



**CITY OF CLEVELAND, TEXAS
ADOPTED BUDGET
FOR FISCAL YEAR OCTOBER 1, 2018 TO SEPTEMBER 30, 2019**

OTIS COHN
MAYOR

MIKE PENRY
COUNCIL MEMBER, POSITION 1

MARILYN CLAY
COUNCIL MEMBER, POSITION 2

DANNY LEE
COUNCIL MEMBER, POSITION 5
MAYOR PRO-TEM

FRED TERRELL
COUNCIL MEMBER, POSITION 3

JENNIFER BERGMAN
COUNCIL MEMBER, POSITION 4

PRESENTED BY:
KELLY MCDONALD
CITY MANAGER

BOBBY PENNINGTON
ASSISTANT CITY MANAGER

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

FISCAL YEAR 2018 - 2019

Mayor, Otis Cohn
Mayor Pro-Tem, Danny Lee

City Council
Mike Penry
Marilyn Clay
Jennifer Bergman
Fred Terrell



907 E. Houston Ave
Cleveland, Texas 77327
Phone (281) 592-2667
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Kelly McDonald, City Manager
Bobby Pennington, Assistant City Manager
Angela Smith, City Secretary

September 18, 2018

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

I am pleased to present you with the Fiscal Year 2019 Adopted Budget. The City's economic outlook is encouraging with new development, increases in sales tax collections and improved property valuations. Along with progress come increased demands on City services and infrastructure. This administration continues efforts to make the City leaner and more effective to ensure improvement to the community quality of life.

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

- Across the board merit increases (5%) to maintain quality employees and counter the overall rise in the cost of goods/services.
- Funding of an additional police officer position, second year implementation to add additional hours to staff the fire station with round-the-clock dedicated paid employees, extending library service hours with additional staffing, and include a full-time accountant position to assist administration and finance.
- Cash funding committed to minor capital projects, including improvements to Stancil Park, continued rehabilitation of existing sanitary sewer lines (CDBG match), sidewalks for downtown revitalization, playground equipment, street maintenance and repair, police audio/video upgrades, airport taxiway extension and fuel tank remediation.
- Maintains property tax rate to 77 cents per \$100 of assessed taxable value without any additional debt or financing.
- Maintains sufficient cash balance to finance a future fire station as early as October 1, 2020.

We believe Cleveland to be one of the most promising communities for continued growth. We expect that job growth will rise and people will choose to move to Cleveland. The FY2019 Adopted Budget represents our plan to meet our responsibility. I look forward to working with you throughout our budget process and also encourage citizen opinion and participation.

Respectfully submitted,

Kelly McDonald
City Manager

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PRINCIPAL CITY OFFICIALS

City Elected Officials

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

Cleveland Economic Development Corporation

Brad Browder	Corporation President
Alfred Anderson	Board Member
Marilyn Clay	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

Primary Administrators

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

May 15	Distribution of Budget Packets to Directors/Department Heads by Finance
June 1	Budget Requests Submitted To Finance Department with All Supporting Documents Preliminary Revenue Estimates Issued By Finance for Current and Next Fiscal Year
June 1 - 8	Discussion of Budget Requests With Departments Finalize Preliminary Income Statements For General Fund And Debt Service Fund. Complete and Update Final Payroll Information
June 11 - 15	Review with City Manager and Departments
June 18 - 22	Review Funding Requests, Impact on Funds
June 25 -29	Review All Funds and Totals with City Manager
July 2 -6	Final Adjustments Made and Budget Submitted To City Manager
July 9 - 26	Finalize Budget Document, Write Transmittal Letter, Budget Packets Prepared, Agenda and PowerPoint Prepared
July 27	City Manager's Proposed Budget Filed with City Secretary ¹
August 3	Mission/Goals/Performance Measures Due <u>Send</u> Public Notice of Budget and Effective Tax Rate to Cleveland Advocate set for August 15th Publication ^{3, 4}
August 14	City Council Budget Workshop #1; Including CIP
August 15	<u>Publication</u> of Notice of Budget and Effective Tax Rate in Cleveland Advocate
August 21	City Council Budget Workshop #2 Consider Dates for Public Hearings on Tax Rate and Budget for FY 2018-19 <u>Send</u> to Cleveland Advocate the "Notice of Public Hearing on Tax Increase" For Publication; Put on City's Website.
August 28	First Public Hearing on the Tax Rate for 2018 City Council Budget Workshop #3 (if necessary) Reading of Ordinance to Adopt the 2018 Tax Rate ^{1,2,5}
September 4	Second Public Hearing on the Tax Rate for 2018 City Council Budget Workshop #4 (if necessary)
September 6	<u>Send</u> "Notice of Tax Revenue Increase" (if necessary) to Cleveland Advocate for Publication; Put on City's Website
September 12	<u>Publication</u> of "Notice of Tax Revenue Increase" (if necessary) to Cleveland Advocate
September 18	Public Hearing on Proposed Budget Consider an Ordinance to Amend Current Year Budget Consider an Ordinance Adopting a Fee Schedule for Fiscal Year 2018-19 Consider a Tax Rate for Maintenance and Operation for Budget Year 2018-19 Consider a Tax Rate for Debt Service for Budget Year 2018-19 Consider an Ordinance Providing for the Assessment, Levy and Collection of Ad Valorem Taxes for 2018 Consider an Ordinance Adopting the Budget for the Fiscal Year 2018-19 Consider an Ordinance Adopting the Five-Year Capital Improvement Program (CIP 2018-2023)
October 1	Beginning of Fiscal Year 2018-19

¹ The budget officer shall file the proposed budget with the municipal clerk before the 30th day before the date the governing body of the municipality makes its tax levy for the fiscal year (Sec. 102.005; a).

² The governing body shall set the budget public hearing for a date occurring after the 15th day after the date the proposed budget is filed with the municipal clerk but before the date the governing body makes its tax levy (Sec. 102.006).

³ The governing body shall provide for public notice of the date, time, and location of the hearing. The notice must include, in type of a size at least equal to the type used for other items in the notice, any statement required to be included in the proposed budget under Section 102.005; b; (Sec. 102.006).

⁴ The governing body of a municipality shall publish notice before a public hearing relating to a budget in at least one newspaper of general circulation in the county in which the municipality is located and notice under this section shall be published not earlier than the 30th or later than the 10th day before the date of the hearing. (Sec. 102.0065 a, b)

⁵ At the conclusion of the public hearing, the governing body of the municipality shall take action on the proposed budget. A vote to adopt the budget must be a record vote.

⁶ The Meeting to Vote on the Tax Rate Must Take Place No Less Than Three Days and No More Than Fourteen Days after the Second Public Hearing.

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.

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 2018; 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 22.550 cents (\$0.22550) for debt service and a rate of 54.450 cents (\$0.54450) 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 18th day of September, 2018, 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 2018 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 2018, an ad valorem tax at the rate of 54.450 cents (\$0.54450) 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 2018 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 22.550 cents (\$0.22550) 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, 2019. 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 18th day of September, 2018.

BUDGET ORDINANCE

AN ORDINANCE APPROVING AND ADOPTING THE BUDGET OF THE CITY OF CLEVELAND, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018; MAKING APPROPRIATIONS AS REFLECTED IN SAID BUDGET; MAKING CERTAIN FINDINGS AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, on the 26th day of July, 2018, the City Manager filed with the City Secretary a proposed budget of the City of Cleveland for the fiscal year 2018-2019, the same being from October 1, 2018, through September 30, 2019; 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 18th day of September, 2018, 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 18th day of September, 2018.

**SUMMARY OF ALL FUNDS
FISCAL YEAR 2019 ADOPTED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
GENERAL FUND				
Operating Revenues:	6,301,070	6,212,276	6,564,456	6,615,202
Non-Operating Revenues:	1,187,025	800,000	797,400	563,160
Total Revenues:	\$ 7,488,095	\$ 7,012,276	\$ 7,361,856	\$ 7,178,362
Operating Expenditures:	6,340,999	6,653,176	6,666,401	7,161,386
Non-Operating Expenditures:	745,717	900,000	886,105	114,700
Total Expenditures:	\$ 7,086,716	\$ 7,553,176	\$ 7,552,506	\$ 7,276,086
Revenues Over Expenditures:	\$ 401,378	\$ (540,900)	\$ (190,650)	\$ (97,724)
Fund Balance - Beginning:		\$ 4,108,414	\$ 4,824,519	\$ 4,633,869
Fund Balance - Ending:	\$ 4,108,414	\$ 3,567,514	\$ 4,633,869	\$ 4,536,145
DEBT SERVICE FUND				
Total Revenues:	\$ 1,350,204	\$ 990,052	\$ 990,138	\$ 992,419
Total Expenditures:	\$ 1,302,358	\$ 990,052	\$ 990,052	\$ 992,419
Revenues Over Expenditures:	\$ 47,846	\$ -	\$ 86	\$ -
Fund Balance - Beginning:		\$ 585,724	\$ 585,724	\$ 585,810
Fund Balance - Ending:	\$ 585,724	\$ 585,724	\$ 585,810	\$ 585,810
WATER SEWER FUND				
Operating Revenues:	3,316,109	3,183,160	3,263,038	3,269,011
Non-Operating Revenues:	2,223,101	0	36,550	350,000
Total Revenues:	\$ 5,539,211	\$ 3,183,160	\$ 3,299,588	\$ 3,619,011
Departmental Expenses:	2,628,127	2,182,143	2,201,133	2,132,570
Non-Departmental Expenses:	528,912	1,761,016	1,761,016	1,486,441
Total Expenses:	\$ 3,157,038	\$ 3,943,159	\$ 3,962,149	\$ 3,619,011
Revenues Over Expenses:	\$ 2,382,172	\$ (759,999)	\$ (662,561)	\$ -
Cash Balance - Beginning:		\$ 2,113,244	\$ 2,113,244	\$ 1,450,683
Cash Balance - Ending:	\$ 2,113,244	\$ 1,353,245	\$ 1,450,683	\$ 1,450,683

**SUMMARY OF ALL FUNDS
FISCAL YEAR 2019 ADOPTED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
CAPITAL EQUIPMENT FUND				
Operating Revenues:	184,233	206,250	204,303	204,376
Non-Operating Revenues:	(118,486)	0	0	0
Total Revenues:	\$ (73,047)	\$ 204,200	\$ 204,200	\$ 206,250
Capital Outlay:	29,402	63,000	63,000	75,300
Financial Obligations:	17,736	142,303	142,303	129,076
Total Expenses:	\$ 47,138	\$ 205,303	\$ 205,303	\$ 204,376
Revenues Over Expenses:	\$ 18,609	\$ 947	\$ (1,000)	\$ -
HOTEL/MOTEL FUND				
Total Revenues:	\$ 178,223	\$ 205,350	\$ 235,248	\$ 228,000
Non-Departmental Expenditures:	39,334	45,500	45,500	45,500
Departmental Expenditures:	162,806	234,850	231,450	345,164
Total Expenditures:	\$ 202,140	\$ 280,350	\$ 276,950	\$ 390,664
Revenues Over Expenditures:	\$ (23,917)	\$ (75,000)	\$ (41,702)	\$ (162,664)
Fund Balance - Beginning:		\$ 560,634	\$ 560,634	\$ 518,932
Fund Balance - Ending:	\$ 560,634	\$ 485,634	\$ 518,932	\$ 356,268
COURT TECHNOLOGY				
Total Revenues:	\$ 6,530	\$ 6,525	\$ 6,525	\$ 6,525
Total Expenditures:	\$ 5,926	\$ 6,500	\$ 6,500	\$ 6,500
Revenues Over Expenditures:	\$ 604	\$ 25	\$ 25	\$ 25
Fund Balance - Beginning:		\$ 580	\$ 580	\$ 605
Fund Balance - Ending:	\$ 580	\$ 605	\$ 605	\$ 630

**SUMMARY OF ALL FUNDS
FISCAL YEAR 2019 ADOPTED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
COURT SECURITY				
Total Revenues:	\$ 4,898	\$ 5,000	\$ 5,025	\$ 5,025
Total Expenditures:	\$ -	\$ 5,000	\$ 5,000	\$ 5,000
Revenues Over Expenditures:	\$ 4,898	\$ -	\$ 25	\$ 25
Fund Balance - Beginning:		\$ 16,209	\$ 16,209	\$ 16,234
Fund Balance - Ending:	\$ 16,209	\$ 16,209	\$ 16,234	\$ 16,259
UNITY DONATION FUND				
Total Revenues:	\$ 28,277	\$ 18,350	\$ 20,035	\$ 18,585
Total Expenditures:	\$ 17,383	\$ 18,100	\$ 20,035	\$ 18,585
Revenues Over Expenditures:	\$ 10,894	\$ 250	\$ -	\$ -
Fund Balance - Beginning:	\$ 11,161	\$ 16,120	\$ 16,120	\$ 16,265
Fund Balance - Ending:	\$ 16,120	\$ 16,395	\$ 16,265	\$ 16,515
EDC FUND				
Operating Revenues:	553,394	516,598	540,532	556,010
Non-Operating Revenues:	48,576	0	315,914	0
Total Revenues:	\$ 601,971	\$ 516,598	\$ 856,446	\$ 556,010
Operating Expenses:	190,084	329,389	325,889	332,700
Non-Operating Expenses:	257,200	607,235	606,885	298,310
Total Expenses	\$ 447,284	\$ 936,624	\$ 932,774	\$ 631,010
Revenues Over Expenses:	\$ 154,686	\$ (420,026)	\$ (76,328)	\$ (75,000)
Cash Balance - Beginning:		\$ 1,090,526	\$ 1,090,526	\$ 1,014,198
Cash Balance - Ending:	\$ 1,090,526	\$ 670,500	\$ 1,014,198	\$ 939,198

GENERAL FUND

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

FISCAL YEAR 2019 ADOPTED BUDGET*

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
REVENUES:				
Operating Revenues:	6,301,070	6,212,276	6,564,456	6,615,202
Non-Operating Revenues:	1,187,025	800,000	797,400	563,160
Total Revenues:	\$7,488,095	\$7,012,276	7,361,856	7,178,362
EXPENDITURES:				
Operating Expenditures:	6,340,999	6,653,176	6,666,401	7,161,386
Non-Operating Expenditures:	745,717	900,000	886,105	114,700
Total Expenditures:	\$7,086,716	\$7,553,176	7,552,506	7,276,086
Revenues Over Expenditures	401,378	(540,900)	(190,650)	(97,724)
Fund Balance - Beginning		4,108,414	4,824,519	4,633,869
Fund Balance - Ending	\$4,108,414	\$3,567,514	\$4,633,869	\$4,536,145
Reserve Requirement (25%)		1,888,294	1,888,294	1,819,021
Excess/(Deficit)		1,679,220	2,745,575	2,717,123

*See detailed income statement on following pages

Fiscal Year 2017-2018:

For fiscal year 2018 revenues are projected to be \$7,361,856, \$349,580 greater than the amended budget mainly as a result of \$128,171 improvement in sales tax, \$78,375 more in insurance proceeds and \$142,300 more in pipeline easements. Property tax is higher than the amended by \$9,539, or 0.5% due to improvement in current tax collections. The delinquent, penalty, and attorney fees vary widely from year to year, so can be challenging to trend. Total sales tax is \$2,662,753, 5.1% higher than the original adopted budget. Current collections are projected at \$3,162,073 or 5.0% higher by year-end, with \$2,692 improvement to mixed beverage tax collections EDC tax allocation is \$527,012. Total licenses and permits are \$187,800, \$23,548 higher than the amended budget since housing development is launching faster than originally forecasted. Total use fee revenues are \$166,750, lower than the amended by \$22,300 as a result of the sports park closure and repairs to the Stancil Park log cabin. Court revenue is projected at \$328,750, higher than the amended budget by \$5,650. Police revenue is \$1,200 less than original budget due to expected donations. Other revenue is \$207,882 or 98% higher than the amended based on proceeds from insurance and sale of assets. Total Interest is projected at \$50,990 and is \$7,140 greater than original budget due to improvements to the federal interest rate and improvements in available cash. Fire and emergency services revenues are projected at \$124,000 are \$13,000 higher due to improvement in billing & collection services. Non-operating revenues include \$430,000 in scheduled transfers that remain unchanged, plus

reimbursement from EDC for \$350,000 as the initial reimbursement related to the Earth Energy TDA grant.

Projected fiscal year 2018 expenditures total \$7,552,506, within <0.01% of the amended budget. The amended budget includes carryovers and amendments to the original budget. Amendments or other adjustments include an emergency radio replacement at \$15,573 that accounts for insurance proceeds and capital replacement with no impact to fund balance; a use of donated funds at \$9,390 designated for Police and \$1,510 designated for Fire; a reallocation of council contingency to rehabilitate Sports Park damage from Hurricane Harvey at \$170,000; an amendment was approved for a police patrol vehicle replacement at \$20,625 that is offset by the same in insurance proceeds. Carryovers include the Sports Park Restroom project at \$150,000.

Operating expenditures are projected at \$6,666,401, on essentially on target with only \$13,895 or 0.2% presented as just over the amended. Projected non-operating expenditures are \$13,895 less than amended with requirements of the TDA grant repayment of the grant totaling less than the \$730,000 budgeted by \$13,225, offsetting the Operating expenditures. The city will end with revenues under expenditures by \$190,650, higher than amended by \$350,250 since the fund intended a use \$540,900 of fund balance; still final audit numbers will likely show even more favorable standing due to overlapping capital projects and remaining contingency by year-end. Fund balance at 9/30/2018 is anticipated to be \$4,633,869, significantly higher than 9/30/17 ending as a result of fulfilling the TDA liability obligation. The General fund is projected to end with \$2,745,545 in excess cash over the \$1,888,294 held as the reserve requirement.

Fiscal Year 2018-2019:

Fiscal year 2019 revenues total \$7,178,362, which is \$166,086 higher than the amended and \$183,494 less than the 2018 projected due to tax collection growth and lower due to insurance proceeds from Hurricane Harvey. Property tax is higher than the amended by \$118,867, with no changes to the total tax rate of 0.7700 per \$100 valuation. Total sales taxes collected after transfers to EDC are \$2,742,358, a gain of \$79,606 or 3.0% from fiscal year 2018 projection. The expected gain is very conservative, as heavy construction begins with Grand Oaks. The planned commercial development in the TIRZ is not expected to collect any direct sales tax until completion of new retail, though construction materials and other indirect sales will be attained. Licenses & Permits proposes a total of \$210,500, 28.2% increase from the amended and 6.8% increase from the current projected for Grand Oaks, Kingwood Hospital ER and improvements to Cleveland High School. Total Court revenue proposes a 1.8% growth over the projected but is 9.4% higher than 2017 actual with collections assisted by a full time warrant officer. Other revenue at \$235,694 is \$184,850 less than projected to account for Harvey related insurance and a pipeline easement proceeds.

Non-operating revenues of \$563,160 include a \$25,000 reduction in scheduled in transfers from Water /Sewer in order to maintain additional cash for capital programs in Water /Sewer. The city transfers in \$375,000 for administrative cost in operating the utility fund and \$35,000 for information technology services. This year includes an additional transfer from EDC for \$40,000 and is the initial reimbursement related to the Earth Energy TDA grant. Included in non-operating is \$85,760 as grant entitlements and \$20,000 for TIRZ Reimbursements.

Total expenditures are \$7,276,086, a \$276,421 decrease from the 2018 projected. Non-operating expenditures total \$7,161,386, a \$494,984 increase from the projected. A \$170,000 council contingency was allocated in fiscal year 2018 as a one-time expenditure in non-operational and a portion of these funds were used to repair park damage from Harvey, providing lower non-operating expenses in the prior year. It is recommended that FEMA reimbursements support a council contingency in the future, as these funds were to be used on an undecided capital project. Once this source is approved and allocated by FEMA, then staff will recommend a carryover or amendment to council contingency.

The adopted budget supports 5.0% merit increase to all employees at \$174,496. Administration includes a full-time accountant position for total salary and benefits cost at \$55,254 and an additional \$15,000 in legal fees. The civic center includes a portion of a salary and benefits cost adjustment of \$2,045 to an administrative assistant position with the remaining portion supported by the Hotel/Motel Fund. The police department proposes an additional officer as recommended in prior budget discussion with a recurring cost of \$69,433 to assist in the increased department workload and long-term goal of creating an additional 24/7 patrol to improve safety and department visibility. The department supports non-recurring \$102,700 for audio/ video equipment replacements with five year warranty. The department is to replace the high mileage vehicles from asset forfeitures and remaining red light camera funds. Development service includes \$20,000 for additional professional assistance related to increased development and \$3,000 for Demo/Cleanup. The street department has \$75,000 for Downtown Sidewalk Improvements, \$20,000 for street paving, \$20,000 for professional services to review development of subdivision engineering, \$20,000 in

additional street/drainage maintenance and \$5,000 in additional street materials. Public works garage allocates \$25,000 for fuel tank remediation located at the old public works yard and another \$95,000 for possible land purchase that would provide additional parking at the existing garage location. The library includes funding for extended hours of service, two additional part time employees and small tools/equipment for a total of \$28,754. Parks includes an additional \$12,000 to outsource mowing of city hall and civic center. The parks division also covers \$60,000 in capital programs for playground equipment. The fire department includes an additional P/T Firefighter (1,248 Hours) at \$23,551, certification pay at \$16,200 and \$25,000 for an emergency skid unit to assist in difficult terrain or in restricted space that is funded from base equipment expenses. Emergency management includes additional resources for an emergency manager to be held on retainer. Additional supplemental include FEMA assistance in airport taxiway repair and RAMP assistance for extension of taxiway to new hanger construction. Federal assistance is to be secured before these projects can commence.

