

the annual operating budget
of the city of hudson oaks for
the 2015 fiscal year



BRANCH OUT.

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city administrator's message

Honorable Mayor & City Council:

By its nature, a budget requires compromise, strategic allocation of resources, and difficult decisions. For this reason, the quality of a budget must be measured not just by the decisions that were made, but by the input and direction that guide its development.

Thanks to the ongoing engagement of this community, and the leadership of this City Council, the FY2014-15 proposed budget continues the City's focus on achieving the comprehensive and strategic plans that have been established in the last few years. Those goals include:

1. The City will continue to operate without an ad valorem tax
2. Improve resident access to outdoor recreational activities
3. Provide quality, safe and attractive neighborhoods
4. Improve the visual integrity of Hudson Oaks' corridors
5. Make Hudson Oaks distinguishable from adjacent communities

During FY2013-14, the City hosted the most successful Boomin' 4th fireworks show to date (2), worked with Parker County to reconstruct Oakridge Drive (3,4), added new retail and dining opportunities for residents and visitors (1), completed the Middle Median landscaping project (5), approved the Oykey Corridor Concept Plan (3,4,5), and rebranding our police vehicles (5). The City has taken strides in achieving these goals, and the coming year will be no different.

In FY2014-15, this budget includes the following projects and initiatives:

- Increased funding for street improvements
- Continued funding for branding and identity initiatives
- Development of a neighborhood signage program

- Plant improvements in the Hudson Oaks and Dyegard water systems
- Fully fund expected debt service for IH20/Centerpoint project
- Continue to support a professional and highly trained workforce

Thank you for the opportunity to serve the City of Hudson Oaks.



Patrick Lawler
City Administrator

Senate Bill 656, Section 102.007 requires that the record vote of each member of the governing body by name be recorded with the approved budget as follows:

- | | |
|-------------------------------|---------------------|
| Mayor Pat Deen | - Non-voting member |
| Mayor Pro-tem Tom Fitzpatrick | - Aye |
| Glen Sutton | - Aye |
| Brian Lixey | - Aye |
| Marc Poverly | - Aye |
| Marty Schrantz | - Aye |

strategic plan

approved june 13, 2014

Vision Statement

Hudson Oaks is an entrepreneurial city that leverages its location and unique status as a property tax free municipality to attract residents and businesses and fund facilities and services.

Mission Statement

City Council services the Citizens of Hudson Oaks with an unwavering commitment to maintain and preserve a property tax free yet proactive and even entrepreneurial City.

1. Out of an unwavering commitment to (and desire to maintain) a property tax free Hudson Oaks, focus on diversifying the local economy and collecting new revenue sources.
2. Leverage the lack of property taxes as Hudson oaks' unique entrepreneurial, development and revenue-generating incentive.
3. Work the Hudson Oaks Thoroughfare Plan—and work with the Texas Department of Transportation (TxDOT) as a project teammate (i.e. Plan the work)
4. Partner with the City's existing businesses to further Hudson Oaks' brand and image, foster more revenue-generating enterprises-and generate the economic development resources the City is presently lacking.
5. Continue to aggressively market Hudson Oaks' existing parcels and foster development through public/private partnerships to avoid being sandwiched between developments in Weatherford and Fort Worth.

about coho

1,871 population

49% male / 51% female

46.8 median age

45.8 male / 47.4 female

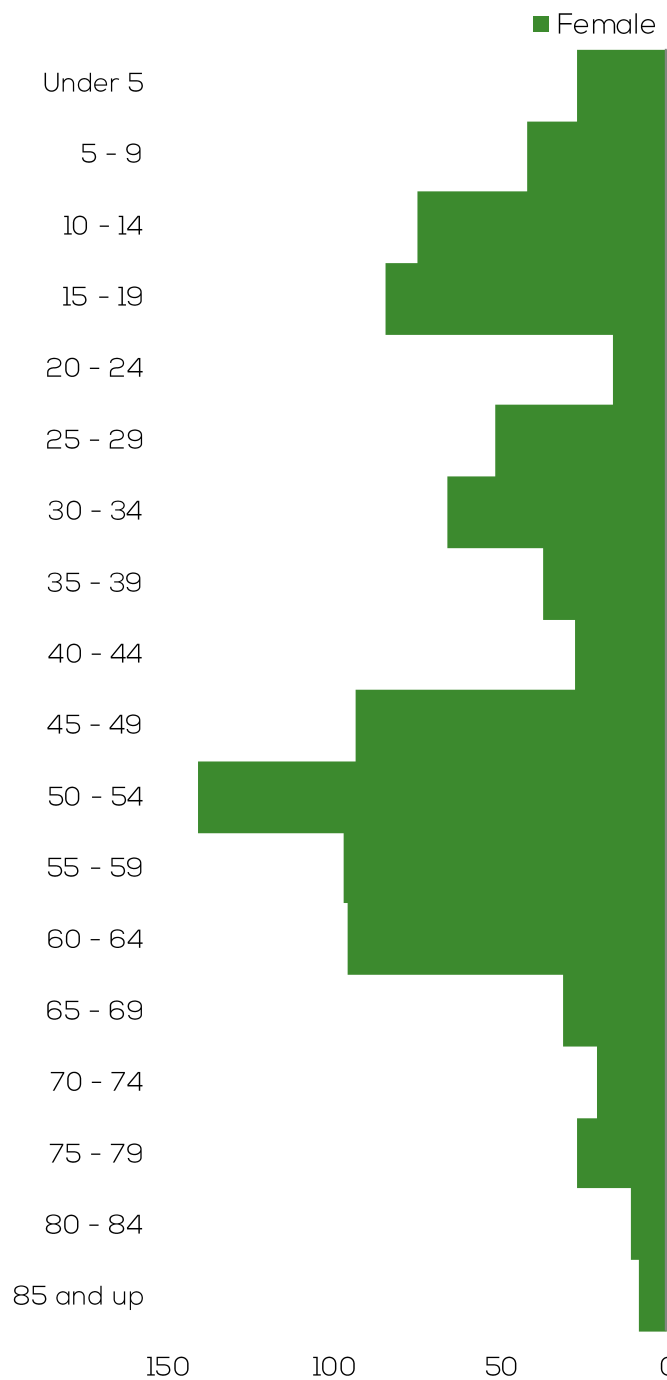
679 housing units

\$222,800 median value

2.93 average
family size

33% households with children
under 18 years old

2013 population



by age and sex

■ Male



\$116,786 median household income

up from \$69,545 in 2000

57% bachelor's or higher

93% high school graduate or higher

73% two-income households

55% employed in management, business, science, and arts occupations

30.5 minute average commute time

93% high school graduate or higher

financial outlook

As a sales tax dependent city, Hudson Oaks is committed to treating the annual budget process as part of a long-term financial planning process. Each year, a five-year forecast is updated for all major operating funds. These forecasts include conservative revenue expectations and aggressive expectations for pressures on expenditure levels, including all known budget items in future years such as debt issuances. A brief summary of the assumptions made for each fund is included below:

general fund

Major assumptions for the General Fund include moderate growth in sales tax (~2.5% each year), a decrease in expectations for court fines, 4% compensation increases, 2% inflation adjustments for most other expenditure items, and the inclusion of financing costs for a debt issuance expected in FY16 related to the IH20/Centerpoint project. A major addition to the forecast this year was the inclusion of “inorganic” sales tax growth based on new retail development in the permit pipeline as of August 2014.

enterprise fund

In addition to 5% compensation increases and 3% inflationary adjustments for expenses, the Enterprise Fund expects increased costs related to the purchase of wholesale water beginning on or about FY17. The reason for this is explained in more detail in the Enterprise Fund Summary later in this document. To account for these increases, the City Council approved a rate increase in the FY15 budget, the effects of which are also included in this forecast.

dyegard fund

The Dyegard Fund includes the same expenditure assumptions as the Enterprise Fund for line item expenses, but does not face the same pressures related to wholesale water purchases.

deer creek fund

The Deer Creek Fund is treated as an investment account related to the contractual maintenance and operations agreement between Hudson Oaks and the Town of Annetta. The major adjustment to this forecast include adjustments related to a contract amendment approved in September 2014 which increases the City’s reimbursable costs under the contract. Excess balances in this fund are expected to be transferred on an annual basis as investment earnings that may be utilized at the City Council’s discretion.

