

City of Alvarado



Proposed Annual Budget

Fiscal Year 2008-2009

City of Alvarado, Texas

**Proposed Budget
For Fiscal Year
October 1, 2008 to September 30, 2009**

**Mayor
Tom Durington**

CITY COUNCIL

Tom Moore	Councilmember	Ward 1
David Bayless	Councilmember	Ward 1
Joe Sain	Councilmember	Ward 2
Vacant	Councilmember	Ward 2
Bruce Clark	Councilmember	Ward 3
DeWayne Richters	Mayor Pro-Tem	Ward 3

CITY STAFF

Donald A. Ives	City Manager
Debbie Thomas	City Secretary
Kelle Whitfill	Director of Finance
Michael Dwiggins	Director of Public Works
John Allen	Police Chief
Richard Van Winkle	Fire Chief
Sharon Vass	Director of Community Development
Bryn Meredith	City Attorney

City of Alvarado Mission Statement

On behalf of the citizens of Alvarado, the City Council will promote the safety, health and general well-being of the community within the bounds of fiscal responsibility while preserving and advancing the quality of life, resulting in unique community spirit.

In accomplishing this mission, the Mayor, City Council, City Manager, and City employees will be guided by these principles:

Our Vision: As a result of our efforts, citizens will . . .

- *Receive the highest quality of services available within acceptable budgetary levels*
- *Live in safe, secure neighborhoods*
- *Live in a clean environment that protects the quality of their lives*
- *Access a range of cultural arts and recreational opportunities provided through city-wide initiatives and collaborative efforts*
- *Participate in and contribute to the vitality and future of our community*
- *Travel freely within, to and from the community*
- *Contribute to and benefit from a strong and diverse economic environment*

HOW TO USE THIS BUDGET DOCUMENT

The City of Alvarado budget document provides comprehensive information about city policies, goals, objectives, financial structure, operations, and an organizational framework that show how City services are maintained and improved for fiscal year 2008-2009. A main objective of the budget document is to communicate this information to readers (Alvarado citizens, the public and other governmental entities) in a manner that is clear, concise and understandable. At the front of the budget is a **Table of Contents** that will aid the reader in finding specific information quickly and provides a summary of the major topics. At the back of the budget, the **Glossary** will be helpful to a reader not familiar with governmental terms. After reviewing the suggested topics, the reader can then best receive an overview of the programs, services and resources available to the City by reviewing the major sections of the budget in the order they are presented. The budget is divided into nine (9) major sections: Introduction, Budget Summary, General Fund, Enterprise Fund, Debt Service, Other Funds, Capital Improvements, Appendix and Budget Glossary. Highlights of the sections are as follows:

INTRODUCTION

The City Manager's Transmittal Message in the introduction should be read first. The Message provides an overview of accomplishments for fiscal year 2007-2008, and policy decisions made during the budget preparation process that influenced the 2008-2009 Budget. The message summarizes the contents of the budget with goals and objectives of the City clearly outlined. In addition, the Introduction section contains a City Organizational Chart.

BUDGET SUMMARY

This summary section for all funds discusses the budget preparation process that begins at the first of every year and formally ends in September, with numerous steps in between. An explanation of the financial structure of the City is provided that shows how revenues and expenditures are reported by Fund, a self-balancing set of accounts designed to track specific revenues and the uses of those revenues. A summary of all funds is provided in this section that draws the operating funds and capital funds together.

The stringent laws governing the use of specific funds guide municipal budgeting. This document attempts the full disclosure of city operations to provide the public with the checks and balances necessary to insure that tax dollars and municipal payments are expended in accordance with laws and directives of the State of Texas and the City Council. Only by careful analysis of the various funds and programs can we insure that the budget is one of the most important actions of the City Council. The budgetary process determines what services the City will provide, the level of service and how funds will be utilized to provide for their delivery. The budget is a cooperative effort between available resources and service needs, thus, allocating fund on a priority basis as determined by the City Council. The adopted budget, administered with the proper controls, will represent a reliable financial plan to be utilized in making major decisions facing the City of Alvarado during the next fiscal year.

GENERAL FUND

This major section of the budget will show the reader how the General Fund receives a greater variety of revenues and finances and a wider range of governmental activity than any other fund.

ENTERPRISE FUNDS

After examining the operations of these funds, which are conducted like a business, the reader will understand that the budgetary process is not easy. Enterprise operations are highly influenced by unpredictable weather conditions. Sound financial management by city staff and officials has provided stability for this proprietary fund over the years.

DEBT SERVICE

Here the funds needed to cover the general debt service for the City are described. The Debt Service Fund provides for principal and interest payments for the City's general obligation and certificates of obligation as they become due and payable. Property tax rates and levy are required to be computed and collected to pay these costs.

OTHER FUNDS

This section provides the reader with a detailed look at the City's special revenue funds. The Hotel Occupancy Tax funds are described in this section. The special uses of Child Safety Funds, Court Technology Funds, Court Security Funds and Grant Funds are outlined in this section. Economic Development is also described in detail with main source of revenues generated from a one-half percent sales tax on taxable items sold within Alvarado.

CAPITAL IMPROVEMENTS

The reader can obtain an overview of all City capital improvement projects that have been approved as funded. The City develops a multi-year plan for major capital expenditures that matches available resources and satisfies City tax rate stabilization objectives. Generally, the program includes improvements that are relatively expensive, are non-recurring, have a multi-year useful life, and like capital outlay items, result in fixed assets. These could include the construction and acquisition of new buildings, additions or renovations of existing buildings, construction and reconstruction of streets, water and sanitary sewer improvements, drainage improvements, land purchases, and equipment purchases.

APPENDIX / BUDGET GLOSSARY

The Appendix contains detailed information about the City's personnel. The personnel section contains a listing of approved full time, part-time, and seasonal positions compared to last year's budget. The majority of resources are expended on personnel costs, which are necessary to provide quality services to Alvarado residents. The Budget Glossary contains definitions of budget terms commonly used.

TABLE OF CONTENTS
2008-2009 OPERATING BUDGET

SECTION TITLE	PAGE
BUDGET SUMMARY	
List of City Officials.....	i
City's Mission Statement.....	ii
How to Use This Budget Document.....	iii-iv
Table of Contents.....	v-vi
City Manager Transmittal Letter.....	1-2
Organizational Chart.....	3
Budget Process.....	4-5
All Funds Summaries of Revenues and Expenditures.....	6-7
GENERAL FUND	
General Fund Description.....	8
General Fund Five-Year Budget History.....	9
General Fund Revenues.....	10
General Fund Expenditures by Division.....	11
Administration.....	12-13
Police Department.....	14-15
Police Communications.....	16
Municipal Court.....	18-19
Fire Department.....	20-21
Animal Control.....	22-23
Code Services.....	24-25
Streets.....	26-27
Library.....	28-29
Senior Services.....	30-31
Parks Maintenance.....	32-33
Non-Departmental.....	34
WATER AND SEWER FUND	
Water and Sewer Fund Description.....	36
Water and Sewer Fund Five-Year Budget History.....	37
Water and Sewer Fund Revenues.....	38
Water and Sewer Fund Expenditures by Function.....	39
Water and Sewer Administration.....	40-41
Water Expenses.....	42
Sewer Expenses.....	44-45
DEBT SERVICE FUNDS	
Debt Management Policy.....	46-47
General Debt Service Description.....	48
General Debt Service Five-Year Budget History.....	49
General Debt Service.....	50
Utility Debt Service Description.....	52
Utility Debt Service.....	53
SPECIAL REVENUE FUNDS	
Special Revenue Funds Description.....	54
Economic Development Corporation / Mission Statement.....	56
EDC Five-Year Budget History.....	57
Economic Development Corporation.....	58-59

TABLE OF CONTENTS
2008-2009 OPERATING BUDGET

SECTION TITLE	PAGE
Hotel Occupancy Taxes/Mission Statement.....	60
Hotel Occupancy Taxes Five-Year Budget History.....	62
Hotel Occupancy Taxes.....	63
Mineral Leases and Royalties/Mission Statement.....	64
Mineral Leases and Royalties Five-Year Budget History.....	66
Mineral Leases and Royalties.....	67
Grants Fund/Mission Statement.....	68
Grants Fund Five-Year Budget History.....	70
Grants Fund.....	71
Other Special Revenue Funds Description.....	72
Other Special Revenue Funds Five-Year Budget History.....	74
Other Special Revenue Funds.....	75
 CAPITAL IMPROVEMENTS PROGRAM	
Capital Improvements Program Policy.....	76-78
Capital Improvements By Fund.....	79
Capital Expenditures.....	80-82
 APPENDIX	
Approved City Employee Positions.....	83
 GLOSSARY	
Glossary of Key Budget Terms.....	84-90

City of Alvarado

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October 1, 2008

Honorable Mayor and City Council Members
City of Alvarado, Texas

I am pleased to present to you the Annual Program of Services for the City of Alvarado for 2008-2009. This document details the comprehensive strategic plan by which Alvarado strives to enhance its quality of life. The budget document is an outline of the programs and services to be provided by the City in the coming year. The City plays an important role in defining the way of life by developing and maintaining standards that contribute to a pleasant, attractive, dynamic and healthy community.

We feel this budget continues the direction established by our citizens and the City Council to meet the existing challenges and effectively plan for future needs. It balances the costs of new and expanded programs needed to address City priorities against the City's financial and human resources limits.

Maintaining the efficient and effective delivery of City services was one of the priorities of the 2008-2009 Budget. The Council took an active role in balancing community needs with the available resources. This included reviewing existing programs and making difficult choices without reducing the level of services expected by our citizens.

Property valuations increased by \$29.7M (+19%) in FY 2008-2009. Property values increased from \$155M to \$185M. This increase is on top of increases of 25% for FY 2007-2008 and 10% in FY 2006-2007. These are encouraging signs for the City because if this trend continues it will allow the City to control future tax rates.

The General Fund is balanced while keeping the same tax rate of \$0.697313 per \$100 property valuation. The portion of the tax rate applied to debt service was still able to be lowered by \$0.05057 and the maintenance and operations portion of the tax rate was increased by \$0.05707. Even with keeping the tax rate the same total property tax revenues increased by \$217,494.

We have been conservative in projecting sales tax revenues. Sales tax collections are projected to increase only from \$795,000 to \$811,000, or \$16,000. This reflects a 3% increase over what we expect to collect in 2007-2008.

The water and sewer rates were sufficient to cover all operations but we will be looking at whether the sewer system and water system are paying for their own operations next year. We feel we have been conservative in our projections of water and sewer sales. Water sales projections were decreased by \$20,000, from \$920,000 to \$900,000 but sewer sales projections were increased by \$5,900, from \$590,000 to \$595,900.

Public Safety remains a high priority with \$2,199,018 being allocated toward this goal. With \$727,078 being budgeted for the Fire Department, the budget includes one (1) new firefighter position to give us three (3) persons on each shift. The Police Department proposed budget for 2008-2009 is \$1,244,447.

Infrastructure upgrades were addressed in 2008-2009. More funds were allocated for maintenance of water and sewer mains and street improvements throughout the City. This year's Water and Sewer Fund budget addresses these issues by investing \$184,331 toward water and sewer improvements. The annual street maintenance program continues on a pay-as-you-go basis again with \$185,000 being budgeted toward these costs in the General Fund and \$400,000 being budgeted in the Mineral Leases and Royalties Fund. In the General Fund, \$85,000 of these costs is for improvements to streets adjacent to the railroad crossings that might be closed with these costs being borne by the Texas Department of Transportation for \$15,000 (\$7,500 for each closing) and BNSF Railroad for \$70,000 (\$35,000 for each closing). The City Council approved allocating one-half (1/2) of the mineral leases and royalties revenues to street improvements. For 2008-2009 we expect to receive \$800,000 in gas royalties.

Economic development within the City also remains a high priority. The Alvarado Economic Development Corporation has budgeted \$189,292 for economic development projects and \$33,149 has been allocated for matching funds for a park grant and \$29,346 for payment of debt on the library building.

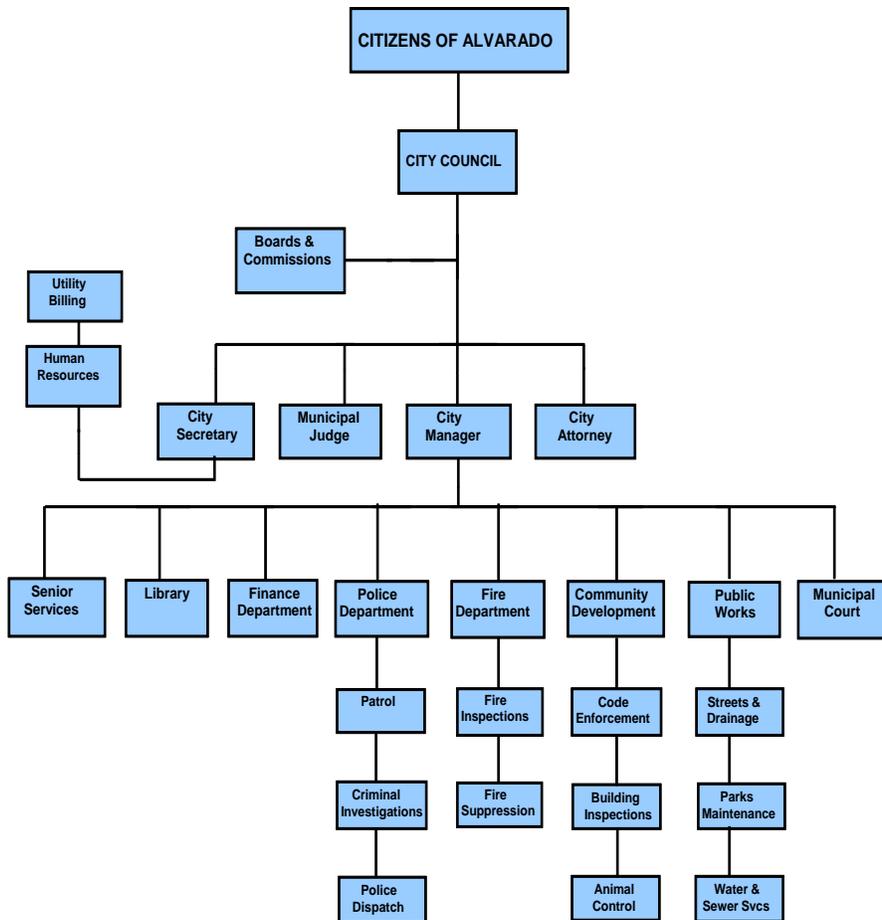
Being here for just a short time and with Kelle having to assume the duties of the interim city manager we had to work on a condensed budget schedule this year. The budget cycle was challenging for both Council and us. I believe we have made an outstanding effort to ensure the goals and objectives set forth by the Council were met, as well as planning for the future financial stability of the City. I would like to thank the City Council members for the direction they have provided the staff in the development of this budget. The leadership and advice of the City Council throughout the budget process is critical for an effective allocation of resources.

Finally, I acknowledge the tremendous contributions and teamwork of all City staff in preparing the 2008-2009 Annual Budget. Each department worked hard to find savings in their operating budgets, and to make suggestions for program improvements. The staff and I look forward to implementing this budget. We feel it emphasizes continued improvements to the delivery of services and quality of life issues of the community and works to encourage the future growth of the City.

Respectfully submitted,

Donald A. Ives
City Manager

City of Alvarado Organizational Chart



BUDGET PROCESS

SUMMARY

The budget is a financial plan for a fiscal year of operations that matches all planned revenues and expenditures with the services provided the residents of the City based on established budgetary policies. Upon receipt of the proposed budget, the City Council is required to set a date and place for a public hearing. A public notice of the hearing date must be published at least ten (10) days prior to such hearing. At the hearing, the Council gives all interested persons an opportunity to be heard for, or against, any expenditure account or revenue estimate. The City Council will normally approve the tax rate for the coming fiscal year and adopt the budget ordinance during the same meeting.

BUDGET PREPARATION

The City Manager's Office and Finance Department performs the functions of preparing and analyzing the 2008-2009 Budget. The budget process is initiated in May with distribution of budget preparation packages to department heads and directors. In June, the City Manager prepares back-up information for the City Council and schedules work sessions to discuss the direction of the budget for the upcoming fiscal year. Work sessions begin in July with the Finance Department, City Manager, and each department supervisor to review line items for both the current budget and the proposed budget to determine if service levels were to be maintained, improved, or reduced. Revenues are projected as accurately as possible in order to set priorities for proposed expenditures. Issues are addressed in workshops beginning in June between the city staff and City Council. The City Manager and Department Heads must identify and prioritize programs, projects, and equipment necessary to accomplish their goals and objectives plus those established by City Council. The budget must be developed within the limitations of available resources. Each Department Head is responsible for divisions that are under their scope of authority. Each line item of maintenance and operations are justified on budget worksheets. All capital items are separately identified and justified. The City Council retains final authority on the budget.