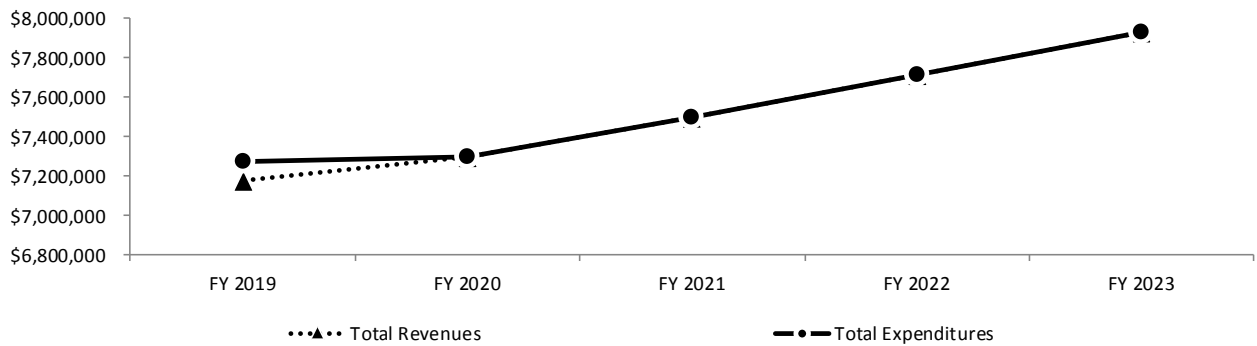
The following supplemental items are adopted for fiscal year 2019:

	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
Salary Merit (5.0%)	174,496		174,496
Additional Legal Fees	15,000		15,000
Accountant I	55,254		55,254
Administrative Assistant - Adjustment (Civic Center)	2,045		2,045
Police Officer	69,433		69,433
Bridgehaven Contract		3,000	3,000
Additional Motor Vehicle Repair	1,300		1,300
Police Safety Vision Replacement		102,700	102,700
Additional Professional Services	20,000		20,000
Demo/Cleanup	3,000		3,000
Taxiway Extension - RAMP Reimbursement		20,000	20,000
Taxiway Maintenance - FEMA		14,700	14,700
Additional Street Materials (Asphalt Patching)	5,000		5,000
Street Resurfacing - Parkhurst Ave.		20,000	20,000
Additional Street / Drainage Maintenance	20,000		20,000
Downtown Sidewalk Improvements		75,000	75,000
TIRZ Professional Services Reimbursement	20,000		20,000
Fuel Tank Remediation		25,000	25,000
Land Purchase		95,000	95,000
P/T Library Page (#1)	10,377		10,377
P/T Library Page (#2)	10,377		10,377
Library Extended Operations	5,000		5,000
Library Azuradisc DVD Equipment		3,000	3,000
Additional Outsource Mowing (CH & CC)	12,000		12,000
Playground Equipment		60,000	60,000
Sports Facility Electrical Replacement - FEMA		80,000	80,000
Additional P/T Firefighter (1,248 Hours)	23,551		23,551
Emergency Medical Rescue Skid Unit		25,000	25,000
Certification Pay	16,200		16,200
Emergency Management Contracted Retainer	15,200		15,200
Total Adopted:	478,233	523,400	1,001,633

FIVE YEAR PLAN

It is projected that Fund 100 will maintain a balanced budget for fiscal years ending 2019 through 2023. 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, therefore the projection detailed below does not restrain future councils to this plan:

	FY 2019 PROPOSED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
Operating Revenues:	\$6,615,202	\$6,828,658	\$7,033,518	\$7,244,523	\$7,461,859
Grants	98,160	0	0	0	0
Non-Operating Transfers	465,000	465,000	465,000	465,000	465,000
Non-Operating Revenues:	563,160	465,000	465,000	465,000	465,000
Total Revenues:	\$7,178,362	\$7,293,658	\$7,498,518	\$7,709,523	\$7,926,859
Operating Expenditures:	\$7,161,386	\$6,967,527	\$7,176,553	\$7,391,850	\$7,613,605
Non-Operational Expenditures	114,700	0	0	0	0
New / Expanded Programs	0	326,131	321,965	317,674	313,254
Total Non-Operating:	114,700	326,131	321,965	317,674	313,254
Total Expenditures	\$7,276,086	\$7,293,658	\$7,498,518	\$7,709,523	\$7,926,859
<i>Revenues Over Expenditures:</i>	<i>(97,724)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Fund Balance - Beginning	4,633,869	4,536,145	4,536,145	4,536,145	4,536,145
Fund Balance - Ending:	\$4,536,145	\$4,536,145	\$4,536,145	\$4,536,145	\$4,536,145



As projected the General Fund would allow for >\$310,000 in new or expanded programs for future budget years (FY20-23). Unless recurring expenditures increase, such as personnel over the calculated 3% annual expectation.

GENERAL FUND - 100
FISCAL YEAR 2019 ADOPTED BUDGET

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
REVENUES:				
Property Taxes	1,973,996	2,019,761	2,029,300	2,138,628
Sales Taxes	2,690,846	2,534,582	2,662,753	2,742,358
Franchise Taxes	490,642	495,000	479,450	480,600
Other Taxes	110,671	115,219	111,519	113,192
Licenses & Permits	188,403	164,252	187,800	210,500
Use Fees	181,054	189,050	166,750	175,750
Court Revenue	305,781	323,100	328,750	334,630
Police Revenue	11,471	3,800	2,600	2,800
Other Revenue	187,990	212,662	420,544	235,694
Interest	47,213	43,850	50,990	57,050
Emergency Services Revenue	113,003	111,000	124,000	124,000
Operating Revenues:	6,301,070	6,212,276	6,564,456	6,615,202
Grants / Other Sources	27,025	15,000	12,400	98,160
Non-Operating Transfers	1,160,000	785,000	785,000	465,000
Non-Operating Revenues:	1,187,025	800,000	797,400	563,160
Total Revenues:	\$7,488,095	\$7,012,276	7,361,856	7,178,362
EXPENDITURES:				
City Council	23,461	35,275	29,509	35,950
Administration	827,891	869,621	880,176	962,908
Civic/Community	239,896	229,460	226,212	233,206
Municipal Court	209,893	283,617	280,567	289,701
Technology	454,454	359,189	363,292	380,281
Police	2,113,665	2,312,463	2,337,017	2,533,621
Animal Control	53,457	61,893	60,543	60,149
Development Services	204,980	243,228	237,199	253,833
Street Department	591,375	365,465	373,582	508,556
Airport Department	65,466	56,388	48,929	65,000
Garage Department	10,401	11,610	12,050	132,300
Library Department	435,190	372,663	374,095	391,423
Cemetery/Parks	348,176	454,445	456,221	473,275
Sports Park	64,686	237,550	225,950	25,950
Fire Department	679,805	745,037	744,787	785,166
Emergency Management	18,202	15,272	16,272	30,067
Operating Expenditures:	6,340,999	6,653,176	6,666,401	7,161,386
Non-Departmental	0	170,000	170,000	0
Grants / Other Sources	745,717	730,000	716,105	114,700
Non-Operating Expenditures:	745,717	900,000	886,105	114,700
Total Expenditures:	\$7,086,716	\$7,553,176	7,552,506	7,276,086
<i>Revenues Over Expenditures</i>	<i>401,378</i>	<i>(540,900)</i>	<i>(190,650)</i>	<i>(97,724)</i>
Fund Balance - Beginning		4,108,414	4,824,519	4,633,869
Fund Balance - Ending	\$4,108,414	\$3,567,514	\$4,633,869	\$4,536,145
Reserve Requirement (25%)		1,888,294	1,888,294	1,819,021
Excess/(Deficit)		1,679,220	2,745,575	2,717,123

**GENERAL FUND - 100
FISCAL YEAR 2019 ADOPTED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>REVENUES</u>				
<u>PROPERTY TAXES</u>				
100-4000-01-0801 Current Taxes	1,844,828	1,832,761	1,861,300	1,968,628
100-4000-01-0802 Delinquent Taxes	68,439	112,000	100,000	102,000
100-4000-01-0803 P & I/Attorney Fees	60,729	75,000	68,000	68,000
TOTAL PROPERTY TAXES	1,973,996	2,019,761	2,029,300	2,138,628
<u>SALES TAXES</u>				
100-4000-02-0807 Sales Tax	3,215,260	3,011,498	3,162,073	3,256,935
100-4000-02-0808 EDC Sales Tax Allocation	(535,877)	(501,916)	(527,012)	(542,823)
100-4000-02-0808 N.Cleveland Agreement	(15,292)	0	0	0
100-4000-02-0809 Mixed Beverage Tax	26,755	25,000	27,692	28,246
TOTAL SALES TAXES	2,690,846	2,534,582	2,662,753	2,742,358
<u>FRANCHISE TAXES</u>				
100-4000-03-0811 Entergy	322,241	320,000	320,000	320,000
100-4000-03-0812 Telecommunications	17,615	19,000	18,000	17,000
100-4000-03-0813 Cable Franchise (New Wave)	14,822	15,000	14,000	15,000
100-4000-03-0814 Centerpoint Entex	26,047	27,000	26,850	27,000
100-4000-03-0815 Waste Management Franchise	34,127	37,400	25,000	26,000
100-4000-03-8016 Street Paving Fee	75,790	76,600	75,600	75,600
TOTAL FRANCHISE TAXES	490,642	495,000	479,450	480,600
<u>OTHER TAXES</u>				
100-4000-04-0815 Correctional Center PILOT	106,907	111,301	107,601	109,215
100-4000-04-0816 Housing Authority PILOT	3,765	3,918	3,918	3,977
TOTAL OTHER TAXES	110,671	115,219	111,519	113,192
<u>LICENSES & PERMITS</u>				
100-4000-05-0822 Occupational License	5,155	5,000	5,000	5,000
100-4000-05-0823 Electrical Permits/Inspections	8,947	13,000	5,000	10,000
100-4000-05-0824 Building Permits	164,865	124,152	155,000	185,000
100-4000-05-0825 Plumbing/Gas Permits	9,276	21,000	7,000	10,000
100-4000-05-0826 Zoning/Boa Fees	0	800	600	300
100-4000-05-0829 TIRZ #2	0	0	15,000	0
100-4000-05-0865 Library Cards	232	300	200	200
100-4000-05-0895.Over / (Short)	(71)	0	0	0
TOTAL LICENSES & PERMITS	188,403	164,252	187,800	210,500
<u>SERVICE & USE FEES</u>				
100-4000-06-0858 Civic Center Events	3,068	3,500	500	500
100-4000-06-0860 Civic Center Room Rental	61,356	68,000	75,000	70,000
100-4000-06-0861 Civic Center Forfeited Deposits	2,027	1,400	2,100	2,100
100-4000-06-0862 Cemetery Income	17,871	24,000	30,000	27,000
100-4000-06-0864 Library Services/Fees	8,762	9,700	8,700	8,700
100-4000-06-0865 Stancil Park	23,068	28,000	20,000	13,000
100-4000-06-0866 EDC Sports Park Reimbursement	54,075	42,000	18,000	42,000
100-4000-06-0868 5K Run Contributions	(1,248)	0	0	0
100-4000-06-0890 Lost/Damaged Charges	609	450	450	450
100-4000-06-0891 Library Photo Copies	11,466	12,000	12,000	12,000
TOTAL SERVICE & USE FEES	181,054	189,050	166,750	175,750

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
COURT REVENUE				
100-4000-07-0881 Traffic/Criminal Fees	249,177	250,000	275,000	275,000
100-4000-07-0882 Warrant Officer Income	53,763	72,000	51,200	57,080
100-4000-07-0884 State Court Service Fees	1,801	0	1,800	1,800
100-4000-07-0887 Juvenile Failure to Attend	1,041	1,100	750	750
TOTAL COURT REVENUE	305,781	323,100	328,750	334,630
POLICE REVENUE				
100-4000-08-0887 Police Miscellaneous Income	1,891	2,500	1,000	1,000
100-4000-08-0887 Animal Control Fees	190	300	100	300
100-4000-08-0887 Police Donations	9,390	1,000	1,500	1,500
TOTAL POLICE REVENUE	11,471	3,800	2,600	2,800
OTHER REVENUE				
100-4000-09-0816 Fire Department Donations	1,510	100	1,000	500
100-4000-09-0822 Oil/Gas Drilling	394	394	394	394
100-4000-09-0850 Proceeds From Insurance	28,826	46,625	125,000	35,000
100-4000-09-0861 Airport	103,074	114,543	105,000	154,000
100-4000-09-0864 Children'S Programs	935	900	1,000	900
100-4000-09-0866 Library Memorial Donations	1,083	1,500	750	1,000
100-4000-09-0867 Library Miscellaneous Donation	352	400	400	400
100-4000-09-0872 Civic Center Reimbursement	30,000	30,000	30,000	30,000
100-4000-09-0887 Demolition/Cleanup Reimburse.	628	1,000	500	500
100-4000-09-0895 Miscellaneous	17,258	12,500	10,000	10,000
100-4000-09-0895 Returned Check Fees	25	0	0	0
100-4000-09-0898 Vending Machines	76	500	0	0
100-4000-09-0899 Sale Of Assets	3,830	4,200	146,500	3,000
TOTAL OTHER REVENUE	187,990	212,662	420,544	235,694
INTEREST				
100-4000-10-0894 Interest	41,799	38,000	44,190	50,000
100-4000-10-0900 Credit Card Fees - Court	3,976	4,000	5,000	5,000
100-4000-10-0900 Credit Card Fees - Development	553	900	900	1,100
100-4000-10-0900 Credit Card Fees - Civic Center	366	450	400	450
100-4000-10-0900 Credit Card Fees - Library	519	500	500	500
TOTAL INTEREST	47,213	43,850	50,990	57,050
GRANTS				
100-4000-13-0892 Airport RAMP Grant	17,375	10,000	11,000	21,000
100-4000-13-0901 Library Grants	9,650	5,000	1,400	1,400
100-4000-13-0907 FEMA	0	0	0	75,760
TOTAL GRANTS	27,025	15,000	12,400	98,160
EMERGENCY SERVICES				
100-4000-14-0880 Liberty County Fire Runs	85,000	85,000	89,000	89,000
100-4000-14-0890 EMS Collected Revenue	1,572	0	0	0
100-4000-14-0895 Billing & Collection Fee	26,431	26,000	35,000	35,000
TOTAL EMERGENCY SERVICES	113,003	111,000	124,000	124,000
NON-OPERATING				
100-4000-99-0900 Transfers In	430,000	785,000	785,000	405,000
100-4000-99-0907 Other Financing Sources	730,000	0	0	60,000
TOTAL NON-OPERATING	1,160,000	785,000	785,000	465,000
TOTAL REVENUES	7,488,095	\$7,012,276	\$7,361,856	\$7,178,362

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>COUNCIL</u>				
<u>SALARIES & BENEFITS</u>				
100-5110-01-1010 Salaries	2,101	2,100	2,100	2,100
TOTAL SALARIES & BENEFITS	2,101	2,100	2,100	2,100
<u>PROFESSIONAL SERVICES</u>				
100-5110-02-2090 Other Professional Services	2,868	6,000	5,000	5,500
100-5110-02-2095 Public Official Bond	0	575	0	0
TOTAL PROFESSIONAL SERVICES	2,868	6,575	5,000	5,500
<u>OTHER SERVICES</u>				
100-5110-04-2720 Advertising	4,154	5,500	4,500	5,000
100-5110-04-2750 Dues & Membership	307	850	850	850
100-5110-04-2830 Seminars & Schools	7,982	5,500	13,000	12,000
TOTAL OTHER SERVICES	12,443	11,850	18,350	17,850
<u>SUPPLIES</u>				
100-5110-05-3030 Meeting Expenses	837	2,000	1,000	1,000
100-5110-05-3100 Other Operating Supplies	2,611	3,000	3,000	3,000
TOTAL SUPPLIES	3,448	5,000	4,000	4,000
<u>OTHER EXPENDITURES</u>				
100-5110-06-5060 Election Expenses	2,602	6,500	59	6,500
100-5110-06-5070 Council Equipment	0	3,250	0	0
TOTAL OTHER EXPENDITURES	2,602	9,750	59	6,500
TOTAL CITY COUNCIL	23,461	\$35,275	\$29,509	\$35,950

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
ADMINISTRATION				
<u>SALARIES & BENEFITS</u>				
100-5112-01-1010 Salaries	304,684	323,243	323,243	380,600
100-5112-01-1011 Overtime	560	1,500	1,500	1,500
100-5112-01-1015 Car Allowance	5,000	5,000	5,000	21,023
100-5112-01-1020 Group Insurance	43,817	42,757	42,757	46,514
100-5112-01-1030 Social Security Contribution	23,011	25,225	25,225	31,212
100-5112-01-1040 Retirement Contribution	33,278	35,200	35,200	36,328
100-5112-01-1050 Unemployment Compensation	111	1,202	1,202	1,426
100-5112-01-1060 Workers' Compensation	814	1,484	1,484	1,521
100-5112-01-1080 Medical Exams	123	0	0	0
TOTAL SALARIES & BENEFITS	411,398	435,611	435,611	520,124
<u>PROFESSIONAL SERVICES</u>				
100-5112-02-2010 Legal/General	100,797	60,000	100,000	75,000
100-5112-02-2040 Accounting/Audit	30,000	38,000	43,000	45,000
100-5112-02-2060 Grant Administrator	1,200	1,200	1,200	1,200
100-5112-02-2070 Health Department Retainer	900	900	900	900
100-5112-02-2075 ADP Processing Fees	28,909	30,090	30,090	30,090
100-5112-02-2089 Ambulance Contract	50,000	50,000	50,000	50,000
100-5112-02-2090 Other Professional Services	29,744	38,000	10,000	30,000
TOTAL PROFESSIONAL SERVICES	241,550	218,190	235,190	232,190
<u>PROPERTY SERVICES</u>				
100-5112-03-2220 Electricity	12,071	13,500	14,000	15,000
100-5112-03-2430 Facilities Maintenance	20,499	21,000	25,000	25,000
TOTAL PROPERTY SERVICES	32,571	34,500	39,000	40,000
<u>OTHER SERVICES</u>				
100-5112-04-2115 Senior Citizens Gas/Repair	5,000	5,000	4,837	5,000
100-5112-04-2116 Historical Museum	0	15,000	15,000	0
100-5112-04-2130 Brazos Transit	14,710	15,000	14,710	14,710
100-5112-04-2700 Property Insurance	6,885	7,140	7,140	7,140
100-5112-04-2720 Advertising	483	1,000	1,200	1,000
100-5112-04-2730 Printing & Binding	1,066	1,000	500	500
100-5112-04-2750 Dues & Membership	3,551	3,000	4,500	4,500
100-5112-04-2770 Liberty Cty Tax Assessor	0	1,840	1,840	1,840
100-5112-04-2780 Liberty Cty Appraisal	69,250	77,683	77,683	79,004
100-5112-04-2830 Seminars & Schools	17,409	12,000	18,000	15,000
TOTAL OTHER SERVICES	118,353	138,663	145,410	128,694
<u>SUPPLIES</u>				
100-5112-05-3010 Office	6,268	6,000	6,000	6,000
100-5112-05-3020 Books & Periodicals	154	500	300	300
100-5112-05-3030 Employee Relations	1,583	2,700	835	2,000
100-5112-05-3100 Other Operating Supplies	3,559	4,000	3,600	4,000
100-5112-05-3110 Copier Expense	7,481	7,457	7,500	7,500
100-5112-05-3115 Janitorial Supplies	1,421	1,500	1,500	1,600
100-5112-05-3130 Postage	3,553	5,000	4,500	4,500
TOTAL SUPPLIES	24,019	27,157	24,235	25,900
<u>OTHER EXPENDITURES</u>				
100-5112-06-5060 Furniture/Fixtures	0	1,000	730	1,000
100-5112-06-5070 Office Equipment	0	500	0	0
100-5112-06-5095 Contingency	0	14,000	0	15,000
TOTAL OTHER EXPENDITURES	0	15,500	730	16,000
TOTAL ADMINISTRATION	827,891	\$869,621	\$880,176	\$962,908

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>CIVIC/COMMUNITY</u>				
<u>SALARIES & BENEFITS</u>				
100-5113-01-1010 Salaries	96,786	103,453	103,453	108,446
100-5113-01-1011 Overtime	1,587	1,800	1,800	1,800
100-5113-01-1020 Group Insurance	17,446	16,867	16,867	16,867
100-5113-01-1030 Social Security Contribution	7,319	8,053	8,053	8,434
100-5113-01-1040 Retirement Contribution	10,266	11,494	11,494	12,149
100-5113-01-1050 Unemployment Contrib	89	621	621	621
100-5113-01-1060 Workers' Comp	1,266	474	474	489
100-5113-01-1080 Medical Exams	243	0	0	0
TOTAL SALARIES & BENEFITS	135,002	142,762	142,762	148,806
<u>PROFESSIONAL SERVICES</u>				
100-5113-02-2090 Other Professional Services	0	1,000	0	0
TOTAL PROFESSIONAL SERVICES	0	1,000	0	0
<u>PROPERTY SERVICES</u>				
100-5113-03-2220 Electricity	34,644	38,000	36,000	36,000
100-5113-03-2410 Motor Vehicle Repair	514	0	0	0
100-5113-03-2430 Facilities Maintenance	11,494	13,000	13,500	13,500
TOTAL PROPERTY SERVICES	46,651	51,000	49,500	49,500
<u>OTHER SERVICES</u>				
100-5113-04-2110 Marketing/Promotion	1,174	5,000	5,000	5,000
100-5113-04-2700 Property Insurance	8,341	8,698	9,000	9,000
100-5113-04-2830 Seminars/Schools	1,814	1,000	1,000	1,000
100-5113-04-9900 Credit Card Fees	1,335	1,200	1,200	1,300
TOTAL OTHER SERVICES	12,664	15,898	16,200	16,300
<u>SUPPLIES</u>				
100-5113-05-3010 Office Supplies	559	2,300	600	1,500
100-5113-05-3030 Employee Relations	325	450	350	400
100-5113-05-3100 Other Operating Supplies	1,324	1,750	1,500	1,500
100-5113-05-3110 Copier Expense	6,263	6,300	7,100	7,000
100-5113-05-3115 Janitorial Supplies	2,873	3,200	3,200	3,200
100-5113-05-3120 Uniforms	1,543	1,000	1,200	1,200
100-5113-05-3130 Postage	1,428	800	800	800
TOTAL SUPPLIES	14,315	15,800	14,750	15,600
<u>OTHER EXPENDITURES</u>				
100-5113-06-5060 Furniture/Fixtures	1,200	0	0	0
100-5113-06-5090 Events	4,886	3,000	3,000	3,000
TOTAL OTHER EXPENDITURES	6,086	3,000	3,000	3,000
<u>CAPITAL OUTLAY</u>				
100-5113-17-5090 Other Capital Outlay	25,178	0	0	0
TOTAL CAPITAL OUTLAY	25,178	0	0	0
TOTAL CIVIC/COMMUNITY	239,896	\$229,460	\$226,212	\$233,206

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>MUNICIPAL COURT</u>				
<u>SALARIES & BENEFITS</u>				
100-5114-01-1010 Salaries	123,567	166,822	166,822	175,327
100-5114-01-1011 Overtime	1,839	4,845	4,845	5,000
100-5114-01-1020 Group Insurance	23,179	38,429	38,429	38,429
100-5114-01-1030 Social Security Contribution	9,217	13,144	13,144	13,795
100-5114-01-1040 Retirement Contribution	9,536	17,133	17,133	15,924
100-5114-01-1050 Unemployment Compensation	28	886	886	886
100-5114-01-1060 Workers' Compensation	187	2,346	780	790
TOTAL SALARIES & BENEFITS	167,551	243,605	242,039	250,151
<u>PROFESSIONAL SERVICES</u>				
100-5114-02-2120 Legal - Court Services	5,219	6,200	5,500	5,500
100-5114-02-2180 Inmate Expenses	16,434	13,000	13,000	13,000
TOTAL PROFESSIONAL SERVICES	21,653	19,200	18,500	18,500
<u>PROPERTY SERVICES</u>				
100-5114-03-2430 Facilities Maintenance	792	1,000	500	750
TOTAL PROPERTY SERVICES	792	1,000	500	750
<u>OTHER SERVICES</u>				
100-5114-04-2700 Property Insurance	2,419	2,162	2,874	2,900
100-5114-04-2720 Advertising	0	300	0	0
100-5114-04-2730 Printing & Binding	1,178	1,300	1,300	1,300
100-5114-04-2750 Dues & Membership	96	350	100	350
100-5114-04-2800 Jury Costs	(18)	100	150	150
100-5114-04-2830 Seminars & Schools	3,675	2,800	2,800	2,800
100-5114-04-9900 Credit Card Fees	2,856	4,200	4,200	4,200
TOTAL OTHER SERVICES	10,205	11,212	11,424	11,700
<u>SUPPLIES</u>				
100-5114-05-3010 Office	1,025	1,200	1,200	1,200
100-5114-05-3020 Books & Periodicals	0	200	200	200
100-5114-05-3030 Employee Relations	284	400	250	300
100-5114-05-3100 Other Operating Supplies	1,313	800	800	800
100-5114-05-3110 Copier Expense	2,999	3,100	3,100	3,100
100-5114-05-3130 Postage	2,852	2,400	2,500	2,500
TOTAL SUPPLIES	8,472	8,100	8,050	8,100
<u>OTHER EXPENDITURES</u>				
100-5114-06-5060 Furniture/Fixtures	1,220	0	54	0
100-5114-06-5070 Office Equipment	0	500	0	500
TOTAL OTHER EXPENDITURES	1,220	500	54	500
TOTAL MUNICIPAL COURT	209,893	\$283,617	\$280,567	\$289,701

