

**CITY OF CLEVELAND
Fiscal Year 2019-2020
Budget Cover Page
September 17, 2019**

As required by section 102.005 (b) of the Texas Local Government Code, the City of Cleveland is providing the following statement on this cover page of its proposed budget:

This budget will raise more revenue from property taxes than last year's budget by an amount of \$110,908, which is a 4.02 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$69,368.

Property Tax Rate Comparison

	<u>2019-2020</u>	<u>2018-2019</u>
Property Tax Rate:	\$0.770000/100	\$0.770000/100
Effective Tax Rate:	\$0.751974/100	\$0.749871/100
Effective Maintenance & Operations Tax Rate:	\$0.535978/100	\$0.539742/100
Rollback Tax Rate:	\$0.812903/100	\$0.835952/100
Debt Rate:	\$0.211900/100	\$0.225500/100

Total debt obligation for City of Cleveland secured by property taxes: \$1,643,949.

The amounts above are based on the City's proposed fiscal year 2020 tax rate of \$0.7700 per \$100 of assessed valuation. The City's fiscal year 2019 tax rate (the current tax rate) is \$0.7700 per \$100 of assessed valuation.

CLEVELAND *Texas*

CITY OF CLEVELAND, TEXAS PROPOSED BUDGET

FOR FISCAL YEAR OCTOBER 1, 2019 TO SEPTEMBER 30, 2020

★ OTIS COHN ★

MAYOR

CAROLYN MCWATERS

MAYOR PRO-TEM

COUNCIL MEMBER, POSITION 1

MARILYN CLAY

COUNCIL MEMBER, POSITION 2

FRED TERRELL

COUNCIL MEMBER, POSITION 3

JENNIFER BERGMAN

COUNCIL MEMBER, POSITION 4

DANNY LEE

COUNCIL MEMBER, POSITION 5

PRESENTED BY:

KELLY MCDONALD

CITY MANAGER

ROBERT PENNINGTON

ASSISTANT CITY MANAGER

For more information contact:

The City of Cleveland; 907 E. Houston; Cleveland, Texas 77327

(281) 592-2667

www.clevelandtexas.com



CITY OF CLEVELAND, TEXAS

PROPOSED BUDGET

FISCAL YEAR 2019-2020

Mayor, Otis Cohn
Mayor Pro-Tem, Danny Lee

City Council
Carolyn McWaters
Marilyn Clay
Jennifer Bergman
Fred Terrell



907 E. Houston Ave
Cleveland, Texas 77327
Phone (281) 592-2667
Fax (281) 592-6624

Kelly McDonald, City Manager
Bobby Pennington, Assistant City Manager
Angela Smith, City Secretary

July 26, 2019

Honorable Mayor and Members of the City Council
City of Cleveland, Texas

I am pleased to present you with the Fiscal Year 2020 Proposed Budget.

I am presenting you a balanced operating budget that achieves the following:

- Across the board merit increases (5%) to maintain quality employees and counter the overall rise in the cost of goods/services, plus a (2.5%) merit increase to all employees as the city has been challenged to improve employee compensation that is equivalent or comparable to similar municipalities as well as meeting community wage equivalents. This challenge has been more crucial due to the increase in area job opportunities.
- An electronic records management system to capture, identify, store, and properly dispose of business records as prescribed by the State.
- Funding of a deputy city secretary, building inspector, equipment operator, an additional police officer and multiple fire positions. Funding firefighters is proposed through the Safer Grant, a multi-year grant that provides direct funding to support the creation of new positions.
- A use of retained cash from fund balance to finance the engineering and design of a new fire station.
- Improvement to the water and sewer operation that includes a headworks bar screen at one treatment plant, drying beds at both treatment plants, funding replacement of a lift station pump, replacement of sewer pump, and small scale capital programs that includes extensions to the existing utility system.
- Maintaining property tax rate of 77 cents per \$100 of assessed taxable value without any additional debt or financing.

I am also presenting you a use of cash resources well above the 90 day reserve that achieves the following:

- Major facility improvements to the library, customer service, and civic center parking.
- Repaving of North Manthey Ave.
- Installation of a splash pad or spray pool as a recreation area for water play as an added amenity for the community youth.

We believe Cleveland is rising to be one of the most promising communities within the Houston Region. We expect economic growth to climb within the fiscal cycle as people choose Cleveland as the place for real job opportunities, affordable housing, and the best balanced quality living a municipality can offer within the North Houston region. The FY2020 Proposed Budget represents our continued plan to meet this responsibility. I look forward to another encouraging budget process as we focus on our *20/20 Vision* for Cleveland.

Respectfully submitted,

A handwritten signature in black ink that reads "Kelly McDonald". The signature is written in a cursive, flowing style.

Kelly McDonald
City Manager

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City Elected Officials

Otis Cohn	Mayor
Carolyn McWaters	Council Member, Position 1; Mayor Pro-Tem
Marilyn Clay	Council Member, Position 2
Fred Terrell	Council Member, Position 3
Jennifer Bergman	Council Member, Position 4
Danny Lee	Council Member, Position 5

Cleveland Economic Development Corporation

Brad Browder	Corporation President
Niki Coats	Board Member
Marilyn Clay	Board Member
Kelly Jenkel-Axton	Board Member
Carolyn McWaters	Corporation Treasurer
Robert Reynolds	Board Member
Fred Terrell	Corporation Vice President

Appointed Officials

Kelly McDonald	City Manager
David Olson	City Attorney
Bob Steely	Municipal Court Judge

Primary Administrators

Angela Smith	City Secretary, Human Resources Manager
Bobby Pennington	Assistant City Manager; Finance Director
Darrel Broussard	Police Chief
Frieda Joyce	Tourism & Marketing Director
Jeremy Chesnutt	Development Services Director
Mary Ann Harrison	Municipal Court Clerk
Mary Cohn	Library Director
Rod Hailey	Public Works Director
Sean Anderson	Fire Chief

May 13	Distribution of Budget Packets to Directors/Department Heads by Finance
May 27	Budget Requests Submitted To Finance Department with All Supporting Documents Preliminary Revenue Estimates Issued By Finance for Current and Next Fiscal Year
May 27 – June 5	Discussions of Budget Requests with Departments Finalize Preliminary Income Statements for General Fund and Debt Service Fund. Complete and Update Final Payroll Information
June 12 - 19	Review with City Manager and Departments
June 17 - 21	Review Funding Requests, Impact on Funds
June 24 -28	Review All Funds and Totals with City Manager
July 1 - 5	Final Adjustments Made and Budget Submitted To City Manager
July 8 - 25	Finalize Budget Document, Write Transmittal Letter, Budget Packets Prepared, Agenda and PowerPoint Prepared
July 26	City Manager’s Proposed Budget Filed with City Secretary ¹
August 2	Mission/Goals/Performance Measures Due <u>Send</u> Public Notice of Budget and Effective Tax Rate to Cleveland Advocate set for August 14th Publication ^{3,4}
August 12	City Council Budget Workshop #1; Including CIP Send to Cleveland Advocate the “Notice of Public Hearing on Tax Increase” For Publication; Put on City’s Website.
August 14	<u>Publication</u> of Notice of Budget and Effective Tax Rate in Cleveland Advocate
August 20	City Council Budget Workshop #2 Consider Dates for Public Hearings on Tax Rate and Budget for FY 2019-20
August 27	First Public Hearing on the Tax Rate for 2019 City Council Budget Workshop #3 (if necessary)
September 3	Second Public Hearing on the Tax Rate for 2019 City Council Budget Workshop #4 (if necessary)
September 4	<u>Send</u> “Notice of Tax Revenue Increase” (if necessary) to Cleveland Advocate for Publication; Put on City’s Website
September 11	<u>Publication</u> of “Notice of Tax Revenue Increase” (if necessary) to Cleveland Advocate
September 17	Public Hearing on Proposed Budget Consider an Ordinance to Amend Current Year Budget Consider an Ordinance Adopting a Fee Schedule for Fiscal Year 2019-20 Consider a Tax Rate for Maintenance and Operation for Budget Year 2019-20 Consider a Tax Rate for Debt Service for Budget Year 2019-20 Consider an Ordinance Providing for the Assessment, Levy and Collection of Ad Valorem Taxes for 2019 Consider an Ordinance Adopting the Budget for the Fiscal Year 2019-20 Consider an Ordinance Adopting the Five-Year Capital Improvement Program (CIP 2019-2024)
October 1	Beginning of Fiscal Year 2019-20

- ¹ The budget officer shall file the proposed budget with the municipal clerk before the 30th day before the date the governing body of the municipality makes its tax levy for the fiscal year (Sec. 102.005; a).
- ² The governing body shall set the budget public hearing for a date occurring after the 15th day after the date the proposed budget is filed with the municipal clerk but before the date the governing body makes its tax levy (Sec. 102.006).
- ³ The governing body shall provide for public notice of the date, time, and location of the hearing. The notice must include, in type of a size at least equal to the type used for other items in the notice, any statement required to be included in the proposed budget under Section 102.005; b; (Sec. 102.006).
- ⁴ The governing body of a municipality shall publish notice before a public hearing relating to a budget in at least one newspaper of general circulation in the county in which the municipality is located and notice under this section shall be published not earlier than the 30th or later than the 10th day before the date of the hearing. (Sec. 102.0065 a, b)
- ⁵ At the conclusion of the public hearing, the governing body of the municipality shall take action on the proposed budget. A vote to adopt the budget must be a record vote.

Location

Cleveland is a city in the U.S. state of Texas, within Houston – The Woodlands – Sugar Land metropolitan area. The population was 7,954 at the 2010 census. Located in Liberty County, Cleveland lies 45 miles north of Houston on U.S. Highway 59 / Interstate 69. Centered among mixed pine and hardwood forests and surrounded by the East Fork, and San Jacinto Rivers; the Cleveland area is a beautiful environment where one can find most everything they need to live a good life. The forests around Cleveland, including Sam Houston National Forest, which is located just to its north, are a resort for many inhabitants of the Houston area, who come to camp, hike, hunt, and fish.

City History

The recorded history of the Cleveland area began in 1836 when the Texas General Land Office began giving land grants in exchange for service in the Army. In 1854, a Church and convent was built by Father Peter La Cour near the town's present site. The community formed after 1878 when Charles Lander Cleveland, a local judge, deeded 63.6 acres of land to the Houston, East and West Texas Railway for only one dollar, with the request that a station bear his name.

In 1900 the Gulf, Colorado, and Santa Fe railroad appeared so Cleveland served as a junction for these major railways. Soon the echoes of saws and steam engines filled the forests around Cleveland as sawmill towns proliferated and East Texas's lumber industry grew up amidst these railroad towns. The Cleveland area was incorporated in 1939. In 1965 Liberty County was added to the Houston Standard Metropolitan Statistical Area.

Transportation

The major route traveling through Cleveland is U.S. Highway 59 / Interstate 69, traveling southwest towards Houston and northeast into East Texas. As of March 2015, a 74.9 mile

section of US-59 has been designated as I-69 through the Houston Metropolitan Area, nicknamed the NAFTA Superhighway because it would help trade with Canada and Mexico spurred by the North American Free Trade Agreement. US-59/I-69, between Houston and Livingston, is mostly a limited-access freeway with I-69 designation ending at the Montgomery-Liberty county line. Washington Avenue, known as US-59 "Business" runs north and south through the center of Cleveland. Houston Street, known as State Highway 105, travels east and west with Cleveland being halfway between Beaumont and Navasota. SH-105 runs concurrently with State Highway 321 until SH-105 splits, going eastbound to Beaumont, while SH-321 continues further south into Dayton. SH-105 has recently been improved with a loop near Pin Oak Road, along the southern side of Cleveland, crossing US-59/I-69, and terminating near New Salem Road.

Cleveland is the meeting point of two major rail lines. One is a north/south Union Pacific line that closely follows the path of Interstate 69 and the other is an east/west Burlington Northern Santa Fe line that roughly follows FM-787 to the east and SH-105 west towards Conroe. Union Tank Car Company has a tank repair/maintenance facility along the BNSF line on the outskirts of Cleveland off of FM-787.

Cleveland Municipal Airport is a general aviation airport located in Cleveland with George Bush Intercontinental Airport to the south offering commercial airline service.

Public Schools

Cleveland Independent School District is a public school district based in Cleveland, Texas. In addition to Cleveland, the district serves the cities of North Cleveland and Plum Grove as well as portions of San Jacinto and Montgomery counties. The Tarkington Independent School District, located east southeast of the city of Cleveland, also has a Cleveland zip code.

BUDGET OBJECTIVES

The budget has been prepared in an effort to clearly communicate to the citizens and staff of the City the overall policies and goals of the City Council and City Management and who we are and what we do, enabling the reader to gain valuable information about the City without detailed accounting or budgetary knowledge. The budget document includes various activities and programs of the City, and comparative performance indicators for each program or activity, where available.

BUDGET PHILOSOPHY

Budget philosophy depends upon the local needs and concerns of the citizens. Other factors also affect budget philosophy, such as the state of the local economy, the needs of the organization, the demands of the public for increased services, unfunded mandates and requirements of federal and state regulatory agencies. The budget prepared by the City takes a conservative perspective with regard to both revenues and expenditures. Although historical trends are very useful, current data will sometimes take precedence over prior year trends. This means budgeting from a “conservative” perspective in that revenues are often anticipated either at or slightly above prior levels, unless there are other known factors that will significantly affect anticipated revenues. In addition, expenditures are also estimated conservatively. As a result, over the years this method increases in actual fund reserves when compared to budgeted or projected fund reserves. The City does not use unreasonable projections, which could have an adverse impact on the City’s reserves.

BASIS OF BUDGETING

GOVERNMENTAL FUNDS: The governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are budgeted when they are measurable and available and expenditures are budgeted in the period in which the liability is incurred, which is in accordance with

Generally Accepted Accounting Principles. “Measurable” means the amount of the transaction can be determined and “available” means the collectible period. The City considers the majority of its major revenues as available when collected. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as liabilities when due. Those revenues susceptible to accrual under the modified accrual method are property taxes and other taxes, intergovernmental revenue, and interest revenue. Licenses and permits, including fines and forfeitures revenues, are not susceptible to accrual because generally they are not measurable until received in cash. The fund balance approach of governmental funds or working capital approach can be identified as current assets less current liabilities. Governmental funds budget capital outlays as expenditures, but do not budget for non-cash expenditures such as accruals for sick and vacation liabilities and depreciation.

PROPRIETARY and INTERNAL SERVICE FUNDS: The Water and Sewer Enterprise Fund, Solid Waste Fund, and Property Insurance Fund are budgeted using a flow of economic resources, which is similar to the accrual basis of accounting, with exceptions listed below. Available balances are determined using the cash equivalent approach.

- Revenues are budgeted in the period they are earned and measurable,
- Expenses are budgeted in the period in which the liability was incurred,
- Depreciation of assets is not budgeted,
- Capital outlay is budgeted as an expense in the year purchased,
- Principal payments are budgeted as an expense rather than a reduction to the liability,
- Proceeds from bond sales are budgeted as revenue,
- Transfer of bond proceeds to the Capital Projects Fund is budgeted as an expense.

BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental and fiduciary funds are accounted for using the modified accrual basis. Revenues are recognized in the accounting period when they are measurable and available. Revenues subject to accrual include interest income and charges for services. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. Capital outlays are recorded as additions to fixed assets at fiscal year-end and the cost of those assets are depreciated over their estimated useful lives for the government-wide financial statements. All proprietary funds are accounted for on an accrual basis. Revenues are recognized in the period in which they are earned and become measurable, and expenses in the period in which they are incurred and measurable. Proprietary funds also record depreciation and amortization. Payment of principal is recorded as a reduction to the long-term liability.

BUDGET PROCEDURES

The budget process begins with the distribution of budget worksheets for its respective operations, personnel requirements, and capital outlay. This financial information is to be used by the department heads as a guide to complete the proposed budget. Using the budget worksheets, each department head projects the financial needs of their department. Supplemental requests for capital, annexation, growth and development or other items outside normal operating budgets are requested and justified separately. Upon completion, each department head then meets with the City Manager and Finance Director to review their budget. During this meeting, the budget is refined and adjustments made. The Finance Department prepares the revenue budget, with review by appropriate departments. Property tax revenue is budgeted using data provided in the preliminary or certified tax rolls received from the Appraisal

District. All other revenues are budgeted with the use of comparative financial information provided by the prior year's actual revenue, current year estimated revenue, and known factors that may affect receipt of revenue. The City Manager and Finance Director then submit a balanced budget of expenditures and revenues to the City Council for review. The following procedures are followed for formal adoption of the budget:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1, which must be adopted by the last scheduled Council meeting of September.
2. Public notices and hearings are conducted pursuant to state law.
3. The budget is legally enacted through passage of an ordinance.
4. The legal level of control is the total approved budget for each fund.
5. All funds are included in the budget development process and submitted to the Council for adoption each year and are monitored by department administrators during the year.
6. Operating fund appropriations lapse at year-end.

PROCEDURE TO AMENDING THE BUDGET

EMERGENCY APPROPRIATIONS: The Council may make emergency appropriations to meet a pressing need for public expenditure, to protect the public health, safety or welfare. Such appropriations shall be by ordinance adopted by the majority vote of the Council members at one special or regular meeting.

TRANSFER OF APPROPRIATIONS: The City Manager may approve an amendment to the budget that transfers part or all of any unencumbered appropriation balance among programs within a department, or division. The City Council must approve any budget amendments that increase the appropriation for any fund.

GENERAL FUND

The General Fund, also known as Fund 100, provides the financing for all of the City of Cleveland's basic services except water and sewer, which is accounted for through a separate fund. The principal sources of revenue include property taxes, sales, franchise & other taxes, licenses & permits, use fees from service charges, and court revenue from fines & forfeitures. Expenditures are comprised of several divisions which include City Council, Administration, Civic/Community, Municipal Court, Technology, Police, Animal Control, Development Services, Streets, Airport, Garage, Library, Cemetery/Parks, Sports Facility, Fire Department, and Emergency Management. Fire, Police, and Emergency Management provide all public safety services to the citizens of Cleveland and accounts for the majority of total expenditures.

FISCAL YEAR 2020 PROPOSED BUDGET*

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
REVENUES:				
Operating Revenues:	7,186,736	7,262,893	7,807,972	7,876,121
Non-Operating Revenues:	781,420	188,160	201,730	186,400
Total Revenues:	\$7,968,156	\$7,451,053	8,009,702	8,062,521
EXPENDITURES:				
Operating Expenditures:	6,068,049	7,407,104	7,438,127	9,062,521
Non-Operating Expenditures:	92,341	911,736	911,736	0
Total Expenditures:	\$6,160,390	\$8,318,840	8,349,863	9,062,521
<i>Revenues Over Expenditures</i>	1,807,765	(867,787)	(340,161)	(1,000,000)
Fund Balance - Beginning		5,906,411	5,906,411	5,566,250
Fund Balance - Ending	\$5,906,411	\$5,038,624	\$5,566,250	\$4,566,250
Reserve Requirement (25%)		2,079,710	2,079,710	2,265,630
Excess/(Deficit)		2,958,914	3,486,540	2,300,620

*See detailed income statement on following pages

Fiscal Year 2018-2019:

For fiscal year 2019 revenues are projected to be \$8,009,702, \$558,649 greater than the amended budget mainly as a result of a \$441,667 improvement in sales tax, \$57,704 more in interest revenue and \$68,043 more in other revenue. Property tax is lower than the amended by \$45,000, or 2.1% due to the reduction in delinquent collections. The delinquent, penalty, and attorney fees vary widely from year to year, so can be challenging to trend and is to be reviewed before adoption. Total sales tax is \$3,831,716, 13.0% higher than the amended budget. Current collections are projected at \$4,564,164 or 13.0% higher by year-end, with no change in mixed beverage tax collections. EDC tax allocation is \$760,694, an improvement of \$88,333. Total licenses and permits are \$208,500, \$2,000 less than the amended budget. Total use fee revenues are \$207,450, higher than the amended by \$31,700 as a result of the civic center room rental collections. Court revenue is projected at \$337,550, higher than the amended budget by \$2,920. Police revenue is \$800 higher than original budget due to expected donations. Other revenue is \$303,737 or 29% higher than the amended based on proceeds from FEMA reimbursements. Total Interest is projected at \$114,754 and is \$57,704 greater than original budget due to improvements to the federal interest rate and improvements in available cash. Fire and emergency services revenues are projected at \$124,000 and on target with the original budget. Non-operating revenues include \$90,000 in scheduled transfers

that remain unchanged, and include reimbursement from EDC for \$40,000 as the second annual reimbursement related to the Earth Energy TDA grant.

Projected fiscal year 2019 expenditures total \$8,349,863, within <0.38% of the amended budget. The amended budget includes carryovers and amendments to the original budget. Operating expenditures are projected at \$7,438,127, essentially on target with only 0.4% variance from the amended. Amendments or other adjustments include the following:

- An amendment to the Water/Sewer Fund transfer originally budgeted for General Fund lowering transfers in by \$375,000. The General Fund has proven to be strong enough to support operations without the transfer; conversely the Water Fund needs additional resources for major maintenance and Capital programs on the near horizon. The immediate need for the amendment is to support the final Phase of Basin Cleanout at the West Water Treatment Plant. Current funding for this project has been exhausted and failure to complete would have resulted in TCEQ non-compliance. The objective of this request is to cure pressing needs related to our Water/Sewer infrastructure while maintaining a balanced operating budget. Rescinding the transfer to the General Fund is offset by sales tax collections and based on current trends carryover will not impact the estimated 09/30/19 ending fund balance for the General Fund.
- A carryover for the sports park restroom of \$180,000. This project goes back multiple fiscal years and EDC originally budgeted to complete the restroom facility; however due to obligations in completing the industrial park, the city council approved (FY17) to complete the project using \$150,000 originally allocated. An additional \$30,000 was budgeted in FY18 for utilities to the facility for a total of \$180,000.
- A carryover for Playground Equipment at \$60,000. This playground project was originally budgeted for completion by the end of FY18; however, there was a fire at the manufacturer's main plant that destroyed a good majority of their equipment and molds, slowing down the delivery and completion. The park equipment is now completed at Campbell with the \$60,000 in FY19, slated for a similar project in this fiscal year.
- A carryover of fire donations at \$1,510 and police donations at \$4,208.
- A transfer out of \$797,036 to Fund 700, a pay-as-go CIP program. The purpose of this transfer is to support the remaining water well plant #2 - new well & rehabilitation capital program. The project completion date accelerated from the original estimate and the water fund was initially scheduled to transfer funds in FY2020 to complete the rehabilitation of the GST at this location. From the beginning of this project, Council has stated the desire to fund project with available cash and limit the requirement for additional debt obligations. Additionally, this transfer will de-obligate FY2020 W/S cash funding for the water well and to be applied toward other needed projects with the capacity.

The city will end with revenues under expenditures by \$340,161. Although expenditures end higher than revenues, the amended budget called for an intended a use \$867,787 from the unrestricted portion of fund balance; therefore the projected shows a savings of \$527,626 in the fund's cash reserves. It is likely that final numbers will show a more favorable standing due to overlapping capital projects and remaining contingency by year-end. Fund balance at 9/30/2019 is anticipated to be \$5,566,250. The general fund is projected to end with \$3,486,540 in excess cash over the \$2,079,710 held as the original budget reserve requirement.

Fiscal Year 2019-2020:

Fiscal year 2020 revenues total \$8,062,521, which is \$611,468 higher than the amended and \$52,819 higher than the 2019 projected due to tax collection growth. Property tax is higher than the amended by \$40,059, with no changes to the total tax rate of 0.7700 per \$100 valuation. Total sales taxes collected after transfers to EDC are \$3,907,785, a gain of \$76,069 or 2.0% from fiscal year 2019 projection. The expected gain is very conservative, as heavy construction and point-of-sale expansion continues through-out the community. The planned commercial development in the TIRZ is expected to collect direct sales tax with the completion of the new gas-restaurant-convenience store, plus construction materials and other indirect sales will be attained. Licenses & Permits proposes a total of \$208,500, 0% increase from the current projected as we anticipate similar growth for FY20.

Non-operating revenues of \$186,400 take account of \$0 transfers from Water /Sewer so the proprietary fund can support W/S related capital programs. This year includes an additional transfer from EDC for \$155,000 and is the third reimbursement related to the Earth Energy TDA grant. Included in non-operating is \$1,400 as grant entitlements.

Total expenditures are \$9,062,521, a \$712,659 increase from the 2019 projected. Non-operating expenditures total \$0, a \$911,736 savings from the projected.

The proposed recurring items, an expansion of the normal, ongoing expenses required for operating the city and delivering additional services over the long-term are proposed as the following:

- The proposed budget supports 2.5% merit increase to all employees at \$90,132. This is in addition to the 5.0% increase in the base budget that is essential to advance employees compensation. The city has been challenged to improve employee wage equivalents, especially due to the increase in area job opportunities.
- Administration includes a full-time Deputy City Secretary for total salary and benefits cost at \$60,186 to perform routine clerical and administrative duties, including record keeping. This position's duties have been covered by part-time administrative assistants, but the work-load is requiring a full-time position to manage the current administrative tasks and is projected to escalate as the city expands.
- Ambulance contract is expected to increase due to the demands and quality of service. An increase is expected as a new contract is negotiated. Third party services are necessary in order to rapidly transport paramedics and other first responders to the scene, carry equipment for administering emergency care and transport patients to hospital or other definitive care. This process is expected to raise the current quality of care within the community.
- Court software and server purchase requires a proprietary content manager and process server at \$15,000. In addition the software maintenance to operate the system is \$1,750 annually.
- Each year the budget has expanded the police force by an additional officer per year to respond to service calls and assist in preventing/solving local crime. This position is set to start mid-year.
- A certified building inspector is required due to growing commercial and residential development and will be tasked to make professional judgments about whether new construction meets building code requirements. Without the assistance, the city risks holding up construction work.
- Equipment operator is to assist in street maintenance, including the upkeep of open drainage ditches. This position is set to start mid-year.
- Fire salary adjustment is needed to compensate the additional tasks required by the Fire Captains over the firefighters.
- Safer Grant is a multi-year grant that provides direct funding to volunteer, career and combination fire departments and volunteer firefighter organizations. The objective of the grant program is to assist our fire departments with adequate staffing to respond to emergencies and ensure that the city maintains adequate protection from fire and fire-related hazards.

The non-recurring, the extraordinary or one-time expenses the city does not expect to continue over time, at least not on a regular basis, are proposed as the following:

- Records management software eases compliance. Capture, identify, store, and dispose of business records according to policies set by the State. The system will allow staff to efficiently manage documents and files according to our records management policies.
- The non-recurring cost for the court software and server is \$15,000, as stated above with the annual maintenance cost. Software package is for municipal court case management; track hearings, payments, dispositions, warrants, report generation and critical information.
- The police department is to replace the high mileage vehicles with 2 SUV units for transportation during patrols and to enable police to respond to incidents and life threatening emergencies. Typical uses of a police car include transporting officers so they can reach the scene of an incident quickly, transporting and temporarily detaining suspects in the back seats, as a location to use their police radio or laptop or to patrol an area, all while providing a visible deterrent to crime.
- The development service department is to include an additional light-duty truck for the proposed new building inspector.
- The street department has the proposed repaving of N. Manthey Ave. as commercial traffic will increase with the construction of a new community bank.
- The city is to aggressively tackle overgrown ditches with the purchase of Tractor and equipment for upkeep of open drainage channels. Mowing keeps grass and vegetation from interfering with driver's sight distance, this includes sign visibility. Well maintained slopes and ditches have better drainage characteristics. If the grass is never mowed, ditches and storm systems can become choked with vegetation and lose capacity to handle storm runoff. Also, aesthetics is an important factor.
- Library includes major facility improvements and furniture replacement at \$260,000. The program calls for substantial growth and improvement in the existing library facility to meet the needs of a growing and changing community.
- Retained cash from fund balance will assist in the engineering and design of a new fire station at \$750,000. The station must accommodate extremely diverse functions, including housing, recreation, administration,

training, community education, equipment and vehicle storage, equipment and vehicle maintenance, and hazardous materials storage. While it is usually only occupied by trained personnel, the facility may also need to accommodate the general public for community education or outreach programs.

