

City of West University Place, Texas

1998 Annual Budget

CITY OF WEST UNIVERSITY PLACE, TEXAS

1998 ANNUAL BUDGET

CITY OFFICIALS

Teresa Fogler
Mayor

Members of the City Council

Cindy Sparkman
Cindy Neal
Patrick Starich
Tony Davis

Robert "Sherman" Yehl
City Manager



CITY OF WEST UNIVERSITY PLACE 1998 ANNUAL BUDGET

INTRODCUTION

You are holding the published City of West University Place, Texas *1998 Annual 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 *1998 Annual Budget* serves other functions as well. For example, it is a **policy document** that presents the major policies that guide how the City is managed. It is also an **operations guide** that gives the public, elected officials and city staff information pertaining to the production and performance of individual city operations. Finally, the *1998 Annual Budget* is intended to be a **communications tool** formally transmitting the City's revenue and expenditure plan for the year.

FORMAT

The *1998 Annual Budget* is divided into three major sections: *Introductory*, *Financial/Operational*, and *Appendices*. The *Introductory* section contains the City Manager's letter addressed to the City Council which explains the major policies and issues which affected the development of the *1998 Annual 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 *1998 Annual 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 1998 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 1998. 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 1997, and a discussion of what the department hopes to accomplish in 1998. Schedules showing the department's finances and details about the departments 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.

ABOUT THE COVER

In November, 1997 the City's new recycling drop off facility, *RecycleXpress* was officially opened for business. This year's cover features an architectural drawing of the new facility.



TABLE OF CONTENTS

1998 BUDGET

	<u>Page No.</u>
INTRODUCTORY SECTION	
City Manager's Budget Message	i
Organization Chart	v
Fund Summary	vi
GENERAL FUND BUDGET	
Summary	2
Administration	5
Finance	9
Police	13
Fire	17
Public Works	21
Parks and Recreation	25
Non-Departmental	28
ENTERPRISE FUNDS BUDGET	
Water and Sewer Fund	30
Solid Waste Fund	38
DEBT SERVICE FUND BUDGET	44
CAPITAL PROJECT FUNDS BUDGETS	
Capital Project Fund	48
Infrastructure Replacement Fund	50
Equipment Replacement Fund	52
SPECIAL REVENUE FUNDS BUDGETS	
Parks Fund	57
Recycling Fund	58
APPENDIX	
Bonded Debt	61
Major Revenue Sources	63
Long-Term Projections	65
Glossary	69





City of West University Place

 Recycled Paper

Mayor Teresa Fogler
City Council Members
City of West University Place
3800 University Boulevard
Houston, Texas 77005

Dear Mayor Fogler and City Council Members:

In compliance with State law and the City Charter, I am pleased to submit the 1998 Annual Budget for the City of West University Place.

This budget proposes no change in the level of city services but includes the increased debt service for the 1996 bonds issued to finance infrastructure replacement. There is a \$0.02 per \$100 increase in the portion of the *ad valorem* (property) tax rate dedicated to fund debt service. The Budget also includes a 10% increase in water and sewer rates, again to fund increased debt service. These increases are within the projections supplied to citizens when the City's Infrastructure Replacement Program was initiated.

There are no fee or tax increases to fund existing services. The City's tax rate is divided into two components, the maintenance/operations rate and the debt service rate. The 1998 Annual Budget maintains the maintenance/operations tax rate at 21 cents per \$100 valuation – the third consecutive year it has remained at this level.

An annual budget cannot be assessed without first determining where the organization intends to go and how it intends to get there. The budget is the City's policy statement in that it represents priorities for the expenditure of public funds. This budget has been created with these perspectives:

The City is a service organization. The most important asset of a service organization is 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 expect. To insure that the City's compensation stays competitive, \$121,300 has been set-aside for salary adjustments during 1998. The pay plan will be first reviewed to ensure that compensation is at market levels. Performance standards will then be considered as additional compensation.

The 1998 Annual Budget called for 88 employees to be funded by the City's General Fund, 15 to be funded in the City's Water and Sewer Utility, and nine to be funded by the new Solid Waste Fund for a total of 112. For the second consecutive year the City has deleted two positions. Staff reductions in the Finance Department will reduce the full-time permanent workforce by two.

The importance of professional development is also recognized in this Budget. Changes in the City's personnel policies, adopted during the 1997 fiscal year, provides for tuition reimbursement for employees who are working toward a degree. The 1998 Annual Budget appropriates \$4,500 for this purpose.

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. There are no major changes to the baseline budget in 1998.

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. As mentioned above, the 1998 Annual Budget proposes a 10% increase in water and sewer fees. Increased debt service in the Water and Sewer Fund and the need to position the fund financially for the next bond sale are the reasons for this proposed rate increase. Fees for garbage are not adequate to support the service, but efforts to reduce costs will be considered before recommending an increase. While the new Solid Waste Fund has been established as an enterprise fund, it is not yet self-sufficient. Instead, it will rely on an initial transfer of working capital in the amount of \$200,000 to meet the potential funding shortfall.

The City will avoid budget and accounting procedures that 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, operating charges) or accruing future years revenues are to be avoided. The 1998 Annual Budget meets this standard.

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) "un-funded" projects that carry out the City's long-term goals, but it should identify projects that can be completed with known funding sources. The following long-term capital improvements are moved from planning to implementation in the 1998 Annual Budget:

Colonial Park - ADA Modifications	\$ 35,000
Colonial Park - Pool relining	65,000
Colonial Park - Master Plan	12,500
Surveillance Cameras at Recycling Center	25,000

The infrastructure replacement program will complete priority areas 4B/5A and begin work in 5B/6A during 1988. Future projects not yet funded, include acquiring and renovating the YMCA and purchasing property to complete Colonial Park.

Funding is also set aside for professional services to assist in long-range planning in two areas: urban design, which will work closely with the new urban design committee, and storm water run-off analysis.

The City will maintain reserves adequate to ensure that resources are available annually for the replacement of vehicles and equipment. The new Equipment Replacement Fund was created to comply with this policy. Funds will be transferred to the Equipment Replacement over the estimated service life of an asset so that funds will be available to replace the asset when it is fully depreciated.

	Beginning Balance	Estimated Revenues	Operating Expenditures	Transfers in (out)	Ending Balance
General Fund	\$ 3,699,747	\$ 6,577,000	\$ 6,593,250	\$ (300,000)	\$ 3,383,497
Water and Sewer Fund	4,147,354	3,113,500	2,945,880		4,314,974
Water and Sewer Fund					
Capital Project Res.	100,000	11,000	100,000	-	11,000
Solid Waste Fund	-	800,000	916,830	200,000	83,170
Debt Service Fund	918,518	3,025,000	3,126,150		817,368
Capital Project Fund	1,789,588	315,000	2,252,500	172,000	24,088
Infrastructure Replacement	6,632,770	600,000	6,706,660		526,110
Equipment Replacement	-	341,890	312,500		29,390
Parks Fund	43,694	7,000		(47,000)	3,694
Recycling Fund	10,318	21,500		(25,000)	6,818
	<u>\$ 17,341,989</u>	<u>\$ 14,811,890</u>	<u>\$ 22,953,770</u>	<u>\$ -</u>	<u>\$ 9,200,109</u>

The City will maintain reserves that are adequate to protect against unforeseen events. The City's total reserves are very comfortable for a city the size of West U, 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 Fund Balance of all funds will be at 62% of revenues at the end of 1998.

While this budget is the result of the collective efforts of the senior management team, Finance Director Walter Thomas deserves major credit for putting this budget together. Kym Radley, Charlotte Gonsoulin, and Thelma Lenz have ably assisted us again this year in producing this document.

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 a new city hall, expanded use of technology, investments in infrastructure, and development of the City's workforce.

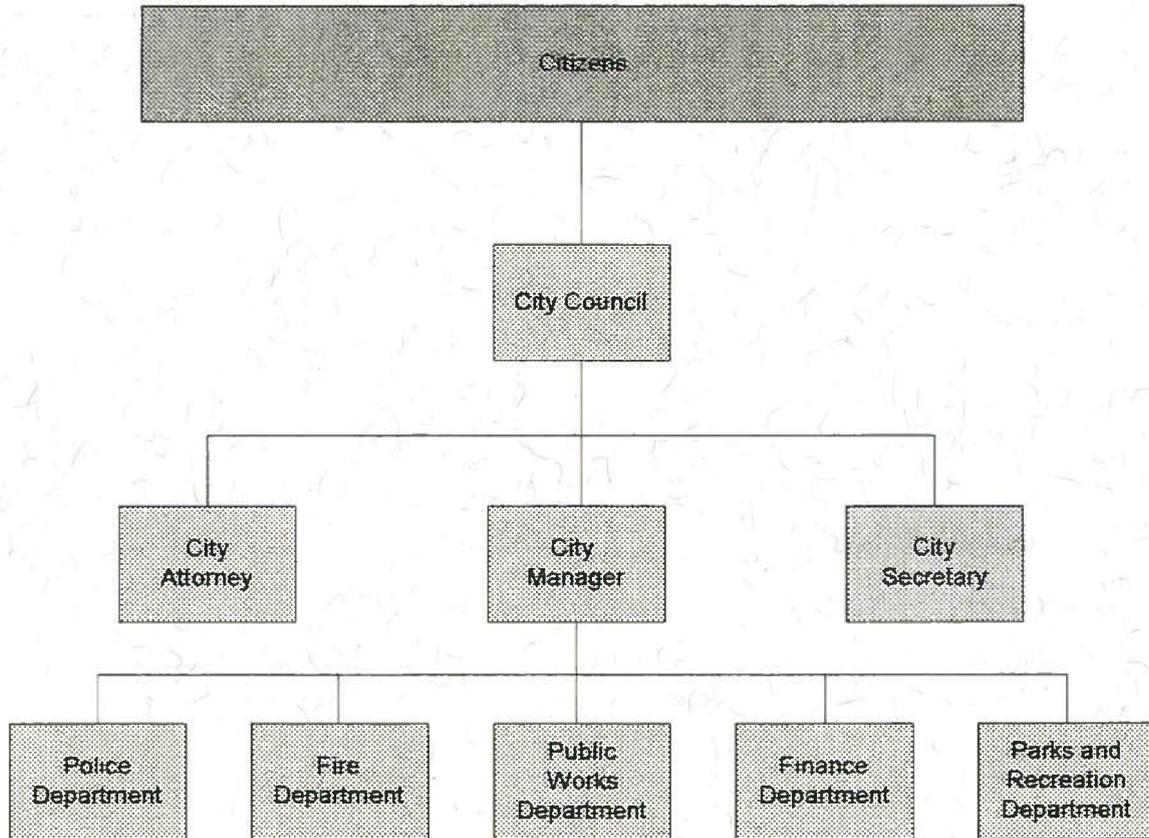
Sincerely



Robert P. Yehl
City Manager

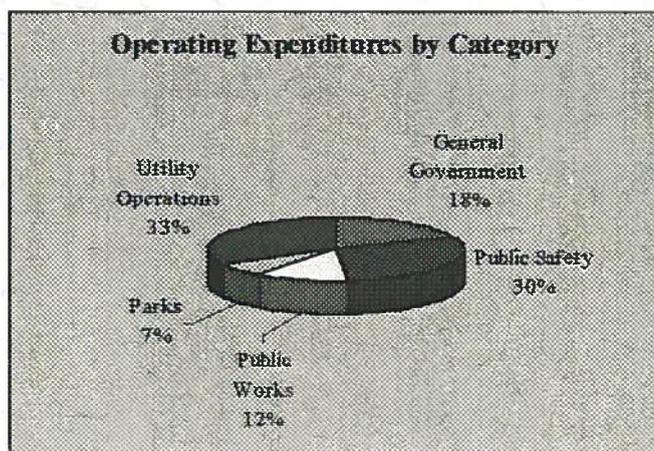
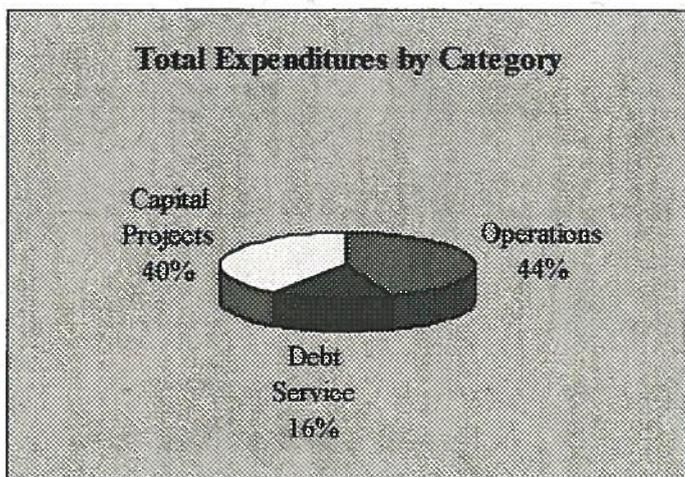
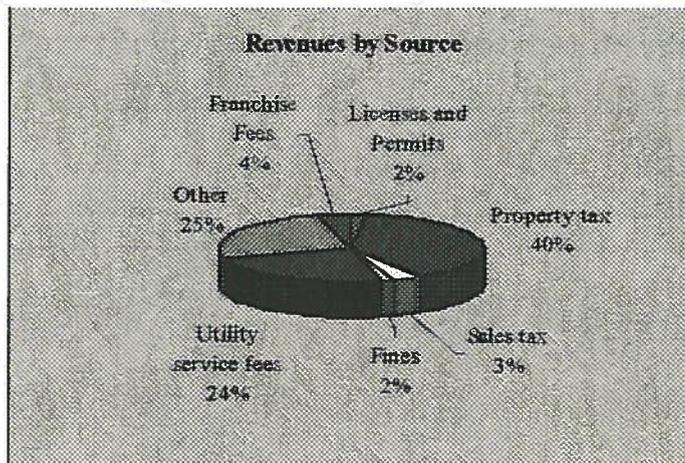
CITY OF WEST UNIVERSITY PLACE

