

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

This budget will raise more total property taxes than last year's budget by \$19,768.00 or .02%, and all of this increase is tax revenue to be raised from new property value added to the tax roll this year. Based on certified values, taxes on new property will generate \$35,872.00 in tax revenue.

The proposed tax rate will raise \$20,818.00 more for maintenance and operations than last year. The tax rate will effectively be decreased by 0.006% 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 evolvement, 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

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City of Richwood

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RICHWOOD, TEXAS 77531
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October, 2011

Honorable Mayor and City Council
City of Richwood
Richwood, Texas

Presented for your review and consideration is the proposed Fiscal Year (FY) 2011-12 Annual Budget and Program of Services. A joint cooperative effort of yourselves and the City Staff has culminated in this final budget document. The 2011-12 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.

I learned a great deal from the budget process last year. Even with the difficult choices made, I have to say that we had a great deal of fun working together to present a balanced budget. Through meetings or email correspondence, we were able to determine each department head's priorities.

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 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 2011-12

The City of Richwood saw a growth of 2.2% in our taxable value this past year, in sharp contrast to the rest of the County which almost unanimously saw a decrease.

This upcoming fiscal year, 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 by adding two new wells to the City's water system, 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. We continue to adhere to our mission statement which best outlines the future we have set for ourselves:

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.

OVERVIEW OF THE FY 2011-11 BUDGET

Despite the tough economic times, I felt it was extremely important to be able to award our hardworking employees with at least a minimal raise. I am happy to say that we were able to achieve this goal with a 2% increase across the board.

General Fund

The largest increases are to be found in Administration, Fire Department and Parks and Recreation. Administration's increase is primarily due to budgeted an additional \$60,000 to either repair the current building or set aside for the purchase of land to build a new Municipal Complex.

The Fire Department has asked for an increase to add an initial attack vehicle to the City Fleet. I am thrilled that we were able to include this in the budget.

This past year, we demolished the City Pool. As a result, we were able to budget much of the money once used to run the pool to now be used to enhance and maintain our current park system.

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

Water/Sewer presented a bigger problem. We have known since 2005 that the well at 720 N. Mahan was failing as it has a split screen. We were able to secure funding to drill two new wells which will be put into the system in FY 2011-12. As a result, we are looking at another increase in water rates.

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 \$2,878,837 an increase of \$137,220 over the prior year's amended budget. The maintenance and operations portion of the tax rate will be 64.184¢ per \$100 of valuation. The

Interest and Sinking Fund which will be used to pay the Certificates of Obligations which allowed us to complete the major projects of building the new elevated storage tank as well as the park and Municipal building refurbishing and is 5.182¢. The tax rate for FY 2011-12 is 69.366¢, same as it has been for the past 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.

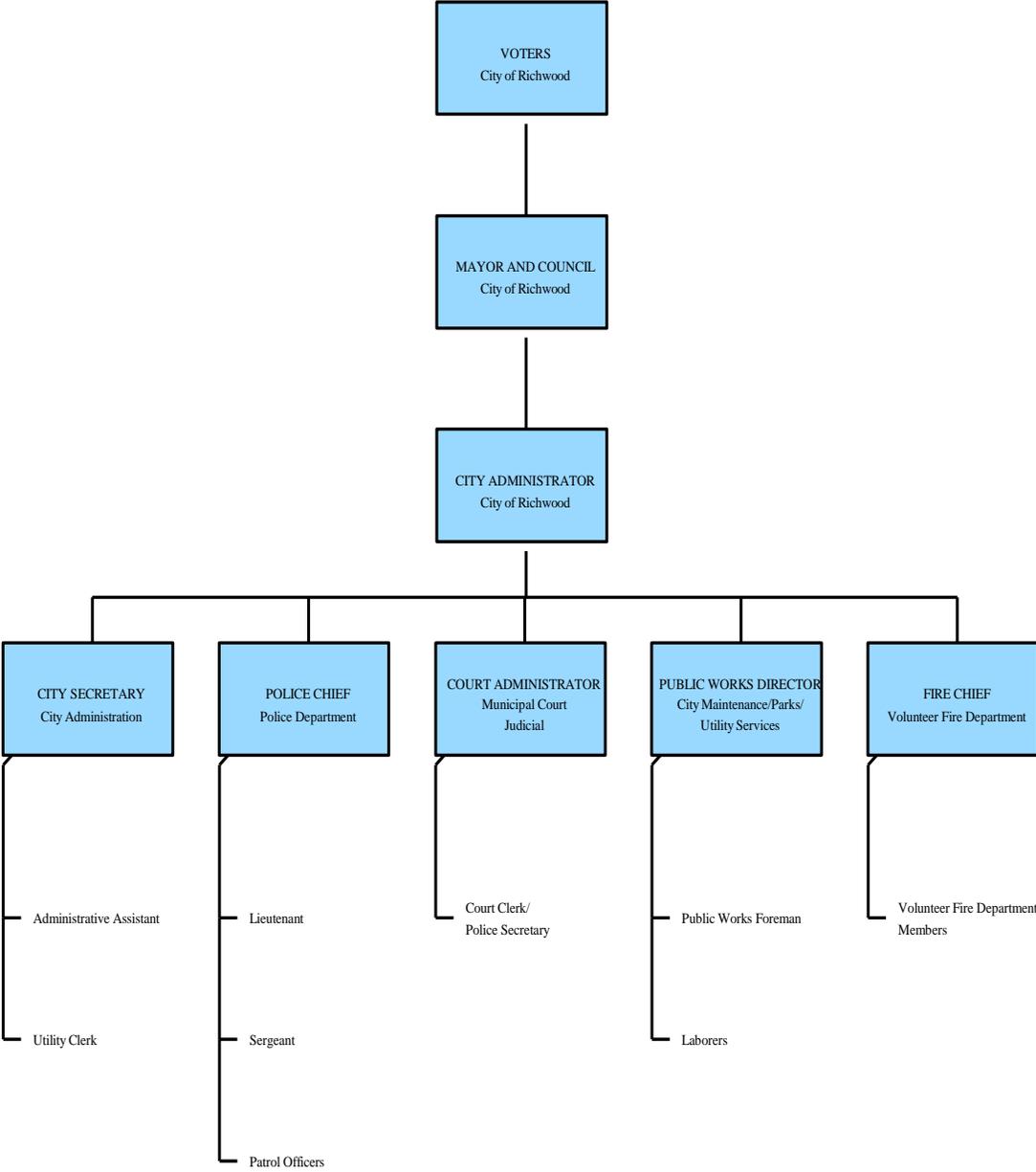
Strange as it may seem, despite the tough choices and the tough economic times, we truly enjoyed ourselves and had fun working on this budget. What made it so much fun is that this budget was made possible by everyone working together towards the same goal - to provide the best possible service at the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



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**READER'S GUIDE TO THE
2011-12 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 16 July 25 July 25 July 28 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 5 August 8 August 9 August 19 August 22 August 5	<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 9 September 12 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 Mayor 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 Administrator and City Secretary	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 Administrator	The budget memo will state the City's mission and guidelines
Prepare and distribute budget request forms and information packets to all department heads	City Secretary	Budget request forms need to be completed by department heads
Assist department heads with completion of their requests	City Administrator and City Secretary	Assistance should be requested as needed
Department heads complete and return their budget requests to the City Secretary	Department heads	
Prepare revenue estimates	City Secretary	
Complete the proposed budget	City Administrator and City Secretary	The department requests are reviewed and any necessary adjustments are made by the Mayor.
Send proposed budget to City Council	City Administrator	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 Administrator	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	City Secretary	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,
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		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:

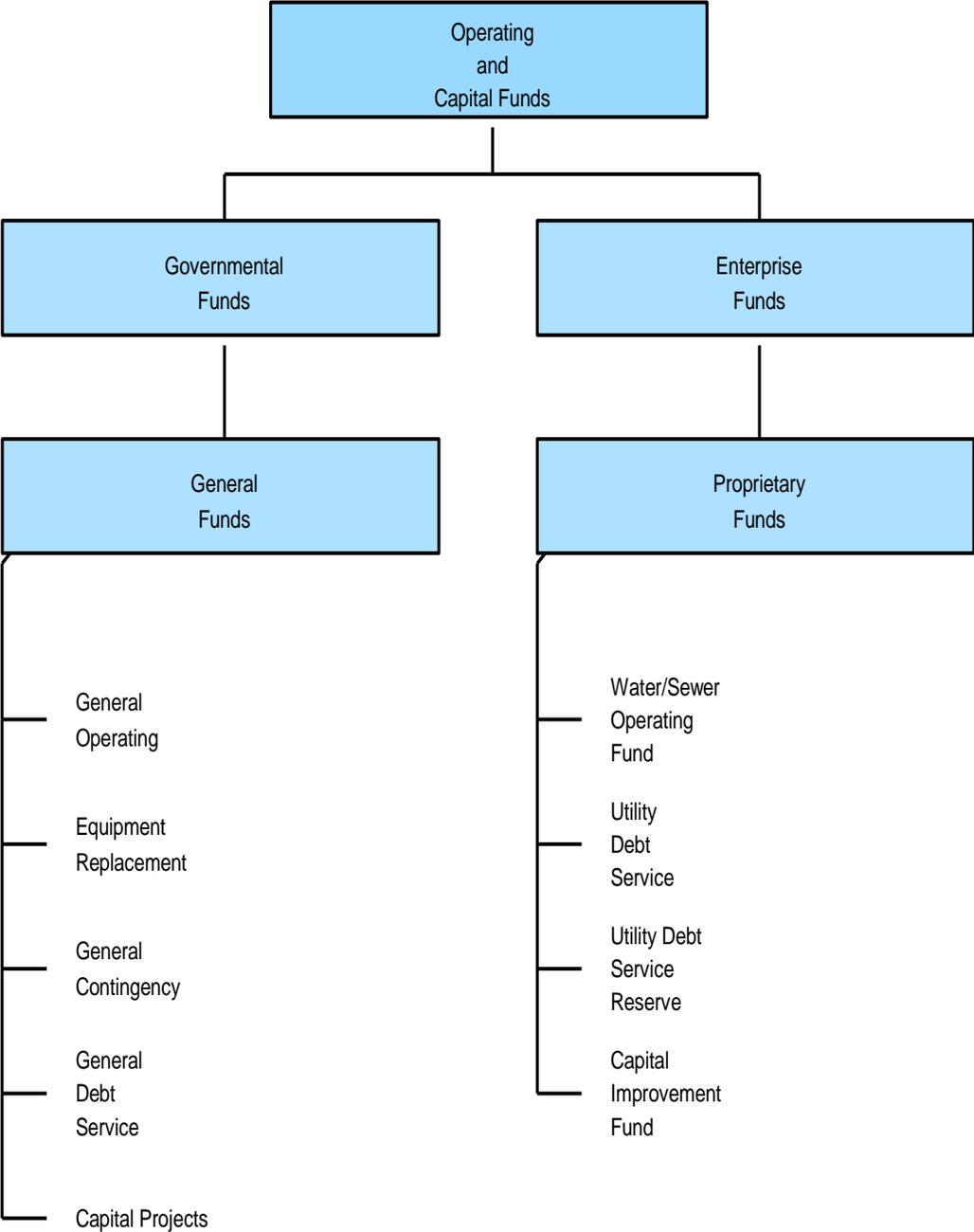
Water/Sewer Operating Fund - This fund includes the revenues from the Water Sewer charges. It includes the expenditures related to providing these services.

