for funding water/wastewater main rehabilitation and replacement, for major capital outlay, and for unplanned projects.
- I. **REPORTING** – Periodic financial reports will be prepared to enable the department managers to manage their capital budgets and to enable the Finance Department to monitor the capital budget as authorized by the City Council.

VI. REVENUE MANAGEMENT

- A. **SIMPLICITY** – The City will strive to keep the revenue system simple, which will result in a decrease of compliance costs for the taxpayer or service recipient and a corresponding decrease in avoidance to pay. The City will avoid nuisance taxes, fees, or charges as revenue sources.
- B. **CERTAINTY** – An understanding of the revenue source increases the reliability of the revenue system. The City will enact consistent collection policies for its revenues so that assurances can be provided that the revenue base will materialize according to budgets and plans.

- C. **EQUITY** – The City will strive to maintain equity in the revenue system structure. That is, the City will seek to minimize or eliminate all forms for subsidization between entities, funds, services, utilities, and customers. However, it is recognized that public policy decisions may lead to subsidies in certain circumstances, e.g., senior citizen property tax exemptions or partial property tax abatement.
- D. **ADMINISTRATION** – The benefits of revenue will exceed the cost of producing the revenue. The cost of collection will be reviewed annually for cost effectiveness. Where appropriate, the City will use the administrative processes of State or Federal collection agencies in order to reduce administrative costs.
- E. **REVENUE ADEQUACY** – The City will require that there be a balance in the revenue system. That is, the revenue base will have the characteristic of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.
- F. **COST/BENEFIT OF ABATEMENT** – The City will use due caution in the analysis of any tax, fee, or water and wastewater incentives that are used to encourage development. Ideally, a cost/benefit (fiscal impact) analysis will be performed as a part of such analysis.
- G. **DIVERSIFICATION AND STABILITY** – In order to protect the government from fluctuations in revenue source due to fluctuations in the economy, and variations in weather, (in the case of water and wastewater), a diversified revenue system will be maintained.
- H. **NON-RECURRING REVENUES** – One-time revenues will not be used for ongoing operations. Non-recurring revenues will be used only for non-recurring expenditures. Care will be taken not to use these revenues for budget balancing purposes.
- I. **PROPERTY TAX REVENUES** – Property shall be assessed at 100% of the fair market value as appraised by the Denton Central Appraisal District. Reappraisal and reassessment shall be done regularly as required by State law.
- All delinquent taxes will be aggressively pursued, with delinquents greater than 150 days being turned over to the City Attorney or a private attorney, and a penalty assessed to compensate the attorney as allowed by state law, and in accordance with the attorney’s contract.
- J. **USER-BASED FEES** – For services associated with a user fee or charge, the direct and indirect costs of that service will be offset by a fee where possible. There will be a periodic review of fees and charges to ensure that fees provide adequate coverage of costs of services. User charges may be classified as “full cost recovery,” “partial cost recovery,” and “minimal cost recovery,” based upon City Council policy.
- K. **IMPACT FEES** – Impact fees are currently imposed for water, wastewater, roadway, and drainage in accordance with applicable city ordinances and State Law. Impact fees will be re-evaluated at least every five years as required by law.

- L. **GENERAL AND ADMINISTRATIVE CHARGES** – A method will be maintained whereby the General Fund can impose a charge to the enterprise funds or special revenue funds for general and administrative services (indirect costs), performed on their behalf. The details will be documented in the annual budget process in the form of transfers between funds.
- M. **UTILITY RATES** – The City will review utility rates periodically, and if necessary, adopt new rates that will generate revenues required to fully cover operating expenditures, meet the legal restrictions of all applicable bond covenants, provide for an adequate level of working capital needs and debt service requirements. This policy does not preclude drawing down cash balance to finance current operations. However, it is best that any extra cash balance be used instead to finance capital projects.
- N. **INTEREST INCOME** – Interest earned from investment of available monies, whether pooled or not, will be distributed to the funds in accordance with the average monthly cash balances.
- O. **REVENUE MONITORING** – Revenues actually received will be regularly compared to budgeted revenues and variances will be investigated. This process will be summarized in the appropriate budget report.

