



Annual Operating Budget For Fiscal Year 2014/2015

This budget will raise more total property taxes than last year's budget by \$1,387,000 or 9% and of that \$800,000 is tax revenue to be raised from new property added to the tax roll this year.

The proposed tax rate of \$.6725 per \$100 valuation which is ¼ cent less than the current tax rate of \$.6775 per \$100 valuation.

Record Vote on Tax Rate:

At the meeting on September 16, 2014, the members of the governing body voted to approve the budget for the 2014/2015 fiscal year as follows:

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

Property Tax Comparison:

	<u>2013/2014</u>	<u>2014/2015</u>
Adopted Tax Rate	.6775	.6725
Effective Tax Rate	.632009	.62409
Effective Maintenance/Operations Tax Rate	.459022	.476336
Rollback Tax Rate	.664372	.681859
Debt Rate	.218478	.196164

City Debt Obligations Secured by Property Taxes	\$ 10,298,849
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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, 2014 through September 30, 2015, 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.

2014-2015 budget highlights:

Ad Valorem Taxes are the City's major revenue source. Total current Ad Valorem Taxes budgeted this year are \$16,798,467, which is \$1,320,000 more than the prior year. The increase is attributed to an increase in the City's tax base of about \$216 million, offset by a reduction in the tax rate from 67.75 to 67.25 cents per \$100 dollars of valuation. Approximately \$50 million of the increase in tax base came from new construction. 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 increased by a little over \$900,000 from the prior year's budget as collections in 13-14 are expected to be 13% higher than budget and expected to increase 7% in 14-15. Half of a year sales tax collections from TIRZ ONE are also included.

Building permit fees increased slightly from the prior year budget as we expect residential construction in the Tribute to remain strong in 14-15. 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.

Allocated Costs were kept the same as prior years. General Fund internal service department costs allocations to other Funds are \$3,945,663. The Utility Fund allocation 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 includes approximately \$25 million in capital and enhancements to improve services. A debt issuance of \$23.5 million will support \$18.3 million in water and waste water improvements and \$3.2 million in street reconstruction. In addition, short term financing will provide for \$935,000 for vehicles and equipment, and operating revenues will provide \$700,000 for service enhancements and raises.

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, Lake Parks, and CDC (Type B) budgets. A little over \$1.25 million in park improvements are included in the 2014-15 budgets.

The total adopted operating budget is \$55,241,000, excluding transfers out, a 7 percent increase from the 13-14 revised budgets.

Economic Development

The Nebraska Furniture Mart TIRZ was established November 2012; the 433 acre \$1.5 billion dollar project is expected to open its anchor store in March 2015. Construction has brought hundreds 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 have remained strong the past couple of years. 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.
- Early stages of the planning process have begun for fire stations in Austin Ranch and the Tribute. The Two TIF's are expected to provide a significant amount of the funding for each of the stations, but the City will be responsive for the majority of the apparatus and equipment costs. Additionally, the City will incur significant personnel costs at each station.
- The Tribute TIF established in 2014 will help pay for needed infrastructure, but will limit property tax revenues for the City during the next 25 years.
- 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

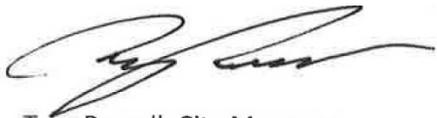
The budget process provides a road map for short-term and long-term needs and aids in the allocation of limited resources to prioritized services and needs. Each year a Capital Improvement Program is developed which helps gauge future funding priorities and is the foundation on which annual budgets

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.

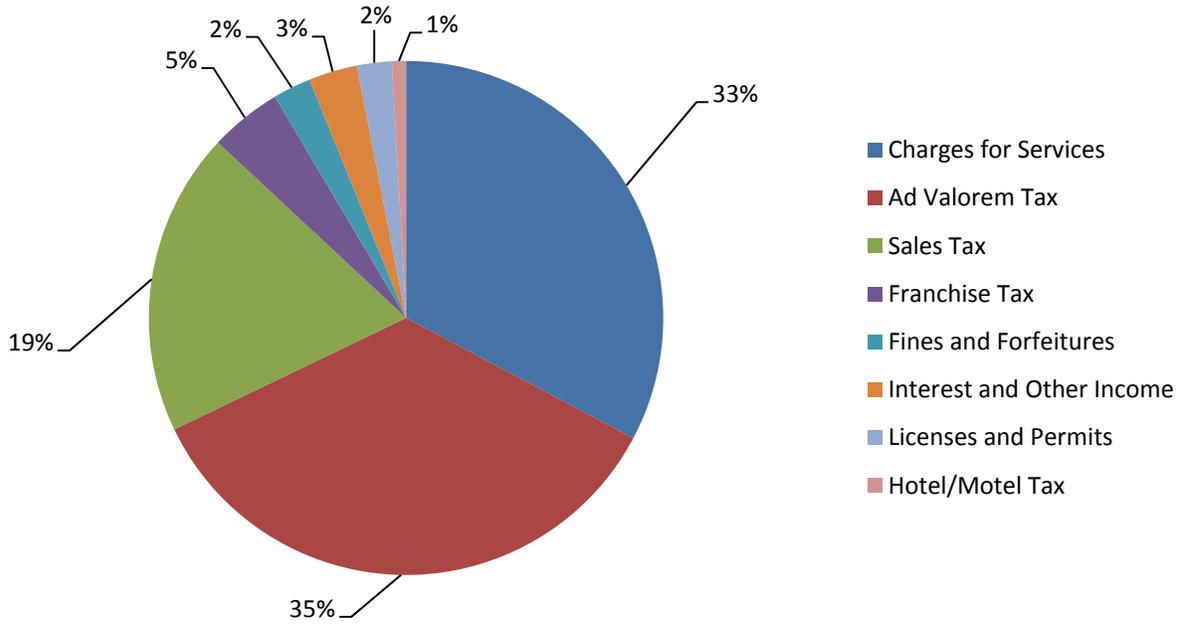
Conclusions

The 2014-2015 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!

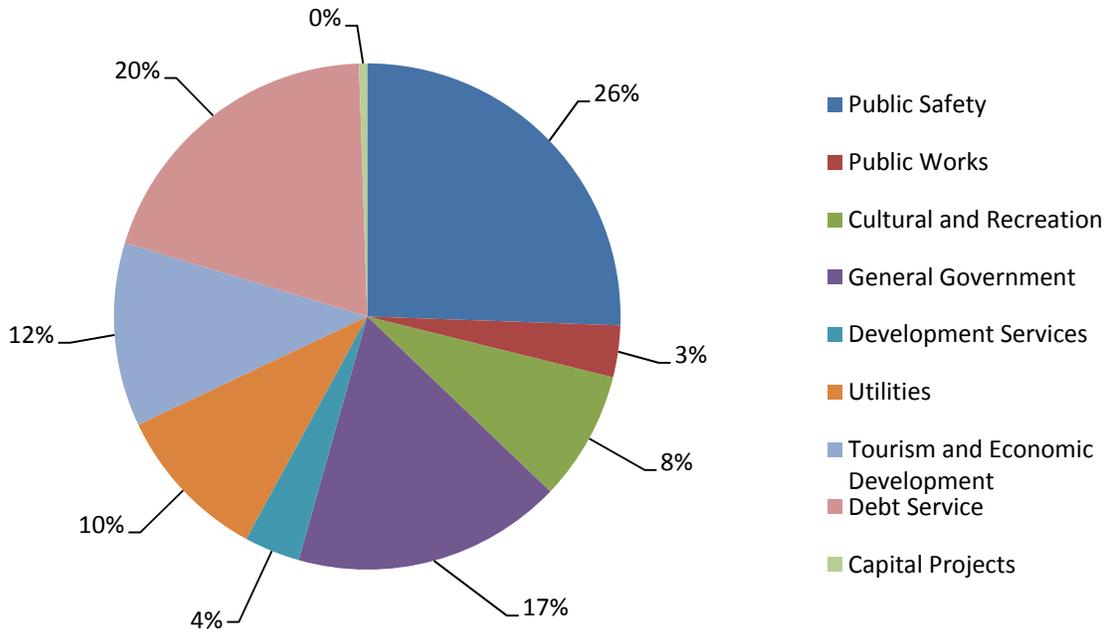


Troy Powell, City Manager

All Funds Revenues by Type



All Funds Expenditures by Type



Ad Valorem Tax Assessment Summary

2014 - 2015 ANNUAL BUDGET AD VALOREM TAX ASSESSMENT SUMMARY

CLASSIFICATION	12 - 13 TOTAL		13 - 14 TOTAL		14 - 15 TOTAL
Residential					
Land - Homesite	381,633,239		388,057,370		405,483,584
Improvements - Homesite	1,188,962,171		1,250,951,110		1,419,698,159
Gross Residential	1,570,595,410		1,639,008,480		1,825,181,743
Over Age Exemption	(11,469,116)		(12,407,070)		(13,366,482)
Disabled Persons Exemption	(1,350,000)		(1,342,466)		(1,215,000)
Disabled Veterans Exemption	(4,391,255)		(5,476,334)		(6,420,874)
House Bill 366	(5,286)		(5,421)		(6,550)
MASSS	-		-		(214,859)
Prorated Exempt Property	-		-		-
Charitable Organization	-		(2,078,417)		(2,277,311)
Homestead Cap Adjustment	(2,525,790)		(4,621,365)		(15,319,962)
Net Residential	1,550,853,963	71%	1,613,077,407	70%	1,786,360,705
Commercial					
Land - Non Homesite	255,265,102		323,539,376		471,747,872
Improvements - Non Homesite	372,493,177		417,841,936		524,155,811
Personal Property	97,339,590		108,802,624		100,262,556
Minerals	-		-		-
Gross Commercial	725,097,869		850,183,936		1,096,166,239
Abatement	(2,830,521)		(3,182,008)		(3,327,781)
Freeport	(8,556,422)		(9,499,640)		(7,012,761)
Exempt Property	(84,737,369)		(143,653,879)		(247,179,980)
Net Commercial	628,973,557	29%	693,848,409	30%	838,645,717
Farm Land					
Land - AG Market	119,916,725		97,622,211		99,116,629
Land - Exempt AG/Timber Mkt	-		-		-
Agricultural Exemption	(119,755,829)		(97,497,249)		(99,001,819)
Net Farm Land	160,896	0%	124,962	0%	114,810
Net Assessment	2,179,988,416	100%	2,307,050,778	100%	2,625,121,232

Property Tax Distribution Calculations

CITY OF THE COLONY

Tax Rate for Fiscal Year 2014-2015

Tax Roll	2,523,144,774
Tax Rate	<u>.6725/100 valuation</u>
Gross Taxes	16,968,149
Less: 1% uncollectable	<u>169,681</u>
Net Taxes	<u>16,798,467</u>

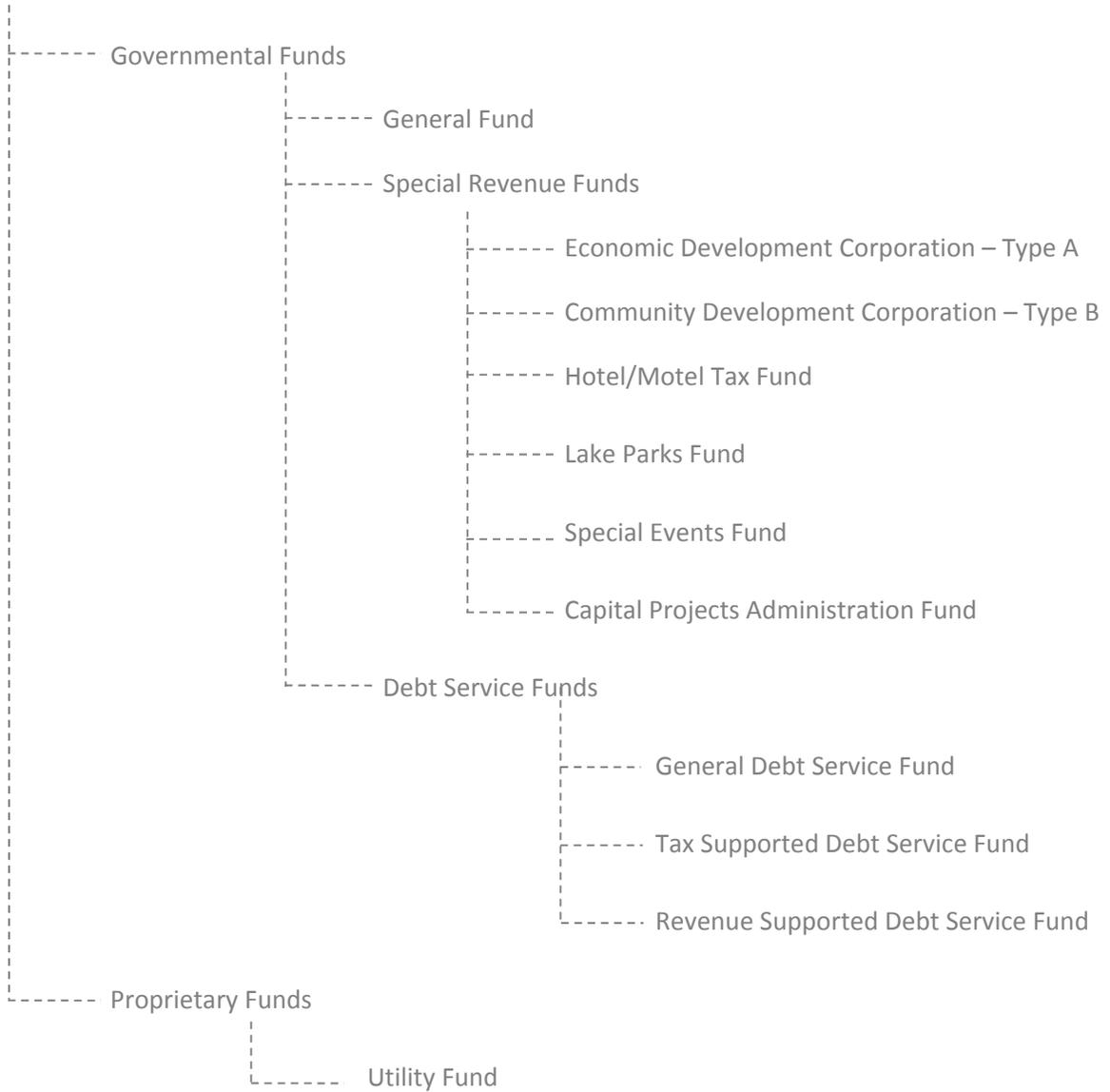
	General Fund	Total Debt Service
Rate Distrib. % of Tax Rate	0.476336 71	0.196164 29
Gross Taxes	12,018,654	4,949,495
1% uncollect.	<u>120,187</u>	<u>49,495</u>
Net Taxes	<u>11,898,467</u>	<u>4,900,000</u>

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>15,473,966</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>10,483,966</u>	<u>4,990,000</u>

Fund Overview



Staff Organization



Authorized Funded Positions

	Fiscal years ended September 30					
	2012/13		2013/14		2014/15	
	PT	FT	PT	FT	PT	FT
General Fund						
General Administration	-	6	-	6	-	6
Community Image	-	5	-	5	-	5
Fleet Services	-	6	-	5	1	5
City Secretary	-	2	1	2	1	2
Human Resources	1	2	1	2	1	2
Finance	-	6	-	6	-	6
Information Technology	-	3	-	3	-	3
Municipal Court	-	5	-	5	-	5
Facility Maintenance	-	3	-	3	-	3
Engineering/Development	-	13	-	13	-	14
Fire	-	53	-	53	-	52
Police	15	82	15	83	17	85
Library	6	14	7	14	7	14
Total General Fund	22	200	24	200	27	202
Parks Fund						
Parks and Recreation	5	20	5	20	6	20
Aquatic Park	9	2	9	2	9	2
Community Center	3	1	2	1	2	1
Total Parks Fund	16	23	16	23	17	23
Utility Fund						
Water Distribution	-	16	-	16	-	16
Wastewater	-	5	-	5	-	5
Utility Administration	-	9	-	9	-	9
Water Production	-	7	-	7	-	7
Public Works	-	18	-	19	-	19
Environmental	-	1	-	1	-	1
Total Utility Fund	-	56	-	57	-	57
Economic Development Fund	-	2	-	2	-	2
Community Development Fund	-	1	-	1	-	1
Hotel/Motel Fund	-	3	-	3	-	3
Special Events Fund	-	1	-	1	-	1
Total All Funds	38	286	40	287	44	289

Fund Summaries

	11-12 Actual	12-13 Actual	13-14 Budget	14-15 Budget
REVENUES:				
General Fund	19,580,785	19,607,687	19,521,511	21,986,468
Parks Fund	687,692	929,134	787,960	871,360
Utility Fund	13,727,525	13,816,012	13,613,746	14,321,276
General Debt Service	4,474,517	4,917,778	5,056,500	4,950,000
Utility Tax Debt	7,882	-	1,000	-
Revenue Debt	406,123	404,129	402,000	402,000
Economic Development - 4A	5,750,918	1,996,803	1,828,093	2,304,000
Community Development - 4B	1,795,353	1,993,407	1,824,092	2,302,000
Hotel/Motel Tax Fund	371,240	426,020	350,000	425,000
Lake Parks	255,718	276,251	243,000	273,500
Special Events Fund	56,480	60,877	48,000	50,000
Capital Projects Administration Fund	149,566	-	-	-
Storm Water Utility Fund	492,169	499,711	490,000	490,000
Water/Sewer Impact Fee Fund	262,744	606,419	280,000	265,000
Child Safety Fund	47,051	64,606	45,158	48,000
TOTAL REVENUES	48,065,763	45,598,834	44,491,060	48,688,604
TRANSFERS IN:				
General Fund	3,538,166	1,740,290	2,131,706	3,235,121
Parks Fund	3,774,021	2,567,729	2,612,729	2,472,729
Utility Fund	-	452,259	350,000	550,000
General Debt Service	1,664,476	1,008,081	1,165,002	1,166,894
Utility Tax Debt	2,355,577	2,566,999	2,681,711	2,681,999
Revenue Debt	1,530,000	1,295,630	-	995,000
Hotel/Motel Tax Fund	-	140,000	165,000	120,000
Special Events Fund	319,138	320,000	350,000	350,000
Capital Projects Administration Fund	490,000	500,000	200,000	200,000
TOTAL TRANSFERS IN	13,671,378	10,590,988	9,656,148	11,771,743
TOTAL REVENUES & TRANSFERS IN	61,737,141	56,189,822	54,147,208	60,460,347
EXPENDITURES/EXPENSES:				
General Fund	20,553,051	18,026,487	19,929,905	23,460,870
Parks Fund	3,511,432	3,445,299	3,574,573	3,581,482
Utility Fund	9,300,080	9,252,065	9,473,917	9,850,947
General Debt Service	6,425,556	6,212,314	6,516,439	5,934,704
Utility Tax Debt	2,591,367	2,591,367	2,453,993	2,529,728
Revenue Debt	1,675,921	2,132,810	1,468,113	1,838,418
Economic Development - 4A	293,445	602,025	430,045	4,442,072
Community Development - 4B	1,331,442	1,124,378	1,337,246	1,925,704
Hotel/Motel Tax Fund	168,435	305,729	353,791	330,491
Lake Parks	90,863	90,474	107,010	348,488
Special Events Fund	374,018	379,419	403,863	416,462
Capital Projects Administration Fund	262,921	260,361	271,315	268,685
Water/Sewer Impact Fee Fund	65,976	118,924	95,000	60,000
Child Safety Fund	16,308	31,915	31,915	28,979
TOTAL EXPENDITURES/EXPENSES	46,660,815	44,573,567	46,447,125	55,017,030

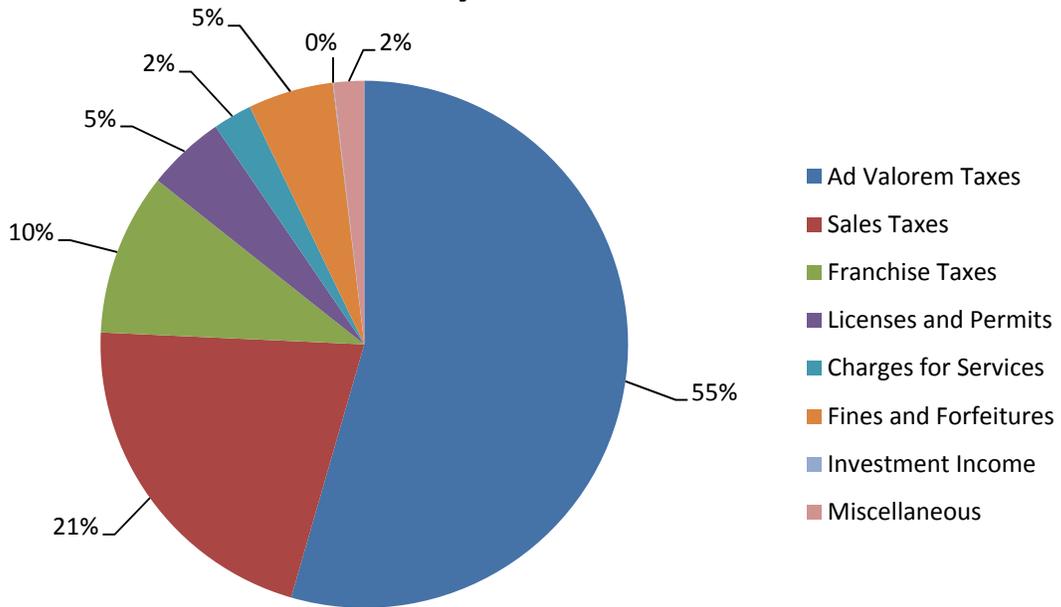
	11-12 Actual	12-13 Actual	13-14 Budget	14-15 Budget
TRANSFERS OUT:				
General Fund	3,991,268	2,419,884	2,574,884	2,389,884
Utility Fund	5,545,000	5,079,120	4,589,906	5,592,406
Economic Development - 4A	1,107,096	1,039,480	1,734,679	2,374,498
Community Development - 4B	466,397	464,879	479,200	479,334
Hotel/Motel Taxes	180,000	320,000	250,000	250,000
Lake Parks	35,000	35,000	35,000	35,000
Capital Projects Administration Fund	580,000	-	-	-
Storm Water Utility	490,000	458,800	518,800	600,000
Water/Sewer Impact Fee Fund	355,000	500,000	300,000	300,000
Child Safety Fund	75,000	20,000	20,000	20,000
TOTAL TRANSFERS OUT	12,824,761	10,337,163	10,502,469	12,041,122
TOTAL EXPENDITURES & TRANSFERS OUT	59,485,576	54,910,730	56,949,594	63,058,152
EXCESS (DEFICIENCY)	2,251,565	1,279,092	(2,802,386)	(6,597,805)
BEGINNING FUND BALANCE:				
General Fund	7,755,489	6,330,121	7,231,726	6,380,154
Parks Fund	-	950,281	1,001,845	827,961
Utility Fund	4,386,785	3,269,230	3,206,316	3,106,239
General Debt Service	893,812	607,249	320,794	25,857
Utility Tax Debt	120,281	(107,627)	(131,995)	96,723
Revenue Debt	1,968,600	2,228,802	1,795,751	729,638
Economic Development - 4A	1,665,537	6,015,914	6,371,212	6,034,581
Community Development - 4B	1,424,600	1,422,115	1,826,265	1,833,911
Hotel/Motel Tax Fund	123,018	145,823	86,115	(2,676)
Lake Parks	96,753	226,608	377,385	478,375
Special Events Fund	41,048	42,648	44,106	38,243
Capital Projects Administration Fund	171,078	(32,277)	207,362	136,047
Storm Water Utility Fund	259,583	261,752	302,663	273,863
Water/Sewer Impact Fee Fund	375,132	216,900	204,395	89,395
Child Safety Fund	75,063	30,806	43,497	36,740
TOTAL BEGINNING BALANCE	19,356,779	21,608,345	22,887,437	20,085,051
ENDING FUND BALANCE:				
(before adjustments and reserves)				
General Fund	6,330,121	7,231,726	6,380,154	5,750,988
Parks Fund	950,281	1,001,845	827,961	590,568
Utility Fund	3,269,230	3,206,316	3,106,239	2,534,162
General Debt Service	607,249	320,794	25,857	208,047
Utility Tax Debt	(107,627)	(131,995)	96,723	248,995
Revenue Debt	2,228,802	1,795,751	729,638	288,220
Economic Development - 4A	6,015,914	6,371,212	6,034,581	1,522,011
Community Development - 4B	1,422,115	1,826,265	1,833,911	1,730,873
Hotel/Motel Tax Fund	145,823	86,115	(2,676)	(38,167)
Lake Parks	226,608	377,385	478,375	368,387
Special Events Fund	42,648	44,106	38,243	21,781
Capital Projects Administration Fund	(32,277)	207,362	136,047	67,362
Storm Water Utility Fund	261,752	302,663	273,863	163,863
Water/Sewer Impact Fee Fund	216,900	204,395	89,395	(5,605)
Child Safety Fund	30,806	43,497	36,740	35,761
TOTAL ENDING BALANCE	21,608,345	22,887,437	20,085,051	13,487,246

