City of Colleyville
City Council Worksession
Agenda

City Hall
100 Main Street
Colleyville, Texas 76034
817. 503.1000
www.colleyville.com

Tuesday, August 12, 2014
6:00 p.m.

Executive Conference Room
Third Floor, City Hall

1. CALL TO ORDER

2. PRESENTATION AND DISCUSSION

2a Presentation and discussion of the proposed Fiscal Year 2015 (FY 2015) budget

3. ADJOURNMENT

I hereby certify this agenda was posted on City Hall bulletin boards Friday, August 8, 2014, by 5:00 p.m.

Amy Shelley, TRMC
City Secretary

Any matter on this agenda may, at the discretion of the governing body, be opened for public comment and discussion.

If you plan to attend this public meeting and have a disability that requires special accommodations, please advise the City Secretary at least 48 hours in advance at 817.503.1133, and reasonable accommodations will be made to assist you.

City of Colleyville
Colleyville City Council
Worksession
Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
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Agenda Number 2a **Agenda Date** 08/12/2014 **Number**
Type Presentation and Discussion
Department City Manager

Title
Presentation and discussion of the proposed Fiscal Year 2015 (FY 2015) budget

Explanation
This item provides an opportunity to present and discuss the proposed FY 2015 budget. The attached budget message will provide a detailed account of the proposed budget, with the presentation providing a broad highlight of the same.

Proposed revenues and expenditures are also attached for the General Fund, Utility Fund, and Drainage Fund. Finally, a summary of the proposed FY 2015-2019 Capital Improvement Program is attached.

Attachments
1. Budget Worksession Presentation
2. FY 2015 Proposed Budget Message
3. FY 2015 Proposed Budget- General Fund
4. FY 2015 Proposed Budget- Utility Fund
5. FY 2015 Proposed Budget- Drainage Fund
6. Proposed FY 2015-2019 CIP

Fiscal Year 2015
Service Delivery and Performance Plan

Combined Annual
Proposed Operating Budget

August 12, 2014

Presentation Overview

- Communicate the key factors guiding budget development
- Review FY 2015 investments and enhancements that staff has proposed for consideration
- Detail sources of funding and proposed allocation
- Inform the Council and community about the proposed service plan

Budget Preparation Process (to-date)

May 28
- CCCPD Worksession
- Budget Worksession

June 17
- CCCPD Budget Adoption by Board
- CCCPD Budget- Council 1st Reading

July 1
- CCCPD Budget- Council 2nd Reading and Adoption

July 15
- Adoption of update to the Strategic Plan

July 25
- Certified Tax Roll from Tarrant Appraisal District

August 12
- Budget Worksession- Presentation of Proposed Budget
- CEDC Budget Worksession

Proposed FY 2015 Property Tax Rate

The ad valorem tax rate remains at
$0.3559 in the FY 2015 budget.

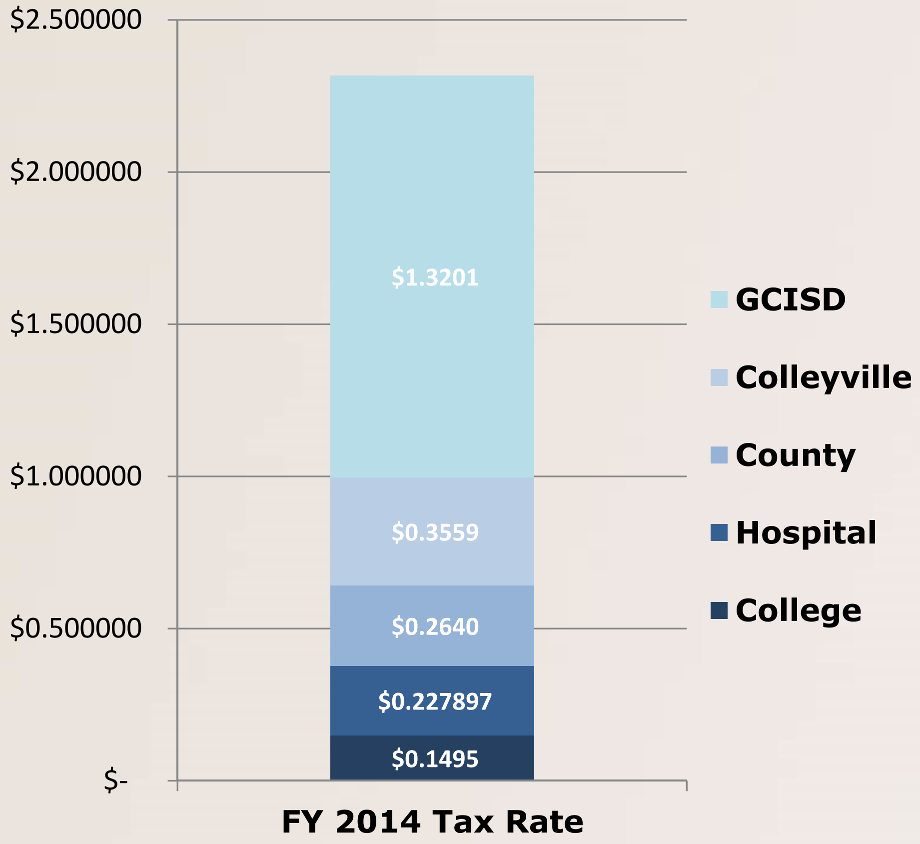
The effective tax rate for FY 2015 is **$0.349586**.

Since the proposed tax rate is higher than the effective tax rate, the city must publish the Notice of 2014 Tax Year Proposed Property Tax Rate, as well as hold two public hearings on the tax rate to comply with state property tax law for tax rate adoption.

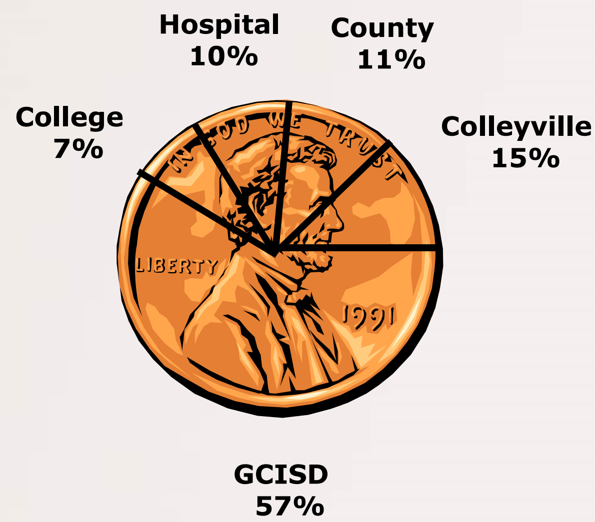
FY 2015 Tax Rate Breakdown

Operating Portion	$0.33461
Debt Portion	$0.02129
Total Tax Rate	$0.35590

Overlapping Property Tax Rates



FY 2014



Cost of City Services to the Average Residence

Fiscal Year	Average Value	Property Tax Payment
2010	$398,957	$1,419.89
2011	$397,472	$1,414.60
2012	$396,818	$1,412.28
2013	$397,889	$1,416.09
2014	$406,040	$1,445.10
2015	$421,497	$1,500.11

The average residence receives $2,582 worth of services from the General Fund and Debt Service Fund, yet only pays $1,500.11 in property taxes.

Budget Preparation Process (upcoming)

- Tuesday, August 19
  - 5:30pm - Update on Fees & Charges
- Tuesday, August 26
  - 6:00pm - 1st Public Hearing on tax rate
  - 6:30pm - Colleyville Economic Development Corporation budget adoption
- Tuesday, September 2
  - 7:30pm - First reading of the proposed budget and tax rate ordinances & 2nd Public Hearing on tax rate
- Tuesday, September 16
  - 7:30pm - Second reading and adoption of the FY 2015 tax rate and operating budget

STRATEGY MAP

Colleyville is a model city with attention to being an efficient and attractive neighborhood-oriented community sensitive to our history, resources and residents. We do this by providing citizen valued services that result in a continuously improving quality of life.

DELIVER ON OUR FOCUS AREAS

Protect and Preserve Colleyville's Neighborhoods • Sustainable Government • Economic Development • Core Services

SERVE OUR CUSTOMERS

- C1- Provide attractive and unique spaces for enjoyment of personal interests and community interaction
- C2- Deliver high quality and unique customer service
- C3- Attract and retain high quality businesses to provide a thriving, diversified tax base that attracts visitors
- C4- Provide mobility enhancements that complement neighborhoods
- C5- Achieve the highest standards of safety & security

MANAGE THE BUSINESS

- B1- Seek innovative technology solutions where appropriate
- B2- Proactively seek process improvements and sustainable solutions
- B3- Utilize partnerships to implement cost-effective service solutions
- B4- Cultivate a culture of transparency and consistent communication
- B5- Use the Strategy Map to ensure that the focus stays on those programs and services identified as priorities by the community

PROVIDE FINANCIAL STEWARDSHIP

- F1- Protect and preserve the City's top financial ratings
- F2- Invest to provide and maintain high quality public assets
- F3- Forecast needs and plan for the future, balancing priorities with resources
- F4- Adhere to the City's financial and budgetary policies

PROMOTE LEARNING & GROWTH

- L1- Attract, develop, and retain skilled employees who embrace our values
- L2- Foster positive employee engagement
- L3- Ensure our people understand the strategy and how they contribute to it
- L4- Enhance leadership capabilities to deliver results and develop bench strength
- L5- Empower informed decision-making and appropriate risk taking at all levels in the organization

CRITICAL BUSINESS OUTCOMES

2014

CBO1- Maximize the highest and best use of the City's business corridors

CBO2- Implement the Comprehensive Plan

CBO3- Address the most critical infrastructure needs

CBO4- Keep citizens informed through their preferred methods

CBO5- Address traffic issues on Glade Rd.

CBO6- Look for ways to finish SH26

Integrity • Service • Innovation

Budget Development and Focus

Serve Our Customers

objectives

Manage The Business

objectives

Provide Financial Stewardship

objectives

Promote Learning & Growth

objectives

Protect and Preserve Neighborhoods

Sustainable Government

Economic Development

Core Services

FY 2015
Proposed Service Plan:

Investments and Enhancements
by Balanced Scorecard Perspective

Promote Learning & Growth

PROMOTE LEARNING & GROWTH

L1- Attract, develop, and retain skilled employees who embrace our values	L2- Foster positive employee engagement	L3- Ensure our people understand the strategy and how they contribute to it	L4- Enhance leadership capabilities to deliver results and develop bench strength	L5- Empower informed decision-making and appropriate risk taking at all levels in the organization

Promote Learning & Growth

L1- Attract, develop, and retain skilled employees who embrace our values

- Year 2 (of 3) of 2014 Market adjustments - $72,063 (all funds)
- Performance-based merit increases - $226,417 (all funds)
- Insurance benefits - 3% decrease in medical premiums
- TMRS - no unfunded liability for the current period

Provide Financial Stewardship

PROVIDE FINANCIAL STEWARDSHIP

- F1- Protect and preserve the City's top financial ratings
- F2- Invest to provide and maintain high quality public assets
- F3- Forecast needs and plan for the future, balancing priorities with resources
- F4- Adhere to the City's financial and budgetary policies

Provide Financial Stewardship

F2- Invest to provide and maintain high quality public assets

F3- Forecast needs and plan for the future, balancing priorities with resources

- Replacement of vehicles and capital equipment
  - General Fund - $242,000
  - Utility Fund - $81,100
  - CCCPD police vehicle replacements - $226,000
  - Ambulance replacement - $44,621
- City Hall water valve actuators - $15,572*
- Replace water heaters at the Justice Center - $47,880*

* Indicates one time, non-recurring expenditure

Provide Financial Stewardship

F3- Forecast needs and plan for the future, balancing priorities with resources

- Review and update of fees and charges
  - Pre Council discussion on August 19, 2014

Provide Financial Stewardship

F1- Protect and preserve the City's top financial ratings

F4- Adhere to the City's financial and budgetary policies

- Outside review of financial processes
  - Government Finance Officer's Association (GFOA) Distinguished Budget Award
  - GFOA Certificate of Achievement for Excellence in Financial Reporting (CAFR) Award
  - Texas Comptroller's Leadership Circle for financial transparency

Manage the Business

MANAGE THE BUSINESS

B1- Seek innovative technology solutions where appropriate	B2- Proactively seek process improvements and sustainable solutions	B3- Utilize partnerships to implement cost-effective service solutions	B4- Cultivate a culture of transparency and consistent communication	B5- Use the Strategy Map to ensure that the focus stays on those programs and services identified as priorities by the community

Manage the Business

B1- Seek innovative technology solutions where appropriate

- Installation of fiber phases 1-3 for the city - $394,700*
  - Colleyville Tomorrow Fund
- Increase leased fiber bandwidth - $2,500
- Phase I Courts technology upgrade - $63,916*
- Phase II Police/Emergency Operations Center technology upgrade - $44,460*

* Indicates one time, non-recurring expenditure

Manage the Business

B1- Seek innovative technology solutions where appropriate

B2- Proactively seek process improvements and sustainable solutions

- Water meter replacement program change
- Implementation of new utility bill platform
- Upgrade desktop support technician to management analyst - $9,117
- Field connectivity for meter services worker - $2,950

Manage the Business

B3- Utilize partnerships to implement cost-effective service solutions

- Joint Municipal Court
- Regional Animal control – ($1,920) decreased cost
- Regional communications & jail services – additional $198,456
- Northeast Fire Department Association
- NETCO
- County street overlay project
- Metroport Teen Court - $33,750
- Tarrant County Elections - $7,000
- Tax Assessment and Collection Services with GCISD

Manage the Business

B4- Cultivate a culture of transparency and consistent communication

CBO4- Keep citizens informed through their preferred methods

- Additional contractual support for communications activities - $5,000
- Digitizing documents to Laserfiche - $37,000
- Laserfiche license upgrade (from 28 to 50 concurrent users) - $25,896
- Upgrade of one part time police records clerk to full time- $26,374

Serve Our Customers

SERVE OUR CUSTOMERS

- C1- Provide attractive and unique spaces for enjoyment of personal interests and community interaction
- C2- Deliver high quality and unique customer service
- C3- Attract and retain high quality businesses to provide a thriving, diversified tax base that attracts visitors
- C4- Provide mobility enhancements that complement neighborhoods
- C5- Achieve the highest standards of safety & security

Serve Our Customers

C1- Provide attractive and unique spaces for enjoyment of personal interests and community interaction

- Upgrade of part time Library administrative support specialist to full time - $30,022
- Upgrade of part time Colleyville Center maintenance and operations technician to full time - $25,712 (offset by increased revenue budget)
- Quiet Zone maintenance contract for warning and preemption devices - $51,000
- Trail system investments - $427,000
- Voluntary Park Fund
  - Park signage update at Reagan and Woodbriar Parks - $15,000*
  - Retaining wall and drainage enhancement at City Park - $11,212*
  - Shade structure replacement for fields 1-3 at City Park - $30,000

* Indicates one time, non-recurring expenditure

Serve Our Customers

C2- Deliver high quality and unique customer service

CBO3- Address the most critical infrastructure needs

- Water and wastewater renewal program- $250,000
  - Proactive replacement of water and wastewater lines and valves
- FEMA grant match for updated floodplain maps- $290,500*
  - to survey, model, and map all of the waterways in Colleyville
- Household hazardous waste program - $27,000
  - $15,000 from Recycling Fund; $12,000 from Drainage Fund

