

**ANNUAL BUDGET  
OF THE  
CITY OF MOUNT PLEASANT, TEXAS  
FOR THE  
FISCAL YEAR BEGINNING OCTOBER 1, 2013**

**CITY COUNCIL AND STAFF**

**Dr. Paul O. Meriwether, Mayor  
Robert Nance, Mayor Pro-Tem  
Erman Hensel, Council Member  
David Huffman, Council Member  
Tim Dale, Council Member  
Andy Fortenberry, Council Member**

**Mike Ahrens, City Manager  
Brenda Reynolds, Director of Finance/City Secretary**

**Approved by the  
City Council  
September 17, 2013**

**CITY OF MOUNT PLEASANT, TEXAS**

**ANNUAL OPERATING BUDGET  
FOR FISCAL YEAR 2013-2014**

This budget will raise more revenue from property taxes than last year's budget by an amount of \$179,936, which is a 6.916 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$21,592.

City Council Vote

The members of the governing body voted on the adoption of the budget as follows:

FOR: Robert Nance, Erman Hensel, David Huffman, Tim Dale, Andy Fortenberry

AGAINST: None

PRESENT and not voting: Dr. Paul O. Meriwether, Mayor

ABSENT: None

<b>Tax Rate</b>	<b>Proposed FY 2013-2014</b>	<b>Adopted FY 2012-2013</b>
Property Tax Rate	\$0.3433	\$0.3165
Effective Rate	\$0.3233	\$0.3140
Effective M&O Tax Rate	\$0.2938	\$0.3354
Rollback Tax Rate	\$0.4004	\$0.3906
Debt Rate	\$0.0295	\$0.0279

The total amount of debt obligation secured by property taxes including interest is \$ 5,797,512.

**CITY OF MOUNT PLEASANT, TEXAS  
BUDGET FOR FISCAL YEAR 2013-2014**

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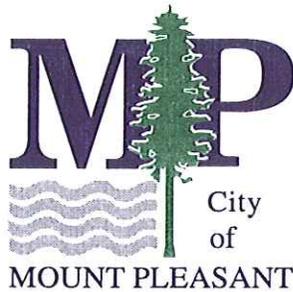
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September 17, 2013

Honorable Mayor and Council:

I am pleased to present to you the 2013-2014 Annual Budget for the Fiscal Year beginning October 1, 2013 and ending September 30, 2014.

The Annual Budget is a fiscal plan which reflects the programs, goals and policies necessary to provide services to the citizens of Mount Pleasant. The proposed 2013-2014 Annual Budget is a financial guideline which attempts to maintain or increase the levels of service for which the City is responsible. However, as with most communities, the need for capital improvements exceeds available resources. The City is committed to enhancing the quality of life in Mount Pleasant by continuing to provide necessary services to its citizens and instituting programs and projects which will serve the long term interests of the community. The budget strives to balance the available resources of the City with the need to perform the activities requested by the public.

This Annual Budget includes financial information regarding the General Fund, Utility Fund, Street Fund, and the numerous other funds. The proposed budget for Fiscal Year 2013-2014 for all funds totals \$36,523,940.

As reported by the Titus County Appraisal District, the certified appraised value totals \$816,550,532 which is a decrease of \$1,940,641 from last year's valuation of \$818,491,173. Although there was an increase of \$6.2 million in new value, there was also a drop of about \$17 million as a result of the Pilgrim's Pride lawsuit and re-valuation.

The effective tax rate for this budget year is calculated at .3233, an increase of .0068 over the current year tax rate of .3165. The effective tax rate is the tax rate which will result in the same amount of tax revenue based on any increase or decrease in the property tax value (excluding new values).

The 2013-2014 budget is based on a tax rate set at .02 cents over the effective tax rate, or .3433 per hundred. Each additional one cent in the tax rate will raise an additional \$80,000. This rate includes a debt tax of \$.0290 and a maintenance and operations tax rate of \$.3143.

Major expenditures planned for in this budget include:

- 1 Chevrolet Tahoe for the Police Department will complete the transition to an all Tahoe marked fleet.
- \$50,000 for a LaserFiche system for the Municipal Court. This is funded with the Court Technology Fee collected from defendants and will allow the Court to begin a transition to paperless.
- \$1.2 million for the implementation of an Automated Meter Read (AMR) system. This amount will allow the installation on all meters 2" and less, roughly 90% of the City's system.
- \$1.5 million for the completion of the first phase of NW 12 roadway reconstruction.
- \$4 million for the City's contribution to the Loop (if needed).
- \$174,620 for the 10% match for the airport hanger project. This amount will be loaned from the Utility Fund to the Airport Fund with repayment over several years.
- \$150,000 from the Park Improvement Fund to add lighting to Old Sam Parker Field to accommodate additional soccer play and tournaments.
- \$473,000 in the Utility Fund to repaint the interior and exterior of the Edwards Street elevated water tank.
- \$785,950 for the first phase of the new blower installation at the Waste Water Treatment Plant.
- Funding of an additional employee at the Civic Center due to greatly increased use of the facility.

This budget also calls for the creation of a new proposed Community Improvement Fund to be funded in the first year with \$100,000 each from the Street Fund and the Utility Fund. This new fund will be used to create enhancements in the community that will have a direct impact on the attractiveness and desirability of the City. Projects may include park improvements, intersection beautification, downtown enhancements, improved city signage and similar projects that are highly visible.

This budget proposes no increase in water/ wastewater rates or any city fees. An increase of 1.8% based on annualized Consumer Price Index (CPI) has been budgeted for solid waste billing as per the city's contract with Allied Waste.

This budget also includes a 3% Cost of Living (COL) increase in salary levels. I believe it is important to continue to reward our employees for the hard work they do and the value they provide to the City and its citizens.

I believe this budget reflects the City Council and Staff's continued commitment to provide a high quality of municipal services while maintaining an exceptionally low tax rate. It

is my belief that municipal government in Mount Pleasant is a true bargain for the citizens and something for which the citizens of Mount Pleasant can take significant pride.

I appreciate the input and cooperation of city staff in the development of this document and the collaborative effort that is necessary for a successful budget.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Mike Ahrens", written over a horizontal line.

Mike Ahrens  
City Manager

**ORDINANCE NO. 2013-9**

**AN ORDINANCE ADOPTING AND APPROVING A BUDGET FOR THE CITY OF MOUNT PLEASANT, TEXAS FOR THE FISCAL YEAR OCTOBER 1, 2013 THROUGH SEPTEMBER 30, 2014.**

**WHEREAS**, heretofore a budget for the fiscal year October 1, 2013, through September 30, 2014, has been prepared by Mike Ahrens, City Manager, Budget Officer for the City of Mount Pleasant, Texas; and

**WHEREAS**, said budget has been presented by the City Manager in accordance with Chapter 102 of the Texas Local Government Code and Article V, Section 1-13, of the Charter of the City of Mount Pleasant; and

**WHEREAS**, public notices of a public hearing upon this budget have been duly and legally made as required by law; and

**WHEREAS, FURTHER**, after full and final consideration, the public hearing having been held on said budget and the financial condition and comparative expenditures as filed having been duly considered, it is the opinion of the Mayor and City Council that the budget, as filed and amended, should be approved;

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOUNT PLEASANT, TEXAS;**

**SECTION 1**

That the City Manager be authorized to transfer funds as needed within a department as long as the total departmental appropriation is not exceeded.

**SECTION 2**

That any transfers of funds between departments or additions to the budget appropriations included in this budget must first be approved by the City Council.

**SECTION 3**

That the City Council of the City of Mount Pleasant does hereby ratify, adopt, and approve the budget as filed for the fiscal year beginning October 1, 2013 and ending September 30, 2014.

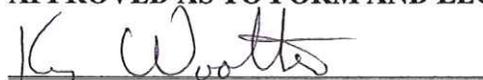
**PASSED, APPROVED AND ADOPTED THIS 17<sup>TH</sup> DAY OF SEPTEMBER 2013.**

  
\_\_\_\_\_  
Dr. Paul O. Meriwether, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Brenda Reynolds, City Secretary

**APPROVED AS TO FORM AND LEGALITY:**

  
\_\_\_\_\_  
Kerry Wootten, City Attorney

**ORDINANCE NO. 2013-10**

**AN ORDINANCE SETTING THE TAX RATE AND LEVYING A TAX UPON ALL PROPERTY SUBJECT TO TAXATION WITHIN THE CITY OF MOUNT PLEASANT, TEXAS, FOR THE YEAR 2013; APPORTIONING SAID LEVY AMONG THE VARIOUS FUNDS AND ITEMS FOR WHICH REVENUE MUST BE RAISED; PROVIDING FOR THE COLLECTION OF TAXES THEREIN LEVIED; ASSESSING PENALTY AND INTEREST FOR THE NON-PAYMENT OF SUCH TAXES WITHIN THE TIME SET; ADOPTING THE PROVISIONS OF SECTION 33.07 OF THE TEXAS PROPERTY TAX CODE TO DEFRAY THE COST OF ATTORNEY'S FEES FOR THE COLLECTION OF DELINQUENT TAXES; AND PROVIDING FOR PUBLICATION.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOUNT PLEASANT, TEXAS;**

**SECTION 1**

That there shall be and the same is hereby levied and shall be assessed and collected for the year 2013 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Mount Pleasant, Texas and not exempt by the Constitution of the State of Texas and valid State laws, an ad valorem tax of thirty four and thirty-three cents (\$0.3433) on each one hundred dollars (\$100.00) worth of taxable property at one hundred percent (100%) assessed valuation.

**SECTION 2**

That the taxes herein levied, when collected, shall be appropriated among the funds and departments of the municipal government of the City of Mount Pleasant, Texas, for the purposes hereinafter set forth as follows, to-wit:

For maintenance and operation for the general fund.....	\$0.3111
For maintenance and operation of cemeteries.....	0.0032
For payment of principal and interest on general obligation debt.....	0.0290
	<u>\$0.3433</u>

**“THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEARS’ RATE.”;**

**AND**

**“THE TAX RATE WILL EFFECTIVELY BE RAISED BY 6.186205 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$26.80.**

**SECTION 3**

That the tax assessor-collector for the City of Mount Pleasant, Texas, is hereby directed to assess, extend and enter upon the tax rolls of said city, for the year 2013, the amounts and rates

herein levied and to keep a current account of same, and when so collected, the same to be deposited in the depository of said city to be distributed in accordance with this ordinance.

**SECTION 4**

That the taxes herein levied are payable in one installment on or before January 31, 2014. Penalty and interest shall accrue on any unpaid amount thereafter said date in accordance with the rates established by the State of Texas.

**SECTION 5**

That the taxes herein levied are payable in Mount Pleasant, Texas, at the offices of the Titus County Appraisal District; and that the city shall have available all the rights and remedies provided by State law for the enforcement of the collection of taxes herein levied.