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>INFORMATION TECHNOLOGY</u>				
<u>PROFESSIONAL & SOFTWARE SERVICES</u>				
100-5115-02-2090 Contract Services	72,856	45,108	73,130	73,130
100-5115-02-2112 Software Licenses Admin	48,699	70,181	56,222	67,000
100-5115-02-2113 Software Licenses Civic Center	0	2,100	0	0
100-5115-02-2114 Software Licenses Court	2,447	1,955	3,200	2,500
100-5115-02-2120 Software Licenses Police	47,356	50,940	50,940	50,940
100-5115-02-2123 Software Development Services	1,983	3,342	2,082	2,200
100-5115-02-2130 Software Licenses Street	0	2,947	0	0
100-5115-02-2160 Software Licenses Library	34,721	26,411	26,411	26,411
100-5115-02-2170 Software Licenses Fire	2,090	5,504	2,500	2,500
100-5115-02-2310 Software Licenses Water Admin	7,761	6,901	8,000	8,000
TOTAL PROFESSIONAL & SOFTWARE SERVICES	217,913	215,389	222,485	232,681
<u>TECHNOLOGY SERVICES</u>				
100-5115-04-2310 Telephone/Internet Water Adm	6,494	5,200	6,500	6,500
100-5115-04-2330 Telephone/Internet Water Prod.	13,316	7,800	15,000	15,000
100-5115-04-2350 Telephone/Internet Sewer	3,155	3,600	3,200	3,200
100-5115-04-2710 Telephone/Internet-Council	2,392	0	2,400	2,400
100-5115-04-2712 Telephone/Internet Admin	10,395	9,000	11,000	11,000
100-5115-04-2713 Telephone/Internet Civic Cent	3,899	3,100	3,750	3,800
100-5115-04-2714 Telephone/Internet Court	2,007	2,100	2,100	2,100
100-5115-04-2720 Telephone/Internet Police	32,213	33,000	33,000	33,000
100-5115-04-2722 Telephone/Internet Animal Cont	394	650	650	650
100-5115-04-2723 Telephone/Internet Development	3,615	3,750	3,750	3,750
100-5115-04-2730 Telephone/Internet Street	4,984	5,500	4,800	4,800
100-5115-04-2740 Telephone/Internet Garage	388	400	400	400
100-5115-04-2760 Telephone/Internet Library	13,325	16,000	15,000	15,000
100-5115-04-2761 Telephone/Internet Parks	1,692	1,400	2,200	2,200
100-5115-04-2770 Telephone/Internet Fire	5,778	5,800	5,800	5,800
TOTAL TECHNOLOGY SERVICES	104,046	97,300	109,550	109,600
<u>COMPUTER SUPPLIES</u>				
100-5115-06-5065 Computer Equipment	121,946	20,000	15,000	20,000
100-5115-06-5123 Supplies - Development Services	969	1,000	250	1,500
100-5115-06-5160 Supplies - Library	31	5,500	2,750	1,500
100-5115-06-5212 Supplies - Administration	4,515	5,000	2,500	2,500
100-5115-06-5213 Supplies - Civic Center	141	2,500	2,500	0
100-5115-06-5214 Supplies - Court	0	1,500	0	1,500
100-5115-06-5215 Supplies - Technology	0	1,500	0	1,500
100-5115-06-5220 Supplies - Police	4,401	5,000	5,000	5,000
100-5115-06-5230 Supplies - Street	464	1,500	1,500	1,500
100-5115-06-5270 Supplies - Fire	0	1,500	0	1,500
100-5115-06-5310 Supplies Water Admin	27	1,500	1,757	1,500
TOTAL COMPUTER SUPPLIES	132,495	46,500	31,257	38,000
TOTAL INFORMATION TECHNOLOGY	454,454	\$359,189	\$363,292	\$380,281

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>POLICE DEPARTMENT</u>				
<u>SALARIES & BENEFITS</u>				
100-5120-01-1010 Salaries	1,241,470	1,321,663	1,321,663	1,430,928
100-5120-01-1011 Overtime	89,425	75,000	75,000	75,000
100-5120-01-1020 Group Insurance	284,750	312,939	312,939	347,571
100-5120-01-1030 Social Security Contribution	97,579	106,844	106,844	115,204
100-5120-01-1040 Retirement Contribution	139,470	151,241	151,241	164,344
100-5120-01-1050 Unemployment Compensation	419	6,624	6,624	6,831
100-5120-01-1060 Workers' Compensation	20,857	45,131	45,131	49,287
100-5120-01-1080 Medical Exams	1,540	0	0	0
TOTAL SALARIES & BENEFITS	1,875,511	2,019,442	2,019,442	2,189,165
<u>PROFESSIONAL SERVICES</u>				
100-5120-02-2090 Other Professional Services	4,598	4,000	4,000	7,000
100-5120-02-2100 Mobile Data Service	17,879	17,520	17,520	18,520
100-5120-02-2180 Inmate Expenses	4,856	7,100	5,500	6,000
TOTAL PROFESSIONAL SERVICES	27,333	28,620	27,020	31,520
<u>PROPERTY SERVICES</u>				
100-5120-03-2210 Natural Gas	797	1,200	1,200	1,200
100-5120-03-2220 Electricity	17,348	17,000	17,000	17,500
100-5120-03-2410 Motor Vehicle Repair	35,922	30,000	45,000	32,300
100-5120-03-2420 Equipment Repair	215	600	1,000	1,000
100-5120-03-2430 Facilities Maintenance	21,235	25,000	22,000	25,000
TOTAL PROPERTY SERVICES	75,517	73,800	86,200	77,000
<u>OTHER SERVICES</u>				
100-5120-04-2700 Property Insurance	24,227	24,786	30,586	30,586
100-5120-04-2720 Advertising	128	500	500	500
100-5120-04-2750 Dues & Membership	503	900	500	500
100-5120-04-2830 Seminars & Schools	5,284	10,000	10,000	10,000
TOTAL OTHER SERVICES	30,143	36,186	41,586	41,586
<u>SUPPLIES</u>				
100-5120-05-3010 Office	6,018	7,000	6,000	7,000
100-5120-05-3030 Employee Relations	2,875	4,200	2,850	4,200
100-5120-05-3040 Gas/Diesel	43,074	60,000	50,000	50,000
100-5120-05-3050 Oil/Lube	2,912	2,700	3,000	3,000
100-5120-05-3080 Uniform Expense	6,711	4,500	6,700	7,000
100-5120-05-3100 Other Operating Supplies	5,484	6,000	6,000	6,250
100-5120-05-3101 Donation Disbursement	0	9,390	9,390	0
100-5120-05-3110 Copier Expense	7,349	6,500	8,000	8,000
100-5120-05-3130 Postage	1,161	1,500	1,200	1,200
TOTAL SUPPLIES	75,584	101,790	93,140	86,650
<u>DETECTIVE</u>				
100-5120-16-2190 Undercover	517	1,000	1,000	1,000
100-5120-16-3160 Fingerprint/Invest.Supplies	963	1,500	1,000	1,500
100-5120-16-3170 Range Supplies	2,050	2,500	2,500	2,500
TOTAL DETECTIVE	3,530	5,000	4,500	5,000
<u>OTHER EXPENDITURES</u>				
100-5120-06-5050 Vehicle	26,022	47,625	47,625	0
TOTAL OTHER EXPENDITURES	26,048	47,625	47,625	0
<u>CAPITAL OUTLAY</u>				
100-5120-17-5090 OTHER CAPITAL OUTLAY	0	0	17,504	102,700
TOTAL CAPITAL OUTLAY	0	0	17,504	102,700
TOTAL POLICE	2,113,665	\$2,312,463	\$2,337,017	\$2,533,621

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>ANIMAL CONTROL</u>				
<u>SALARIES & BENEFITS</u>				
100-5122-01-1010 Salaries	23,898	27,336	27,336	26,115
100-5122-01-1011 Overtime	2,076	2,500	2,500	2,500
100-5122-01-1020 Group Insurance	6,736	6,790	6,790	6,790
100-5122-01-1030 Social Security Contribution	1,986	2,091	2,091	2,189
100-5122-01-1040 Retirement Contribution	2,722	2,985	2,985	3,153
100-5122-01-1050 Unemployment Compensation	115	207	207	207
100-5122-01-1060 Workers' Compensation	680	1,409	1,409	1,470
TOTAL SALARIES & BENEFITS	38,212	43,318	43,318	42,424
<u>PROFESSIONAL SERVICES</u>				
100-5122-02-2140 Veterinarian Expenses	2,043	3,600	1,500	2,200
TOTAL PROFESSIONAL SERVICES	2,043	3,850	1,500	2,200
<u>PROPERTY SERVICES</u>				
100-5122-03-2220 Electricity	3,753	3,800	4,500	4,200
100-5122-03-2410 Motor Vehicle Repair	1,925	2,000	2,000	2,000
100-5122-03-2420 Equipment Repair	0	100	0	100
100-5122-03-2430 Facilities Maintenance	3,422	3,500	3,500	3,500
TOTAL PROPERTY SERVICES	9,100	9,400	10,000	9,800
<u>OTHER SERVICES</u>				
100-5122-04-2700 Property Insurance	166	250	650	650
100-5122-04-2830 Seminars & Schools	279	300	300	300
TOTAL OTHER SERVICES	444	550	950	950
<u>SUPPLIES</u>				
100-5122-05-3010 Office	100	250	250	250
100-5122-05-3030 Employee Relations	100	100	100	100
100-5122-05-3040 Gasoline & Diesel	1,403	2,500	2,500	2,500
100-5122-05-3050 Oil & Lube	36	175	175	175
100-5122-05-3080 Uniform Expense	265	150	150	150
100-5122-05-3100 Other Operating Supplies	1,755	1,600	1,600	1,600
TOTAL SUPPLIES	3,658	4,775	4,775	4,775
TOTAL ANIMAL CONTROL	53,457	\$61,893	\$60,543	\$60,149

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
DEVELOPMENT SERVICES				
<u>SALARIES & BENEFITS</u>				
100-5123-01-1010 Salaries	110,522	122,315	122,315	138,869
100-5123-01-1011 Overtime	1,591	300	300	300
100-5123-01-1020 Group Insurance	17,228	29,911	29,911	22,652
100-5123-01-1030 Social Security Contribution	9,317	9,380	9,380	10,646
100-5123-01-1040 Retirement Contribution	12,945	13,389	13,389	15,303
100-5123-01-1050 Unemployment Compensation	41	621	621	621
100-5123-01-1060 Workers' Compensation	649	1,057	1,057	627
100-5123-01-1080 Medical Exams	135	0	0	0
TOTAL SALARIES & BENEFITS	152,428	176,973	176,973	189,018
<u>PROFESSIONAL SERVICES</u>				
100-5123-02-2050 Junk Vehicles	255	330	600	600
100-5123-02-2055 Filing Fees	0	1,500	1,500	2,500
100-5123-02-2090 Other Professional Services	1,685	0	3,000	23,000
100-5123-02-2100 Demolition/Cleanup	4,566	15,000	10,000	15,000
TOTAL PROFESSIONAL SERVICES	6,506	16,830	15,100	41,100
<u>PROPERTY SERVICES</u>				
100-5123-03-2410 Motor Vehicle Repair	2,818	2,500	750	750
TOTAL PROPERTY SERVICES	2,818	2,500	750	750
<u>OTHER SERVICES</u>				
100-5123-04-2700 Property Insurance	333	350	815	815
100-5123-04-2720 Advertising	654	750	500	750
100-5123-04-2750 Dues & Membership	265	500	500	500
100-5123-04-2751 Certification / License	390	800	500	700
100-5123-04-2830 Seminars & Schools	3,734	5,000	5,000	5,000
100-5123-04-5000 Emergency Management	894	0	0	0
100-5123-04-9900 Credit Card Fees	1,420	1,500	2,000	2,200
TOTAL OTHER SERVICES	7,689	8,900	9,315	9,965
<u>SUPPLIES</u>				
100-5123-05-3010 Office	1,786	2,000	2,500	2,000
100-5123-05-3020 Books & Periodicals	418	1,500	1,500	1,500
100-5123-05-3030 Employee Relations	300	300	300	300
100-5123-05-3040 Gasoline & Diesel	2,226	3,000	3,000	3,000
100-5123-05-3050 Oil & Lube	161	200	200	200
100-5123-05-3080 Cleaning Allowance	314	325	0	0
100-5123-05-3100 Other Operating Supplies	274	1,200	500	1,200
100-5123-05-3110 Copier Expense	1,869	2,000	2,100	2,300
100-5123-05-3130 Postage	1,967	2,500	1,500	2,500
TOTAL SUPPLIES	9,314	13,025	11,600	13,000
<u>OTHER EXPENDITURES</u>				
100-5123-06-5070 Office Equipment	0	0	22	0
TOTAL OTHER EXPENDITURES	0	0	22	0
<u>CAPITAL OUTLAY</u>				
100-5123-17-5090 Other Capital Outlay	26,225	25,000	23,439	0
TOTAL CAPITAL OUTLAY	26,225	25,000	23,439	0
TOTAL DEVELOPMENT SERVICES	204,980	\$243,228	\$237,199	\$253,833

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>PUBLIC WORKS - STREET</u>				
<u>SALARIES & BENEFITS</u>				
100-5130-01-1010 Salaries	84,082	86,711	86,711	91,068
100-5130-01-1011 Overtime	6,985	1,600	1,600	1,600
100-5130-01-1020 Group Insurance	35,955	35,230	35,230	35,230
100-5130-01-1030 Social Security Contribution	6,213	6,756	6,756	7,089
100-5130-01-1040 Retirement Contribution	10,377	9,643	9,643	10,212
100-5130-01-1050 Unemployment Compensation	24	1,035	1,035	1,035
100-5130-01-1060 Workers' Compensation	5,204	9,308	9,308	9,773
100-5130-01-1080 Medical Exams	160	0	0	0
TOTAL SALARIES & BENEFITS	149,000	150,283	150,283	156,007
<u>PROFESSIONAL SERVICES</u>				
100-5130-02-2089 Street Resurfacing	238,379	0	0	20,000
100-5130-02-2090 Other Professional Services	12,330	5,000	20,000	25,000
TOTAL PROFESSIONAL SERVICES	250,709	5,000	20,000	45,000
<u>PROPERTY SERVICES</u>				
100-5130-03-2210 Natural Gas	696	1,000	1,100	1,100
100-5130-03-2220 Electricity	2,969	2,800	2,800	3,000
100-5130-03-2410 Motor Vehicle Repair	7,422	7,000	7,000	7,000
100-5130-03-2420 Equipment Repair	9,359	8,000	5,000	8,000
100-5130-03-2430 Facilities Maintenance	9,654	9,000	9,000	9,000
100-5130-03-2440 Street/Drainage Maintenance	5,200	15,000	15,000	35,000
TOTAL PROPERTY SERVICES	35,299	42,800	39,900	63,100
<u>OTHER SERVICES</u>				
100-5130-04-2700 Property Insurance	13,076	13,343	15,210	15,210
100-5130-04-2720 Advertising	569	2,000	0	1,000
100-5130-04-2830 Seminars & Schools	1,400	1,400	1,400	1,400
100-5130-04-2840 Fees/Licenses	0	200	200	200
TOTAL OTHER SERVICES	15,045	16,943	16,810	17,810
<u>SUPPLIES</u>				
100-5130-05-3010 Office	689	750	750	750
100-5130-05-3030 Employee Relations	300	300	300	300
100-5130-05-3040 Gasoline & Diesel	17,387	22,000	19,000	19,000
100-5130-05-3050 Oil & Lube	849	800	500	500
100-5130-05-3060 Tools & Equipment	2,489	3,000	3,000	3,000
100-5130-05-3070 Traffic Signs/Paint	2,021	3,000	3,000	3,000
100-5130-05-3080 Uniform Expense	1,268	1,400	1,400	1,400
100-5130-05-3090 Street Lights	91,782	93,239	93,239	93,239
100-5130-05-3100 Other Operating Supplies	4,080	5,000	4,200	4,200
100-5130-05-3110 Street Materials	19,525	20,000	20,000	25,000
100-5130-05-3120 Consumables	643	750	1,000	1,000
100-5130-05-3125 Safety	212	200	200	250
TOTAL SUPPLIES	141,245	150,439	146,589	151,639
<u>OTHER EXPENDITURES</u>				
100-5130-06-5050 Vehicles	21	0	0	0
100-5130-06-5070 Office Equipment	56	0	0	0
TOTAL OTHER EXPENDITURES	78	0	0	0
<u>CAPITAL OUTLAY</u>				
100-5130-17-5090 Other Capital Outlay	0	0	0	75,000
TOTAL CAPITAL OUTLAY	0	0	0	75,000
TOTAL PUBLIC WORKS - STREET	591,375	\$365,465	\$373,582	\$508,556

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>PUBLIC WORKS - AIRPORT</u>				
<u>PROPERTY SERVICES</u>				
100-5131-03-2220 Electricity	10,833	10,710	10,710	15,000
100-5131-03-2420 Routine Airport Maintenance	13,183	22,000	15,000	22,000
100-5131-03-2425 AWOS Maintenance Contract	5,966	5,966	5,966	6,000
100-5131-03-2430 Facilities Maintenance	28,983	10,000	10,000	10,000
TOTAL PROPERTY SERVICES	58,965	48,676	41,676	53,000
<u>OTHER SERVICES</u>				
100-5131-04-2700 Property Insurance	5,550	5,732	6,273	10,000
100-5131-04-2710 Telephone	752	780	780	800
100-5131-04-2840 Licenses/Permits	200	200	200	200
TOTAL OTHER SERVICES	6,502	6,712	7,253	11,000
<u>SUPPLIES</u>				
100-5131-05-3100 Other Operating Supplies	0	1,000	0	1,000
TOTAL SUPPLIES	0	1,000	0	1,000
TOTAL PUBLIC WORKS - AIRPORT	65,466	\$56,388	\$48,929	\$65,000
<u>PUBLIC WORKS - GARAGE</u>				
<u>SALARIES & BENEFITS</u>				
100-5140-01-1060 Workers' Compensation	0	0	0	0
TOTAL SALARIES & BENEFITS	0	0	0	0
<u>PROPERTY SERVICES</u>				
100-5140-03-2210 Natural Gas	1,083	1,386	2,600	2,600
100-5140-03-2220 Electricity	1,509	1,650	1,650	1,650
100-5140-03-2410 Motor Vehicle Repair	0	1,000	750	1,000
100-5140-03-2420 Equipment Repair	0	600	600	600
100-5140-03-2430 Facilities Maintenance	3,487	2,000	1,000	1,000
TOTAL PROPERTY SERVICES	6,079	6,636	6,600	6,850
<u>OTHER SERVICES</u>				
100-5140-04-2700 Property Insurance	1,146	1,224	1,700	1,700
TOTAL OTHER SERVICES	1,146	1,224	1,700	1,700
<u>SUPPLIES</u>				
100-5140-05-3040 Gas/Diesel	556	800	800	800
100-5140-05-3060 Tools & Equipment	647	800	800	800
100-5140-05-3080 Uniform Expense	253	300	300	300
100-5140-05-3100 Other Operating Supplies	1,551	1,600	1,600	1,600
100-5140-05-3120 Consumables	170	200	200	200
100-5140-05-3125 Safety	0	50	50	50
TOTAL SUPPLIES	3,177	3,750	3,750	3,750
<u>CAPITAL OUTLAY</u>				
100-5140-17-5090 Other Capital Outlay	0	0	0	120,000
TOTAL CAPITAL OUTLAY	0	0	0	120,000
TOTAL PUBLIC WORKS - GARAGE	10,401	\$11,610	\$12,050	\$132,300

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
LIBRARY DEPARTMENT				
<u>SALARIES & BENEFITS</u>				
100-5160-01-1010 Salaries	146,675	152,247	152,247	178,729
100-5160-01-1011 Overtime	1,946	1,500	1,500	1,500
100-5160-01-1020 Group Insurance	39,724	39,845	39,845	39,845
100-5160-01-1030 Social Security Contribution	10,922	11,762	11,762	13,787
100-5160-01-1040 Retirement Contribution	14,855	15,811	15,811	16,751
100-5160-01-1050 Unemployment Compensation	190	1,242	1,242	1,656
100-5160-01-1060 Workers' Compensation	801	692	692	805
TOTAL SALARIES & BENEFITS	215,114	223,099	223,099	253,073
<u>PROFESSIONAL SERVICES</u>				
100-5160-02-2090 Collection Services	1,451	2,000	2,000	2,000
TOTAL PROFESSIONAL SERVICES	1,451	2,000	2,000	2,000
<u>PROPERTY SERVICES</u>				
100-5160-03-2210 Natural Gas	351	0	0	0
100-5160-03-2220 Electricity	14,036	14,000	14,000	19,000
100-5160-03-2420 Equipment Repair	122	1,200	750	1,000
100-5160-03-2430 Facilities Maintenance	5,476	6,500	7,500	7,500
TOTAL PROPERTY SERVICES	19,986	21,700	22,250	27,500
<u>OTHER SERVICES</u>				
100-5160-04-2700 Property Insurance	10,881	11,352	12,100	12,100
100-5160-04-2720 Craft Supplies	493	1,000	1,000	1,000
100-5160-04-2750 Dues & Membership	417	700	684	700
100-5160-04-2830 Seminars & Schools	3,464	4,000	4,000	4,000
100-5160-04-2900 Memorial Expenditures	1,036	20,010	20,010	1,000
100-5160-04-2910 Programming	3,988	8,000	8,000	8,000
100-5160-04-9900 CREDIT CARD FEES	334	400	1,000	1,000
TOTAL OTHER SERVICES	20,614	45,462	46,794	27,800
<u>SUPPLIES</u>				
100-5160-05-3010 Office	2,378	2,700	2,700	3,400
100-5160-05-3020 Books & Periodicals	68,306	50,000	50,000	50,000
100-5160-05-3021 Book Replacements	(1,079)	0	0	0
100-5160-05-3030 Employee Relations	500	800	500	500
100-5160-05-3080 Cleaning Supplies	2,743	3,000	3,000	4,000
100-5160-05-3100 Other Operating Supplies	6,882	8,000	8,000	8,300
100-5160-05-3110 Copier Expense	5,455	4,800	5,400	5,600
100-5160-05-3130 Postage	5,960	6,750	6,000	6,000
100-5160-05-3135 Bad Debt - NSF Checks	0	0	0	0
TOTAL SUPPLIES	91,145	76,050	75,600	77,800
<u>OTHER EXPENDITURES</u>				
100-5160-06-5060 Furniture/Fixtures	0	0	0	250
100-5160-06-5070 Office Equipment	0	4,352	4,352	0
TOTAL OTHER EXPENDITURES	0	4,352	4,352	250
<u>CAPITAL OUTLAY</u>				
100-5160-17-5090 Other Capital Outlay	86,880	0	0	3,000
TOTAL CAPITAL OUTLAY	86,880	0	0	3,000
TOTAL LIBRARY	435,190	\$372,663	\$374,095	\$391,423

