



**CITY OF CLEVELAND, TEXAS
ADOPTED BUDGET**

FOR FISCAL YEAR OCTOBER 1, 2017 TO SEPTEMBER 30, 2018

OTIS COHN
MAYOR

MIKE PENRY
COUNCIL MEMBER, POSITION 1

MARILYN CLAY
COUNCIL MEMBER, POSITION 2

CAROLYN MCWATERS
COUNCIL MEMBER, POSITION 3
MAYOR PRO-TEM

JENNIFER BERGMAN
COUNCIL MEMBER, POSITION 4

DANNY LEE
COUNCIL MEMBER, POSITION 5

PRESENTED BY:
KELLY MCDONALD
CITY MANAGER

BOBBY PENNINGTON
FINANCE DIRECTOR

For more information contact:
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**CITY OF CLEVELAND, TEXAS
ADOPTED BUDGET**

FISCAL YEAR 2017 - 2018

Mayor, Otis Cohn
Mayor Pro-Tem, Carolyn McWaters
City Council
Mike Penry
Marilyn Clay
Jennifer Bergman
Danny Lee



907 E. Houston Ave
Cleveland, Texas 77327
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Kelly McDonald, City Manager
Angela Smith, City Secretary

September 25, 2017

City of Cleveland
907 E Houston St.
Cleveland, Texas 77327

Dear Mayor Cohn and Council Members:

I am pleased to present you with the Fiscal Year 2018 (FY2018) Adopted Budget. After Council's review of the proposed budget, staff presents this document for final adoption to commence October 1, 2017.

As you know, the adoption of the budget is the single most important action taken by the City Council each year. The budget establishes the fiscal plan to address various challenges and opportunities presented throughout the year. The foundation of this budget is the council and staff's commitment to a pattern of conservative spending. Expenditures for next year have been closely scrutinized to be certain that the city allocates its resources wisely.

We also know the future is bright as we witness real progress as dirt is being turned on major developments on both the east and west side of the City. We expect that job growth will expand and people will move to Cleveland. The FY2018 Adopted Budget represents our plan to meet our responsibility to ensure appropriate levels of services are conveyed for the following twelve months. Staff has, and will continue, to forecast a sustainable level of service for all citizens. We want to make every effort for the best quality of life whenever and wherever possible for Cleveland as well as prepare for the demands that come with growth.

The City's economic outlook still remains stable for FY2018 as the highly favorable growth is certain by FY2019. Sales tax collections are actually forecasted to decrease by three percent in FY2018 until new retail development opens for business in FY2019. The short term loss in sales tax is offset by higher property values and higher than average building permit income – giving our operations some revenue stability. However, this budget will do more with fewer resources than in previous years. Stretching our dollars *one* more year is a challenging statement when so much is needed for the citizens of Cleveland.

As we turn the page on another year -"*Know*" this city is on the verge of enormous, positive transformation. "*Crow about it!*"

Respectfully submitted,

Kelly McDonald
City Manager

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Elected Officials

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

Cleveland Economic Development Corporation Board

Brad Browder	Corporation President
Alfred Anderson	Board Member
Brad Browder	Board Member
Kelly Jenkel-Axton	Board Member
Carolyn McWaters	Board Member
Robert Reynolds	Board Member
Fred Terrell	Board Member

Appointed Officials

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

City Management

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

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.

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. 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

- 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.
- 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.

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 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.

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 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.
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 for 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.

TAX RATE ORDINANCE

AN ORDINANCE PROVIDING FOR THE ASSESSMENT, LEVY, AND COLLECTION OF AD VALOREM TAXES BY THE CITY OF CLEVELAND, TEXAS, FOR THE YEAR 2017; PROVIDING THE DATE ON WHICH SUCH TAXES SHALL BE DUE AND PAYABLE; PROVIDING FOR PENALTY AND INTEREST ON ALL TAXES NOT TIMELY PAID; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND DISPENSING WITH THE REQUIREMENT THAT THIS ORDINANCE BE READ AT TWO REGULAR MEETINGS.

WHEREAS, Section 26.05 of the Texas Property Tax Code provides that, before the later of September 30 or the 60th day after the date the certified appraisal roll is received, the governing body of each taxing unit shall adopt a tax rate for the current tax year; and

WHEREAS, such section further provides that where the tax rate consists of two components (one of which will impose the amount of taxes needed to pay the unit's debt service and the other of which will impose the amount of taxes needed to fund maintenance and operation expenditures of the unit for the next year), each of the two components must be approved separately; and

WHEREAS, the proposed tax rate for the current tax year of the City of Cleveland consists of two components, a rate of 23.432 cents (\$ 0.23432) for debt service and a rate of 53.568 cents (\$ 0.53568) to fund maintenance and operation expenditures; and

WHEREAS, by separate motions heretofore adopted by the City Council of the City of Cleveland, Texas, at a meeting of said City Council held on the 25th day of September, 2017, said City Council has approved separately the rate heretofore specified for each of said components; and

WHEREAS, having thus separately approved the rate of each of such components, it is necessary and appropriate for the City Council to now formally pass, approve, and adopt a 2017 tax rate for the City of Cleveland, Texas; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLEVELAND, TEXAS:

Section 1. The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct and are hereby adopted, ratified, and confirmed.

Section 2. There is hereby levied for general purposes and use by the City of Cleveland, Texas, for the year 2017, an ad valorem tax at the rate of 53.568 cents (\$ 0.53568) on each One Hundred Dollars (\$100) of assessed valuation on all property, real, personal, and mixed, within the corporate limits upon which an ad valorem tax is authorized by law to be levied by the City of Cleveland, Texas.

Section 3. For the purpose of paying the interest, including the various installments of principal due on the lawfully authorized evidences of indebtedness issued by the City, and for the purpose of repaying any sums borrowed in anticipation of current revenues, for use in the payment of bonds and certificates of obligation and interest thereon, and for the purpose of paying interest and making provisions for the sinking fund on the lawfully authorized evidences of indebtedness, there is hereby levied for the year 2017 and for each year thereafter until otherwise provided, to be assessed and collected upon all property described in Section 2 of this Ordinance, an ad valorem tax at the rate of 23.432 Cents (\$ 0.23432) on each One Hundred Dollars (\$100) of assessed valuation.

Section 4. All ad valorem taxes levied hereby shall be due and payable on or before January 31, 2018. All ad valorem taxes due the City of Cleveland, Texas, and not paid on or before January 31 following the year for which they were levied, shall bear penalty and interest as prescribed by the Texas Property Tax Code.

Section 5. All ordinances and parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

PASSED, APPROVED AND ADOPTED this 25th day of September, 2017.

BUDGET ORDINANCE

AN ORDINANCE APPROVING AND ADOPTING THE BUDGET OF THE CITY OF CLEVELAND, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017; MAKING APPROPRIATIONS AS REFLECTED IN SAID BUDGET; MAKING CERTAIN FINDINGS AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, on the 27th day of July, 2017, the City Manager filed with the City Secretary a proposed budget of the City of Cleveland for the fiscal year 2017-2018, the same being from October 1, 2017, through September 30, 2018; and

WHEREAS, pursuant to notice required by law, a public hearing on the budget was held at the regular meeting place of the City Council at the City Hall on the 25th day of September, 2017, at which hearing all citizens and taxpayers of the City had the right to be heard and those who requested to be were heard; and

WHEREAS, the City Council has considered the proposed budget and has made such changes therein as in the City Council's judgment were warranted by law and were in the best interests of the citizens and taxpayers of the City; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLEVELAND, TEXAS:

Section 1. The facts and recitals set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. In accordance with the statutes of the State of Texas and the Charter of the City of Cleveland, the City Council hereby approves and adopts the budget described above, a copy of which is attached hereto and incorporated herein. The City Secretary is hereby directed to keep such budget on file in her office as a public record.

Section 3. In support of said budget and by virtue of the adoption thereof, there are hereby appropriated out of available cash funds and out of the general and special revenues of the City the amounts set forth in said budget for the various purposes stated therein.

Section 4. The City Manager is authorized to transfer unencumbered balances, or portions thereof, from one budget account to another budget account within the same office, department, division, or agency.

PASSED, APPROVED, AND ADOPTED this 25th day of September, 2017.

**SUMMARY OF ALL FUNDS
FISCAL YEAR 2018 ADOPTED BUDGET**

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
GENERAL FUND				
Operating Revenues:	7,079,714	6,253,443	6,207,327	6,191,651
Non-Operating Revenues:	1,743,777	448,000	763,160	800,000
Total Revenues:	\$ 8,823,491	\$ 6,701,443	\$ 6,970,487	\$ 6,991,651
Operating Expenditures:	7,147,423	6,730,443	6,674,932	6,471,651
Non-Operating Expenditures:	975,924	0	273,801	900,000
Total Expenditures:	\$ 8,123,347	\$ 6,730,443	\$ 6,948,733	\$ 7,371,651
Revenues Over Expenditures:	\$ 700,144	\$ (29,000)	\$ 21,754	\$ (380,000)
Fund Balance - Beginning:		\$ 4,412,247	\$ 4,412,247	\$ 4,434,001
Fund Balance - Ending:	\$ 4,412,247	\$ 4,383,247	\$ 4,434,001	\$ 4,054,001
DEBT SERVICE FUND				
Total Revenues:	\$ 1,506,279	\$ 849,999	\$ 855,405	\$ 990,052
Total Expenditures:	\$ 1,335,397	\$ 840,430	\$ 840,430	\$ 990,052
Revenues Over Expenditures:	\$ 170,881	\$ 9,569	\$ 14,975	\$ -
Fund Balance - Beginning:		\$ 537,878	\$ 537,878	\$ 552,853
Fund Balance - Ending:	\$ 537,878	\$ 547,447	\$ 552,853	\$ 552,853
WATER SEWER FUND				
Operating Revenues:	3,253,233	3,277,750	3,242,287	3,183,160
Non-Operating Revenues:	216,312	0	0	0
Total Revenues:	\$ 3,469,546	\$ 3,277,750	\$ 3,242,287	\$ 3,183,160
Departmental Expenses:	2,131,471	2,154,450	2,117,093	2,087,144
Non-Departmental Expenses:	535,902	1,123,300	1,123,300	1,796,016
Total Expenses:	\$ 2,667,373	\$ 3,277,750	\$ 3,240,393	\$ 3,883,160
Revenues Over Expenses:	\$ 802,173	\$ -	\$ 1,894	\$ (700,000)
Cash Balance - Beginning:		\$ 1,791,936	\$ 1,791,936	\$ 1,793,830
Cash Balance - Ending:	\$ 1,791,936	\$ 1,791,936	\$ 1,793,830	\$ 1,093,830

**SUMMARY OF ALL FUNDS
FISCAL YEAR 2018 ADOPTED BUDGET**

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
CAPITAL EQUIPMENT FUND				
Operating Revenues:	203,742	204,200	204,200	206,250
Non-Operating Revenues:	(276,789)	0	0	0
Total Revenues:	\$ (73,047)	\$ 204,200	\$ 204,200	\$ 206,250
Capital Outlay:	848	62,000	62,000	63,000
Financial Obligations:	2,120	141,202	141,202	142,303
Total Expenses:	\$ 2,968	\$ 203,202	\$ 203,202	\$ 205,303
Revenues Over Expenses:	\$ (76,015)	\$ 998	\$ 998	\$ 947
HOTEL/MOTEL FUND				
Total Revenues:	\$ 246,664	\$ 223,600	\$ 196,828	\$ 205,350
Non-Departmental Expenditures:	53,658	48,399	45,110	45,500
Departmental Expenditures:	176,654	175,201	169,515	234,850
Total Expenditures:	\$ 230,312	\$ 223,600	\$ 214,625	\$ 280,350
Revenues Over Expenditures:	\$ 16,352	\$ -	\$ (17,797)	\$ (75,000)
Fund Balance - Beginning:		\$ 555,850	\$ 555,850	\$ 538,053
Fund Balance - Ending:	\$ 555,850	\$ 555,850	\$ 538,053	\$ 463,053
SPECIAL REVENUE FUND - 900				
Total Revenues:	\$ 208,092	\$ 1,870	\$ 13,370	\$ 1,870
Total Expenditures:	\$ 189,546	\$ 1,750	\$ 8,267	\$ 1,750
Revenues Over Expenditures:	\$ 18,546	\$ 120	\$ 5,103	\$ 120
Fund Balance - Beginning:		\$ 192,446	\$ 192,446	\$ 197,549
Fund Balance - Ending:	\$ 192,446	\$ 192,566	\$ 197,549	\$ 197,669
COURT TECHNOLOGY				
Total Revenues:	\$ 7,098	\$ 7,351	\$ 6,525	\$ 6,525
Total Expenditures:	\$ 9,068	\$ 6,500	\$ 6,500	\$ 6,500
Revenues Over Expenditures:	\$ (1,970)	\$ 851	\$ 25	\$ 25
Fund Balance - Beginning:		\$ (24)	\$ (24)	\$ 1
Fund Balance - Ending:	\$ (24)	\$ 827	\$ 1	\$ 26

**SUMMARY OF ALL FUNDS
FISCAL YEAR 2018 ADOPTED BUDGET**

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
COURT SECURITY				
Total Revenues:	\$ 5,326	\$ 5,000	\$ 5,025	\$ 5,025
Total Expenditures:	\$ -	\$ 5,000	\$ 5,000	\$ 5,000
Revenues Over Expenditures:	\$ 5,326	\$ -	\$ 25	\$ 25
Fund Balance - Beginning:		\$ 11,311	\$ 11,311	\$ 11,336
Fund Balance - Ending:	\$ 11,311	\$ 11,311	\$ 11,336	\$ 11,361
UNITY DONATION FUND				
Total Revenues:	\$ 14,247	\$ 18,350	\$ 18,350	\$ 18,350
Total Expenditures:	\$ 16,130	\$ 18,100	\$ 18,100	\$ 18,100
Revenues Over Expenditures:	\$ (1,883)	\$ 250	\$ 250	\$ 250
Fund Balance - Beginning:		\$ 5,226	\$ 5,226	\$ 5,476
Fund Balance - Ending:	\$ 5,226	\$ 5,476	\$ 5,476	\$ 5,726
EDC FUND				
Operating Revenues:	566,759	558,773	537,235	516,598
Non-Operating Revenues:	48,575	0	48,575	0
Total Revenues:	\$ 615,333	\$ 558,773	\$ 585,809	\$ 516,598
Operating Expenses:	153,516	343,257	313,730	244,160
Non-Operating Expenses:	437,666	259,635	259,635	607,234
Total Expenses	\$ 591,181	\$ 602,892	\$ 573,365	\$ 851,394
Revenues Over Expenses:	\$ 24,152	\$ (44,119)	\$ 12,445	\$ (334,797)
Cash Balance - Beginning:		\$ 985,200	\$ 985,200	\$ 997,645
Cash Balance - Ending:	\$ 985,200	\$ 941,081	\$ 997,645	\$ 662,848

GENERAL FUND FISCAL YEAR 2018 ADOPTED BUDGET

SUMMARY

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 2016-2017:

For fiscal year 2017 revenues are projected to be \$6,970,487, \$269,044 greater than the amended budget, principally due to a \$265,881 in grant proceeds from the General Land Office (GLO) regarded as non-operating revenue. Property tax is lower than the amended by \$20,625, or 1% due to delinquent taxes. The delinquent, penalty, and attorney fees vary widely from year to year, so can be challenging to trend. Total Sales Tax is \$2,592,197, 4.8% lower than the original adopted budget. Current collections are projected at \$3,104,637 or 5.0% lower by year-end, with slight improvement to mixed beverage tax collections. Total licenses and permits are \$187,225, 166% higher than the amended budget substantially from Cleveland ISD improvements. Total use fee revenues are \$184,750, higher than the amended by \$19,450 due to \$16,750 more than anticipated EDC reimbursement required to maintain the municipal sports park, otherwise other use fee resources are above mark with the amended with the exception of cemetery income trending lower by \$4,000. Court revenue is projected at \$289,000, significantly lower than the amended budget by \$55,962. Original budget included additional hours supporting a warrant officer with more income expected as court revenue. Police revenue is \$9,050 higher than original budget due to donations of officer appreciation, including local businesses. Other revenue is \$3,570 less than the amended based on the reduction in oil and gas royalties, airport revenue, and sale of assets. Total Interest is projected at \$46,304 and is \$8,179 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 \$110,000 are \$25,645 higher due to billing & collection services. Non-operating revenues include \$435,000 in scheduled transfers that remain unchanged, plus grant entitlements of \$328,160.

Projected fiscal year 2016 expenditures total \$6,948,733 greater than the amended budget by \$218,290 as \$273,801 is for the Glen Park GLO grant. The amended budget includes \$29,000 in approved carryover from fiscal year 2016 for a replacement vehicle in public works; otherwise, the amended budget is balanced. Expenditures are projected at \$6,674,932, and is considered the operating budget total without the inclusion of the GLO grant, a savings of \$55,511 from the amended budget. The original budget included a deficit of \$29,000 as the public works replacement vehicle was approved as a carryover in December 2016. Nearing the completion of fiscal year 2017, it is projected that the city will end with revenues exceeding expenditures by \$21,754. Some individual Divisions are projected to go over amended budget, but nothing of significance, with the exception of Sports Park exceeding by \$12,379. A majority of expenditures in Sports Park are reimbursable as part of the EDC contract on operating the facility, so the overage is not an impact to fund balance. In actuality the combination of Parks and Sports Park will end the year well below projected due to CIP, however major Capital programs remain in fiscal year 2017 and will be carried forward on the recommendation of Council. Major savings are in noted in Administration, \$18,667; and Fire Department, \$20,770. Fund balance at 9/30/2017 is anticipated to be \$4,434,001, \$21,754 higher than the beginning balance.

Fiscal Year 2017-2018:

Fiscal year 2018 revenues total \$6,991,651, which is \$21,164 higher than the projected 2017 budget due to several factors, mainly property tax M&O changes and sales tax collections. Property tax is higher than the amended by \$20,386, yet changes in the M&O tax rate of 0.56568 lower to 0.5345 in order to cover annual debt service. The City is expected to offset the rate loss by *after* the completion and lease of new airport T-hangers. Sales Tax is \$2,534,582, \$57,615 lower than the original adopted budget. Current Taxes collected before transfers to EDC are \$3,011,498, a loss of \$93,139 or -3.0% from fiscal year 2017 projection. The expected loss is a likely reduction of collections at the Cleveland Walmart, forfeiting some of its customer base to the recently opened New Caney

Walmart facility on US69 frontage in. The likely contraction in Sales tax is similar to the effects already realized from the Valley Ranch development at US69 at the Grand Parkway. The planned commercial development in the TIRZ is not expected to collect any additional sales tax until fiscal year 2019. The City did experience temporary closures during hurricane Harvey including historical flooding just prior to the fiscal year and expectation is that retail will make lost sales in the days after the storm, for many items that otherwise would not have been purchased, such as home repair supplies. Staff is to make careful observation due to the disruption in collections. Licenses & Permits proposes a total of \$164,252, \$22,973 less in due to substantial improvements to Cleveland ISD in fiscal year 2017. Prior to 2017, revenue collection has been less than \$60,000. Although expectations remain high for the McKinley development, specifics on actual construction and timing remain unknown. However the adopted budget includes construction of 20 homes, a \$16M apartment complex, and a \$1.2M convenience store / gas station. Current staff will supervise the initial development; any further development would likely require extra staff or outsourcing, which would offset any additional revenue in Licenses & Permits. Total Court revenue is \$34,100 higher than the projected due to expectations from improvements in collections as well as full time warrant officer. Non-operating revenues of \$800,000 include \$785,000 in transfer from other sources. The City transfers in \$400,000 for administrative cost for operating the utility fund and \$35,000 for information technology services. This year includes an additional transfer from EDC for \$350,000 and is the initial reimbursement related to the Earth Energy TDA grant. Included in non-operating is \$15,000 for grant entitlements.

Total expenditures are \$7,371,651, a \$422,918 increase from the 2017 projected. Non-operating expenditures total \$6,471,651, a \$203,281 decrease from the projected. However \$170,000 was moved from the proposed operational to adopted non-operating expenses; This funding originally allocated for the splash pad – now allocated as Council contingency with zero change from the total budgeted. Administration includes funding the Historical Society's engineering assessment regarding the safety of their current facility as well as an upgrade of the Accountant I position to a Sr. Accountant based on current workload, education and responsibilities. The Civic Center includes a portion of a salary adjustment to an administrative assistant position with the remaining portion supported by the Hotel/Motel Fund. Court increases of are related to a mid-year amendment of a full-time warrant officer plus additional certificate pay on the advancement of the deputy court clerk position. The FY17 original budget included funding for a part-time officer but remained unfilled for a majority of the year providing salary savings in the FY17 projected budget but notably increasing the adopted FY18. Information Technology's total budget is reduced from the prior year due to the \$121,000 server replacement completed in FY17; however FY18 includes expected software maintenance increases to proprietary systems and replacement of a portion of library desktop computers. The police department proposes a part-time administrative assistant to assist in the increased department workload and an adopted merit increase up to 5.5% for all dispatch and licensed peace officer positions. The department is to replace the second high mileage CID vehicle as recommended in the budget discussions from last year. Development service includes a replacement vehicle as a light duty truck. The street department has a non-recurring street paving of \$250,000 in FY17 that currently complete all streets that meet the criteria of replaced utilities. The preferred programming of street paving is after utility reconstruction or upgrade of the remaining streets. A majority of the recent repaving has been completed on streets that received utility replacement through the most recent CDBG grant. In order to reduce project costs requiring total reconstruction, the city will apply for similar grants. If no funding is available for in within the near term, the city will be required to finance a total reconstruction of designated streets, including utilities, less running the risk of street cuts to repair faulty lines maintained beyond their useful life expectancy. The current budget includes \$20,000 for street materials and is sufficient funding for annual maintenance of pothole and patch repair. Also budgeted in streets is a non-recurring supplemental of \$15,000 for culvert maintenance. The focus will be maintaining proper drainage capacity as the city prepares for additional development. Long term the city desires to improve walkability and accessibility especially for the disabled and staff will look for federal and state resources to accomplish this task. This year will incorporate supplemental funding to support new programs such as Family Place Library. The library will support early learning, parent engagement, family support and community connectivity. The library is budgeted to replace of all patron computers that are obsolete or currently operating beyond expected service life. The street department includes funding for a pay adjustment to the Street/Parks Supervisor due to the responsibilities of the position. The parks department includes \$60,000 for replacement of park equipment at Campbell Park as prioritized in the CIP Program.

An additional \$30,000 is needed to complete the restroom facility at the Sports Park however due to the devastation from Hurricane Harvey; restroom funding may be allocated to getting the park operational if FEMA funds do not provide full replacement of existing amenities. The EDC originally budgeted to complete the restroom facility, however due to obligations in completing the industrial park; the city will complete the project using \$150,000 originally allocated for the splash park. Other changes to the budget include 2% increase in property insurance based on current market rates and adjustments to fuel are based on usage and expected increases in the later part of the adopted year. The requirements of the TDA grant are incomplete due to the Earth Energy's failure to

perform. The City is responsible for repayment of the grant totaling \$730,000 and accounts for the fundamental increase in the adopted budget.

The following non-recurring items are adopted for fiscal year 2018:

TDA Grant Reimbursement	\$730,000
Council Contingency CIP	\$170,000
Campbell Park Equipment	\$60,000
Sports Park Restroom (Utility Capital Cost)	\$30,000
Police CID Vehicle Replacement (#2)	\$27,000
Vehicle Replacement - 1/2 ton truck	\$25,000
Tractor and Batwing Mower (GF Portion)	\$20,000
Patron Computer Replacement (18)	\$17,010
Culvert Maintenance / Replacement	\$15,000
Historical Society Facility Assessment	\$15,000
Library Computer Replacement (Staff)	\$4,000
Library Equipment / Educational	\$3,830
Total Adopted Non-Recurring:	\$1,116,840

The budget includes recurring items to be incorporated in the succeeding budget years. Salaries and Benefits include a 2.0% merit adjustment for all city employees, including part-time. Salaries and Benefits include a 5.5% merit adjustment for firefighters, peace officers and emergency dispatch. The merit will only be provided to employees that meet the standard; otherwise funds budgeted for this purpose become salary savings. The merit is slightly higher than the cost of living index. Also included are pay adjustments to bring positions in line with market. Other adjustments are a (1.) position reclassification of the Accountant I to Sr. Accountant, (2.) market adjustment to the Administrative Assistant position at the Civic Center and (3) market adjustment to the Street Supervisor position. Current pay is well below standards offered by other cities. Staff anticipates adjustments to be part of the annual budget process for the foreseeable future. Expectation is that a major salary adjustment will be sustainable in FY19 to correspond with development.

