



City of Farmers Branch
13000 William Dodson Parkway
Farmers Branch, Texas 75234

September 11, 2018

The Honorable Mayor Dye and
Members of the City Council

The City of Farmers Branch management team is honored to present the 2018-19 Proposed Operating and Capital Improvement Program Budget. This year's budget has been prepared with the objectives of maintaining the financial strength of the City, meeting the needs of citizens and implementing the priorities of the City Council.

A growing economy and a strategic emphasis on reinvesting in the community provides the City of Farmers Branch a unique opportunity, with the 2018-19 budget, to have a significant positive impact on its residents. This budget has been developed in congruence with the strategic plan including the guiding principles, goals and initiatives set by the City Council. It has also been designed to react to various citizen needs as presented in public information gathering activities such as the biennial citizen survey, Farmers Branch Night Out community engagement events, public hearings and other citizen input mechanisms.

Key proposals in the budget include reducing the property tax rate, absorbing a planned 2-cent property tax rate increase for recently issued Quality of Life Bonds and new fire station debt, as well as significant new funding for critical sanitary sewer improvements and city infrastructure protection within Farmers Branch Creek.

The 2018-19 budget emphasizes investment in public safety, infrastructure and equipment needed to continually improve services to citizens. Major projects proposed include:

- Bee Street “Restaurant Park” Development
- Camelot Landfill Scalehouse and Maintenance Facility Construction
- Channel Improvements – Cooks Creek
- Continuation of a 10-Year Street Bond Program – Phase Two, including the Oakbrook neighborhood
- Development of a Dog Park at the Recreation Center
- Farmers Branch Creek Improvements
- Fire Station No. 2 Relocation
- Increased Economic Development Funding
- Library Renovation/Rebuild Study
- Marsh Lane Bridge Sidewalk Expansion
- Multi-Year Construction Initiative to Build New Service Center
- Park, Playground and Trail Improvements

- Rawhide Creek Dredging and Sanitary Sewer Inflow/Infiltration Improvements
- Residential Revitalization Program
- Farmers Branch Creek Well Project
- Webb Chapel Bridge and Channel Improvements

Strategic Planning

In February 2018, City Administration met with the City Council to review the City mission statement and guiding principles and to seek direction in preparing the fiscal year 2018-19 budget. The established mission and vision statements, guiding principles and goals for the City of Farmers Branch are:

“Our Mission at the City of Farmers Branch is to build a vibrant, dynamic community that consistently seeks to improve the quality of life for our residents.”

“Our Vision is to be a city of the future with a vibrant and diverse economy that supports beautiful parks, great amenities and friendly neighborhoods.”

Guiding Principle – Ethics & Integrity

Doing the right things for the right reasons delivers exceptional results.

- Establish standard operational practices designed to deliver consistent high performance.
- Pursue transparency, accountability, and accessibility wherever possible.
- Pursue opportunities to strengthen relationships across internal departments and with area cities, counties, school districts, chambers of commerce, state and federal agencies, and social services.

Guiding Principle – Financial Stewardship

Stakeholders’ investments should be protected through conservative budgeting, spending and resource management.

- Maintain responsible stewardship of taxpayers’ investments in the community.

Guiding Principle – Accessibility

Stakeholders deserve to know what is happening in the community and should have the opportunity to participate in its governance.

- Improve internal and external communications efforts.

Guiding Principle – Public Safety

Provide safety and security for citizens, visitors and businesses through progressive public safety programs.

- Provide professional and timely public safety services which meet or exceed industry benchmarks.
- Engage stakeholders to employ best practices in the proactive planning for and prevention of public safety incidents.

Guiding Principle – Sustainable Growth

A strong, diversified economic base provides sustainable growth.

- Promote business expansion, retention and relocation to Farmers Branch.
- Promote visits in and around the City.

Guiding Principle – Thriving Neighborhoods

Effective planning, land use, development, code enforcement, and revitalization activities yield strong, thriving commercial and residential neighborhoods.

- Plan, provide for, and promote the maintenance of vibrant residential and commercial neighborhoods.

Guiding Principle – Culture & Recreation

Beautifully maintained natural environments, parks, trails, rights-of-way, and green spaces paired with a wide variety of quality recreational and entertainment opportunities for all ages enhance quality of life.

- Provide community center spaces in which the public can gather for collaboration, cultural development and individual improvement.
- Maintain and develop infrastructure and beautification of City parks, trails, rights-of-way, and other green spaces.

Guiding Principle – Infrastructure & Assets

Functional, sustainable and well-maintained infrastructure, facilities and equipment are essential elements which allow the City to achieve its potential.

- Plan and prepare for the future infrastructure, facilities and equipment needs of the City.
- Maintain and improve the current infrastructure, facilities and equipment assets of the City.

Guiding Principle – Workforce Investments

A motivated, educated, experienced, diverse workforce is needed to carry out our mission.

- Provide workforce investments to maximize employee expertise, wellness, safety, and effectiveness.

Guiding Principle – Phenomenal Service

Phenomenal customer service sets us apart as a community of choice.

- Employ innovative programs, updated technologies and objective analytics to optimize efficiencies and enhance services.

These guiding principles and the associated departmental strategic initiatives are detailed in the pages immediately following this budget message. They provide a road map to accomplish the City's mission to build a vibrant, dynamic community that consistently seeks to improve the quality of life for our residents.

During the 2017-18 fiscal year, the City Council provided guidance for key initiatives to be accomplished during the 2018-19 fiscal year. These critical business outcomes are reflected and addressed in the Proposed Fiscal Year 2018-19 Budget. The following are the 2018-19 City Council critical business outcomes:

- Implement a vision for the central corridor and encourage redevelopment of the East Side.
- Improve options for quality, senior-centric housing.
- Enhance entryways to the City.
- Identify solutions for homes located in the flood plain.
- Implement data-driven process for making resource allocation decisions.
- Create a dog park.
- Continue to deliver exceptional service to our residents, businesses and other stakeholders.

Fiscal Summary

The total 2018-19 budget is proposed at \$131,333,726. This is \$23,388,222 or approximately 21.7% greater than was adopted (\$107,945,504) for the 2017-18 budget. For 2018-19, the General Fund includes additional funds for economic development, Farmers Branch Creek improvements, and public safety competitive salary adjustments. The Water & Sewer Fund budget includes additional funds for increased sanitary sewer inflow and infiltration projects. The Debt Service Fund includes new debt issuances resulting from the November 2017 election and the issuance of remaining voter-authorized debt from the May 2014 election. The Economic Development Fund includes additional funds for increased initiatives. Finally, the Capital Projects Fund includes significant capital project additions. Following is a summary of the budget for each of the fund groups contained in the proposed budget.

General Fund	\$ 61,821,100
Water & Sewer Fund	\$ 23,173,900
Stormwater Utility Fund	\$ 1,449,000
Hotel/Motel Fund	\$ 3,017,700
Debt Service	\$ 6,041,200
Economic Development	\$ 2,060,000
Special Revenue Funds	<u>\$ 3,698,078</u>
Subtotal Operating	\$101,260,978
Capital Project Funds	<u>\$ 30,072,748</u>
Total Budget	<u>\$131,333,726</u>

Assumptions

Revenues and expenditures were developed on the basis of certain economic assumptions. As has been clearly exhibited in the past, assumptions are, at best, an estimate as conditions can change significantly. Nevertheless, some assumptions must be used in developing a budget. City Administration attempts to conservatively estimate revenue and expenditure projections in order to assure a reasonable and sustainable fiscal plan.

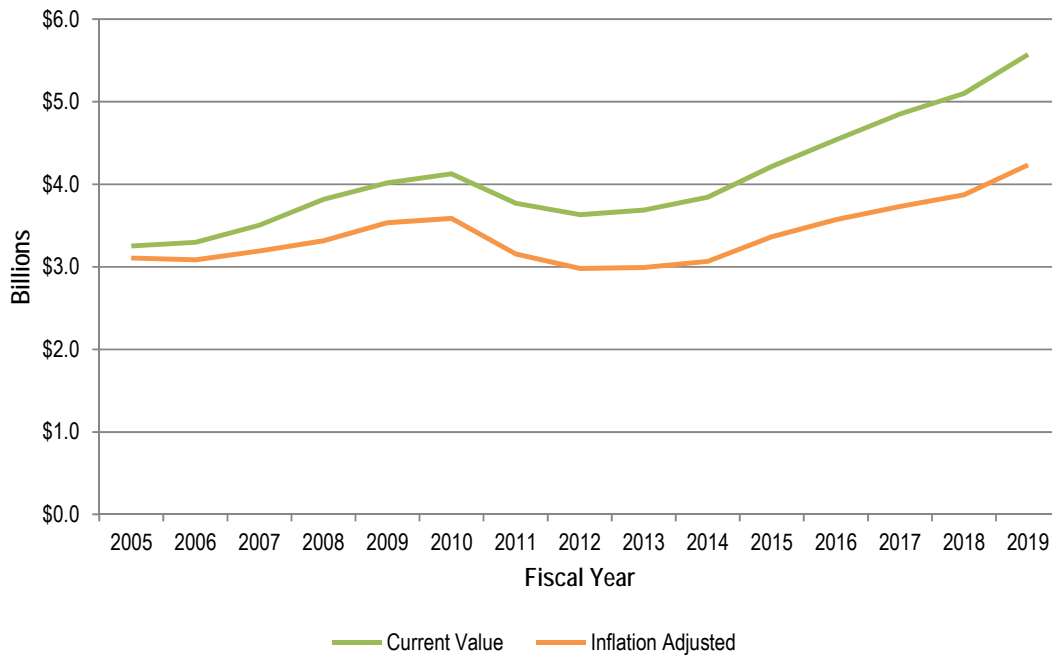
From a macroeconomic perspective, national and state trends are monitored to assess their impact on Farmers Branch. The primary national trend impacting the City has been the change in demographics. The millennial generation, born between 1980 and 2000, is the largest in U.S. history and as they reach their prime working and spending years their impact on the economy is going to be huge. Millennial housing needs, employment desires and expectation of city services will impact Farmers Branch. The challenge for the City is to proactively meet those needs, desires and expectations.

At the state and local levels, the low-tax business-friendly environment has resulted in significant business relocations, expansions, employment, and population increases. This trend is expected to continue at a higher rate than the national average. For the past few state legislative sessions, bills have been introduced to reduce or cap the growth of local government revenues and/or expenditures. These bills could significantly impact the ability of Farmers Branch to meet the demands of growth and still maintain high service levels expected by our residents. The City Council has adopted a position strongly against state control of local finances. City staff will continue to monitor legislation which would adversely impact the ability of the City's elected officials to control Farmers Branch finances. The recently announced trade war tariffs on steel, aluminum and lumber are of special concern given that development and building costs are directly impacted. Plans to build new City facilities have built-in contingency funds, but a sustained trade war could result in far greater costs and the need for additional funding or project delay. These tariffs and their impact will be closely monitored.

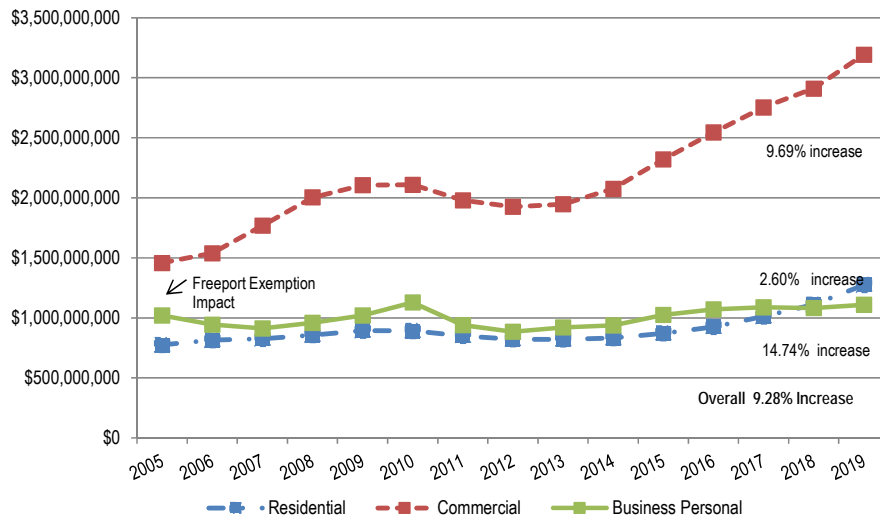
In fiscal year 2017, construction of the Mercer Crossing planned development on the City's West Side began. The impact of this estimated \$1 billion value development will be significant. Public improvements totaling \$33 million (financed with public improvement district bonds) are being constructed. As properties are developed and sold, it is anticipated that close to 10,000 new residents and many new businesses will enter Farmers Branch creating new revenue and expanded needs for city services. This mixed-use development of 1,000 single-family homes, 2,250 apartment units, hotels, retail, office, and restaurants is planned for build-out within five years ultimately increasing net property tax revenue (after 40% tax increment finance participation) to the City by \$1.4 million per year. This additional revenue is expected to cover the increased operational cost of delivering services required by this development.

Revenues are projected to grow in 2018-19 due to new development and a stronger economy. Property tax (current and prior year) and sales tax revenue represent 68.53% of total General Fund Revenues. In past years, the City has had the fortune of a strong tax base and fund balances. Total taxable values increased 9.28% to \$5.575 billion. The commercial tax base, including real and business personal property, represents a strong 77% of the City's total tax base.

Taxable Property Value Comparison



Property Values - Current Dollars

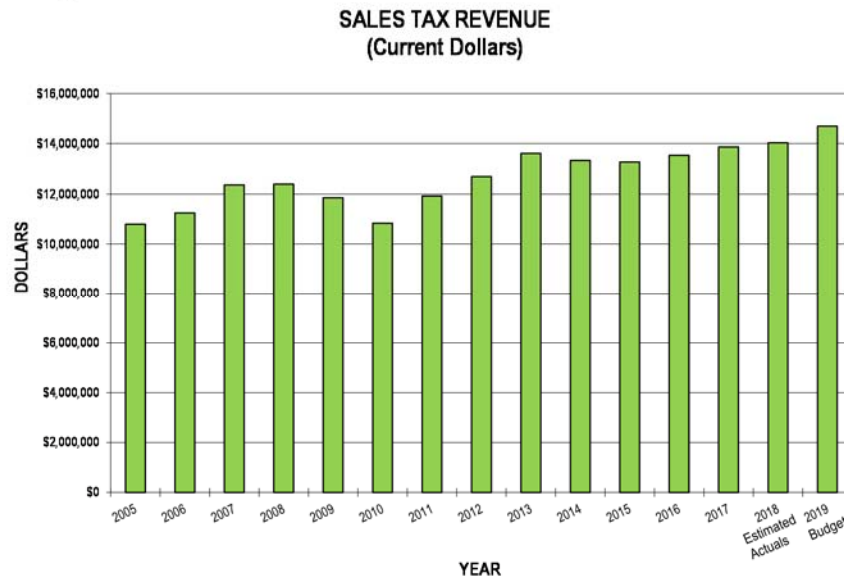


In fiscal year 2017-18, the City issued remaining voter-authorized Street Improvement Bonds totaling \$9.0 million, Fire Station No. 2 Relocation Certificates of Obligation of approximately \$5.36 million and Landfill Improvement Certificates of Obligation of approximately \$5.155 million without a property tax rate increase. In addition, the City issued \$5.0 million in voter-authorized Quality of Life Bonds, which were anticipated to result in a property tax rate increase of \$0.02 in fiscal year 2018-19. Due to increased revenues associated with property value growth, the proposed budget recommends absorbing this anticipated rate increase.

The 2018-19 proposed budget was developed with a reduction in the City’s property tax rate to \$0.599507 and reflects the City absorbing the planned \$0.02 property tax rate increase related to voter-authorized Quality of Life Bonds authorized in the November 2017 election. A property tax rate at this level continues to position Farmers Branch at one of the lowest rates in Dallas County.

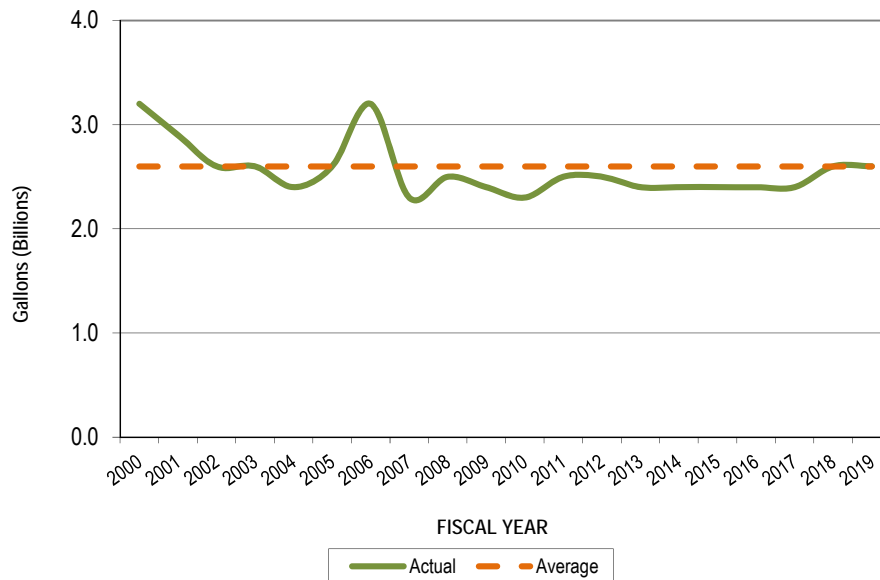
Additional City initiatives such as: the Farmers Branch Power Switch program, whereby residents can benefit from volume buying power; and Fire Department efforts which resulted recently in a national fire protection highest rating designation of ISO 1, will provide residents and businesses substantial utility and insurance cost savings.

Sales tax revenues can fluctuate greatly due to national, state and local economic conditions. Overall, sales tax revenues from existing business are anticipated to increase approximately 4.76% from this year’s expected actuals.



The proposed budget assumes annual sales of 2.6 billion gallons of water – consistent with consumption averages of the past five years. Water consumption is highly dependent on the weather and conservation efforts and is budgeted in a conservative manner. A \$2 million fund balance target provides help in evening out the fluctuations between “wet” and “dry” years. Moderate weather conditions, conservation efforts and increasing use of high efficiency appliances have combined to stabilize annual sales at a long-term historic 2.6 billion gallon average.

Annual Water Consumption Trends

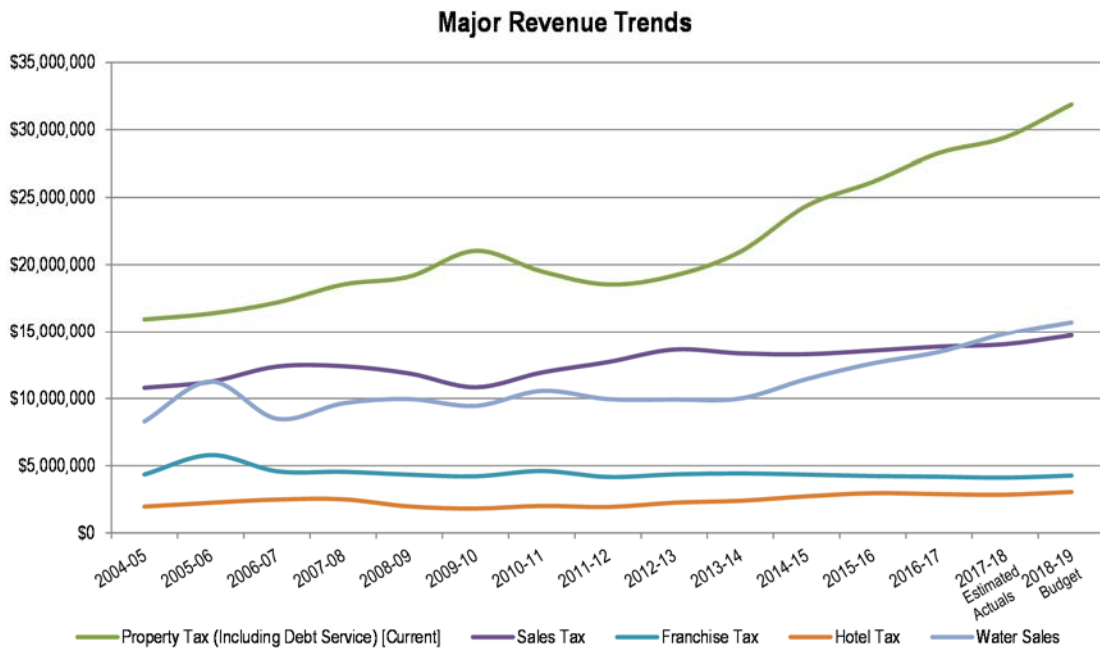


Projected Revenues – Major Operating Funds

The proposed budget details General Fund revenues at \$4,768,200 greater than the 2017-18 adopted budget due primarily to increases in property tax revenue (\$2,000,000), building permits/construction activity (\$1,632,000) and sales tax revenue (\$1,100,000). Property tax revenues are increasing due to an overall 9.28% increase in taxable property values. Building permit revenues are increasing due to an anticipated increase in construction activity. This particular increase in revenues is anticipated to be temporary in nature as the growth of development stabilizes in the future. Sales tax revenues are expected to increase based upon an improved economy. The 2018-19 budget proposes an increase in ambulance service transport rates as a measure to reduce the subsidy to the cost of providing ambulance service and to maximize Medicare, Medicaid and private insurance revenues while minimizing a patient's out-of-pocket expenses. The non-resident focused increased rates are projected to increase ambulance fee revenues by approximately \$45,000 from the 2018 adopted budget and are consistent with fees currently charged by area cities. City Administration is also proposing to establish/amend certain park and event fees in order to recover a portion of the costs related to providing such services.

The proposed budget details Enterprise Fund revenues at \$1,657,400 greater than 2017-18 adopted budget due primarily to a 6% water and sewer rate increase and a 5% stormwater rate increase. The proposed budget includes an increase in water and sewer rates to offset rising costs and to significantly increase funding for much needed sanitary sewer inflow and infiltration projects. The proposed water and sewer rate increases are anticipated to result in a \$4.39 monthly increase for a residential consumer averaging 6,000 gallons of water consumption. The proposed stormwater rate increase is anticipated to result in an annual increase of \$2.70 for the average home.

Slight growth is anticipated in Hotel/Motel Fund revenues as occupancy levels have remained relatively stable. Construction of several new hotels is underway, which should increase revenues in future years.



Proposed Expenditures – Major Operating Funds

The 2018-19 proposed budget details General Fund operating expenditures of \$4,880,300 more than the 2017-18 adopted budget. The proposed increases are primarily due to \$2,530,000 related to capital and fixed asset costs, which are described in more detail under the Capital Improvement & Fixed Asset Program section of this document. Personnel costs increased by \$1,244,000, reflecting proposed non-sworn employee merit increases, sworn police and fire step market adjustments, and sworn step plan increases. Economic development funding has been increased by \$700,000 to maintain the City's competitive position and account for awarded incentives. Additionally, \$412,000 is proposed for increased costs related to studies (e.g. I-35 corridor) and volume-based landfill host fees to the City of Lewisville. A special emphasis has been given to directing temporary revenue growth (i.e. building permit revenue) towards investment in infrastructure. Significant attention in the development of this budget was controlling the cost growth of amenities specifically related to the Recreation Center, Aquatic Center and Senior Center. Adjustments to revenues and close attention to controlling expenditures has resulted in a stabilization of net cost for all three facilities in the proposed budget.

The 2018-19 proposed budget details Enterprise Fund operating expenditures of \$1,303,500 more than the 2017-18 adopted budget. Water & Sewer Fund operating expenditures are \$1,153,500 greater than the 2017-18 adopted budget due primarily to increases in inflow and infiltration (I & I) capital projects and wastewater treatment costs. Revised metering practices and a rate increase from the Trinity River Authority have materially impacted costs in the Water & Sewer operating fund for the 2018-19 fiscal year. These increased fees are expected to continue for the foreseeable future. These are two major factors impacting an anticipated rate increase for water and sewer services for the 2018-19 fiscal year. The Stormwater Utility Fund includes expenditures of \$1,449,000 for stormwater projects and compliance activities required by the City's stormwater permit.

Hotel/Motel Fund proposed operating expenditures are \$341,200 less than the 2017-18 adopted budget due primarily to funding of capital updates to the Church and Gilbert House, which are not continued in 2018-19. This decrease in expenditures is offset by an increase in expenditures related to additional Historical Park building repairs planned for 2018-19. The City has begun initial planning for a possible new “Barn” building in the Historical Park, which will be more fully analyzed during 2018-19.

Fund Balances

This budget meets all multi-year financial objectives approved by the City Council. The current financial management policy notes that the City will maintain an unassigned fund balance to be used for unanticipated emergencies and needs of approximately 15%-20% of the operating budget of the General Fund.

The proposed budget estimates that the General Fund balance is estimated to exceed \$11.4 million at the end of the 2018-19 fiscal year with a most realistic scenario of approximately \$11.7 million. One of the City’s multi-year financial objectives is to “formulate future budgets so that no use of fund balance will be required in the final operating results.” The estimated final operating results are detailed as an exhibit to the budget, which illustrates the “most realistic scenario.” For the General Fund, the most realistic scenario represents the expectation that expenditures will end up \$300,000 less than budgeted due to cost savings, vacancies or contingency items that will not be needed.

The City defines a balanced budget as an operating budget where revenues equal or exceed expenditures and no use of fund balance is required. The 2018-19 proposed General Fund budget details an addition to fund balance totaling \$3,300 with a most realistic projection adding \$303,300 to fund balance and is therefore considered a balanced budget. The adjusted General Fund target fund balance range is between \$8.8 million and \$11.7 million. The anticipated most-realistic target fund balance is equivalent to 19.90% of General Fund operating expenditures adjusted for transfers to the Fixed Asset Fund.

The Water & Sewer Fund target balance is \$2,000,000. The 2018-19 proposed budget estimates that this fund balance will be \$2.0 million at the end of the fiscal year with a most realistic scenario of \$2.1 million. The proposed Water & Sewer Fund budget details an addition to fund balance of \$465,700 and a most realistic scenario adding \$565,700 to fund balance.

The Hotel/Motel Fund target balance is \$300,000. The 2018-19 proposed Hotel/Motel Fund budget estimates that this fund will be \$689,866 at the end of the fiscal year with a most realistic scenario of \$764,866. The primary revenues for this fund are hotel occupancy taxes, which are restricted by State law as to their use. City Administration continues to review ways to most effectively use these revenues in accordance with State law.

Investment in Services, Facilities & People

The proposed budget continues to implement the compensation study performed during the 2015-16 fiscal year and implemented in fiscal year 2016-17. In order to keep the City’s compensation system current, a mini-compensation survey is conducted annually using key employee positions as benchmarks in order to determine if the pay structure is still competitive. Additionally, an annual North Central Texas Council of Governments City Manager survey (available in July of each year) will be used to review planned merit-based pay increases for the upcoming fiscal year within the

region. A full independent compensation study is anticipated every five years – the next one planned for the 2020-21 fiscal year. In 2016, the City Council adopted a 105% of average starting salary philosophy for all employees. The proposed budget maintains that philosophy.

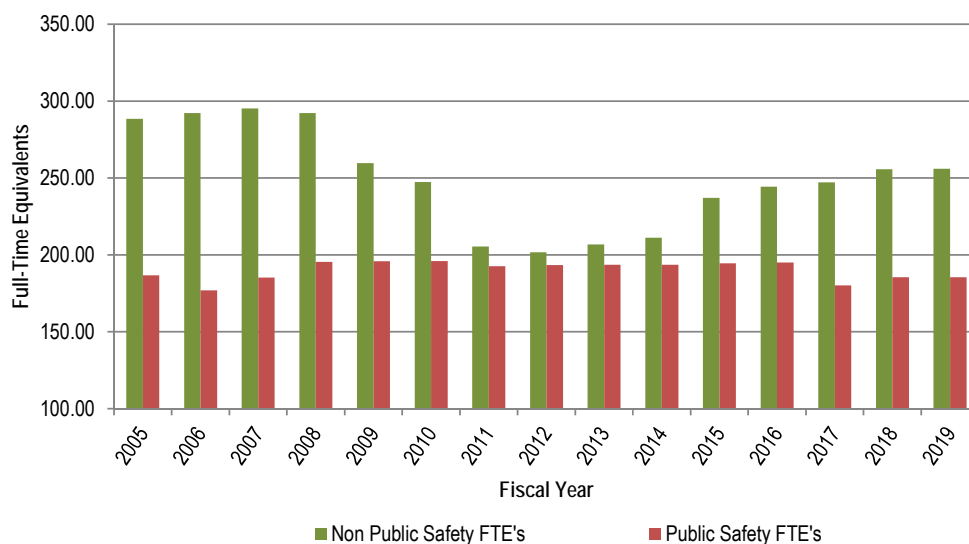
Based on completion of the two surveys noted above, a merit-based pay increase is proposed for full-time non-sworn employees. Under this plan, employees are eligible for increases ranging from 0-5%. Sworn employees will continue to participate in a step increase pay system. Additionally, a 2% structure adjustment is proposed for Police sworn positions and a 3.5% structure adjustment is proposed for Fire sworn positions based on results of this year's mini-compensation survey.

Texas Municipal Retirement System (TMRS) costs continue to meet guidelines established by the Employee Retirement Benefits Committee (ERBC) for the plan's funded ratio. The City's funded ratio increased slightly to 87.97% and the unfunded liability decreased to \$30.9 million. These trends will continue to be monitored in accordance with ERBC guidelines that recommend benefit adjustments if a negative trend continues for three years. The City continues to follow a policy of overfunding contributions with any surplus that may result at year-end if actual TMRS costs are less than budget. This overfunding accelerates the elimination of unfunded liabilities associated with the plan. Any pension system with greater than 80% funded status is considered financially healthy.

The proposed budget includes the addition of 1 part-time employee for the Historical Park and a slight increase in scheduled part-time hours due to implementation of the City's new software system. These adjustments result in an addition of 1.75 full-time equivalents. General Fund personnel costs now represent 57.67% of General Fund expenditures – down from 79% in fiscal year 2010-11.

As detailed in the following graphic, staffing levels continue to demonstrate remarkable productivity as service levels remain high.

Meeting Citizen Needs Efficiently



Capital Improvement & Fixed Asset Programs

The Capital Improvement Program (CIP) Funds detail major capital spending plans during the next seven years along with pay-as-you-go funding for major new facilities and public improvements. Construction of a new Service Center is also planned for 2018 and will be funded from pay-as-you-go funding through the Non-Bond Utility CIP Fund. The proposed budget includes \$30,072,748 for capital improvement projects. Some of the projects proposed in the multi-year Capital Improvement Program (CIP) Budget include:

- Continuation of a 10-Year Street Bond Program – Phase Two, including Oakbrook
- Marsh Lane Bridge Sidewalk Expansion
- Webb Chapel Bridge and Channel Improvements
- Rawhide Creek Dredging and Sanitary Sewer System Improvements
- Farmers Branch Creek Study and Improvements
- Farmers Branch Creek Well Project
- Channel Improvements to Cooks Creek
- Library Renovation/Rebuild Study
- Camelot Landfill Scalehouse and Maintenance Facility Construction
- Begin the Multi-Year Construction Initiative to Build a New Service Center
- Continued Station Area Development (Bee Street/Restaurant Park)
- Fire Station No. 2 Relocation
- Park, Playground, & Trail Improvements
- Farmers Market Improvements
- Develop a Dog Park at the Recreation Center

The Fixed Asset Fund includes replacement funding of \$2,974,308 in 2018-19 compared with \$3,031,571 in the 2017-18 proposed year-end amended budget. Significant new fixed asset purchases proposed for 2018-19 include:

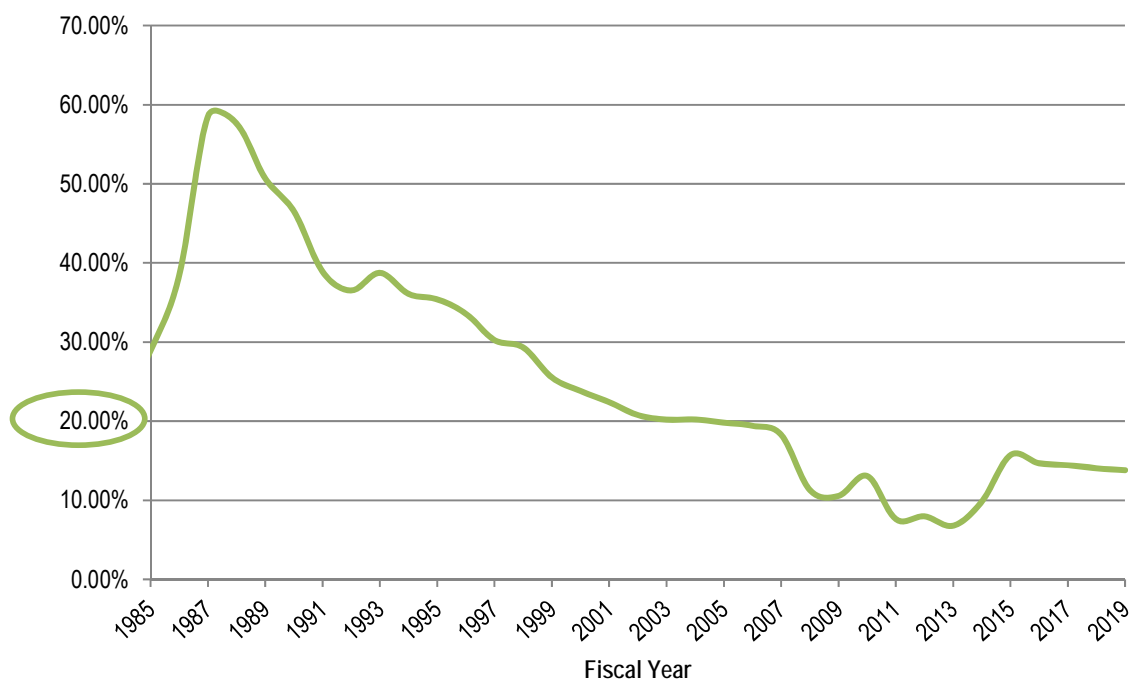
- Facility Repairs & Improvements Reserves - \$567,000
- Financial Software (continued funding) - \$500,000
- Fire Department Funding for Future Replacements - \$360,000
- Information Technology Initiatives - \$294,500
- City Entrance Monument Signs - \$268,800
- Police Vehicles - \$246,000
- Library Materials - \$241,500
- Fire Department Ambulance - \$230,000
- Park Maintenance Replacement Vehicles & Equipment - \$123,000
- Replacement Water Meters - \$100,000

Debt Service

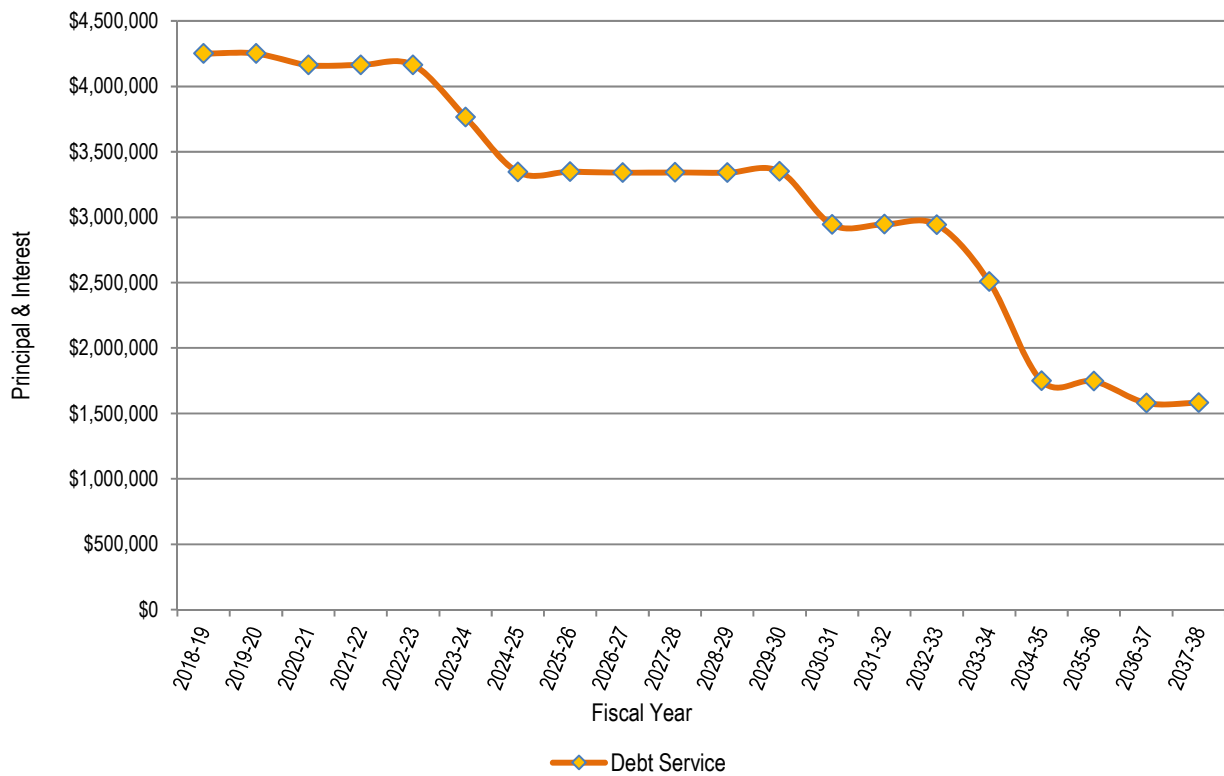
The City's Debt Service Funds provide for repayment of outstanding debt obligations. These debt obligations are categorized as *property tax supported debt* and *self-supporting debt*. The *property tax supported debt* is repaid through the debt service portion of the property tax rate. Currently, there are nine *property tax supported* bond issues outstanding with the longest final maturity in year 2038. In the 2018-19 fiscal year, less than fourteen percent of the property tax rate will be used to support debt service. In order to maintain operational flexibility, the City follows a conservative policy of keeping the debt service portion of the property tax rate below 20%.

Self-supporting debt is generally repaid through either rental income (from the facility constructed with the debt proceeds), hotel occupancy taxes, or increases in revenue related to issuance of the debt. Currently, there are two *self-supporting debt* issues outstanding with the longest final maturity in fiscal year 2026. The City follows a pay-as-you-go policy for Water & Sewer Fund operations. The Water & Sewer Fund is currently debt free and has been for more than 30 years.

Property Tax Debt Service
as % of Total Tax Rate



Property Tax Supported Annual Debt Service



Acknowledgements

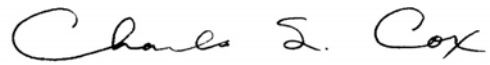
By focusing on the vision, mission, guiding principles, and goals set by the City Council, the City has been able to maintain and/or expand service levels to citizen's year-after-year. The process of building the annual strategic plan has increased efficiency/effectiveness and has provided a strong positive direction for the City of Farmers Branch. With the new era of economic growth that we are experiencing, focus on the strategic plan will continue to improve the community in a comprehensive and sustainable manner. Additionally, our emphasis on improving neighborhoods and basic infrastructure will accelerate the revitalization and redevelopment of the entire city.

The dedication of the staff to accomplish the goals and initiatives set forth by the Mayor and City Council is truly remarkable. Sherrelle Evans-Jones – Director, along with her team, Mayve Strong – Controller, Suzanne Prichard - Budget Manager, and Mark Woodward - Financial Analyst, deserve praise for their leadership and guidance in preparing a progressive, professional, citizen-friendly document.

A great deal of appreciation should also be given to John Land - Deputy City Manager, Ben Williamson – Assistant to the City Manager, Department Heads and their teams for stepping up to provide fiscal leadership and guidance during the budget process.

Finally, City Administration would like to thank the Mayor and City Council for their leadership and direction. We look forward to carrying out the budget and serving the citizens of Farmers Branch.

Sincerely,

A handwritten signature in cursive script that reads "Charles S. Cox". The signature is written in black ink and is positioned below the word "Sincerely,".

Charles S. Cox
City Manager

Due to the passage of S.B. No. 656, Section 102.007 of the Texas Local Government Code was amended to require that the following information be included as the cover page for a budget document:

This budget will raise less revenue from property taxes than last year's budget by an amount of \$330,997, which is a 1.06% decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$523,175.

Upon calling for a vote for approval of an ordinance adopting the City of Farmers Branch 2018-19 Fiscal Year Budget, the members of the City Council voted as follows:

City Council	Aye	Nay
Ana Reyes, Councilmember - District 1		
Bronson Blackson, Councilmember - District 2		
John Norwood, Councilmember - District 3		
Terry Lynne, Councilmember - District 4		
Mike Bomgardner, Councilmember - District 5		

The municipal property tax rates for the preceding fiscal year, and each municipal property tax rate that has been adopted or calculated for the current fiscal year, include:

Tax Year	2018	2017
Fiscal Year	2018-19	2017-18
Proposed Rate [MAXIMUM]	\$ 0.599507	\$ 0.602267
Total Adopted Rate		\$ 0.602267
Proposed Operating Rate	\$ 0.516722	\$ 0.517699
Proposed Debt Rate	\$ 0.082785	\$ 0.084568
Effective Tax Rate	\$ 0.599508	\$ 0.600386
Effective Maintenance & Operations Rate	\$ 0.515307	\$ 0.511874
Rollback Maintenance & Operations Rate	\$ 0.556531	\$ 0.552823
Debt Tax Rate (I&S)	\$ 0.082785	\$ 0.084568
Rollback Tax Rate	\$ 0.639316	\$ 0.637391

The total amount of outstanding municipal debt obligations (principal & interest) is as follows:

Type of Debt	Total Outstanding Debt	Current Year Debt
Property Tax Supported	\$ 62,815,570.30	\$ 4,255,800.00
Self-Supporting	\$ 10,724,193.86	\$ 1,785,400.00
Total Debt	\$ 73,539,764.16	\$ 6,041,200.00

Note: The total amount of outstanding debt obligations considered self-supporting are currently secured by lease payments and landfill revenue. In the event such amount is insufficient to pay debt service, the City will be required to assess an ad valorem tax to pay such obligations.