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>CEMETERY/PARKS</u>				
<u>SALARIES & BENEFITS</u>				
100-5161-01-1010 Salaries	163,594	189,731	189,731	194,810
100-5161-01-1011 Overtime	8,386	6,500	6,500	9,000
100-5161-01-1020 Group Insurance	42,856	56,763	56,763	56,763
100-5161-01-1030 Social Security Contribution	12,610	15,011	15,011	15,592
100-5161-01-1040 Retirement Contribution	17,337	20,413	20,413	20,833
100-5161-01-1050 Unemployment Compensation	128	1,242	1,242	1,242
100-5161-01-1060 Workers' Compensation	5,191	8,261	8,261	7,535
TOTAL SALARIES & BENEFITS	250,546	297,921	297,921	305,775
<u>PROFESSIONAL SERVICES</u>				
100-5161-02-2090 Other Professional Services	7,814	22,000	22,000	34,000
TOTAL PROFESSIONAL SERVICES	7,814	22,000	22,000	34,000
<u>PROPERTY SERVICES</u>				
100-5161-03-2210 Natural Gas	850	815	900	900
100-5161-03-2220 Electricity	8,516	11,000	9,500	10,000
100-5161-03-2410 Motor Vehicle Repair	2,892	3,500	3,000	3,500
100-5161-03-2420 Equipment Repair	5,826	6,500	4,000	6,000
100-5161-03-2430 Facilities Maintenance	11,996	15,000	23,000	15,000
TOTAL PROPERTY SERVICES	30,080	36,815	40,400	35,400
<u>OTHER SERVICES</u>				
100-5161-04-2700 Property Insurance	4,130	4,109	4,900	4,900
TOTAL OTHER SERVICES	4,441	4,109	4,900	4,900
<u>SUPPLIES</u>				
100-5161-05-3030 Employee Relations	400	500	400	500
100-5161-05-3040 Gasoline/Diesel	13,758	13,000	13,000	14,000
100-5161-05-3050 Oil/Lube	360	300	300	300
100-5161-05-3060 Tools & Equipment	4,349	5,000	4,500	5,000
100-5161-05-3080 Uniform Expense	1,618	1,800	1,800	1,800
100-5161-05-3100 Other Operating Supplies	3,630	6,000	5,000	5,000
100-5161-05-3110 Materials	282	3,000	2,500	2,500
100-5161-05-3120 Consumables	3,471	3,500	3,000	3,500
100-5161-05-3125 Safety	366	500	500	600
TOTAL SUPPLIES	28,233	33,600	31,000	33,200
<u>CAPITAL OUTLAY</u>				
100-5161-17-5090 Other Capital Outlay	27,047	60,000	60,000	60,000
TOTAL CAPITAL OUTLAY	27,047	60,000	60,000	60,000
TOTAL CEMETERY/PARKS	348,176	\$454,445	\$456,221	\$473,275

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
SPORTS PARK				
PROFESSIONAL SERVICES				
100-5162-02-2090 Professional Services	2,092	2,000	3,500	2,000
TOTAL PROFESSIONAL SERVICES	2,092	2,000	3,500	2,000
CAPITAL OUTLAY				
100-5162-17-5090 Other Capital Outlay	33,867	200,000	200,000	0
TOTAL CAPITAL OUTLAY	33,867	200,000	200,000	0
FACILITY MAINTENANCE				
100-5162-18-2406 Equipment Maintenance	220	500	700	700
100-5162-18-2407 Fuel	20	300	250	250
100-5162-18-2408 Fill Dirt (Sand)	1,800	0	0	0
100-5162-18-2409 Consumables (Toilet Tissue,Etc)	4	750	0	0
100-5162-18-2410 Utilities	10,813	9,000	7,000	9,000
100-5162-18-2413 Ice Machine Rental	0	1,000	0	0
100-5162-18-2414 Vehicle Maintenance	1,891	2,000	1,000	1,000
100-5162-18-2415 Facilities Maintenance	7,740	12,000	4,000	6,000
100-5162-18-2416 Field Play / Maintenance	5,974	6,000	6,500	3,000
100-5162-18-2499 Operating Supplies	252	4,000	3,000	4,000
TOTAL FACILITY MAINTENANCE	28,727	35,550	22,450	23,950
TOTAL SPORTS PARK	64,686	\$237,550	\$225,950	\$25,950

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>FIRE DEPARTMENT</u>				
<u>SALARIES & BENEFITS</u>				
100-5170-01-1010 Salaries	353,756	361,230	361,230	381,806
100-5170-01-1011 Overtime	1,491	1,002	1,002	2,000
100-5170-01-1020 Group Insurance	33,387	32,885	32,885	32,885
100-5170-01-1030 Social Security Contribution	26,209	27,787	27,787	28,122
100-5170-01-1040 Retirement Contribution	15,923	15,241	15,241	16,264
100-5170-01-1050 Unemployment Compensation	288	1,242	1,242	1,242
100-5170-01-1060 Worker's Compensation	10,425	15,532	15,532	18,409
TOTAL SALARIES & BENEFITS	441,480	454,919	454,919	480,728
<u>PROPERTY SERVICES</u>				
100-5170-03-2210 Natural Gas	1,639	3,000	4,000	3,000
100-5170-03-2220 Electricity	14,974	14,500	14,500	14,500
100-5170-03-2411 Fire Truck Repair	41,513	42,500	42,500	42,500
100-5170-03-2420 Equipment Repair	1,285	2,500	2,500	2,500
100-5170-03-2421 Fire Equipment Repair	10,295	17,000	17,000	17,000
100-5170-03-2430 Facilities Maintenance	8,415	9,000	9,000	9,000
TOTAL PROPERTY SERVICES	78,121	88,500	89,500	88,500
<u>OTHER SERVICES</u>				
100-5170-04-2700 Property Insurance	29,352	30,008	30,008	30,008
100-5170-04-2750 Dues & Memberships	1,494	2,000	2,000	2,000
100-5170-04-2830 Seminars & Schools	4,569	5,000	5,000	6,000
100-5170-04-2840 Fees & Permits	77	2,400	2,400	2,400
100-5170-04-2860 Volunteer Firefighter Pay	43,705	50,400	50,400	52,920
TOTAL OTHER SERVICES	79,197	89,808	89,808	93,328
<u>SUPPLIES</u>				
100-5170-05-3010 Office	599	1,500	1,500	1,500
100-5170-05-3020 Books & Periodicals	404	500	500	500
100-5170-05-3030 Employee Relations	1,000	1,100	1,050	1,100
100-5170-05-3040 Gasoline/Diesel	17,340	22,000	20,000	22,000
100-5170-05-3050 Oil/Lube	1,397	500	500	500
100-5170-05-3080 Uniform Expense	2,897	5,000	5,000	5,000
100-5170-05-3082 Bunker Gear & Cleaning	16,438	15,000	15,000	15,000
100-5170-05-3100 Medical Expenses	4,024	4,000	4,500	4,500
100-5170-05-3101 Donation Disbursement	0	1,510	1,510	1,510
100-5170-05-3102 Other Fire Supplies	20,174	35,000	35,000	35,000
100-5170-05-3130 Postage	217	200	500	500
TOTAL SUPPLIES	64,489	86,310	85,060	87,110
<u>OTHER EXPENDITURES</u>				
100-5170-06-5060 Furnitures/Fixtures	0	500	500	500
100-5170-06-5070 Other Emergency Equipment	16,518	25,000	25,000	10,000
TOTAL OTHER EXPENDITURES	16,518	25,500	25,500	10,500
<u>CAPITAL OUTLAY</u>				
100-5170-17-5090 Other Capital Outlay	0	0	0	25,000
TOTAL CAPITAL OUTLAY	0	0	0	25,000
TOTAL FIRE	679,805	\$745,037	\$744,787	\$785,166

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>EMERGENCY MANAGEMENT</u>				
<u>SALARIES & BENEFITS</u>				
100-5177-01-1010 Salaries	10,008	10,350	10,350	10,000
100-5177-01-1030 Social Security Contribution	0	792	792	765
100-5177-01-1040 Retirement Contribution	0	1,130	1,130	1,102
TOTAL SALARIES & BENEFITS	10,008	12,272	12,272	11,867
<u>OTHER SERVICES</u>				
100-5177-04-5000 Emergency Mgmt Services	8,194	3,000	4,000	18,200
TOTAL OTHER SERVICES	8,194	3,000	4,000	18,200
TOTAL EMERGENCY MANAGEMENT	18,202	\$15,272	\$16,272	\$30,067
<u>NON-OPERATIONAL</u>				
<u>FINANCIAL OBLIGATIONS</u>				
100-5190-06-5087 CIP Council Contingency	0	170,000	170,000	0
TOTAL FINANCIAL OBLIGATIONS	0	170,000	170,000	0
TOTAL NON-OPERATIONAL	0	\$170,000	\$170,000	\$0
<u>GRANTS - ALL DEPTS</u>				
<u>OTHER EXPENDITURES</u>				
100-5190-06-5080 Airport Grant/RAMP	0	0	0	34,700
100-5190-06-5085 Library Grant	7,798	0	0	0
100-5190-06-5086 Grant Reimbursement	730,000	730,000	716,105	0
TOTAL OTHER EXPENDITURES	737,798	730,000	716,105	34,700
<u>CAPITAL OUTLAY</u>				
100-5190-17-5795 GLO Glen Park - DSR 225021	7,919	0	0	0
TOTAL CAPITAL OUTLAY	7,919	0	0	0
<u>OTHER GRANTS</u>				
100-5190-13-5708 GLO FEMA - DSR 220028	0	0	0	80,000
TOTAL AFFORDABLE HOUSING	0	0	0	80,000
TOTAL GRANTS - ALL DEPTS	745,717	\$730,000	\$716,105	\$114,700
 TOTAL EXPENDITURES	 7,086,716	 \$7,553,176	 \$7,552,506	 \$7,276,086

DEBT SERVICE FUND

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

FISCAL YEAR 2019 ADOPTED BUDGET

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
REVENUES:				
Property Taxes	721,645	865,357	865,357	872,078
Interest	4,948	5,109	5,195	2,624
Transfers and Contributions	623,611	119,586	119,586	117,717
Total Revenues:	\$1,350,204	\$990,052	\$990,138	\$992,419
EXPENDITURES:				
Debt Service	1,302,358	990,052	990,052	992,419
Total Expenses:	\$1,302,358	\$990,052	\$990,052	\$992,419
Revenue Over/(Under) Expenditures	47,846	0	86	0
Fund Balance - Beginning	0	585,724	585,724	585,810
Fund Balance - Ending	\$585,724	\$585,724	\$585,810	\$585,810
Reserve Requirement (25%)		247,513	247,513	248,105
Excess/(Deficit)		338,211	338,297	337,705

Based on the values used, the budget as adopted assumes a debt service (I&S) tax rate of \$0.2255 per \$100 assessed valuation. This is a \$0.00882 decrease from fiscal year 2018 adopted rate (tax year 2017) of \$0.23432 per \$100 assessed valuation, due to the calculated levy required to secure the annual obligation backed by taxes. The following is the detail on the adopted tax rate:

Fiscal Year 2019 Adopted Tax Rate / Tax Year 2018	
Debt Service (I&S) Rate	\$0.2255
Maintenance & Operating (M&O) Rate	\$0.5445
Total Adopted Tax Rate	\$0.7700

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 \$121,000 beginning fiscal year 2021 and is possible additional debt backed by taxes would be adopted in 2021 to assist in the construction and/or equipping of an auxiliary fire station as additional sources would be necessary for the city to build an adequate fire station along with the cash raised in 2021. The rate of development in Grand Oaks will be if significant factor in determining if the (I&S) tax rate of \$0.2255 would be sufficient in closing an estimate any annual gap to support the need of tax notes or certificates to support an adequate station.

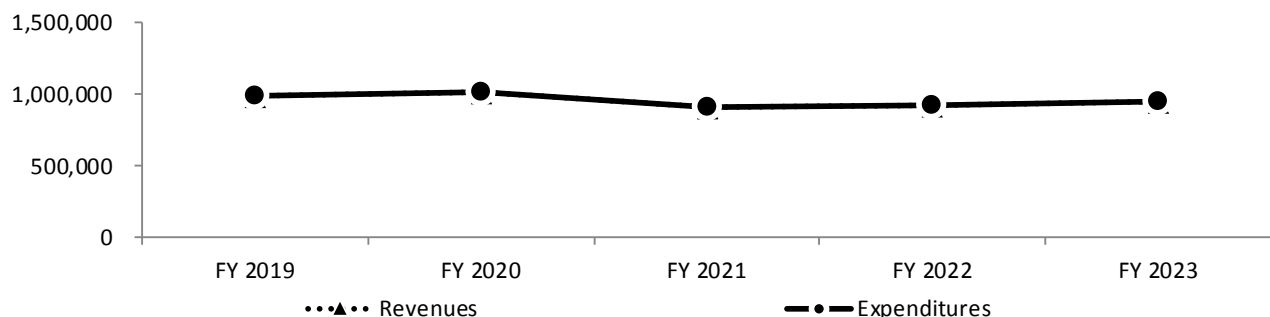
A tax rate of \$0.77000 per \$100 valuation adopted by the governing body of the City of Cleveland exceeds the effective rate on the certified rolls. The effective rate is the total tax rate needed to raise the same amount of property tax revenue from the same properties in both the 2017 and the 2018 tax year is \$0.74987. The adopted rate is below the rollback rate of \$0.83595. The rollback rate calculation is adjusted on additional sales tax, which the city has experienced higher collections than the prior year.

In fiscal year 2018, the debt service tax rate provides \$865,357 in current property taxes at the current collection rate and total revenues at \$990,138. Total 2018 debt supported by the fund is \$990,052. Debt service includes a transfer-in of \$119,586 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 2019, the adopted tax levy is \$2,940,551 at a 94.65% collection rate. The interest and sinking portion provides the projected \$815,078 in current property tax with total Debt Service property tax, current as well as delinquent, at \$872,078. Debt service revenues include \$2,624 in interest income and \$117,717 in transfers for total revenues at \$992,419.

For fiscal years 2019 through 2023, it is forecasted that the fund will remain above reserve policy guidelines, with no tax rate increases planned in years for those years, and is projected to support greater than \$120,000 in future debt by 2021 without the need to increase the interest and sinking tax rate.

	FY 2019 ADOPTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
Property Taxes	872,078	889,520	907,310	925,456	943,966
Interest	2,624	2,676	2,730	2,784	2,840
Non-Operating / Transfers	117,717	118,770	0	0	0
Total Revenues	\$992,419	\$1,010,966	\$910,040	\$928,241	\$946,806
2013 Refunding	581,506	576,956	577,031	576,656	583,456
2015 Tax Notes	201,478	203,280	0	0	0
2017 Airport	200,935	202,131	202,657	202,502	202,159
Future Bond Capacity	0	19,849	121,352	139,583	151,441
Fiscal Agent Fees	8,500	8,750	9,000	9,500	9,750
Total Expenditures	\$992,419	\$1,010,966	\$910,040	\$928,241	\$946,806



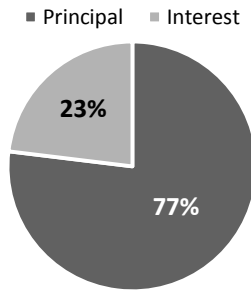
**DEBT SERVICE FUND - 500
FISCAL YEAR 2019 ADOPTED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
REVENUES:				
<u>Property Taxes</u>				
500-4000-01-0801 Current Taxes	665,012	801,466	801,466	815,078
500-4000-01-0802 Delinquent Taxes	32,371	39,000	39,000	32,000
500-4000-01-0803 P & I Attorney Fees	24,262	24,891	24,891	25,000
Total Property Taxes	721,645	865,357	865,357	872,078
<u>Interest</u>				
500-4000-10-894 Interest Income	4,948	5,109	5,195	2,624
Total Interest	4,948	5,109	5,195	2,624
<u>Non-Operating</u>				
500-4000-99-9900 Transfer In	623,611	119,586	119,586	117,717
Total Non-Operating	623,611	119,586	119,586	117,717
Total Revenues:	1,350,204	990,052	990,138	992,419
EXPENDITURES:				
<u>Debt Service</u>				
500-5510-11-4011 Tax Bond Retirement	1,055,000	810,000	810,000	830,000
500-5510-11-4051 Tax Bond Interest	235,603	174,800	174,800	153,919
500-5510-11-4071 Fiscal Agent Fees	11,755	5,252	5,252	8,500
Total Debt Service	1,302,358	990,052	990,052	992,419
Total Expenditures:	1,302,358	990,052	990,052	992,419

FY2019 ANNUAL DEBT REQUIREMENTS

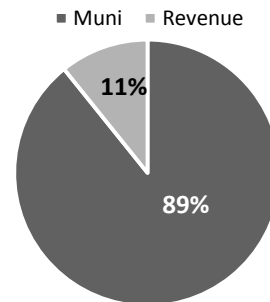
Municipal Bonds	Principal	Interest	Total
Debt Service			
GO Refunding Bonds, Series 2013	480,000	101,506	581,506
Series 2015 Tax Notes	195,000	6,478	201,478
Series 2017 Airport Hangers	155,000	45,935	200,935
	830,000	153,919	983,919
Economic Development			
Series 2012 Sports Park	85,000	53,525	138,525
Series 2012 Water Well	40,000	27,075	67,075
	125,000	80,600	205,600
Water / Sewer			
Certificates of Obligation, Series 2012A	110,000	52,150	162,150
GO Refunding Bonds, Series 2013	140,000	6,300	146,300
Series 2017 Water Projects	85,000	63,902	148,902
	335,000	122,352	457,352
Total Tax-Backed:	1,290,000	356,871	1,646,871

Total Obligations



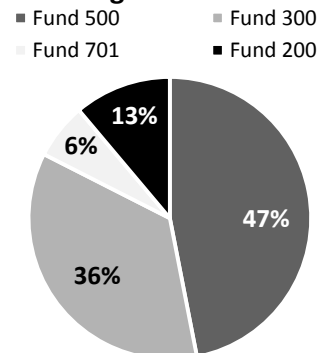
Revenue Bonds	Principal	Interest	Total
Water / Sewer			
2009 Water & Sewer Revenue Bond	25,000	13,600	38,600
2011 Water & Sewer Revenue Bonds	105,000	55,389	160,389
Total Revenue Bond:	130,000	68,989	198,989
Total Obligations:	\$1,420,000	\$425,860	\$1,845,860

Bond Type



Designated Fund	Principal	Interest	Total
Debt Service Fund	716,068	150,134	866,202
Capital Equipment	113,932	3,785	117,717
Water / Sewer Fund	465,000	191,341	656,341
EDC Fund	125,000	80,600	205,600
Total Obligations:	1,420,000	425,860	1,845,860
Total Tax-Backed from Other Resources:	573,932	206,737	780,669

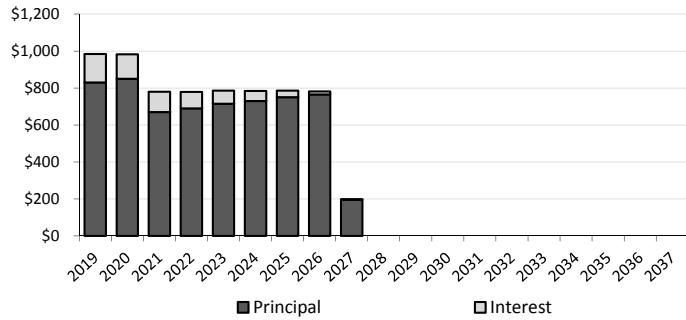
Designated Fund



GENERAL LONG-TERM DEBT
GOVERNMENTAL DEBT MATURITY SCHEDULE

Fiscal Year	Principal	Interest	Total
FY2019	830,000	153,919	983,919
FY2020	850,000	132,367	982,367
FY2021	670,000	109,689	779,689
FY2022	690,000	89,158	779,158
FY2023	715,000	70,615	785,615
FY2024	730,000	53,824	783,824
FY2025	750,000	35,846	785,846
FY2026	765,000	16,592	781,592
FY2027	195,000	3,323	198,323
FY2028			
FY2029			
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	6,195,000	665,333	6,860,333

Series Name	Principal Amount
Series 2013 General Obligation Refunding Bonds	4,225,000
Series 2015 Tax Notes	395,000
Series 2017 Airport Hangers	1,575,000
Total	6,195,000



DATE	DESCRIPTION	AMOUNT ISSUED	AMOUNT OUTSTANDING AS OF 9/30/18	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/19
3/1/2019	Series 2013 General Obligation	555,000		480,000	54,353	534,353	
9/1/2019	Refunding Bonds (GF Portion)				47,153	47,153	
	Fiscal Year Total		4,225,000	480,000	101,506	581,506	3,745,000
2/15/2019	Series 2015 Tax Notes	1,575,000			3,239	3,239	
8/15/2019	Refunding Bonds			195,000	3,239	198,239	
	Fiscal Year Total		395,000	195,000	6,478	201,478	200,000
3/1/2019	Series 2017 Certificates	1,720,000		155,000	23,899	178,899	
9/1/2019	of Obligation (GF Portion)				22,036	22,036	
	Fiscal Year Total		1,575,000	155,000	45,935	200,935	1,420,000
	TOTAL	3,850,000	6,195,000	830,000	153,919	983,919	5,365,000

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

SERIES 2013 GENERAL OBLIGATION REFUNDING BONDS

Fiscal Year	Principal	Interest	Total
FY2019	480,000	101,506	581,506
FY2020	490,000	86,956	576,956
FY2021	505,000	72,031	577,031
FY2022	520,000	56,656	576,656
FY2023	540,000	43,456	583,456
FY2024	550,000	32,213	582,213
FY2025	565,000	20,013	585,013
FY2026	575,000	6,828	581,828
FY2027			
FY2028			
FY2029			
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	4,225,000	419,659	4,644,659

SERIES 2015 TAX NOTES

Fiscal Year	Principal	Interest	Total
FY2019	195,000	6,478	201,478
FY2020	200,000	3,280	203,280
FY2021			
FY2022			
FY2023			
FY2024			
FY2025			
FY2026			
FY2027			
FY2028			
FY2029			
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	395,000	9,758	404,758

SERIES 2017 CO AIRPORT HANGERS

Fiscal Year	Principal	Interest	Total
FY2019	155,000	45,935	200,935
FY2020	160,000	42,131	202,131
FY2021	165,000	37,657	202,657
FY2022	170,000	32,502	202,502
FY2023	175,000	27,159	202,159
FY2024	180,000	21,612	201,612
FY2025	185,000	15,833	200,833
FY2026	190,000	9,764	199,764
FY2027	195,000	3,323	198,323
FY2028			
FY2029			
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	1,575,000	235,915	1,810,915

WATER & SEWER FUND

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

FISCAL YEAR 2019 ADOPTED BUDGET

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
Charges For Service	2,829,972	2,758,160	2,762,925	2,791,325
Other Service Charges	81,014	88,400	116,011	91,275
Interest	26,912	22,000	40,164	32,131
Other Fees	98,332	96,500	104,040	108,739
Garbage	279,880	218,100	239,898	245,540
Operating Revenue:	\$3,316,109	\$3,183,160	\$3,263,038	\$3,269,011
Non-Operating Revenue:	\$2,223,101	\$0	\$36,550	\$350,000
Total Revenues:	\$5,539,211	\$3,183,160	\$3,299,588	\$3,619,011
Water Administration	644,225	354,947	353,087	375,751
Water Production	1,306,621	784,549	785,049	801,783
Sewer Department	419,499	827,377	847,727	739,766
Sanitation Department	257,781	215,270	215,270	215,270
Operating Expenses:	\$2,628,127	\$2,182,143	\$2,201,133	\$2,132,570
Financial Obligations	128,912	661,016	661,016	656,341
Non-Departmental / Transfers	400,000	400,000	400,000	375,000
Capital Contributions	0	700,000	700,000	455,100
Non-Operating Expenses:	\$528,912	\$1,761,016	\$1,761,016	\$1,486,441
Total Expenses:	\$3,157,038	\$3,943,159	\$3,962,149	\$3,619,011
<i>Revenues Over Expenditures</i>	2,382,172	(759,999)	(662,561)	0
Fund Balance - Beginning		14,335,866	14,335,866	13,673,305
<i>Cash Balance - Beginning</i>		2,113,244	2,113,244	1,450,683
Fund Balance - Ending	\$14,335,866	\$13,575,867	\$13,673,305	\$13,673,305
<i>Cash Balance - Ending</i>	<i>\$2,113,244</i>	<i>\$1,353,245</i>	<i>\$1,450,683</i>	<i>\$1,450,683</i>
Reserve Requirement (25%)		985,790	985,790	904,753
Excess/(Deficit)		367,455	464,893	545,930

Fiscal Year 2017-2018:

Water & Sewer revenue is \$3,299,588, \$2,239,623 lower than last year's total revenue \$5,539,211 due to \$2,223,101 non-operating bond proceeds. Operating revenue at \$3,263,038 is \$53,072 lower than last year's operating total of \$3,253,233 due to lower projected revenue in Union Tank Car (UTC) wastewater flow and changes in garbage collection rate; Reductions at UTC are in line with collections in fiscal year 2017 trends and within \$8,160 of the original budget, recognizing that UTC wastewater revenues were significantly higher than the norm for 2017. Water charges at \$1,457,250 and sewer charges at \$1,140,675 are projected to come in at \$12,925 higher than original budget expectations. Non-operating revenue of \$36,550 is development contribution from Kendall Homes system extensions, taps and improvements.