VII. EXPENDITURE CONTROL

- A. **APPROPRIATIONS** – The level of budgetary control is the department level budget in the General Fund, Utility Fund and the fund level in all other funds. When budget adjustments (i.e., amendments) between departments and/or funds are necessary, these must be approved by the City Council. Budget appropriation amendments at lower levels of control shall be made in accordance with the applicable administrative procedures.
- B. **CONTINGENCY ACCOUNT EXPENDITURES** – The City Council must approve all contingency account expenditures of \$50,000 or more, as discussed under Purchasing.
- C. **PURCHASING** – All purchases shall be in accordance with the City's Purchasing Policies.
- D. **PROFESSIONAL SERVICES** – Professional services will generally be processed through a request for proposal process, except for smaller contracts. The City Manager may execute any professional services contract for less than \$50,000 provided there is an appropriation for such contract.
- E. **PROMPT PAYMENT** – All invoices will be paid within 30 days of receipt of goods and services or receipt of invoices, whichever is later in accordance with the prompt payment requirements of state law. Procedures will be used to take advantage of all purchase discounts where considered cost effective. However, payments will also be reasonably delayed in order to maximize the City's investable cash, where such delay does not violate the agreed upon payment terms.

- F. **EQUIPMENT FINANCING** – Equipment may be financed when the useful life is at least three years. Vehicles to be replaced are identified and evaluated every year during the budget process. Depending on available resources, financing may be made by debt issuance rather than from the General Fund and Utility Fund accounts.
- G. **INFORMATION TECHNOLOGY** – Certain information technology acquisitions will be funded in the Information Technology Department’s budget or by debt issuance. Acquisitions may include all related professional services costs for researching and/or implementing an information technology project. Lease cost is also an eligible expense.

VIII. ASSET MANAGEMENT

- A. **INVESTMENTS** – The City’s investment practices will be conducted in accordance with the City Council approved Investment Policies.
- B. **CASH MANAGEMENT** – The City’s cash flow will be managed to maximize the cash available to invest.
- C. **INVESTMENT PERFORMANCE** – A quarterly report on investment performance will be provided by the Finance Director to the City Manager for presentation to the City Council.
- D. **FIXED ASSETS AND INVENTORY** – These assets will be reasonably safeguarded and properly accounted for, and prudently insured.

IX. FINANCIAL CONDITION AND RESERVES

- A. **NO OPERATING DEFICITS** – Current expenditures will be paid with current revenues and prior year surplus. Deferrals, short-term loans, or one-time sources will be avoided as budget balance techniques. Reserves will be used only for emergencies or non-recurring expenditures, except when balances can be reduced because their levels exceed guideline minimums.
- B. **INTERFUND LOANS** - Non-routine interfund loans shall be made only in emergencies where other temporary sources of working capital are not available and with the approval of the City Council. At the time an interfund loan is considered, a plan to repay it prior to fiscal year end shall also be considered.

A fund will only lend money that it will not need to spend in the immediate future. A loan may be made from a fund only if the fund has ending resources in excess of the minimum requirement for the fund. Total interfund loans outstanding from a fund shall not exceed 15% of the target fund balance for the fund. If any interfund loan is to be repaid from the proceeds of a future debt issue, a proper reimbursement resolution will be approved at the time the loan is authorized.

- C. **OPERATING RESERVES** – Failure to meet these standards will be disclosed to the City Council as soon as the situation is recognized and a plan to replenish the ending resources over a reasonable time frame shall be adopted.

- (1) The General fund ending resources balance will be maintained at a level of at least 60 days of expenditures. The required minimum fund balance of 60 days of expenditures is to provide working capital needs in emergencies. The 60 days fund balance is considered as committed fund balance in the General Fund and is approved by the City Council via the resolution adopting this policy. To the extent reasonably possible, in the event that the General fund balance is drawn down below the target level, it will be replenished by the following fiscal year.
- (2) The ending resources of the Water/Wastewater Fund will be maintained at a level of at least 60 days of expenditures. The required minimum fund balance of 60 days of expenditures is to provide working capital needs in emergencies. To the extent reasonably possible, in the event that the Water/Wastewater fund balance is drawn down below the target level, it will be replenished by the following fiscal year.

D. **RISK MANAGEMENT PROGRAM** – The City will aggressively pursue every opportunity to provide for the public’s and City employees’ safety and to manage its risks.

E. **LOSS FINANCING** – All reasonable options will be investigated to finance losses. Such options may include risk transfer, insurance, and risk retention.

