

City of
West University Place, Texas
1997 Annual Budget

CITY OF WEST UNIVERSITY PLACE, TEXAS

1997 BUDGET

CITY OFFICIALS

Bill Watson
Mayor

Members of the City Council

Tom Rushing
Teresa Fogler
Linda Lewis
Stan McCandless



Robert Yehl
City Manager
Walter Thomas
Finance Director

**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**

INTRODUCTION

You are holding the published City of West University Place, Texas *1997 Annual Operating Budget*. This document has been prepared to help you learn of the issues affecting the community of West University Place. Some people believe that a city budget is only a **financial plan**, replete with boring statistics and financial schedules. Although this document has its share of financial schedules and statistics, the *1997 Annual Operating Budget* serves other functions as well. For example, it is a **policy document**, which presents major policies which guide how the City is managed. It is also an **operations guide**, which gives the public, elected officials and city staff information pertaining to the production and performance of individual city operations. Finally, the *1997 Annual Operating Budget* is intended to be a **communications tool** formally transmitting the City's revenue and expenditure plan for the year.

FORMAT

The *1997 Annual Operating Budget* is divided into three major sections: Introductory, *Financial/Operational*, and *Appendices*. The Introductory section contains the City Manger's letter addressed to the City Council which explains the major policies and issues which affected the development of the *1997 Annual Operating Budget*. This section also contains a chart showing the how the City is organized, and a financial schedule summarizing the budgeted financial activity for all of the City's funds.

The Financial/Operational section of the *1997 Annual Operating Budget* is grouped first by fund and then by department. Like most local governments, the City uses funds to account for its financial activities. A Fund is simply a device to segregate and account for public resources. Financial statements, including the adopted 1997 budget are presented for every fund. Additionally, the statements show the fund's financial activity over several years. Like the checking account statement you receive from your bank, the statements show beginning balances, revenues, expenditures and ending balances for each year. Accompanying the statements are narrative discussions of each fund's financial activity for the prior year and the expected activity for 1997. Graphs and schedules have also been provided to help make certain points clearer.

Funds are divided in departments or projects. Each department is presented with a chart showing how it is organized, a brief statement describing the department's mission, a list of the department's accomplishments in 1996, and a discussion of what the department hopes to accomplish in 1996. Schedules showing the department's finances and details about the department's employees over several years are also provided.

Projections of the City's finances and a glossary of terms are presented in the appendices.

Should you have any questions regarding the information presented in this document, please call the Finance Director, or any other staff members; their names and telephone numbers are on the back page.

The cover was prepared with the assistance of Ms. Roberts Fourth Grade class at West University Elementary School. Our thanks to Principal John Threet and art teacher Dianne Arnold for taking on this project

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**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**



City of West University Place



December, 1996

Mayor Bill Watson
City Council Members
City of West University Place
3800 University Boulevard
Houston, Texas 77005

Dear Mayor Watson and City Council Members

In compliance with State law and the City Charter, I am pleased to submit the 1997 Operating Budget for the City of West University Place.

This Budget proposes no decrease in the level of city services and incorporates the debt service for the 1996 debt issued to finance infrastructure replacement. There are no fee or tax increases to fund existing services. There is a \$0.01 per \$100 increase in the portion of the ad valorem (property) tax rate dedicated to fund debt service. This increase is within the expected increase in property taxes needed to fund the City's Infrastructure Replacement Program that was communicated to the citizens prior to the approval of the bonds.

Budgets cannot be prepared in a vacuum. Financial policies provide the place to start and the framework to build a budget. In the past, the City did not prepare a set of written guidelines to provide direction to the budget process. Even so, financial policies that were unwritten and perhaps poorly communicated were followed. The policies listed below are those used to prepare the 1997 Budget.

The City is a service organization. The most important asset of a service organization are trained, motivated, and properly led employees. The Proposed Budget recognizes the need to recruit, train and keep a workforce that is capable of delivering services at the level the citizens of West University Place expect. To insure that the City's compensation level stays competitive, \$85,000 has been set aside for salary adjustments during 1997.

The 1996 Operating Budget called for 101 employees to be funded by the City's General Fund and 15 to be funded in the City's Water and Sewer Utility for a total of 116. Staff reductions in the Public Works Department's Building Division reduced the workforce by 2. The 1997 Budget requests 99 authorized positions in the General fund and 15 in the Water and Sewer Utility Fund.

The City's current services to citizens are to be given priority. Increases or decreases in service levels should be prominently and separately displayed. The proposed Budget used baseline funding for all departments. Each Department used last year's budget as a starting point for preparing this year's budget. Departures from this baseline budget included in the proposed budget are:

- The new alarm monitoring service is budgeted in a separate division in the Police Department. The 1997 Proposed Budget includes \$15,000 as an estimate of the cost of equipment financing. Other costs of providing this service are shifted from the Police Budget. No new employees are associated with the new alarm monitoring service. The revenues associated with this service are estimated to be \$70,000 and are included in the General Fund's resources.

Since this program adds about \$25,000 in new costs and will generate \$70,000 in new revenue, it does not pose a burden to the property tax rate.

- An additional \$20,000 is included in the Parks and Recreation Department's budget to provide funding for monitoring the swimming pool during hours the pool is open for lap swimming only.
- Two positions were deleted from the Public Works Department's Building Division during 1996. This was accomplished by not filling vacancies as they occurred.

All fee schedules, user charges and charges for utility services should be reviewed and adjusted to ensure that rates are equitable and cover the cost of the service deemed appropriate by the City Council. There are no fee or utility rate increases proposed in this Budget. Fees for garbage, water and sewer services are adequate to support those services.

There are trends that seem to indicate that rates will go up in 1998 for both garbage and water and sewer services. Garbage fees are under pressure from spiraling land fill costs. If these costs do not level out in 1997 it will be necessary to increase the fee for this service. Water and sewer utility fees will go up in 1998 due to increased debt service requirements for the 1996 debt issuance. During fiscal year 1997 we will actively search for ways to control the increasing cost of disposal of solid waste.

The City will avoid budget and accounting procedures which balance the current budget at the expense of future budgets. This means that postponing necessary operating expenditures, using short-term debt to finance operating expenditures (personnel, supplies, etc.) or accruing future years revenues are to be avoided. Additionally the Budget will provide for the adequate maintenance and replacement of capital plant and equipment. The Proposed Budget meets this policy by:

- Providing \$329,160 to fund the purchase of operating capital assets. Most of this expenditure is aimed at replacing assets that are currently in service but have reached the end of their operational lives.
- Budgeting needed repairs to maintain the citizen's investment in capital. The swimming pool, racquetball courts, police station and library are to receive attention in 1997.

The City will maintain reserves adequate to ensure that resources are available annually for the replacement of vehicles and equipment. The projected fund balances by fund is detailed in the schedule below:

	Beginning Balance	1997 Budgeted		Transfers In (out)	Ending Balance
		Revenues	Expenditures		
General Fund	\$ 4,165,685	\$ 7,120,900	\$ 7,102,230	\$ (500,000)	\$ 3,684,355
Water and Sewer Fund	4,615,386	2,828,000	2,631,750	(875,000)	3,936,636
Debt Service Fund	1,030,117	2,712,000	2,934,032	-	808,085
Capital Projects Fund	1,079,880	555,000	2,655,354	1,025,000	4,526
Parks Fund	15,155	7,000	7,000	-	15,155
Recycling Fund	27,434	50,000	25,000	(25,000)	27,434
	<u>\$ 10,933,657</u>	<u>\$ 13,272,900</u>	<u>\$ 15,355,366</u>	<u>\$ (375,000)</u>	<u>\$ 8,476,191</u>

The City's total reserves are very comfortable for a city the size of West University Place, but they are not inexhaustible. The City has made considerable investment in infrastructure over the past several years. Since there is no funding available for major capital, other than fund balance and debt, the available balances have declined steadily since 1994. The 1997 Budget calls for financing data processing improvements with short term obligations or lease purchase contracts which will push the payment for the assets forward into the period they will benefit in order to dampen the outflow of funds.

The City will follow long-range plans for capital improvements. A long-range plan for capital improvement should be prepared and updated each year. This plan may include (in years other than the first year of the plan) "unfunded" projects that carry out the City's long-term goals, but it should identify projects that can be completed with known funding sources. The 1997 Budget is based on a long-range plan for capital improvements that was presented to the Council in June, 1996. The following long-term capital improvements are moved from planning to implementation in the 1997 Budget:

	Estimated Total Cost
Central data processing system	\$ 500,000
Clean 72" drainage pipe	25,000
Recycling Center	250,000
Replace foot bridge over Poor Farm Ditch	50,000
Pocket park - Auden at Rice	200,000
Judson Park improvements	220,000
Municipal building renovation	1,700,000
Odor Control at waste water plant	100,000
Repair 36" waste water line (Brompton)	100,000
SCADA for waster water plant	125,000
Evaluate water well #8	50,000

Future projects pending funding, include acquiring and renovating the YMCA and purchasing property to complete Colonial Park. Since these projects are not likely to require funding before 1999, the City has time to develop a funding strategy.

The City's Capital Improvement Plan will be updated to reflect the decisions of the City Council soon after the adoption of the 1997 Budget. Additionally, the long-range financial plan used as guidance for the 1997 Budget will be updated. Both Plans will be submitted to the Council during the fall of this year and, once approved, included as appendices in the final published 1997 Budget document.

I want to acknowledge the generous support the from all City Departments, City Council and citizens of West University Place. In particular, the assistance of Walter Thomas, Kym Radley and Thelma Lenz should not go unnoticed.

I am looking forward to working with you in further developing and expanding the City's financial plan and strategy for the future. The next year promises to be an exciting year for the City with changes beginning to take shape in expanded use of technology, investments in infrastructure, and development of the City's workforce.

Sincerely,

Robert P. Yehl
City Manager

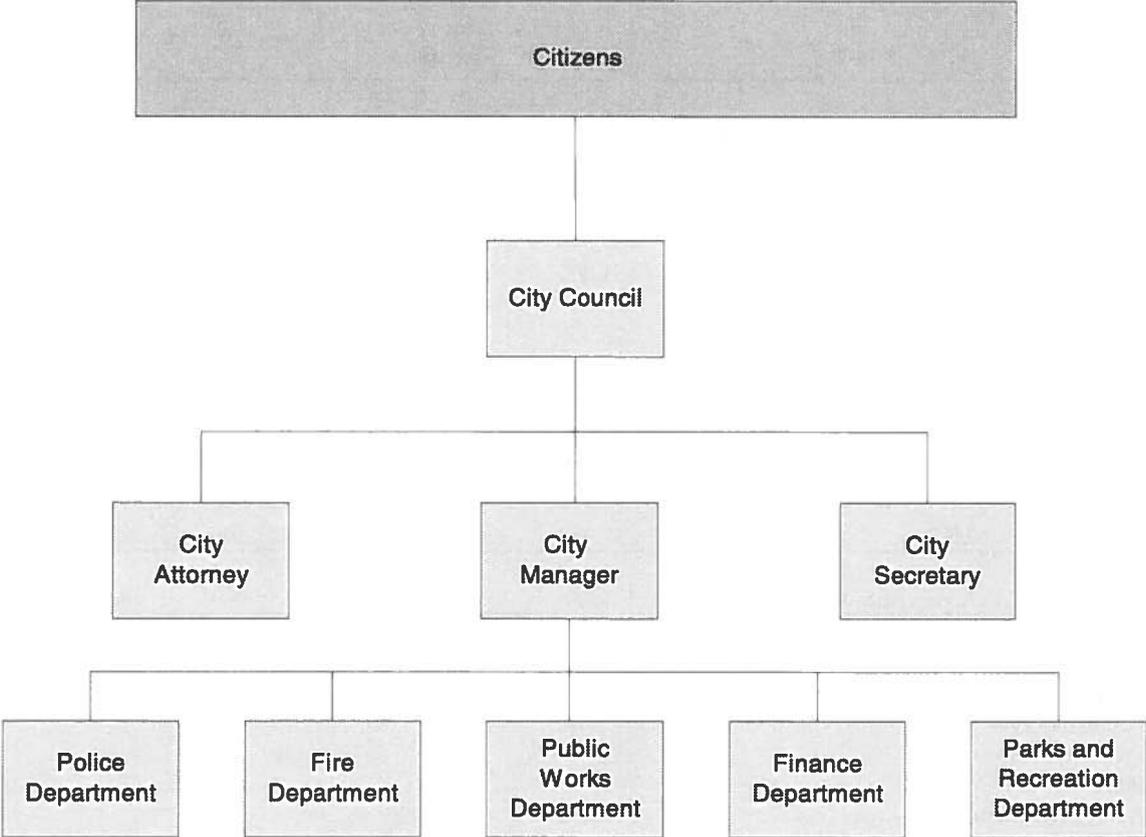
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**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**

CITY OF WEST UNIVERSITY PLACE

ORGANIZATION CHART

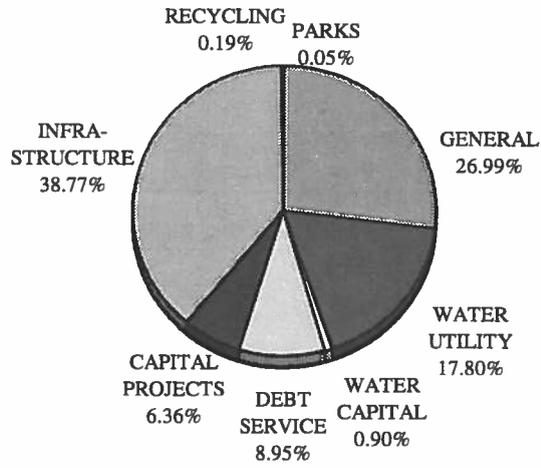


**PROPOSED 1997 ANNUAL BUDGET
 COMBINED SUMMARY OF REVENUES AND CHANGES IN FUND BALANCE
 ALL FUNDS**

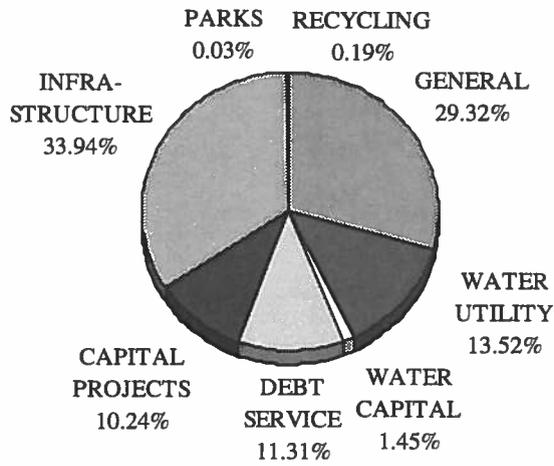
	GENERAL FUND	WATER AND SEWER UTILITY FUND		DEBT SERVICE FUND
		WATER UTILITY FUND	WATER CAPITAL FUND	
BEGINNING BALANCE	\$ 4,165,685	\$ 4,615,386	\$ (2,500)	\$ 1,030,117
REVENUES				
Ad Valorem Taxes	3,055,000			2,462,000
Penalty and Interest	31,000			
City Sales Tax	404,500			
Franchise Fees	623,000			
Licenses and Permits	298,100			
Fines and Forfeitures	322,000			
Service Fees	820,000	2,600,000		
Recreation Programs	346,500			
Administration Services	410,000			
Interest on Investments	460,800	225,000	2,500	250,000
Other Revenues	350,000	3,000	375,000	
TOTAL REVENUES	7,120,900	2,828,000	377,500	2,712,000
TOTAL AVAILABLE RESOURCES	11,286,585	7,443,386	375,000	3,742,117
EXPENDITURES:				
General Government	1,146,900			
Public Safety	2,876,580			
Public Works	1,992,530			
Public Services	709,170			
Non-Departmental	877,050	1,285,000		
Debt Service		202,000		2,934,032
Capital Projects			375,000	
Utilities		2,019,750		
TOTAL EXPENDITURES	7,602,230	3,506,750	375,000	2,934,032
ENDING BALANCE	\$ 3,684,355	\$ 3,936,636	\$ -	\$ 808,085

CAPITAL PROJECT FUNDS		SPECIAL REVENUE FUNDS		TOTAL ALL FUNDS	
CAPITAL PROJECTS FUND	INFRA-STRUCTURE FUND	PARKS FUND	RECYCLING FUND	1997 BUDGET	1996 BUDGET
\$ 1,079,880	\$ 15,595,884	\$ 15,155	\$ 27,434	\$ 26,527,041	\$ 9,768,228
				5,517,000	5,165,000
				31,000	66,000
				404,500	404,500
				623,000	575,000
				298,100	339,900
				322,000	362,000
				3,420,000	3,063,220
				346,500	341,000
				410,000	400,000
55,000	350,000	2,000	4,000	1,349,300	626,696
1,525,000	270,000	5,000	46,000	2,574,000	2,229,300
1,580,000	620,000	7,000	50,000	15,295,400	13,572,616
2,659,880	16,215,884	22,155	77,434	41,822,441	23,340,844
				1,146,900	1,123,940
				2,876,580	2,784,850
			25,000	2,017,530	1,973,170
		7,000		716,170	883,640
			25,000	2,187,050	1,439,550
				3,136,032	2,581,700
2,655,354	8,802,372			11,832,726	1,710,000
				2,019,750	2,738,040
2,655,354	8,802,372	7,000	50,000	25,932,738	15,234,890
\$ 4,526	\$ 7,413,512	\$ 15,155	\$ 27,434	\$ 15,889,703	\$ 8,105,954

REVENUE FUNDS BY SOURCE



EXPENDITURE FUNDS BY CATEGORY



THE GENERAL FUND

GENERAL FUND

FUND DESCRIPTION:

The General Fund is used to account for revenue, expenditures, and transfers associated with municipal services not directly supported or accounted for in other funds.