CITY OF FARMERS BRANCH, TEXAS PROPOSED FISCAL YEAR BUDGET 2018-19

City Council

Robert C. Dye
John Norwood
Mike Bomgardner
Ana Reyes
Bronson Blackson
Terry Lynne

Mayor
Mayor Pro Tem, District 3
Deputy Mayor Pro Tem, District 5
District 1
District 2
District 4



First row (from left) Mayor Pro Tem John Norwood, Mayor Robert C. Dye, Councilmember Terry Lynne
Second row (from left) Deputy Mayor Pro Tem Mike Bomgardner, Councilmember Ana Reyes, Councilmember Bronson Blackson

City Manager
Charles S. Cox

Prepared by
Finance Department
Sherrelle Evans-Jones - Director of Finance

CITY OF FARMERS BRANCH, TEXAS

LIST OF PRINCIPAL OFFICIALS

City Council

Robert C. Dye	Mayor
John Norwood	Mayor Pro Tem, District 3
Mike Bomgardner	Deputy Mayor Pro Tem, District 5
Ana Reyes	District 1
Bronson Blackson	District 2
Terry Lynne	District 4

Appointed Officials

Charles S. Cox	City Manager
John Land	Deputy City Manager
Terry Carnes	City Judge
Amy Piukana	City Secretary
Tom Bryson	Communications Director
Hugh Pender	Community Services Director
Allison Cook	Economic Development & Tourism Director
Kevin Muenchow	Fleet & Facilities Management Director
Sherrelle Evans-Jones	Finance Director
Steve Parker	Fire Chief
Brian Beasley	Human Resources Director
Mark Samuels	Information Services Director
Jeff Harting	Parks & Recreation Director
Tina Firgens	Planning Director
David Hale	Police Chief
Marc Bentley	Public Works Director
Shane Davis	Sustainability & Public Health Director

Council District Boundaries

FB Council District Boundary

REP

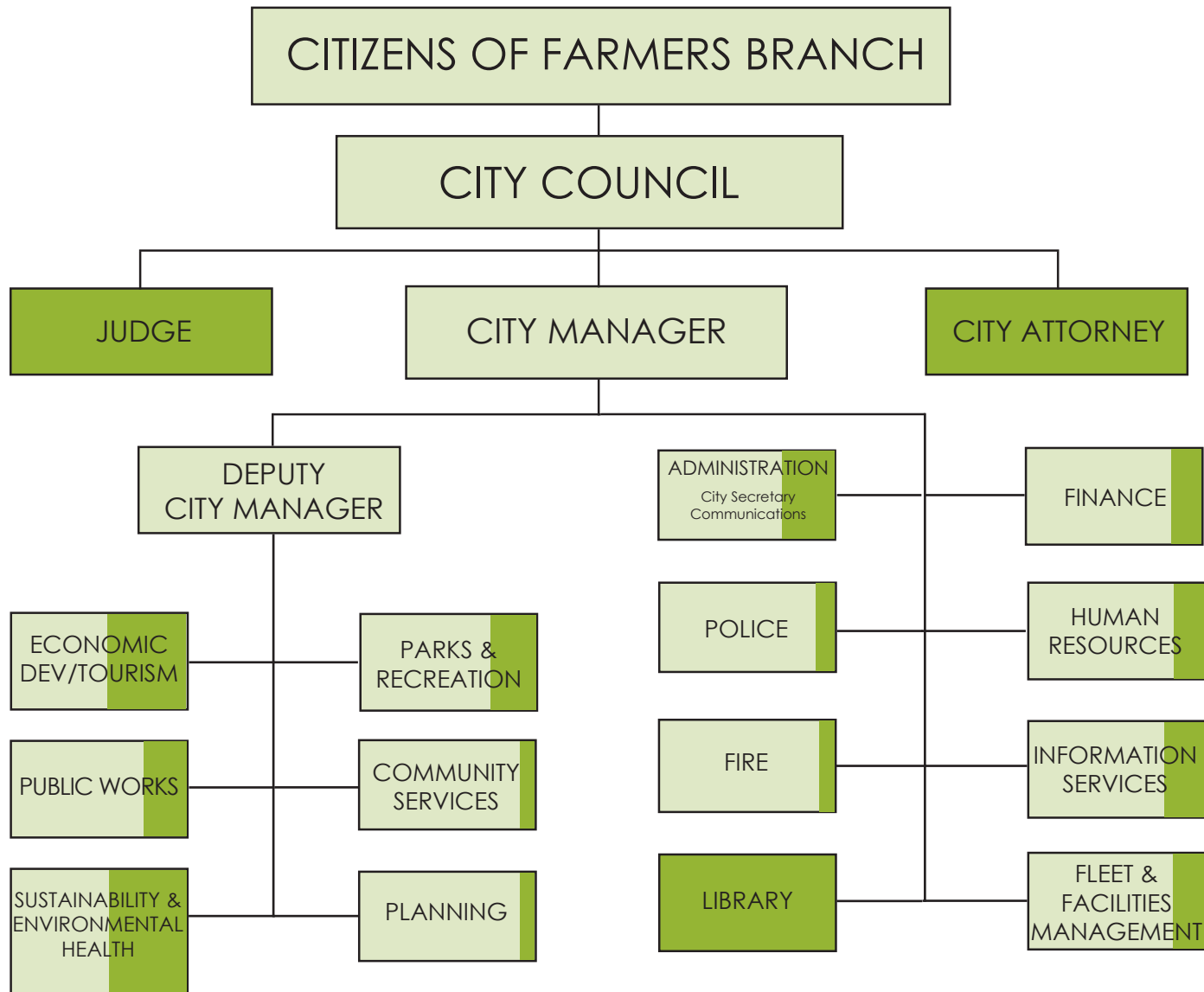
- Ana Reyes.....District 1
- Mike Bomgardner.....District 5
- Bronson Blackson....District 2
- John Norwood.....District 3
- Terry Lynne.....District 4



2,500 1,250 0 2,500 Feet



CITY OF FARMERS BRANCH FY 2018-19 ORGANIZATION CHART



 Outsourced Services

CITY OF FARMERS BRANCH, TEXAS
PROPOSED FISCAL YEAR BUDGET 2018-19
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DEBT SERVICE	7-1 to 7-17
OTHER FUNDS	8-1 to 8-22
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Special Revenue Funds	8-2 to 8-16
Fixed Asset Fund	8-17 to 8-22
CAPITAL IMPROVEMENTS	9-1 to 9-35
APPENDIX	
Fund Balance Projections	Exhibit I
Financial Condition Analysis	Pages 1 - 30

GENERAL GOVERNMENT

Who we are:

General Government consists of four divisions: General Government, General Contracts, Legal, and Non-Departmental. The General Government budget is used to account for expenses of the City Council. The General Contracts budget is used to account for services provided to citizens by City Council approved non-profit organizations. The Legal budget is used to account for expenses associated with the City's contracted legal counsel. The Non-Departmental budget is used to account for expenditures and interfund transfers that benefit the entire General Fund and cannot readily be allocated to a specific department.

What we do (Key Processes):

- The City Council (General Government division) adopts all City ordinances and resolutions
- The City Council makes policy decisions for implementation by the City Manager
- The City Council approves major expenditure items and annually establishes the City's programs and services through adoption of the annual budget
- The City Council participates in the development of a framework to guide the decisions of both elected officials and staff
- Non-profit organizations (General Contracts) provide support to citizens in need
- Legal provides advice and legal services to officials, departments and to others with City-related business to protect the rights of the City and its citizens and reduce the City's legal liability

Our Guiding Principles:

1. Act with Ethics and Integrity
2. Practice Financial Stewardship
3. Be Open and Accessible
4. Promote Public Safety
5. Pursue Sustainable Economic Growth
6. Provide Thriving Neighborhoods
7. Provide Excellent Quality of Life
8. Offer First-Rate Infrastructure, Facilities and Assets
9. Employ the Highest Quality Workforce
10. Offer Phenomenal Service

Critical Business Outcomes 2018-19 (the big policy items):

- CBO1 – Implement a vision for the central corridor and developing/redeveloping the East Side.
- CBO2 – Improve options for quality, senior-centric housing.
- CBO3 – Enhance our entryways.
- CBO4 – Identify solutions for homes in the flood plain.
- CBO5 – Implement data-driven processes for making resource allocation decisions.
- CBO6 – Develop a solution for creating a dog park.
- CBO7 – Continue to deliver exceptional service.

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GENERAL GOVERNMENT CITY SECRETARY'S OFFICE

Who we are:

The City Secretary's Office (CSO) is a division under the City Manager's Office and utilizes the same budget accounts. The CSO mission is to support the City Council and promote open government. The CSO serves as a resource for citizens and as a link between citizens and the City organization.

The CSO manages citywide elections, oversees citywide Board and Commission appointments, serve as the custodian of citywide records, managing record retention and destruction, and processes city public information requests and attends and prepares meeting agendas, packets and minutes of all City Council regular and special meetings. The CSO holds and maintains the City seal.

What we do (Key Processes):

- City Elections
- Records Management
- Boards and Commissions
- Public Information Requests
- Council/Meeting Agenda

Our Strategic Initiatives:

Be Open and Accessible

- Update the Board & Commissions handbook
- Develop new board member orientation training
- Continue to adhere to the Texas State Library Retention of Citywide Records standard.
- Coordinate with Dallas County for a May Election for Council Districts 1 & 4.
- Organize two shredding events

Employ the Highest Quality Workforce

- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.

Offer Phenomenal Service

- Implement a new Board and Commissions tracking module.
- Continue to train and educate staff on the records retention program.

Amy Piukana, Officer of the City

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GENERAL ADMINISTRATION CITY MANAGER'S OFFICE

Who we are:

The City of Farmers Branch operates under a council-manager form of government. The Mayor and Council are responsible for making policy decisions for the community and the City Manager is responsible for implementing policy. The City Manager's Office (CMO) provides oversight and direction for all city departments. The CMO prepares and submits a structurally balanced budget and a strategic plan to the City Council, which are tied back to the council's strategic direction. The CMO also assists the City Council in the development and formulation of policies, goals and objectives, and keeps them informed of important community issues. In addition, CMO staff provides legislative support, communication services and legal service functions of the City.

What we do (Key Processes):

- Policy Implementation
- Strategic & Performance Management
- Employee Engagement
- Community Engagement

Our Strategic Initiatives:

Be Open and Accessible

- Continue to improve and develop the City Manager's Quarterly Report.

Employ the Highest Quality Workforce

- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.
- Continue to develop the Assistant to the City Manager position.

Offer Phenomenal Service

- Conduct the 2019 Resident Satisfaction Survey.
- Continue to enhance Performance FBTX.
- Develop and implement the City's strategic plan.

Provide Excellent Quality of Life

- Prepare and install entryway monuments at key locations in the City.

Charles Cox, City Manager

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COMMUNICATIONS

Who we are:

The responsibility of the Communications department is to tell the City's story. This is accomplished by providing current and accurate information about City of Farmers Branch programs, activities, services, events, and news-making occurrences. In addition, it is the responsibility of the department to market the City of Farmers Branch through various media channels and utilizing specific marketing campaigns. Information is presented to the citizens, newcomers, media, and employees through the Branch Review newsletter, Branch Bulletin eNewsletter, REACTION employee eNewsletter, FBTV, City main website at www.farmersbranchtx.gov, personal contacts, Branch Mail e-mail news notifications, video programs and news releases. A 21st century priority of the Communications Department is to exercise oversight of the City's social media presence, on all channels and networks, and to engage best practices in disseminating City news and information via that specific media.

The department executes all public information campaigns and serves as the media relations representative both on a daily basis and in emergency situations. The department also serves as a resource center for citizens, staff, civic groups, and the news media and provides support for special projects for other departments.

What we do (Key Processes):

- Manage the City's web presence
- All external communication
- All internal communication
- City marketing efforts

Our Strategic Initiatives:

Be Open and Accessible

- Continue to improve the City's website.
- Ensure constant external communication through multiple mediums.
- Support CFBISD by sharing success stories from the school district on the website and in the Mayor's report.
- Design and install permanent information signs at neighborhood entrances
- Expand the City's digital marketing program
- Continue to manage the Discover FB marketing program and improve website SEO

Offer Phenomenal Service

- Utilize third-party validation for City communication programs.
- Create and plan roll out of a West Side Welcome packet for new residents

Employ the Highest Quality Workforce

- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.
- Improve the content of the employee intranet.
- Ensure constant internal communication to all City employees through multiple media.

Tom Bryson, Director

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ECONOMIC DEVELOPMENT & TOURISM

Who we are:

The Economic Development & Tourism Office serves as the development representative for the City and is responsible for implementing the vision, plan for the City of Farmers Branch. They do this by attracting the businesses the City wants and needs and industry both nationally and internationally, retention and expansion of existing business and industry, and promotion of local convention and tourism business.

What we do (Key Processes):

- Recruit and Retain Businesses
- Build partnerships with businesses
- Promote tourism

Our Strategic Initiatives:

Be Open and Accessible

- Increase digital presence for demo rebuild, events and general Tourism through social media, website and blog.

Pursue Sustainable Economic Growth

- Improve the marketing for the updated Demo Rebuild Program & Neighborhood Renaissance program.
- Improve the marketing for Façade Grant Program to improve participation.
- Focus on building and reinforcing relationships with our businesses.
- Host events to build relationships and support programs.

Employ the Highest Quality Workforce

- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.

Provide Thriving Neighborhoods

- Market and continue to implement the Neighborhood Partnership Program.
- Implement a program for quality, senior-centric housing options.

Allison Cook, Director

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HUMAN RESOURCES

Who we are:

Human Resources (HR) supports the City's mission, values, and strategic goals by recruiting a qualified, competent, and diverse workforce to deliver exceptional services to Farmers Branch residents, visitors and businesses. In addition, HR develops and implements programs, policies and practices that help retain and reward a highly competent workforce. It is important that customers see HR as a reliable partner where they, departments and employees, can come to receive competent and sound guidance and assistance in meeting their human resources needs.

What we do (Key Processes):

- Manage workforce
- Manage risk
- Manage benefits and wellness
- Administer payroll

Our Strategic Initiatives:

Employ the Highest Quality Workforce

- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.
- Continue to market and develop the City clinic.
- Compare overall utilization for both Clinic and Rehab quarterly.
- Implement the new HRIS/payroll system.
- Conduct a salary survey for Fire and Police.

Brian Beasley, Director

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FINANCE

Who we are:

Finance is responsible for all fiscal matters related to the city including providing useful, timely, and reliable financial information and support to internal and external customers.

What we do (Key Processes):

- Manage the purchasing process
- Establish and maintain financial controls
- Manage all facets of the budget
- Municipal Court
- Utility billing and collections

Our Strategic Initiatives:

Practice Financial Stewardship

- Manage the 2018-19 budget.
- Conduct the annual audit.
- Complete phase I of the Project Promise transition.
- Continue to monitor the Marshal's Program and other initiatives to ensure revenue and other metrics are met.
- Ensure sound financial policies are maintained

Employ the Highest Quality Workforce

- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.

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Sherrelle Evans-Jones, Director

INFORMATION SERVICES

Who we are:

The Information Services Department manages and maintains all technology for the City of Farmers Branch. Information Services mission is to provide secure, high quality technology-based services in a cost-effective manner, be a leader in customer service, and establish services, systems, and solutions based on best practices and industry standards. Information Services vision is to help departments use technology to transform the way they work and deliver services to our citizens.

What we do (Key Processes):

- Project Management
- Contract Management
- Network Resiliency
- Business Continuity
- Technology Service and Maintenance

Our Strategic Initiatives:

Offer First-Rate Infrastructure, Facilities, and Assets

- Continue to improve and develop the City Manager's Quarterly Report.
- Replacement of 3 virtual server hosts as part of our normal server refresh cycle and process.
- Expand the Veeam data back-up and recovery solution to more servers.
- Replacement of the 18 existing Police MDC's (16 vehicles and 2 spares).
- Reconfigure the data center at PD.
- Replace the existing IBM iSeries hardware and reallocate the existing unit to the PD data center as a back-up.
- Replace existing video storage server with a more robust product that can handle the growing video storage needs of the city.

Employ the Highest Quality Workforce

- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.
- Target at least 4 departments as we continue the roll out of the SharePoint Information Portal.

Mark Samuels, Director

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COMMUNITY SERVICES

Who we are:

The Community Services department is comprised of two divisions: Building Inspection and Code Enforcement.

Building Inspection's mission is to protect the Health, Safety and Welfare of the stakeholders of the City of Farmers Branch by creating safe buildings and communities through enforcement of the City's construction codes.

Code Enforcement's mission is to strive for the continual improvement of our neighborhoods in order to provide a safe and livable environment for our residents. This is accomplished through the use of proactive neighborhood based enforcement, combined with excellent customer service; as well as, increased collaboration among residents, neighborhood associations and other external partners geared towards promoting public education and increased citizen awareness; all while working towards the common goal of creating a vibrant and dynamic community that seeks to improve the quality of life of all our residents.

What we do (Key Processes):

- Issue permits: residential and commercial
- Ensure property standards are maintained
- Community outreach

Our Strategic Initiatives:

Practice Financial Stewardship

- Review and update the fee structure for ZBA and BCBA.

Be Open and Accessible

- Establish a social media presence for Code Enforcement

Offer First-Rate Infrastructure, Facilities and Assets

- Adopt the 2018 International Construction Codes

Employ the Highest Quality Workforce

- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.

Offer Phenomenal Service

- Partner with community groups to initiate a community assistance project.
- Identify best practices in providing Code Enforcement services.

Hugh Pender, Director

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PLANNING

Who we are:

The Planning Department plays a central role in the growth and development of our City by managing the City's land development process and coordinates the long-range comprehensive planning process. The department processes new development applications through Specific Use Permits, provides technical support to the Planning and Zoning Commission and City Council, maintains the Comprehensive Plan, prepares ordinances, and conducts special land use and demographic studies as necessary.

What we do (Key Processes):

- Manage land development
- Prepare the City's comprehensive plan
- Prepare district plans

Our Strategic Initiatives:

Provide Thriving Neighborhoods

- Update Landscaping Regulations within the Comprehensive Zoning Ordinance.
- Update Parking Regulations within the Comprehensive Zoning Ordinance.
- Evaluate Non-conforming Properties Regulations within the Comprehensive Zoning Ordinance.

Employ the Highest Quality Workforce

- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.

Pursue Sustainable Economic Growth

- Conduct an IH-35 corridor vision study.
- Review IH-35 zonings.

Practice Financial Stewardship

- Evaluate Zoning and Site Plan Fees

Tina Firgens, Director

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PUBLIC WORKS

Who we are:

Public Works is responsible for the day-to-day maintenance and operation of the City's infrastructure services such as, street maintenance, storm and sanitary sewer operations, water and wastewater functions, and traffic signals. In addition to maintaining infrastructure, Public Works handles engineering and capital improvement planning for the City, as well as performs inspections on all on-going construction in the City.

The Public Works department is comprised of five divisions that are split between the City's General Fund (governmental activities) and Enterprise Funds (business-type activities). The Administration and Street Maintenance divisions are funded through the City's General Fund, while the Water & Sewer Administration and Water & Sewer Operations divisions are funded through the City's Water & Sewer Enterprise Fund, and the Stormwater Utilities division is funded through the City's Stormwater Utility Enterprise Fund. (The Enterprise Funds are displayed separately.)

What we do (Key Processes):

- Construction inspections and permits
- Infrastructure maintenance and repairs
- Capital improvement projects

Our Strategic Initiatives:

Offer First-Rate Infrastructure and Assets

- Build a wider sidewalk along the North Bound Marsh Ln. Bridge for trail connectivity.
- Make improvements to the Webb Chapel Bridge and the surrounding channel.
- Resurfacing of Alpha Rd. from Inwood to Midway.
- Reconstruct signal infrastructure at Webb Chapel and Valley View.
- Continue to expand automated meter reading program by approximately 500 endpoints
- Video & inspection to determine possible need for cleaning and new lining projects in the Sanitary Sewer Trunk Mains

Employ the Highest Quality Workforce

- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.

Practice Financial Stewardship

- Develop a proposed Infrastructure CIP Program for inclusion in the FY2019 budget process
- Execute a contract and treat approximately 25,000 linear feet of sanitary sewer.

Provide Excellent Quality of Life

- Implement a 3-year plan for Cooks Creek channel improvements
- Dredge and make sanitary sewer improvements to Rawhide Creek.
- Make improvements to Farmers Branch Creek; conduct a study to identify future improvements.

Marc Bentley, Director

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SUSTAINABILITY & PUBLIC HEALTH

Who we are:

The Sustainability and Public Health department is comprised of three divisions: Solid Waste Collection, Animal Services, and Environmental Health Services. The Solid Waste Collection division monitors and inspects contractor operations at the municipal solid waste landfill, which is operated by a private corporation through a Management and Operations Agreement with the City. The Animal Services division is based out of the Animal Adoption Center and is responsible for programs related to animal welfare and control within the City of Farmers Branch. The Environmental Services division administers a range of public and environmental health programs, is actively involved in remediation of soil/air/groundwater contamination, and manages the City's Phase II Stormwater programs.

What we do (Key Processes):

- Animal welfare and management
- Landfill operations
- Trails
- Public & environmental health
- Community outreach

Our Strategic Initiatives:

Provide Excellent Quality of Life

- Conduct a feasibility study for a Midway Road pedestrian crossing feasibility study.
- Commence bond funded trails construction

Employ the Highest Quality Workforce

- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.
- Grow the environmental manager position

Offer First-Rate Infrastructure and Assets

- Construct a new scalehouse and maintenance facility at the Camelot Landfill.
- Install an additional landfill gas collection system.
- Update and renew the City's stormwater permit.

Shane Davis, Director

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POLICE

Who we are:

The mission of the Police Department is to assure each citizen the opportunity to enjoy life in peace and freedom from criminal acts. Through a commitment to work in partnership with citizens to provide courteous professional services the department will fairly and impartially carry out its mission with P.R.I.D.E. (Partnership, Respect, Innovation, Dedication, and Excellence).

Functions of the department are divided among six Sections that fall under two Divisions, Support Services and Patrol Division; (each commanded by a Deputy Chief): Administration, Patrol, Investigations, Training, Detention and Communications.

What we do (Key Processes):

- Police response and patrol
- Community outreach
- Community programs
- Investigations

Our Strategic Initiatives:

Promote Public Safety

- Increase patrols of city parks during dusk/dark hours.
- Maintain the level of UCR violent crimes below the 5-year average.
- Install six license plate readers.

Employ the Highest Quality Workforce

- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.
- Provide 2000 hours of TCOLE approved training to include 5 reality based training courses.
- Identify and implement a mental health and resiliency program for officers.

Offer Phenomenal Service

- Conduct community events including 2 Citizen Police Academies, Teen Police Academy, and the Police Department Open House

Provide Thriving Neighborhoods

- Implement a revised Mandatory Crime Reduction Program for Apartments ordinance.

Offer First-Rate Infrastructure and Assets

- Utilize technology to enhance professional policing standards by streamlining coaching, counselling and discipline documentation.
- Procure and utilize two drones.

Practice Financial Stewardship

- Apply for the Bullet Proof Vest Reimbursement program.

David Hale, Police Chief

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FIRE

Who we are:

The Fire Department's primary function and responsibility to the citizens of Farmers Branch is to protect lives and property from fire and to provide emergency medical assistance. The department consists of three divisions: Administration/Training, Operations, and Fire Prevention. The department is responsible for fire suppression, emergency medical services, rescue operations, emergency management, fire safety inspections, public fire prevention education programs, building and site plan review, fire investigations, and training of personnel.

What we do (Key Processes):

- Emergency response: Fire and EMS
- Emergency preparedness
- Community outreach
- Fire safety inspections
- Building and site plan reviews

Our Strategic Initiatives:

Be Open and Accessible

- Develop and present Citizens Fire Academy Class #14 to educate citizens on the structure and function of the Fire department.

Promote Public Safety

- Perform at or above National Fire Response benchmark standards.
- Perform at or above National Emergency Medical Service (EMS) Response benchmark standards.
- Strive to achieve a return of circulation (ROC) rate in a minimum of 20% of patients in cardiac arrest.
- Ensure compliance with the adopted International Fire Code and City Ordinances as they relate to fire & life safety.
- Improve EMS service levels through the staffing of three new firefighters/paramedics.
- Modernize the Department's Thermal Imaging cameras.

Offer First-Rate Infrastructure, Facilities and Assets

- Begin the process for building Fire Station #2.

Employ the Highest Quality Workforce

- Provide live-fire training to firefighters
- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.
- Ensure that all Fire Department members are medically cleared and physically fit to perform their job functions.

Practice Financial Stewardship

- Implement a fee schedule and billing program for commercial fire inspections.
- Amend the Fire Department's EMS billing schedule to be competitive with the DFW market.

Steve Parker, Fire Chief

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PARKS & RECREATION

Who we are:

The Parks and Recreation department provides beautifully maintained natural environments, parks, rights of way and green space, and a wide variety of quality recreational and entertainment opportunities for all ages. Parks and Recreation is composed of 3 functional divisions: administration, maintenance, and recreation/aquatics/senior center/events.

What we do (Key Processes):

- Park maintenance
- Facility programming
- Special events
- Historical preservation

Our Strategic Initiatives:

Practice Financial Stewardship

- Introduce fee based membership and programming at the Senior Center.
- Secure at least \$50,000 in sponsorship dollars to help offset the cost of running special events.
- Focus on opening up rental availability of athletic fields and gymnasiums.
- Grow aquatic programming revenue by 10% over proposed revenue for FY 2017/18.
- Become a lifeguard training and certification HUB for surrounding cities.

Employ the Highest Quality Workforce

- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.

Offer Phenomenal Service

- Develop the relationship with Keep Farmers Branch Beautiful to foster support for park operations.
- Implement a “Stewards Program” at the Historical Park.

Provide Excellent Quality of Life

- Partner with Go Ape! to install zip line and outdoor adventure attractions at John F. Burke Nature Preserve
- Identify playground equipment at Oran Good Park that has become rundown or unusable, and replace with new pieces.
- Reconfigure the winter holiday special event(s).
- Plan and develop a dog park.

Be Open and Accessible

- Enhance online exposure of Farmers Branch Community Recreation Center.

Offer First-Rate Infrastructure and Assets

- Begin architectural planning for “Barn” event/museum project.

Jeff Harting, Director

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LIBRARY

Who we are:

The Library's mission is to provide free and equal access to information resources, technologies, educational programs, and community spaces. Funds for the Library are used to encourage the use of library materials by the residents for their informational, educational, and recreational needs; to serve as the City's cultural center; to promote literacy; and to provide maximum use of the facility and its services.

What we do (Key Processes):

- Manage the Library's collection of materials
- Develop and provide programming for our residents
- Manage the day-to-day operations of the Library

Our Strategic Initiatives:

Be Open and Accessible

- Continue to develop the Library Board in their role as an advisory board to the City Council.

Provide Excellent Quality of Life

- Continue outreach efforts and programming partnerships through City events, schools and area businesses to benefit residents.

Offer First-Rate Infrastructure, Facilities and Assets

- Work with the whole community to prepare a plan for the future of the Library: new Library or renovation.

Employ the Highest Quality Workforce

- Identify and implement recommendations from the employee survey to improve employee engagement.

Offer Phenomenal Service

- Continue to improve the Library's collection by analyzing the collection, adding new/relevant materials, and removing underutilized collection materials.
- Evaluate the quality and effectiveness of current library programs and events.
- Continue to explore options to increase public awareness initiatives of the library and its resources
- Identify new services the Library can provide to meet the changing needs of the community.

Denise Wallace, Director

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OUR CORE VALUES

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Value everyone's opinion and acknowledge their perspective.

Excellence

Continually striving to be the very best.

Accountability

Taking ownership for what you do.

Care

Displaying kindness and concern.

Trust

Being transparent, honest and truthful.

FLEET & FACILITY SERVICES

Who we are:

The Fleet & Facilities Management Department is a customer service oriented Internal Service Fund responsible for the maintenance, repair, fueling and replacement of the City's fleet and management of the City's facilities. The department operates in a business-oriented fashion by structuring the customer billing system to emulate business practices to ensure the department is competitive. The department provides service to its customers, while striving towards the lowest possible fleet and facilities cost by designing and implementing a comprehensive management program. In addition, the department is responsible for the operation of the City warehouse, which purchases and stocks materials for all departments

Fleet's mission is we will work together to provide a well-maintained, safe, dependable and cost-effective fleet for the City by being service-oriented and having pride in our work."

Facilities' mission is providing quality service in an efficient and friendly manner to ensure functional, safe, comfortable and aesthetically pleasing buildings to all who use our facilities."

What we do (Key Processes):

- Vehicle management and maintenance
- Facility management and maintenance
- Project management
- Contract management
- Central warehouse operations

Our Strategic Initiatives:

Offer First-Rate Infrastructure, Facilities and Assets

- Continue implementation of both short and long-range facilities capital maintenance program projects/replacement to provide sustainability of City facilities and assets.
- Continue the annual replacement program of the City's fleet vehicles and equipment based on life-cycle costing.
- Continue plans for the construction of a new Service Center facility.

Employ the Highest Quality Workforce

- Continue to make Farmers Branch the employer of choice by focusing on employee engagement.

Kevin Muenchow, Director

OUR MISSION

To build a vibrant, dynamic community that consistently seeks to improve the quality of life for our residents.

OUR VISION

Our vision is to be a city of the future with a vibrant and diverse economy that supports beautiful parks, great amenities, and friendly neighborhoods.

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GENERAL FUND REVENUE SUMMARY

	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
<u>TAXES</u>					
PROPERTY - CURRENT	\$ 23,824,400	\$ 24,021,631	\$ 25,600,000	\$ 25,300,000	\$ 27,600,000
PROPERTY - PRIOR YEAR	50,000	57,078	50,000	665,000	65,000
SALES & USE	13,864,200	13,853,562	13,600,000	14,032,000	14,700,000
MIXED BEVERAGE	83,000	82,775	100,000	86,000	85,000
FRANCHISE FEES	4,217,200	4,187,078	4,331,000	4,135,500	4,269,500
PENALTIES & INTEREST	100,000	84,936	100,000	150,000	130,000
SUB-TOTAL	42,138,800	42,287,060	43,781,000	44,368,500	46,849,500
<u>LICENSES & PERMITS</u>					
HEALTH	53,000	49,765	53,000	42,000	40,000
BUILDING	1,650,000	1,508,010	2,489,000	3,910,400	4,121,000
PLUMBING	116,200	131,367	105,000	233,800	259,000
ELECTRICAL	120,000	129,061	125,000	240,000	250,000
HVAC	94,000	101,582	90,000	160,000	185,000
MULTI-FAMILY INSPECTION	105,000	104,668	100,000	100,000	100,000
SUB-TOTAL	2,138,200	2,024,453	2,962,000	4,686,200	4,955,000
<u>INTERGOVERNMENTAL REVENUE</u>					
OTHER GOV'T'L ENTITIES	150,000	150,000	0	250,000	0
SUB-TOTAL	150,000	150,000	0	250,000	0
<u>CHARGES FOR SERVICES</u>					
ZONING	23,900	24,630	24,000	41,800	37,000
PRINTING & DUPLICATING	12,800	11,821	12,500	17,000	15,500
POLICE SERVICES	212,000	203,913	240,000	187,000	203,500
EMERGENCY SERVICES	1,408,000	1,449,237	1,530,000	1,325,000	1,505,000
FIRE SERVICES	20,000	23,027	25,000	38,000	135,000
REFUSE SERVICES	2,603,900	2,587,264	3,914,000	3,270,000	3,350,000
HEALTH & INSPECTION FEE	60,000	30,612	50,000	31,500	30,000
ANIMAL CONTROL & SHELTER	25,000	25,975	30,000	27,000	35,000
AQUATIC CENTER FEES	355,000	367,187	325,000	350,000	335,000
SENIOR CENTER FEES	27,000	29,004	30,000	30,000	42,000
PARKS & REC CONCESSIONS	210,000	212,498	223,200	200,000	238,200
BUILDING USE FEES	510,000	486,762	535,000	515,000	624,000
EVENTS	30,500	35,449	100,500	88,000	70,000
SUB-TOTAL	5,498,100	5,487,379	7,039,200	6,120,300	6,620,200
<u>FINES, FORFEITS & ASSESSMENTS</u>					
COURT	2,131,500	2,140,085	2,335,000	1,668,500	2,146,900
LIBRARY	110,000	112,960	110,000	57,000	40,000
SUB-TOTAL	2,241,500	2,253,045	2,445,000	1,725,500	2,186,900

GENERAL FUND REVENUE SUMMARY

	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
<u>INTEREST/RENTS/CONTRIBUTIONS</u>					
INTEREST	200,000	207,404	188,000	350,000	500,000
RENTS	547,000	545,394	530,000	544,400	589,800
SUB-TOTAL	<u>747,000</u>	<u>752,798</u>	<u>718,000</u>	<u>894,400</u>	<u>1,089,800</u>
<u>MISCELLANEOUS</u>					
MISC CUSTOMER SERVICE	3,000	245	1,000	200	1,000
PAY PHONE COMMISSIONS	1,000	1,440	0	800	0
RECYCLING	10,000	9,066	8,000	6,000	7,000
MISCELLANEOUS	74,000	80,116	62,000	80,000	75,000
SALE OF ASSETS	18,500	23,607	20,000	18,600	20,000
INSURANCE RECOVERY	52,000	59,927	20,000	15,000	20,000
DEVELOPER ADVANCE	125,000	125,000	0	0	0
SUB-TOTAL	<u>283,500</u>	<u>299,401</u>	<u>111,000</u>	<u>120,600</u>	<u>123,000</u>
GRAND TOTAL	<u>\$ 53,197,100</u>	<u>\$ 53,254,136</u>	<u>\$ 57,056,200</u>	<u>\$ 58,165,500</u>	<u>\$ 61,824,400</u>

ENTERPRISE FUNDS REVENUE SUMMARY

	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
<u>WATER & SEWER FUND</u>					
<u>INTEREST/RENTS/CONTRIBUTIONS</u>					
INTEREST	\$ 0	\$ (6,660)	\$ 0	\$ 0	\$ (9,000)
SUB-TOTAL	0	(6,660)	0	0	(9,000)
<u>MISCELLANEOUS</u>					
MISCELLANEOUS	4,200	3,839	3,600	7,300	4,100
SALE OF ASSETS	500	644	1,000	0	1,000
INSURANCE RECOVERY	0	0	0	600	0
SUB-TOTAL	4,700	4,483	4,600	7,900	5,100
<u>CHARGES FOR SERVICES</u>					
WATER SERVICE	13,115,500	13,460,167	14,929,200	15,632,000	15,712,400
SEWER SERVICE	6,100,000	6,203,535	6,914,000	7,396,000	7,478,300
ADDISON SEWER	18,000	20,969	19,400	22,000	24,400
TAPPING FEES	2,500	2,300	4,000	2,800	3,400
RECONNECTS/SERVICE CHARGE	43,000	43,075	43,000	38,000	40,000
LATE FEES	175,000	177,895	169,000	235,000	225,000
INSPECTIONS	0	0	0	407,000	125,000
BACKFLOW PROGRAM	30,000	35,165	30,000	38,000	35,000
SUB-TOTAL	19,484,000	19,943,106	22,108,600	23,770,800	23,643,500
TOTAL WATER & SEWER FUND	\$ 19,488,700	\$ 19,940,929	\$ 22,113,200	\$ 23,778,700	\$ 23,639,600
<u>STORMWATER UTILITY FUND</u>					
<u>CHARGES FOR SERVICES</u>					
STORMWATER	\$ 1,299,000	\$ 1,322,296	\$ 1,314,000	\$ 1,368,600	\$ 1,445,000
TOTAL STORMWATER UTILITY FUND	\$ 1,299,000	\$ 1,322,296	\$ 1,314,000	\$ 1,368,600	\$ 1,445,000
GRAND TOTAL	\$ 20,787,700	\$ 21,263,225	\$ 23,427,200	\$ 25,147,300	\$ 25,084,600

INTERNAL SERVICE FUNDS REVENUE SUMMARY

	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
<u>FLEET & FACILITIES MANAGEMENT FUND</u>					
<u>CHARGES FOR SERVICES</u>					
FLEET SERVICES	\$ 2,389,600	\$ 2,432,815	\$ 2,582,800	\$ 2,582,800	\$ 2,692,200
FACILITIES SERVICES	1,798,500	1,798,500	1,911,400	1,911,400	1,713,300
TOTAL FLEET & FACILITIES MGMT FUND	<u>\$ 4,188,100</u>	<u>\$ 4,231,315</u>	<u>\$ 4,494,200</u>	<u>\$ 4,494,200</u>	<u>\$ 4,405,500</u>
<u>WORKERS' COMPENSATION FUND</u>					
<u>MISCELLANEOUS</u>					
MISCELLANEOUS	\$ 60,000	\$ 12,283	\$ 60,000	\$ 60,000	\$ 60,000
INTERFUND TRANSFERS	340,000	324,500	340,000	340,000	340,000
TOTAL WORKERS' COMPENSATION FUND	<u>\$ 400,000</u>	<u>\$ 336,783</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>
<u>HEALTH CLAIMS FUND</u>					
<u>INTEREST/RENTS/CONTRIBUTIONS</u>					
MEDICAL CONTRIBUTIONS	\$ 3,935,600	\$ 3,912,507	\$ 3,935,600	\$ 3,935,600	\$ 3,935,600
TOTAL HEALTH CLAIMS FUND	<u>\$ 3,935,600</u>	<u>\$ 3,912,507</u>	<u>\$ 3,935,600</u>	<u>\$ 3,935,600</u>	<u>\$ 3,935,600</u>
GRAND TOTAL	<u><u>\$ 8,523,700</u></u>	<u><u>\$ 8,480,605</u></u>	<u><u>\$ 8,829,800</u></u>	<u><u>\$ 8,829,800</u></u>	<u><u>\$ 8,741,100</u></u>

HOTEL/MOTEL FUND REVENUE SUMMARY

	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
<u>TAXES</u>					
HOTEL/MOTEL TAX	\$ 2,900,000	\$ 2,892,656	\$ 3,000,000	\$ 2,800,000	\$ 3,050,000
SUB-TOTAL	<u>2,900,000</u>	<u>2,892,656</u>	<u>3,000,000</u>	<u>2,800,000</u>	<u>3,050,000</u>
<u>CHARGES FOR SERVICES</u>					
EVENTS	<u>23,200</u>	<u>21,735</u>	<u>25,000</u>	<u>41,000</u>	<u>35,000</u>
SUB-TOTAL	<u>23,200</u>	<u>21,735</u>	<u>25,000</u>	<u>41,000</u>	<u>35,000</u>
<u>INTEREST/RENTS/CONTRIBUTIONS</u>					
INTEREST	<u>24,000</u>	<u>29,075</u>	<u>25,000</u>	<u>30,000</u>	<u>35,000</u>
SUB-TOTAL	<u>24,000</u>	<u>29,075</u>	<u>25,000</u>	<u>30,000</u>	<u>35,000</u>
<u>MISCELLANEOUS</u>					
MISCELLANEOUS	2,500	1,133	2,000	2,000	2,000
HISTORICAL PARK RENTALS	15,000	15,761	15,000	7,500	16,000
HISTORICAL PARK TEAS	<u>5,600</u>	<u>5,650</u>	<u>5,700</u>	<u>5,300</u>	<u>7,500</u>
SUB-TOTAL	<u>23,100</u>	<u>22,544</u>	<u>22,700</u>	<u>14,800</u>	<u>25,500</u>
GRAND TOTAL	<u><u>\$ 2,970,300</u></u>	<u><u>\$ 2,966,010</u></u>	<u><u>\$ 3,072,700</u></u>	<u><u>\$ 2,885,800</u></u>	<u><u>\$ 3,145,500</u></u>

SPECIAL REVENUE FUNDS REVENUE SUMMARY

	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
POLICE FORFEITURE FUND	\$ 57,000	\$ 21,910	\$ 57,000	\$ 67,400	\$ 55,000
DONATIONS FUND	163,400	145,391	46,200	311,646	32,000
YOUTH SCHOLARSHIP FUND	3,000	222	3,000	700	700
GRANTS FUND	41,817	42,612	32,150	47,092	56,230
BUILDING SECURITY FUND	30,000	33,911	33,000	24,800	32,800
COURT TECHNOLOGY FUND	40,000	45,404	40,000	36,000	40,000
LANDFILL CLOSURE/POST-CLOSURE FUND	30,000	57,324	30,000	262,000	1,162,000
CEMETERY FUND	1,400	1,246	1,400	1,400	1,400
PHOTOGRAPHIC LIGHT SYSTEM FUND	684,550	825,856	752,500	760,100	790,000
DANGEROUS STRUCTURES FUND	0	226,737	0	0	0
PEG ACCESS CHANNEL FUND	70,000	69,545	60,000	62,000	62,000
JOINT FIRE TRAINING FACILITY FUND	26,000	26,138	44,000	44,400	44,400
TIRZ DISTRICT #3 FUND	0	80,344	80,000	84,953	88,988
RESIDENTIAL REVITALIZATION BOND FUND	0	0	0	1,001,800	2,000
SUB-TOTAL	<u>1,147,167</u>	<u>1,576,640</u>	<u>1,179,250</u>	<u>2,704,291</u>	<u>2,367,518</u>
GRAND TOTAL	<u>\$ 1,147,167</u>	<u>\$ 1,576,640</u>	<u>\$ 1,179,250</u>	<u>\$ 2,704,291</u>	<u>\$ 2,367,518</u>

