

City Of West University Place, Texas

2000 Annual Operating Budget

City Officials

Linda Lewis
Mayor

Members of the City Council

Burt Ballanfant
Bill May
Dr. John Bertini
John K. Grubb

Robert "Sherman" Yehl
City Manager

Walter Thomas
Finance Director

**CITY OF WEST UNIVERSITY PLACE
1999 ANNUAL BUDGET**

INTRODCUTION

You are holding the published City of West University Place, Texas *2000 Annual Operating Budget*. This document has been prepared to help you learn of the issues affecting the community of West University Place. Some people believe that a city budget is only a **financial plan**, replete with boring statistics and financial schedules. Although this document has its share of financial schedules and statistics, the *2000 Annual Operating 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 *2000 Annual Operating Budget* is intended to be a **communications tool** formally transmitting the City's revenue and expenditure plan for the year.

FORMAT

The *2000 Annual Operating Budget* is divided into three major sections: *Introductory*, *Financial/Operational*, and *Appendices*. The Introductory section contains the City Manger's letter addressed to the City Council which explains the major policies and issues which affected the development of the *2000 Annual Operating Budget*. This section also contains a chart showing the how the City is organized, and a financial schedule summarizing the budgeted financial activity for all of the City's funds.

The Financial/Operational section of the *2000 Annual Operating Budget* is grouped first by fund and then by department. Like most local governments, the City uses funds to account for its financial activities. A Fund is simply a device to segregate and account for public resources. Financial statements, including the adopted 2000 budget are presented for every fund. 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 2000. Graphs and schedules have also been provided to help make certain points clearer.

Funds are divided into 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 1999, and a discussion of what the department hopes to accomplish in 2000. A schedule showing the department's finances over several years is also provided.

A detailed schedule showing the City's employees along with information about wages and salaries; details about the City's debt and revenues; 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.

CITY OF WEST UNIVERSITY PLACE

TABLE OF CONTENTS

2000 PROPOSED ANNUAL OPERATING BUDGET

	<u>Page No.</u>
INTRODUCTORY SECTION	
City Manager's Budget Message	i
GENERAL FUND BUDGET	
Summary	3
Administration	5
Finance	7
Police	9
Fire	11
Public Works	13
Parks and Recreation	15
DEBT SERVICE FUND	17
WATER AND SEWER FUND	
Summary	23
Operations	25
Capital Reserve	27
SOLID WASTE FUND	
Summary	31
Operations	33
CAPITAL PROJECT FUND	37
INFRASTRUCTURE REPLACEMENT FUND	41
EQUIPMENT REPLACEMENT FUND	45
PARKS FUND	49
RECYCLING FUND	50
APPENDIX	
Increase Police Staffing	53
Lower ISO Standards	54
Personnel Summary	56
Glossary	58



City of West University Place



Recycled Paper

September 13, 1999

Mayor Linda Lewis
City Council Members
City of West University Place
3800 University Boulevard
Houston, Texas 77005

Dear Mayor Lewis and City Council Members:

In compliance with State law and the City Charter, I am pleased to submit the Proposed 2000 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 1998 bonds issued to finance infrastructure replacement. A substantial increase in assessed value enables funding the increased debt service with no increase in the property tax rate dedicated to debt service.

The Proposed Budget includes a 10% increase in water and sewer rates, to fund increased debt service. This increase is within the projection supplied to citizens when the City's Infrastructure Replacement Program was initiated.

The Proposed Budget also includes a \$0.50 per month increase in solid waste fees to offset the subsidy provided by the General Fund to this service.

Other fees and services remain consistent with 1999.

The City's tax rate is divided into two components, the maintenance/operations rate and the debt service rate. The 2000 proposed Budget reduces the maintenance/operations tax rate from 21 cents per \$100 valuation to 19 cents per \$100. This reduction is possible due to the growth in assessed values.

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, \$154,000 has been set-aside for salary adjustments during 2000. The pay plan will be first reviewed to ensure that compensation is at market levels. Certification and performance will then be considered as additional compensation.

The 2000 Proposed Operating Budget called for 89 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 113.

One organizational change is noted. The function of the Personnel/risk Management Specialist will be transferred to Administration from the Finance Department. The City Manager anticipates taking a more active roll in the selection, hiring, and training processes and believes this organization change will enhance the quality of these operations.

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 2000. There is a major enhancement to service levels under consideration. Property insurance rates in the City have increased dramatically over the past several years. This increase is tied to the City's Insurance Service Organization rate. It has been determined that the ISO rating can be favorably changed by increasing staffing in the Police and Fire Department and renovating the Police Building. The impact of these changes is presented as a separate budget item.

Also presented separately is the cost of adding three patrol officers to the Police Department.

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 Budget proposes a 10% increase in water and sewer revenues. 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 and a \$0.50 per month increase is proposed. Even after this increase the Solid Waste Fund will not generate sufficient revenue to fund its operations, but efforts to reduce costs have not yet had time to be fully evaluated.

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 2000 Proposed 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 2000 Proposed Budget:

Downtown/Edloe Street Project	\$ 960,000
Voice actuated permitting	40,000

The infrastructure replacement program will complete priority areas 4B/5A, Slip lining the Brompton sewer line, and a sewer line rehabilitation project. Work will continue in 5B/6A, 6B, and 7A during 2000. Engineering and planning for areas 7B, 8, and 12 are included in the 2000 Proposed Budget. Future projects not yet funded, include acquiring and renovating the YMCA and purchasing property to complete Colonial Park.

The City will maintain reserves adequate to ensure that resources are available annually for the replacement of vehicles and equipment. The 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.

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. Also the City has made a major commitment of fund balances to the infrastructure replacement program. The Fund Balance of all funds will be at 61% of revenues at the end of 2000.

	<u>Beginning Balance</u>	<u>Estimated Revenues</u>	<u>Operating Expenditures</u>	<u>Transfers in (out)</u>	<u>Ending Balance</u>
General Fund	\$ 4,276,507	\$ 7,168,350	\$ 7,127,465	\$ (300,000)	\$ 4,017,392
Debt Service Fund	787,518	3,904,000	3,836,503	-	855,015
Water and Sewer Fund	3,328,941	3,615,000	3,654,980	-	3,288,961
Water and Sewer Fund Capital Reserve	221,257	1,375,000	1,575,000	-	21,257
Solid Waste Fund	70,750	846,000	909,570	-	7,180
Capital Projects Fund	(3,971)	1,160,000	1,455,000	300,000	1,029
Infrastructure Replacement Fund	12,083,016	585,000	9,321,616	-	3,346,400
Equipment Replacement Fund	145,693	371,890	380,000	-	137,583
Parks Fund	7,973	4,000	-	-	11,973
Recycling Fund	6,724	41,500	37,000	-	11,224
	<u>\$ 20,924,408</u>	<u>\$ 19,070,740</u>	<u>\$ 28,297,134</u>	<u>\$ -</u>	<u>\$ 11,698,014</u>

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.