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





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CITY OF RICHWOOD

STATE LAW DIRECTIVES

SUBJECT	FISCAL YEAR	LGC 101.042
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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
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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
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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
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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
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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
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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
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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
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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
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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
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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
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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
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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
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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
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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
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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
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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
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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

CITY OF RICHWOOD

ADMINISTRATIVE POLICY

exceptions to this requirement are the 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.



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DEBT SERVICE REQUIREMENTS TO MATURITY
General Obligation Bonds
as of September, 2011

Year Ended September 30,	General Obligation Tax Certificates of Obligation - Series 1999 Principal	Interest	Total Requirements
2012	\$ 45,000.00	\$ 25,285.18	\$ 70,285.18
2013	\$ 50,000.00	\$ 21,753.50	\$ 71,753.50
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>
	\$ 740,000.00	\$175,525.18	\$ 915,525.18

Year Ended September 30,	FM 2004 Improvements Principal	Interest	Total Requirements
2012	\$ 13,295.87	\$ 2,162.41	\$ 15,458.28
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>
	\$ 114,192.41	\$ 9,731.46	\$ 123,666.24

DEBT SERVICE REQUIREMENTS TO MATURITY
General Obligation Bonds
as of September, 2011

Year Ended September 30,	Principal	Interest	Total Requirements
2012	\$ 58,295.87	\$ 27,447.59	\$ 85,743.46
2013	\$ 63,564.24	\$ 23,647.54	\$ 87,211.78
2014	\$ 58,838.02	\$ 21,808.76	\$ 80,646.78
2015	\$ 64,117.34	\$ 20,120.94	\$ 84,238.28
2016	\$ 69,402.29	\$ 18,270.99	\$ 87,673.28
2017	\$ 69,692.99	\$ 16,258.79	\$ 85,951.28
2018	\$ 74,989.56	\$ 14,240.72	\$ 89,230.28
2019	\$ 70,292.11	\$ 12,060.18	\$ 82,352.28
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>
	\$ 854,192.41	\$185,256.64	\$1,039,191.42

DEBT SERVICE REQUIREMENTS TO MATURITY
Water and Sewer System Revenue Bonds
as of September 30, 2011

Year Ended	Total Principal	Interest	Total Requirements
2012	\$ 60,000	\$ 59,416.19	\$ 119,416.19
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>\$1,301,000</u>	<u>\$ 554,361.94</u>	<u>\$ 1,855,361.94</u>

**ESTIMATED AD VALOREM TAX COLLECTION & PROPOSED DISTRIBUTION FOR
FISCAL YEAR 2011-2012**

Assessed Valuation for 2011	\$ 163,552,361
Gain (Loss) in Value	<u>3,820,862</u>
Assessed Valuation for 2011	167,373,223
Tax Rate Per \$100 Valuation	0.69366
Revenue from 2010 Tax Roll	1,161,001
Estimated Collections	<u>100%</u>
Total Funds Available	<u>\$ 1,161,001</u>

SCHEDULE OF TAX LEVY AND COLLECTION RATE

YEAR	LEVY	BALANCE DUE AS OF 7/31/11	PERCENT COLLECTED
2010	1,134,497.42	38,011.94	96.65%
2009	1,119,707.25	11,332.51	98.99%
2008	904,900.38	4,295.00	99.52%
2007	829,523.51	3,105.62	99.62%
2006	761,103.64	2,111.10	99.72%
2005	663,944.44	402.65	99.94%
2004	607,763.29	1,100.32	99.82%
2003	534,411.53	1,098.91	99.79%
2002	516,433.29	609.53	99.78%
2001	481,902.69	339.30	99.93%
2000	440,416.14	236.74	99.95%
1999	417,897.60	42.93	99.99%

PROPOSED DISTRIBUTION OF COLLECTED TAXES

FUND	ADOPTED TAX RATE 2010-11	PROPOSED TAX RATE 2011-12	PROPOSED AMOUNT 2011-12	%
General Fund	0.63654	0.64184	1,074,252	100
General Debt Service Fund	0.05712	0.05182	86,749	100
TOTAL	0.69366	0.69366	1,161,001	100

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	738,297	4,007,073	1,202,890	1,636,232	79%	12,790,893	76%	23%
Brazoria County	8,697	47,800	11,894	18,592	84%	152,244	80%	20%
Richwood	99	638	248	257	87%	1,731	86%	18%

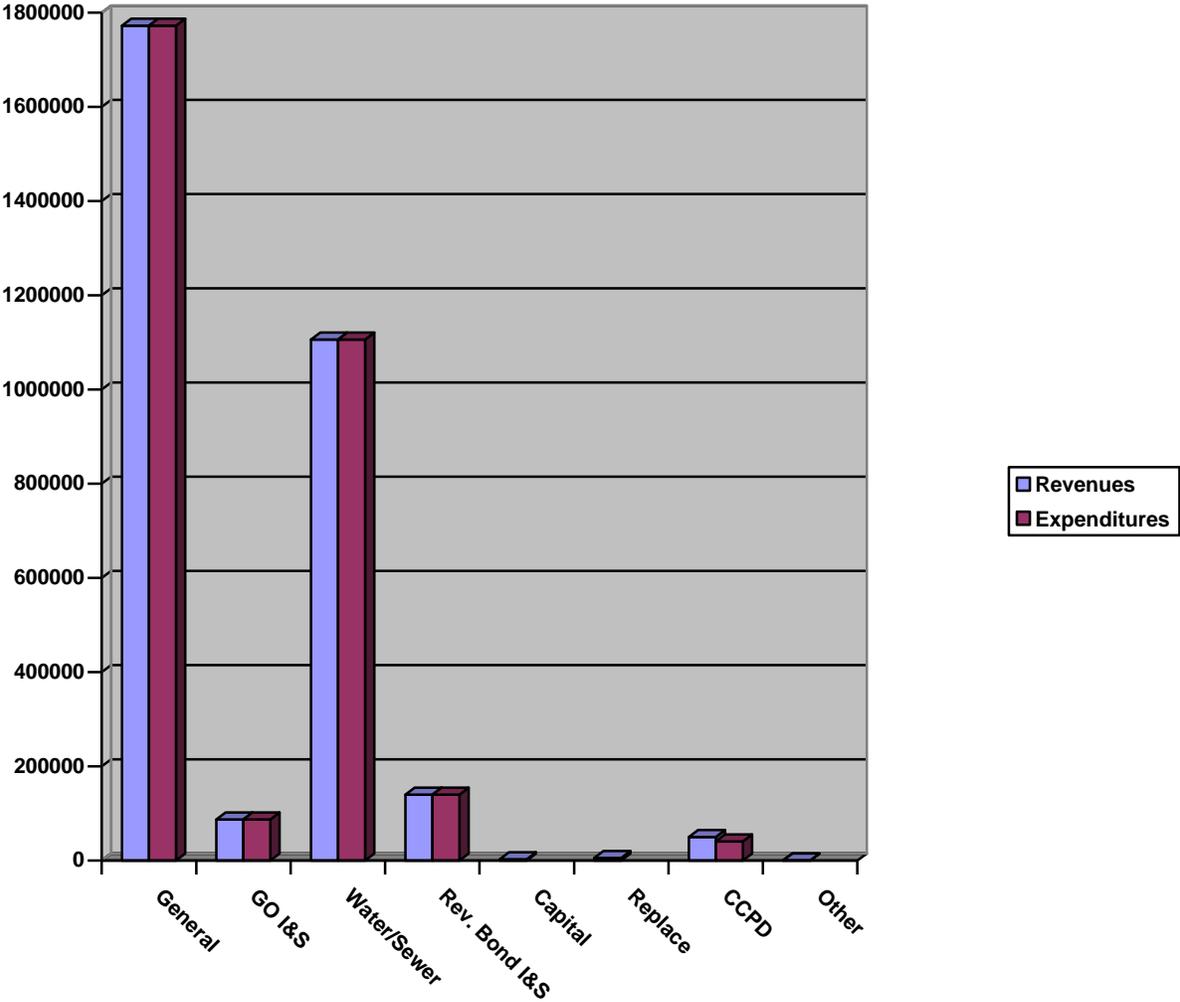
Employment

LABOR FORCE							
	Total	% Male	% Female	Total	% in Labor Force % Male	% Female	% Unemployed 2000
Texas	15,617,373	49%	51%	64%	55%	45%	6%
Brazoria County	180,217	52%	48%	63%	56%	44%	3%
Richwood	2,260	50%	50%	72%	54%	46%	4%

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 9/30/2011	REVENUES	EXPENDITURES	FUND BALANCE 9/30/2012
GENERAL FUND	904,758.33			904,758.33
REVENUES		1,772,592.00		
OPERATING EXPENSE			1,772,592.00	
TOTALS	904,758.33	1,772,592.00	1,772,592.00	904,758.33
DEBT SERVICE	49,837.85			49,837.85
REVENUES		86,749.00		
OPERATING EXPENSE			86,749.00	
TOTALS	49,837.85	86,749.00	86,749.00	49,837.85
WATER/SEWER FUND	6,567,127.32			6,567,127.32
REVENUES		1,106,245.00		
OPERATING EXPENSE			1,106,245.00	
TOTALS	6,567,127.32	1,106,245.00	1,106,245.00	6,567,127.32
DEBT SERVICE	306,164.89			185,635.89
REVENUES		139,739.00		
OPERATING EXPENSE			260,268.00	
TOTALS	306,164.89	139,739.00	260,268.00	185,635.89
CAPITAL IMPROVEMENTS	103,045.13			105,545.13
REVENUES		2,500.00		
OPERATING EXPENSE				
TOTALS	103,045.13	2,500.00	-	105,545.13
REPLACEMENT FUND	78,309.67			83,309.67
REVENUES		5,000.00		

OPERATING EXPENSE			-	
TOTALS	78,309.67	5,000.00	-	83,309.67
CCPD	9,554.73			19,554.73
REVENUES		50,000.00		
OPERATING EXPENSE			40,000.00	
TOTALS	9,554.73	50,000.00	40,000.00	19,554.73
CAPITAL PROJECTS	-			-
REVENUES				
OPERATING EXPENSE				
TOTALS	-	-	-	-
OTHER FUNDS	15,062.08			15,062.08
REVENUES				
OPERATING EXPENSE				
TOTALS	19,075.70	-	-	19,075.70
TOTALS	7,731,708.73			7,749,208.73

AVAILABLE FUNDS

	CASH BALANCE A/O 10/01/10	ESTIMATED CASH A/O 9/30/11	INVESTED A/O 8/31/11
OPERATING ACCOUNTS			
GENERAL FUND	598,916.68	609,573.82	803,487.28
WATER/SEWER FUND	364,322.10	205,905.50	168,367.71
MISCELLANEOUS RESTRICTED FUNDS			
GENERAL OBLIGATION	26,784.08	26,940.55	26,933.12
REVENUE BOND	325,059.91	327,850.77	327,828.11
WATER/METER DEPOSIT	92,205.36	92,500.52	92,475.32
RESERVE FUND	24,798.32	22,000.00	21,056.53
CAPITAL IMPROVEMENT SEIZURE AND FORFEITURE	95,936.62 2,537.73	103,526.13 -	103,519.11
BEAUTIFICATION	20,461.13	23,214.85	
CAPITAL PROJECTS INSURANCE	1,413.94	751,576.55	751,224.45
CONTINGENCY	16,148.03	16,227.81	16,227.81
CRIME CONTROL AND PREV	20,452.28	20,480.00	20,476.95
REPLACEMENT FUND	101,496.89	104,512.35	104,497.12
<hr/>			
TOTALS	1,690,533.07	2,304,308.85	2,436,093.51