ORGANIZATION CHART



1998 ANNUAL BUDGET					
COMBINED SUMMARY OF REVENUES AND CHANGES IN FUND BALANCE					
ALL FUNDS ADJUSTED FOR INTERNAL TRANSACTIONS					
		WATER AND SEWER UTILITY FUND			
	GENERAL FUND	WATER UTILITY FUND	WATER CAPITAL FUND	SOLID WASTE FUND	DEBT SERVICE FUND
BEGINNING BALANCE	\$ 3,699,747	\$ 4,147,354	\$ 100,000	\$ -	\$ 918,518
REVENUES					
Ad Valorem Taxes	3,142,000				2,850,000
City Sales Tax	429,000				
Franchise Fees	630,000				
Licenses and Permits	311,000				
Fines and Forfeitures	305,000				
Service Fees	-	2,853,500		800,000	
Recreation Programs	314,000				
Administration Services	631,000				
Interest on Investments	350,000	225,000	11,000		175,000
Other Revenues	465,000	35,000	-	200,000	
TOTAL REVENUES	6,577,000	3,113,500	11,000	1,000,000	3,025,000
TOTAL AVAILABLE RESO	10,276,747	7,260,854	111,000	1,000,000	3,943,518
EXPENDITURES:					
General Government	1,140,090				
Public Safety	3,111,800				
Public Works	1,231,210				
Public Services	740,530				
Non-Departmental	669,620				
Debt Service		506,810			3,126,150
Capital Projects			100,000		
Utilities		2,439,070		916,830	
TOTAL EXPENDITURES	6,893,250	2,945,880	100,000	916,830	3,126,150
ENDING BALANCE	\$ 3,383,497	\$ 4,314,974	\$ 11,000	\$ 83,170	\$ 817,368

CAPITAL PROJECT FUNDS			SPECIAL REVENUE FUNDS		TOTAL ALL FUNDS	
CAPITAL PROJECTS FUND	INFRA-STRUCTURE FUND	EQUIPMENT REPLACEMENT FUND	PARKS FUND	RECYCLING FUND	1998 BUDGET	1997 BUDGET
\$ 1,789,588	\$ 6,632,770	\$ -	\$ 43,694	\$ 10,318	\$ 17,341,989	\$ 26,527,041
					5,992,000	5,548,000
					429,000	404,500
					630,000	623,000
					311,000	298,100
					305,000	322,000
					3,653,500	3,420,000
					314,000	346,500
					631,000	410,000
15,000	100,000	2,500	2,000	1,500	882,000	1,349,300
472,000	500,000	339,390	5,000	20,000	2,036,390	2,574,000
487,000	600,000	341,890	7,000	21,500	15,183,890	15,295,400
2,276,588	7,232,770	341,890	50,694	31,818	32,525,879	41,822,441
					1,140,090	1,146,900
					3,111,800	2,876,580
					1,231,210	2,017,530
					740,530	716,170
			47,000	25,000	741,620	2,187,050
					3,632,960	3,136,032
2,252,500	6,706,660	312,500			9,371,660	11,832,726
					3,353,940	2,019,750
2,252,500	6,706,660	312,500	47,000	25,000	23,323,810	25,932,738
\$ 24,088	\$ 526,110	\$ 29,390	\$ 3,694	\$ 6,818	\$ 9,202,069	\$ 15,889,703



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, fees, 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 1997. The 1997 Budget estimated revenues available to finance the General Fund's services at \$6,300,900. Based on collections and data available on June 30, 1997, this original estimate has been revised to \$6,267,130. While property tax collections are expected to exceed estimates and higher than expected sales tax collections should be realized, interest income is expected to fall short of the amount estimated in the 1997 budget. Smaller fund balances and lower interest rates account for this shortfall.

Revenues from Licenses and Permits are expected to amount to \$329,100, or 10% higher than estimated.

Expenditure Estimated for 1998. The 1998 Budget appropriates \$6,893,250. Of this amount, \$6,593,250 is to provide the General Fund's traditional services and \$300,000 to be transferred to other funds. \$100,000 of the \$300,000 is for the Capital Project Fund to finance major capital acquisitions. The remaining \$200,000 is a transfer of funds to provide working capital for the new Solid Waste Fund. Through June 30, 1997, it appears that actual expenditures will be below appropriations by \$150,100. Personnel vacancies in the Finance and the Police Department are the primary reason for the reduction in expenditures.

Financial Position in 1997. By any standard of measure, the City of West University Place's

General Fund closed 1997 in sound fiscal condition. The estimated balance available for appropriation will be approximately \$3.7 million. This amount represents 59.1% of estimated 1997 revenues. While there is no formal standard of measure established to determine the amount of funds a City should retain in reserve, most analysts agree that it be no less than 25% of a fund's annual revenues.

The City's General Fund Balance has declined \$1.8 million from the \$5.5 million available January 1, 1994. This decline was planned, and the fund balance has been expended for improvements to the City's infrastructure, municipal buildings, and parks.

1998 BUDGET

Projected 1998 Revenues. The City's General Fund Revenues for fiscal 1998 should be up slightly over 1997 revenues. Total revenues are expected to be \$6,577,000. Revenues from property taxes will grow by \$15,000 because of increases in assessed values. The ad valorem tax rate dedicated to operations will be \$0.21, the same as for the past two years.

Revenues generated by the City's one cent sales tax are budgeted at \$429,000, up from the \$404,500 estimated for 1997. The City's stable business community and prior year collections justify this estimated increase.

Franchise taxes provide \$630,000, or 9.6% of the City's General Fund revenues. There seems to be little upward pressure on utility rates so revenues from this source should be stable. Collections in prior years have exceeded budget, justifying an increase in the estimated revenues.

As in previous years, the 1998 Annual Budget anticipates a payment from the Water and Sewer Utility Enterprise Fund. This \$441,000 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. The larger amount in 1998 than in 1997 is due to the General Fund assuming the cost of postage for utility bills.

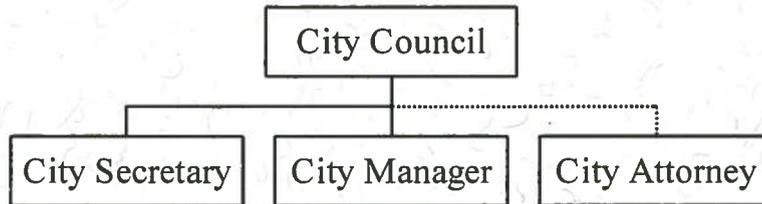
New in 1998 is the \$190,000 payment from the Solid Waste Fund for similar services.

Expenditures in 1998. The 1998 Budget appropriates \$6,893,250 in the General Fund. The General Fund's 1997 Budget was \$6,782,230, so this Budget represents a 1.4% increase. Personnel costs are budgeted to

increase 1.8% over last year's budget of \$4,649,460. The 1998 Annual Budget provides 3% of current salaries to be used to provide salary increases. Other components of personnel costs are expected to remain at current levels.

GENERAL FUND				
STATEMENT OF REVENUES AND EXPENDITURES				
	Actual 1996	Budget 1997	Estimate 1997	Budget 1998
REVENUES:				
Ad Valorem Taxes	\$ 3,097,744	\$ 3,086,000	\$ 3,129,500	\$ 3,142,000
City Sales Tax	454,906	404,500	429,700	429,000
Franchise Fees	686,500	623,000	630,330	630,000
Licenses and Permits	340,438	298,100	329,100	311,000
Fines and Forfeitures	324,502	322,000	300,000	305,000
Recreation Programs	341,916	346,500	282,000	314,000
Administrative Services	400,000	410,000	410,000	631,000
Interest on Investments	359,605	460,800	350,000	350,000
Other Revenues	470,337	350,000	406,500	465,000
TOTAL REVENUES	6,475,948	6,300,900	6,267,130	6,577,000
EXPENDITURES:				
Administration	342,056	345,940	345,890	356,440
Finance	743,177	800,960	754,300	783,650
Police	1,589,810	1,685,630	1,668,280	1,819,960
Fire	1,171,701	1,190,945	1,184,470	1,291,840
Public Works	1,129,645	1,211,420	1,180,110	1,231,210
Parks and Recreation	685,741	709,170	695,460	740,530
Non-Department	298,155	338,165	303,620	369,620
Operating Transfer (Out)	1,113,000	500,000	500,000	300,000
TOTAL EXPENDITURES	7,073,285	6,782,230	6,632,130	6,893,250
NET REVENUE (EXPENDITURE)	(597,337)	(481,330)	(365,000)	(316,250)
BEGINNING BALANCE	4,662,084	4,064,747	4,064,747	3,699,747
ENDING BALANCE	\$ 4,064,747	\$ 3,583,417	\$ 3,699,747	\$ 3,383,497

ADMINISTRATION



DEPARTMENT MISSION

To effectively and efficiently implement and administer the policies as 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 ordinances, resolutions, meeting minutes, and legally required publications. The City Attorney provides City Council with general counsel, litigation, contract review, and ordinance review.

During 1997 an emphasis was placed on improving communications with citizens and City Council. A survey to gauge citizen's satisfaction with city services was conducted. Improvements to the City's newsletter, a new web-page and E-mail were all implemented to provide citizens a greater access to their city government.

Accomplishments in 1997:

- * Designed, conducted and evaluated a survey of citizen satisfaction with city services.
- * Established a web page and E-mail for all Department Directors.

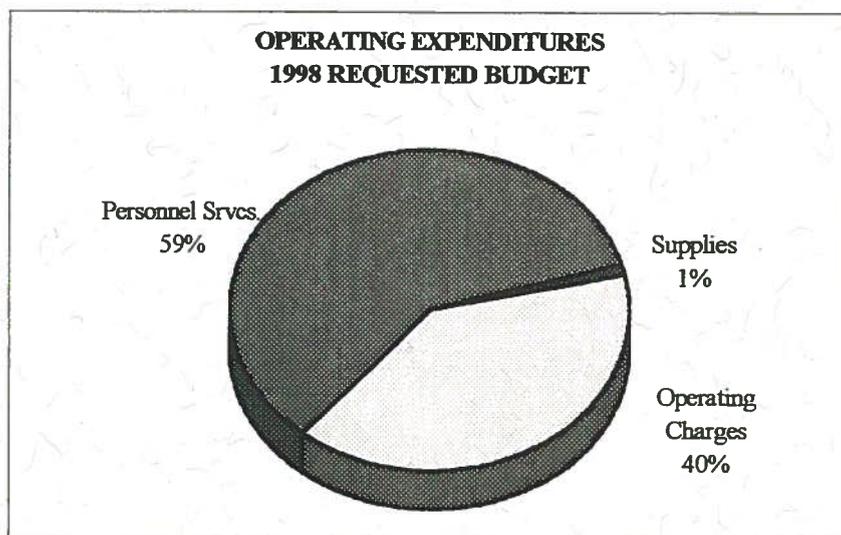
- * Completed and opened a new recycling facility.
- * Improved communications with citizens residing in reconstruction areas.
- * Directed initiatives to ease procedures for obtaining and paying for city services.

Objectives in 1998:

- * Complete renovation of City Hall.
- * Complete management information system upgrade.
- * Develop urban design plan and review storm sewer run-off.
- * Complete leadership training for all management/supervisor employees.

Major Budget Items:

- * Legal fees. (\$62,000)
- * *City Currents* publication costs (\$25,000).

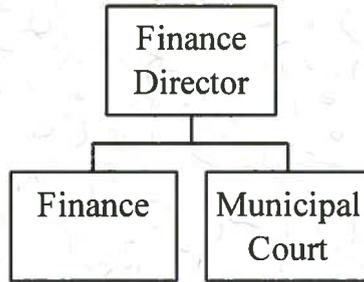


EXPENDITURES	ACTUAL 1996	BUDGET 1997	ESTIMATED 1997	BUDGET 1998
<i>Administration</i>				
Personnel Services	\$ 168,955	\$ 204,940	\$ 199,090	\$ 212,360
Supplies	4,052	4,500	7,500	6,000
Operating Charges	153,340	136,500	139,300	138,080
Capital	15,709	-	-	-
TOTAL-ADMINISTRATION	\$ 342,056	\$ 345,940	\$ 345,890	\$ 356,440

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 Assistant	39	1	1	1	1
TOTAL-ADMINISTRATION		3	3	3	3

FOOTNOTE: N/C-Not Classified

FINANCE



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 citizens and other City Departments including: utility and tax billing, 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 1997:

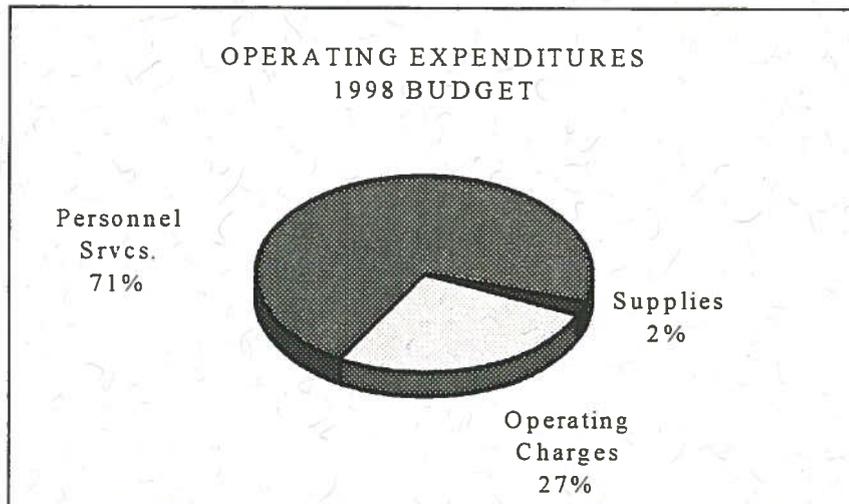
- * Revised the Water Utility Ordinance to make the administration of water utilities easier and more customer friendly.
- * Implemented the acceptance of credit cards for most city services.
- * Implemented direct deposit of employee's pay.

