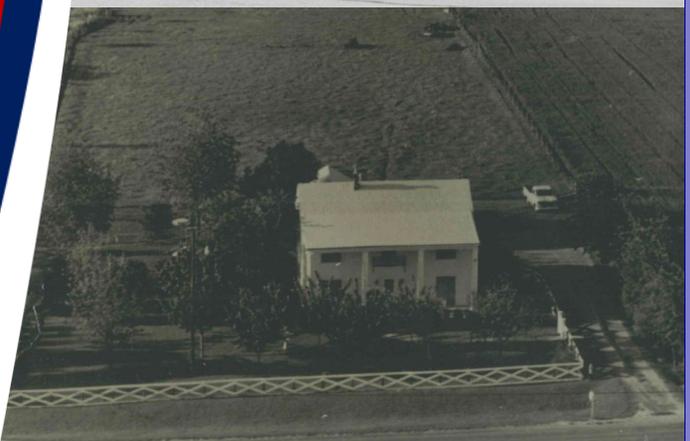


CITY OF
GLENN HEIGHTS
Texas



**ADOPTED
OPERATING
BUDGET
FISCAL YEAR
2014-2015**

*Celebrating 45 Years
of
Excellence
in
Glenn Heights*



**City of Glenn Heights
Fiscal Year 2014-2015
Budget Cover Page**

This budget will raise more revenue from property taxes than last year's budget by an amount of \$143,158, which is a 4.62 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$33,354.

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

FOR:	UNANIMOUS	
AGAINST:		
PRESENT and not voting:		
ABSENT:		

Property Tax Rate Comparison

	2014-2015	2013-2014
Property Tax Rate:	\$0.795000/100	\$0.795000/100
Effective Tax Rate:	\$0.766348/100	\$0.797155/100
Effective Maintenance & Operations Tax Rate:	\$0.654447/100	\$0.681014/100
Rollback Tax Rate:	\$0.818370/100	\$0.851581/100
Debt Rate:	\$0.111310/100	\$0.116086/100

Total annual debt obligation for City of Glenn Heights secured by property taxes:
\$727,469

Total debt obligation for City of Glenn Heights secured by property taxes:
\$5,354,266

City of Glenn Heights ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 4.47 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$4.78.

NOTICE OF 2014 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF GLENN HEIGHTS

A tax rate of \$0.795000 per \$100 valuation has been proposed for adoption by the governing body of City of Glenn Heights. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

PROPOSED TAX RATE \$0.795000 per \$100
PRECEDING YEAR'S TAX RATE \$0.795000 per \$100
EFFECTIVE TAX RATE \$0.766348 per \$100
ROLLBACK TAX RATE \$0.818370 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of Glenn Heights from the same properties in both the 2013 tax year and the 2014 tax year.

The rollback tax rate is the highest tax rate that City of Glenn Heights may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

property tax amount= (rate) x (taxable value of your property)/100

For assistance or detailed information about tax calculations, please contact:

John R. Ames, CTA
Dallas County Tax Assessor/Collector
500 Elm Street, 1st Floor Records Bldg Dallas TX
214-653-7811
TNTHELP@dallascounty.org
www.glennheights.com

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: September 2, 2014 at 7:00 pm at Glenn Heights City Hall 1938 S Hampton Rd Glenn Heights TX.

Second Hearing: September 9, 2014 at 7:00 pm at Glenn Heights City Hall 1938 S Hampton Rd Glenn Heights TX.

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Elected Officials



Arleen Layne
Councilmember
Place 1



Tony Bradley
Councilmember
Place 2



Kathy Dixon
Councilmember
Place 3



Leon P. Tate
Mayor



Michael Jones
Mayor Pro Tem



Elizabeth Cox
Councilmember
Place 5



Glenn George
Councilmember
Place 6

Appointed Officials

Aretha R. Ferrell-Benavides
Deputy City Manager

Trudy J. Lewis
City Manager

Connie Hearne
Assistant to the City Manager

Kacye Harvey
Administrator
Human Resource

Othel Murphree
City Secretary

Phillip Prasifka
Police Chief

Eddie Burns
Fire Chief

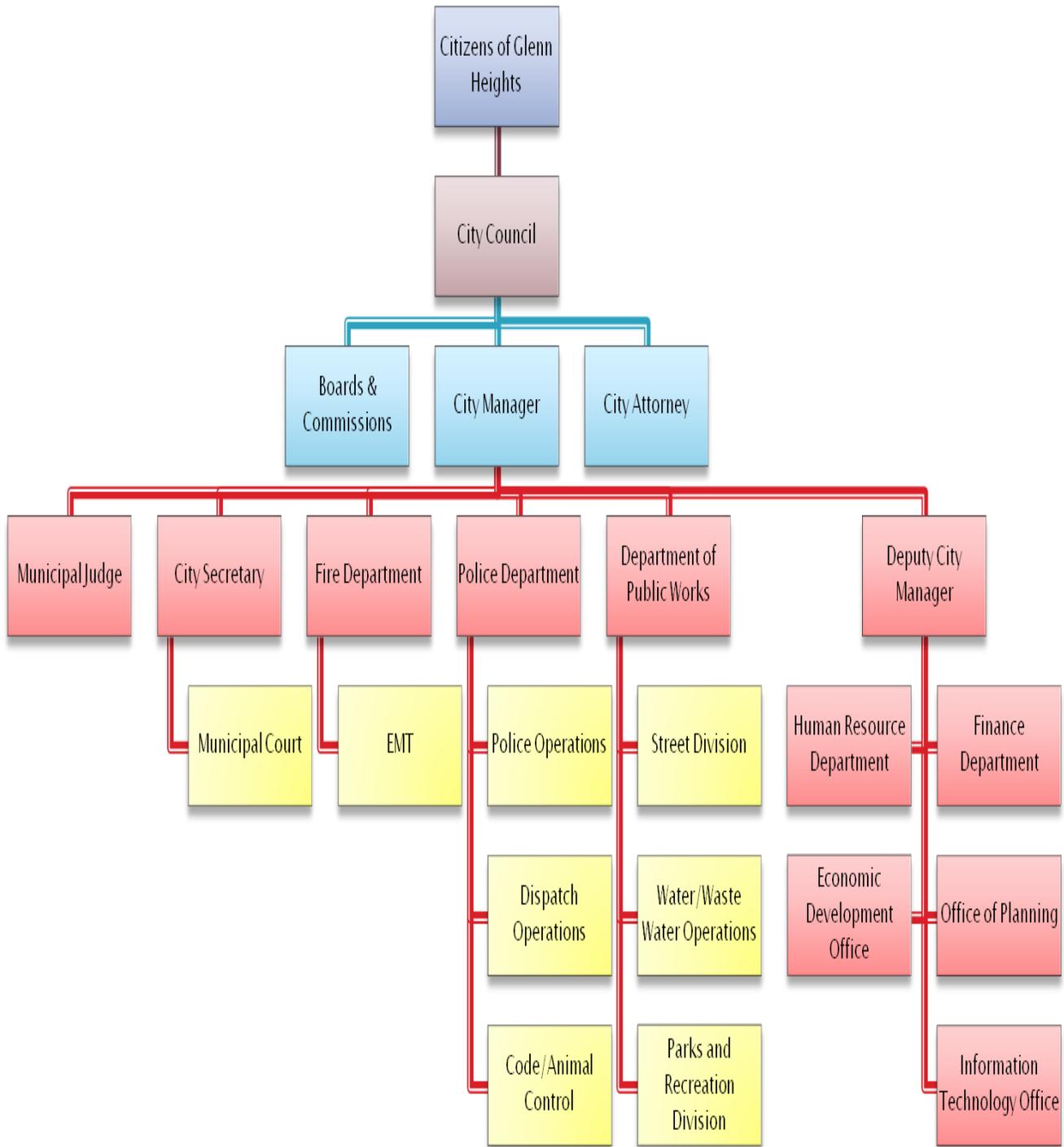
Steve Chutchian
Director
Public Works

Jeremy Tennant
Senior Planner
Planning

Michael Aguilera
Director
Finance



City Organization Chart



About Glenn Heights



Located between Dallas and Ellis counties, Glenn Heights is a city with a recorded population of 11,278 at the 2010 census. According to the United States Census Bureau, the City has a total area of 7.2 sq. miles (18.8 km sq.)

45 YEARS OF EXCELLENCE IN GLENN HEIGHTS

On September 16, 2015 the City of Glenn Heights celebrated its 45th Anniversary of incorporation. Although the residents residing in the county date back well before then it was during the 1960s, when N.L. Craddock, a Dallas firefighter, opened a 30-acre (0.12 km sq.) mobile home park in the area. He helped push for the incorporation of Glenn Heights to prevent his business from being annexed by the nearby city of DeSoto. The City was officially incorporated on Sept. 16, 1969. Thereafter, Mr. Craddock remained active in Glenn Heights politics. He served the city as a council member in the 70s and 80s, and was appointed mayor in 1985, 1988, 1990 and 1992.



About Glenn Heights

POPULATION

Tracing back to the 1970 census, there were only 257 citizens living in the City of Glenn Heights. A decade later in 1980 the number increased to 1,033 and once again doubled to 4,563 by 1990. Lying in the path of suburban sprawl, Glenn Heights' population had surpassed 7,000 by 2000. Despite its rapid rate of growth, more than 50 percent of city land remains undeveloped.

As of 2010, Glenn Heights had a population of 11,278. The median age was 29.4. The racial and ethnic composition of the population was 25.2% non-Hispanic white, 49.6% non-Hispanic black, 0.6% Native American, 0.6% Asian, 0.1% non-Hispanic some other race, 2.7% from two or more races, and 22.2% Hispanic or Latino. The racial makeup of the city was 66.65% White, 25.12% African American, 0.78% Native American, 0.39% Asian, 0.11% Pacific Islander, 5.08% from other races, and 1.87% from two or more races. Hispanic or Latino of any race were 15.74% of the population.

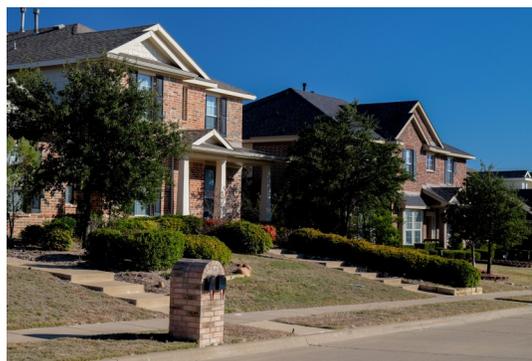


INCOME

The median income for a household in the City of Glenn Heights is \$51,076; median income for a family was \$53,548. Males had a median income of \$34,411 compared to \$29,395 for females. Per capita income for the city is \$18,693. (Data per 2010 U.S. Census.)

PERSONS PER HOUSEHOLD

There are 2,356 households in the city of which 53.3% represents children under the age of 18.



EDUCATION



The City of Glenn Heights' school system is divided into two parts, the Dallas County portion is served by the Desoto Independent School District, zoned to either Frank D. Moates Elementary School (west of Uhl Rd.) or Woodridge Elementary School (east of Uhl Rd.), McCowan Middle School, and DeSoto High School, and the Ellis County portion is served by Red Oak Independent School District, zoned to Donald T. Shields Elementary School, Red Oak Intermediate School, Red Oak Junior High School, and Red Oak High School.

TRANSPORTATION

Since 1983, Glenn Heights has been a member of the Dallas Area Rapid Transit (DART). The City is not currently included on any rail lines of the DART system and no bus routes are currently operational at this time. Instead, the City is served under DART's Park & Ride Center with On Call service provided.

DART's operations are funded by a 1% local options sales tax. Revenues from local sales tax are remitted by the State of Texas directly to DART and are not directed to the City. The City's sales tax allocation is also 1% and is used for General Fund expenditures.



Overview



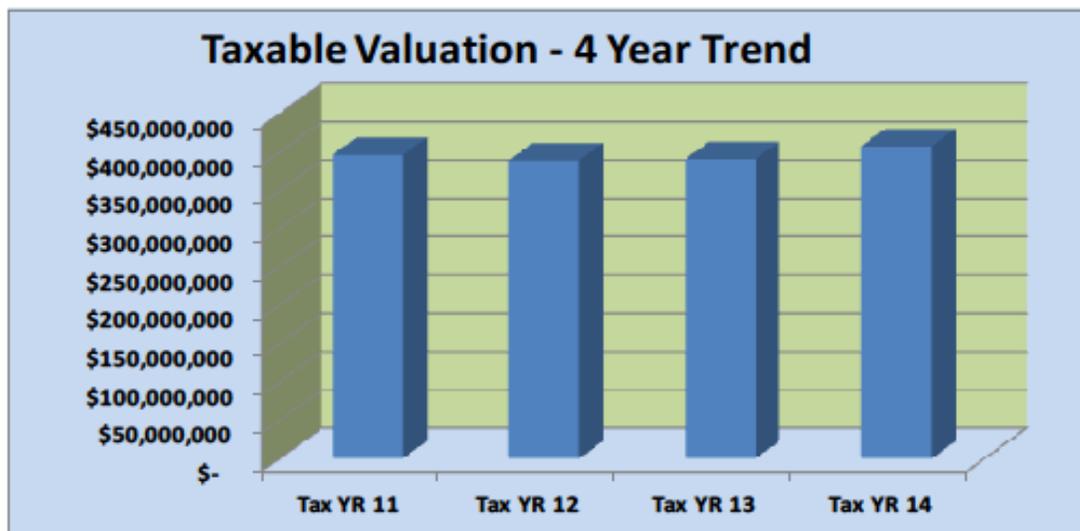
Budget Message

Honorable Mayor and Council Members,

The City of Glenn Heights staff is proud to present the Fiscal Year 2015 Adopted Budget. The City of Glenn Heights continues to move a positive direction thanks to our dedicated staff, clear vision from City Council, and economic development opportunities.

The total combined budget is \$11,258,964 and includes all major funds: General, Debt service, Special Revenue, Capital Projects, and Utility funds.

The adopted property tax rate is \$.795 and is comprised of the Maintenance and Operations (M&O) rate (\$.68369) and the Interest and Sinking rate (\$.11131). The City was able, once again, to maintain the same tax rate as the previous year and managed to include several significant items in the budget. This was primarily due to the increase in property values (4.39% - illustration below) and a steady increase in sales tax revenue.



Some of the significant items included in this budget are summarized by category below.

Capital Projects:

- HWY 664 Utility Relocation
- Construction of a new basketball court at Heritage Park
- Installation of a drinking fountain at Gateway Park
- Construction of new pavilion at Gateway Park
- Reconstruction of the bridge at Heritage Park
- Removal of the old water tower
- Pavement patching at E. Bear Creek Rd. and Hampton Rd.

Budget Message

Community Engagement

- New city website
- Addition of several new community events
- Creation of a Community Emergency Response Team (CERT)

Vehicle & Equipment Purchases:

- Dump truck (originally budgeted in FY2014)
- Three utility trucks (originally budgeted in FY2014)
- One police vehicle
- Water meter replacement program

Technology:

- Fire house software upgrades
- Five full in-car video camera systems
- Emergency Notification System

Personnel Related:

- 2% Cost of Living Adjustment
- One-time retention payment of \$750/fulltime employee
- Increase to part-time firefighter pay
- Addition of two part-time interns
- Creation of a part-time litter crew
- Addition of a part-time Bailiff/Warrant Officer

Additionally, the City was able to avoid increasing water and sewer rates, despite significant increases in fees paid to the Trinity Water Authority.

During Fiscal Year 2015 the management team is encouraged by new economic development opportunities that include the finish out of existing neighborhoods and the construction of our first grocer at the corner of Hampton Rd. and HWY 664. These opportunities coupled with the City's strong reserve position allow management and Council to explore ways to construct new City facilities in the near future.

I would like to thank the City staff for all their efforts in compiling this document and am grateful and proud to serve the citizens of the City of Glenn Heights and the City Council.

Respectfully Submitted,



Trudy J. Lewis
City Manager

Reader's Guide

The Reader's Guide provides an overview of the City of Glenn Heights budget process and budget documents. The City of Glenn Heights has prepared a budget designed to meet the highest standards of performance in municipal budgeting. This document provides a summary of all budgeted funds, including both revenue and expenditure summaries. Major budget documents, the budget process, and the organization of the budget itself are described below.

MAJOR BUDGET DOCUMENTS

The City of Glenn Heights' budget process includes the production of three key documents. It is important to understand the timing and purpose of these documents in order to fully understand the process itself.

1. The Manager's Message

The Manager's Message is submitted to City Council as part of the adopted budget. This report summarizes and identifies key issues with regard to revenues and expenditures for the coming year.

2. The Proposed Budget

Pursuant to the City Charter, the proposed budget must be submitted to City Council prior to August 1st. This document represents a balanced version of departmental budget requests versus projected revenues. The proposed budget is a product of policy as expressed by the City Council and is prepared by the City Manager and the Management Team, which is comprised of the Assistant City Manager and department directors. (Any mathematical differences are due to rounding.)

3. The Adopted Budget

The adopted budget represents a modified version of the proposed budget after public hearings and City Council review in August/September. Any changes deemed necessary by the City Council to funding levels or revenue projections are reflected in the adopted budget. Revisions may also be made to reflect any updates to budget information.

THE BUDGET PROCESS

The City of Glenn Heights uses a program-based budgeting process. Each budgeting unit or division is given a target or "baseline" funding level based upon the previous year's funding level. With a few exceptions, no fixed assets, wage and benefits increases, or one-time packages are included in baseline funding. Any funding request that represents new expenditures and programs, or that is in excess of baseline funding, must be submitted as a separate request or "package." These packages may be either a new or restoration request for resources, depending upon the budgeting unit's funding target.

Reader's Guide

1. Revenue Projection

The budget revenue projections for the new fiscal year begin early in the current fiscal year. The projections are made by the departments responsible for the revenues with help from the Finance Department. Projections are based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff members. Although revenue projections are prepared early in the budget process, the budget revenue analysis continues with departmental budget development and extends until the budget is adopted based upon any new information.

2. Proposed Budget Analysis/Compilation

The Finance Department reviews and compiles a preliminary draft of departmental budgets to present to the Management Team, which is comprised of the City Manager, Assistant City Manager, and department directors. During Management Team discussions, each department director answers questions from the entire group concerning their budget.

Given revenue projections and baseline funding requirements, budget funding changes are made according to necessity and priority. A total recommended funding level is determined and weighed against available resources.

3. Proposed Budget Development

The City Manager, before August 1st, shall prepare and submit to the City Council the annual budget covering the next fiscal year. The City Manager's proposed budget should assume, for each fund, operating revenues and resources that are equal to, or exceed, operating expenditures. The City Manager's budget message summarizes funding requirements, major changes in programs, and alternatives for funding.

4. City Council Budget Study

A budget work session is held with the City Council to review and discuss the proposed budget. Discussions and study may follow at subsequent work sessions up until budget adoption.

Reader's Guide

5. Public Hearing/Budget Adoption

A public hearing on the proposed budget and two public hearings on the tax rate (if required by Truth in Taxation laws) are held in August and September prior to final budget consideration. At the public hearings, citizens may make formal comments concerning the proposed budget. The public also has the opportunity to attend City Council budget work sessions in August and September.

6. Compilation of Adopted Budget/Budget Maintenance

The adopted budget is compiled and published during the first months of the new fiscal year. The adopted budget in the form of an amended proposed budget is available for public inspection in October. Ledger accounts are prepared for the new fiscal year prior to October 1.

Budget maintenance is a year-round activity of divisions/departments and Budget Office staff. Other spending control mechanisms include monthly review of expenditures by the Finance Department. During the budget process departments make revenue and expenditure estimates for the current year with the assistance of the Budget Team.

Finally, program goals, objectives, and measures are evaluated during budget implementation to determine the effectiveness of program activities and levels of appropriate funding for subsequent years.

FINANCIAL STRUCTURE

The financial structure of the budget is organized by funds. A fund is generally defined as a fiscal and accounting entity which has its own self-balancing set of accounts for recording cash and other financial resources, as well as any liabilities or residual equities or balances. Normally, funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Budget Schedule

DATE	EVENT	DEPARTMENT(S)	ACTION REQUIRED
Tuesday May 20	Council Workshop All	Departments	Directive from City Council on expectations of upcoming budget year
Tuesday June 10	Council Workshop	Finance Department City Manager's Office	1) FY 2015 Budget Calendar 2) FY 2014 Audited Beginning Balance and Year End Report 3) FY 2015 Strategic Plan 4) 2014 Appraisal District Preliminary Values Report
Tuesday June 17	FY 2015 Strategic Plan	City Council	1) FY 2015 Strategic Planning Session
Tuesday June 24	Council Workshop Debt Service Fund Utility Rates	City Manager's Office Finance Department	1) FY15 Department Work Plans 2) Water & Sewer Fund Revenue Projections, Utility Rates, and Franchise Fees 3) Capital Projects Fund
Tuesday July 1	Council Workshop City Council Budget Personnel & Employee Benefits	City Manager's Office HR Department	1) City Compensation Plan 2) TMRS Contributions 3) Employee Stipends
Tuesday July 15	Council Workshop FY 2015 Capital Expenditures FY 2015 Schedule of Indebtedness	City Manager's Office Finance Department	1) Capital Improvements Plan 2) Asset Replacement Policy
Tuesday July 29	Council Workshop FY 2014-2015 Proposed Budget Submission of 2014 Property Tax Rates	City Manager's Office Finance Department	1) Presentation of FY 2014-2015 City Manager's Proposed Budget 2) 2014 Effective & Rollback Tax Rates
Tuesday August 5	Council Workshop 2014 Tax Rates Finance Department 2014 Proposed Tax Rate		
Tuesday August 19	Council Workshop City Financial Policies	City Manager's Office Finance Department	Review and ratify/approve City's current Financial Policies
Tuesday September 2	City Council Workshop City Purchasing Policies Standard Operating Procedures (including credit and purchasing cards)	City Manager's Office Finance Department	Review and approve City's current Purchasing Policies
Tuesday September 16	FY 2014-2015 Budget 2014 Tax Rates		1) Adoption of FY 2014-2015 Budget 2) Adoption of 2014 M&O and I&S Tax Rates

Calendar dates are subject to change

Executive Summary



Consolidated Budget Summary

**CITY OF GLENN HEIGHTS
ADOPTED BUDGET
FY 2014-2015**

Fund	Total Projected Beginning Fund Balance	Revenues	Expenditures	Transfers In (Out)	Net Change in Fund Balance	Ending Fund Balance			Days Reserve
						Total Ending Fund Balance	Restricted	Unassigned Fund Balance	
General	\$ 2,339,685	\$ 4,591,547	\$ (5,234,207)	\$ 324,634	\$ (318,026)	\$ 2,021,659	\$ -	\$ 2,021,659	149
Debt Service	20,943	476,419	(458,419)	-	18,000	38,943	38,943	-	
Special Revenue Funds:									
Court Tech	70	5,000	(5,000)	-	-	70	70	-	
Court Security	17,718	4,500	(17,488)	-	(12,988)	4,730	4,730	-	
911 Fees	252,948	75,200	-	(33,000)	42,200	295,148	295,148	-	
Grants	-	-	(5,375)	5,375	-	-	-	-	
Capital Project Funds:									
Park Fees	195,895	-	(125,000)	-	(125,000)	70,895	70,895	-	
Street Impact	257,282	-	-	-	-	257,282	257,282	-	
Water/Sewer Impact	363,011	-	(195,360)	-	(195,360)	167,651	167,651	-	
2006 CO Bonds	120,004	-	(119,952)	-	(119,952)	52	52	-	
2008 CO Bonds	514,588	-	(417,048)	-	(417,048)	97,540	97,540	-	
Vehicle Replacement	100,000	-	-	-	-	100,000	100,000	-	
Proprietary Funds:									
Water and Sewer	3,052,675	4,664,500	(4,470,078)	(469,515)	(275,093)	2,777,582	33,074	2,744,508	200
Drainage	248,572	241,275	(211,037)	(12,500)	17,738	266,310	-	266,310	461
Total Funds	\$ 7,483,391	\$ 10,058,441	\$ (11,258,964)	\$ (185,006)	\$ (1,385,529)	\$ 6,097,862	\$ 1,065,385	\$ 5,032,477	

ADOPTED BUDGET

INCLUDES:

Property tax rate of \$0.795000 (no change from previous year)

No increase in water or sewer rates

Equipment replacement policy partially funded

TMRS 1:1 matching - City contribution of \$108,184

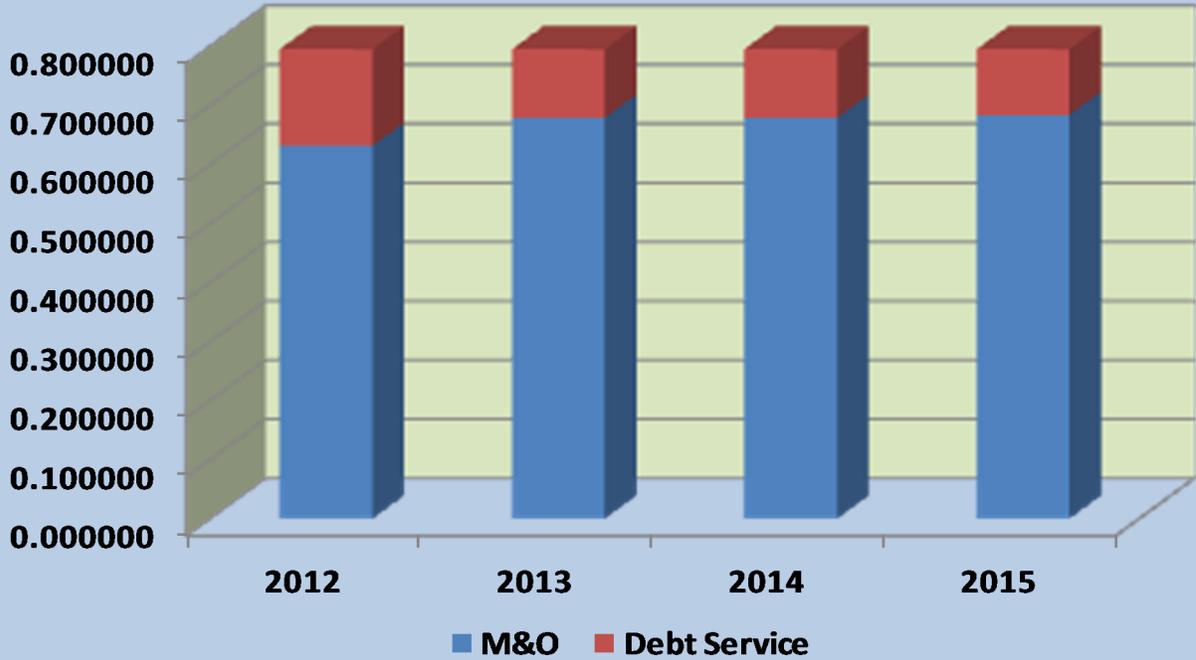
One-time incentive pay of \$38,250

\$279,134 transfer from Water and Sewer Fund to General Fund for reimbursement of costs.

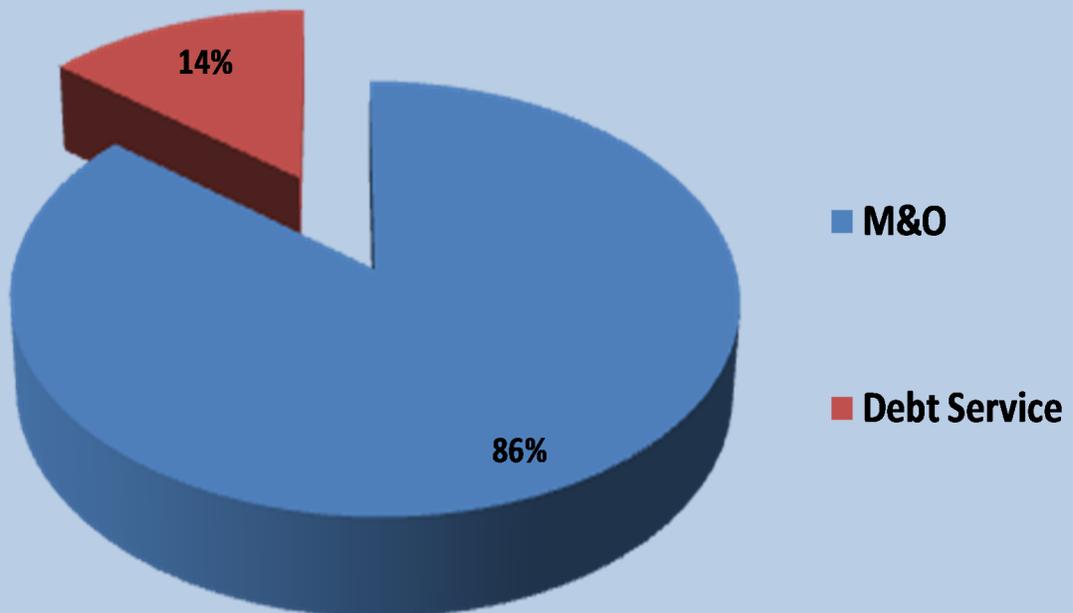
Carried over amount for vehicle purchases originally budgeted in FY14 but delivery of items will occur in FY15 = \$162,969

Statistical Analysis

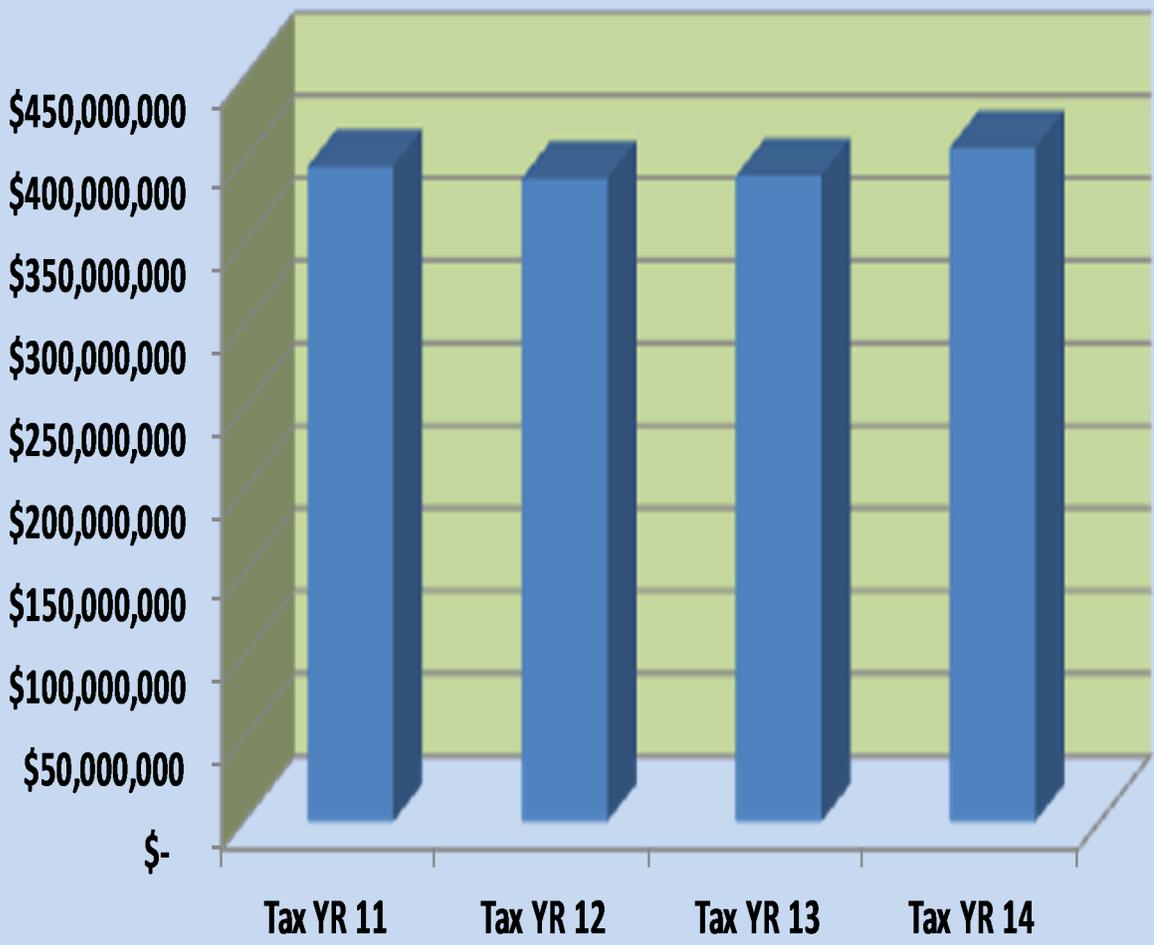
Tax Rate Comparison by Fiscal Year



FY15 Tax Rate Proportion



Taxable Valuation - 4 Year Trend



Strategic Goals



Strategic Goals

Strategic Goal #1: *Neighborhood Vitality*

Develop, maintain and encourage safe, attractive, viable family oriented neighborhoods that embrace diversity and pride.

- Objective 1: Establish City service levels and provide those levels of service to ensure continued viability of neighborhoods.
- Objective 2: Develop and implement proactive neighborhood strategies to improve neighborhoods in decline or on the verge of decline.
- Objective 3: Utilize code ordinances to insure maintenance of all housing units and prevent blight and deterioration.
- Objective 4: Assure the availability of affordable, decent, safe, and sanitary housing in a suitable living environment for all citizens.
- Objective 5: Foster a sense of community and pride through traditions, programs and places for public gathering.
- Objective 6: Support and link Glenn Heights Home Owner Associations to city government to assess community needs, determine service needs and levels, and link them to city government.

Strategic Goal #2: *Public Safety and Emergency Preparedness*

Maintain a healthy and safe community through prevention, emergency response and enforcement efforts.

- Objective 1: Provide quality police, fire and public works services with the highest professional standards.
- Objective 2: Prevent an increase in incidents per capita of major crimes through prevention, safe operations, enforcement and crime solving efforts and adequate staffing levels.
- Objective 3: Reduce injuries, fatalities and property damage resulting from fires, accidents and substance abuse, and the recognition of mental health issues, through education and intervention strategies.
- Objective 4: Provide a responsive emergency management system to protect lives and property in the event of a large-scale emergency or disaster, addressing coordinating preparation, response, mitigation, and recovery from disaster.
- Objective 5: Maintain and enforce City codes needed to protect our community and citizen safety.
- Objective 6: Ensure safe design and construction through quality planning and building safety services.
- Objective 7: Encourage a social service network to protect children and vulnerable adults.
- Objective 8: Maintain effective animal control provisions.
- Objective 9: Provide a fair and effective Municipal Court system to ensure due process.

Strategic Goal #3 *Economic Development*

Achieve development that maintains or improves the city's fiscal viability and reflects economic demands while maintaining and improving the quality of life for current and future residents.

- Objective 1: Assist in the creation of a favorable environment conducive to fostering commercial and retail development.
- Objective 2: Develop and implement a marketing strategy to promote the community and encourage quality development.
- Objective 3: Help facilitate and foster involvement with Neighboring Communities, Regional, County, State, Federal and other jurisdictional stakeholders and agencies.