* Indicates one time, non-recurring expenditure

Serve Our Customers

C3- Attract and retain high quality businesses to provide a thriving, diversified tax base that attracts visitors

- Colleyville Blvd/SH26 Reconstruction project management - $200,000
- Economic development coordinator position - $18,960
- Strategic Initiatives Fund current available balance - $295,817

Serve Our Customers

C4- Provide mobility enhancements that complement neighborhoods

CBO3- Address the most critical infrastructure needs

- Street maintenance - $3,000,000
  - Includes $1,000,000 draw down of fund balance, to be continued through FY 2018, and $600,000 of new funding
  - Fully funded at $3,000,000
- Transfer to Capital Projects Fund - $300,000*
- Sidewalk repair - $50,000

* Indicates one time, non-recurring expenditure

Serve Our Customers

C5- Achieve the highest standards of safety & security

- Three firefighter/paramedic positions - $207,129
  - Achieve full operational staffing by adding one additional staff member to each shift
- Police Officer - $72,933
  - CCCPD funded
- Texas Workforce Commission annual subscription - $1,500

Budget Maximization

FY 2015 budget requests that are being executed in FY 2014 with either unspent funds or higher than expected revenues:

F2- Invest to provide and maintain high quality public assets

- Library water heater replacement - $4,560
- City Hall water heater replacement - $10,080
- Replace Viper floor scrubber for Colleyville Center - $3,500
- Thermal protection to attic sprinklers at the Library - $48,958

C1- Provide attractive and unique spaces for enjoyment of personal interests and community interaction

- Holiday lighting (2 wreaths) for Colleyville Center - $1,500

B1- Seek innovative technology solutions where appropriate

- Install cameras at the data centers - $5,450
- Development software upgrade for improved website - $5,000

B4- Cultivate a culture of transparency and consistent communication

CBO4- Keep citizens informed through their preferred methods

- Digital signage platform and two screens - $23,000

Year-end Budget Amendment

Year-end Budget Amendment: 1st reading on September 2nd

CBO3- Address the most critical infrastructure needs

C4- Provide mobility enhancements that complement neighborhoods

- Transfer unspent street maintenance funds to the Capital Projects Fund for street projects
- Transfer balance of additional General Fund revenues and any unspent funds to the Capital Projects Fund for CIP projects

C2- Deliver high quality and unique customer service

- Transfer additional Utility Fund revenues (over bond coverage ratio) to a restricted CIP utility cash account for CIP utility projects

C3- Attract and retain high quality businesses to provide a thriving, diversified tax base that attracts visitors

B4- Cultivate a culture of transparency and consistent communication

CBO4- Keep citizens informed through their preferred methods

- Transfer $200,000 of net revenue for SH 26 reconstruction management support

B1- Seek innovative technology solutions where appropriate

- Transfer $45,000 of net revenue to set aside funding for future development software upgrade

Not recommended for funding in FY 2015

- Street Reconstruction - $2,400,000
  - Annual funding required to accomplish the goal of eliminating all unimproved roads over the next 25 years; no funds currently allocated toward this goal
- 2015 Market Adjustments - $160,000
  - Salary structure movement in Texas projected at 2 percent; a 1 percent market adjustment was considered for the structure and for employees in 2015
- Colleyville Center improvements - $36,000
  - Up-lighting of outdoor areas, sod replacement, and kitchen update
- Building maintenance - $70,770
  - Lower priority items including exterior LED lighting at City Hall, the library, and Justice Center

Not recommended for funding in FY 2015

- Part time management analyst (graduate intern) - $28,779
  - To provide professional support, research, and analysis for all city departments
- Human resources coordinator position - $71,807
  - To provide advanced support of human resources functions, including targeted recruiting and hiring, training and development, research, various committee representation, and safety program/risk administration
- Fire Training Room upgraded A/V system - $28,535
  - To provide enhanced capabilities in the training room at the Central Fire Station, including a new projection screen and interfaces

FY 2015
Revenues and Expenditures
by Fund

General Fund

	Change from FY 14 Budget	FY 15 Proposed	% of Total	Notes/Assumptions
Ad Valorem Revenue	$829,803	$12,566,254	55%	4.66% AV increase Includes declining debt
Sales Tax	369,723	3,270,000	14%	1% increase over FY 14 Projection + $200,000 Colleyville Downs
Franchise Fees	5,700	1,994,000	9%	0.3% increase
Licenses & Permits	117,749	856,500	4%	16% increase
Fines	(14,212)	810,288	3%	1.7% decline
Charges for Service	164,025	906,600	4%	22% increase
Intergovernmental	-	311,979	1%	No change
Misc./Interest Earnings	1,000	165,040	1%	0.6% increase
Use of Fund Balance	-	1,000,000	4%	No change
Transfers In	52,705	1,182,919	5%	Updated calculation
Total Revenue	**$1,526,493**	**$23,063,580**	**100%**	
Total Expenditures	**$1,494,251**	**$23,028,218**		

General Fund: Expenditures by Service Type

Public Safety Services 41%

Public Works Services 23%

Strategic Services 20%

Leisure Services 12%

Economic and Community Development Services 4%

Utility Fund

	Change from FY 14 Budget	FY 15 Proposed	% of Total	Notes/Assumptions
Water Sales	$1,193,698	$11,014,359	73.2%	10.8% increase (FY 2014 TRA pass through)
Wastewater Sales	692,018	3,745,247	24.9%	18.5% increase (FY 2014 TRA pass through)
Water Installation	-	21,000	0.1%	No change
Wastewater Installation	-	7,000	-	No change
Sewer Tie-On Charges	-	5,000	-	No change
Engineering Charges	-	5,000	-	No change
Penalties	28,431	218,543	1.5%	13% increase
Miscellaneous	-	13,000	0.1%	No change
Interest	-	20,300	0.1%	No change
Use of Available Cash	(250,000)	-	-	Did not use fund balance for infrastructure renewal in FY 2015
Total Revenue	**$1,664,147**	**$15,049,449**	**100%**	
Total Expenditures	**$829,068**	**$14,005,640**		

Utility Fund Expenditures

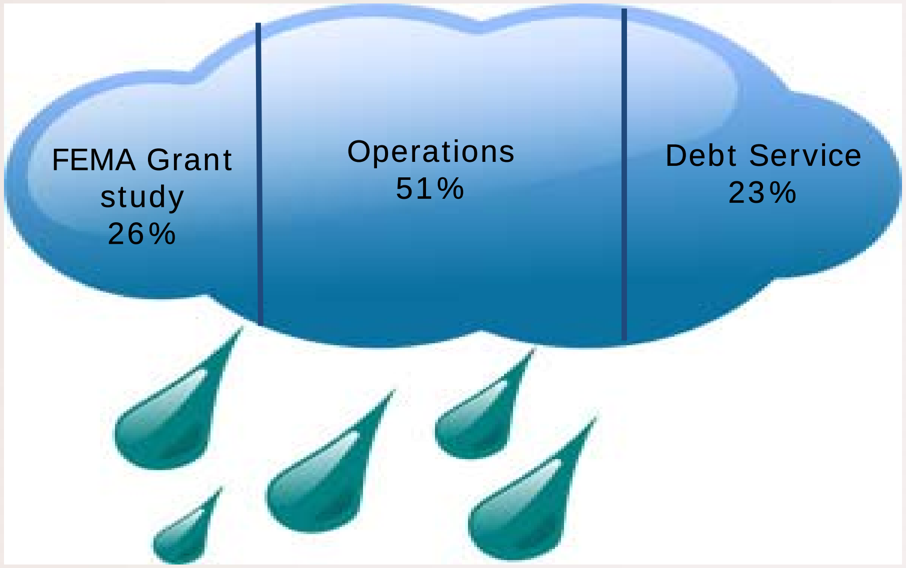
The combined Utility Fund allocates $14,005,640 toward the safe delivery of potable water and collection of wastewater.

Drainage Utility Fund

	Change from FY 14 Budget	FY 15 Proposed	% of Total	Notes/Assumptions
Drainage Fees	5,880	931,992	77.6%	0.6% increase (customer growth)
Penalties/Misc.	103	16,310	1.4%	0.6% increase (customer growth)
Use of Available Cash	250,500	250,500	20.8%	Draw down of fund balance for FEMA grant match
Interest Income	44	2,244	0.2%	2% increase
Total Revenue	**6,027**	**1,201,046**	**100%**	
Total Expenditures	**248,306**	**1,121,825**		

Drainage Fund Expenditures

The Stormwater Drainage Utility Fund allocates $1,121,825 toward the operation and maintenance of the City's drainage system.



Summary by Fund

Fund	Adopted FY 2014	Proposed FY 2015	Change
General	$21,533,967	$23,028,218	$1,494,251
Utility	$13,176,572	$14,005,640	$829,068
Drainage	$ 873,519	$1,121,825	$248,306

Capital Improvement Plan

CIP Recommendations

- Adopt the five-year CIP by Council Resolution
- Appropriate funding for the first year of the CIP (2015) and each successive year as part of the annual budget process
- Address any future changes to the adopted CIP by Council Resolution

Changes during any current year plan may require a budget amendment

Five-Year CIP Summary

Year	Amount
2015	$24,139,048
2016	1,656,000
2017	4,822,941
2018	3,710,243
2019	3,946,150
TOTAL	**$38,274,382**

Funding Source	Amount (All Years)
General Fund	$11,114,511
Utility Fund	4,660,416
Water Impact Fees	52,616
TIF	5,700,000
Perimeter Street Fees	88,002
Colleyville Tomorrow Fund	394,700
CEDC	1,535,000
Parkland Dedication Fund	479,137
TxDOT	14,000,000
Other	250,000
TOTAL	**$38,274,382**

FY 2015 Projects

Category	Title	Project Cost
Other	Temporary Repair of Whites Chapel Road Bridge	150,000
Other	Reconstruct Bedford Road Retaining Wall	350,163
Streets	2015 Miscellaneous Concrete Repairs	500,000
Streets	2015 Miscellaneous Major Asphalt Maintenance	500,000
Streets	2015 Pavement Markings	100,000
Streets	Rehabilitate Jackson Road (2015 County Project)	267,400
Streets	Construct Glade Road (Bransford to Manning)	5,700,000
Streets	Construct SH 26, Phase II	14,000,000
Utility	Upsize Utility Lines (Reagan Estates)	662,648

FY 2015 Projects (Continued)

Category	Title	Project Cost
Parks	Construct Cotton Belt II Spur @ Webb House	50,000
Parks	City Park – Landscape and Amenities	258,000
Parks	Pleasant Run Trail Construction (Bogart to Mission)	277,000
Parks	Improvements at Cotton Belt - LD Locket Park Trailhead	504,137
Parks	Senior Center Repairs	100,000
Parks	Pleasant Run Playground	75,000
Technology	Fiber Build Phase 1-3	394,700
Facilities	Service Center – Design	250,000

FY 2015 Projects Summary

Project Category	Project Cost
Streets	$21,067,400
Utility	662,648
Parks	1,264,137
Technology	394,700
Facilities	250,000
Other	500,163
TOTAL	**$24,139,048**

Funding Source	Amount
General Fund	$1,867,563
Utility Fund	610,032
TIF	5,700,000
Water Impact Fees	52,616
Colleyville Tomorrow Fund	394,700
CEDC	785,000
Parkland Dedication Fund	479,137
TxDOT	14,000,000
Other	250,000
TOTAL	**$24,139,048**

Proposed FY 2015 Budget Highlights

- No ad valorem tax rate increase
- Fully funding street maintenance
- Increased public safety staffing
- Maintaining investment in employees
- Continue maintaining & replacing public assets

Conclusion

The proposed FY 2015 Budget is filed in the City Secretary's Office. A copy also is located at the Colleyville Public Library.

Citizens can view the Proposed FY 2015 Budget at www.colleyville.com.

Questions and Discussion

COLLEYVILLE

FY 2015 Budget Message

We are pleased to present the proposed FY 2015 Combined Annual Operating Budget for the City of Colleyville. This document represents the City's ongoing commitment to prudent fiscal management in delivering services that enhance the quality of life of Colleyville's citizens and meeting the expressed needs of our community. It also addresses the need to protect the long-term future of the community, primarily in the areas of public safety, preservation of public infrastructure, and in delivering sustainable government that aligns with the demands of today, while ensuring the ability to respond to growth. While this budget covers only fiscal year 2015, it continues to define a path that will move Colleyville into the future as a safe city with a solid infrastructure and an ongoing commitment to improving quality of life.

The proposed budget funds current and enhanced service levels to meet the Colleyville City Council's priorities for service delivery, while maintaining the current tax rate. The proposed budget has been formulated with a philosophy of:

- Providing high-quality governmental services consistent with citizen expectations
- Constantly seeking opportunities to improve service delivery or increase efficiency through technology, partnerships, or improved processes
- Careful stewardship of city resources, emphasizing affordability and sustainability
- Valuing our employees

Furthering our commitment to fostering community involvement and governmental transparency, a summary presentation of the proposed budget has been placed on the City's website. A public hearing on the budget is scheduled on September 2, 2014, to allow citizens an opportunity to provide input on the proposed budget. The proposed budget is scheduled for City Council final approval on September 16, 2014. Any questions or requests for additional information should be directed to Adrienne Lothery, strategic services manager, at 817.503.1112 or by email to alothery@colleyville.com.

BUDGET OVERVIEW

Over the years, Colleyville's budget document has evolved from a simple financial report with proposals for expenditures and estimates of revenue, into the City's most comprehensive annual document establishing budgetary policies. The budget decisions outlined in this document influence the fiscal state of the city, the function of its government, and budget considerations for current and future needs. The City's budget, therefore, is the most important working policy and planning tool used by the City Council and staff to provide quality services to the citizens of Colleyville, as determined by the City Council and for which funds are available.

Financial Summary

The proposed budget is balanced in accordance with state law, the City Charter, and ordinances. The combined proposed expenditures and transfers of the City's major operating funds total $39,537,875, which is a $2,269,020 increase from the current year operating budget.

Fund Type	Adopted FY 2014	Proposed FY 2015	Change
General	$21,533,967	$23,028,218	$1,494,251
Drainage	$ 873,519	$ 1,121,825	$ 248,306
Utility	$13,176,572	$14,005,640	$ 829,068
Debt Service	$ 1,684,797	$ 1,382,192	($ 302,605)
Total:	$37,268,855	$39,537,875	$2,269,020

One measure of a city's financial strength is the level of its fund balance. In keeping with the City Council's conservative fiscal policy of a 90-day reserve requirement, the General Fund is projected to have 82 days over the 90-day minimum for a total of a 172-day reserve and the Utility Fund is projected to have 74 days over the 90-day minimum cash balance for a total of a 164-day reserve as of September 30, 2014.

Fund Type	Number of Days	Amount
General	172	$10,893,518
Utility	164	$6,316,129

The reserve earns interest, bolsters cash flow, and is available for unanticipated expenditures or emergencies. As a non-recurring revenue source, beginning fund balances are used to fund capital or other one-time expenses only.