General Fund

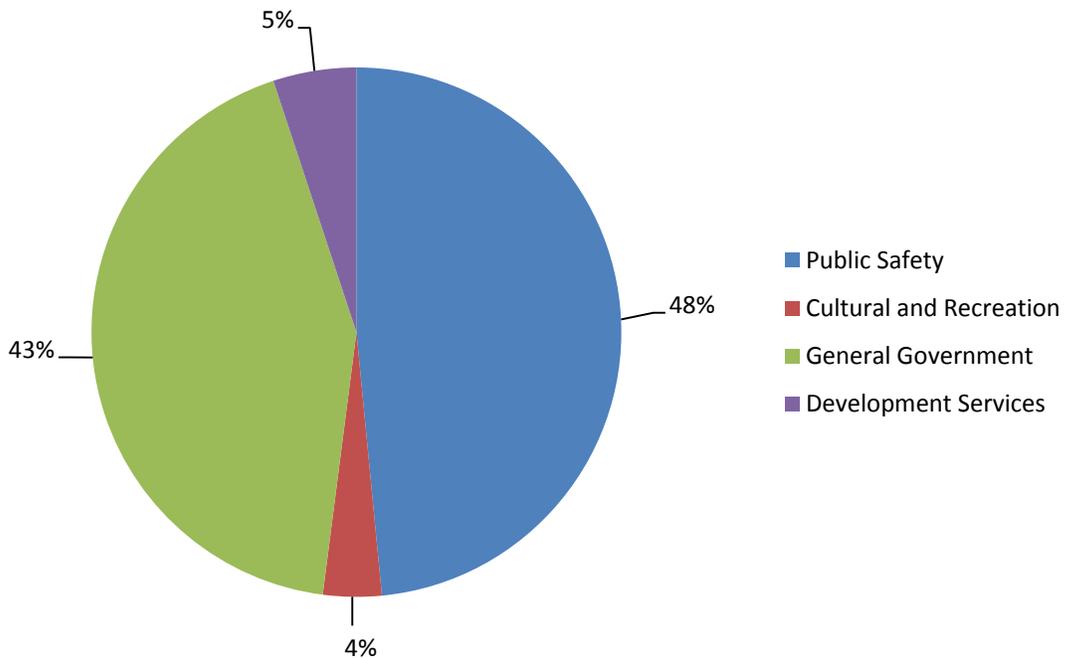
The General Fund is the operating fund of the City. The General Fund receives and accounts for all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other designated fund. The General Fund includes a greater variety and amount of revenues, and finances 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.

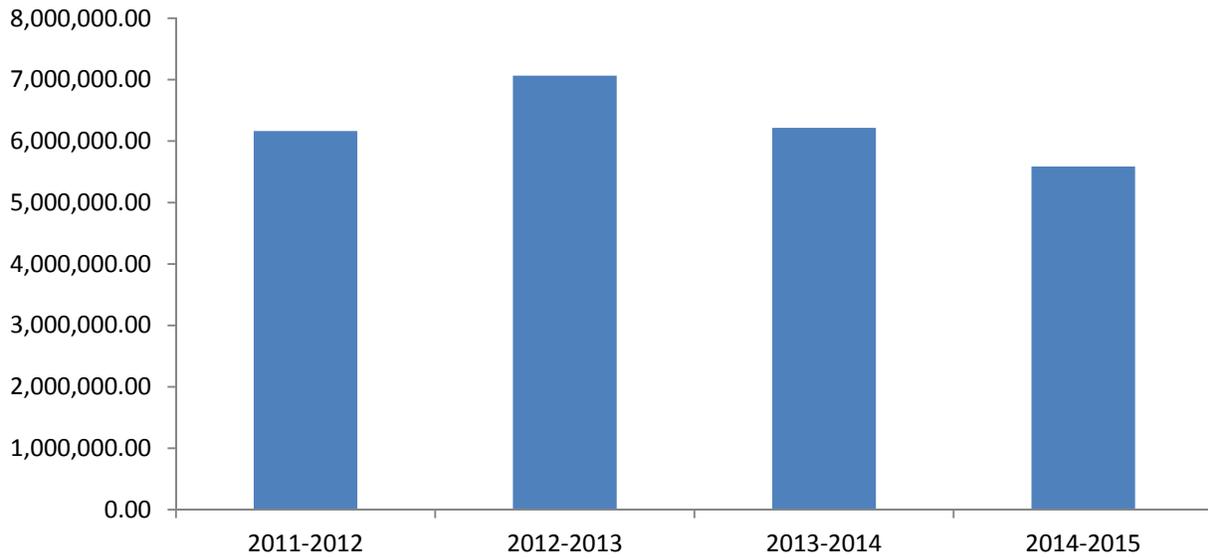
Summary of Revenues



Summary of Expenditures by Function



Fund Balance



Fiscal Year	Working Days in Fund Balance	Value of Each Day
2011-2012	92	\$67,012
2012-2013	106	\$66,667
2013-2014	92	\$67,556
2014-2015	80	\$69,825

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 2014-2015

	2011-2012 Actual	2012-2013 Actual	2013-2014 Budget	2014-2015 Budget
TAXES				
Ad Valorem Taxes				
Current Property Taxes	10,270,912	9,925,994	10,483,964	11,898,465
Rendition Penalty Revenue	1,874	2,413	2,000	2,000
Ag. Roll Back Taxes	1,896	(63,487)	4,000	2,000
Delinquent Property Tax	150,735	131,428	80,000	25,000
Penalties & Interest	98,350	68,100	53,000	50,000
Total	<u>10,523,767</u>	<u>10,064,448</u>	<u>10,622,964</u>	<u>11,977,465</u>
City Sales Taxes				
Sales Taxes	3,576,329	3,982,219	3,644,185	4,600,796
Mixed Beverage Tax	78,782	87,095	76,000	70,000
Total	<u>3,655,111</u>	<u>4,069,314</u>	<u>3,720,185</u>	<u>4,670,796</u>
Franchise Taxes				
Electric	1,142,556	1,081,920	1,200,000	1,159,000
Natural Gas	115,098	112,108	123,000	125,000
Telephone	182,975	186,068	175,000	175,000
Cable Television	225,101	60,843	176,000	60,000
Video Service	359,600	518,522	300,000	420,000
Sanitation-Residential	156,456	157,931	153,590	160,000
Sanitation-Commercial	84,425	88,070	76,000	89,500
Total	<u>2,266,211</u>	<u>2,205,462</u>	<u>2,203,590</u>	<u>2,188,500</u>
TOTAL TAXES	16,445,089	16,339,224	16,546,739	18,836,761
LICENSES & PERMITS				
Building Permits-New Homes	276,546	587,306	475,000	490,000
Building Permits-Other	216,696	278,984	220,000	250,000
Commercial Permits	5,852	54,840	80,000	150,000
Certificates Of Occupancy	5,166	5,550	5,000	5,000
Zoning Fees	9,185	8,860	6,000	6,000
Fire Fees	25,319	12,668	10,600	15,000
Solicitors Permits	935	785	800	1,200
Health Permits	78,029	84,866	78,000	82,000
Platting Fees	7,104	24,423	7,000	20,000
Alcohol Permits	11,435	7,730	7,000	7,000
Code Enforcement Fees	19,761	25,937	26,000	26,000
Floodplain Development Permits	300	1,300	800	800
Grading Permit	1,500	1,300	1,000	1,000
TOTAL LICENSES & PERMITS	<u>657,828</u>	<u>1,094,549</u>	<u>917,200</u>	<u>1,054,000</u>
CHARGES FOR SERVICES				
Fire & Ambulance				
Ambulance Calls	306,561	368,442	315,000	325,000
Ambulance Subscription Revenue	15,000	15,000	15,000	15,000
Liens On Services	44,782	39,125	25,000	15,000
County Ambulance Funds	21,838	21,237	21,836	21,000
County Fire Funds	10,000	10,000	10,000	10,000
Total	<u>398,181</u>	<u>453,804</u>	<u>386,836</u>	<u>386,000</u>
Library				
County Library Funds	40,555	40,500	37,000	39,750
Total	<u>40,555</u>	<u>40,500</u>	<u>37,000</u>	<u>39,750</u>
Engineering Inspections				
Inspection Fees	51,289	33,072	12,000	100,000
TXDOT	-	-	-	-
Total	<u>51,289</u>	<u>33,072</u>	<u>12,000</u>	<u>100,000</u>
TOTAL CHARGES FOR SERVICES	490,025	527,376	435,836	525,750

GENERAL FUND
Revenue & Expenditure Projections
Fiscal Year 2014-2015

	2011-2012 Actual	2012-2013 Actual	2013-2014 Budget	2014-2015 Budget
FINES & FORFEITURES				
Municipal Court Fines	1,089,986	1,167,905	1,200,000	1,120,000
Library Fees	7,846	7,673	6,700	6,000
Animal Control Fees	30,510	27,205	28,325	23,750
TOTAL FINES & FORFEITURES	<u>1,128,342</u>	<u>1,202,783</u>	<u>1,235,025</u>	<u>1,149,750</u>
INVESTMENT INCOME				
Interest Income	12,837	11,457	10,500	10,000
TOTAL INVESTMENT INCOME	<u>12,837</u>	<u>11,457</u>	<u>10,500</u>	<u>10,000</u>
GRANT REVENUES				
Federal Police Grant	2,504	-	1,000	1,000
County Library				
State Grants				
Library Grant -ELOC	-	9,411	-	-
LISD Grant	37,442	33,815	77,211	75,000
TOTAL GRANT REVENUES	<u>39,946</u>	<u>43,226</u>	<u>78,211</u>	<u>76,000</u>
OTHER REVENUES				
Auction Proceeds	44,848	24,656	5,000	10,000
Tower Rental Fees	239,391	251,557	235,000	251,557
Insurance Reimbursement	713	-	1,000	1,000
Miscellaneous	279,261	68,426	20,000	20,000
Police Reports	3,802	4,247	5,000	4,000
Alarm Fees	38,940	34,176	32,000	32,000
Horizon - Rentals	199,763	6,010	-	-
Annex Lease	-	-	-	15,650
TOTAL OTHER REVENUES	<u>806,718</u>	<u>389,072</u>	<u>298,000</u>	<u>334,207</u>
TOTAL REVENUES	<u>19,580,785</u>	<u>9,607,687</u>	<u>19,521,511</u>	<u>21,986,468</u>
TRANSFER IN				
Overhead Costs	-	-	-	-
Transfer - CDC	-	-	-	-
Transfer - EDC	27,000	28,000	28,000	22,715
Transfer - Storm Water Utility	-	168,800	168,800	250,000
Transfer - Hotel/Motel Tax	-	-	-	-
Transfer - Utility Fund	2,320,000	1,361,231	1,914,906	2,322,406
Transfer - Utility Fund - Tribute Ad Valorem	-	162,259	-	-
Transfer - Engineering Inspections	163,311	-	-	-
Transfer - Lake Parks (Moved to Parks)	35,000	-	-	-
Transfer - Fleet Services	337,855	-	-	-
Transfer - Child Safety Fund	75,000	20,000	20,000	20,000
Transfer - Debt Service/Operating Surplus	-	-	-	620,000
Transfer - Capital Projects	580,000	-	-	-
TOTAL TRANSFERS	<u>3,538,166</u>	<u>1,740,290</u>	<u>2,131,706</u>	<u>3,235,121</u>
TOTAL REVENUES & TRANSFERS	<u>23,118,951</u>	<u>21,347,977</u>	<u>21,653,217</u>	<u>25,221,589</u>

GENERAL FUND
Revenue & Expenditure Projections
Fiscal Year 2013-2014

	2011-2012 Actual	2012-2013 Actual	2013-2014 Budget	2014-2015 Budget
EXPENDITURES				
Non-Departmental	1,448,312	3,562,487	3,301,400	5,107,088
General Administration	525,043	804,798	712,096	775,445
City Council	25,820	29,289	37,845	37,805
Development Services	584,754	-	-	-
Community Image	376,524	387,048	412,813	426,632
City Secretary	239,333	237,999	294,298	308,694
Human Resources	305,902	262,291	259,047	263,923
Finance	800,861	793,300	813,910	843,946
Information Technology	881,277	437,394	478,470	429,647
Municipal Court	357,244	362,359	370,750	374,615
Fire	5,157,856	5,350,137	5,361,229	5,559,920
Police	6,865,969	6,612,181	7,003,986	7,347,220
Library	973,755	939,424	976,523	978,108
Engineering	993,569	1,274,748	1,302,466	1,390,896
Facilities Maintenance	450,569	415,816	403,925	407,983
Fleet Services	566,263	502,880	539,007	532,623
Budget Amendments	-	-	750,000	-
2015 P&I (20yr \$21M; 10yr \$2M)	-	-	-	2,622,000
Reserved - Capital Projects	-	-	857,803	-
TOTAL EXPENDITURES	20,553,051	21,972,151	23,875,568	27,406,545
TRANSFER OUT				
Transfer - Environmental Fund	-	-	-	-
Transfer - CVB	139,137	140,000	165,000	120,000
Transfer - General Debt Service	417,131	-	-	-
Transfer - Special Events	-	-	100,000	100,000
Transfer - KTB	-	20,000	20,000	20,000
Transfer - Community Center	-	-	-	-
Transfer - Parks Fund	3,270,000	2,259,884	2,289,884	2,149,884
Transfer - HCP Reserve to Parks Fund	165,000	-	-	-
TOTAL TRANSFER OUT	3,991,268	2,419,884	2,574,884	2,389,884
TOTAL EXPENDITURES & TRANSFERS	24,544,319	24,392,035	26,450,452	29,796,429
OH COST ALLOCATION	-	(3,945,663)	(3,945,663)	(3,945,663)
BEGINNING FUND BALANCE	7,755,489	6,330,121	7,231,726	6,380,154
EXCESS/(DEFICIENCY)	(1,425,368)	901,605	(851,572)	(629,177)
ENDING FUND BALANCE	6,330,121	7,231,726	6,380,154	5,750,977
RESERVE FOR HIDDEN COVE PARK	(165,000)	(165,000)	(165,000)	(165,000)
UNRESERVED FUND BALANCE	6,165,121	7,066,726	6,215,154	5,585,977
Working Days in Fund Balance	92	106	92	80

Non-Departmental

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 16,799	\$ 30,000	\$ 29,500
Contractual Services	2,519,933	2,525,500	2,662,200
Supplies	40,129	12,900	21,800
Maintenance	44,504	8,000	4,500
Non-Capital	-	-	2,850,091
Capital Outlay	515,383	150,000	1,650,000
Total Department Budget	\$ 3,136,748	\$ 2,726,400	\$ 7,218,091



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 FY2015

- *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 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 729,558	\$ 641,259	\$ 697,120
Contractual Services	64,746	62,637	64,125
Supplies	10,494	8,200	14,200
Total Department Budget	\$ 804,798	\$ 712,096	\$ 775,445

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
Programs Administrator	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 Departments 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 FY2015

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

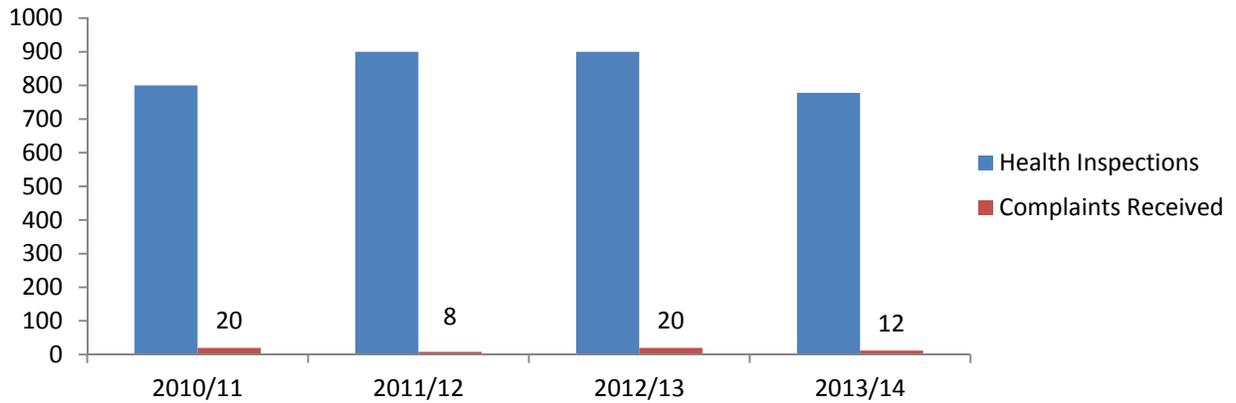
- *Increase public awareness of code violations and assist residents with improving their neighborhoods.*
- Continue to enforce codes with a common sense approach and positive attitude.
- Provide more "how to comply" information with our Notice of Violations along with expanding our Volunteer Assistance Program.

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 335,380	\$ 345,813	\$ 355,682
Contractual Services	36,262	35,600	36,200
Supplies	12,859	12,300	13,750
Maintenance	2,547	19,100	21,000
Total Department Budget	\$ 387,048	\$ 412,813	\$ 426,632

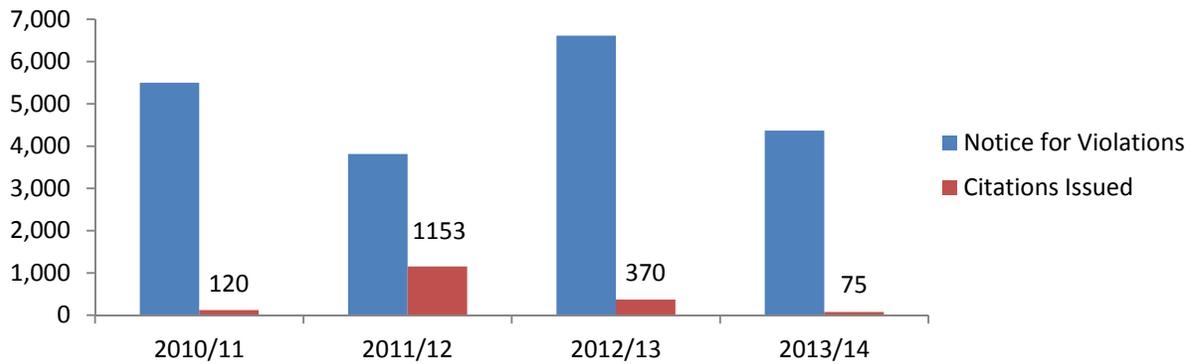
Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
Community Image Manager	1	1	1
Health Inspector	1	1	1
Community Image Officer	2	2	2
Neighborhood Enhancement Officer	1	1	1
Total	5	5	5



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.