Also included are a part-time firefighter and a part-time administrative position at the police department. The fire fighter position is adopted to begin January 1 with the intention of hiring 2 additional firefighters in the next two years budget cycles for a full or three shift rotation.

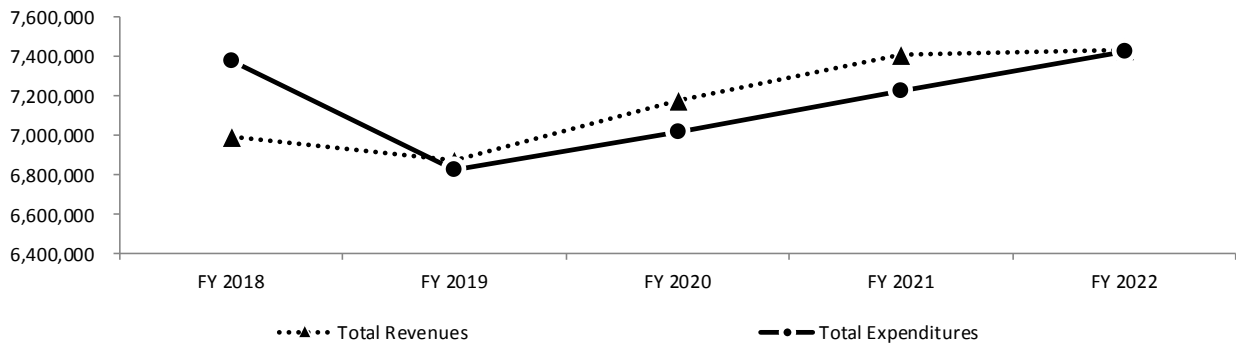
The following recurring items are adopted for 2018:

Salary Merit (2.0%)	\$63,420
P/T Firefighter (2,196 Hours)	\$38,765
Fire Salary Merit (Increase from 2.0% to 5.5%)	\$11,495
Police Salary Merit (Increase from 2.0% to 5.5%)	\$37,650
Warrant Salary Merit (Increase from 2.0% to 5.5%)	\$1,580
Dispatch Salary Merit (5.5%)	\$9,650
Position Re-class (Accountant I to Sr. Accountant)	\$5,050
Pay Adjustment (CVB Admin Asst.)	\$1,515
Pay Adjustment (Parks/Street Supervisor)	\$2,605
P/T Administrative Assistant (6-Months)	\$9,540
Family Place Library	\$3,000
Library Software Maintenance	\$3,000
INCODE Software Maintenance Increase	\$15,000
Total Adopted General Fund:	\$202,270

FIVE YEAR PLAN

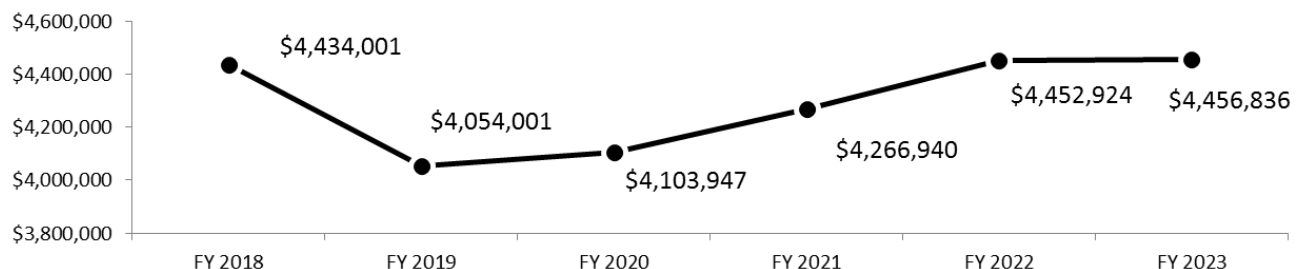
It is projected that Fund 100 will maintain a balanced budget for fiscal years ending 2018 through 2022. The plan consists of maintaining to improving our current levels of services that are funded by the General Fund. The following five year plan and chart is provided for planning purposes only, as the budget is adopted by the Council annually:

	FY 2018 ADOPTED	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED
Operating Revenues:	6,191,651	6,377,401	6,568,723	6,765,784	6,968,758
Intergovernmental / Grants	15,000	20,000	20,000	20,000	25,000
Enterprise Transfers	435,000	435,000	435,000	435,000	435,000
EDC Repayment (TDA Grant)	350,000	40,000	155,000	185,000	0
Non-Operating Revenues:	800,000	495,000	610,000	640,000	460,000
Total Revenues:	\$6,991,651	\$6,872,401	\$7,178,723	\$7,405,784	\$7,428,758
Operating Expenditures:	6,471,651	6,442,455	6,635,729	6,834,801	7,039,845
Grant Reimbursement (EDC Project)	730,000	0	0	0	0
New / Expanded Programs	170,000	380,000	380,000	385,000	385,000
Total Non-Operating:	900,000	380,000	380,000	385,000	385,000
Total Expenditures	\$7,371,651	\$6,822,455	\$7,015,729	\$7,219,801	\$7,424,845
<i>Revenues Over Expenditures:</i>	<i>(380,000)</i>	<i>49,945</i>	<i>162,994</i>	<i>185,983</i>	<i>3,913</i>
Fund Balance - Beginning	4,434,001	4,054,001	4,103,947	4,266,940	4,452,924
Fund Balance - Ending:	\$4,054,001	\$4,103,947	\$4,266,940	\$4,452,924	\$4,456,836



As projected the General Fund would allow for >\$380,000 in new or expanded programs for future budget years (FY19-22). Unless recurring expenditures increase, such as personnel over the calculated 3% annual expectation.

Changes in beginning fund balance (FY18-23) are expected with the repayment to the TDA. Below is a projection of what is to be expected if conditions are fairly represented in the Five Year Plan:



GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
REVENUES:				
Property Taxes	1,881,496	2,020,000	1,999,375	2,019,761
Sales Taxes	2,741,737	2,721,581	2,592,197	2,534,582
Franchise Taxes	497,209	507,528	493,824	495,000
Other Taxes	111,577	112,692	110,672	115,219
Licenses & Permits	57,090	70,400	187,225	164,252
Use Fees	169,535	165,300	184,750	189,050
Court Revenue	315,377	344,962	289,000	323,100
Police Revenue	4,004	2,000	11,050	3,800
Other Revenue	1,161,839	186,500	182,930	192,037
Interest	41,174	38,125	46,304	43,850
Emergency Services Revenue	98,676	84,355	110,000	111,000
Operating Revenues:	7,079,714	6,253,443	6,207,327	6,191,651
Grants	1,022,511	13,000	328,160	15,000
Non-Operating Transfers	721,266	435,000	435,000	785,000
Non-Operating Revenues:	1,743,777	448,000	763,160	800,000
Total Revenues:	\$8,823,491	\$6,701,443	6,970,487	6,991,651

EXPENDITURES:

City Council	20,181	31,775	29,645	35,275
Administration	776,440	854,149	835,482	869,621
Civic/Community	227,817	218,033	218,033	229,460
Municipal Court	179,704	236,271	230,598	283,617
Technology	287,854	465,206	468,620	359,189
Police	2,133,683	2,189,994	2,191,129	2,282,448
Animal Control	47,795	67,674	58,020	61,893
Development Services	205,450	231,575	223,843	243,228
Street Department	562,770	585,342	588,883	365,465
Airport Department	1,024,465	63,800	63,256	56,388
Garage Department	9,610	11,350	13,210	11,610
Library Department	315,745	471,268	465,633	372,663
Cemetery/Parks	321,655	549,370	542,335	454,445
Sports Park	40,443	46,750	59,129	87,550
Fire Department	983,665	692,626	671,856	743,527
Emergency Management	10,145	15,260	15,260	15,272
Operating Expenditures:	7,147,423	6,730,443	6,674,932	6,471,651

GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
Non-Departmental	975,924	0	273,801	900,000
Lease Obligations	0	0	0	0
Non-Operating Expenditures:	975,924	0	273,801	900,000
Total Expenditures:	\$8,123,347	\$6,730,443	6,948,733	7,371,651
<i>Revenues Over Expenditures</i>	<i>700,144</i>	<i>(29,000)</i>	<i>21,754</i>	<i>(380,000)</i>
Fund Balance - Beginning		4,412,247	4,412,247	4,434,001
Fund Balance - Ending	\$4,412,247	\$4,383,247	\$4,434,001	\$4,054,001
Reserve Requirement (25%)		1,682,611	1,737,183	1,842,913
Excess/(Deficit)		2,700,636	2,696,818	2,211,089

GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
PROPERTY TAXES				
100-4000-01-0801 CURRENT TAXES	1,715,949	1,850,000	1,850,000	1,832,761
100-4000-01-0802 DELINQUENT TAXES	105,478	100,000	74,707	112,000
100-4000-01-0803 P & I/ATTORNEY FEES	60,069	70,000	74,668	75,000
TOTAL PROPERTY TAXES	1,881,496	2,020,000	1,999,375	2,019,761
SALES TAXES				
100-4000-02-0807 SALES TAX	3,294,564	3,268,039	3,104,637	3,011,498
100-4000-02-0808 EDC TRANSFERS	(549,609)	(544,673)	(517,440)	(501,916)
100-4000-02-0808.N.CLEVELAND AGREEMENT	(28,388)	(26,045)	(20,001)	0
100-4000-02-0809 MIXED BEVERAGE TAX	25,171	24,260	25,000	25,000
TOTAL SALES TAXES	2,741,737	2,721,581	2,592,197	2,534,582
FRANCHISE TAXES				
100-4000-03-0811 ENTERGY	319,186	335,000	319,781	320,000
100-4000-03-0812 TELECOMMUNICATIONS	18,952	20,000	19,000	19,000
100-4000-03-0813 CABLE FRANCHISE (NEW WAVE)	14,792	16,000	15,000	15,000
100-4000-03-0814 CENTERPOINT ENTEX	28,902	29,000	26,047	27,000
100-4000-03-0815 WASTE MGMT FRANCHISE FEE	38,749	32,000	37,400	37,400
100-4000-03-8016 STREET FEE FOR PAVING	76,626	75,528	76,596	76,600
TOTAL FRANCHISE TAXES	497,209	507,528	493,824	495,000
OTHER TAXES				
100-4000-04-0815 CORRECTIONAL CENTER PILOT	108,246	109,328	106,907	111,301
100-4000-04-0816 HOUSING AUTHORITY PILOT	3,331	3,364	3,765	3,918
TOTAL OTHER TAXES	111,577	112,692	110,672	115,219
LICENSES & PERMITS				
100-4000-05-0822 OCCUPATIONAL LICENSE	1,740	2,300	5,875	5,000
100-4000-05-0823 ELECT. PERMITS/INSPECTIONS	7,331	6,700	9,568	13,000
100-4000-05-0824 BUILDING PERMITS	38,427	50,000	160,260	124,152
100-4000-05-0825 PLUMBING/GAS PERMITS	8,975	10,000	10,423	21,000
100-4000-05-0826 ZONING/BOA FEES	300	800	800	800
100-4000-05-0865 LIBRARY CARDS	320	600	300	300
100-4000-05-0895.OVER / (SHORT)	(2)	0	0	0
TOTAL LICENSES & PERMITS	57,090	70,400	187,225	164,252
SERVICE & USE FEES				
100-4000-06-0858 CIVIC CENTER EVENTS	1,376	0	3,200	3,500
100-4000-06-0860 CIVIC CENTER-ROOM RENTAL	65,046	68,000	68,000	68,000
100-4000-06-0860.CIVIC CENTER TICKET SALES	260	0	0	0
100-4000-06-0861 FORFEITED DEPOSITS-CIVIC CENTER	2,205	1,400	1,400	1,400
100-4000-06-0862 CEMETERY INCOME	27,269	24,000	20,000	24,000
100-4000-06-0864 LIBRARY SERVICES/FEES	9,741	8,800	9,700	9,700
100-4000-06-0865 STANCIL PARK	28,060	27,000	28,000	28,000
100-4000-06-0866 SPORTS PARK REIMB.	21,941	25,250	42,000	42,000
100-4000-06-0868 SPORTS PARK EVENTS	1,650	0	0	0
100-4000-06-0890 LOST/DAMAGED CHARGES	412	350	450	450
100-4000-06-0891 LIBRARY TRM COPIES	11,575	10,500	12,000	12,000
TOTAL SERVICE & USE FEES	169,535	165,300	184,750	189,050

GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>COURT REVENUE</u>				
100-4000-07-0881 TRAFFIC/CRIMINAL FEES	265,697	274,477	230,000	250,000
100-4000-07-0882 WARRANT OFFICER INCOME	46,617	70,485	58,000	72,000
100-4000-07-0883 COURT SHORT/OVER	13	0	0	0
100-4000-07-0884 COURT SERV FEES-STATE	1,894	0	0	0
100-4000-07-0887 JUVENILE FAILURE TO ATTEND	1,157	0	1,000	1,100
TOTAL COURT REVENUE	315,377	344,962	289,000	323,100
<u>POLICE REVENUE</u>				
100-4000-08-0887.POLICE MISC. INCOME	3,071	1,000	1,500	2,500
100-4000-08-0887.ANIMAL CONTROL FEES	463	1,000	300	300
100-4000-08-0887.POLICE DONATIONS	470	0	9,250	1,000
TOTAL POLICE REVENUE	4,004	2,000	11,050	3,800
<u>OTHER REVENUE</u>				
100-4000-09-0816 FIRE DEPARTMENT DONATION	0	0	1,100	100
100-4000-09-0822 DRILLING-NEW CENTURY EXPLOR.	394	1,800	394	394
100-4000-09-0850 PROCEEDS FROM INSURANCE	29,941	24,000	24,536	26,000
100-4000-09-0861 AIRPORT	101,303	106,000	101,000	114,543
100-4000-09-0864 CHILDREN'S PROGRAMS	668	1,000	900	900
100-4000-09-0866 LIBRARY MEMORIAL DONATIONS	1,544	1,000	1,100	1,500
100-4000-09-0867 LIBRARY MISC DONATION	269	200	400	400
100-4000-09-0868 SPORTS PARK REVENUE	2,500	0	0	0
100-4000-09-0872 REIMB FOR CIVIC CTR EXP (HOT\$)	30,000	30,000	30,000	30,000
100-4000-09-0873 PROCEEDS FROM TXDOT	976,484	0	0	0
100-4000-09-0887 DEMOLITION/CLEANUP REIMBURSE.	7,251	1,000	1,000	1,000
100-4000-09-0895 MISCELLANEOUS	8,552	11,000	17,000	12,500
100-4000-09-0895.RETURNED CHECK FEES	75	0	0	0
100-4000-09-0898 VENDING MACHINES	0	500	500	500
100-4000-09-0899 SALE OF ASSETS	2,860	10,000	5,000	4,200
TOTAL OTHER REVENUE	1,161,839	186,500	182,930	192,037
<u>INTEREST</u>				
100-4000-10-0894 INTEREST	35,500	32,000	40,800	38,000
100-4000-10-0900 CREDIT CARD FEES - COURT	4,238	4,750	3,900	4,000
100-4000-10-0900.CREDIT CARD FEES - DEV SERV	493	475	660	900
100-4000-10-0900.CREDIT CARD FEES - CIVIC CTR	338	275	444	450
100-4000-10-0900.CREDIT CARD FEES - LIB	605	625	500	500
TOTAL INTEREST	41,174	38,125	46,304	43,850
<u>GRANTS</u>				
100-4000-13-0100 EMPG-0400 GRANT	39,629	0	39,629	0
100-4000-13-0892 AIRPORT GRANT & R.A.M.P.	11,029	13,000	13,000	10,000
100-4000-13-0901 LIBRARY GRANTS	1,239	0	9,650	5,000
100-4000-13-0904 FIRE - TEXAS FORESTRY SERVICE	5,250	0	0	0
100-4000-13-0908 GLO GLEN PARK DSR 225021	965,364	0	265,881	0
TOTAL GRANTS	1,022,511	13,000	328,160	15,000
<u>EMERGENCY SERVICES</u>				
100-4000-14-0880 LIBERTY COUNTY FIRE RUNS	84,578	70,015	85,000	85,000
100-4000-14-0895 BILLING & COLLECTION FEE	14,098	14,340	25,000	26,000
TOTAL EMERGENCY SERVICES	98,676	84,355	110,000	111,000

**GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET**

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
NON-OPERATING				
100-4000-99-0900 TRANSFERS IN	417,800	435,000	435,000	785,000
100-4000-99-0901 TRANSFERS OUT	(66,534)	0	0	0
100-4000-99-0907 OTHER FINANCING SOURCES	370,000	0	0	0
TOTAL NON-OPERATING	721,266	435,000	435,000	785,000
TOTAL REVENUES	8,823,491	6,701,443	6,970,487	6,991,651

**GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET**

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>CITY COUNCIL</u>				
<u>SALARIES & BENEFITS</u>				
100-5110-01-1010 SALARIES	2,115	2,400	2,100	2,100
TOTAL SALARIES & BENEFITS	2,115	2,400	2,100	2,100
<u>PROFESSIONAL SERVICES</u>				
100-5110-02-2090 OTHER PROFESS.SERVICES	5,500	10,500	6,000	6,000
100-5110-02-2095 PUBLIC OFFICIAL BOND	0	575	575	575
TOTAL PROFESSIONAL SERVICES	5,500	11,075	6,575	6,575
<u>OTHER SERVICES</u>				
100-5110-04-2720 ADVERTISING	3,107	5,500	6,000	5,500
100-5110-04-2750 DUES & MEMBERSHIP	807	850	850	850
100-5110-04-2830 SEMINARS & SCHOOLS	2,956	3,650	6,000	5,500
TOTAL OTHER SERVICES	6,869	10,000	12,850	11,850
<u>SUPPLIES</u>				
100-5110-05-3030 MEETING EXPENSES	689	300	2,000	2,000
100-5110-05-3100 OTHER OPERATING SUPPLIES	1,365	1,500	3,000	3,000
TOTAL SUPPLIES	2,054	1,800	5,000	5,000
<u>OTHER EXPENDITURES</u>				
100-5110-06-5060 ELECTION EXPENSES	3,643	6,500	1,220	6,500
100-5110-06-5070 COUNCIL EQUIPMENT			1,900	3,250
TOTAL OTHER EXPENDITURES	3,643	6,500	3,120	9,750
 TOTAL CITY COUNCIL	 20,181	 31,775	 29,645	 35,275

GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>ADMINISTRATION</u>				
<u>SALARIES & BENEFITS</u>				
100-5112-01-1010 SALARIES	292,891	318,650	306,656	323,243
100-5112-01-1011 OVERTIME	464	1,500	500	1,500
100-5112-01-1015 CAR ALLOW.	5,000	5,000	5,000	5,000
100-5112-01-1020 GROUP INSURANCE	46,461	47,408	47,408	42,757
100-5112-01-1030 SOCIAL SECURITY CONTRIB	22,039	24,896	23,116	25,225
100-5112-01-1040 RETIREMENT CONTRIB.	32,538	34,336	34,336	35,200
100-5112-01-1050 UNEMPLOYMENT COMP	841	1,202	1,202	1,202
100-5112-01-1060 WORKERS' COMPENSATION	927	1,513	1,513	1,484
100-5112-01-1080 MEDICAL EXAMS	120	0	0	0
TOTAL SALARIES & BENEFITS	401,282	434,505	419,731	435,611
<u>PROFESSIONAL SERVICES</u>				
100-5112-02-2010 LEGAL/GENERAL	52,844	60,000	60,000	60,000
100-5112-02-2040 ACCOUNTING/AUDIT	37,398	38,000	38,000	38,000
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	29,287	29,500	29,500	30,090
100-5112-02-2089 AMBULANCE CONTRACT	50,000	50,000	50,000	50,000
100-5112-02-2090 OTHER PROFESS.SERVICES	27,449	38,000	38,000	38,000
TOTAL PROFESSIONAL SERVICES	199,078	217,600	217,600	218,190
<u>PROPERTY SERVICES</u>				
100-5112-03-2220 ELECTRICITY	12,523	13,336	13,336	13,500
100-5112-03-2430 FACILITIES MAINTENANCE	17,290	27,000	27,000	21,000
TOTAL PROPERTY SERVICES	29,813	40,336	40,336	34,500
<u>OTHER SERVICES</u>				
100-5112-04-2115 SENIOR CITIZENS GAS/REPAIR	5,000	5,000	5,000	5,000
100-5112-04-2115 HISTORICAL MUSEUM	0	0	0	15,000
100-5112-04-2130 BRAZOS TRANSIT	14,710	14,712	14,712	15,000
100-5112-04-2420 EQUIPMENT REPAIR	0	300	0	0
100-5112-04-2700 PROPERTY INSURANCE	6,029	8,586	7,000	7,140
100-5112-04-2720 ADVERTISING	368	1,200	800	1,000
100-5112-04-2730 PRINTING & BINDING	0	750	1,066	1,000
100-5112-04-2750 DUES & MEMBERSHIP	2,711	3,500	3,000	3,000
100-5112-04-2770 LIBERTY CTY TAX ASSESSOR	1,588	1,840	1,840	1,840
100-5112-04-2780 LIBERTY CTY APPRAISAL	68,901	70,443	70,443	77,683
100-5112-04-2830 SEMINARS & SCHOOLS	11,951	11,000	14,000	12,000
TOTAL OTHER SERVICES	111,258	117,331	117,861	138,663
<u>SUPPLIES</u>				
100-5112-05-3010 OFFICE	4,317	7,000	5,500	6,000
100-5112-05-3020 BOOKS & PERIODICALS	311	750	300	500
100-5112-05-3030 EMPLOYEE RELATIONS	2,122	4,000	2,700	2,700
100-5112-05-3100 OTHER OPERATING SUPPLIES	2,064	4,725	4,000	4,000
100-5112-05-3110 COPIER EXPENSE	7,818	6,405	7,457	7,457
100-5112-05-3115 JANITORIAL SUPPLIES	1,280	1,497	1,497	1,500
100-5112-05-3130 POSTAGE	4,597	5,000	5,000	5,000
TOTAL SUPPLIES	22,509	29,377	26,454	27,157
<u>OTHER EXPENDITURES</u>				
100-5112-06-5060 FURNITURE/FIXTURES	0	1,500	0	1,000
100-5112-06-5070 OFFICE EQUIPMENT	0	500	500	500
100-5112-06-5095 CONTINGENCY	12,500	13,000	13,000	14,000
TOTAL OTHER EXPENDITURES	12,500	15,000	13,500	15,500
TOTAL ADMINISTRATION	776,440	854,149	835,482	869,621

GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>CIVIC/COMMUNITY</u>				
<u>SALARIES & BENEFITS</u>				
100-5113-01-1010 SALARIES	102,634	94,710	94,710	103,453
100-5113-01-1011 OVERTIME	1,963	1,500	1,500	1,800
100-5113-01-1020 GROUP INSURANCE	21,835	16,402	16,402	16,867
100-5113-01-1030 SOCIAL SECURITY CONTRIB	7,752	7,364	7,364	8,053
100-5113-01-1040 RETIREMENT CONTRIB	10,933	10,397	10,397	11,494
100-5113-01-1050 UNEMPLOYMENT CONTRIB	709	600	600	621
100-5113-01-1060 WORKERS' COMP	1,475	1,482	1,482	474
100-5113-01-1080 MEDICAL EXAMS	535	0	0	0
TOTAL SALARIES & BENEFITS	147,837	132,455	132,455	142,762
<u>PROFESSIONAL SERVICES</u>				
100-5113-02-2090 OTHER PROFESSIONAL SERVICES	0	1,000	756	1,000
TOTAL PROFESSIONAL SERVICES	0	1,000	756	1,000
<u>PROPERTY SERVICES</u>				
100-5113-03-2220 ELECTRICITY	34,756	38,000	37,000	38,000
100-5113-03-2410 MOTOR VEHICLE REPAIR	419	520	520	0
100-5113-03-2430 FACILITIES MAINTENANCE	13,342	13,000	13,000	13,000
TOTAL PROPERTY SERVICES	48,517	51,520	50,520	51,000
<u>OTHER SERVICES</u>				
100-5113-04-2110 MARKETING/PROMOTION	4,956	5,000	5,000	5,000
100-5113-04-2700 PROPERTY INSURANCE	7,261	7,208	8,527	8,698
100-5113-04-2750 DUES/MEMBERSHIPS	500	0	0	0
100-5113-04-2830 SEMINARS/SCHOOLS	994	1,000	1,000	1,000
100-5113-04-9900 CREDIT CARD FEES	1,150	1,000	1,100	1,200
TOTAL OTHER SERVICES	14,861	14,208	15,627	15,898
<u>SUPPLIES</u>				
100-5113-05-3010 OFFICE SUPPLIES	1,534	2,500	2,300	2,300
100-5113-05-3030 EMPLOYEE RELATIONS	289	450	325	450
100-5113-05-3100 OTHER OPERATING SUPPLIES	868	2,000	1,750	1,750
100-5113-05-3110 COPIER EXPENSE	6,203	4,750	6,300	6,300
100-5113-05-3115 JANITORIAL SUPPLIES	1,666	3,200	3,200	3,200
100-5113-05-3120 UNIFORMS	406	700	1,000	1,000
100-5113-05-3130 POSTAGE	780	250	800	800
TOTAL SUPPLIES	11,746	13,850	15,675	15,800
<u>OTHER EXPENDITURES</u>				
100-5113-06-5060 FURNITURE/FIXTURES	3,126	1,000	0	0
100-5113-06-5070 OFFICE EQUIPMENT	0	1,000	0	0
100-5113-06-5090 EVENTS	1,730	3,000	3,000	3,000
TOTAL OTHER EXPENDITURES	4,856	5,000	3,000	3,000
TOTAL CIVIC/COMMUNITY	227,817	218,033	218,033	229,460

GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>MUNICIPAL COURT</u>				
<u>SALARIES & BENEFITS</u>				
100-5114-01-1010 SALARIES	109,126	121,923	121,923	166,822
100-5114-01-1011 OVERTIME	1,886	24,527	15,000	4,845
100-5114-01-1020 GROUP INSURANCE	22,908	21,205	21,205	38,429
100-5114-01-1030 SOCIAL SECURITY CONTRIB	8,107	11,209	11,209	13,144
100-5114-01-1040 RETIREMENT CONTRIB.	8,452	12,080	12,080	17,133
100-5114-01-1050 UNEMPLOYMENT COMP	529	679	679	886
100-5114-01-1060 WORKERS' COMPENSATION	242	1,458	1,458	2,346
TOTAL SALARIES & BENEFITS	151,252	193,081	183,554	243,605
<u>PROFESSIONAL SERVICES</u>				
100-5114-02-2120 LEGAL - COURT SERVICES	4,250	6,500	6,200	6,200
100-5114-02-2180 INMATE EXPENSES	9,614	11,500	17,300	13,000
TOTAL PROFESSIONAL SERVICES	13,864	18,000	23,500	19,200
<u>PROPERTY SERVICES</u>				
100-5114-03-2430 FACILITIES MAINTENANCE	185	1,000	1,000	1,000
TOTAL PROPERTY SERVICES	185	1,000	1,000	1,000
<u>OTHER SERVICES</u>				
100-5114-04-2700 PROPERTY INSURANCE	2,092	2,120	2,120	2,162
100-5114-04-2720 ADVERTISING	90	300	0	300
100-5114-04-2730 PRINTING & BINDING	1,010	1,300	1,300	1,300
100-5114-04-2750 DUES & MEMBERSHIP	100	350	350	350
100-5114-04-2800 JURY COSTS	54	500	250	100
100-5114-04-2830 SEMINARS & SCHOOLS	2,431	3,000	3,000	2,800
100-5114-04-9900 CREDIT CARD FEES	3,006	4,200	3,500	4,200
TOTAL OTHER SERVICES	8,784	11,770	10,520	11,212
<u>SUPPLIES</u>				
100-5114-05-3010 OFFICE	1,295	1,700	1,700	1,200
100-5114-05-3020 BOOKS & PERIODICALS	127	200	220	200
100-5114-05-3030 EMPLOYEE RELATIONS	400	400	284	400
100-5114-05-3100 OTHER OPERATING SUPPLIES	849	6,320	3,000	800
100-5114-05-3110 COPIER EXPENSE	0	0	3,100	3,100
100-5114-05-3130 POSTAGE	2,233	2,300	2,500	2,400
TOTAL SUPPLIES	4,904	10,920	10,804	8,100
<u>OTHER EXPENDITURES</u>				
100-5114-06-5060 FURNITURE/FIXTURES	0	1,500	1,220	0
100-5114-06-5070 OFFICE EQUIPMENT	715	0	0	500
TOTAL OTHER EXPENDITURES	715	1,500	1,220	500
TOTAL MUNICIPAL COURT	179,704	236,271	230,598	283,617

GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>INFORMATION TECHNOLOGY</u>				
<u>PROFESSIONAL SERVICES</u>				
100-5115-02-2090 NSD - CONTRACT SERVICES	45,108	45,108	45,108	45,108
100-5115-02-2112 SOFTWARE LICENSES ADMIN	51,886	99,731	99,731	70,181
100-5115-02-2113 SOFTWARE LICENSES CIVIC CENTER	0	1,814	1,814	2,100
100-5115-02-2114 SOFTWARE LICENSES COURT	2,993	4,009	4,009	1,955
100-5115-02-2120 SOFTWARE LICENSES POLICE	39,916	42,198	42,198	50,940
100-5115-02-2123 DEVELOPMENT SERVICES DEV.SERV.	1,888	3,183	3,183	3,342
100-5115-02-2130 SOFTWARE LICENSES STREET	0	700	700	2,947
100-5115-02-2160 SOFTWARE LICENSES LIBRARY	30,771	24,754	24,754	26,411
100-5115-02-2170 SOFTWARE LICENSES FIRE	2,090	3,552	3,552	5,504
100-5115-02-2310 SOFTWARE LICENSES WATER ADMIN	7,409	6,657	6,657	6,901
TOTAL PROFESSIONAL SERVICES	182,061	231,706	231,706	215,389
<u>OTHER SERVICES</u>				
100-5115-04-2310 TELEPHONE/INTERNET WATER ADM	6,528	5,200	5,200	5,200
100-5115-04-2330 TELEPHONE/INTERNET WATER PROD.	10,575	7,800	7,800	7,800
100-5115-04-2350 TELEPHONE/INTERNET SEWER	3,146	3,600	3,600	3,600
100-5115-04-2712 TELEPHONE/INTERNET ADMIN	8,735	9,000	9,000	9,000
100-5115-04-2713 TELEPHONE/INTERNET CIVIC CENT	3,580	3,100	3,100	3,100
100-5115-04-2714 TELEPHONE/INTERNET COURT	1,988	2,100	2,100	2,100
100-5115-04-2720 TELEPHONE/INTERNET POLICE	30,954	33,000	33,000	33,000
100-5115-04-2722 TELEPHONE/INTERNET ANIMAL CONT	391	650	650	650
100-5115-04-2723 TELEPHONE/INTERNET DEVELOP	3,720	3,750	3,750	3,750
100-5115-04-2730 TELEPHONE/INTERNET STREET	4,869	5,500	5,500	5,500
100-5115-04-2740 TELEPHONE/INTERNET GARAGE	380	400	400	400
100-5115-04-2760 TELEPHONE/INTERNET LIBRARY	9,077	6,200	15,564	16,000
100-5115-04-2761 TELEPHONE/INTERNET PARKS	1,298	1,400	1,400	1,400
100-5115-04-2770 TELEPHONE/INTERNET FIRE	5,046	5,800	5,800	5,800
TOTAL OTHER SERVICES	90,285	87,500	96,864	97,300
<u>SUPPLIES</u>				
100-5115-05-3100 OTHER OPERATING SUPPLIES	70	0	0	0
TOTAL SUPPLIES	70	0	0	0
<u>OTHER EXPENDITURES</u>				
100-5115-06-5065 COMPUTER EQUIPMENT/SOFTWARE	78	123,500	123,500	20,000
100-5115-06-5123 SUPPLIES DEV.SERV.	137	1,000	250	1,000
100-5115-06-5160 SUPPLIES-LIBRARY	309	1,500	1,500	5,500
100-5115-06-5212 SUPPLIES/ADMIN	6,917	5,000	5,000	5,000
100-5115-06-5213 SUPPLIES CIVIC CENTER	29	2,500	500	2,500
100-5115-06-5214 COMPUTER SUPPLIES COURT	1,072	1,500	1,100	1,500
100-5115-06-5215 SUPPLIES TECHNOLOGY	0	1,500	0	1,500
100-5115-06-5220 SUPPLIES POLICE	4,729	5,000	5,000	5,000
100-5115-06-5230 SUPPLIES STREET	623	1,500	950	1,500
100-5115-06-5270 COMPUTER SUPPLIES FIRE	18	1,500	750	1,500
100-5115-06-5310 SUPPLIES WATER ADMIN	1,526	1,500	1,500	1,500
TOTAL OTHER EXPENDITURES	15,438	146,000	140,050	46,500
TOTAL INFORMATION TECHNOLOGY	287,854	465,206	468,620	359,189

GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>POLICE</u>				
<u>SALARIES & BENEFITS</u>				
100-5120-01-1010 SALARIES	1,194,034	1,256,094	1,256,094	1,321,663
100-5120-01-1011 OVERTIME	87,394	75,000	75,000	75,000
100-5120-01-1020 GROUP INSURANCE	320,900	322,334	322,334	312,939
100-5120-01-1030 SOCIAL SECURITY CONTRIB	92,429	101,684	101,684	106,844
100-5120-01-1040 RETIREMENT CONTRIB.	137,348	142,322	142,322	151,241
100-5120-01-1050 UNEMPLOYMENT COMP	5,686	9,530	9,530	6,624
100-5120-01-1060 WORKERS' COMPENSATION	24,518	36,064	36,064	45,131
100-5120-01-1080 MEDICAL EXAMS	1,720	0	0	0
TOTAL SALARIES & BENEFITS	1,864,029	1,943,028	1,943,028	2,019,442
<u>PROFESSIONAL SERVICES</u>				
100-5120-02-2090 OTHER PROFESS.SERVICES	2,607	3,600	4,000	4,000
100-5120-02-2100 MOBILE DATA SERVICE	13,802	17,520	17,520	17,520
100-5120-02-2180 INMATE EXPENSES	5,539	7,100	7,100	7,100
TOTAL PROFESSIONAL SERVICES	21,948	28,220	28,620	28,620
<u>PROPERTY SERVICES</u>				
100-5120-03-2210 NATURAL GAS	736	1,200	1,000	1,200
100-5120-03-2220 ELECTRICITY	16,487	17,000	17,000	17,000
100-5120-03-2410 MOTOR VEHICLE REPAIR	24,887	15,000	33,059	30,000
100-5120-03-2420 EQUIPMENT REPAIR	367	1,500	500	600
100-5120-03-2430 FACILITIES MAINTENANCE	27,390	25,000	25,000	25,000
TOTAL PROPERTY SERVICES	69,867	59,700	76,559	73,800
<u>OTHER SERVICES</u>				
100-5120-04-2700 PROPERTY INSURANCE	21,131	22,896	24,300	24,786
100-5120-04-2720 ADVERTISING	218	500	500	500
100-5120-04-2750 DUES & MEMBERSHIP	374	900	900	900
100-5120-04-2830 SEMINARS & SCHOOLS	4,740	10,000	10,000	10,000
TOTAL OTHER SERVICES	26,463	34,296	35,700	36,186
<u>SUPPLIES</u>				
100-5120-05-3010 OFFICE	5,748	7,000	7,000	7,000
100-5120-05-3030 EMPLOYEE RELATIONS	4,189	4,200	2,850	4,200
100-5120-05-3040 GAS/DIESEL	40,398	63,000	46,000	60,000
100-5120-05-3050 OIL/LUBE	1,590	2,000	2,700	2,700
100-5120-05-3080 UNIFORM EXPENSE	3,254	4,250	4,250	4,500
100-5120-05-3100 OTHER OPERATING SUPPLIES	4,743	6,000	6,000	6,000
100-5120-05-3110 COPIER EXPENSE	6,339	6,000	6,500	6,500
100-5120-05-3130 POSTAGE	494	1,500	1,700	1,500
TOTAL SUPPLIES	66,755	93,950	77,000	92,400
<u>DETECTIVE</u>				
100-5120-16-2190 UNDERCOVER	699	1,500	1,000	1,000
100-5120-16-3160 FINGERPRINT/INVEST.SUPPLIES	1,158	1,800	1,200	1,500
100-5120-16-3170 RANGE SUPPLIES	602	2,500	2,000	2,500
TOTAL DETECTIVE	2,460	5,800	4,200	5,000
<u>OTHER EXPENDITURES</u>				
100-5120-06-5050 VEHICLE	71,044	25,000	26,022	27,000
100-5120-06-5065 COMPUTER EQUIPMENT/SOFTWARE	11,117	0	0	0
TOTAL OTHER EXPENDITURES	82,161	25,000	26,022	27,000
TOTAL POLICE	2,133,683	2,189,994	2,191,129	2,282,448

GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>ANIMAL CONTROL</u>				
<u>SALARIES & BENEFITS</u>				
100-5122-01-1010 SALARIES	21,367	24,305	24,305	27,336
100-5122-01-1011 OVERTIME	1,496	2,500	2,500	2,500
100-5122-01-1020 GROUP INSURANCE	7,721	16,094	6,790	6,790
100-5122-01-1030 SOCIAL SECURITY CONTRIB	1,729	2,058	2,058	2,091
100-5122-01-1040 RETIREMENT CONTRIB.	2,315	2,904	2,904	2,985
100-5122-01-1050 UNEMPLOYMENT COMP	241	207	207	207
100-5122-01-1060 WORKERS' COMPENSATION	645	1,381	1,381	1,409
100-5122-01-1080 MEDICAL EXAMS	120	0	0	0
TOTAL SALARIES & BENEFITS	35,635	49,449	40,145	43,318
<u>PROFESSIONAL SERVICES</u>				
100-5122-02-2090 OTHER PROFESS.SERVICES	18	0	0	0
100-5122-02-2140 VETERINARIAN EXPENSES	1,473	3,600	3,600	3,600
100-5122-02-2145 VET.QUARANTINE FEES	0	250	250	250
TOTAL PROFESSIONAL SERVICES	1,491	3,850	3,850	3,850
<u>PROPERTY SERVICES</u>				
100-5122-03-2220 ELECTRICITY	3,421	4,200	3,800	3,800
100-5122-03-2410 MOTOR VEHICLE REPAIR	931	1,250	1,800	2,000
100-5122-03-2420 EQUIPMENT REPAIR	0	100	100	100
100-5122-03-2430 FACILITIES MAINTENANCE	3,851	3,500	3,500	3,500
TOTAL PROPERTY SERVICES	8,204	9,050	9,200	9,400
<u>OTHER SERVICES</u>				
100-5122-04-2700 PROPERTY INSURANCE	136	250	250	250
100-5122-04-2830 SEMINARS & SCHOOLS	110	300	300	300
TOTAL OTHER SERVICES	246	550	550	550
<u>SUPPLIES</u>				
100-5122-05-3010 OFFICE	302	250	250	250
100-5122-05-3030 EMPLOYEE RELATIONS	100	100	100	100
100-5122-05-3040 GASOLINE & DIESEL	871	2,500	2,000	2,500
100-5122-05-3050 OIL & LUBE	0	175	175	175
100-5122-05-3080 UNIFORM EXPENSE	121	150	150	150
100-5122-05-3100 OTHER OPERATING SUPPLIES	825	1,600	1,600	1,600
TOTAL SUPPLIES	2,220	4,775	4,275	4,775
TOTAL ANIMAL CONTROL	47,795	67,674	58,020	61,893

GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>DEVELOPMENT SERVICES</u>				
<u>SALARIES & BENEFITS</u>				
100-5123-01-1010 SALARIES	113,579	124,965	114,280	122,315
100-5123-01-1011 OVERTIME	1,188	300	300	300
100-5123-01-1020 GROUP INSURANCE	23,837	20,890	19,090	29,911
100-5123-01-1030 SOCIAL SECURITY CONTRIB	9,349	9,584	9,584	9,380
100-5123-01-1040 RETIREMENT CONTRIB.	13,601	13,532	13,532	13,389
100-5123-01-1050 UNEMPLOYMENT COMP	675	621	621	621
100-5123-01-1060 WORKERS' COMPENSATION	646	1,085	1,085	1,057
100-5123-01-1080 MEDICAL EXAMS	228	0	0	0
TOTAL SALARIES & BENEFITS	163,104	170,977	158,492	176,973
<u>PROFESSIONAL SERVICES</u>				
100-5123-02-2050 JUNK VEHICLES	282	300	330	330
100-5123-02-2055 FILING FEES	38	250	250	1,500
100-5123-02-2090 OTHER PROFESS.SERVICES	700	0	2,500	0
100-5123-02-2100 DEMOLITION/CLEANUP	20,415	15,000	15,000	15,000
TOTAL PROFESSIONAL SERVICES	21,435	15,550	18,080	16,830
<u>PROPERTY SERVICES</u>				
100-5123-03-2410 MOTOR VEHICLE REPAIR	703	2,500	3,000	2,500
100-5123-03-2430 FACILITIES MAINTENANCE	100	0	0	0
TOTAL PROPERTY SERVICES	803	2,500	3,000	2,500
<u>OTHER SERVICES</u>				
100-5123-04-2700 PROPERTY INSURANCE	274	318	336	350
100-5123-04-2720 ADVERTISING	598	750	750	750
100-5123-04-2750 DUES & MEMBERSHIP	472	300	500	500
100-5123-04-2751 CERTIFICATION / LICENSE	647	800	800	800
100-5123-04-2830 SEMINARS & SCHOOLS	5,473	5,000	3,485	5,000
100-5123-04-5000 EMERGENCY MANAGEMENT	2,026	0	0	0
100-5123-04-9900 CREDIT CARD FEES	1,109	1,400	1,400	1,500
TOTAL OTHER SERVICES	10,599	8,568	7,271	8,900
<u>SUPPLIES</u>				
100-5123-05-3010 OFFICE	1,339	2,000	2,000	2,000
100-5123-05-3020 BOOKS & PERIODICALS	1,019	1,050	1,050	1,500
100-5123-05-3030 EMPLOYEE RELATIONS	300	300	300	300
100-5123-05-3040 GASOLINE & DIESEL	1,531	2,800	2,000	3,000
100-5123-05-3050 OIL & LUBE	109	225	200	200
100-5123-05-3080 CLEANING ALLOWANCE	308	325	325	325
100-5123-05-3100 OTHER OPERATING SUPPLIES	324	1,500	700	1,200
100-5123-05-3110 COPIER EXPENSE	1,863	2,400	2,000	2,000
100-5123-05-3130 POSTAGE	2,440	2,500	2,200	2,500
TOTAL SUPPLIES	9,233	13,100	10,775	13,025
<u>OTHER EXPENDITURES</u>				
100-5123-06-5065 COMPUTER EQUIPMENT/SOFTWARE	276	0	0	0
TOTAL OTHER EXPENDITURES	276	0	0	0
<u>CAPITAL OUTLAY</u>				
100-5123-17-5090 OTHER CAPITAL OUTLAY	0	20,880	26,225	25,000
TOTAL CAPITAL OUTLAY	0	20,880	26,225	25,000
TOTAL DEVELOPMENT SERVICES	205,450	231,575	223,843	243,228

GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>PUBLIC WORKS - STREET</u>				
<u>SALARIES & BENEFITS</u>				
100-5130-01-1010 SALARIES	79,890	84,898	84,898	86,711
100-5130-01-1011 OVERTIME	2,083	1,600	6,000	1,600
100-5130-01-1020 GROUP INSURANCE	32,770	37,132	37,132	35,230
100-5130-01-1030 SOCIAL SECURITY CONTRIB	5,577	6,628	6,628	6,756
100-5130-01-1040 RETIREMENT CONTRIB.	9,255	9,358	9,358	9,643
100-5130-01-1050 UNEMPLOYMENT COMP	444	518	518	1,035
100-5130-01-1060 WORKERS' COMPENSATION	5,546	8,958	8,958	9,308
100-5130-01-1080 MEDICAL EXAMS	80	0	0	0
TOTAL SALARIES & BENEFITS	135,645	149,092	153,492	150,283
<u>PROFESSIONAL SERVICES</u>				
100-5130-02-2089 STREET RESURFACING	147,299	250,000	240,000	0
100-5130-02-2090 OTHER PROFESS.SERVICES	5,052	5,000	5,000	5,000
TOTAL PROFESSIONAL SERVICES	152,351	255,000	245,000	5,000
<u>PROPERTY SERVICES</u>				
100-5130-03-2210 NATURAL GAS	831	1,200	1,000	1,000
100-5130-03-2220 ELECTRICITY	2,684	2,800	2,800	2,800
100-5130-03-2410 MOTOR VEHICLE REPAIR	6,060	5,500	7,000	7,000
100-5130-03-2420 EQUIPMENT REPAIR	7,206	8,000	8,000	8,000
100-5130-03-2430 FACILITIES MAINTENANCE	6,889	8,000	9,000	9,000
100-5130-03-2440 STREET/DRAINAGE MAINTENANCE	5,434	0	5,200	15,000
TOTAL PROPERTY SERVICES	29,104	25,500	33,000	42,800
<u>OTHER SERVICES</u>				
100-5130-04-2700 PROPERTY INSURANCE	12,119	11,200	13,081	13,343
100-5130-04-2720 ADVERTISING	1,748	2,000	260	2,000
100-5130-04-2830 SEMINARS & SCHOOLS	258	1,400	1,400	1,400
100-5130-04-2840 FEES/LICENSES	188	200	200	200
TOTAL OTHER SERVICES	14,312	14,800	14,941	16,943
<u>SUPPLIES</u>				
100-5130-05-3010 OFFICE	575	750	750	750
100-5130-05-3030 EMPLOYEE RELATIONS	200	300	300	300
100-5130-05-3040 GASOLINE & DIESEL	12,653	22,000	18,000	22,000
100-5130-05-3050 OIL & LUBE	76	500	1,000	800
100-5130-05-3060 TOOLS AND EQUIPMENT	2,791	3,000	3,000	3,000
100-5130-05-3070 TRAFFIC SIGNS/PAINT	1,277	2,000	2,000	3,000
100-5130-05-3080 UNIFORM EXPENSE	2,666	1,400	1,400	1,400
100-5130-05-3090 STREET LIGHTS	89,445	90,200	90,200	93,239
100-5130-05-3100 OTHER OPERATING SUPPLIES	4,247	5,000	5,000	5,000
100-5130-05-3110 STREET MATERIALS	116,360	15,000	20,000	20,000
100-5130-05-3120 CONSUMABLES	825	600	600	750
100-5130-05-3125 SAFETY	234	200	200	200
TOTAL SUPPLIES	231,350	140,950	142,450	150,439
<u>OTHER EXPENDITURES</u>				
100-5130-06-5050 VEHICLES	8	0	0	0
TOTAL OTHER EXPENDITURES	8	0	0	0
TOTAL PUBLIC WORKS - STREET	562,770	585,342	588,883	365,465

**GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET**

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>PUBLIC WORKS - AIRPORT</u>				
<u>PROPERTY SERVICES</u>				
100-5131-03-2220 ELECTRICITY	12,815	10,710	10,710	10,710
100-5131-03-2420 ROUTINE AIRPORT MAINTENANCE	11,179	22,000	13,000	22,000
100-5131-03-2425 AWOS MAINTENANCE CONTRACT	0	5,500	5,966	5,966
100-5131-03-2430 FACILITIES MAINTENANCE	17,989	15,000	26,000	10,000
TOTAL PROPERTY SERVICES	41,983	53,210	55,676	48,676
<u>OTHER SERVICES</u>				
100-5131-04-2700 PROPERTY INSURANCE	5,062	8,650	5,620	5,732
100-5131-04-2710 TELEPHONE	737	740	760	780
100-5131-04-2840 LICENSES/PERMITS	200	200	200	200
TOTAL OTHER SERVICES	5,999	9,590	6,580	6,712
<u>SUPPLIES</u>				
100-5131-17-3100 OTHER OPERATING SUPPLIES	0	1,000	1,000	1,000
TOTAL SUPPLIES	0	1,000	1,000	1,000
<u>CAPITAL OUTLAY</u>				
100-5131-17-5090 OTHER CAPITAL OUTLAY	976,484	0	0	0
TOTAL CAPITAL OUTLAY	976,484	0	0	0
TOTAL PUBLIC WORKS - AIRPORT	1,024,465	63,800	63,256	56,388
<u>PUBLIC WORKS - GARAGE</u>				
<u>PROPERTY SERVICES</u>				
100-5140-03-2210 NATURAL GAS	1,602	1,500	1,260	1,386
100-5140-03-2220 ELECTRICITY	1,501	2,000	1,500	1,650
100-5140-03-2410 MOTOR VEHICLE REPAIR	394	1,000	1,000	1,000
100-5140-03-2420 EQUIPMENT REPAIR	389	600	600	600
100-5140-03-2430 FACILITIES MAINTENANCE	773	1,000	3,800	2,000
TOTAL PROPERTY SERVICES	4,658	6,100	8,160	6,636
<u>OTHER SERVICES</u>				
100-5140-04-2700 PROPERTY INSURANCE	976	1,200	1,200	1,224
100-5140-04-2720 ADVERTISING	500	0	0	0
TOTAL OTHER SERVICES	1,476	1,200	1,200	1,224
<u>SUPPLIES</u>				
100-5140-05-3040 GAS/DIESEL	606	900	700	800
100-5140-05-3060 TOOLS AND EQUIPMENT	966	800	800	800
100-5140-05-3080 UNIFORM EXPENSE	198	300	300	300
100-5140-05-3100 OTHER OPERATING SUPPLIES	1,582	1,800	1,800	1,600
100-5140-05-3120 CONSUMABLES	114	200	200	200
100-5140-05-3125 SAFETY	9	50	50	50
TOTAL SUPPLIES	3,476	4,050	3,850	3,750
TOTAL PUBLIC WORKS - GARAGE	9,610	11,350	13,210	11,610

GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
LIBRARY				
<u>SALARIES & BENEFITS</u>				
100-5160-01-1010 SALARIES	139,359	149,166	149,166	152,247
100-5160-01-1011 OVERTIME	649	1,500	1,500	1,500
100-5160-01-1020 GROUP INSURANCE	45,592	49,361	49,361	39,845
100-5160-01-1030 SOCIAL SECURITY CONTRIB	10,058	11,536	11,536	11,762
100-5160-01-1040 RETIREMENT CONTRIB.	13,583	15,337	15,337	15,811
100-5160-01-1050 UNEMPLOYMENT COMP	1,114	1,230	1,230	1,242
100-5160-01-1060 WORKERS' COMPENSATION	912	1,558	1,558	692
100-5160-01-1080 MEDICAL EXAMS	240	0	0	0
TOTAL SALARIES & BENEFITS	211,506	229,688	229,688	223,099
<u>PROFESSIONAL SERVICES</u>				
100-5160-02-2090 COLLECTION SERVICES	1,490	2,500	1,500	2,000
TOTAL PROFESSIONAL SERVICES	1,490	2,500	1,500	2,000
<u>PROPERTY SERVICES</u>				
100-5160-03-2210 NATURAL GAS	575	800	351	0
100-5160-03-2220 ELECTRICITY	14,082	13,500	14,000	14,000
100-5160-03-2420 EQUIPMENT REPAIR	0	1,200	1,200	1,200
100-5160-03-2430 FACILITIES MAINTENANCE	11,604	6,500	6,500	6,500
TOTAL PROPERTY SERVICES	26,261	22,000	22,051	21,700
<u>OTHER SERVICES</u>				
100-5160-04-2700 PROPERTY INSURANCE	9,471	11,130	11,130	11,352
100-5160-04-2720 CRAFT SUPPLIES	276	750	750	1,000
100-5160-04-2750 DUES & MEMBERSHIP	332	700	700	700
100-5160-04-2830 SEMINARS & SCHOOLS	1,605	3,000	3,284	4,000
100-5160-04-2900 MEMORIAL EXPENDITURES	1,081	3,000	3,000	20,010
100-5160-04-2910 PROGRAMMING	4,789	5,000	5,000	8,000
100-5160-04-9900 CREDIT CARD FEES	335	400	400	400
TOTAL OTHER SERVICES	17,889	23,980	24,264	45,462
<u>SUPPLIES</u>				
100-5160-05-3010 OFFICE	1,803	2,400	2,700	2,700
100-5160-05-3020 BOOKS & PERIODICALS	38,514	50,000	68,000	50,000
100-5160-05-3021 BOOK REPLACEMENTS	(614)	0	0	0
100-5160-05-3030 EMPLOYEE RELATIONS	500	800	800	800
100-5160-05-3080 CLEANING SUPPLIES	2,649	3,000	3,000	3,000
100-5160-05-3100 OTHER OPERATING SUPPLIES	5,829	8,000	8,000	8,000
100-5160-05-3110 COPIER EXPENSE	4,479	4,500	4,600	4,800
100-5160-05-3130 POSTAGE	5,438	6,000	6,750	6,750
TOTAL SUPPLIES	58,598	74,700	93,850	76,050
<u>OTHER EXPENDITURES</u>				
100-5160-06-5070 OFFICE EQUIPMENT	0	6,400	6,400	4,352
TOTAL OTHER EXPENDITURES	0	6,400	6,400	4,352
<u>CAPITAL OUTLAY</u>				
100-5160-17-5090 OTHER CAPITAL OUTLAY	0	112,000	87,880	0
TOTAL CAPITAL OUTLAY	0	112,000	87,880	0
TOTAL LIBRARY	315,745	471,268	465,633	372,663

GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>CEMETERY/PARKS</u>				
<u>SALARIES & BENEFITS</u>				
100-5161-01-1010 SALARIES	153,656	170,409	170,409	189,731
100-5161-01-1011 OVERTIME	5,211	9,000	6,500	6,500
100-5161-01-1020 GROUP INSURANCE	43,255	53,139	53,139	56,763
100-5161-01-1030 SOCIAL SECURITY CONTRIB	11,636	13,754	13,754	15,011
100-5161-01-1040 RETIREMENT CONTRIB.	17,268	18,612	18,612	20,413
100-5161-01-1050 UNEMPLOYMENT COMP	908	1,201	1,201	1,242
100-5161-01-1060 WORKERS' COMPENSATION	3,515	7,177	7,177	8,261
100-5161-01-1080 MEDICAL EXAMS	200	0	0	0
TOTAL SALARIES & BENEFITS	235,649	273,292	270,792	297,921
<u>PROFESSIONAL SERVICES</u>				
100-5161-02-2090 OTHER PROFESS.SERVICES	1,557	22,000	22,000	22,000
TOTAL PROFESSIONAL SERVICES	1,557	22,000	22,000	22,000
<u>PROPERTY SERVICES</u>				
100-5161-03-2210 NATURAL GAS	801	750	815	815
100-5161-03-2220 ELECTRICITY	8,661	11,000	10,000	11,000
100-5161-03-2410 MOTOR VEHICLE REPAIR	4,701	3,500	3,500	3,500
100-5161-03-2420 EQUIPMENT REPAIR	7,562	6,000	6,000	6,500
100-5161-03-2430 FACILITIES MAINTENANCE	16,110	15,000	15,000	15,000
TOTAL PROPERTY SERVICES	37,835	36,250	35,315	36,815
<u>OTHER SERVICES</u>				
100-5161-04-2700 PROPERTY INSURANCE	3,561	4,028	4,028	4,109
100-5161-04-2830 SEMINARS & SCHOOLS	111	0	0	0
100-5161-04-2840 FEES/LICENSES	63	0	0	0
TOTAL OTHER SERVICES	3,735	4,028	4,028	4,109
<u>SUPPLIES</u>				
100-5161-05-3010 OFFICE	13	0	0	0
100-5161-05-3030 EMPLOYEE RELATIONS	500	500	400	500
100-5161-05-3040 GASOLINE/DIESEL	11,813	14,000	13,000	13,000
100-5161-05-3050 OIL/LUBE	207	300	300	300
100-5161-05-3060 TOOLS AND EQUIPMENT	4,320	5,000	5,000	5,000
100-5161-05-3080 UNIFORM EXPENSE	1,495	2,000	1,500	1,800
100-5161-05-3100 OTHER OPERATING SUPPLIES	4,713	6,000	4,000	6,000
100-5161-05-3110 MATERIALS	3,021	3,500	3,000	3,000
100-5161-05-3120 CONSUMABLES	3,559	3,000	3,500	3,500
100-5161-05-3125 SAFETY	728	500	500	500
TOTAL OTHER EXPENDITURES	30,371	34,800	31,200	33,600
<u>OTHER EXPENDITURES</u>				
100-5161-06-5050 VEHICLES	8	0	0	0
TOTAL OTHER EXPENDITURES	8	0	0	0
<u>CAPITAL OUTLAY</u>				
100-5161-17-5090 OTHER CAPITAL OUTLAY	12,500	179,000	179,000	60,000
TOTAL CAPITAL OUTLAY	12,500	179,000	179,000	60,000
TOTAL CEMETERY/PARKS	321,655	549,370	542,335	454,445

**GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET**

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>SPORTS PARK</u>				
<u>SALARIES & BENEFITS</u>				
100-5162-01-1010 SALARIES	(323)	0	0	0
TOTAL SALARIES & BENEFITS	(323)	0	0	0
<u>PROFESSIONAL SERVICES</u>				
100-5162-02-2090 PROFESSIONAL SERVICES	190	0	2,091	2,000
TOTAL PROFESSIONAL SERVICES	190	0	2,091	2,000
<u>CAPITAL OUTLAY</u>				
100-5162-17-5090 OTHER CAPITAL OUTLAY	12,500	20,000	21,468	50,000
TOTAL CAPITAL OUTLAY	12,500	20,000	21,468	50,000
<u>FACILITY MAINTENANCE</u>				
100-5162-18-2400 REPLACEMENT SPRINKLERS	4	0	0	0
100-5162-18-2401 FENCE REPAIRS	196	0	10	0
100-5162-18-2402 FERTILIZER	1,048	0	0	0
100-5162-18-2404 GRASS SEED	462	0	0	0
100-5162-18-2405 PAINT/GRAFFITI REMOVER	144	0	0	0
100-5162-18-2406 EQUIP.MAINT.(OIL,BLADES,ETC)	52	1,000	500	500
100-5162-18-2407 FUEL	0	0	50	300
100-5162-18-2408 FILL DIRT (SAND)	0	1,500	0	0
100-5162-18-2409 CONSUMABLES (TOILET TISSUE,ETC)	5	1,000	10	750
100-5162-18-2410 UTILITIES	9,050	8,000	9,000	9,000
100-5162-18-2412 BAG ICE	263	250	0	0
100-5162-18-2413 ICE MACHINE RENTAL	675	1,000	0	1,000
100-5162-18-2414 VEHICLE MAINTENANCE	0	10,000	2,000	2,000
100-5162-18-2415 FACILITIES MAINTENANCE	11,923	0	10,000	12,000
100-5162-18-2415 FIELD PLAY / MAINTENANCE	0	0	10,000	6,000
100-5162-18-2499 OPERATING SUPPLIES	4,255	4,000	4,000	4,000
TOTAL FACILITY MAINTENANCE	28,076	26,750	35,570	35,550
TOTAL SPORTS PARK	40,443	46,750	59,129	87,550

GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>FIRE</u>				
<u>SALARIES & BENEFITS</u>				
100-5170-01-1010 SALARIES	320,219	319,762	319,762	361,230
100-5170-01-1011 OVERTIME	616	2,000	2,000	1,002
100-5170-01-1020 GROUP INSURANCE	16,387	32,628	32,628	32,885
100-5170-01-1030 SOCIAL SECURITY CONTRIBUTION	23,842	24,624	24,624	27,787
100-5170-01-1040 RETIREMENT CONTRIBUTION	14,453	15,842	15,842	15,241
100-5170-01-1050 UNEMPLOYMENT COMP	2,641	2,061	2,061	1,242
100-5170-01-1060 WORKER'S COMPENSATION	18,306	14,249	14,249	15,532
100-5170-01-1080 MEDICAL EXAMS	360	0	0	0
TOTAL SALARIES & BENEFITS	396,824	411,166	411,166	454,919
<u>PROFESSIONAL SERVICES</u>				
100-5170-02-2090 OTHER PROFESS. SERVICE	0	2,600	0	0
TOTAL PROFESSIONAL SERVICES	0	2,600	0	0
<u>PROPERTY SERVICES</u>				
100-5170-03-2210 NATURAL GAS	1,796	5,000	1,700	3,000
100-5170-03-2220 ELECTRICITY	13,686	16,000	14,000	14,500
100-5170-03-2411 FIRE TRUCK REPAIR	49,156	40,000	45,000	42,500
100-5170-03-2420 SMALL EQUIPMENT REPAIR	238	2,500	2,000	2,500
100-5170-03-2421 FIRE EQUIPMENT REPAIR	15,152	20,000	15,000	17,000
100-5170-03-2430 FACILITIES MAINTENANCE	9,850	6,000	9,000	9,000
100-5170-03-2435 FACILITIES MAINTENANCE EMS BLD	36	0	0	0
TOTAL PROPERTY SERVICES	89,913	89,500	86,700	88,500
<u>OTHER SERVICES</u>				
100-5170-04-2700 PROPERTY INSURANCE	18,957	27,560	29,420	30,008
100-5170-04-2750 DUES & MEMBERSHIPS	1,907	2,000	2,000	2,000
100-5170-04-2830 SEMINARS & SCHOOLS	4,132	5,000	4,500	5,000
100-5170-04-2840 FEES & PERMITS	2,470	3,000	2,600	2,400
100-5170-04-2860 VOLUNTEER FIREFIGHTER PAY	34,795	57,500	42,570	50,400
TOTAL OTHER SERVICES	62,262	95,060	81,090	89,808
<u>SUPPLIES</u>				
100-5170-05-3010 OFFICE	719	2,000	500	1,500
100-5170-05-3020 BOOKS & PERIODICALS	176	500	200	500
100-5170-05-3030 EMPLOYEE RELATIONS	1,100	1,200	1,000	1,100
100-5170-05-3040 GASOLINE/DIESEL	14,335	27,600	20,000	22,000
100-5170-05-3050 OIL/LUBE	710	500	500	500
100-5170-05-3080 UNIFORM EXPENSE	4,472	5,000	4,500	5,000
100-5170-05-3082 BUNKER GEAR AND CLEANING	7,430	20,000	15,000	15,000
100-5170-05-3100 MEDICAL EXPENSES	3,259	5,000	4,000	4,000
100-5170-05-3102 OTHER FIRE SUPPLIES	31,835	15,000	30,000	35,000
100-5170-05-3130 POSTAGE	163	500	200	200
TOTAL SUPPLIES	64,200	77,300	75,900	84,800
<u>OTHER EXPENDITURES</u>				
100-5170-06-5050 VEHICLES	370,008	0	0	0
100-5170-06-5060 FURNITURES/FIXTURES	458	500	0	500
100-5170-06-5070 OTHER EMERGENCY EQUIPMENT	0	16,500	17,000	25,000
TOTAL OTHER EXPENDITURES	370,465	17,000	17,000	25,500
TOTAL FIRE	983,665	692,626	671,856	743,527

**GENERAL FUND - 100
FISCAL YEAR 2018 ADOPTED BUDGET**

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>EMERGENCY MANAGEMENT</u>				
<u>SALARIES & BENEFITS</u>				
100-5177-01-1010 SALARIES	10,145	10,350	10,350	10,350
100-5177-01-1030 SOCIAL SECURITY CONTRIBUTION	0	792	792	792
100-5177-01-1040 RETIREMENT CONTRIBUTION	0	1,118	1,118	1,130
TOTAL SALARIES & BENEFITS	10,145	12,260	12,260	12,272
<u>OTHER SERVICES</u>				
100-5177-04-5000 EMERGENCY MGMT SERVICES	0	3,000	3,000	3,000
TOTAL OTHER SERVICES	0	3,000	3,000	3,000
TOTAL EMERGENCY MANAGEMENT	10,145	15,260	15,260	15,272
<u>NON-DEPARTMENTAL</u>				
<u>OTHER EXPENDITURES</u>				
100-5190-06-5086 GRANT REIMBURSEMENT	0	0	0	730,000
100-5190-17-5090 CAPITAL OUTLAY CONTINGENCY	0	0	0	170,000
100-5190-17-5795 GLO GLEN PARK- DSR 225021	975,924	0	273,801	0
TOTAL OTHER EXPENDITURES	975,924	0	273,801	900,000
TOTAL NON-DEPARTMENTAL	975,924	0	273,801	900,000

**GENERAL FUND
ADOPTED CHANGES TO THE PROPOSED BUDGET**

	<u>FY2016-17 PROJECTED</u>	<u>FY2017-18 PROPOSED</u>	<u>DATE OF CHANGE</u>
Preliminary Revenues:	\$6,970,487	\$6,991,651	
<u>Changes to Preliminary Revenues:</u>			
1 Certified Property Tax			
Adjustment for Certified Property Tax		\$1,902	08/15/17
P/I Tax		(\$1,902)	08/15/17
Total Revenue Changes:		\$0	
Total Revenue with Changes:	<u>\$6,970,487</u>	<u>\$6,991,651</u>	
Preliminary Expenditures:	\$6,948,733	\$7,371,651	
<u>Changes to Preliminary Expenditures:</u>			
1 Fire Department			
F/T Firefighter		(\$50,717)	09/05/17
F/T Firefighter O/T		(\$1,000)	09/05/17
P/T Firefighter (2,196 Hrs.)		\$38,765	09/05/17
Fire Department (Merit/Adjustment)		\$12,485	09/05/17
2 Police Department			
Pay Adjustment (Dispatch Revised)		(\$11,456)	09/05/17
Pay Adjustment (Police Revised)		\$37,652	09/05/17
Library Computer Replacement (Staff) 1/2		(\$4,000)	09/05/17
P/T Admin (April 1 Start)		(\$8,974)	09/05/17
Warrant Officer Increase		\$1,577	09/05/17
Sidewalks		(\$10,000)	09/05/17
Emergency Management Services		(\$5,000)	09/05/17
3 Tractor & Batwing Mower			
General Fund Portion (Mower)		\$20,000	09/05/17
Log Cabin Repair		(\$15,000)	09/05/17
Library Equipment / Educational		(\$4,332)	09/05/17
4 Capital Contingency Program			
Splash Pad (Parks Division)		(\$170,000)	09/19/17
Council CIP Contingency (Non-Departmental)		\$170,000	09/19/17
Total Change in Expenditures:		\$0	
Total Expenditures with Changes:	<u>\$6,948,733</u>	<u>\$7,371,651</u>	
Net Revenues Over/(Under) Expenses	\$21,754	(\$380,000)	
Beginning Fund Balance	4,412,247	4,434,001	
Ending Fund Balance	<u>\$4,434,001</u>	<u>\$4,054,001</u>	

DEBT SERVICE FUND FISCAL YEAR 2018 ADOPTED BUDGET

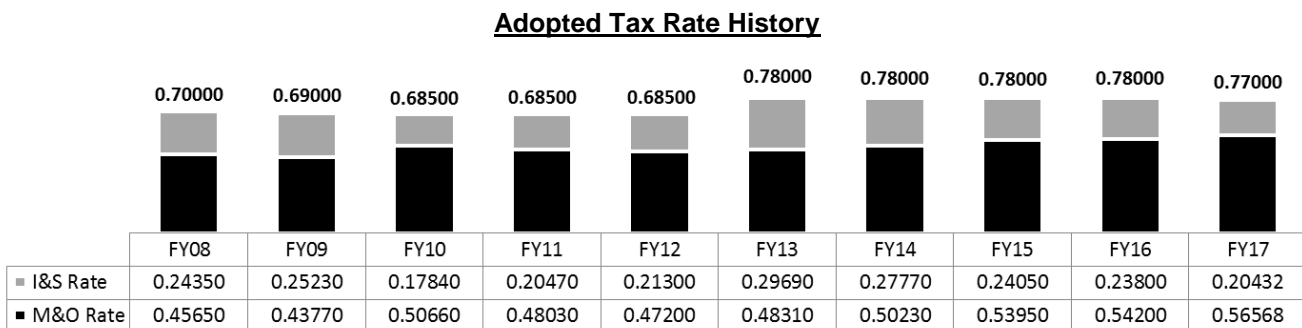
OVERVIEW

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. Below is the detail on the adopted tax rate:

Fiscal Year 2018 Adopted Tax Rate / Tax Year 2017	
Debt Service (I&S) Rate	\$0.23432
Maintenance & Operating (M&O) Rate	\$0.53568
Total Adopted Tax Rate	\$0.77000

Based on the values used, the budget as adopted assumes a debt service (I&S) tax rate of \$0.23432 per \$100 assessed valuation. This is a \$0.03002 increase from fiscal year 2017 adopted rate (tax year 2016) of \$0.2043 per \$100 assessed valuation, due to the calculated levy required to secure the annual obligation backed by taxes. If unadjusted from the adopted tax obligations for future years would allow debt service the capacity to support future debt up to an annual scheduled payment of \$140,000 beginning fiscal year 2021; however additional debt backed by taxes is not proposed at this time. The increase in the debt service tax rate requires the budget to adopt a lower maintenance an operating (M&O) tax rate while maintaining the overall (or combined) rate. The budget adopts a maintenance an operating (M&O) tax rate of \$0.53568 per \$100 assessed valuation, a \$0.03002 decrease from fiscal year 2017 adopted rate (tax year 2016) of \$0.5657. The combined tax rate of \$0.77000 remains unchanged from last year.

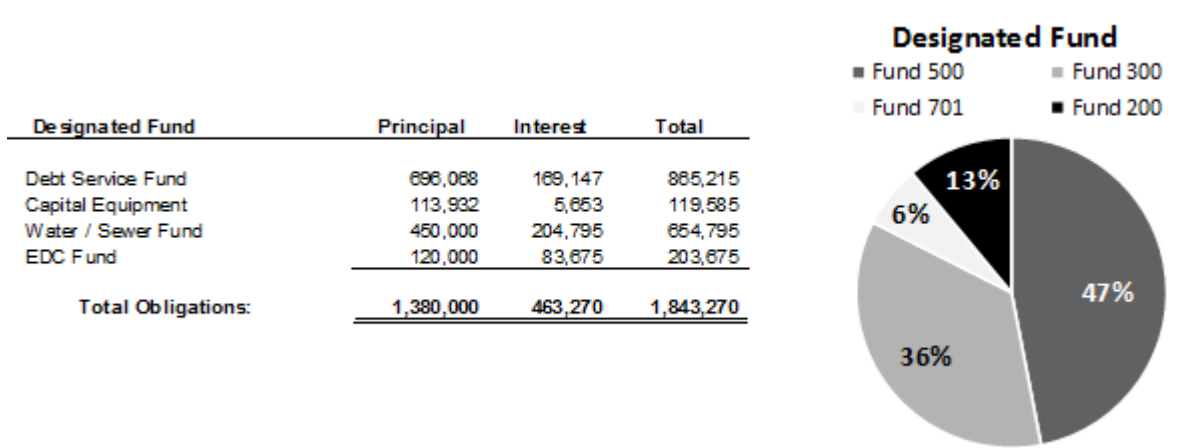
The tax rate of \$0.77000 per \$100 valuation is adopted by the governing body of the City of Cleveland. This rate is projected to exceed the effective rate \$0.73386 as calculated by the certified rolls are obtained from our tax assessor/collector. The effective rate is the total tax rate needed to raise the same amount of property tax revenue from the same properties in both the 2016 and the 2017 tax year. The adopted rate is below the rollback rate of \$0.84778. The rollback rate calculation is adjusted on additional sales tax, which the city has experienced lower collections than in prior years. The following is a detailed chart on tax rate history:



In fiscal year 2017, the debt service tax rate provides \$666,952 in current property taxes at the current collection rate and total revenues at \$855,405. Total 2017 debt supported by the fund is \$785,010 Debt service includes a transfer-in of \$118,485 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.