FUND FINANCIAL ACTIVITY:

The General Fund finances nearly all of the City's services. In the development of the budget, the General Fund's budget is crucial. Issues such as the ad valorem tax rate, fee, objectives, levels of service, the number of employees, salaries and benefits are all determined during the preparation of the General Fund's budget. The General Fund is the source of funds for all six of the City's departments (Police, Fire, public works, Parks and Recreation, Finance, and Administration).

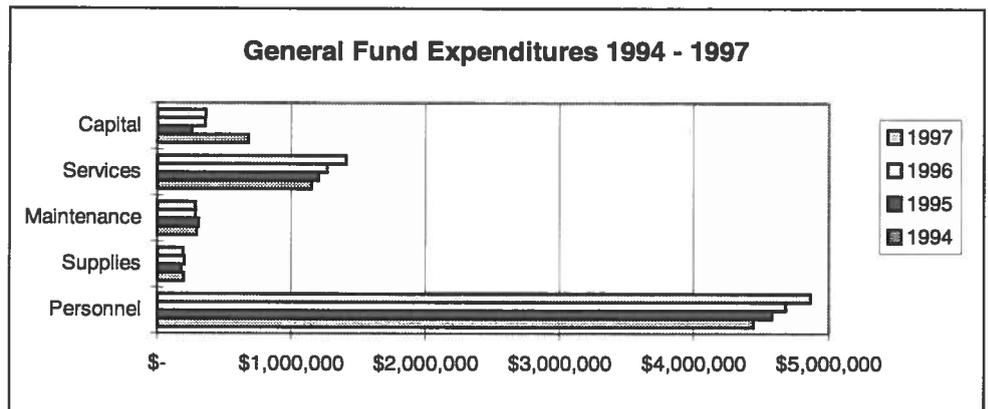
Revenue Projections for 1996. The 1996 Budget estimated revenues available to finance the General Fund's services at \$6,915,200. Based on collections and data available on June 30, 1996, this original estimate has been revised to \$7,086,290. This more optimistic estimate is based on property tax collections exceeding estimates by 2.8%.

Not all of the General Fund's revenues are as robust as property taxes. Revenues from Licenses and Permits are expected to amount to \$275,000, or \$64,900 below the \$339,900 budgeted. Declining building activity seems to be the cause of the shortfall. This reduction in activity is a continuation of a developing trend that started in 1995. Lower interest rates and a much-improved Houston economy spurred growth in 1994. Higher property values and rising interest rates sharply cooled activity in 1995. The real trend, a slow decline in building activity, seems to have started in 1990 and is continuing in 1996. This decline is probably due to the increasing costs of building in West University Place.

Sales taxes account for 5.7% percent of the General Fund's available resources. In the 1996 Budget, sales taxes were projected to be \$404,500. This estimate still seems to be valid, collections through June 30, 1996 were just under \$200,000.

Expenditure Estimated for 1996. The 1996 Budget appropriated \$8,010,150. Of this amount, \$6,897,150 was to provide the General Fund's traditional services and \$1,113,000 to be transferred to the Capital Project Fund to finance major capital acquisitions. Through June 30, 1996, it appears that actual expenditures will be below appropriations by \$99,440. Personnel vacancies in the Administration, Finance, Public Works (Building Division) and the Police Department are the primary reason for the reduction in expenditures.

Financial Position in 1996. By any standard of



measure, the City of West University Place's General Fund will close 1996 in sound fiscal condition. The estimated balance available for appropriation will be approximately \$4,165,700. This amount represents 58.7% of estimated 1996 revenues. While there is no formal standard established for the proper amount of funds to retain in reserve, most analysts agree that it should be no less than 25% of a fund's revenues.

The City's General Fund Balance has declined \$1.3 million from the \$5.5 million available January 1, 1994. This decline was planned, and the fund balance has been expended on improving the City's infrastructure, municipal building, and parks.

1997 BUDGET

Projected 1997 Revenues. The City's General Fund Revenues for fiscal 1997 should be substantially the same as 1996. Total revenues are expected to be \$7,120,900. Revenues from property taxes will grow by \$35,000 because of increases in assessed values. The ad valorem tax rate dedicated to operations will be \$0.21, the same as 1996.

The General Fund's second most important source of funds are the fees charged to collect and dispose of solid waste. The 1997 Budget does not include an increase for this service. User fees for solid waste removal are estimated to be \$820,000, \$20,000 more than the 1996 Budget because the prior year's realized revenues exceeded the budget.

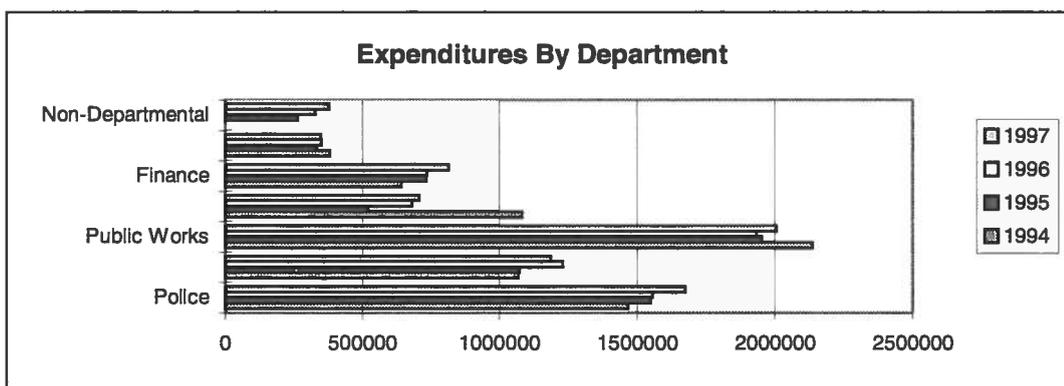
Revenues generated by the City's one cent sales tax are budgeted at \$404,500, the same amount estimated for 1996. The City's stable business community accounts for the level budget.

Franchise taxes provide \$623,000, or 8.7% of the City's General Fund revenues. There seems to be little upward pressure on utility rates so there is no reason to expect these revenues to exceed the 1996 levels.

As in previous years, the 1997 Budget anticipates a \$410,000 payment from the Water and Sewer Utility Enterprise Fund. This payment is a reimbursement for the Utility Fund's share of administrative costs. Meter reading, billing, accounting, legal, data processing and insurance are all budgeted in the General Fund in order to centralize these costs.

Expenditures in 1997. The 1997 Budget appropriates \$7,602,230 in the General Fund. The General Fund's 1996 Budget was \$8,010,150, so this Budget represents a 5.1% decrease. All of this decrease is due to the much lower transfer to the Capital Projects Fund. Personnel costs are budgeted to increase 1.4% over last year's budget of \$4,794,090. While the 1997 Budget contains \$85,000 for pay increases for employees, it is offset by reductions in staff.

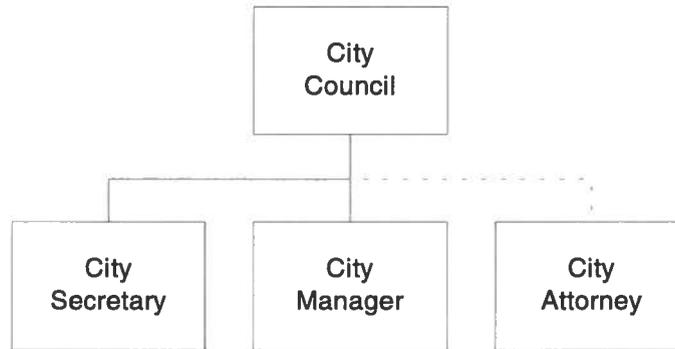
The remaining increase in personnel cost results from funds allocated to the Parks and Recreation Department to provide for additional life guard coverage at the City's pool. Health care benefits are also included in personnel costs. After two years of stability, this cost is expected to increase 4%.



**PROPOSED 1997 ANNUAL BUDGET
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND**

	1995 Actual	1996 Budget	1996 Estimate	1997 Budget
BEGINNING BALANCE	\$ 5,316,208	\$ 4,997,105	\$ 4,997,105	\$ 4,165,685
REVENUES:				
Ad Valorem Taxes	2,976,002	2,938,000	3,020,000	3,055,000
Penalty and Interest	30,981	26,000	30,000	31,000
City Sales Tax	837,595	404,500	400,000	404,500
Franchise Fees	652,893	575,000	600,000	623,000
Licenses and Permits	369,412	339,900	275,000	298,100
Fines and Forfeitures	329,572	362,000	320,000	322,000
Sanitation Services	816,952	800,000	850,000	820,000
Recreation Programs	284,322	341,000	350,000	346,500
Administrative Services	253,310	400,000	400,000	410,000
Interest on Investments	484,652	350,000	350,000	460,800
Other Revenues	286,825	378,800	491,290	350,000
TOTAL REVENUES	7,322,516	6,915,200	7,086,290	7,120,900
TOTAL AVAILABLE RESOURCES	12,638,724	11,912,305	12,083,395	11,286,585
EXPENDITURES:				
Administration	331,359	352,880	349,750	345,940
Finance	731,944	771,060	735,660	800,960
Police	1,550,743	1,617,300	1,556,990	1,685,630
Fire	1,072,351	1,167,550	1,229,420	1,190,950
Public Works	1,949,775	1,973,170	1,925,870	1,992,530
Parks and Recreation	631,876	688,640	680,470	709,170
Non-Department	264,741	326,550	326,550	377,050
Operating Transfer (Out)	1,108,830	1,113,000	1,113,000	500,000
TOTAL EXPENDITURES	7,641,619	8,010,150	7,917,710	7,602,230
ENDING BALANCE	\$ 4,997,105	\$ 3,902,155	\$ 4,165,685	\$ 3,684,355

ADMINISTRATION



DEPARTMENT MISSION

To effectively and efficiently implement and administer the policies established by the City Council

ACTIVITY SUMMARY

The City Manager is responsible to the City Council for the efficient delivery of City Services. The City Secretary is responsible to the City Council for maintaining legally ordinances, resolutions, meeting minutes, and legally required publications. The City Attorney provides City Council with general counsel, litigation, contract review, and ordinance review.

The City Manager's position was vacant for the first five months of 1996. The City's Police Chief filled in as Acting City Manager while a nation-wide search for a new City Manager was underway. The City's new City Manager assumed his duties on June 10, 1996.

During 1996 the City Secretary spearheaded an effort to re-codify the City Ordinances. When this project was completed in June, 1996, all of the City's ordinances had been reviewed by staff.

Accomplishments in 1996:

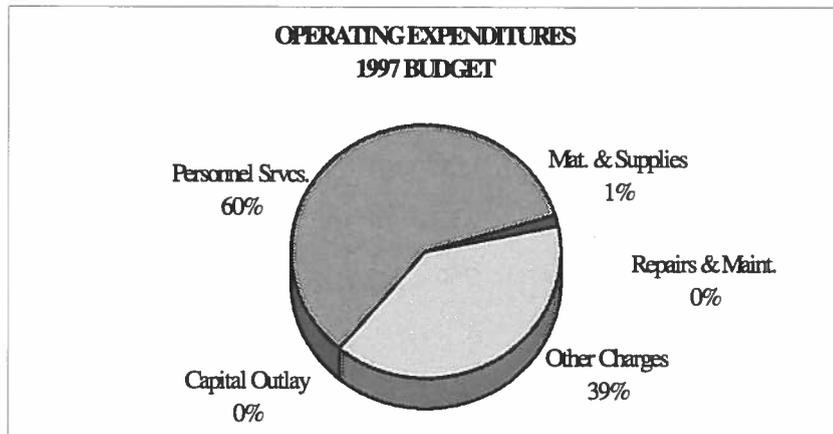
- * Published Code of Ordinances.
- * Hired a new City Manager.
- * Worked with architects and a citizen recycling committee to develop a plan for a recycling center.
- * Worked with architect to develop plans for renovating City Hall.

Objectives in 1997:

- * Renovation of City Hall.
- * Implement a Internet Web Page.
- * Install a City-wide Management Information System.
- * Improve communications to the public about City operations.

Major Budget Items:

- * Legal fees. (\$52,000)
- * *City Currents* publication costs (\$25,000).



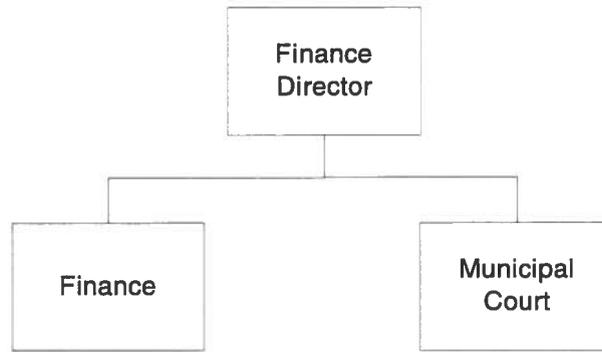
EXPENDITURES	ACTUAL 1995	BUDGET 1996	ESTIMATED 1996	BUDGET 1997
<i>Administration</i>				
Personnel Services	\$ 200,160	\$ 184,280	\$ 177,900	\$ 204,940
Materials and Supplies	2,903	4,900	3,450	4,500
Repairs and Maintenance	1,090	400	400	400
Other Charges	123,407	153,500	153,000	136,100
Capital Outlay	3,799	9,800	15,000	-
TOTAL-ADMINISTRATION	\$ 331,359	\$ 352,880	\$ 349,750	\$ 345,940

STAFFING	LEVEL	BUDGET 1994	BUDGET 1995	BUDGET 1996	BUDGET 1997
City Manager	N/C	1	1	1	1
City Secretary	N/C	1	1	1	1
Administrative Secretary	38	1	1	1	1
TOTAL-ADMINISTRATION		3	3	3	3
N/C-Not Classified					

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**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**



DEPARTMENT MISSION

To provide useful financial management services to other City Departments, timely and accurate billing to citizens, fair and efficient administration of the municipal court, and useful financial reporting to the City's financial stakeholders.

ACTIVITY SUMMARY

The City's Finance Director is charged with the responsibility to provide the general supervision to this Department's two divisions. The Finance Department provide a wide range of financial and administrative services to other City Departments including: purchasing, budgeting, risk management, cash management, personnel, payroll, accounts payable, and financial reporting. Additionally, the Finance Department directs the administration of the City's Municipal Court.

