

SANGER

★ TEXAS

OFFICIAL BUDGET
FISCAL YEAR 2017-2018



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This budget will raise more revenue from property taxes than last year's budget by an amount of \$337,745, which is an 9.45% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$96,111.

CITY COUNCIL VOTE

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

FOR: Lee Allison, Councilmember Place 1
 Gary Bilyeu, Councilmember Place 2
 William Boutwell, Councilmember Place 3
 Allen Chick, Councilmember Place 4
 David Clark, Councilmember Place 5

AGAINST: None

PRESENT (not voting): Thomas Muir, Mayor (only votes in case of a tie)

ABSENT: None

PROPERTY TAX RATE COMPARISON

	2016-2017	2017-2018
Adopted Property Tax Rate	\$0.679500 / \$100	\$0.679100/ \$100
Effective Tax Rate	\$0.619554 / \$100	\$0.642543/ \$100
Effective Maintenance & Operations Tax Rate	\$0.468064 / \$100	\$0.563531/ \$100
Rollback Tax Rate	\$0.633203 / \$100	\$0.679100/ \$100
Debt Rate	\$0.127694 / \$100	\$0.115569/ \$100

Total debt obligation for the City of Sanger, Texas secured by property taxes: \$4,739,660.

Fiscal Year 2018 Principal and Interest Requirements for Debt Service: \$889,771.

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CITY OF SANGER, TEXAS

ANNUAL BUDGET

OCTOBER 1, 2017 – SEPTEMBER 30, 2018

SUBMITTED TO
THE MAYOR AND CITY COUNCIL
SEPTEMBER 11, 2017

THOMAS MUIR
Mayor

LEE ALLISON
Council Member, Place 1

GARY BILYEU
Council Member, Place 2

WILLIAM BOUTWELL
Council Member, Place 3

ALLEN CHICK
Council Member, Place 4

DAVID CLARK
Council Member, Place 5

BUDGET PREPARED BY

MIKE BRICE
City Manager

CLAYTON GRAY
Finance Director

SANGER

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INTRODUCTION



BUDGET MESSAGE

Introduction

The intent of this budget message is to explain both the structure of the budget and the atmosphere in which it was created. The budget message outlines the highlights of this year's budget. It also discusses the City's Strengths, Weaknesses, Opportunities and Threats (SWOT analysis) for the upcoming year. Finally, it discusses the structure of the budget, where revenues come from and where the money goes. The budget message should provide the reader insight into municipal government finances and make the raw numbers more understandable.

I encourage the reader to take a few moments to read through the budget message. I believe it will give you valuable insight into the budget process. It will also provide insight into the thinking and conditions in which the budget was prepared.

Municipal budgets are always challenging. There simply is never enough money to fix every problem and address every concern. The economy remains strong and that is reflected in our general fund revenues. However, the economy will eventually cool and revenue increases will slow down. This must be taken into account, especially when adding additional employees, to ensure that new expenses incurred are sustainable in leaner years.

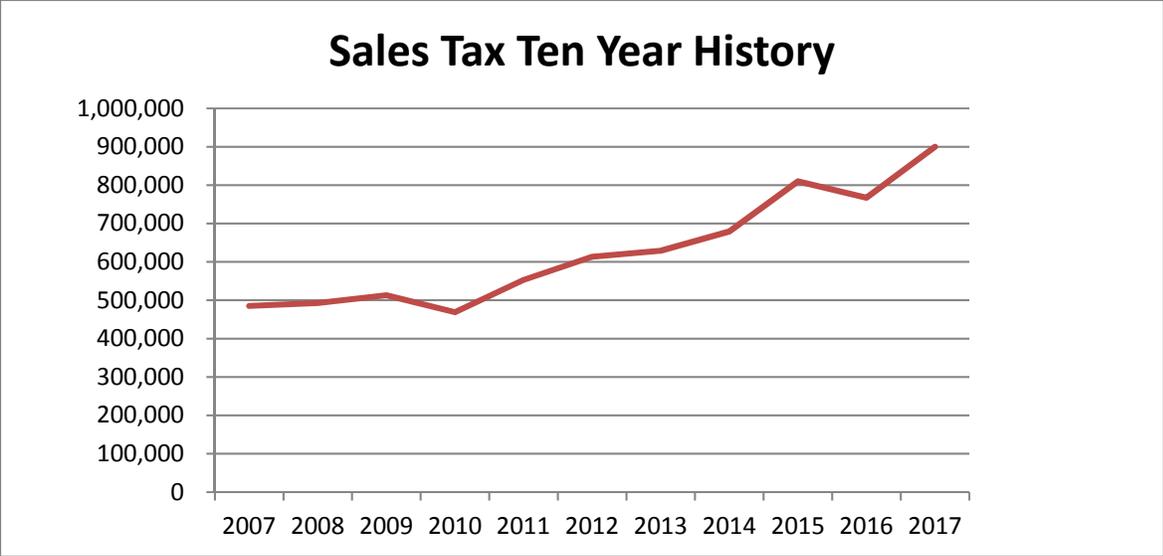
2018 will see the continuance of an aggressive effort to address our deteriorating infrastructure and expand utilities to support commercial and industrial growth. These activities are detailed in the Ten-Year Capital Plan included in this budget. This will require strong leadership from the Mayor and Council. The result will be a community that continues to grow and improve the quality of life for its citizens.

Current Conditions

The housing market remains very strong, and demand is still high due to the shortage of housing in the area and low-interest rates. Additional residents add to several revenue streams but also increase the need for services, which is often times offsetting, negating any revenue gains. Sales tax is trending up slightly, and we are projecting an 6% increase in sales tax revenue. New residential and commercial construction and increased valuations are reflected in an anticipated increase in the property tax base. We anticipate approximately an 8% increase in the property tax base in 2017. As always, we take a conservative approach to budgeting revenues.

We continue to work on the Capital projects scheduled for this year, and many of these will carry over into next year. The addition of water and wastewater lines on the east side of I35 between FM455 and Lois Road is nearing completion and should wrap up this fall. Construction has begun on McReynolds Road from Jones Street to FM 2164. This is a two-year project. Another two-year project is the rehabilitation and expansion of the wastewater treatment plant. These two projects will be our main focus in 2018 and 2019.

Utility Revenues are starting to rebound after a mild winter. Debt in the enterprise fund will increase next year by over \$300,000 due to the 2017 bond sale for the wastewater treatment plant improvements.



FY 2018 Budget Highlights

Capital Equipment

The proposed budget includes the following Capital Equipment. All the vehicles listed below are replacing existing vehicles.

Department	Equipment	Financing Method	Cost
Police	5 Tazers	Purchase	\$9000
Police	2 Police Vehicles	Purchase	\$101,000
Fire	1 Defibrillator	Purchase	\$33,000
Fire	1 Self-Loading Cot	Purchase	\$42,500
Parks	Web Based Irrigation Controls Phase 1	Purchase	\$45,000
Parks	Replace Sidewalks in Downtown Square Phase 1	Purchase	\$17,000
Parks	1 F350 Crew Cab	Purchase	\$56,000
Electric	1 New Service Truck	Purchase	\$140,000
Non-Departmental	New Monument Signs	Purchase	\$12,000
Finance	New Payment Kiosk	Purchase	\$47,000
4B	Shade Structures at Porter and Railroad	Purchase	\$250,000

Expenditures by Classification

As you can see in the chart below, overall expenditures are projected to rise by 5%. We have been very conservative in our budgeting and have looked at the history of each individual line item when planning next year's expenditures. The largest increases are in Capital Expenses, Salaries and Debt Service. Capital expenses are increasing 15% primarily due to the fact that we are replacing more aging vehicles and equipment this year. Salaries are up 13% due to adding four new positions and budgeting money for market adjustments next year. Debt service is up 21% due to the addition of the 2017 bond issue.

Expenditures by Classification	2015 Actual	2016 Budget	2017 Budget	Difference	% Change
Salaries & Benefits	\$ 4,639,320	\$ 5,146,863	\$ 5,833,653	\$ 686,790	13.34%
Supplies & Materials	\$ 410,502	\$ 491,029	\$ 546,480	\$ 55,451	11.29%
Maintenance & Operations	\$ 7,180,248	\$ 7,248,178	\$ 7,155,074	\$ (93,104)	-1.28%
Contract Services	\$ 1,335,884	\$ 1,470,276	\$ 1,597,519	\$ 127,243	8.65%
Utilities	\$ 479,234	\$ 543,964	\$ 528,750	\$ (15,214)	-2.80%
Capital Expenses	\$ 554,053	\$ 595,822	\$ 686,504	\$ 90,682	15.22%
Debt Service	\$ 1,325,175	\$ 1,452,919	\$ 1,758,581	\$ 305,662	21.04%
Other Department Expense	\$ 41,962	\$ 133,282	\$ 49,126	\$ (84,156)	-63.14%
Transfers	\$ 928,605	\$ 1,126,800	\$ 986,800	\$ (140,000)	-12.42%
Total	\$ 16,894,983	\$ 18,209,133	\$ 19,142,487	\$ 933,354	5.13%

Internal Service Fund

Some departments have responsibilities in both the General Fund and Enterprise Fund. To increase transparency, and assist operational efficiency, we have placed those departments in an Internal Service Fund (ISF). This allows us to present a single budget for each department better reflecting that department's true budget. It also streamlines the purchasing process. For accounting purposes, these departments will still be allocated to the funds at year end so that each fund's true cost can be reflected in the audit. In the 2018 budget you will see a new department in the ISF. It is the Facilities Maintenance Department. Having facility maintenance under one department will allow for better efficiencies and cost savings as we move toward a more centralized purchasing process.

Personnel

I am recommending a 3% merit raise (Range from 0-4.5%) for employees again this year. We are also in the process of evaluating and updating our pay plan with a target implementation date of January 1, 2018. Funds have been budgeted in the 2018 budget to implement this plan. In the current economic climate, it is imperative that we stay competitive on wages and benefits to keep from losing good employees to other cities.

This year we are proposing to add four new positions. We propose adding a Sergeant to the Police Department. This will help alleviate the flat command structure currently and provide additional supervisor coverage at night and on weekends. We also propose adding a Lieutenant to the Fire Department. We are also converting one current firefighter position to a Lieutenants position. This will give us a Lieutenant on each of the three shifts. We are adding a full-time

construction inspector to public works. We have had one of the street employees fulfilling this role. However, given the amount of upcoming work and the need for more street maintenance, we need to fill this position. We are also adding a third operators position to the wastewater treatment plant as we move toward seven day a week operations.

Operating Expenses

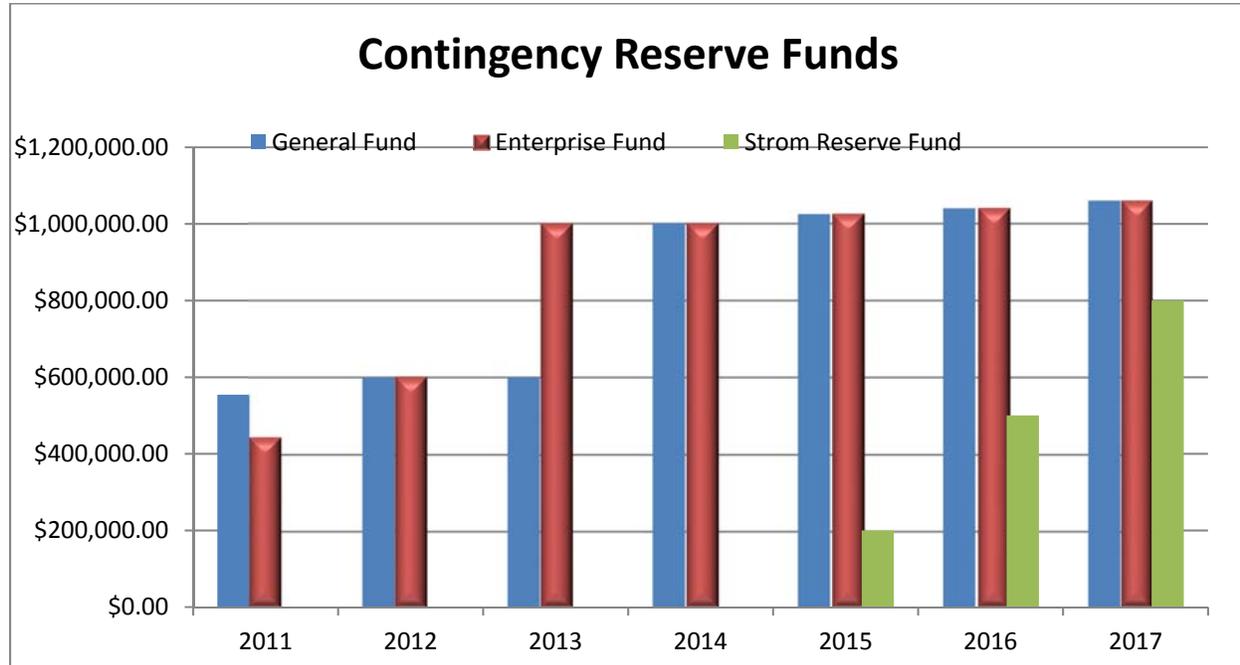
We do not directly control many of our operating expenses like health care costs and the price of fuel. Absorbing these costs can leave very little extra money left for the expansion of services. Any proposed increases in operating costs must be accompanied by written justification from the department head. All of the department heads have done a good job in their proposed budgets of keeping operating expenses in check. One big unknown this year is health insurance costs. We will not know these numbers until late summer. Because we allocate a set amount to each employee for insurance benefits, this will not impact the proposed budget.

Capital Projects

Capital projects are discussed in detail in the Capital Improvement Plan included in the overall budget. This year capital projects will include reconstruction and resurfacing of McReynolds Road in conjunction with Denton County and expanding the wastewater treatment plant.

Reserves

The Council set a goal of increasing emergency reserves to \$2,000,000. We realized that goal at the end of the 2014 Budget Year. The resolution also created a “Storm Reserve Fund”. This fund is funded by 2% of electric utility revenue and is intended to be used in the event of extensive storm damage to the City’s infrastructure. The storm reserve fund will end the year with approximately \$800,000 in reserve.



Summary

While there are some structural changes in the budget, operationally there will be few changes. The staff has prepared a proposed budget with cautious optimism for 2018 that addresses both our short term and long-term needs. As always, we will closely monitor both revenues and expenses throughout the year and adjust accordingly as conditions dictate.

SWOT Analysis

A SWOT analysis is a look at the City's Strengths, Weaknesses, Opportunities and Threats (SWOT). It is intended to give the reader a strategic perspective of current and future issues. These issues have an effect on both revenues and expenditures.

Strengths

The local economy remains strong as indicated by the increase in construction and low unemployment. The area continues to see a large influx of new residents each year and this trend is expected to continue for the foreseeable future. Sanger's location is one of its greatest strengths and something we aggressively market.

Rail and Interstate access and developable industrial land also top the list of Sanger's strengths. Commercial interest in the industrial property has picked up in the last year. We continue to proactively recruit retailers and other business. We are also extending utilities along the east side of Interstate 35 to entice new businesses and industry to the City.

Another asset is the quality of life enjoyed by the citizens of Sanger. Sanger residents have access to all of the amenities of the metroplex while enjoying life in a quiet, small town atmosphere. Access to Lake Ray Roberts is also a quality of life asset and an economic boost for Sanger. The new sports park has been a tremendous quality of life improvement for our citizens as well. It is well used and has been well received by the citizens. It has also been a tremendous advertising tool for Sanger. In 2014, we added a splash park to replace our obsolete swimming pool. This is also a quality of life improvement for our citizens to enjoy. This year the 4B board has authorized funding for Shade structures to cover the bleachers and Porter and Railroad ballparks.

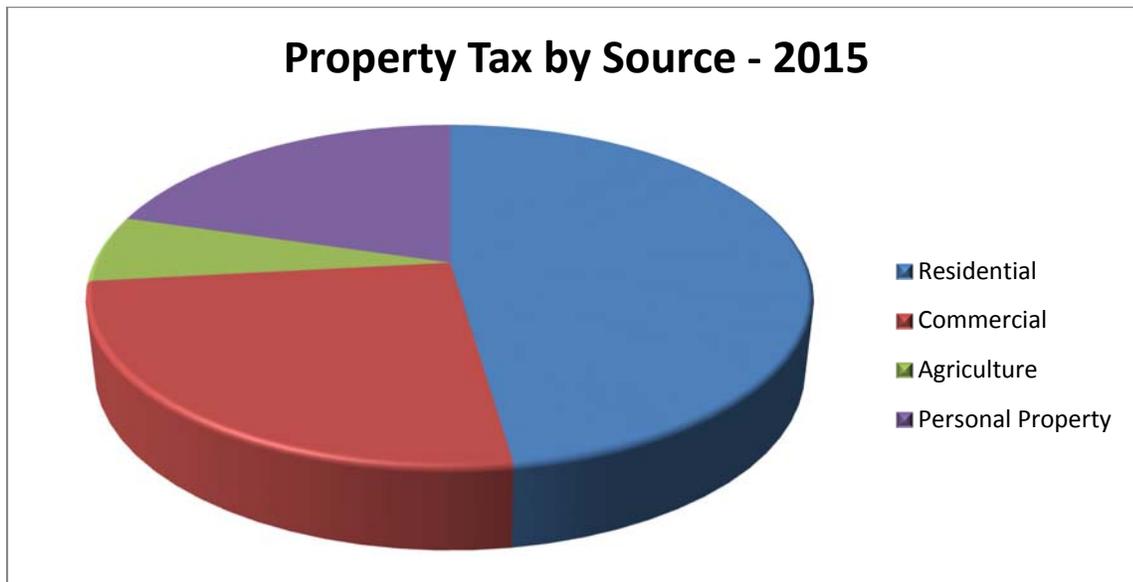
Sanger Electric is another strength enjoyed by the City of Sanger. Sanger Electric generated almost \$7,500,000 in gross revenue last year. This revenue not only supports the Enterprise Fund but the General Fund, and Storm Recovery Fund as well. Without this revenue, property taxes and other utility fees would need to be much higher.

Sanger also enjoys having both a 4A and 4B economic development board. Each of these boards generates approximately \$400,000 annually in revenue. These monies have allowed Sanger to compete economically and make the quality of life improvements as mentioned above. 4B funds are currently being used to pay for the debt service on the Porter Sports Complex and other projects. This year 4A will continue assisting with the extension of utility lines for development of additional industrial properties.

Emergency reserve funds are also a strength. Eventually, every city faces some type of disaster. Be it a tornado, flood, ice storm or another disaster two things are certain; the city will need money for the recovery efforts, and traditional revenue sources will be negatively impacted at the same time. By the end of the 2017 fiscal year the city will have \$ 2.8 Million in Reserve Funds, to bridge the gap caused by a disaster. Having these funds on hand will help us recover as quickly as possible without destroying us financially.

Weaknesses

To a large extent, cities in Texas are dependent on property taxes to fund their general revenue operations. In Sanger, approximately 44% of general fund operating revenues come from property tax. The weakness here is that almost half of the property tax in Sanger comes from residential improvements (See Figure 1 below). Demand for service is much higher from residential properties than from commercial properties. This means that, when averaged out, residences rarely pay the full amount in property tax for the services they receive from the City. Commercial properties, however, typically generate more property tax than they require in services. Growing our commercial property tax base is essential to providing quality service to our customers while limiting the property tax burden on our residents. Recruiting more industrial and commercial development continues to be a priority.



Another weakness is median home prices in Sanger. The median home price in Denton County is \$269,400. The median home price in Sanger is \$172,400. This results in a much lower tax income per property than in other areas. We need to diversify our housing mix to include houses in higher price ranges that generate higher property taxes. This will also help alleviate the tax burden on families with lower incomes and those with fixed incomes. The Council has established benchmarks that are helping to alleviate this weakness. As a result, we are seeing our average valuation increase. We will continue to proactively encourage this trend at the staff and Council levels to eliminate this weakness.

Another weakness that stifles growth is the fact that as the city limit expands, we add areas that are not in our water supply CCN. Because the water supply corporation that serves these areas does not provide fire protection, development is severely limited. Recent legislation has alleviated this to some extent by providing a mechanism to transfer the CCN. However, the issue still remains a hindrance to growth due to the costs associated with the transfer.

Opportunities

Industrial Development

As mentioned under strengths, Sanger is uniquely located to service both North Texas and Southern Oklahoma and has hundreds of acres of developable land with both interstate highway and rail access. Not only are these properties being marketed by the land owners but the City is also marketing these properties through the Greater Dallas Chamber of Commerce. Sanger must capitalize on these industrial prospects and aggressively market its strengths. To do this

will require additional investment in infrastructure to ensure that industrial sites are “shovel ready” when companies are ready to move. To that end, we continue to extend water and wastewater lines to potential industrial sites along I35 to entice industrial development. We are also working with private developers to develop shovel-ready industrial parks to spur industrial growth.

Residential Development

There have been 111 new home starts so far in Fiscal Year 2017. This is the most since 2006. Over 750 new residential lots are in various stages of development. Staff and Council have been encouraging a greater mix in housing and we are starting to see our efforts pay off. Homes in higher price ranges generate higher property taxes but typically require the same amount of services as homes of lesser appraised value. This allows the City to provide services at a lower tax rate, saving everyone on their property taxes. Currently, the average home value in Sanger is approximately \$172,000. At that value, a home will generate approximately \$1156 in City property tax each year. In comparison, a \$300,000 home generates \$2040 at the same tax rate. Simply put, higher priced homes translate into lower property taxes and increased services for everyone.

Commercial Development

Commercial development will follow residential development. Sanger is experiencing some commercial growth and should see more as the area’s population increases. The good news is that Sanger has plenty of developable commercial property. We have invested heavily in bring utilities to these sites so that they are ready for development. The City must continue to promote commercial development, especially development that generates both property and sales tax.

Threats

One threat that bears close watch is the increased cost of health insurance. We will not know until late in the budget process if we will face an increase this year or not but an increase is highly likely. Many aspects of healthcare reform continue to drive prices higher. These new requirements will raise the cost of providing health insurance for both the City and its employees.

Another significant threat is action taken by the State Legislature. Cities will take multiple hits this year as the State reduces State funding for programs, keeps more revenue for themselves and passes new unfunded mandates that will cost the cities money to implement. In their quest to balance the budget without raising taxes, they are significantly impacting budgets and services at the local level. The legislature went even further this session and introduced multiple bills that limit local control over a wide range of things. Some of these bills, if passed, could severely hamper our ability to provide current service levels to our citizens.

A general downturn in the economy is another potential threat, while the local economy is booming, we are starting to see some indicators of a slowdown. It is imperative that we monitor it closely and stay ahead of any downturn.

Understanding the Municipal Budget

This section is intended to give the reader an overview of how the budget works. Municipal budgets are governed by Federal and State Statutes and local regulations. The intent here is not to explain every requirement for municipal budgeting but to discuss generally how the budget works.

The City operates six major funds. They are the General Fund, Enterprise Fund, 4A Economic Development Fund, 4B Economic Development Fund, Debt Service Fund and Capital Improvement Fund. These funds are explained in detail below. The City’s fiscal year runs from October 1st through September 30th each year. The budget process begins in

the spring of each year internally. Budget workshops are held during the summer of each year with the City Council and economic development boards. Public hearings are also held on the budget. The budget must be approved and next year's property tax rate set before October 1st each year (see Timetable for Adopting the Budget). When the economy is volatile, such a lengthy process can lead to financial issues down the road. For example, a road project that is scheduled to begin in the summer would be estimated in the spring of the previous year, over a year earlier. Due to market volatility, the actual cost could be significantly higher or lower than estimated. This can occur frequently in government and is usually not understood by the public.

To a great extent the City works on a pay as you go basis. Revenues must be sufficient to cover expenses. Sometimes this can create some short-term issues because of the timing of revenues. For example, the largest revenue stream in the General Fund is property taxes. However, we do not receive the bulk of these funds until the second quarter of the fiscal year (January – March). This means that other revenues must be used to cover expenses in the first quarter and that discretionary expenses (like buying new vehicles) are usually deferred until after the first quarter.

Because the City cannot spend money it does not have, it must find an alternative method of financing large infrastructure projects. Replacing or adding new roadways, water lines, sewer lines and drainage improvements are very expensive. After paying for operations, most cities do not have sufficient funds left over to pay for these improvements as they are done. Therefore, cities sell municipal bonds to pay for these improvements up front. The bonds are then paid off over a period of time, spreading the expense over a number of years. The City must pledge either property tax or some other revenue like utility fees toward repaying the bonds. The downside is that these pledged funds cannot be used for other purposes in future years. This means that long-term debt must be managed and controlled so that necessary improvements are made without hamstringing future budgets.

Another important point is that revenue numbers in the budget are estimates of what we think will be collected next year. The monies you see in revenue are not sitting in the bank October 1st waiting to be used. If revenues do not meet projections, then expenditures must be curtailed to meet those shortfalls. If revenues exceed projections, then excess fund balances at the end of the year can be used to build up reserves, do capital projects or supplant next year's revenues.

Understanding Property Tax

Property Taxes are historically the primary funding source for General Fund operations. The property tax calculation process can be very complicated. Having a basic understanding of how it is calculated and the rules involved is essential in making sound decisions on the property tax rate. Because of the way the rate is calculated, decisions made about the rate this year will impact future year's budgets as well.

Property tax valuations run more than a year behind. For example, at the beginning of each year, the Tax Assessors office determines the taxable value of property for the year before. They then send notice to property owners of the assessed value of their property. Property owners then have an opportunity to protest that value if they feel it is unfair. The County Tax Assessors office hears the disputes and then certifies the *Total Net Taxable Valuation* for the City sometime around the end of July. The City then sets the rate for the upcoming year with the taxes due in January. Therefore, the taxes collected in January of 2018 are based on property values determined for 2016 and certified in 2017. This is why increases or decreases in property tax collections lag behind overall increases or decreases in property values.

The property tax rate is made up of two components; the Interest and Sinking (I&S) rate and the Maintenance and Operation (M&O) rate. The I&S rate is the rate necessary to generate enough revenue to service the debt on bonds

pledged against the property tax. The M&O rate is the portion of the property tax used for day to day operations of General Fund departments. The I&S rate is set by the Assessor's office based on the net taxable valuation and the amount of debt. ($\text{Debt}/\text{Valuation} = \text{I\&S tax rate}$). The City does not determine this rate, although it is included in the overall rate set by the city.

Two key rules apply when determining the tax rate. The first is the *Effective Rate*. The Effective Rate is the rate that, based on this year's valuation, will service the debt (I&S rate) and raise the same amount of revenue as was raised last year for M&O. The Effective Rate may be higher or lower than the year before depending on a decrease or increase in the total valuation and increase or decrease in debt service.

The second term is the *Rollback Rate*. To oversimplify, if a City sets the tax rate so that it will generate more than 108% of the revenues generated last year, it is subject to the filing of a petition by the voters to send the tax rate to an election. If the City stays under 108%, it cannot be challenged by petition.

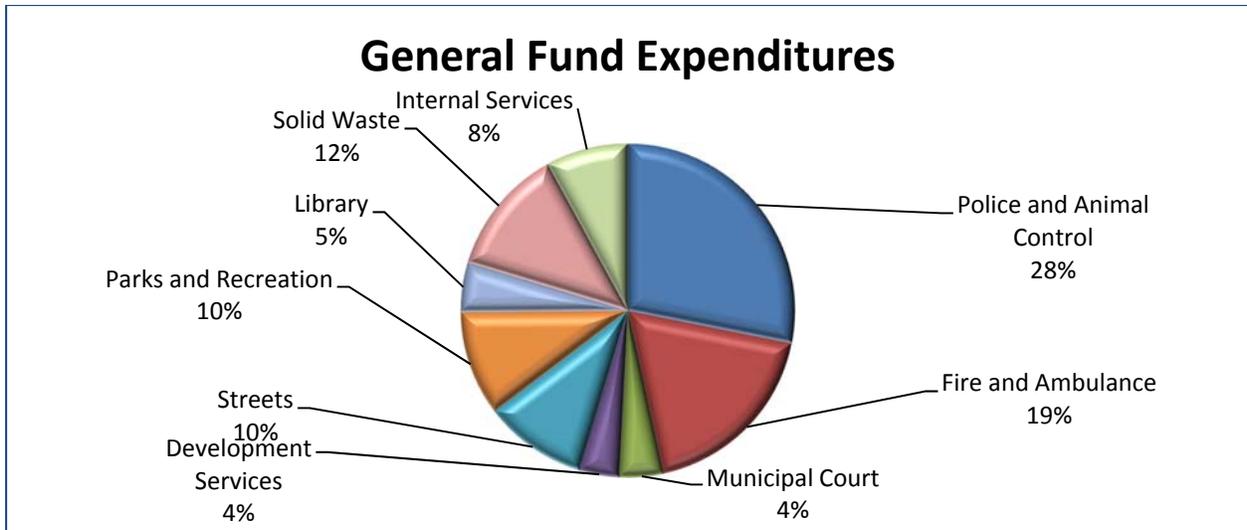
When a City sets the tax rate for the year, it is really determining the M&O rate since the I&S rate is a function of taxable value and debt. This is important for a number of reasons. First, any rate set below the Effective Rate means a decrease in revenues. This decrease in revenue comes 100% from M&O revenue. Second, if total valuation falls (as happened in 2010) and debt also decreases, the Effective Rate will be higher than the Rollback Rate. This means that to raise the same amount of operating funds in 2010; we would have had to exceed the Rollback Rate. While this is a rare occurrence for a growing City, it drives home the fact that setting the tax rate needs to be based on a number of factors considered together.

Tax rates can vary widely between cities. For example, there are 88 Cities in Texas with a population between 5,000 and 10,000. Property taxes range from \$0.1468/\$100 to \$0.957898/\$100 in those cities. The maximum a home rule city can charge is \$2.50/\$100. Net Taxable Valuations also vary widely and are the primary factor in determining what rate a city needs to charge to pay for debt and operations. Two examples help to clarify this point. The first is Highland Park with a net taxable valuation of over 4.5 Billion. Highland Park's tax rate is only \$0.22/100, but it generates over \$10,000,000 a year in revenue. On the other end of the spectrum is the city of Mathis with a tax rate of \$0.957898. Mathis' net taxable valuation is only \$85,987,583 and generates revenue of \$823,763. So, even though Mathis' rate is over four times higher than Highland Park's, it generates less than a tenth of the revenue.

I do not suggest any increase lightly and in fact, would like to see us lower the tax rate over time. However, until we start growing our commercial property tax base, this will be difficult to achieve. The key is growing our total net taxable value without adding a greater burden on services than what we receive in additional revenue. Again, this will require adding commercial property to the tax rolls. As stated earlier, new residential properties, while increasing the tax role, also increase service demand and are usually break even at best.

General Fund

The General Fund is the fund used to finance the operations of general government. The General Fund includes Public Safety, a portion of Public Works, Community Services, Sanitation, and a portion of Administrative and Support Services. Public Safety includes; Police, Municipal Court, Animal Control, Code Enforcement, Fire and Ambulance departments. Sanitation is solid waste (Sanitation is contracted out to a third-party operator). Community Services include; Development Services and the Library. The Park and Recreation and Street departments are shown on their own to more clearly show the portion of the general fund spent on these departments. Internal Services include Administration, Facilities Maintenance, Finance, Fleet Maintenance and Human Resources.



General Fund revenues come from a myriad of sources including property tax, sales tax, court fees, Fire and EMS revenues and franchise fees. By far, the largest revenue stream is property tax. Due to growth and appreciation of property values, Sanger has enjoyed increasing property taxes over the last twelve years. In 2017 over \$14,000,000 in new property was added to the tax rolls.

General Fund revenues do not cover expenditures. The difference is made up by the transfer of excess revenues from the Enterprise Fund. These funds come primarily from the Electric utility. Without these funds, property taxes would have to be increased or services severely cut to balance the budget. The Transfer in 2016 was budgeted at \$200,000. It is projected at \$100,000 for 2017. The decrease is due primarily to robust revenues in the General Fund and increased debt cost in the Enterprise Fund. Typically, due to cost savings throughout the year, this transfer for operations is not necessary, and we have used these funds to build up reserves. This will likely not be the case this year due to lagging utility revenues caused by the wet weather and mild winter.

Enterprise Fund

The Enterprise Fund is made up of utility departments including Water, Wastewater, and Electric. Enterprise utilities are intended to generate more revenue than is needed for operations. This excess revenue is used to pay for infrastructure improvements and support the General Fund to defer higher property taxes. Not only does the Electric Utility generate the bulk of gross revenues, but it also produces the majority of excess revenues. In fact, after adding capital costs to operating costs the Water and Wastewater Utility barely break even. Fortunately, we have locked in the rate we pay for wholesale electric through August of 2021, so no significant increases in Electric rates are anticipated.

Recently the State has mandated that regional groundwater districts be established statewide to manage groundwater resources. To pay for the district's water producers will have to pay a fee on the water removed from the ground. We are calculating that this will cost Sanger about \$36,000 a year.

One increase we have to absorb in the electric utility is the increase in transmission and congestion costs we pay. This cost has risen by over 60% in the last three years and continues to rise. These costs are regulated by the Electric Reliability Council of Texas (ERCOT) and are used partially to help pay for new transmission lines from West Texas to other parts of the State.

We recently hired a consultant to review our utility rates and make recommendations for the next five years. They will be presenting their finding in August. Rate increases next year will be proposed based on their recommendations.

Expenditures in the Enterprise Fund are overwhelmingly spent on Public Works as they should be. Expenditures include daily operations of the utilities, capital improvements, and debt service on bonds for capital improvements

Internal Service Fund

The internal service fund includes departments with responsibilities in both the General and Enterprise Funds. The Internal Service Fund allows us to show the department's entire budget in one place, making it more transparent and easier to manage. The departments include Non-Departmental costs, Mayor and Council, Administration, Public Works Administration, Finance, Facilities Maintenance and Fleet Services. Instead of each department having a separate budget for each fund, those departments have a single budget in the Internal Service Fund. This makes it easier for the reader to see the true cost of the department without having to look in two different places. It also streamlines cost allocation internally.

Economic Development Funds

Under Texas Law, certain municipal governments can establish Economic Development Corporations for the purposes of attracting economic development and other limited purposes. These corporations are overseen by boards appointed by the City Council. Sanger is one of the few Cities that has both a 4A and 4B Economic Development Corporation. Both of these corporations receive revenues from a separate ½ cent sales tax. This sales tax generates around \$400,000 each year for each of the corporations.

Due to changes in legislation the 4A board can now fund projects authorized under either 4A or 4B statutes. This gives us the flexibility to combine 4A and 4B funds if we need to for either industrial development or to enhance the quality of life. Historically this money has been used to pay off the debt for the land associated with the Wal-Mart Distribution Center. Over the years, the 4A Board has also built up a healthy reserve. The 4B Board can fund any project authorized under the 4A statutes. In addition, the 4B Board can fund improvements in other areas including parks and recreation. Historically 4B monies have been used to help fund infrastructure improvements, park and recreation improvements and, most recently, the new Splash Pad. The 4B Board also maintains a modest reserve and is currently committed to servicing up to \$180,000 annually of the 2009 CIP for the new sports park and \$32,500 per year for the splash park debt service. The 4B Board has also committed \$300,000 to The Porter Park Trail linkage and \$200,000 for shade structures at the Porter and Railroad Ball Fields.

Thanks to these two boards the City of Sanger has been able to provide economic development incentives and make park and recreation improvements that it simply could not afford otherwise. While these funds can only be used for limited purposes, having them frees up other revenues for other purposes.

Debt Service Fund and Capital Projects Fund

The Debt Service Fund is where long term, property tax funded debt is paid. The Capital Projects Fund is where expenditures on Capital Projects are paid. Both debt service and capital projects serve as internal service funds used for accounting purposes.

Hotel/Motel Tax Fund

The expenditure of hotel occupancy tax (HOT) funds tightly regulated by state law. To ensure that these funds are spent appropriately, they are placed in a separate fund and not commingled with the General Fund. The city also gives up to \$12,000 a year in HOT taxes to the Sanger Chamber of Commerce for marketing.

Conclusion

Revenue growth will allow us to maintain current service levels and continue to maintain and repair infrastructure this year. This means continuing to fill potholes and repave streets, replace old water and wastewater lines, build sidewalks and maintain our parks in an attractive condition.

Staff have worked hard and kept up with their responsibilities even when short staffed. They have willingly accepted cross training so they could help out in other departments when needed. They have been very frugal with spending. I want to commend all of our employees for their hard work and dedication this year

I also want to thank the Mayor and Council for their continued support and leadership. The Mayor and Council have had to make some hard decisions. They have poured much thought into those decisions and haven't flinched when doing the right thing was not going to be popular. The Citizens of Sanger are fortunate to have such people guiding the City.

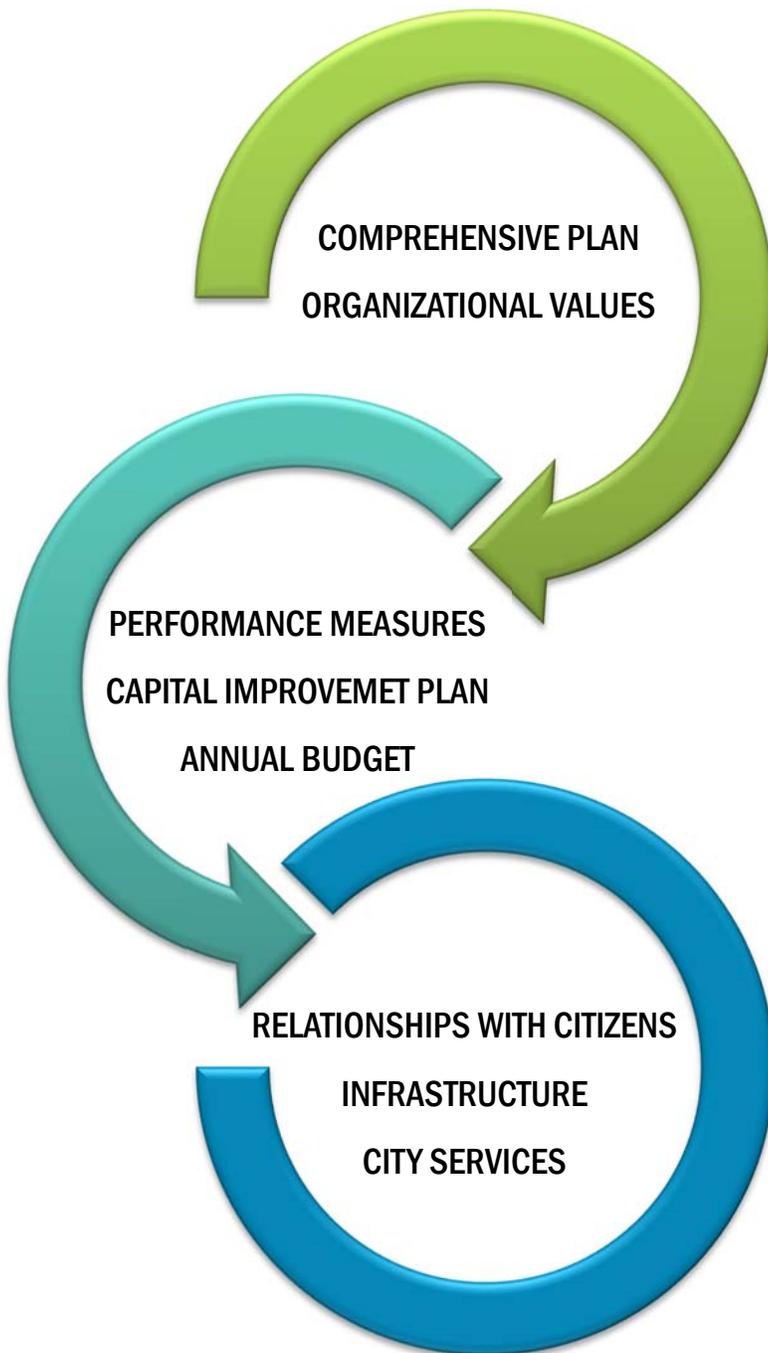
The municipal budgeting process can be confusing, especially when looking only at the raw numbers. We have worked hard to make the budget more transparent and understandable. I think you will see even more improvements and transparency this year. However, the budget is still just numbers. The budget message explains the meaning of those numbers. It is intended to shed light on the budget process and provide a general overview of its structure. It is also intended to shed light on the thoughts and concerns that went into formulating the budget. I hope you have found it helpful.

