

As required by the State of Texas
Section 102.005, Local Government Code

This budget will lower total property taxes than last year's budget by \$1,110.00 or 0%, and of that amount, taxes on new property will generate \$28,127.15 in tax revenue.

The proposed tax rate will decrease by \$590.00 for maintenance and operations than last year. The tax rate will effectively be decreased by 0.0% and lower taxes for maintenance and operations on a \$100,000 home by approximately \$0.00.

CITY OF RICHWOOD

Mission Statement

To provide excellent city services that enhance the quality of life by working together to serve the public in an effective, efficient, professional and financially responsible manner.

Definition

Working together:

- creating an effective municipal team focused on delivering a high level of service to our customers

Our customers:

- include City Council, employees, the public, the business and educational communities, other municipalities and the Federal and State Governments

Effective:

- attaining specified goals and objectives
- ensuring on-going productivity and efficiency in the services being provided

Efficient:

- recognizing financial limitations and seeking to enhance services in innovative ways including partnerships with others

Professional:

- maintaining a highly trained and technically competent work force
- giving employees the authority to exercise judgment, as well as the responsibility for the effective use of that authority

Financially responsible:

- ensuring the resources of the City are efficiently used

CITY OF RICHWOOD

The City of Richwood is a General Law City operating under the Mayor/Council form of government. Your City Council Consists of a mayor and five council members, who serve two year staggered terms, and are elected on an “at large” basis. Your City Council meets every second Monday of the month at 7:00 p.m. in City Hall. You are invited to attend any of these meetings. City Council is the legislative body of city government and appoints the City Administrator and the Department Heads, (City Secretary, Police Chief, and Public Works Directors) who are responsible for the general administration of the City on a daily basis. They are also responsible for appointing the Municipal Judges as well as the members of the boards and commissions, who volunteer their time and energy to the City.

The city is surrounded by Texas history and is built on land that was part of Stephen F. Austin's original land grant from the Mexican Government and is in close proximity to two major plant plantation sites, the Jackson Plantation and Eagle Island Plantation. Archeological research is currently on going at the Jackson Plantation site. In 1957, it was rumored that the City of Clute was about to annex the area known as Richwood, named after the owner of the land. Members of the community petitioned to become a village and in 1957 an election was held and incorporation was approved. At that time, Richwood was a village with no money, no tax structure, and no place to meet initially. The first City Hall was a one room building on Sycamore Street and has grown to close to 4,000 persons and a tax base in excess of \$167,000,000.

From its humble beginnings in 1957 to its present evolvment, Richwood has been a people-oriented community. In the highly competitive marketplace of economic development, Richwood has shined in its greatest commodity --- its people. Caring, sharing people who continually give of themselves in various volunteer capacities to maintain and improve the quality of life they have established here. Richwood continues to grow to meet the challenges of the economy and to be a viable leader in all segments of its existence. It is a great place to live, to work and to be involved.



Gateway to Brazosport

TABLE OF CONTENTS

MAYOR'S MESSAGE

Major Issues	1
Budget	2
Organizational Chart	4
Council Budget Priorities Questionnaire results	5
Council Mission and Policy Issues	6

READERS GUIDE

Readers Guide	9
Budget Calendar	10
Budget Administration Plan	11
Classification of Expenditures	12
Budget Process	17
Organization of the Budget	19
Budget Basis	21
Financial Structure	23

DIRECTIVES AND POLICIES

State Law Directives	25
Administrative Policy	29

STATISTICAL INFORMATION

Debt Service Requirements	33
Ad Valorem Tax Collections and Distribution	38
Demographics	39

BUDGET SUMMARIES

Combined Funds Summary	41
Available Funds	44
Fund Balance Analysis	45
Revenues by Category - All Funds	47
Expenditures by Category - All Funds	48
Expenditures by Department	49
Authorized Staffing Guide	51
Salaries and Wages	52

GENERAL FUND

Revenues vs. Expenditures	54
Revenues	55
Property Tax rates in Brazoria County	57
Administration	58
City Maintenance	65
Streets and Drainage	70
Police Department	72
Judicial Department	78
Fire Department	83
Parks and Recreation	87

GENERAL OBLIGATION DEBT SERVICE FUND

General Obligation Debt Service	93
---------------------------------	----

WATER/SEWER FUND

Revenues vs. Expenditures	98
Revenues	99
Comparison with other cities	101
Water/Sewer	102

REVENUE BOND DEBT SERVICE FUND

Revenue Bond Debt Service	109
---------------------------	-----

SPECIAL FUNDS

Special Funds	113
Crime Control and Prevention District	118
Transportation Fund	122

ADOPTING ORDINANCES

ORDINANCE #358....Adoption of FY 2013/14 Budget	127
ORDINANCE #359...Adoption of FY 2013/14 Tax Rate	129

BUDGET GLOSSARY

Budget Glossary	133
-----------------	-----



THIS PAGE INTENTIONALLY LEFT BLANK



October, 2013

Honorable Mayor and City Council
City of Richwood
Richwood, Texas

Presented for your review and consideration is the proposed Fiscal Year (FY) 2013-14 Annual Budget and Program of Services. A joint cooperative effort of yourselves and the City Staff has culminated in this final budget document. The 2012-13 Annual Budget and Program of Services reflects the continuing commitment of the elected and appointed officials of our City to provide our citizenry high quality services at a very reasonable cost.

The annual budget is far more than a financial document. This budget document is also an important planning tool. We set not only next year's expenditures but relying heavily on the input from City Council through the annual budget questionnaires, we set our near and long term goals and objectives.

THIS PAST YEAR

The most notable event of the past year was continued economic recession and the fall out from the record setting drought across the State of Texas. While we have still experienced growth in both our taxable value and our sales tax, we cannot ignore that our country is deep in recession. We are continuing to control costs and watch the pennies very closely without seriously affecting the levels of services we are able to provide. We will continue to monitor the situation closely and make whatever adjustments may be necessary.

MAJOR ISSUES FOR FY 2013-14

The City of Richwood saw a small growth of 2.4% in our taxable value this past year; however, our expenses have continued to rise.

This upcoming fiscal year, I am very happy to report that work will begin on our new City Hall/Police Department. We were able to acquire the property at 1800 Brazosport Boulevard and the renovations should be completed in this budget year. We will finally have a presence on the highway as recommended in both Comprehensive Plans. Unfortunately this could not be done without a bond issue that resulted in our first tax increase in 4 years. As always, we will continue to identify the inflow and infiltration problem areas and repair those areas, continue to work on improvements to the City's infrastructure and continuing the quality growth of our community.

THE BUDGET DOCUMENT IN BRIEF

Our budget document has evolved greatly over the years. I believe for the better. City Staff has continued to strive for excellence in the preparation and presentation of the budget. Our budget is much more than just a financial document. It is a planning document. So, not only do we plan for next year's expenditures, but also for our short and long term future. We examine our policies, measure our successes and failures, and set our future course.

Our budget format remains relatively unchanged and we've incorporated as many of the guidelines established by the Government Finance Officers Association (GFOA) as practicable. Performance measures are being implemented to help put us on track for performance based budgeting. All of this is intended to improve the usefulness and readability of the budget

OVERVIEW OF THE FY 2013-14 BUDGET

Despite the tough economic times, I felt it was still important to raise the salaries for the employees in Public Works to make us more competitive with neighboring cities and hopefully, allow us to retain employees.

General Fund

The most significant change this year is the implementation of the Transportation Fund Fee of \$5.00 per month which has been added to the utility bills. This fund was created to help us maintain, improve and build new roadways, drainage facilities and sidewalks throughout the city. We learned from the survey conducted by Texas A&M for our Comprehensive Plan that sidewalks are a priority of the residents. This year, we budgeted to raise an additional \$70,000 which we plan to use to repair Oyster Creek Drive.

General Fund saw a significant decrease in several of our revenue items last year and this year we chose not to use any funds from Fund Balance to pay for one time expenses.

The bottom line is that every department had to make choices and take their fair share of the cuts to balance the budget. Every department understood this and was more than willing to work to make it happen.

Water/Sewer Fund

The cost of the transmission line lease decreased this year from \$196,226 from the prior year to \$131,516. We used this money to budget for a new backhoe, new ½ ton pickup truck and a security fence for the Service Center.

Replacement Fund/Capital Fund

There are no expenditures budgeted in these departments for the current year.

Summary

The total budget for the operating funds is \$3,031,931 decrease of over \$92,000 the prior year's amended budget. The maintenance and operations portion of the tax rate will be 63.725¢ per \$100 of valuation. The Interest and Sinking Fund which will be used to pay the Certificates of Obligations which increased this year due to the purchase of and renovations of the property for the new Municipal offices is 9.843¢. The tax rate for FY 2012-13 is 73.568¢, the first increase in over 4 years.

As always we are working to meet all the needs identified by Council as indicated in their annual council questionnaire and citizens, meet the many state and federal requirements and regulations and fairly compensate a very hard working, loyal group of employees.

As the above demonstrates, we are in good financial condition. Besides our strong property and sales tax base, I believe this financial condition is due to the overall conservative way we conduct our business. As always, our continuing goal is to provide our citizens with the highest quality service at the lowest practical cost.

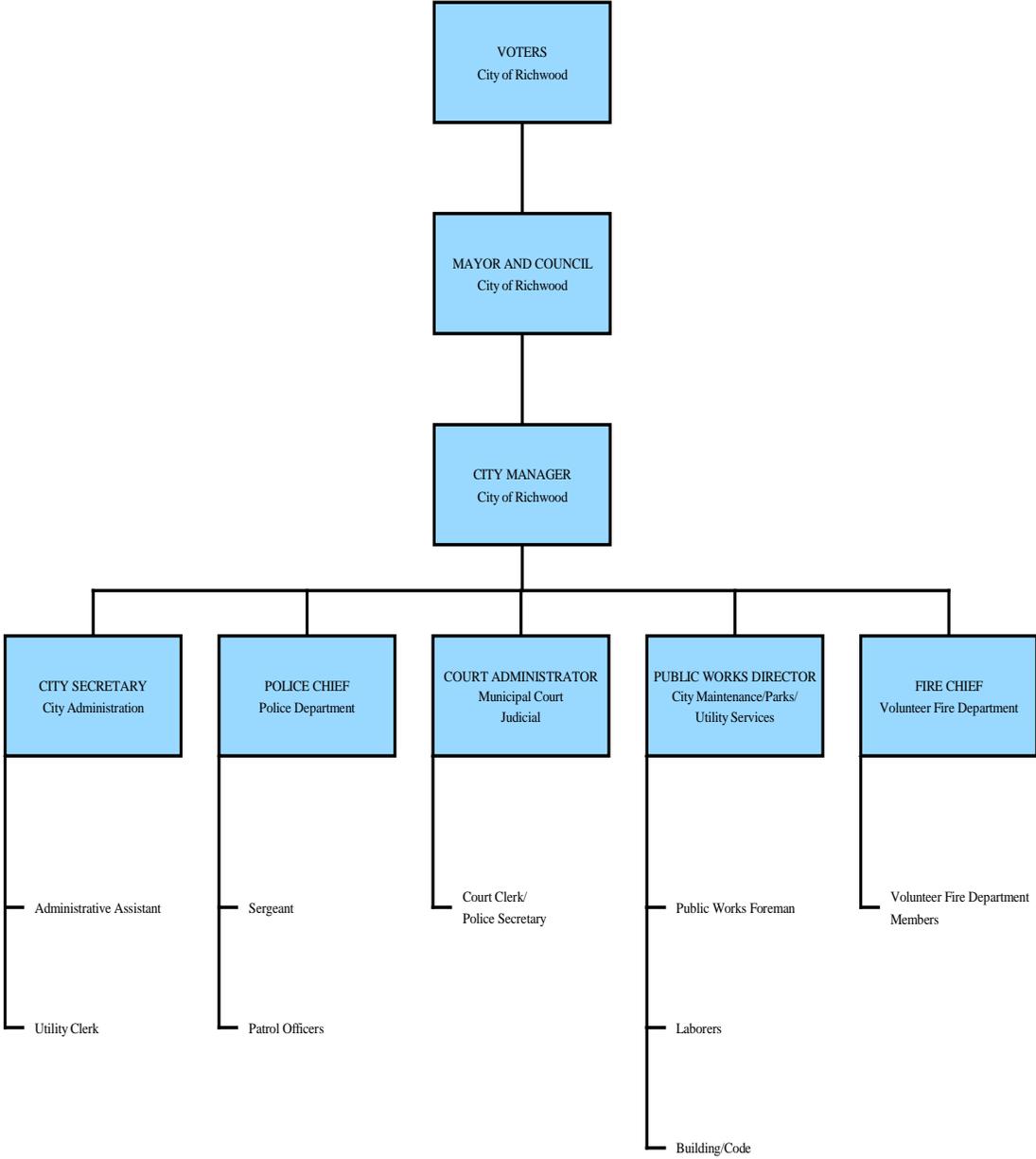
Strange as it may seem, despite the tough choices and the tough economic times, we once again enjoyed ourselves and had fun working on this budget. What made it so pleasant is that this budget was made possible by everyone working together towards the same goal - to provide the best possible service at the best possible price.

I feel that if the City of Richwood continues to experience the level of growth we have seen in the past and can keep the operating costs down while maintaining or improving our level of services, we will have no problem in competing in the global market for economic development with larger cities.

Sincerely,

(S)Glenn Patton
Glenn Patton
City Administrator

ORGANIZATIONAL CHART



City Council Budget Priority Questionnaire

No Opinion	0	Continue Current Effort	4
Eliminate Current Effort	1	Increase Current Effort	5
Substantially Reduce Current Effort	1	Substantially Increase Current Effort	6
Reduce Current Effort	3	Initiate New Effort	7

Public Safety Type Services

Police Patrol	4
Traffic Law Enforcement	4
Animal Control	4
Fire Protection Services	4
Fire Prevention and Education	4
Ambulance Services	4

Public Works

Street Maintenance/Repair	6
Street Construction/Rebuilding	6
Drainage Improvements	4
Maintenance of right of ways	5
Appearance of city vehicles	5
Appearance of city buildings	5
Mulching/Wood grinding	5
Residential garbage collection	4
Residential large trash collection	4
Cleanliness of streets	4
Wastewater Treatment Plant	6
Water Storage/Reserves	5
Recycling efforts	5
Inflow/Infiltration policy	5
Park Maintenance	6

Community Development Type Services

Long Range Comprehensive Planning	5
City Beautification (Parks, Facilities, etc)	5
Code Enforcement – Demolition of Substandard Bldgs	5
Code Enforcement – High Weeds/Debris/Vehicles	5
Building Inspection	4

General Government

Public Relations	4
Employee Relations	4
Financial reporting and information	5
Municipal Court services	4
Utility Billing services	4
Budget Development	5
Records Management	5
Economic Development	5
Policy planning and development	5

Strongly Agree	4	Slightly Disagree	1
Slightly Agree	3	Strongly Disagree	0
Neither Agree or Disagree	2		

City Mission

The City provides the most responsive services possibly by focusing on the citizens as the customer	3
The City practices a well established policy of fiscal conservation	3
The City plans and provides for a strong infrastructure	2
The City recruits, develops and maintains a highly qualified staff	3
The City maintains highly effective equipment resources for delivery of services	3
The City provides a model environment in which to live by enhancing and preserving the City's unique beauty and quality of life	2

Policy Issues

An increase in the tax rate is warranted to provide enhanced services to our citizens	1
When developing the budget, staff should plan expenditures on existing rates and fees	4
Council is provided with thorough information and enough time to make informed decisions during the budget process	3
Council is provided with thorough information to make informed decisions on the issues facing the council	3
To balance the budget, more attention should be given to reducing expenditures rather than increasing tax rates or fees for services	2
The level of service to citizens should be the most important to citizens should be the most important consideration when evaluating the budget	4

Users of city services should pay fees to support the costs of the services instead of using general tax revenue to fund the services	3
Council works as a team to accomplish the work at hand and to see that the quality services are provided to our citizens	3
Services of the city are better than other areas in the Houston-Galveston region	2
Excess revenue should be used to support capital projects	3
Excess revenue should be used to increase fund balance	2
Excess revenue should be used to retire debt	3
Excess revenue should be used to enhance city services	3
Excess revenue should be used to reduce tax rate	2
The City's organizational philosophy should be to maintain a qualified work force adequate to meet the expectations of the community	4
Employee compensation & benefits should be structured to be competitive with other cities across the state	4
The City should be more proactive in infrastructure development to encourage development in new areas	4
Street project – replacing streets & sidewalks <u>not</u> up to city standards – Citizens should be assessed the cost of replacement	0
Street project – replacing streets & sidewalks <u>built to</u> city standards – Citizens should be assessed the cost of replacement	0
Overall, I am pleased with the operations of the city and the services the city provides to its citizens	3



THIS PAGE INTENTIONALLY LEFT BLANK

**READER'S GUIDE TO THE
2013-14 BUDGET
AND
PROGRAM OF SERVICES**

The Reader's Guide provides an overview of the City of Richwood's budget process. Also included in the next section are the State Laws and Administrative Polices related to budgeting.

The City of Richwood has continuously strived to design a budget designed to meet the highest standards of performance in municipal budgeting. The budget presentation is in a format, which includes line item detail features goals, accomplishments and performance measures for each department. A program description and summary of major budget changes is also included for each department to quickly inform the reader of the responsibilities of the department and budget considerations for the department. Various budget summaries, statistical information, and detailed revenue sources are provided to help the reader assess the budget and make comparisons to prior years. The Mayor's Message describes in detail the significant budget issues facing Council and Staff in the upcoming budget year and future years. The message also provides an overview of the proposed budget. The budget process and organization of the budget itself is described below.

START OF FISCAL YEAR						END OF CURRENT FISCAL YEAR					
OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
OPERATING BUDGET CYCLE											
City Council Issue Development											
New Fiscal Year Revenue Projections											
Proposed Budget Development											
Proposed Budget Analysis Compilation											
City Council Budget Study											
Public Hearing/Budget Adoption											
		Compilation of Adopted Budget									
BUDGET MAINTENANCE											
START OF NEW FISCAL YEAR						END OF CURRENT FISCAL YEAR					
OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP

BUDGET CALENDAR

Date Required	Action	Responsible Party
May	<ul style="list-style-type: none"> • Establish budget policy • Prepare budget calendar • Develop budget formats • Distribute budget information packets to department heads • Obtain city's estimated property values • Prepare preliminary revenue estimates 	City Council City Administrator City Administrator City Secretary City Secretary City Secretary
May – June	<ul style="list-style-type: none"> • Assist department heads with completion of budget forms • Hold departmental budget meetings 	City Administrator/City Secretary
June 15	<ul style="list-style-type: none"> • Deadline for department heads to turn in budget submissions 	Department heads
July July 15 July 25 July 25 July 29 July 30	<ul style="list-style-type: none"> • Receive the proposed draft, make needed adjustments and submit the recommended budget to city council • First Budget workshop • Deadline for chief appraiser to certify roll to city • Certification of anticipated collection rate by collector • Calculation of effective and rollback rate • Publication of effective and rollback rates; schedules and fund balances, submission to city council 	City Administrator City Council Appraisal District Brazoria County City Secretary City Secretary
August – September	<ul style="list-style-type: none"> • Separate public hearings must be held for the budget and for any increase in tax rates • The final budget is approved and filed with City Secretary • Taxes are levied in accordance with the budget 	City Council City Administrator City Council
August 10 August 12 August 13 August 16 August 19 August 20	<ul style="list-style-type: none"> • 72 hours notice for meeting (Open Meetings Notice) • Meeting to discuss tax rate; if increase is more than effective or rollback rate, tax record vote and schedule public hearing • Publish "Notice of Public Hearing on Tax Increase" at least 7 days before public hearing • 72 hour notice for public hearing (Open Meetings Notice) • Public hearing; schedule and announce meeting to adopt tax rate 3-14 days from this date • Publish "Notice of Vote on Tax Rate" 	City Secretary City Council City Secretary City Secretary City Council City Secretary
September 6 September 9 September 16	<ul style="list-style-type: none"> • 72 hour notice for meeting at which City Council will adopt tax rate • Meeting to adopt budget and tax rate • Last day to provide adopted tax rate information to Brazoria County 	City Secretary City Council City Secretary

BUDGET ADMINISTRATION PLAN

Step	Responsible Party	Additional Notes
Budget Officer begins budget preparations	The Finance Director is the Budget Officer for the City of Richwood	The Mayor is responsible for overseeing the complete budget process.
Prepare a budget calendar listing all the steps and target dates	City Manager and Finance Director	City Secretary will prepare the calendar at the direction of the City Administrator who will monitor to insure completion of each steps
Send budget memo to all department heads	City Manager	The budget memo will state the City's mission and guidelines
Prepare and distribute budget request forms and information packets to all department heads	Finance Director	Budget request forms need to be completed by department heads
Assist department heads with completion of their requests	City Manager and Finance Director	Assistance should be requested as needed
Department heads complete and return their budget requests to the City Secretary	Department heads	
Prepare revenue estimates	Finance Director	
Complete the proposed budget	City Manager and Finance Director	The department requests are reviewed and any necessary adjustments are made by the Mayor.
Send proposed budget to City Council	City Manager	Include 1. budget message 2. summary of revenue sources 3. summary of department expenditures with a brief description of each department's requests
City Council reviews the budget and makes any necessary changes	City Council	This is done in budget workshops which are open meetings. Department heads and the public are encouraged to participate. The City Council makes the final decision on what is included in the budget.
When the review is completed, a notice is published for the required hearing	City Secretary	The notice must be published no earlier than 30 days nor less than 10 days before the meeting
A public hearing is held on the budget	City Council and the public	
Budget is adopted by ordinance	City Council	This must be done prior to the end of the fiscal year.
The adopted budget is filed with the City Secretary	City Manager and Finance Director	State law requires the budget to be filed on or before the first day of the fiscal year
The budget is entered into the City's accounting system	Finance Director	The budget must correspond exactly with the accounting records
Copies of the budget are distributed to department heads, city staff, news media and other interested parties	City Secretary	The budget is an open record available to all interested parties who request it. It is the public's money and they need to know how their tax dollars are spent.

