

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 \$13,089.00 or .01%, 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 value, taxes on new property will generate \$19,117 in tax revenue.

The proposed tax rate will raise \$14,909.00 for maintenance and operations than last year. The tax rate will effectively be decreased by 0.005% and lower taxes for maintenance and operations on a \$100,000 home by approximately \$0.00.

	FY 2009-10	FY 2010-11	Difference
Maintenance and Operations	\$ 1,024,445	\$ 1,019,032	\$ < 5,413>
Debt Service	<u>\$ 94,983</u>	<u>\$ 93,163</u>	<u>\$ &lt; 1,820&gt;</u>
Total	\$ 1,119,428	\$ 1,112,195	\$ < 7,233>

# 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 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 approximately 3,100 persons and a tax base in excess of \$122,000,000.

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’s a great place to



live, to work and to be involved.

## Gateway to Brazosport

## TABLE OF CONTENTS

### MAYOR'S MESSAGE

Major Issues	1
Budget	2
Organizational Chart	5
Council Budget Priorities Questionnaire results	6
Council Mission and Policy Issues	7

### READERS GUIDE

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

### DIRECTIVES AND POLICIES

State Law Directives	25
Administrative Policy	29

### STATISTICAL INFORMATION

Debt Service Requirements	33
Ad Valorem Tax Collections and Distribution	37
Demographics	38

### BUDGET SUMMARIES

Combined Funds Summary	39
Available Funds	42
Fund Balance Analysis	43
Revenues by Category - All Funds	45
Expenditures by Category - All Funds	46
Expenditures by Department	47
Authorized Staffing Guide	49
Salaries and Wages	50

### GENERAL FUND

Revenues vs. Expenditures	52
---------------------------	----

Revenues	53
Property Tax rates in Brazoria County	55
Administration	56
City Maintenance	63
Streets and Drainage	69
Police Department	71
Judicial Department	78
Fire Department	82
Parks and Recreation	88
<b>GENERAL OBLIGATION DEBT SERVICE FUND</b>	
General Obligation Debt Service	96
<b>WATER/SEWER FUND</b>	
Revenues vs. Expenditures	100
Revenues	101
Comparison with other cities	103
Water/Sewer	104
<b>REVENUE BOND DEBT SERVICE FUND</b>	
Revenue Bond Debt Service	112
<b>CAPITAL PROJECTS</b>	
Capital Projects	116
<b>CRIME CONTROL AND PREVENTION DISTRICT</b>	
Crime Control and Prevention District	122
<b>ADOPTING ORDINANCES</b>	
ORDINANCE #358....Adoption of FY 2010/11 Budget	125
ORDINANCE #359...Adoption of FY 2010/11 Tax Rate	127
<b>BUDGET GLOSSARY</b>	
Budget Glossary	131



THIS PAGE INTENTIONALLY LEFT BLANK



## City of Richwood

215 HALBERT  
RICHWOOD, TEXAS 77531  
PHONE (409) 265-2082  
FAX (409) 265-7345

October, 2010

Honorable Mayor and City Council  
City of Richwood  
Richwood, Texas

Presented for your review and consideration is the proposed Fiscal Year (FY) 2010-11 Annual Budget and Program of Services. A joint cooperative effort of yourselves and the City Staff has culminated in this final budget document. The 2010-11 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. 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. It is our sincere hope that many of the predictions which show the recession to be substantially over by the end of this calendar year are correct. We will continue to monitor the situation closely and make whatever adjustments may be necessary.

### MAJOR ISSUES FOR 10-11

---

The City of Richwood saw a growth of 3% 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, improvements to the City's infrastructure especially the water and sewer collection systems, and continuing the quality growth of our community. We used the Community Development Block Grant this past year to replace the sewer lines in Glenwood Bayou, Section 2.

## 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 2009-10 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 biggest change this year is we have moved the Municipal Court Administrator and Court Clerk to the Judicial Department. This is a change that has been in the works for several years. City staff and I feel this will give a much clearer picture of the actual costs of each department. When we only had one full time Court employee, this move was not a major priority. Thanks to the purchase of the ticket writers this year, we are able to handle the work load without adding an additional Court Clerk.

Outside of this change, the largest increases are to be found in two of the Public Works departments in General Fund. These are City Maintenance and Parks and Recreation. These were made necessary because of items which had been left out of previous years budgets. Since we are privatizing the heavy trash pickup, we were able to move \$16.500 from dump fees and fund overtime in Administration and City Maintenance and move money to work on drainage projects. Though the City drains exceptionally well, there is always room for improvement and we have not done any work in this area in quite a few years.

The Fire Department has asked for an increase mainly to be able to fund a pension plan through the State Firemen/Fire Marshal Association. I am thrilled that we were able to include this in the budget.

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. With their assistance and direction from myself and the Mayor, Ms. Schrom was able to have a balanced budget with no tax rate increase based on the estimated taxable value on my desk by that afternoon.

#### Water/Sewer Fund

Water/Sewer presented a bigger problem. The cost of the bar screen, the proposed BWA rate increase along with the adjustments necessary to add items that had been left out in the past made an increase necessary. The question was how much and how we could keep the increase to an absolute minimum.

The first thing we did was have a long discussion on the possibility of moving the excess in the two line items in General Fund into Water/Sewer. This lowered our deficit to \$33,870. We then cut the requested new equipment to just the touch read handhelds which are used for reading meters. Our current ones no longer can be updated or repaired.

The original directive to the Finance Department was to keep the increase to below \$2.50. I am happy to report in the end, we were able to fully fund the Water/Sewer budget and still keep the increase to \$2.00 per household per month.

#### 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 \$2,730,617, an increase of \$101,980 over the prior year's amended budget. The maintenance and operations portion of the tax rate will be 63.654¢ 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 5.712¢. The tax rate

for FY 2010-11 is 69.366¢, same as it has been for the past 3 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.

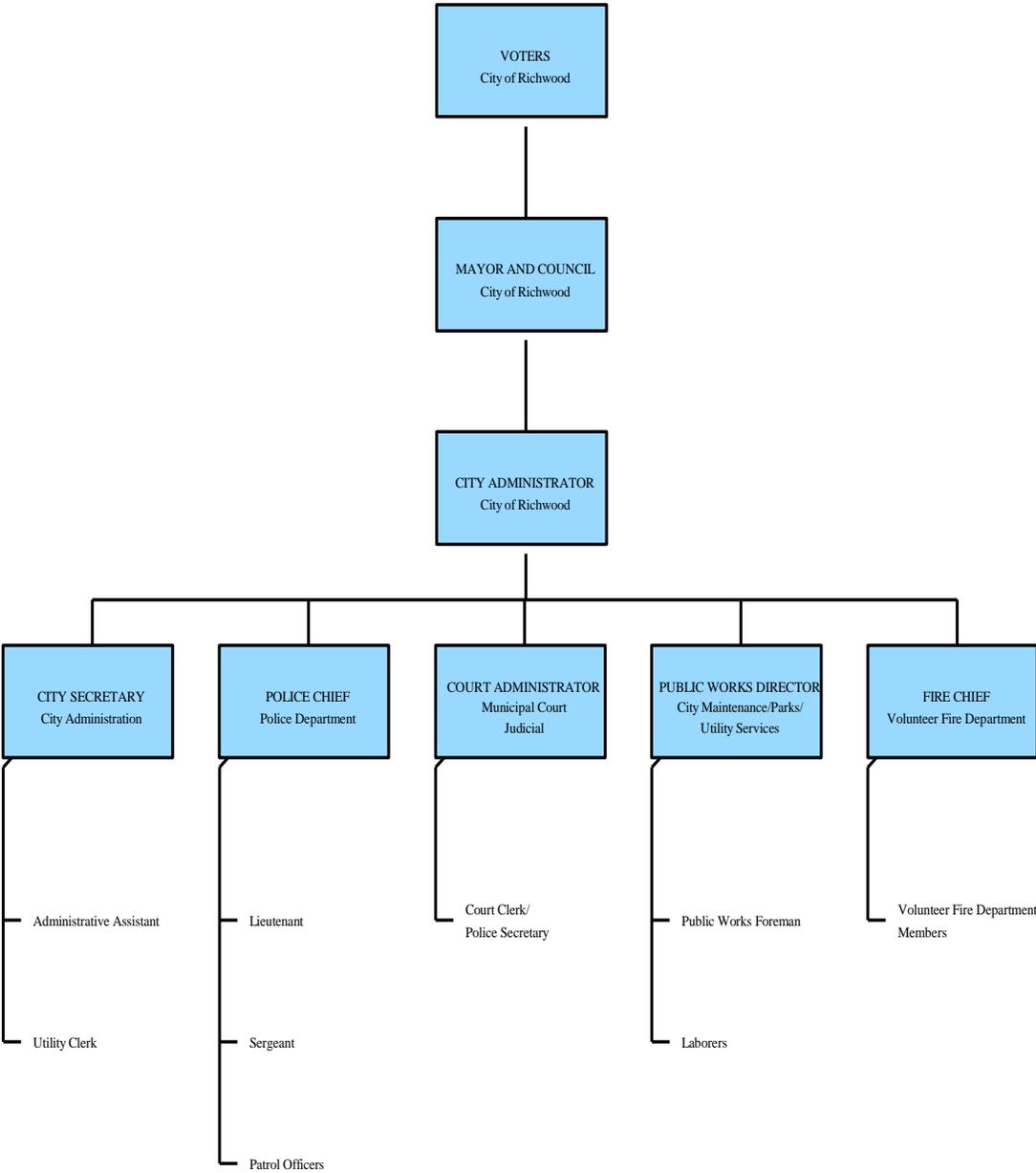
Strange as it may seem, despite the tough choices and the tough economic times, we truly enjoyed ourselves and had fun working on this budget. What made it so much fun is that this budget was made possible by everyone working together towards the same goal - to provide the best possible service at the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

**READER'S GUIDE TO THE  
2010-11 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 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
<b>OPERATING BUDGET CYCLE</b>											
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									
<b>BUDGET MAINTENANCE</b>											
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"> <li>• Establish budget policy</li> <li>• Prepare budget calendar</li> <li>• Develop budget formats</li> <li>• Distribute budget information packets to department heads</li> <li>• Obtain city's estimated property values</li> <li>• Prepare preliminary revenue estimates</li> </ul>	City Council City Administrator City Administrator City Secretary  City Secretary City Secretary
May – June	<ul style="list-style-type: none"> <li>• Assist department heads with completion of budget forms</li> <li>• Hold departmental budget meetings</li> </ul>	City Administrator/City Secretary City Secretary
June 15	<ul style="list-style-type: none"> <li>• Deadline for department heads to turn in budget submissions</li> </ul>	Department heads
July July 18 July 25 July 25 July 28 July 30	<ul style="list-style-type: none"> <li>• Receive the proposed draft, make needed adjustments and submit the recommended budget to city council</li> <li>• First Budget workshop</li> <li>• Deadline for chief appraiser to certify roll to city</li> <li>• Certification of anticipated collection rate by collector</li> <li>• Calculation of effective and rollback rate</li> <li>• Publication of effective and rollback rates; schedules and fund balances, submission to city council</li> </ul>	City Administrator  City Council Appraisal District Brazoria County City Secretary City Secretary
August – September	<ul style="list-style-type: none"> <li>• Separate public hearings must be held for the budget and for any increase in tax rates</li> <li>• The final budget is approved and filed with City Secretary</li> <li>• Taxes are levied in accordance with the budget</li> </ul>	City Council  City Administrator  City Council
August 7 August 10  August 11  August 21  August 24  August 27	<ul style="list-style-type: none"> <li>• 72 hours notice for meeting (Open Meetings Notice)</li> <li>• Meeting to discuss tax rate; if increase is more than effective or rollback rate, tax record vote and schedule public hearing</li> <li>• Publish "Notice of Public Hearing on Tax Increase" at least 7 days before public hearing</li> <li>• 72 hour notice for public hearing (Open Meetings Notice)</li> <li>• Public hearing; schedule and announce meeting to adopt tax rate 3-14 days from this date</li> <li>• Publish "Notice of Vote on Tax Rate"</li> </ul>	City Secretary  City Council  City Secretary  City Secretary  City Council City Secretary
September 11  September 14 September 18	<ul style="list-style-type: none"> <li>• 72 hour notice for meeting at which City Council will adopt tax rate</li> <li>• Meeting to adopt budget and tax rate</li> <li>• Last day to provide adopted tax rate information to Brazoria County</li> </ul>	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.
90	Uniforms	Includes all articles of clothing such as: Uniforms, slickers, raincoats, boots, caps, badges, and leather goods worn as part of an uniform, protective clothing, etc. Includes uniform rentals.
97	Transfer In	Monies transferred from other funds, to offset costs.

### **5200 OPERATING SUPPLIES**

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

10	Office supplies	Includes all supplies for use in the operations of the office, such as: adding machine tape, paper, pens, pencils, postage, blank books, blueprints, clips, envelopes, erasers, file folders, ink, maps, printing and computer supplies.
15	Custodial Supplies	Includes cleaning supplies and paper.
20	Tools	Includes instruments, tools and utensils liable to loss, theft, and rapid deterioration such as: axes, brushes, chains, cleaning tools, crowbars, mops, punches, rope, shears, shovels, spray guns, spotlights, tire changers, tire repair kits, tubes, wrenches, staplers, minor office equipment, etc.
30	Gas, Oil, & Lubricants	Includes gasoline, grease, and lubrication oil.
40	Expendable Operating supplies	Includes all small supplies other than office supplies that are used up such as: alcohol, cleaning preparations, deodorants, disinfectants, first aid supplies, grease removers, ice, kerosene, laundry, soap, oxygen, sprays, wax, weed killers (in small quantities), welding supplies, pistol range supplies, etc.
45	Dump Charges	Costs associated with the disposal of large trash items, includes the disposal of recyclable items.
70	Chemicals	Weed killer and other chemicals bought in volume.
80	Laboratory supplies	Supplies as needed in photo processing and water analysis.
85	Fire Prevention Supplies	Includes supplies to teach fire prevention in schools and day cares.
<b>5300 MAINTENANCE &amp; REPAIR:</b>		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.
<b>5600 SUNDRY</b>		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	
<b>5800 PARKS &amp; REC. COSTS</b>		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.
<b>5900 CAPITAL PROJECTS</b>		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 within the budgeted amount. This is the case because the budget is adopted at a fund level. A budget amendment is presented to Council for approval only if the budget for an individual fund is being changed.