**GENERAL FUND
FUND BALANCE ANALYSIS**

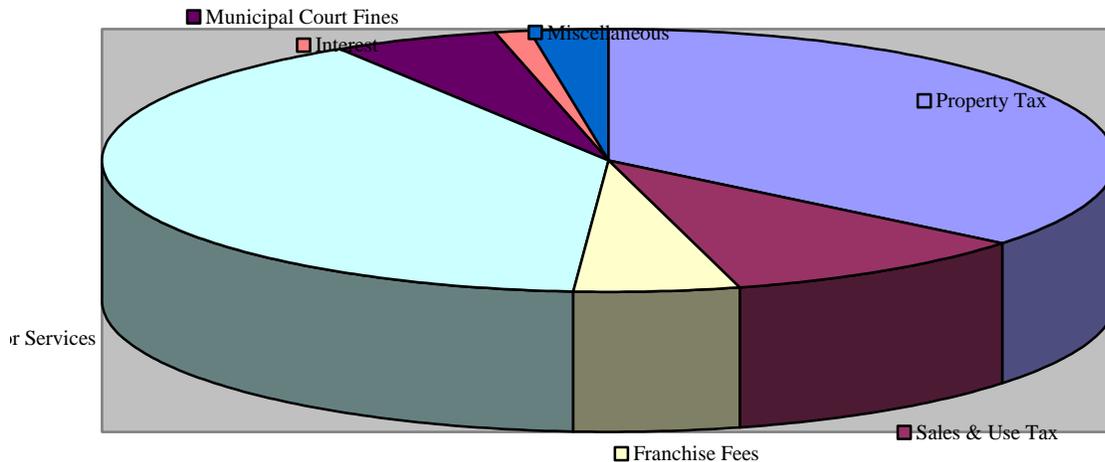
FUND	GENERAL OPERATING FUND	GENERAL DEBT SERVICE	INSURANCE CONTINGENCY FUND	EQUIPMENT REPLACEMENT FUND	CRIME CONTROL PREVENTIO N
FUND BALANCE 9-30-10	871,042.00	44,227.39	16,160.80	109,323.88	23,962.32
Projected Revenues					
Transfers In					
From General Operating					
From Utility Operating					
From Insurance Contingency					
All Other Revenues	1,731,474.92	93,200.92	79.73	37,220.99	51,924.63
Total Revenues	<u>2,602,516.92</u>	<u>137,428.31</u>	<u>16,240.53</u>	<u>146,544.87</u>	<u>75,886.95</u>
Projected Expenditures					
Transfers Out					
To Capital Projects					
To Insurance Contingency					
To Equipment Replacement					
All Other Expenditures	1,479,569.12	93,102.28	1,178.50	67,111.69	67,116.42
Total Expenditures	<u>1,479,569.12</u>	<u>93,102.28</u>	<u>1,178.50</u>	<u>67,111.69</u>	<u>67,116.42</u>
FUND BALANCE 9-30-11	1,122,947.80	44,326.03	15,062.03	79,433.18	8,770.53
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	CAPITAL IMPROVE FUND
FUND BALANCE 9-30-10 *	364,322.10	306,164.89	24,798.32		95,982.23
Projected Revenues					
Transfers In					
From General Operating					
From Utility Operating					
From Insurance Contingency					
All Other Revenues	779,314.22	67,107.46		751,224.45	7,587.52
Total Revenues	1,143,636.32	373,272.35	24,798.32	751,224.45	103,569.75
Projected Expenditures					
Transfers Out					
To Capital Projects					
To Insurance Contingency					
To Equipment Replacement					
All Other Expenditures	829,094.87	66,613.17		6,012.45	-
Total Expenditures	829,094.87	66,613.17	-	6,012.45	-
FUND BALANCE 9-30-11	314,541.45	306,659.18	24,798.32	745,212.00	103,569.75
Low 25% of Budget	243,656.75				
High 33% of Budget	321,626.91				
* operating fund balance					

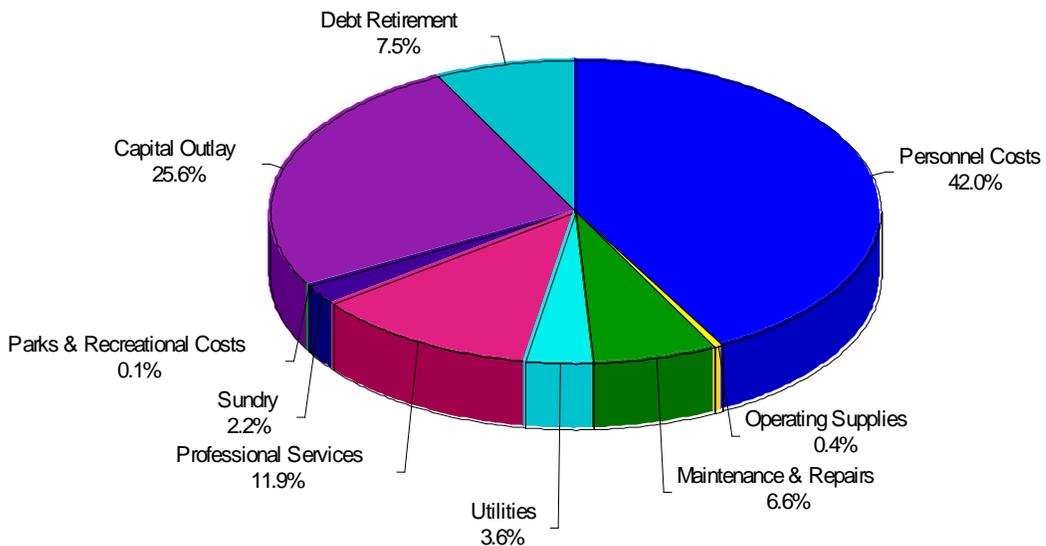
2011-12 BUDGET
ALL FUNDS BY FUND TYPE
REVENUES BY CATEGORY

REVENUES	GENERAL GOVERNMENT	UTILITY SYSTEM	OTHER	TOTAL
Property Tax	1,048,792.00		86,749.00	1,135,541.00
City Sales & Use Tax	260,000.00		50,000.00	310,000.00
Franchise Fees	175,000.00			175,000.00
Charges for Services	33,800.00	1,091,245.00	139,734.00	1,264,779.00
Municipal Court Fines	165,000.00			165,000.00
Interest	15,000.00	10,000.00	7,720.00	32,720.00
Miscellaneous	75,000.00	5,000.00		80,000.00
Total Revenues	1,772,592.00	1,106,245.00	284,203.00	3,163,040.00



2011-12 BUDGET
ALL FUNDS BY FUND TYPE
EXPENDITURES BY CATEGORY

REVENUES	GENERAL GOVERNMENT	UTILITY SYSTEM	OTHER	TOTAL
Personnel Costs	1,093,235.00	178,325.00		1,271,560.00
Operating Supplies	112,907.00	20,500.00		133,407.00
Maintenance & Repairs	151,500.00	48,363.00		199,863.00
Utilities	67,700.00	42,000.00		109,700.00
Professional Services	164,750.00	196,226.00		360,976.00
Sundry	48,000.00	18,000.00		66,000.00
Parks & Recreation	3,000.00			3,000.00
Capital Outlay	131,500.00	602,831.00	40,000.00	774,331.00
Debt Retirement			226,483.00	226,483.00
Total Expenditures	1,772,592.00	1,106,245.00	266,483.00	3,145,320.00



EXPENDITURES BY DEPARTMENT

DESCRIPTION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
ADMINISTRATION	361,621.82	352,663.00	448,610.00
CITY MAINTENANCE	248,633.76	244,530.00	246,315.00
STREETS & DRAINAGE	80,746.68	81,000.00	81,000.00
POLICE DEPARTMENT	768,935.32	695,728.00	700,766.00
JUDICIAL	31,217.30	106,703.00	110,111.00
FIRE DEPARTMENT	90,848.20	107,300.00	128,490.00
PARKS & RECREATION	74,553.94	58,050.00	57,300.00
TOTAL	<u>1,656,557.02</u>	<u>1,645,974.00</u>	<u>1,772,592.00</u>
DEBT SERVICE	<u>94,464.00</u>	<u>93,163.00</u>	<u>86,749.00</u>
TOTAL	<u>94,464.00</u>	<u>93,163.00</u>	<u>86,749.00</u>
WATER/SEWER	<u>989,444.78</u>	<u>1,084,643.00</u>	<u>1,106,245.00</u>
TOTAL	<u>989,444.78</u>	<u>1,084,643.00</u>	<u>1,106,245.00</u>
DEBT SERVICE	<u>64,722.50</u>	<u>63,862.00</u>	<u>139,734.00</u>
TOTAL	<u>64,722.50</u>	<u>63,862.00</u>	<u>139,734.00</u>
CRIME CONTROL & PREVENTION	<u>12,265.00</u>	<u>70,000.00</u>	<u>40,000.00</u>
TOTAL	<u>12,265.00</u>	<u>70,000.00</u>	<u>40,000.00</u>
INSURANCE CONTINGENCY	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>-</u>	<u>-</u>	<u>-</u>
REPLACEMENT	17,922.44	-	-

	TOTAL	17,922.44	-	-
CAPITAL IMPROVEMENTS		-	-	-
	TOTAL	-	-	-
CAPITAL PROJECTS		3,520.06	-	-
	TOTAL	3,520.06	-	-
GRAND TOTAL		2,826,630.80	2,887,642.00	3,145,320.00

AUTHORIZED STAFFING GUIDE

	<u>2010</u>	<u>2011</u>	<u>2012</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	1	0
• Police Sergeant	1	0	2
• Patrol Officers	6	6	5
• Court Administrator	1	1	1
• Court Clerk	1	1	1
• Public Works Director	1	1	1
• Crew Leader	1	1	1
• Techs	5	5	4

SALARIES AND WAGES

	FY 2010	FY 2011	Proposed FY 2012	Adopted FY 2012	Adopted Hourly Rate
City Administration					
City Administrator	58,905.00	64,083.00	74,975.00	74,975.00	
City Secretary	48,899.00	50,793.00	53,809.00	53,809.00	
Clerk	25,608.00	26,120.00	27,245.00	27,245.00	13.10
Administrative Assist	28,472.00	29,042.00	30,199.00	30,199.00	14.52
City Maintenance					
Public Works Director	52,425.00	53,474.00	51,510.00	51,510.00	
Crewleader	26,978.00	27,519.00	32,424.00	32,424.00	15.59
Laborer	25,127.00	23,983.00	30,219.00	30,219.00	14.53
Police Department					
Chief of Police	59,119.00	60,302.00	64,005.00	64,005.00	
Sergeant			49,730.00	49,730.00	23.90
Sergeant	44,638.00	45,531.00	49,730.00	49,730.00	23.90
Officer	44,221.00	45,106.00	46,610.00	46,610.00	22.41
Officer	44,221.00	45,106.00	46,610.00	46,610.00	22.41
Officer	44,221.00	45,106.00	46,610.00	46,610.00	22.41
Officer	44,221.00	45,106.00	46,610.00	46,610.00	22.41
Officer	44,221.00	45,106.00	46,610.00	46,610.00	22.41
Municipal Court					
Court Administrator	32,640.00	33,293.00	35,167.00	35,167.00	16.91
Court Clerk/Secretary	25,500.00	26,010.00	27,245.00	27,245.00	13.10
Water and Sewer					
Water Tech	27,178.00	27,706.00	31,820.00	31,820.00	15.30
Water Tech	24,886.00	23,962.00	30,968.00	30,968.00	14.89
Water Tech	23,338.00	23,962.00	30,219.00	30,219.00	14.53