Fiscal year 2018 expenses totaling \$3,962,149 are projected to be \$18,990 or 0.5% higher than original budget due to facility repair. The Water Administration division projected at \$353,087. Total Water Administration Division savings is projected at \$1,860, or within 0.5% of original allocation. The Water Production division projected at \$785,049 is \$500 or within 0.1% of original allocation. The sewer division at \$847,727 is \$20,350 more than the original adopted. Sanitation division is projected at \$215,270. Ending cash balance at 9/30/18 is estimated to be \$1,450,683. Ending unrestricted cash is lower than in prior years with council approving \$700,000 to be used in conjunction with Bond Series 2017 in complete Water Well Plant #2 rehabilitation and improvements. However the priority of the allocation is needed to complete mandated cleanup of the wastewater equalization pond, using the remaining 2012 bonds to support a portion of Water Plant #2 rehabilitation.

Fiscal Year 2018-2019:

Water & Sewer revenue is \$3,619,011, \$319,423 higher than last year's projected revenue mainly due non-recurring revenue from the awarded \$350,000 in CDBG grant funding, less the Georgia Pacific pond cleanup and contribution of \$36,550 for Kendall Homes system extensions, taps and improvements. Although staff is reviewing preliminary contributions from large scale development, no additions have been included to the adopted revenue projection. Also, no significant increases are projected in water or sewer charges for fiscal year 2019, as Grand Oaks development will have limited homes completed by the end of the fiscal year.

The adopted does include an increase in user rates. The rate adjustment supports a financial plan to manage current and projected capital expenses over the near term and is necessary to maintain and improve current bond rating without significant burden to the customer. The monthly estimated increase is \$0.50 for the average minimum user to \$1.25 for an average home with 5,000 gallon usage. The increase is based on a sliding scale of usage and a residential sewer cap at 15,000 gallons remains unchanged.

The adopted budget is balanced at \$3,619,011 and includes annual financial obligations of \$656,341. Adopted transfer to the general fund is adjusted to \$375,000. The adopted also includes Pay-as-you-go capital of \$52,500, \$350,000 entitlement to cover the awarded CDBG Phase II, plus an additional \$52,600 for capital and maintenance programs. The CDBG Phase II program is a continuation to replace/repair sewer lines that are aged and deteriorated causing excessive inflow and infiltration that began in fiscal year 2017. Phase I rehabilitated approximately 8,280 linear feet of 6" to 8" sewer lines. Phase II total of \$402,500 will extend additional rehabilitation to existing infrastructure within programs qualifying scope.

Supplemental Expenses are detailed below:

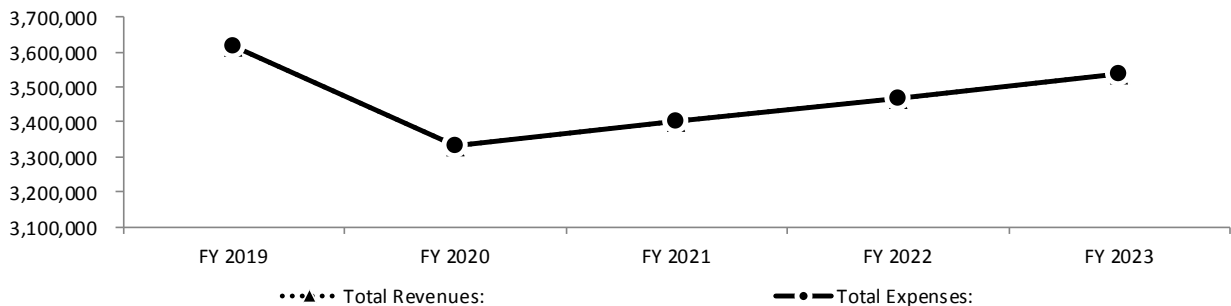
	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
Salary Merit (5.0%)	43,866		43,866
Additional Capital / Maintenance		52,600	52,600
CDBG Sanitary Rehab - Phase II		402,500	402,500
Total Adopted:	43,866	455,100	498,966

Available cash ending balance at 9/30/2019 is expected to be \$1,450,683 with cash reserves at \$545,930 above policy requirement. The calculation of cash reserves includes the \$455,100 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 2023; 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 2019 ADOPTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
Operating Revenue:	\$3,269,011	\$3,334,391	\$3,401,079	\$3,469,100	\$3,538,482
Non-Operating Revenue:	\$350,000	\$0	\$0	\$0	\$0
Total Revenues:	\$3,619,011	\$3,334,391	\$3,401,079	\$3,469,100	\$3,538,482
Operating Expenses:	\$2,132,570	\$2,175,221	\$2,218,725	\$2,263,100	\$2,308,362
Financial Obligations	656,341	655,357	539,846	534,775	534,234
Non-Departmental / Transfers	375,000	375,000	375,000	375,000	375,000
Capital Projects	455,100	128,813	267,507	296,225	320,886
Non-Operating Expenses:	\$1,486,441	\$1,159,170	\$1,182,353	\$1,206,000	\$1,230,120
Total Expenses:	\$3,619,011	\$3,334,391	\$3,401,079	\$3,469,100	\$3,538,482
<i>Revenues Over Expenditures</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Cash Balance - Beginning	1,450,683	1,450,683	1,450,683	1,450,683	1,450,683
Cash Balance - Ending	\$1,450,683	\$1,450,683	\$1,450,683	\$1,450,683	\$1,450,683
Reserve Requirement (25%)	904,753	833,598	850,270	867,275	884,621
Excess/(Deficit)	545,930	617,085	600,413	583,408	566,062



Allocation of Program Requests

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
CDBG Sanitary Rehab - Phase II	402,500				
West WWTP Screw Pump		55,000			
Conex Containers - Security		5,800			
Additional Sludge Hauling		6,000	6,200	6,324	6,450
Additional WWTP Maintenance		8,861	15,000	15,300	15,606
Customer Service Workstations (2)			5,000		
Security Fencing WWTP			27,500		
Drive-by Meter Reading			60,000		
Capital/Supplemental (TBD)	52,600	53,152	153,807	274,601	298,830
	\$455,100	\$128,813	\$267,507	\$296,225	\$320,886

**WATER & SEWER FUND - 300
FISCAL YEAR 2019 ADOPTED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>REVENUES</u>				
<u>Service Revenue</u>				
300-4000-09-0866.Water Charges	1,464,270	1,450,000	1,457,250	1,485,250
300-4000-09-0866.Sewer Charges	1,143,287	1,135,000	1,140,675	1,141,075
300-4000-09-0866 Waste Water Revenue-UTC	222,415	173,160	165,000	165,000
TOTAL SERVICE REVENUE	2,829,972	2,758,160	2,762,925	2,791,325
<u>Other Service Charges</u>				
300-4000-09-0866 Direct Water Sales	1,443	700	2,800	1,500
300-4000-09-0895 Reconnect Fees	12,575	14,000	14,000	14,000
300-4000-09-0895 Over / (Short)	(97)	0	0	0
300-4000-09-0895 Returned Check Fees	428	1,100	500	1,100
300-4000-09-0895 Late Charges Billed	55,204	63,000	63,000	63,000
300-4000-09-0895 Misc W&S Billings	100	100	24,389	100
300-4000-09-0895 Tampering	0	100	0	0
300-4000-09-0895 Transfer Fees	125	100	0	0
300-4000-09-0895 Other Misc Income	1,538	200	170	200
300-4000-09-0895 Credit Charge Fees	9,698	9,100	11,152	11,375
TOTAL OTHER SERVICE CHARGES	81,014	88,400	116,011	91,275
<u>Interest</u>				
300-4000-10-0894 Interest Income	26,912	22,000	40,164	32,131
Total Interest	26,912	22,000	40,164	32,131
<u>Water Fees</u>				
300-4000-11-0867 Meter Service	5,550	6,000	5,732	5,789
300-4000-11-0867 Water Taps	9,073	12,500	10,620	12,000
300-4000-11-0867 Sewer Taps	4,050	3,000	5,500	8,000
300-4000-11-0867 Street Cuts	1,350	0	3,500	3,500
300-4000-11-0867 Payment Plan	1,899	0	2,500	2,500
300-4000-11-0868 Wm Mgmt Fees (Revenue)	76,410	75,000	76,188	76,950
Total Water Fees	98,332	96,500	104,040	108,739
<u>Garbage</u>				
300-4000-12-0873.Garbage Pickup Revenue	272,821	212,400	217,680	222,000
300-4000-12-0873.Garbage Bag Income	3,480	3,700	3,400	3,500
300-4000-12-0873.Garbage Tag Income	606	1,000	1,200	1,200
300-4000-12-0874 Additional Garbage Cart	2,975	1,000	17,618	18,840
300-4000-12-0880 Street Fee	(2)	0	0	0
Total Garbage	279,880	218,100	239,898	245,540
<u>Non-Operating</u>				
300-4000-99-1000 Contribution Capital Projects	0	0	36,550	350,000
300-4000-99-1003 Contributions EDC	31,948	0	0	0
300-4000-99-9800 Transfers In	2,191,153	0	0	0
Total Non-Operating	2,223,101	0	36,550	350,000
Total Revenues	\$5,539,211	\$3,183,160	\$3,299,588	\$3,619,011

**WATER & SEWER FUND - 300
FISCAL YEAR 2019 ADOPTED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>WATER ADMINISTRATION</u>				
<u>Salaries & Benefits</u>				
300-5310-01-1010 Salaries	175,865	172,139	172,139	181,468
300-5310-01-1011 Overtime	6,480	1,500	1,500	1,500
300-5310-01-1020 Group Insurance	38,467	33,880	33,880	44,070
300-5310-01-1030 Social Security Contribution	13,011	13,283	13,283	13,997
300-5310-01-1040 Retirement Contribution	19,637	18,961	18,961	20,163
300-5310-01-1050 Unemployment Compensation	41	828	828	828
300-5310-01-1060 Workers' Compensation	2,137	4,377	4,377	4,596
300-5310-01-1080 Medical Exams	120	0	0	0
300-5310-01-1090 Adm - Pension Expense	3,899	0	0	0
Total Salaries & Benefits	259,657	244,968	244,968	266,622
<u>Professional Services</u>				
300-5310-02-2040 Accounting/Audit	0	5,000	5,000	5,000
300-5310-02-2090 Other Profess.Services	37,763	40,000	40,000	40,000
Total Professional Services	37,763	45,000	45,000	45,000
<u>Property Services</u>				
300-5310-03-2220 Electricity	2,470	2,600	2,600	2,600
300-5310-03-2420 Equipment Repair	39	500	0	0
Total Property Services	2,509	3,100	2,600	2,600
<u>Other Services</u>				
300-5310-04-2720 Advertising	477	1,500	0	0
300-5310-04-2730 Printing & Binding	2,739	2,800	2,800	2,800
300-5310-04-2750 Dues & Membership	70	100	90	100
300-5310-04-2830 Seminars & Schools	1,500	1,200	1,200	1,200
300-5310-04-9900 Credit Card Fees	8,252	8,100	9,000	9,000
Total Other Services	13,038	13,700	13,090	13,100
<u>Supplies</u>				
300-5310-05-3010 Office	3,512	3,500	3,500	3,500
300-5310-05-3030 Employee Relations	400	400	400	400
300-5310-05-3100 Other Operating Supplies	215	1,000	750	750
300-5310-05-3115 Janitorial Supplies	317	529	529	529
300-5310-05-3130 Postage	12,558	14,750	14,750	14,750
Total Supplies	17,002	20,179	19,929	19,929
<u>Other Expenditures</u>				
300-5310-06-5070 Office Equipment	206	500	0	0
300-5310-06-5095 Contingency	0	12,500	12,500	13,500
Total Other Expenditures	206	13,000	12,500	13,500

**WATER & SEWER FUND - 300
FISCAL YEAR 2019 ADOPTED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>Financial Obligations</u>				
300-5310-99-8001 Transfer To Technology Dept.	15,000	15,000	15,000	15,000
300-5310-99-8002 Transfer Out - Debt Service	299,050	0	0	0
Total Financial Obligations	314,050	15,000	15,000	15,000
TOTAL WATER ADMINISTRATION	\$644,225	\$354,947	\$353,087	\$375,751

WATER & SEWER FUND - 300
FISCAL YEAR 2019 ADOPTED BUDGET

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>WATER PRODUCTION</u>				
<u>Salaries & Benefits</u>				
300-5330-01-1010 Salaries	307,034	312,106	312,106	335,363
300-5330-01-1011 Overtime	26,046	4,600	4,600	4,600
300-5330-01-1020 Group Insurance	99,407	101,543	101,543	94,753
300-5330-01-1030 Social Security Contribution	23,518	24,497	24,497	26,008
300-5330-01-1040 Retirement Contribution	34,059	34,968	34,968	37,464
300-5330-01-1050 Unemployment Compensation	170	1,656	1,656	1,656
300-5330-01-1060 Workers' Compensation	8,353	26,529	26,529	28,167
300-5330-01-1080 Medical Exams	443	0	0	0
300-5330-01-1090 Water - Pension Expense	5,847	0	0	0
Total Salaries & Benefits	504,876	505,899	505,899	528,011
<u>Professional Services</u>				
300-5330-02-2090 Other Profess.Services	3,381	8,000	8,000	8,000
Total Professional Services	3,381	8,000	8,000	8,000
<u>Property Services</u>				
300-5330-03-2210 Natural Gas	551	650	650	650
300-5330-03-2220 Electricity	67,432	81,000	75,000	73,122
300-5330-03-2410 Motor Vehicle Repair	13,098	10,000	10,000	10,000
300-5330-03-2420 Equipment Repair	15,861	15,000	15,000	15,000
300-5330-03-2430 Facility Maintenance	13,679	11,000	17,000	12,000
300-5330-03-2520 Equipment Rental	871	1,000	1,000	1,000
Total Property Services	111,493	118,650	118,650	111,772
<u>Other Services</u>				
300-5330-04-2700 Property/Liability Insurance	19,671	22,900	22,900	22,900
300-5330-04-2720 Advertising	311	500	500	500
300-5330-04-2740 Meeting Expenses	350	350	350	350
300-5330-04-2830 Seminars & Schools	2,323	2,000	2,000	2,000
300-5330-04-6030 License Expense	6,302	6,500	6,500	6,500
TOTAL OTHER SERVICES	28,956	32,250	32,250	32,250
<u>Supplies</u>				
300-5330-05-3030 Employee Relations	850	850	850	850
300-5330-05-3040 Gasoline/Diesel	12,164	12,000	12,000	13,000
300-5330-05-3050 Oil/Lube	872	750	750	750
300-5330-05-3060 Small Tools	2,160	2,800	2,800	2,800
300-5330-05-3080 Uniform Expense	2,413	1,700	1,700	1,700
300-5330-05-3100 Other Operating Supplies	9,265	5,500	5,500	5,500
300-5330-05-3105 Lab Fees/Chemicals	7,048	10,500	11,000	11,500
300-5330-05-3110 Materials	66,917	50,000	50,000	50,000
300-5330-05-3120 Consumables	532	900	900	900
300-5330-05-3125 Safety	316	750	750	750
Total Supplies	102,537	85,750	86,250	87,750

**WATER & SEWER FUND - 300
FISCAL YEAR 2019 ADOPTED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>Other Expenditures</u>				
300-5330-06-2435 Street Repairs	25,725	24,000	24,000	24,000
Total Other Expenditures	25,725	24,000	24,000	24,000
<u>Depreciation</u>				
300-5330-08-6010 Depreciation	519,653	0	0	0
Total Depreciation	519,653	0	0	0
<u>Financial Obligations</u>				
300-5330-99-8000 Transfer Out To Technology	10,000	10,000	10,000	10,000
Total Financial Obligations	10,000	10,000	10,000	10,000
Total Water Production	\$1,306,621	\$784,549	\$785,049	\$801,783

WATER & SEWER FUND - 300
FISCAL YEAR 2019 ADOPTED BUDGET

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>SEWER DEPARTMENT</u>				
<u>Salaries & Benefits</u>				
300-5350-01-1010 Salaries	200,683	210,661	210,661	229,453
300-5350-01-1011 Overtime	22,672	28,500	28,500	28,500
300-5350-01-1020 Group Insurance	66,645	57,863	57,863	65,052
300-5350-01-1030 Social Security Contribution	15,358	18,296	18,296	19,733
300-5350-01-1040 Retirement Contribution	22,823	26,116	26,116	28,426
300-5350-01-1050 Unemployment Compensation	97	1,035	1,035	1,035
300-5350-01-1060 Workers' Compensation	5,917	11,506	11,506	10,967
300-5350-01-1080 Medical Exams	123	0	0	0
300-5350-01-1090 Sewer - Pension Expense	3,898	0	0	0
Total Salaries & Benefits	338,216	353,977	353,977	383,166
<u>Professional Services</u>				
300-5350-02-2090 Other Profess.Services	4,789	37,000	37,000	12,000
Total Professional Services	4,789	37,000	37,000	12,000
<u>Property Services</u>				
300-5350-03-2220 Electricity	92,525	96,000	96,000	96,000
300-5350-03-2410 Motor Vehicle Repair	7,883	7,500	7,500	8,500
300-5350-03-2420 Equipment Repair	28,365	10,000	11,000	11,000
300-5350-03-2430 Facility Maintenance	54,835	45,000	60,000	45,000
300-5350-03-2440 Sludge Removal	35,443	30,000	30,000	31,000
300-5350-03-2520 Rental Equipment	0	4,000	4,000	3,500
Total Property Services	219,052	192,500	208,500	195,000
<u>Other Services</u>				
300-5350-04-2700 Property Insurance	47,349	48,000	48,000	48,000
300-5350-04-2720 Advertising	110	2,000	2,000	2,000
300-5350-04-2740 Meeting Expenses	350	350	350	350
300-5350-04-2830 Seminars & Schools	2,581	3,000	3,000	3,000
300-5350-04-6030 License Expense	10,200	10,750	10,750	10,750
300-5350-04-6035 Penalties And Fines	2,250	0	0	0
Total Other Services	62,839	64,100	64,100	64,100
<u>Supplies</u>				
300-5350-05-3030 Employee Relations	550	600	550	600
300-5350-05-3040 Gasoline/Diesel	8,876	10,500	15,000	10,500
300-5350-05-3050 Oil/Lube	941	1,100	1,000	1,000
300-5350-05-3060 Small Tools	1,338	2,000	2,000	2,000
300-5350-05-3080 Uniform Expense	1,018	1,200	1,200	1,200
300-5350-05-3100 Other Operating Supplies	2,987	4,200	4,200	4,200
300-5350-05-3105 Lab Fees/Chemicals	61,127	48,000	48,000	49,000
300-5350-05-3110 Materials	9,534	10,500	10,500	10,500
300-5350-05-3120 Consumables	1,000	1,200	1,200	1,000
300-5350-05-3125 Safety	405	500	500	500
Total Supplies	87,776	79,800	84,150	80,500

WATER & SEWER FUND - 300
FISCAL YEAR 2019 ADOPTED BUDGET

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>Capital Outlay</u>				
300-5350-17-5090 Other Capital Outlay	(298,173)	95,000	95,000	0
Total Capital Outlay	(298,173)	95,000	95,000	0
<u>FINANCIAL OBLIGATIONS</u>				
300-5350-99-8000 Transfer Out To Technology	5,000	5,000	5,000	5,000
Total Financial Obligations	5,000	5,000	5,000	5,000
Total Sewer Department	\$419,499	\$827,377	\$847,727	\$739,766

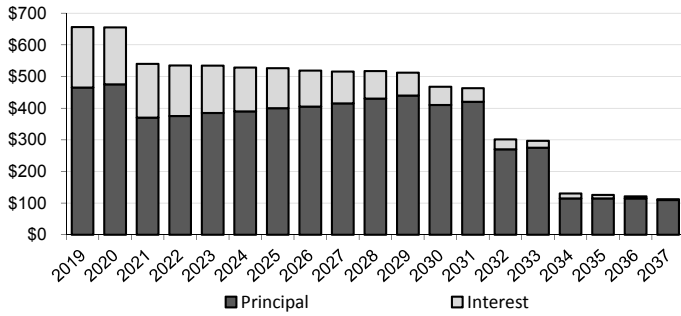
WATER & SEWER FUND - 300
FISCAL YEAR 2019 ADOPTED BUDGET

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>SANITATION DEPARTMENT</u>				
<u>Garbage</u>				
300-5370-07-2811 Garbage Pickup-Residential	254,912	212,400	212,400	212,400
300-5370-07-3120 Garbage Bags	2,869	2,870	2,870	2,870
Total Garbage	257,781	215,270	215,270	215,270
Total Sanitation Department	\$257,781	\$215,270	\$215,270	\$215,270
<u>NON-OPERATIONAL</u>				
<u>Financial Obligations</u>				
300-5380-99-9900 Bond Principal Payment	0	450,000	450,000	465,000
300-5380-99-9901 Interest On Bond Payments	130,586	204,795	204,795	191,341
300-5380-99-9915 Fiscal Agent Fees	3,170	6,221	6,221	0
300-5380-99-9920 2012A Bond Issue Costs	(4,845)	0	0	0
300-5380-99-9921 Transfers Out To GF	400,000	400,000	400,000	375,000
300-5380-99-9922 Transfers To CIP	0	700,000	700,000	455,100
Total Financial Obligations	528,912	1,761,016	1,761,016	1,486,441
Total Non-Operational	\$528,912	\$1,761,016	\$1,761,016	\$1,486,441
Total Expenditures	\$3,157,038	\$3,943,159	\$3,962,149	\$3,619,011

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

Fiscal Year	Principal	Interest	Total
FY2019	465,000	191,341	656,341
FY2020	475,000	180,357	655,357
FY2021	370,000	169,846	539,846
FY2022	375,000	159,775	534,775
FY2023	385,000	149,234	534,234
FY2024	390,000	138,043	528,043
FY2025	400,000	126,224	526,224
FY2026	405,000	113,775	518,775
FY2027	415,000	100,784	515,784
FY2028	430,000	86,998	516,998
FY2029	440,000	72,179	512,179
FY2030	410,000	57,483	467,483
FY2031	420,000	43,042	463,042
FY2032	270,000	31,182	301,182
FY2033	275,000	22,038	297,038
FY2034	115,000	15,413	130,413
FY2035	115,000	11,100	126,100
FY2036	115,000	6,600	121,600
FY2037	110,000	2,200	112,200
Total	6,380,000	1,677,610	8,057,610