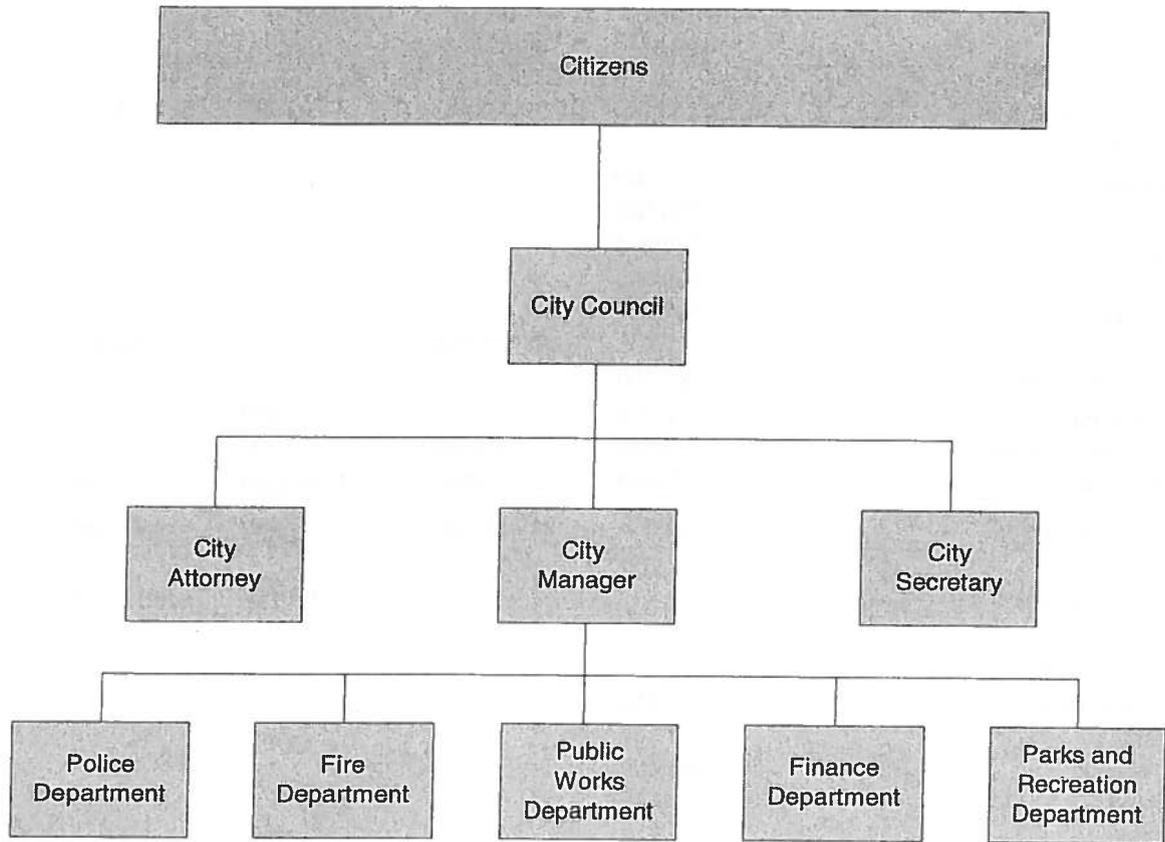
Sincerely



Robert P. Yehl
City Manager

CITY OF WEST UNIVERSITY PLACE

ORGANIZATION CHART



**2000 ANNUAL OPERATING
BUDGET**

COMBINED SUMMARY OF REVENUES AND CHANGES IN FUND BALANCE

ALL FUNDS

	GENERAL FUND	WATER AND SEWER UTILITY FUND		SOLID WASTE FUND	DEBT SERVICE FUND
		WATER UTILITY FUND	WATER CAPITAL FUND		
BEGINNING BALANCE	\$ 4,186,597	\$ 3,328,941	\$ 221,257	\$ 70,750	\$ 787,518
REVENUES					
Ad Valorem Taxes	3,318,600				3,654,000
City Sales Tax	556,000				
Franchise Fees	739,000				
Licenses and Permits	378,450				
Fines and Forfeitures	280,000				
Service Fees	-	3,255,000		836,000	
Recreation Programs	382,500				
Administration Services	631,000		50,000		
Interest on Investments	325,000	350,000	25,000		250,000
Other Revenues	557,800	10,000	1,300,000	11,000	
TOTAL REVENUES	7,168,350	3,615,000	1,375,000	847,000	3,904,000
TOTAL AVAILABLE RESOURCES	11,354,947	6,943,941	1,596,257	917,750	4,691,518
EXPENDITURES:					
General Government	2,124,150				
Public Safety	3,165,640				
Public Works	1,384,500				
Public Services	769,680				
Debt Service		849,760			3,836,503
Capital Projects			1,575,000		
Utilities		2,805,220		917,710	
TOTAL EXPENDITURES	7,443,970	3,654,980	1,575,000	917,710	3,836,503
ENDING BALANCE	\$ 3,910,977	\$ 3,288,961	\$ 21,257	\$ 40	\$ 855,015

CAPITAL PROJECT FUNDS			SPECIAL REVENUE FUNDS		TOTAL ALL FUNDS	
CAPITAL PROJECTS FUND	INFRA-STRUCTURE FUND	EQUIPMENT REPLACEMENT FUND	PARKS FUND	RECYCLING FUND	2000 BUDGET	1999 BUDGET
\$ (3,971)	\$ 12,083,016	\$ 145,693	\$ 7,973	\$ 6,724	\$ 20,834,498	\$ 23,713,904
					6,972,600	6,516,300
					556,000	556,000
					739,000	714,000
					378,450	299,450
					280,000	280,000
					4,091,000	3,940,500
					382,500	383,000
325,000					1,006,000	631,000
100,000	325,000	2,500	1,000	1,500	1,380,000	1,643,000
1,035,000	260,000	369,390	3,000	40,000	3,586,190	2,439,990
1,460,000	585,000	371,890	4,000	41,500	19,371,740	17,403,240
1,456,029	12,668,016	517,583	11,973	48,224	40,206,238	41,117,144
					2,124,150	2,068,600
					3,165,640	3,143,800
					1,384,500	1,293,900
					769,680	828,100
					4,686,263	4,339,560
1,455,000	9,321,616	380,000			12,731,616	15,298,689
					37,000	4,251,900
1,455,000	9,321,616	380,000	-	37,000	28,621,779	31,224,549
\$ 1,029	\$ 3,346,400	\$ 137,583	\$ 11,973	\$ 11,224	\$ 11,584,459	\$ 9,892,595

THE GENERAL FUND

2024年11月15日

FUND DESCRIPTION:

The General Fund accounts 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. 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 1999. The 1999 Budget forecasted revenues to finance the General Fund's services at \$6,915,900. Based on collections and data available on August 31, 1999, this original estimate has been revised to \$7,131,775. Franchise taxes, sales tax, and revenues generated from building activity all contributed to higher than expected revenues.

Expenditure Estimated for 1999. The 1999 Budget appropriated \$7,333,840. Of this amount, \$7,033,840 was to provide the General Fund's traditional services and \$300,000 to be transferred to other funds. Through August 31, 1999, it appears that actual expenditures will fall below the appropriated amount by less than 1%.

Financial Position in 1999. By any standard of measure, the City of West University Place's General Fund will close 1999 in sound fiscal condition. The estimated balance available for appropriation will be approximately \$4.2 million. This amount represents 58.7% of estimated 1999 revenues. Put another way, the General Fund's Operations could be sustained for over six months with no additional 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. In view of the City's current debt position and the plan to issue still more debt, a higher fund balance seems prudent.

The City's General Fund Balance has declined \$2.2 million from the \$5.5 million available January 1, 1994. This decline was planned. The City used its reserves to update municipal facilities and to finance infrastructure. Further use of the Fund Balance to finance capital assets is planned.

2000 BUDGET

Projected 2000 Revenues. The City's General Fund Revenues for fiscal 2000 are forecasted to be virtually the same as 1999 estimated revenues. Total revenues are expected to be \$7,168,350.

Revenues from property taxes will grow by \$44,150, a 1.34% increase. The (*ad valorem*) tax rate dedicated to operations will be \$0.19, \$0.02 less than the rate levied for the past five years. Assessed values grew from \$1.57 billion to \$1.73 billion (9.8%) due to a strong real estate market in the Houston area, general reappraisals in West U and new construction.

Revenues generated by the City's one-cent sales tax are budgeted at \$556,000, unchanged from 1999.

Franchise taxes provide \$739,000, or 10.3% 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.

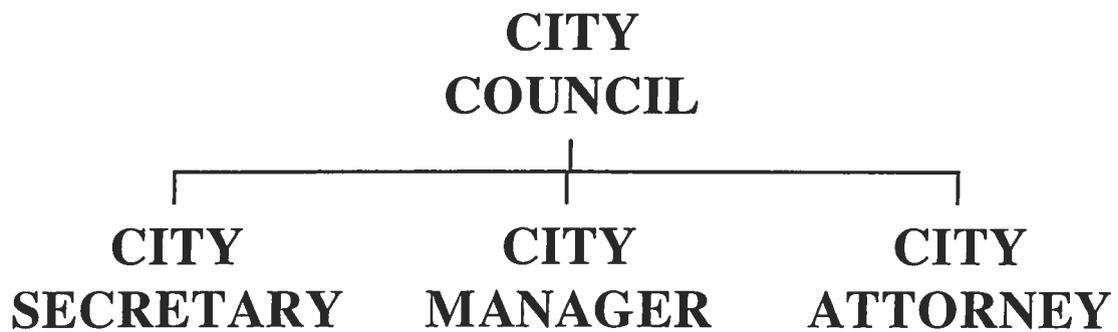
As in previous years, the 2000 Budget anticipates a payment from the Water and Sewer Utility Enterprise Fund. This \$441,000 payment is a reimbursement for the Utility Fund's share of administrative costs. Meter reading, billing, accounting, legal, data processing and insurance are all budgeted in the General Fund in order to centralize these costs. Also as in 1999, a transfer of \$190,000 from the Solid Waste Fund has been budgeted for similar services.