Future Objectives:

- * Implement new software that will allow automated clearing house (ACH) transactions for water utility payments.
- * Install and implement financial management software.
- * Issue the Comprehensive Annual Financial Report by April 30, 1998.

Major Budget Items:

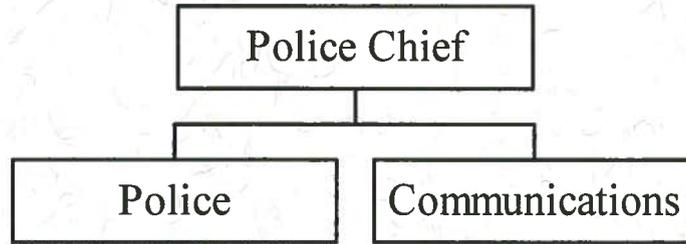
- * Harris County Central Appraisal District (\$46,500). Required payment for appraisal services.
- * Audit fees (\$16,000). Payment for Lairson, Stephens, and Reimer for annual audit.
- * Meter Reading Service (\$36,000). Cost of contracted meter reading services.



EXPENDITURES	ACTUAL 1996	BUDGET 1997	ESTIMATED 1997	BUDGET 1998
<i>Finance</i>				
Personnel Services	\$ 390,850	\$ 424,810	\$ 386,020	\$ 380,640
Supplies	12,742	10,500	20,000	15,000
Operating Charges	168,907	198,900	190,100	224,420
Capital	14,789	-	-	-
TOTAL	587,288	634,210	596,120	620,060
<i>Municipal Court</i>				
Personnel Services	142,427	152,230	144,240	155,120
Supplies	1,488	1,380	1,350	1,380
Operating Charges	6,086	7,140	6,590	7,090
Capital	5,888	6,000	6,000	-
TOTAL	155,889	166,750	158,180	163,590
TOTAL-FINANCE DEPARTMENT	\$ 743,177	\$ 800,960	\$ 754,300	\$ 783,650

STAFFING	LEVEL	BUDGET 1995	BUDGET 1996	BUDGET 1997	BUDGET 1998
<i>Finance</i>					
Finance Director	N/C	1	1	1	1
Deputy Finance Director		1	1	1	-
Personnel/Risk Specialist	40	1	1	1	1
Deputy Tax Assessor Collector	38	1	1	1	1
Accounting Specialist	36	3	3	3	3
Utility Billing Specialist	37	1	1	1	1
Cashier	34	1	1	1	-
Customer Service Representative	35	1	1	1	1
Meter Reader		2	-	-	-
TOTAL-Finance Division		12	10	10	8
<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		14	12	12	10
FOOTNOTE: N/C-Not Classified					

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. He also has assumed responsibility for the operations of the new central alarm monitoring system.

Accomplishments in 1997:

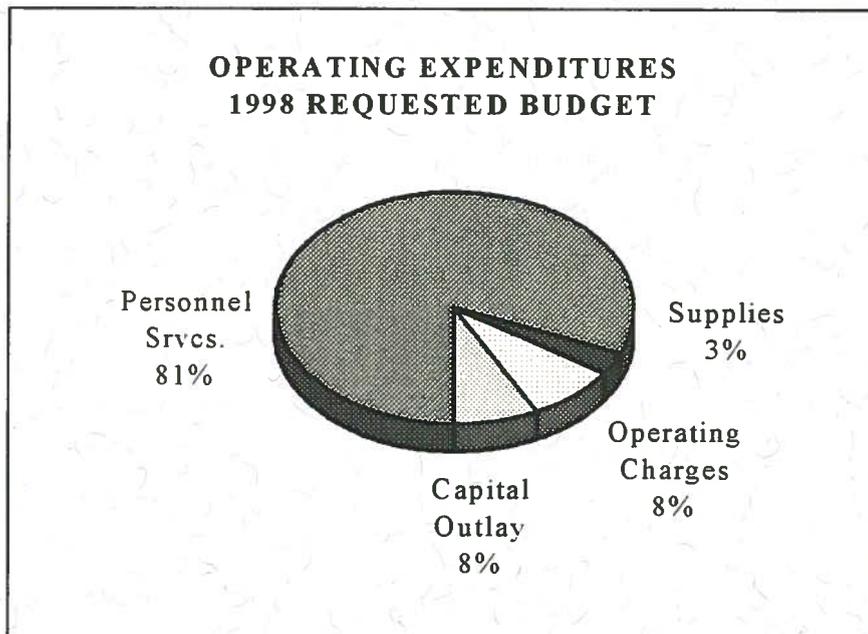
- * Maintained low crime rate.
- * Completed re-accreditation assessment.
- * Expanded the neighborhood watch program.

Future Objectives:

- * Install new crime record software.
- * Establish an effective working relationship with the Citizen Task Force.
- * Institute a new animal registration program.

Major Budget Items:

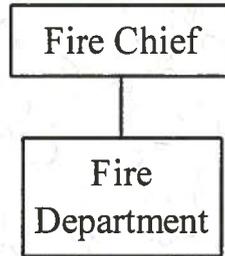
- * Emergency call boxes for City parks. (\$5,000).
- * Video camera for patrol car (\$5,500). Replaces existing equipment.
- * Patrol car radar (\$4,000). Replacement equipment.
- * Memberships and subscriptions (\$5,000). Accreditation fees and professional memberships reduced because of the completion of the re-accreditation program.
- * Travel and training (\$23,500).
- * Communications (\$20,000). Funds to increase public awareness of the alarm-monitoring program.
- * Contract services (\$30,000). Alarm installations.
- * Computer and printer for detective's office (\$5,000).



EXPENDITURES	ACTUAL 1996	BUDGET 1997	ESTIMATED 1997	BUDGET 1998
<i>Police</i>				
Personnel Services	\$ 1,355,368	\$ 1,290,140	\$ 1,254,680	\$ 1,254,480
Supplies	36,341	37,050	43,500	44,350
Operating Charges	104,205	130,410	131,070	126,900
Capital	93,896	41,500	46,500	116,250
TOTAL	1,589,810	1,499,100	1,475,750	1,541,980
<i>Communications</i>				
Personnel Services	-	154,530	154,530	204,380
Supplies	-	-	-	6,800
Operating Charges	-	32,000	38,000	58,800
Capital	-	-	-	8,000
TOTAL	-	186,530	192,530	277,980
TOTAL-POLICE DEPARTMENT	\$ 1,589,810	\$ 1,685,630	\$ 1,668,280	\$ 1,819,960

STAFFING	LEVEL	BUDGET 1995	BUDGET 1996	BUDGET 1997	BUDGET 1998
<i>Police</i>					
Chief	N/C	1	1	1	1
Captain		1	1	-	-
Lieutenant	43	-	-	4	4
Sergeant	41	4	4	4	4
Dispatchers		5	5	-	-
Animal Control Officer	33	1	1	1	1
Corporal		3	3	-	-
Police Officer	38	12	12	12	12
TOTAL		27	27	22	22
<i>Communications</i>					
Records Secretary	36	1	1	1	1
Police Dispatchers	36	-	-	5	5
TOTAL		1	1	6	6
TOTAL-Police Department		28	28	28	28
FOOTNOTE: N/C-Not Classified					

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.

FIRE

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 1997:

- * Worked with the Police Department to develop the standards for the alarm-monitoring program.
- * Select computer software to manage incident reporting.

Future Objectives:

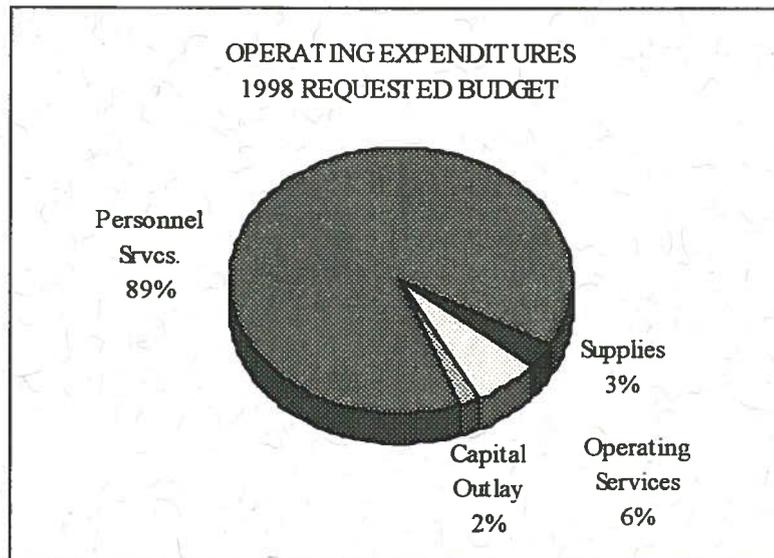
- * Relocation of Fire Department into renovated quarters without service

disruption.

- * Implement new software.

Major Budget Items:

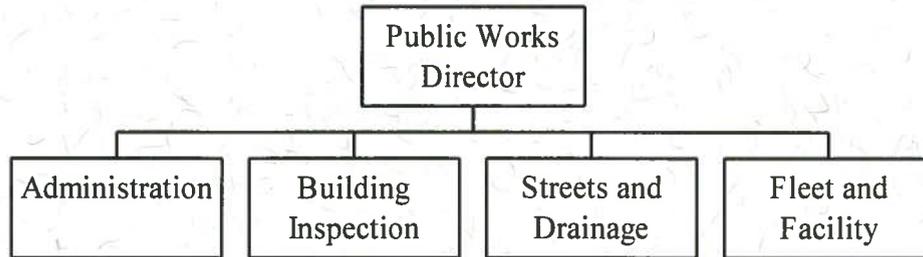
- * Telephone expense (\$15,000). City wide maintenance of telephones. Not budgeted here before 1997.
- * Operating supplies (\$33,800). Fire fighting equipment: helmets, bunker gear, other supplies.
- * Mosquito spraying contract (\$12,000).
- * Three Air Pack units (\$7,500). Replaces existing equipment.
- * 1,100 feet of 4' fire hose (\$6,600). Replaces 20 year old 2.5' hose.



EXPENDITURES	ACTUAL 1996	BUDGET 1997	ESTIMATED 1997	BUDGET 1998
<i>Fire</i>				
Personnel Services	\$ 1,109,071	\$ 1,097,990	\$ 1,090,720	\$ 1,163,310
Supplies	19,461	34,500	36,700	39,300
Operating Charges	43,169	53,455	52,050	64,330
Capital	-	5,000	5,000	24,900
TOTAL-FIRE DEPARTMENT	\$ 1,171,701	\$ 1,190,945	\$ 1,184,470	\$ 1,291,840

STAFFING	LEVEL	BUDGET 1995	BUDGET 1996	BUDGET 1997	BUDGET 1998
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	-	-	1	1
TOTAL-FIRE DEPARTMENT		19	19	20	20
FOOTNOTE: N/C-Not Classified					

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) insure the City's fleet of motor vehicles are maintained at highest standards of safety and efficiency; (4) insure that the City's buildings are maintained to be an attractive and comfortable environment to conduct the City's business; and (5) 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 1997:

- * Completed the infrastructure replacement in Priority Areas 3, and 4A..
- * Began replacement work on Areas 4B-5A, and 5B-6A.
- * Completed a project to provide block maps of the City's systems.
- * Provided oversight to the construction of the recycling facility and brought the facility into operation.

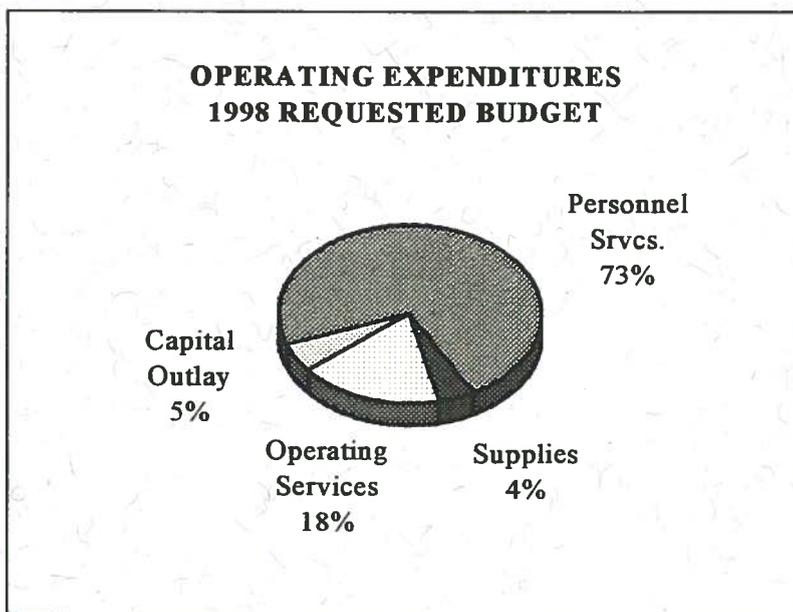
- * Initiated and streamlined commercial driver's license testing.

Future Objectives:

- * Reduce paperwork associated with getting a permit and conducting inspections.
- * Complete the overlay of Wakeforest.
- * Begin a program to analyze the roofs of City buildings.