- A commercial grade 30 foot LED Christmas panel tree to be seasonally displayed with an annual holiday tree lighting ceremony.
- A splash pad is a requested amenity for the community. A splash pad or spray pool is a recreation area for water play that has little or no standing water. This eliminates the need for lifeguards or other supervision, as there is little risk of drowning. Typically there are ground nozzles that spray water upwards out of the splash pad's rain-deck. There may also be other water features such as a rainbow (semicircular pipe shower), or mushroom- or tree-shaped showers. Some splash pads feature movable nozzles similar to those found on fire trucks to allow users to spray others. The showers and ground nozzles are often controlled by a hand activated-motion sensor, to run for limited time.

The following is the proposed supplemental items, the additions to regular or continuing appropriations already provided in the prior year or years that are allocated in the general fund:

	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
Salary Merit (2.5% Additional)	90,132	-	90,132
Deputy City Secretary	60,186	-	60,186
Ambulance Contract	45,000	-	45,000
Records Management	-	72,863	72,863
Court Software & Server	1,750	15,000	16,750
Patrol Officer (Addition 1) (Mid-year)	33,636	-	33,636
SUV Patrol Vehicle (1)	-	40,000	40,000
SUV Patrol Vehicle (2)	-	40,000	40,000
Building Inspector	69,201	-	69,201
<i>Fuel (additional vehicle)</i>	1,300	-	1,300
<i>Vehicle - Building Inspector</i>	-	30,000	30,000
Equipment Operator (Mid-year)	31,153	-	31,153
Repaving (Manthey Ave.)	-	112,000	112,000
Tractor Replacement	-	125,000	125,000
Library Furniture/Fixtures	-	11,000	11,000
Library Renovations	-	248,600	248,600
Christmas Tree (30' LED Tower)	-	25,000	25,000
Splashpad	-	175,000	175,000
Fire Salary Adjustment	4,137	-	4,137
Fire Department - Safer Grant	171,366	-	171,366
New Fire Station - Engineering	-	750,000	750,000
Total General Fund <u>Proposed</u> Supplementals:	507,861	1,644,463	2,152,324

GENERAL FUND - 100
FISCAL YEAR 2020 PRELIMINARY BUDGET

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
REVENUES:				
Property Taxes	2,042,444	2,138,628	2,093,628	2,178,687
Sales Taxes	2,928,356	3,390,049	3,831,716	3,907,785
Franchise Taxes	522,006	480,600	470,232	489,600
Other Taxes	111,616	113,192	112,805	112,805
Licenses & Permits	442,258	210,500	208,500	208,500
Use Fees	162,493	175,750	207,450	155,250
Court Revenue	370,783	334,630	337,550	337,550
Police Revenue	2,366	2,800	3,600	3,600
Other Revenue	426,311	235,694	303,737	239,794
Interest	52,461	57,050	114,754	118,550
Emergency Services Revenue	125,643	124,000	124,000	124,000
Operating Revenues:	7,186,736	7,262,893	7,807,972	7,876,121
Grants / Other Sources	1,420	98,160	111,730	1,400
Non-Operating Transfers	780,000	90,000	90,000	185,000
Non-Operating Revenues:	781,420	188,160	201,730	186,400
Total Revenues:	\$7,968,156	\$7,451,053	8,009,702	8,062,521
EXPENDITURES:				
City Council	28,268	35,950	33,594	36,950
Administration	878,815	962,908	993,402	1,162,501
Civic/Community	210,126	233,206	234,501	248,385
Municipal Court	247,959	289,701	296,215	303,240
Technology	345,527	380,281	380,281	407,851
Police	2,198,407	2,537,829	2,537,801	2,612,832
Animal Control	54,022	60,149	60,449	65,611
Development Services	245,203	253,833	241,583	376,797
Street Department	358,696	508,556	514,366	712,387
Airport Department	41,396	65,000	53,121	51,200
Garage Department	7,220	132,300	139,760	11,900
Library Department	352,034	391,423	394,251	669,893
Cemetery/Parks	338,548	533,275	533,987	613,291
Sports Park	45,648	205,950	203,550	27,650
Fire Department	702,173	786,676	791,198	1,731,965
Emergency Management	14,005	30,067	30,067	30,067
Operating Expenditures:	6,068,049	7,407,104	7,438,127	9,062,521
Non-Departmental	0	797,036	797,036	0
Grants / Other Sources	92,341	114,700	114,700	0
Non-Operating Expenditures:	92,341	911,736	911,736	0
Total Expenditures:	\$6,160,390	\$8,318,840	8,349,863	9,062,521
<i>Revenues Over Expenditures</i>	<i>1,807,765</i>	<i>(867,787)</i>	<i>(340,161)</i>	<i>(1,000,000)</i>
Fund Balance - Beginning		5,906,411	5,906,411	5,566,250
Fund Balance - Ending	\$5,906,411	\$5,038,624	\$5,566,250	\$4,566,250
Reserve Requirement (25%)		2,079,710	2,079,710	2,265,630
Excess/(Deficit)		2,958,914	3,486,540	2,300,620

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
REVENUES					
<u>Property Taxes</u>					
100-4000-01-0801	Current Taxes	1,876,271	1,968,628	1,968,628	2,027,687
100-4000-01-0802	Delinquent Taxes	103,560	102,000	65,000	86,000
100-4000-01-0803	P & I / Attorney Fees	62,613	68,000	60,000	65,000
	Total Property Taxes	2,042,444	2,138,628	2,093,628	2,178,687
<u>Sales Taxes</u>					
100-4000-02-0807	Sales Tax	3,469,839	4,034,164	4,564,164	4,655,447
100-4000-02-0808	EDC Transfers	(578,307)	(672,361)	(760,694)	(775,908)
100-4000-02-0809	Mixed Beverage Tax	36,824	28,246	28,246	28,246
	Total Sales Taxes	2,928,356	3,390,049	3,831,716	3,907,785
<u>Franchise Taxes</u>					
100-4000-03-0811	Entergy	358,850	320,000	300,000	320,000
100-4000-03-0812	Telecommunications	20,256	17,000	17,000	17,000
100-4000-03-0813	Cable Franchise (New Wave)	17,376	15,000	15,000	15,000
100-4000-03-0814	CenterPoint Entex	26,850	27,000	32,632	30,000
100-4000-03-0815	Waste Mgmt. Franchise Fee	22,961	26,000	30,000	32,000
100-4000-03-8016	Street Fee For Paving	75,713	75,600	75,600	75,600
	Total Franchise Taxes	522,006	480,600	470,232	489,600
<u>PILOT</u>					
100-4000-04-0815	Correctional Center PILOT	107,601	109,215	108,638	108,638
100-4000-04-0816	Housing Authority PILOT	4,014	3,977	4,167	4,167
	Total PILOT	111,616	113,192	112,805	112,805
<u>Licenses & Permits</u>					
100-4000-05-0822	Occupational License	4,445	5,000	1,000	1,000
100-4000-05-0823	Elect. Permits/Inspections	7,505	10,000	10,000	10,000
100-4000-05-0824	Building Permits	405,450	185,000	185,000	185,000
100-4000-05-0825	Plumbing/Gas Permits	9,105	10,000	12,000	12,000
100-4000-05-0826	Zoning/Boa Fees	600	300	300	300
100-4000-05-0829	TIRZ #2	15,000	0	0	0
100-4000-05-0865	Library Cards	174	200	200	200
100-4000-05-0895.	Over / (Short)	(22)	0	0	0
	Total Licenses & Permits	442,258	210,500	208,500	208,500
<u>Service & Use Fees</u>					
100-4000-06-0857	Civic Center Vending	0	0	500	500
100-4000-06-0858	Civic Center Events	0	500	0	0
100-4000-06-0860	Civic Center-Room Rental	72,956	70,000	100,000	80,000
100-4000-06-0861	Forfeited Deposits-Civic Center	1,941	2,100	2,300	2,100
100-4000-06-0862	Cemetery Income	31,018	27,000	27,000	27,000
100-4000-06-0864	Library Services/Fees	8,585	8,700	8,700	8,700
100-4000-06-0865	Stancil Park	22,419	13,000	15,000	25,000
100-4000-06-0866	EDC - Reimburse Sports Park	11,999	42,000	42,000	0
100-4000-06-0890	Lost/Damaged Charges	254	450	450	450
100-4000-06-0891	Library Copies	13,322	12,000	11,500	11,500
	Total Service & Use Fees	162,493	175,750	207,450	155,250

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Court Revenue</u>					
100-4000-07-0881	Traffic/Criminal Fees	312,657	275,000	275,000	275,000
100-4000-07-0882	Warrant Officer Income	55,195	57,080	60,000	60,000
100-4000-07-0883	Court Short/Over	41	0	0	0
100-4000-07-0884	Court Serv. Fees-State	2,241	1,800	1,800	1,800
100-4000-07-0887	Juvenile Failure To Attend	649	750	750	750
	Total Court Revenue	370,783	334,630	337,550	337,550
<u>Police Revenue</u>					
100-4000-08-0887	Police Misc. Income	1,226	1,000	1,900	1,900
100-4000-08-0887.	Animal Control Fees	40	300	200	200
100-4000-08-0887.	Police Donations	1,100	1,500	1,500	1,500
	Total Police Revenue	2,366	2,800	3,600	3,600
<u>Other Revenue</u>					
100-4000-09-0816	Fire Department Donations	1,200	500	500	500
100-4000-09-0822	Drilling-New Century Exp.	394	394	394	394
100-4000-09-0850	Proceeds From Insurance	125,738	35,000	25,000	35,000
100-4000-09-0861	Airport	106,371	154,000	115,000	158,000
100-4000-09-0864	Children's Programs	644	900	300	900
100-4000-09-0866	Library Memorial Donations	325	1,000	500	500
100-4000-09-0867	Library Misc. Donation	129	400	300	300
100-4000-09-0868	Sports Park Revenue	0	0	0	0
100-4000-09-0872	Reimb For Civic Ctr Exp (Hot\$)	30,000	30,000	30,000	30,000
100-4000-09-0887	Demolition/Cleanup Reimburse.	1,856	500	7,000	1,200
100-4000-09-0889	FEMA Reimbursement	0	0	112,243	0
100-4000-09-0895	Miscellaneous	12,115	10,000	8,000	10,000
100-4000-09-0899	Sale Of Assets	147,514	3,000	4,500	3,000
	Total Other Revenue	426,311	235,694	303,737	239,794
<u>Interest</u>					
100-4000-10-0894	Interest	44,505	50,000	106,204	110,000
100-4000-10-0900	Credit Card Fees - Court	6,174	5,000	6,100	6,100
100-4000-10-0900.	Credit Card Fees - Dev Serv.	850	1,100	1,500	1,500
100-4000-10-0900.	Credit Card Fees - Civic Ctr.	360	450	450	450
100-4000-10-0900.	Credit Card Fees - Lib.	571	500	500	500
	Total Interest	52,461	57,050	114,754	118,550
<u>Grants</u>					
100-4000-13-0892	Airport Grant & R.A.M.P.	0	21,000	21,000	0
100-4000-13-0901	Library Grants	1,420	1,400	14,970	1,400
100-4000-13-0907	GLO FEMA Grant Drs220028	0	75,760	75,760	0
	Total Grants	1,420	98,160	111,730	1,400
<u>Emergency Services</u>					
100-4000-14-0880	Liberty County Fire Runs	89,050	89,000	89,000	89,000
100-4000-14-0895	Billing & Collection Fee	36,593	35,000	35,000	35,000
	Total Emergency Services	125,643	124,000	124,000	124,000

**GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET**

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Non-Operating</u>					
100-4000-99-0900	Transfers In	780,000	30,000	30,000	30,000
100-4000-99-0907	Other Financing Sources	0	60,000	60,000	155,000
	Total Non-Operating	780,000	90,000	90,000	185,000
	TOTAL REVENUES:	7,968,156	7,451,053	8,009,702	8,062,521

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
City Council					
<u>Salaries & Benefits</u>					
100-5110-01-1010	Salaries	2,126	2,100	2,100	2,100
	Total Salaries & Benefits	2,126	2,100	2,100	2,100
<u>Professional Services</u>					
100-5110-02-2090	Other Professional Services	3,894	5,500	5,500	5,500
	Total Professional Services	3,894	5,500	5,500	5,500
<u>Other Services</u>					
100-5110-04-2720	Advertising	4,205	5,000	5,000	5,000
100-5110-04-2750	Dues & Membership	472	850	850	850
100-5110-04-2830	Seminars & Schools	14,321	12,000	12,000	12,000
	Total Other Services	18,997	17,850	17,850	17,850
<u>Supplies</u>					
100-5110-05-3030	Meeting Expenses	236	1,000	1,000	2,000
100-5110-05-3100	Other Operating Supplies	2,881	3,000	4,144	3,000
	Total Supplies	3,117	4,000	5,144	5,000
<u>Other Expenditures</u>					
100-5110-06-5060	Election Expenses	133	6,500	3,000	6,500
	Total Other Expenditures	133	6,500	3,000	6,500
	Total City Council:	28,268	35,950	33,594	36,950

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Administration					
<u>Salaries & Benefits</u>					
100-5112-01-1010	Salaries	319,789	380,600	380,600	449,789
100-5112-01-1011	Overtime	398	1,500	1,500	1,500
100-5112-01-1015	Car Allow.	5,000	5,000	5,000	5,000
100-5112-01-1020	Group Insurance	44,500	62,537	62,537	50,049
100-5112-01-1030	Social Security Contribution	24,104	31,212	31,212	34,906
100-5112-01-1040	Retirement Contribution	34,950	36,328	36,328	48,497
100-5112-01-1050	Unemployment Compensation	902	1,426	1,426	1,659
100-5112-01-1060	Workers' Compensation	1,209	1,521	1,521	2,011
100-5112-01-1080	Medical Exams	131	0	0	0
	Total Salaries & Benefits	430,983	520,124	520,124	593,410
<u>Professional Services</u>					
100-5112-02-2010	Legal/General	109,798	75,000	100,000	75,000
100-5112-02-2040	Accounting/Audit	43,000	45,000	50,000	50,000
100-5112-02-2060	Grant Administrator	1,200	1,200	1,200	1,200
100-5112-02-2070	Health Dept. Retainer	900	900	900	900
100-5112-02-2075	ADP Processing Fees	29,352	30,090	30,090	32,000
100-5112-02-2089	Ambulance Contract	50,000	50,000	50,000	95,000
100-5112-02-2090	Other Professional Services	11,041	30,000	30,000	102,863
	Total Professional Services	245,291	232,190	262,190	356,963
<u>Property Services</u>					
100-5112-03-2220	Electricity	12,587	15,000	15,000	15,000
100-5112-03-2430	Facilities Maintenance	22,938	25,000	25,000	25,000
	Total Property Services	35,525	40,000	40,000	40,000
<u>Other Services</u>					
100-5112-04-2115	Senior Citizens Gas/Repair	4,837	5,000	5,000	5,000
100-5112-04-2130	Brazos Transit	14,710	14,710	14,710	14,710
100-5112-04-2700	Property Insurance	8,019	7,140	9,000	9,000
100-5112-04-2720	Advertising	1,213	1,000	1,000	1,000
100-5112-04-2730	Printing & Binding	176	500	500	500
100-5112-04-2750	Dues & Membership	3,465	4,500	4,500	4,500
100-5112-04-2770	Liberty Tax Assessor	1,625	1,840	1,668	1,800
100-5112-04-2780	Liberty CAD	77,111	79,004	79,004	79,018
100-5112-04-2830	Seminars & Schools	18,211	15,000	15,000	15,000
	Total Other Services	129,367	128,694	130,382	130,528
<u>Supplies</u>					
100-5112-05-3010	Office	5,342	6,000	6,000	6,000
100-5112-05-3020	Books & Periodicals	300	300	300	300
100-5112-05-3030	Employee Relations	943	2,000	1,306	2,000
100-5112-05-3100	Other Operating Supplies	1,967	4,000	4,000	4,000
100-5112-05-3110	Copier Expense	9,936	7,500	7,500	7,500
100-5112-05-3115	Janitorial Supplies	1,641	1,600	1,600	1,800
100-5112-05-3130	Postage	2,788	4,500	4,000	4,000
	Total Supplies	22,918	25,900	24,706	25,600

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Other Expenditures</u>					
100-5112-06-5060	Furniture/Fixtures	730	1,000	1,000	1,000
100-5112-06-5095	Contingency	14,000	15,000	15,000	15,000
	Total Other Expenditures	14,730	16,000	16,000	16,000
	Total Administration:	878,815	962,908	993,402	1,162,501

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Civic/Community</u>					
<u>Salaries & Benefits</u>					
100-5113-01-1010	Salaries	95,043	108,446	108,446	116,798
100-5113-01-1011	Overtime	2,212	1,800	1,800	1,800
100-5113-01-1020	Group Insurance	17,411	16,867	16,867	17,309
100-5113-01-1030	Social Security Contribution	7,239	8,434	8,434	9,073
100-5113-01-1040	Retirement Contribution	10,395	12,149	12,149	13,069
100-5113-01-1050	Unemployment Contribution	505	621	621	621
100-5113-01-1060	Workers' Compensation	1,477	489	489	2,016
100-5113-01-1080	Medical Exams	245	0	0	0
	Total Salaries & Benefits	134,528	148,806	148,806	160,685
<u>Property Services</u>					
100-5113-03-2220	Electricity	31,946	36,000	36,000	37,000
100-5113-03-2410	Motor Vehicle Repair	0	0	0	0
100-5113-03-2430	Facilities Maintenance	15,826	13,500	13,500	14,000
	Total Property Services	47,773	49,500	49,500	51,000
<u>Other Services</u>					
100-5113-04-2110	Marketing/Promotion	355	5,000	3,000	5,000
100-5113-04-2700	Property Insurance	9,651	9,000	10,000	10,000
100-5113-04-2830	Seminars/Schools	0	1,000	1,045	1,000
100-5113-04-9900	Credit Card Fees	1,237	1,300	1,500	1,500
	Total Other Services	11,244	16,300	15,545	17,500
<u>Supplies</u>					
100-5113-05-3010	Office Supplies	370	1,500	1,500	1,500
100-5113-05-3030	Employee Relations	350	400	250	400
100-5113-05-3100	Other Operating Supplies	1,105	1,500	1,500	1,500
100-5113-05-3110	Copier Expense	6,937	7,000	7,000	7,000
100-5113-05-3115	Janitorial Supplies	2,855	3,200	3,200	3,500
100-5113-05-3120	Uniforms	1,441	1,200	1,200	1,500
100-5113-05-3130	Postage	591	800	800	800
	Total Supplies	13,649	15,600	15,450	16,200
<u>Other Expenditures</u>					
100-5113-06-5060	Furniture/Fixtures	0	0	2,600	0
100-5113-06-5090	Events	2,933	3,000	2,600	3,000
	Total Other Expenditures	2,933	3,000	5,200	3,000
	Total Civic/Community:	210,126	233,206	234,501	248,385

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Municipal Court</u>					
<u>Salaries & Benefits</u>					
100-5114-01-1010	Salaries	148,863	175,327	175,327	182,371
100-5114-01-1011	Overtime	2,382	5,000	5,000	5,000
100-5114-01-1020	Group Insurance	27,406	38,429	27,000	20,262
100-5114-01-1030	Social Security Contribution	11,217	13,795	13,795	14,334
100-5114-01-1040	Retirement Contribution	11,678	15,924	15,924	16,419
100-5114-01-1050	Unemployment Compensation	737	886	886	886
100-5114-01-1060	Workers' Compensation	245	790	790	2,724
100-5114-01-1080	Medical Exams	131	0	0	0
	Total Salaries & Benefits	202,659	250,151	238,722	241,997
<u>Professional Services</u>					
100-5114-02-2120	Legal - Court Services	4,476	5,500	5,500	5,500
100-5114-02-2180	Inmate Expenses	13,878	13,000	30,000	30,000
	Total Professional Services	18,353	18,500	35,500	35,500
<u>Property Services</u>					
100-5114-03-2410	Motor Vehicle Repair	6,562	0	0	0
100-5114-03-2430	Facilities Maintenance	223	750	750	750
	Total Property Services	6,785	750	750	750
<u>Other Services</u>					
100-5114-04-2700	Property Insurance	3,114	2,900	3,743	3,743
100-5114-04-2730	Printing & Binding	1,210	1,300	1,300	1,300
100-5114-04-2750	Dues & Membership	75	350	350	2,000
100-5114-04-2800	Jury Costs	108	150	150	150
100-5114-04-2830	Seminars & Schools	2,735	2,800	2,800	3,500
100-5114-04-9900	Credit Card Fees	3,882	4,200	4,200	4,200
	Total Other Services	11,124	11,700	12,543	14,893
<u>Supplies</u>					
100-5114-05-3010	Office	1,079	1,200	1,200	1,200
100-5114-05-3020	Books & Periodicals	137	200	200	200
100-5114-05-3030	Employee Relations	250	300	400	400
100-5114-05-3100	Other Operating Supplies	975	800	800	1,100
100-5114-05-3110	Copier Expense	3,032	3,100	3,100	3,200
100-5114-05-3130	Postage	3,322	2,500	2,500	2,500
	Total Supplies	8,794	8,100	8,200	8,600
<u>Other Expenditures</u>					
100-5114-06-5070	Office Equipment	244	500	500	1,500
	Total Other Expenditures	244	500	500	1,500
<u>Capital Outlay</u>					
	Total Municipal Court:	247,959	289,701	296,215	303,240

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Information Technology					
<u>Professional Services</u>					
100-5115-02-2090	NSD - Contract Services	72,886	73,130	73,130	73,130
100-5115-02-2112	Software Licenses Admin	53,515	67,000	67,000	67,000
100-5115-02-2113	Software Licenses Civic Center	0	0	0	1,000
100-5115-02-2114	Software Licenses Court	1,925	2,500	2,500	20,800
100-5115-02-2120	Software Licenses Police	38,695	50,940	50,940	45,000
100-5115-02-2123	Development Services Dev. Serv.	2,082	2,200	2,200	2,200
100-5115-02-2130	Software Licenses Street	0	0	0	700
100-5115-02-2160	Software Licenses Library	40,402	26,411	26,411	26,411
100-5115-02-2170	Software Licenses Fire	2,090	2,500	2,500	2,300
100-5115-02-2310	Software Licenses Water Admin	8,129	8,000	8,000	7,000
	Total Professional Services	219,724	232,681	232,681	245,541
<u>Other Services</u>					
100-5115-04-2310	Telephone/Internet Water Adm	6,646	6,500	6,500	6,500
100-5115-04-2330	Telephone/Internet Water Prod.	17,685	15,000	15,000	15,000
100-5115-04-2350	Telephone/Internet Sewer	3,214	3,200	3,200	3,200
100-5115-04-2710	Telephone/Internet-Council	2,887	2,400	2,400	2,400
100-5115-04-2712	Telephone/Internet Admin	10,607	11,000	11,000	11,000
100-5115-04-2713	Telephone/Internet Civic	4,362	3,800	3,800	3,800
100-5115-04-2714	Telephone/Internet Court	2,478	2,100	2,100	2,100
100-5115-04-2720	Telephone/Internet Police	32,109	33,000	33,000	33,000
100-5115-04-2722	Telephone/Internet Animal	419	650	650	650
100-5115-04-2723	Telephone/Internet Develop	4,359	3,750	3,750	3,750
100-5115-04-2730	Telephone/Internet Street	4,636	4,800	4,800	4,800
100-5115-04-2740	Telephone/Internet Garage	395	400	400	400
100-5115-04-2760	Telephone/Internet Library	14,631	15,000	15,000	15,000
100-5115-04-2761	Telephone/Internet Parks	1,882	2,200	2,200	2,200
100-5115-04-2770	Telephone/Internet Fire	5,779	5,800	5,800	5,800
	Total Other Services	112,090	109,600	109,600	109,600
<u>Supplies</u>					
100-5115-05-3100	Other Operating Supplies	24	0	0	0
	Total Supplies	24	0	0	0
<u>Other Expenditures</u>					
100-5115-06-5065	Computer Equipment/Software	7,930	20,000	20,000	20,000
100-5115-06-5123	Supplies Dev. Service	0	1,500	1,500	1,500
100-5115-06-5160	Supplies Library	193	1,500	1,500	2,600
100-5115-06-5212	Supplies Admin	1,685	2,500	2,500	3,610
100-5115-06-5214	Computer Supplies Court	0	1,500	1,500	1,500
100-5115-06-5215	Supplies Tech	0	1,500	1,500	1,500
100-5115-06-5220	Supplies Police	1,079	5,000	5,000	12,950
100-5115-06-5230	Supplies Street	1,044	1,500	1,500	1,500
100-5115-06-5270	Computer Supplies Fire	0	1,500	1,500	6,050
100-5115-06-5310	Supplies Water Adm.	1,757	1,500	1,500	1,500
	Total Other Expenditures	13,688	38,000	38,000	52,710
	Total Information Technology:	345,527	380,281	380,281	407,851

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Police					
<u>Salaries & Benefits</u>					
100-5120-01-1010	Salaries	1,269,867	1,430,928	1,430,928	1,528,528
100-5120-01-1011	Overtime	66,523	75,000	75,000	75,000
100-5120-01-1020	Group Insurance	277,091	347,571	347,571	316,898
100-5120-01-1030	Social Security Contribution	98,283	115,204	115,204	122,670
100-5120-01-1040	Retirement Contribution	143,818	164,344	164,344	174,996
100-5120-01-1050	Unemployment Compensation	5,049	6,831	6,831	7,038
100-5120-01-1060	Workers' Compensation	21,721	49,287	49,287	54,453
100-5120-01-1080	Medical Exams	801	0	0	0
	Total Salaries & Benefits	1,883,152	2,189,165	2,189,165	2,279,582
<u>Professional Services</u>					
100-5120-02-2090	Other Professional Services	3,809	7,000	7,000	7,000
100-5120-02-2100	Mobile Data Service	16,554	18,520	18,520	20,000
100-5120-02-2180	Inmate Expenses	4,088	6,000	6,000	6,000
	Total Professional Services	24,451	31,520	31,520	33,000
<u>Property Services</u>					
100-5120-03-2210	Natural Gas	1,057	1,200	1,200	1,200
100-5120-03-2220	Electricity	15,748	17,500	17,500	19,000
100-5120-03-2410	Motor Vehicle Repair	47,042	32,300	32,300	32,300
100-5120-03-2420	Equipment Repair	789	1,000	1,000	1,000
100-5120-03-2430	Facilities Maintenance	18,873	25,000	25,000	25,000
	Total Property Services	83,509	77,000	77,000	78,500
<u>Other Services</u>					
100-5120-04-2700	Property Insurance	24,499	30,586	26,558	30,000
100-5120-04-2720	Advertising	238	500	500	500
100-5120-04-2750	Dues & Membership	319	500	500	500
100-5120-04-2830	Seminars & Schools	9,329	10,000	10,000	12,000
	Total Other Services	34,385	41,586	37,558	43,000
<u>Supplies</u>					
100-5120-05-3010	Office	5,517	7,000	7,000	7,000
100-5120-05-3020	Books & Periodicals	0	0	0	500
100-5120-05-3030	Employee Relations	2,850	4,200	2,900	4,200
100-5120-05-3040	Gasoline/Diesel	53,526	50,000	55,000	55,000
100-5120-05-3050	Oil/Lube	2,761	3,000	3,000	4,000
100-5120-05-3080	Uniform Expense	5,765	7,000	7,000	7,000
100-5120-05-3100	Other Operating Supplies	6,058	6,250	6,250	6,250
100-5120-05-3101	Donation Disbursement	5,182	4,208	4,208	0
100-5120-05-3110	Copier Expense	8,188	8,000	8,300	8,500
100-5120-05-3130	Postage	1,307	1,200	1,200	1,300
	Total Supplies	91,154	90,858	94,858	93,750
<u>Detective</u>					
100-5120-16-2190	Undercover	725	1,000	1,000	1,000
100-5120-16-3160	Fingerprint/Invest. Supplies	1,496	1,500	1,500	1,500
100-5120-16-3170	Range Supplies	2,090	2,500	2,500	2,500
	Total Detective	4,311	5,000	5,000	5,000