Expenditures in 2000. The 2000 Proposed Budget recommends an \$7,443,965 appropriation in the General Fund. The General Fund's 1999 Budget was \$7,333,840, so this Budget represents a 1.2% increase. Personnel costs, in spite of expected increases for health care, are expected to increase .3% to \$4.86 million. The 2000 Proposed Budget provides an allowance of \$130,000 to be used to provide salary increases.

**GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES**

	Actual 1998	Budget 1999	Estimate 1999	Budget 2000
REVENUES:				
Property taxes	\$ 3,186,390	\$ 3,274,850	\$ 3,274,450	\$ 3,318,600
Franchise taxes	804,005	714,000	739,000	739,000
Sales taxes	637,106	556,000	576,000	556,000
Licenses and Permits	456,402	299,450	386,665	378,450
Fees for service	254,013	277,000	298,750	339,000
Other charges and fees	208,783	93,300	138,810	126,300
Recreation fees	367,954	383,000	378,500	382,500
Fines and court costs	149,168	280,000	286,100	280,000
Investment earnings	443,834	325,000	325,000	325,000
Other revenues	162,026	82,300	97,500	92,500
Interfund transactions	631,000	631,000	631,000	631,000
TOTAL REVENUES	<u>7,300,681</u>	<u>6,915,900</u>	<u>7,131,775</u>	<u>7,168,350</u>
EXPENDITURES:				
Administration	430,111	414,500	406,330	495,300
Finance	1,470,775	1,654,100	1,659,310	1,628,850
Police	1,712,257	1,764,870	1,723,800	1,789,230
Fire	1,282,943	1,378,920	1,311,470	1,376,410
Public Works	1,284,905	1,293,850	1,435,720	1,384,500
Parks and Recreation	674,650	827,600	774,360	769,680
TOTAL EXPENDITURES	<u>6,855,641</u>	<u>7,333,840</u>	<u>7,310,990</u>	<u>7,443,970</u>
NET REVENUE (EXPENDITURE)	445,040	(417,940)	(179,215)	(275,620)
BEGINNING BALANCE	<u>3,920,772</u>	<u>3,920,772</u>	<u>4,365,812</u>	<u>4,186,597</u>
ENDING BALANCE	<u>\$ 4,365,812</u>	<u>\$ 3,502,832</u>	<u>\$ 4,186,597</u>	<u>\$ 3,910,977</u>

ADMINISTRATION



DEPARTMENT MISSION

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

ADMINISTRATION

ACTIVITY SUMMARY

The Department of Administration is responsible to the City Council for the efficient delivery of City services. The City Manager serves as chief administrative officer and has day to day responsibility for the operation of all City activities. 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.

Accomplishments in 1999:

- * Conducted a municipal election.

- * Updated website and contenets.
- * Completed Y2K computer conversions.

Objectives in 2000:

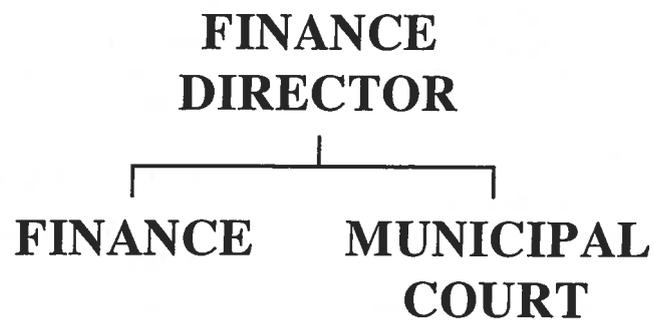
- * Accelerate infrastructure replacement program.
- * Complete downtown West U project.

Major Budget Items:

- * Legal fees. (\$72,000)
- * *City Currents* publication and mailing costs (\$25,000)

Account Description	Actual 1997	Actual 1998	Budget 1999	YTD 1999	Projected 1999	Budget 2000
Personnel	\$212,672	\$235,398	\$234,600	\$113,941	\$ 238,540	\$297,400
Operating charges	167,941	190,887	176,400	141,741	164,300	192,900
Capital	-	3,826	3,500	3,487	3,490	5,000
Total	<u>\$380,613</u>	<u>\$430,111</u>	<u>\$414,500</u>	<u>\$259,169</u>	<u>\$ 406,330</u>	<u>\$495,300</u>

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

FINANCE

ACTIVITY SUMMARY

The City's Finance Department 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. The Finance Department directs the administration of the City's Municipal Court. Finally, expenditures and transfers that cannot be allocated to other departments in a satisfactory way are included in this budget.

Accomplishments in 1999:

- * Relocated financial operations from temporary quarters to new municipal building.
- * Implemented new Water Utility Billing and Court Administration Software.

Future Objectives:

- * Compile an accounting procedure manual

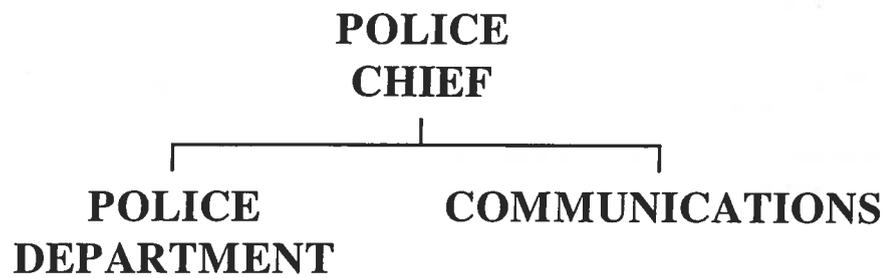
- * Implement new software that will allow automated clearinghouse (ACH) transactions for water utility payments.
- * Issue the Comprehensive Annual Financial Report by April 30, 2000.
- * Implement a group goal based incentive program.

Major Budget Items:

- * Harris County Central Appraisal District (\$56,000). Required payment for appraisal services.
- * Audit fees (\$17,000). Payment for Lairson, Stephens, and Reimer for annual audit.
- * Meter Reading Service (\$36,000). Cost of contracted meter reading services.
- * Software support (\$30,000). Annual support for financial software.
- * Electricity for street lights. (\$150,000)
- * Insurance. (\$141,100)

Account Description	Actual 1997	Actual 1998	Budget 1999	YTD 1999	Projected 1999	Budget 2000
<i>Administration</i>						
Personnel	\$ 389,897	\$ 400,429	\$ 400,900	\$195,904	\$ 427,020	\$ 338,890
Operating charges	219,218	325,755	255,300	170,893	266,800	275,500
Capital	-	-	4,000	3,444	-	4,500
Total	609,115	726,184	660,200	370,241	693,820	618,890
<i>Municipal Court</i>						
Personnel	147,468	141,307	159,200	74,102	162,700	159,200
Operating charges	5,561	7,106	10,400	5,937	11,090	12,360
Capital	2,295	1,995	2,500	-	2,500	3,000
Total	155,324	150,408	172,100	80,039	176,290	174,560
<i>City-Wide Charges</i>						
Personnel	25,841	-	30,700	16,001	25,000	44,300
Operating charges	773,848	595,628	791,100	287,159	764,200	791,100
Total	799,689	595,628	821,800	303,160	789,200	835,400
Total - Department	\$ 1,564,128	\$ 1,472,220	\$ 1,654,100	\$753,440	\$ 1,659,310	\$ 1,628,850

POLICE



DEPARTMENT MISSION

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

POLICE DEPARTMENT

ACTIVITY SUMMARY

The Police Department is responsible for preserving the peace and basic law enforcement in the City. The Department also has assumed responsibility for the operations of the new central alarm monitoring system, Direct Link.

Accomplishments in 1999:

- * Increased Direct Link customers by 225 households.
- * Upgraded radios to 800mh Type II radio system.
- * Expanded bicycle patrol to include crime prevention and special events.
- * Filed charges against suspect in first murder investigation in West U since 1985.