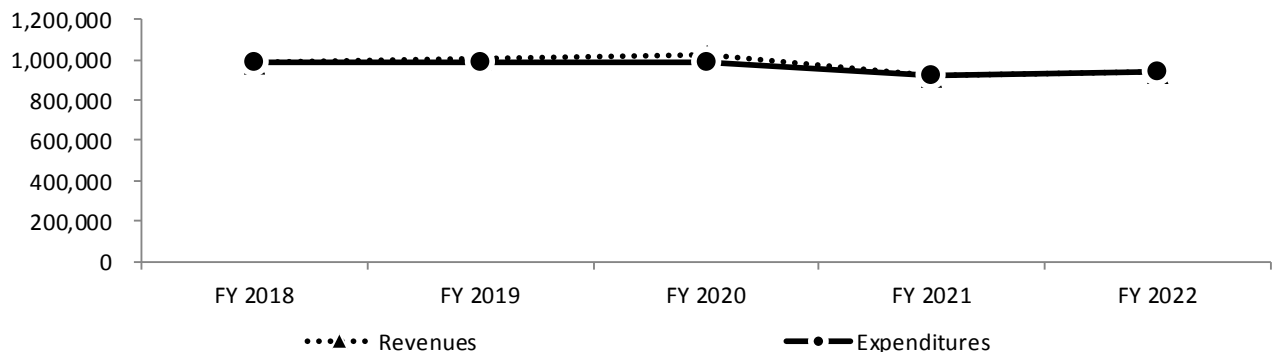
In fiscal year 2018, the adopted tax levy includes a 5.1% increase due to improvements in property values as independently calculated by Liberty County Appraisal District. The value increase is to offset a portion of the lower M&O rate and the additional debt obligation burden from Bond Series 2017 until the new airport hangers are constructed and leasable, projected beyond the first payment in March. The interest and sinking portion provides \$801,466 in current property tax with total Debt Service property tax at \$865,357. Debt service revenues include \$5,109 in interest income and \$ 119,586 in transfers for total revenues at \$ 990,052.

FY2018 Annual Debt Requirements – All Funds



For fiscal years 2018 through 2022, it is forecasted that the fund will remain above reserve policy guidelines, with no tax rate increases planned in years for those years.

	FY 2018 ADOPTED	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED
Property Taxes	865,357	882,664	900,317	918,323	936,690
Interest	5,109	5,212	5,316	5,422	5,531
Non-Operating / Transfers	119,586	117,717	118,770	0	0
Total Revenues	990,052	1,005,592	1,024,403	923,746	942,220
2013 Refunding	583,406	581,506	576,956	577,031	576,656
2015 Tax Notes	204,676	201,478	203,280	0	0
2017 Airport	196,718	199,925	200,200	200,325	200,300
Future Bond Capacity	0	0	0	140,000	155,000
Fiscal Agent Fees	5,252	5,000	5,000	5,000	5,000
Total Expenditures	990,052	987,909	985,436	922,356	936,956

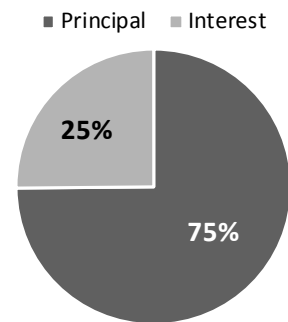


The following is a detail of debt requirements for fiscal year 2018. A portion of the debt is tax backed, but support by other funds. Other portions of the debt are supported by other revenue such as water sewer services.

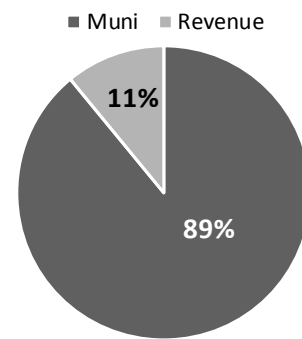
FY2018 ANNUAL DEBT REQUIREMENTS

<u>Municipal Bonds</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Debt Service</u>			
GO Refunding Bonds, Series 2013	470,000	113,406	583,406
Series 2015 Tax Notes	195,000	9,676	204,676
Series 2017 Airport Hangers	145,000	51,718	196,718
	810,000	174,800	984,800
<u>Economic Development</u>			
Series 2012 Sports Park	80,000	55,600	135,600
Series 2012 Water Well	40,000	28,075	68,075
	120,000	83,675	203,675
<u>Water / Sewer</u>			
Certificates of Obligation, Series 2012A	105,000	54,300	159,300
GO Refunding Bonds, Series 2013	140,000	9,800	149,800
Series 2017 Water Projects	75,000	68,696	143,696
	320,000	132,796	452,796
Total Tax-Backed:	1,250,000	391,271	1,641,271
<u>Revenue Bonds</u>			
	Principal	Interest	Total
<u>Water / Sewer</u>			
2009 Water & Sewer Revenue Bond	25,000	14,300	39,300
2011 Water & Sewer Revenue Bonds	105,000	57,699	162,699
Total Revenue Bond:	130,000	71,999	201,999
Total Obligations:	\$1,380,000	\$463,270	\$1,843,270

Total Obligations



Bond Type



DEBT SERVICE FUND - 500
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>PROPERTY TAXES</u>				
500-4000-01-0801 CURRENT TAXES	751,663	666,952	666,952	801,466
500-4000-01-0802 DELINQUENT TAXES	49,440	40,000	40,000	39,000
500-4000-01-0803 P & I ATTORNEY FEES	22,939	20,000	25,000	24,891
TOTAL PROPERTY TAXES	824,042	726,952	731,952	865,357
<u>INTEREST</u>				
500-4000-10-894 INTEREST INCOME	3,922	4,562	4,968	5,109
TOTAL INTEREST	3,922	4,562	4,968	5,109
<u>NON-OPERATING</u>				
500-4000-99-9900 TRANSFER IN	678,316	118,485	118,485	119,586
TOTAL NON-OPERATING	678,316	118,485	118,485	119,586
TOTAL REVENUES	\$1,506,279	\$849,999	\$855,405	\$990,052
<u>DEBT SERVICE</u>				
500-5510-11-4011 TAX BOND RETIREMENT	1,080,000	650,000	650,000	810,000
500-5510-11-4051 TAX BOND INTEREST	250,728	135,498	135,498	174,800
500-5510-11-4060 BOND ISSUANCE COST	0	50,432	50,432	0
500-5510-11-4071 FISCAL AGENT FEES	4,670	4,500	4,500	5,252
TOTAL DEBT SERVICE	1,335,397	840,430	840,430	990,052
TOTAL EXPENDITURES	\$1,335,397	\$840,430	\$840,430	\$990,052
REVENUES OVER EXPENDITURES	170,881	9,569	14,975	0
FUND BALANCE - BEGINNING	366,997	537,878	537,878	552,853
FUND BALANCE - ENDING	\$537,878	\$547,447	\$552,853	\$552,853
RESERVE REQUIREMENT (25%)		210,108	210,108	247,513
EXCESS/(DEFICIT)		337,339	342,745	305,340

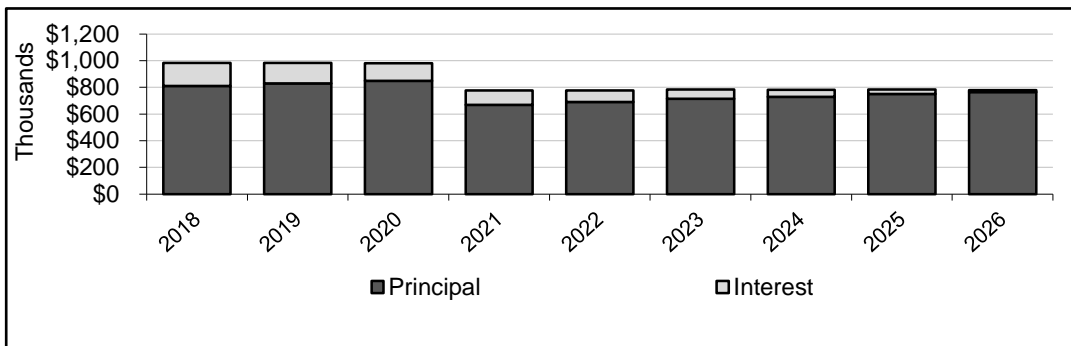
**DEBT SERVICE FUND
ADOPTED CHANGES TO THE PROPOSED BUDGET**

	<u>FY2016-17 PROJECTED</u>	<u>FY2017-18 PROPOSED</u>	<u>DATE OF CHANGE</u>
Preliminary Revenues:	\$855,405	\$990,052	
<u>Changes to Preliminary Revenues:</u>			
1 Adjustment for Certified Property Tax		\$3,361	08/15/17
2 P/I Tax		(\$3,000)	08/15/17
3 Interest Revenue		(\$109)	08/15/17
Total Revenue Changes:		\$252	
Total Revenue with Changes:	<u>\$855,405</u>	<u>\$990,304</u>	
Preliminary Expenditures:	\$840,430	\$990,052	
<u>Changes to Preliminary Expenditures:</u>			
1 Fiscal Agent Fees		\$252	08/15/17
Total Change in Expenditures:		\$252	
Total Expenditures with Changes:	<u>\$840,430</u>	<u>\$990,304</u>	
Net Revenues Over/(Under) Expenses	\$14,975	\$0	
Beginning Fund Balance	537,878	552,853	
Ending Fund Balance	<u>\$552,853</u>	<u>\$552,853</u>	

**GOVERNMENTAL DEBT MATURITY SCHEDULE
AS OF 9/30/2017
GENERAL LONG-TERM DEBT**

Fiscal Year	Principal	Interest	Total
2017-2018	810,000	174,800	984,800
2018-2019	830,000	152,909	982,909
2019-2020	850,000	130,436	980,436
2020-2021	670,000	107,356	777,356
2021-2022	690,000	86,956	776,956
2022-2023	715,000	68,581	783,581
2023-2024	730,000	52,013	782,013
2024-2025	750,000	34,338	784,338
2025-2026	765,000	15,528	780,528
2026-2027	195,000	2,925	197,925
TOTAL	7,005,000	825,843	7,830,843

Series Name	Principal Amount
Series 2013 General Obligation Refunding Bonds	4,695,000
Series 2015 Tax Notes	590,000
Series 2017 Airport Hangers	1,720,000
TOTAL	7,005,000



SERIES 2013 GENERAL OBLIGATION REFUNDING BONDS

Fiscal Year	Principal	Interest	Total
2017-2018	470,000	113,406	583,406
2018-2019	480,000	101,506	581,506
2019-2020	490,000	86,956	576,956
2020-2021	505,000	72,031	577,031
2021-2022	520,000	56,656	576,656
2022-2023	540,000	43,456	583,456
2023-2024	550,000	32,213	582,213
2024-2025	565,000	20,013	585,013
2025-2026	575,000	6,828	581,828
2026-2027	-	-	-
TOTAL	4,695,000	533,066	5,228,066

SERIES 2015 TAX NOTES

Fiscal Year	Principal	Interest	Total
2017-2018	195,000	9,676	204,676
2018-2019	195,000	6,478	201,478
2019-2020	200,000	3,280	203,280
2020-2021	-	-	-
2021-2022	-	-	-
2022-2023	-	-	-
2023-2024	-	-	-
2024-2025	-	-	-
2025-2026	-	-	-
2026-2027	-	-	-
TOTAL	590,000	19,434	609,434

SERIES 2017 AIRPORT HANGERS

Fiscal Year	Principal	Interest	Total
2017-2018	145,000	51,718	196,718
2018-2019	155,000	44,925	199,925
2019-2020	160,000	40,200	200,200
2020-2021	165,000	35,325	200,325
2021-2022	170,000	30,300	200,300
2022-2023	175,000	25,125	200,125
2023-2024	180,000	19,800	199,800
2024-2025	185,000	14,325	199,325
2025-2026	190,000	8,700	198,700
2026-2027	195,000	2,925	197,925
TOTAL	1,720,000	273,343	1,993,343

WATER & SEWER FUND FISCAL YEAR 2018 ADOPTED BUDGET

SUMMARY

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 2016-2017:

Water & Sewer revenue is \$3,242,287, \$227,259 lower than last year's total revenue due to \$220,108 non-operating year-end entry. Operating revenue is \$10,947 lower than last year's operating total of \$3,253,233 due to lower projected revenue; \$4,550 lower service charge activity; \$13,633 lower in interest revenue from source allocated capital cash, mainly the completion of the 2012 Certificates of Obligations on the distribution line and ground storage tank for the Northwest side; \$7,546 less in other fee activity and \$42,564 reduction in garbage fees. Total reductions of \$68,292 from sources listed above are offset by \$57,346 increased wastewater related to the Union Tank Car (UTC) service contract. The FY17 projected budget is \$35,464 less from the original budget mainly due to the reduction in garbage fees, having no direct impact on the budget outcome due to the equivalent reduction in garbage service expense. Water charges at \$1,450,000 and sewer charges at \$1,135,000 are projected to come in at original budget expectations. Additional wastewater revenue from UTC is projected at \$32,400 over original adopted estimates.

Fiscal year 2017 expenses totaling \$3,240,393 are projected to be \$37,357 lower than original budget due to mid-year change in collection services. The Water Administration division projected at \$345,557 or 95.8% of the original budget through salary savings in staff turnover and preserving the annual contingency provision. Total Water Administration Division savings is projected at \$15,146. The Water Production division projected at \$784,092 is \$28,159 or 3.7% higher than the adopted budget. Division overtime is \$24,855 higher than original expectations in order complete the waterline through EDC industrial park. The man hours devoted to this project did obviously provide an overall cost savings for EDC by completing the improvement with city staff. Original expectations factored for EDC were based on this project being performed during regular labor hours, as time and priority permitted. Some of the overtime was absorbed through salary savings in staff turnover with total projected overage in the Water Production division limited to \$3,809. Motor vehicle repair and facility maintenance are significantly higher than prior year actuals. Material cost for water production is projected at \$60,000 and is \$17,000 higher than original budget. The sewer division at \$729,474 is \$10,154 less than the original adopted with salary savings in department overtime. Overtime projection is \$8,033 less than FY16 actual. Equipment repair is projected over the original adopted by \$25,000. Savings in facility maintenance and salaries mitigated the demand for equipment repair. Also \$52,500 is projected budgeted as the City's match towards the current CDBG grant. Total CDBG grant is \$402,500 with contract funds at \$350,000. This project should be completed by the end of FY18 rehabilitating approximately 8,280 linear feet of 6" to 8" sewer lines. The adopted budget requires an adjustment to the residential rates for the inclusion of capital reconstruction (or extensive repair) to the aged utility infrastructure. Sanitation division is projected at \$257,970 or \$42,700 lower than original due to the change in the garbage collection. Ending cash balance at 9/30/17 is estimated to be \$1,793,830.

Fiscal Year 2017-2018:

Water & Sewer revenue is \$3,183,160, \$59,127 lower than last year's total revenue mainly due to account for garbage fees under a full year, as the recent changes in garbage collection occurred in May 2017. The adopted also holds conservative projections on Union Tank Car wastewater service fees. Changes in garbage collection reduce revenues by \$42,700 and Union Tank Car wastewater service fees by \$19,240 in addition to minor variabilities in other revenue sources. Note that no change is expected in water or sewer charges for FY18, as Grand Oaks developments will likely occur after FY18.

The adopted budget, with the exclusion of the one-time use of cash for rehabilitation of Water Plant #2, is balanced. Council approved \$700,000 of cash balance to be used in conjunction with Bond Series 2017 to complete Water Well Plant #2 rehabilitation and improvements. The total fiscal year adopted budget is \$3,883,160 and includes annual financial obligations of \$654,795, including \$143,696 of new debt. Adopted transfer to the general fund remains unchanged at \$400,000. Pay-as-you-go capital program is \$735,000. Expenses are \$642,767 more than

last year due to the use of cash balance toward the Denison Street water well.

Supplemental Expenditures are detailed below:

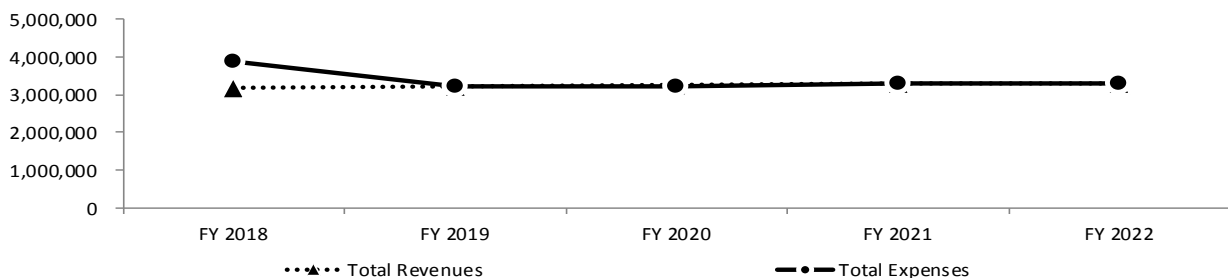
	Recurring	Non-recurring	Total
Salary Adjustment (Survey Review)	7,877		7,877
Salary Merit (2.0%)	16,631		16,631
TCEQ Permit Renewal		25,000	25,000
Pay-as-you-go CIP		700,000	700,000
Pay-as-you-go CIP (Other)		35,000	35,000
Total Projected Water/Sewer Fund:	24,508	760,000	784,508

Available cash ending balance at 9/30/2018 is expected to be \$1,093,830 with cash reserves at \$298,040 above policy requirement. The calculation of cash reserves does not include the \$700,000 in non-recurring Capital.

FIVE YEAR PLAN

A five year plan is programmed for forecasting purposes only. It is projected that Fund 300 will maintain a balanced budget for fiscal years ending 2019 through 2022; however it provides only limited resource for new and expanded programs without changes to current rate, number of new customers and/or volume of consumption. The plan consists of maintaining our current levels of services that are funded by the Water & Sewer Fund.

	FY 2018 ADOPTED	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED
Charges For Service	2,758,160	2,785,742	2,813,599	2,841,735	2,870,152
Other Service Charges	88,400	89,284	90,177	91,079	91,989
Interest	22,000	22,220	22,442	22,940	23,170
Other Fees	96,500	97,465	98,440	100,408	101,413
Garbage	218,100	220,281	222,484	224,709	226,956
Total Revenues	3,183,160	3,214,992	3,247,142	3,280,871	3,313,680
Water Administration	354,947	362,046	369,287	376,673	384,206
Water Production	784,549	800,240	816,245	832,570	849,221
Sewer Department	732,378	747,025	761,966	777,205	792,749
Sanitation Department	215,270	219,575	223,967	228,446	233,015
Operations	2,087,144	2,128,887	2,171,465	2,214,894	2,259,192
New Capital Programs	35,000	20,000	0	120,000	115,000
Financial Obligations	1,761,016	1,061,764	1,059,300	942,941	937,739
Total Expenses	3,883,160	3,210,651	3,230,765	3,277,834	3,311,931
Revenues Over Expenditures	(700,000)	4,341	16,377	3,037	1,749
Cash Balance - Beginning	1,793,830	1,093,829	1,098,170	1,114,547	1,117,584
Cash Balance - Ending	\$1,093,829	\$1,098,170	\$1,114,547	\$1,117,584	\$1,119,333
Reserve Requirement (25%)	795,790	802,663	807,691	819,459	827,983
Excess/(Deficit)	298,039	295,507	306,856	298,125	291,350



WATER & SEWER FUND - 300
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
Charges For Service	2,720,054	2,745,000	2,777,400	2,758,160
Other Service Charges	92,575	87,150	88,025	88,400
Interest	37,107	40,000	23,474	22,000
Other Fees	100,233	103,200	92,688	96,500
Garbage	303,264	302,400	260,700	218,100
Total Operating	3,253,233	3,277,750	3,242,287	3,183,160
Non-Operating	216,312	0	0	0
Total Revenues	\$3,469,546	\$3,277,750	\$3,242,287	\$3,183,160
Water Administration	669,264	360,703	345,557	354,947
Water Production	1,183,444	755,933	784,092	784,549
Sewer Department	(12,909)	739,628	729,474	732,378
Sanitation Department	291,672	298,186	257,970	215,270
Financial Obligations	535,902	1,123,300	1,123,300	1,796,016
Total Expenses	\$2,667,373	\$3,277,750	\$3,240,393	\$3,883,160
Revenues Over Expenses	802,173	0	1,894	(700,000)
Cash Balance - Beginning	989,763	1,791,936	1,791,936	1,793,830
Cash Balance - Ending	\$ 1,791,936	\$ 1,791,936	\$ 1,793,830	\$ 1,093,830
Reserve Requirement (25%)		819,438	810,098	795,790
Excess/(Deficit)		972,499	983,731	298,040

WATER & SEWER FUND - 300
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
REVENUE:				
<u>CHARGES FOR SERVICE</u>				
300-4000-09-0866.WATER CHARGES	1,457,003	1,450,000	1,450,000	1,450,000
300-4000-09-0866.SEWER CHARGES	1,095,658	1,135,000	1,135,000	1,135,000
300-4000-09-0866 WASTE WATER REVENUE-UTC	167,392	160,000	192,400	173,160
TOTAL CHARGES FOR SERVICE	2,720,054	2,745,000	2,777,400	2,758,160
<u>OTHER CHARGES FOR SERVICE</u>				
300-4000-09-0866.DIRECT WATER SALES	418	500	700	700
300-4000-09-0895-RECONNECT FEES	11,650	14,000	13,350	14,000
300-4000-09-0895.OVER / (SHORT)	(50)	0	0	0
300-4000-09-0895.RETURNED CHECK FEES	1,073	1,100	1,100	1,100
300-4000-09-0895.LATE CHARGES BILLED	67,204	63,000	63,000	63,000
300-4000-09-0895.MISC W&S BILLINGS	200	400	100	100
300-4000-09-0895.TAMPERING	100	400	50	100
300-4000-09-0850 INSURANCE PROCEEDS	3,310	0	0	0
300-4000-09-0895.TRANSFER FEES	75	50	125	100
300-4000-09-0895.OTHER MISC INCOME	120	200	600	200
300-4000-09-0895.CREDIT CHARGE FEES	8,475	7,500	9,000	9,100
TOTAL SERVICE CHARGES	92,575	87,150	88,025	88,400
<u>INTEREST</u>				
300-4000-10-0894 INTEREST INCOME	37,107	40,000	23,474	22,000
TOTAL INTEREST	37,107	40,000	23,474	22,000
<u>OTHER WATER FEES</u>				
300-4000-11-0867.METER SERVICE	6,725	7,200	5,500	6,000
300-4000-11-0867.WATER TAPS	23,428	22,000	6,000	12,500
300-4000-11-0867.SEWER TAPS	2,375	0	3,000	3,000
300-4000-11-0867 STREET CUTS	0	0	1,100	0
300-4000-11-0867.PAYMENT PLAN	0	0	1,300	0
300-4000-11-0868 WM MGMT FEES (REVENUE)	67,705	74,000	75,788	75,000
TOTAL OTHER FEES	100,233	103,200	92,688	96,500
<u>GARBAGE</u>				
300-4000-12-0873.GARBAGE PICKUP REVENUE	299,497	298,800	255,100	212,400
300-4000-12-0873.GARBAGE BAG INCOME	3,840	3,600	3,600	3,700
300-4000-12-0873.GARBAGE TAG INCOME	0	0	1,000	1,000
300-4000-12-0873.EXTRA CART	0	0	1,000	1,000
300-4000-12-0880 STREET FEE	(73)	0	0	0
TOTAL GARBAGE	303,264	302,400	260,700	218,100
<u>NON-OPERATING</u>				
300-4000-99-1003 CONTRIBUTIONS EDC	220,108	0	0	0
300-4000-99-9800 TRANSFERS IN	(3,796)	0	0	0
TOTAL NON-OPERATING	216,312	0	0	0
TOTAL REVENUES	\$3,469,546	\$3,277,750	\$3,242,287	\$3,183,160