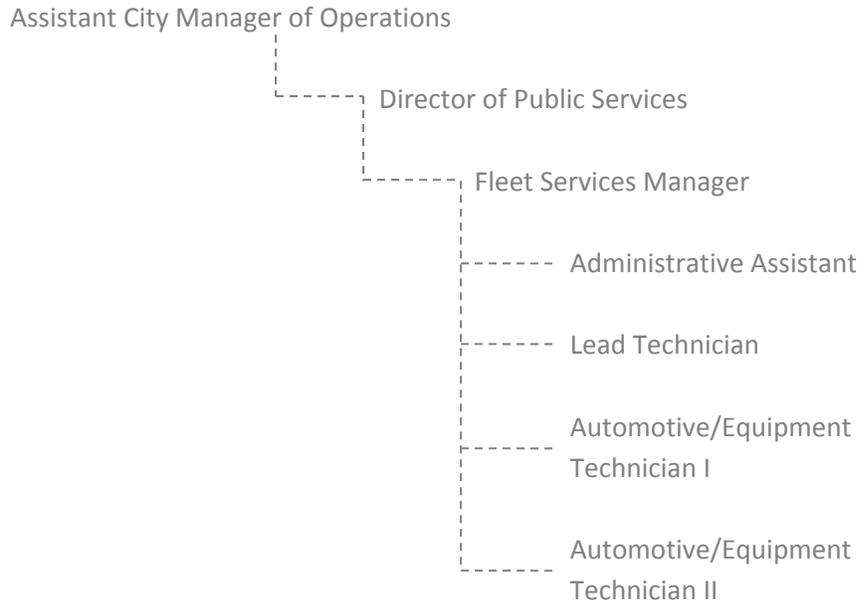
Program Narrative

Goals and Objectives for FY2015

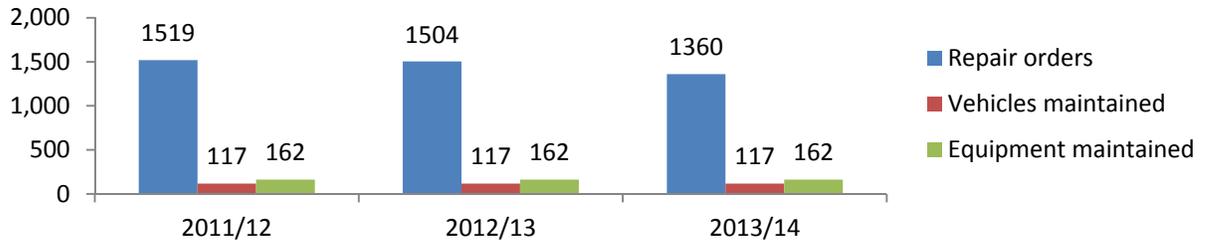
- *Provide excellent customer service through good communication to better understand customer needs.*
- Continue stressing to our personnel that understanding customer needs is the key to excellent customer service.
- Continued education and training of shop personnel to be up to date on the latest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

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 328,260	\$ 333,617	\$ 338,773
Contractual Services	3,994	6,100	5,100
Supplies	42,468	47,540	47,950
Maintenance	128,158	151,500	140,800
Total Department Budget	\$ 502,880	\$ 538,757	\$ 532,623

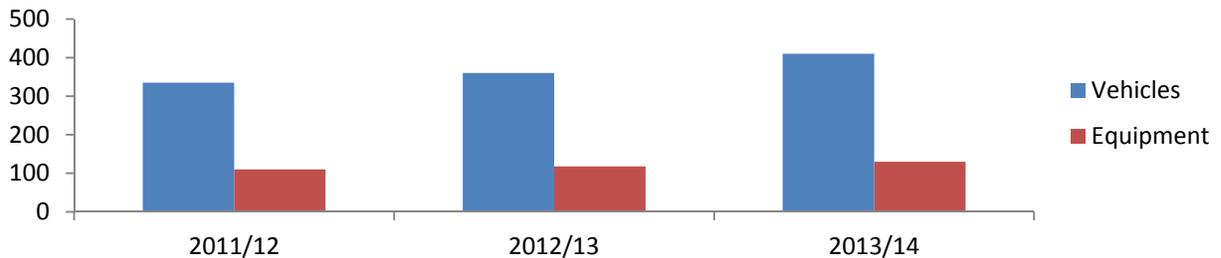
Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
Fleet Services Manager	1	1	1
Administrative Assistant	1	1	0
Lead Technician	1	1	1
Automotive/Equipment Technician I	1	1	1
Part-time Temp Technician II	0	0	1
Emergency Vehicle Technician	0	0	1
Auotmotive/Equipment Technician II	2	1	1
Total	6	5	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 FY2015

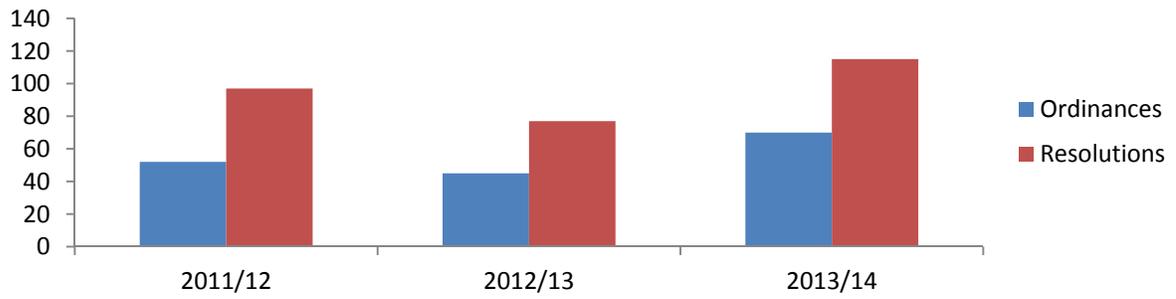
- ***Restructure Records Management processes to improve work flow.***

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 193,926	\$ 245,703	\$ 252,194
Contractual Services	32,050	32,645	36,500
Supplies	6,725	12,650	14,550
Maintenance	5,298	5,300	5,450
Total Department Budget	\$ 237,999	\$ 296,298	\$ 308,694

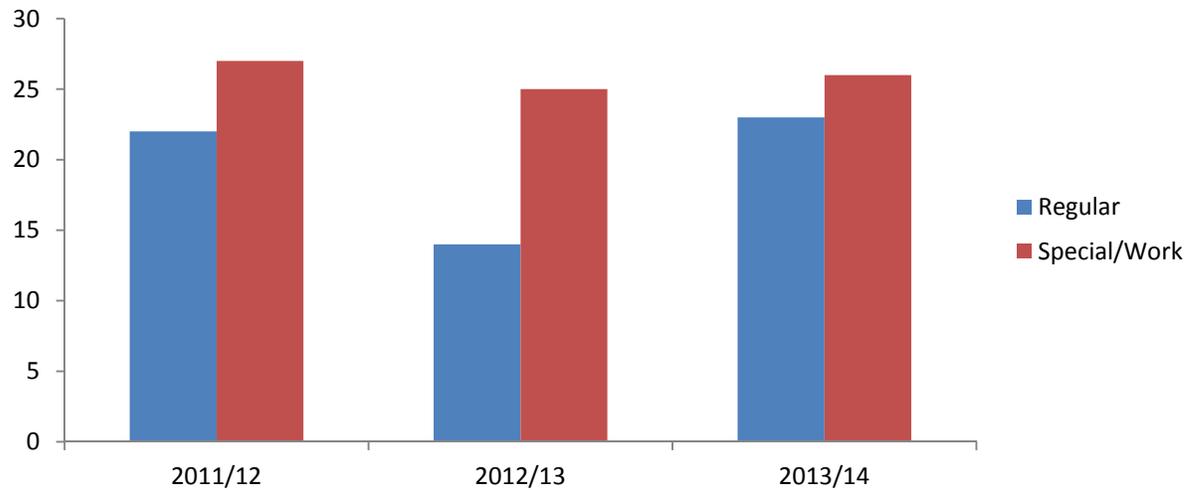
Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
City Secretary	1	1	1
Deputy City Secretary	1	1	1
Part-time Records Technician	0	1	1
Total	2	3	3



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 2012-13	Budget 2013-14	Budget 2014-15
Expenditures			
Personnel Services	\$ 14,919	\$ 10,120	\$ 12,180
Contractual Services	1,887	2,200	2,100
Supplies	3,783	3,800	3,800
General Government	8,700	19,725	19,725
Total Department Budget	\$ 29,289	\$ 35,845	\$ 37,805

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 FY2015

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

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 222,580	\$ 219,297	\$ 221,723
Contractual Services	35,140	33,900	35,900
Supplies	4,571	5,850	6,300
Total Department Budget	\$ 262,291	\$ 259,047	\$ 263,923

Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
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 FY2015

Finance

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

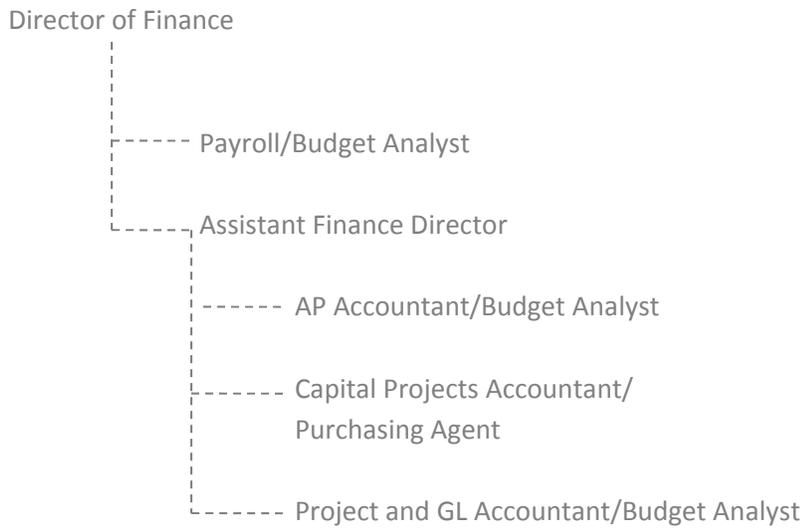
- Design and prepare the FY 2015-2016 annual operating budget according to the guidelines set forth by the Government Finance Officers Association in their Distinguished Budget Presentation Award Program.
- Complete the 2013-2014 audit process by January 31, 2015.
- Produce and print the Comprehensive Annual Financial Report by March 31, 2015.
- ***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 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 550,384	\$ 567,820	\$ 597,696
Contractual Services	204,407	203,250	204,100
Supplies	5,631	8,510	7,150
Maintenance	32,878	34,330	35,000
Total Department Budget	\$ 793,300	\$ 813,910	\$ 843,946

Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
Director of Finance	1	1	1
Project and 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 FY2015

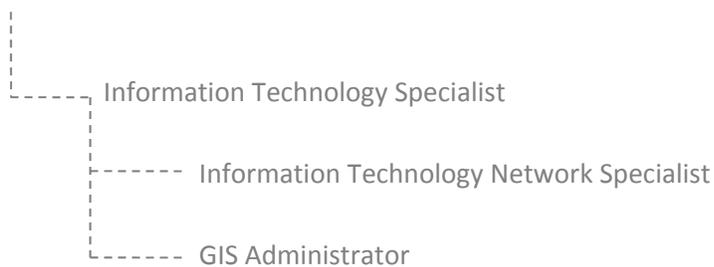
- *Provide the leadership necessary to effectively strategize and tactically plan the best possible use of new and existing technologies.*
- *Develop and maintain highly efficient, reliable, secure and innovative information systems in support of the City's missions and goals.*
- Ensure that all hardware 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 secure access of department specific applications.
- Maintain all city phone systems to provide reliable communications.
- 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.
- Continue to monitor the City's active directory infrastructure and update as necessary.
- Replace servers and network infrastructure with current technology to provide the city with the best performance and reliability at the best price.
- 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.
- Ensure backup and disaster recovery solutions are in place to maintain business continuity.
- Research, approve and implement a video/audio security system.
- Maintain 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 means of communication to our citizens and general public.

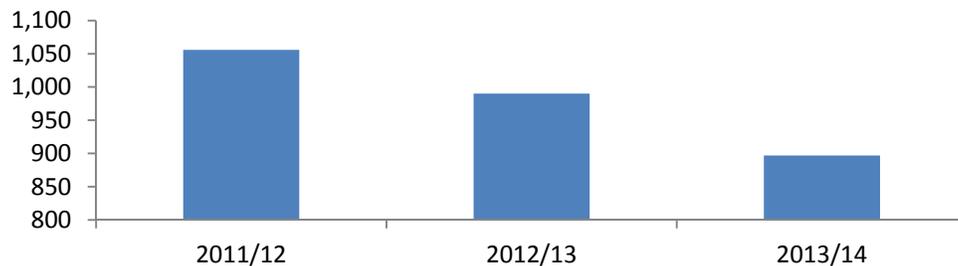
Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 306,311	\$ 303,230	\$ 293,807
Contractual Services	19,704	15,740	23,040
Supplies	22,800	17,000	17,500
Maintenance	88,579	142,500	95,300
Capital Outlay	48,926	-	-
Total Department Budget	\$ 486,320	\$ 478,470	\$ 429,647

Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
Information Technology Specialist	1	1	1
Information Technology Network Technician	1	1	1
GIS Administrator	1	1	1
Total	3	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

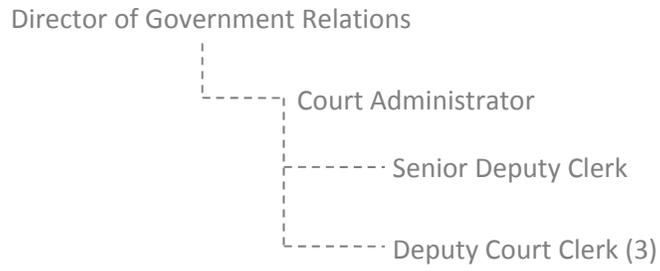
Goals and Objectives for FY2015

Ensure efficient and effective operation of the court.

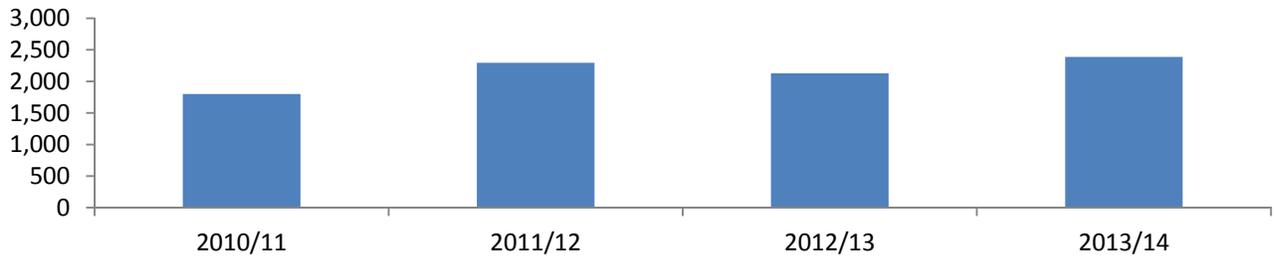
- Provide the best customer service for citizens of The Colony.
- Work closely with the IT and Police Department to get bids and continue to coordinate the security project for the Police and Court Building. Funds are to be taken from the Court Security Fund.

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 272,113	\$ 281,414	\$ 281,729
Contractual Services	84,184	81,136	85,236
Supplies	6,062	7,950	7,450
Maintenance	-	250	200
Total Department Budget	\$ 362,359	\$ 370,750	\$ 374,615

Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
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 right-of-way repairs, median trash receptacles, and fence and flag maintenance, support to Environmental Services for trash and recycling issues as well as HHW, sharps and electronic collection. 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 FY2015

- *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.
- Setup and maintain the collection area for HHW, sharps and electronics to avoid safety issues to staff and/or the public.

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 172,076	\$ 183,325	\$ 182,483
Contractual Services	38,100	36,300	35,800
Supplies	15,951	11,300	16,700
Maintenance	189,689	173,000	173,000
Total Department Budget	\$ 415,816	\$ 403,925	\$ 407,983

Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
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 FY2015

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.
- 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

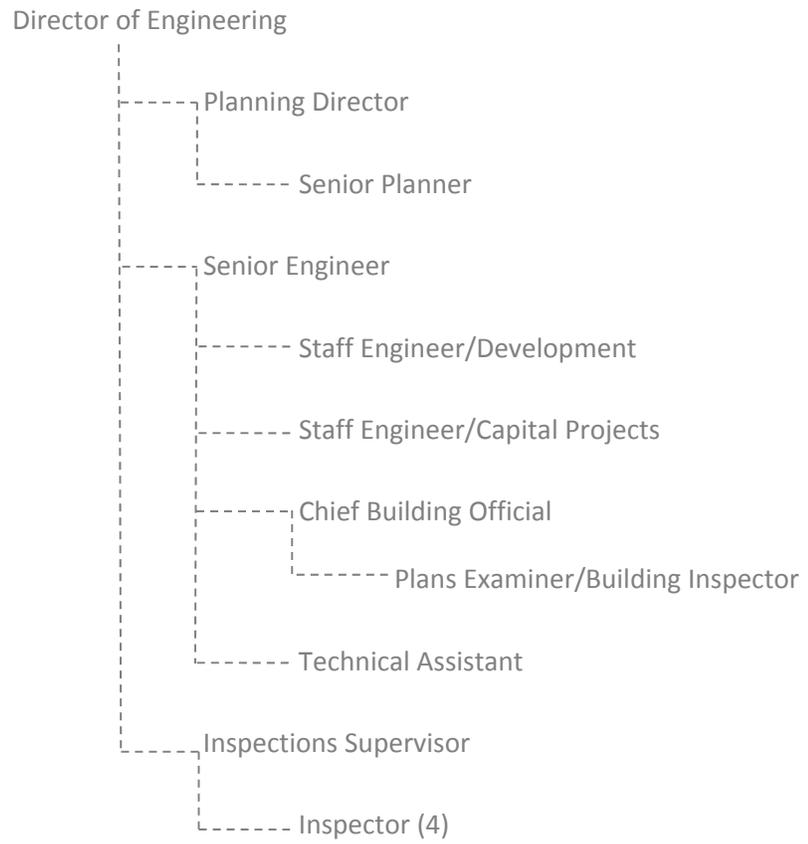
- ***Review and approve engineering designs, plans, plats and site plans, other engineering support services.***
- Continue to provide timely and accurate development project reviews.
- Continue to provide drainage studies, street paving/drainage designs, and other technical support services.
- Continue 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.

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 1,083,640	\$ 1,217,156	\$ 1,294,796
Contractual Services	146,460	59,660	68,000
Supplies	22,508	19,950	22,400
Maintenance	22,170	5,700	5,700
Total Department Budget	\$ 1,274,778	\$ 1,302,466	\$ 1,390,896

Personnel Detail	Budget 2011-12	Budget 2012-13	Budget 2013-14
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
Plans Examiner/Building Inspector	0	0	1
Inspector	4	4	4
Chief Building Official	1	1	1
Senior Planner	1	1	1
Total	13	13	14





Fire

Program Description

The Colony Fire Department exists to save lives and property. TCFD is responsible for protecting the city from a variety of hazardous or potentially hazardous situations. This is accomplished through the effective and efficient delivery of fire, rescue and emergency medical services, as well as a variety of support functions in place to assure that the fire department's mission is successfully carried out and that the welfare of its members is protected.

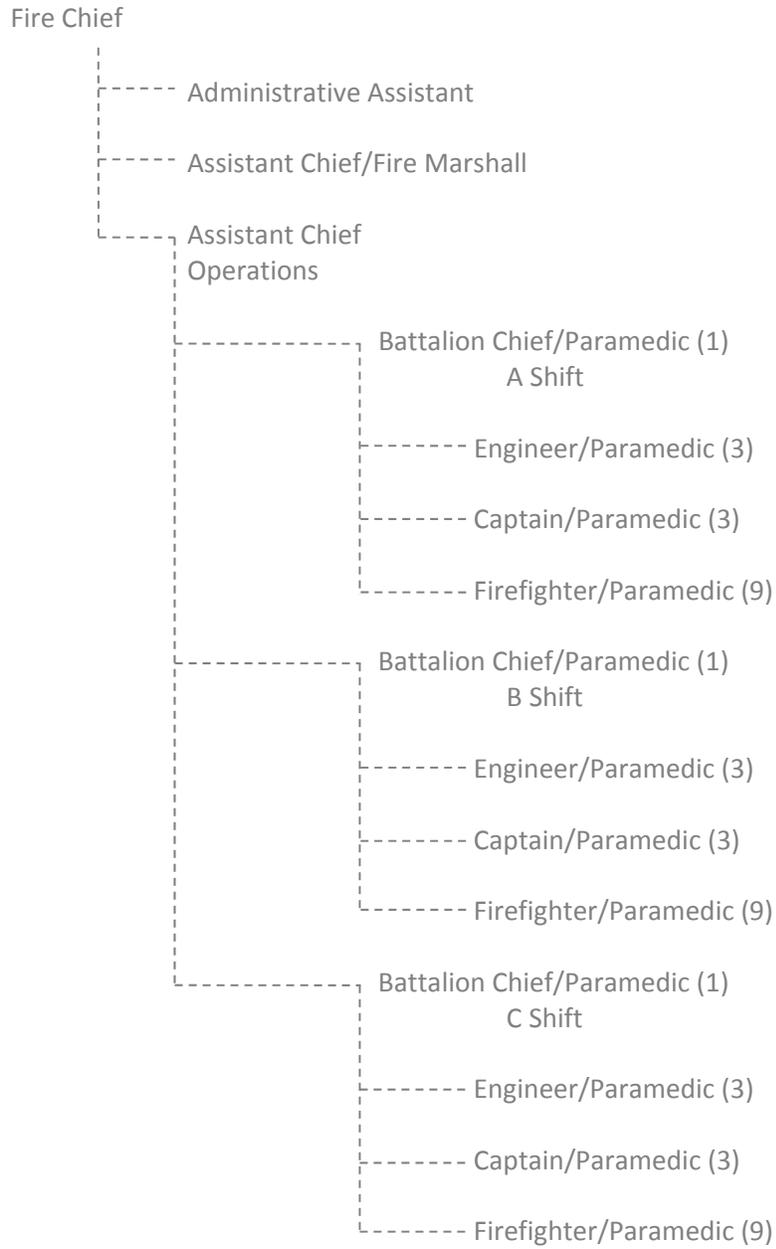
Program Narrative

Goals and Objectives for FY2015

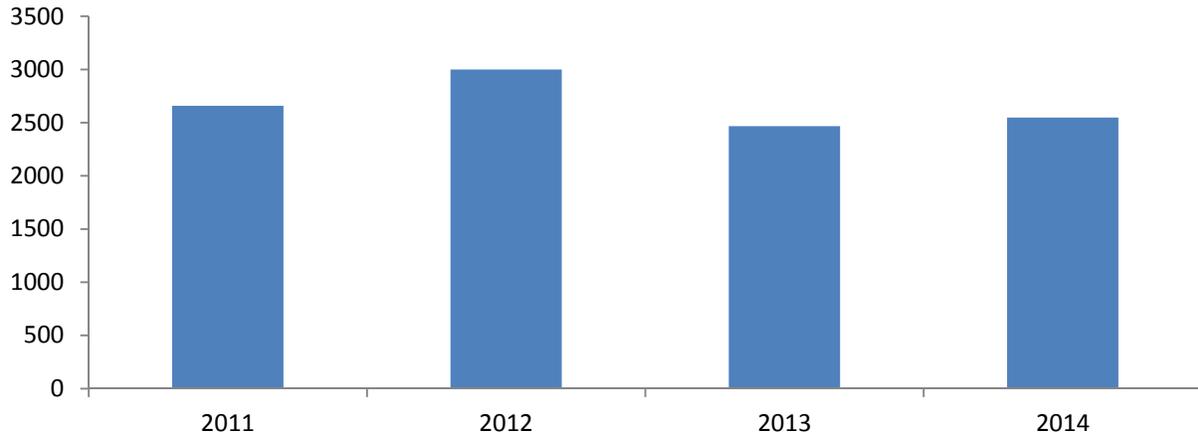
- *Assure health, safety and welfare of fire department members.*
- Increase minimum daily staffing in an effort to comply with nationally accepted guidelines and standards.
- Provide each member with the best possible protective clothing and equipment.
- Implement a physical fitness and medical surveillance 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.*
- 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 administration vehicles.
- Increase the communities' storm readiness.
- Update emergency management plans.