CLASSIFICATION OF EXPENDITURES

5100 Personnel Costs

This category includes all personnel expense for employees working full time or part time for the City. See line items for details.

01	Administrative Expense	Tuition, travel expense, registration, fees and other expenses for Mayor and Council members.
02	Contract Labor	Employees and others who work for the city on a contract basis only.
03	Salaries & Wages	Includes all Salaries and wages.
05	Retirement/FICA	City's share of matching employees retirement/FICA contributions.
06	Pension	Volunteer Fire Department Pension contributions
10	Worker's Compensation	Required by law.
15	Hospitalization	Hospitalization, accident, and life insurance on employees paid for by the City.
20	Unemployment Ins.-TEC	Required by law.
30	Training/Travel	Tuition, travel expense, registration, fees and other expenses associated with training.
75	Employee Incentive	Incentive pay for education as well as budgeted employee bonuses based on longevity.
90	Uniforms	Includes all articles of clothing such as: Uniforms, slickers, raincoats, boots, caps, badges, and leather goods worn as part of an uniform, protective clothing, etc. Includes uniform rentals.
97	Transfer In	Monies transferred from other funds, to offset costs.

5200 OPERATING SUPPLIES

Includes all supplies used in the city necessary for use in the day to day operation.

10	Office supplies	Includes all supplies for use in the operations of the office, such as: adding machine tape, paper, pens, pencils, postage, blank books, blueprints, clips, envelopes, erasers, file folders, ink, maps, printing and computer supplies.
15	Custodial Supplies	Includes cleaning supplies and paper.
20	Tools	Includes instruments, tools and utensils liable to loss, theft, and rapid deterioration such as: axes, brushes, chains, cleaning tools, crowbars, mops, punches, rope, shears, shovels, spray guns, spotlights, tire changers, tire repair kits, tubes, wrenches, staplers, minor office equipment, etc.
30	Gas, Oil, & Lubricants	Includes gasoline, grease, and lubrication oil.
40	Expendable Operating supplies	Includes all small supplies other than office supplies that are used up such as: alcohol, cleaning preparations, deodorants, disinfectants, first aid supplies, grease removers, ice, kerosene, laundry, soap, oxygen, sprays, wax, weed killers (in small quantities), welding supplies, pistol range supplies, etc.
45	Dump Charges	Costs associated with the disposal of large trash items, includes the disposal of recyclable items.
70	Chemicals	Weed killer and other chemicals bought in volume.
80	Laboratory supplies	Supplies as needed in photo processing and water analysis.
85	Fire Prevention Supplies	Includes supplies to teach fire prevention in schools and day cares.
5300 MAINTENANCE & REPAIR:		All expenditures, either material or contract, covering repairs, maintenance, parts and materials.
10	Building and grounds	Includes repairs and maintenance for grounds and building. Would include such things as painting and re-roofing.
20	Office Furniture and Fixtures	Includes repairs and maintenance agreements on typewriters, computers, copying machines, adding machines, calculators, etc.
40	Vehicle maintenance & repair	All expenditures, either material or contract, covering repairs, maintenance, parts and materials for city owned vehicles.

50	Radar maintenance & repairs	Self explanatory
60	Radio maintenance & repairs	Self explanatory
65	Other equipment	Includes repairs for equipment not itemized above.
76	Sign repairs & replacement	Maintenance repairs to and replacement of street signs.
80	Streets maintenance & repairs	Maintenance repairs to streets
90	Water lines	Maintenance repairs to water lines and meters.
92	Sewer lines	Maintenance and repairs to sewer lines, manholes, lift stations, etc.

5400 UTILITIES & TELEPHONE

Includes all service from utility companies.

10	Electricity	Purchase of electricity for all City buildings, water well pumps, street lights, etc.
20	Telephone	Telephone Service.
30	Gas	Purchase of natural gas.

5500 SERVICES

Includes such items as expenses for attorney, auditors, appraisal district, and other outside services as per account line item detail.

10	Elections	Election judges, compensation, election supplies, cost of public notices, and other costs of holding city elections.
40	Dispatch services	Dispatch services, presently with the City of Clute.
42	Jail expense	Costs associated with maintaining prisoners.
56	Contractual services - Taxes	Fees for development of tax roll, statements, and receipts.
60	Engineering	Self explanatory.
65	Jury expense	Monies paid to jurors for contested court.
66	Contractual Ser. Ambulance	Monies paid for ambulance service
70	Attorney's Fees	Compensation of City Attorney.

75	Contract - 911	Costs associated with maintaining the 911 system.
80	Auditor's Fees	Fees for annual audit of City's books as required by state law.
5600 SUNDRY		Various items, which in most cases are self explanatory
30	Insurance - Motor Vehicles	Insurance on all City Vehicles including tractors and mowers
40	Insurance-Bldg/Liab/Bond	Insurance on all City buildings & employees including Notary bonds
60	Dues & Subscriptions	Costs, other than to professional organizations, not credited toward training.
85	Publishing & Advertising	Costs of notices, advertisements, etc.
95	Special Services - Misc	
5800 PARKS & REC. COSTS		Monies set aside for park and beautification projects that are subsidized by the City, but not including the pool.
50	Beautification	Monies set aside for beautification projects.
51	Parks and Recreation	Monies set aside for park projects.
5900 CAPITAL PROJECTS		The purchase of any item which would add to the capital assets of the City.
10	Office equipment	Includes capitalized office equipment over \$5,000
20	Motor vehicles	Self explanatory.
30	Equipment	Purchase of heavy equipment such as tractors, graders, backhoes, etc.
35	Equipment-Time Payments	Time payments on equipment such as copiers, phone systems, cameras, etc.
40	Special Equipment	Capitalized equipment over \$5,000.

50	Contingency Fund	Monies budgeted in the event of an emergency. Any unspent amount will be transferred to the Replacement Fund at the end of each fiscal year.
65	Street Projects	New Streets or major renovations to existing streets.
75	Drainage	Self explanatory.
89	R.B. Bonds Series 1980	Revenue bonds issued to finance water and sewer improvements
90	Sewage Treatment Plant	City's portion of operating costs of the Clute/Richwood Sewage Treatment Plant.
91	R.B. Bonds Series 1980	Revenue bonds issued to finance water and sewer improvements.
..0		
92	Certificates of Obligation	Certificates of Obligation issued to finance water and sewer improvements that are tied to both revenues and taxes.
95	Brazosport Water Authority	Water purchased from the Brazosport Water Authority per contract.
96	Capital Improvements (Deprec)	Amount budgeted for depreciation and capital improvements. Any surplus in this line item is transferred at year end to Capital Improvements.

THE BUDGET PROCESS

City Council Issue Development

Early in the budget process, the City Council is requested to provide staff with budget priorities to indicate programs and areas which may need more attention or funding as well as any capital improvements that may need to be discussed for later inclusion. Council response and feedback are then later incorporated and considered during budget review and analysis of budget requests.

Revenue Projection

The budget revenue projection for the new year begins mid-year of the current fiscal year. This projection is made by the City's Finance Officer with the help of local agencies, trend analysis, anticipated changes in the local and regional economy, and discussion with staff members. Although beginning earlier, the budget revenue projections occurs concurrently with departmental budget development and extends until the budget is adopted based upon the receipt of any new information.

Proposed Budget Development

During budget development at the department level, the City's Finance Officer works with department directors to analyze requests, provide advise and lend assistance.

Proposed Budget Analysis/Compilation

Once department budget requests are completed, the City Council meets with each department to review and discuss their funding requests. Several budget work sessions are held with the City Council to review and discuss the proposed budget.

The funding level is weighed against available resources, and a tax increase may or may not be recommended depending upon Council program priorities and issues previously expressed in the budget process.

After meeting with all departments, the total departmental requests are compared to the projected revenues to determine if there are sufficient revenues to fund all requests. In most cases, the funding requests are more than the projected revenues. At this time, the City Council then discusses what requests will be cut in order to present a balanced proposed budget.

City Council Budget Study

Several budget work sessions, open to the public, are held with the City Council to review and discuss the proposed budget. At the work sessions, Council reviews major issues and an overview of the budget and department heads present their budget to the City Council.

Public Hearing/Budget Adoption

A public hearing on the budget and tax rate is held in August prior to final budget consideration. At said

hearing, citizens or any other individual may make formal comment either for or against the proposed budget. The public also has the opportunity to attend City Council budget work sessions occurring in July and August.

Budget adoption occurs in late August or early September after City Council deliberations and the public hearing. City Council may take action to modify the proposed budget per its discretion. The City Council also adopts a tax rate to support adopted funding levels.

Compilation of Adopted Budget/Budget Maintenance

An adopted budget is compiled and published prior to or during the first month of the new fiscal year. The adopted budget is available for public inspection in late September. Ledger accounts are prepared for the new fiscal year October 1.

Budget maintenance is a year round activity. Spending control mechanisms include monthly review of expenditures by the Department Head and City Council. All purchase requisitions are compared to the line item budget prior to approval. Monthly budget analysis reports are prepared to present budget versus estimated expenditures variances. These reports are reviewed by staff and presented to City Council to identify and communicate any major expenditure variances. Department heads are instructed that expenditures for individual line items may exceed the budgeted amount as long as the department's total expenditures remain less than the budgeted amount. In some cases department expenditures may exceed the budgeted amount so long as the fund as a whole remains with the budgeted amount. This is the case because the budget is adopted at a fund level. A budget amendment is presented to Council for approval only if the budget for an individual fund is being changed.

Budget Amendment

In some cases department expenditures may exceed the budgeted amount so long as the department as a whole remains within the budgeted amount. A budget amendment is presented to Council for approval only if the budget for a department or fund is being changed.

Program Goals and Measures

Finally, program goals and measures are evaluated during the fiscal year to determine effectiveness of program activities and levels of appropriate funding.

ORGANIZATION OF THE BUDGET

BUDGET SUMMARIES

The Budget Summaries section is designed to provide a quick overview of the budget for all funds of the City. This section includes the following schedules:

Combined Funds Summary

Presents the total budgeted revenues and expenditures for each fund. Transfers between funds are subtracted from the total to indicate total dollars in and out of the City.

Available Funds Summary

Summarizes the beginning and the current cash balance for each of the funds. This schedule is useful in determining whether cash balances are maintained at sufficient levels.

Governmental Fund Types Projected Fund Balances

Summarizes the projected beginning and ending governmental funds. This schedule is useful in determining whether fund balances are maintained at sufficient levels.

Enterprise Fund Types Projected Cash Balances

Summarizes the projected beginning and ending cash balance for the enterprise funds. This schedule is useful in determining whether cash balances are maintained at sufficient levels.

All Funds Revenues by Category

Presents a breakdown of all City revenues by Category and presents it geographically.

All Funds Expenditures by Category

Presents a breakdown of all City expenditures by Category and presents it geographically.

Expenditures by Department

Presents the total budgeted revenues and expenditures by department.

Personnel Summary

Summarizes authorized positions for the current budget and previous three years. Explains what positions have been added, deleted or reclassified.

GENERAL AND WATER/SEWER FUND DEPARTMENTAL DETAIL:

The detail for each department includes the following information:

Program Description

This section outlines the duties and responsibilities performed by the department. It is provided to enable the reader to understand the function of each department.

Goals and Objectives

Each department has provided a summary of specific goals they wish to achieve during the coming fiscal year. They should have a specific time frame or measurable achievement.

Accomplishments

Each department has provided a listing of major accomplishments for the previous fiscal year.

Performance Measures

Performance measure indicators to reflect major activities of the department. The measures also indicate the amount of work that has been done in the past and projected workload levels for the current and next years.

Expenditures by Category

Presents a breakdown of all operating fund expenditures by Category.

Personnel Summary

The Personnel Summary section shows the positions or personnel resources budgeted to carry out services.

Major Budget Changes

The summary of major budget changes identifies significant changes in funding levels and organizational alignment. The section also details major new programs and items proposed for funding.

BUDGET BASIS

Formal budgetary accounting is employed for all funds of the City. Annual operating budgets are adopted at the fund level each fiscal year through the passage of the budget ordinance. All unencumbered budget appropriations lapse at the end of each fiscal year.

The budget for governmental funds types is prepared on a modified accrual basis. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Revenue is considered measurable if sufficient information is available to provide a reasonable (not necessarily precise) estimate of the revenue to be collected. Available is defined as “collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period”. (Usually within 60 days of year end.) Those revenues susceptible to accrual are franchise taxes, interest revenues and charges for services. Sales tax collected and held by the State at year end on behalf of the City is also recognized as revenue. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

Budgets for the proprietary funds are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

FINANCIAL STRUCTURE

The City’s financial records and the Budget consists of many separate funds which are used to report on its financial position and the results of its operations. A fund is generally defined as a fiscal and accounting entity which has its own self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and achieve fiscal accountability by segregating transactions related to certain government functions and activities.

A separate fund may be established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The two types of Funds are utilized in this budget are Governmental and Proprietary. For the City’s day to day operations, and for budgetary purposes, some of the funds are broken down into sub-funds.

General Fund

The General Fund is the City’s primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. The principal sources of revenues of the General Fund are property taxes, sales taxes, franchise taxes, permit fees and fines. Expenditures are tax supported activities such as administration, city maintenance, public safety, judicial, and parks and recreation. For financial statement purposes, it is represented as a major fund and is comprised of the General Fund, Equipment Replacement Fund, Capital Projects and General Obligation Debt Service. Each of these funds are budgeted independently. According to State Law, the General Fund must balance – revenues must equal expenditures.

General Fund Sub Funds:

General Operating Fund - This fund includes the maintenance and operations portion of the tax revenues and

tax supported activities such as Police, Fire, Drainage, Streets, Parks and Recreation.

Equipment Replacement - The Administration Department has a contingency account line item included in its budget. Any surplus in this line at the end of the fiscal year is then transferred to this fund. Accumulated resources in this fund are then used to purchase new and replacement equipment.

General Contingency Fund - This fund contains money to be used in case of emergency or special expenses.

General Debt Service Fund - This fund is used to account for the accumulation of resources for the annual payment of debt principal and interest and to provide a reserve for such payment.

Capital Projects Funds - This fund is used to account for the acquisition, construction or repair of major capital facilities and equipment other than those financed by proprietary funds.

Enterprise Fund

Enterprise or proprietary funds are considered to be similar to a business enterprise. Expenditures are supported primarily by user fees and charges. The specific sub funds which make up the proprietary fund types are:

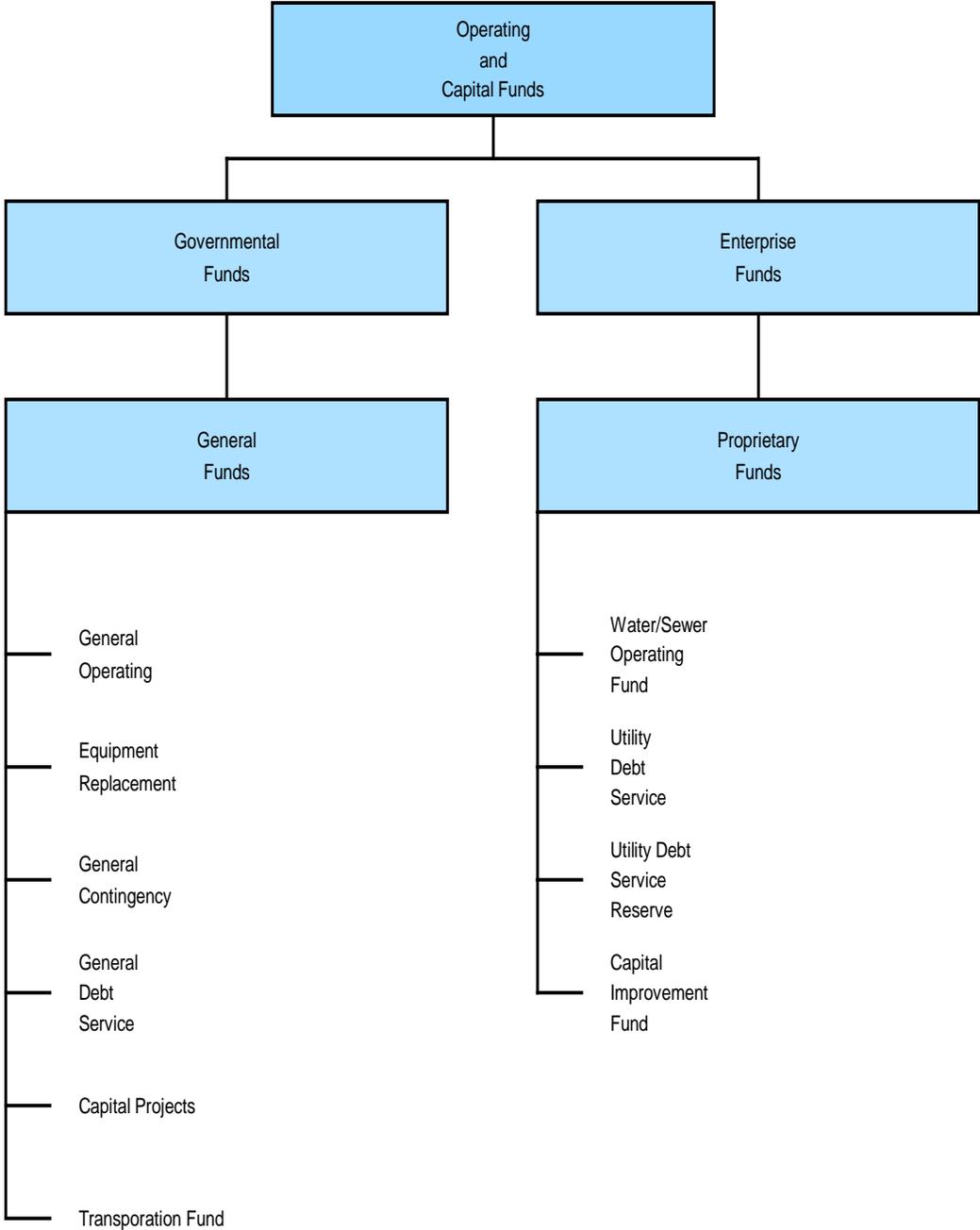
Water/Sewer Operating Fund - This fund includes the revenues from the Water Sewer charges. It includes the expenditures related to providing these services.

Utility Debt Service – This fund is used to provide for the payment of utility related debt service.

Utility Debt Service Reserve Fund - This fund is used to provide a reserve for the payment of debt principal and interest. There are no budgeted expenditures amounts in this fund.

Capital Improvement Fund - Positive variances in the Water/Sewer Fund are transferred to this fund. Accumulated resources are used for capital projects throughout the City.

FINANCIAL STRUCTURE





THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF RICHWOOD

STATE LAW DIRECTIVES

SUBJECT	FISCAL YEAR	LGC 101.042
---------	-------------	-------------

The fiscal year of the City of Richwood shall begin on the first day of October and shall end on the last day of September of each year. Such fiscal year shall also constitute the budget and accounting year.

SUBJECT	BUDGET PRESENTATION	LGC 102.002
---------	---------------------	-------------

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

- a) A budget message, explanatory of the budget, which message shall contain an outline of the proposed financial policies of the City for the fiscal year, shall set forth the reasons for salient changes from the previous fiscal year in expenditure and revenue items, and shall explain any major changes in financial policy.
- b) A consolidated statement of anticipated receipts and proposed expenditures for all funds.
- c) An analysis of property valuations.
- d) An analysis of tax rate.
- e) Tax levies and tax collections by years for at least five years.
- f) General fund resources in detail.
- g) Special fund resources in detail.
- h) Summary of proposed expenditures by function, department, and activity.
- i) Detailed summary of expenditures shown separately for each activity to support the summaries. Such estimates of expenditures are to include an itemization of positions showing the number of persons having each title.
- j) A revenue and expense statement for all types of bonds.

CITY OF RICHWOOD

STATE LAW DIRECTIVES

- a) A description of all bond issues outstanding showing rate of interest, date of issue, maturity date, amount authorized, amount issued and amount outstanding.
- k) A schedule of requirements for the principal and interest of each issue of bonds.
- l) The appropriation ordinance.

SUBJECT	ANTICIPATED REVENUES	LGC 102.003
---------	----------------------	-------------

In preparing the budget, the Mayor shall place in parallel columns opposite the several items of revenue, the actual amount of each for the last completed fiscal year, the budgeted amount for the current fiscal year, and the proposed amount for the ensuing fiscal year.