### **Budget Amendment**

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

### **Program Goals and Measures**

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

# **ORGANIZATION OF THE BUDGET**

---

## **BUDGET SUMMARIES**

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

### Combined Funds Summary

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

### Available Funds Summary

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

### Governmental Fund Types Projected Fund Balances

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

### Enterprise Fund Types Projected Cash Balances

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

### All Funds Revenues by Category

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

### All Funds Expenditures by Category

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

### Expenditures by Department

Presents the total budgeted revenues and expenditures by department.

### Personnel Summary

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

## **GENERAL AND WATER/SEWER FUND DEPARTMENTAL DETAIL:**

The detail for each department includes the following information:

### Program Description

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

### Goals and Objectives

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

### Accomplishments

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

### Performance Measures

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

### Expenditures by Category

Presents a breakdown of all operating fund expenditures by Category.

### Personnel Summary

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

### Major Budget Changes

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

## **BUDGET BASIS**

---

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

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

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

## **FINANCIAL STRUCTURE**

---

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

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

### General Fund

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

### General Fund Sub Funds:

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

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

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

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

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

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

#### Enterprise Fund

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

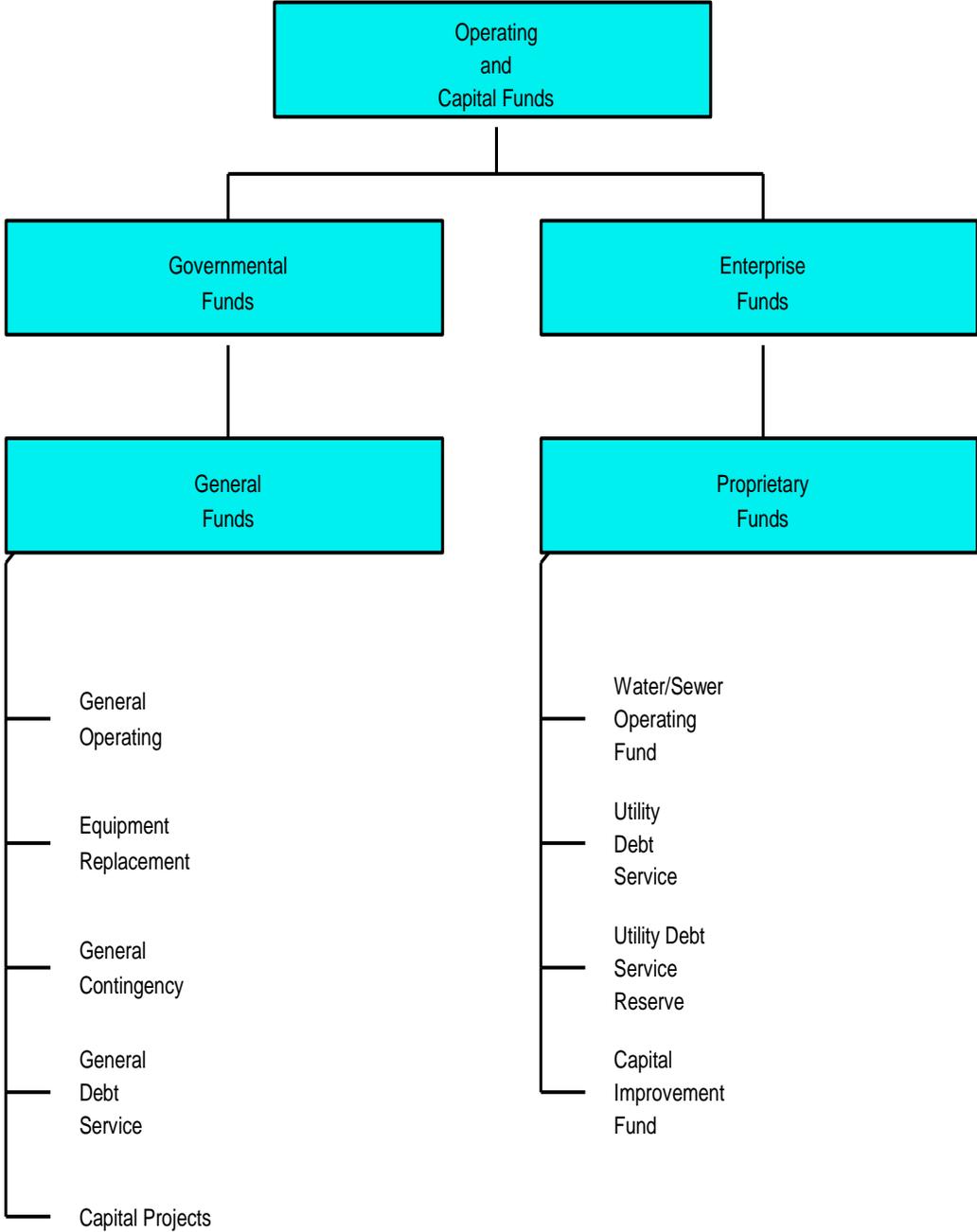
**Water/Sewer Operating Fund** - This fund includes the revenues from the Water Sewer charges. It includes the expenditures related to providing these services.

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

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

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

# FINANCIAL STRUCTURE





THIS PAGE INTENTIONALLY LEFT BLANK

# CITY OF RICHWOOD

## STATE LAW DIRECTIVES

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

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

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

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

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

# CITY OF RICHWOOD

## STATE LAW DIRECTIVES

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

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

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

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

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

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

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

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

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

# CITY OF RICHWOOD

## STATE LAW DIRECTIVES

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

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

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

### Vote required for adoption

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

### Effective date of budget; certification; copies made available

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

### Budget establishes appropriations

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

### Budget establishes amount to be raised by property tax

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

# CITY OF RICHWOOD

## STATE LAW DIRECTIVES

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

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

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

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

# CITY OF RICHWOOD

## ADMINISTRATIVE POLICY

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

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

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

### Development of Revenue Projection

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

### User Charges and Fees

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

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

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

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

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

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

### General Fund

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

### Water/Sewer Fund

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

# CITY OF RICHWOOD

## ADMINISTRATIVE POLICY

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

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

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

### Transfer to Equipment Replacement Fund

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

### Transfer to Capital Improvements Fund

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

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

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

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

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

## 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.



THIS PAGE INTENTIONALLY LEFT BLANK

**DEBT SERVICE REQUIREMENTS TO MATURITY**  
**General Obligation Bonds**  
as of September, 2010

Year Ended September 30,	General Obligation Tax Certificates of Obligation - Series 1999 Principal	Interest	Total Requirements
2011	\$ 35,000.00	\$ 42,163.00	\$ 77,163.00
2012	\$ 40,000.00	\$ 40,325.00	\$ 80,325.00
2013	\$ 40,000.00	\$ 38,185.00	\$ 78,185.00
2014	\$ 40,000.00	\$ 35,985.00	\$ 75,985.00
2015	\$ 45,000.00	\$ 33,785.00	\$ 78,785.00
2016	\$ 50,000.00	\$ 31,310.00	\$ 81,310.00
2017	\$ 50,000.00	\$ 28,510.00	\$ 78,510.00
2018	\$ 55,000.00	\$ 25,710.00	\$ 80,710.00
2019	\$ 55,000.00	\$ 22,630.00	\$ 77,630.00
2020	\$ 60,000.00	\$ 19,550.00	\$ 79,550.00
2021	\$ 65,000.00	\$ 16,099.00	\$ 81,099.00
2022	\$ 70,000.00	\$ 12,362.00	\$ 82,362.00
2023	\$ 70,000.00	\$ 8,337.00	\$ 78,337.00
2024	<u>\$ 75,000.00</u>	<u>\$ 4,312.00</u>	<u>\$ 79,312.00</u>
	<b>\$ 750,000.00</b>	<b>\$359,263.00</b>	<b>\$1,109,263.00</b>

Year Ended September 30,	FM 2004 Improvements Principal	Interest	Total Requirements
2011	\$ 13,032.61	\$ 2,425.67	\$ 15,458.28
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	\$ 15,292.11	\$ 166.18	\$ 15,458.28
	<b>\$ 127,225.02</b>	<b>\$ 12,157.13</b>	<b>\$ 139,124.52</b>

**DEBT SERVICE REQUIREMENTS TO MATURITY**  
**General Obligation Bonds**  
as of September, 2010

Year Ended September 30,	Principal	Interest	Total Requirements
2011	\$ 48,032.61	\$ 44,588.67	\$ 92,621.28
2012	\$ 53,295.87	\$ 42,487.41	\$ 95,783.28
2013	\$ 53,564.24	\$ 40,079.04	\$ 93,643.28
2014	\$ 53,838.02	\$ 37,605.26	\$ 91,443.28
2015	\$ 59,117.34	\$ 35,125.94	\$ 94,243.28
2016	\$ 64,402.29	\$ 32,365.99	\$ 96,768.28
2017	\$ 64,692.99	\$ 29,275.29	\$ 93,968.28
2018	\$ 69,989.56	\$ 26,178.72	\$ 96,168.28
2019	\$ 70,292.10	\$ 22,796.18	\$ 93,088.28
2020	\$ 60,000.00	\$ 19,550.00	\$ 79,550.00
2021	\$ 65,000.00	\$ 16,099.00	\$ 81,099.00
2022	\$ 70,000.00	\$ 12,362.00	\$ 82,362.00
2023	\$ 70,000.00	\$ 8,337.00	\$ 78,337.00
2024	<u>\$ 75,000.00</u>	<u>\$ 4,312.00</u>	<u>\$ 79,312.00</u>
	<b>\$ 877,225.02</b>	<b>\$371,162.50</b>	<b>\$1,248,387.52</b>

**DEBT SERVICE REQUIREMENTS TO MATURITY**  
**Water and Sewer System Revenue Bonds**  
as of September, 2010

Year Ended	Water and Sewer System Revenue Bonds Series 1980		Year Ended	Water and Sewer System Revenue Bonds Series 2004	
	Principal	Interest		Principal	Interest
2011	\$ 14,000	\$ 7,225	2011	\$ 20,000	\$ 21,137
2012	\$ 15,000	\$ 6,450	2012	\$ 20,000	\$ 20,268
2013	\$ 17,000	\$ 5,625	2013	\$ 20,000	\$ 19,372
2014	\$ 17,000	\$ 4,775	2014	\$ 20,000	\$ 18,453
2015	\$ 18,000	\$ 3,900	2015	\$ 25,000	\$ 17,387
2016	\$ 19,000	\$ 2,975	2016	\$ 25,000	\$ 16,169
2017	\$ 20,000	\$ 2,000	2017	\$ 25,000	\$ 14,912
2018	\$ 21,000	\$ 975	2018	\$ 25,000	\$ 13,625
2019	<u>\$ 9,000</u>	<u>\$ 225</u>	2019	\$ 30,000	\$ 12,188
			2020	\$ 30,000	\$ 10,597
	<b><u>\$150,000</u></b>	<b><u>\$ 34,150</u></b>	2021	\$ 30,000	\$ 8,978
			2022	\$ 35,000	\$ 7,189
			2023	\$ 35,000	\$ 5,237
			2024	\$ 35,000	\$ 3,269
			2025	<u>\$ 40,000</u>	<u>\$ 1,140</u>
				<b><u>\$415,000</u></b>	<b><u>\$189,921</u></b>

**DEBT SERVICE REQUIREMENTS TO MATURITY**  
**Water and Sewer System Revenue Bonds**  
as of September 30, 2010

Year Ended	Total Principal	Interest	Total Requirements
2011	\$ 34,000	\$ 28,362	\$ 62,362
2012	\$ 35,000	\$ 26,718	\$ 61,718
2013	\$ 37,000	\$ 24,997	\$ 61,997
2014	\$ 37,000	\$ 23,228	\$ 60,228
2015	\$ 43,000	\$ 21,287	\$ 64,287
2016	\$ 44,000	\$ 19,144	\$ 63,144
2017	\$ 45,000	\$ 16,912	\$ 61,912
2018	\$ 46,000	\$ 14,600	\$ 60,600
2019	\$ 39,000	\$ 12,413	\$ 51,413
2020	\$ 30,000	\$ 10,597	\$ 40,597
2021	\$ 30,000	\$ 8,978	\$ 38,978
2022	\$ 35,000	\$ 7,189	\$ 42,189
2023	\$ 35,000	\$ 5,237	\$ 40,237
2024	\$ 35,000	\$ 3,269	\$ 38,269
2025	\$ 40,000	\$ 1,140	\$ 41,140
	<b><u>\$ 565,000</u></b>	<b><u>\$ 24,071</u></b>	<b><u>\$ 589,071</u></b>

**ESTIMATED AD VALOREM TAX COLLECTION & PROPOSED DISTRIBUTION FOR  
FISCAL YEAR 2009-10**

Assessed Valuation for 2009	\$ 160,483,337
Gain (Loss) in Value	<u>3,093,369</u>
Assessed Valuation for 2010	163,093,369
Tax Rate Per \$100 Valuation	0.69366
Revenue from 2009 Tax Roll	1,131,313
Estimated Collections	<u>100%</u>
Total Funds Available	<u>\$ 1,131,313</u>

**SCHEDULE OF TAX LEVY AND COLLECTION RATE**

<b>YEAR</b>	<b>LEVY</b>	<b>BALANCE DUE AS OF 7/31/09</b>	<b>PERCENT COLLECTED</b>
2009	1,119,707.25	37,369.58	96.66%
2008	904,900.38	5,496.35	99.32%
2007	829,523.51	4,295.21	99.48%
2006	761,103.64	2,875.77	99.62%
2005	663,944.44	745.58	99.88%
2004	607,763.29	1,151.54	99.81%
2003	534,411.53	1,150.13	99.78%
2002	516,433.29	1,111.67	99.78%
2001	481,902.69	339.30	99.93%
2000	440,416.14	720.79	99.85%
1999	417,897.60	42.93	99.99%
1998	342,889.83	32.11	99.99%