Strategic Goal #6 *Customer Service, Communication and Involvement*

Ensure that local government is open, accessible, responsive, respectful to all the citizens it serves and realizes the talents and positive contributions of citizens.

- Objective 1: Preserve the trust and confidence in City Staff by delivering on our promises and by being accountable for our performance.
- Objective 2: Provide quality customer services and facilities with a positive customer service perspective.
- Objective 3: Develop continuous processes and activities to engage citizens to develop a shared sense of community and help achieve City's vision.

Strategic Goals

- Objective 4: Provide communication tools/vehicles by which citizens can learn about city services and programs, current, future and changing operations.
- Objective 5: Develop and maintain a City policy to ensure that disabled individuals have access to city programs, services, and facilities.
- Objective 6: Maintain city vehicles and equipment in efficient and effective working conditions to maintain or enhance service levels and response times.

Strategic Goal #7 *Fiscal Accountability and Integrity*

Establish a sound financial foundation based on expenditure controls that ensure the economic provision of services and reliable revenue sufficient to pay for city services.

- Objective 1: Maintain effective revenue collection, disbursements, monitoring, and forecasting processes and develop competent financial strategies to achieve the City's short and long-term goals.
- Objective 2: Ensure City services are provided in the most cost efficient and effective manner possible which yields positive service delivery.
- Objective 3: Ensure effective risk management procedures are established to protect the City's employees, liability and property.
- Objective 4: Ensure development of fiscal year budget in accordance with Charter requirements and within reserve requirements.
- Objective 5: Develop and implement a comprehensive cash management program to maximize cash availability and optimum yield on short term investment of pooled cash.
- Objective 6: Plan for multiyear cyclical expenditures which are replaced only periodically.
- Objective 7: Provide professional financial oversight.
- Objective 8: Ensure the development of the Five-Year Capital Improvements Program.
- Objective 9: Ensure City fleet and equipment needs are met and account for fixed assets.
- Objective 10: Effectively manage bond propositions and issuances.

Strategic Goal #8 *Technology*

Maintain and continually improve technology to support the delivery of services and provide information and achieve organizational effectiveness.

- Objective 1: Improve critical technological systems to safeguard our community and assets.
- Objective 2: Increase use of new technologies, innovative information systems and staff proficiency training to improve the effectiveness and efficiency of City operations.
- Objective 3: Develop and implement a comprehensive, informative Web-based system that is continuously updated to better serve the city.

Strategic Goal #4 *Infrastructure Sustainability*

Assure the long-term adequacy of the city's infrastructure, facilities, and transportation network in a safe and reliable manner.

- Objective 1: Increase the effectiveness of our infrastructure operation and maintenance programs to improve service delivery and support orderly growth.
- Objective 2: Assess all current and future city facilities needs.
- Objective 3: Identify and implement multi-year financial solutions for funding new construction and infrastructure replacement.
- Objective 4: Maintain effective means of public input into the infrastructure planning and prioritization process.
- Objective 5: Ensure the current and future water supply needs of the city can be met.
- Objective 6: Proactive compliance with water and wastewater infrastructure rules and regulatory directives with all regulatory entities.
- Objective 7: Develop a regular reporting system on the management of the city's infrastructure systems.
- Objective 8: Improve the city's internal traffic and transportation mobility system while minimizing noise, congestion, and air pollution and integrate it into the regional system as it evolves.
- Objective 9: Maintain a Flood Plain Management Program.

Strategic Goal #5 *City Council and Staff Accountability*

Maintain and continually improve organizational effectiveness.

- Objective 1: Council members and staff shall comply with duties and responsibilities and governance procedures as defined in the City of Glenn Heights Charter.

Strategic Goals

- Objective 2: Establish and maintain an effective working relationship between the City Council, City Manager and City Staff which is committed to providing high customer service and working together to meet the ever-changing needs of the City.
- Objective 3: Develop and implement a Five-Year Strategic Plan for the City of Glenn Heights which prioritizes goals and specifically address the major issues or challenges confronting the City in the next five years.
- Objective 4: Develop and implement the Comprehensive Plan adopted by Council, which guides the physical growth and development of the City; details objectives, policies and strategies as related to land use, neighborhoods, transportation, community infrastructure and services, the natural environment, and community character and appearance.
- Objective 5: Identify areas to improve service delivery through inter-departmental coordination and seeking alternative methods of service delivery through internal collaborative efforts.
- Objective 6: Preserve the trust and confidence in City Staff by delivering on our promises and by being accountable for our performance.
- Objective 7: Establish and maintain effective relationships with other neighboring jurisdictions, governmental entities, quasi-governmental agencies and officials to promote and advocate for the interests of the City of Glenn Heights.
- Objective 8: Establish and maintain an effective Records Management system for all city records and documents.
- Objective 9: Conduct effective City Elections with high integrity.
- Objective 10: Establish Legislative Priorities for the City that promotes goals attainment
- Implementation Strategies.
- Objective 11: Ensure the effective establishment and operations of city appointed
- Boards and Commissions.

Strategic Goal #9 Education Advocacy

Foster a positive and supportive relationship with two School Districts (Desoto and Red Oak) within the City and area institutions of higher learning.

- Objective 1: City Council and city staff leadership will increase involvement with local school districts and neighboring colleges and universities to promote cooperation and synergies that will benefit community and a skilled future workforce.
- Objective 2: Build lasting alliances with schools, businesses and community organizations to support common educational challenges and opportunities in Glenn Heights.

Strategic Goal #10 Recreation, Arts and Culture

Maintain and develop parks, cultivate open space, and be a catalyst for recreational, artistic, and cultural facilities and activities to serve residents and to attract visitors

- Objective 1: Preserve and enhance the natural, cultural and recreational resources of our City.
- Objective 2: Leverage public resources to support and enhance cultural, artistic, and recreational facilities and programs.
- Objectives 3: Increase community access and participation in the arts, cultural and recreational services and programs offered in the city and surrounding communities.
- Objective 4: Periodically assess the community's needs for parks, recreation facilities, cultural and arts activities; adjust plans and strategies as necessary to achieve new objectives.
- Objective 5: Protect and preserve open space and parklands.

Strategic Goal #11 Environmental, Health and Human Services

Support and participate in partnerships to respond to the environmental, health and human service needs of the citizens and employees of Glenn Heights.

- Objective 1: Reduce environmental risks relating to air, water, noise and other hazardous materials in the City.
- Objective 2: Improve the health of our City through collaboration with area health and social service agencies to access community needs, develop and implement coordinated community strategies.

General Fund

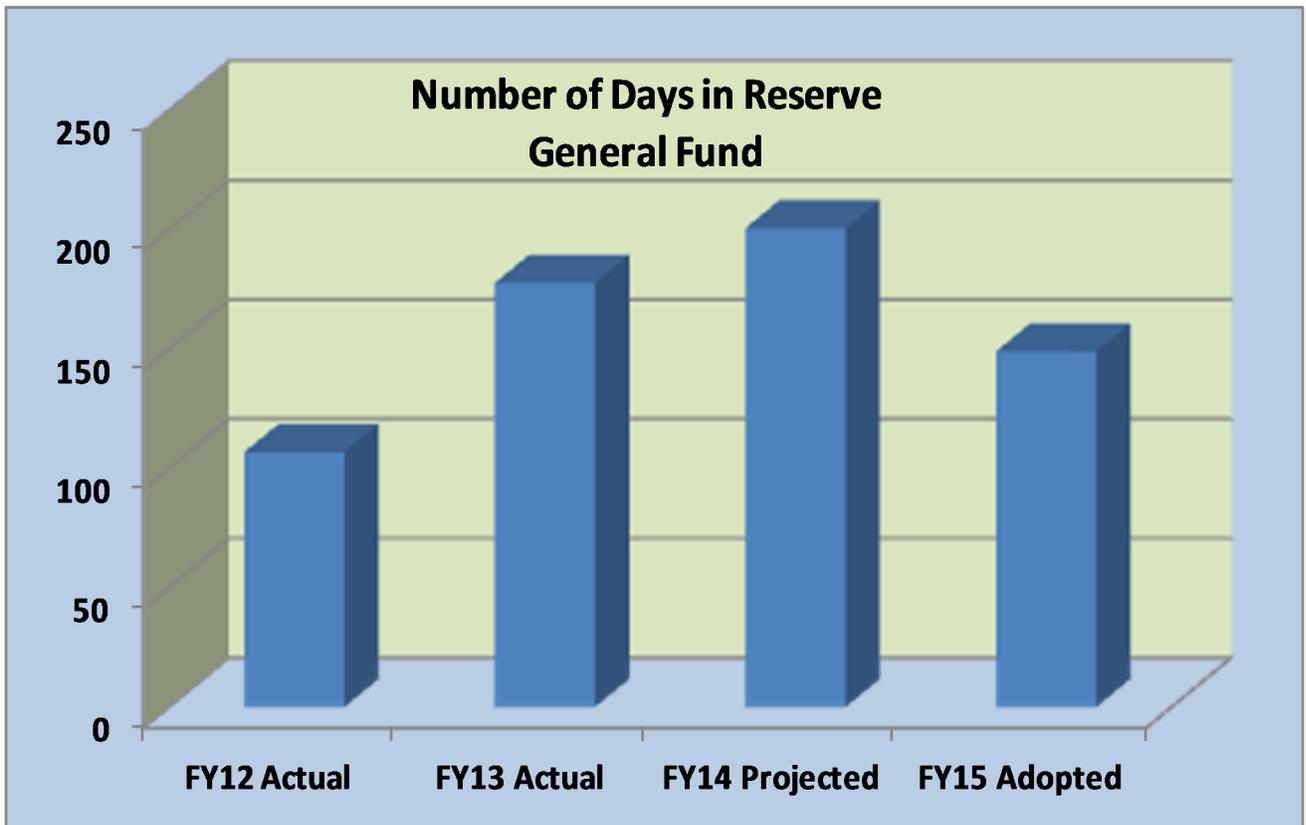
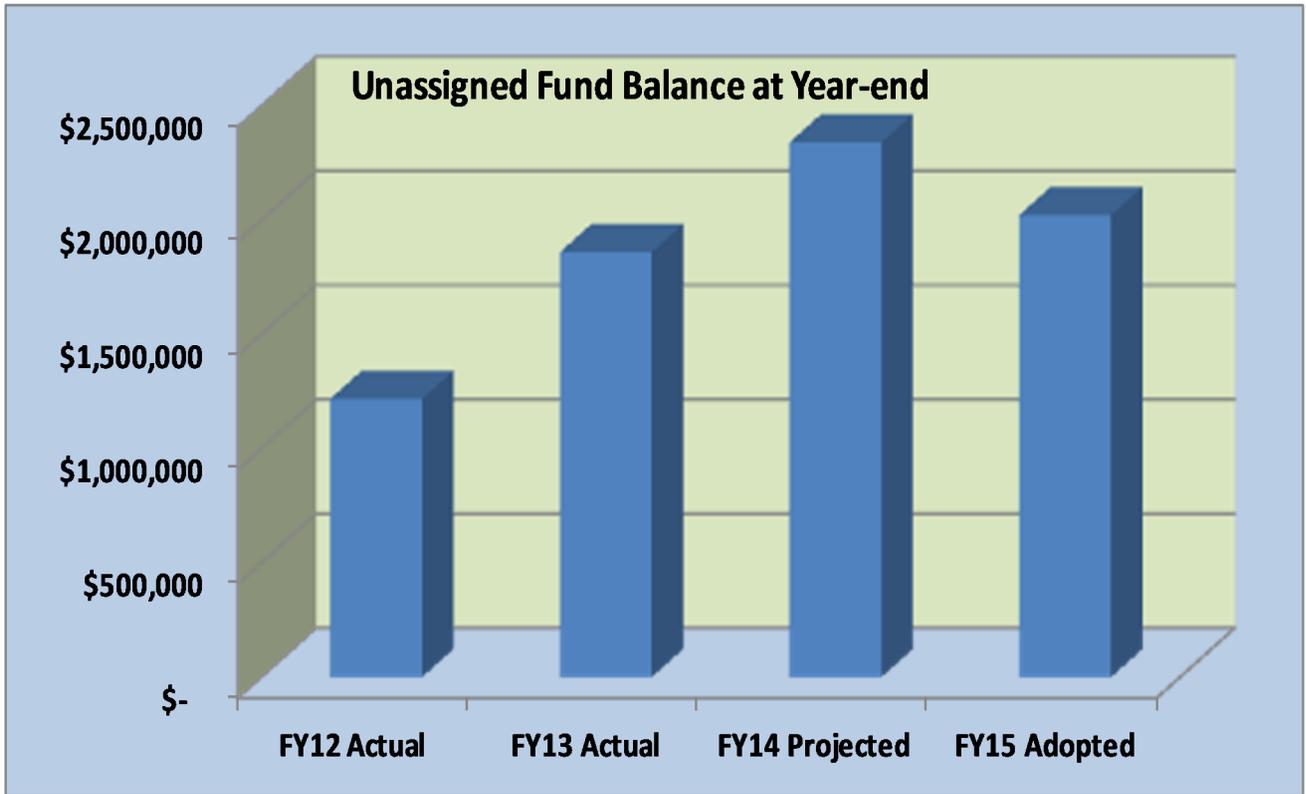


General Fund Summary

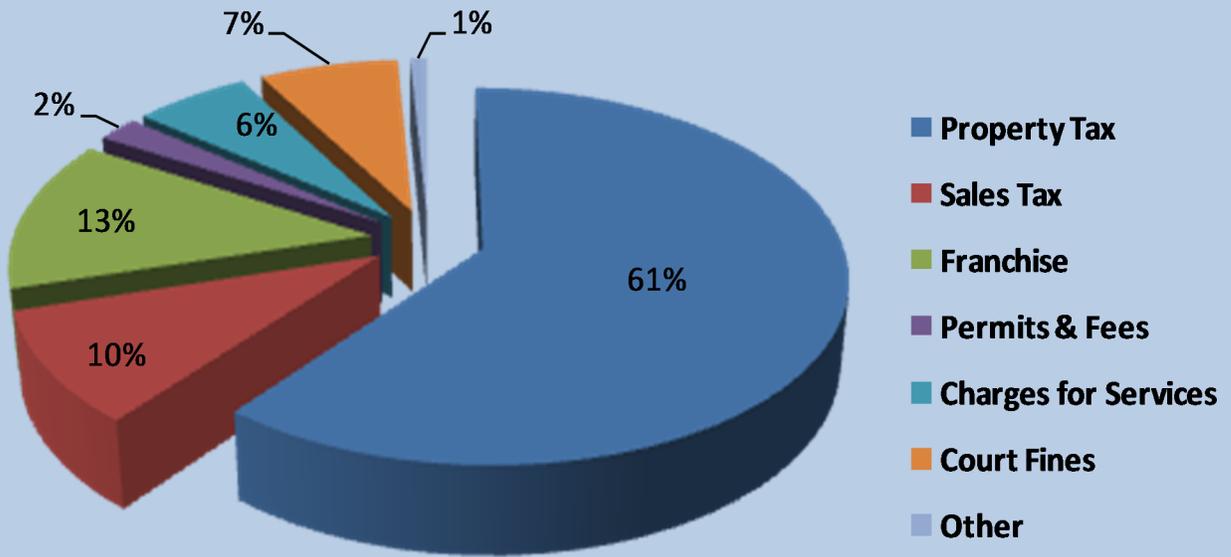
	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
Total Ad Valorem Tax Rate	0.795000	0.795000	0.795000		0.795000
Less: I&S Tax Rate	0.163600	0.115935	0.116086		0.111310
M&O Tax Rate/\$100 Valuation	0.631400	0.679065	0.678914		0.683690
Taxable Valuation	\$ 396,680,143	\$ 389,507,832	\$ 390,879,178		\$ 408,046,433
	-0.58%	-1.81%	0.35%		4.39%
REVENUES					
Ad Valorem Taxes	\$ 2,533,109	\$ 2,666,023	\$ 2,604,047	\$ 2,676,830	\$ 2,788,550
Sales Taxes	373,892	407,931	432,000	451,193	445,000
Franchise Fees	371,361	352,560	606,950	623,474	606,275
Permits & Fees	105,491	113,378	98,750	119,452	100,150
Charge for Services	141,476	372,142	259,122	314,213	278,122
Recreation	6,020	8,990	5,050	9,323	8,750
Contributions	1,930	-	800	10,695	350
Court Fines	370,905	284,719	309,000	214,804	334,000
Interest	7,179	11,898	5,000	16,825	10,000
Miscellaneous	23,406	42,730	13,000	19,535	20,350
TOTAL REVENUES	3,934,769	4,260,371	4,333,719	4,456,344	4,591,547
EXPENDITURES					
09-City Council	73,417	10,921	31,220	16,387	30,016
10-Administration	286,177	247,623	278,359	241,714	373,559
11-City Manager's Office	201,384	119,436	305,535	222,133	305,663
12-City Secretary	158,368	138,113	151,133	123,225	152,596
13-Human Resources	92,299	69,668	126,725	89,173	123,201
20-Finance	224,047	176,873	167,403	178,207	159,727
21-Municipal Court	174,498	132,045	131,376	129,293	137,418
30-Fire	744,596	828,465	1,126,572	1,071,978	1,113,562
32-Police	1,792,449	1,653,926	2,014,066	1,874,858	2,134,367
40-Streets	218,433	208,223	236,507	219,394	306,303
52-Economic Development	105,897	100,376	-	-	-
53-Planning	275,459	144,758	165,717	144,127	161,656
60-Parks & Recreation	182,394	175,225	198,379	161,724	236,139
TOTAL EXPENDITURES	4,529,418	4,005,652	4,932,992	4,472,213	5,234,207
REVENUES OVER (UNDER) EXPENDITURES	\$ (594,649)	\$ 254,719	\$ (599,273)	\$ (15,869)	\$ (642,660)

General Fund Summary Continued

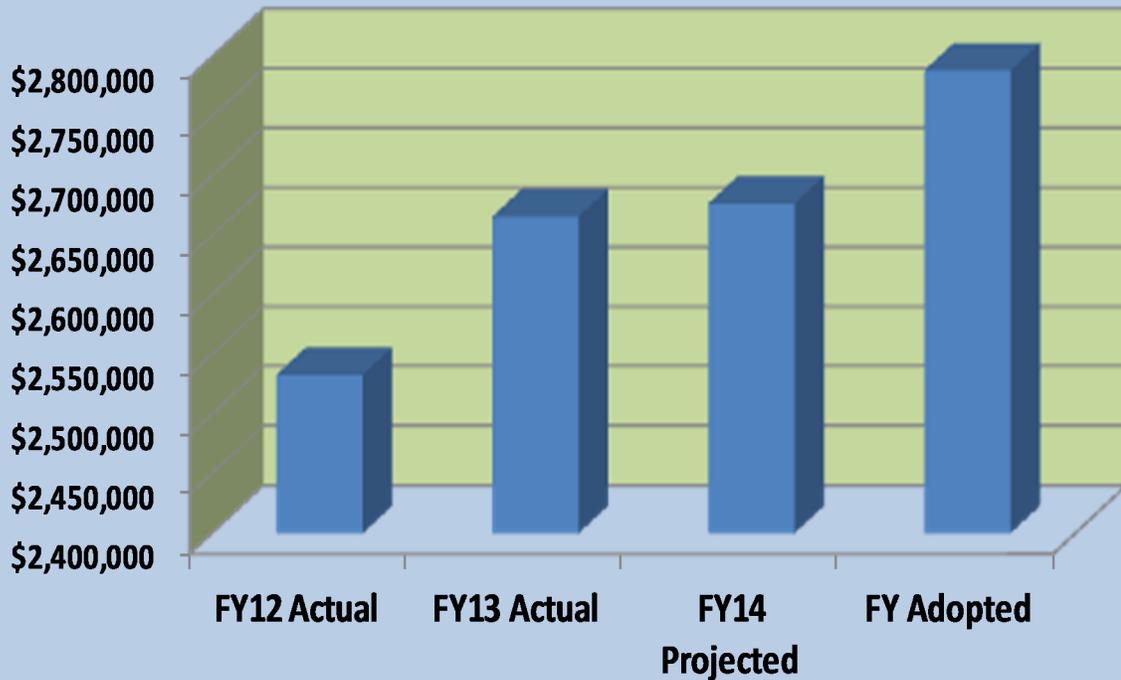
REVENUES OVER (UNDER) EXPENDITURES	\$ (594,649)	\$ 254,719	\$ (599,273)	\$ (15,869)	\$ (642,660)
(Brought Forward)					
OTHER FINANCING SOURCES (USES)					
00-Lease Purchase Proceeds	175,592	-	-	-	-
00-Lease Expenditures	(175,592)	-	-	-	-
00-Transfers In (Out):					
W/S Capital Financing	100,000	100,000	82,000	82,000	-
G&A Reimbursement from Utility Funds	364,945	185,593	261,719	214,532	279,134
Repayment for W/S Debt from Property Taxes	195,950	277,100	-	-	-
Operating (includes in lieu of franchise fees)	31,518	34,008	36,896	(93,244)	45,500
TOTAL OTHER FINANCING SOURCES (USES)	692,413	596,701	380,615	203,288	324,634
NET CHANGE IN FUND BALANCE	97,764	851,420	(218,658)	187,419	(318,026)
FUND BALANCE RESERVES - INTENDED USE	-	-	193,000	293,000	
ANTICIPATED CHANGE IN FUND BALANCE	97,764	851,420	(25,658)	480,419	(318,026)
BEGINNING FUND BALANCE - OCTOBER 1	1,203,082	1,300,846	1,554,295	1,859,266	2,339,685
ENDING FUND BALANCE - SEPTEMBER 30	1,300,846	2,152,266	1,528,637	2,339,685	2,021,659
City commitment for SAFER firefighter positions	(83,000)	(166,000)	-	-	-
City commitment for fire engine purchase	-	(100,000)	-	-	-
City reserve for one-time incentive pay	-	(27,000)	-	-	-
UNASSIGNED FUND BALANCE - SEPTEMBER 30	\$ 1,217,846	\$ 1,859,266	\$ 1,528,637	\$ 2,339,685	\$ 2,021,659
AVERAGE DAILY EXPENDITURES	11,410	10,466	12,798	11,665	13,576
NUMBER OF DAYS RESERVE	107	178	119	201	149

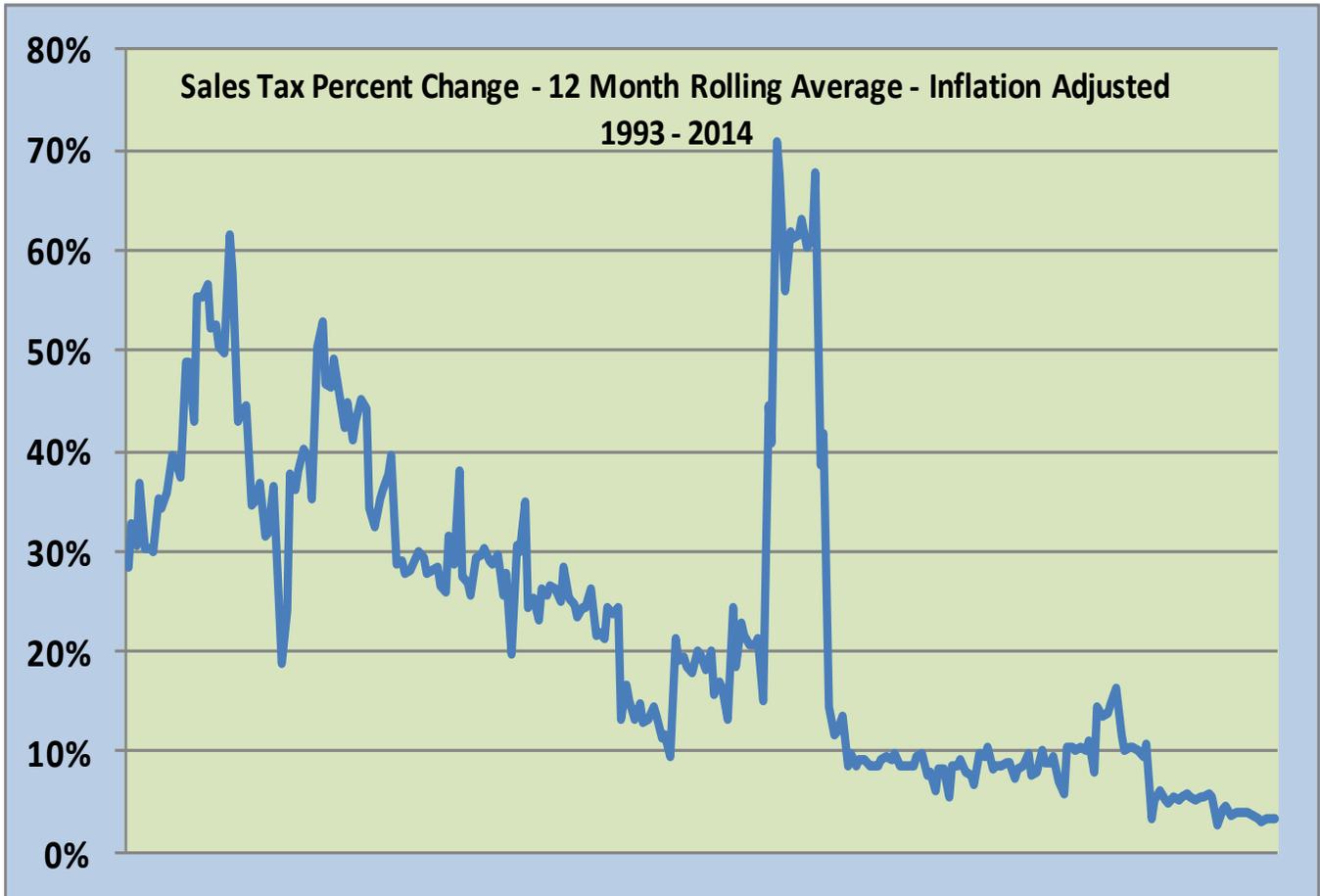


FY15 General Fund Revenues by Category



General Fund Property Tax Revenue - 4 Year Trend





SALES TAX REVENUE ANALYSIS

The City of Glenn Heights receives revenue monthly via a local option sales tax. The City's sales tax breakdown by taxing entity is illustrated below:

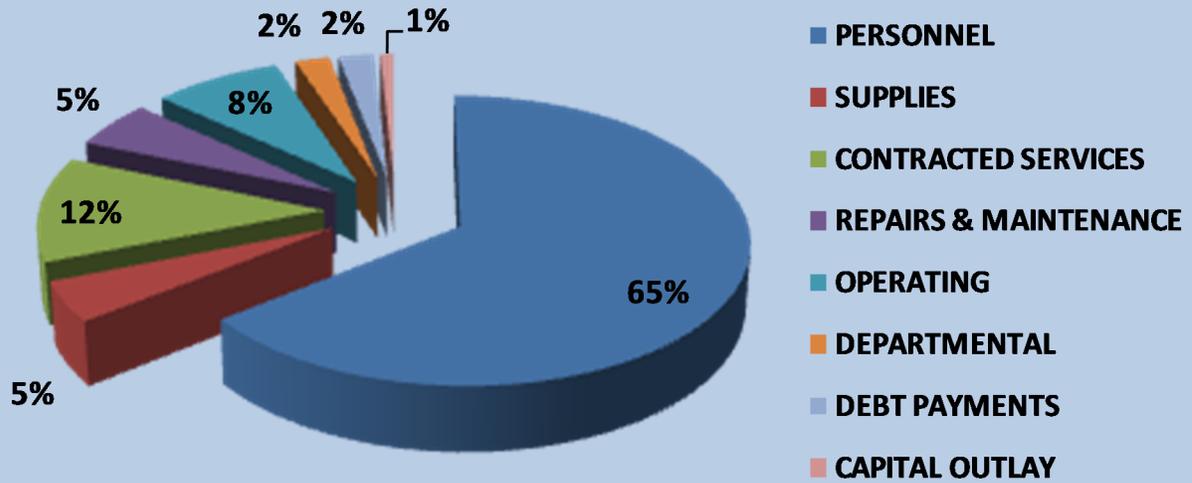
State Portion of Sales Tax = 6.25%
 City Option Sales Tax for General Fund purposes = 1.00%
 DART Local Option Sales Tax (Glenn Heights Member City) = 1.00%
TOTAL LOCAL SALES TAX = 8.25%
 Maximum allowable sales tax under state law = 8.25%

The graph above illustrates the monthly percent change in sales tax revenue (adjusted for inflation). The adjustment for inflation ensures that past revenues are converted into today's dollars. After the conversion, a percent change is calculated on a month to month basis. Finally, a 12 month rolling average is performed to smooth out the trend line for analysis.

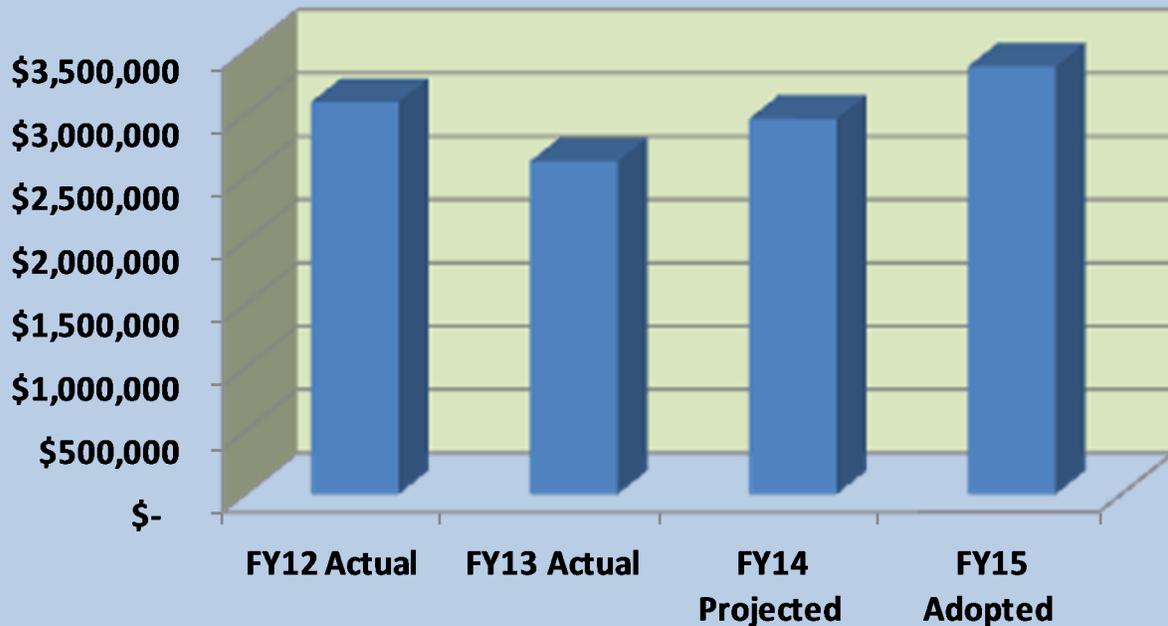
The data suggests that the City of Glenn Heights' sales tax revenue stream continues to grow, but that growth has slowly diminished over the last 8 years. While growth has diminished, it is still impressive that despite the economic downturn, Glenn Heights has continued to grow its sales tax revenue stream and never dipped into a negative growth during that time.

The City should continue to seek out every economic development opportunity to continue to

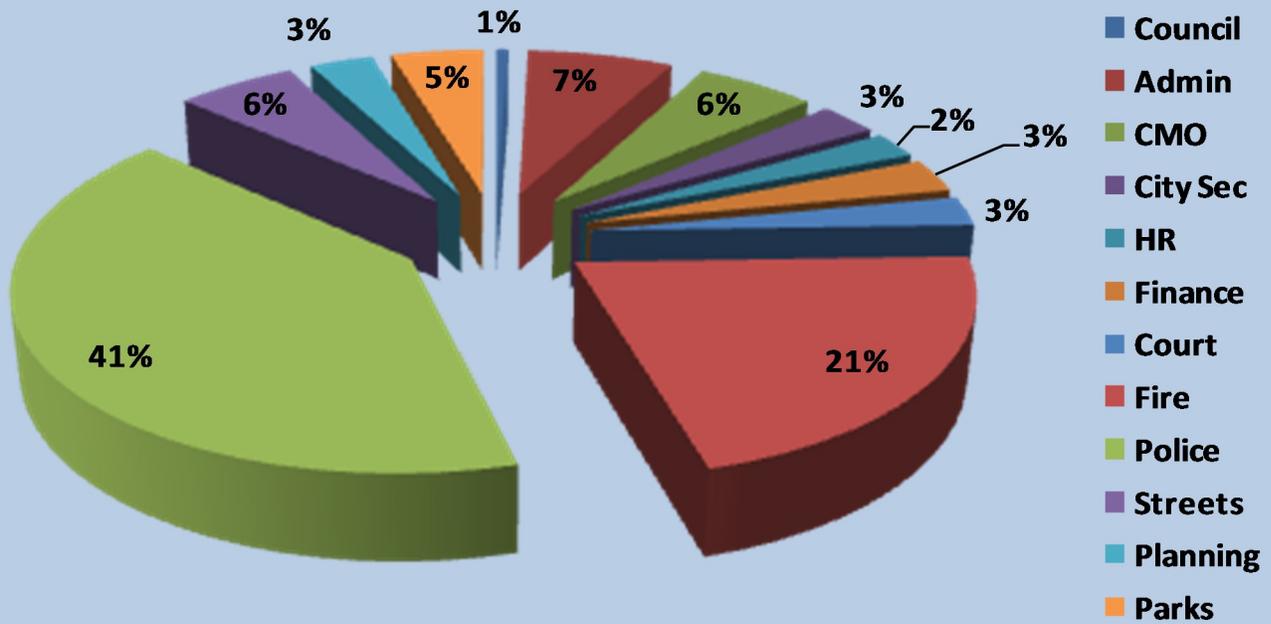
FY15 General Fund Expenditures by Category



Personnel - 4 Year Trend



FY15 General Fund Expenditures by Department



Program Budgets & Work Plans Summaries



CITY COUNCIL

The City Council is the elected policy-making body of the City of Glenn Heights. It represents the citizens of Glenn Heights by planning the strategic future direction of the city, enacting legislations, establishing policies and adopting the Annual City Managers Work Plan.