WATER & SEWER FUND - 300
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>WATER ADMINISTRATION</u>				
<u>SALARIES & BENEFITS</u>				
300-5310-01-1010 SALARIES	169,984	174,241	170,996	172,139
300-5310-01-1011 OVERTIME	1,954	1,500	6,000	1,500
300-5310-01-1020 GROUP INSURANCE	39,707	37,614	35,101	33,880
300-5310-01-1030 SOCIAL SECURITY CONTRIBUTION	12,456	13,449	13,449	13,283
300-5310-01-1040 RETIREMENT CONTRIBUTION	18,417	18,987	18,987	18,961
300-5310-01-1050 UNEMPLOYMENT COMPENSATION	768	828	828	828
300-5310-01-1060 WORKERS' COMPENSATION	2,642	4,308	4,308	4,377
300-5310-01-1090 ADM - PENSION EXPENSE	712	0	0	0
TOTAL SALARIES & BENEFITS	246,641	250,927	249,669	244,968
<u>PROFESSIONAL SERVICES</u>				
300-5310-02-2040 ACCOUNTING/AUDIT	10,000	5,000	5,000	5,000
300-5310-02-2090 OTHER PROFESS.SERVICES	38,664	40,000	40,000	40,000
TOTAL PROFESSIONAL SERVICES	48,664	45,000	45,000	45,000
<u>PROPERTY SERVICES</u>				
300-5310-03-2220 ELECTRICITY	2,599	3,100	2,439	2,600
300-5310-03-2420 EQUIPMENT REPAIR	0	500	39	500
TOTAL PROPERTY SERVICES	2,599	3,600	2,478	3,100
<u>OTHER SERVICES</u>				
300-5310-04-2720 ADVERTISING	1,794	1,500	1,500	1,500
300-5310-04-2730 PRINTING & BINDING	3,028	2,800	2,739	2,800
300-5310-04-2750 DUES & MEMBERSHIP	0	399	70	100
300-5310-04-2830 SEMINARS & SCHOOLS	1,635	1,500	1,500	1,200
300-5310-04-9900 CREDIT CARD FEES	6,416	6,200	7,995	8,100
TOTAL OTHER SERVICES	12,873	12,399	13,804	13,700
<u>SUPPLIES</u>				
300-5310-05-3010 OFFICE	3,271	3,500	3,500	3,500
300-5310-05-3030 EMPLOYEE RELATIONS	400	400	400	400
300-5310-05-3100 OTHER OPERATING SUPPLIES	765	1,400	500	1,000
300-5310-05-3115 JANITORIAL SUPPLIES	0	1,000	500	529
300-5310-05-3130 POSTAGE	13,452	15,000	14,500	14,750
TOTAL SUPPLIES	17,888	21,300	19,400	20,179
<u>OTHER EXPENDITURES</u>				
300-5310-06-5070 OFFICE EQUIPMENT	0	477	206	500
300-5310-06-5095 CONTINGENCY	12,500	12,000	0	12,500
TOTAL OTHER EXPENDITURES	12,500	12,477	206	13,000
<u>FINANCIAL OBLIGATIONS</u>				
300-5310-99-8001 TRANSFER TO TECHNOLOGY DEPT.	13,300	15,000	15,000	15,000
300-5310-99-8002 TRANSFER OUT - DEBT SERVICE	309,800	0	0	0
300-5310-99-8003 TRANSFERS OUT-CAPITAL PROJECTS	5,000	0	0	0
TOTAL FINANCIAL OBLIGATIONS	328,100	15,000	15,000	15,000
TOTAL WATER ADMINISTRATION	\$669,264	\$360,703	\$345,557	\$354,947

WATER & SEWER FUND - 300
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>WATER PRODUCTION</u>				
<u>SALARIES & BENEFITS</u>				
300-5330-01-1010 SALARIES	285,417	308,259	302,334	312,106
300-5330-01-1011 OVERTIME	10,635	4,600	29,455	4,600
300-5330-01-1020 GROUP INSURANCE	90,738	96,995	99,018	101,543
300-5330-01-1030 SOCIAL SECURITY CONTRIBUTION	21,305	23,955	23,139	24,497
300-5330-01-1040 RETIREMENT CONTRIBUTION	30,997	33,819	32,554	34,968
300-5330-01-1050 UNEMPLOYMENT COMPENSATION	1,702	2,070	1,702	1,656
300-5330-01-1060 WORKERS' COMPENSATION	10,253	25,885	10,440	26,529
300-5330-01-1080 MEDICAL EXAMS	320	0	750	0
300-5310-01-1090 ADM - PENSION EXPENSE	1,069	0	0	0
TOTAL SALARIES & BENEFITS	452,438	495,583	499,392	505,899
<u>PROFESSIONAL SERVICES</u>				
300-5330-02-2090 OTHER PROFESS.SERVICES	8,339	8,000	6,000	8,000
TOTAL PROFESSIONAL SERVICES	8,339	8,000	6,000	8,000
<u>PROPERTY SERVICES</u>				
300-5330-03-2210 NATURAL GAS	543	650	650	650
300-5330-03-2220 ELECTRICITY	66,008	70,000	70,000	81,000
300-5330-03-2410 MOTOR VEHICLE REPAIR	7,934	8,000	15,000	10,000
300-5330-03-2420 EQUIPMENT REPAIR	13,785	15,000	16,000	15,000
300-5330-03-2430 FACILITY MAINTENANCE	7,950	11,000	16,000	11,000
300-5330-03-2520 EQUIPMENT RENTAL	0	1,000	0	1,000
TOTAL PROPERTY SERVICES	96,220	105,650	117,650	118,650
<u>OTHER SERVICES</u>				
300-5330-04-2700 PROPERTY/LIABILITY INSURANCE	17,091	17,000	20,000	22,900
300-5330-04-2720 ADVERTISING	506	1,000	200	500
300-5330-04-2740 MEETING EXPENSES	89	350	350	350
300-5330-04-2750 DUES & MEMBERSHIP	328	0	0	0
300-5330-04-2830 SEMINARS & SCHOOLS	2,376	2,000	2,000	2,000
300-5330-04-6030 LICENSE EXPENSE	5,299	7,000	6,500	6,500
TOTAL OTHER SERVICES	25,689	27,350	29,050	32,250
<u>SUPPLIES</u>				
300-5330-05-3010 OFFICE	53	0	0	0
300-5330-05-3030 EMPLOYEE RELATIONS	850	850	850	850
300-5330-05-3040 GASOLINE/DIESEL	9,007	13,300	12,000	12,000
300-5330-05-3050 OIL/LUBE	343	300	750	750
300-5330-05-3060 SMALL TOOLS	3,469	2,900	2,900	2,800
300-5330-05-3080 UNIFORM EXPENSE	1,499	1,700	1,700	1,700
300-5330-05-3100 OTHER OPERATING SUPPLIES	5,711	5,500	7,000	5,500
300-5330-05-3105 LAB FEES/CHEMICALS	11,078	12,000	10,000	10,500
300-5330-05-3110 MATERIALS	60,795	43,000	60,000	50,000
300-5330-05-3120 CONSUMABLES	1,295	900	900	900
300-5330-05-3125 SAFETY	679	900	900	750
TOTAL SUPPLIES	94,779	81,350	97,000	85,750
<u>OTHER EXPENDITURES</u>				
300-5330-06-2435 STREET REPAIRS	23,428	28,000	25,000	24,000
300-5330-06-5050 VEHICLES	0	0	0	0
TOTAL OTHER EXPENDITURES	23,428	28,000	25,000	24,000

**WATER & SEWER FUND - 300
FISCAL YEAR 2018 ADOPTED BUDGET**

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>DEPRECIATION</u>				
300-5330-08-6010 DEPRECIATION	479,551	0	0	0
TOTAL DEPRECIATION	479,551	0	0	0
<u>FINANCIAL OBLIGATIONS</u>				
300-5330-99-8000 TRANSFER OUT TO TECHNOLOGY	3,000	10,000	10,000	10,000
TOTAL FINANCIAL OBLIGATIONS	3,000	10,000	10,000	10,000
TOTAL WATER PRODUCTION	\$1,183,444	\$755,933	\$784,092	\$784,549

WATER & SEWER FUND - 300
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>SEWER DEPARTMENT</u>				
<u>SALARIES & BENEFITS</u>				
300-5350-01-1010 SALARIES	198,432	199,729	194,192	210,661
300-5350-01-1011 OVERTIME	25,692	28,500	17,659	28,500
300-5350-01-1020 GROUP INSURANCE	59,655	59,664	59,664	57,863
300-5350-01-1030 SOCIAL SECURITY CONTRIBUTION	15,999	17,542	15,561	18,296
300-5350-01-1040 RETIREMENT CONTRIBUTION	23,796	24,765	22,159	26,116
300-5350-01-1050 UNEMPLOYMENT COMPENSATION	944	1,139	1,139	1,035
300-5350-01-1060 WORKERS' COMPENSATION	7,178	11,310	7,400	11,506
300-5330-01-1090 WATER - PENSION EXPENSE	713	0	0	0
TOTAL SALARIES & BENEFITS	332,409	342,649	317,774	353,978
<u>PROFESSIONAL SERVICES</u>				
300-5350-02-2090 OTHER PROFESS.SERVICES	2,396	10,000	10,000	37,000
TOTAL PROFESSIONAL SERVICES	2,396	10,000	10,000	37,000
<u>PROPERTY SERVICES</u>				
300-5350-03-2220 ELECTRICITY	91,548	97,000	95,000	96,000
300-5350-03-2410 MOTOR VEHICLE REPAIR	8,716	4,000	8,000	7,500
300-5350-03-2420 EQUIPMENT REPAIR	7,790	7,500	33,000	10,000
300-5350-03-2430 FACILITY MAINTENANCE	77,672	55,000	40,000	45,000
300-5350-03-2440 SLUDGE REMOVAL	28,156	26,000	26,000	30,000
300-5350-03-2520 RENTAL EQUIPMENT	0	4,000	0	4,000
TOTAL PROPERTY SERVICES	213,883	193,500	202,000	192,500
<u>OTHER SERVICES</u>				
300-5350-04-2700 PROPERTY INSURANCE	40,112	40,129	48,000	48,000
300-5350-04-2720 ADVERTISING	3,266	2,000	2,000	2,000
300-5350-04-2740 MEETING EXPENSES	89	350	350	350
300-5350-04-2750 DUES & MEMBERSHIP	215	0	0	0
300-5350-04-2830 SEMINARS & SCHOOLS	2,136	3,100	3,100	3,000
300-5350-04-6030 LICENSE EXPENSE	9,583	11,000	10,000	10,750
300-5350-04-6035 PENALTIES AND FINES	0	0	1,000	0
TOTAL OTHER SERVICES	55,402	56,579	64,450	64,100
<u>SUPPLIES</u>				
300-5350-05-3030 EMPLOYEE RELATIONS	550	600	550	600
300-5350-05-3040 GASOLINE/DIESEL	9,387	11,000	9,000	10,500
300-5350-05-3050 OIL/LUBE	322	800	1,100	1,100
300-5350-05-3060 SMALL TOOLS	2,794	3,200	2,000	2,000
300-5350-05-3080 UNIFORM EXPENSE	988	1,500	1,200	1,200
300-5350-05-3100 OTHER OPERATING SUPPLIES	4,851	4,800	4,200	4,200
300-5350-05-3105 LAB FEES/CHEMICALS	54,617	48,000	48,000	48,000
300-5350-05-3110 MATERIALS	7,421	8,000	10,000	10,500
300-5350-05-3120 CONSUMABLES	1,108	1,000	1,200	1,200
300-5350-05-3125 SAFETY	482	500	500	500
TOTAL SUPPLIES	82,520	79,400	77,750	79,800
<u>OTHER EXPENDITURES</u>				
300-5350-17-5090 OTHER CAPITAL OUTLAY	0	52,500	52,500	0
TOTAL OTHER EXPENDITURES	0	52,500	52,500	0

WATER & SEWER FUND - 300
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>FINANCIAL OBLIGATIONS</u>				
300-5350-99-8000 TRANSFER OUT TO TECHNOLOGY	(699,518)	5,000	5,000	5,000
TOTAL FINANCIAL OBLIGATIONS	(699,518)	5,000	5,000	5,000
TOTAL SEWER DEPARTMENT	(12,909)	739,628	729,474	732,378

**WATER & SEWER FUND - 300
FISCAL YEAR 2018 ADOPTED BUDGET**

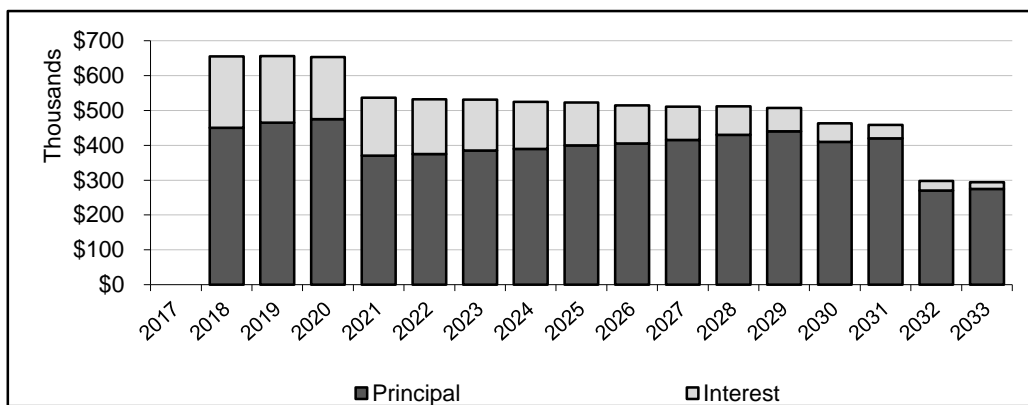
	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>SANITATION DEPARTMENT</u>				
<u>GARBAGE</u>				
300-5370-07-2811 GARBAGE PICKUP-RESIDENTIAL	288,807	295,086	255,100	212,400
300-5370-07-3120 GARBAGE BAGS	2,865	3,100	2,870	2,870
TOTAL GARBAGE	291,672	298,186	257,970	215,270
TOTAL SANITATION DEPARTMENT	\$291,672	\$298,186	\$257,970	\$215,270
<u>BOND PAYMENTS</u>				
<u>FINANCIAL OBLIGATIONS</u>				
300-5380-99-9900 BOND PRINCIPAL PAYMENT	0	515,000	515,000	450,000
300-5380-99-9901 INTEREST ON BOND PAYMENTS	134,747	145,000	145,000	204,795
300-5380-99-9915 FISCAL AGENT FEES	6,000	3,300	3,300	6,221
300-5380-99-9921 TRANSFERS OUT TO GF	400,000	400,000	400,000	400,000
300-5380-99-9921 TRANSFER TO CIP	(4,845)	60,000	60,000	735,000
TOTAL FINANCIAL OBLIGATIONS	535,902	1,123,300	1,123,300	1,796,016
TOTAL BOND PAYMENTS	\$535,902	\$1,123,300	\$1,123,300	\$1,796,016
TOTAL EXPENSES	\$2,667,373	\$3,277,750	\$3,240,393	\$3,883,160

**WATER & SEWER DEBT MATURITY SCHEDULE
AS OF 9/30/2017**

WATER & SEWER LONG-TERM DEBT

Fiscal Year	Principal	Interest	Total
2017-2018	450,000	204,795	654,795
2018-2019	465,000	190,764	655,764
2019-2020	475,000	178,300	653,300
2020-2021	370,000	166,941	536,941
2021-2022	375,000	156,739	531,739
2022-2023	385,000	146,031	531,031
2023-2024	390,000	134,617	524,617
2024-2025	400,000	122,494	522,494
2025-2026	405,000	109,676	514,676
2026-2027	415,000	96,169	511,169
2027-2028	430,000	82,060	512,060
2028-2029	440,000	67,385	507,385
2029-2030	410,000	52,977	462,977
2030-2031	420,000	38,823	458,823
2031-2032	270,000	27,394	297,394
2032-2033	275,000	18,825	293,825
2033-2034	115,000	12,703	127,703
2034-2035	115,000	9,109	124,109
2035-2036	115,000	5,444	120,444
2036-2037	110,000	1,788	111,788
TOTAL	6,830,000	1,823,033	8,653,033

Series Name	Principal Amount
Series 2009 Water & Sewer Revenue Bond	385,000
Series 2011 Water & Sewer Revenue Bond	1,765,000
Series 2012A Certificates of Obligation	2,060,000
Series 2013 General Obligation Refunding Bonds	420,000
TOTAL	6,830,000



**SERIES 2009 WATER & SEWER REVENUE BOND
AS OF 9/30/2017
WATER & SEWER LONG-TERM DEBT**

Fiscal Year	Principal	Interest	Total
2017-2018	25,000	14,300	39,300
2018-2019	25,000	13,600	38,600
2019-2020	25,000	12,825	37,825
2020-2021	30,000	11,888	41,888
2021-2022	30,000	10,815	40,815
2022-2023	30,000	9,698	39,698
2023-2024	35,000	8,454	43,454
2024-2025	35,000	7,071	42,071
2025-2026	35,000	5,636	40,636
2026-2027	35,000	4,175	39,175
2027-2028	40,000	2,580	42,580
2028-2029	40,000	860	40,860
2029-2030			
2030-2031			
2031-2032			
2032-2033			
2033-2034			
2034-2035			
2035-2036			
2036-2037			
TOTAL	385,000	101,901	486,901

**SERIES 2011 WATER & SEWER REVENUE BOND
AS OF 9/30/2017
WATER & SEWER LONG-TERM DEBT**

Fiscal Year	Principal	Interest	Total
2017-2018	105,000	57,699	162,699
2018-2019	105,000	55,389	160,389
2019-2020	110,000	52,725	162,725
2020-2021	110,000	49,728	159,728
2021-2022	115,000	46,349	161,349
2022-2023	120,000	42,558	162,558
2023-2024	120,000	38,538	158,538
2024-2025	125,000	34,310	159,310
2025-2026	130,000	29,815	159,815
2026-2027	135,000	25,044	160,044
2027-2028	140,000	19,955	159,955
2028-2029	145,000	14,575	159,575
2029-2030	150,000	8,933	158,933
2030-2031	155,000	3,023	158,023
2031-2032			
2032-2033			
2033-2034			
2034-2035			
2035-2036			
2036-2037			
TOTAL	1,765,000	478,641	2,243,641

**SERIES 2012A CERTIFICATES OF OBLIGATION
AS OF 9/30/2017
WATER & SEWER LONG-TERM DEBT**

Fiscal Year	Principal	Interest	Total
2017-2018	105,000	54,300	159,300
2018-2019	110,000	52,150	162,150
2019-2020	110,000	49,950	159,950
2020-2021	115,000	47,700	162,700
2021-2022	115,000	45,400	160,400
2022-2023	120,000	43,050	163,050
2023-2024	120,000	40,350	160,350
2024-2025	125,000	37,288	162,288
2025-2026	125,000	33,850	158,850
2026-2027	130,000	30,025	160,025
2027-2028	135,000	26,050	161,050
2028-2029	140,000	21,925	161,925
2029-2030	145,000	17,469	162,469
2030-2031	150,000	12,675	162,675
2031-2032	155,000	7,719	162,719
2032-2033	160,000	2,600	162,600
2033-2034			
2034-2035			
2035-2036			
2036-2037			
TOTAL	2,060,000	522,501	2,582,501

**SERIES 2013 GENERAL OBLIGATION REFUNDING BONDS
AS OF 9/30/2017
WATER & SEWER LONG-TERM DEBT**

Fiscal Year	Principal	Interest	Total
2017-2018	140,000	9,800	149,800
2018-2019	140,000	6,300	146,300
2019-2020	140,000	2,100	142,100
2020-2021			
2021-2022			
2022-2023			
2023-2024			
2024-2025			
2025-2026			
2026-2027			
2027-2028			
2028-2029			
2029-2030			
2030-2031			
2031-2032			
2032-2033			
2033-2034			
2034-2035			
2035-2036			
2036-2037			
TOTAL	420,000	18,200	438,200

**SERIES 2017 CO WATER PROJECTS
AS OF 9/30/2017
WATER & SEWER LONG-TERM DEBT**

Fiscal Year	Principal	Interest	Total
2017-2018	75,000	68,696.11	143,696.11
2018-2019	85,000	63,325.00	148,325.00
2019-2020	90,000	60,700.00	150,700.00
2020-2021	115,000	57,625.00	172,625.00
2021-2022	115,000	54,175.00	169,175.00
2022-2023	115,000	50,725.00	165,725.00
2023-2024	115,000	47,275.00	162,275.00
2024-2025	115,000	43,825.00	158,825.00
2025-2026	115,000	40,375.00	155,375.00
2026-2027	115,000	36,925.00	151,925.00
2027-2028	115,000	33,475.00	148,475.00
2028-2029	115,000	30,025.00	145,025.00
2029-2030	115,000	26,575.00	141,575.00
2030-2031	115,000	23,125.00	138,125.00
2031-2032	115,000	19,675.00	134,675.00
2032-2033	115,000	16,225.00	131,225.00
2033-2034	115,000	12,703.13	127,703.13
2034-2035	115,000	9,109.38	124,109.38
2035-2036	115,000	5,443.75	120,443.75
2036-2037	110,000	1,787.50	111,787.50
TOTAL	2,200,000	701,790	2,901,790

**CAPITAL EQUIPMENT FUND - 701
FISCAL YEAR 2018 ADOPTED BUDGET**

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
Charges for Service	201,596	202,100	202,100	203,000
Other Revenue	0	0	0	0
Interest	2,146	2,100	2,100	3,250
Non-Operating Income	(276,789)	0	0	0
Total Revenues	(\$73,047)	\$204,200	\$204,200	\$206,250
Capital Outlay	848	62,000	62,000	63,000
Financial Obligations	2,120	141,202	141,202	142,303
Total Expenses	\$2,968	\$203,202	\$203,202	\$205,303
Revenues Over Expenses	(76,015)	998	998	947

HOTEL / MOTEL OCCUPANCY TAX FUND FISCAL YEAR 2018 ADOPTED BUDGET

SUMMARY

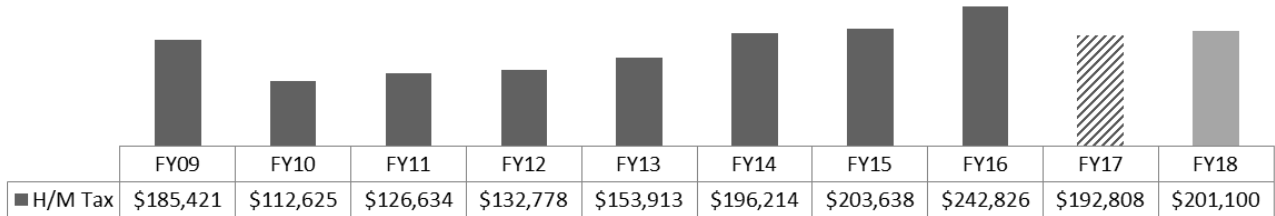
The Hotel/Motel Occupancy Tax Fund is used to account for revenues realized from hotel occupancy taxes. Local hotel occupancy tax revenues may only be spent to establish or enhance a convention center, cover the administrative expenses for registering convention delegates, pay for tourism-related advertising 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 2016-2017

Looking back at FY09, the city reported \$185,421 in HOT collection but then was challenged with a 39% reduction the following year. HOT collection did not exceed FY09 for five years and without question, that the loss was primarily linked with the national recession. From FY11 to FY16 the average annual improvement in collection is 14%, with the minimum annual improvement being 4%. Current trends for FY17 show projections \$50,018 lower than 9/30/16 actuals with all establishments trending 7% to 30% less than collections from the prior year. This reduction is a significant departure from collection growth experienced over the last 7 years. The FY17 projected budget is trending similar to the loss experienced during the recession. The local hotel occupancy tax collection has a wide range of variability as illustrated in the chart below.

Occupancy Tax Collection



Occupancy collection for FY17 was originally budgeted at \$220,000, and at the time considered to be a conservative expectation with FY16 actuals that ultimately ended at \$242,826, \$25,250 more than the FY17 original budget. Current trends projects collections will end at \$192,808 at 9/30/2017, lowering total FY17 Hotel Occupancy Tax Fund revenue to \$196,828, \$26,772 less than original budget.