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 5,028,572	\$ 5,052,179	\$ 5,228,836
Contractual Services	59,828	76,900	91,534
Supplies	123,711	137,550	136,450
Maintenance	138,026	103,100	103,100
Capital Outlay	-	1,500	-
Total Department Budget	\$ 5,350,137	\$ 5,371,229	\$ 5,559,920

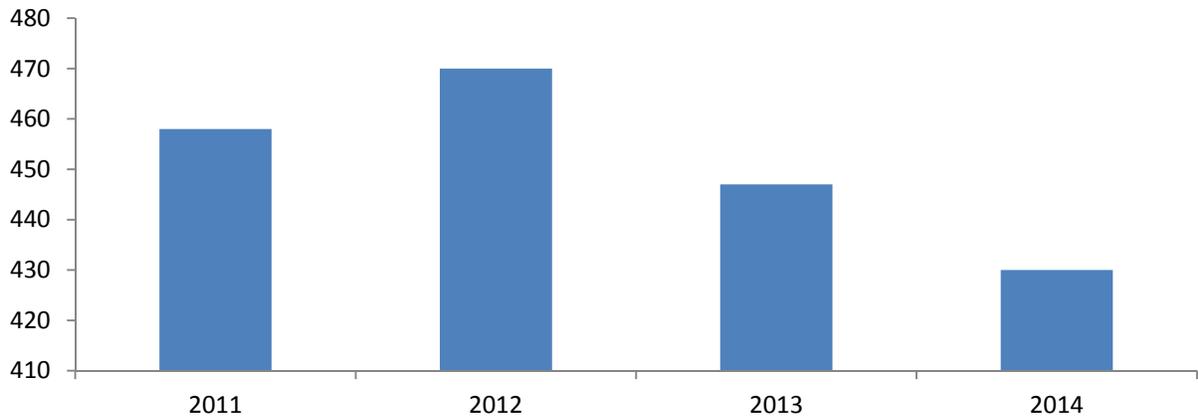
Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
Fire Chief	1	1	1
Assistant Chief Operations	1	1	1
Assistant Chief/Fire Marshall	1	1	1
Battalion Chiefs	3	3	3
Captain	9	9	9
Driver Engineer / Paramedic	9	9	9
Firefighter/Paramedic	27	27	27
Chief Engineer	1	1	0
Administrative Assistant	1	1	1
Total	53	53	52



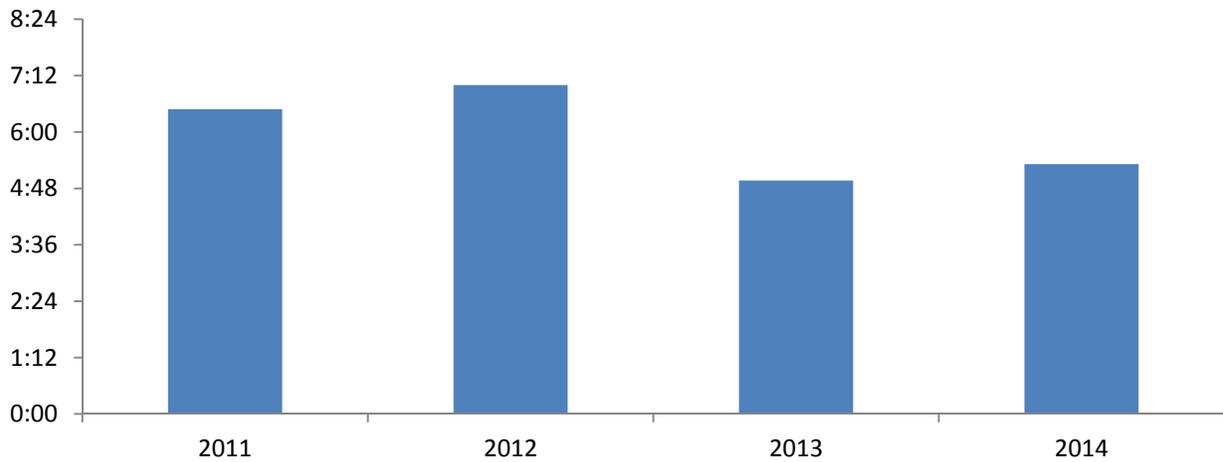
Total Annual Calls



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

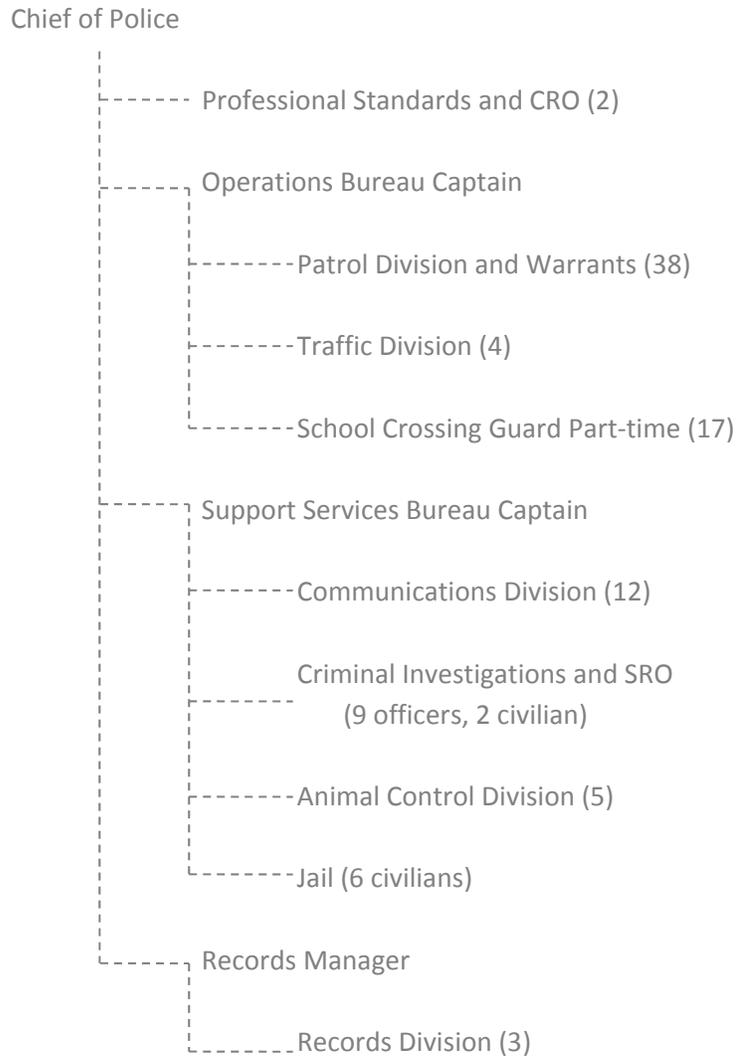
Goals and Objectives for FY2015

- *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 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 6,239,640	\$ 6,564,041	\$ 6,922,870
Contractual Services	37,954	73,566	73,650
Supplies	216,476	217,480	197,300
Maintenance	112,540	157,399	151,900
Other Charges	4,072	1,500	1,500
Total Department Budget	\$ 6,610,682	\$ 7,013,986	\$ 7,347,220

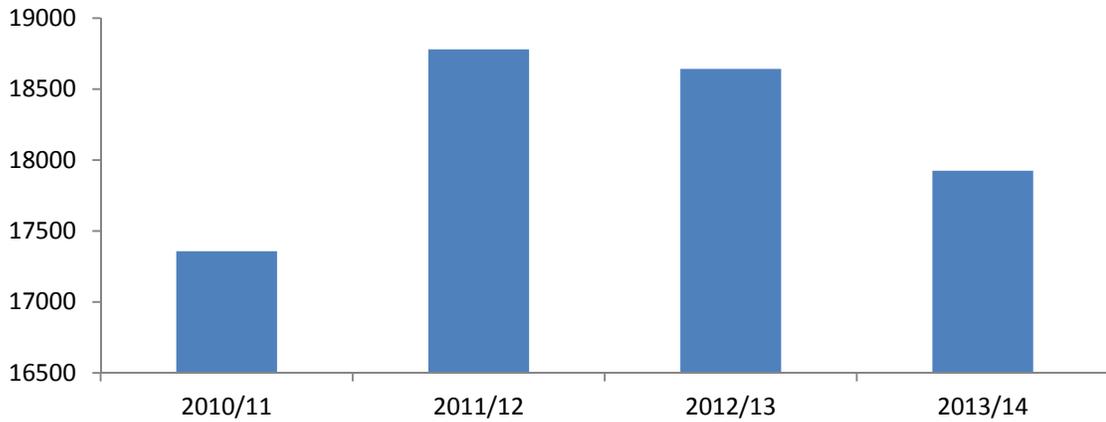
Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
Chief	1	1	1
Assitant Chief	2	2	2
Lieutenant	5	5	5
Sergeant	6	6	6
Patrol Officer	28	28	28
Traffic Officer	2	2	3
CID Investigator	5	5	5
Community Resource Officer / A.S.A.P Officer	1	1	1
School Resource Officer	1	2	3
Communications Supervisor	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	17
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	98	102



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, technological, 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, including popular materials in various formats, reference materials, and research tools. The Library's digital services include live homework help and 24/7 access to downloadable ebooks, emagazines, audiobooks, and music, as well as streaming films and music, and online courses/training for all ages. 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, color and 3D printing services, and a local history collection.

Program Narrative

Goals and Objectives for FY2015

- ***Improve quality, quantity, efficiency of and access to services to external and internal customers.***
- Evaluate shelving needs; redeploy/assign shelving freed up by downsizing of print Reference collection to allow expansion of Local History and Children's collections.

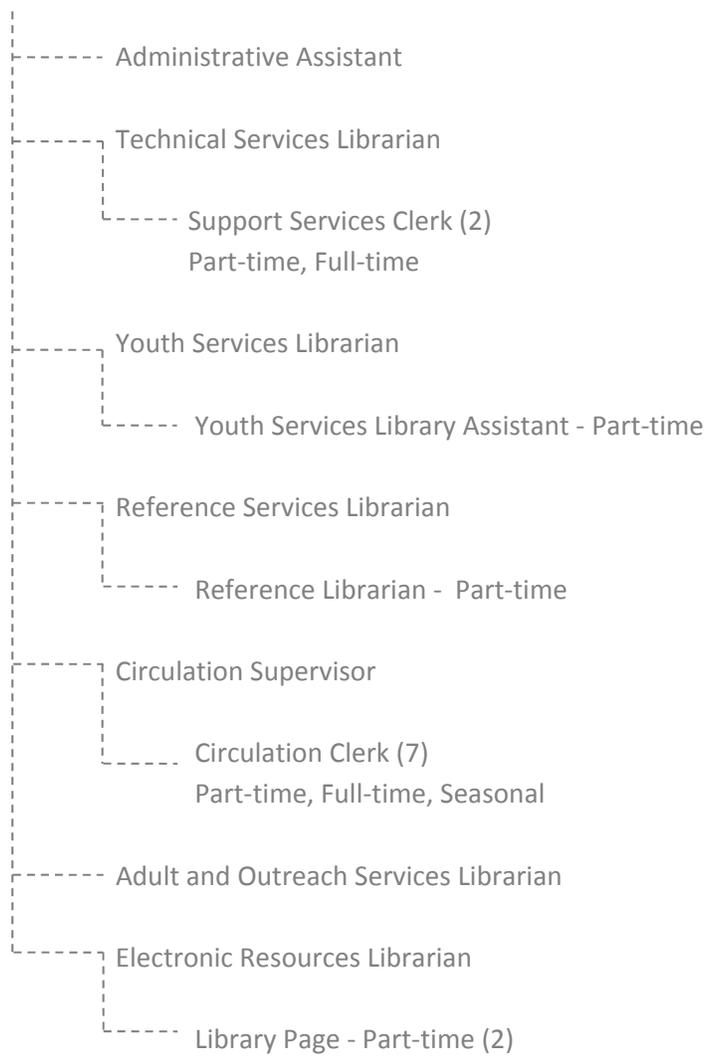
- Evaluate effectiveness of current web and mobile presence; seek options and funding for improvement.
- Design and implement customer guidance in the print nonfiction and periodicals collection to refer to the continually developing collection of online resources.
- Continue to seek cost-effective methods 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 digital library and downloadable resources;
 - Implementation of a speaker's bureau if staff, Library Board, and Friends members to take presentations about TCPL services out into the community;
 - Improved coordination of publicity and public relations efforts.
- ***Improve the resources available to meet expressed customer needs.***
- Implement color and 3D printing services.
- Explore options through grant-funding and partnerships for implementing youth math and science-related programs.
- Expand the story time backpack collection and establish a bilingual/Spanish story time backpack collection.

- Investigate and evaluate emerging technologies for potential inclusion in services offered.
- Explore funding options for continued microfilming and implementation of digitization of Local History and Local Newspaper collections.
- Develop improved packaging for book club kits for circulation to local book clubs.
- Develop and expand the Blu-ray collections for all ages.
- 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.

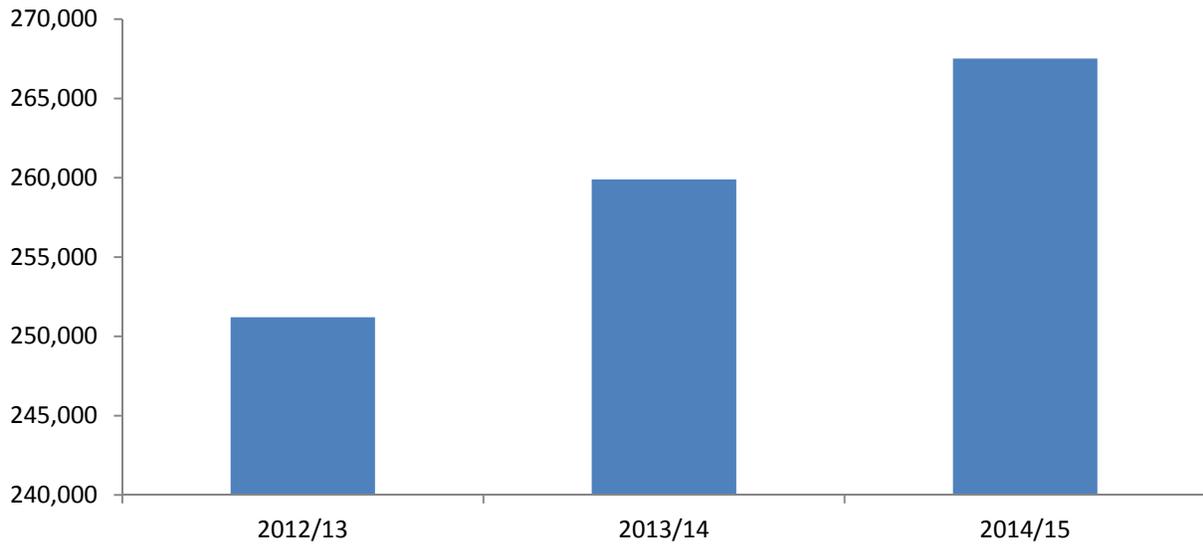
Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 787,975	\$ 822,062	\$ 837,098
Contractual Services	15,599	10,240	8,130
Supplies	121,822	125,166	119,970
Maintenance	14,038	12,055	12,910
Capital Outlay	-	15,000	-
Total Department Budget	\$ 939,434	\$ 984,523	\$ 978,108

Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
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	1	1
Seasonal Circulation Clerk (Summer)	1	1	1
Total	20	21	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 2014-2015

	2011-2012 Actual	2012-2013 Actual	2013-2014 Budget	2014-2015 Budget
CHARGES FOR SERVICES				
Parks & Recreation				
Recreation Program Revenue	163,845	131,848	160,000	132,000
Athletic Program Revenue	96,892	114,805	93,000	115,000
Athletic & Recreation Facility Revenue	100,744	141,452	77,000	141,000
Pass Revenue	25,149	23,487	49,000	23,000
Total	386,630	411,592	379,000	411,000
Aquatic Park				
Swimming Lessons	92,229	110,181	85,000	110,000
Season Passes	10,986	11,031	9,000	11,000
Swimming Team	21,947	21,086	20,000	21,000
Entrance Fees	45,366	44,589	45,000	45,000
Concession Sales	1,851	1,865	1,500	1,500
Private Party Fees	33,052	34,784	33,660	33,660
Aerobic Classes	16,111	17,109	14,000	17,000
Total	221,542	240,645	208,160	239,160
Community Center				
Rental Revenue	9,638	10,672	9,000	10,000
Program Revenue	2,472	3,038	1,000	3,000
Trip Revenue	53,144	41,695	-	-
Membership Fees	4,855	6,207	4,300	6,200
Total	70,109	61,612	14,300	19,200
TOTAL CHARGES FOR SERVICES	678,281	713,849	601,460	669,360
OTHER INCOME				
Horizon Lease Payment (Moved From GF)	-	202,933	185,000	200,000
Miscellaneous	7,801	10,809	1,000	1,000
Interest Income	1,610	1,543	500	1,000
TOTAL OTHER INCOME	9,411	215,285	186,500	202,000
TOTAL REVENUES	687,692	929,134	787,960	871,360
TRANSFER IN				
Transfer - General Fund	3,270,000	2,259,884	2,574,884	2,149,884
Transfer - CDC Five Star Maintenance	122,845	150,000	165,000	165,000
Transfer - CDC Fund Personnel	150,000	122,845	122,845	122,845
Transfer - Lake Parks Fund	-	35,000	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	2,897,729	2,472,729
TOTAL REVENUES & TRANSFERS	4,461,713	3,496,863	3,685,689	3,344,089
EXPENDITURES				
Overhead Expenditures	1,014,192	1,014,192	1,014,396	1,014,396
Parks & Recreation	1,957,947	1,875,796	2,030,105	2,040,166
Aquatic Park	383,892	398,551	377,452	401,149
Community Center	155,401	156,760	152,620	125,771
TOTAL EXPENDITURES	3,511,432	3,445,299	3,574,573	3,581,482
BEGINNING FUND BALANCE	-	950,281	1,001,845	1,112,961
EXCESS (DEFICIENCY)	950,281	51,564	111,116	(237,393)
ENDING FUND BALANCE	950,281	1,001,845	1,112,961	875,568
Working Days in Fund Balance	-	106	114	89

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 FY2015

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.
- Contract with 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.

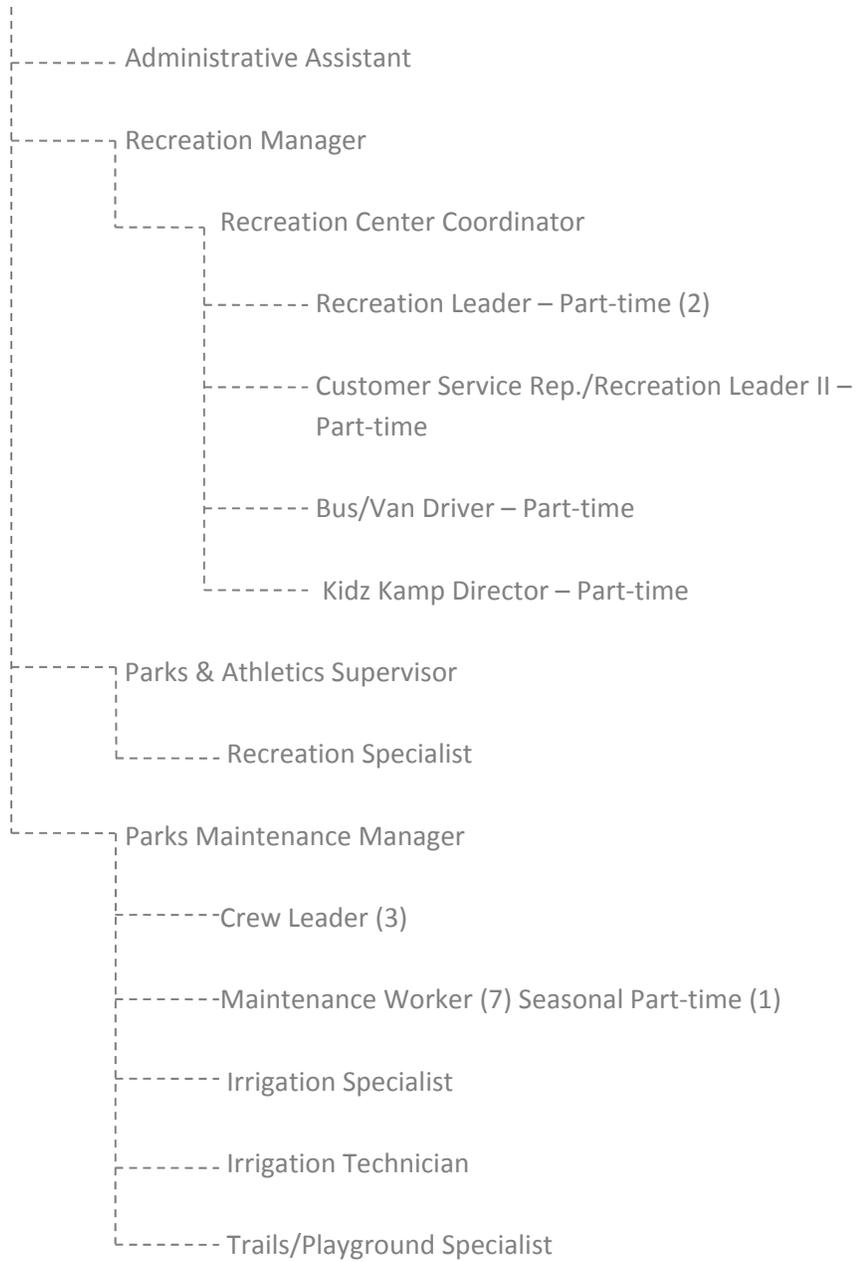
Maintenance

- *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.

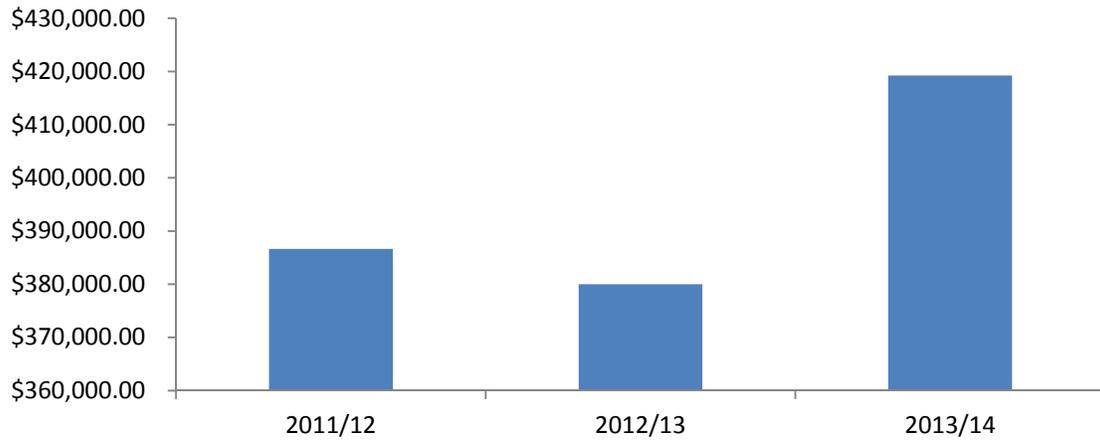
Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 1,315,697	\$ 1,402,055	\$ 1,382,816
Contractual Services	332,342	388,285	397,800
Supplies	140,237	146,589	141,875
Maintenance	87,520	108,176	107,675
Non-Capital	-	10,000	10,000
Total Department Budget	\$ 1,875,796	\$ 2,055,105	\$ 2,040,166

Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
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	0
Maintenance Worker	6	6	7
Seasonal Maintenance Worker - Part-time	0	0	1
Parks & Athletics Supervisor	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	26

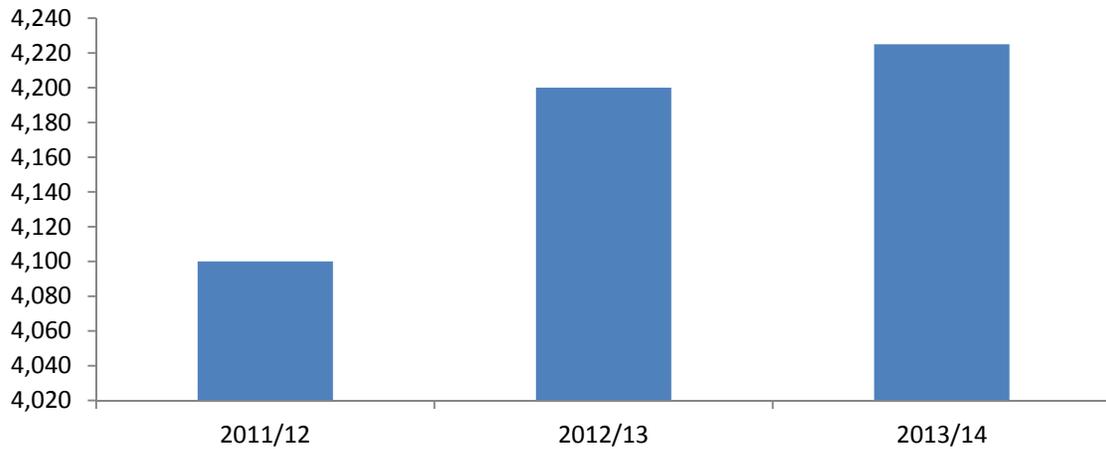
Director of Community Services



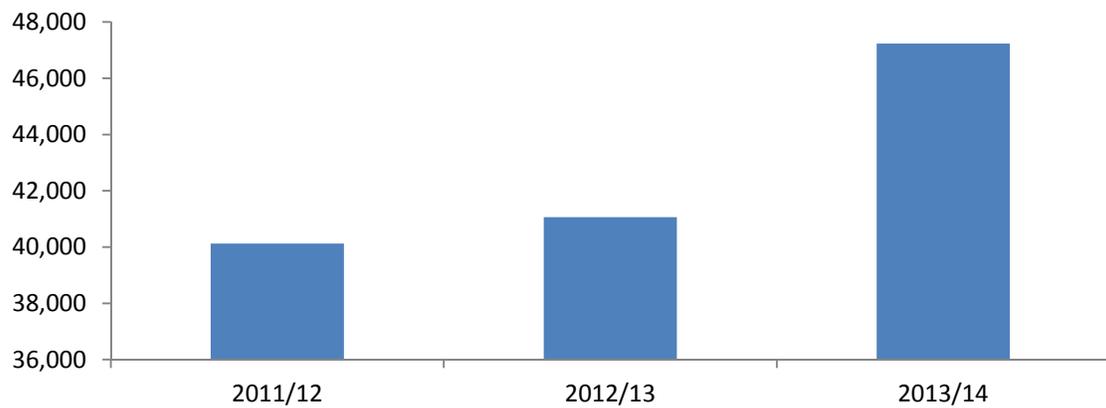
Recreation Revenue Collected



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.

