

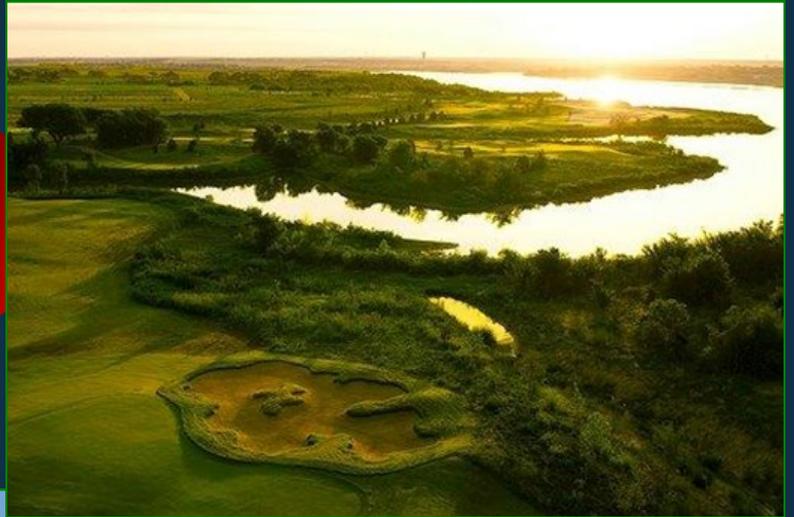
# The Colony, Texas

ANNUAL OPERATING BUDGET

FISCAL YEAR 2016/2017



*See the  
DIFFERENCE,*



*Experience the  
DIFFERENCE,*

*Enjoy the  
DIFFERENCE!*





## Annual Operating Budget For Fiscal Year 2016/2017

This budget will raise more total property taxes than last year's budget by \$3,375,670 or 16% increase and of that \$1,018,600 is tax revenue to be raised from new property added to the tax roll this year.

The proposed tax rate of \$.6675 per \$100 valuation which is ¼ cent less than the current tax rate of \$.6700 per \$100 valuation.

### Record Vote on Tax Rate:

At the meeting on September 20, 2016, the members of the governing body voted to approve the budget for the 2016/2017 fiscal year as follows:

FOR:	Marks, Shrag, Terre, McCourry, Wade, and Mikulec
AGAINST:	None
PRESENT and not voting:	None
ABSENT:	Boyer

### Property Tax Comparison:

	<u>2015/2016</u>	<u>2016/2017</u>
Adopted Tax Rate	.6700	.6675
M & O	.51036	.51254
Debt Rate	.15964	.15496
Effective Rate	.64522	.606728
Rollback Rate	.689274	.652962
 City Debt Obligations Secured by Property Taxes		 \$ 4,702,200.00

## Contents

Letter to Mayor and Council .....	4
Ad Valorem Tax Assessment Summary .....	8
Property Tax Distribution Calculations.....	9
Fund Overview .....	10
Staff Organization.....	11
Authorized Funded Positions .....	12
Fund Summaries.....	14
General Fund .....	16
General Administration .....	24
Community Image .....	26
Fleet Services.....	28
City Secretary .....	30
City Council.....	32
Human Resources.....	34
Finance.....	36
Information Technology.....	38
Municipal Court.....	40
Animal Control.....	42
Facility Maintenance.....	44
Engineering/Development Services.....	46
Fire.....	50
Communications/Dispatch.....	52
Police.....	54
Library.....	58
Parks Fund .....	60
Parks and Recreation .....	64
Aquatic Park.....	68
Community Center .....	70
Utility Fund .....	72

Non-Departmental.....	76
Water Distribution.....	78
Wastewater .....	80
Utility Administration-Customer Services .....	82
Water Production.....	84
Public Works .....	86
Storm Water.....	88
Environmental.....	90
Economic Development Fund – Type A .....	92
Community Development Fund – Type B .....	96
The Colony PID Fund .....	100
Hotel/Motel Tax Fund.....	102
CVB.....	104
Communications .....	106
Lake Parks Fund .....	108
Special Events Fund .....	112
Court Security Fund.....	116
Court Technology Fund.....	118
Minor Funds.....	120
Child Safety Fund .....	120
Storm Water.....	120
Citizen Donation.....	120
Water/Sewer Impact Fees Fund .....	121
Keep The Colony Beautiful.....	121
Capital Projects Administration Fund.....	122
Debt Service Funds .....	124
Demographic and Economic Statistics.....	130
Appendix A - The Budget Process .....	132
Appendix B - Budget Amendments .....	135
Appendix C - Major Revenue Sources .....	136
Appendix D – Capital Projects Summary .....	141
Appendix E - Five Year Capital Improvement Programs.....	145

Appendix F - Glossary of Terms ..... 150  
Appendix G – Financial Policies..... 157  
City Staff ..... 189  
Consultants..... 190

# Letter to Mayor and Council

---

The Honorable Mayor and City Council,

In accordance with Civil Statutes of Texas and the City Charter, the annual budget, for the fiscal year October 1, 2016 through September 30, 2017, is presented for your consideration. The Budget is an important policy document because it presents in financial terms the overall plan to accomplish the City's program of services during the upcoming fiscal year.

## **2016-2017 budget highlights:**

Ad Valorem Taxes are the City's major revenue source. Total current Ad Valorem Taxes budgeted this year are \$24,150,228, which is \$3.5 million more than the prior year. The increase is attributed to an increase in the City's tax base of about \$518 million, offset by a reduction in the tax rate from 67 to 66.75 cents per \$100 dollars of valuation. Approximately \$150 million of the increase in tax base came from new construction, of which about \$118 million was in TIRZ ONE or TWO. A collection rate of 99% is used as taxpayers have consistently been current on their property taxes during the past numerous years.

Sales and Mixed beverage Tax receipts were increased by almost \$560,000 or 10% from the prior year's budget. Sales tax collections in 15-16 were 4% higher than budget and several prominent businesses have recently opened. Plus, the portion of FM423 (Main Street) in The Colony is expected to be completed in the 1<sup>st</sup> part of 2017.

Licenses and Building Permit Fees increased from the prior year budget by a little over \$1.47 million as residential construction in the Tribute and commercial development around SH121 is expected to remain strong in 16-17. Actual Licenses and Building Permits were a little over \$1 million over budget for 15-16. Home values and sizes in the Tribute are significantly larger than the City has experienced in the past, which adds to the permit fee.

Allocated Costs were kept the same as prior years. General Fund internal service department costs allocations to other Funds are \$3,945,663. The Utility Fund allocation is \$2,549,649, Parks \$1,049,887, and 4A, 4B, and Capital Projects Admin Funds make up the \$346,127 balance.

This budget includes a little over \$21 million in enhancements to services. Debt issuance of approximately \$18 million will support \$9 million in water and waste water improvements, \$5 million in street reconstruction, and \$5 million in equipment. Operating revenues will provide for additional personnel including six in the Police Department, six fire fighters, two in Wastewater and Water Distribution, and one in Public Works and IT. Revenues will also provide for raises and an increase in the medical stipend, as well as, \$1.35 million in assorted equipment, Impact fee plans/studies, and building and alley repairs.

Ending Fund balance in the General Fund is maintained at 80 operating days in reserves, and 60 operating days in Utility and Parks Funds.

Economic incentives have been budgeted in the Economic Development (Type A) Fund to promote new enterprises and to retain existing business.

To assure a quality community, cultural and leisure activities, and park improvements, funding has been provided in Special Events, Lake Parks, and CDC (Type B) budgets. Almost \$750,000 in park improvements are included in the 2016-17 budget.

The total adopted operating budget is \$64,871,510, excluding transfers out, a 9 percent increase from the 15-16 amended total operating budget.

### **Economic Development**

The Nebraska Furniture Mart TIRZ was established November 2011 for the 433 acre \$1.5 billion Grandscape development. The Nebraska Furniture Mart store, the anchor store of the development, opened in early March 2015. Eight restaurants and a hotel have also located in the Zone. On the north side of SH121, in The Colony and across from Grandscape, Rooms To Go, Mattress Firm, and just recently, Floor and Décor have opened. Other new commercial development on the north side of SH121 in The Colony include Topgolf, two hotels, a medical office building, couple of shopping centers, and several restaurants and other businesses. Construction has brought hundreds of jobs to the City and the Nebraska Furniture Mart store itself employs around 2,000 people.

The widening of FM 423 (Main Street) to a 6 and 8 lane divided street is expected to significantly increase commercial development and redevelopment along this vital corridor. Many businesses are improving their appearance in anticipation of the completion of this project in 2017.

The Tribute, the only remaining sizeable residential development in The Colony, continues to increase the number of buildable lots. Housing permits have remained strong the past couple of years and are expected to do so for at least the next several years.

### **Quality of Life**

The City values quality of life for all its residents. The City continues to fund the Library and the Parks and Recreation Department's operating budgets to assure quality community programs. Beautification, landscaping, and park improvements are also included in the budget to enhance the City's image. The City's emphasis on opportunities for quality recreational programs and facilities led to The Colony being designated as a "Playful City USA" - one of only 9 cities in Texas and 151 across the country to receive this honor. The City has also been recognized by Money Magazine as one of the top 20 places to live in the country.

### **Future**

The City Council and management team want to keep the items below on its radar.

- City Council has expressed a desire to continually reduce the property tax rate.
- CDC will continue to provide for Five Star maintenance.

- Early stages of the planning process have begun for fire stations in Austin Ranch and the Tribute. The Two TIFs are expected to provide a significant amount of funding for each of the stations, but the City will be responsible for the majority of the apparatus, equipment, and personnel costs at both stations.
- The Tribute TIF established in 2014 will help pay for needed infrastructure, but will limit property tax revenues for the City during the next 25 years.
- City has put together a team to study and evaluate possible sites for a new City Hall and Library.
- There are many drainage issues throughout the City and the existing drainage fee will not cover paying for the necessary improvements.

### **Strategic Plans**

The budget process provides a road map for short-term and long-term needs and aids in the allocation of limited resources to prioritized services and needs. Each year a Capital Improvement Program is developed which helps gauge future funding priorities and is the foundation on which annual budgets are built. Revenues, expenses, and capital needs are projected for each of the 5 following years to identify service needs and financing available. Staff helps Council with the challenge of prioritizing and providing efficient and effective services to the community with current and future available funds.

As a combined effort, the City Manager's Office, Finance Director, and all departments monitor revenues and expenditures throughout the year. Appropriate actions are taken to control expenditures, and to make adjustments when revenues fall short of expectations.

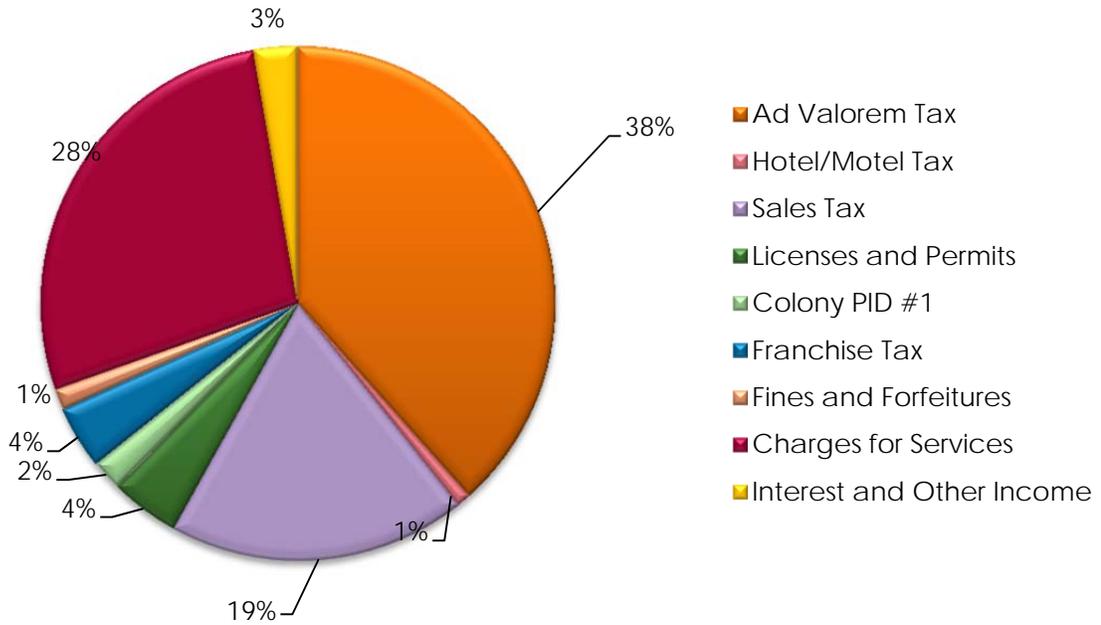
### **Conclusions**

The 2016-2017 budget has been prepared with the assistance of devoted and dedicated employees who stand ready to accomplish the goals outlined and adopted by the City Council. Under the prudent leadership of the City Council, we commit our best efforts to ensure that the needs of our citizens are met and exceeded!

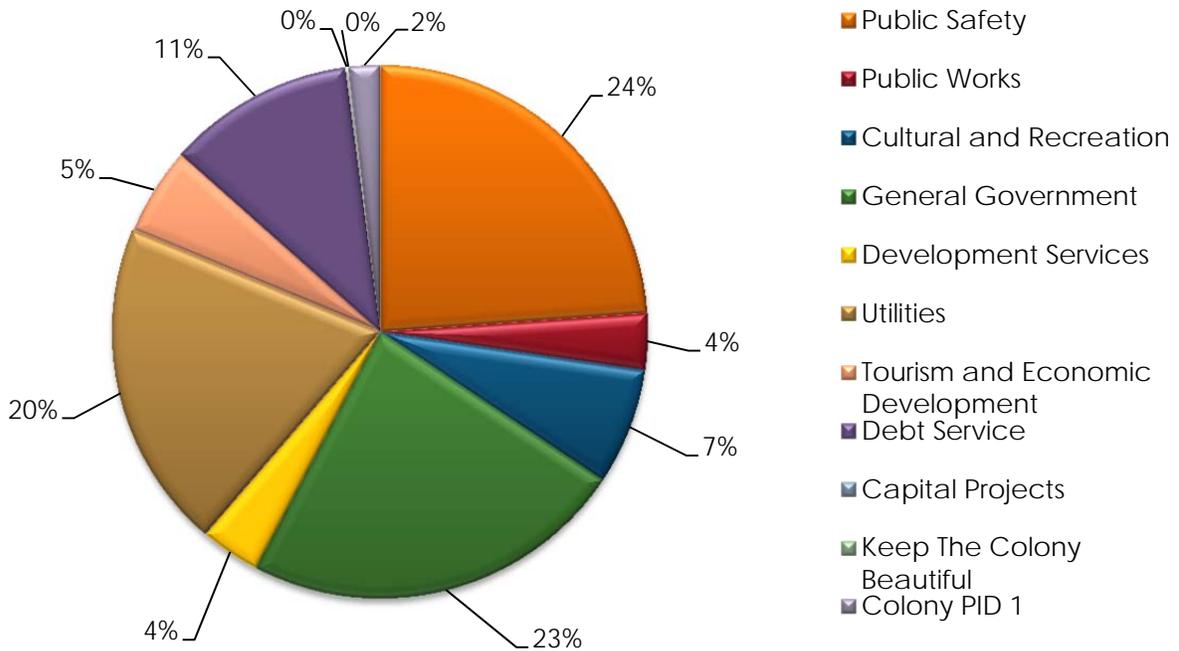


Troy Powell, City Manager

## All Funds Revenues by Type



## All Funds Expenditures by Type



# Ad Valorem Tax Assessment Summary

## 2016 - 2017 ANNUAL BUDGET AD VALOREM TAX ASSESSMENT SUMMARY

CLASSIFICATION	14 - 15 TOTAL		15 - 16 TOTAL		16 - 17 TOTAL	
<b>Residential</b>						
Land - Homesite	405,483,584		435,522,312		518,402,324	
Improvements - Homesite	1,419,698,159		1,614,057,721		1,884,441,977	
Gross Residential	1,825,181,743		2,049,580,033		2,402,844,301	
Over Age Exemption	(13,366,482)		(14,445,244)		(15,808,366)	
Disabled Persons Exemption	(1,215,000)		(1,208,589)		(1,165,000)	
Disabled Veterans Exemption	(6,420,874)		(7,914,398)		(10,710,375)	
House Bill 366	(6,550)		(7,022)		(6,256)	
MASSS	(214,859)		(236,071)		(259,678)	
Pollution Control	-		(52,957)		(56,498)	
Prorated Exempt Property	-		-		-	
Charitable Organization	(2,277,311)		(2,513,994)		(2,566,713)	
Homestead Cap Adjustment	(15,319,962)		(29,613,587)		(80,824,637)	
Net Residential	1,786,360,705	68%	1,993,588,171	64%	2,291,446,778	63%
<b>Commercial</b>						
Land - Non Homesite	471,747,872		552,116,832		672,755,923	
Improvements - Non Homesite	524,155,811		648,573,799		771,288,436	
Personal Property	100,262,556		165,800,731		213,329,659	
Minerals	-		-		-	
Gross Commercial	1,096,166,239		1,366,491,362		1,657,374,018	
Abatement	(3,327,781)		(3,595,498)		-	
Freeport	(7,012,761)		(2,636,781)		(2,103,009)	
Exempt Property	(247,179,980)		(253,436,301)		(328,774,619)	
Net Commercial	838,645,717	32%	1,106,822,782	36%	1,326,496,390	37%
<b>Farm Land</b>						
Land - AG Market	99,116,629		80,496,674		79,968,769	
Land - Exempt AG/Timber Mkt	-		-		-	
Agricultural Exemption	(99,001,819)		(80,409,183)		(79,892,674)	
Net Farm Land	114,810	0%	87,491	0%	76,095	0%
<b>Net Assessment</b>	<b>2,625,121,232</b>	<b>100%</b>	<b>3,100,498,444</b>	<b>100%</b>	<b>3,618,019,263</b>	<b>100%</b>

# Property Tax Distribution Calculations

## CITY OF THE COLONY

### Tax Rate for Fiscal Year 2016-2017

Tax Roll	3,618,019,263
Tax Rate	<u>.6675/100 valuation</u>
Gross Taxes	24,150,279
Less: 1% uncollectable	<u>241,503</u>
Net Taxes	<u><u>23,908,776</u></u>

	General Fund	Total Debt Service
Rate Distrib. % of Tax Rate	0.564200 84.525	0.103300 15.475
Gross Taxes	20,412,865	3,737,414
1% uncollect.	<u>204,129</u>	<u>37,374</u>
Net Taxes	<u><u>20,208,736</u></u>	<u><u>3,700,040</u></u>

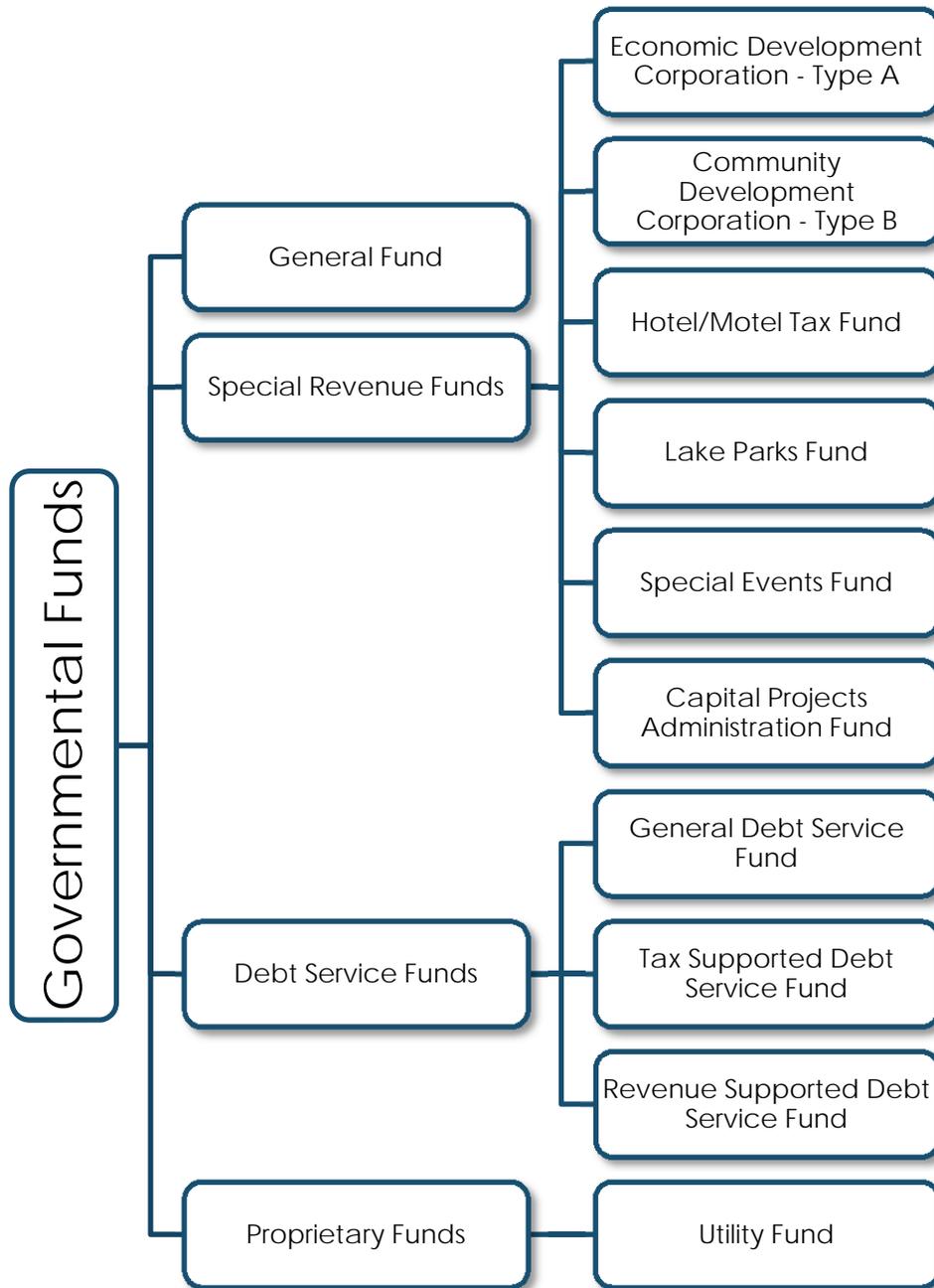
### Tax Rate for Fiscal Year 2015-2016

Tax Roll	3,100,498,444
Tax Rate	<u>.67/100 valuation</u>
Gross Taxes	20,773,340
Less: 1% uncollectable	<u>207,733</u>
Net Taxes	<u><u>20,565,607</u></u>

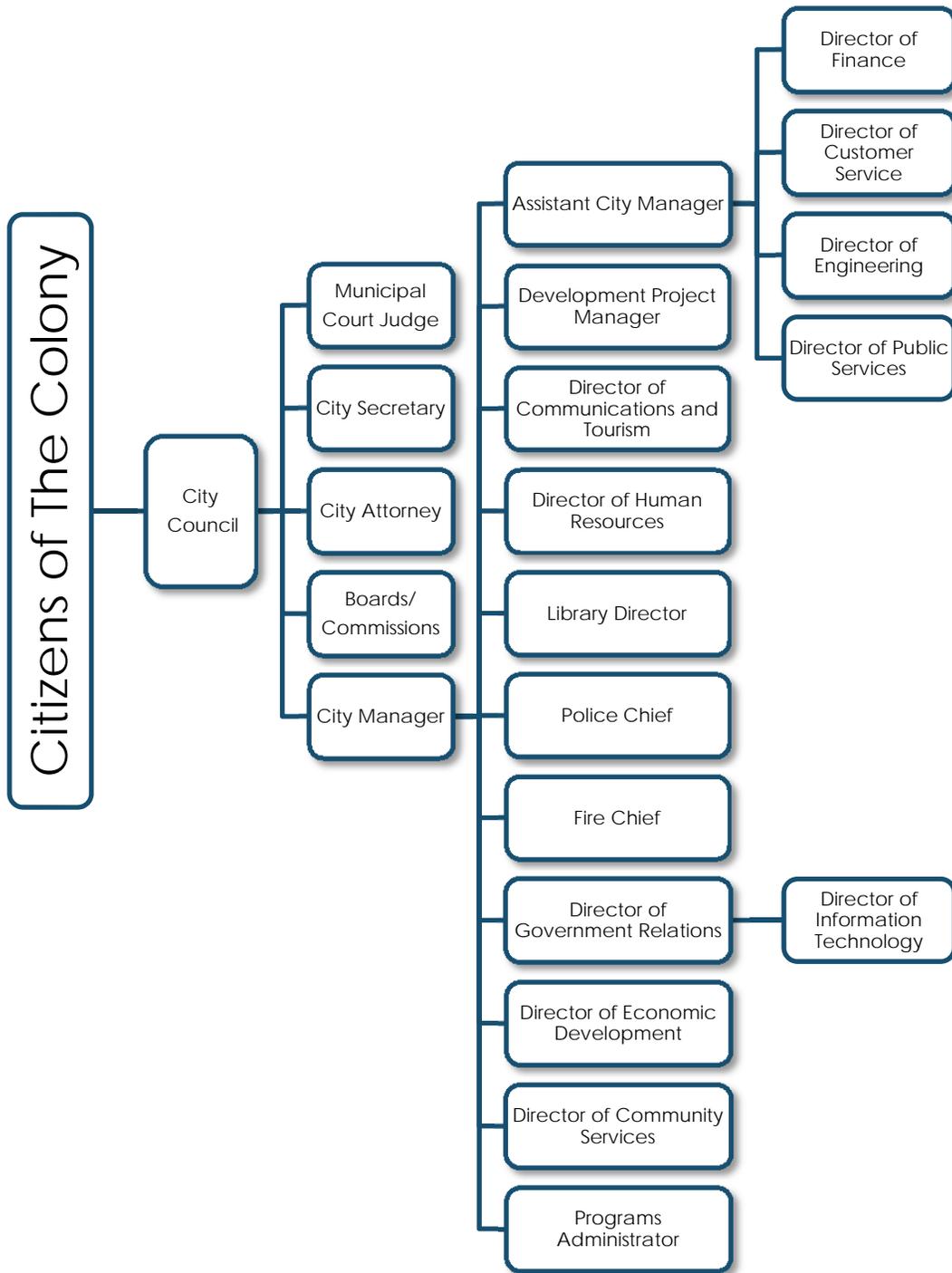
	General Fund	Total Debt Service
Rate Distrib. % of Tax Rate	0.510360 76.173	0.159640 23.827
Gross Taxes	15,823,704	4,949,636
1% uncollect.	<u>158,237</u>	<u>49,496</u>
Net Taxes	<u><u>15,665,467</u></u>	<u><u>4,900,139</u></u>

# Fund Overview

---



# Staff Organization



# Authorized Funded Positions

Fiscal years ended September 30						
	2014/15		2015/16		2016/17	
	PT	FT	PT	FT	PT	FT
<b>General Fund</b>						
General Administration	-	6	-	6	-	5
Community Image	-	5	-	6	-	6
Fleet Services	1	5	1	5	-	5
City Secretary	1	2	-	3	-	3
Human Resources	1	2	-	2	-	3
Finance	-	6	-	6	-	6
Information Technology	-	4	-	4	-	5
Municipal Court	-	5	-	5	-	5
Facility Maintenance	-	3	-	3	6	3
Engineering/Development	-	14	-	14	-	14
Fire	-	52	-	59	-	65
Police	-	87	-	89	-	76
Dispatcher	-	-	-	-	-	14
Animal Control	-	-	-	-	-	5
Library	8	10	8	10	7	10
<b>Total General Fund</b>	<b>11</b>	<b>201</b>	<b>9</b>	<b>212</b>	<b>13</b>	<b>225</b>
<b>Parks Fund</b>						
Parks and Recreation	6	21	6	21	4	21
Aquatic Park	3	2	3	2	3	2
Community Center	2	1	2	1	2	1
<b>Total Parks Fund</b>	<b>11</b>	<b>24</b>	<b>11</b>	<b>24</b>	<b>9</b>	<b>24</b>
<b>Utility Fund</b>						
Water Distribution	-	16	-	16	-	18
Wastewater	-	5	-	5	-	7
Utility Administration	-	9	-	9	2	8
Water Production	-	7	-	7	-	7
Public Works	-	19	-	23	-	24
Environmental	-	1	-	1	-	1
<b>Total Utility Fund</b>	<b>0</b>	<b>57</b>	<b>0</b>	<b>61</b>	<b>2</b>	<b>65</b>
Economic Development Fund	0	2	0	2	0	2
Community Development Fund	0	1	0	1	0	1
Hotel/Motel Fund	0	3	0	3	0	3
Special Events Fund	0	1	0	1	0	1
<b>Total All Funds</b>	<b>22</b>	<b>289</b>	<b>20</b>	<b>304</b>	<b>24</b>	<b>321</b>



# Fund Summaries

	13-14 Actual	14-15 Actual	15-16 Budget	16-17 Budget
<b>REVENUES:</b>				
General Fund	21,571,359	25,978,137	26,603,566	33,198,841
Parks Fund	935,095	965,583	873,900	879,400
Utility Fund	14,000,849	14,809,784	14,743,719	15,443,505
General Debt Service	5,123,040	5,127,156	4,930,000	3,739,000
Utility Tax Debt	-	-	-	402,500
Revenue Debt	408,003	414,610	400,500	-
Economic Development - 4A	2,143,094	2,537,265	2,618,500	2,881,250
Community Development - 4B	2,140,380	2,534,141	2,618,000	2,881,250
PID	-	-	2,834,293	1,162,836
Lake Parks	290,694	199,127	273,000	273,000
Special Events Fund	82,562	76,351	60,000	61,000
Hotel/Motel Tax Fund	475,151	527,032	550,000	550,000
Court Security	29,354	19,351	20,000	12,000
Court Technology	39,139	25,802	35,000	20,000
Child Safety Fund	56,766	59,335	48,000	50,000
Capital Projects Administration Fund	-	-	-	-
Storm Water Utility Fund	511,900	544,460	500,000	500,000
Water/Sewer Impact Fee Fund	603,702	1,452,253	265,000	500,000
Citizen Donation	831	780	831	831
<b>TOTAL REVENUES</b>	<b>48,411,919</b>	<b>55,271,167</b>	<b>57,374,309</b>	<b>62,555,413</b>
<b>TRANSFERS IN:</b>				
General Fund	2,370,629	2,615,121	904,215	70,000
Parks Fund	2,612,729	2,472,729	2,569,545	2,946,545
Utility Fund	685,000	1,280,031	350,000	2,127,000
General Debt Service	1,161,222	1,778,901	1,160,808	1,164,664
Utility Tax Debt	3,103,165	2,835,589	5,310,751	6,906,545
Revenue Debt	-	995,000	1,100,000	-
Special Events Fund	350,000	350,000	380,000	340,000
Hotel/Motel Tax Fund	165,000	120,000	100,000	90,000
Capital Projects Administration Fund	200,000	200,000	300,000	300,000
Keep The Colony Beautiful	20,000	20,000	20,000	20,000
<b>TOTAL TRANSFERS IN</b>	<b>10,667,745</b>	<b>12,667,371</b>	<b>12,195,319</b>	<b>13,964,754</b>
<b>TOTAL REVENUES &amp; TRANSFERS IN</b>	<b>59,079,664</b>	<b>67,938,538</b>	<b>69,569,628</b>	<b>76,520,167</b>
<b>EXPENDITURES/EXPENSES:</b>				
General Fund	22,901,882	25,928,610	28,667,119	35,333,550
Parks Fund	3,453,022	2,582,277	2,638,619	2,893,400
Utility Fund	7,183,015	7,739,621	7,555,791	8,807,145
General Debt Service	6,126,194	6,166,337	5,604,366	5,550,537
Utility Tax Debt	3,959,508	3,393,030	4,689,927	6,624,074
Revenue Debt	1,366,207	1,839,087	1,818,773	-
Economic Development - 4A	876,139	805,343	2,039,587	2,241,775
Community Development - 4B	812,071	1,346,609	1,717,976	827,277
PID	-	-	1,454,992	1,224,270
Lake Parks	106,114	93,608	403,288	203,775
Special Events Fund	367,790	382,122	399,036	388,118
Hotel/Motel Tax Fund	345,515	335,127	355,441	376,175
Court Security	-	118,630	200,000	-
Court Technology	70,368	42,605	15,250	15,250
Child Safety Fund	27,354	28,979	30,914	44,701
Capital Projects Administration Fund	258,977	111,083	112,555	121,194
Water/Sewer Impact Fee Fund	110,567	185,108	60,000	60,000
Keep The Colony Beautiful	-	-	20,000	20,000
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>47,964,723</b>	<b>51,098,175</b>	<b>57,783,634</b>	<b>64,731,241</b>

	13-14 Actual	14-15 Actual	15-16 Budget	16-17 Budget
<b>TRANSFERS OUT:</b>				
General Fund	2,574,884	4,266,544	4,468,700	4,538,700
Utility Fund	5,089,906	5,647,906	5,361,500	6,500,000
Economic Development - 4A	771,728	3,592,791	775,978	751,402
Community Development - 4B	1,005,300	1,007,084	1,002,551	1,019,652
Lake Parks	35,000	35,000	35,000	35,000
Hotel/Motel Taxes	250,000	250,000	300,000	300,000
Child Safety Fund	20,000	20,000	20,000	20,000
Capital Projects Administration Fund	-	-	-	-
Storm Water Utility	518,800	600,000	600,000	400,000
Water/Sewer Impact Fee Fund	300,000	300,000	400,000	400,000
<b>TOTAL TRANSFERS OUT</b>	<b>10,565,618</b>	<b>15,719,325</b>	<b>12,963,729</b>	<b>13,964,754</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS OUT</b>	<b>58,530,341</b>	<b>66,817,500</b>	<b>70,747,363</b>	<b>78,695,995</b>
<b>EXCESS (DEFICIENCY)</b>	<b>549,323</b>	<b>1,121,038</b>	<b>(1,177,735)</b>	<b>(2,175,828)</b>
<b>BEGINNING FUND BALANCE:</b>				
General Fund	7,405,826	9,816,711	12,160,478	10,478,103
Parks Fund	1,001,845	1,096,647	938,490	728,920
Utility Fund	3,752,445	3,571,621	3,680,157	3,262,833
General Debt Service	491,954	650,022	1,389,743	1,876,185
Utility Tax Debt	545,763	(310,580)	(868,021)	(172,020)
Revenue Debt	1,781,131	822,927	393,450	-
Economic Development - 4A	6,371,212	6,866,439	4,934,194	4,665,749
Community Development - 4B	1,826,265	2,149,274	2,294,034	2,155,817
PID	-	-	(1,230,849)	148,452
Hotel/Motel Tax Fund	86,115	130,751	156,968	115,839
Court Security	334,444	363,798	264,519	84,519
Court Technology	78,980	47,751	30,948	50,698
Lake Parks	377,385	526,965	597,484	432,196
Special Events Fund	44,106	73,190	81,731	87,203
Capital Projects Administration Fund	70,528	11,551	(58,808)	(30,628)
Storm Water Utility Fund	302,663	295,763	157,513	57,513
Water/Sewer Impact Fee Fund	173,707	366,842	1,333,987	1,138,987
Child Safety Fund	43,503	52,915	63,271	60,357
Citizen Donation Fund	5,237	6,068	6,848	7,679
Keep The Colony Beautiful	20,161	37,305	51,765	51,765
<b>TOTAL BEGINNING BALANCE</b>	<b>24,713,270</b>	<b>26,575,960</b>	<b>26,377,902</b>	<b>25,200,167</b>
<b>ENDING FUND BALANCE:</b>				
(before adjustments and reserves)				
General Fund	9,816,711	12,160,478	10,478,103	7,820,358
Parks Fund	1,096,647	938,490	728,920	647,069
Utility Fund	3,571,621	3,680,157	3,262,833	2,932,441
General Debt Service	650,022	1,389,743	1,876,185	1,229,312
Utility Tax Debt	(310,580)	(868,021)	(247,197)	512,951
Revenue Debt	822,927	393,450	75,177	-
Economic Development - 4A	6,866,439	4,934,194	4,665,749	4,482,442
Community Development - 4B	2,149,274	2,294,034	2,155,817	3,154,448
PID	-	(1,230,849)	148,452	87,018
Hotel/Motel Tax Fund	130,751	156,968	115,839	43,973
Court Security	363,798	264,519	84,519	96,519
Court Technology	47,751	30,948	50,698	55,448
Lake Parks	526,965	597,484	432,196	466,421
Special Events Fund	73,190	81,731	87,203	64,415
Capital Projects Administration Fund	11,551	(58,808)	(30,628)	(11,087)
Storm Water Utility Fund	295,763	157,513	57,513	157,513
Water/Sewer Impact Fee Fund	366,842	1,333,987	1,138,987	1,178,987
Child Safety Fund	52,915	63,271	60,357	45,656
Citizen Donation Fund	6,068	6,848	7,679	8,510
Keep The Colony Beautiful	37,305	51,765	51,765	51,765
<b>TOTAL ENDING BALANCE</b>	<b>26,575,960</b>	<b>26,377,902</b>	<b>25,200,167</b>	<b>23,024,158</b>

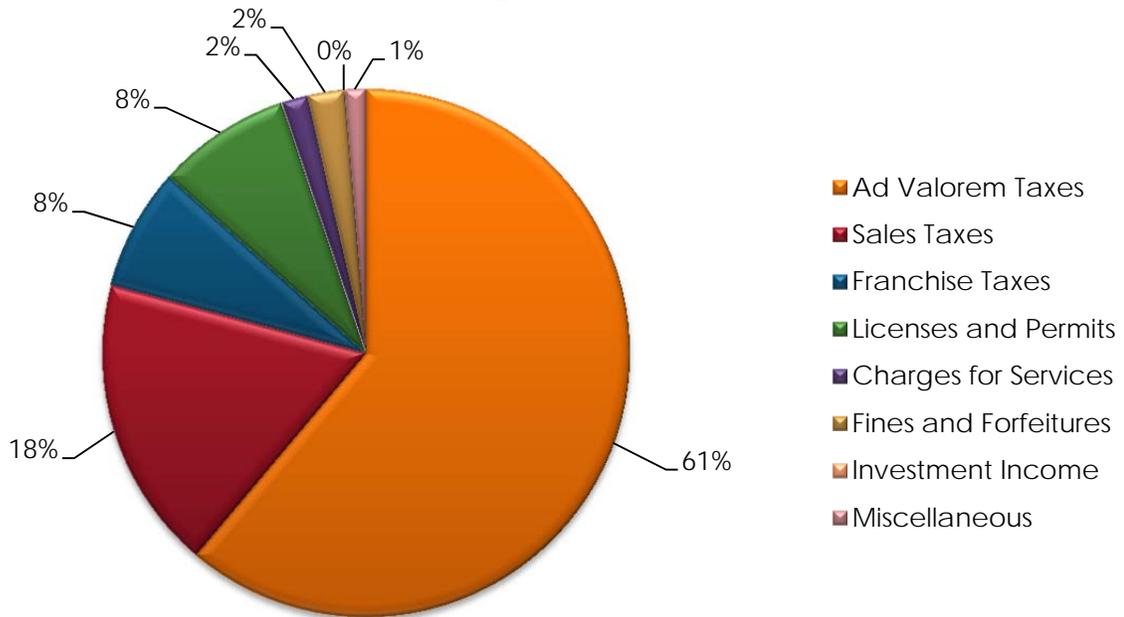
# General Fund

---

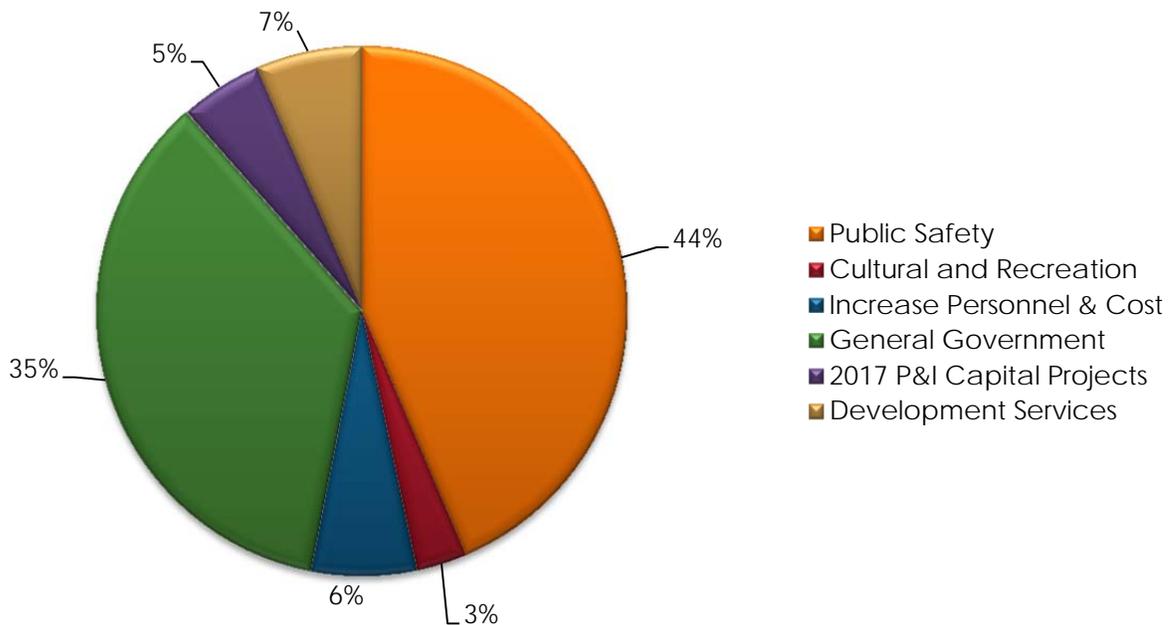
The General Fund is the operating fund of the City. The General Fund receives and accounts for all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other designated fund. The General Fund includes a greater variety and amount of revenues, and finances a wider range of governmental activities than any other fund. The primary revenue sources for the General Fund are Ad Valorem taxes, general sales taxes, utility franchise fees, license and permit fees, service charges, fines, intergovernmental funds, and miscellaneous general revenues.

The General Fund accounts for general purpose expenditures for most major government functions. Operations in the General Fund provide basic services such as Administration, Development Services, Community Image, Fleet Services, Human Resources, Finance, Municipal Court, Facility Maintenance, Engineering, Fire, Police, and Library. Included for each operational area is the department mission, program narrative, accomplishments and goals, position classification schedule and an expenditure summary.

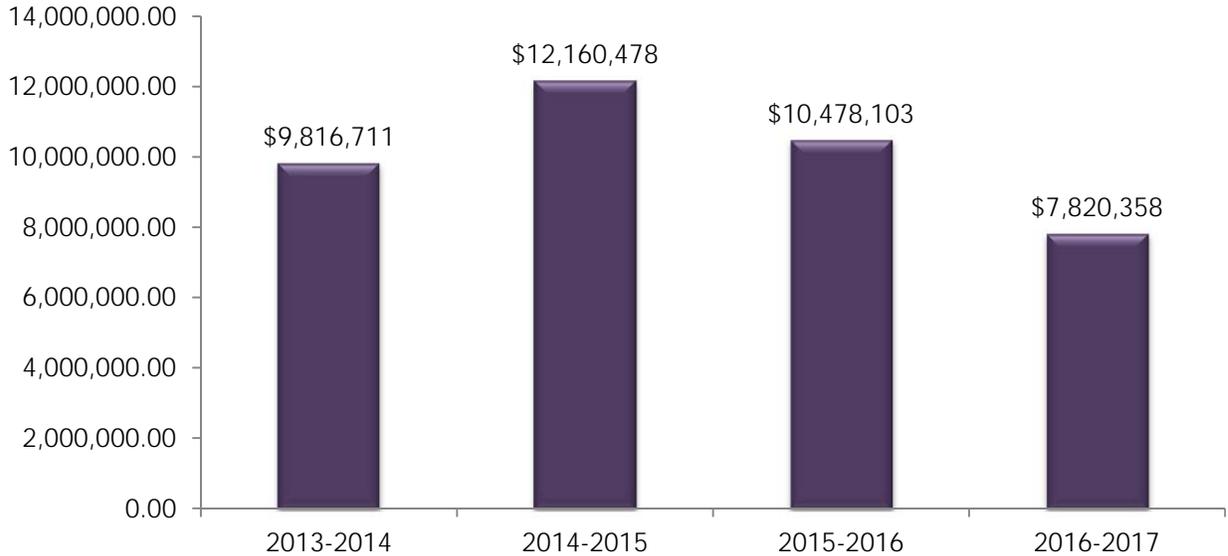
## Summary of Revenues



## Summary of Expenditures by Function



## Fund Balance



<u>Fiscal Year</u>	<u>Working Days in Fund Balance</u>	<u>Value of Each Day</u>
2013-2014	133	\$69,799
2014-2015	162	\$71,916
2015-2016	129	\$79,973
2016-2017	80	\$98,429

The City adopted the Financial Management Policies in 2002 which set the working days in fund balance of the major operating funds at 60 days. The City conscientiously meets the requirement by conservatively budgeting revenues and putting strong controls on expenditures. It is management’s decision to draw down fund balance to avoid tax rate increases. In fact, the ad valorem tax rate has steadily declined over the past few years.