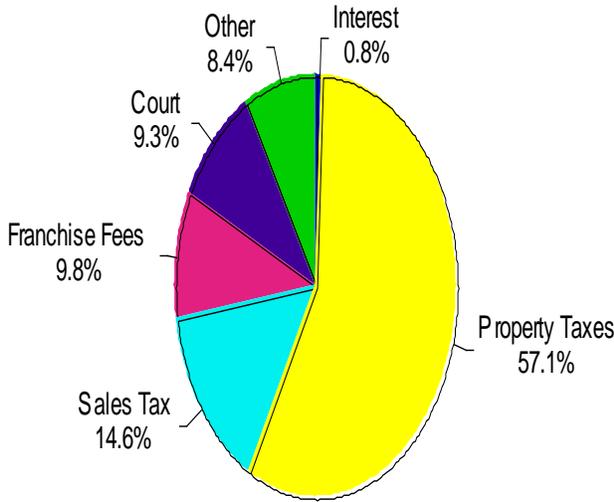
CITY OF RICHWOOD

GENERAL FUND

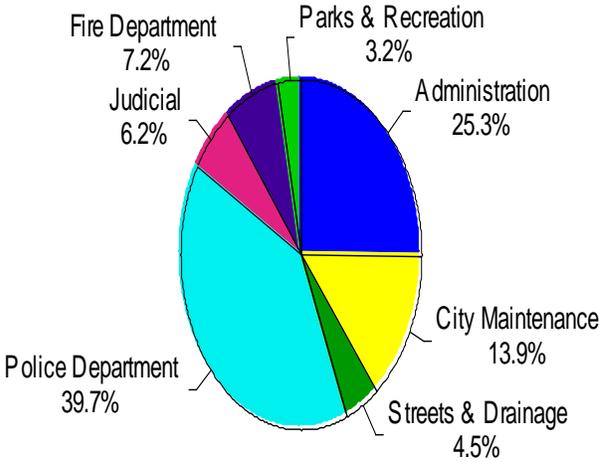
GENERAL OPERATING FUND

Revenues vs Expenditures

Revenues



Expenditures



General Fund

Revenues

DESCRIPTION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
4103 AD VALOREM TAXES	1,001,653.13	992,974.00	1,013,792.00
4104 DELINQUENT TAXES	13,703.67	15,000.00	20,000.00
4105 PENALTY & INTEREST	12,519.66	12,000.00	15,000.00
4106 LICENSES & PERMITS	3,380.99	5,000.00	11,000.00
4107 BUILDING PERMITS	29,305.01	25,000.00	15,000.00
4109 MUNICIPAL COURTS	186,982.74	125,000.00	165,000.00
4110 INTEREST EARNED	11,657.69	10,000.00	15,000.00
4111 FRANCHISE TAXES	166,830.76	160,000.00	175,000.00
4112 MISCELLANEOUS INCOME	54,323.24	20,000.00	15,000.00
4114 ANIMAL FINES/LICENSES	260.00	1,000.00	500.00
4116 SALES TAX - STREETS	39,222.76	50,000.00	50,000.00
4117 SALES TAX	228,984.99	210,000.00	210,000.00
4121 PARKS AND RECREATION TRANSFER IN FROM FUND	12,503.79	20,000.00	7,300.00
BAL.			60,000.00
4123 OTHER REVENUES			
FUND TOTAL	1,761,328.43	1,645,974.00	1,772,592.00

GENERAL FUND MAJOR REVENUE SOURCES

Ad Valorem Taxes (57.1%)

The Ad Valorem, or Property Tax, accounts for \$1,013,792 in revenues. Including projected delinquent collections and penalty and interest, the contribution to the General Fund (operating) is \$1,048,792 or 57.1% of General Fund Revenues.

Sales Tax (14.6%)

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 2011-12 the Sales Tax is projected to bring in \$260,000 or 14.6% of all General Fund Revenues.

Franchise Fees (9.8%)

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 2011-12 these fees will represent a projected \$175,000 (or 9.8% of general operating revenues)

Municipal Court (9.3%)

Fines for violation of City Ordinances, such as speeding, represent a projected \$165,000 in FY 2011-12 (or 9.3% of general revenues).

Of interest, the projected cost to operate the Police Department in FY 2011-12 will be \$700,768. Therefore, fines cover only 23.5% of the cost to operate our Police Department. The cost to operate the Municipal Court in FY 2011-12 is projected to be \$110,111.

Parks & Recreation (3.2%)

Fees to use the City's P.K. Forrest Building, Pavilions at Richwood Municipal Park and Bobby Ford Park are projected to bring in \$7,300 in FY 2011-12. The cost to operate the Parks & Recreation functions (including park maintenance and the splash pad) is projected to be \$57,300 for FY 2011-12. Therefore fees cover 12.7% of operating costs.

2010 Property Tax Rates
Brazoria County Cities

Holiday Lakes	0.983434
West Columbia	0.831900
Alvin	0.803600
Danbury	0.769538
Sweeny	0.772818
Brazoria	0.762300
Freeport	0.708266
Angleton	0.70600
<i>Richwood</i>	<i>0.693660</i>
Clute	0.672000
Pearland	0.665100
Manvel	0.587863
Brookside Village	0.500000
Oyster Creek	0.423154
Surfside Beach	0.408801
Lake Jackson	0.390000
Hillcrest Village	0.377754
Jones Creek	0.380000
Liverpool	0.236850

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.

GOALS AND OBJECTIVES

To continue to strive to prepare a budget document which meets and exceeds the requirements of the GFOA Distinguished Budget Presentation Award.

Work on fund, plans and implementation for a new municipal building to house City and Emergency Services

Implement a City University Program. This will allow approximately 15 residents at a time to learn how each department in the City operates.

Continue to cross train existing staff members to better utilize existing staff and resources and create and implement operating manuals for each office position.

ACCOMPLISHMENTS

Completed Comprehensive Plan and developed a vision and mission for the City for the future.

Set aside funds and began the search for the purchase of land for a new municipal building to house City and Emergency Services

Partnered with Zachry Industrial for park improvements at the Richwood Municipal Park, saving the City in excess of \$10,000.

Remodeled current municipal building and enlarged the lobby.

Implemented auto drafts for utility bill payments.

Found funding for the drilling of two new water wells for the City to insure adequate water supply for the future.

PERFORMANCE MEASURES

	Actual 2009/10	Actual 2010/11	Budget 2011/12
1. City Council/Board Meetings Staffed	41	41	45
2. City Council/Agendas Compiled	41	41	45
3. Public Hearings Held	4	3	4
4. Purchase Orders Processed Monthly	79	89	95
5. Work Orders Generated Monthly	55	49	60
6. Accounts Billed Monthly	1,108	1,134	1,150
7. Ordinances & Resolutions Prepared	15	18	15
8. Invoices handled per month Customers Served	117	117	125
9. Phone Calls Per Day	101	108	110
10. Walk Up Counter Per Day	57	42	50

**Department
Administration**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
PERSONNEL COSTS	135,668.07	200,963.00	229,410.00
OPERATING COSTS	28,605.32	28,000.00	32,000.00
MAINTENANCE AND REPAIRS	3,538.93	10,500.00	75,500.00
UTILITIES AND TELEPHONE	12,323.22	14,500.00	12,500.00
SERVICES	50,670.59	56,500.00	58,000.00
SUNDRY	15,621.05	13,200.00	12,200.00
SUBTOTAL	246,427.18	323,663.00	419,610.00
CAPITAL OUTLAY	115,194.64	29,000.00	29,000.00
DEPARTMENT TOTAL	361,621.82	352,663.00	448,610.00
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE	
CITY ADMINISTRATOR	1	6,247.92	74,975.00
CITY SECRETARY	1	4,484.08	53,809.00
ADMINISTRATIVE ASSISTANT	1	2,516.58	30,199.00
CLERK	1	2,270.42	27,245.00
OVERTIME		250.00	3,000.00
	4	15,769.00	189,228.00
LESS ADMIN OVERHEAD FROM WATER/SEWER			(32,818.00)
TOTAL SALARIES			156,410.00

MAJOR BUDGET CHANGES

2% pay increase for employees

Increase in office supplies to reflect greater amount of paper and printing supplies

Added a Contingency M&R line item on recommendation of auditors

increased expendable supplies to pay for increased traffic in online payments

Increase in attorney's fees

Added an additional \$60,000 for new roof and renovations to current City Hall/PD building

**Department
Administration**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
5100 PERSONNEL COSTS			
01 ADMINISTRATIVE EXP	13,877.49	4,500.00	4,200.00
02 CONTRACT LABOR	1,950.00	3,000.00	3,000.00
03 SALARIES	75,533.98	130,340.00	140,863.00
05 RETIREMENT	12,400.63	16,000.00	16,000.00
10 WORKER'S COMP	260.23	600.00	600.00
15 HOSPITALIZATION	20,743.86	16,000.00	23,000.00
20 UNEMPLOYMENT INS.	296.99	1,000.00	1,000.00
30 TRAINING \$ TRAVEL	5,756.74	6,000.00	7,000.00
75 EMPLOYEE INCENTIVE	7,150.00	4,900.00	5,300.00
TOTAL	137,969.92	182,340.00	200,963.00
5200 OPERATING SUPPLIES			
10 OFFICE SUPPLIES	18,271.62	20,000.00	20,000.00
15 CUSTODIAL SUPPLIES	237.56	500.00	1,000.00
30 GAS, OIL, & LUBRICANTS			
40 EXPENDABLE SUPPLIES	6,614.02	5,000.00	7,000.00
TOTAL	25,123.20	25,500.00	28,000.00
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS	6,119.46	10,000.00	10,000.00
20 OFFICE FURNITURE/FIX	1,275.00	500.00	500.00
40 VEHICLE M&R			
60 RADIO M&R			
65 OTHER EQUIPMENT M&R			
TOTAL	7,394.46	10,500.00	10,500.00

5400 UTILITIES & TELEPHONE			
10 ELECTRICITY	10,753.80	10,000.00	9,000.00
20 TELEPHONE	4,174.29	5,000.00	4,000.00
30 NATURAL GAS	796.63	1,500.00	1,500.00
TOTAL	15,724.72	16,500.00	14,500.00
5500 SERVICES			
10 ELECTIONS	1,257.43	2,000.00	2,500.00
56 CONT. SERVICES - TAXES	6,592.36	9,000.00	12,000.00
60 ENGINEERING	660.00		
70 ATTORNEY'S FEES	30,854.29	20,000.00	15,000.00
72 ECONOMIC DEVELOPMENT		30,000.00	5,000.00
80 AUDITOR'S FEES	19,817.00	21,000.00	22,000.00
TOTAL	59,181.08	82,000.00	56,500.00
ADMINISTRATION CONTINUED			
5600 SUNDRY			
30 INS. - MOTOR VEHICLES			
40 INS. - BLDG/LIAB/BOND	5,369.50	5,000.00	7,000.00
60 DUES & SUBSCRIPTIONS	2,531.63	3,000.00	3,000.00
85 PUBLISHING & ADVERTISING	4,195.45	2,500.00	3,000.00
95 SPECIAL SERVICES - MISC	805.31	200.00	200.00
TOTAL	12,901.89	10,700.00	13,200.00
5900 CAPITAL OUTLAY			
10 OFFICE EQUIPMENT			
35 EQUIP - TIME PAYMENT	3,760.23	4,000.00	4,000.00
40 SPECIAL EQUIPMENT			
50 CONTINGENCY FUND	17,473.10	15,000.00	15,000.00
60 TRANSFER TO CAPITAL		43,445.00	10,000.00

	TOTAL	21,233.33	62,445.00	29,000.00
DEPARTMENT TOTAL		<u>279,528.60</u>	<u>389,985.00</u>	<u>352,663.00</u>

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.