General Fund	2015	2016	2017	2018	2019
Revenue	2,190,000	2,296,311	2,352,707	2,438,840	2,503,658
Expenditures	2,154,000	2,180,408	2,386,932	2,451,036	2,474,238
Over/(Under)	36,000	115,902	(34,224)	(7,197)	29,420

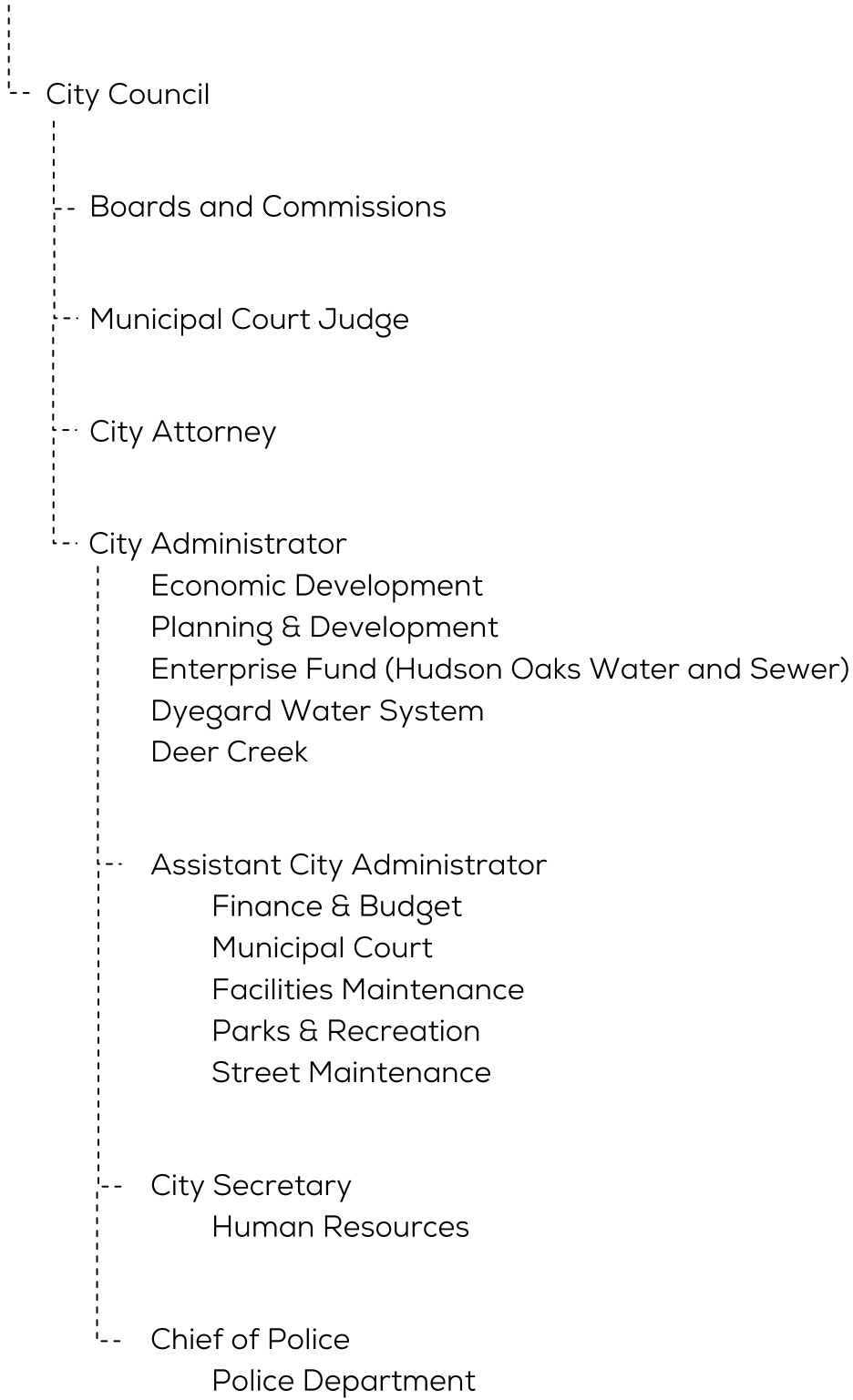
Enterprise Fund	2015	2016	2017	2018	2019
Revenue	1,469,160	1,510,535	1,602,903	1,648,193	1,694,793
Expenditures	1,457,810	1,495,082	1,544,401	1,583,885	1,687,219
Over/(Under)	11,350	15,453	58,502	64,308	7,573

Dyegard Fund	2015	2016	2017	2018	2019
Revenue	248,331	255,781	263,454	271,358	279,499
Expenditures	250,700	253,041	256,065	259,241	262,575
Over/(Under)	(2,369)	2,740	7,389	12,117	16,923

Deer Creek Fund	2015	2016	2017	2018	2019
Revenue	213,000	219,006	226,181	233,615	241,317
Expenditures	169,663	175,204	180,945	186,892	193,054
Over/(Under)	55,615	59,416	59,652	61,375	64,639

**org
chart**

Hudson Oaks Residents



General Fund

summary

General Fund	2015	2016	2017	2018	2019
Beginning Balance	755,864	791,864	907,766	873,542	866,345
Revenues					
Taxes	1,803,070	1,858,070	1,913,812	1,971,226	2,030,363
New Sales Tax	25,000	75,000	75,000	100,000	100,000
Licenses & Permits	3,700	2,200	2,200	2,500	2,500
Charges for Services	18,500	18,500	18,500	18,500	18,500
Lease Revenue	20,000	20,000	20,000	20,000	20,000
Court Fines & Fees	107,250	107,250	107,250	115,000	115,000
Intergovernmental	32,099	32,741	33,396	34,064	34,745
Interest Revenue	2,000	1,500	1,500	1,500	1,500
<i>Total</i>	<i>2,190,000</i>	<i>2,180,408</i>	<i>2,386,932</i>	<i>2,451,036</i>	<i>2,474,238</i>
Expenditures					
Personal Services	1,060,354	1,102,768	1,146,879	1,192,754	1,240,464
Professional Services	269,888	275,286	280,791	286,407	292,135
Supplies	27,890	28,448	29,017	29,597	30,189
Operations	201,680	205,714	209,828	214,024	218,305
Maintenance & Repairs	55,750	56,865	58,002	59,162	60,346
Capital Outlays	243,204	218,068	222,429	226,878	231,416
Debt Service	295,234	293,260	294,985	297,213	256,383
<i>Total</i>	<i>2,154,000</i>	<i>2,180,408</i>	<i>2,241,932</i>	<i>2,306,036</i>	<i>2,329,238</i>
Transfers/Other	0	0	145,000	145,000	145,000
Ending Balance	791,864	907,766	873,542	866,345	895,765
Revenue Surplus/(Shortfall)	36,000	115,902	(34,224)	(7,197)	29,420
30% Reserve Requirement	37%	42%	37%	36%	37%

The General Fund is the primary operating fund of the City of Hudson Oaks. Nearly all governmental functions are included in this fund, and are supported by general taxes and fees, as well as other revenues whose use is not strictly determined by law.