**GENERAL FUND**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2016-2017**

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>TAXES</b>				
Ad Valorem Taxes				
Current Property Taxes	10,424,020	12,181,773	15,665,606	20,208,776
Rendition Penalty Revenue	3,567	4,576	2,000	3,500
Ag. Roll Back Taxes	2,650	220,117	2,000	4,000
Delinquent Property Tax	26,002	84,720	25,000	35,000
Penalties & Interest	40,140	91,900	40,000	50,000
<b>Total</b>	<b>10,496,379</b>	<b>12,583,086</b>	<b>15,734,606</b>	<b>20,301,276</b>
City Sales Taxes				
Sales Taxes	4,278,859	5,065,537	5,235,000	5,758,500
Mixed Beverage Tax	173,815	228,691	185,000	220,000
<b>Total</b>	<b>4,452,674</b>	<b>5,294,228</b>	<b>5,420,000</b>	<b>5,978,500</b>
Franchise Taxes				
Electric	1,210,304	1,282,334	1,234,510	1,296,236
Natural Gas	156,042	167,998	145,000	152,250
Telephone	177,492	141,416	175,000	183,750
PEG Fees	79,167	120,546	75,000	78,750
	511,864	641,111	475,000	498,750
Sanitation-Residential	167,746	173,297	160,000	168,000
Sanitation-Commercial	112,909	145,774	100,000	105,000
<b>Total</b>	<b>2,415,524</b>	<b>2,672,476</b>	<b>2,364,510</b>	<b>2,482,736</b>
<b>TOTAL TAXES</b>	<b>17,364,577</b>	<b>20,549,790</b>	<b>23,519,116</b>	<b>28,762,511</b>
<b>LICENSES &amp; PERMITS</b>				
Building Permits-New Homes	494,055	894,744	490,000	1,000,000
Building Permits-Other	334,167	846,390	340,000	1,000,000
Commercial Permits	400,689	996,851	150,000	250,000
Certificates Of Occupancy	5,212	8,525	5,000	5,000
Zoning Fees	9,945	20,345	6,000	6,000
Fire Fees	34,452	29,199	20,000	20,000
Solicitors Permits	5,160	1,100	1,200	1,200
Health Permits	99,534	98,307	85,000	85,000
Platting Fees	30,169	58,216	20,000	20,000
Alcohol Permits	10,480	11,125	7,000	8,500
Code Enforcement Fees	18,231	15,278	19,000	19,000
Floodplain Development Permits	-	1,300	800	800
Inspection - Developer Fees	354,154	415,528	100,000	300,000
Grading Permit	12,072	9,095	1,000	1,000
<b>TOTAL LICENSES &amp; PERMITS</b>	<b>1,808,320</b>	<b>3,406,003</b>	<b>1,245,000</b>	<b>2,716,500</b>
<b>CHARGES FOR SERVICES</b>				
Fire & Ambulance				
Ambulance Calls	389,787	372,577	355,000	426,000
Ambulance Subscription Revenue	17,061	18,170	15,000	15,000
Service Liens	31,977	24,785	15,000	15,000
Denton County Engine Response		2,500		1,500
County Ambulance Funds	21,090	21,144	21,000	21,000
County Fire Funds	10,000	10,000	10,000	10,000
<b>Total</b>	<b>469,915</b>	<b>449,176</b>	<b>416,000</b>	<b>488,500</b>
Library				
County Library Funds	36,740	39,755	41,000	41,000
<b>Total</b>	<b>36,740</b>	<b>39,755</b>	<b>41,000</b>	<b>41,000</b>
Engineering Inspections				
Inspection Fees	74,944	10,320	-	-
<b>Total</b>	<b>74,944</b>	<b>10,320</b>	<b>-</b>	<b>-</b>
<b>TOTAL CHARGES FOR SERVICES</b>	<b>581,599</b>	<b>499,251</b>	<b>457,000</b>	<b>529,500</b>

**GENERAL FUND**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2016-2017**

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>FINES AND FORFEITURES</b>				
Municipal Court Fines	1,211,987	953,650	900,000	720,000
Library Fees	8,400	8,149	8,400	8,400
Animal Control Fees	25,115	21,400	24,050	20,050
<b>TOTAL FINES AND FORFEITURES</b>	<b>1,245,502</b>	<b>983,199</b>	<b>932,450</b>	<b>748,450</b>
<b>INVESTMENT INCOME</b>				
Interest Income	10,195	13,155	5,000	10,000
<b>TOTAL INVESTMENT INCOME</b>	<b>10,195</b>	<b>13,155</b>	<b>5,000</b>	<b>10,000</b>
<b>GRANT REVENUES</b>				
Federal Police Grant	-	-	-	-
Library Grant -ELOC	-	-	-	-
LEISD Grant	-	53,688	50,000	50,000
LISD Grant	77,214	78,701	77,000	77,000
<b>TOTAL GRANT REVENUES</b>	<b>77,214</b>	<b>132,389</b>	<b>127,000</b>	<b>127,000</b>
<b>OTHER REVENUES</b>				
Auction Proceeds	38,042	8,098	10,000	10,000
Tower Rental Fees	257,766	255,763	250,000	216,880
Insurance Reimbursement	3,157	-	1,000	1,000
Miscellaneous	35,289	78,656	20,000	40,000
Police Reports	4,713	5,833	4,000	4,000
Alarm Fees	43,260	38,175	33,000	33,000
Horizon - Rentals	-	-	-	-
Annex Lease	101,725	7,825	-	-
<b>TOTAL OTHER REVENUES</b>	<b>483,952</b>	<b>394,350</b>	<b>318,000</b>	<b>304,880</b>
<b>TOTAL REVENUES</b>	<b>21,571,359</b>	<b>25,978,137</b>	<b>26,603,566</b>	<b>33,198,841</b>
<b>TRANSFER IN</b>				
Overhead Costs	-	-	-	-
Transfer - CDC	-	-	-	-
Transfer - EDC	21,250	22,715	22,715	-
Transfer - Storm Water Utility	168,800	250,000	250,000	50,000
Transfer - Utility Fund	1,914,906	2,322,406	611,500	-
Transfer - Utility Fund - Tribute Ad Valorem	-	-	-	-
Transfer - Child Safety Fund	20,000	20,000	20,000	20,000
Transfer - Debt Service/Operating Surplus	-	-	-	-
Transfer - Capital Projects	245,673	-	-	-
<b>TOTAL TRANSFERS</b>	<b>2,370,629</b>	<b>2,615,121</b>	<b>904,215</b>	<b>70,000</b>
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>23,941,988</b>	<b>28,593,258</b>	<b>27,507,781</b>	<b>33,268,841</b>

**GENERAL FUND**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2016-2017**

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>EXPENDITURES</b>				
Non-Departmental	3,979,604	5,402,852	5,983,879	7,296,328
General Administration	773,718	769,548	820,960	787,238
City Council	37,738	37,843	29,322	153,872
Community Image	389,327	427,054	416,395	492,154
City Secretary	284,817	309,028	340,897	343,243
Human Resources	272,662	228,048	281,586	396,855
Finance	790,697	809,850	862,089	985,267
Information Technology	416,730	572,125	594,184	785,190
Municipal Court	374,175	384,702	409,951	424,316
Communications	-	-	-	899,131
Fire	5,508,411	5,856,991	6,131,273	6,322,167
Police	6,867,119	7,615,815	7,783,297	7,752,390
Animal Control	-	-	-	-
Library	974,439	990,012	998,495	1,092,005
Engineering	1,301,583	1,505,487	1,474,518	1,802,690
Facilities Maintenance	418,372	423,052	438,783	978,701
Fleet Services	512,490	596,203	686,490	781,121
2015 P&I (20yr \$21M; 10yr \$2M)	-	-	-	-
2016 P&I/Capital Projects	-	-	1,415,000	-
Added Personnel	-	-	-	1,050,000
City Contribution to Medical 5%	-	-	-	115,000
Raises 5%	-	-	-	1,100,000
2017 P&I/Capital Projects	-	-	-	1,775,882
<b>TOTAL EXPENDITURES</b>	<b>22,901,882</b>	<b>25,928,610</b>	<b>28,667,119</b>	<b>- 35,333,550</b>
<b>TRANSFER OUT</b>				
Transfer - CVB	165,000	120,000	100,000	90,000
Transfer - Special Events	100,000	100,000	80,000	40,000
Transfer - KTB	20,000	20,000	20,000	20,000
Transfer - Utility	-	-	-	1,777,000
Transfer - Parks Fund	2,289,884	2,149,884	2,246,700	2,611,700
Transfer - G.F. Special Cap	-	1,876,660	2,022,000	-
<b>TOTAL TRANSFER OUT</b>	<b>2,574,884</b>	<b>4,266,544</b>	<b>4,468,700</b>	<b>4,538,700</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>25,476,766</b>	<b>30,195,154</b>	<b>33,135,819</b>	<b>39,872,250</b>
<b>OH COST ALLOCATION</b>	<b>(3,945,663)</b>	<b>(3,945,663)</b>	<b>(3,945,663)</b>	<b>(3,945,663)</b>
BEGINNING FUND BALANCE	7,405,826	9,816,711	12,160,478	10,478,103
<b>EXCESS/(DEFICIENCY)</b>	<b>2,410,885</b>	<b>2,343,767</b>	<b>(1,682,375)</b>	<b>(2,657,746)</b>
<b>ENDING FUND BALANCE</b>	<b>9,816,711</b>	<b>12,160,478</b>	<b>10,478,103</b>	<b>7,820,358</b>
Reserve for Hidden Cove Park/Fire Station	(534,000)	(534,000)	(165,000)	(165,000)
<b>UNRESERVED FUND BALANCE</b>	<b>9,282,711</b>	<b>11,626,478</b>	<b>10,313,103</b>	<b>7,829,358</b>
Working Days in Fund Balance	133	162	129	80

# Non-Departmental

---

Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ 12,763	\$ 23,000	\$ 21,400
Contractual Services	2,767,810	2,761,500	3,117,100
Supplies	27,563	33,300	77,585
Maintenance	3,880	6,500	2,800
Non-Capital	-	-	-
Capital Outlay	228,091	228,091	228,091
Overhead Allocation			350,000
Sundry Charges	5,070,718	5,090,188	70,000
<b>Total Department Budget</b>	<b>\$ 8,110,825</b>	<b>\$ 8,142,579</b>	<b>\$ 3,866,976</b>



# General Administration

## Department Mission

General Administration consists mainly of the functions and activities of the City Manager, the Assistant City Manager of Administration, and the Assistant City Manager of Operations. These positions provide professional management of all City functions and the implementation of City Council policies in compliance with the duties set out by the City Charter.

## Program Narrative

### 2017 Goals

- Provide professional management and leadership in all city activities.
- Respond to citizen's requests within 24 hours.
- Enhance communications and provide administrative support to the Mayor and the City Council.
- Manage City in fiscally responsible manner.

Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ 689,497	\$ 742,135	\$ 708,308
Contractual Services	64,936	64,625	64,530
Supplies	14,855	14,200	14,500
Maintenance	260	-	-
<b>Total Department Budget</b>	<b>\$ 769,548</b>	<b>\$ 820,960</b>	<b>\$ 787,338</b>

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
City Manager	1	1	1
Development Project Manager	1	1	1
Assistant City Manager of Administration	1	1	1
Director of Governmental Services*	1	1	1
Program Administrator	1	1	1
Assistant to the City Manager	1	1	-
<b>Total</b>	<b>6</b>	<b>6</b>	<b>5</b>

\*This position is funded in the Capital Projects Administration fund.



# Community Image

## Department Mission

The Community Image Department consists of Community Image and Health Inspections. The department's primary mission is to enforce city and state codes fairly and consistently in regards to public nuisance and health code violations.

## Program Narrative

### 2016 Accomplishments

#### Health Inspections

- Inspected all food establishments and public swimming pools.
- Created a dog variance ordinance in order for food establishments to allow dogs on the patio as long as certain criteria are met.
- Enforced various ordinances related to public health and food safety throughout the city.
- Implemented the new TFER inspections forms within the City of The Colony.

#### Community Image

- Enforced various ordinances pertaining to public nuisances throughout the city.
- Educated the public on various nuisance violations by participating in the #ServiceTipSunday campaign along with other media outlets.

Completed and closed out approximately 5 volunteer assistance cases.

### 2017 Goals

#### Health Inspections

- Provide a safe and healthy environment for residents and visitors by raising awareness about health issues through routine inspections of various food establishments, daycares and public swimming pools.
- Continue to perform a minimum of three (3) inspections per year of all food establishments.
- Continue to perform swimming pool/spa inspections for all commercial properties within the City.
- Continue to educate the public and food establishments on best food safety practices.

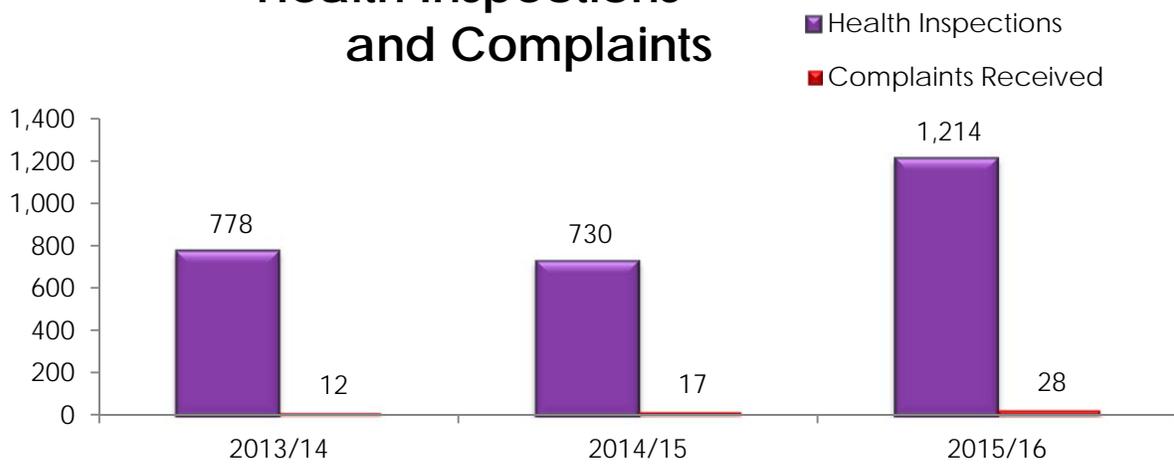
#### Community Image

- Increase public awareness of code violations and assist residents with improving their neighborhoods.
- Continue to enforce codes with a common sense approach and positive attitude.  
Provide more "how to comply" information with our Notice of Violations along with expanding our Volunteer Assistance Program.

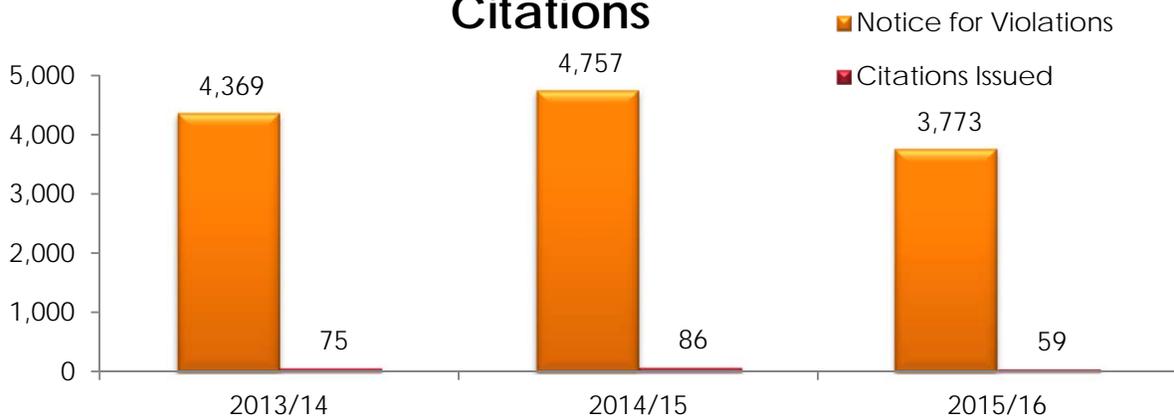
Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ 362,464	\$ 365,845	\$ 446,854
Contractual Services	16,235	19,200	19,400
Supplies	8,654	11,350	4,900
Maintenance	39,702	20,000	21,000
<b>Total Department Budget</b>	<b>\$ 427,055</b>	<b>\$ 416,395</b>	<b>\$ 492,154</b>

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
Community Image Manager	1	1	1
Senior Health Inspector	-	1	1
Health Inspector	1	1	1
Community Image Officer	2	2	2
Neighborhood Enhancement Officer	1	1	1
<b>Total</b>	<b>5</b>	<b>6</b>	<b>6</b>

## Health Inspections and Complaints



## Community Image Violation Notices and Citations



# Fleet Services

## Department Mission

Fleet Services is responsible for the safe operating condition, preventive maintenance and repairs of all vehicles and equipment owned by the City of The Colony. The Fleet Services personnel are highly trained and certified by the National Institute for Automotive Service Excellence to maintain the City fleet. This department maintains equipment and vehicle records of all maintenance, repairs, and operating costs for the annual budget.

## Program Narrative

### 2016 Accomplishments

- Set up the second 2000 gallon fuel tank. All City diesel equipment is using it.
- No injuries or Workers Compensation claims reported due to the high level of workplace safety.
- All equipment was ordered and delivered to the appropriate departments.
- Completed the year under budget.

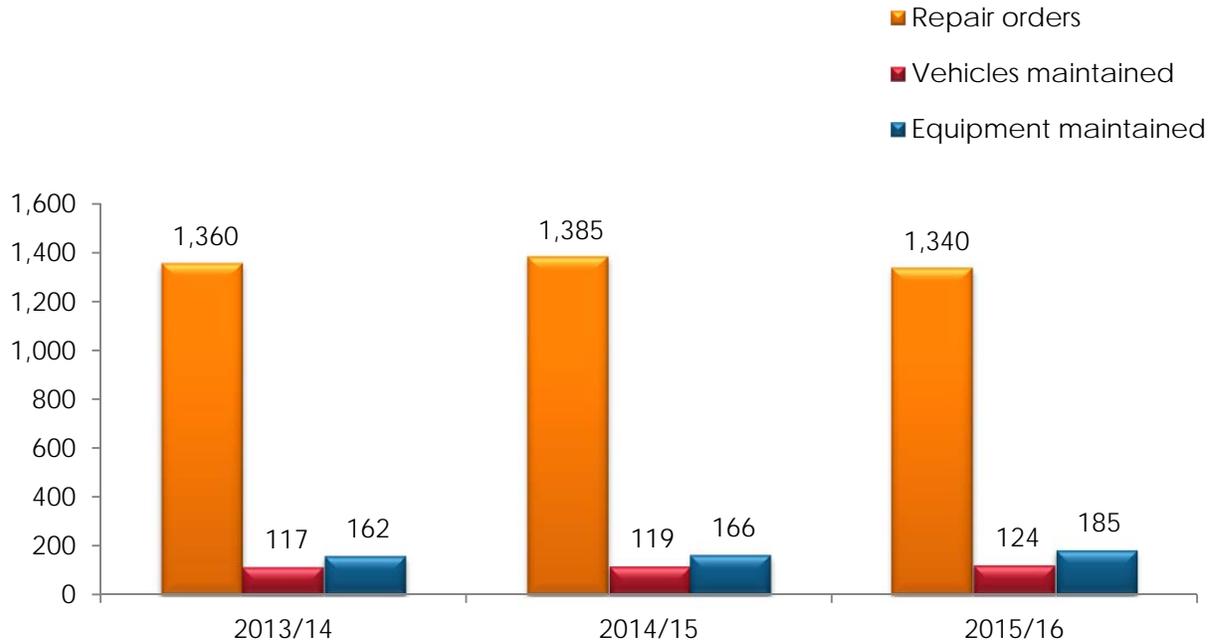
### 2017 Goals

- Reorganize and expand the parking lot due to the increased number of vehicles and equipment.
- Reset the safety standards at a higher level.
- Order the new equipment from CIP and commit to find better prices and
- Safety and training is also going to be the number one priority for the Fleet employees.

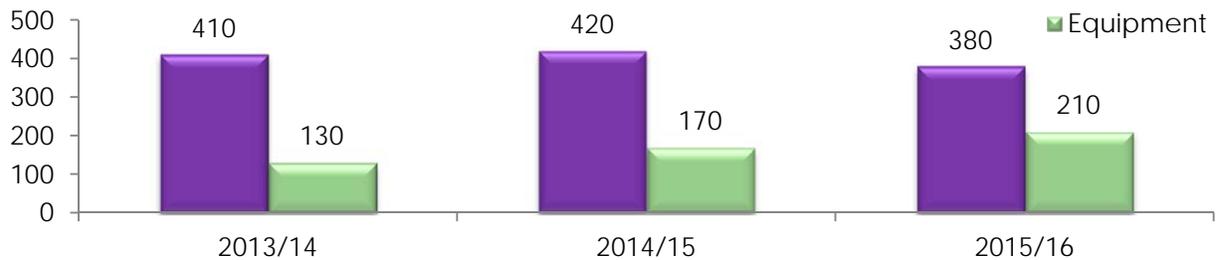
Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ 340,770	\$ 356,990	\$ 360,21
Contractual Services	3,217	8,100	7,700
Supplies	65,600	105,600	105,300
Maintenance	186,616	215,800	260,300
Capital Outlay	-	-	47,500
<b>Total Department Budget</b>	<b>\$ 596,203</b>	<b>\$ 686,490</b>	<b>\$ 781,121</b>

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
Fleet Services Manager	1	1	1
Lead Technician	1	1	1
Automotive/Equipment Technician I	1	1	1
Emergency Vehicle Technician	1	1	1
Automotive/Equipment Tech II	1	1	1
Automotive/Equipment Tech II - PT	1	1	-
<b>Total</b>	<b>6</b>	<b>6</b>	<b>5</b>

## Vehicles and Equipment



## Preventative Maintenance Services



# City Secretary

## Department Mission

The Office of the City Secretary is responsible for a broad range of administrative and clerical duties, including but not limited to, recording and maintaining the minutes of the proceedings of all City Council meetings. The City Secretary also directs the Records Management Program for the City and maintains ordinances, resolutions, and all other official records of the City of The Colony. All municipal elections are conducted by the office of the City Secretary. The City Secretary attends all council meetings, staff meetings, and various other committee meetings. Hundreds of documents are indexed for efficient access and research of legislative and governmental history.

## Program Narrative

### 2016 Accomplishments

- Implemented Agenda Management Software and Streaming Media Solution for Council and Board Videos (Granicus Peak)
- Initiated process in TRAKIT Permitting System for businesses serving alcohol.

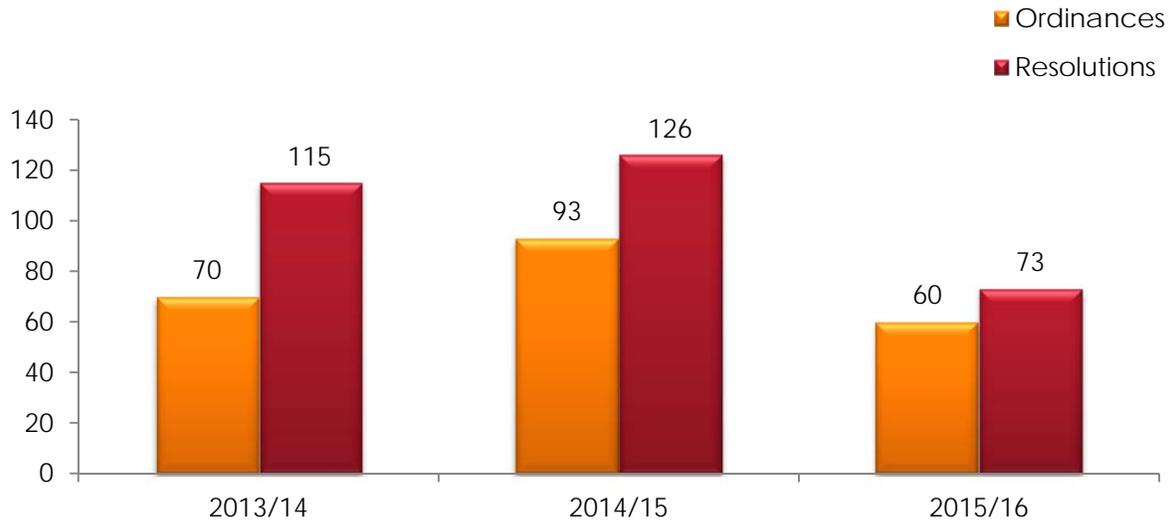
### 2017 Goals

- Staff Training (Cross-train ALL functions in CSO)
- Improve Technology Software (Laserfiche, Public Information Request)
- Update Departmental Procedures (City Secretary’s Office, Records Management Manual, Administrative Procedures Manual)

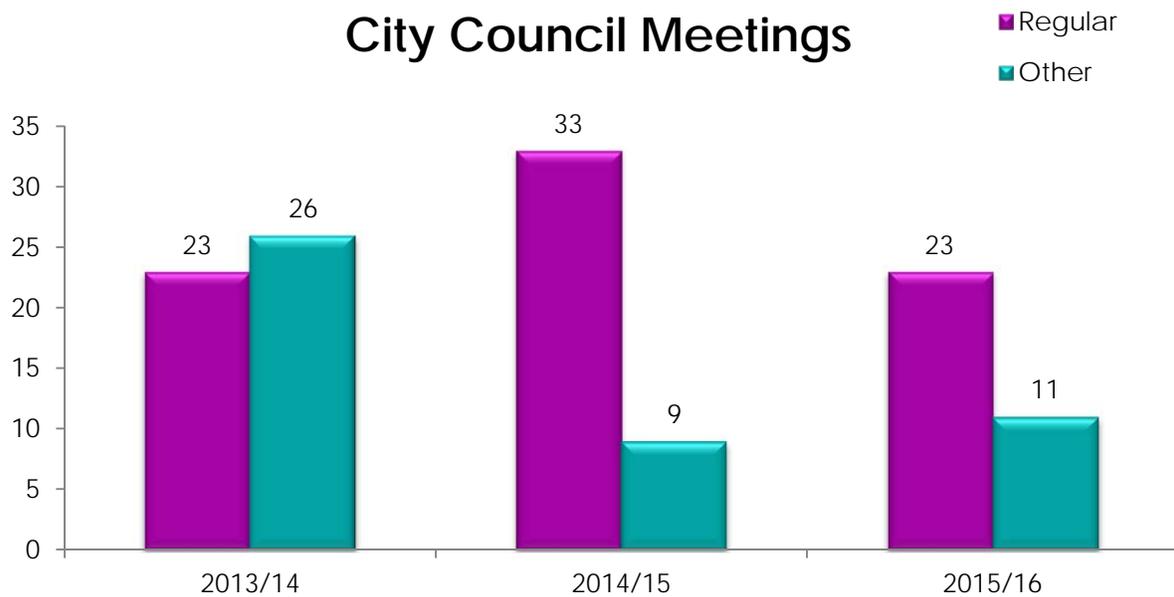
Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ 251,827	\$ 262,447	\$ 261,543
Contractual Services	45,266	50,000	47,850
Supplies	6,425	14,800	7,350
Maintenance	5,511	13,650	26,500
<b>Total Department Budget</b>	<b>\$ 309,029</b>	<b>\$ 340,897</b>	<b>\$ 343,243</b>

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
City Secretary	1	1	1
Deputy City Secretary	1	1	1
Records Manager Specialist	-	1	1
Records Technician - PT	1	-	-
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>

## Ordinances and Resolutions Adopted



## City Council Meetings



# City Council

---

## Department Mission

The City Council is the governing body of the City. The City of The Colony is a Home Rule city with a Council/Manager form of government. The City Council is the legislative branch of the City government. The primary duty of the City Council is policy making, which includes identifying needs of the residents, formulating programs to meet the changing requirements of our community and measuring the effectiveness of ongoing municipal services.

Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ 11,411	\$ 12,172	\$ 10,772
Contractual Services	1,824	2,100	2,100
Supplies	4,883	3,800	4,000
General Government	19,725	11,250	137,000
<b>Total Department Budget</b>	<b>\$ 37,843</b>	<b>\$ 29,322</b>	<b>\$ 153,872</b>

Council	Name	Profession	Term Expires
Mayor	Joe McCourry	Business Analyst	November, 2018
Mayor Pro Tem, Place 1	Kirk Mikulec	Sales Manager	November, 2018
Council Member, Place 2	Richard Boyer	Corporate Compliance	November, 2018
Council Member, Place 3	Brian Wade	General Mgr	November, 2017
Council Member, Place 4	David Terre	Retired	November, 2017
Deputy Mayor Pro Tem, Place 5	Perry Schrag	Self Employed	November, 2017
Council Member, Place 6	Joel Marks	Sales	November, 2017



# Human Resources

## Department Mission

(HR) strives to provide excellent customer service both internally and externally. Our goal is to attract, hire, and retain qualified employees in a diversified workplace. The HR Department works as a partner with management staff providing advice, support, and recommendations to effectively utilize and manage the City's employee workforce.

## Program Narrative

### 2016 Accomplishments

- Implementation of new, online onboarding system.
- Completed online supervisor training program. Began annual facilitator led supervisor training.
- Completed RFP process for medical/dental/vision, Long Term Disability, Life Insurance, Supplemental Insurance, and Wellness program.
- Completed salary survey, comparing Colony pay rates with 13 surrounding cities.
- Implemented quarterly new hire orientation.
- Began using more recruiting resources: Facebook, Twitter, TML website, SGR website and the Texas Workforce Commission website.
- Another successful employee health fair. Over 90 attendees.
- Implementation of Check.Change.Control blood pressure monitoring program.

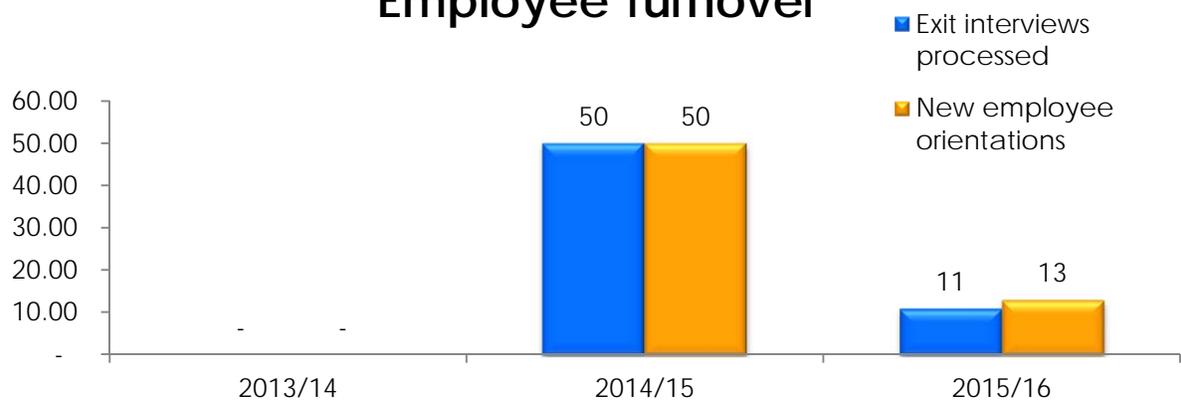
### 2017 Goals

- Provide the highest quality of human resource support to other City functions.
- Implement a supervisor onboarding program for all current and newly hired management

Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ 188,107	\$ 240,086	\$ 299,055
Contractual Services	29,267	36,200	53,900
Supplies	10,673	5,300	14,900
Capital Outlay			29,000
<b>Total Department Budget</b>	<b>\$ 227,047</b>	<b>\$ 281,586</b>	<b>\$ 396,855</b>

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
Human Resources Director	1	1	1
Assistant Human Resources Director	-	1	1
Administrative Assistant	-	-	1
Benefits Coordinator	1	-	-
Part-time HR Technician	1	-	-
<b>Total</b>	<b>3</b>	<b>2</b>	<b>3</b>

## Employee Turnover



# Finance

---

## Department Mission

The Finance Department is responsible for all fiscal transactions, the preparation of all financial reports, and the development of the City's annual operating budget. This department is also responsible for cash management, revenue collection, debt management, payment disbursements, coordinating all City purchases, and the investment of City funds. An audit of financial transactions is prepared annually by an external auditor to ensure the proper and ethical accounting of public funds. The Finance department also contains the Payroll department which is responsible for the timely and accurate payment of all City employees and administration of the Ceridian Time and Attendance System.

## Program Narrative

### 2016 Accomplishments

- Received the Government Finance Officers Association Distinguished Budget Presentation Award for the 2015-2016 Budget
- Received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for Fiscal Year ended Sept 30, 2015.
- Received the 2015 Platinum Leadership Circle Award from the Texas Comptroller of Public Accounts.

### 2017 Goals

#### Finance

- Implement savings through the bid process and negotiations.
- Coordinate purchasing efforts through interlocal on-line cooperation.
- Improve year-end reporting process.
- Design and prepare the FY 2017-2018 annual operating budget according to the guidelines set forth by the Government Finance Officers Association in their Distinguished Budget Presentation Award Program.
- Complete the 2015-2016 audit process.
- Produce and print the Comprehensive Annual Financial Report by March 31, 2017.
- Strengthen the quality and timeliness of financial reporting.
- Monitor and report the financial and budgetary status of all capital projects each month.
- Monitor and report the financial and budgetary status of all revenues and expenditures each month.

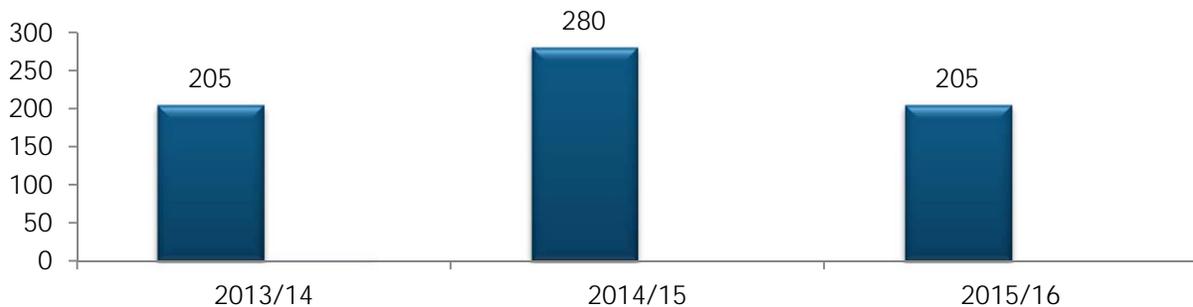
#### Payroll

- Improve and expand payroll services.
- Continue employee training to maintain certification and stay abreast of new payroll laws.
- Continue to offer follow-up training on the Ceridian Time and Attendance System.
- Update payroll procedures manual.

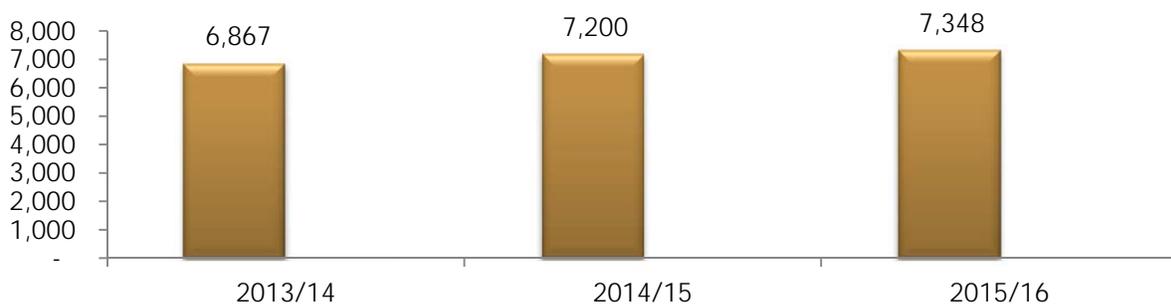
Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ 590,286	\$ 605,764	\$ 639,468
Contractual Services	206,704	207,425	236,500
Supplies	6,371	6,900	4,300
Maintenance	35,434	42,000	105,000
Non-Capital	1,627	-	-
<b>Total Department Budget</b>	<b>\$ 840,422</b>	<b>\$ 862,089</b>	<b>\$ 985,268</b>

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
Director of Finance	1	1	1
Assistant Finance Director	1	1	1
Accounting Manager	1	1	1
Payroll Manager	1	1	1
AP Accountant/Budget Analyst	1	1	1
Project an GL Accountant/Budget	1	1	1
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>

### Purchase Orders Processed



### AP Checks Processed



# Information Technology

---

## Department Mission

The Information Technology department provides the highest quality technology-based services in the most cost effective manner to facilitate the city's mission as it applies to our citizens, city staff and local community. Our department staff is responsible for maintaining network connectivity to 18 city facilities, our city's websites, assisting with access to social media providing multiple avenues of communication to our community. We also support broadcast of video productions and city meetings via streaming media and government PEG channels.

## Program Narrative

### 2016 Accomplishments

- Improved level of customer service and responsiveness to IT related requests.
- Reduced IT work order count from approximately 100 to 5.
- Migrated on premise email to the cloud using O365.
- Migrated Public Works Asset Management software to the cloud.
- Phase 1 and 2 completion of an IT Infrastructure upgrade which included replacing core networking equipment at two primary data centers.
- Upgraded the City's primary firewall for improved security and management.
- Changed City's primary cell carrier from Sprint to Verizon reducing overall costs while improving coverage.
- Added staff Wi-Fi services to 2 locations.
- Updated the City's IT policy.

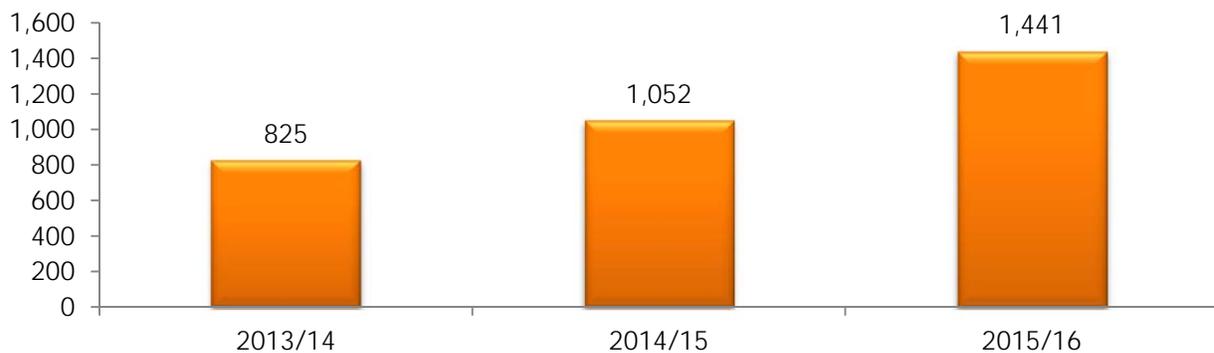
### 2017 Goals

- Redesign City website.
- Improve network connectivity at several remote sites by installing point to point connections.
- Replace Agenda management software and move to the cloud.
- Replace time entry management system and move to the cloud.
- IT Infrastructure phase 3 project completion involving data/server migrations and retirement of end of life server and network storage equipment.
- Replacement of approximately 60 PCs.
- Wi-Fi upgrades at 2 facilities.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 300,835	\$ 343,084	\$ 496,233
Contractual Services	140,502	22,050	38,000
Supplies	29,034	14,550	28,300
Maintenance	101,753	94,500	103,657
Non-Capital	-	120,000	54,000
Capital Outlay	-	-	65,000
<b>Total Department Budget</b>	<b>\$ 572,124</b>	<b>\$ 594,184</b>	<b>\$ 785,190</b>

<b>Personnel Detail</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Information Technology Director	-	-	1
Network Administrator	-	-	1
System Administrator	-	-	1
Help Desk Analyst	-	-	1
GIS Administrator	1	1	1
IT Manager	1	1	-
IT Specialist	1	1	-
Network Technician	1	1	-
<b>Total</b>	<b>4</b>	<b>4</b>	<b>5</b>

## IT Work Requests Per Year



# Municipal Court

---

## Department Mission

The Municipal Court is responsible for the prompt, accurate processing of misdemeanor charges and collections of fines. The Court prepares warrants for unpaid fines and maintains an efficient docket of cases for adjudication. The Colony Municipal Court is dedicated and committed to promoting the highest standards in customer service upholding the integrity of the court and building public trust and confidence.

## Program Narrative

### 2016 Accomplishments

The new security system was installed and training completed.

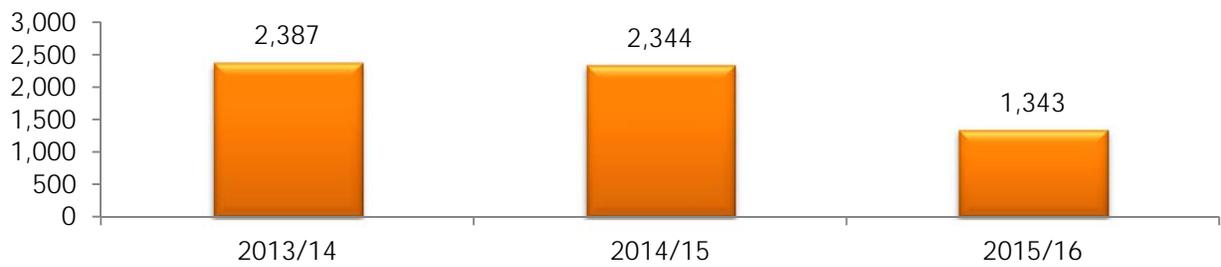
### 2017 Goals

- Ensure efficient and effective operation of the court.
- Provide the best customer service for citizens of The Colony.
- Warrant Collections - Continue on with the Court staff assisting the TCPD Warrant officers with clearing and collecting fines on active Class C Misdemeanor warrants of arrest. When the Police Department became short staffed this year, the Court staff started calling and sending out warrant letters in February, 2016 to help the warrant officers. This effort resulted in a significant amount of warrant fines being collected and it closed out many active warrant cases.

Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ 293,958	\$ 284,651	\$ 310,816
Contractual Services	85,914	117,450	110,400
Supplies	4,830	7,450	2,700
Maintenance		400	400
<b>Total Department Budget</b>	<b>\$ 384,702</b>	<b>\$ 409,951</b>	<b>\$ 424,316</b>

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
Court Administrator	1	1	1
Senior Deputy Clerk	1	1	1
Deputy Court Clerk	3	3	3
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>

## Warrants Issued



# Animal Control

---

## Department Mission

The mission of Animal Control is to house and care for all stray and unwanted animals of The City of The Colony. Our goal is to return all owned strays back to the rightful owner(s) and those that are unwanted or unclaimed find loving permanent homes. The animals in our care will be treated with the utmost respect and shown compassion. They will be held in a comfortable environment until an owner is found, they are adopted, or a rescue organization pulls them. During their time with us they will be spayed/neutered and all other health challenges addressed and fully vaccinated. A quote by Mahatma Gandhi states, “The greatness of a community can be judged by the way its animals are treated”.

## Program Narrative

### 2016 Accomplishments

- Euthanasia rates lowered
- Shelter back yard renovation
- Building painted
- Volunteer increase
- Spay/Neuter on all adoptions
- Volunteer group now has 501c3 status
- New breakroom and medical room
- New chemical dispense system in kennels
- Complete renovation in cat room
- Increase in school educational programs
- New Petpoint Shelter Data Software System

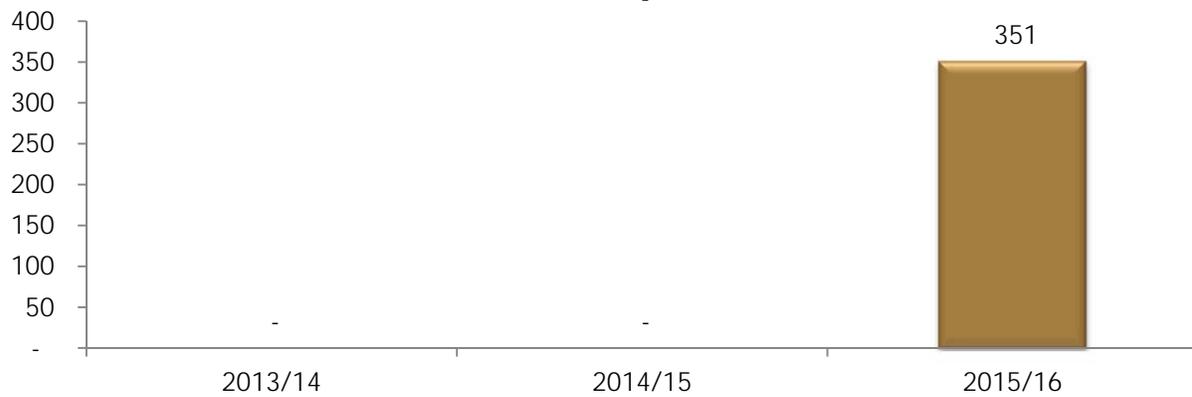
### 2017 Goals

- Provide the needed support for Animal Services in a growing community.
- Reduce the unwanted pet population through education, spay/neuter programs, and offsite adoptions
- Keep up with the lower euthanasia rate through adoption and rescue
- Continue and enhance the volunteer program
- Continue to upgrade shelter areas, including kennel room cat room expansion and office area
- Develop a comprehensive adoption program
- Develop a growth plan for staff

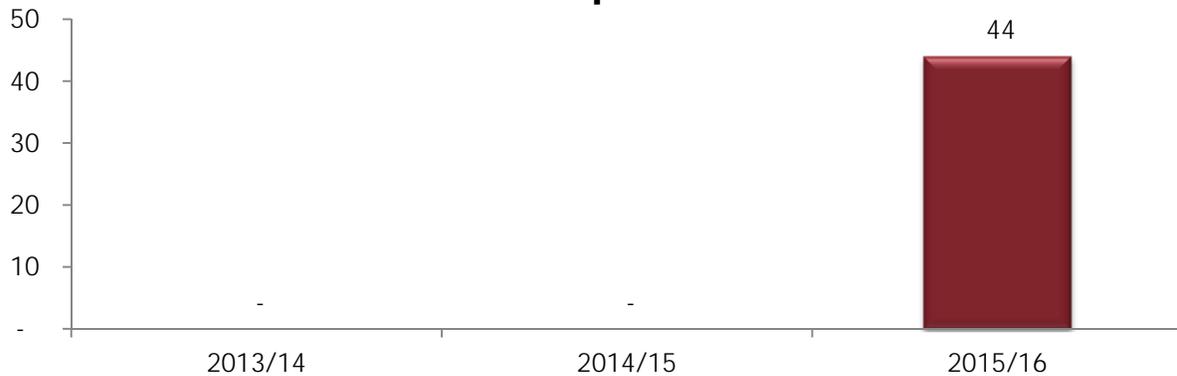
Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ -	\$ -	2,800
Contractual Services	-	-	2,200
Supplies	-	-	24,800
Maintenance	-	-	500
<b>Total Department Budget</b>	\$ -	\$ -	\$ 31,200

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
Animal Control Manager	-	-	1
Animal Control Officer	-	-	4
<b>Total</b>	-	-	5

### Pet Adoptions



### Offsite Adoption Events



# Facility Maintenance

---

## Department Mission

This department's mission is to ensure that all City facilities are maintained to the highest standards of safety and repair for all personnel who work in the various City Facilities and for all residents and visitors who conduct business and/or activities in the City facilities.

## Program Narrative

The Facility Maintenance/Right-Of-Way Department is responsible for the daily operational maintenance of City facilities ensuring safe, efficient, and economical operation of all electrical, plumbing, HVAC and building systems and support equipment. Additionally, the department is responsible for right-of-way repairs, median trash receptacles, fence and flag maintenance, support to Environmental Services for trash and recycling issues, and for collection of household hazardous waste, sharps and electronics.

## 2016 Accomplishments

- City facilities were maintained to the current level of the budget. All safety related and critical maintenance and repairs were completed.
- Preventive maintenance schedules for equipment were adhered to as time and budget allowed.
- Facilities Capital Projects completed include the painting of 76 Cluster Postal Boxes, new Facilities Truck put in service and completion of shelter over the outside dog kennels.
- HVAC units replaced at Muni # 5, City Hall, Animal Control, Five Star, Waste Water and Police Department.