BUDGET BASIS

The City accounts and budgets for all general government funds using the modified accrual basis. This method recognizes revenues when they are measurable and available and expenditures when goods and services are received, except for principal and interest on long-term debt, which is recognized when paid. General government funds include the general fund, special revenue funds and the debt service fund. Proprietary funds, which include the enterprise fund are accounted and budgeted for using the accrual basis of accounting. Under this method, revenues are recognized when they are earned and expenses when they are incurred.

PROPERTY TAX RATE

A property tax rate is proposed by the City Council. The tax rate consists of two components: a rate for funding maintenance and operations expenditures and a rate for debt service. State Property Tax law dictates certain procedures that must be followed when proposing and adopting a tax rate. The City must annually calculate and publicize its "effective tax rate" and "rollback tax rate." The City Council may not adopt a tax rate that exceeds the lower of the rollback tax rate or 103% of the effective tax rate until it has held a public hearing on the proposed increase following notice to the

taxpayers. The effective tax rate is the rate that will produce last year's total tax levy as adjusted from this year's total taxable values. The rollback tax rate is the rate that will produce last year's maintenance and operations tax levy as adjusted from this year's value multiplied by 1.08 plus a rate that will produce this year's debt service from this year's values divided by the anticipated tax collection rate.

The City received the certified appraisal value from Johnson County Central Appraisal District on July 25, 2008. As a result, a proposed tax rate was chosen to maintain the current level of city services and to fund a satisfactory level of capital needs.

BUDGET ADOPTION

Public notices of the effective tax rate are published in the local newspaper according to state law. A public hearing on the budget is conducted according to state and local laws. A public hearing will be held on September 15, 2008. Plans call for the Fiscal Year Budget for 2008-2009 and the tax rate of \$0.697313 to be adopted by the City Council on September 22, 2008.

BUDGET AMENDMENT

Once the annual budget has been adopted, there are several methods by which the budget may be amended. In the internal form, the City Manager is authorized by the City Council to make adjustments between departments within an operating fund or line items within an operating department. Typically, these requests are generated at the department head level and submitted to the City Manager for consideration after the Finance Department has reviewed the request and recommended approval. In no case, however, may the budget adjustments result in the budgeted expenditures exceeding the lawfully adopted expenditures appropriated for the fund.

The City Council may amend the budget by ordinance during the fiscal year if such expenditures are necessary to protect public property or the health, safety, or general welfare of the citizens of Alvarado. The actual process begins in the same manner as an internal amendment, from department head submission through finance review to the City Manager. The City Manager then submits the request to the Mayor and City Council.

Multi-year projections have become an integral part of the budget process as estimates of future financial operating conditions are provided to the City Council. Historical data, as reconciled to the CAFR, plus growth assumptions for each line item are combined to provide projections that indicate the City's future fiscal position. The multi-year projections identify any potential problem in matching projected revenues with anticipated growth in expenditures.

City of Alvarado
All Funds Summary
Proposed Budget for Fiscal Year 2008-2009

	<u>GENERAL FUND</u>	<u>WATER & SEWER</u>	<u>ECONOMIC DEVELOP</u>	<u>DEBT SERVICE</u>	<u>HOTEL OCCUPANCY</u>
<i>Beginning Fund Balances/ Working Capital</i>	\$337,076	\$1,065,102	\$381,513	\$88,825	\$69,932
SOURCES & REVENUES					
Property taxes	\$836,375			\$485,770	
Consumer taxes	812,200		\$270,000		\$144,000
Franchise taxes	428,183				
Licenses & Permits	96,500				
Fines & Forfeitures	874,200				
Charges for Services	7,650	\$1,849,500			
Intergovernmental	180,200				
Interest	32,000	35,000	11,500		2,950
Bond Proceeds					
Other funding	163,325	49,361			
TOTAL ALL SOURCES & REVENUES	<u>\$3,430,633</u>	<u>\$1,933,861</u>	<u>\$281,500</u>	<u>\$485,770</u>	<u>\$146,950</u>
USES & EXPENDITURES					
General Government	\$424,767				
Community Development	226,735				
Public Safety	2,199,018				
Public Works	287,997	\$1,609,668			
Culture & Recreation	285,058		\$63,708		\$146,950
Economic Development			201,292	\$485,770	
Other			16,500		
Debt Payments		324,193			
Non-Departmental	7,058				
TOTAL ALL USES & EXPENDITURES	<u>\$3,430,633</u>	<u>\$1,933,861</u>	<u>\$281,500</u>	<u>\$485,770</u>	<u>\$146,950</u>
<i>Ending Fund Balances/ Working Capital</i>	\$337,076	\$1,065,102	\$381,513	\$88,825	\$69,932

City of Alvarado
All Funds Summary
Proposed Budget for Fiscal Year 2008-2009

<u>COURT FUNDS</u>	<u>GRANT FUNDS</u>	<u>MINERAL ROYALTIES</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
\$69,264	\$(19,708)	\$0	\$1,518,534	\$3,903,379
				\$1,322,145
				1,226,200
				428,183
				96,500
\$46,300				920,500
				1,857,150
				180,200
			1,200	82,650
			4,084,000	4,084,000
	\$763,247	\$800,000		1,775,933
<hr/>				
<u>\$46,300</u>	<u>\$763,247</u>	<u>\$800,000</u>	<u>\$4,085,200</u>	<u>\$11,973,461</u>
				\$431,514
\$46,300	\$6,747			275,535
	2,500			3,499,018
	750,000	\$550,000		7,477,751
			\$5,580,086	745,716
		250,000		687,062
				20,500
	4,000			324,193
				7,058
<hr/>				
<u>\$46,300</u>	<u>\$763,247</u>	<u>\$800,000</u>	<u>\$5,580,086</u>	<u>\$13,468,347</u>
<u>\$69,264</u>	<u>\$(19,708)</u>	<u>\$0</u>	<u>\$23,648</u>	<u>\$2,408,493</u>

City of Alvarado

FY 2008-2009 Annual Budget

General Fund

The General Fund falls within the governmental fund category, which measures funds using current financial resources. Non-current resources, such as general fixed assets and unmatured general long-term liabilities, are accounted for within separate account groups.

The General Fund is the operating fund of the City. The General Fund is used to account for all revenues and expenditures not accounted for in other designated funds. It receives a greater variety and amount of revenues, and finances a wider range of governmental activities than any other fund.

The General Fund is primarily supported by the ad valorem tax, general sales tax, franchise taxes, licenses and permits fees, fines and miscellaneous revenue sources. General Fund expenditures support the following major functions: General Government, Public Safety, Public Works, Community Development, Culture and Recreation. All programs, which are justified efficient, and serve the needs of the community, are adequately funded.

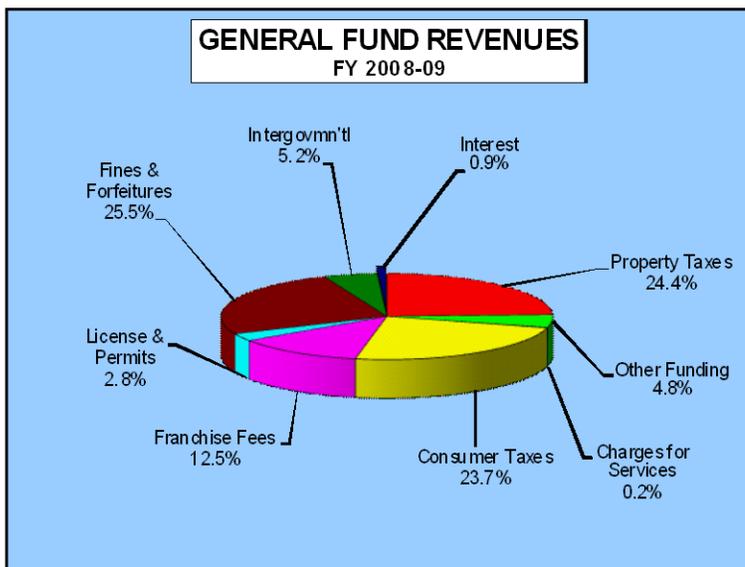
One of the major considerations in budgeting revenues is the increase or decrease in property values and their affect on the tax rate revenue generating capabilities. A major portion of the General Fund section is devoted to the tax rate analysis. An activity schedule for each function is included. Each operational area includes a summary of expenditures, a personnel schedule, departmental descriptions and goals and objectives.

GENERAL FUND

	<u>ACTUAL FY 2005</u>	<u>ACTUAL FY 2006</u>	<u>ACTUAL FY 2007</u>	<u>BUDGETED FY 2008</u>	<u>PROPOSED FY 2009</u>
Beginning Fund Balances	\$32,523	\$289,900	\$519,629	\$734,807	\$337,076
REVENUES/SOURCES					
Property Taxes			\$531,883	\$594,463	\$836,375
Consumer Taxes			710,919	796,500	812,200
Franchise Fees			269,791	266,803	428,183
Licenses & Permits			118,707	86,500	96,500
Fines and Forfeitures			865,736	874,000	874,200
Charges for Service			1,530	1,600	7,650
Intergovernmental			87,987	128,602	180,200
Interest			50,152	29,000	32,000
Other Funding			<u>162,381</u>	<u>96,704</u>	<u>163,325</u>
TOTAL REVENUES			\$2,799,086	\$2,874,172	\$3,430,633
EXPENDITURES/USES					
General Government			\$ 360,761	\$ 428,075	\$424,767
Community Development			155,870	195,361	226,735
Public Safety			1,685,716	2,057,597	2,199,018
Public Works			134,225	322,646	287,997
Culture/Recreation			242,236	261,749	285,058
Non-Departmental			<u>5,100</u>	<u>6,475</u>	<u>7,058</u>
TOTAL EXPENDITURES			\$2,583,908	\$3,271,903	\$3,430,633
Ending Fund Balances	<u>\$289,900</u>	<u>\$519,629</u>	<u>\$734,807</u>	<u>\$337,076</u>	<u>\$337,076</u>

General Fund Revenues

	FY 2007-08		FY 2008-09	
	<u>Projected</u>	<u>%</u>	<u>Proposed</u>	<u>%</u>
Property Taxes	\$594,463	19.9%	\$836,375	24.4%
Consumer Taxes	796,500	26.7%	812,200	23.7%
Franchise Fees	282,454	9.5%	428,183	12.5%
License & Permits	88,000	2.9%	96,500	2.8%
Fines & Forfeitures	875,610	29.3%	874,200	25.5%
Charges for Service	1,750	0.1%	7,650	0.2%
Intergovernmental	128,602	4.3%	180,200	5.2%
Interest	29,000	1.0%	32,000	0.9%
Other Funding	187,786	6.3 %	163,325	4.8%
Total	<u>\$2,984,155</u>	<u>100.0%</u>	<u>\$3,430,633</u>	<u>100.0%</u>

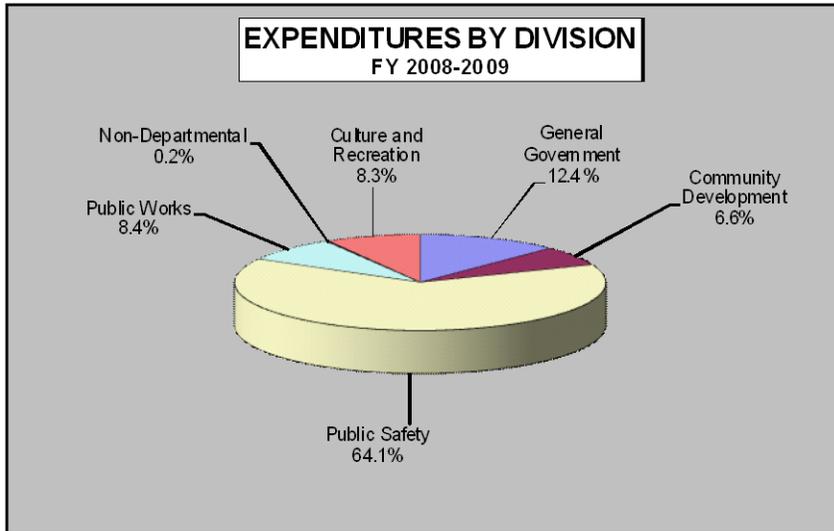


Expenditures by Division

The General Fund is responsible for providing basic services to the residents of the City. These services include General Government (Administration); Community Development (Code Services); Public Safety (Police, Fire, Municipal Court, Animal Control); Public Works (Streets); Culture and Recreation (Senior Services, Parks Maintenance and Library) and Non-Departmental. The Divisions below represent functions. The Public Safety division represents the largest expenditure for the 2008-09 fiscal year. This division concentrates on all aspects of safety for the City of Alvarado.

The graph and table below show the overall breakdown of the divisions for fiscal year 2008-09.

	2008	%	2009	%
	<u>Projected</u>		<u>Proposed</u>	
General Government	\$396,373	12.7%	\$424,767	12.4%
Community Development	192,007	6.2%	226,735	6.6%
Public Safety	2,040,282	65.7%	2,199,018	64.1%
Public Works	219,818	7.1%	287,997	8.4%
Culture and Recreation	252,895	8.1%	285,058	8.3%
Non-Departmental	6,300	0.2%	7,058	0.2%
Total	<u>\$3,107,675</u>	<u>100.0%</u>	<u>\$3,430,633</u>	<u>100.0%</u>



City of Alvarado

Administration

Description

The City Administration is charged with the responsibility of direction overall City operations, long-term planning, and advice to the elected officials of the City Council. The City Manager prepares City Council agendas and attends numerous commission meetings and work sessions throughout the year, in order to maintain a cohesive integrated policy and direction for City services and projects. It is the responsibility of the City Manager to bring to the attention of the elected City Council items of occurrence, which are significant and seek the Council's direction in those areas. The City Manager is the chief administrative officer of the City and has sole authority over personnel matters and daily operational decisions. The City Council has the sole responsibility for financial decisions. Once the Council has made those decisions, the City Manager and his supportive staff execute the administration of the City's finances.

Goals

- To effectively execute City Council policies, programs and directives.
- To ensure that all City operations are conducted efficiently and effectively.
- To respond promptly to citizen comments and requests.

Objectives

- Implement all policies, programs and directives with their respective time frames.
- Monitor the productivity and effectiveness of all City operations on a daily basis.
- Provide administrative support, including the completion of all major reports, to the City Council in a timely manner.
- Respond to citizen requests within one working day of receipt.

<u>Departmental Personnel</u>	<u>Actual 2005-2006</u>	<u>Actual 2006-2007</u>	<u>Budgeted 2007-2008</u>	<u>Proposed 2008-2009</u>
City Manager	1	1	1	1
City Secretary	1	1	1	1
Director of Finance	1	1	1	1
Total	3	3	3	3

City of Alvarado Administration

	ACTUAL 2006-07	ADJUSTED BUDGET 2007-08	PROJECTED 2007-08	PROPOSED BUDGET 2007-08
140-1000 Regular Salaries	147,144	146,878	146,878	178,203
140-1004 Christmas Bonus	600	600	600	600
140-1005 Longevity Pay	646	540	312	300
140-1008 Vehicle Allowance	6,000	6,000	4,000	6,000
140-1010 Workers Compensation	612	473	473	650
140-1011 Group Insurance	16,479	18,652	18,652	18,624
140-1014 TMRS	5,478	7,995	7,995	12,356
140-1018 FICA	10,649	11,100	11,100	13,900
140-1999 Unemployment Insurance	180	330	330	330
140-2101 Tax Collection Services	2,537	2,800	2,587	2,650
140-2102 Appraisal Services	13,601	18,081	18,081	18,000
140-2201 Legal	47,959	50,000	45,000	45,000
140-2202 Audit	11,500	15,000	9,950	15,000
140-2203 Engineering	9,424	8,000	5,639	8,000
140-2214 Gas Inspection Services	150	5,000	5,100	5,000
140-2301 Janitorial Services	8,150	9,900	9,900	9,900
140-2324 Utilities	4,110	4,400	5,000	5,266
140-2401 Telephone	3,529	4,000	3,500	3,500
140-2416 Advertising	4,118	3,600	2,000	3,000
140-2425 Other Insurance	1,747	1,800	1,800	1,574
140-2430 Code Revision	1,488	2,500	3,040	2,500
140-3002 Uniform & Protective Gear	132	150	150	150
140-3003 Office Furniture & Equip	1,227	1,200	638	1,200
140-3007 Office Expenses	4,702	4,500	6,500	5,000
140-3008 Postage	1,461	1,500	1,500	1,500
140-3017 Janitorial Expenses	850	1,750	1,750	1,250
140-3503 Maintenance Contracts	2,900	3,200	3,000	3,300
140-3505 Equipment Repairs	587	1,000	400	1,000
140-3519 Building Repairs	3,349	4,000	1,500	17,000
140-4000 Dues & Subscriptions	2,960	3,000	3,200	3,500
140-4010 Election Costs	2,256	2,000	384	2,000
140-4011 HOME Grant Matching	10,714	0	0	0
140-4015 Law Suit Reserves	1,376	5,000	3,900	5,000
140-4016 Contingency	24,690	61,181	61,181	13,984
140-4021 Transportation Services	1,570	1,570	1,733	2,000
140-4023 Annexations & Maps	8,337	10,000	1,000	8,000
140-4025 Penalties & Interest	0	300	0	0
140-2032 Training & Education	4,813	6,000	3,500	5,000
140-4033 Employee Recognition	3,006	3,900	3,900	4,080
140-4036 Drug Tests	107	100	0	100
140-4039 Mileage	337	375	200	350
TOTAL ADMINISTRATION	371,475	428,375	396,373	424,767

City of Alvarado

Police Department

Description

The Alvarado Police Department is dedicated to providing the highest level of service to the citizens by protecting our community through teamwork and professionalism. We faithfully pledge to perform our duties with Honor, Integrity, Dedication, and Courage in order to provide a safe community for all. The leadership and management of the Alvarado Police Department are the principal responsibilities of the Chief of Police and his department.