GOALS AND OBJECTIVES

Update and improve current safety program and education.

Better educate residents about items such as heavy trash by utilizing door hangers, City's website and social media sites.

Address properties in Richwood that are dilapidated, substandard, unfit for human habitation or a hazard to the health, safety, and welfare of the citizens.

ACCOMPLISHMENTS

Public Works Director received his Code Enforcement license and has implemented a stringent code enforcement program.

Upgraded the radio system.

Also purchased a new dump truck, trailer, miscellaneous equipment and finished the Public Works building utilizing the Replacement Fund.

PERFORMANCE MEASURES

	Actual 2009/10	Actual 2010/11	Budget 2011/12
1. Neglected premises	25	17	30
2. Weed/mowing letters	46	41	50
3. Abandoned vehicle letters	52	5	10
4. Follow ups on letters	89	73	90
5. Liens filed	22	18	25
6. Permits issued	137	119	130
7. Building inspections	423	331	350

**Department
City Maintenance**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
PERSONNEL COSTS	136,067.85	154,530.00	163,315.00
OPERATING COSTS	37,059.97	22,250.00	16,500.00
MAINTENANCE AND REPAIRS	16,901.50	11,000.00	10,000.00
UTILITIES AND TELEPHONE	41,180.19	41,500.00	39,500.00
SERVICES	-	500.00	500.00
SUNDRY	14,749.60	14,750.00	16,500.00
SUBTOTAL	245,959.11	244,530.00	246,315.00
CAPITAL OUTLAY	2,674.65	-	-
DEPARTMENT TOTAL	248,633.76	244,530.00	246,315.00
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE	
PUBLIC WORKS DIRECTOR	1	4,292.50	51,510.00
LABORER	1	2,518.25	30,219.00
CREW LEADER	1	2,702.00	32,424.00
OVERTIME		-	2,962.00
	3	9,512.75	117,115.00
TOTAL SALARIES			117,115.00

MAJOR BUDGET CHANGES

2% raise across the board

Moved \$2,000 from contract labor in City Maintenance to contract labor in Parks and Rec

**Department
City Maintenance**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
5100 PERSONNEL COSTS			
02 CONTRACT LABOR		2,000.00	
03 SALARIES	97,688.51	109,530.00	117,115.00
05 RETIREMENT	13,709.34	15,000.00	15,200.00
10 WORKER'S COMP	2,795.54	3,000.00	3,500.00
15 HOSPITALIZATION	16,242.52	21,000.00	22,000.00
20 UNEMPLOYMENT INS.	585.46	1,000.00	1,500.00
30 TRAINING & TRAVEL	3,550.00	1,500.00	2,500.00
90 UNIFORMS	1,496.48	1,500.00	1,500.00
TOTAL	136,067.85	154,530.00	163,315.00
5200 OPERATING SUPPLIES			
10 OFFICE SUPPLIES	918.44	500.00	500.00
15 CUSTODIAL SUPPLIES	706.24	1,500.00	1,500.00
20 TOOLS	8,238.98	1,000.00	1,000.00
30 GAS, OIL, & LUBRICANTS	7,781.16	7,250.00	6,500.00
40 EXPENDABLE SUPPLIES	3,900.75	5,000.00	2,500.00
45 DUMP CHARGES	14,464.00	5,000.00	2,500.00
70 CHEMICALS	1,050.40	2,000.00	2,000.00
TOTAL	37,059.97	22,250.00	16,500.00
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS	644.55	2,500.00	2,500.00
20 OFFICE FURNITURE/FIX			

40 VEHICLE M&R	4,660.74	3,000.00	2,500.00
65 OTHER EQUIPMENT M&R	10,259.64	3,500.00	3,000.00
76 SIGNS M&R	1,336.57	2,000.00	2,000.00
TOTAL	16,901.50	11,000.00	10,000.00
5400 UTILITIES & TELEPHONE			
10 ELECTRICITY	37,350.80	36,000.00	36,000.00
20 TELEPHONE	1,651.83	2,000.00	2,000.00
30 NATURAL GAS	2,177.56	3,500.00	1,500.00
TOTAL	41,180.19	41,500.00	39,500.00
5500 SERVICES			
60 ENGINEERING			
70 ATTORNEY'S FEES		500.00	500.00
TOTAL	-	500.00	500.00
CITY MAINTENANCE CONTINUED			
5600 SUNDRY			
30 INS. - MOTOR VEHICLES	2,507.09	3,000.00	3,000.00
40 INS. - BLDG/LIAB/BOND	1,907.13	3,000.00	3,000.00
60 DUES & SUBSCRIPTIONS	7,680.08	7,250.00	7,500.00
85 PUBLISHING & ADVERTISING	841.30	1,000.00	1,000.00
95 SPECIAL SERVICES - MISC	1,814.00	500.00	2,000.00
TOTAL	14,749.60	14,750.00	16,500.00
5900 CAPITAL OUTLAY			
10 OFFICE EQUIPMENT			
20 MOTOR VEHICLES			
30 EQUIPMENT			
35 EQUIP - TIME PAYMENT	2,674.65		
40 SPECIAL EQUIPMENT			

	TOTAL	2,674.65	-	-
DEPARTMENT TOTAL		<u>248,633.76</u>	<u>244,530.00</u>	<u>246,315.00</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.

GOALS AND OBJECTIVES

Overlay and widen Moore Street.

Replace sections of concrete on Oyster Creek Drive

Maintain ditches and storm drains

ACCOMPLISHMENTS

Repaired San Saba. 400 through 600 block of Hollyhock and Jasmine

Completed the yearly TCEQ storm water reporting

**Department
Streets and Drainage**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
5300 MAINTENANCE & REPAIRS			
80 STREET M&R	10,611.32	20,000.00	20,000.00
85 DRAINAGE M&R	-	2,500.00	2,500.00
TOTAL	10,611.32	22,500.00	22,500.00
5900 CAPITAL OUTLAY			
65 STREET PROJECTS	60,095.28	50,000.00	50,000.00
75 DRAINAGE	10,040.08	8,500.00	8,500.00
TOTAL	70,135.36	58,500.00	58,500.00
DEPARTMENT TOTAL	80,746.68	81,000.00	81,000.00

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.

GOALS AND OBJECTIVES

The upcoming year is going to bring a lot of new goal setting changes that will be seen by the Richwood Police Department. These goals are being set in place to better the police department's ability to deliver the services to the city that all residents deserve from the Richwood Police Department.

In this upcoming year the department will be implementing changes of dispatch services which will allow the police department to begin utilizing lap tops in its patrol cars. Through this process, CAD (Computer Aided Dispatch) officers will be able to receive and initiate calls for service, check wanted persons, stolen property, driver's license and license plate checks, view jail photos, have silent communication with dispatch, utilize electronic ticket writers, view holding calls for service, see maps of the geographical layout of the city and much more.

Another goal being set will involve the change of the police department's RMS (Records Management System) software. These changes will allow the Richwood Police Department to link with a wide range of other departments scattered across Texas. By doing this the department will be able to share information as well as utilize information from other departments increasing the department's investigative abilities. This software will also allow this department to better obtain statistical information on crime occurrences and locations and by utilizing this information build charts listing potential problem areas in and around the city allowing the department to better combat the problems. The software will increase convenience in report writing, arrest reports, logging warrants, evidence inventory, racial profiling and many other options.

ACCOMPLISHMENTS

Average speeding ticket was for 14.2 miles per hour over the speed limit

**Department
Police Department**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
PERSONNEL COSTS	614,968.12	575,728.00	576,308.00
OPERATING COSTS	51,416.96	38,500.00	43,708.00
MAINTENANCE AND REPAIRS	11,456.03	16,500.00	15,500.00
UTILITIES AND TELEPHONE	3,879.13	6,000.00	6,000.00
SERVICES	48,594.50	46,750.00	46,750.00
SUNDRY	11,869.83	12,250.00	12,500.00
SUBTOTAL	742,184.57	695,728.00	700,766.00
CAPITAL OUTLAY	26,750.75	-	-
DEPARTMENT TOTAL	768,935.32	695,728.00	700,766.00
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
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

2% raise for all employees + \$2,500 raise for Chief
Increase in gas, oil and lubricants due to increase in oil costs
Eliminated position of Lieutenant
Added second position of sergeant

**Department
Police**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
5100 PERSONNEL COSTS			
02 CONTRACT LABOR	1,950.00	3,213.00	3,300.00
03 SALARIES	456,588.15	420,215.00	427,908.00
05 RETIREMENT	54,711.66	55,000.00	55,600.00
10 WORKER'S COMP	7,978.82	11,500.00	11,500.00
15 HOSPITALIZATION	68,821.03	63,000.00	60,000.00
20 UNEMPLOYMENT INS.	1,234.92	1,600.00	1,800.00
30 TRAINING & TRAVEL	10,873.60	12,000.00	7,000.00
75 EMPLOYEE INCENTIVE	6,000.00	6,700.00	6,700.00
90 UNIFORMS	6,809.94	2,500.00	2,500.00
TOTAL	614,968.12	575,728.00	576,308.00
5200 OPERATING SUPPLIES			
10 OFFICE SUPPLIES	6,532.26	5,500.00	5,500.00
15 CUSTODIAL SUPPLIES			
20 TOOLS	25,032.39	1,500.00	1,500.00
30 GAS, OIL, & LUBRICANTS	18,883.81	30,000.00	35,208.00
40 EXPENDABLE SUPPLIES	968.50	1,500.00	1,500.00
TOTAL	51,416.96	38,500.00	43,708.00
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS	1,218.64	1,000.00	1,000.00
20 OFFICE FURNITURE/FIX	1,001.23	500.00	500.00
40 VEHICLE M&R	7,820.23	12,000.00	12,000.00
65 OTHER EQUIPMENT M&R	1,415.93	3,000.00	2,000.00

	TOTAL	11,456.03	16,500.00	15,500.00
5400 UTILITIES & TELEPHONE				
20	TELEPHONE	3,879.13	6,000.00	6,000.00
	TOTAL	3,879.13	6,000.00	6,000.00
5500 SERVICES				
40	DISPATCH SERVICES	33,000.00	34,000.00	34,000.00
42	JAIL EXPENSE	6,500.00	6,500.00	6,500.00
58	ANIMAL CONTROL	9,000.00	6,000.00	6,000.00
70	ATTORNEY'S FEES	94.50	250.00	250.00
	TOTAL	48,594.50	46,750.00	46,750.00
POLICE CONTINUED				
5600 SUNDRY				
30	INS. - MOTOR VEHICLES	3,869.22	4,000.00	4,000.00
40	INS. - BLDG/LIAB/BOND	4,372.66	4,000.00	4,000.00
60	DUES & SUBSCRIPTIONS	226.00	250.00	500.00
85	PUBLISHING & ADVERTISING	129.80		
95	SPECIAL SERVICES - MISC	3,272.15	4,000.00	4,000.00
	TOTAL	11,869.83	12,250.00	12,500.00
5900 CAPITAL OUTLAY				
10	OFFICE EQUIPMENT	-		
20	MOTOR VEHICLES	26,750.75		
30	EQUIPMENT	-		
35	EQUIP - TIME PAYMENT	-		
40	SPECIAL EQUIPMENT	-		
	TOTAL	26,750.75	-	-

DEPARTMENT TOTAL

768,935.32

695,728.00

700,766.00

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.