**SECTION 6**

That the City of Mount Pleasant, Texas, hereby adopts the provisions of Section 33.07 of the Texas Property Tax Code so that hereafter an additional penalty of twenty percent (20%) will be imposed on all 2013 taxes, including penalty and interest thereon, that are unpaid and delinquent on July 1, 2014, in order to defray the costs of attorney's fees for the collection of such taxes.

**SECTION 7**

That all ordinances and resolutions of the City of Mount Pleasant, Texas, are hereby repealed to the extent that said ordinances, resolutions, or parts of either, are in conflict herewith.

**SECTION 8**

That publication of this ordinance after its passage and adoption shall be made one (1) time as provided by the Revised Civil Statutes of the State of Texas and the Charter of the City of Mount Pleasant, Texas.

**PASSED, APPROVED AND ADOPTED THIS 17<sup>TH</sup> DAY OF SEPTEMBER 2013.**

  
\_\_\_\_\_  
**DR. PAUL O. MERIWETHER, MAYOR**

**ATTEST:**  
  
\_\_\_\_\_  
**BRENDA REYNOLDS, SECRETARY**

**APPROVED AS TO FORM AND LEGALITY:**  
  
\_\_\_\_\_  
**KERRY WOOTTEN, CITY ATTORNEY**

**ORDINANCE NO. 2013-11**

**AN ORDINANCE AMENDING SECTION 53.60 OF TITLE V OF CHAPTER 53 OF THE CODE OF ORDINANCES TO INCREASE CHARGES FOR SOLID WASTE COLLECTION; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR PUBLICATION.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOUNT PLEASANT, TEXAS:**

**SECTION 1**

That from and after the effective date of this Ordinance, Section 53.60 of Title V of Chapter 53 of the Code of Ordinances of the City of Mount Pleasant, Texas, is hereby amended to read as follows:

"Sec. 53.60. Charges by city for solid waste collection.

(a) Charges for solid waste collection services shall be as follows:

- (1) Residential, per month..... \$15.37
- (2) Commercial, hand collection..... \$32.57
- (3) Commercial cart service ..... \$38.46
- (4) Commercial, containers:

<u>Cubic Yards</u>	Number of Collections Per Week				
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
2	\$52.65	\$ 91.58	\$145.11	\$184.76	\$218.35
3	75.61	131.40	187.33	250.43	306.88
4	97.28	169.13	239.70	319.35	389.35
6	134.86	232.78	328.20	426.02	534.44
8	166.79	282.59	398.21	513.76	636.32

(5) Unscheduled Pick-ups:

<u>Cubic Yards</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>6</u>	<u>8</u>
	\$45.89	\$47.31	\$48.69	\$50.06	\$51.46

(6) Roll-Off Containers:

<u>Cubic Yards</u>	<u>20</u>	<u>30</u>	<u>40</u>	<u>42</u>
	\$473.63	\$591.97	\$710.49	\$734.68
Monthly rental	\$60.07	\$60.07	\$60.07	6.5% above Olympic

**SECTION 2**

That all ordinances, orders or resolutions heretofore passed and adopted by the City Council of the City of Mount Pleasant, Texas, are hereby repealed to the extent that said ordinances, orders or resolutions, or parts thereof, are in conflict herewith.

**SECTION 3**

If any section, subsection, clause, phrase or provision of this Ordinance is for any reason held unconstitutional or void by a court of competent jurisdiction, such holding shall not affect any valid provision of this or any other ordinance of the City of Mount Pleasant, Texas.

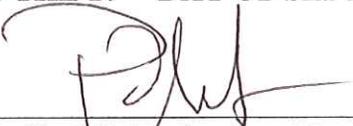
**SECTION 4**

This Ordinance shall take effect and be in full force from and after October 1, 2013.

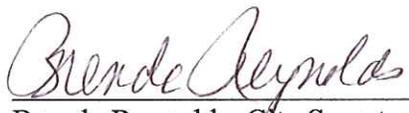
**SECTION 5**

Only the descriptive caption of this Ordinance shall be published once as provided by the Revised Civil Statutes of the State of Texas.

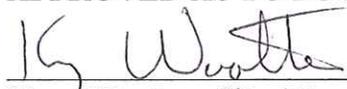
**PASSED, APPROVED AND ADOPTED THIS THE 17<sup>TH</sup> DAY OF SEPTEMBER, 2013.**