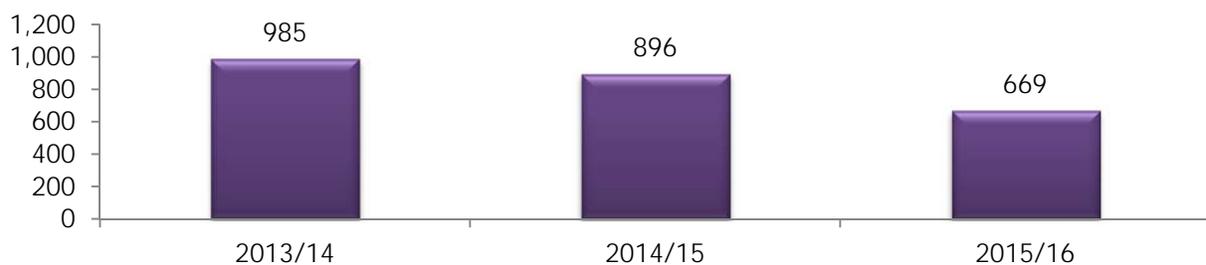
## 2017 Goals

- ***Provide necessary support to all city departments and facilities allowing them to better accomplish their mission.***
- Reduce maintenance requests through routine building inspections and surveys.
- Continue expansion of preventative maintenance schedules.
- Place maintenance schedules in City Works for auto generation of Work Orders.
- Complete repairs to city right-of ways as necessary, maintain fence and flags in working order.
- Setup and maintain the collection area for HHW, sharps and electronics to avoid safety issues to staff and/or the public.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 180,497	\$ 185,033	\$ 195,701
Contractual Services	34,846	42,800	73,800
Supplies	16,216	17,950	18,700
Maintenance	177,382	193,000	205,500
Capital Outlay	14,111	-	485,000
<b>Total Department Budget</b>	<b>\$ 423,052</b>	<b>\$ 438,783</b>	<b>\$ 978,701</b>

<b>Personnel Detail</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Facility Maintenance Supervisor	1	1	1
Facility Maintenance Worker	2	2	2
P/T Reg Lead Janitor	-	-	1
P/T Reg Janitor	-	-	5
<b>Total</b>	<b>3</b>	<b>3</b>	<b>9</b>

## Work Orders Completed



# Engineering/Development Services

---

## Department Mission

The Department serves as a one-stop development center to better serve our customers and facilitate the development process. It combines into one agency the functions necessary to review, approve, and monitor development applications from their inception through construction to the opening of the new development. The department plans and coordinates planning, design, and construction of land development and capital improvement projects. Services include development planning, long range planning, building and infrastructure construction inspections, infrastructure improvement, floodplain administration, impact and building fee administration and traffic administration.

## Program Narrative

### 2016 Accomplishments

- **Storm Water Program:** Updated and submitted yearly Storm Water Report before TCEQ deadline.
- **Memorial Drive and Spring Creek Parkway Project:** The project was completed in 2016.
- **FM 423 Widening:** The FM 423 Roadway Construction Project started in late 2014 and reached approximately 50% completion in 2016.
- **Wynnwood 1.0 MG Elevated Storage Tank:** Construction was completed and the new tank is now in operation.
- **South Colony Blvd. Overpass:** This project was completed in 2016.
- **Phase 5 Residential Street Reconstruction:** Both Nash Drive and Roberts Drive reconstruction were substantially completed and opened to traffic in 2016.
- **Phase 6 Residential Street Reconstruction:** The engineering design of this project was completed and construction activities will begin in late 2016.
- **Memorial Drive Widening:** The engineering design of this project was completed and construction activities will begin in late 2016.
- **Drainage and Roadway Impact Fees:** Completed updating the City's Drainage Impact Fee Ordinance for the Office Creek watershed and the City's Roadway Impact Fees. Updated reports were produced for both projects during 2016.
- **CIP Ranking Street Report:** Selected streets were evaluated and prioritized for capital improvement repairs or reconstruction. A detailed report was produced summarizing the findings and finalized rankings which included associated cost estimates.
- **North Trunk Sewer Replacement:** A final alignment was selected and 60% design plans were completed in 2016.
- Performed 7,311 building and engineering inspections during 2016. The number of inspections increased by more than 800 since last fiscal year.
- The City issued 1,821 building permits in Fiscal Year 2015/2016. The issued building permits include sign permits, commercial/residential permits, certificate of occupancies, electrical permits, cell tower permits, drive approaches permits, construction trailer permits, fire sprinkler systems permits, lawn sprinklers permits and mechanical/plumbing permits.

## 2017 Goals

***Planning and Development: Continue to foster the climate of “Exceptional Customer Service” to both external and internal clients.***

- Continue to find new ways to promote our customer service message to the general public.
- Continue the creation and/or review of Departmental brochures regarding our processes and make them available on the website.
- Better utilize permitting software to provide a more economical, time saving way to provide our services.
- Continue to improve on timelines for development processes for the Development Review Committee (DRC), Ordinance Review Committee (ORC), Open meetings, and notification requirements.
- Continue to improve our external customer service by expediting projects through the use of pre-development meetings.
- Continue the rewriting of the Zoning Ordinance and begin the process of updating the Comprehensive Plan to guide the growth of the city in the direction that the citizens and City Council envision.

***Engineering: Review and approve engineering designs, plans, plats and other engineering support services.***

- Continue to provide timely and accurate development project reviews, drainage studies, street paving/drainage designs, other support services, and timely updates of the City's utility maps.
- Continue to update the Geographic Information System (GIS) to provide design professionals and the public the capability of accessing city infrastructure details, subdivision and floodplain information.

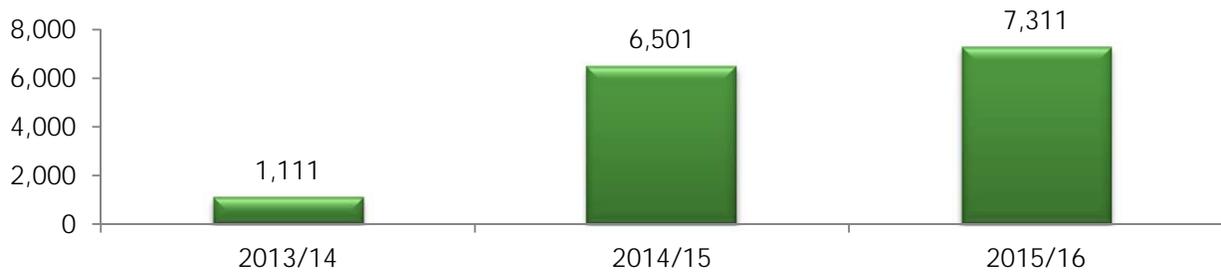
***Inspections: Provide quality and timely compliance inspections to contractors for all development and infrastructure projects within the City.***

Continue to provide timely inspections for new developments, capital improvement projects and compliance inspections for buildings.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 1,236,138	\$ 1,321,018	\$ 1,386,910
Contractual Services	246,040	126,800	153,080
Supplies	17,691	21,000	21,200
Maintenance	5,618	5,700	5,500
Capital Outlay	-	-	236,000
<b>Total Department Budget</b>	<b>\$ 1,505,487</b>	<b>\$ 1,474,518</b>	<b>\$ 1,802,690</b>

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
Engineering Director	1	1	1
Planning Team Leader	1	1	1
Engineering Team Leader	1	1	1
Senior Planner	1	1	1
Staff Engineer	2	2	2
Inspections Team Leader	1	1	1
Chief Building Official/Plans	1	1	1
Engineering Inspectors	2	2	2
Building Inspector	2	2	2
Technical Assistant	1	1	1
Assistant to Chief Building Official	1	1	1
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>

## Inspections Completed





# Fire

## Department Mission

The mission of The Colony Fire Department is to meet the needs and expectations of our community by delivering smart, professional, effective and efficient prevention, response, and recovery services to the citizens and visitors of The Colony. We exist to be available when needed, to bring order to chaos, to solve problems, and to serve the community to the best of our ability with the resources available.

## Program Narrative

### 2016 Accomplishments

- Decreased average response times for service delivery
- Prioritized training and personnel development in the planning and budget process
- Sent (4) department members to Fire Department Instructors Conference
- Enhanced operational training capabilities with the development and construction fire training prop to allow for area searches and hose line deployments.
- Minimized overtime costs, that were not on the job injury related, to the city by increasing minimum staffing.

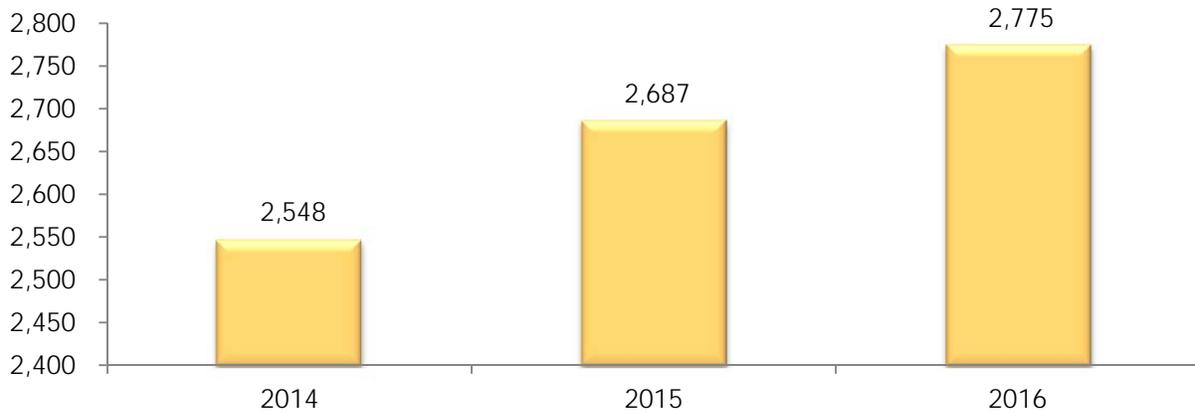
### 2017 Goals

- Commitment to service excellence
- Anticipate and plan for future emergency services with expected growth of the community
- Place a light rescue apparatus in service to reduce response times, dependencies on mutual aid department usage, and wear & tear on fire apparatus.
- Upgrade to all digital radio system
- Replace aging self-contained breathing apparatus program with new SCBAs with integrated thermal imaging cameras
- Provide each member with the best possible protective clothing and equipment
- Replace current medical direction with physician group capable of providing the best services in emergency medical protocols, paramedic training, and continuous quality improvement
- Maximize fire, rescue, and emergency medical operational efficiency and effectiveness

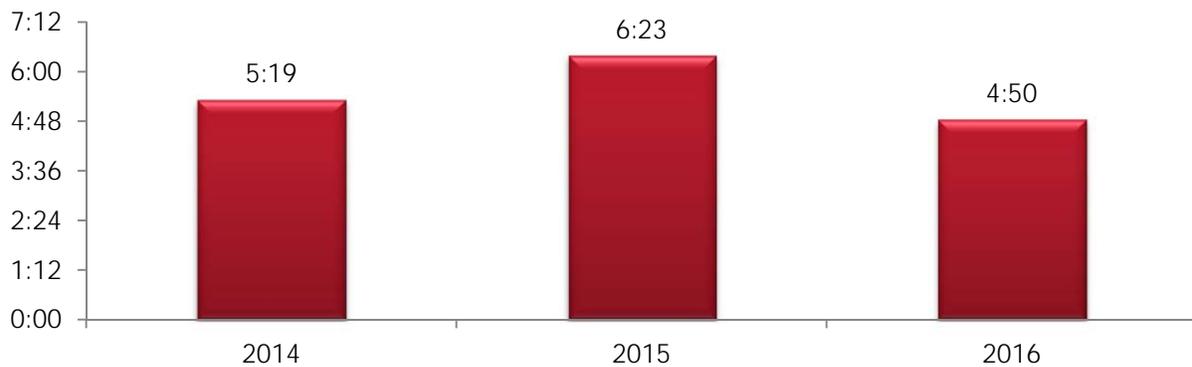
Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ 5,532,008	\$ 5,858,620	\$ 5,948,223
Contractual Services	111,194	145,773	181,764
Supplies	111,797	83,735	130,185
Maintenance	46,682	43,145	61,995
Non-Capital Outlay	45,435	-	-
Capital Outlay	9,875	-	-
<b>Total Department Budget</b>	<b>\$ 5,856,991</b>	<b>\$ 6,131,273</b>	<b>\$ 6,322,167</b>

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
Fire Chief	1	1	1
Assistant Chief Operations	1	1	1
Assistant Chief/Fire Marshall	1	1	1
Division Chief	-	1	1
Battalion Chiefs	3	3	3
Captain	9	9	9
Driver Engineer / Paramedic	9	9	12
Firefighter/Paramedic	27	33	36
Administrative Assistant	1	1	1
<b>Total</b>	<b>52</b>	<b>59</b>	<b>65</b>

### Total Annual Calls



### Average Response Time



# Communications/Dispatch

## Department Mission

The mission of The Colony Public Safety Communications Department is to provide immediate emergency and non-emergency support and assistance to the citizens and first responders, with the safety of all as its top priority.

## Program Narrative

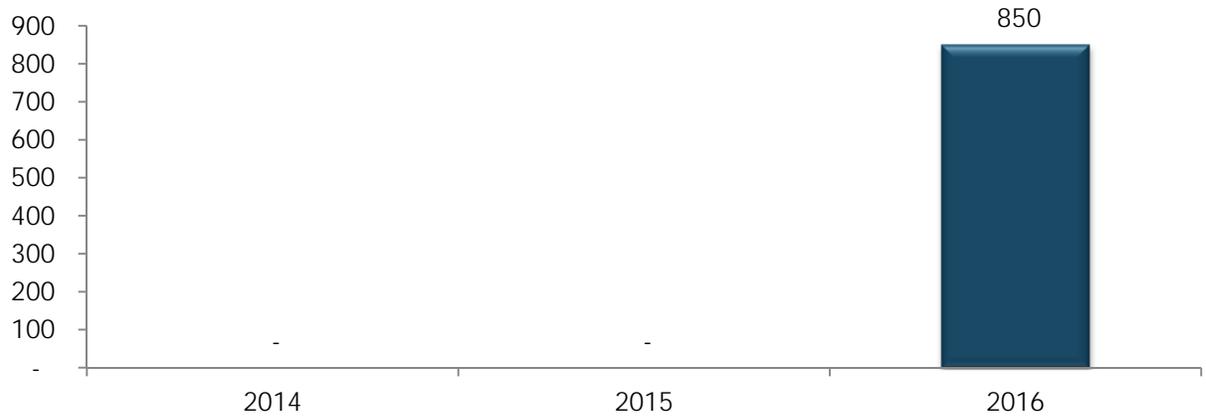
### 2017 Goals

- Meet all licensing and training requirements as mandated by TCOLE
- Continue to provide excellent customer service to the citizens of The Colony and first responders
- Raise mandatory staffing levels to maintain quality service to the citizens and responders while allowing regular days off and minimizing overtime
- Provide a pleasant working environment by upgrading the department offices and replacing outdated equipment
- Ensure that all members of the department have the opportunity to attend relevant training on a regular basis

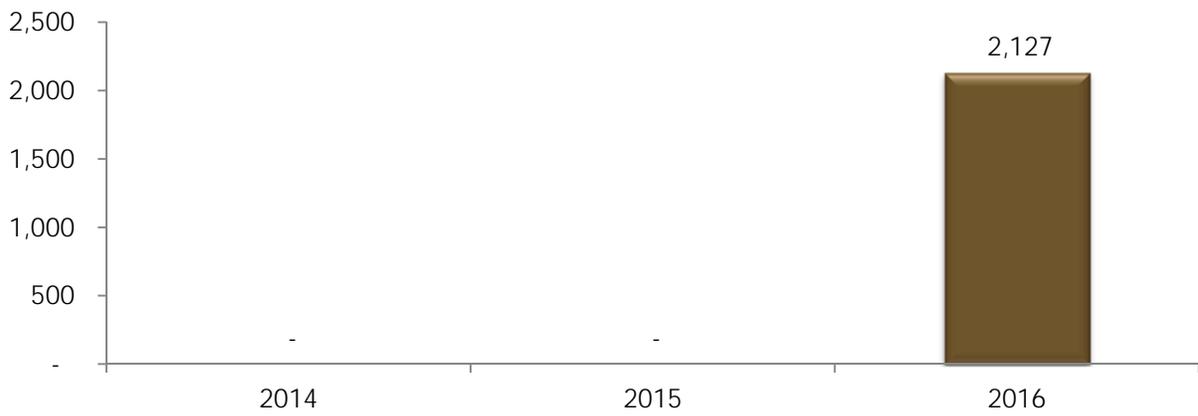
Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ -	\$ -	\$ 896,931
Supplies	-	-	200
Maintenance	-	-	2,000
<b>Total Department Budget</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 899,131</b>

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
Communications Supervisor	-	-	1
Communications Officer/Dispatcher	-	-	13
<b>Total</b>	<b>-</b>	<b>-</b>	<b>14</b>

## Fire Calls



## EMS Calls



# Police

---

## Department Mission

The Colony Police Department Vision: Our vision is for The Colony to have a model police department that delivers superior law enforcement services while maintaining an alliance with our community.

## Program Narrative

### 2016 Accomplishments

- Providing Better Services
    - Formed Citizens Police Academy Alumni 501c3
    - Established Volunteers in Policing Program
    - Implemented Citizens on Patrol
    - Equipped Officers with Body Cameras
    - Equipped Officers with Tasers
    - Completed Animal Services Quarantine Building
    - Remodeled Animal Services Cat Adoption Area
    - Certified Detention Officers in Use of Force Tactics
    - Completed Advanced Firearms Training for Police Officers
    - Patrol Rifle Training
    - De-escalation Training for Police Officers
  - Efficiencies
    - Implemented Govpay.net for Jail Payments
    - Established Nixle Public Safety Systems
    - Participated in Area Training Consortium to reduce Training Costs
    - False Alarm Management System Contracted
  - Grants
    - State Farm Drivers Safety and Crime Prevention \$3000 Grant
    - Walmart Community Outreach \$1000 Grant
  - Awards
    - Texas Police Chiefs Association Best Practices Recognized Status
    - Texas Crime Prevention Association Outstanding Media Award
    - National Night Out National Award
- Secretary of Defense Employer Support Freedom Award Nominee

### 2017 Goals

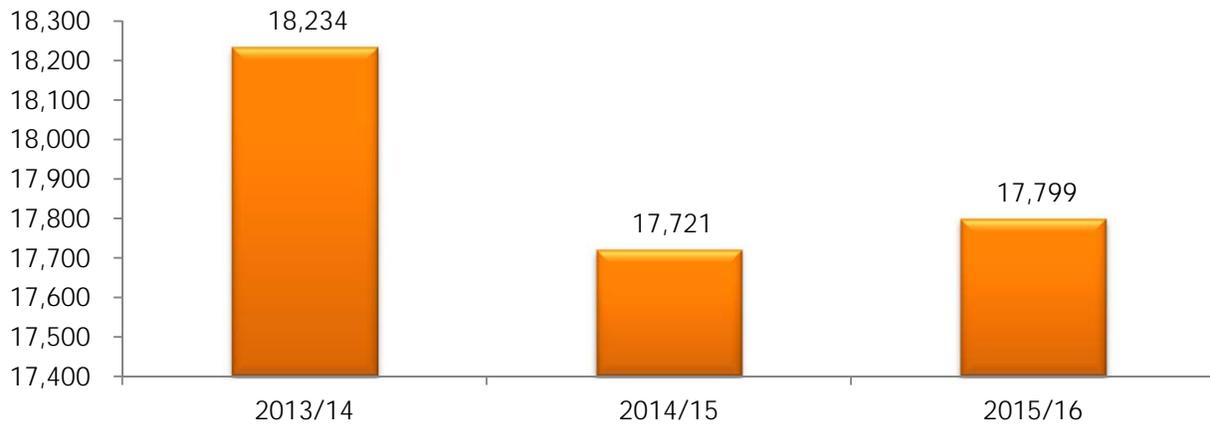
- Expand the Volunteers in Policing Program to include more Citizens on Patrol.
- Re-implement the Traffic Officer Program.
- Change Tactical Operations to be more streamlined and more in line with modern de-escalation tactics.
- Complete all NIMS certification required at each position.
- Complete a department-wide major event exercise using federal the NIMS command system.

- Implement last phase of emergency radio upgrades.
- Expand the officer body camera program.
- Maintain all officer use of force certifications.
- Hold two Citizen Police Academies and one Teen Police Academy.

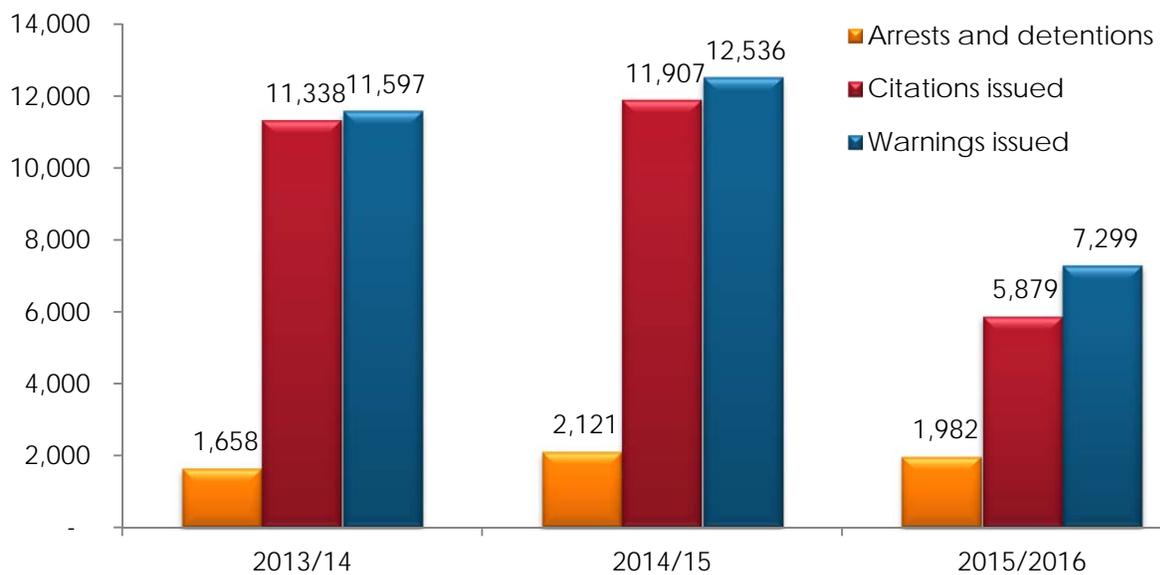
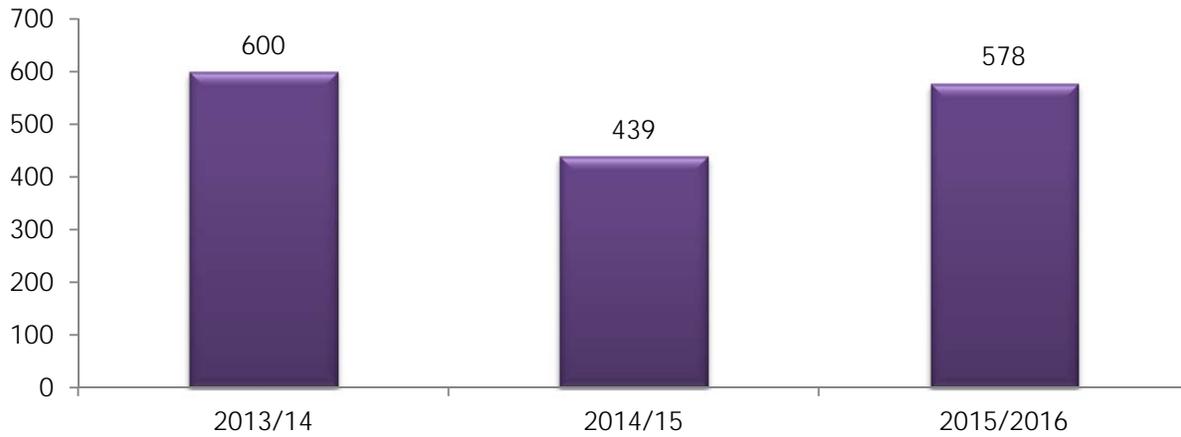
<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 7,226,658	\$ 7,282,087	\$ 7,115,859
Contractual Services	53,158	88,950	92,661
Supplies	191,629	239,640	259,095
Maintenance	142,421	171,120	176,675
Capital Outlay	450	1,500	75,400
Sundry Charges	1,500		1,500
<b>Total Department Budget</b>	<b>\$ 7,615,816</b>	<b>\$ 7,783,297</b>	<b>\$ 7,752,390</b>

<b>Personnel Detail</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Chief	1	1	1
Assitant Chief	2	2	2
Lieutenant	5	5	5
Sergeant	6	6	6
Police Officers	44	44	46
-Patrol, Traffic, CID, Community Resource, School Resource, Warrant Communications Supervisor	1	1	-
Communications Officer/Dispatcher	11	13	-
Police Support Specialist	-	-	1
Records Manager/Crime Victims	1	1	1
CID Administrative Assistant	1	1	1
Senior Records Coordinator	1	1	1
Records Coordinator	2	2	2
Property Room Coordinator	1	1	-
Animal Control Manager	1	1	-
Animal Control Officer	4	4	-
Jail Supervisor	1	1	1
Detention Officer	5	5	9
<b>Total</b>	<b>87</b>	<b>89</b>	<b>76</b>

## Calls For Service



## Uniform Crime Reporting





# Library

---

## Department Mission

"Information, Imagination, Inspiration, Innovation" - With this motto in mind, The Colony Public Library is dedicated to improving its customers' quality of life by facilitating their search for informational, educational, technological, and recreational resources and materials. TCPL strives to select, organize, and provide access to a wide variety of resources and materials, to be responsive to the needs of the public, and to cultivate the maximum use of its resources and services.

## Program Narrative

### 2016 Accomplishments

- Interlocal Cooperation Agreement with Denton County for Library Services FY 16-17 (\$39,300).
- Collection: Completed first phase of CollectionHQ process, using CHQ tools to conduct an inventory and evaluation of the physical collections.
- Planning: Completed development of the 2016-2020 Long Range Plan.
- Technology: Completed 2016 Edge assessment; developed new implementation plan; completed configuration of assistive technology workstation.
- Communications: Implemented LibraryAware tools to improve promotion of Library services, resources, and materials. Transitioned to LibraryAware email blast service.
- Community Outreach: Established the Diana Kruzich Memorial Little Free Libraries of The Colony in partnership with Friends of The Colony Public Library and The Colony Parks and Recreation Department through funding donated in memory of long-time TCPL volunteer and FOTCPL member Diana Kruzich.
- Local History Committee: Completed the application for the designation of Bridges Cemetery as a Historic Texas Cemetery; worked with the CDC to complete the archaeological survey of Bridges Cemetery.
- Services: Expanded STEM classes and early literacy classes.

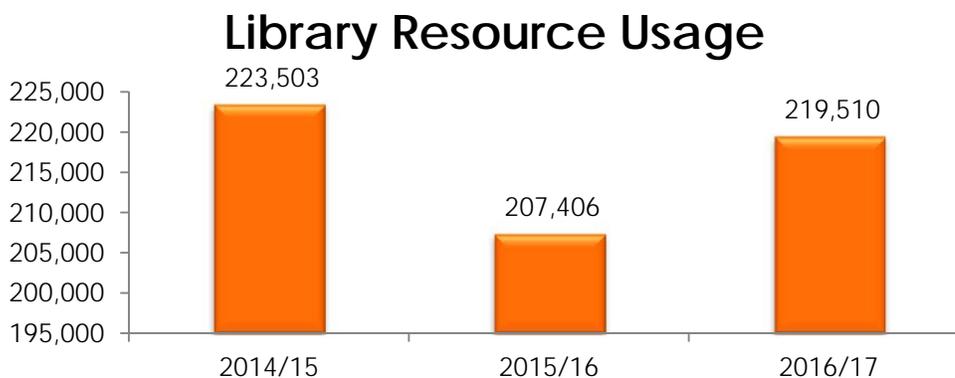
### 2017 Goals

- Collection: Use CollectionHQ tools to conduct an inventory and evaluation of the physical collections; to set targets for removing items that are worn, outdated, and no longer circulating; and to enhance collection management and development.
- Technology: Develop technology plan; update TCPL's Edge assessment; complete configuration of assistive technology workstation and train all reference service desk staff in its features and operation.
- Services: Implement Books by Mail service for home-bound customers.
- Local History Committee: Complete the application for the designation of Bridges Cemetery as a Historic Texas Cemetery.
- Facility: Evaluate and design improvements in usage of space for collections.
- Planning: Complete development of 2016-2020 Long Range Plan.
- Communications: Increase promotion to raise awareness of Library services, resources, and materials. Continue to improve web and social media presence.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 846,864	\$ 851,415	\$ 881,028
Contractual Services	6,776	8,690	16,310
Supplies	115,797	119,450	123,627
Maintenance	20,576	18,940	19,040
Capital Outlay	-	-	52,000
<b>Total Department Budget</b>	<b>\$ 990,013</b>	<b>\$ 998,495</b>	<b>\$ 1,092,005</b>

<b>Personnel Detail</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Library Director	1	1	1
Librarians -Reference, Youth, Technical, Adult & Outreach, Electronic	5	5	5
Circulation Supervisor	1	1	1
Circulation Clerk	2	2	2
Circulation Clerk - Part-time	2	2	2
Library Page - Part-time	2	2	2
Support Services Clerk - Part-time	1	1	1
Support Services Clerk	1	1	1
Administrative Assistant - Part-time	1	1	1
Youth Services Library Assistant -Part-time	1	1	1
Seasonal P/T Circulation Clerk (Summer)	1	1	-
<b>Total</b>	<b>18</b>	<b>18</b>	<b>17</b>



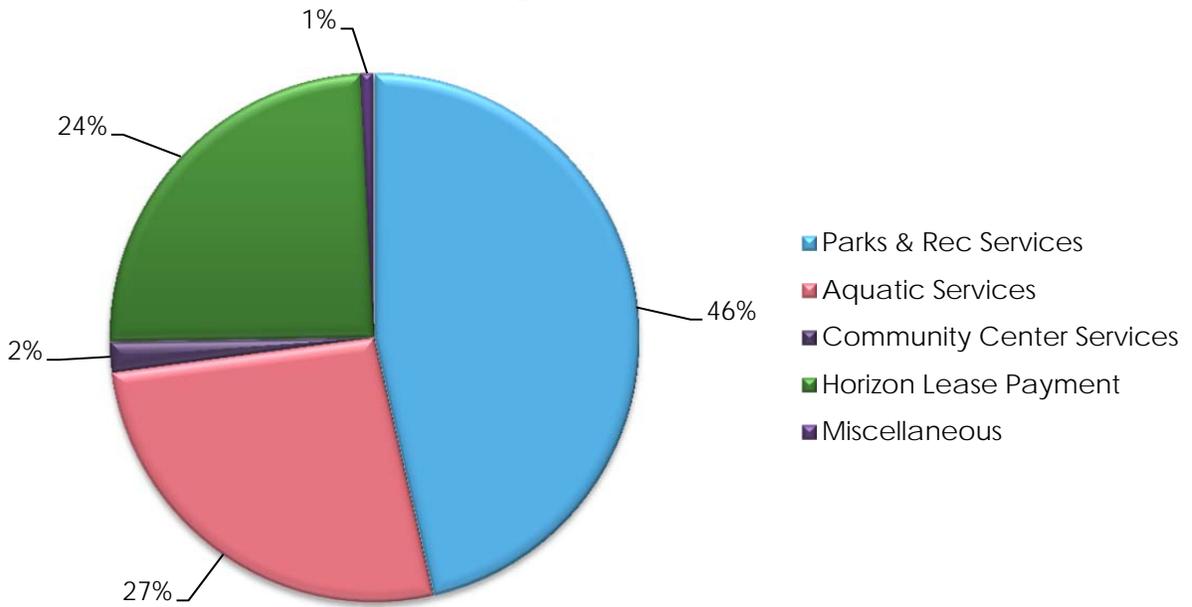
Library Resource Usage - Combined total of items circulated, electronic resource usage, computer usage, wireless usage, website and blog visits, exams proctored, program participation, reference transactions, electronic resource training sessions, Book-A-Librarian sessions, fax and copier usage.

# Parks Fund

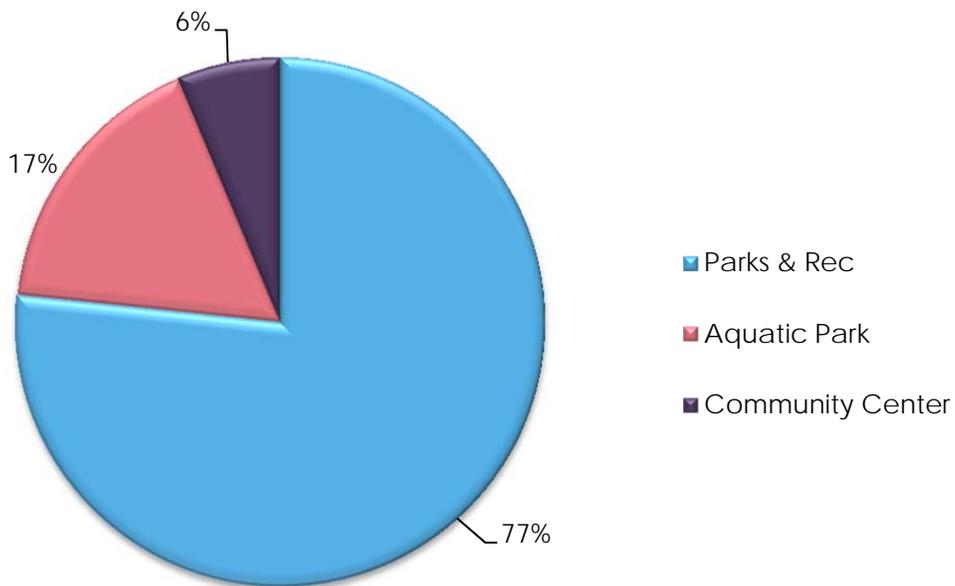
---

The Parks Fund is an operating fund within the city. This fund consists of a combination of funds that were formerly in the general fund or were separated into stand-alone special revenue funds. This fund includes the Parks and Recreation Department, Aquatic Park, and Community Center. The fund gets the majority of its revenue from an operating transfer from the General Fund but it is also funded through Recreation and Athletic program revenue, Swimming fees, and Community Center program revenues. In addition to these revenue sources, there are transfers in from the Community Development Corporation for personnel as well as for maintenance on Five Star Park.

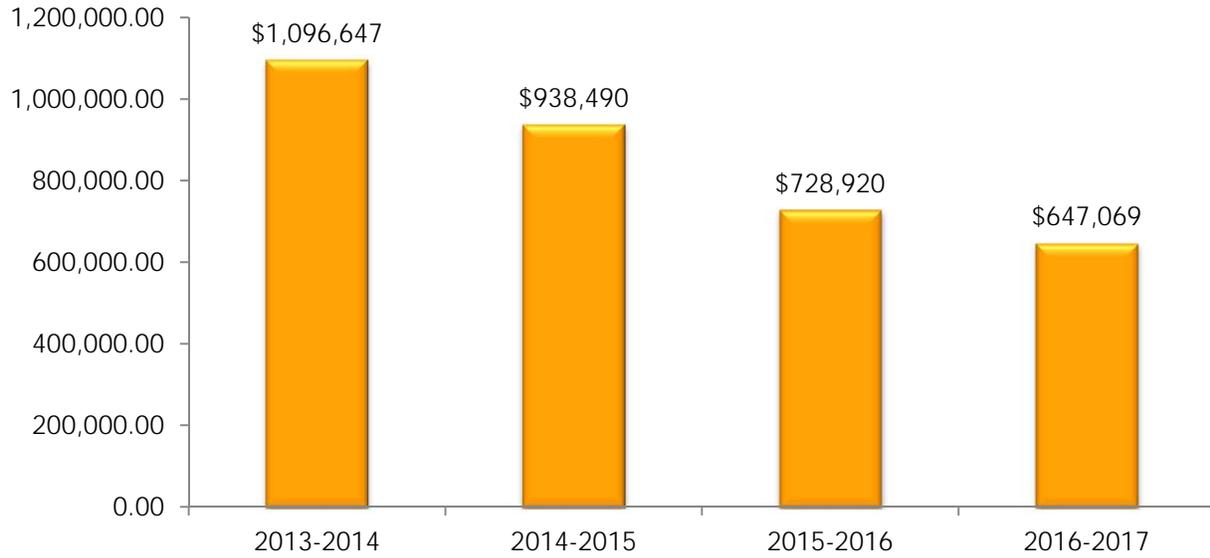
## Summary of Revenues



## Summary of Expenditures by Function



## Fund Balance



Fiscal Year	Working Days in Fund Balance	Value of Each Day
2013-2014	116	\$ 9,460
2014-2015	133	\$ 9,853
2015-2016	101	\$10,008
2016-2017	60	\$10,706

**PARKS FUND**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2016-2017**

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>CHARGES FOR SERVICES</b>				
Parks & Recreation				
Recreation Program Revenue	138,195	149,809	132,000	132,000
Athletic Program Revenue	117,489	115,747	115,000	115,000
Athletic & Recreation Facility Revenue	143,006	144,346	141,000	141,000
Pass Revenue	20,546	15,975	20,000	20,000
<b>Total</b>	<b>419,236</b>	<b>425,877</b>	<b>408,000</b>	<b>408,000</b>
Aquatic Park				
Swimming Lessons	132,423	131,030	110,000	110,000
Season Passes	11,200	14,085	11,000	11,000
Swimming Team	30,907	22,874	21,000	21,000
Entrance Fees	41,595	42,532	42,000	42,000
Concession Sales	1,368	2,934	1,400	1,400
Private Party Fees	32,867	33,968	33,000	33,000
Aerobic Classes	14,712	12,202	14,500	14,500
<b>Total</b>	<b>265,072</b>	<b>259,625</b>	<b>232,900</b>	<b>232,900</b>
Community Center				
Rental Revenue	11,025	17,026	10,000	10,000
Program Revenue	1,489	1,091	1,500	1,500
Travel Commissions	-	9,284	-	-
Membership Fees	5,381	5,342	5,000	5,000
<b>Total</b>	<b>17,895</b>	<b>32,743</b>	<b>16,500</b>	<b>16,500</b>
<b>TOTAL CHARGES FOR SERVICES</b>	<b>702,203</b>	<b>718,245</b>	<b>657,400</b>	<b>657,400</b>
<b>OTHER INCOME</b>				
Horizon Lease Payment	228,501	230,924	215,000	215,000
Miscellaneous	3,675	15,116	1,000	6,500
Interest Income	716	1,298	500	500
<b>TOTAL OTHER INCOME</b>	<b>232,892</b>	<b>247,338</b>	<b>216,500</b>	<b>222,000</b>
<b>TOTAL REVENUES</b>	<b>935,095</b>	<b>965,583</b>	<b>873,900</b>	<b>879,400</b>
<b>TRANSFER IN</b>				
Transfer - General Fund	2,289,884	2,149,884	2,246,700	2,611,700
Transfer - CDC Five Star Maintenance	165,000	165,000	165,000	165,000
Transfer - CDC Fund Personnel	122,845	122,845	122,845	134,845
Transfer - Lake Parks Fund	35,000	35,000	35,000	35,000
<b>TOTAL TRANSFERS</b>	<b>2,612,729</b>	<b>2,472,729</b>	<b>2,569,545</b>	<b>2,946,545</b>
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>3,547,824</b>	<b>3,438,312</b>	<b>3,443,445</b>	<b>3,825,945</b>
<b>EXPENDITURES</b>				
Overhead Expenditures	1,014,192			
Non-Departmental		24,248		
Parks & Recreation	1,917,174	1,994,918	2,075,540	2,218,084
Aquatic Park	399,552	435,444	427,866	492,454
Community Center	122,104	127,667	135,213	182,862
<b>TOTAL EXPENDITURES</b>	<b>3,453,022</b>	<b>2,582,277</b>	<b>2,638,619</b>	<b>2,893,400</b>
<b>OH COST</b>		1,014,192	1,014,396	1,014,396
BEGINNING FUND BALANCE	1,001,845	1,096,647	938,490	728,920
<b>EXCESS (DEFICIENCY)</b>	<b>94,802</b>	<b>(158,157)</b>	<b>(209,570)</b>	<b>(81,851)</b>
<b>ENDING FUND BALANCE</b>	<b>1,096,647</b>	<b>938,490</b>	<b>728,920</b>	<b>647,069</b>
Working Days in Fund Balance	116	133	101	60

# Parks and Recreation

---

## Department Mission

The Parks and Recreation department is responsible for the maintenance and operation of all City parks, athletic fields, recreational facilities and programs in the City. The Community Center, Lake Parks, Aquatic Park, Special Events and median/right of way maintenance are also administered by this department.

## Program Narrative

### 2016 Accomplishments

- Designations & Recognition including Tree City USA designation from the Arbor Day Foundation for the 8<sup>th</sup> consecutive year, and Playful City USA designation from KaBOOM!, a national non-profit for the 6<sup>th</sup> consecutive year.
- Volunteer participation helped to reduce the amount of paid staff required at events and various projects.
- Increased PARD youth sports program participation by approximately 20%.
- Sold out every session of summer Kidz Kamp, including adding twice as many participants in the Super Summer Session 11.
- Implemented a cross training program for Park Maintenance staff to increase the skill set of employees across the division.
- Upgraded field maintenance standards at The Colony Five Star Complex to improve aesthetics, recovery and durability.

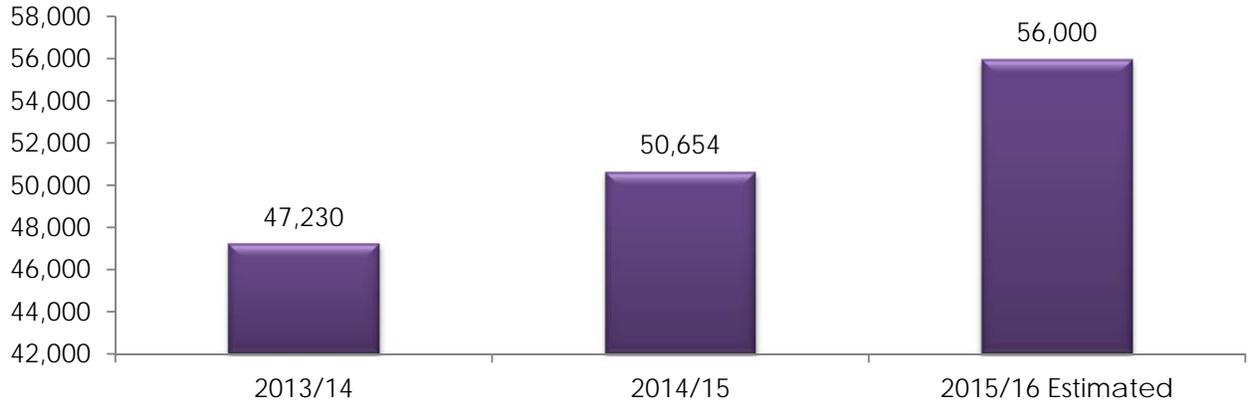
### 2017 Goals

- Ensure the availability of a wider range of leisure and recreational opportunities for our citizens that improve the quality of life in our community.
- Provide high quality athletic programs for youth and adults that cover a broad range of interests.
- Plan and promote a diverse offering of recreational activities and programs that utilize various facilities and amenities in the community.
- Provide, promote, and schedule affordable, high quality events, programs, tournaments and other entertainment options desired by the community and north Texas region.
- Provide a safe and aesthetically pleasing environment for parks and trail users through creative construction and maintenance.

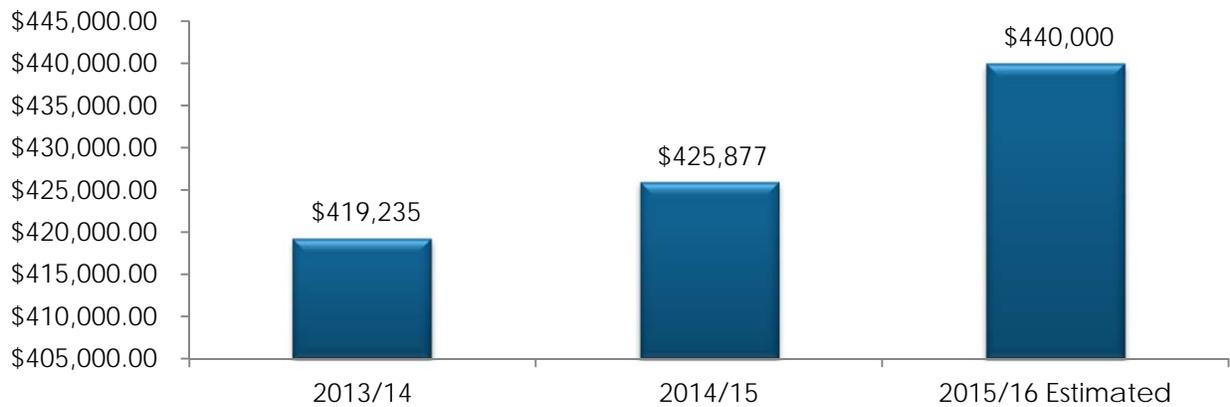
<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 1,388,056	\$ 1,401,981	\$ 1,466,656
Contractual Services	398,194	399,884	436,125
Supplies	109,725	147,450	139,700
Maintenance	89,200	116,225	106,600
Non-Capital	9,743	10,000	10,000
Capital Outlay		-	59,000
<b>Total Department Budget</b>	<b>\$ 1,994,918</b>	<b>\$ 2,075,540</b>	<b>\$ 2,218,081</b>

<b>Personnel Detail</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Community Services Director	1	1	1
Recreation Manager	1	1	1
Recreation Coordinator	1	1	1
Parks/Athletics Supervisor	1	1	1
Administrative Assistant	1	1	1
Parks Manager	1	1	1
Crew Leader-Greenscape/Special	2	2	2
Trails/Playground Specialist	1	1	1
Irrigation Specialist	2	2	2
Lead Groundskeeper	1	1	1
Maintenance Worker	8	8	8
Maintenance Worker/Groundkeeper P/T	2	2	-
Recreation Leader - Part-time	2	2	2
Customer Service Rep./Recreation	1	1	1
Recreation Specialist	1	1	1
Athletic Leader - Part-Time	-	-	1
Bus/Van Driver - Part-time	1	1	-
<b>Total</b>	<b>27</b>	<b>27</b>	<b>25</b>

## Recreation Center Visitors



## Recreation Revenue Collected





# Aquatic Park

---

## Department Mission

The Aquatic Park consists of one indoor competitive training pool, two outdoor leisure lagoons, and a children's splash park. The unusual three-acre park includes sand volleyball, shade structures, and two pavilions. Recipient of an international award for innovative staff training programs, this department is responsible for providing a safe, yet exciting water recreation environment. Diverse activities include kayaking, leisure swim, adult exercise classes, SCUBA, three competitive swim teams, triathlete training, SUP boarding, special events, and swim classes for all ages.

## Program Narrative

### 2016 Accomplishments

- Restroom updates included repainting walls with new color scheme.
- Replaced Indoor Pool filter, changing the pump to a more efficient variable frequency drive.
- Safety training program improvements included new “Active Shooter” drills; additional Oxygen Administration drills and an overhaul to the First Aid/CPR Training Supply Kits.
- Summer swim class programs attracted over 700 kids, with an additional 700 school-year registrations for advanced programs designed to elevate a basic swimmer to a team level.
- Almost 40 Volunteers (ages 12-15) worked a total of 671 summer hours assisting Red Cross Water Safety Instructors with children’s lessons.
- Increased the number of lifeguard applicants by 300% with industrious recruiting program.
- Increased number of private lesson offerings by training more existing employees to become Water Safety Instructors.
- Increased number of hours & swimmers in outside team rentals.