Michael Brice

City Manager

STRATEGIC PLANNING FOR RESULTS

Overview



PURPOSE

A guiding purpose of the municipal government of the City of Sanger is to preserve, protect and enhance the quality of life for our citizens.

VISION

To give vision to this purpose, City leaders and staff have developed a Comprehensive Plan (page 14) and a set of Organizational Values (page 15) to guide City operations.

PLAN

This vision has led to planning through the development of the City's Performance Measures (page 16) and the 2017-2018 Annual Budget and Capital Improvement Plan.

RESULTS

The effectiveness of any plan is measured by results. The City of Sanger's desired are to provide quality services to residents, maintain and improve our infrastructure,

Comprehensive Plan

GOAL 1

Maintain and improve upon the existing country living atmosphere of Sanger.

GOAL 2

Encourage the establishment of new commercial business and the expansion of existing businesses.

GOAL 3

Encourage development and preservation of the Historic Downtown area.

GOAL 4

Improve the relationship of mixed land uses and provide optimum opportunity to live and work in Sanger.

GOAL 5

Improve Sanger's street network.

GOAL 6

Encourage job development.

GOAL 7

Encourage development of quality single family residential neighborhoods.

GOAL 8

Develop, expand, and maintain the Sanger Park System with a variety of parks, open spaces and recreational facilities.

Organizational Values

We respect each other.

We communicate.

We perform quality work.

We are responsive to our customers.

We behave ethically.

We have an attitude of service.

We are proactive.

We focus on our customers.

We work together.

Performance Measures

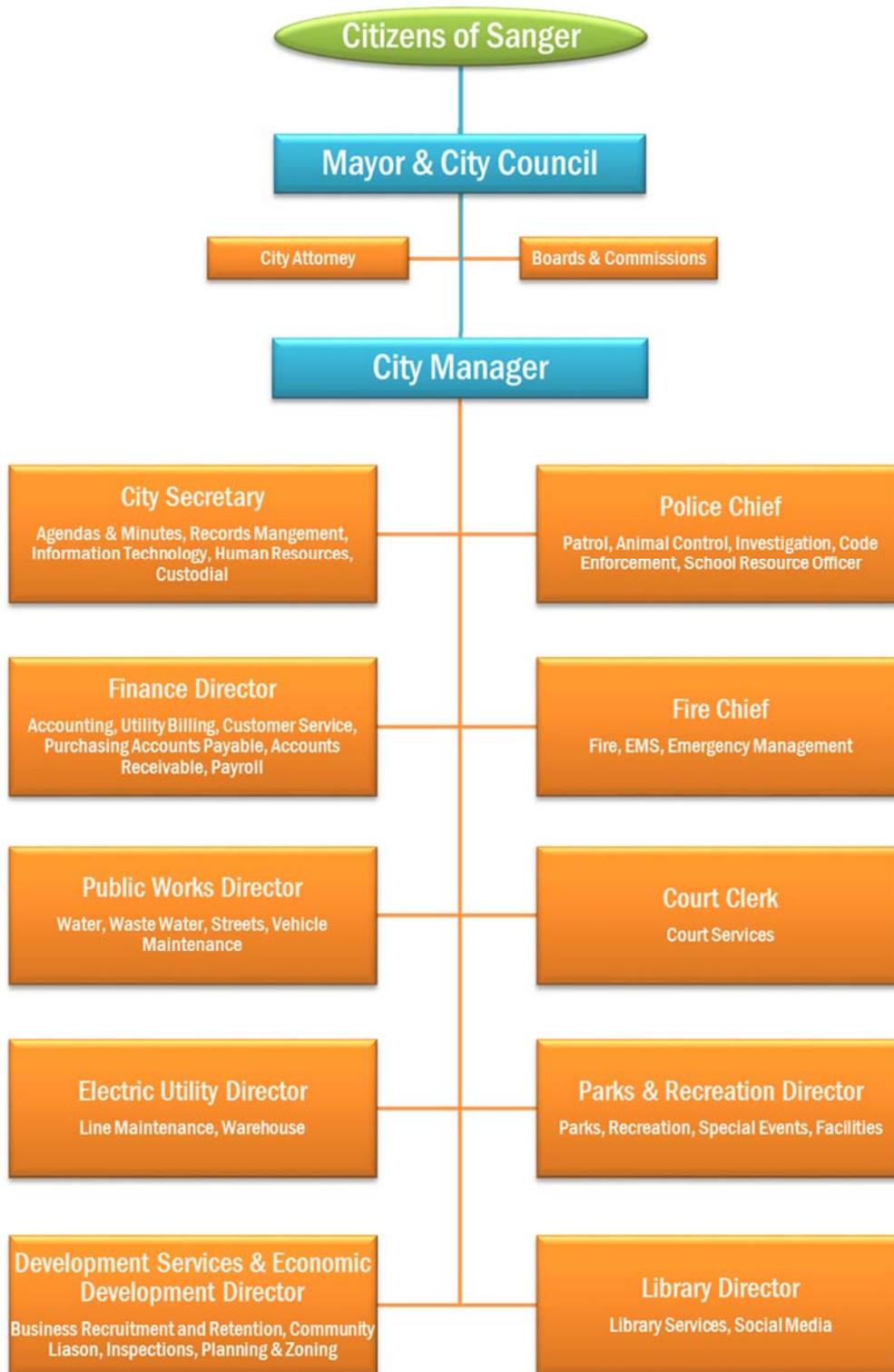
Performance Measure	Critical Mission	Stakeholders	Frequency	Benchmark	FY 2014 Average	FY 2015 Average	FY 2016 Average
Administration							
New employee orientation will be completed within 2 business days on average.	Human Resources	Employees	Quarterly	2 Days	1	1.15	1.18
100% of employees will complete their annual training each year.	Human Resources	Employees	Annually	100%	100%	100%	100%
Monthly Human Resources reports will be submitted on or before the due date.	Human Resources	Vendors/ Govt. Entities	Monthly	100%	100%	100%	100%
100% of open records requests are processed in the time allowed.	Records Management	Public	Monthly	100%	100%	100%	100%
Economic Development							
Inquiries are followed up on within 24 hours on average to ensure a prompt response.	Responsive	Potential Businesses	Monthly	100%	100%	100%	100%
Annually update a plan for long term infrastructure improvements that will facilitate retail and industrial growth.	Infrastructure Improvements	Public/ Business	Annually	By October First	Complete	Complete	Complete
Police							
To promote community interaction each officer will make 5 public contacts per shift on average.	Community Interaction	Public	Monthly	5 or more	7.19	5.84	7.01
To meet customer expectations, respond to calls for service within 7 minutes on average.	Customer Service	Public	Monthly	Under 7 minutes	5.84	4.55	4.52
Keep the public informed by providing local media crime and prevention information 4 times per month.	Public Information and Crime Prevention	Public	Monthly	4 or more	4.42	5.27	5.50
Respond promptly to complaints by sending registered letters on all valid complaints within 3 business days on average.	Code Enforcement	Public	Monthly	3 or less	0.34	0.25	0.02
Animal Control							
To promote community interaction the Animal Control Officer will make 4 public contacts per shift on average.	Customer Service	Public	Monthly	4	5.73	5.45	4.91
Fire							
On Average, 3 personnel will be on scene within 10 minutes of dispatch on fire related emergencies.	Fire Suppression	Public	Monthly	3 or more	3.26	3.24	2.39
Time of alarm until arrival on scene on fire calls inside the city limits.	Fire Suppression			6 minutes or Less on Average	00:00	06:31	05:03
Time of alarm until patient care is initiated inside the City Limits	EMS			6 minutes or Less on Average	4.73	05:14	04:54
98% of patient will arrive at the Hospital with their condition either improved or Unchanged.	EMS	Public	Monthly	98%	99%	98%	99%

Performance Measure	Critical Mission	Stakeholders	Frequency	Benchmark	FY 2014 Average	FY 2015 Average	FY 2016 Average
Municipal Court							
On a scale of 1 to 4, defendants rate us at 3 or higher on being treated fairly.	Fair Treatment	Public	Monthly	3 or Higher	3.77	3.62	3.65
On a scale of 1 to 4, defendants rate us at 3 or higher on being provided prompt service.	Prompt Service	Public	Monthly	3 or higher	3.76	3.73	3.70
On a scale of 1 to 4, defendants rate us at 3 or higher on being provided courteous service.	Courteous Service	Public	Monthly	3 or higher	3.92	3.65	3.78
To meet expectations of promptness 50% of cases will be disposed of or turned over to collections in 60 Days on average	Prompt Service	Public	Monthly	50%	49%	46%	88%
Development Services							
Process permit applications in 5 business days or less on average (excluding time waiting for applicant action).	Prompt Service	Public	Monthly	5 or Less	1.35	2.61	3.06
80% of responders to a notice of public hearing will report being well informed by the notice and other information provided.	Citizen Engagement	Public	Monthly	80%	96%	97%	100%
Council and Board members will report being well informed on the issue at hand 90% of the time.	Information	Boards	Monthly	90%	100%	98%	92%
Streets							
Currently Under Revision							
Number of potholes repaired during the month.						58.50	151
Number of utility cut repairs during the month.						5.50	4
Number of traffic signs replaced during the month.						13.75	5
Tons of Asphalt used for patching	Street	Public	Monthly	Info Only		51.74	29.25
Yards of concrete street repair.	Street Maintenance	Public	Monthly	Info Only		22.83	20.58
Parks							
To meet customer expectations of promptness 90% of brush work orders will be completed within 4 business days, on average, of the request.	Brush Removal	Public	Monthly	90%	92%	87%	94%
To meet customer expectations patrons will rate their satisfaction level with the maintenance of public parks at 3 or higher.	Park Maintenance	Public	Monthly	3 or higher	3.41	3.62	3.67
To meet customer expectations park patrons will rate their satisfaction level with the condition of the public parks at 3 or higher.	Public Satisfaction	Public	Monthly	3 or Higher	3.55	3.57	3.79
Citizens are engaged by volunteering X numbers of hours on average each month in the parks.	Citizen Engagement	Public	Monthly	Info Only	28.08	27.33	16.8
The number of acres mowed each month.	Park	Management	Monthly	Info Only	153.60	129.40	185.319
Number of rentals each month	Cost Recovery	Management	Monthly	Info Only	32.92	11.42	15.60
Cumulative percentage of expenditures recovered annually.	Cost Recovery	Management	Monthly	Info Only	1.02%	0.63%	\$9,305.00

Performance Measure	Critical Mission	Stakeholders	Frequency	Benchmark	FY 2014 Average	FY 2015 Average	FY 2016 Average
Library							
80% of information seekers will be satisfied with the results of their library visit.	Provide Information	Public	Monthly	80%	90%	89%	96%
80% of patron's seeking information remotely will be satisfied with the results of their inquiry.	Provide Information	Public	Monthly	80%	97%	97%	98%
To meet patron's expectations, the average wait time for a computer will be less than 10 minutes.	Public Computer Access	Public	Monthly	10 minutes or less	5.35	5.16	3.61
90% of patrons requesting computer assistance will be satisfied with the result.	Public Computer Access	Public	Monthly	90%	91%	93%	96%
90% of patrons seeking materials for entertainment will be satisfied with the results of their library visit.	Recreational Reading, listening and viewing	Public	Monthly	90%	98%	98%	97%
Finance							
To ensure accurate billing 98% of utility bills will be correct prior to posting.	Utility Billing	Utility Customers	Monthly	98%	100%	100%	100%
To meet Department expectations 98% of purchase requests will be processed to purchase orders within 3 business days on average.	Purchasing	Employees	Monthly	98%	100%	100%	100%
To meet vendors expectations 100% of all accurate invoices will be paid within 30 days.	Accounts Payable	Vendors	Monthly	98%	100%	100%	98%
To meet our fiduciary duty 98% of bank deposits will be accurate when they are deposited in the bank.	Cash Collections	Public	Monthly	98%	100%	100%	100%
To meet employee expectations 98% of all checks will be processed without any errors attributable to the finance department.	Payroll	Employees	Monthly	98%	100%	100%	100%
98% of Customers will rate their satisfaction with our service as three or better on a scale of 1-4.	Customer Service	Customers	Monthly	98%	100%	100%	100%
Fleet Services							
Complete repair orders in a maximum of five business days on average.	Customer Service	Internal Customers	Monthly	5 days	3.45	3.75	1.5
Complete all scheduled routine maintenance in a maximum of five business days on average.	Customer Service	Internal Customers	Monthly	5 days	3.05	2.82	1.08
Number of Completed routine Maintenance orders							5.08
Complete all emergency repair orders within the same business day.	Customer Service	Internal Customers	Monthly	1 day	0.17	0.38	1.00

Performance Measure	Critical Mission	Stakeholders	Frequency	Benchmark	FY 2014 Average	FY 2015 Average	FY 2016 Average
Water/ Waste Water Line Maintenance							
To meet customer expectations of prompt service, water leaks will be responded to within sixty minutes or less on average.	Water line maintenance	Public	Monthly	60 minutes or less	11.43	0:12:55	16:11
To meet customer expectations of prompt service, minor sewer blockages will be corrected within sixty minutes or less on average.	Waste Water Collection	Public	Monthly	60 minutes or less	1:16	1:22	1:06
New water meters will be set within two working days of generated work order on average.	New Service	Public	Monthly	2 Days	1.43	1.00	1
Number of water main breaks per month				Info Only	2.82	2.50	1.67
Number of re-reads per month				Info Only	732.00	823.50	644.92
Number of new services installed per month				Info Only	3.75	8.33	4.58
Monthly Water Consumption				Info Only	23,516,208	22,029,612	22,920,873
Waste Water Treatment							
Average Daily Gallons Treated per Month				Info Only	581,910	634,310	654,820
Sewer Line Repairs				Info Only	1.18	1.25	1.08
Daily Peaks over 700,000 gallons				Info Only	1.17	5.25	5.83
Reduce odor and eliminate unwanted discharge by processing an average of 10 cubic yards of sludge on average each month.	Waste Water Treatment	Public	Monthly	10 or more	15.88	10.83	11.82
Electric							
To meet customer expectations, response time to outages will be less than 90 minutes on average.	Dependable Service	Customer	Monthly	90 minutes or less	76.95	76.23	68
90% of customers who call with a service problem will be satisfied with the service provided.	Customer Satisfaction	Customer	Monthly	90%	100%	100%	100%

ORGANIZATIONAL CHART



AUTHORIZED PERSONNEL

	2016		2017		2018	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Fund Authorized Personnel						
Police	14	0	15	0	16	0
Animal Control	1	0	1	0	1	0
Fire *	12	1	12	1	12	1
Municipal Court	2	2	2	2	2	2
Development Services	3	0	3	0	3	0
Streets	3	0	4	0	4	0
Parks	6	3	6	2	6	0
Recreation	0	0	1	0	1	0
Library	3	2	3	2	3	3
General Fund Totals	44	8	47	7	48	6
Enterprise Fund Authorized Personnel						
Water	5	0	6	0	6	0
Waste Water	2	0	2	0	3	0
Electric	7	0	7	0	7	0
Enterprise Fund Totals	14	0	15	0	16	0
Internal Service Fund Authorized Personnel						
Administration	4	0	4	0	3	0
Public Works Administration	2	0	2	0	3	0
Finance	5	0	5	0	5	0
Fleet Services	2	0	2	0	2	0
Internal Service Fund Totals	13	0	13	0	13	0
Total Authorized Personnel	71	8	75	7	77	6

* Six FTE positions are staffed by part time personnel

BUDGET CALENDAR

BUDGET CALENDAR FY 2017-2018	
Date	Item
Monday, March 27, 2017	Announce Budget Schedule at Staff Meeting
Monday, April 03, 2017 - Friday, April 07, 2017	Gray & Berman meet with Departments
Monday, April 17, 2017 - Friday, April 21, 2017	Gray & Berman meet prepare preliminary budget
Thursday, April 27, 2017	Brice, Gray & Berman meet to discuss revenues
Friday, May 05, 2017	Submit preliminary budget to Brice for review
Friday, May 05, 2017 - Friday, May 19, 2017	Brice review budget
Tuesday, May 30, 2017 - Friday, June 02, 2017	Budget Team meet with departments
Wednesday, June 14, 2017	Preliminary Budget Completed
Monday, June 19, 2017	Budget Workshop
Monday, July 03, 2017	Budget Workshop
Monday, July 24, 2017	Budget Workshop (if needed)
Monday, July 24, 2017	Chief Appraiser Certifies Tax Roll
Thursday, July 27, 2017	Notice of Qtr Page Ad - Appraisal District Property Tax Rates
Friday, July 28, 2017	Budget must be filed with the City Secretary. The budget needs to be ready for inspection by any taxpayer and posted on the website
Monday, August 07, 2017	Meeting with City Council to discuss tax rate. If proposed tax rate will raise more revenue than the proceeding year's revenue, take record vote and schedule public hearing
Thursday, August 10, 2017	Notice of Public Hearing on tax increase, send to paper (1st qtr page notice). Must publish at least 7 days before Public Hearing
Monday, August 21, 2017	First Public Hearing on Tax Rate and Budget
Thursday, August 24, 2017	Notice of 2nd Public Hearing if necessary
Tuesday, September 05, 2017	Second Public Hearing on Tax Rate Schedule and announce meeting to adopt tax rate 3-14 days from this date
Monday, September 11, 2017	Adopt budget for operating and capital expense. Adopt tax rate

March						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

THE BUDGET PROCESS

The fiscal year of the City of Sanger begins on October 1st and ends on September 30th of the following calendar year. This fiscal year establishes both the budget year and the accounting year.

The budget is developed at a departmental level. In March, the Finance Director develops worksheets that detail expenditures for the past four years, year to date balances as of March 31st, and projected totals through the end of the current fiscal year. Upon completion, these worksheets are distributed to individual departments for review and completion. Each department prepares an estimate for their projected totals through the end of the fiscal year and estimates for the upcoming year. For any increases or addition of new items to the budget, departments will document the justification for the requested increases. Once the departments have completed the worksheets, they are returned along with any supporting documentation to the Finance Director.

Revenues are projected based on historical trends, the current economic climate and expected future trends. Personnel expenses are prepared based upon the current year, adjusted as necessary for staffing changes or changes in the cost of benefits. Utility expenses are projected based on the current and prior years, modified where applicable due to utility rate changes or changes to City facilities.

The departmental budget worksheets are combined with revenues, personnel and utility expenses to prepare a working budget, which is reviewed by the City Manager. A budget team consisting of the City Manager, the Finance Director and the Parks and Recreation Director meets with each department to review and discuss the requested budget in detail. These meetings assist the City Manager in determining his priorities for the budget.

A series of public budget workshops are held with the City Council, allowing for citizen input for the budget process. These workshops allow the City Council to formulate its priorities for the proposed budget. Following these workshops, the proposed budget is formulated. This proposed budget is filed with the City Secretary and public hearings on the budget to allow for citizen input. Following the public hearings, the budget is ready to be adopted.

The budget may be adopted at any regular or special meeting of the City council prior to the beginning of the fiscal year. On final adoption, the budget is in effect for the budget year. During the year, the City Council may amend or change the budget to provide for any additional expense.

LIST OF FUNDS

GOVERNMENTAL FUNDS	<p>GENERAL FUND This is the general operating fund for the City, utilized to account for all resources not required to be accounted for in another fund.</p> <p>DEBT SERVICE FUND This governmental fund type is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.</p> <p>CAPITAL PROJECTS FUND These funds were established to account for resources used for the acquisition and construction of capital facilities by the City. Capital Projects Funds of the City include Capital Projects Fund and Enterprise Capital Projects Fund.</p> <p>SPECIAL REVENUE FUNDS These funds are used to account for the revenue derived from specific taxes or other earmarked revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes. Special Revenue funds of the City include Hotel/Motel Tax Fund; Beautification Fund; Library Restricted Fund; Court Security Fund; Court Technology Fund; Child Safety Fund; Police Donations Fund; Fire Donations Fund; Park Donations Fund, and Library Donations Fund.</p>
PROPRIETARY FUNDS	<p>ENTERPRISE FUND This fund accounts for the operations and financing of self-supporting activities of a governmental unit that renders services on a user charge basis to the general public, similar to private business enterprises.</p> <p>INTERNAL SERVICE FUND This fund accounts for the financing of centralized services to different funds and City departments on a cost reimbursement basis.</p>
FIDUCIARY FUNDS	<p>4A CORPORATION FUND This fund accounts for the operations and financing of self-supporting activities of the Sanger Texas Industrial Development Corporation. Funded by a ½ cent sales tax, this fund is used to help new and existing businesses expand in Sanger with a primary goal of bringing jobs to Sanger.</p> <p>4B CORPORATION FUND This fund accounts for the operations and financing of self-supporting activities of the Sanger Texas Economic Development Industrial Corporation. Funded by a ½ cent sales tax, this fund is used to enhance the local economy by improving the quality of life in Sanger.</p>

FUND RELATIONSHIP WITH FUNCTIONAL AREAS

		FUNCTIONAL AREA				
		Administration	Public Safety	Community Development	Public Works	Culture & Recreation
	General		Police, Animal Control, Fire, Municipal Court	Development Services	Streets, Solid Waste	Parks, Recreation, Library
	Debt Service	Debt Service				
	Enterprise	Debt Service			Water, Waste Water, Electric	
	Internal Service	City Council, Administration, Finance, Facilities			Public Works Administration, Fleet Services	
FUND	4A			4A		
	4B			4B		
	Capital Projects	Administration			Public Works Administration	
	Enterprise Capital Projects	Administration			Public Works Administration	
	Hotel/Motel	Administration				
	Beautification	Administration				
	Library Restricted					Library
	Court Security		Court			
	Court Technology		Court			
	Child Safety		Police			
Police Donations		Police				
Fire Donations		Fire				
Library Donations					Library	

ABOUT SANGER

OVERVIEW

The City of Sanger, Texas was incorporated in 1886 and operates under a Council-Manager form of government. The City provides general government, public safety, public works, culture and recreation, water, sewer and electricity operations to citizens.

LOCATION

Sanger is strategically located along in Northern Denton County and occupies 10.9 square miles along Interstate 35. The city's location, services and amenities make it a wonderful place to live. Uniquely situated 50 miles from both Dallas and Fort Worth, Sanger offers residents the amenities of a major metropolitan area while retaining a small-town quality of life. In addition, the Dallas/Fort Worth International Airport is 38 miles away.

Sanger is located minutes from the shores of Lake Ray Roberts, the 6th largest lake in Texas. Sanger is also located in "horse country", as Denton County has more working horse ranches than any other county in the United States.



HISTORY

During the rapid expansion of railroads following the Civil War, the Gulf, Colorado & Santa Fe Railway grew from South Texas northward, through the area that is today known as Sanger. The railroad selected a spot between Fort Worth and Gainesville for a new stop. The railroad had two reasons for selecting this particular spot. First, the steam locomotives of the day required frequent stops to replenish the engine's water supply. Second, this spot was close to the Chisholm Trail. Cattle drives were a major economic activity at the time and the Chisholm Trail was the most important route for cattle drives leaving Fort Worth. In a relatively short time, the railroad would replace the Chisholm Trail as the means for moving cattle north out of Texas.

In 1886, the railroad purchased land from Mrs. Elizabeth Huling of Lampasas, Texas and built a one-room depot, cattle pens and loading chute on the site. Mrs. Huling hired two surveyors to lay out a town around the railroad stop, and she donated land for a wagon yard, water well, school, town square, cemetery, and a church. Lots were laid out for stores and homes, and lots were given to anyone who would build a house costing at least \$500. The city was originally named Huling in her honor.

The community's name was changed to New Bolivar for a short time. The railroad officially named the town Sanger in 1887 in honor of railroad customers Lehman, Isaac, Alex, Sam and Philp Sanger. Pioneers in the dry goods wholesale and resale industry in Texas, the Sanger Brothers built a chain of stores in railroad towns to utilize the trains to move merchandise. Although the city was named in their honor, the Sanger Brothers never lived in the city or operated a store here.

Rail service began when the first trains came through in 1887. Cattle began loading the trains as soon as service to Kansas City was established. The first residents of the area were Francis and Melissa Ready and their daughter Molly. In the spring of 1887, the family sought refuge from a snow storm in the depot as they were passing through, and decided to stay. The family built a one-room cabin, and Mrs. Ready cooked meals for the cowboys who drove the cattle to the pens. Mr. Ready later built a hotel near the pens, and operated a post office in the lobby after he was commissioned postmaster.

The City of Sanger was incorporated in 1892 and William E. Partlow was elected the first Mayor of Sanger. Business thrived in the following years and led to the growth of the City. Thanks to a large mill and grain elevator, Sanger became a large farming community.

At some point, a fire destroyed the depot and the railroad built a new station that included a larger depot building, waiting rooms, a Western Union telegraph office, and a Wells Fargo freight office. The depot operated 24 hours a day, 6 days a week. Around 1900, ranchers began trucking cattle to Fort Worth instead of shipping them to Kansas City. At the time when the trains stopped shipping cattle, resourceful individuals began using the railroad to ship dairy cream to Fort Worth and Ardmore, Oklahoma.

Texas State Highway 40 ran through the area and became a portion of US Route 77 in 1929. Interstate 35 was built along the route in the early 1960's. As the railroad replaced the cattle trail, the highway system replaced the railway as the conduit that brought visitors and business to Sanger. The years following World War II saw the decline of railroads nationwide, and the Sanger depot eventually closed. Interstate 35 serves the heartland of America, running from South Texas to Minnesota. According to the Texas Department of Transportation, more than 50,000 vehicles pass through Sanger on I-35 daily.

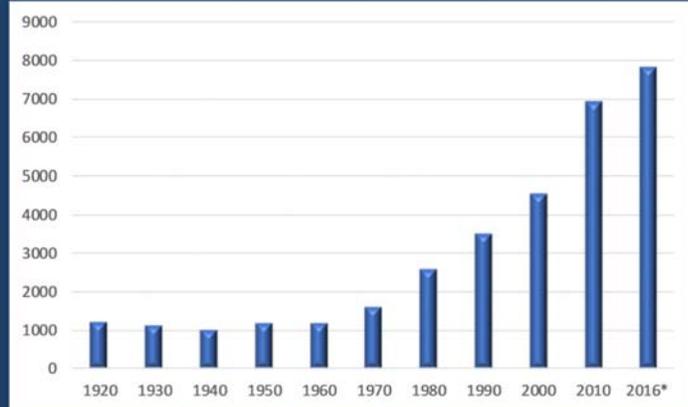
QUICK FACTS

LOCATION	Sanger is located along Interstate 35 in northern Denton County in north Texas. Sanger is located less than an hour from both Dallas and Fort Worth.
AREA	10.9 square miles
FORM OF GOVERNMENT	Council-Manager
INCORPORATION	1892
POPULATION	7,820 (01/01/2016 estimate)
TRANSPORTATION	Interstate 35 DFW Airport (39 miles) Love Field (48 miles) BNSF Railway
CLIMATE	Köppen Climate Classification "Cfa" (Humid Subtropical Climate) Average temperature 64° Average Precipitation 14.9"
SALES TAX RATE	6.25% State of Texas 1.00% City of Sanger 0.50% 4A Corporation 0.50% 4B Corporation
BOND RATING	A1 (Moody's)
TOP 10 TAXPAYERS	Wal-Mart Stores East, L.P. US06068 Wal-Mart Stores East, L.P. DCM Sanger Property LLC Sam's East Inc. Altec Capital Services, LLC MacCamp LTD Willbros T&D Services LLC Stonewood Resorts LLC Springer Family Rentals LLC Springer Properties LLC

STATISTICS

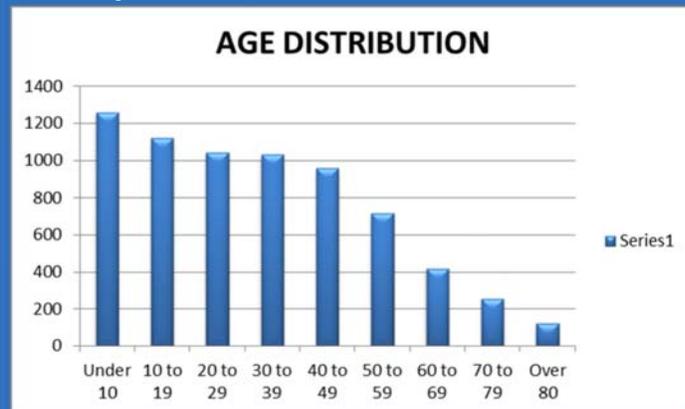
POPULATION ¹

Current estimated population: 7,820



POPULATION AGE DISTRIBUTION ¹

Median Age: 30.3



HOUSING UNITS ¹

Total Housing Units: 2644



MAJOR EMPLOYERS ²

1,000+ Employees:

- Wal-Mart Distribution Center

200 – 499 Employees:

- Sanger Independent School District
- Sam's Distribution Center

50-100 Employees:

- City of Sanger
- A&W Productions
- Eikon Engineering
- Babe's Chicken

20-50 Employees:

- Super Save
- Ampco
- Hollingsworth Manufacturing
- North Texas Plastics
- Sanger Bank

SCHOOLS ²

Butterfield Elementary School
Chisholm Trail Elementary School

Clear Creek Intermediate School

Sixth Grade Campus

Sanger Middle School

Linda Tutt High School
Sanger High School

University of North Texas (Denton)
Texas Women's University (Denton)
North Central Texas College (Gainesville)

¹ factfinder.census.gov

²Sanger Economic Development Corporation

³ Moody's Investors Service

ORDINANCE ADOPTING THE ANNUAL BUDGET

ORDINANCE #09-29-17

AN ORDINANCE OF THE CITY OF SANGER, DENTON COUNTY, TEXAS, ADOPTING THE BUDGET PROVIDING FOR THE APPROPRIATION OF FUNDS FOR OPERATING AND CAPITAL EXPENDITURES FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017 AND ENDING SEPTEMBER 30, 2018, PROVIDING FOR THE INTRA AND INTER DEPARTMENT AND FUND TRANSFERS, PROVIDING FOR UNEXPECTED REVENUES SUCH AS GRANTS, DONATIONS, AND INSURANCE PROCEEDS, PROVIDING FOR AN EFFECTIVE DATE, AND PROVIDING FOR APPROVAL OF THE INVESTMENT POLICY.

WHEREAS, pursuant to the laws of the State of Texas and the City Charter, the budget covering proposed expenditures for the fiscal year beginning October 1, 2017 and ending September 30, 2018 was filed with the City Secretary; and

WHEREAS, budget workshops were conducted by the City Council on the proposed budget at which time the proposed budget was fully considered; and

WHEREAS, in accordance with the provisions of the City Charter and the Local Government Code, the City Council of the City of Sanger, Texas published notice of public hearing on the budget on August 10, 2017 and conducted a public hearing on August 21; and

WHEREAS, Chapter 2256 of the Texas Government Code, commonly known as the "Public Funds Investment Act," requires the City to review its investment policy and investment strategies not less than annually; and

WHEREAS, the Public Funds Investment Act requires the governing body to adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument shall record any changes made to either the investment policy or investment strategies; and

WHEREAS, the attached City of Sanger Investment Policy is in compliance with the Public Funds Investment Act and requires no changes to either the investment policy or investment strategies; and

WHEREAS, The City has implemented Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) and Fund balance categories under GASB 54 are Nonspendable and Spendable and classifications under the Spendable category are Restricted, Committed, Assigned, and Unassigned and these classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance.

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

Section 1. That the City Council adopts the budget for the City of Sanger, Texas, a copy of which is on file in the office of the City Secretary and which hereinafter referred to as the "Budget" for the fiscal year beginning October 1, 2017 and ending September 30, 2018.

Section 2. That the budget presented by the City Council and reviewed during the public hearing is hereby approved and adopted for the Fiscal Year 2017-2018.

General Fund	\$ 7,004,033
Debt Service Fund	\$ 891,013
Enterprise Fund	\$12,134,354
Internal Service Fund	\$ 1,839,587
4A Fund	\$ 251,324
4B Fund	\$ 787,500
Capital Projects Fund	\$ 1,167,185
Enterprise Capital Project Fund	\$ 4,723,054
Special Revenue Funds	\$ 39,322

Section 3. That the City Manager be authorized to make intra and inter department fund transfers during the fiscal year as becomes necessary in order to avoid over expenditure of any departments total budget.

Section 4. That the City Manager be authorized to increase the budget for items received during the year that have a corresponding revenue and expenditure such as Grants, Donations, and Insurance Proceeds received for property damage.

Section 5. That the City Manager be authorized to sign contracts under \$50,000 for services and projects authorized in the budget.

Section 6. That the City of Sanger has complied with the requirements of the Public Funds Investment Act and the City Council has reviewed the investment policy and investment strategies and there are no changes to either the investment policy or investment strategies.

Section 7. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly unassigned fund balance. When it is appropriate for fund balance to be assigned, the City Council hereby delegates the authority to the City Manager. The following fund balances are committed: Equipment Replacement Funds, Library Building Expansion Funds, Beautification Board Funds, all Donated Funds, and Capital Projects Funds.

Section 8. This ordinance is effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Sanger, Texas on this 11th day of September 2017.

ATTEST:


Cheryl Price, City Secretary




Thomas E. Muir, Mayor

ORDINANCE ADOPTING THE PROPERTY TAX RATE

ORDINANCE #09-28-17

AN ORDINANCE OF THE CITY OF SANGER, DENTON COUNTY, TEXAS, LEVYING A TAX RATE FOR THE GENERAL GOVERNMENT FOR THE FISCAL YEAR 2017-2018 AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Sanger finds that a tax rate of \$0.6791 per \$100 valuation for the Fiscal Year 2017-2018, hereinafter levied for current expenses of the City and general improvements of the City and its property, must be levied to provide the revenue requirements of the budget for the ensuing year; and

WHEREAS, all statutory and constitutional requirements for the levy and assessment of ad valorem taxes have been completed in due and correct time and all requirements of the Sanger Charter have been met;

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

SECTION 1: That the City Council does hereby levy and adopt the tax rate on \$100 assessed valuation for the City for maintenance and operation of the City government for the tax year 2017-2018, as follows:

\$0.563531/\$100

SECTION 2: That the City Council does hereby levy and adopt the tax rate on \$100 assessed valuation for the City for debt service for City government for the tax year 2016-2017 as follows:

\$0.115569/\$100

SECTION 3: This ordinance is effective upon its adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Sanger, Texas on this 11th day of September 2017.



Thomas E. Muir
Thomas E. Muir, Mayor

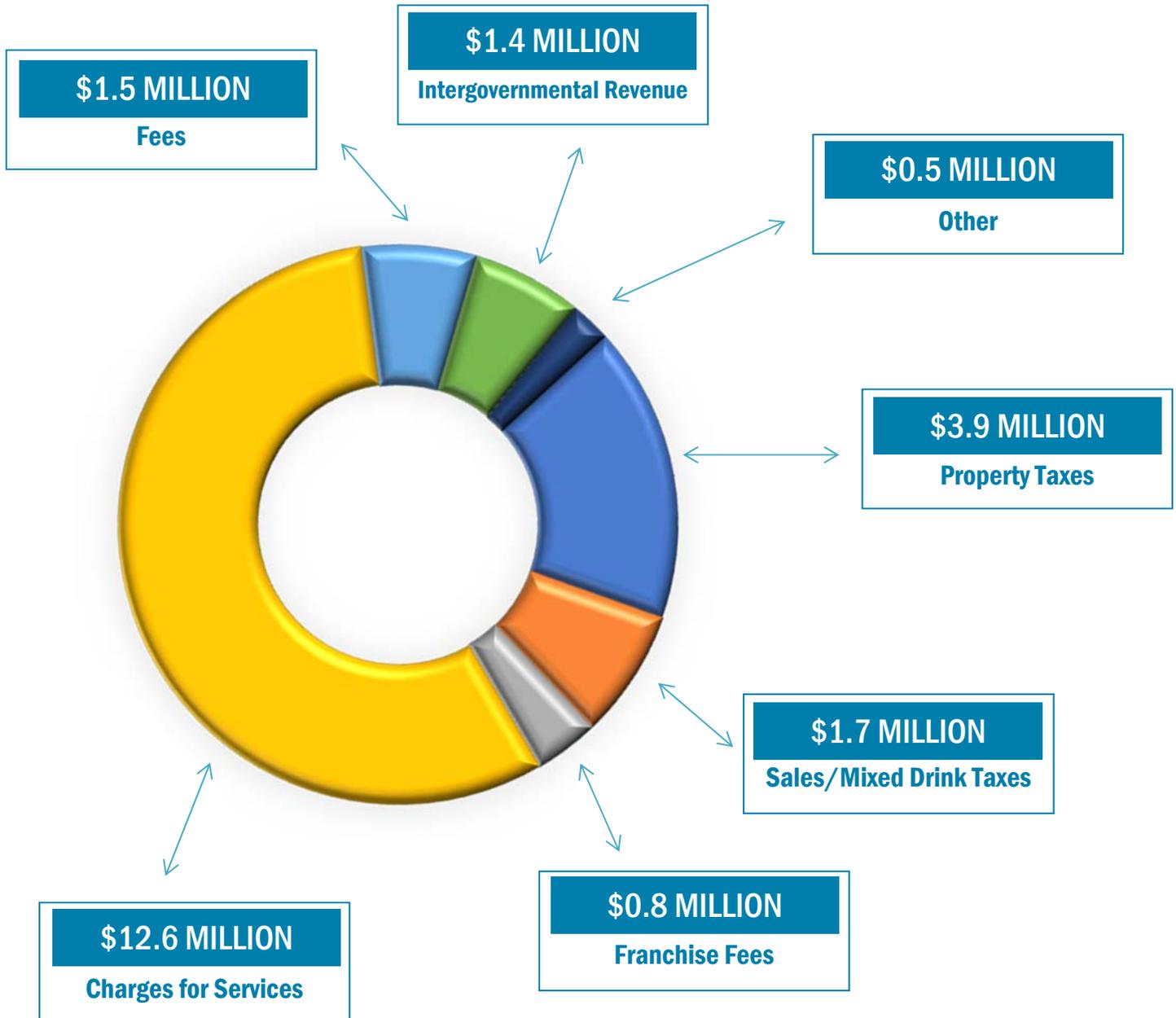
ATTEST:

Cheryl Price
Cheryl Price, Deputy City Secretary

BUDGET SUMMARY

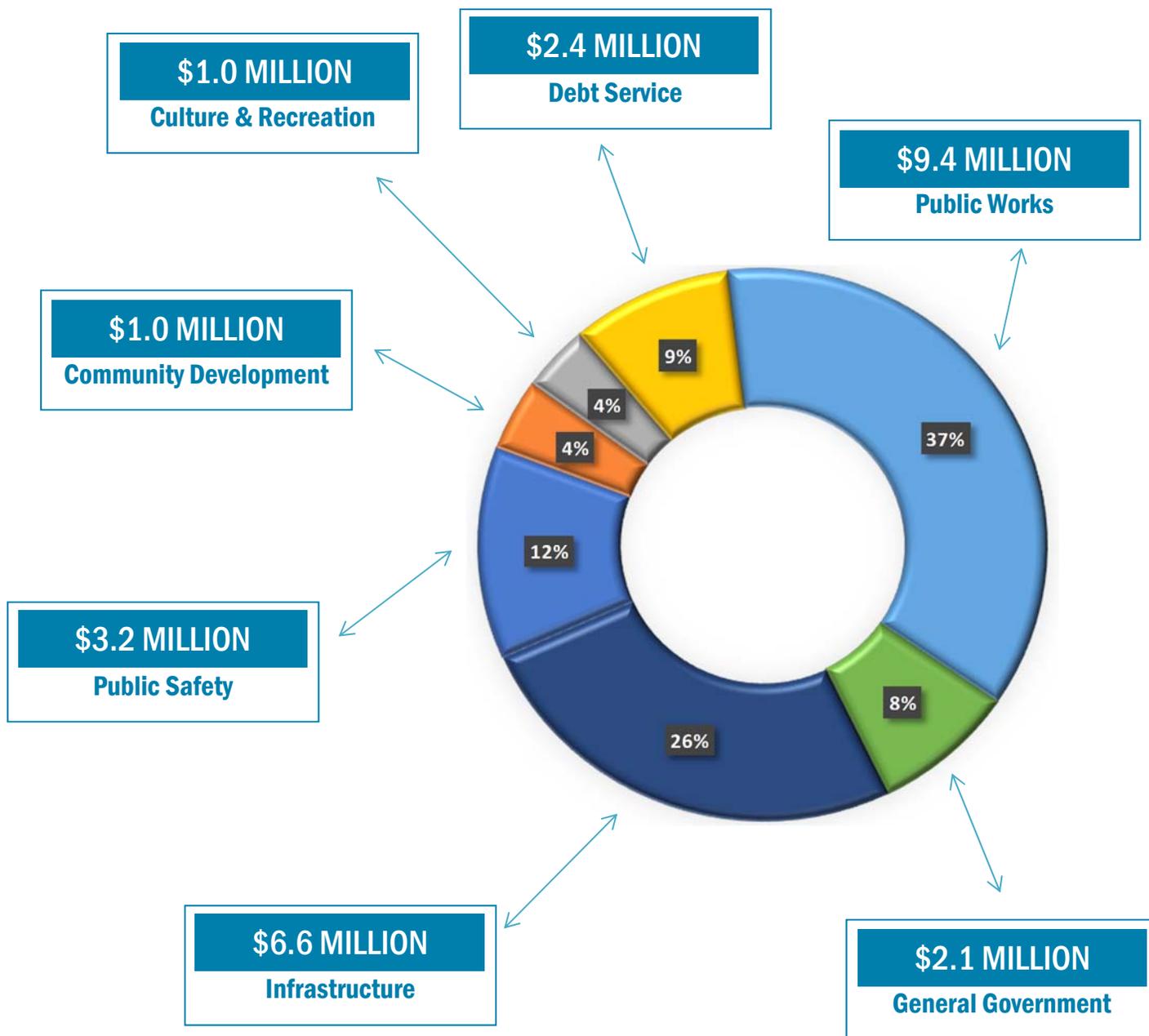
2017-2018 BUDGET AT A GLANCE

WHERE DOES THE MONEY COME FROM?