  
\_\_\_\_\_  
Dr. Paul O. Meriwether, Mayor

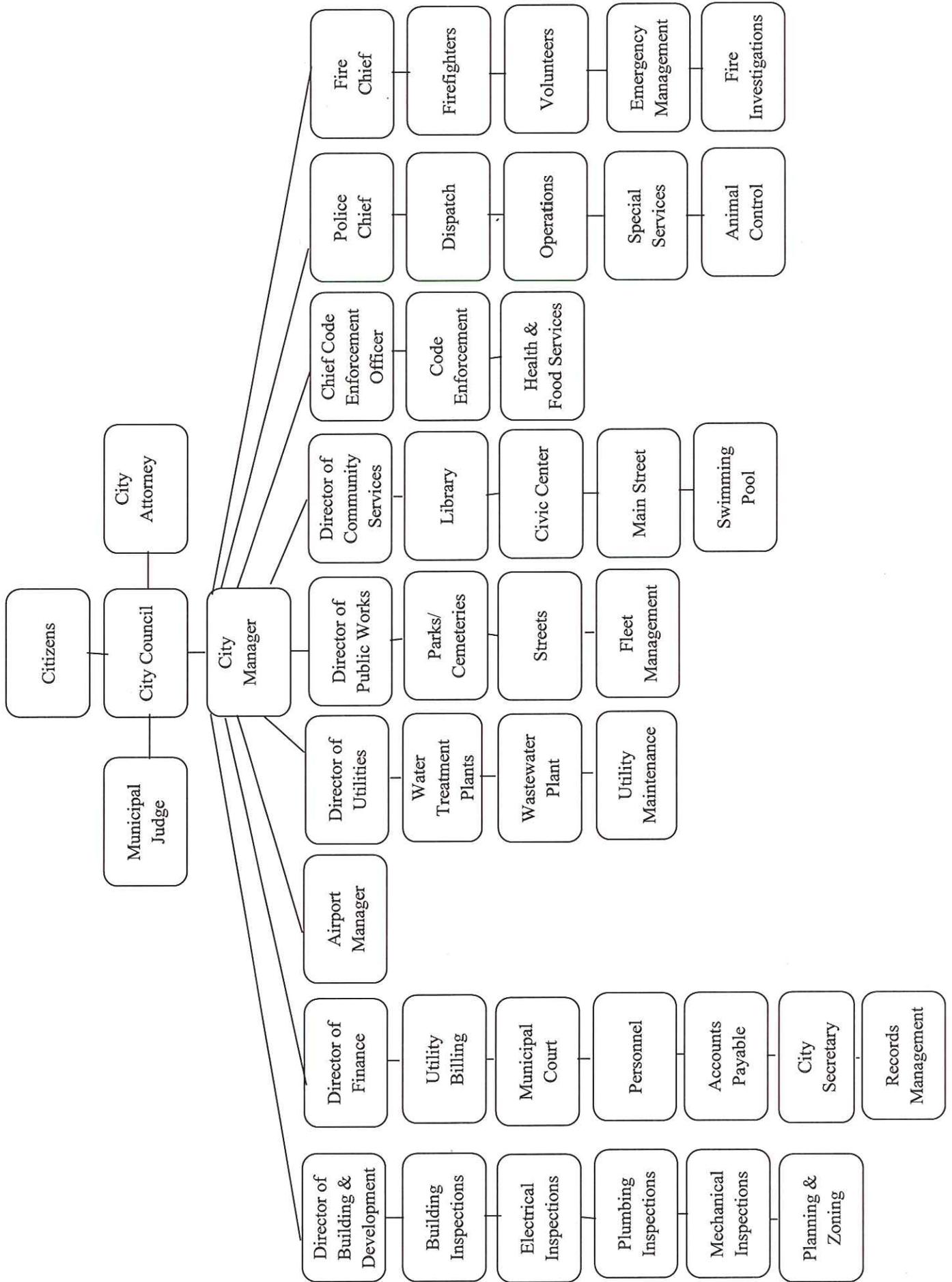
**ATTEST:**

  
\_\_\_\_\_  
Brenda Reynolds, City Secretary

**APPROVED AS TO FORM AND LEGALITY:**

  
\_\_\_\_\_  
Kerry Wootten, City Attorney

# ORGANIZATION CHART





**CITY OF MOUNT PLEASANT  
ANNUAL BUDGET  
2013-2014**

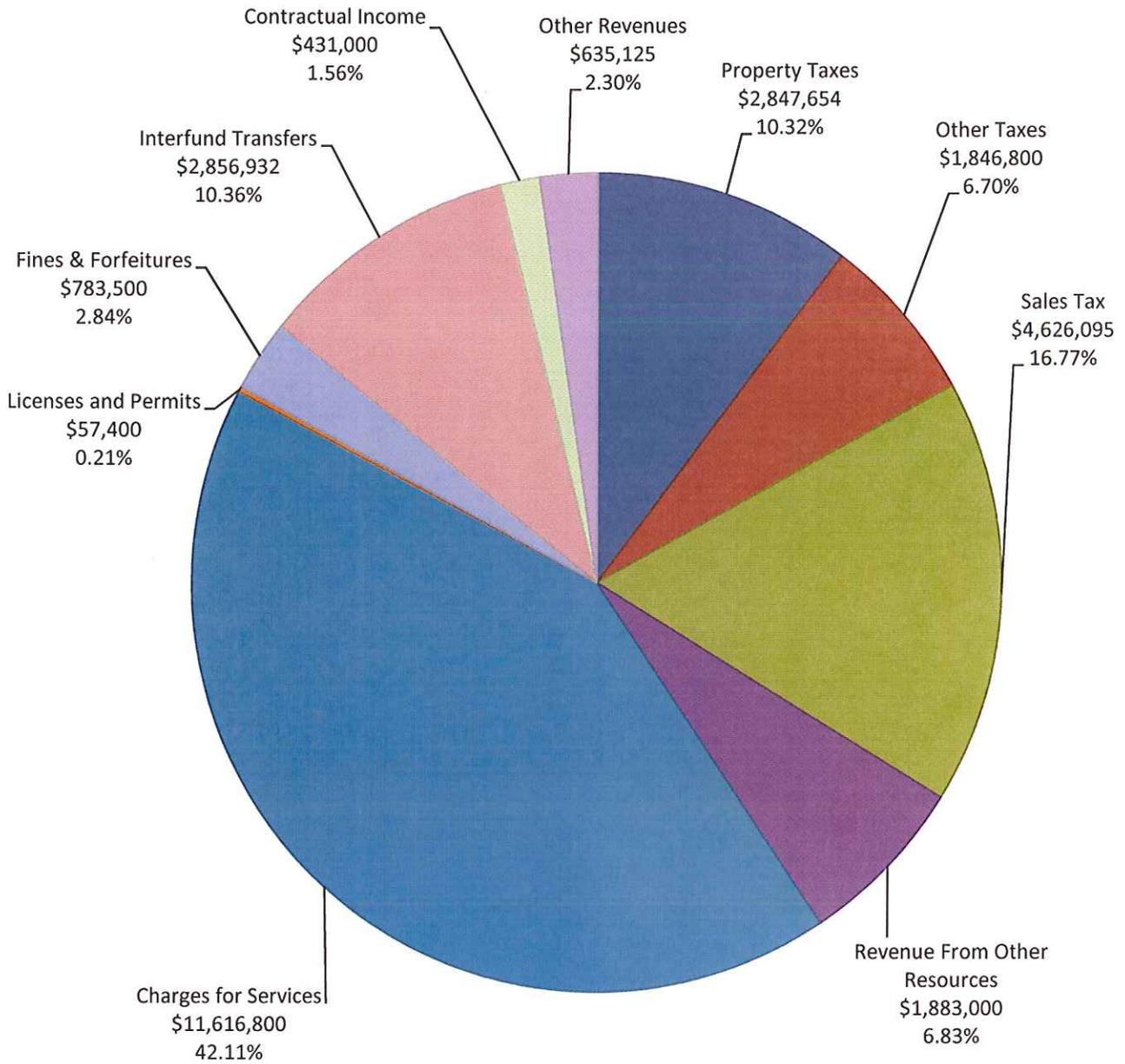
**SUMMARY OF ALL FUNDS**

	<b>GOVERNMENTAL FUND TYPES</b>	<b>PROPRIETARY FUND TYPES</b>	<b>FIDUCIARY FUND TYPES</b>	<b>TOTAL FUNDS</b>
BEGINNING BALANCE	\$18,504,074	\$6,188,158	\$92,843	\$24,785,075
REVENUES	15,265,316	12,278,940	40,050	27,584,306
TOTAL FUNDS AVAILABLE	\$33,769,390	\$18,467,098	\$132,893	\$52,369,381
EXPENDITURES	22,907,238	13,786,702	30,000	36,723,940
ENDING BALANCE	\$10,862,152	\$4,680,396	\$102,893	\$15,645,441

**CITY OF MOUNT PLEASANT, TEXAS  
SUMMARY OF REVENUES**

	ACTUAL 2011-2012	PROJECTED 2012-2013	APPROVED 2013-2014
CURRENT PROPERTY TAXES	\$2,430,854	\$2,540,500	\$2,747,154
DELINQUENT PROPERTY TAXES	59,244	54,900	54,900
PENALTIES AND INTEREST	47,154	45,600	45,600
P.I.L.O.T.	3,774	3,800	3,800
UTILITY FRANCHISE FEES	1,231,092	1,250,000	1,266,000
SALES TAX COLLECTIONS	4,159,104	4,198,601	4,240,587
LIQUOR TAX	25,436	25,400	27,000
HOTEL OCCUPANCY TAX	547,349	540,000	550,000
OTHER TAXES	378,100	381,691	385,508
WATER SALES	6,423,881	6,510,000	6,510,000
SEWER CHARGES	1,399,644	1,400,000	1,400,000
TAPS AND CONNECT FEES	66,220	66,000	66,000
SOLID WASTE COLLECTION	2,478,357	2,570,000	2,621,400
PENALTIES - GARBAGE BILLING	113,752	135,000	135,000
AVIATION FUEL SALES	777,488	850,000	850,000
ZONING AND PLATTING FEES	250	1,200	1,000
SWIMMING POOL CHARGES	22,470	28,000	28,000
VENDING AND CONCESSIONS	4,526	5,400	5,400
BUILDING PERMITS	37,248	25,000	30,000
ELECTRICAL PERMITS	1,530	1,800	2,000
PLUMBING PERMITS	2,105	2,000	2,500
MECHANICAL PERMITS	600	900	900
OTHER PERMITS AND LICENSES	17,191	22,000	22,000
MUNICIPAL COURT	690,213	700,000	750,000
SHELTER FEES	23,164	27,000	27,000
LIBRARY FINES	5,856	6,500	6,500
OTHER FINES	0	0	0
INTEREST INCOME	31,930	39,180	30,875
LEASES AND RENTALS	182,938	215,000	240,000
INTERGOVERNMENTAL REVENUE	10,999	11,692	36,450
SALE OF EQUIPMENT AND MATERIAL	260,734	199,101	0
SALE OF LAND	8,400	7,000	7,400
CONTRACTUAL INCOME	407,160	422,616	431,000
CONTRIBUTIONS AND MEMORIALS	12,944	12,500	5,500
INTERFUND TRANSFERS	1,256,860	2,037,625	2,856,932
MISCELLANEOUS REVENUE	335,394	287,839	218,900
REVENUE FROM OTHER RESOURCES	3,898,715	9,992,456	1,883,000
CURB & GUTTER ASSESSMENTS	6,359	10	0
PARK USER FEES	29,015	24,000	24,000
VECTOR FEES	71,926	72,000	72,000
	<u>\$27,459,974</u>	<u>\$34,712,311</u>	<u>\$27,584,306</u>

**CITY OF MOUNT PLEASANT, TEXAS  
SUMMARY OF REVENUES  
BY CLASSIFICATION/SOURCE  
FY 2013-2014**

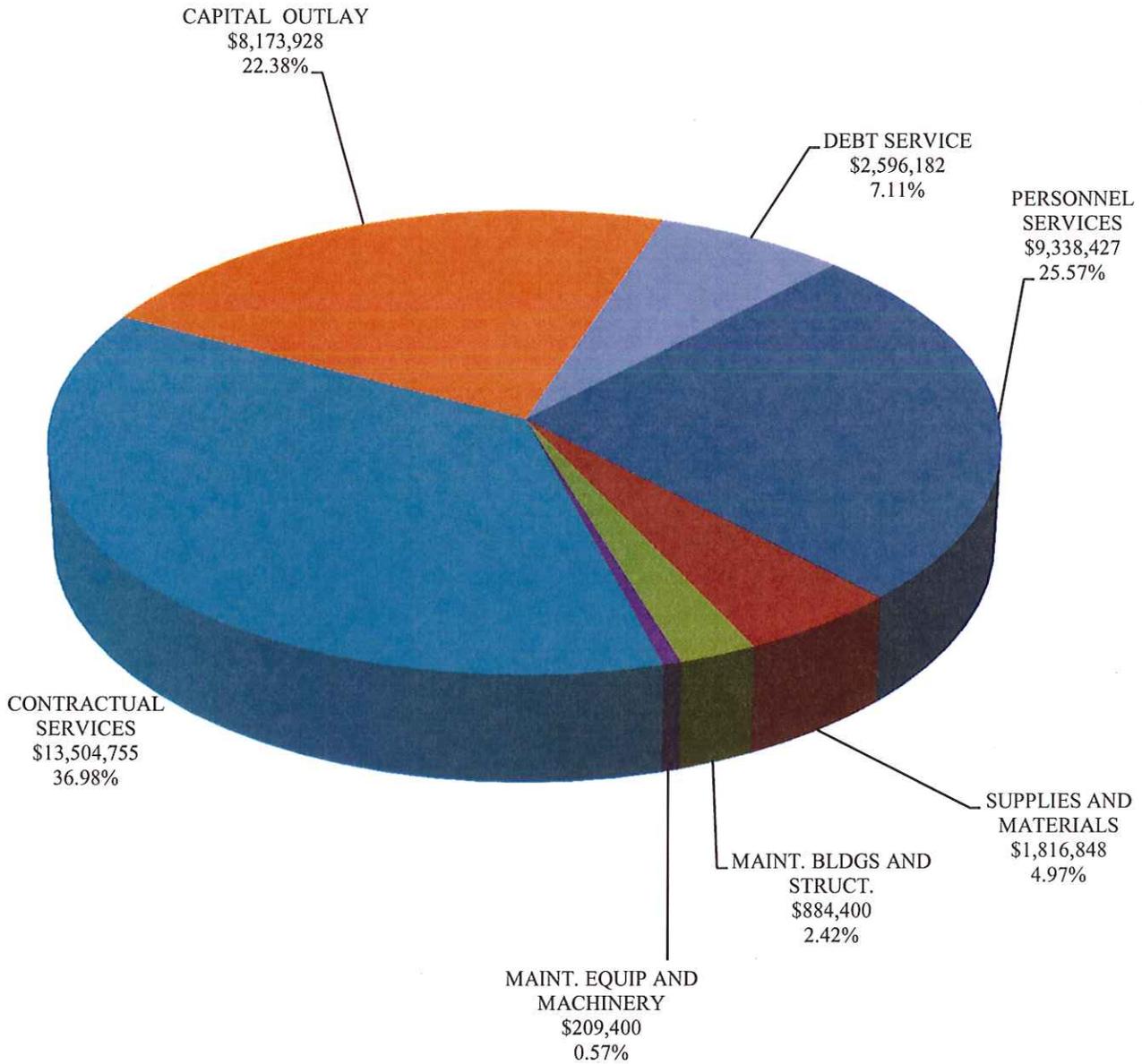


City of Mount Pleasant  
SUMMARY OF EXPENDITURES  
2013-2014

FUNDS	PERSONNEL SERVICES	SUPPLIES AND MATERIALS	MAINT. BLDGS AND STRUCT.	MAINT. EQUIP AND MACHINERY
<b>GOVERNMENTAL FUND TYPES</b>				
GENERAL FUND	\$6,061,255	\$367,550	\$106,200	\$110,750
STREET DEPARTMENT FUND	556,574	60,050	301,500	37,200
CURB & GUTTER FUND	0	0	0	0
<b>TOTAL GENERAL FUNDS</b>	<b>\$6,617,829</b>	<b>\$427,600</b>	<b>\$407,700</b>	<b>\$147,950</b>
TOURISM/HISTORICAL BUDGET FUND	\$0	\$20,000	\$0	\$0
CEMETERY FUND	0	500	8,000	0
POLICE SEIZURE PROCEEDS FUND	0	50,000	0	0
DWI STEP GRANT FUND	6,950	0	0	0
TXDOT RAMP GRANT FUND	0	0	8,000	0
ECONOMIC DEVELOPMENT FUND	193,196	3,400	30,000	0
HOTEL/MOTEL TAX FUND	0	0	0	0
LIBRARY CONTRIBUTION FUND	0	0	0	0
FIREMEN'S RELIEF FUND	0	0	0	0
PUBLIC SAFETY PREVENTION FUND	0	2,370	0	0
HOBBS' TRUST ACCOUNT FUND	0	1,000	0	0
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>\$200,146</b>	<b>\$77,270</b>	<b>\$46,000</b>	<b>\$0</b>
NEW WATER TREATMENT PLANT FUND	\$0	\$0	\$0	\$0
WATER DEVELOPMENT BOARD FUND	0	0	0	0
STREET IMPROVEMENTS	0	0	0	0
AIRPORT RUNWAY WIDENING FUND	0	0	0	0
LOOP PROJECT FUND	0	0	0	0
PARK IMPROVEMENTS FUND	0	0	0	0
COMMUNITY IMPROVEMENT FUND	0	0	0	0
<b>TOTAL CAPITAL PROJECT FUNDS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
DEBT SERVICE FUND	\$0	\$0	\$0	\$0
<b>TOTAL DEBT FUNDS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>SUBTOTAL</b>	<b>\$6,817,975</b>	<b>\$504,870</b>	<b>\$453,700</b>	<b>\$147,950</b>
<b>PROPRIETARY FUND TYPES</b>				
UTILITY FUND	\$2,077,080	\$595,400	\$419,700	\$52,650
CIVIC CENTER FUND	\$247,884	\$53,950	\$9,000	\$1,500
AIRPORT FUND	\$195,488	\$662,628	\$2,000	\$7,300
<b>SUBTOTAL</b>	<b>\$ 2,520,452</b>	<b>\$ 1,311,978</b>	<b>\$ 430,700</b>	<b>\$ 61,450</b>
<b>FIDUCIARY FUND TYPES</b>				
POLICE ESCROW FUND	\$0	\$0	\$0	\$0
<b>SUBTOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL ALL FUNDS</b>	<b>\$9,338,427</b>	<b>\$1,816,848</b>	<b>\$884,400</b>	<b>\$209,400</b>