GOALS AND OBJECTIVES

Create central filing system in court clerk's office for traffic warrants

ACCOMPLISHMENTS

Joined the DPS OMNI program to help with warrant collections through the driver license bureau. Driver's licenses will not be renewed for those with outstanding traffic warrants. Money will be sent from the state to the court when warrants are paid.

October 1, 2010 began utilizing the computer generated receipts from the court program

August 1, 2011 began closing court from noon to 1:00 p.m. for lunch

September 28, 2011 began court at 6:00 p.m. instead of 7:00 p.m.

Purchased new laser copier for court to replace old ink jet printer

Raised court clerk's salary to level of all city clerks.

PERFORMANCE MEASURES

	Actual 2009/10	Actual 2010/11	Budget 2011/12
1. Cases filed	2,601	2,939	3,000
2. Warrants issued	620	760	700

3.	Citations closed	2,926	4,395	3,000
4.	Trials held	1	1	5
5.	Letters	1,504	1,504	2,000

**Department
Judicial**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
PERSONNEL COSTS	7,294.48	93,503.00	100,262.00
OPERATING COSTS MAINTENANCE AND REPAIRS	5,731.72	7,500.00	4,149.00
	-	-	-
UTILITIES AND TELEPHONE	-	-	-
SERVICES	3,141.10	5,500.00	5,500.00
SUNDRY	50.00	200.00	200.00
SUBTOTAL	16,217.30	106,703.00	110,111.00
CAPITAL OUTLAY	15,000.00	-	-
DEPARTMENT TOTAL	31,217.30	106,703.00	110,111.00
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE	
COURT ADMINISTRATOR	1	2,930.58	35,167.00
COURT CLERK	1	2,270.42	27,245.00
JUDGE	1	200.00	2,400.00
ALTERNATE JUDGE	1	200.00	2,400.00
OVERTIME			3,500.00
	4	5,601.00	70,712.00
TOTAL SALARIES			70,712.00

MAJOR BUDGET CHANGES

**Department
Judicial**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
5100 PERSONNEL COSTS			
03 SALARIES AND WAGES	4,800.00	67,103.00	70,712.00
05 RETIREMENT	847.20	10,000.00	10,500.00
10 WORKERS COMP		300.00	300.00
15 HOSPITALIZATION		14,000.00	16,000.00
20 UNEMPLOYMENT INSURANCE	100.74	500.00	750.00
30 TRAINING & TRAVEL	1,546.54	1,600.00	2,000.00
TOTAL	7,294.48	93,503.00	100,262.00
5200 OPERATING SUPPLIES			
10 OFFICE SUPPLIES	5,731.72	6,500.00	3,649.00
40 EXPENDABLE SUPPLIES		1,000.00	500.00
TOTAL	5,731.72	7,500.00	4,149.00
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS	-	-	
20 OFFICE FURNITURE/FIX	-	-	
TOTAL	-	-	-
5500 SERVICES			
65 JURY EXPENSE	54.00	500.00	500.00
70 ATTORNEY'S FEES	3,087.10	5,000.00	5,000.00

	TOTAL	3,141.10	5,500.00	5,500.00
5600 SUNDRY				
	60 DUES & SUBSCRIPTIONS	50.00	200.00	200.00
	85 PUBLISHING & ADVERTISING	-	-	
	TOTAL	50.00	200.00	200.00
5900 CAPITAL OUTLAY				
	10 OFFICE EQUIPMENT			
	30 EQUIPMENT	15,000.00		
	40 SPECIAL EQUIPMENT			
	TOTAL	15,000.00	-	-
DEPARTMENT TOTAL				
		<u>31,217.30</u>	<u>106,703.00</u>	<u>110,111.00</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.

GOALS AND OBJECTIVES

Complete Initial Attack Vehicle

Complete Hydrant markers on the streets

Complete RIT pack and Training

Do more Community Planning

Complete Department's NIMS compliance

Transition dispatching to Lake Jackson

ACCOMPLISHMENTS

Renovated the Richwood Fire Station. We added a shower, full kitchen, storage, Officer office and training room.

Purchased cab and chassis for Initial Attack Vehicle

Built new repeater building with wind straps and tied into backup generator

Renewed antenna and cable on water tower as well

Sold unused command vehicle

PERFORMANCE MEASURES

	Actual 2009/10	Estimated 2010/11	Budget 2011/12
1. Fire Responses	27	37	40

Department
Fire Department

EXPENDITURE CLASSIFICATION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
PERSONNEL COSTS	13,299.25	18,500.00	15,940.00
OPERATING COSTS	18,134.76	10,050.00	13,050.00
MAINTENANCE AND REPAIRS	3,571.52	7,500.00	5,000.00
UTILITIES AND TELEPHONE	4,418.95	4,450.00	4,700.00
SERVICES	36,000.00	48,000.00	54,000.00
SUNDRY	4,118.72	5,250.00	4,800.00
SUBTOTAL	79,543.20	93,750.00	97,490.00
CAPITAL OUTLAY	11,305.00	13,550.00	31,000.00
DEPARTMENT TOTAL	90,848.20	107,300.00	128,490.00

MAJOR BUDGET CHANGES

Department
Fire Department

EXPENDITURE CLASSIFICATION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
5100 PERSONNEL COSTS			
06 PENSION PLAN		10,200.00	8,640.00
10 WORKER'S COMP	243.10	300.00	300.00
30 TRAINING & TRAVEL		1,000.00	1,000.00
90 UNIFORMS	13,056.15	7,000.00	6,000.00
TOTAL	13,299.25	18,500.00	15,940.00
5200 OPERATING SUPPLIES			
10 OFFICE SUPPLIES	738.85	2,250.00	2,250.00
15 CUSTODIAL SUPPLIES		300.00	300.00
20 TOOLS	16,201.34	5,500.00	7,500.00
30 GAS, OIL, & LUBRICANTS	1,194.57	2,000.00	2,000.00
40 EXPENDABLE SUPPLIES			
85 FIRE PREVENTION SUPPLIES			1,000.00
TOTAL	18,134.76	10,050.00	13,050.00
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS	615.50	1,000.00	1,000.00
40 VEHICLE M&R	2,053.74	2,500.00	2,000.00
60 RADIO M&R	902.28	2,000.00	1,000.00
65 OTHER EQUIPMENT M&R	-	2,000.00	1,000.00
TOTAL	3,571.52	7,500.00	5,000.00
5400 UTILITIES & TELEPHONE			
10 ELECTRICTY	3,068.70	2,500.00	3,000.00

20 TELEPHONE	1,146.00	1,200.00	1,200.00
30 NATURAL GAS	204.25	750.00	500.00
TOTAL	4,418.95	4,450.00	4,700.00
5500 SERVICES			
60 ENGINEERING	-	-	
66 CONTRACT - AMBULANCE	36,000.00	48,000.00	54,000.00
70 ATTORNEY'S FEES	-	-	
TOTAL	36,000.00	48,000.00	54,000.00
FIRE CONTINUED			
5600 SUNDRY			
30 INS. - MOTOR VEHICLES	2,979.64	3,250.00	3,000.00
40 INS. - BLDG/LIAB/BOND	654.08	1,000.00	1,000.00
60 DUES & SUBSCRIPTIONS	485.00	800.00	800.00
85 PUBLISHING & ADVERTISING	-	200.00	
95 SPECIAL SERVICES - MISC	-		
TOTAL	4,118.72	5,250.00	4,800.00
5900 CAPITAL OUTLAY			
10 OFFICE EQUIPMENT	-		
20 MOTOR VEHICLES	-	-	25,000.00
30 EQUIPMENT	11,305.00	13,550.00	6,000.00
35 EQUIP - TIME PAYMENT		-	
40 SPECIAL EQUIPMENT	-		
TOTAL	11,305.00	13,550.00	31,000.00
DEPARTMENT TOTAL	90,848.20	107,300.00	128,490.00

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.

GOALS AND OBJECTIVES

Increase the diameter of the splash pad at Richwood Municipal Park

Improve the playground area at the parks by placing new timbers and mulch around playground area

ACCOMPLISHMENTS

Demolished the old swimming pool

Built a new splash pad at the Richwood Municipal Park

Added lights to the soccer field, rebuilt the gazebo and bathrooms at the Pavilion and repaired the broken sidewalk

PERFORMANCE MEASURES

	Actual 2009/09	Estimated 2010/11	Budget 2011/12
1. Facility Rental			
P.K. Forrest Community Center	213	153	200
Pavilion	47	56	70
2. Garage sale permits	79	93	100

Beautification Committee
2011-12
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 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
PERSONNEL COSTS	26,090.09	25,550.00	8,000.00
OPERATING COSTS	2,875.64	6,150.00	3,500.00
MAINTENANCE AND REPAIRS	24,396.49	11,300.00	23,000.00
UTILITIES AND TELEPHONE	5,515.29	5,750.00	5,000.00
SERVICES	-	-	-
SUNDRY	944.85	1,800.00	1,800.00
PARKS AND RECREATION	14,731.58	7,500.00	3,000.00
SUBTOTAL	59,822.36	50,550.00	44,300.00
CAPITAL OUTLAY	-	-	13,000.00
DEPARTMENT TOTAL	74,553.94	58,050.00	57,300.00

MAJOR BUDGET CHANGES

Added \$13,000 for purchase of new mower

Increased Building & Grounds since no longer have pool so we can enhance current parks

Moved \$2,000 to contract labor in Parks & Rec from City Maintenance

Moved \$6,000 from Parks & Rec line item to contract labor to pay for mowing

**Department
Parks and Recreation**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
5100 PERSONNEL COSTS			
02 CONTRACT LABOR		500.00	8,000.00
03 SALARIES	23,442.98	21,000.00	
05 RETIREMENT	1,318.49	2,200.00	
10 WORKER'S COMP	372.01	1,200.00	
20 UNEMPLOYMENT INS.	427.01	150.00	
30 TRAINING & TRAVEL	529.60	500.00	
TOTAL	26,090.09	25,550.00	8,000.00
5200 OPERATING SUPPLIES			
10 OFFICE SUPPLIES	59.54	150.00	
15 CUSTODIAL SUPPLIES		500.00	750.00
20 TOOLS	77.99		750.00
40 EXPENDABLE SUPPLIES	1,692.18	2,000.00	500.00
70 CHEMICALS	1,045.93	3,500.00	1,500.00
TOTAL	2,875.64	6,150.00	3,500.00
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS	21,667.11	7,500.00	19,000.00
65 OTHER EQUIPMENT M&R	2,729.38	3,800.00	4,000.00
TOTAL	24,396.49	11,300.00	23,000.00
5400 UTILITIES & TELEPHONE			
10 ELECTRICITY	4,928.67	5,000.00	5,000.00