Issues and Challenges

Colleyville benefits from a strong residential base, which helps mitigate the negative effects of economic fluctuations. Property values have rebounded substantially from the declines experienced in fiscal years 2011 and 2012, and continued growth is anticipated in economy-driven revenues, such as sales tax. While other funding sources for fiscal year 2015 remain relatively steady in the majority of revenue categories, prudent management of the City's finances on previous and current capital improvement projects has reduced debt and, subsequently, debt service costs. The resulting debt service savings will be used to help fund current and long-term funding priorities as delineated in the fiscal year 2015 budget. Through July of fiscal year 2014, 189 new single-family lots were approved. As such, it is anticipated that the number of building permits issued and associated development-based revenue in fiscal year 2015 will be similar to the current year. As Colleyville approaches build-out, which is estimated to be in 2025, development revenues will be difficult to predict due to the declining availability of land for new development. Each revenue source is discussed in more detail in subsequent sections of this budget message.

Like much of the country, the City of Colleyville faces the issue of maintaining and gradually replacing an aging infrastructure, including streets, utility lines, buildings, and other community assets. Attention has been focused on the most urgent priorities and addressing those situations that pose the highest risk if not addressed. Staff also carefully considers which investments will serve to extend the useful life of an asset, essentially postponing the need for full replacement for a number of years, when making funding recommendations.

At the budget worksession in May, staff presented a five-year General Fund budget forecast to fiscal year 2019. That forecast includes conservative estimates for revenues such as property tax and sales tax, as well as expenditures and any changes that can be reasonably anticipated. One of the long-term challenges Colleyville experiences is constrained growth in the property tax revenue category due to a freeze on assessed valuation for properties owned by individuals 65 years or older, even though property values are increasing. Sales tax revenue is anticipated to grow, particularly with the developments surrounding the opening of Whole Foods Market, but projections remain conservative as this is one of the most volatile revenue sources, often impacted by fluctuations in the overall economy and other factors beyond the city's control. The forecast for expenditures includes the commitment to hire an additional police officer in each fiscal year through 2016, the commitment to hire three new fire personnel in fiscal year 2015, general cost increases for materials and contractual services required each year, and modest growth in personnel costs. This forecast served as the framework and starting point for budget discussions, helping staff and the City Council focus on the long-term budgetary implications of current funding decisions. It also helped to put long-term goals into perspective relative to the overall resources available in the General Fund. This information was weighted heavily in determining fiscal year 2015 budget priorities.

The proposed budget is balanced and prepared in accordance with state law, the Colleyville City Charter, ordinances, budget policies, and in accordance with the provisions outlined in the Governmental Accounting Standards Board (GASB) "Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments."

The accounts of the City are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. All funds are budgeted and accounted for on a Generally Accepted Accounting Practice (GAAP) basis for purposes of financial statement presentation. The governmental fund types use a financial resources measurement focus and are accounted and budgeted for using the modified accrual basis of accounting. Under this modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures represent a decrease in net financial resources and, other than interest on general long-term debt, are recorded when the fund liability is incurred, if measurable. Interest on general long-term debt is recorded when due.

Governmental fund types are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in the proprietary and fiduciary fund types) are accounted for through governmental fund types.

Proprietary fund types are accounted and budgeted for on a cost-of-service or "capital maintenance" measurement focus, using the accrual basis of accounting. These fund types operate in a manner similar to private business. The City utilizes only the enterprise fund type. Under the accrual basis of accounting, revenues are recognized when earned; expenses are recognized when incurred. For purposes of this budget presentation, depreciation is not displayed, and capital expenditures and bond principal payments are shown as uses of funds.

The City provides a full range of municipal services supported by statute or the Colleyville City Charter. This budget utilizes the following funding sources to provide these services:

- General Fund: Accounts for the resources and expenditures related to the generally recognized governmental services and/or functions provided by various City departments – a governmental fund type.
- Utility Fund: Accounts for all the activities required for the provision of water and sanitary sewer to residents of the city – a proprietary fund type.

- Capital Projects Fund: Accounts for financial resources to be used for the acquisition or construction of major capital projects – a governmental fund type.
- Capital Equipment Replacement Fund: An internal service fund to account for funding for, and acquisition of, the City's vehicles, maintenance equipment, and computer equipment – a governmental fund type.
- Drainage Utility Fund: Accounts for all the activities required for the management of storm water drainage – a proprietary fund type.
- Court Technology Fund: Accounts for all activities, in accordance with state statutes, related to the collection and use of the Municipal Court technology fee imposed on convictions on cases adjudicated in the Court – a governmental fund type.
- Court Security Fund: Accounts for all activities, in accordance with state statutes, related to the collection and use of the Municipal Court building security fee imposed on convictions on cases adjudicated in the Court – a governmental fund type.
- Strategic Initiatives Fund: Accounts for financial resources to be used with the City Council's authorization for programs and projects linked directly to the City's strategic plan – a governmental fund type.
- Colleyville Crime Control and Prevention District (CCCPD): Accounts for the City of Colleyville Crime Control and Prevention District formed to act on behalf of the City for financing crime control throughout the City.
- Colleyville Economic Development Corporation (CEDC): Accounts for the use of bond proceeds and sales tax revenues for municipal park improvements, the purchase of land and equipment for additional neighborhood parks, and for the construction of a community center and library. Consistent with state law, some funds may be allocated by the board of directors for promotional efforts for special events and marketing.
- Voluntary Library Fund: Accounts for the operations for which voluntary contributions by citizens are used. Contributions are used primarily to support library activities.
- Voluntary Park Fund: Accounts for the operations for which voluntary contributions by citizens are used. Contributions are used primarily to support park activities.
- Colleyville Tax Increment Financing (TIF) District: Created in 1998, the primary goal of the district is to encourage quality commercial development in the city by using ad valorem revenues from property value growth since the creation of the district, within the district for infrastructure improvements and economic development.
- Juvenile Case Manager Fund: This fund is used to account for staff, whose primary role is handling juvenile defendants in terms of teen court dockets, all school violations including truancy, failure to attend school and parental noncompliance violations, and mandatory classes for drug, tobacco and alcohol defendants, as permitted by state statute.

BUDGET STRATEGY & DEVELOPMENT

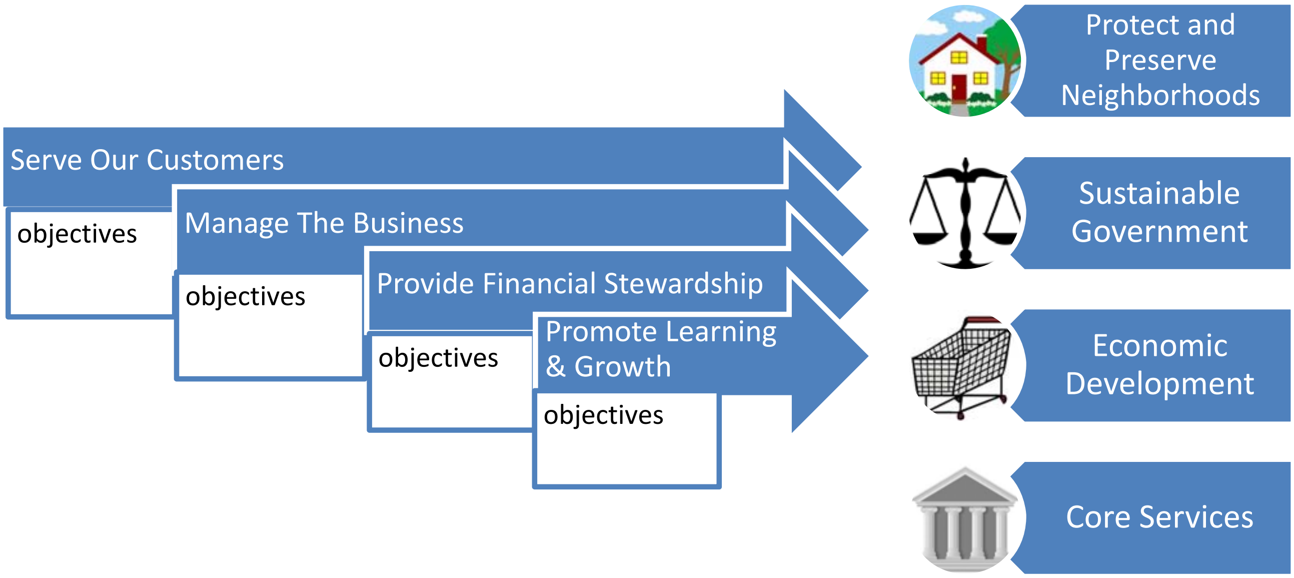
By definition, preparation of any budget is the allocation of scarce resources. There will always be more needs than can be met with available funds. The City Council, on behalf of the citizens, establishes the price community members are willing to pay for local government services. Utilizing citizen input such as the 2014 Citizen Survey, the City Council determines various goals to meet the priorities of citizens, which is ultimately reflected in the city's Strategy Map, a visual depiction of the City's goals and objectives. (A copy of the current Strategy Map is included in the appendix of this document). Staff's role is to guide the process by providing purchasing proposals pursuant to the City Council's highest priorities.

We approach budget development with the understanding that the programs and services included in the current budget reflect the Council's and community's highest priorities. However, some of programs and services are not fully funded. For example, we are currently perform street maintenance, but we are not fully funding this service. The fiscal year 2015 budget focuses on ensuring that services are provided at the high level expected by citizens, and that to the greatest extent possible current programs and services are fully funded and functioning at the desired level before new services are considered. In line with this approach, additional funding requests submitted by departments were categorized as either requests to fully fund the current service level, or as service enhancement requests. These efforts ensure that the City's resources and staffing are aligned to meet today's demands and that service levels remain sustainable in the foreseeable future.

As the budget serves as a policy document upon adoption for the upcoming fiscal year, any service level enhancements beyond those included in the adopted budget must be vetted and determined by the City Council. Changes in budget allocation will likely necessitate the loss or reduction of other programs or services to stay within the City's balanced budgetary parameters.

Development of the fiscal year 2015 budget was guided by the community's priorities as expressed in programs, such as the citizen survey, and outlined in the City of Colleyville's Strategy Map. Each item has been vetted for its alignment with the goals and objectives delineated in the Strategy Map, reviewed for resource optimization, and finally weighted against both current and future community needs.

The City of Colleyville's Strategy Map outlines four viewpoints in which to view the organization from various angles. Those perspectives are learning and growth, financial, business, and customers. Each perspective is represented by a tier on the Strategy Map and contains objectives that must be achieved to ensure we are ultimately delivering on our focus areas. Measuring against the four tiers of objectives, based on the four perspectives of a balanced approach provide the 'how" for how we deliver on our focus areas, which are: protect and preserve Colleyville neighborhoods, provide sustainable development, economic development, and sustainable government.



The order of the four perspectives is relevant. When we begin with "promote learning and growth," we acknowledge that we must start with the right people, who are trained and empowered to do good work. With the right people in place, we are able to focus on our financial reality and being good stewards of our citizens' tax dollars. When we focus on our financial inputs, outputs, and future needs, we are then able to look at how we "manage the business" to ensure that the dollars we spend are maximized and spent on the right things. When we have our ducks in a row internally, we can serve our customers and provide the high-quality programs and services they expect. Without the right people, the right financial focus, and the right processes, we would not be able to serve our customers as well. And of course, we must do all of these things in order to deliver on our focus areas.

By remaining focused on the goals and objectives outlined in the Strategy Map, the community, City Council, and staff can weigh the divergent demands of the citizenry, pursuing only those elements that help achieve the identified objectives, and thereby ensuring the highest priorities of the community as a whole are accomplished. For this reason, every new effort and element of the City's business plan, including existing programs, is tied to one or more of these objectives, as detailed in the sections that follow. The items listed under each of the four perspectives include highlights of the investments slated to receive continued funding in fiscal year 2015, any significant changes in funding, and a description of new items that will receive funding.

Priorities and Fiscal Year 2015 Focus

With this budget, staff recommends allocating resources according to the priorities of our citizens and City Council, while maintaining the conservative fiscal approach that has allowed Colleyville to attain and maintain an AAA bond rating. The service delivery plan maintains or enhances the programs and services that support one or more of the city's four focus areas: protect and preserve neighborhoods, sustainable government, economic development, and core services.

Some of the priorities related to protecting and preserving neighborhoods include maintaining the lowest crime rate in Tarrant County, adequately staffing public safety operations, reinvesting in infrastructure, and planning for Colleyville's future by developing "Destination Colleyville," an updated comprehensive plan for the city's growth over the next 20 years.

To further our commitment to sustainable government, priorities include evolving to total electronic document storage and retention, leveraging technology to improve service delivery, and continuing the commitment to investing in the City's most valuable resource—the employees who are ultimately responsible for service delivery. Local government is a service organization, and as with most service organizations, the skills, experience, education, and attitude of our employees are essential ingredients to success. We can only attract and retain quality employees if we provide compensation, facilities, equipment, and a work environment that allows each employee to reach his or her potential.

Economic development is an ongoing priority and although significant gains have been realized, it is important to continue to focus on attracting and retaining the types of commercial development that contribute to the high quality of life in Colleyville. Additional investment in this area will be key to achieving the next level of success in guiding Colleyville's development in a way that reflects the desires expressed in the comprehensive plan. Furthermore, the impending reconstruction of Colleyville Boulevard places a unique burden on the city to support and advocate for our businesses along this corridor. Significant efforts to provide this support are detailed in the sections that follow.

As a local government, we exist to provide certain services that citizens expect, at the level they expect, for a good value. In our increasingly mobile and transient society, individuals choose which communities to become citizens of based upon how that city chooses to define core services. In Colleyville, core services are the programs and services currently funded. Over time, this definition will evolve depending on the priorities of the community.

The proposed budget provides a staffing level of 203 full-time equivalents (FTEs), 7.5 more FTEs than in fiscal year 2014, in order to fully fund the programs and services expected by citizens. Careful consideration was given to all position requests to ensure that decisions are both appropriate and sustainable in the long-term. The new or upgraded positions in the fiscal year 2015 proposed budget include adding one police officer, three firefighter/paramedics, one economic development coordinator, one temporary construction manager to serve through FY 2019, increasing one part-time administrative support specialist in the library to full time, increasing one part-time police records clerk to full time, and increasing one part-time maintenance and operations technician in the Colleyville Center to full time.

To sustain and plan for Colleyville's long-term needs, the fiscal year 2015 budget includes a Five-Year Comprehensive Capital Improvement Plan (CIP). This plan identifies planned projects for the next five years, based on funding availability, and a schedule for completion. Capital projects are defined as those projects requiring an investment of $50,000 or more. Colleyville's CIP includes projects in a number of categories, as shown in the chart below. Similar to the five-year General Fund budget projection, the CIP provides an opportunity to consider all of the city's capital needs in the coming years and determine the priority of each, as well as whether available funding resources are sufficient to support those expenditures. The CIP operates on a multi-year basis and utilizes a variety of funding sources including the City's major operating funds, impact fees, special revenue funds, and other entities such as TxDOT. While the plan itself covers five fiscal years, only the upcoming year of the five-year plan is included in the City's budget each year. In the sections that follow, major fiscal year 2015 investments in the CIP from City resources have been described in more detail.

FY 2015 Project Category	FY 2015 Project Cost
Streets	$21,067,400
Utility	662,648
Parks	1,264,137
Technology	394,700
Facilities	250,000
Other	500,163
TOTAL	**$24,139,048**

The fiscal year 2015 budget continues delivery of current citizen services while placing greater emphasis on investing in those opportunities that most significantly further one or more of our four focus areas. As is typical in local government, funding requests exceed available revenues, requiring decisions regarding what to fund. As we begin to plan for the future in more detail, not all items can be funded. The fiscal year 2015 budget is a balanced budget based on community and City Council priorities as we know them and makes significant progress toward achieving many of the city's needs and long-term goals. Those items that were not funded this fiscal year are described in a subsequent section of this budget message and may be considered in future budgets.