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Other Expenditures</u>					
100-5120-06-5050	Vehicle	47,194	0	0	80,000
	Total Other Expenditures	47,194	0	0	80,000
<u>Capital Outlay</u>					
100-5120-17-5090	Other Capital Outlay	30,251	102,700	102,700	0
	Total Capital Outlay	30,251	102,700	102,700	0
	Total Police:	2,198,407	2,537,829	2,537,801	2,612,832

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Animal Control</u>					
<u>Salaries & Benefits</u>					
100-5122-01-1010	Salaries	25,643	26,115	26,115	28,125
100-5122-01-1011	Overtime	2,617	2,500	2,500	2,500
100-5122-01-1020	Group Insurance	6,889	6,790	6,790	6,948
100-5122-01-1030	Social Security Contribution	2,161	2,189	2,189	2,343
100-5122-01-1040	Retirement Contribution	3,093	3,153	3,153	3,375
100-5122-01-1050	Unemployment Compensation	162	207	207	207
100-5122-01-1060	Workers' Compensation	971	1,470	1,470	1,914
	Total Salaries & Benefits	41,536	42,424	42,424	45,411
<u>Professional Services</u>					
100-5122-02-2140	Veterinarian Expenses	656	2,200	2,200	2,200
	Total Professional Services	656	2,200	2,200	2,200
<u>Property Services</u>					
100-5122-03-2220	Electricity	4,792	4,200	5,000	5,000
100-5122-03-2410	Motor Vehicle Repair	1,122	2,000	2,000	2,000
100-5122-03-2420	Equipment Repair	0	100	100	100
100-5122-03-2430	Facilities Maintenance	1,783	3,500	3,000	3,500
	Total Property Services	7,697	9,800	10,100	10,600
<u>Other Services</u>					
100-5122-04-2700	Property Insurance	639	650	650	650
100-5122-04-2830	Seminars & Schools	0	300	300	300
	Total Other Services	639	950	950	950
<u>Supplies</u>					
100-5122-05-3010	Office	30	250	250	250
100-5122-05-3030	Employee Relations	100	100	100	100
100-5122-05-3040	Gasoline/Diesel	1,915	2,500	2,500	2,500
100-5122-05-3050	Oil/Lube	36	175	175	300
100-5122-05-3080	Uniform Expense	70	150	150	300
100-5122-05-3100	Other Operating Supplies	1,342	1,600	1,600	3,000
	Total Supplies	3,493	4,775	4,775	6,450
	Total Animal Control:	54,022	60,149	60,449	65,611

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Development Services					
<u>Salaries & Benefits</u>					
100-5123-01-1010	Salaries	124,946	138,869	138,869	193,940
100-5123-01-1011	Overtime	2,661	300	300	300
100-5123-01-1020	Group Insurance	24,991	22,652	22,652	46,121
100-5123-01-1030	Social Security Contribution	10,054	10,646	10,646	14,859
100-5123-01-1040	Retirement Contribution	14,515	15,303	15,303	21,373
100-5123-01-1050	Unemployment Compensation	651	621	621	828
100-5123-01-1060	Workers' Compensation	710	627	627	1,761
100-5123-01-1080	Medical Exams	84	0	0	0
	Total Salaries & Benefits	178,612	189,018	189,018	279,182
<u>Professional Services</u>					
100-5123-02-2010	Legal/General	(1,964)	0	0	0
100-5123-02-2050	Junk Vehicles	331	600	600	600
100-5123-02-2055	Filing Fees	32	2,500	1,500	2,500
100-5123-02-2090	Other Professional Services	18,574	23,000	10,000	20,000
100-5123-02-2100	Demolition/Cleanup	5,350	15,000	15,000	15,000
	Total Professional Services	22,323	41,100	27,100	38,100
<u>Property Services</u>					
100-5123-03-2410	Motor Vehicle Repair	365	750	2,000	2,000
	Total Property Services	365	750	2,000	2,000
<u>Other Services</u>					
100-5123-04-2700	Property Insurance	814	815	815	815
100-5123-04-2720	Advertising	100	750	750	750
100-5123-04-2750	Dues & Membership	340	500	500	500
100-5123-04-2751	Certification / License	230	700	700	700
100-5123-04-2830	Seminars & Schools	4,028	5,000	5,000	5,000
100-5123-04-9900	Credit Card Fees	2,452	2,200	2,200	2,200
	Total Other Services	7,964	9,965	9,965	9,965
<u>Supplies</u>					
100-5123-05-3010	Office	4,150	2,000	2,000	2,000
100-5123-05-3020	Books & Periodicals	1,340	1,500	1,500	2,500
100-5123-05-3030	Employee Relations	300	300	300	300
100-5123-05-3040	Gasoline/Diesel	3,223	3,000	3,500	6,100
100-5123-05-3050	Oil/Lube	136	200	200	250
100-5123-05-3080	Uniform Expense	0	0	0	400
100-5123-05-3100	Other Operating Supplies	1,147	1,200	1,200	1,200
100-5123-05-3110	Copier Expense	1,620	2,300	2,300	2,300
100-5123-05-3130	Postage	563	2,500	2,500	2,500
	Total Supplies	12,479	13,000	13,500	17,550

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Other Expenditures</u>					
100-5123-06-5050	Vehicles	0	0	0	30,000
	Total Other Expenditures	22	0	0	30,000
<u>Capital Outlay</u>					
100-5123-17-5090	Other Capital Outlay	23,439	0	0	0
	Total Capital Outlay	23,439	0	0	0
	Total Development Services:	245,203	253,833	241,583	376,797

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Public Works - Street					
<u>Salaries & Benefits</u>					
100-5130-01-1010	Salaries	85,632	91,068	91,068	115,775
100-5130-01-1011	Overtime	2,888	1,600	1,600	1,600
100-5130-01-1020	Group Insurance	34,276	35,230	35,230	38,701
100-5130-01-1030	Social Security Contribution	6,067	7,089	7,089	8,979
100-5130-01-1040	Retirement Contribution	9,759	10,212	10,212	12,935
100-5130-01-1050	Unemployment Compensation	427	1,035	1,035	1,242
100-5130-01-1060	Workers' Compensation	5,499	9,773	9,773	10,517
	Total Salaries & Benefits	144,549	156,007	156,007	189,748
<u>Professional Services</u>					
100-5130-02-2089	Street Resurfacing	0	20,000	20,000	132,000
100-5130-02-2090	Other Professional Services	17,264	25,000	25,000	25,000
	Total Professional Services	17,264	45,000	45,000	157,000
<u>Property Services</u>					
100-5130-03-2210	Natural Gas	983	1,100	1,100	1,100
100-5130-03-2220	Electricity	2,809	3,000	3,000	3,000
100-5130-03-2410	Motor Vehicle Repair	5,801	7,000	7,000	7,500
100-5130-03-2420	Equipment Repair	9,363	8,000	9,500	9,500
100-5130-03-2430	Facilities Maintenance	10,491	9,000	12,000	12,000
100-5130-03-2440	Street/Drainage Maintenance	14,870	35,000	35,000	35,000
	Total Property Services	44,317	63,100	67,600	68,100
<u>Other Services</u>					
100-5130-04-2700	Property Insurance	15,204	15,210	13,420	14,000
100-5130-04-2720	Advertising	0	1,000	1,000	1,000
100-5130-04-2830	Seminars & Schools	525	1,400	0	1,200
100-5130-04-2840	Fees/Licenses	0	200	200	200
	Total Other Services	15,729	17,810	14,620	16,400
<u>Supplies</u>					
100-5130-05-3010	Office	609	750	750	750
100-5130-05-3030	Employee Relations	300	300	500	500
100-5130-05-3040	Gasoline/Diesel	23,403	19,000	23,000	23,000
100-5130-05-3050	Oil/Lube	546	500	800	800
100-5130-05-3060	Tools And Equipment	1,473	3,000	3,000	3,000
100-5130-05-3070	Traffic Signs/Paint	2,632	3,000	3,000	3,000
100-5130-05-3080	Uniform Expense	1,372	1,400	1,400	1,400
100-5130-05-3090	Street Lights	82,542	93,239	93,239	93,239
100-5130-05-3100	Other Operating Supplies	3,003	4,200	4,200	4,200
100-5130-05-3110	Street Materials	20,043	25,000	25,000	25,000
100-5130-05-3120	Consumables	722	1,000	1,000	1,000
100-5130-05-3125	Safety	192	250	250	250
	Total Supplies	136,838	151,639	156,139	156,139

**GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET**

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Other Expenditures</u>					
100-5130-06-5040	Machinery	0	0	0	125,000
	Total Other Expenditures	0	0	0	125,000
<u>Capital Outlay</u>					
100-5130-17-5090	Other Capital Outlay	0	75,000	75,000	0
	Total Capital Outlay	0	75,000	75,000	0
	Total Public Works - Street:	358,696	508,556	514,366	712,387

**GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET**

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Public Works - Airport</u>					
<u>Property Services</u>					
100-5131-03-2220	Electricity	9,933	15,000	15,000	16,000
100-5131-03-2420	Routine Airport Maintenance	8,270	22,000	15,000	15,000
100-5131-03-2425	AWOS Maintenance Contract	11,932	6,000	9,000	6,000
100-5131-03-2430	Facilities Maintenance	3,893	10,000	5,000	5,000
	Total Property Services	34,029	53,000	44,000	42,000
<u>Other Services</u>					
100-5131-04-2700	Property Insurance	6,398	10,000	7,121	7,200
100-5131-04-2710	Telephone	770	800	800	800
100-5131-04-2840	Licenses/Permits	200	200	200	200
	Total Other Services	7,367	11,000	8,121	8,200
<u>Supplies</u>					
100-5131-05-3100	Other Operating Supplies	0	1,000	1,000	1,000
	Total Supplies	0	1,000	1,000	1,000
	Total Public Works - Airport:	41,396	65,000	53,121	51,200

**GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET**

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Public Works - Garage					
<u>Property Services</u>					
100-5140-03-2210	Natural Gas	2,138	2,600	2,600	2,600
100-5140-03-2220	Electricity	1,438	1,650	1,650	1,650
100-5140-03-2410	Motor Vehicle Repair	0	1,000	500	1,000
100-5140-03-2420	Equipment Repair	23	600	600	600
100-5140-03-2430	Facilities Maintenance	752	1,000	1,000	1,000
	Total Property Services	4,352	6,850	6,350	6,850
<u>Other Services</u>					
100-5140-04-2700	Property Insurance	1,701	1,700	1,700	1,700
	Total Other Services	1,701	1,700	1,700	1,700
<u>Supplies</u>					
100-5140-05-3040	Gasoline/Diesel	392	800	500	500
100-5140-05-3060	Tools And Equipment	82	800	800	800
100-5140-05-3080	Uniform Expense	294	300	300	300
100-5140-05-3100	Other Operating Supplies	398	1,600	1,500	1,500
100-5140-05-3120	Consumables	0	200	200	200
100-5140-05-3125	Safety	0	50	50	50
	Total Supplies	1,167	3,750	3,350	3,350
<u>Capital Outlay</u>					
100-5140-17-5090	Other Capital Outlay	0	120,000	128,360	0
	Total Capital Outlay	0	120,000	128,360	0
	Total Public Works - Garage:	7,220	132,300	139,760	11,900

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Library					
<u>Salaries & Benefits</u>					
100-5160-01-1010	Salaries	145,649	178,729	178,729	191,127
100-5160-01-1011	Overtime	1,964	1,500	1,500	1,500
100-5160-01-1020	Group Insurance	40,278	39,845	39,845	39,747
100-5160-01-1030	Social Security Contribution	10,848	13,787	13,787	14,736
100-5160-01-1040	Retirement Contribution	15,155	16,751	16,751	17,990
100-5160-01-1050	Unemployment Compensation	925	1,656	1,656	1,656
100-5160-01-1060	Workers' Compensation	1,149	805	805	1,059
	Total Salaries & Benefits	215,967	253,073	253,073	267,815
<u>Professional Services</u>					
100-5160-02-2090	Collection Services	1,538	2,000	2,000	2,000
	Total Professional Services	1,538	2,000	2,000	2,000
<u>Property Services</u>					
100-5160-03-2220	Electricity	12,025	19,000	19,000	19,000
100-5160-03-2420	Equipment Repair	322	1,000	1,000	1,000
100-5160-03-2430	Facilities Maintenance	6,656	7,500	7,500	7,500
	Total Property Services	19,003	27,500	27,500	27,500
<u>Other Services</u>					
100-5160-04-2700	Property Insurance	12,447	12,100	15,178	15,178
100-5160-04-2720	Craft Supplies	921	1,000	1,000	1,000
100-5160-04-2750	Dues & Membership	684	700	700	700
100-5160-04-2830	Seminars & Schools	3,635	4,000	4,000	4,000
100-5160-04-2900	Memorial Expenditures	12,359	1,000	1,000	1,000
100-5160-04-2910	Programming	8,202	8,000	8,000	8,000
100-5160-04-9900	Credit Card Fees	665	1,000	750	750
	Total Other Services	38,915	27,800	30,628	30,628
<u>Supplies</u>					
100-5160-05-3010	Office	2,840	3,400	3,400	3,400
100-5160-05-3020	Books & Periodicals	51,708	50,000	50,000	50,000
100-5160-05-3021	Book Replacements	(624)	0	(500)	(500)
100-5160-05-3030	Employee Relations	500	500	600	650
100-5160-05-3080	Cleaning Supplies	3,000	4,000	4,000	4,000
100-5160-05-3100	Other Operating Supplies	3,494	8,300	8,300	8,300
100-5160-05-3110	Copier Expense	6,561	5,600	6,000	6,500
100-5160-05-3130	Postage	6,802	6,000	6,000	6,000
	Total Supplies	74,281	77,800	77,800	78,350

**GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET**

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Other Expenditures</u>					
100-5160-06-5060	Furniture/Fixtures	0	250	250	12,000
100-5160-06-5070	Office Equipment	2,330	0	0	0
	Total Other Expenditures	2,330	250	250	12,000
<u>Capital Outlay</u>					
100-5160-17-5090	Other Capital Outlay	0	3,000	3,000	251,600
	Total Capital Outlay	0	3,000	3,000	251,600
	Total Library:	352,034	391,423	394,251	669,893

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Cemetery/Parks</u>					
<u>Salaries & Benefits</u>					
100-5161-01-1010	Salaries	163,241	194,810	194,810	201,155
100-5161-01-1011	Overtime	4,414	9,000	9,000	9,000
100-5161-01-1020	Group Insurance	45,723	56,763	56,763	46,805
100-5161-01-1030	Social Security Contribution	12,187	15,592	15,592	16,077
100-5161-01-1040	Retirement Contribution	18,247	20,833	20,833	22,306
100-5161-01-1050	Unemployment Compensation	843	1,242	1,242	1,242
100-5161-01-1060	Workers' Compensation	5,772	7,535	7,535	8,406
100-5161-01-1080	Medical Exams	393	0	0	0
	Total Salaries & Benefits	250,819	305,775	305,775	304,991
<u>Professional Services</u>					
100-5161-02-2090	Other Professional Services	21,790	34,000	34,000	34,000
	Total Professional Services	21,790	34,000	34,000	34,000
<u>Property Services</u>					
100-5161-03-2210	Natural Gas	869	900	900	900
100-5161-03-2220	Electricity	7,885	10,000	10,000	10,000
100-5161-03-2410	Motor Vehicle Repair	434	3,500	3,500	3,500
100-5161-03-2420	Equipment Repair	3,267	6,000	6,000	6,000
100-5161-03-2430	Facilities Maintenance	21,608	15,000	15,000	15,000
	Total Property Services	34,062	35,400	35,400	35,400
<u>Other Services</u>					
100-5161-04-2700	Property Insurance	4,972	4,900	5,612	5,700
100-5161-04-2840	Fees/Licenses	250	0	0	0
	Total Other Services	5,222	4,900	5,612	5,700
<u>Supplies</u>					
100-5161-05-3030	Employee Relations	400	500	500	500
100-5161-05-3040	Gasoline/Diesel	13,313	14,000	14,000	14,000
100-5161-05-3050	Oil/Lube	289	300	300	300
100-5161-05-3060	Tools And Equipment	2,484	5,000	5,000	5,000
100-5161-05-3080	Uniform Expense	2,224	1,800	1,800	1,800
100-5161-05-3100	Other Operating Supplies	3,501	5,000	5,000	5,000
100-5161-05-3110	Materials	859	2,500	2,500	2,500
100-5161-05-3120	Consumables	3,343	3,500	3,500	3,500
100-5161-05-3125	Safety	241	600	600	600
	Total Supplies	26,655	33,200	33,200	33,200
<u>Capital Outlay</u>					
100-5161-17-5090	Other Capital Outlay	0	120,000	120,000	200,000
	Total Capital Outlay	0	120,000	120,000	200,000
	Total Cemetery/Parks:	338,548	533,275	533,987	613,291

**GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET**

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Sports Park					
<u>Professional Services</u>					
100-5162-02-2090	Professional Services	3,688	2,000	2,600	3,500
	Total Professional Services	3,688	2,000	2,600	3,500
<u>Capital Outlay</u>					
100-5162-17-5090	Other Capital Outlay	20,650	180,000	180,000	0
	Total Capital Outlay	20,650	180,000	180,000	0
<u>Facility Maintenance</u>					
100-5162-18-2402	Fertilizer	240	0	0	0
100-5162-18-2406	Equipment Maintenance	490	700	700	700
100-5162-18-2407	Fuel	0	250	250	250
100-5162-18-2410	Utilities	7,690	9,000	9,000	10,000
100-5162-18-2414	Vehicle Maintenance	2,516	1,000	1,000	1,200
100-5162-18-2415	Facilities Maintenance	2,936	6,000	6,000	6,000
100-5162-18-2416	Field Play / Maintenance	7,088	3,000	3,000	5,000
100-5162-18-2499	Operating Supplies	352	4,000	1,000	1,000
	Total Facility Maintenance	21,311	23,950	20,950	24,150
	Total Sports Park:	45,648	205,950	203,550	27,650

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Fire					
<u>Salaries & Benefits</u>					
100-5170-01-1010	Salaries	380,849	381,806	381,806	534,524
100-5170-01-1011	Overtime	25	2,000	2,000	2,000
100-5170-01-1020	Group Insurance	30,610	32,885	32,885	17,579
100-5170-01-1030	Social Security Contribution	28,477	28,122	28,122	41,045
100-5170-01-1040	Retirement Contribution	16,555	16,264	16,264	33,063
100-5170-01-1050	Unemployment Compensation	2,821	1,242	1,242	3,933
100-5170-01-1060	Worker's Compensation	11,798	18,409	18,409	33,802
100-5170-01-1080	Medical Exams	385	0	0	0
	Total Salaries & Benefits	471,520	480,728	480,728	665,945
<u>Property Services</u>					
100-5170-03-2210	Natural Gas	2,711	3,000	3,000	3,000
100-5170-03-2220	Electricity	13,052	14,500	16,000	16,000
100-5170-03-2411	Fire Truck Repair	33,965	42,500	46,500	47,500
100-5170-03-2420	Equipment Repair	283	2,500	2,500	2,500
100-5170-03-2421	Fire Equipment Repair	11,037	17,000	17,000	17,000
100-5170-03-2430	Facilities Maintenance	3,480	9,000	9,000	9,000
	Total Property Services	64,528	88,500	94,000	95,000
<u>Other Services</u>					
100-5170-04-2700	Property Insurance	30,849	30,008	34,000	36,000
100-5170-04-2750	Dues & Memberships	1,795	2,000	2,000	2,000
100-5170-04-2830	Seminars & Schools	5,871	6,000	6,000	6,000
100-5170-04-2840	Fees & Permits	88	2,400	2,400	2,400
100-5170-04-2860	Volunteer Firefighter Pay	46,060	52,920	52,920	52,920
	Total Other Services	84,664	93,328	97,320	99,320
<u>Supplies</u>					
100-5170-05-3010	Office	777	1,500	1,500	1,500
100-5170-05-3020	Books & Periodicals	119	500	500	500
100-5170-05-3030	Employee Relations	1,050	1,100	1,050	1,100
100-5170-05-3040	Gasoline/Diesel	14,470	22,000	18,000	20,000
100-5170-05-3050	Oil/Lube	317	500	500	500
100-5170-05-3080	Uniform Expense	3,011	5,000	4,000	5,000
100-5170-05-3082	Bunker Gear And Cleaning	12,185	15,000	15,000	15,000
100-5170-05-3100	Medical Supplies	3,199	4,500	6,000	6,000
100-5170-05-3101	Donation Disbursement	0	3,020	1,500	0
100-5170-05-3102	Other Fire Supplies	20,326	35,000	35,000	35,000
100-5170-05-3130	Postage	512	500	600	600
	Total Supplies	55,964	88,620	83,650	85,200

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Other Expenditures</u>					
100-5170-06-5060	Furniture/Fixtures	475	500	500	500
100-5170-06-5070	Other Emergency Equipment	25,024	10,000	10,000	36,000
	Total Other Expenditures	25,499	10,500	10,500	36,500
<u>Capital Outlay</u>					
100-5170-17-5090	Other Capital Outlay	0	25,000	25,000	750,000
	Total Capital Outlay	0	25,000	25,000	750,000
	Total Fire:	702,173	786,676	791,198	1,731,965

**GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET**

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Emergency Management</u>					
<u>Salaries & Benefits</u>					
100-5177-01-1010	Salaries	10,005	10,000	10,000	10,000
100-5177-01-1030	Social Security Contribution	0	765	765	765
100-5177-01-1040	Retirement Contribution	0	1,102	1,102	1,102
	Total Salaries & Benefits	10,005	11,867	11,867	11,867
<u>Other Services</u>					
100-5177-04-5000	Emergency Mgmt. Services	4,000	18,200	18,200	18,200
	Total Other Services	4,000	18,200	18,200	18,200
	Total Emergency Management:	14,005	30,067	30,067	30,067

GENERAL FUND - 100
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Non-Operational</u>					
<u>Non-Departmental</u>					
100-5180-99-9999	Transfer To CIP	0	797,036	797,036	0
	Total Non-Departmental	0	797,036	797,036	0
	Total Non-Operating:	0	797,036	797,036	0
<u>Grants - All Depts</u>					
<u>Other Expenditures</u>					
100-5190-06-5080	Airport Grant/Ramp Exp.	0	34,700	34,700	0
100-5190-06-5087	CIP Council Contingency	92,341	0	0	0
	Total Other Expenditures	92,341	34,700	34,700	0
<u>CDBG Programs</u>					
100-5190-13-5708	CDBG	0	80,000	80,000	0
	Total CDBG	0	80,000	80,000	0
	Total Grants - All Depts:	92,341	114,700	114,700	0
	TOTAL EXPENDITURES:	6,160,390	8,318,840	8,349,863	9,062,521

DEBT SERVICE FUND

The Debt Service Fund, also known as the interest and sinking fund, is established by ordinance and accounts for the issuance of debt and provides for the payment of debt, including principal, and interest as payments become due. In the Debt Service Fund, an ad valorem (property) tax rate and tax levy are required to be computed and levied, which will be sufficient to produce the money to satisfy annual debt service requirements. The City of Cleveland has no general obligation legal debt limit other than a ceiling on the tax rate specified by the State of Texas. Under the rules of the Texas Attorney General, the City may issue general obligation debt in an amount no greater than that which can be serviced by a debt service tax rate of \$1.50 per \$100 assessed valuation, based on a 90% collection rate.

FISCAL YEAR 2020 PROPOSED BUDGET

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
REVENUES:				
Property Taxes	886,698	872,078	872,078	868,397
Interest	5,109	2,624	5,200	5,200
Transfers and Contributions	616,758	117,717	117,717	118,770
Total Revenues:	\$1,508,564	\$992,419	\$994,995	\$992,367
EXPENDITURES:				
Debt Service	1,499,222	992,419	992,419	992,367
Total Expenses:	\$1,499,222	\$992,419	\$992,419	\$992,367
Revenue Over/(Under) Expenditures	9,342	0	2,576	0
Fund Balance - Beginning		595,066	595,066	597,642
Fund Balance - Ending	\$595,066	\$595,066	\$597,642	\$597,642
Reserve Requirement (25%)		248,105	248,105	248,092
Excess/(Deficit)		346,961	349,537	349,550

Based on the values used, the budget as adopted assumes a debt service (I&S) tax rate of \$0.2255 per \$100 assessed valuation. This is a \$0.00000 decrease from fiscal year 2019 adopted rate (tax year 2018) of \$0.2255 per \$100 assessed valuation, due to the calculated levy required to secure the annual obligation backed by taxes. The following is the detail on the adopted tax rate:

Fiscal Year 2020 Proposed Tax Rate / Tax Year 2019	
Debt Service (I&S) Rate	\$0.2255
Maintenance & Operating (M&O) Rate	\$0.5445
Total Adopted Tax Rate	\$0.7700

If unadjusted from the proposed tax obligations for future years would allow debt service the capacity to support future debt up to an annual scheduled payment of \$85,000 beginning fiscal year 2021 and is possible additional debt backed by taxes would be adopted in 2021 to assist in the construction and/or equipping of an auxiliary fire station as additional sources would be necessary for the city to build an adequate fire station along with the cash raised in 2021. The value of new development in Grand Oaks will be a significant factor in determining if the (I&S) tax rate of \$0.2255 would be sufficient in supporting additional debt to bridge any cash funding gap for the new station.

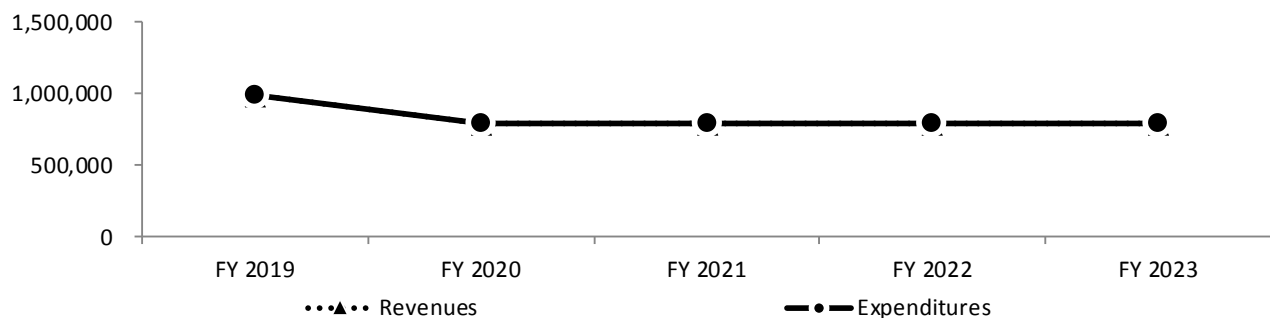
A tax rate of \$0.77000 per \$100 valuation proposed by the governing body of the City of Cleveland exceeds the calculated effective rate on the certified rolls. The effective rate is the total tax rate needed to raise the same amount of property tax revenue from the same properties in both the 2018 and the 2019 tax year. It is recommended that the proposed rate be below the rollback rate, otherwise the increased rate requires voter approval. The rollback rate calculation is adjusted on a portion of sales tax, which the city has experienced higher collections than the prior year.

In fiscal year 2019, the debt service tax rate provides \$868,397 in current property taxes at the current collection rate and total revenues at \$992,267. Total 2019 debt supported by the fund is \$992,367 Debt service includes a transfer-in of \$118,770 from the capital equipment fund 701 supporting a portion of the debt on Series 2015 Tax Notes. The water/sewer fund and economic development fund support the remaining obligation and is budgeted within their adopted funds.