Accomplishments in 1996:

- * Completely revised the City's Comprehensive Annual Report.
- * Negotiated a new depository contract providing an additional \$25 thousand annually in interest revenues.
- * Revised the reporting to City Council to provide more understandable and useful data.
- * Designed and supervised the installation of a fiber optic computer cabling links between the City's buildings.
- * Completed the transfer of the City's water meter reading activity to a private contractor, saving the City over \$15 thousand annually.

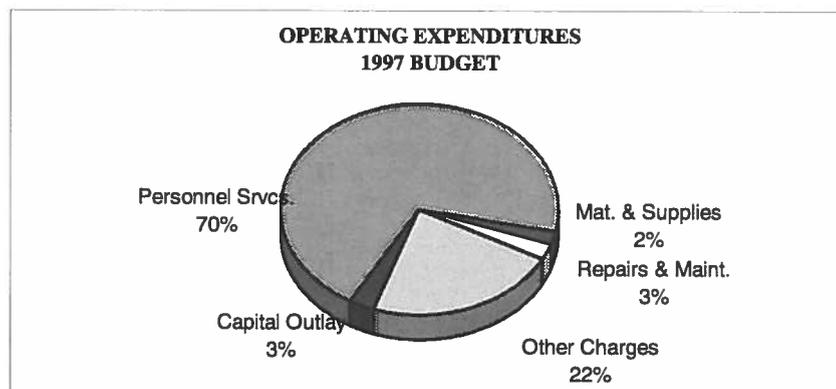
- * Led the team of City management and consultants in designing an innovative debt package to finance the City's infrastructure replacement program.

Future Objectives:

- * Implement new software that will enable automated clearinghouse (ACH) transactions for water utility payments.
- * Re-engineer the City's Purchasing/Accounts Payable system to insure compliance with budget restraints and laws.
- * Enhance employee development opportunities

Major Budget Items:

- * Harris County Central Appraisal District (\$47,000). Required payment for appraisal services.
- * Audit fees (\$16,000). Payment for Lairson, Stephens, and Reimer for annual audit.
- * Meter Reading Service (\$40,000). Cost of contracted meter reading services.
- * Maintenance contracts with I.B.M. and USTI to maintain the City's AS/400 computer system and the administrative software.



EXPENDITURES	ACTUAL 1995	BUDGET 1996	ESTIMATED 1996	BUDGET 1997
<i>Finance</i>				
Personnel Services	\$ 415,601	\$ 407,570	\$ 386,400	\$ 424,810
Materials and Supplies	15,838	14,300	14,410	13,500
Repairs and Maintenance	19,636	21,800	20,000	20,000
Other Charges	112,842	161,570	146,900	175,900
Capital Outlay	19,409	5,850	10,500	-
TOTAL	583,326	611,090	578,210	634,210
<i>Municipal Court</i>				
Personnel Services	138,555	149,230	145,810	152,230
Materials and Supplies	1,717	1,800	1,900	1,900
Repairs and Maintenance	330	500	500	500
Other Charges	4,663	5,440	5,440	6,120
Capital Outlay	3,353	3,000	3,800	6,000
TOTAL	148,618	159,970	157,450	166,750
TOTAL-FINANCE DEPARTMENT	\$ 731,944	\$ 771,060	\$ 735,660	\$ 800,960

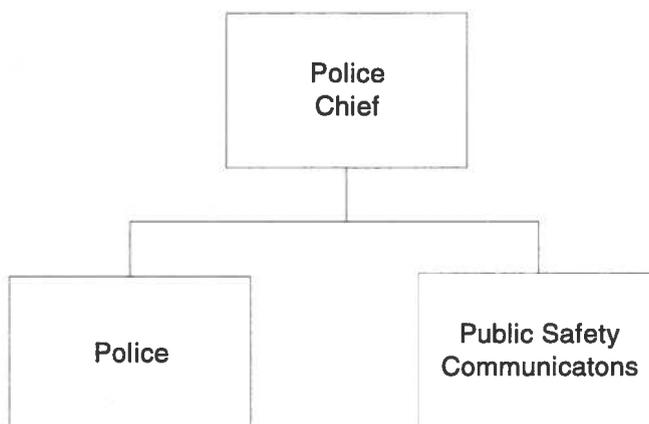
STAFFING	LEVEL	BUDGET 1994	BUDGET 1995	BUDGET 1996	BUDGET 1997
<i>Finance</i>					
Finance Director	N/C	1	1	1	1
Deputy Finance Director		1	1	1	1
Personnel/Risk Specialist	40	1	1	1	1
Deputy Tax Assessor Collector	38	1	1	1	1
Accounting Specialist	36	4	3	3	3
Utility Billing Specialist	37	0	1	1	1
Cashier	34	1	1	1	1
Customer Service Representative	35	1	1	1	1
Meter Reader		0	2	0	0
TOTAL-Finance Division		10	12	10	10
<i>Municipal Court</i>					
Municipal Court Clerk	39	1	1	1	1
Deputy Court Clerk	35	1	1	1	1
TOTAL-Municipal Court Division		2	2	2	2
TOTAL-FINANCE DEPARTMENT		12	14	12	12
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**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**

POLICE



DEPARTMENT MISSION

To preserve the peace and to protect life and property, by enforcing State, Federal and local laws.

ACTIVITY SUMMARY

The Police Chief is responsible for preserving the peace and enforcing the law in the City of West University Place. He also has assumed responsibility for the operations of the new central alarm monitoring system.

Accomplishments in 1996:

- * Continued to reduce Part I crimes.
- * Continued compliance with standards set by Texas Commission on Law Enforcement Standards and Education.
- * Expanded the neighborhood watch program.

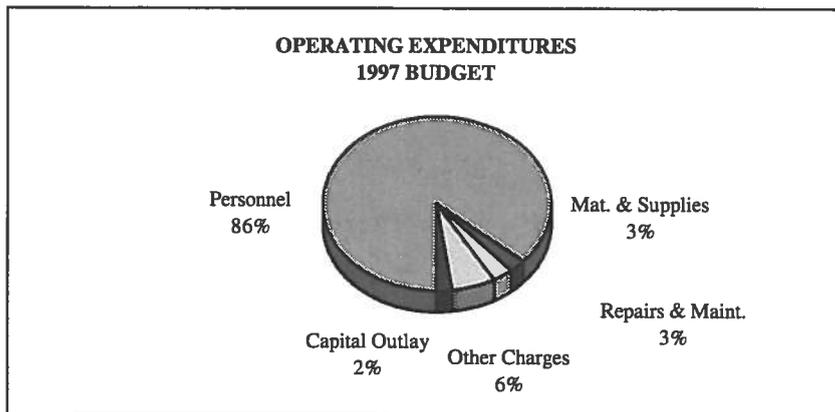
Future Objectives:

- * Achieve national re-accreditation in 1997.
- * Implement a station alarm monitoring system and program.

- * Replace computer hardware and software.

Major Budget Items:

- * Animal control truck (\$25,000). Replaces a 1988 pickup truck used by the Animal Control Officer.
- * Personnel costs related to communications together with maintenance on radios (\$161,530). Transferred from Police Budget to separate budget.
- * Two video cameras for patrol cars (\$12,000). Replaces existing equipment.
- * Patrol car radar (\$3,000). Replacement equipment.
- * Memberships and subscriptions (\$9,000). Accreditation fees and professional memberships.
- * Travel and training (\$10,440).
- * Communications (\$10,000). Funds to increase public awareness of the alarm monitoring program.



EXPENDITURES	ACTUAL 1995	BUDGET 1996	ESTIMATED 1996	BUDGET 1997
<i>Police</i>				
Personnel Services	\$ 1,316,934	\$ 1,377,550	\$ 1,318,240	\$ 1,290,140
Materials and Supplies	42,687	45,200	45,200	45,200
Repairs and Maintenance	39,872	36,500	36,000	38,000
Other Charges	61,046	75,550	75,050	87,257
Capital Outlay	89,844	82,500	82,500	36,500
TOTAL	<u>1,550,383</u>	<u>1,617,300</u>	<u>1,556,990</u>	<u>1,497,097</u>
<i>Communications</i>				
Personnel Services	-	-	-	154,530
Materials and Supplies	-	-	-	-
Repairs and Maintenance	-	-	-	7,000
Other Charges	-	-	-	15,000
Capital Outlay	-	-	-	-
TOTAL	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,530</u>
TOTAL-POLICE DEPARTMENT	<u>\$ 1,550,383</u>	<u>\$ 1,617,300</u>	<u>\$ 1,556,990</u>	<u>\$ 1,673,627</u>

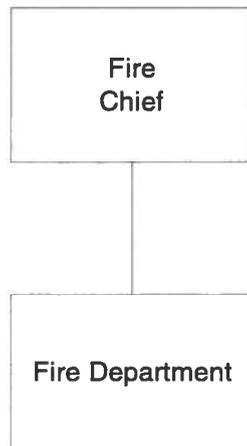
STAFFING	LEVEL	BUDGET 1994	BUDGET 1995	BUDGET 1996	BUDGET 1997
<i>Police</i>					
Police Chief	N/C	1	1	1	1
Records Secretary	36	1	1	1	1
Police Captain		1	1	-	-
Police Lieutenant	43	-	-	4	4
Police Sergeant	41	4	4	4	4
Police Dispatchers		5	5	5	-
Animal Control Officer	33	1	1	1	1
Police Corporal		3	3	-	-
Police Officer	38	10	10	10	10
Detective	38	2	2	2	2
TOTAL		<u>28</u>	<u>28</u>	<u>28</u>	<u>23</u>
<i>Communications</i>					
Police Dispatchers	36	-	-	-	5
TOTAL		<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
TOTAL-Police Department		<u>28</u>	<u>28</u>	<u>28</u>	<u>28</u>
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**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**

FIRE DEPARTMENT



DEPARTMENT MISSION

To protect lives and health of the citizens of West University Place and their property from fire, man-made or natural disasters, and contagious diseases.

ACTIVITY SUMMARY

The Fire Chief is responsible for protecting lives and property from fire and man made or natural disasters. The City's Fire Department provides fire suppression, emergency medical services with advanced life support capability practiced by trained paramedics, fire inspections, and health services.

Accomplishments in 1996:

- * Improved ambulance fee collection rate from 35% to 60% by awarding contract to collect overdue ambulance fees.
- * Contracted mosquito spraying yielding a \$5,000 annual savings to the City.

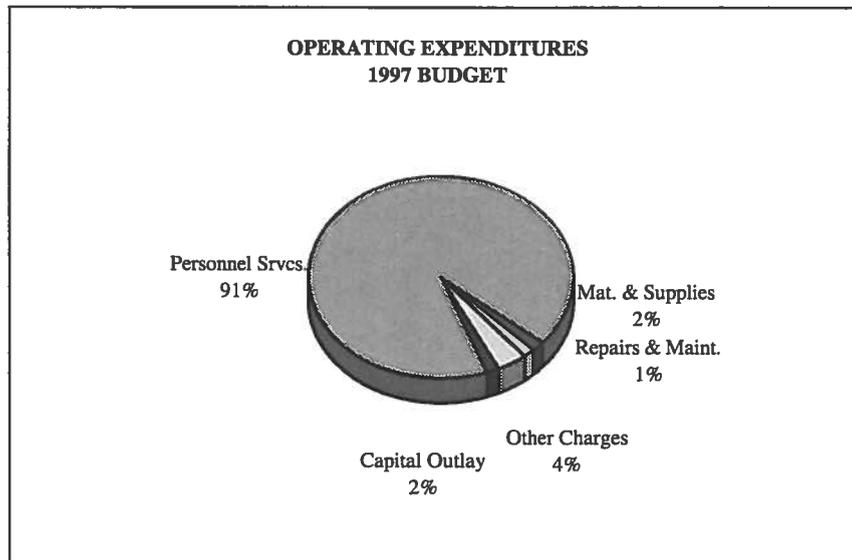
Future Objectives:

- * Co-sponsor the program to implement a station alarm monitoring system and program.

- * Complete Disaster Plan and related documents and submit them to the State for approval.
- * Replace computer hardware and software.

Major Budget Items:

- * Telephone expense (\$11,220). City wide maintenance of telephones. Not budgeted here before.
- * Operating supplies (\$14,950). Fire fighting equipment: Hose (\$7,000), helmets (\$3,000), bunker gear (\$4,000), other supplies (\$950).
- * Mosquito spraying contract (\$10,000).



EXPENDITURES	ACTUAL 1995	BUDGET 1996	ESTIMATED 1996	BUDGET 1997
<i>Fire</i>				
Personnel Services	\$ 1,019,901	\$ 1,084,900	\$ 1,142,820	\$ 1,091,840
Materials and Supplies	18,264	19,650	21,350	35,300
Repairs and Maintenance	17,526	14,200	14,200	16,200
Other Charges	15,535	31,100	33,350	42,605
Capital Outlay	1,125	17,700	17,700	5,000
TOTAL-FIRE DEPARTMENT	\$ 1,072,351	\$ 1,167,550	\$ 1,229,420	\$ 1,190,945

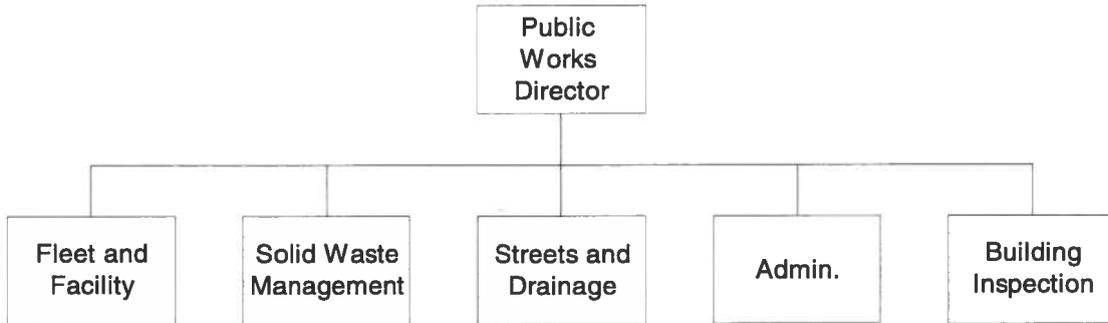
STAFFING	LEVEL	1994	1995	1996	1997
Fire Chief	N/C	1	1	1	1
Fire Captain	43	3	3	3	3
Fire Lieutenant	41	3	3	3	3
Firefighter	38	12	12	12	12
Secretary	36	0	0	1	1
TOTAL-FIRE DEPARTMENT		19	19	20	20
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**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**

PUBLIC WORKS DEPARTMENT



DEPARTMENT MISSION

The Department's mission is to provide the following services: (1) maintain the City's streets at a level consistent with a modern urban area; (2) maintain the City's drainage system to insure that storm water is removed at the peak levels for which the system was designed; (3) collect and remove residential solid waste; (4) insure the City's fleet of motor vehicles are maintained at highest standards of safety and efficiency; (5) insure that the City's buildings are maintained to be an attractive and comfortable environment to conduct the City's business; and (6) enforce the City's building, plumbing, and electrical codes to insure the construction and maintenance of safe residential and commercial structures.

ACTIVITY SUMMARY

The Director of Public Works is responsible for the City's civil engineering, utility, and internal maintenance services. This diverse department encompasses street and drainage maintenance, enforcing building codes, removing solid waste, and maintaining the City's buildings and vehicles.

Accomplishments in 1996:

- * Reorganized the Building Inspections function reducing staff by two.
- * Completed the infrastructure replacement in Priority Areas 2, 3 and 4A.
- * Began replacement work on Areas 4B, 5A, 5B and 6A.
- * Completed Bissonnet repaving project.
- * Finished the construction of a new public works facility.
- * Worked with the Recycling Committee to develop plans for a recycling facility.
- * Initiated a mulching mower blade pilot program to study the effect of mulching blades on yard waste being sent to the landfill.