PROMOTE LEARNING & GROWTH

As mentioned previously, the first of the four perspectives we focus on is "promote learning and growth." When we begin with "promote learning and growth," we acknowledge that we have to start with the right people, who are adequately trained and empowered to do good work, to successfully deliver on the city's four focus areas. While some efforts to promote learning and growth are made in intangible ways, such as fostering positive employee engagement, empowering informed decision-making and appropriate risk taking at all levels of the organization, and ensuring our people understand the strategy and how they contribute to it, other efforts must be tangible, such as attracting, developing, and retaining skilled employees who embrace our values by offering competitive benefits and compensation that reward good and high performance. The following describes ongoing investments to do just that:

- Year 2 (of 3) of 2014 market adjustments - $72,063
  Employees earning below the new minimum salary of their position's pay range received a market adjustment, not to exceed 10 percent, through the new compensation structure implemented in fiscal year 2014. Employees currently earning more than 10 percent below the new minimum salary will receive the remainder of the adjustment over the next one to two fiscal years so that an individual's pay increase does not exceed 10 percent in any given year. Fiscal year 2015 will fund Year 2 implementation costs at $72,063. Market adjustments necessary to implement the new compensation structure adopted in fiscal year 2014 will be complete in fiscal year 2016, with Year 3 costs estimated at less than $5,000.

- Performance-based merit increases- $226,417
  Employees hired prior to October 1, 2014, will be eligible for a mid-year performance-based merit increase in fiscal year 2015 based on successful and exceptional performance. On an individual basis, the increase will not exceed five percent. Employees receiving a market adjustment *and* merit increase may not exceed a total increase of 10 percent. Performance-based merit increases in mid-fiscal year 2015 will be predicated on employee performance under the comprehensive performance management program implemented in fiscal year 2014. The new system includes more meaningful tools and a streamlined process to document employee goals, expectations, and performance to reinforce alignment of City services with citizen expectations as it pertains to the organization's expected standards.

- Employee insurance benefits
  Employee insurance benefits include medical, dental, life, accidental death and dismemberment, long-term disability, and COBRA insurance, as well as flexible spending account and health reimbursement arrangement administration. The City continues to exhibit a substantial commitment to employee benefits by

funding employee and dependent medical insurance premiums based on a tiered structure tied to wellness program participation. This tiered structure for health insurance subsidies has proven to be an innovative approach to addressing increasing healthcare costs, while providing a benefit for employees that allows the City to maintain a competitive benefit position among its peer cities. The wellness initiative is designed to improve employee health and is trending favorably in the long-term due to reduced utilization of the medical plan. Comparing costs for medical insurance premiums in fiscal year 2010 to fiscal year 2015, the city's portion has been reduced by $380,312.

Medical premiums will decrease by 3 percent in at the start of this fiscal year. Additionally, the Patient Protection and Affordable Care Act (PPACA) is expected to increase medical premiums by approximately 0.25 of a percent in January to reflect the effects of the Health Insurer fees, Reinsurance fees and Patient-Centered Outcomes Research Institute fees. The net decrease in medical premiums will be shared between the City and the employees through the tiered premium structure.

- Texas Municipal Retirement System (TMRS)
  The City is committed to ensuring the retirement benefit offered to employees is affordable, sustainable, and competitive. The City's current plan design does not change and includes funding for participation in the TMRS program at a contribution rate of 7.84 percent (annualized 7.63 percent), up 0.795 percent from the annualized rate of 7.045 percent in fiscal year 2014. TMRS is a hybrid defined contribution plan. When a TMRS member retires, the portion of their retirement annuity paid by the municipalities they have worked for is directly tied to their service time in those cities. For the current actuarial period, the City has no unfunded liability.

PROVIDE FINANCIAL STEWARDSHIP

Providing financial stewardship of the city's resources is the foundation of all efforts by City staff. Many of the investments described in this section highlight the ways Colleyville works to ensure that our long-term needs are addressed. The City is extremely proud of achieving an AAA bond rating in all three areas of debt (tax supported, utility, and drainage) and will continue to follow the conservative financial principles and policies that have allowed us to achieve that coveted designation. As we forecast needs and plan for the future, balancing priorities with resources in a sustainable way, we also will work to finance projects using currently available dollars to the greatest extent possible. Efforts to further our focus on financial stewardship in fiscal year 2015 include the following:

- Review and update of fees and charges
  Each year as a part of the budget process, staff reviews current fees and charges to ensure that amounts are set appropriately for cost recovery and to remain consistent with the market. While the number of fees and amount of fees adjusted varies from year to year, this annual review provides consistent assurance that our taxpayers are not subsidizing more services than necessary.

- Outside review of financial processes
  Each year, the City not only undergoes an audit from an outside firm to verify the accuracy of our accounting records, we also voluntarily participate in other external reviews. These include submission of the budget document to the Government Finance Officers Association (GFOA) Budget Award program, the GFOA Certificate of Achievement for Excellence in Financial Reporting (CAFR) Award, and the Texas Comptroller's Leadership Circle for financial transparency.

- Ambulance replacement - $44,621
  Third-year funding for replacement of the front-line ambulance through a lease purchase plan is included through the Debt Service Fund. The total cost of the ambulance was $209,425, which will be paid over a five-year period, ending in 2017.

- Police vehicle replacements- $226,000
  Funding for replacement of four marked police vehicles and one unmarked police vehicle is included in the fiscal year 2015 CCCPD budget. The fleet management plan for the police department calls for retaining patrol vehicles for a period of three years and replacement of five vehicles annually, which is consistent with the funding available in the CCCPD budget and provides for long-term sustainability of the police fleet.

- Replacement of vehicles and capital equipment (General Fund) - $242,000
  The fiscal year 2015 budget includes a transfer from the General Fund to the Capital Equipment Replacement Fund, for which $72,000 is designated for replacement of servers and other technology, and $170,000 is designated for the replacement of vehicles and equipment utilized by programs accounted for in the General Fund.

- Replacement of vehicles and capital equipment (Utility Fund) - $81,100
  This funding has been budgeted to set aside resources for replacement of vehicles and capital equipment that are utilized by programs accounted for in the Utility Fund.

Maintaining the City's investment in buildings and facilities is also an important component of financial stewardship. The fiscal year 2015 budget provides funding for several high priority maintenance and repair items as listed below.

- City Hall water valve actuators - $15,572 (one-time expenditure)
  Current hot water coil actuators are 11 years old and it is time to replace them. The actuators provide the heat for City Hall and the library.

- Replace water heaters at the Justice Center - $47,880 (one-time expenditure)
  This funding will replace a standard new water heater and a large capacity water heater at the Justice Center. The current water heaters are 12 years old and showing signs of wear. The average life of a water heater is 10 years.

- Additional building maintenance items at City Hall - $15,766 (one-time expenditure)
  Additional building maintenance items at City Hall, including replacement of lighting on the dais in the Council Chambers and fan powered box heat for the Executive Conference Room are also included in the proposed budget.

MANAGE THE BUSINESS

Starting with the right people who are trained and empowered to do good work, we are able to focus on our financial reality and being good stewards of our citizens' tax dollars. We are then able to focus internally and evaluate how we "manage the business," ensuring that the dollars we do spend are maximized and spent on the right things. This may include investments in technology to leverage our personnel resources, partnerships with other agencies to reduce redundancy and improve efficiency, and communication efforts that cultivate a culture of transparency. The items that follow highlight continuing or enhanced investments in how we "manage the business":

- Water meter replacement program – program change
  The current water meter replacement program operates on a 10-year replacement schedule. After further analysis and acknowledging that water meters are covered under a 15-year warranty, the program will now operate on a 12-year replacement schedule. This change allows continuation of excellent service, but is more financially sustainable and does not require additional funding at this time.

- Implementation of new utility billing platform
  In November of 2014, the MUNIS utility billing module will be implemented to provide customers an ability to monitor usage and to seamlessly pay their bill online.

- Additional contractual support for communications activities - $5,000
  Additional funding for communications activities has been included in the fiscal year 2015 proposed budget, to allow staff to contract with outside vendors for graphics, web design assistance, promotional pieces, and other tools utilized to communicate with citizens and customers. This will allow staff more time to update and maintain the city's website in a more comprehensive and systematic way.

- Digitizing documents to Laserfiche - $37,000
  In fiscal year 2014, staff contracted with a third party to have documents currently located in storage digitized. The fiscal year 2015 proposed budget includes funding to continue this work on an incremental basis each year, until all City documents have been transitioned into a digital format.

- Upgrade of one part time police records clerk to full time - $26,374
  To further the City's overall plan to convert historic and new records to a digital format, the proposed budget includes funding to upgrade one part-time records clerk in the police department to full time. The Police Records Unit currently houses over 15,000 records that date back several decades. Utilizing part-time positions and volunteers to accomplish the task of reviewing, scanning, purging, and managing these records has proven to be inefficient. The upgrade of this position will allow the Records Unit to continue to manage an increasing number of new records and make progress in digitizing existing hard-copy records.

- Installation of fiber for the City - $394,700
  The City currently leases fiber to provide connectivity between buildings. By owning our own fiber, the cost for much of the current lease would be eliminated. It is anticipated that, based on the current amount of fiber used by the City and that the amount used increases substantially each year, costs for the leased fiber will only continue to increase. The fiscal year 2015 CIP includes installation of fiber Phases 1 through 3, to be funded by the Colleyville Tomorrow Fund. Phase 1 will connect City Hall and the Justice Center ($237,000), Phase 2 will connect the Justice Center and the Central Fire Station ($71,000), and Phase 3 will connect the Justice Center and the Public Works Service Center ($86,700). Based on current rates for leased fiber, the return on investment (ROI) for installing City-owned fiber is 10 years. However, the actual ROI will likely be sooner as it is anticipated that service levels (bandwidth) will need to increase and that leased prices will continue to increase.

- Increased leased fiber - $2,500
  While installation of City-owned fiber will make dramatic progress in improving connectivity between buildings, those buildings that will not be connected by City fiber will still be served by leased fiber and are in need of increased bandwidth. Current speeds prevent efficient work and the additional funding included in the fiscal year 2015 proposed budget increases the bandwidth at those locations that will use leased fiber to connect to the new City-owned fiber for a portion of the fiscal year (after the fiber install project is completed).

- Upgrade desktop support technician to management analyst - $9,117
  As technology continues to play a larger role in efficiently providing city services and as that technology becomes more advanced, more sophisticated staff support is necessary to properly maintain and service current hardware and software. The fiscal year 2015 budget includes funding to upgrade the current desktop support technician position to a management analyst, providing better

suited support as opposed to basic trouble-shooting and physical labor as provided in the current job classification.

- Laserfiche license upgrade - $25,896
  The current Laserfiche license agreement allows for 28 concurrent users, meaning no more than 28 citizens and/or employees can access the online document repository at one time. The increased funding in the fiscal year 2015 budget allows for 50 concurrent users, providing for increased transparency to citizens and for increased efficiency for staff.

- Phase I courts technology upgrade - $63,916 (one-time expenditure)
  Phase I of the courts technology upgrade includes the replacement and upgrade of all audio and recording equipment, as well as the projector in the courtroom. The current equipment is 12 years old and in need of replacement. Some of the cost may be shared with the City of Keller, our partner in the joint municipal court.

- Phase II Police/Emergency Operations Center technology upgrade - $44,460 (one-time expenditure)
  Funding has been included in the fiscal year 2015 budget to replace and upgrade the technology in the briefing room at the Justice Center. The room is utilized by every patrol shift to communicate daily information to the officers; it also provides a training area and overflow room for the Emergency Operations Center (EOC).

- Field connectivity for meter services worker - $2,950
  Funding for a laptop and aircard for the meter services worker has been included in the proposed budget to allow for the employee to access VueWorks, the web-based public works asset management software, from the field and increase efficiency. Field connectivity will eliminate the need to physically pick up service orders from the utility billing office.

The proposed budget provides contract services with other governments and agencies in the following areas:

- *Municipal Court:* In fiscal year 2013, Colleyville and Keller broke new ground as the first Texas cities to consolidate their municipal court operations. The combined court, now in operation for two years, is transitioning to a paperless environment that will streamline processes and further efforts to manage our document retention electronically.

- *Animal Control:* In fiscal year 2013, Colleyville and Southlake consolidated animal control and shelter services with Keller, a change that resulted in improved animal services in all three communities, reduction of redundancy in operations, better utilization of building and technical resources, increased training time for employees, sufficient staffing for dedicated shelter and adoption personnel, and improved compliance with state and national standards for the humane treatment of animals. The fiscal year 2015 budget for this agreement, which pays for Colleyville's proportionate share of the costs, decreased by $1,920 compared to fiscal year 2014, based on the calculations provided by the city of Keller on Colleyville's utilization of shelter and animal services.

- *Communications and Jail Services:* Continuation of funding for the regional communications and jail services is included in fiscal year 2015 through a multi-year interlocal contract with Keller and Southlake. This funding budgeted for fiscal year 2015 increased by $198,456, which reflects Colleyville's proportionate cost of the interlocal contract. The increase for fiscal year 2015 is due to rebalancing the three-year average that determines each member city's utilization of total services and establishes the percentage of total cost paid by each city accordingly. Additionally in fiscal year 2011, Tarrant County 9-1-1 leased the Colleyville Communications Center as a permanent backup site, which created additional revenue. Tarrant County 9-1-1 also will keep the facility up to date with the latest technology. Funding is provided to meet the contractual obligations for fire response in the Bedford response area, a contract that expires in September 2015.

- *Northeast Fire Department Association (NEFDA):* This association of 14 cities in Northeast Tarrant County provides resources, support, and staffing for emergency events such as a water rescue, HAZ-MAT incident, or an event involving an explosive device. Participating cities contribute financially to maintain and replace equipment or apparatus needed to respond in these situations.

- *Public Safety:* Colleyville will continue participation as a member city in Tarrant County's NETCO radio consortium. In 2014, the NETCO consortium completed an upgrade to our 800MHz trunked radio system to Project 25 (P25) capability. The P25 conversion included all radio equipment (i.e., towers, consoles, portable radios, and handheld devices). NETCO member cities will continue to contribute to the consortium for future maintenance and system enhancement costs.

- *Street Overlay:* To maximize street maintenance activities, the City will continue partnering with Tarrant County for county labor resources for one street maintenance project per year. For these projects, the City provides funding for materials. The county has specialized street overlay capabilities and has shown a continued interest in assisting our maintenance program.

- *Teen Court:* Along with Grapevine and Keller, Colleyville partners with Southlake to operate the Metroport Teen Court. The fiscal year 2015 CCCPD provides funds for our continued participation in this program in the amount of $33,750, one fourth of the total annual program cost.

- *Elections:* Staff recommends continuation of the contract with the Tarrant County Elections Center to conduct local elections at an annual cost of $7,000. The efficiency and expertise provided by the county enhances the quality of the electoral process available to our citizenry.

- *Tax Assessment and Collection Services:* The City will continue the agreement with the Grapevine-Colleyville Independent School District (GCISD) for tax collection services.