**TOTAL REVENUES = \$22.4 MILLION
(EXCLUDING INTER-FUND TRANSFERS)**

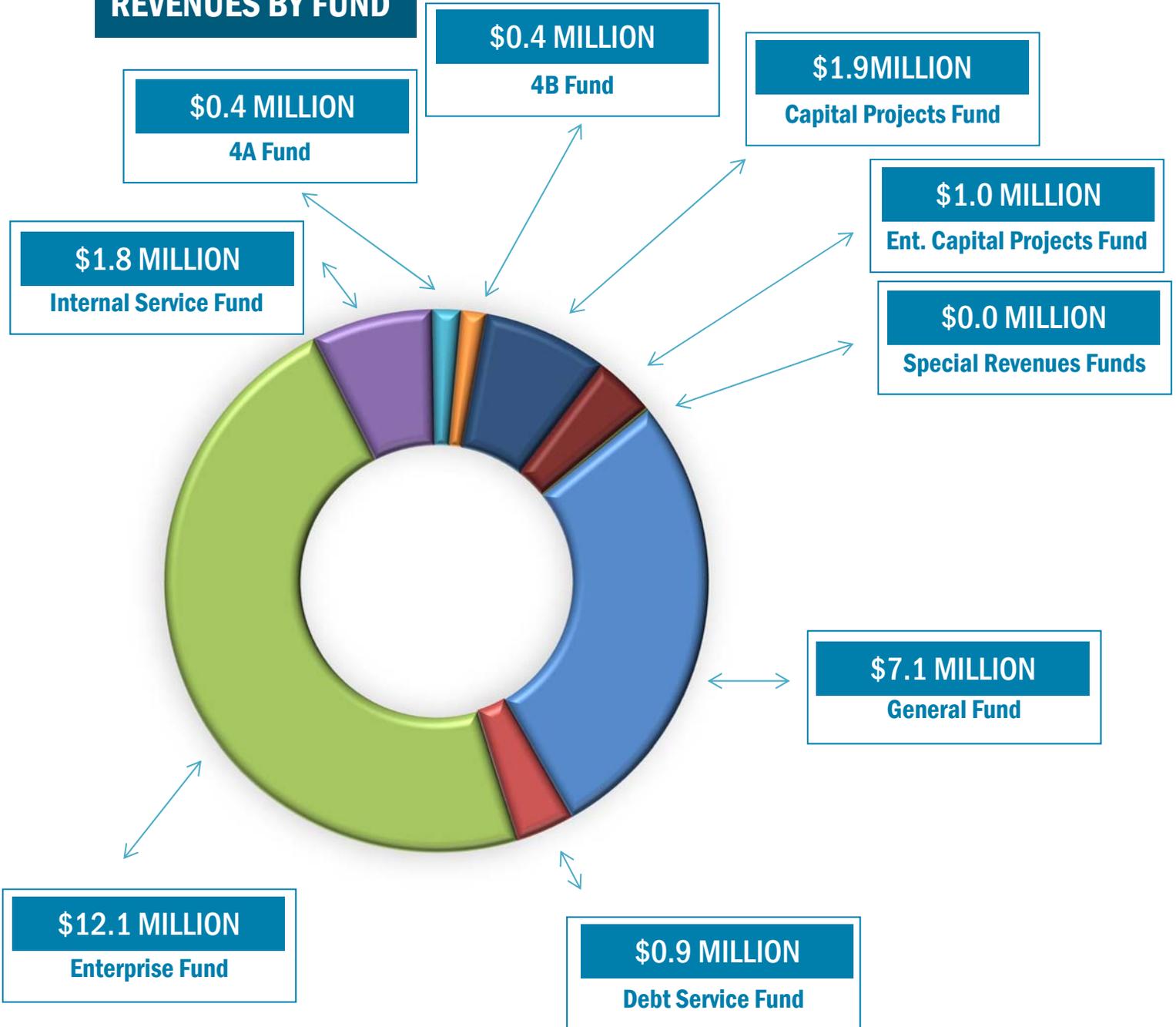
WHERE DOES THE MONEY GO?



**TOTAL EXPENDITURES = \$25.7 MILLION
(EXCLUDING INTER-FUND TRANSFERS)**

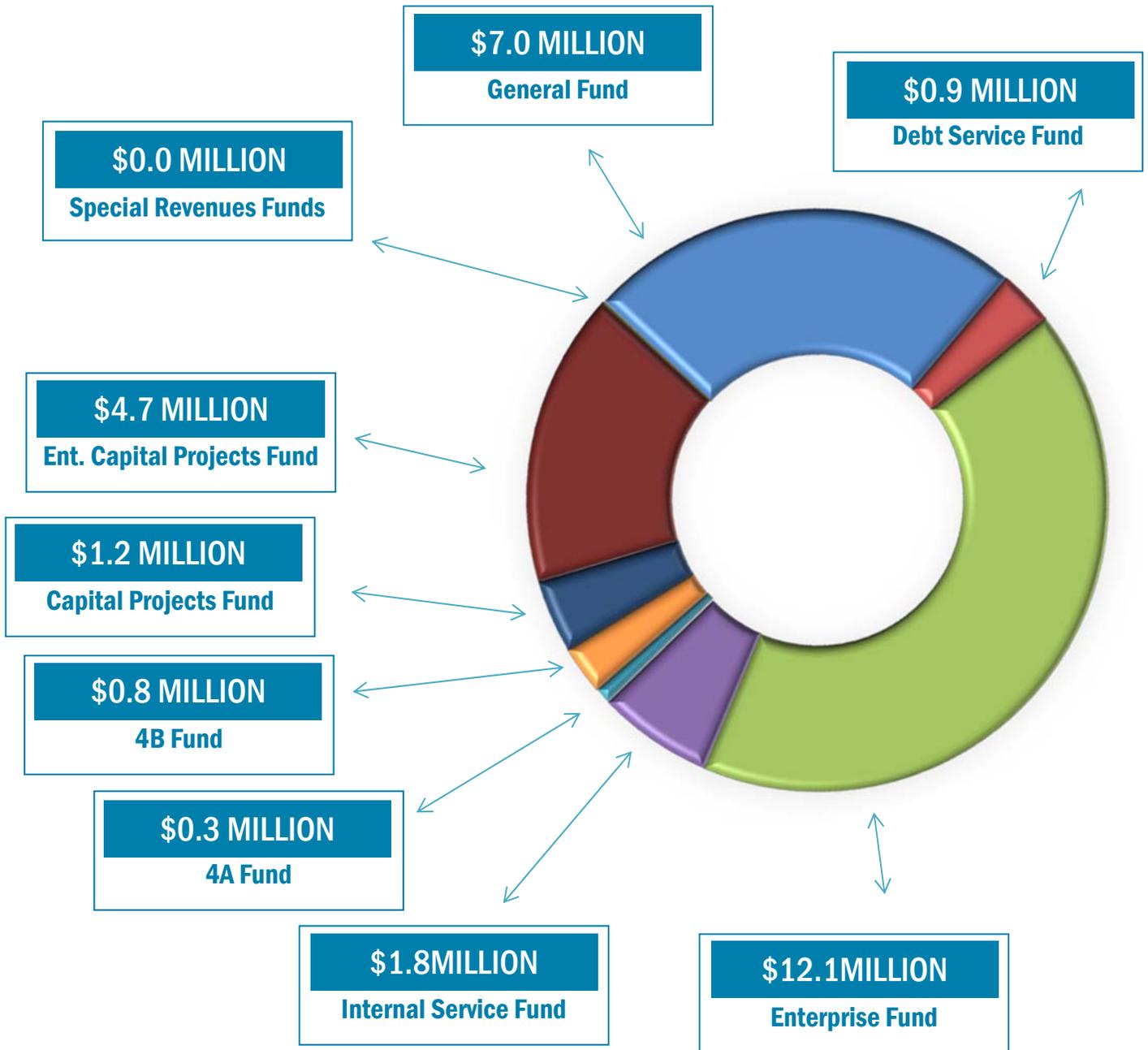
2017-2018 BUDGET BY FUND

REVENUES BY FUND



**TOTAL REVENUES = \$25.6 MILLION
(INCLUDING INTER-FUND TRANSFERS)**

EXPENDITURES BY FUND



**TOTAL EXPENDITURES = \$28.8 MILLION
(INCLUDING INTER-FUND TRANSFERS)**

REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE

OVERVIEW OF MAJOR REVENUE SOURCES

The City has numerous sources of income, including taxes, franchise fees, charges for services, fees, and licenses and permits. For the 2017-2018 budget, three revenue sources account for 76.5% of all revenues.

Enterprise Fund Charges for Services

The primary revenue stream of the Enterprise Fund is the billing and collection of Water, Waste Water and Electric utilities. Totalling \$11,862,500, these combined charges for services accounts for 52.9% of the City's projected revenues.

- Water revenues of \$1,890,000 are an increase of \$150,000 (8.6%) over last year's projection of \$1,740,000.
- Waste Water revenues of \$1,850,000 are an increase of \$150,000 (8.8%) over last year's projection of \$1,700,000.
- Electric revenues of \$8,122,500 are an increase of \$35,000 (0.5%) over last year's projection of \$8,087,500.

Water, Waste Water and Electric rates are set by City ordinance and have historically been set using trend analysis and a cost-of-service model. The City has engaged a consulting firm to make recommendations for rates for the next five years.

Property Taxes

The collection of Property Taxes accounts for a total of \$3,849,500 or 17.2% of the City's projected revenues. Property within Sanger is appraised annually by the Denton Central Appraisal District. Property Tax revenue is calculated using the appraised values of properties and the property tax rate. Property Taxes are reported in the General Fund and the Debt Service Fund. Projected Property Tax collections are an increase of \$328,944 (9.3%) over the prior year projection of \$3,520,556.

Intergovernmental Revenues

The primary revenue stream in the Capital Projects Fund this year is Intergovernmental Revenues. The estimated revenues of \$1,445,812 are from Denton County related to the McReynolds Road Reconstruction Project. The City entered into an Interlocal Agreement with the County for the funding of the McReynolds Project. This item is a non-recurring revenue, tied specifically to this particular project and is calculated according to the provisions of the Agreement. The revenues are 6.4% of the City's projected revenues.

OVERVIEW OF MAJOR EXPENDITURE CATEGORIES

Numerous expenditures are necessary to operate a municipality. Primary categories of expenditures include Salaries & Benefits, Supplies & Materials, Maintenance & Operations, Contractual Services, Utilities, Capital Expenses, and Debt Service. For the 2017-2018 budget, three categories combined total 78.8% of all expenditures.

Maintenance and Operations

With a total of \$7,160,594, Maintenance and Operations expenditures account for 27.8% of total expenditures. The bulk of this amount (\$6,614,680) is budgeted in the Enterprise Fund. Major components of this amount are: Electric Wholesale Utility Purchases & Transmission Costs; Electric Franchise Fees; Water Purchases and Utility Demand Charges; Systems Maintenance for Water, Waste Water & Electric.

Capital Expenses

With a total of \$7,126,743, Capital Expenditures also account for 27.8% of total expenditures. The bulk of this amount (\$6,614,680) is budgeted in the Enterprise Capital Projects Fund. The major components of this amount are \$3,803,202 for the construction of a new Waste Water Treatment Plant. A multi-year project, the new plant will replace the City's current facility with expanded capacity to serve Sanger for many years.

Salaries and Benefits

With a total of \$5,962,380, Salaries and Benefits account for 23.2% of total expenditures. The General Fund accounts for \$3,523,686 of this amount. The General Fund accounts for 48 of 77 full-time employees and 6 of 6 part-time employees.

The category of Salaries and Benefits encompasses employee compensation and the City's portion of Social Security and Medicare taxes, Texas Municipal Retirement System, health insurance and worker's compensation.

OVERVIEW OF CHANGES IN FUND BALANCE

City funds often will not see a great increase or decrease in Fund Balance in a single year. There are circumstances, however, where a larger increase or decrease in Fund Balance may occur as the result of strategic planning. Changes in Fund Balance are projected to be as follows:

	General Fund	Debt Service Fund	Enterprise Fund	Internal Service Fund	4A Fund	4B Fund	Capital Projects Fund	Enterprise Capital Projects Fund	Special Revenue Funds	Total
Beginning Fund Balance	\$3,062,635	\$ 394,152	\$10,615,325	\$ -	\$1,261,841	\$1,034,160	\$1,001,372	\$5,341,298	\$ 149,232	\$22,860,015
Revenues/Other Sources	7,053,769	881,100	12,139,500	1,839,587	436,000	386,000	1,905,812	923,050	43,000	\$25,607,818
Expenditures/Other Uses	7,004,033	891,013	12,134,354	1,839,587	251,324	787,500	1,167,185	4,723,054	39,322	\$28,837,372
Ending Fund Balance	\$3,112,371	\$ 384,239	\$10,620,471	\$ -	\$1,446,517	\$ 632,660	\$1,739,999	\$1,541,294	\$ 152,910	\$19,630,461

4A Fund

For the budget year, the 4A Fund is projected to have an increase in Fund Balance of \$184,676 (14.6%). The 4A Corporation is managed by a Board of Directors made up of five area residents appointed by the City Council. Type A funds come from a ½ cent sales tax and can only be used for specific economic development activities. In the current budget year, the 4A Corporation is minimizing expenditures in the current year to allow for use of the funds in future years.

4B Fund

For the budget year, the 4A Fund is projected to have a decrease in Fund Balance of \$401,500 (38.8%). The 4A Corporation is managed by a Board of Directors made up of seven area residents appointed by the City Council. Type A funds come from a ½ cent sales to be used for economic development and specific projects that improve the quality of life. In the current budget year, the 4B Corporation is budgeting for unusually two large items: \$300,000 for the construction of a hike and bike trail and \$250,000 for special construction projects.

Capital Projects Fund

The Capital Projects Fund is projecting a 73.8% increase (\$738,627) in Fund Balance this year. This increase is due in part to the timing of reimbursements from Denton County for the McReynolds Road Reconstruction Project, which is funded largely through and interlocal agreement with Denton County. The funds will be utilized in future years on additional projects, including: rebuilding and expanding Marion Road; rebuilding Plum Street; rebuilding Bolivar Street; rebuilding Belz Road and Jennifer Circle; rebuilding Duck Creek Road; and Utility Road Tie-in across Railroad.

Enterprise Capital Projects Fund

The Enterprise Capital Projects Fund is projecting a decrease in Fund Balance of \$3,800,004 (71.1%). The construction of a new waste water treatment plant is an infrequent and massive project which will use a large portion of fund balance. Budgeted projects in the current year include: Waste Water Treatment Plant: Cowling Road Lift Station; and Ranger Creek Outfall Pipeline.

COMBINED FUNDS BUDGET SUMMARY

COMBINED BUDGET SUMMARY FOR ALL FUNDS SUBJECT TO APPROPRIATION

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	23,580,977	22,494,849	22,494,849	22,845,382
Revenues				
Property Tax	3,241,036	3,520,556	3,598,238	3,849,500
Sales & Mixed Drink Tax	1,562,159	1,530,000	1,620,000	1,675,000
Franchise Fees	824,669	901,565	824,669	827,800
Charges for Services	11,494,123	12,276,000	11,453,920	12,633,000
Licenses & Permits	115,363	130,100	178,622	206,070
Fines	142,404	155,500	110,765	127,500
Fees	1,383,565	884,204	1,481,008	1,486,900
Intergovernmental	-	4,420,500	4,420,500	1,445,812
Interest Income	109,216	99,100	36,358	27,350
Miscellaneous	278,073	147,000	186,300	157,000
Total Revenues	19,150,608	24,064,525	23,910,380	22,435,932
Other Sources				
Transfers In	2,798,233	2,695,648	8,551,355	3,171,886
Total Other Sources	2,798,233	2,695,648	8,551,355	3,171,886
Total Revenues/Sources	21,948,841	26,760,173	32,461,735	25,607,818
Expenditures				
Salaries & Benefits	4,741,279	5,273,185	5,069,021	5,962,380
Supplies & Materials	421,572	523,651	530,305	575,902
Maintenance & Operations	7,180,603	7,255,045	6,944,740	7,160,954
Contract Services	1,363,057	1,501,526	1,477,257	1,658,769
Utilities	479,784	548,064	518,100	528,750
Capital Expenses	3,457,534	5,895,822	11,399,351	7,126,743
Debt Service	2,215,497	2,304,769	2,299,820	2,602,862
Court Costs	39,329	58,282	40,336	46,626
Grant Expenses	2,633	75,000	75,000	2,500
Total Expenditures	19,901,288	23,435,344	28,353,930	25,665,486
Other Uses				
Transfers Out	3,133,681	3,012,448	3,757,272	3,171,886
Total Other Uses	3,133,681	3,012,448	3,757,272	3,171,886
Total Expenses/Uses	23,034,969	26,447,792	32,111,202	28,837,372
Excess of Revenues/Sources over Expenditures/Uses				
	(1,086,128)	312,381	350,533	(3,229,554)
Ending Fund Balance	22,494,849	22,807,230	22,845,382	19,615,828

COMBINED FUNDS BUDGET SUMMARY

COMBINED SUMMARY OF REVENUES, EXPENDITURES AND CHANGES TO FUND BALANCE FOR ALL FUNDS SUBJECT TO APPROPRIATION

	General Fund	Debt Service Fund	Enterprise Fund	Internal Service Fund
Beginning Fund Balance	3,062,635	394,152	10,615,325	-
Revenues				
Property Tax	3,181,000	668,500	-	-
Sales & Mixed Drink Tax	905,000	-	-	-
Franchise Fees	827,800	-	-	-
Charges for Services	770,500	-	11,862,500	-
Fees	676,900	-	210,000	-
Licenses & Permits	206,070	-	-	-
Fines	112,000	-	-	-
Intergovernmental	-	-	-	-
Interest Income	4,000	100	15,000	-
Miscellaneous	77,500	-	52,000	-
Total Revenues	6,760,770	668,600	12,139,500	-
Other Sources				
Transfers In	292,999	212,500	-	1,839,587
Total Other Sources	292,999	212,500	-	1,839,587
Total Revenues/Sources	7,053,769	881,100	12,139,500	1,839,587
Expenditures				
Salaries & Benefits	3,523,686	-	1,282,810	1,027,157
Supplies & Materials	340,550	-	102,640	103,290
Maintenance & Operations	447,882	-	6,614,680	92,512
Contract Services	1,087,291	-	102,200	408,028
Utilities	91,350	-	325,400	112,000
Capital Expenses	345,304	-	244,600	96,600
Debt Service	107,998	783,014	1,650,583	-
Court Costs	46,626	-	-	-
Grant Expenses	2,500	-	-	-
Total Expenditures	5,993,187	783,014	10,322,913	1,839,587
Other Uses				
Transfers Out	1,010,846	107,999	1,811,441	-
Total Other Uses	1,010,846	107,999	1,811,441	-
Total Expenses/Uses	7,004,033	891,013	12,134,354	1,839,587
Excess of Revenues/Sources over Expenditures/Uses	49,736	(9,913)	5,146	-
Ending Fund Balance	3,112,371	384,239	10,620,471	-

4A Fund	4B Fund	Capital Projects Fund	Enterprise Capital Projects Fund	Special Revenue Funds	Total
1,261,841	1,034,160	1,001,372	5,341,298	134,599	22,845,382
-	-	-	-	-	3,849,500
385,000	385,000	-	-	-	1,675,000
-	-	-	-	-	827,800
-	-	-	-	-	12,633,000
-	-	-	600,000	-	1,486,900
-	-	-	-	-	206,070
-	-	-	-	15,500	127,500
-	-	1,445,812	-	-	1,445,812
1,000	1,000	-	6,250	-	27,350
-	-	-	-	27,500	157,000
386,000	386,000	1,445,812	606,250	43,000	22,435,932
50,000	-	460,000	316,800	-	3,171,886
50,000	-	460,000	316,800	-	3,171,886
436,000	386,000	1,905,812	923,050	43,000	25,607,818
126,227	-	-	-	2,500	5,962,380
17,600	-	-	-	11,822	575,902
5,880	-	-	-	-	7,160,954
36,250	-	-	-	25,000	1,658,769
-	-	-	-	-	528,750
-	550,000	1,167,185	4,723,054	-	7,126,743
61,267	-	-	-	-	2,602,862
-	-	-	-	-	46,626
-	-	-	-	-	2,500
247,224	550,000	1,167,185	4,723,054	39,322	25,665,486
4,100	237,500	-	-	-	3,171,886
4,100	237,500	-	-	-	3,171,886
251,324	787,500	1,167,185	4,723,054	39,322	28,837,372
184,676	(401,500)	738,627	(3,800,004)	3,678	(3,229,554)
1,446,517	632,660	1,739,999	1,541,294	138,277	19,615,828



GENERAL FUND

GENERAL FUND

OVERVIEW

The General Fund is the principle operating fund for resources (revenues) and uses of resources (expenditures) for what are generally recognized as governmental functions and services. In general, all activities are recorded in this fund unless there is a managerial or legal reason for it to be recorded in another fund.

The General Fund receives revenues from property taxes, sales taxes, franchise fees, fines, fees for service, interest income and other miscellaneous general revenue sources.

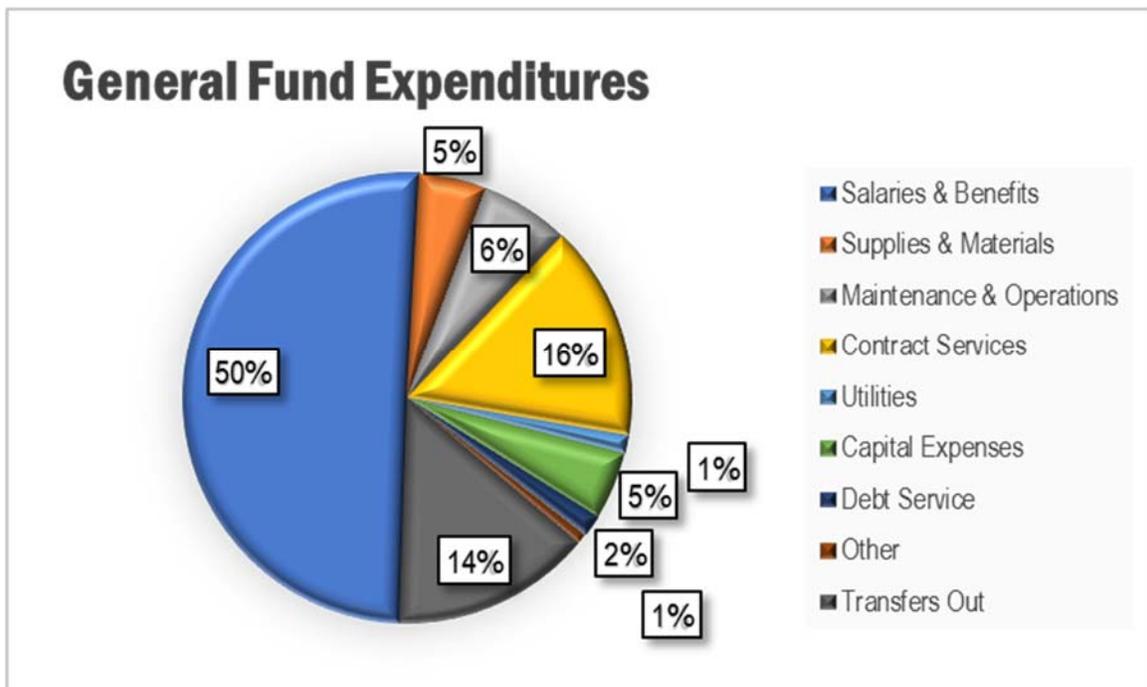
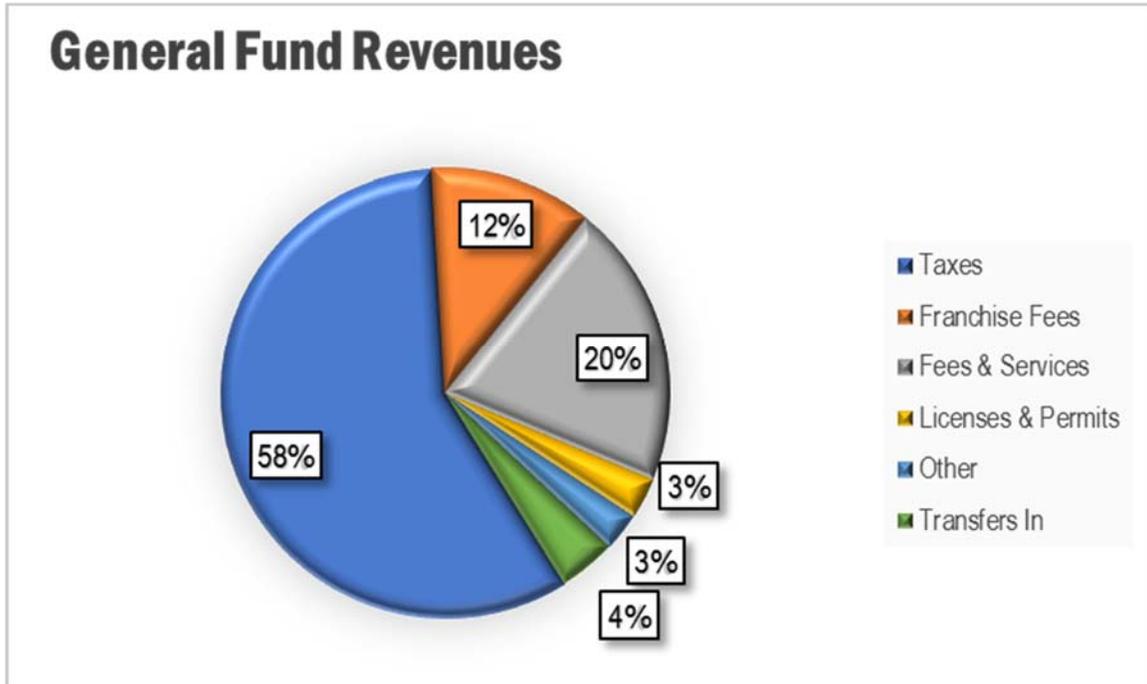
The General Fund includes these departments:

- Police
- Animal Control
- Fire
- Municipal Court
- Development Services
- Streets
- Parks
- Recreation
- Library
- Solid Waste

The basis of accounting for the General Fund for both financial reporting and budgeting is the modified accrual basis.

NOTE: *Certain expenses related to facilities (utilities, maintenance, etc.) are moved from individual departments to the new Facilities Department in the Internal Service Fund for the 2017-2018 Annual Budget.*

GENERAL FUND BUDGET SUMMARY



GENERAL FUND BUDGET SUMMARY

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	1,813,402	2,587,133	2,587,133	3,062,635
Revenues				
Property Taxes	2,447,998	2,844,518	2,922,200	3,181,000
Sales and Mixed Beverage Taxes	772,519	805,000	820,000	905,000
Franchise Fees	824,669	901,565	824,669	827,800
Charges for Services	762,958	748,500	760,000	770,500
Licenses & Permits	115,363	130,100	178,622	206,070
Fines	127,502	140,000	98,265	112,000
Fees	888,937	674,204	686,008	676,900
Interest Income	5,982	4,000	3,700	4,000
Miscellaneous	75,648	77,500	108,500	77,500
Total General Fund Revenues	6,021,576	6,325,387	6,401,964	6,760,770
Other Sources				
Transfers In	401,536	342,999	401,536	292,999
Total Other Sources	401,536	342,999	401,536	292,999
Total Revenues/Sources	6,423,112	6,668,386	6,803,500	7,053,769
Expenditures				
Salaries & Benefits	2,661,119	3,053,377	2,959,203	3,523,686
Supplies & Materials	248,908	298,489	288,877	340,550
Maintenance & Operations	297,038	442,359	348,793	447,882
Contract Services	964,710	1,070,974	1,043,269	1,087,291
Utilities	137,015	160,020	133,600	91,350
Capital Expenses	360,808	329,000	329,000	345,304
Debt Service	145,009	108,000	103,051	107,998
Court Costs	39,329	58,282	40,336	46,626
Grant Expenses	2,633	75,000	75,000	2,500
Total Expenditures	4,856,569	5,595,501	5,321,129	5,993,187
Other Uses				
Transfers Out	792,812	1,012,045	1,006,869	1,010,846
Total Other Uses	792,812	1,012,045	1,006,869	1,010,846
Total Expenses/Uses	5,649,381	6,607,546	6,327,998	7,004,033
Excess of Revenues/Sources over Expenditures/Uses	773,731	60,840	475,502	49,736
Ending Fund Balance	2,587,133	2,647,973	3,062,635	3,112,371

GENERAL FUND REVENUES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Taxes				
4310 Property Tax	2,410,860	2,804,518	2,885,000	3,141,000
4311 Delinquent Prop. Tax	20,024	20,000	20,000	20,000
4321 Penalty & Interest Prop. Tax	17,114	20,000	17,200	20,000
4325 Sales Tax	767,208	800,000	815,000	900,000
4350 Mixed Drink Tax	5,311	5,000	5,000	5,000
Total Taxes	3,220,517	3,649,518	3,742,200	4,086,000
Franchise Fees				
4460 Century Link	8,815	9,000	8,815	9,000
4461 ATMOS	43,264	45,000	43,264	45,000
4465 Suddenlink	21,409	42,000	21,409	42,000
4470 COSERV	21,060	70,000	21,060	72,500
4480 Cebridge	1,984	2,400	1,984	2,400
4483 Water	99,000	100,200	99,000	100,200
4484 Sewer	94,080	97,500	94,080	100,500
4485 Sanger Electric	485,415	485,265	485,415	406,000
4489 Progressive	41,374	42,000	41,374	42,000
4490 Roll-offs	7,404	8,000	7,404	8,000
4495 ROW fees	864	200	864	200
Total Franchise Fees	824,669	901,565	824,669	827,800
Solid Waste				
4190 Sanitation Billing	752,687	738,000	750,000	760,000
4191 Sanitation Penalties	10,271	10,500	10,000	10,500
Total Solid Waste	762,958	748,500	760,000	770,500
Licenses & Permits				
4509 Forfeited Property	164	0	2	0
4510 Building Permits	76,032	100,000	130,000	175,000
4511 Zoning Variances and Plats	8,382	5,000	9,600	5,000
4512 Variances and Plats	4,010	2,500	1,000	2,500
4520 Health Permits	18,375	17,000	17,000	17,500
4530 Electrical Licenses	1,650	1,000	16,000	1,500
4540 Plumbing Licenses	0	400	100	0
4545 Fire Alarm/Sprinkler	50	200	600	200
4550 AC & Mechanical	1,450	1,500	1,200	1,500
4555 Irrigation	1,550	2,000	750	1,000
4575 RV Park Annual Permit	2,740	0	1,370	1,370
4580 SOB Annual Permit	500	0	0	0
4581 Beer & Wine Permit	460	500	1,000	500
Total Licenses & Permits	115,363	130,100	178,622	206,070

GENERAL FUND REVENUES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
4600 Default/Court	427	500	700	520
4601 Restitution Fee	349	0	0	0
4603 Judicial Fee- County-JFCT	3,412	3,700	2,300	3,040
4604 Judicial Fee-City	382	450	270	336
4606 Expunction Fee	11	0	0	0
4607 State Traffic Fee	10,853	12,000	6,300	9,840
4608 Consolidated Court Fee	25,446	27,300	17,500	22,504
4609 State Jury Fee	2,541	2,750	1,800	2,256
4615 Child Safety Court Cost	139	300	600	2,648
4617 Insurance & Dismissal Fees	1,000	1,000	450	80
4620 Special Expense Fee	16,868	14,000	14,000	20,000
4621 Truancy Prevention Fund	1,234	1,300	850	1,120
4625 Fines	48,785	57,000	38,000	35,440
4627 Warrant Fees	3,500	4,800	3,600	2,880
4628 Arrest Fees	2,966	3,150	2,000	2,400
4630 LEOSE-Police	16	0	45	0
4637 Traffic Code	1,074	1,200	650	1,440
4639 Civil Justice Fee	48	50	30	48
4640 Defensive Driving Fee	775	850	500	592
4643 Time Payment Local	486	500	450	576
4645 Municipal Service Bureau	4,120	5,500	5,100	3,880
4646 Time Payment State	486	500	400	560
4648 Truancy Defensive Fund	1,270	1,400	890	1,120
4651 TLFTA1	880	1,150	1,230	480
4652 TLFTA2	258	350	375	136
4653 TLFTA3	176	250	225	104
Fines	127,502	140,000	98,265	112,000
Fire & EMS				
4740 Fire Denton Co. Interlocal	10,000	10,000	10,000	10,000
4750 EMS Denton Co. Interlocal	259,806	250,000	250,000	250,000
4772 Emergicon	523,470	325,000	327,120	325,000
Total Fire & EMS	793,276	585,000	587,120	585,000
Police and Animal Control				
4050 Animal Control Fees	1,385	1,250	1,310	1,250
4051 Child Safety	0	0	11,431	0
4055 Mowing Fees	6,627	6,000	6,596	6,000
4056 Police Fees	4,169	3,000	2,982	3,000
4057 Sanger ISD Resource Officer	39,810	38,604	39,811	38,800
4058 State Reimbursements	1,770	400	470	400
Total Police and Animal Control	53,761	49,254	62,600	49,450

GENERAL FUND REVENUES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Parks & Recreation				
4032 Community Center Fees	6,635	6,200	7,200	6,200
4033 Park & Ballfield Revenues	9,032	7,600	7,300	7,600
4034 Tournament Fees	2,520	2,000	360	2,000
4035 Special Events	0	3,000	0	3,000
4036 Church Rental Fees	0	0	0	0
Total Parks and Recreation	18,187	18,800	14,860	18,800
Library				
4180 Library Misc.	37	75	72	75
4181 Library Fines	1,675	1,500	1,518	1,500
4182 Library Copies	2,289	2,000	1,974	3,000
4183 Inter Library loan	730	100	82	100
4184 Library Cards	84	75	68	75
4185 Lost Books	460	100	214	100
4189 Denton County	2,638	1,500	1,700	3,000
4189 Denton Co Interlocal Agreement	15,800	15,800	15,800	15,800
Total Library	23,713	21,150	21,428	23,650
4800 Interest Income	5,982	4,000	3,700	4,000
Interest Income	5,982	4,000	3,700	4,000
Miscellaneous Income				
4009 Proceeds from Sale of Assets	30,618	25,000	12,500	25,000
4900 Rental Income	20,818	22,500	19,000	22,500
4910 Misc. Income GF	22,280	17,000	5,000	17,000
4946 Insurance Damage Reimb.	1,932	13,000	72,000	13,000
Total Miscellaneous	75,648	77,500	108,500	77,500
Total General Fund Revenues	6,021,576	6,325,387	6,401,964	6,760,770
Transfers				
4980 PILOT from EF	85,000	85,000	85,000	85,000
4980 Transfer from EF	150,000	150,000	150,000	100,000
4987 From DSF	166,536	107,999	166,536	107,999
Total Transfers	401,536	342,999	401,536	292,999
Total General Fund Revenues & Transfers	6,423,112	6,668,386	6,803,500	7,053,769

POLICE DEPARTMENT

Overview

The Police Department provides law enforcement services for the City. It is tasked with upholding and protecting the safety and security of citizens and visitors to the City of Sanger. The police department also is charged with code enforcement and environmental enforcement responsibilities.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Salaries & Benefits	964,906	1,116,919	1,097,740	1,200,924	84,005	7.52%
Supplies & Materials	32,981	48,100	47,400	51,400	3,300	6.86%
Maintenance & Operations	49,114	90,000	61,000	80,000	(10,000)	-11.11%
Contract Services	107,562	119,419	114,919	131,998	12,579	10.53%
Utilities	23,000	25,500	22,750	7,600	(17,900)	-70.20%
Capital Expenses	193,057	164,000	164,000	109,104	(54,896)	-33.47%
Total	1,370,620	1,563,938	1,507,809	1,581,026	17,088	1.09%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	14	15	16
Part Time	0	0	0

Goals and Performance

Performance Measure	Critical Mission	Stakeholders	Benchmark	2013-14 Average	2014-15 Average	2015-16 Average
To promote community interaction each officer will make 5 public contacts per shift on average.	Community Interaction	Public	5 or more	7.19	5.84	7.01
To meet customer expectations, respond to calls for service within 7 minutes on average.	Customer Service	Public	Under 7 minutes	5.84	4.55	4.52
Keep the public informed by providing local media crime and prevention information 4 times per month.	Public Information and Crime Prevention	Public	4 or more	4.42	5.27	5.50
Respond promptly to complaints by sending registered letters on all valid complaints within 3 business days on average.	Code Enforcement	Public	3 or less	0.34	0.25	0.02

POLICE DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Regular Salaries	680,794	764,917	755,000	804,859
5111 Merit Increase	-	15,299	14,500	28,170
5117 Vacation Compensation	-	6,000	4,800	6,000
5120 Overtime	39,738	35,000	46,000	35,000
5125 Longevity Pay	8,808	8,660	7,440	7,380
5129 Cell Phone Allowance	-	-	-	9,000
5130 F I C A	54,460	63,669	59,000	67,657
5140 Retirement	55,213	65,105	57,000	70,311
5150 Health Insurance	105,230	117,000	117,000	124,800
5160 Worker's Compensation	17,970	38,533	36,000	44,840
5170 T.E.C.	2,403	2,736	450	2,907
5180 Medical/Physicals	280	-	500	-
5182 Background Checks	10	-	50	-
Total 51-Salaries And Benefits	964,906	1,116,919	1,097,740	1,200,924
52-Supplies And Materials				
5210 Office Supplies	5,547	5,500	5,500	5,500
5235 Dues And Subscriptions	2,430	500	500	500
5240 Conferences And Training	2,131	6,000	6,000	10,000
5245 Janitorial Supplies, Etc.	641	700	700	-
5255 Wearing Apparel	8,865	10,500	9,800	10,500
5260 Safety Equipment	5,483	7,000	7,000	7,000
5265 Drug Prev & Investigation	933	1,500	1,500	1,500
5266 Child Safety	-	500	500	500
5275 Filing Fees	690	900	900	900
5280 Computer Systems	4,620	15,000	15,000	15,000
5298 Non Capital Supplies And Materials	1,641	-	-	-
Total 52-Supplies And Materials	32,981	48,100	47,400	51,400
53-Maintenance And Operations				
5310 R & M Building	6,548	10,000	4,000	-
5320 Motor Vehicle Fuel	27,869	56,000	35,000	56,000
5325 R & M Motor Vehicle	11,587	20,000	18,000	20,000
5326 R & M Minor Equipment	1,100	1,500	1,500	1,500
5332 Office Machine Lease	2,010	2,500	2,500	2,500
Total 53-Maintenance And Operations	49,114	90,000	61,000	80,000

POLICE DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
54-Contract Services				
5430 Professional Services	33,069	40,500	38,000	40,500
5431 Forensic Analysis Services	-	-	-	12,000
5450 Technical Support	23,804	21,000	19,000	21,000
5451 Annual Software Support	14,287	22,500	22,500	22,500
5460 Dispatch Services	36,402	35,419	35,419	35,998
Total 54-Contract Services	107,562	119,419	114,919	131,998
55-Utilities				
5515 Electric	9,604	8,800	7,000	-
5516 Gas Utilities	621	700	750	-
5520 Cell Phone	12,775	16,000	15,000	7,600
Total 55-Utilities	23,000	25,500	22,750	7,600
61-Capital Outlay				
6130 Vehicles	89,953	154,700	154,700	100,104
6135 Police Vehicles	103,104	9,300	9,300	-
6145 Police Equipment	-	-	-	9,000
Total 61-Capital Outlay	193,057	164,000	164,000	109,104
Total 20-Police	1,370,620	1,563,938	1,507,809	1,581,026

ANIMAL CONTROL DEPARTMENT

Overview

Animal Control provides for the safety of the public through the control of wild and domesticated animals. It is also charged with providing for the welfare of animals within the City. Animal control is responsible for the adoption of abandoned and surrendered animals. Animal control operates under the supervision of the Police Chief.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Salaries & Benefits	50,877	52,605	51,288	54,830	2,225	4.23%
Supplies & Materials	40,995	48,100	47,537	69,500	21,400	44.49%
Maintenance & Operations	3,676	5,500	4,750	5,500	-	0.00%
Utilities	550	600	600	-	(600)	-100.00%
Total	96,098	106,805	104,175	129,830	23,025	21.56%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	1	1	1
Part Time	0	0	0

Goals and Performance

Performance Measure	Critical Mission	Stakeholders	Benchmark	2013-14 Average	2014-15 Average	2015-16 Average
To promote community interaction the Animal Control Officer will make 4 public contacts per shift on average.	Customer Service	Public	4	5.73	5.45	4.91

ANIMAL CONTROL DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Salaries	36,075	35,461	35,000	36,178
5111 Merit Increase	-	709	709	1,266
5120 Overtime	508	1,000	956	1,000
5125 Longevity Pay	168	216	103	264
5129 Cell Phone Allowance	-	-	-	600
5130 F I C A	3,000	2,906	2,900	3,007
5140 Retirement	2,805	2,971	2,500	3,125
5150 Health Insurance	7,827	7,800	7,800	7,800
5160 Worker's Compensation	292	1,352	1,300	1,400
5170 T.E.C.	202	190	20	190
Total 51-Salaries And Benefits	50,877	52,605	51,288	54,830
52-Supplies And Materials				
5210 Office Supplies	23	50	37	50
5223 Chemical Supplies	-	250	100	250
5235 Dues And Subscriptions	-	100	100	100
5240 Conferences And Training	-	900	800	900
5245 Janitorial Supplies	-	100	50	-
5248 Animal Care Expense	37,675	45,000	45,000	66,500
5250 Tools & Equipment	28	500	400	500
5255 Wearing Apparel	1,364	700	600	700
5260 Safety Equipment	389	500	450	500
5280 Computers, Printers, Etc	1,516	-	-	-
Total 52-Supplies And Materials	40,995	48,100	47,537	69,500
53-Maintenance And Operations				
5320 Motor Vehicle Fuel	3,312	4,000	3,500	4,000
5325 R & M Motor Vehicle	162	1,000	850	1,000
5326 R & M Minor Equipment	202	500	400	500
Total 53-Maintenance And Operations	3,676	5,500	4,750	5,500
55-Utilities				
5520 Cell Phone	550	600	600	-
Total 55-Utilities	550	600	600	-
Total 22-Animal Control	96,098	106,805	104,175	129,830

FIRE DEPARTMENT

Overview

The Fire Department is responsible for all facets of fire suppression and prevention within the City and surrounding area of the county. It is a combination department made up of paid staff and volunteers. The fire station is staffed around the clock for rapid response to emergencies. Other duties include rescue, emergency medical services and public education.