The FY16 budget includes recurring items totaling \$32,440 with a 3.5% merit increase for city employees as well as salary adjustments to improve the ability to attract and maintain quality staff. Several improvements to the civic center facility were adopted to continue to recondition the center as an attractive and viable facility, including carpet in the civic center lobby, replacing the dumpster screening/fencing at the back of the facility, small event tables and a video security system. The budget included the Cleveland 5K Reindeer Run as a new sport tourism event on the same day as Hometown Christmas. The city has additional commitments to the Cleveland Chamber of Commerce based on FY16 actuals with an outlook of being able to sustain additional advertising for the Cleveland Music Festival. The fund will keep the unfunded commitment with the chamber but delay remaining capital programs until collection improves. Ending fund balance for FY17 is projected at \$538,053, providing \$480,000 as unrestricted.

Fiscal Year 2017-2018

Estimated collections for FY18 occupancy tax is \$201,100 with adopted total fund revenue of \$205,350. It is expected that total HOT collection will recover by at least 4% based on the collection activity from all 7 establishments over the last three years. FY18 budget includes a base budget of \$188,380 maintaining personnel at \$92,602, professional services (IT services) at \$20,000 and annual advertising at \$35,000 (combining CVB and TxDOT Program). This affords \$16,970 in supplemental items while sustaining a balanced budget for FY18. The adopted includes recurring supplemental totaling \$16,970; however an additional non-recurring \$75,000 is for

capital maintenance of the existing Civic Center HVAC for a total of \$91,970 in supplemental items. The HVAC project would be funded from prior year retained HOT tax collections.

The adopted supplemental expenditures include the following:

	RECURRING	NON- RECURRING	TOTAL
Employee Merit Increase (2.0%)	1,561		1,561
Employee Pay Adjustments	2,909		2,909
Chamber Tourism Event Advertising	12,500		12,500
Civic Center HVAC		75,000	75,000
Total Supplemental Expenditures:	\$16,970	\$75,000	\$91,970

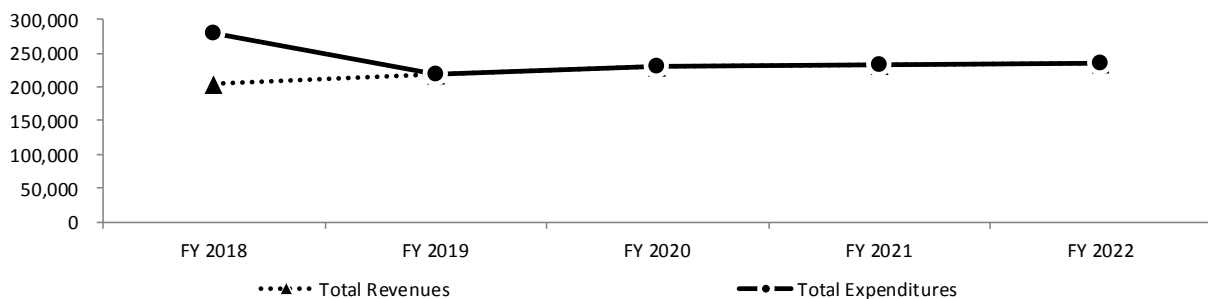
Salaries and benefits include a 2.0% merit increase for city employees as well as salary adjustment two one position after thorough review of staff responsibilities and compensation. Also included is \$12,500 for tourism event advertising ultimately managed and organized under the Cleveland Chamber of Commerce as the Cleveland Music Festival.

Fund balance for 9/30/18 is estimated to be \$392,965. In order to maintain a healthy reserve, \$70,088 is required to remain as unallocated fund balance, the reserve includes coverage of the non-recurring. The estimated in excess reserve \$392,965 could be used towards future fiscal capital improvement program, possibly expanding the south parking lot at the civic center facility.

FIVE YEAR PLAN

A five year plan is programmed for forecasting purposes only. It is projected that Fund 600 will support a sustainable budget while financing at least \$8,000 to \$15,000 (annually) toward future capital programs.

	FY 2018 ADOPTED	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED
Total Revenues	205,350	219,725	230,711	233,018	235,348
Hotel/Motel	45,500	45,500	45,500	45,500	45,500
Convention & Visitors' Bureau	234,850	164,646	169,585	174,672	179,913
Future Capital Programs		8,000	15,000	12,000	10,000
Total Expenditures	280,350	218,146	230,085	232,172	235,413



HOTEL / MOTEL OCCUPANCY TAX FUND - 600
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>REVENUES</u>				
Occupancy Tax	242,826	220,000	192,808	201,100
Interest	3,838	3,600	4,020	4,250
Total Revenues	\$246,664	\$223,600	\$196,828	\$205,350
<u>EXPENDITURES</u>				
Hotel/Motel	53,658	48,399	45,110	45,500
Convention & Visitors' Bureau	176,654	175,201	169,515	234,850
Total Expenditures	\$230,312	\$223,600	\$214,625	\$280,350
Revenues Over Expenses	16,352	0	(17,797)	(75,000)
Fund Balance - Beginning	572,202	555,850	555,850	538,053
Fund Balance - Ending	\$ 555,850	\$ 555,850	\$ 538,053	\$ 463,053
Reserve Requirement (25%)		55,900	53,656	70,088
Excess/(Deficit)		499,950	484,396	392,965

**HOTEL / MOTEL OCCUPANCY TAX FUND - 600
FISCAL YEAR 2018 ADOPTED BUDGET**

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
REVENUES				
<u>INTEREST</u>				
600-4000-10-0891 INTEREST INCOME	3,838	3,600	4,020	4,250
TOTAL INTEREST	3,838	3,600	4,020	4,250
<u>OCCUPANCY TAX</u>				
600-4000-15-0801 SUPER 8	22,160	17,000	15,512	15,500
600-4000-15-0802 MOTEL 6	34,007	32,000	27,935	28,900
600-4000-15-0803 BUDGET INN	3,228	2,500	2,800	2,800
600-4000-15-0804 DELUX INN	4,096	3,500	3,148	3,400
600-4000-15-0805 BEST WESTERN	53,032	45,000	38,459	38,500
600-4000-15-0810 HOLIDAY INN	62,634	60,000	58,226	59,200
600-4000-15-0815 LA QUINTA	63,670	60,000	46,728	52,800
TOTAL OCCUPANCY TAX	242,826	220,000	192,808	201,100
TOTAL REVENUES	\$246,664	\$223,600	\$196,828	\$205,350

EXPENDITURES

HOTEL/MOTEL

PROFESSIONAL SERVICES

600-5610-02-6050 CREDIT CARD FEES/HOTEL/MOTEL	158	500	160	500
600-5610-02-6070 CIVIC CENTER-REIMBURSEMENT	30,000	30,000	30,000	30,000
600-5610-02-6080 ADVERTISING/BILLBOARDS	23,500	15,000	14,950	15,000
600-5610-02-6081 ARTS	0	2,899	0	0
TOTAL PROFESSIONAL SERVICES	53,658	48,399	45,110	45,500
 TOTAL HOTEL/MOTEL	 53,658	 48,399	 45,110	 45,500

CONVENTION & VISITORS' BUREAU

SALARIES & BENEFITS

600-5620-01-1010 SALARIES	45,049	63,146	63,146	70,565
600-5620-01-1011 OVERTIME	1,000	1,500	1,500	1,200
600-5620-01-1020 GROUP INSURANCE	7,816	10,935	10,935	11,245
600-5620-01-1030 FICA/MEDICARE	3,523	4,949	4,949	5,491
600-5620-01-1040 RETIREMENT	4,665	6,987	6,987	7,837
600-5620-01-1050 STATE UNEMPLOYMENT TAX	184	414	414	414
600-5620-01-1060 WORKERS COMPENSATION	197	989	989	320
TOTAL SALARIES & BENEFITS	62,434	88,920	88,920	97,072

HOTEL / MOTEL OCCUPANCY TAX FUND - 600
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>PROFESSIONAL SERVICES</u>				
600-5620-02-2090 NSD CONTRACT SERVICES	0	20,000	20,000	20,000
TOTAL PROPERTY SERVICES	0	20,000	20,000	20,000
<u>PROPERTY SERVICES</u>				
600-5620-03-2220 ELECTRICITY	360	360	0	0
TOTAL PROPERTY SERVICES	360	360	0	0
<u>OTHER SERVICES</u>				
600-5620-04-2710 TELEPHONE	660	671	606	978
600-5620-04-2720 ADVERTISING	21,000	21,000	21,000	32,500
600-5620-04-2730 PROMOTIONAL MERCHANDISE	1,500	1,000	2,434	1,500
600-5620-04-2730 SPORTS TOURISM	0	0	4,402	0
600-5620-04-2735 PRINTING MATERIALS	3,000	2,000	0	0
600-5620-04-2740 TRAVEL/MILEAGE	2,000	1,500	0	0
600-5620-04-2750 DUES/SUBSCRIPTIONS/MEMBERSHIP	1,100	1,100	1,000	1,100
600-5620-04-2760 TOURISM/TRADE SHOWS	1,500	1,500	8,500	2,000
600-5620-04-2770 CONVENTION SALES/SERVICING	2,000	1,000	0	0
600-5620-04-2780 VISITOR SERVICES	100	0	0	0
600-5620-04-2795 PUBLIC RELATIONS	300	0	0	0
600-5620-04-2830 SEMINARS/TRAINING	2,800	2,800	2,800	2,800
600-5620-04-3130 POSTAGE	1,000	1,000	0	0
TOTAL OTHER SERVICES	36,960	33,571	40,742	40,878
<u>SUPPLIES</u>				
600-5620-05-3010 OFFICE SUPPLIES	2,000	2,000	1,800	1,800
600-5620-05-3030 EMPLOYEE RELATIONS	400	75	75	100
600-5620-05-3100 OTHER OPERATING SUPPLIES	500	5,500	0	0
TOTAL SUPPLIES	2,900	7,575	1,875	1,900
<u>OTHER EXPENDITURES</u>				
600-5620-06-5066 SOFTWARE	1,000	0	0	0
TOTAL OTHER EXPENDITURES	1,000	0	0	0
<u>CAPITAL OUTLAY</u>				
600-5620-17-5090 OTHER CAPITAL OUTLAY >5,000	73,000	24,775	17,978	75,000
TOTAL CAPITAL OUTLAY	73,000	24,775	17,978	75,000
TOTAL CVB	\$176,654	\$175,201	\$169,515	\$234,850
TOTAL EXPENDITURES	\$230,312	\$223,600	\$214,625	\$280,350

**SPECIAL REVENUE FUND - 900
FISCAL YEAR 2018 ADOPTED BUDGET**

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
Red Light Camera	6,068	1,500	3,000	1,500
Interest	924	370	370	370
Seizures	201,100	0	10,000	0
Non-Operating	0	0	0	0
Total Revenues	\$208,092	\$1,870	\$13,370	\$1,870
Capital Projects	0	0	0	0
Money Seizures	87,348	0	3,000	0
Red Light Camera	49,787	1,750	1,895	1,750
Red Light Camera -Project	52,411	0	3,372	0
Total Expenditures	\$189,546	\$1,750	\$8,267	\$1,750
Revenues Over Expenses	18,546	120	5,103	120
Fund Balance - Beginning	173,900	192,446	192,446	197,549
Fund Balance - Ending	\$ 192,446	\$ 192,566	\$ 197,549	\$ 197,669

**SPECIAL REVENUE FUND - 915
COURT TECHNOLOGY
FISCAL YEAR 2018 ADOPTED BUDGET**

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
Court Special Revenue	7,098	7,326	6,500	6,500
Interest	0	25	25	25
Total Revenues	\$7,098	\$7,351	\$6,525	\$6,525
Court Special Expenditures	9,068	6,500	6,500	6,500
Total Expenditures	\$9,068	\$6,500	\$6,500	\$6,500
Revenues Over Expenses	(1,970)	851	25	25
Fund Balance - Beginning	1,946	(24)	(24)	1
Fund Balance - Ending	(\$24)	\$827	\$1	\$26

**SPECIAL REVENUE FUND - 916
COURT SECURITY
FISCAL YEAR 2018 ADOPTED BUDGET**

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
Court Special Revenue	5,326	5,000	5,000	5,000
Interest	0	0	25	25
Total Revenues	\$5,326	\$5,000	\$5,025	\$5,025
Court Special Expenditures	0	5,000	5,000	5,000
Total Expenditures	\$0	\$5,000	\$5,000	\$5,000
Revenues Over Expenses	5,326	0	25	25
Fund Balance - Beginning	5,985	11,311	11,311	11,336
Fund Balance - Ending	\$11,311	\$11,311	\$11,336	\$11,361

UNITY DONATION FUND - 102
FISCAL YEAR 2018 ADOPTED BUDGET

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

Expenditures in fiscal year 2017 total \$18,100, including \$13,500 for Fourth of July Fireworks. Expenditures in fiscal year 2018 total \$18,100 and the estimated cash available is \$5,726 on 9/30/2018.

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
REVENUE:				
<u>INTEREST</u>				
102-4000-10-0894 INTEREST	52	50	50	50
TOTAL INTEREST	52	50	50	50
<u>COMMUNITY EVENTS</u>				
102-4000-30-0100 DONATIONS - CLEANUP CLEVELAND	0	200	200	200
102-4000-30-0110 DONATIONS - TREAT STREET	0	200	200	200
102-4000-30-0115 DONATIONS - BUNNY BLAST	50	300	300	300
102-4000-30-0120 DONATIONS - JULY FIREWORKS	10,400	13,500	13,500	13,500
102-4000-30-1030 DONATIONS - CHRISTMAS	3,745	3,600	3,600	3,600
102-4000-30-1040 I LOVE CLEVELAND CAMPAIGN	0	500	500	500
TOTAL COMMUNITY EVENTS	14,195	18,300	18,300	18,300
TOTAL REVENUES	\$14,247	\$18,350	\$18,350	\$18,350
 EXPENDITURES				
<u>COMMUNITY EVENTS</u>				
102-5100-30-1010 CLEANUP CLEVELAND	0	100	100	100
102-5100-30-1020 TREAT STREET	0	100	100	100
102-5100-30-1030 BUNNY BLAST	3	300	300	300
102-5100-30-1040 JULY FIREWORKS	12,272	13,500	13,500	13,500
102-5100-30-1050 HOMETOWN CHRISTMAS	3,855	3,500	3,500	3,500
102-5100-30-1060 I LOVE CLEVELAND CAMPAIGN	0	500	500	500
102-5100-30-3130 POSTAGE	0	100	100	100
TOTAL COMMUNITY EVENTS	16,130	18,100	18,100	18,100
TOTAL EXPENDITURES	\$16,130	\$18,100	\$18,100	\$18,100
Revenues Over Expenses	(1,883)	250	250	250
Fund Balance - Beginning	7,109	5,226	5,226	5,476
Fund Balance - Ending	\$ 5,226	\$ 5,476	\$ 5,476	\$ 5,726

CLEVELAND ECONOMIC DEVELOPMENT CORPORATION FISCAL YEAR 2018 ADOPTED BUDGET

SUMMARY

The Cleveland Economic Development Corporation (EDC) Fund supports industrial development projects such as business infrastructure, manufacturing and research and development. The Cleveland EDC is a Type B corporation and is a component unit of the City of Cleveland.

Fiscal Year 2016-2017:

Total revenues are projected to be \$585,809; \$27,036 more than the amended budget as a result of non-operating income for South Central Sands purchase of additional acreage within the industrial park. Without this additional revenue source, projected annual revenue would be \$21,538 less than anticipated as a result of static sales tax collection. Sales tax collection was adopted at \$544,673, and currently projected \$27,234 or 5.0% under the amended budget and is due to contraction in collections from retail development south of the city's incorporation. The city actually collected \$549,609 in fiscal year 2016 and the projected is \$32,170 lower than the 9/30/2016 actual. The Municipal Sports Park outpaces original budgeted expectations by \$1,618 as well as interest revenue by \$1,312. The preceding year received a net gain of \$48,575 from the initial sale of the land to South Central Sands as non-operating revenue. Total revenue is \$48,575 higher than Operating Revenue from the consecutive sale of the land to South Central Sands after exercising the option to purchase additional property.

Total Expenses for fiscal year 2017 are projected at \$573,365, a savings of \$29,527 from the amended budget mainly due to \$20,808 savings in appropriations originally earmarked for demolition and business incentives. The Corporation is projected to have savings of \$6,228 in Other Services which includes marketing and travel/training. The Corporation purchased capital equipment, a bunker rake, for improving efficiency in preparing sports fields for proper play and originally allocated \$80,000 toward additional Sports Park restroom facilities. Actual funding for the restrooms was reallocated to completing industrial park improvements. Council has agreed to promptly complete the restrooms and discontinue portable restrooms services. The Board and Council have requested that the facility be built similar to specifications as the existing restroom facilities. Projections for fiscal year 2017 capital programs are shown as completed by year end; however, it is clear that not all projects will be completed by year-end and will require the board to carry-over funds after final fiscal year 2018 adoption, the same action as in prior years. The Corporation did approve a carryover of \$56,157 to complete capital directed towards the industrial park, primarily road and waterline improvements. Ending fund balance at 9/30/2017 is \$1,839,067, \$12,445 more than the beginning balance and an improvement of \$56,564 over the amended budget. Final projections are dependent on completion capital projects, the completion of the drainage survey and the negotiation/timing of TDA grant repayment. Staff will recommend adjustments as timing and other uncertainties become clear prior to final adoption.

Fiscal Year 2017-2018 Budget:

Total revenues are budgeted at \$516,598, of which \$501,916, or 97%, is from sales tax remittances. Total revenues are \$69,212 less than the previous year with sales tax 3.0% less than fiscal year 2017 projection seeing expected loss in collection due to a new Walmart facility opening on US69 frontage in New Caney. This contraction of Sales tax is similar to the effects from development at US69 at the Grand Parkway. The likely commercial development from the TIRZ is not expected to collect any additional sales tax until fiscal year 2019. Interest revenue is anticipated at \$6,984, lower than last year due a significant drop in cash on hand for the Grant reimbursement. A total of \$ 7,618 is revenue from the Municipal Sports Park based on 2017 projections. Another major divergence is the adopted does not include any non-operating income such as the sale of assets as experienced in the last two years, The Corporation does not anticipate any immediate or assured sale of property, but is advancing development within the industrial park for job creation.

Total adopted budget is \$851,394, \$278,030, more than fiscal year 2017 projected. The budget supports professional services at \$96,515 with \$44,815 to cover engineering services for a drainage study, \$22,000 in legal representation in regards to Earth Energy, and \$1,000 to cover legal publications. Other administrative services remain unchanged. The drainage study, approved in 2017 and funded in the adopted is for drainage and roadway survey that ultimately plan the construction of 8,600 linear feet of drainage ditch. The ditch will be designed to improve outflow ultimately to Marsh Creek. Additional phases related to the drainage study and improvements,

including design/construction phase, remains unfunded with estimated cost actually unknown at this time, but preliminary estimates based on survey cost put total project as high as \$290,000.

Property services for the industrial park, sports park maintenance, and demolition total \$84,500. Incentives and job training remain unchanged at \$45,000. Operating expenses of \$244,160 and existing financial obligations at \$257,234 are \$15,203 less than revenue. The adopted does include substantial transfer of \$350,000, mainly from retained earnings to reimburse the city for repayment of the Texas Department of Agriculture (TDA) grant.

	FY16	FY17	FY17	FY18
	Actual	Budget	Projected	Adopted
Total Revenues	\$615,333	\$558,773	\$585,809	\$516,598
Total Expenses	\$591,181	\$602,892	\$573,365	\$851,394
Over/(Under)	\$24,152	(\$44,119)	\$12,445	(\$334,797)

The City received the TDA and issued bonds to construct a water plant at the industrial park. The grant included a performance clause for an entity to build a plant and hire 28 employees by December 2014. The TDA has extended the performance requirement to June 2017. Currently, the requirements of the grant are incomplete due to the entity's failure to perform. Currently, it is highly doubtful that for an entity to fulfill the performance requirement or receive any further performance extensions. The City is responsible for repayment of the grant totaling \$730,000. The EDC guaranteed the performance and if the City is charged with repayment to TDA, therefore the EDC will reimburse the City, starting with the \$350,000 adopted in 2018. The City is to request a payment extension for October 2017 in order for the EDC to transfer funds without any amendments to the 2017 budget.

If the Corporation met the full obligation reimburse within 2017, total budget expenses would exceed \$1.2 million. This option would significantly limit the Corporations ability to operate and create a deficit gap exceeding \$700,000. Adopting such a significant gap will limit available cash balance and severely limit the Corporation's capability. The adopted alternative is to leverage payments by having the city immediately support the obligation and reimbursing the city over an agreed term.

Projected cash balance at 9/30/2018 under the adopted a termed reimbursement is limited to \$662,848. Ending cash balance does remain above both the operating reserve of \$212,849 and annual debt coverage of \$257,234 by \$192,765 or \$280,666 when excluding TDA reimbursement.

Ending Cash Balance	\$662,848
Reserve Requirement	
Total Expenses	\$851,394
Expense for TDA Repayment	(\$350,000)
Total - Less TDA Expense:	\$501,394
3 Month Operating	\$212,849
3 Month Operating - Less TDA Expense	\$125,349
Annual Debt Coverage	\$257,234
Total Coverage Requirement	\$470,083
Total Coverage Requirement - Less TDA	\$382,583
Cash = Excess/(Deficit)	\$192,766
Cash = Excess/(Deficit) Less TDA	\$280,266

The operating reserve at \$212,849 includes the \$350,000 grant reimbursement and all other non-recurring expenses such as the drainage study and capital projects. This practice continues the conservative precedence of maintaining a substantial capacity of unrestricted cash.

Program Requests:

In addition to the adopted budget, supplemental items are requested in subsequent years. Clearly some items have higher priority than others and the Corporation currently does not have the leverage to complete all items presented. The following are presented as additions to the multi-year outlook, including the TDA grant reimbursement:

Program Requests	
Additional Legal Cost	\$10,000
Grant Reimbursement	\$730,000
Industrial Park Drainage	\$255,000
Additional Road Improvements	\$75,000
Business Prospect Analysis	\$30,000
North End Industrial Park Study	\$75,000
	\$1,175,000

MULTI-YEAR PLAN

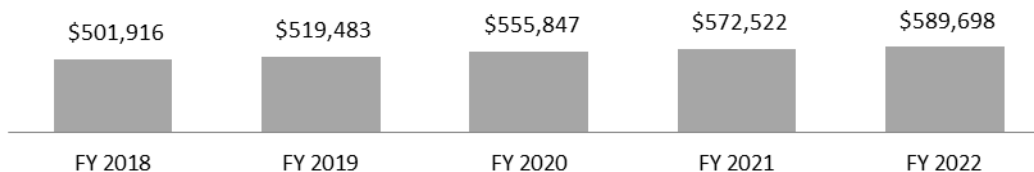
The following multi-year plan and charts are provided for planning purposes only, as the budget is adopted by the Board and Council annually:

Planned Allocation of Program Requests:

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Future
Additional Legal Cost	\$10,000					\$0
Grant Reimbursement	\$350,000	\$40,000	\$155,000	\$185,000		\$0
Business Prospect Analysis			\$30,000			\$0
Industrial Park Drainage				\$25,000	\$230,000	\$0
Additional Road Improvements						\$75,000
North End Industrial Park Study						\$75,000
	\$360,000	\$40,000	\$185,000	\$210,000	\$230,000	\$150,000

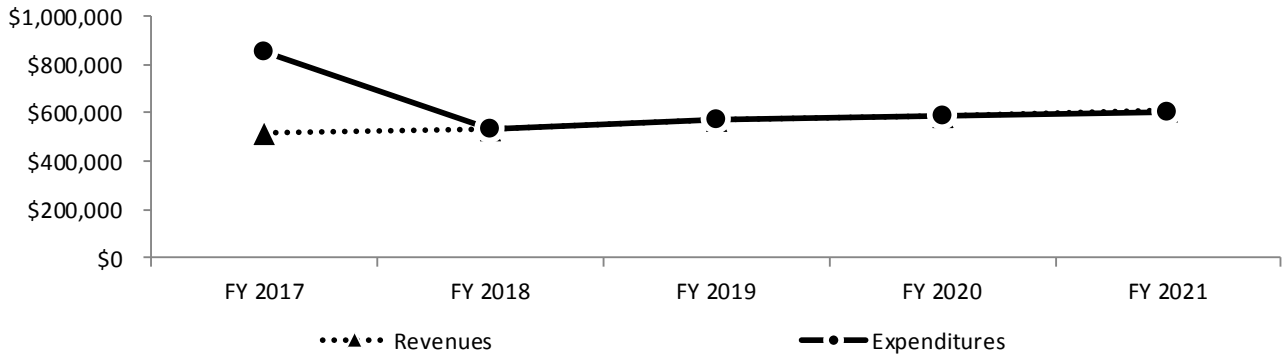
Projected Sales Tax Growth:

The 2018 budget includes a contraction in sales tax collection due to the collection loss to several big box commercial developments south of Cleveland. Expectation is that sub-urban development will continue, spreading northward to sustain sales tax growth within the City of Cleveland. The forecast below measures collection improvement with the creation and growth of the TIRZ development taking hold by FY2020.