In fiscal year 2020, the proposed tax levy is estimated to be greater than \$2,940,551 at a 94.65% collection rate. The interest and sinking portion provides the projected \$828,397 in current property tax with total Debt Service property tax, current as well as delinquent, at \$868,397. Debt service revenues include \$5,200 in interest income and \$118,770 in transfers for total revenues at \$992,367.

For fiscal years 2020 through 2024, it is forecasted that the fund will remain above reserve policy guidelines, with no tax rate increases planned for those years without the need to increase the interest and sinking tax rate.

	FY 2020 PROPOSED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED	FY 2024 PROJECTED
Property Taxes	868,397	784,688	784,158	790,615	788,825
Interest	5,200	5,000	5,000	5,000	5,000
Non-Operating / Transfers	118,770	0	0	0	0
Total Revenues	\$992,367	\$789,688	\$789,158	\$795,615	\$793,825
2013 Refunding	576,956	577,031	576,656	583,456	582,213
2015 Tax Notes	203,280	0	0	0	0
2017 Airport	202,131	202,657	202,502	202,159	201,612
Fiscal Agent Fees	10,000	10,000	10,000	10,000	10,000
Total Expenditures	\$992,367	\$789,688	\$789,158	\$795,615	\$793,825



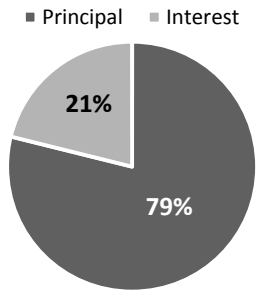
**DEBT SERVICE FUND - 500
FISCAL YEAR 2020 PROPOSED BUDGET**

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
REVENUES:				
<u>Property Taxes</u>				
500-4000-01-0801 Current Taxes	820,526	815,078	815,078	828,397
500-4000-01-0802 Delinquent Taxes	40,950	32,000	32,000	25,000
500-4000-01-0803 P & I Attorney Fees	25,222	25,000	25,000	15,000
Total Property Taxes	886,698	872,078	872,078	868,397
<u>Interest</u>				
500-4000-10-894 Interest Income	5,109	2,624	5,200	5,200
Total Interest	5,109	2,624	5,200	5,200
<u>Non-Operating</u>				
500-4000-99-9900 Transfer In	616,758	117,717	117,717	118,770
Total Non-Operating	616,758	117,717	117,717	118,770
Total Revenues:	1,508,564	992,419	994,995	992,367
EXPENDITURES:				
<u>Debt Service</u>				
500-5510-11-4011 Tax Bond Retirement	1,145,000	830,000	830,000	850,000
500-5510-11-4051 Tax Bond Interest	336,972	153,919	153,919	132,367
500-5510-11-4071 Fiscal Agent Fees	17,250	8,500	8,500	10,000
Total Debt Service	1,499,222	992,419	992,419	992,367
Total Expenditures:	1,499,222	992,419	992,419	992,367

FY2020 ANNUAL DEBT REQUIREMENTS

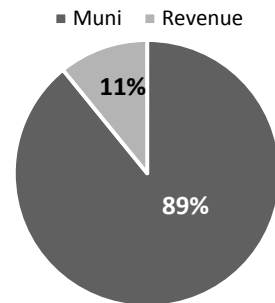
Municipal Bonds	Principal	Interest	Total
Debt Service			
GO Refunding Bonds, Series 2013	490,000	86,956	576,956
Series 2015 Tax Notes	200,000	3,280	203,280
Series 2017 Airport Hangers	160,000	42,131	202,131
	850,000	132,367	982,367
Economic Development			
Series 2012 Sports Park	85,000	50,975	135,975
Series 2012 Water Well	45,000	25,800	70,800
	130,000	76,775	206,775
Water / Sewer			
Certificates of Obligation, Series 2012A	110,000	49,950	159,950
GO Refunding Bonds, Series 2013	140,000	2,100	142,100
Series 2017 Water Projects	90,000	62,757	152,757
	340,000	114,807	454,807
Total Tax-Backed:	1,320,000	323,949	1,643,949

Total Obligations



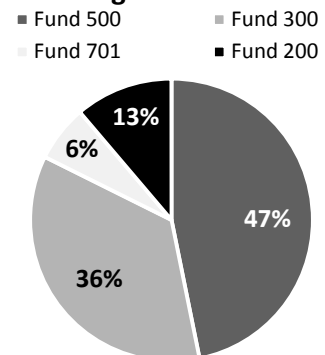
Revenue Bonds	Principal	Interest	Total
Water / Sewer			
2009 Water & Sewer Revenue Bond	25,000	12,825	37,825
2011 Water & Sewer Revenue Bonds	110,000	52,725	162,725
Total Revenue Bond:	135,000	65,550	200,550
Total Obligations:	\$1,455,000	\$389,499	\$1,844,499

Bond Type



Designated Fund	Principal	Interest	Total
Debt Service Fund	733,146	130,451	863,597
Capital Equipment	116,854	1,916	118,770
Water / Sewer Fund	475,000	180,357	655,357
EDC Fund	130,000	76,775	206,775
Total Obligations:	1,455,000	389,499	1,844,499
Total Tax-Backed from Other Resources:	586,854	193,498	780,352

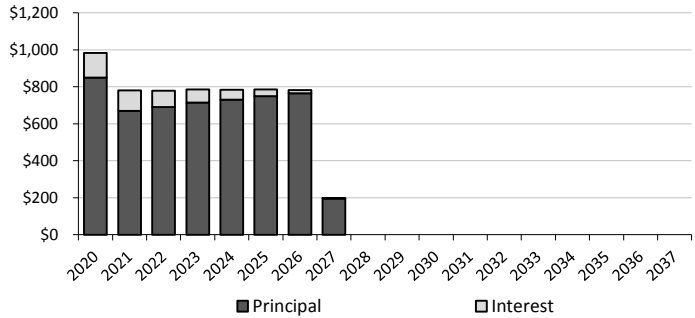
Designated Fund



GENERAL LONG-TERM DEBT
GOVERNMENTAL DEBT MATURITY SCHEDULE

Fiscal Year	Principal	Interest	Total
FY2020	850,000	132,367	982,367
FY2021	670,000	109,689	779,689
FY2022	690,000	89,158	779,158
FY2023	715,000	70,615	785,615
FY2024	730,000	53,824	783,824
FY2025	750,000	35,846	785,846
FY2026	765,000	16,592	781,592
FY2027	195,000	3,323	198,323
FY2028			
FY2029			
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	5,365,000	511,413	5,876,413

Series Name	Principal Amount
Series 2013 General Obligation Refunding Bonds	3,745,000
Series 2015 Tax Notes	200,000
Series 2017 Airport Hangers	1,420,000
Total	5,365,000



DATE	DESCRIPTION	AMOUNT ISSUED	AMOUNT OUTSTANDING AS OF 9/30/19	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/20
3/1/2020	Series 2013 General Obligation	6,285,000		490,000	47,153	537,153	
9/1/2020	Refunding Bonds (GF Portion)				39,803	39,803	
	Fiscal Year Total		3,745,000	490,000	86,956	576,956	3,255,000
2/15/2020	Series 2015 Tax Notes	930,000			1,640	1,640	
8/15/2020	Refunding Bonds			200,000	1,640	201,640	
	Fiscal Year Total		200,000	200,000	3,280	203,280	0
3/1/2020	Series 2017 Certificates	1,720,000		160,000	22,036	182,036	
9/1/2020	of Obligation (GF Portion)				20,095	20,095	
	Fiscal Year Total		1,420,000	160,000	42,131	202,131	1,260,000
	TOTAL	8,935,000	5,365,000	850,000	132,367	982,367	4,515,000

**GENERAL LONG-TERM DEBT
GOVERNMENTAL DEBT MATURITY SCHEDULE**

SERIES 2013 GENERAL OBLIGATION REFUNDING BONDS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2020	490,000	86,956	576,956
FY2021	505,000	72,031	577,031
FY2022	520,000	56,656	576,656
FY2023	540,000	43,456	583,456
FY2024	550,000	32,213	582,213
FY2025	565,000	20,013	585,013
FY2026	575,000	6,828	581,828
FY2027			
FY2028			
FY2029			
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	3,745,000	318,153	4,063,153

SERIES 2015 TAX NOTES

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2020	200,000	3,280	203,280
FY2021			
FY2022			
FY2023			
FY2024			
FY2025			
FY2026			
FY2027			
FY2028			
FY2029			
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	200,000	3,280	203,280

SERIES 2017 CO AIRPORT HANGERS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2020	160,000	42,131	202,131
FY2021	165,000	37,657	202,657
FY2022	170,000	32,502	202,502
FY2023	175,000	27,159	202,159
FY2024	180,000	21,612	201,612
FY2025	185,000	15,833	200,833
FY2026	190,000	9,764	199,764
FY2027	195,000	3,323	198,323
FY2028			
FY2029			
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	1,420,000	189,980	1,609,980

TAX INCREMENT REINVESTMENT ZONE NO. 1

A tax increment reinvestment zone (TIRZ) is a political subdivision of a municipality or county in the state of Texas created to implement tax increment financing. They may be initiated by the city or county or by petition of owners whose total holdings in the zone consist of a majority of the appraised property value. . The County and City Council approved an ordinance creating Tax Increment Reinvestment Zone (TIRZ) No. 1.

FISCAL YEAR 2020 PROPOSED BUDGET

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
REVENUES:				
Property Taxes (TIRZ)	0	0	0	46,485
Interest	0	0	0	465
Total Revenues:	\$0	\$0	\$0	\$46,950
EXPENDITURES:				
Other Services	0	0	0	46,485
Total Expenses:	\$0	\$0	\$0	\$46,485
Revenue Over/(Under) Expenditures	0	0	0	465
Fund Balance - Beginning		0	0	0
Fund Balance - Ending	\$0	\$0	\$0	\$465

**TAX INCREMENT REINVESTMENT ZONE NO. 1 - 510
FISCAL YEAR 2020 PROPOSED BUDGET**

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
REVENUES:				
<u>Property Taxes</u>				
510-4000-01-0801 Current TIRZ Taxes	0	0	0	46,485
Total Property Taxes	0	0	0	46,485
<u>Interest</u>				
510-4000-10-894 Interest Income	0	0	0	465
Total Interest	0	0	0	465
Total Revenues:	0	0	0	46,950
EXPENDITURES:				
<u>Other Services</u>				
510-5510-04-2790 City of Cleveland	0	0	0	10,615
510-5510-04-2791 Liberty County	0	0	0	7,979
510-5510-04-2792 Development Authority	0	0	0	27,891
Total Other Service	0	0	0	46,485
Total Expenditures:	0	0	0	46,485

WATER & SEWER FUND

The Water & Sewer Fund, also known as Fund 300, is an enterprise fund that includes the water and sewer system operations. The fund is operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. The City provides water and sewer service to residential and commercial customers. As such, the City continually monitors and evaluates the need to adjust water and sewer rates to ensure that the fund is self-supporting, that infrastructure rehabilitation is adequate, and that the fund maintains a planned reserve.

FISCAL YEAR 2020 PROPOSED BUDGET

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 20 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Operating Revenue:	\$3,362,144	\$3,269,011	\$3,376,971	\$3,352,200
Non-Operating Revenue:	(\$7,603)	\$350,000	\$361,175	\$0
Total Revenues:	\$3,354,541	\$3,619,011	\$3,738,146	\$3,352,200
Operating Expenses:	\$2,930,407	\$2,132,570	\$2,209,289	\$2,620,443
Financial Obligations	123,043	656,341	656,341	656,757
Non-Departmental / Transfers	400,000	0	0	0
Capital Contributions	700,000	830,100	830,100	75,000
Total Expenses:	\$4,153,450	\$3,619,011	\$3,695,730	\$3,352,200
<i>Revenues Over Expenditures</i>	<i>(798,909)</i>	<i>0</i>	<i>42,416</i>	<i>0</i>
Fund Balance - Beginning		13,491,760	13,491,760	13,534,176
<i>Cash Balance - Beginning</i>		<i>1,431,007</i>	<i>1,431,007</i>	<i>1,473,423</i>
Fund Balance - Ending	\$13,491,760	\$13,491,760	\$13,534,176	\$13,534,176
<i>Cash Balance - Ending</i>	<i>\$1,431,007</i>	<i>\$1,431,007</i>	<i>\$1,473,423</i>	<i>\$1,473,423</i>
Reserve Requirement (25%)		904,753	904,753	838,050
Excess/(Deficit)		526,254	568,670	635,373

Fiscal Year 2018-2019:

Water & Sewer revenue is \$3,738,146, \$383,605 lower than last year's total revenue \$3,354,541 due to a projected \$368,778 in non-operating grant proceeds; although these proceeds will not total to \$368,778 due to the timing of the CDBG Phase II project and therefore will be recommended as carryover into fiscal year 2020. Operating revenue at \$3,376,971 is \$14,827 higher than last year's operating total of \$3,362,144. Total projected revenues are 3.3% higher than target due to higher projected other fees mainly due to new development. Changes from the amended to the projected budget highlighted below:

- Sewer projected is \$8,925 over the amended budget due to cautious assumption in regards to collection increases from sewer rates adoptions in October 2019.
- Union Tank Car (UTLX) wastewater flow volume is less than previous year to date and projected at \$15,000 less than the amended budget.
- Other revenue is higher by \$17,000 largely due to insurance proceeds.
- Water fees are \$87,960 over amended budget primarily from development with the new taps on residential construction.
- Garbage revenue is higher by \$5,460 due a mid-year change in garbage rates.

Fiscal year 2019 expenses totaling \$3,695,730 are projected to be \$76,719 or 2.1% higher than original budget due to new construction activity, garbage rate changes, sewer repairs and maintenance.

- The Water Production Division at \$853,283 or 6.4% over amended budget is due to material cost associated with new meters. A new meter on new construction is a pass-through, as the developer is responsible for the cost of the original meter. Meter cost removed from the comparison still puts the fund over significantly due to other expenses in regard to professional services, maintenance, lab fees, chemicals, and equipment rental. These issues are curbed with adequate allocation in fiscal year 2020 and supplied predominantly in the proposed base budget.
- The Sewer Division projected at \$774,355 is above amended by 4.7% due to changes in property insurance coverage, electricity, equipment and sludge hauling. As in the division above, these issues are curbed with adequate allocation in fiscal year 2020 and supplied predominantly in the proposed base budget.
- The Sanitation Division at \$215,600 is on target with the amended, although the cost in services has increased.

Revenues are over expenses by \$42,416 by year-end. Staff is continuing watchful review expenses of the water sewer operations and will make necessary adjustments prior to final adoption.

Fiscal Year 2019-2020:

Water & Sewer revenue is \$3,352,200, \$385,946 lower than last year's projected revenue mainly due non-operating revenue from the awarded \$350,000 in CDBG grant funding, a reduction of \$23,796 in insurance proceeds, \$40,500 for a cautious outlook on development – although no change in growth is anticipated. The lower than projected is offset by increases in service charges as new residential is accounted for and occupied.

Total expenses are \$3,352,200, with operational expenses at \$2,620,443. Non-operating expenses include financial Obligations \$656,757 and Capital Contributions of \$75,000.

Expenses include the following:

- Additional part-time customer service representative. This position is to offset one of the customer service representatives supported in the general fund that is needed to expand services in permitting.
- Customer service office re-design for increased efficiency. Consumers today want an increasingly high level of service with freedom of choice, simplicity and flexibility when they visit. There is low acceptance of passively waiting, and this creates dissatisfaction. The re-design is to provide a greater presence at the front lobby, higher security, and full service delivery that includes permitting and utilities in a single sourced venue.
- Increase in water production overtime due to projected activity.
- Perform both interior and exterior TCEQ tank inspections to assure that the physical integrity, water quality, and security are in compliance. The inspection will include a professional report containing a reporting of sediment levels, corrosion estimates and recommendations for any repairs needed.
- Additional water production related equipment repair due to projected activity and needs.
- Additional water production related equipment retail due to projected activity and needs.
- Replacement for 15 HP sewer pump at the West WWTP main wet well. The existing pump is over 20 years old and has failed. Wet wells are the holding sump for gravity-flow sewer systems. As sewage enters the wet well and the water level rises, pumps are engaged to pump out the sewage to a forced main, or the sewage is lifted to a higher grade to continue the gravity flow to the outlet point.
- Additional funding replacement of one lift station pump for possible lift station pump failure as system pumps have reached their full operational lifespan. Lift stations are used for pumping wastewater or sewage from a lower to higher elevation, particularly where the elevation of the source is not sufficient for gravity flow and/or when the use of gravity conveyance will result in excessive excavation and higher construction costs.
- Headworks Bar Screen at one WWTP; additional funding is scheduled for the second WWTP in fiscal year 2021. The bar screen is a mechanical filter used to remove large objects, such as rags and plastics, from wastewater. It is part of the primary filtration flow and typically is the first, or preliminary, level of filtration, being installed at the influent to a wastewater treatment plant.
- Drying Bed at East and West WWTP. The project consists of Sludge De-watering Blocks to cover the drying beds at the both wastewater treatment plants. Approximate 1134 square feet at the West Plant and 1323 square feet at the East Plant. The existing drying bed tiles are approximately 20 years old and are allowing solids to pass thru them and they are consequently returned to the head works of the plant for processing again. The immediate benefit will allow the operator to control the wasting of the solids at the plant and not have to handle them twice. This expense meets the departmental goal of compliance with TCEQ rules and regulations.

- Capital programs and extensions to the existing water and/or wastewater system. It is important that the city maintain adequate utility lines to support existing customers as well as assisting in new development. Most importantly, maintaining adequate water flow tests for the purposes of fire protection.

Supplemental expenses are detailed below:

	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
Salary Merit (2.5% Additional)	22,490	-	22,490
Customer Service Clerk P/T	19,518	-	19,518
Customer Service Redesign	-	150,000	150,000
Overtime	18,569	-	18,569
Water Tank Inspections	-	8,000	8,000
Facility Maintenance (additional)	5,000	-	5,000
Equipment Rental (additional)	1,000	-	1,000
W-WWTP Main Wet Well Replacement	-	20,000	20,000
LS Pump Replacement	-	7,000	7,000
Headworks Bar Screen (West)	-	55,000	55,000
Drying Bed (West)	-	28,000	28,000
Drying Bed (East)	-	28,000	28,000
Capital Programs/Extensions (Development)	-	75,000	75,000
Total W/S Fund <u>Proposed</u> Supplementals:	66,577	371,000	437,577

Available cash ending balance at 9/30/2020 is expected to be \$1,473,423 with cash reserves at \$635,373 above policy requirement. The calculation of cash reserves includes all in non-recurring capital. Maintaining an excess allows the fund to support unknown emergency needs via Council resolution and amendment to the adopted budget without risking the reserve requirement.

WATER & SEWER FUND - 300
FISCAL YEAR 2020 PROPOSED BUDGET

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2020 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Charges For Service	2,810,300	2,791,325	2,785,250	2,815,000
Other Service Charges	173,852	91,275	109,021	86,300
Interest	38,509	32,131	35,000	38,000
Other Fees	99,558	108,740	196,700	156,200
Garbage	239,925	245,540	251,000	256,700
Operating Revenue:	\$3,362,144	\$3,269,011	\$3,376,971	\$3,352,200
Non-Operating Revenue:	(\$7,603)	\$350,000	\$361,175	\$0
Total Revenues:	\$3,354,541	\$3,619,011	\$3,738,146	\$3,352,200
Water Administration	630,070	375,751	366,051	558,427
Water Production	1,262,053	801,783	853,283	903,717
Sewer Department	799,810	739,766	774,355	935,099
Sanitation Department	238,473	215,270	215,600	223,200
Operating Expenses:	\$2,930,407	\$2,132,570	\$2,209,289	\$2,620,443
Financial Obligations	123,043	656,341	656,341	656,757
Non-Departmental / Transfers	400,000	0	0	0
Capital Contributions	700,000	830,100	830,100	75,000
Non-Operating Expenses:	\$1,223,043	\$1,486,441	\$1,486,441	\$731,757
Total Expenses:	\$4,153,450	\$3,619,011	\$3,695,730	\$3,352,200
<i>Revenues Over Expenditures</i>	<i>(798,909)</i>	<i>0</i>	<i>42,416</i>	<i>0</i>
Fund Balance - Beginning		13,491,760	13,491,760	13,534,176
Cash Balance - Beginning		1,431,007	1,431,007	1,473,423
Fund Balance - Ending	\$13,491,760	\$13,491,760	\$13,534,176	\$13,534,176
Cash Balance - Ending	\$1,431,007	\$1,431,007	\$1,473,423	\$1,473,423
Reserve Requirement (25%)		904,753	904,753	838,050
Excess/(Deficit)		526,254	568,670	635,373

WATER & SEWER FUND - 300
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
REVENUES					
<u>Service Charges</u>					
300-4000-09-0866.	Water Charges	1,478,031	1,485,250	1,485,250	1,490,000
300-4000-09-0866.	Sewer Charges	1,148,398	1,141,075	1,150,000	1,160,000
300-4000-09-0866	Waste Water Revenue - UTLX	183,871	165,000	150,000	165,000
	Total Service Charges	2,810,300	2,791,325	2,785,250	2,815,000
<u>Other Revenue</u>					
300-4000-09-0850	Insurance Proceeds	20,549	0	23,796	0
300-4000-09-0866.	Direct Water Sales	8,839	1,500	0	1,500
300-4000-09-0895-	Reconnect Fees	13,875	14,000	12,000	12,000
300-4000-09-0895.	Over / (Short)	25	0	0	0
300-4000-09-0895.	Returned Check Fees	427	1,100	600	600
300-4000-09-0895.	Late Charges Billed	57,737	63,000	60,000	60,000
300-4000-09-0895.	Misc. W&S Billings	100	100	500	100
300-4000-09-0895.	Transfer Fees	50	0	25	0
300-4000-09-0895.	Other Income	61,233	200	100	100
300-4000-09-0895.	Credit Charge Fees	11,018	11,375	12,000	12,000
	Total Other Revenue	173,852	91,275	109,021	86,300
<u>Interest</u>					
300-4000-10-0894	Interest Income	38,509	32,131	35,000	38,000
	Total Interest	38,509	32,131	35,000	38,000
WATER FEES					
300-4000-11-0867.	Meter Service	6,075	5,790	8,500	8,000
300-4000-11-0867.	Water Taps	11,183	12,000	70,000	45,000
300-4000-11-0867.	Sewer Taps	4,950	8,000	30,000	20,000
300-4000-11-0867.	Street Cuts	3,000	3,500	10,000	5,000
300-4000-11-0867.	Payment Plan	2,457	2,500	200	200
300-4000-11-0868	WM Mgmt. Fees (Revenue)	71,893	76,950	78,000	78,000
	Total Water Fees	99,558	108,740	196,700	156,200
<u>Garbage</u>					
300-4000-12-0873.	Garbage Pickup Revenue	218,419	222,000	225,000	230,000
300-4000-12-0873.	Garbage Bag Income	2,368	3,500	2,500	3,200
300-4000-12-0873.	Garbage Tag Income	1,087	1,200	500	500
300-4000-12-0874	Additional Garbage Cart	18,051	18,840	23,000	23,000
	Total Garbage	239,925	245,540	251,000	256,700
<u>Non-Operating</u>					
300-4000-99-1000.	Contr. Capital-Cap. Projects	0	350,000	350,000	0
300-4000-99-1004	FEMA Reimbursement	0	0	11,175	0
300-4000-99-9000	Gain (Loss) On Assets	(7,902)	0	0	0
	Total Non-Operating	(7,603)	350,000	361,175	0
	TOTAL REVENUES:	3,354,541	3,619,011	3,738,146	3,352,200

WATER & SEWER FUND - 300
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Water Administration</u>					
<u>Salaries & Benefits</u>					
300-5310-01-1010	Salaries	167,610	181,468	181,468	207,905
300-5310-01-1011	Overtime	2,347	1,500	1,500	1,500
300-5310-01-1020	Group Insurance	38,977	44,070	44,070	38,609
300-5310-01-1030	Social Security Contribution	12,570	13,997	13,997	16,019
300-5310-01-1040	Retirement Contribution	18,473	20,163	20,163	23,077
300-5310-01-1050	Unemployment Compensation	793	828	828	1,035
300-5310-01-1060	Workers' Compensation	2,897	4,596	4,596	942
300-5310-01-1080	Medical Exams	131	0	0	0
300-5310-01-1090	ADM - Pension Expense	1,008	0	0	0
300-5310-01-1091	OPEB Expense	522	0	0	0
	Total Salaries & Benefits	245,328	266,622	266,622	289,087
<u>Professional Services</u>					
300-5310-02-2040	Accounting/Audit	5,000	5,000	5,000	10,000
300-5310-02-2090	Other Professional Services	37,389	40,000	40,000	40,000
	Total Professional Services	42,389	45,000	45,000	50,000
<u>Property Services</u>					
300-5310-03-2220	Electricity	2,470	2,600	2,600	2,800
	Total Property Services	2,470	2,600	2,600	2,800
<u>Other Services</u>					
300-5310-04-2720	Advertising	490	0	0	0
300-5310-04-2730	Printing & Binding	2,381	2,800	2,800	3,000
300-5310-04-2750	Dues & Membership	90	100	300	300
300-5310-04-2830	Seminars & Schools	1,992	1,200	3,500	2,000
300-5310-04-9900	Credit Card Fees	9,824	9,000	10,000	10,000
	Total Other Services	14,777	13,100	16,600	15,300
<u>Supplies</u>					
300-5310-05-3010	Office	3,748	3,500	3,800	4,000
300-5310-05-3030	Employee Relations	400	400	400	500
300-5310-05-3100	Other Operating Supplies	647	750	750	740
300-5310-05-3115	Janitorial Supplies	0	529	529	1,000
300-5310-05-3130	Postage	11,466	14,750	14,750	15,000
	Total Supplies	16,261	19,929	20,229	21,240
<u>Other Expenditures</u>					
300-5310-06-5095	Contingency	0	13,500	0	15,000
	Total Other Expenditures	348	13,500	0	15,000
<u>Capital Outlay</u>					
300-5310-17-5090	Other Capital Outlay	0	0	0	150,000
	Total Capital Outlay	0	0	0	150,000
<u>Financial Obligations</u>					
300-5310-99-8001	Transfer Out to Technology	15,000	15,000	15,000	15,000
	Total Financial Obligations	308,497	15,000	15,000	15,000
	Total Water Administration:	630,070	375,751	366,051	558,427