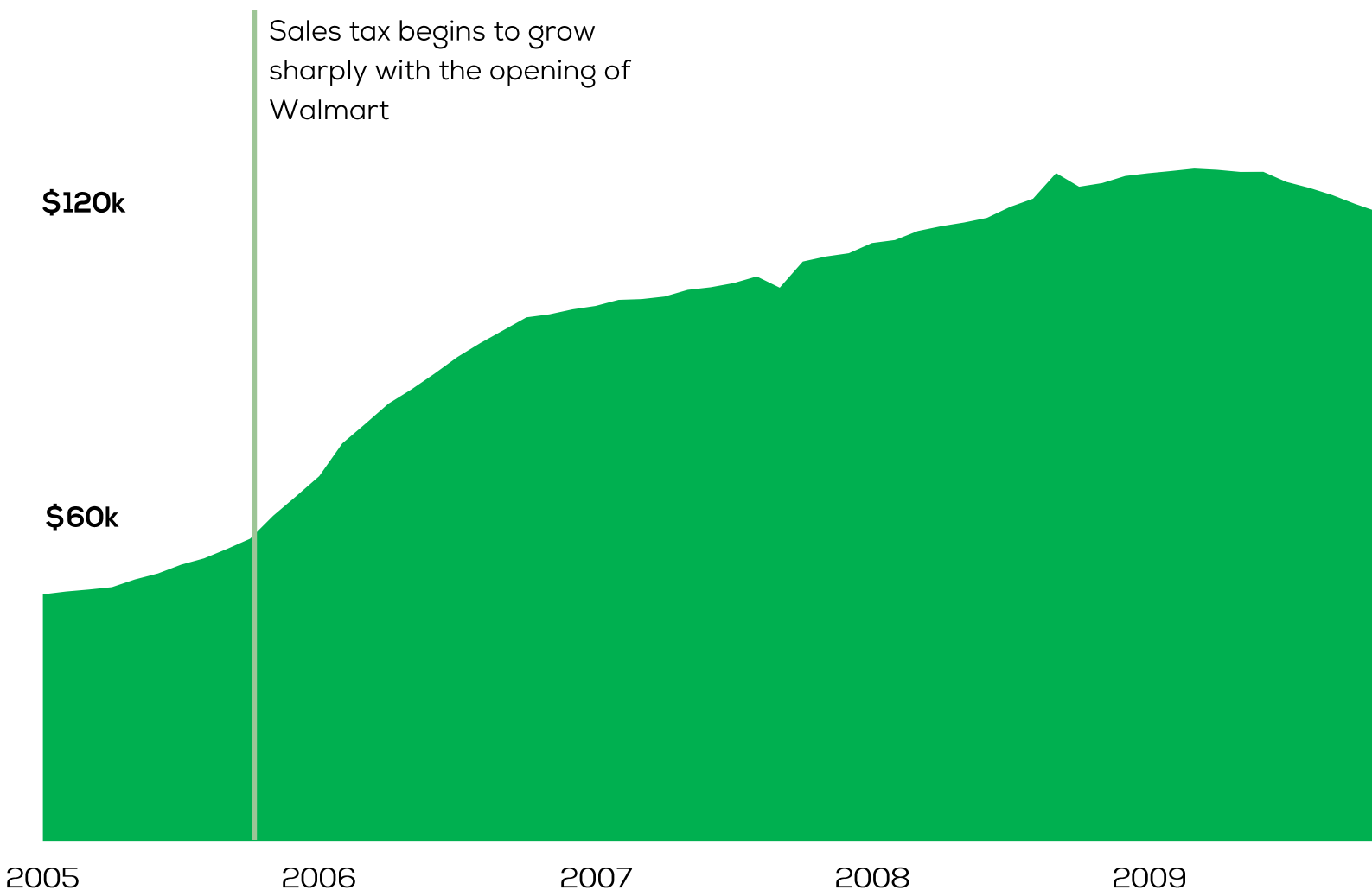
Primary revenue sources include sales taxes (which account for nearly 75% of all revenue), franchise fees, building permits and inspection fees, health inspection fees, court fines and fees, interest earnings, inter-governmental transfers, and other miscellaneous items.

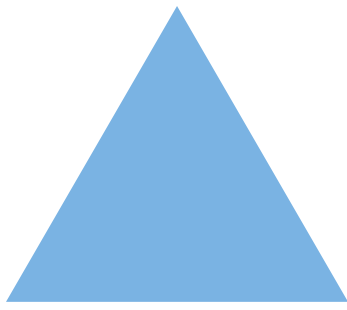
These revenues support the primary governmental operations of the City, such as administration, municipal court, police services, planning and development, street maintenance, facilities and parks, and the City Council.

historical sales tax

Sales tax is the primary revenue source for the General Fund, comprising around 75% of total revenue. Since the city has no property tax, it becomes even more important to closely monitor trends and developments in the local retail economy.

Hudson Oaks has one of the highest per capita consumer spending levels in Texas, but a large portion of that spending comes from the purchase of new and used cars—sales that do not have a local sales tax component. Nevertheless, the city still ranks among the top 15 in Texas in per capita taxable sales.