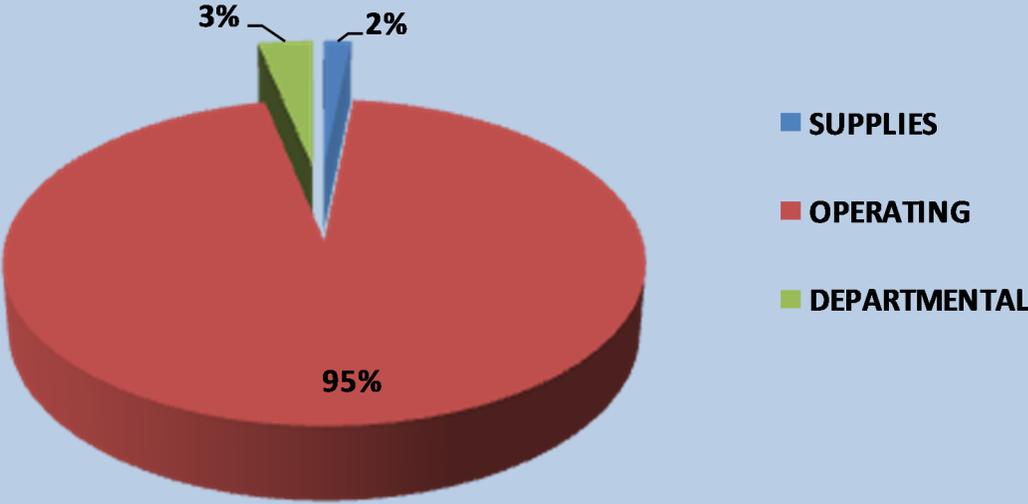
EXPENDITURE SUMMARY

CITY COUNCIL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 71	\$ 11	\$ 20	\$ -	\$ 16
SUPPLIES	1,923	294	800	417	500
CONTRACTED SERVICES	-	-	-	-	-
REPAIRS & MAINTENANCE	-	-	-	-	-
OPERATING	11,548	10,185	29,400	15,562	28,500
DEPARTMENTAL	59,875	431	1,000	408	1,000
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-
TOTAL CITY COUNCIL	\$ 73,417	\$ 10,921	\$ 31,220	\$ 16,387	\$ 30,016

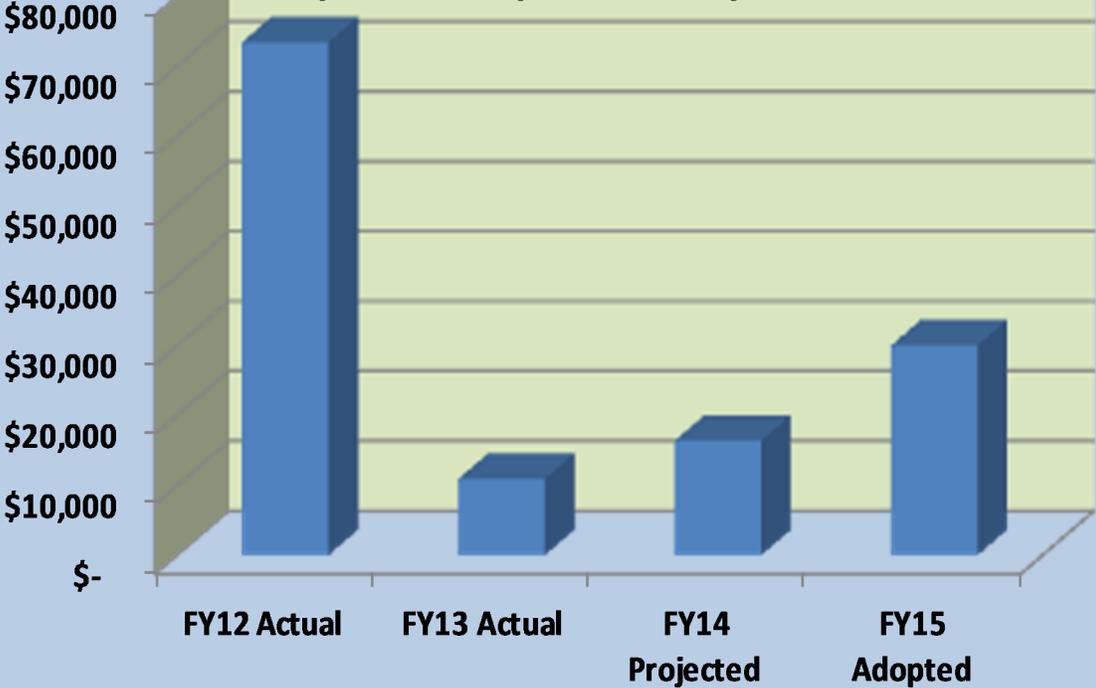
PERSONNEL SUMMARY

Full-time Positions	0	0	0	0	0
Part-time Positions	0	0	0	0	0
Total Positions	0	0	0	0	0

City Council Expenditures by Category



City Council Expenditures by Fiscal Year



ADMINISTRATION

The General Administrative program and activities provide effective and efficient support services which enable City Council and City Department to achieve their goals and objectives. It provides management of funds for miscellaneous items not falling within a single department activity or which can be handled most efficiently in aggregate such as legal services, professional services, city-wide membership, city newsletters, technology support and general liability insurance.

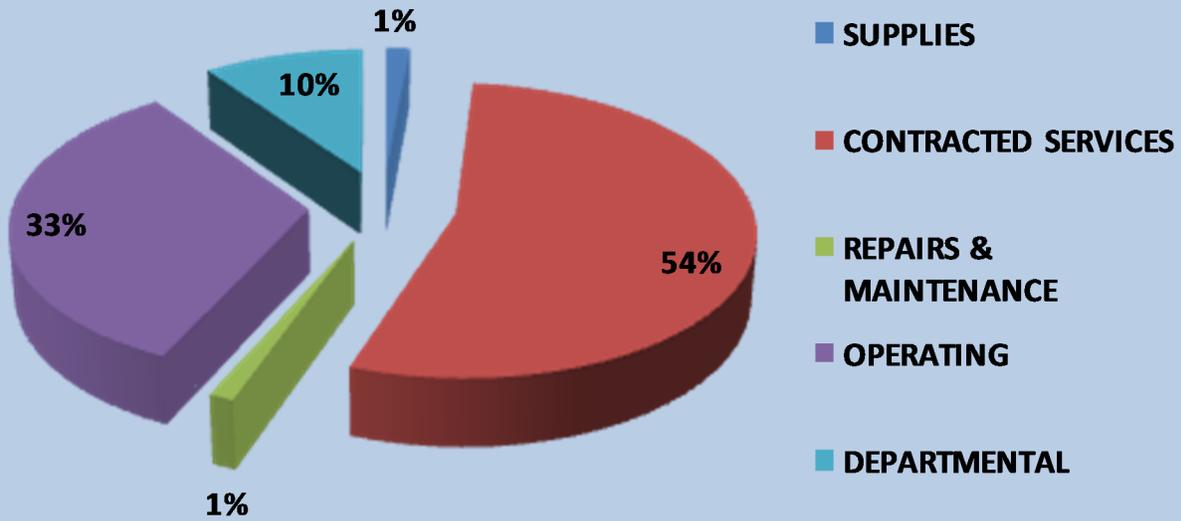
EXPENDITURE SUMMARY

ADMINISTRATION	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ -	\$ -	\$ -	\$ -	\$ -
SUPPLIES	4,895	3,869	4,450	3,708	5,500
CONTRACTED SERVICES	156,608	127,363	136,009	117,334	202,149
REPAIRS & MAINTENANCE	5,261	3,231	4,500	4,541	4,500
OPERATING	110,269	105,599	110,100	111,091	124,290
DEPARTMENTAL	9,144	7,561	23,300	5,040	37,120
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-
TOTAL ADMINISTRATION	\$ 286,177	\$ 247,623	\$ 278,359	\$ 241,714	\$ 373,559

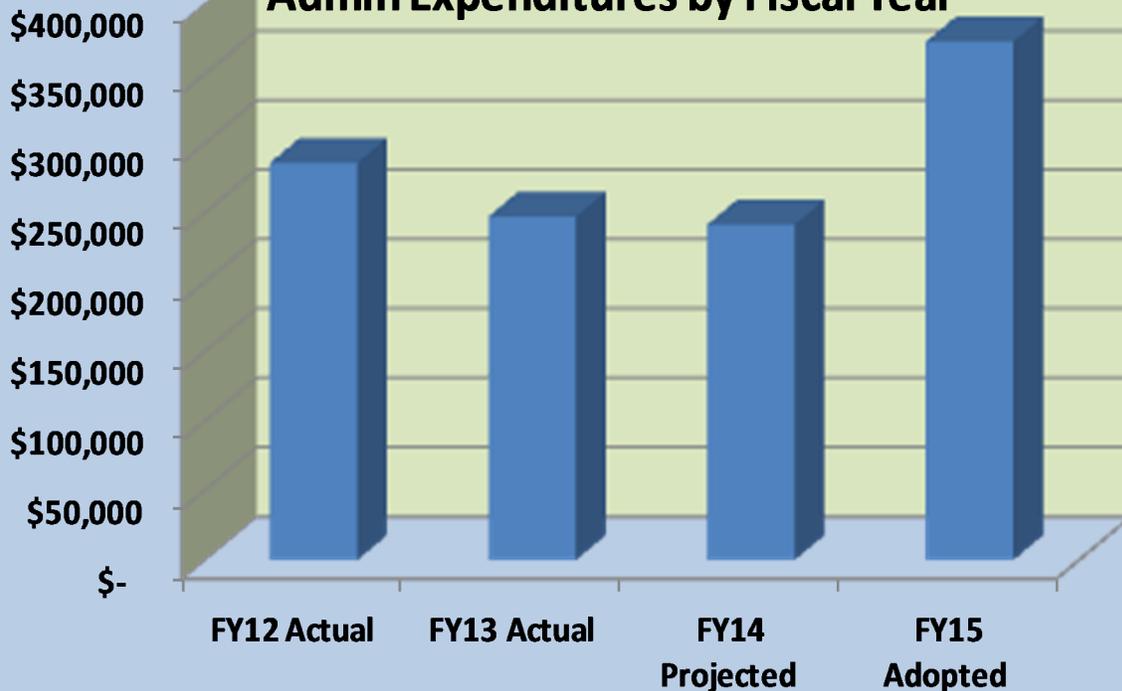
PERSONNEL SUMMARY

Full-time Positions	0	0	0	0	0
Part-time Positions	0	0	0	0	0
Total Positions	0	0	0	0	0

Admin Expenditures by Category



Admin Expenditures by Fiscal Year



CITY MANAGER

MISSION STATEMENT

The mission of the City Manager's Office is to provide professional leadership and management for all operations of the City; prepare and administer the annual budget and encourage community pride while providing excellent customer service.

SUMMARY OF SERVICES

The City Manager's Office oversees the daily operation and fiscal health of the municipal organization with approximately 76 employees, in order to provide the effective service deliver to citizens of Glenn Heights. The City Manager serves as the chief liaison between the policy making and administrative branches o government.

EXPENDITURE SUMMARY

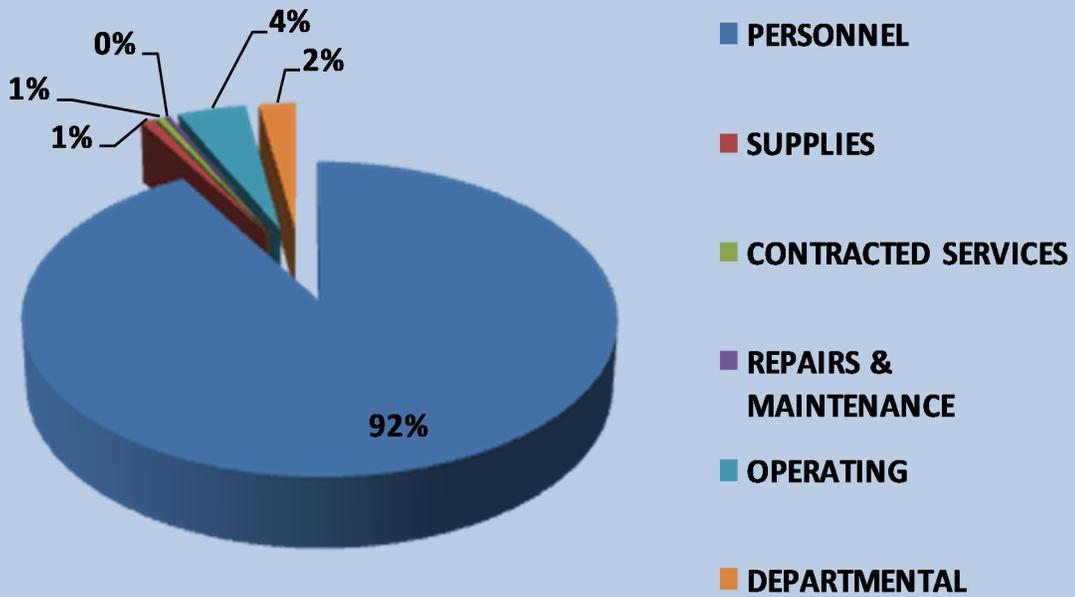
CITY MANAGER'S OFFICE	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 184,985	\$ 103,147	\$ 221,610	\$ 186,331	\$ 280,118
SUPPLIES	909	922	4,850	6,599	2,600
CONTRACTED SERVICES	2,318	1,195	27,927	6,636	1,695
REPAIRS & MAINTENANCE	-	65	500	170	750
OPERATING	2,421	3,311	13,350	11,163	13,350
DEPARTMENTAL	1,603	1,648	28,150	2,086	7,150
DEBT PAYMENTS	9,148	9,148	9,148	9,148	-
CAPITAL OUTLAY	-	-	-	-	-
TOTAL CITY MANAGER'S OFFICE	\$ 201,384	\$ 119,436	\$ 305,535	\$ 222,133	\$ 305,663

PERSONNEL SUMMARY

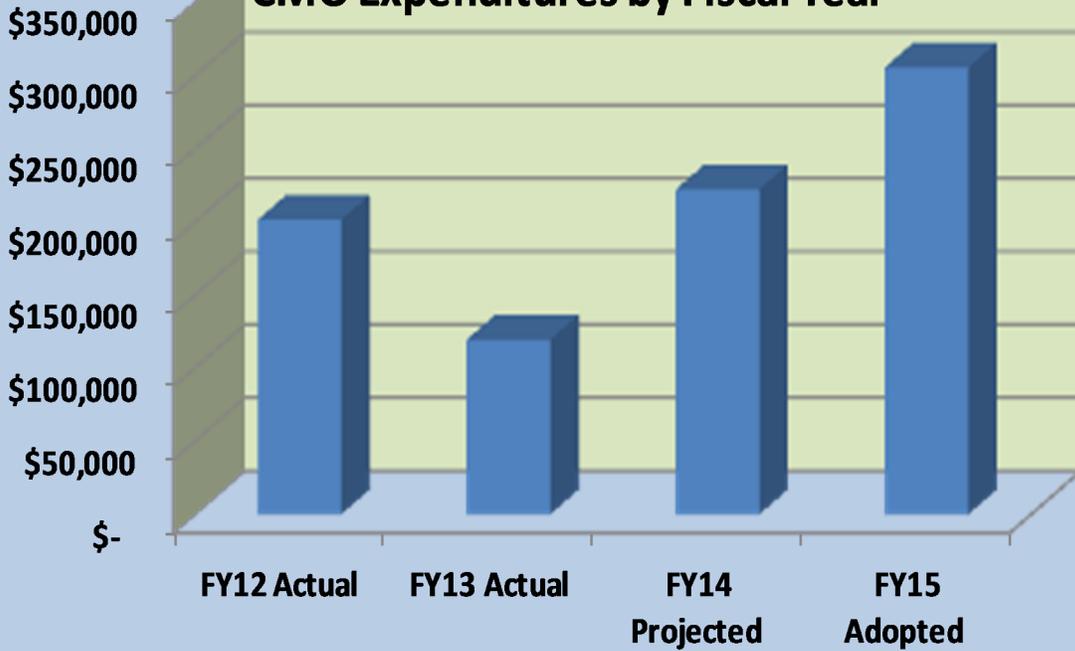
FULL-TIME POSITIONS

City Manager	1	1	1	1	1
Deputy City Manager	0	0	1	1	1
Assistant to the City Manager	1	1	1	1	1
PART-TIME POSITIONS	0	0	0	0	2
Total Positions	2	2	3	3	5

CMO Expenditures by Category



CMO Expenditures by Fiscal Year



MUNICIPAL COURT

MISSION STATEMENT

To serve all citizens in a courteous, efficient, and professional manner and to provide a forum for justice to ensure that all citizens served by the Glenn Heights Municipal Court are treated fairly and equally, without regard to race, sex or religion, while abiding by all applicable guidelines and laws.

SUMMARY OF SERVICES

The Municipal Court has jurisdiction over Class C misdemeanors issued by City police, code enforcement, and animal control officers. The Administrator is responsible for processing clerical work of the court, setting trial dockets, collecting fines and fees, maintaining records and performing administrative duties delegated by the judge.

EXPENDITURE SUMMARY

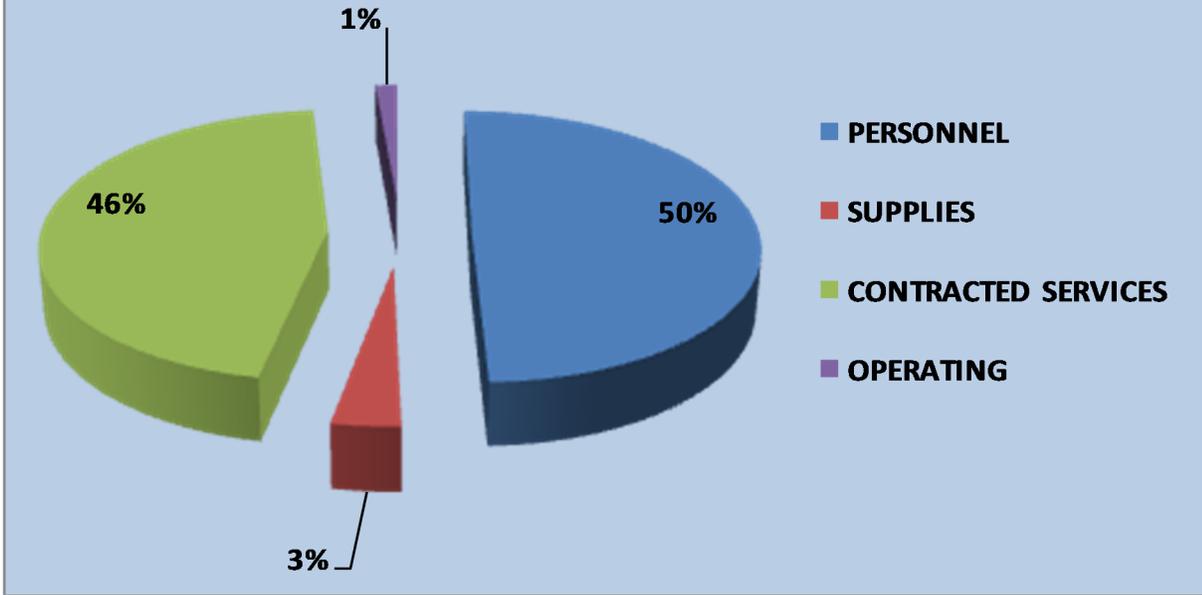
MUNICIPAL COURT	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 109,919	\$ 72,793	\$ 67,366	\$ 67,118	\$ 68,142
SUPPLIES	6,728	3,622	6,200	4,597	4,700
CONTRACTED SERVICES	56,270	54,016	56,700	57,122	62,700
OPERATING	1,581	1,614	1,110	456	1,876
DEPARTMENTAL	-	-	-	-	-
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-
TOTAL MUNICIPAL COURT	\$ 174,498	\$ 132,045	\$ 131,376	\$ 129,293	\$ 137,418

PERSONNEL SUMMARY

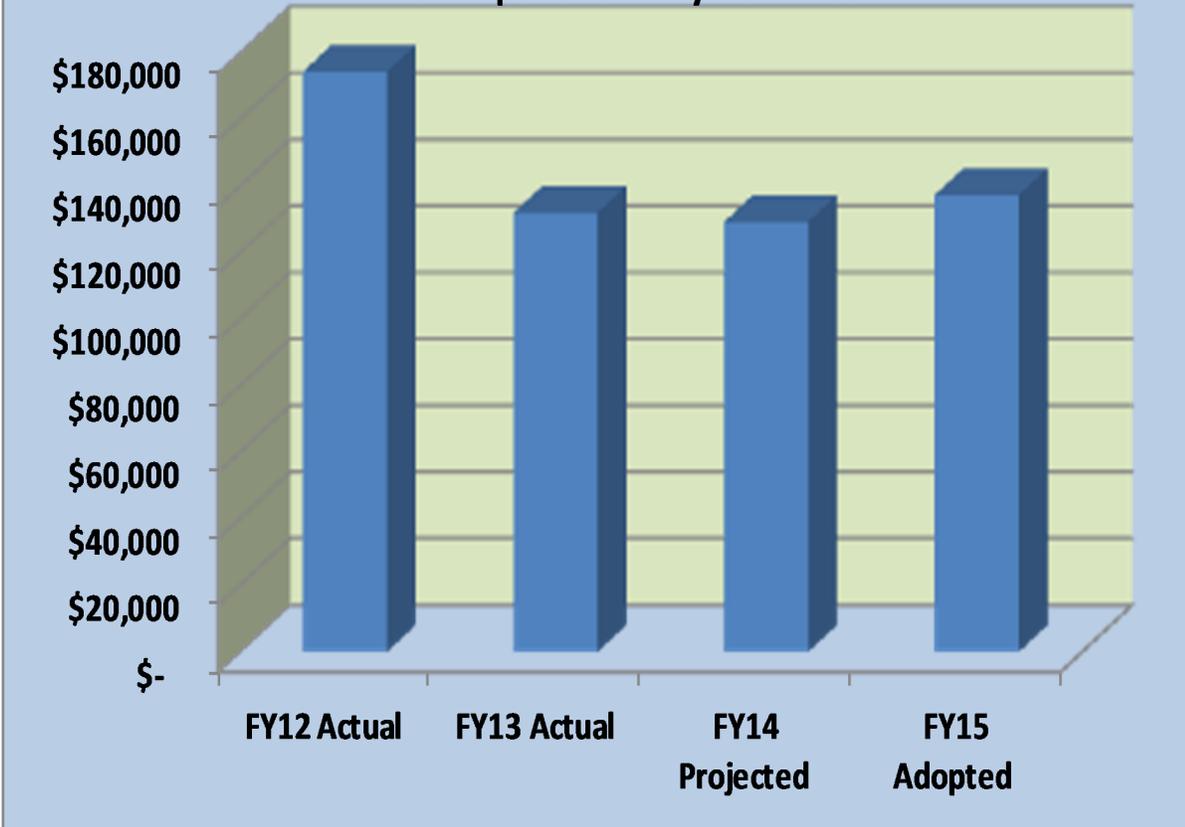
FULL-TIME POSITIONS

Court Administrator	1	1	1	1	1
Deputy Court Clerk	1	0	0	0	0
PART-TIME POSITIONS	0	1	0	0	0
Total Positions	2	2	1	1	1

Court Expenditures by Category



Court Expenditures by Fiscal Year



CITY SECRETARY

MISSION STATEMENT

To support, facilitate and strengthen the City of Glenn Heights Cave governmental process by:

- Safeguarding and enriching the municipal election and records management processes;
- Assisting the City Council in fulfilling its duties and responsibilities;
- Improving public access to municipal records and other information;
- Enhancing public participation in municipal government processes; and
- Providing continuity for Glenn Heights city government by recording its legislative actions, both contemporary and archival.

SUMMARY OF SERVICES

The Office of City Secretary is a service oriented business entrusted to serve as stewards of open and transparent city government through the Local Government Code, Open Meetings Act, Public Information Act, Ordinances and adherence to other laws that govern; and to build public trust and confidence in local government through the establishment of open and transparent

EXPENDITURE SUMMARY

CITY SECRETARY'S OFFICE	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 75,934	\$ 75,196	\$ 75,980	\$ 76,147	\$ 77,176
SUPPLIES	879	430	2,300	1,422	800
CONTRACTED SERVICES	79,526	60,642	68,053	43,299	68,290
REPAIRS & MAINTENANCE	-	-	-	-	-
OPERATING	2,029	1,845	4,800	2,357	6,330
DEPARTMENTAL	-	-	-	-	-
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-
TOTAL CITY SECRETARY	\$ 158,368	\$ 138,113	\$ 151,133	\$ 123,225	\$ 152,596

PERSONNEL SUMMARY

FULL-TIME POSITIONS

City Secretary	1	1	1	1	1
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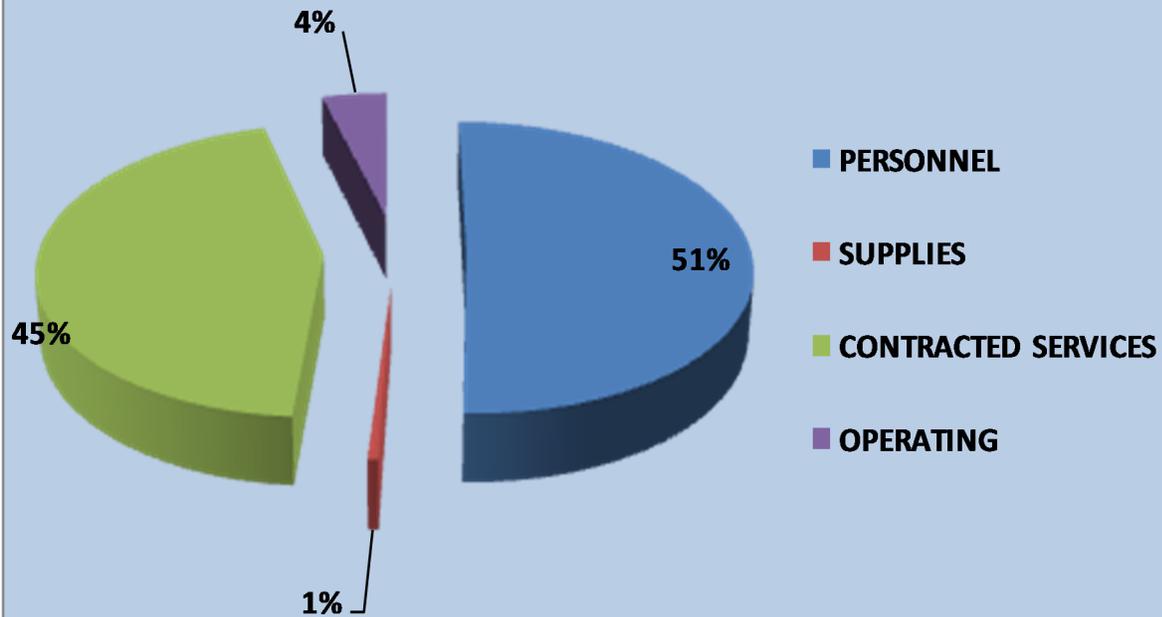
PART-TIME POSITIONS

	0	0	0	0	0
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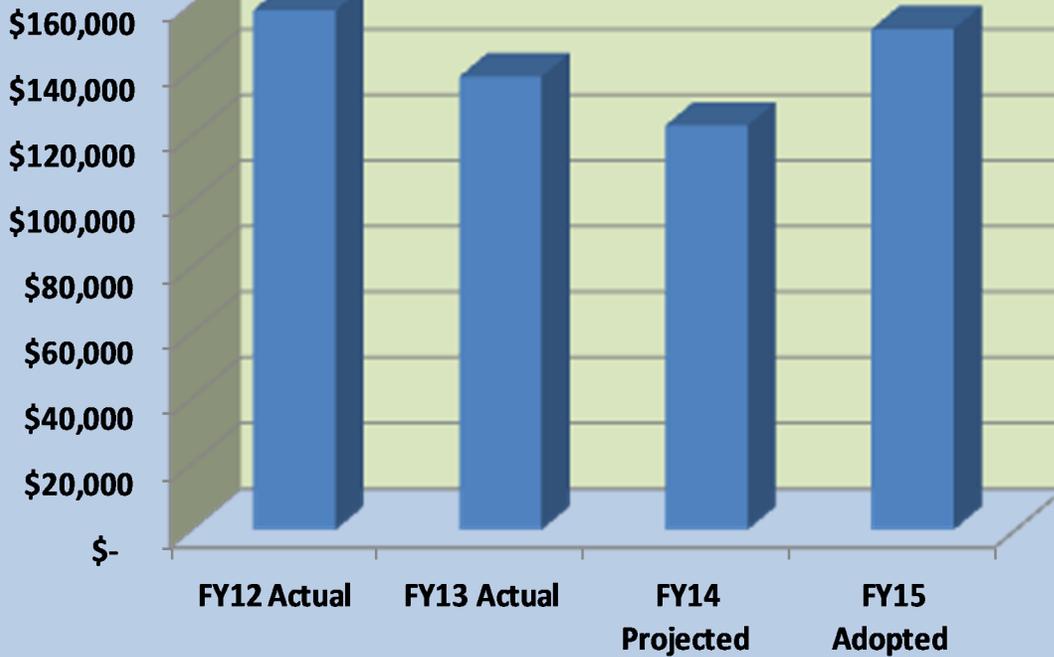
Total Positions

	1	1	1	1	1
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City Secretary Expenditures by Category



City Secretary Expenditures by Fiscal Year



CITY SECRETARY

WORKPLAN OBJECTIVES

1. Integrate an electronic records program into a new website platform
2. Develop Open Records Policy and Procedures
3. Implement and maintain a recording policy of records throughout each department for retention and destruction.

PERFORMANCE INDICATORS

- ACCURACY OF COUNCIL MEETING MINUTES
- DAYS REQUIRED FOR PROCESSING OPEN RECORD REQUEST

WORKLOAD MEASURES

- NUMBER OF CITY COUNCIL MEETINGS AGENDA PACKET PREPARED
- PROCLAMATIONS, ORDINANCES, RESOLUTION DEVELOPED
- OPEN RECORDS REQUEST RECEIVED AND PROCESSED
- CITY ELECTIONS



HUMAN RESOURCES

MISSION STATEMENT

The Human Resources Department serves as an advocate for employees and partners with management to ensure compliance with City guidelines and policies. It is responsible for policy development, managing the City's compensation and benefit plans, performance management, recruitment and staffing, employee wellness, special programs, and maintaining compliance with federal and state employment laws.

SUMMARY OF SERVICES

- Compensation and Benefits
- Employee Relations
- HR Information Systems & Reporting
- Organizational Development / Training
- Performance Management
- Policy Development
- Risk Management & Liability
- Task Forces & Special Projects
- Workforce Planning

EXPENDITURE SUMMARY

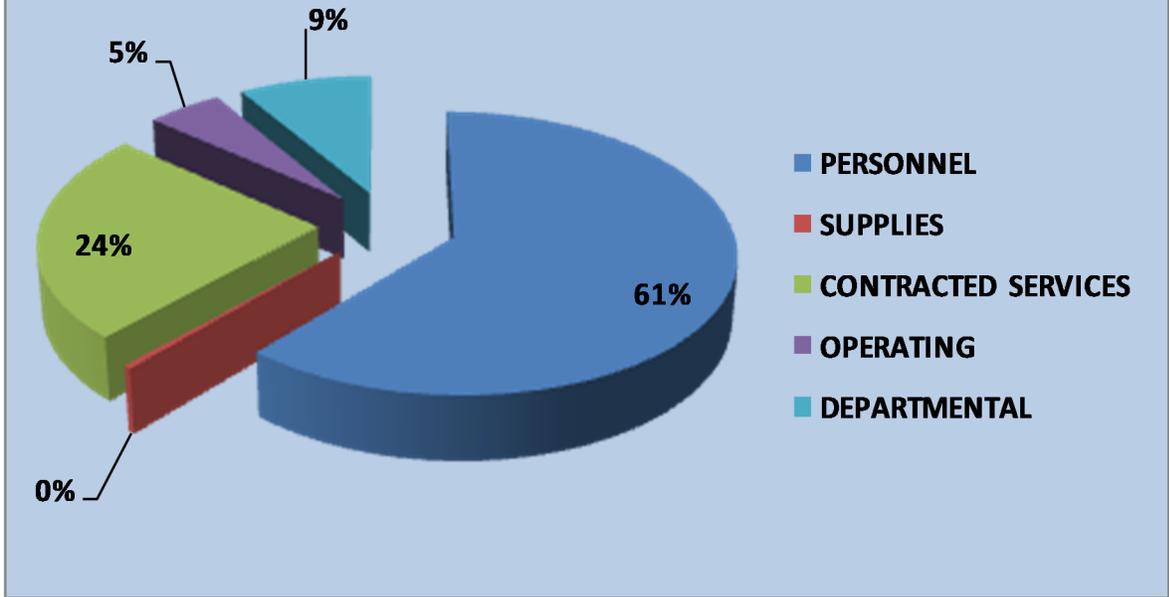
HUMAN RESOURCES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 79,750	\$ 27,511	\$ 75,675	\$ 33,596	\$ 75,746
SUPPLIES	384	110	500	322	500
CONTRACTED SERVICES	683	34,866	31,200	40,403	30,000
OPERATING	6,601	3,676	6,250	5,496	6,155
DEPARTMENTAL	4,881	3,505	13,100	9,356	10,800
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-
TOTAL HUMAN RESOURCES	\$ 92,299	\$ 69,668	\$ 126,725	\$ 89,173	\$ 123,201

PERSONNEL SUMMARY

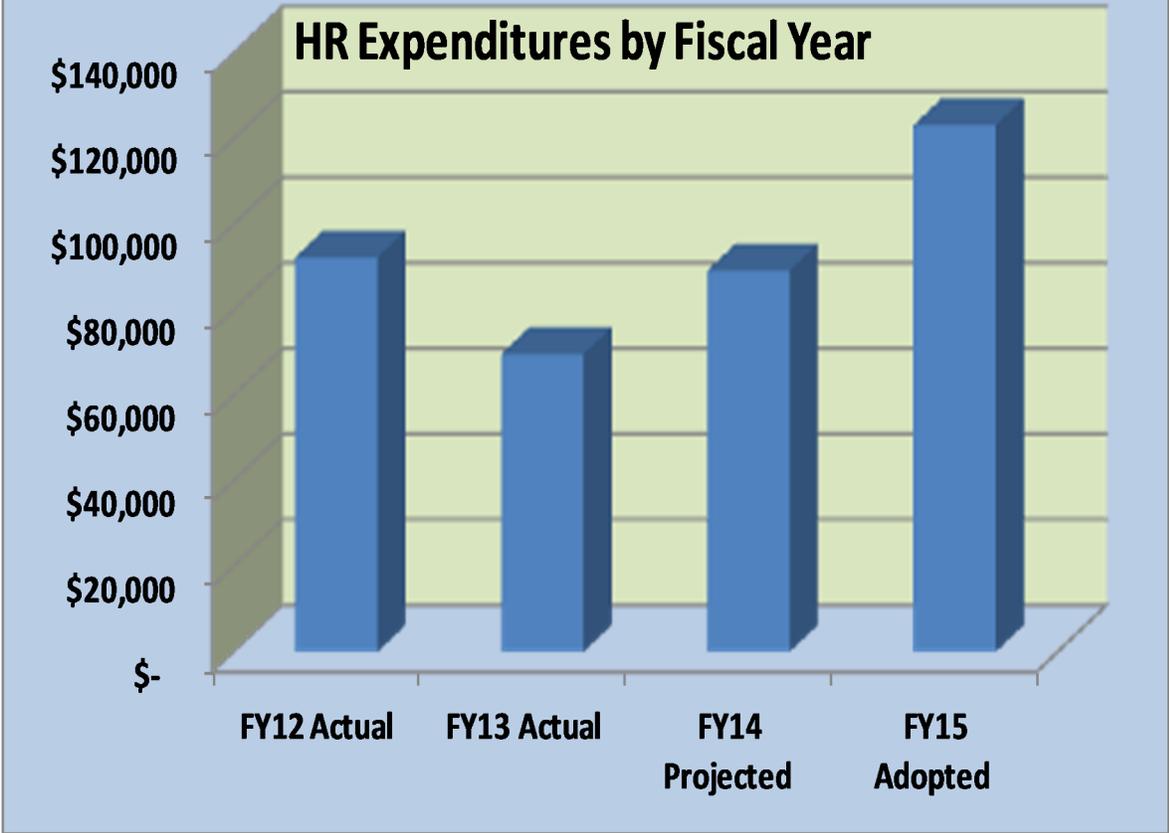
FULL-TIME POSITIONS

Director of Human Resources	1	1	1	1	1
PART-TIME POSITIONS	0	0	0	0	0
Total Positions	1	1	1	1	1

HR Expenditures by Category



HR Expenditures by Fiscal Year



HUMAN RESOURCES

WORKPLAN OBJECTIVES

1. Develop and implement a quarterly training program.
2. Standardize HR processes by developing standard operating procedures for all key HR functions.
3. Enhance the Performance Management process.
4. Develop and implement employee appreciation, recognition and engagement activities.