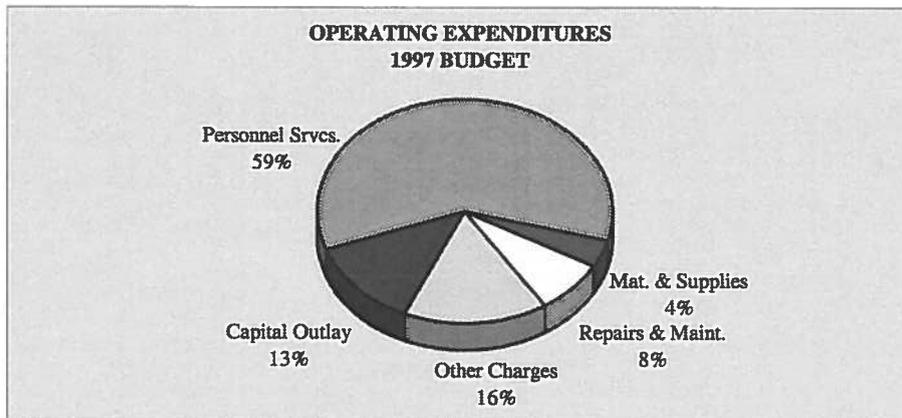
Future Objectives:

- * Complete the installation of a Geographic Information system.

- * Overlay Wakeforest from University Boulevard to Pittsburg.
- * Complete the construction and begin operation of a recycling center.
- * Reduce the curbside collection of yard waste.

Major Budget Items:

- * Flat bed truck for Streets Division (\$42,260). Replaces a 1975 Ford flat bed.
- * Recycling truck. (\$45,000). Replaces a 1977 Ford truck.
- * Sideloaded garbage truck (\$105,000). Replaces 1986 Crane sideloading truck.
- * Pickup truck for Fleet and Facility Division (\$16,000). Replaces 1990 Chevrolet pickup truck.
- * Building repairs (\$50,000). Repairs to the racquetball court, library building, and the Police Station's carpet are scheduled together with the usual repairs.
- * Air compressor for the library building (\$3,500) and transformer for public works (\$4,000).
- * Landfill tipping fees (\$200,000), a 7.5% increase over last year's budget.
- * Custodial contract for city facilities (\$35,000).



EXPENDITURES BY OBJECT	ACTUAL 1995	BUDGET 1996	ESTIMATED 1996	BUDGET 1997
Personnel Services	\$ 1,187,162	\$ 1,236,550	\$ 1,183,867	\$ 1,194,590
Materials and Supplies	78,344	79,870	85,850	84,880
Repairs and Maintenance	177,662	172,250	161,450	178,350
Other Charges	393,177	288,100	306,070	315,450
Capital Outlay	113,430	196,100	188,633	219,260
TOTAL	\$ 1,949,775	\$ 1,972,870	\$ 1,925,870	\$ 1,992,530

EXPENDITURES BY DIVISION	ACTUAL 1995	BUDGET 1996	ESTIMATED 1996	BUDGET 1997
Public Works Administration	217,591	254,470	255,100	254,690
Building Inspection	279,592	319,850	263,330	244,930
Streets and Drainage	481,367	495,840	498,880	504,290
Solid Waste	818,090	746,480	751,560	781,110
Fleet and Facility	153,135	156,230	157,000	207,510
TOTAL	1,949,775	1,972,870	1,925,870	1,992,530

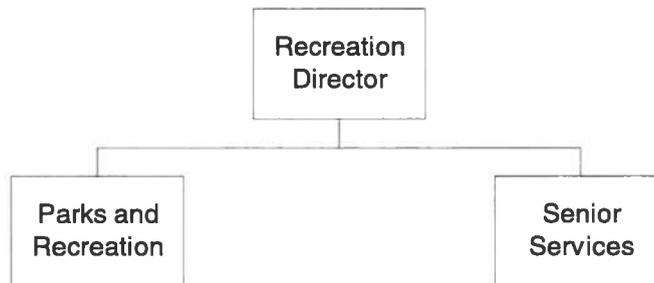
STAFFING	LEVEL	ACTUAL 1994	ACTUAL 1995	ACTUAL 1996	BUDGET 1997
<i>Administration</i>					
Public Works Director	N/C	1	1	1	1
Dep. Public Works Director	44	1	1	1	1
Secretary-Public Works	36	1	1	1	1
Administrative Assistant	39	1	1	1	1
TOTAL		4	4	4	4
<i>Building</i>					
Chief Building Official	43	1	1	1	1
Asst. Building Official	40	0	0	0	1
Building Inspector	38	3	3	3	1
Urban Forester	39	1	1	1	1
Building Secretary	36	2	2	2	1
TOTAL		7	7	7	5
<i>Street & Drainage</i>					
Fleet Mgr./Equip. Oper-Street	39	1	1	1	1
Crew Chief-Street	38	1	1	1	1
Equip. Operator-Street	34	3	3	4	4
Maint. Worker-Street	32	6	6	4	4
TOTAL		11	11	10	10
<i>Solid Waste Management</i>					
Chief-Solid Waste	38	1	1	1	1
Equip. Operator-Limb Truck	34	1	1	1	1
Driver-Solid Waste	35	3	3	3	3
Laborer-Solid Waste	33	4	4	4	4
TOTAL		9	9	9	9
<i>Fleet & Facility</i>					
Maintenance Supervisor	34	1	1	1	1
Mechanic	34	1	1	1	1
TOTAL		2	2	2	2
TOTAL-PUBLIC WORKS DEPT.		33	33	32	30
N/C-Not Classified					

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**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**

PARKS AND RECREATION



DEPARTMENT MISSION

To provide the City residents of every age recreation, health, fitness, and athletic programs.

ACTIVITY SUMMARY

The Parks and Recreation Director is for recreation programs, senior services, special events, grounds and right of way maintenance, as well as the development and maintenance of parks.

Accomplishments in 1996:

- * Completed renovation of Milton Street Park.
- * Completed conceptual design for renovation of Judson Park.
- * Demolished existing structure and developed a design for a pocket park.
- * Expanded the weight room at Colonial Park.
- * Developed and implemented a program for the City's teenagers.
- * Added a sports camp to the City's summer youth program.

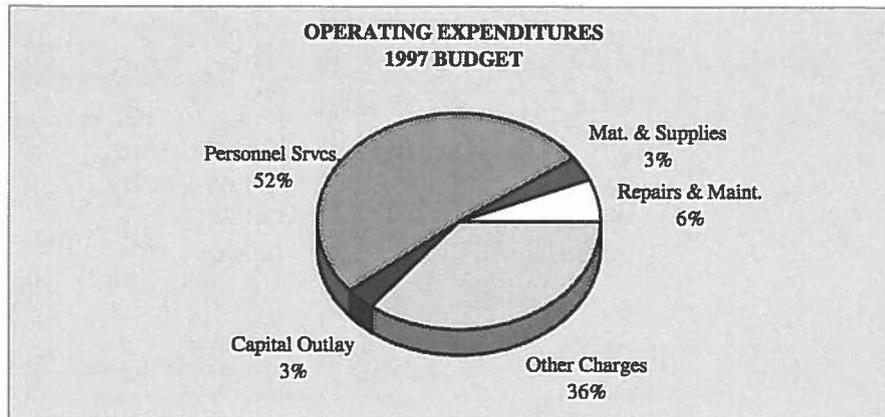
Future Objectives:

- * Renovate Whitt Johnson Park.
- * Renovate Judson Park.
- * Add to activities for teenagers through multi-agency cooperation.

- * Refurbish the City's racquetball courts.
- * Bring Colonial Park's locker rooms into compliance with the American with Disabilities Act.

Major Budget Items:

- * Grounds and right of way maintenance (\$57,500). Mowing and maintaining City owned property.
- * Electricity (\$52,000). Pays for lighting at baseball fields.
- * Contract sports program (\$27,000). Payment to Tri-Sports for youth sports program.
- * Part Time/Temporary employees (\$207,500). Employees to staff the swimming pool, serve as life guards, staff the recreation building, provide recreation services, and maintain city facilities. This item includes a \$25,000 increase to fund a life guard during lap swimming at the pool.
- * Expansion of the weight room at Colonial Park by adding a treadmill (\$5,000) and a stationary bike (\$2,000).
- * Repairs to the swimming pool: re-caulking and seals (\$7,000), replace diving board (\$7,000) and routine maintenance (\$5,000).



EXPENDITURES	ACTUAL 1995	BUDGET 1996	ESTIMATED 1996	BUDGET 1997
<i>Parks & Rec.</i>				
Personnel Services	\$ 221,113	\$ 236,550	\$ 240,360	\$ 265,800
Materials and Supplies	15,604	24,400	24,400	20,200
Repairs and Maintenance	51,693	42,250	42,250	57,250
Other Charges	213,627	232,180	222,180	236,000
Capital Outlay	6,387	35,000	37,780	7,000
TOTAL	508,424	570,380	566,970	586,250
<i>Senior Services</i>				
Personnel Services	88,749	93,460	93,180	96,190
Materials and Supplies	3,106	3,850	3,480	3,950
Repairs and Maintenance	993	3,000	1,600	6,000
Other Charges	12,618	16,250	13,800	16,780
Capital Outlay	17,986	1,700	1,440	-
TOTAL	123,452	118,260	113,500	122,920
TOTAL-PARKS & REC. DEPT.	\$ 631,876	\$ 688,640	\$ 680,470	\$ 709,170

STAFFING	LEVEL	BUDGET 1994	BUDGET 1995	BUDGET 1996	BUDGET 1997
<i>Parks & Rec.</i>					
Parks and Rec Director	N/C	1	1	1	1
Recreation Manager	39	1	1	1	1
Secretary-Community Building	36	1	1	1	1
TOTAL		3	3	3	3
<i>Senior Service</i>					
Senior Services Manager	40	1	1	1	1
Asst. Mgr-Senior Services	34	1	1	1	1
Custodian	32	1	1	1	1
TOTAL		3	3	3	3
TOTAL-PARKS & REC. DEPT.		6	6	6	6
N/C-Not Classified					

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**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**

ACTIVITY SUMMARY

This budget segment includes expenditures and transfers that affect every General Fund Activity, but cannot be allocated in a satisfactory way. It includes expenditures for insurance, and electricity as well as transfers to other funds.

Major Budget Items:

- * Electricity for street lights (\$120,000) and city administration facilities (\$33,000). These budgets have been increased less than 2% over the 1996 Budget.
- * Insurance: comprehensive general liability coverage (\$49,300), automobile liability coverage (\$49,000), and errors and omissions (\$33,000).
- * Transfer of fund balance to the Capital Improvement Fund (\$500,000). The purpose of this transfer is fully discussed in the Capital Improvement Fund Section.
- * Payments to retiring or terminating employees for accrued sick leave and vacation (\$35,000). This amount was not provided in prior budgets. In the past the amounts due to employees on their leaving the City was paid by the department. Since there is no assumption of turnover, this amount was not budgeted.
- * City Manager's Contingency (\$35,000). This appropriation gives the City Manager some flexibility to deal with unexpected expenditures without having to formally amend the budget.

EXPENDITURES	ACTUAL 1995	BUDGET 1996	ESTIMATED 1996	BUDGET 1997
<i>Non-Departmental</i>				
Other Charges	\$ 264,741	\$ 326,550	\$ 306,650	\$ 377,050
Transfers	<u>1,108,830</u>	<u>1,113,000</u>	<u>1,113,000</u>	<u>500,000</u>
TOTAL-NON-DEPARTMENT	\$ <u>1,373,571</u>	\$ <u>1,439,550</u>	\$ <u>1,419,650</u>	\$ <u>877,050</u>

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**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**



THE UTILITY ENTERPRISE FUND

FUND DESCRIPTION:

The Utility Enterprise (Water) Fund accounts for the revenue, expenditures and transfers associated with the operation of the water and sanitary sewer system. The system and service delivery are financed by user fees. The Water Fund is financed and operated in a manner similar to private business enterprises.

In order to more clearly account for the major capital expenditures necessary to maintain the system the Water Fund has been divided into operating and capital sections. The operating section accounts for system operations, including personnel, supplies, services and operating capital equipment. The capital section deals with unusual or very large capital projects. These projects generally are to renovate the water delivery or waste water collection system to keep them in compliance with regulations and laws, safe, and in service

FUND FINANCIAL ACTIVITY:

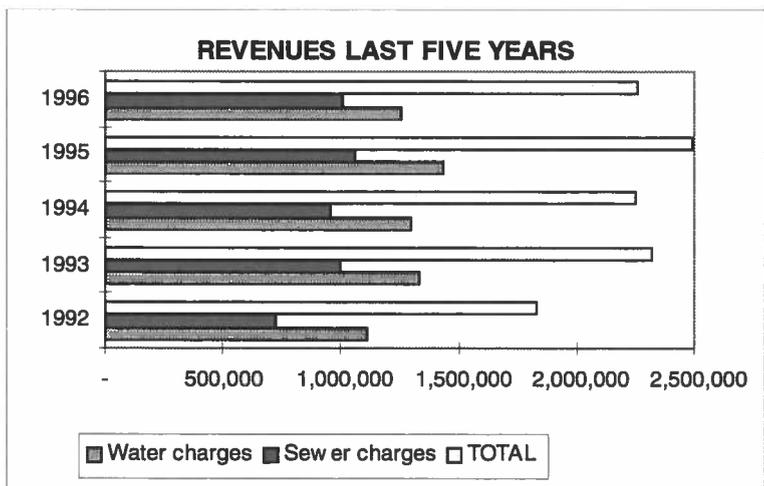
The Water Fund is expected to generate \$2,828,000 in revenues in 1997, far less than the \$7,071,800 expected in the General Fund. In spite of the much smaller revenue base, the Water Fund's impact in the community may well exceed the General Fund's. Often the initial operation of a City is its Water Utility and in many cases the reason for incorporating a City is the need for drinking water and the sanitary disposal of waste water.

Water and Sewer systems are extremely expensive to construct because they are capital intensive. Operating costs are insignificant when compared to the required investment in capital. This is true in West University Place. The City has over \$23.3 million invested in capital assets associated with the water and sewer utility. Put another way, the City could operate the water and sewer utility for ten years on the cash it has invested in the system's capital assets. Additionally, most of the Water Fund's capital was acquired over thirty years ago. Replacing the Fund's \$23.3 million would be staggering at today's costs.

A significant portion of the City's infrastructure replacement program is dedicated to Water and Sewer Assets. Over the next ten years the City will spend more than \$18,000,000 on replacing aging water delivery and sewer collection systems. As these assets are completed, they will be recorded as in the Water Fund's books.

Water and Sewer service fees must reflect both the cost of operations and the cost of capital, or else the system will deteriorate. Typically the cost of capital is reflected in the water and sewer rates by charging a rate sufficient to cover the operating costs *and the debt service costs associated with major capital maintenance*. The City of West University Place did not follow this practice in the past.

As part of a policy shift in 1995, it was the expressed intent of the community to begin to include the cost of water and sewer capital in the Water Fund so that the rates could reflect that cost. To accomplish this, the debt service on the on new debt incurred to fund assets associated with the delivery of water and sewer service is reflected in the 1997 Budget. Further, a new capital reserve sub-fund has been created to record the cost of major capital outlay needed to maintain the system. Finally the Water Fund's 1997 Budget reflects transfers to the Capital Projects Fund to provide its share of the City Hall project and the Public Works Building.



1996 Financial Activity Dry, hot weather had a direct impact on the Water Fund's 1996 finances. Original revenue projections for 1996 totaled \$2,335,720. Through June 1996 the Fund had realized revenues totaling \$1,548,000. If the rest

of the year follows patterns set in the past, water deliveries will peak in July and decline in August and decline again in November. Based on that pattern, the Water Fund revenues for 1996 are estimated to be \$3,070,000.