Expenditure Summary

Category	2015-16	2016-17	2016-17	2017-18	Difference	% Change
	Actual	Budget	Estimated	Budget		
Salaries & Benefits	650,071	756,465	732,404	919,058	162,593	21.49%
Supplies & Materials	87,804	97,450	93,850	105,450	8,000	8.21%
Maintenance & Operations	57,018	87,550	61,250	76,750	(10,800)	-12.34%
Contract Services	51,738	29,000	30,650	37,803	8,803	30.36%
Utilities	15,591	18,600	16,600	2,400	(16,200)	-87.10%
Capital Expenses	21,017	86,000	86,000	63,200	(22,800)	-26.51%
Debt Service	93,474	56,464	51,515	56,463	(1)	0.00%
Other Department Expense	2,633	75,000	75,000	2,500	(72,500)	-96.67%
Total	979,346	1,206,529	1,147,269	1,263,624	57,095	-162.55%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time Equivalents*	12	12	12 *
Part Time	1	1	1

*Six FTE positions are staffed by part-time personnel

Goals and Performance

Performance Measure	Critical Mission	Stakeholders	Benchmark	2013-14 Average	2014-15 Average	2015-16 Average
On Average, 3 personnel will be on scene within 10 minutes of dispatch on fire related emergencies.	Fire Suppression	Public	3 or more	3.26	3.24	2.39
Time of alarm until arrival on scene on fire calls inside the city limits.	Fire Suppression		6 minutes or Less	6	06:31	05:03
Time of alarm until patient care is initiated inside the City Limits	EMS		6 minutes or Less	4.73	05:14	04:54
98% of patient will arrive at the Hospital with their condition either improved or Unchanged.	EMS	Public	98%	99%	98%	99%

FIRE DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Salaries	234,525	277,138	270,000	391,538
5111 Merit Increase	-	10,872	-	13,704
5112 Temp/Part-Time Salaries	216,199	240,000	230,000	240,000
5117 Vacation Compensation	-	-	1,600	1,500
5120 Overtime	66,548	54,000	75,000	54,898
5125 Longevity Pay	1,980	2,428	2,268	2,700
5126 Special Pay	8,569	9,969	9,500	13,292
5129 Cell Phone Allowance	-	-	-	600
5130 F I C A	38,434	47,544	38,726	54,830
5140 Retirement	20,469	24,613	20,286	34,920
5145 Pension Fund	3,024	6,000	6,000	6,000
5150 Health Insurance	39,134	46,800	46,800	62,400
5160 Worker's Compensation	11,889	23,800	19,000	30,676
5165 Disability Insurance	5,643	8,000	9,224	8,000
5170 T.E.C.	2,927	5,301	3,500	4,000
5180 Medical/Physicals	489	-	500	-
5182 Background Checks	241	-	-	-
Total 51-Salaries And Benefits	650,071	756,465	732,404	919,058
52-Supplies And Materials				
5210 Office Supplies	2,090	1,750	1,750	1,750
5215 Food	552	1,000	950	1,000
5223 Chemical Supplies	690	1,250	1,200	1,250
5225 Maps & Subscriptions	-	500	500	500
5230 Advertising/Public Education	1,870	3,250	3,250	3,250
5235 Dues & Registration	21,520	20,000	20,000	15,000
5240 Conferences And Training	1,561	3,200	3,200	3,200
5245 Janitorial Supplies	335	1,000	1,000	-
5250 Tools & Equipment	1,584	2,000	2,000	2,000
5255 Wearing Apparel	14,198	11,000	11,000	11,000
5260 Safety Equipment	3,163	10,000	9,000	15,000
5262 Ems Supplies	28,376	33,500	31,000	38,500
5280 Computer Systems	10,069	6,000	6,000	8,000
5285 Furniture & Fixtures	1,796	3,000	3,000	5,000
Total 52-Supplies And Materials	87,804	97,450	93,850	105,450

FIRE DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
53-Maintenance And Operations				
5310 R & M Building	7,755	7,500	6,000	-
5320 Motor Vehicle Fuel	13,825	22,500	18,000	19,000
5325 R & M Motor Vehicle	18,283	22,000	7,500	18,500
5326 R & M Minor Equipment	6,402	11,500	7,500	11,500
5345 Lease Equipment	1,008	6,300	5,000	5,000
5375 Minor Equipment	-	1,750	1,750	1,750
5376 Hep. B Immunizations	-	1,000	500	1,000
5390 Radios Fire Dept.	9,745	15,000	15,000	20,000
Total 53-Maintenance And Operations	57,018	87,550	61,250	76,750
54-Contract Services				
5420 Contractual Services	-	-	-	3,500
5430 Professional Services/Emergicon	29,493	5,000	5,000	5,000
5450 Technical Support	10,451	10,500	12,750	15,500
5451 Annual Software Support	1,480	3,000	2,400	3,000
5460 Dispatch Services	10,314	10,500	10,500	10,803
Total 54-Contract Services	51,738	29,000	30,650	37,803
55-Utilities				
5515 Electric	12,586	15,000	13,000	-
5516 Gas Service	549	600	600	-
5520 Cell Phone	2,456	3,000	3,000	2,400
Total 55-Utilities	15,591	18,600	16,600	2,400
56-Grant Expense				
5610 Grant Expense	2,633	2,500	2,500	2,500
5624 Grant Match	-	72,500	72,500	-
Total 56-Grant Expense	2,633	75,000	75,000	2,500
61-Capital Outlay				
6130 Vehicles	6,710	-	-	-
6135 Mobile Equipment	8,840	86,000	86,000	63,200
6145 Fire Equipment	5,467	-	-	-
Total 61-Capital Outlay	21,017	86,000	86,000	63,200
70-Debt Payments				
7006 Lease Payment	86,221	51,752	38,356	53,277
7099 Interest Expense	7,253	4,712	13,159	3,186
Total 70-Debt Payments	93,474	56,464	51,515	56,463
Total 24-Fire And Ambulance	979,346	1,206,529	1,147,269	1,263,624

MUNICIPAL COURT DEPARTMENT

Overview

The Municipal Court is responsible for the adjudication of criminal matters arising from events occurring within the City. The Municipal Court tracks and collects fines and warrants, holds court to adjudicate cases and renders fines to the appropriate state agency.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Salaries & Benefits	108,603	131,846	125,925	136,589	\$4,743	3.60%
Supplies & Materials	3,987	4,800	4,200	6,300	\$1,500	31.25%
Maintenance & Operations	2,351	2,700	2,700	1,200	(\$1,500)	-55.56%
Contract Services	26,245	36,000	27,800	33,000	(\$3,000)	-8.33%
Utilities	4,540	8,100	2,500	-	(\$8,100)	-100.00%
Court Costs	39,329	58,282	40,336	46,626	(\$11,656)	-20.00%
Total	185,055	241,728	203,461	223,715	(18,013)	-7.45%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	2	2	2
Part Time	2	2	2

Goals and Performance

Performance Measure	Critical Mission	Stakeholders	Benchmark	2013-14 Average	2014-15 Average	2015-16 Average
On a scale of 1 to 4, defendants rate us at 3 or higher on being treated fairly.	Fair Treatment	Public	3 or Higher	3.77	3.62	3.65
On a scale of 1 to 4, defendants rate us at 3 or higher on being provided prompt service.	Prompt Service	Public	3 or higher	3.76	3.73	3.70
On a scale of 1 to 4, defendants rate us at 3 or higher on being provided courteous service.	Courteous Service	Public	3 or higher	3.92	3.65	3.78
To meet expectations of promptness 50% of cases will be disposed of or turned over to collections in 60 Days on average	Prompt Service	Public	50%	49%	46%	88%

MUNICIPAL COURT DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Regular Salaries	77,796	96,042	93,000	98,395
5111 Merit Increase	-	1,921	-	3,443
5120 Overtime	-	500	200	500
5125 Longevity Pay	1,108	1,204	1,204	1,300
5130 F I C A	7,300	7,625	7,625	7,928
5140 Retirement	5,957	7,796	7,796	8,239
5150 Health Insurance	15,654	15,600	15,600	15,600
5160 Worker's Compensation	313	478	-	499
5170 T.E.C.	475	680	500	685
Total 51-Salaries And Benefits	108,603	131,846	125,925	136,589
52-Supplies And Materials				
5210 Office Supplies	1,916	2,000	1,800	2,000
5235 Dues And Subscriptions	630	900	900	900
5240 Conferences And Training	930	1,100	1,100	1,100
5245 Janitorial Supplies	211	500	400	-
5280 Computers, Printers, Etc.	-	-	-	2,000
5285 Furniture & Fixtures	300	300	-	300
Total 52-Supplies And Materials	3,987	4,800	4,200	6,300
53-Maintenance And Operations				
5310 R & M Building	1,459	1,500	1,800	-
5332 Office Machine Lease	892	1,200	900	1,200
Total 53-Maintenance And Operations	2,351	2,700	2,700	1,200
54-Contract Services				
5424 Court Services	13,019	15,000	14,000	15,000
5425 Legal Services	6,825	13,000	10,000	13,000
5426 Credit Card Fees	1,975	2,500	1,300	2,500
5450 Technical Support	2,087	5,500	2,500	2,500
5451 Annual Software Support	2,339	-	-	-
Total 54-Contract Services	26,245	36,000	27,800	33,000
55-Utilities				
5515 26-5515 Electric	4,540	8,100	2,500	-
Total 55-Utilities	4,540	8,100	2,500	-

MUNICIPAL COURT DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
57-Municipal Fees				
5703 Judicial Fee County Jfct	2,789	4,000	2,873	3,200
5707 State Traffic Fee	8,912	14,000	7,027	11,200
5708 Consolidated Court Cost 04	18,641	26,000	19,151	20,800
5709 State Jury Fee -Sjrf	1,860	3,000	1,915	2,400
5710 Consolidated Court Cost	-	75	-	60
5714 Juvenile Crime & Delinquency	-	22	-	18
5719 Jcpt	-	15	-	12
5721 Tpf Fees	992	1,000	1,034	800
5725 Municipal Court Over Payments	125	20	-	16
5731 Fugitive Apprehension	-	75	119	60
5733 Ctvoc	-	90	-	72
5734 ldf (Court)	928	1,200	844	960
5735 Child Safety &Seat Belt Viol	-	75	958	60
5736 Corr.Mgt.Instit.Cjcf	-	20	169	16
5738 Child Safety Seats	36	40	-	32
5739 Civil Justice Fees	-	50	31	40
5745 Collection Agency Fee	3,820	6,000	4,364	4,800
5746 Time Payment State	368	1,100	495	880
5751 Tlfta1 - State	660	1,000	1,050	800
5752 OTlfta2 - Omni	198	500	306	400
Total 57-Municipal Fees	39,329	58,282	40,336	46,626
Total 26-Municipal Court	185,055	241,728	203,461	223,715

DEVELOPMENT SERVICES DEPARTMENT

Overview

Development Services issues business related permits and provides inspection services for both new and existing construction. Development Services also reviews and approves construction plans and documents and works with builders and property owners on development issues. Development Services is also responsible for planning and zoning and provides support for the planning and zoning commission. Development Services maintains the comprehensive master plan, zoning maps and city limits maps and files the necessary documents with the County.

Expenditure Summary

Category	2015-16	2016-17	2016-17	2017-18	Difference	% Change
	Actual	Budget	Estimated	Budget		
Salaries & Benefits	176,902	229,878	212,333	220,504	(\$9,374)	-4.08%
Supplies & Materials	5,878	9,995	9,665	13,300	\$3,305	33.07%
Maintenance & Operations	2,681	3,392	2,761	2,315	(\$1,077)	-31.75%
Contract Services	30,116	32,450	38,200	41,040	\$8,590	26.47%
Utilities	4,185	4,520	4,950	-	(\$4,520)	-100.00%
Total	219,762	280,235	267,909	277,159	(3,076)	-1.10%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	3	3	3
Part Time	0	0	0

Goals and Performance

Performance Measure	Critical Mission	Stakeholders	Benchmark	2013-14 Average	2014-15 Average	2015-16 Average
Process permit applications in 5 business days or less on average (excluding time waiting for applicant action).	Prompt Service	Public	5 or Less	1.35	2.61	3.06
80% of responders to a notice of public hearing will report being well informed by the notice and other information provided.	Citizen Engagement	Public	80%	96%	97%	100%
Council and Board members will report being well informed on the issue at hand 90% of the time.	Information	Boards	90%	100%	98%	92%

DEVELOPMENT SERVICES DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Salaries	137,985	172,569	165,000	161,506
5111 Merit Increase	-	3,451	-	5,653
5125 Longevity Pay	740	1,048	1,938	584
5129 Cell Phone Allowance	-	-	-	1,200
5130 F I C A	10,640	13,638	11,265	12,924
5140 Retirement	10,649	13,945	9,681	13,431
5150 Health Insurance	15,933	23,400	23,400	23,400
5160 Worker's Compensation	613	1,314	603	1,293
5170 T.E.C.	342	513	300	513
5180 Medical Physicals	-	-	105	-
5182 Background Checks	-	-	41	-
Total 51-Salaries And Benefits	176,902	229,878	212,333	220,504
52-Supplies And Materials				
5210 Office Supplies	1,122	1,380	1,350	1,400
5230 Advertisement	1,226	1,500	1,500	1,500
5235 Dues And Subscriptions	1,290	3,500	3,500	3,500
5240 Conferences And Training	223	500	500	3,000
5245 Janitorial Supplies	448	250	250	-
5250 Tools & Equipment	220	220	220	-
5255 Wearing Apparel	546	395	395	400
5275 Filing Fees	668	1,500	1,200	1,500
5280 Computer Systems	135	750	750	2,000
Total 52-Supplies And Materials	5,878	9,995	9,665	13,300
53-Maintenance And Operations				
5310 R & M Building	434	300	500	-
5320 Motor Vehicle Fuel	770	1,000	721	1,000
5325 R & M Motor Vehicle	42	225	100	225
5332 Office Machine Lease	1,435	1,867	1,415	940
5345 Lease Equipment	-	-	25	150
Total 53-Maintenance And Operations	2,681	3,392	2,761	2,315

DEVELOPMENT SERVICES DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
54-Contract Services				
5426 Credit Card Fees	-	1,500	300	1,500
5430 Professional Services	12,485	11,700	18,300	15,000
5440 Health Inspections	9,425	9,000	9,225	9,300
5450 Technical Support	4,956	4,500	4,625	4,500
5451 Annual Software Support	3,250	5,750	5,750	10,740
Total 54-Contract Services	30,116	32,450	38,200	41,040
55-Utilities				
5515 Electric	2,436	2,600	3,500	-
5516 Gas Service	649	720	700	-
5520 Cell Phone	1,100	1,200	750	-
Total 55-Utilities	4,185	4,520	4,950	-
Total 28-Development Services	219,762	280,235	267,909	277,159

STREET DEPARTMENT

Overview

The Street Department is responsible for maintaining the roads, streets, alleys, sidewalks and right of ways in the City of Sanger. They also maintain street signs. The Street Department serves as the liaison with contractors building new streets or rehabilitating old streets.

Expenditure Summary

Category	2015-16	2016-17	2016-17	2017-18	Difference	% Change
	Actual	Budget	Estimated	Budget		
Salaries & Benefits	225,479	241,509	228,887	282,031	40,522	16.78%
Supplies & Materials	7,800	8,194	7,900	10,900	2,706	33.02%
Maintenance & Operations	114,581	162,900	149,182	210,500	47,600	29.22%
Contract Services	800	4,800	4,800	1,000	(3,800)	-79.17%
Utilities	50,593	61,200	50,200	57,000	(4,200)	-6.86%
Capital Expenses	83,128	50,000	50,000	55,000	5,000	10.00%
Debt Service	51,535	51,536	51,536	51,535	(1)	0.00%
Total	533,916	580,139	542,505	667,966	87,827	15.14%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	3	4	4
Part Time	0	0	0

Goals and Performance

Performance Measure	Critical Mission	Stakeholders	Benchmark	2013-14 Average	2014-15 Average	2015-16 Average
Number of potholes repaired during the month.	Street Maintenance	Public	Info Only		58.50	151
Number of utility cut repairs during the month.	Street Maintenance	Public	Info Only		5.50	4
Number of traffic signs replaced during the month.	Street Maintenance	Public	Info Only		13.75	5
Tons of Asphalt used for patching	Street Maintenance	Public	Info Only		51.74	29.25
Yards of concrete street repair.	Street Maintenance	Public	Info Only		22.83	20.58

STREET DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Regular Salaries	157,118	156,810	155,000	184,316
5111 Merit Increase	-	3,137	-	6,451
5117 Vacation Compensation	-	1,700	1,674	1,700
5120 Overtime	923	500	950	1,500
5125 Longevity	1,916	2,108	2,108	1,492
5129 Cell Phone Allowance	-	-	-	600
5130 F I C A	12,928	12,481	12,225	14,791
5140 Retirement	12,019	12,763	10,923	15,372
5150 Health Insurance	31,329	31,200	31,200	31,200
5160 Workers Comp	8,482	20,117	14,690	23,915
5170 T.E.C.	689	693	117	694
5180 Medical/Physicals	75	-	-	-
Total 51-Salaries And Benefits	225,479	241,509	228,887	282,031
52-Supplies And Materials				
5223 Chemical Supplies	1,291	1,500	1,700	1,500
5235 Dues And Subscriptions	240	1,000	1,000	1,000
5240 Conferences And Training	-	100	100	1,000
5250 Tools & Equipment	-	-	-	1,000
5255 Wearing Apparel	2,222	2,794	2,500	3,600
5260 Safety Equipment	937	2,800	2,600	2,800
5298 Non Capital Supplies & Materials	3,110	-	-	-
Total 52-Supplies And Materials	7,800	8,194	7,900	10,900
53-Maintenance And Operations				
5310 R & M Building	337	2,300	500	-
5320 Motor Vehicle Fuel	9,741	10,000	7,677	10,000
5325 R & M Motor Vehicle	4,662	9,000	7,505	9,000
5326 R & M Minor Equipment	6,414	5,000	2,500	4,000
5360 System Maintenance	76,279	125,000	120,000	175,000
5380 Street Signs	16,967	11,600	11,000	12,500
5390 Radios	181	-	-	-
Total 53-Maintenance And Operations	114,581	162,900	149,182	210,500
54-Contract Services				
5420 Contract Services	800	4,800	4,800	1,000
Total 54-Contract Services	800	4,800	4,800	1,000

STREET DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
55-Utilities				
5515 Electric	50,043	60,000	49,000	57,000
5520 Cell Phone	550	1,200	1,200	-
Total 55-Utilities	50,593	61,200	50,200	57,000
61-Capital Outlay				
6113 Sidewalk Improvements	8,002	50,000	50,000	50,000
6130 Vehicles	-	-	-	2,500
6145 Streets Equipment	75,126	-	-	2,500
Total 61-Capital Outlay	83,128	50,000	50,000	55,000
70-Debt Payments				
7006 Lease Payment	38,356	39,606	39,606	40,931
7099 Interest Expense	13,179	11,930	11,930	10,604
Total 70-Debt Payments	51,535	51,536	51,536	51,535
Total 30-Streets	533,916	580,139	542,505	667,966

PARKS DEPARTMENT

Overview

The Parks Department is responsible for the maintenance operations associated with all City Park and Facilities; this department is also responsible for all building maintenance operations throughout the organization. The Parks Department is responsible for the brush removal program and vector control operations.

Expenditure Summary

Category	2015-16	2016-17	2016-17	2017-18	Difference	% Change
	Actual	Budget	Estimated	Budget		
Salaries & Benefits	275,471	258,170	254,627	274,330	16,160	6.26%
Supplies & Materials	38,430	37,300	37,125	40,100	2,800	7.51%
Maintenance & Operations	51,027	71,567	52,950	66,867	(4,700)	-6.57%
Contract Services	45,132	114,000	104,000	131,800	17,800	15.61%
Utilities	22,611	26,900	21,600	24,350	(2,550)	-9.48%
Capital Expenses	63,606	29,000	29,000	118,000	89,000	306.90%
Total	496,277	536,937	499,302	655,447	118,510	22.07%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	6	6	6
Part Time	3	2	0

Goals and Performance

Performance Measure	Critical Mission	Stakeholders	Benchmark	2013-14 Average	2014-15 Average	2015-16 Average
To meet customer expectations of promptness 90% of brush work orders will be completed within 4 business days, on average, of the request.	Brush Removal	Public	90%	92%	87%	94%
To meet customer expectations patrons will rate their satisfaction level with the maintenance of public parks at 3 or higher.	Park Maintenance	Public	3 or higher	3.41	3.62	3.67
To meet customer expectations park patrons will rate their satisfaction level with the condition of the public parks at 3 or higher.	Public Satisfaction	Public	3 or Higher	3.55	3.57	3.79
Citizens are engaged by volunteering X numbers of hours on average each month in the parks.	Citizen Engagement	Public	Info Only	28.08	27.33	16.8
The number of acres mowed each month.	Park Maintenance	Management	Info Only	153.60	129.40	185.319
Number of rentals each month	Cost Recovery	Management	Info Only	32.92	11.42	15.60
Cumulative percentage of expenditures recovered annually.	Cost Recovery	Management	Info Only	1.02%	0.63%	\$9,305.00

PARKS DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Regular Salaries	189,582	173,863	170,000	175,388
5111 Merit Increase	-	4,067	-	6,139
5117 Vacation Compensation	-	1,500	1,500	1,500
5119 Standby Pay	-	4,629	-	4,800
5120 Overtime	6,459	5,000	6,200	6,000
5125 Longevity Pay	1,384	1,648	1,552	1,744
5128 Auto Allowance	-	-	4,250	6,000
5129 Cell Phone Allowance	-	-	-	600
5130 F I C A	15,955	14,354	14,000	15,240
5140 Retirement	14,958	12,734	15,000	15,837
5150 Health Insurance	40,439	32,800	32,800	31,200
5160 Worker's Compensation	5,707	6,435	8,975	8,984
5170 T.E.C.	937	1,140	150	798
5180 Medical/Physicals	50	-	200	100
5185 Background Checks	-	-	-	-
Total 51-Salaries And Benefits	275,471	258,170	254,627	274,330
52-Supplies And Materials				
5210 Office Supplies	2,736	4,200	4,100	600
5211 Landscape Material	6,815	2,000	2,000	5,000
5222 Boards & Commissions	50	-	-	-
5223 Chemical Supplies	12,043	19,300	19,000	26,000
5230 Advertising	-	800	800	500
5235 Dues And Subscriptions	2,924	1,700	2,150	600
5240 Conferences And Training	2,181	2,650	2,200	3,000
5245 Janitorial Supplies	1,985	1,600	2,175	-
5250 Tools & Equipment	1,714	2,650	2,500	2,800
5255 Wearing Apparel	2,745	2,400	2,200	1,600
5260 Safety Equipment	240	-	-	-
5270 Program Supplies	25	-	-	-
5285 Furniture And Fixtures	333	-	-	-
5298 Non Capital Supplies And Materials	4,639	-	-	-
Total 52-Supplies And Materials	38,430	37,300	37,125	40,100

PARKS DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
53-Maintenance And Operations				
5310 R&M Building And Structures	1,492	2,000	5,750	-
5320 Motor Vehicle Fuel	9,183	10,800	7,000	13,000
5325 R & M Motor Vehicle	10,328	18,000	5,000	5,000
5326 R & M Minor Equipment	2,379	3,150	3,200	3,000
5329 Christmas Lights & Accessories	3,744	4,000	2,500	4,000
5332 Office Machine Lease	-	1,867	1,500	1,867
5333 Flags	1,120	1,500	1,500	1,500
5343 Park Maintenance	22,040	28,900	25,000	37,000
5345 Lease Equipment	721	1,050	500	500
5360 System Maintenance	20	300	1,000	1,000
Total 53-Maintenance And Operations	51,027	71,567	52,950	66,867
54-Contract Services				
5471 Contract Tree Maintenance	-	3,000	3,000	3,000
5472 Contract Mowing	14,619	100,000	90,000	128,800
5475 Contract Labor	30,513	11,000	11,000	-
Total 54-Contract Services	45,132	114,000	104,000	131,800
55-Utilities				
5510 32-5510 Telephone Service	-	-	-	-
5515 32-5515 Electric	21,842	25,000	20,000	24,000
5516 Gas Service	-	1,300	1,000	-
5520 32-5520 Cell Phone	769	600	600	350
Total 55-Utilities	22,611	26,900	21,600	24,350
61-Capital Outlay				
6130 Vehicles	-	-	-	56,000
6137 Tractor & Riding Mowers	7,915	14,000	14,000	-
6140 Parks Improvements	9,391	-	-	62,000
6145 Parks Equipment	46,300	15,000	15,000	-
Total 61-Capital Outlay	63,606	29,000	29,000	118,000
Total 32-Parks	496,277	536,937	499,302	655,447

RECREATION DEPARTMENT

Overview

The Recreation Department is responsible for organizing, planning and implementation of all Department Special Events. This Department also coordinates with all athletic leagues for facility scheduling and usage. This Department also serves the administration function for Parks, Fire as well as Recreation.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Salaries & Benefits	419	52,634	48,163	56,580	3,946	7.50%
Supplies & Materials	8,020	14,200	13,850	14,700	500	3.52%
Maintenance & Operations	10,765	10,250	8,500	1,250	(9,000)	-87.80%
Contract Services	5,000	16,755	15,000	-	(16,755)	-100.00%
Utilities	8,187	6,600	7,700	-	(6,600)	-100.00%
Total	32,391	100,439	93,213	72,530	(27,909)	-27.79%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	0	1	1
Part Time	0	0	0

RECREATION DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Regular Salaries	389	36,764	35,000	38,613
5111 Merit Increase	-	735	-	1,351
5120 Overtime	-	1,000	150	1,000
5125 Longevity Pay	-	212	212	260
5129 Cell Phone Allowance	-	-	-	600
5130 F I C A	30	2,961	2,670	3,200
5140 Retirement	-	2,810	2,301	3,325
5150 Health Insurance	-	7,800	7,800	7,800
5160 Worker's Compensation	-	181	-	241
5170 T.E.C.	-	171	30	190
Total 51-Salaries And Benefits	419	52,634	48,163	56,580
52-Supplies And Materials				
5215 Food	69	500	400	700
5230 Advertising	10	500	450	1,000
5235 Dues & Subscriptions	-	-	-	500
5240 Conferences & Training	-	-	-	500
5245 Janitorial Supplies	-	-	-	-
5270 Program Supplies/Special Events	7,941	10,200	10,000	12,000
5280 Computers	-	3,000	3,000	-
Total 52-Supplies And Materials	8,020	14,200	13,850	14,700
53-Maintenance And Operations				
5310 R&M Building And Structures	10,765	9,000	7,500	-
5347 Vandalism Replacement	-	250	250	250
5360 System Maintenance	-	1,000	750	1,000
Total 53-Maintenance And Operations	10,765	10,250	8,500	1,250
54-Contract Services				
5430 Professional Services	5,000	16,755	15,000	-
Total 54-Contract Services	5,000	16,755	15,000	-
55-Utilities				
5515 Electric	6,996	5,000	6,000	-
5516 Gas Service	1,191	1,000	1,100	-
5520 Cell Phone	-	600	600	-
Total 55-Utilities	8,187	6,600	7,700	-
Total 34-Recreation	32,391	100,439	93,213	72,530

LIBRARY DEPARTMENT

Overview

The Library provides written, audio and video materials for loan to the public. The library also provides computer and internet access free of charge. Librarians assist customers with researching a wide range of subjects. The Library also provides a wide range of educational programs to both adults and children.

Expenditure Summary

Category	2015-16	2016-17	2016-17	2017-18	Difference	% Change
	Actual	Budget	Estimated	Budget		
Salaries & Benefits	208,391	213,351	207,836	228,840	15,489	7.26%
Supplies & Materials	23,013	30,350	27,350	28,900	(1,450)	-4.78%
Maintenance & Operations	5,825	8,500	5,700	3,500	(5,000)	-58.82%
Contract Services	6,913	18,550	17,900	10,650	(7,900)	-42.59%
Utilities	7,758	8,000	6,700	-	(8,000)	-100.00%
Total	251,900	278,751	265,486	271,890	(6,861)	-2.46%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	3	3	3
Part Time	2	2	3

Goals and Performance

Performance Measure	Critical Mission	Stakeholders	Benchmark	2013-14 Average	2014-15 Average	2015-16 Average
80% of information seekers will be satisfied with the results of their library visit.	Provide Information	Public	80%	90%	89%	96%
80% of patron's seeking information remotely will be satisfied with the results of their inquiry.	Provide Information	Public	80%	97%	97%	98%
To meet patron's expectations, the average wait time for a computer will be less than 10 minutes.	Public Computer Access	Public	10 minutes or less	5.35	5.16	3.61
90% of patrons requesting computer assistance will be satisfied with the result.	Public Computer Access	Public	90%	91%	93%	96%
90% of patrons seeking materials for entertainment will be satisfied with the results of their library visit.	Recreational Reading, listening and viewing	Public	90%	98%	98%	97%

LIBRARY DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget	
51-Salaries And Benefits					
5110	Regular Salaries	129,788	131,977	132,000	137,381
5111	Merit Increase	-	3,456		5,913
5112	Temp/Part Time Salaries	30,028	30,000	28,000	31,580
5117	Vacation Compensation	-	-	2,087	1,200
5125	Longevity Pay	1,008	1,152	1,152	1,296
5129	Cell Phone Allowance	-	-	-	1,200
5130	F I C A	12,899	10,551	10,500	13,538
5140	Retirement	9,934	10,788	9,171	11,470
5150	Health Insurance	23,481	23,400	23,400	23,400
5160	Worker's Compensation	332	837	1,001	832
5170	T.E.C.	807	1,190	450	1,030
5180	Medical/Physicals	70	-	75	-
5182	Background Checks	44	-	-	-
Total 51-Salaries And Benefits		208,391	213,351	207,836	228,840
52-Supplies And Materials					
5200	Print Books/Materials	8,247	9,000	8,500	9,000
5201	Periodicals	747	1,100	1,000	700
5202	E-Books And E-Audio	3,441	4,500	4,200	4,500
5203	Audiobooks	991	2,000	1,800	2,000
5204	DVDs	1,395	1,500	1,400	1,500
5205	Other Electronic Services	-	450	300	450
5206	Other Collection Materials	-	300	300	300
5207	Library Supplies	870	1,000	1,000	1,000
5208	Program Supplies	709	900	800	1,200
5210	Office Supplies	1,774	2,800	2,600	2,500
5215	Food	11	75	50	75
5235	Dues & Registrations	690	1,675	1,600	1,675
5240	Conferences And Training	1,070	1,750	1,500	1,750
5245	Janitorial Supplies	937	1,500	500	-
5280	Computer Systems	1,498	1,200	1,200	1,200
5285	Furniture And Fixtures	633	600	600	1,050
Total 52-Supplies And Materials		23,013	30,350	27,350	28,900
53-Maintenance And Operations					
5310	R & M Building	2,613	5,000	2,500	-
5326	R&M Minor Equipment	699	700	700	700
5332	Office Machine Lease	2,513	2,800	2,500	2,800
Total 53-Maintenance And Operations		5,825	8,500	5,700	3,500

LIBRARY DEPARTMENT EXPENDITURES

		2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
54-Contract Services					
5420	Contractual Services	2,567	2,650	2,500	2,750
5421	Program Services	-	5,000	4,500	5,000
5430	Professional Services	2,560	8,000	8,000	-
5450	Technical Support	723	1,100	1,100	1,100
5451	Annual Software Support	1,063	1,800	1,800	1,800
Total 54-Contract Services		6,913	18,550	17,900	10,650
55-Utilities					
5515	Electric	6,658	7,000	5,500	-
5520	Cell Phone	1,100	1,000	1,200	-
Total 55-Utilities		7,758	8,000	6,700	-
Total 42-Library		251,900	278,751	265,486	271,890

SOLID WASTE DEPARTMENT

Overview

The City contracts with Progressive Waste Management for solid waste services in the City of Sanger. Progressive is responsible for providing residential and commercial waste management services to the businesses, schools, and residents of Sanger.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Contract Services	691,204	700,000	690,000	700,000	-	0.00%
Total Solid Waste	691,204	700,000	690,000	700,000	-	0.00%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	0	0	0
Part Time	0	0	0

SOLID WASTE DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
54-Contract Services				
5420 Contractual	691,204	700,000	690,000	700,000
Total 54-Contract Services	691,204	700,000	690,000	700,000
Total 66-Solid Waste	691,204	700,000	690,000	700,000

TRANSFERS TO OTHER FUNDS

Overview

The City transfers between funds in order to properly account for revenues and expenses.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Transfers	792,812	1,012,045	1,006,869	1,010,846	(1,199)	-0.12%
Total	792,812	1,012,045	1,006,869	1,010,846	(1,199)	-0.12%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	0	0	0
Part Time	0	0	0

TRANSFERS TO OTHER FUNDS

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
74-Transfers				
7404 Transfer To Capital Improvement Fund	350,000	550,000	550,000	460,000
7499 Transfer To Internal Service Fund	442,812	462,045	456,869	550,846
Total Transfers	792,812	1,012,045	1,006,869	1,010,846

NON-DEPARTMENTAL EXPENDITURES

Overview

The Non-Departmental budget accounts for expenses that cannot easily be attributed to any specific department.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Salaries & Benefits	-	-	-	150,000	150,000	-
Total	-	-	-	150,000	150,000	0.00%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	0	0	0
Part Time	0	0	0

NON-DEPARTMENTAL

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5199 Pay Plan Implementation	-	-	-	150,000
Total 99-Non-Departmental	-	-	-	150,000

DEBT SERVICE FUND

DEBT SERVICE FUND

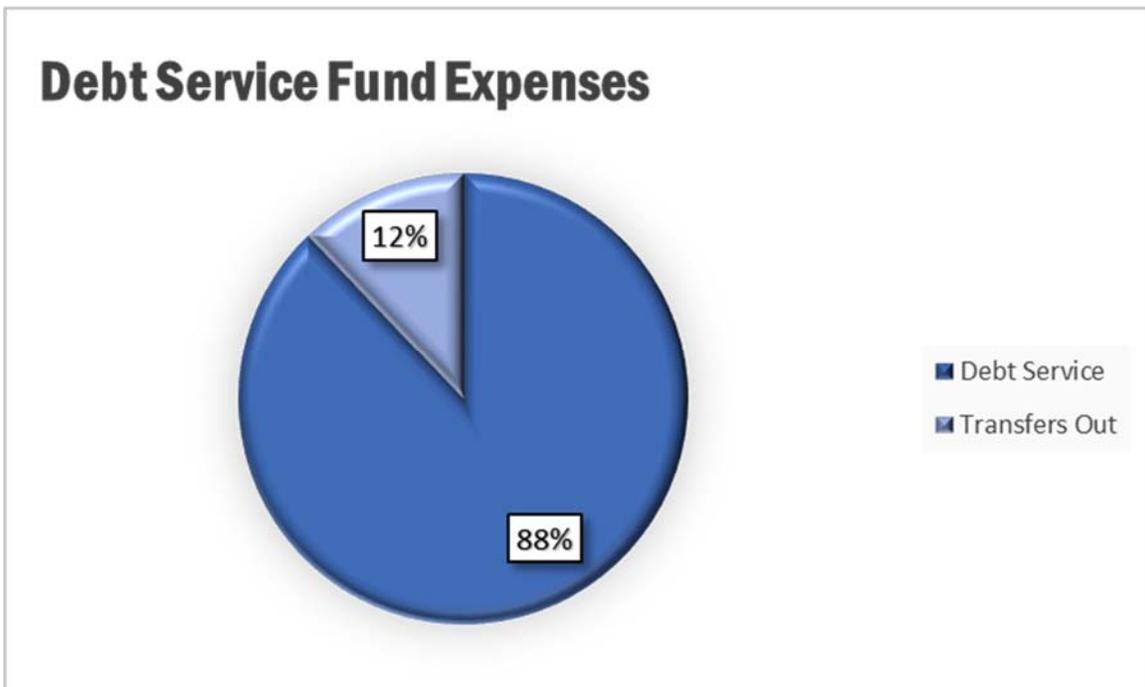
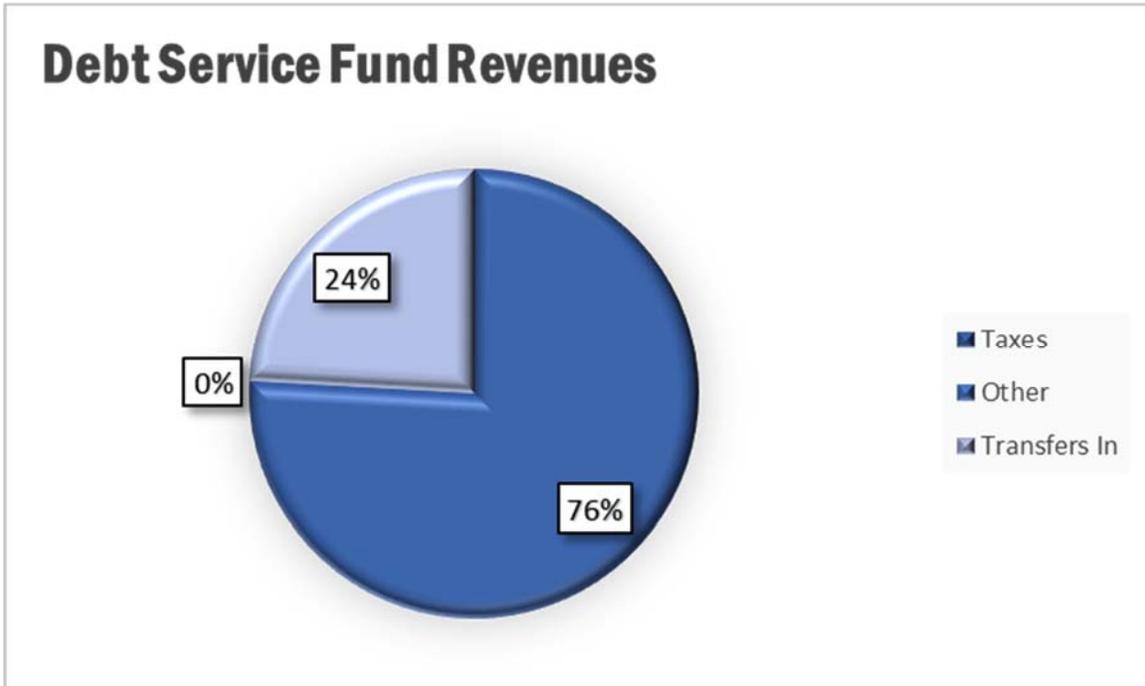
Overview

The Debt Service Fund accounts for the receipt of funds from a tax levy and other sources for the accumulation of funds to meet the principal and interest obligations on General Fund Obligations.