F. **ENTERPRISE FUND SELF-SUFFICIENCY** – The City’s enterprise funds resources will be sufficient to fund operating and capital expenditures. The enterprise funds will pay (where applicable) their fair share of general and administrative expenses in lieu of property taxes and/or franchise fees. If an enterprise fund is temporarily unable to pay all expenses, then the City Council may waive general and administrative expenses in lieu of property taxes and/or franchise fees until the fund is able to pay them.

X. DEBT MANAGEMENT

A. **GENERAL** – The City’s borrowing practices will be conducted in accordance with the City Council approved Debt Management Policies.

B. **SELF-SUPPORTING DEBT** – When appropriate, self-supporting revenues will pay debt services in lieu of tax revenues.

C. **ANALYSIS OF FINANCING ALTERNATIVES** – The City will explore all financing alternatives in addition to long-term debt including leasing, grants and other aid, developer contributions, impact fees, and use of reserves or current monies.

D. **VOTER AUTHORIZATION** – The City shall obtain voter authorization before issuing General Obligation Bonds as required by law. In general, voter authorization is not required for the issuance of Revenue Bonds and Certificates of Obligation.

XI. STAFFING AND TRAINING

A. **ADEQUATE STAFFING** – Staffing levels will be adequate for the fiscal functions of the City to function effectively. Workload shedding alternatives will be explored before adding staff.

B. **TRAINING** - The City will support the continuing education efforts of all financial staff including the investment in time and materials for maintaining a current perspective concerning financial issues. Staff will be held accountable for communicating, teaching,

and sharing with other staff members all information and training materials acquired from seminars, conferences, and related education efforts.

- C. **AWARDS, CREDENTIALS** – The City will support efforts and involvements which result in meeting standards and receiving exemplary recitations on behalf of any of the City's fiscal policies, practices, processes, products, and personnel. Staff certifications may include Certified Public Accountant, Certified Management Accountant, Certified Internal Auditor, Certified Payroll Professional, Certified Government Finance Officer, Professional Public Buyer, Certified Cash Manager, and others as approved by the City Manager upon recommendation of the Finance Director.

XII. GRANTS FINANCIAL MANAGEMENT

- A. **GRANT SOLICITATION** – The City will stay informed about available grants and will apply for any, which would be cost beneficial and meet the City's objectives.
- B. **RESPONSIBILITY** – Departments will oversee the day to day operations of grant programs, will monitor performance and compliance, and will also keep Finance Department contacts informed of significant grant-related plans and activities. Departments will also report re-estimated annual grant revenues and expenses to the Finance Department after the second quarter of each year. Finance Department staff members will serve as liaisons with grantor financial management personnel, and will keep the book of accounts for all grants.

XIII. ANNUAL REVIEW & REPORTING

- A. These Policies will be reviewed administratively by the City Manager at least annually, and will be presented to the City Council for confirmation of any significant changes.
- B. The Finance Director will report annually to the City Council on compliance with these policies.

CITY OF THE COLONY

DEBT MANAGEMENT POLICIES

September 20th, 2011

Prepared by the Finance Department

Approved by the City Manager

Confirmed by the City Council on September 20th, 2011

I. PURPOSE

The Debt Management Policies set forth comprehensive guidelines for the financing of capital expenditures. It is the objective of the policies that:

1. The City obtains financing only when necessary.
2. The process for identifying the timing and amount of debt or other financing is as efficient as possible.
3. The most favorable interest rates and lowest costs of issuance are obtained.
4. The City strives to maintain flexibility for future debt issuances.

II. RESPONSIBILITY

The primary responsibility for developing financing recommendations rests with the City Manager. In developing the recommendations, the City Manager shall be assisted by the Assistant City Manager and the Finance Director and their responsibilities shall be to:

1. Meet periodically to consider the need for financing and assess progress on the Capital Improvement Program.
2. Meet as necessary in preparation for financing.
3. Review changes in state and federal legislation.
4. Review annually the provisions of ordinances authorizing issuance of obligations.
5. Annually review services provided by the Financial Advisor, Bond Counsel, Paying Agent and other service providers to evaluate the extent and effectiveness of services provided.

Every February, under the direction of the Assistant City Manager, Departments will submit Capital Projects for the Capital Improvement Program. The report shall be prepared by the Finance Director and be based in part on information from the department directors in the City and shall include a projection of near term financing needs compared to available resources, an analysis of the impact of contemplated financings on the property tax rate and user charges, and a financing recommendation.