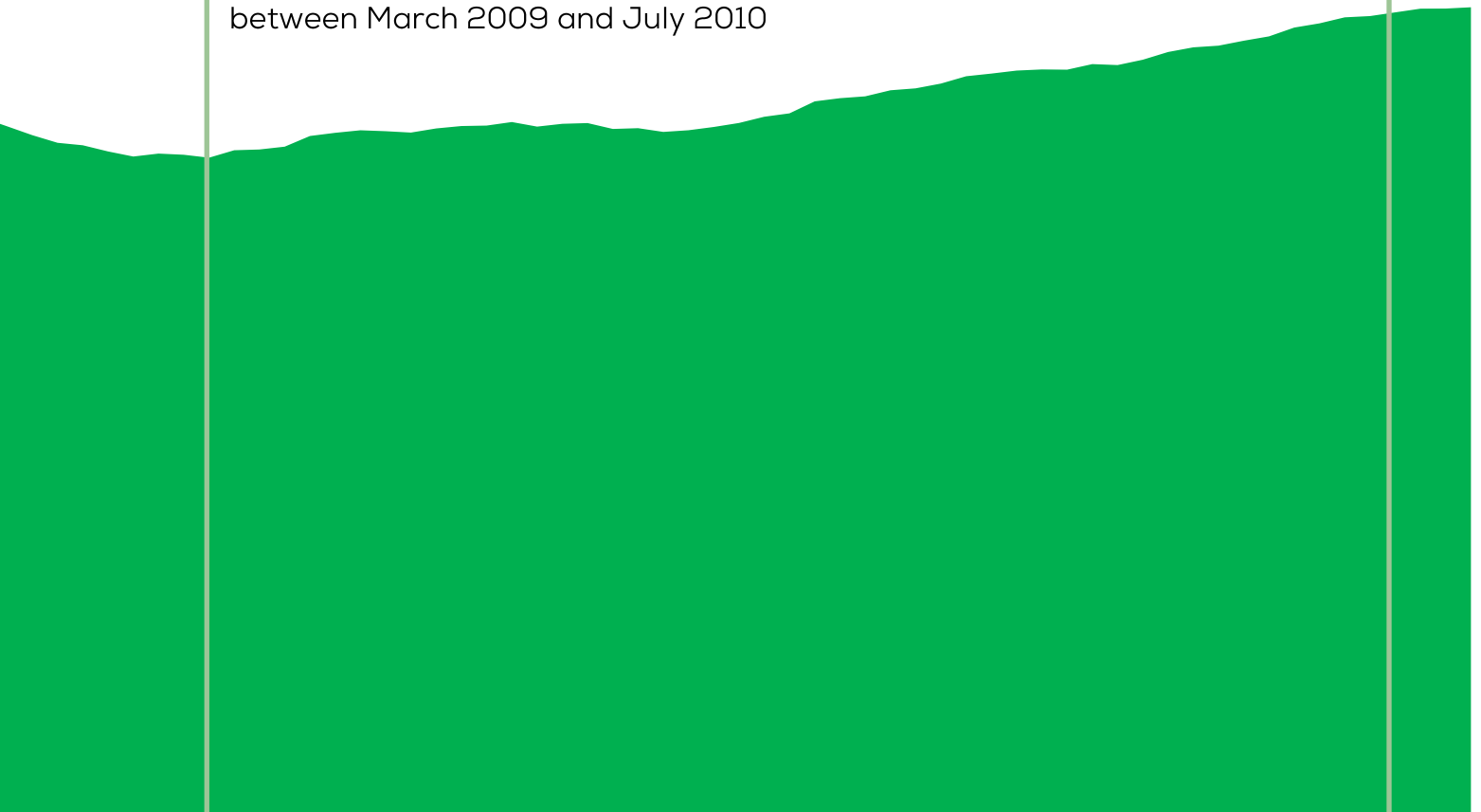


4.1%

twelve-month collections, year over year

In June 2014, sales tax collections match the inflation adjusted peak of March 2009 for the first time

The recession hits Hudson Oaks late, but hard. Annualized collections dropped 11% between March 2009 and July 2010