20 TELEPHONE	586.62	750.00	
TOTAL	5,515.29	5,750.00	5,000.00
5500 SERVICES			
60 ENGINEERING	-	-	
70 ATTORNEY'S FEES		-	-
TOTAL	-	-	-
5600 SUNDRY			
40 INS. - BLDG/LIAB/BOND	944.85	1,500.00	1,500.00
60 DUES & SUBSCRIPTIONS	-	-	-
85 PUBLISHING & ADVERTISING	-	300.00	300.00
95 SPECIAL SERVICES - MISC	-	-	-
TOTAL	944.85	1,800.00	1,800.00
5800 PARKS AND RECEPTION			
50 BEAUTIFICATION	3,000.00	2,500.00	3,000.00
51 PARKS AND RECREATION	11,731.58	5,000.00	
TOTAL	14,731.58	7,500.00	3,000.00
5900 CAPITAL OUTLAY			
30 EQUIPMENT		-	13,000.00
40 SPECIAL EQUIPMENT			
TOTAL	-	-	13,000.00
DEPARTMENT TOTAL	74,553.94	58,050.00	57,300.00

CITY OF RICHWOOD

GENERAL OBLIGATION DEBT SERVICE FUND

GENERAL OBLIGATION DEBT SERVICE

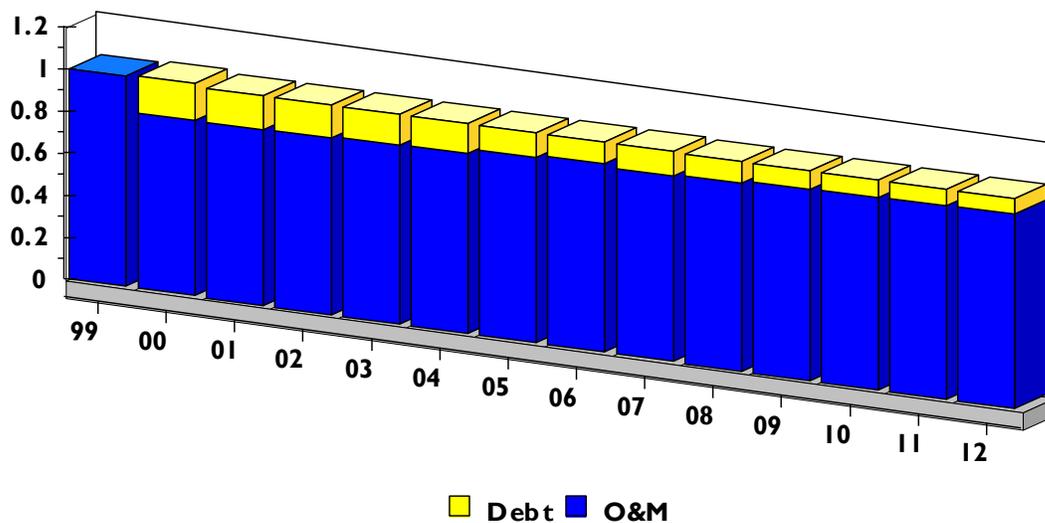
The General Obligation Debt Service Fund is used for the accumulation of resources to provide for the payment of debt service on the City's General Obligation Bonds and to provide a reserve for such payment. Resources include a portion of the Ad Valorem Tax Levy and earnings from investment of the fund. (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 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
4103 INTEREST & SINKING 4210 TRANS IN-GENERAL FUND	96,111.90	93,043.00	86,749.00
4110 INTEREST EARNED	218.57	120.00	120.00
FUND TOTAL	<u>96,330.47</u>	<u>93,163.00</u>	<u>86,869.00</u>

**General Obligation Debt
Expenditures**

DESCRIPTION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
5900 CAPITAL OUTLAY			
10 BOND FEES	481.50	1,000.00	1,000.00
60 SERIES 2009	15,000.00	15,000.00	15,459.00
50 CO SERIES 2011			
REFUNDING	78,982.50	77,163.00	70,290.00
FUND TOTAL	<u>94,464.00</u>	<u>93,163.00</u>	<u>86,749.00</u>

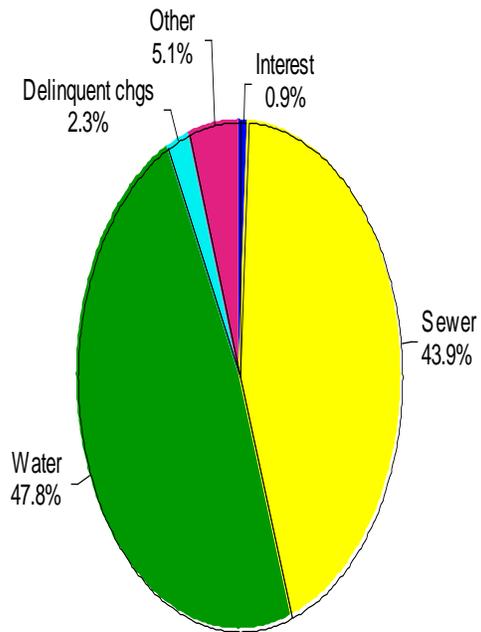
CITY OF RICHWOOD

WATER AND SEWER FUND

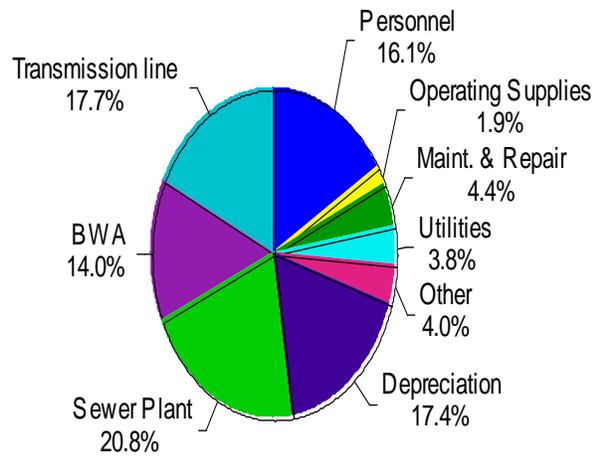
WATER/SEWER FUND

Revenues vs Expenditures

Revenues



Expenditures



Water/Sewer Fund

Revenues

DESCRIPTION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
4110 INTEREST EARNED	4,121.14	10,000.00	10,000.00
4410 WATER FEES	377,571.81	497,325.00	544,376.00
4420 SEWER FEES	331,446.77	457,318.00	499,369.00
4430 DELINQUENT CHARGES	16,705.07	25,000.00	26,000.00
4440 WATER TAPS	6,062.50	7,000.00	3,500.00
4450 SEWER TAPS	4,312.50	6,000.00	1,000.00
4460 RECONNECT FEES	5,650.00	7,000.00	7,000.00
4470 GARBAGE RECEIPTS	10,688.51	20,000.00	10,000.00
4112 MISCELLANEOUS TRANSFER IN FUND	394.05	5,000.00	5,000.00
BALANCE TRANSFER IN - CAPITAL PROJ		50,000.00	
FUND TOTAL	756,952.35	1,084,643.00	1,106,245.00

WATER/SEWER FUND
MAJOR REVENUE SOURCES

Water Sales (49.2%)

Water Sales account for \$544,376 (49.2%) of Utility Revenues projected for FY 2011-12.

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
	21,000-30000	\$ 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 (45.1%)

Sewer Sales are projected to be \$457,318 in FY 2010-11.

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
	21,000-30000	\$ 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.

GOALS AND OBJECTIVES

Install two new wells and tie into system.

Rework the piping at Lift Station #4

ACCOMPLISHMENTS

Ground storage tank was repaired and repainted

Installed a new generator at Lift Station #6 by utilizing money set aside by FEMA for grants.

PERFORMANCE MEASURES

	Actual 2009/10	Actual 2010/11	Budget 2011/12
1. Meters read per month	1,108	1,136	1,150
2. Water produced by wells	47,407,000	48,893,300	50,000,000
3. Water purchased from BWA	59,821,000	84,554,000	75,000,000
4. Water distributed	107,228,000	129,787,000	125,000,000
5. # of water samples per month	3	3	3
6. Wastewater sent to Clute	152,431,680	117,984,212	120,000,000
7. Miles of water lines maintained	50	50	50
8. Miles of sewer lines maintained	40	45	45

**Department
Water/Sewer**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
PERSONNEL COSTS	187,599.47	194,375.00	178,325.00
OPERATING COSTS	30,963.34	30,500.00	20,500.00
MAINTENANCE AND REPAIRS	35,542.68	48,000.00	48,363.00
UTILITIES AND TELEPHONE	45,353.41	47,000.00	42,000.00
SERVICES	-	-	196,226.00
SUNDRY	19,614.88	20,900.00	18,000.00
SUBTOTAL	319,073.78	340,775.00	503,414.00
CAPITAL OUTLAY	670,371.00	743,868.00	602,831.00
DEPARTMENT TOTAL	989,444.78	1,084,643.00	1,106,245.00
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE	
WATER TECH	1	2,580.67	30,968.00
WATER TECH	1	2,651.67	31,820.00
WATER TECH	1	2,518.25	30,219.00
OVERTIME		416.67	5,000.00
ADMIN.OVERHEAD		2,734.83	32,818.00
	3	10,902.08	130,825.00
TOTAL SALARIES			130,825.00

MAJOR BUDGET CHANGES

2% raise across the board

added line for the transmission line lease per auditors

**Department
Water/Sewer**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
5100 PERSONNEL COSTS			
02 CONTRACT LABOR	-		
03 SALARIES	140,846.27	141,630.00	130,825.00
05 RETIREMENT	15,509.33	14,076.00	13,000.00
10 WORKER'S COMP	2,795.38	4,214.00	3,500.00
15 HOSPITALIZATION	23,725.70	30,000.00	25,000.00
20 UNEMPLOYMENT INS.	1,145.00	455.00	1,000.00
30 TRAINING & TRAVEL	3,577.79	4,000.00	5,000.00
90 UNIFORMS	-	-	
TOTAL	187,599.47	194,375.00	178,325.00
5200 OPERATING SUPPLIES			
10 OFFICE SUPPLIES	10,462.56	8,000.00	7,000.00
15 CUSTODIAL SUPPLIES	-	-	
20 TOOLS	1,873.89	1,500.00	1,500.00
30 GAS, OIL, & LUBRICANTS	12,899.75	13,000.00	5,000.00
40 EXPENDABLE SUPPLIES	1,572.46	2,000.00	2,000.00
70 CHEMICALS	4,154.68	6,000.00	5,000.00
TOTAL	30,963.34	30,500.00	20,500.00
5300 MAINTENANCE & REPAIRS			
10 BUILDING & GROUNDS	232.27	1,500.00	1,500.00
20 OFFICE FURNITURE/FIX			
40 VEHICLE M&R	3,331.05	5,000.00	5,000.00
65 OTHER EQUIPMENT M&R	4,085.14	6,500.00	6,500.00
89 WATER TOWERS			