In developing financing recommendations, city management shall consider the following:

1. The amount of time proceeds of obligations are expected to remain on hand and the related carrying cost.
2. The options for interim financing including short term and interfund borrowing, taking into consideration federal and state reimbursement regulations.
3. The effect of proposed action on the tax rate and user charges.
4. Trends in interest rates.
5. Other factors as appropriate.

A. Bond Counsel Involvement

The Bond Counsel will issue an opinion as to the legality and tax-exempt status of any obligations. The City will also seek the advice of Bond Counsel on all other types of financings and on any other questions involving federal tax or arbitrage law.

The Bond Counsel is also responsible for the preparation of the ordinance authorizing issuance of obligations, and all of the closing documents to complete their sale and delivery, and will perform other services as defined by the contract approved by the City Council.

B. Financial Advisor Involvement

The City will seek the advice of the Financial Advisor when necessary. The Financial Advisor will advise on the structuring of obligations to be issued, informs the City of various options, advise the City as to how choices will impact the marketability of City obligations and will provide other services as defined by contract approved by the City Council. Financial Advisor will be able to bid on any City competitive debt issues if approval is given by the City. The Financial Advisor will inform the City Manager of significant issues.

III. SHORT TERM DEBT

A. General

When appropriate, the city may consider short-term obligations. Some forms of short-term obligations can be obtained quicker than long-term obligations and thus can be used in emergencies until long-term financing can be obtained. In some cases when the amount of financing required in the immediate future is relatively small, it may be cheaper for the City to issue a small amount of short-term obligations to provide for its immediate needs, than to issue a larger amount of long-term obligations to provide financing for both immediate, and future needs when the carrying costs of issuing obligations, which are not immediately needed are taken into account.

The amount of short-term obligations due to mature in a year shall not exceed 5% of the aggregate principal amount of outstanding long-term debt.

B. Commercial Paper

Interest rates on commercial paper are generally favorable to an issuer relative to interest on other forms of debt. However, it is not feasible for the city of The Colony to issue commercial paper because the applicable state law requires a population of at least 50,000. Furthermore, the cost of issuance for small issuers is too great and the market for commercial paper from a small issuer is poor. In addition, cities may legally only issue commercial paper for revenue supported projects. However, should the opportunity to participate in a commercial paper issuance pool present itself, the advantages and disadvantages shall be evaluated by city management, Bond Counsel and Financial Advisor.

C. Line of Credit

With the approval of the City Council, the City may establish a tax-exempt line of credit with a financial institution selected through a competitive process. Draws shall be made on the line of credit when the following occurs:

1. The need for financing is so urgent that time does not permit the issuance of long-term debt.
2. The need for financing is so small that the total cost of issuance of long term debt including carrying costs of debt proceeds not needed immediately is significantly higher.

Draws will be made on the line of credit to pay for projects designated for line of credit financing by the City Council. The Finance Director (or designee) will authorize draws. The Accounting Manager will identify the line-of-credit draws and expenditures on the books of account. Line of credit financing will only be entered into in accordance to applicable state law.

IV. **LONG TERM DEBT**

A. **General**

Long-term obligations will not be used for operating purposes, and the life of the obligations will not exceed the useful life of the projects financed.

A resolution of intent to issue bonds or other debt obligations authorizing staff to proceed with preparations shall be presented for the consideration of the City Council when capital projects are identified. This provision may be waived in the event of emergencies or other good cause.

Debt service structure will approximate level debt service unless operational matters dictate otherwise.

The cost of issuance of private activity bonds is usually higher than for governmental purpose bonds. Consequently, private activity bonds will be issued only when they will economically benefit the City.

The cost of taxable debt is higher than the cost of tax-exempt debt. However, the issuance of taxable debt is mandated in some circumstances, and may allow valuable flexibility in subsequent contracts with users or managers of the improvement constructed with the bond proceeds. Therefore, the City will usually issue obligations tax-exempt, but may occasionally issue taxable obligations.

B. **Bonds**

Long-term general obligation or revenue bonds may be issued to finance significant capital improvements. If required by state law or charter, an election will be held to authorize such obligations.