SUBJECT	PROPOSED EXPENDITURES	LGC 102.003
---------	-----------------------	-------------

The Mayor in preparation of the budget shall place in parallel columns opposite the various items of expenditures, the actual amount of each for the last completed fiscal year, the budgeted amount for the current fiscal year, and the proposed amount for the ensuing fiscal year.

SUBJECT	PUBLIC RECORD	LGC 102.005
---------	---------------	-------------

The budget and all supporting schedules shall be filed with the person performing the duties of City Secretary, submitted to the City Council and shall be a public record. The Mayor shall provide copies for distribution to all interested persons.

SUBJECT	PUBLIC HEARING	LGC 102.006
---------	----------------	-------------

At the meeting of the City Council at which the budget is submitted, the City Council shall fix the time and place of public hearing on the budget and shall cause to be published in the official newspaper of the City of Richwood, a notice of the hearing setting forth the time and place thereof at least ten (10) days before the date of such hearing.

CITY OF RICHWOOD

STATE LAW DIRECTIVES

At the time and place set forth in the notice, all interested persons shall be given an opportunity to be heard for or against any item or the amount of any item therein contained.

After the conclusion of such public hearing, the City Council may insert new items or may increase or decrease the items of the budget, except items in proposed expenditures fixed by law, but where it shall increase in the total proposed expenditures, it shall also provide for an increase in the total anticipated revenue to at least equal such proposed expenditures.

SUBJECT	BUDGET ADOPTION	LGC 102.007
---------	-----------------	-------------

Vote required for adoption

The budget shall be adopted by the favorable vote of majority of the members of the whole City Council. The budget shall be finally adopted prior to the beginning of the fiscal year, and should the City Council fail to so adopt a budget, then the existing budget together with its tax-levying ordinance and its appropriation ordinance, shall remain in effect for the ensuing fiscal year, but only until such time as the Council passes a budget and tax-levying ordinance for the new fiscal year.

Effective date of budget; certification; copies made available

Upon final adoption, the budget shall be in effect for the fiscal year. A copy of the budget, as finally adopted, shall be filed with the person performing the duties of the City Secretary. The final budget shall be printed, mimeographed or otherwise reproduced and copies shall be made available for the use of all offices, departments and agencies and for the use of interested persons and civic organizations.

Budget establishes appropriations

From the effective date of the budget, the several amounts stated therein as the proposed expenditures shall be and become appropriated to the several objects and purposes therein named.

Budget establishes amount to be raised by property tax

From the effective date of the budget, the amount stated therein as the amount to be raised by property tax shall constitute a determination of the amount of the levy for the purposes of the City in the corresponding tax year, provided, however, that in no event shall such a levy exceed the legal limit provided by the laws and constitution of the State of Texas.

CITY OF RICHWOOD

STATE LAW DIRECTIVES

SUBJECT	EMERGENCY APPROPRIATION	LGC 102.009
---------	-------------------------	-------------

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

SUBJECT	TAXATION	TO 182-024
---------	----------	------------

The City Council shall have the power under the provisions of the state law to levy, assess and collect an annual tax upon real and personal property within the City to maximum provided by the Constitution and general laws of the State of Texas.

CITY OF RICHWOOD

ADMINISTRATIVE POLICY

SUBJECT	BALANCED BUDGET REQUIREMENT	SEC. IV
---------	-----------------------------	---------

The total estimated expenditures of the general fund and debt service fund shall not exceed the total estimated resources of each fund (protective income plus cash on hand). The classification of revenue and expenditure accounts shall conform as nearly as local conditions will permit to the uniform classification as promulgated by the National Committee on Governmental Accounting or some other nationally accepted classification.

SUBJECT	REVENUES	SEC. VI
---------	----------	---------

Development of Revenue Projection

During the budget process the City will estimate its future revenues using an objective analytical process. Past trends will be examined as well as expected future events.

User Charges and Fees

User charges and fees will be examined and compared to the cost of providing the service.

For Enterprise Funds, the City shall establish user fees and charges which fully support the total direct and indirect cost of the fund. Indirect cost include the cost of administration borne by other operating funds.

SUBJECT	EXPENDITURES	SEC. VII
---------	--------------	----------

Budgeted expenditures in the General Operating Fund and Utility Operating Fund will not exceed projected revenues.

Core services will be budgeted in order that outstanding quality services will be provided. Generally, only when known increases in revenues are going to take place or are planned (such as increased fees) will new or expanded services be provided.

SUBJECT	FUND BALANCE	SEC. IX
---------	--------------	---------

General Fund

The City will seek to maintain an undesignated fund balance equal to 8.33%, or 30 days, of budgeted expenditures for the General Operating Fund.

Water/Sewer Fund

The City will seek to maintain an undesignated fund balance equal to 12%, or 45 days, of budgeted expenditures for the Utility Operating Fund.

CITY OF RICHWOOD

ADMINISTRATIVE POLICY

SUBJECT	CONTINGENT APPROPRIATION	SEC. V
---------	--------------------------	--------

Provisions shall be made in the annual budget and in the appropriation for a contingent appropriation in an amount not more than three percent of the budget, to be used in case of unforeseen items of expenditure. Such contingent appropriation shall be under the control of the Mayor and distributed by her, after approval of the City Council. Expenditures from this appropriation shall be made only in case of established emergencies and detailed account of such expenditures shall be recorded and reported.

SUBJECT	FUNDING OF CAPITAL PROJECT EQUIPMENT PURCHASES	SEC. V
---------	---	--------

Transfer to Equipment Replacement Fund

At the end of each fiscal year, after taking into consideration the desired fund balance, positive budget variances in the General Fund are transferred to the Equipment Replacement Fund.

Transfer to Capital Improvements Fund

At the end of each fiscal year, after taking into consideration the desired fund balance, positive variances in the Water/Sewer Fund are transferred to the Utility Projects Fund.

SUBJECT	INVESTMENTS	SEC. VIII
---------	-------------	-----------

The City maintains a written Investment Policy in accordance with Section 5 of the Public Funds Investment Act of 1987. The Investment Policy shall be reviewed annually and amendments must be authorized by the City Council.

SUBJECT	DEBT MANAGEMENT	SEC. X
---------	-----------------	--------

Recognizing that debt is usually a more expensive financing method, alternative financing sources will be explored before a debt is issued. When debt is issued, it will be used to acquire major assets with expected lives which equal or exceed the average life of the debt issue. The exceptions to this requirement are the

CITY OF RICHWOOD

ADMINISTRATIVE POLICY

traditional costs of marketing and issuing the debt, capitalized labor for the design and construction of capital projects, and small component parts which are attached to major equipment purchases.

The City will explore all financing alternatives in addition to long-term debt including leasing, grants and other aid, developer contributions, impact fees, and use of reserves or current monies. When appropriate, self-supporting revenues are used to pay debt service in lieu of tax revenues.



THIS PAGE INTENTIONALLY LEFT BLANK

DEBT SERVICE REQUIREMENTS TO MATURITY
General Obligation Bonds
as of September, 2013

Year Ended September 30,	General Obligation Tax Certificates of Obligation - Series 1999 Principal	Interest	Total Requirements
2014	\$ 45,000.00	\$ 20,188.50	\$ 65,188.50
2015	\$ 50,000.00	\$ 18,780.00	\$ 68,780.00
2016	\$ 55,000.00	\$ 17,215.00	\$ 72,215.00
2017	\$ 55,000.00	\$ 15,493.50	\$ 70,493.50
2018	\$ 60,000.00	\$ 13,772.00	\$ 73,772.00
2019	\$ 55,000.00	\$ 11,894.00	\$ 66,894.00
2020	\$ 60,000.00	\$ 10,172.50	\$ 70,172.50
2021	\$ 65,000.00	\$ 8,294.50	\$ 73,294.50
2022	\$ 65,000.00	\$ 6,260.00	\$ 71,260.00
2023	\$ 65,000.00	\$ 4,225.50	\$ 69,225.50
2024	<u>\$ 70,000.00</u>	<u>\$ 2,191.00</u>	<u>\$ 72,191.00</u>
	\$ 645,000.00	\$128,486.50	\$ 773,486.50

Year Ended September 30,	FM 2004 Improvements Principal	Interest	Total Requirements
2013	\$ 13,564.24	\$ 1,894.04	\$ 15,458.28
2014	\$ 13,838.02	\$ 1,620.26	\$ 15,458.28
2015	\$ 14,117.34	\$ 1,340.94	\$ 15,458.28
2016	\$ 14,402.29	\$ 1,055.99	\$ 15,458.28
2017	\$ 14,692.99	\$ 765.29	\$ 15,458.28
2018	\$ 14,989.56	\$ 468.72	\$ 15,458.28
2019	<u>\$ 15,292.11</u>	<u>\$ 166.18</u>	<u>\$ 15,458.28</u>
	\$ 100,896.54	\$ 7,569.05	\$ 108,465.59

DEBT SERVICE REQUIREMENTS TO MATURITY
General Obligation Bonds
as of September, 2013

Year Ended September 30,	Certificates of Obligation - Series 2012 Principal	Interest	Total Requirements
2014	\$ 45,000.00	\$ 32,650.00	\$ 77,650.00
2015	\$ 45,000.00	\$ 31,750.00	\$ 76,750.00
2016	\$ 45,000.00	\$ 30,850.00	\$ 75,850.00
2017	\$ 45,000.00	\$ 29,950.00	\$ 74,950.00
2018	\$ 50,000.00	\$ 29,050.00	\$ 79,050.00
2019	\$ 50,000.00	\$ 28,050.00	\$ 78,050.00
2020	\$ 50,000.00	\$ 27,050.00	\$ 77,050.00
2021	\$ 50,000.00	\$ 25,550.00	\$ 75,550.00
2022	\$ 55,000.00	\$ 24,050.00	\$ 79,050.00
2023	\$ 55,000.00	\$ 22,400.00	\$ 77,400.00
2024	\$ 55,000.00	\$ 20,475.00	\$ 75,475.00
2025	\$ 60,000.00	\$ 18,550.00	\$ 78,550.00
2026	\$ 60,000.00	\$ 16,450.00	\$ 76,450.00
2027	\$ 65,000.00	\$ 14,350.00	\$ 79,350.00
2028	\$ 65,000.00	\$ 12,075.00	\$ 77,075.00
2029	\$ 65,000.00	\$ 9,800.00	\$ 74,800.00
2030	\$ 70,000.00	\$ 7,525.00	\$ 77,525.00
2031	\$ 70,000.00	\$ 5,075.00	\$ 75,075.00
2032	<u>\$ 70,000.00</u>	<u>\$ 2,625.00</u>	<u>\$ 77,625.00</u>
	\$1,075,000.00	\$388,275.00	\$1,463,275.00

DEBT SERVICE REQUIREMENTS TO MATURITY
General Obligation Bonds
as of September, 2013

Year Ended September 30,	Principal	Interest	Total Requirements
2013	\$ 103,564.24	\$ 61,185.54	\$ 164,749.78
2014	\$ 103,838.02	\$ 54,458.76	\$ 158,296.78
2015	\$ 109,117.34	\$ 51,870.94	\$ 160,988.28
2016	\$ 114,402.29	\$ 49,120.99	\$ 163,523.28
2017	\$ 114,692.99	\$ 46,208.79	\$ 160,901.78
2018	\$ 124,989.56	\$ 43,290.72	\$ 168,280.28
2019	\$ 120,292.11	\$ 40,110.18	\$ 160,402.29
2020	\$ 110,000.00	\$ 37,222.50	\$ 147,222.50
2021	\$ 115,000.00	\$ 33,844.50	\$ 148,844.50
2022	\$ 120,000.00	\$ 30,310.00	\$ 150,310.00
2023	\$ 120,000.00	\$ 26,625.50	\$ 146,625.50
2024	\$ 125,000.00	\$ 22,666.00	\$ 147,666.00
2025	\$ 60,000.00	\$ 18,550.00	\$ 78,550.00
2026	\$ 60,000.00	\$ 16,450.00	\$ 76,450.00
2027	\$ 65,000.00	\$ 14,350.00	\$ 79,350.00
2028	\$ 65,000.00	\$ 12,075.00	\$ 77,075.00
2029	\$ 65,000.00	\$ 9,800.00	\$ 74,800.00
2030	\$ 70,000.00	\$ 7,525.00	\$ 77,525.00
2031	\$ 70,000.00	\$ 5,075.00	\$ 75,075.00
2032	<u>\$ 70,000.00</u>	<u>\$ 2,625.00</u>	<u>\$ 77,625.00</u>
	\$1,910,896.54	\$583,622.05	\$2,494,518.59

DEBT SERVICE REQUIREMENTS TO MATURITY

Water and Sewer System Revenue Bonds

as of September, 2013

Water and Sewer System Revenue Bonds Series 1980			Water and Sewer System Revenue Bonds Series 2004		
Year Ended	Principal	Interest	Year Ended	Principal	Interest
2014	\$ 17,000	\$ 4,775	2014	\$ 20,000	\$ 18,453
2015	\$ 18,000	\$ 3,900	2015	\$ 25,000	\$ 17,387
2016	\$ 19,000	\$ 2,975	2016	\$ 25,000	\$ 16,169
2017	\$ 20,000	\$ 2,000	2017	\$ 25,000	\$ 14,912
2018	\$ 21,000	\$ 975	2018	\$ 25,000	\$ 13,625
2019	\$ 9,000	\$ 225	2019	\$ 30,000	\$ 12,188
			2020	\$ 30,000	\$ 10,597
			2021	\$ 30,000	\$ 8,978
			2022	\$ 35,000	\$ 7,189
			2023	\$ 35,000	\$ 5,237
			2024	\$ 35,000	\$ 3,269
			2025	\$ 40,000	\$ 1,140
	<u>\$104,000</u>	<u>\$ 14,850</u>		<u>\$355,000</u>	<u>\$129,144</u>

Year Ended September 30,	Certificates of Obligation - Series 2011 Principal	Interest	Total Requirements
2014	\$ 30,000.00	\$ 28,007.50	\$ 58,007.50
2015	\$ 30,000.00	\$ 26,841.50	\$ 56,841.50
2016	\$ 30,000.00	\$ 25,673.75	\$ 55,673.75
2017	\$ 30,000.00	\$ 24,507.50	\$ 54,507.50
2018	\$ 30,000.00	\$ 23,340.00	\$ 53,340.00
2019	\$ 35,000.00	\$ 22,172.50	\$ 57,172.50
2020	\$ 35,000.00	\$ 19,812.00	\$ 54,812.00
2021	\$ 35,000.00	\$ 19,449.50	\$ 54,449.50
2022	\$ 35,000.00	\$ 18,088.25	\$ 53,088.25
2023	\$ 40,000.00	\$ 16,727.50	\$ 56,727.50
2024	\$ 40,000.00	\$ 15,170.75	\$ 55,170.75
2025	\$ 45,000.00	\$ 13,615.00	\$ 58,615.00
2026	\$ 45,000.00	\$ 11,864.50	\$ 56,864.50
2027	\$ 45,000.00	\$ 10,114.00	\$ 55,114.00
2028	\$ 50,000.00	\$ 8,363.50	\$ 58,363.50
2029	\$ 50,000.00	\$ 6,418.50	\$ 56,418.50
2030	\$ 55,000.00	\$ 4,473.50	\$ 59,473.50
2031	\$ 60,000.00	\$ 2,334.00	\$ 62,334.00
	\$ 720,000.00	\$296,973.75	\$1,016,973.75

Year Ended September 30,	FM 2004 Improvements Principal	Interest	Total Requirements
2013	\$ 13,564.24	\$ 1,894.04	\$ 15,458.28
2014	\$ 13,838.02	\$ 1,620.26	\$ 15,458.28
2015	\$ 14,117.34	\$ 1,340.94	\$ 15,458.28
2016	\$ 14,402.29	\$ 1,055.99	\$ 15,458.28
2017	\$ 14,692.99	\$ 765.29	\$ 15,458.28
2018	\$ 14,989.56	\$ 468.72	\$ 15,458.28
2019	\$ <u>15,292.11</u>	\$ <u>166.18</u>	\$ <u>15,458.28</u>
	\$ 100,896.54	\$ 7,569.05	\$ 108,465.59

DEBT SERVICE REQUIREMENTS TO MATURITY
Water and Sewer System Revenue Bonds
as of September 30, 2013

Year Ended	Total Principal	Interest	Total Requirements
2013	\$ 62,000	\$ 53,978.00	\$ 115,978.00
2014	\$ 67,000	\$ 51,235.50	\$ 118,235.50
2015	\$ 73,000	\$ 48,128.50	\$ 121,128.50
2016	\$ 74,000	\$ 44,817.75	\$ 118,817.75
2017	\$ 75,000	\$ 41,419.50	\$ 116,419.50
2018	\$ 76,000	\$ 37,940.00	\$ 113,940.00
2019	\$ 74,000	\$ 34,585.50	\$ 108,585.50
2020	\$ 65,000	\$ 30,409.00	\$ 95,409.00
2021	\$ 65,000	\$ 28,427.50	\$ 93,427.50
2022	\$ 70,000	\$ 25,277.25	\$ 95,277.25
2023	\$ 75,000	\$ 21,964.50	\$ 96,964.50
2024	\$ 75,000	\$ 18,439.75	\$ 93,439.75
2025	\$ 85,000	\$ 14,755.00	\$ 99,755.00
2026	\$ 45,000	\$ 11,864.50	\$ 56,864.50
2027	\$ 45,000	\$ 10,114.00	\$ 55,114.00
2028	\$ 50,000	\$ 8,363.50	\$ 58,363.50
2029	\$ 50,000	\$ 6,418.50	\$ 56,418.50
2030	\$ 55,000	\$ 4,473.50	\$ 59,473.50
2031	\$ 60,000	\$ 2,334.00	\$ 62,334.00
	<u>\$1,241,000</u>	<u>\$ 494,945.75</u>	<u>\$ 1,735,945.75</u>

**ESTIMATED AD VALOREM TAX COLLECTION & PROPOSED DISTRIBUTION FOR
FISCAL YEAR 2012-2013**

Assessed Valuation for 2012	\$ 169,023,642
Gain (Loss) in Value	<u>1,335,186</u>
Assessed Valuation for 2013	170,358,828
Tax Rate Per \$100 Valuation	0.73568
Revenue from 2013 Tax Roll	1,253,295
Estimated Collections	<u>100%</u>
Total Funds Available	<u>\$ 1,253,295</u>

SCHEDULE OF TAX LEVY AND COLLECTION RATE

YEAR	LEVY	BALANCE DUE AS OF 7/31/12	PERCENT COLLECTED
2012	1,243,473.20	37,885.82	96.95%
2011	1,158,718.03	11,234.56	99.03%
2010	1,134,497.42	12,093.86	98.93%
2009	1,119,707.25	4,900.86	99.56%
2008	904,900.38	2,308.46	99.74%
2007	829,523.51	2,828.09	99.66%
2006	761,103.64	1,601.89	99.78%
2005	663,944.44	163.54	99.97%
2004	607,763.29	812.26	99.86%
2003	534,411.53	208.88	99.96%
2002	516,433.29	60.53	99.99%
2001	481,902.69	42.93	99.99%

PROPOSED DISTRIBUTION OF COLLECTED TAXES

FUND	ADOPTED TAX RATE 2012-13	PROPOSED TAX RATE 2013-14	PROPOSED AMOUNT 2013-14	%
General Fund	0.63725	0.63870	1,093,036	100
General Debt Service Fund	0.09843	0.09698	165,750	100
TOTAL	0.73568	0.73568	1,253,295	100



THIS PAGE INTENTIONALLY LEFT BLANK

City of Richwood
Demographics

Education

Persons 3 Yrs. +			Persons 15 to 19 Yrs		Persons 25 Yrs. +			
	Pre-Primary School	Elementary/ High School	College	Total	% Enrolled in School	Total	% High School Graduates	% Bachelor's Degree+
Texas	840,878	4,481,719	1,663,531	6,986,128	76.1%	15,443,904	80.4%	26.1%
Brazoria County	11,314	56,542	16,897	84,753	80.1%	152,244	84.9%	26.5%
Richwood	149	440	210	799	87%	2,018	86.9%	1%

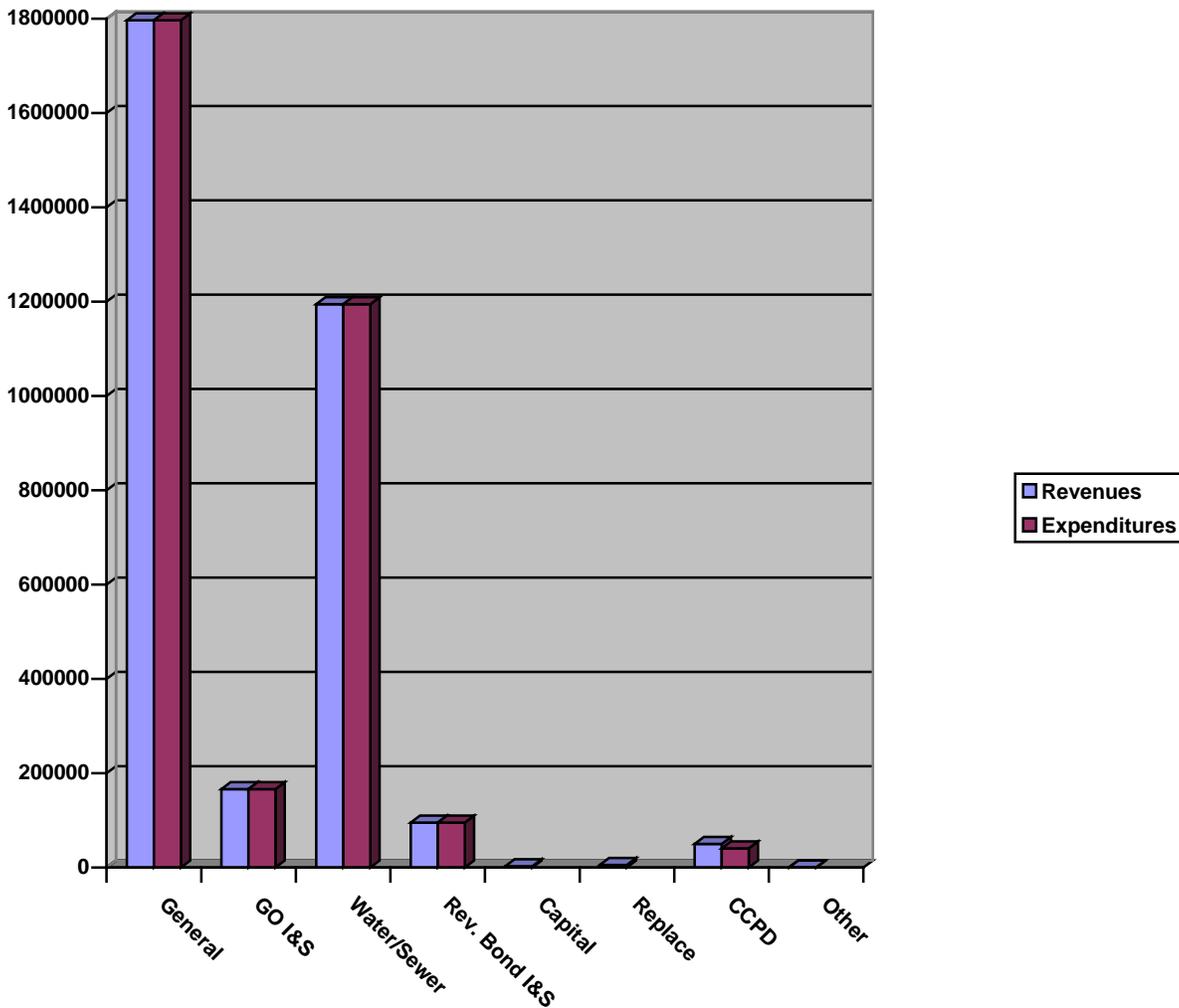
Employment 16 years and older

LABOR FORCE							
	Total	% Male	% Female	Total	% in Labor Force	% Male	% Female
							% Unemployed 2010
Texas	18,747,892	49%	51%	64%	42%	58%	7.3%
Brazoria County	231,739	51%	49%	65.3%	38.5%	61.5%	5.7%
Richwood	2,638	49%	51%	78.9%	54%	46%	5.9%

COMBINED FUNDS

REVENUES AND EXPENDITURES

The Capital Projects Funds have historically been supported by year end transfers from the related operating fund. These transfers are not budgeted but result from any budget savings which occur in the operating fund.