GENERAL FUND EXPENDITURE SUMMARY

	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
<u>GENERAL GOVERNMENT</u>					
GENERAL GOVERNMENT	\$ 189,700	\$ 181,071	\$ 188,200	\$ 180,800	\$ 201,100
GENERAL CONTRACTS	292,000	292,000	292,000	292,000	285,000
LEGAL	453,000	443,147	373,200	462,300	445,400
NON-DEPARTMENTAL	(3,461,000)	(3,607,691)	(1,578,500)	(1,277,600)	1,221,600
SUB-TOTAL	<u>(2,526,300)</u>	<u>(2,691,473)</u>	<u>(725,100)</u>	<u>(342,500)</u>	<u>2,153,100</u>
<u>GENERAL ADMINISTRATION</u>					
GENERAL ADMINISTRATION	671,500	671,385	722,100	980,900	1,053,600
SUB-TOTAL	<u>671,500</u>	<u>671,385</u>	<u>722,100</u>	<u>980,900</u>	<u>1,053,600</u>
<u>COMMUNICATIONS</u>					
COMMUNICATIONS	643,600	614,133	648,800	656,300	720,100
SUB-TOTAL	<u>643,600</u>	<u>614,133</u>	<u>648,800</u>	<u>656,300</u>	<u>720,100</u>
<u>ECONOMIC DEVELOPMENT & TOURISM</u>					
ECONOMIC DEVELOPMENT	627,700	607,475	691,900	443,900	441,800
SUB-TOTAL	<u>627,700</u>	<u>607,475</u>	<u>691,900</u>	<u>443,900</u>	<u>441,800</u>
<u>HUMAN RESOURCES</u>					
HUMAN RESOURCES	1,020,300	899,901	1,029,000	1,002,600	1,055,900
SUB-TOTAL	<u>1,020,300</u>	<u>899,901</u>	<u>1,029,000</u>	<u>1,002,600</u>	<u>1,055,900</u>
<u>FINANCE</u>					
FINANCE ADMINISTRATION	716,700	695,219	725,800	755,000	759,600
ACCOUNTING	792,000	787,702	833,700	887,100	888,400
PURCHASING	129,500	120,676	123,700	129,100	129,200
MUNICIPAL COURT	600,500	588,407	627,700	551,000	663,500
SUB-TOTAL	<u>2,238,700</u>	<u>2,192,004</u>	<u>2,310,900</u>	<u>2,322,200</u>	<u>2,440,700</u>
<u>INFORMATION SERVICES</u>					
INFORMATION SERVICES	2,745,700	2,701,935	2,636,400	2,547,800	2,700,200
SUB-TOTAL	<u>2,745,700</u>	<u>2,701,935</u>	<u>2,636,400</u>	<u>2,547,800</u>	<u>2,700,200</u>
<u>COMMUNITY SERVICES</u>					
PLANNING	374,700	353,658	422,900	445,300	692,400
COMMUNITY SERVICES ADMINISTRATION	431,800	417,361	426,800	413,200	362,600
BUILDING INSPECTION	1,176,400	1,130,637	1,387,900	1,228,900	1,296,600
SUB-TOTAL	<u>1,982,900</u>	<u>1,901,656</u>	<u>2,237,600</u>	<u>2,087,400</u>	<u>2,351,600</u>
<u>PUBLIC WORKS</u>					
PUBLIC WORKS ADMINISTRATION	710,400	663,793	733,300	696,400	723,900
STREET MAINTENANCE	4,051,300	3,886,553	4,135,500	4,412,800	4,110,700
SUB-TOTAL	<u>4,761,700</u>	<u>4,550,346</u>	<u>4,868,800</u>	<u>5,109,200</u>	<u>4,834,600</u>

GENERAL FUND EXPENDITURE SUMMARY

		YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
<u>SUSTAINABILITY & PUBLIC HEALTH</u>						
SOLID WASTE COLLECTION	[1]	2,592,200	2,483,063	3,134,600	2,824,200	3,651,500
ANIMAL SERVICES	[1]	793,900	771,723	743,400	746,800	785,900
ENVIRONMENTAL SERVICES	[1]	414,200	350,847	428,400	435,000	458,300
SUB-TOTAL		<u>3,800,300</u>	<u>3,605,633</u>	<u>4,306,400</u>	<u>4,006,000</u>	<u>4,895,700</u>
<u>POLICE</u>						
POLICE ADMINISTRATION		1,462,100	1,436,590	1,653,800	1,721,000	1,675,500
POLICE INVESTIGATIONS		2,065,500	1,997,853	2,047,400	1,929,000	2,204,300
POLICE PATROL		6,636,200	6,542,508	7,149,000	6,917,400	7,151,500
POLICE DETENTION		1,166,900	1,145,241	1,190,100	1,245,200	1,309,100
POLICE COMMUNICATIONS		1,666,500	1,665,618	1,888,300	1,844,600	1,783,200
POLICE TRAINING		154,100	150,272	155,100	159,000	159,000
SUB-TOTAL		<u>13,151,300</u>	<u>12,938,082</u>	<u>14,083,700</u>	<u>13,816,200</u>	<u>14,282,600</u>
<u>FIRE</u>						
FIRE ADMINISTRATION		1,349,300	1,337,402	1,280,600	1,308,100	1,247,700
FIRE PREVENTION		543,500	542,216	568,200	574,600	580,800
FIRE OPERATIONS		10,006,100	9,883,181	9,641,500	9,651,100	10,132,500
SUB-TOTAL		<u>11,898,900</u>	<u>11,762,799</u>	<u>11,490,300</u>	<u>11,533,800</u>	<u>11,961,000</u>
<u>PARKS & RECREATION</u>						
PARKS & RECREATION ADMINISTRATION		537,700	520,531	544,000	545,800	574,300
PARK MAINTENANCE		5,191,600	4,989,440	5,467,900	5,548,500	5,724,900
RECREATION		1,809,700	1,747,113	1,852,100	1,879,800	1,903,400
AQUATICS CENTER		1,050,900	998,848	1,104,300	1,114,400	1,076,700
SENIOR CENTER		756,000	721,841	863,600	877,000	788,000
PARK BOARD		9,800	3,388	9,800	9,800	9,800
SENIOR ADVISORY BOARD		4,800	3,647	4,800	4,800	4,800
EVENTS		916,200	920,555	910,500	911,600	977,600
SUB-TOTAL		<u>10,276,700</u>	<u>9,905,363</u>	<u>10,757,000</u>	<u>10,891,700</u>	<u>11,059,500</u>
<u>LIBRARY</u>						
LIBRARY		1,797,600	1,777,288	1,883,000	1,885,300	1,870,700
SUB-TOTAL		<u>1,797,600</u>	<u>1,777,288</u>	<u>1,883,000</u>	<u>1,885,300</u>	<u>1,870,700</u>
GRAND TOTAL		<u>\$ 53,090,600</u>	<u>\$ 51,436,527</u>	<u>\$ 56,940,800</u>	<u>\$ 56,940,800</u>	<u>\$ 61,821,100</u>

[1] The Animal Services and Environmental Services divisions were split from the Environmental Health division beginning in 2015-16. Beginning in 2017-18, the Solid Waste, Environmental Health and Animal Services divisions were moved to a new Sustainability and Public Health department.

ENTERPRISE FUNDS EXPENDITURE SUMMARY

	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
<u>WATER & SEWER FUND</u>					
<u>PUBLIC WORKS</u>					
WATER & SEWER ADMINISTRATION	\$ 4,658,700	\$ 4,597,366	\$ 4,673,300	\$ 4,596,100	\$ 4,629,400
WATER & SEWER OPERATIONS	<u>15,743,000</u>	<u>15,386,315</u>	<u>17,347,100</u>	<u>17,506,000</u>	<u>18,544,500</u>
TOTAL WATER & SEWER FUND	<u>\$ 20,401,700</u>	<u>\$ 19,983,681</u>	<u>\$ 22,020,400</u>	<u>\$ 22,102,100</u>	<u>\$ 23,173,900</u>
<u>STORMWATER UTILITY FUND</u>					
<u>PUBLIC WORKS</u>					
STORMWATER UTILITIES	<u>\$ 1,299,000</u>	<u>\$ 261,954</u>	<u>\$ 1,299,000</u>	<u>\$ 1,259,000</u>	<u>\$ 1,449,000</u>
TOTAL STORMWATER UTILITY FUND	<u>\$ 1,299,000</u>	<u>\$ 261,954</u>	<u>\$ 1,299,000</u>	<u>\$ 1,259,000</u>	<u>\$ 1,449,000</u>
GRAND TOTAL	<u><u>\$ 21,700,700</u></u>	<u><u>\$ 20,245,635</u></u>	<u><u>\$ 23,319,400</u></u>	<u><u>\$ 23,361,100</u></u>	<u><u>\$ 24,622,900</u></u>

INTERNAL SERVICE FUNDS EXPENDITURE SUMMARY

	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
<u>FLEET & FACILITIES MANAGEMENT FUND</u>					
<u>FLEET & FACILITIES MANAGEMENT</u>					
FACILITIES MANAGEMENT	\$ 1,798,500	\$ 1,683,237	\$ 1,911,400	\$ 1,911,400	\$ 1,713,300
FLEET MANAGEMENT	2,389,600	2,483,265	2,582,800	2,582,800	2,692,200
TOTAL FLEET & FACILITIES MGMT FUND	\$ 4,188,100	\$ 4,166,502	\$ 4,494,200	\$ 4,494,200	\$ 4,405,500
<u>WORKERS' COMPENSATION FUND</u>					
<u>INTERNAL SERVICE</u>					
WORKERS' COMPENSATION	\$ 603,100	\$ 337,147	\$ 400,000	\$ 400,000	\$ 400,000
TOTAL WORKERS' COMPENSATION FUND	\$ 603,100	\$ 337,147	\$ 400,000	\$ 400,000	\$ 400,000
<u>HEALTH CLAIMS FUND</u>					
<u>INTERNAL SERVICE</u>					
HEALTH CLAIMS	\$ 4,205,800	\$ 3,754,628	\$ 4,425,800	\$ 4,525,800	\$ 3,855,800
TOTAL HEALTH CLAIMS FUND	\$ 4,205,800	\$ 3,754,628	\$ 4,425,800	\$ 4,525,800	\$ 3,855,800
GRAND TOTAL	\$ 8,997,000	\$ 8,258,277	\$ 9,320,000	\$ 9,420,000	\$ 8,661,300

HOTEL/MOTEL FUND EXPENDITURE SUMMARY

	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
<u>PARKS & RECREATION</u>					
HISTORICAL PRESERVATION	\$ 2,334,200	\$ 2,305,788	\$ 1,963,700	\$ 2,049,700	\$ 1,566,800
SUB-TOTAL	(1) 2,334,200	2,305,788	1,963,700	2,049,700	1,566,800
<u>ECONOMIC DEVELOPMENT & TOURISM</u>					
PROMOTION OF TOURISM	1,274,400	1,135,789	1,376,200	1,336,200	1,431,900
CONVENTION CENTER	396,500	393,558	19,000	19,000	19,000
SUB-TOTAL	1,670,900	1,529,347	1,395,200	1,355,200	1,450,900
GRAND TOTAL	\$ 4,005,100	\$ 3,835,135	\$ 3,358,900	\$ 3,404,900	\$ 3,017,700

(1) When excluding capital expenditures, the Parks & Recreation - Historical Preservation division percent of budget totals 48.54% for 2018-19.

SPECIAL REVENUE FUNDS EXPENDITURE SUMMARY

	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
POLICE FORFEITURE FUND	\$ 74,500	\$ 43,312	\$ 161,000	\$ 90,000	\$ 201,000
DONATIONS FUND	150,762	133,066	65,762	220,200	93,460
YOUTH SCHOLARSHIP FUND	6,000	(880)	6,000	6,000	6,000
GRANTS FUND	41,817	42,612	32,150	47,092	56,230
BUILDING SECURITY FUND	45,100	36,655	44,600	39,000	44,900
COURT TECHNOLOGY FUND	65,900	62,921	75,000	76,300	55,600
LANDFILL CLOSURE/POST-CLOSURE FUND	2,491,600	1,144,450	1,655,000	838,500	1,228,000
PHOTOGRAPHIC LIGHT SYSTEM FUND	739,900	700,433	861,200	876,400	1,135,200
DANGEROUS STRUCTURES FUND	1,250,000	1,404,207	250,000	0	0
PEG ACCESS CHANNEL FUND	44,000	43,537	85,000	77,300	50,000
JOINT FIRE TRAINING FACILITY FUND	26,000	26,078	44,000	44,300	44,300
TIRZ DISTRICT #3 FUND	0	0	80,000	81,353	83,388
RESIDENTIAL REVITALIZATION BOND FUND	0	0	0	300,000	700,000
GRAND TOTAL	<u>\$ 4,935,579</u>	<u>\$ 3,636,391</u>	<u>\$ 3,359,712</u>	<u>\$ 2,696,445</u>	<u>\$ 3,698,078</u>

GENERAL FUND EXPENDITURE SUMMARY Summarized by Function

	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
<u>GENERAL GOVERNMENT</u>					
GENERAL GOVERNMENT	\$ 189,700	\$ 181,071	\$ 188,200	\$ 180,800	\$ 201,100
GENERAL CONTRACTS	292,000	292,000	292,000	292,000	285,000
LEGAL	453,000	443,147	373,200	462,300	445,400
NON-DEPARTMENTAL	(3,461,000)	(3,607,691)	(1,578,500)	(1,277,600)	1,221,600
GENERAL ADMINISTRATION	671,500	671,385	722,100	980,900	1,053,600
COMMUNICATIONS	643,600	614,133	648,800	656,300	720,100
ECONOMIC DEVELOPMENT	627,700	607,475	691,900	443,900	441,800
HUMAN RESOURCES	1,020,300	899,901	1,029,000	1,002,600	1,055,900
FINANCE ADMINISTRATION	716,700	695,219	725,800	755,000	759,600
ACCOUNTING	792,000	787,702	833,700	887,100	888,400
PURCHASING	129,500	120,676	123,700	129,100	129,200
MUNICIPAL COURT	600,500	588,407	627,700	551,000	663,500
INFORMATION SERVICES	2,745,700	2,701,935	2,636,400	2,547,800	2,700,200
PLANNING	374,700	353,658	422,900	445,300	692,400
COMMUNITY SERVICES ADMIN.	431,800	417,361	426,800	413,200	362,600
BUILDING INSPECTION	1,176,400	1,130,637	1,387,900	1,228,900	1,296,600
TOTAL GENERAL GOV'T	<u>\$ 7,404,100</u>	<u>\$ 6,897,016</u>	<u>\$ 9,551,600</u>	<u>\$ 9,698,600</u>	<u>\$ 12,917,000</u>
<u>PUBLIC WORKS</u>					
PUBLIC WORKS ADMIN.	\$ 710,400	\$ 663,793	\$ 733,300	\$ 696,400	\$ 723,900
SOLID WASTE COLLECTION	2,592,200	2,483,063	3,134,600	2,824,200	3,651,500
STREET MAINTENANCE	4,051,300	3,886,553	4,135,500	4,412,800	4,110,700
ANIMAL SERVICES	793,900	771,723	743,400	746,800	785,900
ENVIRONMENTAL SERVICES	414,200	350,847	428,400	435,000	458,300
TOTAL PUBLIC WORKS	<u>\$ 8,562,000</u>	<u>\$ 8,155,979</u>	<u>\$ 9,175,200</u>	<u>\$ 9,115,200</u>	<u>\$ 9,730,300</u>
<u>PUBLIC SAFETY</u>					
POLICE ADMINISTRATION	\$ 1,462,100	\$ 1,436,590	\$ 1,653,800	\$ 1,721,000	\$ 1,675,500
POLICE INVESTIGATIONS	2,065,500	1,997,853	2,047,400	1,929,000	2,204,300
POLICE PATROL	6,636,200	6,542,508	7,149,000	6,917,400	7,151,500
POLICE DETENTION	1,166,900	1,145,241	1,190,100	1,245,200	1,309,100
POLICE COMMUNICATIONS	1,666,500	1,665,618	1,888,300	1,844,600	1,783,200
POLICE TRAINING	154,100	150,272	155,100	159,000	159,000
FIRE ADMINISTRATION	1,349,300	1,337,402	1,280,600	1,308,100	1,247,700
FIRE PREVENTION	543,500	542,216	568,200	574,600	580,800
FIRE OPERATIONS	10,006,100	9,883,181	9,641,500	9,651,100	10,132,500
TOTAL PUBLIC SAFETY	<u>\$ 25,050,200</u>	<u>\$ 24,700,881</u>	<u>\$ 25,574,000</u>	<u>\$ 25,350,000</u>	<u>\$ 26,243,600</u>

**GENERAL FUND
EXPENDITURE SUMMARY**
Summarized by Function

	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
<u>CULTURE & RECREATION</u>					
PARKS & RECREATION ADMIN.	\$ 537,700	\$ 520,531	\$ 544,000	\$ 545,800	\$ 574,300
PARK MAINTENANCE	5,191,600	4,989,440	5,467,900	5,548,500	5,724,900
RECREATION	1,809,700	1,747,113	1,852,100	1,879,800	1,903,400
AQUATICS CENTER	1,050,900	998,848	1,104,300	1,114,400	1,076,700
SENIOR CENTER	756,000	721,841	863,600	877,000	788,000
PARK BOARD	9,800	3,388	9,800	9,800	9,800
SENIOR ADVISORY BOARD	4,800	3,647	4,800	4,800	4,800
EVENTS	916,200	920,555	910,500	911,600	977,600
LIBRARY	1,797,600	1,777,288	1,883,000	1,885,300	1,870,700
TOTAL CULTURE & PARKS	<u>\$ 12,074,300</u>	<u>\$ 11,682,651</u>	<u>\$ 12,640,000</u>	<u>\$ 12,777,000</u>	<u>\$ 12,930,200</u>
GRAND TOTAL	<u>\$ 53,090,600</u>	<u>\$ 51,436,527</u>	<u>\$ 56,940,800</u>	<u>\$ 56,940,800</u>	<u>\$ 61,821,100</u>

GENERAL FUND
EXPENDITURE SUMMARY
Summarized by Type of Expenditure

EXPENDITURES BY TYPE	ACTUAL 2016-17		ADOPTED BUDGET 2017-18		YEAR-END AMENDED BUDGET 2017-18		PROPOSED BUDGET 2018-19	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Personal Services/Benefits								
Full-Time	\$ 23,519,497	45.73%	\$ 24,879,600	43.69%	\$ 24,514,600	43.05%	\$ 25,571,900	41.36%
Part-Time	1,098,681	2.14%	1,213,400	2.13%	1,210,800	2.13%	1,257,200	2.03%
Overtime	865,476	1.68%	819,400	1.44%	892,000	1.57%	989,700	1.60%
Life & Health	3,131,598	6.09%	3,344,700	5.87%	3,468,100	6.09%	3,509,400	5.68%
TMRS	4,519,623	8.79%	4,859,300	8.53%	4,901,900	8.61%	5,106,700	8.26%
Medicare	356,107	0.69%	375,300	0.66%	378,600	0.66%	392,000	0.63%
Workers' Compensation	256,500	0.50%	256,500	0.45%	256,500	0.45%	256,500	0.41%
Car Allowance	87,240	0.17%	88,900	0.16%	94,300	0.17%	96,100	0.16%
Transfers (Personnel Related)	(1,412,300)	-2.75%	(1,418,300)	-2.49%	(1,418,300)	-2.49%	(1,528,700)	-2.47%
Sub-total	32,422,422	63.03%	34,418,800	60.45%	34,298,500	60.24%	35,650,800	57.67%
Purchased Prof & Tech Services	3,651,457	7.10%	3,741,200	6.57%	3,693,500	6.49%	3,908,100	6.32%
Supplies	1,720,530	3.34%	2,100,800	3.69%	2,119,800	3.72%	2,121,800	3.43%
Repairs & Maintenance	6,146,879	11.95%	6,582,600	11.56%	6,824,400	11.99%	6,580,700	10.64%
Services	6,040,386	11.74%	7,499,700	13.17%	7,124,500	12.51%	7,744,700	12.53%
Production & Disposal	41,385	0.08%	41,500	0.07%	23,000	0.04%	41,500	0.07%
Contracts	292,000	0.57%	292,000	0.51%	292,000	0.51%	285,000	0.46%
Events	497,855	0.97%	463,300	0.81%	463,300	0.81%	472,300	0.76%
Other Objects	1,085,613	2.11%	1,799,200	3.16%	1,300,100	2.28%	2,427,500	3.93%
Transfers	(462,000)	-0.90%	1,700	0.00%	801,700	1.41%	2,588,700	4.19%
Sub-total	19,014,105	36.97%	22,522,000	39.55%	22,642,300	39.76%	26,170,300	42.33%
Total Appropriations	\$ 51,436,527	100.00%	\$ 56,940,800	100.00%	\$ 56,940,800	100.00%	\$ 61,821,100	100.00%

SUMMARY BUDGET CATEGORIES

General Fund

DEPARTMENT/DIVISION	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
GENERAL GOVERNMENT					
Supplies	\$ 14,000	\$ 11,776	\$ 14,700	\$ 8,500	\$ 9,400
Services	175,700	169,295	173,500	172,300	191,700
Total Budget	<u>\$ 189,700</u>	<u>\$ 181,071</u>	<u>\$ 188,200</u>	<u>\$ 180,800</u>	<u>\$ 201,100</u>
GENERAL CONTRACTS					
Contracts	\$ 292,000	\$ 292,000	\$ 292,000	\$ 292,000	\$ 285,000
Total Budget	<u>\$ 292,000</u>	<u>\$ 292,000</u>	<u>\$ 292,000</u>	<u>\$ 292,000</u>	<u>\$ 285,000</u>
LEGAL					
Purchased Prof & Tech Services	\$ 453,000	\$ 443,147	\$ 373,200	\$ 462,300	\$ 445,400
Total Budget	<u>\$ 453,000</u>	<u>\$ 443,147</u>	<u>\$ 373,200</u>	<u>\$ 462,300</u>	<u>\$ 445,400</u>
Note: Approximately \$100,000 of legal services is for prosecutor costs.					
NON-DEPARTMENTAL					
Repairs & Maintenance	\$ 385,200	\$ 385,200	\$ 437,300	\$ 437,300	\$ 364,000
Services	247,200	211,396	237,200	237,200	237,200
Other Objects	1,196,500	1,085,613	1,799,200	1,300,100	2,427,500
Transfers	(5,289,900)	(5,289,900)	(4,052,200)	(3,252,200)	(1,807,100)
Total Budget	<u>\$ (3,461,000)</u>	<u>\$ (3,607,691)</u>	<u>\$ (1,578,500)</u>	<u>\$ (1,277,600)</u>	<u>\$ 1,221,600</u>
GENERAL ADMINISTRATION					
Personal Services/Benefits	\$ 609,000	\$ 613,406	\$ 638,400	\$ 902,300	\$ 935,400
Supplies	19,000	16,785	18,500	18,300	20,400
Repairs & Maintenance	17,000	16,993	26,100	26,100	26,300
Services	26,500	24,201	39,100	34,200	71,500
Total Budget	<u>\$ 671,500</u>	<u>\$ 671,385</u>	<u>\$ 722,100</u>	<u>\$ 980,900</u>	<u>\$ 1,053,600</u>
COMMUNICATIONS					
Personal Services/Benefits	\$ 217,600	\$ 214,492	\$ 216,200	\$ 221,600	\$ 225,300
Purchased Prof & Tech Services	146,500	130,036	147,500	147,500	189,000
Supplies	11,100	10,192	11,100	11,100	12,500
Repairs & Maintenance	35,300	32,525	36,800	38,600	29,900
Services	233,100	226,888	237,200	237,500	263,400
Total Budget	<u>\$ 643,600</u>	<u>\$ 614,133</u>	<u>\$ 648,800</u>	<u>\$ 656,300</u>	<u>\$ 720,100</u>
ECONOMIC DEVELOPMENT					
Personal Services/Benefits	\$ 453,300	\$ 450,088	\$ 459,600	\$ 211,500	\$ 207,700
Purchased Prof & Tech Services	11,900	11,597	56,900	56,900	61,900
Supplies	14,300	11,319	14,300	14,300	9,300
Services	148,200	134,471	161,100	161,200	162,900
Total Budget	<u>\$ 627,700</u>	<u>\$ 607,475</u>	<u>\$ 691,900</u>	<u>\$ 443,900</u>	<u>\$ 441,800</u>

SUMMARY BUDGET CATEGORIES

General Fund

DEPARTMENT/DIVISION	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
HUMAN RESOURCES					
Personal Services/Benefits	\$ 700,700	\$ 685,665	\$ 687,000	\$ 719,000	\$ 749,600
Purchased Prof & Tech Services	12,100	692	25,000	23,200	20,000
Supplies	26,100	18,367	26,100	25,100	26,100
Repairs & Maintenance	33,200	23,435	26,200	11,200	6,200
Services	241,200	164,742	264,700	224,100	254,000
Transfers	7,000	7,000	0	0	0
Total Budget	<u>\$ 1,020,300</u>	<u>\$ 899,901</u>	<u>\$ 1,029,000</u>	<u>\$ 1,002,600</u>	<u>\$ 1,055,900</u>
FINANCE ADMINISTRATION					
Personal Services/Benefits	\$ 379,100	\$ 370,875	\$ 381,000	\$ 391,800	\$ 401,200
Purchased Prof & Tech Services	299,500	297,782	301,600	319,000	313,700
Supplies	13,800	7,537	17,100	17,100	17,100
Services	24,300	19,025	26,100	27,100	27,600
Total Budget	<u>\$ 716,700</u>	<u>\$ 695,219</u>	<u>\$ 725,800</u>	<u>\$ 755,000</u>	<u>\$ 759,600</u>
ACCOUNTING					
Personal Services/Benefits	\$ 538,900	\$ 538,684	\$ 547,600	\$ 539,000	\$ 566,100
Supplies	20,000	11,496	15,000	15,000	15,000
Repairs & Maintenance	1,200	819	1,200	1,200	1,200
Services	70,000	74,803	69,900	131,900	106,100
Transfers	161,900	161,900	200,000	200,000	200,000
Total Budget	<u>\$ 792,000</u>	<u>\$ 787,702</u>	<u>\$ 833,700</u>	<u>\$ 887,100</u>	<u>\$ 888,400</u>
PURCHASING					
Personal Services/Benefits	\$ 116,300	\$ 116,084	\$ 116,300	\$ 121,600	\$ 121,700
Supplies	3,400	1,517	2,600	2,600	2,600
Services	9,800	3,075	4,800	4,900	4,900
Total Budget	<u>\$ 129,500</u>	<u>\$ 120,676</u>	<u>\$ 123,700</u>	<u>\$ 129,100</u>	<u>\$ 129,200</u>
MUNICIPAL COURT					
Personal Services/Benefits	\$ 567,300	\$ 557,618	\$ 585,600	\$ 511,500	\$ 602,300
Purchased Prof & Tech Services	4,500	4,403	4,000	3,000	4,000
Supplies	15,900	14,107	24,500	22,500	21,200
Repairs & Maintenance	2,600	2,600	2,900	2,900	21,400
Services	10,200	9,679	10,700	11,100	14,600
Total Budget	<u>\$ 600,500</u>	<u>\$ 588,407</u>	<u>\$ 627,700</u>	<u>\$ 551,000</u>	<u>\$ 663,500</u>
INFORMATION SERVICES					
Personal Services/Benefits	\$ 1,060,700	\$ 1,049,017	\$ 1,165,700	\$ 1,188,700	\$ 1,197,100
Purchased Prof & Tech Services	333,000	330,383	234,900	134,900	202,700
Supplies	179,100	175,483	173,500	161,500	197,600
Repairs & Maintenance	539,500	517,799	586,500	586,500	700,000
Services	140,400	136,253	130,800	131,200	148,300
Transfers	493,000	493,000	345,000	345,000	254,500
Total Budget	<u>\$ 2,745,700</u>	<u>\$ 2,701,935</u>	<u>\$ 2,636,400</u>	<u>\$ 2,547,800</u>	<u>\$ 2,700,200</u>

SUMMARY BUDGET CATEGORIES

General Fund

DEPARTMENT/DIVISION	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
PLANNING					
Personal Services/Benefits	\$ 252,300	\$ 240,006	\$ 264,800	\$ 328,800	\$ 421,300
Supplies	16,000	13,259	12,500	13,400	14,400
Repairs & Maintenance	800	0	800	800	800
Services	105,600	100,393	144,800	102,300	255,900
Total Budget	<u>\$ 374,700</u>	<u>\$ 353,658</u>	<u>\$ 422,900</u>	<u>\$ 445,300</u>	<u>\$ 692,400</u>
COMMUNITY SERVICES ADMINISTRATION					
Personal Services/Benefits	\$ 349,800	\$ 345,782	\$ 346,500	\$ 341,500	\$ 308,600
Supplies	19,600	14,809	28,100	21,600	22,200
Repairs & Maintenance	1,500	812	1,900	1,900	3,300
Services	60,900	55,958	40,300	38,200	28,500
Transfers	0	0	10,000	10,000	0
Total Budget	<u>\$ 431,800</u>	<u>\$ 417,361</u>	<u>\$ 426,800</u>	<u>\$ 413,200</u>	<u>\$ 362,600</u>
BUILDING INSPECTION					
Personal Services/Benefits	\$ 1,002,800	\$ 966,719	\$ 1,167,400	\$ 1,058,800	\$ 1,114,000
Supplies	31,400	29,448	34,000	35,300	40,900
Repairs & Maintenance	23,600	23,600	23,900	23,900	24,800
Services	118,600	110,870	135,600	83,900	116,900
Transfers	0	0	27,000	27,000	0
Total Budget	<u>\$ 1,176,400</u>	<u>\$ 1,130,637</u>	<u>\$ 1,387,900</u>	<u>\$ 1,228,900</u>	<u>\$ 1,296,600</u>
PUBLIC WORKS ADMINISTRATION					
Personal Services/Benefits	\$ 659,500	\$ 625,920	\$ 673,900	\$ 635,800	\$ 662,600
Supplies	17,300	14,967	17,300	17,300	17,300
Repairs & Maintenance	3,100	1,636	4,100	4,100	4,100
Services	30,500	21,270	38,000	39,200	39,900
Total Budget	<u>\$ 710,400</u>	<u>\$ 663,793</u>	<u>\$ 733,300</u>	<u>\$ 696,400</u>	<u>\$ 723,900</u>
STREET MAINTENANCE					
Personal Services/Benefits	\$ 1,401,900	\$ 1,343,793	\$ 1,465,000	\$ 1,480,300	\$ 1,512,800
Purchased Prof & Tech Services	0	0	0	13,200	0
Supplies	74,800	60,880	81,200	81,200	92,000
Repairs & Maintenance	1,931,900	1,914,190	1,876,600	2,132,100	1,971,200
Services	443,700	368,690	447,700	441,000	449,700
Transfers	199,000	199,000	265,000	265,000	85,000
Total Budget	<u>\$ 4,051,300</u>	<u>\$ 3,886,553</u>	<u>\$ 4,135,500</u>	<u>\$ 4,412,800</u>	<u>\$ 4,110,700</u>
SOLID WASTE COLLECTION [1]					
Personal Services/Benefits	\$ 582,500	\$ 561,151	\$ 640,500	\$ 706,100	\$ 770,800
Purchased Prof & Tech Services	1,200,000	1,161,686	1,294,600	1,200,000	1,340,200
Supplies	72,400	51,657	92,900	87,000	99,100
Repairs & Maintenance	197,400	196,791	195,600	201,100	212,700
Services	498,400	470,393	869,500	607,000	1,087,200
Production & Disposal	41,500	41,385	41,500	23,000	41,500
Transfers	0	0	0	0	100,000
Total Budget	<u>\$ 2,592,200</u>	<u>\$ 2,483,063</u>	<u>\$ 3,134,600</u>	<u>\$ 2,824,200</u>	<u>\$ 3,651,500</u>

SUMMARY BUDGET CATEGORIES

General Fund

DEPARTMENT/DIVISION	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
ANIMAL SERVICES [1]					
Personal Services/Benefits	\$ 467,600	\$ 463,913	\$ 504,200	\$ 507,300	\$ 524,000
Supplies	44,900	38,294	46,900	46,900	47,300
Repairs & Maintenance	72,000	71,542	42,800	42,800	48,600
Services	142,700	131,274	149,500	149,800	157,000
Transfers	66,700	66,700	0	0	9,000
Total Budget	<u>\$ 793,900</u>	<u>\$ 771,723</u>	<u>\$ 743,400</u>	<u>\$ 746,800</u>	<u>\$ 785,900</u>
ENVIRONMENTAL SERVICES [1]					
Personal Services/Benefits	\$ 265,000	\$ 258,365	\$ 269,500	\$ 275,900	\$ 275,700
Supplies	27,300	14,957	32,500	32,500	29,600
Repairs & Maintenance	3,600	1,700	10,000	10,000	13,100
Services	118,300	75,825	116,400	116,600	112,900
Transfers	0	0	0	0	27,000
Total Budget	<u>\$ 414,200</u>	<u>\$ 350,847</u>	<u>\$ 428,400</u>	<u>\$ 435,000</u>	<u>\$ 458,300</u>
POLICE ADMINISTRATION					
Personal Services/Benefits	\$ 905,300	\$ 896,661	\$ 1,004,100	\$ 1,053,400	\$ 1,069,500
Supplies	43,000	43,187	43,100	48,300	51,300
Repairs & Maintenance	231,900	227,573	284,900	284,900	229,600
Services	281,900	269,169	321,700	334,400	302,000
Transfers	0	0	0	0	23,100
Total Budget	<u>\$ 1,462,100</u>	<u>\$ 1,436,590</u>	<u>\$ 1,653,800</u>	<u>\$ 1,721,000</u>	<u>\$ 1,675,500</u>
POLICE INVESTIGATIONS					
Personal Services/Benefits	\$ 1,964,500	\$ 1,906,179	\$ 1,898,200	\$ 1,779,800	\$ 1,963,400
Supplies	34,100	25,765	34,200	34,200	36,100
Repairs & Maintenance	46,900	46,500	46,700	46,700	48,300
Services	20,000	19,409	40,300	40,300	31,500
Transfers	0	0	28,000	28,000	125,000
Total Budget	<u>\$ 2,065,500</u>	<u>\$ 1,997,853</u>	<u>\$ 2,047,400</u>	<u>\$ 1,929,000</u>	<u>\$ 2,204,300</u>
POLICE PATROL					
Personal Services/Benefits	\$ 5,665,100	\$ 5,612,278	\$ 6,109,100	\$ 5,877,500	\$ 6,163,900
Supplies	254,500	219,436	298,300	298,300	282,800
Repairs & Maintenance	377,200	376,771	364,400	364,400	386,900
Services	50,900	45,523	72,200	72,200	61,900
Transfers	288,500	288,500	305,000	305,000	256,000
Total Budget	<u>\$ 6,636,200</u>	<u>\$ 6,542,508</u>	<u>\$ 7,149,000</u>	<u>\$ 6,917,400</u>	<u>\$ 7,151,500</u>
POLICE DETENTION					
Personal Services/Benefits	\$ 1,143,000	\$ 1,122,097	\$ 1,167,100	\$ 1,217,800	\$ 1,277,600
Supplies	15,500	15,186	14,300	18,700	21,100
Repairs & Maintenance	5,300	5,100	5,300	5,300	5,300
Services	3,100	2,858	3,400	3,400	5,100
Total Budget	<u>\$ 1,166,900</u>	<u>\$ 1,145,241</u>	<u>\$ 1,190,100</u>	<u>\$ 1,245,200</u>	<u>\$ 1,309,100</u>

SUMMARY BUDGET CATEGORIES

General Fund

DEPARTMENT/DIVISION	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
POLICE COMMUNICATIONS					
Repairs & Maintenance	36,600	37,635	92,500	92,500	85,500
Services	1,629,900	1,627,983	1,795,800	1,752,100	1,697,700
Total Budget	<u>\$ 1,666,500</u>	<u>\$ 1,665,618</u>	<u>\$ 1,888,300</u>	<u>\$ 1,844,600</u>	<u>\$ 1,783,200</u>
POLICE TRAINING					
Personal Services/Benefits	\$ 146,200	\$ 142,411	\$ 146,200	\$ 150,100	\$ 150,000
Supplies	3,500	3,490	3,500	3,500	3,500
Services	4,400	4,371	5,400	5,400	5,500
Total Budget	<u>\$ 154,100</u>	<u>\$ 150,272</u>	<u>\$ 155,100</u>	<u>\$ 159,000</u>	<u>\$ 159,000</u>
FIRE ADMINISTRATION					
Personal Services/Benefits	\$ 741,300	\$ 737,415	\$ 782,200	\$ 806,600	\$ 814,900
Supplies	62,800	61,733	62,400	62,400	65,100
Repairs & Maintenance	349,500	345,320	282,100	282,100	265,400
Services	80,600	77,834	132,900	136,000	102,300
Transfers	115,100	115,100	21,000	21,000	0
Total Budget	<u>\$ 1,349,300</u>	<u>\$ 1,337,402</u>	<u>\$ 1,280,600</u>	<u>\$ 1,308,100</u>	<u>\$ 1,247,700</u>
FIRE PREVENTION					
Personal Services/Benefits	\$ 511,300	\$ 510,915	\$ 535,900	\$ 542,300	\$ 549,100
Supplies	22,000	21,501	21,200	21,200	20,900
Services	10,200	9,800	11,100	11,100	10,800
Total Budget	<u>\$ 543,500</u>	<u>\$ 542,216</u>	<u>\$ 568,200</u>	<u>\$ 574,600</u>	<u>\$ 580,800</u>
FIRE OPERATIONS					
Personal Services/Benefits	\$ 8,077,000	\$ 8,033,154	\$ 8,292,900	\$ 8,279,900	\$ 8,575,200
Supplies	274,400	247,812	316,800	350,300	294,800
Repairs & Maintenance	338,300	291,438	418,300	408,300	353,300
Services	182,400	176,777	178,000	177,100	183,200
Transfers	1,134,000	1,134,000	435,500	435,500	726,000
Total Budget	<u>\$ 10,006,100</u>	<u>\$ 9,883,181</u>	<u>\$ 9,641,500</u>	<u>\$ 9,651,100</u>	<u>\$ 10,132,500</u>
PARKS & RECREATION ADMINISTRATION					
Personal Services/Benefits	\$ 473,100	\$ 474,253	\$ 479,100	\$ 477,500	\$ 510,700
Supplies	15,200	13,203	15,200	16,700	16,700
Repairs & Maintenance	3,500	3,497	3,500	3,500	3,500
Services	45,900	29,578	46,200	48,100	43,400
Total Budget	<u>\$ 537,700</u>	<u>\$ 520,531</u>	<u>\$ 544,000</u>	<u>\$ 545,800</u>	<u>\$ 574,300</u>
PARK MAINTENANCE					
Personal Services/Benefits	\$ 2,999,500	\$ 2,918,105	\$ 2,994,300	\$ 3,041,900	\$ 3,109,300
Purchased Prof & Tech Services	41,500	39,723	43,400	73,400	43,400
Supplies	324,600	276,467	334,000	334,800	339,800
Repairs & Maintenance	725,400	703,563	799,800	799,800	808,400
Services	624,200	575,182	712,800	715,000	715,000
Transfers	476,400	476,400	583,600	583,600	709,000
Total Budget	<u>\$ 5,191,600</u>	<u>\$ 4,989,440</u>	<u>\$ 5,467,900</u>	<u>\$ 5,548,500</u>	<u>\$ 5,724,900</u>

SUMMARY BUDGET CATEGORIES

General Fund

DEPARTMENT/DIVISION	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
RECREATION					
Personal Services/Benefits	\$ 946,300	\$ 896,856	\$ 973,200	\$ 985,700	\$ 994,700
Supplies	119,900	117,487	120,100	120,100	119,500
Repairs & Maintenance	394,100	391,667	400,600	400,600	392,100
Services	349,400	341,103	358,200	373,400	371,100
Transfers	0	0	0	0	26,000
Total Budget	<u>\$ 1,809,700</u>	<u>\$ 1,747,113</u>	<u>\$ 1,852,100</u>	<u>\$ 1,879,800</u>	<u>\$ 1,903,400</u>
AQUATICS CENTER					
Personal Services/Benefits	\$ 597,200	\$ 575,587	\$ 618,000	\$ 645,000	\$ 648,100
Supplies	54,300	54,203	55,100	55,100	56,600
Repairs & Maintenance	135,400	134,787	171,200	171,200	131,400
Services	204,000	174,271	260,000	243,100	240,600
Transfers	60,000	60,000	0	0	0
Total Budget	<u>\$ 1,050,900</u>	<u>\$ 998,848</u>	<u>\$ 1,104,300</u>	<u>\$ 1,114,400</u>	<u>\$ 1,076,700</u>
SENIOR CENTER					
Personal Services/Benefits	\$ 401,700	\$ 390,950	\$ 410,700	\$ 419,800	\$ 412,800
Supplies	85,000	76,133	85,200	85,200	84,500
Repairs & Maintenance	164,100	161,786	182,900	186,900	200,600
Services	105,200	92,972	109,800	110,100	90,100
Transfers	0	0	75,000	75,000	0
Total Budget	<u>\$ 756,000</u>	<u>\$ 721,841</u>	<u>\$ 863,600</u>	<u>\$ 877,000</u>	<u>\$ 788,000</u>
PARK BOARD					
Services	\$ 9,800	\$ 3,388	\$ 9,800	\$ 9,800	\$ 9,800
Total Budget	<u>\$ 9,800</u>	<u>\$ 3,388</u>	<u>\$ 9,800</u>	<u>\$ 9,800</u>	<u>\$ 9,800</u>
SENIOR ADVISORY BOARD					
Services	\$ 4,800	\$ 3,647	\$ 4,800	\$ 4,800	\$ 4,800
Total Budget	<u>\$ 4,800</u>	<u>\$ 3,647</u>	<u>\$ 4,800</u>	<u>\$ 4,800</u>	<u>\$ 4,800</u>
EVENTS					
Personal Services/Benefits	\$ 211,500	\$ 216,283	\$ 296,900	\$ 298,000	\$ 344,100
Supplies	0	0	100	100	100
Repairs & Maintenance	13,000	13,000	16,700	16,700	21,600
Services	3,500	3,417	48,500	48,500	54,500
Events	498,200	497,855	463,300	463,300	472,300
Transfers	190,000	190,000	85,000	85,000	85,000
Total Budget	<u>\$ 916,200</u>	<u>\$ 920,555</u>	<u>\$ 910,500</u>	<u>\$ 911,600</u>	<u>\$ 977,600</u>
LIBRARY					
Purchased Prof & Tech Services	\$ 1,232,600	\$ 1,232,008	\$ 1,260,100	\$ 1,260,100	\$ 1,287,800
Supplies	34,500	28,077	34,500	39,700	35,000
Repairs & Maintenance	218,600	218,600	241,000	241,000	221,200
Services	87,900	74,603	91,900	89,000	85,200
Transfers	224,000	224,000	255,500	255,500	241,500
Total Budget	<u>\$ 1,797,600</u>	<u>\$ 1,777,288</u>	<u>\$ 1,883,000</u>	<u>\$ 1,885,300</u>	<u>\$ 1,870,700</u>
GRAND TOTAL	<u>\$ 53,090,600</u>	<u>\$ 51,436,527</u>	<u>\$ 56,940,800</u>	<u>\$ 56,940,800</u>	<u>\$ 61,821,100</u>

[1] The Animal Services and Environmental Services divisions were split into two divisions beginning in 2015-16. In 2017-18, the Solid Waste, Environmental Health and Animal Services divisions were moved to a new Sustainability and Public Health department.