Future Objectives:

- * Work with Traffic Task Force.
- * Enhance support of juvenile crime prevention programs..
- * Increase Direct Link customers and revenues.

Major Budget Items:

- * Equipment maintenance (\$35,950). Maintenance contract for public safety dispatch software.
- * *Direct Link* consultant \$45,000.
- * Equipment replacement.

Account Description	Actual 1997	Actual 1998	Budget 1999	YTD 1999	Projected 1999	Budget 2000
<i>Police</i>						
Personnel	\$ 1,237,784	\$ 1,246,374	\$ 1,204,900	\$ 563,257	\$ 1,186,650	\$ 1,162,450
Operating charges	175,680	224,579	279,600	124,798	251,150	292,940
Capital	65,961	27,377	21,800	18,850	21,800	19,400
Total	1,479,425	1,498,330	1,506,300	706,905	1,459,600	1,474,790
<i>Communications</i>						
Personnel	195,286	175,554	205,300	109,931	230,900	242,820
Operating charges	18,884	38,374	53,270	14,141	33,300	71,620
Total	214,170	213,928	258,570	124,072	264,200	314,440
Total - Department	<u>\$ 1,693,595</u>	<u>\$ 1,712,258</u>	<u>\$ 1,764,870</u>	<u>\$ 830,977</u>	<u>\$ 1,723,800</u>	<u>\$ 1,789,230</u>

FIRE

**FIRE
CHIEF
|
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 DEPARTMENT

ACTIVITY SUMMARY

The Fire Department is responsible for protecting lives and property from fire and 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 1999:

- * Upgraded radios to 800mh Type II radio system.
- * Purchased new ambulance.

Future Objectives:

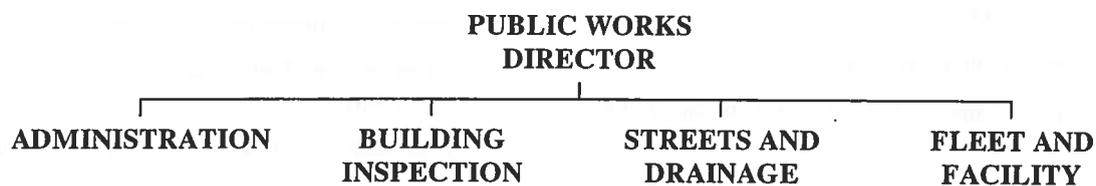
- * Develop program to request ISO rating inspection to improve class rating.
- * Develop new mutual aid agreements with Southside Place and Bellaire.
- * Continue self-assessment and evaluation in preparation for Fire Department accreditation.

Major Budget Items:

- * Communication expense (\$37,870). City wide maintenance of telephones.
- * Operating supplies (\$35,000). Fire fighting equipment: helmets, bunker gear, other supplies.
- * Mosquito spraying contract (\$13,400).

Account Description	Actual 1997	Actual 1998	Budget 1999	YTD 1999	Projected 1999	Budget 2000
Personnel	\$ 1,125,935	\$1,164,369	\$ 1,251,720	\$537,607	\$1,182,760	\$ 1,179,760
Operating charges	84,255	116,159	127,200	70,104	118,100	151,750
Capital	3,672	2,417	-	10,607	10,610	44,900
Total	<u>\$ 1,213,862</u>	<u>\$1,282,945</u>	<u>\$ 1,378,920</u>	<u>\$618,318</u>	<u>\$1,311,470</u>	<u>\$ 1,376,410</u>

PUBLIC WORKS



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.

PUBLIC WORKS

ACTIVITY SUMMARY

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

Accomplishments in 1999:

- * A new Service Order/Work Request system was installed.
- * Animal Shelter renovated.
- * New computerized software installed for building permits.

Future Objectives:

Accelerate the infrastructure replacement program.

- * Begin design and construction of sewer lines located along the City's perimeter.
- * Survey the City's corporate limits.
- * Adopt and enforce the latest addition of the International Building Codes.

Major Budget Items:

- * Building maintenance (\$70,600).
- * Maintenance of streets and drainage systems (\$50,000).
- * Custodial contract for city facilities (\$50,000).

Account Description	Actual 1997	Actual 1998	Budget 1999	YTD 1999	Projected 1999	Budget 2000
<i>Administration</i>						
Personnel	\$ 228,135	\$ 207,290	\$ 214,300	\$106,587	\$ 249,980	\$ 216,160
Operating charges	34,075	50,963	37,200	44,373	70,420	66,880
Capital	2,384	4,113	-	2,794	2,800	2,000
Total	<u>264,594</u>	<u>262,366</u>	<u>251,500</u>	<u>153,754</u>	<u>323,200</u>	<u>285,040</u>
<i>Building</i>						
Personnel	227,700	294,438	278,400	107,220	270,240	286,340
Operating charges	16,696	41,003	38,650	62,473	125,610	60,280
Capital	-	11,278	-	-	-	2,500
Total	<u>244,396</u>	<u>346,719</u>	<u>317,050</u>	<u>169,693</u>	<u>395,850</u>	<u>349,120</u>
<i>Streets & Drainage</i>						
Personnel	365,126	337,169	372,100	178,015	373,630	393,670
Operating charges	117,908	131,300	137,100	74,918	143,130	142,300
Capital	31,366	3,008	-	-	-	7,000
Total	<u>514,400</u>	<u>471,477</u>	<u>509,200</u>	<u>252,933</u>	<u>516,760</u>	<u>542,970</u>
<i>Fleet & Facility</i>						
Personnel	67,163	67,829	67,600	34,138	70,360	67,770
Operating charges	131,907	125,217	148,500	57,558	122,750	139,600
Capital	29,768	11,216	-	6,608	6,800	-
Total	<u>228,838</u>	<u>204,262</u>	<u>216,100</u>	<u>98,304</u>	<u>199,910</u>	<u>207,370</u>
Total - Public Works	<u>\$1,252,228</u>	<u>\$1,284,824</u>	<u>\$1,293,850</u>	<u>\$674,684</u>	<u>\$1,435,720</u>	<u>\$1,384,500</u>

PARKS AND RECREATION

RECREATION DIRECTOR



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

Accomplishments in 1999:

- * Organized a successful 75th anniversary block party.
- * Renovated and improved Colonial Park locker rooms and front lobby.
- * Re-landscaped City Hall grounds after construction.
- * Improved acoustics at scout house.

Future Objectives:

- * Review and implement user fees at Colonial Park.
- * Implement "Tour the Park" bike race.

- * Organize a city-wide block party.
- * Complete master plan for Colonial Park.
- * Complete renovations to Whitt Johnson Park.

Major Budget Items:

- * Grounds and right of way maintenance (\$70,000). Mowing and maintaining City owned property.
- * Utilities (\$72,000). 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 (\$180,000). 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).

Account Description	Actual 1997	Actual 1998	Budget 1999	YTD 1999	Projected 1999	Budget 2000
<i>Parks & Recreation</i>						
Personnel	\$ 353,716	\$ 329,971	\$ 393,700	\$ 155,204	\$ 325,020	\$ 351,770
Operating charges	220,756	217,866	286,000	183,114	299,100	266,200
Capital	7,000	-	11,500	5,044	11,500	9,500
Total	<u>581,472</u>	<u>547,837</u>	<u>691,200</u>	<u>343,362</u>	<u>635,620</u>	<u>627,470</u>
<i>Senior Services</i>						
Personnel	102,980	104,575	112,000	52,242	114,890	119,660
Operating charges	15,606	22,240	22,000	7,682	21,850	22,300
Capital	-	-	2,400	-	2,000	250
Total	<u>118,586</u>	<u>126,815</u>	<u>136,400</u>	<u>59,924</u>	<u>138,740</u>	<u>142,210</u>
Total - Parks & Rec	<u>\$ 700,058</u>	<u>\$ 674,652</u>	<u>\$ 827,600</u>	<u>\$ 403,286</u>	<u>\$ 774,360</u>	<u>\$ 769,680</u>

THE DEBT SERVICE FUND

THE UNIVERSITY OF CHICAGO

PH.D. THESIS

THE UNIVERSITY OF CHICAGO LIBRARY

FUND DESCRIPTION

The Debt Service 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. 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.

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 was 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.