COMBINED FUNDS SUMMARY

	FUND BALANCE 10/1/2013	REVENUES	EXPENDITURES	FUND BALANCE 9/30/2014
GENERAL FUND	1,107,914.00			1,107,914.00
REVENUES		1,754,225.00		
OPERATING EXPENSE			1,754,225.00	
TOTALS	1,107,914.00	1,754,225.00	1,754,225.00	1,107,914.00
DEBT SERVICE	78,958.00			78,958.00
REVENUES		165,230.00		
OPERATING EXPENSE			165,230.00	
TOTALS	78,958.00	165,230.00	165,230.00	78,958.00
WATER/SEWER FUND	5,600,362.00			5,600,362.00
REVENUES		1,144,549.00		
OPERATING EXPENSE			1,144,549.00	
TOTALS	5,600,362.00	1,144,549.00	1,144,549.00	5,600,362.00
DEBT SERVICE	802.99			802.99
REVENUES		113,420.00		
OPERATING EXPENSE			113,420.00	
TOTALS	802.99	113,420.00	113,420.00	802.99
CAPITAL IMPROVEMENTS	106,050.66			88,250.66
REVENUES		200.00		
OPERATING EXPENSE			18,000.00	
TOTALS	106,050.66	200.00	18,000.00	88,250.66
REPLACEMENT FUND	57,664.38			57,664.38

REVENUES				
OPERATING EXPENSE			-	
TOTALS	57,664.38	-	-	57,664.38
CCPD	12,456.30			22,456.30
REVENUES		50,000.00		
OPERATING EXPENSE			40,000.00	
TOTALS	12,456.30	50,000.00	40,000.00	22,456.30
TRANSPORTATION	1,438.92			1,438.92
REVENUES		100,000.00		
OPERATING EXPENSE			100,000.00	
TOTALS	1,438.92	100,000.00	100,000.00	1,438.92
OTHER FUNDS	15,154.27			15,154.27
REVENUES				
OPERATING EXPENSE				
TOTALS	15,154.27	-	-	15,154.27
TOTALS	6,979,998.53			6,972,198.53
REVENUES		3,327,624.00		
OPERATING EXPENSE			3,056,774.00	
CAPITAL				
IMPROVEMENTS			18,000.00	
DEBT SERVICE			278,650.00	
GRAND TOTALS	6,979,998.53	3,327,624.00	3,353,424.00	6,972,198.53

AVAILABLE FUNDS

	CASH BALANCE A/O 10/01/12	ESTIMATED CASH A/O 9/30/13	INVESTED A/O 8/31/13
OPERATING ACCOUNTS			
GENERAL FUND	758,339.72	758,339.72	788,506.06
WATER/SEWER FUND	380,041.81	380,041.81	345,120.39
MISCELLANEOUS RESTRICTED FUNDS			
GENERAL OBLIGATION	62,743.17	62,743.17	61,103.49
REVENUE BOND	802.21	802.21	802.12
WATER/METER DEPOSIT	92,695.00	92,695.00	92,687.04
RESERVE FUND	-	-	-
CAPITAL IMPROVEMENT SEIZURE AND FORFEITURE	105,729.72 -	105,729.72 -	105,666.76
BEAUTIFICATION	29,490.24	28,813.29	
CAPITAL PROJECTS INSURANCE	675,407.97	299,730.06	297,209.10
CONTINGENCY	15,123.66	15,123.66	15,123.66
CRIME CONTROL AND PREV	18,879.76	18,879.76	5,269.44
REPLACEMENT FUND	78,811.69	78,811.69	107,402.74
TOTALS	2,218,064.95	1,841,710.09	1,818,890.80

**GENERAL FUND
FUND BALANCE ANALYSIS**

FUND	GENERAL OPERATING FUND	GENERAL DEBT SERVICE	INSURANCE CONTINGENCY FUND	EQUIPMENT REPLACEMENT FUND	TRANS. FUND
FUND BALANCE 9-30-12	677,971.61	62,743.17	15,123.66	78,711.69	
Projected Revenues	1,721,208.27		84.02	2,791.32	98,575.36
Transfers In					
From General Operating					
From Utility Operating					
From Insurance Contingency					
All Other Revenues					
Total Revenues	2,399,179.88	62,743.17	15,207.68	81,503.01	98,575.36
Projected Expenditures	1,661,589.43			23,723.84	
Transfers Out					
To Capital Projects					
To Insurance Contingency					
To Equipment Replacement					
All Other Expenditures					97,640.04
Total Expenditures	1,661,589.43	-	-	23,723.84	97,640.04
FUND BALANCE 9-30-13	737,590.45	62,743.17	15,207.68	57,779.17	935.32
Low 25% of Budget	412,752.50				
High 33% of Budget	544,833.30				

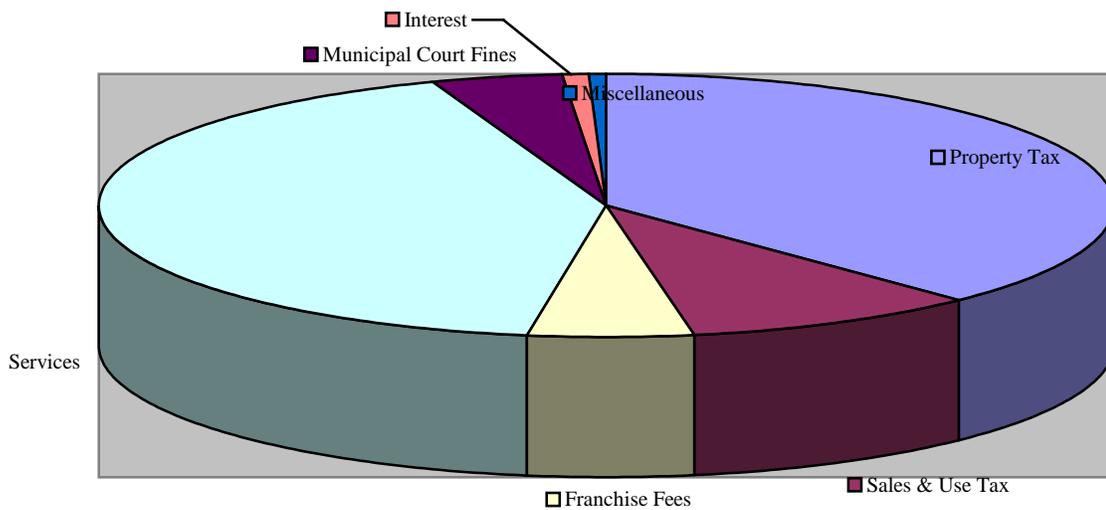
**UTILITY FUNDS
FUND BALANCE ANALYSIS**

FUND	UTILITY OPERATING FUND	UTILITY DEBT SERVICE	UTILITY DEBT SERVICE RESERVE	UTILITY PROJECTS FUND
FUND BALANCE 9-30-12 *	380,041.81	802.21		299,730.06
Projected Revenues	1,774,095.97	94,008.36		
Transfers In				
From General Operating				
From Utility Operating				
From Insurance Contingency				
All Other Revenues				
Total Revenues	<u>2,154,137.78</u>	<u>94,810.57</u>	-	<u>299,730.06</u>
Projected Expenditures	1,916,750.48	93,353.00		299,730.06
Transfers Out				
To Capital Projects				
To Insurance Contingency				
To Equipment Replacement				
All Other Expenditures				
Total Expenditures	<u>1,916,750.48</u>	<u>93,353.00</u>	-	<u>299,730.06</u>
FUND BALANCE 9-30-13	237,387.30	1,457.57		-
Low 25% of Budget	243,656.75			
High 33% of Budget	321,626.91			

* operating fund balance

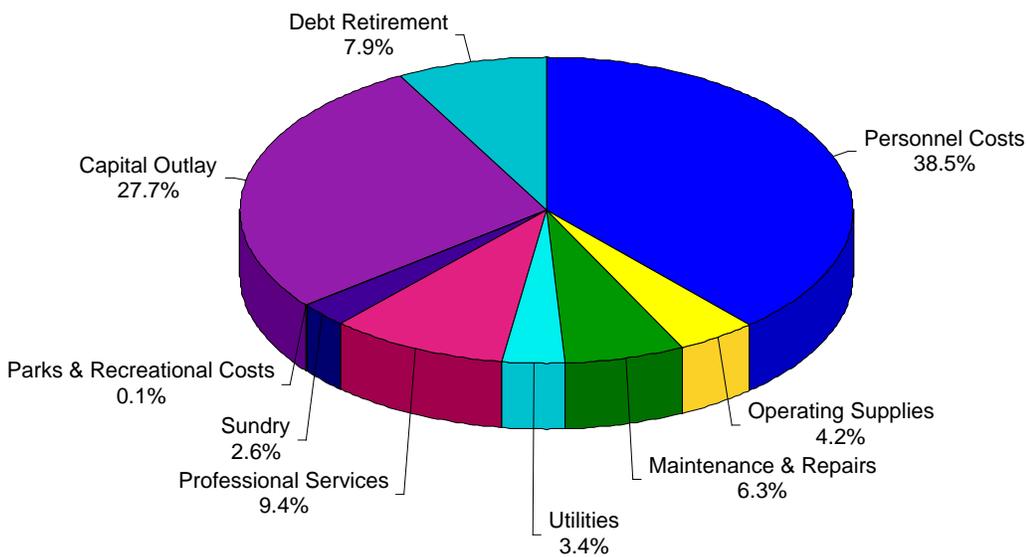
2013-14 BUDGET
ALL FUNDS BY FUND TYPE
REVENUES BY CATEGORY

REVENUES	GENERAL GOVERNMENT	UTILITY SYSTEM	OTHER	TOTAL
Property Tax	1,095,725.00		165,230.00	1,260,955.00
City Sales & Use Tax	270,000.00		50,000.00	320,000.00
Franchise Fees	175,000.00			175,000.00
Charges for Services Municipal Court	53,500.00	1,167,449.00	213,420.00	1,434,369.00
Fines	135,000.00			135,000.00
Interest	5,000.00	5,100.00	500.00	10,600.00
Miscellaneous	20,000.00	6,000.00	1,500.00	27,500.00
Total Revenues	1,754,225.00	1,178,549.00	430,650.00	3,363,424.00



2013-14 BUDGET
ALL FUNDS BY FUND TYPE
EXPENDITURES BY CATEGORY

REVENUES	GENERAL GOVERNMENT	UTILITY SYSTEM	OTHER	TOTAL
Personnel Costs	1,128,224.00	219,571.00		1,347,795.00
Operating Supplies	115,001.00	31,800.00		146,801.00
Maintenance & Repairs	149,900.00	75,280.00		225,180.00
Utilities	79,850.00	45,000.00		124,850.00
Professional Services	187,750.00	134,717.00		322,467.00
Sundry	55,600.00	28,750.00		84,350.00
Parks & Recreation	1,000.00			1,000.00
Capital Outlay	86,900.00	643,431.00	158,000.00	888,331.00
Debt Retirement			278,650.00	278,650.00
Total Expenditures	1,804,225.00	1,178,549.00	436,650.00	3,419,424.00



EXPENDITURES BY DEPARTMENT

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
ADMINISTRATION	454,027.03	419,761.00	422,436.00
CITY MAINTENANCE	243,287.55	252,237.00	269,698.00
STREETS & DRAINAGE	217,631.50	83,000.00	83,000.00
POLICE DEPARTMENT	700,365.62	709,666.00	712,996.00
JUDICIAL	105,684.82	111,611.00	115,655.00
FIRE DEPARTMENT	127,771.98	114,740.00	119,740.00
PARKS & RECREATION	54,658.45	36,100.00	80,700.00
TOTAL	1,903,426.95	1,727,115.00	1,804,225.00
DEBT SERVICE	85,743.46	165,750.00	165,230.00
TOTAL	85,743.46	165,750.00	165,230.00
WATER/SEWER	1,109,713.45	1,194,816.00	1,178,549.00
TOTAL	1,109,713.45	1,194,816.00	1,178,549.00
DEBT SERVICE	241,276.19	94,853.00	113,420.00
TOTAL	241,276.19	94,853.00	113,420.00
CRIME CONTROL & PREVENTION	65,144.66	50,000.00	-
TOTAL	65,144.66	50,000.00	-
INSURANCE CONTINGENCY	1,178.50	-	-
TOTAL	1,178.50	-	-
REPLACEMENT	67,111.69	-	-

	TOTAL	67,111.69	-	-
CAPITAL IMPROVEMENTS		-	-	18,000.00
	TOTAL	-	-	18,000.00
CAPITAL PROJECTS		6,012.45	-	-
	TOTAL	6,012.45	-	-
TRANSPORTATION		-	70,000.00	100,000.00
	TOTAL	-	70,000.00	100,000.00

AUTHORIZED STAFFING GUIDE

	<u>2012</u>	<u>2013</u>	<u>2014</u>
City Administrator	1	1	1
City Secretary	1	1	1
Administrative Assistant	1	1	1
Utility Clerk	1	1	1
Police Chief	1	1	1
Police Lieutenant	1	0	0
Police Sergeant	0	2	2
Patrol Officers	6	5	5
Court Administrator	1	1	1
Court Clerk	1	1	1
Public Works Director	1	1	1
Crew Leader	1	1	1
Administrative Assistant			1
Techs	5	4	4

SALARIES AND WAGES

	FY 2012	FY 2013	Proposed FY 2014	Adopted FY 2014	Adopted Hourly Rate
City Administration					
City Administrator	74,975.00	74,975.00	76,475.00	76,475.00	
City Secretary	53,809.00	53,809.00	54,886.00	54,886.00	
Clerk	27,245.00	27,245.00	27,790.00	27,790.00	13.36
Administrative Assist	30,199.00	30,199.00	30,803.00	30,803.00	14.81
City Maintenance					
Public Works Director	51,510.00	51,510.00	50,510.00	50,510.00	
Crewleader	32,424.00	33,076.00	34,738.00	34,738.00	16.70
Laborer	30,219.00	26,520.00	31,150.00	31,150.00	14.98
Police Department					
Chief of Police	64,005.00	64,005.00	65,285.00	65,285.00	
Sergeant	49,730.00	49,730.00	50,725.00	50,725.00	24.39
Sergeant	49,730.00	49,730.00	50,725.00	50,725.00	24.39
Officer	46,610.00	46,610.00	47,542.00	47,542.00	22.86
Officer	46,610.00	46,610.00	47,542.00	47,542.00	22.86
Officer	46,610.00	46,610.00	47,542.00	47,542.00	22.86
Officer	46,610.00	46,610.00	47,542.00	47,542.00	22.86
Officer	46,610.00	46,610.00	47,542.00	47,542.00	22.86
Municipal Court					
Court Administrator	35,167.00	35,167.00	35,871.00	35,871.00	17.25
Court Clerk/Secretary	27,245.00	27,245.00	27,790.00	27,790.00	13.36
Water and Sewer					
Water Tech	31,820.00	30,530.00	31,150.00	31,150.00	14.98
Water Tech	30,968.00	28,175.00	31,150.00	31,150.00	14.78
Water Tech	30,219.00	26,520.00	31,150.00	31,150.00	14.78
Administrative Assistant			30,803.00	30,803.00	14.81

CITY OF RICHWOOD

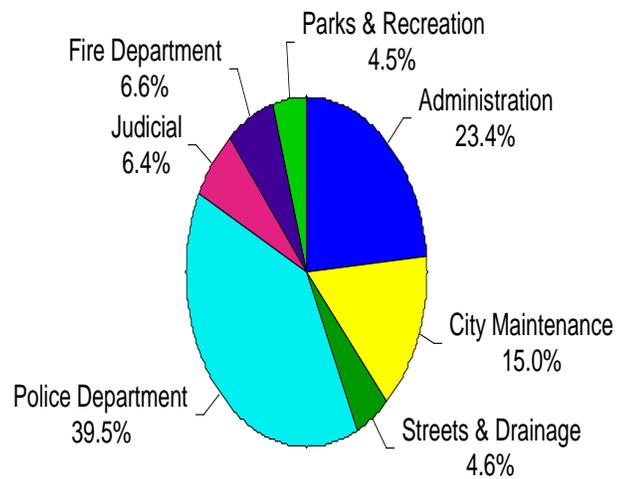
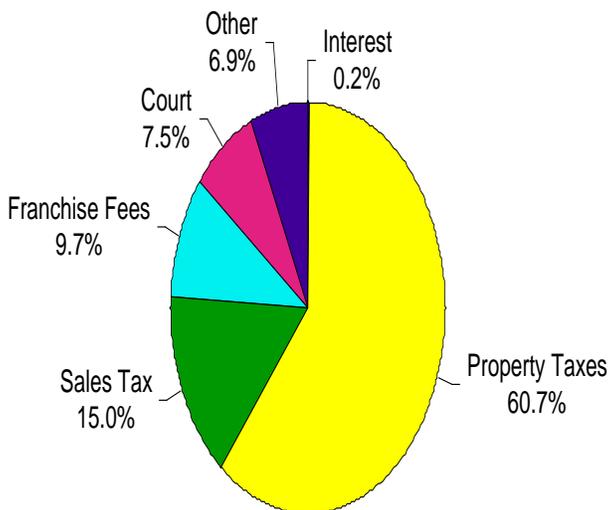
GENERAL FUND

GENERAL OPERATING FUND

Revenues vs Expenditures

Revenues

Expenditures



Revenues

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
4103 AD VALOREM TAXES	1,044,768.38	1,049,315.00	1,048,725.00
4104 DELINQUENT TAXES	17,528.03	20,000.00	25,000.00
4105 PENALTY & INTEREST	15,324.39	15,000.00	22,000.00
4106 LICENSES & PERMITS	8,742.50	12,000.00	12,000.00
4107 BUILDING PERMITS	21,188.26	15,000.00	30,000.00
4109 MUNICIPAL COURTS	129,274.71	140,000.00	135,000.00
4110 INTEREST EARNED	10,395.95	16,000.00	5,000.00
4111 FRANCHISE TAXES	157,812.51	175,000.00	175,000.00
4112 MISCELLANEOUS INCOME	16,220.70	15,000.00	20,000.00
4114 ANIMAL FINES/LICENSES	260.00	500.00	500.00
4116 SALES TAX - STREETS	55,167.01	50,000.00	55,000.00
4117 SALES TAX	220,667.89	210,000.00	215,000.00
4121 PARKS AND RECREATION	9,675.00	7,300.00	11,000.00
4124 STREETS AND DRAINAGE FEE			
TRANSFER IN FROM FUND BAL.	210,000.00		50,000.00
4123 OTHER REVENUES			
FUND TOTAL	1,917,025.33	1,725,115.00	1,804,225.00

MAJOR BUDGET CHANGES

**GENERAL FUND
MAJOR REVENUE SOURCES**

Ad Valorem Taxes (60.7%)

The Ad Valorem, or Property Tax, accounts for \$1,048,725 in revenues. Including projected delinquent collections and penalty and interest, the contribution to the General Fund (operating) is \$1,095,725 or 60.7% of General Fund Revenues.