CONTRACTUAL SERVICES	CAPITAL OUTLAY	DEBT SERVICE	TOTALS
\$1,251,790	\$311,540	\$0	\$8,209,085
332,400	1,226,200	454,013	2,967,937
333,838	0	0	333,838
<b>\$1,918,028</b>	<b>\$1,537,740</b>	<b>\$454,013</b>	<b>\$11,510,860</b>
\$20,000	\$0	\$0	\$40,000
25,800	0	0	34,300
8,400	0	0	58,400
0	0	0	6,950
5,000	46,000	0	59,000
210,797	0	322,470	759,863
550,000	0	0	550,000
0	6,500	0	6,500
800	0	0	800
0	0	0	2,370
0	5,000	0	6,000
<b>\$820,797</b>	<b>\$57,500</b>	<b>\$322,470</b>	<b>\$1,524,183</b>
\$371,138	\$1,200,000	\$0	\$1,571,138
400,000	1,083,588	0	1,483,588
4,263,825	1,500,000	0	5,763,825
174,620	0	0	174,620
30,000	171,900	0	201,900
85,886	150,000	0	235,886
0	200,000	0	200,000
<b>\$5,325,469</b>	<b>\$4,105,488</b>	<b>\$0</b>	<b>\$9,430,957</b>
\$0	\$0	\$241,238	\$241,238
\$0	\$0	\$241,238	\$241,238
<b>\$8,064,294</b>	<b>\$5,700,728</b>	<b>\$1,017,721</b>	<b>\$22,707,238</b>
\$5,225,361	\$2,428,400	\$1,578,461	\$12,377,052
\$47,650	\$44,800	\$0	\$404,784
\$137,450	\$0	\$0	\$1,004,866
<b>\$ 5,410,461</b>	<b>\$ 2,473,200</b>	<b>\$ 1,578,461</b>	<b>\$ 13,786,702</b>
\$30,000	\$0	\$0	\$30,000
\$30,000	\$0	\$0	\$30,000
<b>\$13,504,755</b>	<b>\$8,173,928</b>	<b>\$2,596,182</b>	<b>\$36,523,940</b>

**CITY OF MOUNT PLEASANT, TEXAS  
SUMMARY OF EXPENDITURES  
BY CLASSIFICATION/OBJECT CODE CATEGORY  
FY 2013-2014**



## INTRODUCTION

The City of Mount Pleasant's 2013-2014 annual operating budget is the result of many hours of deliberation as well as a response to both internal and external forces that have imposed fiscal constraints in its preparation. The discussion that follows sets forth and summarizes the contents of the budget document. Organization of the budget is designed to help the reader locate information, both financial and non-financial, in a timely fashion.

The governmental fund types are divided into the General Fund, Special Revenue Funds, Capital Projects Funds and a Debt Service Fund. Within the General Fund there are sixteen different departments, a General Capital Fund and Street Fund. There are fifteen active Special Revenue Funds, seven Capital Project Funds and one Debt Service Fund. The proprietary funds consist of three separate funds: the Utility Fund, the Civic Center Fund and the Airport Fund. Within the Utility Fund there are ten different departments. The fiduciary fund type consists of the Police Escrow Fund.

## BASIS OF ACCOUNTING/BUDGETING

The budgetary and accounting policies contained in the proposed budget conform to generally accepted accounting principles (GAAP) as established by the governmental accounting standards board (GASB). The accounts of the city are organized on the basis of funds and account groups, each of which is considered a separate budgetary and accounting entity. Within the budget, the city's various funds are grouped into the following categories of fund types:

The governmental fund types include the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Fund and use a financial resources measurement focus and are accounted for and budgeted using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures represent a decrease in net financial resources and are recorded when the fund liability is incurred, if measurable.

The proprietary fund types include the Utility Fund, Airport Fund and Civic Center Fund and are accounted and budgeted for on a cost of services using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. For purposes of this budget presentation, depreciation is not displayed and capital expenditures and bond principal payments are shown as uses of funds.

### **Governmental Fund Types**

Governmental fund types are those through which most governmental functions of the city are financed. The acquisition, use, and balances of the city's expendable financial resources and the related liabilities (except those accounted for in the proprietary and fiduciary fund types) are accounted for through governmental fund types.

1. **General Fund** – The General Fund is the general operating fund of the city. It is used to account for all revenues and expenditures except those required to be accounted for in other funds. Major functions financed by the General Fund include: general

government, judicial, public safety, public services and public works. The General Capital Fund and the Street Fund are also a part of the General Fund although they are accounted for in separate funds.

2. Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects. The Special Revenue Funds include the Rescue Recovery Fund, PEG Fund, Tourism/Historical Budget Fund, Cemetery Fund, Police Seizure Proceeds Fund, DWI Step Grant Fund, Rural Development Revolving Loan Fund, TxDOT Ramp Grant Fund, Economic Development Fund, Economic Development Marketing Fund, Hotel/Motel Tax Fund, Library Contribution Fund, Firemen’s Relief Fund, Public Safety Prevention Fund and Hobbs Trust Account Fund.
3. Capital Projects Funds – The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital items or facilities. This year the Capital Projects Funds are: New Water Treatment Plant Fund, Texas Water Development Board Fund, Street Improvement Fund, Airport Hangar Construction Fund, Loop Project Fund, Park Improvements Fund and Community Improvement Fund.
4. Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

### **Proprietary Fund Types**

ENTERPRISE FUNDS – Enterprise funds are used to account for operations that are either financed and/or operated in a manner similar to private business enterprises, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

1. Utility Fund – This fund accounts for water, wastewater and solid waste collection for the city. All activities necessary to provide such services are accounted for in the fund, including administration, operation, billing and collection, maintenance, financing and related debt service.
2. Civic Center Fund – This fund accounts for the operations of the civic center and is funded through rental and hotel occupancy tax. All activities necessary to provide such services are accounted for in the fund, including administration, operation and maintenance.
3. Airport Fund – This fund accounts for the operations of the airport and is funded totally by hangar leases and fuel sales. All activities necessary to provide such services are accounted for in the fund, including administration, operation and maintenance.

### **Fiduciary Fund Types**

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the city’s own programs.

1. Police Escrow Fund – This fund holds money seized from drug seizures through the police department until such time as the court releases it. At that time, the funds can then be released to the city and courts or returned to the individual from whom it was seized.

## **THE BUDGET PROCESS**

The process of developing and preparing the city's proposed budget begins during May of each year; at which time, an initial planning meeting is held with all department heads and administrative budget staff for the purpose of distributing and reviewing the budget preparation schedule and departmental budget request forms and accompanying instructions. Completed departmental budget request forms are subsequently submitted by department heads to the City Manager and Director of Finance during the middle of June.

During June, the City Manager and Director of Finance conduct a series of individual budget hearings with all department heads for the purposes of reviewing both the accuracy and validity of departmental requests for operational and capital expenditures and adjusting such requests as necessary.

Upon completion of the budget hearings with department heads, the City Manager and Director of Finance, begin the process of preparing revenue projections and balancing requested departmental expenditures with projected revenues and beginning balances. Final preparations for submission of the proposed budget to the Mayor and City Council are completed in late July and early August. Subsequently, the proposed budget is submitted to the Mayor and City Council for their review and consideration during workshops held in late August. During the workshops, the Mayor and City Council may amend or modify the proposed budget as they deem appropriate and in the best interest of the city and its citizens. Public notice of the workshop is posted and the general public may attend.

Upon completion of the budget workshops with the Mayor and City Council, the proposed budget is filed with the City Secretary, and public notice is both posted and published to notify the general public of the time and place of the required public hearing on the proposed budget. This notice also advises the general public of the availability of the proposed budget for review and inspection prior to the scheduled public hearing, which is generally held during early to mid September.

After the public hearing, the City Council, by ordinance, adopts the proposed budget and establishes the tax rate for the corresponding tax year. The budget document is then prepared by the Director of Finance which includes the executive summary with completion of statistical information and graphs. The adopted budget is then filed with the City Secretary and the County Clerk of Titus County as required by the city's charter, and is placed at the public library for inspection by the general public. Copies of the adopted budget are distributed to all department heads and to the media, appropriate financial institutions, debt rating agencies, investment and financial advisors, regulatory agencies, intergovernmental grantors and other interest citizens and parties.

## BUDGETARY CONTROL

Budgetary control is established and maintained after adoption of the budget by the preparation of monthly revenue and expenditure statements which provide monthly and year-to-date amounts and percentages of budgeted appropriations expended by fund, department, account and line items. These monthly statements are distributed to the Mayor and City Council and all department heads. The City Manager is authorized to transfer budgeted amounts within a department to any line-item within the same department; however, any amendments or revisions to the adopted budget that alter total expenditures for any department must be approved by the City Council.

## STATUTORY REQUIREMENTS

The ad valorem tax, better known as the property tax, is an important financial resource for the General Fund. It is important for all citizens to fully understand the makeup of the taxes levied against their properties. The following synopsis provides a basic working knowledge of property taxes and how they are determined.

Much of what taxing authorities such as cities, school districts, counties and special districts are allowed to levy for property taxes is determined by the State of Texas. The state legislature provided for the establishment of county appraisal districts. The purpose of these appraisal districts is to determine fair market values of all taxable property within a specific county. The taxable value of property is determined as of January 1 of each year.