SUMMARY BUDGET CATEGORIES

Enterprise Funds

DEPARTMENT/DIVISION	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
WATER & SEWER ADMINISTRATION					
Personal Services/Benefits	\$ 137,300	\$ 114,644	\$ 158,900	\$ 81,300	\$ 97,100
Purchased Prof & Tech Services	83,900	77,052	91,900	91,900	91,900
Supplies	65,700	59,294	75,700	75,700	85,400
Repairs & Maintenance	49,000	47,938	52,600	52,700	52,700
Services	56,400	47,173	64,400	64,600	69,600
Production & Disposal	53,300	48,165	66,700	66,800	69,600
Other Objects	10,000	0	10,000	10,000	10,000
Transfers	4,203,100	4,203,100	4,153,100	4,153,100	4,153,100
Total Budget	<u>\$ 4,658,700</u>	<u>\$ 4,597,366</u>	<u>\$ 4,673,300</u>	<u>\$ 4,596,100</u>	<u>\$ 4,629,400</u>
WATER & SEWER OPERATIONS					
Personal Services/Benefits	\$ 2,065,700	\$ 1,960,029	\$ 2,050,200	\$ 1,998,600	\$ 2,083,600
Supplies	216,600	183,587	224,900	224,900	236,900
Repairs & Maintenance	660,200	636,439	674,600	674,600	669,300
Services	404,500	343,105	408,200	410,200	409,800
Production & Disposal	9,996,000	9,889,082	10,700,700	10,909,200	10,761,100
Other Objects	50,000	24,073	50,000	50,000	50,000
Transfers	2,350,000	2,350,000	3,238,500	3,238,500	4,333,800
Total Budget	<u>\$ 15,743,000</u>	<u>\$ 15,386,315</u>	<u>\$ 17,347,100</u>	<u>\$ 17,506,000</u>	<u>\$ 18,544,500</u>
Total Water & Sewer Fund	<u>\$ 20,401,700</u>	<u>\$ 19,983,681</u>	<u>\$ 22,020,400</u>	<u>\$ 22,102,100</u>	<u>\$ 23,173,900</u>
STORMWATER UTILITIES					
Purchased Prof & Tech Services	\$ 274,200	\$ 185,886	\$ 274,200	\$ 274,200	\$ 274,200
Repairs & Maintenance	950,000	0	950,000	910,000	1,100,000
Other Objects	0	1,268	0	0	0
Transfers	74,800	74,800	74,800	74,800	74,800
Total Stormwater Fund	<u>\$ 1,299,000</u>	<u>\$ 261,954</u>	<u>\$ 1,299,000</u>	<u>\$ 1,259,000</u>	<u>\$ 1,449,000</u>
GRAND TOTAL	<u>\$ 21,700,700</u>	<u>\$ 20,245,635</u>	<u>\$ 23,319,400</u>	<u>\$ 23,361,100</u>	<u>\$ 24,622,900</u>

SUMMARY BUDGET CATEGORIES

Internal Service Funds

DEPARTMENT/DIVISION	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
FACILITIES MANAGEMENT					
Personal Services/Benefits	\$ 477,700	\$ 484,008	\$ 514,500	\$ 491,800	\$ 533,500
Purchased Prof & Tech Services	10,000	8,941	0	0	0
Supplies	15,600	13,506	13,900	13,700	13,700
Repairs & Maintenance	644,500	513,755	661,600	684,300	379,600
Services	632,700	645,027	695,400	695,600	786,500
Transfers	18,000	18,000	26,000	26,000	0
Total Budget	<u>\$ 1,798,500</u>	<u>\$ 1,683,237</u>	<u>\$ 1,911,400</u>	<u>\$ 1,911,400</u>	<u>\$ 1,713,300</u>
FLEET MANAGEMENT					
Personal Services/Benefits	\$ 516,000	\$ 488,591	\$ 528,800	\$ 536,200	\$ 568,700
Supplies	38,400	25,338	27,500	27,500	28,100
Repairs & Maintenance	119,400	107,634	108,800	108,800	100,300
Services	259,600	247,862	263,700	272,900	262,500
Inventory Usage	1,392,200	1,549,840	1,654,000	1,637,400	1,726,100
Transfers	64,000	64,000	0	0	6,500
Total Budget	<u>\$ 2,389,600</u>	<u>\$ 2,483,265</u>	<u>\$ 2,582,800</u>	<u>\$ 2,582,800</u>	<u>\$ 2,692,200</u>
Total Fleet & Facilities Mgmt Fund	<u>\$ 4,188,100</u>	<u>\$ 4,166,502</u>	<u>\$ 4,494,200</u>	<u>\$ 4,494,200</u>	<u>\$ 4,405,500</u>
WORKERS' COMPENSATION					
Purchased Prof & Tech Services	\$ 5,000	\$ 0	\$ 5,000	\$ 5,000	\$ 5,000
Workers' Compensation	395,000	134,047	395,000	395,000	395,000
Transfers	203,100	203,100	0	0	0
Total Workers' Compensation Fund	<u>\$ 603,100</u>	<u>\$ 337,147</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>
HEALTH CLAIMS					
Claims Incurred	\$ 3,086,300	\$ 2,935,011	\$ 3,086,300	\$ 3,086,300	\$ 3,086,300
Insurance Premiums	330,100	331,251	330,100	330,100	330,100
Fees	239,400	238,366	239,400	239,400	239,400
Other Objects	300,000	0	300,000	400,000	200,000
Transfers	250,000	250,000	470,000	470,000	0
Total Health Claims Fund	<u>\$ 4,205,800</u>	<u>\$ 3,754,628</u>	<u>\$ 4,425,800</u>	<u>\$ 4,525,800</u>	<u>\$ 3,855,800</u>
GRAND TOTAL	<u>\$ 8,997,000</u>	<u>\$ 8,258,277</u>	<u>\$ 9,320,000</u>	<u>\$ 9,420,000</u>	<u>\$ 8,661,300</u>

SUMMARY BUDGET CATEGORIES

Hotel/Motel Fund

DEPARTMENT/DIVISION	YEAR-END AMENDED BUDGET 2016-17	ACTUAL 2016-17	ADOPTED BUDGET 2017-18	YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
HISTORICAL PRESERVATION/SPECIAL EVENTS					
Personal Services/Benefits	\$ 590,100	\$ 590,701	\$ 538,000	\$ 392,400	\$ 461,000
Purchased Prof & Tech Services	2,500	2,500	5,000	66,300	146,500
Supplies	47,500	42,756	47,600	47,600	52,700
Repairs & Maintenance	247,400	233,541	235,200	235,200	313,600
Services	92,200	83,803	121,200	147,500	187,300
Other Fixed Assets	21,500	20,470	13,700	11,700	11,700
Special Events	275,000	274,017	303,000	303,000	307,000
Transfers	1,058,000	1,058,000	700,000	846,000	87,000
Total Budget	<u>\$ 2,334,200</u>	<u>\$ 2,305,788</u>	<u>\$ 1,963,700</u>	<u>\$ 2,049,700</u>	<u>\$ 1,566,800</u>
PROMOTION OF TOURISM					
Purchased Prof & Tech Services	\$ 17,600	\$ 15,639	\$ 17,600	\$ 17,600	\$ 25,600
Supplies	6,000	1,835	6,000	6,000	8,000
Services	8,300	7,594	8,800	8,800	8,800
Marketing	773,600	641,821	838,500	798,500	828,300
Transfers	468,900	468,900	505,300	505,300	561,200
Total Budget	<u>\$ 1,274,400</u>	<u>\$ 1,135,789</u>	<u>\$ 1,376,200</u>	<u>\$ 1,336,200</u>	<u>\$ 1,431,900</u>
CONVENTION					
Supplies	\$ 1,000	\$ 0	\$ 1,000	\$ 1,000	\$ 1,000
Repairs & Maintenance	2,000	185	2,000	2,000	2,000
Services	7,500	7,373	16,000	16,000	16,000
Transfers	386,000	386,000	0	0	0
Total Budget	<u>\$ 396,500</u>	<u>\$ 393,558</u>	<u>\$ 19,000</u>	<u>\$ 19,000</u>	<u>\$ 19,000</u>
GRAND TOTAL	<u>\$ 4,005,100</u>	<u>\$ 3,835,135</u>	<u>\$ 3,358,900</u>	<u>\$ 3,404,900</u>	<u>\$ 3,017,700</u>

DEBT SERVICE FUNDS

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

General obligation debt can be in the form of bonds, certificates of obligation or tax notes. Bonds must be approved by vote of the general population prior to issuance. Certificates of obligation do not require voter approval, are generally short term in nature, and are frequently used to fund capital improvements not anticipated at the time of the latest bond election. Tax notes are similar to certificates of obligation in that there is no requirement for voter approval and they are generally short term in nature.

The City has the following outstanding debt issues:

\$10,000,000 Certificates of Obligation – Taxable Series 2009

Used to pay contractual obligations to be incurred for the following purposes: a) acquiring and demolishing dangerous structures located within the City, and b) paying for professional services of attorneys, financial advisors and other professionals in connection with the project and the issuance of the certificates. The Certificates constitute direct obligations of the City and are payable from a combination of a) the levy and collection of a direct and continuing ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, and b) a limited pledge of the surplus net revenues of the City's waterworks and sewer system with such pledge being limited to an amount not in excess of \$1,000.

There are currently \$4,745,000 bonds outstanding. These bonds are issued as serial certificates maturing on February 15 in the years 2010 through 2020 and as term certificates maturing February 15, 2022 and February 15, 2024.

\$5,470,000 General Obligation Refunding & Improvement Bonds – Series 2010

Used to pay contractual obligations to be incurred for the land acquisition, design and construction related to the relocation of Fire Station No. 1 to a more central location. The citizens of Farmers Branch authorized the bonds through a bond election held in May 2009.

There are currently \$3,810,000 bonds outstanding. These bonds are issued as serial bonds maturing on February 15 in the years 2011 through 2030.

\$7,035,000 General Obligation Refunding Bonds, Taxable Series 2011

Used to refund the City's outstanding \$7,895,000 Combination Tax and Revenue Certificates of Obligation, Taxable Series 2004, in order to lower the overall debt service requirements of the City.

There are currently \$4,175,000 bonds outstanding. These bonds will be fully matured and paid on November 1, 2025.

\$3,000,000 Certificates of Obligation - Series 2012

Used to pay contractual obligations to be incurred for the following purposes: a) the acquisition of public safety radio system upgrades and improvements, and b) paying for professional services of attorneys, financial advisors and other professionals in connection with the project and the issuance of the certificates. The Certificates constitute direct obligations of the City and are payable from a combination of a) the levy and collection of a direct and continuing ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, and b) all or a part of certain surplus revenues of the City's waterworks and sewer system remaining after payment of any

obligations of the City payable in whole or in part from a lien on or pledge of such revenues that would be superior to the obligations to be authorized.

There are currently \$1,575,000 bonds outstanding. These bonds are issued as term certificates maturing on May 1 in the years 2014 through 2023.

\$6,500,000 Combination Tax & Revenue Certificates of Obligation – Series 2013

Used to pay contractual obligations to be incurred for designing, constructing and equipping an aquatics facility in the City, including site preparation, and to pay the costs associated with the issuance of the Certificates.

There are currently \$5,290,000 bonds outstanding. These bonds will be fully matured and paid on November 1, 2032.

\$13,920,000 General Obligation Bonds – Series 2014

Used to pay for street projects pursuant to a bond election held May 10, 2014, authorizing bonds in the aggregate principal amount of \$23,500,000. The remaining bonds, totaling \$9,000,000, are anticipated to be issued in four to five years and the combined maturity is expected to be 20 years.

There are currently \$9,285,000 bonds outstanding. These bonds will be fully matured and paid on February 15, 2034.

\$1,890,000 Combination Tax and Revenue Certificates of Obligation – Series 2014

Used for the acquisition, equipping or constructing of joint public safety dispatch, communications and training facilities and to pay the costs associated with the issuance of the Certificates.

There are currently \$1,190,000 bonds outstanding. These bonds will be fully matured and paid on February 15, 2024.

\$2,545,000 Combination Tax and Revenue Certificates of Obligation – Series 2016

Used to pay contractual obligations to be incurred for designing, constructing, improving, renovating, expanding, equipping and furnishing police facilities and acquiring police equipment and supporting systems, including improvements to the Farmers Branch Justice Center, and the acquisition of land therefor, and to pay the costs associated with the issuance of the Certificates.

There are currently \$2,335,000 bonds outstanding. These bonds will be fully matured and paid on May 1, 2036.

\$13,540,000 General Obligation Bonds – Series 2018

Used to pay for street projects pursuant to a bond election held May 10, 2014, authorizing bonds in the aggregate principal amount of \$23,500,000. This issuance reflects the remaining authorized, but unissued bonds, totaling \$9,000,000. In addition, pursuant to a bond election held November 7, 2017, Quality of Life Bonds in the amount of \$15,000,000 were authorized for infrastructure improvements (\$4,000,000), parks and open space (\$7,000,000), and neighborhood development (\$4,000,000). Of the November 7, 2017 authorized amount, this issuance represents \$4,000,000 for parks and open space and \$1,000,000 for neighborhood development. The remaining bonds totaling \$10,000,000 are anticipated to be issued in four to five years.

There are currently \$13,540,000 bonds outstanding. These bonds will be fully matured and paid on August 15, 2038.

\$5,360,000 Combination Tax and Revenue Certificates of Obligation – Series 2018

Used to pay contractual obligations to be incurred for designing, constructing, renovating, improving, and equipping Fire Station No. 2.

There are currently \$5,360,000 bonds outstanding. These bonds will be fully matured and paid on February 15, 2038.

\$5,155,000 Combination Tax and Revenue Certificates of Obligation – Series 2018

Used to pay contractual obligations to be incurred designing, developing, constructing, improving, extending, and expanding landfill facilities for the City's Camelot Landfill, including streets and roads.

There are currently \$5,155,000 bonds outstanding. These bonds will be fully matured and paid on February 15, 2023.

DEBT SERVICE FUND SUMMARY OF REVENUES AND EXPENDITURES

PROPERTY TAX SUPPORTED DEBT

<i>FUND BALANCE 9/30/2017</i>			\$ 290,067
2017-18	ESTIMATED PROPERTY TAX REVENUES	\$ 4,101,300	
2017-18	ESTIMATED PRIOR YEAR TAX, PENALTY AND INTEREST	20,000	
2017-18	TRANSFER FROM AQUATICS CENTER BOND FUND TO CLOSE FUND	7,800	
2017-18	DEBT SERVICE REQUIREMENTS [1]	(4,101,300)	
<i>INCREASE (DECREASE) IN FUND BALANCE</i>			27,800
<i>ESTIMATED FUND BALANCE 9/30/2018</i>			\$ 317,867
2018-19	ESTIMATED PROPERTY TAX REVENUES	\$ 4,255,800	
2018-19	ESTIMATED PRIOR YEAR TAX, PENALTY AND INTEREST	20,000	
2018-19	DEBT SERVICE REQUIREMENTS [1]	(4,255,800)	
<i>INCREASE (DECREASE) IN FUND BALANCE</i>			20,000
<i>ESTIMATED FUND BALANCE 9/30/2019</i>			\$ 337,867

SELF-SUPPORTING DEBT

<i>FUND BALANCE 9/30/2017</i>			\$ 198,310
2017-18	COMMERCIAL RENT	\$ 600,000	
2017-18	DEBT SERVICE REQUIREMENTS [2]	(599,500)	
<i>INCREASE (DECREASE) IN FUND BALANCE</i>			500
<i>ESTIMATED FUND BALANCE 9/30/2018</i>			\$ 198,810
2018-19	LANDFILL REVENUE	\$ 1,182,000	
2018-19	COMMERCIAL RENT	600,000	
2018-19	DEBT SERVICE REQUIREMENTS [3]	(1,785,400)	
<i>INCREASE (DECREASE) IN FUND BALANCE</i>			(3,400)
<i>ESTIMATED FUND BALANCE 9/30/2019</i>			\$ 195,410

[1] Includes approximately \$5,100 for paying agent fees and arbitrage calculation services.

[2] Includes approximately \$1,500 for paying agent fees and arbitrage calculation services.

[3] Includes approximately \$3,000 for paying agent fees and arbitrage calculation services.

**SUMMARY
PROPERTY TAX SUPPORTED DEBT
PRINCIPAL & INTEREST REQUIREMENTS**

YEAR	PRINCIPAL	INTEREST	TOTAL
2018-19	\$ 2,345,000.00	\$ 1,905,649.01	\$ 4,250,649.01
2019-20	2,650,000.00	1,601,039.02	4,251,039.02
2020-21	2,670,000.00	1,492,425.52	4,162,425.52
2021-22	2,785,000.00	1,378,882.02	4,163,882.02
2022-23	2,905,000.00	1,258,228.02	4,163,228.02
2023-24	2,625,000.00	1,140,266.02	3,765,266.02
2024-25	2,300,000.00	1,045,856.52	3,345,856.52
2025-26	2,385,000.00	962,206.52	3,347,206.52
2026-27	2,465,000.00	875,556.52	3,340,556.52
2027-28	2,555,000.00	786,841.02	3,341,841.02
2028-29	2,645,000.00	694,950.02	3,339,950.02
2029-30	2,750,000.00	599,262.77	3,349,262.77
2030-31	2,435,000.00	508,209.39	2,943,209.39
2031-32	2,525,000.00	420,413.01	2,945,413.01
2032-33	2,610,000.00	332,375.51	2,942,375.51
2033-34	2,255,000.00	251,706.26	2,506,706.26
2034-35	1,560,000.00	188,362.51	1,748,362.51
2035-36	1,610,000.00	135,700.01	1,745,700.01
2036-37	1,500,000.00	80,428.13	1,580,428.13
2037-38	1,555,000.00	27,212.50	1,582,212.50
Total	<u>\$ 47,130,000.00</u>	<u>\$ 15,685,570.30</u>	<u>\$ 62,815,570.30</u>

COMBINATION TAX and REVENUE
 CERTIFICATES OF OBLIGATION
 TAXABLE SERIES 2009
 AMOUNT OF ISSUE: \$10,000,000
 PRINCIPAL & INTEREST REQUIREMENTS
 Property Tax Supported Debt

YEAR	PRINCIPAL	INTEREST	TOTAL
2018-19	\$ 695,000.00	\$ 224,690.00	\$ 919,690.00
2019-20	730,000.00	189,869.50	919,869.50
2020-21	765,000.00	152,145.00	917,145.00
2021-22	810,000.00	111,825.00	921,825.00
2022-23	850,000.00	68,904.00	918,904.00
2023-24	895,000.00	23,359.50	918,359.50
Total	<u>\$ 4,745,000.00</u>	<u>\$ 770,793.00</u>	<u>\$ 5,515,793.00</u>

Interest Rates:

2018-19	-	4.800%
2020-24	-	4.970%

**GENERAL OBLIGATION
REFUNDING & IMPROVEMENT BONDS
SERIES 2010
AMOUNT OF ISSUE: \$5,470,000 (1)
PRINCIPAL & INTEREST REQUIREMENTS
Property Tax Supported Debt**

YEAR	PRINCIPAL	INTEREST	TOTAL
2018-19	\$ 250,000.00	\$ 143,125.00	\$ 393,125.00
2019-20	265,000.00	132,825.00	397,825.00
2020-21	275,000.00	122,712.50	397,712.50
2021-22	285,000.00	112,912.50	397,912.50
2022-23	295,000.00	102,762.50	397,762.50
2023-24	310,000.00	91,400.00	401,400.00
2024-25	320,000.00	78,800.00	398,800.00
2025-26	335,000.00	65,700.00	400,700.00
2026-27	345,000.00	52,100.00	397,100.00
2027-28	360,000.00	38,000.00	398,000.00
2028-29	375,000.00	23,300.00	398,300.00
2029-30	395,000.00	7,900.00	402,900.00
Total	<u>\$ 3,810,000.00</u>	<u>\$ 971,537.50</u>	<u>\$ 4,781,537.50</u>

Interest Rates:

2018-19	-	4.000%
2019-20	-	4.000%
2020-21	-	3.500%
2021-22	-	3.500%
2022-23	-	3.500%
2023-30	-	4.000%

(1) The total issue amount for the Series 2010 General Obligation Refunding & Improvement Bonds is \$7,160,000, of which \$1,690,000 is reported as Self-Supporting Debt and was used to refund 1999 Combination Tax and Hotel Occupancy Tax Certificates of Obligation. The remaining debt will be used to support the design, construction and relocation of Fire Station No. 1 in the amount of \$5,470,000.

COMBINATION TAX and REVENUE
 CERTIFICATES OF OBLIGATION
 SERIES 2012
 AMOUNT OF ISSUE: \$3,000,000
 PRINCIPAL & INTEREST REQUIREMENTS
 Property Tax Supported Debt

YEAR	PRINCIPAL	INTEREST	TOTAL
2018-19	\$ 305,000.00	\$ 26,617.50	\$ 331,617.50
2019-20	310,000.00	21,463.00	331,463.00
2020-21	315,000.00	16,224.00	331,224.00
2021-22	320,000.00	10,900.50	330,900.50
2022-23	325,000.00	5,492.50	330,492.50
Total	<u>\$ 1,575,000.00</u>	<u>\$ 80,697.50</u>	<u>\$ 1,655,697.50</u>

COMBINATION TAX and REVENUE
 CERTIFICATES OF OBLIGATION
 SERIES 2013
 AMOUNT OF ISSUE: \$6,500,000
 PRINCIPAL & INTEREST REQUIREMENTS
 Property Tax Supported Debt

YEAR	PRINCIPAL	INTEREST	TOTAL
2018-19	\$ 275,000.00	\$ 164,637.50	\$ 439,637.50
2019-20	285,000.00	152,037.50	437,037.50
2020-21	300,000.00	138,875.00	438,875.00
2021-22	310,000.00	125,150.00	435,150.00
2022-23	325,000.00	111,675.00	436,675.00
2023-24	335,000.00	100,987.50	435,987.50
2024-25	345,000.00	92,487.50	437,487.50
2025-26	355,000.00	83,737.50	438,737.50
2026-27	365,000.00	74,737.50	439,737.50
2027-28	370,000.00	65,550.00	435,550.00
2028-29	380,000.00	55,700.00	435,700.00
2029-30	395,000.00	45,043.75	440,043.75
2030-31	405,000.00	33,537.50	438,537.50
2031-32	415,000.00	20,718.75	435,718.75
2032-33	430,000.00	6,987.50	436,987.50
Total	<u>\$ 5,290,000.00</u>	<u>\$ 1,271,862.50</u>	<u>\$ 6,561,862.50</u>

GENERAL OBLIGATION BONDS
SERIES 2014
AMOUNT OF ISSUE: \$13,920,000
PRINCIPAL & INTEREST REQUIREMENTS
 Property Tax Supported Debt

YEAR	PRINCIPAL	INTEREST	TOTAL
2018-19	\$ 420,000.00	\$ 333,519.00	\$ 753,519.00
2019-20	440,000.00	312,019.00	752,019.00
2020-21	465,000.00	289,394.00	754,394.00
2021-22	490,000.00	265,519.00	755,519.00
2022-23	515,000.00	240,394.00	755,394.00
2023-24	535,000.00	219,494.00	754,494.00
2024-25	555,000.00	203,144.00	758,144.00
2025-26	570,000.00	186,269.00	756,269.00
2026-27	590,000.00	168,869.00	758,869.00
2027-28	605,000.00	150,566.00	755,566.00
2028-29	630,000.00	130,875.00	760,875.00
2029-30	650,000.00	109,669.00	759,669.00
2030-31	670,000.00	86,975.00	756,975.00
2031-32	695,000.00	63,088.00	758,088.00
2032-33	715,000.00	38,413.00	753,413.00
2033-34	740,000.00	12,950.00	752,950.00
Total	<u>\$ 9,285,000.00</u>	<u>\$ 2,811,157.00</u>	<u>\$ 12,096,157.00</u>

COMBINATION TAX and REVENUE
 CERTIFICATES OF OBLIGATION
 SERIES 2014
 AMOUNT OF ISSUE: \$1,890,000
 PRINCIPAL & INTEREST REQUIREMENTS
 Property Tax Supported Debt

YEAR	PRINCIPAL	INTEREST	TOTAL
2018-19	\$ 185,000.00	\$ 40,750.00	\$ 225,750.00
2019-20	185,000.00	37,050.00	222,050.00
2020-21	190,000.00	32,350.00	222,350.00
2021-22	200,000.00	25,500.00	225,500.00
2022-23	210,000.00	16,250.00	226,250.00
2023-24	220,000.00	5,500.00	225,500.00
Total	<u>\$ 1,190,000.00</u>	<u>\$ 157,400.00</u>	<u>\$ 1,347,400.00</u>

COMBINATION TAX and REVENUE
 CERTIFICATES OF OBLIGATION
 SERIES 2016
 AMOUNT OF ISSUE: \$2,545,000
 PRINCIPAL & INTEREST REQUIREMENTS
 Property Tax Supported Debt

YEAR	PRINCIPAL	INTEREST	TOTAL
2018-19	\$ 105,000.00	\$ 61,500.00	\$ 166,500.00
2019-20	110,000.00	59,400.00	169,400.00
2020-21	110,000.00	57,200.00	167,200.00
2021-22	110,000.00	55,000.00	165,000.00
2022-23	115,000.00	52,800.00	167,800.00
2023-24	115,000.00	50,500.00	165,500.00
2024-25	120,000.00	47,625.00	167,625.00
2025-26	120,000.00	44,625.00	164,625.00
2026-27	125,000.00	41,625.00	166,625.00
2027-28	130,000.00	38,500.00	168,500.00
2028-29	130,000.00	35,250.00	165,250.00
2029-30	135,000.00	31,350.00	166,350.00
2030-31	140,000.00	27,300.00	167,300.00
2031-32	145,000.00	23,100.00	168,100.00
2032-33	150,000.00	18,750.00	168,750.00
2033-34	155,000.00	14,250.00	169,250.00
2034-35	160,000.00	9,600.00	169,600.00
2035-36	160,000.00	4,800.00	164,800.00
Total	<u>\$ 2,335,000.00</u>	<u>\$ 673,175.00</u>	<u>\$ 3,008,175.00</u>

**GENERAL OBLIGATION BONDS
SERIES 2018
AMOUNT OF ISSUE: \$13,540,000
PRINCIPAL & INTEREST REQUIREMENTS**
Property Tax Supported Debt

YEAR	PRINCIPAL	INTEREST	TOTAL
2018-19	\$ 70,000.00	\$ 646,935.28	\$ 716,935.28
2019-20	155,000.00	497,118.76	652,118.76
2020-21	150,000.00	491,018.76	641,018.76
2021-22	110,000.00	485,818.76	595,818.76
2022-23	115,000.00	481,318.76	596,318.76
2023-24	125,000.00	476,518.76	601,518.76
2024-25	705,000.00	459,918.76	1,164,918.76
2025-26	735,000.00	431,118.76	1,166,118.76
2026-27	760,000.00	401,218.76	1,161,218.76
2027-28	795,000.00	370,118.76	1,165,118.76
2028-29	825,000.00	337,718.76	1,162,718.76
2029-30	860,000.00	304,018.76	1,164,018.76
2030-31	895,000.00	268,918.76	1,163,918.76
2031-32	930,000.00	232,418.76	1,162,418.76
2032-33	965,000.00	198,137.51	1,163,137.51
2033-34	1,000,000.00	165,956.26	1,165,956.26
2034-35	1,030,000.00	132,075.01	1,162,075.01
2035-36	1,065,000.00	96,721.88	1,161,721.88
2036-37	1,105,000.00	59,412.50	1,164,412.50
2037-38	1,145,000.00	20,037.50	1,165,037.50
Total	\$ 13,540,000.00	\$ 6,556,519.82	\$ 20,096,519.82

Interest Rates:

2018-19 thru 2031-32	-	4.000%
2032-33	-	3.250%
2033-34	-	3.300%
2034-35 thru 2035-36	-	3.375%
2036-37 thru 2037-38	-	3.500%

The par amount for this issuance is \$13,540,000. Bonds being issued and remaining authorized but unissued amounts are as follows:

PURPOSE	DATE AUTHORIZED	AMOUNT AUTHORIZED	AMOUNT PREVIOUSLY ISSUED	AMOUNT BEING ISSUED	UNISSUED BALANCE
Streets & Drainage	05/10/2014	\$ 23,500,000	\$ 14,500,000	\$ 9,000,000	\$ -
Infrastructure	11/07/2017	4,000,000	-	-	4,000,000
Parks & Open Space	11/07/2017	7,000,000	-	4,000,000	3,000,000
Neighborhood Dev	11/07/2017	4,000,000	-	1,000,000	3,000,000
		\$ 38,500,000	\$ 14,500,000	\$ 14,000,000	\$ 10,000,000

**COMBINATION TAX and REVENUE
CERTIFICATES OF OBLIGATION
SERIES 2018
AMOUNT OF ISSUE: \$5,360,000 (1)
PRINCIPAL & INTEREST REQUIREMENTS
Property Tax Supported Debt**

YEAR	PRINCIPAL	INTEREST	TOTAL
2018-19	\$ 40,000.00	\$ 263,874.73	\$ 303,874.73
2019-20	170,000.00	199,256.26	369,256.26
2020-21	100,000.00	192,506.26	292,506.26
2021-22	150,000.00	186,256.26	336,256.26
2022-23	155,000.00	178,631.26	333,631.26
2023-24	90,000.00	172,506.26	262,506.26
2024-25	255,000.00	163,881.26	418,881.26
2025-26	270,000.00	150,756.26	420,756.26
2026-27	280,000.00	137,006.26	417,006.26
2027-28	295,000.00	124,106.26	419,106.26
2028-29	305,000.00	112,106.26	417,106.26
2029-30	315,000.00	101,281.26	416,281.26
2030-31	325,000.00	91,478.13	416,478.13
2031-32	340,000.00	81,087.50	421,087.50
2032-33	350,000.00	70,087.50	420,087.50
2033-34	360,000.00	58,550.00	418,550.00
2034-35	370,000.00	46,687.50	416,687.50
2035-36	385,000.00	34,178.13	419,178.13
2036-37	395,000.00	21,015.63	416,015.63
2037-38	410,000.00	7,175.00	417,175.00
Total	\$ 5,360,000.00	\$ 2,392,427.98	\$ 7,752,427.98

Interest Rates:

2018-19 thru 2026-27	-	5.000%
2027-28 thru 2028-29	-	4.000%
2029-30	-	3.000%
2030-31 thru 2031-32	-	3.125%
2032-33 thru 2034-35	-	3.250%
2035-36 thru 2036-37	-	3.375%
2037-38	-	3.500%

(1) The total issue amount for the Series 2018 Combination Tax and Revenue Certificates of Obligation is \$10,515,000, of which \$5,155,000 is reported as Self-Supporting Debt and will be used to support improvements at the Camelot Landfill.

**SUMMARY
SELF-SUPPORTING DEBT
PRINCIPAL & INTEREST REQUIREMENTS**

YEAR	PRINCIPAL	INTEREST	TOTAL
2018-19	\$ 1,335,000.00	\$ 447,293.61	\$ 1,782,293.61
2019-20	1,470,000.00	313,516.50	1,783,516.50
2020-21	1,540,000.00	247,981.25	1,787,981.25
2021-22	1,605,000.00	178,270.00	1,783,270.00
2022-23	1,680,000.00	104,286.25	1,784,286.25
2023-24	545,000.00	56,146.25	601,146.25
2024-25	565,000.00	34,900.00	599,900.00
2025-26	590,000.00	11,800.00	601,800.00
Total	<u>\$ 9,330,000.00</u>	<u>\$ 1,394,193.86</u>	<u>\$ 10,724,193.86</u>

GENERAL OBLIGATION REFUNDING BONDS
TAXABLE SERIES 2011
AMOUNT OF ISSUE: \$7,035,000
PRINCIPAL & INTEREST REQUIREMENTS
Self-Supporting Debt

YEAR	PRINCIPAL	INTEREST	TOTAL
2018-19	\$ 465,000.00	\$ 136,832.50	\$ 601,832.50
2019-20	480,000.00	124,016.50	604,016.50
2020-21	495,000.00	109,356.25	604,356.25
2021-22	510,000.00	93,145.00	603,145.00
2022-23	525,000.00	75,411.25	600,411.25
2023-24	545,000.00	56,146.25	601,146.25
2024-25	565,000.00	34,900.00	599,900.00
2025-26	590,000.00	11,800.00	601,800.00
Total	<u>\$ 4,175,000.00</u>	<u>\$ 641,607.75</u>	<u>\$ 4,816,607.75</u>

Interest Rates:

2016-26 - 5.800%

Series refunding Taxable Series 2004 Certificates of Obligation.

COMBINATION TAX and REVENUE
 CERTIFICATES OF OBLIGATION
 SERIES 2018
 AMOUNT OF ISSUE: \$5,155,000 (1)
 PRINCIPAL & INTEREST REQUIREMENTS
 Self-Supporting Debt

YEAR	PRINCIPAL	INTEREST	TOTAL
2018-19	\$ 870,000.00	\$ 310,461.11	\$ 1,180,461.11
2019-20	990,000.00	189,500.00	1,179,500.00
2020-21	1,045,000.00	138,625.00	1,183,625.00
2021-22	1,095,000.00	85,125.00	1,180,125.00
2022-23	1,155,000.00	28,875.00	1,183,875.00
Total	<u>\$ 5,155,000.00</u>	<u>\$ 752,586.11</u>	<u>\$ 5,907,586.11</u>

Interest Rates:

2018-19 thru 2022-23 - 5.000%

(1) The total issue amount for the Series 2018 Combination Tax and Revenue Certificates of Obligation is \$10,515,000, of which \$5,360,000 is reported as Property Tax-Supported Debt and will be used to support relocation of Fire Station No. 2.

ECONOMIC DEVELOPMENT FUND

Proposed Budget 2018-19

<i>PROJECTED BEGINNING FUND BALANCE - INVENTORY OF LAND HELD FOR RESALE</i>		\$ 2,356,510
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Economic Development - Land Purchases (Market Value)	\$ 0	
Economic Development - Land Sales	<u>(306,510)</u>	

TOTAL CHANGE IN INVENTORY OF LAND HELD FOR RESALE	<u>\$ (306,510)</u>	2,050,000
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<i>PROJECTED ENDING FUND BALANCE - INVENTORY OF LAND HELD FOR RESALE</i>		<u><u>\$ 4,406,510</u></u>
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<i>PROJECTED BEGINNING FUND BALANCE - ASSIGNED TO ECONOMIC DEVELOPMENT</i>		\$ 658,497
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Change in Inventory of Land Held for Resale (Above)		306,510
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BUDGETED REVENUES

Transfer from General Fund	<u>\$ 1,100,000</u>	
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TOTAL BUDGETED REVENUES	<u>\$ 1,100,000</u>	1,100,000
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BUDGETED EXPENDITURES

Economic Development - Inventory Gain/Loss	\$ 310,000	
Economic Development - Corporate / Residential Relocation	500,000	
Economic Development - Economic Development Agreements	750,000	
Economic Development - Redevelopment Operations - Commercial Façade Grant Program	<u>500,000</u>	

TOTAL BUDGETED EXPENDITURES	<u>\$ 2,060,000</u>	<u>(2,060,000)</u>
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<i>PROJECTED ENDING FUND BALANCE - ASSIGNED TO ECONOMIC DEVELOPMENT</i>		<u><u>\$ 5,007</u></u>
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SPECIAL REVENUE FUNDS

The Special Revenue Funds are used by the City to account for the accumulation and disbursement of restricted resources. The following is a description of the City's currently budgeted Special Revenue Funds:

Police Forfeitures - to account for proceeds from the sale of assets seized in connection with drug arrests. Revenues are restricted to law enforcement expenditures.

Donations - to account for voluntary contributions for community improvement.

Youth Scholarship - to account for voluntary contributions for youth scholarship.

Grants - to account for grant revenues and expenditures.

Building Security – to account for the municipal court building security fee dedicated to courthouse security.

Court Technology – to account for the municipal court technology fee for the purchase of technological enhancements.

Landfill Closure/Post-Closure – used to account for future landfill costs.

Cemetery – to account for grounds maintenance of Keenan Cemetery.

Photographic Light System – to account for penalties and fees collected and all costs associated with the operation and enforcement of the photographic traffic monitoring system.

Dangerous Structures - to account for the costs related to the acquisition and demolition of dangerous structures (the Project) located within the City and the payment of professional services in connection with the Project. Funded by certificate of obligation proceeds. [Fund was closed in 2016-17.]

PEG Access Channel – to account for Public, Educational, Governmental (PEG) access channel capital support. Funding source is 1% of cable franchisees' gross revenue.

Joint Fire Training Facility – to account for the operating revenues and expenditures of the Joint Fire Training facility.

TIRZ District #3 – to account for the operating revenues and expenditures of the Tax Increment Reinvestment Zone (TIRZ) District #3.

Residential Revitalization Bond – to finance the City's programs for economic development for single-family residential redevelopment and revitalization in the City.

SPECIAL REVENUE FUND

Proposed Budget 2018-19

Police Forfeiture Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>		\$	151,586
BUDGETED REVENUES			
Court Ordered Forfeitures	\$	55,000	
TOTAL BUDGETED REVENUES	\$	55,000	55,000
BUDGETED EXPENDITURES			
Operating	\$	40,000	
Fixed Assets - Vehicle Purchases from Other Agencies		10,000	
Other Expenditures		133,000	
Community-Based Programs	18,000		
Firearms & Weapons	18,000		
Other	8,000		
Services - State	35,000		
Services - Federal	10,000		
Credit Card	1,000		
Communications & Computer	15,000		
Body Armor & Protective Gear	10,000		
Vehicle Maintenance	18,000		
Training		18,000	
TOTAL BUDGETED EXPENDITURES	\$	201,000	(201,000)
<i>PROJECTED ENDING FUND BALANCE</i>		\$	5,586

SPECIAL REVENUE FUND

Proposed Budget 2018-19

Donations Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>		\$ 283,258
BUDGETED REVENUES		
Interest	\$ 5,000	
Donations Received for Animal Care & Adoption Center	11,500	
Donations Received for Fire	1,000	
Donations Received for Historical Park	100	
Donations Received from Jurors for Animal Adoptions	1,000	
Donations Received for Library	400	
Donations Received for Parks	2,000	
Donations Received for Police	6,000	
Donations Received for Senior Center	<u>5,000</u>	
TOTAL BUDGETED REVENUES	<u>\$ 32,000</u>	32,000
BUDGETED EXPENDITURES		
Animal Adoption - Juror Donations	\$ 1,000	
Animal Care - Spay and Neuter	5,260	
Animal Care - General	40,000	
Fire Prevention	1,000	
Historical Park	1,400	
Human Resources - Wellness Program	900	
Library Materials	5,000	
Park Maintenance	2,000	
Police Training Aids & Equipment	6,400	
Senior Center	<u>30,500</u>	
TOTAL BUDGETED EXPENDITURES	<u>\$ 93,460</u>	<u>(93,460)</u>
<i>PROJECTED ENDING FUND BALANCE (1)</i>		<u><u>\$ 221,798</u></u>

NOTE:

(1) The projected ending fund balance is as follows:

Animal Care/Spay Neuter	\$ 46,068
Animal Care - Glenda Sue Moore Endowment	102,006
Citizen Survey	0
Farmers Branch Community Foundation	11,828
Fire	400
Fishin' Fun	2,722
Flexible Spending Refunds - Medical Reimbursement	2,444
Historical Park	258
Historical Park - Victorian House	0
Interest Allocation	10,000
Library	10,304
Park Improvements	12,363
Police/Safety	21,526
Senior Center	1,880
Spay/Neuter	0
	<u>\$ 221,798</u>

SPECIAL REVENUE FUND
Proposed Budget 2018-19

Youth Scholarship Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>		\$	12,403
BUDGETED REVENUES			
Youth Scholarship	\$	700	
TOTAL BUDGETED REVENUES	\$	700	700
BUDGETED EXPENDITURES			
Parks & Recreation	\$	6,000	
TOTAL BUDGETED EXPENDITURES	\$	6,000	(6,000)
<i>PROJECTED ENDING FUND BALANCE</i>			
		\$	7,103

SPECIAL REVENUE FUND

Proposed Budget 2018-19

Grants Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>		\$	0
BUDGETED REVENUES			
Fire NCTRAC Medical Grant	\$	3,230	
Library - NEA Big Read Grant		15,000	
Police - State Criminal Justice Program Grant		8,000	
Regional Transportation Grant		<u>30,000</u>	
TOTAL BUDGETED REVENUES	\$	<u>56,230</u>	56,230
BUDGETED EXPENDITURES			
Fire NCTRAC Medical Grant	\$	3,230	
Library - NEA Big Read Grant		15,000	
Police - State Criminal Justice Program Grant		8,000	
Regional Transportation Grant - NCTCOG		<u>30,000</u>	
TOTAL BUDGETED EXPENDITURES	\$	<u>56,230</u>	<u>(56,230)</u>
<i>PROJECTED ENDING FUND BALANCE</i>		<u>\$</u>	<u>0</u>

Note: Deficits in beginning or ending fund balance are a result of a timing difference between grant expenditures incurred and the filing of requests for reimbursements.