Major Budget Items:

- * Building maintenance (\$65,000).
- * Maintenance of streets and drainage systems (\$45,000).
- * Custodial contract for city facilities (\$43,000).



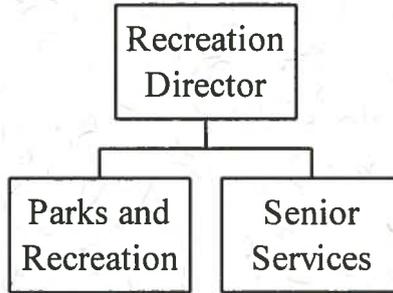
EXPENDITURES BY OBJECT	ACTUAL 1996	BUDGET 1997	ESTIMATED 1997	BUDGET 1998
Personnel Services	\$ 844,056	\$ 866,830	\$ 861,050	891,770
Supplies	61,094	62,580	72,600	54,700
Operating Charges	159,761	212,750	204,200	221,350
Capital	64,734	69,260	42,260	63,390
TOTAL	\$ 1,129,645	\$ 1,211,420	\$ 1,180,110	\$ 1,231,210

EXPENDITURES BY FUNCTION	ACTUAL 1996	BUDGET 1997	ESTIMATED 1997	BUDGET 1998
Public Works Administration	\$ 248,910	\$ 254,690	\$ 252,090	266,830
Building Inspections	257,521	244,930	241,470	266,110
Streets and Drainage	468,023	504,290	506,450	503,560
Fleet and Facility	155,191	207,510	180,100	194,710
TOTAL	\$ 1,129,645	\$ 1,211,420	\$ 1,180,110	\$ 1,231,210

STAFFING	LEVEL	BUDGET 1995	BUDGET 1996	BUDGET 1997	BUDGET 1998
<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	-	-	1	1
Building Inspector	38	3	3	1	1
Urban Forester	39	1	1	1	1
Building Secretary	36	2	2	1	1
TOTAL		7	7	5	5
<i>Street & Drainage</i>					
Supervisor	41	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>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.		24	24	21	21

FOOTNOTE: N/C-Not Classified

PARKS AND RECREATION



DEPARTMENT MISSION

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

PARKS AND RECREATION

ACTIVITY SUMMARY

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

Accomplishments in 1997:

- * Completed renovation of Judson Park.
- * Improved swim team by hiring trained coach.
- * Supervised major repairs to swimming pool.

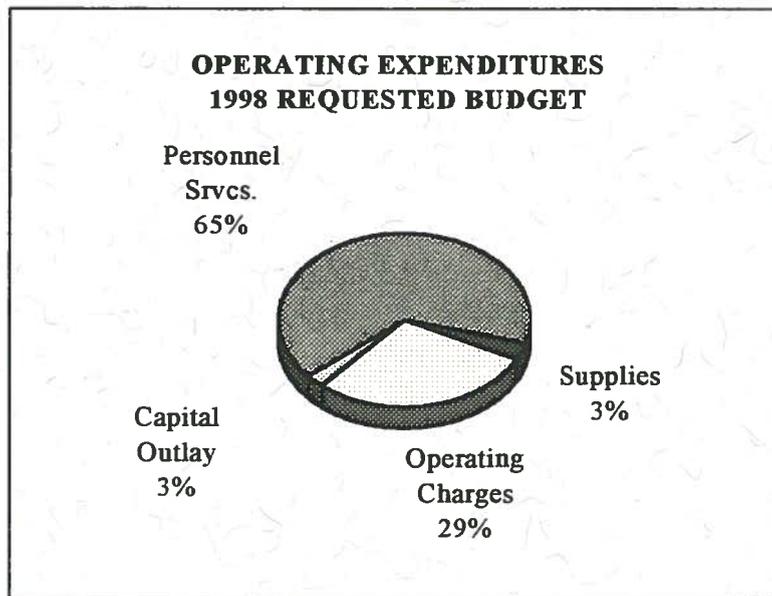
Future Objectives:

- * Develop a comprehensive plan for Colonial Park.

- * Renovate Whitt Johnson Park.

Major Budget Items:

- * Grounds and right of way maintenance (\$67,500). Mowing and maintaining City owned property.
- * Utilities (\$70,650). Pays for lighting at baseball fields and the Community Center.
- * 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 lifeguards, staff the recreation building, provide recreation services, and maintain city facilities.
- * Swimming pool maintenance (\$19,000).



EXPENDITURES	ACTUAL 1996	BUDGET 1997	ESTIMATED 1997	BUDGET 1998
<i>Parks & Rec.</i>				
Personnel Services	\$ 350,369	\$ 361,800	\$ 360,430	\$ 377,880
Supplies	23,433	19,450	18,950	20,450
Operating Charges	168,328	198,000	190,250	197,690
Capital	26,770	7,000	7,000	15,500
TOTAL	568,900	586,250	576,630	611,520
<i>Senior Services</i>				
Personnel Services	94,395	96,190	95,900	106,770
Supplies	7,741	9,350	9,350	3,100
Operating Charges	14,705	17,380	13,580	15,300
Capital	-	-	-	3,840
TOTAL	116,841	122,920	118,830	129,010
TOTAL-PARKS & REC. DEPT.	\$ 685,741	\$ 709,170	\$ 695,460	\$ 740,530

STAFFING	LEVEL	BUDGET 1995	BUDGET 1996	BUDGET 1997	BUDGET 1998
<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
FOOTNOTE: N/C-Not Classified					

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 (\$100,000) and city administration facilities (\$35,000). These budgets are substantially the same as the 1997 Budget.
- * Insurance: Comprehensive general liability coverage (\$35,000), Automobile liability coverage (\$40,000), and Errors and omissions (\$25,000). The City's spending for risk management has been decreasing steadily for the past several years due to favorable experience.
- * Transfer of fund balance to the Capital Improvement Fund (\$100,000). The purpose of this transfer is fully discussed in the Capital Improvement Fund section.
- * Payments to retiring or terminating employees for sick leave and vacation (\$20,000). This account is also used to account for unemployment claims.
- * 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.
- * Contract Services (\$40,000). Professional and consulting fees to develop a master urban design and review storm water runoff.
- * Transfer of operating capital to the new Solid Waste Fund (\$200,000).

EXPENDITURES	ACTUAL 1996	BUDGET 1997	ESTIMATED 1997	BUDGET 1998
<i>Non-Departmental</i>				
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-
Operating Charges	293,209	377,050	303,620	369,620
Transfers	1,113,000	500,000	500,000	300,000
TOTAL-NON-DEPARTMENT	\$ 1,406,209	\$ 877,050	\$ 803,620	\$ 669,620

ENTERPRISE FUNDS

WATER AND SEWER FUND

Enterprise funds are operated and accounted for like business enterprises in the private sector. Specifically, enterprise funds are meant to be self-supporting. The Water and Sewer Fund (Water Fund) accounts for the revenue, expenditures and transfers associated with the operation of the water and sanitary sewer system. User fees finance the system and its services.

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.

In terms of revenue, the Water Fund produces less than a third of the revenues generated in City's General Fund. In spite of the 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 wastewater.

Water and Sewer systems are 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 almost \$24.4 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. The cost of replacing the Fund's \$24.4 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.

In order for the Water Fund to be self-supporting, the 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 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 debt incurred to fund assets associated with the delivery of water and sewer service was financed by the Water and Sewer Fund beginning in 1997.

FUND FINANCIAL ACTIVITY:

1997 Financial Activity. The Water Fund is expected to fall short of the revenue estimates used to develop the 1997 Budget. Based on historical consumption patterns of water and sewer services, the system should generate approximately \$2,535,000 in billings for services. If this occurs, revenues in the Water Fund will meet the targets established in the 1997 budget.

Expenditures are also below the levels anticipated for 1997. In particular, the amount of treated drinking water purchased from the City of Houston is not keeping the pace established in 1996. The 1997 Budget appropriated \$840,000 to pay for purchased water. Through June, 1997 the City has spent \$295,430. Again, using estimates based on historical consumption, the cost of purchased surface water will amount to \$750,000.

Altogether, Water Fund expenditures should amount to \$3,440,210, including transfers to the Capital Improvement Fund (\$875,000) and debt service (\$255,000).

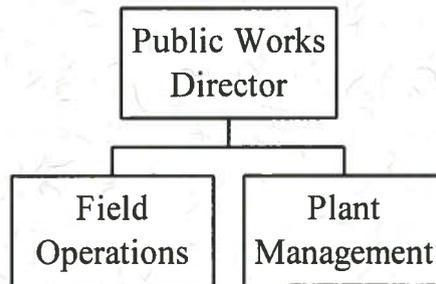
The 1998 Budget. The 1998 Budget is based on revenues of \$3,113,500; an increase of \$285,500 over the 1997 budget. A 10% increase in water and sewer service rates will be needed in 1998 to fund increased debt service and the need to position the Water Fund to sell bonds in 1999. The City's revenue bond covenants restrict the City from issuing new revenue bonds until the water and sewer system is generating net

revenues 1.25 times the current debt service.

Budgeted expenditures are \$2,945,880. System operations are expected to cost \$1,998,070, not including the \$441,000 budgeted to reimburse the General Fund for costs it incurs on behalf of the Water Fund and \$506,810 to pay the principal and interest on outstanding revenue bonds.

WATER AND SEWER UTILITY FUND STATEMENT OF REVENUES AND EXPENDITURES				
	Actual 1996	Budget 1997	Estimated 1997	Budget 1998
BEGINNING BALANCE	\$ 4,670,166	\$ 4,648,264	\$ 4,648,264	\$ 4,147,354
OPERATING REVENUES				
Service Charges				
Water	1,510,562	1,470,300	1,470,300	1,617,330
Sewer	1,131,806	1,064,700	1,064,700	1,171,170
Other	87,869	65,000	65,000	65,000
Interest Income	327,713	225,000	300,000	225,000
Other non-operating income	50,040	3,000	40,000	35,000
TOTAL OPERATING REVENUES	3,107,990	2,828,000	2,940,000	3,113,500
TOTAL AVAILABLE	7,778,156	7,476,264	7,588,264	7,260,854
EXPENDITURES				
Operations	2,216,892	2,019,750	1,900,910	1,998,070
Administration	400,000	410,000	410,000	441,000
Transfers to Other Funds	513,000	875,000	875,000	-
Debt Service	-	255,000	255,000	506,810
TOTAL EXPENDITURES	3,129,892	3,559,750	3,440,910	2,945,880
ENDING BALANCE	\$ 4,648,264	\$ 3,916,514	\$ 4,147,354	\$ 4,314,974

WATER UTILITY OPERATIONS



DEPARTMENT MISSION

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

ACTIVITY SUMMARY

The City's Water Department reports to the Public Works Director. The Department is separated into two divisions; Field Services and Plant Management. 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 1997:

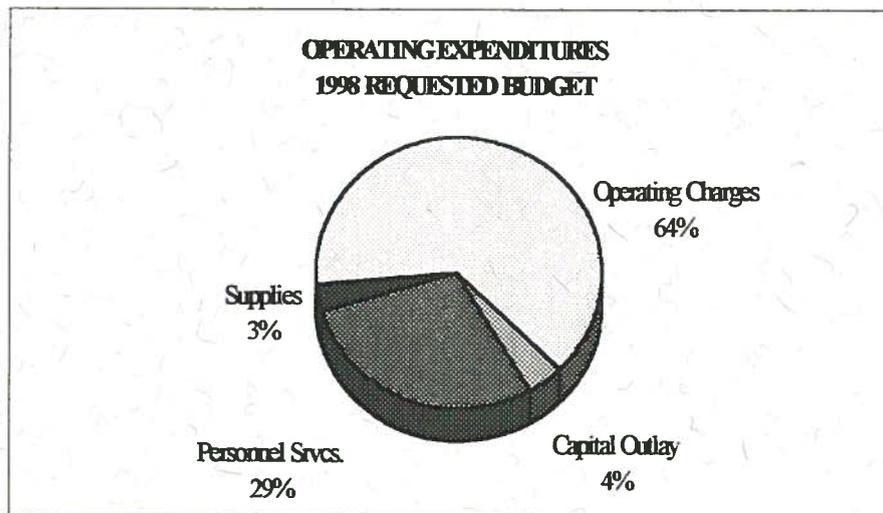
- Reduced lost time accidents.
- Sealed abandoned sewer lines in priority areas 2 and 3.
- Assumed laboratory-testing work saving the City \$15,000 per year while increasing the professionalism of staff.

Major Budget Items:

- Purchased surface water. (\$840,000) Payments to the City of Houston for treated drinking water. Compliance with subsidence regulations.
- Administrative services (\$441,000). 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.
- Debt Service (\$506,810). Principle and interest due on 1996 water and sewer revenue bonds.

Future objectives:

- Develop a maintenance program.



EXPENDITURES	ACTUAL 1996	BUDGET 1997	ESTIMATED 1997	BUDGET 1998
<i>Field Services</i>				
Personnel Services	\$ 311,699	\$ 340,640	\$ 340,640	\$ 341,360
Supplies	14,728	19,870	19,250	19,050
Operating Charges	102,895	107,700	111,550	69,300
Capital Outlay	43,735	38,400	38,400	53,220
TOTAL	473,057	506,610	509,840	482,930
<i>Plant Management</i>				
Personnel Services	199,097	226,120	226,120	233,700
Supplies	35,226	60,320	47,200	49,100
Operating Charges	1,365,606	1,214,200	1,117,750	1,199,300
Capital Outlay	11,120	12,500	-	31,080
TOTAL	1,611,049	1,513,140	1,391,070	1,513,180
TOTAL WATER OPERATIONS	\$ 2,084,106	\$ 2,019,750	\$ 1,900,910	\$ 1,996,110

STAFFING	LEVEL	BUDGET 1994	BUDGET 1995	BUDGET 1996	BUDGET 1997
<i>Field Services</i>					
Supervisor-Utilities	41	1	1	1	1
Crew Chief	38	-	-	1	1
Crew Leader-Field Services	35	4	4	3	3
Maint. Worker-Field Services	33	5	5	4	4
TOTAL		10	10	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	2
Plant Operator Trainee	32	-	-	0	2
TOTAL		6	6	6	6
TOT.-UTIL. DIV. PUBLIC WORKS DEPT.		16	16	15	15

**WATER AND SEWER UTILITY
CAPITAL PROJECT FUND**

The Water and Sewer Utility Capital Project Reserve Fund accounts 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 to 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 1997 Budget provided \$375,000 to fund four projects:

Odor control at sewer plant; Repairs to a 36" sewer line; Supervisory Control and Data Acquisition (SCADA) for the sewer plant; and Evaluate Well #8.