The appraisal district generally notifies taxpayers of their assessed valuations in March and allows for them to challenge the valuations if the taxpayers believe them to be in error. A tax appraisal review board hears all tax protests and determines if the original valuation is correct or in error. On May 25 of each year, the appraisal district is required to provide taxing authorities with a certified estimate of total appraised value. The preliminary estimate is used by the City to help project what revenues will be available in the next fiscal year. The preliminary estimate, while providing indications of an increasing or decreasing tax roll, is subject to fluctuations because of possible tax protests mentioned above.

The most important date relating to the appraisal district is July 25. On that date a certified appraisal roll must be provided to all taxing authorities. The certified roll provides a basis upon which a tax rate can be applied to produce necessary revenues for the operation of city services.

After determination of a tax rate for the upcoming budget year there are several procedures and tests that must be applied to the rate in order for state law to be met. They include:

- **Calculation and publication of the effective tax rate.** The effective tax rate is the tax rate that when applied to the taxable assessed valuation, would produce the same total taxes as last year when properties taxed in both years are compared. The objective of the effective tax rate is to generate equal tax revenues using taxable valuations from different years.

- **Determination of whether the proposed tax rate exceeds the effective tax rate or rollback rate.** Texas state law requires that if a taxing authority's tax rate raises their tax rate above the effective then there must be a proposal on the agenda that the City Council will propose an increase in the tax rate, a vote must be taken on that proposal and a notice of public hearing must be published with two public hearings scheduled.

### 2013 PROPERTY TAX RATES

This notice concerns 2013 property tax rates for the City of Mount Pleasant. It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

**Last year's tax rate:**

Last year's operating taxes	\$2,372,347
Last year's debt taxes	\$229,343
Last year's total taxes	\$2,601,690
Last year's tax base	\$822,019,047
Last year's total tax rate	\$0.316500/\$100

**This year's effective tax rate:**

Last year's adjusted taxes (after subtracting taxes on lost property)	\$2,620,316
÷ This year's adjust tax base (after subtracting value of new property)	\$810,261,104
= This year's effective tax rate	\$0.323300/\$100

**This year's rollback tax rate:**

Last year's adjust operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate and/or enhanced indigent health care expenditures)	\$2,783,650
÷ This year's adjust tax base	\$810,261,104
= This year's effective operating rate	\$0.343500/\$100
x 1.08 = this year's maximum operating rate	\$0.370900/\$100
+ This year's debt rate	\$0.029500/\$100
= This year's rollback rate	\$0.400400/\$100
- Sales tax adjustment rate	\$0.048000/\$100
= Rollback tax rate	\$0.352400/\$100

**Statement of Increase/Decrease**

If the City of Mount Pleasant adopts a 2013 tax rate equal to the effective tax rate of \$0.323300 per \$100 of value, taxes would increase compared to 2012 taxes by \$9,015.

**Schedule C- Expected Revenue from Additional Sales Tax**

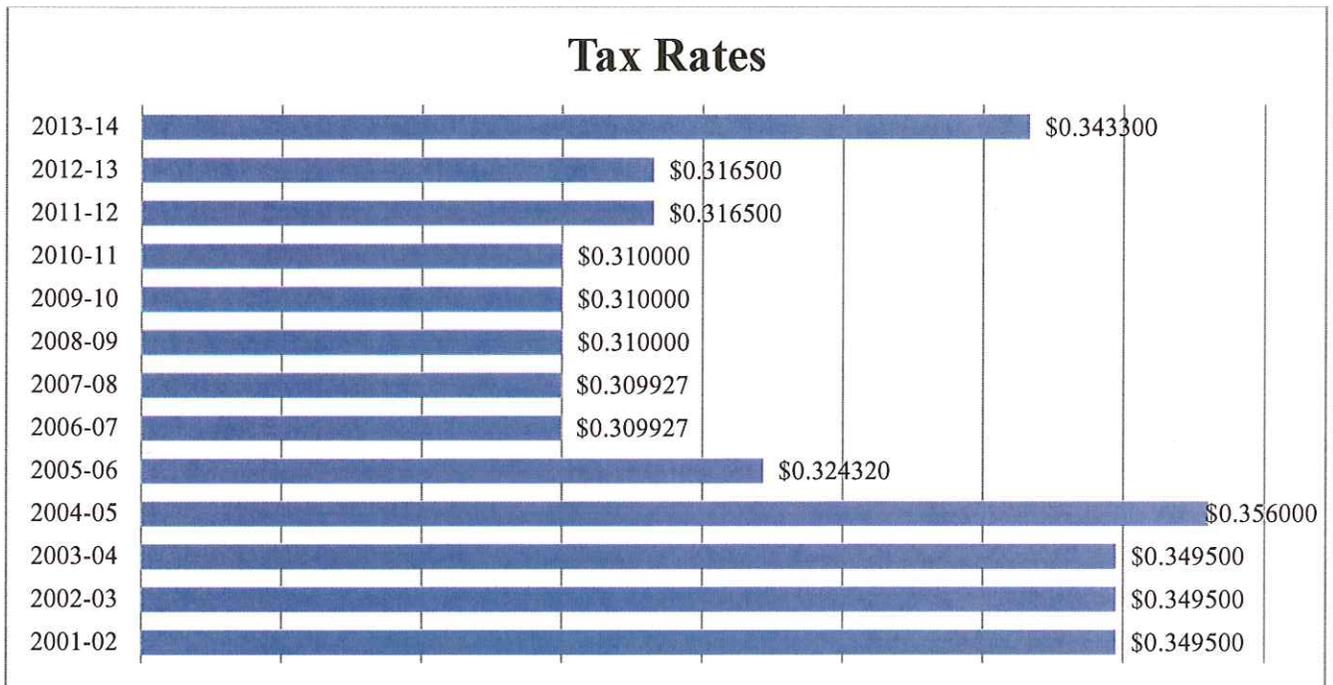
In calculating its effective and rollback tax rates, the unit estimated that it will receive \$392,678 in additional sales and use tax revenues.

**ANALYSIS OF TAX RATE  
FISCAL YEAR 2013-2014**

Estimated assessed valuation of real and personal property	\$816,550,532
City Tax Rate	<u>\$0.3433</u>
Tax Levy	<u>\$2,803,218</u>
Estimated 98.0% collection	<u>\$2,747,154</u>

**DISTRIBUTION OF AD VALOREM TAXES**

	<b>Tax Rate \$100 Valuation</b>	<b>Percent of Value</b>	<b>98.0% of Collection</b>
General fund	\$0.3111	90.61%	\$2,489,156
Cemetery fund	\$0.0032	.95%	\$26,000
Debt service fund	<u>\$0.0290</u>	<u>8.44%</u>	<u>\$231,998</u>
	<u>\$0.3433</u>	<u>100.00%</u>	<u>\$2,747,154</u>



## STATISTICAL ANALYSIS OF 2013-2014 ADOPTED BUDGET BY FUND TYPE

Further analysis of the budget is by fund type. The city maintains three fund types: Governmental, Proprietary and Fiduciary. These three fund types consist of a variety of funds, which are broken down by departments, which represent cost centers to the city.

### GOVERNMENTAL FUND TYPES GENERAL FUND

#### REVENUES – COMPOSITION, ASSUMPTIONS, AND CHANGES FROM PRIOR YEAR

Funding the city's General Fund operations is derived from six revenue categories. Each of these categories is detailed below with a brief description.

#### TAXES

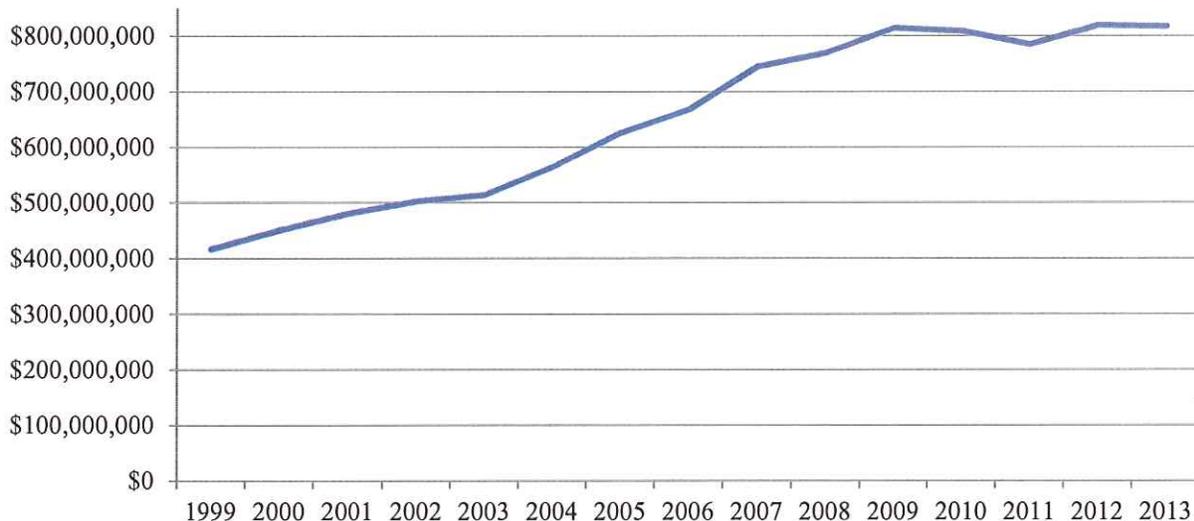
##### Property Taxes

Property taxes are levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located within the city. Assessed values represent the appraised value less applicable exemptions authorized by the city council. The Titus County Appraisal District at 100% of estimated market value establishes appraised values.

Taxes are due October 1, immediately following the January 1 lien date, and are delinquent after the following January 31. Delinquent taxes are subject to a 15% penalty and 6% interest according to Texas State law.

Certified property valuations provided by the Titus County Appraisal District totaled \$816,550,532 for 2013, of this amount \$6,289,428 is for new property added to the tax roll.

Below is a trend of the assessed valuation. For 2013 the assessed valuation shows a decrease of 1.0687%.