SPECIAL REVENUE FUND
Proposed Budget 2018-19

Building Security Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>			\$ 24,937
BUDGETED REVENUES			
Building Security	\$ 32,000		
Interest	<u>800</u>		
TOTAL BUDGETED REVENUES	<u>\$ 32,800</u>	32,800	
BUDGETED EXPENDITURES			
Supplies	\$ 8,100		
Court Security	24,400		
Equipment Repairs and Maintenance	<u>12,400</u>		
TOTAL BUDGETED EXPENDITURES	<u>\$ 44,900</u>	<u>(44,900)</u>	
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$ 12,837</u></u>

SPECIAL REVENUE FUND
Proposed Budget 2018-19

Court Technology Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>			\$ 17,348
BUDGETED REVENUES			
Court Fines	\$ 39,000		
	<u>1,000</u>		
TOTAL BUDGETED REVENUES	<u>\$ 40,000</u>	40,000	
BUDGETED EXPENDITURES			
Court Technology	\$ 11,500		
Equipment - Office	<u>44,100</u>		
TOTAL BUDGETED EXPENDITURES	<u>\$ 55,600</u>	<u>(55,600)</u>	
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$ 1,748</u></u>

SPECIAL REVENUE FUND

Proposed Budget 2018-19

Landfill Closure/Post-Closure Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>			\$ 3,073,466
Landfill Closure/Post-Closure Fund	2,358,318		
Huffines Extension Fund	715,148		
BUDGETED REVENUES			
Landfill Closure/Post-Closure Fund		\$ 850,000	
Interest	50,000		
Sale of Asset	500,000		
Transfer from Huffines Extension Fund	300,000		
Huffines Extension Fund		\$ 312,000	
Developer's Contributions	300,000		
Interest	12,000		
TOTAL BUDGETED REVENUES		<u>\$ 1,162,000</u>	1,162,000
BUDGETED EXPENDITURES			
Landfill Closure/Post-Closure Fund		\$ 928,000	
Landfill Gas Collection System Expansion	928,000		
Huffines Extension Fund		\$ 300,000	
Transfer to Landfill Closure/Post-Closure Fund	300,000		
TOTAL BUDGETED EXPENDITURES		<u>\$ 1,228,000</u>	<u>(1,228,000)</u>
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$ 3,007,466</u></u>
Landfill Closure/Post-Closure Fund	2,280,318		
Huffines Extension Fund	727,148		

SPECIAL REVENUE FUND
Proposed Budget 2018-19

Cemetery Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>		\$	5,639
BUDGETED REVENUES			
Interest	\$	200	
Johnston Family Perpetual Trust for Maintenance Fees		<u>1,200</u>	
TOTAL BUDGETED REVENUES	\$	<u>1,400</u>	1,400
BUDGETED EXPENDITURES			
	\$	<u>0</u>	
TOTAL BUDGETED EXPENDITURES	\$	<u>0</u>	<u>0</u>
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$ 7,039</u></u>

SPECIAL REVENUE FUND

Proposed Budget 2018-19

Photographic Light System Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>		\$ 545,980
BUDGETED REVENUES		
Red Light Enforcement	\$ 1,009,800	
Less State Revenue Sharing Costs	<u>(219,800)</u>	
TOTAL BUDGETED REVENUES	<u>\$ 790,000</u>	790,000
BUDGETED EXPENDITURES		
Personal Services/Benefits	\$ 60,200	
Supplies & Services	510,000	
Operating *	<u>565,000</u>	
TOTAL BUDGETED EXPENDITURES	<u>\$ 1,135,200</u>	<u>(1,135,200)</u>
<i>PROJECTED ENDING FUND BALANCE</i>		<u><u>\$ 200,780</u></u>

* Operating represents amount of funds available to spend that have already been adjusted for State Revenue Sharing Costs.

SPECIAL REVENUE FUND
Proposed Budget 2018-19

PEG Access Channel Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>			\$ 143,537
BUDGETED REVENUES			
Cable Franchise - Access Channel Fee	\$ 62,000		
TOTAL BUDGETED REVENUES	\$ 62,000	62,000	
BUDGETED EXPENDITURES			
Contingency for Equipment Failures, Upgrades and Additional Costs	\$ 50,000		
TOTAL BUDGETED EXPENDITURES	\$ 50,000	(50,000)	
<i>PROJECTED ENDING FUND BALANCE</i>			<u>\$ 155,537</u>

SPECIAL REVENUE FUND

Proposed Budget 2018-19

Joint Fire Training Facility Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>			\$	139
BUDGETED REVENUES				
Local Shared Revenue		\$	44,400	
TOTAL BUDGETED REVENUES		\$	44,400	44,400
BUDGETED EXPENDITURES				
Fire Training - All Cities		\$	44,300	
TOTAL BUDGETED EXPENDITURES		\$	44,300	(44,300)
<i>PROJECTED ENDING FUND BALANCE</i>			\$	239

SPECIAL REVENUE FUND
Proposed Budget 2018-19

TIRZ District #3 Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>			\$ 83,820
BUDGETED REVENUES			
Interest	\$ 4,000		
TIRZ - Administrative Contribution	81,600		
Tax Increment Financing	<u>3,388</u>		
TOTAL BUDGETED REVENUES	<u>\$ 88,988</u>	88,988	
BUDGETED EXPENDITURES			
Special Administrative Services	\$ 80,000		
Property Owner Assessment Rebate	<u>3,388</u>		
TOTAL BUDGETED EXPENDITURES	<u>\$ 83,388</u>	<u>(83,388)</u>	
<i>PROJECTED ENDING FUND BALANCE</i>			<u><u>\$ 89,420</u></u>

SPECIAL REVENUE FUND

Proposed Budget 2018-19

Residential Revitalization Bond Fund

<i>PROJECTED BEGINNING FUND BALANCE</i>			\$ 701,800
BUDGETED REVENUES			
Interest	\$ 2,000		
TOTAL BUDGETED REVENUES	\$ 2,000		2,000
BUDGETED EXPENDITURES			
Special Services	\$ 700,000		
TOTAL BUDGETED EXPENDITURES	\$ 700,000		(700,000)
<i>PROJECTED ENDING FUND BALANCE</i>			<u>\$ 3,800</u>

<i>PROJECTED ENDING FUND BALANCE</i>			<u>\$ 3,800</u>
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FIXED ASSET FUND SUMMARY

	FUND BALANCE 9/30/2016	YEAR-END AMENDED BUDGET 2016-17	ADOPTED BUDGET 2017-18	PROPOSED YEAR-END AMENDED BUDGET 2017-18	PROPOSED BUDGET 2018-19
<i>BEGINNING FUND BALANCE</i>	\$ 649,136	\$ 815,098	\$ 1,415,403	\$ 1,415,403	\$ 1,364,432
ESTIMATED TRANSFER FROM OPERATING FUNDS	2,501,100	3,390,600	2,931,100	2,931,100	3,155,400
CREDIT OF PRIOR YEAR ASSIGNMENTS		111,264	472,467	504,796	514,796
ESTIMATED FIXED ASSET PURCHASES	(2,342,909)	(2,708,399)	(2,860,000)	(3,031,571)	(2,974,308)
ASSIGNED FOR FUTURE PURCHASES	(111,264)	(472,467)	(504,796)	(514,796)	(994,780)
PRIOR YEAR PURCHASE ORDER(S) CLOSED		5,474			
INSURANCE RECOVERY		96,151		33,300	
PROCEEDS FROM AUCTIONS	119,034	177,682	25,000	26,200	25,000
<i>ESTIMATED ENDING ASSIGNED FUND BALANCE</i>	<u>\$ 815,098</u>	<u>\$ 1,415,403</u>	<u>\$ 1,479,174</u>	<u>\$ 1,364,432</u>	<u>\$ 1,090,540</u>
<i>ASSIGNED FOR FUTURE PURCHASES, PROVIDED (USED):</i>					
	PRIOR YEAR ASSIGNMENTS	YEAR-END 2016-17 AMENDED BUDGET ASSIGNMENTS	2017-18 ADOPTED BUDGET ASSIGNMENTS	YEAR-END 2017-18 AMENDED BUDGET ASSIGNMENTS	2018-19 ADOPTED BUDGET ASSIGNMENTS
FIRE EQUIPMENT	\$ 45,578	\$ 48,567	\$ 22,467	\$ 22,467	\$ 22,467
FIRE EQUIPMENT - SOLAR PANELS & PRINTER/COPIER/SCANNER		(26,100)			
FIRE - FUNDING RESERVES			340,000	340,000	700,000
HISTORICAL PRESERVATION - SOFTWARE		50,000	19,233	19,233	33,231
WATER & SEWER OPERATIONS - SOFTWARE		250,000	96,164	96,164	166,156
ACCOUNTING - SOFTWARE		150,000	26,932	26,932	82,926
FIRE CREDIT FOR RETURNED FERNO COT	30,686	30,686			
FIRE EQUIPMENT - USE OF CREDIT FOR NEW COT PURCHASE		(30,686)			
COMMUNITY SERVICES - COPIER PURCHASE DEFERRAL				10,000	(10,000)
COMMUNICATIONS - MARQUEE SIGNS	35,000				
<i>TOTAL ASSIGNMENTS</i>	<u>\$ 111,264</u>	<u>\$ 472,467</u>	<u>\$ 504,796</u>	<u>\$ 514,796</u>	<u>\$ 994,780</u>

Note: The Year-End 2016-17 Amended Budget columns have been adjusted to reflect 9/30/2017 actuals. Beginning *Fund Balances* have also been adjusted to reflect the impact of the prior year actuals.

FIXED ASSETS

DIVISION	DESCRIPTION	YEAR-END	YEAR-END	ADOPTED	ADOPTED	YEAR-END	YEAR-END	PROPOSED	PROPOSED
		AMENDED BUDGET TRANSFERS 2016-17	AMENDED BUDGET PLANNED PURCHASES 2016-17		BUDGET PLANNED PURCHASES 2017-18	AMENDED BUDGET TRANSFERS 2017-18	AMENDED BUDGET PLANNED PURCHASES 2017-18		BUDGET PLANNED PURCHASES 2018-19
Non-Departmental	City Hall Restroom Improvement	\$	\$	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$	\$
	Environmental Lab Renovation							15,000	15,000
	Facility Repairs & Improvements Reserve							567,000	567,000
	Firehouse Theatre ADA Compliance Project	100,000			100,000		100,000		
	Firehouse Theatre Roof Replacement			69,000	69,000	69,000	69,000		
	Generator			100,000	100,000	100,000	100,000		
	HUB Area Renovation			64,000	64,000	64,000	64,000		
	Information Technology Testing Room								40,000
	Sub-Total	<u>100,000</u>	<u></u>	<u>241,000</u>	<u>341,000</u>	<u>241,000</u>	<u>341,000</u>	<u>582,000</u>	<u>622,000</u>
Communications	Digital Marquee Signs		27,684						
	Sub-Total	<u></u>	<u>27,684</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Human Resources	Copier/Printer	7,000							
	Sub-Total	<u>7,000</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Accounting	Postage Meter	11,900	11,819						
	Software (Finance/HR ERP)	[1] 150,000	0	200,000	200,000	200,000	323,068	200,000	144,006
	Sub-Total	<u>161,900</u>	<u>11,819</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>323,068</u>	<u>200,000</u>	<u>144,006</u>
Information Services	Access Control System Upgrade/Expansion	11,000	11,000	30,000	30,000	30,000	30,000		
	Audio/Visual Upgrades	[2] 205,000	56,011	77,000	77,000	77,000	77,000		
	Backup & Recovery Software							24,500	24,500
	Climate Controlled Rack for Davis Tank			10,000	10,000	10,000	10,000		
	Data Center UPS Replacement	110,000	108,570						
	Data Center Upgrade Project at Police Station							55,000	55,000
	Emergency Operations Center Data Link	22,500	22,500						
	Emergency Operations Center UPS	25,000	45,000						
	Firewall Security/Disaster Recovery			6,500	6,500	6,500	6,500	9,500	9,500
	HVAC Replacement for Data Center			56,000	56,000	56,000	56,000		
	Microsoft Server License Additions							7,500	7,500
	Network Replacement/Upgrade Prog.			20,000	20,000	20,000	20,000		
	Redundant S2 Controller			8,000	8,000	8,000	8,000		
	Security - Video Surveillance	44,500	40,544	12,500	12,500	12,500	12,500		
	Server Environment & Storage/Hosts	50,000	48,500	93,000	93,000	93,000	93,000		
	Spectracom Time Server and Clocks (2)			10,000	10,000	10,000	10,000		
	SQL Management Software & SQL Upgrades			22,000	22,000	22,000	22,000		
	Video Server							20,000	20,000
	Virtual Server Host Refresh							138,000	138,000
	Wireless Data Solutions	25,000	25,000						
	Sub-Total	<u>493,000</u>	<u>357,125</u>	<u>345,000</u>	<u>345,000</u>	<u>345,000</u>	<u>345,000</u>	<u>254,500</u>	<u>254,500</u>

FIXED ASSETS

DIVISION	DESCRIPTION	YEAR-END	YEAR-END	ADOPTED	ADOPTED	YEAR-END	YEAR-END	PROPOSED	PROPOSED
		AMENDED	AMENDED						
		BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
		TRANSFERS	PURCHASES	TRANSFERS	PURCHASES	TRANSFERS	PURCHASES	TRANSFERS	PURCHASES
		2016-17	2016-17	2017-18	2017-18	2017-18	2017-18	2018-19	2018-19
Community Services	Copier			10,000	10,000	10,000			10,000
	Sub-Total			10,000	10,000	10,000			10,000
Building Inspections	Vehicle(s)			27,000	27,000	27,000	27,000		
	Sub-Total			27,000	27,000	27,000	27,000		
Street Maintenance	Monument Signs		71,030		168,900		15,100		268,800
	Paver	116,000	113,530						
	Replacement Utility Truck with Aerial Lift			130,000	130,000	130,000	119,600		
	Replacement Truck with Flatbed			48,000	48,000	48,000	48,000		
	Traffic Signal Cabinets	65,000	63,750	26,000	26,000	26,000	26,000	78,000	78,000
	Trailer - Replacement							7,000	7,000
	UPS Battery Backup Systems	18,000	15,000	6,000	6,000	6,000	6,000		
	Vehicle(s)			55,000	55,000	55,000	55,000		
	Sub-Total	199,000	263,310	265,000	433,900	265,000	269,700	85,000	353,800
Animal Services	Facility Improvement - Parking/Driveway							9,000	9,000
	Safety - Animal Box	37,700	37,693						
	Vehicle	29,000	28,923						
	Sub-Total	66,700	66,616					9,000	9,000
Environmental Services	Vehicle Replacement							27,000	27,000
	Sub-Total							27,000	27,000
Police Administration	HVAC Replacements							6,500	6,500
	Internal Affairs Software							16,600	16,600
	Sub-Total							23,100	23,100
Police Investigations	License Plate Reader Cameras							95,000	95,000
	Vehicle			28,000	28,000	28,000	28,000	30,000	30,000
	Sub-Total			28,000	28,000	28,000	28,000	125,000	125,000
Police Patrol	Drones							40,000	40,000
	Vehicle(s)	[3] 288,500	289,617	305,000	305,000	305,000	343,100	216,000	216,000
	Sub-Total	288,500	289,617	305,000	305,000	305,000	343,100	256,000	256,000

FIXED ASSETS

DIVISION	DESCRIPTION	YEAR-END	YEAR-END	ADOPTED	ADOPTED	YEAR-END	YEAR-END	PROPOSED	PROPOSED
		AMENDED	AMENDED						
		BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
		TRANSFERS	PURCHASES	TRANSFERS	PURCHASES	TRANSFERS	PURCHASES	TRANSFERS	PURCHASES
		2016-17	2016-17	2017-18	2017-18	2017-18	2017-18	2018-19	2018-19
Fire Administration	Area Warning Sirens Control System	115,100							
	Doors for Sleeping Quarter per Code Enforcement			21,000	21,000	21,000	21,000		
	Printer/Copier/Scanner		8,480						
	Solar Panels		17,592						
	Sub-Total	<u>115,100</u>	<u>26,072</u>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>		
Fire Operations	Ambulance							230,000	230,000
	Bunker Gear Drying System	9,000	8,324						
	Emergency Air Supply Packs	11,100	10,550						
	Future Funding Reserves [3]			340,000		340,000		360,000	
	Gear Dryer [Qty 2]			11,500	11,500	11,500	11,500		
	Hose Management System							9,000	9,000
	Hurst Electric Rescue Equipment	33,900	33,006						
	Ladder Truck	962,000	961,159						
	Patient Transport/Loading Systems	118,000	131,870						
	Thermal Imaging Cameras							36,000	36,000
	Trailer (Enclosed)							8,000	8,000
	Vehicles			84,000	84,000	84,000	84,000	83,000	83,000
	Sub-Total	<u>1,134,000</u>	<u>1,144,909</u>	<u>435,500</u>	<u>95,500</u>	<u>435,500</u>	<u>95,500</u>	<u>726,000</u>	<u>366,000</u>
Park Maintenance	Replacement Mower(s)	29,400	25,687	32,000	32,000	32,000	32,000		
	Replacement Storage Container [Qty 1]			5,600	5,600	5,600	5,600		
	Replacement Vehicles		45,511	109,500	109,500	109,500	109,500	73,000	73,000
	Tractor Replacement (Medium Utility)							30,000	30,000
	Trailer Replacement							20,000	20,000
	Turf Renovator			11,500	11,500	11,500	11,500		
	Utility Cart with Dump Bed	22,000	13,497						
	Sub-Total	<u>51,400</u>	<u>84,695</u>	<u>158,600</u>	<u>158,600</u>	<u>158,600</u>	<u>158,600</u>	<u>123,000</u>	<u>123,000</u>
Recreation	Vehicle (5-7 Passenger Minivan)							26,000	26,000
	Sub-Total							26,000	26,000
Aquatics Center	Outdoor UV Panels	60,000	50,318						
	Sub-Total	<u>60,000</u>	<u>50,318</u>						

FIXED ASSETS

DIVISION	DESCRIPTION	YEAR-END		ADOPTED		YEAR-END		PROPOSED	
		AMENDED BUDGET TRANSFERS 2016-17	AMENDED BUDGET PLANNED PURCHASES 2016-17	BUDGET TRANSFERS 2017-18	BUDGET PLANNED PURCHASES 2017-18	AMENDED BUDGET TRANSFERS 2017-18	AMENDED BUDGET PLANNED PURCHASES 2017-18	BUDGET TRANSFERS 2018-19	BUDGET PLANNED PURCHASES 2018-19
Senior Center	Floor Replacement			75,000	75,000	75,000	75,000		
	Sub-Total			75,000	75,000	75,000	75,000		
Historical Preservation	Copier/Printer	8,000	3,937						
	Security Camera							5,000	5,000
	Software (Finance/HR ERP)	[1] 50,000		50,000	50,000	50,000	80,767	50,000	36,002
	Smoke Detection System							32,000	32,000
	Sub-Total	58,000	3,937	50,000	50,000	50,000	80,767	87,000	73,002
Library	ADA Compliance (Restroom Entry Doors)			14,000	14,000	14,000	14,000		
	Coin Operated Copier	6,000							
	Library Materials	210,000	209,165	241,500	241,500	241,500	241,500	241,500	241,500
	Scanning Wand	8,000	4,041						
	Sub-Total	224,000	213,206	255,500	255,500	255,500	255,500	241,500	241,500
Water & Sewer Operations	AMR Repeater with Solar Power							6,800	6,800
	Large Water Meters	100,000	96,581	100,000	100,000	100,000	100,000	100,000	100,000
	Software (Finance/HR ERP)	[1] 250,000		250,000	250,000	250,000	403,836	250,000	180,100
	Tandem Trailer			11,000	11,000	11,000	11,000		
	Vehicles			82,500	82,500	82,500	82,500	27,000	27,000
	Wonderware Software (SCADA System)			45,000	45,000	45,000	45,000		
	Sub-Total	350,000	96,581	488,500	488,500	488,500	642,336	383,800	313,900
Facilities Mgmt	Interior Lift and Trailer	18,000	14,678						
	Workbench and Storage Cabinets			26,000	26,000	26,000	26,000		
	Sub-Total	18,000	14,678	26,000	26,000	26,000	26,000		
Fleet Management	A/C Unit							6,500	6,500
	Fuel Site Mgmt Equipment and Software	48,000	42,504						
	Vehicle Lifts	16,000	15,328						
	Sub-Total	64,000	57,832					6,500	6,500
GRAND TOTAL		\$ 3,390,600	\$ 2,708,399	\$ 2,931,100	\$ 2,860,000	\$ 2,931,100	\$ 3,031,571	\$ 3,155,400	\$ 2,974,308

FIXED ASSETS

DIVISION	DESCRIPTION	YEAR-END	YEAR-END	ADOPTED	ADOPTED	YEAR-END	YEAR-END	PROPOSED	PROPOSED
		AMENDED	AMENDED			AMENDED	AMENDED		
		BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
		TRANSFERS	PURCHASES	TRANSFERS	PURCHASES	TRANSFERS	PURCHASES	TRANSFERS	PURCHASES
		2016-17	2016-17	2017-18	2017-18	2017-18	2017-18	2018-19	2018-19
Totals by Fund:									
	General Fund	\$ 2,900,600	\$ 2,535,371	\$ 2,366,600	\$ 2,295,500	\$ 2,366,600	\$ 2,282,468	\$ 2,678,100	\$ 2,580,906
	Enterprise Funds	350,000	96,581	488,500	488,500	488,500	642,336	383,800	313,900
	Internal Service Funds	82,000	72,510	26,000	26,000	26,000	26,000	6,500	6,500
	Hotel/Motel Fund	58,000	3,937	50,000	50,000	50,000	80,767	87,000	73,002
		<u>\$ 3,390,600</u>	<u>\$ 2,708,399</u>	<u>\$ 2,931,100</u>	<u>\$ 2,860,000</u>	<u>\$ 2,931,100</u>	<u>\$ 3,031,571</u>	<u>\$ 3,155,400</u>	<u>\$ 2,974,308</u>

Footnotes for Transfers and Purchases:

- [1] Funding for Finance/HR ERP software.
- [2] Funding for Council Chamber audio/visual project split between 2015-16 (\$25,000) & 2016-17 (\$125,000). Additional funding provided in the PEG Fund.
- [3] Ongoing annual replacement funding. Transfers cover purchases on a multi-year basis.

CAPITAL IMPROVEMENT PROGRAM BUDGET

PROPOSED FISCAL YEAR BUDGET 2018-19

The Capital Improvement Program (CIP) consists of budgets for ten capital improvement funds that represent the capital spending plan for the City. The first three funds listed represent the City's Pay-As-You-Go Program. The capital improvement funds include:

Non-Bond Capital Improvement Program (CIP) Fund: The revenues are primarily from General Fund transfers. Expenditures are for improvements to municipal facilities, parks, land acquisition, the Street Resurfacing and Reconstruction Programs, and other capital improvement projects not included in one of the other funds.

Hotel/Motel Capital Improvement Program (CIP) Fund: This fund was previously identified as the Historical Park Fund. The revenues are exclusively from the Hotel/Motel Fund. Expenditures are for improvements to the Historical Park.

Non-Bond Utility Fund: The revenues consist primarily of transfers from the Water & Sewer Fund. Expenditures are for water and sanitary sewer improvements. The budget has been expanded to begin funding capital replacement at levels based on the annual depreciation of the water and sanitary sewer systems.

Tax Increment Finance District #1 Fund: The Mercer Crossing TIF district expires in 2019 and the fund will be active until that expiration date. Revenues will be generated from bonds, developers' contributions and advances, and property tax payments.

Tax Increment Finance District #2 Fund: The Old Farmers Branch TIF district expires in 2020 and the fund will be active until that expiration date. Revenues will be generated from bonds, developers' contributions and advances, and property tax payments.

Radio System Bond Fund: The revenues consist primarily of bond proceeds. Expenditures are for development, design, and implementation of a police/fire radio system.


Street Improvement Bond Fund: Voter approved General Obligation bonds issued for \$13.92 million (plus premium) in 2014. These funds are to be used in addition to non-bond funds having \$5 million for residential streets. Major street renovations expenses estimated at \$13.12 million. South bound Marsh Lane bridge replacement expenses estimated at \$1 million. Voter approved General Obligation bonds issued for \$9.58 million (plus premium) in 2018. Major street renovations expenses estimated at \$9 million.

Justice Center Security Upgrades Bond Fund: General Obligation bonds issued for \$2.6 million (plus premium) in 2016. These funds are to be used for security upgrades, expansion and modernization. Includes shielding for Police and Court. Upgrades to locker rooms, evidence and patrol rooms for Police. Upgrades to jury deliberations and Marshal's office for Court.


Fire Station #2 Relocation/Landfill Bond Fund: The revenues consist primarily of bond proceeds. Expenditures are for design and construction of Fire Station 2, which will be relocated from its existing location at 3940 Spring Valley Road to a City owned property that will improve the community's fire and EMS service delivery. **Landfill:** Construct new scale house and maintenance facility at Camelot Landfill.

Trail Improvements Bond Fund: The revenues consist primarily of bond proceeds. Improve the availability and quality of sidewalks in the central part of the City and to further implement the John F. Burke Nature Preserve Master Plan.


City of Farmers Branch, Texas
Capital Improvement Program

Project: Street Revitalization				Responsible Dept: Public Works						
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
	\$ 2,500,000	\$ 400,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 5,900,000	
<u>Description:</u> Residential Street Overlay Program										
					<u>Estimated Project Cost:</u>					
					Design				\$	500,000
					Construction				\$	5,100,000
					Total				\$	5,600,000
					<u>Project Schedule:</u>					
					Design:					
					Bid Award:					
					Construction:					
					<u>Funding Source(s):</u>					
					General Fund					
<u>Project Listing:</u>	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
	\$ 2,500,000	\$ 400,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 5,900,000	
Total:	\$ 2,500,000	\$ 400,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 5,900,000	
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	23/24	Total	
	\$ -	\$ (23,347)	\$ (23,347)	\$ (23,347)	\$ (23,347)	\$ (23,347)	\$ (23,347)	\$ (23,347)	\$ (233,470)	


City of Farmers Branch, Texas
Capital Improvement Program

Project: Dog Park		Responsible Dept: Parks And Recreation							
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ -	\$ 236,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 236,000
<u>Description:</u> Conversion of park bordering Farmers Branch Recreation Center to a Dog Park									
				<u>Estimated Project Cost:</u> Design \$ 25,000 Construction \$ 211,000 Total \$ 236,000					
				<u>Project Schedule:</u> Design: Bid Award: Construction:					
				<u>Funding Source(s):</u> General Fund					
<u>Project Listing:</u>	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Design	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Construction	\$ -	\$ 211,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,000
Total:	\$ -	\$ 236,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 236,000
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	Negligible impact. Low maintenance								\$ -


City of Farmers Branch, Texas
Capital Improvement Program

Project: Park Field Light Replacement				Responsible Dept: Parks And Recreation					
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ 900,000	\$ 300,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 2,550,000
<u>Description:</u> Athletic field lighting structure upgrade and replacement.									
				<u>Estimated Project Cost:</u> Design \$ 200,000 Construction \$ 2,350,000 Total \$ 2,550,000					
				<u>Project Schedule:</u> Design: Bid Award: Construction:					
				<u>Funding Source(s):</u> General Fund					
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25.	Total
1	\$ 900,000	\$ 300,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 2,550,000
Total:	\$ 900,000	\$ 300,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 2,550,000
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	23/24	Total
	Negligible impact. Upgrades are to lighting structures to prevent future failure								\$ -

City of Farmers Branch, Texas
Capital Improvement Program

Project: Burke Nature Preserve Improvements				Responsible Dept: Parks And Recreation						
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
	\$ 200,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000	
Description: Ongoing improvements to John F. Burke Nature Preserve.										
				Estimated Project Cost:						
				Design						\$ 50,000
				Construction						\$ 450,000
				Total						\$ 500,000
				Project Schedule: Design: Bid Award: Construction:						
				Funding Source(s): General Fund						
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
1	\$ 200,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000	
Total:	\$ 200,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000	
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
	\$ (10,000)	\$ -	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (80,000)	

City of Farmers Branch, Texas
Capital Improvement Program

Project: Playground Equipment Replacement				Responsible Dept: Parks And Recreation					
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ 200,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 550,000
<u>Description:</u> Playground renovations and enhancements.									
<div><div></div><div><div><u>Estimated Project Cost:</u></div><div>Design<div>\$50,000</div></div><div>Construction<div>\$500,000</div></div><div>Total<div>\$550,000</div></div></div><div><div><u>Project Schedule:</u></div><div>Design:</div><div>Bid Award:</div><div>Construction:</div></div><div><div><u>Funding Source(s):</u></div><div>General Fund</div></div></div>									
<u>Project Listing:</u>	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
1	\$ 200,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 550,000
Total:	\$ 200,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 550,000
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	Negligible impact. New equipment requires same maintenance.								\$ -

City of Farmers Branch, Texas
Capital Improvement Program

Project: Farmers Market	Responsible Dept: Parks And Recreation								
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Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ 350,000	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 435,000

Description:

Development of Farmers Market at the Grove at Mustang Crossing.

FARMERS BRANCH, THE GROVE AT MUSTANG CROSSING | FARMERS MARKET INITIATION PLAN

AMENITIES

A. Decomposed Granite Drive
B. Public Art
C. Play Activity
D. Music/Gathering Space
E. Seating/Picnic Tables
F. Screened Port-a-lets
G. Screened Dumpster
--- Protective Fencing
◇◇◇ Vendor Tent Area

Estimated Project Cost:

Design	\$ -
Construction	\$ 435,000
Total	\$ 435,000

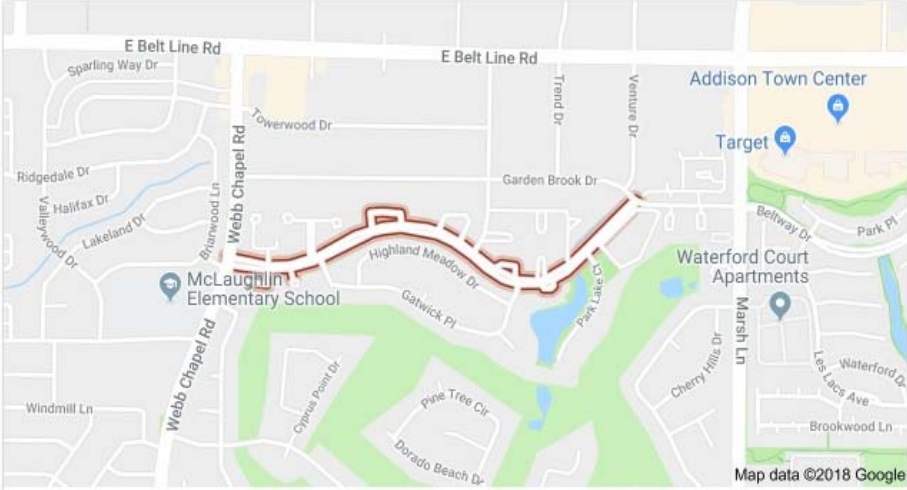
Project Schedule:
Design:
Bid Award:
Construction:

Funding Source(s):
General Fund


Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
1	\$ 350,000	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 435,000
Total:	\$ 350,000	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 435,000

Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ (10,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,000)


City of Farmers Branch, Texas
Capital Improvement Program

Project: Oakbrook Street Revitalization					Responsible Dept: Public Works				
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ -	\$ 1,150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,150,000
Description: Combined effort by City of Farmers Branch and HOA to revitalize Oakbrook street									
					Estimated Project Cost: Design \$ 50,000 Construction \$ 1,100,000 Total \$ 1,150,000 Project Schedule: Design: Bid Award: Construction: Funding Source(s): General Fund & HOA Funding				
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Design	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Construction	\$ -	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000
Total:	\$ -	\$ 1,150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,150,000
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ -	Potential reduction in maintenance costs and improved efficiency							\$ -


City of Farmers Branch, Texas
Capital Improvement Program

Project: Farmers Branch Creek Well				Responsible Dept: Sustainability and Solid Waste						
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
	\$ -	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,000	
Description: Construct a groundwater well into the Trinity Aquifer as part of a settlement agreement with the Town of Addison. The well serves as make up water for evaporative losses attributed to the Vitruvian Park development in Addison.										
				Estimated Project Cost:						
				Well Drilling/Lateral Line Construction/Pump Testing						\$ 473,000
				Wireless Data Link						\$ 40,000
				Consultant: Design & CQA						\$ 140,000
				Contingency						\$ 147,000
				Total						\$ 800,000
Funding Source(s):										
General Fund										
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
Drilling/Lateral Line Const/Pump Testing	\$ -	\$ 473,000	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 473,000	
Wireless Data Link		\$ 40,000							\$ 40,000	
Consultant: Design & CQA		\$ 140,000							\$ 140,000	
Contingency		\$ 147,000							\$ 147,000	
Total:	\$ -	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 800,000	
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
	Prevention of soil erosion that would require future treatment.								\$ -	


City of Farmers Branch, Texas
Capital Improvement Program

Project: Trail Improvements				Responsible Dept: Parks And Recreation					
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ 1,950,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 2,650,000
Description: Trail improvements based on recommendations and priorities in adopted Trail Master Plan.									
<div><div><div><div><div><div><div></div><div>FARMERS BRANCH</div></div><div>Citywide Trails Master Plan</div><div>Conceptual Trail Network Plan Review with City Council April 24, 2017</div><div>DUNAWAY</div></div></div></div></div><div><div><div>Estimated Project Cost:</div><div>Design\$ 50,000</div><div>Construction\$ 2,600,000</div><div>Total\$ 2,650,000</div></div><div><div>Project Schedule:</div><div>Design:</div><div>Bid Award:</div><div>Construction:</div></div><div><div>Funding Source(s):</div><div>General Fund & Hotel Motel Fund</div></div></div></div>									
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
1	\$ 1,950,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 2,650,000
Total:	\$ 1,950,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 2,650,000
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	Potential for future cost savings due to reduction of maintenance needed on older trails.								\$ -


City of Farmers Branch, Texas
Capital Improvement Program

Project: Library Renovations		Responsible Dept: Library							
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Description: Professional services costs for visualizing a Library renovation.									
<div><div></div><div><div>Estimated Project Cost:</div><div>Design<div>\$100,000</div></div><div>Construction<div>\$-</div></div><div>Total<div>\$100,000</div></div><div>Project Schedule:</div><div>Design:</div><div>Bid Award:</div><div>Construction:</div><div>Funding Source(s):</div><div>General Fund</div></div></div>									
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Renovations to Manske Library	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total:	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	Negligible impact. Upgrades to require approximately same maintenance.								\$ -


City of Farmers Branch, Texas
Capital Improvement Program

Project: Creek Projects		Responsible Dept: Public Works							
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ -	\$ 1,240,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,240,000
Description: Dredging and clearing of creeks									
<div><div></div><div><div>Estimated Project Cost:</div><div>Design<div>\$ -</div></div><div>Construction<div>\$ 1,240,000</div></div><div>Total<div>\$ 1,240,000</div></div><div>Project Schedule:</div><div>Design:</div><div>Bid Award:</div><div>Construction:</div><div>Funding Source(s):</div><div>General Fund</div></div></div>									
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ 1,240,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,240,000
Total:	\$ -	\$ 1,240,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,240,000
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	Negligible impact. No future costs or benefits								\$ -


City of Farmers Branch, Texas
Capital Improvement Program

Project: Utility Replacement & Improvement				Public Works					
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ 17,442,390	\$ 515,000	\$ 2,035,000	\$ 2,100,000	\$ 2,400,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 31,992,390
Description: This project funds the rehabilitation and replacement of water and sanitary sewer lines throughout the city.									
	Estimated Project Cost:								
	Design							\$	-
	Construction							\$	31,992,390
	ROW/Easements/Land							\$	-
	Other							\$	-
	Total							\$	31,992,390
Funding Source(s): Water and Sewer Fund									
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Water and sewer line improvements	\$ 17,442,390	\$ 515,000	\$ 2,035,000	\$ 2,100,000	\$ 2,400,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 31,992,390
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total:	\$ 17,442,390	\$ 515,000	\$ 2,035,000	\$ 2,100,000	\$ 2,400,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 31,992,390
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	Cost savings due to reduction of treatment of water are dependent on size of pipe, precipitation and usage.								\$ -


City of Farmers Branch, Texas
Capital Improvement Program

Project: I & I Repairs			Responsible Dept: Public Works						
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ 1,978,187	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 10,028,187
Description: This is a yearly program that will provide for inflow and infiltration reduction improvements on the sanitary sewer system. Expenditures in future years will focus on identifying problems areas within the city so repairs can be made.									
<div><div></div><div><div>Estimated Project Cost:</div><div><div>Design</div><div>Construction</div><div>ROW/Easements/Land</div><div>Other</div><div>Total</div></div><div><div>\$ -</div><div>\$ 10,028,187</div><div>\$ -</div><div>\$ -</div><div>\$ 10,028,187</div></div></div><div><div>Funding Source(s):</div><div>Water and Sewer Fund</div></div></div>									
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
1. Completed Projects	\$ 1,978,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,978,187
2. Future year projects		\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 150,000	\$ 7,050,000
Total:	\$ 1,978,187	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 150,000	\$ 9,028,187
Operating Budget Impact:	Prior Yr	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	Potential reduction in maintenance and repair costs dependent upon usage.								\$ -


City of Farmers Branch, Texas
Capital Improvement Program

Project: Service Center Improvements				Responsible Dept: Public Works					
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ 1,880,500	\$ 6,060,000	\$ 650,000	\$ 700,000	\$ 550,000	\$ 600,000	\$ 500,000	\$ 350,000	\$ 11,290,500
Description:									
This budget provides for the acquisition of land and master planning costs associated with relocating the Service Center.									
	Estimated Project Cost:								
	Design	\$							780,500
	Construction	\$							10,410,000
	ROW/Easements/Land	\$							100,000
	Other	\$							-
	Total	\$							11,290,500
Funding Source(s):									
Water and Sewer Fund									
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Design	\$ 791,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 791,000
ROW/Easements/Land	\$ 89,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,500
Construction	\$ 1,000,000	\$ 6,060,000	\$ 650,000	\$ 700,000	\$ 550,000	\$ 600,000	\$ 500,000	\$ 350,000	\$ 10,410,000
Total:	\$ 1,880,500	\$ 6,060,000	\$ 650,000	\$ 700,000	\$ 550,000	\$ 600,000	\$ 500,000	\$ 350,000	\$ 11,290,500
For the first two years both centers will need utilities and maintenance.									
Operating Budget Impact:	Prior Yr	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ -	\$ 18,950	\$ 18,950	\$ 18,950	\$ 18,950	\$ 18,950	\$ 18,950	\$ 18,950	\$ 151,600


City of Farmers Branch, Texas
Capital Improvement Program

Project: Motor/Tank/Pump Improvements				Responsible Dept: Public Works					
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ 2,322,402	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 2,812,402
Description: This project will rehabilitate and/or replace major components of the water distribution system. The improvements focus on improving system reliability by lowering maintenance costs, reducing power outages, increasing efficiency, and extending the useful lives of equipment and facilities.									
			Estimated Project Cost:						
			Design	\$	-				
			Construction	\$	2,812,402				
			ROW/Easements/Land	\$	-				
			Other	\$	-				
Total		\$	2,812,402						
			Funding Source(s): Water and Sewer Fund						
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
1. Prior Years	\$ 734,166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 734,166
2. Rehab Wicker Tank	\$ 1,588,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,588,236
3. Future projects	\$ -	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 490,000
Total:	\$ 2,322,402	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 2,812,402
Operating Budget Impact:	Prior Yr	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	Potential reduction in maintenance costs and improved efficiency.								\$ -


City of Farmers Branch, Texas
Capital Improvement Program

Project: Western Securities		Responsible Dept: Public Works							
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ 1,280,003	\$ 504,025	\$ 152,303	\$ 203,169	\$ -	\$ -			\$ 2,139,500
<u>Description:</u> Developer incentive reimbursements for public improvements (Mustang Station).									
					<u>Estimated Project Cost:</u> Design \$ - Construction \$ - ROW/Easements/Land \$ - Other \$ 2,139,500 Total \$ 2,139,500				
					<u>Funding Source(s):</u> TIF No. 2 Funds				
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Developer's Reimbursement	\$ 1,280,003	\$ 504,025	\$ 152,303	\$ 203,169	\$ -	\$ -	\$ -	\$ -	\$ 2,139,500
Total:	\$ 1,280,003	\$ 504,025	\$ 152,303	\$ 203,169	\$ -	\$ -	\$ -	\$ -	\$ 2,139,500
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	No impact. Developers reimbursement if required.								\$ -