Bonds will have a maximum repayment term of 25 years or less. When cost/beneficial, and when permitted under applicable ordinances, the City may consider the use of surety bonds, lines of credit, or similar instruments to satisfy reserve requirements.

C. Certificates of Obligation

Certificates of Obligation may be issued to finance permanent improvements, land acquisition, and other public purposes. The life of certificates of obligation issued to finance equipment shall match to the extent possible the useful life of the equipment, which is usually three to five years.

Certificate of Obligations will be secured by a tax pledge and/or a revenue pledge, as required by law and as determined to be in the best interest of the City. Some revenues are restricted as to the uses for which they may be pledged. Water and wastewater revenues may be pledged without limit.

D. Public Property Finance Contractual Obligation

Public property finance contractual obligations may be issued to finance the acquisition of personal property. The life of the contractual obligations issued to finance personal property shall match the useful life of the personal property.

E. Anticipation Notes

Anticipation Notes may be used to finance projects or acquisition that could also be financed with Certificates of Obligation.

Anticipation Notes may be secured and repaid by a pledge of revenue, taxes, a combination of revenue and taxes or the proceeds of a future debt issue. Anticipation Notes are authorized by an ordinance adopted by the City.

Anticipation Notes have several restrictions, which include:

1. Anticipation Notes issued for general purposes must mature before the seventh anniversary of the date the Attorney General approves the issue.
2. A governing body may not issue Anticipation Notes that are payable from bond proceeds unless the proposition authorizing the issuance of the bonds has already been approved by the voters and the proposition states that anticipation notes may be issued.

F. Negotiated versus Competitive Sale versus Private Placement

When feasible and economical, obligations shall be issued by competitive sale rather than negotiated sale. A sale may be negotiated when the issue is predominantly a refunding issue or in other non-routine situations, which require more flexibility than a

competitive sale allows. In addition, market volatility may necessitate a negotiated sale. Whenever the option exists to offer an issue either for competitive sale or for negotiated sale, analysis of the options shall be performed to aid in the decision making process. When a sale is not competitively bid, the City will participate with the Financial Advisor in the selection of the underwriter or direct purchaser.

The criteria used to select a winning bidder in a competitive sale shall be the true interest cost. In a negotiated sale, the underwriter may be selected through a request for proposals (RFP). The criteria used to select an underwriter in a negotiated sale should include the following:

1. Overall experience
2. Marketing philosophy
3. Capability
4. Previous experience with the City as managing or co-managing underwriter
5. Financial Statement
6. Public Finance team and resources
7. Breakdown of underwriter's discount
 - a. Management fee – compensation to the underwriter for their work in structuring the issue.
 - b. Underwriting fee – compensation to the underwriter for using their capital to underwrite the bonds.
 - c. Average takedown – the portion of the underwriter's discount used to pay the sales force.
 - d. Expenses – administrative costs such as underwriter's counsel and administrative fees.

In a negotiated underwriting, the sale will be, to the extent appropriate, negotiated with a consortium of underwriting firms, to preserve some of the benefits of competition.

When cost/beneficial, the City may privately place its debt. Since no underwriter participates in a private placement, it may result in lower cost of issuance. Private placement is sometimes an option for small issues. The opportunity may be identified by the Financial Advisor.

G. Bidding Parameters

The notice of sale will be carefully constructed to ensure the best possible bid for the City, in light of existing market conditions and other prevailing factors. Parameters to be examined include:

1. Limits between lowest and highest coupons
2. Coupon requirements relative to the yield curve
3. Method of underwriter compensation, discount or premium coupons
4. Use of true interest cost (TIC) versus net interest cost (NIC)

5. Use of bond insurance
6. Deep discount bonds
7. Variable rate bonds
8. Call provisions

H. Bond Elections

Before a bond election, the City Manager and City Council members will be provided with competent debt capacity analyses, tax and user fee impact projections and other information as directed by the City Manager's Office. The Bond Counsel and Financial Advisor will provide support during the process.

V. REFUNDING

The City shall consider refunding debt whenever an analysis indicates the potential for present value savings or the city's needs to restructure its debt payments.

As a general rule, private activity bonds may be refunded in a current refunding only.

VI. CAPITAL LEASING

Capital leasing is an option for the acquisition of a piece or package of equipment costing less than \$1,000,000.