WATER & SEWER FUND - 300
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Water Production</u>					
<u>Salaries & Benefits</u>					
300-5330-01-1010	Salaries	301,566	335,363	335,363	361,212
300-5330-01-1011	Overtime	16,884	4,600	20,000	19,600
300-5330-01-1020	Group Insurance	95,471	94,753	98,000	86,749
300-5330-01-1030	Social Security Contribution	23,342	26,008	26,008	29,132
300-5330-01-1040	Retirement Contribution	35,080	37,464	37,464	41,965
300-5330-01-1050	Unemployment Compensation	1,595	1,656	1,656	1,656
300-5330-01-1060	Workers' Compensation	9,437	28,167	10,000	15,221
300-5330-01-1080	Medical Exams	131	0	0	0
300-5330-01-1090	Water - Pension Expense	2,016	0	0	0
300-5330-01-1091	OPEB Expense	1,044	0	0	0
	Total Salaries & Benefits	486,565	528,011	528,491	555,535
<u>Professional Services</u>					
300-5330-02-2090	Other Professional Services	25,275	8,000	8,000	13,000
	Total Professional Services	25,275	8,000	8,000	13,000
<u>Property Services</u>					
300-5330-03-2210	Natural Gas	657	650	650	650
300-5330-03-2220	Electricity	54,659	73,122	73,122	73,122
300-5330-03-2410	Motor Vehicle Repair	5,878	10,000	8,000	10,000
300-5330-03-2420	Equipment Repair	16,523	15,000	12,000	15,000
300-5330-03-2430	Facility Maintenance	17,881	12,000	15,000	18,000
300-5330-03-2520	Equipment Rental	640	1,000	3,000	3,000
	Total Property Services	96,237	111,772	111,772	119,772
<u>Other Services</u>					
300-5330-04-2700	Property/Liability Insurance	23,085	22,900	27,310	30,000
300-5330-04-2720	Advertising	0	500	700	700
300-5330-04-2740	Meeting Expenses	347	350	500	500
300-5330-04-2750	Dues & Membership	490	0	210	210
300-5330-04-2830	Seminars & Schools	1,650	2,000	2,000	2,000
300-5330-04-6030	License Expense	10,139	6,500	6,000	6,500
	Total Other Services	35,711	32,250	36,720	39,910
<u>Supplies</u>					
300-5330-05-3030	Employee Relations	850	850	800	800
300-5330-05-3040	Gasoline/Diesel	13,383	13,000	13,000	13,000
300-5330-05-3050	Oil/Lube	767	750	400	500
300-5330-05-3060	Small Tools	2,188	2,800	3,500	3,800
300-5330-05-3080	Uniform Expense	2,060	1,700	1,700	2,000
300-5330-05-3100	Other Operating Supplies	5,254	5,500	6,000	6,500
300-5330-05-3105	Lab Fees/Chemicals	10,008	11,500	11,500	12,500
300-5330-05-3110	Materials	58,885	50,000	48,000	50,000
300-5330-05-3115	Meter Expense	0	0	48,000	50,000
300-5330-05-3120	Consumables	763	900	900	900
300-5330-05-3125	Safety	298	750	500	500
	Total Supplies	94,457	87,750	134,300	140,500

WATER & SEWER FUND - 300
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Other Expenditures</u>					
300-5330-06-2435	Street Repairs	21,116	24,000	24,000	25,000
300-5330-06-5040	Machinery	2,100	0	0	0
300-5330-06-5050	Vehicles	(77,723)	0	0	0
	Total Other Expenditures	(54,507)	24,000	24,000	25,000
<u>Depreciation</u>					
300-5330-08-6010	Depreciation	568,314	0	0	0
	Total Depreciation	568,314	0	0	0
<u>Financial Obligations</u>					
300-5330-99-8000	Transfer Out to Technology	10,000	10,000	10,000	10,000
	Total Financial Obligations	10,000	10,000	10,000	10,000
	Total Water Production:	1,262,053	801,783	853,283	903,717

WATER & SEWER FUND - 300
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Sewer Department</u>					
<u>Salaries & Benefits</u>					
300-5350-01-1010	Salaries	221,189	229,453	229,453	247,372
300-5350-01-1011	Overtime	24,148	28,500	29,000	25,500
300-5350-01-1020	Group Insurance	72,595	65,052	68,000	66,093
300-5350-01-1030	Social Security Contribution	17,482	19,733	19,733	20,875
300-5350-01-1040	Retirement Contribution	27,067	28,426	28,426	30,071
300-5350-01-1050	Unemployment Compensation	888	1,035	5,100	1,035
300-5350-01-1060	Workers' Compensation	6,771	10,967	10,967	12,963
300-5350-01-1080	Medical Exams	131	0	0	0
300-5350-01-1090	Sewer - Pension Expense	1,680	0	0	0
300-5350-01-1091	OPEB Expense	870	0	0	0
	Total Salaries & Benefits	372,820	383,166	390,679	403,909
<u>Professional Services</u>					
300-5350-02-2090	Other Professional Services	46,242	12,000	4,000	10,000
	Total Professional Services	46,242	12,000	4,000	10,000
<u>Property Services</u>					
300-5350-03-2220	Electricity	79,989	96,000	93,000	96,000
300-5350-03-2410	Motor Vehicle Repair	7,886	8,500	5,000	8,500
300-5350-03-2420	Equipment Repair	27,316	11,000	25,000	39,000
300-5350-03-2430	Facility Maintenance	84,527	45,000	37,000	45,000
300-5350-03-2440	Sludge Removal	30,287	31,000	45,000	35,000
300-5350-03-2520	Rental Equipment	20,964	3,500	0	4,000
	Total Property Services	250,969	195,000	205,000	227,500
<u>Other Services</u>					
300-5350-04-2700	Property Insurance	51,207	48,000	63,771	64,000
300-5350-04-2720	Advertising	3,313	2,000	0	1,000
300-5350-04-2740	Meeting Expenses	350	350	465	500
300-5350-04-2750	Dues & Membership	0	0	140	140
300-5350-04-2830	Seminars & Schools	2,439	3,000	2,500	2,500
300-5350-04-6030	License Expense	9,231	10,750	10,100	10,500
	Total Other Services	66,539	64,100	76,976	78,640
<u>Supplies</u>					
300-5350-05-3030	Employee Relations	550	600	500	550
300-5350-05-3040	Gasoline/Diesel	23,533	10,500	12,000	12,000
300-5350-05-3050	Oil/Lube	271	1,000	500	1,000
300-5350-05-3060	Small Tools	1,444	2,000	2,500	2,500
300-5350-05-3080	Uniform Expense	1,099	1,200	1,500	1,500
300-5350-05-3100	Other Operating Supplies	3,724	4,200	4,000	4,500
300-5350-05-3105	Lab Fees/Chemicals	58,544	49,000	60,000	60,000
300-5350-05-3110	Materials	6,717	10,500	10,000	10,500
300-5350-05-3120	Consumables	957	1,000	1,000	1,000
300-5350-05-3125	Safety	334	500	700	500
	Total Supplies	97,172	80,500	92,700	94,050

WATER & SEWER FUND - 300
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Capital Outlay</u>					
300-5350-17-5090	Other Capital Outlay	(38,933)	0	0	111,000
	Total Capital Outlay	(38,933)	0	0	111,000
<u>Financial Obligations</u>					
300-5350-99-8000	Transfer Out to Technology	5,000	5,000	5,000	10,000
	Total Financial Obligations	5,000	5,000	5,000	10,000
	Total Sewer:	799,810	739,766	774,355	935,099

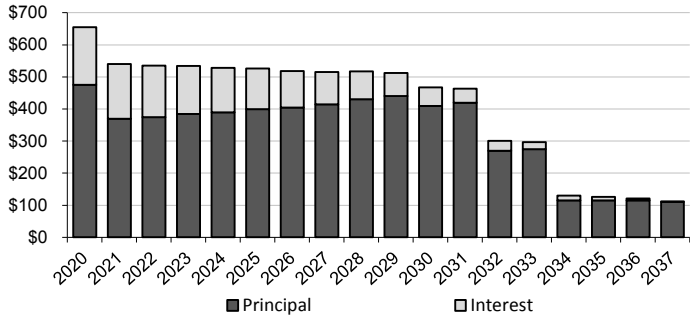
WATER & SEWER FUND - 300
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Sanitation Department</u>					
<u>Garbage</u>					
300-5370-07-2811	Garbage Pickup-Residential	235,480	212,400	212,400	220,000
300-5370-07-3120	Garbage Bags	2,994	2,870	3,200	3,200
	Total Garbage	238,473	215,270	215,600	223,200
	Total Sanitation:	238,473	215,270	215,600	223,200
<u>Non-Operational</u>					
<u>Financial Obligations</u>					
300-5380-99-9900	Bond Principal Payment	0	465,000	465,000	475,000
300-5380-99-9901	Interest On Bond Payments	125,888	191,341	191,341	180,357
300-5380-99-9915	Fiscal Agent Fees	2,000	0	0	1,400
300-5380-99-9920	2012a Bond Issue Costs	(4,845)	0	0	0
300-5380-99-9921	Transfers Out to General Fund	400,000	0	0	0
300-5380-99-9922	Transfers To CIP	700,000	830,100	830,100	75,000
	Total Financial Obligations	1,223,043	1,486,441	1,486,441	731,757
	Total Non-Operating:	1,223,043	1,486,441	1,486,441	731,757
	TOTAL EXPENDITURES:	4,153,450	3,619,011	3,695,730	3,352,200

WATER & SEWER LONG-TERM DEBT
WATER & SEWER DEBT MATURITY SCHEDULE

Fiscal Year	Principal	Interest	Total
FY2020	475,000	180,357	655,357
FY2021	370,000	169,846	539,846
FY2022	375,000	159,775	534,775
FY2023	385,000	149,235	534,235
FY2024	390,000	138,043	528,043
FY2025	400,000	126,223	526,223
FY2026	405,000	113,775	518,775
FY2027	415,000	100,784	515,784
FY2028	430,000	86,998	516,998
FY2029	440,000	72,179	512,179
FY2030	410,000	57,483	467,483
FY2031	420,000	43,042	463,042
FY2032	270,000	31,182	301,182
FY2033	275,000	22,038	297,038
FY2034	115,000	15,413	130,413
FY2035	115,000	11,100	126,100
FY2036	115,000	6,600	121,600
FY2037	110,000	2,200	112,200
Total	5,915,000	1,486,272	7,401,272

Series Name	Principal Amount
Series 2009 W/S Revenue Bond	335,000
Series 2011 W/S Revenue Bond	1,555,000
Series 2012A CO	1,845,000
Series 2013 GO Refunding Bonds	140,000
Series 2017 CO	2,040,000
Total	5,915,000



DATE	DESCRIPTION	AMOUNT ISSUED	AMOUNT OUTSTANDING AS OF 9/30/19		PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/20
			PRINCIPAL	INTEREST		
3/1/2020	Series 2009 Water & Sewer Revenue Bond	555,000	25,000	6,619	31,619	
9/1/2020				6,206	6,206	
	Fiscal Year Total		335,000	12,825	37,825	310,000
3/1/2020	Series 2011 Water & Sewer Revenue Bond	2,360,000	110,000	27,078	137,078	
9/1/2020			0	25,648	25,648	
	Fiscal Year Total		1,555,000	52,725	162,725	1,445,000
3/1/2020	Series 2012A Certificates of Obligation	2,470,000	110,000	25,525	135,525	
9/1/2020				24,425	24,425	
	Fiscal Year Total		1,845,000	49,950	159,950	1,735,000
3/1/2020	Series 2013 General Obligation Refunding Bonds (W/S Portion)	1,575,000	140,000	2,100	142,100	
9/1/2020				0	0	
	Fiscal Year Total		140,000	2,100	142,100	0
3/1/2020	Series 2017 Certificates of Obligation (W/S Portion)	2,200,000	90,000	31,658	121,658	
9/1/2020				31,099	31,099	
	Fiscal Year Total		2,040,000	62,757	152,757	1,950,000
	TOTAL	9,160,000	5,915,000	180,357	655,357	5,440,000

WATER & SEWER LONG-TERM DEBT
WATER & SEWER DEBT MATURITY SCHEDULE

SERIES 2009 WATER & SEWER REVENUE BOND

Fiscal Year	Principal	Interest	Total
FY2020	25,000	12,825	37,825
FY2021	30,000	11,888	41,888
FY2022	30,000	10,815	40,815
FY2023	30,000	9,698	39,698
FY2024	35,000	8,454	43,454
FY2025	35,000	7,071	42,071
FY2026	35,000	5,636	40,636
FY2027	35,000	4,175	39,175
FY2028	40,000	2,580	42,580
FY2029	40,000	860	40,860
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	335,000	74,001	409,001

SERIES 2011 WATER & SEWER REVENUE BOND

Fiscal Year	Principal	Interest	Total
FY2020	110,000	52,725	162,725
FY2021	110,000	49,728	159,728
FY2022	115,000	46,349	161,349
FY2023	120,000	42,558	162,558
FY2024	120,000	38,538	158,538
FY2025	125,000	34,310	159,310
FY2026	130,000	29,815	159,815
FY2027	135,000	25,044	160,044
FY2028	140,000	19,955	159,955
FY2029	145,000	14,575	159,575
FY2030	150,000	8,933	158,933
FY2031	155,000	3,023	158,023
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	1,555,000	365,553	1,920,553

SERIES 2012A CERTIFICATES OF OBLIGATION

Fiscal Year	Principal	Interest	Total
FY2020	110,000	49,950	159,950
FY2021	115,000	47,700	162,700
FY2022	115,000	45,400	160,400
FY2023	120,000	43,050	163,050
FY2024	120,000	40,350	160,350
FY2025	125,000	37,288	162,288
FY2026	125,000	33,850	158,850
FY2027	130,000	30,025	160,025
FY2028	135,000	26,050	161,050
FY2029	140,000	21,925	161,925
FY2030	145,000	17,469	162,469
FY2031	150,000	12,675	162,675
FY2032	155,000	7,719	162,719
FY2033	160,000	2,600	162,600
FY2034			
FY2035			
FY2036			
FY2037			
Total	1,845,000	416,051	2,261,051

SERIES 2013 GENERAL OBLIGATION REFUNDING BONDS

Fiscal Year	Principal	Interest	Total
FY2020	140,000	2,100	142,100
FY2021			
FY2022			
FY2023			
FY2024			
FY2025			
FY2026			
FY2027			
FY2028			
FY2029			
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	140,000	2,100	142,100

SERIES 2017 CO WATER PROJECTS

Fiscal Year	Principal	Interest	Total
FY2020	90,000	62,757	152,757
FY2021	115,000	60,530	175,530
FY2022	115,000	57,211	172,211
FY2023	115,000	53,929	168,929
FY2024	115,000	50,701	165,701
FY2025	115,000	47,554	162,554
FY2026	115,000	44,474	159,474
FY2027	115,000	41,540	156,540
FY2028	115,000	38,413	153,413
FY2029	115,000	34,819	149,819
FY2030	115,000	31,081	146,081
FY2031	115,000	27,344	142,344
FY2032	115,000	23,463	138,463
FY2033	115,000	19,438	134,438
FY2034	115,000	15,413	130,413
FY2035	115,000	11,100	126,100
FY2036	115,000	6,600	121,600
FY2037	110,000	2,200	112,200
Total	2,040,000	628,567	2,668,567

CAPITAL EQUIPMENT FUND

SUMMARY

The Capital Equipment Fund, also known as Fund 701, was created to set aside resources for capital equipment relating to the water and sewer utility system, also known as the city's Enterprise Fund or Fund 300. The fund was established in fiscal year 2014. The fund is supported by charges for service to the utility customers and is set by the adoption of Council, currently part of the city's fee ordinance. Under the current fee structure, commercial consumers are charged \$7 for water and \$7 for sewer; likewise, residential consumers are charged \$1 for water and \$1 for sewer and are billed in conjunction with the main utility service fees on a monthly basis. The purpose of this fund is to provide the scheduled purchase and replacement of capital equipment and vehicles that support the city's Water and Sewer Enterprise Fund operation. The scheduled purchase and replacement is adopted annually as part of the budget process.

FISCAL YEAR 2020 PROPOSED BUDGET

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Total Revenues	\$102,978	\$204,376	\$204,376	\$204,770
Total Expenses	\$95,829	\$238,090	\$222,996	\$204,770
<i>Revenues Over Expenses</i>	<i>7,149</i>	<i>(33,714)</i>	<i>(18,620)</i>	<i>0</i>
Cash Balance - Beginning		216,000	216,000	197,380
Cash Balance - Ending	\$216,000	\$182,286	\$197,380	\$197,380
Reserve Requirement (25%)		59,523	55,749	51,193
Excess/(Deficit)*		122,764	141,631	146,188

Fiscal Year 2018-2019:

Revenues for the Capital Equipment Fund are projected at \$204,376 for September 30, 2019. The city is averaging \$16,833 per month in the base water and sewer rates. The city is projecting limited resources of interest earnings and sale of assets bringing total operating revenues on target with the amended budget of \$204,376.

Expenses for the Capital Equipment Fund are projected to total \$222,996. Expenses include the following:

- Purchase of a Case 580N 4WD T4 Backhoe (#2) to replace the old front end loader purchased through HGAC for \$62,023;
- Purchase of L2501 HST Kubota Tractor as replacement for stolen tractor at \$18,670;
- Funding the Backhoe (#1) was partially financed at \$65,257 over 36 months at 2.69% with \$11,358 required before year-end, and completes our financial obligation on this backhoe;
- A Gradall and vacuum truck are being finance through a five year tax note (FY20 = final obligation year). Debt Service of \$117,717 is required before year-end to finance both the Gradall and vacuum truck.

Available cash balance on September 30, 2019 is projected at \$197,380.

Fiscal Year 2019-2020:

Revenues are estimated at \$204,700; of which \$202,750 are charges for service and \$2,020 is interest revenue. Revenues are estimated to remain consistent with last year, with only a slight increase related to new customer growth.

Total expenses are \$204,770, with \$86,000 available for additional capital outlay and \$118,770 needed for annual financial obligations. The adopted capital outlay includes the following:

- Purchase of a dump trailer at \$12,000. Utility crew needs to haul spoil for repair sites and does not always need a full size dump truck. The purchase will free up a dump truck for other needs, including ditch cleaning operations.
- Purchase of an auto crane at \$20,000. An Auto 404240020-SN includes additional springs out rigger as a complete install. The purchase will allow staff to pull lift station pumps without having to hire an outside vendor.
- Purchase of a zero-turn mower at \$10,000. A super Z 54 inch / 27 HP mower will replace an existing mower that has a faulty engine. Staff currently uses zero-turn mowers to maintain the lawn at our plant facilities as required by TCEQ.
- Purchase a utility bed for crew truck at \$8,000. The crew truck needs the additional storage capacity for repairs allowing for efficiency of crew operations in the field.
- Purchase of a scheduled replacement of pickup truck at \$30,000. The intent of this allocation is to replace an existing fleet vehicle before major repairs likely will occur and when its repair costs exceed a threshold amount to replace it. This is the third scheduled pickup truck replacement the fund has supported since 2014.
- Purchase of TBD equipment at \$8,000. The intent of this allocation is to allow some flexibility in purchasing equipment that is unknown at the time of adoption, such as a loss in critical equipment that needs to be replaced immediately and could cover any gap in insurance proceeds for financing the replacement.

Anticipated revenues of \$204,770 balance expenses, maintaining an estimated cash ending balance of \$197,380 with an excess of \$146,188 over the reserve.

Current Obligations:

	<u>FY 2020</u>
<u>Financing Obligations</u>	
Jet Vac	54,817
Gradall	63,953
Tax Note (Transfer out)	118,770

Equipment Purchase and Replacement Schedule:

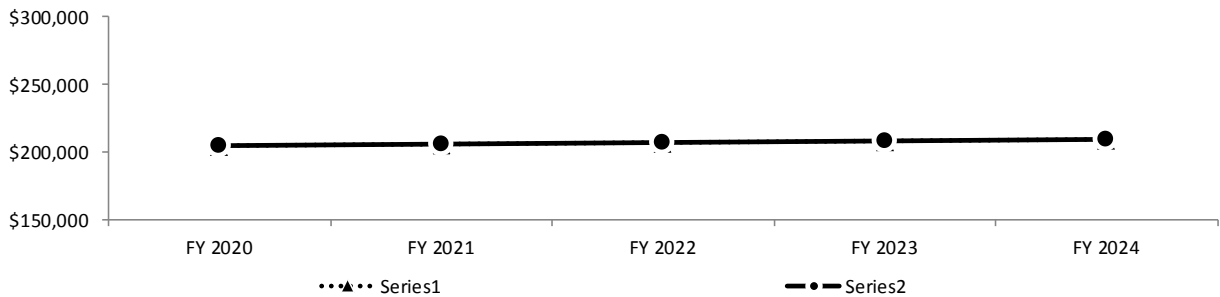
Equipment/Vehicle to be Purchased	Est. Total Cost	Multi-Year Funding Schedule				
		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<u>Cash Purchases</u>						
Dump Trailer	12,000	12,000				
Auto Crane	20,000	20,000				
Z-Turn Mower 2	10,000	10,000				
Utility Bed	8,000	8,000				
Pickup Replacement 3	30,000	30,000				
Dump Truck 2	72,500		72,500			
Street Sweeper	180,000			180,000		
Equipment TBD	582,870	6,000	133,294	26,823	207,857	208,896
Cash Expenses	990,670	86,000	205,794	206,823	207,857	208,896

FIVE YEAR PLAN:

A five year plan is programmed for forecasting purposes only. It is projected that Fund 701 will have a balanced budget or moderate surplus for fiscal years ending 2020 through 2024. The plan consists of major capital equipment purchases that are detailed on the Equipment Purchase and Replacement Schedule.

The following five year plan and chart is provided for planning purposes only, as the budget is adopted by Council annually:

	FY 2020 PROPOSED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED	FY 2024 PROJECTED
Charges for Service	202,750	203,694	204,623	205,557	206,496
Interest	2,020	2,100	2,200	2,300	2,400
Total Revenues	204,770	205,794	206,823	207,857	208,896
Capital Outlay	86,000	205,794	206,823	207,857	208,896
Financial Obligations	118,770	0	0	0	0
Total Expenses	204,770	205,794	206,823	207,857	208,896
Revenues Over Expenditures	0	0	0	0	0
Fund Balance - Beginning	197,380	197,380	197,380	197,380	197,380
Fund Balance - Ending	\$ 197,380	\$ 197,380	\$ 197,380	\$ 197,380	\$ 197,380



**CAPITAL EQUIPMENT FUND - 701
FISCAL YEAR 2020 PROPOSED BUDGET DETAIL**

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>REVENUES</u>				
<u>Property Taxes</u>				
701-4000-01-0101 Base Water Rate	103,083	104,000	104,000	104,500
701-4000-01-0102 Sewer Base Rate	96,775	98,000	98,000	98,250
Total Property Taxes	199,858	202,000	202,000	202,750
<u>Interest</u>				
701-4000-10-0894 Interest	2,219	2,376	2,376	2,020
Total Interest	2,219	2,376	2,376	2,020
<u>Non-Operating</u>				
701-4000-99-0900 Transfer In	0	0	0	0
Total Non-Operating	(99,099)	0	0	0
Total Revenues:	\$102,978	\$204,376	\$204,376	\$204,770
<u>EXPENSES</u>				
<u>Capital Outlay</u>				
701-5730-17-2090 Equipment Purchases	18,552	95,787	80,693	56,000
701-5730-17-2095 Vehicle Purchases	59,541	0	0	30,000
Total Capital Outlay	78,093	95,787	80,693	86,000
<u>Financial Obligations</u>				
701-5180-99-9900 Principal - Equipment Note	10,595	132,300	132,300	116,854
701-5180-99-9901 Interest - Equipment Note	7,141	10,003	10,003	1,916
Total Financial Obligations	17,736	142,303	142,303	118,770
Total Expenses:	\$95,829	\$238,090	\$222,996	\$204,770

HOTEL / MOTEL OCCUPANCY TAX FUND

The Hotel/Motel Occupancy Tax Fund is used to account for revenues realized from hotel occupancy taxes. Local hotel occupancy tax revenues may only be spent to establish or enhance a convention center, cover the administrative expenses for registering convention delegates, pay for tourism-related advertising and promotions, fund programs that enhance the arts or pay for historic preservation or restoration projects, and pay for sports related expenses pursuant to state law that will enhance tourism. By law, cities must spend at least 1% of hotel tax receipts on advertising, no more than 15% on art programs and a maximum of 50% on historic preservation. Cleveland is home to several hotels and motels: Super 8, Motel 6, Budget Inn, Deluxe Inn, Best Western, Holiday Inn, and La Quinta.

FISCAL YEAR 2020 PROPOSED BUDGET

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>REVENUES</u>				
Occupancy Tax	228,130	223,500	223,500	228,340
Interest	4,078	4,500	4,500	4,488
Total Revenues	\$232,207	\$228,000	\$228,000	\$232,828
<u>EXPENDITURES</u>				
Hotel/Motel	39,718	45,500	45,300	45,300
Convention & Visitors' Bureau	230,090	345,164	344,802	417,528
Total Expenditures	\$269,808	\$390,664	\$390,102	\$462,828
Revenues Over Expenses	(37,600)	(162,664)	(162,102)	(230,000)
Fund Balance - Beginning		523,033	523,033	360,931
Fund Balance - Ending	\$523,033	\$360,369	\$360,931	\$130,931
Reserve Requirement (25%)		97,666	97,666	115,707
Excess/(Deficit)		262,703	263,265	15,224

Fiscal Year 2018-2019

Projected revenues are \$228,000, 100.0% of the Amended budget with hotel occupancy tax collection at \$223,500. It is expected that total occupancy tax collection would perform at normal expectations based on the collection activity from all 7 establishments over the prior year's, extracting variables such as Hurricane Harvey. The budget supports personnel cost at \$99,202, professional services (IT services) at \$20,000 and annual advertising at \$37,000. The budget includes \$209,994 in supplemental items while using \$162,664 in retained cash. The FY19 includes recurring supplemental totaling \$5,358 to support a salary and benefit merit increase of 5.0% as well as a salary adjustment on an administrative assistant position. Non-recurring expenditures of \$204,636 include audio / video upgrade for the civic center, the log cabin refurbishment, and Stancil Park improvements. Nonrecurring also includes Chamber advertising at \$15,000 for annual Rock-N-Ride and Expo events. Several capital items are requested but exceed the amount available for the adopted balanced budget. The capital requests include Civic

Center office and board room carpet; improvements to the phone system; software event tracking and Audio/Visual upgrades.

Fiscal Year 2019-2020

Collections for fiscal year 2020 occupancy tax are \$228,340 with total fund revenue of \$ \$232,828. The proposed budget supports personnel cost at \$93,845, professional services (IT services) at \$25,000 and annual advertising at \$37,000. This budget comprises \$257,158 in supplemental items while using \$230,000 in retained cash. The adopted includes recurring supplemental totaling \$17,158 to support a salary, increased advertising, and operational furnishing replacements (tables and chairs). Non-recurring expenditures of \$240,000 comprise of parking lot expansion, and outsourced advertising.

The adopted supplemental expenditures include the following:

	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
Salary Merit (2.5% Additional)	2,158	-	2,158
CVB Advertising (Additional)	5,000	-	5,000
Chamber Expo Advertising	-	5,000	5,000
Chamber Rock-N-Ride Advertising	-	5,000	5,000
Civic Center Table & Chair Replacement	10,000	-	10,000
Parking Lot Expansion	-	230,000	230,000
Total H/M Fund <u>Proposed</u> Supplementals:	17,158	240,000	257,158

Fund balance for 9/30/20 is estimated to be \$130,931. In order to maintain a healthy reserve, \$115,707 is required to remain as unallocated, the reserve includes coverage of the non-recurring including the parking lot capital expansion. The estimated in excess reserve \$15,224 is held for any emergency measures or possible downturn in occupancy collection without exposing any reserve requirement.