2010

2011

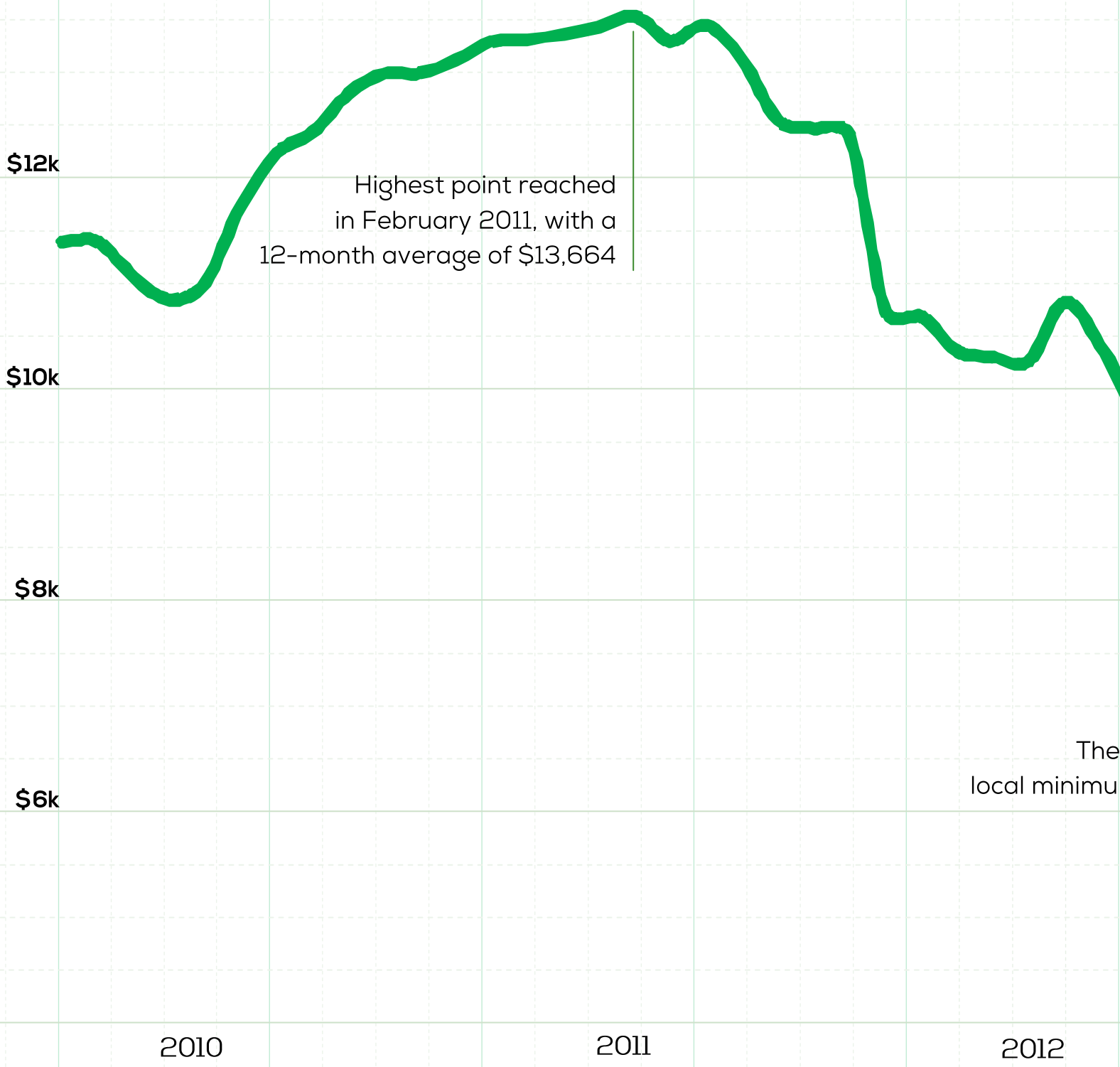
2012

2013

2014

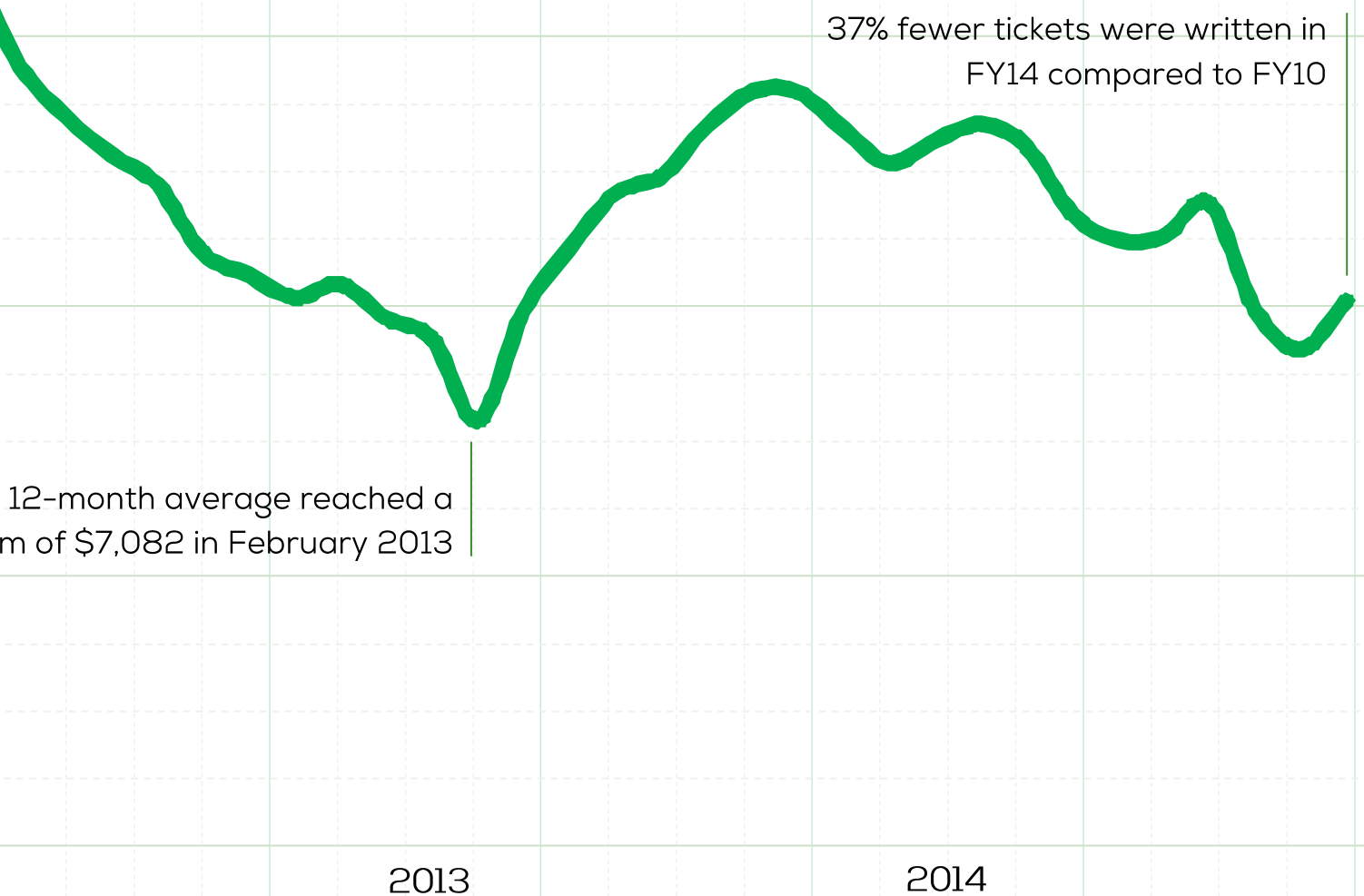
general fund

traffic fines and fees



Moving to a community policing model has resulted in a reduction in revenue from traffic fines in recent years. Although fewer tickets are written each year, our officers have greater levels of contact with the public, and overall safety has increased.

This has created a more welcoming environment for our residents and visitors who come to Hudson Oaks to shop.



administrator's office

staff

city administrator

assistant city administrator

city secretary

administrative services supervisor

court clerk

strategic goals

Provide professional management of the day-to-day operations of the city.

Implement the policy priorities of the City Council in an efficient and cost-effective manner, utilizing best practices and innovative new techniques.

Provide timely, relevant data, and professional opinions of policy options to inform the strategic decisions of the City Council.

	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Projected	FY15
Personal Services	210,560	248,333	202,264	207,264	213,032
Professional Services	287,419	246,911	188,889	188,889	188,650
Supplies	5,827	11,228	8,200	8,200	8,200
Operations	74,697	219,975	72,340	72,340	74,755
Maintenance & Repairs	715	219	250	250	250
Capital Outlays	6,745	7,071	10,000	6,000	9,000
Debt Service	0	92	109,900	109,900	109,900
Total	585,962	733,830	591,843	639,171	603,837

duties

The **city administrator** is the organization's chief executive officer. In addition to implementing the policies set by and making budget recommendations to the City Council, the city administrator is responsible for supervising economic development, planning and development, city secretary, water and wastewater, and police services.

The **assistant city administrator** supervises finance and budget, streets, parks, and facilities maintenance.

The **city secretary** serves as the City's records official, and responds to all open records requests. This position is also responsible for issuance of all food and alcohol permits, preparation and posting of agendas for all public meetings, and providing support to the municipal court.

The **administrative services supervisor** is responsible for the City's daily accounting, purchasing, accounts payable, and payroll, and is part of the City's budget development team.

Under the administrator's office, the **court clerk** receives and processes payments for permits and utilities, and acts as the City's first point-of-contact to the public.

accomplishments

Updated the City's Strategic Plan

Developed and approved Oykey Corridor Concept Plan

Continued implementation of paperless office, including accounts payable and meeting agendas/minutes

mayor & council

strategic goals

Establish over-arching policy priorities for the city.

Provide oversight of the day-to-day activities of the city.

duties

The Mayor and Council provide policy direction to city staff on all major aspects of the city's operations through regular monthly meetings. This body consists 6 voting members and one non-voting mayor (who may vote to break a tie), all elected at-large and serving 2 year terms.

accomplishments

During FY14, the City Council oversaw the voluntary annexation of new property into the city, the issuance of \$1.2 million in debt for sewer extensions, and approved an update to the strategic plan.

	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Projected	FY15
Personal Services	0	0	0	0	0
Professional Services	0	0	0	0	0
Supplies	9,569	0	250	250	250
Operations	2,796	935	2,300	2,927	4,250
Maintenance & Repairs	0	0	0	0	0
Capital Outlays	0	0	0	0	0
Debt Service	0	0	0	0	0
Total	12,365	935	2,550	3,177	4,500

municipal court

staff

court clerk

strategic goals

asdfasdf asdl;kjdsflkj
 d;lksdfjk;sadflk ;sdasdfsdfsadf
 sdsad fassdsda sad sa dsd dsd a
 dfads ads dsaf as ads as as ads
 adsf dfs dfs dsf asd asd asdf fd
 adfsadsf asdf sadf df ds dsf fdsds
 d ff dd a f s f f dfs

duties

Under the supervision of the administrative services supervisor, the **court clerk** handles the day-to-day administration of the municipal court, including processing court payments and setting hearings. Additionally, this position receives payments for utility bills, permits, and other revenue items, and is the City's first point-of-contact to the public.

accomplishments

Following a thorough analysis, the City made the decision to hold court dates quarterly rather than monthly. This change will save the City thousands of dollars per year without impacting the processing of tickets.

	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Projected	FY15
Personal Services	18,670	19,979	18,691	17,759	18,672
Professional Services	24,429	25,099	28,200	19,200	23,200
Supplies	568	231	1,400	900	1,400
Operations	6,943	10,875	10,825	12,491	13,175
Maintenance & Repairs	0	0	0	0	0
Capital Outlays	0	0	0	0	0
Debt Service	0	0	0	0	0
Total	50,611	56,184	59,116	50,350	56,447

parks & recreation

staff

facilities manager

maintenance worker I

strategic goals

Provide the highest level of maintenance to all city facilities

Proactively project maintenance needs to reduce costs through preventive maintenance

duties

Under the supervision of the assistant city administrator, the **facilities manager** is responsible for the maintenance and upkeep of all city parks and facilities, including City Hall, Hudson Oaks Public Safety Building, Gene Voyles Park, water system facilities, and the US 180 median landscaping.

accomplishments

Implemented successful US 180 median landscaping maintenance plan

Provided critical logistical support for the most successful Boomin' 4th to-date

	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Projected	FY15
Personal Services	14,807	15,033	18,825	18,825	16,505
Professional Services	3,246	4,961	3,121	5,000	3,138
Supplies	510	1,047	2,040	2,800	2,040
Operations	100	100	100	100	100
Maintenance & Repairs	23,113	21,446	24,133	25,727	25,000
Capital Outlays	176,800	281,300	0	0	0
Debt Service	0	0	0	0	0
Total	218,575	323,887	48,219	52,452	46,783

planning & development

This department's operations are now included within the budget of the administrator's office. It has been included in this budget book in order to report the historical expenditures, and will be removed with the FY17 budget book.