**PROPOSED DISTRIBUTION OF COLLECTED TAXES**

<b>FUND</b>	<b>ADOPTED TAX RATE 2009-10</b>	<b>PROPOSED TAX RATE 2010-11</b>	<b>PROPOSED AMOUNT 2010-11</b>	<b>%</b>
General Fund	0.63448	0.63654	1,038,154	100
General Debt Service Fund	0.5918	0.05712	93,159	100
<b>TOTAL</b>	<b>0.69366</b>	<b>0.69366</b>	<b>1,131,313</b>	<b>100</b>

**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%
<b>Richwood</b>	<b>99</b>	<b>638</b>	<b>248</b>	<b>257</b>	<b>87%</b>	<b>1,731</b>	<b>86%</b>	<b>18%</b>

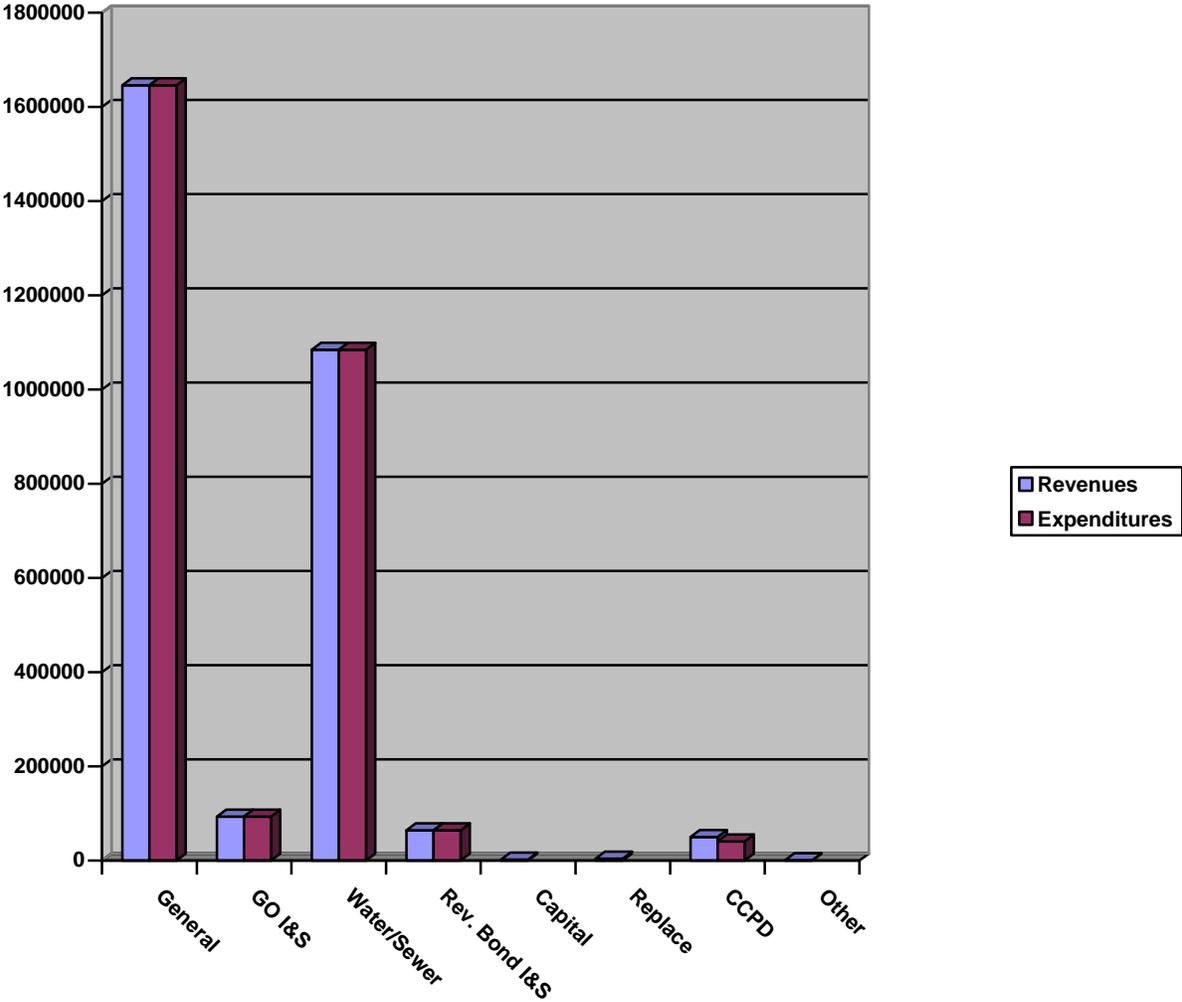
**Employment**

LABOR FORCE							
	Total	% Male	% Female	Total	% in Labor Force % Male	% Female	% Unemployed 1990
Texas	15,617,373	49%	51%	64%	55%	45%	6%
Brazoria County	180,217	52%	48%	63%	56%	44%	3%
<b>Richwood</b>	<b>2,260</b>	<b>50%</b>	<b>50%</b>	<b>72%</b>	<b>54%</b>	<b>46%</b>	<b>4%</b>

# 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 9/30/2010	REVENUES	EXPENDITURES	FUND BALANCE 9/30/2011
GENERAL FUND	816,465.27			816,465.27
REVENUES		1,645,974.00		
OPERATING EXPENSE			1,645,974.00	
TOTALS	816,465.27	1,645,974.00	1,645,974.00	816,465.27
DEBT SERVICE	27,057.00			27,057.00
REVENUES		93,163.00		
OPERATING EXPENSE			93,163.00	
TOTALS	27,057.00	93,163.00	93,163.00	27,057.00
WATER/SEWER FUND	4,494,306.00			4,494,306.00
REVENUES		1,084,643.00		
OPERATING EXPENSE			1,084,643.00	
TOTALS	4,494,306.00	1,084,643.00	1,084,643.00	4,494,306.00
DEBT SERVICE	342,600.00			342,600.00
REVENUES		63,862.00		
OPERATING EXPENSE			63,862.00	
TOTALS	342,600.00	63,862.00	63,862.00	342,600.00
CAPITAL IMPROVEMENTS	92,857.00			94,857.00
REVENUES		2,000.00		
OPERATING EXPENSE				
TOTALS	92,857.00	2,000.00	-	94,857.00
REPLACEMENT FUND	112,967.00			116,967.00
REVENUES		4,000.00		

OPERATING EXPENSE			-	
TOTALS	112,967.00	4,000.00	-	116,967.00
CCPD	20,375.00			30,375.00
REVENUES		50,000.00		
OPERATING EXPENSE			40,000.00	
TOTALS	20,375.00	50,000.00	40,000.00	30,375.00
CAPITAL PROJECTS	-			-
REVENUES				
OPERATING EXPENSE				
TOTALS	-	-	-	-
OTHER FUNDS	16,096.00			16,296.00
REVENUES		200.00		
OPERATING EXPENSE				
TOTALS	19,075.70	200.00	-	19,075.70
TOTALS	5,583,102.97			5,599,102.97

## AVAILABLE FUNDS

	CASH BALANCE A/O 10/01/09	ESTIMATED CASH A/O 9/30/10	INVESTED A/O 8/31/10
<b>OPERATING ACCOUNTS</b>			
	365,719.84	528,169.85	722,083.31
WATER/SEWER FUND	233,436.50	215,550.09	140,434.46
<b>MISCELLANEOUS RESTRICTED FUNDS</b>			
GENERAL OBLIGATION	26,520.78	31,381.39	26,777.55
REVENUE BOND	342,800.34	324,021.29	347,488.75
WATER/METER DEPOSIT	91,789.67	92,035.20	92,193.86
RESERVE FUND	23,142.08	24,796.86	24,361.28
CAPITAL IMPROVEMENT SEIZURE AND FORFEITURE	93,021.15 4,232.53	96,307.09 1,135.06	95,274.40
BEAUTIFICATION	17,288.25	21,310.58	
CAPITAL PROJECTS INSURANCE	4,925.09	1,405.03	4,933.12
CONTINGENCY CRIME CONTROL AND PREV	16,088.45 -	21,610.58 20,452.28	16,148.03
REPLACEMENT FUND	113,757.65	118,107.57	118,020.78
<b>TOTALS</b>	<b>1,332,722.33</b>	<b>1,496,282.87</b>	<b>1,587,715.54</b>

**GENERAL FUND  
FUND BALANCE ANALYSIS**

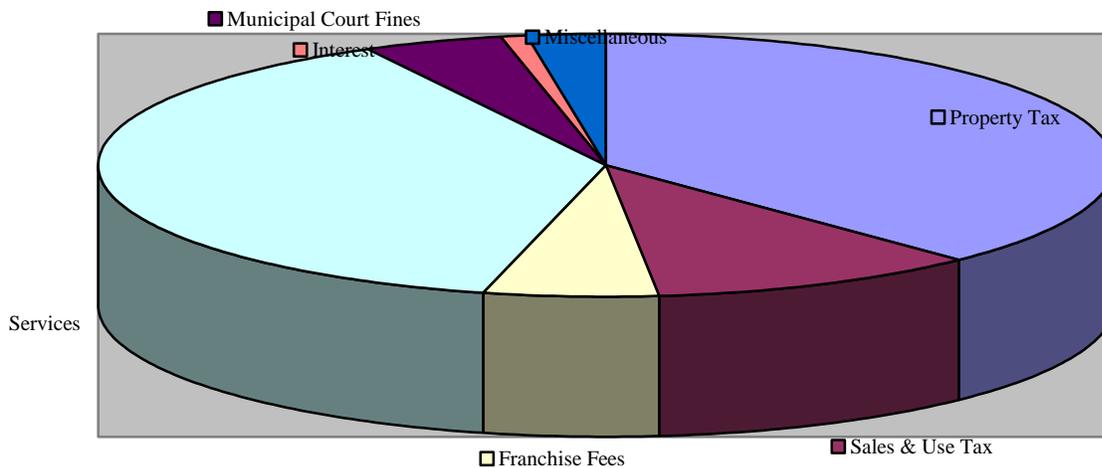
<b>FUND</b>	GENERAL OPERATING FUND	GENERAL DEBT SERVICE	INSURANCE CONTINGENCY FUND	EQUIPMENT REPLACEMENT FUND	GENERAL CAPITAL PROJECTS
<b>FUND BALANCE 9-30-09</b>	<b>816,465.27</b>	<b>29,013.56</b>	<b>16,096.64</b>	<b>112,967.44</b>	-
Projected Revenues					
Transfers In					
From General Operating					
From Utility Operating					
From Insurance Contingency					
All Other Revenues	1,643,258.45	94,738.23	152.77	3,377.62	
Total Revenues	<u>2,459,723.72</u>	<u>123,751.79</u>	<u>16,249.41</u>	<u>116,345.06</u>	-
Projected Expenditures					
Transfers Out					
To Capital Projects					
To Insurance Contingency					
To Equipment Replacement					
All Other Expenditures	1,471,376.64	94,983.00	-	10,140.44	
Total Expenditures	<u>1,471,376.64</u>	<u>94,983.00</u>	<u>-</u>	<u>10,140.44</u>	-
<b>FUND BALANCE 9-30-10</b>	<b>988,347.08</b>	<b>28,768.79</b>	<b>16,249.41</b>	<b>106,204.62</b>	-
<b>Low 25% of Budget</b>	<b>412,752.50</b>				
<b>High 33% of Budget</b>	<b>544,833.30</b>				

**UTILITY FUNDS  
FUND BALANCE ANALYSIS**

<b>FUND</b>	UTILITY OPERATING FUND	UTILITY DEBT SERVICE	UTILITY DEBT SERVICE RESERVE	UTILITY PROJECTS FUND	CAPITAL IMPROVE FUND
<b>FUND BALANCE 9-30-09 *</b>	<b>281,206.60</b>	<b>342,600.80</b>	<b>22,866.39</b>	<b>4,924.28</b>	<b>92,760.67</b>
Projected Revenues					
Transfers In					
From General Operating					
From Utility Operating					
From Insurance Contingency					
All Other Revenues	894,758.12	65,423.00	935.64	10.13	1,855.68
<b>Total Revenues</b>	<b>1,175,964.72</b>	<b>408,023.80</b>	<b>23,802.03</b>	<b>4,934.41</b>	<b>94,616.35</b>
Projected Expenditures					
Transfers Out					
To Capital Projects					
To Insurance Contingency					
To Equipment Replacement					
All Other Expenditures	909,239.76	64,772.50		3,520.06	
<b>Total Expenditures</b>	<b>909,239.76</b>	<b>64,772.50</b>	<b>-</b>	<b>3,520.06</b>	<b>-</b>
<b>FUND BALANCE 9-30-10</b>	<b>266,724.96</b>	<b>343,251.30</b>	<b>23,802.03</b>	<b>1,414.35</b>	<b>94,616.35</b>
<b>Low 25% of Budget</b>	<b>243,656.75</b>				
<b>High 33% of Budget</b>	<b>321,626.91</b>				
<b>* operating fund balance</b>					

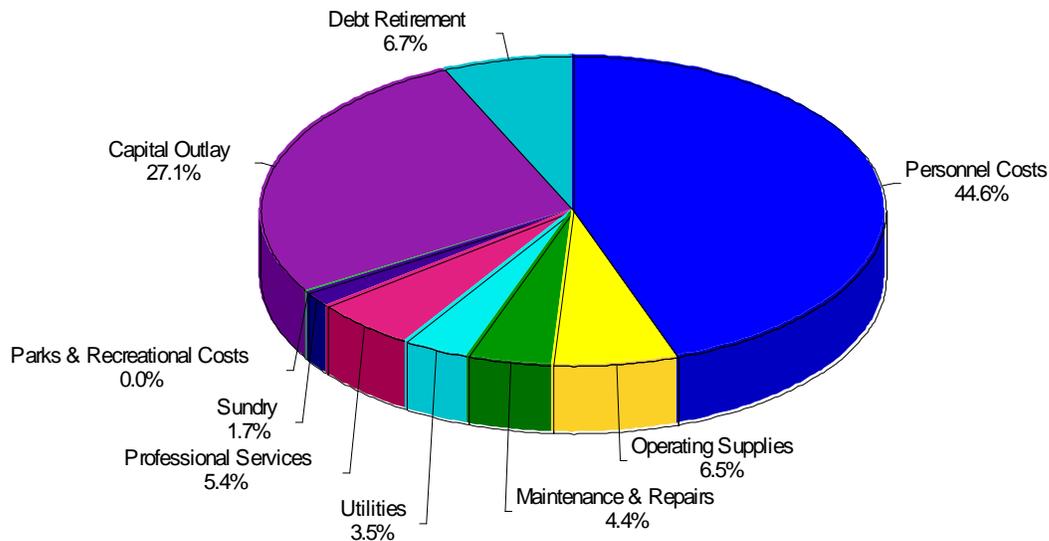
**2010-11 BUDGET**  
**ALL FUNDS BY FUND TYPE**  
*REVENUES BY CATEGORY*

REVENUES	GENERAL GOVERNMENT	UTILITY SYSTEM	OTHER	TOTAL
Property Tax	1,019,974.00		94,983.00	1,114,957.00
City Sales & Use Tax	260,000.00		50,000.00	310,000.00
Franchise Fees	160,000.00			160,000.00
Charges for Services	51,000.00	1,019,643.00	63,862.00	1,134,505.00
Municipal Court Fines	125,000.00			125,000.00
Interest	10,000.00	10,000.00	6,500.00	26,500.00
Miscellaneous	20,000.00	55,000.00		75,000.00
<b>Total Revenues</b>	<b>1,645,974.00</b>	<b>1,084,643.00</b>	<b>215,345.00</b>	<b>2,945,962.00</b>