### 2017 Goals

#### **Provide high quality water safety to satisfied guests of all ages and needs**

- Add a new CPR Instructor to staff to offer City Employees more opportunities to become certified.
- Using recordings from our own collection of actual rescues, edit training videos to help lifeguards “see” potential victims and improve response time.
- Increase certification levels for maintenance staff to include Professional CPR with Oxygen Administration.
- Integrate facility staff scheduling program into new Payroll data system.
- Replace RecTrac registration system to improve customer service.

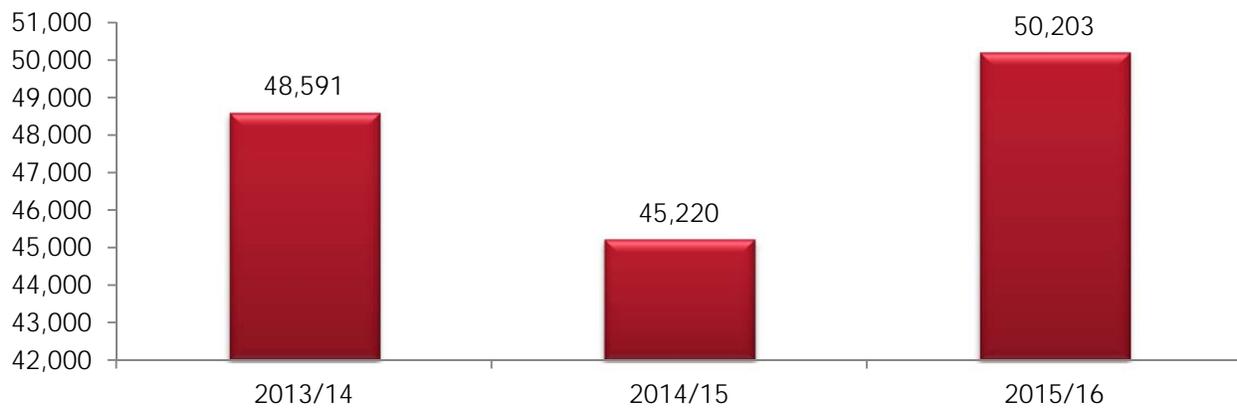
#### **Continue to provide the highest standards in pool water cleanliness and facility quality.**

- Expand outer areas of park by improving landscaping and adding features.
- Design changes in the Splash Zone that will reduce maintenance.
- Update facility appearance by painting public areas and improving grass treatment schedule.
- Replace outdated pump in the Lagoon with an energy efficient variable frequency drive.
- Aerate Outdoor Lagoon during summer to improve water quality and lower temperature.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 358,365	\$ 370,816	\$ 429,885
Contractual Services	42,000	19,225	18,450
Supplies	22,016	24,075	23,000
Maintenance	13,063	13,750	21,120
<b>Total Department Budget</b>	<b>\$ 435,444</b>	<b>\$ 427,866</b>	<b>\$ 492,455</b>

<b>Personnel Detail</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Aquatics Manager	1	1	1
Maintenance Worker	1	1	1
Maintenance Worker - Part-time	1	1	1
Office Coordinator - Part-time	1	1	1
Lifeguard/Clerk/Instructor - Part-time	1	1	1
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>

## Park Visitors



# Community Center

---

## Department Mission

The Colony Senior/Community Center provides a place for seniors to gather for programs, activities and seminars that provide social interaction, fitness opportunities, responds to diverse needs and interests, enhances dignity, and encourages involvement within the center and community. When not in use by the seniors and/or Parks and Recreation, the Community Center provides a rental facility for area citizens.

## Program Narrative

### 2016 Accomplishments

- Successful chair volleyball program for seniors is now three days per week.
- Exceeded last year's record breaking attendance goal.
- The Colony Seniors were again the largest single donor to LovePacs, with 34 boxes donated.
- Initiated a new Bunco program twice a month that includes multiple players of all abilities.

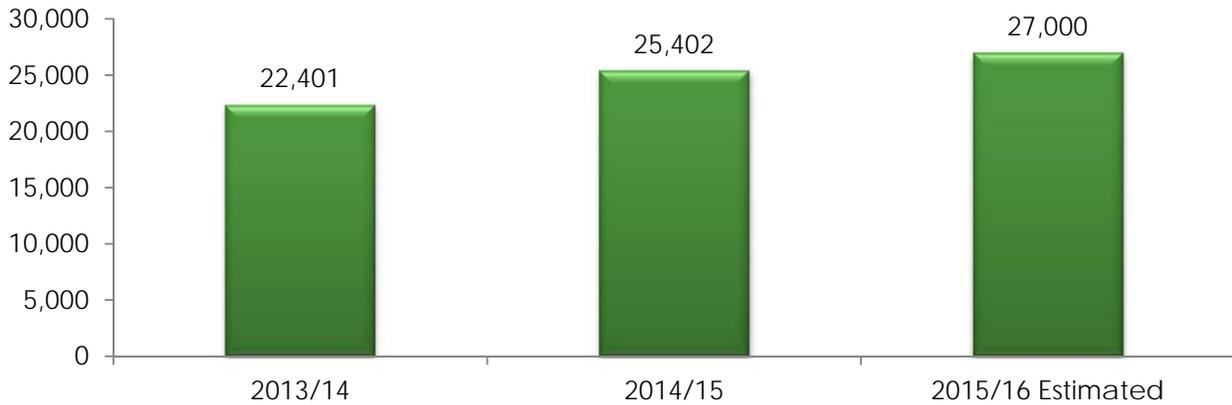
### 2017 Goals

- Provide a variety of high quality programs to meet the needs of senior citizens at the Community Center.
- Offer a variety of programming at the center to allow for new activities.
- Offer a travel program of day and overnight trips.
- Advertise programming to public in various formats.
- Work to maintain a high level of satisfaction among senior citizen patrons.
- Identify areas for trips/excursions that would appeal to a large segment of the senior population.
- Work closely with outside senior agencies to help provide a comprehensive array of programs, activities, and seminars to meet the needs of seniors.
- Utilize volunteer hours to increase customer service and assist in daily operations.
- Provide a safe and affordable rental facility for family gatherings, banquets and parties.
- Promote the facility as available for rental in various media.
- Accommodate scheduling of rentals around senior usage whenever possible.
- Provide adequate supervision and oversight of all facility usage to ensure that safety and maintenance issues are addressed in a timely manner.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 121,736	\$ 127,788	\$ 146,317
Contractual Services	196	1,200	200
Supplies	5,586	5,975	5,695
Maintenance	150	250	150
Capital Outlay	-	-	30,500
<b>Total Department Budget</b>	<b>\$ 127,668</b>	<b>\$ 135,213</b>	<b>\$ 182,862</b>

<b>Personnel Detail</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Community Center Coordinator	1	1	1
Recreation Leader - Part-Time	1	1	1
Programs Leader - Part-time	1	1	1
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>

### Senior Pass Visits



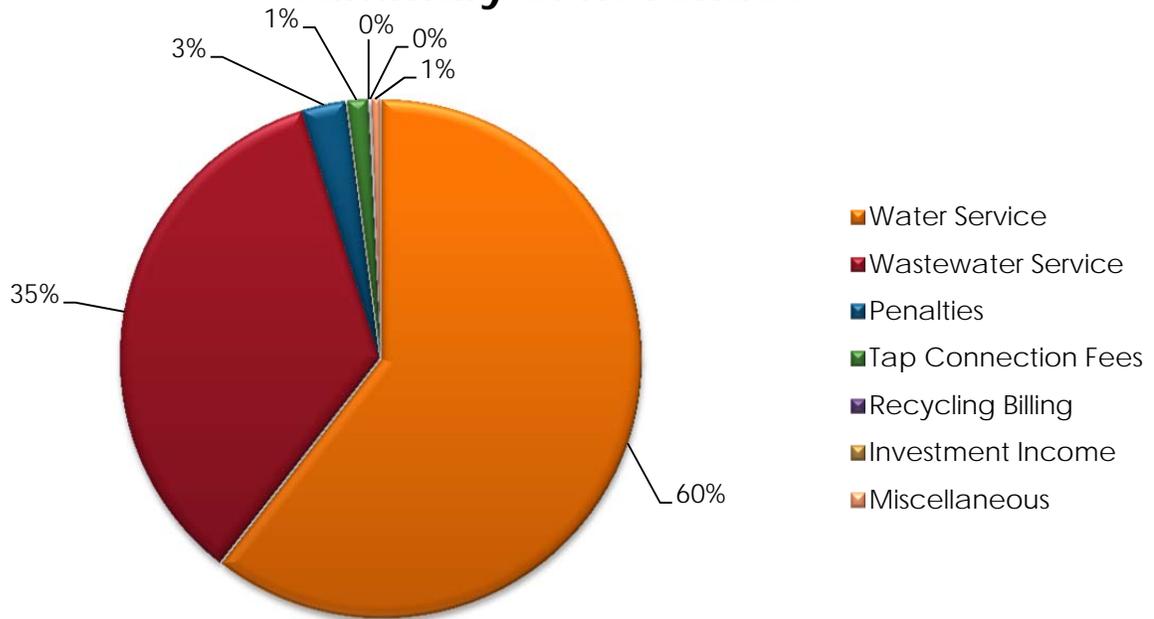
# Utility Fund

---

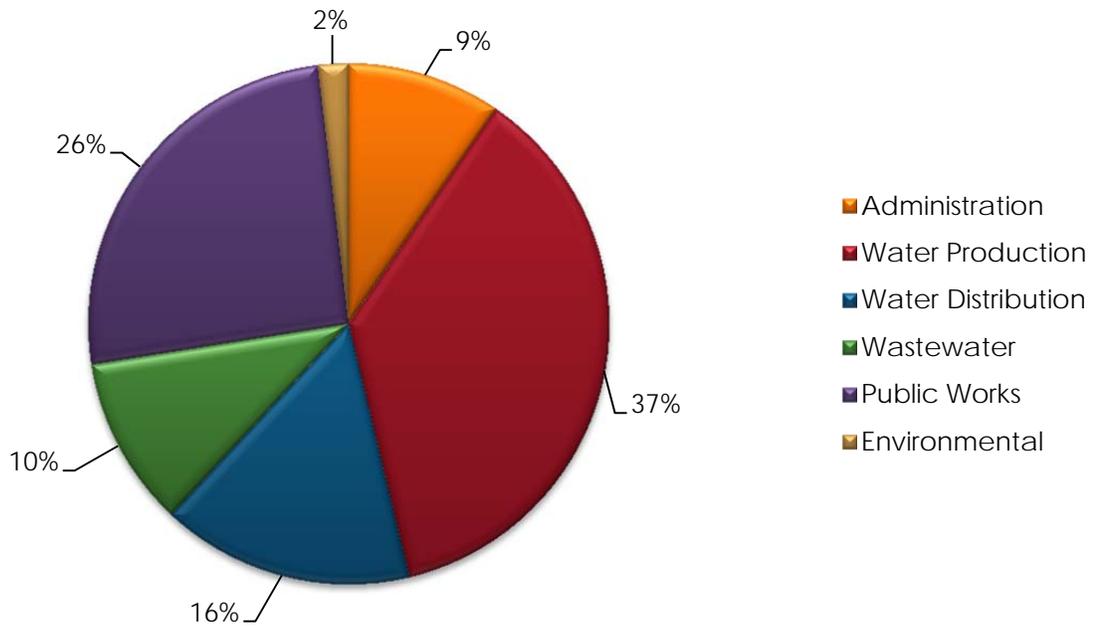
The Utility Fund accounts for all costs in providing water and wastewater services to residential and commercial utility customers. All activities necessary to provide such services are accounted for in this fund including, Administration, Operations, Maintenance, Financing, Customer Billing, Account Collection and related debt service. The operations of the Utility Fund are financed and operated in a manner similar to private business enterprises where expenses (including depreciation) of providing services are recovered primarily through user charges.

An annual cash transfer from the Utility Fund to the General Fund is made each year for reimbursement of payment in lieu of property taxes, franchise fees and administrative overhead costs incurred. Administrative services, such as operations management, personnel functions, financial management, purchasing and payroll are included in this overhead charge.

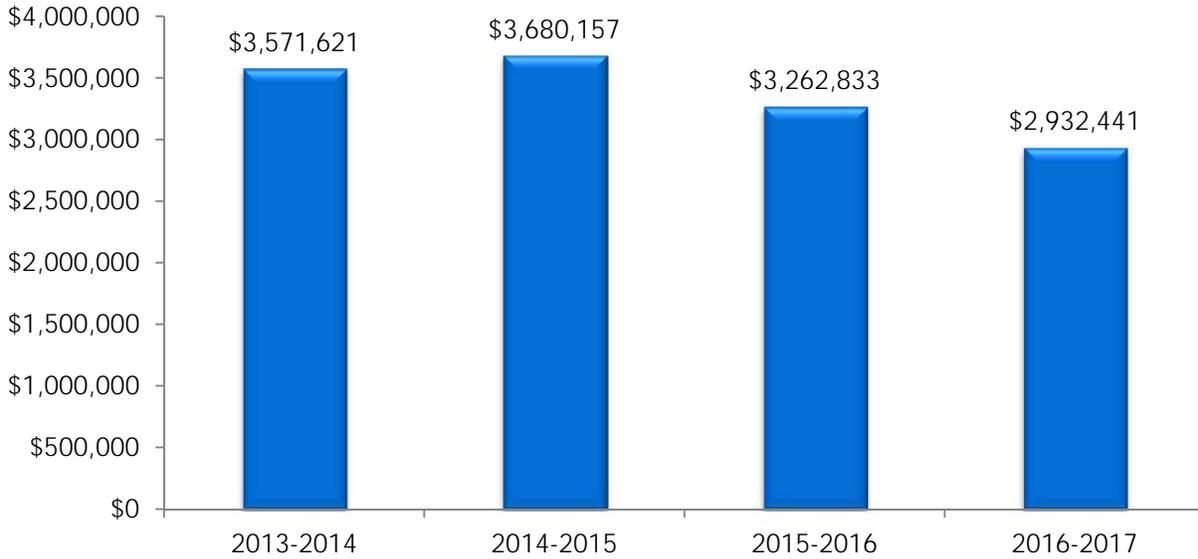
## Summary of Revenues



## Summary of Expenditures



## Fund Balance



Fiscal Year	Working Days in Fund Balance	Value of Each Day
2013-2014	88	\$33,624
2014-2015	84	\$36,678
2015-2016	77	\$35,390
2016-2017	60	\$41,937

The City adopted the Financial Management Policies in 2002 which set the working days in fund balance of the major operating funds at 60 days. The City conscientiously meets the requirement by conservatively budgeting revenues and putting strong controls on expenditures. Water rates will be increased 3% starting October 1<sup>st</sup> 2013 in anticipation of a 2015 bond issuance for required waste water treatment plant improvements and several maintenance projects.

**Revenue & Expenditure Projections**  
**Fiscal Year 2016-2017**

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>CHARGES FOR SERVICES</b>				
Water Service	8,320,168	8,831,338	8,907,186	9,352,545
Wastewater Service	4,847,322	4,968,229	5,088,533	5,342,960
Reconnect Fees	24,320	23,120	20,000	20,000
Penalties	449,948	454,612	425,000	425,000
Tap Connection Fees	217,560	377,245	200,000	200,000
Investment Income	2,158	12,834	2,000	2,000
Miscellaneous	73,467	74,714	35,000	35,000
Recycling Billing	29,906	31,692	30,000	30,000
<b>TOTAL REVENUES</b>	<b>14,000,849</b>	<b>14,809,784</b>	<b>14,743,719</b>	<b>15,443,505</b>
<b>TRANSFERS IN</b>				
Transfer - Storm Water Utility Fund	350,000	350,000	350,000	350,000
Transfer - CIP	-	530,031	-	-
Transfer - General Fund	-	-	-	1,777,000
Transfer - Capital Projects - Water meters	135,000	200,000	-	-
Transfer - Capital Projects - Streets	200,000	200,000	-	-
<b>TOTAL TRANSFERS IN</b>	<b>685,000</b>	<b>1,280,031</b>	<b>350,000</b>	<b>2,127,000</b>
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>14,685,849</b>	<b>16,089,815</b>	<b>15,093,719</b>	<b>17,570,505</b>
<b>EXPENDITURES</b>				
Non-Departmental	34,419	366,824	143,700	158,000
Water Production	2,855,987	3,027,885	2,808,995	3,229,811
Water Distribution	1,174,030	1,181,191	1,282,583	1,381,358
Wastewater	673,631	721,846	708,230	930,672
Utility Administration	650,500	635,997	667,852	684,975
Public Works	1,486,054	1,510,933	1,596,336	2,062,197
Storm Water - Engineering	38,243	23,916	38,400	38,600
Storm Water - Public Works	115,546	116,702	145,807	154,086
Environmental	154,605	154,327	163,888	167,446
<b>TOTAL EXPENDITURES</b>	<b>7,183,015</b>	<b>7,739,621</b>	<b>7,555,791</b>	<b>8,807,145</b>
<b>TRANSFERS OUT</b>				
Transfer - General Fund	1,914,906	2,322,406	611,500	-
Transfer - Utility Debt Service	2,275,000	2,275,000	3,650,000	6,500,000
Transfer - D. S. Revenue bonds	900,000	995,000	1,100,000	-
Transfer - Special Projects	-	45,000	-	-
Transfer - Capital Projects	-	10,500	-	-
<b>TOTAL TRANSFERS OUT</b>	<b>5,089,906</b>	<b>5,647,906</b>	<b>5,361,500</b>	<b>6,500,000</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>12,272,921</b>	<b>13,387,527</b>	<b>12,917,291</b>	<b>15,307,145</b>
<b>OH COST</b>	<b>2,593,752</b>	<b>2,593,752</b>	<b>2,593,752</b>	<b>2,593,752</b>
<b>BEGINNING FUND BALANCE</b>	<b>3,752,445</b>	<b>3,571,621</b>	<b>3,680,157</b>	<b>3,262,833</b>
<b>EXCESS (DEFICIENCY)</b>	<b>(180,824)</b>	<b>108,536</b>	<b>(417,324)</b>	<b>(330,392)</b>
<b>ENDING FUND BALANCE</b>	<b>3,571,621</b>	<b>3,680,157</b>	<b>3,262,833</b>	<b>2,932,441</b>
Working Days in Fund Balance	88	84	77	60

# Non-Departmental

---

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 6,389	\$ 15,000	\$ 15,000
Contractual Services	11,856	75,000	68,000
Supplies	1,200	1,000	-
Maintenance	2,600	2,700	-
Sundry Charges	8,403,245	5,361,500	6,500,000
<b>Total Department Budget</b>	<b>\$ 8,425,290</b>	<b>\$ 5,455,200</b>	<b>\$ 6,583,000</b>



# Water Distribution

---

## Department Mission

The Water Distribution department is responsible for providing a safe, potable water supply for personal use, sanitation, recreation and safety purposes for the citizens of the City. Functions of the Water Distribution department include maintenance of water and sewer lines, water meter readings, and customer field service calls.

## Program Narrative

### 2016 Accomplishments

- Set up 33 concrete utility cuts.
- Repaired 35 main breaks
- Repaired 18 sewer laterals
- 1291 line locates
- Changed out 206 water meters
- 984 checks for leaks
- 296 new meter sets

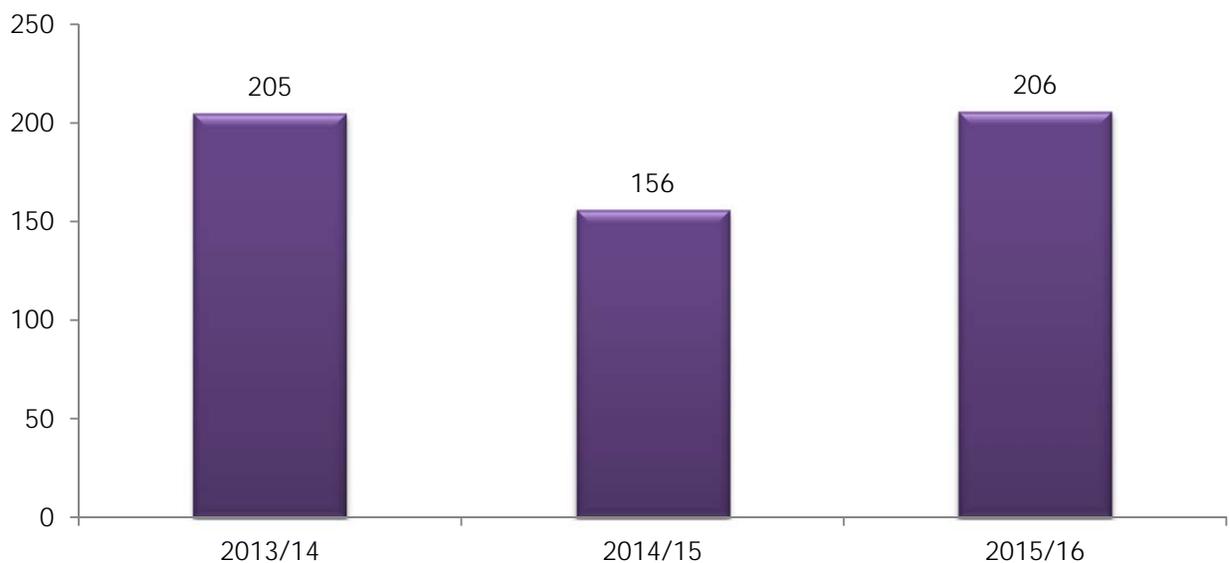
### 2017 Goals

- Reduce major water leaks and improve communications with customers.
- Make repairs on water and sewer lines as soon as possible without interrupting service where feasible.
- Continue replacing malfunctioning water meters for better customer service.
- A water line replacement program.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 1,006,377	\$ 1,028,327	\$ 1,115,693
Contractual Services	5,630	12,686	10,100
Supplies	162,237	233,470	224,265
Maintenance	6,947	8,100	7,300
Capital Outlay	-	-	24,000
<b>Total Department Budget</b>	<b>\$ 1,181,191</b>	<b>\$ 1,282,583</b>	<b>\$ 1,381,358</b>

<b>Personnel Detail</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Director of Public Services	1	1	1
Supervisor	1	1	1
Crew Leader	1	1	1
Lead Operator	1	1	1
Heavy Equipment Operators	2	2	2
Operator	4	4	6
Senior Meter Reader	1	1	1
Meter Reader	4	4	4
Project Management Analyst	1	1	1
<b>Total</b>	<b>16</b>	<b>16</b>	<b>18</b>

## Water Meters Replaced



# Wastewater

---

## Program Description

The waste water department is responsible for the treatment of raw sewage into disposable effluent and solid materials in a manner complying with all regulatory parameters required by the Texas Commission on Environmental Quality (TCEQ), and the US Environmental Protection Agency (EPA). Functions of the department include operations, monitoring and maintenance of the waste water treatment plant, and associated lift stations within the City.

## Department Mission

The mission of The City of The Colony's Stewart Creek Waste Water Treatment Plant is to provide safe, right-priced, high quality waste water treatment and quality control services and products for all City retail customers; provide well-maintained waste water treatment and quality control infrastructure and facilities to extend service life and reliability; and perform waste water treatment and quality control services in a socially, ethically and environmentally responsible manner to protect the health, well-being, and quality of life of our customers and the public-at-large living, working and playing along Texas waterways.

## Program Narrative

### 2016 Accomplishments

- Began construction of the Stewart Creek WWTP expansion project.
- Maintained compliance with state and federal discharge requirements.
- Completed a Major TCEQ Permit renewal process with multiple phases of discharge limits based on the expansion schedule.

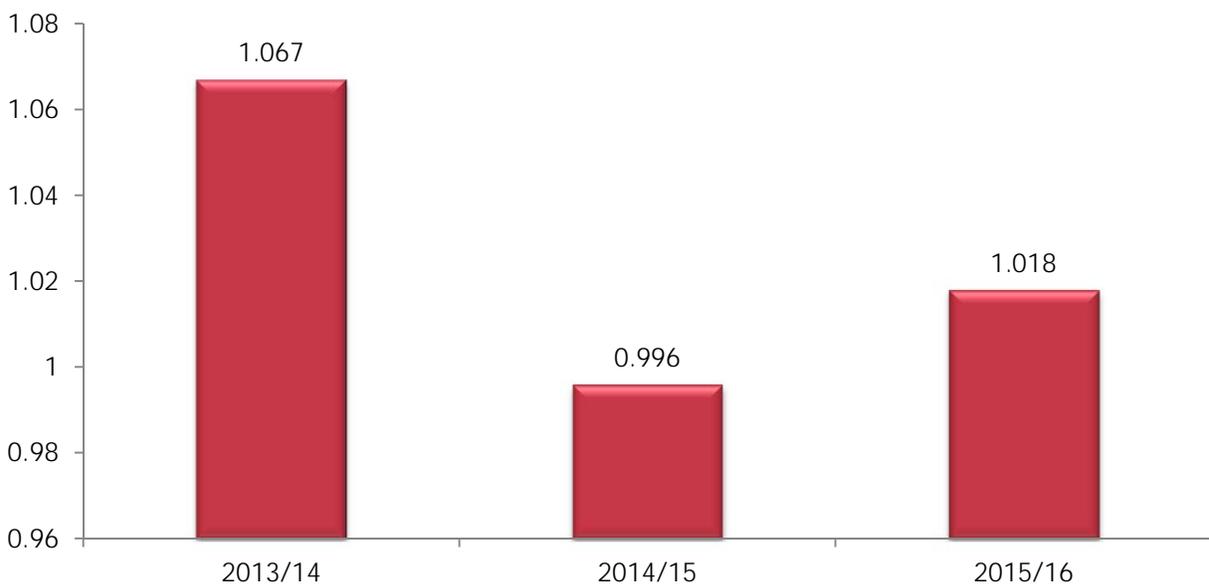
### 2017 Goals

- Maintain compliant and efficient operations of waste water treatment plant systems.
- Plan for future plant expansions to accommodate the growth of the City.
- Oversee construction upgrades and expansion of the wastewater treatment plant. Expected completion date of Dec 2017.
- Plan for future EPA and TCEQ regulatory compliance issues.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 287,084	\$ 287,955	\$ 305,020
Contractual Services	288,090	299,300	344,700
Supplies	82,170	87,675	151,952
Maintenance	64,503	65,100	70,000
Capital Outlay	-	-	59,000
<b>Total Department Budget</b>	<b>\$ 721,847</b>	<b>\$ 740,030</b>	<b>\$ 930,672</b>

<b>Personnel Detail</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Chief Operator/Wastewater Supervisor	1	1	1
Lead Operator	1	1	1
Maintenance Operator	2	2	5
Operator	1	1	-
<b>Total</b>	<b>5</b>	<b>5</b>	<b>7</b>

### Wastewater Treated (billions of gallons)



# Utility Administration-Customer Services

---

## Department Mission

Utility Administration Customer Service Department is responsible for the accurate and efficient billing of customer utility accounts, issuing of permits and customer service operations. Duties of the customer service personnel include establishing new accounts, providing customer assistance, information regarding utility accounts, and the mailing and collection of residential and commercial bills for water, sewer, sanitation, recycling, EMS, drainage fees, sales tax and issuing permits accurately and efficiently.

## Program Narrative

### 2016 Accomplishments

- Increased e-statement enrollment for utility bill delivery. Currently at 11.66% of customer base.
- Increased auto draft utilization this last quarter by 3.03%. Increased web/IVR payment utilization this last quarter by 4.28%
- Created internal checklist for new account opening to ensure proper data collected and all city features explained to new accounts.
- Research done on additional payment features for customer convenience.

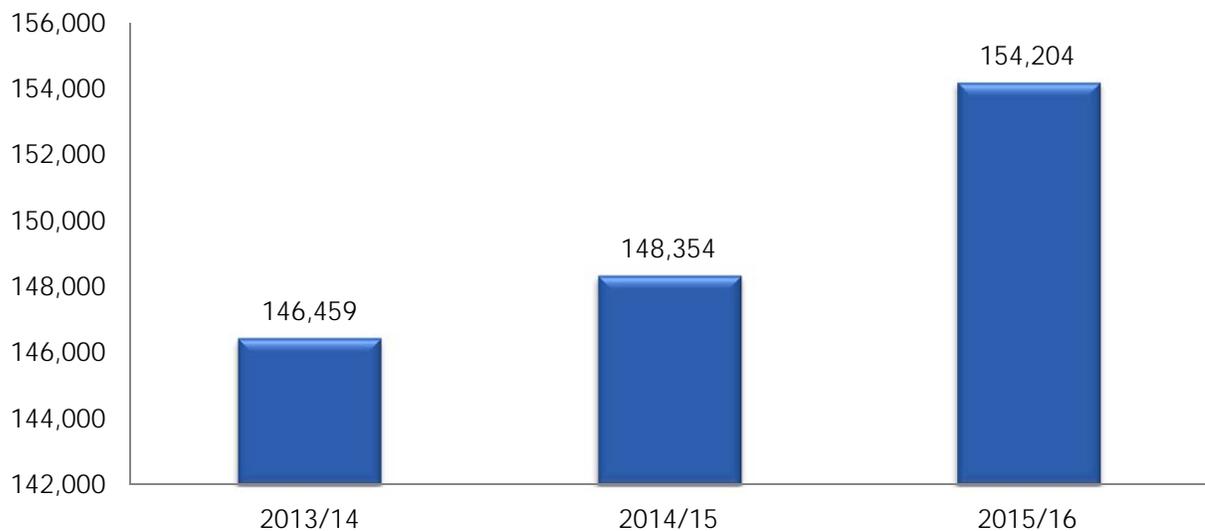
### 2017 Goals

- Increase customer satisfaction by exploring/implementing additional payment options.
- Utilize monthly billing as well as utility website to distribute information to customers.
- Continue employee cross training in order to provide a one stop customer service experience.
- Continue to maintain, purge and archive utility records.
- Continue to evaluate and improve processes and procedures to ensure customer satisfaction as well as protect the City.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 446,627	\$ 467,932	\$ 486,525
Contractual Services	91,410	102,050	100,400
Supplies	71,199	76,370	72,050
Maintenance	26,761	21,500	26,000
<b>Total Department Budget</b>	<b>\$ 635,997</b>	<b>\$ 667,852</b>	<b>\$ 684,975</b>

<b>Personnel Detail</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Director of Customer Services	1	1	1
Customer Services Supervisor	1	1	1
Senior Billing Coordinator	1	1	1
CSR	5	5	4
P/T Reg CSR	-	-	2
Receptionist	1	1	1
<b>Total</b>	<b>9</b>	<b>9</b>	<b>10</b>

## Accounts Billed Annually



# Water Production

---

## Department Mission

Provide an adequate supply of potable water for personal use, sanitation, recreational, and fire protection uses for the citizens and guest of The Colony.

## Program Narrative

### 2016 Accomplishments

- Completed EPA, Lead and copper testing.
- Completed the rehabilitation project for the Elevated Storage Tank at 5260 North Colony Blvd. The project included structure repairs and updates, sand blasting for coating removal, recoating of interior and exterior. Updated logo graphics.
- Completed major electrical repair project at Pump Station # 2.
- Reconditioned and replaced various water production and pumping assets. To ensure adequate water supply.
- Developed and deliver 2015 Water quality reports to customers.
- Completed major repairs to water well # 3, replaced pump and motor.

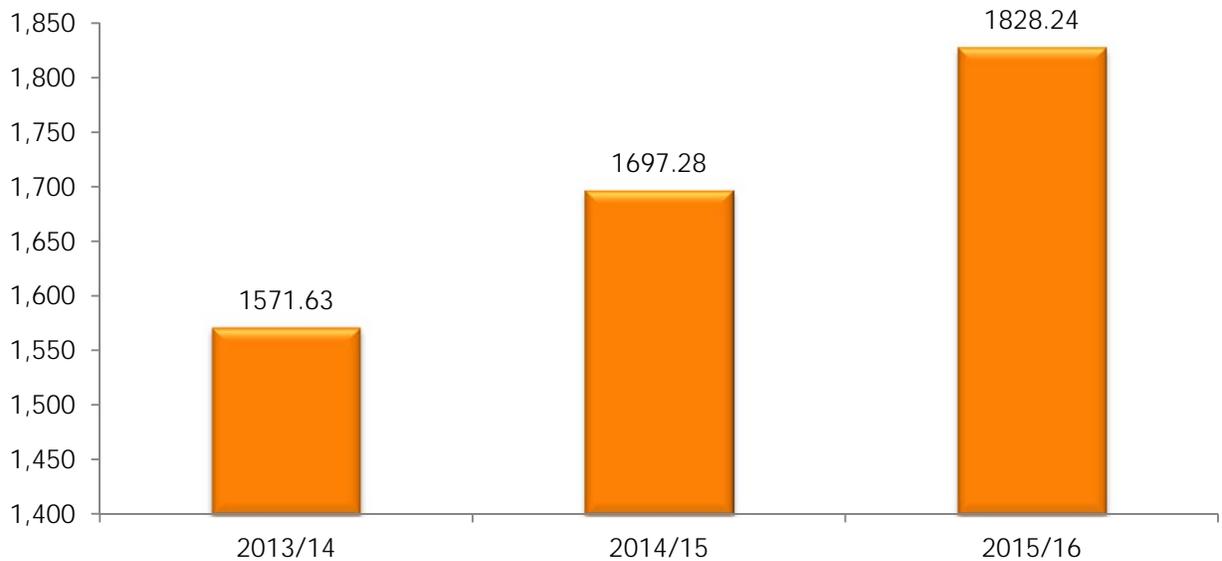
### 2017 Goals

- Work to increase the life expectancy and operating efficiency of the City's water assets.
- Continue upgrading the SCADA systems that operates all the City's well sites and pump station. With the utilization of technology we can implement more favorable planning and maintenance program strategies.
- Continue inspecting and providing preventative maintenance to all water storage assets.
- Continue inspecting and providing preventative maintenance to all water production and pumping assets. Replacing unrepairable or outdated inefficient equipment.
- Continue monitoring water treatment and pumping facilities ensuring systems are producing quality potable water.
- Continue monitoring water quality in the water distribution system by collecting and analyzing water samples for chlorine levels, bacteriological and other regulated and unregulated substances required to ensure safe drinking water for our customers.
- Increase the level of customer satisfaction.
- Dispatch and respond to after hours, weekend and holiday emergency calls.
- Address all concerns and questions in a Professional manner that citizens may have about water quality and water conservation.
- Work to accomplish completing CIP projects for 2016-2017.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 472,647	\$ 460,935	\$ 472,461
Contractual Services	154,153	154,400	150,800
Supplies	2,189,936	2,031,860	2,442,050
Maintenance	199,290	161,800	164,500
Capital Outlay	11,860	-	-
<b>Total Department Budget</b>	<b>\$ 3,027,886</b>	<b>\$ 2,808,995</b>	<b>\$ 3,229,811</b>

<b>Personnel Detail</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Supervisor	1	1	1
Lead Operator	1	1	1
Operator	3	3	2
Maintenance Operator	2	2	3
<b>Total</b>	<b>7</b>	<b>7</b>	<b>7</b>

### Water Usage (millions of gallons)



# Public Works

---

## Department Mission

Public Works provides guidance and managerial support for all Public Works/Utilities' operations and operates the departments' customer service center to handle requests and concerns from residents received by phone, email or website inquiry. The Public Works department is responsible for maintenance of streets and alleys, sidewalks, storm drainage ways and traffic signage and signal control. The Department also manages residential solid waste collection provided by private contractors and provides internal support for the City's vehicle maintenance and facility maintenance needs.

## Program Narrative

### 2016 Accomplishments

- Street & Sidewalk Repairs Completed:
  - 5900 Blk of Fox, Longo, Madison, and Carroll; 7000-7100 Blk of Sample
  - Graham Ct, Garvin Dr, Watson Dr, Wampler Dr, Wheeler Cir, Walker
- Alley Repairs: 4100 Blk Ballard Trl, 4700 Blk Strickland
- 33 Utility Cuts Completed
- Crack Seal: 3,740 lbs of material to seal 8,512 linear ft of road
- Pothole Repair: 330.71tons of hot mix asphalt; 93,705 lbs of cold mix asphalt patch
- Street Sweeping: 775 hrs; 1,517 cubic yards of debris

	Cubic Yards of Concrete	Sq. Ft. Repaired
Streets	1,249	57,087
Sidewalks	802.6	54,556
Alley	282.75	14,081
Utility	71.2	3,647.5
Curb & Gutter	42.55	2,374

### 2017 Goals

- Provide direction for all Public Works/Utilities Department activities to ensure that resources are utilized in an efficient manner to deliver quality services to the residents and visitors of The Colony.
- Conduct thorough reviews of all Department activities and establish efficient production goals, whenever possible.
- Evaluate alternative service delivery approaches and systems to improve the efficiency of allocated resources.
- Support Engineering and Utilities departments to improve City project service delivery.
- Respond to the City's street, alley, sidewalk, and drainage maintenance needs.
- Emphasize the maintenance and repair of streets, alleys, and sidewalks within the City.
- Support the City's Water and Wastewater Utilities department by making timely surface repairs for underground utility excavations.

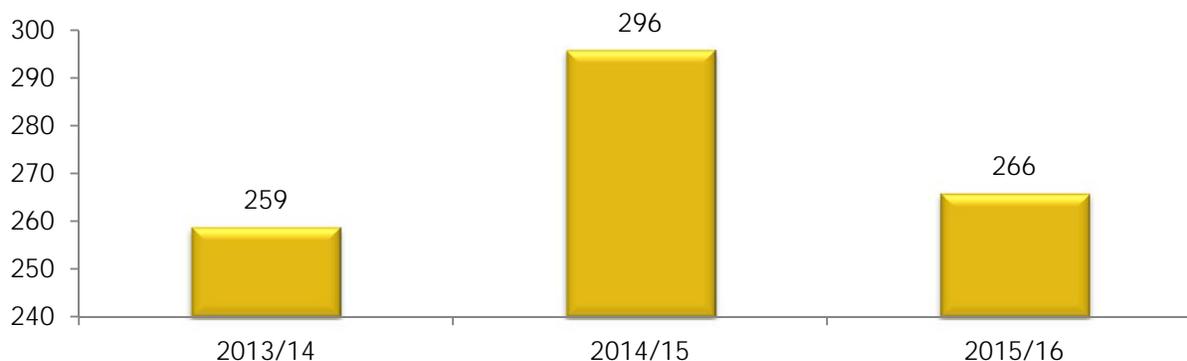
- Support safe and efficient traffic flow along City streets and school zones.
- Eliminate potential surface hazards and sub grade erosion by patching or removal and replacement of pavement.
- Clear the City's drainage channels and drainage systems to provide unrestricted flow.
- Repair and minimize soil erosion within unimproved drainage ways.
- Implement Best Management Practices to support the Texas Commission for Environmental Quality Municipal Storm Sewer System storm water permit.

Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ 935,690	\$ 916,726	\$ 1,054,497
Contractual Services	30,807	39,350	38,000
Supplies	50,261	61,660	57,500
Maintenance	489,132	578,600	712,200
Capital Outlay	5,043		200,000
<b>Total Department Budget</b>	<b>\$ 1,510,933</b>	<b>\$ 1,596,336</b>	<b>\$ 2,062,197</b>

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
Supervisor	1	1	1
Training Officer	-	-	1
Lead Maintenance Worker	3	4	4
Maintenance Worker*	8	10	10
Sign Technician	2	2	2
Heavy Equipment Operator*	4	5	5
Customer Service Representative	1	1	1
<b>Total</b>	<b>19</b>	<b>23</b>	<b>24</b>

*\*Includes positions funded in the Storm Water PW Fund*

## Work Orders Completed



# Storm Water

## Department Mission

The City's Storm Water program is managed in a coordinated fashion by both the City's Engineering and Public Works Departments. Engineering administers the Storm Water Management Plan, selects consultants and contractors to design and construct major repairs and improvements to the City's storm water systems and reviews flood studies and drainage plans to meet federal, state, and City codes. Public Works' Storm Water and drainage crew maintains all improved and unimproved drainage easements within the City to ensure the free flow of storm water and to minimize the probability of structure flooding. Mowing and vegetation control within these areas is performed by the Parks and Recreation department. Public Works also operates the City's street sweeping program and helps to remove dirt, silt, and other pollutants from City streets before they are washed into and through the City's storm water system.

## Program Narrative

### 2017 Goals

#### Engineering

- Continue implementation of the Storm Water Phase II Program.
- Continue Storm Water Management Plan Annual Report.
- Continue staff training program.
- Engineering Design Manual revisions to include iSWM.
- Complete Flood Study and erosion repairs for stream and outfall structure on Taylor Street.
- Complete erosion repairs along the Shoreline Trail.

#### Public Works

- Continue and enhance Storm Water system maintenance programs.
- Street sweep 3,000 curb miles.
- Maintain flumes, channels, ditches, inlets and catch basins.
- Maintain and repair storm drain conduits.
- Continue conducting illicit discharge inspections for the City's regulated outfalls.

Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ 98,338	\$ 99,207	\$ 105,086
Contractual Services	27,060	72,000	69,300
Supplies	320	-	300
Maintenance	14,900	13,000	18,000
Capital	-	-	-
<b>Total Department Budget</b>	<b>\$ 140,618</b>	<b>\$ 184,207</b>	<b>\$ 192,686</b>

All Personnel for this department are accounted for in the Public Works personnel summary.



# Environmental

---

## Department Mission

The Department's mission is to ensure that residential and commercial Environmental Services are provided to residents and businesses of The Colony in the most cost effective, efficient and timely manner.

## Program Narrative

The Environmental department is responsible for residential and commercial solid waste collection and transportation activities in The Colony. The Department is also responsible for residential and multi-family recycling activities in The Colony. The Department, in addition, has responsibility for environmental issues and Programs such as Household Hazardous Waste, Adopt-A-Street, Green Waste, sharps and storm water education, along with coordination of all educational and promotional efforts for the solid waste and recycling programs. All grant writing efforts for solid waste, recycling and/or environmental are coordinated through the department, as well.

## 2016 Accomplishments

- The Solid Waste and Recycling collection and disposal Contract was extended for an additional 5 years.
- 58% of the total waste stream was diverted from the land fill.
- Educational information was distributed through the Fall City Wide Clean Up and various media outlets.

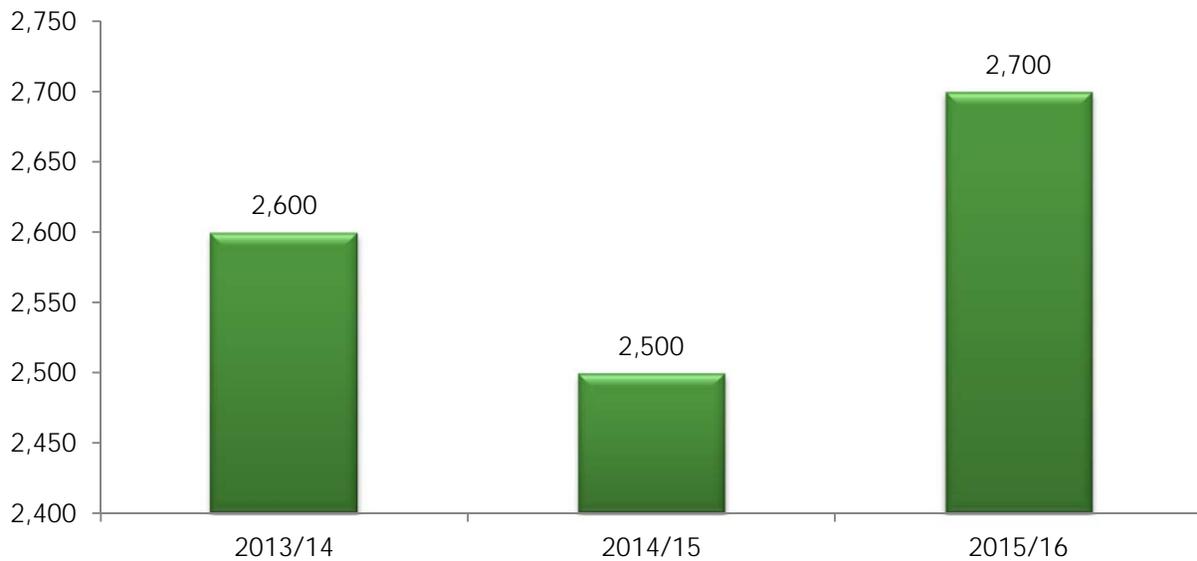
## 2017 Goals

- Ensure that 95% of all solid waste and recycling customer service issues are responded to within 24 hours.
- Provide direction for public activities concerning recycling and environmental programs.
- Pursue public educational, recycling, and environmental programs.
- Provide safer and more convenient HHW, Electronics and sharps collection for residents.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 95,166	\$ 94,538	\$ 99,626
Contractual Services	46,338	50,700	50,200
Supplies	12,823	18,650	17,620
<b>Total Department Budget</b>	<b>\$ 154,327</b>	<b>\$ 163,888</b>	<b>\$ 167,446</b>

<b>Personnel Detail</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Environmental/Facilities Manager	1	1	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>

### Landfill Passes Distributed



# Economic Development Fund – Type A

---

The Colony Economic Development Corporation (EDC) was formed after the passage of the 4A/4B (Now Type A/B) sales tax was approved by The Colony voters in the special election held on January 17, 1998. One half of one percent of the sales tax collected in the city is distributed to the Economic Development Corporation (Type A) and The Colony Community Development Corporation (Type B), with the remaining sales tax going to the City.

The Economic Development Director administers the daily operations of the EDC. Five individuals comprise the corporation's board of directors who are selected and appointed by the City Council. The board and the City Council approve the EDC budget.

The Colony Economic Development Corporation's mission is, "To support quality commercial development activities that generate local employment and enhance the economic well-being of The Colony." To accomplish this mission the EDC focuses on recruitment of retail, corporate office development and warehouse/distribution for the City while maintaining a business retention program.

Recruitment is accomplished by marketing the City to commercial brokers and developers, site selection companies and site selection executives regionally, statewide, and nationally. The business retention program involves the economic development staff visiting businesses within the community.

The Colony is fortunate to have a business-friendly City Council and a pro-active EDC Board of Directors. The attitude of both organizations is "make it happen" when it comes to expanding the commercial tax base of the community. Within the guidelines of the Development Corporation Act the EDC will offer attractive incentive packages to recruit retail, corporate office relocations and warehouse/distribution projects as well as local business expansion. The City Council has demonstrated a desire to join the EDC in this effort to do their part to attract development to the City.