90 WATER LINES M&R	17,026.28	20,000.00	20,363.00
92 SEWER LINES M&R	10,867.94	15,000.00	15,000.00
	35,542.68	48,000.00	48,363.00
5400 UTILITIES & TELEPHONE			
10 ELECTRICITY	44,281.80	45,000.00	40,000.00
20 TELEPHONE	1,071.61	1,500.00	1,500.00
30 NATURAL GAS	-	500.00	500.00
TOTAL	45,353.41	47,000.00	42,000.00
5500 SERVICES			
05 LEASE EXPENSE			196,226.00
60 ENGINEERING			
70 ATTORNEY'S FEES			
TOTAL	-	-	196,226.00
WATER/SEWER CONTINUED			
5600 SUNDRY			
30 INS. - MOTOR VEHICLES	2,507.00	3,000.00	3,000.00
40 INS. - BLDG/LIAB/BOND	12,521.45	13,500.00	12,000.00
60 DUES & SUBSCRIPTIONS	3,560.13	4,400.00	3,000.00
85 PUBLISHING & ADVERTISING	991.30		
95 SPECIAL SERVICES - MISC	35.00		
TOTAL	19,614.88	20,900.00	18,000.00
5900 CAPITAL OUTLAY			
10 OFFICE EQUIPMENT			
20 MOTOR VEHICLES			
30 EQUIPMENT		6,500.00	5,700.00
35 EQUIP - TIME PAYMENT	17,700.00	20,000.00	20,000.00
40 SPECIAL EQUIPMENT			
90 SEWAGE TREATMENT PLANT	322,500.00	380,000.00	230,000.00

95 BRAZOSPORT WATER AUTH	140,000.00	144,000.00	155,000.00
96 DEPRECIATION	190,171.00	193,368.00	192,131.00
TOTAL	670,371.00	743,868.00	602,831.00
DEPARTMENT TOTAL	989,444.78	1,084,643.00	1,106,245.00

Net Income (loss) - legal basis	-
Capital acquisitions	
Debt principal payments	
Depreciation (unbudgeted)	-

THE CITY OF RICHWOOD

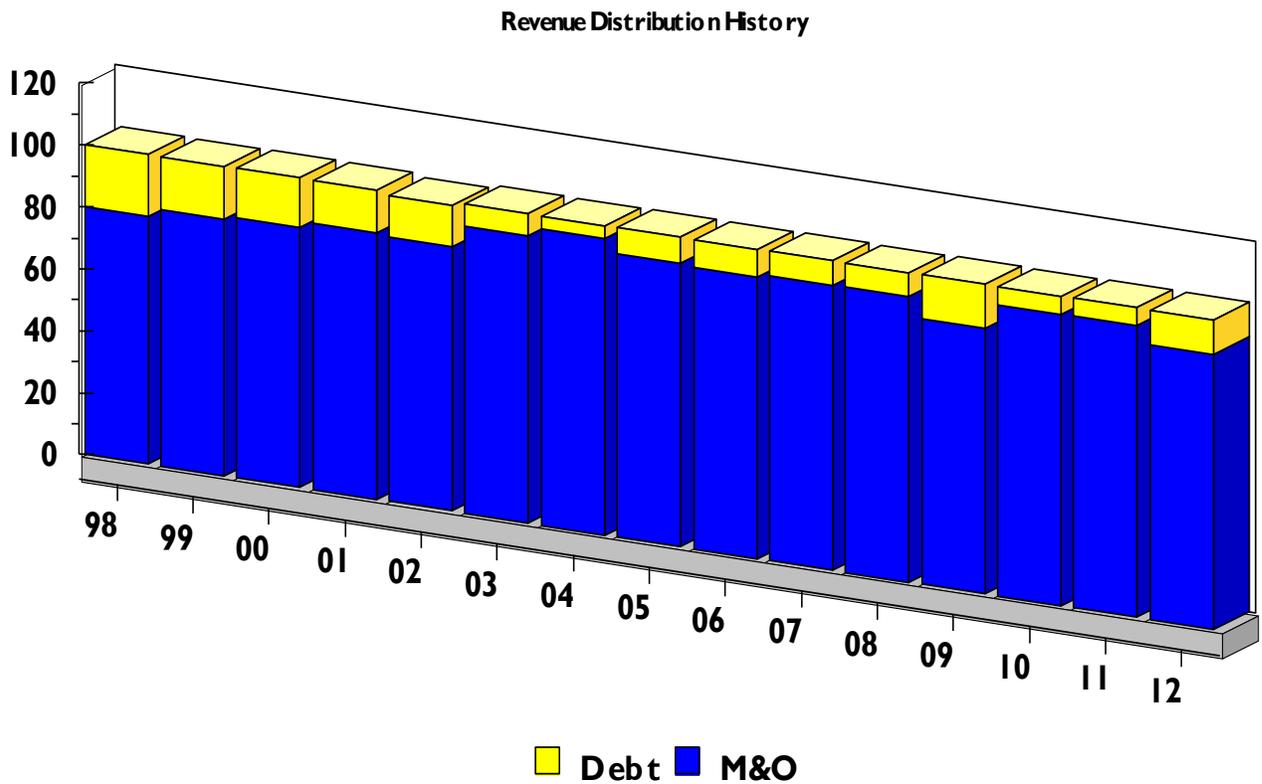
REVENUE BOND DEBT SERVICE FUND

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 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
4113 TRANS IN FROM REVENUE	22,950.00	22,225.00	
4410 WATER FEES	26,235.00	23,787.00	73,223.00
4420 SEWER FEES	16,761.69	17,850.00	66,511.00
FUND TOTAL	<u>65,946.69</u>	<u>63,862.00</u>	<u>139,734.00</u>

**Revenue Bond Debt
Expenditures**

DESCRIPTION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
5900 CAPITAL OUTLAY			
10 BOND FEES		1,500.00	1,500.00
70 CO SERIES 2011			97,966.00
89 RB I&S SERIES 1980	22,250.00	21,225.00	
91 RB I&S SERIES 2004	42,472.50	41,137.00	40,268.00
FUND TOTAL	<u>64,722.50</u>	<u>63,862.00</u>	<u>139,734.00</u>

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 2011-12

There are no major projects budgeted for the current year.

**Capital Improvement
Revenues**

DESCRIPTION	ACTUAL FY 2006/07	BUDGET FY 2007/08	BUDGET FY 2008/09
4110 INTEREST	2,371.31		1,500.00
FUND TOTAL	2,371.31	-	1,500.00

**Capital Improvement
Expenditures**

DESCRIPTION	ACTUAL FY 2006/07	BUDGET FY 2007/08	BUDGET FY 2008/09
5240 EXPENDABLE			-
5915 CAPITAL OUTLAY	17,519.22		
FUND TOTAL	17,519.22	-	-

**Replacement
Revenues**

DESCRIPTION	ACTUAL FY 2006/07	BUDGET FY 2007/08	BUDGET FY 2008/09
4110 INTEREST	5,170.97		250.00
FUND TOTAL	5,170.97	-	250.00

**Replacement
Expenditures**

DESCRIPTION	ACTUAL FY 2006/07	BUDGET FY 2007/08	BUDGET FY 2008/09
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5240 EXPENDABLE	916.17		-
5915 CAPITAL OUTLAY			10,000.00
FUND TOTAL	916.17	-	10,000.00

Capital Projects Revenues

DESCRIPTION	ACTUAL FY 2006/07	BUDGET FY 2007/08	BUDGET FY 2008/09
4110 INTEREST	415.69		300.00
FUND TOTAL	415.69	-	300.00

Capital Projects Expenditures

DESCRIPTION	ACTUAL FY 2006/07	BUDGET FY 2007/08	BUDGET FY 2008/09
5240 EXPENDABLE			-
5915 CAPITAL OUTLAY		30,000.00	
FUND TOTAL	-	30,000.00	-

Insurance Contingency Revenues

DESCRIPTION	ACTUAL FY 2006/07	BUDGET FY 2007/08	BUDGET FY 2008/09
4110 INTEREST	1,256.20		500.00
FUND TOTAL	1,256.20	-	500.00

**Insurance Contingency
Expenditures**

DESCRIPTION	ACTUAL FY 2006/07	BUDGET FY 2007/08	BUDGET FY 2008/09
5240 EXPENDABLE	3,137.57		-
5915 CAPITAL OUTLAY			
FUND TOTAL	3,137.57	-	-

MAJOR BUDGET CHANGES



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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.
- Address increasing crime and promote preventative efforts
Enhancement of existing PD resources
- To enhance the recruitment of high quality officers to serve
Purchase of equipment and tools available to PD personnel

ACCOMPLISHMENTS

Two new patrol cars were purchased

MAJOR PROJECTS FOR FY 2011-12

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

Unmarked police vehicle/equipment

**Crime Control and Prevention
Revenues**

DESCRIPTION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
TRANS IN - FUND BALANCE		23,000.00	
4110 INTEREST	-		-
4117 SALES TAX	36,227.32	50,000.00	50,000.00
FUND TOTAL	<u>36,227.32</u>	<u>73,000.00</u>	<u>50,000.00</u>

**Crime Control and Prevention
Expenditures**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2009/10	BUDGET FY 2010/11	BUDGET FY 2011/12
5200 SUPPLIES			
5220 TOOLS 5240 EXPENDABLE	-		-
TOTAL	-	-	-
5900 CAPITAL			
5920 MOTOR VEHICLES		56,000.00	26,000.00
5930 EQUIPMENT	12,265.00	14,000.00	14,000.00
	12,265.00	70,000.00	40,000.00
FUND TOTAL	<u>12,265.00</u>	<u>70,000.00</u>	<u>40,000.00</u>

MAJOR BUDGET CHANGES



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ORDINANCE NO. 368

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, 2011 - SEPTEMBER 30, 2012; 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, 2011 and ending September 30, 2012 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 30, 2011.

(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, 2011 and which will end September 30, 2012.

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 2011-2012:

(A) By Mayor or Mayor Pro-Tem, and City Administrator 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 Administrator 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 Twenty Five Thousand and no/100 (\$25,000) Dollars.

(B) Expenses of \$25,000.00 or over

The Mayor and City Administrator 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 Twenty Five Thousand and no/100 (\$25,000.00) 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 8th day of August, 2011.

(S) Clint Kocurek
Clint Kocurek, Mayor

ATTEST:

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

ORDINANCE NO. 369

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, 2011 AND ENDS SEPTEMBER 30, 2012, 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 21st day of July, 2011, 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 30th day of June, 2011, 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, 2011 and end September 30, 2012; and

WHEREAS, in order to meet the requirements of such proposed budget, ad valorem taxes must be levied in the amount of Sixty-nine and 336/1000ths (.69366) 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 5th day of August, 2011, 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, 2011 and end September 30, 2012, would be held by the City Council of the City of Richwood, Texas, on Monday, the 8th day of August, 2011 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, 2011 beginning at 7:00 p.m., by separate Ordinance No. 368 of the said City, the budget of the City for its fiscal year which will begin October 1, 2011 and will end September 30, 2012; 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, 2011 and which will end September 30, 2012, 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 \$.69366 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 \$.69366, 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	-	\$.64184
Interest and Sinking Rate	-	\$.05182
TOTAL RATE:	-	\$.69366/\$100

FOURTH, in the event any section or provision of this ordinance is found to be unconstitutional, void or inoperative by the final judgment 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 8th day of August, 2011.

(S)Clint Kocurek
Clint Kocurek, Mayor

ATTEST:

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



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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.