Leasing shall not be considered when funds are on hand for the acquisition unless the interest expense associated with the lease is less than the interest that can be earned by investing the funds on hand or when other factors such as budget constraints or vendor responsiveness override the economic consideration.

Whenever a lease is arranged with a private sector entity, a tax-exempt rate shall be sought. Whenever a lease is arranged with a government or other tax-exempt entity, the City shall strive to obtain an explicitly defined taxable rate so that the lease will not be counted in the City's total annual borrowings subject to arbitrage rebate.

The lease agreements shall permit the City to refinance the lease at no more than reasonable cost should the City decide to do so. A lease, which can be called at will, is preferable to one, which can merely be accelerated.

Since the market for lease financings is relatively inefficient, the interest rates available at any one time may vary widely. Therefore, the City shall attempt to obtain at least three competitive proposals for any major lease financing. The net present value of competitive bids shall be compared; taking into account whether payments are in advance or in arrears, and how frequently, payments are made. The purchase price of equipment shall be competitively bid as well as the financing cost.

The advice of the City's Bond Counsel shall be sought in any leasing arrangement and when federal tax forms 8038 are prepared to ensure that all federal tax laws are obeyed.

The City may consider issuing certificates of participation to finance a very large project. Care should be taken because financing costs may be greater than for other types of financing. When possible, the lease agreement will be backed with a tax pledge.

If the City is obligated to make payment, more than a year in the future then the agreement will probably be considered debt by the State. However, if the payments are subject to annual appropriation by the City Council, then they may not.

VII. **OTHER TYPES OF FINANCING**

From time to time, other types of financing may become available. Examples of these options are debt pools with other entities and low-interest loans from State Agencies such as the Texas Water Development Board. The Finance Director will prepare a written analysis of an option, with the advice of the City's Bond Counsel and Financial Advisor.

VIII. **RATIOS AND RESERVES**

The portion of the City's property tax levied for debt service shall not exceed 40% of the total tax rate levied each year even though the Texas Attorney General's Office, in its review of bonds or other obligations secured by Ad Valorem Taxes, generally imposes a limit of \$1.50 for debt service for cities with a \$2.50 maximum tax rate. However, the City is obligated to levy an Ad Valorem Tax sufficient to provide for the timely payments of its debt obligations secured by Ad Valorem Taxes.

The City will maintain net revenues equaling to at least 1.10 times the maximum annual principal and interest requirement and 1.25 times the average annual principal and interest requirements of all parity bonds outstanding in the Water and Wastewater Fund.

For water and sewer, and other types of revenue bonds, the bond documents will designate the reserve fund amount if a reserve fund is to be established.

When revenue supported debt is issued, a debt service reserve or similar alternative may be established. The requirements for and source of the reserve will be determined on a case-by-case basis.

IX. **OFFICIAL STATEMENT**

The Official Statement is the disclosure document prepared by or on behalf of the City for an offering of securities.

A. **Responsibility**

The preparation of the Official Statement is the responsibility of the Finance Director with the help of the Financial Advisor. Information for the Official Statement is gathered from departments/divisions throughout the City.

B. Timing

The Finance Director will begin assembling the information needed to update the Official Statement before the offering of debt. Audited financial statement information is expected in March. As soon as it is available, audited financial statement information and capital budget information will be incorporated.

If the next anticipated bond sale is expected to be more than twelve months after fiscal year end, then the prior year's audited financial statement information may be updated using unaudited figures.

The Financial Advisor shall begin preparing the Official Statement at least eight weeks prior to an anticipated bond issuance. Subsequent timing will generally be as follows:

1. The first draft of the preliminary Official Statement takes approximately 2 weeks to create.
2. Copies of the first draft are provided to the City's Bond Counsel and City Staff, who will review it for 2 weeks. In the case of a negotiated sale, the underwriter's counsel will also be asked for comments.
3. Comments from reviewers should be submitted during the two-week review period. About 1 week will be required to make the requested changes. After they have been made, the Official Statement is either sent to print or subjected to a second review.
4. During the printing process or the second review, a copy of the draft Official Statement is sent to the rating agencies for their review.
5. The preliminary Official Statement should be completed and mailed or electronically distributed to underwriters 2 weeks prior to the bond sale date. The preliminary document will be titled "preliminary" with red printed disclosure language and will be called a "red herring".
6. After interest rates have been accepted by the City Council, the final Official Statement must be prepared and distributed to the underwriter within seven business days of the date of sale.