**ECONOMIC DEVELOPMENT - TYPE A SALES TAXES**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2016-2017**

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>CITY SALES TAXES</b>				
Sales Tax Revenues	2,139,429	2,532,760	2,617,500	2,879,250
Investment Income	2,258	2,884	1,000	2,000
Miscellaneous Revenue	1,407	1,621	-	-
<b>TOTAL REVENUES</b>	<b>2,143,094</b>	<b>2,537,265</b>	<b>2,618,500</b>	<b>2,881,250</b>
<b>EXPENDITURES</b>				
Personnel Services	263,742	273,739	305,304	418,515
Contractual Services	202,120	175,290	27,768	53,160
Marketing	-	-	392,625	425,000
Supplies	6,373	7,982	13,390	15,100
Maintenance	-	371	500	-
Sundry Charges				
Economic Development Incentives	81,000	79,225	1,000,000	750,000
Property	-	-	-	250,000
Sales Tax Rebate	251,528	268,736	300,000	330,000
Overhead Costs	71,376	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>876,139</b>	<b>805,343</b>	<b>2,039,587</b>	<b>2,241,775</b>
<b>TRANSFERS OUT</b>				
Transfer Out - General Fund BPP	21,250	22,715	22,715	-
Transfer Out - GF Cap Contribution	-	2,815,422	-	-
Transfer Out - GDSF	151,220	154,106	152,506	150,906
Transfer Out - GDSF	243,658	244,558	244,630	245,060
Transfer Out - GDSF	48,889	48,991	48,966	48,891
Transfer Out - UFDS	306,711	306,999	307,161	306,545
<b>TOTAL TRANSFERS OUT</b>	<b>771,728</b>	<b>3,592,791</b>	<b>775,978</b>	<b>751,402</b>
<b>TOTAL EXPENDITURES</b>	<b>1,647,867</b>	<b>4,398,134</b>	<b>2,815,565</b>	<b>2,993,177</b>
<b>OH COST</b>		71,376	71,380	71,380
<b>EXCESS (DEFICIENCY)</b>	495,227	(1,932,245)	(268,445)	(183,307)
BEGINNING FUND BALANCE	6,371,212	6,866,439	4,934,194	4,665,749
<b>ENDING FUND BALANCE</b>	<b>6,866,439</b>	<b>4,934,194</b>	<b>4,665,749</b>	<b>4,482,442</b>

The Economic Development Corporation program is focused on creating quality commercial development activities that generate local employment and enhance the economic well-being of The Colony. This is accomplished through: (1) Recruitment through marketing efforts that target commercial developers, brokers, and site selection consultants, as well as individual corporations (2) Business retention and expansion program (3) Performance-based incentive program.

## Program Narrative

### 2017 Goals

#### *Provide staff support for the EDC board*

- Assemble the necessary documentation for the EDC board to make informed decisions.

#### *Heighten awareness among commercial real estate brokers and developers of development opportunities in The Colony*

- Arrange meetings and negotiations with corporate and real estate professionals focused on recruiting retail, corporate office and light industrial into The Colony.

#### *Market the City*

- Create marketing materials, participate in trade shows and commercial developer/broker organizations, and establish relationships with representatives of firms considering relocation and expansion.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 273,739	\$ 305,304	\$ 418,515
Contractual Services	175,290	420,393	478,160
Supplies	7,982	13,390	15,100
Maintenance	371	500	-
Incentives	347,961	1,300,000	1,330,000
Transfer Out	3,592,791	775,703	751,402
<b>Total Department Budget</b>	<b>\$ 4,398,134</b>	<b>\$ 2,815,290</b>	<b>\$ 2,993,177</b>

<b>Personnel Detail</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Economic Development Director	1	1	1
Economic Development Specialist	1	1	1
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>



# Community Development Fund – Type B

The Colony Community Development Corporation was formed after the passage of the 4A/4B (Now Type A/B) sales tax was approved by The Colony voters in the Special Election held on January 17, 1998. One half of one percent of the sales tax collected in the city is distributed to the Economic Development Corporation (Type A) and The Colony Community Development Corporation (Type B), with the remaining sales tax going to the City.

**Voters approved the following proposition** - "The adoption of a Sales and Use Tax within the City of The Colony , Texas , at the rate of one-half of one percent to be used, after the holding of at least one public hearing, for land, buildings, equipment, facilities, and improvements required or suitable for use for sports, athletic, entertainment, tourist, convention, and public park purposes and events, including but not limited to Community Centers, Libraries, and Hike and Bike Trails, and the promotion or development of new or expanded business enterprises, as authorized by Section 4B (Type B) of Article 5190.6 Vernon 's Texas Civil Statutes, as amended (The Development Corporation Act of 1979); and maintenance and operating costs associated with any of the above projects that are publicly owned and operated."

**COMMUNITY DEVELOPMENT - TYPE B SALES TAXES**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2016-2017**

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>CITY SALES TAXES</b>				
Sales Tax Revenues	2,139,430	2,532,760	2,617,500	2,879,250
Investment Income	950	1,381	500	2,000
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>2,140,380</b>	<b>2,534,141</b>	<b>2,618,000</b>	<b>2,881,250</b>
<b>TRANSFERS IN</b>				
Transfer from General Fund	-	-	-	-
Transfer from Capital Projects Fund	-	-	-	-
<b>TOTAL TRANSFERS IN</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>2,140,380</b>	<b>2,534,141</b>	<b>2,618,000</b>	<b>2,881,250</b>
<b>EXPENDITURES-OPERATIONAL</b>				
Personnel Services	86,418	90,986	94,876	99,477
Contractual Services	26,850	21,163	29,500	34,800
Supplies	1,147	1,059	4,000	3,650
Maintenance	7,468	18,401	37,100	40,100
Existing Park Improvements	654,500	1,215,000	1,552,500	649,250
Capital Outlay	-	-	-	-
Overhead Costs	35,688	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>812,071</b>	<b>1,346,609</b>	<b>1,717,976</b>	<b>827,277</b>
<b>TRANSFERS OUT</b>				
Trnsfr Out - GDSF (Complex Debt)	526,100	524,700	523,000	526,000
Trnsfr Out - Parks Fd (Five Star Maint.)	165,000	165,000	165,000	165,000
Trnsfr Out - GDSF (Hike & Bike Trail)	127,150	130,200	127,400	129,600
Trnsfr Out GDSF (Parking Lot)	64,205	64,339	64,306	64,207
Trnsfr Out - Parks Fund (Personnel)	122,845	122,845	122,845	134,845
<b>TOTAL TRANSFERS OUT</b>	<b>1,005,300</b>	<b>1,007,084</b>	<b>1,002,551</b>	<b>1,019,652</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>1,817,371</b>	<b>2,353,693</b>	<b>2,720,527</b>	<b>1,846,929</b>
<b>OH COST</b>		35,688	35,690	35,690
<b>EXCESS (DEFICIENCY)</b>	323,009	144,760	(138,217)	998,631
BEGINNING FUND BALANCE	1,826,265	2,149,274	2,294,034	2,155,817
<b>ENDING FUND BALANCE</b>	<b>2,149,274</b>	<b>2,294,034</b>	<b>2,155,817</b>	<b>3,154,448</b>

---

## Department Mission

The Community Development Corporation's ("the CDC") purpose is to enhance the quality of life in The Colony by developing new, and improving existing facilities that will promote economic development while meeting the diverse needs of the community.

## Program Narrative

### 2016 Accomplishments

- Completed construction of Pawsome Playground Dog Park
- Replaced playground structure for 2-5 year olds at Ridgepointe Park
- Updated Trail and Bike Route Master Plan
- Design of Park Loop Trail extension from Squires to BBOwen Elementary completed
- Design of S. Colony slip road and trail extensions completed
- Shade Structure replacements and other improvements at Five Star Complex
- Replaced indoor pool filter and pump at Aquatic Park
- Purchased new City Christmas Tree

### 2017 Goals

- Repair erosion along Shoreline Trail near bridge
- Replace indoor building heater, outdoor pool pump and starter platforms at Aquatic Park
- Install new landscaping in various parks and greenbelts
- Purchase new and replacement equipment for maintenance of parks, trails and athletic facilities
- Add covered storage for materials at Five Star
- Add pavilions to Slay/Baker, Friendship, and Kids Colony Park
- Complete trail extension projects for N. Colony, S. Colony and Park Loop Trails
- Improvements to Bill Allen Park

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 90,986	\$ 94,876	\$ 99,477
Contractual Services	21,163	29,500	34,800
Supplies	1,059	4,000	3,650
Maintenance	18,401	37,100	40,100
Transfer Out	2,222,084	2,555,651	1,668,902
Sundry Charge	-	201,166	
<b>Total Department Budget</b>	<b>\$ 2,353,693</b>	<b>\$ 2,922,293</b>	<b>\$ 1,846,929</b>

<b>Personnel Detail</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Park Development Manager	1	1	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>



# The Colony PID Fund

---

The Colony PID (Public Improvement District) Fund was established in 2015 to provide administration, traffic management, police services, landscaping, and street and pond maintenance for Grandscape.

Costs are allocated to owner parcels based on benefit and size. Council generally approves the annual PID budget and assessment during the September meeting when the City budget and property tax rate are approved.

Denton County Tax Assessor Collector includes the PID assessment on the property tax bills. Payment is due when property taxes are due, by the end of January.

**TIRZ ONE PID  
Revenue & Expenditure Projections  
Fiscal Year 2016-2017**

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>REVENUES</b>				
Assessment		-	2,834,293	1,162,836
<b>TOTAL REVENUES</b>	-	-	2,834,293	1,162,836
<b>EXPENDITURES</b>				
Personnel Services	-	293,066	592,600	568,470
Contractual Services	-	414,475	429,000	613,800
Supplies	-	16,527	48,392	10,000
Maintenance & Utility	-	18,099	105,000	32,000
Capital Outlay	-	488,682	280,000	-
<b>TOTAL EXPENDITURES</b>	-	1,230,849	1,454,992	1,224,270
<b>EXCESS (DEFICIENCY)</b>	-	(1,230,849)	1,379,301	(61,434)
BEGINNING FUND BALANCE	-	-	(1,230,849)	148,452
<b>ENDING FUND BALANCE</b>	-	(1,230,849)	148,452	87,018

# Hotel/Motel Tax Fund

---

The Hotel/Motel Tax Fund is used to account for the receipt of the City's Hotel/Motel occupancy tax. The use of this tax is restricted by State Legislation for directly enhancing and promoting tourism. The hotel occupancy tax rate for the City is 7%.

**HOTEL/MOTEL TAX FUND**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2016-2017**

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>HOTEL/MOTEL TAXES</b>				
Taxes	473,744	525,449	550,000	550,000
Miscellaneous	1,407	1,583	-	-
Investment Income	-	-	-	-
<b>TOTAL REVENUES</b>	<b>475,151</b>	<b>527,032</b>	<b>550,000</b>	<b>550,000</b>
<b>TRANSFERS IN</b>				
Transfer from - General Fund	165,000	120,000	100,000	90,000
<b>TOTAL TRANSFERS IN</b>	<b>165,000</b>	<b>120,000</b>	<b>100,000</b>	<b>90,000</b>
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>640,151</b>	<b>647,032</b>	<b>650,000</b>	<b>640,000</b>
<b>EXPENDITURES</b>				
<b>Communications</b>				
Personnel Services	182,798	84,903	79,002	84,138
Contractual Services	755	4,365	840	840
Supplies	946	1,012	1,350	1,800
<b>CVB</b>				
Personnel Services	85,536	202,455	214,749	221,697
Contractual Services	35,711	39,914	53,900	63,200
Supplies	4,081	2,478	5,600	4,500
Overhead	35,688			
<b>TOTAL EXPENDITURES</b>	<b>345,515</b>	<b>335,127</b>	<b>355,441</b>	<b>376,175</b>
Transfer to Special Event	250,000	250,000	300,000	300,000
<b>TOTAL TRANSFERS OUT</b>	<b>250,000</b>	<b>250,000</b>	<b>300,000</b>	<b>300,000</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>595,515</b>	<b>585,127</b>	<b>655,441</b>	<b>676,175</b>
<b>OH COST</b>		35,688	35,688	35,691
<b>EXCESS (DEFICIENCY)</b>	44,636	26,217	(41,129)	(71,866)
BEGINNING FUND BALANCE	86,115	130,751	156,968	115,839
<b>ENDING FUND BALANCE</b>	<b>130,751</b>	<b>156,968</b>	<b>115,839</b>	<b>43,973</b>

# CVB

---

## Department Mission

The Colony Convention & Visitors Bureau operates to positively impact the local economy by marketing and exemplifying The Colony as an exceptional destination for meetings, sporting events and leisure travel.

## Program Narrative

### 2016 Accomplishments

- October 2015 – Three new “mini” videos depicting THE Lake, THE Golf, and THE Fun were created for targeting specific niche markets.
- November 2015 – The Colony CVB participated in the American Heroes festival vendor expo. With help from Amanda Garcia, the CVB provided literature, promoted the eNewsletter, answered questions and awarded patriotic prizes.
- November 2015 – Redesigned monthly eNewsletter to accommodate all ranges of mobile devices based on viewing trends.
- December 2015 – Completed two year Adopt-A-Street commitment along Paige Rd. between North Colony Blvd. and Nash Dr.
- January 2015 – Social Media Review: based on reports provided by Hootsuite, over the 12 month reporting period the CVB’s social media pages recorded growth each month.
- March 2016 – Mariko Lanicek, Tourism Specialist, joins inaugural Engage The Colony Committee.
- April 2016 – 4,000 copies of the recently updated visitors guides were delivered to the CVB for distribution.
- April 2016 – CVB staff attended the Courtyard by Marriott grand opening to tour the new hotel and distribute visitors guides and other marketing materials.
- April 2016 – Continued research and costs associated with creating a Mobile Visitor Information Center. Requested funding in 2016/2017 CIP projects.
- May 2016 – Mayor Joe McCourry issued a proclamation recognizing National Travel and Tourism Week while members of the CVB displayed the effects of travel in the City Hall display case along with travel related tokens and reading material.
- June 2016 – Mariko Lanicek, Tourism Specialist, received her Certified Tourism Executive (CTE) after completing three years of rigorous coursework.
- June 2016 – In an effort to expand its social media presence, the CVB launched the “Big Bowl” blog to promote local attractions and events in an entertaining way.
- June 2016 – Announced Holiday Inn grand opening through social media and eNewsletter.
- July 2016 – Supplied 30 gift bags to the visiting Atlanta Hustle for the AUDL south division championship at The Colony Five Star Sports Complex against the Dallas Roughnecks.
- July 2016 – Met with IT to discuss steps to create an interactive map featuring existing and anticipated attractions, hotels and restaurants.

- July 2016 – Diane Baxter, Director of Communications and Tourism, toured the Scheels All Sport location in Kansas City in anticipation of the new flagship store at Grandscope.
- August 2016 – Toured vehicle customization plant in Cleburne, Texas for anticipated Mobile Visitor Information Center.

## 2017 Goals

- Grow social media presence.
- Order and oversee customization of Mobile Visitor Information Center.
- Create more video content marketing the city.
- Update Meeting Planner Guide.
- Continuing education in best practices for Destination Marketing Organizations.

Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$	\$ 214,749	\$ 221,697
Contractual Services		53,900	63,200
Supplies		5,600	4,500
<b>Total Department Budget</b>	\$	\$ 274,249	\$ 289,397

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
Director of Communications and Tourism	-	-	1
Convention and Visitors Bureau Tourism	1	1	1
<b>Total</b>	1	1	2

# Communications

---

## Department Mission

The Communications Department utilizes a variety of methods to provide timely dissemination of information about the City of The Colony and its policies, programs, services and neighborhoods to the news media and community.

## Program Narrative

### 2016 Accomplishments

- November-December 2015: In coordination with the Fire Department, we built and launched five new pages for the city website with information about the city's Emergency Management preparedness. Page topics included: Emergency Management overview; Emergency Kits; Outdoor Warning Sirens; Severe Weather; and various Emergency Management links, all in an effort to increase weather safety awareness among residents.
- December 2015: Designed and published flyers promoting the city's social media pages, which were placed strategically throughout the city at any locations where staff interact with the public, including police and fire stations.
- January 2016: Overhauled and republished the "City Council Welcome Message" on the city website to reflect the exciting growth and development taking place in the community.
- February-March 2016: Produced, directed, edited and published a new-hire employee orientation video for use by the HR Department as part of its onboarding process. The video highlights the work of the city's many departments and staff members while introducing new hires to city management and the culture of providing high-quality customer service to the community.
- March 2016: In the immediate aftermath of the EF0 tornado and straight-line winds that struck the city the morning of March 8, Communications staff reported to the Emergency Operations Center at Central Fire Station to assist public safety officials with both distributing and soliciting important damage-related information to and from residents, as well as fielding inquiries from the media. The incident proved to be a successful opportunity for the various departments involved to coordinate as necessary during a major weather event.
- March 2016-present: Launched a social media campaign dubbed #ServiceTipSunday in which we share weekly posts highlighting a different service provided to residents by the city. Examples include: household hazardous waste disposal; vacation house watch; community image ordinances; home-project permitting; and online library services, among many others.
- March-April 2016: Moved forward with earnest on preparations for a new city website, including researching best practices, design trends, and analytics. Met with four vendors to receive presentations about their products to inform both the content management and budgeting considerations of the new site.
- April 2016: Participated in the NHTSA Distracted Driving Awareness Month campaign, featuring a month's worth of social media posts, images, and news releases designed to increase awareness of the dangers of distracted driving.
- June 2016: Coordinated with the Police and Fire departments to prepare for and launch the city's partnership with Nixle, a mobile emergency alert notification system now available to residents.

- June 2016: In light of ongoing concerns about the Zika and West Nile viruses, we made efforts to improve our annual public awareness initiative regarding mosquito management. New links and information were added to the Mosquito Control page of the website to include maps of treatment areas and information about Zika and human cases of mosquito-borne disease as monitored by Denton County Public Health. This information was highlighted in a #ServiceTipSunday. We also published a lengthy and detailed blog post about the city’s mosquito-control program.
- June-July 2016: In collaboration with the Engineering Department, we researched and wrote a feature story about the South Colony Boulevard Overpass Project, which was published for a statewide audience in the August issue of *Texas Town & City*.
- August 2016: After recognizing the need for a social media retention system, Communications identified a vendor and facilitated installation of this important tool for records retention with the City Secretary’s Office.
- Ongoing: As a matter of routine, the Communications Department continues to prioritize the sharing of timely road construction information with residents, especially in regards to the Main Street Widening Project.
- Ongoing: Departments featured on the city’s blog during this calendar cycle were: Information Technology; Mosquito Control; Convention & Visitors Bureau; Emergency Management; Communications; Facilities Maintenance; City Secretary; and Health Inspections.
- Social media stats for main city accounts: new Facebook followers, 1,165, for a total of 4,702; new Twitter followers, 496, for a total of 1,864.

## 2017 Goals

- Main Street construction updates: Continue to inform commuters on progress, current issues and workflow timeline of this TxDOT project through video, website, press releases, email blasts, and social media.
  - Social Media: Continue to enhance our city’s social media presence, explore and promote new platforms, and increase the flow of information and citizen engagement.
  - Generate more multi-media content
  - City Website: Work towards preparing for website redesign (anticipated 2016/2017) while continuing to maintain, revive and improve current site.
- Continuing education on best practices for municipal government communications.

Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ \$	79,002	\$ 84,138
Contractual Services		840	840
Supplies		1,350	1,800
<b>Total Department Budget</b>	\$ \$	81,192	\$ 86,778

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
Director of Communications and Tourism	1	1	-
Communications Specialist	1	1	1
<b>Total</b>	2	2	1

# Lake Parks Fund

---

The Lake Parks Fund is a special revenue fund used for the operations of Stewart Creek Park, a U.S Army Corps of Engineers park leased and operated by the City. Revenue generated in the Lake Parks Fund consists of fees and permits to enter and utilize the park area and facilities, which are located on the eastern shore of Lake Lewisville. The City has 3 additional Corps leased parks in its jurisdiction that have been subleased to private entities through public/private partnerships. Lease fee revenues generated through these partnerships are also included in this fund. All revenues from the Lake Parks Fund are required by the Corps to be used solely for the administration, maintenance and upgrades to the Corps leased facilities within the City's jurisdiction.

**LAKE PARKS FUND**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2016-2017**

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>CHARGES FOR SERVICES</b>				
Fees & Permits	126,928	76,212	125,000	125,000
Developer Contributions	62,000	72,000	62,000	62,000
Concession Revenues	917	195	1,000	1,000
Marine Quest	100,512	50,650	85,000	85,000
Investment Income	-	-		
Mitigation Fees	337	70		
Miscellaneous	-	-		
<b>TOTAL REVENUES</b>	<b>290,694</b>	<b>199,127</b>	<b>273,000</b>	<b>273,000</b>
<b>TOTAL REVENUES &amp; TRANSFERS</b>				
	290,694	199,127	273,000	273,000
<b>EXPENDITURES</b>				
Contractual Services	67,385	68,110	72,220	73,225
Supplies	12,081	4,641	8,668	8,450
Maintenance	26,648	13,638	22,400	22,100
Capital Outlay	-	7,219	300,000	100,000
<b>TOTAL EXPENDITURES</b>	<b>106,114</b>	<b>93,608</b>	<b>403,288</b>	<b>203,775</b>
<b>TRANSFERS OUT</b>				
Transfer to Parks Fund	35,000	35,000	35,000	35,000
<b>TOTAL TRANSFERS OUT</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>				
	141,114	128,608	438,288	238,775
<b>EXCESS (DEFICIENCY)</b>	<b>149,580</b>	<b>70,519</b>	<b>(165,288)</b>	<b>34,225</b>
BEGINNING FUND BALANCE	377,385	526,965	597,484	432,196
<b>ENDING FUND BALANCE</b>	<b>526,965</b>	<b>597,484</b>	<b>432,196</b>	<b>466,421</b>

---

## Department Mission

Stewart Creek Park is accounted for in the Lake Parks fund and is a City operated, 52 acre "fee paid" park, leased from the Corps of Engineers. Stewart Creek Park provides users with camping, boating, fishing and other outdoor recreational activities. It is also a venue for a variety of special events throughout the year.

## Program Narrative

### 2016 Accomplishments

- Increased use of volunteers and probationers to assist with weekly park clean-up and repairs
- Developed plans to expand the irrigation system to allow for more trees to be planted
- Removed trees that died due to flooding from 2015
- Began design on new entry feature and fishing pier for the park.
- Installed a bag wall to combat erosion next to boat ramp

### 2017 Goals

#### Enhance the overall appearance of the park grounds and facilities

- Continue improving and expanding park amenities in accordance with the SCP Master Plan
- Plant additional trees and expand irrigation to enhance shade and wildlife habitat
- Install new entry feature
- Perform water testing for potential relocation of swim beach area

#### Increase Park Visitation and Revenue

- Utilize social media, CVB resources and webpage enhancements to better promote the park
- Construct a new fishing pier
- Provide a variety of entertainment activities and special events within the park.

Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Contractual Services	\$ 68,110	\$ 72,220	\$ 73,225
Supplies	4,641	8,668	8,450
Maintenance	13,638	22,400	22,100
Capital	7,219	300,000	100,000
Transfer Out	35,000	-	-
<b>Total</b>	<b>\$ 128,608</b>	<b>\$ 403,288</b>	<b>\$ 203,775</b>



# Special Events Fund

---

The Special Events Fund provides special events and activities for the residents of The Colony. Projects included are July 4<sup>th</sup>, Christmas holiday, Veterans Day and other events.

The main source of funding comes from the Hotel/Motel tax revenues, with additional funding provided through the General Fund, donations (sponsorships) and other miscellaneous revenues.

**SPECIAL EVENTS FUND**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2016-2017**

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>REVENUES</b>				
Donations & Sponsorships	24,123	18,193	10,000	11,000
Investment Income	-	-	-	-
Event Revenues	58,439	58,158	50,000	50,000
<b>TOTAL REVENUES</b>	<b>82,562</b>	<b>76,351</b>	<b>60,000</b>	<b>61,000</b>
<b>TRANSFERS IN</b>				
Transfer from - General Fund	100,000	100,000	80,000	40,000
Transfer from - Hotel/Motel Tax	250,000	250,000	300,000	300,000
<b>TOTAL TRANSFERS IN</b>	<b>350,000</b>	<b>350,000</b>	<b>380,000</b>	<b>340,000</b>
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>432,562</b>	<b>426,351</b>	<b>440,000</b>	<b>401,000</b>
<b>EXPENDITURES</b>				
Personnel	65,368	70,653	69,216	73,868
Supplies	91	-	-	-
City Program	-	-	-	-
Christmas	3,766	4,201	5,000	5,000
Christmas Light Show Supplemental	13,183	17,610	17,500	17,500
Christmas Light Show Base	6,500	6,500	6,500	6,500
Liberty by The Lake	88,432	89,465	90,000	90,000
American Heroes	114,972	124,416	130,000	130,000
Pirate Days/Mail Box	-	-	-	-
Cultural Arts Board - Operating	20,993	-	-	-
Chalk This Way	-	-	-	-
Parent Child Event	3,785	3,939	4,500	4,500
Halloween Campout	4,384	6,017	6,000	6,000
Easter Egg Hunt	3,116	3,150	3,500	3,500
Event Marketing	2,465	2,821	3,020	3,000
Arbor Day	2,413	2,382	2,500	2,500
Movies In The Park	3,434	2,479	2,550	3,000
Bow Wow Pow Wow	1,506	1,590	1,800	1,800
Colony Playhouse	6,000	-	-	-
Road Runners Club	10,000	10,000	10,000	10,000
CMAC	-	16,975	20,000	-
Knights of Columbus - Liberty Fun Run	-	5,000	-	-
Chamber Golf Tourney	-	-	-	6,000
THC -ROTC (Move to Council Budget in 16-17)	-	-	2,000	-
Lakeside Community Theatre	15,000	12,000	12,000	12,000
Mothers Opposing Bullying	-	-	2,500	2,500
Metro Relief	-	-	6,000	6,000
<b>TOTAL EXPENDITURES</b>	<b>367,790</b>	<b>382,122</b>	<b>399,036</b>	<b>388,118</b>
<b>OH COST</b>	<b>35,688</b>	<b>35,688</b>	<b>35,492</b>	<b>35,670</b>
<b>EXCESS (DEFICIENCY)</b>	<b>29,084</b>	<b>8,541</b>	<b>5,472</b>	<b>(22,788)</b>
BEGINNING FUND BALANCE	44,106	73,190	81,731	87,203
<b>ENDING FUND BALANCE</b>	<b>73,190</b>	<b>81,731</b>	<b>87,203</b>	<b>64,415</b>

**Department Mission**

The Colony Parks and Recreation's Special Events division exists to solicit, plan and produce entertaining experiences for residents and visitors to the city while aiding in establishing the city's identity as a family friendly lakeside community.

## Program Narrative

### 2016 Accomplishments

- Created a streamline sponsorship package that allows organizations and businesses the opportunity to maximize their exposure and in turn maximizes our sponsorship value.
- Created a volunteer incentive program to foster active and growing support from the community for special events.
- Created a comprehensive Risk Management Plan in conjunction with Police and Fire that promote safety and security at all community events.

### 2017 Goals

- To plan, organize, and execute events that are unique to The Colony and portray the City in a positive light.
- Continually conduct research that will support the creation of new and exciting events that target the demographic, needs and wishes of citizens within the City.
- Partner with local businesses to help cross promote their products and City events simultaneously.
- Work diligently with other City departments (Fire, Police, and Inspections) to execute well organized, safe and fun events.
- Offer trouble-free registration for special events by accepting online registrations and include electronic formats for accepting registration forms.
- Accurately reflect current market trends and competitive price points for registration and fees.
- Work directly with the Director of Communications and Tourism to utilize all avenues of city communication (i.e. Cable channel promotions, City website postings, and inter-office communications).
- Create rental/borrowing contract for items frequently used by outside city sponsored organizations and events.

Expenditures	Actual 2014-15	Budget 2015-16	Budget 2016-17
Personnel Services	\$ 70,653	\$ 69,216	\$ 73,868
Contractual Services	311,469	329,820	314,250
Supplies	-	-	-
<b>Total Department Budget</b>	<b>\$ 382,122</b>	<b>\$ 399,036</b>	<b>\$ 388,118</b>

Personnel Detail	Actual 2014-15	Budget 2015-16	Budget 2016-17
Special Events Coordinator	1	1	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>



# Court Security Fund

The Court Security Fund is a special \$3.00 fee that is added on to Class C Misdemeanors filed with the Court. The Court must assess the fee upon all convictions after the city adopted an ordinance to establish the fund. This fee is provided by the Criminal Code of Procedure, Article 102.017.

The money collected under this fund is dedicated to providing security services for municipal courts. It may only be used to finance items when used for the purpose of providing security services for buildings housing municipal courts and includes the following items:

- The purchase or repair of x-ray machines and conveying systems;
- Handheld metal detectors;
- Walk-through metal detectors;
- Identification cards and systems;
- Electronic locking and surveillance equipment;
- Bailiffs, deputy sheriffs, deputy constables, or contract security personnel during times when providing security services;
- Signage;
- Confiscated weapon inventory and tracking systems;
- Locks, chains, alarms, or similar security devices;
- The purchase or repair of bullet-proof glass, and;
- Continuing education on security for court & security personnel.

## COURT SECURITY Revenue & Expenditure Projections Fiscal Year 2016-2017

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>REVENUES</b>				
Court Security Revenue	29,354	19,351	20,000	12,000
Investment Income	-	-		
<b>TOTAL REVENUES</b>	<b>29,354</b>	<b>19,351</b>	<b>20,000</b>	<b>12,000</b>
<b>EXPENDITURES</b>				
Personnel Services	-	-		
Contractual Services	-	-		
Supplies	-	2,942		
Maintenance	-	-		
Capital Outlay	-	115,688	200,000	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>118,630</b>	<b>200,000</b>	<b>-</b>
<b>EXCESS (DEFICIENCY)</b>	<b>29,354</b>	<b>(99,279)</b>	<b>(180,000)</b>	<b>12,000</b>
BEGINNING FUND BALANCE	334,444	363,798	264,519	84,519
<b>ENDING FUND BALANCE</b>	<b>363,798</b>	<b>264,519</b>	<b>84,519</b>	<b>96,519</b>

---

## Department Mission

The Colony Municipal Court utilizes the Court Security Fund for any security needs by the Department. This includes any areas in the Police/Court building that the Judge or Court Clerks has access to. This dedicated fund is very important to ensure the safety of the Judge, Court personnel, and the citizens of The Colony.

## Program Narrative

### 2016 Accomplishments

Approval was obtained by the City Council in September, 2015 to use the Court Building Security Fund to purchase all new Cameras for the Court and some parts of the Police Department. The new cameras were installed the later part of 2016 and are high quality with the option of also providing audio features.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ -	\$ -	\$ -
Contractual Services	-	-	-
Supplies	2,942	-	-
Capital Outlay	115,688	200,000	200,000
<b>Total</b>	<b>\$ 118,630</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>

# Court Technology Fund

Article 102.0172, Code of Criminal Procedure provides authority for a governing body of a municipality to adopt an ordinance to establish a technology fund. The ordinance also creates a fee in the amount of \$4.00 to be collected upon all convictions. The fund, which must be dedicated to financing the purchase of technological enhancements for the municipal court, includes:

- Computer systems;
- Computer networks;
- Computer hardware;
- Computer software;
- Imaging systems;
- Electronic kiosks;
- Electronic ticket writers, and
- Docket management systems.

## COURT TECHNOLOGY Revenue & Expenditure Projections Fiscal Year 2016-2017

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>REVENUES</b>				
Court Technology Revenue	39,139	25,802	35,000	20,000
Investment Income	-	-	-	-
<b>TOTAL REVENUES</b>	<b>39,139</b>	<b>25,802</b>	<b>35,000</b>	<b>20,000</b>
<b>EXPENDITURES</b>				
Contractual Services	3,013	3,228	3,300	3,300
Supplies/ copiers/Telephone	496	1,299	1,350	1,350
Maintenance - Tyler/Duncan Parking Tech	11,160	10,548	10,600	10,600
Non-Capital	-	-	-	-
Capital Outlay	55,699	27,530	-	-
Overhead Costs	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>70,368</b>	<b>42,605</b>	<b>15,250</b>	<b>15,250</b>
<b>EXCESS (DEFICIENCY)</b>	<b>(31,229)</b>	<b>(16,803)</b>	<b>19,750</b>	<b>4,750</b>
BEGINNING FUND BALANCE	78,980	47,751	30,948	50,698
<b>ENDING FUND BALANCE</b>	<b>47,751</b>	<b>30,948</b>	<b>50,698</b>	<b>55,448</b>

---

## Department Mission

The Colony Municipal Court utilizes the Court Technology Fund to purchase any technological items needed by the Court. Historically, this fund has been used to purchase computer hardware, court software programs, electronic ticket writers, network copiers, thermal paper for ticket hand held units, and annual maintenance plans.

## Program Narrative

### 2016 Accomplishments

The Court Technology Fund was used to purchase these items in 2015/16:

- Monthly aircards fees for Warrant Officer's Laptop -2015/16
- Incode Court Software Annual Maintenance Agreement – 2015/16

### 2017 Goals

The Court Technology Fund will continue to fund such items as listed above for the 2016/17 fiscal year and any other technological needs by the Municipal Court.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Contractual Services	\$ 3,228	\$ 3,300	\$ 3,300
Supplies	1,299	1,350	1,350
Maintenance	10,548	10,600	10,600
Capital	27,530	-	-
<b>Total</b>	<b>\$ 42,605</b>	<b>\$ 15,250</b>	<b>\$ 15,250</b>

# Minor Funds

## Child Safety Fund

### Revenue & Expenditure Projections Fiscal Year 2016-2017

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>REVENUES</b>				
Child Safety Fund Revenue	1,216	8,250	8,000	5,000
Denton County Child Safety Fund	55,550	51,085	40,000	45,000
<b>TOTAL REVENUES</b>	<b>56,766</b>	<b>59,335</b>	<b>48,000</b>	<b>50,000</b>
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>56,766</b>	<b>59,335</b>	<b>48,000</b>	<b>50,000</b>
<b>EXPENDITURES</b>				
Child Advocacy Center	27,354	28,979	30,914	44,701
<b>TOTAL EXPENDITURES</b>	<b>27,354</b>	<b>28,979</b>	<b>30,914</b>	<b>44,701</b>
<b>TRANSFER OUT</b>				
Transfer - General Fund	20,000	20,000	20,000	20,000
<b>TOTAL TRANSFER OUT</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>47,354</b>	<b>48,979</b>	<b>50,914</b>	<b>64,701</b>
<b>EXCESS (DEFICIENCY)</b>	<b>9,412</b>	<b>10,356</b>	<b>(2,914)</b>	<b>(14,701)</b>
BEGINNING FUND BALANCE	43,503	52,915	63,271	60,357
<b>ENDING FUND BALANCE</b>	<b>52,915</b>	<b>63,271</b>	<b>60,357</b>	<b>45,656</b>

## Storm Water

### Revenue & Expenditure Projections Fiscal Year 2016-2017

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>REVENUES</b>				
Storm Water Utility Fees	511,900	544,460	500,000	500,000
Investment Income	-	-	-	-
<b>TOTAL REVENUES</b>	<b>511,900</b>	<b>544,460</b>	<b>500,000</b>	<b>500,000</b>
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>511,900</b>	<b>544,460</b>	<b>500,000</b>	<b>500,000</b>
<b>EXPENDITURES</b>				
Contractual Services	-	82,710	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>82,710</b>	<b>-</b>	<b>-</b>
<b>TRANSFERS OUT</b>				
Transfer - General Fund	168,800	250,000	250,000	50,000
Transfer - Environmental Fund	-	-	-	-
Transfer - Utility Fund	350,000	350,000	350,000	350,000
<b>TOTAL TRANSFERS OUT</b>	<b>518,800</b>	<b>600,000</b>	<b>600,000</b>	<b>400,000</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>518,800</b>	<b>682,710</b>	<b>600,000</b>	<b>400,000</b>
<b>EXCESS (DEFICIENCY)</b>	<b>(6,900)</b>	<b>(138,250)</b>	<b>(100,000)</b>	<b>100,000</b>
<b>ENDING FUND BALANCE</b>	<b>295,763</b>	<b>157,513</b>	<b>57,513</b>	<b>157,513</b>

## Citizen Donation

### Revenue & Expenditure Projections Fiscal Year 2016-2017

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>REVENUES</b>				
One Dollar Donation	360	356	360	360
Recycling Rebate Donation	471	424	471	471
<b>TOTAL REVENUES</b>	<b>831</b>	<b>780</b>	<b>831</b>	<b>831</b>
<b>EXPENDITURES</b>				
Contractual Services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY)</b>	<b>831</b>	<b>780</b>	<b>831</b>	<b>831</b>
BEGINNING FUND BALANCE	5,237	6,068	6,848	7,679
<b>ENDING FUND BALANCE</b>	<b>6,068</b>	<b>6,848</b>	<b>7,679</b>	<b>8,510</b>

## Water/Sewer Impact Fees Fund

### Revenue & Expenditure Projections Fiscal Year 2016-2017

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>IMPACT FEES</b>				
Water Impact Fees	431,104	1,001,598	200,000	400,000
Sewer Impact Fees	172,598	450,655	65,000	100,000
Investment Income	-	-	-	-
<b>TOTAL REVENUES</b>	<b>603,702</b>	<b>1,452,253</b>	<b>265,000</b>	<b>500,000</b>
<b>EXPENDITURES</b>				
Water Impact Fee Reimbursement	-	(1,178)	-	-
Sewer Impact Fee Reimbursement	79,837	186,286	60,000	60,000
Contractual Services - Water Master Plan	30,730	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>110,567</b>	<b>185,108</b>	<b>60,000</b>	<b>60,000</b>
<b>TRANSFERS OUT:</b>				
Transfer - Capital Project Admin	200,000	200,000	300,000	300,000
Transfer - Utility Revenue Debt Service	100,000	100,000	100,000	100,000
<b>TOTAL TRANSFERS OUT</b>	<b>300,000</b>	<b>300,000</b>	<b>400,000</b>	<b>400,000</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>410,567</b>	<b>485,108</b>	<b>460,000</b>	<b>460,000</b>
<b>EXCESS (DEFICIENCY)</b>	<b>193,135</b>	<b>967,145</b>	<b>(195,000)</b>	<b>40,000</b>
BEGINNING FUND BALANCE	173,707	366,842	1,333,987	1,138,987
<b>ENDING FUND BALANCE</b>	<b>366,842</b>	<b>1,333,987</b>	<b>1,138,987</b>	<b>1,178,987</b>

## Keep The Colony Beautiful

### Revenue & Expenditure Projections Fiscal Year 2016-2017

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>REVENUES</b>				
Donations		279		
<b>TOTAL REVENUES</b>	<b>-</b>	<b>279</b>	<b>-</b>	<b>-</b>
<b>TRANSFERS IN</b>				
Transfer In - General Fund	20,000	20,000	20,000	20,000
<b>TOTAL TRANSFERS IN</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>20,000</b>	<b>20,279</b>	<b>20,000</b>	<b>20,000</b>
<b>EXPENDITURES</b>				
Personnel	-	2,100		
Contractual Services	-		20,000	20,000
Supplies	2,856	3,719	-	-
Maintenance	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,856</b>	<b>5,819</b>	<b>20,000</b>	<b>20,000</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>2,856</b>	<b>5,819</b>	<b>20,000</b>	<b>20,000</b>
<b>EXCESS (DEFICIENCY)</b>	<b>17,144</b>	<b>14,460</b>	<b>-</b>	<b>-</b>
BEGINNING FUND BALANCE	20,161	37,305	51,765	51,765
<b>ENDING FUND BALANCE</b>	<b>37,305</b>	<b>51,765</b>	<b>51,765</b>	<b>51,765</b>

# Capital Projects Administration Fund

The Capital Projects Administration Fund is used to account for personnel providing administrative support for capital projects of the city.

Revenues are transferred in from various Capital Projects.

## CAPITAL PROJECTS ADMINISTRATION Revenue & Expenditure Projections Fiscal Year 2016-2017

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>REVENUES</b>				
TXDOT	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>TRANSFERS IN</b>				
Transfer - Revenue Bond Projects	-	-	-	-
Transfer - Impact Fees Fund	200,000	200,000	300,000	300,000
Transfer - Capital Account (216/846)	-	-	-	-
Transfer - General Obligation Bonds	-	-	-	-
Transfer - Utility Fund Cert of Oblig	-	-	-	-
<b>TOTAL TRANSFERS IN</b>	200,000	200,000	300,000	300,000
<b>TOTAL REVENUES &amp; TRANSFERS</b>	200,000	200,000	300,000	300,000
<b>EXPENDITURES</b>				
Personnel Services	99,354	110,858	111,555	120,694
Contractual Services	190	205	-	-
Supplies	157	20	1,000	500
Maintenance	-	-	-	-
Overhead Costs	159,276	-	-	-
<b>TOTAL EXPENDITURES</b>	258,977	111,083	112,555	121,194
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	258,977	111,083	112,555	121,194
<b>OH COST</b>		159,276	159,265	159,265
<b>EXCESS (DEFICIENCY)</b>	(58,977)	(70,359)	28,180	19,541
BEGINNING FUND BALANCE	70,528	11,551	(58,808)	(30,628)
<b>ENDING FUND BALANCE</b>	11,551	(58,808)	(30,628)	(11,087)

---

## Department Mission

Capital Projects Administration personnel review construction plans, inspect construction, manage the contractors' payments, respond to public inquiries, and coordinate issues.

## Program Narrative

### 2017 Goals

- Manage design and construction of capital projects for streets, drainage, water, and wastewater.
- Review construction plans for discrepancies and bring to the attention of the design engineer.
- Respond to request for inspection within four (4) hours of request.
- Respond to questions and other construction issues.
- Inspect work performed by contractors.
- Coordinate design and/or construction of Memorial-Spring Creek Connector, FM 423 utility relocations, Phase V residential street reconstruction, Memorial widening from Main to Navaho, Tribute elevated tank, Strickland asphalt overlay project.

<b>Expenditures</b>	<b>Actual 2014-15</b>	<b>Budget 2015-16</b>	<b>Budget 2016-17</b>
Personnel Services	\$ 110,858	\$ 111,555	\$ 120,694
Contractual Services	206	-	-
Supplies	20	1,000	500
<b>Total</b>	<b>\$ 111,084</b>	<b>\$ 112,555</b>	<b>\$ 121,194</b>

# Debt Service Funds

---

## **GENERAL DEBT SERVICE FUND**

The Debt Service Fund, established by ordinances authorizing the issuance of General Obligation Bonds and Certificates of Obligation, accounts for the accumulation of resources and the payment of general long-term debt principal and interest. General Obligation Bonds and Certificates of Obligation are issued to finance major improvements for the construction of streets, parks, libraries, recreation centers, fire stations, police stations, and other general governmental improvements. Property taxes are the principal source of revenue in the Debt Service Fund. The tax rate allocation for the Debt Service Fund is \$0.159640, which is 24.0% of the 2016 tax rate (\$.67). The purpose of this fund is to retire outstanding general obligation bonds and pay interest on the indebtedness.

## **UTILITY TAX SUPPORTED DEBT SERVICE FUND**

The Utility Tax Supported Debt was originally established, by the ordinance, which authorized the issuance of Tax and Revenue Bonds, to provide funding for utility projects. The Colony Municipal Utility District (MUD) was merged into the City of The Colony on October 1, 1986. Tax and Revenue Bonds are the primary source for financing utility infrastructure for municipal utility districts. Tax and Revenue Bond indentures contain legal requirements that both tax and operational revenues must be pledged for the repayment of debt incurred by the former, The Colony Municipal Utility District. The MUD debt was paid off in August 2007. Debt proceeds were utilized to finance utility infrastructure such as wastewater treatment plant, water storage tanks, pump stations, and large water distribution lines.

## **REVENUE DEBT SERVICE**

The Revenue Debt Service Fund or the State Revolving Fund (SRF) was initiated on June 21, 1991, through an agreement with the State. The original issue was \$1,330,000 to be paid annually with the last payment due in the year 2011. Since then, two other SRF issues have been included in the Revenue Debt Service. They are: 1995 SRF Bonds, and 1996-A SRF Bonds. The SRF Bonds and other Revenue Bonds were since refunded by the Waterworks and Sewer System Refunding Bonds, series 2008, due to the favorable interest rate environment. Fees are currently collected on the City's utility bills and are deposited to this fund. Expenses incurred are basically principal and interest payments. Subsequent revenue bond debt proceeds are used to finance the acquisition, installation and equipment for additions, improvements and extensions of the City's waterworks and sewer system. To pay the debt services of the Series 2004 Revenue Bonds, impact fees, developer payments and transfers from utility operation fund are used.