**HOTEL / MOTEL OCCUPANCY TAX FUND - 600
FISCAL YEAR 2020 PROPOSED BUDGET DETAIL**

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
REVENUES					
<u>Interest</u>					
600-4000-10-0891	Interest Income	4,078	4,500	4,500	4,488
	Total Interest	4,078	4,500	4,500	4,488
<u>Hotel/Motel Revenue</u>					
600-4000-15-0801	Super 8	16,802	18,000	18,000	16,800
600-4000-15-0802	Motel 6	35,563	32,000	32,000	35,600
600-4000-15-0803	Budget Inn	2,735	2,500	2,500	2,740
600-4000-15-0804	M & M Hotel/Delux Inn	4,101	3,500	3,500	4,100
600-4000-15-0805	Best Western	51,427	50,000	50,000	51,500
600-4000-15-0810	Holiday Inn	63,312	57,500	57,500	63,400
600-4000-15-0815	La Quinta	54,191	60,000	60,000	54,200
	Total Hotel/Motel Revenue	228,130	223,500	223,500	228,340
	TOTAL REVENUES:	\$232,207	\$228,000	\$228,000	\$232,828

**HOTEL / MOTEL OCCUPANCY TAX FUND - 600
FISCAL YEAR 2020 PROPOSED BUDGET DETAIL**

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>Hotel/Motel</u>					
<u>Professional Services</u>					
600-5610-02-6050	Credit Card Fees-Hotel/Motel	268	500	300	300
600-5610-02-6070	Civic Center-Reimbursement	30,000	30,000	30,000	30,000
600-5610-02-6080	Advertising/Billboards	9,450	15,000	15,000	15,000
	Total Professional Services	39,718	45,500	45,300	45,300
	Total Hotel/Motel Revenue	\$39,718	\$45,500	\$45,300	\$45,300
<u>CVB</u>					
<u>Salaries & Benefits</u>					
600-5620-01-1010	Salaries	61,988	72,517	72,517	77,865
600-5620-01-1011	Overtime	1,463	1,200	1,200	1,200
600-5620-01-1020	Group Insurance	11,691	11,244	11,244	11,540
600-5620-01-1030	FICA/Medicare	4,723	5,534	5,534	6,049
600-5620-01-1040	Retirement	6,906	7,973	7,973	8,714
600-5620-01-1050	State Unemployment Tax	305	414	414	414
600-5620-01-1060	Workers' Compensation	125	320	320	1,346
	Total Salaries & Benefits	87,200	99,202	99,202	107,128
<u>Professional Services</u>					
600-5620-02-2090	NSD - Contract Services	19,999	20,000	20,000	25,000
	Total Professional Services	19,999	20,000	20,000	25,000
<u>Other Services</u>					
600-5620-04-2710	Telephone	604	1,000	1,000	1,000
600-5620-04-2720	Advertising	32,150	35,000	37,000	37,000
600-5620-04-2730	Promotional Merchandise	888	1,500	1,500	2,000
600-5620-04-2750	Dues/Subscriptions/Memberships	507	1,100	1,100	1,200
600-5620-04-2760	Tourism/Trade Shows	943	2,000	0	0
600-5620-04-2830	Seminars/Training	49	1,762	1,000	1,500
	Total Other Services	35,141	42,362	41,600	42,700
<u>Supplies</u>					
600-5620-05-3010	Office Supplies	1,730	1,200	1,200	1,500
600-5620-05-3030	Employee Relations	100	100	200	200
600-5620-05-3100	Other Operating Supplies	1,544	0	300	1,000
	Total Supplies	3,373	1,300	1,700	2,700
<u>Other Expenditures</u>					
600-5620-06-5060	Office Equipment	0	0	0	10,000
	Total Other Expenditures	0	0	0	10,000
<u>Capital Outlay</u>					
600-5620-17-5090	Other Capital Outlay >5,000	84,376	182,300	182,300	230,000
	Total Capital Outlay	84,376	182,300	182,300	230,000
	Total CVB	\$230,090	\$345,164	\$344,802	\$417,528
	TOTAL EXPENDITURES:	\$269,808	\$390,664	\$390,102	\$462,828

SPECIAL REVENUE FUND

Fiscal Year 2019-2020

In fiscal year 2020, the fund is estimated to have limited revenue of \$2,000, similar to the prior, interest income and LEOSE training entitlements are the only likely revenue sources. The proposed budget is designated to draw funds down for non-recurring purchases such as police equipment and police vehicles. Available cash balance for 9/30/20 is projected at \$88,115.

FISCAL YEAR 2020 PROPOSED BUDGET

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Red Light Camera	75	0	0	0
Interest	313	300	300	0
Seizures	0	0	0	0
Other Revenue	1,725	1,800	1,800	2,000
Total Revenues	\$2,112	\$2,100	\$2,100	\$2,000
Money Seizures	42,599	40,000	40,000	2,000
Red Light Camera	930	32,800	32,800	0
Total Expenditures	\$43,529	\$72,800	\$72,800	\$2,000
Revenues Over Expenses	(41,417)	(70,700)	(70,700)	0
Beginning Balance - Money Seizures		132,938	132,938	94,738
Beginning Balance - RLC		33,656	33,656	1,156
Total Fund Balance - Beginning		166,594	166,594	95,894
Ending Balance - Money Seizures	132,938	94,738	94,738	94,738
Ending Balance - RLC	33,656	1,156	1,156	1,156
Fund Balance - Ending	166,594	\$95,894	\$95,894	\$95,894
<i>Restricted - Money Seizures</i>		7,741	7,741	7,741
<i>Restricted - RLC</i>		38	38	38
<i>Unrestricted Cash - Money Seizures</i>		\$86,997	\$86,997	\$86,997
<i>Unrestricted Cash - RLC</i>		\$1,118	\$1,118	\$1,118
Cash Balance - Ending		\$88,115	\$88,115	\$88,115

**SPECIAL REVENUE FUND - 915
COURT TECHNOLOGY
FISCAL YEAR 2020 PROPOSED BUDGET**

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Court Special Revenue	8,183	6,500	6,500	6,500
Interest	0	25	5	5
Total Revenues	\$8,183	\$6,525	\$6,505	\$6,505
Court Special Expenditures	5,963	6,500	6,500	6,500
Total Expenditures	\$5,963	\$6,500	\$6,500	\$6,500
Revenues Over Expenses	2,220	25	5	5
Fund Balance - Beginning	580	2,800	2,800	2,805
Fund Balance - Ending	\$2,800	\$2,825	\$2,805	\$2,810

**SPECIAL REVENUE FUND - 916
COURT SECURITY
FISCAL YEAR 2020 PROPOSED BUDGET**

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
Court Special Revenue	6,141	5,000	5,000	5,000
Interest	0	25	5	5
Total Revenues	\$6,141	\$5,025	\$5,005	\$5,005
Court Special Expenditures	911	5,000	5,000	5,000
Total Expenditures	\$911	\$5,000	\$5,000	\$5,000
Revenues Over Expenses	5,230	25	5	5
Fund Balance - Beginning	16,209	21,439	21,439	21,444
Fund Balance - Ending	\$21,439	\$21,464	\$21,444	\$21,449

UNITY DONATION FUND

The Unity Committee Donation Fund is a fiduciary fund used to account for assets held in trust by the City of Cleveland for the benefit of community organizations or other local entities. The accounts for all donations related to Unity Committee sponsored events such as July Fireworks and Bunny Blast. Charitable donations from the community represent the primary source of funding.

Expenditures in fiscal year 2019 total \$19,985, including \$15,000 for Fourth of July Fireworks. Expenditures in fiscal year 2020 balance with revenues to a total of \$20,000 and the estimated cash available on 9/30/2020 is \$15,612.

FISCAL YEAR 2020 PROPOSED BUDGET

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
REVENUES:				
<u>Interest</u>				
102-4000-10-0894 Interest	102	85	85	100
Total Interest	102	85	85	100
<u>Community Events</u>				
102-4000-30-0100 Donations - Cleanup Cleveland	3,000	200	300	300
102-4000-30-0110 Donations - Treat Street	0	200	200	300
102-4000-30-0115 Donations - Bunny Blast	380	300	300	300
102-4000-30-0120 Donations - July Fireworks	2,500	13,500	15,000	15,000
102-4000-30-1030 Donations - Hometown Christmas	3,200	3,800	3,700	3,700
102-4000-30-1040 I Love Cleveland Campaign	0	500	400	300
Total Community Events	9,080	18,500	19,900	19,900
Total Revenues:	\$9,182	\$18,585	\$19,985	\$20,000
EXPENDITURES:				
<u>Community Events</u>				
102-5100-30-1010 Cleanup Cleveland Expenses	1,950	200	300	300
102-5100-30-1020 Treat Street Expenses	57	200	200	300
102-5100-30-1030 Bunny Blast Expenses	209	300	300	300
102-5100-30-1040 July Fireworks Expenses	16,375	13,500	15,000	15,000
102-5100-30-1050 Hometown Christmas Expenses	2,557	3,800	3,700	3,700
102-5100-30-1060 I Love Cleveland Campaign	0	500	400	300
102-5100-30-3130 Postage	0	85	85	100
Total Community Events	21,147	18,585	19,985	20,000
Total Expenditures:	\$21,147	\$18,585	\$19,985	\$20,000
Revenue Over/(Under) Expenditures	(11,965)	0	0	0
Fund Balance - Beginning		15,612	15,612	15,612
Fund Balance - Ending		\$15,612	\$15,612	\$15,612

CLEVELAND ECONOMIC DEVELOPMENT CORPORATION

Economic Development Corporations (EDCs) are the legal entities with the statutory authority to spend economic development sales tax dollars. The corporations are city-chartered and governed by a city-appointed board of directors. The economic development sales tax was first created in 1989 to give smaller Texas communities the financial resources to attract primary jobs and create wealth. Today, the tax is the undisputed workhorse of local economic development efforts, serving as the backbone of economic development programs in more than 500 communities across the state. During the 2007 Legislative Session, legislation passed which moved the law governing the use of the economic development sales tax from 5190.6 of Vernon's Civil Statutes into chapters 501-505 of the Local Government Code. Although there continues to be two types of economic development corporations (and two types of economic development sales taxes), they are now generally referred to as "Type A" and "Type B" corporations (instead of "4A" and "4B" corporations or the "4A" or "4B" tax). The Cleveland Economic Development Corporation (EDC) is a Type B corporation and supports industrial development projects such as business infrastructure, manufacturing and research and development. The Cleveland EDC component unit of the City of Cleveland and is accounted for under Fund 200.

The Type B sales tax may be used for any project eligible under Type A rules. The Type A sales tax is primarily intended for manufacturing and industrial development. EDCs may use Type A revenue to fund land, buildings, equipment, facilities expenditures, targeted infrastructure and improvements for projects including manufacturing and industrial facilities, recycling facilities, distribution centers, and small warehouse facilities; research and development facilities, regional or national corporate headquarters facilities, primary job training facilities operated by higher education institutions, job training classes, telephone call centers and career centers not located within a junior college taxing district; certain infrastructure improvements that promote or develop new or expanded business enterprises; aviation facilities; commuter rail, light rail or commuter bus operations; port-related facilities, rail ports, rail switching facilities, marine ports, inland ports; and maintenance and operating costs associated with projects. Type B, such as the Cleveland Corporation may pay for land, buildings, equipment, facilities, targeted infrastructure and improvements for professional and amateur sports and athletic facilities, tourism and entertainment facilities, convention facilities and public parks; related store, restaurant, concession, parking and transportation facilities; related street, water and sewer facilities; and affordable housing. Type B EDCs also may seek voter approval to spend Type B sales tax funds for a water supply, water conservation program or cleanup of contaminated property. The sales tax revenues are administered by the corporations and the corporations determine which projects to fund, with city council retaining approval authority over all expenditures of the corporation. The economic development sales tax is the state's largest and most effective local revenue source for economic development.

FISCAL YEAR 2019 PROPOSED BUDGET

REVENUES:

Operating Revenues	\$590,143	\$685,548	\$772,894	\$773,201
Non-Operating Revenues	\$313,332	\$0	\$535,906	\$0
Total Revenues	\$903,475	\$685,548	\$1,308,800	\$773,201

EXPENSES:

Operating Expenses	\$996,283	\$370,810	\$400,810	\$586,201
Financing Programs	\$100,605	\$314,738	\$299,738	\$687,000
Total Expenses	\$1,096,888	\$685,548	\$700,548	\$1,273,201

<i>Revenues Over Expenses (Total)</i>	<i>(193,413)</i>	<i>608,252</i>	<i>(500,000)</i>
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Fund Balance - Ending	\$1,787,987	\$1,787,987	\$2,396,239	\$1,896,239
<i>Cash Balance - Ending</i>	<i>\$807,026</i>	<i>\$807,026</i>	<i>\$1,415,278</i>	<i>\$915,278</i>
Reserve Requirement (25%)		171,387	175,137	318,300
Annual Debt Coverage		258,310	258,310	216,061
Excess/(Deficit)		377,329	981,831	380,917

Fiscal Year 2018-2019 Budget:

Total revenues are projected at \$1,308,800, of which \$760,694, or 58%, is from sales tax remittances. Total revenues are \$623,252 more than budgeted due to non-operating revenue. Sales tax is projected with a 13% increase over fiscal year 2019 amended due to extraordinary growth due to increase in retail sales from construction of new development. Interest revenue is anticipated at \$12,000, higher than budget by \$2,400 due rising interest rates and available cash. Revenue from the Sports Park did not meet expectations, down \$3,300 from the amended. Total projected expenses are \$700,548 and \$15,000 greater than amended due to legal expenses on Earth Energy Litigation. Fiscal year 2019 is projected with the following highlights:

- Capital outlay at \$189,738, which is likely to be reallocated in fiscal year 2020 as carryover.
- Property services designated for the municipal sports park maintenance at \$75,000. This marks the last year the corporation is obligated to reimburse expenses at the ballpark. The city's general fund is tasked with absorbing the maintenance cost of this program as of October 1.
- Business Incentives are projected at \$30,000.
- Demolition of substandard commercial structures remains at \$5,000.

Ending cash balance is projected at \$1,415,278 with cash over operating requirement at 9/30/19 projected at \$981,831.

Fiscal Year 2019-2020 Budget:

Total revenues are proposed at \$773,201, of which \$760,694, or 98%, is from sales tax remittances. Total revenues are \$535,599 less than projected FY19 due to non-operating revenue. Sales tax is projected with a 0% increase over fiscal year 2019 due to stable and conservative growth outlooks. However, staff is to re-evaluate sales tax collection before final adoption, for improvement in the already exceptional growth cycle. Total projected expenses are \$1,273,201 and \$ 572,653 greater than FY19 projected due to the proposed use of cash towards non-recurring programs. Fiscal year 2020 is proposed with the following highlights:

- Hiring a full-time EDC Director. The Director is responsible for developing and implementing an effective business retention and expansion program and develop and produce a local and external marketing and communication activities to promote, facilitate and support the attraction, retention, expansion and formation of businesses in the City of Cleveland. In addition, support formation of partnerships that meet the City of Cleveland's redevelopment goals.
- Capital outlay of a detention basin at \$ 500,000, which is likely to be additionally supported with \$189,738 reallocated as fiscal year 2020 carryover. Detention basins are best management practices that provide general flood protection from storm water. The basin is to be located on the southern tip of the airport industrial park in order to control extreme floods from a 100-year storm event. The basin will protect all land development projects within the industrial park as well as the airport.
- Increase in marketing expenses. As economic developers, the corporation must be adept at implementing marketing strategies to promote our community and grow in the local economy. The EDC will market and communicate with businesses to be successful in this pursuit.
- Increase in travel and training is required for a successful EDC Director to communicate and promote EDC objectives.
- Increase participation in Central Business District sidewalk project. Engineering is complete (90%) and cost to complete the program to its vision is more than the CDBG grant funding will support.

- Increase demolition of substandard commercial structures remains by \$7,000. This is an ongoing effort to clean up the city by razing substandard structures as they are identified and all legal requirements are met.

Supplemental expenses are detailed below:

	<u>RECURRING</u>	<u>RECURRING</u>	<u>TOTAL</u>
EDC Director	124,640	-	124,640
Marketing (additional)	5,000	-	5,000
Travel/Meals/Training (additional)	3,500	-	3,500
Dues & Membership	500	-	500
Operating Supplies	4,000	-	4,000
CDB Improvements (additional)	-	130,000	130,000
Industrial Park drainage Improvements	-	500,000	500,000
Demo/Clearing	-	7,000	7,000
Total CEDC Fund <u>Proposed</u> Supplementals:	137,640	637,000	774,640

Ending cash balance is projected at \$915,278 with cash over operating requirement and annual debt coverage at 9/30/20 projected at \$380,917.

**ECONOMIC DEVELOPMENT CORPORATION FUND
FISCAL YEAR 2020 PROPOSED BUDGET**

	FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
REVENUES:				
Sales Taxes	578,307	672,360	760,694	760,694
Other Income	263	88	0	0
Interest Revenue	9,712	9,600	12,000	12,507
Sports Park	1,860	3,500	200	0
Operating Revenues	\$590,143	\$685,548	\$772,894	\$773,201
Sale of Assets	313,332	0	535,906	0
Non-Operating Revenues	\$313,332	\$0	\$535,906	\$0
Total Revenues	\$903,475	\$685,548	\$1,308,800	\$773,201
EXPENSES:				
Salaries & Benefits	0	0	0	124,640
Professional Services	63,403	50,200	70,200	55,200
Other Services	8,671	21,800	31,800	30,500
Supplies	47	500	500	4,800
Contributions	919,780	40,000	40,000	155,000
Financial Obligations	4,381	258,310	258,310	216,061
Operating Expenses	\$996,283	\$370,810	\$400,810	\$586,201
Property Services	60,119	75,000	75,000	0
Affordable Housing and Demolition	0	5,000	5,000	12,000
Capital Outlay	8,651	189,738	189,738	630,000
Business Incentives	31,834	45,000	30,000	45,000
Financing Programs	\$100,605	\$314,738	\$299,738	\$687,000
Total Expenses	\$1,096,888	\$685,548	\$700,548	\$1,273,201
<i>Revenues Over Expenses (Total)</i>	<i>(193,413)</i>		<i>608,252</i>	<i>(500,000)</i>
Fund Balance - Beginning		1,787,987	1,787,987	2,396,239
Cash Balance - Beginning		807,026	807,026	1,415,278
Fund Balance - Ending	\$1,787,987	\$1,787,987	\$2,396,239	\$1,896,239
Cash Balance - Ending	\$807,026	\$807,026	\$1,415,278	\$915,278
Reserve Requirement (25%)		171,387	175,137	318,300
Annual Debt Coverage		258,310	258,310	216,061
Excess/(Deficit)*		377,329	981,831	380,917

ECONOMIC DEVELOPMENT CORPORATION FUND - 200
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
REVENUES					
<u>Sales Taxes</u>					
200-4000-02-0807	Sales Tax Revenue	578,307	672,360	760,694	760,694
	Total Sales Taxes	578,307	672,360	760,694	760,694
<u>Other Income</u>					
200-4000-02-0809	Other Income	261	0	0	0
200-4000-02-0812	Credit Card Fees	2	88	0	0
	Total Other Income	263	88	0	0
<u>Interest Revenue</u>					
200-4000-10-0808	Interest	9,712	9,600	12,000	12,507
	Total Interest Revenue	9,712	9,600	12,000	12,507
<u>Sports Park</u>					
200-4000-12-0100	Sports Events/Municipal Park	1,860	3,500	200	0
	Total Sports Park	1,860	3,500	200	0
	Total Operating Revenue	590,143	685,548	772,894	773,201
<u>Non-Operating</u>					
200-4000-99-1000	Gain (Loss) On Assets	313,332	0	535,906	0
	Total Non-Operating	313,332	0	535,906	0
	Non-Operating Revenue	313,332	0	535,906	0
	TOTAL REVENUES:	903,475	685,548	1,308,800	773,201

**ECONOMIC DEVELOPMENT CORPORATION FUND - 200
FISCAL YEAR 2020 PROPOSED BUDGET**

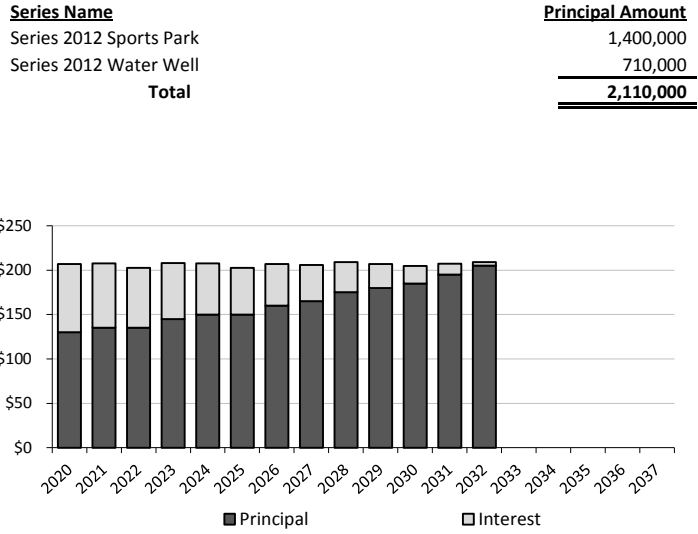
		FY 2018	FY 2019	FY 2019	FY 2020
		YEAR END	AMENDED	YEAR END	PROPOSED
		ACTUAL	BUDGET	PROJECTED	BUDGET
<u>CEDC Operating</u>					
<u>Salaries & Benefits</u>					
200-5210-01-1010	Salaries	0	0	0	86,002
200-5210-01-1011	Overtime	0	0	0	0
200-5210-01-1015	Car Allow.	0	0	0	5,000
200-5210-01-1020	Group Insurance	0	0	0	16,031
200-5210-01-1030	Social Security Contribution	0	0	0	6,962
200-5210-01-1040	Retirement Contribution	0	0	0	10,028
200-5210-01-1050	Unemployment Compensation	0	0	0	207
200-5210-01-1060	Workers' Compensation	0	0	0	410
	Total Salaries & Benefits	0	0	0	124,640
<u>Professional Services</u>					
200-5210-02-2010	Legal/General	37,361	20,000	40,000	25,000
200-5210-02-2011	Legal Publications	232	0	0	0
200-5210-02-2040	Accounting/Audit	5,000	5,000	5,000	5,000
200-5210-02-2050	Administrative-Contract	9,970	18,000	18,000	18,000
200-5210-02-2060	Administrative-City	7,200	7,200	7,200	7,200
200-5210-02-2090	Other Professional Services	3,640	0	0	0
	Total Professional Services	63,403	50,200	70,200	55,200
<u>Other Services</u>					
200-5210-04-2720	Marketing	3,958	12,500	20,000	17,500
200-5210-04-2740	Travel/Meals/Training	2,615	6,500	9,000	10,000
200-5210-04-2750	Dues & Membership	1,695	2,000	2,000	2,500
200-5210-04-2760	Credit Card Fee Charges	273	300	300	0
200-5210-04-2830	Other Travel	130	500	500	500
	Total Other Services	8,671	21,800	31,800	30,500
<u>Supplies</u>					
200-5210-05-3100	Operating Supplies	47	500	500	4,800
	Total Supplies	47	500	500	4,800
<u>Financial Contributions/Obligations</u>					
200-5210-99-8000	Transfer Out	919,780	40,000	40,000	155,000
200-5210-99-9900	Principal On Land Note	1	50,852	50,852	8,730
200-5210-99-9901	Interest On Land Note	4,381	1,858	1,858	56
200-5210-99-9902	Principal On 2012 Series	0	125,000	125,000	130,000
200-5210-99-9903	Interest On 2012 Series	0	80,600	80,600	76,775
200-5210-99-9904	Fiscal Agent Fees	0	0	0	500
	Total Financial Obligations	924,161	298,310	298,310	371,061
	Total EDC Operating:	996,283	370,810	400,810	586,201

ECONOMIC DEVELOPMENT CORPORATION FUND - 200
FISCAL YEAR 2020 PROPOSED BUDGET

		FY 2018 YEAR END ACTUAL	FY 2019 AMENDED BUDGET	FY 2019 YEAR END PROJECTED	FY 2020 PROPOSED BUDGET
<u>CEDC Programs</u>					
<u>Property Services</u>					
200-5210-03-2432	Sports Park Maintenance	60,119	75,000	75,000	0
	Total Property Services	60,119	75,000	75,000	0
<u>Affordable Housing / Demolition</u>					
200-5210-13-5020	Demo/Clear New Housing	0	5,000	5,000	12,000
	Total Demolition / Affordable Housing	0	5,000	5,000	12,000
<u>Capital Outlay</u>					
200-5210-10-5010	CDB Improvements	0	75,000	75,000	130,000
200-5210-10-5035	Industrial Park Improvements	8,651	114,738	114,738	500,000
	Total Capital Outlay	8,651	189,738	189,738	630,000
<u>Business Incentives</u>					
200-5210-14-5010	Incentives	26,359	35,000	20,000	35,000
200-5210-14-5030	Job Training (LCWA/CISD)	5,475	10,000	10,000	10,000
	Total Business Incentives	31,834	45,000	30,000	45,000
	Total EDC Operating:	100,605	314,738	299,738	687,000
	TOTAL EXPENDITURES:	1,096,888	685,548	700,548	1,273,201

CORPORATION LONG-TERM DEBT
CORPORATION DEBT MATURITY SCHEDULE

Fiscal Year	Principal	Interest	Total
FY2020	130,000	76,775	206,775
FY2021	135,000	72,463	207,463
FY2022	135,000	67,738	202,738
FY2023	145,000	62,838	207,838
FY2024	150,000	57,675	207,675
FY2025	150,000	52,425	202,425
FY2026	160,000	47,001	207,001
FY2027	165,000	40,900	205,900
FY2028	175,000	34,100	209,100
FY2029	180,000	27,000	207,000
FY2030	185,000	19,700	204,700
FY2031	195,000	12,100	207,100
FY2032	205,000	4,100	209,100
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	2,110,000	574,815	2,684,815



Series Name	Principal Amount
Series 2012 Sports Park	1,400,000
Series 2012 Water Well	710,000
Total	2,110,000

DATE	DESCRIPTION	AMOUNT ISSUED	AMOUNT OUTSTANDING AS OF 9/30/19		INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/20
			PRINCIPAL				
3/1/2020	Series 2012 Sports Park	1,950,000		85,000	26,125	111,125	
9/1/2020					24,850	24,850	
	Fiscal Year Total		1,400,000	85,000	50,975	135,975	1,315,000
3/1/2020	Series 2012 Water Well	985,000		45,000	13,238	58,238	
9/1/2020					12,563	12,563	
	Fiscal Year Total		710,000	45,000	25,800	70,800	665,000
	TOTAL	2,935,000	2,110,000	130,000	76,775	206,775	1,980,000

CORPORATION LONG-TERM DEBT
CORPORATION DEBT MATURITY SCHEDULE

SERIES 2012 SPORTS PARK

Fiscal Year	Principal	Interest	Total
FY2020	85,000	50,975	135,975
FY2021	90,000	48,125	138,125
FY2022	90,000	44,975	134,975
FY2023	95,000	41,738	136,738
FY2024	100,000	38,325	138,325
FY2025	100,000	34,825	134,825
FY2026	105,000	31,238	136,238
FY2027	110,000	27,200	137,200
FY2028	115,000	22,700	137,700
FY2029	120,000	18,000	138,000
FY2030	125,000	13,100	138,100
FY2031	130,000	8,000	138,000
FY2032	135,000	2,700	137,700
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	1,400,000	381,901	1,781,901

SERIES 2012 WATER WELL

Fiscal Year	Principal	Interest	Total
FY2020	45,000	25,800	70,800
FY2021	45,000	24,338	69,338
FY2022	45,000	22,763	67,763
FY2023	50,000	21,100	71,100
FY2024	50,000	19,350	69,350
FY2025	50,000	17,600	67,600
FY2026	55,000	15,763	70,763
FY2027	55,000	13,700	68,700
FY2028	60,000	11,400	71,400
FY2029	60,000	9,000	69,000
FY2030	60,000	6,600	66,600
FY2031	65,000	4,100	69,100
FY2032	70,000	1,400	71,400
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	710,000	192,914	902,914