	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Projected	FY15
Personal Services	0	0	0	0	0
Professional Services	0	0	0	0	0
Supplies	0	601	0	0	0
Operations	0	(68)	0	0	0
Maintenance & Repairs	0	0	0	0	0
Capital Outlays	0	0	0	0	0
Debt Service	0	0	0	0	0
Total	0	533	0	0	0

police department

staff

chief

sergeants

corporals

liuetenants

officers

property and evidence technician

strategic goals

Ensure the safety of our residents, visitors, and officers

Utilize a community policing to create a safe environment that supports retail activity

	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Projected	FY15
Personal Services	720,814	733,502	733,202	749,471	794,287
Professional Services	32,152	46,881	35,000	38,000	37,400
Supplies	11,054	9,163	14,500	13,500	16,000
Operations	90,712	83,506	101,700	90,950	97,400
Maintenance & Repairs	39,625	31,691	30,500	31,500	30,500
Capital Outlays	52,912	2,695	32,707	37,707	22,707
Debt Service	10,846	10,737	0	0	0
Total	958,114	918,176	947,609	961,128	998,294

duties

The **chief of police** is responsible for managing the department, implementing departmental policies and procedures, reporting to the city administrator and City Council, and making budget recommendations for the department.

The **lieutenant** oversees scheduling for the patrol division, training, equipment maintenance, fleet services, and minor internal affairs investigations.

The **investigation** division consists of one detective sergeant who is responsible for filing reports with the proper courts after an arrest is made. The detective is also responsible for investigating burglaries, thefts, robberies, and other violations of state and local law. This position is also tasked with coordinating public events, such as National Night Out, and the Texas Police Chief's Association Recognition program.

The **patrol** division consists of two corporals and six patrol officers, and it enforces all state and local laws, including nuisance codes, and investigates vehicle accidents within the city limits. This division also responds to all EMS calls, as all officers are also certified as

Emergency Care Attendants.

The **property and evidence technician** is responsible for the proper storage and inventory of all property of evidence seized by the HOPD. This position is also responsible for records maintenance and open records requests.

accomplishments

Completed and began implementation of new design for cruisers and trucks

Implemented new body camera system to ensure safety of the public and officers alike

Hosted a very successful National Night Out at Splash Kingdom Waterpark

streets

staff

facilities manager

maintenance worker

strategic goals

Maintain a effective and high quality local transportation system

Address potholes, clogged culverts, and other maintenance issues in a timely manner

Plan effectively for the future in order to accommodate population growth and commercial development

	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Projected	FY15
Personal Services	30,750	30,415	22,185	24,538	17,821
Professional Services	14,462	14,507	18,500	84,837	17,500
Supplies	0	0	0	0	0
Operations	13,237	11,978	12,000	12,000	12,000
Maintenance & Repairs	0	0	0	0	0
Capital Outlays	107,719	115,473	209,211	115,467	211,497
Debt Service	194,423	197,279	185,334	185,334	185,334
Total	360,591	369,652	447,230	422,176	444,152

duties

Under the direction of the assistant city administrator, the **facilities manager** is responsible for overseeing the routine maintenance and operations of the streets department.

Under the supervision of the facilities manager, the **maintenance worker** provides effective and timely assistance in the maintenance and operations of the streets department

This department is responsible for routine maintenance of the city's street system, including pothole patching, crack sealing, and culvert and other drainage related maintenance.

The streets department is also responsible for planning and coordinating larger maintenance projects including overlays and reconstructions of local roads. This also includes annually assessing the pavement condition of every city street.

accomplishments

Implemented a new digital pavement condition survey system.

Partnered with Parker County Precinct 4 to reconstruct North Oakridge Drive using an in-place reclamation method that resulted in a higher quality product at a substantially reduced cost.

Continued engineering work on a final build-out design of North Oakridge Drive at US 180 in order to accommodate future population growth and potential commercial development.

Enterprise Fund

summary

Enterprise Fund	2015	2016	2017	2018	2019
Beginning Balance	510,037	521,387	536,840	595,342	659,650
Revenues					
Charges for Water Service	1,139,160	1,173,335	1,258,335	1,296,085	1,334,967
Charges for Sewer Service	300,000	306,000	312,120	318,362	324,730
Other Revenue Sources	30,000	31,200	32,448	33,746	35,096
<i>Total</i>	<i>1,469,160</i>	<i>1,510,535</i>	<i>1,602,903</i>	<i>1,648,193</i>	<i>1,694,793</i>
Expenditures					
Personal Services	373,073	387,996	403,516	419,656	436,443
Professional Services	72,872	75,058	77,310	79,629	82,018
Supplies	41,045	42,276	43,545	44,851	46,197
Operations	412,300	424,669	550,902	578,448	607,370
Maintenance & Repairs	86,362	63,203	66,363	69,681	73,165
Capital Outlays	0	25,000	25,000	25,000	25,000
Debt Service	472,158	476,880	377,765	376,620	418,027
<i>Total</i>	<i>1,457,810</i>	<i>1,495,082</i>	<i>1,544,401</i>	<i>1,583,885</i>	<i>1,687,219</i>
Ending Balance	521,387	536,840	595,342	659,650	667,223
Revenue Surplus/(Shortfall)	11,350	15,453	58,502	64,308	7,573
30% Reserve Requirement	36%	36%	39%	42%	40%

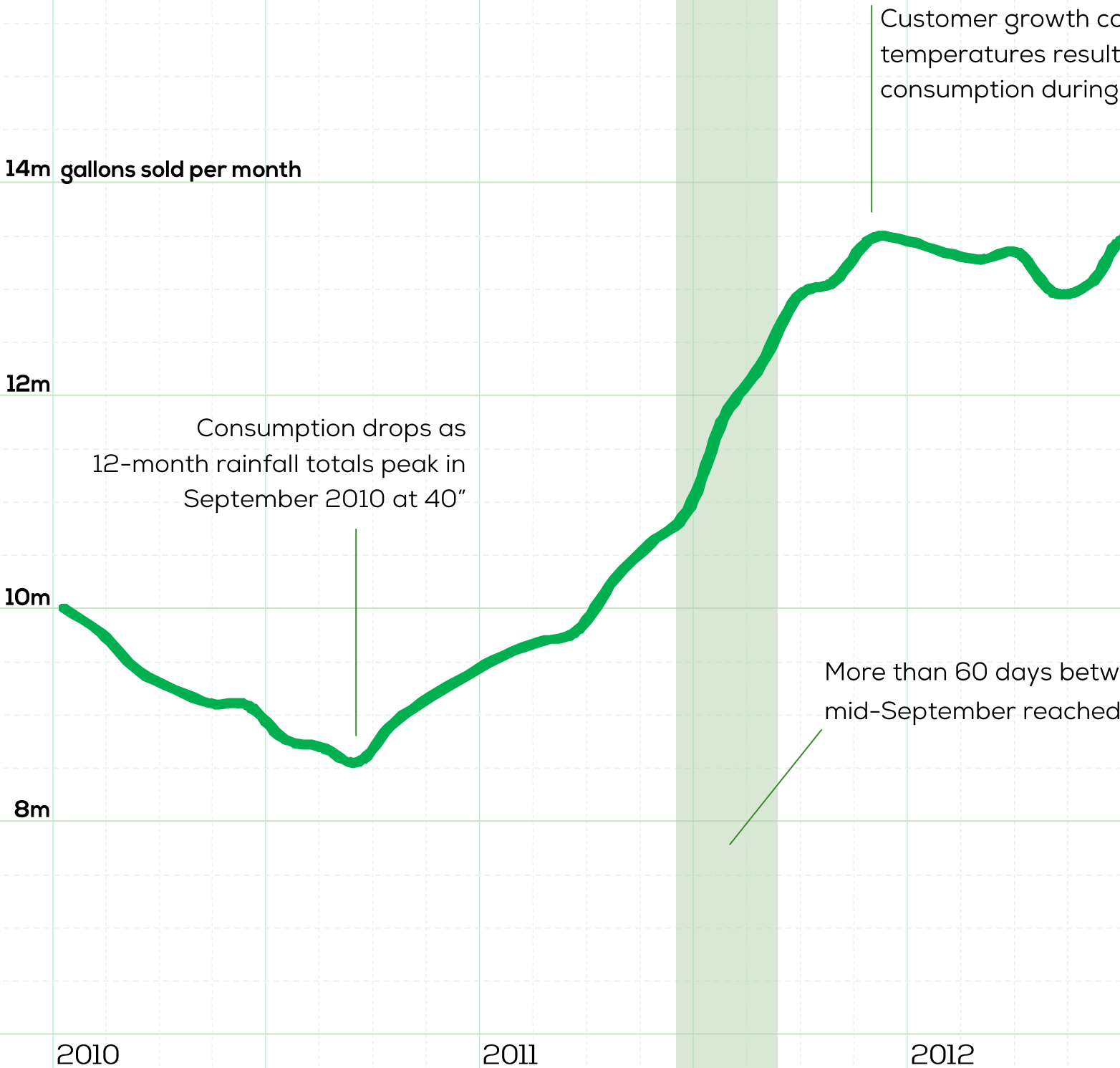
The Enterprise Fund is used to account for the operations of the Hudson Oaks water and sewer systems.