**GENERAL DEBT SERVICE**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2016-2017**

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>CHARGES FOR SERVICES</b>				
Current Property Taxes	4,927,183	4,952,479	4,900,000	3,700,000
Delinquent Property Taxes	10,633	39,197	10,000	10,000
Ag. Roll Back Taxes	41	94,772	-	2,000
Penalty & Interest	18,629	38,613	20,000	25,000
Investment Income	941	2,095	-	2,000
Misc Income	165,613	-	-	-
<b>TOTAL REVENUES</b>	<b>5,123,040</b>	<b>5,127,156</b>	<b>4,930,000</b>	<b>3,739,000</b>
<b>TRANSFERS IN</b>				
Transfers In - General Fund	-	612,007	-	-
Transfers In - Engineering Inspections	-	-	-	-
Transfers In - EDC S. Colony Conn-Ph2	152,000	154,106	152,506	150,906
Transfers In - EDC - Cascades	291,767	293,549	293,596	245,060
Transfers In - 4A Jackson Shaw/Memoria	-	-	-	-
Transfers In - EDC - Memorial Drive	-	-	-	48,891
Transfers In - Hike & Bike Trail (CDC)	127,150	130,200	127,400	129,600
Transfers In - Parking Lot (CDC)	64,205	64,339	64,306	64,207
Transfers In - Parks 4B Projects - 5 Starr Compl	526,100	524,700	523,000	526,000
<b>TOTAL TRANSFERS IN</b>	<b>1,161,222</b>	<b>1,778,901</b>	<b>1,160,808</b>	<b>1,164,664</b>
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>6,284,262</b>	<b>6,906,057</b>	<b>6,090,808</b>	<b>4,903,664</b>
<b>EXPENDITURES</b>				
Certificates of Obligation - 2004	254,188	-	-	-
Refunding Bonds - 2005	1,160,406	1,161,844	-	-
Certificates of Obligation - 2006	364,115	176,715	-	-
Certificates of Obligation - 2007	547,804	548,784	332,220	331,853
Certificates of Obligation - 2008	61,108	69,105	66,920	69,737
Certificates of Obligation - 2010	907,610	909,904	735,856	741,773
Certificates of Obligation - 2010A	207,002	203,143	178,533	175,296
Refunding Bonds - 2010/2001	526,100	524,700	523,000	526,000
Refunding Bonds - 2011/2002	682,252	682,290	689,472	688,370
Refunding Bonds - 2012/2003 & 2007	1,077,412	1,061,812	993,638	911,438
Certificates of Obligation - 2013	150,606	154,106	152,506	150,906
Refunding Bonds - 2013/2004 GF/Utility	130,120	371,120	371,890	370,420
Refunding Bonds - 2014/2006 GF/Utility	23,077	99,650	269,276	269,752
Certificates of Obligation - 2014	-	85,681	199,406	221,603
Certificates of Obligation - 2015	-	-	975,386	977,126
Governmental Capital 10 year note	-	112,165	112,263	112,263
Fiscal Agent Fees & Other	34,394	5,318	4,000	4,000
<b>TOTAL EXPENDITURES</b>	<b>6,126,194</b>	<b>6,166,337</b>	<b>5,604,366</b>	<b>5,550,537</b>
<b>EXCESS (DEFICIENCY)</b>	<b>158,068</b>	<b>739,721</b>	<b>486,442</b>	<b>(646,873)</b>
BEGINNING FUND BALANCE	491,954	650,022	1,389,743	1,876,185
<b>ENDING FUND BALANCE</b>	<b>650,022</b>	<b>1,389,743</b>	<b>1,876,185</b>	<b>1,229,312</b>

**UTILITY TAX SUPPORTED DEBT  
Revenue & Expenditure Projections  
Fiscal Year 2016-2017**

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>CHARGES FOR SERVICES</b>				
Current Property Taxes	-	-	-	-
Delinquent Property Taxes	-	-	-	-
Premium	-	-	-	-
Penalty & Interest	-	-	-	-
Fees	-	-	-	400,000
Investment Income	-	-	-	2,500
<b>TOTAL REVENUES</b>	-	-	-	402,500
<b>TRANSFERS IN</b>				
Transfers In - EDC 4A	306,711	306,999	307,161	306,545
Water Impact Fees	100,000	100,000	100,000	100,000
Revenue Bond Refunding	421,454	153,590	153,590	-
Transfers In - Utility Fund	2,275,000	2,275,000	4,750,000	6,500,000
<b>TOTAL TRANSFERS IN</b>	3,103,165	2,835,589	5,310,751	6,906,545
<b>TOTAL REVENUES &amp; TRANSFERS</b>	3,103,165	2,835,589	5,310,751	7,309,045
<b>EXPENDITURES</b>				
Certificates of Obligation - 2006	1,969,779	862,785	-	-
Certificates of Obligation - 2007	570,164	571,184	345,780	345,398
Certificates of Obligation - 2010	318,890	319,696	258,544	260,624
Certificates of Obligation - 2010A	42,398	41,608	36,567	35,904
Revenue Refunding Bonds 2012 (03,07,08)	-	-	-	303,813
General Obligation Refunding Bonds - 2013	520,480	-	-	1,481,680
General Obligation Refunding Bonds - 2014	112,668	486,525	1,314,699	1,317,023
Certificate of Obligation - 2014	-	526,326	1,224,925	1,361,278
Certificate of Obligation - 2015	-	-	832,679	837,150
Certificate of Obligation - 2015 Refunding	-	-	459,005	459,824
Fees/Cost of Issuance	209,681	369,446	-	4,000
<b>TOTAL EXPENDITURES</b>	3,959,508	3,393,030	4,689,927	6,624,074
<b>EXCESS (DEFICIENCY)</b>	(856,343)	(557,441)	620,824	684,971
BEGINNING FUND BALANCE	545,763	(310,580)	(868,021)	(172,020)
<b>ENDING FUND BALANCE</b>	(310,580)	(868,021)	(247,197)	512,951

**REVENUE BOND DEBT SERVICE**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2016-2017**

	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2016-2017 Budget
<b>CHARGES FOR SERVICES</b>				
Fees	407,303	413,611	400,000	-
Investment Income	700	999	500	-
<b>TOTAL REVENUES</b>	<b>408,003</b>	<b>414,610</b>	<b>400,500</b>	<b>-</b>
<b>TRANSFERS IN</b>				
Transfers In - Utility Fund	-	995,000	1,100,000	-
Transfers In - Impact Fees	-	-	-	-
<b>TOTAL TRANSFERS IN</b>	<b>-</b>	<b>995,000</b>	<b>1,100,000</b>	<b>-</b>
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>408,003</b>	<b>1,409,610</b>	<b>1,500,500</b>	<b>-</b>
<b>EXPENDITURES</b>				
Revenue Bonds - 2004	1,027,125	-	-	-
Revenue Refunding Bonds - 2008	-	-	-	-
Revenue Refunding Bonds - 2012 (03,07,08)	339,082	353,938	331,213	-
General Obligation Refunding Bonds - 2013 (04)	-	1,484,480	1,487,560	-
Cost of Issuance	-	-	-	-
Transfer to Utility Debt Service	-	-	-	-
Fiscal Agent Fees & Other	-	669	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,366,207</b>	<b>1,839,087</b>	<b>1,818,773</b>	<b>-</b>
<b>EXCESS (DEFICIENCY)</b>	<b>(958,204)</b>	<b>(429,477)</b>	<b>(318,273)</b>	<b>-</b>
BEGINNING FUND BALANCE	1,781,131	822,927	393,450	-
<b>ENDING FUND BALANCE</b>	<b>822,927</b>	<b>393,450</b>	<b>75,177</b>	<b>-</b>

CITY OF THE COLONY  
 OUTSTANDING PRINCIPAL ON TAX DEBT  
 FISCAL YEAR 2016/2017

ISSUE	PRINCIPAL OUTSTANDING	INTEREST RATES	FINAL MATURITY
Series 2007 Certificates	645,000	5.000%	2017
Series 2008 Certificates	130,000	3.642%	2018
Series 2010 Certificates	10,560,000	4.000%	2030
Series 2010A Certificates	2,030,000	3.000% - 4.000%	2030
Series 2010 GO Ref Bonds	2,775,000	3.000% - 4.000%	2022
Series 2011 GO Ref Bonds	4,840,000	3.000% - 4.000%	2022
Series 2012 GO Ref Bonds	2,955,010	2.000% - 3.000%	2023
Series 2013 Certificates	1,850,000	2.000% - 4.375%	2033
Series 2013 GO Ref Bonds	12,065,000	3.000% - 5.000%	2024
Series 2014 GO Ref Bonds	13,240,000	2.000% - 5.000%	2026
Series 2014 Certificates	21,210,000	3.000% - 6.000%	2035
Series 2015 Certificates	12,205,000	3.000% - 4.000%	2035
Series 2015 GO Ref Bonds	10,805,000	3.000% - 4.000%	2027

**CITY OF THE COLONY  
TAX SUPPORTED DEBT SERVICE  
FISCAL YEAR 2016/2017**

<b>YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2016-17	8,340,000	3,714,347	12,054,347
2017-18	7,950,000	3,390,730	11,340,730
2018-19	7,685,000	3,062,163	10,747,163
2019-20	8,045,000	2,729,362	10,774,362
2020-21	7,810,000	2,373,938	10,183,938
2021-22	7,880,000	2,067,900	9,947,900
2022-23	6,780,000	1,718,013	8,498,013
2023-24	6,730,000	1,454,812	8,184,812
2024-25	5,150,000	1,185,237	6,335,237
2025-26	5,210,000	999,162	6,209,162
2026-27	3,805,000	819,937	4,624,937
2027-28	2,930,000	692,881	3,622,881
2028-29	3,035,000	590,488	3,625,488
2029-30	3,135,000	482,956	3,617,956
2030-31	2,070,000	369,566	2,439,566
2031-32	2,140,000	296,769	2,436,769
2032-33	2,220,000	216,136	2,436,136
2033-34	2,155,000	128,450	2,283,450
2034-35	2,240,000	43,506	2,283,506
<b>TOTALS</b>	<b>95,310,000</b>	<b>26,336,353</b>	<b>121,646,353</b>

# Demographic and Economic Statistics

---

2016 Estimated Population: 44,228

2016 Assessed Value: \$3,618,019,263 for FY2017

Median Age: 35.5

Average Household Income: \$93,076

Number of Households (includes renter- occupied apartments): 15,672

Square Miles: 16.1

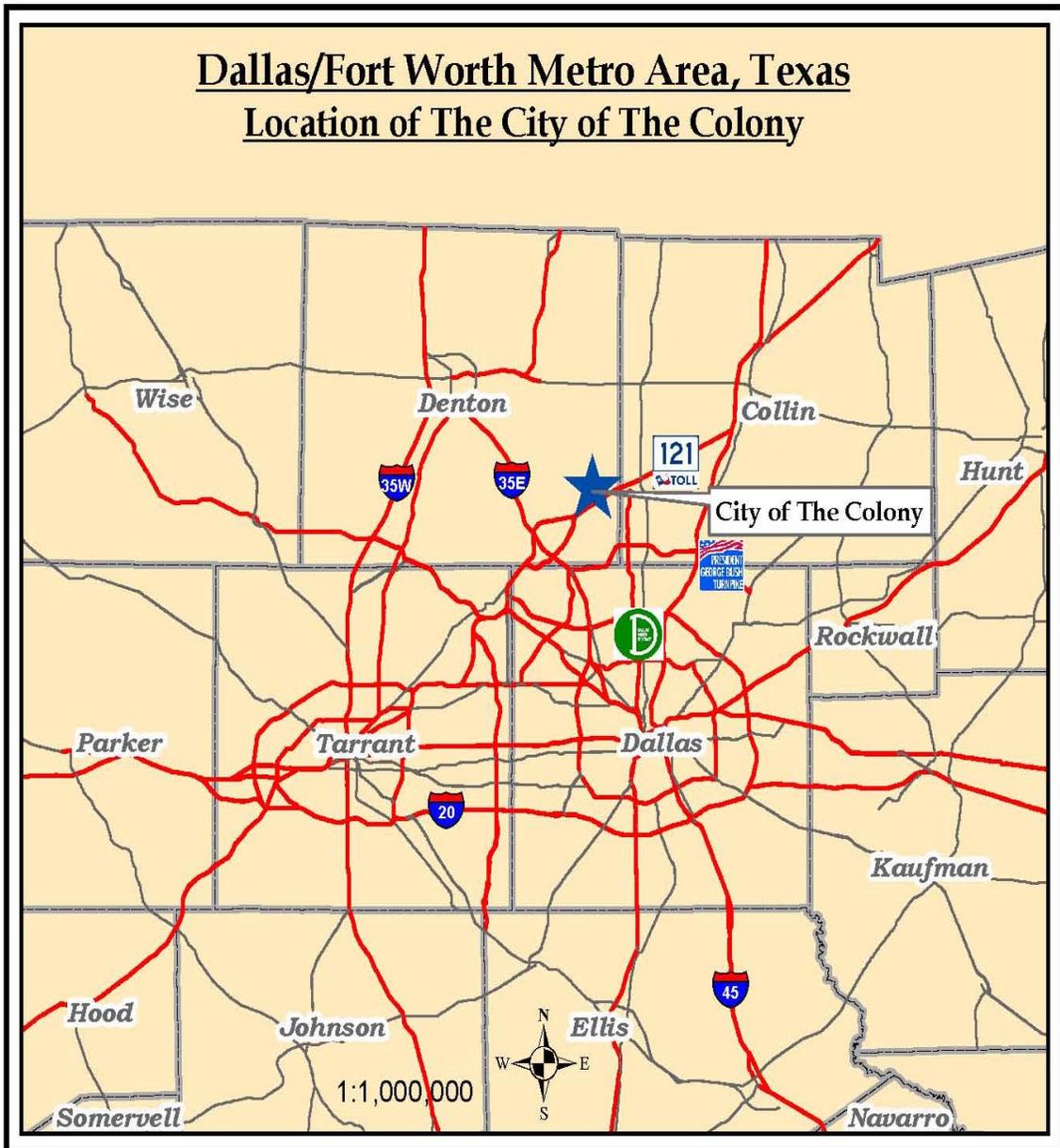
Total Employment in The Colony: 25,426

Unemployment Rate: 3.5%

## Major Employers in The Colony:

- Nebraska Furniture Mart
- Lewisville ISD
- Top Golf
- City of The Colony
- Wal-Mart
- Hawaiian Falls
- Williams-Sonoma
- Quest Response Management Group
- Home Depot
- Edward Don and Company
- Panasonic

**Dallas/Fort Worth Metro Area, Texas**  
**Location of The City of The Colony**



# Appendix A - The Budget Process

---

The Home Rule Charter of the City of The Colony provides for the preparation and submission of the budget covering the next fiscal year by the City Manager. The preliminary budget shall be submitted to the City Secretary prior to the thirty-first day of July each year. The fiscal year begins on the first day of October each calendar year and ends on the thirtieth day of September of the following year. The fiscal year is also the accounting and budget year.

The proposed budget is submitted to the City Council. The City Council is required to select a date and place for a public hearing. A notice of the public hearing must be published not less than ten days prior to the hearing. At this formal public hearing, the City Council gives all interested citizens an opportunity to express their opinions concerning the proposed budget.

The City Charter mandates the City Council to adopt the budget submitted, making such changes as in their judgment, the law warrants, and the best interests of the taxpayers demand. The City Council usually adopts the budget ordinance and approves the Ad Valorem Tax Rate during the same City Council meeting.

The budget preparation process begins early in each calendar year. Comprehensive budget forms are distributed to all department heads to assist in expenditure recommendations. The first six months' actual expenditure and revenue totals for the current fiscal year are provided to department heads for consideration in determining budget projections.

The current year budget revenue totals are revised, if necessary, for accurate budget projections. Revenue totals are analyzed, calculated and set for the budget year with projections on long-range extraordinary revenues. The Finance Director presents all revenue estimates for the next fiscal year to the City Manager for final approval and inclusion in the preliminary budget.

In June of each year the City Manager holds meetings with all department heads to review, analyze, and justify all line item expenditure account balances for the budgeted year, as well as long-range extraordinary expenditures. The City Manager and Finance Director finalize the next year's expenditure totals for inclusion in the preliminary budget. Prior to July 31 each year, the City Manager files the preliminary budget with the City Secretary.

During the months of August and September of each year, the Mayor designates dates for budget work sessions for the City Council's review and modifications of the preliminary budget. On September 20th, 2016, the City Council adopted the 2016/17 Annual Operating Budget and approved the Ad Valorem Tax Rate.

## March

### ***Information Distributed -***

Budget workbooks are distributed to all departments and a budget preparation meeting is held.

## April

### ***Budget Requests are Submitted and Reviewed -***

Budget and Capital requests are due to Finance. Fleet and IT needs are reviewed with the respective departments.

## May

### ***City Manager Review -***

Preliminary budget is due to the City Manager for review. The City Manager will meet with departments and review their budget requests.

## June

### ***Budget Retreat -***

A Budget retreat is held for Directors to review the budget requests for all departments. Directors are encouraged to ask each other questions concerning their budgets. The City Manager will decide what budget cuts if any will be necessary from each department.

## July

### ***Tax Rolls Received -***

Certified Tax Roll is turned in by the Denton Central Appraisal District.

## July

### ***Preliminary Budget Due -***

Per the City Charter the preliminary budget is due to the City Secretary's office not later than July 31<sup>st</sup>.

## August

### ***Budget Work Sessions -***

The Mayor and Council hold several budget work sessions to discuss individual priorities.

## August

### ***Schedule Public Hearings -***

The Mayor schedules public hearings for the budget and proposed tax rate.

**September** *Public Hearings* – Public hearings are held as scheduled for the budget and proposed tax rate.

**September** *Budget Adopted* - Council approves an ordinance to adopt the budget.

# Appendix B - Budget Amendments

---

The budget can be amended after adoption with City Council's approval. According to Section 10.06 of the City Charter, the City Council may transfer any unencumbered appropriation from one department to another at any time. The City Manager has the authority to transfer appropriated balances from one expenditure account to another within the same department. Section 10.07 of the City Charter, allows the City Council to make emergency appropriations at any time during the fiscal year to meet a pressing need to protect the public's health, safety or welfare.

## **BASIS OF BUDGETING**

The budgets of general government type funds: General Fund, General Debt Service Fund, Utility Tax Supported Debt Service Fund, Revenue Bond Debt Service Fund, Lake Parks, Economic Development Type A & Type B, Court Security, Court Technology, Hotel/Motel Tax Fund, Special Events Fund and Capital Projects Administration Fund, are prepared on a modified accrual basis. Expenditures in the General Fund are budgeted in the year the applicable purchase orders are expected to be issued. Unencumbered appropriations for budgeted funds lapse at the fiscal year end.

The enterprise funds: Utility Fund is budgeted on a full accrual basis. Expenditures are recognized when incurred and revenues are recognized when earned.

The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances based on "generally accepted accounting principles" (GAAP). In most cases this conforms to the way the City prepares its budget.

There are three exceptions:

- (1) The treatment of depreciation expense is not shown in the budget. The full purchase price of equipment and capital improvements are shown as expenditures. Purchase of capital improvements are depreciated in the CAFR on the entity-wide financial statements.
- (2) Compensated absences (accrued but unused sick leave) are treated differently in the budget than they are in the CAFR.
- (3) Proceeds from debt issuance are recognized as revenues and principal debt service payments are treated as expenditures for budget purposes, but are recorded as increases and reductions of liabilities on the entity-wide financial statements.

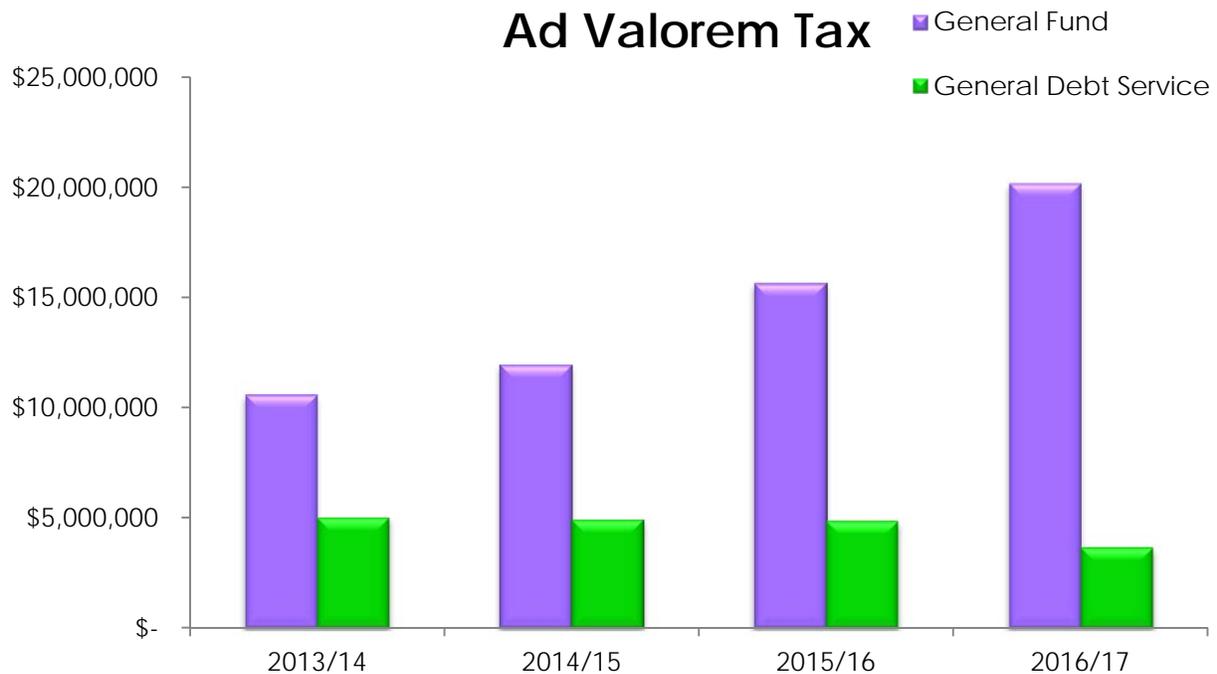
For the year ended September 30, 2003, the City implemented GASB 34 for financial reporting purposes. Entity-wide financial statements were presented for the first time in the Comprehensive Annual Financial Reports (CAFR). The CAFR shows major operating fund expenditures and revenues on both a GAAP basis and budget basis for comparison purposes.

# Appendix C - Major Revenue Sources

---

## Ad Valorem Tax:

The City must base its property tax rate on the certified roll provided by the Denton Central Appraisal District. The only variables to be set are the tax rate and the collection percentage. The current tax rate is \$.6675 per \$100 of valuation. The collection percentage is set at 99% based on historically high collection rates. Delinquent tax collections are unstable and difficult to predict. The City takes a conservative approach and budgets no more than what was received in the prior year with a minimal increase. Total Ad Valorem tax revenues are budgeted to increase by about \$3,375,670 based on reduction in tax rate from \$.67 to \$.6675 and an increase of property values of \$518 million. New construction was \$150 million of the increase in property values.

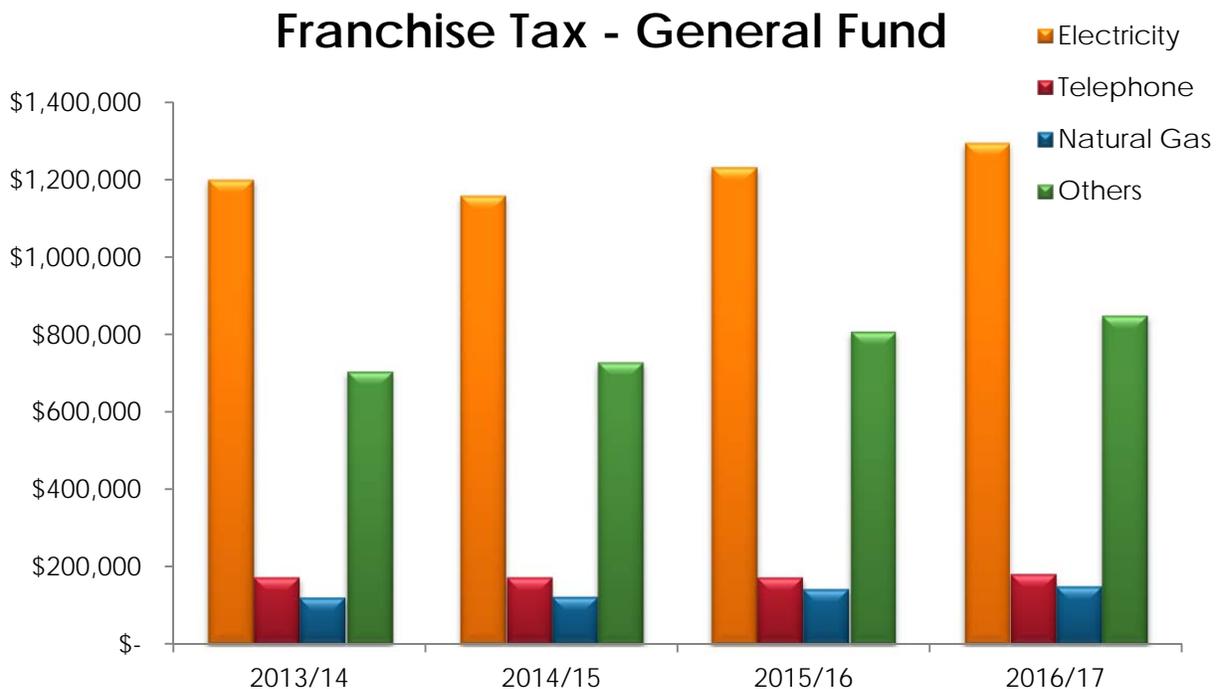


## Franchise Tax:

These taxes are based on a percentage of the utilities' gross receipts or formula set by the State. Projections are based on population increases and projected utility use. However, some use is usually related to weather conditions and therefore difficult to project.

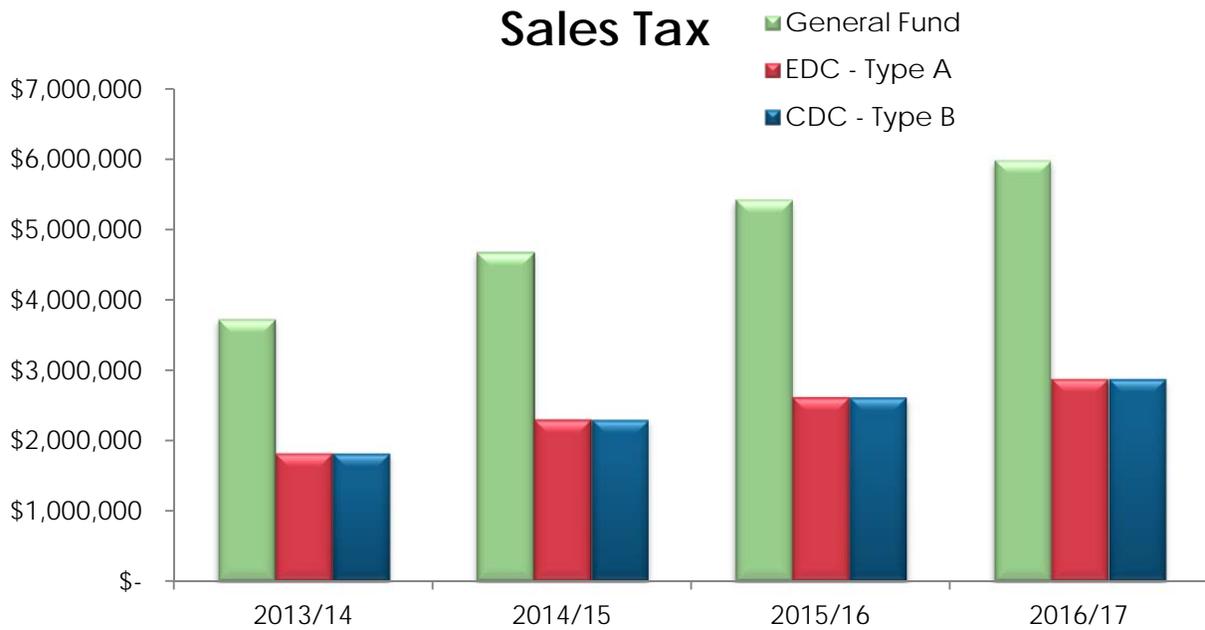
The City has a high electric use because of the lack of gas lines in various parts of the City. The electric franchise provides over half the franchise revenue for the City and is a critical driver in formulating the anticipated future collections. If the summer and winter are more severe than the previous year, the City will reap the surplus.

In August of 1995, the City entered into a new agreement with SBC on franchise taxes. The new contract allowed the City to be paid a set minimum of \$180,000 with growth factors thereafter. Beginning in fiscal year 2005-06, TXU Electric started paying the franchise fees on a quarterly basis thus inflating the franchise tax revenues from electricity for that year.



Sales Tax:

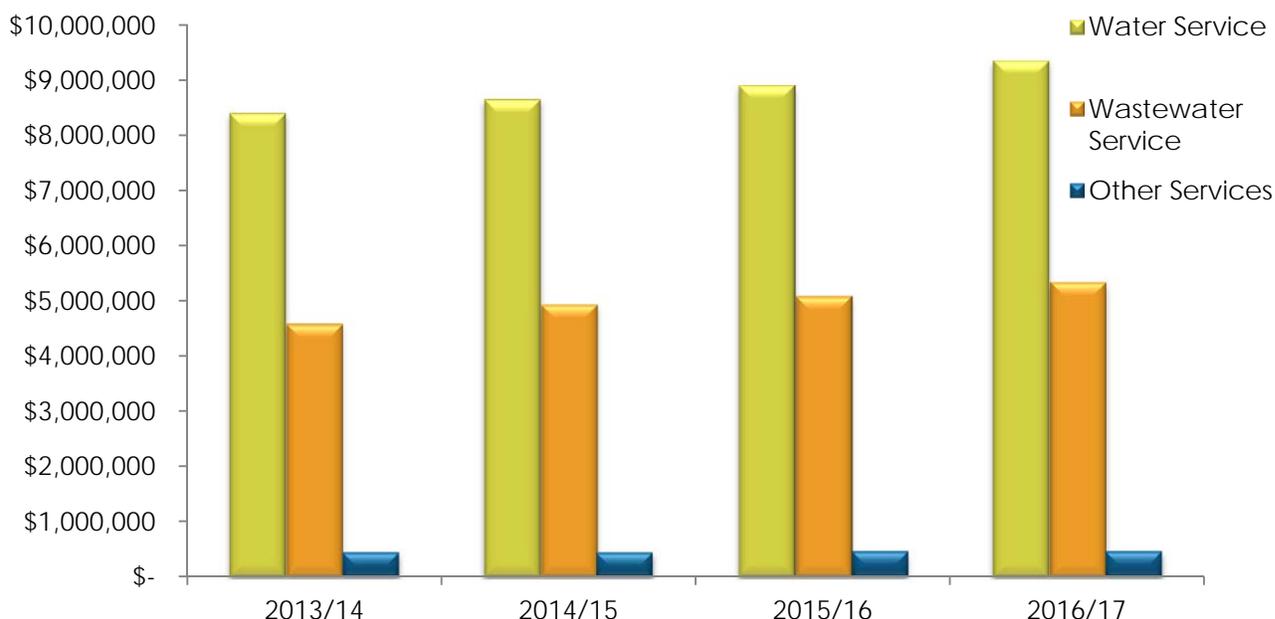
The sales tax projection includes both sales taxes and mixed beverage tax. Aggregate historical data is used to project future sales tax revenues. A conservative approach is taken toward sales tax because of their dependability on economic conditions.



## Water and Wastewater Fees:

Water rates will be increased 3% starting October 1<sup>st</sup> 2014 in anticipation of a 2015 bond issuance for required waste water treatment plant improvements and several maintenance projects. Total Utility Fund revenues were budgeted based on normal rain fall amounts. The City stands to earn extra revenue if drought conditions occur. If unusually wet conditions appear during the summer months, the revenue projections will be adjusted and the expenses will be realigned accordingly.

## Water and Wastewater Fees - Utility Fund

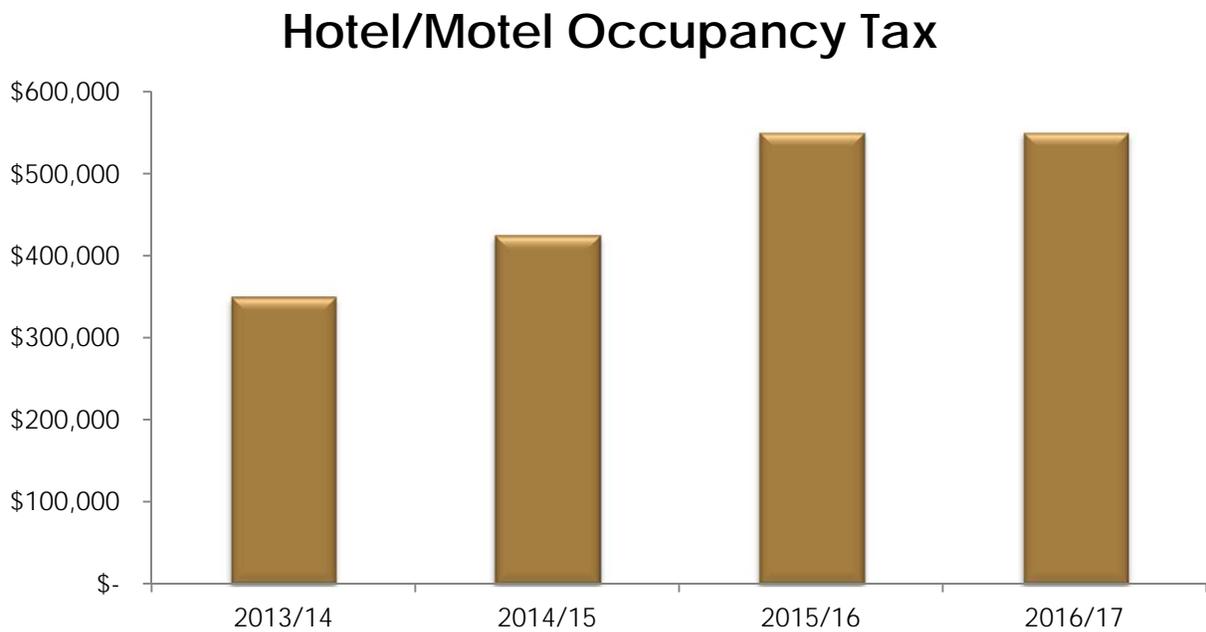


## Ten Largest Water Customers

Customer	Type of Business	Consumption (000s of gallons)	% of total usage
Stonebriar Country Club	Golf Course	116,871	6.39%
Hawaiian Falls	Water Park	13,893	0.76%
City of The Colony	Municipality	11,677	0.64%
Lewisville ISD-IRR	School District	6,156	0.34%
Wal-Mart - IRR	Retail	6,012	0.33%
Lewisville ISD-IRR	School District	5,831	0.32%
Colony Wash & Dry	Washateria	4,500	0.25%
Budget Suites	Hotel	4,006	0.22%
Lewisville ISD-Vault	School District	3,945	0.22%
Austin Ranch Phase VI	Apartment Complex	3,762	0.21%

### Hotel/Motel Occupancy Tax:

The Hotel/Motel Tax Fund was established in fiscal year 1998-1999. The City collects 7% hotel/motel occupancy tax.



# Appendix D – Capital Projects Summary

## 4-Year Summary of Projects Expenditures

Description	FY 2013	FY 2014	FY 2015	FY 2016	Inception to Date
<b>Streets/Drainage</b>					
Phase V Streets Reconstruction	-	5,000	493,986	372,120	871,107
Memorial Dr. - Spring Creek	4,510,555	11,539,815	4,048,911	859,632	20,958,914
Memorial Dr. - Main St. to Navaho	319,403	85,462	40,004	36,118	480,987
Subtotal:	4,829,958	11,630,277	4,582,901	1,267,871	22,311,007
<b>Parks</b>					
Stewart Creek Park	48,914	26,204	181,917	6,340	263,375
Perryman Parking Lot	-	-	85,882	-	85,882
Park Loop Trail	-	119,802	92,552	33,976	246,330
Squires/Taylor Park Loop Trail	-	-	-	19,692	19,692
Slay Baker Playground Equipment	-	-	25,000	-	25,000
Dog Park	-	-	5,635	353,516	359,151
Bill Allen Park Pavilion	-	-	-	2,225	2,225
Five Star Upgrades	-	-	-	35,925	35,925
Aquatic Park	-	-	-	73,225	73,225
Veteran's Memorial Park	-	24,674	4,826	-	29,500
Subtotal:	48,914	170,680	395,811	524,899	1,140,305
<b>Enhancements</b>					
Vehicles and Equipment	1,358,278	691,454	551,103	1,082,297	3,683,131
Subtotal:	1,358,278	691,454	551,103	1,082,297	3,683,131
General Funds Total:	6,237,150	12,492,411	5,529,815	2,875,067	27,134,444
<b>Water and Sewer Projects</b>					
FM 423 Utility Improvements	29,515	21,947	-	-	51,462
WWTP Expansion	211,908	-	962,123	5,574,680	6,748,711
North Trunk Sewer Line	-	-	-	193,986	193,986
Subtotal:	241,423	21,947	962,123	5,768,666	6,994,159
<b>Enhancements</b>					
Vehicles & equipment	-	98,628	289,772	864,560	1,252,960
Subtotal:	-	98,628	289,772	864,560	1,252,960
Enterprise Funds Total:	241,423	120,575	1,251,895	6,633,226	8,247,119
Grand Total:	6,478,573	12,612,986	6,781,710	9,508,294	35,381,563

## 2016-17 Enhancements from Available Funds

The following list identifies capital projects to be funded from available balances in various capital project funds. There were many requests for additional capital items; however, due to limited resources, only the following items are proposed for purchase via fund balance/savings/contingency from existing sources.

### 2016-17 Enhancements from Available Funds 2017 BUDGET

DEPT	2017	GENERAL DESCRIPTION
<b>20 Year Bond</b>		
ENGR	\$ 5,700,000.00	Extend Austin Ranch Force Main
ENGR	50,000	Austin Ranch Lift Station Flow Meter
ENGR	50,000	ML-1 Lift Station Flow Meter
ENGR	50,000	Tribute Lift Station Flow Meter
ENGR	5,250,000	Residential Street & Alley Reconstruction
WP	850,000	New emergency power backup generator and switchgear for pump station # 2 and 3
WP	1,649,000	Well Site Electric & PLC Imp @ pump station 1,2,3 and OPCS - replace 40yr old Motor Control Center, U/G electrical. Service life 30yrs.
WP	47,000	Cooling Tower Piping Improvements: Replace water pipes & valves on the well discharge pipes entering cooling towers at PS 1, 2 and 3.
WP	260,000	Trinity Well # 3 Pumping Equip Mntc - Pull/service water well pumping eqpt. Pumping efficiency has dropped off 14% from '09 to '14.
WP	240,000	Installing Water Quality monitoring equipment at Pump Stations 1,2 & 3.
WP	100,000	Wynwood Pump Station Pump Impvs. Add Larger HS Pumps/Motors to keep up with increase demands in the Tribute development.
WW	50,000	Outfall Sampling to replace existing model \$10k, Electronic Sludge Analyzer \$20K, and Lab Equip \$20k
TOTAL	\$ 14,296,000.00	
<b>10 Year Bond</b>		
CS	\$ 25,000	Parts and installation of new sound equipment for chambers (est. provided by IT)
FIRE	386,409	Replacement of T.C.F.D. Radios - To meet Phase 2 Compliance
FIRE	343,823	Self Contained Breathing Apparatus (SCBA)
FIRE	200,000	Squad Emergency Response Vehicle
FLEET	65,000	Heavy Duty independent mobile 6 lifts
FM	25,000	Fork Lift at Public Works storage area behind Fire Station # 2
FM	105,000	Fire Station Roll Up Door Change Out to Bifold+Auto Shut and Other Maint Repairs. Bifold doors less costly to maintain.
PD	150,000	Phase 2 to Complete Radio System and Move Off Backup System to Microwave
PW	115,000	Arrow Master Concrete Breaker & Trailer (replace concrete breaker)
PW	250,000	Sidewalk repairs in addition to base of \$100,000
PW	500,000	Estimate for Alley repairs
REC	100,000	Gymnasium floor replacement (current floor installed in 2001, 10 year warranty)
WD	411,000	Vactruck/Hydro Excavator
WD	114,000	Mini Excavator (Trackhoe)
WD	100,000	8 Yard Dump Truck
WD	160,000	Tandem Axle Dump Truck 16yd
WD	120,000	Ditch Witch
WD	30,000	Pole Inspection Camera (for trunk lines)
PD	70,000	Completion of Radio Replacement for PD
TOTAL	\$ 3,270,232	
<b>5 Year Bond</b>		
CI	\$ 24,000	2016 Ford Fusion - Health Inspector currently uses a decommissioned police cruiser (crown vic)
CVB	70,000	Mobile Marketing Vehicle to be "wrapped" for events, conventions, mobile advertising.
FIRE	49,991	Replacement Vehicle Assistant Chief Operations - Meets vehicle replacement criteria
FIRE	49,991	Replacement Vehicle Fire Marshal - Meets vehicle replacement criteria
FIRE	49,991	Vehicle for new position funded 2016-2017- Division Chief Operations Support & Logistics
FIRE	64,922	Replacement 2 Cardiac Monitor/Defibrillators
FM	35,000	3/4 ton tool box bed and rack (Replace van unit # 6802)
IT	61,000	Council Video Streaming System Upgrade. Includes outsourcing of camera controls
PD	320,000	3 CID Vehicles, 3 Squad Cars, 1 Admin Car
PD	45,000	Replace Animal Services Truck - Replace 2006 model
PD	95,000	Replace SRT Home-Made Armored Vehicle with box van/Property and Evidence Truck
PD	10,000	Barrier Vest Replacements-replace expired vests
PD	13,000	Tactical Medic Gear for FD Personnel
PD	24,000	Tactical Plate Carriers (Body Armor)

**2016-17 Enhancements from Available Funds  
2017 BUDGET**

DEPT	2017	GENERAL DESCRIPTION
<b>5 Year Bond-Con't</b>		
PW	60,000	3/4 Ton With Bed & Rack (replace unit 352)
REC	32,000	SUV or Minivan - replacement of current 1994 Chevy Blazer
WD	75,000	F250 3/4 Ton flatbed truck (for Goose Neck Trailer)
WP	50,000	Replace 2004 Chevy 1/2 Ton Pickup 105,374 Miles with 3/4 ton pickup with Utility Bed and lift gate.
WP	52,000	Five Star Park irrigation well equipment: Pull and service, Replace motor and pump.
WW	20,000	John Deere Gator Replacement for WWTP
<b>TOTAL</b>	<b>\$ 1,200,896.00</b>	
<b>CASH</b>		
CC	\$ 12,000	Community Center security camera system (no system currently, ongoing vandalism issues)
CC	18,000	Convert computer room to classroom
ENGR	6,000	Plan Review Software
ENGR	100,000	Wastewater Master Plan Update
ENGR	80,000	Water Master Plan Update
ENGR	50,000	Water & Wastewater Impact Fee Update
FLEET	15,000	Electronic testing Equipment
FLEET	2,500	Plasma cutter
FLEET	30,000	new fleet services software
FM	12,000	Vinyl cutter for the Sign Shop
FM	10,000	GIS Field Instrument for measurements
FM	20,000	Paint Cluster mailboxes
FM	15,000	Tablets for the Public Services Field work with City Works
FM	35,000	Add Parks to City Works Software Server Version
FM	45,000	Recoat Roofs at Community Center, Parks & Rec and PD
FM	48,000	HVAC upgrades Various City Buildings
FM	20,000	Automatic Gate replacement and upgrades
FM	50,000	Cover area at Household Hazardous Waste
FM	15,000	Muni #5 AC upgrade and Energy saving Improvement
FM	18,000	School Zone Flashers
FM	60,000	Pavement marking Maintenance for streets and thoroughfares
FM	25,000	Parking Lot Maintenance for City Lots - Restriping
FM	15,000	Upgrade and maintain Opticom controls at various locations - Put in Operations Budget
FM	15,000	Battery Backup for Traffic Lights - New Requirement
FM	11,000	Install remote Opticom controls at Station # 3 and # 1
FM	16,000	Electronic Sign Boards
FM	5,000	Upgrade Sign Poles to Breakaway
FM	30,000	Street Light Maintenance on 423
FM	20,000	Sound Wall/Memorial Railroad/NFM Bridge Maintenance - Put in Operations Budget
HR	3,000	Engage The Colony survey roll out materials/city picnic
HR	3,000	Training materials/manuals for classroom supervisor training
HR	13,000	City wide communication boards
HR	10,000	Employee reward/recognition software and awards
IT	5,000	Replace consumer grade wireless access points at several City Facilities with business class units
IT	60,000	City Main Website Re-design and Consolidation. Includes annual maintenance years 2+
LIB	52,000	Convert to RFID Materials Security & Inventory Control System: Phase 1 (material conversion)
PD	9,400	Accident Software Update
PD	23,000	Crime Analysis Software Module-needed for resource deployment and tracking crimes
PD	13,000	Message Switch Server for Police and Fire Dispatch, Records and Jail Management Software
PD	25,000	Field Interview Records Module
PW	200,000	Asphalt patching material
REC	8,000	Game room equipment replacement (pool, ping pong, air hockey, etc.)
REC	12,000	Towable light tower 6kw
REC	12,000	Gymnasium basketball goal height adjustor replacement
REC	15,000	Recreation Center security camera upgrade (current system not sufficient, need addtl. and higher quality cameras)
REC	12,000	Gym Divider Curtain Equipment Replacement
WD	20,000	Replacement & upgrades to Aries Equipment
WD	4,000	Tablets for Field Operations
WW	19,000	Collection system Hydrogen Sulfide corrosion reduction program
WW	40,000	SCADA improvements for Lift Stations
<b>TOTAL</b>	<b>\$ 1,356,900</b>	

Grand Total      \$ 20,124,028.00

2016-17 Enhancements from Available Funds  
2017 BUDGET

DEPT	2017	GENERAL DESCRIPTION
<b>CDC</b>		
CDC	\$ 20,000.00	Pump replacement on Outdoor Lagoon with VFD to improve pump's efficiency
CDC	12,000	(6) Starter's Platforms - replacement
CDC	5,250	Water Canon aeration system -cools outdoor pool and water feature
CDC	15,000	Utility Vehicle - Replace Kawasaki Mule #545E (2003 model)- Five Star
CDC	5,000	Laser Grader attachment for baseball infields
CDC	20,000	Add covered storage to Five Star maintenance yard
CDC	85,000	Replace 1993 Front End Loader - Ag grade tractor w/loader, backhoe, auger attachments
CDC	12,000	Soccer Goals, Bleachers (practice fields)
CDC	15,000	5 Ton Spreader for use on athletic fields and trails
CDC	75,000	Slay-Baker Pavilion - No pavilion at park. Purchase and install new pavilion.
CDC	75,000	Friendship Park Pavilion - replacement. Purchase and install new pavilion.
CDC	30,000	GIS - Includes park asset inventory input into system - MAYBE - Coordinate through IT, make sure it is compatable, review by Technology I
CDC	80,000	Shoreline Trail Erosion Issues: Near old driving range - YES
CDC	150,000	Replace indoor pool building heater at the Aquatic Center
CDC	50,000	Upgrades and general maintenance to Aquatic Park Building
CDC	TBD	North Colony Practice Field Relocation
<b>TOTAL</b>	<b>\$ 649,250.00</b>	

# Appendix E - Five Year Capital Improvement Programs

The City requires departments to provide management a five year capital Improvement plan for capital projects and personnel needs. This is an integral part of the City's strategic planning process. Future needs are identified to aid the development of operating and capital budgets. Operating budgets are funded by current revenues, while the capital budgets are funded as one-time uses of surplus fund balance or from debt proceeds. Debt service payments for the retirement of debts are built into the operating budgets by allocating property taxes and transfers from other sources. The following pages outline the projected needs for the departments.