Goals

The Chief's office strives to provide a safe and secure working environment, maintain trained personnel and up to date equipment.

Maintain accurate, secure files that may be properly retrieved for use by the department, other law enforcement agencies and the general public.

An efficient records department to provide accurate Uniform Crime Reports, and make available information needed by the public and the law enforcement personnel.

Research funding sources that may be available outside the City and secure applicable grants to enhance and broaden police department programs and services to the public.

Objectives

To provide a stable career path for the department's employees and ensure that the police department meets the needs of the community it serves.

<u>Departmental Personnel</u>	<u>Actual 2005-06</u>	<u>Actual 2006-07</u>	<u>Budgeted 2007-08</u>	<u>Proposed 2008-09</u>
Police Chief	1	1	1	1
Police Captain	1	1	1	1
Sergeant	2	2	2	2
Senior Corporal	1	1	1	1
Detective	1	1	1	1
Warrant Officer	1	1	1	1
Patrol Officer	6	6	8	8
Total	13	13	15	15

City of Alvarado

Police Department

	ACTUAL 2006-07	ADJUSTED BUDGET 2007-08	PROJECTED 2007-08	PROPOSED BUDGET 2008-09
152-1000 Regular Salaries	453,898	558,340	558,340	578,947
152-1002 Overtime	11,138	5,000	6,000	5,000
152-1004 Christmas Bonus	2,400	3,000	2,700	3,000
152-1005 Longevity Pay	3,208	3,840	3,300	3,840
152-1010 Workers Compensation	22,260	19,296	19,296	21,991
152-1011 Group Insurance	61,499	93,259	93,259	87,103
152-1014 TMRS	17,774	32,025	32,025	32,120
152-1017 Uniform Allowance	16,150	19,500	19,500	19,500
152-1018 FICA	33,888	43,550	43,550	45,160
152-1999 Unemployment Insurance	576	1,650	1,650	1,650
152-2009 Forensic Investigations	(211)	1,500	500	1,000
152-2324 Utilities	4,310	4,500	5,300	5,330
152-2401 Telephone	4,989	4,800	4,200	4,200
152-2416 Advertising	1,565	1,000	0	1,000
152-2425 Other Insurance	11,936	12,669	12,669	14,817
152-3001 Gas & Oil	30,057	51,000	51,000	55,576
152-3002 Uniform & Protective Gear	6,381	7,900	7,500	6,700
152-3003 Office Furniture & Equip	0	1,000	1,000	1,000
152-3006 Equipment	10,250	2,000	0	2,000
152-3007 Office Expenses	4,099	5,500	4,000	5,000
152-3008 Postage	1,308	1,200	1,200	1,200
152-3017 Janitorial Expenses	835	900	900	900
152-3502 Vehicle Repairs	13,010	3,000	13,000	8,000
152-3503 Maintenance Contracts	3,533	3,200	3,403	3,778
152-3505 Equipment Repairs	2,273	4,000	2,000	2,000
152-3519 Building Repairs	2,033	2,500	1,500	2,000
152-4000 Dues & Subscriptions	517	800	400	800
152-4032 Training & Education	6,145	6,000	6,000	6,000
152-4036 Drug Tests	144	300	310	300
152-5033 Lease & Note Payments	0	35,938	35,938	22,874
152-5035 Capital- Vehicles	1,055	60,000	58,517	48,000
152-7002 Transfer to Debt Service	108,177	0	0	0
TOTAL POLICE DEPARTMENT	835,197	989,167	988,957	990,786

City of Alvarado

Communications

Description

Goals

Trained communications personnel help in decreasing response time to the scene where police and emergency personnel are needed. Obtaining and providing the proper information aids in the publics' and officer's safety.

Objectives

Decrease liability through training.

<u>Departmental Personnel</u>	<u>Actual 2005-06</u>	<u>Actual 2006-07</u>	<u>Budgeted 2007-08</u>	<u>Proposed 2008-09</u>
Supervisor	2	2	2	2
Dispatcher	4	4	4	4
Total	6	6	6	6

	<u>ACTUAL 2006-07</u>	<u>ADJUSTED BUDGET 2007-08</u>	<u>PROJECTED 2007-08</u>	<u>PROPOSED BUDGET 2008-09</u>
153-1000 Regular Salaries	133,581	165,017	164,000	168,282
153-1002 Overtime	9,061	5,000	10,000	5,000
153-1004 Christmas Bonus	1,200	1,200	1,100	1,200
153-1005 Longevity Pay	402	420	344	600
153-1006 Part-Time Salaries	5,334	2,000	1,000	2,000
153-1010 Workers Compensation	708	552	552	624
153-1011 Group Insurance	24,656	36,875	36,875	33,401
153-1014 TMRS	5,387	9,252	9,252	9,153
153-1018 FICA	11,525	13,284	13,284	13,547
153-1999 Unemployment Insurance	557	551	625	720
153-2401 Telephone	1,823	1,900	1,900	1,203
153-2425 Other Insurance	1,675	1,574	1,574	1,778
153-3002 Uniform & Protective Gear	295	900	900	700
153-3003 Office Furniture & Equip	1,408	1,700	600	1,000
153-3007 Office Expenses	3,997	5,000	5,000	4,000
153-3503 Maintenance Contracts	1,519	1,100	1,616	5,348
153-3505 Equipment Repairs	2,056	1,500	0	1,500
153-3519 Building Repairs	0	1,050	2,500	105
153-4032 Training & Education	1,625	4,000	2,500	2,000
153-4036 Drug Tests	180	300	116	300
153-5034 Capital- Equipment	0	20,000	19,191	1,200
TOTAL COMMUNICATIONS	206,989	273,175	272,929	253,661



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City of Alvarado

Municipal Court

Description

The Municipal Court is the entity charged with jurisdiction over violations of city ordinances, traffic laws, class C misdemeanors, and similar statutes within its legal boundaries. The court meets once each month and is presided over by a City Council-Appointed Municipal Court Judge.

With the City's increased emphasis on both the correction of junk and trash accumulation and similar code violations and the reduction of juvenile offenses, the Municipal Courts' judicial role is also taking on added importance, particularly as it fits into an overall community improvement strategy.

Goals

To maintain efficient and accurate information system as support services for municipal court operations and monthly court sessions.

To implement and maintain a successful training program for Court personnel.

To maintain a contract with an outside agency to collect warrants which remain outstanding after 90 days after effort to collect is exhausted in-house.

Provide citizens with clear information on all court procedures.

To implement and maintain a successful training program.

Continue to process cash for the court assuring that financial guidelines are followed and audited as necessary.

Objectives

To input 95% of citations received within one day.

Attend selected court clerk certification training courses. To have court clerk and deputy court clerk certified through the Texas Court Clerks Association.

Explain information thoroughly to citizens to alleviate any misunderstandings. Answer all questions politely and courteously, and handle any problem in a professional manner.

Set up a policy for the collection of outstanding warrants, including phone contact, written contact, and personal contact.

<u>Departmental Personnel</u>	<u>Actual 2005-06</u>	<u>Actual 2006-07</u>	<u>Budgeted 2007-08</u>	<u>Proposed 2007-08</u>
Senior Court Clerk	1	1	1	1
Court Clerk	2	2	2	2
Total	3	3	3	3

City of Alvarado Municipal Court

	ACTUAL	ADJUSTED	PROJECTED	PROPOSED
	2006-07	BUDGET	2007-08	BUDGET
		2007-08	2007-08	2008-09
154-1000 Regular Salaries	79,113	82,269	82,269	89,244
154-1002 Overtime	453	2,000	1,000	1,000
154-1004 Christmas Bonus	600	600	600	600
154-1005 Longevity Pay	360	540	478	720
154-1010 Workers Compensation	348	341	341	320
154-1011 Group Insurance	15,319	18,438	18,438	16,700
154-1014 TMRS	2,916	4,604	4,604	4,749
154-1018 FICA	5,920	6,400	6,400	6,949
154-1999 Unemployment Insurance	135	330	330	330
154-2201 Legal	11,824	14,000	14,000	14,000
154-2207 Interpreters & Sign Language	0	200	0	500
154-2208 Municipal Judge	14,400	15,000	15,000	15,000
154-2301 Janitorial Services	0	0	0	2,700
154-2401 Telephone	2,215	1,900	1,500	1,560
154-2425 Other Insurance	969	1,005	1,005	1,137
154-3002 Uniform & Protective Gear	180	250	250	250
154-3007 Office Expenses	4,588	4,000	4,000	4,000
154-3008 Postage	2,074	2,500	2,000	2,500
154-4032 Training & Education	808	1,500	1,500	2,000
154-4036 Drug Tests	0	100	0	100
TOTAL MUNICIPAL COURT	142,222	155,977	153,715	164,359

City of Alvarado

Fire Department

Description

The Alvarado Fire Department is staffed by 9 volunteer firefighters and a fire marshal. The fire department is responsible for fire suppression, prevention, inspection, and safety education programs, and provides first response for medical assistance for emergency medical service calls. All volunteers participate in state firefighter certification training and ongoing in-service training courses and programs.

With structural, grass, and other suppression and prevention, fires represent the focus of this department's resources and attention. A significant portion of its actual emergency runs occurs as first responder units for emergency medical service calls.

Goals

Provide comprehensive fire prevention and safety awareness programs.

Identify measures to enhance the occupational safety and health of all Fire Department members.

Enforce fire codes.

Educate the citizens of the City.

Objectives

Maintain respond time of six minutes of receipt of call.

Continue weekly in-service training sessions.

To reduce the number of fires through education and business inspections.

<u>Departmental Personnel</u>	<u>Actual 2005-06</u>	<u>Actual 2006-07</u>	<u>Budgeted 2007-08</u>	<u>Proposed 2008-09</u>
Fire Chief	0	0	1	1
Fire Marshal	1	1	1	1
Fire Captain	2	2	2	3
Firefighter	4	6	6	6
Total	7	8	10	11

City of Alvarado

Fire Department

	<u>ACTUAL</u> <u>2006-07</u>	<u>ADJUSTED</u> <u>BUDGET</u> <u>2007-08</u>	<u>PROJECTED</u> <u>2007-08</u>	<u>PROPOSED</u> <u>BUDGET</u> <u>2008-09</u>
150-1000 Regular Salaries	251,855	337,033	337,033	391,911
150-1002 Overtime	12,370	10,000	10,000	10,000
150-1004 Christmas Bonus	1,600	2,000	1,900	2,000
150-1005 Longevity Pay	1,440	1,860	1,618	2,400
150-1006 Part-Time Salaries	10,646	5,000	12,000	10,000
150-1010 Workers Compensation	10,167	11,106	11,106	14,191
150-1011 Group Insurance	40,304	56,686	56,686	57,415
150-1014 TMRS	9,628	18,922	18,922	21,231
150-1015 Volunteer Retirement	2,792	4,000	3,000	4,000
150-1018 FICA	20,268	27,295	27,295	31,830
150-1999 Unemployment Insurance	713	1,250	1,250	1,360
150-2201 Contract Labor	0	0	0	1,000
150-2207 Utilities	10,112	13,027	12,000	12,000
150-2401 Telephone	3,887	4,500	3,000	4,500
150-2403 Internet	1,061	1,080	1,080	700
150-2425 Other Insurance	7,811	8,546	8,546	8,417
150-3000 First Aid Supplies	1,617	2,000	1,000	5,000
150-3001 Gas & Oil	14,251	27,450	25,000	24,911
150-3002 Uniform & Protective Gear	5,377	8,500	8,500	20,000
150-3003 Office Furniture & Equipment	0	1,500	0	0
150-3004 Firefighting Equipment	4,091	5,000	1,000	21,000
150-3007 Office Expenses	1,047	1,000	1,000	2,000
150-3008 Postage	549	500	500	700
150-3502 Vehicles Repairs	2,295	2,000	2,000	15,000
150-3503 Maintenance Contract	360	2,100	2,100	4,459
150-3505 Equipment Repairs	190	300	100	300
150-3519 Building Repairs	1,895	1,000	500	5,000
150-3520 SCBA Repairs	2,843	2,000	1,000	3,200
150-4000 Dues & Subscriptions	967	1,000	1,000	2,000
150-4002 Emergency Management	0	5,000	4,500	4,550
150-4013 Fire prevention	0	0	0	2,500
150-4014 Fire Awards	0	0	0	4,000
150-4030 Fire Chief Expenses	3,500	2,500	0	0
150-4032 Training & Education	830	4,000	4,000	22,400
150-4036 Drug Tests	147	400	0	400
150-4099 Equipment Rental	0	0	0	0
150-5033 Lease & Note Payments		16,703	16,703	16,703
150-7002 Transfer to Debt Service	16,982	0	0	0
TOTAL FIRE SERVICES	<u>441,595</u>	<u>585,258</u>	<u>574,339</u>	<u>727,078</u>

City of Alvarado

Animal Control

Description

Animal Services is responsible for responding to all calls for animal related problems including pets, wildlife, livestock and exotics. The Animal Control Division investigates all cruelty allegations toward animals; enforces all City and State laws pertaining to animals; handles nuisance calls concerning stray animals; responds to animal bites and supervises quarantine procedures. As its name implies, animal control in the form of dog and cat licensing and vaccinations, animal housing and restraints, catching, impounding, and releasing or euthanasia of unlicensed stray animals is what this department is about.

Although a local animal census has not been conducted, the annual volume of stray, unlicensed and dead animals (primarily dogs and cats in all three categories) picked up by city animal control personnel indicates a relatively significant animal population.

Goals

- Provide 24-hour service response to animal control calls.
- Participate in yearly rabies clinic.
- Evaluate possibility of outreach program to local elementary schools concerning pet ownership.
- Increase City licenses compliance by special water bill mailings.

Objectives

- Respond to animal control service calls within one hour of call receipt during normal business hours.
- Respond to animal bite calls within 15 to 30 minutes of call receipt.
- Respond to after-hours emergency animal control calls within 15 to 30 minutes of call receipt.
- Use water bill inserts and the newsletter to encourage pet owners to use such ID programs as collars and tags

<u>Departmental Personnel</u>	<u>Actual 2005-06</u>	<u>Actual 2006-07</u>	<u>Budgeted 2007-08</u>	<u>Approved 2008-09</u>
Animal Control Officer	1	1	1	1
Animal Shelter Clerk (part-time)	0	1	1	2
Total	1	2	2	3

City of Alvarado Animal Control

	ACTUAL 2006-07	ADJUSTED BUDGET 2007-08	PROJECTED 2007-08	PROPOSED BUDGET 2008-09
155-1000 Regular Salaries	23,565	24,790	24,790	25,958
155-1002 Overtime	1,508	1,500	1,000	1,500
155-1004 Christmas Bonus	200	200	200	300
155-1006 Part-Time Salaries	437	2,000	1,500	6,680
155-1010 Workers Compensation	696	615	615	823
155-1011 Group Insurance	5,121	6,146	6,146	5,951
155-1014 TMRS	936	1,428	1,428	1,452
155-1018 FICA	1,900	2,180	2,180	2,634
155-1999 Unemployment Insurance	71	163	163	163
155-2201 Legal	81	250	325	250
155-2324 Utilities	915	1,800	1,000	1,500
155-2401 Telephone	1,407	1,500	1,975	1,975
155-2403 Internet	614	600	600	600
155-2416 Advertising	361	250	150	125
155-2425 Other Insurance	725	1,048	1,048	1,158
155-3001 Gas & Oil	2,980	3,350	2,500	3,815
155-3002 Uniform & Protective Gear	474	550	100	500
155-3003 Office Furniture & Equipment	0	100	0	900
155-3007 Office Expenses	823	600	600	800
155-3011 Vet Supplies & Expenses	0	3,000	100	250
155-3012 Materials & Supplies	828	900	1,150	1,400
155-3017 Janitorial Expenses	710	750	400	750
155-3502 Vehicles Repairs	443	750	550	500
155-3519 Building Repairs	5,963	1,500	800	1,000
155-4000 Dues & Subscriptions	0	150	55	150
155-4012 Animal Disposal	339	800	400	700
155-4032 Training & Education	728	1,000	400	800
155-4036 Drug Tests	72	100	168	500
155-5033 Lease & Note Payments	0	8,000	0	0
TOTAL ANIMAL CONTROL	51,897	66,020	50,343	63,134

City of Alvarado

Code Services

Description

This department is responsible for the application and enforcement of zoning regulations, subdivision regulation, building, electric, plumbing, and heat and air condition regulations. The abatement of weed lots, trash/debris, junk vehicles, substandard structures and other life, health, and safety concerns. The code compliance department is also the liaison for the Planning and Zoning Commission and the Board of Adjustments and Appeals.