Series Name	Principal Amount
Series 2009 W/S Revenue Bond	360,000
Series 2011 W/S Revenue Bond	1,660,000
Series 2012A CO	1,955,000
Series 2013 GO Refunding Bonds	280,000
Series 2017 CO	2,125,000
Total	6,380,000



DATE	DESCRIPTION	AMOUNT ISSUED	AMOUNT OUTSTANDING AS OF 9/30/18	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/19
3/1/2019	Series 2009 Water & Sewer Revenue Bond	555,000		25,000	6,981	31,981	
9/1/2019					6,619	6,619	
	Fiscal Year Total		360,000	25,000	13,600	38,600	335,000
3/1/2019	Series 2011 Water & Sewer Revenue Bond	2,360,000		105,000	28,311	133,311	
9/1/2019				0	27,078	27,078	
	Fiscal Year Total		1,660,000	105,000	55,389	160,389	1,555,000
3/1/2019	Series 2012A Certificates of Obligation	2,470,000		110,000	26,625	136,625	
9/1/2019					25,525	25,525	
	Fiscal Year Total		1,955,000	110,000	52,150	162,150	1,845,000
3/1/2019	Series 2013 General Obligation Refunding Bonds (W/S Portion)	1,575,000		140,000	4,200	144,200	
9/1/2019					2,100	2,100	
	Fiscal Year Total		280,000	140,000	6,300	146,300	140,000
3/1/2019	Series 2017 Certificates of Obligation (W/S Portion)	2,200,000		85,000	32,245	117,245	
9/1/2019					31,658	31,658	
	Fiscal Year Total		2,125,000	85,000	63,902	148,902	2,040,000
	TOTAL	9,160,000	6,380,000	465,000	191,341	656,341	5,915,000

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

SERIES 2009 WATER & SEWER REVENUE BOND

Fiscal Year	Principal	Interest	Total
FY2019	25,000	13,600	38,600
FY2020	25,000	12,825	37,825
FY2021	30,000	11,888	41,888
FY2022	30,000	10,815	40,815
FY2023	30,000	9,698	39,698
FY2024	35,000	8,454	43,454
FY2025	35,000	7,071	42,071
FY2026	35,000	5,636	40,636
FY2027	35,000	4,175	39,175
FY2028	40,000	2,580	42,580
FY2029	40,000	860	40,860
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	360,000	87,601	447,601

SERIES 2011 WATER & SEWER REVENUE BOND

Fiscal Year	Principal	Interest	Total
FY2019	105,000	55,389	160,389
FY2020	110,000	52,725	162,725
FY2021	110,000	49,728	159,728
FY2022	115,000	46,349	161,349
FY2023	120,000	42,558	162,558
FY2024	120,000	38,538	158,538
FY2025	125,000	34,310	159,310
FY2026	130,000	29,815	159,815
FY2027	135,000	25,044	160,044
FY2028	140,000	19,955	159,955
FY2029	145,000	14,575	159,575
FY2030	150,000	8,933	158,933
FY2031	155,000	3,023	158,023
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	1,660,000	420,942	2,080,942

SERIES 2012A CERTIFICATES OF OBLIGATION

Fiscal Year	Principal	Interest	Total
FY2019	110,000	52,150	162,150
FY2020	110,000	49,950	159,950
FY2021	115,000	47,700	162,700
FY2022	115,000	45,400	160,400
FY2023	120,000	43,050	163,050
FY2024	120,000	40,350	160,350
FY2025	125,000	37,288	162,288
FY2026	125,000	33,850	158,850
FY2027	130,000	30,025	160,025
FY2028	135,000	26,050	161,050
FY2029	140,000	21,925	161,925
FY2030	145,000	17,469	162,469
FY2031	150,000	12,675	162,675
FY2032	155,000	7,719	162,719
FY2033	160,000	2,600	162,600
FY2034			
FY2035			
FY2036			
FY2037			
Total	1,955,000	468,201	2,423,201

SERIES 2013 GENERAL OBLIGATION REFUNDING BONDS

Fiscal Year	Principal	Interest	Total
FY2019	140,000	6,300	146,300
FY2020	140,000	2,100	142,100
FY2021			
FY2022			
FY2023			
FY2024			
FY2025			
FY2026			
FY2027			
FY2028			
FY2029			
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	280,000	8,400	288,400

SERIES 2017 CO WATER PROJECTS

Fiscal Year	Principal	Interest	Total
FY2019	85,000	63,902.31	148,902.31
FY2020	90,000	62,756.59	152,756.59
FY2021	115,000	60,530.25	175,530.25
FY2022	115,000	57,210.54	172,210.54
FY2023	115,000	53,928.70	168,928.70
FY2024	115,000	50,700.95	165,700.95
FY2025	115,000	47,554.48	162,554.48
FY2026	115,000	44,473.81	159,473.81
FY2027	115,000	41,539.63	156,539.63
FY2028	115,000	38,412.50	153,412.50
FY2029	115,000	34,818.75	149,818.75
FY2030	115,000	31,081.25	146,081.25
FY2031	115,000	27,343.75	142,343.75
FY2032	115,000	23,462.50	138,462.50
FY2033	115,000	19,437.50	134,437.50
FY2034	115,000	15,412.50	130,412.50
FY2035	115,000	11,100.00	126,100.00
FY2036	115,000	6,600.00	121,600.00
FY2037	110,000	2,200.00	112,200.00
Total	2,125,000	692,466	2,817,466

CAPITAL EQUIPMENT FUND

SUMMARY

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

FISCAL YEAR 2019 ADOPTED BUDGET

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
Total Revenues	\$65,747	\$206,250	\$204,303	\$204,376
Total Expenses	\$47,138	\$205,303	\$205,303	\$204,376
<i>Revenues Over Expenses</i>	<i>18,609</i>	<i>947</i>	<i>(1,000)</i>	<i>0</i>
Cash Balance - Beginning		198,974	198,974	197,974
Cash Balance - Ending	\$198,974	\$199,921	\$197,974	\$197,974
Reserve Requirement (25%)		51,326	51,326	51,094
Excess/(Deficit)*		148,595	146,648	146,880

Fiscal Year 2017-2018:

Revenues for the Capital Equipment Fund are projected at \$204,303 for September 30, 2018. The city is averaging \$8,670 per month in the base water rate and more than \$8,160 per month in the base sewer rate. The city is projecting limited resources of interest earnings and sale of assets bringing total operating revenues to \$204,303.

Expenses for the Capital Equipment Fund are projected to total \$204,303. Expenses include the purchase of a utility truck at \$36,221; a portion of a tractor at \$18,552 with the remaining \$20,000 financed by the General Fund; and a portion of a replacement pickup truck at \$9,000 was purchased with the remaining financed by the Water Fund contingency.

A Gradall and vacuum truck are being financed through a five year tax note. Debt Service of \$118,485 is required before year-end to finance both the Gradall and vacuum truck. A Case 580N backhoe was partially financed at \$65,257 over 36 months at 2.69% with \$22,717 required before year-end. Available fund balance at 9/30/2017 is projected at \$197,974.

Fiscal Year 2018-2019:

Revenues are estimated at \$204,200; of which \$202,100 are charges for service and \$2,100 is interest revenue. Revenues are estimated lower than the prior year by \$520,000 due to the non-operating proceeds in FY16 needed for obtaining the vacuum truck and Gradall.

Total adopted expenses are \$ 204,376, with \$75,300 available for additional capital outlay and \$129,076 needed for annual financial obligations. The adopted capital outlay includes the cash purchase and trade in of a second backhoe at \$61,300, the backhoe is an addition to the Case 580N purchased in fiscal year 2016. Also scheduled is a \$10,000 Zero-Turn Mower for the waste water treatment plants and \$4,000 bore tool essential for new utility taps. The Case 580N will be paid off by the second quarter of fiscal year 2019.

Anticipated revenues of \$204,376 balance expenses, maintaining an estimated cash ending balance of \$197,974 with an excess of \$146,880 over the reserve.

Current Obligations:

	Multi-Year Funding Schedule				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<u>Financing Obligations</u>					
Jet Vac	54,331	54,817	0	0	0
Gradall	63,386	63,953	0	0	0
Tax Note (Transfer out)	117,717	118,770	0	0	0
Backhoe 1 (2.69% Loan)	11,358	0	0	0	0
Loans	11,358	0	0	0	0
Total Financing:	\$129,076	\$118,770	\$0	\$0	\$0

Equipment Purchase and Replacement Schedule:

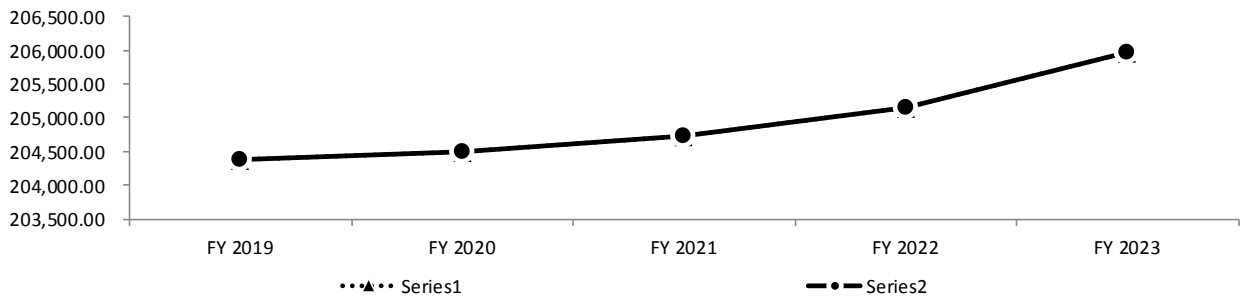
Equipment/Vehicle to be Purchased	Est. Total Cost	Multi-Year Funding Schedule				
		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<u>Cash Purchases</u>						
Backhoe 2	61,300	61,300				
Z-Turn Mower 1	10,000	10,000				
Bore Tool	4,000	4,000				
Dump Trailer	12,000		12,000			
Auto Crane	16,000		16,000			
Z-Turn Mower 2	10,000		10,000			
Pickup Replacement 3	30,000		30,000			
Dump Truck 2	72,500			72,500		
Street Sweeper	132,224			132,224		
Equipment TBD	428,850		17,730		205,148	205,972
Cash Expenses	776,874	75,300	85,730	204,724	205,148	205,972

FIVE YEAR PLAN:

A five year plan is programmed for forecasting purposes only. It is projected that Fund 701 will have a balanced budget or moderate surplus for fiscal years ending 2019 through 2023. The plan consists of major capital equipment purchases that are detailed on the Equipment Purchase and Replacement Schedule.

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

	FY 2019 ADOPTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
Charges for Service	202,000	202,100	202,300	202,700	203,500
Interest	2,376	2,400	2,424	2,448	2,472
Total Revenues	204,376	204,500	204,724	205,148	205,972
Capital Outlay	75,300.00	85,730	204,724	205,148	205,972
Financial Obligations	129,076	118,770	0	0	0
Total Expenses	204,376	204,500	204,724	205,148	205,972
Revenues Over Expenditures	0	0	0	0	0
Fund Balance - Beginning	197,974	197,974	197,974	197,974	197,974
Fund Balance - Ending	\$ 197,974	\$ 197,974	\$ 197,974	\$ 197,974	\$ 197,974



**CAPITAL EQUIPMENT FUND - 701
FISCAL YEAR 2019 ADOPTED BUDGET DETAIL**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>REVENUES</u>				
<u>Property Taxes</u>				
701-4000-01-0101 Base Water Rate	93,769	104,762	104,000	104,000
701-4000-01-0102 Sewer Base Rate	88,316	98,238	98,000	98,000
Total Property Taxes	182,085	203,000	202,000	202,000
<u>Interest</u>				
701-4000-10-0894 Interest	2,147	3,250	2,303	2,376
Total Interest	2,147	3,250	2,303	2,376
<u>Non-Operating</u>				
701-4000-99-0900 Transfer In	(118,486)	0	0	0
Total Non-Operating	(118,486)	0	0	0
Total Revenues:	\$65,747	\$206,250	\$204,303	\$204,376
<u>EXPENSES</u>				
<u>Capital Outlay</u>				
701-5730-17-2090 Equipment Purchases	2,318	33,000	33,000	75,300
701-5730-17-2095 Vehicle Purchases	27,084	30,000	30,000	0
Total Capital Outlay	29,402	63,000	63,000	75,300
<u>Financial Obligations</u>				
701-5180-99-9900 Principal - Equipment Note	10,595	132,300	132,300	125,177
701-5180-99-9901 Interest - Equipment Note	7,141	10,003	10,003	3,899
Total Financial Obligations	17,736	142,303	142,303	129,076
Total Expenses:	\$47,138	\$205,303	\$205,303	\$204,376

HOTEL / MOTEL OCCUPANCY TAX FUND

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

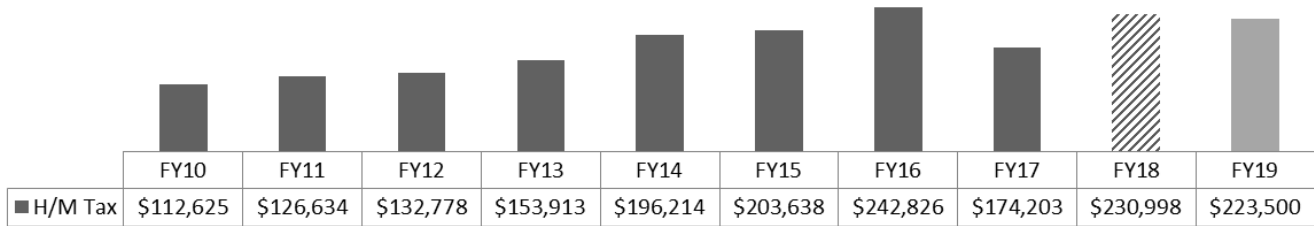
FISCAL YEAR 2019 ADOPTED BUDGET

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>REVENUES</u>				
Occupancy Tax	174,203	201,100	230,998	223,500
Interest	4,021	4,250	4,250	4,500
Total Revenues	\$178,223	\$205,350	\$235,248	\$228,000
<u>EXPENDITURES</u>				
Hotel/Motel	39,334	45,500	45,500	45,500
Convention & Visitors' Bureau	162,806	234,850	231,450	345,164
Total Expenditures	\$202,140	\$280,350	\$276,950	\$390,664
Revenues Over Expenses	(23,917)	(75,000)	(41,702)	(162,664)
Fund Balance - Beginning		560,634	560,634	518,932
Fund Balance - Ending	\$560,634	\$485,634	\$518,932	\$356,268
Reserve Requirement (25%)		70,088	70,088	97,666
Excess/(Deficit)		415,547	448,845	258,602

Fiscal Year 2017-2018

Looking back at fiscal year 2017, the city reported \$174,203 in occupancy tax collection and was challenged with a 28% reduction in timely collections from the prior year. Some hotels are trending higher than expected especially after Governor Abbott extended suspension of Hotel Occupancy Tax after Hurricane Harvey. However, the numbers of rooms available were reduced due to flooding, so collection projections are mixed - not expected to exceed fiscal year 2016 as a result of the number of rooms but do exceed fiscal year 2017 due to the demand for temporary housing that did not meet the State requirement for tax suspension. Fiscal year 2018 is not a typical year for collections. Current projections for fiscal year 2018 are \$29,898 higher than original budget. The local hotel occupancy tax collection has a wide range of variability as illustrated in the chart below; therefore anticipations must be compiled with a strong component of risk avoidance.

Occupancy Tax Collection



Occupancy collection for fiscal year 2018 was originally budgeted at \$201,100, and at this time determined to be a conservative expectation with projections nearly \$30,000 more than the original budget.

The fiscal year 2018 budget includes recurring items totaling \$16,970 with 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 Music Festival and Expo events. The projected includes completion of a \$75,000 non-recurring expenditure to upgrade the Civic Center HVAC system. Fund balance for 9/30/18 is estimated to be \$518,932 and is \$33,298 higher than the original budget.

Fiscal Year 2018-2019

Estimated collections for fiscal year 2019 occupancy tax is \$223,500 with adopted total fund revenue of \$228,000. It is expected that total occupancy tax collection will perform at normal expectations based on the collection activity from all 7 establishments over the prior year's, extracting variables such as Hurricane Harvey. The adopted includes a base budget of \$188,007. The base budget supports personnel cost at \$93,845, professional services (IT services) at \$20,000 and annual advertising at \$20,000 –the portion of existing advertising services to the Chamber is calculated as non-recurring. This adopted budget includes \$209,994 in supplemental items while using \$162,664 in retained cash. The adopted includes recurring supplemental totaling \$5,358 to support a salary and benefit merit increase of 5.0% as well as a salary adjustment on an administrative assistant position. Non-recurring expenditures of \$204,636 include audio / video upgrade for the civic center, the log cabin refurbishment, and Stancil Park improvements. Both log cabin refurbishment and Stancil Park improvements were originally proposed as capital projects in the general fund. Nonrecurring also includes Chamber advertising at \$15,000 for annual Rock-N-Ride and Expo events. Several capital items are requested but exceed the amount available for the adopted balanced budget. The capital requests include Civic Center office and board room carpet; improvements to the phone system; software event tracking and Audio/Visual upgrades.

The adopted supplemental expenditures include the following:

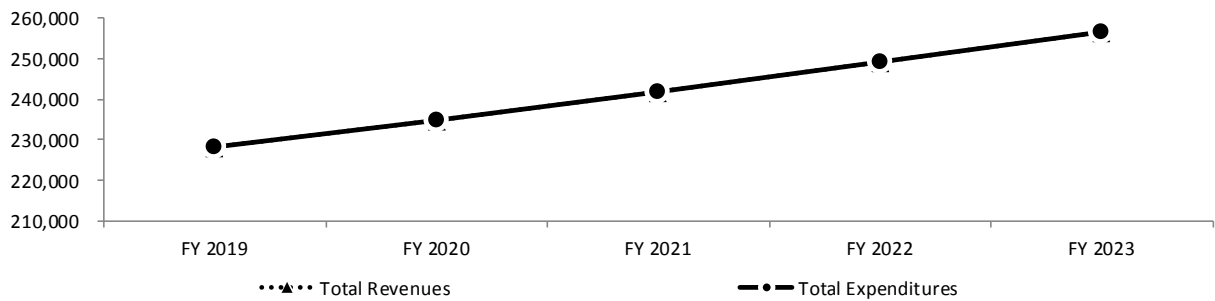
	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
Salary Merit (5.0%)	3,994		3,994
Audio / Video Upgrade		100,000	100,000
Log Cabin Refurbishment		40,000	40,000
Stancil Park Electrical		15,000	15,000
Stancil Park Structural		15,000	15,000
Chamber Expo Advertising		7,500	7,500
Chamber Rock-N-Ride Advertising		7,500	7,500
Administrative Assistant - Adjustment (Civic Center)	1,364		1,364
Capital Outlay (Priority TBD)		19,636	19,636
Total Adopted:	5,358	204,636	209,994

Fund balance for 9/30/19 is estimated to be \$518,932. In order to maintain a healthy reserve, \$97,666 is required to remain as unallocated, the reserve includes coverage of the non-recurring. The estimated in excess reserve \$258,602 could be used towards future fiscal capital improvement program without exposing the fund to reasonable financial risk.

FIVE YEAR PLAN

A five year plan is programmed for forecasting purposes only. The forecasting model below can sustain the capital request over time. The forecasting includes software maintenance and potential financing an audio visual system for the civic center. The fund will support a sustainable and balanced budget while assigning nearly \$20,000 to \$47,000 annually toward capital programs.

	FY 2019 PROPOSED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
Total Revenues	\$228,000	\$234,840	\$241,885	\$249,142	\$256,616
Hotel/Motel	45,500	45,500	45,500	45,500	45,500
CVB Base Budget	147,864	135,783	139,856	143,950	148,283
Co-Sponsored Events	15,000	15,000	15,000	15,000	15,000
Future Capital Programs	19,636	38,557	41,529	44,692	47,833
Total Expenditures	\$228,000	\$234,840	\$241,885	\$249,142	\$256,616



HOTEL / MOTEL OCCUPANCY TAX FUND - 600
FISCAL YEAR 2019 ADOPTED BUDGET DETAIL

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>REVENUES</u>				
<u>Interest</u>				
600-4000-10-0891 Interest Income	4,021	4,250	4,250	4,500
Total Interest	4,021	4,250	4,250	4,500
<u>Hotel/Motel Revenue</u>				
600-4000-15-0801 Super 8	10,775	15,500	24,578	18,000
600-4000-15-0802 Motel 6 (America'S Best Value)	26,175	28,900	32,500	32,000
600-4000-15-0803 Budget Inn	2,345	2,800	3,650	2,500
600-4000-15-0804 M & M Hotel/Delux Inn	2,148	3,400	4,600	3,500
600-4000-15-0805 Best Western	37,244	38,500	61,583	50,000
600-4000-15-0810 Holiday Inn	52,730	59,200	51,087	57,500
600-4000-15-0815 La Quinta	42,785	52,800	53,000	60,000
Total Hotel/Motel Revenue	174,203	201,100	230,998	223,500
Total Revenues	\$178,223	\$205,350	\$235,248	\$228,000

HOTEL / MOTEL OCCUPANCY TAX FUND - 600
FISCAL YEAR 2019 ADOPTED BUDGET DETAIL

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>HOTEL/MOTEL DIVISION</u>				
<u>Professional Services</u>				
600-5610-02-6050 Credit Card Fees/Hotel/Motel	184	500	500	500
600-5610-02-6070 Civic Center-Reimbursement	30,000	30,000	30,000	30,000
600-5610-02-6080 Advertising/Billboards	9,150	15,000	15,000	15,000
Total Professional Services	39,334	45,500	45,500	45,500
Total Hotel/Motel	\$39,334	\$45,500	\$45,500	\$45,500
<u>CONVENTION VISITORS DIVISION</u>				
<u>Salaries & Benefits</u>				
600-5620-01-1010 Salaries	62,190	70,565	70,565	72,517
600-5620-01-1011 Overtime	1,155	1,200	1,200	1,200
600-5620-01-1020 Group Insurance	11,118	11,245	11,245	11,244
600-5620-01-1030 Fica/Medicare	4,679	5,491	5,491	5,534
600-5620-01-1040 Retirement	6,693	7,837	7,837	7,973
600-5620-01-1050 State Unemployment Tax	55	414	414	414
600-5620-01-1060 Workers Comp	114	320	320	320
Total Salaries & Benefits	86,004	97,072	97,072	99,202
<u>Professional Services</u>				
600-5620-02-2090 Technology Contract Services	20,000	20,000	20,000	20,000
Total Professional Services	20,000	20,000	20,000	20,000
<u>Other Services</u>				
600-5620-04-2710 Telephone	603	978	978	1,000
600-5620-04-2720 Advertising	27,854	32,500	32,500	35,000
600-5620-04-2730 Promotional Merchandise	1,510	1,500	1,500	1,500
600-5620-04-2731 Sports Tourism-5K Run	4,402	0	0	0
600-5620-04-2750 Dues/Subscriptions/Memberships	1,245	1,100	1,100	1,100
600-5620-04-2760 Tourism/Trade Shows	100	2,000	2,000	2,000
600-5620-04-2830 Seminars/Training	1,289	2,800	0	1,762
Total Other Services	37,003	40,878	38,078	42,362
<u>Supplies</u>				
600-5620-05-3010 Office Supplies	1,129	1,800	1,200	1,200
600-5620-05-3030 Employee Relations	75	100	100	100
600-5620-05-3100 Other Operating Supplies	616	0	0	0
Total Supplies	1,821	1,900	1,300	1,300
<u>Capital Outlay</u>				
600-5620-17-5090 Other Capital Outlay >5,000	17,978	75,000	75,000	182,300
Total Capital Outlay	17,978	75,000	75,000	182,300
Total CVB	\$162,806	\$234,850	\$231,450	\$345,164
Total Expenditures	\$202,140	\$280,350	\$276,950	\$390,664

SPECIAL REVENUE FUND - POLICE

The City of Cleveland Police Department receives funds from the sale of assets seized in certain law enforcement activities in which the department has assisted federal and state law enforcement agencies. These programs require that the recipient law enforcement agency use the assets solely for law enforcement purposes. The Special Revenue Fund also includes remaining Red-light Enforcement Program. The program is permanently suspended due to the termination of third party contract.