## COMPREHENSIVE IMPROVEMENT PLAN SUMMARY 2017 - 2021

DEPT	2017	2018	2019	2020	2021	GENERAL DESCRIPTION
<b>VEHICLES</b>						
CVB	45,000	-	-	-	-	Mobile Marketing Vehicle to be "wrapped" for events, conventions, mobile advertising.
REC	32,000	-	-	-	-	SUV or Minivan - replacement of current 1994 Chevy Blazer
REC	-	34,000	-	-	-	SUV replacement of 2004 Tahoe
PARK	-	-	32,000	-	-	Replace PM truck #560 (2005 Model - 150,000 mi - old Fire Dept. SUV)
PARK	-	-	34,000	-	-	Replace Parks truck #558 (2006 Model - 86,000 mi)
CC	-	-	-	80,000	-	Fun Times bus replacement (28 passenger, current bus is 2003 model)
PD	360,000	280,000	285,000	290,000	300,000	3 CID Vehicles, 4 Squad Cars, 1 Admin Car
PD	45,000	55,000	-	-	-	Replace Animal Services Truck - Replace 2006 model
PD	95,000	-	-	-	-	Replace SRT Home-Made Armored Vehicle with box van/Property and Evidence Truck
CI	24,000	-	-	-	-	2016 Ford Fusion - Health Inspector currently uses a decommissioned police cruiser (crown vic)
FIRE	49,991	-	-	-	-	Replacement Vehicle Assistant Chief Operations - Meets vehicle replacement criteria
FIRE	49,991	-	-	-	-	Replacement Vehicle Fire Marshal - Meets vehicle replacement criteria
FIRE	49,991	-	-	-	-	Vehicle for new position funded 2016-2017- Division Chief Operations Support & Logistics
PW	60,000	-	-	-	-	3/4 Ton With Bed & Rack (replace unit 352)
PW	-	60,000	-	-	-	3/4 Ton crew cab with tool box bed (replace unit 350)
PW	-	-	60,000	-	-	3/4 Ton crew cab With Bed & Rack (unit 361)
PW	-	-	-	80,000	-	Two 3/4 ton trucks (unit 360 & 359)
FM	35,000	-	-	-	-	3/4 ton tool box bed and rack (Replace van unit # 6802)
FM	-	36,000	-	-	-	3/4 ton tool box bed (Replace unit 6804)
WD	65,000	-	-	-	-	F250 Replace vehicle #6115 Utility bed
WD	65,000	-	-	-	-	F250 Replace vehicle #6114 Utility bed
WD	75,000	-	-	-	-	F250 3/4 Ton flatbed truck (for Goose Neck Trailer)
WP	50,000	-	-	-	-	Replace 2004 Chevy 1/2 Ton Pickup 105,374 Miles with 3/4 ton pickup with Utility Bed and lift gate.
WP	-	55,000	-	-	-	Replace Unit 6120 2006 Ford 3/4 Ton Pickup with 3/4 Ton, Utility Bed, Lift Gate & crane
WP	-	-	-	30,000	-	Replace Unit 6121 Ford Transit Van, Tool racks and Caution lights.
WP	-	-	-	30,000	-	New Unit 6122 Ford Transit Van
FLEET	-	-	45,000	-	-	Service truck
<b>TOTAL VEHICLES</b>	<b>1,100,974</b>	<b>520,000</b>	<b>456,000</b>	<b>510,000</b>	<b>300,000</b>	<b>VEHICLES</b>
<b>HEAVY EQUIPMENT</b>						
FM	25,000	-	-	-	-	Fork Lift at Public Works storage area behind Fire Station # 2
WD	411,000	-	-	-	-	Vactruck/Hydro Excavator
WD	114,000	-	-	-	-	Mini Excavator (Trackhoe)
WD	100,000	-	-	-	-	8 Yard Dump Truck
WD	160,000	-	165,000	-	-	Tandem Axle Dump Truck 16yd
WD	120,000	-	-	-	-	Ditch Witch
WD	-	150,000	-	-	-	John Deere (410G) backhoe and front loader /forks/jackhammer/ 18" Bucket
FLEET	65,000	-	-	-	-	Heavy Duty independent mobile 6 lifts
PARK	-	50,000	-	-	-	Mowing Tractor - Replace 572E (1998 model)
PARK	-	50,000	-	-	-	Backhoe - Replacement
PARK	-	-	40,000	-	-	Chipper - Replacement
PARK	-	-	30,000	-	-	Laser Grader
PARK	-	-	-	-	80,000	Water truck to be used for non-irrigated medians and parks
PW	-	160,000	-	-	-	Tandem Axel 16 YRD Dump Truck (For hauling of concrete & sweeper debris)
PW	-	70,000	-	-	-	Asphalt Lay Down Machine & Trailer ( asphalt overlays and improved asphalt patches)
PW	-	-	30,000	-	-	1.5 ton asphalt roller (replace 399E 2007 model)
PW	-	-	100,000	-	-	8 YRD Dump Truck replace unit 354 (replace worn out truck)
PW	-	-	65,000	-	-	Crack seal machine replace 394E
PW	-	-	-	80,000	-	Loader box blade tractor (replace unit 368E)
<b>TOTAL HVY EQPMNT</b>	<b>995,000</b>	<b>480,000</b>	<b>430,000</b>	<b>80,000</b>	<b>80,000</b>	<b>HEAVY EQUIPMENT</b>

COMPREHENSIVE IMPROVEMENT PLAN SUMMARY

2017 - 2021

DEPT	2017	2018	2019	2020	2021	GENERAL DESCRIPTION
<b>EQUIPMENT/ENHANCEMENTS</b>						
CS	25,000	-	-	-	-	Parts and installation of new sound equipment for chambers (est. provided by IT)
CS	-	5,850	-	-	-	Public Info Mgmt. System to better handle information requests between departments
CS	-	-	7,000	-	-	Laserfiche Records Mgmt. Module to assist with paper & paperless record retention requirements
HR	3,000	3,000	3,000	3,000	3,000	Engage The Colony survey roll out materials/city picnic
HR	3,000	-	-	-	-	Training materials/manuals for classroom supervisor training
HR	13,000	500	500	500	500	City wide communication boards
HR	10,000	10,000	10,000	10,000	10,000	Employee reward/recognition software and awards
CVB	10,000	-	-	-	-	Marketing booth for trade shows - similar to EDC's booth
CVB	-	-	600,000	600,000	600,000	Lease cost of 2,000-2,500 sf Visitor Information Center in Grandscape (est. \$25/sq ft)
CVB	-	20,000	-	-	-	Expanded rack card display, storage shelves for VIC
REC	8,000	-	-	-	-	Game room equipment replacement (pool, ping pong, air hockey, etc.)
REC	12,000	-	-	-	-	Towable light tower 6kw
REC	12,000	-	-	-	-	Gymnasium basketball goal height adjustor replacement
REC	-	45,000	-	-	-	Towable 50 kw generator
REC	-	-	10,000	-	-	Cargo trailer for special events
CC	-	9,000	-	-	-	Replace kitchen equipment (refrigerator, freezer and icemaker, current equipment is 2005 model)
AQP	-	5,230	-	-	-	Starter's Platform - replace 2 per year to increase safety and reduce liability
AQP	-	35,000	-	-	-	Deck Heater for winter swim classes
AQP	-	12,000	-	-	-	LED replacement underwater light fixtures - Indoor Pool
AQP	-	12,000	-	-	-	LED replacement underwater light fixtures - Outdoor Lagoon
AQP	-	8,000	-	-	-	Replace shade structures
AQP	-	-	5,230	-	-	Starter's Platform - replace 2 per year to increase safety and reduce liability
AQP	-	-	8,000	-	-	Replace shade structures
AQP	-	-	-	-	50,000	Replace Outdoor Lagoon Filter
LP	5,000	-	-	-	-	Jon Boat with motor and trailer for buoy & shoreline maintenance
LP	20,000	-	-	-	-	Dumpster and Portalet Enclosures (2) - SCP
LP	-	120,000	-	-	-	Pavilion - Day Use Area
LP	-	50,000	-	-	-	Electrical Upgrades - Phase II
LP	-	150,000	-	-	-	Trail Head / Boat Ramp Restroom
LP	-	-	-	750,000	-	Event Pavilion / Parking Lot
PD	150,000	-	-	-	-	Phase 2 to Complete Radio System and Move Off Backup System to Microwave
FIRE	386,409	-	-	-	-	Replacement of T.C.F.D. Radios - To meet Phase 2 Compliance
FIRE	343,823	-	-	-	-	Self Contained Breathing Apparatus (SCBA)
FIRE	64,922	65,000	65,000	65,000	65,000	Replacement 2 Cardiac Monitor/Defibrillators
FIRE	-	18,500	-	-	-	Knox Key Storage Vaults in all Apparatus
FIRE	-	100,000	-	-	-	(2) Lucas Automatic CPR Devices
PW	115,000	-	-	-	-	Arrow Master Concrete Breaker & Trailer (replace concrete breaker)
PW	30,000	-	-	-	-	Pavement Router with dust control
PW	70,000	-	-	-	-	Diesel Concrete Saw \$35k, Slide in Hopper Sand Spreader \$10k, Stump Grinder/Small Equip \$25k
PW	-	-	-	15,000	-	Slide in hopper sand spreader
PW	-	-	-	25,000	-	Small equipment ( concrete saws, plate compactors, pumps, chain saws)
FM	12,000	-	-	-	-	Vinyl cutter for the Sign Shop
FM	10,000	10,000	-	-	-	GIS Field Instrument for measurements
FM	20,000	20,000	-	-	-	Paint Cluster mailboxes
WD	30,000	-	-	-	-	Pole Inspection Camera (for trunk lines)
WD	20,000	-	20,000	-	-	Replacement & upgrades to Aries Equipment
WD	20,000	20,000	-	-	-	Replace small equipment (pumps, generators, saws, and tapping machines)
WD	6,500	-	-	-	-	EUI2000i with dual lights (work lights)
WD	-	15,000	-	-	-	Ingersoll Air Comp P185WDJ
WP	850,000	-	-	-	-	New emergency power backup generator and switchgear for pump station # 2 and 3
WP	-	16,000	-	-	-	Replace Hach CL 17 Chlorine Analyzers at Wynwood PS
WP	-	-	20,000	-	-	Replace Cutler Hammer Variable Frequency Drive, Pump # 4 at OPCS.
WP	-	-	-	-	17,000	Replace HACH APA 6000 Analyzer at Wynwood Pump Station
WP	-	-	-	-	95,000	Replace/Upgrade Pump # 1 / 2,300 GPM with a 6,000 GPM pump, OPCS.
WW	50,000	-	-	-	-	Outfall Sampling to replace existing model \$10k, Electronic Sludge Analyzer \$20k, and Lab Equip \$20k
WW	20,000	-	-	-	-	John Deere Gator Replacement for WWTP
FLEET	15,000	-	-	-	-	Electronic testing Equipment
FLEET	2,500	-	-	-	-	Plasma cutter
FLEET	-	10,000	-	-	-	Lift replacement ( to fit Tahoe)
<b>TOTAL EQUIP/ENHANC</b>	<b>2,337,154</b>	<b>760,080</b>	<b>748,730</b>	<b>1,468,500</b>	<b>840,500</b>	<b>EQUIPMENT/ENHANCEMENTS</b>
<b>EMERGENCY VEHICLES &amp; EQUIPMENT</b>						
PD	105,000	-	-	-	-	Tasers, 5-year Warranty, Legal Support
PD	40,000	-	-	-	-	Department Issued Weapons
PD	49,000	-	-	-	-	Catch up SWAT Gear
PD	10,000	10,000	10,000	10,000	10,000	Barrier Vest Replacements-replace expired vests
PD	13,000	13,000	-	-	-	Tactical Medic Gear for FD Personnel
PD	75,500	-	-	-	-	Police Hand Held Radios and batteries
PD	9,400	-	-	-	-	Accident Software Update
PD	-	6,200	-	-	-	Accident Laser Measurement Device and Software
PD	-	6,000	-	-	-	Speed Trailer
PD	-	30,000	-	-	-	Padded Jail Cell
PD	-	-	15,000	-	-	Replace 6 old M4 Rifles
PD	-	-	40,000	-	-	Replace SRT Gas Launchers
PD	-	-	5,000	-	-	Replace 1 old Sniper Rifle
PD	-	-	-	15,000	-	Replace 6 old M4 Rifles
PD	-	-	-	350,000	-	Mobile Command Post Upgrade
FIRE	58,214	-	-	-	-	Replacement of ambulance patient stretchers
FIRE	200,000	-	-	-	-	Squad Emergency Response Vehicle
FIRE	-	800,000	-	-	-	Fire Apparatus for Station #4
FIRE	-	750,000	-	-	-	Replacement of Qunit 471 (with Engine) \$750,000
FIRE	-	-	265,000	-	-	Ambulance for Station #4
FIRE	-	-	265,000	-	-	Replacement of Medic 471
FIRE	-	-	65,000	-	-	Replacement of Battalion 471
FIRE	-	-	-	-	65,000	Operations Battalion Chief Vehicle
<b>TOTAL EMRG VEH/EQP</b>	<b>560,114</b>	<b>1,615,200</b>	<b>665,000</b>	<b>375,000</b>	<b>75,000</b>	<b>EMERGENCY VEHICLES AND EQUIPMENT</b>

**COMPREHENSIVE IMPROVEMENT PLAN SUMMARY  
2017 - 2021**

DEPT	2017	2018	2019	2020	2021	GENERAL DESCRIPTION
<b>COMPUTERS, SOFTWARE HARDWARE</b>						
IT	42,000	42,000	42,000	42,000	42,000	PC Replacement Schedule. 300 PCs on a 5 year replacement schedule. Replacing 60 per year @ \$700 per PC
IT	12,000	12,000	12,000	12,000	12,000	Network Switch Replacement Schedule. Replacing 2 to 3 switches per year
IT	5,000	-	-	-	-	Replace consumer grade wireless access points at several City Facilities with business class units
IT	60,000	12,000	12,000	12,000	12,000	City Main Website Re-design and Consolidation. Includes annual maintenance years 2+
IT	55,000	-	-	-	-	Council Audio System Upgrade. Existing equipment is old and audio quality is poor
IT	61,000	19,000	19,000	19,000	19,000	Council Video Streaming System Upgrade. Includes outsourcing of camera controls
IT	-	20,000	-	20,000	20,000	Server Replacement Schedule
IT	-	260,000	-	-	-	Replace City phone system - match internal extensions with full number, voicemail to email, improved functionality
IT	-	-	100,000	-	-	Storage Area Network Replacement Schedule
LIB	52,000	-	-	-	-	Convert to RFID Materials Security & Inventory Control System: Phase 1 (material conversion)
LIB	-	68,000	-	-	-	Convert to RFID Materials Security & Inventory Control System: Phase 2 (self-check & security gates)
LIB	-	-	19,520	-	-	Replace 32 Pubic Access Computers (5 yr replacement schedule)
LIB	-	-	44,000	-	-	RFID Automated Book Returns (3)
LIB	-	-	-	13,000	-	Replace Early Literacy Computers (at end of warranty/support)
CC	16,000	-	-	-	-	Computer lab computer replacement (9 work stations, printer, electrical, wifi access points)
PD	23,000	-	-	-	-	Crime Analysis Software Module-needed for resource deployment and tracking crimes
PD	13,000	-	-	-	-	Message Switch Server for Police and Fire Dispatch, Records and Jail Management Software
PD	25,000	-	-	-	-	Field Interview Records Module
PD	-	60,000	-	-	-	20 AEDs for Patrol Cars-establish compatibility with FD
CI	3,600	-	-	-	-	5 IPADS
CI	40,000	-	-	-	-	TRAKIT SOFTWARE UPGRADES
ENGR	10,000	-	-	-	-	Trackit App for Inspector Cell Phones - Can access permits in field
ENGR	6,000	-	-	-	-	Plan Review Software
FM	15,000	-	-	-	-	Tablets for the Public Services Field work with City Works
FM	35,000	-	-	-	-	Add Parks to City Works Software Server Version
WD	4,000	-	-	-	-	Tablets for Field Operations
WD	-	35,946	-	-	-	Valve Machine Software Upgrade - compatible with City Works (work order sys)
	4,000	-	-	-	-	
WP	-	-	-	10,000	-	Replace SCADA Computers
Fleet	30,000	-	-	-	-	new fleet services software
<b>TOTAL COMPUTERS, SW, H</b>	<b>511,600</b>	<b>528,946</b>	<b>248,520</b>	<b>128,000</b>	<b>105,000</b>	<b>COMPUTERS, SOFTWARE, HARDWARE</b>
<b>BUILDINGS</b>						
LIB	50,000	-	-	-	-	Consulting Services for preliminary planning for new library facility
LIB	-	890,000	-	-	-	Architectural & Engineering for new library facility
LIB	-	-	13,750,080	-	-	New Library Facility Construction (based on 42,969 sq. ft. per updated Space Needs worksheet)
REC	15,000	-	-	-	-	Recreation Center security camera upgrade (current system not sufficient, need additional cameras and higher quality cameras)
REC	100,000	-	-	-	-	Gymnasium floor replacement (current floor installed in 2001, 10 year warranty)
REC	12,000	-	-	-	-	Gym Divider Curtain Equipment Replacement
CC	12,000	-	-	-	-	Community Center security camera system (no system currently, ongoing vandalism issues)
CC	9,500	-	-	-	-	Convert computer room to classroom
CC	-	-	750,000	-	-	Multi-purpose room addition to facility (add 2,500 sq. ft.)
FM	45,000	45,000	-	-	-	Recoat Roofs at Community Center, Parks & Rec and PD
FM	150,000	-	-	-	-	Replace indoor pool building heater at the Aquatic Center
FM	48,000	24,000	24,000	24,000	-	HVAC upgrades Various City Buildings - Put in Operations Budget
FM	105,000	105,000	75,000	75,000	-	Fire Station Roll Up Door Change Out to Bifold+Auto Shut and Other Maint Repairs. Bifold doors less costly to maintain.
FM	20,000	-	20,000	-	-	Automatic Gate replacement and upgrades
FM	50,000	-	-	-	-	Cover area at Household Hazardous Waste
FM	15,000	15,000	-	-	-	Muni #5 AC upgrade and Energy saving Improvement
FM	50,000	-	-	-	-	Upgrades and general maintenance to Aquatic Park Building
FM	535,000	-	-	-	-	Remodel PD Dispatch Area \$350k, Replace Generator and Transfer Switch for Dispatch \$185k.
FM	75,000	-	-	-	-	Remodel 1 Harris Plaza
FM	550,000	-	-	-	-	Remodel City Hall Annex
FM	450,000	350,000	100,000	-	-	A&E for Fire Station # 4 (Architect, Engineering & CMAR) in TIRZ
FM	250,000	-	-	-	-	Animal Control Remodel Expansion
FM	-	3,400,000	900,000	-	-	Construction of Fire Station # 4 In TIRZ
FM	-	350,000	150,000	-	-	A&E for Fire Station # 5(Architect & Engineering) In TIRZ
FM	-	-	-	2,800,000	-	Construction of Fire Station #5 In TIRZ
WP	565,000	-	-	-	-	Water Treatment: Chemical Building & Equip Improvements-add 3 buildings @ Pump Stations 1,2&3 to store Gas and replace Chlorine and Ammonia Gas feed systems.
WP	250,000	-	-	-	-	Wynnwood PS Foundation Repair Pipe Re-alignment and Stabilization.
WP	-	15,000	-	-	-	Well Site #3 Building & Roof Repair
WP	-	340,000	-	-	-	Ground Storage Tank roof repairs, concrete sealing, exterior paint, interior piping, equipment repairs (6 tanks)
WP	-	-	15,000	-	-	Well Site #2 Building & Roof Repair
WP	-	-	90,000	-	-	
WP	-	-	-	-	-	Security Improvements - for Office Creek Pump Station and Wynnwood, Improve security fence, add video and alarm system to facility.
<b>TOTAL BLDGS</b>	<b>3,356,500</b>	<b>5,534,000</b>	<b>15,874,080</b>	<b>2,899,000</b>	-	<b>TOTAL BUILDINGS</b>

COMPREHENSIVE IMPROVEMENT PLAN SUMMARY

2017 - 2021

DEPT	2017	2018	2019	2020	2021	GENERAL DESCRIPTION
<b>STREETS</b>						
IT	100,000	100,000	100,000	-	-	Purchase of LISD Fiber and/or 121 bore from Main St to Plano Pkwy
IT	400,000	-	-	-	-	Fiber Loop (Main Street from City Hall to Memorial) - Note: Item not needed if item above is completed
IT	300,000	-	-	-	-	Fiber Loop (Memorial from Main St. to Paige)
IT	-	120,000	-	-	-	Private Fiber to inter-connect City Hall to the Denton County JP building - Note: Item not needed if below item is completed
IT	-	200,000	-	-	-	Fiber Loop (NFM to Plano Parkway and Hwy 121) - Note: Item may not be needed if item #1 is completed
IT	-	-	350,000	-	-	Fiber Loop (NFM to Memorial via South Colony overpass) - Note: Item may not be needed if item #1 is completed
IT	-	-	-	200,000	-	Fiber Loop (Memorial from Paige to South Colony)
ENGR	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	Residential Street & Alley Reconstruction
ENGR	-	15,000	-	-	-	Taylor Street Erosion Control Evaluation
ENGR	-	25,000	-	-	-	North Colony Blvd Flooding at Aquatic Park Storm Drain Evaluation
ENGR	-	50,000	-	-	-	Comprehensive Plan Update
ENGR	-	250,000	-	-	-	Traffic Signal Paige/Nash-Norris
ENGR	-	200,000	1,800,000	-	-	Blair Oaks Rehab (was 2018)
ENGR	-	180,000	-	-	-	Traffic Signal Morning Star/Glenview
ENGR	-	160,000	-	-	-	Fence at PS #2 on Main Street
ENGR	-	45,000	-	-	-	Parking Lot at Office Creek Pump Station
ENGR	-	180,000	-	-	-	Comprehensive Plan Update
ENGR	-	-	800,000	-	-	North Colony Rehab/Curry to Ethridge
ENGR	-	-	125,000	-	-	Upgrade Pedestrian Signal at Aquatic Park
ENGR	-	-	-	350,000	-	North Colony Rehab/Paige to Carroll
ENGR	-	-	-	1,400,000	-	Morning Star Widening Baker to North Colony
ENGR	-	-	-	-	8,500,000	Widen Memorial to 6 lanes Main to BNSF RR
ENGR	-	-	-	-	9,500,000	Widen Windhaven to 6 lanes
PW	150,000	150,000	150,000	150,000	-	Sidewalk repairs in addition to base of \$100,000
PW	400,000	400,000	400,000	400,000	-	Estimate for Alley repairs
PW	300,000	300,000	300,000	300,000	-	Street repairs in addition to base of \$400,000
FM	18,000	18,000	18,000	18,000	-	School Zone Flashers
FM	90,000	90,000	90,000	90,000	-	Replace/upgrade Traffic Light controllers and cameras
FM	60,000	60,000	60,000	60,000	-	Pavement marking Maintenance for streets and thoroughfares
FM	25,000	35,000	25,000	25,000	-	Parking Lot Maintenance for City Lots - Restriping
FM	15,000	10,000	15,000	10,000	-	Upgrade and maintain Opticom controls at various locations - Put in Operations Budget
FM	15,000	15,000	15,000	-	-	Battery Backup for Traffic Lights - New Requirement
FM	15,000	15,000	15,000	15,000	-	Replace Street Signs & Traffic Control Signs - Put in Operations Budget
FM	11,000	-	-	-	-	Install remote Opticom controls at Station # 3 and # 1
FM	16,000	16,000	-	-	-	Electronic Sign Boards
FM	5,000	5,000	5,000	5,000	-	Upgrade Sign Poles to Breakaway
FM	30,000	30,000	30,000	30,000	-	Street Light Maintenance on 423
FM	20,000	40,000	40,000	40,000	-	Sound Wall/Memorial Railroad/NFM Bridge Maintenance - Put in Operations Budget
<b>TOTAL STREETS</b>	<b>5,970,000</b>	<b>6,709,000</b>	<b>8,338,000</b>	<b>7,093,000</b>	<b>22,000,000</b>	<b>TOTAL STREETS</b>
<b>WATER AND WASTEWATER PROJECTS</b>						
ENGR	5,700,000	-	-	-	-	Extend Austin Ranch Force Main
ENGR	50,000	-	-	-	-	Austin Ranch Lift Station Flow Meter
ENGR	50,000	-	-	-	-	ML-1 Lift Station Flow Meter
ENGR	50,000	-	-	-	-	Tribute Lift Station Flow Meter
ENGR	100,000	-	25,000	-	-	Wastewater Master Plan Update
ENGR	80,000	-	80,000	-	-	Water Master Plan Update
ENGR	50,000	-	-	-	-	Water & Wastewater Impact Fee Update
ENGR	-	2,200,000	-	-	-	Master Lift Station 1 expansion to 15MGD - third phase of the expansion project.
ENGR	-	-	1,300,000	-	-	Curry Road Trunk Sewer Rehab (Sewer line in poor condition)
WD	75,000	75,000	75,000	75,000	-	Manhole rehab (lining inside)
WD	120,000	120,000	120,000	120,000	-	Lining sewer mains that run between houses
WD	10,000	10,000	10,000	10,000	-	Flush Valve Replacement - 5 per year \$10K
WP	1,649,000	-	-	-	-	Well Site Electric & PLC Improvements @ pump station 1,2,3 and OPCS - replace 40yr old Motor Control Center, underground electrical. Service life 30yrs.
WP	47,000	-	-	-	-	Cooling Tower Piping Improvements: Replace water pipes and valves on the well discharge pipes entering cooling towers at PS 1, 2 and 3.
WP	260,000	-	-	-	-	Trinity Well # 3 Pumping Equip Maintenance - Pull/service water well pumping equipment. Pumping efficiency has dropped off 14% from 2009 to 2014.
WP	240,000	-	-	-	-	Installing Water Quality monitoring equipment at Pump Stations 1,2 & 3.
WP	100,000	-	-	-	-	Wynnwood Pump Station Pump improvements. Add Larger HS Pumps/Motors to keep up with increase demands in the Tribute development.
WP	52,000	-	-	-	-	Five Star Park irrigation well equipment: Pull and service, Replace motor and pump.
WP	-	350,000	-	-	-	Pump Station Water Quality Improvement - install water circulating systems in 7 storage tanks to improve water quality & prevent stagnation.
WP	-	50,000	-	-	-	Remove/Replace Deteriorating Concrete Basin and Steel Beams Under Cooling at pump station 1,2 and 3.
WP	-	60,000	-	-	-	Automated well pump shaft lubricators/monitoring-System remotely monitors & controls the lubrication rate, sends alarms to SCADA. Increases (well pump life)
WP	-	75,000	-	-	-	Paint Exterior of Ground Storage Tanks at Office Creek Pump Station.
WP	-	52,000	-	-	-	Pump Station # 1 Paluxy well equipment: Pull and service, Replace motor and pump.
WP	-	-	40,000	-	-	Replace water Pipe valves and at EST # 1 and 2 (Water Towers)
WP	-	-	260,000	-	-	Trinity Well # 2 Pumping Equip Maintenance - Pull and service water well pumping equipment. 8 Year maintenance
WP	-	-	52,500	-	-	Vault & Flow meter installation to monitor water storage tank fill rate at Wynnwood Pump Station
WP	-	-	180,000	-	-	Trinity Well # 1 Pumping Equip Maintenance - Pull and service water well pumping equipment. 8 Year maintenance
WP	-	-	-	45,000	-	Replace Pump Controls panels, Discharge Plumbing and Pumps for French Drains Systems - OPCS & Pump Station 2,3.
WP	-	-	-	400,000	-	Pump Station Updates: Replace original perimeter security fence, lighting & improve driveways & property grading for water drainage from site.
WP	-	-	-	300,000	-	Trinity Well # 4 Pumping Equipment Maintenance - Pull and service water well pumping equipment. 8 year maint.
WP	-	-	-	120,000	-	Replace Wynnwood PS and Well 4 Water Treatment Equipment Ammonia and Chorine Systems.
WP	-	-	-	-	80,000	Add Water Quality Monitoring system at Office Creek PS
WW	19,000	-	-	-	-	Collection system Hydrogen Sulfide corrosion reduction program
WW	40,000	-	-	-	-	SCADA improvements for Lift Stations
WW	-	-	24,000,000	-	-	Wastewater Treatment Plant Expansion Phase II
<b>TOTAL WTR &amp; WW</b>	<b>8,692,000</b>	<b>2,992,000</b>	<b>26,142,500</b>	<b>1,070,000</b>	<b>80,000</b>	<b>WATER AND WASTEWATER PROJECTS</b>
<b>GRAND TOTAL</b>	<b>22,523,342</b>	<b>19,139,226</b>	<b>52,902,830</b>	<b>13,623,500</b>	<b>23,480,500</b>	



# Appendix F - Glossary of Terms

---

## A

**ACCOUNTS PAYABLE** - A liability account reflecting amounts owing to private persons or organizations for goods and services received by a government (but not including amounts due to other funds of the same government or to other governments).

**ACCOUNTS RECEIVABLE** - An asset reflecting amounts owing to the government by private person or organizations for goods or services furnished by a government.

**ACCRUAL ACCOUNTING** - A basis of accounting in which transactions are recognized at the time they are incurred, regardless of when the cash is received or paid.

**AD VALOREM** - Latin for "value of". Refers to the tax assessed against real (land and buildings) and personal (equipment and furniture) property.

**AMORTIZATION** - Payment of principal plus interest over a fixed period of time.

**APPROPRIATION** - A legal authorization granted by a legislative body (City Council) to make expenditures and incur obligations for designated purposes.

**ARBITRAGE** - The interest earnings derived from invested bond proceeds or debt service fund balances.

**ASSESSED VALUATION** - A valuation set upon real estate or other property by a government as a basis for levying taxes.

## B

**BALANCE SHEET** - A statement, showing the assets, liability and equities of an entity at a particular time in conformity with Generally Accepted Accounting Principles (GAAP).

**BALANCED BUDGET** - Annual financial plan in which expenses do not exceed revenues.

**BMP** - Best Management Practices.

**BOND** - A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s).

**BUDGET** - A plan of financial operation embodying an estimate of proposed expenditures for any given period and the proposed means of financing them.

## C

**CAPITAL ASSETS** - Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible

assets that are used in operations, and that have initial useful lives extending beyond a single reporting period.

**CAPITAL OUTLAYS** - Expenditures, which result in the acquisition of or addition to fixed assets which are individually priced at more than \$5,000.

**CAPITAL PROJECTS FUND** - A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

**CAFR** - Comprehensive Annual Financial Report.

**CDC** - Community Development Corporation (also known as Type B Corporation) is created by State Statute. Council appoints Board members and approves the Board's budget. Revenues are funded by half-cent sales taxes to promote Economic Development.

**CERTIFICATES OF OBLIGATION** - Legal debt instruments used to finance capital improvement projects. Certificates of obligation are backed by the full faith and credit of the governmental entity and are fully payable from a property tax levy. Certificates of obligation differ from general obligation debt in that they are approved by the City Council and not voter approved.

**CIP** - Capital Improvement Plan.

**CITY CHARTER** - The document of a home rule City similar to a constitution, which establishes the City's government structure and provides for the distribution of powers and duties among the various branches of government.

**CITY COUNCIL** - The Mayor and six (6) Council members collectively acting as the legislative and policymaking body of the City.

**CONTINGENCY** - A budgetary reserve set aside for emergencies or unforeseen expenditures.

**CONTRACTUAL SERVICES** - The costs related to services performed for the City by individuals, business or utilities.

**COST** - The amount of money or other consideration exchanged for property or services. Costs may be incurred before cash outlay; ultimately, money or other consideration must be given in exchange.

**CURRENT ASSETS** - Those assets which are available or can be made readily available to finance current operations to pay current liabilities. Those assets which will be used up or converted into cash within one year. Some examples are cash, temporary investments, and taxes receivables which will be collected within one year.

**CURRENT LIABILITIES** - Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded within one year.

## D

**DEBT SERVICE FUND** - A fund established to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

**DEFICIT** - The excess of an entity's liabilities over its assets. The excess of expenditures over revenues during an accounting period.

**DELINQUENT TAXES** - Taxes remaining unpaid on or after the date on which a penalty for nonpayment is attached.

**DEPRECIATION** - Change in the value of assets (equipment, buildings, etc. with a useful life of five years or more) due to use of the assets.

**DWU:** Dallas Water Utilities

## E

**EDC** - Economic Development Corporation (also known as Type A Corporation) is created by State Statute. Council appoints Board members and approves the Board's budget. Revenues are funded by half-cent sales taxes to promote economic development.

**ENCUMBRANCES** - Commitments related to unperformed contracts for goods and services used in budgeting. Encumbrances are not expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result upon completion of contracts.

**EPA** - Environmental Protection Agency.

**EXPENDITURES** - A decrease in the net financial resources of the City due to the acquisition of goods and services.

**EXPENSES** - Decreases in net financial resources. Expenses include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays.

## F

**FISCAL YEAR** - A 12-month period to which the annual operating budget applies. The City of The Colony has established October 1 through September 30 as its fiscal year.

**FRANCHISE** - A special privilege granted by a government permitting the continuing use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

**FUND** - An independent fiscal and accounting entity with a self-balancing set of accounts, recording cash and other resources together with all liabilities, obligations, reserves, and equities which are segregated for the purpose of maintaining specific activities or accomplishing certain Goals.

**FUND BALANCE** - The difference between governmental fund assets and liabilities also referred to as fund equity.

## **G**

**GAAP** - An acronym for Generally Accepted Accounting Principles which are a collection of rules and procedures that set the basis for the fair presentation of financial statements. The accounting and reporting policies of the City conform to the GAAP applicable to state and local governments.

**GASB** - Acronym for Government Accounting Standards Board, an independent, non-profit agency responsible for the promulgation of accounting and financial reporting procedures for governmental entities.

**GENERAL FUND** - The fund established to account for those resources devoted to financing the general administration of the City and traditional services provided to citizens.

**GENERAL OBLIGATION BOND** - Bonds that finance a variety of public improvement projects, which pledge the full faith, and credit of the City. This type of bond requires voter approval.

**GENERAL OBLIGATION DEBT** - Monies owed on interest and principal to holders of the City's general obligation bonds. The debt is supported by revenue provided from real property, which is assessed through the taxation power of the local governmental unit.

**GOVERNMENTAL FUNDS** - Those funds through which most governmental functions typically are financed. The acquisition, use, and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects, and Debt Service Funds).

## **M**

**MAINTENANCE** - Work that is performed regularly to keep a machine, buildings, or piece of equipment in good condition and working order.

**MGD** - Million gallons per day.

**MODIFIED ACCRUAL ACCOUNTING** - Accounting system in which revenues are recognized and recorded in the accounts when they are measurable, available and collectible in the fiscal year.

## O

**OPERATING EXPENDITURE** - Expenditure on goods or services that is not a capital expenditure.

**ORDINANCE** - A formal legislative enactment by the governing body 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, usually require ordinances.

## P

**PERSONAL SERVICES:** The costs associated with compensating employees for their labor.

**PRIOR YEAR SURPLUS** - Excess revenues over expenditures from prior years. The excess is rolled into the fund balance every year and is available for appropriations.

**PROPRIETARY FUND** - Operation that operates like a private commercial operation, in which services are financed through user charges and expenditures include the full cost of operations.

**PUBLIC HEARING** - The portions of open public meetings held to present evidence and provide information on both sides of an issue.

**PURCHASE ORDER (PO)** - A document which authorizes the delivery and charge of specified goods or the rendering of certain services.

## R

**REFUNDING BONDS** - Bonds issued to retire bonds already sold and outstanding. The refunding bonds may be sold for cash and the outstanding bonds redeemed or retired by the cash proceeds, or the refunding bonds may be exchanged with holders of outstanding bonds.

**REIMBURSEMENT** - Cash or other assets received as a repayment of the cost for work or services performed or of other expenditures made for or on behalf of another governmental unit, department or fund.

**REVENUE** - Funds that the government receives as income. Examples are tax payments, fees from specific services, receipts from other governments, court fines, franchise fees, permits, and interest income.

**ROW** - Acronym for right-of-way.

**RTR** - Regional Toll Revenue.

## S

**SCADA** - (Supervisory Control And Data Acquisition System) controls the water pumps to ensure efficient operation of the water distribution system.

**SPECIAL REVENUE FUND** - A fund used to account for the proceeds of specific revenue sources other than expendable trusts or major capital projects that are legally restricted to expenditures for specified purposes.

**SUPPLIES** - A cost category for minor items (individually priced at less than \$5,000) required by departments to conduct their operations.

## T

**TAXES** - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. It does not include charges for services rendered only to those paying such charges as, for example, water and sewer service charges.

**TAX AND REVENUE BONDS** - Bonds utilized by the former "The Colony Municipal Utility District" to finance water and wastewater improvement projects. This type of bond is repaid through a combination of an allocation of the tax levy and utility operational earnings.

**TAX LEVY** - The total revenues to be raised from ad valorem taxes by applying the tax rate to each \$100 of property-assessed valuation.

**TAX ROLL** - The official list prepared by the Denton Central Appraisal District showing the amount of taxes levied against each taxpayer or property.

**TCEQ** - Acronym for Texas Commission on Environmental Quality. A state agency for enforcing federal and state environmental laws.

**TRANSFER** - The movement of monies from one fund, activity, department, or account to another. This includes budgetary funds or movement of assets.

**TRIP-08** - 2008 Transportation Road Improvement Program for Denton County.

**TXDOT** - Acronym for Texas Department of Transportation, a state agency.

## U

**UTILITY FUND** - A proprietary or enterprise fund used to account for the provision of water and wastewater services to the City's residents on a cost recovery basis through user charges.

## W

**WORKING CAPITAL** - The amount that current assets exceed current liabilities.

# Appendix G – Financial Policies

---

**CITY OF THE COLONY**

**INVESTMENT POLICY**

**September 15<sup>th</sup>, 2015**

Prepared by the Finance Department

Approved by the City Manager

Confirmed by the City Council on September 15<sup>th</sup>, 2015

## **I. SCOPE OF POLICY**

### **A. FUNDS INCLUDED:**

All financial assets of all current funds of THE COLONY and any new funds created in the future, unless specifically exempted, will be administered in accordance with this Policy. These funds are accounted for in the City's Annual Financial Report and may include: General Fund, Enterprise Funds, Capital Project Funds, Special Revenue Funds, Trust and Agency Funds.

### **B. FUNDS EXCLUDED**

This Policy excludes Employee Retirement and Pension Funds administered or sponsored by THE COLONY and excludes bond funds held in trust escrow accounts. THE COLONY will maintain responsibility for these funds as required by Federal and State law and Charters and Codes.

### **C. POOLING OF FUNDS:**

Except for cash in certain restricted and special funds, THE COLONY will consolidate cash balances from all funds to optimize potential investment earnings. Investment income will be allocated to the various funds based on their respective percentage participation and in accordance with the generally accepted accounting principles.

### **D. ADDITIONAL REQUIREMENTS:**

In addition to this Policy, bond funds (to include capital project, debt service, and reserve funds) will be managed by the governing debt ordinance and the provisions of the Internal Revenue Code applicable to the issuance of tax-exempt obligations and the investment of debt proceeds.

## **II. PRUDENCE**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of the capital as well as the probable income to be derived. The standard of prudence to be used by Investment Officers shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio of funds, rather than a consideration as to the prudence of a single investment. Investment Officers acting in accordance with written procedures and this Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the City Manager, and the City Council, and appropriate action is taken by the Investment Officers and their oversight managers to control adverse developments in accordance with the terms of this Policy.

## **III. OBJECTIVES OF POLICY**

The primary objectives of THE COLONY's investment program in order of priority shall be preservation and safety of principal, liquidity, public trust, and yield.

### **A. SAFETY:**

The foremost and primary objective of THE COLONY's investment program is the preservation and safety of capital. Each investment transaction will seek first to ensure that capital losses are

avoided, whether the loss occurs from the default of a security or from erosion of market value. The objectives will be to mitigate credit risk and interest rate risk. To control credit risk, investments should be limited to the safest types of investments. Financial institutions, broker/dealers and advisors who serve as intermediaries, shall be pre-qualified by THE COLONY. The credit ratings of investment pools and individual securities will be monitored to assure compliance with this Policy and State law.

To control interest rate risk, THE COLONY will structure the investment portfolio so that investments mature to meet cash requirements for ongoing operations and will regularly monitor marketable securities. Should an issuer experience a downgrade of its credit rating by a nationally recognized credit rating agency below the required minimum rating, all prudent measures will be taken to liquidate the investment.

**B. LIQUIDITY:**

THE COLONY's investment portfolio will remain sufficiently liquid to enable THE COLONY to meet operating requirements that might be reasonably anticipated. Liquidity will be achieved by maintaining adequate cash equivalent balances, matching investment maturities with forecasted cash flow funding requirements, and by diversifying maturities. Furthermore, since all possible cash demands cannot be anticipated, the portfolio, or portions thereof may be placed in bank accounts, money market mutual funds or local government investment pools, which offer same day liquidity.

**C. PUBLIC TRUST/TRANSPARENCY:**

Investment Officers shall seek to act responsibly as the custodians of public trust. Investment Officers shall avoid any transaction that might impair public confidence in THE COLONY's ability to govern effectively. To increase public trust and transparency, the Investment Policy will limit investments to those easily understood. Investments are limited to money market accounts of the Depository Bank and local governmental investment pools, and certificates of deposit of up to 1 year in maturity as described below in section V. Authorized Investments.

**D. YIELD:**

THE COLONY's investment portfolio will be designed with the objective of regularly meeting or exceeding the optimum rate of return of a reasonable benchmark considering the risk, liquidity, and transparency constraints. Investment Officers will seek to preserve principal, maintain liquidity levels needed, maintain as much transparency as possible and optimize the yield of these funds. However, it is understood that if the yield achieved by THE COLONY is higher than the arbitrage yield, positive arbitrage income will be rebated to the federal government as required by current federal regulations.

**IV. RESPONSIBILITY AND CONTROL**

**A. DELEGATION:**

The Director of Finance has oversight management responsibility to establish written procedures and controls for the operation of the investment program, consistent with this Investment Policy. Such procedures shall include explicit delegation of authority to persons responsible for the daily cash management operation, execution of investment transactions, overall portfolio management, and investment reporting. The Director of Finance shall be

responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of the Investment Officers.

**B. INVESTMENT OFFICERS:**

The Director of Finance and Assistant Finance Director are the “Investment Officers” of THE COLONY. No person shall engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Director of Finance.

**C. CONFLICTS OF INTEREST:**

Investment Officers and employees involved in the investment process will refrain from personal business activity that could conflict with proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions. Investment Officers and employees involved in the investment process shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of THE COLONY.

**D. DISCLOSURE:**

Investment Officers shall disclose to the City Manager, City Council, Boards of Directors, and the Texas Ethics Commission any financial interests in financial institutions or any relationship within the second degree by affinity or consanguinity to an individual that conducts business with THE COLONY. All Investment Officers shall further disclose any large personal financial investment positions that could be related to the performance of THE COLONY’s portfolio. Investment Officers shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to the timing of purchases and sales.

**E. INVESTMENT TRAINING:**

In order to ensure qualified and capable investment management, the Director of Finance, the Assistant Finance Director, and any other Investment Officers shall have a finance, accounting, or related degree and knowledge of treasury functions. Additionally, Investment Officers must attend investment training not less than once in a two-year period that begins on the first day of the fiscal year and consists of two consecutive fiscal years after that date and receive not less than 10 hours of instruction relating to investment responsibilities. This investment training may be from educational seminars held by Government Finance Officers Association (GFOA), Government Treasurers Organization of Texas (GTOT), Government Finance Officers Association of Texas (GFOAT), American Institute of Certified Public Accountants (AICPA), University of North Texas (UNT), North Central Texas Council of Governments (NCTCOG), and Texas Municipal League (TML). All Investment Officers of THE COLONY shall attend at least one training session relating to their cash management and investment responsibilities within 12 months after assuming these duties for THE COLONY. Training must include education in investment controls, security risks, strategy risks, market risks, and compliance with state investment statutes.

**V. AUTHORIZED INVESTMENTS**

Funds of THE COLONY may be invested in the following investments, as authorized by Chapter 2256 of the Government Code of the State of Texas, known as the “Public Funds Investment Act”, and as authorized by this Investment Policy. Investments not specifically listed below are not authorized:

- A. Money Market Mutual Funds of Local Government Joint Investment Pools established and operating in compliance with the Public Funds Investment Act, and are continuously rated no lower than AAA-m or an equivalent rating by at least one nationally recognized rating service, have a dollar-weighted average maturity of 60 days or less, and invest only in obligations listed in the Public Funds Investment Act.
- B. Money Market Deposit accounts with bank depository.
- C. Certificates of Deposits that are issued by a state or national bank that has its main office or branch office in the State of Texas and that a) which are guaranteed or insured by the Federal Deposit Insurance Corporation, b) are secured in compliance with Section IX Collateralization, or c) are executed through a depository institution that has its main office or a branch office in this State that participates in the Certificate of Deposit Account Registry Service (CDARS) and meet the requirements of the Public Funds Investment Act.
- D. Insured Cash Shelter Accounts executed through a trustee bank that has its main office or a branch office in this State.

Only those investments specifically listed in this Policy are authorized.

## **VI. INVESTMENT REPORTS**

The Director of Finance shall submit quarterly an investment report in compliance with the Public Funds Investment Act. This report will be prepared in a manner, which will allow THE COLONY to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report should be provided to the City Council, Boards of Directors, and the City Manager. The reports shall be formally reviewed at least annually by an independent auditor in conjunction with the annual audit. The result of the review shall be reported to the City Council and Boards of Directors by that auditor. The quarterly investment report must be presented within 90 days of the end of the quarter reporting period.

The Director of Finance is responsible for the recording of investment transactions and the maintenance of the investment records with reconciliation of the accounting records of investments carried out by the Assistant Finance Director. Information to maintain the investment program and the reporting requirements is derived from various sources such as broker/dealer research reports, newspapers, financial on-line market quotes, communication with broker/dealers, government investment pools, and financial consulting services.

## **VII. PORTFOLIO AND INVESTMENT ASSET PARAMETERS**

### **A. BIDDING PROCESS FOR INVESTMENTS:**

Investment Officers for THE COLONY shall solicit bids or quotes for certificates of deposit, or other financial institution deposit accounts either orally, in writing, electronically, or in any combination of these methods. The Investment Officers will strive to create a competitive pricing environment for all portfolio transactions.

### **B. MAXIMUM MATURITIES:**

THE COLONY will manage its investments to meet anticipated cash flow requirements. THE COLONY will not directly invest in certificate of deposits maturing more than one year from the date of purchase.

**C. MAXIMUM DOLLAR-WEIGHTED AVERAGE MATURITY:**

The maximum dollar-weighted average maturity based on the stated final maturity, authorized by this Investment Policy for the composite portfolio of THE COLONY, shall be 9 months.

**D. DIVERSIFICATION:**

It is the Policy of THE COLONY to diversify its investment portfolios. Assets held in each investment portfolio shall be diversified to eliminate the risk of loss resulting from concentration of assets in a specific maturity or specific issuer.

In establishing specific diversification strategies, the following general policies and constraints shall apply:

1. CD maturities and shall be staggered in a way that protects interest income from the volatility of interest rates and that avoids undue concentration of assets in a specific maturity or Institution. Investments shall be selected which provide for stability of income and adequate liquidity.

**E. PERFORMANCE STANDARDS:**

The investment portfolio will be managed in accordance with the objectives specified within this Policy.

**VIII. SELECTION OF DEPOSITORY, BROKER/DEALERS, AND INVESTMENT ADVISORS**

**A. DEPOSITORY SOLICITATION PROCESS:**

Primary depositories shall be selected through THE COLONY's banking services procurement process, which shall include a formal request for proposal (RFP) issued not less than every five years. In selecting primary depositories, the credit worthiness of institutions shall be considered. No public deposit shall be made except in a qualified public depository as established by state depository laws.

THE COLONY may also establish agreements with other financial institutions under separate contract for additional services which are necessary in the administration, collection, investment, and transfer of municipal funds. Such deposits will only be made after the financial institution has completed and returned the required written instruments and depository pledge agreements.

**B. INSURABILITY:**

Banks seeking to establish eligibility for THE COLONY's deposits, shall submit financial statements, evidence of federal insurance, and other information as required by the Investment Officers of THE COLONY.

**C. INVESTMENT ADVISORS:**

Investment Advisors shall adhere to the spirit, philosophy and specific term of this Policy and shall advise within the same "Standard of Care". Selected Investment Advisors must be registered under the Investment Advisors Act of 1940 or with the State Securities Board. A

contract with an Investment Advisor may not be for a term longer than two years and must be approved by the City Council, including any renewals or extensions.

**IX. COLLATERALIZATION**

**A. INSURANCE OR COLLATERAL PLEDGED:**

Collateralization shall be required on depository bank deposits and certificates of deposit, in accordance with the “Public Funds Collateral Act” and depository laws. With the exception of deposits secured with irrevocable letters of credit at 100% of amount, the collateralization level will not be less than 102% of market value of principal and accrued interest, less any FDIC insurance. Evidence of the pledged collateral shall be documented by a tri-party custodial or a master repurchase agreement with the eligible collateral pledged clearly listed in the agreement. Collateral shall be monitored at least monthly to ensure that the market value of the securities pledged equals or exceeds the related deposit or investment balance.