Goals

To ensure that minimum code and material standards are applied to new and rebuilt structures, and that these structures are reasonably safe for the citizens of Alvarado.

Building Inspection/Code Enforcement will also ensure that all zoning districts are properly maintained and will strive to facilitate development in a practical and timely manner.

Objectives

To respond to daily inspections within 24 hours of notice each working day.

To review plans and issue permits within an average of 3 days

To respond to complaints regarding code violation and supply notice of disposition within 5 working days of complaint.

<u>Departmental Personnel</u>	<u>Actual 2005-06</u>	<u>Actual 2006-07</u>	<u>Budgeted 2007-08</u>	<u>Proposed 2008-09</u>
Community Development Dir	1	1	1	1
Building Inspector	1	1	1	1
Code Enforcement Officer	1	1	1	2
Code Enforce Admin Asst	0	.75	.75	.75
Total	3	3.75	3.75	3.75

City of Alvarado

Code Services

	ACTUAL 2006-07	ADJUSTED BUDGET 2007-08	PROJECTED 2007-08	PROPOSED BUDGET 2008-09
146-1000 Regular Salaries	89,370	95,391	98,447	98,447
146-1002 Overtime	0	1,000	0	500
146-1004 Christmas Bonus	600	700	700	800
146-1005 Longevity Pay	720	900	800	1,080
146-1006 Part-Time Salaries	10,219	14,560	14,560	15,392
146-1010 Workers Compensation	816	660	660	747
146-1011 Group Insurance	15,787	18,652	18,652	19,101
146-1014 TMRS	3,488	5,996	5,996	6,074
146-1018 FICA	6,642	8,600	8,600	8,880
146-1999 Unemployment Insurance	215	440	440	440
146-2201 Legal	3,006	5,000	5,500	4,000
146-2203 Engineering	3,311	7,000	2,500	2,500
146-2312 Substandard Maintenance	683	10,000	10,000	25,000
146-2401 Telephone	1,399	1,500	1,000	866
146-2416 Advertising	224	250	0	250
146-2425 Other Insurance	1,493	1,612	1,612	1,911
146-2430 Code Revision	0	850	2,200	1,200
146-3001 Gas & Oil	2,682	4,500	4,500	4,347
146-3002 Uniform & Protective Gear	396	400	250	400
146-3007 Office Expenses	2,214	2,200	2,500	2,500
146-3008 Postage	3,535	3,500	3,500	3,750
146-3012 Materials & Supplies	145	1,250	1,000	500
146-3502 Vehicles Repairs	686	1,000	1,000	1,000
146-4000 Dues & Subscriptions	301	350	415	500
146-4003 Platting & Zoning	683	2,000	1,500	1,500
146-4017 Clean-up- Landfill	6,025	4,000	4,000	4,000
146-4032 Training & Education	833	2,500	1,500	2,500
146-4036 Drug Tests	0	100	0	100
146-4039 Mileage	397	450	175	450
146-5035 Capital- Vehicles	0	0	0	18,000
TOTAL CODE SERVICES	<u>155,870</u>	<u>195,361</u>	<u>192,007</u>	<u>226,735</u>

City of Alvarado

Streets

Description

This department provides both corrective and preventative maintenance to the City's vehicular circulation and flood control/drainage systems. Operationally, a broad array of maintenance tasks are performed, including pothole patching, curb and gutter repair, sweeping, traffic control signal and sign repair and replacement, drainage ditch and channel dredging and cleaning, and much more. Maintenance work is typically undertaken on either a scheduled (weather permitting) or condition-responsive basis.

Goals

- Maintain streets in a condition that enables the public to move efficiently throughout the City.
- Perform maintenance of drainage and street system in a manner that puts forth a positive image for the city and the public.
- Maintain all signs and markings to meet the requirements of the Manual Uniform Traffic Control Devices.
- Conduct annual street inventory.
- Increase operation efficiency in responding to street repairs and drainage system cleaning.

Objectives

- Repair; replace sight-obstructed intersections, malfunctioning traffic signals, within one hour of notification.
- Sweep residential streets at least 2 times per year.
- Maintain a system log that tracks response time for street repairs and drainage system cleaning complaints.

<u>Departmental Personnel</u>	<u>Actual 2005-06</u>	<u>Actual 2006-07</u>	<u>Actual 2006-07</u>	<u>Proposed 2007-08</u>
Laborer	1	1	1	1
Total	1	1	1	1

City of Alvarado

Streets

		ACTUAL	ADJUSTED		PROPOSED
		2006-07	BUDGET	PROJECTED	BUDGET
			2007-08	2007-08	2008-09
157-1000	Regular Salaries	29,307	30,336	30,336	22,672
157-1002	Overtime	1,899	3,500	2,000	4,500
157-1004	Christmas Bonus	200	200	200	200
157-1005	Longevity Pay	214	420	420	60
157-1010	Workers Compensation	3,636	2,950	2,950	2,607
157-1011	Group Insurance	4,984	6,146	6,146	5,566
157-1014	TMRS	1,197	1,858	1,858	1,435
157-1018	FICA	2,468	2,636	2,636	2,099
157-1999	Unemployment Insurance	45	110	110	110
157-2401	Telephone	609	650	650	481
157-2425	Other Insurance	1,243	1,040	1,040	1,154
157-3001	Gas & Oil	5,745	9,286	5,500	7,263
157-3002	Uniform & Protective Gear	587	750	772	750
157-3009	Tools	12	2,500	100	1,000
157-3020	Culverts	452	3,500	1,000	3,500
157-3024	Street Lights	36,283	40,000	38,000	40,000
157-3502	Vehicles Repairs	1,502	2,500	1,000	2,000
157-3505	Equipment Repairs	1,992	7,500	2,500	2,500
157-3510	Streets Repairs	36,545	200,664	120,000	185,000
157-3522	Signs Repairs	5,305	6,000	2,500	5,000
157-4036	Drug Tests	0	100	100	100
157-5034	Capital- Equipment	29,150	11,500	0	0
TOTAL STREETS		163,375	334,146	219,818	287,997

City of Alvarado

Library

Description

The Library provides an organized collection of print and non-print materials for patrons of all ages that meet their informational, educational, and recreational needs. The Alvarado Public Library's relatively large and growing collection of books, reference materials, newspapers, magazines, audio and videotapes, and computer services make a trip to the library and experience on its own.

Goals

To serve the needs of the patrons and all citizens of Alvarado. The Library strives to deliver cost effective services in a personal, responsive and innovative manner.

To continue to encourage children's interest in and appreciation of reading through development of the collection and programming

Provide increased access to technology through the Internet and CD-ROM resources

Pursue grants to help purchase new computers to provide web-based on-line catalog and children's computer center.

Objectives

To make a wide variety of materials available to residents by evaluating the collection and remaining responsive to community needs.

Continue to develop multi-purpose computer center to enhance existing reference services and to provide the capability for patrons to produce research papers resumes, and other products.

Increase the number of Library cardholders by at least 20% per year.

To provide information and recreation to an increasing number of citizens through adult, young adult and children's programs.

<u>Departmental Personnel</u>	<u>Actual 2005-06</u>	<u>Budgeted 2006-07</u>	<u>Projected 2006-07</u>	<u>Approved 2007-08</u>
Library Director	1	1	1	1
Assistant Librarian	1	1	1	1
Clerk (part-time)(2)	.5	.5	.5	1
Total	2.5	2.5	2.5	3

City of Alvarado Library

		ACTUAL	ADJUSTED BUDGET	PROJECTED	PROPOSED BUDGET
		2006-07	2007-08	2007-08	2008-09
165-1000	Regular Salaries	53,737	56,509	56,509	58,774
165-1004	Christmas Bonus	400	500	500	600
165-1005	Longevity Pay	600	720	637	840
165-1006	Part-Time Salaries	6,390	7,800	7,800	15,080
165-1010	Workers Compensation	288	205	205	260
165-1011	Group Insurance	9,106	12,292	12,292	11,134
165-1014	TMRS	2,006	3,110	3,110	3,134
165-1018	FICA	4,634	5,013	5,013	5,760
165-1999	Unemployment Insurance	121	330	330	385
165-2324	Utilities	9,386	8,000	12,500	10,000
165-2401	Telephone	1,325	1,400	1,500	1,560
165-2403	Internet	818	830	830	830
165-2425	Other Insurance	2,084	2,598	2,598	2,841
165-3003	Office Furniture & Equip	0	0	0	1,000
165-3007	Office Expenses	2,922	3,000	4,000	6,500
165-3008	Postage	20	50	25	50
165-3010	Collection Materials	4,000	5,500	4,000	7,500
165-3019	Story Time Materials	(46)	200	100	200
165-3503	Maintenance Contracts	3,267	2,600	2,600	2,800
165-3505	Equipment Repairs	225	250	0	250
165-3510	Building Repairs	2,285	1,850	5,000	2,500
165-4000	Dues & Subscriptions	185	150	105	150
165-4032	Training & Education	1,412	1,500	0	1,500
165-4036	Drug Tests	72	100	0	100
165-4041	Summer Reading Program	804	800	800	800
TOTAL LIBRARY		<u>106,041</u>	<u>115,307</u>	<u>120,454</u>	<u>134,548</u>

City of Alvarado

Senior Services

Description

This department provides multiple services and activities for the senior citizens of Alvarado and surrounding areas. Services include recreational activities, exercise and fitness opportunities and a host of other social activities and support services. All of this is designed to afford senior adults opportunities to continue to utilize their considerable wisdom, experience, and talents in productive, worthwhile, and rewarding ways.

Goals

Continue to help older adults build a brighter future for themselves and their community by enabling them to live independently with dignity.

Objectives

Outreach into the community to make people aware of our services.

Manage and monitor volunteers to overall better the organization of the center.

<u>Departmental Personnel</u>	<u>Actual</u> <u>2005-06</u>	<u>Budgeted</u> <u>2006-07</u>	<u>Projected</u> <u>2006-07</u>	<u>Approved</u> <u>2007-08</u>
Senior Services Director	1	1	1	1
Total	1	1	1	1

City of Alvarado

Senior Services

	ACTUAL 2006-07	ADJUSTED BUDGET 2007-08	PROJECTED 2007-08	PROPOSED BUDGET 2008-09
166-1000 Regular Salaries	25,498	26,908	26,908	27,992
166-1001 SCC Open/Close Fees	25	0	150	800
166-1004 Christmas Bonus	200	200	200	200
166-1005 Longevity Pay	120	180	160	240
166-1010 Workers Compensation	120	85	85	101
166-1011 Group Insurance	4,955	6,146	6,146	5,566
166-1014 TMRS	968	1,002	1,002	1,740
166-1018 FICA	2,001	2,088	2,088	2,236
166-1999 Unemployment Insurance	45	118	118	110
166-2301 Janitorial Services	4,800	5,200	5,000	5,000
166-2324 Utilities	6,661	7,000	8,000	8,400
166-2401 Telephone	459	450	600	600
166-2403 Internet	911	600	800	600
166-2425 Other Insurance	2,022	2,620	2,620	2,756
166-3001 Gas & Oil	133	300	0	200
166-3003 Office Furniture & Equip	1,267	750	0	1,750
166-3007 Office Expenses	418	500	250	700
166-3008 Postage	1	25	0	25
166-3012 Materials & Supplies	0	0	0	1,500
166-3502 Vehicle Repairs	40	300	50	300
166-3505 Equipment Repairs	0	450	0	200
166-3519 Building Repairs	1,650	1,500	20	2,500
166-4032 Training & Education	0	100	0	100
166-4036 Drug Tests	0	100	0	100
166-4052 Activity Supplies	442	700	700	800
TOTAL SENIOR SERVICES	52,736	57,322	54,897	64,516

City of Alvarado

Park Maintenance

Description

The Parks Maintenance Department is responsible for the grounds maintenance production, landscaping enhancement, beautification, and development of the City's parks.

Goals

To maintain all common, right-of-way, and drainage areas at a standard and acceptable manner which reflect a positive light on the community and its citizenry.

To maintain and improve the overall appearance of the City's parkland, major municipal sites, and right-of-way areas throughout the City.

Objectives

The improvement of smaller parks, including but not limited to security lighting, parking areas, picnic areas, playgrounds and play areas.

To assist in the support and operation of City sponsored special events and activities, to include other departments and programs throughout the City.

<u>Departmental Personnel</u>	<u>Actual 2005-06</u>	<u>Actual 2006-07</u>	<u>Budgeted 2006-07</u>	<u>Proposed 2007-08</u>
Laborer	1	1	1	1
Total	1	1	1	1

City of Alvarado

Park Maintenance

	ACTUAL	ADJUSTED	PROJECTED	PROPOSED
	2006-07	BUDGET	2007-08	BUDGET
	2006-07	2007-08	2007-08	2008-09
167-1000 Regular Salaries	24,930	25,248	25,248	26,261
167-1002 Overtime	3,480	3,500	6,500	4,500
167-1004 Christmas Bonus	200	200	200	200
167-1005 Longevity Pay	0	60	43	120
167-1010 Workers Compensation	912	875	875	1,041
167-1011 Group Insurance	4,955	6,146	6,146	5,566
167-1014 TMRS	1,105	1,564	1,625	1,625
167-1018 FICA	2,276	2,218	2,298	2,378
167-1999 Unemployment Insurance	45	110	110	110
167-2401 Telephone	666	700	600	481
167-2425 Other Insurance	414	979	979	1,129
167-3001 Gas & Oil	3,696	6,050	6,500	6,833
167-3002 Uniform & Protective Gear	442	750	500	750
167-3012 Materials & Supplies	0	0	0	3,000
167-3025 Community Service Expense	0	10,000	5,500	5,000
167-3029 Chemicals-Weeds/Ants/Mosquitos	741	2,500	2,000	2,500
167-3502 Vehicle Repairs	27	500	250	500
167-3525 Maintenance- Dam	1,200	2,000	0	2,000
167-4080 Maintenance- Lake Park	1,622	2,000	500	1,600
167-4081 Maintenance- Moore Park	1,057	1,000	200	1,000
167-4082 Maintenance- Parkway Park	754	6,000	10,000	8,000
167-4083 Maintenance- Weaver Park	0	200	50	200
167-4084 Maintenance- Gazebo/Town Sq	4,548	12,200	5,500	7,000
167-4085 Maintenance- Balch Cemetery	0	100	0	100
167-4086 Maintenance- Early Warning	808	1,120	920	1,000
167-4087 Maintenance- Historical Markers	0	500	0	500
167-4088 Maintenance- Depot/Wagon Barn	0	100	0	100
167-4089 Maintenance- AYA Park	1,353	2,500	1,000	2,500
TOTAL PARKS MAINTENANCE	55,231	89,120	77,544	85,994

City of Alvarado Non-Departmental

	ACTUAL 2006-07	ADJUSTED BUDGET 2007-08	PROJECTED 2007-08	PROPOSED BUDGET 2008-09
145-2401 Telephone	620	650	500	433
145-3001 Gas & Oil	1,107	1,900	1,500	1,700
145-3021 Council Chamber Expenses	1,442	1,500	2,150	2,000
167-1005 Dues & Subscriptions	175	175	50	175
167-1010 Training & Education	1,680	2,000	2,100	2,500
167-4089 Uniforms- City Council	76	250	0	250
TOTAL NON-DEPARTMENTAL	5,100	6,475	6,300	7,058



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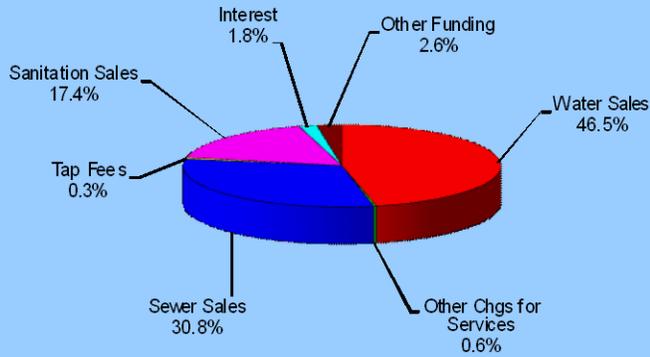
City of Alvarado FY 2008-2009 Annual Budget Water and Sewer Fund

The Water and Sewer Fund is used to account for the provision of water, wastewater and sanitation services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to administration, operations, maintenance, and financing, and related debt service. The operations of the Water and Sewer Fund are financed and operated in a manner similar to private business enterprises where the expenses (including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges. An overview of the Water and Wastewater Systems is included as well as a summary of expenses, a personnel schedule, departmental descriptions, goals and objectives.