The estimated cost of the odor control project and the evaluation of well #8 proved to be too high. The Repair of the 36" line is being incorporated into the same project in the Infrastructure Replacement Fund giving a total project cost of \$800,000. The SCADA project is being expanded to provide data water levels at lift stations, chlorine usage, and flows.

WATER AND SEWER FUND - CAPITAL PROJECTS RESERVE STATEMENT OF REVENUES AND EXPENDITURES				
	Actual 1995	Budget 1997	Estimated 1997	Budget 1998
BEGINNING BALANCE	\$ -	\$ -	\$ -	\$ 100,000
REVENUES				
Transfers from:				
Water and Sewer Operating Fund	136,422	375,000	375,000	-
Interest	-	2,000	-	-
TOTAL REVENUES	136,422	377,000	375,000	-
TOTAL AVAILABLE	136,422	377,000	375,000	100,000
EXPENDITURES				
Capital Projects	136,422	375,000	275,000	100,000
TOTAL EXPENDITURES	136,422	375,000	275,000	100,000
ENDING BALANCE	\$ -	\$ 2,000	\$ 100,000	\$ -

WATER AND SEWER FUND - CAPITAL PROJECTS RESERVE				
PROJECT SCHEDULE				
	Total Project Cost	Project Costs Through 1996	Estimated 1997	1998 Budget
PROJECT STATUS				
<i>Projects in Progress December 31, 1997</i>				
Odor control at sewage plant	\$ 100,000	\$ -	\$ 25,000	\$ -
Repair 36" Sewer Line	100,000	-	100,000	-
SCADA for Sewer Plant	225,000	-	125,000	100,000
Evaluate Well #8	50,000	-	25,000	-
TOTAL PROJECT COSTS	\$ 475,000	\$ -	\$ 275,000	\$ 100,000

SOLID WASTE FUND

The City collects and disposes of solid waste for its citizens. In previous years this activity was accounted for in the General Fund. Since the intent is to finance the solid waste service with user fees, its financial activity has been separated from the General Fund into a new enterprise fund.

In addition to insuring that the solid waste service is truly fee supported, separating the waste removal service from the other services provided by the General Fund will highlight the impact of efforts to reduce the flow of waste to the landfill.

FUND FINANCIAL ACTIVITY

The Solid Waste Fund is created in this Budget. In 1997, the City estimates it will bill \$800,000 for solid waste services. The *direct* cost of these services should amount to \$806,300. Direct cost include personnel, capital equipment, supplies, and services that can be directly related to the solid waste collection and disposal service. There are other, more difficult to quantify, costs. Administrative, risk management, and

equipment depreciation are examples of indirect costs associated with the delivery of solid waste services. The General Fund is currently absorbing these indirect costs.

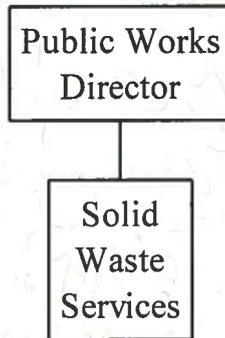
1998 Budget. The 1998 Budget includes both the direct cost and a reimbursement to the General Fund for the indirect costs. Indirect costs are allocated based on the number employees and the level of financial activity associated with the service.

In 1998 revenues are expected to be \$800,000, and the cost of service is expected to be \$916,830, including \$190,000 in indirect costs. An initial transfer of \$200,000 (25% of estimated revenues) from the General Fund has been provided to provide adequate working capital for operations.

A rate increase for solid waste services is definitely indicated, but the efforts to decrease the flow of yard waste and recyclable materials to the land fill have not been fully evaluated. The potential savings from these programs justify delaying a rate increase until 1999.

SOLID WASTE FUND STATEMENT OF REVENUES AND EXPENDITURES				
	Actual 1996	Budget 1997	Estimated 1997	Budget 1998
BEGINNING BALANCE	\$ -	\$ -	\$ -	\$ -
OPERATING REVENUES				
Service Charges	764,352	800,000	800,000	800,000
Other non-operating income			6,300	200,000
TOTAL OPERATING REVENUES	764,352	800,000	806,300	1,000,000
TOTAL AVAILABLE	764,352	800,000	806,300	1,000,000
EXPENDITURES				
Operations	759,406	781,110	806,300	622,620
Equipment Replacement Fund	-	-	-	104,210
Administration	4,946	18,890	-	190,000
TOTAL EXPENDITURES	764,352	800,000	806,300	916,830
ENDING BALANCE	\$ -	\$ -	\$ -	\$ 83,170

SOLID WASTE OPERATIONS



DEPARTMENT MISSION

To provide a solid waste collection and disposal service that is effective, efficient and environmentally responsible.

ACTIVITY SUMMARY

The Solid Waste Department reports to the City's Public Works Director. The Department collects solid waste from the City's residents and disposes of it; operates the City's recycling center; and collects limbs and other yard waste.

Accomplishments in 1997:

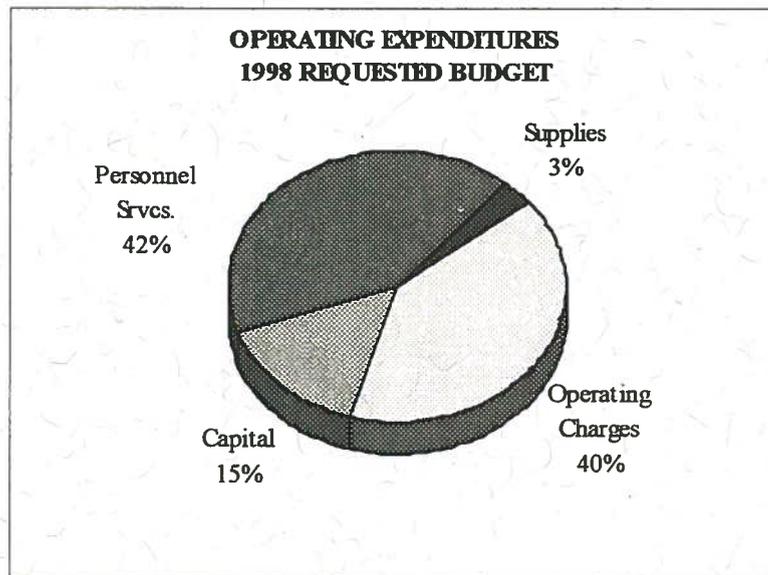
- Worked closely with the Recycling Committee to reduce the amount of yard waste being sent to the landfill.

Future Objectives:

- Analyze solid waste pick up routes to maximize efficiency and effectiveness.

Major Budget Items:

- Landfill tipping fees (\$210,000).
- Motor Vehicle Maintenance (\$40,000).
- Contract services to maintain the City's old landfill (\$26,000).
- Payments to the General Fund for administration and insurance (\$190,000).



EXPENDITURES	ACTUAL 1996	BUDGET 1997	ESTIMATED 1997	BUDGET 1998
<i>Solid Waste Management</i>				
Personnel Services	\$ 325,579	\$ 327,760	\$ 341,430	\$ 320,970
Supplies	17,530	17,600	30,000	19,500
Operating Charges	301,077	285,750	284,870	282,150
Capital	115,220	150,000	150,000	104,210
TOTAL	\$ 759,406	\$ 781,110	\$ 806,300	\$ 726,830

STAFFING	LEVEL	BUDGET 1995	BUDGET 1996	BUDGET 1997	BUDGET 1998
<i>Solid Waste Management</i>					
Chief-Solid Waste	38	1	1	1	-
Driver-Solid Waste	35	4	4	4	4
Laborer-Solid Waste	33	4	4	4	5
TOTAL		9	9	9	9

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 uses debt financing to fund large capital investments. Streets, drainage, water and waste water systems are all constructed with borrowed funds.

As re-development 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 were sold.

During 1996, the City issued \$13,540,000 more bonds but only \$7,050,000 is to be retired through the Debt Service Fund. The remaining \$6,490,000 will be repaid in the Water and Sewer Fund.

No new debt was sold in 1997, but the City plans to issue additional bonds in the future as needed to finance the infrastructure replacement program.

The Debt Service Fund does not finance all of the City's bonded debt service. The Water and Sewer Fund also provides funds to repay debt. This was not true for years prior to 1997. In the

past, the Water and Sewer Fund contributed \$332,000 each year 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 1998, the Debt Service Fund will finance \$3,126,150 of debt service, a \$180,508 increase over the amount funded in 1997.

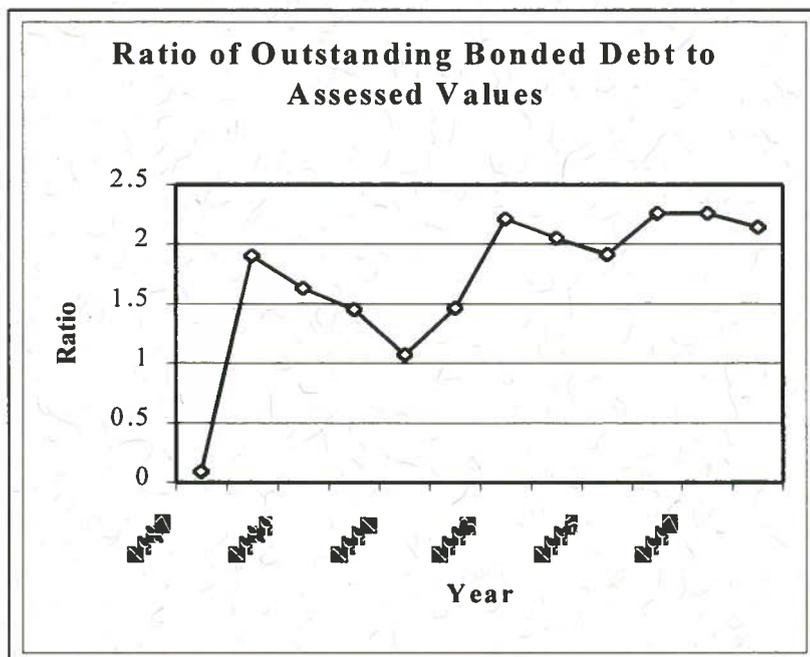
To fund this increase, an ad valorem tax rate of \$0.19 per \$100, an increase of 2 cents from the 1997 tax rate, will be required in 1998. This tax rate increase will not fully provide the revenues needed to meet the higher debt service requirements, so for the second year in a row fund balances will be required to "level out" the increases mandated by the new debt. However, the Debt Service Fund has adequate fund balances to finance the shortfall. Next year the tax rate is expected to rise an additional 2 cents to \$0.21, bringing the revenues into line with debt service requirements.

The City Charter limits the City's bonded debt to 5% of the assessed value. Since the projected assessed value for the City in 1998 is \$1.5 billion, the current debt limit under this provision is \$75,000,000. As of January 1, 1998 the City will owe a total of \$39,030,000 for outstanding bonds. Of this total amount, the amount to be financed by the Debt Service Fund using property taxes will be \$32,110,000.

Steady growth in assessed values and the underlying strength in the Houston Area economy should keep the City's credit ratings stable.

<i>(Payable from Ad Valorem Taxes)</i>				
	Outstanding 12/31/97	1998 Retirements	Outstanding 12/31/98	1998 Interest
1988 Public Improvement Bonds	\$ 725,000	\$ 325,000	\$ 400,000	\$ 41,818
1992 Refunding Bonds	9,235,000	485,000	8,750,000	499,182
1992 Permanent Imp. Bonds	4,575,000	100,000	4,475,000	300,500
1993 Permanent Imp. Bonds	10,525,000	225,000	10,300,000	572,738
1996 Permanent Imp. Bonds	7,050,000	160,000	6,890,000	407,905
	\$32,110,000	\$1,295,000	\$30,815,000	\$ 1,822,143

GENERAL OBLIGATION DEBT SERVICE FUND STATEMENT OF REVENUES AND EXPENDITURES				
	Actual 1996	Budget 1997	Estimated 1997	Budget 1998
BEGINNING BALANCE	\$ 914,816	\$1,102,160	\$ 1,102,160	\$ 918,518
REVENUES:				
Ad valorem taxes	2,339,647	2,462,000	2,512,000	2,850,000
Interest on investments	96,819	250,000	250,000	175,000
Operating transfers in	332,000	-	-	-
TOTAL REVENUES	2,768,466	2,712,000	2,762,000	3,025,000
TOTAL AVAILABLE RESOURCES	3,683,282	3,814,160	3,864,160	3,943,518
EXPENDITURES:				
Debt service -principal	1,015,000	1,085,000	1,085,000	1,295,000
Debt service - interest	1,558,700	1,851,642	1,851,642	1,822,150
Fiscal fees	7,422	9,000	9,000	9,000
TOTAL EXPENDITURES	2,581,122	2,945,642	2,945,642	3,126,150
ENDING BALANCE	\$ 1,102,160	\$ 868,518	\$ 918,518	\$ 817,368



CAPITAL PROJECT FUNDS

CAPITAL PROJECT FUND

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, contributions, and interest earned on investments.