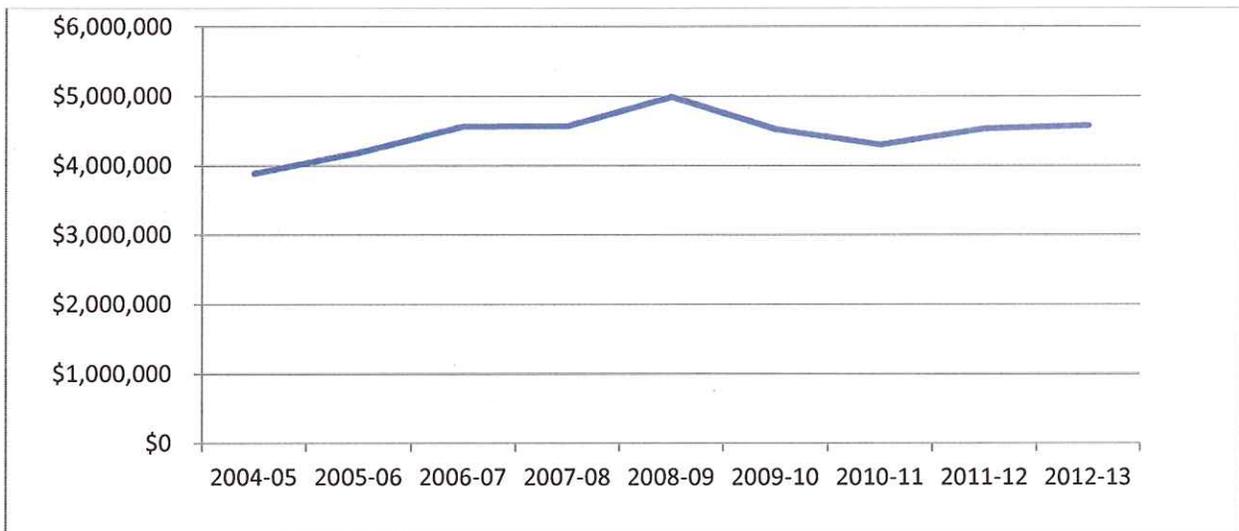


Property tax revenues are budgeted to generate \$2,747,154 this year based upon a 98% collection rate. Of this amount \$2,489,156 is for general maintenance and operations within the General Fund. Total property tax revenues in the General Fund which includes delinquent taxes and penalties and interest total \$2,581,156 and account for 32.20% of all General Fund revenues.

**Sales Tax**

Sales tax revenues continue to be a major revenue source for the city’s General Fund. Sales tax budgeted in the General Fund totals \$3,469,571 or 43.28% of the total budget. The sales tax for the City of Mount Pleasant is 8.25% with the state receiving 6.25%, the county receiving .5% and the city receiving the remaining 1.5%. Of the City’s 1.5%, the .5% is divided between the General Fund and the Economic Development Fund. The Economic Development Fund receives ¾ of the .5% with the remaining ¼ left in the General Fund for the reduction of property taxes. The following table reflects total sales tax received for the past nine years.

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
<b>October</b>	287,575	328,306	361,178	350,178	408,976	340,603	321,657	330,006	356,803
<b>November</b>	347,249	291,683	443,144	394,481	465,937	378,903	381,629	393,294	415,027
<b>December</b>	294,577	297,330	333,034	361,532	425,276	339,006	301,801	331,399	301,351
<b>January</b>	311,943	348,535	358,529	348,342	379,084	315,781	332,003	343,489	372,476
<b>February</b>	407,490	425,446	496,626	460,225	540,136	437,371	456,272	458,539	493,674
<b>March</b>	280,330	292,823	347,090	317,533	376,227	304,377	285,206	304,586	338,086
<b>April</b>	282,122	307,458	340,500	330,121	370,292	303,763	323,876	344,144	400,579
<b>May</b>	378,284	385,595	436,656	402,481	482,405	395,937	443,082	465,515	455,095
<b>June</b>	314,911	330,668	345,273	404,575	362,123	347,522	344,389	359,582	372,395
<b>July</b>	314,690	351,772	342,235	369,316	362,581	609,645	343,321	398,688	369,712
<b>August</b>	374,733	466,156	407,994	429,463	471,695	426,170	416,657	439,787	431,364
<b>September</b>	295,562	363,774	356,351	405,242	349,280	327,571	351,658	368,174	273,730
	3,889,466	4,189,546	4,568,610	4,573,489	4,994,012	4,526,649	4,301,551	4,537,204	4,580,292



### **Other Taxes**

Other taxes total \$30,800 or .38% of the total General Fund taxes. These taxes are P.I.L.O.T. which is paid by the Mount Pleasant Housing Authority and liquor taxes collected within the city.

### **CHARGES FOR CURRENT SERVICES**

This revenue category accounts for funds earned by the city in exchange for specific types of services provided. Examples of services include zoning/platting fees and swimming pool charges. Total charges for services are budgeted at \$34,400 and represent .43% of total General Fund revenues.

### **LICENSES & PERMITS**

License and permits revenue includes fees charged by the City for certain types of operator licenses and permits for construction and other items regulated by city ordinances. Building activity has increased slightly during fiscal year 2012-2013 and we are projecting a same increase for the coming year. The budgeted amount totals \$57,400 or .72% of the General Fund revenues.

### **FINES AND FORFEITURES**

Fines and forfeitures represent revenue generated from the municipal court and other fines such as animal shelter fees and library fines. These revenues are budgeted at \$783,500 and represent 9.77% of the total budget. The fines for municipal court are projected at \$750,000 and represent 95.72% of this classification.

### **CONTRACTUAL INCOME**

Contractual income represents the payment from Titus County for the fire contract, animal shelter contract and emergency management contract also included is the contribution from the City of Pittsburg for the animal shelter contract. This totals \$431,000 and comprises 5.38% of the budget.

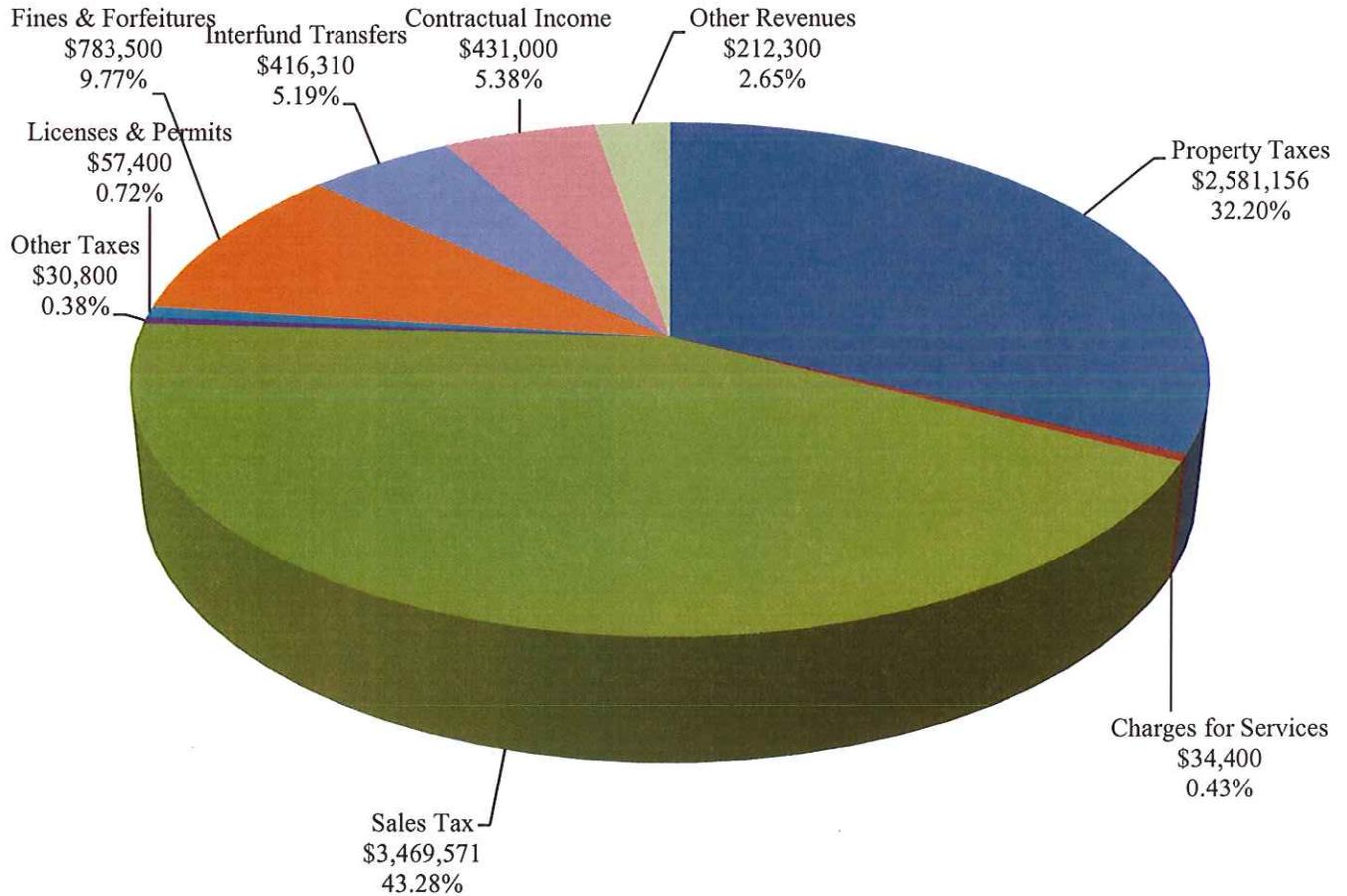
### **INTERFUND TRANSFERS**

Interfund transfer totals \$416,310. Funds are transferred to the General Fund from the Utility Fund for revenues earned on solid waste collection projected at \$377,910, \$8,400 from the Police Seizure Proceeds Fund for K-9 pay paid to the officers that care for the drug dogs, \$5,000 for promotions from the Hotel/Motel Fund and \$25,000 from the Airport Fund for repayment of a loan on the maintenance T-hanger. This classification accounts for 5.19% of the General Fund revenues.

## OTHER REVENUES

The balance of revenue sources in the General Fund come from interest income, park user fees vector assessments and miscellaneous revenue. These revenues are budgeted at \$212,300 and represent 2.65% of the total General Fund revenue budget.

### GENERAL FUND REVENUES



## EXPENDITURES-COMPOSITION ASSUMPTIONS, AND CHARGES FROM PRIOR YEAR

Budgeted expenditures in the General Fund total \$8,209,085 for fiscal year 2013-2014. This represents an increase of \$443,517 or 5.71% above the projected budget of \$7,765,568 for fiscal year 2012-2013. Below is a summary of these expenditures.

### Personnel

As the single largest expenditure category, personnel expenses total \$6,061,255 and account for 73.84% of the General Fund expenditures. An across the board cost of living increase of 3% is

budgeted to take effect October 1, 2013. The police department has improved its pay plan and several adjustments have been made for officers based on years of service. Some merit increases and pay adjustments have been made throughout the budget. Health insurance will decrease from October through December and then in January will increase slightly. Dental insurance remains the same from the previous year. The city's contribution to the Texas Municipal Retirement System increased slightly from 16.70% to 16.80%. The employee contributes 7% of their gross pay and the city matches this on a two to one basis.

### **Contractual and Fee Services**

This is the second largest expenditure category in the General Fund and totals \$1,251,790 or 15.25%. This classification is for payments made for communication expense, insurance expense, training, electrical payments and other contractual and fee payments.

### **Supplies and Materials**

This classification totals \$367,550 or 4.48% of the General Fund expenditures. Minor tools and equipment, office supplies, fuel and other supplies make up these amounts.