WATER AND SEWER FUND

	<u>ACTUAL FY 2005</u>	<u>ACTUAL FY 2006</u>	<u>ACTUAL FY 2007</u>	<u>BUDGET FY 2008</u>	<u>PROPOSED FY 2009</u>
REVENUES/SOURCES					
Property Taxes					
Consumer Taxes					
Franchise Fees					
Licenses & Permits					
Fines and Forfeitures					
Charges for Service	\$1,553,288	\$1,778,289	\$1,700,532	1,820,000	\$1,849,500
Intergovernmental					
Interest	5,861	21,474	44,704	30,000	35,000
Interfund Transfers	54,987	405,328	287,536		
Other Funding	<u>45,231</u>	<u>25,941</u>	<u>36,041</u>	<u>33,250</u>	<u>49,361</u>
TOTAL REVENUES	<u>\$1,659,366</u>	<u>\$2,231,031</u>	<u>\$2,068,813</u>	<u>\$1,883,250</u>	<u>\$1,933,861</u>
EXPENDITURES/USES					
General Government					
Public Safety					
Public Works	\$1,344,017	\$1,471,774	\$1,539,293	\$1,453,083	\$1,609,668
Public Health					
Culture/Recreation					
Interfund Transfers	30,586	14,520	20,456		
Other					
DEBT SERVICE					
Principal & Interest	<u>242,062</u>	<u>234,010</u>	<u>224,424</u>	<u>0</u>	<u>324,193</u>
TOTAL EXPENDITURES	<u>\$1,616,665</u>	<u>\$1,720,304</u>	<u>\$1,784,173</u>	<u>\$1,453,083</u>	<u>\$1,933,861</u>

WATER AND SEWER FUND REVENUES
FY 2008-09

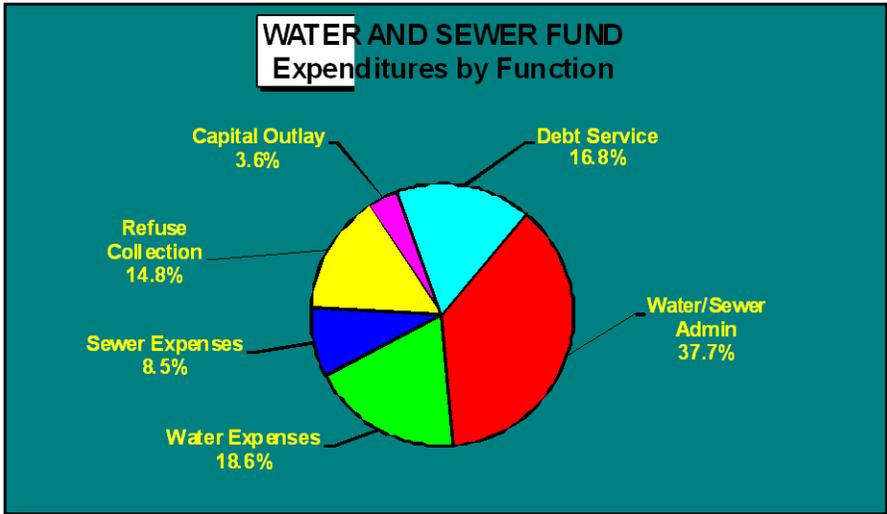


	2008		2009	
	<u>Projected</u>	<u>%</u>	<u>Adopted</u>	<u>%</u>
Water Sales	\$935,000	46.4%	\$900,000	46.5%
Sewer Sales	605,000	30.0%	595,900	30.8%
Sanitation Sales	370,000	18.4%	336,600	17.4%
Other Charges for Service	10,000	0.5%	12,000	0.6%
Tap Fees	7,503	0.4%	5,000	0.3%
Interest	49,000	2.4%	35,000	1.8%
Other Funding	39,200	1.9%	49,361	2.6%
Total	<u>\$2,015,703</u>	<u>100.0%</u>	<u>\$1,933,861</u>	<u>100.0%</u>

Expenditures By Function

The major expenditures in the Water and Sewer Fund are for administration of the City's water and sewer systems at 37.7%. The water system expenses account for 18.6%, sewer system expenses account for 8.5%, refuse collection services for 14.8%, capital outlay for 3.6% and debt service costs for 16.8%.

The table and chart below shows the overall breakdown in the Water and Sewer Fund.



	2008		2009	
	<u>Projected</u>	<u>%</u>	<u>Adopted</u>	<u>%</u>
Water/Sewer Administration	\$521,653	35.6%	\$728,089	37.7%
Water Expenses	398,746	27.2%	359,945	18.6%
Sewer Expenses	179,483	12.3%	165,024	8.5%
Refuse Collection	350,000	23.9%	286,110	14.8%
Capital Outlay	15,000	1.0%	70,500	3.6%
Debt Service	0	0.0%	324,193	16.8%
Total	<u>\$1,464,882</u>	<u>100.0%</u>	<u>\$1,933,861</u>	<u>100.0%</u>

City of Alvarado

Water and Sewer Administration

Description

The Water and Sewer Administration provides the administration and operations personnel and other expenses necessary to oversee the water and sewer operations of the City. This department serves as a citizen information and utility payment center for the City. Its functions range from receiving water and sewer payments and answering questions about City programs and services. In addition to the accounts receivable function for water, wastewater and sanitation services, this division is also responsible for receipting and depositing monies collected by other departments on a daily basis. The costs of employees for maintenance and operations of the water systems and the sewer systems of the City are in this department.

Goals

Establish positive customer relations by providing courteous, efficient, and timely transactions and problem resolutions.

Deposit all monies received on a timely basis and in compliance with both City policies and generally accepted cash-handling procedures.

Promote efficient office operations.

To read and help maintain over 1,666 water meters so that the water customers receive a fair and consistent billing based on individual usage.

To process consumption and bill water customers in a timely manner.

Objectives

Respond to customer service requests within one workday of the request receipt.

To provide accurate meter readings to over 1,666 customers monthly in an accurate, professional, and timely manner.

To process 100% of payments within one day of receipts.

Respond to citizen's requests and complaints 98% of the time within two hours.

<u>Departmental Personnel</u>	<u>Actual 2005-06</u>	<u>Actual 2006-07</u>	<u>Budgeted 2007-08</u>	<u>Proposed 2008-09</u>
Public Works Director	1	1	1	1
Customer Service Clerk	1	1	1	1
Equipment Operator				1
Water/Sewer Laborer	4	5	6	6
Total	6	7	8	9

City of Alvarado

Water and Sewer Administration

	ACTUAL	ADJUSTED	PROJECTED	PROPOSED
	2006-07	BUDGET	2007-08	BUDGET
		2007-08	2007-08	2008-09
660-1000 Regular Salaries	202,386	228,081	228,081	243,931
660-1002 Overtime	21,380	25,000	20,000	25,000
660-1003 Call Out Compensation	4,956	6,560	6,560	6,560
660-1004 Christmas Bonus	1,400	1,600	1,200	1,600
660-1005 Longevity Pay	1,334	1,080	983	1,680
660-1010 Workers Compensation	9,840	7,848	7,848	9,282
660-1011 Group Insurance	32,059	49,381	49,381	48,518
660-1014 TMRS	8,391	14,144	14,144	14,540
660-1018 FICA	16,776	19,800	19,800	21,324
660-1999 Unemployment Insurance	327	880	880	990
660-2003 Garbage Pickup Service	294,007	275,000	350,000	286,110
660-2201 Legal	32	500	100	500
660-2215 Collection Agency Fees	596	1,000	750	750
660-2324 Utilities	8,409	8,650	9,000	9,000
660-2401 Telephone	6,363	5,800	6,500	5,767
660-2403 Internet	730	600	600	600
660-2416 Advertising	946	1,000	1,000	1,000
660-2425 Other Insurance	5,222	5,892	5,892	5,784
660-3001 Gas & Oil	7,366	16,000	14,000	14,282
660-3002 Uniform & Protective Gear	7,131	8,000	8,000	8,750
660-3003 Office Furniture & Equip	349	800	300	500
660-3007 Office Expenses	4,084	6,000	6,000	6,079
660-3008 Postage	5,920	6,500	7,500	6,500
660-3009 Tools	5,926	8,000	4,000	8,000
660-3012 Materials & Supplies	3,408	7,000	1,000	7,000
660-3013 Billing Supplies	604	1,200	1,200	1,200
660-3502 Vehicle Repairs	3,002	8,000	4,000	8,000
660-3503 Maintenance Contracts	2,303	2,500	2,300	2,362
660-3505 Equipment Repairs	648	7,000	1,000	5,000
660-3519 Building Repairs	2,395	4,000	500	2,500
660-4000 Dues & Subscriptions	597	1,090	1,000	1,000
660-4032 Training & Education	2,636	5,000	2,500	5,000
660-4036 Drug Tests	394	400	634	500
660-4040 Bad Debt Expense	25,413	20,000	15,000	15,000
660-4900 Depreciation Expense	22,634	0	0	0
660-4901 Amortization Expense	2,781	0	0	0
660-5035 Capital- Vehicles	(1)	0	0	18,500
660-7002 Transfers to Debt Service	20,456	0	0	0
660-7050 Admin Fee to General Fund	87,987	80,000	80,000	90,000
660-7060 Franchise Fees- General Fund	0	0	0	149,590
660-9903 Bond- Principal	0	0	0	143,000
660-9904 Bond- Interest	223,835	0	0	180,443
660-9905 Fiscal Agent Fees	589	0	0	750
TOTAL WATER/SEWER ADMIN	1,045,611	834,306	871,653	1,356,892

City of Alvarado

Water Expenses

Description

Water Expenses reflect the costs of the production and disaffection of water produced by 5 city owned wells. It also reflects the costs of the distribution of potable water throughout the City from the time it enters the City's system. This responsibility consists of maintaining an adequate supply of water in storage reservoirs to meet the peak periods of usage, maintaining water pressure throughout the City, and maintaining pumping facilities, which convey water from the reservoirs to the customers. This department also reflects the costs of emergency repairs to the water system.

Goals

- Ensure adequate quality and quantity of water supplied to each customer.
- Comply with all State and Federal regulations governing public water systems.
- Maintain an effective Water Production System.
- To obtain TNRCC Certifications for all water department employees.

Objectives

- Monitor water quality to ensure compliance with all Safe Drinking Water Act rules and regulation as applicable.
- To repair water main breaks on an average of 72 hours or less of notification.
- Properly operation and maintain all water system equipment and facilities to ensure the safety of the potable water delivered to the customer.
- Perform routine maintenance to improve system reliability.

		ACTUAL 2006-07	ADJUSTED BUDGET 2007-08	PROJECTED 2007-08	PROPOSED BUDGET 2008-09
661-2110	TCEQ Fees	1,363	1,500	1,500	1,500
661-2201	Water & Sewer Analysis	1,432	2,500	3,500	3,000
661-2203	Engineering	4,826	5,000	6,500	5,000
661-2425	Other Insurance	1,578	1,994	1,994	2,114
661-3022	JCSUD	56,425	22,000	9,702	20,000
661-3023	Electricity & Gas	110,531	154,500	154,500	163,000
661-3028	Chemicals- Chlorine	4,414	6,000	6,000	6,000
661-3515	Maintenance- Wells	164,917	152,000	195,000	104,331
661-3516	Maintenance -Lines	(80,693)	50,000	20,000	50,000
661-3521	Compliance with TCEQ	0	5,000	50	5,000
661-4900	Depreciation Expense	244,901	0	0	0
661-5041	Capital- Meters	7,902	15,000	15,000	15,000
TOTAL WATER EXPENSES		517,596	415,494	413,746	374,945



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City of Alvarado

Sewer Expenses

Description

This department is responsible for the collection, transmission and treatment of wastewater. The City operates a sewer treatment plant

Repair, maintenance, monitoring and proper flows within the sewer collection system are the city's responsibility. Preventative maintenance (to avoid stoppages and sewer backups) and condition-responsive repair work represent a large part of the workload of this department.

This department periodically installs new mains or replaces existing ones. This is normally done to correct repeated stoppages in low places, to replace old and deteriorated mains, or to accommodate a capital improvement project.

Goals

Ensure the sewer collection system infrastructure integrity through system maintenance and evaluation as required.

Manhole inspection and rehabilitation to reduce inflow and infiltration.

Minimize sanitary sewer interruptions.

Comply with all State and Federal regulations governing the treatment of wastewater.

Objectives

Increase enforcement and identify violators of liquid waste ordinances to release grease and suspended solids in waste water system.

Minimize sewer main stoppages by regular inspection and cleaning of existing sewer collection on a preventive maintenance basis.

Minimize infiltration/inflow through existing manhole walls by performing maintenance to manholes throughout the collection system.

City of Alvarado

Sewer Expenses

	ACTUAL	ADJUSTED	PROJECTED	PROPOSED
	2006-07	BUDGET	2007-08	BUDGET
		2007-08	2007-08	2008-09
662-2110 TCEQ Fees	8,452	13,500	10,000	13,000
662-2120 Water & Sewer Analysis	8,357	7,000	7,000	7,000
662-2203 Engineering	3,025	3,000	1,000	3,000
662-2425 Other Insurance	262	283	283	303
662-3023 Electricity & Gas	42,647	59,000	59,000	60,221
662-3026 Chemicals- WWTP	6,308	18,000	10,000	10,000
662-3027 Chemicals- Lift Stations/Lines	270	2,000	2,000	2,000
662-3035 Chemicals- Creeks	0	500	0	500
662-3505 Equipment Repairs	0	4,000	200	3,000
662-3516 Maintenance -Lines	11,473	40,000	40,000	30,000
662-3521 Compliance with TCEQ	11,760	20,000	10,000	10,000
662-3523 Maintenance-WWTP	4,559	20,000	10,000	10,000
662-3524 Maintenance- Lift Stations	8,504	15,000	30,000	15,000
662-3526 Emergency Public Services	500	1,000	0	1,000
662-4900 Depreciation Expense	112,106	0	0	0
662-5034 Capital- Equipment	2,743	0	0	37,000
TOTAL SEWER EXPENSES	<u>220,966</u>	<u>203,283</u>	<u>179,483</u>	<u>202,024</u>

City of Alvarado

FY 2008-2009 Annual Budget

Debt Service

DEBT MANAGEMENT POLICY

Debt Issuance – The City issues debt only for the purpose of acquiring or constructing capital assets for the general benefit of its citizens, and to allow the fulfillment of its various missions as a City. Debt may be issued for the purposes of purchasing land or right-of-way and/or improvements to land, for construction projects to provide for the general good, or for capital equipment. The City will uphold all related bond covenant agreements associated with bond issues. Bond issues will be conducted after consultation with an outside financial advisor. The City will maintain good communications with bond rating agencies, financial advisors, independent auditors, investors, and citizens regarding its financial condition.

General Obligation Bonds (GO's) – General Obligation Bonds are used to fund capital assets of the general government such as facilities, streets, and drainage. They are not to be used to fund operating needs of the City. A general obligation bond is a legal debt instrument used to finance permanent projects within the City limits. The bond is backed by the tax base and the City's ability to tax for repayment of indebtedness. The bond is also backed by the full faith and credit of the issuing government. State law requires an incorporated city to submit the proposed bond issue to a public referendum and to receive voter authorization prior to issuance of bonds.

Revenue Bonds (RB's) – Revenue Bonds are issued to provide for the capital needs of an activity that requires continuation or expansion of a service that produces revenue, and for which the asset may reasonably be expected to provide for a revenue stream to fund the debt service requirements. A revenue bond is a legal debt instrument used to finance permanent public projects. Unlike the GO bonds, the revenue bond does not require voter approval. The City Council is authorized to approve the bond and set the user rates to pay the annual principal and interest.