City of Farmers Branch, Texas
Capital Improvement Program

Project: Street Improvements			Responsible Dept: Public Works						
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	\$ 15,881,353	\$ 3,800,000	\$ 3,800,000	\$ 1,266,000	\$ -	\$ -	\$ -	\$ -	\$ 24,747,353
<p>Description: This project is for the improvement of streets and Marsh Lane bridge over a four-year period. A total of \$23.5 million in bonds were authorized by voters.</p>									
	<p>Estimated Project Cost:</p>								
	Street Improvements \$ 22,558,721								
	Marsh Lane Bridge (south bound) \$ 1,397,500								
	Bond Issuance costs \$ 291,132								
	Other \$ 500,000								
	Total \$ 24,747,353								
	<p>Project Schedule:</p>								
	Design:								
	Bid Award:								
	Construction:								
<p>Funding Source(s):</p>									
Bond proceeds									
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
Street Improvements	\$ 13,692,721	\$ 3,800,000	\$ 3,800,000	\$ 1,266,000	\$ -	\$ -	\$ -	\$ -	\$ 22,558,721
Marsh Lane Bridge	\$ 1,397,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,397,500
Public Way Improvements	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Bond Issuance Cost	\$ 291,132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 291,132
Total:	\$ 15,881,353	\$ 3,800,000	\$ 3,800,000	\$ 1,266,000	\$ -	\$ -	\$ -	\$ -	\$ 24,747,353
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total
	Potential reduction in maintenance costs and improved efficiency.								\$ -

City of Farmers Branch, Texas
Capital Improvement Program

Project: Justice Center Security Updates			Responsible Dept:			Police				
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
	\$ 2,707,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,087,511	
Description:										
Security and expansion of Justice Center. Upgrade in security for both court and police departments. Expansion to include locker room, booking area, evidence, storage, and garage areas in the police department. Expansion of jury deliberation room and Marshal's office in court.										
			Estimated Project Cost:							
			Design	\$						50,000
			Construction	\$						2,560,400
			Bond Issuance Costs	\$						96,628
			Total	\$						2,707,028
			Funding Source(s):							
			Bond Proceeds	\$						2,545,000
			Bond Premium	\$						149,083
			Est. Interest	\$						17,925
			\$ 2,712,008							
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
Design	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	
Construction	\$ 2,560,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,560,400	
Bond Issuance Costs	\$ 96,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,628	
Total:	\$ 2,707,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,707,028	
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
	Negligible impact. Upgrades to require approximately same maintenance.								\$ -	

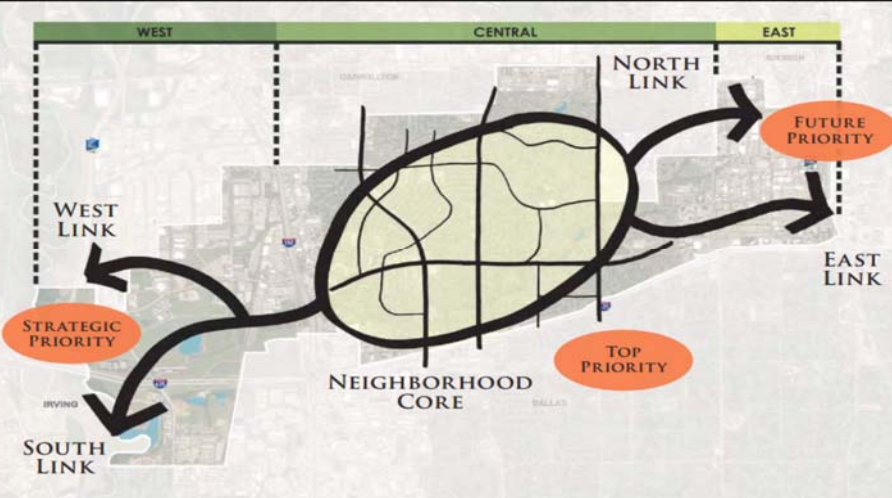
City of Farmers Branch, Texas
Capital Improvement Program

Project: Fire Station #2 Relocation Bond Fund				Responsible Dept:		Fire				
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
	\$ 164,350	\$ 5,122,000	\$ 378,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,664,350	
Description: The revenues consist primarily of bond proceeds. Expenditures are for design and construction of Fire Station 2, which will be relocated from its existing location at 3940 Spring Valley Road to a City owned property that will improve the community's fire and EMS service delivery.										
				Estimated Project Cost:						
				Design						\$ 100,000
				Construction						\$ 5,500,000
				Bond Issuance Costs						\$ 64,350
				Total						\$ 5,664,350
				Funding Source(s):						
Bond Proceeds						\$ 5,500,000				
Bond Premium						\$ 55,000				
Est. Interest						\$ 30,000				
Total						\$ 5,585,000				
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
Design	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	
Construction	\$ -	\$ 5,122,000	\$ 378,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,500,000	
Bond Issuance Costs	\$ 64,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,350	
Total:	\$ 164,350	\$ 5,122,000	\$ 378,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,664,350	
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
	Benefits offset costs. Larger facility, but more energy efficient then previous. No additional staff planned.								\$ -	

City of Farmers Branch, Texas
Capital Improvement Program

Project: Landfill		Responsible Dept:			Sustainability and Solid Waste					
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
	\$ -	\$ 4,070,350	\$ 875,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,945,350	
Description: Construct new scale house and maintenance facility at Camelot Landfill. Contractor is Weaver Holdings, LLC. Weaver Consultants Group and Achor Construction are wholly owned subsidiaries of the Weaver Holdings, LLC. This project will increase the operational capacity of the facility by processing more trucks per hour.										
					Estimated Project Cost:					
					Design				\$	1,629,000
					Construction				\$	3,154,500
					Permitting				\$	97,500
					Other (Bond issuance costs)				\$	64,350
					Total				\$	4,945,350
Funding Source(s):										
Bond Proceeds				\$	5,000,000					
Bond Premium				\$	55,000					
Est. Interest				\$	30,000					
Total				\$	5,085,000					
Project Listing:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
Design	\$ -	\$ 1,629,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,629,000	
Construction	\$ -	\$ 2,279,500	\$ 875,000		\$ -	\$ -	\$ -	\$ -	\$ 3,154,500	
Permitting	\$ -	\$ 97,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,500	
Other (Bond issuance costs)	\$ -	\$ 64,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,350	
Total:	\$ -	\$ 4,070,350	\$ 875,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,945,350	
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total	
		\$ 984,000	\$ 1,032,000	\$ 1,082,000	\$ 1,135,000	\$ 1,190,000	\$ 1,248,000	\$ 1,309,000	\$ 7,980,000	

City of Farmers Branch, Texas
Capital Improvement Program

Project: Trail Improvements				Responsible Dept: Parks And Recreation																			
Projected Financial Plan	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total														
	\$ 450,000	\$ 3,083,500	\$ 441,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,975,000														
Description: Improve the availability and quality of sidewalks in the central part of the City and to further implement the John F. Burke Nature Preserve Master Plan with trails and amenities for groups and wildlife observation.																							
				<div>Estimated Project Cost:<table><tr><td>Design</td><td>\$ 50,000</td></tr><tr><td>Construction</td><td>\$ 3,925,000</td></tr><tr><td>Total</td><td>\$ 3,975,000</td></tr></table></div> <div>Project Schedule:<table><tr><td>Design:</td><td></td></tr><tr><td>Bid Award:</td><td></td></tr><tr><td>Construction:</td><td></td></tr></table></div> <div>Funding Source(s):<table><tr><td>Bond Proceeds</td><td></td></tr></table></div>						Design	\$ 50,000	Construction	\$ 3,925,000	Total	\$ 3,975,000	Design:		Bid Award:		Construction:		Bond Proceeds	
Design	\$ 50,000																						
Construction	\$ 3,925,000																						
Total	\$ 3,975,000																						
Design:																							
Bid Award:																							
Construction:																							
Bond Proceeds																							
Project Listing:																							
	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total														
Design	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000														
Construction	\$ 400,000	\$ 3,083,500	\$ 441,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,925,000														
Total:	\$ 450,000	\$ 3,083,500	\$ 441,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,975,000														
Operating Budget Impact:	Prior Yrs	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Total														
	Potential for future cost savings due to reduction of maintenance needed on older trails.								\$ -														

**CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
SUMMARY
PROPOSED FISCAL YEAR BUDGET 2018-19**

			PRIOR YEARS	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<u>REVENUES</u>									
Non-Bond CIP	\$	92,848,122	84,267,710	3,026,812	925,600	925,600	925,600	925,600	925,600
Hotel/Motel CIP	\$	6,151,890	6,151,890						
Non-Bond Utility	\$	72,164,626	43,150,580	3,972,741	3,972,969	3,973,199	4,273,431	4,273,665	4,273,901
DART LAP	\$	25,483,587	25,483,587						
Tax Increment Finance District #1	\$	40,237,574	34,439,185	4,162,901	1,635,489				
Tax Increment Finance District #2	\$	6,796,942	4,230,015	1,210,438	430,309	451,805	474,376		
Street Improvement/Animal Shelter Bond	\$	8,170,849	8,170,849						
Fire Station 1 Relocation Bond	\$	5,633,031	5,633,031						
Radio System Bond	\$	3,036,983	3,036,983						
Aquatics Center Bond	\$	8,907,703	8,907,703						
Consolidated Dispatch Bond	\$	2,063,362	2,063,362						
Street Improvement Bond	\$	24,786,533	24,636,533	75,000	50,000	25,000			
Justice Center Security Upgrades Bond	\$	2,723,325	2,723,325						
Fire Station # 2 Relocation	\$	11,137,000	11,125,000	10,000	2,000				
Trail Improvements	\$	4,057,500	4,055,000	2,000	500				
TOTAL REVENUES	\$	314,199,027	268,074,752	12,459,892	7,016,867	5,375,604	5,673,406	5,199,265	5,199,501
<u>EXPENDITURES</u>									
Non-Bond CIP	\$	92,840,923	82,899,711	4,391,212	925,000	925,000	925,000	925,000	925,000
Hotel/Motel CIP	\$	6,141,232	6,141,232						
Non-Bond Utility	\$	71,826,933	39,326,933	7,795,000	3,905,000	4,020,000	4,170,000	4,320,000	4,220,000
DART LAP	\$	25,474,256	25,474,256						
Tax Increment Finance District #1	\$	40,237,574	34,439,185	4,162,901	1,635,488				
Tax Increment Finance District #2	\$	4,444,081	3,344,403	744,205	152,303	203,169			
Street Improvement/Animal Shelter Bond	\$	8,170,850	8,170,850						
Fire Station 1 Relocation Bond	\$	5,636,153	5,636,153						
Radio System Bond	\$	3,036,983	2,938,053	98,930					
Aquatics Center Bond	\$	8,905,887	8,905,887						
Consolidated Dispatch Bond	\$	2,044,796	2,044,796						
Street Improvement Bond	\$	24,747,353	15,881,353	3,800,000	3,800,000	1,266,000			
Justice Center Security Upgrades Bond	\$	2,707,028	2,707,028						
Fire Station #2 Relocation	\$	10,674,050	4,299,050	5,997,000	378,000				
Trail Improvements	\$	4,046,800	521,800	3,083,500	441,500				
TOTAL EXPENDITURES	\$	310,934,898	242,730,691	30,072,748	11,237,291	6,414,169	5,095,000	5,245,000	5,145,000

CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
NON-BOND CIP FUND
PROPOSED FISCAL YEAR YEAR BUDGET 2018-19

REVENUE SOURCES:

Miscellaneous Revenues

PROJECT BUDGET	PRIOR YEARS	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Prior Year Revenue	\$ 4,240,303	4,240,303						
North Texas Toll way Authority	\$ 150,000	150,000						
Interest	\$ 8,469,227	8,465,027	600	600	600	600	600	600
Developer Contributions	\$ 2,049,919	1,299,919	750,000					
Dallas County	\$ 480,111	480,111						
Public Improvement District [1]	\$ 3,568,918	3,568,918						
Las Campanas Wall Assessment	\$ 110,295	110,295						
Hotel/Motel Fund Transfer	\$ 1,466,200	1,466,200						
DART Signal Reimbursement	\$ 97,467	97,467						
TxDOT (LBJ Express)	\$ 974,570	974,570						
TxDOT RTR (NCTCOG)	\$ 270,645	270,645						
CDBG Funds	\$ 1,388,637	1,158,425	230,212					
<i>Subtotal Revenues Excluding Transfers</i>	\$ 23,266,292	22,281,880	980,812	600	600	600	600	600

Transfer of General Fund Balance

Prior Year Revenue	\$ 19,441,000	19,441,000						
<i>Subtotal Transfer of General Fund Balance</i>	\$ 19,441,000	19,441,000						

General Fund Transfers

Prior Year Revenue	\$ 8,388,000	8,388,000						
Street Revitalization	\$ 6,000,000	2,500,000	500,000	500,000	500,000	500,000	500,000	500,000
Fire Station #2 Relocation	\$ 400,000	400,000						
Street Program Transfer	\$ 15,018,000	15,008,000	10,000					
Farmers Branch Creek Well Transfer	\$ 800,000	800,000						
Creek Improvements	\$ 790,000		790,000					
Trails Program Transfer	\$ 550,000	550,000						
Farmers Market Grove at Mustang Crossing	\$ 435,000	350,000	85,000					
<i>Subtotal General Fund Transfers</i>	\$ 32,381,000	27,996,000	1,385,000	500,000	500,000	500,000	500,000	500,000

Departmental Transfers

Prior Year Revenue	\$ 11,555,500	11,555,500						
Playground/Park Renovations ('13-'14 Lighting Study)	\$ 425,000	425,000						
Park Maintenance	\$ 4,675,000	1,700,000	425,000	425,000	425,000	425,000	425,000	425,000
Parks Maintenance (VV Soccer Complex)	\$ 105,000	105,000						
Parks Maintenance (Dog Park)	\$ 236,000		236,000					
Streets/Railroad Crossings	\$ 754,000	754,000						
DART	\$ 9,331	9,331						
<i>Subtotal Departmental Transfers</i>	\$ 17,759,831	\$ 14,548,831	661,000	425,000	425,000	425,000	425,000	425,000

TOTAL REVENUES:

\$ 92,848,122	84,267,710	3,026,812	925,600	925,600	925,600	925,600	925,600	925,600
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CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
NON-BOND CIP FUND
PROPOSED FISCAL YEAR YEAR BUDGET 2018-19

PROJECTED EXPENDITURES

Completed Projects

	PROJECT BUDGET	PRIOR YEARS	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2023-24
Prior Years [2]	\$ 57,415,839	57,415,839							
Liberty Plaza	\$ 429,858	429,858							
Screen Wall Assistance	\$ 185,196	185,196							
City Entryway Enhancements	\$ 48,878	48,878							
Field of Blue Statue	\$ 24,500	24,500							
CDBG Project 2008-10	\$ 136,693	136,693							
Railroad Crossing Signal Controllers (DART)	\$ 97,767	97,767							
Current and Future Projects									
Playground/Park Renovations ('13-'14 Lighting Study)	\$ 629,386	629,386							
Parks Maintenance (VV Soccer Complex)	\$ 105,000	105,000							
Parks Maintenance (Dog Park)	\$ 236,000		236,000						
Park Field Light Replacement	\$ 2,550,000	900,000	300,000	225,000	225,000	225,000	225,000	225,000	225,000
Burke Nature Preserve Improvements	\$ 500,000	200,000		50,000	50,000	50,000	50,000	50,000	50,000
Playground Equipment Replacement	\$ 550,000	200,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Trail Improvements [4]	\$ 2,650,000	1,950,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Farmers Market - Grove at Mustang Crossing	\$ 435,000	350,000	85,000						
Oakbrook Street Revitalization	\$ 1,150,000		1,150,000						
Farmers Branch Creek Well	\$ 800,000		800,000						
Redevelopment Program	\$ 2,816,584	2,816,584							
Railroad Crossing Improvements	\$ 588,841	588,841							
Library Renovations	\$ 100,000		100,000						
Streetscape Enhancements	\$ 292,114	292,114							
Street Resurfacing	\$ 7,490,278	7,490,278							
-Monument Signs (LBJ/Josey, Webb Chapel)	\$ 50,000	50,000							
CDBG Project 2015-16 Shoredale Lane Water/Sewer Replacement	\$ 219,773	219,773							
CDBG Project 2018-19 Havenhurst Water & Sewer Improvements	\$ 230,212		230,212						
Traffic Signals Rehabilitation	\$ 120,385	120,385							
Fire Station #2 Relocation	\$ 400,781	400,781							
Creek Projects	\$ 1,240,000		1,240,000						
Street Revitalization [3]	\$ 5,600,000	2,500,000	100,000	500,000	500,000	500,000	500,000	500,000	500,000
Traffic Counts	\$ 26,283	26,283							
Farmers Branch Station Streets/Transit Center	\$ 267,336	267,336							
TOTAL PLANNED EXPENDITURES:	\$ 87,359,734	77,418,522	4,391,212	925,000	925,000	925,000	925,000	925,000	925,000
Transfers	\$ 5,481,189	5,481,189							
TOTAL EXPENDITURES:	\$ 92,840,923	82,899,711	4,391,212	925,000	925,000	925,000	925,000	925,000	925,000
RESERVED FOR CONTINGENCIES AND FUTURE PROJECTS:									
	\$ 7,200	1,368,000	3,600	4,200	4,800	5,400	6,000	6,600	7,200

[1] Funding is from savings resulting from the early payoff of public improvement district (PID) debt.

[2] A list of completed projects is available upon request.

[3] Street Revitalization project spans 10 years from FY 2013-2014 to FY 2022-2023 for total of \$5,000,000.

[4] An additional \$500,000 to be paid from Street Improvement Bonds making total project \$3,000,000 (\$1,500,000 funded by Dallas County) for fiscal 2016-2017.

CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
HOTEL/MOTEL CIP FUND
PROPOSED FISCAL YEAR YEAR BUDGET 2018-19

REVENUE SOURCES:

	PROJECT BUDGET	PRIOR YEARS	2018-19
Appropriated Fund Balance	\$ 200,199	200,199	
Interest	\$ 300,291	300,291	
Hotel/Motel Transfer from Non-Bond CIP	\$ 360,400	360,400	
Special Revenue Donations	\$ 75,000	75,000	
Hotel/Motel Transfers	\$ 5,216,000	5,216,000	
TOTAL REVENUES:	\$ 6,151,890	6,151,890	

PROJECTED EXPENDITURES

Completed Projects

Prior Years [1]	\$ 4,051,632	4,051,632	
Stars Center Upgrades	\$ 986,000	986,000	
Historical Park Structure Repairs	\$ 796,000	796,000	
Historical Park Master plan	\$ 28,500	28,500	
Historical Park General Store	\$ 100,000	100,000	
Historical Park Lighting Study	\$ 25,000	25,000	
Historical Park Bridge & Pathways	\$ 154,100	154,100	
TOTAL EXPENDITURES:	\$ 6,141,232	6,141,232	
RESERVED FOR CONTINGENCIES AND FUTURE PROJECTS:	\$ 10,659	10,659	10,659

[1] A list of completed projects is available upon request.

CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
NON-BOND UTILITY FUND
PROPOSED FISCAL YEAR YEAR BUDGET 2018-19

REVENUE SOURCES:

	PROJECT BUDGET	PRIOR YEARS	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Transfer from Water & Sewer Fund Operations [1]	\$ 60,049,346	31,199,346	3,950,000	3,950,000	3,950,000	4,250,000	4,250,000	4,250,000	4,250,000
Transfer from Water & Sewer Fund - Fund Balance	\$ 6,200,000	6,200,000							
Transfer from Sewer Interceptor Fund	\$ 1,495,069	1,495,069							
Transfer from Fixed Asset Fund	\$ 213,166	213,166							
Developer Contribution	\$ 5,500	5,500							
Interest	\$ 3,503,376	3,339,330	22,741	22,969	23,199	23,431	23,665	23,901	24,140
TML Reimbursements	\$ 415,864	415,864							
CDBG	\$ 282,305	282,305							
TOTAL REVENUES:	\$ 72,164,626	43,150,580	3,972,741	3,972,969	3,973,199	4,273,431	4,273,665	4,273,901	4,274,140

PROJECTED EXPENDITURES

Completed Projects

Prior Years [2]	\$ 8,389,812	8,389,812							
Benchmark Water/SS Line	\$ 392,611	392,611							
Current and Future Projects	\$								
Utility Replacement & Improvements	\$ 31,992,390	17,442,390	515,000	2,035,000	2,100,000	2,400,000	2,500,000	2,500,000	2,500,000
I & I Repairs	\$ 10,028,187	1,978,187	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Service Center Improvements	\$ 11,290,500	1,880,500	6,060,000	650,000	700,000	550,000	600,000	500,000	350,000
Motor/Pump/Tank Improvements	\$ 2,812,402	2,322,402	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Technology/Security Improvements	\$ 1,707,166	1,707,166							
East Side Lift Station	\$ 1,216,688	1,216,688							
Farmers Branch Station Streets	\$ 833,070	833,070							
TOTAL PLANNED EXPENDITURES:	\$ 68,662,826	36,162,826	7,795,000	3,905,000	4,020,000	4,170,000	4,320,000	4,220,000	4,070,000
Transfers	\$ 3,164,107	3,164,107							
TOTAL EXPENDITURES:	\$ 71,826,933	39,326,933	7,795,000	3,905,000	4,020,000	4,170,000	4,320,000	4,220,000	4,070,000
RESERVED FOR CONTINGENCIES AND FUTURE PROJECTS:	\$ 337,692	3,823,646	1,388	69,357	22,555	125,986	79,650	133,552	337,692

[1] Transfer from Water & Sewer Operations. This is a planned use of fund balance for capital improvements.

[2] A list of completed projects is available upon request.

CITY OF FARMERS BRANCH
CAPITAL IMPROVEMENT PROGRAM
TAX INCREMENT FINANCE DISTRICT #1 FUND
PROPOSED FISCAL YEAR YEAR BUDGET 2018-19

REVENUE SOURCES:

PROJECT BUDGET	PRIOR YEARS	2018-19	2019-20
CFBISD (100%)	\$ 20,037,926	17,066,388	2,971,538
City of Farmers Branch (35%)	\$ 3,732,789	2,362,363	798,128
Dallas County Hospital District (34%)	\$ 1,823,315	1,205,720	359,683
Dallas County (34%)	\$ 1,496,714	928,776	330,764
Dallas County Community College District (35%)	\$ 204,912	204,912	
Valwood Improvement Authority (50% - M&O Rate)	\$ 364,152	229,068	78,672
Dallas Independent School District (35%)	\$ 259,975	126,652	66,993
Developer Advance [1]	\$ 11,601,824	11,601,824	
Interest	\$ 715,967	713,482	1,236
TOTAL REVENUES:	\$ 40,237,574	34,439,185	4,162,901

PROJECTED EXPENDITURES

Completed Projects

Prior Years [2]	\$ 3,245,649	3,245,649		
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Current and Future Projects

City and School Administrative Fees	\$ 247,602	247,602		
Developer Reimbursement [3]	\$ 13,098,474	9,215,019	2,247,966	1,635,488
Zone School Project Costs (CFBISD) [4]	\$ 13,006,617	11,091,682	1,914,934	
Zone School Project Costs (DISD) [5]	\$ 4,558	4,558		
Mercer Parkway	\$ 3,531,657	3,531,657		
Lake Improvements: north of I-635	\$ 1,343,709	1,343,709		
"Peninsula Tract" Improvements [6]	\$ 2,980,332	2,980,332		
Remaining West Side Projects [1]	\$ 2,453,432	2,453,432		
Mercer Parkway Extension (Luna to I-35)	\$ 364,450	364,450		
Knightsbridge Road	\$ 363,700	363,700		
Bond Street	\$ 363,700	363,700		
East Lift Station (west of I35, north of IH635)	\$ 380,696	380,696		
Luna Road Lift Station	\$ 632,140	632,140		
Lake Improvements: South of I-635	\$ 348,745	348,745		
TOTAL PLANNED EXPENDITURES:	\$ 39,912,030	34,113,641	4,162,901	1,635,488
Transfers	\$ 325,544	325,544		
TOTAL EXPENDITURES	\$ 40,237,574	34,439,185	4,162,901	1,635,488
RESERVED FOR CONTINGENCIES AND FUTURE PROJECTS:	\$ 0	0	0	0

[1] A list of completed projects is available upon request

[2] Developer reimbursements to be based on provisions of Developer Agreements Nos. 1-8. (Principal and Interest as of Sept. 30th 2016 is \$15,649,907.12)

[3] Figures represent 65% of CFBISD revenue payment

[4] Figures represent 20% of DISD revenue payment

[5] Design for Phase 2 improvements were funded by Developer Advances.

[6] Does not include future projects or overpayments/refunds.

Terms and Limits for Participation

Dallas County (Term-12/31/2019)	34% up to \$4.5MM
Carrollton Farmers Branch ISD (Term-12/20/2018)	100% up to \$129,805,190
Valwood Authority (Term-12/31/2019)	50% of O&M rate only
Dallas ISD (Term 12/20/2018)	35% up to \$4,145,043
DCCCD (Term-15 years from zone creation date of 12/21/1998)	35%
Parkland (Term 12/31/2019)	34% up to \$4.5MM
Farmers Branch	35%

CITY OF FARMERS BRANCH
 CAPITAL IMPROVEMENT PROGRAM
 TAX INCREMENT FINANCE DISTRICT #2 FUND
 PROPOSED FISCAL YEAR YEAR BUDGET 2018-19

REVENUE SOURCES:

	PROJECT BUDGET	PRIOR YEARS	2018-19	2019-20	2020-21	2021-22
CFBISD (100%)	\$ 3,223,856	2,423,255	800,601			
City of Farmers Branch (100%)	\$ 2,218,524	1,031,775	275,340	289,107	303,562	318,740
Dallas County Hospital District (55%)	\$ 580,451	269,106	72,236	75,847	79,640	83,622
Dallas County (55%)	\$ 492,377	226,759	61,627	64,708	67,943	71,341
Dallas County Community College District (100%)	\$ 53,256	53,256				
Non-Bond CIP Fund Advance	\$ 200,000	200,000				
Interest [1]	\$ 28,478	25,864	634	647	660	673
TOTAL REVENUES:	\$ 6,796,942	4,230,015	1,210,438	430,309	451,805	474,376

PROJECTED EXPENDITURES

Completed Projects

Prior Years [2]	\$ 14,943	14,943				
Phase One Public Imp./Enhancements	\$ 144,999	144,999				

Current and Future Projects

Zone School Project Costs [3]	\$ 951,688	711,507	240,180			
City and School Administrative Fees	\$ 67,950	67,950				
Bee Street Development	\$ 550,000	550,000				
Farmers Branch Station Streets	\$ 225,000	225,000				
K. Hovnanian	\$ 150,000	150,000				
Western Securities [4]	\$ 2,139,500	1,280,003	504,025	152,303	203,169	

TOTAL PLANNED EXPENDITURES:

Transfers	\$ 200,000	200,000				
TOTAL EXPENDITURES	\$ 4,444,081	3,344,403	744,205	152,303	203,169	

RESERVED FOR CONTINGENCIES AND FUTURE PROJECTS:

\$ 2,352,862	885,611	1,351,844	1,629,850	1,878,486	2,352,862	
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[1] Includes bond premiums, interest income, and accrued interest

[2] A list of completed projects is available upon request.

[3] Figures represent 30% of CFBISD revenue payment

[4] Contractual cap of \$2,400,000

Terms and Limits for Participation

Dallas County (Term-12/31/2020)	55% up to \$1.7MM
Carrollton Farmers Branch ISD (Term-07/20/2019)	100% up to \$23,895,858
DCCCD (Term-15 years from zone creation date of 7/21/1999)	100%
Parkland (Term 12/31/2020)	55% up to \$1.7MM
Farmers Branch	100%

CITY OF FARMERS BRANCH
 CAPITAL IMPROVEMENT PROGRAM
 RADIO SYSTEM BOND FUND
 PROPOSED FISCAL YEAR YEAR BUDGET 2018-19

REVENUE SOURCES:

Bond Proceeds

Interest

TOTAL REVENUES:

PROJECTED EXPENDITURES

Current and Future Projects

Radio Upgrade Project/Radio System Improvements

TRITECH Records Management System

Justice Center Upgrades

Bond Issuance Costs

TOTAL PLANNED EXPENDITURES:

Transfers

TOTAL EXPENDITURES

RESERVED FOR CONTINGENCIES:

PROJECT BUDGET	PRIOR YEARS	2018-2019
\$ 3,000,000	3,000,000	
\$ 36,983	36,983	
\$ 3,036,983	3,036,983	
\$ 2,843,983	2,745,053	98,930
\$ 81,512	81,512	
\$ 57,988	57,988	
\$ 53,500	53,500	
\$ 3,036,983	2,938,053	98,930
\$ -		
\$ 3,036,983	2,938,053	98,930
\$ 0	98,930	0

CITY OF FARMERS BRANCH
 CAPITAL IMPROVEMENT PROGRAM
 STREET IMPROVEMENT BOND FUND
 PROPOSED FISCAL YEAR YEAR BUDGET 2018-19

REVENUE SOURCES:

Bond Proceeds
 Bond Premium
 Interest

TOTAL REVENUES:

PROJECTED EXPENDITURES

Current and Future Projects

Street Improvements
 Marsh Lane Bridge (south bound) [1]
 Public Way Improvements [2]
 Bond Issuance Costs

TOTAL PLANNED EXPENDITURES:

Transfers

TOTAL EXPENDITURES

RESERVED FOR CONTINGENCIES:

PROJECT BUDGET	PRIOR YEARS	2018-19	2019-20	2020-21
\$ 24,080,000	24,080,000			
\$ 287,138	287,138			
\$ 419,395	269,395	75,000	50,000	25,000
\$ 24,786,533	24,636,533	75,000	50,000	25,000
\$ 22,558,721	13,692,721	3,800,000	3,800,000	1,266,000
\$ 1,397,500	1,397,500			
\$ 500,000	500,000			
\$ 291,132	291,132			
\$ 24,747,353	15,881,353	3,800,000	3,800,000	1,266,000
\$				
\$ 24,747,353	15,881,353	3,800,000	3,800,000	1,266,000
\$ 39,180	8,755,180	5,030,180	1,280,180	39,180

[1] Major Capital Improvement Plan with Dallas County. Dallas County match equals \$1.0MM. Total project cost - \$2.0MM

[2] Major Capital Improvement Plan with Dallas County. Connecting Farmers Branch DART Station to John Burke Nature Preserve to Campion Trail. Total Dallas County project of \$3MM with City's portion to be \$1.5MM

CITY OF FARMERS BRANCH
 CAPITAL IMPROVEMENT PROGRAM
 JUSTICE CENTER SECURITY UPGRADES BOND FUND
 PROPOSED FISCAL YEAR YEAR BUDGET 2018-19

REVENUE SOURCES:

Bond Proceeds
 Bond Premium
 Interest

TOTAL REVENUES:

PROJECTED EXPENDITURES

Current and Future Projects

Justice Center Security Upgrades
 Bond Issuance Costs

TOTAL PLANNED EXPENDITURES:

Transfers

TOTAL EXPENDITURES

RESERVED FOR CONTINGENCIES:

PROJECT BUDGET	PRIOR YEARS	2018-19
\$ 2,545,000	2,545,000	
\$ 149,083	149,083	
\$ 29,242	29,242	
\$ 2,723,325	2,723,325	
PROJECTED EXPENDITURES		
Current and Future Projects		
\$ 2,610,400	2,610,400	
\$ 96,628	96,628	
\$ 2,707,028	2,707,028	
\$		
\$ 2,707,028	2,707,028	
16,297	16,297	16,297

CITY OF FARMERS BRANCH
 CAPITAL IMPROVEMENT PROGRAM
 FIRE STATION #2 RELOCATION/LANDFILL
 PROPOSED FISCAL YEAR YEAR BUDGET 2018-19

REVENUE SOURCES:

Bond Proceeds
 Bond Premium
 Interest

TOTAL REVENUES:

PROJECTED EXPENDITURES

Current and Future Projects

Fire Station #2 Relocation
 Landfill
 Bond Issuance Costs

TOTAL PLANNED EXPENDITURES:

Transfers

TOTAL EXPENDITURES

RESERVED FOR CONTINGENCIES:

PROJECT BUDGET	PRIOR YEARS	2018-19	2019-20	2020-21
\$ 11,000,000	11,000,000			
\$ 110,000	110,000			
\$ 27,000	15,000	10,000	2,000	
\$ 11,137,000	11,125,000	10,000	2,000	
\$ 5,600,000	100,000	5,122,000	378,000	
\$ 4,945,350	4,070,350	875,000		
\$ 128,700	128,700			
\$ 10,674,050	4,299,050	5,997,000	378,000	
\$				
\$ 10,674,050	4,299,050	5,997,000	378,000	
462,950	6,825,950	784,300	408,300	408,300

CITY OF FARMERS BRANCH
 CAPITAL IMPROVEMENT PROGRAM
 TRAIL IMPROVEMENTS
 PROPOSED FISCAL YEAR YEAR BUDGET 2018-19

REVENUE SOURCES:

Bond Proceeds
 Bond Premium
 Transfers
 Interest

TOTAL REVENUES:

PROJECTED EXPENDITURES

Current and Future Projects

Trails
 Bond Issuance Costs

TOTAL PLANNED EXPENDITURES:

Transfers

TOTAL EXPENDITURES

RESERVED FOR CONTINGENCIES:

PROJECT BUDGET	PRIOR YEARS	2018-19	2019-20	2020-21
\$ 4,000,000	4,000,000			
\$ 40,000	40,000			
\$ -				
\$ 17,500	15,000	2,000	500	
\$ 4,057,500	4,055,000	2,000	500	
\$ 4,000,000	475,000	3,083,500	441,500	
\$ 46,800	46,800			
\$ 4,046,800	521,800	3,083,500	441,500	
\$				
\$ 4,046,800	521,800	3,083,500	441,500	
10,700	3,533,200	451,700	10,700	10,700

COMBINED SUMMARY OF ESTIMATED REVENUES, EXPENDITURES AND FUND BALANCES - SELECT FUNDS

PROPOSED BUDGET 2018-19

		GENERAL FUND	FIXED ASSET FUND	WATER & SEWER FUND	HOTEL/ MOTEL FUND
FUND BALANCE 9/30/2017	[1]	\$ 10,183,899	\$ 1,415,403	\$ (108,088)	\$ 1,081,166
2017-18 ESTIMATED REVENUES		58,165,500	3,495,396	23,778,700	2,885,800
2017-18 ESTIMATED EXPENDITURES		56,940,800	3,031,571	22,102,100	3,404,900
ADDITION TO (USE OF) FUND BALANCE SUB-TOTAL		1,224,700	463,825	1,676,600	(519,100)
SPECIAL EXPENDITURES					
ASSIGNED FOR FUTURE PURCHASES			(514,796)		
ADDITION TO (USE OF) FUND BALANCE		1,224,700	(50,971)	1,676,600	(519,100)
ESTIMATED FUND BALANCE 9/30/2018		\$ 11,408,599	\$ 1,364,432 [2]	\$ 1,568,512	\$ 562,066
2018-19 ESTIMATED REVENUES		61,824,400	3,695,196	23,639,600	3,145,500
2018-19 ESTIMATED EXPENDITURES		61,821,100	2,974,308	23,173,900	3,017,700
ADDITION TO FUND BALANCE SUB-TOTAL		3,300	720,888	465,700	127,800
SPECIAL EXPENDITURES					
ASSIGNED FOR FUTURE PURCHASES			(994,780)		
ADDITION TO FUND BALANCE SUB-TOTAL		3,300	(273,892)	465,700	127,800
ESTIMATED FUND BALANCE 9/30/2019		\$ 11,411,899	\$ 1,090,540 [2]	\$ 2,034,212	\$ 689,866
TARGET BALANCES	High	\$ 11,828,600 [3]	\$ 300,000	\$ 2,000,000	\$ 300,000
	Low	\$ 8,871,450 [3]			

This chart illustrates a partial listing of select major operating funds of the City. The chart is used to quickly compare revenues, expenditures, and fund balances for the budget year with the prior year. Special expenditures are one-time uses of fund balance, which were approved by the City Council consistent with fund balance target objectives.

[1] Actual per 9/30/17 Comprehensive Annual Financial Report. Fixed Asset Fund Balance has been adjusted for prior year assignments.

[2] The Estimated Ending Fund Balance for 9/30/2018 reflects an adjustment for the assignment of future purchases totaling \$514,796 and the Estimated Ending Fund Balance for 9/30/2019 reflects an adjustment for the assignment of future purchases totaling \$994,780. (See Fixed Asset Fund for details.)

[3] The General Fund target balance has been adjusted for \$2,678,100 of General Fund fixed asset transfers. A General Fund fund balance target is defined as a target range with a low end of 15% and a high end of 20% of the actual GAAP basis expenditures and other financing sources and uses.

**MOST REALISTIC
COMBINED SUMMARY OF ESTIMATED REVENUES,
EXPENDITURES AND FUND BALANCES - SELECT FUNDS
PROPOSED BUDGET 2018-19**

		GENERAL FUND	FIXED ASSET FUND	WATER & SEWER FUNDS	HOTEL/ MOTEL FUND
FUND BALANCE 9/30/2017	[1]	\$ 10,183,899	\$ 1,415,403	\$ (108,088)	\$ 1,081,166
2017-18 ESTIMATED REVENUES		58,165,500	3,495,396	23,778,700	2,885,800
2017-18 ESTIMATED EXPENDITURES		56,940,800	3,031,571	22,102,100	3,404,900
ADDITION TO (USE OF) FUND BALANCE SUB-TOTAL		1,224,700	463,825	1,676,600	(519,100)
SPECIAL EXPENDITURES					
ASSIGNED FOR FUTURE PURCHASES			(514,796)		
ADDITION TO (USE OF) FUND BALANCE		1,224,700	(50,971)	1,676,600	(519,100)
ESTIMATED FUND BALANCE 9/30/2018		\$ 11,408,599	\$ 1,364,432 [2]	\$ 1,568,512	\$ 562,066
2018-19 ESTIMATED REVENUES		61,824,400	3,695,196	23,639,600	3,145,500
2018-19 ESTIMATED EXPENDITURES		61,521,100	2,974,308	23,073,900	2,942,700
ADDITION TO FUND BALANCE SUB-TOTAL		303,300	720,888	565,700	202,800
SPECIAL EXPENDITURES					
ASSIGNED FOR FUTURE PURCHASES			(994,780)		
ADDITION TO FUND BALANCE SUB-TOTAL		303,300	(273,892)	565,700	202,800
ESTIMATED FUND BALANCE 9/30/2019		\$ 11,711,899	\$ 1,090,540 [2]	\$ 2,134,212	\$ 764,866
TARGET BALANCES	High	\$ 11,768,600 [3]	\$ 300,000	\$ 2,000,000	\$ 300,000
	Low	\$ 8,826,450 [3]			

This chart illustrates a partial listing of select major operating funds of the City. The chart is used to quickly compare revenues, expenditures, and fund balances for the budget year with the prior year. Special expenditures are one-time uses of fund balance, which were approved by the City Council consistent with fund balance target objectives.

[1] Actual per 9/30/17 Comprehensive Annual Financial Report. Fixed Asset Fund Balance has been adjusted for prior year assignments.

[2] The Estimated Ending Fund Balance for 9/30/2018 reflects an adjustment for the assignment of future purchases totaling \$514,796 and the Estimated Ending Fund Balance for 9/30/2019 reflects an adjustment for the assignment of future purchases totaling \$994,780. (See Fixed Asset Fund for details.)

[3] The General Fund target balance has been adjusted for \$2,678,100 of General Fund fixed asset transfers. A General Fund fund balance target is defined as a target range with a low end of 15% and a high end of 20% of the actual GAAP basis expenditures and other financing sources and uses.

Financial Condition Analysis

The City of Farmers Branch strives to be an accessible, accountable and transparent organization. In fulfilling our functions, we are committed to being responsive to the public and those whom we serve. As part of this commitment, we recognize that financial management is one of the most challenging responsibilities facing local governments and cities across the country are more aware than ever that they must achieve a level of fiscal health to be sustainable over the long-term.

With these goals in mind, the following Financial Condition Analysis is designed to help City officials and the public make sense of the many factors that affect fiscal health and develop quantifiable indicators that can be tracked over time. Tracking these variables will allow the City to have a better understanding of its overall financial condition and trends, which will allow the City to better serve the public and plan for the City's future.

The basic questions that all City officials must consider regarding its fiscal health are:

- Can the City continue to pay for what it is now doing?
- Are there reserves or other vehicles for financing emergencies?
- Is there enough financial flexibility to allow adjustments for change?
- Is the City adequately investing in and preparing for its future?

If a government can meet these challenges, it is in a sound financial position. If it cannot this may indicate financial problems.

BACKGROUND

This report was accomplished primarily through the use of the Financial Trends Monitoring System (FTMS) developed by the International City/County Management Association (ICMA). The ICMA system identifies and organizes the factors that affect financial condition so that they can be measured and analyzed by municipalities. It is a management tool that pulls together information from the City's budgetary and financial reports, combines it with economic and demographic data, and creates a series of financial indicators that, when plotted over time, can be used to monitor changes in financial condition and alert the government to future problems.

To further develop the City's monitoring system, staff reviewed numerous other sources of information, including procedures and indicators developed and published by Dr. Kenneth Brown of Southwest Missouri State University; procedures and indicators used throughout other states; and, information from various publications issued by the Governmental Accounting Standards Board. Many of the financial indicators selected have been identified by ICMA, credit rating agencies, and other governmental professional associations as factors most relevant in determining the financial condition of local governments.

The City's assessment is based on the development of financial ratios and environmental trends from City financial documents as well as relevant economic and demographic data from a variety of sources. All of the data used to create this report is available to the public; data sources and where they can be found are indicated throughout the report. The ratio and trend indicators included in this section are grouped into five categories, these include:

- Community Needs and Resources Indicators
- Revenue Indicators
- Expenditure Indicators
- Operating Position Indicators
- Debt Structure Indicators

Multiple indicators are provided for each of these categories in an effort to provide a series of financial measures and demographic indicators which can help highlight issues and trends in the City's operations and provide sufficient information to analyze the City's underlying financial condition. It should be noted that individual indicators may be meaningful only when viewed in conjunction with other indicators. Accordingly, an overall organization-wide perspective is essential in obtaining a comprehensive representation of the City's financial condition.