In 1998 the City sold \$14,710,000 Permanent Improvement and Refunding Bonds that will be

supported by the Debt Service Fund. \$9,350,000 of the proceeds from the sale of these bonds is to be used in the infrastructure replacement program. The balance of the bonds were issued to fund an escrow to refund the principal and interest on a portion of the City's 1992 Refunding and Permanent Improvement Bonds.

In 2000 the Debt Service Fund will finance \$3,840,503 of debt service, a 5.8 % increase over the amount funded in 1999.

To fund this increase, an ad valorem tax rate of \$0.21 per \$100 will be required in 2000. The tax rate did not rise from last year's rate because of a 11% increase in assessed values.

The City Charter limits the City's bonded debt to 5% of the assessed value. Since the projected assessed value for the City in 2000 is \$1.75 billion the current debt limit under this provision is \$87,500,000. As of January 1, 2000 the City will owe a total of \$48,765,000 for all outstanding bonds. Of this total amount the amount to be financed by the Debt Service Fund using property taxes will be \$38,180,000.

Moody's Investor Services and Standard and Poor's Ratings Group both reaffirmed the City's bond ratings. Steady growth in assessed values, the political stability of the community, and the underlying strength in the Houston Area economy should keep the City's credit ratings high.

	<i>(Payable from Ad Valorem Taxes)</i>			
	Outstanding 12/31/99	Retirements 2000	Outstanding 12/31/00	Interest 2000
1988 Public Improvement Bonds	\$ -	\$ -	\$ -	\$ -
1992 Refunding Bonds	7,195,000	900,000	6,295,000	378,197
1992 Permanent Imp. Bonds	425,000	125,000	300,000	28,850
1993 Permanent Imp. Bonds	10,300,000	240,000	10,060,000	540,256
1996 Permanent Imp. Bonds	6,890,000	180,000	6,710,000	383,426
1998 Permanent Imp. and Ref. Bonds	14,630,000	205,000	14,425,000	700,299
Tax Contract	520,000	130,000	390,000	20,475
	\$ 39,960,000	\$ 1,780,000	\$ 38,180,000	\$ 2,051,503

GENERAL OBLIGATION DEBT SERVICE FUND				
STATEMENT OF REVENUES AND EXPENDITURES				
	Actual 1998	Budget 1999	Estimated 1999	Budget 2000
BEGINNING BALANCE	\$ 938,753	\$ 636,948	\$ 636,948	\$ 787,518
REVENUES:				
Ad valorem taxes	2,866,482	3,241,450	3,250,000	3,654,000
Interest on investments	117,229	500,000	525,000	250,000
TOTAL REVENUES	2,983,711	3,741,450	3,775,000	3,904,000
TOTAL AVAILABLE RESOURCES	3,922,464	4,378,398	4,411,948	4,691,518
EXPENDITURES:				
Debt service -principal	1,425,000	1,585,000	1,585,000	1,780,000
Debt service - interest	1,855,861	2,034,430	2,034,430	2,051,503
Fiscal fees	4,655	9,000	5,000	5,000
TOTAL EXPENDITURES	3,285,516	3,628,430	3,624,430	3,836,503
ENDING BALANCE	\$ 636,948	\$ 749,968	\$ 787,518	\$ 855,015

THE WATER UTILITY FUND

WATER UTILITY FUND

The Water and Sewer Fund is an Enterprise 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.

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 wastewater 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. Operating costs are insignificant when compared to expenditures made to acquire and repair capital assets. This is true in West University Place. The City has almost more than \$27 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, much of the Water Fund's capital was acquired over thirty years ago. The cost of replacing the Fund's \$27 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 five years the City will spend more than \$8.3 million 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*. Prior to 1995 the City did not follow this practice.

FUND FINANCIAL ACTIVITY:

1999 Financial Activity. As the result of another dry, hot summer, the Water Fund is expected to exceed the revenue estimates used to develop the 1999 Budget. Based on historical consumption patterns of water and sewer services, the system should generate approximately \$3 million in billings for services. If this occurs, revenues in the Water Fund will exceed revenue estimates by \$275,000.

Since much of the cost associated with water utility varies with usage, expenditures are also above the levels that were anticipated for 1999. The 1999 Budget appropriated \$900,000 to pay for purchased water. Through July the City has spent \$729,713. Again, using estimates based on historical consumption, the cost of purchased surface water will amount to at least \$1,040,000.

Altogether, Water Fund expenditures should amount to \$4.1, including debt service (\$707,130).

The 2000 Budget. The 2000 Proposed Budget is based on revenues of \$3,615,000; a 10% increase over the 1999 budget. The City expects to issue additional bonds in 2000. A 10% increase in water and sewer service rates in 2000 will help the Water Fund position itself to finance the additional debt service. 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. In 1999 the Water Fund is expected to fall short of this target.

Budgeted expenditures are \$3,654,980. System operations are expected to cost \$2,755,220, including the \$441,000 budgeted to reimburse the General Fund for costs it incurs on behalf of the Water Fund and \$849,760 to pay the principal and interest on outstanding revenue bonds.

In prior years, the operating costs of the Water Utility Fund was divided into two divisions, each under a separate supervisor. In order to

streamline management and consolidate resources these two divisions have been combined into one.

**WATER UTILITY FUND
STATEMENT OF REVENUES AND EXPENDTURES**

	Actual 1998	Budget 1999	Estimated 1999	Budget 2000
BEGINNING BALANCE	\$ 3,989,952	\$ 4,030,981	\$ 4,030,981	\$ 3,328,941
OPERATING REVENUES				
Service Charges				
Water	1,807,583	1,617,330	1,850,000	1,810,000
Sewer	1,196,781	1,171,170	1,200,000	1,320,000
Other	160,729	90,000	114,000	125,000
Interest Income	184,092	350,000	350,000	350,000
Other non-operating income	-	10,000	50,000	10,000
TOTAL OPERATING REVENUES	3,349,185	3,238,500	3,564,000	3,615,000
TOTAL AVAILABLE	7,339,137	7,269,481	7,594,981	6,943,941
EXPENDITURES				
Operations	2,266,905	2,078,600	2,313,910	2,314,220
Administration	441,000	441,000	441,000	441,000
Transfers to Other Funds	-	800,000	800,000	50,000
Debt Service	600,251	710,230	711,130	849,760
TOTAL EXPENDITURES	3,308,156	4,029,830	4,266,040	3,654,980
ENDING BALANCE	\$ 4,030,981	\$ 3,239,651	\$ 3,328,941	\$ 3,288,961

WATER UTILITY OPERATIONS

**PUBLIC WORKS
DIRECTOR**



**WATER
UTILITIES**

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.

WATER UTILITY OPERATIONS

ACTIVITY SUMMARY

The City's Water Utility Operations are the responsibility of the Public Works Director.

Accomplishments in 1999:

- Published the first *Consumer Report on Drinking Water Quality*.
- Completed major emergency repairs to the Screw Pumps at Wastewater Treatment Plant.
- Completed rehabilitation of Water Well #8.
- Implemented a internal reorganization that will increase customer service and reduce costs.

Future objectives:

- Assume meter reading from contractor and implement an automated water meter reading program, using drive-by radio technology.
- Implement a valve and fire hydrant maintenance program.
- Complete major capital repair and maintenance for water storage tanks.

Major Budget Items:

- Purchased surface water. (\$960,000) Payments to the City of Houston for treated drinking water.
- Electricity to operate water and wastewater plants, wells, and lift stations (\$240,000).

Account Description	Actual 1997	Actual 1998	Budget 1999	YTD 1999	Projected 1999	Budget 2000
Personnel	\$ 516,180	\$ 556,861	\$ 567,900	\$ 275,453	\$ 589,920	\$ 608,160
Operating charges	1,427,790	1,767,309	1,510,700	731,395	1,714,790	1,658,910
Capital	61,653	9,856	-	4,000	9,200	47,150
Total	\$ 2,005,623	\$ 2,334,026	\$ 2,078,600	\$ 1,010,848	\$ 2,313,910	\$ 2,314,220

WATER 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. The Reserve is to ensure that a sufficient fund balance is maintained to adequately finance major maintenance and repair projects.

Projects that cost \$25,000 or more 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 1999 Budget provided \$1,020,000 to fund capital repairs and maintenance. During 1999, the City will spend an estimated \$694,812 on repairs to the screw pump at the waste water treatment plant (\$481,312); Repairs to water well number 7 (\$110,000); Repairing a water main break under Wesleyan at University (\$38,500); and other smaller projects.