**B. COLLATERAL DEFINED:**

THE COLONY shall only accept, as depository or investment collateral, letters of credit issued by the FHLB or investments stipulated by the Federal Treasury Office of the Comptroller Of The Currency, Title 12 - Banks and Banking, Paragraph 9.11.

**C. AUDIT OF PLEDGED COLLATERAL:**

All collateral shall be subject to verification and audit by the Director of Finance.

**X. SAFEKEEPING AND CUSTODY OF INVESTMENT ASSETS**

All security transactions, including collateral for repurchase agreements, entered into by THE COLONY shall be conducted using the delivery vs. payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the correct security has been received by the safekeeping bank. The safekeeping bank is responsible for matching up instructions from THE COLONY’s Investment Officers on an investment settlement with what is wired from the broker/dealer, prior to releasing THE COLONY’s designated funds for a given purchase. The security shall be held in the name of THE COLONY or held on behalf of THE COLONY in a bank nominee name. Securities will be held by a third party custodian designated by the Director of Finance and evidenced by safekeeping receipts. The safekeeping bank’s records shall assure the notation of THE COLONY’s ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to THE COLONY. A safekeeping agreement must be in place, which clearly defines the responsibilities of the safekeeping bank. Wires or ACH transactions to and from government investment pools, financial institution deposits, and money market mutual funds are the only exceptions to the DVP method of settlement.

**XI. MANAGEMENT AND INTERNAL CONTROLS**

The Director of Finance shall establish a system of internal controls which shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees or Investment Officers of THE COLONY.

Controls and managerial emphasis deemed most important that shall be employed where practical are:

- A. Control of collusion.
- B. Separation of duties.
- C. Separation of transaction authority from accounting and record keeping.
- D. Custodian safekeeping receipts records management.
- E. Avoidance of bearer-form securities.
- F. Clear delegation of authority.
- G. Documentation of investment bidding events.
- H. Written confirmations from broker/dealers and financial institutions.
- I. Reconcilements and comparisons of security receipts with the investment records.
- J. Compliance with investment policies.
- K. Accurate and timely investment reports as required by law and this Policy.
- L. Validation of investment maturity decisions with supporting cash flow data.
- M. Adequate training and development of Investment Officers.
- N. Verification of all investment income and security purchase and sell computations.
- O. Review of financial condition of all broker/dealers, and depository institutions.
- P. Information about market conditions, changes, and trends that require adjustments in investment strategies.

The above list of internal controls represents only a partial list of a system of internal controls. In conjunction with the annual audit, a process of independent review by an external auditor shall be established.

## **XII. INVESTMENT POLICY ADOPTION**

THE COLONY's Investment Policy shall be adopted by resolution of the City Council and Boards of Directors. The Policy and general investment strategy statements shall be reviewed on an annual basis by the City Council and Boards of Directors, and any modifications made thereto must be approved by them.

## **XIII. INVESTMENT STRATEGY**

Effective investment strategy development coordinates the primary objectives of THE COLONY's Investment Policy and cash management procedures. Cash management to increase the available "investment period" will be employed when necessary to enhance the ability of THE COLONY to earn interest income. Maturity selections shall be based on cash flow and market conditions to take advantage of interest rate cycles. THE COLONY's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with the Investment Policy.

Each major fund type has varying cash flow requirements and liquidity needs. Therefore specific strategies shall be implemented considering the Fund’s unique requirements. THE COLONY funds shall be analyzed and invested according to the following major fund types:

- A. Operating Fund
- B. Capital Project Funds and Special Purpose Funds
- C. Debt Service Funds
- D. Bond Reserve Funds

**OVERALL STRATEGY:**

THE COLONY’s basic investment strategy is to utilize investment options that represent suitable risk/return alternatives for excess operating reserves which are easily understood by the public. Therefore, investment of excess operating funds shall seek to preserve principal and promote transparency by restricting authorized investment instruments to those investments which are easily understood with suitable and limited credit and market risk.

Liquidity will be maintained by utilizing projected cash flow needs to limit investment maturities and targeting minimum cash balances. Investment marketability will be maintained based on the fund-type strategies to sufficiently and reasonably assure that investments could be liquidated prior to the maturity, if cash needs dictate.

THE COLONY shall also diversify its investment portfolio. Whenever practical, assets held in the investment portfolio shall minimize the risk of loss resulting from concentration of assets in a specific maturity or specific issuer. THE COLONY will group investment instruments into “fund-type investment groups.” These groups will reflect similar needs as to maturity limits, diversity, and liquidity.

THE COLONY funds shall seek to achieve a competitive yield appropriate for each strategy. Yield objectives shall at all times be subordinate to the objectives of safety, liquidity and transparency. Tax-exempt debt proceeds shall be invested to optimize the interest earnings retained by THE COLONY, while at the same time fully complying with all applicable State laws and federal regulations, including the arbitrage rebate regulations.

**A. OPERATING FUNDS:**

Operating Funds shall have as their primary objective to assure safety of principal. The secondary objective is to assure that anticipated cash outflows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure, which will experience minimal volatility during changing economic cycles. Objectives may be accomplished by investing in money market accounts of the depository bank or government investment pools or bank certificates of deposits.

**APPENDIX A**

**AUTHORIZED LOCAL GOVERNMENT INVESTMENT POOLS**

TEXPOOL/TEXPOOL PRIME (Texas Local Government Investment Pools)

LOGIC (Local Government Investment Cooperative)

TEXASTERM/TEXASDAILY (Local Government Investment Pools)

**CITY OF THE COLONY**

**FINANCIAL MANAGEMENT POLICIES**

September 15<sup>th</sup>, 2015

Prepared by the Finance Department

Approved by the City Manager

Confirmed by the City Council on September 15<sup>th</sup>, 2015

## I. PURPOSE STATEMENT

These policies are developed by the City Manager to guide the Finance Director, and staff in financial matters. The overriding goal of the Financial Management Policies is to enable the City to achieve a long-term stable and positive financial condition while conducting its operations consistent with the council-manager form of government established in the City Charter. The watchwords of the City's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure.

The purpose of the Financial Management Policies is to provide guidelines for the financial management staff in planning and directing the City's day-to-day financial affairs and in developing recommendations to the City Manager.

The scope of the policies spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management, expenditure control, and debt management.

## II. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

- A. **ACCOUNTING** – The City's Assistant Finance Director is responsible for establishing the chart of accounts, and for properly recording financial transactions.
- B. **FUNDS** - Self-balancing groups of accounts are used to account for City financial transactions in accordance with generally accepted accounting principles. Each fund is created for a specific purpose except for the General Fund, which is used to account for all transactions not accounted for in other funds. Funds are created and fund names are changed by City Council approval through resolution either during the year or in the City Council's approval of the annual operating budget ordinances.
- C. **EXTERNAL AUDITING** – The City will be audited annually by outside independent auditors. The auditors must be a CPA firm capable to demonstrate that they have the breadth and depth of staff to conduct the City's audit in accordance with generally accepted auditing standards, generally accepted government auditing standards, and contractual requirements. The auditors' report on the City's financial statements including federal grants single audit when required, will be completed within 120 days of the City's fiscal year end, and the auditors' management letter will be presented to the City staff within 150 days after the City's fiscal year end. An interim management letter will be issued prior to this date if any materially significant internal control weaknesses are discovered. The City staff and auditors will jointly review the management letter with the City Council within 60 days of its receipt by the staff.
- D. **EXTERNAL AUDITORS RESPONSIBLE TO CITY COUNCIL** – The external auditors are accountable to the City Council and will have access to direct communication with the City Council if the City staff is unresponsive to auditor recommendations or if the auditors consider such communication necessary to fulfill their legal and professional responsibilities. The City Council may conduct closed session annually with the auditors present without the presence of City staff. Such meeting shall be conducted in accordance with the Open Meetings Act.
- E. **EXTERNAL AUDITOR ROTATION** – The City will not require external auditor rotation, but will circulate requests for proposal for audit services periodically, normally at five-year intervals.

- F. **EXTERNAL FINANCIAL REPORTING** – The City will prepare and publish a Comprehensive Annual Financial Report (CAFR). The CAFR will be prepared in accordance with generally accepted accounting principles, and will be presented annually to the Government Finance Officers Association (GFOA) for evaluation and awarding of the Certification of Achievement for Excellence in Financial Reporting. The CAFR will be published and presented to the City Council within 120 days after the end of the fiscal year. City staffing limitations may preclude such timely reporting. In such case, the Finance Director will inform the City Manager and the City Manager will inform the City Council of the delay and the reasons therefore.
- G. **INTERNAL FINANCIAL REPORTING** - The Finance Department will prepare internal financial reports sufficient for management to plan, monitor, and control the City’s financial affairs. Internal financial reporting objectives are addressed throughout the policies.

**III. INTERNAL CONTROLS**

- A. **WRITTEN PROCEDURES** – The Finance Director is responsible for developing citywide written guidelines on accounting, cash handling, and other financial matters, which will be approved by the City Manager.

The Finance Department will assist department directors as needed in tailoring these guidelines into detailed written procedures to fit each department’s requirements.

- B. **DEPARTMENT MANAGERS RESPONSIBILITY** – Each department director is responsible to the City Manager to ensure that good internal controls are followed throughout his or her department, that all guidelines on accounting and internal controls are implemented, and that all independent auditor internal control recommendations are addressed.

**IV. OPERATING BUDGET**

- A. **PREPARATION** – The City’s “Operating Budget” is the City’s annual financial operating plan. It consists of governmental and proprietary funds, including the general obligation and revenue supported Debt Service Funds, but excluding Capital Projects Funds. The budget is prepared by the Finance Department with the cooperation of all City departments, and is submitted to the City Manager who makes any necessary changes and transmits the document to the City Council.

The preliminary budget should be filed with the City Secretary’s office on or before July 31<sup>st</sup> each fiscal year, and presented to the City Council. Thereafter, the final budget should be enacted by the City Council prior to fiscal year end. The operating budget shall be submitted to the GFOA annually for evaluation and awarding of the Award for Distinguished Budget Presentation.

- B. **BALANCED BUDGET** – The operating budgets will be balanced, with current revenues, and prior year surpluses greater than or equal to current expenditures/expenses except a rainy day fund reserve of sixty (60) days.
- C. **PLANNING** – The budget process will be coordinated to identify major policy issues for City Council’s consideration several months prior to the budget approval date.
- D. **REPORTING** – Periodic financial reports will be prepared to enable the department directors to manage their budgets and to enable the Finance Department to monitor and control the budget as authorized by the City Council. Summary financial reports will be presented to the City

Council each month within four weeks after the month end. Such reports will include current year revenue and expenditures in comparison to budget and prior year actual revenues and expenditures.

- E. **CONTROL** – Operating Expenditure Control is addressed in another section of the Policies.
- F. **PERFORMANCE MEASURES AND PRODUCTIVITY INDICATORS** – Where appropriate, performance measures and productivity indicators will be used as guidelines and reviewed for efficiency and effectiveness. This information will be included in the annual budgeting process.

## V. **CAPITAL IMPROVEMENT PROGRAM**

- A. **PREPARATION** – The City’s Capital Improvement Program will include all capital projects. The Capital Improvement Plan will be prepared annually on a fiscal year basis. The Capital Improvement Plan will be reviewed annually by the City Council.

The Capital Improvement Plan will be prepared by the Finance Department with the involvement of all City departments.

- B. **CONTROL** – All capital project expenditures must be approved by City Council. The Finance Department must ensure the availability of resources before a capital project contract is presented by the City Manager to the City Council for approval.
- C. **PROGRAM PLANNING** – The Capital Improvement Plan will include capital improvements program plans for future years. The planning time frame should normally be at least five years. The replacement and maintenance for capital items should also be projected for the next 5 years. Future maintenance and operations will be fully costed, so that these costs can be considered in the operating budget.
- D. **ALTERNATE RESOURCES** – Where applicable, assessments, impact fees, or other user-based fees should be used to fund capital projects, which have a primary benefit to certain property owners.
- E. **DEBT FINANCING** – Recognizing that debt is usually a more expensive financing method, alternative financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives, which equal or exceed the average life of the debt issued. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases.
- F. **STREET MAINTENANCE** – The City recognizes that deferred street maintenance increases future capital costs by an estimated 5 to 10 times. Therefore, a portion of the General Fund Budget and/or debt issuances may be set aside each year to maintain the quality of streets. The amount will be established annually so that repairs will be made.
- G. **WATER/WASTEWATER MAIN REHABILITATION AND REPLACEMENT** – The City recognizes that deferred water/wastewater main rehabilitation and replacement increases future costs due to loss of potable water from water mains and inflow and infiltration into wastewater mains. Therefore, to ensure that the rehabilitation and replacement program is adequately funded, the City may annually appropriate an amount to provide for a water and wastewater main repair and replacement program.

- H. **WATER AND WASTEWATER SPECIAL PROJECTS** – A special fund will be maintained for water and wastewater capital projects. The fund will be funded with operating surpluses, interest earnings, and transfers from water and wastewater operations. As soon as practicable, after each fiscal year end when annual operating results are known, any Water/Wastewater Fund operating surplus in excess of budget which is not required to meet ending resources requirements, may be transferred to the Special Projects Fund with the approval of the City Council. The fund will be used for funding water/wastewater main rehabilitation and replacement, for major capital outlay, and for unplanned projects.
- I. **REPORTING** – Periodic financial reports will be prepared to enable the department managers to manage their capital budgets and to enable the Finance Department to monitor the capital budget as authorized by the City Council.

## VI. REVENUE MANAGEMENT

- A. **SIMPLICITY** – The City will strive to keep the revenue system simple, which will result in a decrease of compliance costs for the taxpayer or service recipient and a corresponding decrease in avoidance to pay. The City will avoid nuisance taxes, fees, or charges as revenue sources.
- B. **CERTAINTY** – An understanding of the revenue source increases the reliability of the revenue system. The City will enact consistent collection policies for its revenues so that assurances can be provided that the revenue base will materialize according to budgets and plans.
- C. **EQUITY** – The City will strive to maintain equity in the revenue system structure. That is, the City will seek to minimize or eliminate all forms for subsidization between entities, funds, services, utilities, and customers. However, it is recognized that public policy decisions may lead to subsidies in certain circumstances, e.g., senior citizen property tax exemptions or partial property tax abatement.
- D. **ADMINISTRATION** – The benefits of revenue will exceed the cost of producing the revenue. The cost of collection will be reviewed annually for cost effectiveness. Where appropriate, the City will use the administrative processes of State or Federal collection agencies in order to reduce administrative costs.
- E. **REVENUE ADEQUACY** – The City will require that there be a balance in the revenue system. That is, the revenue base will have the characteristic of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.
- F. **COST/BENEFIT OF ABATEMENT** – The City will use due caution in the analysis of any tax, fee, or water and wastewater incentives that are used to encourage development. Ideally, a cost/benefit (fiscal impact) analysis will be performed as a part of such analysis.
- G. **DIVERSIFICATION AND STABILITY** – In order to protect the government from fluctuations in revenue source due to fluctuations in the economy, and variations in weather, (in the case of water and wastewater), a diversified revenue system will be maintained.
- H. **NON-RECURRING REVENUES** – One-time revenues will not be used for ongoing operations. Non-recurring revenues will be used only for non-recurring expenditures. Care will be taken not to use these revenues for budget balancing purposes.

- I. **PROPERTY TAX REVENUES** – Property shall be assessed at 100% of the fair market value as appraised by the Denton Central Appraisal District. Reappraisal and reassessment shall be done regularly as required by State law.

All delinquent taxes will be aggressively pursued, with delinquents greater than 150 days being turned over to the City Attorney or a private attorney, and a penalty assessed to compensate the attorney as allowed by state law, and in accordance with the attorney’s contract.

- J. **USER-BASED FEES** – For services associated with a user fee or charge, the direct and indirect costs of that service will be offset by a fee where possible. There will be a periodic review of fees and charges to ensure that fees provide adequate coverage of costs of services. User charges may be classified as “full cost recovery,” “partial cost recovery,” and “minimal cost recovery,” based upon City Council policy.
- K. **IMPACT FEES** – Impact fees are currently imposed for water, wastewater, roadway, and drainage in accordance with applicable city ordinances and State Law. Impact fees will be re-evaluated at least every five years as required by law.
- L. **GENERAL AND ADMINISTRATIVE CHARGES** – A method will be maintained whereby the General Fund can impose a charge to the enterprise funds or special revenue funds for general and administrative services (indirect costs), performed on their behalf. The details will be documented in the annual budget process in the form of transfers between funds.
- M. **UTILITY RATES** – The City will review utility rates periodically, and if necessary, adopt new rates that will generate revenues required to fully cover operating expenditures, meet the legal restrictions of all applicable bond covenants, provide for an adequate level of working capital needs and debt service requirements. This policy does not preclude drawing down cash balance to finance current operations. However, it is best that any extra cash balance be used instead to finance capital projects.
- N. **INTEREST INCOME** – Interest earned from investment of available monies, whether pooled or not, will be distributed to the funds in accordance with the average monthly cash balances.
- O. **REVENUE MONITORING** – Revenues actually received will be regularly compared to budgeted revenues and variances will be investigated. This process will be summarized in the appropriate budget report.

## VII. EXPENDITURE CONTROL

- A. **APPROPRIATIONS** – The level of budgetary control is the department level in the General Fund, Parks Fund, and Utility Fund and the fund level in all other funds. When budget adjustments (i.e., amendments) between departments and/or funds are necessary, these must be approved by the City Council. Budget appropriation amendments at lower levels of control shall be made in accordance with the applicable administrative procedures.
- B. **CONTINGENCY ACCOUNT EXPENDITURES** – The City Council must approve all contingency account expenditures of \$50,000 or more, as discussed under Purchasing.
- C. **PURCHASING** – All purchases shall be in accordance with the City’s Purchasing Policies.

- D. **PROFESSIONAL SERVICES** – Professional services will generally be processed through a request for proposal process, except for smaller contracts. The City Manager may execute any professional services contract for less than \$50,000 provided there is an appropriation for such contract.
- E. **PROMPT PAYMENT** – All invoices will be paid within 30 days of receipt of goods and services or receipt of invoices, whichever is later in accordance with the prompt payment requirements of state law. Procedures will be used to take advantage of all purchase discounts where considered cost effective. However, payments will also be reasonably delayed in order to maximize the City’s investable cash, where such delay does not violate the agreed upon payment terms.
- F. **EQUIPMENT FINANCING** – Equipment may be financed when the useful life is at least three years. Vehicles to be replaced are identified and evaluated every year during the budget process. Depending on available resources, financing may be made by debt issuance rather than from the General Fund and Utility Fund accounts.
- G. **INFORMATION TECHNOLOGY** – Certain information technology acquisitions will be funded in the Information Technology Department’s budget or by debt issuance. Acquisitions may include all related professional services costs for researching and/or implementing an information technology project. Lease cost is also an eligible expense.

**VIII. ASSET MANAGEMENT**

- A. **INVESTMENTS** – The City’s investment practices will be conducted in accordance with the City Council approved Investment Policies.
- B. **CASH MANAGEMENT** – The City’s cash flow will be managed to maximize the cash available to invest. A monthly report is provided by the Finance Director to the Assistant City Manager for presentation to the City Council.
- C. **FIXED ASSETS AND INVENTORY** – These assets will be reasonably safeguarded and properly accounted for, and prudently insured.

**IX. FINANCIAL CONDITION AND RESERVES**

- A. **NO OPERATING DEFICITS** – Current expenditures will be paid with current revenues and prior year surplus. Deferrals, short-term loans, or one-time sources will be avoided as budget balance techniques. Reserves will be used only for emergencies or non-recurring expenditures, except when balances can be reduced because their levels exceed guideline minimums.
- B. **INTERFUND LOANS** - Non-routine interfund loans shall be made only in emergencies where other temporary sources of working capital are not available and with the approval of the City Council. At the time an interfund loan is considered, a plan to repay it prior to fiscal year end shall also be considered.

A fund will only lend money that it will not need to spend in the immediate future. A loan may be made from a fund only if the fund has ending resources in excess of the minimum requirement for the fund. Total interfund loans outstanding from a fund shall not exceed 15% of the target fund balance for the fund. If any interfund loan is to be repaid from the proceeds

of a future debt issue, a proper reimbursement resolution will be approved at the time the loan is authorized

- C. **OPERATING RESERVES** – in accordance with GASB-54, it is the policy of the City of The Colony to classify fund balances as Non-spendable, Restricted, Committed, Assigned, or Unassigned and develop policy for establishment and activity of each classification. Non-spendable fund balance is (a) not in a spendable form such as prepaid items or (b) legally or contractually required to be maintained intact as an endowment. Restricted fund balance consists of amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources. Committed fund balances are self-imposed limitations set in place prior to the end of the fiscal year. These amounts can be used only for specific purposes determined by a formal action of the City Council and require the same level of formal action to remove the constraint. Assigned fund balance consists of amounts that are subject to a purpose constraint that represents an intended use established by the City Council. The purpose of the assignment must be narrower than the purpose of the General Fund. Additionally, this category is used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget. Unassigned fund balance represents the residual classification of fund balance and includes all spendable amounts not contained within other classifications. Restricted, Committed, and Assigned fund balance expenditures require prior Council approval.

(1) Policy on Committing Funds:

It is the policy of the City of The Colony that fund balance amounts will be reported as "Committed Fund Balance" only after formal action and approval by City Council. The action to constrain amounts in such a manner must occur prior to year end; however, the actual dollar amount may be determined in a subsequent period. After approval by the City Council, the amount reported a Committed Fund Balance cannot be reversed without Council approval.

(2) Policy of Assigning Funds:

Funds that are intended to be used for a specific purpose but have not received the formal approval by Council may be recorded as Assigned Fund Balance. It is the policy of the City of The Colony that fund balance amounts will be reported as "Assigned Fund Balance" only after the City Manager has assigned those amounts based on intentions for use of the City Council.

(3) Policy on Unassigned General, Parks, and Utility Fund balances:

It is the goal of the City to achieve and maintain an unassigned General Fund, Parks Fund, and Utility Fund balance equal to 60 days of expenditures. The required minimum fund balance of 60 days of expenditures is to provide working capital needs in emergencies. The 60 days fund balance is considered as committed fund balance in the General Fund and is approved by the City Council via the resolution adopting this policy. To the extent reasonably possible, in the event that the General fund balance is drawn down below the target level, it will be replenished by the following fiscal year.

(4) Order of fund expenditure:

When multiple categories of fund balance are available for expenditure, the City will first spend the most restricted category of funds. Normally, this will result in the use of committed, then restricted, and lastly, unassigned fund balances.

Failure to meet these standards will be disclosed to the City Council as soon as the situation is recognized and a plan to replenish the ending resources over a reasonable time frame shall be adopted.

- D. **RISK MANAGEMENT PROGRAM** – The City will aggressively pursue every opportunity to provide for the public’s and City employees’ safety and to manage its risks.
- E. **LOSS FINANCING** – All reasonable options will be investigated to finance losses. Such options may include risk transfer, insurance, and risk retention.
- F. **ENTERPRISE FUND SELF-SUFFICIENCY** – The City’s enterprise funds resources will be sufficient to fund operating and capital expenditures. The enterprise funds will pay (where applicable) their fair share of general and administrative expenses in lieu of property taxes and/or franchise fees. If an enterprise fund is temporarily unable to pay all expenses, then the City Council may waive general and administrative expenses in lieu of property taxes and/or franchise fees until the fund is able to pay them.

#### **X. DEBT MANAGEMENT**

- A. **GENERAL** – The City’s borrowing practices will be conducted in accordance with the City Council approved Debt Management Policies.
- B. **SELF-SUPPORTING DEBT** – When appropriate, self-supporting revenues will pay debt services in lieu of tax revenues
- C. **ANALYSIS OF FINANCING ALTERNATIVES**– The City will explore all financing alternatives in addition to long-term debt including leasing, grants and other aid, developer contributions, impact fees, and use of reserves or current monies
- D. **VOTER AUTHORIZATION** – The City shall obtain voter authorization before issuing General Obligation Bonds as required by law. In general, voter authorization is not required for the issuance of Revenue Bonds and Certificates of Obligation.

#### **XI. STAFFING AND TRAINING**

- A. **ADEQUATE STAFFING** – Staffing levels will be adequate for the fiscal functions of the City to function effectively. Workload shedding alternatives will be explored before adding staff.
- B. **TRAINING** - The City will support the continuing education efforts of all financial staff including the investment in time and materials for maintaining a current perspective concerning financial issues. Staff will be held accountable for communicating, teaching, and sharing with other staff members all information and training materials acquired from seminars, conferences, and related education efforts.
- C. **AWARDS, CREDENTIALS** – The City will support efforts and involvements which result in meeting standards and receiving exemplary recitations on behalf of any of the City’s fiscal

policies, practices, processes, products, and personnel. Staff certifications may include Certified Public Accountant, Certified Management Accountant, Certified Internal Auditor, Certified Payroll Professional, Certified Government Finance Officer, Professional Public Buyer, Certified Cash Manager, and others as approved by the City Manager upon recommendation of the Finance Director.

**XI. GRANTS FINANCIAL MANAGEMENT**

- A. **GRANT SOLICITATION** – The City will stay informed about available grants and will apply for any, which would be cost beneficial and meet the City’s objectives.
- B. **RESPONSIBILITY** – Departments will oversee the day to day operations of grant programs, will monitor performance and compliance, and will also keep Finance Department contacts informed of significant grant-related plans and activities. Departments will also report re-estimated annual grant revenues and expenses to the Finance Department after the second quarter of each year. Finance Department staff members will serve as liaisons with grantor financial management personnel, and will keep the book of accounts for all grants.

**XIII. ANNUAL REVIEW & REPORTING**

- A. These Policies will be reviewed administratively by the City Manager at least annually, and will be presented to the City Council for confirmation of any significant changes
- B. The Finance Director will report annually to the City Council on compliance with these policies.

**CITY OF THE COLONY**

**DEBT MANAGEMENT POLICIES**

**September 15<sup>th</sup>, 2015**

Prepared by the Finance Department

Approved by the City Manager

Confirmed by the City Council on September 15<sup>th</sup>, 2015

## **I. PURPOSE**

The Debt Management Policies set forth comprehensive guidelines for the financing of capital expenditures. It is the objective of the policies that:

1. The City obtains financing only when necessary.
2. The process for identifying the timing and amount of debt or other financing is as efficient as possible.
3. The most favorable interest rates and lowest costs of issuance are obtained.
4. The City strives to maintain flexibility for future debt issuances.

## **II. RESPONSIBILITY**

The primary responsibility for developing financing recommendations rests with the City Manager. In developing the recommendations, the City Manager shall be assisted by the Assistant City Manager and the Finance Director and their responsibilities shall be to:

1. Meet periodically to consider the need for financing and assess progress on the Capital Improvement Program.
2. Meet as necessary in preparation for financing.
3. Review changes in state and federal legislation.
4. Review annually the provisions of ordinances authorizing issuance of obligations.
5. Annually review services provided by the Financial Advisor, Bond Counsel, Paying Agent and other service providers to evaluate the extent and effectiveness of services provided.

Every February, under the direction of the Assistant City Manager, Departments will submit Capital Projects for the Capital Improvement Program. The report shall be prepared by the Finance Director and be based in part on information from the department directors in the City and shall include a projection of near term financing needs compared to available resources, an analysis of the impact of contemplated financings on the property tax rate and user charges, and a financing recommendation

In developing financing recommendations, city management shall consider the following:

1. The amount of time proceeds of obligations are expected to remain on hand and the related carrying cost.
2. The options for interim financing including short term and interfund borrowing, taking into consideration federal and state reimbursement regulations.
3. The effect of proposed action on the tax rate and user charges.
4. Trends in interest rates.
5. Other factors as appropriate.

### **A. Bond Counsel Involvement**

The Bond Counsel will issue an opinion as to the legality and tax-exempt status of any obligations. The City will also seek the advice of Bond Counsel on all other types of financings and on any other questions involving federal tax or arbitrage law.

The Bond Counsel is also responsible for the preparation of the ordinance authorizing issuance of obligations, and all of the closing documents to complete their sale and delivery, and will perform other services as defined by the contract approved by the City Council.

**B. Financial Advisor Involvement**

The City will seek the advice of the Financial Advisor when necessary. The Financial Advisor will advise on the structuring of obligations to be issued, informs the City of various options, advise the City as to how choices will impact the marketability of City obligations and will provide other services as defined by contract approved by the City Council. Financial Advisor will be able to bid on any City competitive debt issues if approval is given by the City. The Financial Advisor will inform the City Manager of significant issues.

**III. SHORT TERM DEBT**

**A. General**

When appropriate, the city may consider short-term obligations. Some forms of short-term obligations can be obtained quicker than long-term obligations and thus can be used in emergencies until long-term financing can be obtained. In some cases when the amount of financing required in the immediate future is relatively small, it may be cheaper for the City to issue a small amount of short-term obligations to provide for its immediate needs, than to issue a larger amount of long-term obligations to provide financing for both immediate, and future needs when the carrying costs of issuing obligations, which are not immediately needed are taken into account.

The amount of short-term obligations due to mature in a year shall not exceed 5% of the aggregate principal amount of outstanding long-term debt.

**IV. LONG TERM DEBT**

**A. General**

Long-term obligations will not be used for operating purposes, and the life of the obligations will not exceed the useful life of the projects financed.

A resolution of intent to issue bonds or other debt obligations authorizing staff to proceed with preparations shall be presented for the consideration of the City Council when capital projects are identified. This provision may be waived in the event of emergencies or other good cause.

Debt service structure will approximate level debt service unless operational matters dictate otherwise.

The cost of issuance of private activity bonds is usually higher than for governmental purpose bonds. Consequently, private activity bonds will be issued only when they will economically benefit the City.

The cost of taxable debt is higher than the cost of tax-exempt debt. However, the issuance of taxable debt is mandated in some circumstances, and may allow valuable flexibility in subsequent contracts with users or managers of the improvement constructed with the bond proceeds. Therefore, the City will usually issue obligations tax-exempt, but may occasionally issue taxable obligations.

**B. Bonds**

Long-term general obligation or revenue bonds may be issued to finance significant capital improvements. If required by state law or charter, an election will be held to authorize such obligations.

Bonds will have a maximum repayment term of 25 years or less. When cost/beneficial, and when permitted under applicable ordinances, the City may consider the use of surety bonds, lines of credit, or similar instruments to satisfy reserve requirements.

**C. Certificates of Obligation**

Certificates of Obligation may be issued to finance permanent improvements, land acquisition, and other public purposes. The life of certificates of obligation issued to finance equipment shall match to the extent possible the useful life of the equipment, which is usually three to five years.

Certificate of Obligations will be secured by a tax pledge and/or a revenue pledge, as required by law and as determined to be in the best interest of the City. Some revenues are restricted as to the uses for which they may be pledged. Water and wastewater revenues may be pledged without limit

**D. Public Property Finance Contractual Obligation**

Public property finance contractual obligations may be issued to finance the acquisition of personal property. The life of the contractual obligations issued to finance personal property shall match the useful life of the personal property.

**E. Anticipation Notes**

Anticipation Notes may be used to finance projects or acquisition that could also be financed with Certificates of Obligation.

Anticipation Notes may be secured and repaid by a pledge of revenue, taxes, a combination of revenue and taxes or the proceeds of a future debt issue. Anticipation Notes are authorized by an ordinance adopted by the City.

Anticipation Notes have several restrictions, which include:

1. Anticipation Notes issued for general purposes must mature before the seventh anniversary of the date the Attorney General approves the issue.
2. A governing body may not issue Anticipation Notes that are payable from bond proceeds unless the proposition authorizing the issuance of the bonds has already been approved by the voters and the proposition states that anticipation notes may be issued.

#### **F. Negotiated versus Competitive Sale versus Private Placement**

When feasible and economical, obligations shall be issued by competitive sale rather than negotiated sale. A sale may be negotiated when the issue is predominantly a refunding issue or in other non-routine situations, which require more flexibility than a competitive sale allows. In addition, market volatility may necessitate a negotiated sale. Whenever the option exists to offer an issue either for competitive sale or for negotiated sale, analysis of the options shall be performed to aid in the decision making process. When a sale is not competitively bid, the City will participate with the Financial Advisor in the selection of the underwriter or direct purchaser.

The criteria used to select a winning bidder in a competitive sale shall be the true interest cost. In a negotiated sale, the underwriter may be selected through a request for proposals (RFP). The criteria used to select an underwriter in a negotiated sale should include the following:

1. Overall experience
2. Marketing philosophy
3. Capability
4. Previous experience with the City as managing or co-managing underwriter
5. Financial Statement
6. Public Finance team and resources
7. Breakdown of underwriter's discount
  - a. Management fee – compensation to the underwriter for their work in structuring the issue.
  - b. Underwriting fee – compensation to the underwriter for using their capital to underwrite the bonds.
  - c. Average takedown – the portion of the underwriter's discount used to pay the sales force.
  - d. Expenses – administrative costs such as underwriter's counsel and administrative fees.

In a negotiated underwriting, the sale will be, to the extent appropriate, negotiated with a consortium of underwriting firms, to preserve some of the benefits of competition.

When cost/beneficial, the City may privately place its debt. Since no underwriter participates in a private placement, it may result in lower cost of issuance. Private placement is sometimes an option for small issues. The opportunity may be identified by the Financial Advisor

## **G. Bidding Parameters**

The notice of sale will be carefully constructed to ensure the best possible bid for the City, in light of existing market conditions and other prevailing factors. Parameters to be examined include:

1. Limits between lowest and highest coupons
2. Coupon requirements relative to the yield curve
3. Method of underwriter compensation, discount or premium coupons
4. Use of true interest cost (TIC) versus net interest cost (NIC)
5. Use of bond insurance
6. Deep discount bonds
7. Variable rate bonds
8. Call provisions

## **H. Bond Elections**

Before a bond election, the City Manager and City Councilmembers will be provided with competent debt capacity analyses, tax and user fee impact projections and other information as directed by the City Manager's Office. The Bond Counsel and Financial Advisor will provide support during the process.

## **V. REFUNDING**

The City shall consider refunding debt whenever an analysis indicates the potential for present value savings or the city's needs to restructure its debt payments.

As a general rule, private activity bonds may be refunded in a current refunding only.

## **VI. CAPITAL LEASING**

Capital leasing is an option for the acquisition of a piece or package of equipment costing less than \$1,000,000.

Leasing shall not be considered when funds are on hand for the acquisition unless the interest expense associated with the lease is less than the interest that can be earned by investing the funds on hand or when other factors such as budget constraints or vendor responsiveness override the economic consideration.

Whenever a lease is arranged with a private sector entity, a tax-exempt rate shall be sought. Whenever a lease is arranged with a government or other tax-exempt entity, the City shall strive to obtain an explicitly defined taxable rate so that the lease will not be counted in the City's total annual borrowings subject to arbitrage rebate.

The lease agreements shall permit the City to refinance the lease at no more than reasonable cost should the City decide to do so. A lease, which can be called at will, is preferable to one, which can merely be accelerated.

Since the market for lease financings is relatively inefficient, the interest rates available at any one time may vary widely. Therefore, the City shall attempt to obtain at least three competitive proposals for any major lease financing. The net present value of competitive bids shall be compared; taking into account whether payments are in advance or in arrears, and how frequently, payments are made. The purchase price of equipment shall be competitively bid as well as the financing cost.

The advice of the City's Bond Counsel shall be sought in any leasing arrangement and when federal tax forms 8038 are prepared to ensure that all federal tax laws are obeyed.

The City may consider issuing certificates of participation to finance a very large project. Care should be taken because financing costs may be greater than for other types of financing. When possible, the lease agreement will be backed with a tax pledge.

If the City is obligated to make payment, more than a year in the future then the agreement will probably be considered debt by the State. However, if the payments are subject to annual appropriation by the City Council, then they may not.

#### **VII. OTHER TYPES OF FINANCING**

From time to time, other types of financing may become available. Examples of these options are debt pools with other entities and low-interest loans from State Agencies such as the Texas Water Development Board. The Finance Director will prepare a written analysis of an option, with the advice of the City's Bond Counsel and Financial Advisor.

#### **VIII. RATIOS AND RESERVES**

The portion of the City's property tax levied for debt service shall not exceed 40% of the total tax rate levied each year even though the Texas Attorney General's Office, in its review of bonds or other obligations secured by Ad Valorem Taxes, generally imposes a limit of \$1.50 for debt service for cities with a \$2.50 maximum tax rate. However, the City is obligated to levy an Ad Valorem Tax sufficient to provide for the timely payments of its debt obligations secured by Ad Valorem Taxes.

The City will maintain net revenues equaling to at least 1.10 times the maximum annual principal and interest requirement and 1.25 times the average annual principal and interest requirements of all parity bonds outstanding in the Water and Wastewater Fund.

For water and sewer, and other types of revenue bonds, the bond documents will designate the reserve fund amount if a reserve fund is to be established.

When revenue supported debt is issued, a debt service reserve or similar alternative may be established. The requirements for, and source of the reserve will be determined on a case-by-case basis.

## **IX. OFFICIAL STATEMENT**

The Official Statement is the disclosure document prepared by or on behalf of the City for an offering of securities.

### **A. Responsibility**

The preparation of the Official Statement is the responsibility of the Finance Director with the help of the Financial Advisor. Information for the Official Statement is gathered from departments/divisions throughout the City.

### **B. Timing**

The Finance Director will begin assembling the information needed to update the Official Statement before the offering of debt. Audited financial statement information is expected in March. As soon as it is available, audited financial statement information and capital budget information will be incorporated.

If the next anticipated bond sale is expected to be more than twelve months after fiscal year end, then the prior year's audited financial statement information may be updated using unaudited figures.

The Financial Advisor shall begin preparing the Official Statement at least eight weeks prior to an anticipated bond issuance. Subsequent timing will generally be as follows:

1. The first draft of the preliminary Official Statement takes approximately 2 weeks to create.
2. Copies of the first draft are provided to the City's Bond Counsel and City Staff, who will review it for 2 weeks. In the case of a negotiated sale, the underwriter's counsel will also be asked for comments.
3. Comments from reviewers should be submitted during the two-week review period. About 1 week will be required to make the requested changes. After they have been made, the Official Statement is either sent to print or subjected to a second review.
4. During the printing process or the second review, a copy of the draft Official Statement is sent to the rating agencies for their review.
5. The preliminary Official Statement should be completed and mailed or electronically distributed to underwriters 2 weeks prior to the bond sale date. The preliminary document will be titled "preliminary" with red printed disclosure language and will be called a "red herring".
6. After interest rates have been accepted by the City Council, the final Official Statement must be prepared and distributed to the underwriter within seven business days of the date of sale.

**C. Auditor's Involvement**

The City will include a review of its Official Statement in the contract for services with its external auditor if required.

**D. Printing**

The Financial Advisor may print the Official Statement for the City

**X. RATINGS**

The City's goal is to maintain or improve its bond ratings. To that end, prudent financial management policies will be adhered to in all areas.

Full disclosure of operations will be made to the bond rating agencies. The City staff, with the assistance of the Financial Advisor and Bond Counsel, will prepare the necessary materials for presentation to the rating agencies.

The City may choose to use Fitch Ratings, Moody's or Standard and Poor's. The City shall maintain a line of communications with those rating agencies (Moody's, Standard and Poor's, or Fitch), informing them of major financial events in the City as they occur. The Comprehensive Annual Financial Report shall be distributed to the rating agencies after it has been accepted by the City Council.

The rating agencies will also be notified either by telephone or through written correspondence when the City begins preparation for a debt issuance. After the initial contact, a formal ratings application will be prepared and sent along with the draft of the Official Statement relating to the bond sale to the rating agencies. This application and related documentation should be sent several weeks prior to the bond sale to give the rating agencies sufficient time to perform their review.

A personal meeting with representatives of the rating agencies will be scheduled every few years or whenever a major project is initiated.

**XI. CREDIT ENHANCEMENTS**

Credit enhancements are mechanisms that guarantee principal and interest payments. They include bond insurance and a line or letter of credit. Credit enhancement will usually bring a lower interest rate on debt and a higher rating from the rating agencies, thus lowering overall costs.

During debt issuance planning, the Financial Advisor will advise the City whether or not a credit enhancement is cost effective under the circumstances and what type of credit enhancement, if any, should be purchased. In a negotiated sale, bids will be taken during the period prior to the pricing of the sale. In a competitive sale, the bidder may purchase bond insurance if the issue qualifies for bond insurance.

## **XII. SECONDARY MARKET DISCLOSURE**

SEC 15c2-12 regulations became effective July 3, 1995. The new regulation requires municipal debt issuers to provide specified financial and operating information for fiscal years beginning on January 1, 1996, or later. The information provided should mirror the information provided in an official statement at the time of a primary offering.

The annual financial information is to be sent to all Nationally Recognized Municipal Information Depositories (NRMSIRs) designated by the SEC. Additionally, issuers must notify the State Information Depositories (SIDs) if one exists.

In addition to the financial and operating information, any material event must be provided to all NRMSIRs, Municipal Securities Rulemaking Board (MSRB) and to the state SID's. Municipal debt issuers will be obligated to provide ongoing disclosure on the status of the following material events:

1. Principal and interest payment delinquencies
2. Non-payment-related defaults
3. Unscheduled draws on reserves
4. Unscheduled draws on credit enhancements
5. Substitution of credit or liquidity providers, or the failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to rights of security holders
8. Bond calls
9. Defeasances
10. Matters affecting collateral
11. Rating changes

The Finance Director will be designated "Compliance Officer" for disclosure requirements. Levels of reporting will include:

1. Notification by certified mail to NRMSIRs, and SID's of material events, with copies to the City Council
2. Copies of CAFR and updated tables from the Official Statement to NRMSIRs and SIDs within six months of fiscal year end.

## **XIII. ARBITRAGE LIABILITY MANAGEMENT**

It is the City's policy to minimize the cost of arbitrage rebate and yield restrictions while strictly complying with the law.

### **A. General**

Federal arbitrage legislation is intended to discourage entities from issuing tax-exempt obligations unnecessarily. In compliance with the spirit of this legislation, the City will not issue obligations except for identifiable projects with very good prospects of timely initiation. Obligations will be issued as closely in time as feasible to the time contracts are expected to be awarded so that they will be spent quickly.

## **B. Responsibility**

Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the advice of Bond Counsel and other qualified experts will be sought whenever questions about arbitrage rebate regulations arise. The City contracts outside consultants for arbitrage rebate services.

The Accounting Manager will be responsible for identifying the amount of unspent debt proceeds including interest which is on hand and will be responsible for ensuring that, to the extent feasible, the oldest proceeds on hand are spent first.

The consultants will maintain a system for computing and tracking the arbitrage rebate liability. The consultants will notify the City within 60 days of year-end of the amount of accrued liability. The consultants will also be responsible for notifying the City two months in advance of when a rebate of excess arbitrage earnings is due to the Internal Revenue Service.

The City's Bond Counsel and Financial Advisor may be requested to review in advance any arbitrage rebate payments and forms sent to the Internal Revenue Service.

The expenditure of obligation proceeds will be tracked in the financial accounting system by type of issue. Investments will be pooled for financial accounting purposes and may, at the discretion of the Finance Director, be pooled for investment purposes. When investments of bond proceeds are co-mingled with other investments, the City shall adhere to the Internal Revenue Service rules on accounting allocations.

Arbitrage rebate costs shall be charged as negative interest revenue to the funds in which the related obligation proceeds were originally deposited

## **C. Internal Interim Financing**

In order to defer the issuance of obligations, when sufficient non-restricted reserve funds are on hand, consideration shall be given to appropriating them to provide interim financing for large construction contracts or parts of contracts. When the appropriations are subsequently refinanced with proceeds of obligations or other resources, the non-restricted reserve funds shall be repaid.

When expenditures are reimbursed from debt issuances, applicable state law and the Internal Revenue Service rules on reimbursements will be complied with so that the reimbursements may be considered expenditures for arbitrage purposes. Requirements are in general:

1. The City shall declare its intention to reimburse expenditure with debt proceeds before paying the expenditure, and will exclude cost of issuance.

2. Reimbursement bonds must be issued and the reimbursement made within eighteen months after the expenditure was made or the property financed by the expenditure was placed in service, whichever is later.
3. The expenditure to be reimbursed must be a capital expenditure.

#### **D. Spend-out Exceptions For Federal Rebate**

Arbitrage rebate regulations provide certain spending exceptions to the imposition of Federal rebate obligations. One such safe harbor applies to obligations issued for construction if certain rules are adhered to and the proceeds are spent within two years. Other such exceptions apply to expenditures of proceeds within 6 months or eighteen months. These options should be considered when circumstances indicate the City will with certainty be successful in achieving a spend-out goal. Such circumstances may include, but are not limited to the following:

1. Obligations are issued to finance a variety of small construction projects, not large projects that might be unexpectedly delayed after the issuance. In addition, project management understands the requirements and is firmly committed to achieving the spend-out goal.
2. Obligations are issued for a single, large high priority project with a relatively short construction period and there is a high level of commitment to speedy completion.

When the two-year spend-out option is elected, debt will be issued for an estimated one year of expenditures to provide for unexpected delays of up to a year without incurring penalties.

The exercise of the spend-out options will always be coordinated with Bond Counsel and the Financial Advisor. The city shall coordinate with Bond Counsel and the Financial Advisor regarding the proper elections to be made in connection therewith.

#### **XIV. MODIFICATIONS TO POLICIES**

Management staff will review these policies annually and significant changes may be made with the approval of the City Manager. Significant policy changes will be presented to the City Council for confirmation.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of The Colony  
Texas**

For the Fiscal Year Beginning

**October 1, 2015**

A handwritten signature in black ink, appearing to read 'Jeffrey R. Egan'.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a “Distinguished Budget Presentation Award” to the City of The Colony, Texas for its annual budget for the fiscal year beginning October 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operation guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

# City Staff

---

City Manager's Office	Troy Powell, City Manager
City Manager's Office	Tim Miller, Assistant City Manager
City Manager's Office	Tod Maurina, Development Project Manager
City Manager's Office	Brant Shallenburger, Director of Government Relations
Communications/Tourism	Diane Baxter, Director of Communications and Tourism
City Secretary's Office	Tina Stewart, City Secretary
Human Resources	Rodney Wallican, Director
Finance	David Cranford, Director
Public Services	Leo Lavender, Director
Engineering	Gordon Scruggs, Director
Fire	Scott Thompson, Chief
Police	David Coulon, Chief
Municipal Court	Patti Ristagno, Court Administrator
Parks and Recreation/ Community Development	Pam Nelson, Director of Community Services
Economic Development	Keri Samford, Director
Library	Joan Sveinsson, Director
Utility Administration/ Customer Services	Molly Owczar/Director

# Consultants

---

Auditors	Weaver – John DeBurro, CPA
Bond Counsel	Fulbright & Jaworski, LLP- Corey Admire
City Attorney	Brown & Hofmeister, LLP – Jeff Moore
Financial Advisors	First Southwest, Co. – Boyd London, Jason Hughes
Risk Management	TML Intergovernmental Risk Pool