These operations are separated from the general governmental functions of the City because they are treated as a business-like activity. As such, the direct charges for water and sewer service are used to fund the operations of that service.

The Hudson Oaks water and sewer systems are fully self-supporting. They are not subsidized by the General Fund, nor do they provide a subsidy for the General Fund.

The Enterprise Fund uses the modified-accrual form of accounting, where revenues are recognized when they are available, and expenses are capitalized during the year in which they are spent.

historical water sales



coupled with record high
in sharp increases in
2011

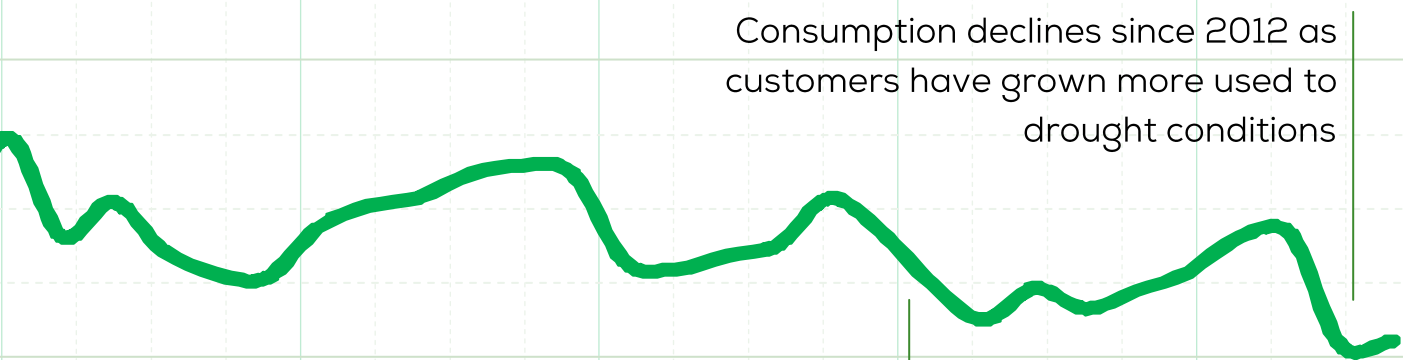
Consumption declines since 2012 as
customers have grown more used to
drought conditions

12-month rainfall totals
stabilize at 22" during 2014

between mid-June and
100° or higher.

2013

2014



water department

staff

water superintendent

water operator

strategic goals

Provide high quality water service to residential and commercial customers.

Create and implement long-term plans to accommodate future growth and the need for increased use of surface water.

duties

Under the supervision of the city administrator, **water superintendent** handles the day-to-day administration of the water system, including maintaining infrastructure, monitoring well conditions, and ensuring efficient use of both ground and surface water to minimize costs.

accomplishments

The Dyegard tie-in project reduced surface water use by 60% in FY14, and cut peak use by 50%.

Installed automated meters for approximately 80% of customers, reducing meter reading time by 75% each month.

	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Projected	FY15
Personal Services	314,349	342,271	346,615	346,615	373,073
Professional Services	48,266	34,628	72,760	72,760	72,872
Supplies	39,888	55,329	40,290	40,290	41,045
Operations	263,984	282,601	189,826	274,826	222,300
Maintenance & Repairs	59,783	77,303	60,582	61,468	86,362
Capital Outlays	242,741	244,688	0	0	0
Debt Service	269,076	149,352	445,076	336,241	328,241
Total	1,238,087	1,186,172	1,155,149	1,132,200	1,123,893

sewer department

strategic goals

Provide high quality sewer service to the city's commercial corridors.

Create and implement long-term plans to accommodate future growth

duties

The Hudson Oaks sewer utility operates primarily within the city's commercial district, providing sanitary sewer services to local businesses and neighborhoods. Sewage is captured within the city's system and fed to the City of Weatherford for treatment.

accomplishments

In FY14, engineering was completed on the Lakeshore Drive extension project, which will bring sewer service to commercial customers south of IH-20 along Lakeshore Drive. The project will commence construction in FY15.

	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Projected	FY15
Personal Services	0	4,166	0	2,000	0
Professional Services	0	0	0	0	0
Supplies	0	0	0	17,696	0
Operations	168,156	235,389	160,000	278,964	190,000
Maintenance & Repairs	0	0	0	0	0
Capital Outlays	0	75,711	0	0	0
Debt Service	0	0	0	185,585	143,917
Total	168,156	315,266	160,000	486,355	333,917

Other Funds

The General Fund is the primary operating fund of the City of Hudson Oaks. Nearly all governmental functions are included in this fund, and are supported by general taxes and fees, as well as other revenues whose use is not strictly determined by law.

Primary revenue sources include sales taxes (which account for nearly 75% of all revenue), franchise fees, building permits and inspection fees, health inspection fees, court fines and fees, interest earnings, inter-governmental transfers, and other miscellaneous items.

These revenues support the primary governmental operations of the City, such as administration, municipal court, police services, planning and development, street maintenance, facilities and parks, and the City Council.

dyegard fund

summary

This fund is used to account for the operations of the Dyegard water system, which provides water services to the Stone Creek and Oak View Estates neighborhoods.

Although this fund is primarily used to account for debt service costs associated with the Dyegard system, it also includes a budget for maintenance and repairs. Enterprise Fund personnel provide operational support for the Dyegard system.