New projects. The 400,000 gallon water tank located at the Milton Street Water Plant needs to be repainted at an estimated cost of \$70,000.

The water tower located at Wakeforest Water Plant needs to be pressure washed and painted. The estimated cost of this project amounts to \$70,000.

The wastewater clarifier is a tank where the flow of wastewater is slowed to allow solids to separate from the water. The mechanism that removes the solids from the bottom of the clarifier needs repairs to its gear drive at an estimated cost of \$35,000.

Water meter reading is currently accomplished through contractors. This labor-intensive function is the basis for an accurate water bill, making it one of the cornerstones of good customer service. The quality of meter readings depends on the experience of the crew, which is often effected by the high turnover rate common to this job. The Proposed Budget appropriates \$1.3 million to replace the City's water meters with new meters that can be read electronically, increasing the accuracy and timeliness of the readings. This project would be financed by short term notes.

WATER AND SEWER FUND - CAPITAL PROJECTS RESERVE STATEMENT OF REVENUES AND EXPENDITURES

	Actual 1998	Budget 1999	Estimated 1999	Request 2000
BEGINNING BALANCE	\$ 278,394	\$ 131,794	\$ 91,069	\$ 221,257
REVENUES				
Transfers from:				
Water and Sewer Operating Fund	-	800,000	800,000	50,000
Tax and revenue contract	-	-	-	1,300,000
Interest	17,225	11,000	25,000	25,000
TOTAL REVENUES	17,225	811,000	825,000	1,375,000
TOTAL AVAILABLE	295,619	942,794	916,069	1,596,257
EXPENDITURES				
Capital Projects	204,550	1,020,000	694,812	1,575,000
TOTAL EXPENDITURES	204,550	1,020,000	694,812	1,575,000
ENDING BALANCE	\$ 91,069	\$ (77,206)	\$ 221,257	\$ 21,257

**WATER AND SEWER FUND - CAPITAL PROJECTS RESERVE
PROJECT SCHEDULE**

	Total Project Cost	Project Costs Through 1997	Estimated 1999	Budget 2000
PROJECT STATUS				
<i>Projects in progress December 31, 1999</i>				
	\$ -	\$ -	\$ -	\$ -
<i>New Projects</i>				
Repaint exterior of 400 thousand gallon water tank	70,000	-	-	70,000
Wakeforest water tower repairs	120,000	-	-	120,000
West clarifier renovation	35,000	-	-	35,000
Automated meter reading	1,300,000	-	-	1,300,000
<i>Completed Projects</i>				
Screw pump repair	542,155	60,843	481,312	-
Repair water well #7	110,000	-	110,000	-
SCADA for sewage treatment	158,500	108,500	50,000	-
EPA rules evaluation	15,000	-	15,000	-
Water main break - University	38,500	-	38,500	-
<i>Repair Contingency</i>				
Fiscal 2000 repair contingency	50,000	-	-	50,000
TOTAL PROJECT COSTS	\$ 2,439,155	\$ 169,343	\$ 694,812	\$ 1,575,000

**THE SOLID WASTE
FUND**

SOLID WASTE FUND

The City collects and disposes of solid waste for its citizens. Prior to 1998 this activity was accounted for in the General Fund. Since a policy goal of the City is to finance the solid waste service with user fees, the 1998 Operating Budget separated its financial activity from the General Fund and created an 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

Financial Activity in 1999. In its second full year of operation, the Solid Waste Fund is expected to generate an estimated \$800,000 for solid waste services. Revenue from solid waste fees tends to be very stable.

The *direct* cost of providing solid waste services in 1999 is expected to amount to \$744,250. Direct costs include personnel, capital equipment, supplies, and services that can be

directly related to the solid waste collection and disposal service. There are other costs that are more difficult to quantify. Administrative, risk management, and equipment depreciation are examples of indirect costs associated with the delivery of solid waste services. Primarily, the General Fund pays these costs. In 1999 \$190,000 was provided toward reimbursing the General Fund for these indirect costs.

2000 Budget. The 2000 Budget begins to move the Solid Waste Fund to self-sufficiency. A \$0.50 per month increase of the solid waste collection fee should generate an additional \$36,000, increasing total revenues to \$846,000.

In 2000 the cost of service is expected to be \$909,570, including \$190,000 in indirect costs. The cost of service was reduced by recycling in 1998 and is expected to be further reduced by a change in the way tipping fees are assessed.

These savings together with the fee increase brings the solid waste service closer to self sufficiency.

SOLID WASTE FUND STATEMENT OF REVENUES AND EXPENDITURES

	Actual 1998	Budget 1999	Estimated 1999	Budget 2000
BEGINNING BALANCE	\$ -	\$ 117,112	\$ 117,112	\$ 70,750
OPERATING REVENUES				
Service Charges	790,420	810,000	800,000	836,000
Interest	5,005	-	5,000	11,000
Transfer from General Fund	200,000	100,000	100,000	-
TOTAL OPERATING REVENUE	995,425	910,000	900,000	847,000
TOTAL AVAILABLE	995,425	1,027,112	1,005,000	917,750
EXPENDITURES				
Operations	688,313	715,300	744,250	727,710
Administration	190,000	190,000	190,000	190,000
TOTAL EXPENDITURES	878,313	905,300	934,250	917,710
ENDING BALANCE	\$ 117,112	\$ 121,812	\$ 70,750	\$ 40

SOLID WASTE OPERATIONS

**PUBLIC WORKS
DIRECTOR**
|
**SOLID WASTE
SERVICES**

DEPARTMENT MISSION

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

SOLID WASTE OPERATIONS

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 1999:

- Purchased a baler for the Recycling Center using a grant from the Houston-Galveston Area Council of Governments.
- Changed method of calculating tipping fees from volume to weight of truck.

Future Objectives:

- Replace one solid waste truck.

Major Budget Items:

- Landfill tipping fees (\$148,000).
- Motor Vehicle Maintenance (\$30,000).
- Contract services to maintain the City's old landfill (\$20,000).
- Payments to the General Fund for administration and insurance (\$190,000).

Account Description	Actual 1997	Actual 1998	Budget 1999	YTD 1999	Projected 1999	Budget 2000
Personnel	\$322,762	\$343,173	\$339,400	\$187,290	\$ 352,450	\$368,310
Operating charges	475,770	345,140	395,400	295,283	391,800	391,400
Total	<u>\$798,532</u>	<u>\$688,313</u>	<u>\$734,800</u>	<u>\$482,573</u>	<u>\$ 744,250</u>	<u>\$759,710</u>

**CAPITAL PROJECT
FUND**

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 (normally 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 1999 budget provided \$665,000 fund projects. The sources of these funds were transfers from the General Fund; lease purchase contracts; grants; interest; and contributions.

The Fund began 1999 with \$145,049 on hand and will collect approximately \$588,000 in revenues. During 1999, an estimated \$725,049 will be spent on projects in progress, leaving a deficit balance of \$3,971 at December 31, 1999.

Projects completed in 1999 include: *The Municipal Building Renovation, Park Property Acquisition, Court Administration Software and the Service Request System.*

2000 Appropriations. Appropriations for 2000 include funding for projects underway when the current fiscal year ends on December 31, 1999 and two new projects.

Projects underway on January 1, 1999 include:

Management Information System. The City's computer system had become dated and did not comply with year 2000 programming standards. In 1997 the City began replacing all of its administrative and public safety computer systems (both hardware and software). The original project cost was estimated at \$650,000. This project is nearly complete, and is expected to cost \$685,000.

The installation of the *Building Permit Software* was delayed by personnel changes in the City's Building Division. The project is underway and is expected to be substantially complete by December 31, 1999.

Document management costs the City thousands of dollars each year. The 1999 Budget included \$30,000 to implement a computerized imaging system to help eliminate filing and handling paper. The project was delayed until 2000 while the City finished bringing its internal computer network online.

Whitt Johnson Park – The renovation of this park is expected to begin in late 1999. The total project cost is expected to come to \$275,000.

Only two completely new projects have been included in the 2000 Budget:

A voice actuated permit system would allow contractors and others to call and check the status of a permit automatically. This project is expected to cost \$40,000.

The West U downtown renovation project would be funded with grants from the State Department of Transportation. The total cost of this project is estimated to be \$1,000,000..