The City Charter of the City of Sanger, Texas, does not provide a debt limit. Under the provision of State law (Article XI, Section 5, of the State of Texas Constitution), the maximum tax rate is limited to \$2.50 per \$100 assessed valuation. The City's adopted tax rate of \$0.551806 for maintenance and operations plus \$0.127694 for debt service equals the total tax rate of \$0.6795, which is well below the maximum rates allowed by law.

The basis of accounting for the Debt Service Fund for both financial reporting and budgeting is the modified accrual basis.

DEBT SERVICE FUND BUDGET SUMMARY



DEBT SERVICE FUND BUDGET SUMMARY

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	385,185	404,096	404,096	394,152
Revenues				
Property Taxes	793,038	676,038	676,038	668,500
Interest Income	114	100	100	100
Miscellaneous Income	3,992	-	-	-
Total General Fund Revenues	797,144	676,138	676,138	668,600
Other Sources				
Transfers In	217,358	212,500	212,500	212,500
Total Other Sources	217,358	212,500	212,500	212,500
Total Revenues/Sources	1,014,502	888,638	888,638	881,100
Expenditures				
Debt Service	829,055	790,583	790,583	783,014
Total Expenditures	829,055	790,583	790,583	783,014
Other Uses				
Transfers Out	166,536	107,999	107,999	107,999
Total Other Uses	166,536	107,999	107,999	107,999
Total Expenses/Uses	995,591	898,582	898,582	891,013
Excess of Revenues/Sources over Expenditures/Uses	18,911	(9,944)	(9,944)	(9,913)
Ending Fund Balance	404,096	394,152	394,152	384,239

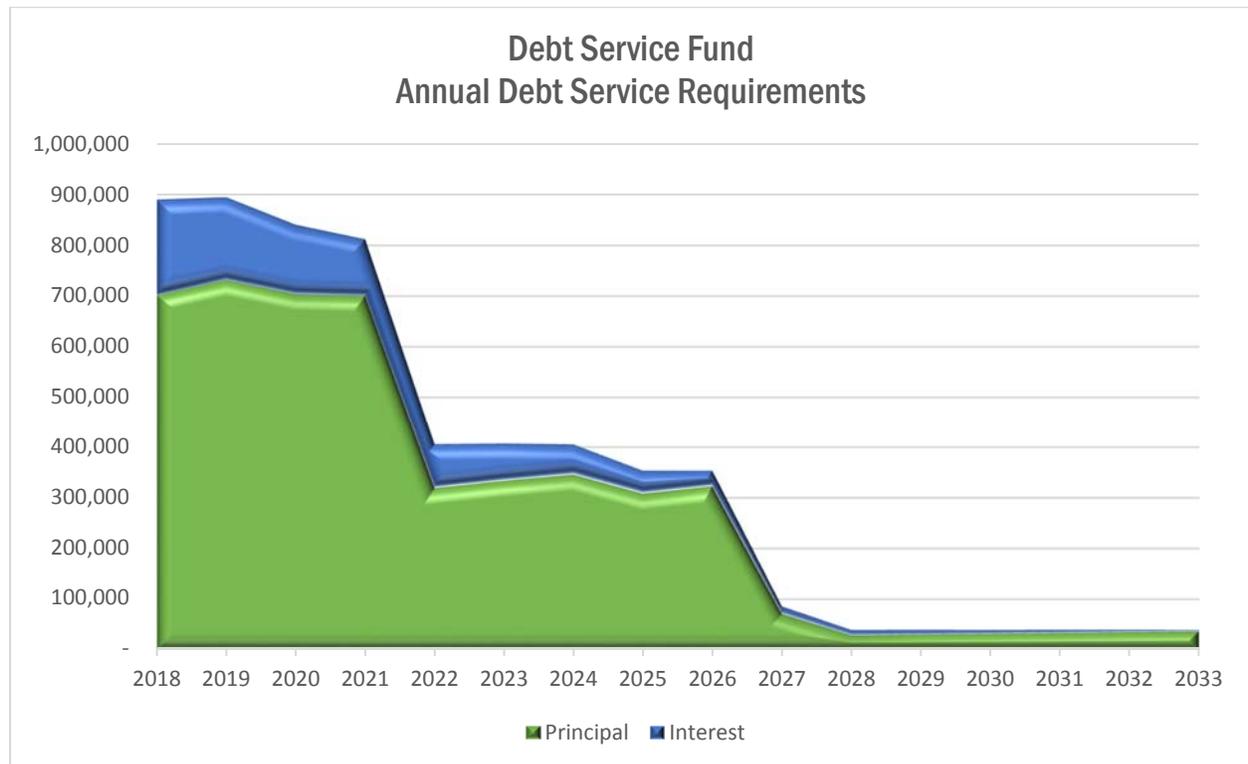
DEBT SERVICE FUND EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
70-Debt Payments				
7020	Co 2006 Principal	\$ 211,600	\$ -	\$ -
7021	Co 2006 Interest	34,948	-	-
7023	Co 2007 Principal	27,200	28,900	28,900
7024	Co 2007 Interest	18,397	17,204	15,932
7026	Co 2009 Principal	170,000	175,000	180,000
7027	Co 2009 Interest	98,375	92,425	85,426
7028	Refunding 2012 Principal	184,800	154,000	156,200
7029	Refunding 2012 Interest	27,962	22,418	17,798
7030	Co 2013 Principal	19,800	20,400	21,000
7031	Co 2013 Interest	18,834	18,438	18,030
7037	Refunding 2016 Principal	6,900	218,500	220,800
7038	Refunding 2016 Interest	9,129	41,998	37,628
7080	Bond Administration Fees	1,110	1,300	1,300
Total Debt Payments		\$ 829,055	\$ 790,583	\$ 790,583
74-Transfers				
7401	Transfer To General Fund	166,536	107,999	107,999
Total 74-Transfers		166,536	107,999	107,999
Total Debt Service		995,591	898,582	891,013

DEBT SERVICE FUND REQUIREMENTS

Debt Service Fund Annual Debt Service Requirements

Fiscal Year	Principal	Interest	Total
2018	701,108	188,603	889,711
2019	731,548	163,149	894,697
2020	703,516	136,562	840,078
2021	699,979	111,337	811,316
2022	320,190	84,765	404,955
2023	334,652	71,541	406,193
2024	346,867	57,435	404,302
2025	309,300	42,687	351,987
2026	323,900	28,193	352,093
2027	71,800	13,023	84,823
2028	28,800	9,768	38,568
2029	30,600	8,400	39,000
2030	31,800	6,870	38,670
2031	33,600	5,280	38,880
2032	35,400	3,600	39,000
2033	36,600	1,830	38,430
Total	4,739,660	933,043	5,672,703



ENTERPRISE FUND

ENTERPRISE FUND

The Enterprise Fund is the financial structure used for the accounting of providing water, sanitary sewer, and electric services to the residents of the City and for the billing and collection of charges to customers for these services.

The Enterprise Fund receives revenues from the billing of water, waste water and electric, interest income and other miscellaneous revenue sources.

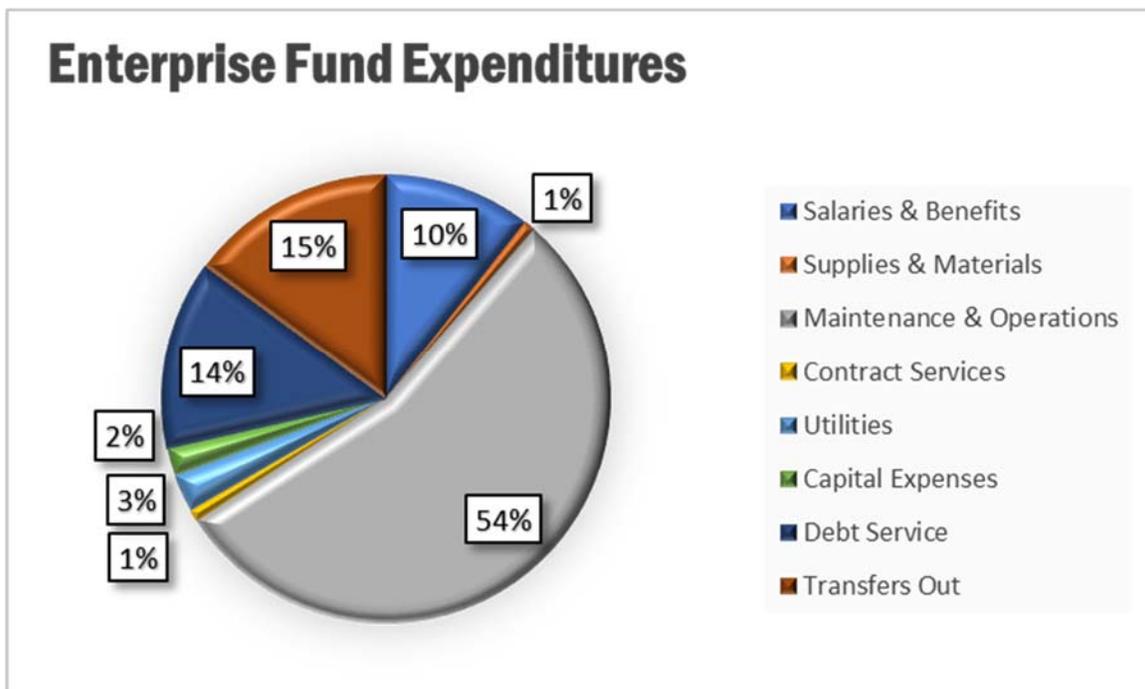
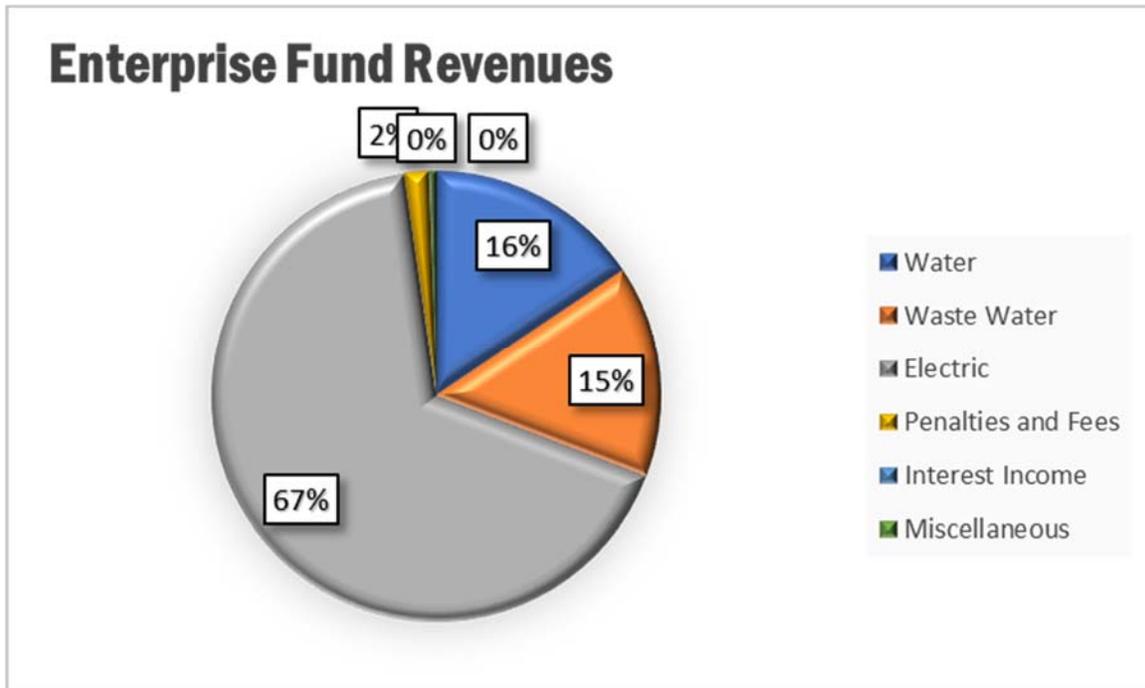
The Enterprise Fund includes these departments:

- Water
- Waste Water
- Electric
- Debt Service

The basis of accounting for the Enterprise Fund for both financial reporting and budgeting is the accrual basis.

NOTE: *Certain expenses related to facilities (utilities, maintenance, etc.) are moved from individual departments to the new Facilities Department in the Internal Service Fund for the 2017-2018 Annual Budget.*

ENTERPRISE FUND BUDGET SUMMARY



ENTERPRISE FUND BUDGET SUMMARY

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	11,350,811	11,095,918	11,095,918	10,615,325
Revenues				
Charges for Services	10,731,165	11,527,500	10,693,920	11,862,500
Fees	207,128	210,000	195,000	210,000
Interest Income	15,243	15,000	12,000	15,000
Miscellaneous	58,874	42,000	47,500	52,000
Total Enterprise Fund Revenues	11,012,410	11,794,500	10,948,420	12,139,500
Expenditures				
Salaries & Benefits	1,047,705	1,091,683	1,053,152	1,282,810
Supplies & Materials	65,186	83,590	109,229	102,640
Maintenance & Operations	6,846,202	6,754,919	6,553,230	6,614,680
Contract Services	49,896	76,200	66,829	102,200
Utilities	308,371	341,850	349,350	325,400
Capital Expenses	157,944	253,522	297,400	244,600
Debt Service	1,180,166	1,344,919	1,344,919	1,650,583
Total Expenditures	9,655,470	9,946,683	9,774,109	10,322,913
Other Uses				
Transfers Out	1,611,833	1,654,904	1,654,904	1,811,441
Total Other Uses	1,611,833	1,654,904	1,654,904	1,811,441
Total Expenses/Uses	11,267,303	11,601,587	11,429,013	12,134,354
Excess of Revenues/Sources over Expenditures/Uses	(254,893)	192,913	(480,593)	5,146
Ending Fund Balance	11,095,918	11,288,831	10,615,325	10,620,471

ENTERPRISE FUND REVENUES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Water				
4110 Water Billing	1,519,378	1,720,000	1,700,000	1,850,000
4112 Water Meter Revenue	16,750	20,000	30,000	40,000
Total Water	1,536,128	1,740,000	1,730,000	1,890,000
4120 Total Sewer	1,493,175	1,700,000	1,343,170	1,850,000
Electric				
4140 Electric Income	7,613,518	8,000,000	7,500,000	8,000,000
4141 Security Lights	70,590	70,000	60,000	70,000
4145 Construction Income	-	-	30,000	30,000
4146 Pole Contact Fee	17,570	17,500	25,000	17,500
4147 Saw Set Pole Fees	60	-	5,000	5,000
4148 Meter Bases	124	-	750	-
Total Electric	7,701,862	8,087,500	7,620,750	8,122,500
Penalties & Fees				
4151 Penalties	145,998	150,000	140,000	150,000
4152 Service Fees	61,130	60,000	55,000	60,000
Total Penalties and Fees	207,128	210,000	195,000	210,000
4800 Total Interest	15,243	15,000	12,000	15,000
Miscellaneous Income				
4910 Miscellaneous Income	19,822	10,000	10,000	10,000
4913 Credit Card Fees	31,642	30,000	36,000	40,000
4930 Returned Check Fees	2,100	2,000	1,500	2,000
4946 Insurance Damage Reimbursement	5,310	-	-	-
Total Miscellaneous	58,874	42,000	47,500	52,000
Total Revenues	11,012,410	11,794,500	10,948,420	12,139,500

WATER DEPARTMENT

Overview

The Water Department operates and maintains the city's potable water system providing service to over 2000 customers.

Expenditure Summary

Category	2015-16	2016-17	2016-17	2017-18	Difference	% Change
	Actual	Budget	Estimated	Budget		
Salaries & Benefits	328,049	365,653	344,123	384,212	18,559	5.08%
Supplies & Materials	20,848	22,500	17,751	22,500	-	0.00%
Maintenance & Operations	730,901	609,325	588,764	623,300	13,975	2.29%
Contract Services	5,306	8,500	12,500	6,500	(2,000)	-23.53%
Utilities	150,319	161,000	151,000	150,400	(10,600)	-6.58%
Capital Expenses	129,459	167,771	218,500	104,600	(63,171)	-37.65%
Total	1,364,882	1,334,749	1,332,638	1,291,512	(43,237)	-3.24%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	5	6	6
Part Time	0	0	0

Goals and Performance

Performance Measure	Critical Mission	Stakeholders	Benchmark	2013-14 Average	2014-15 Average	2015-16 Average
To meet customer expectations of prompt service, water leaks will be responded to within sixty minutes or less on average.	Water line maintenance	Public	60 minutes or less	11.43	0:12:55	16:11
To meet customer expectations of prompt service, minor sewer blockages will be corrected within sixty minutes or less on average.	Waste Water Collection	Public	60 minutes or less	1:16	1:22	1:06
New water meters will be set within two working days of generated work order on average.	New Service	Public	2 Days	1.43	1.00	1
Number of water main breaks per month			Info Only	2.82	2.50	1.67
Number of re-reads per month			Info Only	732.00	823.50	644.92
Number of new services installed per month			Info Only	3.75	8.33	4.58
Monthly Water Consumption			Info Only	23,516,208	22,029,612	22,920,873

WATER DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Regular Salaries	219,284	225,565	229,785	235,914
5111 Merit Increase	-	4,511	-	8,257
5117 Vacation Compensation	-	2,000	3,146	2,100
5119 Standby Pay	-	2,392	-	2,500
5120 Overtime	19,164	26,000	18,046	26,000
5125 Longevity Pay	1,548	1,692	2,466	1,932
5129 Cell Phone Allowance	-	-	-	600
5130 F I C A	19,071	19,948	19,177	21,050
5140 Retirement	17,876	20,398	16,977	21,875
5150 Health Insurance	42,382	46,800	41,868	46,800
5160 Worker's Compensation	7,468	15,150	12,327	15,987
5170 T.E.C.	1,031	1,197	331	1,197
5180 Medical/Physicals	180	-	-	-
5182 Background Checks	45	-	-	-
Total 51-Salaries And Benefits	328,049	365,653	344,123	384,212
52-Supplies And Materials				
5210 Office Supplies	23	-	-	-
5220 Postage	1,254	1,500	-	1,500
5223 Chemical Supplies	4,738	6,000	3,884	6,000
5230 Advtg (Wa. Drinking)	1,217	1,300	1,300	1,300
5235 Dues And Subscriptions	2,765	3,000	3,042	3,000
5240 Conferences And Training	-	200	525	200
5250 Minor Tools	5,009	5,000	4,300	5,000
5255 Wearing Apparel	4,098	3,000	2,500	3,000
5260 Safety Equipment	1,744	2,500	2,200	2,500
Total 52-Supplies And Materials	20,848	22,500	17,751	22,500

WATER DEPARTMENT EXPENDITURES

	2015-16	2016-17	2016-17	2017-18
	Actual	Budget	Estimate	Budget
50-Water Expenditures				
53-Maintenance And Operations				
5310 R & M Building	824	1,025	2,000	-
5320 Motor Vehicle Fuel	9,813	15,000	12,022	15,000
5325 R & M Motor Vehicle	12,324	7,500	12,500	7,500
5326 R & M Minor Equipment	648	5,000	100	5,000
5335 Permit Fees	33,461	34,500	33,731	34,500
5345 Lease Equipment	585	800	780	800
5350 Franchise Fees	99,000	99,000	90,786	99,000
5360 System Maintenance	82,842	70,000	69,627	70,000
5372 Water Meter & Boxes	41,053	50,000	64,900	65,000
5373 R & M Water Wells	41,778	30,000	32,000	30,000
5374 R & M Scada	8,619	10,000	9,287	10,000
5377 Testing	15,950	8,000	16,000	8,000
5385 Water Purchase	64,044	65,000	65,000	65,000
5386 Utility Demand Charge	201,682	213,500	180,031	213,500
5390 Radios	201	-	-	-
5399 Inventory Adjustment	118,077	-	-	-
Total 53-Maintenance And Operations	730,901	609,325	588,764	623,300
54-Contract Services				
5430 Professional Svcs	2,630	7,500	10,000	3,000
5450 Technical Support	2,676	1,000	2,500	3,500
Total 54-Contract Services	5,306	8,500	12,500	6,500
55-Utilities				
5515 50-5515 Electric	149,550	160,000	150,000	150,000
5520 50-5520 Cell Phone	769	1,000	1,000	400
Total 55-Utilities	150,319	161,000	151,000	150,400
61-Capital Outlay				
6130 Vehicles	23,815	-	30,000	-
6135 Mobile Equipment	98,894	77,771	98,500	-
6140 Other Improvements	6,750	-	-	-
6145 Water Equipment	-	90,000	90,000	104,600
Total 61-Capital Outlay	129,459	167,771	218,500	104,600
Total 50-Water	1,364,882	1,334,749	1,332,638	1,291,512

WASTE WATER DEPARTMENT

Overview

The Waste Water department is responsible for the collection and treatment of waste water through the City's sanitary sewer system.

Expenditure Summary

Category	2015-16	2016-17	2016-17	2017-18	Difference	% Change
	Actual	Budget	Estimated	Budget		
Salaries & Benefits	157,326	157,754	153,383	205,629	47,875	30.35%
Supplies & Materials	8,130	18,340	47,013	38,140	19,800	107.96%
Maintenance & Operations	227,565	281,380	233,070	245,580	(35,800)	-12.72%
Contract Services	147	500	500	3,500	3,000	600.00%
Utilities	149,671	170,600	189,600	175,000	4,400	2.58%
Capital Expenses	28,485	-	-	-	-	-
Total	571,324	628,574	623,566	667,849	39,275	6.25%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	2	2	3
Part Time	0	0	0

Goals and Performance

Performance Measure	Critical Mission	Stakeholders	Benchmark	2013-14 Average	2014-15 Average	2015-16 Average
Average Daily Gallons Treated per Month			Info Only	581,910	634,310	654,820
Sewer Line Repairs			Info Only	1.18	1.25	1.08
Daily Peaks over 700,000 gallons			Info Only	1.17	5.25	5.83
Reduce odor and eliminate unwanted discharge by processing an average of 10 cubic yards of sludge on average each month.	Waste Water Treatment	Public	10 or more	15.88	10.83	11.82

WASTE WATER DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Regular Salaries	99,700	99,575	90,812	129,607
5111 Merit Increase	-	1,992	-	4,537
5117 Vacation Compensation	-	1,000	2,453	1,000
5119 Standby Pay	-	5,044	-	5,100
5120 Overtime	20,855	10,000	25,594	10,000
5125 Longevity Pay	1,124	1,048	1,338	1,036
5129 Cell Phone Allowance	-	-	-	600
5130 F I C A	8,883	9,047	8,626	11,444
5140 Retirement	8,965	9,251	8,050	11,894
5150 Health Insurance	15,461	15,600	13,846	23,400
5160 Worker's Compensation	1,996	4,684	2,635	6,327
5170 T.E.C.	342	513	29	684
Total 51-Salaries And Benefits	157,326	157,754	153,383	205,629
52-Supplies And Materials				
5223 Chemical Supplies	3,244	10,000	42,884	30,000
5230 Advertising	492	-	-	-
5235 Dues And Subscriptions	1,575	1,500	798	1,500
5240 Conferences And Training	11	-	225	-
5245 Janitorial Supplies	95	200	-	-
5250 Tools & Equipment	1,208	1,500	963	1,500
5255 Wearing Apparel	1,058	1,140	700	1,140
5260 Safety Equipment	117	2,000	286	2,000
5270 Laboratory Supplies	-	1,500	1,157	1,500
5285 Furniture And Fixtures	330	500	-	500
Total 52-Supplies And Materials	8,130	18,340	47,013	38,140
53-Maintenance And Operations				
5310 R & M Building	-	5,000	3,911	-
5325 R & M Motor Vehicle	1,282	1,000	1,217	1,000
5326 R & M Equipment	-	500	126	500
5335 Permit Fees	3,391	20,800	8,286	10,000
5350 Franchise Fees	94,080	94,080	82,320	94,080
5360 System Maintenance	123,729	150,000	130,000	130,000
5377 Testing	5,083	10,000	7,210	10,000
Total 53-Maintenance And Operations	227,565	281,380	233,070	245,580

WASTE WATER DEPARTMENT EXPENDITURES

54-Waste Water Expenditures		2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
54-Contract Services					
5430	Professional Services	-	-	-	3,000
5450	Technical Support	147	500	500	500
Total 54-Contract Services		147	500	500	3,500
55-Utilities					
5510	Telephone Services	-	-	-	-
5515	Electric	143,015	160,000	150,000	155,000
5520	Cell Phone	550	600	600	-
5535	Solid Waste	6,106	10,000	39,000	20,000
Total 55-Utilities		149,671	170,600	189,600	175,000
61-Capital Outlay					
6140	Other Improvements	28,485	-	-	-
Total 61-Capital Outlay		28,485	-	-	-
Total 54-Waste Water		571,324	628,574	623,566	667,849

ELECTRIC DEPARTMENT

Overview

The Electric department provides service to over 2000 customers and maintains the electrical distribution system with the City's Electric service area.

Expenditure Summary

Category	2015-16	2016-17	2016-17	2017-18	Difference	% Change
	Actual	Budget	Estimated	Budget		
Salaries & Benefits	562,330	568,276	555,646	617,969	49,693	8.74%
Supplies & Materials	36,208	42,750	44,465	42,000	(750)	-1.75%
Maintenance & Operations	5,887,736	5,864,214	5,731,396	5,745,800	(118,414)	-2.02%
Contract Services	44,443	67,200	53,829	92,200	25,000	37.20%
Utilities	8,381	10,250	8,750	-	(10,250)	-100.00%
Capital Expenses	-	85,751	78,900	140,000	54,249	63.26%
Debt Service	128,117	128,052	128,052	77,816	(50,236)	-39.23%
Total	6,667,215	6,766,493	6,601,038	6,715,785	(50,708)	-0.75%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	7	7	7
Part Time	0	0	0

Goals and Performance

Performance Measure	Critical Mission	Stakeholders	Benchmark	2013-14 Average	2014-15 Average	2015-16 Average
To meet customer expectations, response time to outages will be less than 90 minutes on average.	Dependable Service	Customer	90 minutes or less	76.95	76.23	68
90% of customers who call with a service problem will be satisfied with the service provided.	Customer Satisfaction	Customer	90%	100%	100%	100%

ELECTRIC DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Regular Salaries	423,600	405,760	412,011	427,359
5111 Merit Increase	-	8,116	-	14,958
5117 Vacation Compensation	-	-	6,055	6,000
5119 Standby Pay	-	10,845	-	11,158
5120 Overtime	7,830	7,500	6,330	7,500
5125 Longevity Pay	5,056	5,392	8,088	5,728
5128 Automobile Allowance	-	-	4,250	6,000
5129 Cell Phone Allowance	-	-	-	1,800
5130 F I C A	32,882	33,569	31,759	36,300
5140 Retirement	31,904	34,326	29,424	37,723
5150 Health Insurance	54,795	54,600	48,102	54,600
5160 Worker's Compensation	4,991	6,828	9,422	7,403
5170 T.E.C.	1,197	1,340	205	1,340
5180 Medical/Physicals	75	-	-	100
Total 51-Salaries And Benefits	562,330	568,276	555,646	617,969
52-Supplies And Materials				
5210 Office Supplies	2,359	2,000	2,000	2,000
5215 Food	324	500	500	500
5230 Advertising	758	900	900	900
5235 Dues And Subscriptions	12,999	5,000	6,265	5,000
5240 Conferences And Training	1,166	5,000	3,500	5,000
5245 Janitorial Supplies	270	750	300	-
5250 Tools & Equipment	3,748	12,000	16,000	12,000
5255 Wearing Apparel	5,108	8,600	7,500	8,600
5260 Safety Equipment	8,689	8,000	7,500	8,000
5298 Non Capital Supplies And Materials	787	-	-	-
Total 52-Supplies And Materials	36,208	42,750	44,465	42,000

ELECTRIC DEPARTMENT EXPENDITURES

	2015-16	2016-17	2016-17	2017-18
58-Electric Expenditures	Actual	Budget	Estimate	Budget
53-Maintenance And Operations				
5310 R & M Building	2,776	4,000	1,462	-
5320 Motor Vehicle Fuel	9,046	20,000	9,676	15,000
5325 R & M Motor Vehicle	14,474	20,000	8,915	20,000
5326 R & M Minor Equipment	2,034	4,000	-	4,000
5329 Christmas Display	4,601	3,800	-	3,800
5330 Equipment Rental	2,288	3,000	-	3,000
5340 Hazardous Waste Disposal	585	1,000	-	1,000
5345 Lease Equipment	1,008	1,500	1,344	1,500
5347 Vandalism Replacement	-	1,000	-	1,000
5350 Franchise Fees	485,415	485,414	485,414	406,000
5355 Meter Maintenance	5,666	14,500	14,500	14,500
5360 System Maintenance	79,955	155,000	80,000	125,000
5365 Transformers	16,715	49,000	25,000	49,000
5384 Transmission Costs	920,609	900,000	900,000	900,000
5385 Wholesale Utility Purchase	4,318,024	4,200,000	4,200,000	4,200,000
5386 Fines & Penalties	16,583	-	-	-
5390 Radios Electric	20	2,000	5,085	2,000
5399 Inventory Adjustment	7,937	-	-	-
Total 53-Maintenance And Operations	5,887,736	5,864,214	5,731,396	5,745,800
54-Contract Services				
5440 Engineering Architect	-	6,000	-	6,000
5450 Technical Support	6,227	5,600	5,800	5,600
5451 Annual Software Support	1,722	2,000	3,624	2,000
5470 Contract Utility Work	7,918	25,000	15,829	25,000
5471 Contract Tree Trimming	28,576	28,600	28,576	28,600
5472 Contractual Services	-	-	-	25,000
Total 54-Contract Services	44,443	67,200	53,829	92,200
55-Utilities				
5510 Telephone Services	-	-	-	-
5515 Electric	7,021	9,000	7,500	-
5520 Cell Phone	1,360	1,250	1,250	-
Total 55-Utilities	8,381	10,250	8,750	-

ELECTRIC DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
61-Capital Outlay				
6130 Vehicles	-	33,151	-	140,000
6135 Mobile Equipment	-	52,600	78,900	-
Total 61-Capital Outlay	-	85,751	78,900	140,000
70-Debt Payments				
7020 Lease Payment	47,683	120,147	120,147	73,425
7099 Interest Expense	80,434	7,905	7,905	4,391
Total Other Expenditures	128,117	128,052	128,052	77,816
Total 58-Electric	6,667,215	6,766,493	6,601,038	6,715,785

ENTERPRISE FUND DEBT SERVICE

Overview

Debt Service is used to pay principal, interest, and bond fees on the City's debt.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Debt Service	1,052,049	1,216,867	1,216,867	1,572,767	355,900	29.25%
Total	1,052,049	1,216,867	1,216,867	1,572,767	355,900	29.25%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	0	0	0
Part Time	0	0	0

ENTERPRISE FUND DEBT SERVICE EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
70-Debt Payments				
7022	Co 2006 Principal	248,400	-	-
7023	Co 2006 Interest	41,026	-	-
7025	Co 2007 Principal	52,800	56,100	56,100
7026	Co 2007 Interest	35,714	33,396	30,928
7028	Go Refunding 2012 Principal	235,200	196,000	198,800
7029	Go Refunding 2012 Interest	35,588	28,532	22,652
7030	Co 2013 Principal	145,200	149,600	154,000
7032	Co 2013 Interest	138,116	135,212	132,220
7035	Co 2015 Principal	-	115,000	115,000
7036	Co 2015 Interest	100,548	195,725	194,650
7037	Refunding 2016 Principal	8,100	256,500	259,200
7038	Refunding 2016 Interest	10,717	49,302	44,172
7040	GO 2017 Interest	-	-	363,545
7080	Bond Administration Fees	640	1,500	1,500
Total Debt Service		1,052,049	1,216,867	1,216,867
				1,572,767

TRANSFERS TO OTHER FUNDS

Overview

The City transfers between funds in order to properly account for revenues and expenses.

Expenditure Summary

Category	2015-16	2016-17	2016-17	2017-18	Difference	% Change
	Actual	Budget	Estimated	Budget		
Transfers	1,611,833	1,654,904	1,654,904	1,811,441	156,537	9.46%
Total	1,611,833	1,654,904	1,654,904	1,811,441	156,537	9.46%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	0	0	0
Part Time	0	0	0

TRANSFERS TO OTHER FUNDS

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget	
74-Transfers					
7401	Transfer To General Fund	150,000	150,000	150,000	100,000
7441	Transfer To 4A	25,000	25,000	25,000	25,000
7454	Transfer To WW Cap	156,800	156,800	156,800	156,800
7458	Transfer To Electric Storm Recovery	161,805	160,000	160,000	160,000
7480	Transfer Pilot	85,000	85,000	85,000	85,000
7499	Transfer To Internal Service Fund	1,033,228	1,078,104	1,078,104	1,284,641
Total Transfers		1,611,833	1,654,904	1,654,904	1,811,441

NON-DEPARTMENTAL EXPENDITURES

Overview

The Non-Departmental budget accounts for expenses that cannot easily be attributed to any specific department.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Salaries & Benefits	-	-	-	75,000	75,000	-
Total	-	-	-	75,000	75,000	-

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	0	0	0
Part Time	0	0	0

NON-DEPARTMENTAL

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5199 Pay Plan Implementation	-	-	-	75,000
Total 99-Non-Departmental	-	-	-	75,000



INTERNAL SERVICE FUND

INTERNAL SERVICE FUND

Revenues and expenses related to services provided to organizations inside the City on a cost reimbursement basis are accounted for in an Internal Service Fund. The City's Internal Service Fund was set up to provide administrative support services to other Funds of the City.

The Internal Service Fund receives revenues from transfers from the General Fund and the Enterprise Fund.

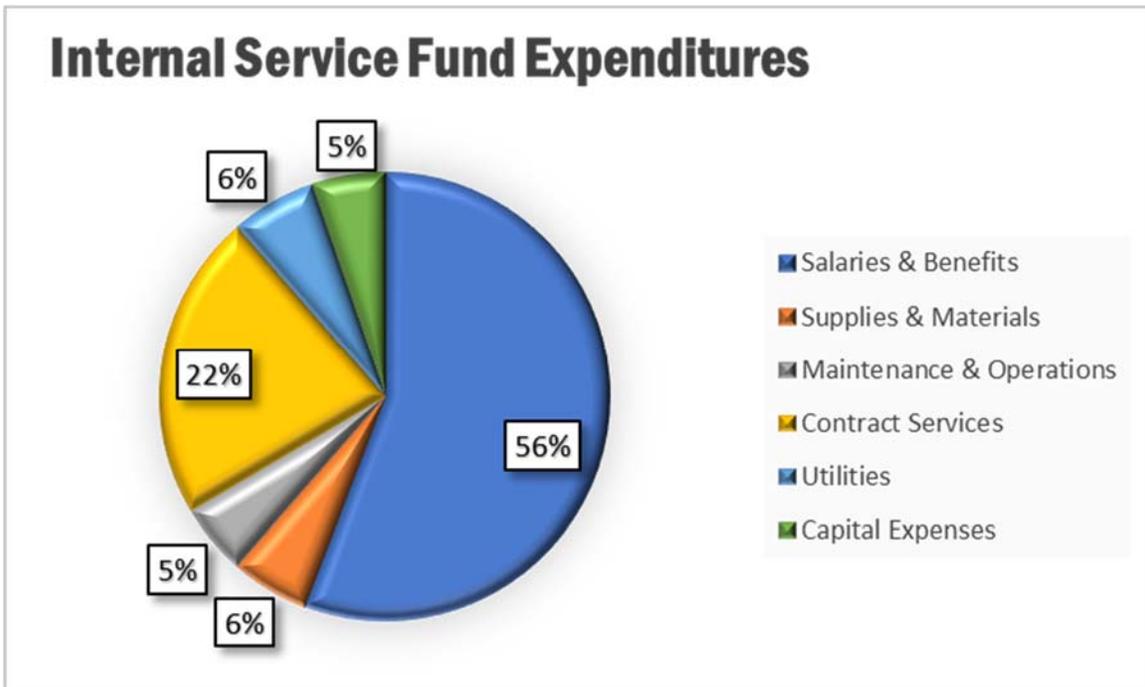
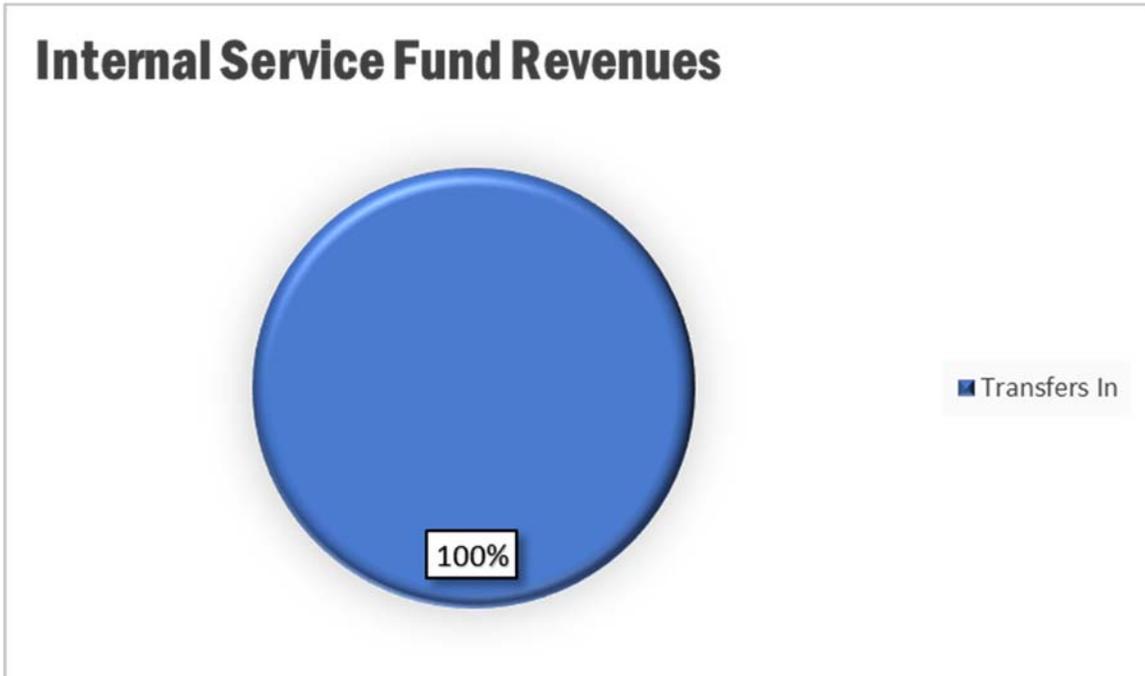
The Internal Service Fund includes these departments:

- Mayor and Council
- Administration
- Public Works Administration
- Finance
- Fleet Services
- Non-Departmental

The basis of accounting for the Internal Service Fund for both financial reporting and budgeting is the modified accrual basis.