Sales Tax (15%)

The State of Texas authorizes municipalities to collect a 1¢ sales tax for general operating purposes. Richwood voters recently voted to continue a .25¢ additional sales tax for street maintenance and repairs.

In FY 2013-14 the Sales Tax is projected to bring in \$270,000 or 15% of all General Fund Revenues.

Franchise Fees (9.7%)

Utility companies, such as Reliant Energy, Southwestern Bell Telephone, Warner Cablevision and Waste Management use the City's right-of-ways and easements to conduct their business. In exchange for the right to use public-right-of-ways and easements, the companies pay a franchise or rental use fee. In FY 2013-14 these fees will represent a projected \$175,000 (or 9.7% of general operating revenues)

Municipal Court (7.5%)

Fines for violation of City Ordinances, such as speeding, represent a projected \$135,000 in FY 2013-14 (or 7.5% of general revenues).

Of interest, the projected cost to operate the Police Department in FY 2013-14 will be \$712,996. Therefore, fines cover only 18.93% of the cost to operate our Police Department. The cost to operate the Municipal Court in FY 2013-14 is projected to be \$115,655.

2012 Property Tax Rates
Brazoria County Cities

Holiday Lakes	1.085564
Sweeny	0.844034
Alvin	0.843800
West Columbia	0.831900
Danbury	0.826940
Brazoria	0.762300
<i>Richwood</i>	<i>0.735680</i>
Angleton	0.723500
Pearland	0.705100
Freeport	0.700000
Clute	0.672000
Manvel	0.587863
Brookside Village	0.500000
Oyster Creek	0.473161
Surfside Beach	0.432601
Hillcrest Village	0.391782
Lake Jackson	0.390000
Jones Creek	0.380000
Liverpool	0.230463
Quintana	0.023640

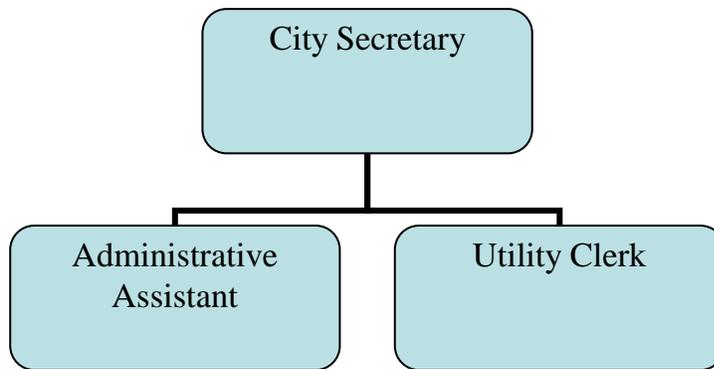
ADMINISTRATION

PROGRAM DESCRIPTION

The Administrative Department includes the City Administrator, City Secretary and office staff and is charged with the administration of the policies of the City Council and enforcement of the ordinances and the orderly operation of the City. The City Administrator is responsible for the day to day operation of the City and to guarantee the goals, policies and objectives of the City Council are adhered to. The City Secretary is responsible for the maintenance and administration of the financial records of the City and serves as the City Tax Assessor/Collector and Records Management Officer. This department is charged with the responsibility of record keeping systems for the financial transactions of the City. The various funds of the City are recorded and disbursed through this office. The Administrative Department is responsible for keeping the official minutes of Council meetings and is responsible for the safekeeping of City ordinances, resolutions and other official documents. This department is always charged with the responsibility of holding the annual elections for members of City Council. In addition to it's normal functions, general oversees the daily operation of the collection of monies for the City.

Legislative costs are also included in this department. The Legislative Branch of the City consists of the Mayor and five Councilpersons, elected by the electorate of the City and are the people's representatives in the most local of all forms of government.

The City Council is charged with the duties and powers as given them by the laws and constitution of the State of Texas and the United States. Final responsibility for the operation of the city government of the City of Richwood rests with the City Council.



PERFORMANCE MEASURES

	Actual 2011/12	Actual 2012/13	Budget 2013/14
1. City Council/Board Meetings Staffed	48	44	45
2. City Council/Agendas Compiled	48	44	45
3. Public Hearings Held	5	17	10

4.	Purchase Orders Processed Monthly	91	80	95
5.	Work Orders Generated Monthly	49	49	60
6.	Accounts Billed Monthly	1,160	1,195	1,220
7.	Ordinances & Resolutions Prepared	21	24	20
8.	Invoices handled per month Customers Served	114	138	150
9.	Phone Calls Per Day	108	94	110
10.	Walk Up Counter Per Day	41	46	50

**Department
Administration**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
PERSONNEL COSTS	227,975.16	231,510.00	241,736.00
OPERATING COSTS	29,782.59	33,700.00	37,500.00
MAINTENANCE AND REPAIRS	83,865.85	44,351.00	25,000.00
UTILITIES AND TELEPHONE	13,750.44	12,500.00	16,000.00
SERVICES	80,920.50	65,000.00	69,000.00
SUNDRY	13,260.88	13,200.00	13,700.00
SUBTOTAL	449,555.42	400,261.00	402,936.00
CAPITAL OUTLAY	4,471.61	19,500.00	19,500.00
DEPARTMENT TOTAL	454,027.03	419,761.00	422,436.00
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE	
CITY ADMINISTRATOR	1	6,372.92	76,475.00
CITY SECRETARY	1	4,573.83	54,886.00
ADMINISTRATIVE ASSISTANT	1	2,566.92	30,803.00
CLERK	1	2,315.83	27,790.00
OVERTIME		250.00	3,000.00
	4	16,079.50	192,954.00
LESS ADMIN OVERHEAD FROM WATER/SEWER			(37,818.00)
TOTAL SALARIES			155,136.00

MAJOR BUDGET CHANGES

2% raise for all employees

Now responsible for all janitorial 5,000.00

1 time additional bonus for all emp. 2,400.00

**Department
Administration**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5100 PERSONNEL COSTS			
01 ADMINISTRATIVE EXP	6,510.23	4,200.00	6,000.00
02 CONTRACT LABOR	1,950.00	5,000.00	10,000.00
03 SALARIES	147,652.56	156,410.00	155,136.00
05 RETIREMENT	23,878.70	16,500.00	19,000.00
10 WORKER'S COMP	70.32	600.00	400.00
15 HOSPITALIZATION	27,852.32	29,100.00	29,100.00
20 UNEMPLOYMENT INS.	1,165.88	1,200.00	1,200.00
30 TRAINING & TRAVEL	13,605.15	13,000.00	13,000.00
75 EMPLOYEE INCENTIVE	5,290.00	5,500.00	7,900.00
TOTAL	227,975.16	231,510.00	241,736.00
5200 OPERATING SUPPLIES			
10 OFFICE SUPPLIES	17,011.67	22,500.00	24,000.00
15 CUSTODIAL SUPPLIES	829.87	1,200.00	1,500.00
30 GAS, OIL, & LUBRICANTS			
40 EXPENDABLE SUPPLIES	11,941.05	10,000.00	12,000.00
TOTAL	29,782.59	33,700.00	37,500.00
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS	69,620.99	34,351.00	15,000.00
12 CONTINGENCY FUND M&R	13,895.00	10,000.00	10,000.00
20 OFFICE FURNITURE/FIX	349.86		
40 VEHICLE M&R			
65 OTHER EQUIPMENT M&R			
TOTAL			

	83,865.85	44,351.00	25,000.00
5400 UTILITIES & TELEPHONE			
10 ELECTRICITY	11,892.84	9,000.00	12,000.00
20 TELEPHONE	1,546.04	2,500.00	2,500.00
30 NATURAL GAS	311.56	1,000.00	1,500.00
TOTAL	13,750.44	12,500.00	16,000.00
5500 SERVICES			
10 ELECTIONS	4,557.30	7,000.00	4,000.00
56 CONT. SERVICES - TAXES	9,133.70	12,000.00	12,000.00
60 ENGINEERING	20,831.75	4,500.00	4,500.00
70 ATTORNEY'S FEES	24,550.30	18,000.00	25,000.00
72 ECONOMIC DEVELOPMENT	1,050.00	1,500.00	1,500.00
80 AUDITOR'S FEES	20,797.45	22,000.00	22,000.00
TOTAL	80,920.50	65,000.00	69,000.00
5600 SUNDRY			
30 INS. - MOTOR VEHICLES			
40 INS. - BLDG/LIAB/BOND	6,075.84	5,000.00	5,000.00
60 DUES & SUBSCRIPTIONS	2,955.00	3,000.00	3,500.00
85 PUBLISHING & ADVERTISING	4,180.04	5,000.00	5,000.00
95 SPECIAL SERVICES - MISC	50.00	200.00	200.00
TOTAL	13,260.88	13,200.00	13,700.00
5900 CAPITAL OUTLAY			
10 OFFICE EQUIPMENT			
35 EQUIP - TIME PAYMENT	4,471.61	4,500.00	4,500.00
40 SPECIAL EQUIPMENT			
50 CONTINGENCY FUND		10,000.00	10,000.00
60 TRANSFER TO CAPITAL		5,000.00	5,000.00
61 TRANSFER TO			

WATER/SEWER

TOTAL	4,471.61	19,500.00	19,500.00

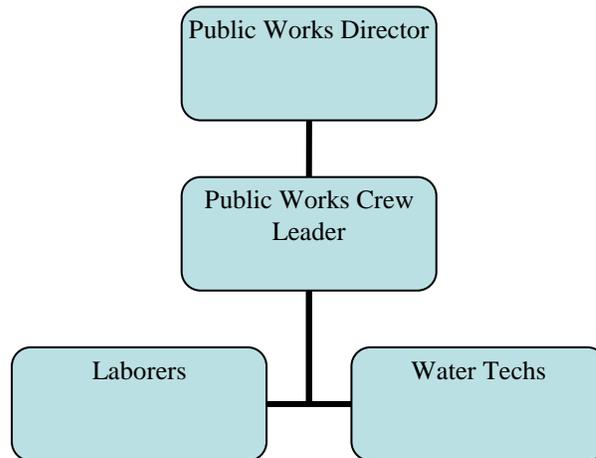
DEPARTMENT TOTAL	454,027.03	419,761.00	422,436.00
-------------------------	------------	------------	------------

CITY MAINTENANCE

PROGRAM DESCRIPTION

This department is responsible for the maintaining and repairing all public streets and alleys, the erection and maintenance of street signs, mowing of right-of-ways, and the maintenance and construction of all drainage ditches. The actual costs of the materials for the maintenance streets and drainage are reflected in another department. This department is also responsible for the repair and maintenance of all city-owned vehicles and equipment on a routine basis.

The Public Works Director also serves as the City's Code Enforcement Officer who provides a variety of direct services which includes plan review, permit issuance, inspections, enforcement of related codes and ordinances and consultations with persons planning any construction within the City. He also insures that all housing meets minimum housing codes standards and polices uncontrolled growth and weeds, accumulation of rubbish and unsightliness caused by junked/abandoned vehicles in public view, signs, and nuisances.



PERFORMANCE MEASURES

	Actual 2011/12	Actual 2012/13	Budget 2013/14
1. Neglected premises	25	14	30
2. Weed/mowing letters	25	20	40
3. Abandoned vehicle letters	26	8	30
4. Follow ups on letters	58	13	70
5. Liens filed	20	2	10
6. Permits issued	130	168	200
7. Building inspections	324	433	500

**Department
City Maintenance**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
PERSONNEL COSTS	154,724.50	167,237.00	172,198.00
OPERATING COSTS	21,152.53	16,000.00	18,500.00
MAINTENANCE AND REPAIRS	11,360.12	10,000.00	11,000.00
UTILITIES AND TELEPHONE	39,176.59	39,000.00	48,000.00
SERVICES	-	500.00	500.00
SUNDRY	16,873.81	19,500.00	19,500.00
SUBTOTAL	243,287.55	252,237.00	269,698.00
CAPITAL OUTLAY	-	-	-
DEPARTMENT TOTAL	243,287.55	252,237.00	269,698.00
POSITION TITLE		EMPLOYEE SALARY RANGE	
	NUMBER		
PUBLIC WORKS DIRECTOR	1	4,209.17	50,510.00
LABORER	1	2,595.83	31,150.00
CREW LEADER	1	2,894.83	34,738.00
OVERTIME		-	3,000.00
	3	9,699.83	119,398.00
TOTAL SALARIES			119,398.00

MAJOR BUDGET CHANGES

raise for public works employees
budgeted for position rather than employee

**Department
City Maintenance**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5100 PERSONNEL COSTS			
02 CONTRACT LABOR		7,000.00	7,000.00
03 SALARIES	114,993.70	114,106.00	119,398.00
05 RETIREMENT	13,679.57	15,331.00	15,500.00
10 WORKER'S COMP	2,800.30	4,000.00	4,100.00
15 HOSPITALIZATION	19,601.25	21,600.00	21,000.00
20 UNEMPLOYMENT INS.	1,077.75	1,600.00	1,600.00
30 TRAINING & TRAVEL	1,349.61	2,000.00	2,000.00
90 UNIFORMS	1,222.32	1,600.00	1,600.00
TOTAL	154,724.50	167,237.00	172,198.00
5200 OPERATING SUPPLIES			
10 OFFICE SUPPLIES	318.46	500.00	500.00
15 CUSTODIAL SUPPLIES	270.44	500.00	500.00
20 TOOLS	2,518.72	1,000.00	1,000.00
30 GAS, OIL, & LUBRICANTS	9,033.45	7,500.00	9,000.00
40 EXPENDABLE SUPPLIES	2,571.46	2,000.00	3,000.00
45 DUMP CHARGES	1,670.00	2,500.00	2,500.00
70 CHEMICALS	4,770.00	2,000.00	2,000.00
TOTAL	21,152.53	16,000.00	18,500.00
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS	973.82	1,500.00	1,000.00
20 OFFICE FURNITURE/FIX			
40 VEHICLE M&R			

	3,838.54	2,500.00	4,000.00
65 OTHER EQUIPMENT M&R	5,223.89	4,000.00	4,000.00
76 SIGNS M&R	1,323.87	2,000.00	2,000.00
TOTAL	11,360.12	10,000.00	11,000.00
5400 UTILITIES & TELEPHONE			
10 ELECTRICITY	36,831.00	36,000.00	45,000.00
20 TELEPHONE	1,927.64	2,000.00	2,500.00
30 NATURAL GAS	417.95	1,000.00	500.00
TOTAL	39,176.59	39,000.00	48,000.00
5500 SERVICES			
60 ENGINEERING			
70 ATTORNEY'S FEES		500.00	500.00
TOTAL	-	500.00	500.00
5600 SUNDRY			
30 INS. - MOTOR VEHICLES	2,006.90	3,000.00	3,000.00
40 INS. - BLDG/LIAB/BOND	2,144.99	3,000.00	3,000.00
60 DUES & SUBSCRIPTIONS	9,216.92	11,000.00	11,000.00
85 PUBLISHING & ADVERTISING	240.00	500.00	500.00
95 SPECIAL SERVICES - MISC	3,265.00	2,000.00	2,000.00
TOTAL	16,873.81	19,500.00	19,500.00
5900 CAPITAL OUTLAY			
10 OFFICE EQUIPMENT			
20 MOTOR VEHICLES			
30 EQUIPMENT			
35 EQUIP - TIME PAYMENT			
40 SPECIAL EQUIPMENT			
TOTAL	-	-	-

DEPARTMENT TOTAL	<u>243,287.55</u>	<u>252,237.00</u>	<u>269,698.00</u>
-------------------------	-------------------	-------------------	-------------------

STREETS AND DRAINAGE

PROGRAM DESCRIPTION

The costs for the materials necessary for the repair and maintenance of city streets and the maintenance and construction of all drainage ditches, drainage facilities and improvements related to drainage in the city are recorded in this department.

**Department
Streets and Drainage**

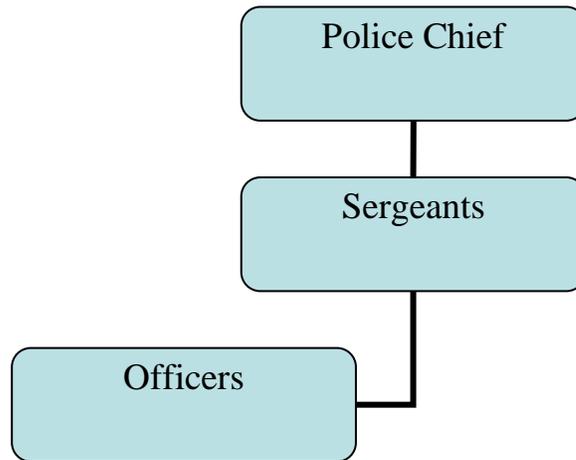
EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5300 MAINTENANCE & REPAIRS			
80 STREET M&R	26,713.19	21,600.00	21,600.00
85 DRAINAGE M&R	6,987.78	2,500.00	2,500.00
TOTAL	33,700.97	24,100.00	24,100.00
5900 CAPITAL OUTLAY			
65 STREET PROJECTS	183,930.53	52,000.00	52,000.00
75 DRAINAGE		6,900.00	6,900.00
TOTAL	183,930.53	58,900.00	58,900.00
DEPARTMENT TOTAL	217,631.50	83,000.00	83,000.00

MAJOR BUDGET CHANGES

POLICE DEPARTMENT

PROGRAM DESCRIPTION

As always the main goal of the Richwood Police Department is to serve the citizens of this city with the very best policing this department can offer. By making the listed changes our overall ability to meet this goal is even more obtainable than by just mere patrol techniques alone. The city is one of change, change in growth and potential future business. It is the goal of this police department to be as proactive as possible to these changes and continue to offer the services that Richwood citizens have come to deserve and expect.