PERFORMANCE INDICATORS

- TIME TO FILL VACANCIES
- AVERAGE NUMBERS OF TRAINING HOURS PER EMPLOYEES
- NUMBER OF LOST TIME ACCIDENTS PER YEAR
- TIMELY COMPLETION OF PERFORMANCE EVALUATION

WORKLOAD MEASURES

- PRE-SCREENING INTERVIEWS CONDUCTED
- NUMBER OF OPEN ENROLLMENT PROCESSED
- EMPLOYEE TRAINING SESSION HELD
- NUMBER OF CLAIMS PROCESSED
- NUMBER OF NEW HIRES



FINANCE

MISSION STATEMENT

To maintain the City's overall financial stability through sound financial planning and management by providing quality, flexibility and innovation of financial services that not only meet customer needs but also exceed the expectations of those that use and depend on the services.

SUMMARY OF SERVICES

The Finance Administration Division is responsible for the management of all financial operations for the City. Functional areas include accounting, budget, payroll, customer services, information services and municipal court, purchasing and accounts payable. The division also develops long range financial plans, policies and procedures related to fiscal operations.

EXPENDITURE SUMMARY

FINANCE	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 161,581	\$ 88,566	\$ 87,338	\$ 89,171	\$ 127,490
SUPPLIES	1,579	1,638	2,350	2,417	3,182
CONTRACTED SERVICES	26,674	62,480	66,648	75,233	24,455
OPERATING	5,197	3,738	4,514	4,662	4,600
DEPARTMENTAL	5,632	253	2,716	2,887	-
DEBT PAYMENTS	15,349	15,349	3,837	3,837	-
CAPITAL OUTLAY	8,035	4,849	-	-	-
TOTAL FINANCE OFFICE	\$ 224,047	\$ 176,873	\$ 167,403	\$ 178,207	\$ 159,727

PERSONNEL SUMMARY

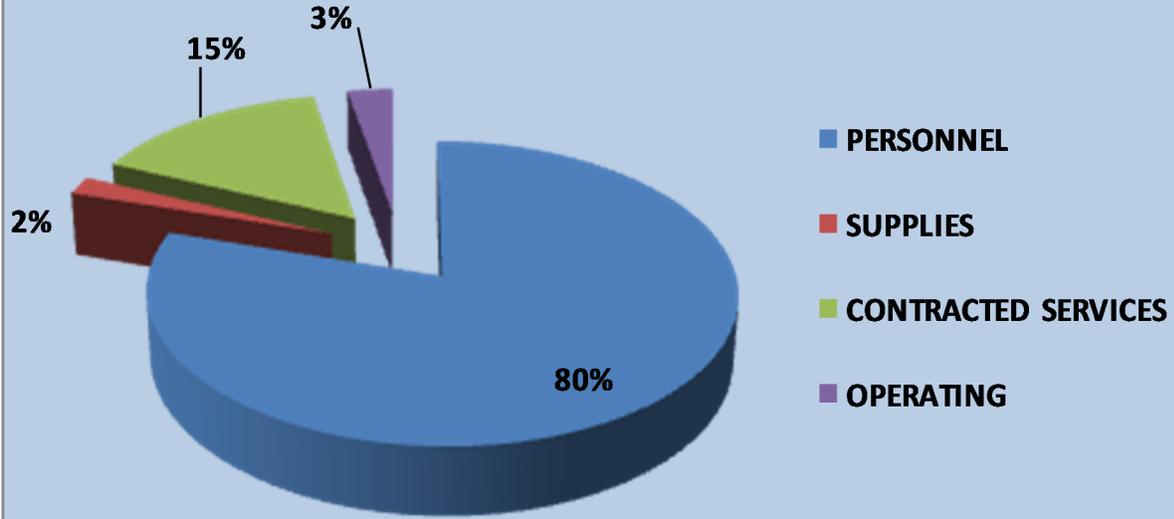
FULL-TIME POSITIONS

Chief Financial Officer	1	1	1	1	1
Accounts Payable/Payroll Clerk	1	0	1	1	1

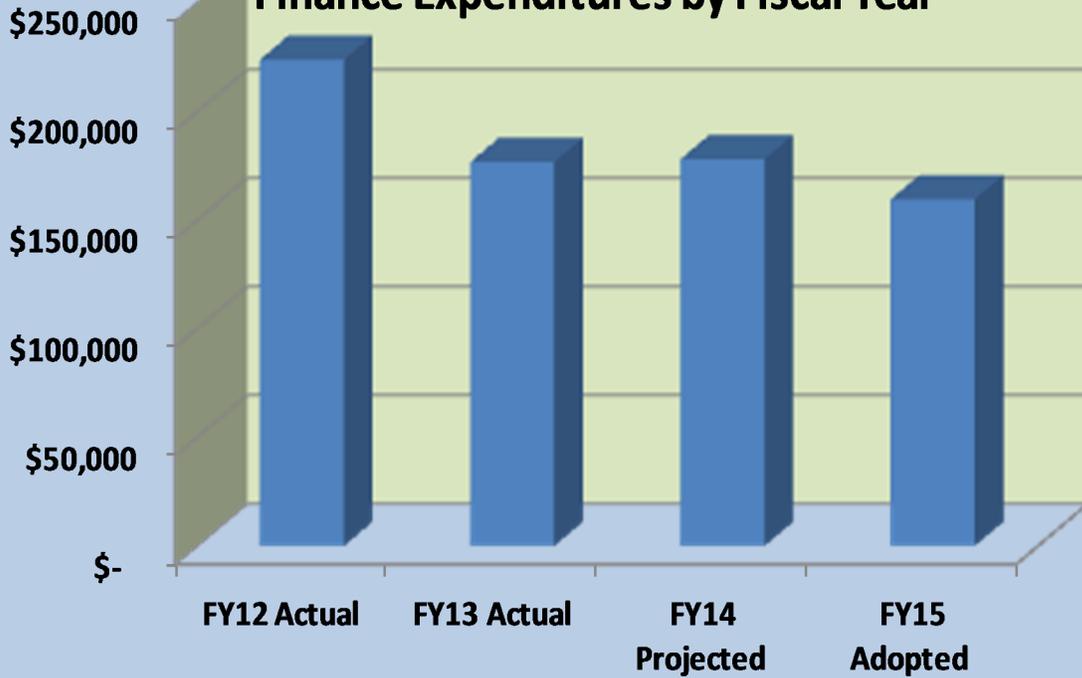
PART-TIME POSITIONS

Accounts Payable/Payroll Clerk	0	1	0	0	0
Total Positions	2	1.5	2	2	2.0

Finance Expenditures by Category



Finance Expenditures by Fiscal Year



FINANCE

WORKPLAN OBJECTIVES

1. Continue to develop and implement a centralized procurement process in support of city purchases.
2. Create and implement an inventory control and audit process with each department
3. Complete Utility Billing Audit
4. Coordinate 2014-2015 Budget Closeout and Reporting
5. Review Utility Policy Manual and develop customer education program
6. Develop FY 2015 Budget Book
7. Review current INCODE system for effectiveness

PERFORMANCE INDICATORS

- UNQUALIFIED OPINION ON FINANCIAL AUDIT
- DISTINGUISHED BUDGET AWARD
- ACHIEVEMENT IN FINANCIAL REPORTING

WORKLOAD MEASURES

- MONTHLY BUDGET REPORTS PRODUCED WITHIN 30 WORKING DAY OF THE FOLLOWING MONTHS
- PAYROLL PROCESSED
- CHECKS PROCESSED



MUNICIPAL COURT

WORKPLAN OBJECTIVES

1. Warrant resolution
2. Monthly, Quarterly, Annual Reporting
3. Customer Service
4. Citation input
5. Monthly court docket preparation

PERFORMANCE INDICATORS

- PERCENT OF CASES CLEAR
- PERCENT OF WARRANTS CLEARED

WORKLOAD MEASURES

- NUMBER OF COURT DOCKETS PREPARED
- NUMBER WARRANTS ISSUED
- NUMBER OF CASES RESOLVED PRIOR TO COURT
- NUMBER OF WARRANTS CLEARED



FIRE

MISSION STATEMENT

To protecting and serving our entire community with a commitment to professionalism and performance excellence.

SUMMARY OF SERVICES

- Emergency medical services
- Fire Services
- Fire Inspection

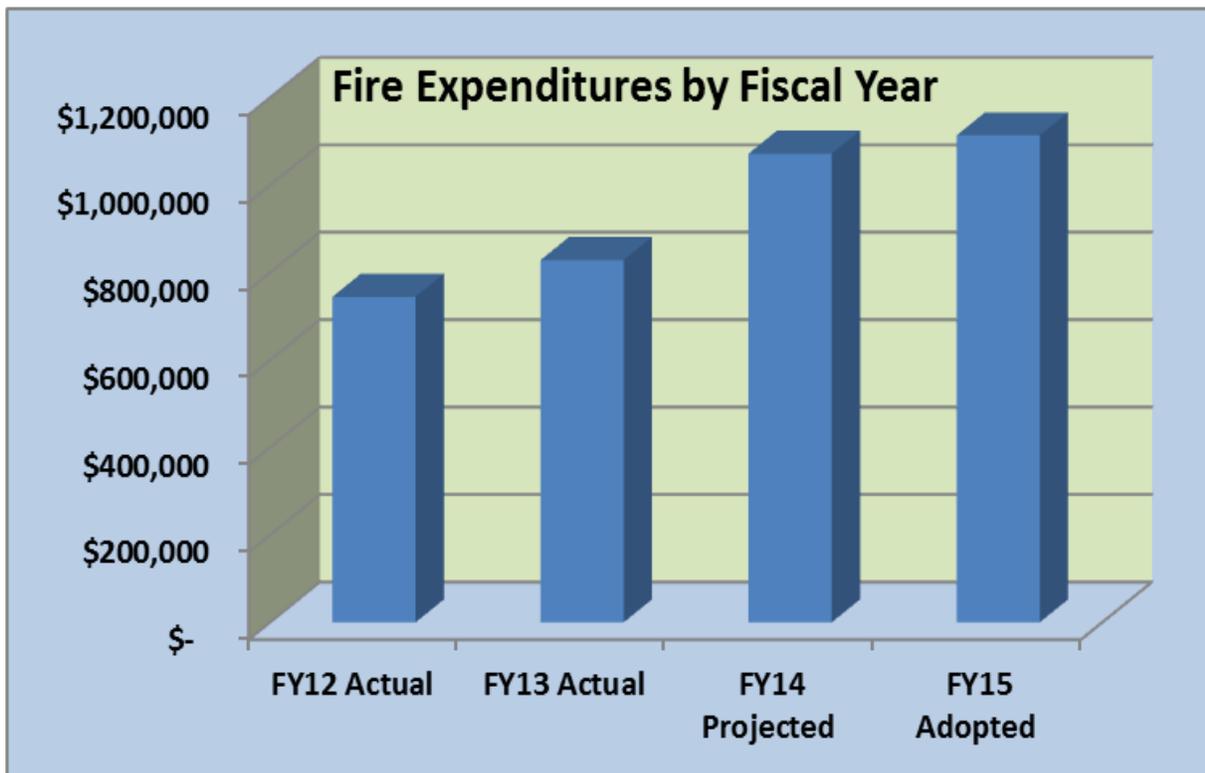
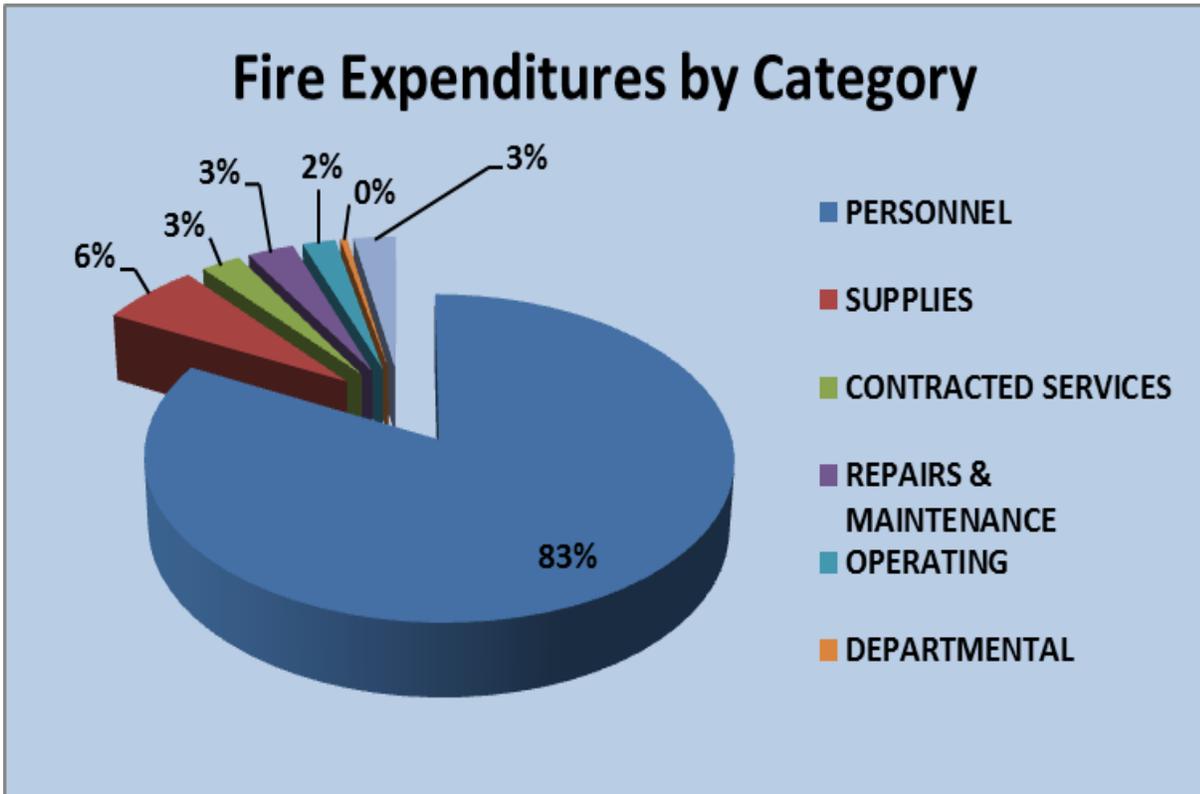
EXPENDITURE SUMMARY

FIRE	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 627,105	\$ 623,099	\$ 910,747	\$ 873,611	\$ 921,592
SUPPLIES	58,537	52,481	110,505	98,367	71,550
CONTRACTED SERVICES	2,572	40,716	20,950	20,687	28,550
REPAIRS & MAINTENANCE	9,467	33,756	30,650	28,425	33,200
OPERATING	12,990	12,528	20,700	18,811	23,650
DEPARTMENTAL	3,905	1,030	3,000	2,057	5,000
DEBT PAYMENTS	30,020	30,020	30,020	30,020	30,020
CAPITAL OUTLAY	-	34,835	-	-	-
TOTAL FIRE DEPARTMENT	\$ 744,596	\$ 828,465	\$ 1,126,572	\$ 1,071,978	\$ 1,113,562

PERSONNEL SUMMARY

FULL-TIME POSITIONS

Fire Chief	1	1	0	0	0
Captain	0	0	0	0	0
Lieutenant	1	1	1	1	3
Firefighter/Paramedic	8	9	8	8	6
Firefighter/EMT	3	3	3	3	3
PART-TIME POSITIONS					
Fire Chief	0	0	1	0	1
Firefighter/Paramedic	5	6	6	6	6
Firefighter/EMT	3	6	6	6	6
Total Positions	21	26	25	24	25



FIRE

WORKPLAN OBJECTIVES

1. Enhance Firehouse software service level with the addition of new modules
2. Provide two educational presentations to children in conjunction with Fire Safety Week.
3. Continue the Citywide fire plug maintenance and rehabilitation program.
4. Partner with Regional CERT Program to enhance emergency preparedness.

PERFORMANCE INDICATORS

- CALL RESPONSE TIME
- AVERAGE NUMBER OF INSPECTION PER MONTH
- AVERAGE FIRE RESPONSE TIME (MINUTES)
- PERCENT OF REPORTS PREPARED
- AVERAGE EMS RESPONSE TIME (MINUTES)

WORKLOAD MEASURES

- NUMBER OF FIRE INSPECTIONS
- NUMBER OF FIRE CALLS
- NUMBER OF SUPPRESSION RESPONSES
- NUMBER OF EMS CALLS
- NUMBER OF PATIENT TRANSPORTS



POLICE

MISSION STATEMENT

To provide services with integrity and dedication, to preserve life, to enforce the law, and to work in partnership with the community to enhance the quality of life in the City of Glenn Heights

SUMMARY OF SERVICES

- Traffic enforcement
- Criminal investigation
- Crime Prevention
- Animal Control
- Code Enforcement

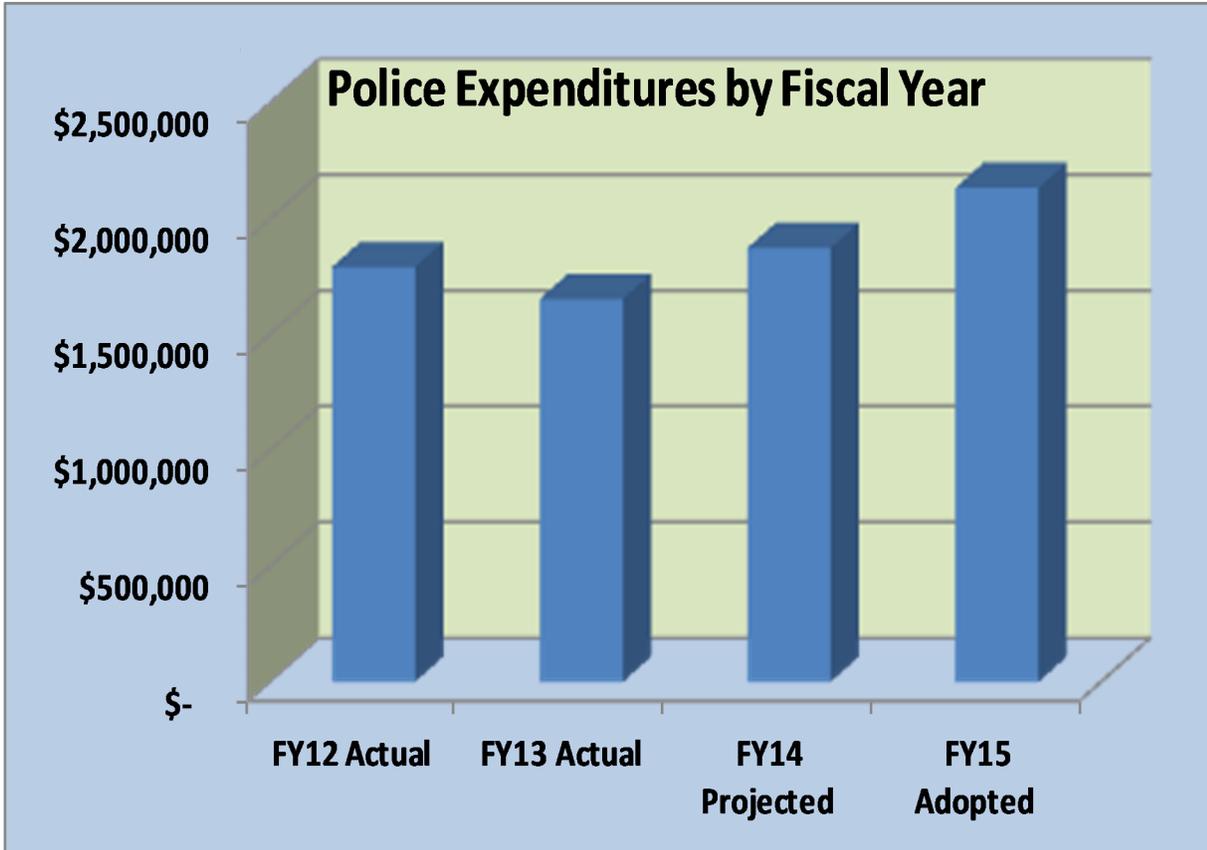
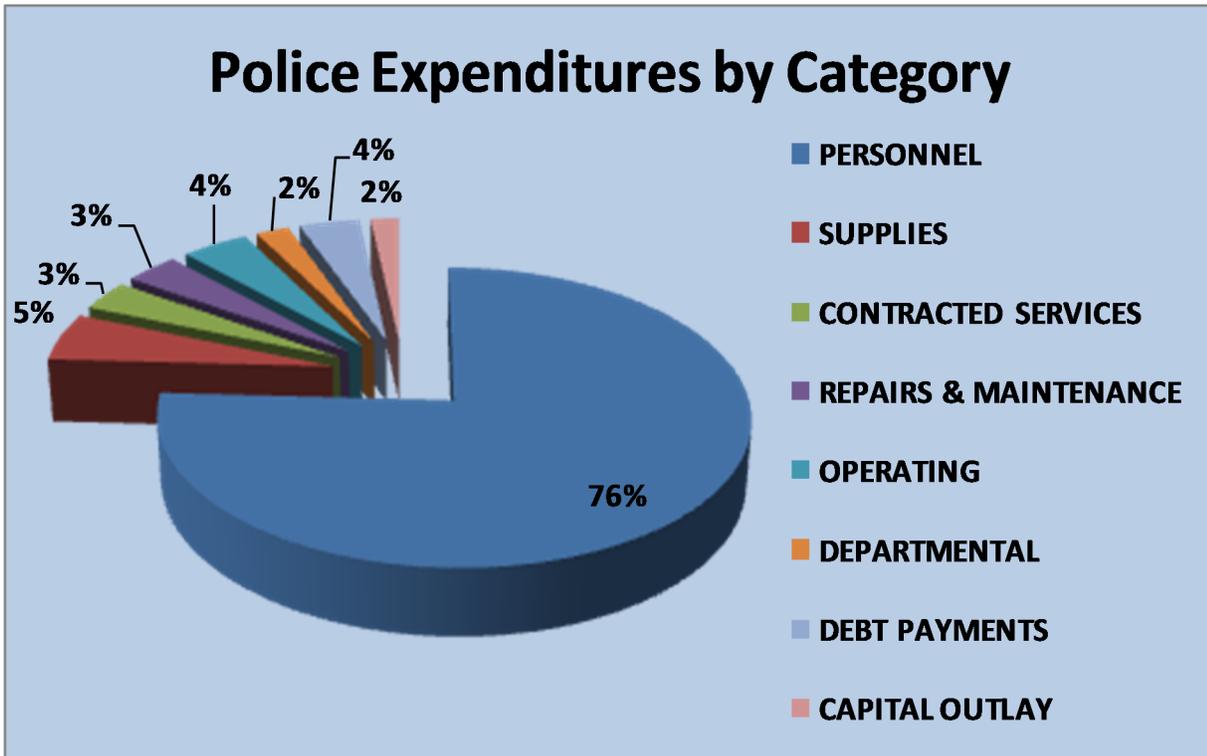
EXPENDITURE SUMMARY

POLICE	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 1,472,894	\$ 1,370,331	\$ 1,552,311	\$ 1,447,613	\$ 1,618,249
SUPPLIES	97,115	75,104	98,650	85,472	114,050
CONTRACTED SERVICES	28,357	30,501	33,789	34,380	71,300
REPAIRS & MAINTENANCE	38,035	33,164	70,500	56,041	74,500
OPERATING	70,141	76,143	79,950	84,409	91,100
DEPARTMENTAL	18,280	15,817	44,000	32,409	44,900
DEBT PAYMENTS	67,627	52,866	52,866	52,866	81,668
CAPITAL OUTLAY	-	-	82,000	81,668	38,600
TOTAL POLICE DEPARTMENT	\$ 1,792,449	\$ 1,653,926	\$ 2,014,066	\$ 1,874,858	\$ 2,134,367

PERSONNEL SUMMARY

FULL-TIME POSITIONS

Chief of Police	1	1	1	1	1
Police Officers	15	15	15	15	15
Crime Victims Advocate	0	0	0	0	1
Code Enforcement	1	1	1	1	1
Animal Control	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Emergency Dispatchers	5	5	5	5	5
Records Manager	1	1	1	1	1
Records Clerk	1	1	1	1	1
Total Positions	26	26	26	26	27



POLICE

WORKPLAN OBJECTIVES

- Develop objectives/strategies to be eligible for the Texas Police Chief's Association Best Practices designation.
- 1 Association Best Practices designation.
 - 2 Enhance and promote participation in the Citizen's Police Academy.
Implement a Safety, Education, and Accident Reduction Program to reduce
 - 3 accidents by 7% during the fiscal year.
Host a series of Code Enforcement educational meetings to establish
 - 4 neighborhood and community partnerships and to educate citizens regarding preventable violations.
 - 5 Improve communication to citizens by publishing annual crime statistics on the City's website and social media.
 - 6 Enhance community relations through continuing to enhance existing programs and develop new programs

PERFORMANCE INDICATORS

- VIOLENT CRIME RATE PER 1,000 POPULATION
- TOTAL POLICE RESPONSE TIME FOR EMERGENCY CALLS
- PART II CRIME RATE PER 1,000 POPULATION
- % OF PART I CRIMES CLEARED

WORKLOAD MEASURES

- NUMBER OF CITIZEN CALLS
- NUMBER OF TRAFFIC CITATION
- NUMBER OF ARRESTS
- NUMBER OF NEIGHBORHOOD CONTACTS



STREETS

MISSION STATEMENT

To deliver safe, reliable, and sustainable transportation systems that enhances the environment and economic strength of the City while conducting business in a customer focused and transparent manner.

SUMMARY OF SERVICES

- Street Repairs
- Preventative Maintenance

EXPENDITURE SUMMARY

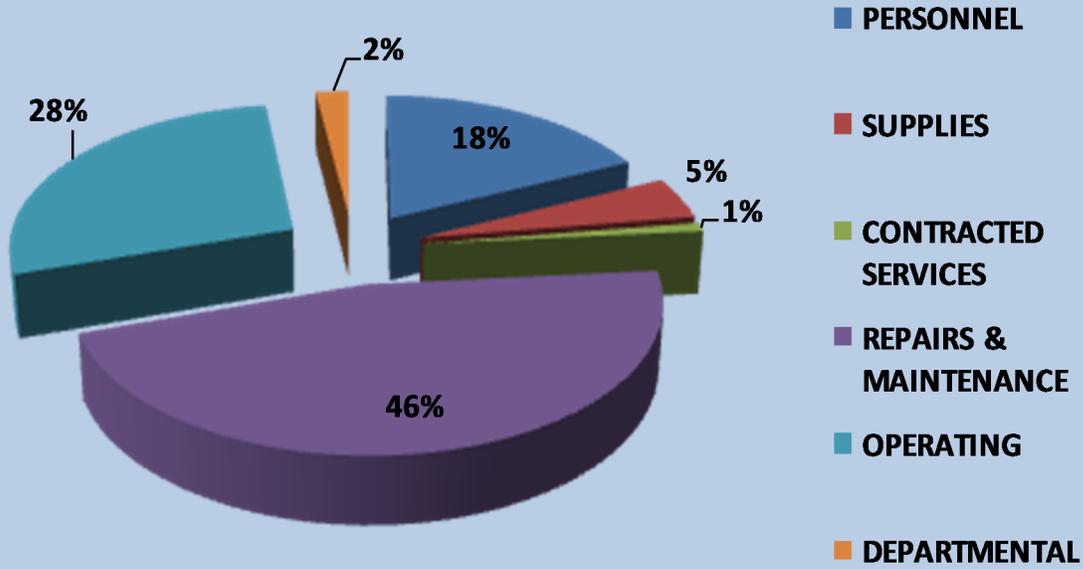
STREETS	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 49,849	\$ 52,316	\$ 53,551	\$ 53,622	\$ 54,953
SUPPLIES	22,682	14,208	15,900	8,537	14,250
CONTRACTED SERVICES	2,307	1,387	3,356	2,059	3,000
REPAIRS & MAINTENANCE	36,515	53,760	78,600	60,469	142,000
OPERATING	63,290	83,721	78,600	91,876	85,600
DEPARTMENTAL	4,836	2,831	6,500	2,831	6,500
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	38,954	-	-	-	-
TOTAL STREETS	\$ 218,433	\$ 208,223	\$ 236,507	\$ 219,394	\$ 306,303

PERSONNEL SUMMARY

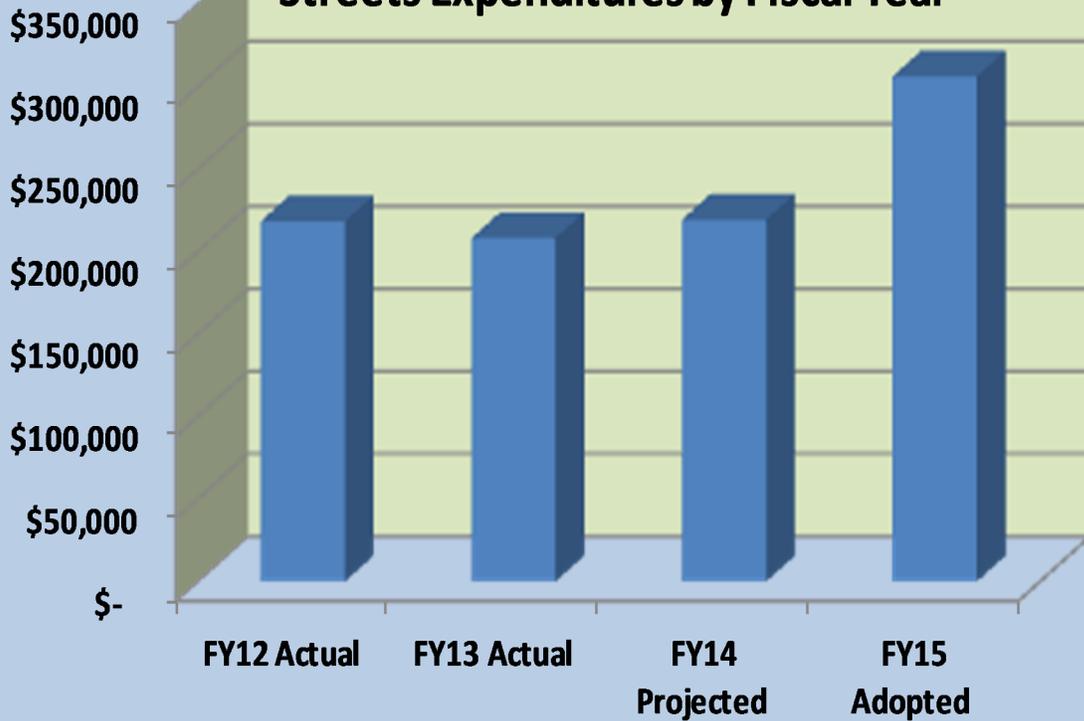
FULL-TIME POSITIONS

Superintendent	0	0	0	0	0
Service Technician	1	1	1	1	1
PART-TIME POSITIONS	0	0	0	0	0
Total Positions	1	1	1	1	1

Street Expenditures by Category



Streets Expenditures by Fiscal Year



STREETS

WORKPLAN OBJECTIVES

1. Ensure that fair to excellent street conditions are maintained through routine repair and maintenance.



PERFORMANCE INDICATORS

- PERCENT OF LANE MILES IN FAIR TO EXCELLENT CONDITION

WORKLOAD MEASURES

- FREQUENCY OF TREES TRIMMED IN STREET RIGHT-OF-WAY
- NUMBER OF DAYS TRASH PICKED UP CITY WIDE
- NUMBER OF MILES OF POTHOLE PATCHING PERFORMED
- FREQUENCY OF ASSISTING PUBLIC SAFETY EMERGENCIES

ECONOMIC DEVELOPMENT

To encourage and promote desirable commercial and retail development in a manner that supports and enhances the community character and quality of life.



ECONOMIC DEVELOPMENT	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 68,249	\$ 87,361	\$ -	\$ -	\$ -
SUPPLIES	1,307	60	-	-	-
CONTRACTED SERVICES	26,305	4,218	-	-	-
REPAIRS & MAINTENANCE	125	2	-	-	-
OPERATING	4,911	8,735	-	-	-
DEPARTMENTAL	-	-	-	-	-
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	5,000	-	-	-	-
TOTAL ECONOMIC DEVELOPMENT	\$ 105,897	\$ 100,376	\$ -	\$ -	\$ -

PERSONNEL SUMMARY

FULL-TIME POSITIONS

Director of Economic Development	1	1	0	0	0
PART-TIME POSITIONS	0	0	0	0	0
Total Positions	1	1	0	0	0

PLANNING AND PERMITTING

MISSION STATEMENT

To promote rational, economical, and environmentally efficient use of land, to allow Glenn Heights to grow in a manner consistent with adopted ordinances and the goals of the community focusing on community engagement, customer service, creativity, accountability and continuous improvement.