Expenditures have also been impacted by the drought. In particular the amount of treated drinking water purchased from the City of Houston far exceeds the pace established in 1995. The 1996 Budget appropriated \$640,000 to pay for purchased water. Through June, 1996 the City had spent \$444,970. Again based on historical consumption, the cost of purchased surface water will amount to \$840,000.

Altogether, Water Fund expenditures should amount to \$3,224,780. This includes budgeted transfers to the Capital Improvement Fund (\$181,000) and the Debt Service Fund (\$332,000). It also includes \$102,500 to replace the sewer line in front of West University Elementary on an emergency basis.

The 1997 Budget The 1997 Budget is based on revenues of \$2,828,000. The increase in revenues over the budgeted 1996 level reflects higher than estimated consumption, not a rate increase. No rate increase will be needed in 1997 because this budget discontinues the practice of transferring \$332,000 annually to the Debt Service Fund, making those funds available to offset the new debt the Water Fund is issuing in 1996. As the debt service on the new debt reaches its full impact in 1998, rates will be insufficient to meet the increased debt service.

Budgeted expenditures are \$3,506,750. System operations are expected to cost \$2,096,780, not including the \$415,000 budgeted to reimburse the General Fund for costs it incurs on behalf of the Water Fund. The balance of the 1997 budget is made up of the following: \$500,000 transfer to the Capital Project Fund for renovations to City Hall, \$375,000 transfer to the Water Fund Capital Reserve for capital projects, and \$202,000 for debt service on the 1996 Texas Water Development Board Bonds and the 1996 Revenue Bonds.

**WATER AND SEWER UTILITY FUND
STATEMENT OF REVENUES AND EXPENDITURES**

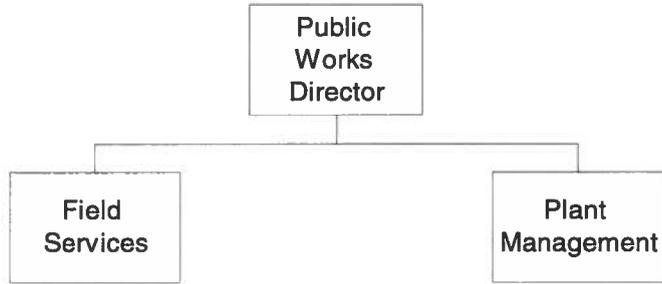
	Actual 1995	Budget 1996	Estimated 1996	Budget 1997
BEGINNING BALANCE	\$ 4,870,067	\$ 4,670,166	\$ 4,670,166	\$ 4,615,386
OPERATING REVENUES				
Service Charges				
Water	1,438,034	1,257,000	1,500,000	1,470,300
Sewer	1,057,032	1,006,220	1,165,000	1,064,700
Other	68,685	65,000	65,000	65,000
Interest Income	401,911	228,000	300,000	225,000
Other non-operating income	15,975	7,500	40,000	3,000
TOTAL OPERATING REVENUES	2,981,637	2,563,720	3,070,000	2,828,000
TOTAL AVAILABLE	7,851,704	7,233,886	7,740,166	7,443,386
EXPENDITURES				
Operations	1,977,051	1,810,040	2,096,780	2,019,750
Non-Departmental	1,204,487	928,000	1,028,000	1,487,000
TOTAL EXPENDITURES	3,181,538	2,738,040	3,124,780	3,506,750
ENDING BALANCE	\$ 4,670,166	\$ 4,495,846	\$ 4,615,386	\$ 3,936,636

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**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**

WATER UTILITY OPERATIONS



Mission Statement

To meet the Citizen's demand for potable water and dispose of waste water in compliance with regulations and due consideration to the environment.

ACTIVITY SUMMARY

The City's Water Department reports to the Public Works Director. The Department is separated into two divisions; the Field Services Division and the Plant Management Division. The Field Services Division installs, repairs, replaces and removes water meters; maintains fire hydrants; repairs water lines; repairs sewer lines; and repairs valves. The Plant Management Division operates, and maintains the City's water and sewer treatment facilities.

Accomplishments in 1996:

- * Completed the restoration of a 1.5 million gallon ground storage tank on time and within budget.
- * Replaced a 10" sanitary sewer line on University Drive before line failed and with minimum disruption to the school at the same location.
- * Completed rehabilitation of chlorination system.
- * Replaced fence on east side of waste water treatment plant.
- * Installed an emergency dialing system.

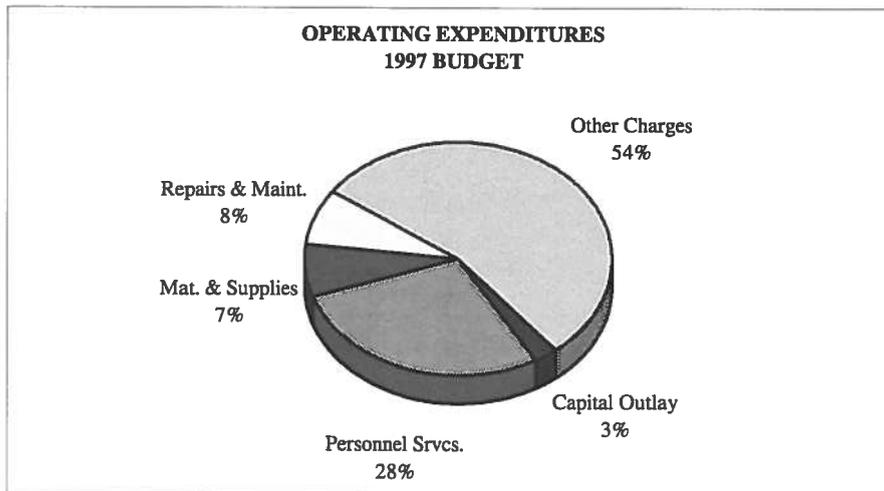
- * Underwent outside efficiency and effectiveness audit on plant management.

Future Objectives:

- * Install Supervisory Control and Data Acquisition at sewer treatment plant.
- * Fence west side of waste water treatment plant.

Major Budget Items:

- * Two ¾ ton pickups (\$37,000). Replaces a 1989 and a 1990 ¾ ton pickup.
- * Fence west side of waster water treatment plant (\$12,000).
- * Surface water purchased from Houston (\$840,000).
- * Electricity to operate plants and wells (\$220,000).
- * Laboratory supplies (\$29,500). This item was increased from \$4,300 in 1996 because the City is assuming the responsibility of performing many of its own tests. This increase is partially offset by a decrease in laboratory test from \$25,000 to \$8,000.



EXPENDITURES	ACTUAL 1995	BUDGET 1996	ESTIMATED 1996	BUDGET 1997
<i>Field Services</i>				
Personnel Services	\$ 310,675	\$ 333,240	\$ 331,520	\$ 340,640
Materials and Supplies	41,896	36,720	39,620	40,870
Repairs and Maintenance	118,139	90,700	84,200	78,200
Other Charges	6,388	7,900	7,900	8,500
Capital Outlay	29,100	47,640	43,740	38,400
TOTAL	506,198	516,200	506,980	506,610
<i>Plant Management</i>				
Personnel Services	198,530	212,740	196,238	226,120
Materials and Supplies	81,451	58,300	69,100	103,470
Repairs and Maintenance	146,818	106,800	79,900	80,800
Other Charges	950,369	901,000	1,110,000	1,090,250
Capital Outlay	14,464	15,000	14,900	12,500
TOTAL	1,391,632	1,293,840	1,470,138	1,513,140
TOT.-UTIL. DIV. PUBLIC WORKS DEPT	\$ 1,897,830	\$ 1,810,040	\$ 1,977,118	\$ 2,019,750

STAFFING	LEVEL	BUDGET 1994	BUDGET 1995	BUDGET 1996	BUDGET 1997
<i>Field Services</i>					
Supervisor-Utilities	41	1	1	1	1
Meter Reader		1	1	0	0
Crew Chief	38	0	0	1	1
Crew Leader-Field Services	35	4	4	3	3
Maint. Worker-Field Service	33	5	5	4	4
TOTAL		11	11	9	9
<i>Plant Management</i>					
Plant Supervisor	41	1	1	1	1
Plant Operator II	38	1	1	1	1
Plant Operator I	34	4	4	4	4
TOTAL		6	6	6	6
TOT.-UTIL. DIV. PUBLIC WORKS DEPT		17	17	15	15

NON-DEPARTMENTAL

ACTIVITY SUMMARY

The Non-Departmental budget segment includes expenditures that are not directly associated with the operations of the Water and Sewer Utility Fund. Transfers to other funds, debt service, and indirect operating costs including insurance and costs incurred by the General Fund are budgeted here.

- Transfer to Capital Project Fund (\$500,000). This transfer is intended to fund the Water Fund's portion of planned building renovations.
- Transfer to Water Capital Reserve Fund (\$375,000). This transfer is fund capital projects discussed more fully in the Water Capital Reserve Fund section.

Major Budget Items:

- Administrative Services (\$415,000). This represents payments for indirect operating costs incurred in the General Fund. Insurance, computer services, the cost of preparing water bills, and other administrative costs are examples of indirect operating costs.

EXPENDITURES	1995 Actual	1996 Budget	1996 Estimated	1997 Budget
Administrative Services	288,487	415,000	415,000	410,000
Transfer to Capital Projects	584,000	181,000	181,000	500,000
Transfer to Water Capital Projects	-	-	100,000	375,000
Debt Service	332,000	332,000	332,000	202,000
	<u>1,204,487</u>	<u>928,000</u>	<u>1,028,000</u>	<u>1,487,000</u>

WATER AND SEWER UTILITY CAPITAL PROJECT RESERVE

The Water and Sewer Utility Capital Project Reserve is used to account for the financing of the major capital projects necessary to maintain the City's Water and Sewer Utility. As such, it is an integral part of the Water and Sewer Utility Fund. The Reserve is ensure that a sufficient fund balance is maintained to adequately finance major maintenance and repair projects

Projects with values less than \$25,000 are routinely budgeted in the Water and Sewer Operating Fund. This Fund plans for larger projects, which are unusual in both the size and scope of the work.

FUND ACTIVITY

The Reserve was created in the 1996 Budget year to fund a \$102,500 emergency replacement of a sewer line in front of West University Place Elementary School. Projects budgeted for 1997 include:

- *Odor Control at Sewage Treatment Plant.* The City has received complaints about unpleasant odors from the sewage treatment plant. This project would identify and implement a solution to this problem.

- *Repair of 36" Sewer Line under Brompton Court.* A major waste water line is in place under the Brompton Place Townhomes. This line carries all of the City's waste water to the treatment plant on North Braeswood and Kirby. This line is constructed of concrete storm sewer pipe, which (similar to the line in front of West University Elementary) is subject to internal deterioration in this type of service. If the pipe fails, the resulting sinkhole could cause significant damage to one or more homes. This project would remedy this problem.
- *Supervisory Control and Data Acquisition for sewage treatment plant.* The City currently uses a computerized management system in its water treatment plant. This system was installed in 1995 and has increased efficiency. This project would build on that success by installing the same type of system at the City's waste water plant.
- *Evaluate Water Well #8.* A complete review of Water Well #8, including the well casing, and pump. This review is to determine the extent of any repairs that might be needed to maintain the well.

WATER AND SEWER CAPITAL PROJECTS FUND PROJECT SCHEDULE

	Total Project Cost	Project Costs Through 1995	Estimated 1996	1997 Budget
PROJECT STATUS				
<i>Projects in Progress December 31, 1996</i>				
Odor control at sewage plant	\$ 100,000	\$ -	\$ -	\$ 100,000
Repair 36" Sewer Line	100,000	-	-	100,000
SCADA for Sewer Plant	125,000	-	-	125,000
Evaluate Well #8	50,000	-	-	50,000
<i>Projects Completed in 1995</i>				
Emergency Repair West U. Elementary	100,000	-	100,000	-
TOTAL PROJECT COSTS	\$ 475,000	\$ -	\$ 100,000	\$ 375,000

**WATER AND SEWER CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES**

	Actual 1995	Estimated 1996	1997 Budget
BEGINNING BALANCE	\$ -	\$ -	\$ (2,500)
REVENUES			
Transfers from:			
Water and Sewer Fund	-	100,000	375,000
Interest	-	-	2,500
TOTAL REVENUES	-	100,000	377,500
TOTAL AVAILABLE	-	100,000	375,000
EXPENDITURES			
Capital Projects	-	102,500	375,000
TOTAL EXPENDITURES	-	102,500	375,000
ENDING BALANCE	\$ -	\$ (2,500)	\$ -

THE DEBT SERVICE FUND

FUND DESCRIPTION

The Debt Service Fund, sometimes called the Interest and Sinking Fund, is established by ordinances authorizing the issuance of general obligation bonds. These same ordinances call for an ad valorem (property) tax to be levied in sufficient amount to produce the funds needed to satisfy the City's annual debt service requirements for its general obligation Bonds.

FUND ACTIVITY

The City of West University Place has used debt financing to fund large capital investments. Streets, drainage, water and waste water systems were all constructed with borrowed funds. Since the City was stable and its needs for new capital investment were low, outstanding debt was repaid and there were few new issues.

As redevelopment took hold in the City during the late 1980s, the need for infrastructure increased and in 1992 the City issued \$5,000,000 to initiate the current infrastructure replacement program. In 1993 another \$11,000,000 in general obligation bonds was sold.

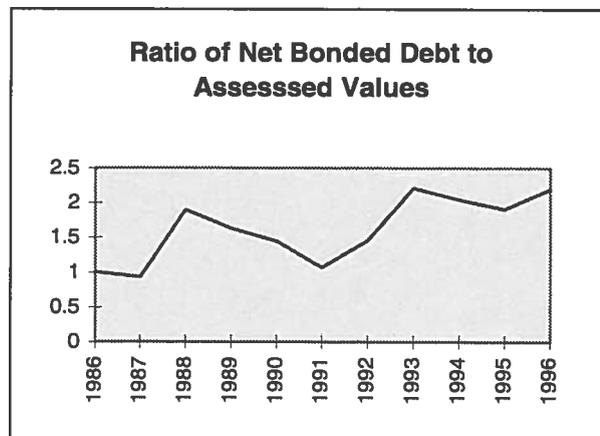
During 1996, the City will issue \$13,540,000 more bonds but only \$7,050,000 is to be retired through the Debt Service Fund. The remaining \$5,990,000 will be repaid in the Water and Sewer Fund.

The direct repayment of bonded debt in the Water and Sewer Fund is a departure from past practice. In the past, the Water and Sewer Fund contributed \$332,000 annually to fund its share of the outstanding debt. This practice is discontinued in the 1997 Budget. Beginning in 1997, debt associated with the construction of water and sewer assets will be repaid directly by the Water and Sewer Fund.

In 1996 the Debt Service Fund will finance \$2,926,000 of debt service, a \$352,300 increase over the amount funded in 1996.

To fund this increase, an ad valorem tax rate of \$0.17 per \$100, an increase of 1 cent from the 1996 tax rate, will be required. Additionally, some of the interest earnings from the investment of the proceeds of the 1996 Bonds will be used to level out the growth in property tax rates.

The City Charter limits the City's bonded debt to 5% of the assessed value. Since the projected assessed value for the City in 1997 is \$1.47 billion the current debt limit under this provision is \$73,500,000. After the 1996 bonds are sold the City will have \$23,475,000 in bonded debt outstanding.