PERFORMANCE MEASURES

TOTAL EVENT, REPORT AND ARREST HISTORY FOR FISCAL YEAR 2012/2013 (October 01, 2012- September 30, 2013)

TOTAL NUMBER OF CALLS FOR SERVICE: 9456
(Increase of **2,890** from Fiscal Year 2011/2012)

TOTAL NUMBER OF REPORTS: 221
(Increase of **64** from Fiscal Year 2011/2012)

TOTAL NUMBER OF ARRESTS: 205
(Increase of **15** from Fiscal Year 2011/2012)

REPORTS:

Abandoning/ Endangering a Child	1
Accident Involving Damage	5
Aggravated Robbery	1
Aggravated Sexual Assault of Child	3
Animal Reports	5
Assaults	31
Assault of a Public Servant	2
Bribery	1
Burglary of a Building	27
Burglary of Habitation	10
Burglary of Vehicle	8
Credit/Debit Card Abuse	4
Criminal Mischief	19
Criminal Non-Support	1
Criminal Trespass	1
Death Investigation	10
Disorderly Conduct	1
Drug Offenses	11
DWI	21
DWLI	4
Evading/Resisting Arrest	8
Fail to Comply (Fixed or Unattended)	7
Fail to ID	2
False Statement to Obtain Property	1
Fire Investigation	1
Harassment	5
Hindering Secured Creditor	1
Identity Theft	4
Incident (Other)	10
Injury to a Child/Elderly	2
Interference w/Emergency Call	2
Interference w/Public Duties	1
Missing Persons	3
Prohibited Weapons	1
Public Intoxication	3
Reckless Driving	1
Sale, D/D Harmful Material to Minor	1
Sexual Assault	1
Suicide Threats/Attempts	2

Tampering w/Physical Evidence	1
Terroristic Threats	2
Thefts	26
UUMV	2

ARRESTS:

Accident Involving Damage	2
Assaults	21
Assault of a Public Servant	2
Bribery	1
Burglary of a Building	4
Burglary of Habitation	4
Consumption of Alcohol by Minor	4
Credit/Debit Card Abuse	2
Criminal Mischief	7
Criminal Trespass	1
Disorderly Conduct	5
Drug Offenses	9
DWI	21
DWLI	26
Evading/Resisting Arrest	8
Fail to Comply (Fixed or Unattended)	3
Fail to ID	2
False Statement to Obtain Property	6
Harassment	3
Interference w/Emergency Call	1
Interference w/Public Duties	1
Prohibited Weapons	1
Public Intoxication	18
Reckless Driving	1
Sale, Distribute, Display Harmful Material to Minor	1
Sexual Assault	1
Suicide Threats/Attempts	2
Tampering w/Physical Evidence	1
Terroristic Threats	1
Thefts	5
UUMV	2
Violate Promise to Appear	63
Traffic	133

Department
Police Department

EXPENDITURE CLASSIFICATION	ACTUAL FY 2010/11	BUDGET FY 2011/12	BUDGET FY 2012/13
PERSONNEL COSTS	571,266.64	576,308.00	578,208.00
OPERATING COSTS	40,824.91	43,708.00	43,708.00
MAINTENANCE AND REPAIRS	21,948.97	15,500.00	15,500.00
UTILITIES AND TELEPHONE	2,893.74	6,000.00	6,000.00
SERVICES	45,500.00	46,750.00	46,750.00
SUNDRY	11,640.64	12,500.00	14,500.00
SUBTOTAL	694,074.90	700,766.00	704,666.00
CAPITAL OUTLAY	-	-	-
DEPARTMENT TOTAL	694,074.90	700,766.00	704,666.00
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE	
POLICE CHIEF	1	5,333.75	64,005.00
SERGEANT	1	4,144.17	49,730.00
SERGEANT	1	4,144.17	49,730.00
OFFICER	1	3,884.17	46,610.00
OFFICER	1	3,884.17	46,610.00
OFFICER	1	3,884.17	46,610.00
OFFICER	1	3,884.17	46,610.00
OFFICER	1	3,884.17	46,610.00
OVERTIME		2,616.08	31,393.00
	8	35,659.00	427,908.00
TOTAL SALARIES			427,908.00

MAJOR BUDGET CHANGES

Department
Police

EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5100 PERSONNEL COSTS			
02 CONTRACT LABOR	1,950.00	5,000.00	
03 SALARIES	424,159.14	427,908.00	435,838.00
05 RETIREMENT	53,236.25	55,600.00	56,000.00
10 WORKER'S COMP	6,945.58	11,500.00	11,500.00
15 HOSPITALIZATION	55,121.37	65,000.00	65,000.00
20 UNEMPLOYMENT INS.	2,852.80	2,000.00	2,000.00
30 TRAINING & TRAVEL	2,222.26	7,000.00	13,300.00
75 EMPLOYEE INCENTIVE	7,675.00	6,700.00	6,700.00
90 UNIFORMS	4,865.57	2,500.00	2,500.00
TOTAL	559,027.97	583,208.00	592,838.00
5200 OPERATING SUPPLIES			
10 OFFICE SUPPLIES	3,573.98	5,500.00	5,500.00
15 CUSTODIAL SUPPLIES			
20 TOOLS	1,436.90	1,500.00	1,500.00
30 GAS, OIL, & LUBRICANTS	34,002.02	35,208.00	30,208.00
40 EXPENDABLE SUPPLIES	1,442.96	1,500.00	1,500.00
TOTAL	40,455.86	43,708.00	38,708.00
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS	348.66	1,000.00	1,000.00
20 OFFICE FURNITURE/FIX	329.66	500.00	500.00
40 VEHICLE M&R	9,438.09	12,000.00	10,300.00
65 OTHER EQUIPMENT M&R			

	2,039.92	2,000.00	2,000.00
TOTAL	12,156.33	15,500.00	13,800.00
5400 UTILITIES & TELEPHONE			
20 TELEPHONE	4,630.06	6,000.00	6,000.00
TOTAL	4,630.06	6,000.00	6,000.00
5500 SERVICES			
40 DISPATCH SERVICES	33,666.55	34,000.00	34,000.00
42 JAIL EXPENSE	6,500.00	6,500.00	5,500.00
58 ANIMAL CONTROL	6,000.00	6,000.00	6,000.00
70 ATTORNEY'S FEES		250.00	250.00
TOTAL	46,166.55	46,750.00	45,750.00
5600 SUNDRY			
30 INS. - MOTOR VEHICLES	2,919.13	4,000.00	4,000.00
40 INS. - BLDG/LIAB/BOND	4,246.56	6,000.00	6,000.00
60 DUES & SUBSCRIPTIONS		500.00	1,900.00
85 PUBLISHING & ADVERTISING			
95 SPECIAL SERVICES - MISC	4,263.16	4,000.00	4,000.00
TOTAL	11,428.85	14,500.00	15,900.00
5900 CAPITAL OUTLAY			
10 OFFICE EQUIPMENT	-		
20 MOTOR VEHICLES	26,500.00		
30 EQUIPMENT	-		
35 EQUIP - TIME PAYMENT	-		
40 SPECIAL EQUIPMENT	-		
TOTAL	26,500.00	-	-

DEPARTMENT TOTAL

700,365.62

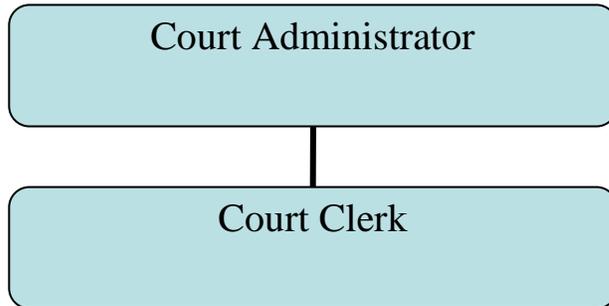
709,666.00

712,996.00

JUDICIAL DEPARTMENT

PROGRAM DESCRIPTION

This department is charged with carrying out responsibilities as outlined in the laws of the State of Texas and ordinances of the City in its function as the judicial branch of the municipal government. The Municipal Court is responsible for administering the disposition of Class C misdemeanor charges brought against persons within the geographical boundaries of the City. The Court Clerk is responsible for the maintenance of the Municipal Court Docket and monitoring collection of fines assessed by the Municipal Judges, reporting traffic offense convictions to the Department of Public Safety, reporting monthly case statistics and revenue to the State Office of Court Administration and State Quarterly tax reports of court costs collected. The Judges preside over all Court hearings which include docket calls of each week and jury trials.



PERFORMANCE MEASURES

	Actual 2011/12	Actual 2012/13	Budget 2013/14
1. Cases filed	1,507	1,633	2,000
2. Warrants issued	491	282	350
3. Citations closed	2,263	1,785	2,500
4. Trials held	0	3	4
5. Letters	727	497	600

**Department
Judicial**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
PERSONNEL COSTS	97,266.71	101,762.00	102,262.00
OPERATING COSTS MAINTENANCE AND REPAIRS	3,526.68	4,149.00	5,693.00
	-	-	-
UTILITIES AND TELEPHONE	-	-	-
SERVICES	4,651.48	5,500.00	7,500.00
SUNDRY	239.95	200.00	200.00
SUBTOTAL	105,684.82	111,611.00	115,655.00
CAPITAL OUTLAY	-	-	-
DEPARTMENT TOTAL	105,684.82	111,611.00	115,655.00
POSITION TITLE		EMPLOYEE SALARY RANGE	
	NUMBER		
COURT ADMINISTRATOR	1	2,989.25	35,871.00
COURT CLERK	1	2,315.83	27,790.00
JUDGE	1	200.00	2,400.00
ALTERNATE JUDGE	1	200.00	2,400.00
OVERTIME		291.67	3,500.00
	4	5,996.75	71,961.00
TOTAL SALARIES			71,961.00

MAJOR BUDGET CHANGES

2% raise

Increased attorney's fees	2,000.00
New maintenance costs for ticketwriting patch	1,000.00

**Department
Judicial**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5100 PERSONNEL COSTS			
03 SALARIES AND WAGES	71,570.32	70,712.00	70,712.00
05 RETIREMENT	10,282.61	10,500.00	11,000.00
10 WORKERS COMP	33.29	300.00	300.00
15 HOSPITALIZATION	13,813.08	17,500.00	17,500.00
20 UNEMPLOYMENT INSURANCE	631.17	750.00	750.00
30 TRAINING & TRAVEL	936.24	2,000.00	2,000.00
TOTAL	97,266.71	101,762.00	102,262.00
5200 OPERATING SUPPLIES			
10 OFFICE SUPPLIES	3,429.43	3,649.00	5,193.00
40 EXPENDABLE SUPPLIES	97.25	500.00	500.00
TOTAL	3,526.68	4,149.00	5,693.00
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS	-	-	
20 OFFICE FURNITURE/FIX	-	-	
TOTAL	-	-	-
5500 SERVICES			
65 JURY EXPENSE	-	500.00	500.00
70 ATTORNEY'S FEES	4,651.48	5,000.00	7,000.00
TOTAL	4,651.48	5,500.00	7,500.00
5600 SUNDRY			

60 DUES & SUBSCRIPTIONS	239.95	200.00	200.00
85 PUBLISHING & ADVERTISING	-	-	
TOTAL	239.95	200.00	200.00
5900 CAPITAL OUTLAY			
10 OFFICE EQUIPMENT			
30 EQUIPMENT			
40 SPECIAL EQUIPMENT			
TOTAL	-	-	-
DEPARTMENT TOTAL	<u>105,684.82</u>	<u>111,611.00</u>	<u>115,655.00</u>

FIRE DEPARTMENT

PROGRAM DESCRIPTION

This department is charged with the responsibilities of firefighting operations and fire prevention within the City and its extra-territorial jurisdiction and is also responsible for mutual aid assistance 24 hours a day, 365 days a year.

PERFORMANCE MEASURES

	Actual	Estimated	Budget
	2011/12	2012/13	2013/14
1. Fire Responses	37		

**Department
Fire Department**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
PERSONNEL COSTS	8,990.28	19,190.00	19,190.00
OPERATING COSTS	25,706.19	11,800.00	11,800.00
MAINTENANCE AND REPAIRS	5,161.68	6,000.00	6,000.00
UTILITIES AND TELEPHONE	3,675.60	4,450.00	4,450.00
SERVICES	54,000.00	60,000.00	65,000.00
SUNDRY	13,388.39	4,800.00	4,800.00
SUBTOTAL	110,922.14	106,240.00	111,240.00
CAPITAL OUTLAY	16,849.84	8,500.00	8,500.00
DEPARTMENT TOTAL	127,771.98	114,740.00	119,740.00

MAJOR BUDGET CHANGES

Department
Fire Department

EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5100 PERSONNEL COSTS			
06 PENSION PLAN	6,750.00	11,390.00	11,390.00
10 WORKER'S COMP	87.74	300.00	300.00
30 TRAINING & TRAVEL		1,000.00	1,000.00
90 UNIFORMS	2,152.54	6,500.00	6,500.00
TOTAL	8,990.28	19,190.00	19,190.00
5200 OPERATING SUPPLIES			
10 OFFICE SUPPLIES		1,000.00	1,000.00
15 CUSTODIAL SUPPLIES		300.00	300.00
20 TOOLS	23,842.19	7,500.00	7,500.00
30 GAS, OIL, & LUBRICANTS	1,727.80	2,000.00	2,000.00
40 EXPENDABLE SUPPLIES	136.20		
85 FIRE PREVENTION SUPPLIES		1,000.00	1,000.00
TOTAL	25,706.19	11,800.00	11,800.00
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS	(219.00)	1,000.00	1,000.00
40 VEHICLE M&R	2,036.61	2,000.00	2,000.00
60 RADIO M&R	1,147.00	2,000.00	2,000.00
65 OTHER EQUIPMENT M&R	2,197.07	1,000.00	1,000.00
TOTAL	5,161.68	6,000.00	6,000.00
5400 UTILITIES & TELEPHONE			
10 ELECTRICITY	2,361.93	2,500.00	2,500.00
20 TELEPHONE			

	1,097.64	1,200.00	1,200.00
30 NATURAL GAS	216.03	750.00	750.00
TOTAL	3,675.60	4,450.00	4,450.00
5500 SERVICES			
60 ENGINEERING	-	-	
66 CONTRACT - AMBULANCE	54,000.00	60,000.00	65,000.00
70 ATTORNEY'S FEES	-	-	
TOTAL	54,000.00	60,000.00	65,000.00
5600 SUNDRY			
30 INS. - MOTOR VEHICLES	2,189.37	3,000.00	3,000.00
40 INS. - BLDG/LIAB/BOND	784.02	1,000.00	1,000.00
60 DUES & SUBSCRIPTIONS	10,415.00	800.00	800.00
85 PUBLISHING & ADVERTISING	-		
95 SPECIAL SERVICES - MISC	-		
TOTAL	13,388.39	4,800.00	4,800.00
5900 CAPITAL OUTLAY			
10 OFFICE EQUIPMENT	-		
20 MOTOR VEHICLES	-		
30 EQUIPMENT	16,849.84	8,500.00	8,500.00
35 EQUIP - TIME PAYMENT		-	
40 SPECIAL EQUIPMENT	-		
TOTAL	16,849.84	8,500.00	8,500.00
DEPARTMENT TOTAL	127,771.98	114,740.00	119,740.00

PARKS AND RECREATION

PROGRAM DESCRIPTION

This department is responsible for the function of directing and managing a program of developing and providing parks and recreational facilities and services for the residents of the City of Richwood.

This department maintains and develops our City parks, parkways, landscaping projects, and green areas surrounding City buildings and facilities. Areas are maintained according to standards which insure safe and aesthetically pleasing places of leisure through mowing, horticulture practices, repair, cleaning and litter removal.

It also provides recreational, education, and physical activities for the public. The programs provided utilize our City facilities and parks, and are a vital contribution to the enhancement of the quality of life in our community.

Included in this budget is a line item for the Richwood Beautification Committee which is a commission of the City of Richwood and charged with the restoration, preservation and enhancement of scenic beauty of the City of Richwood. The all volunteer Committee promotes anti-litter awareness, recycling, proper solid waste management and overall city cleanliness through an aggressive program which includes education, city-wide clean ups, recycling programs, law enforcement and public awareness.

PERFORMANCE MEASURES

	Actual 2011/12	Estimated 2012/13	Budget 2013/14
1. Facility Rental			
P.K. Forrest Community Center	153	148	200
Pavilion	56	49	60
2. Garage sale permits	69	65	80

Beautification Committee
2013-14
Calendar and Goals

The Beautification Committee has established the following calendar for the next year.

<i>June</i>	Swear in New Members and Reorganize Commission Set Date and Time of Meetings Assign Members to Months for choosing Award Winners Review progress on landscape projects KTB Convention Flag Day Finalize budget
<i>July</i>	Review progress on landscape projects Flags for 4 th of July Focus deadline
<i>August</i>	Review progress on landscape projects Litter Index Survey Due
<i>September</i>	Flags for Labor Day Flags for Patriots Day Arbor Day Poster contest for 5 th graders Review progress on landscape projects
<i>October</i>	Review progress on landscape projects Focus Deadline Brazoria County Fair Garage Sale Flyers to Polk and OLQP for Fall Clean Up
<i>November</i>	Fall Clean-up Review progress on landscape projects Flags for Veterans Day
<i>December</i>	Christmas in the Park Flags for Pearl Harbor Day
<i>January</i>	Focus deadline
<i>February</i>	Review Progress on Landscape Projects Entry Due for Keep Texas Beautiful
<i>March</i>	Review progress on landscape projects Flyers to Polk and OLQP for Spring Clean Up
<i>April</i>	Spring Clean Up Review progress on landscape projects Preliminary budget discussion Review Progress on Landscape Projects Arbor Day (Last Friday in April) Focus deadline
<i>May</i>	Preliminary budget discussion Review progress on landscape projects Flags for Memorial Day Finalize Calendar and Goals

**Department
Parks and Recreation**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5100 PERSONNEL COSTS			
02 CONTRACT LABOR	8,134.36		
03 SALARIES			
05 RETIREMENT			
10 WORKER'S COMP			
20 UNEMPLOYMENT INS.			
30 TRAINING & TRAVEL			
TOTAL	8,134.36	-	-
5200 OPERATING SUPPLIES			
10 OFFICE SUPPLIES			
15 CUSTODIAL SUPPLIES	976.08	500.00	600.00
20 TOOLS	559.98	500.00	500.00
40 EXPENDABLE SUPPLIES	467.56	200.00	200.00
70 CHEMICALS	1,168.00	1,500.00	1,500.00
TOTAL	3,171.62	2,700.00	2,800.00
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS	24,896.83	19,000.00	65,000.00
65 OTHER EQUIPMENT M&R	4,373.82	5,000.00	5,000.00
TOTAL	29,270.65	24,000.00	70,000.00
5400 UTILITIES & TELEPHONE			
10 ELECTRICITY	1,253.48	5,400.00	5,400.00
20 TELEPHONE			
TOTAL			

	1,253.48	5,400.00	5,400.00
5500 SERVICES			
60 ENGINEERING	-	-	
70 ATTORNEY'S FEES		-	-
TOTAL	-	-	-
5600 SUNDRY			
40 INS. - BLDG/LIAB/BOND	879.07	1,500.00	1,500.00
60 DUES & SUBSCRIPTIONS 85 PUBLISHING & ADVERTISING	125.00	-	-
95 SPECIAL SERVICES - MISC	-	-	-
TOTAL	1,004.07	1,500.00	1,500.00
5800 PARKS AND RECEPTION			
50 BEAUTIFICATION 51 PARKS AND RECREATION	3,000.00	2,500.00	1,000.00
TOTAL	3,000.00	2,500.00	1,000.00
5900 CAPITAL OUTLAY			
30 EQUIPMENT 40 SPECIAL EQUIPMENT	8,824.27		
TOTAL	8,824.27	-	-
DEPARTMENT TOTAL	<u>54,658.45</u>	<u>36,100.00</u>	<u>80,700.00</u>



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF RICHWOOD

**GENERAL OBLIGATION DEBT SERVICE
FUND**

GENERAL OBLIGATION DEBT SERVICE

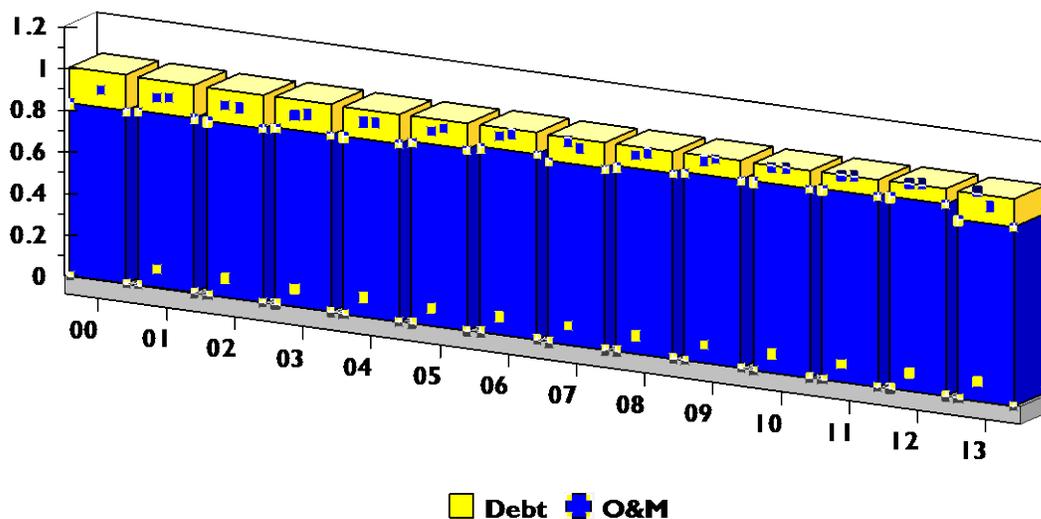
The General Obligation Debt Service Fund is used for the accumulation of resources to provide for the payment of debt service on the City's General Obligation Bonds and to provide a reserve for such payment. Resources include a portion of the Ad Valorem Tax Levy and earnings from investment of the fund. (The Ad Valorem Tax Levy is pledged as security on outstanding General Obligation Bonds.)

The portion of the current year Tax Levy allocated to General Obligation Debt Service Fund is based on current year principal and interest requirements less anticipated interest earnings on the fund. This calculation gives the necessary dollar figure, the debt service portion of the tax rate is then calculated based on a 98% collection rate.

Tax Rate Limitations. The City is a Type A General Law City with a maximum authorized rate for all purposes of \$1.50 per \$100 assessed valuation. This maximum tax rate is imposed by the Constitution of the State of Texas.