SUMMARY OF SERVICES

- Planning
- Permits
- Inspections
- Variances
- Plats

EXPENDITURE SUMMARY

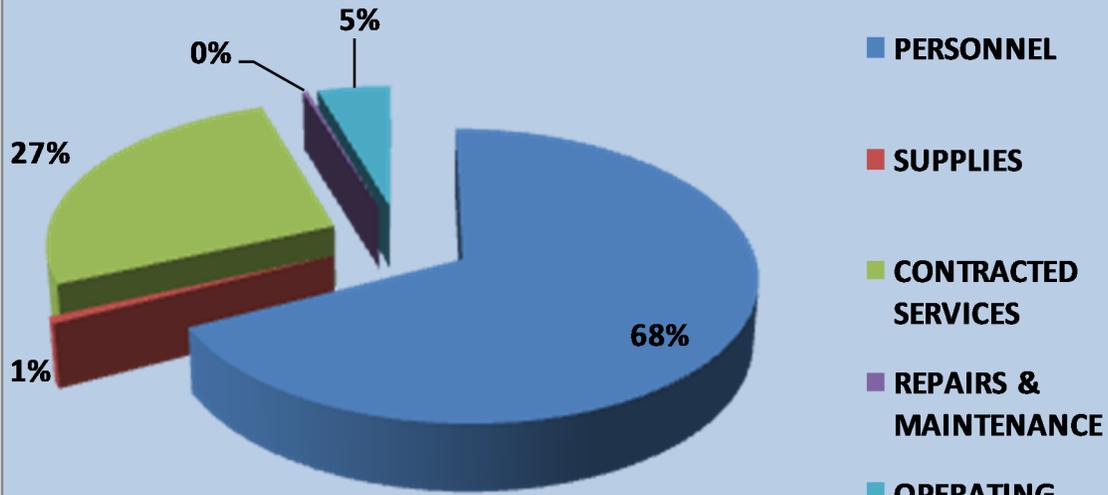
PLANNING & DEVELOPMENT	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 223,215	\$ 86,088	\$ 103,083	\$ 93,874	\$ 109,356
SUPPLIES	2,002	1,598	4,050	642	1,200
CONTRACTED SERVICES	44,462	51,714	47,584	44,202	43,100
REPAIRS & MAINTENANCE	243	814	1,500	-	500
OPERATING	5,537	4,544	8,500	5,409	7,500
DEPARTMENTAL	-	-	1,000	-	-
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-
TOTAL PLANNING & PERMITTING	\$ 275,459	\$ 144,758	\$ 165,717	\$ 144,127	\$ 161,656

PERSONNEL SUMMARY

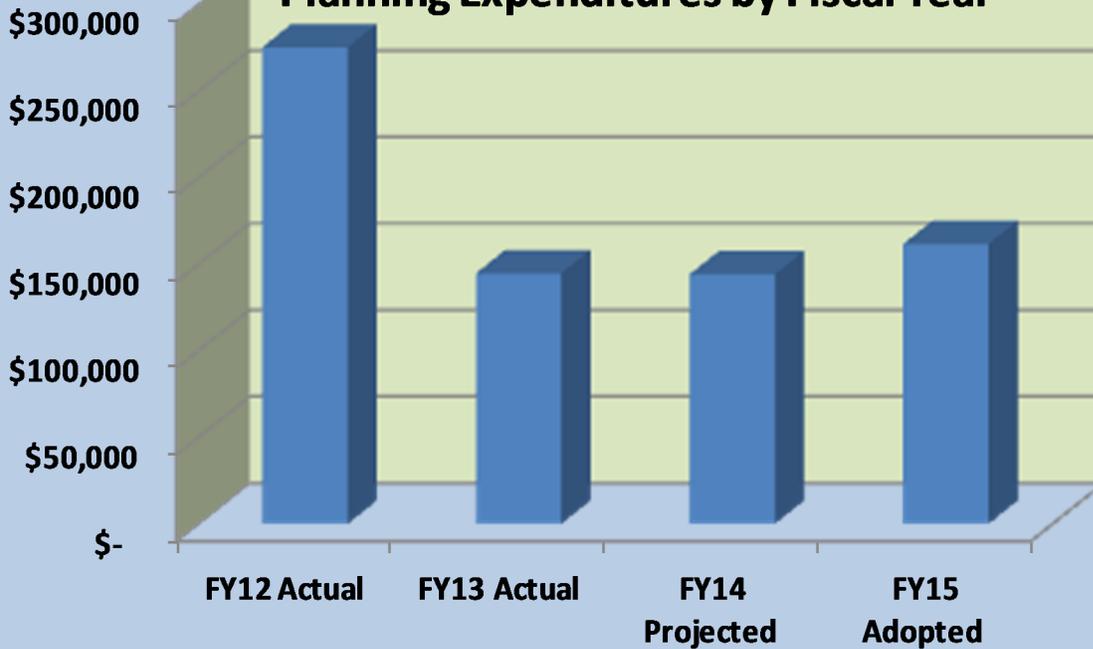
FULL-TIME POSITIONS

Assistant City Manager	1	0	0	0	0
Building Inspector	0	0	0	0	0
Planner	1	1	1	1	1
Permit Technician/Clerk	1	1	1	1	1
Total Positions	3	2	2	2	2

Planning Expenditures by Category



Planning Expenditures by Fiscal Year



PLANNING AND PERMITTING

WORKPLAN OBJECTIVES

- 1 Create Customer Feedback Program
- 2 Develop a Planning Policy Manual
Reviewing Specific Use Permits and Planned Development
- 3 Districts
- 4 Preliminary and Final Plat submission process

PERFORMANCE INDICATORS

- TIME REQUIRED TO PROCESS PERMIT APPLICATION
FOR NEW CONSTRUCTION
- NUMBER OF APPLICANTS ASSISTED
- AVERAGE NUMBER OF DAYS PLANS ARE REVIEWED

WORKLOAD MEASURES

- NUMBER OF PERMIT ISSUED
- NUMBER OF NEW PLATS
- NUMBER OF PLANS REVIEWED
- NUMBER OF INSPECTIONS



PARKS AND RECREATION

MISSION STATEMENT

To preserve and enhance our parks and promote knowledge and public appreciation of esthetics to the continued positive development of our community.

To continually improve the availability and effectiveness of recreational, athletic, educational and park services that benefit the entire community

SUMMARY OF SERVICES

- Park maintenance
- Landscape Maintenance
- Litter Control
- Event Planning
- Park Capital Improvements

EXPENDITURE SUMMARY

PARKS & RECREATION	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 44,141	\$ 43,374	\$ 46,784	\$ 45,378	\$ 46,622
SUPPLIES	23,081	25,412	24,450	20,239	23,500
CONTRACTED SERVICES	75,390	70,193	82,950	53,776	89,900
REPAIRS & MAINTENANCE	20,070	16,171	23,563	20,212	24,900
OPERATING	13,330	13,693	14,250	15,737	36,435
DEPARTMENTAL	-	-	-	-	2,400
DEBT PAYMENTS	6,382	6,382	6,382	6,382	6,382
CAPITAL OUTLAY	-	-	-	-	6,000
TOTAL PARKS & RECREATION	\$ 182,394	\$ 175,225	\$ 198,379	\$ 161,724	\$ 236,139

PERSONNEL SUMMARY

FULL-TIME POSITIONS

Technician	1	1	1	1	1
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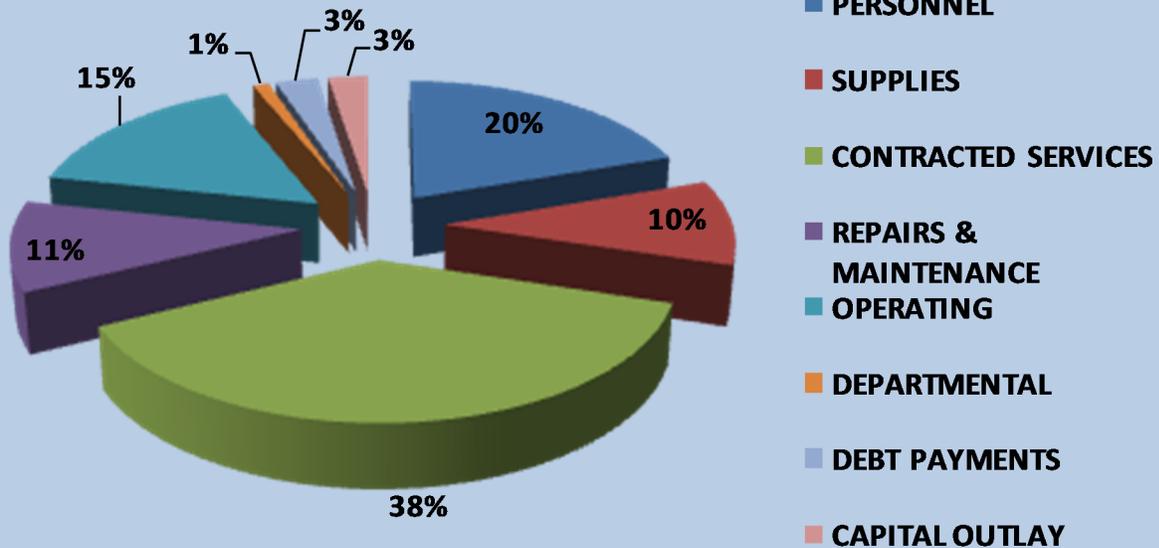
PART-TIME POSITIONS

	0	0	0	0	0
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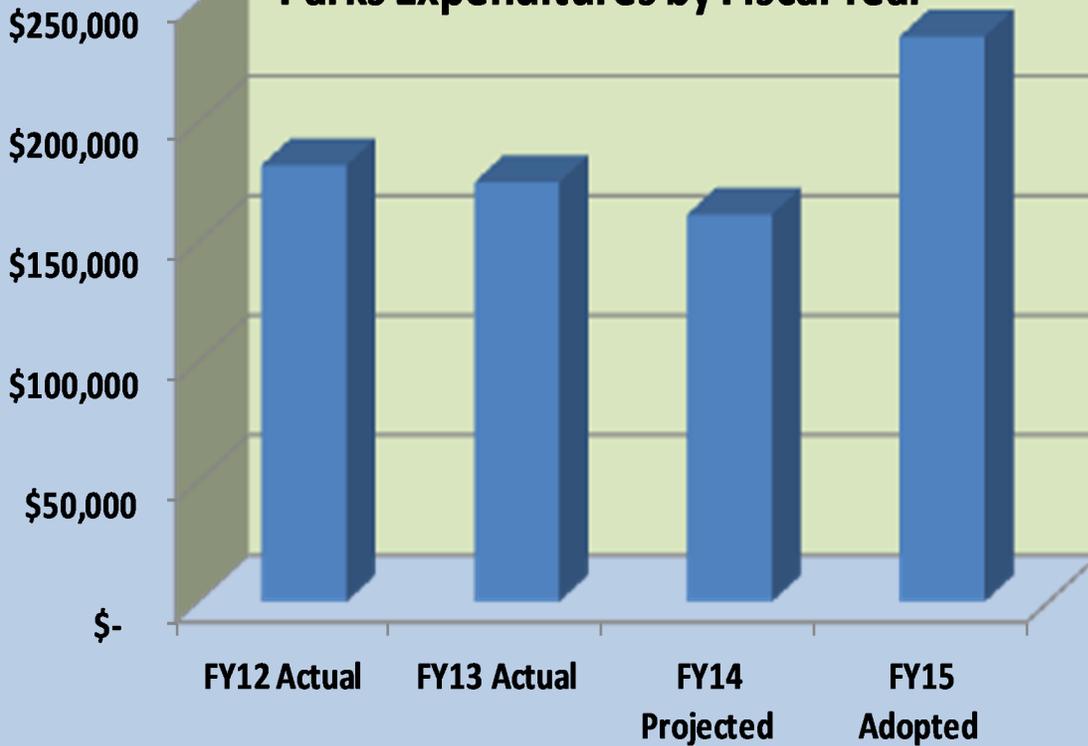
Total Positions

	1	1	1	1	1
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Parks Expenditures by Category



Parks Expenditures by Fiscal Year



PARKS AND RECREATION

WORKPLAN OBJECTIVES

1. Install a new water drinking fountain in Gateway Park.
2. Install picnic tables at Gateway Park.
3. Install a new pavilion and picnic tables at Gateway Park.
4. Replacement of the bridge in Heritage Park.
5. Construct a new basketball court complete with the installation of a lighting system and bleachers
6. Paint the pavilion at Heritage Park

PERFORMANCE INDICATORS

- CITIZEN SATISFACTION WITH THE
- APPEARANCE OF PARK GROUNDS
- PERCENT OF CIP PROJECTS COMPLETED

WORKLOAD MEASURES

- NUMBER OF PARK BOARD MEETINGS HELD
- FREQUENCY OF REPAIRS TO PARK FACILITIES
- NUMBER OF PARK EVENTS HELD
- FREQUENCY OF REPAIR REQUESTS TO CITY FACILITIES



DEBT SERVICES
FUND



Fund Summary

	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
M&O Tax Rate/\$100 Valuation	0.163600	0.115935	0.116086	0.116086	0.11161
Taxable Valuation	\$ 396,680,143	\$ 389,507,832	\$ 390,879,178	\$ 390,879,178	\$ 408,046,433
REVENUES					
PROPERTY TAXES					
Current Ad Valorem Taxes	\$ 630,984	\$ 442,558	\$ 453,756	\$ 445,500	\$ 455,419
Delinquent Ad Valorem Taxes	11,920	11,430	15,000	8,522	15,000
Penalties & Interest	10,001	6,313	6,000	5,323	6,000
TOTAL PROPERTY TAXES	652,905	460,301	474,756	459,345	476,419
INTEREST					
Interest Income	85	9	-	2	-
TOTAL REVENUES	\$ 652,990	\$ 460,310	\$ 474,756	\$ 459,347	\$ 476,419
EXPENDITURES					
BOND PRINCIPAL					
2003 CO Bonds	50,000	55,000	55,000	55,000	60,000
2006 CO Bonds	155,000	160,000	170,000	170,000	175,000
2008 CO Bonds	80,000	80,000	85,000	85,000	90,000
TOTAL BOND PRINCIPAL	285,000	295,000	310,000	310,000	325,000
BOND INTEREST					
2003 CO Bonds	19,304	16,973	14,415	14,429	11,858
2006 CO Bonds	76,125	69,510	62,580	62,580	55,335
2008 CO Bonds	73,281	70,087	66,761	66,723	63,226
TOTAL BOND INTEREST	168,710	156,570	143,756	143,732	130,419
CONTRACTED SERVICES					
Fiscal Agent Fees	3,000	3,000	3,000	3,250	3,000
TOTAL CONTRACTED SERVICES	3,000	3,000	3,000	3,250	3,000
TOTAL EXPENDITURES	\$ 456,710	\$ 454,570	\$ 456,756	\$ 456,982	\$ 458,419
REVENUES OVER (UNDER) EXPENDITURES	\$ 196,280	\$ 5,740	\$ 18,000	\$ 2,365	\$ 18,000
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)					
Transfer to Water & Sewer Fund	(195,950)	(277,100)	-	-	
NET CHANGE IN FUND BALANCE	\$ 330	\$ (271,360)	\$ 18,000	\$ 2,365	\$ 18,000
RESTRICTED FUND BALANCE - OCTOBER 1	290,456	290,786	32,210	19,426	21,791
RESTRICTED FUND BALANCE - SEPTEMBER 30	\$ 290,786	\$ 19,426	\$ 50,210	\$ 21,791	\$ 39,791

**Combination Tax & Revenue Certificates of Obligation
Series 2003 - 4.65%
Debt Service Schedule**

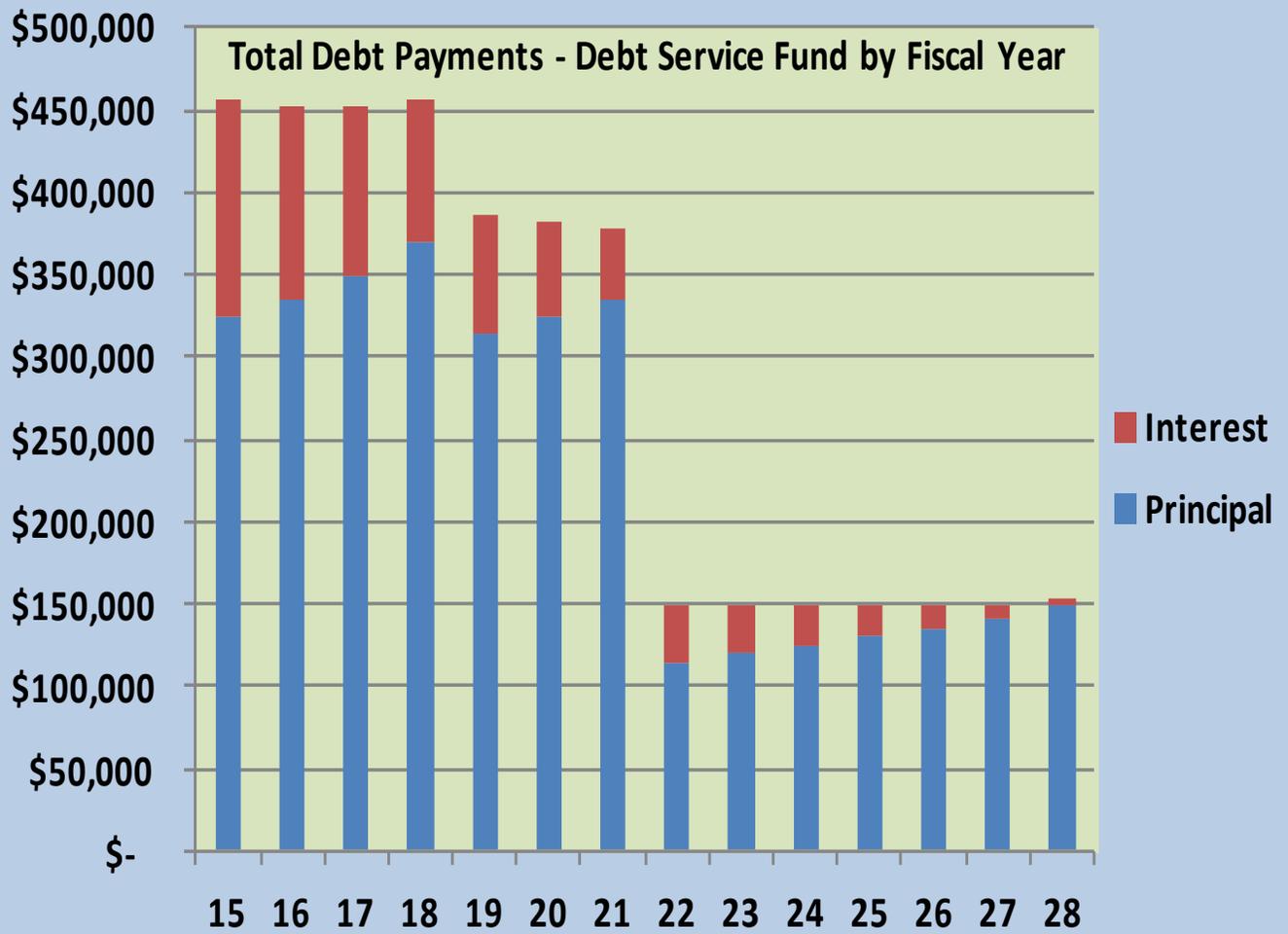
Date	Principal	Interest	Total P&I	Fiscal Total
03/01/2015		\$ 5,928.75	\$ 5,928.75	
09/01/2015	\$ 60,000.00	\$ 5,928.75	\$ 65,928.75	\$ 71,857.50
03/01/2016		\$ 4,533.75	\$ 4,533.75	
09/01/2016	\$ 60,000.00	\$ 4,533.75	\$ 64,533.75	\$ 69,067.50
03/01/2017		\$ 3,138.75	\$ 3,138.75	
09/01/2017	\$ 65,000.00	\$ 3,138.75	\$ 68,138.75	\$ 71,277.50
03/01/2018		\$ 1,627.50	\$ 1,627.50	
09/01/2018	\$ 70,000.00	\$ 1,627.50	\$ 71,627.50	\$ 73,255.00
TOTALS	\$ 255,000.00	\$ 30,457.50	\$ 285,457.50	\$ 285,457.50

**Revenue Certificates of Obligation
Series 2006 - 4.20%
Debt Service Schedule**

Date	Principal	Interest	Total P&I	Fiscal Total
02/15/2015	\$ 175,000.00	\$ 29,505.00	\$ 204,505.00	
08/15/2015	\$ -	\$ 25,830.00	\$ 25,830.00	\$ 230,335.00
02/15/2016	\$ 185,000.00	\$ 25,830.00	\$ 210,830.00	
08/15/2016	\$ -	\$ 21,945.00	\$ 21,945.00	\$ 232,775.00
02/15/2017	\$ 190,000.00	\$ 21,945.00	\$ 211,945.00	
08/15/2017	\$ -	\$ 17,955.00	\$ 17,955.00	\$ 229,900.00
02/15/2018	\$ 200,000.00	\$ 17,955.00	\$ 217,955.00	
08/15/2018	\$ -	\$ 13,755.00	\$ 13,755.00	\$ 231,710.00
02/15/2019	\$ 210,000.00	\$ 13,755.00	\$ 223,755.00	
08/15/2019	\$ -	\$ 9,345.00	\$ 9,345.00	\$ 233,100.00
02/15/2020	\$ 220,000.00	\$ 9,345.00	\$ 229,345.00	
08/15/2020	\$ -	\$ 4,725.00	\$ 4,725.00	\$ 234,070.00
02/15/2021	\$ 225,000.00	\$ 4,725.00	\$ 229,725.00	\$ 229,725.00
TOTALS	\$1,405,000.00	\$216,615.00	\$1,621,615.00	\$ 1,621,615.00

**Revenue Certificates of Obligation
Series 2008 - 4.04%
Debt Service Schedule**

Date	Principal	Interest	Total P&I	Fiscal Total
02/15/2015	\$ 90,000.00	\$ 32,522.00	\$ 122,522.00	
08/15/2015	\$ -	\$ 30,704.00	\$ 30,704.00	\$ 153,226.00
02/15/2016	\$ 90,000.00	\$ 30,704.00	\$ 120,704.00	
08/15/2016	\$ -	\$ 28,886.00	\$ 28,886.00	\$ 149,590.00
02/15/2017	\$ 95,000.00	\$ 28,886.00	\$ 123,886.00	
08/15/2017	\$ -	\$ 26,967.00	\$ 26,967.00	\$ 150,853.00
02/15/2018	\$ 100,000.00	\$ 26,967.00	\$ 126,967.00	
08/15/2018	\$ -	\$ 24,947.00	\$ 24,947.00	\$ 151,914.00
02/15/2019	\$ 105,000.00	\$ 24,947.00	\$ 129,947.00	
08/15/2019	\$ -	\$ 22,826.00	\$ 22,826.00	\$ 152,773.00
02/15/2020	\$ 105,000.00	\$ 22,826.00	\$ 127,826.00	
08/15/2020	\$ -	\$ 20,705.00	\$ 20,705.00	\$ 148,531.00
02/15/2021	\$ 110,000.00	\$ 20,705.00	\$ 130,705.00	
08/15/2021	\$ -	\$ 18,483.00	\$ 18,483.00	\$ 149,188.00
02/15/2022	\$ 115,000.00	\$ 18,483.00	\$ 133,483.00	
08/15/2022	\$ -	\$ 16,160.00	\$ 16,160.00	\$ 149,643.00
02/15/2023	\$ 120,000.00	\$ 16,160.00	\$ 136,160.00	
08/15/2023	\$ -	\$ 13,736.00	\$ 13,736.00	\$ 149,896.00
02/15/2024	\$ 125,000.00	\$ 13,736.00	\$ 138,736.00	
08/15/2024	\$ -	\$ 11,211.00	\$ 11,211.00	\$ 149,947.00
02/15/2025	\$ 130,000.00	\$ 11,211.00	\$ 141,211.00	
08/15/2025	\$ -	\$ 8,585.00	\$ 8,585.00	\$ 149,796.00
02/15/2026	\$ 135,000.00	\$ 8,585.00	\$ 143,585.00	
08/15/2026	\$ -	\$ 5,858.00	\$ 5,858.00	\$ 149,443.00
02/15/2027	\$ 140,000.00	\$ 5,858.00	\$ 145,858.00	
08/15/2027	\$ -	\$ 3,030.00	\$ 3,030.00	\$ 148,888.00
02/15/2028	\$ 150,000.00	\$ 3,030.00	\$ 153,030.00	\$ 153,030.00
TOTALS	\$ 1,610,000.00	\$ 496,718.00	\$ 2,106,718.00	\$ 2,106,718.00



CITY OF GLENN HEIGHTS, TEXAS
2014-2015 ANNUAL BUDGET



Special Revenue Funds

Special revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. As a governmental fund, the special revenue fund is accounted for and budgeted on a modified accrual basis.

Municipal Court Technology Funds —This fund accounts for municipal court fees collected to purchase technology enhancements for municipal court

Municipal Court Security Funds — This fund accounts for municipal court fees dedicated to financing security measures for the Municipal Court functions.

911 WIRELESS Fund —This fund accounts for revenues and related expenditures of 911 wireless fees.

Parks Development Fund – The fund is used to account for the City's park development fees. Park development fees are restricted in use for land acquisition fund capital improvement for the City's parks.

Impact Fee Fund: The water, sewer and roadway impact fee funds are budgeted on a modified accrual basis. Impact fees are regulated by section 295 of the Texas Local Government Code, which restrict the use of impact fees to purchase or construct impact fee eligible capital projects specifically enumerated in an adopted impact fee capital improvement plan. Appropriations are made on an annual basis and are part of the annual budget process.

Appropriation of the Special Revenue Funds are adopted on an annual basis.

Court Technology Fund

	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
REVENUES					
COURT TECHNOLOGY FEES	\$ 8,321	\$ 5,703	\$ 6,000	\$ 4,475	\$ 4,000
CONVENIENCE FEES	1,253	1,264	1,000	1,173	1,000
INTEREST	18	11	-	2	-
TOTAL REVENUES	\$ 9,592	\$ 6,978	\$ 7,000	\$ 5,650	\$ 5,000
FUND EXPENDITURES					
PERSONNEL	-	-	-	-	-
SUPPLIES	-	-	-	-	-
CONTRACTED SERVICES	11,790	10,824	5,339	4,493	5,000
REPAIRS & MAINTENANCE	-	-	-	-	-
OPERATING	-	-	-	-	-
DEPARTMENTAL	-	-	-	-	-
DEBT PAYMENTS	6,642	6,642	1,661	1,661	-
CAPITAL OUTLAY	-	-	-	-	-
TOTAL FUND EXPENDITURES	\$ 18,432	\$ 17,466	\$ 7,000	\$ 6,154	\$ 5,000
REVENUES OVER (UNDER) EXPENDITURES	\$ (8,840)	\$ (10,488)	\$ -	\$ (504)	\$ -
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN (OUT)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (8,840)	\$ (10,488)	\$ -	\$ (504)	\$ -
RESTRICTED FUND BALANCE, OCT 1	19,902	11,062	11,062	574	70
RESTRICTED FUND BALANCE, SEP 30	\$ 11,062	\$ 574	\$ 11,062	\$ 70	\$ 70

Court Technology Fund

	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
REVENUES					
COURT SECURITY FEES	\$ 6,241	\$ 4,277	\$ 4,500	\$ 3,356	\$ 4,500
INTEREST	26	21	-	7	-
TOTAL REVENUES	\$ 6,267	\$ 4,298	\$ 4,500	\$ 3,363	\$ 4,500
FUND EXPENDITURES					
PERSONNEL	5,614	-	6,149	9,236	17,488
SUPPLIES	-	-	-	-	-
CONTRACTED SERVICES	-	-	-	-	-
REPAIRS & MAINTENANCE	-	-	-	-	-
OPERATING	-	-	-	-	-
DEPARTMENTAL	-	-	-	-	-
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-
TOTAL FUND EXPENDITURES	\$ 5,614	\$ -	\$ 6,149	\$ 9,236	\$ 17,488
REVENUES OVER (UNDER) EXPENDITURES	\$ 653	\$ 4,298	\$ (1,649)	\$ (5,873)	\$ (12,988)
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN (OUT)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ 653	\$ 4,298	\$ (1,649)	\$ (5,873)	\$ (12,988)
RESTRICTED FUND BALANCE, OCT 1	22,938	23,591	23,591	23,591	17,718
RESTRICTED FUND BALANCE, SEP 30	\$ 23,591	\$ 27,889	\$ 21,942	\$ 17,718	\$ 4,730

E911 Fees

	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
REVENUES					
205-4-00-4535 911 WIRELESS FEES	\$ 54,800	\$ 54,841	\$ 53,000	\$ 56,004	\$ 53,000
205-4-00-4540 911 LANDLINE FEES	20,464	25,063	22,000	30,592	22,000
205-4-00-4700 INTEREST	177	212	200	84	200
TOTAL REVENUES	\$ 75,441	\$ 80,116	\$ 75,200	\$ 86,680	\$ 75,200
FUND EXPENDITURES					
PERSONNEL	-	-	-	-	-
SUPPLIES	-	-	-	-	-
CONTRACTED SERVICES	-	-	-	-	-
REPAIRS & MAINTENANCE	-	-	-	-	-
OPERATING	-	-	-	-	-
DEPARTMENTAL	-	-	-	-	-
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-
TOTAL FUND EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES OVER (UNDER) EXPENDITURES	\$ 75,441	\$ 80,116	\$ 75,200	\$ 86,680	\$ 75,200
OTHER FINANCING SOURCES (USES)					
CAPITAL LEASE PROCEEDS	-	-	-	-	-
CAPITAL LEASE EXPENDITURES	-	-	-	-	-
TRANSFERS IN (OUT) ¹	(27,464)	(31,653)	(33,000)	(31,678)	(33,000)
TOTAL OTHER FINANCING SOURCES (USES)	(27,464)	(31,653)	(33,000)	(31,678)	(33,000)
NET CHANGE IN FUND BALANCE	\$ 47,977	\$ 48,463	\$ 42,200	\$ 55,002	\$ 42,200
RESTRICTED FUND BALANCE, OCT 1	149,969	197,946	197,946	197,946	252,948
RESTRICTED² FUND BALANCE, SEP 30	\$ 197,946	\$ 246,409	\$ 240,146	\$ 252,948	\$ 295,148

¹911 landline fees are used to offset actual monthly costs of E911 telephone bill, and \$7,000 of 911 wireless fees are used to offset a portion of annual salaries paid to dispatchers for call taking.

² Committed for capital acquisition of new E911 system.