Certificates of Obligation (CO's) – Certificates of Obligation are used to fund capital requirements that are not otherwise covered under either Revenue Bonds or General Obligation Bonds. Debt Service for CO's may be either from general revenues or backed by a specific revenue stream or streams or by a combination of both. Generally, CO's are used to fund capital assets not requiring full bond issues because of the cost of the asset(s) to be funded through the instrument.

Contractual Obligations – Contractual Obligations are used to fund capital assets that require smaller amounts of funding than traditional obligations. They are generally issued when the life of the asset is less than ten years. This is done to match the depreciable life of the asset to the actual cost of the asset. Debt service for contractual obligations is paid from ad valorem taxes.

Disclosure – Full disclosure of operations will be made to the bond rating agencies and other users of financial information. City staff, with the assistance of financial advisors and bond counsel, will prepare necessary materials for presentation to the rating agencies, aid in the production of Official Statements, and take responsibility for the accuracy of all financial information releases.

Federal Requirements – The City will maintain procedures to comply with arbitrage rebate and other Federal requirements.

Debt Limit – The State of Texas limits the ad valorem tax rate to \$2.50 per \$100 valuation. The City Charter limits the ad valorem tax rate to \$1.50 per \$100 valuation of taxable property within the City. City of Alvarado proposed rate of \$ 0.697313 falls well below this limit.

Bond Ratings – Alvarado’s bond ratings are as follows:

Standard & Poor’s Ratings Services affirmed its “BBB” underlying rating, with a stable outlook, on Alvarado, Texas General Obligation Debt

These ratings directly affect the cost of debt. The City’s policies are focused on issues that maintain high bond ratings and keep debt costs reasonable. The City’s bond or “credit” rating is an assessment of the City’s ability and willingness, and its legal obligation, to make full and timely payments of principal and interest on the debt security over the course of its maturity schedule. Ratings are designed exclusively for the purpose of grading debt instruments according to their credit qualities and do not constitute a recommendation to buy or sell a security.

The rating process evaluates the past performance and trends, and evaluates estimated future prospects. Both qualitative data and quantitative data are considered. Historical trends and current conditions, in addition to prepared projections, are utilized when making evaluations about future performance. Evaluations are generally based on what has taken place over the last five to ten years.

When applying for a credit rating, the items required of the City include audit reports, current budget documents, current capital improvement program, statements of long and short-term debt, and an indication of appropriate authority for debt issuance. Standard & Poor’s ratings range from AAA to BBB with AAA being the highest rating. Moody’s has nine basic rating categories for long term obligations. They range from Aaa to C. An Aaa rating indicates the issuer has an extremely strong ability to meet its debt obligations, whereas a C rating represents an adequate ability to meet debt requirements.

The City currently uses Southwest Securities, Dallas, Texas in capacity of financial advisor. They coordinate the debt issuance for the City and determine the City’s capacity to authorize, issue, and service debt. On the basis of this determination and with the approval of the City Council they will proceed with the sale of the debt instruments. When a bid for the debt instruments is accepted by the City, the financial advisor directs the closing of the sale.

City of Alvarado

FY 2008-2009 Annual Budget

General Debt Service

DEBT SERVICE FUND

The Debt Service Fund, also known as General Obligation Interest and Sinking Fund, provides for the payment of bond principal and interest as they come due and capital lease payments. Debt issuance finances the City's purchase of land, buildings, land improvements, and construction and reconstruction of streets and drainage facilities.

The property tax rate and tax levy are required to be computed and levied to provide the money required to pay principal and interest as it comes due. This fund is also used to provide for the payment of fiscal agent fees. The General Obligation debt is financed by property taxes and interest earned on investments.

As an operational policy, the annual general obligation debt service should not exceed 50% of the total tax rate. Once the debt service portion of the tax rate exceeds a 50% pro-rata share, a city's ability to adjust the operations levy to adapt to changes in the tax base and in operational needs is hindered. The inflexibility in the tax rate places further stress upon other sources of revenue.

For the 2008-2009 fiscal year, the debt service portion of the proposed tax rate is \$0.254026 per \$100 of assessed value. This represents 36.4% of the proposed total adopted rate of \$0.697313 per \$100 of assessed value. Debt principal payments paid from ad valorem tax revenues are paid annually. Interest payments on tax-supported debt are made semi-annually. The City will not issue notes to finance operating deficits.

The City issued Combination Tax and Revenue Certificates of Obligation, Series 1994, in February, 1994 in the amount of \$1,000,000 to be used for the purpose of improving and extending the combined Waterworks and Sewer System, and paying for legal, fiscal and engineering fees in connection with the project. The certificates are secured by a pledge of surplus net revenues derived from the operation of the City's combined Waterworks and Sewer System as approved by the City Council on March 18, 1994. The certificates are further secured from the ad valorem tax levied annually within the limits prescribed by law against all taxable property in the City of Alvarado.

The City issued Combination Tax and Revenue Certificates of Obligation, Series 2001, in March 2001 in the amount of \$4,505,000 to be used for the purposes of construction of streets and acquisition of equipment and improvements to the combined Waterworks and Sewer System to pay the costs of issuance of the Certificates. The certificates are secured by a pledge of surplus net revenues derived from the operation of the City's combined Waterworks and Sewer System as approved by the City Council on March 21, 2001. The certificates are further secured from the ad valorem tax levied annually within the limits prescribed by law against all taxable property in the City of Alvarado.

GENERAL DEBT SERVICE

	<u>ACTUAL FY 2005</u>	<u>ACTUAL FY 2006</u>	<u>ACTUAL FY 2007</u>	<u>BUDGETED FY 2008</u>	<u>PROPOSED FY 2009</u>
Beginning Fund Balances	\$64,034	\$48,052	\$60,691	\$106,794	\$88,825
REVENUES/SOURCES					
Property Taxes	\$215,891	\$384,116	\$429,044	464,829	\$485,770
Consumer Taxes	152,650	10,817			
Franchise Fees					
Licenses & Permits					
Fines and Forfeitures					
Charges for Service					
Intergovernmental					
Interest	891	1,607	3,552		
Transfers	165,440	132,245	188,775		
Other Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES	\$534,872	\$528,785	\$621,371	\$464,829	\$485,770
EXPENDITURES/USES					
General Government					
Public Safety					
Public Works					
Public Health					
Culture/Recreation					
Transfers	259,959	263,034	260,794		
Other	6,412				
DEBT SERVICE					
Principal	\$221,582	\$189,989	\$257,222	\$229,256	\$245,082
Interest	62,901	63,123	57,252	252,294	239,410
Other – Fiscal Agent Fee	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,278</u>	<u>1,278</u>
TOTAL EXPENDITURES	\$550,854	\$516,146	\$575,268	\$482,798	\$485,770
Ending Fund Balances	<u>\$48,052</u>	<u>\$60,691</u>	<u>\$106,794</u>	<u>\$88,825</u>	<u>\$88,825</u>

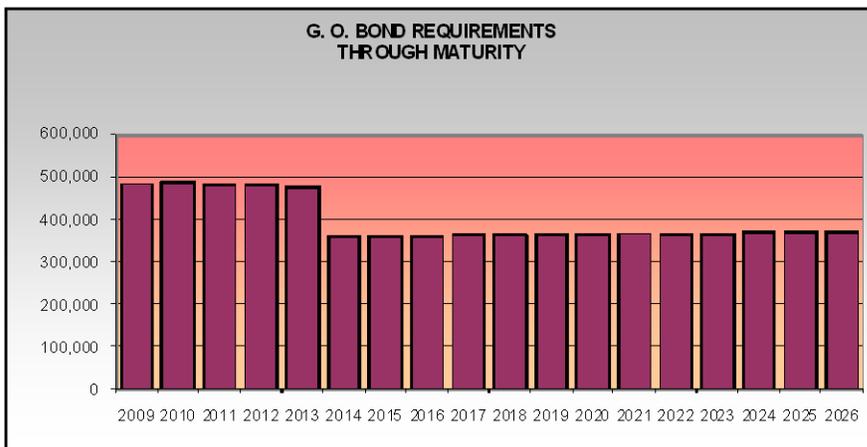
**SUMMARY OF GENERAL OBLIGATION BONDS
PRINCIPAL AND INTEREST REQUIREMENTS**

2008-2009 REQUIREMENTS

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1994 TAX/REV C.O'S	\$85,000	\$26,295	\$111,295
2001 TAX/REV C.O'S	145,000	210,338	355,338
TAC NOTE	<u>15,082</u>	<u>2,777</u>	<u>17,859</u>
G. O. DEBT SERVICE REQUIREMENTS FOR 2008-09	<u>\$245,082</u>	<u>\$239,410</u>	<u>\$484,492</u>

TOTAL OUTSTANDING G. O. DEBT SERVICE REQUIREMENTS

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1994 TAX/REV C.O'S	\$465,000	\$81,900	\$546,900
2001 TAX/REV C.O'S	4,255,000	2,278,696	6,533,696
TAC NOTE	<u>56,669</u>	<u>5,838</u>	<u>62,507</u>
TOTAL REQUIREMENTS	<u>\$4,776,669</u>	<u>\$2,366,434</u>	<u>\$7,143,103</u>





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City of Utility

FY 2008-2009 Annual Budget

Utility Debt Service

The City authorized the issuance of Combination Tax and Revenue Certificates of Obligations, Series 2008A in the amount of \$2,346,000 and issued Combination Tax and Revenue Certificates of Obligations, Series 2008B in the amount of \$2,200,000 in March 2008 to be used for the purpose of constructing, acquiring and installing improvements, additions and extensions to the City's sanitary sewer system acquisition, including construction of a wastewater treatment plant and a water transmission line, and the acquisition of land and interests in land as necessary and for the legal, fiscal, design and engineering fees incurred in connection with such projects. The certificates are secured by a pledge of surplus net revenues derived from the operation of the City's combined Waterworks and Sewer System as approved by the City Council on March 17, 2008. The certificates are further secured from the ad valorem tax levied annually within the limits prescribed by law.

**SUMMARY OF WATERWORKS & SEWER SYSTEM REVENUE REFUNDING
BONDS AND COMBINATION TAX & REVENUE CERTIFICATES OF OBLIGATION
PRINCIPAL AND INTEREST REQUIREMENTS**

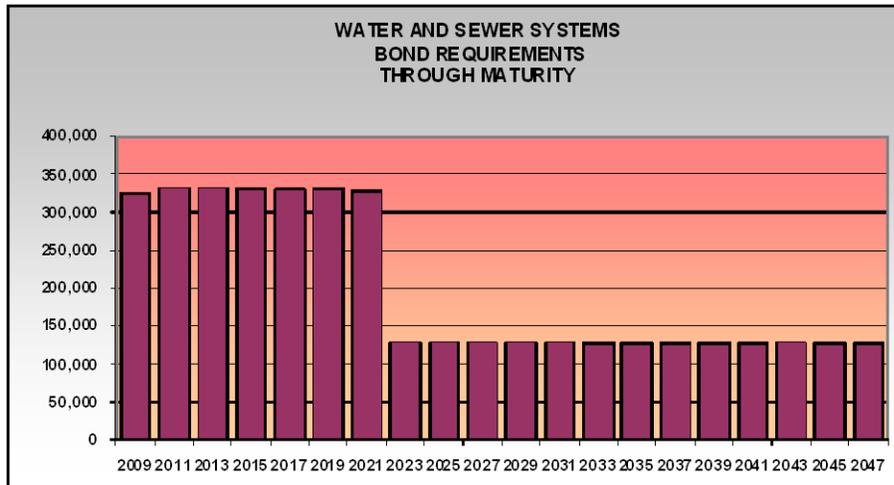
2008-09 REQUIREMENTS

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008A SERIES	\$23,000	\$96,000	\$119,000
2008B SERIES	<u>120,000</u>	<u>84,443</u>	<u>204,443</u>
WATER & SEWER DEBT SERVICE REQUIREMENTS FOR 2008-09	<u>\$143,000</u>	<u>\$180,443</u>	<u>\$323,443</u>

Paying agent fees for Fiscal Year 2009 - \$750 for a total requirement - \$324,193.

TOTAL REQUIREMENTS

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008A SERIES	\$2,334,000	\$2,658,105	\$4,992,105
2008B SERIES	<u>2,165,000</u>	<u>683,280</u>	<u>2,848,280</u>
TOTAL OUTSTANDING WATER & SEWER DEBT SERVICE REQUIREMENTS	<u>\$4,499,000</u>	<u>\$3,341,385</u>	<u>\$7,840,385</u>



City of Alvarado

FY 2008-2009 Annual Budget

Special Revenue Funds

SPECIAL REVENUE FUNDS

The Special Revenue Funds are the Economic Development Fund, Hotel Occupancy Taxes, Court Funds, Grant Fund and the Mineral Leases and Royalties Fund. They were established to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. Descriptions and financial information are located in this section.



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ECONOMIC DEVELOPMENT CORPORATION

The special revenue fund was established to record receipts collected by the state for a one-half percent sales tax on taxable items sold within the City of Alvarado. The tax was authorized by voter referendum. Previously, in 1991, the State Legislature had approved an amendment to the Development Corporation Act of 1979 (Article 5190.6 Vernon Civil Statutes) to allow qualifying cities to impose with voter approval, an additional one-half cent sales tax for projects as defined by 4B of the Act, primarily Parks and Recreation projects, if their sales tax rate at the time of the election does not exceed 7.25%

After passage of the tax, the Economic Development Corporation was formed in March 2001 and is comprised of seven directors. By-laws for the Corporation were written and structured within the framework of the Development Corporation Act of 1979, Section 4B. Authorized categories under this section include, among other items, land, buildings, or equipment for professional and amateur sports facilities, park facilities and events, entertainment and tourist facilities, and affordable housing.

MISSION STATEMENT

COMMITTED TO IMPROVING THE QUALITY OF LIFE FOR ALL CITIZENS THROUGH ECONOMIC DEVELOPMENT AND THE DEVELOPMENT, IMPLEMENTATION AND MAINTENANCE OF CITY PARKS, RECREATION AND FACILITIES.

ECONOMIC DEVELOPMENT FUND

	<u>ACTUAL FY 2005</u>	<u>ACTUAL FY 2006</u>	<u>ACTUAL FY 2007</u>	<u>BUDGET FY 2008</u>	<u>PROPOSED FY 2009</u>
Beginning Fund Balances	\$137,686	\$163,604	\$271,857	\$358,654	\$381,513
REVENUES/SOURCES					
Property Taxes					
Consumer Taxes	\$ 152,650	\$177,039	\$236,468	\$250,000	\$ 270,000
Franchise Fees					
Licenses & Permits					
Intergovernmental					
Charges for Service					
Interest	5,069	10,560	19,162	11,000	11,500
Transfers					
Miscellaneous					
TOTAL REVENUES	\$ 157,719	\$ 187,599	\$255,630	\$261,000	\$281,500
EXPENDITURES/USES					
General Government	\$9,094	\$1,055	\$1,857	\$17,500	\$16,500
Public Safety					
Public Works					
Public Health					
Culture/Recreation	36,020	4,658	93,360	144,352	63,708
Economic Development	37,727	10,000	10,000	76,289	201,292
Other					
Transfers	48,960	63,633	63,616		
DEBT SERVICE					
Principal					
Interest					
Other					
TOTAL EXPENDITURES	\$131,801	\$79,346	\$168,833	\$238,141	\$281,500
Ending Fund Balances	<u>\$163,604</u>	<u>\$271,857</u>	<u>\$358,654</u>	<u>\$381,513</u>	<u>\$381,513</u>

City of Alvarado

Economic Development Corporation

Description

The Economic Development Commission (EDC) half-cent sales tax was approved by the voters in Alvarado for economic development and developing parks and recreational facilities for the citizens.

The Economic Development Fund is responsible for developing programs to retain, expand and attract business to Alvarado and to coordinate activities in conjunction with civic and public groups including the schools, developers, the Chamber of Commerce and City Officials.

The key aspect of the development division includes the proactive stance for prospecting of new business and industry within the City of Alvarado. This division will be responsible for following through on possible prospects. The division will soon be able to provide current demographic data, economic data and site location information to brokers, developers and business interest in an effort to expand the local economy through the attraction of new businesses.

This specialized tax is permanent and is governed by a board of seven members appointed by the City Council. The operational budget of the Economic Development Fund is the administrative portion which oversees the entire fund and advises the Economic Development Board of the needs and requests of the various parks included in this fund.

Goals

To actively communicate with the local business community by providing current demographic and economic information and the announcement of major business developments in the area.

The overall goal is to diversify the business mix and broaden the tax base to increase employment opportunities within the community.

The department will strive to attract industry and commercial enterprises to the City of Alvarado, encourage expansion of existing business and promote civic pride within the community.

Improve the overall appearance of the park's green space, park components and recreational facilities to keep the park safe, accessible, and environmentally pleasing.

Objectives

To encourage and assist in the promotion and marketing of Alvarado.

To respond quickly and efficiently to requests for development in Alvarado.