NOTE: *Certain expenses related to facilities (utilities, maintenance, etc.) are moved from individual departments to the new Facilities Department in the Internal Service Fund for the 2017-2018 Annual Budget.*

INTERNAL SERVICE FUND BUDGET SUMMARY



INTERNAL SERVICE FUND BUDGET SUMMARY

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	-	-	-	-
Other Sources				
Transfers from General Fund	436,302	462,045	440,196	550,846
Transfers from Enterprise Fund	1,018,037	1,078,104	1,027,123	1,284,641
Transfers from 4A Fund	-	-	-	4,100
Total Internal Service Fund Revenues	1,454,339	1,540,149	1,467,319	1,839,587
Expenditures				
Salaries & Benefits	930,496	1,001,803	934,477	1,027,157
Supplies & Materials	96,408	108,950	106,077	103,290
Maintenance & Operations	37,008	50,900	40,850	92,512
Contract Services	321,278	323,102	336,909	408,028
Utilities	33,848	42,094	34,550	112,000
Capital Expenses	35,301	13,300	14,456	96,600
Total Expenditures	1,454,339	1,540,149	1,467,319	1,839,587
Excess of Revenues over Expenditures	-	-	-	-
Ending Fund Balance	-	-	-	-

CITY COUNCIL DEPARTMENT

Overview

The City Council is elected by the people and is responsible for setting general policy and direction for city government. The Council's budget is split between the General fund and Enterprise fund. The Council's budget includes funds to pay for legal services, audit services and elections.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Salaries & Benefits	123	125	125	150	25	20.00%
Supplies & Materials	8,461	13,500	13,247	12,000	(1,500)	-11.11%
Contract Services	79,330	60,000	82,500	63,700	3,700	6.17%
Capital Outlay	-	-	-	30,000	30,000	-
Total	87,914	73,625	95,872	105,850	32,225	43.77%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	0	0	0

CITY COUNCIL DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5160 Worker's Compensation	123	125	125	150
Total 51-Salaries And Benefits	123	125	125	150
52-Supplies And Materials				
5210 Office Supplies	138	0	0	0
5215 Food	38	500	150	500
5230 Advertising	953	1,500	1,897	3,500
5235 Dues & Registrations	2,983	3,500	5,200	4,000
5240 Conferences & Seminars	171	2,000	0	2,000
5280 Computers, Printers, Etc	4,178	6,000	6,000	2,000
5298 Non Cap Supplies & Materials	0	0	0	0
Total 52-Supplies And Materials	8,461	13,500	13,247	12,000
54-Contract Services				
5415 Accounting Services	22,450	25,000	25,000	25,000
5425 Legal Services	45,783	20,000	43,000	25,000
5430 Professional Services	4,505	10,000	7,000	7,500
5450 Technical Support	6,592	5,000	7,500	6,200
Total 54-Contract Services	79,330	60,000	82,500	63,700
60-Capital Outlay < \$5K				
6020 Improvements	0	0	0	30,000
Total 60-Capital Outlay <\$5K	0	0	0	30,000
Total 10-Mayor And Council	87,914	73,625	95,872	105,850

ADMINISTRATION DEPARTMENT

Overview

Administration is responsible for the daily operations of all aspects of city government. Administration includes the offices of city manager, city secretary and human resources. Its responsibilities include human resources and payroll, record keeping, administration of contracts, oversight of other departments, economic development and long-range planning.

Expenditure Summary

Category	2015-16	2016-17	2016-17	2017-18	Difference	% Change
	Actual	Budget	Estimated	Budget		
Salaries & Benefits	351,300	376,398	361,192	340,437	(35,961)	-9.55%
Supplies & Materials	10,248	13,500	13,250	12,750	(750)	-5.56%
Maintenance & Operations	669	12,000	11,000	10,000	(2,000)	-16.67%
Contract Services	3,883	7,500	5,000	5,000	(2,500)	-33.33%
Utilities	3,985	4,000	3,475	-	(4,000)	-100.00%
Capital Expenses	-	-	1,156	-	-	-
Total	370,085	413,398	395,073	368,187	(45,211)	-10.94%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	4	4	3
Part Time	0	0	0

Goals and Performance

Performance Measure	Critical Mission	Stakeholders	Benchmark	2013-14 Average	2014-15 Average	2015-16 Average
New employee orientation will be completed within 2 business days on average.	Human Resources	Employees	2 Days	1	1.15	1.18
100% of employees will complete their annual training each year.	Human Resources	Employees	100%	100%	100%	100%
Monthly Human Resources reports will be submitted on or before the due date.	Human Resources	Vendors/ Govt. Entities	100%	100%	100%	100%
100% of open records requests are processed in the time allowed.	Records Management	Public	100%	100%	100%	100%

ADMINISTRATION DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Regular Salaries	265,776	281,554	275,000	256,026
5111 Merit Increase	0	5,631	0	8,961
5120 Overtime	0	200	0	200
5125 Longevity Pay	2,816	2,132	1,872	908
5128 Auto Allowance	6,000	6,000	6,000	6,000
5129 Cell Phone Allowance	0	0	0	1,200
5130 F I C A	22,150	22,699	22,000	20,907
5140 Retirement	21,690	23,210	22,500	21,727
5150 Health Insurance	30,655	31,200	31,200	23,400
5160 Worker's Compensation	1,529	3,084	2,500	591
5170 T.E.C.	684	688	120	517
Total 51-Salaries And Benefits	351,300	376,398	361,192	340,437
52-Supplies And Materials				
5210 Office Supplies	0	0	0	0
5215 Food	0	0	0	0
5225 Maps & Subscription	446	0	0	0
5230 Advertising	1,495	2,000	1,750	0
5235 Dues & Registration	2,594	3,000	3,000	4,250
5240 Conferences & Training	264	5,000	5,000	5,000
5255 Janitorial Apparel	0	500	500	0
5280 Computers, Printers, Etc	4,293	3,000	3,000	2,000
5285 Furniture & Fixtures	0	0	0	1,500
5298 Non Cap Supplies & Materials	1,156	0	0	0
Total 52-Supplies And Materials	10,248	13,500	13,250	12,750
53-Maintenance And Operations				
5305 Contingency Reserve	0	10,000	10,000	10,000
5320 Motor Vehicle Fuel	555	1,000	500	0
5325 R & M Motor Vehicle	114	1,000	500	0
Total 53-Maintenance And Operations	669	12,000	11,000	10,000
54-Contract Services				
5450 Technical Support	3,883	7,500	5,000	5,000
Total 54-Contract Services	3,883	7,500	5,000	5,000

ADMINISTRATION DEPARTMENT EXPENDITURES

15-Administration Expenditures		2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
55-Utilities					
5515	Electric	2,620	2,400	1,900	0
5516	Gas Service	265	400	375	0
5520	Cell Phone	1,100	1,200	1,200	0
Total 55-Utilities		3,985	4,000	3,475	0
60-Capital Outlay < \$5K					
6010	Computer Equipment	0	0	1,156	0
Total 60-Capital Outlay <\$5K		0	0	1,156	0
Total 15-Administration		370,085	413,398	395,073	368,187

PUBLIC WORKS ADMINISTRATION DEPARTMENT

Overview

Public Works Administration oversees the street, park and recreation, fleet maintenance, water and wastewater departments. It is also responsible for engineering services and liaison with outside engineers and contractors. Public Works Administration oversees most capital improvement projects. Engineering also reviews new subdivision plans and serves as the flood plain coordinator.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Salaries & Benefits	195,206	161,279	156,573	233,604	72,325	44.84%
Supplies & Materials	12,930	12,790	13,355	11,340	(1,450)	88.66%
Maintenance & Operations	16,560	3,500	5,000	1,512	(1,988)	43.20%
Contract Services	21,117	25,000	23,420	26,000	1,000	104.00%
Utilities	3,423	9,600	4,350	-	(9,600)	0.00%
Capital Outlay	16,301	-	-	1,000	1,000	-
Total	265,537	212,169	202,698	273,456	61,287	128.89%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	2	2	3

PUBLIC WORKS ADMINISTRATION DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Regular Salaries	142,860	115,905	116,000	161,289
5111 Merit Increase	-	2,318	-	5,645
5117 Vacation Compensation	-	500	1,003	500
5120 Overtime	-	300	120	300
5125 Longevity Pay	368	300	300	1,252
5128 Vehicle Allowance	6,000	6,000	6,000	6,000
5129 Cell Phone Allowance	-	-	-	1,200
5130 F I C A/Medicare	9,898	9,595	9,163	13,440
5140 Retirement	11,626	9,811	8,328	13,967
5150 Health Insurance	23,201	15,600	15,600	23,400
5160 Worker's Compensation	740	602	-	6,092
5170 T.E.C.	513	348	59	519
Total 51-Salaries And Benefits	195,206	161,279	156,573	233,604
52-Supplies And Materials				
5210 Office Supplies	1,386	3,400	3,000	3,000
5215 Food	-	400	350	300
5230 Advertising	406	450	1,250	600
5235 Dues And Subscriptions	3,230	3,310	3,800	3,310
5240 Conferences And Training	545	1,330	1,905	1,330
5245 Janitorial Supplies	826	1,500	750	-
5275 Filing Fees	185	100	-	500
5280 Computer Systems	2,305	2,000	2,000	2,000
5285 Furniture And Fixtures	4,047	300	300	300
Total 52-Supplies And Materials	12,930	12,790	13,355	11,340
53-Maintenance And Operations				
5310 R & M Building	15,055	2,000	3,500	-
5310 Motor Vehicle Fuel	79	-	-	-
5332 Office Machine Leas	1,426	-	-	-
5345 Lease Equipment	-	1,500	1,500	1,512
Total 53-Maintenance And Operations	16,560	3,500	5,000	1,512

PUBLIC WORKS ADMINISTRATION DEPARTMENT EXPENDITURES

18-Public Works Admin Expenditures		2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
54-Contract Services					
5430	Professional Service	2,500	2,500	2,500	2,500
5440	Engineering/Architect	1,525	8,000	5,000	10,000
5450	Technical Support	11,092	8,836	9,500	7,500
5451	Annual Software Sup	6,000	5,664	6,420	6,000
Total 54-Contract Services		21,117	25,000	23,420	26,000
55-Utilities					
5515	Electric	2,224	8,100	3,000	-
5516	Gas Service	649	900	750	-
5520	Cell Phone	550	600	600	-
Total 55-Utilities		3,423	9,600	4,350	-
61-Capital Outlay					
6120	Building Improvements	16,301	-	-	-
6145	Other Equipment	-	-	-	1,000
Total 61-Capital Outlay		16,301	-	-	1,000
Total 18-Public Works		265,537	212,169	202,698	273,456

FINANCE DEPARTMENT

Overview

The Finance Department is responsible for all banking and investments activities of the City. Finance also handles accounts payable and utility billing. Finance assists administration with budget preparation and monitoring and provides reports to the manager and council on current revenues and expenditures.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Salaries & Benefits	309,182	331,323	327,752	359,977	28,654	8.65%
Supplies & Materials	15,371	26,460	25,225	17,500	(8,960)	-33.86%
Maintenance & Operations	3,289	2,000	1,750	-	(2,000)	-100.00%
Contract Services	65,615	67,852	66,350	90,028	22,176	32.68%
Utilities	3,222	3,894	2,925	-	(3,894)	-100.00%
Capital Outlay	-	-	-	52,000	52,000	-
Total	396,679	431,529	424,002	519,505	87,976	20.39%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	5	5	5

Goals and Performance

Performance Measure	Critical Mission	Stakeholders	Benchmark	2013-14 Average	2014-15 Average	2015-16 Average
To ensure accurate billing 98% of utility bills will be correct prior to posting.	Utility Billing	Utility Customers	98%	100%	100%	100%
To meet Department expectations 98% of purchase requests will be processed to purchase orders within 3 business days on average.	Purchasing	Employees	98%	100%	100%	100%
To meet vendors expectations 100% of all accurate invoices will be paid within 30 days.	Accounts Payable	Vendors	98%	100%	100%	98%
To meet our fiduciary duty 98% of bank deposits will be accurate when they are deposited in the bank.	Cash Collections	Public	98%	100%	100%	100%
To meet employee expectations 98% of all checks will be processed without any errors attributable to the finance department.	Payroll	Employees	98%	100%	100%	100%
98% of Customers will rate their satisfaction with our service as three or better on a scale of 1-4.	Customer Service	Customers	98%	100%	100%	100%

FINANCE DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Regular Salaries	232,792	245,695	250,000	259,211
5111 Merit Increase	-	4,914	-	9,073
5125 Longevity Pay	716	676	652	892
5128 Automobile Allowance	-	-	-	6,000
5129 Cell Phone Allowance	-	-	-	600
5130 F I C A	18,259	19,270	18,500	21,097
5140 Retirement	17,865	19,704	18,500	21,925
5150 Health Insurance	37,832	39,000	39,000	39,000
5160 Worker's Compensation	782	1,209	750	1,324
5170 T.E.C.	813	855	350	855
5180 Medical/Physicals	70	-	-	-
8182 Background Checks	53	-	-	-
Total 51-Salaries And Benefits	309,182	331,323	327,752	359,977
52-Supplies And Materials				
5201 Other	-	-	-	-
5210 Office Supplies	5,505	10,460	9,950	7,500
5230 Advertising	-	-	-	-
5235 Dues And Subscriptions	910	1,000	975	1,000
5240 Conferences And Training	4,222	6,000	5,500	6,000
5245 Janitorial Supplies	735	1,000	800	-
5280 Computer Systems	2,449	3,000	3,000	3,000
5280 Furniture and Fixtures	1,550	5,000	5,000	-
5298 Non Capital Supplies And Materials	-	-	-	-
Total 52-Supplies And Materials	15,371	26,460	25,225	17,500
53-Maintenance And Operations				
5310 R & M Building	3,289	2,000	1,750	-
5325 R & M Motor Vehicle	-	-	-	-
Total 53-Maintenance And Operations	3,289	2,000	1,750	-
54-Contract Services				
5426 Credit Card Fees	33,279	35,000	34,000	45,000
5429 MVBA Collection Fees	-	350	350	1,000
5450 Technical Support	12,915	10,880	10,500	15,000
5451 Annual Software Support	19,421	21,622	21,500	29,028
Total 54-Contract Services	65,615	67,852	66,350	90,028

FINANCE DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
55-Utilities				
5515 Electric	2,408	3,000	2,000	-
5516 Gas Service	264	294	325	-
5520 Cell Phone	550	600	600	-
Total 55-Utilities	3,222	3,894	2,925	-
60-Capital Outlay				
6025 Computer Hardware	-	-	-	52,000
Total 60-Capital Outlay	-	-	-	52,000
Total 19-Finance	396,679	431,529	424,002	519,505

FLEET SERVICES DEPARTMENT

Overview

Fleet Services provides vehicle and equipment maintenance for all City departments.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Salaries & Benefits	61,822	112,678	71,835	70,989	(41,689)	-37.00%
Supplies & Materials	17,145	9,700	8,000	8,200	(1,500)	-15.46%
Maintenance & Operations	7,478	12,400	9,000	10,000	(2,400)	-19.35%
Contract Services	49	5,000	4,144	1,000	(4,000)	-80.00%
Utilities	4,227	5,600	4,800	-	(5,600)	-100.00%
Capital Expenses	19,000	13,300	13,300	1,600	(11,700)	-87.97%
Total	109,721	158,678	111,079	91,789	(66,889)	-42.15%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	2	2	2
Part Time	0	0	0

Goals and Performance

Performance Measure	Critical Mission	Stakeholders	Benchmark	2013-14 Average	2014-15 Average	2015-16 Average
Complete repair orders in a maximum of five business days on average.	Customer Service	Internal Customers	5 days	3.45	3.75	1.5
Complete all scheduled routine maintenance in a maximum of five business days on average.	Customer Service	Internal Customers	5 days	3.05	2.82	1.08
Number of Completed routine Maintenance orders						5.08
Complete all emergency repair orders within the same business day.	Customer Service	Internal Customers	1 day	0.17	0.38	1.00

FLEET SERVICES DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5110 Regular Salaries	44,366	78,549	48,000	49,683
5111 Merit Increase	-	1,570	-	1,739
5117 Vacation Compensation	-	-	-	-
5120 Overtime	592	500	745	500
5125 Longevity Pay	12	108	60	108
5129 Cell Phone Allowance	-	-	-	600
5130 F I C A	3,380	6,175	6,000	3,980
5140 Retirement	3,305	6,314	6,000	4,136
5150 Health Insurance	7,827	15,600	7,800	7,800
5160 Worker's Compensation	2,071	3,511	3,200	2,263
5170 T.E.C.	269	351	30	180
5180 Medical/Physicals	-	-	-	-
5182 Background Checks	-	-	-	-
Total 51-Salaries And Benefits	61,822	112,678	71,835	70,989
52-Supplies And Materials				
5223 Chemical Supplies	1,753	500	450	500
5235 Dues And Subscriptions	25	500	-	500
5245 Mechanic Shop Supplies	-	600	600	500
5250 Tools & Equipment	7,001	2,200	1,900	2,300
5252 Mechanic Supplies	1,748	1,700	1,700	1,700
5255 Wearing Apparel	1,322	2,200	1,500	2,200
5260 Safety Equipment	316	500	350	500
5280 Computer Systems	955	1,500	1,500	-
5298 Non Capital Supplies And Materials	4,025	-	-	-
Total 52-Supplies And Materials	17,145	9,700	8,000	8,200
53-Maintenance And Operations				
5310 R & M Building	1,514	2,400	800	-
5320 Motor Vehicle Fuel	1,045	1,000	1,000	1,000
5321 Oil & Lubricants	2,716	5,500	4,500	5,500
5325 R & M Motor Vehicle	2,071	1,500	1,000	1,700
5326 R & M Minor Equipment	132	1,200	900	1,000
5345 Lease/Purchase Equip	-	800	800	800
5390 Radios	-	-	-	-
Total 53-Maintenance And Operations	7,478	12,400	9,000	10,000

FLEET SERVICES DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget	
54-Contract Services					
5450	Technical Support	49	144	144	-
5451	Annual Software Support	-	4,856	4,000	1,000
Total 54-Contract Services		49	5,000	4,144	1,000
55-Utilities					
5515	36-5515 Electric	3,151	4,000	3,000	-
5516	Gas	1,026	1,000	1,200	-
5520	Cell Phone	50	600	600	-
Total 55-Utilities		4,227	5,600	4,800	-
61-Capital Outlay					
6120	Building Improvements	-	6,000	6,000	-
6145	Fleet Equipment	19,000	7,300	7,300	1,600
Total 61-Capital Outlay		19,000	13,300	13,300	1,600
Total 36-Fleet Services		109,721	158,678	111,079	91,789

FACILITIES DEPARTMENT

Overview

The Facilities Department provides for the maintenance and operations of City-owned buildings. This includes repairs, janitorial services and utilities. The Facilities Department has been created for the 2016-2017 budget and assumes the cost of facility maintenance that has previously been accounted for in individual departments.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Supplies & Materials	-	-	-	9,500	9,500	-
Maintenance & Operations	-	-	-	56,000	56,000	-
Contract Services	-	-	-	48,000	48,000	-
Utilities	-	-	-	112,000	112,000	-
Capital Outlay	-	-	-	12,000	12,000	-
Total	-	-	-	237,500	237,500	0.00%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	0	0	0

NOTE: *Certain expenses related to facilities (utilities, maintenance, etc.) are moved from individual departments to the new Facilities Department in the Internal Service Fund for the 2017-2018 Annual Budget.*

FACILITIES DEPARTMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
52-Supplies And Materials				
Janitorial Supplies	-	-	-	9,000
Janitorial Apparel	-	-	-	500
Total 54-Supplies & Materials	-	-	-	9,500
53-Maintenance & Operations				
R&M Building	-	-	-	55,000
Motor Vehicle Fuel	-	-	-	500
R&M Motor Vehicle	-	-	-	500
Total 53-Maintenance And Operations	-	-	-	56,000
54-Contract Services				
Janitorial Services	-	-	-	48,000
Total 54-Contract Services	-	-	-	48,000
55-Utilities				
Telephone Services	-	-	-	20,000
Electric	-	-	-	85,000
Gas Service	-	-	-	7,000
Total 55-Utilities	-	-	-	112,000
60-Capital Outlay				
Improvements	-	-	-	12,000
Total 60-Capital Outlay	-	-	-	12,000
Total 98-Facilities	-	-	-	237,500

NON-DEPARTMENTAL

Overview

The Non-Departmental budget accounts for expenses that cannot easily be attributed to any specific department. This includes postage, property and liability insurance and tax collection fees.

Expenditure Summary

Category	2015-16 Actual	2016-17 Budget	2016-17 Estimated	2017-18 Budget	Difference	% Change
Salaries & Benefits	12,863	20,000	17,000	22,000	2,000	10.00%
Supplies & Materials	32,253	33,000	33,000	32,000	(1,000)	-3.03%
Maintenance & Operations	9,012	21,000	14,100	15,000	(6,000)	-28.57%
Contract Services	151,284	157,750	155,495	174,300	16,550	10.49%
Utilities	18,991	19,000	19,000	-	(19,000)	-100.00%
Total	224,403	250,750	238,595	243,300	(7,450)	-2.97%

Personnel

Authorized Employees	2015-16	2016-17	2017-18
Full Time	0	0	0
Part Time	0	0	0

NON-DEPARTMENTAL EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
51-Salaries And Benefits				
5150 Health Insurance	8,838	10,000	7,500	10,000
5183 Safety & Incentive	4,025	10,000	9,500	12,000
Total 51-Salaries And Benefits	12,863	20,000	17,000	22,000
52-Supplies And Materials				
5210 Office Supplies	533	1,000	1,500	-
5220 Postage	31,720	32,000	31,500	32,000
Total 54-Supplies & Materials	32,253	33,000	33,000	32,000
53-Maintenance & Operations				
5332 Office Machine Lease	4,745	6,000	2,600	5,000
5397 Reimburse For Damage Claims	4,267	15,000	11,500	10,000
Total 53-Maintenance And Operations	9,012	21,000	14,100	15,000
54-Contract Services				
5410 T.M.L. Insurance	82,318	90,000	96,000	100,000
5420 Tax Collections	23,576	25,000	24,000	26,000
5430 Professional Services	41,695	40,000	30,000	43,750
5435 Medicals/Physicals	-	2,000	-	2,000
5436 Background Checks	-	750	-	750
5452 Website Hosting Fees	3,695	-	5,495	1,800
Total 54-Contract Services	151,284	157,750	155,495	174,300
55-Utilities				
5510 Telephone Services	18,991	19,000	19,000	-
Total 55-Utilities	18,991	19,000	19,000	-
Total 99-Non-Departmental	224,403	250,750	238,595	243,300

4A FUND

4A CORPORATION

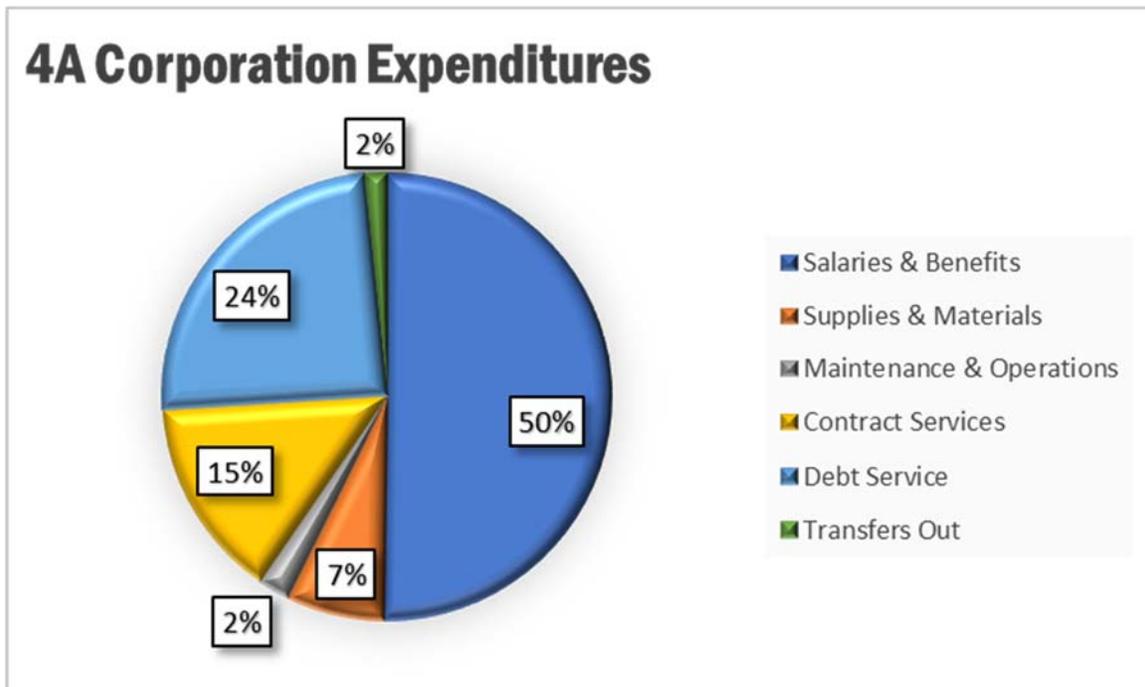
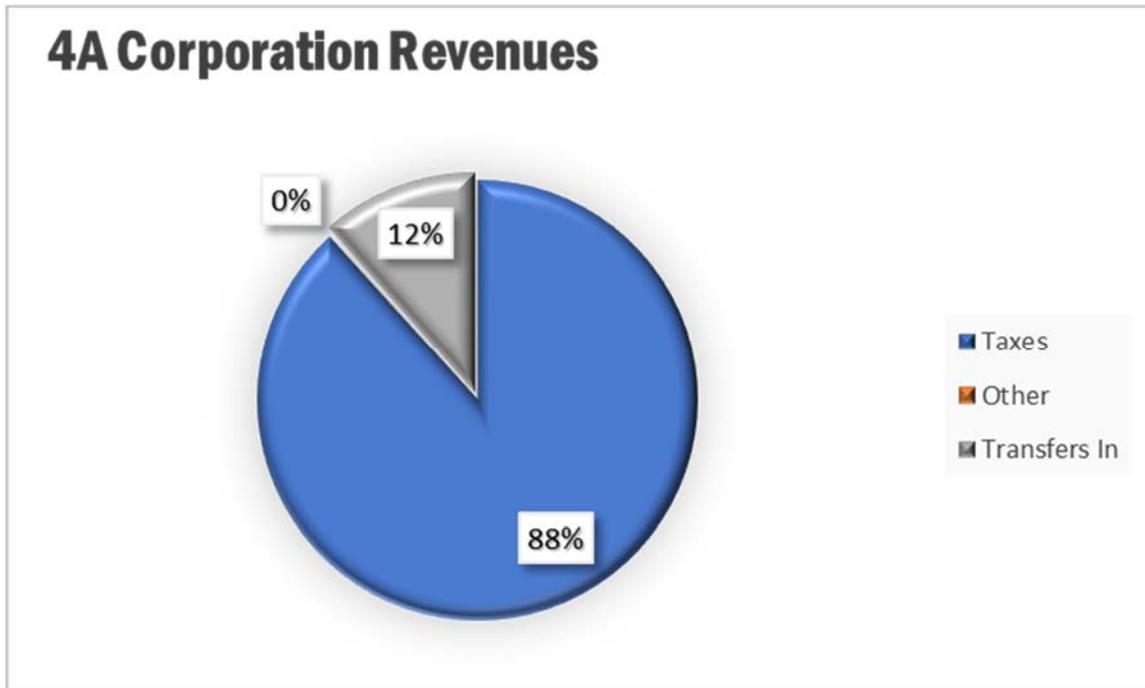
Overview

The Sanger Texas Industrial Development Corporation (4A Fund) is funded by a 1/2 cent sales tax. It is used to help new and existing businesses expand in Sanger with a primary goal of bringing jobs to the Sanger community. Primary jobs include manufacturing and distribution jobs that increase income and enhance the local economy.

The Sanger Texas Industrial Development Corporation is governed by a board of five directors, all of whom are appointed by the City Council of the City of Sanger. The 4A Fund was incorporated in the state of Texas as a non-profit industrial development corporation under section 4A of the Development Corporation Act of 1979.

The basis of accounting for the 4A Corporation Fund for both financial reporting and budgeting is the modified accrual basis.

4A CORPORATION FUND BUDGET SUMMARY



4A CORPORATION FUND BUDGET SUMMARY

	Actual	Budget	Estimate	Budget
Beginning Fund Balance	1,597,619	1,760,858	1,760,858	1,261,841
Revenues				
Sales Taxes	394,820	362,500	400,000	385,000
Interest Income	80,124	79,000	12,956	1,000
Total Revenues	474,944	441,500	412,956	386,000
Other Sources				
Transfers In	50,000	50,000	50,000	50,000
Total Other Sources	50,000	50,000	50,000	50,000
Total Revenues/Sources	524,944	491,500	462,956	436,000
Expenditures				
Salaries & Benefits	101,698	123,822	121,189	126,227
Supplies & Materials	10,795	20,800	20,800	17,600
Maintenance & Operations	355	6,867	1,867	5,880
Contract Services	12,040	6,250	6,250	36,250
Utilities	550	4,100	600	-
Debt Service	61,267	61,267	61,267	61,267
Total Expenditures	186,705	223,106	211,973	247,224
Other Uses				
Transfers Out	175,000	-	750,000	4,100
Total Other Uses	175,000	-	750,000	4,100
Total Expenses/Uses	361,705	223,106	961,973	251,324
Excess of Revenues/Sources over Expenditures/Uses	163,239	268,394	(499,017)	184,676
Ending Fund Balance	1,760,858	2,029,252	1,261,841	1,446,517

4A CORPORATION FUND REVENUES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Taxes				
4325 Sales Tax	394,820	362,500	400,000	385,000
Total Taxes	394,820	362,500	400,000	385,000
Miscellaneous Income				
4446 Grant Revenue	-	-	5,000	-
4910 Rental Income	78,667	78,000	6,556	-
4913 Interest Income	1,457	1,000	1,400	1,000
Total Miscellaneous	80,124	79,000	12,956	1,000
Transfers				
4980 Transfers from Enterprise Fund	25,000	25,000	25,000	25,000
4986 Transfers from 4B Fund	25,000	25,000	25,000	25,000
Total Transfers	50,000	50,000	50,000	50,000
Total Revenues	524,944	491,500	462,956	436,000

ECONOMIC DEVELOPMENT EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget	
51-Salaries And Benefits					
5110	Regular Salaries	73,891	91,000	89,000	91,910
5111	Merit Increase	-	2,730	2,730	3,217
5125	Longevity Pay	52	100	100	148
5128	Auto Allowance	6,000	6,000	6,000	6,000
5129	Cell Phone Allowance	-	-	-	600
5130	F I C A	7,133	7,683	7,683	7,793
5140	Retirement	6,624	7,856	7,856	8,099
5150	Health Insurance	7,827	7,800	7,800	7,800
5160	Worker's Compensation	-	482	-	489
5170	T.E.C.	171	171	20	171
Total 51-Salaries And Benefits		101,698	123,822	121,189	126,227
52-Supplies And Materials					
5210	Office Supplies	437	1,000	1,000	800
5215	Food	119	300	300	300
5226	Marketing And Promotion	7,734	11,500	11,500	10,000
5235	Dues And Registrations	1,660	2,000	2,000	2,000
5240	Conferences And Training	845	4,000	4,000	4,000
5280	Computer Systems	-	500	500	500
5285	Furniture And Fixtures	-	1,500	1,500	-
Total 52-Supplies And Materials		10,795	20,800	20,800	17,600
53-Maintenance And Operations					
5310	R & M Building	355	5,000	-	5,000
5332	Office Machine Lease	-	1,867	1,867	880
Total 53-Maintenance And Operations		355	6,867	1,867	5,880
54-Contract Services					
5430	Professional Service	10,200	3,000	3,000	33,000
5445	Property Taxes	-	-	-	-
5450	Technical Support	490	1,500	1,500	1,500
5451	Annual Software Support	1,350	1,750	1,750	1,750
Total 54-Contract Services		12,040	6,250	6,250	36,250

ECONOMIC DEVELOPMENT EXPENDITURES

		2015-16	2016-17	2016-17	2017-18
46-Economic Development		Actual	Budget	Estimate	Budget
55-Utilities					
5515	Electric	-	2,600	-	-
5516	Gas Service	-	900	-	-
5520	Cell Phone	550	600	600	-
Total 55-Utilities		550	4,100	600	-
70-Debt Payments					
7005	Note Pymts - Gnb	-			
7007	Note Pymts - Warehouse	41,599	43,949	43,949	46,014
7099	Interest Expense	19,668	17,318	17,318	15,253
Total 70-Debt Payments		61,267	61,267	61,267	61,267
74-Transfers					
7404	Transfer To CIP	175,000	-	-	-
7484	Transfer to Enterprise CIP	-	-	750,000	-
7499	Transfer to ISF	-	-	-	4,100
Total 74-Transfers		175,000	-	750,000	4,100
Total 4A Fund Expenditures		361,705	223,106	961,973	251,324



4B FUND

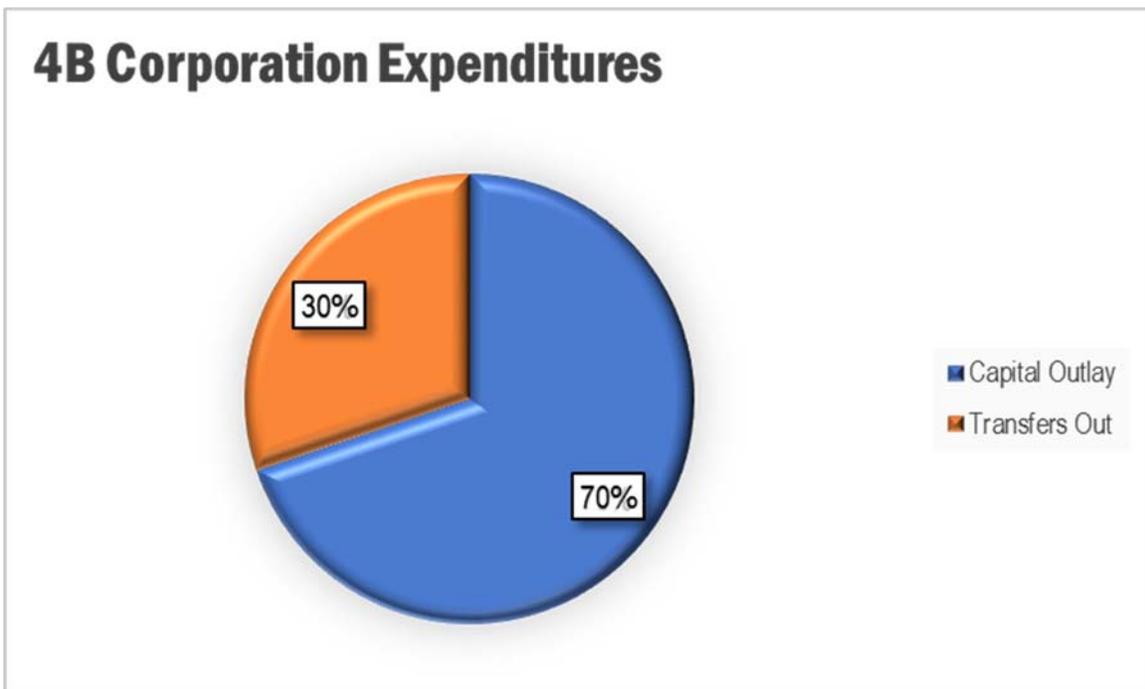
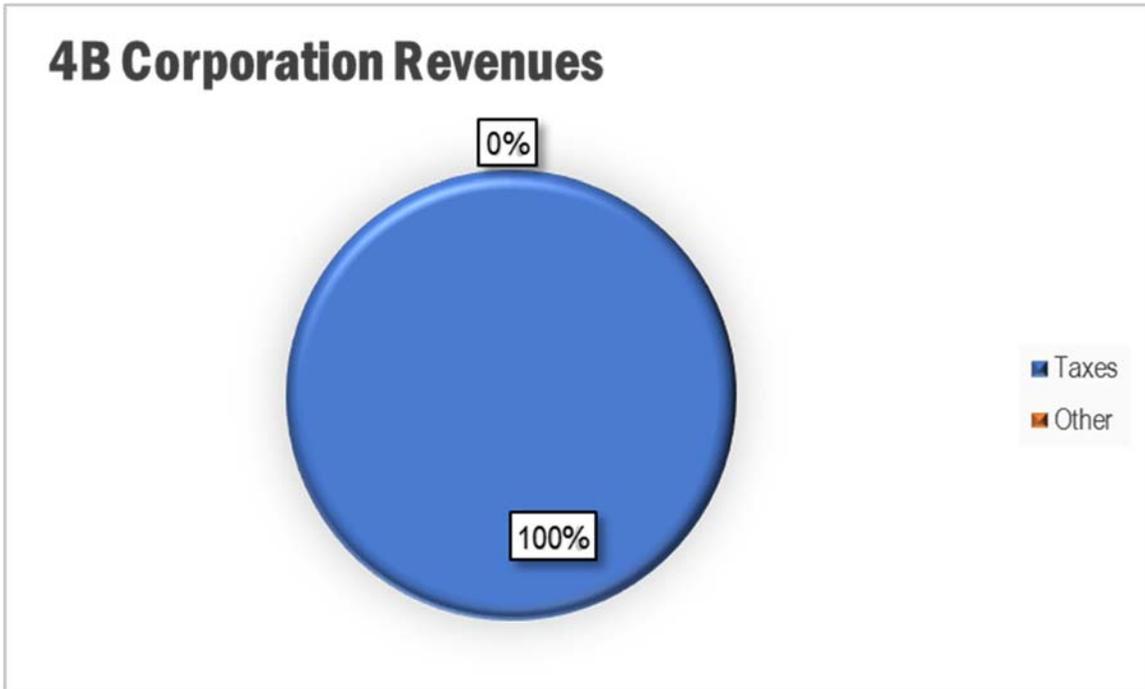
4B CORPORATION

The Sanger Texas Economic Development Corporation (4B Fund) is funded by a 1/2 cent sales tax. It is used to enhance the local economy by improving the quality of life. This includes park improvements, downtown streetscaping and other projects that make living in Sanger enjoyable.

The Sanger Texas Economic Development Corporation is governed by a board of seven directors, all of whom are appointed by the City Council of the City of Sanger. The 4B Fund was incorporated in the state of Texas as a nonprofit industrial development corporation under Section 4B of the Development Corporation Act of 1979.

The basis of accounting for the 4B Corporation Fund for both financial reporting and budgeting is the modified accrual basis.