FISCAL YEAR 2019 ADOPTED BUDGET

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
Red Light Camera	150	1,500	0	0
Interest	340	370	300	300
Seizures	4,251	0	0	0
Other Revenue	2,392	0	1,725	1,800
Total Revenues	\$7,133	\$1,870	\$2,025	\$2,100
Money Seizures	5,662	22,786	34,795	40,000
Red Light Camera	7,168	1,750	75	32,800
Total Expenditures	\$12,830	\$24,536	\$34,870	\$72,800
Revenues Over Expenses	(5,697)	(22,666)	(32,845)	(70,700)
Fund Balance - Money Seizures	152,463	153,444	153,444	120,374
Fund Balance - Red Light Camera	39,983	33,306	33,306	33,531
Total Fund Balance - Beginning	192,446	186,750	186,750	153,905
Fund Balance - Money Seizures	153,444	130,658	120,374	82,174
Seizures - Unrewarded		(16,902)	(16,902)	(16,902)
Fund Balance - Red Light Camera	33,306	33,426	33,531	1,031
Fund Balance - Ending	\$ 186,750	\$ 147,182	\$ 137,003	\$ 66,303

Fiscal Year 2017-2018

In fiscal year 2018, the fund is projected to have limited revenue of \$2,025 mainly interest income and LEOSE training entitlements. For the last several years the fund has provided allocation for least 1 vehicle, and technology replacements and upgrade for the patrol vehicles, plus body cameras. In 2018, partial funding for a replacement vehicle was supported by Money Seizures, after a mid-year amendment to the budget. Fund balance for 9/30/18 is estimated to be \$137,003, after restricting unrewarded funds currently held as obligation.

Fiscal Year 2018-2019

In fiscal year 2019, the fund is estimated to have limited revenue of \$2,100, similar to the prior, interest income and LEOSE training entitlements are the only likely revenue sources. The adopted budget will draw funds down for non-recurring purchases of police vehicles at \$71,000. Fund balance for 9/30/19 is projected at \$66,303 as total rewarded funds.

The adopted supplemental expenditures include the following:

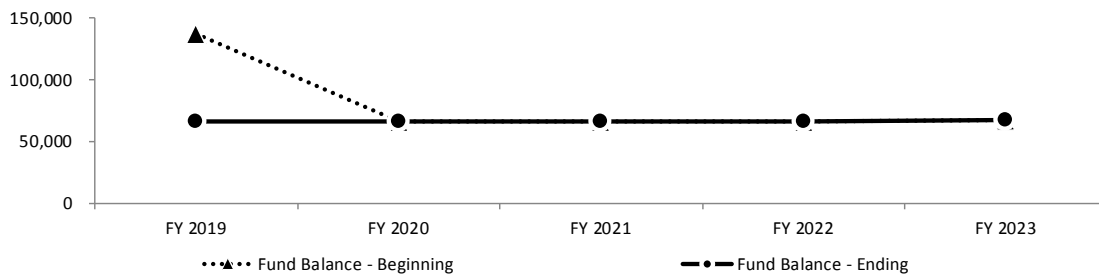
	<u>RECURRING</u>	<u>NON-RECURRING</u>	<u>TOTAL</u>
Marked Patrol Vehicle		40,000	40,000
Unmarked Patrol Captain Vehicle		31,000	31,000
Total Adopted:	-	71,000	71,000

FIVE YEAR PLAN

A five year plan is programmed for forecasting purposes only. The forecasting model below can sustain the capital request over time. The forecasting activity is limited to fiscal year 2019 considering that asset forfeiture is based on depriving criminals of property used in or acquired through illegal activities that cannot be forecasted. The fund will support a one-time purchase of vehicles as outlined below.

	<u>FY 2019 ADOPTED</u>	<u>FY 2020 PROJECTED</u>	<u>FY 2021 PROJECTED</u>	<u>FY 2022 PROJECTED</u>	<u>FY 2023 PROJECTED</u>
Total Revenues	2,100	100	100	100	100
Total Expenditures	72,800	0	0	0	0
Revenues Over Expenditures	(70,700)	100	100	100	100
Fund Balance - Beginning	153,905	66,303	66,503	66,703	66,903
Seizures - Unrewarded	(16,902)				
Fund Balance - Ending	\$ 66,303	\$ 66,403	\$ 66,603	\$ 66,803	\$ 67,003

Fund Balance Outlook:



Allocation of Program Requests

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
Marked Patrol Vehicle	\$40,000				
Unmarked Patrol Captain Vehicle	\$31,000				
	\$71,000	\$0	\$0	\$0	\$0

**SPECIAL REVENUE FUND
FISCAL YEAR 2019 ADOPTED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
SPECIAL POLICE REVENUE:				
<u>Police Revenue</u>				
900-4000-08-0200 Red Light Camera Revenue	150	1,500	0	0
900-4000-08-0210 LEOSE Payment (Revenue)	2,392	0	1,725	1,800
900-4000-08-0210 Rewarded Seizures	4,251	0	0	0
Total Police Revenue	6,793	1,500	1,725	1,800
<u>Interest</u>				
900-4000-10-0894 Interest	115	370	100	100
900-4000-10-0895 Interest-RLC Project	225	0	200	200
Total Interest	340	370	300	300
Total Revenues:	\$7,133	\$1,870	\$2,025	\$2,100

**SPECIAL REVENUE FUND
FISCAL YEAR 2019 ADOPTED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
<u>MONEY SEIZURES</u>				
<u>Money Seizure Expenditures</u>				
900-5910-04-0900 Forfeiture Sharing Agreement	0	0	4,733	0
900-5910-05-3100 Other Operating-Seizure	5,662	22,786	30,062	40,000
	5,662	22,786	34,795	40,000
Total Money Seizures:	\$5,662	\$22,786	\$34,795	\$40,000
 <u>RED LIGHT CAMERA</u>				
<u>Professional Services</u>				
900-5920-02-2010 Legal Fees	90	0	0	0
Total Professional Services	90	0	0	0
<u>Supplies</u>				
900-5920-05-3100 Other Operating Supplies	0	1,750	0	1,800
Total Supplies	0	1,750	0	1,800
<u>Other Expenditures</u>				
900-5920-06-5095 State Regional Trauma	1,805	0	75	0
Total Other Expenditures	1,805	0	75	0
<u>Capital Outlay</u>				
900-5930-17-5090 Capital Outlay	5,273	0	0	31,000
Total Capital Outlay	5,273	0	0	31,000
Total Red Light Camera:	7,168	1,750	75	32,800
Total Expenditures:	\$12,829.85	\$24,536	\$34,870	\$72,800

**SPECIAL REVENUE FUND - 915
COURT TECHNOLOGY
FISCAL YEAR 2019 ADOPTED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
Court Special Revenue	6,530	6,500	6,500	6,500
Interest	0	25	25	25
Total Revenues	\$6,530	\$6,525	\$6,525	\$6,525
Court Special Expenditures	5,926	6,500	6,500	6,500
Total Expenditures	\$5,926	\$6,500	\$6,500	\$6,500
Revenues Over Expenses	604	25	25	25
Fund Balance - Beginning	(24)	580	580	605
Fund Balance - Ending	\$580	\$605	\$605	\$630

**SPECIAL REVENUE FUND - 916
COURT SECURITY
FISCAL YEAR 2019 ADOPTED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
Court Special Revenue	4,898	5,000	5,000	5,000
Interest	0	0	25	25
Total Revenues	\$4,898	\$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	4,898	0	25	25
Fund Balance - Beginning	11,311	16,209	16,209	16,234
Fund Balance - Ending	\$16,209	\$16,209	\$16,234	\$16,259

UNITY DONATION FUND

The Unity Committee Donation Fund is a fiduciary fund 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 accounts for all donations related to Unity Committee sponsored events such as July Fireworks and Bunny Blast. Charitable donations from the community represent the primary source of funding.

Expenditures in fiscal year 2018 total \$20,035, including \$13,500 for Fourth of July Fireworks and additional program funding totaling \$1,650 for Cleanup Cleveland. Expenditures in fiscal year 2019 balance with revenues to a total of \$18,585 and the estimated cash available on 9/30/2019 is \$16,515.

FISCAL YEAR 2019 ADOPTED BUDGET

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
REVENUES:				
<u>Interest</u>				
102-4000-10-0894 Interest	70	50	85	85
Total Interest	70	50	85	85
<u>Community Events</u>				
102-4000-30-0100 Donations - Cleanup Cleveland	2,900	200	1,650	200
102-4000-30-0110 Donations - Treat Street	250	200	200	200
102-4000-30-0115 Donations - Bunny Blast	400	300	300	300
102-4000-30-0120 Donations - July Fireworks	20,838	13,500	13,500	13,500
102-4000-30-1030 Donations - Hometown Christmas	3,820	3,600	3,800	3,800
102-4000-30-1040 I Love Cleveland Campaign	0	500	500	500
Total Community Events	28,208	18,300	19,950	18,500
Total Revenues:	\$28,277	\$18,350	\$20,035	\$18,585
EXPENDITURES:				
<u>Community Events</u>				
102-5100-30-1010 Cleanup Cleveland Expenses	1,627	100	1,650	200
102-5100-30-1020 Treat Street Expenses	249	100	200	200
102-5100-30-1030 Bunny Blast Expenses	721	300	300	300
102-5100-30-1040 July Fireworks Expenses	12,450	13,500	13,500	13,500
102-5100-30-1050 Hometown Christmas Expenses	2,336	3,500	3,800	3,800
102-5100-30-1060 I Love Cleveland Campaign	0	500	500	500
102-5100-30-3130 Postage	0	100	85	85
Total Community Events	17,383	18,100	20,035	18,585
Total Expenditures:	\$17,383	\$18,100	\$20,035	\$18,585
Revenue Over/(Under) Expenditures	10,894	250	0	0
Fund Balance - Beginning	11,161	16,120	16,120	16,265
Fund Balance - Ending	\$16,120	\$16,395	\$16,265	\$16,515

CLEVELAND ECONOMIC DEVELOPMENT CORPORATION

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

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

FISCAL YEAR 2019 ADOPTED BUDGET

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
REVENUES:				
Sales Taxes	535,877	501,916	527,012	542,823
Other Income	2,836	80	20	87
Interest Revenue	9,514	6,984	9,500	9,600
Sports Park	5,167	7,618	4,000	3,500
Operating Revenues	\$553,394	\$516,598	\$540,532	\$556,010
Sale of Assets	48,576	0	315,914	0
Non-Operating Revenues	\$48,576	\$0	\$315,914	\$0
Total Revenues	\$601,971	\$516,598	\$856,446	\$556,010

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 ADOPTED BUDGET
EXPENSES:				
Operational - Professional Services	29,704	96,515	105,015	50,200
Operational - Other Services	9,913	17,145	17,145	21,800
Operational - Supplies	298	1,000	500	500
Property Service and Maintenance	89,796	77,000	77,000	75,000
Affordable Housing and Demolition	0	7,500	0	5,000
Capital Infrastructure	18,680	85,229	85,229	135,200
Incentives	41,692	45,000	41,000	45,000
Total Operating Expenses	\$190,084	\$329,389	\$325,889	\$332,700
Contributions	250,422	350,000	350,000	40,000
Financial Obligations	6,778	257,235	256,885	258,310
Total Non-Operating Expenses	\$257,200	\$607,235	\$606,885	\$298,310
Total Expenses	\$447,284	\$936,624	\$932,774	\$631,010
<i>Revenues Over Expenses (Total)</i>	<i>154,686</i>	<i>(420,026)</i>	<i>(76,328)</i>	<i>(75,000)</i>
Fund Balance - Beginning		1,981,400	1,981,400	1,905,072
Cash Balance - Beginning		1,090,526	1,090,526	1,014,198
Fund Balance - Ending	\$1,981,400	\$1,561,374	\$1,905,072	\$1,830,072
Cash Balance - Ending	<i>\$1,090,526</i>	<i>\$670,500</i>	<i>\$1,014,198</i>	<i>\$939,198</i>
Reserve Requirement (25%)		234,156	233,194	157,753
Annual Debt Coverage		257,235	256,885	258,310
Excess/(Deficit)*		179,109	524,120	523,136

Fiscal Year 2017-2018:

Total revenues are projected to be \$856,446; \$339,848 more than the amended budget as a result of non-operating income for Lone Star Aviation (LSA) purchase of acreage within the industrial park and pipeline easement to Targa Resources. Without this additional revenue source, projected operating revenue is \$23,934 greater than original anticipated as a result of improved sales tax collection. Sales tax collection was adopted at \$501,916 based on the conservative trend experienced in fiscal year with contractions at that time likely from initial opening of retail development south of the city's incorporation. However, that trend has significantly reversed by November 2017 with sales tax collection projected at \$25,096 or 5.0% over the adopted and \$8,865 or 1.7% under the fiscal year 2017 year-end actual. This improvement is likely due to growth in collections, progress in the unemployment rate, expanding population base and new construction. The Municipal Sports Park lost retail revenue opportunity due to damage from Hurricane Harvey and is projected at \$3,618 less than original adoption. Interest revenue outpaces adopted by \$2,516 from increases in interest rates and actual cash in hand. The preceding year received a net gain of \$34,896 from the sale of the land to LSA and the remaining non-operating revenue is from easement agreements with Targa and Entergy. Total revenue is \$315,914 higher than operating revenue.

Fiscal year 2018 adopted budget included a repayment of a Texas Department of Agriculture (TDA) grant that was a resource expended 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 extended the performance requirement several times and finally exhausted all extensions in June 2017, after requirements of the grant were

deemed incomplete due to the contracted entity's failure to perform. The City was ultimately responsible for repayment of \$716,105. The EDC guaranteed the performance and if the City is charged with repayment to TDA, therefore the EDC reimbursed the City, starting with the \$350,000 in January 2018. A multi-year funding agreement between the EDC and the City for repayment of TDA grant funds was approved in February 2018, allowing the EDC to leverage the obligation over several years. The amended budget includes \$85,229 use remaining fiscal year 2017 industrial park capital to finish road, drainage and utility improvements. This also covers a portion of engineering and design for the industrial park drainage. Total Expenses for fiscal year 2018 are projected at \$932,774, a savings of \$3,850 from the amended budget. Overages in Operations, mainly legal expenses, are offset by savings in demolition and incentives. The board agreed to use reallocated incentives to bolster retail development through a national retail consulting, market research and development firm. The firm has analyzed the market and is currently identifying promising development opportunities. Projections for fiscal year 2018 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 2019 adoption, the same action as in prior years. The amended budget had revenues under expenses by an additional \$334,797 due to the TDA grant reimbursement; with the carryover the amended has expenses exceeding revenues by \$420,026. Projected show revenue under expenses limited to \$76,328 due to non-operating revenues. Ending fund balance at 9/30/2018 is \$1,905,072, \$76,328 less than the beginning balance and an improvement of \$343,698 over the amended budget, using audited beginning balances. Final audited numbers are dependent on any additional proceeds from pipeline easements, change in sales tax collection trend, or any other unforeseen investments, incentives, prospects, opportunities related to job creation prior to year-end closeout.

Fiscal Year 2018-2019 Budget:

Total revenues are budgeted at \$556,010, of which \$542,823, or 97.6%, is from sales tax remittances. Total revenues are \$300,436 less than the previous year without speculating any sale of assets in respect to periodic real estate purchase agreements received in the past years. Sales tax includes a 3.0% increase over fiscal year 2018 projection seeing expected growth due to increase in new development. Major commercial development from the TIRZ is not expected to collect any significant sales tax until fiscal year 2020. Interest revenue is anticipated at \$9,600, higher than last year due rising interest rates. A total of \$3,500 is revenue from the Municipal Sports Park based on conservative projections that remains payable for the entire annual cycle.

Total adopted budget is totals \$631,010 and \$301,764 less than fiscal year 2017 projected, on account of capital carryover and a portion of retained earnings used for reimbursement of the TDA grant obligation. The budget supports professional services at \$50,200 with \$20,000 to cover continuing legal representation with reference to Earth Energy litigation. Other administrative services remain largely unchanged, other than a \$2,500 increase in advertising to cover expansion of marketing programs. Total operation cost budgeted at \$70,500 covers professional services, other support services and supplies. The \$75,000 allocation for property services is designated for the municipal sports park maintenance. This marks the last year the corporation is obligated to reimburse expenses at the ballpark. Incentives and job training remain unchanged at \$45,000. Contributions and financial obligations constitute 47% of the total adopted budget. The EDC has a binding agreement with the city whereas the corporation is responsible for \$2,935,000 of the 2012 Series, a portion of the original issue of \$3,370,000. The EDC is planned to have a balance of \$2,235,000 as of September 30, 2018. The EDC is pledging sales tax revenue to fund the debt requirements. Current debt service requirements for the Series 2012 demands \$205,600, retiring \$125,000 with \$80,600 in interest due.

	<u>Sports Park</u>	<u>Water Well</u>	<u>Total</u>
Principal	85,000	40,000	125,000
Interest	53,525	27,075	80,600
Total	138,525	67,075	205,600

The EDC also has issued a note payable to provide funds for the purchase of the industrial park land. The note payable is secured by EDC sales tax and the land purchased. Current Note payable demands \$52,709, retiring \$50,852 with \$1,857 in interest due. Only \$8,730 in principal is to remain after September 30, 2019. The final obligation is the TDA grant reimbursement that is an agreed contribution to the city with an annual payment of \$40,000 for fiscal year 2019 with \$326,105 remaining outstanding after September 30, 2019. Adopted capital and supplemental expenses total \$60,200. The city has provided the Texas Department of Emergency Management a notice of intent for the Harvey Hazard Mitigation Grant Program (HMGP) Contribution. The purpose of HMGP is to help implement hazard mitigation measures from Hurricane Harvey in the areas of Texas as requested by the Governor. The key purpose of this grant program is to enact mitigation measures that reduce the risk of loss of life

and property from future disasters and the planned detention at the business park is a project that should meet the requirements and intent of the HMGP. The budget for this project is and cost share remains unknown at the time of adoption; however, \$60,200 is allocated to the capital and supplemental expenses as part of the adopted budget. Any remaining capital after cost sharing for grant funding leverage is approved as additional capital for improvements to the industrial park. The budget also includes an additional of \$75,000 as a participating match with the city's downtown revitalization project. This project is to reconstruct sidewalks within the central business district.

Supplemental Items added to the budget Include:

	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
Cleveland Chamber Day		1,500	1,500
Allies Day Event Increase	2,500		2,500
Downtown Revitalization		75,000	75,000
Industrial Park CIP / FEMA Contribution		60,200	60,200
Total Adopted:	2,500	136,700	139,200

The amended has \$85,229 for the industrial park capita and the remaining after 9/30/2018 is to be presented as a carryover for continued capital programs. Adopted operating expenses of \$332,700 and financial obligations at \$298,310 are approved with projected expenses exceeding \$75,000. With nearly \$1.3 million in FEMA funding, adequate drainage can be established for the industrial park region, completing one of the corporation's main objectives. Projected cash balance at 9/30/2019 is projected at \$939,198. Ending cash balance does remain above both the operating reserve of \$157,753 and annual debt coverage of \$258,310 by \$523,136.

Cash Balance - Ending	\$939,198
Reserve Requirement (25%)	157,753
Annual Debt Coverage	258,310
Excess/(Deficit)*	523,136

The operating reserve at \$157,753 includes the \$40,000 grant reimbursement and all other non-recurring expenses including capital projects. This practice continues the conservative precedence of maintaining a substantial capacity of unrestricted cash and extends beyond policy requirements.

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:

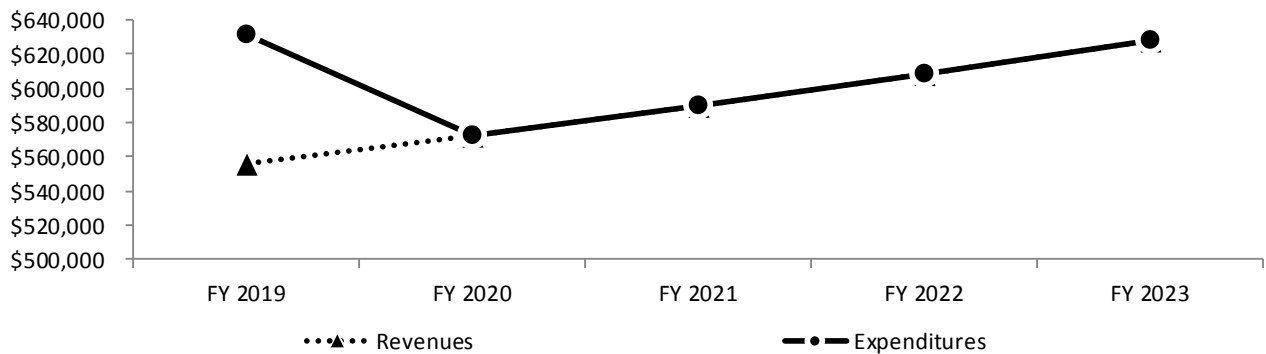
Planned Allocation of Program Requests:

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
Additional Drainage Improvements	\$60,200				
Downtown Revitalization	\$75,000				
Additional Road Improvements		\$80,700	\$85,000	\$195,000	
North End Industrial Park Study				\$85,000	
Additional Utility Improvements					\$290,000
Capital / Supplemental Programs:	\$135,200	\$80,700	\$85,000	\$280,000	\$290,000

Projected Sales Tax Growth:

The 2019 budget includes a 3% growth in sales tax. Expectation is that sub-urban development will continue with a minimum of 3% growth through fiscal year 2023.

	FY 2019 ADOPTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
Total Revenues	\$556,010	\$572,700	\$590,000	\$608,500	\$628,000
Operations	\$72,500	\$73,239	\$75,732	\$75,062	\$79,412
Property Services	\$80,000	\$0	\$0	\$0	\$0
Capital / Supplemental	\$135,200	\$80,700	\$85,000	\$280,000	\$290,000
Incentive Programs	\$45,000	\$47,500	\$50,000	\$50,000	\$50,000
Financial Obligations	\$258,310	\$216,261	\$208,163	\$203,438	\$208,588
TDA Grant Reimbursement	\$40,000	\$155,000	\$171,105	\$0	\$0
Total Expenses	\$631,010	\$572,700	\$590,000	\$608,500	\$628,000
Revenues Over Expenses	(75,000)	0	0	0	0
Fund Balance - Cash Ending	939,198	939,199	939,199	939,199	939,200



This projection accounts for the sports park maintenance agreement ending in fiscal year 2019. Capital and supplemental programs are projected to have additional cash to support the programs requested, beginning with \$80,700 in fiscal year 2020 and \$290,000 by 2023. It is estimated that nearly \$800 thousand in cash will be raised to support capital and incentive programming through 2023 while meeting other obligations and operational cost.