SERVE OUR CUSTOMERS

To serve our customers and provide the high quality programs and services they expect, we must start with the right people, the right financial focus, and the right processes. Without attention to those foundational perspectives, we cannot serve our customers well. Investments in the area of "serving our customers" typically include items that are tangible to our citizens. In fiscal year 2015, highlights of continuing or new investments in this area include:

- Three new firefighter/paramedic positions - $207,129
  This budget includes funding to hire three additional firefighter/paramedic positions. The addition of these positions achieves full operational staffing by adding one additional staff member to each shift. This allows for a minimum of 12 employees per shift including three on each truck or engine company, two on the ambulance, and one battalion chief.

- One new police officer position- $72,933
  The addition of one new police officer position is included in the fiscal year 2015 budget, to be funded from the Colleyville Crime Control and Prevention District (CCCPD) budget. This position reflects the City Council's commitment to adding one new police position each year through fiscal year 2016.

- Texas Workforce Commission annual subscription- $1,500
  The Texas Workforce Commission database is a common tool used by law enforcement to address the task of locating and making contact with persons involved in investigations and in seeking out those individuals with outstanding warrants, as it contains current addresses and employment sites. This real time information dramatically increases the efficiency of locating suspects by both the criminal investigations detectives and the warrant officer.

- Colleyville Boulevard/SH26 reconstruction project management- $200,000
  To ensure adequate city involvement in managing the upcoming reconstruction of Colleyville Boulevard, the City's construction manager will be temporarily reassigned to that project for its duration. As such, a temporary construction manager position is proposed in the fiscal year 2015 budget to backfill those vacated duties. This position manages the City's capital improvement projects and development projects, ensuring proper construction of public improvements. In addition to the staff support of this project, funds for additional advertising, promotion, and support of our affected businesses, as well as additional communication with citizens and visitors during the project, are also proposed. The fiscal year 2015 cost of the temporary position and the additional

communications costs are proposed to be funded through a transfer of net revenues over expenditures at the end of fiscal year 2014. It is anticipated that these expenses will need to be budgeted through fiscal year 2017.

- One new economic development coordinator position - $18,960
  To provide additional support for economic development efforts, an economic development coordinator has been added to the fiscal year 2015 proposed budget. Economic development is an ongoing priority and although significant gains have been realized, it is important to continue to focus on attracting and retaining commercial development that contributes to the high quality of life in Colleyville. Furthermore, this new position will help provide support to businesses affected by the reconstruction of Colleyville Boulevard. The cost of this position is largely offset by shifting the part-time marketing coordinator position to the Colleyville Economic Development Corporation (CEDC) budget, better aligning that function with the purpose of the promotional portion of that budget.

- Strategic Initiatives Fund current available balance - $295,817
  The Strategic Initiatives Fund was established to fund programs and projects linked directly to the City's strategic plan, with the City Council's authorization. In particular, economic development incentives were indicated as an appropriate use of these resources. The current available balance may be appropriated at the discretion of the City Council.

- Upgrade of one part-time administrative support specialist in the library to full time - $30,022
  The fiscal year 2015 proposed budget includes funding to upgrade one part-time administrative support specialist in the library to full time. The upgrade of this position will provide increased administrative support to the library and bring the library to full staffing based on the current service level. The additional hours will also provide for more flexibility in scheduling to ensure adequate staffing levels for library and recreation programs and city special events.

- Upgrade of one part-time maintenance and operations technician at the Colleyville Center to full time- $25,712 ($0 net cost)
  The Colleyville Center continues to increase weekend bookings, with many back-to-back events, requiring center staff to work additional hours on weekends, incurring overtime and/or accruing compensatory time. The fiscal year 2015 proposed budget includes funding to upgrade one part-time maintenance and operations technician to full time, with a concentration of work hours on Fridays, Saturdays, and Sundays. The additional hours will help the center maintain its excellent customer service ratings, particularly as more bookings require more room set ups and break downs, and maintenance to prepare for the next event. The cost of this position upgrade has been offset by increased revenue projections due to positive trends in bookings.

- Street maintenance - $3,000,000
  A consistent focus by the City Council has been to provide the necessary funding to maintain the city’s street infrastructure. Given this, the proposed budget provides a base level of $2,000,000 for street maintenance/rehabilitation and an additional $1,000,000 through a strategic draw-down of General Fund fund balance (while still maintaining a healthy fund balance in excess of the adopted 90-day reserve requirement). This will be the third year of this strategic draw down, which is anticipated to continue through fiscal year 2018. At that point, other funding must be identified to continue the same level of street maintenance. The fiscal year 2015 total of $3,000,000 for street maintenance in the General Fund, an increase of $600,000 from fiscal year 2014, will be used as a funding source in the comprehensive CIP, to be distributed among various projects based on relative priority. Fiscal year 2015 will be the first year to fully fund street maintenance at the level identified by recent pavement assessments as being necessary to adequately maintain our streets at their current condition.

- Transfer to Capital Projects Fund - $300,000 (one-time expenditure)
  Additional one-time funding has been included in the fiscal year 2015 proposed budget to be transferred to the Capital Projects Fund for use on future capital projects. Careful consideration was given to ensure that not all available funds were obligated to recurring, or ongoing, expenses. Dedicating some of the funding available for allocation in fiscal year 2015 to one-time purposes that serve the City’s long-term goals is a prudent use of these funds.

- Sidewalk repair – $50,000
  The proposed budget maintains funding for the repair and maintenance of sidewalks, helps ensure pedestrian safety, and enhances Colleyville’s “walkability” factor. Funding in the amount of $50,000 is recommended for ongoing maintenance. This is in addition to escrowed construction funds for neighborhood districts, as approved by the City Council in November 2008.

- The cost of purchasing potable water from the Trinity River Authority (TRA) has increased during the past year due to additional TRA operational costs, decreased usage through effective water conservation by area cities, and an overall percentage increase in Colleyville’s portion of debt service due to usage during ongoing drought conditions. It is likely that TRA rates will increase with TRA’s new fiscal year beginning in December 2014. In the event TRA increases their cost for treated water and wastewater, consistent with City Council policy, that cost will be passed on proportionally to customers.

- Water and wastewater renewal program - $250,000
  As part of the City’s focus on long-term infrastructure needs, the fiscal year 2015 Utility Fund budget maintains funding for proactive replacement of City water and sewer lines, valves, pumps, lifts, manholes, inlets, and other materials used in the delivery of potable water to, and the removal of sewage from, Colleyville homes and businesses. This investment is utilized as one of the funding sources for the CIP.

- FEMA grant match for updated floodplain maps - $290,500 (one-time expenditure)
  The proposed budget includes a drawdown of fund balance by $250,500 in the Drainage Fund, to fund a FEMA grant match of $290,500. Operating funds of $40,000 will also be used to meet the match requirement. The grant funds will be used to survey, model, and map all of the waterways in Colleyville with the exception of Big Bear and Little Bear Creeks. The grant is being administered by the North Central Texas Council of Governments and will result in updated flood plain maps for the City. FEMA is providing $336,500 toward this study, and without the FEMA grant, the City would have to pay for the entire study as part of a future drainage master plan update. The original drainage master plan is 23 years old and a significant amount of development has occurred since that time, changing the natural drainage patterns in the city. The scope of services under this grant will serve as the first phase of a storm water drainage master plan update and will provide a significant foundation for the second phase of the update. The second phase, which will be completed as funds become available in the drainage fund, will take the work performed in the first phase and develop a plan for improving the drainage throughout the City.

- Colleyville Clean Sweep - $12,000
  Staff recommends continuation of the household hazardous waste collection program and the Clean Sweep annual collection with $12,000 from the Drainage Fund and a conversion of solid waste franchise revenue in the amount of $15,000, for total program funding of $27,000.

- Quiet zone maintenance contract for warning and preemption devices - $51,000
  To satisfy the requirements of the Fort Worth & Western Railroad, the City must pay annual maintenance costs for the advanced warning and preemption devices associated with the quiet zones. Funding has been included in the fiscal year 2015 proposed budget for contracting the maintenance of these devices.

- Trail system investments - $427,000 (one-time expenditure)
  The proposed 2015 CEDC budget includes the carry forward of funding for incomplete projects- completion of Pleasant Run Trail construction (Bogart to Mission), as well as improvements at the Cotton Belt – LD Lockett Park trailhead and construction of the Cotton Belt II spur at the Webb House.

- Park signage update - $15,000 (one-time expenditure)
  The current signage at Reagan Park is inconsistent with the signage at other Colleyville parks and there is currently no signage at Woodbriar Park. Voluntary park funds will be used to improve signage at both parks to provide uniformity throughout the park system.

- Retaining wall and drainage enhancement - $11,212 (one-time expenditure)
  Voluntary park funds will be used to install a retaining wall and drainage enhancements at tennis court 6 at City Park. These improvements will help prevent sand in the adjacent volleyball court from blowing onto the tennis court and building up when it rains.

- Shade structure replacement - $30,000
  Current shade structures at City Park are faded and worn due to age and weather. Voluntary Park funds will be used to replace the shade structure cloths at fields 1-3, with plans to replace the cloth at other fields on an annual basis going forward.

ITEMS NOT FUNDED IN FISCAL YEAR 2015

As is typical in local government, funding needs often exceed the revenues available. Decisions must always be made as to what items are funded in the budget. The items described below were not included in the fiscal year 2015 budget, either due to a lack of available funding or because these items represented a lower overall priority than other items. Every request for additional funding was evaluated and ranked by the staff Leadership Team, which played a large role in determining those items chosen for inclusion in the fiscal year 2015 budget. When ranking each funding request, the Leadership Team referred to a set of criteria, which included considering how and to what extent the request furthers the goals laid out by City Council in the Strategy Map, any risks presented by not funding a request, whether the request addresses an area identified in the City's performance measures as needing improvement, staff's ability to execute and implement the request if funded, what prompted this request, and overall impact of funding the request compared to the financial investment required.

- 2015 market adjustments - $160,000
  WorldatWork, a non-profit human resources association that has tracked industry data for over 40 years, projects a two percent average salary structure movement for all groups of employees in Texas. Pursuant to our philosophy of desiring to pay our employees at the 50th percentile of the market and to maintain the city's market competitiveness, a one percent market adjustment, or one-half of the projected salary structure movement in the Texas market, was considered for inclusion in the proposed budget. However, 2015 market adjustments were not included in the proposed budget to allow for the near completion of 2014 market adjustments that will move all employees into the new salary structure adopted last summer. It will be important to seriously consider inclusion of market adjustments to the salary structure and for employees in the fiscal year 2016 budget in order to maintain our investment in the new compensation system and remain competitive in the marketplace.

- Street reconstruction - $2,400,000
  Colleyville has 43.5 miles of unimproved (no curbs and open ditches for drainage) asphalt streets. The majority of these streets are arterial or collector streets carrying the majority of the city's traffic and were never designed or constructed to carry that load. The cost to reconstruct these roads to current engineering standards is approximately $75 million in 2013 dollars. Based on the previously proposed goal of eliminating all unimproved roads in Colleyville

during the next 25 years, an additional $3 million is needed each year to fund street reconstruction. Because some of these streets are eligible for TIF funding, an additional $2.4 million is needed annually from other funding sources, such as the General Fund. Staff has not recommended funding for street reconstruction in the proposed budget as the Council has requested a worksession for later this fall to discuss long-term strategies for street maintenance, which may result in a different goal.

- Human resources coordinator - $71,807
  To provide consistent and proactive management of recruiting, hiring, organizational training and development, volunteer and intern program implementation and administration, safety program/risk administration, and performance management, the addition of a human resources coordinator was considered for inclusion in this budget. Organizations universally recognize that significant time and resources should be expended in the recruiting, hiring, and onboarding process to avoid the future expenses related to managing poor performing employees out of the organization and lost productivity from having the wrong person in a job. As such, it is imperative that the right individuals are recruited, hired, and trained, which requires additional resources to manage those processes consistently. Without this additional position, the staff will continue to be challenged to provide these necessary services.

- Colleyville Center improvements - $36,000 (one-time expenditure)
  Improvements to the Colleyville Center site or grounds are on hold until a visioning meeting is held with the City Council to give direction regarding future site and facility improvements. Current improvements identified as worthy of consideration include up-lighting in outdoor areas, sod replacement, and a kitchen update to include replacement of appliances original to the center when it was built in 1998.

- Fire Training Room upgraded A/V System - $28,535 (one-time expenditure)
  The current A/V system in the Fire Training Room includes a consumer level projector and audio system. A request for updated equipment that would include commercial level screens and interfaces was requested for the fiscal year 2015 budget, but the benefits of upgrading the equipment were not substantial enough to warrant a higher priority rating than other budget requests that were considered.

- Building maintenance - $70,770 (one-time expenditure)
  While a number of building maintenance projects have been included in the fiscal year 2015 proposed budget, not all potential projects could be included. Those that ranked lower in priority, such as installing exterior LED lighting at City Hall, the library, and the Justice Center may be considered in future budget years.

- Part-time management analyst (graduate intern) - $28,779
  A graduate-level intern would provide professional support to all City departments, including providing analysis, completing studies, supporting

departments to achieve citywide goals, and assisting with special projects. As current staff members manage already full workloads and lack the capacity to take on work related to new projects or initiatives, the addition of an intern would provide needed support at a lower cost than an additional full-time employee. A graduate internship program could also provide help to attract young professionals to the city and identify individuals that could become potential employees.

PROPOSED BUDGET BY FUND: GENERAL FUND

In developing the proposed budget, the objective was to achieve a balance between revenues and expenditures, and prioritize operational needs with long-term community investment strategies.

Revenues
General Fund revenues in the proposed budget total $23,063,580. Major revenue considerations include:

- An increased operation and maintenance (General Fund) portion of the tax rate due to declining bonded indebtedness. There is no overall increase in the total tax rate.
- An increase in ad valorem revenue due to a 4.66% increase in property values
- Increased sales tax revenue
- An increase in licenses and permits, as well as charges for service, based on historical trends and increase in development activity in Colleyville

Property Tax
The primary source of income for the City is property taxes, accounting for 55 percent of total revenue. The biggest budgetary issue in preparing the annual budget is the setting of the property tax rate. Once the roll is received in late July, the tax rate is determined by the debt rate needed to pay for the City's bonded indebtedness and funds needed for maintenance and operation funding in the General Fund.

The Tarrant Appraisal District has certified Colleyville’s property valuations for 2014 at $4,091,303,521 ($4,044,553,142 in certified value and $46,750,379 in pending appeals and incomplete valuations), and includes $66,554,875 in new construction. This represents an increase of $182,030,827 (4.66%) over the current year's taxable valuation of $3,909,272,694, per the July 25, 2013 certified values. The value of existing property on the tax roll is $4,024,748,646, representing an increase of $115,475,952 (2.95%) over the current year’s taxable valuation. The total taxable value includes TIF zone property, which has a combined taxable value of $261,128,989 (TIF Zone #1 adopted in 1998- $258,801,032 and TIF Zone #1A adopted in 2012- $2,327,957) and includes $2,459,187 in new construction. The final TIF value is subject to change, as $4,254,619 in valuation is still under appeal. This represents an increase of $7,071,782 (2.78%) over the current year TIF valuation of $254,552,139.

In 2003, the City Council increased the over-65 property tax exemption to $65,000 and approved the senior property tax freeze in 2004. The loss in property tax revenue from the over-65 property tax exemption for 2015 is projected to be $419,564. Additionally, there is a loss of revenue for the senior tax freeze of $209,287. Currently, 19.11 percent of all residential property tax accounts are frozen.