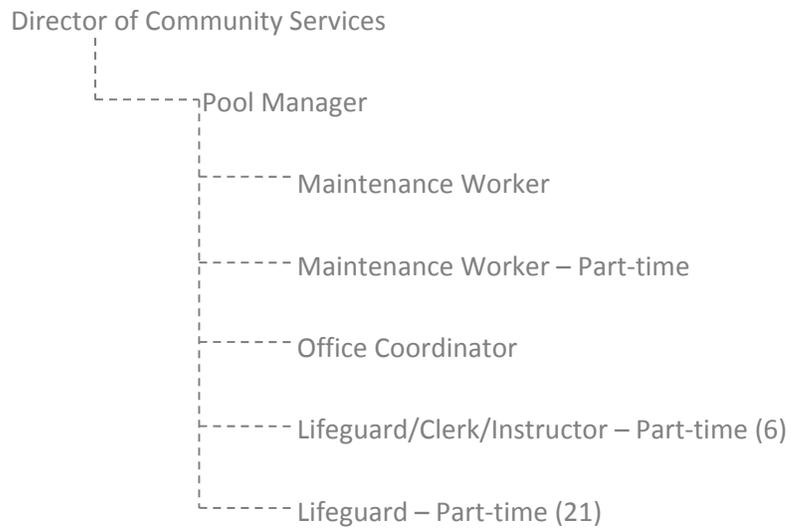
Program Narrative

Goals and Objectives for FY2015

- *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 2012-13	Budget 2013-14	Budget 2014-15
Expenditures			
Personnel Services	\$ 348,942	\$ 322,773	\$ 352,599
Contractual Services	14,934	19,204	16,625
Supplies	23,486	23,375	23,625
Maintenance	11,189	10,300	8,300
Capital	-	1,800	-
Total Department Budget	\$ 398,551	\$ 377,452	\$ 401,149

Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
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

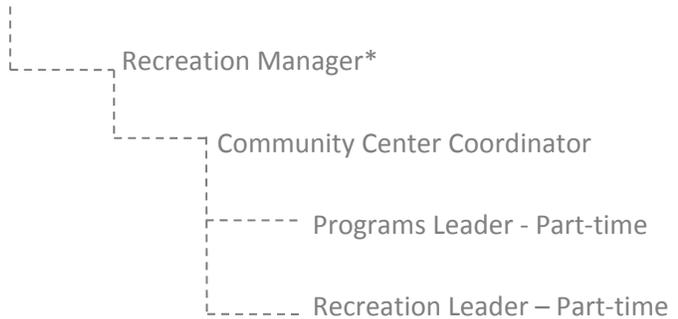
Goals and Objectives for FY2015

- *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 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 111,072	\$ 120,126	\$ 118,345
Contractual Services	39,962	1,244	1,226
Supplies	5,725	31,000	5,950
Maintenance	-	250	250
Total Department Budget	\$ 156,759	\$ 152,620	\$ 125,771

Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
Community Center Coordinator	1	1	1
Recreation Leader - Part-time	1	1	1
Programs Leader - Part-time	1	1	1
Total	3	3	3

Director of Community Services



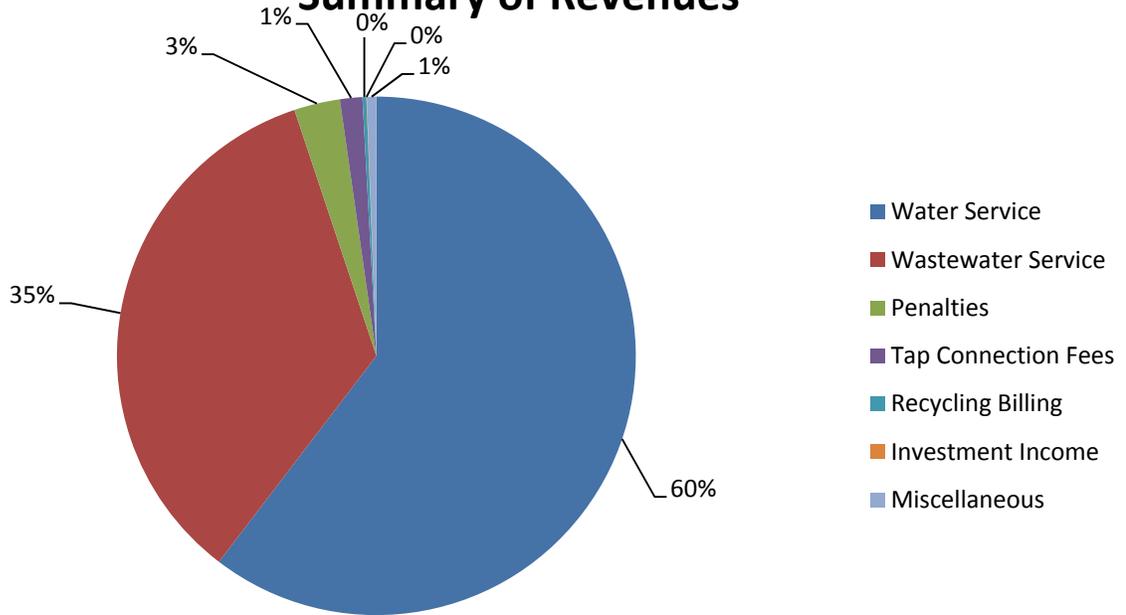
*This position is accounted for in another department.

Utility Fund

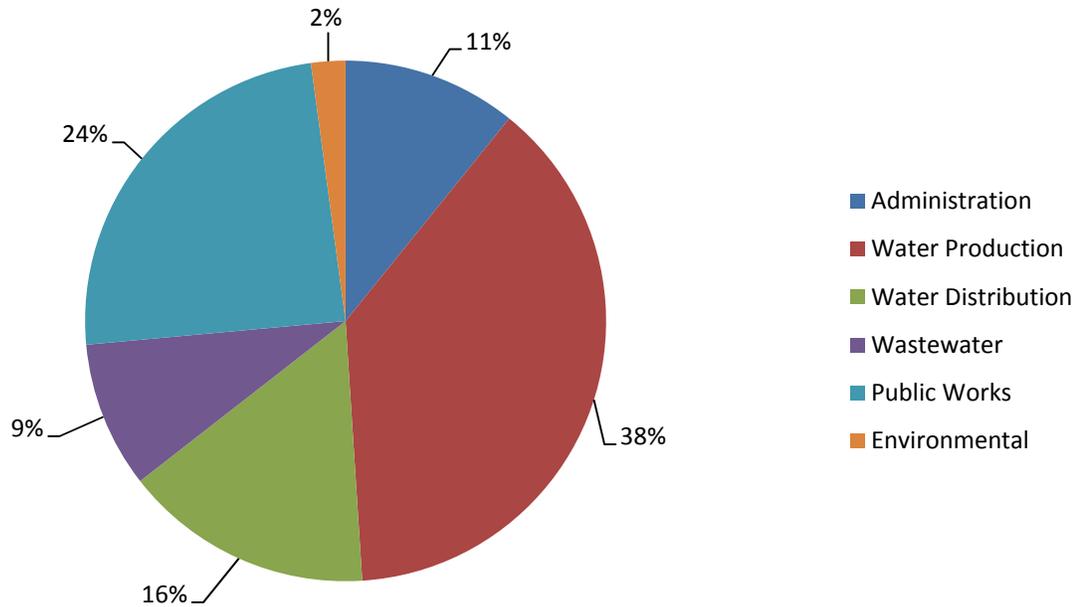
The Utility Fund accounts for all costs in providing water and wastewater services to residential and commercial utility customers. All activities necessary to provide such services are accounted for in this fund including, Administration, Operations, Maintenance, Financing, Customer Billing, Account 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.

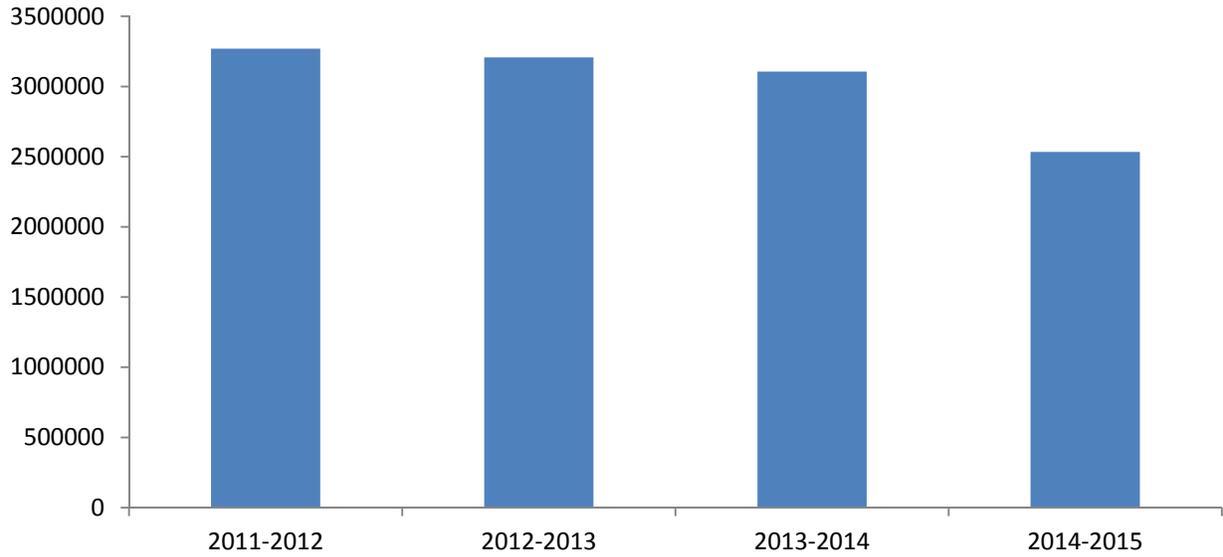
Summary of Revenues



Summary of Expenditures



Fund Balance



Fiscal Year	Working Days in Fund Balance	Value of Each Day
2011-2012	80	\$40,865
2012-2013	82	\$39,101
2013-2014	83	\$37,424
2014-2015	60	\$42,236

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 2014-2015

	2011-2012 Actual	2012-2013 Actual	2013-2014 Budget	2014-2015 Budget
CHARGES FOR SERVICES				
Water Service	8,101,058	8,395,877	8,397,646	8,647,753
Wastewater Service	4,544,938	4,699,344	4,585,400	4,940,323
Reconnect Fees	22,880	21,780	25,000	20,000
Penalties	413,526	410,748	410,000	410,000
Storm Water Utility Fees	491,857	-	-	-
Tap Connection Fees	82,625	177,685	100,000	200,000
Investment Income	6,412	5,484	7,000	4,000
Miscellaneous	18,650	30,329	25,000	28,200
Recycling Billing	9,579	38,765	27,700	35,000
Recycling Education Contribution	36,000	36,000	36,000	36,000
TOTAL REVENUES	13,727,525	13,816,012	13,613,746	14,321,276
TRANSFERS IN				
Transfer - Storm Water Utility Fund	-	290,000	350,000	350,000
Transfer - Capital Projects - Tribute	-	162,259	-	-
Transfer - Capital Projects - 820 Fund Streets	-	-	-	200,000
TOTAL TRANSFERS IN	-	452,259	350,000	550,000
TOTAL REVENUES & TRANSFERS	13,727,525	14,268,271	13,963,746	14,871,276
EXPENDITURES				
Overhead Expenses	2,593,752	2,593,752	2,593,752	2,593,752
Non-Departmental	429,578	336,958	88,835	103,636
Water Production	2,581,198	2,451,029	2,702,399	2,770,034
Water Distribution	1,016,804	1,100,757	1,065,291	1,123,347
Wastewater	645,579	568,581	665,856	659,386
Utility Administration	491,989	608,433	687,614	680,785
Public Works	1,241,065	1,317,398	1,347,254	1,579,325
Storm Water - Engineering	38,996	17,640	37,534	38,400
Storm Water - Public Works	116,600	117,312	139,677	147,363
Environmental	144,519	140,205	145,705	154,919
TOTAL EXPENDITURES	9,300,080	9,252,065	9,473,917	9,850,947
TRANSFERS OUT				
Transfer - General Fund	2,320,000	1,361,231	1,914,906	2,322,406
Transfer - D. S. Utility Tax	2,050,000	2,260,000	2,275,000	2,275,000
Transfer - D. S. Revenue bonds	1,175,000	1,295,630	-	995,000
Transfer - Special Projects	-	-	-	-
Transfer - General Fund - Tribute	-	162,259	-	-
Transfer - Capital Projects	-	-	400,000	-
TOTAL TRANSFERS OUT	5,545,000	5,079,120	4,589,906	5,592,406
TOTAL EXPENDITURES & TRANSFERS	14,845,080	14,331,185	14,063,823	15,443,353
BEGINNING FUND BALANCE	4,386,785	3,269,230	3,206,316	3,106,239
EXCESS (DEFICIENCY)	(1,117,555)	(62,914)	(100,077)	(572,077)
ENDING FUND BALANCE	3,269,230	3,206,316	3,106,239	2,534,162
Working Days in Fund Balance	80	82	83	60

Non-Departmental

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 268,818	\$ 11,000	\$ 15,000
Contractual Services	64,543	74,000	75,000
Supplies	987	1,235	1,000
Maintenance	2,610	2,600	2,600
Capital Project	-	400,000	-
Total Department Budget	\$ 336,958	\$ 488,835	\$ 93,600



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.

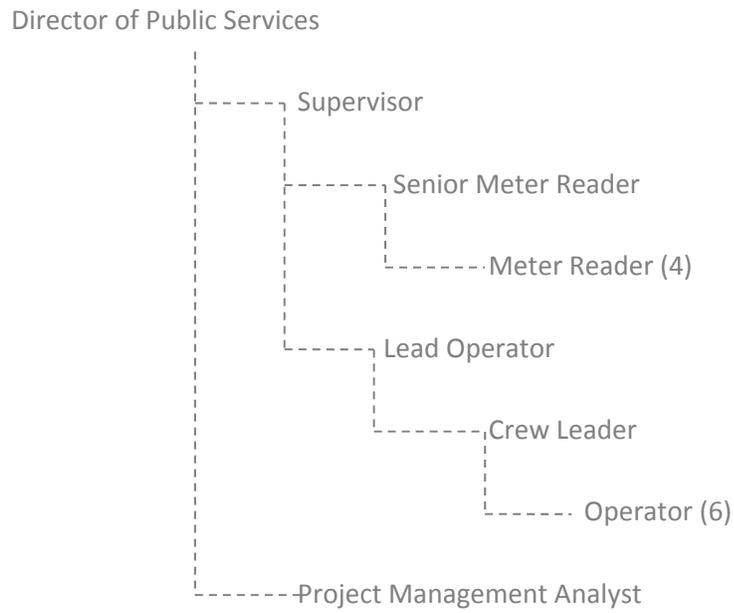
Program Narrative

Goals and Objectives for FY2015

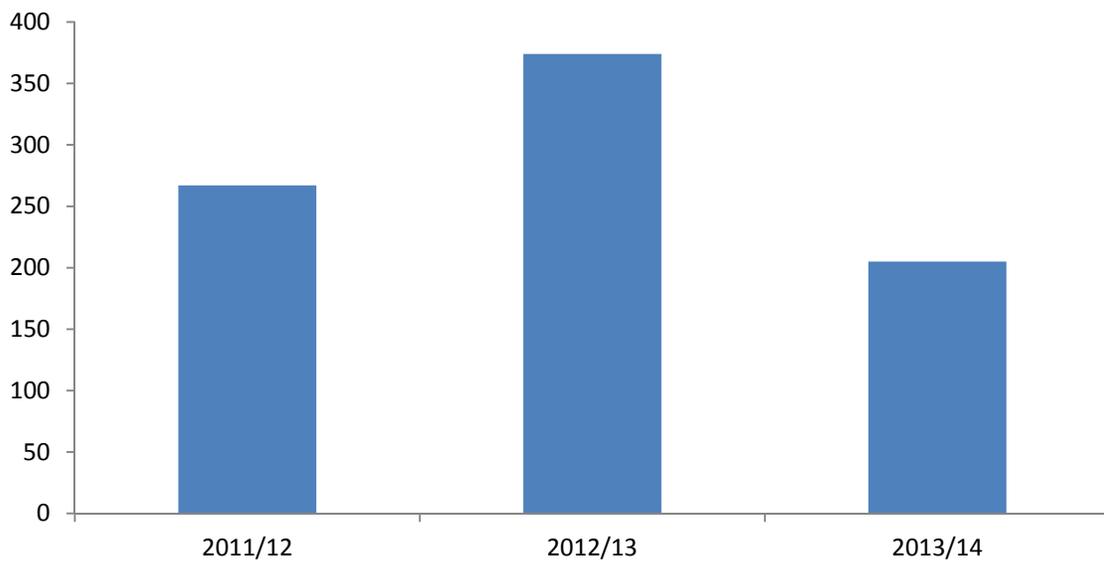
- *Reduce major water leaks and improve communications with customers.*
- Make repairs on water and sewer lines as soon as possible without interrupting service where feasible.
- Continue a water line replacement program.
- Continue replacing malfunctioning water meters for better customer service.

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 879,191	\$ 968,650	\$ 1,014,241
Contractual Services	7,823	8,686	11,186
Supplies	14,947	79,980	224,470
Maintenance	42,192	7,975	8,450
Total Department Budget	\$ 944,153	\$ 1,065,291	\$ 1,258,347

Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
Director of Public Services	1	1	1
Supervisor	1	1	1
Crew Leader	0	1	1
Lead Operator	1	1	1
Operator	7	6	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.

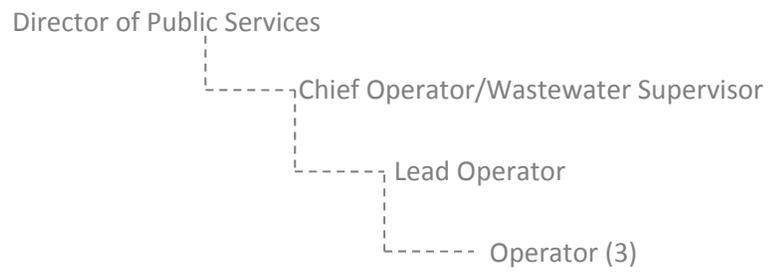
Program Narrative

Goals for FY2015

- *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 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 196,429	\$ 278,281	\$ 284,261
Contractual Services	229,404	230,700	231,500
Supplies	65,346	86,775	78,525
Maintenance	73,066	70,100	65,100
Non-Capital	4,336	-	-
Total Department Budget	\$ 568,581	\$ 665,856	\$ 659,386

Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
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 in all areas of The Colony 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 according to codes and ordinances of The City of The Colony.

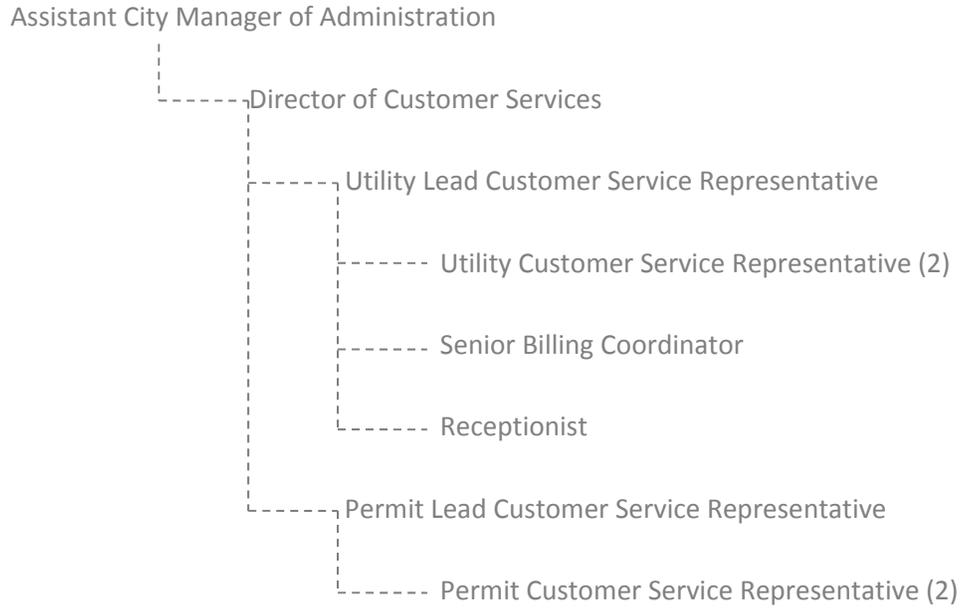
Program Narrative

Goals and Objectives for FY2015

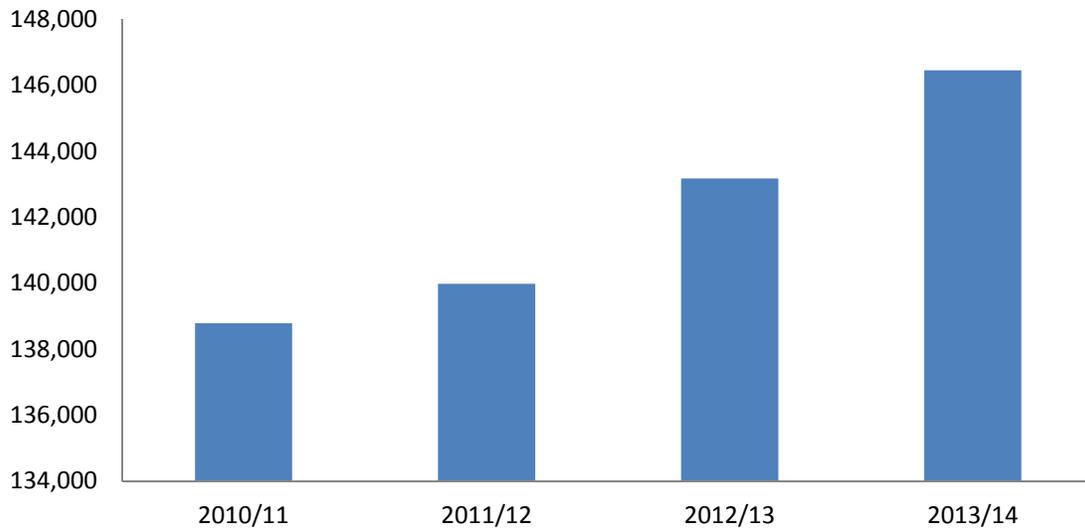
- *Increase customer satisfaction and maximize use of customer information. Explore/implement payment options.*
- Utilize the monthly letter billing to provide information to customers.
- Continue employee cross training in order to provide a one stop customer service experience.
- Continue to maintain,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

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 429,094	\$ 474,264	\$ 479,230
Contractual Services	91,658	116,455	98,650
Supplies	72,046	71,405	76,405
Maintenance	15,636	25,490	26,500
Total Department Budget	\$ 608,434	\$ 687,614	\$ 680,785

Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
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.