**CAPITAL PROJECT FUND
PROJECT SCHEDULE**

Active Projects	Total Project Cost	Project Costs Through 1998	Estimated 1999	2000 Budget
<i>New Projects</i>				
Downtown/Edloe Project	\$ -	\$ -	\$ -	\$ 960,000
Voice permit system	-	-	-	40,000
<i>Active Projects</i>				
Scout House Improvements			8,500	-
Imaging/document management	30,000	-	-	30,000
Whitt Johnson Park	266,000	15,649	50,000	200,000
Parks Improvements	100,000	23,783	25,000	50,000
City wide Management Information Sys.	685,000	533,805	50,000	100,000
Court administration system	50,000	-	25,000	25,000
Building permit system	50,000	-	25,000	25,000
Municipal Building Renovation	1,966,300	1,643,326	297,900	25,000
<i>Completed Projects</i>				
Park property acquisition	235,140	-	235,140	-
Service request system	30,000	-	12,480	-
TOTAL PROJECT COSTS	\$ 3,412,440	\$ 2,216,563	\$ 729,020	\$ 1,455,000

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

	Actual 1998	Estimated 1999	Budget 2000
BEGINNING BALANCE	\$ 1,884,809	\$ 145,049	\$ (3,971)
REVENUES			
Transfers from:			
General Fund	100,000	200,000	300,000
Water and Sewer Fund	-	-	-
Parks Check Off Fund	-	-	-
Recycling Fund	25,000	25,000	25,000
Other revenues	14,300	30,000	60,000
Grants from Harris County	40,000	50,000	50,000
Federal Grants	-	-	800,000
Interest earned on investments	70,212	100,000	100,000
Proceeds from Tax Contract	-	-	-
Contribution from Friends of the Park	175,000	175,000	125,000
TOTAL REVENUES	424,512	580,000	1,460,000
TOTAL AVAILABLE	2,309,321	725,049	1,456,029
EXPENDITURES			
Capital Projects	2,164,272	729,020	1,455,000
TOTAL EXPENDITURES	2,164,272	729,020	1,455,000
ENDING BALANCE	\$ 145,049	\$ (3,971)	\$ 1,029

2014

THE INFRASTRUCTURE REPLACEMENT FUND

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 1999, 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.

In September Bonds were sold to fund Priority Areas 6b and 7a. These projects are expected to cost \$14.4 million.

The 2000 budget appropriates funds to areas 7b, 8 and 12.

INFRASTRUCTURE REPLACEMENT FUND PROJECT SCHEDULE

	Total Project Cost	Project Costs Through 1998	Estimated 1999	Budget 2000
PROJECT STATUS				
<i>Projects Completed in 1999</i>				
Area 4b/5a	\$ 7,430,000	\$ 7,375,057	\$ 54,943	-
Slip lining sewer line	1,250,880	1,242,993	7,887	-
Sewer line rehabilitation	81,500	-	81,500	-
<i>Projects in Progress December 31, 1999</i>				
Area 5b/6a	6,200,000	3,120,277	3,000,000	79,730
Area 6b	6,600,000	763,606	4,000,000	1,836,394
Area 7a	7,800,000	44,508	2,000,000	5,755,492
Area 7b	7,861,000	-	-	550,000
Area 8	8,510,000	-	-	750,000
Area 12	4,700,000	-	-	250,000
Contingency	100,000	-	-	100,000
TOTAL PROJECT COSTS	\$ 50,533,380	\$ 12,546,441	\$ 9,144,330	\$ 9,321,616

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

	Actual 1998	Estimated 1999	Budget 2000
BEGINNING BALANCE	\$ 12,346,446	\$ 20,079,846	\$ 12,083,016
REVENUES			
Grants	113,198	770,000	260,000
Interest earned on investments	475,091	377,500	325,000
Bond Proceeds	14,316,786	-	-
TOTAL REVENUES	14,905,075	1,147,500	585,000
TOTAL AVAILABLE	27,251,521	21,227,346	12,668,016
EXPENDITURES			
Capital Projects	7,171,675	9,144,330	9,321,616
TOTAL EXPENDITURES	7,171,675	9,144,330	9,321,616
ENDING BALANCE	\$ 20,079,846	\$ 12,083,016	\$ 3,346,400

2011

THE EQUIPMENT REPLACEMENT FUND

THE EQUATION 1991-1992

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 was established in the 1998 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.

In order to avoid fluctuations caused by replacing large capital and to more carefully plan for the orderly replacement of equipment, each

department is charged an annual amount (roughly equivalent to a lease). This charge is transferred to the Equipment Replacement Fund and reserved for the purchase of replacement equipment. In 1999 the equipment replacement charges amount to \$341,890.

The City expects to spend \$250,843 for equipment in 2000. Two new patrol vehicles for the police department are expected to cost \$30,000 apiece.

A flatbed truck to replace a 1985 truck is expected to cost \$35,000. A jet truck used in maintaining sewer lines is needed to replace a truck currently over ten years old.

The City changed its radios in 1999, but did not replace the radios in public works vehicles. The cost to upgrade these radios is expected to be \$55,000.

Video cameras are needed to assess the condition of sewer lines. These cameras are expected to cost \$50,000.

EQUIPMENT REPLACEMENT FUND STATEMENT OF REVENUES AND EXPENDITURES				
	Actual 1998	Budget 1999	Estimated 1999	Budget 2000
BEGINNING BALANCES	\$ -	\$ 54,646	\$ 54,646	\$ 145,693
REVENUES:				
Transfer from the General Fund	171,480	171,480	171,480	201,480
Transfer from the Water and Sewer Fund	63,700	63,700	63,700	63,700
Transfer from the Solid Waste Fund	104,210	104,210	104,210	104,210
Interest	2,520	2,500	2,500	2,500
TOTAL REVENUES	341,910	341,890	341,890	371,890
TOTAL AVAILABLE RESOURCES	341,910	396,536	396,536	517,583
TOTAL EXPENDITURES	287,264	145,000	250,843	380,000
ENDING BALANCE	\$ 54,646	\$ 251,536	\$ 145,693	\$ 137,583

EQUIPMENT REPLACEMENT LIST

	Actual 1998	Budget 1999	Estimated 1999	Budget 2000
EXPENDITURES:				
<i>General Fund</i>				
Police Department				
Automobiles	69,666	50,000	26,743	60,000
Radios	-	-	119,100	-
Fire Department				
Ambulance	-	95,000	105,000	-
Public Works Department				
Building Division	14,657	-	-	-
Streets Division - Street Sweeper	91,698	-	-	-
Radios	-	-	-	55,000
Flat bed truck	-	-	-	35,000
Parks and Recreation				
Parks and Recreation - Swimming Pool Equipment	34,963	-	-	-
Senior Services Division - 1987 Handicap Van	40,702	-	-	-
<i>Water and Sewer Fund</i>				
Public Works Department				
Video Cameras for sewer lines	-	-	-	50,000
Jet Truck	-	-	-	60,000
Field Services Division - 1992 Pickup	17,789	-	-	-
Field Services Division - 1993 Pickup	17,789	-	-	-
<i>Solid Waste Fund</i>				
Solid Waste Truck	-	-	-	120,000
TOTAL EXPENDITURES	287,264	145,000	250,843	380,000

SPECIAL REVENUE FUNDS

THE UNIVERSITY OF CHICAGO

PH.D. THESIS

SPECIAL REVENUE FUNDS

Special Revenue Fund 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

A small fund balance and lower interest rate reduced the amount available to transfer to \$11,973.

PARKS FUND				
STATEMENT OF REVENUES AND EXPENDITURES				
	Actual 1998	Budget 1999	Estimated 1999	Budget 2000
BEGINNING BALANCE	\$ 37,550	\$ 3,973	\$ 3,973	\$ 7,973
REVENUES:				
Interest on investments	2,717	3,000	1,000	1,000
Contributions	3,706	5,000	3,000	3,000
TOTAL REVENUES	6,423	8,000	4,000	4,000
TOTAL AVAILABLE RESOURCES	43,973	11,973	7,973	11,973
EXPENDITURES:				
Parks programs	-	-	-	-
Transfer to Capital Project Fund	40,000	-	-	-
TOTAL EXPENDITURES	40,000	-	-	-
ENDING BALANCE	\$ 3,973	\$ 11,973	\$ 7,973	\$ 11,973

THE RECYCLING FUND

The Recycling Fund is closely related to the new Solid Waste Fund. The 1999 Budget was based on expected revenues of \$40,000. Expenditures in 1999 include \$50,000 to purchase a baler at the Recycling Center. This purchase was completely funded by a grant from the HGAC.