Financial Condition Analysis

It should also be noted that in order for financial information to be comparable over a number of years, the information must be adjusted to reflect constant dollars. More specifically, the distortion created by the effects of inflation must be removed in indicators comparing dollars to non-dollars. The Finance Department chose the base year has to be 2004 with an index of 100. 2004 was selected because it was a more stable year economically as the great recession began shortly after. In other words, the effect of inflation (and deflation) since 2004 has been removed in order that the dollar amounts of any year presented are comparable to 2004 dollars. Inflation adjusted schedules are noted as Constant Dollars.

Although the national economic recession has ended, some financial and psychological hurdles for the community remain. The City continues working towards re-energizing and revitalizing the community through economic incentives for new businesses and residential development.

COMMUNITY NEEDS AND RESOURCE INDICATORS

Community needs and resource indicators encompass various economic and demographic characteristics that determine the resources available to the community (i.e., revenues that can be generated within a community to finance service provision efforts) as well as the service demands that may be required by the community (i.e., demands for public safety, capital improvements, and social services). Community needs and resources are all closely interrelated and affect each other in a continuous cycle of cause and effect and changes in these characteristics tend to be cumulative.

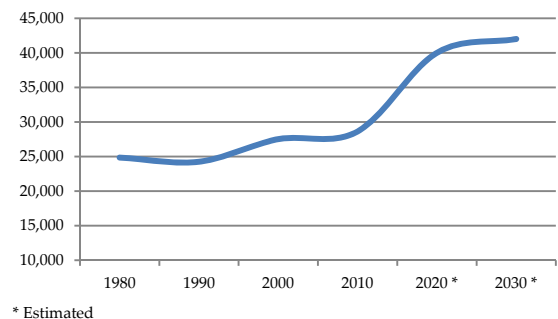
Demographics help to measure a community's needs and resources. As populations grow, shrink or change in composition, the government's role also changes. For example, a community with a growing population of children may need to increase recreation services or a community with a high unemployment rate may need to work on bringing new industry or educational facilities to the community. Additionally, community demographics also determine a community's wealth and its ability to generate revenue. These indicators often provide the best "early warning" of future fiscal stress as fiscal stress is often apparent in these measures long before it is evident in financial data.

Population Change by Decade, 1980-2030

Is Farmers Branch growing? Empirical evidence indicates that changes in population can have a direct effect on a locality's revenue because of the impact upon related issues, such as employment, income, and property value. Sudden increases in population can create immediate pressures for new capital outlays for infrastructure and for higher levels of service, particularly in the areas of Public Safety and Culture & Recreation.

A locality faced with a declining population is rarely able to reduce expenditures in the same proportion as it is losing population. Many expenditures, such as debt service and salaries, are fixed and cannot effectively be reduced in the short run. In addition, because of the interrelationship between population levels and other economic and demographic factors, a decline in population tends to have a cumulative negative effect on revenues - the further the decline, the more adverse the effect on employment, income, housing and business activity. Also, if out-migration is composed of middle-and upper-income households, then those remaining in the community are likely to be the low income and aged, who depend the most on government services.

Population by Decade



Measurement: The official population of the City is determined by the United States Census Bureau for previous years. Future years are estimated from information provided by the North Central Texas Council of Governments (NCTCOG) – 2030 Demographic Forecast and is based on current housing inventories for cities in the NCTCOG region with populations of 1,000 or more. (Regional, state and national data is obtained from entity financial reports.) The City also measures its daytime population, which is currently estimated at 64,955 per the American Community Survey 5-Year Estimates (US Census Bureau). Note: Use of the NCTCOG

	2005	2012	2013	2014	2015	2016	2017
Farmers Branch	27,595	28,620	28,800	29,660	30,350	30,480	31,560
Dallas County	2,330,050	2,385,990	2,453,843	2,435,330	2,454,880	2,478,740	2,502,270
Texas	22,897,000	26,094,422	26,505,637	26,956,958	27,469,114	27,862,596	28,304,596
United States	296,460,000	314,112,078	316,497,531	318,857,056	321,418,820	323,127,513	326,971,209

Financial Condition Analysis

estimate resulted in an unusually high population estimate in 2009 (31,100), which was corrected through the 2010 census. This high estimate, therefore, will distort results of 2009 per capita measures. The population for 2020 and 2030 are based on major residential development on the City's westside.

Warning Signs: A stable trend is a positive sign for a municipality. An increasing population is generally considered positive as long as the City is prepared to take on the added service responsibilities. However, rapid increases or decreases could have a pronounced negative effect on a community as timely reaction to extreme and sudden change can be difficult and may require additional services to compensate for the negative social and demographic effects of the rapid change. The City has been actively preparing for the growth that it is currently experiencing.

Analysis: Positive Trend. The City's population has been increasing at a sustainable pace over the past two decades. The City anticipates a continuation of this sustained pace of growth in population over the next couple of decades. Land availability for residential development in the community has been limited, however development on the Westside of the City is a key initiative for the City. Additionally, the City has been taking aggressive steps toward attracting new business and industry, jumpstarting housing development, and creating facilities that make Farmers Branch an attractive choice when choosing a home. The City is also working on branding and marketing initiatives so that more people know about the great things in the City. It is estimated that the City's population will increase slowly through 2030 to a total of approximately 32,509 based on Texas Water Development Board demographic estimates.

Population Density (Population per Square Mile)

How large is the City's coverage area?

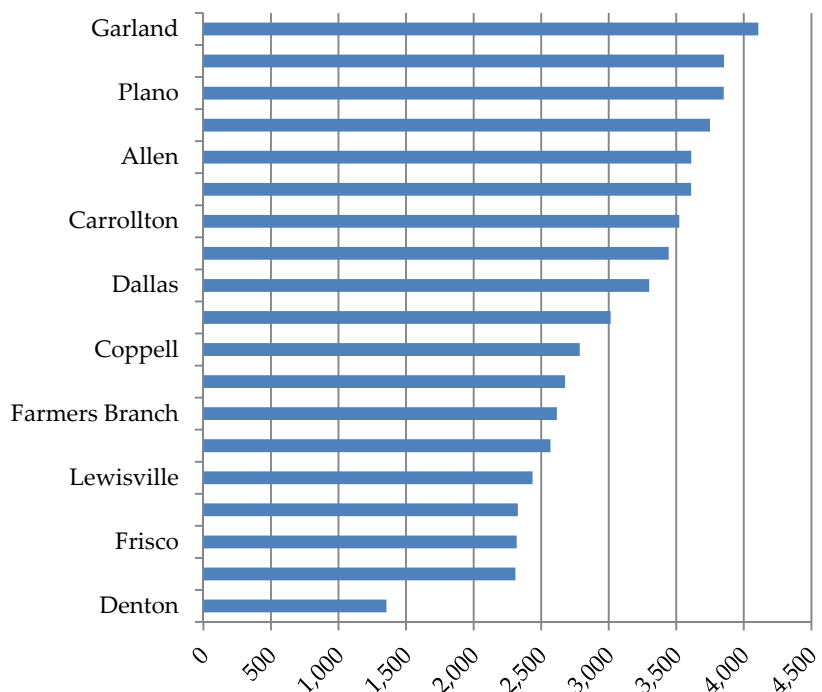
Population density or population per square mile is one condition that affects the cost of providing public services. A City with compact boundaries and high population density can provide street maintenance and fire and police protection for less cost per household than if that same population is spread out over twice as much land area. Extremely high densities often lead to higher costs as well, a function of the extra burden of social problems in densely populated central cities.

Measurement: Area cities population divided by area cities jurisdiction area in square miles. (Source: NCTCOG and/or budget documents.)

Warning Signs: Decreasing population density.

Analysis: Information Trend. With approximately 60% of the General Fund budget dedicated to Fire, Police and Public Works, exploiting ways to export costs and import revenues from non-residents is essential for long-term fiscal stability. Compared to peer cities, Farmers Branch has fewer residents to pay for roads and police and fire protection.

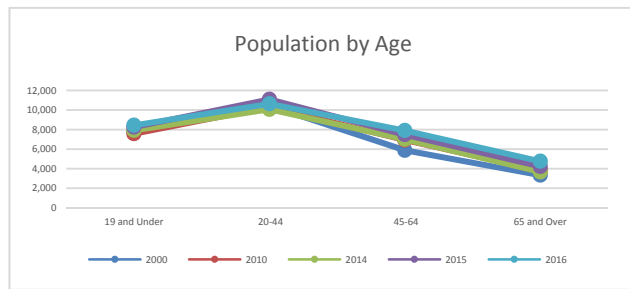
Population Density



Population by Age

Who is living in Farmers Branch? Taking a closer look at who comprises Farmers Branch's population allows the City to see what areas of the population are growing or shrinking. From a financial standpoint, this indicator helps to measure the level of current and future needs of the community.

Financial Condition Analysis



Census	Total Population	19 and under	20-44	45-64	65 and Over
2000	27,508	7,847	10,446	5,876	3,339
2010	28,616	7,571	10,317	6,929	3,799
2014 *	28,681	7,916	10,067	6,998	3,671
2015 *	31,052	8,256	11,095	7,471	4,230
2016 *	31,728	8,440	10,629	7,900	4,759

Measurement: Population levels divided by population. (Source: American FactFinder - 2012-2016 American Community Survey 5-Year Estimates)

Warning Signs: Increasing percentage of population under 18 or over 64.

Analysis: Positive Trend. From 1990 to 2010, the division of Farmers Branch's population has been fairly stable. The most notable change, when factoring changes in overall population, is the increase in growth in the number of individuals 45 to 64 years of age between 2015 and 2016 along with a decrease of 20-44 from 2015 to 2016.

Changes in population will require different and perhaps additional services. Attracting young families to the area may require updated playground and park facilities or the City may need to add additional recreation, educational, after-school or library programs. As this segment of the population grows, the City will have to grow these amenities, which will cost money.

Additionally, Farmers Branch has a growing population of people aged 45 to 64 and people aged 65 and over. As these people retire, the City will need to be able to provide services for them as well. This could cost the City in the expense of an expanded senior center, additional public transportation needs, etc. The City should also prepare by making sure adequate housing is available for an aging population. Lastly, Farmers Branch anticipates a 20% expansion of population related to the development of the West side.

Personal Income Per Capita

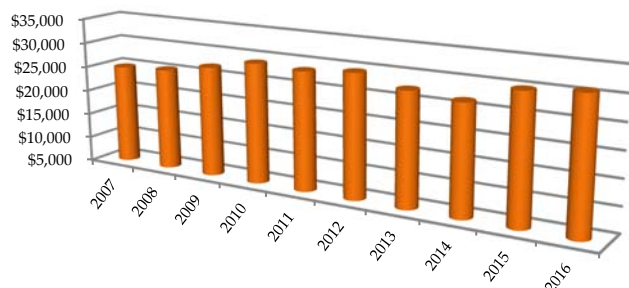
How much do families have to spend? Personal income per capita is an important variable to measure because it gives an indication of how much money residents will be able to spend in the community. If income is going down, for example, sales tax is also likely to decline. Generally, the higher the per capita income, the more property taxes and sales taxes the City can generate. If income is distributed evenly, a higher per capita income may mean a lower dependency on governmental services, depending on the mix of services provided. Credit rating firms use per capita income as an important measure of the health of the local economy.

Having a higher income will make Farmers Branch a more competitive location for attracting restaurants and retail businesses, and will come back to the City in higher property taxes (from people building, buying, and improving homes) and higher sales taxes (from people spending more within the City). As the City works to build its local economy and grow employment opportunities, it also needs to work to be a desirable location for families to live so that the City can attract and retain higher-income households. Services and capital infrastructure may need to be evaluated and upgraded and adequate housing stock must be available for middle-to-upper income households.

Measurement: Personal income per capita is provided by the U.S. Census Bureau's American Community Survey – 3 Year Estimates, with the exception of census years, which are based on the actual census.

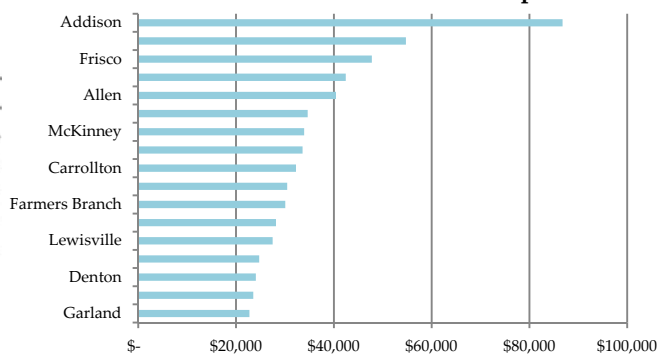
Financial Condition Analysis

Farmers Branch Personal Income Per Capita
(Constant Dollars)



Fiscal year data has a one year lag (e.g., 2016's information is based on the American Community Survey - 5 Year Estimate for 2015).

Area Cities - Personal Income Per Capita



Source: Area City Comprehensive Annual Financial Reports, Ending 9/30/16
The cities of Arlington and Mesquite did not report this activity.

	2009	2010	2011	2012	2013	2014	2015	2016
Farmers Branch	\$ 27,153	\$ 29,073	\$ 28,715	\$ 29,623	\$ 27,545	\$ 26,703	\$ 30,054	\$ 30,993
Dallas County	26,399	25,680	25,670	25,816	25,878	26,816	27,605	28,552
Texas	24,709	24,541	24,671	24,966	25,268	26,019	26,999	27,828
United States	27,466	27,100	26,942	27,158	27,385	28,155	28,555	29,829

Warning Signs A decline in per capita income results in a loss of consumer purchasing power and can provide advance notice that businesses, especially in the retail sector, will suffer a decline that can ripple through the rest of the local economy.

Analysis: Positive Trend. At \$30,993, the City's per capita income is slightly higher than national, state and county. Income indicators are important for the City because of their relationship to sales tax, one of the City's largest single sources of revenue. Current median household income is \$61,255.

Percent of Poverty Families, 2000-2015

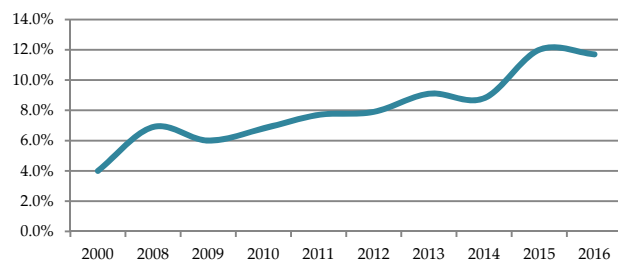
Is our proportion of poverty families growing? This indicator measures the percent of families in the community with a total income that falls below the poverty line established by the Federal Government. Communities with a significant percent of poverty families face difficulties due to an inability to generate resources combined with a high demand for municipal and social services.

Measurement: Percent of poverty families is provided by the U.S. Census Bureau's American Community Survey – 3 Year Estimates. Information prior to 2008 is not available, with the exception of the 2000 Census figure. *Note: Fiscal year data has a one year lag (e.g. 2015's information is based on American Community Survey – 5-year estimate for 2014)*

Warning Signs: The lower this number - the better, both in terms of the ability to generate resources and in terms of the services needed by the community. An increasing trend can signal a future increase in the level and unit cost of some services because poverty exacerbates issues related to public safety and numerous other community dynamics. An increasing trend is a signal that the City may face future additional service demands as more families cope with the problems associated with financial stress combined with fewer resources that can be generated by the community for municipal service provision efforts.

Analysis: Monitor Trend. Although the City has very few families below the poverty line when compared to regional, state and national levels, the effect of the economic downturn is apparent. The percent of families below poverty in the community peaked in 2015 to 12% but still below

Percent of Families Below Poverty Level

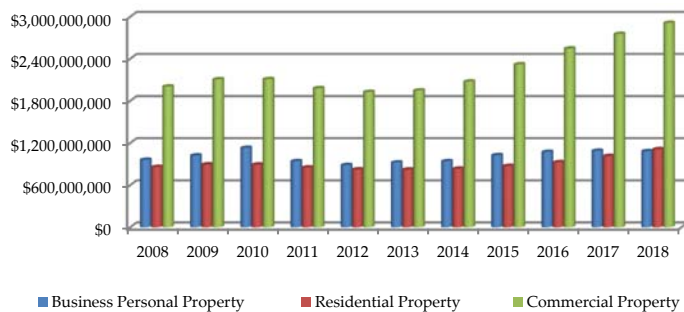


	2008	2009	2010	2011	2012	2013	2014	2015	2016
Farmers Branch	6.9%	6.0%	6.8%	7.7%	7.9%	9.1%	8.8%	12.0%	11.7%
Dallas County	13.6%	13.9%	14.7%	14.8%	15.5%	15.9%	16.4%	17.9%	16.3%
Texas	13.3%	12.8%	12.9%	13.2%	13.8%	14.1%	13.6%	15.9%	15.6%
United States	9.8%	9.6%	9.9%	10.5%	11.1%	11.6%	11.6%	13.5%	14.0%

Financial Condition Analysis

national and state levels falling to 11.7% in 2016. As with measures of personal income, if the trend of more families below poverty continues to increase it could signal future increases in the level and demands for municipal services.

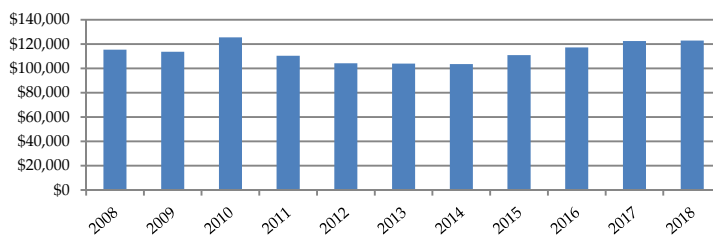
Real & Business Personal Property Values



Property values are also an important indicator of a community's ability to generate resources for core municipal services such as police and streets. Positive changes (growth) in the assessed value of a municipality indicate that property values in the community are continuing to increase and is also indicative of a healthy community that is an attractive place to live and do business (population increases and economic growth can increase property values as demand drives prices up). Declining property values are often a symptom, rather than a cause, of other underlying problems. Fluctuations in property values are important because most cities depend on property taxes as a substantial portion of their revenue base. Credit rating agencies review the property tax base to assess the financial health and debt capacity of a city.

Measurement: The assessed value of the City is adjusted annually by the Dallas Central Appraisal District for properties located in Dallas County. Properties in the City are assessed at 100% of the market value. The City is notified of the assessed value of properties within the City in late July each year and bills residents the following October. This indicator is measured by dividing the City's assessed value, adjusted for inflation, by the population. (Source: City of Farmers Branch Comprehensive Annual Financial Report)

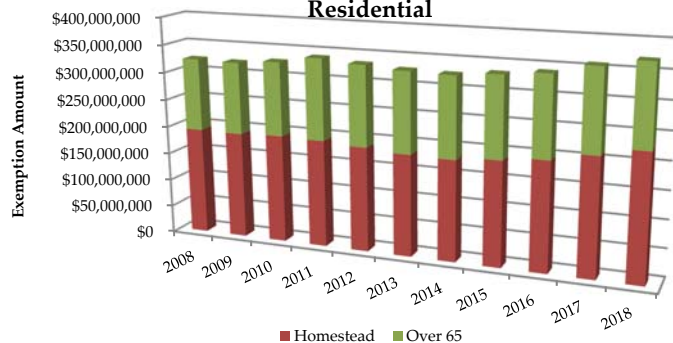
**Assessed Valuation Per Capita
(Constant Dollars)**



Warning Signs: A plateau or drop in the taxable assessed value tends to indicate a lowering of demand for real estate located in the City. Such a decline in property value is a warning trend, as it is most likely a symptom of other underlying problems. This would be a prime indicator of economic and social challenges in the future for the City.

Property Tax Exemptions

Residential



Analysis: Monitor Trend. Assessed valuation per capita, in constant dollars, is slowly beginning to improve. Values began decreasing in fiscal year 2005 due to a Business Personal Property tax exemption added in 2004 for freeport inventory items. (Freeport property includes various types of property that are detained in Texas for a short period of time (175 days or less) to be transported out of Texas.) Values remained relatively stable from 2005 to 2009¹, before rising in 2010 due to a large reduction in tax abatement exemptions, but the trend was quickly reversed in 2011 as a result of the collapse of the real estate market, the slowdown in the economy, and the impact of agricultural exemptions that more than doubled from the prior year (\$18,051,564 in 2010 to \$41,730,053 in 2011). Farmers Branch remains a desirable place to live and operate a business, but the economic headwinds

Financial Condition Analysis

from 2007 to 2010 continue to have an impact on property values in the community. ¹ Note: Results in 2009 are distorted due to an unusually high population estimate. When comparing the period to the population of 2010, the indicator would actually show slight growth in 2009.

Farmers Branch's access to the DART rail, two major interstates, and the George Bush, Sam Rayburn and Dallas North Tollways, make it an attractive location for many businesses. Over the past several years, City Staff has been working diligently to spur retail development, increase marketing efforts to attract new residents, and develop housing initiatives to help spur the development of new homes and multi-family housing. The best way to protect property value is to grow the community's population; by continuing to aggressively pursue economic development, gaining new retail establishments, filling empty building spaces, building new homes, and marketing our community the City is working to continually improve property values in the City.

Top Ten Taxpayers

TEN LARGEST TAXPAYERS
FISCAL YEAR 2018
UNAUDITED

TAXPAYER	NATURE OF PROPERTY	TAXABLE VALUE	PERCENTAGE OF TOTAL CERTIFIED TAXABLE VALUE
70 Washington Street LP	Office Tower - Class A	\$ 138,560,000	2.72%
Southern Glazers Wine and Spirits	Spirit and Wine Distribution Warehouse	116,008,338	2.27%
EOS Properties at Providence Towers	Office Tower - Class A	81,500,000	1.60%
5005 LBJ Tower LLC	Office Tower - Class A	80,633,200	1.58%
Garden Centura LP	Office Tower - Class A	76,100,000	1.49%
Mercer Acquisition LLC	Apartment Complex	63,216,030	1.24%
Lakeview at Parkside	Apartment Complex	62,500,000	1.23%
CH Realty VI HC MF Dallas	Real Estate - Office/Showroom	58,138,870	1.14%
GPIF International Plaza III LLC	Office Tower - Class A	57,015,000	1.12%
AT&T Mobility LLC	Telecommunications Company	53,068,170	1.04%
		<u>\$ 786,739,608</u>	<u>15.43%</u>

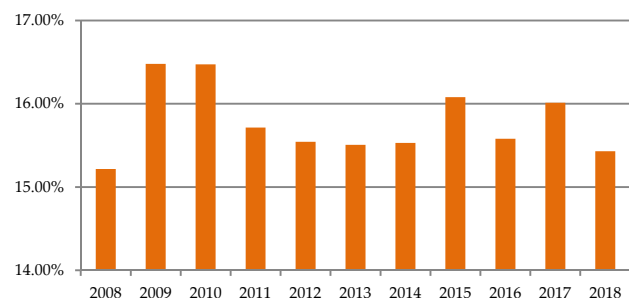
Is the City too reliant on a few major taxpayers? This indicator measures the concentration of property values in the community and helps to analyze the vulnerability of the economic base to the fortunes of a few taxpayers. Credit rating agencies use this information to determine the degree of concentration, wherein the leading taxpayers are profiled and assessed for their direct and indirect effects on the economy.

Measurement: Total assessed value for top ten taxpayers divided by total assessed valuation. (Source: Dallas County)

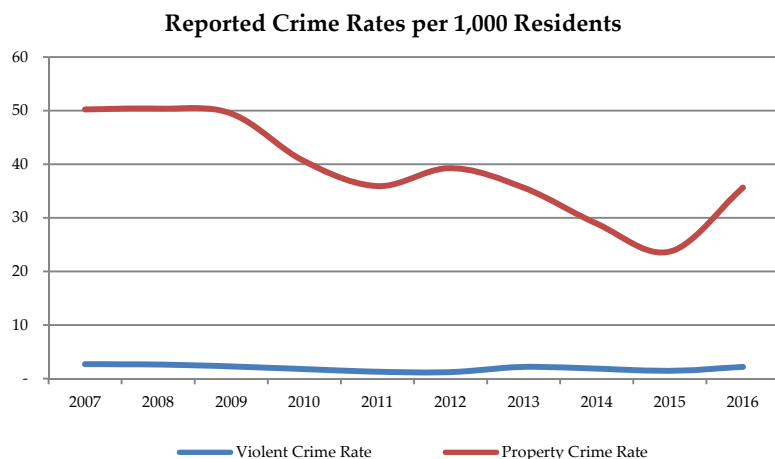
Warning Signs: High percentage or increasing percentage of overall assessed valuation owned by a few taxpayers. It is often cause for concern if the top five taxpayers of a city hold more than 20% of the community's total valuation.

Analysis: Positive Trend. The City publishes its top ten taxpayers in its annual audited financials. The current top ten taxpayers represent 15.43% of the total certified taxable assessed valuation; the top five taxpayers represent 9.66%. Historically, the City's top ten taxpayers have held less than 20% of the total assessed valuation. The reliance on one company (or only a few companies) is dangerous for cities because it makes a city vulnerable to any changes those taxpayers make. Farmers Branch has a relatively diversified tax base, which will help to give the City stability.

Top Ten Taxpayers
as a Percentage of Assessed Value



Crime Rate



Is Farmers Branch a safe place to live? Crime rate captures a negative aspect of a community that can affect its present and future economic development potential. The crime rate in the community represents the number of misdemeanor and felony offenses that occur within the corporate boundaries of the City and is strongly indicative of future demands for police and public services. The crime rate also measures demand on public services in the form of public safety expenditures. A rising crime rate, in extreme circumstances, can jeopardize the long-term health of the community by driving away existing businesses, discouraging new business, and straining the local government's budget with increased expenditures.

Measurement: The crime rate is measured from the City's Uniform Crime Report filed with the State each year and is based on a calendar year to allow for comparison with other entities. Property crimes include burglary, larceny-theft, motor vehicle theft, and arson (note that the FBI does not include arson in its totals for property crimes). The violent crime category includes murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault. (Source: FBI; two year lag in data availability)

Warning Signs: An increase in the number of misdemeanor or felony offenses.

Analysis: Monitor Trend. In 2016, the City's violent crime rate per 1,000 residents, 2.20, is less than the state rate of 4.12 and national rate of 3.83. The City's property crime rate of 35.63 is less than the state's at 28.31, higher than national at 24.87, but is comparable to surrounding cities. Violent crime rates are very low, representing approximately one-third the state and national levels. Low crime rates are an indicator of the overall social and economic health of the community.

Unemployment Rate

Can Farmers Branch residents find work? The unemployment rate in the community is a traditional indicator of the relative economic health of the community. Changes in unemployment impact personal income, and are consequently a measure of, and an influence on, the community's ability to support its business sector. A high unemployment rate indicates that residents of the community will be facing financial challenges and may not be able to contribute resources towards municipal services. In addition, a high unemployment rate produces social stress in the community and among families as financial challenges for those who are unemployed mount. This social stress can increase the demand for services and may have an impact on a community's crime rate.

A reduced percentage of employed citizens can be an early sign that overall economic activity is declining, which would likely have a negative impact on government revenues. Rising

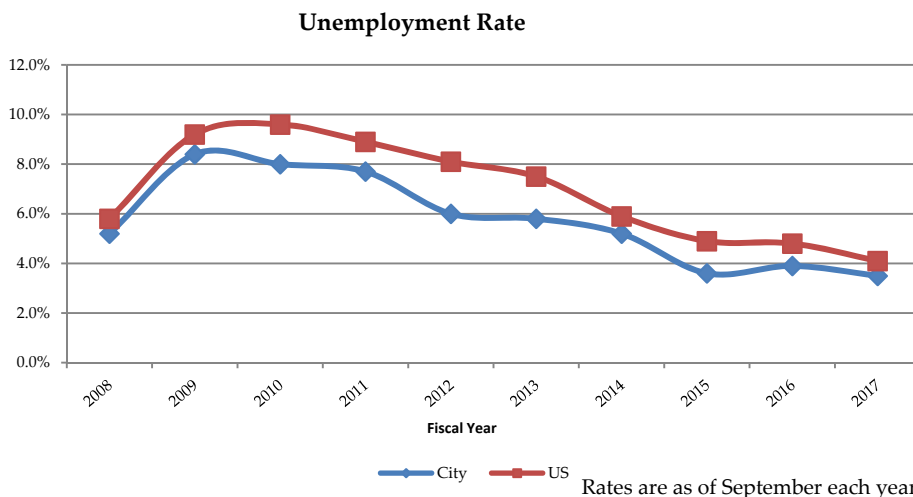
unemployment can lead to a greater need for services and a migration in population. Conversely, lower unemployment rates can bring a population influx, reduce the need for services and bring an increase in revenues. Credit rating agencies consider the employment base the primary measure of a City's ability to attract future economic growth and viability.

Unemployment Rate	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City	5.2%	8.4%	8.0%	7.7%	6.0%	5.8%	5.2%	3.6%	3.9%	3.5%
Dallas County	5.3%	8.7%	8.4%	8.9%	6.7%	6.6%	5.3%	4.1%	4.2%	3.6%
State	4.9%	7.5%	8.2%	7.9%	6.8%	6.5%	5.0%	4.4%	4.9%	4.0%
US	5.8%	9.2%	9.6%	8.9%	8.1%	7.5%	5.9%	4.9%	4.8%	4.1%

Financial Condition Analysis

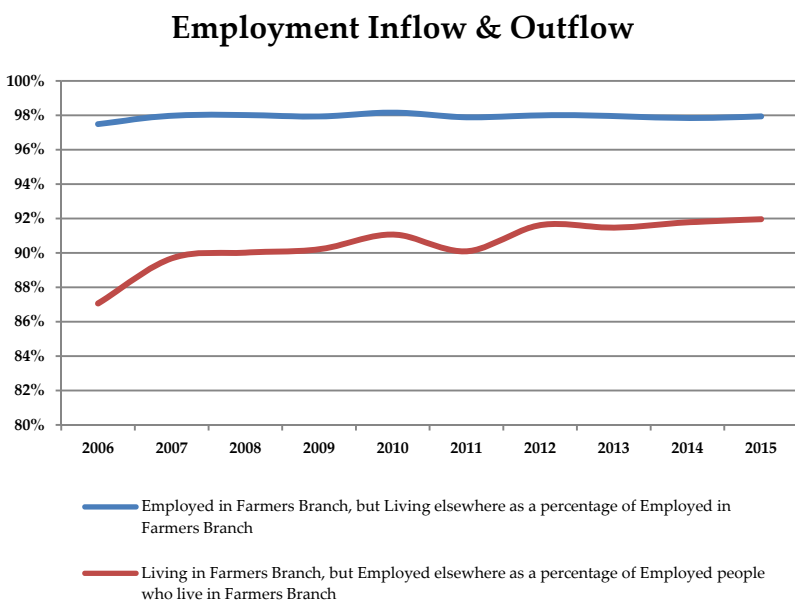
Measurement: The unemployment rate is measured by the Texas Workforce Commission. (Values are as of September each year.)

Warning Signs: A sustained increase in the unemployment rate that is not reflective of the trends in the national or regional economy may indicate that residents of the community have lost some competitiveness in comparison to residents of the DFW Metropolitan Area. An unemployment rate that is higher than state or national averages may indicate that residents of the community are facing difficulties in comparison to overall averages. Increasing unemployment is a sign of a weak economy.



Analysis: Monitor Trend. While the unemployment rate in Farmers Branch has been improving over the past few years, the effects of the nationwide recession are clearly seen in the unemployment rate, with unemployment climbing from 2008 through 2009, before beginning to decline again as the community began to recover from the recession and more businesses moved into the area. The City's unemployment rate, in the 10-year period represented, reflects a high of 8.4% in 2008-09 to at or below 3.5% in 2016-2017. The current unemployment rate of 3.5% is lower than regional and national averages (3.6% and 4.1% respectively) and illustrates that economic conditions are improving. However, residents have been affected by the economic turbulence of the last few years. Reducing the unemployment rate will increase the health of the community and the financial condition of the City, because people will be more able to buy homes and will have more expendable income, which will help generate additional property and sales tax revenues for the City.

Employment Inflow and Outflow



How many commuters does Farmers Branch have?

Employment inflow and outflow is the measurement of people who commute into Farmers Branch to work and people who live in Farmers Branch, but commute out to another city to work. Farmers Branch's proximity to Dallas and Fort Worth naturally creates a fairly large population of individuals who either commute from or commute to the metroplex.

Measurement: The inflow and outflow of commuters is measured by U.S. Census on the Map (onthemap.ces.census.gov). Data for this measurement has a three-year delay.

Warning Signs: A growing percentage of the workforce choosing to live in Farmers Branch and work elsewhere and/or a declining percentage of those employed in Farmers Branch who choose to live elsewhere are both positive trends.

Analysis: Monitor Trend. Farmers Branch has a high level of commuters, with many people commuting into Farmers Branch to work, and many commuting out of Farmers Branch to other cities. As the graph indicates, almost 98% of people who work in

Financial Condition Analysis

Farmers Branch do not live in Farmers Branch. This rate has remained stable since 2002, with the majority of the City's workforce commuting into town. This high percentage is a concern because people who work here are not choosing to live here. However,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Employed in Farmers Branch	71,959	70,415	71,012	67,228	62,612	61,271	56,172	57,970	59,146	62,441
Employed in Farmers Branch, but Living elsewhere	70,153	68,994	69,604	65,837	61,459	59,977	55,046	56,790	57,866	61,153
Employed in Farmers Branch, but Living elsewhere as a percentage of Employed in Farmers Branch	97.49%	97.98%	98.02%	97.93%	98.16%	97.89%	98.00%	97.96%	97.84%	97.94%
Employed people who live in Farmers Branch	13,957	13,775	14,103	14,209	12,910	13,064	13,425	13,830	15,562	16,021
Living in Farmers Branch, but Employed elsewhere	12,151	12,354	12,695	12,818	11,757	11,770	12,299	12,650	14,282	14,733
Living in Farmers Branch, but Employed elsewhere as a percentage of Employed people who live in Farmers Branch	87.06%	89.68%	90.02%	90.21%	91.07%	90.09%	91.61%	91.47%	91.77%	91.96%
Living and Employed in Farmers Branch	1,806	1,421	1,408	1,391	1,153	1,294	1,126	1,180	1,280	1,288

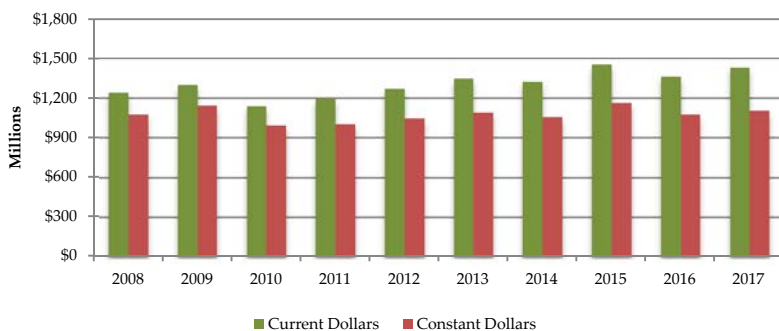
this also shows that there is a relatively large population the City can market to as new housing subdivisions and/or multi-family housing is developed and new housing opportunities emerge. The percentage of people living in Farmers Branch and commuting out of the community is also high, with nearly 92% of Farmers Branch workers commuting out.

Business Activity

How healthy is our local economy? Business activity in the community provides a measure of the economic health of the community. The level of business activity affects a locality's financial condition in two ways. First, it directly affects revenue yields as sales taxes and gross receipts taxes are products of business activity. In a thriving community, business activity is vibrant as residents spend their disposable income in the community. Second, the effect of these indicators may be indirect to the extent that a change in business activity affects other demographic and economic areas such as employment base, personal income or property values. A decline in business activity may be an indicator of either a poor business environment in the City and/or a decline in the disposable income of residents and will tend to have a negative impact on employment base, personal income and/or commercial property values. This in turn can cause a decline in local revenues generated by businesses.

Measurement: Business activity is measured by the receipt of sales tax by the City. The City receives 1% of the retail sales of goods and services in the City. By dividing the City's sales tax receipts by 1%, the total amount of goods and services sold at retail in the City can be measured. This indicator is measured in both current and constant (adjusted for inflation) dollars. (Source: Texas State Comptroller)

Business Activity
(Current & Constant Dollars)



Warning Signs: Drops in the total amount of goods and services sold at retail in the City; this is an especially important indicator if the drops are not reflective of trends in the regional, state or national economies.

Analysis: Positive Trend. Retail sales, in constant dollars, have increased from \$1.075 million in 2008 to \$1.102 million in 2017. However the average annual retail sales increased (after the effect of inflation is removed) of less than 1%. In 2008, business activity increased significantly due to the result of sales tax audits. In 2008 and 2009, retail sales

were hard hit by the recession, but sales tax audits also helped to buffer the loss. In 2012, much of the increase can be attributed to the State's Amnesty Program, which allowed businesses to clear up their tax records without penalty or interest. In 2017, there was a 5.01% increase from 2016 in business activity (current dollars) in the City.

Financial Condition Analysis

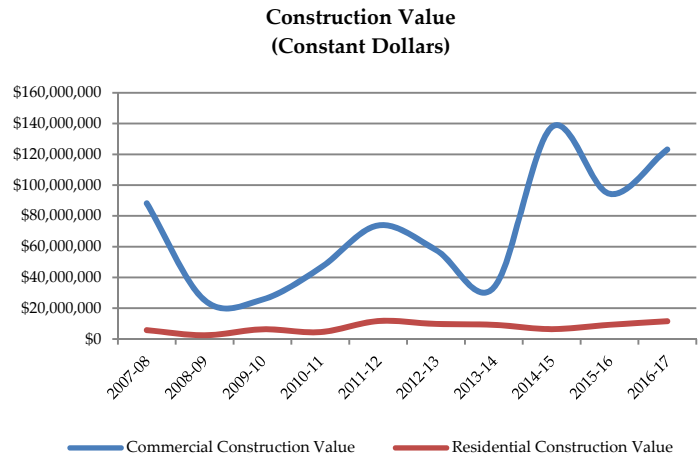
Construction Value

Is Farmers Branch growing? Construction value is an important measure of, and leading indicator for, economic activity. If commercial and residential growths are occurring, other revenue sources will grow positively as well.

Measurement: Construction activity is measured by the City's Community Services Department.

Warning Signs: Declining constant dollar construction.

Analysis: **Positive Trend.** Residential and commercial new construction, in constant dollars, while erratic from year to year, does reveal a steady increase from 2009-10 through 2011-12. A slowdown in new construction growth occurred in 2008-09 and 2009-10, the victim of retreating economic markets representing a 34% decline in total new construction from 2007-08 to 2009-10. The new commercial construction market dramatically rebounded in 2014-15, resulting from a surge in mixed-use and multi-family developments, while residential construction represented a slight decline in activity. 2016-17 construction shows an increase in both commercial and residential construction.



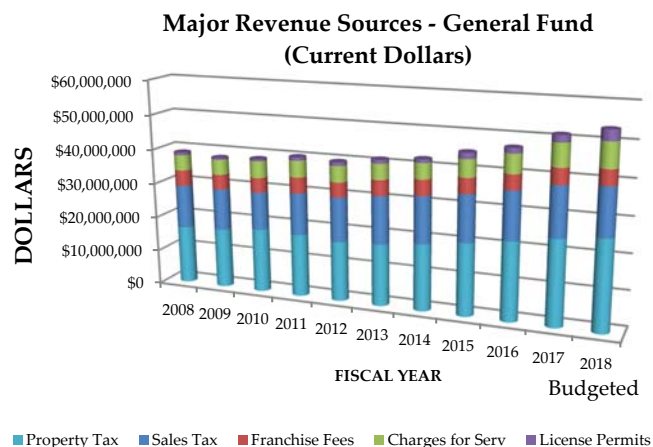
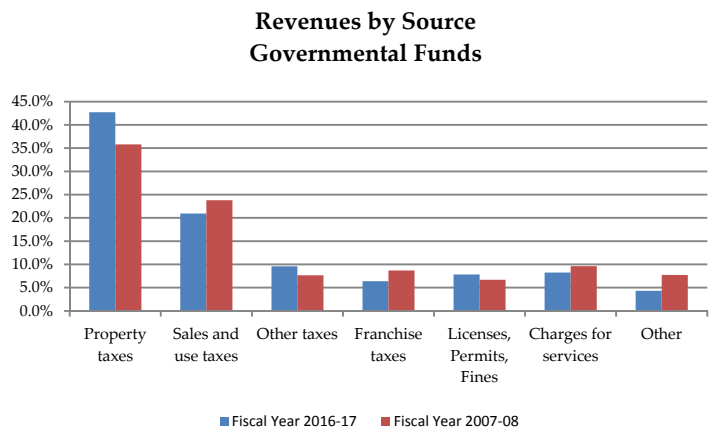
REVENUE INDICATORS

These indicators analyze the capacity of a municipal government to provide services and highlight the growth, flexibility, elasticity, dependability, and diversity of the City's revenue base. Tracking revenues is important so that the City can effectively plan how it will maintain, expand or reduce service levels.