As submitted, the proposed budget maintains a property tax rate of $0.3559 per $100 value to support a property tax levy of $13,284,424, excluding the TIF property and frozen value. The tax rate is comprised of an operation and maintenance rate of $0.33461, and an interest and sinking rate of $0.02129. The latter component provides funding for retirement of the annual debt obligations. In a review of peer cities, Colleyville has the second lowest tax rate in northeast Tarrant County. That is not expected to change with adoption of the proposed budget.

The proposed property tax rate of $0.3559 is slightly above the effective tax rate of $0.349586. The effective tax rate is the rate at which the City would raise the same amount of revenue raised in the last fiscal year.

As shown in the following table, the proposed 2015 property tax rate will increase the typical homeowner’s tax bill, compared to this year’s tax billing, by $55.01.

Budget Year	Average Residential Property Value	Property Tax Rate	Average Property Tax Payment
2010	$398,957	$0.3559	$1,419.89
2011	$397,472	$0.3559	$1,414.60
2012	$396,817	$0.3559	$1,412.28
2013	$397,889	$0.3559	$1,416.09
2014	$406,040	$0.3559	$1,445.10
2015	$421,497	$0.3559	$1,500.11

Sales Tax

The second major financial consideration guiding development of the budget is the growth of sales tax revenues. The City collects a total two percent sales tax: one percent for General Fund with the remaining one percent allocated for two half-cent special purpose districts. A recent upturn in the local economy along with the opening of Whole Foods Market and other businesses at Colleyville Downs has generated increased taxable sales, a 6 percent increase in sales tax over the fiscal year 2014 year-end projection is budgeted.

Licenses and Permits

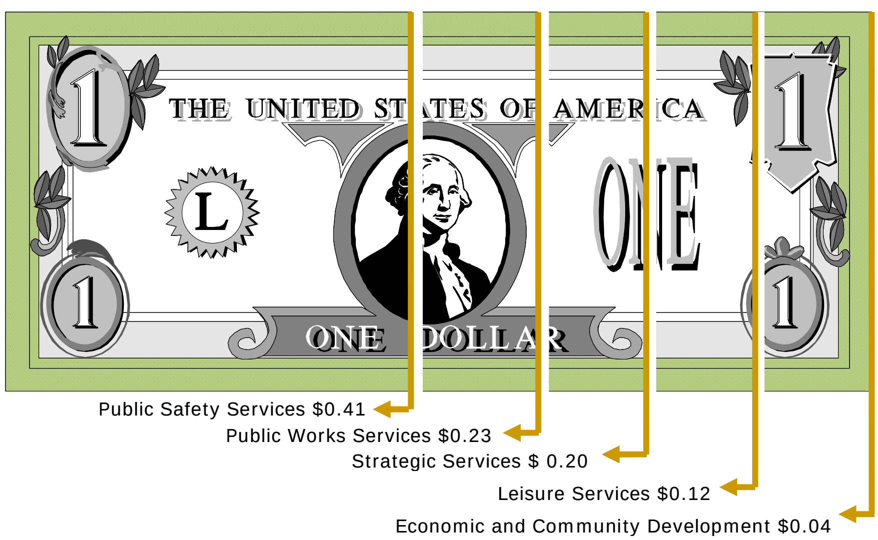
Building-related revenue remains relatively consistent with the actual revenue received in the last several fiscal years. License and permit revenue has continued to exceed budget projections based on the increase in development activity in Colleyville, but budgeted projections are not increased until several years of trend are established in order to maintain our conservative forecasting practices. The fiscal year 2015 budget for license and permit revenue includes a 16 percent increase over the fiscal year 2014 adopted budget. Based on current interest rates and the number of lots that have been approved or are under construction, staff anticipates the current rate of construction of new single-family residential homes will continue in the near term. There are also commercial developments and redevelopments anticipated for fiscal year 2015.

Intergovernmental Revenue

Intergovernmental revenue includes the annual payment from the City of Keller as a result of the municipal court consolidation in the amount of $217,967. Keller is paying 45.9% of the total municipal court cost based upon their percentage of total citations issued by both cities. There is also a small reimbursement of administrative fees and building costs included in the payment.

Expenditures

The following illustration shows how the City plans to spend each tax dollar for the upcoming fiscal year. The total proposed General Fund budget for fiscal year 2015 is $23,028,218. This includes non-discretionary increases totaling $164,389, which covers cost increases in electricity, property and liability insurance, software maintenance, and other contractual service increases.



UTILITY FUND

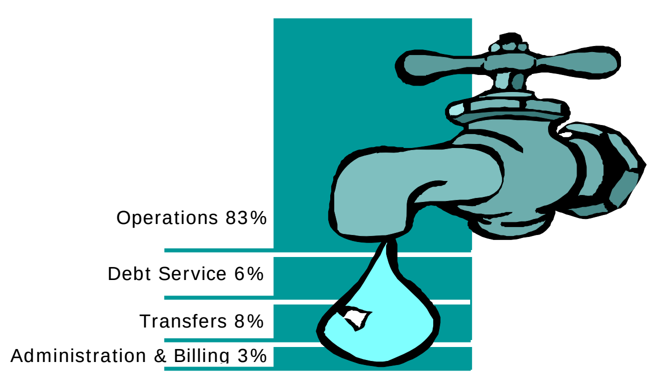
The Utility Fund is a proprietary fund structured and operated as a stand-alone business or enterprise. For budgeting purposes, the fund segregates the operating expenses and debt service in an accounting fashion similar to the General Fund. In accordance with Generally Accepted Accounting Principles (GAAP), this fund uses a full accrual basis of accounting that combines the accounting of long-term assets and liabilities with operating expenses and revenues. As a stand-alone Enterprise Fund, the Utility Fund pays its share of overhead costs as a reimbursement to the General Fund. The fund also makes a franchise fee payment to the General Fund.

Revenues

Under the current rate structure, water sales account for 73 percent of total revenue and wastewater revenues account for 25 percent. Interest, tap fees, and miscellaneous revenues comprise the remainder. Current rates are based on the City paying TRA $2.64 per 1,000 gallons for water and $2.20 for wastewater, an increase of $0.11 for water and $0.38 for wastewater over 2013 rates. Meeting bond covenant requirements, the existing rate structure provides for a 1.2 times coverage factor.

Expenditures

Utility Fund expenditures total $14,005,640 for the proposed budget. This includes non-discretionary increases totaling $22,483 which cover cost increases for postage, property and liability insurance, communications maintenance, and overtime for inspection of development projects. The largest component, 68 percent of the fund, covers the contractual obligation for water and wastewater to the Trinity River Authority (TRA). In an effort to continue a comprehensive program to repair and rehabilitate the utility system, the budget includes funding in the amount of $250,000 for infrastructure renewal, which is funded through a draw-down of the available cash in the Utility Fund retained earnings. The expenditure increase in the budget from fiscal year 2014 is due primarily to the increased cost of treated water and wastewater from TRA and an increase in the amount transferred to the General Fund. The following illustrates the distribution of expenses for the Utility Fund.



DEBT SERVICE FUND

The City budgets for debt service in two separate funds - utility and tax-supported debt services. The total fiscal year 2015 debt obligation for tax-supported debt is $1,382,192, a decrease from the fiscal year 2014 total of $1,684,797. There is a planned drawdown of debt service fund balance in the amount of $152,666 for the third year repayment of the lease purchase agreement for the towers, consoles, portable radios, and handhelds related to the upgrade of the 800MHz trunked radio system to Project 25 (P25) capability, which was entered into in fiscal year 2012. There is declining debt service in the remaining outstanding debt obligations and a refunding of outstanding callable debt that occurred in fiscal year 2011. The projected fiscal year 2014 ending fund balance will be in excess of the 90-day reserve needed.

The Utility Fund’s coverage ratio of 1.20 is effectively met in the current tiered rate structure. The total utility-supported 2015 bonded debt obligation is $490,100. Also included is the repayment to the Colleyville Tomorrow Fund for internal financing for the acquisition of a vactor truck in the amount of $44,286. The acquisition was approved in fiscal year 2012 and the Utility Fund will be repaying the Colleyville Tomorrow Fund this amount annually for the next five years, which would be the term of the lease if financed externally.

Furthermore, the city’s bond ratings are evidence of Colleyville’s financial strength. In 2009, the City received an upgrade in its general obligation bond rating from AA+ to AAA from Standard and Poor’s. Strong tax base growth coupled with a low tax rate, strong financial performance, and substantial cash balances are the primary reasons for the bond rating.

In fiscal year 2014, the City’s rating went through a biannual bond rating review with Fitch Ratings and Standard and Poor’s for outstanding general obligation, and water and wastewater debt. That AAA rating has been reaffirmed by Fitch Ratings. The key ratings drivers for the AAA rating for the general obligation debt were a healthy financial profile, solid tax base, manageable debt burden, and a diverse economy. For water and wastewater debt, the key ratings drivers for the AAA rating were conservative financial management, rate flexibility, low debt, and limited capital needs.

The waterworks and wastewater system revenue bonds and the drainage system revenue bonds also received a rating upgrade from Standard and Poor’s in 2014 from AA+ to AAA. Reasons for the upgrades include strong financial operations, growth in service area, adequate water and sewer treatment capacity to meet future demands, and moderate debt ratio with manageable future borrowing plans. Standard and Poor’s, and Fitch Rating Service have affirmed the rating of AAA on the drainage utility system revenue bonds. These credit ratings for outstanding debt mean the City’s bonds are considered to be of superior investment quality, resulting in lower interest payments for the City.

STORMWATER DRAINAGE UTILITY FUND

In 1993, the City Council adopted a monthly fee assessed on residential and commercial utility billing accounts for stormwater management. The Stormwater Drainage Utility Fund supports the operation and maintenance of the City's drainage system and complies with federally mandated requirements for stormwater systems.

This fund is designated to maintain streets, sewers, and drainage ditches to manage runoff from commercial and residential development, including related personnel and operating costs.

The fund is projected to receive revenues of $1,201,046 in fiscal year 2015, primarily from the collection of the monthly fee and planned use of fund balance of $250,500. Annual debt payments for the outstanding bonds are $252,847. In fiscal year 2015, $290,500 has been allocated for a FEMA grant match, the majority of which is being paid for by the planned draw down of fund balance. The grant funds will be used to survey, model, and map all of the waterways in Colleyville with the exception of Big Bear and Little Bear Creeks. The grant is being administered by the North Central Texas Council of Governments and will result in updated flood plain maps for the City. The remaining funds of $578,478 fully support six staff positions, partially fund three other staff positions for which costs are split between multiple funds, and drainage projects throughout the city. This includes non-discretionary increases totaling $413, which covers cost increases in property and liability insurance and increased communications maintenance costs. The drainage bonds require a coverage ratio of 1.25 times annual debt service, approximately $316,059 annually. Also included is the repayment to the Colleyville Tomorrow Fund for the internal financing of the acquisition of a Gradall excavator in the amount of $19,032. The acquisition was approved in fiscal year 2012 and the Stormwater Drainage Utility Fund will repay the Colleyville Tomorrow Fund this amount annually during the next five years, which would be the term of the lease if financed externally.

SPECIAL REVENUE FUNDS

The City Council continues to be innovative in evaluating financing options for various City programs. Programs implemented to date include:

Colleyville Tax Increment Financing (TIF) District

The Tax Increment Reinvestment Zone (TIRZ) District, also known as the TIF, was created in 1998. The primary goal of the district is to encourage quality commercial development in the city. The district boundaries predominately occupy property located along State Highway 26, comprising 633 acres of land area. The base value for the district was $75,821,735 in 1998. Incremental values subsequent to January 1998 are taxed at the City's adopted property tax rate. However, the ad valorem revenues are utilized within the district rather than being allocated to the City's overall budget. Overlapping taxing entities, including Tarrant County College District and the Grapevine-Colleyville Independent School District participate at varying levels in the district by assigning their ad valorem tax dollars. Tarrant County and the Tarrant County Hospital District are no longer participating in contributing to the TIF as their commitment level has already been met. In November 2012, the TIF was amended to expand boundaries to include mostly additional vacant, underutilized land and some commercial property. The additional area added is called TIF #1A, as compared to the original area that is called TIF #1. The incremental value for fiscal year 2015 (tax year 2014) is $258,801,032 for TIF #1 and $2,327,957 for TIF #1A. TIF #1 experienced an increase of $2,828,341 from the valuation for fiscal year 2014 (tax year 2013).

The debt service payment for the coming year is $679,675 for bonds issued for TIF district projects. Additionally, expenditures are anticipated for payments to the Town Center at Colleyville for developer asset repurchase agreements as a result of TIF Board and City Council incentivized approved projects. The proposed CIP budget recommends using TIF funds to pay for approved road improvement projects within the district.

Colleyville Crime Control and Prevention District (CCCPD)
The primary goal of the district is to fund public safety facilities. The district was created by voter approval in 1999, with oversight of funds assigned to the board of directors, composed of the City Council. State law provides that a district's life is limited to five years, unless voters continue the district by approval of a referendum. In September 2003, Colleyville voters approved continuation of the district for an additional 20 years.

Expected revenue from the 0.5 percent special purpose sales tax, use of funds generated from prior years' coverage ratio, and related interest income for the CCCPD budget is $1,639,300. The budget provides funding for the annual debt on the Colleyville Justice Center, compensation for seven police officers, vehicle replacement, and various minor capital items, with total expenditures of $1,438,906 for fiscal year 2015.

Colleyville Economic Development Corporation (CEDC)
Authority for the corporation is provided by state statute as a 4B corporation. The 0.5 percent sales and use tax approved by the voters in August 1996 has been an important resource in our Capital Improvement Program for community-related facilities. Expected revenue from the special purpose sales tax, use of funds generated from prior years' coverage ratio, and related interest income for the proposed budget is $2,537,616. The CEDC Board will meet in August to approve the proposed budget. Funding provided by this special sales tax has been allocated to community-enhancement initiatives consistent with the authorization of the corporation, including park facilities, the Colleyville Public Library, and Colleyville Center. Consistent with state law, some funds will likely be allocated by the board of directors for promotional efforts for special events and marketing.

Court Technology Fund

The Court Technology Fund receives revenues from the collection of the municipal court technology fee imposed on convictions on cases adjudicated in the court. Available funds are spent on technology repairs, replacements, and upgrades for the court. In fiscal year 2015 the Court Technology Fund will pay for software utilized by the Court.

Court Security Fund

The Court Security Fund receives revenues from the collection of the municipal court building security fee imposed on convictions on cases adjudicated in the court. Available funds are spent on security-related expenses for the court. In fiscal year 2015, this includes funding for bailiff services at various trial settings.

Strategic Initiatives Fund

Resources available in the Strategic Initiatives Fund are to be used with the City Council's authorization for programs and projects linked directly to the City's strategic plan. This fund does not have a dedicated revenue source; any income received is from transfers in from other funds. In fiscal year 2013, $200,000 was transferred to the Strategic Initiatives Fund from the General Fund. The current available balance in the Strategic Initiatives Fund is $295,817 and is intended to be used primarily on economic development incentives. Funds may be allocated at the discretion of the City Council.