**ECONOMIC DEVELOPMENT CORPORATION
AMORTIZATION SCHEDULE**

2009 LAND - LOAN #7912300

DATE	PRINCIPAL	INTEREST	PAYMENT	REMAINING	DATE	PRINCIPAL	INTEREST	PAYMENT	REMAINING	DATE	PRINCIPAL	INTEREST	PAYMENT	REMAINING			
					47	10/23/13	3,225.53	1,166.92	4,392.45	275,157.71	95	10/23/17	3,940.11	452.34	4,392.45	103,970.06	
					48	11/23/13	3,200.60	1,191.85	4,392.45	271,957.11	96	11/23/17	3,942.10	450.35	4,392.45	100,027.96	
1	12/23/09	2,664.60	1,727.85	4,392.45	409,535.40	49	12/23/13	3,252.47	1,139.98	4,392.45	268,704.64	97	12/23/17	3,973.15	419.30	4,392.45	96,054.81
2	1/23/10	2,618.54	1,773.91	4,392.45	406,916.86	50	1/23/14	3,228.55	1,163.90	4,392.45	265,476.09	98	1/23/18	3,976.39	416.06	4,392.45	92,078.42
3	2/23/10	2,629.89	1,762.56	4,392.45	404,286.97	51	2/23/14	3,242.54	1,149.91	4,392.45	262,233.55	99	2/23/18	3,993.61	398.84	4,392.45	88,084.81
4	3/23/10	2,810.75	1,581.70	4,392.45	401,476.22	52	3/23/14	3,366.51	1,025.94	4,392.45	258,867.04	100	3/23/18	4,047.83	344.62	4,392.45	84,036.98
5	4/23/10	2,653.45	1,739.00	4,392.45	398,822.77	53	4/23/14	3,271.17	1,121.28	4,392.45	255,595.87	101	4/23/18	4,028.44	364.01	4,392.45	80,008.54
6	5/23/10	2,720.67	1,671.78	4,392.45	396,102.10	54	5/23/14	3,321.05	1,071.40	4,392.45	252,274.82	102	5/23/18	4,057.07	335.38	4,392.45	75,951.47
7	6/23/10	2,676.73	1,715.72	4,392.45	393,425.37	55	6/23/14	3,299.72	1,092.73	4,392.45	248,975.10	103	6/23/18	4,063.47	328.98	4,392.45	71,888.00
8	7/23/10	2,743.30	1,649.15	4,392.45	390,682.07	56	7/23/14	3,348.80	1,043.65	4,392.45	245,626.30	104	7/23/18	4,091.11	301.34	4,392.45	67,796.89
9	8/23/10	2,700.21	1,692.24	4,392.45	387,981.86	57	8/23/14	3,328.52	1,063.93	4,392.45	242,297.78	105	8/23/18	4,098.79	293.66	4,392.45	63,698.10
10	9/23/10	2,711.90	1,680.55	4,392.45	385,269.96	58	9/23/14	3,342.94	1,049.51	4,392.45	238,954.84	106	9/23/18	4,116.54	275.91	4,392.45	59,581.56
11	10/23/10	2,777.48	1,614.97	4,392.45	382,492.48	59	10/23/14	3,390.80	1,001.65	4,392.45	235,564.04	107	10/23/18	4,142.70	249.75	4,392.45	55,438.86
12	11/23/10	2,735.68	1,656.77	4,392.45	379,756.80	60	11/23/14	3,372.10	1,020.35	4,392.45	232,191.94	108	11/23/18	4,152.32	240.13	4,392.45	51,286.54
13	12/23/10	2,800.59	1,591.86	4,392.45	376,956.21	61	12/23/14	3,419.15	973.30	4,392.45	228,772.79	109	12/23/18	4,177.47	214.98	4,392.45	47,109.07
14	1/23/11	2,759.66	1,632.79	4,392.45	374,196.55	62	1/23/15	3,401.52	990.93	4,392.45	225,371.27	110	1/23/19	4,188.40	204.05	4,392.45	42,920.67
15	2/23/11	2,771.62	1,620.83	4,392.45	371,424.93	63	2/23/15	3,416.25	976.20	4,392.45	221,955.02	111	2/23/19	4,206.54	185.91	4,392.45	38,714.13
16	3/23/11	2,939.31	1,453.14	4,392.45	368,485.62	64	3/23/15	3,524.09	868.36	4,392.45	218,430.93	112	3/23/19	4,240.99	151.46	4,392.45	34,473.14
17	4/23/11	2,796.35	1,596.10	4,392.45	365,689.27	65	4/23/15	3,446.31	946.14	4,392.45	214,984.62	113	4/23/19	4,243.13	149.32	4,392.45	30,230.01
18	5/23/11	2,859.56	1,532.89	4,392.45	362,829.71	66	5/23/15	3,491.28	901.17	4,392.45	211,493.34	114	5/23/19	4,265.73	126.72	4,392.45	25,964.28
19	6/23/11	2,820.85	1,571.60	4,392.45	360,008.86	67	6/23/15	3,476.37	916.08	4,392.45	208,016.97	115	6/23/19	4,279.99	112.46	4,392.45	21,684.29
20	7/23/11	2,883.37	1,509.08	4,392.45	357,125.49	68	7/23/15	3,520.49	871.96	4,392.45	204,496.48	116	7/23/19	4,301.55	90.90	4,392.45	17,382.74
21	8/23/11	2,845.56	1,546.89	4,392.45	354,279.93	69	8/23/15	3,506.67	885.78	4,392.45	200,989.81	117	8/23/19	4,317.16	75.29	4,392.45	13,065.58
22	9/23/11	2,857.88	1,534.57	4,392.45	351,422.05	70	9/23/15	3,521.86	870.59	4,392.45	197,467.95	118	9/23/19	4,335.86	56.59	4,392.45	8,729.72
23	10/23/11	2,919.37	1,473.08	4,392.45	348,502.68	71	10/23/15	3,564.71	827.74	4,392.45	193,903.24	119	10/23/19	4,355.86	36.59	4,392.45	4,373.86
24	11/23/11	2,882.91	1,509.54	4,392.45	345,619.77	72	11/23/15	3,552.56	839.89	4,392.45	190,350.68	120	11/23/19	4,373.86	18.95	4,392.81	0.00
25	12/23/11	2,943.69	1,448.76	4,392.45	342,676.08	73	12/23/15	3,594.54	797.91	4,392.45	186,756.14						
26	1/23/12	2,908.15	1,484.30	4,392.45	339,767.93	74	1/23/16	3,583.51	808.94	4,392.45	183,172.63						
27	2/23/12	2,920.74	1,471.71	4,392.45	336,847.19	75	2/23/16	3,599.04	793.41	4,392.45	179,573.59						
28	3/23/12	3,027.53	1,364.92	4,392.45	333,819.66	76	3/23/16	3,664.81	727.64	4,392.45	175,908.78						
29	4/23/12	2,946.51	1,445.94	4,392.45	330,873.15	77	4/23/16	3,630.50	761.95	4,392.45	172,278.28						
30	5/23/12	3,005.50	1,386.95	4,392.45	327,867.65	78	5/23/16	3,670.30	722.15	4,392.45	168,607.98						
31	6/23/12	2,972.29	1,420.16	4,392.45	324,895.36	79	6/23/16	3,662.12	730.33	4,392.45	164,945.86						
32	7/23/12	3,030.56	1,361.89	4,392.45	321,864.80	80	7/23/16	3,701.03	691.42	4,392.45	161,244.83						
33	8/23/12	2,998.29	1,394.16	4,392.45	318,866.51	81	8/23/16	3,694.02	698.43	4,392.45	157,550.81						
34	9/23/12	3,011.28	1,381.17	4,392.45	315,855.23	82	9/23/16	3,710.02	682.43	4,392.45	153,840.79						
35	10/23/12	3,068.45	1,324.00	4,392.45	312,786.78	83	10/23/16	3,747.58	644.87	4,392.45	150,093.21						
36	11/23/12	3,037.61	1,354.84	4,392.45	309,749.17	84	11/23/16	3,742.32	650.13	4,392.45	146,350.89						
37	12/23/12	3,094.05	1,298.40	4,392.45	306,655.12	85	12/23/16	3,778.98	613.47	4,392.45	142,571.91						
38	1/23/13	3,064.17	1,328.28	4,392.45	303,590.95	86	1/23/17	3,774.90	617.55	4,392.45	138,797.01						
39	2/23/13	3,077.44	1,315.01	4,392.45	300,513.51	87	2/23/17	3,791.25	601.20	4,392.45	135,005.76						
40	3/23/13	3,216.74	1,175.71	4,392.45	297,296.77	88	3/23/17	3,864.26	528.19	4,392.45	131,141.50						
41	4/23/13	3,104.71	1,287.74	4,392.45	294,192.06	89	4/23/17	3,824.41	568.04	4,392.45	127,317.09						
42	5/23/13	3,159.26	1,233.19	4,392.45	291,032.80	90	5/23/17	3,858.76	533.69	4,392.45	123,458.33						
43	6/23/13	3,131.84	1,260.61	4,392.45	287,900.96	91	6/23/17	3,857.69	534.76	4,392.45	119,600.64						
44	7/23/13	3,185.63	1,206.82	4,392.45	284,715.33	92	7/23/17	3,891.11	501.34	4,392.45	115,709.53						
45	8/23/13	3,159.20	1,233.25	4,392.45	281,556.13	93	8/23/17	3,891.25	501.20	4,392.45	111,818.28						
46	9/23/13	3,172.89	1,219.56	4,392.45	278,383.24	94	9/23/17	3,908.11	484.34	4,392.45	107,910.17						

FISCAL YEAR	PRINCIPAL	INTEREST	PAYMENT	REMAINING
FY 2010	26,930	16,994	43,925	385,270
FY 2011	33,848	18,861	52,709	351,422
FY 2012	35,567	17,143	52,709	315,855
FY 2013	37,472	15,237	52,709	278,383
FY 2014	39,428	13,281	52,709	238,955
FY 2015	41,487	11,223	52,709	197,468
FY 2016	43,627	9,082	52,709	153,841
FY 2017	45,931	6,779	52,709	107,910
FY 2018	48,329	4,381	52,709	59,582
FY 2019	50,852	1,858	52,709	8,730
FY 2020	8,730	56	8,785	0

Funding:				\$412,200.00
Fixed Rate:				5.1%
Number of Scheduled Payments:				120
Regular Payment Amount:				\$4,392.45

**CITY OF CLEVELAND
NON-FUNDED SUPPLEMENTAL AND CAPITAL REQUESTS**

*****EXPENDITURES*****

		<u>DIVISION</u>	<u>REVENUE</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>	<u>TOTAL</u>
General Fund						
100-5112-02-2010	Additional Legal	Admin	-	25,000	-	25,000
100-5112-02-2060	Grant Administrator	Admin	-	-	-	-
100-5112-04-2116	Historical Museum	Admin	-	-	30,000	30,000
100-5112-04-2830	Additional Seminars & Schools	Admin	-	5,000	-	5,000
100-5113-01-1010	Event Worker P/T	Civic	-	11,769	-	11,769
100-5113-06-5060	Civic Center Lighting Improvements	Civic	-	-	3,000	3,000
100-5113-06-5090	Additional Fall Fest	Civic	-	11,200	-	11,200
100-5115-06-5065	Phone System	IT	-	-	70,000	70,000
100-5115-06-5123	Incode Software Update - Dev. Serv.	IT	-	-	6,720	6,720
100-5115-06-5160	Library Website Revamp	IT	-	-	5,000	5,000
100-5115-06-5214	Warrant Officer Car Audio/Video (Safety Vision)	IT	-	-	10,000	10,000
100-5120-01-1010	Patrol Officer (Addition 2)	Police	-	67,064	-	67,064
100-5123-01-1010	Permit Clerk	Dev. Serv.	-	51,210	-	51,210
100-5123-01-1011	Development Service Overtime	Dev. Serv.	-	3,591	-	3,591
100-5123-02-2100	Demolition/Cleanup (addition)	Dev. Serv.	-	5,000	-	5,000
100-5123-05-3010	Equipment	Dev. Serv.	-	-	13,500	13,500
100-5130-03-2440	Culvert Replacement (additional)	Streets	-	10,000	-	10,000
100-5130-06-5040	Gradall Thumb	Streets	-	-	11,000	11,000
100-5130-06-5040	Roller	Streets	-	20,000	-	20,000
100-5130-06-5040	Fogger	Streets	-	-	15,000	15,000
100-5131-17-5090	Fuel Farm - Jet A	Airport	-	-	250,000	250,000
100-5131-17-5090	Blower	Airport	-	-	6,000	6,000
100-5140-17-5090	Security Fencing - Public Works Facility	Garage	-	-	57,000	57,000
100-5160-04-2910	Child Programming (addition)	Library	-	5,000	-	5,000
100-5160-05-3020	Special Collection (increase)	Library	-	5,000	-	5,000
100-5161-17-5090	Park Equipment	Parks	-	-	60,000	60,000
100-5161-17-5090	Zero Turn Mower	Parks	-	-	10,000	10,000
100-5162-17-5090	Finish Ballfield 4 Lighting	Sports	-	-	50,000	50,000
100-5162-17-5090	Concession Stand A/C	Sports	-	-	5,000	5,000
100-5162-17-5090	Shade Structure	Sports	-	-	20,000	20,000
100-5170-05-3082	Bunker gear	Fire	-	-	31,200	31,200
100-5170-06-5050	Ladder Truck	Fire	-	-	850,000	850,000
100-5170-17-5090	Fire Tower	Fire	-	-	60,000	60,000
100-5170-17-5090	Side-by-Side	Fire	-	-	25,000	25,000
Total General Fund <u>Unfunded</u> Supplementals:			-	219,834	1,588,420	1,808,254
Water/Sewer Fund						
300-5330-05-3115	Meter Replacement (400 Residential)	Production	-	-	150,000	150,000
300-5350-03-2430	Facility Maintenance	Sewer	-	-	5,000	5,000
300-5350-17-5090	Small Screw Pump - Sludge Transfer (West)	Sewer	-	-	70,000	70,000
300-5350-17-5090	Headworks Bar Screen (East)	Sewer	-	-	55,000	55,000
300-5350-17-5090	Sludge Pump (West)	Sewer	-	-	20,000	20,000
300-5380-99-9922	Capital Programs/Extensions (Development)	Non-D	-	-	25,000	25,000
Total Water/Sewer Fund <u>Unfunded</u> Supplementals:			-	-	325,000	325,000
Hotel/Motel Fund						
600-5620-01-1010	Event Worker P/T	CVB	-	7,529	-	7,529
600-5620-04-2720	Chamber Expo Advertising (Additional)	CVB	-	-	2,500	2,500
600-5620-04-2720	Chamber Rock-N-Ride Advertising (Additional)	CVB	-	-	2,500	2,500
600-5620-17-5090	Connex Storage	CVB	-	-	16,000	16,000
600-5620-17-5090	Wainscoting	CVB	-	-	23,000	23,000
600-5620-17-5090	Calendar Software	CVB	-	4,500	-	4,500
Total Hotel/Motel Fund <u>Unfunded</u> Supplementals:			-	12,029	44,000	56,029

Purpose

The Financial Management Policy composes and formalizes all of the City's financial policies into one document. These statements are the tools used to ensure that the City is financially able to meet its current and future service needs. The individual statements contained herein serve as guidelines for both the financial planning and internal financial management of the City.

- A. To guide City Council and management policy decisions that has significant fiscal impact.
- B. To employ balanced revenue policies that provides adequate funding for services and service levels.
- C. To maintain appropriate financial capacity for present and future needs.
- D. To maintain sufficient reserves so as to maintain service levels during periods of economic downturn.
- E. To promote sound financial management by providing accurate and timely information on the City's financial condition.

I.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

Maintain accounting practices that conform to generally accepted accounting principles and comply with prevailing federal, state, and local statutes and regulations. Provide for, prepare and present regular reports that analyze and evaluate the City's financial performance and economic condition.

- A. Accounting Practices and Principles
The City will maintain accounting practices that conform to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB), the authoritative standard setting body for units of local government. All City financial documents, except monthly interim financial reports, including official statements accompanying debt issues, Comprehensive Annual Financial Reports and continuing disclosures statements will meet these standards. Monthly interim financial reports

Municipal resources must be wisely used to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet immediate and long-term needs. These policy statements safeguard the fiscal stability required to achieve the City's objectives and ensure long-term financial health.

Objectives

- F. To protect the City's credit rating and provide for adequate resources to meet the provisions of the City's debt obligations on all municipal debt.
- G. To ensure the legal use of financial resources through an effective system of internal controls.
- H. To promote cooperation and coordination with other governments and the private sector in financing and delivery of services.

are on a cash basis and will be reported as budgeted. At year-end, the general ledger and financials will be converted to GAAP and GASB.

- B. Financial and Management Reporting
Interim Financial Reports will be provided monthly to City Council that explain key economic and fiscal developments and note significant deviations from the budget. These reports will be distributed monthly.
- C. Annual Audit
Pursuant to State Statute, the City shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The audit shall be performed by certified public accounting (CPA) firm, licensed to practice in the State of Texas. The audit firm shall also provide a Single Audit of Federal and State grants, when necessary. An official Comprehensive Annual Financial Report (CAFR) shall be issued no later than six (6) months following the end of the fiscal year. The Director of

Finance shall be responsible for establishing a process to ensure timely resolution of audit recommendations.

D. Annual Financial Disclosure

As required by the Securities and Exchange Commission (SEC) Rule 15c2-12, the City will provide certain annual financial information to various information repositories through disclosure documents or set of documents that include the necessary information. This will include any periodic materials event notices as required by the SEC.

E. Signature of Checks

Pursuant to the City Charter, all checks shall have two signatures. Signatures shall be affixed on all City checks manually or with a secure signature stamp or plate. Component unit check signers are officers elected by the board, where applicable. Component unit's checks shall also have two signatures.

F. Compliance with Council Policy Statements

The Financial Management Policy Statements will be reviewed and updated, revised or refined as deemed necessary. Policy statements adopted by City Council are guidelines, and occasionally exceptions may be appropriate and required. Exceptions will be identified, documented, and explained to City Council and/or the City Manager.

expenditures and adherence to fund balance policies.

B. Current Funding Basis (Recurring Revenues)

The City shall budget and operate on a current funding basis. Recurring expenditures shall be budgeted and controlled so as not to exceed current revenues. Recurring expenses will be funded exclusively with recurring revenue sources to facilitate operations on a current funding basis.

C. Use of Non-Recurring Revenues

Non-recurring revenue sources, such as a one-time revenue remittance of fund balance in excess of policy can only be budgeted and used to fund non-recurring expenditures, such as capital purchases or capital improvement projects. This will ensure that recurring expenditures are not funded by non-recurring sources.

D. Tax Rate

The City Manager will recommend a tax rate that the City finances require in order to operate efficiently, yet effectively, and pay its debt.

E. Pay-As-You-Go Capital Projects

The transfer from the City's General Fund and the City's Utility Fund to fund pay-as-you-go capital projects will be budgeted when financially feasible and when projects present themselves for funding. The transfer will be based on the financial health of each fund with the long-term goal of adequately funding rehabilitation.

F. Revenue Estimating for Budgeting

1. In order to protect the City from revenue shortfalls and to maintain a stable level of service, the City shall use a conservative, objective, reasonable and analytical approach when preparing revenue estimates.

**II.
BUDGET AND LONG RANGE
FINANCIAL PLANNING**

A. Balanced Budget

The City Manager shall file annually, a structurally balanced budget for the ensuing fiscal year with City Council pursuant to the prevailing state and local law. A structurally balanced budget is further defined as recurring revenues funding recurring

2. The process shall include historical collection rates, trends, development, and probable economic changes. This approach is intended to reduce the likelihood of actual revenues falling short of budget estimates.
3. The City whenever possible, will seek outside sources of revenue, such as federal, state, and local grants, in order to leverage local dollars.
4. Estimates from grant sources will be projected only to the specific date on which the entitlement will end.
5. The Utility Fund water and wastewater revenues will be budgeted based on the average rainfall/consumption. The City will anticipate neither drought nor wet conditions.

G. Budget Preparation

1. Department Directors have primary responsibility for formulating budget proposals. New or expanded services should support City Council goals, City Manager priority direction and department goals. Departments are charged with implementing them once they are approved.
2. All competing requests for City resources will be weighted within the formal annual budget process.
3. Actions on items that come up throughout the year with significant financial impacts should be withheld until they can be made in the full context of the annual budget process and long-range plan, unless unforeseen circumstances present themselves.
4. The Budget will be presented in a way that clearly communicates to the public.

H. Budget Management

The City Council shall delegate authority to the City Manager in managing the budget after it is formally adopted by the City Council, including the transfer of funds within

departments, between divisions, and between departments. The City Manager may further delegate levels of authority for the daily operations of the budget. Expenditures/expenses are legally adopted by the fund level. Expenditures/expenses should not exceed the adopted budget, plus subsequent changes approved by the City Council.

I. Year-end Budget Projections

In order to preserve fund balances/ending balances, The Adopted budget will include current year projections based on projected revenues and expenditures/expenses for the current fiscal year. The annual budget will include a projected current year ending fund balance for all funds, excluding capital improvements funds. City Council will adopt the annual budget based on the most recent forecasts obtainable during the annual budget process.

J. Operating Deficits

The City shall take immediate corrective action if at any time during the fiscal year expenditure and revenue re-estimates are such that "net income" is lower than budgeted. Corrective actions include:

- Deferral of capital equipment purchases
- Deferral of pay-as-you go capital improvements
- Expenditure reductions
- Deferral of certain positions
- Hiring freezes
- Use of fund balance
- Use of volunteers
- Increase fees
- Reduce work hours with subsequent reduction in pay
- Eliminate positions which may require laying-off employees if there are no other vacant positions for which they are qualified.

The use of fund balance, which is a one-time revenue source, may be used to fund an annual operating deficit, only with a

subsequent approval of a plan to replenish the fund balance if it is brought down below policy level.

K. Long-Range Financial Plans

1. The City shall develop and maintain a five-year Financial Forecast for each major operating fund, in conjunction with the annual budget process. Major operating funds are as follows:
 - General Fund
 - Debt Service Fund
 - Water/Sewer Fund
 - Economic Development Corporation
2. The forecast should enable current services and current service levels provided to be sustained over the forecast period. Operating impacts from completed capital improvement projects in the City's five-Year CIP shall be included in the forecast.
3. The forecasts should identify impact to property taxes and utility rates.
4. Major financial decisions should be made in the context of the Long-Range Plan.

The forecast assesses long-term financial implications of current and proposed policies, programs, and assumptions that develop appropriate strategies to achieve the City's goals. The forecast will provide an understanding of available funding; evaluate financial risk; assess the likelihood that services can be sustained; assess the level at which capital investment can be made; identify future commitments and resource demands; and identify the key variables that may cause change in the level of revenue.

**III.
REVENUES**

Design, maintain and administer a revenue system that will assure reliable, equitable, diversified and sufficient revenue stream to support desired City services.

- A. Balance and Diversification in Revenue Sources
The City shall strive to maintain a balanced and diversified revenue system to protect the City from fluctuations in any one source due to changes in local economic conditions, which may adversely impact that source.

B. User Fees - General Fund

1. For services that benefit specific users, the City shall establish and collect fees to recover the costs of those services. Where services provide a general public benefit, the City shall recover the costs of those services through property and sales taxes.
2. At a minimum, the City will strive to cover direct costs.
3. User fees should be reviewed every two to three years and adjusted to avoid severe changes.
4. Factors in setting fees shall include, but not be limited to: market and competitive pricing, effect of demand for services, and impact on users, which may result in recovering something less than direct, indirect and overhead costs.
5. The City may set a different fee for residents versus non-residents.
6. User fees should be adopted by Council Ordinance and included in the Annual Fee Schedule.

C. User Fees - Enterprise Funds

1. Utility rates and other Enterprise Fund user fees shall be set at levels sufficient to cover operating expenditures (direct and indirect), meet debt obligations and debt service coverage, provide pay-as-you-go funding for capital improvements, and provide adequate levels of working capital.
2. The City may set a different fee for residents versus non-residents.
3. The Five-Year Financial Plan and proposed operating budget shall serve as the basis for rate change considerations.

4. When necessary, the Five-Year Financial Plan will be built around small rate increases annually versus higher rate increases periodically.

D. One-Time/Unpredictable Revenue Sources

1. One-time, unpredictable revenue sources should not be used for ongoing expenses/expenditures.
2. One-time, unpredictable revenue sources will be used or one-time purchases such as increase in fund balance requirements, capital equipment purchase, capital improvements, etc.

E. Revenue Collection

The City shall maintain high collection rates for all revenues by monitoring monthly receivables. The City shall follow an aggressive, consistent, yet reasonable approach to collecting revenues to the fullest extent allowed by law for all delinquent taxpayers and others overdue in payments to the City.

Revenues actually received will be compared to budgeted revenues by the Director of Finance and any variances considered to be material will be investigated.

**IV.
EXPENDITURES**

Identify services, establish appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of those services.

A. Maintenance of Capital Assets

Within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to maintain service levels.

B. Periodic Program/Services Reviews

The City Manager and staff shall undertake periodic reviews of City programs and services for both efficiency and effectiveness. Programs or services determined to be inefficient and/or ineffective shall be recommended through the annual budget process to be reduced in scope or eliminated.

C. Purchasing

All City purchases of goods and services shall be made in accordance with the City's current Purchasing Policy.

V.

FUND BALANCE AND RESERVES

Maintain the fund balance and working capital of the various operating funds at levels sufficient to protect the City's credit worthiness as well as its financial position during emergencies or economic fluctuations.

A. General Fund Unrestricted Fund Balance

The City shall maintain the General Fund unrestricted fund balance equivalent to 3 months of recurring operating expenditures, based on current year expenditures. If the fund balance exceeds this amount, funding non-recurring expenditures in the following fiscal year may be used to draw down the balance.

B. Water/Sewer Unreserved Working Capital

The City shall maintain a working capital sufficient to provide for reserves for emergencies and revenue shortfalls. A cash equivalent operating reserve will be established and maintained at 25% of the current year's budget appropriation for recurring operating expenses. The cash operating reserve is derived by dividing the total cash equivalents balance by recurring operating expenses.

C. Use of Fund Balance / Working Capital

Fund balance / working capital shall only be used for emergencies, non-recurring expenditures/expenses or major capital purchases that cannot be accommodated through current year savings. Should such use reduce balances below the level established as the objective for that fund, restoration recommendations will accompany the request/decision to utilize said balances.

- D. Debt Service Fund Unrestricted Fund Balance
The City shall maintain the debt service fund balance at 25% of annual debt service requirements OR a fund balance reserve as required by bond ordinances, whichever is greater.

I. PURPOSE

The City of Cleveland is committed to ensuring that all purchases are in compliance with State laws when procuring the highest quality goods and services at the best value. This document is the policy for the procurement and purchases of goods, materials, supplies, equipment, construction services, and professional and consulting services.

II. POLICY MANAGEMENT

The City Council delegates to the City Manager the authority to make orders and rules as the City Manager deems appropriate or necessary to provide for the procurement of goods and services for the City and for the disposition of City property. The Finance Director is responsible for monitoring compliance with this policy, recommending changes in policy to the City Manager for approval, and approving procedures designed to maintain compliance with the policy. The Purchasing Policy shall be reviewed by the City Council annually.

III. SPENDING AUTHORIZATION

A. Authorization to Expend Funds

The City Manager, or finance director when so designated by the City Manager, approves each expenditure, but may authorize certain employees to make expenditures/purchases in compliance with this policy. The City Manager may limit purchase authorization by line item and/or specified project, or designate specific authorizers and dollar limits for individual budget line items and/or projects.

B. Purchase Orders (PO)

A PO is a formal, binding, legal agreement issued according to the City Manager's authorization. When accepted by a vendor without qualifications within a specified time period, the PO becomes a contract. A PO grants the vendor the

authority to deliver the goods or services to the City and to invoice City for the same. The City is committed to accept the goods or services and to pay for them at the agreed upon price provided that those goods or services are of the quality and scope promised. The City employee that buys goods and services for the City ("Purchaser") must document the prior authorization for the purchase with a PO, except when the purchase is exempt. The following types of purchases are exempt from the PO requirement:

1. Debt services payments;
2. Purchasing card transactions (see Purchasing Card Policy);
3. Petty cash transactions;
4. Utilities;
5. Interlibrary loans;
6. Lease or rental payments;
7. Payroll liabilities;
8. Travel expenses and local expense reimbursement;
9. Postage and delivery expenses;
10. Telephone bills;
11. Insurance premiums;
12. Membership dues;
13. Periodical subscriptions;
14. Legal fees;
15. Training;
16. Package delivery services;
17. TCEQ permits;
18. Legal Notices; and
19. Pre-employment background checks.

A Blanket Purchase Order (BPO) is a Purchase Order that is valid for a specified period of time and authorizes multiple orders during that time period, as long as the total dollars on the BPO are not exceeded and whose prices have been established by a quote or as a result of a competitive purchasing method. BPOs may be established for buying material and services on a continuous basis from specified vendors, but will limit the types of

goods or services that can be ordered, and may also limit the order amounts. No single purchase on a BPO shall exceed spending limit authority established herein.