Revenues in 2000 are expected to be \$41,500. Expenditures consist of a \$25,000 transfer to the Capital Projects Fund to offset the cost of the recycling center and \$12,000 to support recycling programs.

RECYCLING FUND				
STATEMENT OF REVENUES AND EXPENDITURES				
	Actual 1998	Budget 1999	Estimated 1999	Budget 2000
BEGINNING BALANCE	\$ 2,783	\$ 2,224	\$ 2,224	\$ 6,724
REVENUES:				
Interest on investments	847	1,500	1,500	1,500
Sales of Recyclables	30,057	40,000	40,000	40,000
Grants	6,465	-	50,000	-
TOTAL REVENUES	37,369	41,500	91,500	41,500
TOTAL AVAILABLE RESOURCES	40,152	43,724	93,724	48,224
EXPENDITURES:				
Recycling Programs	12,928	12,000	62,000	12,000
Transfer to Capital Project Fund	25,000	25,000	25,000	25,000
TOTAL EXPENDITURES	37,928	37,000	87,000	37,000
ENDING BALANCE	\$ 2,224	\$ 6,724	\$ 6,724	\$ 11,224

APPENDIX

THE HISTORY OF THE

ROYAL SOCIETY OF LONDON

INCREASE POLICE STAFFING

In order to increase police presence in West U, it is proposed to add three additional officers as follows:

Non-recurring	
Patrol Vehicle	30,000
Recurring	
Three police officers	120,000
Equipment replacement	<u>12,000</u>
	<u>132,000</u>
Tax rate to finance recurring costs	<u>0.8 cents</u>

To add three police officers will cost \$150,000 in the first year and \$132,000 for each year thereafter. The General Fund Balance would finance the non-recurring costs. The property tax rate would increase \$0.008 cents per \$100 valuation. \$0.008 cents per \$100 equals \$8 annually per \$100,000 valuation. A \$300,000 would be assessed an additional \$24.

LOWER ISO RATING

In 1998 homeowners all across West U were informed of steep rate increases for their homeowners insurance. Specifics about the extent of this rate increase are not yet available, but citizens are reporting 10 – 15% premium increases. This rate increase was based on the City's rating from the Insurance Service Organization (ISO), a private company that supplies data to the Board of Insurance.

In order to reduce the premiums the City must make certain modifications to its public safety operations. The Table below provides a summary of the changes.

	ISO Class		
	Five	Three	Two
	Current		
Premium Reduction		6.60%	14.50%
Annual Premiums Paid	10,557,917	10,557,917	10,557,917
Savings	-	696,823	1,530,898
Costs			
Non Recurring			
Equipment	-	20,000	10,000
Dispatch/911 Renovation	-	-	220,000
Total non-recurring costs	-	20,000	230,000
Recurring			
Training	-	10,000	10,000
Fire Marshall	-	-	67,000
Four Dispatchers	-	-	120,000
Total recurring costs	-	10,000	197,000
Total Costs	-	30,000	427,000
Savings			
First Year	-	666,823	1,103,898
Thereafter	-	686,823	1,333,898
Tax rate to finance recurring costs	-	-	1.5 cents
Cost per \$100,000 value	-	-	15

To reduce the ISO rating from five to two would cost \$427,000 in year one and \$197,000 per year for each year thereafter. The savings to the community would be \$1.3 million a year in insurance premiums.

The General Fund Balance would provide the first year non-recurring costs. Recurring costs could be financed with a 1.5 cents per \$100 property tax increase. This property tax rate increase would add \$15 additional property tax each year for each \$100,000 of assessed value. So a \$300,000 home would be assessed an additional \$45.

STAFFING SCHEDULE

POSITION	GRADE	BUDGET		SALARY RANGE	
		1998	1999	MINIMUM	MAXIMUM
Administration					
City Manager	N/C	1	1	94,400 (current)	
City Secretary	N/C	1	1	46,500 (current)	
Personnel/Risk Specialist	40	1	1	30,780	45,000
Administrative Assistant	39	1	1	28,452	41,088
Total administration		4	4		
Finance					
<i>Finance</i>					
Finance Director	N/C	1	1	65,470 (current)	
Deputy Tax/Assessor Collector	38	1	1	26,400	37,644
Accounting Specialist	36	3	3	23,001	31,980
Utility Billing Specialist	37	1	1	24,588	34,620
Customer Service Representative	35	1	1	21,612	29,652
<i>Municipal Court</i>					
Municipal Court Clerk	39	1	1	28,452	41,088
Deputy Court Clerk	35	1	1	21,612	29,652
Total Finance		9	9		
Police Department					
<i>Police</i>					
Chief	N/C	1	1	61,500 (current)	
Patrol Lieutenant	43	4	4	39,984	60,612
Patrol Sergeant	41	4	4	33,456	49,512
Animal Control Officer	36	1	1	23,001	31,980
Police Officer	38	12	12	28,000	37,644
<i>Communications</i>					
Records Secretary	36	1	1	23,001	31,980
Police Dispatchers	36	5	5	23,001	31,980
Total Police		28	28		
Fire Department					
Chief		1	1	65,697 (current)	
Fire Captain	43	3	3	39,984	60,612
Fire Lieutenant	41	3	3	33,456	49,512
Firefighter	38	12	12	27,000	37,644
Secretary-Fire	36	1	1	23,004	31,980
Total-Fire Department		20	20		
Public Works					
<i>Public Works Administration</i>					
Public Works Director	N/C	1	1	70,743 (current)	
Secretary Public Works	36	1	1	23,004	31,980
Administrative Assistant	39	1	1	28,452	41,088
Planning & Development Assistant	39	1	1	28,452	41,088
<i>Building Division</i>					
Chief Building Official	43	1	1	39,984	60,612

POSITION	GRADE	BUDGET		SALARY RANGE	
		1998	1999	MINIMUM	MAXIMUM
Assistant Building Official (Abolished)	40	1	0	30,036	43,908
Building Inspector	38	1	2	27,500	37,644
Urban Forester	39	1	1	28,452	41,088
Building Secretary	36	2	2	23,001	31,980
<i>Streets and Drainage</i>					
General Service Supervisor	41	1	1	33,456	49,512
Crew Chief-Street	38	1	1	26,400	37,644
Equipment Operator-Street	34	4	4	20,388	27,600
Maintenance Worker-Street	32	4	4	18,372	24,216
<i>Fleet and Facility</i>					
Building Maintenance Supervisor	34	1	1	20,388	27,600
Mechanic	34	1	1	20,388	27,600
Total-Public Works		22	22		
<i>Parks and Recreation</i>					
<i>Parks and Recreation</i>					
Parks and Recreation Director	N/C	1	1	57,382 (current)	
Recreation Manager	39	1	1	28,452	41,088
Secretary-Community Building	36	1	1	23,004	31,980
<i>Senior Services</i>					
Senior Services Manager	40	1	1	30,780	45,000
Senior Services Assistant Manager	34	1	1	20,388	27,600
Custodian	32	1	1	18,372	24,216
Total-Parks and Recreation		6	6		
Total General Fund		89	89		
<i>Water Fund</i>					
Utilities Superintendent	43	1	1	39,984	60,612
Utilities Coordinator	41	1	1	33,456	49,512
Crew Chief-Field Services	38	3	3	26,400	37,644
Crew Leader-Field Services	35	3	3	21,612	29,652
Maintenance Worker-Field Services	33	1	1	19,320	25,812
Maintenance Worker I-Field Services	32	1	1	18,372	24,216
Plant Operator II	38	1	1	26,400	37,644
Plant Operator I	34	2	2	20,388	27,600
Plant Operator Trainee	32	1	1	19,320	25,812
Plant Operator I (Provisional)	32	1	1	19,320	25,182
Total Water Fund		15	15		
<i>Solid Waste Fund</i>					
Driver-Solid Waste	35	4	8	21,612	29,652
Laborer-Solid Waste	33	5	1	19,320	29,652
Total Solid Waste Fund		9	9		
Total Employees		113	113		

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

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

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

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

FUND: A fiscal and accounting entity with a self-balancing set of accounts 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.