FUND ACTIVITY

The City's Capital Project Fund's 1997 budget provided \$2,827,854 to fund projects. The sources of these funds are transfers from the General Fund and the Water and Sewer Fund; lease purchase contracts; grants; interest; and contributions.

The Fund began 1997 with \$1,074,588 on hand and will collect approximately \$1,765,000 in revenues. During 1997, an estimated \$1,050,000 will be spent on projects in progress, leaving a balance of \$1,789,588 available on December 31, 1997.

Projects completed in 1997 include *Alarm Monitoring Equipment, Recycling Center, Repairs to Tennis Courts, Park – Auden at Rice, Clean 72" Drainage Pipe and Replace Footbridge over Poor Farm Ditch*

1998 Appropriations. Appropriations for 1998 include funding for projects underway when the current fiscal year ends on December 31, 1997 and three new projects.

Projects underway on January 1, 1998 include:

Management Information System. The City's computer system has become dated and needs replacing. The 1997 budget provided \$500,000 to fund updating the City's data processing capabilities.

The complete conversion of the City's software will take 18 to 24 months. Since the project will

not begin until the last quarter of 1997, it will still be active in 1998.

City Hall Renovation. The 1997 Budget provided \$1,700,000 to renovate 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 while the City's architects reviewed the needs of the users of City Hall and developed a plan to correct the building's problems. The process of review is complete and construction, which is expected to take as much as a year to complete, will begin in late 1997.

Whitt Johnson Park – The renovation of this park was expected to begin in late 1997, after the improvements to Judson Park were complete. Since the Judson Park project was delayed, this project is being rescheduled to 1998.

Colonial Park Locker Room – In 1997 \$5,000 was provided to develop a plan to renovate the locker room at Colonial Park in order to bring it into compliance with the Americans with Disabilities Act. The total project was estimated to be \$40,000, so the remaining balance has been re-appropriated to fund renovations.

The 1998 budget appropriates a total of \$2,150,000 to complete projects underway at the beginning of the year as follows: Municipal Building Renovation (\$1,540,000); Whitt Johnson Park – (\$225,000); Judson Park – (\$100,000)

The new projects for 1998 include:

The pool in Colonial Park needs a new lining. This project is expected to cost \$65,000 and will be funded by the transfers from the General Fund.

Surveillance cameras for the Recycling Center are expected to cost \$25,000.

Finally, a master plan for Colonial Park has been budgeted at \$12,500.

**CAPITAL PROJECT FUND
PROJECT SCHEDULE**

Active Projects	Total Project Cost	Project Costs Through 1996	Estimated 1997	1998 Budget
<i>New Projects</i>				
Colonial Park - Locker Room Renovation	\$ 40,000	\$ -	\$ 5,000	\$ 35,000
Colonial Park - Master Plan	-	-	-	12,500
Colonial Park - Pool relining	65,000	-	-	65,000
Surveillance Cameras at Recycling Center	-	-	-	25,000
<i>Active Projects</i>				
Whitt Johnson Park	250,000	-	25,000	225,000
City wide Management Information Sys.	500,000	-	250,000	250,000
Clean 72" Drainage Pipe - University to Bellair	25,000	-	25,000	-
Judson Park	220,000	-	120,000	100,000
Municipal Building Renovation	1,700,000	7,203	150,000	1,540,000
<i>Completed Projects</i>				
Replace Foot Bridge over Poor Farm Ditch	50,000	-	35,000	-
Recycling Center	245,000	-	245,000	-
Repairs to Tennis Courts - phase 1	75,810	5,806	70,000	-
Alarm Monitoring Equipment	125,000	-	125,000	-
Pocket Park - Auden at Rice	200,000	154,671	-	-
TOTAL PROJECT COSTS	\$ 3,495,810	\$ 167,680	\$ 1,050,000	\$ 2,252,500

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

	Actual 1996	Estimated 1997	1998 Budget
BEGINNING BALANCE	\$ 246,134	\$ 1,074,588	\$ 1,789,588
REVENUES			
Transfers from:			
General Fund	1,113,000	500,000	100,000
Water and Sewer Fund	181,000	500,000	-
Parks Check Off Fund	-	-	47,000
Recycling Fund	50,000	-	25,000
Other revenues	35,561	25,000	25,000
Equipment Leasing Contracts	-	500,000	-
Grants from Harris County	25,000	80,000	25,000
Interest earned on investments	21,430	20,000	15,000
Contribution from Friends of the Park	-	140,000	250,000
TOTAL REVENUES	1,425,991	1,765,000	487,000
TOTAL AVAILABLE	1,672,125	2,839,588	2,276,588
EXPENDITURES			
Capital Projects	597,537	1,050,000	2,252,500
Transfer to Infrastructure Fund	-	-	-
TOTAL EXPENDITURES	597,537	1,050,000	2,252,500
ENDING BALANCE	\$ 1,074,588	\$ 1,789,588	\$ 24,088

INFRASTRUCTURE REPLACEMENT FUND

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 1997, work was in progress on priority areas 4A, 4B/5A, and 5B/6A. Additionally, the slip lining of the sewer line connecting the City with its sewer plant was initiated with funds obtained from the bonds sold to the Texas Water Development Board for sewer improvements.

Priority area 3 was completed during 1997.

INFRASTRUCTURE REPLACEMENT FUND PROJECT SCHEDULE

	Total Project Cost	Project Costs Through 1996	Estimated 1997	Budget 1998
PROJECT STATUS				
<i>Projects in Progress December 31, 1996</i>				
Area 3	\$ 6,500,000	\$ 6,195,779	\$ 304,220	\$ -
Area 4a	3,875,000	2,989,264	785,700	100,000
Area 4b/5a	3,752,970	460,293	3,400,000	2,789,710
Area 5b/6a	6,652,000	235,053	3,500,000	2,916,950
Area 6b	6,530,000	-	-	500,000
Slip lining of Sewer Line	800,000		400,000	400,000
<i>Projects Completed in 1996</i>				
Area 2	6,062,414	6,062,414	-	-
TOTAL PROJECT COSTS	\$ 34,172,384	\$ 15,942,803	\$ 8,389,920	\$ 6,706,660

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

	Actual 1996	Estimated 1997	1998 Budget
BEGINNING BALANCE	\$ 7,384,904	\$ 14,302,690	\$ 6,632,770
REVENUES			
Grants	-	270,000	500,000
Transfer from Water Capital Project Reserve	-	100,000	-
Interest earned on investments	273,465	350,000	100,000
Bond Proceeds	13,308,526	-	-
TOTAL REVENUES	13,581,991	720,000	600,000
TOTAL AVAILABLE	20,966,895	15,022,690	7,232,770
EXPENDITURES			
Capital Projects	6,664,205	8,389,920	6,706,660
TOTAL EXPENDITURES	6,664,205	8,389,920	6,706,660
ENDING BALANCE	\$ 14,302,690	\$ 6,632,770	\$ 526,110

EQUIPMENT REPLACEMENT FUND

The City uses a wide variety of equipment to provide services to its citizens. The Equipment Replacement Fund finances the purchase of equipment routinely used by the City such as automobiles, trucks, tractors, trailers, and vans. Each department's budget provides a contribution to the Equipment Replacement Fund based on the estimated life and replacement value of its equipment. Equipment is purchased by the Fund when a combination of age and repair cost indicates that the machine has reached the end of its useful life.

FUND ACTIVITY

The Equipment Replacement Fund is newly established by this Budget. Currently, the City has equipment that cost more than \$1.7 million in service. The cost to replace this equipment is estimated to exceed \$2.5 million.

Replacement costs for vehicles are expected to increase because of the Federal-State mandate to switch at least 30% of the City fleet of motor vehicles to alternative fuels.

An initial contribution to the Fund from each operating fund was calculated to be equal to the amount of funds that would have accumulated if the City had been using this approach to finance equipment in the past. This amount, together with the amount due for 1998, was budgeted as a transfer to the Equipment Replacement Fund.

The City expects to spend \$312,500 replacing equipment in 1998. Almost half of this

expenditure is for a Street Sweeper used by the Public Works Department. The current machine, which was purchased in 1991, not only sees routine use as a sweeper, it is also used to clean catch basins, deep gutters, and sweep up after block parties.

Three light trucks account for \$68,000 of the 1998 Budget. The trucks scheduled for replacement were purchased in 1992 and 1993 and have reached the end of their economic useful lives. Two of these trucks are used in the Water and Sewer utility and one is used in the Building Division of the Public Works Department.

The van used to transport senior citizens will be eleven years old in 1998. Even though the current use is light (less than three thousand miles per year), the van's age seems to have caught up with it. A replacement 12 passenger van with a lift for handicapped passengers will cost \$35,000.

The equipment used to operate the City's swimming pool has been included in the Equipment Replacement Fund. In 1998 the swimming pools filter will need to be replaced at an expected cost of \$35,500

An automobile for police patrol duty has an estimated life of thirty months. The City's Police Department operates a fleet of 9 automobiles, meaning that each year the City will have to replace one or two of these vehicles. \$79,000 has been provided to purchase two new detective cars and one new patrol car in 1998.

**EQUIPMENT REPLACEMENT FUND
ACTIVITY SCHEDULE**

	Actual 1996	Budget 1997	Estimated 1997	Budget 1998
BEGINNING BALANCES	\$ -	\$ -	\$ -	\$ -
REVENUES:				
Transfer from the General Fund	-	-	-	171,480
Transfer from the Water and Sewer Fund	-	-	-	63,700
Transfer from the Solid Waste Fund	-	-	-	104,210
Interest	-	-	-	2,500
TOTAL REVENUES	-	-	-	341,890
TOTAL AVAILABLE RESOURCES	-	-	-	341,890
EXPENDITURES:				
<i>General Fund</i>				
Police Department				
Detective car	-	-	-	27,000
Detective car	-	-	-	27,000
Patrol car	-	-	-	25,000
Public Works Department				
Building Division - 1992 Pickup	-	-	-	22,000
Streets Division - Street Sweeper	-	-	-	95,000
Parks and Recreation				
Parks and Recreation - Swimming Pool Equipment	-	-	-	35,500
Senior Services Division - 1987 Handicap Van	-	-	-	35,000
<i>Water and Sewer Fund</i>				
Public Works Department				
Field Services Division - 1992 Pickup	-	-	-	23,000
Field Services Division - 1993 Pickup	-	-	-	23,000
TOTAL EXPENDITURES	-	-	-	312,500
ENDING BALANCE	\$ -	\$ -	\$ -	\$ 29,390

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific 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.

THE PARKS FUND

The 1997 Budget appropriated \$7,000 to be used in Parks Programs. None of these funds have been spent making \$47,000 available to transfer to the Capital Project Fund to be used for ongoing park projects.

PARKS FUND				
STATEMENT OF REVENUES AND EXPENDITURES				
	Actual 1996	Budget 1997	Estimated 1997	Budget 1998
BEGINNING BALANCE	\$ 24,155	\$ 32,694	\$ 32,694	\$ 43,694
REVENUES:				
Interest on investments	4,713	2,000	6,000	2,000
Contributions	3,826	5,000	5,000	5,000
TOTAL REVENUES	8,539	7,000	11,000	7,000
TOTAL AVAILABLE RESOURCES	32,694	39,694	43,694	50,694
EXPENDITURES:				
Parks programs	-	7,000	-	-
Transfer to Capital Project Fund	-	-	-	47,000
TOTAL EXPENDITURES	-	7,000	-	47,000
ENDING BALANCE	\$ 32,694	\$ 32,694	\$ 43,694	\$ 3,694

THE RECYCLING FUND

The Recycling Fund is closely related to the new Solid Waste Fund. The 1997 Budget was based on expected revenues of \$50,000. Actual 1997 revenues are projected to be sharply lower at \$21,500. A decline in the price of recyclable commodities caused the loss of revenue. On a more positive note, the efforts of the City's Recycling Commission paid off when the City was named as a recipient of a Grant from the Houston Galveston Area Council of Governments. This Grant is to be used to purchase a tractor for the new Recycling Center.

\$50,000. Of this amount \$25,000 was to be transferred to the Capital Projects fund to support the construction of the recycling center. The balance of the 1997 appropriation was for expenditures associated with the recycling program. Given the decline in revenues, only the transfer to Capital Projects Fund will actually be made.

1998 revenues are expected to be \$21,500. Expenditures consist of a \$25,000 transfer to the Capital Projects Fund to offset the cost of the recycling center.

Expenditures in 1997 were budgeted to be

RECYCLING FUND				
STATEMENT OF REVENUES AND EXPENDITURES				
	Actual 1996	Budget 1997	Estimated 1997	Budget 1998
BEGINNING BALANCE	\$ 80,434	\$ 27,434	\$ 13,818	\$ 10,318
REVENUES:				
Interest on investments	2,738	4,000	1,500	1,500
Sales of Recyclables	31,113	46,000	20,000	20,000
Grants	-	-	50,000	-
TOTAL REVENUES	33,851	50,000	71,500	21,500
TOTAL AVAILABLE RESOURCES	114,285	77,434	85,318	31,818
EXPENDITURES:				
Recycling Programs	50,467	25,000	50,000	-
Transfer to Capital Project Fund	50,000	25,000	25,000	25,000
TOTAL EXPENDITURES	100,467	50,000	75,000	25,000
ENDING BALANCE	\$ 13,818	\$ 27,434	\$ 10,318	\$ 6,818

APPENDICES

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, drainage, water and sewer assets.

As the City became "built out" in the 1950s the need for new debt declined and by 1983 the City

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.

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.