C. Auditor's Involvement

The City will include a review of its Official Statement in the contract for services with its external auditor if required.

D. Printing

The Financial Advisor may print the Official Statement for the City.

X. RATINGS

The City's goal is to maintain or improve its bond ratings. To that end, prudent financial management policies will be adhered to in all areas.

Full disclosure of operations will be made to the bond rating agencies. The City staff, with the assistance of the Financial Advisor and Bond Counsel, will prepare the necessary materials for presentation to the rating agencies.

The City may choose to use Fitch Ratings, Moody's or Standard and Poor's. The City shall maintain a line of communications with those rating agencies (Moody's, Standard and Poor's, or Fitch), informing them of major financial events in the City as they occur. The Comprehensive Annual Financial Report shall be distributed to the rating agencies after it has been accepted by the City Council.

The rating agencies will also be notified either by telephone or through written correspondence when the City begins preparation for a debt issuance. After the initial contact, a formal ratings application will be prepared and sent along with the draft of the Official Statement relating to the bond sale to the rating agencies. This application and related documentation should be sent several weeks prior to the bond sale to give the rating agencies sufficient time to perform their review.

A personal meeting with representatives of the rating agencies will be scheduled every few years or whenever a major project is initiated.

XI. CREDIT ENHANCEMENTS

Credit enhancements are mechanisms that guarantee principal and interest payments. They include bond insurance and a line or letter of credit. Credit enhancement will usually bring a lower interest rate on debt and a higher rating from the rating agencies, thus lowering overall costs.

During debt issuance planning, the Financial Advisor will advise the City whether or not a credit enhancement is cost effective under the circumstances and what type of credit enhancement, if any, should be purchased. In a negotiated sale, bids will be taken during the period prior to the pricing of the sale. In a competitive sale, the bidder may purchase bond insurance if the issue qualifies for bond insurance.

XII. SECONDARY MARKET DISCLOSURE

SEC 15c2-12 regulations became effective July 3, 1995. The new regulation requires municipal debt issuers to provide specified financial and operating information for fiscal years beginning on January 1, 1996, or later. The information provided should mirror the information provided in an official statement at the time of a primary offering.

The annual financial information is to be sent to all Nationally Recognized Municipal Information Depositories (NRMSIRs) designated by the SEC. Additionally, issuers must notify the State Information Depositories (SIDs) if one exists.

In addition to the financial and operating information, any material event must be provided to all NRMSIRs, Municipal Securities Rulemaking Board (MSRB) and to the state SID's. Municipal debt issuers will be obligated to provide ongoing disclosure on the status of the following material events:

1. Principal and interest payment delinquencies
2. Non-payment-related defaults
3. Unscheduled draws on reserves
4. Unscheduled draws on credit enhancements
5. Substitution of credit or liquidity providers, or the failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to rights of security holders
8. Bond calls
9. Defeasances
10. Matters affecting collateral
11. Rating changes

The Finance Director will be designated "Compliance Officer" for disclosure requirements. Levels of reporting will include:

1. Notification by certified mail to NRMSIRs, and SID's of material events, with copies to the City Council
2. Copies of CAFR and updated tables from the Official Statement to NRMSIRs and SIDs within six months of fiscal year end.

XIII. **ARBITRAGE LIABILITY MANAGEMENT**

It is the City's policy to minimize the cost of arbitrage rebate and yield restrictions while strictly complying with the law.

A. **General**

Federal arbitrage legislation is intended to discourage entities from issuing tax-exempt obligations unnecessarily. In compliance with the spirit of this legislation, the City will not issue obligations except for identifiable projects with very good prospects of timely initiation. Obligations will be issued as closely in time as feasible to the time contracts are expected to be awarded so that they will be spent quickly.

B. **Responsibility**

Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the advice of Bond Counsel and other qualified experts will be sought whenever questions about arbitrage rebate regulations arise. The City contracts outside consultants for arbitrage rebate services.

The Accounting Manager will be responsible for identifying the amount of unspent debt proceeds including interest which is on hand and will be responsible for ensuring that, to the extent feasible, the oldest proceeds on hand are spent first.

The consultants will maintain a system for computing and tracking the arbitrage rebate liability. The consultants will notify the City within 60 days of year-end of the amount of accrued liability. The consultants will also be responsible for notifying the City two months in advance of when a rebate of excess arbitrage earnings is due to the Internal Revenue Service.