Grants Fund

	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
FUND EXPENDITURES					
PERSONNEL	\$ 263,140	\$ 262,467	\$ 42,124	\$ 40,171	\$ -
SUPPLIES	4,480	8,632	1,148	1,285	-
CONTRACTED SERVICES	-	-	-	-	3,875
REPAIRS & MAINTENANCE	-	9,011	-	-	-
OPERATING	1,688	1,470	2,104	1,645	1,500
DEPARTMENTAL	-	-	-	-	-
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	-	6,025	72,016	69,856	-
TOTAL FUND EXPENDITURES	\$ 269,308	\$ 287,605	\$ 117,392	\$ 112,957	\$ 5,375
OTHER FINANCING SOURCES (USES)					
OPERATING GRANT PROCEEDS					
AMA Grant	\$ 2,490	\$ -	\$ -	\$ 500	\$ -
DSHS Grant	-	-	-	-	-
CJD Grant (BVP)	-	4,526	3,875	-	3,875
TX Forest Service	-	8,220	-	1,698	-
TLEOSE Grant	-	-	-	1,615	1,500
Safer Streets II	-	-	-	66,858	-
SAFER Grant	224,585	221,117	-	-	-
CJD Grant (CVA)	33,787	34,585	35,559	29,408	-
CAPITAL GRANT PROCEEDS					
SECO Grant	-	-	-	-	-
Oncor Grant	-	9,011	-	-	-
FEMA Grant	-	-	-	-	-
CJD Grant (Equipment Grant)	-	-	68,141	-	-
TRANSFERS IN (OUT)					
Transfer from General Fund (CJD Grant Match)	8,446	10,146	9,817	12,422	-
TOTAL OTHER FINANCING SOURCES (USES)	269,308	287,605	117,392	112,501	5,375
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -	\$ (456)	\$ -
RESTRICTED FUND BALANCE, OCT 1	-	-	-	-	-
RESTRICTED FUND BALANCE, SEP 30	\$ -	\$ -	\$ -	\$ (456)	\$ -

Water and Sewer Fund

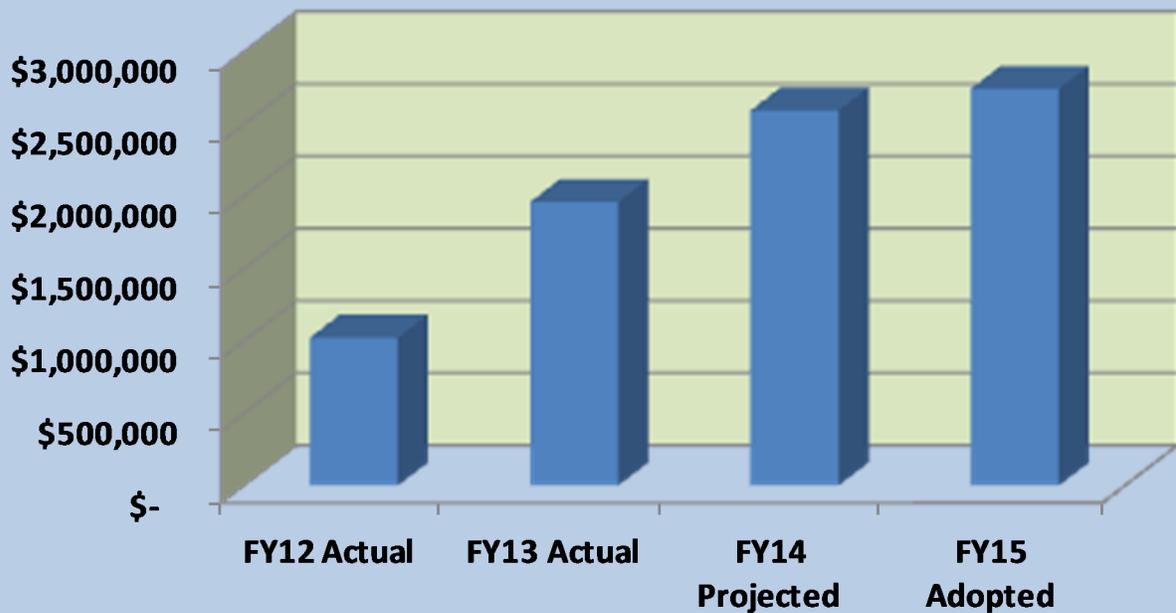


Fund Summary

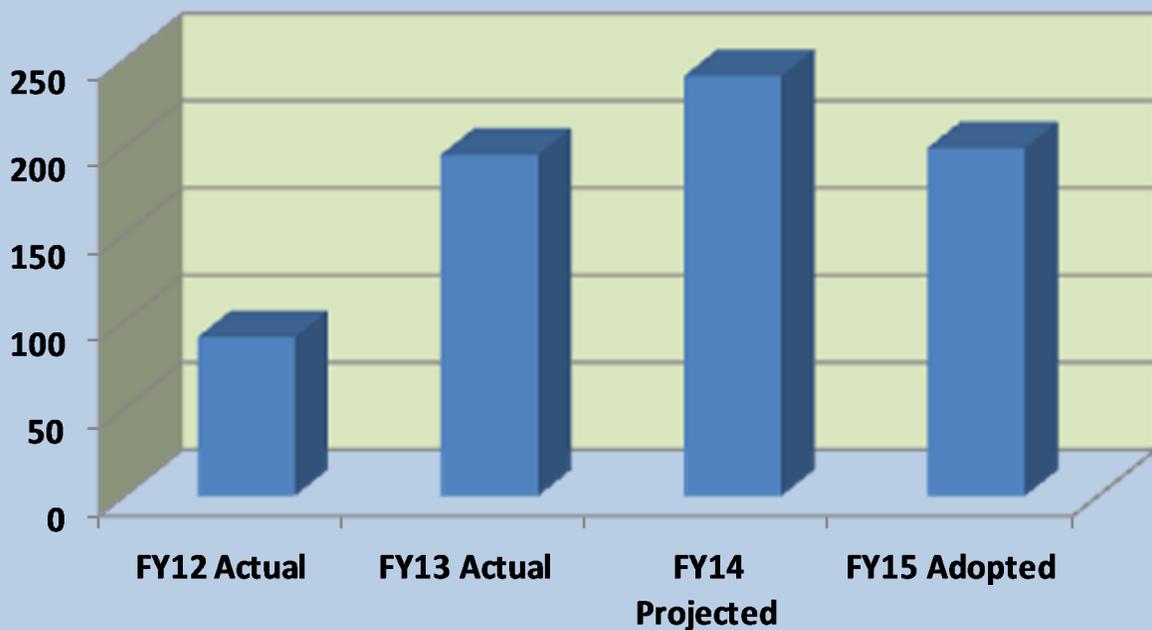
WATER & SEWER FUND SUMMARY						
Revenues, Expenditures, Other Financing Sources (Uses), and Change in Fund Balance						
				2013-2014		
				CURRENT	PROJECTED	
	2011-2012	2012-2013	BUDGET	YEAR END	2014-2015	
REVENUES	ACTUAL	ACTUAL			ADOPTED	
Water Sales	\$ 2,009,100	\$ 1,916,330	\$ 1,875,500	\$ 1,867,930	\$ 1,895,500	
Sewer Sales	2,261,444	2,372,526	2,330,000	2,369,150	2,375,000	
Late Charges	276,003	272,768	265,000	266,921	275,000	
Reconnect Fees	48,670	50,435	50,000	58,703	50,000	
Water Meters	14,707	16,102	20,000	12,813	20,000	
Tap Fees	4,795	1,600	3,000	875	3,000	
Convenience Fees	26,265	38,640	37,000	40,483	37,000	
Interest	1,882	2,862	1,500	1,359	2,000	
Miscellaneous	9,384	363,559	7,000	17,837	7,000	
TOTAL REVENUES	4,652,250	5,034,822	4,589,000	4,636,071	4,664,500	
EXPENDITURES						
22-Utility Administration	238,429	253,559	249,930	241,289	245,187	
23-Meter Services	165,180	136,222	233,197	214,762	209,290	
41-Water Operations	1,249,227	1,255,875	1,658,234	1,387,701	1,686,595	
42-Wastewater Operations	1,817,513	1,540,531	1,710,181	1,601,569	1,979,006	
99-Capital Project - Hwy 664 Utility Relocation	-	-	-	-	350,000	
TOTAL EXPENDITURES	3,470,349	3,186,187	3,851,542	3,445,321	4,470,078	
REVENUE OVER (UNDER) EXPENDITURES	1,181,901	1,848,635	737,458	1,190,750	194,422	
OTHER FINANCING SOURCES (USES)						
00-Lease Purchase Proceeds	-	99,679	-	-	-	
00-Lease Expenditures	-	(99,679)	-	-	-	
00-Debt Service Payments	(195,571)	(277,100)	(272,400)	(272,400)	(272,050)	
00-Transfers In (Out):						
Transfer from Debt Service Fund	195,950	277,100	-	-	-	
Transfer from GF for Loan repayment	-	-	-	-	81,668	
Repayment to GF for taxes used to pay debt	(195,950)	(277,100)	-	-	-	
Transfers to GF	(100,000)	(100,000)	(82,000)	(82,000)	-	
G&A Reimbursement from Utility Funds	(364,945)	(185,593)	(261,719)	(214,532)	(279,133)	
TOTAL OTHER FINANCING SOURCES (USES)	(660,516)	(562,693)	(616,119)	(568,932)	(469,515)	
NET CHANGE IN FUND BALANCE	\$ 521,385	\$ 1,285,942	\$ 121,339	\$ 621,818	\$ (275,093)	
Fund Balance Reserves - Intended Use	-	-	-	-	-	
ANTICIPATED CHANGE IN FUND BALANCE	\$ 521,385	\$ 1,285,942	\$ 121,339	\$ 621,818	\$ (275,093)	
TOTAL FUND BALANCE - OCTOBER 1	1,071,055	1,592,440	1,814,896	2,511,457	3,133,275	
TOTAL FUND BALANCE - SEPTEMBER 30	\$ 1,592,440	\$ 2,878,382	\$ 1,936,235	\$ 3,133,275	\$ 2,858,182	
Restrict for capital improvements *	(500,000)	(750,000)	-	(383,074)	(33,074)	
Reserve for one-time incentive pay-out	-	(11,250)	-	-	-	
Reserve for TRA overages	-	(75,000)	-	(75,000)	-	
UNRESTRICTED FUND BALANCE - SEPT 30	\$ 1,092,440	\$ 2,042,132	\$ 1,936,235	\$ 2,675,201	\$ 2,825,108	
Daily Operating Costs	11,043	9,997	12,016	10,773	13,757	
Days in Reserve	99	204	161	248	205	

* In FY 14/15, funds restricted for capital improvements was reduced by amount of Hwy 664 Utility Relocation Project.

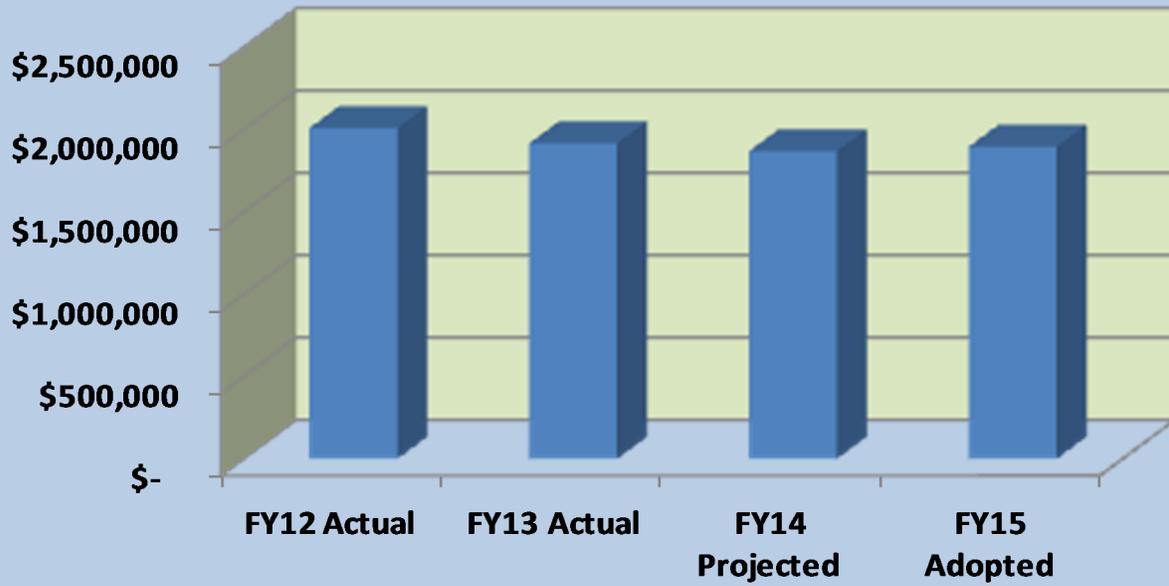
Unrestricted Fund Balance - 4 Year Trend



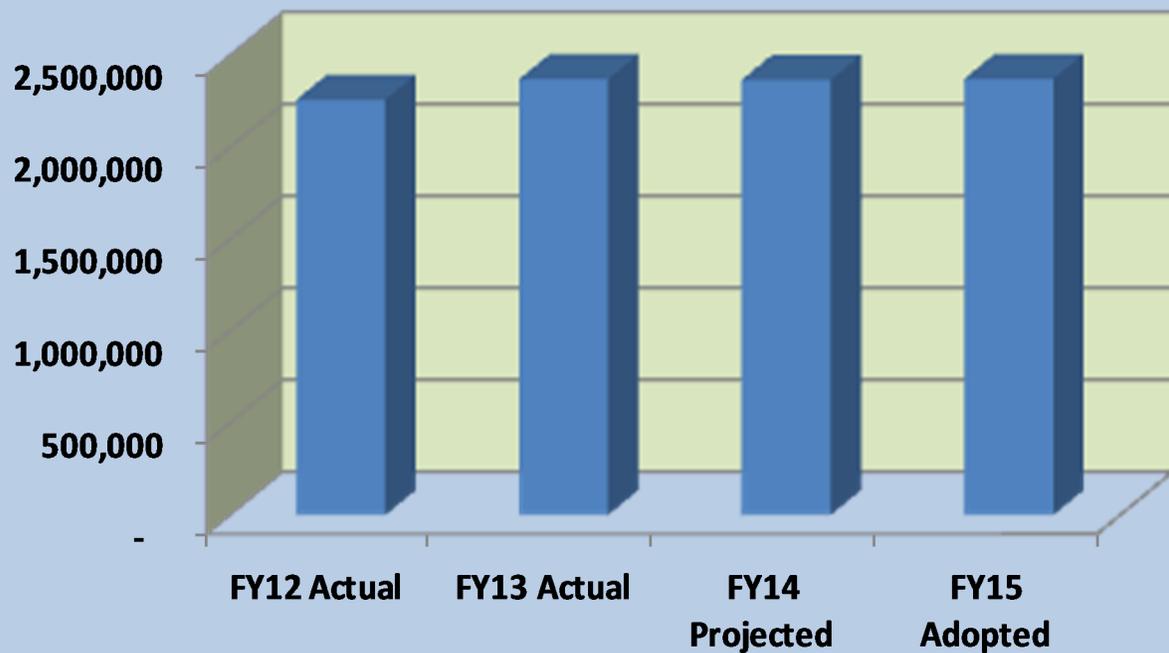
Days in Reserve - 4 Year Trend



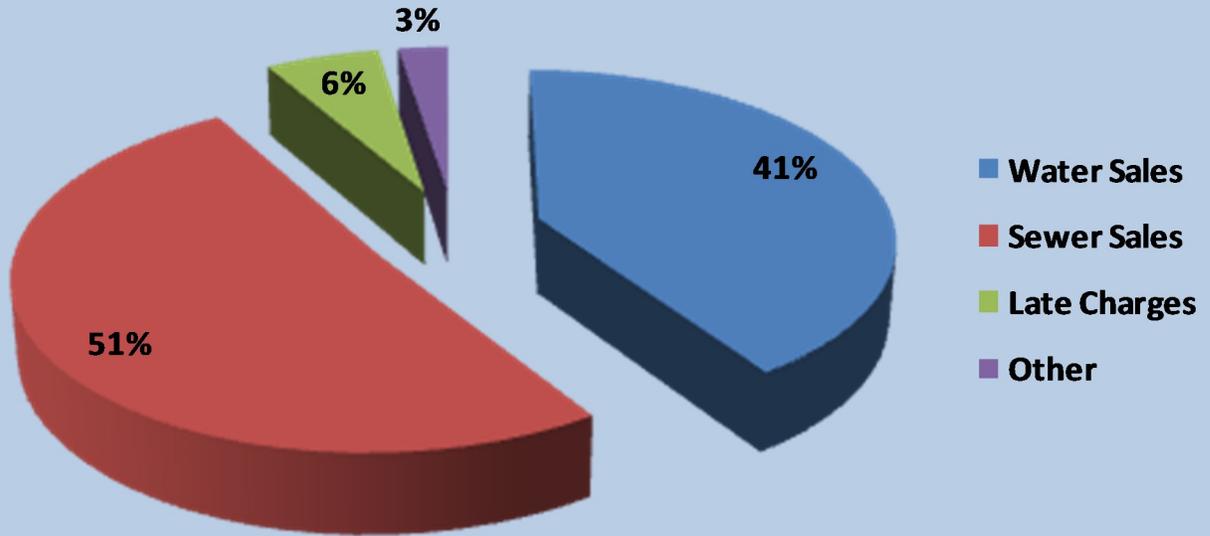
Water Sales - 4 Year Trend



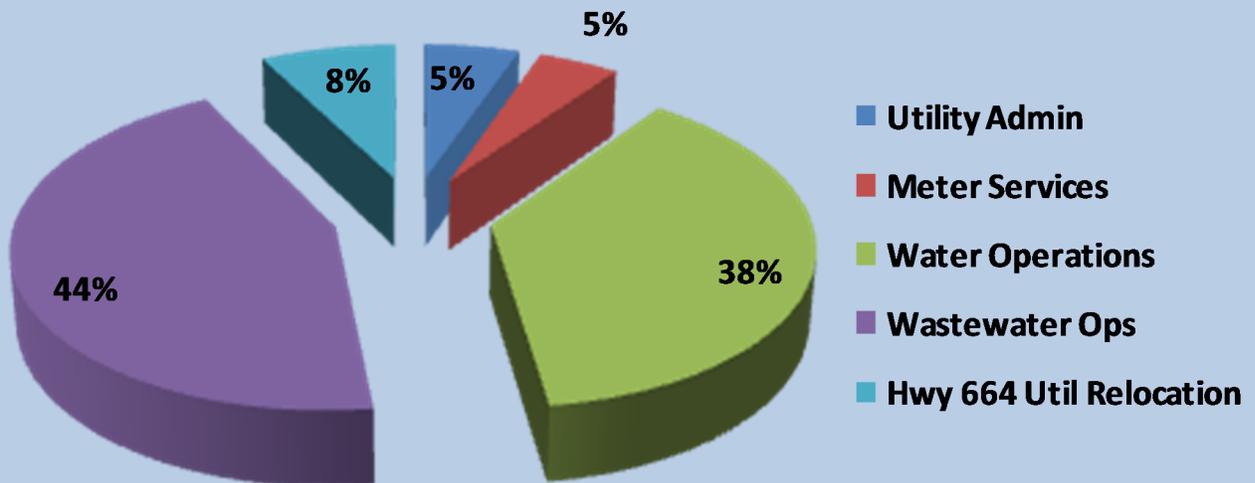
Sewer Sales - 4 Year Trend

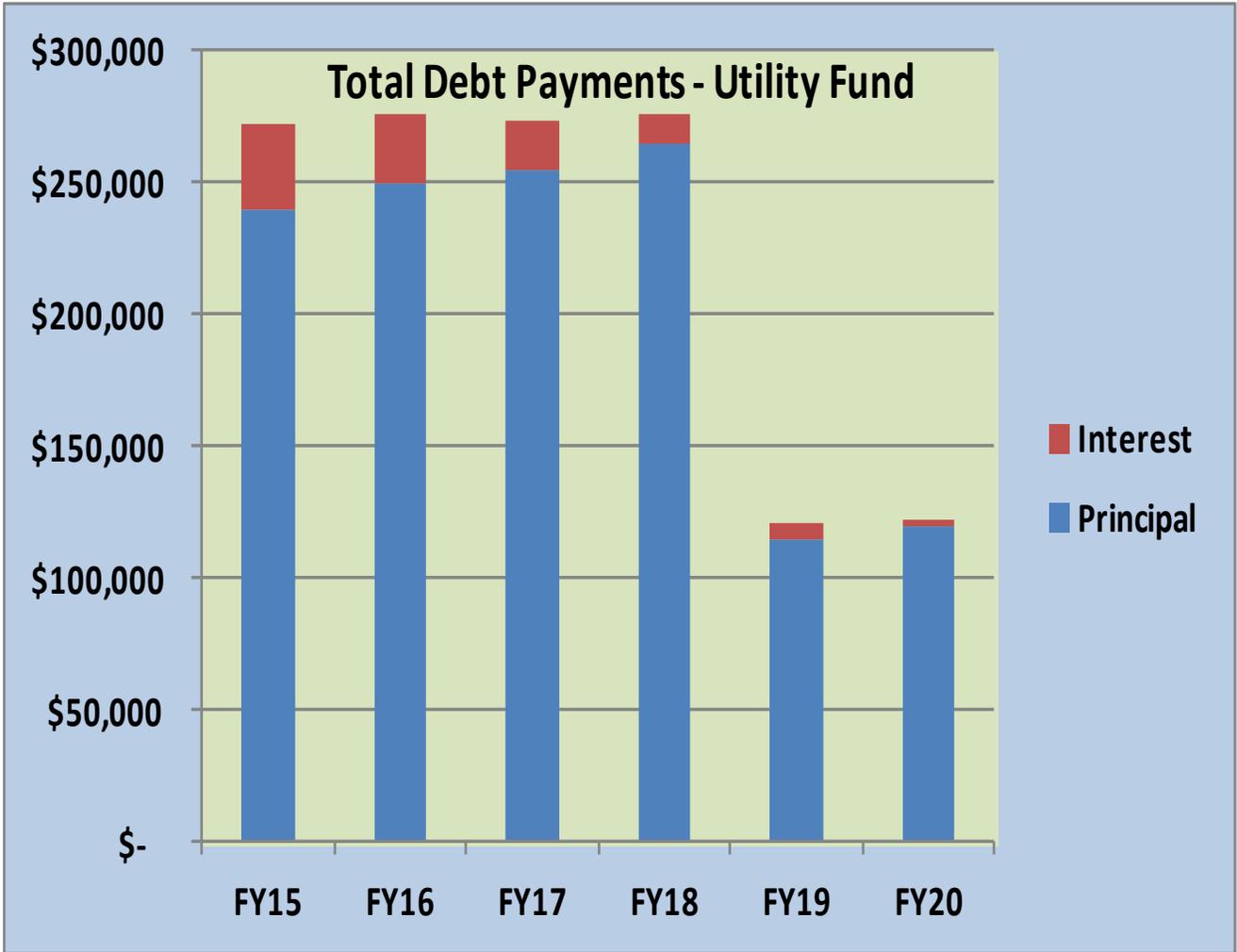


Water & Sewer Fund Revenues by Category



Water & Sewer Fund Expenditures by Department





UTILITY ADMINISTRATION

The Utility Billing & Collection Division provides comprehensive, professional, effective and reliable service to our utility customers. The division is responsible for managing service request, concerns and inquiries. Utility Billing & Collection maintains utility customer records and bills, monitors and collects active, inactive and aged accounts. The division generates and processes The billing for water, wastewater and sanitation.

EXPENDITURE SUMMARY

UTILITY ADMINISTRATION	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 133,282	\$ 133,268	\$ 149,046	\$ 134,802	\$ 141,393
SUPPLIES	4,355	1,955	2,250	2,269	1,650
CONTRACTED SERVICES	84,083	87,992	86,038	98,264	97,185
OPERATING	14,676	6,794	9,350	2,708	4,959
DEBT PAYMENTS	2,033	12,986	3,246	3,246	-
CAPITAL OUTLAY	-	10,564	-	-	-
TOTAL UTILITY ADMIN	\$ 238,429	\$ 253,559	\$ 249,930	\$ 241,289	\$ 245,187

PERSONNEL SUMMARY

FULL-TIME POSITIONS

Utilities Billing Supervisor	1	1	1	1	1
Utilities Blling Representative	2	2	2	2	2
Total Positions	3	3	3	3	3

METER SERVICES

The Meter Services Division is responsible for reading meters, rereading meters to insure reading accuracy, accurately transmitting reading data from meter reading equipment to the customer billing system, performing service disconnections and reconnection, meter repair and replacement, replacement of meter boxes and lids, assisting in internal review of customer account to eliminate unbilled consumption, and assisting in the resolution of billing disputes.



EXPENDITURE SUMMARY

METER SERVICES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 119,889	\$ 111,972	\$ 122,497	\$ 107,531	\$ 110,680
SUPPLIES	28,368	25,026	63,700	65,455	63,700
CONTRACTED SERVICES	12,948	2,390	42,200	36,925	4,500
REPAIRS & MAINTENANCE	1,821	927	2,250	1,902	2,500
OPERATING	1,283	1,222	2,550	2,949	27,910
DEBT PAYMENTS	871	(5,315)	-	-	-
TOTAL METER SERVICES	\$ 165,180	\$ 136,222	\$ 233,197	\$ 214,762	\$ 209,290

PERSONNEL SUMMARY

FULL-TIME POSITIONS

Meter Technician	3	3	3	3	3
Total Positions	3	3	3	3	3

WATER OPERATIONS

The Water Division of the Utility Department is, responsible for the adequate delivery of quality potable water to the end-customer. The Water Division ensures the maintenance of approximately 59 miles of water lines inside the City and 9.7 miles outside the City. The total approximately 70 miles water lines. Duties include the day-to-day maintenance of all publically owned water lines plus the addition of new



EXPENDITURE SUMMARY

WATER OPERATIONS	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 373,135	\$ 372,216	\$ 411,776	\$ 433,077	\$ 419,092
SUPPLIES	31,209	24,055	31,600	27,172	30,500
CONTRACTED SERVICES	637,219	645,146	658,879	605,914	710,027
REPAIRS & MAINTENANCE	62,542	78,027	107,000	69,270	96,000
OPERATING	122,657	90,201	227,425	203,403	228,767
DEPARTMENTAL	21,174	17,177	32,500	19,812	39,500
DEBT PAYMENTS	1,291	29,053	29,054	29,053	29,051
CAPITAL OUTLAY	-	-	160,000	-	133,658
TOTAL WATER OPERATIONS	\$ 1,249,227	\$ 1,255,875	\$ 1,658,234	\$ 1,387,701	\$ 1,686,595

PERSONNEL SUMMARY

FULL-TIME POSITIONS

Public Works Director	1	1	1	1	1
Utilities Superintendent	1	1	1	1	1
Utilities Supervisor	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Utilities Worker	3	3	3	3	3
Backflow Operator	1	1	1	1	1
Total Positions	8	8	8	8	8

WASTE WATER OPERATIONS

The Wastewater Division of the Utility Department is responsible for providing a reliable and safe collection of raw sewage inside the City of Glenn Heights. The collection of sewage is transported through approximately 55 miles of sewer lines to the Trinity River Authority (TRA) point of entry for treatment.; the Wastewater Division ensure the maintenance of all sewer lines, 3 lift station man-holes an service taps.



EXPENDITURE SUMMARY

WASTEWATER	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
PERSONNEL	\$ 118,525	\$ 113,409	\$ 121,703	\$ 78,923	\$ 119,475
SUPPLIES	20,879	17,076	22,650	23,115	21,700
CONTRACTED SERVICES	662,306	578,038	518,575	524,732	643,322
REPAIRS & MAINTENANCE	18,268	12,505	16,600	10,546	16,500
OPERATING	19,364	2,706	118,525	115,943	121,858
DEPARTMENTAL	316	-	1,200	1,000	1,200
DEBT PAYMENTS	977,855	816,797	873,928	847,310	1,025,640
CAPITAL OUTLAY	-	-	37,000	-	29,311
TOTAL WASTEWATER	\$ 1,817,513	\$ 1,540,531	\$ 1,710,181	\$ 1,601,569	\$ 1,979,006

PERSONNEL SUMMARY

FULL-TIME POSITIONS

Utilities Worker	2	2	2	2	2
Total Positions	2	2	2	2	2

WORKPLAN OBJECTIVES

1. Remove the old water tower on Harbor View Drive
2. Develop a 5 Year Water Capital Improvement Plan
3. Replace 200 water meters in the Mesa Addition and Top of the Hill Addition.



PERFORMANCE INDICATORS

WATER SERVICES

- PERCENT WATER DELIVERY LINES MAINTAINED
- PERCENT WATER MAINS MAINTAINED
- CITIZEN RESPONSE TIME

WASTEWATER SERVICES

- PERCENT SEWER LINES MAINTAINED
- CITIZEN RESPONSE—LATER STOPS (WITHIN 2 HOURS)
- CITIZEN RESPONSE—REPAIRS (WITHIN 48-72 HOURS)
- COMPLETE WORK ORDERS (WITHIN 24 HOURS)

WORKLOAD MEASURES

WATER OPERATIONS

- NUMBER OF WATER MAIN BREAKS REPAIRED
- NUMBER OF CITIZEN INQUIRIES & COMPLAINTS ADDRESSED
- NUMBER OF FIRE HYDRANTS FLUSHED
- NUMBER OF UTILITY LINE LOCATES PERFORMED
- NUMBER OF WELL READS PERFORMED

WASTEWATER OPERATIONS

- NUMBER OF WASTEWATER MAINS SERVICED
- NUMBER WASTEWATER MAINS REPAIRED
- FREQUENCY OF WASTEWATER LIFT STATION MAINTENANCE
- NUMBER OF MANHOLE MAINTENANCE OPERATIONS PERFORMED

STORMWATER

- NUMBER OF FEET OF DITCHES MAINTAINED
- NUMBER OF MANHOLES MAINTAINED
- NUMBER OF CITIZENS UTILIZING CONVENIENCE STATION

METER SERVICES

- NUMBER OF WORK ORDERS EXECUTED
- PERCENTAGE OF METERS READ CORRECTLY
- NUMBER OF DISCONNECT/RECONNECT OF METERS

ENGINEERING

- NUMBER OF NEW DEVELOPMENT SITES INSPECTED BY STAFF
- FREQUENCY OF COORDINATION WITH VARIOUS STATE AND COUNTY AGENCIES
- NUMBER OF DRAINAGE AND UTILITY STUDIES PERFORMED
- NUMBER OF MUNICIPAL CONSTRUCTION PROJECTS INITIATED

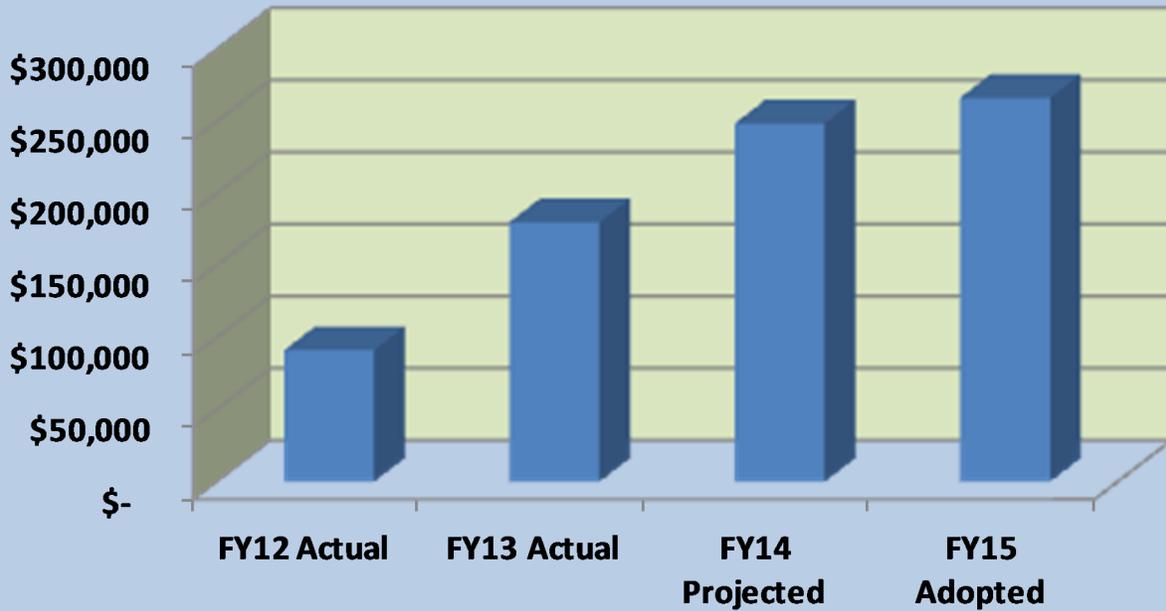
Municipal Drainage Fund



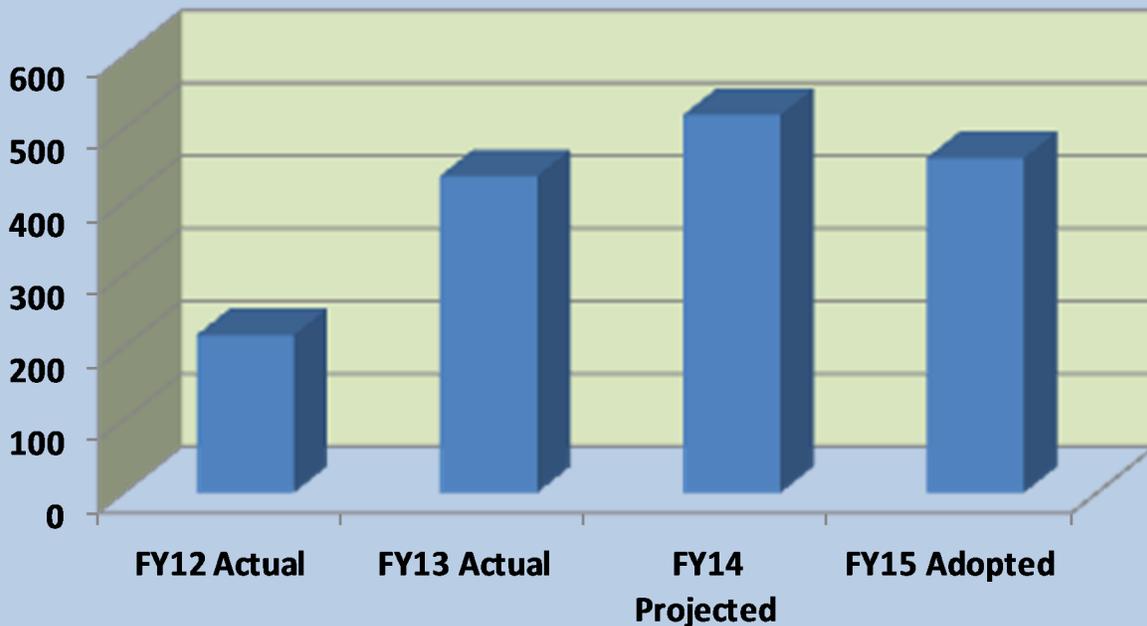
Fund Summary

	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
REVENUES					
Drainage Fees - Residential	\$ 218,754	\$ 221,798	\$ 218,275	\$ 224,971	\$ 211,275
Drainage Fees - Commercial	30,035	30,495	30,000	30,480	30,000
Interest	2	2	-	-	-
TOTAL REVENUES	248,791	252,295	248,275	255,451	241,275
EXPENDITURES					
46-Stormwater Operations	153,224	150,853	202,475	174,463	211,037
TOTAL EXPENDITURES	153,224	150,853	202,475	174,463	211,037
REVENUE OVER (UNDER) EXPENDITURES	95,567	101,442	45,800	80,988	30,238
OTHER FINANCING SOURCES (USES)					
99-Lease Purchase Proceeds	-	-	-	-	-
99-Lease Expenditures	-	-	-	-	-
99-Hampton Rd North of Bear Creek	-	-	-	-	-
99-Operating Transfers In (Out)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)
TOTAL OTHER FINANCING SOURCES (USES)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)
NET CHANGE IN FUND BALANCE	83,067	88,942	33,300	68,488	17,738
Fund Balance Reserve - Intended Use	-	-	-	-	-
ANTICIPATED CHANGE IN FUND BALANCE	\$ 83,067	\$ 88,942	\$ 33,300	\$ 68,488	\$ 17,738
BEGINNING UNASSIGNED FUND BALANCE - OCT 1	8,075	91,142	100,168	180,084	248,572
ENDING UNASSIGNED FUND BALANCE - SEPT 30	\$ 91,142	\$ 180,084	\$ 133,468	\$ 248,572	\$ 266,310
Daily Operations Cost	420	413	555	478	578
Days in Reserve	217	436	241	520	461

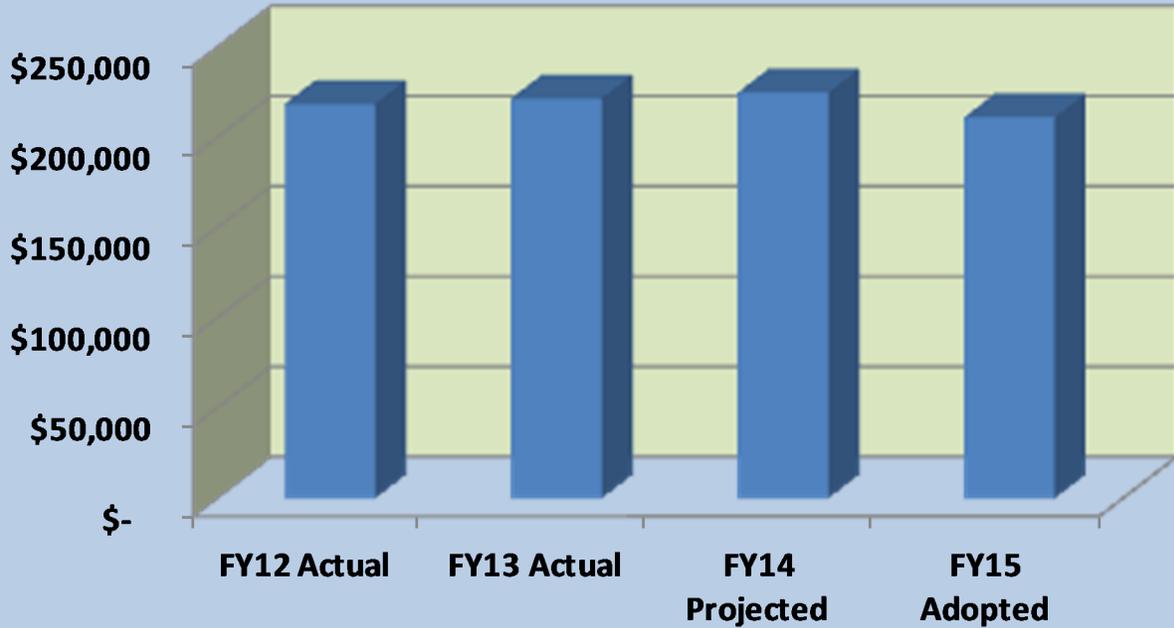
Unrestricted Fund Balance - 4 Year Trend