Voluntary Library Fund

When voluntary contributions are made to the Library by citizens through their monthly utility bill, those contributions are placed in the Voluntary Library Fund. Contributions are used primarily to support library activities. In fiscal year 2015 the Voluntary Library Fund will pay for library materials, collection development, processing supplies, and library programs.

Voluntary Park Fund

When voluntary contributions are made by citizens for improvements to the park system through their monthly utility bill, those contributions are placed in the Voluntary Park Fund. In fiscal year 2015 the Voluntary Park Fund will pay for improvements to various parks and athletic fields.

Juvenile Case Manager Fund

The Juvenile Case Manager Fund receives revenues from the collection of the juvenile case manager fee imposed on convictions on cases adjudicated in the court. Available funds are spent on personnel and training for the juvenile case manager function in municipal court.

FUTURE OUTLOOK

As is apparent in the content of this proposed budget, the City's focus now and in the future is to provide adequate funding for the established services that provide value to our citizens and serve to further the City Council's focus areas, particularly protecting neighborhoods, providing core services, generating economic activity, and ensuring the sustainability of our programs, services, and decisions.

As the City's largest source of revenue to fund programs and services, revenue from property taxes fund the majority of the City's services. As a revenue source, property tax could be adversely affected in future years if state legislative efforts are successful to change the property tax system. Therefore, diversification of the tax base is essential and the most immediate means for remedy is through strong economic development efforts. It will also be important to weigh the long-term implications of tax rate decisions in this environment. There will always be pressure to make decisions that provide an immediate benefit today; however, Colleyville continues to approach the achievement of the community's goals with a long-term strategy, making incremental investments that provide for sustainable success.

In 2014, significant economic development efforts came to fruition with the opening of Whole Foods Market and the redevelopment of the Colleyville Downs shopping center. Historical data related to Whole Foods Markets in other areas shows that this store tends to attract other high-profile retailers—essentially serving as a "gateway" to more commercial development. This provides a unique opportunity to further the vision of the city's Comprehensive Plan as we attract commercial development that aligns with the overall desires of the community.

While the City will work to capitalize on this opportunity, it brings about some unique challenges. Colleyville is landlocked and almost entirely developed. This means fewer opportunities for true growth and essentially obligates the City to maximize economic opportunities with the limited availability of commercial land and zoning. The city is primarily zoned and developed as residential, with only a small percentage of the land zoned for commercial activity. Prudent and judicious consideration must be made regarding its future use. It is incumbent upon us all to guardedly review all proposals for conversion of this limited commercial space for non-commercial uses or less productive commercial use.

Colleyville is maturing as a city, which also means an aging infrastructure. One of the highest priorities for the City in this and future years will be to ensure the city's public infrastructure remains sound so the investment our citizens have made in Colleyville is protected. With a population that has increased by more than 50 percent since the early 1990s, it is imperative that the City plan for infrastructure investment so that it meets the demands of our residential and commercial population now and in the decades ahead.

To effectively and efficiently meet the needs of our citizens, innovation and continual improvements by the organization are essential. The City's ability to provide excellent public service for our citizens is due to the dedication, skills, and talents of our elected officials and volunteer board members, and our outstanding employees. Employee devotion and commitment to this community are demonstrated each day. The compensation components detailed in this proposed budget make significant strides in protecting the City's investment in the resource that is our employees—setting a path that will move the City forward with employees that can adapt and thrive in a changing environment.

The economy in the Dallas/Fort Worth area has been relatively robust through the economic downturn of the past few years, especially as compared to much of the rest of the nation. During this period, the Colleyville City Council exhibited prudent fiscal foresight and overall restraint in the face of compelling, yet competing demands for limited resources. Because of the current tax structure and the components of costs for local governments, facing long-term fiscal challenges is a reality for most cities in Texas, including Colleyville.

In a continued effort to be proactive and anticipate future needs, the City routinely evaluates trends and identifies specific challenges expected during the next 10 years. Each segment of the organization routinely conducts a thorough examination of future needs as they relate to the City's strategy map, citizen expectations, and the vision for Colleyville. It then develops strategies to change, revise, and evolve in ways that provide better services in a more effective, efficient manner— often establishing strategic partnerships with other cities to reduce redundancy and improve services. The City of Colleyville helped begin this trend a few years ago and has become a leader in partnering with other municipalities for shared City services.

CONCLUSION

The City has been consistently recognized throughout the years for its judicious management of financial resources to support an array of services and programs. With a dedicated workforce and a steady and diverse revenue base, the City of Colleyville continues to be in a position to deliver municipal programs and services that bring value to our residents and make Colleyville a desirable location for residents, businesses, and visitors. Residents continue to receive excellent value for their tax dollars and have been able to rely on a consistent tax rate, which is able to provide the programs, services, and infrastructure investment that form the foundation of the quality of life in Colleyville.

In an environment of limited resources, it is imperative that every budget expenditure be measured by the value it provides to citizens and the cost of that value in relationship to other services, and in consideration of whether the City can sustain provision of any expenditure in future years without jeopardizing necessary services. This budget dedicates resources to continue protection of our neighborhoods; continue work toward optimal staffing of our public safety operations; provide a performance-based and competitive compensation structure for the City's workforce; leverage technology to improve efficiency and service delivery; and continue the commitment to street and sidewalk repair work. These services will pay dividends in protecting property values and enhancing the unique quality of life enjoyed by Colleyville residents.

As always, staff will continue to be diligent in its review of City finances in order to assist the City Council in making decisions that will ensure the fiscal viability of its government. Additionally, staff will continue to evaluate and improve business practices in an effort to find efficiencies, while also looking at regional synergies and collaborations to reduce ongoing costs.

The proposed budget is presented for your consideration with the commitment and confidence that it effectively funds the varying needs of the community. It provides a strong financial plan, while ensuring a superior level of municipal services to our citizens. We feel confident the projections and estimates are conservative, yet reasonable and accurately reflect anticipated revenues and municipal needs. We look forward to working with you to achieve all the goals set forth in this proposed budget.

Preparing the proposed budget was a tremendous undertaking. It is important to acknowledge the efforts of the dedicated staff that worked resolutely to formulate fiscally responsible proposals. Together, the City will continue to plan prudently by following the strong financial management principles espoused by the City Council and to implement sound, long-term fiscal solutions that will carry the city into the future. While many of the changes included in this service plan were difficult decisions, they will help assure the long-term financial viability of the City and will help protect our core services and infrastructure.

Appreciation goes to the Mayor and City Council for their community leadership and solid financial acumen. I also want to thank the staff budget team: Terry Leake, assistant city manager/chief financial officer; Karen Hines, finance manager; Michelle Reyes, human resources director; and Adrienne Lothery, strategic services manager, for their efforts in building our service plan for 2014.

My special thanks to all City employees who have worked so hard to provide quality services to our citizens and who are committed to the success of our great city.

In summary we pledge our time and talents to achieve continued excellence for the citizens we serve and it is our honor to do so.

Jennifer Fadden

Jennifer Fadden
City Manager

GENERAL FUND REVENUE		2014 Budget	2015 Proposed
5101	CURRENT TAXES	11,601,451	12,441,254
5102	DELINQUENT TAXES	70,000	70,000
5103	PENALTY & INTEREST	65,000	55,000
TOTAL AD VALOREM TAXES		$ 11,736,451	$ 12,566,254
5201	ONCOR ELECTRIC DELIVERY	840,000	860,000
5202	TRI-COUNTY ELECTRIC	105,000	105,000
5203	ATMOS ENERGY	305,000	305,000
5204	AT&T SERVICES	83,500	78,000
5205	VERIZON/OTHERS	84,000	70,000
5206	GARBAGE/RECYCLING	145,800	146,000
5207	CABLE TV	425,000	430,000
TOTAL FRANCHISE TAX		$ 1,988,300	$ 1,994,000
5301	SALES TAX	2,875,000	3,200,000
5302	MIXED BEVERAGE TAX	25,277	70,000
TOTAL SALES TAX		$ 2,900,277	$ 3,270,000
5411	BUILDING	485,768	558,000
5412	PLUMBING	48,680	50,000
5413	MECHANICAL PERMIT	28,868	30,000
5414	ELECTRICAL	37,568	45,000
5416	CITY LICENSE	37,372	40,000
5417	BUILDING PLAN REVIEW FEE	68,000	100,000
5418	NEW BUSINESS	3,372	4,000
5420	SIGN PERMITS	5,463	6,000
5421	FENCE PERMITS	3,500	4,000
5423	FIRE PERMIT FEES	6,500	6,500
5424	IRRIGATION PERMITS	13,660	13,000
TOTAL LICENSES & PREMITS		$ 738,751	$ 856,500
5611	FINES	750,000	735,000
5612	ALARM FEES	52,000	52,788
5630	LIBRARY FINES	22,500	22,500
TOTAL FINES & FORFEITURES		$ 824,500	$ 810,288
5511	PLANNING AND ZONING	7,500	7,500
5512	PLAT FEE	4,000	5,000
5514	BOARD OF ADJUSTMENT	1,250	1,250
5711	SALE OF MATERIAL	100	100
5712	WEED MOWING	6,500	6,500
5721	AMBULANCE	275,000	300,000
5722	RECREATION PROGRAM	145,000	160,000
5811	ENGINEERING-INSPECTION	-	100,000
5845	LOT DRAINAGE INSPECTION	16,875	13,000
5855	FIELD USE FEE	20,500	21,000
5873	COLLEYVILLE CENTER REVENUES	230,000	257,250
5874	NON RESIDENT FEE - PARKS	35,850	35,000
TOTAL CHARGES FOR SERVICES		$ 742,575	$ 906,600
5828	SRO REIMBURSEMENT	94,282	94,282
5826	KELLER COURT	217,697	217,697
TOTAL INTERGOVERNMENTAL REVENUE		$ 311,979	$ 311,979
5714	SALE OF SURPLUS PROPERTY	5,000	5,000
5716	EARNED INTEREST	35,000	35,000
5719	MISCELLANEOUS	54,000	55,000
5832	ANTENNA LEASES	70,040	70,040
5790	USE OF FUND BALANCE	1,000,000	1,000,000
TOTAL MISCELLANEOUS REVENUE		$ 1,164,040	$ 1,165,040
5872	TRANSFER FROM UTILITY FUND	1,037,213	1,115,969
5888	TRANSFER IN CONST INSPECTOR	93,001	66,950
TOTAL TRANSFERS IN		$ 1,130,214	$ 1,182,919
TOTAL GENERAL FUND REVENUE		**$ 21,537,087**	**$ 23,063,580**

GENERAL FUND EXPENDITURES	2014 Budget	2015 Proposed
CONTRACTUAL SERVICES	197,058	179,436
SUPPLIES	6,948	9,070
COUNCIL	$ 204,006	$ 188,506
PERSONNEL SERVICES	549,737	567,609
CONTRACTUAL SERVICES	17,162	35,812
SUPPLIES	2,865	2,865
ADMINISTRATION	$ 569,764	$ 606,286
PERSONNEL SERVICES	253,643	256,663
CONTRACTUAL SERVICES	21,113	20,555
SUPPLIES	6,916	3,916
BUILDING INSPECTION	$ 281,672	$ 281,134
PERSONNEL SERVICES	207,346	250,205
CONTRACTUAL SERVICES	86,353	49,690
SUPPLIES	3,100	3,100
ECONOMIC DEVELOPMENT	$ 296,799	$ 302,995
PERSONNEL SERVICES	172,073	178,117
CONTRACTUAL SERVICES	35,910	28,550
SUPPLIES	3,742	3,252
CITY SECRETARY	$ 211,725	$ 209,919
PERSONNEL SERVICES	249,949	258,041
CONTRACTUAL SERVICES	141,430	140,801
SUPPLIES	10,204	8,985
FINANCE	$ 401,583	$ 407,827
CONTRACTUAL SERVICES	130,460	130,460
LEGAL	$ 130,460	$ 130,460
PERSONNEL SERVICES	598,051	649,999
CONTRACTUAL SERVICES	35,455	33,359
SUPPLIES	40,555	40,766
LIBRARY	$ 674,061	$ 724,124
PERSONNEL SERVICES	459,370	325,780
CONTRACTUAL SERVICES	27,226	49,839
SUPPLIES	5,819	4,989
CAPITAL OUTLAY	18,500	-
ENG PROF SVCS	$ 510,915	$ 380,608
PERSONNEL SERVICES	313,354	332,208
CONTRACTUAL SERVICES	20,805	14,185
SUPPLIES	3,516	3,316
COMM DEV P&Z	$ 337,675	$ 349,709

PERSONNEL SERVICES	218,317	218,179
CONTRACTUAL SERVICES	32,185	33,702
SUPPLIES	22,391	26,025
FIRE ADMINISTRATION	$ 272,893	$ 277,906
PERSONNEL SERVICES	459,859	461,835
CONTRACTUAL SERVICES	50,470	53,339
SUPPLIES	51,561	51,461
FIRE EMS OPERATIONS	$ 561,890	$ 566,635
PERSONNEL SERVICES	2,717,191	3,009,306
CONTRACTUAL SERVICES	494,780	503,940
SUPPLIES	68,051	70,839
CAPITAL OUTLAY	20,004	10,469
FIRE OPERATIONS	$ 3,300,026	$ 3,594,554
PERSONNEL SERVICES	110,860	115,479
CONTRACTUAL SERVICES	9,827	9,844
SUPPLIES	3,728	3,588
FIRE PREV/INVESTIGATION	$ 124,415	$ 128,911
FIRE DEPARTMENT	$ 4,259,224	$ 4,568,006
PERSONNEL SERVICES	701,349	738,491
CONTRACTUAL SERVICES	25,225	22,452
SUPPLIES	20,662	20,662
CAPITAL OUTLAY	-	-
POLICE ADMINISTRATION	$ 747,236	$ 781,605
CONTRACTUAL SERVICES	90,353	88,433
POLICE ANIMAL CONTROL	$ 90,353	$ 88,433
PERSONNEL SERVICES	59,599	59,068
CONTRACTUAL SERVICES	10,652	10,652
SUPPLIES	1,336	1,336
POLICE CODE ENFORCEMENT	$ 71,587	$ 71,056
CONTRACTUAL SERVICES	442,599	641,055
POLICE COMMUNICATIONS	$ 442,599	$ 641,055
CONTRACTUAL SERVICES	58,242	58,242
SUPPLIES	100	100
POLICE COMMUNITY SVCS	$ 58,342	$ 58,342
PERSONNEL SERVICES	416,469	416,714
CONTRACTUAL SERVICES	19,746	21,246
SUPPLIES	2,075	2,075
POLICE CID	$ 438,290	$ 440,035