The City's Bond Counsel and Financial Advisor may be requested to review in advance any arbitrage rebate payments and forms sent to the Internal Revenue Service.

The expenditure of obligation proceeds will be tracked in the financial accounting system by type of issue. Investments will be pooled for financial accounting purposes and may, at the discretion of the Finance Director, be pooled for investment purposes. When investments of bond proceeds are co-mingled with other investments, the City shall adhere to the Internal Revenue Service rules on accounting allocations.

Arbitrage rebate costs shall be charged as negative interest revenue to the funds in which the related obligation proceeds were originally deposited.

C. Internal Interim Financing

In order to defer the issuance of obligations, when sufficient non-restricted reserve funds are on hand, consideration shall be given to appropriating them to provide interim financing for large construction contracts or parts of contracts. When the appropriations are subsequently re-financed with proceeds of obligations or other resources, the non-restricted reserve funds shall be repaid.

When expenditures are reimbursed from debt issuances, applicable state law and the Internal Revenue Service rules on reimbursements will be complied with so that the reimbursements may be considered expenditures for arbitrage purposes. Requirements are in general:

1. The City shall declare its intention to reimburse expenditure with debt proceeds before paying the expenditure, and will exclude cost of issuance.
2. Reimbursement bonds must be issued and the reimbursement made within eighteen months after the expenditure was made or the property financed by the expenditure was placed in service, whichever is later.
3. The expenditure to be reimbursed must be a capital expenditure.

D. Spend-out Exceptions For Federal Rebate

Arbitrage rebate regulations provide certain spending exceptions to the imposition of Federal rebate obligations. One such safe harbor applies to obligations issued for construction if certain rules are adhered to and the proceeds are spent within two years. Other such exceptions apply to expenditures of proceeds within 6 months or eighteen months. These options should be considered when circumstances indicate the City will with certainty be successful in achieving a spend-out goal. Such circumstances may include, but are not limited to the following:

1. Obligations are issued to finance a variety of small construction projects, not large projects that might be unexpectedly delayed after the issuance. In addition, project management understands the requirements and is firmly committed to achieving the spend-out goal.
2. Obligations are issued for a single, large high priority project with a relatively short construction period and there is a high level of commitment to speedy completion.

When the two-year spend-out option is elected, debt will be issued for an estimated one year of expenditures to provide for unexpected delays of up to a year without incurring penalties.

The exercise of the spend-out options will always be coordinated with Bond Counsel and the Financial Advisor. The city shall coordinate with Bond Counsel and the Financial Advisor regarding the proper elections to be made in connection therewith.

XIV. **MODIFICATIONS TO POLICIES**

Management staff will review these policies annually and significant changes may be made with the approval of the City Manager. Significant policy changes will be presented to the City Council for confirmation.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

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**City of The Colony
Texas**

For the Fiscal Year Beginning

October 1, 2012

Christopher P. Morill

President

Jeffrey R. Brown

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, 2012. 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.

City Staff

City Manager's Office	Troy Powell, City Manager
City Manager's Office	Tim Miller, Assistant City Manager of Administration
City Manager's Office	Tod Maurina, Assistant City Manager of Operations
City Manager's Office	Brant Shallenburger, Director of Government Relations
Communications/Tourism	Diane Baxter, Director of Communications and Tourism
City Secretary's Office	Christie Wilson, City Secretary
Human Resources	Margaret Burkett, Director
Finance	David Cranford, Director
Development Services	Mike Joyce, Director
Engineering	Gordon Scruggs, Director
Fire	Scott Thompson, Chief
Police	Joe Clark, Chief
Municipal Court	Patti Ristagno, Court Administrator
Parks and Recreation/ Community Development	Pam Nelson, Director of Community Services
Economic Development	Keri Samford, Director
Library	Joan Sveinsson, Director
Utility Administration/ Customer Services	Molly Owczar/Director

Consultants

Auditors	BKD, LLP – Kevin Kemp
Bond Counsel	Fulbright & Jaworski, LLP- Corey Admire
City Attorney	Brown & Hofmeister, LLP – Jeff Moore
Financial Advisors	First Southwest, Co. – Boyd London, Jason Hughes
Risk Management	TML Intergovernmental Risk Pool