4B CORPORATION FUND BUDGET SUMMARY



4B CORPORATION FUND BUDGET SUMMARY

	Actual	Budget	Estimate	Budget
Beginning Fund Balance	841,987	870,460	870,460	1,034,160
Revenues				
Sales Taxes	394,820	362,500	400,000	385,000
Interest Income	1,339	1,000	1,200	1,000
Total Revenues	396,159	363,500	401,200	386,000
Expenditures				
Capital Outlay	20,186	300,000	-	550,000
Total Expenditures	20,186	300,000	-	550,000
Other Uses				
Transfers Out	347,500	237,500	237,500	237,500
Total Other Uses	347,500	237,500	237,500	237,500
Total Expenses/Uses	367,686	537,500	237,500	787,500
Excess of Revenues/Sources over Expenditures/Uses	28,473	(174,000)	163,700	(401,500)
Ending Fund Balance	870,460	696,460	1,034,160	632,660

4B CORPORATION REVENUES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Taxes				
4325 Sales Tax	394,820	362,500	400,000	385,000
Total Taxes	394,820	362,500	400,000	385,000
Miscellaneous Income				
4913 Interest Income	1,339	1,000	1,200	1,000
Total Miscellaneous	1,339	1,000	1,200	1,000
Total Revenues	396,159	363,500	401,200	386,000

4B FUND EXPENDITURES

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
61-Capital Outlay				
6113	Design Hike And Bike Trail	20,186	-	-
6114	Construction Hike And Bike Trail	-	300,000	300,000
6115	Special Projects	-	-	250,000
Total 61-Capital Outlay		20,186	300,000	550,000
74-Transfers				
7403	Transfer To Debt Service Fund	212,500	212,500	212,500
7404	Transfer to CIP Fund	110,000	-	-
7441	Transfer To 4A	25,000	25,000	25,000
Total 74-Transfers		347,500	237,500	237,500
Total 4B Fund Expenditures		367,686	537,500	787,500

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

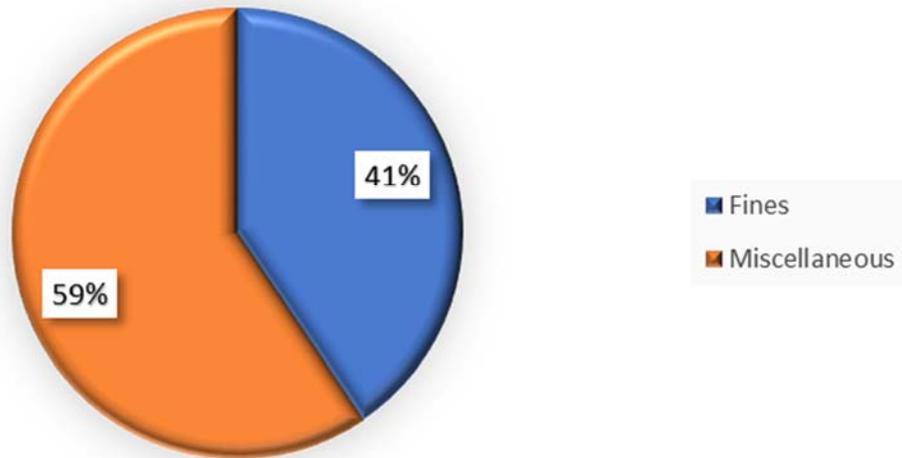
The City utilizes Special Revenue Funds to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes. The City utilizes the following Special Revenue Funds:

- Hotel Occupancy Tax Fund
- Beautification Fund
- Library Restricted Fund
- Court Security Fund
- Court Technology Fund
- Child Safety Fee Fund
- Police Donations Fund
- Fire Donations Fund
- Parks Donations Fund
- Library Donations Fund

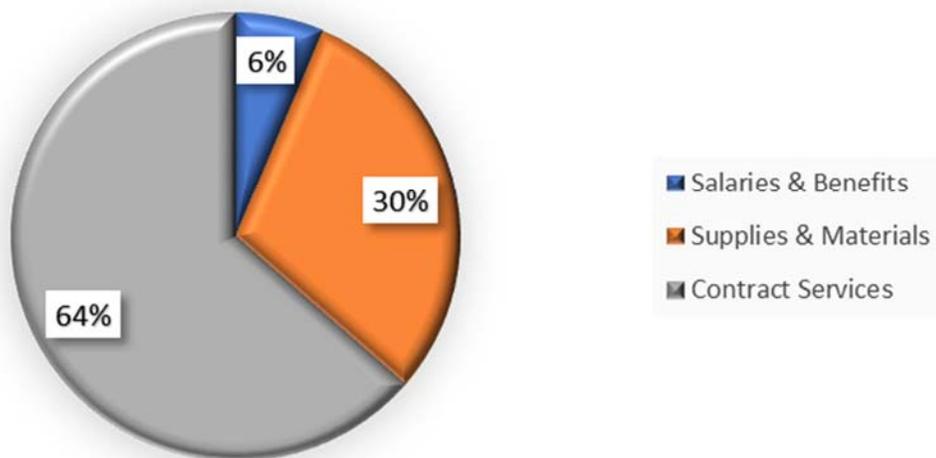
The basis of accounting for the Special Revenue Funds for both financial reporting and budgeting is the modified accrual basis.

SPECIAL REVENUE FUNDS BUDGET SUMMARY

Special Revenue Funds Revenues



Special Revenue Funds Expenditures



HOTEL OCCUPANCY FUND

The Hotel Occupancy Tax Fund is used to account for revenues from the Hotel Occupancy Tax.

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	33,061	9,479	9,479	17,479
Revenues				
Taxes	28,418	20,000	20,000	20,000
Total Hotel Tax Fund Revenues	28,418	20,000	20,000	20,000
Expenditures				
Contract Services	12,000	12,000	12,000	12,000
Transfers to CIP	40,000	-	-	-
Total Hotel Tax Fund Expenditures	52,000	12,000	12,000	12,000
Excess of Revenues/Sources over Expenditures/Uses	(23,582)	8,000	8,000	8,000
Ending Fund Balance	9,479	17,479	17,479	25,479

BEAUTIFICATION FUND

The Beautification Fund is utilized to account for revenue sources dedicated to beautification of City-owned parks by the Parks Department.

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	5,526	5,526	5,526	5,526
Revenues				
Miscellaneous	-	500	-	500
Total Beautification Fund Revenues	-	500	-	500
Expenditures				
Supplies & Materials	-	6,000	-	6,000
Total Beautification Fund Expenditures	-	6,000	-	6,000
Excess of Revenues/Sources over Expenditures/Uses	-	(5,500)	-	(5,500)
Ending Fund Balance	5,526	26	5,526	26

LIBRARY RESTRICTED FUND

The Library Restricted Fund is utilized to account for specific revenues set aside for future Library expenditures.

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	75,564	79,392	79,392	85,344
Revenues				
Library Revenue	-	500	-	500
Interest Income	228	-	152	-
Miscellaneous	3,600	-	5,800	-
Total Library Restricted Fund Revenue	3,828	500	5,952	500
Expenditures				
Supplies & Materials	-	-	-	-
Total Library Restricted Fund Expendit	-	-	-	-
Excess of Revenues/Sources over Expenditures/Uses	3,828	500	5,952	500
Ending Fund Balance	79,392	79,892	85,344	85,844

COURT SECURITY FUND

The Court Security Fund is utilized to account for Court Security Fees imposed on convictions by the Sanger Municipal Court.

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	5,687	7,340	7,340	7,340
Revenues				
Fines	1,914	2,500	1,000	2,500
Total Court Security Fund Revenues	1,914	2,500	1,000	2,500
Expenditures				
Salaries & Benefits	261	2,500	1,000	2,500
Total Court Security Fund Expenditure	261	2,500	1,000	2,500
Excess of Revenues/Sources over Expenditures/Uses	1,653	-	-	-
Ending Fund Balance	7,340	7,340	7,340	7,340

COURT TECHNOLOGY FUND

The Court Technology Fund is utilized to account for Court Technology Fees imposed on convictions by the Sanger Municipal Court.

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	1,081	631	631	131
Revenues				
Fines	2,683	3,000	1,500	3,000
Total Court Technology Fund Revenue	2,683	3,000	1,500	3,000
Expenditures				
Contract Services	3,133	3,000	2,000	3,000
Total Court Technology Fund Expendit	3,133	3,000	2,000	3,000
Excess of Revenues/Sources over Expenditures/Uses	(450)	-	(500)	-
Ending Fund Balance	631	631	131	131

CHILD SAFETY FUND

The Child Safety Fund is utilized to account for Child Safety Fees collected by the Sanger Municipal Court.

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	-	10,305	10,305	10,305
Revenues				
Fines	10,305	10,000	10,000	10,000
Total Child Safety Fee Fund Revenues	10,305	10,000	10,000	10,000
Expenditures				
Contract Services	-	10,000	10,000	10,000
Total Child Safety Fee Fund Expenditures	-	10,000	10,000	10,000
Excess of Revenues/Sources over Expenditures/Uses	10,305	-	-	-
Ending Fund Balance	10,305	10,305	10,305	10,305

POLICE DONATIONS FUND

The Police Donations Fund is utilized to account for specific funds donated for the exclusive use of the Sanger Police Department.

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	1,385	1,385	1,385	1,338
Revenues				
Miscellaneous	-	2,500	2,500	2,500
Total Police Donations Fund Revenues	-	2,500	2,500	2,500
Expenditures				
Supplies & Materials	-	2,547	2,547	2,547
Total Police Donations Fund Expendit	-	2,547	2,547	2,547
Excess of Revenues/Sources over Expenditures/Uses	-	(47)	(47)	(47)
Ending Fund Balance	1,385	1,338	1,338	1,291

FIRE DONATIONS FUND

The Fire Donations Fund is utilized to account for specific funds donated for the exclusive use of the Sanger Fire Department.

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	4,175	4,500	4,500	3,225
Revenues				
Miscellaneous	325	1,000	1,000	1,000
Total Fire Donations Fund Revenues	325	1,000	1,000	1,000
Expenditures				
Supplies & Materials	-	2,275	2,275	2,275
Total Fire Donations Fund Expenditure	-	2,275	2,275	2,275
Excess of Revenues/Sources over Expenditures/Uses	325	(1,275)	(1,275)	(1,275)
Ending Fund Balance	4,500	3,225	3,225	1,950

PARK DONATIONS FUND

The Park Donations Fund is utilized to account for specific funds donated for the exclusive use of the Parks Department.

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	2,536	2,536	2,536	3,036
Revenues				
Miscellaneous	-	2,500	500	2,500
Total Park Donations Fund Revenues	-	2,500	500	2,500
Expenditures				
Supplies & Materials	-	-	-	-
Total Park Donations Fund Expenditures	-	-	-	-
Excess of Revenues/Sources over Expenditures/Uses	-	2,500	500	2,500
Ending Fund Balance	2,536	5,036	3,036	5,536

LIBRARY DONATIONS FUND

The Library Donations Fund is utilized to account for specific funds donated for the exclusive use of the Sanger Public Library.

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	1,150	875	875	875
Revenues				
Miscellaneous	-	500	500	500
Total Library Donations Fund Revenue	-	500	500	500
Expenditures				
Supplies & Materials	275	1,000	500	1,000
Total Library Donations Fund Expendit	275	1,000	500	1,000
Excess of Revenues/Sources over Expenditures/Uses	(275)	(500)	-	(500)
Ending Fund Balance	875	375	875	375



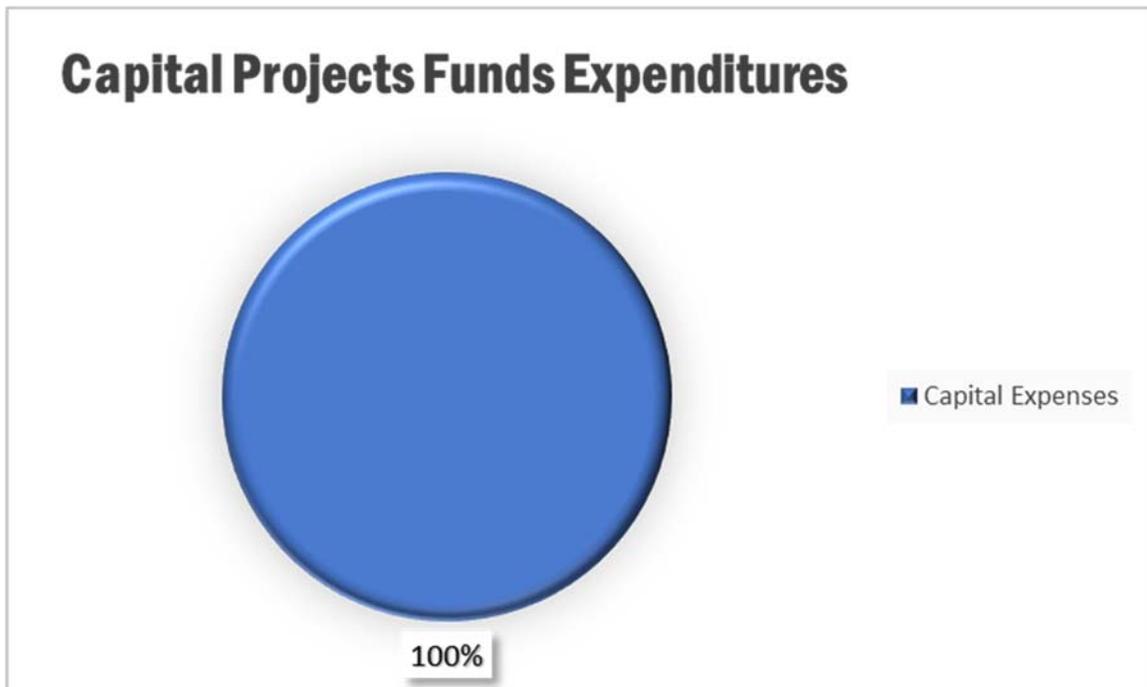
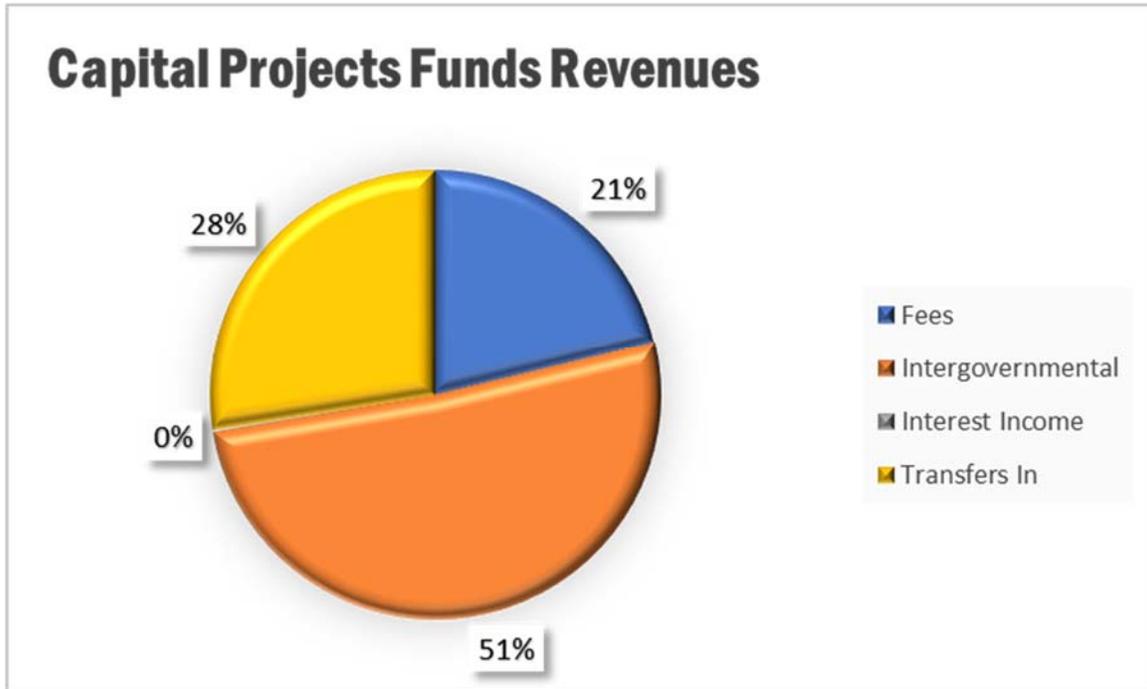
CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS AND CAPITAL IMPROVEMENT PLAN

The City maintains two separate funds for capital projects. The Capital Projects Fund was established to account for general capital projects and the Enterprise Projects Fund was established to account for those capital projects specifically related to the water, wastewater and electric utility.

The basis of accounting for the Capital Projects Funds for both financial reporting and budgeting is the modified accrual basis.

COMBINED CAPITAL PROJECTS FUNDS BUDGET SUMMARY



CAPITAL PROJECTS FUND

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	773,706	1,030,872	1,030,872	1,001,372
Revenues				
Donations	107,216	-	-	-
Intergovernmental Revenue	-	4,420,500	4,420,500	1,445,812
Total Capital Projects Fund Revenues	107,216	4,420,500	4,420,500	1,445,812
Other Sources				
Transfers From General Fund	350,000	-	-	460,000
Transfers from 4A Corporation	175,000	-	-	-
Transfers from 4B Corporation	110,000	-	-	-
Transfers From Hotel/Motel Fund	40,000	550,000	550,000	-
Total Other Sources	675,000	550,000	550,000	460,000
Total Revenues/Sources	782,216	4,970,500	4,970,500	1,905,812
Expenditures				
Church Building Restoration	455,149	-	-	-
McReynolds Road Reconstruction	69,901	5,000,000	5,000,000	1,167,185
Total Expenditures	525,050	5,000,000	5,000,000	1,167,185
Excess of Revenues over Expenditures	257,166	(29,500)	(29,500)	738,627
Ending Fund Balance	1,030,872	1,001,372	1,001,372	1,739,999

ENTERPRISE CAPITAL PROJECTS FUND

	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Budget
Beginning Fund Balance	6,688,102	4,623,543	4,623,543	5,341,298
Revenues				
Water Tap Fees	121,500	-	260,000	260,000
Sewer Tap Fees	166,000	-	340,000	340,000
Interest Income	6,186	-	6,250	6,250
Total Revenues	293,686	-	606,250	606,250
Other Sources				
2015 Bond Proceeds	-	-	5,870,000	-
Transfer from Enterprise Fund	-	-	5,870,000	316,800
Total Revenues	-	-	5,870,000	316,800
Total Revenues/Sources	293,686	-	6,476,250	923,050
Expenditures				
Phase I: West I35 Water/Wastewater Line	431,823	-	3,889	-
Phase II: East I35 Water/Wastewater Line	62,973	-	1,471,080	-
View Road Line Extension	13,645	-	-	-
Water Well & Ground Storage	1,575,635	-	186,038	-
Wastewater Treatment Plant	196,202	-	3,803,201	3,803,202
Cowling Road Lift Station	75,645	-	164,926	329,852
Capital Improvement Plan	2,322	-	29,361	-
Nitrification	-	-	100,000	90,000
Ranger Creek Outfall Pipeline	-	-	-	500,000
Total Expenditures	2,358,245	-	5,758,495	4,723,054
Excess of Revenues over Expenditures	(2,064,559)	-	717,755	(3,800,004)
Ending Fund Balance	4,623,543	4,623,543	5,341,298	1,541,294

CAPITAL IMPROVEMENT PLAN

This plan addresses capital improvement needs in the City of Sanger over the next ten years in the areas of Streets, Thoroughfares, Sidewalks, Drainage, Water Lines, Wastewater Lines, Parks and other Facilities. The plan discusses needs in each area and funding sources for projects expected in FY 2018.

As in any city with older infrastructure, maintenance and rehabilitation of existing infrastructure is an ongoing and never-ending process. It is easy to get behind and hard to catch up. Over the last five years more and more resources have been dedicated to infrastructure maintenance and replacement and several projects have been completed. We have rebuilt several thoroughfares including portions of Keaton Road, Freese Drive, Railroad Avenue and Cowling Road. We have replaced several thousand feet of deteriorated Wastewater Lines. We have rebuilt three major drainage structures and rehabbed several smaller ones. We have purchased and remodeled a new police station and remodeled the Municipal Court. This is a trend that needs to continue as we try to catch up with our aging and ailing infrastructure.

At the same time, we must continue to expand our water and wastewater lines into areas that are prime for commercial and industrial development. We recently completed expansion of water and sewer service on the west side of I35. In 2017, we began the first phase of expansion on the east side of I35 by upgrading the wastewater trunk line from FM455 north to Lois Road to a 21" line. While residential development is nice, commercial and industrial development produce far more revenue and are less of an impact on services. Commercial and Industrial development also create jobs for our citizens and improve the quality of life.

Over \$100,000,000 in water, wastewater, roads and drainage projects have been identified that should be completed in the next ten years. This includes the two big ticket items of expanding the wastewater treatment plant and expanding FM 455.

To spur economic growth, the Council issued \$4,500,000 in bonds in 2013 to fund extending water and wastewater lines into industrial and commercial areas. The objective is to attract new businesses to these areas that will help fund future improvements such as rehabbing and expanding the wastewater treatment plant. In addition, these bonds helped pay for two new water wells completed in 2017 and the splash park completed in 2014. The water wells will ensure we have sufficient water to meet peak demands while maintaining sufficient fire protection reserves. These wells have been completed and tied in to the system. Addition of these wells has more than doubled our pumping capacity. The sale of these bonds represents a proactive step by the Council to facilitate commercial and industrial growth.

Projects Completing in FY 2017

- East Side I35 Wastewater Line Extension, phase II
- New Water Wells online

Projects in progress continuing in FY 2018:

- McReynolds Road Reconstruction
- Railroad Lift Station Replacement Design and Easement Acquisition
- WW Treatment Plant Expansion
- FM 455 Widening (TXDOT Project)
- Interstate 35 Expansion (TXDOT Project)

Anticipated Funding Source

Denton County/Street Funds

2015 Bond Funds
 WW Tap Fees/ 2017 Bond Funds
TXDOT/County/City
 TXDOT

New Projects in 2018:**Anticipated Funding Source**

- | | |
|--|----------------------------------|
| ➤ Cowling Road Water Improvements To Address Nitrification | 2013 Bond Funds |
| ➤ Reconstruction of Plum Street from Fifth to Tenth (If funds are available) | Street Funds |
| ➤ Replacement of Water and Sewer Lines Along Plum | Water CIP Funds/ WW Capital Fund |

Future Projects:**Anticipated Funding Source**

- | | |
|--|--------------------|
| ➤ View Road Water Line Extension | Water CIP Funds/4A |
| ➤ View Road Wastewater Line Extension | WW CIP Funds/4A |
| ➤ Relocation of Utilities along FM 455 Expansion | Not Identified |
| ➤ Relocating Utilities for I35 Expansion | Not Identified |
| ➤ Rebuild and Expand Marion Road | Not Identified |
| ➤ Rebuild Bolivar Street | Not Identified |
| ➤ Rebuild Belz Road and Jennifer Circle | Not Identified |
| ➤ Rebuild Duck Creek Road | Not Identified |

FM 455 Expansion Issues:

One issue looming on the horizon is the relocation of utilities for the expansion of FM 455. For us, that includes water, wastewater and electric utilities. We have had some preliminary discussions with TXDOT and the County on who will pay for these relocations. However, at this time, no funding sources have been identified.

Another big issue with the expansion of FM 455 will be traffic congestion during construction. We hope to have McReynolds Road completed before FM 455 begins to help relieve some of the congestion. We are also planning to rebuild Plum Street to serve as a reliever for FM455 construction. To do this we also need to replace the water and sewer lines along plum.

Water Capital Projects

New regulations imposed by the Texas Commission on Environmental Quality (TCEQ) will mandate that we make improvements at our intake point where we receive water from Upper Trinity. A rough estimate for these improvements is in the \$150,000 range. This is due to the blending of ground water and surface water and the conflicting ways they are disinfected. Even though we have not experienced any problems, we must still comply with the new regulations. In consultation with Perkins Engineering we have looked at several options to meet the regulations. This option seems the most workable and the least expensive in the long term.

Wastewater Capital Projects

Development along the I35 corridor is accelerating the need to extend wastewater lines to the area. Upgrading the line from FM455 to Lois Road on the East side of I35 will be completed in the Fall of 2017. Extension of this line from Lois to View Road will be done in conjunction with development of the area.

To create more revenue for wastewater infrastructure improvements we started setting aside 10% of monthly wastewater revenues in 2014. The current balance in this fund is \$483,895. We are using these funds to address I&I issues and replace older wastewater lines in conjunction with street improvements. We intend to use these funds to replace the line along plum before street reconstruction.

We currently have \$1,550,000 in waste water tap fees. We have used these funds primarily to pay for the design, engineering and permitting of the waste water treatment plant refurbishing and expansion. As that phase of the project comes to an end we will have the opportunity to use these funds on other projects identified in the Capital Improvement Plan.

At the recommendation of Alan Plummer and Associates, Council decided to refurbish and expand the existing waste water treatment plant rather than build a new one in January 2014. Construction began in May of 2017. This will be a multi-year project.

The Cowling Road lift station is reaching capacity and needs to be replaced. This will also require replacing the force main with a higher capacity main. The Lift Station will also be moved to Railroad and Rector Road. Design and engineering will continue this year and we will begin obtaining the necessary easements. 2015 Bond funds or wastewater tap fees will be used for this project.

Streets and Thoroughfares:

Many streets in Sanger are in dire need of rehabilitation. The last few years we have concentrated our efforts on improving the thoroughfares that carry the most traffic. This does not mean that there are not residential streets that are in as bad or worse condition. However, focusing on thoroughfares as our priority gives us the greatest positive impact for the most people. If funding can be secured in the future, Marion Rd., Bolivar from 5th to the Service road, Belz Rd. and Duck Creek will also be candidates for improvement.

Plans this year call for the ongoing reconstruction of McReynolds Road. This will be funded through County Funds and Sanger Street Funds. This project has been severely delayed because of the inability to secure easements from a small number of land owners. This delay, in turn, has prevented us from rehabilitating interior residential streets because we did not know how much McReynolds road is going to cost. Now that the project has been bid out and in progress we can use annual street funds this year to begin working on interior streets. Currently, we plan on reconstructing Plum street from Fifth to Tenth so that it can serve as a reliever during the FM 455 widening. We are setting aside \$450,000 in property tax in 2018 for street rehabilitation.

FM 455 is scheduled for widening in the next few years. It is anticipated that funding for this project will come from County road construction bonds and TxDOT. However, there may be some cost to the City with associated utility relocation. Expanding the I35 corridor has also taken on new life. We have several utility lines crossing under I35. It is unknown at this time if these crossings will need to be replaced.

Reconstruction of the Cowling Road Bridge over Clear Creek is another need. This bridge is on TxDOT's off system bridge list for reconstruction but it is not funded at this time. The cost is likely to be well over \$4,000,000, which means it will have to wait for TxDOT funding.

Sidewalks:

We made great strides on sidewalks in the last few years. Sidewalks were extended the entire length of Keaton Road from FM 455 to the sports park. Our goal is to connect existing sidewalks and add new ones that allow pedestrians to travel throughout town without having to walk on busy streets. Although some of these sidewalks will pass through residential neighborhoods, the goal is not to build residential sidewalks but to create paths that link subdivisions with destinations such as schools, parks, downtown and commercial areas. We normally budget \$50,000 per year for sidewalks, so the work will have to be done in phases. Other portions will be done in conjunction with other projects such as the future widening of FM 455 and reconstruction of McReynolds Road.

Phase I will be to connect existing segments and create a central loop. This phase will provide access between five of the seven schools, Downtown, and several neighborhoods and subdivisions.

Phase II will link the other two schools to the inner loop. It will also connect the Sable Creek and Ranger Creek subdivisions to the system.

Phase III connects the Quail Run and Lake Ridge subdivisions to the system, creates an old town loop and connects Switzer Park. It also extends the sidewalk up 5th street to FM 455.

Phase IV extends the system along FM 455 from Metz Road to Marion Road. It also connects the Sanger Trail Apartments and subdivision to the system. This section needs to be done along with or after the road is widened.

Once completed, sidewalks will link every school and major subdivision. Links will also provide walking access to the new sports park, public facilities and business areas throughout town without having to walk on busy streets.

Parks and Facilities:

By far our greatest and most expensive facility need is rehabilitation and expansion of the wastewater treatment plant. The construction cost of this project is \$10,900,000 and has been financed through the 2017 bond issue. Financing this plant will significantly encumber our ability to do other projects for several years. However, this project is necessary to handle future growth.

Facility needs that are farther out on the horizon include: Expansion of the library and a new fire station. A remodel of the community center also needs to be considered as it is becoming worn and dated. An expansion of the police department will also be necessary in the near future as the department continues to grow. Farther out will be a recreation center and building a second fire station. Many of these are expensive projects that would require bond funding. Therefore, they may not be feasible until a good portion of our bond debt is retired in 2021.

4B has committed funds for extending the trail system at Porter Park to the parkland on the east side of I35. We applied for a grant twice to fund a portion of this project but were not successful. Other parks projects as identified in the parks master plan will soon undergo a prioritization process involving the community, parks board, 4B board and City Council. Once prioritized, these projects will be programmed in as funds are available.

In 2018, we will be asking 4B to fund shade structures for the bleachers at both Porter and Railroad parks. We have also budgeted for the first phase of monument signs at various city facilities. These signs will be similar in design and will make city facilities more easily identifiable.

Conclusion:

As you can see, a myriad of projects is planned over the next ten years and they will keep us very busy. Many of these projects will go unseen to most citizens but they all directly impact the quality of life in the community by ensuring reliable utilities, safe streets and sidewalks and adequate public facilities. It is important to note again that even after all of this work is complete, there will still be other needs arise as our infrastructure continues to age. Like every City, we will continue the struggle of balancing needs and resources to maintain current facilities and infrastructure, prepare for growth and improve the quality of life in our community.

Adequate funds for large capital projects will continue to be a hindrance until other bond issues begin paying off in 2021 and until we grow sufficiently to expand the tax base. For the last two years we have diverted more resources for infrastructure rehabilitation. In the 2018 budget we have added another \$25,000 for street maintenance, increasing that line item to \$150,000. You will see expenditures in the 2018 proposed budget for such improvements as street reconstruction, new sidewalks, water and wastewater line replacement, wastewater plant rehabilitation and expansion, and electrical system improvements. As future revenues improve we need to channel more funds toward these needs.

This plan identifies and prioritizes our most pressing needs in capital improvements for the next ten years. Some parts of the plan, like sidewalk improvements, project out further than ten years for comprehensive planning purposes. Revenue sources are identified for those projects ongoing in the 2018 budget year. As with any plan it will change over time and it will be updated on an annual basis to keep it current and relevant.

Mike Brice
City Manager

CAPITAL PROJECTS SUMMARY 2016-2022

	2015-2016 Actual	2016-2017 Estimate	2017-2018 Budget
Capital Projects Fund			
Church Building Restoration	\$ 416,681	\$ -	\$ -
McReynolds Road Reconstruction	69,900	2,055,728	5,000,000
Rebuild and Expand Marion Road	-	-	-
Rebuild Plum Street	-	-	-
Rebuild Bolivar Street	-	-	-
Rebuild Belz Road and Jennifer Circle	-	-	-
Rebuild Duck Creek Road	-	-	-
Utility Road Tie in across Railroad	-	-	-
Capital Projects Fund Totals	\$ 486,581	\$ 2,055,728	\$ 5,000,000
Enterprise Capital Projects Fund			
Phase I: West I35 Water/ Wastewater Line	\$ 431,823	\$ 3,889	\$ -
Phase II: East I35 Water/Wastewater Line	62,973	1,471,080	-
View Road Line Extension	13,645	-	-
Water Well & Ground Storage	1,575,635	186,038	-
Wastewater Treatment Plant	196,202	3,803,201	3,803,202
Cowling Road Lift Station, Force Main & Gravity Line	75,645	164,926	329,852
Capital Improvement Plan	2,322	29,361	-
Nitrification	-	100,000	90,000
Ranger Creek Outfall Pipeline	-	-	500,000
Water & Waste Water Lines along Plum	-	-	-
Bolivar Street Water and Sewer	-	-	-
Relocation of Utilities along FM 455	-	-	-
Relocation of Utilities along I35	-	-	-
Enterprise Capital Projects Fund	\$ 2,358,245	\$ 5,758,495	\$ 4,723,054
Total Capital Projects	\$ 2,844,826	\$ 7,814,223	\$ 9,723,054

Projected 2018-2019	Projected 2019-2020	Projected 2020-2021	Projected 2021-2022
\$ -	\$ -	\$ -	\$ -
1,167,185	-	-	-
-	4,000,000	-	-
-	1,500,000	-	-
-	-	-	5,500,000
-	-	3,529,185	-
-	-	-	4,000,000
		3,155,370	
\$ 1,167,185	\$ 5,500,000	\$ 6,684,555	\$ 9,500,000
\$ -	\$ -	\$ -	\$ -
3,250,000	-	-	-
3,803,201	-	-	-
-	-	3,000,000	-
500,000	2,500,000	-	-
-	750,000	-	-
-	-	-	2,250,000
-	-	1,500,000	1,500,000
-	-	2,000,000	-
\$ 7,553,201	\$ 3,250,000	\$ 6,500,000	\$ 3,750,000
\$ 8,720,386	\$ 8,750,000	\$13,184,555	\$13,250,000



APPENDIX

GENERAL FUND FIVE YEAR FINANCIAL PROJECTION

The City of Sanger's Annual Budget is prepared matching available revenue sources and operational expenditures. This General Ledger Five-Year Financial Projection provides a broader perspective than the budget of any single year is able to provide.

This projection includes the results of operations for the 2015-2016 year as well as projected results for the 2016-2017 year. Also included (as Year 1) is the current 2017-2018 budget.

Years 2-5 are projected based on a set percentage increase per each revenue or expenditure category. These percentages have been developed reviewing 3-year and 10-year trends for each category, while considering the current economy and growth projection for the City.

While not a crystal ball, this projection is a useful planning tool. Future year budgets will obviously be developed considering the resources, needs and economy of that time period.

Projection
(Years 2-5)

Beginning Fund Balance	
Revenues	
Property Taxes	5.0%
Sales and Mixed Beverage Taxes	6.0%
Franchise Fees	5.0%
Charges for Services	2.0%
Licenses & Permits	5.0%
Fines	2.0%
Fees	2.0%
Interest Income	2.0%
Miscellaneous	2.0%
Total General Fund Revenues	
Other Sources	
Transfers In	5.0%
Total Other Sources	
Total Revenues/Sources	
Expenditures	
Salaries & Benefits	4.5%
Supplies & Materials	3.0%
Maintenance & Operations	2.0%
Contract Services	5.0%
Utilities	2.0%
Capital Expenses	7.5%
Debt Service	2.0%
Court Costs	2.0%
Other	2.0%
Total Expenditures	
Other Uses	
Transfers Out	5.0%
Total Other Uses	
Total Expenses/Uses	
Ending Fund Balance	

Actual 2015-16	Estimate 2016-17	Year 1 Budget 2017-18	Year 2 Projected 2018-2019	Year 3 Projected 2019-2020	Year 4 Projected 2020-2021	Year 5 Projected 2021-2022
1,813,402	2,587,133	3,062,635	3,112,371	3,161,103	3,209,110	3,256,696
2,447,998	2,922,200	3,181,000	3,340,050	3,507,053	3,682,406	3,866,526
772,519	820,000	905,000	959,300	1,016,858	1,077,869	1,142,541
824,669	824,669	827,800	869,190	912,650	958,283	1,006,197
762,958	760,000	770,500	785,910	801,628	817,661	834,014
115,363	178,622	206,070	216,374	227,193	238,553	250,481
127,502	98,265	112,000	114,240	116,525	118,856	121,233
888,937	686,008	676,900	690,438	704,247	718,332	732,699
5,982	3,700	4,000	4,080	4,162	4,245	4,330
75,648	108,500	77,500	79,050	80,631	82,244	83,889
6,021,576	6,401,964	6,760,770	7,058,632	7,370,947	7,698,449	8,041,910
401,536	401,536	292,999	307,649	323,031	339,183	356,142
401,536	401,536	292,999	307,649	323,031	339,183	356,142
6,423,112	6,803,500	7,053,769	7,366,281	7,693,978	8,037,632	8,398,052
2,661,119	2,959,203	3,523,686	3,682,252	3,847,953	4,021,111	4,202,061
248,908	288,877	340,550	350,767	361,290	372,129	383,293
297,038	348,793	447,882	456,840	465,977	475,297	484,803
964,710	1,043,269	1,087,291	1,141,656	1,198,739	1,258,676	1,321,610
137,015	133,600	91,350	93,177	95,041	96,942	98,881
360,808	329,000	345,304	371,202	399,042	428,970	461,143
145,009	103,051	107,998	110,158	112,361	114,608	116,900
39,329	40,336	46,626	47,559	48,510	49,480	50,470
2,633	75,000	2,500	2,550	2,601	2,653	2,706
4,856,569	5,321,129	5,993,187	6,256,161	6,531,514	6,819,866	7,121,867
792,812	1,006,869	1,010,846	1,061,388	1,114,457	1,170,180	1,228,689
792,812	1,006,869	1,010,846	1,061,388	1,114,457	1,170,180	1,228,689
5,649,381	6,327,998	7,004,033	7,317,549	7,645,971	7,990,046	8,350,556
2,587,133	3,062,635	3,112,371	3,161,103	3,209,110	3,256,696	3,304,192

DEPARTMENTAL CAPITAL EQUIPMENT REQUESTS

Capital Equipment Request for FY 2017-2018 Budget
2017-2018 Budget Year



Please complete all sections of form

Item Description:

Requesting Department:

Request Date:

Department Priority:

GL Account #:

Total Estimated Cost:

Funding: Purchase Lease Rent

Estimated Annual cost of maintenance and operation:

Justification for request

Main use of this equipment

Will other departments benefit from the purchase? (Explain)

Alternatives considered and justification for this purchase:

Is rental or lease an option? (Explain)

Will other purchases be required to support this purchase? (Explain)

Attach brochure on equipment and any other supporting documentation you feel is necessary.

Approved for Funding: Yes No

Capital Equipment Request for FY 2017-2018 Budget
2017-2018 Budget Year



Please complete all sections of form

Item Description:

Requesting Department: Request Date:

Department Priority: G/L Account #:

Total Estimated Cost: Funding: Purchase Lease Rent

Estimated Annual cost of maintenance and operation:

Justification for request

Main use of this equipment

Will other departments benefit from the purchase? (Explain)

Alternatives considered and justification for this purchase:

Is rental or lease an option? (Explain)

Will other purchases be required to support this purchase? (Explain)

Attach brochure on equipment and any other supporting documentation you feel is necessary.

Approved for Funding: Yes No

Capital Equipment Request for FY 2017-2018 Budget
2017-2018 Budget Year



Please complete all sections of form

Item Description:

Requesting Department: Request Date:

Department Priority: G/L Account #:

Total Estimated Cost: Funding: Purchase Lease Rent

Estimated Annual cost of maintenance and operation:

Justification for request

We updated two of our three units last budget year. With the purchasing of a new units all old will have been replaced. The Life Pak 12 units that the will not be serviceable by contract as of January 2017.

Main use of this equipment

The units is used on every medical call. It take blood pressures, EKG, used to cardiovert a patient.

Will other departments benefit from the purchase? (Explain)

Only if the need medical attention

Alternatives considered and justification for this purchase:

With this purchase all of our units will be new Phillips product and under the maintenance contract.

Is rental or lease an option? (Explain)

Not for this item

Will other purchases be required to support this purchase? (Explain)

A yearly maintenance contract, but with the purchase it is cover for 24 months.

Attach brochure on equipment and any other supporting documentation you feel is necessary.

Approved for Funding: Yes No

Capital Equipment Request for FY 2017-2018 Budget
2017-2018 Budget Year



Please complete all sections of form

Item Description:

Requesting Department:

Request Date:

Department Priority:

GL Account #:

Total Estimated Cost:

Funding: Purchase Lease Rent

Estimated Annual cost of maintenance and operation:

Justification for request

Main use of this equipment

Will other departments benefit from the purchase? (Explain)

Alternatives considered and justification for this purchase:

Is rental or lease an option? (Explain)

Will other purchases be required to support this purchase? (Explain)

Attach brochure on equipment and any other supporting documentation you feel is necessary.