**2010-11 BUDGET**  
**ALL FUNDS BY FUND TYPE**  
*EXPENDITURES BY CATEGORY*

REVENUES	GENERAL GOVERNMENT	UTILITY SYSTEM	OTHER	TOTAL
Personnel Costs	1,068,774.00	194,375.00		1,263,149.00
Operating Supplies	112,450.00	30,500.00		142,950.00
Maintenance & Repairs	79,300.00	48,000.00		127,300.00
Utilities	72,200.00	47,000.00		119,200.00
Professional Services	157,250.00			157,250.00
Sundry	47,450.00	20,900.00		68,350.00
Parks & Recreation	7,500.00			7,500.00
Capital Outlay	101,050.00	743,868.00	40,000.00	884,918.00
Debt Retirement			157,025.00	157,025.00
<b>Total Expenditures</b>	<b>1,645,974.00</b>	<b>1,084,643.00</b>	<b>197,025.00</b>	<b>2,927,642.00</b>



## EXPENDITURES BY DEPARTMENT

DESCRIPTION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
ADMINISTRATION	279,528.60	389,985.00	352,663.00
CITY MAINTENANCE	231,849.86	231,851.00	244,530.00
STREETS & DRAINAGE	62,849.68	86,484.00	81,000.00
POLICE DEPARTMENT	768,935.32	767,788.00	695,728.00
JUDICIAL	12,840.44	34,600.00	106,703.00
FIRE DEPARTMENT	83,134.22	94,550.00	107,300.00
PARKS & RECREATION	59,734.30	48,752.00	58,050.00
TOTAL	<u>1,498,872.42</u>	<u>1,654,010.00</u>	<u>1,645,974.00</u>
DEBT SERVICE	<u>76,614.00</u>	<u>94,983.00</u>	<u>93,163.00</u>
TOTAL	<u>76,614.00</u>	<u>94,983.00</u>	<u>93,163.00</u>
WATER/SEWER	<u>795,250.85</u>	<u>974,627.00</u>	<u>1,084,643.00</u>
TOTAL	<u>795,250.85</u>	<u>974,627.00</u>	<u>1,084,643.00</u>
DEBT SERVICE	<u>65,702.50</u>	<u>65,423.00</u>	<u>63,862.00</u>
TOTAL	<u>65,702.50</u>	<u>65,423.00</u>	<u>63,862.00</u>
CRIME CONTROL & PREVENTION	<u>-</u>	<u>40,000.00</u>	<u>40,000.00</u>
TOTAL	<u>-</u>	<u>40,000.00</u>	<u>40,000.00</u>
INSURANCE CONTINGENCY	<u>2,856.05</u>	<u>-</u>	<u>-</u>
TOTAL	<u>2,856.05</u>	<u>-</u>	<u>-</u>
REPLACEMENT	<u>16,145.03</u>	<u>10,000.00</u>	<u>-</u>
TOTAL	<u>16,145.03</u>	<u>10,000.00</u>	<u>-</u>

CAPITAL IMPROVEMENTS	-	-	-
TOTAL	-	-	-
CAPITAL PROJECTS	-	-	-
TOTAL	-	-	-
GRAND TOTAL	2,455,440.85	2,799,043.00	2,927,642.00

## **AUTHORIZED STAFFING GUIDE**

	<u><b>2009</b></u>	<u><b>2010</b></u>	<u><b>2011</b></u>
• <b>City Administrator</b>	<b>1</b>	<b>1</b>	<b>1</b>
• <b>City Secretary</b>	<b>1</b>	<b>1</b>	<b>1</b>
• <b>Administrative Assistant</b>	<b>1</b>	<b>1</b>	<b>1</b>
• <b>Utility Clerk</b>	<b>1</b>	<b>1</b>	<b>1</b>
• <b>Police Chief</b>	<b>1</b>	<b>1</b>	<b>1</b>
• <b>Police Lieutenant</b>	<b>1</b>	<b>1</b>	<b>1</b>
• <b>Patrol Officers</b>	<b>6</b>	<b>6</b>	<b>6</b>
• <b>Court Administrator</b>	<b>1</b>	<b>1</b>	<b>1</b>
• <b>Court Court</b>	<b>1</b>	<b>1</b>	<b>1</b>
• <b>Public Works Director</b>	<b>1</b>	<b>1</b>	<b>1</b>
• <b>Crew Leader</b>	<b>1</b>	<b>1</b>	<b>1</b>
• <b>Laborers</b>	<b>5</b>	<b>5</b>	<b>5</b>

## SALARIES AND WAGES

	FY 2009	FY 2010	Proposed FY 2011	Adopted FY 2011	Adopted Hourly Rate
<b>City Administration</b>					
City Administrator	57,750.00	58,905.00	64,083.00	64,083.00	
City Secretary	47,000.00	48,899.00	50,793.00	50,793.00	
Clerk	24,586.00	25,608.00	26,120.00	26,120.00	12.56
Administrative Assist	27,394.00	28,472.00	29,042.00	29,042.00	13.96
<b>City Maintenance</b>					
Public Works Director	50,400.00	52,425.00	53,474.00	53,474.00	
Laborer	24,024.00	26,978.00	27,519.00	27,519.00	13.23
Laborer	26,458.00	25,127.00	23,983.00	23,983.00	11.53
<b>Police Department</b>					
Chief of Police	57,960.00	59,119.00	60,302.00	60,302.00	
Lieutenant	45,013.00	46,913.00	47,852.00	47,852.00	23.01
Sergeant	43,763.00	44,638.00	45,531.00	45,531.00	21.89
Officer	43,354.00	44,221.00	45,106.00	45,106.00	21.69
Officer	43,354.00	44,221.00	45,106.00	45,106.00	21.69
Officer	43,354.00	44,221.00	45,106.00	45,106.00	21.69
Officer	43,354.00	44,221.00	45,106.00	45,106.00	21.69
Officer	43,354.00	44,221.00	45,106.00	45,106.00	21.69
<b>Municipal Court</b>					
Court Administrator	32,000.00	32,640.00	33,293.00	33,293.00	16.01
Court Clerk/Secretary	25,000.00	25,500.00	26,010.00	26,010.00	12.50
<b>Water and Sewer</b>					
Crew Leader	27,706.00	28,260.00	28,825.00	28,825.00	13.86
Laborer	26,645.00	27,178.00	27,706.00	27,706.00	13.32
Laborer	24,400.00	24,886.00	23,962.00	23,962.00	11.52
Laborer	24,024.00	23,338.00	23,962.00	23,962.00	11.52

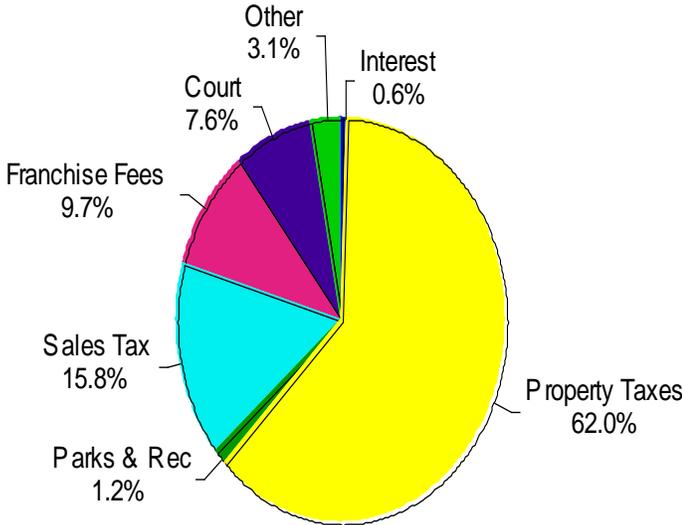
# ***CITY OF RICHWOOD***

## **GENERAL FUND**

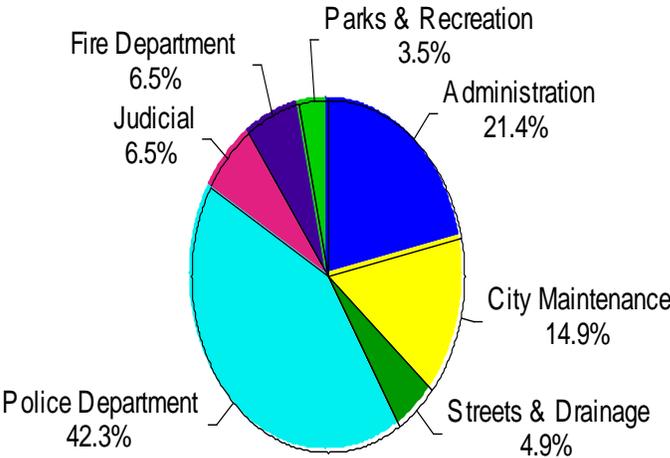
# GENERAL OPERATING FUND

## Revenues vs Expenditures

### Revenues



### Expenditures



## General Fund

### Revenues

DESCRIPTION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
4103 AD VALOREM TAXES	809,839.88	962,565.00	992,974.00
4104 DELINQUENT TAXES	7,658.02	15,000.00	15,000.00
4105 PENALTY & INTEREST	7,230.25	10,000.00	12,000.00
4106 LICENSES & PERMITS	1,010.50	5,000.00	5,000.00
4107 BUILDING PERMITS	21,265.85	20,000.00	25,000.00
4109 MUNICIPAL COURTS	133,424.80	90,000.00	125,000.00
4110 INTEREST EARNED	7,153.12	10,000.00	10,000.00
4111 FRANCHISE TAXES	160,175.45	155,000.00	160,000.00
4112 MISCELLANEOUS INCOME	15,651.82	20,000.00	20,000.00
4114 ANIMAL FINES/LICENSES	2,478.36	1,000.00	1,000.00
4116 SALES TAX - STREETS	64,106.66	60,000.00	50,000.00
4117 SALES TAX	255,864.57	230,000.00	210,000.00
4121 PARKS AND RECREATION TRANSFER IN FROM W/S	14,342.63	20,000.00	20,000.00
4123 OTHER REVENUES		24,000.00	
<b>FUND TOTAL</b>	<b>1,500,201.91</b>	<b>1,622,565.00</b>	<b>1,645,974.00</b>

**GENERAL FUND  
MAJOR REVENUE SOURCES**

---

Ad Valorem Taxes (62%)

The Ad Valorem, or Property Tax, accounts for \$992,974 in revenues. Including projected delinquent collections and penalty and interest, the contribution to the General Fund (operating) is \$987,565 or 62% of General Fund Revenues.

Sales Tax (15.8%)

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 2010-11 the Sales Tax is projected to bring in \$260,000 or 15.8% of all General Fund Revenues.

Franchise Fees (9.7%)

Utility companies, such as Reliant Energy, Southwestern Bell Telephone, Warner Cablevision and Waste Management use the City's right-of-ways and easements to conduct their business. In exchange for the right to use public-right-of-ways and easements, the companies pay a franchise or rental use fee. In FY 2010-11, these fees will represent a projected \$160,000 (or 9.7% of general operating revenues)

Municipal Court (7.6%)

Fines for violation of City Ordinances, such as speeding, represent a projected \$125,000 in FY 2010-11 (or 7.6% of general revenues).

Of interest, the projected cost to operate the Police Department in FY 2010-11 will be \$695,728. Therefore, fines cover only 18% of the cost to operate our Police Department. The cost to operate the Municipal Court in FY 2010-11 is projected to be \$106,703.

Parks & Recreation (1.2%)

Fees to use the City's Municipal Building, Pavilion and Swimming Pool are projected to bring in \$20,000 in FY 2010-11 (or 1.2% of general operating revenues). The cost to operate the Parks & Recreation functions (including the swimming pool) is projected to be \$58,050 for FY 2010-11. Therefore fees cover 34% of operating costs.

2009 Property Tax Rates  
Brazoria County Cities

Holiday Lakes	0.950737
West Columbia	0.831900
Alvin	0.803600
Danbury	0.762014
Sweeny	0.741595
Brazoria	0.728300
Freeport	0.708266
Angleton	0.70600
<i>Richwood</i>	<i>0.693660</i>
Clute	0.672000
Pearland	0.652600
Manvel	0.587831
Brookside Village	0.460000
Surfside Beach	0.442056
Oyster Creek	0.401142
Lake Jackson	0.390000
Hillcrest Village	0.374512
Jones Creek	0.340000
Liverpool	0.236852

## 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 its 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 Councilperson, 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.

Identify and prioritize the needs of the city by developing a vision and mission for the City.

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

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

---

Partnered with the Police Department and City Maintenance to increase the efficiency of code enforcement in response to responses on the Community Survey.

Implemented a new program to allow for automatic draft for utility bills.

Partnered with Texas A&M to complete a Comprehensive Plan

Completed work on the installation of the new generator for the City's Administration/Police/EOC

Began a program of scanning important documents for the City's Records Management Program. This will allow us to maintain records in the event of a disaster and save on valuable space.