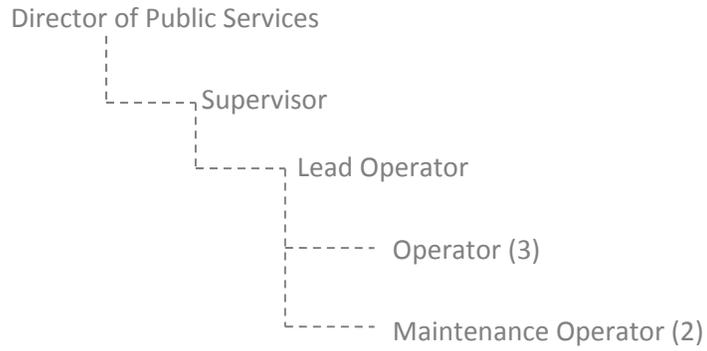
Program Narrative

Goals and Objectives for FY2015

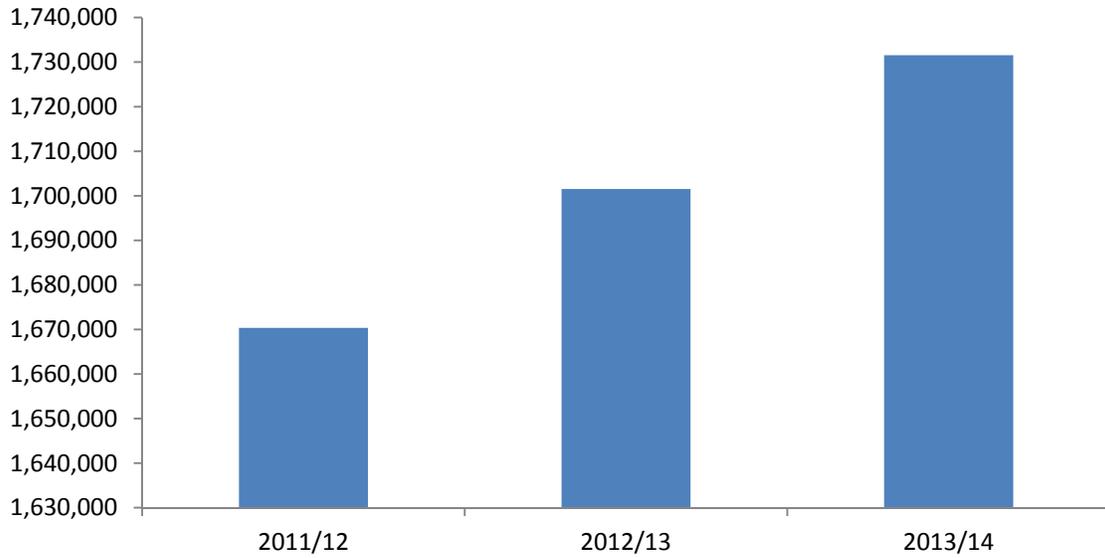
- *Increase the life expectancy and operating efficiency of the City's water assets.*
- Continue upgrading the SCADA System that operates all the City's well sites and the Office Creek Pump Station. Utilization of newer technology will result in better planning and better maintenance programs.
- Continue 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 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 404,036	\$ 445,539	\$ 455,974
Contractual Services	78,362	107,200	116,400
Supplies	1,835,677	1,983,860	2,031,860
Maintenance	132,955	165,800	165,800
Total Department Budget	\$ 2,451,030	\$ 2,702,399	\$ 2,770,034

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

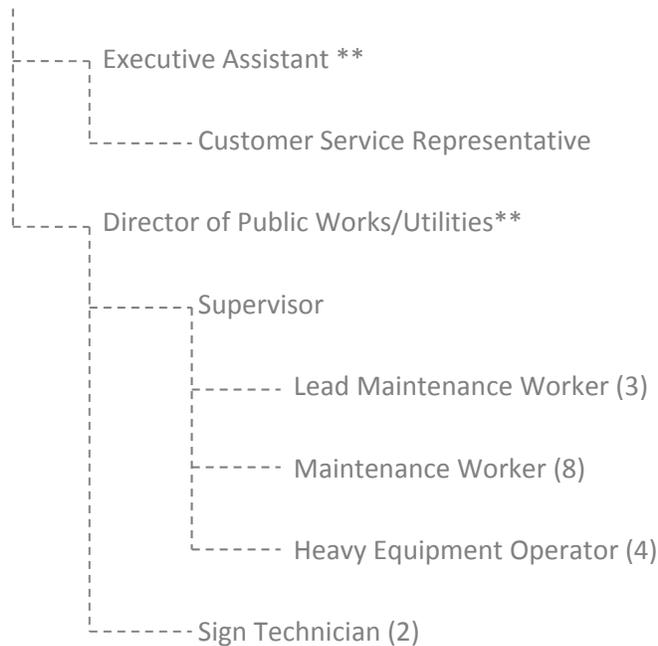
Goals and Objectives for FY2015

- *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 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 774,127	\$ 884,704	\$ 921,465
Contractual Services	21,996	42,850	40,850
Supplies	58,290	57,500	61,160
Maintenance	453,916	562,200	555,850
Capital	9,070	-	-
Total Department Budget	\$ 1,317,399	\$ 1,547,254	\$ 1,579,325

Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
Supervisor	1	1	1
Lead Maintenance Worker	4	3	3
Maintenance Worker	8	8	8
Sign Technician	2	2	2
Heavy Equipment Operator	2	4	4
Customer Service Representative	1	1	1
Total	18	19	19

Assistant City Manager of Operations



** 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 FY2015

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.

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 87,597	\$ 92,277	\$ 100,963
Contractual Services	36,676	56,600	71,800
Supplies	986	-	-
Maintenance	8,583	18,000	13,000
Capital	1,110	-	-
Total Department Budget	\$ 134,952	\$ 166,877	\$ 185,763



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 FY2015

- *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 programs.*
- *Pursue public educational, recycling, and environmental programs.*
- *Prepare and submit grant applications to recycling and environmental related grant resources.*

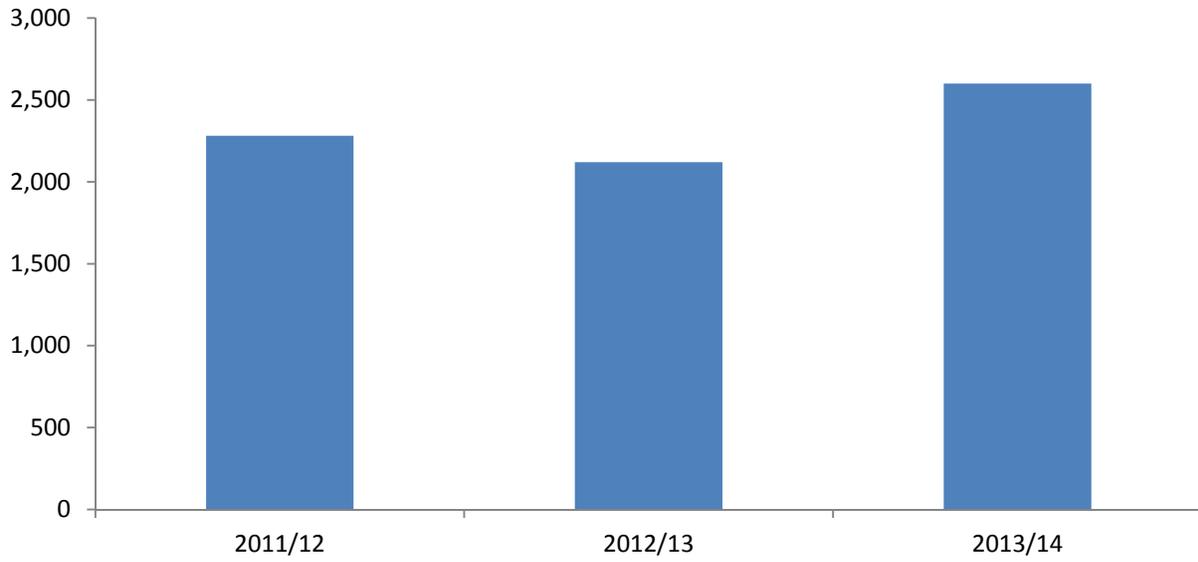
Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 91,427	\$ 90,855	\$ 91,869
Contractual Services	33,237	35,700	45,700
Supplies	15,295	19,150	17,350
Maintenance	246	-	-
Total Department Budget	\$ 140,205	\$ 145,705	\$ 154,919

Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
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 2014-2015

	2011-2012 Actual	2012-2013 Actual	2013-2014 Budget	2014-2015 Budget
CITY SALES TAXES				
Sales Tax Revenues	1,788,164	1,991,109	1,822,093	2,300,000
Investment Income	5,534	5,694	6,000	4,000
Miscellaneous Revenue	3,957,220	-	-	-
TOTAL REVENUES	5,750,918	1,996,803	1,828,093	2,304,000
EXPENDITURES-OPERATIONAL				
Personnel Services	156,851	357,856	286,775	298,392
Contractual Services	23,467	158,395	60,000	60,160
Supplies	4,539	14,398	11,390	12,140
Maintenance	-	-	500	-
Capital Outlay	37,208	-	-	-
Overhead Costs	71,380	71,376	71,380	71,380
TOTAL EXPENDITURES	293,445	602,025	430,045	442,072
EXPENDITURES-ECONOMIC INCENTIVES				
Marketing	116,404	-	182,209	322,129
Contingencies	-	-	-	-
Economic Development Incentives	151,358	165,000	500,000	3,000,000
Sales Tax Rebate	214,307	246,934	273,750	275,000
Transfer Out - General Fund BPP	27,000	28,000	28,000	22,715
Transfer Out - General Fund Cap Contribution	-	-	-	2,000,000
Transfer Out - Debt Service 2013	-	-	152,000	154,106
Transfer Out - Gen Debt. Serv. Fund	292,450	292,547	293,161	293,549
Transfer Out - Tax Supported Debt	305,577	306,999	305,559	306,999
TOTAL EXPENDITURES	1,107,096	1,039,480	1,734,679	6,374,498
TOTAL EXPENDITURES	1,400,541	1,641,505	2,164,724	6,816,570
EXCESS (DEFICIENCY)	4,350,377	355,298	(336,631)	(4,512,570)
BEGINNING FUND BALANCE	1,665,537	6,015,914	6,371,212	6,034,581
ENDING FUND BALANCE	6,015,914	6,371,212	6,034,581	1,522,011

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

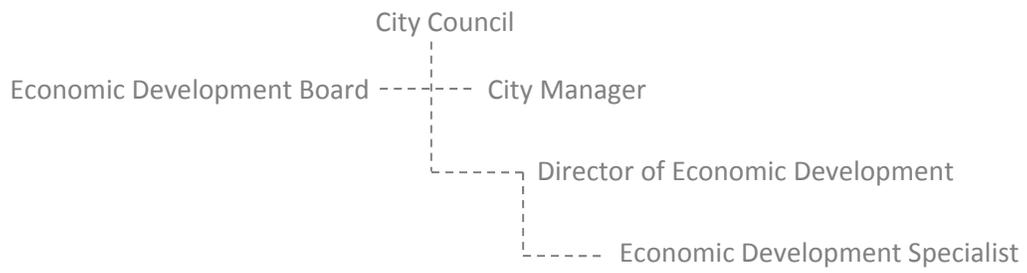
Goals and Objectives for FY2015

- *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 and real estate professionals 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.

	Actual 2012-13	Budget 2013-14	Budget 2014-15
Expenditures			
Personnel Services	\$ 357,856	\$ 286,775	\$ 298,392
Contractual Services	95	242,209	382,289
Supplies	14,398	11,390	11,640
Maintenance	-	500	500
Capital	-	-	-
Incentives	411,934	773,750	3,275,000
Total Department Budget	\$ 784,283	\$ 1,314,624	\$ 3,967,821

	Budget 2012-13	Budget 2013-14	Budget 2014-15
Personnel Detail			
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 2014-2015

	2011-2012 Actual	2012-2013 Actual	2013-2014 Budget	2014-2015 Budget
CITY SALES TAXES				
Sales Tax Revenues	1,788,165	1,991,109	1,822,092	2,300,000
Investment Income	2,099	2,298	2,000	2,000
Miscellaneous	5,089	-	-	-
TOTAL REVENUES	1,795,353	1,993,407	1,824,092	2,302,000
TRANSFERS IN				
Transfer from General Fund	-	-	-	-
Transfer from Capital Projects Fund	-	-	-	-
TOTAL TRANSFERS IN	-	-	-	-
TOTAL REVENUES & TRANSFERS	1,795,353	1,993,407	1,824,092	2,302,000
EXPENDITURES-OPERATIONAL				
Personnel Services	97,666	49,713	91,856	91,714
Contractual Services	38,409	21,381	29,500	29,500
Supplies	3,026	3,613	4,000	4,000
Maintenance	13,008	15,483	25,100	25,100
Capital Outlay	-	-	-	-
Overhead Costs	35,690	35,688	35,690	35,690
TOTAL EXPENDITURES	187,799	125,878	186,146	186,004
EXPENDITURES-SPECIAL PROJECTS				
Existing Park Improvements	382,500	475,000	625,000	1,215,000
Sports Complex-Debt Service	761,143	523,500	526,100	524,700
TOTAL EXPENDITURES	1,143,643	998,500	1,151,100	1,739,700
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	165,000	165,000
Transfer to Gen. Debt Serv.-Hike & Bike Trail	130,563	128,938	127,150	127,150
Transfer to Gen. Debt Serv.-Parking Lot	62,989	63,096	64,205	64,339
Transfer to Parks Fund - Personnel	122,845	122,845	122,845	122,845
TOTAL TRANSFERS OUT	466,397	464,879	479,200	479,334
TOTAL EXPENDITURES & TRANSFERS	1,797,839	1,589,257	1,816,446	2,405,038
EXCESS (DEFICIENCY)	(2,486)	404,150	7,646	(103,038)
BEGINNING FUND BALANCE	1,424,600	1,422,115	1,826,265	1,833,911
ENDING FUND BALANCE	1,422,115	1,826,265	1,833,911	1,730,873

Program Description

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

Program Narrative

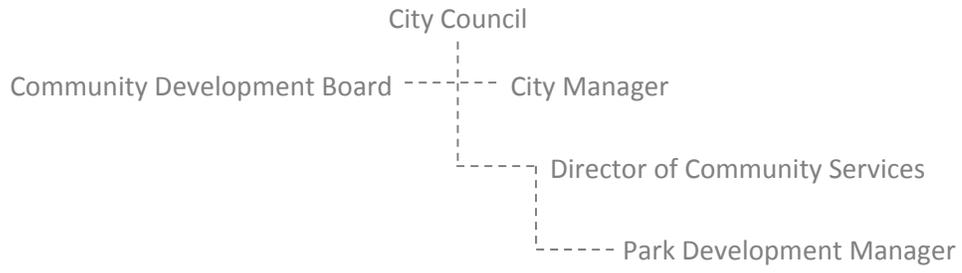
Goals for FY2015

- *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 healthy debt service and operational reserve.

	Actual 2012-13	Budget 2013-14	Budget 2014-15
Expenditures			
Personnel Services	\$ 49,713	\$ 91,856	\$ 92,592
Contractual Services	21,381	29,500	29,500
Supplies	3,613	4,000	4,000
Maintenance	12,279	25,100	25,100
Total Department Budget	\$ 86,986	\$ 150,456	\$ 151,192

	Budget 2012-13	Budget 2013-14	Budget 2014-15
Personnel Detail			
Park Development Manager	1	1	1
Total	1	1	1



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 2014-2015

	2011-2012 Actual	2012-2013 Actual	2013-2014 Budget	2014-2015 Budget
HOTEL/MOTEL TAXES				
Taxes	370,798	425,177	350,000	425,000
Miscellaneous	427	843	-	-
Investment Income	15	-	-	-
TOTAL REVENUES	371,240	426,020	350,000	425,000
TRANSFERS IN				
Transfer from - Park Improvement Fund	-	-	-	-
Transfer from - General Fund	-	140,000	165,000	120,000
Transfer from - Community Development Corp.	-	-	-	-
TOTAL TRANSFERS IN	-	140,000	-	-
TOTAL REVENUES & TRANSFERS	371,240	566,020	515,000	545,000
EXPENDITURES				
Communications				
Personnel Services	66,728	142,636	73,706	75,961
Contractual Services	60,956	4,566	840	4,340
Supplies	5,063	1,164	650	1,800
CVB				
Personnel Services	-	78,713	201,219	207,545
Contractual Services	-	39,581	36,195	36,345
Supplies	-	3,381	5,490	4,500
Overhead	35,688	35,688	35,691	-
TOTAL EXPENDITURES	168,435	305,729	353,791	330,491
TRANSFERS OUT				
Transfer to General Fund	-	-	-	-
Transfer to Park Improvement	-	-	-	-
Transfer to Community Center - Operational	-	-	-	-
Transfer to Special Event	180,000	320,000	250,000	250,000
TOTAL TRANSFERS OUT	180,000	320,000	250,000	250,000
TOTAL EXPENDITURES & TRANSFERS	348,435	625,729	603,791	580,491
EXCESS (DEFICIENCY)	22,805	(59,708)	(88,791)	(35,491)
BEGINNING FUND BALANCE	123,018	145,823	86,115	(2,676)
ENDING FUND BALANCE	145,823	86,115	(2,676)	(38,167)

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.

Program Narrative

Goals and Objectives for FY2015

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

- 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.

	Actual 2012-13	Budget 2013-14	Budget 2014-15
Expenditures			
Personnel Services	\$ 78,713	\$ 201,219	\$ 207,545
Contractual Services	39,582	36,195	36,345
Supplies	3,381	5,490	4,500
Total Department Budget	\$ 121,676	\$ 242,904	\$ 248,390

	Budget 2012-13	Budget 2013-14	Budget 2014-15
Personnel Detail			
Convention and Visitors Bureau Tourism Specialist	1	1	1
Total	1	1	1

Director of Communications and Tourism

----- Convention and Visitors Bureau Tourism 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 2014-2015

	2011-2012 Actual	2012-2013 Actual	2013-2014 Budget	2014-2015 Budget
CHARGES FOR SERVICES				
Fees & Permits	140,041	126,217	130,000	125,000
Developer Contributions	62,000	62,450	62,000	62,000
Concession Revenues	1,612	1,444	1,000	1,500
Marine Quest	51,700	86,140	50,000	85,000
Investment Income	40	-	-	-
Mitigation Fees	-	-	-	-
Miscellaneous	325	-	-	-
TOTAL REVENUES	<u>255,718</u>	<u>276,251</u>	<u>243,000</u>	<u>273,500</u>
TOTAL REVENUES & TRANSFERS	255,718	276,251	243,000	273,500
EXPENDITURES				
Salaries	102	-	-	-
Contractual Services	63,983	67,394	72,660	72,220
Supplies	6,946	6,319	9,350	8,168
Maintenance	12,357	16,761	25,000	18,100
Capital Outlay	7,475	-	-	250,000
TOTAL EXPENDITURES	<u>90,863</u>	<u>90,474</u>	<u>107,010</u>	<u>348,488</u>
TRANSFERS OUT				
Transfer to Parks Fund	35,000	35,000	35,000	35,000
TOTAL TRANSFERS OUT	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
TOTAL EXPENDITURES & TRANSFERS	125,863	125,474	142,010	383,488
EXCESS (DEFICIENCY)	129,855	150,777	100,990	(109,988)
BEGINNING FUND BALANCE	96,753	226,608	377,385	478,375
ENDING FUND BALANCE	226,608	377,385	478,375	368,387

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.

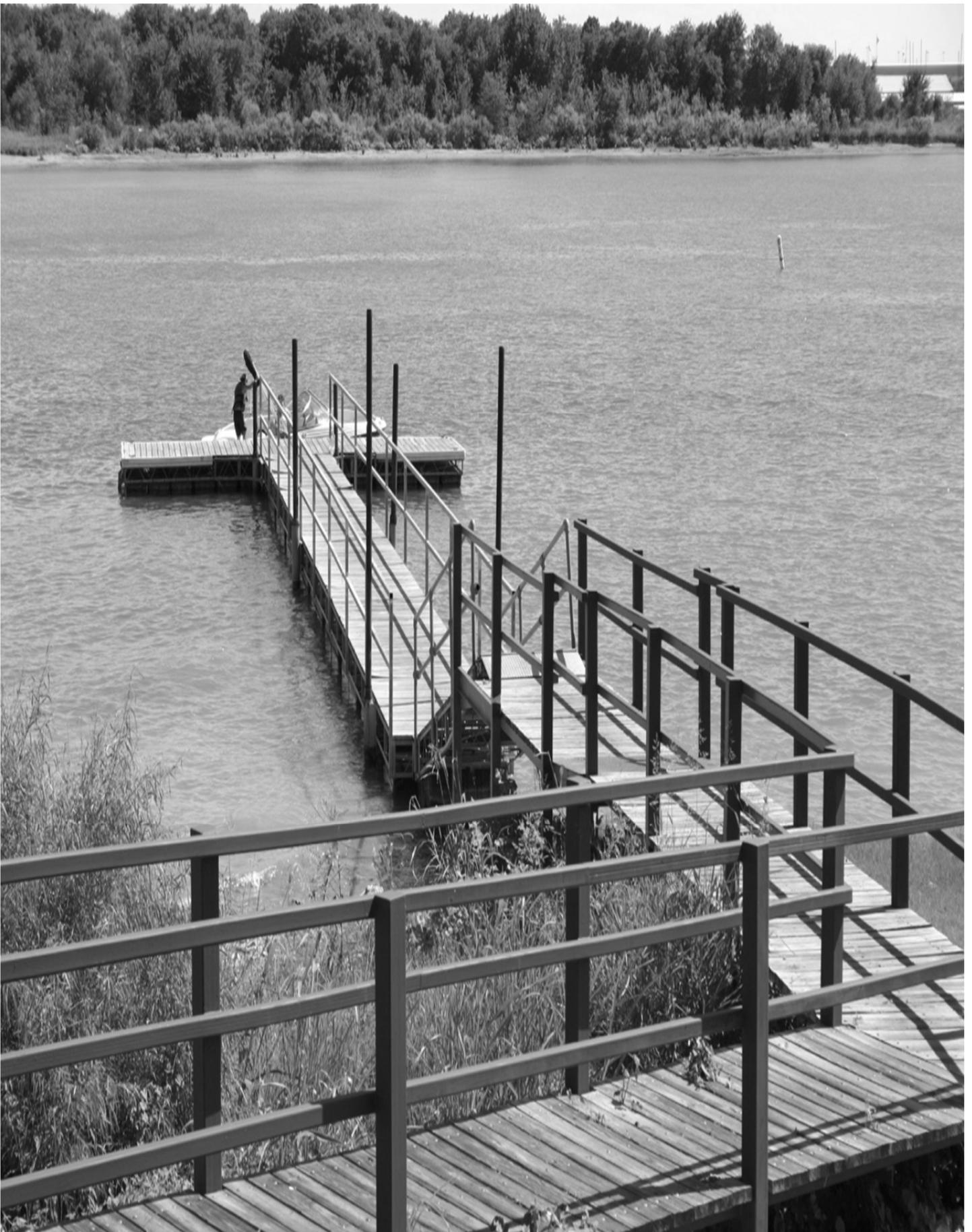
- Upgrade and maintain existing facilities.
- *Increase park visitation and revenues.*
- Collaborate with the CVB to enhance marketing and awareness of the park.
- Provide a variety of entertainment, activities and special events.