IV. PERSONAL INTEREST IN CITY CONTRACT

No officer or employee of the City shall have a financial interest, direct or indirect, in any contact with the City, or shall be financially interested, directly or indirectly, in the sale to the City of any land, materials, supplies or service, except on behalf of the City as an officer or employee. No officer or employee of the City shall accept, directly or indirectly, from any person to which any purchase order or contract is or might be awarded, any rebate, gift, money or anything of value whatsoever, except when given to the City for the use and benefit of the City. Any such rebate, gift, money or thing of value shall be reported in writing to the City Manager within five working days of its receipt. (Cleveland City Charter § 8.01).

V. REQUIREMENTS BASED ON DOLLAR AMOUNT

A. Purchases less than \$3,000 (per transaction or annually)

No documented quotes are required; however, competitive pricing through purchasing cooperatives or other discount retailers or distributors should be checked first before purchasing when time and practicality permit.

B. Purchases of \$3,000 but less than \$50,000 (per transaction or annually)

For purchases of \$3,000 up to \$10,000, at least two (2) written, email, or faxed quotes must be received prior to submitting a PO request. For purchases of \$10,000 up to \$50,000, at least three (3) written, email, or faxed quotes must be received prior to submitting a PO request. Purchases over \$10,000 require prior approval by the City Manager. Pricing and contact

information from all contacted vendors must be documented, including any "no response" vendors. The Purchaser must also contact and document the response of at least 2 historically underutilized businesses ("HUB"s) on a rotating basis, based on information provided by the Texas Comptroller pursuant to Texas Government Code Chapter 2161. If the list fails to identify a HUB for Liberty County for the requested good or service, then the City is exempt from this requirement. The City staff is authorized to give local preference for purchases under \$50,000 when the local bid is within 5% of the lowest bid.

C. Purchases of \$50,000 or greater (per transaction or annually)

Purchase requires City Council approval. Unless exempted by law, purchase also requires use of a competitive purchasing method (listed below) after advertisement in the newspaper. No City employee may make any "separate, sequential, or component" purchases for any goods or services in order to avoid competitive bidding procedures. The Purchaser will make an award recommendation and will be responsible for all disclosure and briefing information to the City Manager and City Council. It is the responsibility of the Purchaser to present the request to Council after the approval of supporting documentation by the City Manager. The Council approval date must be noted on the PO. (Tex. Loc. Gov't Code §§ 252.021 *et seq.* and 271.006 *et seq.*) The City Council may, upon prior written notice to an apparent low bidder or qualified proposer, refuse to award a contract or enter into a transaction with a bidder or proposer that is indebted to the City. (Tex. Loc. Gov't Code § 252.0436). The City shall encourage the use of products made of

recycled materials as required by Section 361.426 of the Texas Health and Safety Code. (Tex. Loc. Gov't Code § 252.003). The City Council is authorized to give local preference pursuant to Local Government Code §§ 271.905 - 271.9051 and may consider doing so on a case-by-case basis. If a contract is approved by City Council, then prior to any payments under the contract the vendor must file a Texas Form 1295. (Tex. Gov't Code § 2252.908). In relevant situations, staff will use the following criteria in determining whether to recommend a higher bid from a local vendor:

- 1) the employment of residents of the City created through the award of the bid to the local vendor; and
- 2) any increase in tax revenue created through the award of the bid to the local vendor.

D. Change Orders

If changes in plans or specifications are necessary after the performance of a contract is begun, or if it is necessary to decrease or increase the quantity of the work to be performed or of the materials, equipment, or supplies to be furnished, the City has authorized the City Manager to approve a change order that involves an increase or decrease of \$50,000 or less; provided, further, the aggregate of the change orders may not increase the original contract price by more than 10 percent. Additional change orders may be issued only as a result of unanticipated conditions encountered during construction, repair, or renovation or changes in regulatory criteria or to facilitate project coordination with other political entities. (Tex. Loc. Gov't Code § 252.048).

VI. COMPETITIVE PURCHASING METHODS; EXEMPTIONS; OTHER

APPROVED PROCUREMENT METHODS

A. Request for Bids (RFB)/Sealed Proposals - construction project, goods, equipment, materials or machinery

RFB is a formal written document that requests from bidders a firm price or proposal for a specific job or goods, equipment, materials or machinery. By statute, an RFB, a Request for Competitive Sealed Proposal (RFCSP) or another competitive delivery system is always required when the anticipated expenditure for a construction project, goods, equipment, materials or machinery will be greater than \$50,000. If a bid or proposal is required to be sealed for a particular request for goods or services, then the City will not accept any electronic bids or proposals for that request. (Tex. Loc. Gov't Code § 252.0415).

In addition, an RFB for a construction/public works contract requires:

1. Plans and specifications for the work, approved by a licensed architect or engineer if appropriate;
2. bid bond or other bid security;
3. Retainage or other withholding (e.g., turn-key) provisions;
4. A payment bond for contracts over \$50,000 (Tex. Gov't Code Ch. 2253); and
5. a performance bond for contracts over \$100,000 (Tex. Gov't Code Ch. 2253).

B. Request for Proposals (RFP) - goods or services

RFP is formal written document requesting that potential vendors make an offer for goods or services to the City. The RFP method of procurement may be used for goods or services, including high technology, insurance, and

professional services (architectural, engineering, or land surveying services must be procured using the RFQ process). When the RFP method is used for the selection of professional services, the City shall comply with Government Code Chapter 2254, the Professional Services Procurement Act. When the RFP method is used for the selection of any services or goods other than professional services, the notice for proposals shall include the criteria that will be used to evaluate the offers and the applicable weighed value for each criterion. The City shall not award a contract for professional services based on competitive bids, but shall make the selection and award on the basis of demonstrated competence and qualifications (Tex. Gov't Code, Sec. 2254.003).

C. Request for Qualifications (RFQ) – professional services

A RFQ is a formal written document used when soliciting providers of professional services, including architectural, engineering, land surveying services, and other services, consulting services, or other personal services for which an RFQ is permitted. For professional services and other services subject to the RFQ process, the City will first select the most highly-qualified provider of those services on the basis of demonstrated competence and qualifications. After a firm has been selected based on qualifications and experience, then the City shall negotiate a fair and reasonable fee for the proposed services. If a satisfactory contract cannot be negotiated with the most highly-qualified provider, then the City shall formally end negotiations with that firm and select the next most highly-qualified firm and begin negotiations with that provider for a fair and reasonable price.

D. Exemptions from Competitive Purchasing

The following items are exempt from competitive bidding. The City Manager is authorized to exercise the options below; however, any use of funds over \$50,000, with the exception of consulting services, must be approved by the Council.

1. Equipment, materials, or machinery purchased by the City at an auction that is open to the public;
2. Contracts for services or property for which there is only one source or for which it is otherwise impracticable to obtain competition;
3. High technology procurements as provided by Sections 252.021 (a) and 252.042, Local Government Code;
4. Land or right of way;
5. State of Texas Catalog Purchases;
6. Contracts for services or property for which there is only one source or for which it is otherwise impracticable to obtain competition, including
 - (a) Items available from a single source because of patents, or copyrights;
 - (b) Unique replacement parts or components for fleet, equipment; pumps, motors, valves, high technology, etc.
 - (c) Any items not listed above that are considered sole source and for which the following is documented: (i) statement on how the determination was made that the item requested is only available from one source, (ii) names of those contacted in an effort to find other sources, (iii) approval of the City Manager before purchase is made; and
 - (d) Emergency Purchases where an emergency is defined as a situation which endangers

lives, property, or the continuation of a vital process and which can be rectified only by immediate purchase (or rental) of equipment, supplies, materials, or contractual services. Emergency purchases are exempt from competitive bidding only after formal declaration by the City Manager that an emergency exists and prior approval of the City Manager. Council approval must be obtained as soon as practical thereafter.

required to submit all invoices for payment to the Finance Department at:

City of Cleveland
ATTN: Accounts Payable
907 E Houston
Cleveland, TX 77327

Vendors shall be solely responsible for all taxes of any kind incurred as a result of a contract with the City. Vendors may be required at the City's sole discretion to indemnify the City and provide insurance appropriate to the scope of the purchase or contract.

E. Other Approved Procurement Methods

The following delivery or procurement methods may be used, where appropriate:

1. Interlocal Cooperative Purchasing Contracts or any other governmental agency, as provided by the Texas Government Code, Chapter 791. A local government cooperative purchasing agreement must be approved by the Council before purchases can be made.
2. Construction service contracts using a construction manager agent, construction manager at risk, design build, or job order contracts as provided by Texas Government Code Chapter 2269.

VII. VENDOR REQUIREMENTS

All vendors are required to have W-9 and Conflict of Interest Questionnaire Form (CIQ) on file (if a conflict of interest exists). Any employee requesting a purchase needs to make sure the vendor has a W-9 and CIQ on file with the Finance Department. If the vendor does not have a W-9 or CIQ on file, it is the requestor's responsibility to obtain one from the vendor. If the vendor will be on City property a certificate of insurance may also be required, (See Insurance Requirements for Contractors and Consultants below) Vendors are

TITLE 4. FINANCES
SUBTITLE A. MUNICIPAL FINANCES
CHAPTER 102. MUNICIPAL BUDGET

Sec. 102.001. BUDGET OFFICER.

- (a) The mayor of a municipality serves as the budget officer for the governing body of the municipality except as provided by Subsection (b).
- (b) If the municipality has the city manager form of government, the city manager serves as the budget officer

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 102.002. ANNUAL BUDGET REQUIRED.

The budget officer shall prepare each year a municipal budget to cover the proposed expenditures of the municipal government for the succeeding year.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 102.003. ITEMIZED BUDGET; CONTENTS.

(a) The budget officer shall itemize the budget to allow as clear a comparison as practicable between expenditures included in the proposed budget and actual expenditures for the same or similar purposes made for the preceding year. The budget must show as definitely as possible each of the projects for which expenditures are set up in the budget and the estimated amount of money carried in the budget for each project.

(b) The budget must contain a complete financial statement of the municipality that shows:

- (1) the outstanding obligations of the municipality;
- (2) the cash on hand to the credit of each fund;
- (3) the funds received from all sources during the preceding year;
- (4) the funds available from all sources during the ensuing year;
- (5) the estimated revenue available to cover the proposed budget; and
- (6) the estimated tax rate required to cover the proposed budget.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 102.004. INFORMATION FURNISHED BY MUNICIPAL OFFICERS AND BOARDS.

In preparing the budget, the budget officer may require any municipal officer or board to furnish information necessary for the budget officer to properly prepare the budget.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 102.005. PROPOSED BUDGET FILED WITH MUNICIPAL CLERK; PUBLIC INSPECTION.

(a) The budget officer shall file the proposed budget with the municipal clerk before the 30th day before the date the governing body of the municipality makes its tax levy for the fiscal year.

(b) A proposed budget that will require raising more revenue from property taxes than in the previous year must contain a cover page with the following statement in 18-point or larger type: "This budget will raise more total property taxes than last year's budget by (insert total dollar amount of increase and percentage increase), and of that amount (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll) is tax revenue to be raised from new property added to the tax roll this year."

(c) The proposed budget shall be available for inspection by any person. If the municipality maintains an Internet website, the municipal clerk shall take action to ensure that the proposed budget is posted on the website.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by: Acts 2007, 80th Leg., R.S., Ch. 924 (H.B. 3195), Sec. 1, eff. September 1, 2007.

Sec. 102.006. PUBLIC HEARING ON PROPOSED BUDGET.

(a) The governing body of a municipality shall hold a public hearing on the proposed budget. Any person may attend and may participate in the hearing.

(b) The governing body shall set the hearing for a date occurring after the 15th day after the date the proposed budget is filed with the municipal clerk but before the date the governing body makes its tax levy.

(c) The governing body shall provide for public notice of the date, time, and location of the hearing. The notice must include, in type of a size at least equal to the type used for other items in the notice,

any statement required to be included in the proposed budget under Section 102.005(b).

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by: Acts 2007, 80th Leg., R.S., Ch. 924 (H.B. 3195), Sec. 2, eff. September 1, 2007.

Sec. 102.0065. SPECIAL NOTICE BY PUBLICATION FOR BUDGET HEARING.

(a) The governing body of a municipality shall publish notice before a public hearing relating to a budget in at least one newspaper of general circulation in the county in which the municipality is located.

(b) Notice published under this section is in addition to notice required by other law, except that if another law requires the governing body to give notice, by publication, of a hearing on a budget this section does not apply.

(c) Notice under this section shall be published not earlier than the 30th or later than the 10th day before the date of the hearing.

(d) Notice under this section must include, in type of a size at least equal to the type used for other items in the notice, any statement required to be included in the proposed budget under Section 102.005(b).

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 24, eff. Sept. 1, 1993. Amended by Acts 2001, 77th Leg., ch. 402, Sec. 9, eff. Sept. 1, 2001. Amended by: Acts 2007, 80th Leg., R.S., Ch. 924 (H.B. 3195), Sec. 3, eff. September 1, 2007.

Sec. 102.007. ADOPTION OF BUDGET.

(a) At the conclusion of the public hearing, the governing body of the municipality shall take action on the proposed budget. A vote to adopt the budget must be a record vote.

(b) The governing body may make any changes in the budget that it considers warranted by the law or by the best interest of the municipal taxpayers.

(c) Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tax Code, or other law.

(d) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(2) the record vote of each member of the governing body by name voting on the adoption of the budget;

(3) the municipal property tax rates for the preceding fiscal year, and each municipal property tax rate that has been adopted or calculated for the current fiscal year, including:

- (A) the property tax rate;
- (B) the effective tax rate;
- (C) the effective maintenance and operations tax rate;
- (D) the rollback tax rate; and
- (E) the debt rate; and

(4) the total amount of municipal debt obligations.

(e) In this section, "debt obligation" means an issued public security as defined by Section 1201.002, Government Code, secured by property taxes.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by: Acts 2007, 80th Leg., R.S., Ch.

924 (H.B. 3195), Sec. 4, eff. September 1, 2007. Acts 2013, 83rd Leg., R.S., Ch. 1329 (S.B. 656), Sec. 1, eff. September 1, 2013.

Sec. 102.008. APPROVED BUDGET FILED WITH MUNICIPAL CLERK: POSTING ON INTERNET.

(a) On final approval of the budget by the governing body of the municipality, the governing body shall:

- (1) file the budget with the municipal clerk; and
- (2) if the municipality maintains an Internet website, take action to ensure that:

(A) a copy of the budget, including the cover page, is posted on the website; and

(B) the record vote described by Section 102.007(d)(2) is posted on the website at least until the first anniversary of the date the budget is adopted.

(b) The governing body shall take action to ensure that the cover page of the budget is amended to include the property tax rates required by Section 102.007(d)(3) for the current fiscal year if the rates are not included on the cover page when the budget is filed with the municipal clerk. The governing body shall file an amended cover page with the municipal clerk and take action to ensure that the amended cover page is posted on the municipality's website.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by: Acts 2007, 80th Leg., R.S., Ch. 924 (H.B. 3195), Sec. 5, eff. September 1, 2007. Acts 2013, 83rd Leg., R.S., Ch. 1329 (S.B. 656), Sec. 2, eff. September 1, 2013.

Sec. 102.009. LEVY OF TAXES AND EXPENDITURE OF FUNDS UNDER BUDGET; EMERGENCY EXPENDITURE.

(a) The governing body of the municipality may levy taxes only in accordance with the budget.

(b) After final approval of the budget, the governing body may spend municipal funds only in strict compliance with the budget, except in an emergency.

(c) The governing body may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention. If the governing body amends the original budget to meet an emergency, the governing body shall file a copy of its order or resolution amending the budget

with the municipal clerk, and the clerk shall attach the copy to the original budget.

(d) After the adoption of the budget or a budget amendment, the budget officer shall provide for the filing of a true copy of the approved budget or amendment in the office of the county clerk of the county in which the municipality is located.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 102.010. CHANGES IN BUDGET FOR MUNICIPAL PURPOSES.

This chapter does not prevent the governing body of the municipality from making changes in the budget for municipal purposes.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 102.011. CIRCUMSTANCES UNDER WHICH CHARTER PROVISIONS CONTROL.

If a municipality has already adopted charter provisions that require the preparation of an annual budget covering all municipal expenditures and if the municipality conducts a public hearing on the budget as provided by Section 102.006 and otherwise complies with the provisions of this chapter relating to property tax increases, the charter provisions control. After the budget has been finally prepared and approved, a copy of the budget and the amendments to the budget shall be filed with the county clerk, as required for other budgets under this chapter.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987 Amended by: Acts 2007, 80th Leg., R.S., Ch. 924 (H.B. 3195), Sec. 6, eff. September 1, 2007.

ARTICLE VI: MUNICIPAL FINANCE

SECTION 6.01 FISCAL YEAR:

The fiscal year of the City of Cleveland shall be determined by the City Council. Such fiscal year shall also constitute the budget and accounting year.

SECTION 6.02 PREPARATION AND SUBMISSION OF BUDGET:

The City Manager, between sixty and ninety days prior to the beginning of each fiscal year shall submit to the Council a proposed budget, which budget shall provide a complete financial plan for the fiscal year, and shall contain the following:

- (a) A budget message, explanatory of the budget, which message shall contain an outline of the proposed financial policies of the City for the fiscal year, shall set forth the reasons for salient changes from the previous fiscal year in expenditure and revenue items, and shall explain any major changes in financial policy.
- (b) A consolidated statement of anticipated receipts and proposed expenditures for all funds.
- (c) An analysis of property valuations.
- (d) An analysis of tax rate.
- (e) Tax levies and tax collections by years for at least the five years immediately preceding.
- (f) General fund resources in detail.
- (g) Special fund resources in detail.
- (h) Summary of proposed expenditures by function, department, and activity.
- (i) Detailed estimates of expenditures shown separately for each activity to support the summaries.
- (j) A description of all bond issues outstanding, showing rate of interest, date of issue, maturity date, amount authorized, amount issued and amount outstanding.
- (k) A schedule of requirements for the principal and interest of each issue of bonds.
- (1) The Appropriation ordinance.
- (m) The tax levying ordinance.

- (n) Anticipated revenues and proposed expenditures compared with other years. The City Manager in the preparation of the budget shall show in parallel columns opposite the various properly classified items of revenues and expenditures, the actual amount of such items for the last completed fiscal year, the estimated amount for the current fiscal year and the proposed amount for the ensuing fiscal year.

SECTION 6.03 EMERGENCY APPROPRIATIONS:

The City budget may be amended and appropriations altered in accordance therewith in cases of public necessity, the actual fact of which shall have been declared by the City Council.

SECTION 6.04 TAXES: WHEN DUE AND PAYABLE:

All taxes due the City of Cleveland shall be payable at the office of the City Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which shall be not later than October 1. Taxes shall be paid on or before February 1st of the year following assessment, and all such taxes not paid prior to such date shall be deemed delinquent and shall be subject to such penalty and interest as the City Council may provide by ordinance. The City Council may provide further by ordinance that all taxes, either current or delinquent, due the City of Cleveland may be paid in installments; however, the City Council shall be prohibited from waiving penalties or interest, or allowing discounts. Failure to levy and assess taxes through omission in preparation of the approved tax rolls shall not relieve the person, firm, or corporation so omitted from obligation to pay such current or past due taxes as shown to be payable by recheck of the rolls and receipts for the years in question.

ACCOUNT – A term used to identify an individual asset, liability, expenditure control, revenue control, encumbrance control, or fund balance.

ACCOUNTS PAYABLE – A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNT RECEIVABLE – An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government.

ACCOUNTING SYSTEM – The total set of records and procedures, which are used to record, classify, and report information on the financial status and operations of an entity.

ACCRUAL ACCOUNTING – A basis of accounting in which revenues are recognized in the period in which they are earned and become measurable, and expenses are recognized in the period incurred instead of when cash is actually received or spent.

ACCRUED INTEREST – Interest that has been earned and recorded, but has not been received.

AD VALOREM TAX – A tax based on value of land and improvements (property tax).

AGENDA – A formal listing of items to be discussed during a public meeting. Agendas for public meetings are posted 72 hours in advance, in compliance with the open meetings act.

APPROPRIATION – An authorization granted by City Council to make expenditures and to incur obligations for a specific purpose. Usually limited in amount and as to the time when it may be expended.

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

ASSETS – Property owned by a government, which has economic value, especially which could be converted to cash.

BALANCE SHEET – A statement purporting to present the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date.

BALANCED BUDGET – Total recurring expenditures for any fiscal year shall not exceed total recurring revenues for that same fiscal year.

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), together with periodic interest at a specified rate.

BOND REFERENDUM – A bond referendum is an opportunity for voters to decide if the city will be authorized to borrow funds to address specific capital project needs for which ad valorem taxes are pledged for repayment.

BUDGET – A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. The term is also sometimes used to denote the officially approved expenditure ceiling under which a government and its departments operate.

BUDGET CALENDAR – The schedule of key dates or milestones, which a government follows in the preparation and adoption of the budget.

BUDGET DOCUMENT – The instrument used by the budget making authority to present a comprehensive financial program to the appropriating governing body.

BUDGETARY CONTROL – The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within limitations of available appropriation and available revenues.

CAPITAL ASSETS – Long-term assets, such as buildings, equipment, and infrastructure, intended to be held or used in operations.

CAPITAL PROJECTS – Acquisition or construction of major capital facilities.

CAPITAL IMPROVEMENT PROGRAM – A plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

CAPITAL OUTLAY – Expenditures for the acquisition of capital assets.

CAPITAL PROJECT FUNDS – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds and trust funds).

CASH BASIS – A method of accounting in which revenues and expenses are recognized and recorded when received, not necessarily when earned.

CERTIFICATE OF DEPOSIT – A negotiable or non-negotiable receipt for monies deposited in a bank or other financial institution for a specified period for a specified rate of interest.

CERTIFICATE OF OBLIGATION – A debt instrument that is issued by the City and has the same legal status as a general obligation bond. Proceeds from the issuance of the certificates may be used for the construction of public works or payment of contractual obligations for professional services. These certificates do not require voter approval.

CHARTER – Written instrument setting forth principles and laws of government within boundaries of the City.

CHART OF ACCOUNTS – The classification system used by the City to organize the accounting for various funds.

CHECK – A bill of exchange drawn on a bank and payable on demand.

COMPONENT UNIT – A component unit is defined as a legally separate organization for which elected officials of the primary government (the City) are financially accountable.

CONTINGENCY – Funds set aside in a reserve account for major expenditures or for emergencies.

CURRENT ASSETS – Cash and other assets expected to be converted to cash, sold, or consumed either in a year or in the operating cycle.

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

DEBT SERVICE FUND – A fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal interest, and related costs. Also called a Sinking Fund

DEFICIT – The excess of expenditures over revenues during an accounting period; or in the case of Enterprise and Intra-governmental Service Funds, the excess of expense over income during an accounting period.

DEPARTMENT – A distinct, usually specialized division of a large organization.

DELINQUENT TAXES – Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached.

DEPRECIATION – A non-cash expense that reduces the value of an asset as a result of wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

EFFECTIVE TAX RATE – The tax rate required to generate the same amount of revenue as in the preceding year on the same properties.

ENTERPRISE FUND – A fund used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges. The significant characteristic of Enterprise Funds is that the accounting system must make it possible to show whether the activity is operated at a profit or loss, similar to comparable private enterprises. Thus, the reports of enterprise funds self-contained and creditors, legislators or the general public can evaluate the performance of the municipal enterprise on the same basis as they can the performance of investor-owner enterprises in the same industry.

EXPENDITURES – Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

FISCAL YEAR – A twelve-month period of time to which the annual budget applies, and at the end of which, the City determines its financial position and results of operations.

FIXED ASSETS – Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment, and improvements other than buildings and land.

FRANCHISE – A special privilege granted by a government, permitting the continued 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/or other resources together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objective.

FUND BALANCE – The excess of an entity's assets over its liabilities.

GENERAL FIXED ASSETS – Capital assets that are not assets of any particular fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental (as opposed to proprietary or fiduciary) funds.

GENERAL FUND – The General Fund is the general operating fund of the City. It is used to account for the resources devoted to finance the services traditionally associated with local government, except those activities that are required to be accounted for in another fund. Transactions are recorded on the modified accrual basis.

GENERAL OBLIGATION BONDS – When a government pledges its full faith and credit to the payment of the bonds it issues, that those bonds are general obligation bonds.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – Uniform minimum standards and guidelines for financial accounting and reporting.

GOVERNMENTAL FUNDS – Funds generally used to account for tax-supported activities. 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).

GRANTS – A contribution by one government unit to another. The contribution is usually made to aid in the support of a specific function, purpose, activity or facility.

INCOME – A term used in proprietary fund-type accounting to represent (1) revenues or (2) the excess of revenues over expenses.

INFRASTRUCTURE - Fixed assets that are immovable and have value only to the governmental unit. Common examples of infrastructure include roads, sidewalks, bridges and streetlights.

ISO RATING – The Insurance Service Office (ISO) performs surveys to assist insurance organizations with setting up the insurance ratings for the communities. The ISO will perform a survey to assign a public protection grade to each fire department, which is used in the development of insurance rates for all properties within the protected area. Grading starts at 1, which is the best possible score and ends at 10, which is considered unacceptable.

LEASE/PURCHASE – A financing tool utilized to fund large capital outlays where the city may not have cash immediately available for purchase. This arrangement allows the city to use the item while payments are being made.

LEVY - To impose taxes or special assessments. The total of taxes or special assessments imposed by a governmental unit.

LIABILITIES – Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.

LONG-TERM DEBT – Debt with a maturity of more than one year after date of issuance.

MODIFIED ACCRUAL BASIS – The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

NOTE PAYABLE – An unconditional written promise signed by the maker, to pay a certain sum in money on demand or at a fixed or determinable future time, either to the bearer or to the order of a person designated.

OPERATING BUDGET – Plans of current expenditures and the proposed means of financing them.

ORDINANCE – A formal legislative enactment by the governing body of a municipality.

PROJECTION – A forecast of future trends in the operation of financial activities done through the remainder of the fiscal year to gain a better picture of the City's finances. The projections are adopted as the revised budget during the budget adoption process.

PROPERTY TAX – An annual or semi-annual tax paid to one or more governmental jurisdictions based on the real and personal property’s assessed valuation and the tax rate, done in compliance with the State Property Tax Code.

RATINGS – Designations used by credit rating agencies to give relative indications of credit quality. Municipal bonds rated Baa or BBB and above are considered to be investment-grade.

REFUNDING BONDS – Bonds issued to retire bonds already outstanding.

RESERVE – An account used to indicate that a portion of fund equity is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

RETAINED EARNINGS – The accumulated earnings of an enterprise or internal service fund which have been retained in the fund and which are not reserved for any specific purpose.

REVENUES – The term designates an increase to a fund’s assets. An item of income.

REVENUE BONDS – Bond whose principal and interest are payable exclusively from earnings of an enterprise fund.

ROLLBACK RATE – If a unit adopts a tax rate that is higher than the rollback rate, voters in the unit can circulate a petition calling for an election to limit the size of the tax increase.

SALES TAX – A state tax of 6.25% is imposed on all retail sales, leases and rentals of most goods, as well as taxable services. Texas cities and counties have the option of imposing additional local sales taxes for a combined total of state and local taxes of 8.25%.

SHORT-TERM DEBT – Debt with a maturity of one year or less after the date of issuance.

SPECIAL REVENUE FUNDS - Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

TAX LEVY – The total amount to be raised by general property taxes for intentions specified in the Tax Levy Ordinance.

TAX LEVY ORDINANCE – An ordinance through which taxes are levied.

TAX RATE – The rate at which a municipality may levy a tax. Tax levied for each \$100 of assessed valuation. The amount of tax stated in terms of a unit of the tax base.

TAX ROLL – The official list showing the amount of taxes levied against each taxpayer or property.

TAXES – Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.



**CITY OF CLEVELAND, TEXAS
PROPOSED BUDGET**

The City of Cleveland; 907 E. Houston; Cleveland, Texas 77327
www.clevelandtexas.com