To encourage and assist in enhancing the quality of life in Alvarado.

To continue the ongoing maintenance and development of the City's park and recreational facilities.

To increase participation in athletic programs through optimum use of new and existing facilities.

City of Alvarado
Economic Development Corporation

	ACTUAL	ADJUSTED	PROJECTED	PROPOSED
	2006-07	BUDGET	2007-08	BUDGET
	2006-07	2007-08	2007-08	2008-09
975-2100 Administrative Costs	468	12,000	12,000	12,000
975-2201 Legal	339	4,000	228	3,000
975-2416 Advertising	0	500	50	500
975-4019 Economic Development	10,000	10,000	10,000	12,000
975-4032 Training & Education	1,050	1,000	0	1,000
975-5000 Economic Development Projects	0	86,289	86,289	189,292
975-5001 Park Grant Match	93,360	102,265	102,265	33,149
975-5032 Loan Payment- Library	0	29,346	29,346	29,346
975-5045 Loan Payment- Alarm System	0	2,859	0	0
975-5047 Parks Project	0	12,741	12,741	1,213
975-7002 Transfers to Debt Service	63,616	0	0	0
TOTAL ECONOMIC DEVELOPMENT	168,833	261,000	252,919	281,500



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HOTEL OCCUPANCY TAXES

All hotels/motels within the City of Alvarado are required to remit quarterly to the City a 7% hotel occupancy tax. Projects from this fund are approved by the City Council on an annual basis and are restricted to projects relating to the promotion of tourism and community development. Three hotels are now currently in operation in the City of Alvarado.

MISSION STATEMENT

TO PROMOTE TOURISM AND COMMUNITY DEVELOPMENT WITHIN THE CITY OF ALVARADO.

HOTEL OCCUPANCY TAXES

	<u>ACTUAL FY 2005</u>	<u>ACTUAL FY 2006</u>	<u>ACTUAL FY 2007</u>	<u>BUDGET FY 2008</u>	<u>PROPOSED FY 2009</u>
Beginning Fund Balances	\$0	\$0	\$0	\$69,932	\$69,932
REVENUES/SOURCES					
Property Taxes					
Consumer Taxes	\$ 0	\$0	\$68,643	\$0	\$ 144,000
Franchise Fees					
Licenses & Permits					
Fines & Forfeitures					
Charges for Service					
Interest			1,517	0	2,950
Interfund Transfers					0
Other Funding					
TOTAL REVENUES	\$0	\$ 0	\$70,160	\$0	\$146,950
EXPENDITURES/USES					
General Government			\$228		
Public Safety					
Public Works					
Public Health					
Culture/Recreation	\$0	\$0		\$0	146,950
Transfers					
Other					
TOTAL EXPENDITURES	\$0	\$0	\$228	\$0	\$146,950
Ending Fund Balances	<u>0</u>	<u>\$0</u>	<u>\$69,932</u>	<u>\$69,932</u>	<u>\$69,932</u>

City of Alvarado

Hotel Occupancy Taxes

Description

Under State Hotel Occupancy Tax Statutes, use of hotel-motel tax receipts are limited to enhancing and promoting tourism, conventions and the hotel industry, establishing or improving convention centers, paying administrative costs associated with convention registration, tourism related advertising and promotions, arts enhancement, and historical restoration and preservation program. Heretofore, the City of Alvarado has, by and large, used occupancy tax receipts for promotional purposes. This budget contemplates the same basic objective but on a much broader, more strategic, and more aggressive basis.

The funding is restricted to projects related to the promotion of tourism and community development.

	ACTUAL	ADJUSTED	PROJECTED	PROPOSED
	2006-07	BUDGET	2007-08	BUDGET
		2007-08	2007-08	2008-09
576-2100 Administrative Costs	0	0	0	1,200
576-2201 Legal	228	0	1,253	1,000
576-4001 Marketing & Promotions	0	0	45,000	110,935
576-4005 Entrance Signs & Landscaping	0	0	0	14,000
576-4006 July 4th Event	0	0	0	5,000
576-4001 Tourism	0	0	0	12,000
576-5036 Capital- Real Estate	0	0	6,173	14,815
TOTAL HOTEL OCCUPANCY TAXES	228	0	52,426	158,950



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MINERAL LEASES AND ROYALTIES

The City leased its mineral rights to gas companies and three (3) gas wells were drilled. The royalties on these properties vary by lease. The City Council voted to account for these revenues in a separate fund.

MISSION STATEMENT

TO USE THESE FUNDS FOR PROJECTS WITHIN THE CITY THAT COULD NOT HAVE BEEN DONE OTHERWISE, TO IMPROVE THE QUALITY OF LIFE FOR THE CITIZENS OF ALVARADO.

MINERAL LEASES & ROYALTIES

	<u>ACTUAL</u> <u>FY 2005</u>	<u>ACTUAL</u> <u>FY 2006</u>	<u>ACTUAL</u> <u>FY 2007</u>	<u>BUDGET</u> <u>FY 2008</u>	<u>PROPOSED</u> <u>FY 2009</u>
Beginning Fund Balances	\$0	\$0	\$0	\$0	\$0
REVENUES/SOURCES					
Property Taxes					
Consumer Taxes					
Franchise Fees					
Licenses & Permits					
Fines & Forfeitures					
Charges for Service					
Interest					
Other Funding					\$800,000
TOTAL REVENUES	\$0	\$0	\$0	\$0	\$800,000
EXPENDITURES/USES					
General Government					
Public Safety					
Public Works					\$550,000
Culture/Recreation					
Other					\$250,000
DEBT SERVICE					
Principal					
Interest					
Other					
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0	\$800,000
Ending Fund Balances	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Alvarado
Mineral Leases and Royalties

	ACTUAL	ADJUSTED	PROJECTED	PROPOSED
	2006-07	BUDGET	2007-08	BUDGET
		2007-08	2007-08	2008-09
586-5040 Projects to be decided	0	0	0	250,000
586-5036 Building Improvements	0	0	0	150,000
586-5064 Street Improvements	0	0	0	400,000
TOTAL MINERAL LEASES/ROYALTIES	0	0	0	800,000



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GRANTS FUND

The City of Alvarado annually obtains grants for various projects and purposes. This funds accounts for those funds. These funds are obtained for a specific project or purpose so they are collected and accounted for in the Special Revenue Fund.

MISSION STATEMENT

TO ENSURE THAT THE ASSETS OF THE CITY ARE ACQUIRED IN THE MOST EFFICIENT MANNER BY TAKING ADVANTAGE OF ALL AVAILABLE STATE, FEDERAL AND LOCAL GRANTS FOR PARTIAL OR FULL COSTS OF PROJECTS AND EXPENSES NEEDED BY THE CITY.

GRANTS FUND

	<u>ACTUAL FY 2005</u>	<u>ACTUAL FY 2006</u>	<u>ACTUAL FY 2007</u>	<u>BUDGET FY 2008</u>	<u>PROPOSED FY 2009</u>
REVENUES/SOURCES					
Property Taxes					
Consumer Taxes					
Franchise Fees					
Licenses & Permits					
Fines & Forfeitures					
Charges for Service					
Interest					
Other Funding	\$160,334	\$20,680	\$0	\$0	\$763,247
TOTAL REVENUES	\$160,334	\$20,680	\$0	\$0	\$763,247
EXPENDITURES/USES					
General Government					\$6,747
Public Safety	\$245,590				2,500
Public Works					750,000
Public Health					
Culture/Recreation	1,688				
Transfers	88,936	\$83,148	\$0	\$48,602	
Other					4,000
DEBT SERVICE					
Principal					
Interest					
Other					
TOTAL EXPENDITURES	\$336,214	\$83,148	\$0	\$48,602	\$763,247

City of Alvarado Grants Fund

	ACTUAL	ADJUSTED	PROJECTED	PROPOSED
	2006-07	BUDGET	2007-08	BUDGET
	2006-07	2007-08	2007-08	2008-09
560-5024 Lone Star Grant	0	0	0	4,000
560-5050 Grant- Fire Department	0	0	6,400	2,500
560-5058 Grant- Texas Capital Fund	0	0	0	750,000
560-5066 Grant- SRTS	0	0	3,253	6,747
560-7000 Transfer to General Fund	0	48,602	48,602	0
TOTALGRANTS FUND	0	48,602	58,255	763,247



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OTHER SPECIAL REVENUE

Child Safety Trust Funds

Court Technology Funds

Court Security Funds

These funds are to be used only for state required expenditures and not be commingled with other City funds.

Child Safety Trust Funds can only be used to fund school crossing guard services and programs designed to enhance child safety, health, or nutrition, including child abuse intervention and prevention and drug and alcohol abuse prevention.

Court Technology Funds can only be used for continuing education and training for court judges and clerks, the purchase and maintenance of computer systems, networks, hardware, software, imaging systems, electronic ticket writers and docket management systems.

Court Security Funds can only be used to finance items used for the purpose of providing security for any buildings housing the municipal court of the City of Alvarado.

OTHER SPECIAL REVENUE

	<u>ACTUAL FY 2005</u>	<u>ACTUAL FY 2006</u>	<u>ACTUAL FY 2007</u>	<u>BUDGET FY 2008</u>	<u>PROPOSED FY 2009</u>
Beginning Fund Balances	\$22,234	\$38,495	\$55,523	\$69,264	\$69,264
REVENUES/SOURCES					
Property Taxes					
Consumer Taxes					
Franchise Fees					
Licenses & Permits					
Fines & Forfeitures	\$40,441	\$62,395	\$63,076	\$61,000	\$46,300
Charges for Service					
Interest					
Interfund Transfers					
Other Funding					
TOTAL REVENUES	\$40,441	\$63,395	\$63,076	\$61,000	\$46,300
EXPENDITURES/USES					
General Government					
Public Safety	\$24,180	\$46,367	\$49,335	\$61,000	\$46,300
Public Works					
Public Health					
Culture/Recreation					
Transfers					
Other					
TOTAL EXPENDITURES	\$24,180	\$46,367	\$49,335	\$61,000	\$46,300
Ending Fund Balances	<u>\$38,495</u>	<u>\$55,523</u>	<u>\$69,264</u>	<u>\$69,264</u>	<u>\$69,264</u>

City of Alvarado
Other Special Revenue

	ACTUAL	ADJUSTED	PROJECTED	PROPOSED
	2006-07	BUDGET	2007-08	BUDGET
	2006-07	2007-08	2007-08	2008-09
276-6417 Court Security Expenses	27,488	29,000	20,000	25,000
276-6418 Court Technology Expenses	21,275	22,000	25,000	18,500
276-6419 Child Safety Expenses	572	10,000	0	2,800
TOTAL OTHER SPECIAL REVENUES	49,335	61,000	45,000	46,300

CITY OF ALVARADO

CAPITAL IMPROVEMENTS PROGRAM

A Capital Improvement Program is a schedule of Public Physical Improvements to be constructed with estimated resources available to finance the projected expenditures.

Capital Improvements are any expenditure of public funds for the purchase, construction, rehabilitation, replacement or expansion of the physical assets of the community when the project is relatively large in size, expensive (the City's capital threshold is \$5,000), long-term and permanent. Some common examples include streets, tennis courts, fire stations, water and sewer lines and fire engines. Capital expenditures are financed from a variety of sources to include long-term and short-term debt, current revenues, grants from other governmental entities and donations from foundations, businesses, individuals and non-profit organizations. A detailed listing of financing methods is found on the following pages.

Functions of a Capital Improvement Program

- ❖ **Estimating capital requirements, budgeting priority projects and developing revenue sources for proposed improvements.**
- ❖ **Scheduling all capital projects over a fixed period with the appropriate planning implementation and informing the public of projected capital improvements.**
- ❖ **Coordinating the activities of various departments in meeting project schedules.**
- ❖ **Monitoring and evaluating the progress of capital projects.**

Capital Improvements Policy

The City of Alvarado prioritizes the funding of capital projects on the basis of a Capital Improvements Plan. The functions of the Capital Improvement Plan are as follows:

- 1. Estimating capital requirements**
- 2. Scheduling all capital projects over a fixed period with appropriate planning and implementation.**
- 3. Budgeting priority projects and developing revenue sources for proposed improvements.**
- 4. Coordinating the activities of various departments in meeting project schedules.**
- 5. Monitoring and evaluating the progress of capital projects.**
- 6. Informing the public of projected capital improvements.**

The following questions are considered when justifying a project:

- 1. What is the relationship of the project to the progress of the entire city?**
- 2. Is the project part of a large program? How does it relate to the goals of the program?**

3. How many citizens will be helped by it? How many citizens will be harmed or inconvenienced if the project is not considered?
4. Will it add to the value of the surrounding area? Will it increase the valuation of local property?
5. Will it increase efficiency or performance of a service? Will it reduce the on-going costs of a service or facility?
6. Will it provide a service required for economic development of the community? What improvements would be of the most value in attracting commercial and industrial firms?
7. Is the project required to complete or make fully usable a major public improvement?
8. Will rapid urban growth in the area of the proposed project increase the costs of land acquisition if the project is deferred?
9. Is the project well identified by the citizens? Does it have established voter appeal?
10. Is the project needed to protect public health or safety?

Methods of Financing Capital Improvements Projects

Certificates of Obligations

Certificates of Obligations are issued with limited revenues pledged by the water and sewer systems. Voter approval is not required.

Donations

Donations are periodically received, by the City, from individuals, businesses, foundations and non-profit organizations.

Earmarked Funds

With Earmarked Funds, monies are accumulated in advance or set aside for capital construction or purchase. The accumulation may result from surplus of earmarked operational revenues or sale of capital assets.

Enterprise Funds

Enterprise Funds are established from the delivery of specific services – where money paid to administer the services and the expenses (as a result of providing services) are accounted for separate from the general fund budget of the City.

General Fund

General Fund is the financing of improvements from revenues such as general taxation, fees and service charges.

General Obligation Bonds

With General Obligation bonds, the taxing power of the jurisdiction is pledged to pay interest and retire the debt. General Obligation Bonds can be sold to finance permanent types of improvements such as municipal buildings, streets and parks and recreation facilities. Voter approval is required.

Revenue Bonds

Revenue Bonds frequently are sold for projects that produce revenues, such as water, sewer and electric systems. Voter approval is not required.

Special Assessments

Public works that benefit particular properties may be financed more equitably by special assessments (i.e., paid by those who directly benefit).

State and Federal Grants

State and Federal Grant-in-Aid programs are available for financing a number of programs. These may include streets, water and sewer facilities, airports, parks and playgrounds. The costs of funding these facilities may be borne completely by grant funds or a local share may be required.

Impacts of Capital Improvements on Operating Budget

Most of the capital improvements scheduled for FY 2008-09 are routine replacements and/or upgrades of facilities or equipment. There should be no major impact on operating budgets for most of the capital items scheduled. The maintenance and operating costs related to most of the capital project items scheduled should be absorbed in the corresponding division's operating budget.

FY 2008-09 Capital Improvements

The following pages identify the capital improvements that have been authorized in FY 2008-09 and includes the project or equipment, the department requesting the item, the fund in which expenditures will be recorded, the sources of funds, the cost and the reason the project is being undertaken or equipment being purchased.