Received the Texas State Comptroller's highest award, the Gold Star, for financial transparency.

PERFORMANCE MEASURES
----------------------

---

	Actual 2008/09	Actual 2009/10	Budget 2010/11
1. City Council/Board Meetings Staffed	46	41	45
2. City Council/Agendas Compiled	46	41	45
3. Public Hearings Held	4	4	4
4. Purchase Orders Processed Monthly	70	79	85
5. Work Orders Generated Monthly	60	55	60
6. Accounts Billed Monthly	1,086	1,108	1,150
7. Ordinances & Resolutions Prepared	18	15	15
8. Invoices handled per month Customers Served	120	117	125
9. Phone Calls Per Day	86	101	110
10. Walk Up Counter Per Day	60	57	60

**Department  
Administration**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
PERSONNEL COSTS	137,969.92	182,340.00	200,963.00
OPERATING COSTS	25,123.20	25,500.00	28,000.00
MAINTENANCE AND REPAIRS	7,394.46	10,500.00	10,500.00
UTILITIES AND TELEPHONE	15,724.72	16,500.00	14,500.00
SERVICES	59,181.08	82,000.00	56,500.00
SUNDRY	12,901.89	10,700.00	13,200.00
<b>SUBTOTAL</b>	<b>258,295.27</b>	<b>327,540.00</b>	<b>323,663.00</b>
CAPITAL OUTLAY	21,233.33	62,445.00	29,000.00
<b>DEPARTMENT TOTAL</b>	<b>279,528.60</b>	<b>389,985.00</b>	<b>352,663.00</b>
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE	
CITY ADMINISTRATOR	1	5,340.25	64,083.00
CITY SECRETARY	1	4,232.75	50,793.00
ADMINISTRATIVE ASSISTANT	1	2,420.17	29,042.00
CLERK	1	2,176.67	26,120.00
OVERTIME		250.00	3,000.00
	4	14,419.83	173,038.00
LESS ADMIN OVERHEAD FROM WATER/SEWER			(32,175.00)
<b>TOTAL SALARIES</b>			<b>140,863.00</b>

## **MAJOR BUDGET CHANGES**

2% raise across the board  
added additional money for overtime

**Department  
Administration**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
<b>5100 PERSONNEL COSTS</b>			
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
<b>TOTAL</b>	137,969.92	182,340.00	200,963.00
<b>5200 OPERATING SUPPLIES</b>			
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
<b>TOTAL</b>	25,123.20	25,500.00	28,000.00
<b>5300 MAINTENANCE &amp; REPAIRS</b>			
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			

	<b>TOTAL</b>	7,394.46	10,500.00	10,500.00
<b>5400 UTILITIES &amp; TELEPHONE</b>				
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
	<b>TOTAL</b>	15,724.72	16,500.00	14,500.00
<b>5500 SERVICES</b>				
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
	<b>TOTAL</b>	59,181.08	82,000.00	56,500.00
ADMINISTRATION CONTINUED				
<b>5600 SUNDRY</b>				
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
	<b>TOTAL</b>	12,901.89	10,700.00	13,200.00
<b>5900 CAPITAL OUTLAY</b>				
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

	<b>TOTAL</b>	21,233.33	62,445.00	29,000.00
<b>DEPARTMENT TOTAL</b>		<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**

Have no reportable accidents

Upgrade employee technical licenses

Implement a safety program.

### **ACCOMPLISHMENTS**

Partnered with the Police Department and Administration to increase the efficiency of code enforcement in response to responses on the Community Survey.

Developed a more aggressive mowing schedule as a part of the revamped Code Enforcement Program

Enacted a vehicle maintenance record system to maintain and monitor cost expenditures.

PERFORMANCE MEASURES

---

	Actual 2008/09	Actual 2009/10	Budget 2010/11
1. Neglected premises	7	25	30
2. Weed/mowing letters	21	46	50
3. Abandoned vehicle letters	9	52	60
4. Follow ups on letters	3	89	100
5. Liens filed		22	25
6. Permits issued	165	137	140
7. Building inspections	416	423	450

**Department  
City Maintenance**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
PERSONNEL COSTS	145,542.49	154,929.00	154,530.00
OPERATING COSTS	34,729.40	33,250.00	22,250.00
MAINTENANCE AND REPAIRS	12,521.00	7,500.00	11,000.00
UTILITIES AND TELEPHONE	33,454.59	28,879.00	41,500.00
SERVICES	429.00	500.00	500.00
SUNDRY	5,173.38	4,293.00	14,750.00
<b>SUBTOTAL</b>	231,849.86	229,351.00	244,530.00
CAPITAL OUTLAY	-	2,500.00	-
<b>DEPARTMENT TOTAL</b>	231,849.86	231,851.00	244,530.00
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE	
PUBLIC WORKS DIRECTOR	1	4,456.17	53,474.00
LABORER	1	2,293.25	27,519.00
LABORER	1	1,998.58	23,983.00
OVERTIME		-	4,554.00
	3	8,748.00	109,530.00
<b>TOTAL SALARIES</b>			109,530.00

**MAJOR BUDGET CHANGES**

**Department  
City Maintenance**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
<b>5100 PERSONNEL COSTS</b>			
02 CONTRACT LABOR	2,530.75	3,000.00	2,000.00
03 SALARIES	105,276.29	114,930.00	109,530.00
05 RETIREMENT	12,482.73	12,906.00	15,000.00
10 WORKER'S COMP	1,836.98	3,168.00	3,000.00
15 HOSPITALIZATION	20,790.72	16,631.00	21,000.00
20 UNEMPLOYMENT INS.	297.00	294.00	1,000.00
30 TRAINING & TRAVEL	2,174.42	2,500.00	1,500.00
90 UNIFORMS	153.60	1,500.00	1,500.00
<b>TOTAL</b>	145,542.49	154,929.00	154,530.00
<b>5200 OPERATING SUPPLIES</b>			
10 OFFICE SUPPLIES	434.28	500.00	500.00
15 CUSTODIAL SUPPLIES	977.62	1,000.00	1,500.00
20 TOOLS	2,979.09	500.00	1,000.00
30 GAS, OIL, & LUBRICANTS	6,633.37	6,500.00	7,250.00
40 EXPENDABLE SUPPLIES	3,113.12	3,500.00	5,000.00
45 DUMP CHARGES	20,492.99	20,000.00	5,000.00
70 CHEMICALS	98.93	1,250.00	2,000.00
<b>TOTAL</b>	34,729.40	33,250.00	22,250.00
<b>5300 MAINTENANCE &amp; REPAIRS</b>			
10 BUILDING & GROUNDS	2,474.61	1,000.00	2,500.00
20 OFFICE FURNITURE/FIX	345.08	500.00	

40 VEHICLE M&R	2,103.18	1,000.00	3,000.00
65 OTHER EQUIPMENT M&R	5,608.38	3,500.00	3,500.00
76 SIGNS M&R	1,989.75	1,500.00	2,000.00
<b>TOTAL</b>	<b>12,521.00</b>	<b>7,500.00</b>	<b>11,000.00</b>
<b>5400 UTILITIES &amp; TELEPHONE</b>			
10 ELECTRICITY	28,415.98	24,024.00	36,000.00
20 TELEPHONE	2,905.19	2,378.00	2,000.00
30 NATURAL GAS	2,133.42	2,477.00	3,500.00
<b>TOTAL</b>	<b>33,454.59</b>	<b>28,879.00</b>	<b>41,500.00</b>
<b>5500 SERVICES</b>			
60 ENGINEERING			
70 ATTORNEY'S FEES	429.00	500.00	500.00
<b>TOTAL</b>	<b>429.00</b>	<b>500.00</b>	<b>500.00</b>
CITY MAINTENANCE CONTINUED			
<b>5600 SUNDRY</b>			
30 INS. - MOTOR VEHICLES	1,698.51	1,699.00	3,000.00
40 INS. - BLDG/LIAB/BOND	2,321.27	1,033.00	3,000.00
60 DUES & SUBSCRIPTIONS	111.00	111.00	7,250.00
85 PUBLISHING & ADVERTISING	92.40	1,200.00	1,000.00
95 SPECIAL SERVICES - MISC	950.20	250.00	500.00
<b>TOTAL</b>	<b>5,173.38</b>	<b>4,293.00</b>	<b>14,750.00</b>
<b>5900 CAPITAL OUTLAY</b>			
10 OFFICE EQUIPMENT			
20 MOTOR VEHICLES			
30 EQUIPMENT			
35 EQUIP - TIME PAYMENT		2,500.00	
40 SPECIAL EQUIPMENT			

	<b>TOTAL</b>	-	2,500.00	-
<b>DEPARTMENT TOTAL</b>		231,849.86	231,851.00	244,530.00

## **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, Jasmine, Hollyhock and Pin Oak

Maintain ditches and storm drains

### **ACCOMPLISHMENTS**

Repaired Burkett and Cedar

Completed the yearly TCEQ storm water reporting

### **PERFORMANCE MEASURES**

---

	Actual 2008/09	Actual 2009/10	Budget 2010/11
1. Culverts cleaned	15	42	50
2. Mowing frequency of ditches	10	10	10
3. Potholes fixed	60	40	60

**Department  
Streets and Drainage**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
<b>5300 MAINTENANCE &amp; REPAIRS</b>			
80 STREET M&R	1,091.34	20,000.00	20,000.00
85 DRAINAGE M&R	-	5,000.00	2,500.00
<b>TOTAL</b>	-	25,000.00	22,500.00
<b>5900 CAPITAL OUTLAY</b>			
65 STREET PROJECTS	52,809.60	61,484.00	50,000.00
75 DRAINAGE	10,040.08	-	8,500.00
<b>TOTAL</b>	62,849.68	61,484.00	58,500.00
<b>DEPARTMENT TOTAL</b>	62,849.68	86,484.00	81,000.00

**MAJOR BUDGET CHANGES**

## **POLICE DEPARTMENT**

---

### **PROGRAM DESCRIPTION**

As stated in past program incentives, the Richwood Police Department strives to provide law enforcement activities for the community. One of these incentives that this police department would like to achieve in the upcoming year is one that succeeds through a partnership with the community. This can better be accomplished through programs such as the Citizens Police Academy. This type of program is set in place to enhance the partnership between community members and the local law enforcement. Officers offer the Academy participants an excellent opportunity to learn more about the daily operations of the police department and experience conditions similar to the training they receive.

While the technological changes that have taken place as time has gone by it has enabled the police department to transition into a more “Going Green” type of environment. By utilizing more computerized programming and online services it would allow for potential cost savings of items such as paper and ink for printers. Another advantage of this program would be eliminating some of the difficulties faced with the lack of file type storage space.

### **GOALS AND OBJECTIVES**

As always, the objective of the Richwood Police Department is to provide a safe environment for the residents, business owners, and visitors of the City of Richwood. This will continue to be an objective achieved year after year.

The introduction of a Citizens Police Academy at the Richwood Police Department where police officers can maintain or build a relationship with the public by involving citizens in crime prevention efforts. Citizen Police Academies provide the public with a working knowledge of their law enforcement agency’s mission, operation, policies, and personnel. They also create mutual trust and cooperation between the police and residents.

“Going Green”. Put forth efforts to increase the department’s ability to run more efficiently utilizing technological changes, while at the same time potentially save on some operating cost.

Promoting safety for the citizens of the City of Richwood and its guests is an ongoing goal, objective and time honored tradition. Just as important an objective is providing safety for the employees of this fine city as well. Officers are provided bullet proof vests, training and specialized tools in an attempt to add to their security in the field while dealing with offenders and violators of all walks of life. While officers have the luxuries of these items, what is often forgotten about are the city employees that may be dealing with the same elements here in the offices of the Richwood Police Department and City Hall. With this being said, a goal of this department is to provide bullet resistant transaction windows for both the Municipal Court and City Hall personnel. By doing this, it will be creating and promoting a safe environment for employees and customers alike.

ACCOMPLISHMENTS

Partnered with City Administration to increase the efficiency of code enforcement in response to responses on the Community Survey.

Worked with City Administration to implement a juvenile curfew

Purchased new ticketwriters to streamline departmental and Municipal Court processes.

Worked with radar sign and proactive patrol enforcement to decrease speeding on city streets.