**ECONOMIC DEVELOPMENT CORPORATION FUND - 200
FISCAL YEAR 2019 PROPOSED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 PROPOSED BUDGET
<u>Sales Taxes</u>				
200-4000-02-0807 Sales Tax Revenues	535,877	501,916	527,012	542,823
200-4000-02-0809 Other Income	2,768	0	0	0
200-4000-02-0812 Credit Card Fees	68	80	20	87
Total Sales Taxes	538,713	501,996	527,032	542,910
<u>Interest</u>				
200-4000-10-0808 Interest	9,514	6,984	9,500	9,600
Total Interest	9,514	6,984	9,500	9,600
<u>Sports Park</u>				
200-4000-12-0100 Sports Events/Municipal Park	5,167	7,618	4,000	3,500
Total Sports Park	5,167	7,618	4,000	3,500
<u>Non-Operating</u>				
200-4000-99-1000 Gain (Loss) Sale of Assets	48,576	0	315,914	0
Total Non-Operating	48,576	0	315,914	0
Total Revenues:	\$601,971	\$516,598	\$856,446	\$556,010

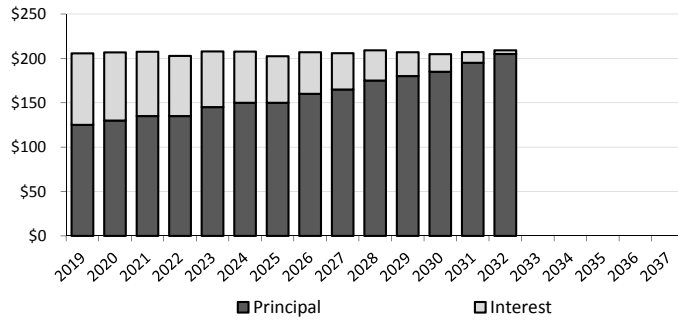
**ECONOMIC DEVELOPMENT CORPORATION FUND - 200
FISCAL YEAR 2019 PROPOSED BUDGET**

	FY 2017 YEAR END ACTUAL	FY 2018 AMENDED BUDGET	FY 2018 YEAR END PROJECTED	FY 2019 PROPOSED BUDGET
<u>Operational - Professional Services</u>				
200-5210-02-2010 Legal / General	8,062	22,000	30,000	20,000
200-5210-02-2011 Legal Publications	0	1,000	0	0
200-5210-02-2040 Accounting / Audit	0	3,500	5,000	5,000
200-5210-02-2050 Administrative-Contract	13,645	18,000	18,000	18,000
200-5210-02-2060 Administrative-City	7,200	7,200	7,200	7,200
200-5210-02-2070 Engineering / Other Services	0	44,815	44,815	0
200-5210-02-2090 Other Professional Services	798	0	0	0
Total Operational - Professional Services	29,704	96,515	105,015	50,200
<u>Operational - Other Services</u>				
200-5210-04-2720 Marketing	5,133	10,000	10,000	12,500
200-5210-04-2740 Travel / Meals / Training	2,449	4,700	4,700	6,500
200-5210-04-2750 Dues & Membership	1,745	2,145	2,145	2,000
200-5210-04-2760 Credit Card Fee Charges	313	300	300	300
200-5210-04-2830 Other Travel	273	0	0	500
Total Operational - Other Services	9,913	17,145	17,145	21,800
<u>Operational Supplies</u>				
200-5210-05-3100 Operating Supplies	298	1,000	500	500
Total Operational - Supplies	298	1,000	500	500
<u>Property Services</u>				
200-5210-03-2431 Industrial Park Maintenance	0	2,000	2,000	0
200-5210-03-2432 Sports Park Maintenance	89,796	75,000	75,000	75,000
Total Property Services	89,796	77,000	77,000	75,000
<u>Affordable Housing and Demolition</u>				
200-5210-13-5020 Affordable Housing / Demolition	0	7,500	0	5,000
Total Affordable Housing and Demolition	0	7,500	0	5,000
<u>Capital Infrastructure</u>				
200-5210-10-5010 CBD Improvements	0	0	0	75,000
200-5210-10-5035 Industrial Park Improvements	18,680	85,229	85,229	60,200
200-5210-10-5070 Sports Park Improvements	0	0	0	0
Total Capital and Infrastructure	18,680	85,229	85,229	135,200
<u>Incentives</u>				
200-5210-14-5010 Incentives	32,500	35,000	35,000	35,000
200-5210-14-5030 Job Training (ISD)	9,192	10,000	6,000	10,000
Total Incentives	41,692	45,000	41,000	45,000
<u>Financial Obligations</u>				
200-5210-99-8000 Contribution - General Fund	0	350,000	350,000	40,000
200-5210-99-8000 Contribution - Debt/Service	206,075	0	0	0
200-5210-99-8001 Contribution - Water/Sewer	31,948	0	0	0
200-5210-99-8002 Contribution - Capital Projects	12,399	0	0	0
200-5210-99-9900 Land Note Principal	(0)	48,329	48,329	50,852
200-5210-99-9901 Land Note Interest	6,779	4,381	4,381	1,858
200-5210-99-9902 Contribution - 2012 Series Principal	0	120,000	120,000	125,000
200-5210-99-9903 Contribution - 2012 Series Interest	0	83,675	83,675	80,600
200-5210-99-9904 Fiscal Agent Fees	0	850	500	0
Total Financial Obligations	257,200	607,235	606,885	298,310
Total Expenses	447,284	936,624	932,774	631,010

CORPORATION LONG-TERM DEBT
CORPORATION DEBT MATURITY SCHEDULE

Fiscal Year	Principal	Interest	Total
FY2019	125,000	80,600	205,600
FY2020	130,000	76,775	206,775
FY2021	135,000	72,463	207,463
FY2022	135,000	67,738	202,738
FY2023	145,000	62,838	207,838
FY2024	150,000	57,675	207,675
FY2025	150,000	52,425	202,425
FY2026	160,000	47,001	207,001
FY2027	165,000	40,900	205,900
FY2028	175,000	34,100	209,100
FY2029	180,000	27,000	207,000
FY2030	185,000	19,700	204,700
FY2031	195,000	12,100	207,100
FY2032	205,000	4,100	209,100
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	2,235,000	655,415	2,890,415

Series Name	Principal Amount
Series 2012 Sports Park	1,485,000
Series 2012 Water Well	750,000
Total	2,235,000



DATE	DESCRIPTION	AMOUNT ISSUED	AMOUNT OUTSTANDING AS OF 9/30/18		PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 9/30/19
			PRINCIPAL	INTEREST		
3/1/2019	Series 2012 Sports Park	1,950,000	85,000	27,400	112,400	
9/1/2019				26,125	26,125	
	Fiscal Year Total		1,485,000	53,525	138,525	1,400,000
3/1/2019	Series 2012 Water Well	985,000	40,000	13,838	53,838	
9/1/2019				13,238	13,238	
	Fiscal Year Total		750,000	27,075	67,075	710,000
	TOTAL	2,935,000	2,235,000	80,600	205,600	2,110,000

CORPORATION LONG-TERM DEBT
CORPORATION DEBT MATURITY SCHEDULE

SERIES 2012 SPORTS PARK

Fiscal Year	Principal	Interest	Total
FY2019	85,000	53,525	138,525
FY2020	85,000	50,975	135,975
FY2021	90,000	48,125	138,125
FY2022	90,000	44,975	134,975
FY2023	95,000	41,738	136,738
FY2024	100,000	38,325	138,325
FY2025	100,000	34,825	134,825
FY2026	105,000	31,238	136,238
FY2027	110,000	27,200	137,200
FY2028	115,000	22,700	137,700
FY2029	120,000	18,000	138,000
FY2030	125,000	13,100	138,100
FY2031	130,000	8,000	138,000
FY2032	135,000	2,700	137,700
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	1,485,000	435,426	1,920,426

SERIES 2012 WATER WELL

Fiscal Year	Principal	Interest	Total
FY2019	40,000	27,075	67,075
FY2020	45,000	25,800	70,800
FY2021	45,000	24,338	69,338
FY2022	45,000	22,763	67,763
FY2023	50,000	21,100	71,100
FY2024	50,000	19,350	69,350
FY2025	50,000	17,600	67,600
FY2026	55,000	15,763	70,763
FY2027	55,000	13,700	68,700
FY2028	60,000	11,400	71,400
FY2029	60,000	9,000	69,000
FY2030	60,000	6,600	66,600
FY2031	65,000	4,100	69,100
FY2032	70,000	1,400	71,400
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
Total	750,000	219,989	969,989

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

	<u>FY2017-18 PROJECTED</u>	<u>FY2018-19 PROPOSED</u>	<u>DATE OF CHANGE</u>
Preliminary Revenues:	\$7,361,856	\$7,175,886	
<u>Changes to Preliminary Revenues:</u>			
1 Adjust Property Tax (0.7700)		\$8,857	08/28/18
2 Workshop #1 Adjustments		\$18,619	
3 Delinquent Taxes		(\$10,000)	08/09/18
4 Building Permits		\$10,000	08/09/18
5 Adjust Transfer Water Fund		(\$25,000)	08/28/18
Total Revenue Changes:		\$2,476	
Total Revenue with Changes:	\$7,361,856	\$7,178,362	
Preliminary Expenditures:	\$7,552,506	\$7,175,886	
<u>Changes to Preliminary Expenditures:</u>			
1 Library Azuradisc DVD Equipment		\$3,000	08/09/18
2 Certification Pay		\$16,200	08/09/18
3 Fire Emergency Equipment (Base)		(\$25,000)	08/09/18
4 Demo/Cleanup		\$3,000	08/09/18
5 Bridgehaven Contract		\$3,000	08/09/18
6 Log Cabin Refurbishment		(\$40,000)	08/28/18
7 Stancil Park Electrical		(\$15,000)	08/28/18
8 Stancil Park Structural		(\$15,000)	08/28/18
9 Downtown Sidewalk Improvements		\$75,000	08/28/18
10 Land Purchase		\$95,000	08/28/18
Total Change in Expenditures:		\$100,200	
Total Expenditures with Changes:	\$7,552,506	\$7,276,086	
Net Revenues Over/(Under) Expenses	(\$190,650)	(\$97,724)	
Beginning Fund Balance	4,824,519	4,633,869	
Ending Fund Balance	\$4,633,869	\$4,536,145	

**DEBT SERVICE FUND
FINAL CHANGES TO PROPOSED BUDGET**

	<u>FY2017-18 PROJECTED</u>	<u>FY2018-19 PROPOSED</u>	<u>DATE OF CHANGE</u>
Preliminary Revenues:	\$990,138	\$992,419	
<u>Changes to Preliminary Revenues:</u>			
1 Adjustment for Certified Property Tax		\$11,831	08/08/18
2 P/I Tax		(\$9,000)	08/08/18
3 Interest Revenue		(\$2,831)	08/08/18
Total Revenue Changes:		\$0	
Total Revenue with Changes:	<u>\$990,138</u>	<u>\$992,419</u>	
Preliminary Expenditures:	\$990,052	\$992,419	
<u>Changes to Preliminary Expenditures:</u>			
1 No Change		\$0	
Total Change in Expenditures:		\$0	
Total Expenditures with Changes:	<u>\$990,052</u>	<u>\$992,419</u>	
Net Revenues Over/(Under) Expenses	\$86	\$0	
Beginning Fund Balance	585,724	585,810	
Ending Fund Balance	<u><u>\$585,810</u></u>	<u><u>\$585,810</u></u>	

**WATER & SEWER FUND
FINAL CHANGES TO PROPOSED BUDGET**

	<u>FY2017-18 PROJECTED</u>	<u>FY2018-19 ADOPTED</u>	<u>DATE OF CHANGE</u>
Preliminary Revenues:	\$3,299,588	\$3,591,411	
<u>Changes to Preliminary Revenues:</u>			
1 Adjust Residential Utility Fees		\$21,600	08/28/18
2 Adjust Commercial Utility Fees		\$6,000	08/28/18
Total Revenue Changes:	\$0	\$27,600	
Total Revenue with Changes:	<u>\$3,299,588</u>	<u>\$3,619,011</u>	
Preliminary Expenditures:	\$3,962,149	\$3,591,411	
<u>Changes to Preliminary Expenditures:</u>			
1 Adjust Transfer General Fund		(\$25,000)	08/28/18
2 Additional Capital / Maintenance		\$52,600	08/28/18
Total Change in Expenditures:	\$0	\$27,600	
Total Expenditures with Changes:	<u>\$3,962,149</u>	<u>\$3,619,011</u>	
Net Revenues Over/(Under) Expenses	(\$662,561)	\$0	
Beginning Fund Balance	2,113,244	1,450,683	
Ending Fund Balance	<u>\$1,450,683</u>	<u>\$1,450,683</u>	
Reserve Requirement			
Total Expenses		\$3,619,011	
3 Month Operating		\$904,753	
Cash = Excess/(Deficit)		\$545,930	

**HOTEL / MOTEL OCCUPANCY TAX FUND
FINAL CHANGES TO PROPOSED BUDGET**

	<u>FY2017-18 PROJECTED</u>	<u>FY2018-19 PROPOSED</u>	<u>DATE OF CHANGE</u>
Preliminary Revenues:	\$235,248	\$228,000	
<u>Changes to Preliminary Revenues:</u>			
Total Revenue Changes:	\$0	\$0	
Total Revenue with Changes:	\$235,248	\$228,000	
Preliminary Expenditures:	\$276,950	\$228,000	
<u>Changes to Preliminary Expenditures:</u>			
1 Audio / Visual		\$100,000	08/28/18
2 Log Cabin Refurbishment		\$40,000	08/28/18
3 Stencil Pak Electrical		\$15,000	08/28/18
4 Stencil Pak Structural		\$15,000	08/28/18
5 Capital Outlay (TBD)		(\$7,336)	08/28/18
Total Change in Expenditures:	\$0	\$162,664	
Total Expenditures with Changes:	\$276,950	\$390,664	
Net Revenues Over/(Under) Expenses	(\$41,702)	(\$162,664)	
Beginning Fund Balance	560,634	518,932	
Ending Fund Balance	\$518,932	\$356,268	
Reserve Requirement (25%)	\$69,237.50	\$97,666	
Excess/(Deficit)		\$258,602	

**POLICE SPECIAL REVENUE FUND
FINAL CHANGES TO PROPOSED BUDGET**

	<u>FY2017-18 PROJECTED</u>	<u>FY2018-19 PROPOSED</u>	<u>DATE OF CHANGE</u>
Preliminary Revenues:	\$2,025	\$2,100	
<u>Changes to Preliminary Revenues:</u>			
1			
Total Revenue Changes:	\$0	\$0	
Total Revenue with Changes:	<u>\$2,025</u>	<u>\$2,100</u>	
Preliminary Expenditures:	\$34,870	\$66,800	
<u>Changes to Preliminary Expenditures:</u>			
1 Additional Funding From RLC For SUV		\$6,000	08/28/18
Total Change in Expenditures:	\$0	<u>\$6,000</u>	
Total Expenditures with Changes:	<u>\$34,870</u>	<u>\$72,800</u>	
Net Revenues Over/(Under) Expenses	(\$32,845)	(\$70,700)	
Beginning Fund Balance	186,750	153,905	
Restricted		(16,902)	
Ending Fund Balance	<u><u>\$153,905</u></u>	<u><u>\$66,303</u></u>	

**ECONOMIC DEVELOPMENT CORPORATION FUND
CHANGES TO PROPOSED BUDGET**

	<u>FY2017-18 PROJECTED</u>	<u>FY2018-19 PROPOSED</u>	<u>DATE OF CHANGE</u>
Preliminary Revenues:	\$856,446	\$556,010	
<u>Changes to Preliminary Revenues:</u>			
Total Revenue Changes:	\$0	\$0	
Total Revenue with Changes:	<u>\$856,446</u>	<u>\$556,010</u>	
Preliminary Expenditures:	\$932,774	\$556,010	
<u>Changes to Preliminary Expenditures:</u>			
Downtown Revitalization		\$75,000	08/09/18
Total Change in Expenditures:	\$0	<u>\$75,000</u>	
Total Expenditures with Changes:	<u>\$932,774</u>	<u>\$631,010</u>	
Net Revenues Over/(Under) Expenses	(\$76,328)	(\$75,000)	
Beginning Net Position	1,981,400	1,905,072	
Ending Net Position	<u>\$1,905,072</u>	<u>\$1,830,072</u>	
Beginning Cash Balance	1,090,526	1,014,198	
Ending Cash Balance	<u>\$1,014,198</u>	<u>\$939,198</u>	
Reserve Requirement			
Total Expenses		\$631,010	
3 Month Operating		\$157,753	
Annual Debt Coverage		\$258,310	
Total Coverage Requirement		<u>\$416,063</u>	
Cash = Excess/(Deficit)		\$523,136	

Purpose

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

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

I.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

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

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

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

Objectives

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

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

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

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

D. Annual Financial Disclosure

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

E. Signature of Checks

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

F. Compliance with Council Policy Statements

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

expenditures and adherence to fund balance policies.

B. Current Funding Basis (Recurring Revenues)

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

C. Use of Non-Recurring Revenues

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

D. Tax Rate

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

E. Pay-As-You-Go Capital Projects

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

F. Revenue Estimating for Budgeting

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

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

A. Balanced Budget

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

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

G. Budget Preparation

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

H. Budget Management

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

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

I. Year-end Budget Projections

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

J. Operating Deficits

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

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

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

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

K. Long-Range Financial Plans

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

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

**III.
REVENUES**

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

- A. Balance and Diversification in Revenue Sources
The City shall strive to maintain a balanced and diversified revenue system to protect the City from fluctuations in any one source due to changes in local economic conditions, which may adversely impact that source.
- B. User Fees - General Fund
 1. For services that benefit specific users, the City shall establish and collect fees to recover the costs of those services. Where services provide a general public benefit, the City shall recover the costs of those services through property and sales taxes.
 2. At a minimum, the City will strive to cover direct costs.
 3. User fees should be reviewed every two to three years and adjusted to avoid severe changes.
 4. Factors in setting fees shall include, but not be limited to: market and competitive pricing, effect of demand for services, and impact on users, which may result in recovering something less than direct, indirect and overhead costs.
 5. The City may set a different fee for residents versus non-residents.
 6. User fees should be adopted by Council Ordinance and included in the Annual Fee Schedule.
- C. User Fees - Enterprise Funds
 1. Utility rates and other Enterprise Fund user fees shall be set at levels sufficient to cover operating expenditures (direct and indirect), meet debt obligations and debt service coverage, provide pay-as-you-go funding for capital improvements, and provide adequate levels of working capital.
 2. The City may set a different fee for residents versus non-residents.
 3. The Five-Year Financial Plan and proposed operating budget shall serve as the basis for rate change considerations.

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

D. One-Time/Unpredictable Revenue Sources

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

E. Revenue Collection

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

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

**IV.
EXPENDITURES**

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

A. Maintenance of Capital Assets

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

B. Periodic Program/Services Reviews

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

C. Purchasing

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

V.

FUND BALANCE AND RESERVES

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

A. General Fund Unrestricted Fund Balance

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

B. Water/Sewer Unreserved Working Capital

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

C. Use of Fund Balance / Working Capital

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

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

I. PURPOSE

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

II. POLICY MANAGEMENT

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

III. SPENDING AUTHORIZATION

A. Authorization to Expend Funds

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

B. Purchase Orders (PO)

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

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

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

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

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

IV. PERSONAL INTEREST IN CITY CONTRACT

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

V. REQUIREMENTS BASED ON DOLLAR AMOUNT

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

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

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

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

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

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

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

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

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

D. Change Orders

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

VI. COMPETITIVE PURCHASING METHODS; EXEMPTIONS; OTHER

APPROVED PROCUREMENT METHODS

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

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

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

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

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

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

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

C. Request for Qualifications (RFQ) – professional services

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

D. Exemptions from Competitive Purchasing

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

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

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

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

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

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

E. Other Approved Procurement Methods

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

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

VII. VENDOR REQUIREMENTS

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

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

Sec. 102.001. BUDGET OFFICER.

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

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

Sec. 102.002. ANNUAL BUDGET REQUIRED.

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

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

Sec. 102.003. ITEMIZED BUDGET; CONTENTS.

- (a) The budget officer shall itemize the budget to allow as clear a comparison as practicable between expenditures included in the proposed budget and actual expenditures for the same or similar purposes made for the preceding year. The budget must show as definitely as possible each of the projects for which expenditures are set up in the budget and the estimated amount of money carried in the budget for each project.
- (b) The budget must contain a complete financial statement of the municipality that shows:
- (1) the outstanding obligations of the municipality;
 - (2) the cash on hand to the credit of each fund;
 - (3) the funds received from all sources during the preceding year;
 - (4) the funds available from all sources during the ensuing year;
 - (5) the estimated revenue available to cover the proposed budget; and
 - (6) the estimated tax rate required to cover the proposed budget.

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

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

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

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

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

- (a) The budget officer shall file the proposed budget with the municipal clerk before the 30th day before the date the governing body of the municipality makes its tax levy for the fiscal year.
- (b) A proposed budget that will require raising more revenue from property taxes than in the previous year must contain a cover page with the following statement in 18-point or larger type: "This budget will raise more total property taxes than last year's budget by (insert total dollar amount of increase and percentage increase), and of that amount (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll) is tax revenue to be raised from new property added to the tax roll this year."

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

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

Sec. 102.006. PUBLIC HEARING ON PROPOSED BUDGET.

- (a) The governing body of a municipality shall hold a public hearing on the proposed budget. Any person may attend and may participate in the hearing.
- (b) The governing body shall set the hearing for a date occurring after the 15th day after the date the proposed budget is filed with the municipal clerk but before the date the governing body makes its tax levy.
- (c) The governing body shall provide for public notice of the date, time, and location of the hearing. The notice must include, in type of a size at least equal to the type used for other items in the notice,

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

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

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

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

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

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

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

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

Sec. 102.007. ADOPTION OF BUDGET.

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

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

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

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

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

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

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

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

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

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

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

(4) the total amount of municipal debt obligations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 102.010. CHANGES IN BUDGET FOR MUNICIPAL PURPOSES.

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

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

Sec. 102.011. CIRCUMSTANCES UNDER WHICH CHARTER PROVISIONS CONTROL.

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

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

ARTICLE VI: MUNICIPAL FINANCE

SECTION 6.01 FISCAL YEAR:

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

SECTION 6.02 PREPARATION AND SUBMISSION OF BUDGET:

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

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

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

SECTION 6.03 EMERGENCY APPROPRIATIONS:

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

SECTION 6.04 TAXES: WHEN DUE AND PAYABLE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CAPITAL PROJECTS – Acquisition or construction of major capital facilities.

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

CAPITAL OUTLAY – Expenditures for the acquisition of capital assets.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FRANCHISE – A special privilege granted by a government, permitting the continued use of public

property, such as City streets, and usually involving the elements of monopoly and regulation.

FUND – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objective.

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

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

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

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

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

GOVERNMENTAL FUNDS – Funds generally used to account for tax-supported activities. The acquisition, use and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects and Debt Service).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

REFUNDING BONDS – Bonds issued to retire bonds already outstanding.

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

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

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

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

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

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

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

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

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

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

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

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

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



**CITY OF CLEVELAND, TEXAS
ADOPTED BUDGET**

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