Ad Valorem Tax

Revenue Distribution History



**General Obligation
Debt
Revenues**

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
4103 INTEREST & SINKING 4210 TRANS IN-GENERAL FUND	87,352.12	165,750.00	165,230.00
4110 INTEREST EARNED	<u>166.05</u>	120.00	120.00
FUND TOTAL	<u>87,518.17</u>	165,870.00	165,350.00

**General Obligation Debt
Expenditures**

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5900 CAPITAL OUTLAY			
10 BOND FEES		1,000.00	1,000.00
60 BANK LOAN	15,458.28	15,459.00	21,390.00
50 CO SERIES 2011 REFUNDING	70,285.18	71,753.00	65,190.00
50 CO SERIES 2012		77,538.00	77,650.00
FUND TOTAL	85,743.46	165,750.00	165,230.00

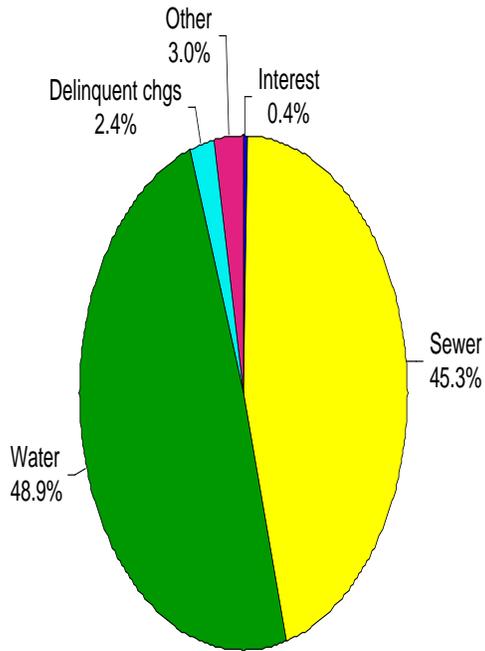
CITY OF RICHWOOD

WATER AND SEWER FUND

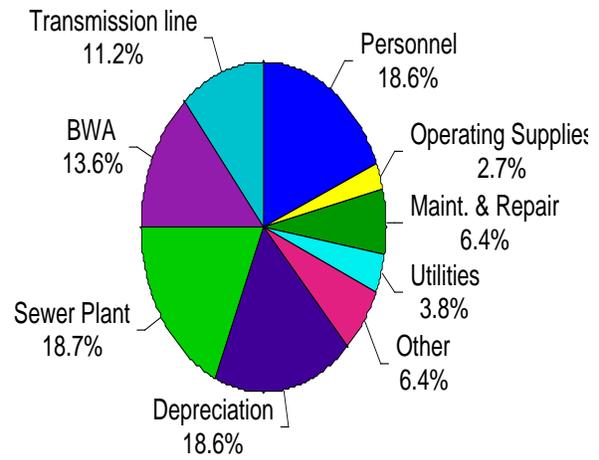
WATER/SEWER FUND

Revenues vs Expenditures

Revenues



Expenditures



Water/Sewer Fund

Revenues

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
4110 INTEREST EARNED	7,215.66	10,000.00	5,100.00
4410 WATER FEES	418,164.66	588,079.00	576,795.00
4420 SEWER FEES	365,669.22	545,137.00	533,854.00
4430 DELINQUENT CHARGES	16,235.64	26,000.00	28,000.00
4440 WATER TAPS	9,187.50	6,500.00	11,300.00
4450 SEWER TAPS	5,187.50	4,100.00	5,500.00
4460 RECONNECT FEES	3,850.00	7,000.00	7,000.00
4470 GARBAGE RECEIPTS	5,182.03	4,000.00	5,000.00
4112 MISCELLANEOUS TRANSFER IN FUND	118.89	4,000.00	6,000.00
BALANCE TRANSFER IN - CAPITAL PROJ		.	
FUND TOTAL	830,811.10	1,194,816.00	1,178,549.00

WATER/SEWER FUND
MAJOR REVENUE SOURCES

Water Sales (48.9%)

Water Sales account for \$576,495 (48.92%) of Utility Revenues projected for FY 2013-14.

The City buys 235,000 gallons of water per day (on a take or pay basis) from the Brazosport Water Authority for \$1.64 per 1,000 gallons of water. The City charges the following for water:

	Base Rate (2,000 gallons)	\$15.00 per month
	3,000-5,000	\$ 3.00 per 1,000 gallons
	6,000-14,000	\$ 3.10 per 1,000 gallons
	14,000-20,000	\$ 3.35 per 1,000 gallons
	21,000-30,000	\$ 3.60 per 1,000 gallons
	31,000 +	\$ 3.85 per 1,000 gallons
Over 65		
	Base rate (4,000 gallons)	\$15.00 per month
	Over 4,000 gallons	\$ 2.75 per 1,000 gallons
Fire Department		
	Base rate (4,000 gallons)	free
	Over 4,000 gallons	\$ 2.75 per 1,000 gallons

This rate covers the cost of the water purchased from BWA; cost to operate the water well and to maintain the distribution system; and, to cover water portions of Debt Service Requirements.

Sewer Sales (45.3%)

Sewer Sales are projected to be \$533,854 in FY 2013-14.

The current sewer rates are:

	Base Rate (2,000 gallons)	\$13.00 per month
	3,000-5,000	\$ 3.00 per 1,000 gallons
	6,000-14,000	\$ 3.10 per 1,000 gallons
	14,000-20,000	\$ 3.35 per 1,000 gallons
	21,000-30,000	\$ 3.60 per 1,000 gallons
	31,000 +	\$ 3.85 per 1,000 gallons
Over 65		
	Base rate (4,000 gallons)	\$13.00 per month
	Over 4,000 gallons	\$ 2.75 per 1,000 gallons
Fire Department		
	Base rate (4,000 gallons)	free
	Over 4,000 gallons	\$ 2.75 per 1,000 gallons

The sewer rates cover the cost of the City's collection system, including 6 lift stations, the City's portion of the cost to operate the jointly owned Richwood/Clute Sewage Treatment Plant, as well as any Debt Service related to the sewer system.

How do we compare to other cities our size?

5,000 gals. Consumed				10,000 gals. Consumed			
	Water	Sewer	Total		Water	Sewer	Total
Hamilton	47.75	32.00	79.75	Reno	86.00	51.50	137.50
Reno	51.00	27.00	78.00	Henrietta	71.88	36.51	108.39
Brazoria	36.30	29.75	66.05	Hamilton	65.50	42.00	107.50
Henrietta	38.25	26.51	64.76	Brazoria	59.55	46.00	105.55
State Avg.	28.81	25.66	54.47	Farmersville	42.19	42.00	84.19
Nocona	31.00	20.00	51.00	State Avg.	45.71	36.18	81.89
Farmersville	24.39	24.88	49.27	Eagle Lake	33.82	47.13	80.95
Eagle Lake	20.02	27.48	47.50	West Columbia	39.60	36.88	76.48
Olney	27.50	18.00	45.50	<i>Richwood</i>	<i>36.70</i>	<i>34.70</i>	<i>71.40</i>
West Columbia	22.35	21.33	43.68	Sweeny	39.75	31.25	71.00
Fairfield	26.81	15.95	42.76	Needville	41.70	24.70	66.40
<i>Richwood</i>	<i>22.20</i>	<i>20.20</i>	<i>42.40</i>	Olney	41.25	23.00	64.25
Sweeny	22.25	18.75	41.00	Nocona	38.50	20.00	58.50
Caldwell	18.56	16.83	35.39	Oyster Creek	38.50	20.00	58.50
Needville	20.85	12.80	33.65	Caldwell	30.16	25.63	55.79
Oyster Creek	16.20	12.96	29.16	Fairfield	31.33	18.66	49.99

WATER AND SEWER DEPARTMENT

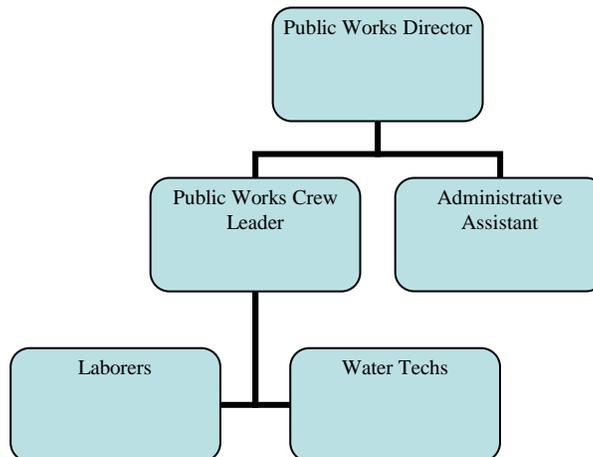
PROGRAM DESCRIPTION

This department is responsible for the production, storage, and the distribution of the potable water throughout the City of Richwood in accordance with requirements of the Texas Natural Resource Conservation Commission, the Texas Department of Health, the Texas Commission on Fire Protection and the United States Environmental Protection Agency. It includes the operation of the booster pumps, repair of lines, meters, and maintenance of other appurtenances associated with the water distribution system. Also included are the City's contracted costs for the operation of the Brazosport Water Authority. The City has a take or pay agreement to purchase 235,000 gallons per day from the BWA. The surface water is supplemented by the City's water well.

The meter reader is also funded out of this department. One half of the personnel costs associated with the Utility Clerk is budgeted from this department. This position is responsible for maintaining all utility customer records, bills for service provided and monitors and collects active and inactive accounts receivable.

This department is also responsible for the collection of all waste water and its transmission to the Sewage Treatment Plant. It includes the operation, maintenance and repair of all lines, manholes and lift stations connected with the sewer collection system up to and included the College Drive lift station.

Costs for the City of Richwood's portion of the operation of the jointly owned Richwood/Clute sewage treatment plant are reflected in this department.



PERFORMANCE MEASURES

	Actual 2011/12	Actual 2012/13	Budget 2013/14
1. Meters read per month	1,136	1,682	1,750
2. Water produced by wells	32,319,000	29,909,900	40,000,000
3. Water purchased from BWA	87,197,000	87,197,000	95,000,000
4. Water distributed	119,516,000	115,655,900	120,000,000
5. # of water samples per month	3	3	3
6. Wastewater sent to Clute	148,084,217	104,178,535	150,000,000
7. Miles of water lines maintained	50	50	50
8. Miles of sewer lines maintained	45	45	45

**Department
Water/Sewer**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
PERSONNEL COSTS	182,048.54	164,843.00	219,571.00
OPERATING COSTS	30,562.54	26,100.00	31,800.00
MAINTENANCE AND REPAIRS	62,930.00	83,780.00	75,280.00
UTILITIES AND TELEPHONE	48,915.21	43,000.00	45,000.00
SERVICES	203,199.75	131,516.00	134,717.00
SUNDRY	25,410.68	30,500.00	28,750.00
SUBTOTAL	553,066.72	479,739.00	535,118.00
CAPITAL OUTLAY	556,646.73	715,077.00	643,431.00
DEPARTMENT TOTAL	1,109,713.45	1,194,816.00	1,178,549.00
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE	
WATER TECH	1	2,595.83	31,150.00
WATER TECH	1	2,595.83	31,150.00
WATER TECH	1	2,595.83	31,150.00
W/S ADMINISTRATIVE ASST	1	2,566.92	30,803.00
OVERTIME		416.67	5,000.00
ADMIN.OVERHEAD		3,151.50	37,818.00
	3	13,922.58	167,071.00
TOTAL SALARIES			167,071.00

MAJOR BUDGET CHANGES

Add new clerk to handle TCEQ, Stormwater, Code Enforcement

**Department
Water/Sewer**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5100 PERSONNEL COSTS			
02 CONTRACT LABOR	-		
03 SALARIES	137,455.01	122,043.00	167,071.00
05 RETIREMENT	16,235.20	12,000.00	16,000.00
10 WORKER'S COMP	2,800.30	4,000.00	3,500.00
15 HOSPITALIZATION	21,837.48	21,600.00	28,000.00
20 UNEMPLOYMENT INS.	1,064.95	1,200.00	1,000.00
30 TRAINING & TRAVEL	2,655.60	4,000.00	4,000.00
90 UNIFORMS		-	
TOTAL	182,048.54	164,843.00	219,571.00
5200 OPERATING SUPPLIES			
10 OFFICE SUPPLIES	10,374.59	9,000.00	10,000.00
15 CUSTODIAL SUPPLIES	294.73	600.00	300.00
20 TOOLS	699.77	1,000.00	2,000.00
30 GAS, OIL, & LUBRICANTS	14,134.94	8,000.00	12,000.00
40 EXPENDABLE SUPPLIES	528.12	500.00	500.00
70 CHEMICALS	4,530.39	7,000.00	7,000.00
TOTAL	30,562.54	26,100.00	31,800.00
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS	1,027.12	13,500.00	5,000.00
20 OFFICE FURNITURE/FIX			
40 VEHICLE M&R	2,645.03	3,000.00	3,000.00
65 OTHER EQUIPMENT M&R	1,431.62		
89 WATER TOWERS			

90 WATER LINES M&R	44,253.71	47,280.00	47,280.00
92 SEWER LINES M&R	13,572.52	20,000.00	20,000.00
TOTAL	62,930.00	83,780.00	75,280.00
5400 UTILITIES & TELEPHONE			
10 ELECTRICITY	46,327.31	40,000.00	42,000.00
20 TELEPHONE	2,587.90	2,500.00	2,500.00
30 NATURAL GAS		500.00	500.00
TOTAL	48,915.21	43,000.00	45,000.00
5500 SERVICES			
05 LEASE EXPENSE	197,212.75	131,516.00	132,520.00
60 ENGINEERING	3,887.00		2,197.00
70 ATTORNEY'S FEES	2,100.00		
TOTAL	203,199.75	131,516.00	134,717.00
5600 SUNDRY			
30 INS. - MOTOR VEHICLES	2,006.90	3,000.00	2,000.00
40 INS. - BLDG/LIAB/BOND	21,696.96	25,000.00	25,000.00
60 DUES & SUBSCRIPTIONS	1,671.82	2,000.00	1,250.00
85 PUBLISHING & ADVERTISING		500.00	500.00
95 SPECIAL SERVICES - MISC	35.00		
TOTAL	25,410.68	30,500.00	28,750.00
5900 CAPITAL OUTLAY			
10 OFFICE EQUIPMENT			
20 MOTOR VEHICLES		24,129.00	24,000.00
30 EQUIPMENT	7,465.23	60,000.00	
35 EQUIP - TIME PAYMENT	17,092.87	20,000.00	20,000.00
40 SPECIAL EQUIPMENT			
90 SEWAGE TREATMENT			

PLANT	172,026.63	230,000.00	220,000.00
95 BRAZOSPORT WATER AUTH	167,931.00	155,000.00	160,000.00
96 DEPRECIATION	192,131.00	225,948.00	219,431.00
TOTAL	556,646.73	715,077.00	643,431.00
DEPARTMENT TOTAL	<u>1,109,713.45</u>	<u>1,194,816.00</u>	<u>1,178,549.00</u>

Net Income (loss) - legal basis	-
Capital acquisitions	44,000.00
Debt principal payments	63,838.00
Depreciation (unbudgeted)	-
Net income - on a GAAP basis	107,838.00

THE CITY OF RICHWOOD

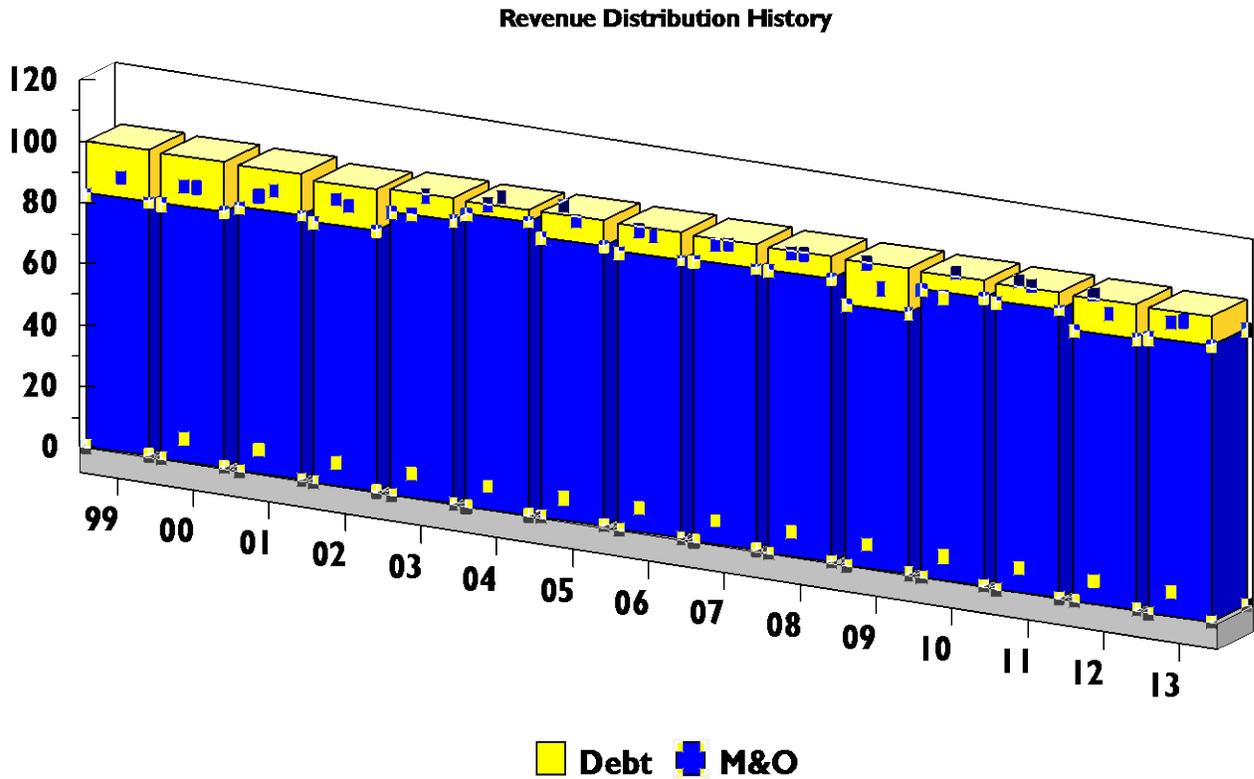
**REVENUE BOND
DEBT SERVICE FUND**

REVENUE BONDS DEBT SERVICE

The Revenue Bonds Debt Service Fund is used for the accumulation of resources for the payment of Water and Sewer Revenue Bonds and also to provide a reserve as provided by the City's bond ordinances. These ordinances currently require the City to maintain a balance equal to the succeeding fiscal year's principal and interest payment.

The Revenue Bond Debt Service is provided by Water and Sewer Fees. Issuance of additional bonds may impact Water and Sewer fees, but will have no impact on property tax rates.

UTILITY REVENUES



**Revenue Bond Debt
Revenues**

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
4113 TRANS IN FROM REVENUE	158,269.00		
4410 WATER FEES	40,330.61	51,283.00	60,666.00
4420 SEWER FEES	35,489.64	43,570.00	52,754.00
FUND TOTAL	234,089.25	94,853.00	113,420.00

**Revenue Bond Debt
Expenditures**

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5900 CAPITAL OUTLAY			
10 BOND FEES		1,500.00	1,500.00
60 SERIES 2009			15,459.00
70 CO SERIES 2011	57,698.69	53,981.00	58,008.00
89 RB I&S SERIES 1980	142,810.00		
91 RB I&S SERIES 2004	40,767.50	39,372.00	38,453.00
FUND TOTAL	241,276.19	94,853.00	113,420.00

MAJOR BUDGET CHANGES

CITY OF RICHWOOD

SPECIAL FUNDS

SPECIAL FUNDS

PROGRAM DESCRIPTION

The City's Special Funds provide funding for a wide range of projects, such as water or sewer projects or equipment replacement

ACCOMPLISHMENTS

Replacement Fund

Money from the Replacement Fund was used to improve the Richwood Municipal Park and to purchase equipment for Public Works such as a dump truck and trailer.

MAJOR PROJECTS FOR FY 2013-14

Purchase of 2 new water pumps.

Capital Improvement Revenues

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
4110 INTEREST	1,050.45	2,500.00	200.00
4113 INTRAGOVERNMENTAL	6,012.45		
FUND TOTAL	7,062.90	2,500.00	200.00

Capital Improvement Expenditures

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5240 EXPENDABLE			
5915 CAPITAL OUTLAY			18,000.00
FUND TOTAL	-	-	18,000.00

Replacement Revenues

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
4110 INTEREST	1,878.14	5,000.00	200.00
4112 MISCELLANEOUS	13,839.29		1,500.00
4113 INTERGOVERNMENTAL	20,380.05		
FUND TOTAL	36,097.48	5,000.00	1,700.00

Replacement Expenditures

DESCRIPTION	ACTUAL	BUDGET	BUDGET
-------------	--------	--------	--------

	FY 2011/12	FY 2012/13	FY 2013/14
5240 EXPENDABLE	3,207.47		
5310 BUILDING & GROUNDS	29,237.40		
5915 CAPITAL OUTLAY	34,666.82		
FUND TOTAL	67,111.69	-	-

Capital Projects Revenues

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
4110 INTEREST			
4113 INTRAGOVERNMENTAL			
FUND TOTAL	-	-	-

Capital Projects Expenditures

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5240 EXPENDABLE			-
5915 CAPITAL OUTLAY	6,012.45		
FUND TOTAL	6,012.45	-	-

Insurance Contingency Revenues

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
4110 INTEREST	79.78	100.00	100.00
FUND TOTAL	79.78	100.00	100.00

**Insurance Contingency
Expenditures**

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5240 EXPENDABLE	1,178.50		
5915 CAPITAL OUTLAY			
FUND TOTAL	1,178.50	-	-

MAJOR BUDGET CHANGES

2 new water pumps

CITY OF RICHWOOD

**CRIME CONTROL AND PREVENTION
DISTRICT**

CRIME CONTROL AND PREVENTION DISTRICT

PROGRAM DESCRIPTION

The Crime Control and Prevention District Fund is a special fund established to record receipts collected by the State for a one-quarter percent sales tax on taxable items sold within the City of Richwood for crime control and prevention programs. District funds are available for crime control and crime prevention programs, including the cost of personnel, administration, expansion, enhancement and capital expenditures related to police and law enforcement programs, community-related crime prevention strategies, treatment and prevention programs, and court and prosecution services.

The original two year financial plan can be summarized as follows:

- Richwood is a City where people feel safe anywhere, all the time.
- Promote preventative efforts and address any increase in crime as well as any other community concerns related to public safety
- Purchase equipment and tools available to Police Department personnel
- To maintain and support the officers serving the City of Richwood
- Enhance the recruitment of high quality officers

ACCOMPLISHMENTS

FY 2011/12 – The money raised was used to purchase the software and equipment necessary to transfer dispatching to Lake Jackson. This included the addition of computers in the police vehicles.