Average speeding ticket was for 14.8 miles per hour over the speed limit

PERFORMANCE MEASURES

	Actual 2008/09	Actual 2009/10	Budget 2010/11
1. Cases filed	654	550	700
2. Total calls	4,311	3,826	4,000
3. State index crimes clearance rate %			
City of Richwood	22	30	60
State Average	18	24	19
(Murder, sexual assault, assault, robbery, burglary, theft and motor vehicle theft)			
4. Arrests	228	228	250
Assault	20	20	30
DWI	41	50	50
PI and drugs	34	35	40
Traffic	44	48	50
Warrants	40	94	100
Other	49	49	50
5. Traffic contacts	1,763	1,763	2,000

**Department  
Police Department**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
PERSONNEL COSTS	614,968.12	647,388.00	575,728.00
OPERATING COSTS	51,416.96	37,250.00	38,500.00
MAINTENANCE AND REPAIRS	11,456.03	17,150.00	16,500.00
UTILITIES AND TELEPHONE	3,879.13	7,000.00	6,000.00
SERVICES	48,594.50	46,750.00	46,750.00
SUNDRY	11,869.83	12,250.00	12,250.00
<b>SUBTOTAL</b>	<b>742,184.57</b>	<b>767,788.00</b>	<b>695,728.00</b>
CAPITAL OUTLAY	26,750.75	-	-
<b>DEPARTMENT TOTAL</b>	<b>768,935.32</b>	<b>767,788.00</b>	<b>695,728.00</b>
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE	
POLICE CHIEF	1	5,025.17	60,302.00
LIEUTENANT	1	3,987.67	47,852.00
SERGEANT	1	3,794.25	45,531.00
OFFICER	1	3,758.83	45,106.00
OFFICER	1	3,758.83	45,106.00
OFFICER	1	3,758.83	45,106.00
OFFICER	1	3,758.83	45,106.00
OFFICER	1	3,758.83	45,106.00
OFFICER	1	3,758.83	45,106.00
OVERTIME		3,416.67	41,000.00
	8	35,017.92	420,215.00

**TOTAL SALARIES**

420,215.00

**MAJOR BUDGET CHANGES**

Salaries for Court Administrator and Court Clerk have been moved to the Judicial Department  
2% raise across the board

**Department  
Police**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
<b>5100 PERSONNEL COSTS</b>			
02 CONTRACT LABOR	1,950.00	3,213.00	3,213.00
03 SALARIES	456,588.15	468,675.00	420,215.00
05 RETIREMENT	54,711.66	71,000.00	55,000.00
10 WORKER'S COMP	7,978.82	11,500.00	11,500.00
15 HOSPITALIZATION	68,821.03	71,000.00	63,000.00
20 UNEMPLOYMENT INS.	1,234.92	1,500.00	1,600.00
30 TRAINING & TRAVEL	10,873.60	11,000.00	12,000.00
75 EMPLOYEE INCENTIVE	6,000.00	6,000.00	6,700.00
90 UNIFORMS	6,809.94	3,500.00	2,500.00
<b>TOTAL</b>	<b>614,968.12</b>	<b>647,388.00</b>	<b>575,728.00</b>
<b>5200 OPERATING SUPPLIES</b>			
10 OFFICE SUPPLIES	6,532.26	5,500.00	5,500.00
15 CUSTODIAL SUPPLIES			
20 TOOLS	25,032.39	2,000.00	1,500.00
30 GAS, OIL, & LUBRICANTS	18,883.81	27,750.00	30,000.00
40 EXPENDABLE SUPPLIES	968.50	2,000.00	1,500.00
<b>TOTAL</b>	<b>51,416.96</b>	<b>37,250.00</b>	<b>38,500.00</b>
<b>5300 MAINTENANCE &amp; REPAIRS</b>			
10 BUILDING & GROUNDS	1,218.64	1,000.00	1,000.00
20 OFFICE FURNITURE/FIX	1,001.23	750.00	500.00
40 VEHICLE M&R	7,820.23	12,000.00	12,000.00

65 OTHER EQUIPMENT M&R	1,415.93	3,400.00	3,000.00
<b>TOTAL</b>	<b>11,456.03</b>	<b>17,150.00</b>	<b>16,500.00</b>
<b>5400 UTILITIES &amp; TELEPHONE</b>			
20 TELEPHONE	3,879.13	7,000.00	6,000.00
<b>TOTAL</b>	<b>3,879.13</b>	<b>7,000.00</b>	<b>6,000.00</b>
<b>5500 SERVICES</b>			
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
<b>TOTAL</b>	<b>48,594.50</b>	<b>46,750.00</b>	<b>46,750.00</b>
POLICE CONTINUED			
<b>5600 SUNDRY</b>			
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	250.00
85 PUBLISHING & ADVERTISING	129.80		
95 SPECIAL SERVICES - MISC	3,272.15	4,000.00	4,000.00
<b>TOTAL</b>	<b>11,869.83</b>	<b>12,250.00</b>	<b>12,250.00</b>
<b>5900 CAPITAL OUTLAY</b>			
10 OFFICE EQUIPMENT	-		
20 MOTOR VEHICLES	26,750.75		
30 EQUIPMENT	-		
35 EQUIP - TIME PAYMENT	-		
40 SPECIAL EQUIPMENT	-		

	<b>TOTAL</b>	26,750.75	-	-
<b>DEPARTMENT TOTAL</b>		<u>768,935.32</u>	<u>767,788.00</u>	<u>695,728.00</u>

# 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

Exploring the possibility of implementing an on-line traffic fine payment option through either Utility Data Systems or another independent contractor

Plan to begin using automatic payment/receipt writer

Hiring peace officer part time to serve municipal court warrants

## ACCOMPLISHMENTS

Purchased additional municipal court license to allow dual access to court program

Purchased 3 ticket writers which has streamlined the daily court work by eliminating the need to manually enter citations.

## PERFORMANCE MEASURES

---

	Actual 2008/09	Actual 2009/10	Budget 2010/11
1. Cases filed	1,763	2,601	3,000
2. Warrants issued	362	620	700
3. Citations closed	1,503	2,926	3,000
4. Trials held	4	1	5
5. Letters	970	1,504	2,000

**Department  
Judicial**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
PERSONNEL COSTS	5,858.55	6,400.00	93,503.00
OPERATING COSTS	2,617.79	7,600.00	7,500.00
MAINTENANCE AND REPAIRS	-	-	-
UTILITIES AND TELEPHONE	-	-	-
SERVICES	4,264.10	5,500.00	5,500.00
SUNDRY	100.00	100.00	200.00
<b>SUBTOTAL</b>	<b>12,840.44</b>	<b>19,600.00</b>	<b>106,703.00</b>
CAPITAL OUTLAY	-	15,000.00	-
<b>DEPARTMENT TOTAL</b>	<b>12,840.44</b>	<b>34,600.00</b>	<b>106,703.00</b>
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE	
COURT ADMINISTRATOR	1	2,774.42	33,293.00
COURT CLERK	1	2,167.50	26,010.00
JUDGE	1	200.00	2,400.00
ALTERNATE JUDGE	1	200.00	2,400.00
OVERTIME			3,000.00
	4	5,341.92	67,103.00
<b>TOTAL SALARIES</b>			<b>67,103.00</b>

**MAJOR BUDGET CHANGES**

**Department  
Judicial**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
<b>5100 PERSONNEL COSTS</b>			
03 SALARIES AND WAGES	4,800.00	4,800.00	67,103.00
05 RETIREMENT	141.20		10,000.00
10 WORKERS COMP			300.00
15 HOSPITALIZATION			14,000.00
20 UNEMPLOYMENT INSURANCE	4.00		500.00
30 TRAINING & TRAVEL	913.35	1,600.00	1,600.00
<b>TOTAL</b>	<b>5,858.55</b>	<b>6,400.00</b>	<b>93,503.00</b>
<b>5200 OPERATING SUPPLIES</b>			
10 OFFICE SUPPLIES	2,617.79	6,000.00	6,500.00
40 EXPENDABLE SUPPLIES		1,600.00	1,000.00
<b>TOTAL</b>	<b>2,617.79</b>	<b>7,600.00</b>	<b>7,500.00</b>
<b>5300 MAINTENANCE &amp; REPAIRS</b>			
10 BUILDING & GROUNDS	-	-	-
20 OFFICE FURNITURE/FIX	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5500 SERVICES</b>			
65 JURY EXPENSE	168.00	500.00	500.00
70 ATTORNEY'S FEES	4,096.10	5,000.00	5,000.00

	TOTAL	4,264.10	5,500.00	5,500.00
<b>5600 SUNDRY</b>				
	60 DUES & SUBSCRIPTIONS	100.00	100.00	200.00
	85 PUBLISHING & ADVERTISING	-	-	-
	<b>TOTAL</b>	100.00	100.00	200.00
<b>5900 CAPITAL OUTLAY</b>				
	10 OFFICE EQUIPMENT			
	30 EQUIPMENT	-	15,000.00	-
	40 SPECIAL EQUIPMENT			

## **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**

Training city employees to use fire extinguishers.

Repair fire station and paint inside of building.

### **ACCOMPLISHMENTS**

Participated in fire prevention programs

Participated in National Night Out

Increased training program.

Site visits to local day cares and schools to establish preplans.

### **PERFORMANCE MEASURES**

---

	Actual 2007/08	Estimated 2008/09	Budget 2009/10
1. Fire Responses	27	37	40

**Department  
Fire Department**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
PERSONNEL COSTS	5,931.91	5,400.00	18,500.00
OPERATING COSTS	15,094.39	9,500.00	10,050.00
MAINTENANCE AND REPAIRS	15,145.42	11,000.00	7,500.00
UTILITIES AND TELEPHONE	5,355.20	6,000.00	4,450.00
SERVICES	36,000.00	42,000.00	48,000.00
SUNDRY	5,607.30	6,650.00	5,250.00
<b>SUBTOTAL</b>	83,134.22	80,550.00	93,750.00
CAPITAL OUTLAY	-	14,000.00	13,550.00
<b>DEPARTMENT TOTAL</b>	83,134.22	94,550.00	107,300.00

**MAJOR BUDGET CHANGES**

**Department**  
**Fire Department**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
<b>5100 PERSONNEL COSTS</b>			
06 PENSION PLAN			10,200.00
10 WORKER'S COMP	294.89	400.00	300.00
30 TRAINING & TRAVEL	921.77	2,500.00	1,000.00
90 UNIFORMS	4,715.25	2,500.00	7,000.00
<b>TOTAL</b>	5,931.91	5,400.00	18,500.00
<b>5200 OPERATING SUPPLIES</b>			
10 OFFICE SUPPLIES	496.55	200.00	2,250.00
15 CUSTODIAL SUPPLIES	423.43	300.00	300.00
20 TOOLS	11,839.09	5,000.00	5,500.00
30 GAS, OIL, & LUBRICANTS	1,802.96	2,000.00	2,000.00
40 EXPENDABLE SUPPLIES			
85 FIRE PREVENTION SUPPLIES	532.36	2,000.00	-
<b>TOTAL</b>	15,094.39	9,500.00	10,050.00
<b>5300 MAINTENANCE &amp; REPAIRS</b>			
10 BUILDING & GROUNDS	3,972.50	2,000.00	1,000.00
40 VEHICLE M&R	3,176.65	4,500.00	2,500.00
60 RADIO M&R	7,043.54		2,000.00
65 OTHER EQUIPMENT M&R	952.73	4,500.00	2,000.00
<b>TOTAL</b>	15,145.42	11,000.00	7,500.00
<b>5400 UTILITIES &amp; TELEPHONE</b>			
10 ELECTRICTY	3,122.62	3,000.00	2,500.00

20 TELEPHONE	2,137.61	2,000.00	1,200.00
30 NATURAL GAS	94.97	1,000.00	750.00
<b>TOTAL</b>	<b>5,355.20</b>	<b>6,000.00</b>	<b>4,450.00</b>
<b>5500 SERVICES</b>			
60 ENGINEERING	-	-	
66 CONTRACT - AMBULANCE	36,000.00	42,000.00	48,000.00
70 ATTORNEY'S FEES	-	-	
<b>TOTAL</b>	<b>36,000.00</b>	<b>42,000.00</b>	<b>48,000.00</b>
FIRE CONTINUED			
<b>5600 SUNDRY</b>			
30 INS. - MOTOR VEHICLES	3,131.68	4,000.00	3,250.00
40 INS. - BLDG/LIAB/BOND	1,162.30	1,500.00	1,000.00
60 DUES & SUBSCRIPTIONS	495.00	600.00	800.00
85 PUBLISHING & ADVERTISING	568.61	200.00	200.00
95 SPECIAL SERVICES - MISC	249.71	350.00	
<b>TOTAL</b>	<b>5,607.30</b>	<b>6,650.00</b>	<b>5,250.00</b>
<b>5900 CAPITAL OUTLAY</b>			
10 OFFICE EQUIPMENT	-		
20 MOTOR VEHICLES	-	-	
30 EQUIPMENT	-	12,000.00	13,550.00
35 EQUIP - TIME PAYMENT		-	
40 SPECIAL EQUIPMENT	-	2,000.00	
<b>TOTAL</b>	<b>-</b>	<b>14,000.00</b>	<b>13,550.00</b>
<b>DEPARTMENT TOTAL</b>	<b>83,134.22</b>	<b>94,550.00</b>	<b>107,300.00</b>

## **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**

---

Replace lights and light poles at soccer field in Richwood Municipal Park

Rehabilitate bathrooms and gazebo at Richwood Municipal Park

### **ACCOMPLISHMENTS**

---

Upgraded the municipal pool to meet minimum state requirements

Purchased new expanded metal picnic tables at Bobby Ford Park

Removed diseased and damaged trees at Richwood Municipal Park and Bobby Ford Park

PERFORMANCE MEASURES
----------------------

---

	Actual 2007/08	Estimated 2008/09	Budget 2009/10
1. Facility Rental			
P.K. Forrest Community Center	217	213	250
Pavilion	52	47	60
Municipal Pool	23	26	35
2. Pool Memberships sold	186	125	200
4. Garage sale permits	54	79	100

**Beautification Committee**  
2010-11  
*Calendar and Goals*

---

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

---

<b><i>June</i></b>	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 Review and Adopt Goals and Calendar for next year KTB Convention
<b><i>July</i></b>	Review progress on landscape projects Flags for 4 <sup>th</sup> of July Focus deadline
<b><i>August</i></b>	Review progress on landscape projects Litter Index Survey Due
<b><i>September</i></b>	Flags for Labor Day Flags for Patriots Day Arbor Day Poster contest for 5 <sup>th</sup> graders Review progress on landscape projects
<b><i>October</i></b>	Review progress on landscape projects Focus Deadline Brazoria County Fair
<b><i>November</i></b>	Fall Clean-up Garage Sale Review progress on landscape projects Flags for Veterans Day Flyers to Polk and OLQP for Fall Clean-up
<b><i>December</i></b>	Christmas in the Park Flags for Pearl Harbor Day
<b><i>January</i></b>	Focus deadline
<b><i>February</i></b>	Review Progress on Landscape Projects Entry Due for Keep Texas Beautiful
<b><i>March</i></b>	Review progress on landscape projects
<b><i>April</i></b>	Spring Clean Up Review progress on landscape projects Preliminary budget discussion Review Progress on Landscape Projects Arbor Day (Last Friday in April) Focus deadline Flyers to Polk and OLQP for Spring Clean-up
<b><i>May</i></b>	Adopt Budget Review progress on landscape projects Flags for Memorial Day

**Department  
Parks and Recreation**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
PERSONNEL COSTS	24,454.10	19,100.00	25,550.00
OPERATING COSTS	5,285.05	4,600.00	6,150.00
MAINTENANCE AND REPAIRS	11,750.66	10,500.00	11,300.00
UTILITIES AND TELEPHONE	5,529.70	3,052.00	5,750.00
SERVICES	-	-	-
SUNDRY	2,020.42	2,500.00	1,800.00
PARKS AND RECREATION	10,694.37	9,000.00	7,500.00
SUBTOTAL	49,039.93	39,752.00	58,050.00
CAPITAL OUTLAY	-	-	-
<b>DEPARTMENT TOTAL</b>	59,734.30	48,752.00	58,050.00