### **Maintenance**

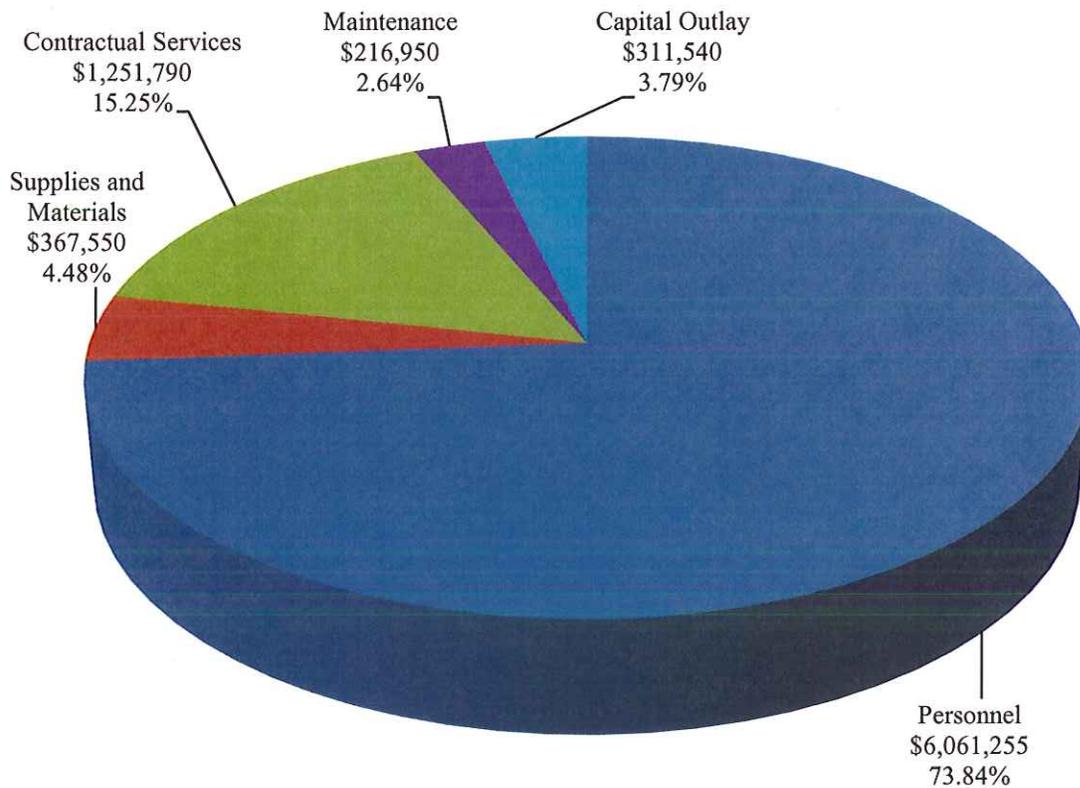
This classification totals \$216,950 or 2.64% of the General Fund and includes maintenance of buildings, structures, land, improvements, equipment and machinery.

### **Capital Outlay**

Capital outlay totals \$311,540 or 3.79% of the General Fund. Below is a detail of the capital expenditures budgeted for the General Fund.

- \$50,000 for Laserfisher so that municipal court can go paperless
- \$12,500 for replacement of ticket writers
- \$33,000 for library books
- \$15,000 for new pick-up for Director of Building & Development
- \$20,000 for new servers for police department
- \$6,000 for one in-car video equipment
- \$39,040 for one Tahoe for the police department
- \$10,000 for thermal imaging camera for fire department
- \$5,000 for replacement of fire hose
- \$13,000 for zero-turn mower for parks
- \$7,500 for front-end loader for parks
- \$100,000 for General Fund contingency

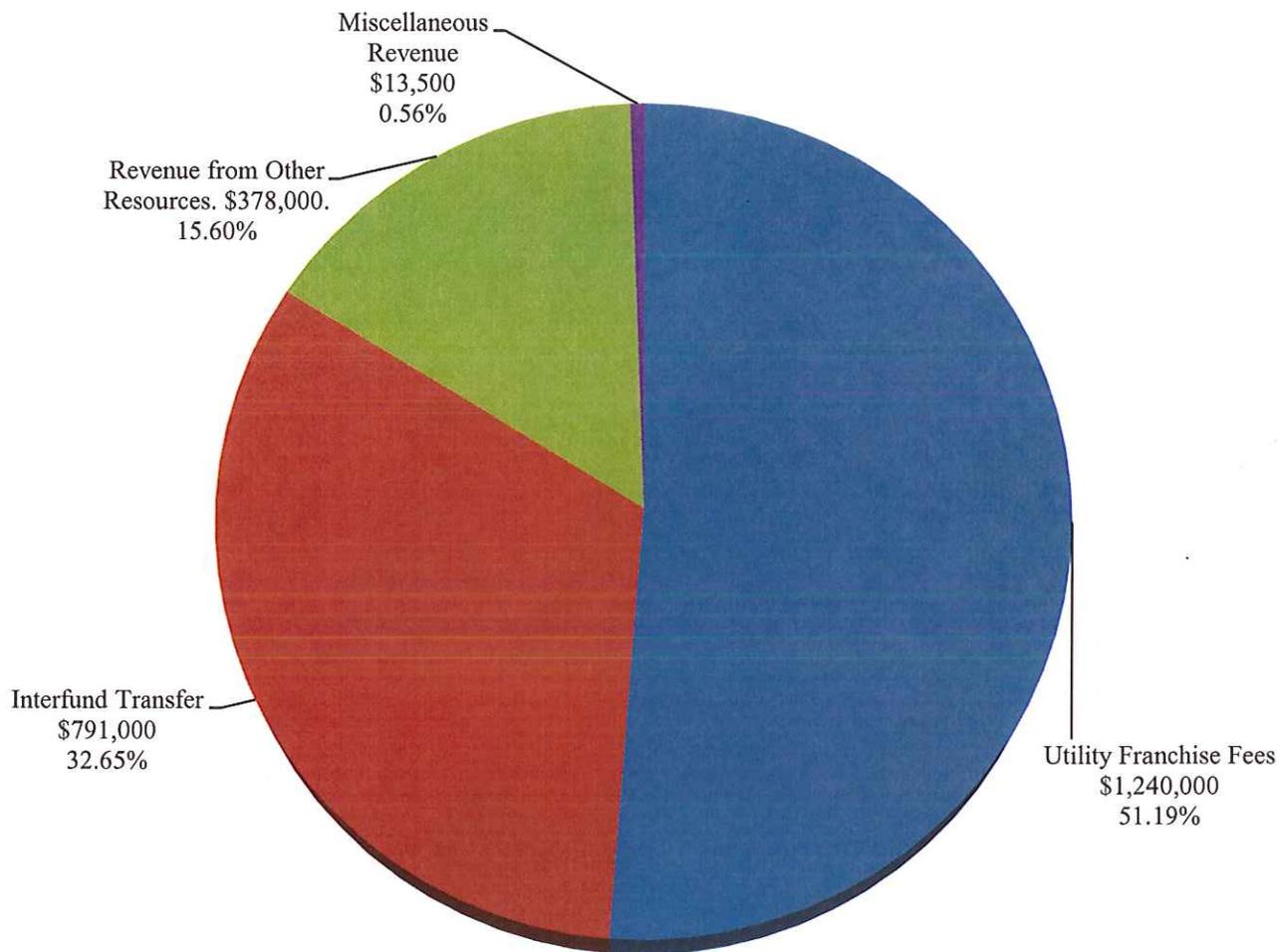
## GENERAL FUND EXPENDITURES



Other funds within the general fund classification consist of the General Capital Fund and Street Fund. This year the city is closing the Curb & Gutter Fund and transferring the balance into the General Capital Fund. This fund is used to start planning for capital purchases that will need to be made in the near future, without having to borrow funds.

The Street Fund is projected to have revenues of \$2,422,500 during fiscal year 2013-2014 which is a small increase of .26% from the previous year of \$2,416,165. Revenues come from franchise fees paid by the various utility companies inside the city limits and also a franchise fee paid by the utility fund of 10% of revenues from water sales and sewer charges. Revenue from Other Resources is the gate royalty fees we receive from Republic Services. Below is a graph of revenues received in the street fund:

## STREET FUND REVENUES

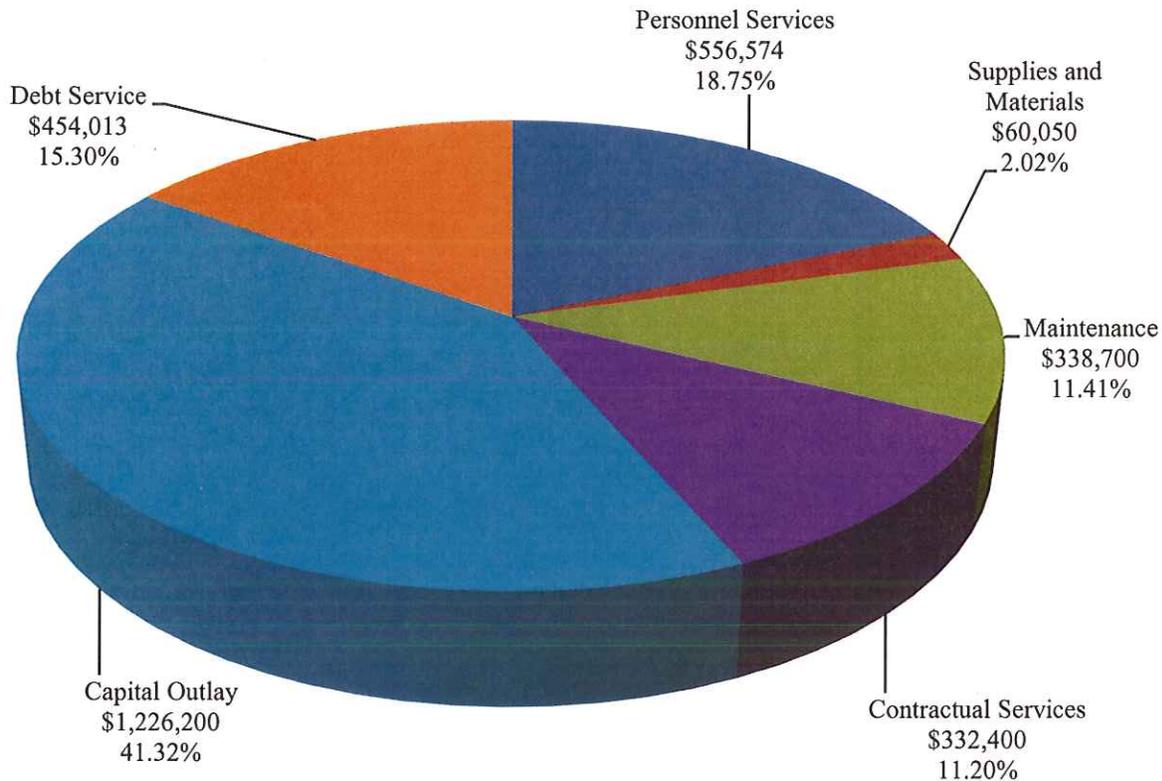


Capital outlay within the Street Fund has \$1,000,000 projected for the 2013-2014 annual street project. This will be based on the streets that need to be upgraded during the year and a determination will be made as to what streets will be included. There is also \$75,000 budgeted for drainage improvements on Old Paris Road. Other capital purchases include \$144,000 for a new pot-hole patcher and \$7,200 for a dump trailer.