MAJOR PROJECTS FOR FY 2013-14

To help accomplish the stated goals the following resources/equipment/tools are proposed.

Apply funds this year to finish Police Department side of new building.

**Crime Control and Prevention
Revenues**

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
TRANS IN - FUND BALANCE			
4110 INTEREST	26.23		-
4112 MISCELLANEOUS	7,000.03		
4117 SALES TAX	45,682.57	50,000.00	50,000.00
FUND TOTAL	<u>52,708.83</u>	<u>50,000.00</u>	<u>50,000.00</u>

**Crime Control and Prevention
Expenditures**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5200 SUPPLIES			
5220 TOOLS	-		-
5240 EXPENDABLE	1,971.46		
TOTAL	1,971.46	-	-
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS			40,000.00
40 VEHICLE M&R			
65 OTHER EQUIPMENT M&R			
TOTAL	-	-	40,000.00
5900 CAPITAL			
5920 MOTOR VEHICLES	53,681.21	26,000.00	

5930 EQUIPMENT	11,463.45	24,000.00	
	65,144.66	50,000.00	-
FUND TOTAL	<u>67,116.12</u>	<u>50,000.00</u>	<u>40,000.00</u>

MAJOR BUDGET CHANGES

CITY OF RICHWOOD

TRANSPORTATION FUND

TRANSPORTATION FUND

PROGRAM DESCRIPTION

This fund was created by City Council to raise money for streets, sidewalks and drainage. The fund was created as of October, 201s.

ACCOMPLISHMENTS

Overlay and repair of Oyster Creek Drive.

MAJOR PROJECTS FOR FY 2013-14

Sidewalks along Oyster Creek Drive – from Blue Jay Drive to Moore Street.

Transportation Fund

Revenues

DESCRIPTION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
TRANS IN - FUND BALANCE			
4110 INTEREST			-
4112 MISCELLANEOUS			
4125 TRANSPORTATION FEE		70,000.00	100,000.00
FUND TOTAL	-	70,000.00	100,000.00

Transportation Fund

Expenditures

EXPENDITURE CLASSIFICATION	ACTUAL FY 2011/12	BUDGET FY 2012/13	BUDGET FY 2013/14
5300 MAINTENANCE & REPAIR			
5380 STREETS M&R			50,000.00
5382 SIDEWALKS M&R	-		50,000.00
5385 DRAINAGE M&R			
TOTAL	-	-	100,000.00
5900 CAPITAL			
5965 STREET PROJECTS		70,000.00	
5975 DRAINAGE			
5985 SIDEWALK PROJECTS			
	-	70,000.00	-
FUND TOTAL	-	70,000.00	100,000.00

MAJOR BUDGET CHANGES



THIS PAGE INTENTIONALLY LEFT BLANK

ORDINANCE NO. 384

AN ORDINANCE OF THE CITY OF RICHWOOD, TEXAS, MAKING CERTAIN FINDINGS OF FACT REGARDING THE FILING OF A pROPOSED BUDGET FOR SAID CITY BY THE MAYOR THEREOF; ADOPTING A BUDGET FOR SAID CITY FOR THE FISCAL YEAR OCTOBER 1, 2013 - SEPTEMBER 30, 2013; AUTHORIZING AND PRESCRIBING THE METHOD OF CONTRACTING AND PAYING THE ITEMS OF EXPENSE CONTAINED THEREIN; PROVIDING A SEVERANCE CLAUSE; PROVIDING FOR AN EFFECTIVE DATE FOR THIS ORDINANCE.

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

SECTION ONE (1): - The City Council of the City of Richwood, Texas, find as a matter of fact:

- (A) That, in compliance with the provisions of Section 102, Texas Local Government Code, the Honorable Clint Kocurek, Mayor of said City, prepared the proposed budget for the Fiscal Year beginning October 1, 2013 and ending September 30, 2014 for said City.
- (B) That in compliance with the Texas Local Government Code, the Mayor filed the budget with the Secretary of said City, on June 14, 2013.
- (C) That in compliance with Section 102.006, Texas Local Government Code, public notice of the date, time and place of the hearing to be conducted thereon by the City Council was given.

SECTION TWO (2): - Adoption of Budget

The City Council of the City of Richwood, Texas pursuant to the provisions of Section 102.007, Texas Local Government Code, do hereby adopt said budget for said City for the Fiscal Year which begins October 1, 2013 and which will end September 30, 2014.

SECTION THREE (3): - Expenditures

The City Council of the City of Richwood, Texas, hereby authorizes and prescribes the following method of contracting and paying for the items of expense contained in the budget for the Fiscal Year 2013-2014:

- (A) By Mayor or Mayor Pro-Tem, and City Manager or City Secretary

In addition to paying the salaries of the Secretary, Judge, Police Chief, Police Officers, Public Works Director and other various employees of the City of Richwood, the Mayor or Mayor Pro-Tem and the City Manager or City Secretary are hereby authorized to contract for and purchase and to issue checks on the funds of the City, not exceeding a total amount of the amount budgeted, in payment of any item of expense authorized by such budget except Fund Balances without further authority from the City Council where the amount to be expended in any one instance is less than Fifty Thousand and no/100 (\$50,000) Dollars.

(B) Expenses of \$50,000.00 or over

The Mayor and City Manager of the City of Richwood, Texas, shall be authorized to contract for and purchase and to issue checks on the funds of the City, not exceeding a total amount of the amount budgeted, in payment of any item of expense authorized by the budget, where the amount to be expended in any one instance is Fifty Thousand and no/100 (\$50,000.00) Dollars or more only after compliance with the competitive bidding requirements of Section 252 of the Texas Local Government Code.

SECTION FOUR (4): - Severance Clause

In the event any section of provision of this ordinance is found to be unconstitutional, void or inoperative by the final judgment of a court of competent jurisdiction, such defective section or provision, if any, is hereby declared to be severable from the remaining sections and provisions of this ordinance such remaining sections and provisions shall remain in full force and effect.

SECTION FIVE (5): - Effective Date of this Ordinance

This Ordinance shall be effective immediately upon its passage and approval.

PASSED AND APPROVED this 12th day of August, 2013.

(S) Clint Kocurek
Clint Kocurek, Mayor

ATTEST:

(S) Karen B. Schrom
Karen B. Schrom, City Secretary

ORDINANCE NO. 385

AN ORDINANCE OF THE CITY OF RICHWOOD, TEXAS, CONTAINING A PREAMBLE; CONTAINING FINDINGS OF FACT, FIXING AND LEVYING MUNICIPAL AD VALOREM TAXES FOR SAID CITY FOR THE FISCAL YEAR WHICH BEGINS OCTOBER 1, 2013 AND ENDS SEPTEMBER 30, 2014, DIRECTING THE ASSESSMENT AND COLLECTION THEREOF; PROVIDING A SEVERANCE CLAUSE; AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER ITS PASSAGE AND APPROVAL.

WHEREAS, the City of Richwood, Texas, was heretofore duly incorporated as a municipality under the provisions of Chapter 11, Title 28, Revised Civil Statutes of Texas (1925); and

WHEREAS, by virtue of Ordinance No. 15 of the City, read, passed, and approved on the 21st day of May, 1963, and pursuant to the authority of Article 961 of said Statutes, the governing body of the City adopted the provisions of Chapters 1 through 10 of said Title 28; and

WHEREAS, a municipality operating under the provisions of Chapters 1 through 10 of said Statutes is authorized by the provisions of Chapter 5 of Title 28 of said Statutes and Article VIII of the Constitution of Texas to levy, assess, and collect an annual ad valorem tax, not to exceed One and 50/100 (\$1.50) Dollars on the one hundred (\$100.00) Dollar valuation of taxable property within its corporate limits, for public purposes, including current expenses, the retirement of lawful debts and the creation of an interest and sinking fund for the redemption of bonds and certificates of obligation to be issued by the governing body of such municipality; and

WHEREAS, pursuant to Section 26.01, Texas Property Tax Code, the Brazoria County Appraisal District certified to the assessor for the City the appraisal roll for the city; and

WHEREAS, on the 31st day of July, 2013, the tax assessor-collector of the City pursuant to the provisions of Section 26.04 of said Code calculated the tax rate and caused notice of such calculation to be published in the Brazosport Facts.

WHEREAS, on the 14th day of June, 2013, pursuant to the provisions of Article 689a-14 of said Statutes, the Mayor of the City filed with the City Secretary his proposed budget for the fiscal year which will begin October 1, 2013 and end September 30, 2014; and

WHEREAS, in order to meet the requirements of such proposed budget, ad valorem taxes must be levied in the amount of Seventy Three and 568/1000ths (.73568) cents on the one hundred dollar (\$100.00) valuation; and

WHEREAS, Section 26.05 of said Code provides that the annual tax rate for a taxing unit must be set by ordinance, resolution or order, depending upon the method prescribed by law for the adoption of a law by the governing body, and the vote on the ordinance, resolution or order setting the tax rate must be separate from the vote adopting the budget; and

WHEREAS, on the 2nd day of August, 2013, a notice was published in the Brazosport Facts stating that a public hearing on the budget for the fiscal year which will begin October 1, 2013 and end September 30, 2014, would be held by the City Council of the City of Richwood, Texas, on Monday, the 12th day of August, 2013 at 7:00 o'clock p.m. in the City Hall of the City located at 215 Halbert within the corporate limits of the City of Richwood, in Brazoria County, Texas; and

WHEREAS, the above mentioned public budget hearing has been conducted on the day, at the time and in the manner prescribed by Article 29e and Section 102.006, Local Government Code and said budget was adopted at a meeting of the City Council of the City of Richwood, Texas, held on the 8th day of August, 2013 beginning at 7:00 p.m., by separate Ordinance No. 384 of the said City, the budget of the City for its fiscal year which will begin October 1, 2013 and will end September 30, 2014; and

WHEREAS, the City Council of the City of Richwood finds that the taxes for such fiscal year hereinafter levied therefore are necessary to pay interest and to provide the required sinking fund on outstanding time warrants issued for municipal purposes, and on bonds and certificates of obligation proposed to be issued for such purposes during such fiscal year; and

WHEREAS, the City Council of the City of Richwood has determined and does here now declare that the adoption of this ordinance is necessary to the health, safety, morals and general welfare of the City and its inhabitants.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RICHWOOD, TEXAS:

FIRST, the City Council of the City of Richwood determined and does here now declare that the facts recited in the preamble of this ordinance are true.

SECOND, for the current expenses of the City of Richwood, Texas, and for the general improvement of the City and its property, there is hereby levied and ordered to be assessed and collected during the fiscal year which will begin October 1, 2013 and which will end September 30, 2014, and for each year thereafter until it be otherwise ordered and ordained, on all property, real, personal and mixed, lying and situated within the corporate limits of the City of Richwood, in Brazoria County, Texas,

and not exempt from taxation by valid laws, an ad valorem tax at the rate of \$.73568 on the One hundred (\$100.00) Dollars valuation of such property.

THIRD, for the purpose of paying interest and providing a sinking fund on the outstanding time warrants issued for municipal purposes and described in the schedule set out in this section, and for the purpose of paying interest and making provisions for a sinking fund on bonds and certificates of obligation which may be issued during the fiscal year of the City, for the municipal purposes described in the schedule set out in this section, there is hereby levied and ordered to be assessed and collected for the fiscal year of the City, and for each year thereafter until it be otherwise provided and ordained on all property, real, personal and mixed, lying and situated within the corporate limits of the City of Richwood, in Brazoria County, Texas, and not exempt from taxation by valid laws, an ad valorem tax for the outstanding time warrants and for each issue of bonds and certificates of obligation described in such schedule at the respective rate shown in the right column of such schedule opposite the description thereof, such rates being expressed in amounts on the one hundred (\$100.00) Dollars valuation of such property, the total of said respective levies being \$.73568, said outstanding time warrants and said bonds and certificates of obligation issues, and the amounts of the levies therefor, being as follows, to-wit:

Maintenance and Operation Rate	-	\$.63870
Interest and Sinking Rate	-	\$.09698
TOTAL RATE:	-	\$.73568/\$100

FOURTH, in the event any section or provision of this ordinance is found to be unconstitutional, void or inoperative by the final judgement of a court of competent jurisdiction, such defective provision, if any, is hereby declared to be severable from the remaining sections and provisions of this ordinance and such remaining sections and provisions shall remain in full force and effect.

FIFTH, this ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED this the 12th day of August, 2013.

(S) Clint Kocurek
Clint Kocurek, Mayor

ATTEST:

(S) Karen B. Schrom
Karen B. Schrom, City Secretary



THIS PAGE INTENTIONALLY LEFT BLANK

BUDGET GLOSSARY

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget document in understanding these terms, a budget glossary has been included in the document.

ACCRUAL BASIS - The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

ACCRUED EXPENSES - Expenses incurred but not due until a later date.

ACCRUED REVENUES - Revenues earned but not yet received.

ADMINISTRATIVE OVERHEAD - Administrative service charges are allocated to all Enterprise Fund activities (water/sewer) for indirect management and administrative support given by general fund departments.

AD VALOREM TAXES - (Current) All property, real personal, mixed tangible, intangible, annexations, additions, and improvements to property located within the taxing units jurisdiction which are subject to taxation on January 1 of the current fiscal year. Following the final passage of the appropriations ordinance, City Council sets the tax rate and levy for the current fiscal year beginning October 1 and continuing through the following September 30th.

AD VALOREM TAXES - (Delinquent) All taxes are due on receipt of bill and are delinquent if not paid before February 1 of the fiscal year in which it is imposed.

AD VALOREM TAXES - (Penalty and Interest) A delinquent tax incurs a penalty of six (6%) percent of the amount of the tax for the first calendar month it is delinquent, plus one (1%) percent for each additional month or portion of the month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, the delinquent tax on July 1 incurs a total penalty of twelve (12%) percent of the amount of the delinquent tax without regard to the number of months the tax has been delinquent. If a person exercises the split-payment option, as provided by the Property Tax Code, and fails to make the second payment before July 1, the second payment is delinquent and incurs a penalty of twelve (12%) percent of the amount of the unpaid tax. A delinquent tax incurs at the rate of one (1%) percent for each month or portion of a month the tax remains unpaid.

APPROPRIATION - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

APPROPRIATION ORDINANCE - The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

ASSESSED VALUATION - A value that is established for real or personal property for use as a basis for levying property taxes. (Note: Property values are established by the Brazoria County Appraisal District.)

BOND - A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

BUDGET - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the appropriating body.

BUDGET ADJUSTMENTS - A legal procedure utilized by the City staff and City Council to revise a budget appropriation. City staff has the prerogative to adjust expenditures within a departmental budget.

BUDGET CALENDAR - The schedule of key dates or milestones which the City departments follow in the preparation, adoption, and administration of the budget.

BUDGET DOCUMENT - The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

BUDGET DOCUMENT - The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

BUDGET MESSAGE - The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the Mayor.

BUDGETED FUNDS - Funds that are planned for certain uses but have not been formally or legally appropriated by the legislative body. The budget document that is submitted for Council approval is composed of budgeted funds.

CASH BASIS - A basis of accounting under which transactions are recognized only when cash changes hands.

CASH MANAGEMENT - The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

COST - (1) The amount of money or other consideration exchanged for property or service. (2) Expense.

COST ACCOUNTING - That method of accounting which provides for assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operations, or to complete a unit of work or a specific job.

CURRENT TAXES - Taxes that are levied and due within one year.

DEBT SERVICES - The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

DEFICIT - (1) The excess of liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period; or, in the case of proprietary funds, the excess of expense over income during an accounting period.

DELINQUENT TAXES - Taxes that remain unpaid on and after the date on which a penalty for non-payment

is attached.

DEPRECIATION - The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

ENTERPRISE FUND - A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) for providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability, or other purposes.

ENCUMBRANCES - Commitments related to unperformed (executory) contracts for goods or services.

EXPENDITURE - This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds. Note: An encumbrance is not an expenditure. Any encumbrance reserves funds to be expended.

EXPENSES - Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest and other charges.

FISCAL YEAR - The time period designated by the City signifying the beginning and ending period for recording financial transactions. The City of Richwood has specified October 1 to September 30 as its fiscal year.

FIXED ASSETS - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

FRANCHISE TAX - This is a charge paid for the use of City streets and public right of way and is in lieu of all other municipal charges, fees, street rentals, pipe taxes or rentals, easement or other like franchise taxes, inspection fees, and/or charges of every kind except Ad Valorem and special assessment taxes for public improvements. Current franchise taxes include: gas, cable TV, electric, telephone, and sanitation.

FUNCTION - A ground of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible.

FUND - An accounting entity that has a set of self-balancing accounts and that records all financial transactions for specific activities or government functions. Eight commonly used funds in public accounting are: general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, trust and agency funds, internal service funds, and special assessment funds.

FUND BALANCE - Fund balance is the excess of assets over liabilities and is therefore also known as surplus funds.

GENERAL FUND - The fund used to account for all financial resources except those required to be accounted for in another fund.

GENERAL OBLIGATION BONDS - Bonds that finance a variety of public projects such as streets, buildings, and improvements; the repayment of these bonds is usually made from the General Fund, and these bonds are backed by the full faith and credit of the issuing government.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) - Uniform minimum standards and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. They encompass the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. They provide a standard by which to measure financial presentations.

GRANTS - Contributions of gifts of cash or other assets from another government to be used or expended for a specified purpose, activity, or facility.

INTERFUND TRANSFERS - Amounts transferred from one fund to another.

INVESTMENTS - Securities and real estate held for the production of revenue in the form of interest, dividends, rentals, or lease payments. The term does not include fixed assets used in governmental operations.

LEVY - (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government.

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

MODIFIED ACCRUAL BASIS - The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under it, revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the related fund liability is incurred except for: (1) Inventories of materials and supplies which may be considered expenditures either when purchased or used. (2) Prepaid insurance and similar items which need not be reported. (3) Accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger than normal accumulations must be disclosed in the notes to the financial statements. (4) Principal and interest on long-term debt which are generally recognized when due.

OBJECT CODE - Expenditure classification according to the types of items purchased or services obtained; for example, services, materials, supplies and equipment.

OPERATING BUDGET - Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law. Even where not required by law, however, annual operating budgets are essential to sound financial management and should be adopted by every government.

OPERATING EXPENSES - Proprietary fund expenses which are directly related to the fund's service activities.

OPERATING GRANTS - Grants which are restricted by the grantor to operating purposes or which may be used for either capital or operating purposes at the discretion of the grantee.

OPERATING REVENUES - Proprietary fund revenues which are directly related to the fund's primary service activities. They consist primarily of user charges for services.

ORDINANCE - A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less formality and has a lower legal status. Ordinarily, the statutes will specify or imply those legislative actions which must be by ordinance and those which may be by resolution. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, universally require ordinances.

PERFORMANCE AUDITS - Examinations intended to assess; (1)The economy and efficiency of the audited entity's operations and; (2) Program effectiveness-the extent to which program objectives are being attained.

PERFORMANCE MEASURES - Specific quantitative and qualitative measures of work performed as an objective of the department.

PROGRAM DESCRIPTION - Describe the nature of service delivery provided at this level of funding.

PROGRAM OBJECTIVES - Quantifiable steps toward accomplishing stated goals. They should have a specific time frame or measurable achievement. Objectives should be able to be reached or completed within the current fiscal year.

PROGRAM GOALS - Program goals describe the purpose or benefit the division/department plans to provide to the community and/or organization it serves. Goals identify the end result the division/department desires to achieve with its activities, but goals are often ongoing and may not be achieved in one year.

PROPERTY TAX - Property taxes are levied on both real and personal property according to the property's valuation and the tax rate.

RESERVE - An account to use to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

REVENUE BONDS - Bonds whose principal and interest are payable exclusively from earnings of an Enterprise Fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the Enterprise Fund's property.

REVENUES - (1) Increases in governmental fund type net current assets from other than expenditures refunds and residual equity transfers. Under NCGA Statement 1, general long-term debt proceeds and operating transfers in are classified as "other financing sources" rather than revenues. (2) Increases in proprietary fund type net total assets from other than expense refunds, capital contributions, and residual equity transfers. Under NCGA Statement 1, operating transfers in are classified separately from revenues.

SALES TAX - A general "sales tax" is levied on all persons and businesses selling merchandise in the city limits on a retail basis. Monies collected under authorization of this tax is for the use and benefit of the City; however, no city may pledge anticipated revenues from this source to secure the payment of funds or other indebtedness. The current sales tax for the City is 8.00% (1% rebated to the City from the State and the balance retained).

TAX RATE - The amount of tax stated in terms of a unit of the tax base; for example, \$.50 per \$100 (one hundred dollars) assessed valuation of taxable property.

TAX RATE LIMIT - The maximum rate at which a government may levy a tax. The limit may apply to taxes raised for a particular purpose, or to taxes imposed for all purposes, and may apply to a single government, to a class of governments, or to all governments in a particular area. Overall tax rate limits usually restrict levies for all purposes and of all governments, state and local, having jurisdiction in a given area.

TAX ROLL - The official list showing the amount of taxes levied against each taxpayer or property. Frequently, the tax roll and the assessment roll are combined, but even in these cases the two can be distinguished.

TAXES - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

TRIAL BALANCE - A list of the balances of the accounts in a ledger kept by double entry with the debit and credit balances shown in separate columns.

UNENCUMBERED BALANCE - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purchases.