**MAJOR BUDGET CHANGES**

**Department  
Parks and Recreation**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
<b>5100 PERSONNEL COSTS</b>			
02 CONTRACT LABOR		500.00	500.00
03 SALARIES	21,639.80	16,320.00	21,000.00
05 RETIREMENT	1,027.47	500.00	2,200.00
10 WORKER'S COMP	881.07	1,155.00	1,200.00
20 UNEMPLOYMENT INS.	121.20	125.00	150.00
30 TRAINING & TRAVEL	784.56	500.00	500.00
<b>TOTAL</b>	24,454.10	19,100.00	25,550.00
<b>5200 OPERATING SUPPLIES</b>			
10 OFFICE SUPPLIES	-	100.00	150.00
15 CUSTODIAL SUPPLIES	11.58	500.00	500.00
20 TOOLS			
40 EXPENDABLE SUPPLIES	1,433.81	1,500.00	2,000.00
70 CHEMICALS	3,839.66	2,500.00	3,500.00
<b>TOTAL</b>	5,285.05	4,600.00	6,150.00
<b>5300 MAINTENANCE &amp; REPAIRS</b>			
10 BUILDING & GROUNDS	6,367.20	7,500.00	7,500.00
65 OTHER EQUIPMENT M&R	5,383.46	3,000.00	3,800.00
<b>TOTAL</b>	11,750.66	10,500.00	11,300.00
<b>5400 UTILITIES &amp; TELEPHONE</b>			
10 ELECTRICITY	4,712.69	2,380.00	5,000.00
20 TELEPHONE	817.01	672.00	750.00

	<b>TOTAL</b>	5,529.70	3,052.00	5,750.00
<b>5500 SERVICES</b>				
60	ENGINEERING	-	-	
70	ATTORNEY'S FEES		-	-
	<b>TOTAL</b>	-	-	-
<b>5600 SUNDRY</b>				
40	INS. - BLDG/LIAB/BOND	2,020.42	2,500.00	1,500.00
60	DUES & SUBSCRIPTIONS	-	-	-
85	PUBLISHING & ADVERTISING	-		300.00
95	SPECIAL SERVICES - MISC	-	-	-
	<b>TOTAL</b>	2,020.42	2,500.00	1,800.00
<b>5800 PARKS AND RECEPTION</b>				
50	BEAUTIFICATION	3,000.00	3,000.00	2,500.00
51	PARKS AND RECREATION	7,694.37	6,000.00	5,000.00
	<b>TOTAL</b>	10,694.37	9,000.00	7,500.00
<b>5900 CAPITAL OUTLAY</b>				
30	EQUIPMENT		-	-
40	SPECIAL EQUIPMENT			
	<b>TOTAL</b>	-	-	-
<b>DEPARTMENT TOTAL</b>		<u>59,734.30</u>	<u>48,752.00</u>	<u>58,050.00</u>



THIS PAGE INTENTIONALLY LEFT BLANK

# ***CITY OF RICHWOOD***

## **GENERAL OBLIGATION DEBT SERVICE FUND**

## GENERAL OBLIGATION DEBT SERVICE

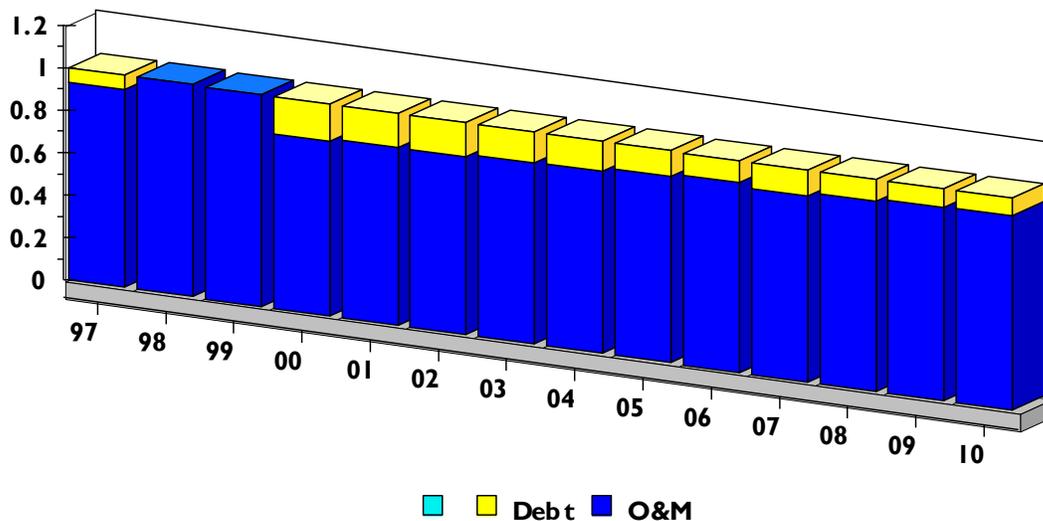
The General Obligation Debt Service Fund is used for the accumulation of resources to provide for the payment of debt service on the City's General Obligation Bonds and to provide a reserve for such payment. Resources include a portion of the Ad Valorem Tax Levy and earnings from investment of the fund.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

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

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

### Ad Valorem Tax

#### Revenue Distribution History



**General Obligation Debt  
Revenues**

DESCRIPTION	ACTUAL FY 2006/07	BUDGET FY 2007/08	BUDGET FY 2008/09
<b>5900 CAPITAL OUTLAY</b>			
10 BOND FEES 60 GO BOND SERIES 1970		500.00	500.00
50 CO SERIES 1999	80,786.00	77,958.00	75,633.00
<b>FUND TOTAL</b>	<b>80,786.00</b>	<b>78,458.00</b>	<b>76,133.00</b>

**MAJOR BUDGET CHANGES**

**General Obligation Debt  
Revenues**

DESCRIPTION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
4103 INTEREST & SINKING 4210 TRANS IN-GENERAL FUND	75,632.50	94,983.00	93,043.00
4110 INTEREST EARNED	166.04	120.00	120.00
<b>FUND TOTAL</b>	<b>75,798.54</b>	<b>95,103.00</b>	<b>93,163.00</b>

**General Obligation Debt  
Expenditures**

DESCRIPTION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
<b>5900 CAPITAL OUTLAY</b>			
10 BOND FEES	981.50	1,000.00	1,000.00
60 SERIES 2009		15,000.00	15,000.00
50 CO SERIES 1999	75,632.50	78,983.00	77,163.00
<b>FUND TOTAL</b>	<u>76,614.00</u>	<u>94,983.00</u>	<u>93,163.00</u>

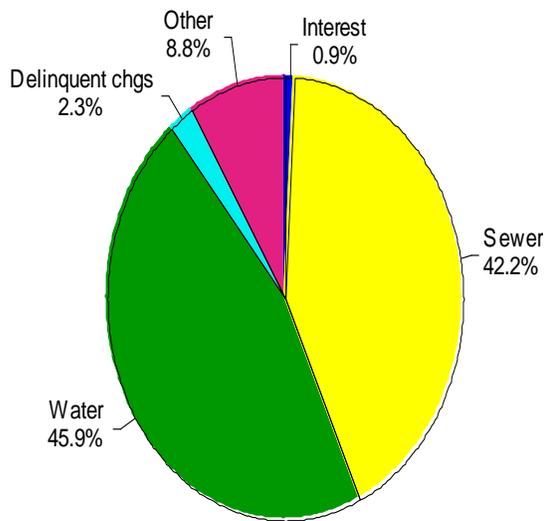
# ***CITY OF RICHWOOD***

## **WATER AND SEWER FUND**

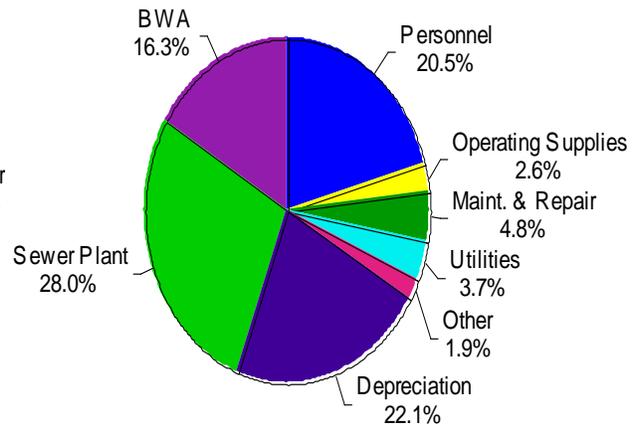
# WATER/SEWER FUND

## Revenues vs Expenditures

### Revenues



### Expenditures



**Water/Sewer Fund**

**Revenues**

DESCRIPTION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
4110 INTEREST EARNED	4,121.14	5,000.00	10,000.00
4410 WATER FEES	377,571.81	475,269.00	497,325.00
4420 SEWER FEES	331,446.77	436,358.00	457,318.00
4430 DELINQUENT CHARGES	16,705.07	30,000.00	25,000.00
4440 WATER TAPS	6,062.50	5,000.00	7,000.00
4450 SEWER TAPS	4,312.50	5,000.00	6,000.00
4460 RECONNECT FEES	5,650.00	6,000.00	7,000.00
4470 GARBAGE RECEIPTS	10,688.51	10,000.00	20,000.00
4112 MISCELLANEOUS TRANSFER IN FUND	394.05	2,000.00	5,000.00
BALANCE TRANSFER IN - CAPITAL PROJ		.	50,000.00
<b>FUND TOTAL</b>	<b>756,952.35</b>	<b>974,627.00</b>	<b>1,084,643.00</b>

**WATER/SEWER FUND**  
**MAJOR REVENUE SOURCES**

---

Water Sales (45.8%)

Water Sales account for \$497,325 (45.8%) of Utility Revenues projected for FY 2010-11.

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)	\$13.50 per month
	3,000-5,000	\$ 2.90 per 1,000 gallons
	6,000-14,000	\$ 3.00 per 1,000 gallons
	14,000-20,000	\$ 3.25 per 1,000 gallons
	21,000-30,000	\$ 3.50 per 1,000 gallons
	31,000 +	\$ 3.75 per 1,000 gallons
Over 65		
	Base rate (4,000 gallons)	\$13.50 per month
	Over 4,000 gallons	\$ 2.65 per 1,000 gallons
Fire Department		
	Base rate (4,000 gallons)	free
	Over 4,000 gallons	\$ 2.65 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 (42.2%)

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

The current sewer rates are:

	Base Rate (2,000 gallons)	\$11.50 per month
	3,000-5,000	\$ 2.90 per 1,000 gallons

	6,000-14,000	\$ 3.00 per 1,000 gallons
	14,000-20,000	\$ 3.25 per 1,000 gallons
	21,000-30000	\$ 3.50 per 1,000 gallons
	31,000 +	\$ 3.75 per 1,000 gallons
Over 65		
	Base rate (4,000 gallons)	\$11.50 per month
	Over 4,000 gallons	\$ 2.65 per 1,000 gallons
Fire Department		
	Base rate (4,000 gallons)	free
	Over 4,000 gallons	\$ 2.65 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	46.25	28.00	74.25	Reno	69.10	51.50	120.60
Reno	45.00	27.00	72.00	Hamilton	62.50	28.00	90.50
Melissa	34.00	26.50	60.50	Melissa	51.00	39.00	90.00
Brazoria	29.85	24.90	54.75	Brazoria	48.10	35.40	83.50
Llano	25.22	26.51	51.73	Farmersville	40.69	42.00	82.69
Taft	31.21	20.25	51.46	Taft	55.91	25.25	81.16
Farmersville	23.64	24.80	48.44	Sweeny	39.75	31.25	71.00
<b>State Avg.</b>	<b>25.48</b>	<b>21.39</b>	<b>46.87</b>	<b>State Avg.</b>	<b>41.00</b>	<b>29.81</b>	<b>70.81</b>
Sweeny	22.25	18.75	41.00	Fairfield	41.48	24.71	66.19
Nocona	24.00	15.00	39.00	Llano	32.56	32.36	64.92
Henrietta	24.25	13.50	37.75	<i>Richwood</i>	<i>33.25</i>	<i>31.25</i>	<i>64.50</i>
Fairfield	22.43	14.16	36.59	Henrietta	47.00	15.50	62.50

Caldwell	1856	16.83	35.39	West Columbia	31.28	28.96	60.24
<i>Richwood</i>	<i>18.00</i>	<i>16.00</i>	34.00	Caldwell	30.16	25.63	55.79
West Columbia	16.73	15.86	32.59	Oyster Creek	22.20	17.76	39.96
Oyster Creek	13.20	10.56	23.76	Nocona	24.00	15.00	39.00

---

## **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

---

Smoke test sewer lines in our ongoing efforts to reduce inflow and infiltration

Continue program to upgrade or acquire necessary licenses for all operators as required by TCEQ.

Check manholes and repair as needed.

Clean well sites and warehouse

#### ACCOMPLISHMENTS

Rehabilitated the sewer lines in Glenwood Bayou Subdivision, Section.

Recalibrated the SCADA system to address the water odor problem in Audubonwoods II.