Comprehensive Five Year Plan:

	FY 2018 ADOPTED	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED
Total Revenues	\$516,598	\$534,679	\$572,106	\$589,269	\$606,947
Debt Obligations	\$257,234	\$259,159	\$216,410	\$208,313	\$203,588
Operations	\$104,660	\$105,707	\$106,764	\$107,831	\$108,910
Community/Property Services	\$84,500	\$84,500	\$15,000	\$15,000	\$15,000
Incentives	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Repayment	\$350,000	\$40,000	\$155,000	\$185,000	\$0
Capital/Supplemental	\$10,000		\$30,000	\$25,000	\$230,000
Total Expenses	\$851,394	\$534,366	\$568,174	\$586,144	\$602,497
Revenues Over Expenses	(334,797)	313	3,932	3,126	4,450
Fund Balance - Cash Ending	662,848	\$663,161	\$667,093	\$670,219	\$674,669
Reserve & Restricted	212,849	133,592	142,043	146,536	150,624
Annual Debt Coverage	257,234	259,159	216,410	208,313	203,588
Excess/(Deficit)	192,765	271,260	309,489	316,220	321,307



ECONOMIC DEVELOPMENT CORPORATION FUND - 200
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
REVENUES:				
Sales Taxes	549,609	544,673	517,439	501,916
Other Income	1,010	100	2,866	80
Interest Revenue	10,168	8,000	9,312	6,984
Sports Park	5,971	6,000	7,618	7,618
Operating Revenues	\$566,759	\$558,773	\$537,235	\$516,598
Sale of Assets	48,575	0	48,575	0
Non-Operating Revenues	48,575	0	48,575	0
Total Revenues	\$615,333	\$558,773	\$585,809	\$516,598
EXPENSES:				
Professional Services	43,255	42,700	41,700	96,515
Property Services	77,542	85,000	75,000	84,500
Other Services	13,787	20,200	13,972	17,145
Supplies	1,059	2,100	609	1,000
Infrastructure	17,872	148,257	148,257	0
Community/Industrial	0	45,000	34,192	45,000
Total Operating Expenses	\$153,516	\$343,257	\$313,730	\$244,160
Transfer Out	208,475	0	0	350,000
Financial Obligations	229,191	259,635	259,635	257,234
Total Non-Operating Expenses	437,666	259,635	259,635	607,234
Total Expenses	\$591,181	\$602,892	\$573,365	\$851,394
<i>Revenues Over Expenses (Total)</i>	24,152	(44,119)	12,445	(334,797)
Fund Balance - Beginning	1,850,774	1,826,622	1,826,622	1,839,067
Cash Balance - Beginning		985,200	985,200	997,645
Fund Balance - Ending	\$ 1,826,622	\$ 1,782,503	\$ 1,839,067	\$ 1,504,270
Cash Balance - Ending	\$ 985,200	\$ 941,081	\$ 997,645	\$ 662,848
Reserve Requirement (25%)		150,723	143,341	212,849
Annual Debt Coverage		258,785	258,785	257,234
Excess/(Deficit)*		531,573	595,519	192,765

ECONOMIC DEVELOPMENT CORPORATION FUND - 200
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>Sales Taxes</u>				
Sales Tax Revenues	549,609	544,673	517,439	501,916
Total Sales Taxes	549,609	544,673	517,439	501,916
<u>Other Income</u>				
Other Proceeds	968	0	2,786	0
Credit Card Fees	42	100	80	80
Total Sales Taxes	1,010	100	2,866	80
<u>Interest</u>				
Interest Revenue	10,168	8,000	9,312	6,984
Total Interest	10,168	8,000	9,312	6,984
<u>Sports Park</u>				
Sports Events/Municipal Park	5,971	6,000	7,618	7,618
Total Sports Park	5,971	6,000	7,618	7,618
Total Operating Revenues	\$566,759	\$558,773	\$537,235	\$516,598
<u>Non-Operating</u>				
Gain (Loss) Sale of Assets	48,575	0	48,575	0
Total Non-Operating	48,575	0	48,575	0
Total Revenues	\$615,333	\$558,773	\$585,809	\$516,598

ECONOMIC DEVELOPMENT CORPORATION FUND - 200
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>Professional Services</u>				
Legal/General	12,622	12,000	12,000	22,000
Legal Publications	0	0	0	1,000
Accounting/Audit	3,300	3,500	3,500	3,500
Administrative-Contract	19,213	18,000	18,000	18,000
Administrative-City	7,200	7,200	7,200	7,200
Engineering/Other Services	920	2,000	1,000	44,815
Total Professional Services	43,255	42,700	41,700	96,515
<u>Property Services</u>				
Industrial Park Maintenance	0	0	0	2,000
Sports Park Maintenance	70,061	75,000	75,000	75,000
Demo/Clear - New Housing	7,481	10,000	0	7,500
Total Property Services	77,542	85,000	75,000	84,500
<u>Other Services</u>				
Marketing	6,648	10,000	6,827	10,000
Travel and Training	4,877	7,500	4,700	4,700
Dues & Membership	1,955	400	2,145	2,145
Credit Card Fee Charges	307	2,300	300	300
Total Other Services	13,787	20,200	13,972	17,145
<u>Supplies</u>				
Operating Supplies	1,059	2,100	609	1,000
Total Supplies	1,059	2,100	609	1,000
<u>Infrastructure</u>				
Industrial Park Improvements	(7,128)	56,157	136,157	0
Sports Park Improvements	25,000	92,100	12,100	0
Total Infrastructure	17,872	148,257	148,257	0
<u>Community/Industrial</u>				
Incentives	0	30,000	25,000	35,000
Job Training (LCWA/CISD)	0	15,000	9,192	10,000
Total Manufacturing/Industrial	0	45,000	34,192	45,000
Total Operating Expenses	\$153,516	\$343,257	\$313,730	\$244,160

ECONOMIC DEVELOPMENT CORPORATION FUND - 200
FISCAL YEAR 2018 ADOPTED BUDGET

	FY 2016 YEAR END ACTUAL	FY 2017 AMENDED BUDGET	FY 2017 YEAR END PROJECTED	FY 2018 ADOPTED BUDGET
<u>Non-Operating</u>				
Transfer Out	208,475	0	0	350,000
Contributions to W/S	220,108	0	0	0
Principal on Land Note	0	45,931	45,931	48,329
Interest on Land Note	9,082	6,779	6,779	4,381
Principal on 2012 Series	0	120,000	120,000	120,000
Interest on 2012 Series	0	86,075	86,075	83,675
Fiscal Agent Fees	0	850	850	850
Total Non-Operating	437,666	259,635	259,635	607,234
Total Expenses	\$591,181	\$602,892	\$573,365	\$851,394

**CORPORATION DEBT MATURITY SCHEDULE
AS OF 9/30/2017
EDC LONG-TERM DEBT**

Fiscal Year	Principal	Interest	Total
2017-2018	120,000	83,675	203,675
2018-2019	125,000	80,600	205,600
2019-2020	130,000	76,775	206,775
2020-2021	135,000	72,463	207,463
2021-2022	135,000	67,738	202,738
2022-2023	145,000	62,838	207,838
2023-2024	150,000	57,675	207,675
2024-2025	150,000	52,425	202,425
2025-2026	160,000	47,000	207,000
2026-2027	165,000	40,900	205,900
2027-2028	175,000	34,100	209,100
2028-2029	180,000	27,000	207,000
2029-2030	185,000	19,700	204,700
2030-2031	195,000	12,100	207,100
2031-2032	205,000	4,100	209,100
TOTAL	2,355,000	739,088	3,094,088

Series Name

Principal Amount

Series 2012 Sports Park

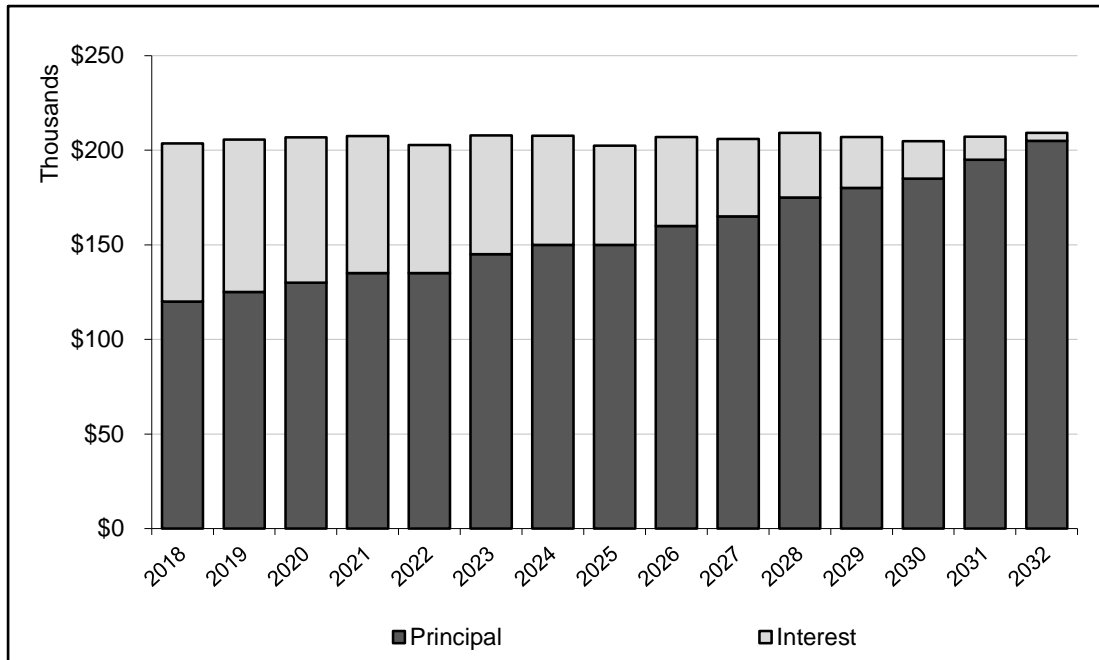
1,565,000

Series 2012 Water Well

790,000

TOTAL

2,355,000



**SERIES 2012 SPORTS PARK
AS OF 9/30/2017
EDC LONG-TERM DEBT**

Fiscal Year	Principal	Interest	Total
2017-2018	80,000	55,600	135,600
2018-2019	85,000	53,525	138,525
2019-2020	85,000	50,975	135,975
2020-2021	90,000	48,125	138,125
2021-2022	90,000	44,975	134,975
2022-2023	95,000	41,738	136,738
2023-2024	100,000	38,325	138,325
2024-2025	100,000	34,825	134,825
2025-2026	105,000	31,238	136,238
2026-2027	110,000	27,200	137,200
2027-2028	115,000	22,700	137,700
2028-2029	120,000	18,000	138,000
2029-2030	125,000	13,100	138,100
2030-2031	130,000	8,000	138,000
2031-2032	135,000	2,700	137,700
TOTAL	1,565,000	491,025	2,056,025

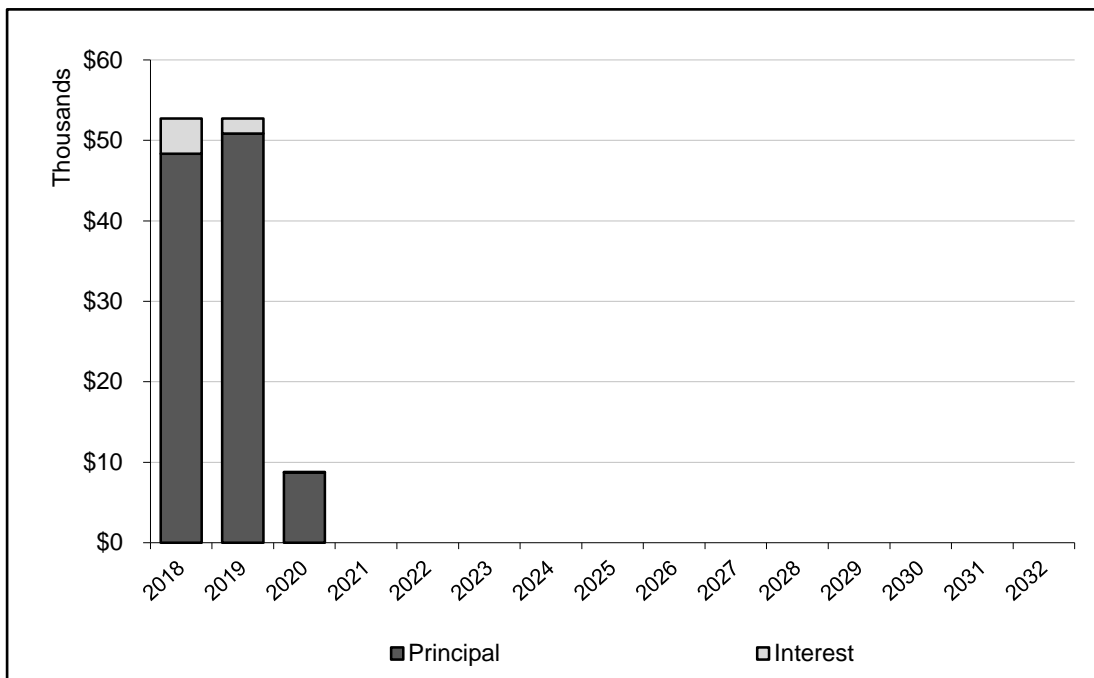
**SERIES 2012 WATER WELL
AS OF 9/30/2017
EDC LONG-TERM DEBT**

Fiscal Year	Principal	Interest	Total
2017-2018	40,000	28,075	68,075
2018-2019	40,000	27,075	67,075
2019-2020	45,000	25,800	70,800
2020-2021	45,000	24,338	69,338
2021-2022	45,000	22,763	67,763
2022-2023	50,000	21,100	71,100
2023-2024	50,000	19,350	69,350
2024-2025	50,000	17,600	67,600
2025-2026	55,000	15,763	70,763
2026-2027	55,000	13,700	68,700
2027-2028	60,000	11,400	71,400
2028-2029	60,000	9,000	69,000
2029-2030	60,000	6,600	66,600
2030-2031	65,000	4,100	69,100
2031-2032	70,000	1,400	71,400
TOTAL	790,000	248,063	1,038,063

**CORPORATION DEBT MATURITY SCHEDULE
AS OF 9/30/2017
EDC NOTE PAYABLES**

Fiscal Year	Principal	Interest	Total
2017-2018	48,329	4,381	52,709
2018-2019	50,852	1,858	52,709
2019-2020	8,730	56	8,785
2020-2021	-	-	-
2021-2022	-	-	-
2022-2023	-	-	-
2023-2024	-	-	-
2024-2025	-	-	-
2025-2026	-	-	-
2026-2027	-	-	-
2027-2028	-	-	-
2028-2029	-	-	-
2029-2030	-	-	-
2030-2031	-	-	-
2031-2032	-	-	-
TOTAL	107,910	6,294	114,204

<u>Series Name</u>	<u>Principal Amount</u>
Series 2012 Sports Park	107,910
TOTAL	107,910



**CORPORATION DEBT MATURITY SCHEDULE
AS OF 9/30/2017
EDC LONG-TERM DEBT**

Fiscal Year	Principal	Interest	Total
2017-2018	120,000	83,675	203,675
2018-2019	125,000	80,600	205,600
2019-2020	130,000	76,775	206,775
2020-2021	135,000	72,463	207,463
2021-2022	135,000	67,738	202,738
2022-2023	145,000	62,838	207,838
2023-2024	150,000	57,675	207,675
2024-2025	150,000	52,425	202,425
2025-2026	160,000	47,000	207,000
2026-2027	165,000	40,900	205,900
2027-2028	175,000	34,100	209,100
2028-2029	180,000	27,000	207,000
2029-2030	185,000	19,700	204,700
2030-2031	195,000	12,100	207,100
2031-2032	205,000	4,100	209,100
TOTAL	2,355,000	739,088	3,094,088

Series Name

Principal Amount

Series 2012 Sports Park

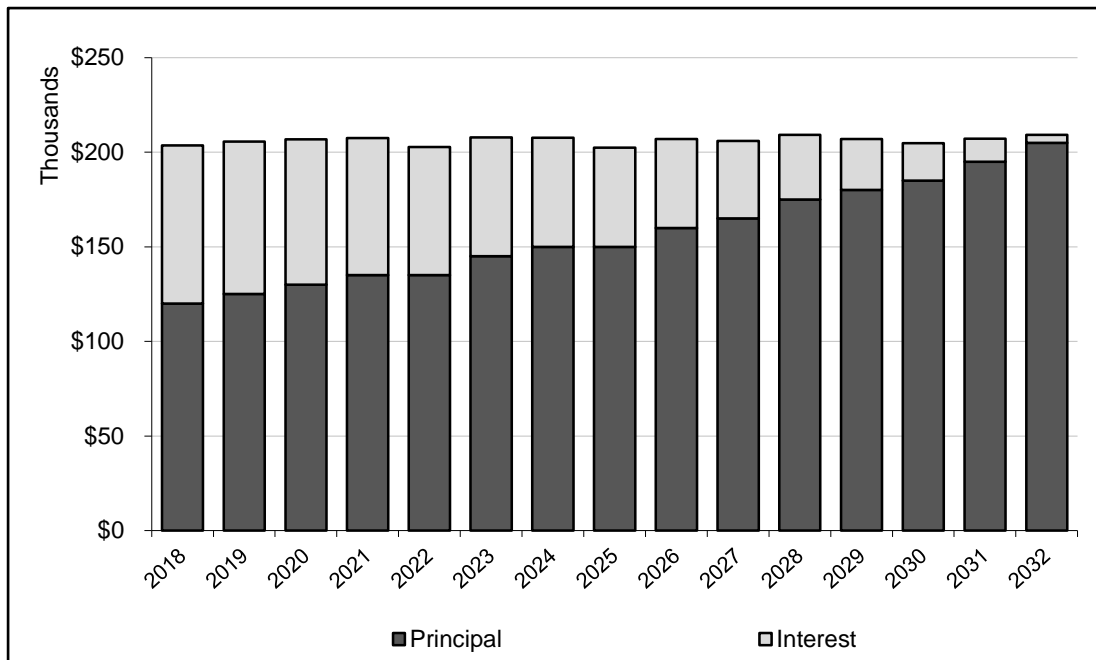
1,565,000

Series 2012 Water Well

790,000

TOTAL

2,355,000



**SERIES 2012 SPORTS PARK
AS OF 9/30/2017
EDC LONG-TERM DEBT**

Fiscal Year	Principal	Interest	Total
2017-2018	80,000	55,600	135,600
2018-2019	85,000	53,525	138,525
2019-2020	85,000	50,975	135,975
2020-2021	90,000	48,125	138,125
2021-2022	90,000	44,975	134,975
2022-2023	95,000	41,738	136,738
2023-2024	100,000	38,325	138,325
2024-2025	100,000	34,825	134,825
2025-2026	105,000	31,238	136,238
2026-2027	110,000	27,200	137,200
2027-2028	115,000	22,700	137,700
2028-2029	120,000	18,000	138,000
2029-2030	125,000	13,100	138,100
2030-2031	130,000	8,000	138,000
2031-2032	135,000	2,700	137,700
TOTAL	1,565,000	491,025	2,056,025

**SERIES 2012 WATER WELL
AS OF 9/30/2017
EDC LONG-TERM DEBT**

Fiscal Year	Principal	Interest	Total
2017-2018	40,000	28,075	68,075
2018-2019	40,000	27,075	67,075
2019-2020	45,000	25,800	70,800
2020-2021	45,000	24,338	69,338
2021-2022	45,000	22,763	67,763
2022-2023	50,000	21,100	71,100
2023-2024	50,000	19,350	69,350
2024-2025	50,000	17,600	67,600
2025-2026	55,000	15,763	70,763
2026-2027	55,000	13,700	68,700
2027-2028	60,000	11,400	71,400
2028-2029	60,000	9,000	69,000
2029-2030	60,000	6,600	66,600
2030-2031	65,000	4,100	69,100
2031-2032	70,000	1,400	71,400
TOTAL	790,000	248,063	1,038,063

**CORPORATION DEBT MATURITY SCHEDULE
AS OF 9/30/2017
EDC NOTE PAYABLES**

Fiscal Year	Principal	Interest	Total
2017-2018	48,329	4,381	52,709
2018-2019	50,852	1,858	52,709
2019-2020	8,730	56	8,785
2020-2021	-	-	-
2021-2022	-	-	-
2022-2023	-	-	-
2023-2024	-	-	-
2024-2025	-	-	-
2025-2026	-	-	-
2026-2027	-	-	-
2027-2028	-	-	-
2028-2029	-	-	-
2029-2030	-	-	-
2030-2031	-	-	-
2031-2032	-	-	-
TOTAL	107,910	6,294	114,204

Series Name

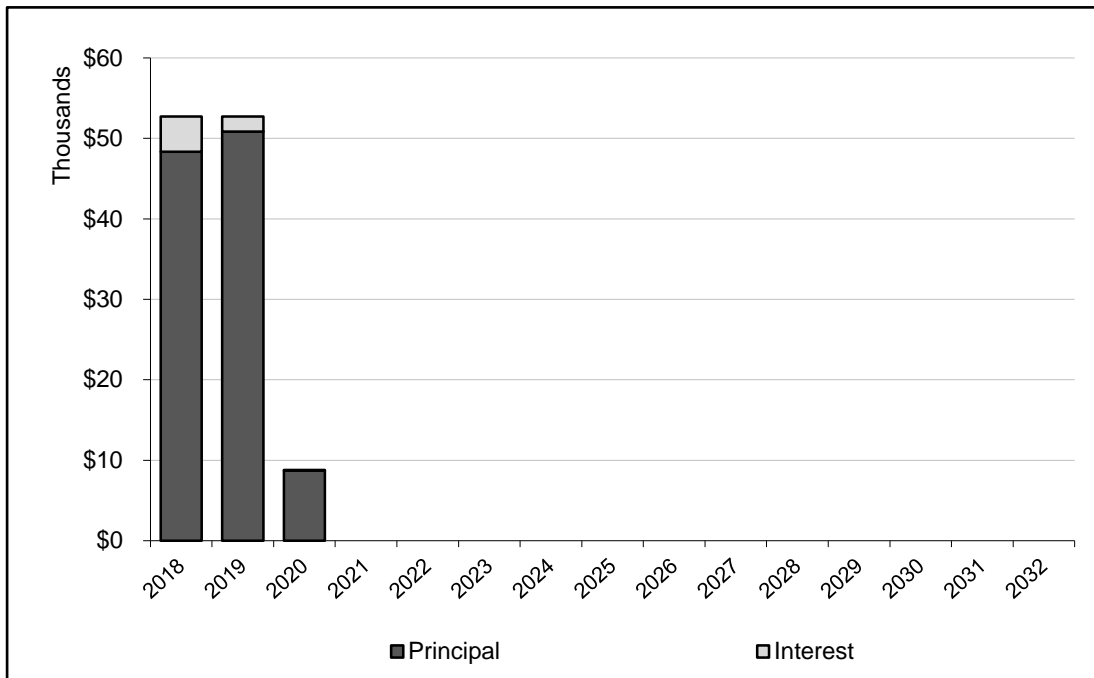
Principal Amount

Series 2012 Sports Park

107,910

TOTAL

107,910



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.

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.

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
ADOPTED BUDGET

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