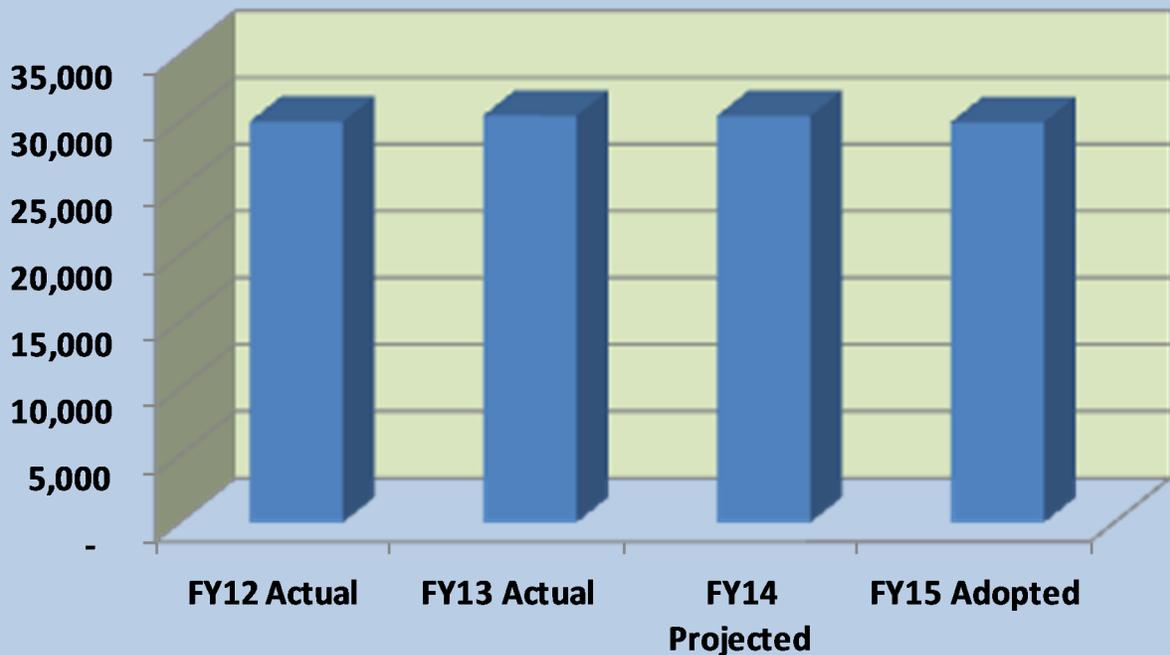
Days in Reserve - 4 Year Trend



Residential Fee Revenue - 4 Year Trend



Commercial Fee Revenue - 4 Year Trend



Park Fees



Fund Summary

	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
REVENUES					
230-4-00-4600 CITY-WIDE PARK FEES	\$ 12,978	\$ 10,506	\$ -	\$ 9,270	\$ -
230-4-00-4700 INTEREST	574	481	-	473	-
TOTAL REVENUES	\$ 13,552	\$ 10,987	\$ -	\$ 9,743	\$ -
FUND EXPENDITURES					
PERSONNEL	-	-	-	-	-
SUPPLIES	-	-	-	-	-
CONTRACTED SERVICES	-	-	-	-	-
REPAIRS & MAINTENANCE	-	-	-	-	-
OPERATING	-	-	-	-	-
DEPARTMENTAL	-	-	-	-	-
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	4,500	21,537	-	-	125,000
TOTAL FUND EXPENDITURES	\$ 4,500	\$ 21,537	\$ -	\$ -	\$ 125,000
REVENUES OVER (UNDER) EXPENDITURES	\$ 9,052	\$ (10,550)	\$ -	\$ 9,743	\$ (125,000)
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN (OUT)					
Transfer from 2008 CO Bond Fund	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ 9,052	\$ (10,550)	\$ -	\$ 9,743	\$ (125,000)
RESTRICTED FUND BALANCE, OCT 1	187,650	196,702	186,152	186,152	195,895
Committed for Neighborhood Area Parks	-	-	-	-	-
RESTRICTED FUND BALANCE, SEP 30	\$ 196,702	\$ 186,152	\$ 186,152	\$ 195,895	\$ 70,895

Street Impact Fees



Fund Summary

	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
REVENUES					
215-4-00-4590 WATER IMPACT FEES	\$ -	\$ -	\$ -	\$ -	\$ -
215-4-00-4591 SEWER IMPACT FEES	-	-	-	-	-
215-4-00-4592 STREET IMPACT FEES	26,933	21,803	-	19,238	-
215-4-00-4700 INTEREST	1	3	-	132	-
TOTAL REVENUES	\$ 26,934	\$ 21,806	\$ -	\$ 19,370	\$ -
FUND EXPENDITURES					
PERSONNEL	-	-	-	-	-
SUPPLIES	-	-	-	-	-
CONTRACTED SERVICES	1,490	-	-	-	-
REPAIRS & MAINTENANCE	-	-	-	-	-
OPERATING	-	-	-	-	-
DEPARTMENTAL	-	-	-	-	-
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	7,523	-	-	-	-
TOTAL FUND EXPENDITURES	\$ 9,013	\$ -	\$ -	\$ -	\$ -
REVENUES OVER (UNDER) EXPENDITURES	\$ 17,921	\$ 21,806	\$ -	\$ 19,370	\$ -
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN (OUT)					
Transfer to Water/Wastewater Impact Fund	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ 17,921	\$ 21,806	\$ -	\$ 19,370	\$ -
RESTRICTED FUND BALANCE, OCT 1	876,044	216,106	237,912	237,912	257,282
Reclassify to W/WW Impact Fee Fund (new)	(677,859)	-	-	-	-
RESTRICTED FUND BALANCE, SEP 30	\$ 216,106	\$ 237,912	\$ 237,912	\$ 257,282	\$ 257,282

Utility Impact Fees



Fund Summary

	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
REVENUES					
510-4-00-4590 WATER IMPACT FEES	\$ 12,184	\$ 14,926	\$ -	\$ 10,595	\$ -
510-4-00-4591 SEWER IMPACT FEES	46,711	43,846	-	40,833	-
510-4-00-4700 INTEREST	2,005	1,501	-	1,346	-
TOTAL REVENUES	\$ 60,900	\$ 60,273	\$ -	\$ 52,774	\$ -
FUND EXPENDITURES					
PERSONNEL	-	-	-	-	-
SUPPLIES	-	-	-	-	-
CONTRACTED SERVICES	-	-	-	-	-
REPAIRS & MAINTENANCE	-	-	-	-	-
OPERATING	-	-	-	-	-
DEPARTMENTAL	-	-	-	-	-
DEBT PAYMENTS*	177,701	150,958	187,638	161,388	195,360
CAPITAL OUTLAY	-	-	-	-	-
TOTAL FUND EXPENDITURES	\$ 177,701	\$ 150,958	\$ 187,638	\$ 161,388	\$ 195,360
REVENUES OVER (UNDER) EXPENDITURES	\$ (116,801)	\$ (90,685)	\$ (187,638)	\$ (108,614)	\$ (195,360)
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN (OUT)					
Transfer from Street Impact Fee Fund	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (116,801)	\$ (90,685)	\$ (187,638)	\$ (108,614)	\$ (195,360)
RESTRICTED FUND BALANCE, OCT 1	-	562,310	471,625	471,625	363,011
Reclassify from Street Impact Fee Fund	679,111	-	-	-	-
RESTRICTED FUND BALANCE, SEP 30	\$ 562,310	\$ 471,625	\$ 283,987	\$ 363,011	\$ 167,651

*This is a portion of the TRA debt service payment.

2006 Bonds - Capital Projects



Fund Summary

	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
REVENUES					
BOND REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST INCOME	1,232	931	-	693	-
TOTAL REVENUES	\$ 1,232	\$ 931	\$ -	\$ 693	\$ -
FUND EXPENDITURES					
PERSONNEL	-	-	-	-	-
SUPPLIES	-	-	-	-	-
CONTRACTED SERVICES	-	-	-	-	-
REPAIRS & MAINTENANCE	-	-	-	-	-
OPERATING	-	-	-	-	-
DEPARTMENTAL	-	-	-	-	-
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	-	326,684	100,000	231,429	119,952
TOTAL FUND EXPENDITURES	\$ -	\$ 326,684	\$ 100,000	\$ 231,429	\$ 119,952
REVENUES OVER (UNDER) EXPENDITURES	\$ 1,232	\$ (325,753)	\$ (100,000)	\$ (230,736)	\$ (119,952)
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN (OUT)					
Transfer from 2008 CO Bond Fund	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ 1,232	\$ (325,753)	\$ (100,000)	\$ (230,736)	\$ (119,952)
RESTRICTED FUND BALANCE, OCT 1	675,261	676,493	350,740	350,740	120,004
RESTRICTED FUND BALANCE, SEP 30	\$ 676,493	\$ 350,740	\$ 250,740	\$ 120,004	\$ 52

2008 Bonds - Capital Projects



Fund Summary

	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014		2014-2015 ADOPTED
			CURRENT BUDGET	PROJECTED YEAR END	
REVENUES					
401-4-00-4000 BOND REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
401-4-00-4700 INTEREST INCOME	719	533	-	179	-
TOTAL REVENUES	\$ 719	\$ 533	\$ -	\$ 179	\$ -
FUND EXPENDITURES					
PERSONNEL	-	-	-	-	-
SUPPLIES	-	-	-	-	-
CONTRACTED SERVICES	-	-	-	-	-
REPAIRS & MAINTENANCE	-	-	-	-	-
OPERATING	-	-	-	-	-
DEPARTMENTAL	-	-	-	-	-
DEBT PAYMENTS	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	417,048
TOTAL FUND EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ 417,048
REVENUES OVER (UNDER) EXPENDITURES	\$ 719	\$ 533	\$ -	\$ 179	\$ (417,048)
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN (OUT)					
Transfer to 2006 CO Bond Fund		-	-	-	-
Transfer to Drainage Fund	(128,795)	-	-	-	-
Transfer to Park Fund	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(128,795)	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (128,076)	\$ 533	\$ -	\$ 179	\$ (417,048)
RESTRICTED FUND BALANCE, OCT 1	641,952	513,876	514,409	514,409	514,588
RESTRICTED FUND BALANCE, SEP 30	\$ 513,876	\$ 514,409	\$ 514,409	\$ 514,588	\$ 97,540

Appendices

Budget Ordinances

ORDINANCE O-05-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, ADOPTING THE BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015; FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; APPROPRIATING AND SETTING ASIDE THE NECESSARY FUNDS OUT OF THE GENERAL AND OTHER REVENUES FOR SAID FISCAL YEAR FOR THE MAINTENANCE AND OPERATION OF THE VARIOUS DEPARTMENTS AND FOR VARIOUS ACTIVITIES AND IMPROVEMENTS OF THE CITY; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Manager of the City of Glenn Heights, Texas has submitted a proposed annual budget to the City Council of the City of Glenn Heights, Texas setting forth the estimated revenues and expenditures of said City as required by Article 5, Section 5.02(b) of the Home Rule Charter of the City of Glenn Heights; and

WHEREAS, a copy of the proposed budget has been filed in the office of the City Secretary and the proposed budget was made available for public inspection in accordance with Chapter 102.005 of the Local Government Code; and

WHEREAS, a public hearing was held by the City in accordance with Chapter 102.006 of the local Government Code, following due publication of notice thereof, at which time all citizens and parties of interest were given the opportunity to be heard regarding the proposed budget; and

WHEREAS, after full and final consideration, it is the opinion of the Glenn Heights City Council that the 2014-2015 fiscal year budget as hereinafter set forth should be adopted.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS:

SECTION 1. That the proposed budget of the revenue and expenditures necessary for conducting the affairs of the City of Glenn Heights, Texas for the fiscal year beginning October 1, 2014, and ending September 30, 2015, as submitted to the City Council by the City Manager, attached hereto as Exhibit "A", be and the same is hereby adopted as the budget of the City of Glenn Heights for the fiscal year beginning October 1, 2014 and ending September 30, 2015.

SECTION 2. That the expenditures during the fiscal year beginning October 1, 2013, and ending September 30, 2014, shall be made in accordance with the budget approved by this Ordinance unless otherwise authorized by a duly enacted Ordinance of the City of Glenn Heights, Texas.

SECTION 3. That all budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2013-2014 are hereby ratified, and the budget approval for fiscal year 2013-2014, heretofore enacted by the City Council, be and the same is hereby amended to the extent of such transfers and amendments for all purposes.

SECTION 4. All ordinances of the City of Glenn Heights, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed; provided, however, that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 5. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance which shall remain in full force and effect.

SECTION 6. This Ordinance shall take effect immediately from and after its passage as the law in such cases provides.

DULY PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS ON THIS THE 16th DAY OF SEPTEMBER, 2014.

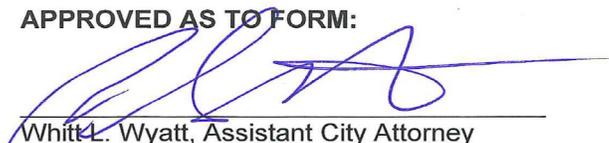
APPROVED:


Leon Payton Tate, Mayor

ATTEST:


Terr L. Miller, Interim City Secretary

APPROVED AS TO FORM:


Whitt L. Wyatt, Assistant City Attorney
(wlw/09-12-14/68184)

ORDINANCE O-06-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, LEVYING AD VALOREM TAXES FOR THE YEAR 2014 (FISCAL YEAR 2014 - 2014) AT A RATE OF \$0.795000 PER ONE HUNDRED DOLLARS (\$100) ASSESSED VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF GLENN HEIGHTS AS OF JANUARY 1, 2014, TO PROVIDE REVENUE FOR THE PAYMENT OF CURRENT EXPENSES; PROVIDING FOR AN INTEREST AND SINKING FUND FOR ALL OUTSTANDING DEBT OF THE CITY OF GLENN HEIGHTS; PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS the City Council for the City of Glenn Heights, Texas ("City") is hereby levying ad valorem taxes for the fiscal year 2014-2015 budget at a rate of \$0.795000 per One Hundred Dollars (\$100) assessed valuation on all taxable property within the corporate limits of the City; and

WHEREAS THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE; and

WHEREAS THE TAX RATE WILL EFFECTIVELY BE RAISED BY 4.47 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$4.78.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS, THAT:

SECTION 1. There is hereby levied for the tax year 2014 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Glenn Heights, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of \$0.795000 on each One Hundred Dollars (\$100) assessed valuation of taxable property, and, shall be, apportioned and distributed as follows:

- (a) For the purpose of defraying the current expenditures of the municipal government of the City of Glenn Heights, a tax of \$0.683390 on each and every One Hundred Dollars (\$100) assessed value on all taxable property; and
- (b) For the purpose of creating a sinking fund to pay the interest and principal maturities of all outstanding debt of the City of Glenn Heights not otherwise provided for, a tax of \$0.111610 on each One Hundred Dollars (\$100) assessed value of taxable property within the City of Glenn

Heights, and shall be applied to the payment of interest and maturities of all such outstanding debt of the City.

SECTION 2. All ad valorem taxes shall become due and payable on October 1, 2014, and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2015. There shall be no discount for payment of taxes prior to February 1, 2014. A delinquent tax shall incur all penalty and interest authorized by law, to wit:

- (a) A penalty of six percent (6%) on the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent.
- (b) Provided, however, a tax delinquent on July 1, 2015, incurs a total penalty of twelve percent (12%) of the amount of delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at the rate of one percent (1%) for each month or portion of a month the tax remains unpaid. Taxes for the year 2014 and taxes for all future years that become delinquent on or after February 1 but not later than May 1, that remain delinquent on July 1 of the year in which they become delinquent, incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and 33.07, as amended. Taxes assessed against tangible personal property for the year 2014 and for all future years that become delinquent on or after February 1 of a year incur an additional penalty on the later of the date the personal property taxes become subject to the delinquent tax attorney's contract, or 60 days after the date the taxes become delinquent, such penalty to be in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 33.11. Taxes for the year 2013 and taxes for all future years that remain delinquent on or after June 1 under Texas Property Tax Code Sections 26.07(f), 26.15(e), 31.03, 31.031, 31.032 or 31.04 incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and Section 33.08, as amended.

SECTION 3. Tax Assessor/Collector is hereby authorized to assess and collect the taxes of the City of Glenn Heights, Texas.

SECTION 4. The City shall have available all the rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

SECTION 5. The tax roll as presented to the City Council, together with any supplements thereto, be and the same are hereby approved.

Ordinance 0-06-14 2

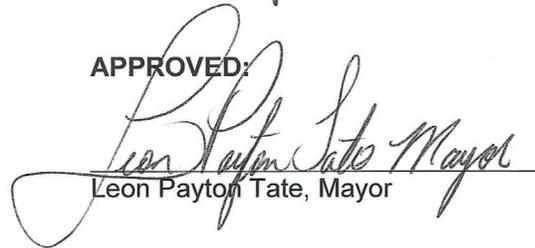
SECTION 6. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance which shall remain in full force and effect.

SECTION 7. All ordinances of the City of Glenn Heights, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed; provided, however, that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 8. This ordinance shall take effect immediately from and after its passage, as the law and charter in such cases provide.

DULY PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF
GLENN HEIGHTS, TEXAS ON THIS THE 16th DAY OF September, 2014.

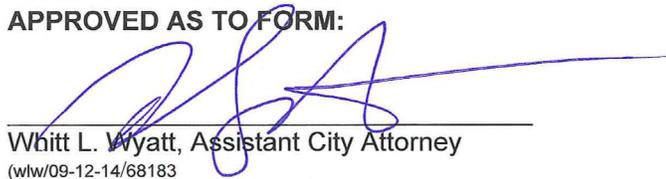
APPROVED:


Leon Payton Tate, Mayor

ATTEST:


Terri L. Miller, Interim City Secretary

APPROVED AS TO FORM:


Whitt L. Wyatt, Assistant City Attorney
(wlw/09-12-14/68183)

Ordinance 0-06-14 3

Financial Policies

City of Glenn Heights

Financial Policies

PURPOSE STATEMENT

The policies set forth below, in conjunction with the City's Charter, provide guidelines to enable the City staff to achieve a long-term, stable financial condition while conducting daily operations and providing services to the community. These policies are used to maintain and improve organizational effectiveness, to maintain a sound financial foundation, and to achieve strategic goals for accountability and integrity. The scope of these policies covers fiscal budgeting, accounting, auditing, financial reporting, internal control, revenue management, expenditure control, fund transfers, fund reserves, capital financing and debt management.

FISCAL BUDGETING

Department Directors will assist the City Manager in developing and submitting the proposed budgets for all City funds to the City Council for approval no later than August 1 of each fiscal year. Proposed budget appropriations will not exceed revenues generated in the budget year plus any remaining fund reserves from previous years. The proposed budget will include:

ACCOUNTING

Recordkeeping

The financial records of the City will be maintained on the modified accrual basis of accounting for all funds. The Chief Financial Officer is responsible for establishing adequate City funds and the chart of accounts to be used to record financial transactions in a consistent and timely manner.

Cash Management

All bank statements will be reconciled monthly and cash balances will be reported to the City Council as part of the Monthly Financial Report. The Chief Financial Officer will be responsible for monitoring and ensuring that bank balances are fully secured by pledged collateral in the name of the City of Glenn Heights.

Restricted Cash

The Chief Financial Officer will be responsible for ensuring that all bond covenants, contracts and grant agreements are met with regards to the management of all restricted revenue sources.

City of Glenn Heights Financial Policy

Investments

All cash investments will be in accordance with the City's Investment Policy.

Capital Assets

Assets are tangible items, such as land, buildings, inventory, equipment, vehicles and software. All expenditures for assets greater than \$5,000 will be considered capital assets and recorded in the City's books as such. All construction projects with a total cost greater than \$5,000 will be considered a capital asset. Any repairs to existing City assets greater than \$5,000 that add value to or extend the life of the asset will be considered a capital asset. All expenditures for capital assets must be approved by the City Council.

Assets <\$5,000

A cumulative list of all expenditures for assets with a cost between \$1,000 and \$5,000 will be maintained by the Finance Department and reconciled annually by Department Directors. This list will be organized in a manner such that all assets can be easily identified and tracked on an ongoing basis. Any construction or repairs less than \$5,000 will be considered repairs/maintenance and recorded as such.

Grant Expenditures

All assets purchased with grant proceeds will be labeled in a manner that will make them easily identifiable. City management will ensure that compliance with grant agreements for the disposal or sale of these assets are adhered to.

AUDITING

The City will be audited annually by an independent certified public accounting firm. This firm must demonstrate experience in governmental accounting and auditing. The financial audit will be conducted in accordance with generally accepted accounting standards.

FINANCIAL REPORTING

Annual Reporting

The Chief Financial Officer will be responsible for preparing and presenting the City's annual budget documents to the Government Finance Officers Association (GFOA) for evaluation and awarding of the Distinguished Budget Presentation Awards Program.

The Chief Financial Officer will be responsible for preparing a Comprehensive Annual Financial Report (CAFR) each year. The CAFR will be presented to the Government Finance Officers

City of Glenn Heights Financial Policy

Association (GFOA) for evaluation and awarding of the Certificate of Achievement for Excellence in Financial Reporting.

Interim Reporting

The City Manager will submit to Council each month accurate and timely financial reports. Monthly financial reports will include:

1. Cash and Investment Report including reconciliation between bank and book balances for each City fund. 2. Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances – Budget and Actual. Financial information will be reported at the department level and will include current and prior year comparisons for the month and fiscal year-to-date.
2. Budget Reports including reconciliation between the original budget and revised budget for the current fiscal year.

All monthly financial reports will be posted on the City's website along with monthly cash disbursement reports.

INTERNAL CONTROLS

The Chief Financial Officer is responsible for developing, implementing and maintaining adequate controls over cash receipts, disbursements, payroll and other significant financial accounting areas. These controls will be written, approved by the City Manager and reviewed annually. Department Directors will be responsible for ensuring that controls in place are adequate for their Department and are being followed.

REVENUE MANAGEMENT

City management will understand its revenue sources and enact consistent collection policies and procedures to provide assurances that budgets and plans will be met.

Revenue Diversification

A diversified and stable revenue system will be maintained to shelter the City from short-run fluctuations in any one revenue source.

Fees and Charges

The City will maximize utilization of user charges for services that can be easily identified and where the costs are directly related to a specific service. At least every two (2) years, reviews will be performed to ensure that user fees and charges adequately cover the cost of the service being provided.

City of Glenn Heights Financial Policy

The City will adopt utility rates sufficient to cover operating expenses and transfers while continuing to meet legal requirements of bond covenants.

Restricted Revenues

The City will utilize restricted revenue sources first when expenditures are incurred that qualify as expenditures of such revenues. Departments generating restricted revenue sources will be responsible for determining what expenditures qualify. Any restricted revenue sources being committed or assigned to pay future anticipated expenditures will be properly documented and reported as such.

One-Time Revenues

One-time revenues will be used only for one-time expenditures. The City will avoid using temporary revenues to fund mainstream services.

Unpredictable Revenue

The use of unpredictable revenue will depend upon management's understanding of the source and whether or not the revenue should be considered one-time revenues or will recur periodically.

EXPENDITURE CONTROL

City management will be held accountable for meeting program objectives which includes compliance with annual budgeted appropriations by the City Council.

Level of Budgetary Control

Department Directors level of budgetary control is at the Department level and may transfer budgeted appropriations between line items within their Department. The City Manager level of budgetary control is at the Fund level and may transfer budgeted appropriations between Departments within the same Fund (i.e., General Fund, Water/Sewer Fund, Drainage Fund, etc.); however, revisions that alter the total budgeted appropriations of any given Fund must be approved by the City Council.

Purchasing

All purchases shall be in accordance with the City's Purchasing Policy.

Payment

All invoices will be paid timely and in accordance with State law. Procedures will be used to take advantage of purchase discounts and payments will be processed to maximize the City's investable cash.

FUND TRANSFERS

The City's proprietary funds will compensate the General Fund for general and administrative services provided through budgeted fund transfers. The amount to be compensated will be determined annually as part of the budget process and approved by the City Council.

General and administrative services provided to proprietary funds will include Management, Finance, Human Resources, City Secretary and all other unallocated City-wide expenditures. It is the Chief Financial Officer's responsibility to calculate and compensate the General Fund for these services on a systematic and consistent basis.

Any other revenue transfers between funds not for the purpose of compensation for services will be considered operating transfers and reported as such.

CAPITAL FINANCING

Capital financing transactions will be recorded in the same fund as the capital asset. Capital assets will be financed for a period not to exceed the useful life of the asset. All financing will be approved by the City Council. The City will retain and utilize a Financial Advisor in connection with all bond debt issuances. All unspent bond proceeds for capital projects will be used to pay future debt principal and interest payments. The Finance Department will diligently monitor the City's compliance to its bond covenants. The Finance Department will maintain ongoing communications with bond rating agencies about the City's financial condition and follow a policy of full disclosure on every financial report. The City has and will continue to retain a Financial Advisor in connection with any debt issuance.

DEBT MANAGEMENT

The Finance Department will monitor all City debt as part of the annual budget process. Ad valorem taxes will be levied annually for an amount sufficient to pay all bond debt not paid from other revenue sources. Ad valorem taxes assessed for debt service will be accounted for in the City's Debt Service Fund. Interest and sinking funds will be established and maintained for bond debt to be paid from revenue sources other than ad valorem taxes.

City of Glenn Heights Financial Policy

The Chief Financial Officer will be responsible for monitoring compliance requirements with all debt covenants, maintain ongoing communications with bond rating agencies in regards to the City's financial condition and follow a policy of full disclosure on every financial report.

Long-term debt will not be used to finance operations.

RESOLUTION R-02-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS AUTHORIZING A COMPREHENSIVE FUND BALANCE POLICY IN ACCORDANCE WITH GOVERNMENTAL ACCOUNTING STANDARDS BOARD ("GASB") STATEMENT NO. 54.

Whereas, the Governmental Accounting Standards Board ("GASB") has issued Statement No. 54, Fund Balance Reporting and governmental Fund Type Definitions ("GASB-54"). The primary objective of this new standard is to improve the usefulness and comparability of fund balance information by reporting fund balance in more intuitive and meaningful components. This standard also clarifies the definitions of the different types of funds that a governmental entity may set up for financial reporting purposes;

Whereas, GASB-54 now requires our City to classify the fund balance amounts reported within our financial statements in accordance with five new and more detailed classifications shown below. These categories are as follows":

Nonspendable - Fund Balance – Fund balance reported as "nonspendable" represents fund balance with inventory or prepaid items. The cash outlay for these types of items has already been made and therefore the resources represented by this fund balance category cannot be spent again; hence the term "nonspendable".

Restricted fund Balance – Fund balance reported as "restricted" represents amounts that can be spent only on the specific purposes determined by law or by the external providers of those resources.

Committed Fund Balance - Fund balance reported as "committed" includes amounts that can be used only for the specific purposes determined by a formal action of our City's highest level of decision-making authority.

Assigned Fund Balance – Fund balance reported as "assigned" represents amounts intended to be used for specific purposes, but not meeting the criteria to be reported as committed or restricted fund balance. In addition, our governing body may grant to an administrator within our organization the authority to "assign" fund balance.

Unassigned Fund Balance – Fund balance reported as "unassigned" represents the residual classification of fund balance and includes all spendable amounts not considered within the other classifications; and

Whereas, GASB-54 is effective for periods beginning after June 15, 2010. Therefore our City is required to implement this new standard starting with Fiscal Year 2010/2011.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLENN HEIGHTS, TEXAS THAT:

SECTION 1. In accordance with GASB-54, and as described in Exhibit A, a written Comprehensive Fund Balance Policy is formally adopted depicting the procedures that will be used for committing fund balance, assigning fund balance, how stabilization funds, if any, will

COMPREHENSIVE FUND BALANCE POLICIES

1.0 Policy on Committing Funds

In accordance with GASB-54, it is the policy of this City that fund balance amounts will be reported as "Committed Fund Balance" only after formal action and approval by the City Council. The action to constrain amounts in such a manner must occur prior to year end; however, if the actual dollar amount is not known that may be determined in the subsequent period.

For example, the City Council may approve a motion prior to year end to report within the year-end financial statements, if available, up to a specified dollar amount as Committed Fund Balance for Capital Projects. The exact dollar amount to be reported as Committed Fund Balance for Capital Projects may not be known at the time of approval due to the annual financial audit not yet being completed. This amount can be determined at a later date when known and appropriately reported within the year-end financial statements due to the governing body approving this action before year-end.

It is the policy of this City that the governing body may commit fund balance for any reason that is consistent with the definition of Committed Fund Balance contained within GASB-54. Examples of reasons to commit fund balance would be to display intentions to use portions of fund balance for future capital projects, stabilization funds, or to earmark special General Fund revenue streams unspent at year-end that are intended to be used for specific purposes.

After approval by the City Council, the amount reported as Committed Fund Balance cannot be undone without utilizing the same process required to commit the funds. Therefore, in accordance with GASB-54, it is the policy of this City that funds can only be removed from the Committed Fund Balance category after motion and approval by the City Council.

2.0 Policy on Assigning Funds

In accordance with GASB-54, funds that are *intended* to be used for a specific purpose but have not received the formal approval action at the governing body level may be recorded as Assigned Fund Balance. Likewise, redeploying assigned resources to an alternative use does not require formal action by the governing body.

GASB-54 states that resources can be assigned by the governing body or by another internal body or person whom the governing body gives the authority to do so, such as a budget committee or the City Manager.

Therefore, having considered the requirements to assign fund balance, it is the policy of this City that the City Manager will have the authority to assign fund balance of this organization based on intentions for use of fund balance communicated by the governing body.

3.0 Policy on Order of Spending Resources

It is the policy of this City that when expenditures are incurred that would qualify as expenditures of either Restricted Fund Balance or Unrestricted Fund Balance (Committed, Assigned, or Unassigned), those expenditures will first be applied to the Restricted Fund Balance category.

Furthermore, it is the policy of this City that when expenditures are incurred that would qualify as a use of any of the Unrestricted Fund Balance categories (Committed, Assigned, or Unassigned), those expenditures will be applied in the order of Committed first, then Assigned, and then Unassigned.

4.0 Policy on the Acceptable Minimum Level of Fund Balances

It is the policy of this City to maintain at all times an overall Unrestricted Fund Balance (Unassigned Fund Balance) of not less than sixty (60) days of regular General Fund operating expenditures, and forty-five (45) days of Utility Fund operating expenditures, both measured based on the most recently completed fiscal year. If it is determined that the City is below this minimum established fund balance level, the governing body will be informed of this condition and take necessary budgetary steps to bring the fund balance level into compliance with this policy through budgetary actions.

5.0 Review of Governmental Fund Classifications

This City desires that the governmental fund types available for use in governmental financial reporting be appropriately selected based on the GASB-54 definitions of these fund types. Furthermore, the fund balance categories utilized within each these fund types are also to be appropriately selected from the new GASB-54 classifications.

Therefore, after consideration of the purpose of each governmental fund type, it is the policy of this City to limit the fund balance categories that may be used with each governmental fund type as follows:

General Fund

Nonspendable Fund Balance
Restricted Fund Balance
Committed Fund Balance
Assigned Fund Balance
Unassigned Fund Balance

Debt Service Funds

Restricted Fund Balance
Committed Fund Balance
Assigned Fund Balance

Capital Projects Funds

Restricted Fund Balance
Committed Fund Balance
Assigned Fund Balance

Special Revenue Funds

Restricted Fund Balance
Committed Fund Balance
Assigned Fund Balance

be determined, order of spending the fund balance categories, minimum fund balance levels, and use of governmental fund types.

SECTION 2. The above recitals as hereby found to be true and correct and incorporated herein for all purposes.

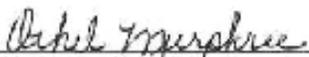
SECTION 3. Any and all other Fund Balance Policies that were adopted for governmental funds prior to the date of this Resolution shall be replaced with this Resolution.

SECTION 4. This Resolution shall be in full force and effect from and after its passage.

READ, CONSIDERED, PASSED, AND ADOPTED by the City Council of Glenn Heights at a regular meeting on the meeting on the 3rd day of January, 2012.


Victor Pereira, Mayor

ATTEST:


Othel Murphree, City Secretary

CITY OF GLENN HEIGHTS, TEXAS

INVESTMENT POLICY

May 2011

**CITY OF GLENN HEIGHTS, TEXAS
INVESTMENT POLICY**

PREFACE

It is the policy of the City of Glenn Heights (the "City") that after allowing for the anticipated cash flow requirements of the City and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate of return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for City funds. The City's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law. The City will invest public funds in a manner that will provide the maximum security and a market rate of return while meeting the daily cash flow demands of the City.

The City is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written Investment Policy for the investment of public funds. These policies serve to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the "Act"]) to define, adopt and review a formal investment strategy and policy.

**CITY OF GLENN HEIGHTS
INVESTMENT POLICY
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1. PURPOSE. The purpose of this investment policy (the "Policy") is to set forth specific investment policy and strategy guidelines for the City in order to achieve the goals of safety and liquidity, achieve a market rate of return, and maintain public trust in all investment activities. On an annual basis, the City Council shall review the investment strategy and policy and shall approve Policy revisions, if any, by formal resolution.

2. INVESTMENT STRATEGY. The City maintains a comprehensive and proactive cash management program that is designed to monitor and control all City funds to ensure maximum utilization and yield a market rate of return. (For the purpose of this policy, a "market rate of return" refers to the approximate interest rate that could be earned by an investor in a specific maturity range at any given point in time. For example, an investor seeking to earn a market rate of return while maintaining an investment portfolio with an average maturity of 90 days would hope to earn approximately the same as a three-month agency discount note. If the investor earns a rate much higher than this, it might signal an inappropriate level of risk.) The basic and underlying strategy of this program is that all of the City's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the investment officers. The allowable investment instruments as defined in Section 6 of this Policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require.

2.1 The primary investment strategy and objectives of the City as specified in this Policy (See Section 4.) are listed below, in their order of importance:

- Safety and preservation of principal;
- Maintenance of sufficient liquidity to meet operating needs;
- Achieve a market rate of return on the investment portfolio; and
- Sack at all times to maintain public trust by adhering to the above stated objectives.

2.2 The list of investments authorized by this Policy intentionally excludes some investments allowed by state law. The restrictions limit possible credit risk and provide the maximum measure of safety. Within the investment objectives, the investment strategy is to utilize authorized investments for maximum advantage to the City. To increase the interest earnings for funds identified as being available for investment over longer periods of time based upon a cash requirements projection, the City will consider the following strategies:

2.2.1 **Strategy No. 1.** Diversifying the City's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the City Council. An investment pool is an entity created to invest public funds jointly on behalf its' participants and whose investment objectives in order of priority match those objectives of the City. Funds are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve diversification. Funds that may be needed on a short-term basis but that are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

2.2.2 Strategy No. 2. Building a ladder of Investment Policy authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- It is straight-forward and easily understood;
- It represents a prudent diversification method;
- All investments remain within the approved maturity horizon;
- It will normally allow the City to capture a reasonable portion of the yield curve; and
- It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

2.2.3. Strategy No. 3. At this time, the City does not use an investment management firm. Should the City determine a need, the following strategy will apply:

Pursuant to the Public Funds Investment Act (Texas Government Code 2256.003), the City may, at its discretion, contract with an investment management firm registered under the Investment Advisors Act of 1940 (15 U.S.C. Section 80b-1 et seq.) and with the State Securities Board to provide for investment and non-discretionary management of its public funds or other funds under its control.

An appointed Investment Advisor shall act solely in an advisory and administrative capacity, within the guidelines of this Investment Policy. At no time shall the advisor take possession of securities or funds or otherwise be granted discretionary authority to transact business on behalf of the City. Any contract awarded by the City Council for investment advisory services may not exceed two years, with an option to extend by mutual consent of both parties.