Outstanding Bonded Indebtedness December 31, 1997	
Bonded Indebtedness Payable from Ad Valorem Taxes	
1988 Public Imp Bonds	\$ 725,000
1992 Refunding Bonds	9,235,000
1992 Permanent Imp. Bonds	4,575,000
1993 Permanent Imp Bonds	10,525,000
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	4,965,000
Total Bonded Indebtedness	\$ 38,595,000

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

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.

\$63 million of bonds. All of the proceeds of these bonds are to be applied to infrastructure.

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

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.

on this financing program is detailed below:

The bonds issued in 1996 should fund the City's reconstruction activity until late 1998 or early 1999, 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		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
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	786,900
2001				930,000	392,000	1,322,000	150,000	270,900	420,900	250,000	522,860	773,760
2002				980,000	339,940	1,319,940	150,000	258,975	408,975	260,000	504,755	765,750
2003				1,040,000	283,870	1,323,870	150,000	248,550	398,550	275,000	485,763	753,763
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	776,823
2006				1,235,000	89,556	1,324,556	170,000	220,855	390,855	325,000	435,306	756,161
2007				940,000	27,025	967,025	300,000	205,900	505,900	575,000	411,844	987,744
2008							670,000	174,525	844,525	1,125,000	366,938	1,491,463
2009							600,000	133,250	733,250	1,125,000	307,031	1,432,281
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												
	\$ 725,000	\$ 55,618	\$ 780,618	\$ 9,235,000	\$ 2,930,124	\$ 12,165,124	\$ 4,575,000	\$ 3,026,696	\$ 7,601,696	\$ 10,525,000	\$ 6,222,185	\$ 16,747,185

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
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	85,497	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	\$ 5,345,052	\$ 12,395,052	\$ 4,965,000	\$ 2,308,349	\$ 7,273,349	\$ 1,520,000	\$ 965,898	\$ 2,485,898	\$ 38,595,000	\$ 20,853,922	\$ 59,448,922

MAJOR REVENUE SOURCES

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

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

PROPERTY TAXES:

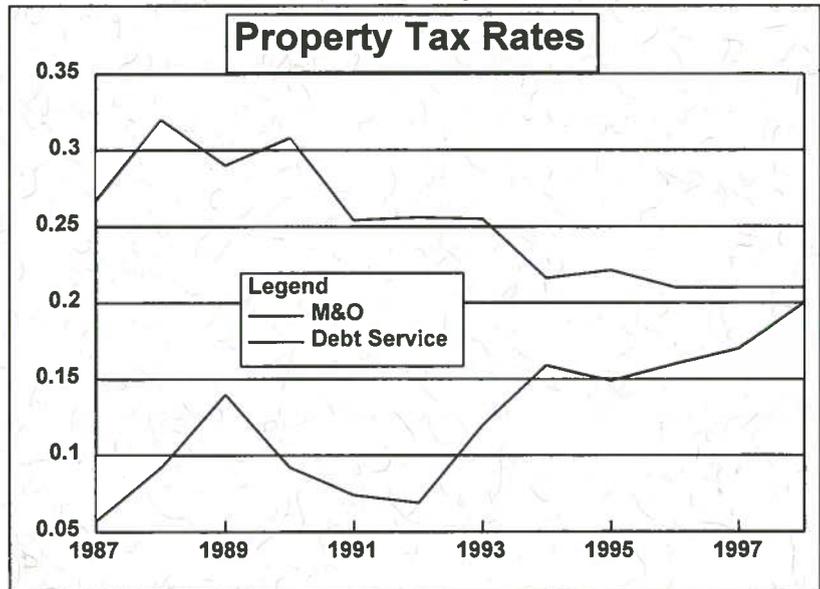
Property (ad valorem) taxes attach as an enforceable lien on property as of each January 1 for all real and business personal property located within the City. Taxes are levied when the City Council adopts a budget for the next year, but no earlier than October 1. Taxes are due January 31 and are considered 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.

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

Tax Rate Comparison	
Jurisdiction	Tax Rate
Bellaire	0.5100
Houston	0.6650
Southside Place	0.2300
Jersey Village	0.6840
Spring Valley	0.4500
Sea Brook	0.5494

utility property values continue to decline as a component of total value. This trend will continue into the future.

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) 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.



portion dedicated to paying debt service. Since 1991 when the debt service component of 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 expected to continue until 2005.

The City's 1998 property tax revenue is based on an estimated assessed value of \$1,500,000 and a 98% collection rate. The estimated market value of taxable property has grown steadily since 1987. This growth has been remarkable, property values have almost doubled in ten years. The property tax rate in 1998 will be \$0.4100 per \$100 valuation, three cents 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 5,880 customers. Of this total, about 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 1992 but the 1998 budget includes a 10% rate increase to fund the debt service on bonds issued in 1996.

	<i>Residential</i>	
	Water	Sewer
First 1500 gallons	\$6.60 to \$16.65 (a)	\$4.50
Over 1500 gallons	\$1.90 Per 1000 gallons	\$1.70 per \$1,000 gallons
	<i>Outside City Limits</i>	
First 1500 gallons	\$8.25 to \$25.99	NA
Over 1500 gallons	\$2.20 per 1000 gallons	NA
	<i>Commercial</i>	
Minimum Charge	\$12.65 to \$265.00(a)	\$7.15
Each 1,000 gallons	\$1.90	\$1.85

(a) Depending on the size of the meter.

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. The monthly fee is \$6.00 per month for citizens over 65 years of age. These fees are expected to generate \$800,000 in 1998.

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 Accounts. Of the 8.25%, the State retains 6.25% and, distributes 1% to the Metropolitan Transit Authority, and 1% to the City. The City's portion of Sales Taxes amounted to \$454,906 in 1996 and is expected to amount to \$429,700 in 1997.

The 1998 Budget estimates that the City will receive \$429,000 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 \$630,000 in 1998.

LONG-TERM FINANCIAL PROJECTION

ASSUMPTIONS

Decisions made in preparing the 1998 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 1998 Budget together with decisions made in the years leading up to it, we have projected the financial direction embodied in the 1998 Budget into the future. The projection provides data over eight fiscal years: the three preceding fiscal years, the adopted budget for 1998, and eight 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 not slide into a recession.
- 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.
- Capital 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 \$20 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 to grow at the rate of inflation, with some exceptions. Declines in the staffing levels of the Public Works Department are expected as the infrastructure improvement program replaces worn streets with concrete streets requiring less maintenance.

The General Fund's reserves decline below the minimum 25% of revenues established as an assumption in the year 2006.

GENERAL FUND FINANCIAL PROJECTION

	1995 Actual	1996 Actual	1997 Estimate	1998 Budget	1999 Proforma	2000 Proforma	2001 Proforma	2002 Pro-1Xoforma	2003 Proforma	2004 Proforma	2005 Proforma	2006 Proforma
BEGINNING BALANCE	\$ 5,316,208	\$ 4,662,084	\$ 4,074,636	\$ 3,709,636	\$ 3,393,386	\$ 3,261,186	\$ 3,179,886	\$ 2,848,786	2,546,286	2,483,886	2,306,486	2,027,986
REVENUES												
Ad valorem taxes	2,976,002	3,069,895	3,100,000	3,115,000	3,160,100	3,201,700	3,243,200	3,284,800	3,326,400	3,351,000	3,392,300	3,433,700
Penalty and Interest	30,981	27,849	29,500	27,000	31,000	31,000	31,000	31,000	32,000	32,000	32,000	32,000
City Sales Tax	817,595	454,906	429,700	429,000	450,000	460,000	460,000	450,000	450,000	450,000	450,000	450,000
Franchise Tax	652,593	686,500	630,330	630,000	650,000	660,000	660,000	660,000	660,000	660,000	660,000	700,000
Licenses/Permits	369,412	336,588	329,100	311,000	315,000	325,000	325,000	315,000	315,000	315,000	315,000	315,000
Fines/Forfeitures	329,572	324,502	300,000	305,000	305,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000
Sanitation Service*	816,952	-	-	-	-	-	-	-	-	-	-	-
Recreation Programs	284,322	250,478	282,000	314,000	314,000	314,000	315,000	315,000	315,000	315,000	315,000	315,000
Administrative Services	253,310	400,000	410,000	611,000	631,000	635,000	635,000	635,000	640,000	640,000	640,000	640,000
Other Revenues	286,825	565,623	406,500	465,000	450,000	475,000	500,000	525,000	525,000	525,000	525,000	525,000
Interest On Investments	484,652	359,605	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
TOTAL REVENUES	7,332,316	6,475,946	6,267,130	6,577,000	6,656,100	6,761,700	6,829,200	6,875,800	6,923,400	6,948,000	6,989,300	7,070,700
TOTAL RESOURCES	12,638,424	11,138,030	10,341,766	10,286,636	10,049,486	10,022,886	10,009,086		9,469,686	9,411,886	9,295,786	9,098,686
EXPENDITURES												
Administration	331,359	342,056	345,890	356,440	363,600	370,900	374,600	378,300	385,900	393,600	401,500	409,500
Finance												
Finance and Personnel	583,326	587,288	596,120	620,060	632,500	616,900	623,100	629,300	641,900	654,700	667,800	681,200
Municipal Court	148,618	155,889	158,180	163,590	166,900	170,200	171,900	173,600	177,100	180,600	184,200	187,900
Police	1,550,383	1,589,810	1,475,750	1,541,980	1,572,800	1,604,300	1,620,300	1,636,500	1,652,900	1,686,000	1,719,700	1,754,100
Communications	-	-	192,530	277,980	283,500	289,200	292,100	295,000	300,900	306,900	313,000	319,300
Fire	1,072,351	1,171,701	1,184,470	1,291,840	1,317,700	1,344,100	1,357,500	1,371,100	1,384,800	1,412,500	1,440,800	1,469,600
Public Works												
Administration	217,591	248,910	252,090	266,870	269,500	274,900	277,600	280,400	286,000	291,700	297,500	303,500
Building	279,592	257,521	241,470	266,110	268,800	274,200	276,900	279,700	285,300	291,000	296,800	302,700
Street and Drainage	481,367	468,023	506,450	503,500	439,000	447,800	452,300	456,800	465,900	478,200	484,000	494,400
Solid Waste Management*	818,090	-	-	-	-	-	-	-	-	-	-	-
Fleet and Facility Services	153,135	155,191	180,100	194,710	198,600	202,600	204,600	206,600	210,700	214,900	219,200	223,600
Parks and Recreation												
Parks and Recreation	508,424	568,900	576,630	611,520	623,800	636,300	642,700	649,100	662,100	675,300	688,800	702,600
Senior Services	123,452	116,841	118,830	129,010	131,600	134,200	135,500	136,900	139,600	142,400	145,200	148,100
Non-Departmental	264,741	288 p-1XG4	303,620	369,620	370,000	377,400	381,200	385,000	392,700	400,600	408,600	416,800
Transfers out	1,108,830	1,113,000	500,000	300,000	150,000	100,000	350,000	300,000				
TOTAL EXPENDITURES	7,641,259	7,063,394	6,632,130	6,893,250	6,788,300	6,843,000	7,160,300	7,178,300	6,985,800	7,125,400	7,267,800	7,413,300
ENDING FUND BALANCE	\$ 4,997,165	\$ 4,074,636	\$ 3,709,636	\$ 3,393,386	\$ 3,261,186	\$ 3,179,886	\$ 2,848,786	\$ 2,546,286	\$ 2,483,886	\$ 2,306,486	\$ 2,027,986	\$ 1,685,386
<i>*Beginning in 1998, solid waste collection was transferred to an enterprise fund.</i>												
CALCULATION OF AVAILABLE FUND BALANCE - GENERAL FUND												
Ending Fund Balance	\$ 4,997,165	\$ 4,074,636	\$ 3,709,636	\$ 386	\$ 3,261,186	\$ 3,179,886	\$ 2,848,786	\$ 2,546,286	\$ 2,483,886	\$ 2,306,486	\$ 2,027,986	\$ 1,685,386
Less minimum fund reserves	1,831,000	1,619,000	1,567,000	1,644,000	1,664,000	1,690,000	1,707,000	1,719,000	1,731,000	1,737,000	1,747,000	1,768,000
Excess funds available for capital projects	\$ 3,166,165	\$ 2,455,636	\$ 2,142,636	\$ 1,749,386	\$ 1,597,186	\$ 1,489,886	\$ 1,141,786	\$ 827,286	\$ 752,886	\$ 569,486	\$ 280,986	\$ (82,614)
ASSESSED VALUE												
Assessed Value (thousands)	\$ 1,373,046	\$ 1,450,132	\$ 1,470,000	\$ 1,500,000	\$ 1,520,000	\$ 1,540,000	\$ 1,560,000	\$ 1,580,000	\$ 1,600,000	\$ 1,620,000	\$ 1,640,000	\$ 1,660,000
STAFFING												
Administration	3	3	3	3	3	3	3	3	3	3	3	3
Finance and Municipal Court	13	11	11	10	10	10	10	10	10	10	10	10
Police	29	29	29	29	29	29	29	29	29	29	29	29
Fire	19	20	20	20	20	20	20	20	20	20	20	20
Public Works Administration	4	4	4	4	4	4	4	4	4	4	4	4
Building	7	4	4	4	4	4	4	4	4	4	4	4
Streets	11	10	10	9	9	9	8	8	8	8	8	8
Solid Waste*	9	-	-	-	-	-	-	-	-	-	-	-
General Services	2	2	2	2	2	2	2	2	2	2	2	2
Recreation	6	6	6	6	6	6	6	6	6	6	6	6
Total	89	89	87	87	87	86	86	86	86	86	86	86
<i>*Beginning in 1998, solid waste collection is accounted for in a separate fund.</i>												

DEBT SERVICE FUND

Tax supported debt service is expected to rise from \$2.6 million in 1996 to over \$4.7 million by 2007. 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 \$0.19 per \$100 valuation in 1996 to \$0.30 per \$100 valuation in 2007. This will bring the total tax rate to \$0.51 by 2006. The rate could climb higher, again depending on the timing of bond sales.