Debt service in the Street Fund totals \$454,013. This will repay Series 2012 Certificates of Obligation which were issued in December 2012 for the payment of \$4,000,000 that the city obligated to the county for their commitment for the loop project. The remaining funds will be used to begin Phase I construction of the NW 12 project.

Below is a graph of the Street Fund expenditures:

## STREET FUND EXPENDITURES



## SPECIAL REVENUE FUNDS

Special Revenue Funds account for revenue from specific taxes or other earmarked revenue sources, which by law are designated to finance particular functions or activities of government and include intergovernmental revenue in the form of state and federal funds. These funds include the Rescue Recovery Fund, PEG Fund, Tourism/Historical Budget Fund, Cemetery Fund, Police Seizure Proceeds Fund, DWI Step Grant Fund, Rural Development Revolving Loan Fund, TxDOT Ramp Grant Fund, Economic Development Fund, Economic Development Marketing Fund, Hotel/Motel Tax Fund, Law Enforcement Education Fund, Library Contribution Fund, Firemen's Relief Fund, Public Safety Prevention Fund and Hobbs Trust Account Fund.

### Key Operational Improvements

**Economic Development:** The Industrial Development Corporation Board has budgeted \$150,000 to Northeast Texas Community College for the third consecutive year to offset cost associated with the establishment of an Advance Manufacturing Academy to train a manufacturing workforce. The final payment to them will be made in Fiscal Year 2014-2015.

## **CAPITAL PROJECTS FUNDS**

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds. This fund includes the following capital projects funds:

- **New Water Treatment Plant Fund:** This fund was established for the design phase of the new water treatment plant. The city issued \$3,320,000 in 2006 for the engineering cost for the new plant. After funds were received from the Texas Water Development Board some of the engineering costs were reimbursed, so these funds are available for any other water projects. The city is planning to request proposals for an automated meter reading system. This year \$1,200,000 is budgeted for this project.
- **Texas Water Development Board Fund:** This fund was set up to receive funds issued through the Texas Water Development Board for a new water treatment plant, improvements to the raw water supply facilities and water distribution system. The total debt will be \$24,785,000. Debt is issued as construction costs are incurred. During 2013-2014 we anticipate the close-out of the construction of the new water treatment plant. Funds that remain will be used for the upgrade of the I-30 water treatment plant
- **Street Improvement Fund:** This fund was set up to account for the \$7,115,000 Certificates of Obligation that were issued in December 2012. Of these monies, \$4,000,000 is committed to Titus County for the loop project. The remaining funds will be used for Phase I of the NW12 street project.
- **Airport Hangar Construction Fund:** This fund will account for the city's share of funds paid to TxDOT-Aviation Division for the construction of a new hangar at the airport. This is a 90/10 project with the city contributing 10% and the State 90%.
- **Loop Project Fund:** During fiscal year 2010-2011 the city started a project of relocating water and sewer lines which are located around the area of the loop. The loop is a project between Titus County and the Texas Department of Transportation which will be a road around the entire city. This project should be completed during the fiscal year.
- **Park Improvements Fund:** This fund has \$150,000 budgeted to add lights to the Old Sam Parker Field so that it can be used for soccer and youth football at night. The remaining funds will be transferred back to the General Capital Fund.
- **Community Improvement Fund:** This fund is budgeted to be used for beautification projects around the city. These projects have not yet been identified. The Street Fund and the Utility Fund have each committed \$100,000 to be transferred to this fund, making a total of \$200,000 for projects during Fiscal Year 2013-2014.

## **DEBT SERVICE FUND**

The debt service fund accounts for the accumulation of resources for and the payment of general long-term debt principal and interest and related costs on debt issued by the city. Total debt service requirements for these debt instruments in 2013-2014 are \$241,238. Debt was issued May 15, 2010 in the amount of \$4,500,000 for a new library and renovations to the current police department. Revenues for the debt service fund are from a dedicated portion of the property tax levy.

## PROPRIETARY FUND TYPES

The city's proprietary funds consist of the Utility Fund, Civic Center Fund and Airport Fund. The Utility Fund revenues and expenditures are explained in greater detail in the following information as it is the largest of the proprietary funds. Revenues and expenditures in the Civic Center and Airport Fund can be found in the budget summaries that follow.

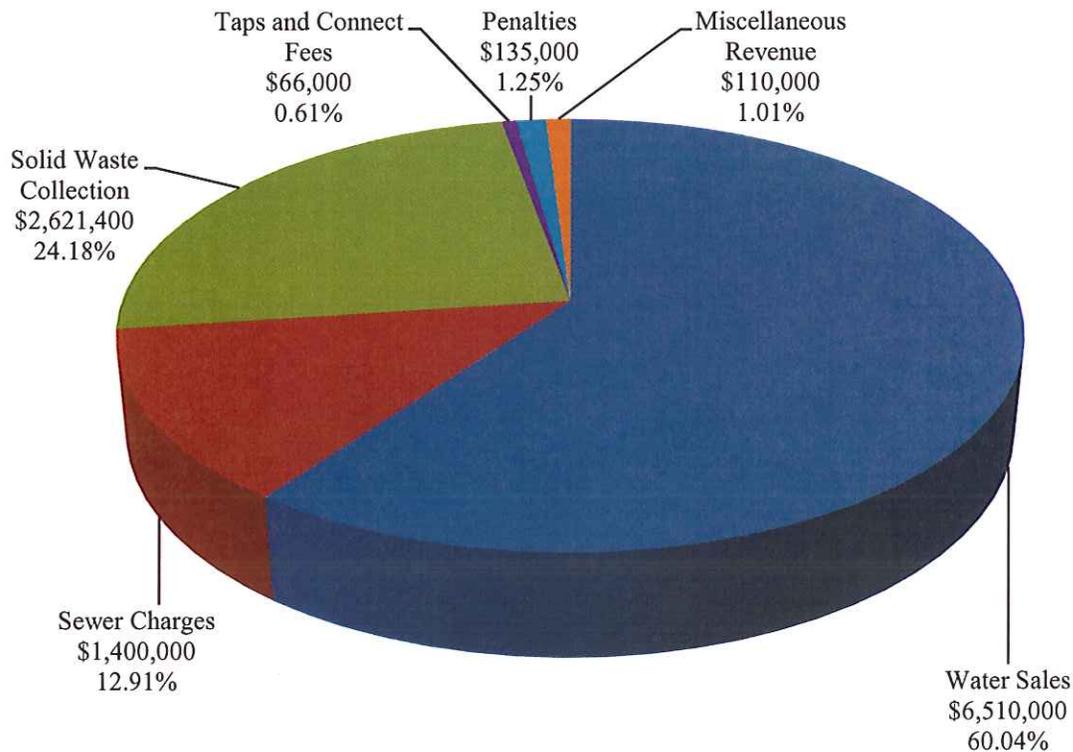
### UTILITY FUND

#### REVENUES-COMPOSITION, ASSUMPTIONS AND CHANGES FROM PRIOR YEAR

Revenues in the Utility Fund are projected at \$10,842,400, an increase of \$89,525 or .83% above the projected amount of \$10,752,875 during fiscal year 2012-2013.

Below is a graph which summarizes the revenues within the utility fund:

#### UTILITY FUND REVENUES



## **EXPENDITURES-COMPOSITION, ASSUMPTIONS AND CHANGES FROM PRIOR YEAR**

The Utility Fund expenditures total \$12,377,052. This is an increase of \$1,388,159 or 12.63% above the projected 2012-2013 expenditures of \$10,988,892. The following is a summary of the expenditures for the Utility Fund.

### **Capital Outlay**

Capital outlay in the Utility Fund totals \$2,428,400 or 19.62% of this year's proposed budget. Budgeted capital outlay expenditures include:

- \$13,000 for chemical feed pumps at the water treatment plant
- \$473,000 for painting of Edwards Street water tower
- \$123,000 for SCADA upgrade for the I-30 water treatment plant
- \$18,500 for replacement of old building at wastewater plant that houses the 24 hr. composite sampling unit required by TCEQ for weekly sampling
- \$5,550 to replace 10 year old sampler at wastewater plant
- \$88,000 for SCADA upgrade at the wastewater plant
- \$785,950 for the replacement of one blower unit at the wastewater plant
- \$92,000 for replacement of backhoe for utility department
- \$75,000 to replace camera unit and all electrical inside the camera truck used by the utility department
- \$41,000 for replacement of one ton pick-up with hoist for the utility department
- \$32,000 for infra map software and computer system
- \$79,000 for 1300' of new 6" PVC water main on Burton Rd. from Revive Fitness to B&B apartments
- \$40,000 for pump replacement on lift stations
- \$225,000 for slip-lining of 3,750' of 6" sewer main on East 3<sup>rd</sup> St from Lee Avenue to Denman St
- \$190,000 for carry-over from last year for Leftwich Lift Station
- \$47,400 for new fork lift to be used at the Service Center
- \$100,000 for utility fund contingency

### **Debt Service**

Debt service within the utility fund totals \$1,578,461 or 12.75% of the total expenses. This is for debt payments for the water and sewer system, water improvements, and purchase of water rights. During the next year we will see this number increase as more funds are drawn down from the Texas Water Development Board funds.

### **Personnel**

Personnel costs in the utility fund total \$2,077,080 or 16.78% of the total budget. Again, employees are projected to receive a 3% cost of living increase across the board to become effective October 1, 2013 with some employees in the utility fund receiving merit increases of 2.5%. Health insurance has decreased from October through December and will then increase slightly beginning in January. The dental insurance will not increase this year. The city's contribution to the Texas Municipal Retirement System increased from 16.70% to 16.80%. Employees contribute 7% of their gross to the retirement system with the city matching those funds 2 to 1.

**Contractual and Fee Services**

Contractual and fee services is this year's largest expense in the Utility Fund. This classification consists of payments to Republic Services for solid waste collection, engineering contracts, utility services, business and travel, casualty and liability insurance, and payment to other vendors. The transfer from Utility Fund to the Street Fund for its franchise payment of 10% of water and sewer revenues, a transfer to the General Fund for the city's profit on solid waste collection and a loan from the Utility Fund transferred to the Hangar Grant Fund for the city's share of the airport hangar grant with the State. This classification totals \$5,225,361 and accounts for 43.18% of the total expenditures of the Utility Fund.

**Maintenance**

This classification consists of maintenance of buildings, structures, equipment and machinery. These expenses total \$472,350 or 3.82% of the total Utility Fund budget.

**Supplies and Materials**

Supplies with the utility fund total \$595,400 or 4.81% of the total Utility Fund budget.

**UTILITY FUND EXPENDITURES**