Duties of the Investment Advisor shall include, but not be limited to, assistance in purchasing securities, securities clearance, producing required reports, pricing the portfolio, performing due diligence on broker/dealers, market monitoring and economic review.

Any Investment Advisor contracted by the City shall abide by the *Prudent Expert Rule*, whereby investment advice shall, at all times, be given with the judgment and care, under circumstances then prevailing, which persons paid for their special prudence, discretion and intelligence in such matters exercise in the management of their client's affairs, not for speculation by the client or production of fee income by the advisor or broker, but for investment by the client with emphasis on the probable safety of the capital while considering the probable income to be derived.

2.2.4. Strategy No. 4. The City will maintain portfolio(s) that utilize four specific investment strategy considerations designed to address the unique characteristics of the fund group(s) represented in the portfolio(s):

2.2.4.1 Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio that will experience minimal volatility during economic cycles through diversification by security type, maturity date and issuer. All security types, as authorized by this policy, are considered suitable investments for the operating and pooled funds.

2.2.4.2 Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date(s). These funds have predictable payment schedules. Therefore investment maturities shall not exceed the anticipated cash flow requirements.

2.2.4.3 Investment strategies for debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund. Managing the Debt Service Reserve Fund's portfolio maturities to not exceed the call provisions of the bond issue will reduce the investment's market risk if the City's bonds are called and the reserve fund liquidated. No investment maturity shall exceed the final maturity of the bond issue.

2.2.4.4 Investment strategies for special projects or capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. Market conditions and arbitrage regulations will influence the investment of capital project funds. When market conditions allow, achieving a positive spread to applicable arbitrage yield is the desired objective, although at no time shall the anticipated expenditure schedule be exceeded in an attempt to increase yield.

2.2.5 Strategy No. 5 - Hold until Maturity. The strategy of the City is to maintain sufficient liquidity in its portfolio so that it does not need to sell a security prior to maturity. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the City Manager must be obtained. Securities may be sold prior to maturity by the Investment Officer at or above their book value at any time. The result of all sales of securities prior to maturity shall be reported to the City Manager within two business days of the sale. The report shall provide the amount of proceeds from the sale, including accrued interest to the date of sale, less the current book value and the dollar amount of gain on the sale.

2.2.6 Strategy No. 6 - Depository Bank Relationships. This Policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract that will be managed to a level that minimizes the cost of the banking relationship to the City, while allowing the City to earn an appropriate return on idle demand deposits.

2.2.7 Strategy No. 7 - Maximizing Investible Cash Balances. Procedures shall be established and implemented in order to maximize investible cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

3. **SCOPE.** The Investment Policy shall govern the investment of all financial assets considered to be part of the City entity and includes the following funds or fund types: the General Fund, Enterprise Funds, Special Revenue Funds, General Obligation Interest and Sinking Fund, Capital Projects Funds, Water and Sewer Utility Fund, Drainage Utility Fund, and any other funds which have been contractually delegated to the City for management purposes. The City may add or delete funds as may be required by law, or for proper accounting procedures. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the City by outside agencies under retirement or deferred compensation programs. Additionally, bond funds (including debt service and reserve funds) are governed by bond ordinances and are subject to the provisions of the Internal Revenue Code and applicable federal regulations governing the investment of bond proceeds.

4. INVESTMENT OBJECTIVES. Funds of the City shall be invested in accordance with all applicable Texas statutes, this Policy and any other approved, written administrative procedures. The four objectives of the City's investment activities shall be as follows (in the order of priority):

4.1 Safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the City. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities, as defined in this Policy, by qualifying the financial institutions with whom the City will transact business and through portfolio diversification. Safety is defined as the undiminished return of the principal on the City's investments.

4.2 Liquidity. The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the City's cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as will provide the liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements, or to otherwise favorably adjust the City's portfolio, in accordance with Section 2.2.5 above.

4.3 Market Rate-of-Return (Yield). The City's investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner that seeks to attain a market rate of return throughout budgetary and economic cycles. The City will not attempt to consistently attain an unrealistic above market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the City's rate of return objective is secondary to those of safety and liquidity. Rate of return (yield) is defined as the rate of annual income return on an investment, expressed as a percentage.

4.4 Public Trust. All participants in the City's investment program shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might involve a conflict of interest or otherwise impair public confidence in the City's ability to govern effectively. All officials of the City having either a direct or indirect role in the process of investing idle funds shall act responsibly as custodians of the public trust.

5. INVESTMENT RESPONSIBILITY. As provided in this policy, the daily operation and management of the City's investments are the responsibility of the following person.

5.1 Delegation of Authority. The City Manager and the Chief Financial Officer are authorized to deposit, withdraw, invest, transfer or manage in any other manner the funds of the City. Management responsibility for the investment program is hereby delegated to the Chief Financial Officer, who shall establish written procedures for the operation of the investment program, consistent with this Policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. All persons involved in investment activities will be referred to in this Policy as "Investment Officers." No persons may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Chief Financial Officer. The Chief Financial Officer shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate Investment Officials. The system of controls shall be designed to provide reasonable assurance that the assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:

- (1) the cost of a control should not exceed the benefits likely to be derived; and
- (2) the valuation of costs and benefits requires estimates and judgments by management.

Commitment of financial and staffing resources in order to maximize total return through active portfolio management shall be the responsibility of the City Council.

5.2 **Prudence.** The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which states, "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 their capital as well as the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:

5.2.1 the investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and

5.2.2 whether the investment decision was consistent with the written investment Policy and procedures of the City.

5.3 **Due Diligence.** The Investment Officer acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments. All Investment Officers involved in investment transactions will be bonded.

5.4 **Ethical Standards and Conflicts of Interest.** All City Investment Officers having a direct or indirect role in the investment of City funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

5.5 **Investment Training.** The Investment Officers shall attend at least one training session of at least ten (10) hours relating to the officer's responsibility under the Public Funds Investment Act within twelve (12) months after assuming duties, and attend an investment training session not less than once every two years, receiving an additional ten (10) hours of training. Such training from an independent source shall be approved by the City Manager and endorsed by either the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, the North Central Texas Council of Governments, or the University of North Texas Center for Public Management.

6. AUTHORIZED INVESTMENTS. As stated previously, safety of principal is the primary objective in investing public funds and can be accomplished by limiting two types of risk — credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to repay principal and interest in full. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the City's primary objective, only certain investments are authorized as acceptable investments for the City. The following list of authorized investments for the City intentionally excludes some investments authorized by law.

These restrictions are placed in order to limit possible risk and provide the maximum measure of safety to City funds.

6.1 Authorized and Acceptable Investments. The authorized list of investment instruments are as follows:

- (1) Obligations of the United States or its agencies and instrumentalities, excluding mortgage-backed securities.
- (2) Direct obligations of the State of Texas, or its agencies and instrumentalities.
- (3) Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-backed securities.
- (4) Collateralized Certificates of Deposit. A certificate of deposit issued by a depository institution that has its main office or a branch office in the state and is:
 - guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - secured by obligations that are described by Section 2256.009(a) of the Public Funds Investment Act, including mortgage backed securities directly issued by a federal agency or instrumentality, but excluding those mortgage backed securities of the nature described in Section 2256.009(b) of the Act; or
 - secured in any other manner and amount provided by law for deposits of the City.

In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principle and interest of each CD federally insured, may be purchased through a selected depository institution with its main office or branch office in Texas.

This depository shall act as the custodian for the various certificates on behalf of the City.

- (5) Eligible Local Government Investment Pools. Public funds investment pools which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code, provided that:
 - the investment pool has been authorized by the City Council;
 - the pool shall have furnished the Investment Officer an offering circular containing the information required by Section 2256.016(b) of the Texas Government Code;
 - the pool shall furnish the Investment Officer investment transaction confirmations with respect to all investments made with it;
 - the pool shall furnish to the Investment Officer monthly reports containing the information required under Section 2256.016(c) of the Texas Government Code;
 - the pool is continuously rated no lower than "AAA" or "AAA-m" or an equivalent rating by at least one nationally recognized rating service;

- the pool marks its portfolio to market daily;
- the pool's investment objectives shall be to maintain a stable net asset value of one dollar (\$1.00); and
- the pool's investment philosophy and strategy are consistent with this Policy.

(6) Regulated No-Load Money Market Mutual Funds. These investments are authorized, under the following conditions:

- the money market mutual fund is registered with and regulated by the Securities and Exchange Commission;
- the fund provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
- the fund has a dollar-weighted average portfolio maturity of ninety (90) days or less;
- the investment objectives include the maintenance of a stable net asset value of one dollar (\$1.00) per share; and
- the fund is continuously rated no lower than "AAA" or an equivalent rating by at least one nationally recognized rating service.

The City may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund.

(7) Repurchase Agreements, Reverse Repurchase Agreements, Bankers' Acceptances, Commercial Paper. These investments are authorized for the City only to the extent that they are contained in the portfolios of approved public funds investment pools in which the City invests, or as otherwise provided below.

- The direct investment in reverse repurchase agreements, bankers' acceptances, and commercial paper by the City is not authorized.
- Fully flexible repurchase agreements are authorized in this Policy, to the extent authorized under the Public Funds Investment Act (Texas Government Code 2256.001.) The use of flex repos shall be limited to the investment of bond proceeds and the maturity date of any such agreement shall not exceed the expected proceeds draw schedule.

6.2 Investment Instruments NOT Authorized. The following instruments are eligible for investment by local government according to state law, but they have been intentionally prohibited for the City by this Policy: mortgage-related obligations, guaranteed investment contracts, options, financial futures contracts and, day trading of long-term securities. In addition to these restricted investments, state law specifically prohibits investment in the following securities:

- (1) Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
- (2) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.

- (3) Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.
- (4) Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

7. DIVERSIFICATION. Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities, as authorized in this Policy, and authorized local government investment pools, no more than fifty percent (50%) of the total investment portfolio will be invested in any one security type. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.

7.1 Diversification by Maturities. The longer the maturity of investments, the greater their price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three (3) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The City shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

The entire City portfolio, including funds at the City's depository bank, shall comprise one pooled fund group, and the maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio is two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, may not exceed three (3) years.

7.2 Diversification by Investment Instrument. Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Percentage of Portfolio (Maximum)
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities of Government-Sponsored Corporations	80%
Authorized Local Government Investment Pools	100%
Fully Collateralized Certificates of Deposit	50%
SEC-Regulated No-Load Money Market Mutual Funds	10%

7.3 The City shall invest local funds in investments yielding a market rate of return while providing necessary protection of the principal consistent with the operating requirements of this section or written policies.

8. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS. At this time, the City does not use Brokers or Dealers. Should the City determine a need, the following procedures and requirements will apply:

Financial institutions (federally insured banks) with and through whom the City invests shall be state or national banks domiciled in this state. No public deposit shall be made except in a qualified public depository as established by state laws. Brokers/Dealers authorized to provide investment services to the City may include only those authorized by the City Manager. All banking services will be governed by a depository contract awarded by the City Council. In addition, the Chief Financial Officer shall maintain a list of authorized security brokers/dealers, and investment pools that are authorized by the City Manager and/or the City Council.

8.1 All financial institutions with whom the City does business must supply the following as appropriate: (1) audited financial statements; (2) proof of National Association of Securities Dealers (NASD) certification; (3) proof of state registration and completed broker/dealer questionnaire; (4) certification of having read the City's investment policy signed by a qualified representative of the organization, acknowledging that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the City and the organization.

8.2 An annual review of the financial condition and registration of qualified bidders will be conducted by the Chief Financial Officer. The review may include, but is not limited to, review of rating agency reports, review of call reports, and analyses of management, profitability, capitalization, and asset quality. Financial institutions and brokers/dealers desiring to conduct business with the City shall be required to provide any financial data requested by the City Manager or the Investment Officer. Upon completion of the annual review by the Chief Financial Officer, the financial institutions and brokers/dealers desiring to conduct business with the City shall be approved by the City Manager.

8.3 Selection criteria for federally insured financial institutions shall include the following: (1) the financial institution must be insured by the FDIC and (2) the financial institution must be incorporated under the laws of the State of Texas or of the United States of America.

8.4 The Investment Officer of the City is responsible for monitoring the investments made by a financial institution and/or broker/dealer to determine that they are in compliance with the provisions of the Investment Policy.

9. DELIVERY VERSUS PAYMENT. It is the policy of the City that all security transactions entered into with the City shall be conducted on a "DELIVERY VERSUS PAYMENT" (DVP) basis through the Federal Reserve System. By doing this, City funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the City. The notification may be oral, but shall be confirmed in writing.

10. SAFEKEEPING AND COLLATERALIZATION.

10.1 **Safekeeping.** All securities owned by the City shall be held by its safekeeping agent, except the collateral for bank deposits. The collateral for bank deposits will be held in the City's name in the bank's trust department, or alternatively, in a Federal Reserve Bank account in the City's name, or a third-party bank, at the City's discretion. Original safekeeping receipts shall be obtained and held by the City. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure time deposits.

10.2 **Collateralization.** Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all city funds on deposit with a depository bank. The market value of the investments securing the deposit of funds shall be at least equal to the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral shall be held in the City's name, in a segregated account at the Federal Reserve Bank or by an independent third party with whom the City has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the City in the event the City has determined that the depository bank has failed to pay on any matured investments in certificates of deposit, or has determined that the funds of the City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to the City and retained by the City. Any collateral with a maturity over five (5) years must be approved by the Investment Officer before the transaction is initiated. The Investment Officer must be notified in writing of Release of collateral or substitution of securities. Financial institutions serving as City depositories will be required to sign a "Depository Agreement" with the City and the City safekeeping agent. The collateralized deposit portion of the agreement shall define the City's rights to collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- the Agreement must be in writing;
- the Agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
- the Agreement must be approved by the Board of Directors of the Loan Committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
- the Agreement must be part of the Depository's "official record" continuously since its execution.

10.2.1 The City may accept the following securities as collateral for bank deposits (V.T.C.A., Government Code, Section 2256.001, et. seq, formerly Article 842a-2, Section 2, V.T.C.S., as amended);

- FDIC and FSLIC insurance coverage;

- A bond, certificate of indebtedness, or Treasury Note of the United States, or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States;
- Obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas;
- A bond of the State of Texas or of a county, city, or other political subdivision of the State of Texas having been rated as investment grade (investment rating no less than "A" or its equivalent) by a nationally recognized rating agency with a remaining maturity of ten years or less;
- Surety Bonds that meet the requirements of the Public Funds Investment Act; or
- Federal Home Loan Bank Letters of Credit as defined by Chapter 116, Subchapter C of the Local Government Code and by Chapter 726, Acts of the 67th Legislature, Regular Session, 1981 (Article 2529b-1, Vernon's Texas Civil Statutes).

10.2.2 For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market or par, whichever is lower. The market value of collateral will always equal or exceed the principal plus accrued interest of deposits at financial institutions.

10.2.3 Financial institutions, with which the City invests or maintains other deposits, shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the City, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. The City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

11. INTERNAL CONTROL. The Chief Financial Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this Policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the City's established investment policy.

12. PERFORMANCE. The City's investment portfolio shall be designed to obtain a market rate of return on investments consistent with risk constraints and expected cash flow of the City. The benchmark for performance that is appropriate for the City's cash flow cycle will be TexSTAR (a local government investment pool).

13. REPORTING. The Chief Financial Officer shall submit a signed quarterly investment report that summarizes current market conditions, economic developments and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter, and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter.

13.1 Annual Report. Within 60 days of the end of the fiscal year, the Chief Financial Officer shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council. The reports prepared by the Chief Financial Officer shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.

13.2 Methods. The quarterly investment report shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over

the past quarter. This management summary will be prepared in a manner that will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will be provided to the City Manager and City Council. The report will include the following:

- A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
- Additions and changes to the market value during the period;
- Fully accrued interest for the reporting period;
- Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
- Listing of investments by maturity date;
- The percentage of the total portfolio which each type of investment represents; and
- Statement of compliance of the City's investment portfolio with State Law and the investment strategy and policy approved by the City Council.

14. INVESTMENT POLICY ADOPTION AND AMENDMENT. The City's Investment Policy shall be adopted and amended by resolution of the City Council only. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. Any changes or modifications to this Investment Policy, if any, shall be approved, and adopted by a formal resolution of the City Council.

GLOSSARY OF TERMS

The Investment Policy contains specialized and technical terminology that is unique to cash management and investment activities. The following glossary of terms is provided to assist in understanding these terms.

Affinity. Related through marriage.

Agencies. See U.S. Agency securities.

Bankers' Acceptances. A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer. When discounted and sold in the secondary market, bankers' acceptances become a short-term investment alternative.

Book Value. The cost of a security as recorded in the City's accounting records. For purposes of evaluating a sale of a security, it is a function of the original cost, the amortization of premium or discount, and the accrued interest. Specifically, it is the face value of the security plus the accrued interest plus any unamortized premium or minus any unamortized discount. Book value is often compared to market value, which is defined below.

Broker. A person or company that, for a fee or commission, brings buyers and sellers of securities together.

Certificate of Deposit. A time deposit with a specific maturity evidenced by a certificate.

Collateral. In general, assets which one party pledges as a guarantee of performance. Specifically, securities pledged by a bank to secure deposits of public monies. In the event of bank failure, the securities become the property of the public entity.

Collateralized Mortgage Obligations (CMO's). Securities based on a pool of home mortgages.

Commercial Paper. An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. The maximum maturity for commercial paper is 270 days, but most frequently maturities do not

exceed 90 days. Almost all commercial paper is rated by a rating service.

Consanguinity. Related by blood.

Coupon. The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. Also, a certificate attached to a bond indicating interest due on a payment date.

Credit Risk. The uncertainty that the principal amount of an investment will be returned without loss of value to the default of the borrower.

CUSIP. A unique security identification number assigned to securities maintained and transferred on the Federal Reserve book-entry system.

Dealer. A person or company that endeavors to profit from buying and selling investments for its own account.

Delivery Versus Payment (DVP). A method of delivering securities that requires the simultaneous exchange of the security and the payment. It provides a safeguard against paying for securities before they are received.

Demand Deposits. Deposits at a financial institution that are available to the depositor upon the depositor's demand.

Depository Bank. The primary bank of the City. The relationship between the depository bank and the City is governed by state law and by a depository contract that is approved by the City Council.

Discount. The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale is also considered to be at a discount.

Discount Securities. Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

Diversification. The strategy of dividing investments among a variety of securities offering independent risks and yields. Diversification lessens the likelihood of losing the entire portfolio of investments and averages yields among the investment alternatives.

Discount. The difference between the cost of a security and its value at maturity, in cases where the cost is less than the value at maturity.

Federal Deposit Insurance Corporation (FDIC). A federal agency that insures bank deposits.

Federal Funds Rate. The rate of interest at which Federal funds are traded. This rate is currently set by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB). Created in 1932, this system consists of 12 regional banks, which are owned by private member institutions and regulated by the Federal Housing Finance Board. Functioning as a credit reserve system, it facilitates extension of credit through its owner members. Federal Home Loan Bank issues are joint and several obligations of the 12 Federal Home Loan Banks.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac). A stockholder-owned corporation that provides a continuous flow of funds to mortgage lenders, primarily through developing and maintaining an active nationwide market in conventional mortgages.

Federal National Mortgage Association (FNMA or Fannie Mae). FNMA, a federal corporation, is the largest single provider of residential mortgage funds in the United States. It is a private stockholder owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted.

Fully Flexible Repurchase Agreement ("flex repo"). A specialized contract designed for the short-term investment of proceeds available from the sale of municipal bonds, notes and certificates. Flex repos allow for incremental repurchases, with the buyer/issuer (the City) retaining the right to force the seller to repurchase all, or a portion of, the sold securities held under repurchase agreement, at any time before the maturity date of the agreement, at a fixed rate for the life of the agreement.

Hold Until Maturity. This investment strategy is intended to avoid interest rate risk by maintaining ownership of an investment until it matures. At maturity, the face value of the security is received, but in some cases where a security is sold before maturity, less than the face value and the book value is received. Please see interest rate risk defined below.

Interest Rate Risk. The uncertainty of the return of principal on fixed rate securities that are sold prior to maturity. When interest rates rise, the market value of fixed rate securities decreases.

Internal Control. Policies and procedures that are established to provide reasonable assurance that specific government objectives are achieved and that assets are safeguarded.

Investment. The purchase of securities which, upon analysis, promise safety of principal and a satisfactory return. These factors distinguish investment from speculation.

Investment Objective. The aim, goal or desired end of action of the investment activity.

Investment Pool. An entity created to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are safety, liquidity, and yield. (Sometimes called Local Government Investment Pool.)

Investment Strategy. The overall plan or method proscribed to achieve the investment objectives of the City.

Laddered Maturity. An investment strategy whereby investments are purchased to mature at regular intervals.

Liquidity. The measure of an investment's ability to be converted quickly and easily into cash without a substantial loss of value.

Local Government Investment Pool. See **Investment Pool.**

Market Rate of Return. A general term referring to the approximate interest rate that could be earned by an investor in a specific maturity range at any given point in time. For example, an investor seeking to earn a "market rate of return" while maintaining an investment portfolio with an average maturity of 90 days, would hope to earn approximately the same as a three-month agency discount note. If the investor earns a rate much higher than this, it might signal an inappropriate level of risk.

Market Risk. The uncertainty of the value of the City's portfolio arising from changes in the market conditions of investment securities.

Market Value. The price, including accrued interest, at which a security is trading for which it can be readily sold or purchased.

Maturity. The date upon which the principal or stated value of an investment becomes due and payable.

Money Market Mutual Fund. A mutual fund that purchases short-term debt instruments, such as Treasury Bills, commercial paper, and bankers' acceptances, and which strives to maintain a stable net asset value of \$1.00.

Mutual Fund. Investment companies that sell shares to investors, offering investors diversification and professional portfolio management. Prices generally fluctuate with the performance of the fund.

Net Asset Value. The ratio of the market value of the portfolio divided by the book value of the portfolio.

Par. The value of a security as expressed on its face (face value) without consideration of a discount or premium.

Pledge. The grant of a collateral interest in investment securities by the depository bank as assurance of the safety of City deposits.

Pooled Fund Group. The combination of various accounts and funds of the City in a single, internally-created investing entity.

Portfolio. The collection of securities held by an investor.

Principal. The capital sum of an investment, as distinguished from interest.

Premium. The difference between the cost price and the face value at maturity in cases where the cost price is higher than the face value.

Rate-of-Return. See **Yield.**

Repurchase Agreement (REPO). An investment arrangement in which the holder of a security sells that security to an investor (the City) with an agreement to repurchase the security at a fixed price and on a fixed date.

Reverse Repurchase Agreement. An investment arrangement by which the City sells a security to a third party, such as a bank or broker/dealer, in return for cash and agrees to repurchase the instrument from the third party at a fixed price and on a fixed date. The City would then use the cash to purchase additional investments. This type of investment is prohibited in the City's portfolio, except to the extent used by local government investment pools with which the City invests.

Safekeeping. An arrangement whereby a bank holds securities and other valuables for protection in exchange for a fee.

Safety. The assurance of the undiminished return of the principal of the City's investments and deposits.

Secondary Market. A market for the purchase and sales of outstanding securities following their initial distribution.

SEC Rule 15C3-1 (Uniform Net Capital Rule). Security and Exchange Commission requirement that member firms and nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1.

Security. A financial instrument that signifies an ownership interest, the right to an ownership interest, or creditor status.

Security Risks. The uncertainty of the value of a security dependent on its particular qualities.

Time Deposits. Deposits at the depository bank that are not due and payable until a specific date.

United States Agency Securities. Debt instruments issued by an executive department, an independent federal establishment, or a corporation or other entity established by

Congress which is owned in whole or in part by the United States of America.

United States Treasury Securities. Debt instruments issued by the Treasury of the United States. **Treasury Bills** are issued for short-term borrowings (less than one year); **Treasury Notes** are issued for mid-term borrowings (Two - ten years); **Treasury Bonds** are issued for long-term borrowings (over ten years).

Yield. The rate of annual income return on an investment, expressed as a percentage.

GLOSSARY

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

Accrual Basis: A basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows. For example, in accrual accounting, revenue that was earned between April 1 and June 30, but for which payment was not received until July 10, is recorded as being received on June 30 rather than July 10.

Accrued Expenses: Expenses incurred but not due until a later date.

Administrative Transfer: An interfund transfer designed to recover General Fund expenditures conducted on behalf of Proprietary funds.

Ad Valorem Taxes (Current): All property, real, personal, tangible, intangible, annexations, additions, and improvements to property located within the taxing unit's jurisdiction, which are subject to taxation on January 1 of the current fiscal year. Each year, by ordinance, the City Council exempts taxes on automobiles and other items from the tax levy. Following the final passage of the appropriation ordinance, City Council sets the tax rate and levy for the fiscal year beginning October 1 and continuing through the following September 30.

Ad Valorem Taxes (Delinquent): All taxes are due on receipt of bill and are delinquent if not paid before February 1 of the fiscal year in which they are imposed, except when the taxing unit postpones the delinquency date due to late mailing of tax bills or successful rollback elections.

Ad Valorem Taxes (Penalty and Interest): A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of the month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, the delinquent tax on July 1 incurs a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent.

Appropriation: A legal authorization granted by a governing body to make expenditures and to incur obligations for specific purposes.

Appropriation Ordinance: The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

Assessed Valuation: A value that is established for real or personal property for use as a basis for levying property taxes. (Note: Property values are established by the Dallas Central Appraisal District.)

Audit: A comprehensive examination of how an organization's resources were actually utilized, concluding in a written report of the findings. A financial audit is a review of the accounting system and financial information to determine how government funds were spent and whether expenditures were in compliance with the legislative body's appropriations. A performance audit consists of a review of how well the organization met its stated goals.

Balance Sheet: A financial statement that discloses the assets, liabilities, and equity of a specific governmental fund as of a specific date.

Balanced Budget: A budget in which estimated revenues equal estimated expenditures.

Bond: A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the governing body for adoption and sometimes the financial plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the governing body.

Budget Calendar: The schedule of key dates or milestones, which the City departments follow in the preparation, adoption, and administration of the budget.

Budget Document: The instrument used by the operational authority to present a comprehensive financial program to the City Council.

Budget Message: The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the City Manager.

Budgeted Funds: Funds that are planned for certain uses but have not yet been formally or legally appropriated by the governing body.

Capital Equipment Budget: The portion of the annual operating budget that appropriates funds for the purchase of capital equipment items. These expenditures are often separated from regular operating items, such as salaries, services, and supplies. The capital equipment budget includes funds for capital equipment purchase, which are usually distinguished from operating items according to their value and projected useful life. Examples include vehicles, minor equipment, furniture, machinery, building improvements, and special tools. The dollar value varies according to the policy established by each jurisdiction.

Capital Improvements: A permanent addition to the City's assets, including the design, construction or purchase of land, buildings or facilities or major renovations of the same.

Cash Basis: A basis of accounting under which transactions are recognized only when cash changes hands.

Cash Management: The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

Commitment: The pledge of appropriated funds to purchase an item or service. Funds are committed when a requisition is issued through the purchasing division of the City.

Cost: (1) The amount of money or other consideration exchanged for property or services. (2) Expense.

Cost Accounting: That method of accounting, which provides for assembling and recoding all of the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specified job.

Current Taxes: Taxes that are levied and due within one year.

Debt Service: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Deficit: (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period; or, in the case of proprietary funds, the excess of expense over income during an accounting period.

Delinquent Taxes: Taxes that remain unpaid on and after the date on which a penalty for non-payment is attached.

Department: An organizational unit which has the responsibility of providing programs, activities, and functions in a related field.

Depreciation: The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

Disbursement: Payment for goods and services in cash or by checks.

Division: An administrative segment of the City, which indicates management responsibility for an operation or a group of related activities within a functional area. Divisions are the basic units of the budget upon which departments are composed.

Encumbrances: Commitments related to unperformed (executory) contracts for goods or services.

Enterprise Fund: A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) for providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples of Enterprise funds are those for water, gas, and electric utilities; swimming pools; airports; parking garages; and transit systems.

Expenditure: This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds. Note: An encumbrance is not an expenditure. An encumbrance reserves funds to be expended.

Expenses: Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest and other charges.

Fiscal Year: The time period designated by the City signifying the beginning and ending period for recording financial transactions. The City of Glenn Heights has specified October 1 to September 30 as its fiscal year.

Fixed Assets: Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, and improvements other than buildings, machinery, and other equipment.

Full Faith and Credit: A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds.)

Franchise Fee: This is a charge paid for the use of City streets and public right of way and is in lieu of all other municipal charges, fees, street rentals, pipe taxes or rentals, easement or other like franchise fees, inspections, fees, and /or charges of every kind except only Ad Valorem and special assessment taxes for public improvements (i.e., gas, telephone and cable TV).

Full-time Equivalent (FTE): A unit of measure based on the number of hours that an employee works during the fiscal year. One FTE is equal to 2080 hours.

Function: A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible.

Fund: An accounting entity that has a set of self-balancing accounts and that records all financial transactions for specific activities of government functions. Eight commonly used funds in public accounting are: general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, trust and agency funds, internal service funds, and special assessment funds.

Fund Balance: Fund balance is the excess of assets over liabilities and is, therefore, also known as surplus funds.

General Fund: The fund used to account for all financial resources except those required to be accounted for in another fund.

General Obligation Bonds: Bonds that finance a variety of public projects, such as streets, buildings, and improvements. The repayment of these bonds is usually made from the General Debt Service Fund, and these bonds are backed by the full faith and credit of the issuing government.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards of and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. They encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. They provide a standard by which to measure financial presentations.

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, and General Debt Service).

Grants: Contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity, or facility.

Income: A term used in proprietary fun type accounting to represents (1) revenues or (2) the excess of revenues over expenses.

Interfund Transfers: Amounts transferred from one fund to another to recover the charge for administrative services.

Intergovernmental Revenue: Revenue received from another governmental entity for a specified purpose.

Investments: Securities and real estate held for the production of revenues in the form of interest, dividends, rentals or lease payments.

Levy: (Verb) To impose taxes, special assessments or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments or service charges imposed by a government.

Line-Item Budget: A budget that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately along with the dollar amount budgeted for each specified category.

Long-Term Debt: Debt with a maturity of more than one year after the date of issuance.

Modified Accrual Basis: The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under it, revenues are recognized when they become both "measureable" and "available to finance expenditures of the current period." Expenditures are recognized when the related fund liability is incurred except for (1) inventories of materials and supplies which may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes to the financial statements; (4) interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earnings on special assessment levies; (5) principal and interest on long-term debt which are generally recognized when due.

Operating Budget: Plan of current expenditures and the proposed means of financing them. The annual operating budget (or, in the case of some state governments, the biennial operating budget) is the primary means by which most of the financing acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law. Even where not required by law, however, annual operating budgets are essential to sound financial management and should be adopted by every government.

Operating Expenses: Fund expenses which are directly related to the fund's primary service activities.

Operating Grants: Grants which are restricted by the grantor to operating purposes or which may be used for either capital or operating purposes at the discretion of the grantee.

Operating Income: The excess of fund operating revenues over operating expenses.

Operating Revenues: Fund revenues, which are directly related to the fund's primary service activities. They consist primarily of use charges for services.

Ordinance: A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Ordinarily, the statutes or charter will specify or imply those legislative actions, which must be by ordinance and those which may be by resolution.

Revenue raising measures, such as the imposition of taxes, special assessments and service charges, universally require ordinances.

Other Financing Sources: Governmental fund general long-term debt proceeds, operating transfers out, and material proceeds of fixed asset dispositions. Such amounts are classified separately from revenues.

Performance Budget: A budget that focuses upon activities rather than line items. Workload and unit cost data are collected in order to assess the efficiency of services. Typical data collected might include miles of streets paved per year, cost of paved streets per mile, tons of garbage collected per employee hour or cost per employee hour of garbage collection.

Performance Measures: Specific quantitative and qualitative measures of work performed as an objective of the department.

Productivity Measures: Productivity measures should reflect how well a program is performing its activities to meet the needs of the public and the organization. They should measure productivity, effectiveness, efficiency or the impact of a service provided. While activity measures indicate "how much" activity the division/department is performing, productivity measures identify "how well" the division/department is performing.

Program Budget: A budget that focuses upon the goal and objectives of an agency or jurisdiction rather than upon its organizational budget units or object classes or expenditures.

Program Description: Describes the nature of service delivery provided at this level of funding. It clearly explains how service delivery will be different from the prior budget year.

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

Program Objectives: Program Objectives are quantifiable steps toward accomplishing stated goals. They should have a specific time frame or measurable achievement. Objectives should be able to be reached or completed within the current fiscal year. Objective statements are not required for every activity performed, but should focus on the major steps necessary for achieving established goals.

Property Tax: Property taxes are levied on both real and personal property according to the property's valuation and the tax rate.

Reconciliation: A detailed analysis of changes in revenue or expenditure balances within a fund.

Requisition: A written request from a department to the purchasing office for specific goods or services. This action precedes the authorization of a purchase order.

Reserve: An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriations.

Retained Earnings: The difference between assets and liabilities for enterprise and internal service funds.

Revenue Bonds: Bonds usually sold for constructing a project that will produce revenue for the government. All or part of the revenue is used to pay the principle and interest of the bond.

Revenues: (1) Increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers. Under NCGA Statement 1, general long-term debt proceeds and operating transfers in are classified as "other financing sources" rather than revenues. (2) Increases in proprietary fund type net total assets from other than expense refunds, capital contributions and residual equity transfers. Under NCGA Statement 1, operating transfers in are classified separately from revenues.

Sales Tax: A general "sales tax" is levied on persons and businesses selling merchandise or services in the City limits on a retail basis. The categories for taxation are defined by state law. Money collected under authorization of this tax is for the use and benefit of the City; however, no City may pledge anticipated revenues from this source to secure the payment of funds or other indebtedness.

Shared Revenues: Revenues levied by one government but shared on a pre-determined basis, often in proportion to the amount collected at the local level, with another government or class of governments.

Tax Rate: The amount of tax stated in terms of a unit of the tax base; for example, \$.50 per \$100 (one hundred dollars) assessed valuation of property.

Tax Rate Limit: The maximum rate at which a government may levy a tax. The limit may apply to taxes raised for a particular purpose, or to taxes imposed for all purposes, and may apply to a single government, to a class of governments, or to all governments operating in a particular area. Overall tax rate limits usually restrict levies for all purposes and of all governments, state and local, having jurisdiction in a given area.

Tax Roll: The official list showing the amount of taxes levied against each taxpayer or property. Frequently, the tax roll and the assessment roll are combined, but even in these cases the two can be distinguished.

Taxes: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

Trial balance; A list of the balances of the accounts in a ledger kept by double entry with the debit and credit balances shown in separate columns.

Unencumbered Balance: The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purchases.

Working Capital: Budgeted working capital is calculated as a fund's current assets less current liabilities and outstanding encumbrances.

2015



City of Glenn Heights
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