CITY OF ALVARADO
CAPITAL IMPROVEMENTS BY FUND

2008-09 Capital Improvement Program	GENERAL FUND	WATER/ SEWER FUND	ECONOMIC DEVELOP	MINERAL LEASES/ ROYALTIES	GRANTS FUND	CAPITAL PROJECTS FUND
<u>PUBLIC SAFETY</u>						
Police	48,000					
Fire	21,000					
TOTAL	69,000	0	0	0	0	0
<u>COMMUNITY DEVELOPMENT</u>						
Code Services	18,000					
TOTAL	18,000	0	0	0	0	0
<u>WATER/WASTEWATER</u>						
Water/Sewer Administration		18,500				
Water Expenses		15,000				
Sewer Expenses		37,000				
TOTAL	0	70,500	0	0	0	0
<u>ECONOMIC DEVELOPMENT</u>						
Economic Development		0	189,292	0		
TOTAL	0	0	189,292	0	0	0
<u>MINERAL LEASES/ROYALTIES</u>						
Miscellaneous		0	0	800,000		
TOTAL	0	0	0	800,000	0	0
<u>GRANTS FUND</u>						
Capital Projects		0	0	0	750,000	0
TOTAL	0	0	0	0	750,000	0
<u>CAPITAL PROJECTS FUND</u>						
Capital Projects		0	0	0	0	5,580,086
TOTAL	0	0	0	0	0	5,580,086
TOTAL CIP BY FUND	87,000	70,500	189,292	800,000	750,000	5,580,086

WATER EXPENSES

<i>Project</i>	<i>Department</i>	<i>Fund</i>	<i>Source of Funds</i>	<i>Amount</i>
Meters	Water Expenses	Water/ Sewer	Water/Sewer Operating	\$15,000

Effect on operating budget: None

SEWER EXPENSES

<i>Project</i>	<i>Department</i>	<i>Fund</i>	<i>Source of Funds</i>	<i>Amount</i>
Sewer vacuum/high pressure machine	Sewer Expenses	Water/ Sewer	Water/Sewer Operating	\$37,000

Effect on operating budget: None

TOTAL WATER/SEWER IMPROVEMENT PROGRAM **\$70,500**

ECONOMIC DEVELOPMENT PROGRAM

ECONOMIC DEVELOPMENT

<i>Project</i>	<i>Department</i>	<i>Fund</i>	<i>Source of Funds</i>	<i>Amount</i>
Projects to be decided	EDC	Economic Development	Economic Development Operating	189,292

Effect on operating budget: None

TOTAL ECONOMIC DEVELOPMENT PROGRAM **\$189,292**

MINERAL LEASES AND ROYALTIES

<i>Project</i>	<i>Department</i>	<i>Fund</i>	<i>Source of Funds</i>	<i>Amount</i>
Miscellaneous Street Improvements	Streets	Mineral Leases/Royalties	Mineral Royalties	\$400,000

Effect on operating budget: None

<i>Project</i>	<i>Department</i>	<i>Fund</i>	<i>Source of Funds</i>	<i>Amount</i>
Replace Public Works building	Water/Sewer Admin	Mineral Leases/Royalties	Mineral Royalties	\$150,000

Effect on operating budget: None

<i>Project</i>	<i>Department</i>	<i>Fund</i>	<i>Source of Funds</i>	<i>Amount</i>
Projects to be decided	Other	Mineral Leases/Royalties	Mineral Royalties	\$250,000

Effect on operating budget: None

TOTAL MINERAL LEASES AND ROYALTIES **\$800,000**

GRANTS PROGRAM

<i>Project</i>	<i>Department</i>	<i>Fund</i>	<i>Source of Funds</i>	<i>Amount</i>
Sanitary Sewer main extension along US Hwy 67 to Sabre Industries	Water/Sewer	Grants	Texas Capital Grant	750,000

Effect on operating budget: None

TOTAL GRANTS PROGRAM **\$750,000**

CAPITAL PROJECTS FUND

<i>Project</i>	<i>Department</i>	<i>Fund</i>	<i>Source of Funds</i>	<i>Amount</i>
New sewer treatment plant	Water/Sewer	Capital Projects	2008B Tax/Rev C.O.'s	5,517,670

Effect on operating budget: None

<i>Project</i>	<i>Department</i>	<i>Fund</i>	<i>Source of Funds</i>	<i>Amount</i>
Acquisition of site for Well # 10	Water/Sewer	Capital Projects	2001Tax/Rev C.O.'s	62,416

Effect on operating budget: None

TOTAL CAPITAL PROJECTS FUND **\$5,580,08**

APPROVED CITY EMPLOYEE POSITIONS

	<u>FY2006-07</u>		<u>FY2007-08</u>		<u>FY2008-09</u>		<u>Total</u>
	<u>FT</u>	<u>PT</u>	<u>FT</u>	<u>PT</u>	<u>FT</u>	<u>PT</u>	<u>FTE's</u>
GENERAL FUND							
Administration	3.0		3.0		3.0		3.0
Police Department	13.0		15.0		15.0		15.0
Communications	6.0		6.0		6.0		6.0
Municipal Court	3.0		3.0		3.0		3.0
Fire Department	8.0		10.0		11.0		11.0
Animal Control	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Code Services	3.0	1.0	3.0	1.0	3.0	1.0	3.5
Streets	1.0		1.0		1.0		1.0
Library	2.0		2.0	1.0	2.0	2.0	3.0
Senior Services	1.0		1.0		1.0		1.0
Parks Maintenance	<u>1.0</u>		<u>1.0</u>		<u>1.0</u>		<u>1.0</u>
TOTAL GENERAL FUND	42.0	2.0	46.0	3.0	47.0	5.0	49.5
WATER & SEWER FUND							
Water and Sewer Admin	<u>7.0</u>		<u>8.0</u>		<u>9.0</u>		<u>9.0</u>
TOTAL WATER & SEWER	7.0	0.0	8.0	0.0	9.0	0.0	9.0
TOTAL EMPLOYEES	<u>49.0</u>	<u>2.0</u>	<u>54.0</u>	<u>3.0</u>	<u>56.0</u>	<u>5.0</u>	<u>58.5</u>

GLOSSARY OF KEY BUDGET TERMS

The Annual Budget contains specialized and technical terminology that is unique to the public finance and budgeting. To help the reader of the Annual Budget document to better understand these terms, a budget glossary has been included in the 2008-09 Annual Budget.

<u>Account</u>	A term used to identify an individual asset, liability, expenditure control, revenue control, encumbrance control, or fund balance.
<u>Accounting System</u>	Records and procedures which are used to record, classify and report information on the financial status and operations of the entity.
<u>Accrual Accounting</u>	A basis of accounting in which revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred.
<u>Ad Valorem</u>	Latin for "value of" refers to the tax assessed against real (land and buildings) and personal (equipment and furniture) property.
<u>Amended Budget</u>	Includes the adopted budget for a fiscal year, plus any budget amendments or budget transfers.
<u>Appraised Value</u>	To make an estimate of value for the purpose of taxation. (Property values are established by the Tarrant Appraisal District).
<u>Appropriation</u>	An authorization made by the City Council, which permits the City to incur obligations and to make expenditures of resources.
<u>Assessment Ratio</u>	The ratio at which tax rate is applied to tax base. The assessment ratio is currently set at 100% by State Law.
<u>Audit</u>	An examination of an organization's financial statements and the utilization of resources.
<u>Bond</u>	A written promise to pay a sum of money on a specific date(s) at a specific interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance.
<u>Bonded Debt</u>	That portion of indebtedness represented by outstanding bonds.
<u>Bond Ordinance</u>	An ordinance or resolution authorizing a bond issue.
<u>Bonds Authorized and Unissued</u>	Bonds that have been authorized legally but not issued and that can be issued and sold without further authorization.
<u>Bond Refinancing</u>	The pay-off and re-issuance of bonds, to obtain better interest rates and/or bond conditions.
<u>Budget</u>	A financial plan for a specified period of operations that matches all planned revenues and expenditures with the services provided the residents of the City.
<u>Budget Calendar</u>	The schedule of key dates which the City follows in the preparation and adoption of the budget.

<u>Budget Document</u>	The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the City Council.
<u>Budget Message</u>	The opening section of the budget from the City Manager which provides the City Council an overview of the upcoming Budget.
<u>Budget Ordinance</u>	The official enactment by City Council to legally authorize City staff to obligate and expend resources.
<u>Budgetary Accounts</u>	Accounts used to enter the formally adopted annual operating budget into the general ledger as part of the management control technique of formal budgetary integration.
<u>Budgetary Control</u>	The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and revenues.
<u>Capital Improvement Program</u>	A plan for purchasing capital expenditures over a period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project or other contemplated expenditure in which the government is to have part and specifies the full resources estimated to be available to finance the projected expenditures.
<u>Capital Projects Fund</u>	A fund created to account for financial resources to be used for the acquisition or the construction of major capital facilities or equipment.
<u>Capital Outlays</u>	Expenditures which result in the acquisition of or addition to the fixed assets.
<u>Certificates of Obligation</u>	Tax supported bonds that are similar to general obligation bonds and can be issued after meeting strict publication requirements and with final approval by the City Council.
<u>City Council</u>	The Mayor and six (6) Council members collectively acting as the legislative and policymaking body of the City.
<u>Community Development Block Grant (CDBG)</u>	A type of federal grant to improve infrastructure in specified portions of the community.
<u>Component Unit</u>	A legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.
<u>Contingency</u>	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
<u>Contractual Services</u>	The costs related to services performed for the City by individuals, business, or utilities.
<u>Current Taxes</u>	Taxes levied and due within one year.
<u>Debt Service</u>	The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

<u>Debt Service Fund</u>	A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. May also be called a sinking fund.
<u>Deficit</u>	The excess of the liabilities of a fund over its assets; or the excess of expenditures over revenues during an accounting period; or, in the case of proprietary fund, the excess of expense over income during an accounting period.
<u>Delinquent Taxes</u>	Taxes that remain unpaid after the date on which a penalty for nonpayment is attached, i.e., tax statements mailed out in October and become delinquent if unpaid by January 31.
<u>Department</u>	A major administrative organizational unit of the City which indicates overall management responsibility for one or more divisions.
<u>Depreciation</u>	That portion of the cost of a capital asset that is charged as an expense during a particular period. This is a 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 or will be replaced. The cost of the loss of usefulness of a fixed asset is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.
<u>Division</u>	A major administrative organizational unit of the City which indicates overall management responsibility for one or more activities.
<u>Effective Tax Rate</u>	State law in Texas prescribes a formula for calculation of the effective tax rate for cities. The net effect of the formula is to produce a tax rate that goes down when property values rise because of inflation and vice versa. The intent is to generate a rate that produces approximately the same revenue as the year before. The formula does make adjustments for newly annexed property and newly constructed property. If it is raised by three percent or more in a year. State law requires that special notices must be posted and published.
<u>Encumbrance</u>	The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.
<u>Enterprise Fund</u>	A fund established to account for operations of the water and wastewater system. It is operated in a manner similar to private business enterprises where the intent is cost recovery.
<u>Estimated Revenue</u>	The amount of projected revenues to be collected during the fiscal year.
<u>Exempt</u>	Personnel not eligible to receive overtime pay and who are expected to put in whatever hours are necessary to complete their job assignments. Compensatory time off, as partial compensation for overtime hours worked, may be allowed by the respective department head.
<u>Expenditure</u>	A decrease in the net financial resources of the City due to the acquisition of goods and services.
<u>Financial Policies</u>	Financial polices are used to enable the City to achieve a sound financial position. They are in writing and are updated and endorsed on an annual basis.

<u>Fiscal Year</u>	A 12-month period to which the Annual Budget applies. The City of White Settlement has specified October 1 to September 30 as its fiscal year.
<u>Fixed Assets</u>	Assets of a long-term character which are intended to continue to be held or used, such as land, buildings machinery and equipment.
<u>Franchise Fee</u>	A fee paid by public service utilities for use of public property in providing their services to the citizens of the community.
<u>Full Faith and Credit</u>	A pledge of the general taxing power of the City to repay debt obligations (the term typically used in reference to bonds.)
<u>Full Time Equivalent (FTE)</u>	A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year, or full value of one for a full-time position.
<u>Function</u>	A group of related activities aimed at accomplishing a major service for which the City is responsible. For example, public safety is a function.
<u>Fund</u>	An accounting entity with a self-balancing set of accounts that record financial transactions for specific activities or government function.
<u>Fund Accounting</u>	A governmental accounting system which is organized and operated on a fund basis.
<u>Fund Balance</u>	The excess of assets over liabilities.
<u>Fund Type</u>	In governmental accounting, all funds are classified into seven fund types: General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service, and Trust and Agency.
<u>GAAP</u>	Generally accepted accounting principles as determined through common practice or as promulgated by the Governmental Accounting Standards Board, Financial Accounting Standards Board, or various other accounting standard setting bodies.
<u>GASB</u>	(Governmental Accounting Standards Board) GASB was established in 1984 as the body authorized to establish accounting standards for state and local government.
<u>GASB 34</u>	The 34 th Concepts Statement issued by GASB. This statement changes the way that local governments prepare and present their annual financial statements. Under the new model, the financial report is presented on an entity wide basis rather than fund by fund. Furthermore, the City's infrastructure (roadways, traffic signals, drainage channels) will be listed as assets of the city and reported at their depreciable value.
<u>General Fund</u>	The fund used to account for all financial resources except those required to be accounted for in another fund.
<u>General Obligation Bonds</u>	Bonds that finance a variety of public projects which pledge the full faith and credit of the City. Bonds that finance public projects such as streets, municipal facilities, and park improvements. The repayment of these bonds is made from property taxes, and these bonds are backed by the full faith and credit of the issuing government.

Generally Accepted Accounting Principles (GAAP)

The uniform minimum standards and guidelines for financial accounting and reporting. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

Goals

Broad, General statements of each division's desired social or organizational outcomes.

Grant

A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed the grantee.

Half Cent Sales Tax

A half percent sales tax can be imposed by qualifying cities to fund specific development activities under the Development Corporation Act of 1979 with voter approval.

Income

A term used in proprietary fund type accounting to represent revenues, or the excess of revenues over expenses.

Infrastructure

The underlying permanent foundation or basic framework. Long lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

Interest Earnings

The earnings from available funds invested during the year in U.S. Treasury Bonds, Government agencies, and Certificates of Deposit.

Interfund Transfer

Amount transferred from one fund to another. Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment.

Intergovernmental Revenues

Revenues from other governments in the form of grants, entitlements, shared revenues or payments in lieu of taxes.

Investments

Securities, bonds, and real property (land or buildings) held for the production of revenues in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in the normal course of governmental operations.

Levy

To impose taxes, special assessments, or service charges for support of City services.

Liabilities

Debts or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date.

Line Items

Expenditure classifications established to account for approved appropriations. Line Item budgets for all departments are available upon request in the Finance Department.

Maintenance

All materials or contract expenditures covering repair and upkeep of City buildings, machinery and equipment, systems and land.

Materials and Supplies

Expendable materials and operating supplies necessary to conduct departmental activity.

Modified Accrual Accounting

A basis of accounting in which revenues are recognized in the accounting period when they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

Objectives

Specific statements of desired ends which can be measured.

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 an annual operating budget is usually required by law. (The "proposed budget" is the financial plan presented by the City Manager for consideration by the City Council and the "adopted budget" is the financial plan ultimately approved and authorized by the City Council.)

Operating Transfers

All interfund transfers other than residual equity transfers.

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 legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, universally require ordinances. Ordinances and other legislation are not passed until the plans for and costs of endorsements are known.

Part-Time

Part-time employees work less than 30 hours per week and are not entitled to full-time employee benefits.

Personnel Costs

The costs associated with compensating employees for their labor. This includes salaries and fringe benefits.

Program Description

Describes the nature of service delivery provided at this level of funding.

Program Goals

Program goals describes the purpose or benefit the activity or department plans to provide to the community and/or organizations it serves. Goals identify the end result the activity/department desires to achieve with its planned activities, but goals are often ongoing and may not be achieved in one year.

Program Objectives

Program objectives are 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 in most cases. Objectives are not required for every activity performed, but should focus on the major steps necessary for achieving established goals.

Property Taxes

Used to describe all revenues received in a period from current taxes, delinquent taxes, penalties, and interest on delinquent taxes. Property taxes are levied on both real and personal property according to the property's valuation and tax rate.

<u>Public Hearing</u>	The portions of open meetings held to present evidence and provide information on both sides of an issue.
<u>Reserve</u>	An account used to indicate that a portion of a fund balance is restricted for a specific purpose. An account used to earmark a portion of fund balance to indicate that it is not appropriate for expenditure. A reserve may also be an account used to earmark a portion of fund equity as legally segregated for a specific future use.
<u>Retained Earnings</u>	The excess of assets less liabilities. Also known as fund balance.
<u>Revenue</u>	Funds that the government receives as income. All amounts of money earned or received by the City from external sources.
<u>Revenue Bonds</u>	Bonds whose principal and interest are payable exclusively from a revenue source pledged as the payment source before issuance.
<u>Sales Tax</u>	A general "sales tax" is levied on persons and businesses selling merchandise or services in the city limits on a retail basis. The categories for taxation are defined by state law. Monies collected under authorization of this tax are 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.
<u>Special Revenue Fund</u>	A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.
<u>Supplies</u>	Expendable materials and operating supplies necessary to conduct the business of departmental activities.
<u>Tax Base</u>	The total value of all real and personal property in the City of Alvarado on January 1st of each year, as certified by the Chief Appraiser. The tax base represents net value after all exemptions.
<u>Tax Levy</u>	The amount calculated when the tax rate per hundred dollars is multiplied by the tax base.
<u>Tax Rate</u>	Total tax rate is set by Council and is made up of two components; debt service and operations rates. The 2008-2009 tax rate for the City of Alvarado is \$.697313 per \$100.00 valuation.
<u>Taxable Value</u>	Estimated value of taxable property to which the ad valorem tax rate is applied.
<u>User Charges</u>	The payment of a fee for a direct receipt of a public service by the party benefiting from the service.
<u>Unreserved Fund Balance</u>	The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.
<u>Working Capital</u>	For enterprise funds, the excess of current assets over current liabilities. Working capital of a fund is important because budgeted expenditures of the fund must be provided for from cash receipts during the year supplemented by working capital carried over from prior years, if any.