Program Narrative

Goals and Objectives for FY2015

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

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Contractual Services	67,934	72,660	72,220
Supplies	6,319	9,350	8,168
Maintenance	16,761	25,000	18,100
Capital	-	-	250,000
Total Department Budget	\$ 91,014	\$ 107,010	\$ 348,488



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 2014-2015

	2011-2012 Actual	2012-2013 Actual	2013-2014 Budget	2014-2015 Budget
REVENUES				
Donations & Sponsorships	10,457	9,893	8,000	10,000
Investment Income	-	-	-	-
Event Revenues	46,023	50,984	40,000	40,000
TOTAL REVENUES	56,480	60,877	48,000	50,000
TRANSFERS IN				
Transfer from - General Fund	139,138		100,000	100,000
Transfer from - Hotel/Motel Tax	180,000	320,000	250,000	250,000
TOTAL TRANSFERS IN	319,138	320,000	350,000	350,000
TOTAL REVENUES & TRANSFERS	375,618	380,877	398,000	400,000
EXPENDITURES				
Personnel	63,829	65,410	64,747	68,822
City Program	2,994		3,476	-
Christmas	4,993	5,000	5,000	5,000
Christmas Light Show Supplemental	24,979	14,527	13,500	17,500
Christmas Light Show Base	6,500	6,500	6,500	6,500
Liberty by The Lake	62,631	84,838	85,000	90,000
American Heroes	61,188	115,506	115,000	120,000
Pirate Days/Mail Box	50,000	-	-	-
Parent Child Event	3,747	4,149	4,250	4,250
Halloween Campout	3,260	3,419	3,400	3,900
Easter Egg Hunt	3,033	3,230	3,300	3,300
Event Marketing	2,917	2,908	3,020	3,020
Arbor Day	2,434	2,500	2,500	2,500
Movies In The Park	2,410	2,444	2,550	2,550
Kids Chase	557	700	700	700
Back To School	1,540	1,925	1,950	1,950
Bow Wow Pow Wow	1,987	2,041	1,800	1,800
Colony Playhouse	-	6,000	6,000	-
Road Runners Club	-	-	10,000	10,000
Cultural Arts Board Grant	10,074	10,634	-	-
CMAC	-	-	20,500	20,000
Knights of Columbus - Liberty Fun Run	-	-	-	5,000
THC - ROTC	-	2,000	-	2,000
Lakeside Community Theatre	10,000	10,000	15,000	12,000
Cultural Arts Board	19,275	-	-	-
Overhead	35,670	35,688	35,670	35,670
TOTAL EXPENDITURES	374,018	379,419	403,863	416,462
EXCESS (DEFICIENCY)	1,600	1,458	(5,863)	(16,462)
BEGINNING FUND BALANCE	41,048	42,648	44,106	38,243
ENDING FUND BALANCE	42,648	44,106	38,243	21,781

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 FY2015

- *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 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 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 65,393	\$ 66,247	\$ 68,572
Contractual Services	276,338	299,970	312,220
Total Department Budget	\$ 341,731	\$ 366,217	\$ 380,792
Personnel Detail	Budget 2012-13	Budget 2013-14	Budget 2014-15
Special Events Coordinator	1	1	1
Total	1	1	1

Recreation Manager



-----Special Events Coordinator

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 2014-2015

	2011-2012 Actual	2012-2013 Actual	2013-2014 Budget	2014-2015 Budget
REVENUES				
TXDOT	149,128	-	-	-
Investment Income	11	-	-	-
Miscellaneous	427	-	-	-
TOTAL REVENUES	149,566	-	-	-
TRANSFERS IN				
Transfer - Revenue Bond Projects	-	-	-	-
Transfer - Impact Fees Fund	-	500,000	200,000	200,000
Transfer - Capital Account (216/846)	490,000	-	-	-
Transfer - General Obligation Bonds	-	-	-	-
Transfer - Utility Fund Cert of Oblig	-	-	-	-
TOTAL TRANSFERS IN	490,000	500,000	200,000	200,000
TOTAL REVENUES & TRANSFERS	639,566	500,000	200,000	200,000
EXPENDITURES				
Personnel Services	101,150	100,454	108,050	108,420
Contractual Services	-	191	1,000	500
Supplies	2,495	140	3,000	500
Maintenance	-	-	-	-
Overhead Costs	159,276	159,576	159,265	159,265
TOTAL EXPENDITURES	262,921	260,361	271,315	268,685
TRANSFER OUT				
Transfer - General Fund	580,000	-	-	-
TOTAL TRANSFERS OUT	580,000	-	-	-
TOTAL EXPENDITURES & TRANSFERS	842,921	260,361	271,315	268,685
EXCESS (DEFICIENCY)	(203,355)	239,639	(71,315)	(68,685)
BEGINNING FUND BALANCE	171,078	(32,277)	207,362	136,047
ENDING FUND BALANCE	(32,277)	207,362	136,047	67,362

Program Description

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

- 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, Phase V residential street reconstruction, Memorial widening from Main to Navaho, Tribute elevated tank, Strickland asphalt overlay project.

Program Narrative

Goals and Objectives for FY2015

- *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.

Expenditures	Actual 2012-13	Budget 2013-14	Budget 2014-15
Personnel Services	\$ 100,454	\$ 108,050	\$ 109,420
Contractual Services	191	1,000	-
Supplies	140	3,000	-
Total Department Budget	\$ 100,785	\$ 112,050	\$ 109,420



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 \$0.196164, which is 29.169% of the 2015 tax rate (\$.6725). 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 2014-2015

	2011-2012 Actual	2012-2013 Actual	2013-2014 Budget	2014-2015 Budget
CHARGES FOR SERVICES				
Current Property Taxes	4,344,118	4,739,099	4,990,000	4,900,000
Delinquent Property Taxes	69,327	(30,193)	40,000	30,000
Ag. Roll Back Taxes	781	53,842	-	-
Penalty & Interest	56,922	30,047	25,000	20,000
Investment Income	3,369	2,936	1,500	-
Misc Income	-	122,047	-	-
TOTAL REVENUES	<u>4,474,517</u>	<u>4,917,778</u>	<u>5,056,500</u>	<u>4,950,000</u>
TRANSFERS IN				
Transfers In - General Fund	400,000	-	-	-
Transfers In - Engineering Inspections	17,131	-	-	-
Transfers In - 4A - 2013 Bond	-	-	155,000	154,106
Transfers In - 4A Jackson Shaw/Memorial Drive	292,450	292,547	292,547	293,549
Transfers In - Hike & Bike Trail	130,563	128,938	127,150	130,200
Transfers In - Parking Lot	62,989	63,096	64,205	64,339
Transfers In - Parks 4B Projects - 5 Starr Debt	761,343	523,500	526,100	524,700
TOTAL TRANSFERS IN	<u>1,664,476</u>	<u>1,008,081</u>	<u>1,165,002</u>	<u>1,166,894</u>
TOTAL REVENUES & TRANSFERS	6,138,993	5,925,859	6,221,502	6,116,894
EXPENDITURES				
Certificates of Obligation - 2000:	-	-	-	-
Certificates of Obligation - 2000A:	-	-	-	-
Certificates of Obligation - 2001: Refund 2010	337,343	-	-	-
Certificates of Obligation - 2002: Refund 2011	452,681	-	-	-
Certificates of Obligation - 2003: Refund 2012	258,603	208,000	-	-
Certificates of Obligation - 2004	381,956	382,606	389,326	-
Refunding Bonds - 2005	913,668	1,162,844	1,160,406	1,161,844
Certificates of Obligation - 2006	244,285	244,501	219,549	145,530
Certificates of Obligation - 2007	691,231	516,232	518,981	520,981
Refunding Bonds - 1998	702,400	-	-	-
Certificates of Obligation - 2008	322,596	322,034	66,108	69,106
Certificates of Obligation - 2010	945,500	946,624	945,950	948,400
Certificates of Obligation - 2010A	207,900	210,400	212,800	208,750
Refunding Bonds - 2010/2001	423,800	523,500	526,100	524,700
Refunding Bonds - 2011/2002	217,822	680,732	654,052	682,290
Refunding Bonds - 2012/2003 & 2007	324,641	916,988	995,563	1,061,812
Certificates of Obligation - 2013	-	-	155,000	154,106
Refunding Bonds - 2013/2004 GF/Utility	-	-	650,600	371,120
Refunding Bonds - 2014/2006 GF/Utility	-	-	19,004	82,065
Fiscal Agent Fees & Other	1,130	97,853	3,000	4,000
TOTAL EXPENDITURES	<u>6,425,556</u>	<u>6,212,314</u>	<u>6,516,439</u>	<u>5,934,704</u>
EXCESS (DEFICIENCY)	(286,563)	(286,455)	(294,937)	182,191
BEGINNING FUND BALANCE	893,812	607,249	320,794	25,857
ENDING FUND BALANCE	607,249	320,794	25,857	208,047

UTILITY TAX SUPPORTED DEBT
Revenue & Expenditure Projections
Fiscal Year 2014-2015

	2011-2012 Actual	2012-2013 Actual	2013-2014 Budget	2014-2015 Budget
CHARGES FOR SERVICES				
Current Property Taxes	7,089	-	-	-
Delinquent Property Taxes	-	-	-	-
Fees	-	-	-	-
Penalty & Interest	-	-	-	-
Investment Income	793	-	1,000	-
TOTAL REVENUES	<u>7,882</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
TRANSFERS IN				
Transfers In - EDC 4A	305,577	306,999	306,711	306,999
Water Impact Fees	-	-	100,000	100,000
Revenue Bond Refunding	-	-	-	-
Transfers In - Utility Fund	2,050,000	2,260,000	2,275,000	2,275,000
TOTAL TRANSFERS IN	<u>2,355,577</u>	<u>2,566,999</u>	<u>2,681,711</u>	<u>2,681,999</u>
TOTAL REVENUES & TRANSFERS	2,363,459	2,566,999	2,682,711	2,681,999
EXPENDITURES				
Certificates of Obligation - 2002				
Principal Payments	140,000	-	-	-
Interest Payments	5,776	-	-	-
Total Bond Payments	<u>145,776</u>	<u>-</u>	<u>-</u>	<u>-</u>
Certificates of Obligation - 2006				
Principal Payments	745,281	783,829	813,812	851,400
Interest Payments	714,486	677,222	365,012	42,570
Total Bond Payments	<u>1,459,767</u>	<u>1,461,051</u>	<u>1,178,824</u>	<u>893,970</u>
Certificates of Obligation - 2007				
Principal Payments	270,000	285,000	300,000	315,000
Interest Payments	326,738	313,237	298,988	283,987
Total Bond Payments	<u>596,738</u>	<u>598,237</u>	<u>598,988</u>	<u>598,987</u>
Certificates of Obligation - 2010				
Principal Payments	140,000	140,000	145,000	150,000
Interest Payments	142,900	139,400	135,550	131,200
Total Bond Payments	<u>282,900</u>	<u>279,400</u>	<u>280,550</u>	<u>281,200</u>
Certificates of Obligation - 2010A				
Principal Payments	20,000	20,000	20,000	20,000
Interest Payments	17,400	17,000	16,600	16,000
Total Bond Payments	<u>37,400</u>	<u>37,000</u>	<u>36,600</u>	<u>36,000</u>
General Obligation Refunding Bonds - 2011				
Principal Payments	4,800	156,000	187,800	164,400
Interest Payments	63,986	58,968	55,848	51,060
Total Bond Payments	<u>68,786</u>	<u>214,968</u>	<u>243,648</u>	<u>215,460</u>
General Obligation Refunding Bonds - 2014				
Principal Payments	-	-	-	47,300
Interest Payments	-	-	115,383	456,811
Total Bond Payments	<u>-</u>	<u>-</u>	<u>115,383</u>	<u>504,111</u>
TOTAL EXPENDITURES	2,591,367	2,591,367	2,453,993	2,529,728
EXCESS (DEFICIENCY)	(227,908)	(24,368)	228,718	152,272
BEGINNING FUND BALANCE	120,281	(107,627)	(131,995)	96,723
ENDING FUND BALANCE	(107,627)	(131,995)	96,723	248,995

REVENUE BOND DEBT SERVICE
Revenue & Expenditure Projections
Fiscal Year 2014-2015

	2011-2012 Actual	2012-2013 Actual	2013-2014 Budget	2014-2015 Budget
CHARGES FOR SERVICES				
Fees	397,403	401,861	400,000	400,000
Investment Income	8,720	2,268	2,000	2,000
TOTAL REVENUES	<u>406,123</u>	<u>404,129</u>	<u>402,000</u>	<u>402,000</u>
TRANSFERS IN				
Transfers In - Utility Fund	1,175,000	1,295,630	-	995,000
Transfers In - Impact Fees	355,000	-	-	-
TOTAL TRANSFERS IN	<u>1,530,000</u>	<u>1,295,630</u>	<u>-</u>	<u>995,000</u>
TOTAL REVENUES & TRANSFERS	1,936,123	1,699,759	402,000	1,397,000
EXPENDITURES				
Revenue Bonds - 2004				
Principal Payments	925,000	955,500	990,000	-
Interest Payments	710,350	675,662	37,125	-
Total Bond Payments	<u>1,635,350</u>	<u>1,631,162</u>	<u>1,027,125</u>	<u>-</u>
Revenue Refunding Bonds - 2008				
Principal Payments	40,248	-	-	-
Interest Payments	-	-	-	-
Total Bond Payments	<u>40,248</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenue Refunding Bonds - 2012 (03,07,08)				
Principal Payments	-	263,750	404,350	323,750
Interest Payments	-	41,913	36,638	30,188
Total Bond Payments	<u>-</u>	<u>305,663</u>	<u>440,988</u>	<u>353,938</u>
General Obligation Refunding Bonds - 2013 (04)				
Principal Payments	-	-	-	964,000
Interest Payments	-	-	-	520,480
Total Bond Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,484,480</u>
Cost of Issuance	(91,671)	-	-	-
Transfer to Utility Debt Service	-	-	-	-
Fiscal Agent Fees & Other	323	195,985	-	-
TOTAL EXPENDITURES	<u>1,675,921</u>	<u>2,132,810</u>	<u>1,468,113</u>	<u>1,838,418</u>
EXCESS (DEFICIENCY)	260,202	(433,051)	(1,066,113)	(441,418)
BEGINNING FUND BALANCE	1,968,600	2,228,802	1,795,751	729,638
ENDING FUND BALANCE	2,228,802	1,795,751	729,638	288,220

CITY OF THE COLONY
OUTSTANDING PRINCIPAL ON TAX DEBT
FISCAL YEAR 2014/2015

ISSUE	PRINCIPAL OUTSTANDING	INTEREST RATES	FINAL MATURITY
Series 2005 GO Ref Bonds	5,820,000	3.500% - 4.125%	2021
Series 2006 Certificates	15,485,000	4.000% - 5.000%	2026
Series 2007 Certificates	10,330,000	4.375% - 5.500%	2027
Series 2008 Certificates	250,000	3.642%	2018
Series 2010 Certificates	11,865,000	2.500% - 4.000%	2030
Series 2010A Certificates	2,315,000	2.000% - 4.000%	2030
Series 2010 GO Ref Bonds	3,565,000	2.000% - 4.000%	2022
Series 2011 GO Ref Bonds	6,240,000	2.000% - 4.000%	2022
Series 2012 GO Ref Bonds	5,480,000	2.000% - 3.000%	2023
Series 2013 Certificates	2,010,000	2.000% - 4.375%	2033
Series 2013 GO Ref Bonds	14,515,000	3.000% - 5.000%	2024
Series 2014 GO Ref Bonds	14,350,000	2.000% - 5.000%	2026
	<u>\$ 92,225,000</u>		

CITY OF THE COLONY
TAX SUPPORTED DEBT SERVICE
FISCAL YEAR 2014/2015

YEAR	PRINCIPAL	INTEREST	TOTAL
2013-14	1,763,800	1,525,972	3,289,772
2014-15	2,804,500	1,514,875	4,319,375
2015-16	2,855,750	1,409,288	4,265,038
2016-17	2,925,650	1,309,783	4,235,433
2017-18	2,865,600	1,196,797	4,062,397
2018-19	2,928,200	1,075,366	4,003,566
2019-20	3,081,900	938,510	4,020,410
2020-21	3,218,200	791,796	4,009,996
2021-22	3,343,950	670,751	4,014,701
2022-23	3,292,950	507,164	3,800,114
2023-24	3,344,350	373,328	3,717,678
2024-25	1,996,700	230,073	2,226,773
2025-26	2,069,050	154,922	2,223,972
2026-27	835,000	76,875	911,875
2027-28	280,000	35,000	315,000
2028-29	290,000	23,800	313,800
2029-30	305,000	12,200	317,200
TOTALS	38,200,600	11,846,500	50,047,100

Demographic and Economic Statistics

2013 Estimated Population: 40,028

2014 Assessed Value: \$2,523,144,744 for FY2015

Median Age: 32.97

Average Household Income: \$89,673

Number of Households (includes renter- occupied apartments): 22,301

Square Miles: 16.1

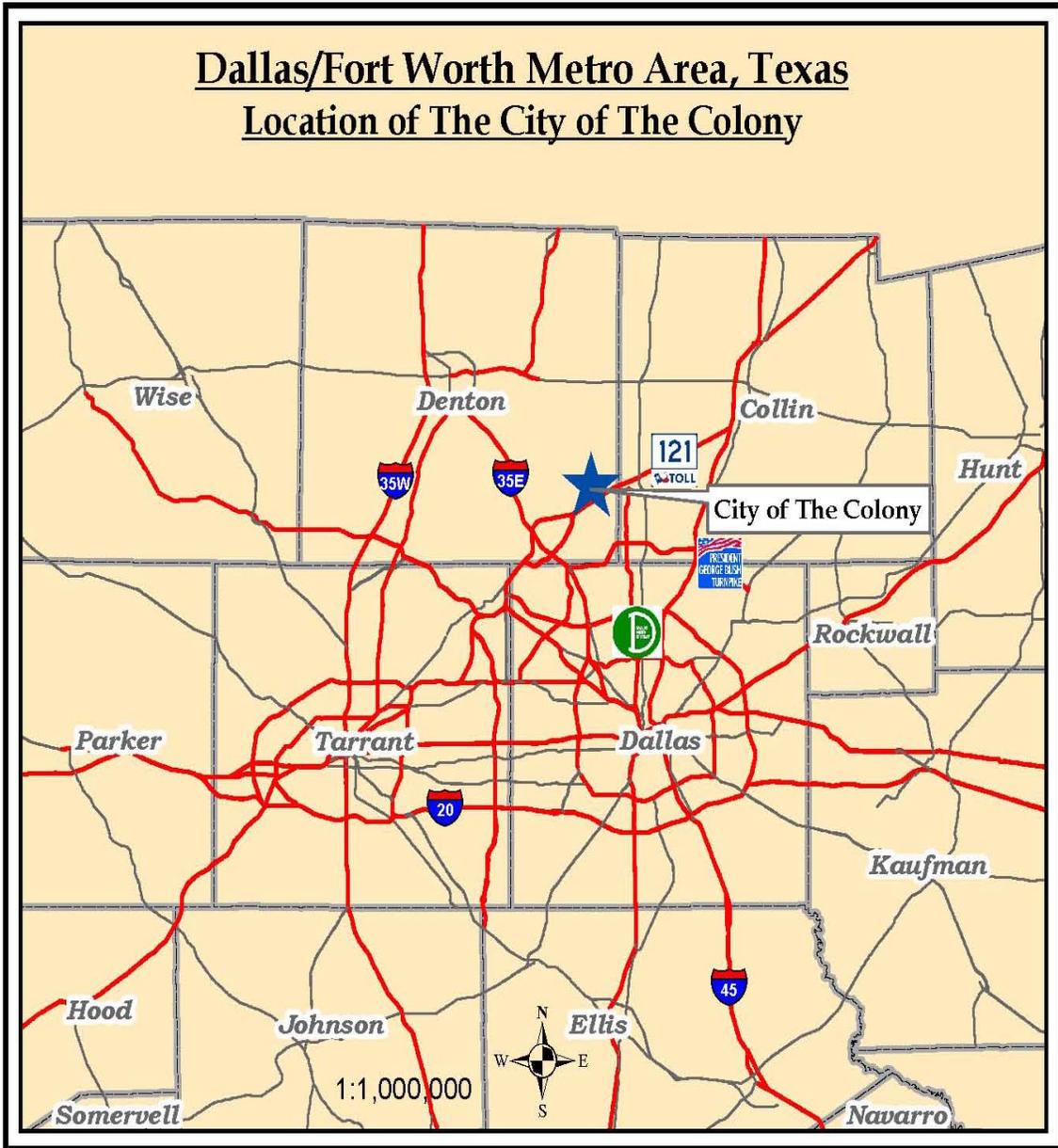
Total Employment in The Colony: 21,325

Unemployment Rate: 5.5%

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 16th, 2014, the City Council adopted the 2014/15 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:

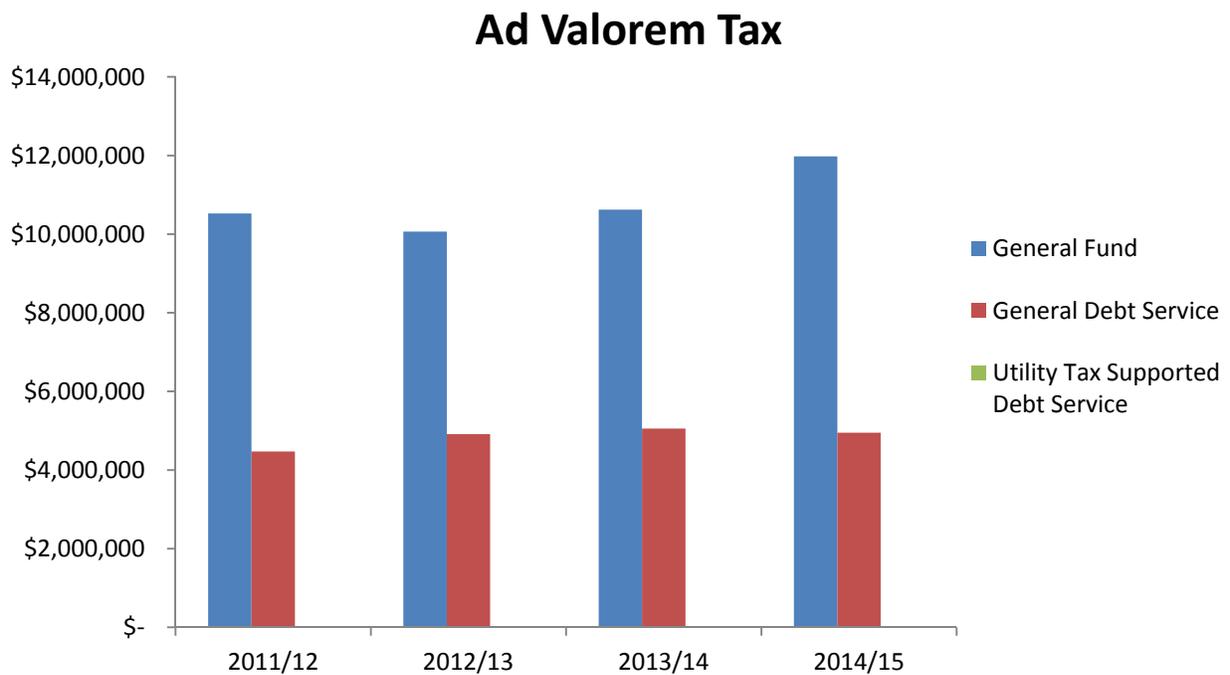
- (1) The treatment of depreciation expense is not shown in the budget. The full purchase price of equipment and capital improvements are shown as expenditures. Purchase of capital improvements are depreciated in the CAFR on the entity-wide financial statements.
- (2) Compensated absences (accrued but 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 \$.6725 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 \$1,320,000 based on reduction in tax rate from \$.6775 to \$.6725 and an increase of property values of \$216 million. New construction was \$50 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.