**GENERAL OBLIGATION DEBT SERVICE FUND
STATEMENT OF REVENUES AND EXPENDITURES**

	Actual 1995	Budget 1996	Estimated 1996	Budget 1997
BEGINNING BALANCE	\$ 781,733	\$ 914,817	\$ 914,817	\$ 1,030,117
REVENUES:				
Ad valorem taxes	2,063,625	2,227,000	2,290,000	2,462,000
Interest on investments	99,570	41,000	75,000	250,000
Operating transfers in	332,000	332,000	332,000	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	2,495,195	2,600,000	2,697,000	2,712,000
TOTAL AVAILABLE RESOURCES	3,276,928	3,514,817	3,611,817	3,742,117
EXPENDITURES:				
Debt service -principal	735,000	1,015,000	1,015,000	1,085,000
Debt service - interest	1,621,490	1,558,700	1,558,700	1,841,032
Fiscal fees	5,621	8,000	8,000	8,000
TOTAL EXPENDITURES	2,362,111	2,581,700	2,581,700	2,934,032
ENDING BALANCE	\$ 914,817	\$ 933,117	\$ 1,030,117	\$ 808,085

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**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**

CAPITAL PROJECT FUNDS

CAPITAL PROJECT FUND DESCRIPTION

The Capital Project Fund finances the purchase or construction of expensive, highly specialized vehicles; equipment and vehicles having very long service lives; property; and buildings. Capital projects are characterized by their cost (exceeding \$25,000), the long operational life of the completed asset, and the impact they would have on a department's operating budget. Capital Projects are financed by debt proceeds, reserves, and interest earned on investments.

FUND ACTIVITY

The City's Capital Project Fund began 1996 with five active projects: Municipal Building Renovation, Public Works Center, Recycling Center, Ground Storage Tank Renovation, and the completion of Improvements to Colonial Park. These projects were provided budgets totaling \$1,710,000, which was to be funded by transfers from the General Fund, Water and Sewer Fund and the Recycling Fund.

Municipal Building Renovation The 1996 Budget provided \$750,000 to renovate the City Hall. The building's problems with crowding, compliance with the American with Disabilities Act, and dated heating, ventilating and air conditioning systems have severely impacted its functionality.

This project was delayed until the City could have architects review the needs of the users of City Hall and help plan a course to correct the building's problems. The process of review is still underway, so construction will not begin until 1997.

Recycling Center The 1996 Budget provided \$200,000 to acquire a lot which would then become a recycling center. Instead the recycling committee and staff recommended that the recycling center be relocated to property that the City already owns. The original appropriation plus \$50,000 more was approved to be used as the City's matching portion of a grant from the Houston Galveston Area Council of Governments. The \$500,000 total was then to be used to finance a recycling center on the City's property.

When this plan failed, the architects were requested to prepare plans for a recycling center that could be completed for \$250,000. After this was done, council approved taking the project to bid. Construction on the new recycling center could be initiated in the fall of 1996 with completion in the 1997 fiscal year. However, the budget assumes that the project will be delayed and since all appropriation lapse at year end, requests a new \$250,000 appropriation.

Public Works Center, Colonial Park Improvement and the Ground Storage Tank Renovation projects will be complete by the close of this fiscal year.

Clean Drainage Line. A new project to be added in 1997 is the cleaning of the 72" drainage line running from University to Bellaire. This line is silted with construction debris and consequently is not delivering storm water to the Poor Farm Ditch efficiently.

1997 Budget The 1997 Budget is based on the Capital Improvement Plan. In addition to the \$250,000 for the Recycling Center the 1997 budget contains appropriations for the following projects: Municipal Building Renovation, Repairs to Tennis Courts, Computer Systems, Replace the footbridge over Poor Farm Ditch, clean out a major drainage lateral, and Renovate the Locker Room at Colonial Park to comply with A.D.A requirements.

Funding for these projects are expected to come from the General Fund's fund balance, interest income, the Water and Sewer Fund's Fund Balance and equipment lease purchase contracts.

**CAPITAL PROJECT FUND
PROJECT SCHEDULE**

Project	Total Project Cost	Project Costs Through 1995	Estimated 1996	1997 Budget
<i>New Projects</i>				
City wide Management Information Sys.	\$ 500,000	\$ -	\$ -	\$ 500,000
Clean 72" drainage pipe - Univ. to Bellaire	25,000	-	-	25,000
Replace Foot Bridge over Poor Farm Ditch	50,000	-	-	50,000
Municipal Building Renovation	1,690,000	-	-	1,690,000
Recycling Center	245,000	-	-	245,000
Colonial Park - Locker Room Renovation	40,000	-	-	5,000
Whitt Johnson Park	150,000	-	-	75,000
<i>Active projects</i>				
Municipal Building Renovation - Design	10,000	-	10,000	-
Recycling Center - Design	5,000	-	5,000	-
Repairs to Tennis Courts	160,000	-	70,000	15,000
Alarm Monitoring Equipment	100,000	-	25,000	75,000
Pocket Park - Auden at Rice	200,000	137,146	15,000	47,854
Judson Park	220,000	-	120,000	100,000
<i>Projects Completed in 1995</i>				
Public Work Administration Building	720,000	393,221	326,779	-
Ground Storage Tank Renovation	181,000	-	135,000	-
TOTAL PROJECT COSTS	\$ 4,296,000	\$ 530,367	\$ 706,779	\$ 2,827,854

**CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES**

	Actual 1995	Estimated 1996	1997 Budget
BEGINNING BALANCE	\$ 821,215	\$ 246,131	\$ 1,204,852
REVENUES			
Transfers from:			
General Fund	1,108,830	1,113,000	500,000
Water and Sewer Fund	384,000	181,000	500,000
Parks Check Off Fund	4,500	20,000	-
Recycling Fund	-	50,000	-
Equipment Leasing Contracts	-	100,000	500,000
Grants from Harris County	-	50,000	25,000
Interest earned on investments	17,300	1,500	5,000
Contribution from Friends of the Park	117,500	150,000	150,000
TOTAL REVENUES	1,632,130	1,665,500	1,680,000
TOTAL AVAILABLE	2,453,345	1,911,631	2,884,852
EXPENDITURES			
Capital Projects	1,411,638	706,779	2,827,854
Transfer to Infrastructure Fund	795,576	-	-
TOTAL EXPENDITURES	2,207,214	706,779	2,827,854
ENDING BALANCE	\$ 246,131	\$ 1,204,852	\$ 56,998

**INFRASTRUCTURE REPLACEMENT
FUND DESCRIPTION**

The Infrastructure Replacement Fund is used to account for the financing of the major capital projects associated with replacing the City's streets, drainage, water and waste water systems. This ambitious program was initiated in the early 1990s.

Easily qualifying as the largest public works program in the history of the City, the infrastructure replacement program is being financed with debt and grants. The program's broad public support was demonstrated in 1995, when the City's voters overwhelmingly approved a \$63,000,000 Bond Program.

The approach to this program is unique. Rather than defining the projects as an individual street project or drainage project, the City was divided into 12 priority areas. All infrastructure replacement within a priority area is undertaken

as a single project. This approach allows the contractor economies of scale which translates into a lower total cost. Additionally, the disruption of City services is minimized.

FUND ACTIVITY

During 1996 work began on priority areas 4A, 4B/5A, and 5B/6A. Funding for areas 4B/5A and 5B/6A will be secured by selling a combination of revenue bonds, general obligation bonds, and a loan from the Texas Water Development Board totaling \$13,540,000. A 1992 bond issue and grants from METRO funded work in progress in areas 2, 3 and 4A. If the work proceeds according to the schedule developed by the City's consulting engineer, funding for the design of area 6B could be funded with cash available to complete 5B/6A. These funds would be replaced with the proceeds the next debt issue in 1998, or possibly 1999.

**INFRASTRUCTURE REPLACEMENT FUND
PROJECT SCHEDULE**

	Total Project Cost	Project Costs Through 1995	Estimated 1996	1997 Budget
PROJECT STATUS				
<i>Projects in Progress December 31, 1996</i>				
Area 3	\$ 6,500,000	\$ 3,094,644	\$ 3,005,356	\$ 400,000
Area 4a	3,875,000	292,618	3,000,000	582,382
Area 4b/5a	3,752,970	-	500,000	3,252,970
Area 5b/6a	4,817,020	-	250,000	4,567,020
		-		-
<i>Projects Completed in 1995</i>				
Area 2	5,980,000	5,891,336	88,664	-
		-	-	-
TOTAL PROJECT COSTS	\$ 24,924,990	\$ 9,278,598	\$ 6,844,020	\$ 8,802,372

**INFRASTRUCTURE REPLACEMENT FUND
STATEMENT OF REVENUES AND EXPENDITURES**

	Actual 1995	Estimated 1996	1997 Budget
BEGINNING BALANCE	\$ 12,217,345	\$ 7,384,904	\$ 15,595,884
REVENUES			
Transfers from:			
Capital Projects Fund	795,576	-	-
Water and Sewer Fund	200,000	-	-
Grants	312,844	1,070,000	270,000
Interest earned on investments	585,468	520,000	350,000
Bond Proceeds	-	13,540,000	-
TOTAL REVENUES	1,893,888	15,130,000	620,000
TOTAL AVAILABLE	14,111,233	22,514,904	16,215,884
EXPENDITURES			
Capital Projects	6,726,329	6,844,020	8,802,372
Bond issuance costs	-	75,000	-
TOTAL EXPENDITURES	6,726,329	6,919,020	8,802,372
ENDING BALANCE	\$ 7,384,904	\$ 15,595,884	\$ 7,413,512

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**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**

SPECIAL REVENUE

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**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**

SPECIAL REVENUE FUNDS

Special revenue funds account for revenue sources that are restricted to expenditures for specific purposes. The City has two special revenue funds: the *Parks Fund* accounts for donations made by citizens for the specific purpose of improving the City's parks and the *Recycling Fund* accounts for revenues derived from the sale of recyclable materials which are set aside to further recycling in the community.

RECYCLING FUND STATEMENT OF REVENUES AND EXPENDITURES			
	Actual 1995	Estimated 1996	1997 Budget
BEGINNING BALANCE	\$ -	\$ 80,434	\$ 27,434
REVENUES			
Interest earned on investments	2,912	4,000	4,000
Sales of recyclables	85,746	46,000	46,000
TOTAL REVENUES	88,658	50,000	50,000
TOTAL AVAILABLE	88,658	130,434	77,434
EXPENDITURES			
Recycling Program Expenditures	8,224	53,000	25,000
Transfer to Capital Projects Fund	-	50,000	25,000
TOTAL EXPENDITURES	8,224	103,000	50,000
ENDING BALANCE	\$ 80,434	\$ 27,434	\$ 27,434

THE PARKS FUND

FUND ACTIVITY

The 1996 Budget appropriated \$30,000 to be used to support the improvements to Judson Park. Currently it appears only \$20,000 will be needed to fund the landscape architect's fee. 1997 Revenues are expected to be \$7,000, which will be used to improve the City's, park system.

PARKS FUND STATEMENT OF REVENUES AND EXPENDITURES			
	Actual 1995	Estimated 1996	1997 Budget
BEGINNING BALANCE	\$ 19,507	\$ 24,155	\$ 15,155
REVENUES			
Interest earned on investments	5,937	6,000	2,000
Contributions	3,211	5,000	5,000
TOTAL REVENUES	9,148	11,000	7,000
TOTAL AVAILABLE	28,655	35,155	22,155
EXPENDITURES			
Parks programs	4,500	-	7,000
Transfer to Capital Projects Fund	-	20,000	-
TOTAL EXPENDITURES	4,500	20,000	7,000
ENDING BALANCE	\$ 24,155	\$ 15,155	\$ 15,155

THE RECYCLING FUND

FUND ACTIVITY

The 1996 Budget was based on revenues of \$90,000, but a sharp decline in the price of recyclable commodities caused the revision of that original estimate down to \$40,000. Expenditures in 1996 were budgeted at \$165,000. Of this about \$100,000 was to be transferred to the Capital Projects fund to support the construction of the recycling center.

The balance of 1996 appropriations was for capital associated with the recycling program. When it became apparent that revenues would not reach expected levels the expenditures for the capital had already been committed, so the transfer to the Capital Projects Fund was reduced to \$50,000.

1997 revenues are expected to be \$40,000. \$25,000 of this amount will be transferred to the Capital Projects Fund to offset the 1996 short fall and the balance will be appropriated for recycling bins.

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**CITY OF WEST UNIVERSITY PLACE
1997 ANNUAL BUDGET**

APPENDIX

BONDED DEBT

Most cities use long term debt to finance the construction or purchase of major capital assets. Since its incorporation 1925, the City has used debt to finance the construction of streets,

approved \$3.3 million in bonds to be issued to construct a new police station and reconstruct the most deteriorated street, water, and sewer assets. This bond issue was the first since 1976.

Outstanding Bonded Indebtedness December 31, 1996	
Bonded Indebtedness Payable from Ad Valorem Taxes	
1988 Public Imp Bonds	\$ 1,050,000
1992 Refunding Bonds	9,670,000
1992 Permanent Imp. Bonds	4,675,000
1993 Permanent Imp Bonds	10,750,000
1996 Permanent Imp Bonds	7,050,000
Bonded Indebtedness Payable from Water and Sewer Revenues	
1996B Waterworks and Sewer System Imp. Bonds	1,520,000
1996A Waterworks and Sewer System Imp. Bonds	4,970,000
Total Bonded Indebtedness	\$ 39,685,000

The City next bond sale wasn't until 1992. The need to reconstruct the City's infrastructure was becoming acute. This bond sale marked the beginning of the current program.

Currently the City is following a plan approved by the citizens in November, 1995. This plan calls

drainage, water and sewer assets.

for long term debt to be used in reconstructing essentially the City's entire infrastructure by the year 2005. This program calls for the City to issue \$63 million of bonds. All of the proceeds of these bonds are to be applied to infrastructure.

As the City became "built out" in the 1950s the need for new debt declined and by 1983 the City had only \$1.1 million in outstanding bonded debt. Even so, the City was on the brink of momentous change. In 1983 the assessed value of taxable property in the City totaled \$424,360,000. Thirteen years later in 1996, assessed values have increased by more than **\$1 billion** to \$1,452,000,000. This tremendous increase in value came as the result of an economic and social trend which is still underway.

The new debt called for in this plan is to be supported by ad valorem taxes and net revenues from the water and sewer utility. The progress on this financing program is detailed below:

The bonds issued in 1996 should fund the City's

Purpose/Type	Amount Authorized	Amount Issued	Authorized But Unissued
Street and Drainage Tax Bonds	\$ 45,000,000	\$ 7,050,000	\$ 37,950,000
Water Revenue Bonds	5,200,000	1,520,000	3,680,000
Sewer Revenue Bonds	12,800,000	4,970,000	7,830,000

West University Place's assessed values shot up

because it was attractive to managerial and professional employees who wished to be closer to their work. The City's low crime rate, trees, good public transportation, and convenient access to both the Medical Center and downtown triggered a building boom similar to a new developing City. Older homes were torn down and replaced with new structures at an astonishing rate.

reconstruction activity until 1998, so no new bond issues are scheduled until then.