Revenue	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Projected	FY15
Water Sales & Interest	242,057	229,022	248,331	248,500	246,700
Total	242,057	229,022	248,331	248,500	246,700

Expenses	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Projected	FY15
Personal Services	0	0	0	0	0
Professional Services	19,429	9,994	7,800	7,800	7,800
Supplies	12,322	7,232	11,500	11,500	11,750
Operations	16,977	20,994	16,600	16,600	16,600
Maintenance & Repairs	669	19,232	11,800	11,800	22,000
Capital Outlays	0	0	0	0	0
Debt Service	252,054	168,303	192,550	192,550	192,550
Total	301,451	225,755	240,250	240,250	250,700

deer creek fund

summary

This fund is used to account for the city's operating agreement with the Town of Annetta to operate the Deer Creek water system.

This fund includes salaries for two full-time employees and the

maintenance and repair budget associated with operating the water system.

Revenue received is a contracted amount and is treated as investment revenue, since the city bears no operational liability for the Deer Creek system. Beginning in FY14, excess revenue will be utilized on a one-time basis at the discretion of the City Council.

Revenue	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Projected	FY15
Contract Revenue	604,039	172,000	172,000	196,962	213,000
Total	604,039	172,000	172,000	196,962	213,000

Expenses	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Projected	FY15
Personal Services	112,081	119,818	118,002	103,291	118,086
Professional Services	3,116	425	0	560	32,277
Supplies	7,681	1,515	0	14,700	500
Operations	416,270	12	0	702	0
Maintenance & Repairs	9,332	10,853	8,000	26,973	12,000
Capital Outlays	0	0	0	0	0
Debt Service	6,293	6,293	6,800	6,800	6,800
Total	554,774	138,915	132,802	153,026	169,663

Appendix

**budget
process**

The budget process begins in early spring, when **preliminary revenue estimates** are prepared and personnel budgets are updated to reflect any changes that may have occurred during the year such as turnovers, promotions, and other differences that may exist compared to budgeted levels.

In May, departments submit their **budget requests**. Any requested increases over 2% of the current budget require specific justification, and capital items such as vehicle replacement are submitted at this time as well. These requests are compiled and evaluated relative to the strategic plan and expected revenues.

In June, a **sneak-peek** of the budget is presented to the City Council. Based on updated revenue projections and items that are likely to be included in the proposed budget, the sneak-peek provides an opportunity for City Council to review their priorities and provide strategic input into the budget.

In July, the city administrator's **proposed budget is submitted** to the City Council. The proposed budget reflects the strategic priorities of the City Council implemented in the most efficient and effective manner based on the professional judgment of the administrator and his/her staff.

Following the budget presentation, the City Council and public discuss and propose adjustments to the strategic elements of the budget proposal. Due to the input received at the sneak-peek, adjustments are rarely needed.

Unless further discussion is needed, **budget adoption** occurs at the August meeting. If necessary, the budget will be adopted in September.

**debt
model**

series 2007 certificates of obligation

Year	Principal	Coupon	Interest	Total
2015	80,000.00	4.10%	55,350.00	135,350.00
2016	80,000.00	4.10%	52,070.00	132,070.00
2017	85,000.00	4.10%	48,790.00	133,790.00
2018	90,000.00	4.10%	45,305.00	135,305.00
2019	95,000.00	4.10%	41,615.00	136,615.00
2020	100,000.00	4.10%	37,720.00	137,720.00
2021	100,000.00	4.10%	33,620.00	133,620.00
2022	105,000.00	4.10%	29,520.00	134,520.00
2023	110,000.00	4.10%	25,215.00	135,215.00
2024	115,000.00	4.10%	20,705.00	135,705.00
2025	125,000.00	4.10%	15,990.00	140,990.00
2026	130,000.00	4.10%	10,865.00	140,865.00
2027	135,000.00	4.10%	5,535.00	140,535.00

series 2010 general obligation refunding

Year	Principal	Coupon	Interest	Total
2015	215,000.00	2.00%	47,900.00	262,900.00
2016	220,000.00	3.00%	43,600.00	263,600.00
2017	225,000.00	3.00%	37,000.00	262,000.00
2018	235,000.00	3.00%	30,250.00	265,250.00
2019	140,000.00	4.00%	23,200.00	163,200.00
2020	140,000.00	4.00%	17,600.00	157,600.00
2021	100,000.00	4.00%	12,000.00	112,000.00
2022	100,000.00	4.00%	8,000.00	108,000.00
2023	100,000.00	4.00%	4,000.00	104,000.00

series 2010 certificates of obligation

Year	Principal	Coupon	Interest	Total
2015	90,000.00	2.00%	100,750.00	190,750.00
2016	90,000.00	2.00%	98,950.00	188,950.00
2017	95,000.00	2.50%	97,150.00	192,150.00
2018	95,000.00	2.50%	94,775.00	189,775.00
2019	100,000.00	3.00%	92,400.00	192,400.00
2020	100,000.00	4.00%	89,900.00	189,900.00
2021	105,000.00	4.00%	86,900.00	191,900.00
2022	110,000.00	4.00%	82,700.00	192,700.00
2023	115,000.00	4.00%	78,300.00	188,300.00
2024	120,000.00	4.00%	73,900.00	188,900.00
2025	125,000.00	4.00%	69,300.00	189,300.00
2026	125,000.00	4.00%	64,500.00	189,300.00
2027	130,000.00	4.25%	59,500.00	189,500.00
2028	135,000.00	4.25%	53,975.00	189,500.00
2029	140,000.00	4.25%	48,237.50	188,975.00
2030	150,000.00	4.25%	42,287.50	188,237.50
2031	155,000.00	4.25%	35,912.50	192,287.50
2032	160,000.00	4.25%	29,325.00	190,912.50
2033	170,000.00	4.25%	22,525.00	189,325.00
2034	175,000.00	4.25%	15,300.00	192,525.00
2035	185,000.00	4.25%	7,862.50	192,862.50

series 2012 certificates of obligation

Year	Principal	Coupon	Interest	Total
2015	120,000.00	2.00%	77,250.00	197,250.00
2016	120,000.00	2.00%	74,850.00	194,850.00
2017	125,000.00	2.00%	72,450.00	197,450.00
2018	125,000.00	2.00%	69,950.00	194,950.00
2019	130,000.00	2.00%	67,450.00	197,450.00
2020	130,000.00	2.00%	64,850.00	194,850.00
2021	135,000.00	2.00%	62,250.00	197,250.00
2022	140,000.00	3.50%	59,550.00	199,550.00
2023	140,000.00	3.50%	54,650.00	194,650.00
2024	145,000.00	3.50%	49,750.00	194,750.00
2025	150,000.00	3.50%	44,675.00	194,675.00
2026	155,000.00	3.50%	39,425.00	194,425.00
2027	165,000.00	3.50%	34,000.00	199,000.00
2028	170,000.00	3.00%	28,225.00	198,225.00
2029	175,000.00	3.00%	23,125.00	198,125.00
2030	180,000.00	3.25%	17,875.00	197,875.00
2031	185,000.00	3.25%	12,025.00	197,025.00
2032	185,000.00	3.25%	6,012.50	191,012.50

series 2014 certificates of obligation

Year	Principal	Coupon	Interest	Total
2015	45,000.00	2.15%	30,166.59	75,166.59
2016	50,000.00	2.15%	25,585.00	75,585.00
2017	55,000.00	2.15%	24,510.00	79,510.00
2018	55,000.00	2.15%	23,327.50	78,327.50
2019	155,000.00	2.15%	22,145.00	177,145.00
2020	165,000.00	2.15%	18,812.50	183,812.50
2021	170,000.00	2.15%	15,265.00	185,265.00
2022	170,000.00	2.15%	11,610.00	181,610.00
2023	185,000.00	2.15%	7,955.00	192,955.00
2024	185,000.00	2.15%	3,977.50	188,977.50