PERSONNEL SERVICES	1,840,619	1,833,224
CONTRACTUAL SERVICES	94,869	99,069
SUPPLIES	30,783	30,783
POLICE PATROL	$ 1,966,271	$ 1,963,076
PERSONNEL SERVICES	261,868	268,145
CONTRACTUAL SERVICES	3,300	3,300
POLICE SRO	$ 265,168	$ 271,445
PERSONNEL SERVICES	91,304	92,334
CONTRACTUAL SERVICES	912	912
POLICE WARRANT OFFICER	$ 92,216	$ 93,246
POLICE DEPARTMENT	$ 4,172,062	$ 4,408,293
PERSONNEL SERVICES	401,367	402,180
CONTRACTUAL SERVICES	504,224	509,163
SUPPLIES	35,885	35,935
PARKS MAINTENANCE	$ 941,476	$ 947,278
PERSONNEL SERVICES	248,467	257,839
CONTRACTUAL SERVICES	62,056	60,206
SUPPLIES	33,085	34,935
PARKS ATHLETIC FLD MAINT.	$ 343,608	$ 352,980
PARKS	$ 1,285,084	$ 1,300,258
PERSONNEL SERVICES	433,588	510,403
CONTRACTUAL SERVICES	344,509	418,513
SUPPLIES	3,062,869	3,154,262
STREETS MAINTENANCE	$ 3,840,966	$ 4,083,178
PERSONNEL SERVICES	150,410	152,987
CONTRACTUAL SERVICES	136,792	136,254
SUPPLIES	19,339	19,174
RECREATION	$ 306,541	$ 308,415
PERSONNEL SERVICES	31,742	31,040
CONTRACTUAL SERVICES	10,035	8,666
SUPPLIES	9,498	9,702
REC SENIOR CENTER	$ 51,275	$ 49,408
RECREATION	$ 357,816	$ 357,823
PERSONNEL SERVICES	118,392	121,212
CONTRACTUAL SERVICES	20,905	46,905
SUPPLIES	150	150
COMMUNICATIONS	$ 139,447	$ 168,267

PERSONNEL SERVICES	261,485	296,329
CONTRACTUAL SERVICES	40,010	46,693
SUPPLIES	11,018	15,133
COLLEVYILLE CENTER	$ 312,513	$ 358,155
PERSONNEL SERVICES	226,388	232,183
CONTRACTUAL SERVICES	43,315	42,101
SUPPLIES	763	646
HUMAN RESOURCES	$ 270,466	$ 274,930
PERSONNEL SERVICES	358,247	364,548
CONTRACTUAL SERVICES	14,497	15,930
SUPPLIES	16,666	19,255
COURT	$ 389,410	$ 399,733
PERSONNEL SERVICES	202,621	208,334
CONTRACTUAL SERVICES	17,771	17,771
SUPPLIES	5,898	5,898
FLEET MAINTENANCE	$ 226,290	$ 232,003
PERSONNEL SERVICES	64,834	147,889
CONTRACTUAL SERVICES	278,671	349,585
SUPPLIES	19,340	20,530
BUILDING SERVICES	$ 362,845	$ 518,004
PERSONNEL SERVICES	263,961	281,884
CONTRACTUAL SERVICES	350,942	417,913
SUPPLIES	172,775	343,576
CAPITAL OUTLAY	209,400	15,488
INFORMATION SERVICES	$ 997,078	$ 1,058,861
PERSONNEL SERVICES	13,480	10,905
CONTRACTUAL SERVICES	41,097	54,949
SUPPLIES	13,550	1,700
IS GIS	$ 68,127	$ 67,554
INFORMATION SERVICES	$ 1,065,205	$ 1,126,415
PERSONNEL SERVICES	132,911	184,425
COMPENSATION ADJUSTMENTS	$ 132,911	$ 184,425
TRANSFER TO OTHER FUNDS	242,000	242,000
CAPITAL EQUIPMENT RESERVE	$ 242,000	$ 242,000
TRANSFER TO OTHER FUNDS	-	300,000
TRANSFERS	$ -	$ 300,000
CONTRACTUAL SERVICES	859,068	925,160
NON-DEPARTMENTAL	$ 859,068	$ 925,160
TOTAL GENERAL FUND EXPENDITURES	**$ 21,533,967**	**$ 23,028,218**

UTILITY FUND REVENUE	2014 Budget	2015 Proposed
5716- EARNED INTEREST	20,300	20,300
5719- MISCELLANEOUS	13,000	13,000
5790- USE OF FUND BALANCE	250,000	-
5817- WATER REVENUE	9,820,661	11,014,359
5818- SEWER REVENUE	3,053,229	3,745,247
5821- SEWER INSTALLATION	7,000	7,000
5822- WATER INSTALLATION	21,000	21,000
5827- ENGINEERING & DEVELOP CHARGES	5,000	5,000
5829- SEWER TIE-ON CHARGES	5,000	5,000
5833- PENALTIES	190,112	218,543
TOTAL UTILITY FUND REVENUE	**$ 13,385,302**	**$ 15,049,449**

UTILITY FUND EXPENDITURES	2014 Budget	2015 Proposed
PERSONNEL SERVICES	205,171	208,028
CONTRACTUAL SERVICES	119,660	118,753
SUPPLIES	61,785	54,300
UTILITY BILLING	$ 386,616	$ 381,081
PERSONNEL SERVICES	315,780	286,190
CONTRACTUAL SERVICES	6,506,934	6,867,727
SUPPLIES	95,493	90,274
CAPITAL OUTLAY	295,000	300,000
UTILITY OPERATIONS- WATER	$ 7,213,207	$ 7,544,191
PERSONNEL SERVICES	188,441	188,053
CONTRACTUAL SERVICES	2,001,774	2,707,293
SUPPLIES	61,888	56,669
CAPITAL OUTLAY	50,000	50,000
UTILITY OPERATIONS- WASTEWATER	$ 2,302,103	$ 3,002,015
PERSONNEL SERVICES	969,771	1,006,931
CONTRACTUAL SERVICES	71,426	71,807
SUPPLIES	19,534	22,394
UTILITY SUPPORT	$ 1,060,731	$ 1,101,132
PERSONNEL SERVICES	20,411	21,733
COMPENSATION ADJUSTMENTS	$ 20,411	$ 21,733
TRANSFER TO OTHER FUNDS	1,081,499	1,160,255
TRANSFERS	$ 1,081,499	$ 1,160,255
DEBT SERVICE	819,137	490,100
DEBT SERVICE	$ 819,137	$ 490,100
CONTRACTUAL SERVICES	211,768	224,033
CAPITAL OUTLAY	81,100	81,100
NON-DEPARTMENTAL	$ 292,868	$ 305,133
TOTAL UTILITY FUND EXPENDITURES	**$ 13,176,572**	**$ 14,005,640**

DRAINAGE FUND REVENUE	2014 Budget	2015 Proposed
5716- EARNED INTEREST	2,200	2,244
5790- USE OF FUND BALANCE	-	250,500
5833- PENALTIES	16,207	16,310
5942- DRAINAGE FEE REVENUES	926,112	931,992
TOTAL DRAINAGE FUND REVENUE	$ 944,519	$ 1,201,046

DRAINAGE FUND EXPENDITURES	2014 Budget	2015 Proposed
PERSONNEL SERVICES	355,770	354,489
CONTRACTUAL SERVICES	96,538	115,213
SUPPLIES	39,635	40,135
CAPITAL OUTLAY	40,000	-
DRAINAGE	$ 531,943	$ 509,837
PERSONNEL SERVICES	9,704	9,706
CONTRACTUAL SERVICES	48,021	317,640
SUPPLIES	1,200	2,400
STORM WATER	$ 58,925	$ 329,746
PERSONNEL SERVICES	4,023	5,472
COMPENSATION ADJUSTMENT	$ 4,023	$ 5,472
TRANSFER TO OTHER FUNDS	19,032	19,032
TRANSFERS	$ 19,032	$ 19,032
DEBT SERVICE	255,568	252,847
DEBT SERVICE	$ 255,568	$ 252,847
CONTRACTUAL SERVICES	4,028	4,891
NON-DEPARTMENTAL	$ 4,028	$ 4,891
TOTAL DRAINAGE FUND EXPENDITURES	**$ 873,519**	**$ 1,121,825**

Project Year	Project ID	Title	Total Project Cost	CEDC (Parks, Trails & Libraries)	FWHA/ TxDOT	General Fund	Grants/ Other	Parkland Dedication Fund	Perimeter Street Fees	TIF	Tomorrow Fund	Utility Fund	Utility Fund - End of Year Transfer	Water Impact Fees
2015														
	FC15-001	Service Center - Design	$250,000	$0	$0	$0	$250,000	$0	$0	$0	$0	$0	$0	$0
	OT15-002	Temporary Repair of Whites Chapel Road Bridge	$150,000	$0	$0	$150,000	$0	$0	$0	$0	$0	$0	$0	$0
	OT15-003	Reconstruct Bedford Road Retaining Wall	$350,163	$0	$0	$350,163	$0	$0	$0	$0	$0	$0	$0	$0
	PK15-001	City Park - Landscape and Amenities	$258,000	$258,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	PK15-002	Construct Cottonbelt II Spur @ Webb House	$50,000	$50,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	PK15-005	Pleasant Run Trail Construction (Bogart to Mission)	$277,000	$277,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	PK15-006	Improvements at Cotton Belt-LD Locket Park Trailhead	$504,137	$100,000	$0	$0	$0	$404,137	$0	$0	$0	$0	$0	$0
	PK15-008	Senior Center Repairs	$100,000	$100,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	PK15-009	Pleasant Run Playground	$75,000	$0	$0	$0	$0	$75,000	$0	$0	$0	$0	$0	$0
	ST15-001	2015 Miscellaneous Concrete Repairs	$500,000	$0	$0	$500,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST15-003	Rehabilitate Jackson Road (2015 County Project)	$267,400	$0	$0	$267,400	$0	$0	$0	$0	$0	$0	$0	$0
	ST15-005	Pavement Markings 2015	$100,000	$0	$0	$100,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST15-006	Construct Glade Road (Bransford to Manning)	$5,700,000	$0	$0	$0	$0	$0	$0	$5,700,000	$0	$0	$0	$0
	ST15-007	Misc Major Asphalt Maintenance 2015	$500,000	$0	$0	$500,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST15-008	Construct SH 26, Phase II	$14,000,000	$0	$14,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
	T15-001	Fiber Build Phase 1-3	$394,700	$0	$0	$0	$0	$0	$0	$0	$394,700	$0	$0	$0
	UT15-001	Upsize Utility Lines (Reagan Estates)	$662,648	$0	$0	$0	$0	$0	$0	$0	$0	$250,000	$360,032	$52,616
			$24,139,048	**$785,000**	**$14,000,000**	**$1,867,563**	**$250,000**	**$479,137**	**$0**	**$5,700,000**	**$394,700**	**$250,000**	**$360,032**	**$52,616**
2016														
	PK16-001	Construct New Trail 2016	$150,000	$150,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	ST15-004	Design Pleasant Run (Shelton to Tinker)	$156,000	$0	$0	$156,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST16-004	Miscellaneous Concrete Repair	$500,000	$0	$0	$500,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST16-005	Rehabilitate Bandit Trail (2016 County Project)	$250,000	$0	$0	$250,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST16-007	Pavement Markings 2016	$100,000	$0	$0	$100,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST16-009	Misc Major Asphalt Maintenance 2016	$500,000	$0	$0	$500,000	$0	$0	$0	$0	$0	$0	$0	$0
			$1,656,000	**$150,000**	**$0**	**$1,506,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
2017														
	PK17-001	Construct New Trail 2017	$150,000	$150,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	ST16-001	Reconstruct Pleasant Run (Shelton to Tinker)	$1,161,800	$0	$0	$1,161,800	$0	$0	$0	$0	$0	$0	$0	$0
	ST17-001	2017 Miscellaneous Concrete Repair	$500,000	$0	$0	$500,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST17-002	Rehabilitate Streets TBD (2017 County Project)	$250,000	$0	$0	$250,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST17-006	Pavement Markings 2017	$100,000	$0	$0	$100,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST17-007	Misc Major Asphalt Maintenance 2017	$500,000	$0	$0	$500,000	$0	$0	$0	$0	$0	$0	$0	$0
	UT17-001	Upsize Utility Lines (Woodbriar/Quail Crest Estates)	$2,161,141	$0	$0	$0	$0	$0	$0	$0	$0	$500,000	$1,661,141	$0
			$4,822,941	**$150,000**	**$0**	**$2,511,800**	**$0**	**$0**	**$0**	**$0**	**$0**	**$500,000**	**$1,661,141**	**$0**
2018														
	PK18-001	Construct New Trail 2019	$150,000	$150,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	ST16-003	Design Pleasant Run (Tinker to John McCain)	$321,000	$0	$0	$232,998	$0	$0	$88,002	$0	$0	$0	$0	$0
	ST18-002	2018 Miscellaneous Concrete Repair	$500,000	$0	$0	$500,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST18-003	Rehabilitate Streets TBD (2018 County Project)	$250,000	$0	$0	$250,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST18-006	Pavement Markings 2018	$100,000	$0	$0	$100,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST18-007	Misc Major Asphalt Maintenance 2018	$500,000	$0	$0	$500,000	$0	$0	$0	$0	$0	$0	$0	$0
	UT16-001	Upsize Utility Lines (Sunrise Terrace, Brighton Oaks)	$1,889,243	$0	$0	$0	$0	$0	$0	$0	$0	$250,000	$1,639,243	$0
			$3,710,243	**$150,000**	**$0**	**$1,582,998**	**$0**	**$0**	**$88,002**	**$0**	**$0**	**$250,000**	**$1,639,243**	**$0**
2019														
	PK19-001	Construct Pleasant Run Trail (Cottonbelt RR to John McCain)	$300,000	$300,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	ST18-004	Reconstruct Pleasant Run (Tinker to John McCain)	$2,396,150	$0	$0	$2,396,150	$0	$0	$0	$0	$0	$0	$0	$0
	ST19-003	Rehabilitate Streets TBD (2019 County Project)	$250,000	$0	$0	$250,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST19-004	2019 Miscellaneous Concrete Repair	$500,000	$0	$0	$500,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST19-005	Pavement Markings 2019	$100,000	$0	$0	$100,000	$0	$0	$0	$0	$0	$0	$0	$0
	ST19-008	Misc Major Asphalt Maintenance 2019	$400,000	$0	$0	$400,000	$0	$0	$0	$0	$0	$0	$0	$0
			$3,946,150	**$300,000**	**$0**	**$3,646,150**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

UNFUNDED

DR20-001	Flood Gates Upgrade	$365,020	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FC21-001	Service Center - Construction	$4,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FR19-001	HVAC Replacement - Justice Center	$237,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FR19-002	HVAC Replacement - City Hall/Library	$273,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FR19-003	Boiler Replacement - City Hall	$107,900	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FR19-004	Library Fountain Repair	$70,447	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FR19-005	Roof Repair - Justice Center	$116,227	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FR19-006	Fire Station Door Replacement	$130,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FR20-001	Carpet and VCT Tile - City Hall	$102,443	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FR22-001	Carpet and VCT Tile - Library	$98,055	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FR22-002	Metal Roof Coating - Justice Center	$212,800	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FR23-001	Carpet and VCT Tile - Justice Center	$88,052	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ST15-002	Reconstruct Streets in Western Trails	$1,778,695	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ST16-002	Rehabilitate Streets in Western Trails	$828,120	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ST16-006	Design Pleasant Run (John McCain to North City Limit)	$226,680	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ST17-003	Rehabilitate Pecan Park and Sand Oaks	$1,718,540	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ST17-005	Design Reconstruction of Roberts Road	$152,880	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ST18-001	Rehabilitate Streets in Woodbriar, Quail Crest Estates	$1,984,400	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ST19-001	Rehabilitate Streets in Sunrise Terrace/Brighton oaks	$1,730,200	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ST19-002	Reconstruct Pleasant Run (John McCain to North City Limits)	$1,699,850	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ST19-006	Reconstruction of Roberts Road	$1,200,950	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ST19-008	Construct Frontier Court	$1,266,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		$18,387,259	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**