DEBT SERVICE FUND FINANCIAL PROJECTION

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	Actual	Actual	Estimate	Budget	Proforma							
BEGINNING BALANCE	\$ 781,733	\$ 914,817	\$ 1,102,161	\$ 918,519	\$ 810,369	\$ 870,229	\$ 640,229	\$ 912,469	\$ 676,719	\$ 841,969	\$ 670,219	\$ 511,737
Revenue												
Property Tax	\$ 2,063,625	\$ 2,339,647	\$ 2,512,000	\$ 2,850,000	\$ 3,144,000	\$ 3,238,000	\$ 3,900,000	\$ 3,950,000	\$ 4,413,000	\$ 4,468,000	\$ 4,846,000	\$ 4,905,000
Interest Income	99,570	96,819	250,000	175,000	41,000	44,000	32,000	46,000	34,000	42,000	34,000	26,000
Transfers in	332,000	332,000	-	-	-	-	-	-	-	-	-	-
Total Revenue	2,495,195	2,768,466	2,762,000	3,025,000	3,185,000	3,278,000	3,932,000	3,996,000	4,447,000	4,510,000	4,880,000	4,931,000
Expenditures												
Principal and Interest	2,356,490	2,573,700	2,936,642	3,117,150	3,109,140	3,492,000	3,643,760	4,215,750	4,265,750	4,665,750	5,022,482	4,781,750
Fees	5,621	7,422	9,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
Total Expenditures	2,362,111	2,581,122	2,945,642	3,133,150	3,125,140	3,508,000	3,659,760	4,231,750	4,281,750	4,681,750	5,038,482	4,797,750
Ending Fund Balance	\$ 914,817	\$ 1,102,161	\$ 918,519	\$ 810,369	\$ 870,229	\$ 640,229	\$ 912,469	\$ 676,719	\$ 841,969	\$ 670,219	\$ 511,737	\$ 644,987

CALCULATION OF AVAILABLE FUND BALANCE - DEBT SERVICE FUND

Ending Fund Balance	\$ 914,817	\$ 1,102,161	\$ 918,519	\$ 810,369	\$ 870,229	\$ 640,229	\$ 912,469	\$ 676,719	\$ 676,719	\$ 841,969	\$ 670,219	\$ 511,737
Less minimum fund reserves	590,528	643,281	736,411	783,288	781,285	877,000	914,940	1,057,938	1,070,438	1,170,438	1,259,621	1,199,438
Over (under) minimum reserve	\$ 324,289	\$ 458,881	\$ 182,109	\$ 27,082	\$ 88,944	\$ (236,771)	\$ (2,471)	\$ (381,219)	\$ (393,719)	\$ (328,469)	\$ (589,402)	\$ (687,701)

TAX RATE CENTS PER \$100 VALUATION

Dedicated to Operations	21	21	21	21	21	21	21	21	21	21	21	21
Dedicated to Debt Service	16	16	17	19	21	21	25	25	28	28	30	30
Total Tax Rate per \$100 valuation	37	37	38	40	42	42	46	46	49	49	51	51

BONDED DEBT PROJECTIONS

OUTSTANDING BONDED DEBT (thousands)												
Existing	\$ 27,160	\$ 27,160	\$ 26,145	\$ 25,060	\$ 23,925	\$ 22,720	\$ 21,455	\$ 20,125	\$ 18,660	\$ 17,120	\$ 15,480	\$ 13,750
Proposed												
Tax Supported			7,050	7,050	6,890	14,720	10,960	22,580	21,950	21,320	28,690	28,140
Revenue supported			6,490	6,485	6,265	8,040	7,755	13,955	13,405	12,855	14,225	13,475
Total Outstanding Bonded Debt	\$ 27,160	\$ 27,160	\$ 39,685	\$ 38,595	\$ 37,080	\$ 45,480	\$ 40,170	\$ 56,660	\$ 54,015	\$ 51,295	\$ 58,395	\$ 55,365
Bonded Debt Per Capita	\$ 2,102.17	\$ 2,102.17	\$ 3,071.59	\$ 2,987.23	\$ 2,869.97	\$ 3,520.12	\$ 3,109.13	\$ 4,385.45	\$ 4,180.73	\$ 3,970.20	\$ 4,519.74	\$ 4,285.22

WATER AND SEWER UTILITY FUND

Revenues in the Water and Sewer Fund are expected to increase in the 1998 budget because the budget incorporates an approximate 10% increase in water and sewer rates. This rate increase was due to the impact on debt service caused by Texas Water Development Bonds and the Revenue Bonds issued in 1996. Rates will continue to climb as new debt is issued. A 15% increase in 2002 will be needed to pay the debt service for bonds issued in 2000. The projection assumes the use of fund balance to avoid rate increases were possible. 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

	1995 Actual	1996 Actual	1997 Estimate	1998 Budget	1999 Proforma	2000 Proforma	2001 Proforma	2002 Proforma	2003 Proforma	2004 Proforma	2005 Proforma	20-1X06 Proforma
BEGINNING BALANCE	\$ 4,870,067	\$ 4,670,169	\$ 4,723,892	\$ 4,567,593	\$ 4,737,178	\$ 4,862,237	\$ 4,872,505	\$ 4,836,555	\$ 4,914,855	\$ 4,975,355	\$ 5,037,255	\$ 5,053,255
Service Revenues	\$ 2,563,751	\$ 2,730,237	\$ 2,600,000	\$ 2,853,500	\$ 2,853,500	\$ 3,280,000	\$ 3,280,000	\$ 3,936,000	\$ 3,936,000	\$ 3,936,000	\$ 3,936,000	\$ 3,936,000
Interest on Investments	401,911	403,338	300,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000
Other	15,978	50,040	40,000	158,800	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Total Revenue	2,981,640	3,183,615	2,940,000	3,113,500	3,113,500	3,540,000	3,540,000	4,196,000	4,196,000	4,196,000	4,196,000	4,196,000
Expenditures												
Field Services	506,198	469,421	509,840	482,930	492,000	502,000	512,000	522,000	522,000	522,000	532,000	543,000
Plant Management	1,470,853	1,747,471	1,391,070	1,513,180	1,543,400	1,574,000	1,605,000	1,637,000	1,637,000	1,637,000	1,670,000	1,703,000
Administrative Services	288,487	400,000	441,000	441,000	450,000	450,000	460,000	460,000	469,000	469,000	478,000	478,000
Transfer to Debt Service Res.	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Projects	584,000	181,000	500,000	-	-	-	-	-	-	-	-	-
Debt Service	332,000	332,000	254,389	506,805	503,041	1,003,732	998,950	1,498,700	1,507,500	1,506,100	1,500,000	1,500,000
Total Expenditures	3,181,538	3,129,892	3,096,299	2,943,915	2,988,441	3,529,732	3,575,950	4,117,700	4,135,500	4,134,100	4,180,000	4,224,000
Ending Balance	\$ 4,670,169	\$ 4,723,892	\$ 4,567,593	\$ 4,737,178	\$ 4,862,237	\$ 4,872,505	\$ 4,836,555	\$ 4,914,855	\$ 4,975,355	\$ 5,037,255	\$ 5,053,255	\$ 5,025,255
CALCULATION OF AVAILABLE FUND BALANCES - WATER AND SEWER FUND												
Ending Fund Balance	\$ 4,670,169	\$ 4,723,892	\$ 4,567,593	\$ 4,737,178	\$ 4,862,237	\$ 4,872,505	\$ 4,836,555	\$ 4,914,855	\$ 4,975,355	\$ 5,037,255	\$ 5,053,255	\$ 5,025,255
Less minimum 1% fund reserves	745,000	796,000	735,000	778,000	778,000	885,000	885,000	1,049,000	1,049,000	1,049,000	1,049,000	1,049,000
Excess funds available for capital projects	\$ 3,925,169	\$ 3,927,892	\$ 3,832,593	\$ 3,959,178	\$ 4,084,237	\$ 3,987,505	\$ 3,951,555	\$ 3,865,855	\$ 3,926,355	\$ 3,988,255	\$ 4,004,255	\$ 3,976,255
PROJECTED WATER AND SEWER RATE INCREASES												
	0.00%	0.00%	0.00%	10.00%	0.00%	15.00%	0.00%	20.00%	20.00%	0.00%	0.00%	0.00%
STAFFING												
Field Services	10	10	9	9	9	9	9	9	9	9	9	9
Plant Operations	6	6	6	6	6	6	6	6	6	6	6	6
Total	16	16	15	15	15	15	15	14	15	15	15	15

SOLID WASTE FUND

The Solid Waste Fund's revenues are projected to increase to offset steadily increasing costs of collection and disposal.

SOLID WASTE FUND FINANCIAL PROJECTION

	1995 Actual*	1996 Actual*	1997 Estimate*	1998 Budget	1999 Proforma	2000 Proforma	2001 Proforma	2002 Proforma	2003 Proforma	2004 Proforma	2005 Proforma	2006 Proforma
BEGINNING BALANCE	\$ -	\$ -	\$ -	\$ -	\$ 83,170	\$ 102,170	\$ 206,850	\$ 246,350	\$ 268,850	\$ 274,350	\$ 313,850	\$ 337,350
Service Revenues	\$ 816,952	\$ 764,352	\$ 800,000	\$ 800,000	\$ 800,000	\$ 960,000	\$ 960,000	\$ 1,008,000	\$ 1,010,000	\$ 1,060,000	\$ 1,060,000	\$ 1,060,000
Interest on Investments	-	-	-	-	-	-	-	-	-	-	-	-
Other - General Fund Subsidy	-	-	6,300	200,000	150,000	100,000	50,000	-	-	-	-	-
Total Revenue	818,090	764,352	806,300	1,000,000	950,000	1,060,000	1,010,000	1,008,000	1,010,000	1,060,000	1,060,000	1,060,000
Expenditures												
Operations	818,090	759,406	806,300	726,830	741,000	755,820	771,000	786,000	801,000	817,000	833,000	850,000
Administrative Services	-	4,956	-	190,000	190,000	199,500	199,500	199,500	203,500	203,500	203,500	207,000
Total Expenditures	818,090	764,362	806,300	916,830	931,000	955,320	970,500	985,500	1,004,500	1,020,500	1,036,500	1,057,000
Ending Balance	\$ -	\$ (10)	\$ -	\$ 83,170	\$ 102,170	\$ 206,850	\$ 246,350	\$ 268,850	\$ 274,350	\$ 313,850	\$ 337,350	\$ 340,350
<i>*For years prior to 1998, solid waste collection activity was accounted for in the General Fund.</i>												
CALCULATION OF AVAILABLE FUND BALANCES - SOLID WASTE FUND												
Ending Fund Balance	\$ -	\$ -	\$ -	\$ 83,170	\$ 102,170	\$ 206,850	\$ 246,350	\$ 268,850	\$ 274,350	\$ 313,850	\$ 337,350	\$ 340,350
Less minimum fund reserves	-	-	-	250,000	238,000	265,000	253,000	252,000	253,000	265,000	265,000	265,000
Excess funds available for capital projects	\$ -	\$ -	\$ -	\$ (166,830)	\$ (135,830)	\$ (58,150)	\$ (6,650)	\$ 16,850	\$ 21,350	\$ 48,850	\$ 72,350	\$ 75,350
PROJECTED SOLID WASTE COLLECTION RATE INCREASES												
	0.00%	0.00%	0.00%	0.00%	0.00%	10.00%	0.00%	5.00%	0.00%	0.00%	5.00%	5.00%
STAFFING												
Operations	9	9	9	9	9	9	9	9	9	9	9	9
Total	9	9	9	9	9	9	9	9	9	9	9	9

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 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 county-wide appraisals are provided to the county, school districts, cities and municipal utility districts for basis of taxation.

CURRENT ASSETS: Those assets which are available or can be made readily available to finance current operations or to pay current liabilities. Those assets which will be used up or converted into cash within one year. Some examples are cash, temporary investments and taxes 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 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 recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

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.

-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.

**CITY OF WEST UNIVERSITY PLACE
3800 UNIVERSITY BOULEVARD
HOUSTON, TEXAS 77005**

**Telephone: (713) 668-4441
24-Hour Citizen's Line: (713) 662-5887**

City Staff

	<u>Telephone</u>	<u>Email</u>
City Manager	(713) 662-5810	Syehl@hypercon.com
City Secretary	(713) 662-5813	Kayh@hypercon.com
Finance Director	(713) 662-5816	Wthomas@hypercon.com
Police Chief	(713) 662-5861	Gbrye@hypercon.com
Fire Chief	(713) 662-5836	Tstevenson@hypercon.com
Public Works Director	(713) 662-5840	Emenville@hypercon.com
Parks and Recreation Director	(713) 662-5892	Mmailes@hypercon.com

Consultants

Auditors	Lairson, Stephens and Reimer – Bob Stevens	(713) 629-6000
City Attorney	Cole & Dougherty – Jim Dougherty	(713) 880-8808

Services

Court	Iola Pickul	(713) 662-5825
Building Inspection	Dennis Holm	(713) 662-5830
Senior Services	Sharon Reusser	(713) 662-5895
Garbage, recycling	Barbara Bartsch-Allen	(713) 662-5843
Suggestions and comments	Thelma Lenz	(713) 662-5812
Streets, drainage		(713) 662-5836
Colonial Park		(713) 668-7642

Visit us on the World Wide Web at
<http://www.ci.west-university-place.tx.us>