The City began to experience problems similar to those experienced in developing areas. Streets and drainage systems that were already approaching the end of their useful lives were taxed to the breaking point. In 1982 the citizens

DEBT SERVICE TO MATURITY - ALL OUTSTANDING BOND ISSUES

Year	1988 Public Improvement Bonds			1992 Refunding Bonds			1992 Public Improvement Bonds			1993 Public Improvement Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1997	\$ 325,000	\$ 70,256	\$ 395,256	\$ 435,000	\$ 521,063	\$ 956,063	\$ 100,000	\$ 308,500	\$ 408,500	\$ 225,000	\$ 588,713	\$ 813,713
1998	325,000	41,818	366,818	485,000	499,182	984,182	100,000	300,500	400,500	225,000	572,738	797,738
1999	400,000	13,800	413,800	460,000	475,860	935,860	120,000	291,700	411,700	225,000	556,763	781,763
2000				900,000	440,735	1,340,735	125,000	281,900	406,900	240,000	540,255	780,255
2001				930,000	392,000	1,322,000	150,000	270,900	420,900	250,000	522,860	772,860
2002				980,000	339,940	1,319,940	150,000	258,975	408,975	260,000	504,755	764,755
2003				1,040,000	283,870	1,323,870	150,000	248,550	398,550	275,000	485,763	760,763
2004				1,100,000	223,400	1,323,400	140,000	239,780	379,780	300,000	468,125	768,125
2005				1,165,000	158,556	1,323,556	150,000	230,860	380,860	325,000	451,963	776,963
2006				1,235,000	89,556	1,324,556	170,000	220,855	390,855	325,000	435,306	760,306
2007				940,000	27,025	967,025	300,000	205,900	505,900	575,000	411,844	986,844
2008							670,000	174,525	844,525	1,125,000	366,938	1,491,938
2009							600,000	133,250	733,250	1,125,000	307,031	1,432,031
2010							600,000	94,250	694,250	1,150,000	246,750	1,396,750
2011							575,000	56,063	631,063	1,200,000	185,063	1,385,063
2012							575,000	18,688	593,688	1,225,000	121,406	1,346,406
2013										1,700,000	44,625	1,744,625
2014												
2015												
2016												
2017												
2018												
2019												
	\$ 1,050,000	\$ 125,874	\$ 1,175,874	\$ 9,670,000	\$ 3,451,187	\$ 13,121,187	\$ 4,675,000	\$ 3,335,196	\$ 8,010,196	\$ 10,750,000	\$ 6,810,898	\$ 17,560,898

Year	1996 Public Improvement Bonds			1996A Water and Sewer Bonds			1996B Water and Sewer Bonds			Total All Bond Issues		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1997	\$ -	\$ 363,106	\$ 363,106	\$ 5,000	\$ 170,429	\$ 175,429	\$ -	\$ 78,960	\$ 78,960	\$ 1,090,000	\$ 2,101,027	\$ 3,191,027
1998	160,000	407,905	567,905	170,000	198,600	368,600	50,000	88,205	138,205	1,515,000	2,108,948	3,623,948
1999	170,000	396,025	566,025	175,000	193,336	368,336	50,000	84,705	134,705	1,600,000	2,012,189	3,612,189
2000	180,000	383,425	563,425	185,000	187,527	372,527	50,000	81,205	131,205	1,680,000	1,915,047	3,595,047
2001	190,000	370,105	560,105	190,000	181,245	371,245	50,000	77,705	127,705	1,760,000	1,814,815	3,574,815
2002	200,000	356,065	556,065	200,000	174,515	374,515	50,000	74,205	124,205	1,840,000	1,708,455	3,548,455
2003	220,000	340,945	560,945	210,000	167,235	377,235	60,000	70,355	130,355	1,955,000	1,596,718	3,551,718
2004	230,000	324,745	554,745	220,000	159,385	379,385	60,000	66,155	126,155	2,050,000	1,481,590	3,531,590
2005	240,000	309,865	549,865	230,000	150,945	380,945	70,000	61,605	131,605	2,180,000	1,363,794	3,543,794
2006	250,000	296,765	546,765	240,000	141,895	381,895	75,000	56,718	131,718	2,295,000	1,241,095	3,536,095
2007	275,000	283,115	558,115	255,000	132,115	387,115	75,000	52,405	127,405	2,420,000	1,112,404	3,532,404
2008	290,000	268,352	558,352	265,000	121,583	386,583	80,000	48,450	128,450	2,430,000	979,848	3,409,848
2009	300,000	252,790	552,790	275,000	110,375	385,375	80,000	44,270	124,270	2,380,000	847,716	3,227,716
2010	325,000	236,065	561,065	290,000	98,365	388,365	90,000	39,763	129,763	2,455,000	715,193	3,170,193
2011	350,000	217,665	567,665	305,000	84,497	390,497	90,000	34,902	124,902	2,520,000	579,190	3,099,190
2012	370,000	197,773	567,773	320,000	71,822	391,822	100,000	29,700	129,700	2,590,000	439,389	3,029,389
2013	390,000	176,585	566,585	335,000	57,329	392,329	110,000	23,925	133,925	2,535,000	302,464	2,837,464
2014	410,000	154,082	564,082	350,000	42,000	392,000	125,000	17,463	142,463	885,000	213,545	1,098,545
2015	440,000	129,960	569,960	365,000	25,821	390,821	125,000	10,587	135,587	930,000	166,368	1,096,368
2016	475,000	103,883	578,883	385,000	8,759	393,759	130,000	3,575	133,575	990,000	116,217	1,106,217
2017	500,000	76,095	576,095							500,000	76,095	576,095
2018	525,000	46,882	571,882							525,000	46,882	571,882
2019	560,000	15,960	575,960							560,000	15,960	575,960
	\$ 7,050,000	\$ 5,708,158	\$ 12,758,158	\$ 4,970,000	\$ 2,478,778	\$ 7,448,778	\$ 1,520,000	\$ 1,044,858	\$ 2,564,858	\$ 39,685,000	\$ 22,954,949	\$ 62,639,949

MAJOR REVENUE SOURCES

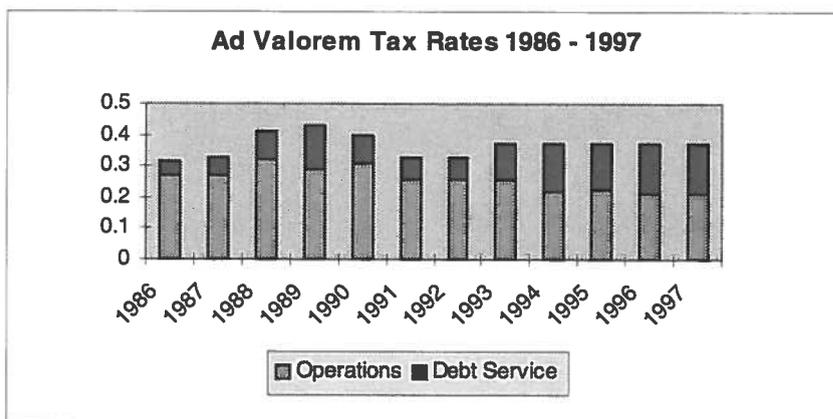
The City relies on four major sources of revenue to finance its activities.

PROPERTY TAXES:

Property (ad valorem) taxes attach as an enforceable lien on property as of each January 1 for all real and business personal property located within the City. Taxes are levied when the City Council adopts a budget for the next year, but no earlier than October 1. Taxes are due January 31 and are considered delinquent after that date. Property tax revenues are based on three major factors: assessed or estimated value, the rate of collection of outstanding balances, and the property tax rate.

above the previous year's rate, the voters can petition for an election to determine whether to limit the tax rate to no more than 8% above last year's rate. Taxes are applicable to the year subsequent to the one in which they are levied.

The City's property tax policy has been to decrease the amount of property taxes dedicated



The Harris County Appraisal District (HCAD) is responsible for appraising the values of property sited within Harris County. State law requires

to maintenance and operations and increase the portion dedicated to paying debt service. Since 1991 when the debt service component of

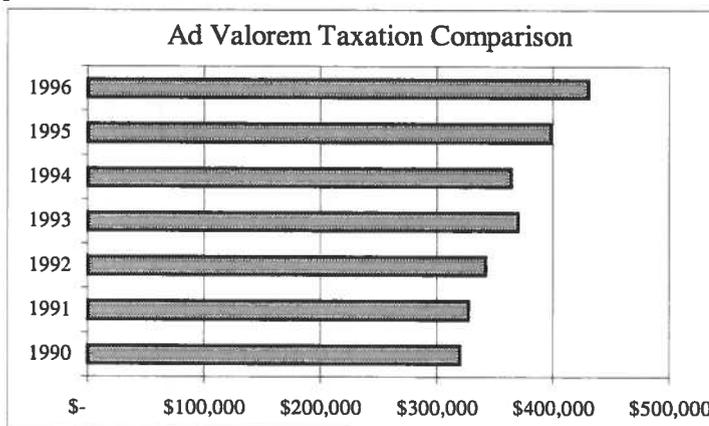
Year	Assessed Valuation	Tax Rate Per \$100 of Assessed Valuation	Tax Levy	% of Collections	
				Current Year	Current and Prior Years
1992	1,216,246,462	0.3250	3,900,229	98.67	99.83
1993	1,261,298,000	0.3750	4,680,246	98.95	99.93
1994	1,320,905,420	0.3750	4,907,961	99.08	99.89
1995	1,373,046,390	0.3700	5,035,575	99.16	99.74
1996	1,452,828,710	0.3700	5,375,110	98.72	99.64

property taxes amounted to less than 25% of the total tax rate, debt service payments have risen to consume almost half of the property taxes collected. This trend is projected to continue.

HCAD to appraise all property in its jurisdiction at least every five years at 100% of the estimated market value. The oversight of this process is vested in the Appraisal Review Board. Residential property accounts for nearly 96% of all property value in the City. The ratio of residential property value to total value has grown steadily for the past five years, while commercial and utility property values continue to decline as a component of total value. This trend will continue into the future.

The City's 1997 property tax revenue was based on an assessed value of \$1,470,000 and a 98% collection rate. The estimated market value of taxable property has

The City establishes the tax rate, assesses, and levies the tax. State law provides that if the City raises the rate more than 8% (after certain adjustments)



grown steadily since 1987. This growth has been remarkable, property values have almost doubled in ten years. The property tax rate in 1997 will be \$0.3800 per \$100 valuation, one cent above last year's rate. Increased debt service requirements caused the need for this increase.

UTILITY FEES:

Water and sewer service fees: The City provides water and sewer services to approximately 5,875 customers. Of this total, approximately 97% are residential and 3% are commercial. The City serves 190 customers located outside the City's limits.

The City has not increased its water and sewer rates since 199x and the 1997 budget does not include any rate increases. A rate increase is likely in 1998 because debt service on bonds

	Residential	
	Water	Sewer
First 1,500 gallons	\$6.60 to \$16.65(a)	\$4.50
Over 1,500 gallons	\$1.70 per 1000 gallons	\$1.50 per 1000 gallons
Commerical		
Minimum charge	\$12.65 to \$265(a)	\$7.15
Each 1,000 gallons	\$1.70	\$1.65
Outside City Limits		
Minimum charge	\$8.25 to \$39.84	N/a
Each 1,000 gallons	\$2.00	N/a

(a) Depending on the size of the meter.

issued in 1996.

Solid Waste Fees: The City collects and disposes of solid waste for its citizens. This service is provided twice weekly at curbside. Additionally, the City operates a curbside

recycling program for the benefit of its citizens. A \$13.75 monthly fee funds these services for citizens under 65 years of age and \$6.00 per month for citizens over 65 years of age. These fees are expected to generate \$820,000 in 1997.

SALES TAX:

The sales tax in the City of West University Place is currently 8.25% of goods and services sold within the City. The tax is collected by businesses making the sale and remitted to the State Comptroller of Public Account. Of the 8.25%, the State retains 6.25% and, distributes 1% to the Metropolitan Transit Authority, and 1% to the City. The following is an analysis of the collection history of the City's portion of the sales tax:

In 1997 the City expects to receive \$404,500 from sales taxes.

FRANCHISE FEES:

The City maintains non-exclusive franchise agreements with utility companies that use the City's roadway rights-of-way to conduct their businesses. Besides defining the responsibilities of the utilities in maintaining their assets, the agreements contain a franchise fee clause requiring the utilities to compensate the City for the use of the rights-of-way. Generally, these fees are based on a percentage of the utilities gross receipts generated by services provided to customers located within the City's corporate limits. Franchise fees are expected to generate \$623,000 in 1997.

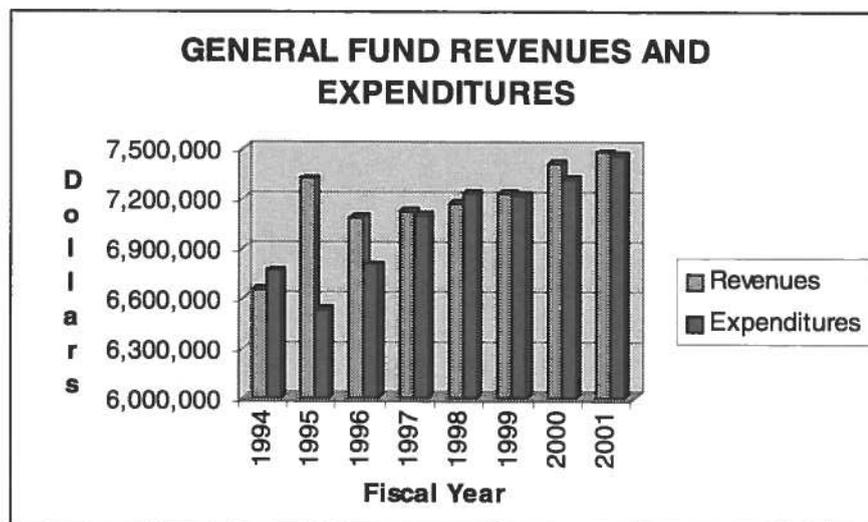
LONG-TERM FINANCIAL PROJECTION

ASSUMPTIONS

The 1997 Budget will impact the City's finances into the future. Tax rates, service levels and fee structures, once set, are very difficult to change. Yet, these are the variables that the City Council must use to control the direction of the City's finances. In order to evaluate the decisions taken in the 1997 Budget together with decisions made in the years leading up to it, we have projected the financial direction embodied in the 1997 Budget into the future. The projection provides data over eight fiscal years: the three preceding fiscal years, the adopted budget for 1997, and four projected years.

The projections presented here are based on numerous assumptions about the future. These guesses about what will happen in the future are certain to be incorrect, so the financial projections are not an absolute chart of the financial future of the City. Instead, the purpose of long-term financial projections is to aid in evaluating the City's current financial policies and their potential impact on the future. The principal assumptions used in preparing these projections are:

- The Houston economy will continue to expand at the current rate of growth.
- Inflation and interest rates will remain under control. A 2% rate of inflation was assumed. The City's interest rates were assumed to be 6% for borrowing and 5% for investing.
- General fund services will not be expanded, unless other services are discontinued, so that the tax rate dedicated to maintenance and operations will remain at \$0.21 per \$100 in valuation.
- Fees for water and sewer service will set at a rate sufficient to fund the operations of the water and sewer utility including debt service costs incurred in upgrading capital assets.
- Property values will increase at a constant \$30 million annually.
- Fund reserves will not be allowed to decline below 25% of operating revenues.
- The City's plan to replace its infrastructure over the next 10 years will proceed as planned.



THE GENERAL FUND

Revenues are expected to grow with inflation and increases in the assessed value of property. The projection assumes an additional revenue source, alarm monitoring fees, to be fully available in 1998.

Expenditures are expected grow at the rate of inflation, with some exceptions. Declines in the staffing levels of the Finance Department and the Public Works Department are expected and are

incorporated into the projection. The Finance Department will eliminate the position of Deputy Director. Public Works should be able to reduce staffing as the infrastructure improvement program replaces worn streets with concrete streets requiring less maintenance.

The General Fund's reserves exceed the minimum 25% of revenues established as an assumption over the entire projection period.