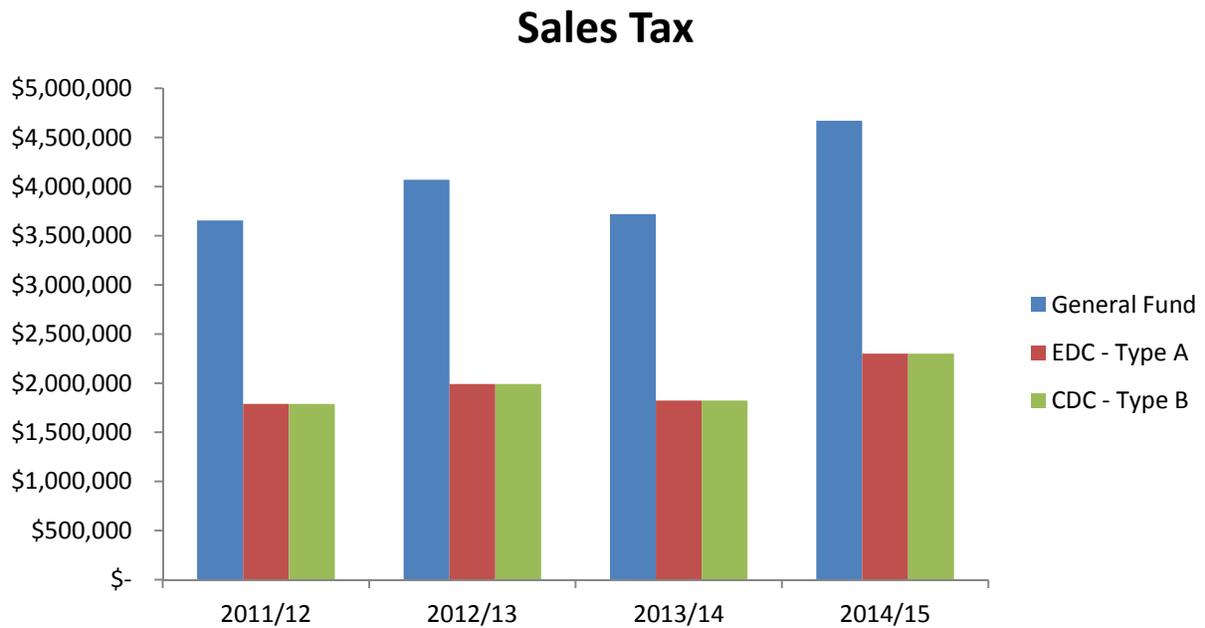
In August of 1995, the City entered into a new agreement with SBC on franchise taxes. The new contract allowed the City to be paid a set minimum of \$180,000 with growth factors thereafter. Beginning in fiscal year 2005-06, TXU Electric started paying the franchise fees on a quarterly basis thus inflating 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 2014 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

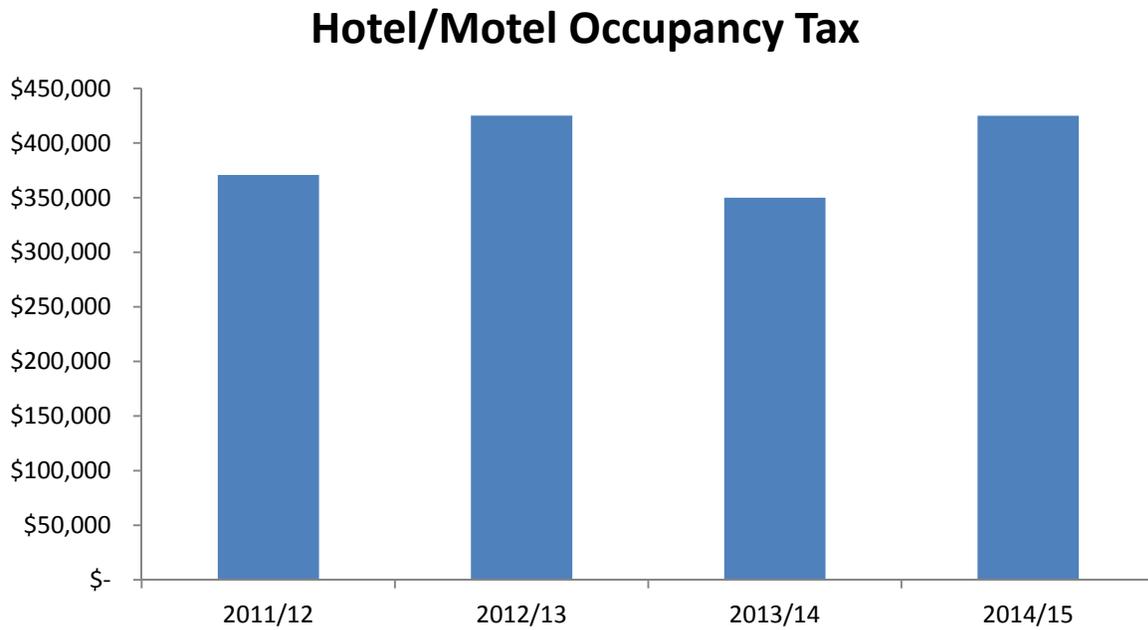


Ten Largest Water Customers

Customer	Type of Business	Consumption (000s of Gallons)	% of Total Usage
Stonebriar Country Club	Country Club	225,739	13.26%
Hawaiian Falls	Water Park	12,884	0.76%
City of The Colony	Municipality	7,398	0.43%
Mario Sinacola and Sons	Construction Company	7,396	0.43%
Austin Ranch	Apartment Complex	5,589	0.33%
Austin Ranch	Apartment Complex	5,217	0.31%
Lewisville ISD	School District	5,037	0.30%
Realty Income Texas Properties	Shopping Center	5,010	0.29%
RPMX Construction	Construction Company	4,965	0.29%
Lewisville ISD	School District	4,914	0.29%

Hotel/Motel Occupancy Tax:

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



Appendix D – Capital Projects Summary

4-Year Summary of Projects Expenditures

Description	FY 2011	FY 2012	FY 2013	FY 2014	Inception to Date
Streets/Drainage					
N. Colony improvements	5,448,434	1,140,513	35,967	36,000	6,660,914
Plano Parkway Widening	486,625	383,164	3,236,436	3,650,527	7,756,752
Phase V Streets Reconstruction	-	-	-	5,000	5,000
Memorial Dr. - Spring Creek	-	829,168	3,681,387	11,539,815	16,050,370
Memorial Dr. - Main St. to Navaho	-	45,702	273,701	85,462	404,865
Subtotal:	5,935,059	2,398,547	7,227,491	15,316,804	30,877,901
Land					
Park Land	-	-	-	152,667	152,667
Subtotal:	-	-	-	152,667	152,667
Parks					
Stewart Creek Park	452,840	29,765	19,149	26,204	527,958
Kids Colony Phase II	-	-	396,769	15,021	411,790
Park Loop Trail	-	-	-	119,802	119,802
Veteran's Memorial Park	-	-	-	24,674	24,674
Subtotal:	452,840	29,765	415,918	185,701	1,084,224
Enhancements					
Vehicles and Equipment	593,823	222,765	1,358,278	691,454	2,866,320
Subtotal:	593,823	222,765	1,358,278	691,454	2,866,320
General Funds Total:	6,981,722	2,651,077	9,001,687	16,346,627	34,981,113
Water and Sewer Projects					
FM 423 Utility Improvements	333,290	11,124	18,391	21,947	384,752
WWTP Expansion	-	-	211,908	-	211,908
WWTP Phosphorous removal	104,353	13,240	122,593	-	240,186
New Water Well, site #4	2,391,854	64,621	218,701	-	2,675,176
Subtotal:	2,829,497	88,985	571,593	21,947	3,512,022
Enhancements					
Vehicles & equipment	25,300	109,677	-	98,628	233,605
Subtotal:	25,300	109,677	-	98,628	233,605
Enterprise Funds Total:	2,854,797	198,662	571,593	120,575	3,745,627
Grand Total:	9,836,519	2,849,738.64	9,573,280	16,467,202	38,726,739

2014-15 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. Incode update for Kiosk for Utility payments	\$5,000
2. Electronic Agenda Management System for City Council and Boards	\$6,500
3. Upgrade Council Chambers presentation equipment	\$10,000
4. IT Server replacements	\$17,000
5. Upgrade to Contribute website editing software	\$5,000
6. School Zone flashers	\$7,000
7. Street sign replacements	\$10,000
8. Traffic Control Signal replacements	\$10,000
9. Electronic message board signs	\$7,500
10. Roof replacement at Office Creek Pump Station	\$18,000
11. Painting of cluster mailboxes	\$20,000
12. Upgrade to City Works software	\$45,000
13. Digital Voiceprint upgrade for Incoming call recording	\$40,000
14. Fuel tank for generators	\$3,000
15. Outdoor kennel replacements at Animal Shelter	\$3,000
16. Transmission flush machine	\$5,000
17. One half of the salary for an Emergency Management Coordinator to be shared with the Town of Little Elm	\$25,000
18. 3% COLA raises for employees	\$500,000
19. Replacement vests for Police Department	<u>\$15,000</u>
	\$752,000

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.

2015	2016	2017	2018	2019	GENERAL DESCRIPTION
CVB					
\$20,000					Increase CVB Advertising
\$12,100					Upgrade position from Tourism Specialist to Tourism Manager \$10k + payroll taxes & retirement.
Utility Administration					
\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	kiosk for Utility Payments - Incode Updated
\$7,050					E-Bill feature for utility billing
City Secretary					
\$6,500					Electronic Agenda Mgmt System for CC/Boards - no meeting component
\$10,000					Upgrade Council presentation equipment with flat screen TV monitors in Chambers
	\$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
	\$5,000				Electronic Agenda Mgmt System for CC/Boards - no meeting component
		\$300			Public Info Mgmt System to better handle information requests between departments
		\$5,000			Electronic Agenda Mgmt System for CC/Boards - no meeting component
			\$300		Public Info Mgmt System to better handle information requests between departments
			\$5,000		Electronic Agenda Mgmt System for CC/Boards - no meeting component
				\$300	Public Info Mgmt System to better handle information requests between departments
				\$5,000	Electronic Agenda Mgmt System for CC/Boards - no meeting component
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 and security fences
\$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
\$40,000					SCADA Improvements for Lift Stations
		\$120,000			Add 3rd pump & VFD at Austin Ranch Lift Station
		\$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

IT				
\$17,000				Replace 10 servers. 15 serves are past warranty, 9 are 5 years old or older, 4 are 4 years old
\$5,000				Upgrade Contribute software - Used to upload info on City website
\$10,000				Wireless Connectivity at City Facilities - allow employees, police, & Fire to access network when near a City facility.
\$400,000				Fiber Loop (Main Street from city hall to memorial) to provide all city facilities redundant network paths & street light control.
\$20,000				Consolidated voicemail server (consolidation of 3 separate voicemail systems to create single point access to all city employees)
	\$100,000			Blade center system replacement (Current system has reached end of life) moved back a year
	\$300,000			Fiber Loop (Memorial from Main St. to Paige) to provide all City facilities redundant network paths & street light control.
	\$100,000			New storage system at the police department and increase capacity at city hall.
	\$50,000			Replace end of life firewalls (Network perimeter security devices)
		\$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.
		\$150,000		Replacement of Server Core Switch Card which are no longer under warranty
Fire				
\$8,500				Recliner and Mattresses Replacement
\$114,000				Replace (3) Staff Vehicles - Fire Chief, Asst. Chief, Fire Marshal ((2) SUVs and (1) 1/2 ton pickup) including emergency equip.
\$248,000				Replacement Ambulance/Equip & Increase Reserve Fleet. Replace current ambulance with 97,000 plus miles.
	\$50,500			Replace Chief Engineer Utility Vehicle - scheduled replacement and to add lift to reduce injuries
	\$250,000			Replace Breathing Air System - meet NFPA standards. Obtaining parts for repairs are getting difficult.
	\$100,000			EVS patient cot and defibrillator replacement
		\$185,000		Purchase of Medical Squad/Equip - small engine/ambulance for medical runs to reduce future purchases and operating cost
		\$250,000		Additional Ambulance for Station #2
		\$8,500,000		Fire Station 4 at Austin Ranch and Fire Administration
Facility Maintenance				
\$200,000				Brant - Court & Admin Security Upgrade - (Court Security Fund \$)
\$7,000				School Zone Flashers
\$25,000				Parking Lot Maintenance for City Lots
\$35,000				Battery Backup for Traffic Lights
\$10,000				Replace Street Signs
\$10,000				Replace Traffic Control Signs
\$5,000				Upgrade Sign Poles to Breakaway
\$7,500				Electronic Sign Boards
\$18,000				Replace roof at Office Creek
\$10,000				GIS Field Instrument
\$20,000				Paint Cluster mailboxes
\$15,000				Muni #5 AC upgrade and Energy saving Improvement
\$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
	\$25,000			Pickup Replacement
	\$45,000			Recoat Roofs at Community Center, Parks & Rec and PD
	\$7,000			School Zone Flashers
	\$50,000			BRANT - Court Room Remodel (Court Security Fund)
	\$35,000			Parking Lot Maintenance for City Lots
	\$47,000			City Hall/Library HVAC upgrade
	\$15,000			Battery Backup for Traffic Lights
	\$75,000			Remodel 1 Harris Plaza
	\$10,000			Replace Street Signs
	\$10,000			Replace Traffic Control Signs
	\$10,000			Upgrade Sign Poles to Breakaway
	\$7,500			Electronic Sign Boards
	\$20,000			Paint Cluster mailboxes
		\$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
		\$7,000		School Zone Flashers
		\$20,000		Upgrade Sign Poles to Breakaway
		\$5,000		Replace Traffic Control Signs
		\$21,000		Replace roof at Wastewater main office
		\$50,000		Cover area at HHW
		\$3,500,000		Public Service Building
		\$40,000		Parking Lot Maint - City Lots
		\$7,000		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
		\$35,000		Replace roof at Office Creek
		\$250,000		Remodel Blockbuster Building
		\$50,000		AC & Heater Upgrade (Various City Facilities)
		\$50,000		Fire Station Repairs and Upgrades
		\$7,000		School Zone Flashers
		\$5,000		Replace Traffic Control Signs
		\$20,000		Upgrade Sign Poles to Breakaway
		\$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
		\$850,000		Apparatus and Equipment for Austin Ranch Station
		\$250,000		Replacement of Ambulance and Increase Reserve Fleet
		\$700,000		Replacement of Quint and Increase Reserve
		\$5,750,000		Fire Station 5 at Tribute - Developer agreement > 1.5k Houses (includes equipment) - best guess timing and \$

Police					
\$210,000				6 Vehicle Replacements (5 - Patrol, 1 Unmarked)	
\$40,000				Incoming Call Recording - Digital Voiceprint Upgrade compatible with existing phone system	
\$90,000				2 - Patrol Vehicles Associated with New Positions	
\$30,000				1 - Detective Vehicles Associated with New Position	
\$8,000				Uniforms Associated with New Positions	
\$3,000				Replace Outdoor Kennels at Animal Ctrl. Current kennels beyond repair. 1/2 of \$6k cost to be match by AC donations for balance	
	\$210,000			6 Vehicle Replacements	
	\$90,000			2 - Patrol Vehicles Associated with New Positions	
	\$30,000			1 - Detective Vehicles Associated with New Position	
	\$200,000			Communications Center Remodel	
	\$8,400			Uniforms Associated with New Positions	
	\$67,000			Medical Dispatch and Animal Control Software to automate systems from pen and pad	
	\$30,000			Vehicle for New Narcotics Position	
	\$185,000			Replacement Generator. Current Generator 27 years old, parts no longer available, powers Dispatch, computer rm, EOC, other essential	
		\$250,000		Animal Shelter Exp and Remodel - 1,570 sqft	
		\$75,000		Crime Scene Search Unit and Equipment	
		\$210,000		6 Vehicle Replacements	
		\$2,000,000		Phase 2 and 3 of Police/Court Facility to Complete building	
		\$200,000		SRT Vehicle Replacement	
			\$210,000	6 Vehicle Replacements	
			\$70,000	Provide Handgun and duty gear	
			\$210,000	6 Vehicle Replacements	
Library					
\$12,800				Replace Early Literacy Computers	
\$3,600				Replace Public Access Computers	
			\$12,702,720	New Library (39,696 sqft)	
Fleet					
\$117,000				16 yard Dump Truck to haul concrete from street and sidewalk repairs - Payback in 4 years.	
\$170,000				Trackhoe for street, sidewalk, and drainage. Payback 9 years.	
\$50,000				Replace Pickups 6104 & 352	
\$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 - Ragan, Nash, Strickland	
\$120,000				Backhoe	
\$100,000				8 YRD Dump Truck	
\$300,000				Estimate for Alley repairs	
\$200,000				Asphalt Patch Truck	
\$220,000				Street Sweeper	
	\$3,000,000			Phase 6 Residential Street Reconstruction	
	\$300,000			Estimate for Alley repairs	
	\$115,000			Arrow Master Concrete Breaker & Trailer	
	\$60,000			3/4 Ton With Bed & Rack	
	\$70,000			Diesel Concrete Saw \$35k, Slide in Hopper Sand Spreader \$10k, Stump Grinder/Small Equip \$25k	
		\$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					
\$700,000				18" Trunk Sewer Line under SH121/SRT	
\$30,000				Austin Ranch Lift Station Flow Meter	
\$150,000				Deceleration Lane on SH 121 SBFR at Morning Star Drive	
\$50,000				Water Master Plan Update	
Community Center					
	35,000			Community Center Security Camera System	
		750,000		Multi-purpose Room Expansion	
Parks and Recreation					
12,000	12,000	12,000	12,000	12,000	Fitness Center Equipment Replacement
	40,000				Recreation Center Security Camera System
		500,000			Multi-purpose Room Expansion
		50,000			Gym Floor Replacement
			1,800,000		Gymnasium Expansion
				15,000,000	Five Star Community Center
				725,000	Practice Field Light System Replacement
Parks Maintenance					
	450,000				Pave Gravel Parking Lot and Overflow 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					
150,000					Fishing Pier
100,000					Irrigation / Trees
25,000					Lift Station
	60,000				Replace Post & Cable
	65,000				Boat Ramp Area Retaining Wall
	20,000				Dumpster and Portalet Enclosures (2) - SCP
	120,000				Pavilion - Day Use Area
	150,000				Trail Head / Boat Ramp Restroom
		50,000			Electrical Upgrades - Phase II
				750,000	Event Pavilion / Parking Lot
Community Development					
60,000					Perryman Park Lot Expansion
15,000					N. Colony Bike Route
100,000					S. Colony Bike/Trail (slip road cut thru's and trail)
15,000	250,000				West Shore Master Plan / Development
60,000	50,000	35,000	35,000		Five Star Upgrades / Repairs
350,000					Veteran's Memorial (Phase I)
75,000					Pond Improvements & Aeration @ Lions Club
150,000	50,000	50,000	50,000	50,000	Image Enhancement Projects (Landscaping, public art)
		500,000			Maintenance Office and Yard Expansion - Five Star
300,000	250,000				Dog Park Development
25,000					Playground Equipment Replacement - Slay/Baker
15,000					Utility Vehicle -Field Groomer
40,000					Light Duty 1 Ton Pickup-Landscape Bed - #Replace #553
20,000					Zero-Turn Mower - Replace 555E
85,000	85,000				Ultraviolet Sanitation for pools
5,000	5,000				Pool play piece for in-water play
10,000					CVB Vehicle (1/3 the cost if EDC and City agree to 1/3 each)
	400,000	300,000			Kids Colony 2 Phase III and IV
	150,000				Pavilions (Friendship, Slay/Baker, Perryman)
	25,000				Tot Lot -Ridgepointe (Replace original tot structure)
	150,000				Bill Allen Memorial Park Restroom
	35,000				Skate Park Refurbishment
	500,000	500,000	500,000		Park Loop Trail - Phase II, III, IV
				250,000	Historical Park Development - Phase I
			500,000		Turner Soccer Complex Renovations
			200,000		Ridgepointe Park Enhancements
Parks Maintenance - Equipment					
	15,000				Utility Vehicle - Replace Kawasaki Mule #545E
	12,000				Soccer Goals, Bleachers (practice fields)
		80,000			Front End Loader / Box Blade - Replace 567E
		27,000			3/4 Ton Pickup - Replace #551
Aquatic Park					
29,418					Pump Replacement with VFD on Indoor Pool
42,000					Filter replacement on indoor pool
3,200					Six year replacement of worn elevated platforms
4,750					Replacement of 15 year old chemical controller
	85,000				Ultraviolet Sanitation for pools (CDC?)
	5,000				Replacement play equipment (floating log) (CDCS)
	29,500				Pump replacment on outdoor pool
			35,000		Deck Heater for winter swim classes
			22,250		Additional play features for Splash Zone
				22,250	Additional play features for Splash Zone pad
				12,000	LED replacement underwater light fixtures - Indoor pool
				12,000	LED replacement underwater light fixtures - Outdoor lagoon

Personnel					
2015	2016	2017	2018	2019	
Parks and Recreation					
		12,147	12,147		Athletics Leader (p/t)
					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)
Community Development					
90,000					Project Manager (\$65,000 + \$25,000 Computer & Vehicle)
Fleet					
	\$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
Wastewater					
	\$61,776				Operator
		\$61,776			Operator
			\$61,776		Operator
Public Works					
	\$51,046	\$51,046	\$51,046		Maintenance Tech
		\$62,400			Heavy equipment operator
Fire					
\$25,000					1/2 Salary of Emergency Management Coordinator
	\$510,000				(6) firefighter paramedics for minimum staffing demands
		\$1,400,000			(3) Captains (3) Drivers (9) Firefighters for Station 4
				\$1,100,000	(3) Captains (3) Drivers (6) Firefighters for Station 5
Police					
\$59,200					1 - Detective to Handle Cases from Grandscape
\$210,500					4 - Patrol Officers /Grandscape
\$38,000					1 - Communications Officer (NFM)
\$16,375					1 - Detention Officer , 1/2 year starting 04/01/2015
	\$73,000				1 - Detective Sergeant
	\$38,000				1 - Communications Officer
	\$210,500				4 - Patrol Officers - Growth
	\$33,000				1 - Detention Officers
	\$65,000				1 - Detective (Replace Narcotics Position lost 2011?)
	\$32,918				1 - Animal Control Officer
		\$120,000			2 - Crime Scene Civilian Techs
Library					
\$17,479					Youth Services Assistant (PT)
\$15,630					Support Services Clerk (PT)

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*

PRESENTED TO

**City of The Colony
Texas**

For the Fiscal Year Beginning

October 1, 2013

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, 2013. 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	Vacant, Director
Finance	David Cranford, Director
Development Services	Mike Joyce, Director
Engineering	Gordon Scruggs, Director
Fire	Scott Thompson, Chief
Police	David Coulon, 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	Weaver – John DeBurro, CPA
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