Fenced lift station #2

#### PERFORMANCE MEASURES

	Actual 2008/09	Actual 2009/10	Budget 2010/11
1. Meters read per month	1,086	1,108	1,100
2. Water produced by wells	44,298,000	47,407,000	45,000,000
3. Water purchased from BWA	74,134,000	59,821,000	75,000,000
4. Water distributed	118,432,900	107,228,000	120,000,000
5. # of water samples per month	3	3	3
6. Wastewater sent to Clute	101,617,856	152,431,680	110,000,000
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 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
PERSONNEL COSTS	179,419.20	176,323.00	194,375.00
OPERATING COSTS	19,984.29	22,415.00	30,500.00
MAINTENANCE AND REPAIRS	75,750.27	41,388.00	48,000.00
UTILITIES AND TELEPHONE	49,742.37	32,108.00	47,000.00
SERVICES	2,217.00	-	-
SUNDRY	11,832.82	20,022.00	20,900.00
<b>SUBTOTAL</b>	<b>338,945.95</b>	<b>292,256.00</b>	<b>340,775.00</b>
CAPITAL OUTLAY	456,304.90	682,371.00	743,868.00
<b>DEPARTMENT TOTAL</b>	<b>795,250.85</b>	<b>974,627.00</b>	<b>1,084,643.00</b>
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE	
CREW LEADER	1	2,402.08	28,825.00
LABORER	1	2,308.83	27,706.00

LABORER	1	1,996.83	23,962.00
LABORER	1	1,996.83	23,962.00
OVERTIME		416.67	5,000.00
ADMIN.OVERHEAD		2,681.25	32,175.00
	4	11,802.50	141,630.00
<b>TOTAL SALARIES</b>			141,630.00

### MAJOR BUDGET CHANGES

New touch read hand units and software  
 2% raise across the board  
 added additional money for overtime

**Department  
Water/Sewer**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
<b>5100 PERSONNEL COSTS</b>			
02 CONTRACT LABOR	-	250.00	
03 SALARIES	136,233.03	135,206.00	141,630.00
05 RETIREMENT	10,830.06	7,275.00	14,076.00
10 WORKER'S COMP	1,837.37	4,214.00	4,214.00
15 HOSPITALIZATION	26,970.14	23,923.00	30,000.00
20 UNEMPLOYMENT INS.	457.10	455.00	455.00
30 TRAINING & TRAVEL	3,091.50	5,000.00	4,000.00
90 UNIFORMS	-	-	
<b>TOTAL</b>	179,419.20	176,323.00	194,375.00
<b>5200 OPERATING SUPPLIES</b>			
10 OFFICE SUPPLIES	7,994.50	7,650.00	8,000.00
15 CUSTODIAL SUPPLIES	-	-	
20 TOOLS	367.47	2,500.00	1,500.00
30 GAS, OIL, & LUBRICANTS	5,760.29	5,000.00	13,000.00

40 EXPENDABLE SUPPLIES	521.63	1,500.00	2,000.00
70 CHEMICALS	5,340.40	5,765.00	6,000.00
<b>TOTAL</b>	19,984.29	22,415.00	30,500.00
<b>5300 MAINTENANCE &amp; REPAIRS</b>			
10 BUILDING & GROUNDS	1,996.95	1,500.00	1,500.00
20 OFFICE FURNITURE/FIX			
40 VEHICLE M&R	1,958.54	5,000.00	5,000.00
65 OTHER EQUIPMENT M&R	5,978.23	4,563.00	6,500.00
89 WATER TOWERS			
90 WATER LINES M&R	41,743.31	15,000.00	20,000.00
92 SEWER LINES M&R	24,073.24	15,325.00	15,000.00
<b>TOTAL</b>	75,750.27	41,388.00	48,000.00
<b>5400 UTILITIES &amp; TELEPHONE</b>			
10 ELECTRICITY	47,912.55	30,151.00	45,000.00
20 TELEPHONE	1,829.82	1,500.00	1,500.00
30 NATURAL GAS	-	457.00	500.00
<b>TOTAL</b>	49,742.37	32,108.00	47,000.00
<b>5500 SERVICES</b>			
60 ENGINEERING	660.00		
70 ATTORNEY'S FEES	1,557.00		
<b>TOTAL</b>	2,217.00	-	-
WATER/SEWER CONTINUED			
<b>5600 SUNDRY</b>			
30 INS. - MOTOR VEHICLES	1,615.57	2,149.00	3,000.00
40 INS. - BLDG/LIAB/BOND	9,834.30	13,080.00	13,500.00
60 DUES & SUBSCRIPTIONS	257.95	4,343.00	4,400.00

85 PUBLISHING & ADVERTISING		150.00	
95 SPECIAL SERVICES - MISC	125.00	300.00	
<b>TOTAL</b>	11,832.82	20,022.00	20,900.00
<b>5900 CAPITAL OUTLAY</b>			
10 OFFICE EQUIPMENT			
20 MOTOR VEHICLES	-		
30 EQUIPMENT		10,000.00	6,500.00
35 EQUIP - TIME PAYMENT		19,700.00	20,000.00
40 SPECIAL EQUIPMENT			
90 SEWAGE TREATMENT PLANT	130,736.70	322,500.00	380,000.00
95 BRAZOSPORT WATER AUTH	135,153.20	140,000.00	144,000.00
96 DEPRECIATION	190,415.00	190,171.00	193,368.00
<b>TOTAL</b>	456,304.90	682,371.00	743,868.00
<b>DEPARTMENT TOTAL</b>	<u>795,250.85</u>	<u>974,627.00</u>	<u>1,084,643.00</u>

Net Income (loss) - legal basis	-
Capital acquisitions	6,500.00
Debt principal payments	34,000.00
Depreciation (unbudgeted)	-
Net income - on a GAAP basis	40,500.00

# ***THE CITY OF RICHWOOD***

REVENUE BOND  
DEBT SERVICE FUND

## **REVENUE BONDS DEBT SERVICE**

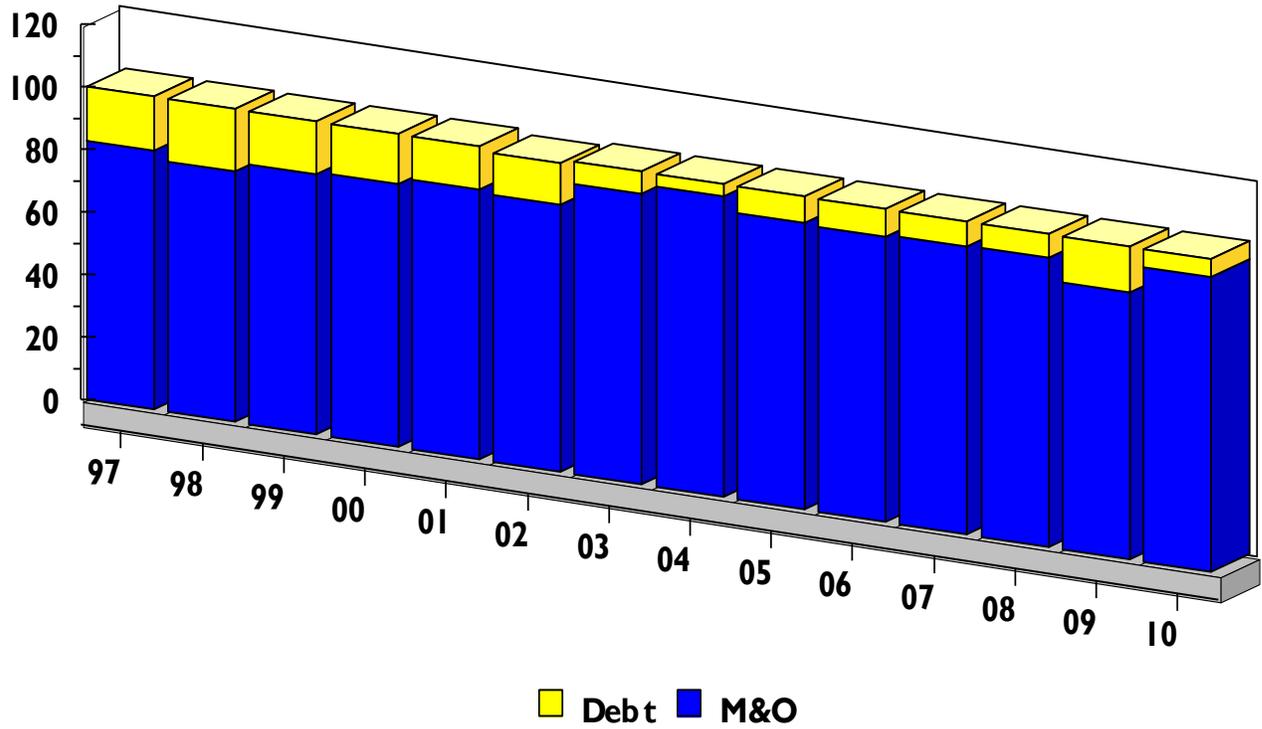
---

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

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

## **UTILITY REVENUES**

Revenue Distribution History



**Revenue Bond Debt Revenues**

DESCRIPTION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
4113 TRANSFER IN FROM REVENUE		22,950.00	22,225.00
4410 WATER FEES	29,330.57	24,933.00	23,787.00
4420 SEWER FEES	26,047.09	18,320.00	17,850.00
<b>FUND TOTAL</b>	<b>55,377.66</b>	<b>66,203.00</b>	<b>63,862.00</b>

**Revenue Bond Debt  
Expenditures**

DESCRIPTION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
<b>5900 CAPITAL OUTLAY</b>			
10 BOND FEES		1,500.00	1,500.00
70 SEWAGE TRANS LINE			
89 RB I&S SERIES 1980	22,950.00	21,950.00	21,225.00
91 RB I&S SERIES 2004	42,752.50	41,973.00	41,137.00

<b>FUND TOTAL</b>	65,702.50	65,423.00	63,862.00
-------------------	-----------	-----------	-----------

# ***CITY OF RICHWOOD***

## **CAPITAL PROJECTS**

### **CAPITAL PROJECTS**

---

<b>PROGRAM DESCRIPTION</b>
----------------------------

---

Capital Projects provides funding for a wide range of projects, such as water or sewer projects. The major projects are significant in cost but less than amount requiring a bond issue. The sources of revenue in this fund are transfers from the Operating Funds (General and Water/Sewer) and Interest Income. It is the policy of the city to transfer whenever possible positive budget variances in the Operating Funds to the Capital Projects Fund. This fund needs this infusion of capital. A fund balance of \$250,000 is ideal in order to be prepared for emergency situations.

ACCOMPLISHMENTS

---

Water line – Oakwood Shores

The City used Capital Project funds to extend the water line under State Highway 288B to provide water to Oakwood Shores.

Sidewalks on Oyster Creek Drive

Money from Capital Projects was used to begin work on adding sidewalks on Oyster Creek Drive to Polk Elementary

MAJOR PROJECTS FOR FY 2007-08

---

Money is budgeted from the Replacement Fund to add to the sidewalk project on Oyster Creek Drive.

The City is committed to minimizing the environmental impact of such problems and minimizing future costs.

**Capital Improvement  
Revenues**

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

<b>FUND TOTAL</b>	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		
<b>FUND TOTAL</b>	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
<b>FUND TOTAL</b>	5,170.97	-	250.00

**Replacement  
Expenditures**

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

**Capital Projects  
Revenues**

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

	FY 2006/07	FY 2007/08	FY 2008/09
4110 INTEREST	415.69		300.00
<b>FUND TOTAL</b>	<b>415.69</b>	-	<b>300.00</b>

### Capital Projects Expenditures

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

### Insurance Contingency Revenues

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

### Insurance Contingency Expenditures

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

## **MAJOR BUDGET CHANGES**



THIS PAGE INTENTIONALLY LEFT BLANK

# ***CITY OF RICHWOOD***

## **CRIME CONTROL AND PREVENTION DISTRICT**

### **CRIME CONTROL AND PREVENTION DISTRICT**

---

<b>PROGRAM DESCRIPTION</b>
----------------------------

---

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

New radar units were bought for each police car.

MAJOR PROJECTS FOR FY 2010-11

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

1. One new patrol vehicle with emergency equipment
2. Two mobile radar units
3. Two mobile digital video cameras
4. Tools and personal equipment for officer

**Crime Control and Prevention  
Revenues**

DESCRIPTION	ACTUAL FY 2008/09	BUDGET FY 2009/10	BUDGET FY 2010/11
-------------	----------------------	----------------------	----------------------

4110 INTEREST	-	-
4117 SALES TAX	40,000.00	50,000.00
<b>FUND TOTAL</b>	<b>-</b>	<b>50,000.00</b>

**Crime Control and Prevention  
Expenditures**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2007/08	BUDGET FY 2008/09	BUDGET FY 2009/10
<b>5200 SUPPLIES</b>			
5220 TOOLS	-		-
5240 EXPENDABLE			
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5900 CAPITAL</b>			
5920 MOTOR VEHICLES		30,000.00	26,000.00
5930 EQUIPMENT		10,000.00	14,000.00
	-	40,000.00	40,000.00
<b>FUND TOTAL</b>	<b>-</b>	<b>40,000.00</b>	<b>40,000.00</b>

**MAJOR BUDGET CHANGES**

**ORDINANCE NO. 358**

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, 2010 - SEPTEMBER 30, 2011; 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 Michael Johnson, Mayor of said City, prepared the proposed budget for the Fiscal Year beginning October 1, 2010 and ending September 30, 2011 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, 2010.
- (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, 2010 and which will end September 30, 2011.

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 2010-2011:

- (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 Fifty Thousand and no/100 (\$50,000) Dollars.

- (B) Expenses of \$50,000.00 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 Fifty Thousand and no/100 (\$50,000.00) Dollars or more only after compliance with the competitive bidding requirements of Section 252 of the Texas Local Government Code.

SECTION FOUR (4): - Severance Clause

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

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

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

PASSED AND APPROVED this 9<sup>th</sup> day of August, 2010.

(S)Michael Johnson  
Michael Johnson, Mayor

ATTEST:

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

**ORDINANCE NO. 359**

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, 2010 AND ENDS SEPTEMBER 30, 2011, 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 27th day of July, 2010, 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 30<sup>th</sup> day of June, 2010, 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, 2010 and end September 30, 2011; 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 6<sup>th</sup> day of August, 2010, 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, 2010 and end September 30, 2011, would be held by the City Council of the City of Richwood, Texas, on Thursday, the 9<sup>th</sup> day of August, 2010 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 9<sup>th</sup> day of August, 2010 beginning at 7:00 p.m., by separate Ordinance No. 358 of the said City, the budget of the City for its fiscal year which will begin October 1, 2010 and will end September 30, 2011; 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, 2010 and which will end September 30, 2011, 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	-	\$.63654
Interest and Sinking Rate	-	\$.05712
TOTAL RATE:	-	\$.69366/\$100

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 8 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$81.59.

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

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

PASSED AND APPROVED this the 9<sup>th</sup> day of August, 2010.

(S) Michael Johnson  
Michael Johnson, Mayor

ATTEST:

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



THIS PAGE INTENTIONALLY LEFT BLANK

## **BUDGET GLOSSARY**

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

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

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

**ACCRUED REVENUES** - Revenues earned but not yet received.

**ADMINISTRATIVE OVERHEAD** - Administrative service charges are allocated to all Enterprise Fund

activities (water/sewer) for indirect management and administrative support given by general fund departments.

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

**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 debt 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.