GENERAL FUND FINANCIAL PROJECTION

	1994 Actual	1995 Actual	1996 Estimate	1997 Estimate	1998 Estimate	1999 Estimate	2000 Estimate	2001 Estimate
BEGINNING BALANCE	\$ 5,921,491	\$ 5,316,208	\$ 4,997,105	\$ 4,165,685	\$ 3,684,355	\$ 3,114,755	\$ 3,082,855	\$ 3,128,655
REVENUES:								
Ad valorem taxes	2,855,477	2,976,002	3,020,000	3,055,000	3,102,800	3,164,800	3,226,900	3,288,900
Penalty and Interest	26,309	30,981	30,000	31,000	31,000	31,000	31,000	31,000
City Sales Tax	364,206	837,595	400,000	404,500	404,500	404,500	428,000	428,000
Franchise Tax	665,005	652,893	600,000	623,000	623,000	623,000	623,000	623,000
Licenses/Permits	530,510	369,412	275,000	298,100	298,100	298,100	340,900	340,900
Fines/Forfeitures	271,937	329,572	320,000	322,000	322,000	322,000	322,000	322,000
Sanitation Service	810,060	816,952	850,000	820,000	820,000	820,000	832,000	832,000
Recreation Programs	364,801	284,322	350,000	346,500	346,500	346,500	352,000	358,000
Administrative Services	208,430	253,310	400,000	410,000	410,000	410,000	418,200	416,000
Other Revenues	264,240	286,825	491,290	460,800	460,800	500,000	525,000	525,000
Interest On Investments	292,616	484,652	350,000	350,000	350,000	315,000	315,000	315,000
TOTAL REVENUES	6,653,591	7,322,516	7,086,290	7,120,900	7,168,700	7,234,900	7,414,000	7,479,800
EXPENDITURES								
Administration	379,525	331,359	349,750	345,940	349,400	356,400	363,500	370,800
Finance								
Finance and Personnel	499,343	583,326	578,210	634,210	634,200	646,900	616,900	629,200
Municipal Court	142,193	148,618	157,450	166,750	170,100	173,500	177,000	180,500
Police	1,464,770	1,550,743	1,556,990	1,499,100	1,529,100	1,559,700	1,590,900	1,622,700
Communications	-	-	-	186,530	190,300	194,100	198,000	202,000
Fire	1,067,232	1,072,351	1,229,420	1,190,950	1,214,800	1,239,100	1,263,900	1,289,200
Public Works								
Administration	252,037	217,591	255,100	254,690	259,800	262,400	267,600	273,000
Building	306,247	279,592	263,330	244,930	249,800	252,300	257,300	262,400
Street and Drainage	527,951	481,367	498,880	504,290	514,400	439,000	447,800	456,800
Solid Waste Management	707,406	818,090	751,560	781,110	796,700	812,600	828,900	845,500
Fleet and Facility Services	340,988	153,135	157,000	207,510	211,700	215,900	220,200	224,600
Parks and Recreation								
Parks and Recreation	974,073	508,424	566,970	586,250	598,000	610,000	622,200	634,600
Senior Services	106,886	123,452	113,500	122,920	125,400	127,900	130,500	133,100
Non-Departmental	-	264,741	326,550	377,050	384,600	327,000	333,500	340,200
Transfers out	490,223	1,108,830	1,113,000	500,000	510,000	50,000	50,000	50,000
TOTAL EXPENDITURES	7,258,874	7,641,619	7,917,710	7,602,230	7,738,300	7,266,800	7,368,200	7,514,600
ENDING FUND BALANCE	\$ 5,316,208	\$ 4,997,105	\$ 4,165,685	\$ 3,684,355	\$ 3,114,755	\$ 3,082,855	\$ 3,128,655	\$ 3,093,855
CALCULATION OF AVAILABLE FUND BALANCE - GENERAL FUND								
Ending Fund Balance	\$ 5,316,208	\$ 4,997,105	\$ 4,165,685	\$ 3,684,355	\$ 3,114,755	\$ 3,082,855	\$ 3,128,655	\$ 3,093,855
Less minimum fund reserves	1,663,000	1,831,000	1,772,000	1,780,000	1,792,000	1,809,000	1,854,000	1,870,000
Excess funds available for capital projects	\$ 3,653,208	\$ 3,166,105	\$ 2,393,685	\$ 1,904,355	\$ 1,322,755	\$ 1,273,855	\$ 1,274,655	\$ 1,223,855
ASSESSED VALUE								
Assessed Value (thousands)	\$ 1,320,905	\$ 1,375,451	\$ 1,450,000	\$ 1,470,000	\$ 1,500,000	\$ 1,530,000	\$ 1,560,000	\$ 1,590,000
STAFFING								
Administration	3	3	3	3	3	3	3	3
Finance and Municipal Court	11	13	11	11	10	10	10	9
Police	28	29	29	29	29	29	29	29
Fire	19	19	20	20	20	20	20	20
Public Works Administration	3	4	4	4	4	4	4	4
Building	7	7	4	4	4	4	4	4
Streets	11	11	10	10	9	9	9	8
Solid Waste	9	9	9	9	9	9	9	9
General Services	2	2	2	2	2	2	2	2
Recreation	6	6	6	6	6	6	6	6
Total	99	98	98	96	96	96	94	94

DEBT SERVICE FUND

Tax supported debt service is expected to rise from \$2.6 million in 1996 to over \$3.6 million by 2001. The rate of this increase depends on the timing of the issuance of the remaining general obligation bonds approved by the voters. To fund this increase, the tax rate dedicated to

debt service is expected to rise from \$0.16 per \$100 valuation in 1996 to \$0.24 per \$100 valuation in 2001. The total tax rate will reach \$0.45 by 2001 and could climb higher, again depending on the timing of bond sales.

DEBT SERVICE FUND FINANCIAL PROJECTION

	1994 Actual	1995 Actual	1996 Estimate	1997 Estimate	1998 Estimate	1999 Estimate	2000 Estimate	2001 Estimate
BEGINNING BALANCE	\$ 695,656	\$ 781,733	\$ 914,817	\$ 1,030,117	\$ 747,477	\$ 455,337	\$ 515,197	\$ 601,787
Revenue								
Property Tax	\$ 2,109,422	\$ 2,063,625	\$ 2,290,000	\$ 2,462,000	\$ 2,807,000	\$ 3,165,000	\$ 3,534,000	\$ 3,759,000
Interest Income	42,848	99,570	75,000	200,000	34,000	20,000	23,000	27,000
Transfers in	332,000	332,000	332,000	-	-	-	-	-
Total Revenue	2,484,270	2,495,195	2,697,000	2,662,000	2,841,000	3,185,000	3,557,000	3,786,000
Expenditures								
Principal and Interest	2,390,780	2,356,490	2,573,700	2,936,640	3,117,140	3,109,140	3,454,410	3,643,760
Fees	7,413	5,621	8,000	8,000	16,000	16,000	16,000	16,000
Total Expenditures	2,398,193	2,362,111	2,581,700	2,944,640	3,133,140	3,125,140	3,470,410	3,659,760
Ending Fund Balance	\$ 781,733	\$ 914,817	\$ 1,030,117	\$ 747,477	\$ 455,337	\$ 515,197	\$ 601,787	\$ 728,027

CALCULATION OF AVAILABLE FUND BALANCE - DEBT SERVICE FUND

Ending Fund Balance	\$ 781,733	\$ 914,817	\$ 1,030,117	\$ 747,477	\$ 455,337	\$ 515,197	\$ 601,787	\$ 728,027
Less minimum fund reserves	599,548	590,528	645,425	736,160	783,285	781,285	867,603	914,940
Over (under) minimum reserve	\$ 182,185	\$ 324,289	\$ 384,692	\$ 11,317	\$ (327,948)	\$ (266,088)	\$ (265,816)	\$ (186,913)

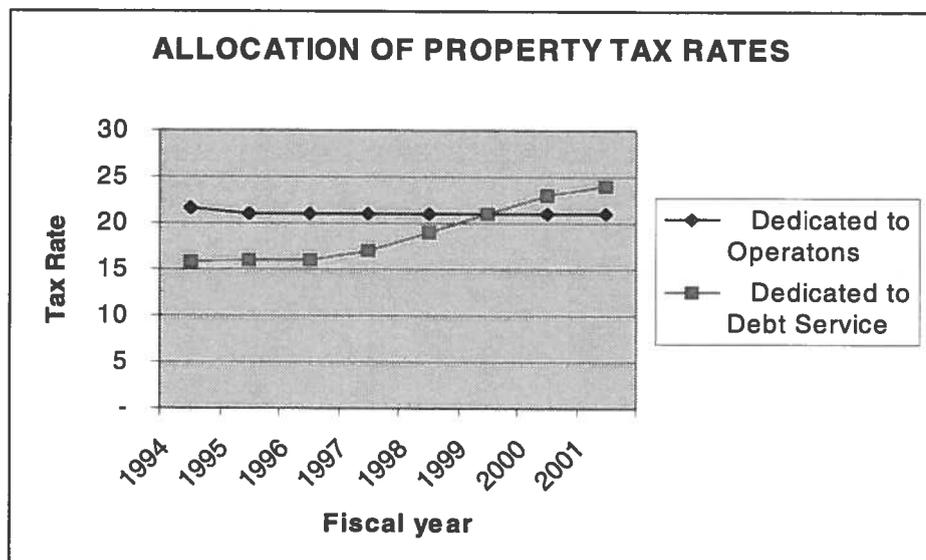
TAX RATE CENTS PER \$100 VALUATION

Dedicated to Operations	22	21	21	21	21	21	21	21
Dedicated to Debt Service	16	16	16	17	19	21	23	24
Total Tax Rate per \$100 valuation	38	37	37	38	40	42	44	45

BONDED DEBT PROJECTIONS

OUTSTANDING BONDED DEBT (thousands)

Existing	\$ 27,895	\$ 27,160	\$ 27,160	\$ 26,145	\$ 25,060	\$ 23,925	\$ 22,720	\$ 21,455
Proposed								
Tax Supported	-	-	-	7,050	7,050	6,890	11,320	10,960
Revenue supported	-	-	-	6,490	6,485	6,265	8,040	7,755
Total Outstanding Bonded Debt	\$ 27,895	\$ 27,160	\$ 27,160	\$ 39,685	\$ 38,595	\$ 37,080	\$ 42,080	\$ 40,170
Bonded Debt Per Capita	\$ 2,159.06	\$ 2,102.17	\$ 2,102.17	\$ 3,071.59	\$ 2,987.23	\$ 2,869.97	\$ 3,256.97	\$ 3,109.13



WATER AND SEWER UTILITY FUND

Revenues in the Water and Sewer Fund are expected to remain level in the 1997 budget because no rate increase was requested. However, the impact on debt service caused by Texas Water Development Bonds and the Revenue Bonds issued in 1996 will be fully felt

in 1998, almost guaranteeing a rate increase of as much as 20% over the current rates in that year. Expenditures are expected to increase with inflation, except that staffing is expected to decline as new capital is completed.

WATER AND SEWER FUND FINANCIAL PROJECTION

	1994	1995	1996	1997	1998	1999	2000	2001
	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
BEGINNING BALANCE	\$ 4,472,408	\$ 4,870,067	\$ 4,670,169	\$ 4,615,389	\$ 3,936,639	\$ 3,984,149	\$ 3,612,459	\$ 2,879,209
Service Revenues	\$ 2,312,050	\$ 2,563,751	\$ 2,770,000	\$ 2,600,000	\$ 2,802,000	\$ 2,802,000	\$ 3,362,400	\$ 3,698,640
Interest on Investments	196,587	401,911	300,000	225,000	200,000	200,000	200,000	200,000
Other	10,301	15,978	-	3,000	3,000	3,000	3,000	3,000
Total Revenue	2,518,938	2,981,640	3,070,000	2,828,000	3,005,000	3,005,000	3,565,400	3,901,640
Expenditures								
Field Services	799,533	506,198	506,980	506,610	517,000	527,000	538,000	549,000
Plant Management	633,534	1,470,853	1,589,800	1,513,140	1,543,000	1,574,000	1,605,000	1,637,000
Administrative Services	208,430	288,487	415,000	410,000	410,000	418,200	416,000	425,000
Transfer to Capital Projects	147,782	584,000	281,000	875,000	-	125,000	825,000	-
Debt Service	332,000	332,000	332,000	202,000	487,490	732,490	914,650	1,103,640
Total Expenditures	2,121,279	3,181,538	3,124,780	3,506,750	2,957,490	3,376,690	4,298,650	3,714,640
Ending Balance	\$ 4,870,067	\$ 4,670,169	\$ 4,615,389	\$ 3,936,639	\$ 3,984,149	\$ 3,612,459	\$ 2,879,209	\$ 3,066,209
CALCULATION OF AVAILABLE FUND BALANCES - WATER AND SEWER FUND								
Ending Fund Balance	\$ 4,870,067	\$ 4,670,169	\$ 4,615,389	\$ 3,936,639	\$ 3,984,149	\$ 3,612,459	\$ 2,879,209	\$ 3,066,209
Less minimum fund reserves	630,000	745,000	768,000	707,000	751,000	751,000	891,000	975,000
Excess funds available for capital projects	\$ 4,240,067	\$ 3,925,169	\$ 3,847,389	\$ 3,229,639	\$ 3,233,149	\$ 2,861,459	\$ 1,988,209	\$ 2,091,209
PROJECTED WATER AND SEWER RATE INCREASES								
	0.00%	0.00%	0.00%	0.00%	20.00%	0.00%	20.00%	10.00%
STAFFING								
Field Services	11	10	9	9	9	8	8	8
Plant Operations	6	6	6	6	6	6	6	6
Total	17	16	15	15	15	14	14	14

GLOSSARY OF TERMS

-A- ACCOUNT: A term used to identify an individual asset, liability, expenditure control, revenue control, encumbrance, or fund balance

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

ACCOUNTS RECEIVABLE: An asset account reflecting amounts owing to open accounts from private persons or organizations for goods and services furnished by a government.

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

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

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

-B- BALANCE SHEET: The basic financial statement which discloses the assets, liabilities, and equities of an entity at a specified date in conformity with GAAP.

BASIS OF ACCOUNTING: The modified accrual basis of accounting is followed by Governmental funds, Expendable Trust funds and Agency funds. Under the modified accrual basis of accounting, revenue are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the 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.

Substantially all revenues are considered to be susceptible to accrual. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used for guidance. Intergovernmental revenues are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The City's Proprietary fund is accounted for using the accrual basis of accounting, under which revenues are recorded when earned and expenses are recorded when liabilities are incurred.

BOND: A written promise, generally under seal, to pay a specific amount of money, called the face value, at a fixed time in the future, called the maturity date, and carrying interest at fixed rate, usually paid periodically.

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

BUDGET ORDINANCE: The official enactment by the City Council establishing the legal authority for city officials to obligate and expend funds.

-C- CAPITAL OUTLAYS: Expenditures which result in the acquisition of or addition to fixed assets which are individually priced more than \$1000.

CAPITAL IMPROVEMENTS PROGRAM: A plan for capital expenditures to be incurred each year over a fixed period of several years setting forth each capital project and the amount and method of financing.

CENTRAL APPRAISAL DISTRICT: A county-wide district formed by legislature to provide appraisals of property located within the county. These countywide appraisals are provided to the county, school districts, cities and municipal utility districts for basis of taxation.

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

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

-D- DEBT SERVICE: A cost category which typically reflects the repayment of general long-term debt principle and interest.

DELINQUENT TAXES: Property taxes remaining unpaid at the end of the current fiscal year. Although taxes become delinquent and accrue penalties and interest on February 1 of each year, they are carried as current taxes receivable during the current fiscal year.

-E- EFFECTIVE INTEREST RATE: The property tax rate set necessary to generate the same tax dollars as the previous tax year.

ENCUMBRANCES: Obligations in the form of purchase orders or contracts charged to an appropriation which reserves the funds until it is necessary to pay the bill.

-F- FISCAL YEAR: A twelve month period at the end of which the City determines its financial condition and the results of its operations and closes its books.

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

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

FUND: A fiscal and accounting entity with a self-balancing set of accounts. A fund accounts for the cash and other financial resources, together with all related liabilities, which are segregated for the purpose of carrying on specific activities.

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

-G- GENERAL LEDGER: A book, file or other device which contains the accounts needed to reflect the financial position and the results of operations of an entity. In double-entry bookkeeping, the debits and credits in the general ledger are equal; therefore, the debit balances equal the credit balances.

GENERAL OBLIGATION BONDS: Bonds for the payment of which the full faith and credit of the issuing government are pledged. In issuing its general obligation bonds, the City of West University place pledges to levy whatever property tax is needed to repay the bonds for any particular year. Bonds cannot be issued without voter approval and are usually issued with maturities of between 15 and 30 years.

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

-M- MODIFIED ACCRUAL BASIS: This accounting technique is a combination of cash and accrual accounting since expenditures are immediately incurred as a liability which revenues are not recorded until they are both measurable and available.

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

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

PURCHASE ORDER: A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

-R- REVENUES: Increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers.

REVENUE BONDS: Bonds that are to be repaid from a specific revenue source, typically user fees.

-S- SPECIAL REVENUE FUND: A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

TAX RATE: The amount of tax levied for each \$100 of assessed valuation.

-U- USER FEES: The payment of a fee for a direct receipt of a public service by the party benefiting from the service.

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