Approved for Funding: Yes No

Capital Equipment Request for FY 2017-2018 Budget
2017-2018 Budget Year



Please complete all sections of form

Item Description:

Requesting Department: Request Date:

Department Priority: G/L Account #:

Total Estimated Cost: Funding: Purchase Lease Rent

Estimated Annual cost of maintenance and operation:

Justification for request

Main use of this equipment

Will other departments benefit from the purchase? (Explain)

Alternatives considered and justification for this purchase:

Is rental or lease an option? (Explain)

Will other purchases be required to support this purchase? (Explain)

Attach brochure on equipment and any other supporting documentation you feel is necessary.

Approved for Funding: Yes No

Capital Equipment Request for FY 2017-2018 Budget
2017-2018 Budget Year



Please complete all sections of form

Item Description:

Requesting Department: Request Date:

Department Priority: G/L Account #:

Total Estimated Cost: Funding: Purchase Lease Rent

Estimated Annual cost of maintenance and operation:

Justification for request

Main use of this equipment

Will other departments benefit from the purchase? (Explain)

Alternatives considered and justification for this purchase:

Is rental or lease an option? (Explain)

Will other purchases be required to support this purchase? (Explain)

Attach brochure on equipment and any other supporting documentation you feel is necessary.

Approved for Funding: Yes No

Capital Equipment Request for FY 2017-2018 Budget
2017-2018 Budget Year



Please complete all sections of form

Item Description:	F-350 Crew Cab Flatbed		
Requesting Department:	32	Request Date:	04/19/2017
Department Priority:	1	GL Account#:	
Total Estimated Cost:	\$ 56,000	Funding:	<input checked="" type="checkbox"/> Purchase <input type="checkbox"/> Lease <input type="checkbox"/> Rent
Estimated Annual cost of maintenance and operation:	\$ 1,000.00		

Justification for request

This truck will replace two outdated maintenance trucks in the parks departments fleet. This will reduce our fleet to just three maintenance trucks. Over the years we have reduced the rolling fleet by one and this will allow us to reduce one more vehicle from our fleet.

Main use of this equipment

Move maintenance crews and equipment from one site to another.

Will other departments benefit from the purchase? (Explain)

possibly

Alternatives considered and justification for this purchase:

N/A

Is rental or lease an option? (Explain)

No

Will other purchases be required to support this purchase? (Explain)

Safety lighting , included in request.

Attach brochure on equipment and any other supporting documentation you feel is necessary.

Approved for Funding: Yes No

Capital Equipment Request for FY 2017-2018 Budget
2017-2018 Budget Year



Please complete all sections of form

Item Description:	Service Truck		
Requesting Department:	Electric	Request Date:	04/18/2017
Department Priority:	High	GL Account#:	58-6130
Total Estimated Cost:	\$ 140,000	Funding:	<input checked="" type="checkbox"/> Purchase <input type="checkbox"/> Lease <input type="checkbox"/> Rent
Estimated Annual cost of maintenance and operation:	\$ 6,500.00		

Justification for request

Replacement of 2005 Service Truck

Main use of this equipment

Line maintenance and service orders

Will other departments benefit from the purchase? (Explain)

occasionally

Alternatives considered and justification for this purchase:

None

Is rental or lease an option? (Explain)

No

Will other purchases be required to support this purchase? (Explain)

No

Attach brochure on equipment and any other supporting documentation you feel is necessary.

Approved for Funding: Yes No

Capital Equipment Request for FY 2017-2018 Budget
2017-2018 Budget Year



Please complete all sections of form

Item Description:

Requesting Department: Request Date:

Department Priority: G/L Account #:

Total Estimated Cost: Funding: Purchase Lease Rent

Estimated Annual cost of maintenance and operation:

Justification for request

This kiosk will be a 24/7 attendant to accept utility payments at City Hall. It will replace both the night drop and the drive-through window. Since collections in the kiosk are automatically updated in INCODE, this will save considerable staff time processing overnight and window payments. The time saved should allow Finance to continue to operate efficiently at current staff levels without adding additional personnel.

Main use of this equipment

Accepting utility payments.

Will other departments benefit from the purchase? (Explain)

No, not initially. There is an option to allow the machine to accept payments for Municipal Court; however, this will likely not be feasible as long as Court and Finance are located in separate buildings.

Alternatives considered and justification for this purchase:

This is the only kiosk payment machine that operates with INCODE. The only other alternative would be to hire additional staff.

Is rental or lease an option? (Explain)

Yes; however, the cost/transaction is quite high compared with the cost associated with an outright purchase.

Will other purchases be required to support this purchase? (Explain)

Kiosk-\$22,500; A/C unit-\$3,000; Overhang housing-\$10,000; INCODE connection-\$4,400; Concrete & boring work-\$6,100; Network Integration-\$1,000

Attach brochure on equipment and any other supporting documentation you feel is necessary.

Approved for Funding: Yes No

FINANCIAL MANAGEMENT POLICY

Introduction

The City of Sanger, Texas financial policies set forth the basic framework for the fiscal management of the City. These policies were developed within the parameters established by applicable provisions of the Texas Local Government Code and the Sanger City Charter. The policies are intended to assist the City Council and city staff in evaluating current activities and proposals for future programs. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

The scope of these policies generally spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, expenditure control and debt management, all to make it possible both: (a) to present fairly and with full disclosure the financial position and results of financial operations of the City in conformity to generally accepted accounting principles (GAAP), and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

It is the goal of the Statement of Financial Management Policies to enable the City to adhere to the principles of sound municipal finance and to continue its long-term stable and positive financial condition.

Annual Budget

1. The fiscal year of the City of Sanger shall begin on October 1 of each calendar year and will end on September 30 of the following calendar year. The fiscal year will also be established as the accounting and budget year.
2. The City Manager, prior to August first of each year, shall prepare and submit to the City Secretary the annual budget covering the next fiscal year. The budget shall provide a complete financial plan of all city funds and activities and, except as required by law or the City Charter, shall be in such form as the Council may require. The budget shall contain the following information:
 - a. The City Manager's budget message outlining the proposed financial policies for the next fiscal year with an explanation of any changes in expenditures from the previous year, any major changes in policies, and a complete statement regarding the financial condition of the City. (Proposition 1 approved at an election held November 7, 2006 and certified by Resolution 11-19-06 adopted November 20, 2006.)
 - b. An estimate of all revenues from taxes and other sources, including the present tax structure, rates, and property valuations for the ensuing year;
 - c. A carefully itemized list of proposed expenses and revenues by fund, service type, and project for the budget year, as compared to actual expenditures and revenues of the last ended fiscal year and the projected final expenditures and revenues for the current fiscal year;
 - d. A description of all outstanding bond indebtedness, showing amount, date of issue, rate of interest, and maturity date; also, any other indebtedness which the City has incurred and which has not been paid;
 - e. A statement proposing any capital expenditures deemed necessary for undertaking during the next budget year and the recommended provision for financing; and
 - f. Such other information as is required by City Council or deemed desirable by the City Manager.
3. The City Manager's budget should assume, for each fund, operating revenues that are equal to or exceed operating expenditures (i.e., a balanced budget). The City Manager's budget message shall explain the reasons for any fund that reflects operating expenditures exceeding operating revenues.

4. The City Council shall hold a public hearing on the budget, as submitted, at the time and place so advertised in the official newspaper, which will be no less than seven (7) days or more than fifteen (15) days after the date of notice. All interested persons shall be given the opportunity to be heard, either for or against, any item of the proposed budget.
5. The budget and tax rate may be adopted at any regular or special meeting of the Council prior to the beginning of the budgeted fiscal year by a majority vote of two thirds (2/3) quorum. The Council may amend the proposed budget by increasing, decreasing, or removing any programs or amounts, except for expenditures required by law, for debt service, or for estimated cash deficit. No amendment to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income plus funds available from prior years.
6. If the Council fails to adopt a budget by the beginning of the fiscal year, the budget currently in place for the preceding year shall remain in place on a month-to-month basis until such time as a new budget has been adopted.
7. On final adoption, the budget shall be in effect for the budget year. Final adoption of the budget by the City Council shall constitute the official appropriations for the current year and shall constitute the basis of the official levy of the property tax. Under conditions which may arise, the City Council may amend or change the budget to provide for any additional expense.

Capital Program

1. The City Manager shall submit a five-year capital improvement program (CIP) as an attachment to the annual budget. The CIP shall induce the following:
 - a. A clear, general summary of its contents;
 - b. A list of all capital improvements which are proposed for the five (5) fiscal years including the budget year, with appropriate supporting information as to the necessity for such improvements;
 - c. Cost estimates, method of financing and recommended time schedules for each improvement; and
 - d. The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

Basis of Accounting and Budgeting

1. The City's finances shall be accounted for in accordance with generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB).
 - a. The accounts of the City are organized and operated on the basis of funds and account groups. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.
 - b. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Substantially all revenues are considered to be susceptible to accrual. Ad valorem, sales, hotel, franchise and tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and

permits, charges for services, fines and forfeitures, and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources.

- c. The City utilizes encumbrance accounting for its governmental fund types, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.
 - d. The City's proprietary fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.
2. The City's annual budgets shall be prepared and adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds
 3. The issuance of Statement 34 by GASB has influenced the creation and reporting of individual funds. GASB 34 essentially mandates dual accounting systems: one for government-wide (i.e. the government as a single entity) reporting and another for individual fund reporting. Under GASB 34 for individual funds, the City will continue utilizing the accounting and budgeting processes as described in paragraphs (1) and (2) of this section. However, because GASB 34 mandates the flow of economic resources measurement focus and accrual basis of accounting for the government-wide reporting, extensive reconciliation must be performed to present aggregated fund information in the government-wide reporting model. Therefore, individual operating funds will be created with the objective of reducing fund to government-wide reconciliation as much as possible. When appropriate, individual funds will be examined as to whether it will be appropriate to account for them as proprietary fund types. Also, the City will limit the use of internal service funds and incorporate the financial transactions of those funds into other governmental funds.

Budget Administration

1. All expenses of the City shall be made in accordance with the adopted annual budget. Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors.
2. The following represents the City's budget amendment policy delineating responsibility and authority for the amendment process. Transfers between expenditure accounts in one department may occur with the approval of the City Manager and Finance Director. Transfers between operating departments may occur with the approval of the City manager and Finance Director provided that a department's total budget is not changed by more than \$50,000. Transfers between funds must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

Financial Reporting

1. At the close of each fiscal year, and at such other times as it may be deemed necessary, the Council shall direct that an independent audit be made on all accounts of the City by a certified public accountant. The certified public accountant shall have no personal interest directly or indirectly, in the financial affairs of the City or any of its officers and shall report directly to the Council. Upon completion of the audit, a summary of the results thereof shall be placed on file in the City Secretary's office for public record. A copy of the comprehensive financial annual report shall be available at City Hall.
2. The City Manager shall submit to the Council a monthly report of the financial condition of the City by department for the fiscal year-to-date. The financial records of the City will be maintained on a modified accrual basis to support this type of financial management. The City Manager shall make available to the Council the monthly cash disbursements journal of the City of all funds and accounts.

Revenues

1. To protect the City's financial integrity, the City will maintain a diversified and stable revenue system to shelter it from fluctuations in any one revenue source. Recognizing that sales tax is a volatile, unpredictable source of revenue, the City will attempt to reduce its dependence on sales tax revenue.
2. For every annual budget, the City shall levy two property tax rates: operation/ maintenance and debt service. The debt service levy shall be sufficient for meeting all principal and interest payments associated with the City's outstanding general obligation debt for that budget year. The debt service levy and related debt service expenditures shall be accounted for in the Debt Service Fund. The operation and maintenance levy shall be accounted for in the General Fund. City Council will consider exceeding the rollback rate only after options have been presented by staff to avoid the rollback by increasing revenue from other sources or reducing expenditures.
3. The City will maintain a policy of levying the lowest tax rate on the broadest tax base. Minimal exemptions may be provided to homeowners, senior citizens, and disabled veterans. The City may consider providing tax abatements or other incentives to encourage development.
4. The City will establish user charges and fees at a level that attempts to recover the full cost of providing the service.
 - a. User fees, particularly utility rates, should identify the relative costs of serving different classes of customers.
 - b. Where possible, utility rates should be designed to reduce peak (hour and day) demands on the utility systems.
 - c. The City will make every reasonable attempt to ensure accurate measurement of variables impacting taxes and fees (e.g. verification of business sales tax payments, verification of appraisal district property values, and accuracy of water meters).
5. The City will attempt to maximize the application of its financial resources by obtaining supplementary funding through agreements with other public and private agencies for the provision of public services or the construction of capital improvements.
6. The City will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges.
7. When developing the annual budget, the City Manager shall project revenues from every source based on actual collections from the preceding year and estimated collections of the current fiscal year, while taking into account known circumstances which will impact revenues for the new fiscal year. The revenue projections for each fund should be made conservatively so that total actual fund revenues exceed budgeted projections.

Operating Expenditures

1. Operating expenditures shall be accounted, reported, and budgeted for in the following major categories:
 - a. Operating, Recurring Expenditures
 - i. Salaries and Benefits
 - ii. Supplies and Materials
 - iii. Maintenance and Operations
 - iv. Contractual Services
 - v. Utilities
 - vi. Capital Replacement
 - vii. Other Expenses
 - b. Operating, Non-Recurring Expenditures
 - i. Capital Equipment
2. The annual budget shall appropriate sufficient funds for operating, recurring expenditures necessary to maintain established (i.e. status quo) quality and scope of city services.
3. The City will constantly examine the methods for providing public services in order to reduce operating, recurring expenditures and/or enhance quality and scope of public services with no increase to cost.
4. Salaries and benefits expenditures will reflect the minimum staffing needed to provide established quality and scope of city services. To attract and retain employees necessary for providing high-quality service, the City shall maintain a compensation and benefit package competitive with the public and, when quantifiable, private service industries.
5. Supplies and materials expenditures shall be sufficient for ensuring the optimal productivity of City employees.
6. Maintenance and operations expenditures shall be sufficient for addressing the deterioration of the City's capital assets to ensure the optimal productivity of the capital assets. Maintenance should be conducted to ensure a relatively stable level of maintenance expenditures for every budget year.
7. Utility expenditure providers shall, when options are available, be selected on the basis of the provider's competitive pricing and service.
8. The City will utilize contractual services for the provision of city services whenever private contractors can perform the established level of service at less expense to the City. The City will regularly evaluate its agreements with private contractors to ensure the established levels of service are performed at the least expense to the City.
9. Capital equipment is defined as equipment that exceeds \$5,000 and has a useful life of at least one year. Bulk purchases of smaller equipment with a useful life of at least one year will be capitalized if the total amount of the purchase exceeds \$25,000. Existing capital equipment shall be replaced when needed to ensure the optimal productivity of City employees.
10. Expenditures for additional capital equipment shall be made only to enhance employee productivity, improve quality of service, or expand scope of service.
11. Expenditures for other expenses not included in the categories above shall be made strictly on the basis of economic and business merit, ensuring the best possible return on each dollar spent.
12. To assist in controlling the growth of operating expenditures, operating departments will submit their annual budgets to the City Manager during the budget preparation process. Departments shall provide justification where projected expenditures exceed prior year budgeted amounts.

Fund Balance

1. The annual budget shall be presented to City Council with each fund reflecting an ending fund balance which is no less than 25 percent of that fund's annual operating expenditures. To satisfy the particular needs of individual funds, ending fund balances may be established which exceed the 25 percent minimum.
2. Fund balance that exceeds the minimum level established for each fund may be appropriated for non-recurring capital projects or programs, reserves or as the Council directs.
3. The City will exercise diligence in avoiding the appropriation of fund balance for recurring operating expenditures. In the event fund balance is appropriated for recurring operating expenditures to meet the needs of the Sanger community, the budget document shall include an explanation of the circumstances requiring the appropriation and the methods to be used to arrest the future use of fund balance for operating expenditures.

Fund Transfers

1. With the exceptions noted below, there will be no operating transfers between funds. Any costs incurred by one fund to support the operations of another shall be charged directly to the fund.
2. Fund transfers may occur when surplus fund balances are used to support non-recurring capital expenses or when needed to satisfy debt service obligations.
3. Transfers are permitted between funds to support economic development programs.
4. Transfers are permitted from the Enterprise Fund to other funds to cover the cost of operations.

Debt Expenditures

1. The City shall have the right and power, except as prohibited by law or the City Charter, to borrow money by whatever method it may deem to be in the public interest.
2. The City shall have the power to borrow money on the credit of the City and to issue general obligation bonds for permanent public improvements or for any other public purpose not prohibited by law and the City Charter and to issue refunding bonds to refinance outstanding bonds previously issued. All such bonds or certificates of obligation shall be issued in conformity with the laws of the State of Texas and shall be used only for purposes for which they were issued. General obligation bonds shall not be issued without an election. In all cases when the City Council shall order an election for the issuance of bonds of the City, it shall, at the same time, state whether or not a tax rate increase is anticipated for the purpose of paying the principal and interest on the bonds and to create a sinking fund for their redemption.
3. The City shall have the power to borrow money for the purpose of constructing, purchasing, improving, extending or repairing public utilities, recreational facilities, or any other self-liquidating municipal function not prohibited by the Constitution and the laws of the State of Texas, and to issue revenue bonds to evidence the obligation created thereby. Such shall be a charge upon and payable from the properties, or interest therein pledged, or the income therefrom, or both. The holders of the revenue bonds shall never have the right to demand payment thereof out of moneys raised or to be raised by taxation. All such bonds shall be issued in conformity with the laws of the State of Texas and shall be used only for the purpose for which they were issued.
4. When needed to minimize annual debt payments, the City will obtain insurance for new debt issues.

Capital Project Expenditures

1. The City will develop a multi-year plan for capital projects, which identifies all projects likely to be constructed within a five-year horizon. The multi-year plan will reflect for each project the likely source of funding and attempt to quantify the project's impact to future operating expenditures.
2. Capital projects will be constructed to:
 - a. Protect or improve the community's quality of life.
 - b. Protect or enhance the community's economic vitality.
 - c. Support and service new development.
3. To minimize the issuance of debt, the City will attempt to support capital projects with appropriations from operating revenues or excess fund balances (i.e. "pay-as-you-go").

Purchasing

1. All purchases and contracts over \$3,000 shall conform to Chapter 252, Subchapter B of the Local Government Code of Texas, as amended. Purchases of goods or services over \$50,000 shall be submitted to the City Council for approval. The adoption of the annual budget gives the City Manger the authority to approve all other purchases for goods or services in accordance with each department's approved budget.
2. Purchases of goods or services at a total cost of \$1,000 or more must be made through the City's purchase order system. Written purchase orders shall also be used for vendors requiring formal City authorization regardless of dollar amount.
3. Purchases of goods or services at a total cost of less than \$1,000 may be made via a written Accounts Payable Voucher, signed and submitted by the applicable Department Director to the Finance Department.
4. All invoices approved for payment by the proper City authorities shall be paid by the Finance Department within thirty (30) calendar days of receipt in accordance with provisions of Article 601f, Section 2 of the State of Texas Civil Statutes.

INVESTMENT POLICY

POLICY STATEMENT

It is the objective of the City of Sanger, Texas ("City") that the administration of its funds and the investment of those funds shall be handled in the highest public trust. Investments shall be made in a manner which will provide the maximum security of principle invested through limitations and diversification while meeting the daily cash flow needs of the city and conforming to all applicable federal, state, and local statutes, rules and regulations governing the investment of public funds. The receipt of a market rate return will be secondary to the requirements for safety and liquidity. The earning from investments shall be used in a manner that best serves the public trust and interest of the City. This policy serves to satisfy the statutory requirements of defining and adopting a formal investment policy and shall be reviewed annually for modifications. It is the intent of the City to be in compliance with local law and the provisions of Public Funds Investment Act of the Texas Government Code Chapter 2256.

SCOPE

This Investment Policy applies to the investment activities, all financial assets and funds held by the City of Sanger, Texas. Funds covered and managed by this Investment Policy include:

- A. General Fund – Used to account for resources traditionally associated with government, which are not required to be accounted for in another fund.
- B. Debt Service Fund – Used to account for resources to be used for the payment of principle, interest and related costs on debt.
- C. Enterprise Fund – Used to account for operations that are financed and operated in a manner similar to private business enterprises.
- D. Capital Improvement Fund – Used to account for resources to enable the acquisition or construction of major capital facilities which are not financed by enterprise funds, internal service funds, or trust funds.
- E. Special Revenue Funds – Used to account for proceeds from specific revenue sources which are restricted to expenditures for specific purposes.
 - 1. 4A Fund
 - 2. 4B Fund
 - 3. Employee Benefits Fund

INVESTMENT OBJECTIVES AND STRATEGY

It is the policy of the City that all funds shall be invested in conformance with state and federal regulations, applicable bond ordinance requirements, and adopted Investment Policy. In accordance with the Public Funds Investment Act, the following prioritized primary objectives, in accordance with the Texas Government Code Section 2256.005(d) apply to the City's investment strategy. Listed in order of their priority, these objectives encompass:

- A. Suitability – Understanding the suitability of the investment to the financial requirement of the City is important. Any investment eligible in the Investment Policy is suitable for all City funds.
- B. Safety – Preservation and safety of principal are the primary objectives of the Investment Policy. Investments of the City shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. To obtain this goal, diversification is required in the portfolio's composition. The suitability of each investment decision will be made on the basis of these

objectives. The City prefers to invest in money market accounts, certificates of deposits, and United States government backed agency discount notes.

- C. Liquidity – The City's investment portfolio will remain sufficiently liquid to meet operating requirements that might be reasonably anticipated. The City's investment portfolio will remain sufficiently liquid and enable it to meet all operating requirements which might be reasonably anticipated.
- D. Diversification – Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the City. Diversifying the appropriate maturity structure will reduce market cycle risk. Diversification of the portfolio will include diversification by maturity and market sector and will include the use of a number of brokers/dealers for diversification and market coverage. Competitive bidding will be used on each sale and purchase.
- E. Yield – Attaining a competitive market yield, commensurate with the City's investment risk constraints and cash flow characteristic of the portfolio, is the desired objective. The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints and the cash flow of the portfolio. "Market rate of return" may be defined as the average yield of the current three-month U.S. Treasury Bill or such other index that most closely matches the average maturity of the portfolio. The City's objective shall be a reasonably safe yield rate in accordance with payment schedules and other investment goals.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The City shall maintain a comprehensive cash management program which includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms and the management of banking services. The City staff will follow the "Prudent Person" statement relating to the standard of care that must be exercised when investing public funds as expressed in the Texas Government Code Section 2256.006(a-b). The Investment Officers shall avoid any transactions that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured unrealized losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in the Texas Government Code Section 2256.006(b).

It shall be the policy of the City not to invest in speculative instruments such as derivatives.

LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act of the Texas Government Code Section 2256. The Interlocal Cooperation Contracts, Section 791, of the Texas Government Code authorizes local governments to participate in public funds investments in conjunction with other local governments and agencies of the state of Texas. Section 791 along with Section 2256 of the Texas Government Code provides authorization for participation in investment pools to invest public funds jointly with objectives of preservation and safety of principal, liquidity, and yield.

DELEGATION OF INVESTMENT AUTHORITY

The City Manager and the Finance Director acting on behalf of the City Council are designated as the Investment Officers of the City and are responsible for investment management decisions and activities. The Council is responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officers shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with the investment policy. Procedures will include reference to safekeeping, wire transfers, certificates of deposit, and fund accounts. Additional procedures will be documented for the performance of wire transfer agreements; banking services contracts, and other investment related activities.

The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and staff. The Investment Officers shall designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officers are not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officers and approved by the City Council.

PRUDENCE – STANDARD OF CARE

The standard of prudence to be used in the investment function shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio. The Texas Government Code Section 2256.006(a) states Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

Limitation of Personal Liability

The Investment Officers and those delegated investment authority under this policy, when acting in accordance with the written procedures and this policy and in accordance with the written procedures and this policy and in accord with the Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio provided that deviations from expectations for a specific security’s credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

INTERNAL CONTROLS

The Investment Officers shall establish a system of written internal controls which will be reviewed annually with the independent auditor of the City. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees or Investment Officers of the City.

Cash Flow Forecasting

Cash flow forecasting is designated to protect and sustain cash flow requirements of the City. Supplemental to the financial and budgetary systems, the Investment Officers will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes. Cash flow will include the historical researching and monitoring of specific cash flow items, payables, and receivables as well as overall cash position and patters.

AUTHORIZED INVESTMENTS

Acceptable investments under this policy shall be limited to the instruments listed below. The investments shall be selected in a manner which promotes diversity of the market sector and maturity. The selection of high-grade government investments and high-grade money market instruments is designed to assure the marketability of those investments should the need for liquidity arise.

- A. Obligations of the United States Government, its agencies and instrumentalities, and government sponsoring enterprises, not to exceed two years to stated maturity;
- B. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas and under the terms of a written depository agreement with that bank, not to exceed three years to the stated maturity;
- C. Money market funds authorized by the Public Funds Investment Act of the Texas Government Code Chapter 2256.
- D. Texas Local Government Investment Pools authorized by the Public Funds Investment Act of the Texas Government Code Chapter 2256.

Additional types of securities approved for investment of public funds by Texas state statutes are not eligible for investment by the City until this Investment Policy has been amended and the amended version approved by the City Council authorizing investment of these additional types of securities.

Competitive Bidding Requirements

All securities, excluding certificates of deposit, will be purchased or sold after three (3) offers/bids are taken to verify that the City is receiving fair market value/price for the investment.

Delivery versus Payment

All security transactions, including collateral for repurchase agreements, entered into by the City, shall be conducted on a delivery versus payment (DVP) basis.

SAFEKEEPING AND COLLATERALIZATION

The laws of the State and prudent treasury management require that all purchased securities be bought on a delivery versus payment basis and be held in safekeeping by either the City, an independent third party financial institution, or the City's designated depository.

All safekeeping arrangements shall be designed by the Investment Officers and an agreement of the terms executed in writing. The third-party custodian shall be required to issue safekeeping receipts to the City listing each specific security, rate, description, maturity, cusip number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the City or pledged to the City.

All securities pledged to the City for certificates of deposit or demand deposits shall be held by an independent third-party bank domiciled in Texas. The safekeeping bank may be written within the same holding company as the bank, from which the securities are pledged.

Collateralization

Collateralization shall be required on all public funds of the City over the FDIC insurance coverage limit, and in order to anticipate market changes and provide a level of additional security for all funds, the collateralized level required will be 102% of the market value of the principal accrued interest.

PERFORMANCE EVALUATION AND REPORTING

The Investment Officers shall submit quarterly and annual reports to the City Council containing a written report of investment transactions and investment positions as of the date of report. The report will be prepared jointly by all involved in the investment activity and be signed by the Investment Officer(s).

DEPOSITORIES

The City will designate one banking institution through a competitive process as its central banking service provider. This institution will be used for normal banking services including disbursements, deposits, and lockbox. As a matter of ensuring liquidity and security should the funds deposited with the designated bank be temporarily unavailable, the City will maintain an emergency reserve in another qualified bank.

INVESTMENT POLICY ADOPTION BY CITY COUNCIL

The City's Investment Policy shall be formally approved and adopted by resolution of the City Council and reviewed annually in accordance with the provisions of the Public Funds Investment Act of the Texas Government Code Chapter 2256.

AMENDMENT

In the event Texas state law changes and the City cannot invest in the investments described by this policy, this policy shall automatically be conforming to existing law.

DEBT SERVICE SCHEDULES

Fiscal Year	Total Debt											
	General Fund			Enterprise Fund			4A			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	701,108	188,603	889,711	856,525	792,558	1,649,083	46,014	15,253	61,267	1,603,647	996,414	2,600,061
2019	731,548	163,149	894,697	881,188	768,500	1,649,688	48,176	13,091	61,267	1,660,912	944,740	2,605,652
2020	703,516	136,562	840,078	830,200	739,992	1,570,192	50,439	10,828	61,267	1,584,155	887,382	2,471,537
2021	699,979	111,337	811,316	885,200	711,400	1,596,600	52,809	8,458	61,267	1,637,988	831,195	2,469,183
2022	320,190	84,765	404,955	616,500	679,741	1,296,241	55,290	5,977	61,267	991,980	770,483	1,762,463
2023	334,652	71,541	406,193	633,600	660,427	1,294,027	57,887	3,380	61,267	1,026,139	735,348	1,761,487
2024	346,867	57,435	404,302	658,000	640,328	1,298,328	41,887	4,063	45,950	1,046,754	701,826	1,748,580
2025	309,300	42,687	351,987	675,700	618,518	1,294,218				985,000	661,205	1,646,205
2026	323,900	28,193	352,093	701,100	593,114	1,294,214				1,025,000	621,307	1,646,307
2027	71,800	13,023	84,823	998,200	566,322	1,564,522				1,070,000	579,345	1,649,345
2028	28,800	9,768	38,568	1,086,200	526,357	1,612,557				1,115,000	536,125	1,651,125
2029	30,600	8,400	39,000	1,124,400	482,800	1,607,200				1,155,000	491,200	1,646,200
2030	31,800	6,870	38,670	1,173,200	436,574	1,609,774				1,205,000	443,444	1,648,444
2031	33,600	5,280	38,880	1,221,400	387,920	1,609,320				1,255,000	393,200	1,648,200
2032	35,400	3,600	39,000	1,269,600	337,337	1,606,937				1,305,000	340,937	1,645,937
2033	36,600	1,830	38,430	1,323,400	284,626	1,608,026				1,360,000	286,456	1,646,456
2034				1,420,000	229,713	1,649,713				1,420,000	229,713	1,649,713
2035				1,475,000	173,656	1,648,656				1,475,000	173,656	1,648,656
2036				1,535,000	115,344	1,650,344				1,535,000	115,344	1,650,344
2037				1,585,000	63,400	1,648,400				1,585,000	63,400	1,648,400
Total	4,739,660	933,043	5,672,703	20,949,413	9,808,627	30,758,040	352,502	61,050	413,552	26,041,575	10,802,720	36,844,295

Certificates of Obligation, Series 2007

Fiscal Year	General Fund 34%			Enterprise Fund: 66%			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	28,900	15,932	44,832	56,100	30,928	87,028	85,000	46,860	131,860
2019	30,600	14,660	45,260	59,400	28,460	87,860	90,000	43,120	133,120
2020	32,300	13,314	45,614	62,700	25,846	88,546	95,000	39,160	134,160
2021	34,000	11,894	45,894	66,000	23,086	89,086	100,000	34,980	134,980
2022	35,700	10,398	46,098	69,300	20,182	89,482	105,000	30,580	135,580
2023	37,400	8,826	46,226	72,600	17,134	89,734	110,000	25,960	135,960
2024	37,400	7,180	44,580	72,600	13,940	86,540	110,000	21,120	131,120
2025	39,100	5,536	44,636	75,900	10,744	86,644	115,000	16,280	131,280
2026	42,500	3,814	46,314	82,500	7,406	89,906	125,000	11,220	136,220
2027	44,200	1,944	46,144	85,800	3,776	89,576	130,000	5,720	135,720
Total	362,100	93,498	455,598	702,900	181,502	884,402	1,065,000	275,000	1,340,000

Certificates of Obligation, Series 2009

Fiscal Year	General Fund 100%		
	Principal	Interest	Total
2018	180,000	85,425	265,425
2019	190,000	78,225	268,225
2020	195,000	70,625	265,625
2021	205,000	62,825	267,825
2022	215,000	53,856	268,856
2023	225,000	44,450	269,450
2024	235,000	34,325	269,325
2025	245,000	23,750	268,750
2026	255,000	12,112	267,112
Total	1,945,000	465,593	2,410,593

General Obligation Refunding Bonds, Series 2012

Fiscal Year	General Fund 44%			Enterprise Fund: 56%			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	156,200	17,798	173,998	198,800	22,652	221,452	355,000	40,450	395,450
2019	162,800	13,112	175,912	207,200	16,688	223,888	370,000	29,800	399,800
2020	169,400	8,228	177,628	215,600	10,472	226,072	385,000	18,700	403,700
2021	145,200	3,993	149,193	184,800	5,082	189,882	330,000	9,075	339,075
Total	633,600	43,131	676,731	806,400	54,894	861,294	1,440,000	98,025	1,538,025

Certificates of Obligation, Series 2013

Fiscal Year	General Fund 12%			Enterprise Fund: 88%			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	21,000	18,030	39,030	154,000	132,220	286,220	175,000	150,250	325,250
2019	21,000	17,505	38,505	154,000	128,370	282,370	175,000	145,875	320,875
2020	21,600	16,980	38,580	158,400	124,520	282,920	180,000	141,500	321,500
2021	22,200	16,332	38,532	162,800	119,768	282,568	185,000	136,100	321,100
2022	22,800	15,666	38,466	167,200	114,884	282,084	190,000	130,550	320,550
2023	24,000	14,982	38,982	176,000	109,868	285,868	200,000	124,850	324,850
2024	24,600	14,262	38,862	180,400	104,588	284,988	205,000	118,850	323,850
2025	25,200	13,401	38,601	184,800	98,274	283,074	210,000	111,675	321,675
2026	26,400	12,267	38,667	193,600	89,958	283,558	220,000	102,225	322,225
2027	27,600	11,079	38,679	202,400	81,246	283,646	230,000	92,325	322,325
2028	28,800	9,768	38,568	211,200	71,632	282,832	240,000	81,400	321,400
2029	30,600	8,400	39,000	224,400	61,600	286,000	255,000	70,000	325,000
2030	31,800	6,870	38,670	233,200	50,380	283,580	265,000	57,250	322,250
2031	33,600	5,280	38,880	246,400	38,720	285,120	280,000	44,000	324,000
2032	35,400	3,600	39,000	259,600	26,400	286,000	295,000	30,000	325,000
2033	36,600	1,830	38,430	268,400	13,420	281,820	305,000	15,250	320,250
Total	433,200	186,252	619,452	3,176,800	1,365,848	4,542,648	3,610,000	1,552,100	5,162,100

Certificates of Obligation, Series 2015

Fiscal Year	Enterprise Fund: 100%		
	Principal	Interest	Total
2018	115,000	194,650	309,650
2019	115,000	192,350	307,350
2020	110,000	189,550	299,550
2021	180,000	185,200	365,200
2022	295,000	178,075	473,075
2023	285,000	169,375	454,375
2024	290,000	160,750	450,750
2025	300,000	151,900	451,900
2026	310,000	142,750	452,750
2027	320,000	132,900	452,900
2028	330,000	121,925	451,925
2029	340,000	110,200	450,200
2030	355,000	97,594	452,594
2031	370,000	84,000	454,000
2032	380,000	69,937	449,937
2033	395,000	55,406	450,406
2034	410,000	40,313	450,313
2035	425,000	24,656	449,656
2036	445,000	8,344	453,344
Total	5,770,000	2,309,875	8,079,875

General Obligation Refunding Bonds, Series 2016

Fiscal Year	General Fund 46%			Enterprise Fund: 54%			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	220,800	37,628	258,428	259,200	44,172	303,372	480,000	81,800	561,800
2019	230,000	28,796	258,796	270,000	33,804	303,804	500,000	62,600	562,600
2020	241,500	19,596	261,096	283,500	23,004	306,504	525,000	42,600	567,600
2021	248,400	9,936	258,336	291,600	11,664	303,264	540,000	21,600	561,600
Total	940,700	95,956	1,036,656	1,104,300	112,644	1,216,944	2,045,000	208,600	2,253,600

Certificates of Obligation, Series 2017

Fiscal	Enterprise Fund: 100%		
Year	Principal	Interest	Total
2018	-	363,545	363,545
2019	-	366,600	366,600
2020	-	366,600	366,600
2021	-	366,600	366,600
2022	85,000	366,600	451,600
2023	100,000	364,050	464,050
2024	115,000	361,050	476,050
2025	115,000	357,600	472,600
2026	115,000	353,000	468,000
2027	390,000	348,400	738,400
2028	545,000	332,800	877,800
2029	560,000	311,000	871,000
2030	585,000	288,600	873,600
2031	605,000	265,200	870,200
2032	630,000	241,000	871,000
2033	660,000	215,800	875,800
2034	1,010,000	189,400	1,199,400
2035	1,050,000	149,000	1,199,000
2036	1,090,000	107,000	1,197,000
2037	1,585,000	63,400	1,648,400
Total	9,240,000	5,777,245	15,017,245

Prosperity Bank - 4A

Fiscal	4A 100%		
Year	Principal	Interest	Total
2018	46,014	15,253	61,267
2019	48,176	13,091	61,267
2020	50,439	10,828	61,267
2021	52,809	8,458	61,267
2022	55,290	5,977	61,267
2023	57,887	3,380	61,267
2024	41,887	4,063	45,950
Total	352,502	61,050	413,552

Spirit of Texas Street Equipment

Fiscal	General Fund: 100%		
Year	Principal	Interest	Total
2018	40,931	10,604	51,535
2019	42,301	9,235	51,536
2020	43,716	7,819	51,535
2021	45,179	6,357	51,536
2022	46,690	4,845	51,535
2023	48,252	3,283	51,535
2024	49,867	1,668	51,535
Total	316,936	43,811	360,747

Government Capital Fire & Electric Equipment

Fiscal	General Fund 42%			Enterprise Fund: 58%			Total		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	53,277	3,186	56,463	73,425	4,391	77,816	126,702	7,577	134,279
2019	54,847	1,616	56,463	75,588	2,228	77,816	130,435	3,844	134,279
Total	108,124	4,802	112,926	149,013	6,619	155,632	257,137	11,421	268,558

GLOSSARY OF TERMS

Accrual Basis of Accounting

The basis of accounting whereby revenue projections are developed recognizing revenues expected to be earned in the period, and expenditure estimates are developed for all expenses anticipated to be incurred during the last fiscal year.

Ad Valorem

Latin for “according to the value of.” Refers to the tax assessed against real (land and building) and personal (equipment and furniture) property.

Appropriation

A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in the amount and as to the time when it may be expended.

Assessed Valuation

A valuation set upon real estate and certain personal property by the appraisal district as a basis for levying property taxes.

Assets

Resources owned or held by a government which has monetary value.

Balanced Budget

A budget that is resources (revenues, fund balance) that equals, or is greater than, uses (expenditures/expenses, capital outlay).

Basis of Accounting

The timing method used in the recognition of revenues and expenditures for financial reporting purposes.

Bond

A written promise to pay a specified sum of money at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

Budget

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

Capital Expenditures/ Outlays

Expenditures which result in the acquisition of or addition of fixed assets.

Capital Projects Funds

Funds created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Cash Basis of Accounting

The method of accounting under which revenues are recorded when received and expenditures are recorded when paid.

Debt Service

Payment of interest and repayment of principle to holders of a government’s debt instruments.

Debt Service Fund

A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The Town has no debt; therefore, no debt service fund budget is presented.

Encumbrances

Commitments related to unperformed (executory) contracts for goods and services.

Expenditures

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

Full-Time Equivalent (FTE)

The ratio of total hours paid during a period by the total hours in that pay period.

Fund

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance (Equity)

The difference between fund assets and fund liabilities reported in the Town's governmental funds. For Budget presentation purposes, Fund Balance shall be defined as Unassigned Fund Balance for governmental funds and as Net Working Capital for proprietary funds.

GAAP

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

GASB

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

General Fund

General Operating Fund of the Town, accounting for the resources and expenditures related to the generally recognized governmental services provided.

Governmental Funds

Funds generally used to account for tax-supported activities. There are five (5) types of governmental funds; the general fund, special revenue funds, debt services funds, capital projects funds and permanent funds.

Infrastructure

Public domain fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the government unit.

Internal Service Fund

A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis. The Town's Equipment Replacement, Technology Replacement and

Building Maintenance & Investment Funds are internal service funds.

Ordinance

A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, usually require ordinances.

Revenues

Increases in net financial resources. Revenues include the receipt of assets for goods sold or services provided in the current reporting period, intergovernmental grants, and interest income.

Special Revenue Fund

A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes. GAAP only require the use of special revenue funds when legally mandated. These include the Court Technology and Court Security Funds.

Tax Levy

The total amount of taxes imposed by the Town of taxable property within its boundaries.

Tax Rate

The dollar rate for taxes levied for each \$100 of assessed valuation.

Transfer

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