Revenues by Source

Where does the City's money come from? The trend and distribution of revenues can be used to analyze the City's capacity to provide services. Revenues should be free from spending restrictions to allow adjustments to changing conditions. They should be balanced between sources that fluctuate with the economy (elastic) and sources that do not (inelastic) to mitigate the effect of economic growth and decline. Revenue sources should also be diversified so they are not overly dependent on one sector or one tax base, or external funding sources (such as federal grants)

It is desirable to have a balance between elastic and inelastic revenues to limit the impact of sudden fluctuations in the tax base or inflation. But during inflationary periods, it is helpful to have a higher percentage of elastic revenues. As inflationary pressures drive up the cost of doing business, the same pressures will increase the City's revenues, thus offsetting the expenditure increase. These same elastic



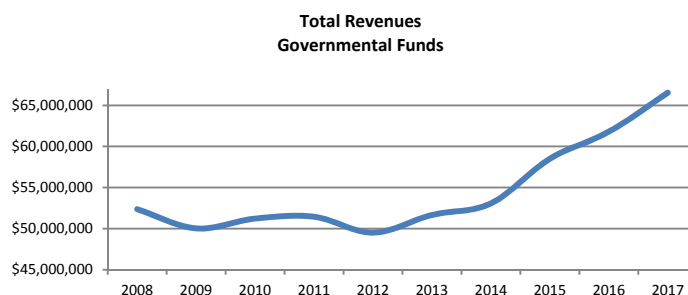
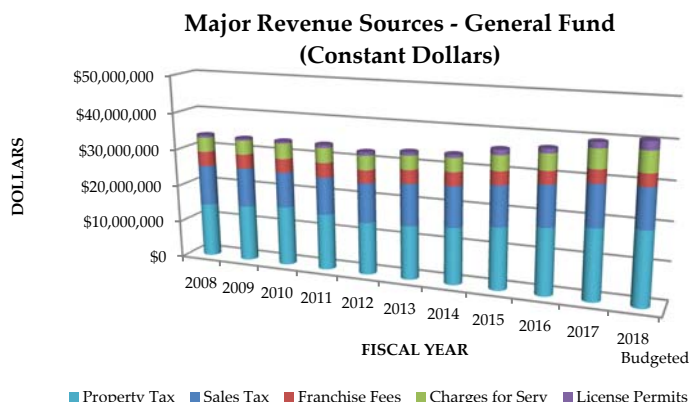
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revenues will work against the City in periods of slow growth or recession; thus, inelastic revenues such as user fees will be more beneficial. The majority of the City's elastic revenues come from sales tax, landfill, and license and permits revenues.

Measurement: Governmental Fund revenues are detailed in the statistical section of the City's Comprehensive Annual Financial Report. Major revenue sources are displayed both in current and constant, inflation adjusted, dollars.

Warning Signs: Imbalance between elastic (e.g. sales tax, licenses & permits) and inelastic (e.g. property tax) revenues.

Analysis: Positive Trend. The City strives to maintain a diversification of revenue sources, balancing elastic and inelastic revenue sources, particularly in the General Fund, while recognizing that cyclical, sectorial and population shifts could impact revenue diversification. Although Farmers Branch is a very stable community, macroeconomic trends such as inflation, unemployment, and in particular retail sales, do affect the City's financial condition. Other independent variables such as weather also affect collections of certain revenues.



Property tax and sales and use tax collections continue to be the most important sources of revenues in the City's diversified revenue base. This diversity is a major factor for reliability – revenues are mostly stable, protected from extreme fluctuation, and prior to the recent recession overall growth was generally strong. Property taxes are relatively low, and a majority of other revenues are partially paid by non-residents using City services, easing the overall burden on the City's taxpayers.

Revenues Per Capita, Constant Dollars, General Fund (Including & Excluding Tax Supported Debt Service)

Are revenues changing in accordance with the population? Revenues per capita measures the change in General Fund operating revenues, both including and excluding property tax revenue allocated to fund debt service, relative to changes in population size over time. Theoretically, as the population increases, the total amount of service provided must increase in order to maintain the same amount of service per capita. To allow for this increase in service, revenues must increase as well. A decrease in revenues per capita should signal the need to find new revenue sources, or develop cost-cutting strategies to get more mileage out of the existing revenues.

Revenues should grow enough each year to offset those factors which increase service costs: inflation and population growth. Revenue growth to cover capital improvements is also especially important. Historically, General Fund revenues have been the largest portion of Capital Improvement Program funding resulting in transfers of \$4,300,531 over the review period. Ideally, real per capita revenues should remain constant over time. Declining real per capita revenues indicate a warning trend and may reflect a weak local economy, high tax delinquencies or a reliance on revenues that do not grow with the economy. Real per capita revenues that are increasing may also be a warning trend if the increases reflect non-recurring revenues, increasing tax burdens or expenditure pressures from new development.

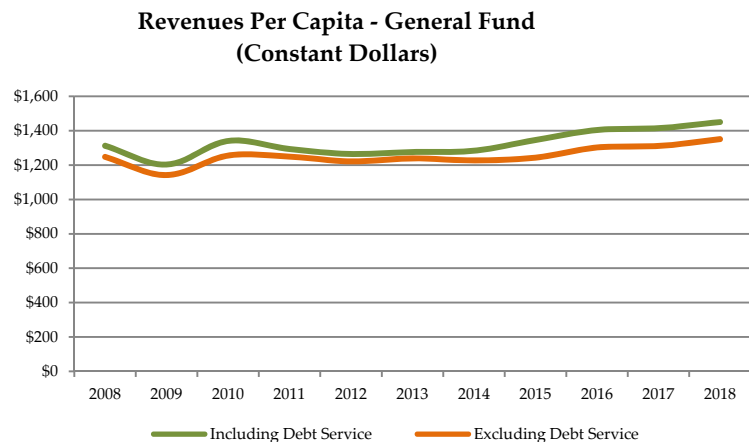
Measurement: This ratio is measured by dividing General Fund operating revenues [excluding debt service] and property tax revenue allocated to fund debt service [including debt service], by the City's population. These figures are then adjusted for inflation to reflect constant dollars. (Source: City of Farmers Branch Comprehensive Annual Financial Report)

Warning Signs: A declining trend would indicate that the City's revenue base is declining on a per resident basis and may indicate that the City will not be able to maintain its current level of services due to a decline in the resources available to support those

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services.

Analysis: Monitor Trend. As demonstrated in the graph, City revenues (excluding debt service) per capita adjusted for inflation (constant dollars) have increased since 2008, from approximately \$1,248 per resident to approximately \$1,351 per resident in 2018 (in the 2018 revenue estimate). When including debt service the revenue per capita (constant dollars) increased from \$1,313 in 2008 to \$1,451 in 2018. When measuring current dollars, average overall revenues have increased since 2008 when both including and excluding debt service.



Although total City revenues, with the exception of the year ending 2009¹, have increased from 2008 to 2018, once the effect of inflation and population increases are factored in, actual City revenues are not keeping pace with the increase in demand for services and the cost for those services. This is indicative of the economic challenges the City has faced since 2008 as the City's receipt of elastic revenues, especially sales tax, has been significantly reduced when compared to the late 1990's and early 2000's. An overall flattening of revenues over the past several years is a trend that requires close monitoring.

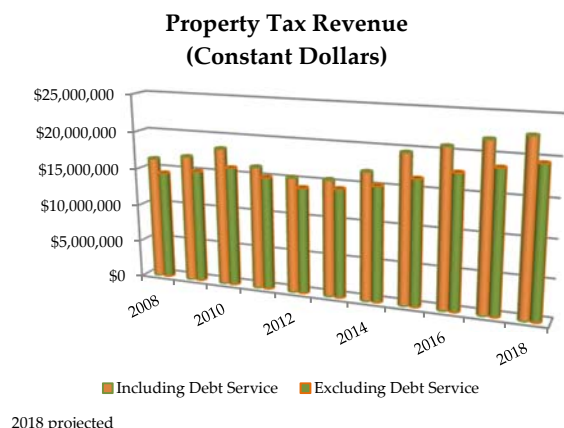
¹ In 2009, the decline in revenue per capita resulted from an unusually high population estimate that skewed results. A more conservative estimate of 2009 population reflects a level trend in both current and constant dollars as property tax revenues increased approximately 2.4% - offsetting small declines in other revenue streams.

Property Tax Revenues in Constant Dollars, General Fund (Including & Excluding Tax Supported Debt Service)

How healthy is Farmers Branch's local economy? Measuring property tax revenue provides an indicator of the expansion in the City's resource base and its ability to maintain or improve upon the services it provides to residents. In addition, this statistic provides information about the City's ability to maintain and invest in the capital infrastructure in the community (i.e., streets, sidewalks, street lights, sewers, bikeways, etc.). The City relies substantially on property tax revenue for the yearly budget. Frequent or increasing declines in property tax revenue can provide a warning that the City may have to cut programs and services in the future if the trend does not reverse.

Measurement: This ratio is measured by summing General Fund and Debt Service Fund property tax revenue for the past eleven years and adjusting to reflect constant, inflation adjusted, dollars. (Source: City of Farmers Branch Comprehensive Annual Financial Report)**Warning Signs:** A decrease in property tax revenues in constant dollars would indicate that the City's ability to maintain governmental services and invest in capital infrastructure in the community is eroding.

Analysis: Monitor Trend. Property tax revenue began to gradually improve through 2010 and expiring tax abatement agreements helped to mitigate a substantial increase in totally exempt parcels. The 2011 year was challenging due to nationwide economic difficulties that impacted the City's revenue base due to declining taxable property values of approximately \$359 million. Property tax revenues are beginning to show a good recovery, with a positive trend seen from 2012 to 2018. As the City continues work on bringing in new housing development, hopefully this upward trend will continue.



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Sales Tax Revenue Per Capita, Current and Constant Dollars, General Fund

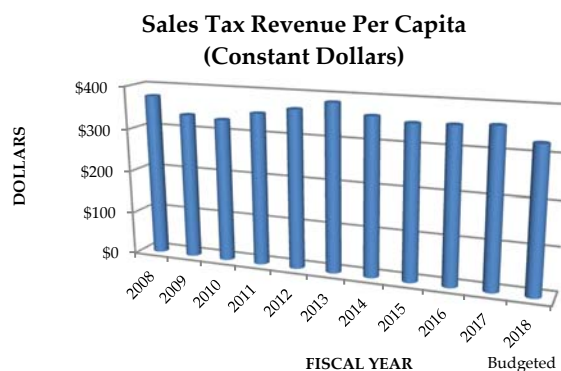
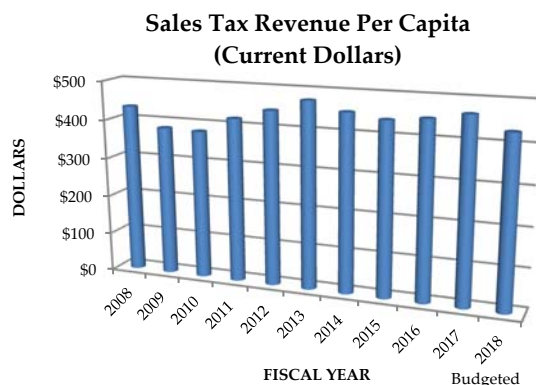
How healthy is Farmers Branch's local economy? Changes in economic conditions are evident in terms of changes in sales tax collections. When consumer confidence is high, people spend more on goods and services, and local governments benefit through increases in sales tax collections. Prior to the recession, consumer spending was also fueled by a stronger real estate market that provided additional wealth to homeowners. The struggling economy and the declining real estate market have reduced consumer confidence, resulting in less consumer spending and declining sales tax revenues nationwide.

Sales tax is also affected by overall labor market conditions. If consumers have uncertainty in their employment they are likely to reduce their spending. Although the City receives a portion of its sales tax from tourists, economic conditions in the areas from which the tourist come can also impact sales taxes received by the City.

Measurement: This ratio is measured by dividing General Fund sales tax revenue by the population. Sales tax revenue is measured in both current dollars and constant, inflation adjusted, dollars. (Source: *City of Farmers Branch Comprehensive Annual Financial Report*)

Warning Signs: A declining or negative growth in sales & use tax revenue.

Analysis: Positive Trend. Sales tax is a significant General Fund revenue source and makes up the second largest revenue source for the City, representing an average of 30% of net operating revenues. In current dollars, sales tax revenue per capita shows an increasing trend until the recession, which began in December 2007 and ended in June 2009¹. In constant dollars, adjusted to a 2004 basis, sales tax revenue shows only slight changes until the recession. Sales tax revenue has begun rebounding since the recession showing a gradual increase in both current and constant dollars from 2011 thru 2013. Although it appears the trend is improving, sales tax revenue per capita is projected to decrease slightly in 2018. The City is expecting flat sales tax revenue as revenue from existing businesses is expected to rise, but will be offset by the beginning of a retention incentive rebate for the City's largest taxpayers and a increasing population base. Sales tax is a key factor to watch moving forward because it is representative of the health of the local economy. ¹ Note: Results in 2009 constant dollars are distorted due to an unusually high population estimate. When comparing 2009 using the census population of 2010, the indicator would actually show a slight decline from 2008 to 2009 (\$376 to \$366 per capita)



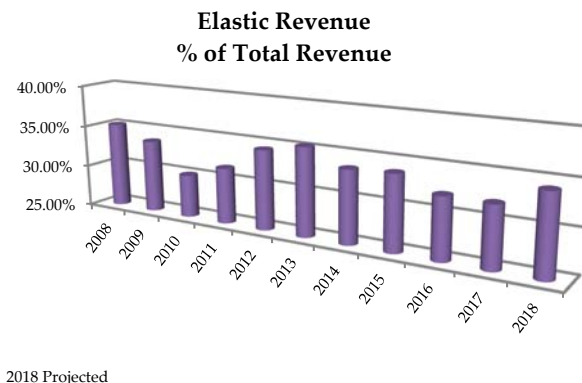
Elastic Revenues as a Percentage of Total Revenues, General Fund

Are the City's revenues diversified? Elastic revenues, such as sales tax, are defined as those revenue sources that are highly responsive to changes in the economic base and inflation. Elastic revenues expand or contract readily in response to national and regional economic trends. Elastic revenue as a percent of total revenue is an important indicator of the City's reliance on volatile revenue sources that may contract rapidly in response to a decline in economic activity. Credit rating agencies believe that diverse revenue sources strengthen financial performance.

Measurement: This ratio is measured by dividing General Fund elastic revenue sources (the major elastic revenue sources include sales tax, a portion of landfill revenue, and permits/fees) by General Fund operating revenues. (Source: *City of Farmers Branch Comprehensive Annual Financial Report*)

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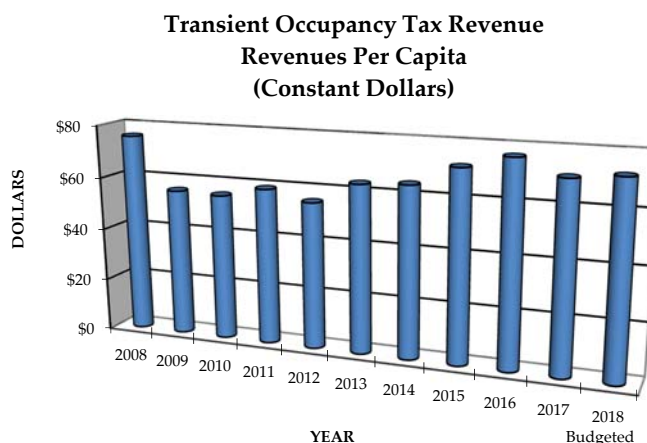
Warning Signs: The goal of the City should be to maintain a stable balance between elastic and inelastic revenues to mitigate the effects of economic growth or decline. An increase in the percent of elastic revenue sources as a portion of total revenues means the City is becoming more reliant on volatile revenue sources that may contract suddenly. A decrease in the percent of elastic revenue sources as a portion of total revenues may indicate financial stress if the decrease is in response to economic events. A decrease may also indicate a structural decline in the City's elastic revenue sources and this would mean that the City is becoming more dependent on inelastic revenues. An enhanced reliance on inelastic revenues can be detrimental because they do not expand rapidly in response to economic events and this decreases the City's ability to offset increasing operating costs in times of economic inflation.



Analysis: Positive Trend. Elastic revenues as a percent of total revenues began declining in 2009 due to a receding economy, but began increasing in 2011 as economic conditions began to show signs of improvement. Elastic revenues currently (2017) comprise approximately 32.1% of net operating revenues. An average rating for this ratio is appropriate as the City has maintained a relatively stable range of 30% to 38% from 2008 through 2018 and the fluctuation in elastic revenues has not had a negative impact due to the low inflationary environment that has occurred during this time period. Landfill operations were outsourced in 1998 and reduced the elasticity of landfill revenues. The landfill contract provides for a guaranteed \$1 million payment from 2000 and beyond and these payments are not included in the calculations for elastic revenue.

Hotel (Transient) Occupancy Tax Revenue Per Capita, Governmental Funds – Special Revenue Funds

How healthy is Farmers Branch's local economy? Hotel occupancy tax (or "transient occupancy tax") revenue per capita is an important indicator of the City's Hotel/Motel Fund revenue sources. While State law restricts use of the transient occupancy tax, the funds benefit attracting tourism and quality of life. Transient occupancy tax has a direct correlation to increases in sales tax as visitors come to Farmers Branch, stay in Farmers Branch hotels, shop at Farmers Branch businesses, and dine in Farmers Branch restaurants. Tourism and transient occupancy tax means people outside the area supplement and complement our quality of life by leaving tax dollars in the local economy.



Measurement: This ratio is measured by dividing total transient occupancy tax revenue by the population and adjusting to reflect constant, inflation adjusted, dollars. (Source: City of Farmers Branch Comprehensive Annual Financial Report)

Warning Signs: A decrease in transient occupancy tax revenue per capita may affect the ability to attract regional, state and national events and result in a loss of economic competitiveness, which potentially could undermine the City's ability to meet changing service needs.

Analysis: Monitor Trend. In the years following the recession, both state and local governments saw plummeting tax revenues from almost all sources. Most cities planned for the 2011 fiscal year conservatively, rather than relying on a rebounding local economy. However, in 2011 sales tax revenue was up in Farmers Branch as were transient occupancy tax revenues, reflecting an increase in the number of visitors to local hotels. Part of this increase may have been attributable to Dallas hosting Super Bowl XLV in February 2011 as transient occupancy tax revenue increased approximately \$64,000 compared to the same period in the prior year.

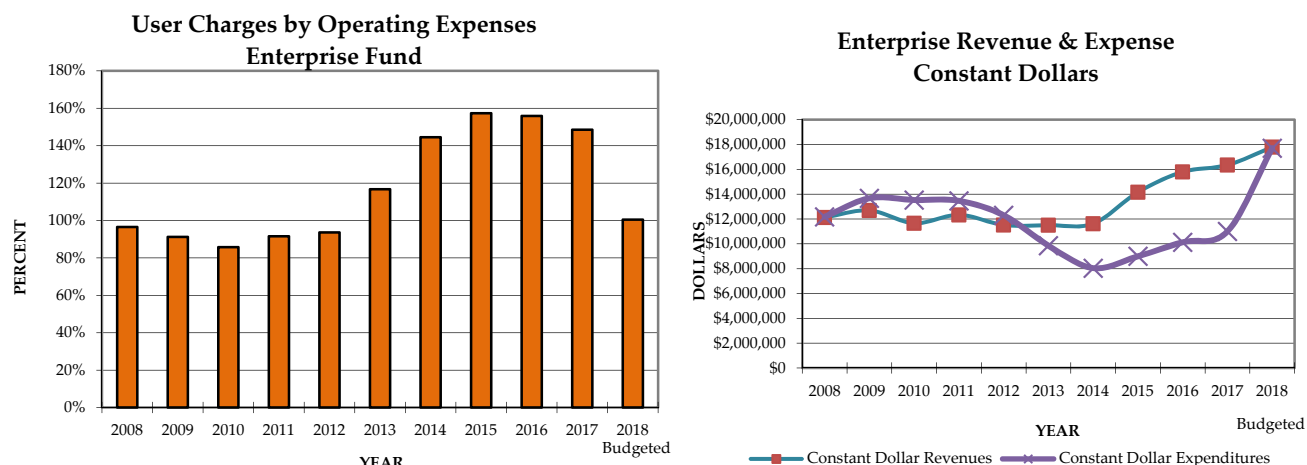
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In 2012 transient occupancy tax revenues were reduced to reflect a shutdown for a \$17 million renovation of the Sheraton Hotel between December 2011 and March 2012, adversely affecting what was already a sluggish economy. In 2013, both sales and occupancy tax revenues reflect good news as the City accounted for an increase in these revenues, signaling improvement after the recession. Transient occupancy tax revenue is expected to increase slightly in 2018 after showing a slight decrease for fiscal 2017.¹ *Note: Results in 2009 constant dollars are distorted due to an unusually high population estimate. When comparing 2009 using the census population of 2010, the indicator would actually show a decline from 2008 to 2009 of \$76 to \$61 per capita.*

User Charges by Operating Expenses, Enterprise Funds

Is the City's Water & Sewer Fund self-sufficient? Enterprise activities generate revenues by providing services to citizens, either directly or through another agency, and are intended to operate more like a business than a public entity supported by taxes. User fees and charges are established in enterprise funds to promote efficiency by shifting payment of costs to specific users of services and to avoid general taxation. Rate increases are generally included as part of the budget to offset increasing operating costs, mandated environmental standard compliance, and pay-as-you-go capital costs attributable to repair and replacement of infrastructure. Charges for the services are set to cover most costs including equipment repair and replacement and debt service. Enterprise activities include sanitary sewer and clean water. This is an indicator of the long-term financial viability of the City's Enterprise Funds and indicates the ability of the City to maintain the infrastructure of the Enterprise Funds.

Measurement: Measure of operating revenues (charges for services only) divided by total operating expenses. In analyzing this indicator, an adjustment is made to normal coverage functions to include General Fund transfers and debt obligations in expenditure figures. (Source: City of Farmers Branch Comprehensive Annual Financial Report)



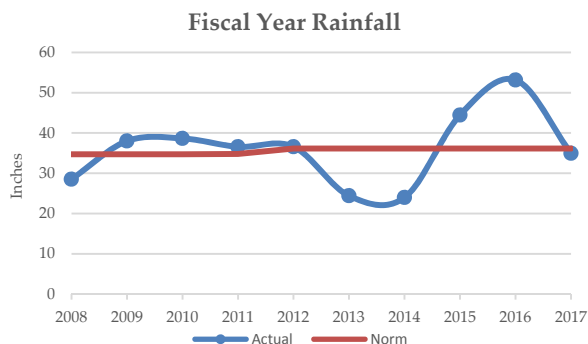
Warning Signs: A decreasing trend (i.e., user charges are offsetting less and less operating expenses over time) is indicative of future challenges and may indicate the need to generate additional revenue to ensure the future viability of the enterprise operation. Keeping this indicator above 100% is important because investments in capital infrastructure have to be financed by the Enterprise Fund and depreciation expense (which is a measure of the amount the City should be investing in its capital infrastructure each year) is incorporated into operating expenses. As long as the fund is generating revenues that are sufficient to offset total operating expenses including depreciation, the Enterprise Fund should have sufficient cash flow to invest in the capital infrastructure of the system. If coverage is less than 100%, fees and charges are not sufficient to cover operating expenditures, which translates to operating deficits.

Analysis: Monitor Trend. Both revenue and expenses are directly impacted by weather patterns. With the exception of General Fund transfers and capital replacement funding, the City has little or no influence in the short-term in controlling costs such as purchasing water, treating sewage, and electrical costs. The City, like most other cities, pays for water on a two-pronged system in which they are billed for a "demand charge" in addition to the actual water used, the "volume charge". In 2010, the City negotiated a new 30-year contract with the City of Dallas, which significantly decreased the demand cost component of purchasing treated water. However, the City is required to pay the demand charge regardless of how little water is used.

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In 1973, the City entered into a 50-year contract with the Trinity River Authority whereby the Authority provides and operates a regional wastewater treatment plant and wastewater conveyance facility. The City pays for treatment services based on a usage formula that provides reimbursement for operations, maintenance and debt service payments to the Authority. The City's proportionate share of costs is determined annually according to its contributing flow to the system.

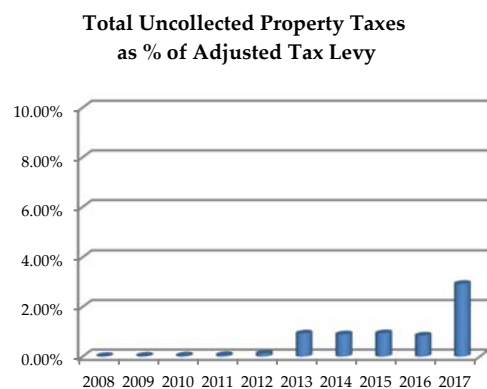
The user charge ratio has improved since 2010 and exceeded 100% in both 2013 and 2014 due to drier than usual conditions. In 2015 & 2016 the City increased water and sewer rates by 12% and 15% respectively to offset increasing costs. However, the City spent slightly more than it generated in operating revenues in six of the ten years represented and spent significantly more than it generated in one year (2007) dropping below 80%, which was a negative trend. Fiscal year 2006 represents coverage at 120% attributable to a drought in North Texas that ended in 2007 with high rainfall. Fiscal year 2018 is projected to be slightly above 100% coverage. The City operates this fund on a pay-as-you-go philosophy for maintenance and support expenses. This is achieved without issuance of debt through annual transfers from the General Fund. Fiscal year 2018 projected revenue increased approximately 9% to offset costs from water & sewer operating expenditures expected to increase due to the increased costs for purchased water due to legal proceedings with Sabine River Authority. Sabine River Authority's contract is in dispute and under appeal with the Public Utilities Commission. Until the dispute is resolved, higher costs have been implemented and must be passed on to customers as moderate and wet weather conditions over the past two years have sharply reduced revenues and eliminated fund balance reserves. During 2016-17, the City's waste water treatment through Trinity River Authority increased from 2.25 million gallons per month to approximately 5.0 million gallons per month due to increased meter accuracy.



Uncollected Property Taxes as a Percentage of Adjusted Tax Levy

Are residents able to pay their taxes? Every year, a percentage of property owners are unable to pay property taxes. If this percentage increases over time, it may indicate an overall decline in the local government's economic health. Additionally, as uncollected property taxes rise, liquidity is decreased, and there is less cash on hand to pay bills or to invest.

Credit rating firms assume that a local government normally will be unable to collect from 2% to 3% of its property taxes within the year that taxes are due. If uncollected property taxes rise to more than 5%, rating firms consider this a negative factor because it signals potential instability in the property tax base. An increase in the rate of delinquency for two consecutive years is also considered a negative factor.



Measurement: This indicator is measured by subtracting total tax collections from the adjusted property tax levy and then dividing by the adjusted property tax levy. The City's original tax levy is based on certified taxable values as of July each year. The original tax levy is then subsequently adjusted throughout the year by the Dallas County Tax Office as disputes and/or protests are resolved. Subsequent adjustments are continual and often result in a change to data reported in prior years. (Note: Information reported for the current year is always based on the original tax levy as subsequent adjustments are not reported until the following year.) (Source: City of Farmers Branch Comprehensive Annual Financial Report)

Warning Signs: Increasing amount of uncollected property tax as a percentage of taxes levied.

Analysis: Positive Trend. Uncollected property tax, as a percentage of the adjusted tax levy, remained relatively consistent throughout the review period at an average of less than 1%. The current year percentage is based on the original tax levy due to a one-year delay in reporting subsequent adjustments. The collection rate for the period 2008 through 2017 has averaged over 99%,

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which is an excellent record. The City's ability to collect delinquent taxes is well within credit rating industry standards.

EXPENDITURE INDICATORS

Expenditures are a rough measure of a City's service provision efforts and are an important indicator of financial condition. Generally, the more a government spends in constant dollars, the more services it provides. This reasoning does not take into account how effective the services are or how efficiently they are delivered. Revenue status should be reviewed in conjunction with expenditure growth to evaluate appropriate expenditure levels.

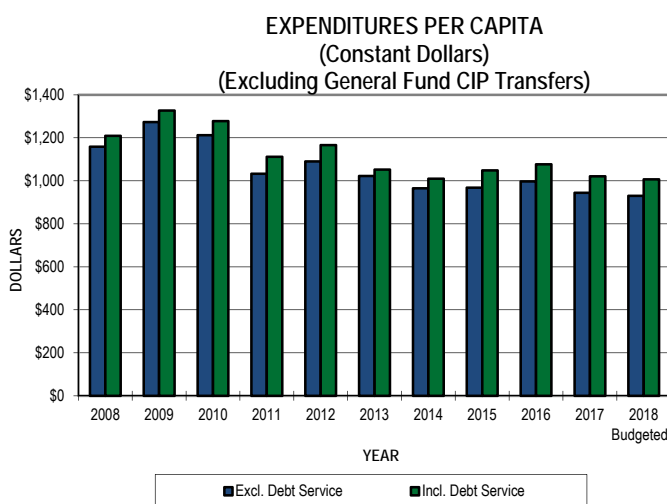
The following section is a profile of the City's expenditures. Taking a closer look at the expenditures will allow the City to recognize potential problems before they arise. Since the goal is to provide quality services while spending responsibly, it is important to examine the City's expenditure profile so that excessive or unexpected expenditure growth, undesirable increases in fixed costs or declines in personal productivity can be identified early.

Operating Expenditures Per Capita

Are expenditures changing in accordance with the population?

Examining per capita expenditures shows changes in expenditures relative to changes in population. Increasing per capita expenditures can indicate that the cost of providing services is outstripping the community's ability to pay. Likewise, decreasing expenditures can indicate that the City is not investing adequately in the community. This provides information that can be used to compare current and projected expenditure patterns to previous years and to provide a basis for analyzing increases or decreases in expenditures.

Measurement: General Fund operating expenditures (less transfers for CIP), including and excluding expenditures for debt service and adjusted for inflation, are divided by the City's estimated population for each year. (Source: City of Farmers Branch Comprehensive Annual Financial Report)



Warning Signs: Substantial increases or decreases in any one year or a sustained trend of increases or decreases (unless the decreases do not correspond to a decrease in service levels). If an increase in spending is greater than that which can be accounted for by inflation, population or new programs, it may indicate that the City is spending more funds to support the same level of services or the methods of providing the services are inefficient. Likewise, decreasing expenditures may indicate that the City is experiencing challenges in maintaining service levels and/or is not investing adequately in the community.

Analysis: Positive Trend. Operating expenditures per capita, both including and excluding debt service and adjusted for inflation have, on average, declined from 2008 through 2017. In 2008, expenditures increased due to an employee buyout program and reduction-in-force payouts. Expenditures, excluding debt service, peaked in 2009 due to a substantial increase in road resurfacing and repair projects. Since 2009, expenditures (excluding debt service) have been decreasing as the City has actively implemented cost containment measures to reduce its expenditures in response to the decrease in revenue experienced during the recession. As a result, the City is significantly more efficient as the decline in operating expenditures has not corresponded to a decrease in service levels. When excluding debt service expenditures, the City has been able to reduce and maintain expenditures per capita without significantly impacting services provided to the community. Fluctuations in expenditures, including debt service, are related to the issuance of new debt each year from 2009 to 2017. ¹ Note: Results in 2009 constant dollars are distorted due to an unusually high population estimate. When measuring 2009 using the census population of 2010, the indicator would actually reflect \$420 per capita excluding debt service and \$436 including debt service.

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The City should continue to monitor expenditures per capita in the coming years. If this indicator begins to show growth (even gradually), this may evolve into a warning trend and steps to reverse the trend may have to be taken. Additionally, as the City's population ages, expenditures per capita may naturally increase, because older populations have a greater need for many City services. The City should start planning for how it will make up for this potential increase in expenditures now, so that it does not lead to unexpected financial strains in the future.

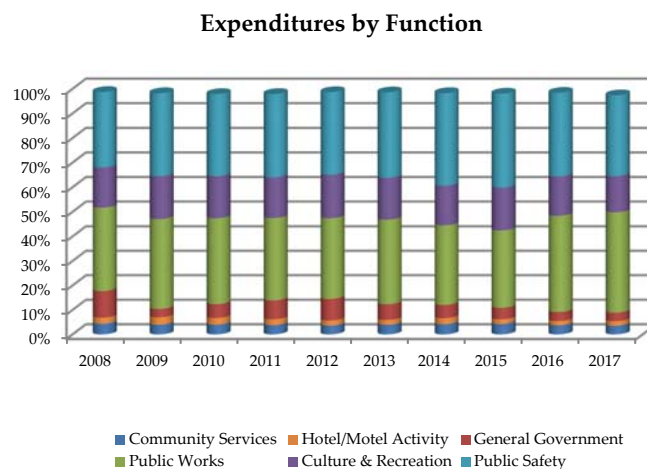
Operating Expenditures by Function

How does the City spend its resources? Operating expenditures by function shows a breakdown of what the City's expenditures are going towards and allows the government to identify where increases in expenditures are coming from. This ratio measures how the City is allocating its resources in its service provision efforts. A change may be indicative of a change in the way the City is choosing to provide services.

Measurement: This is measured by comparing budget basis actual expenditures for all of the City's expenditure classifications. (Source: Annual City budget documents.)

Warning Signs: Substantial increases or decreases in any one year or a sustained trend of increases or decreases in any function. Shifts in expenditures from one function to another, especially if expenditures shift towards general government, may indicate that the City is having a difficult time meeting all of its obligations and is shifting resources to more high priority areas.

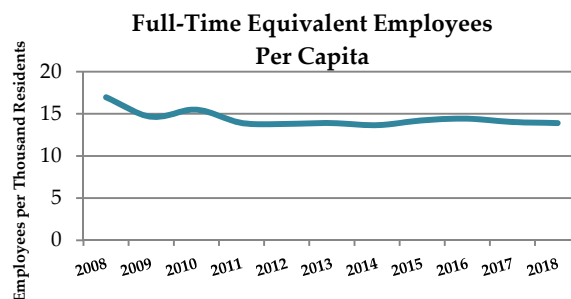
Analysis: Positive Trend. As clearly demonstrated in this chart, the City continuously expends the majority of its resources on public safety and public works (including Water & Sewer). This is an important indicator of the City's commitment to providing a high level of service to residents. General government expenditures (those associated with administration) have traditionally been approximately 11% to 16% of total expenditures in the City. As the City moves forward, it wants to provide first-rate service while maintaining the budget responsibly. This means the City needs to maintain a productive staff, keep up with technology that will help to improve productivity, and evaluate the benefit of programs to make sure they are still serving the public effectively. This is a positive trend for the City because it highlights that none of the City's departments have had sudden changes or significant expenditure growth.



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Employees Per Capita

Is the City labor intensive? The employee's per capita statistic ratio is an important indicator of operating expenditures as personnel costs are generally the largest portion of a local government's operating budget. If employees per capita increase, this may indicate difficulty in balancing revenues and expenditures in the future unless new revenue sources are obtained to finance the additional employees. An increase in employees per capita is not negative if a direct correlation can be made to increased services. Decreases in employees per capita may indicate that the City will have a difficult time sustaining current levels of service.



Measurement: This ratio is calculated by dividing the City's total full-time equivalents per year by the estimated population (per 1,000) for each year. Population estimates are provided by the North Central Texas Council of Governments (NCTCOG) with the exception of census years. (Source: *City of Farmers Branch Comprehensive Annual Financial Report*)

Warning Signs: Substantial increases or decreases in a year or a sustained trend of increases or decreases per 1,000 population.

Analysis: Positive Trend. Farmers Branch has demonstrated a relatively stable ratio of employees per 1,000 population. This ratio remained relatively constant from 2004 to 2008 despite adding 15 positions to staff a new fire station between 2007 and 2008 and adding three positions in the police department in 2008. These additional positions were offset by an overall reduction in non-public safety positions as part of a city-wide initiative to right-size staffing levels. The significant drop in 2009 is attributable to an unusually high population estimate in 2009, which had the effect of distorting per capita staffing levels. Had the population been more conservatively estimated, actual staffing reductions would have been only slightly reduced in 2009. Likewise, in 2010, staffing levels appear to have increased when the population estimate was corrected via the 2010 census. The decrease in 2011 was attributable to outsourcing the City's library and residential sanitation services. The decreases in staffing are a result of improved efficiency efforts and have not resulted in a decrease in services provided to the community. Overall, the City shows a stable trend working within a range of 13.6 to 16.9 employees per 1,000 population for the entire period.

Fiscal Year	FTE's	Population	Full-Time Equivalents Per 1,000 Population
2008	487.79	28,750	16.97
2009	455.63	31,100	14.65
2010	443.42	28,616	15.50
2011	398.13	28,600	13.92
2012	395.34	28,620	13.81
2013	400.49	28,800	13.91
2014	404.84	29,660	13.65
2015	431.78	30,350	14.23
2016	439.56	30,480	14.42
2017	427.73	30,480	14.03
2018	438.91	31,560	13.91

Employee Costs Per Capita – General Fund

Are personnel costs changing in accordance with the population? This indicator measures personnel costs (salaries + benefits) per capita. Personnel costs are a major portion of the City's operating budget. An increase in employee costs per capita may indicate that the government is becoming more labor intensive, personnel productivity is declining or the population is changing in a way that requires more services out of the local government.

Considering this indicator, the City cannot simply view increasing employee costs as an inherently negative trend. An investment in employees can also indicate a commitment by the government to target problems. For example, if crime is an ongoing problem and the City increases its number of police officers, employee costs per capita may rise, but this is a positive sign because the City has stepped up in order to solve a problem.

Financial Condition Analysis

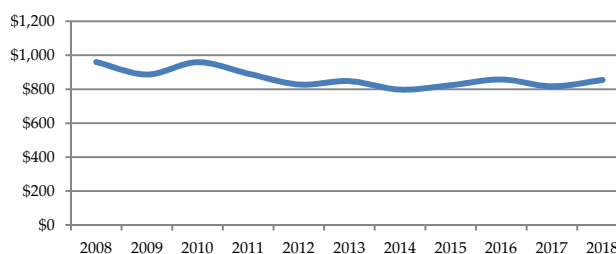
Measurement: This ratio is calculated by dividing the City's General Fund annual personnel services costs (budget basis actual costs adjusted for internal transfers related to staff support to other funds) by the estimated population for each year. Population estimates are provided by the North Central Texas Council of Governments (NCTCOG) with the exception of census years. (Source: *City of Farmers Branch Comprehensive Annual Financial Report*)

Warning Signs: Substantial increases or decreases in a year or a sustained trend of increases or decreases per 1,000 population.

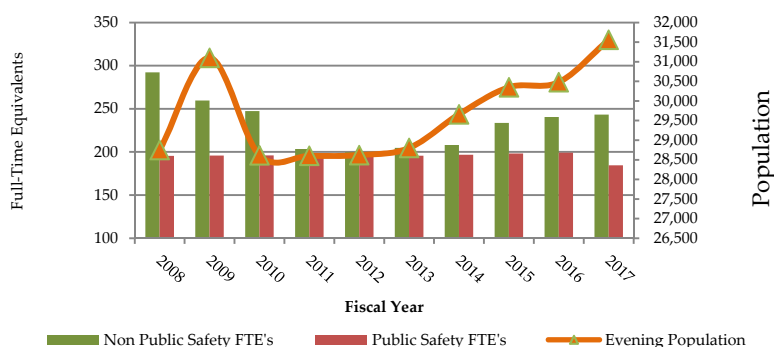
Analysis: Positive Trend. During the review period, the City implemented a multi-phased staff reduction program to provide for a more efficient government operation that could be sustainable long-term. As part of this program, employees were offered retirement/buyout incentives, vacant positions were eliminated, library and sanitation services were outsourced, departments were restructured and/or reorganized to increase efficiency, and an outside review of personnel pay and benefits was completed. The impact of these changes is expected to benefit future fiscal years by reducing overall expenses.

During the period of 2008 to 2012, the City eliminated almost 100 full-time equivalent positions thru the multi-phased staff reduction program, representing a 20% decrease for all positions or a 33% decrease when not including public safety positions. However, the City did not begin realizing expense savings until 2011 due to the initial costs involved in implementing the program. Ultimately, the cost cutting efforts positioned the City well to capitalize on an improving state and local economy. (Note: The primary reason for the sharp decline in 2009, and corresponding sharp rise in 2010, is due to an unusually high population estimate in 2009 that was corrected in 2010 when census results were published. Employee costs per capita would have remained level between 2008 and 2010 without the unusually high estimate.) Increases in 2013 thru 2017 were due primarily to a pay structure adjustment for sworn personnel (recommended in a compensation study performed in 2015-16); reinstatement of merit-based pay increases, the addition of two full-time employees, and higher than expected health claims costs. This indicator should continue to be monitored so that growth in employee costs does not begin to greatly out-pace population growth.

**Employee Costs Per Capita - General Fund
Constant Dollars**



Meeting Citizen Needs with Fewer Employees



OPERATING POSITION INDICATORS

This section is an analysis of the City's operating position trends. The term "operating position" refers to a local government's ability to (1) balance its budget on a current basis, (2) maintain reserves for emergencies, and (3) maintain sufficient cash (liquidity) to pay its obligations on time.

An analysis of operating position can help to identify the following situations:

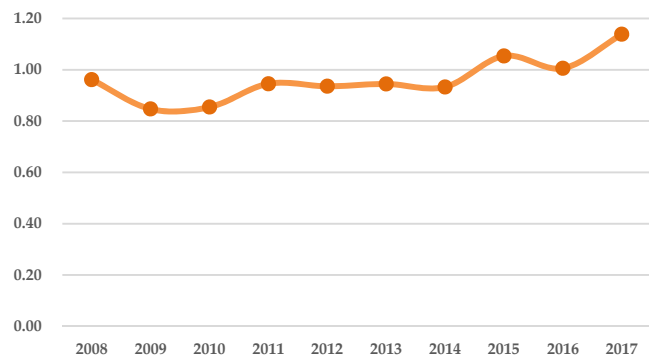
- A pattern of continuous operating deficits
- A decline in reserves
- A decline in liquidity
- Ineffective revenue forecasting techniques
- Ineffective budgetary controls

Financial Condition Analysis

Operating Ratio – Primary Government

Is the City estimating its budget correctly? During a typical year, a government generates either an operating surplus or an operating deficit. An operating surplus develops when current revenues exceed current expenditures. An operating deficit develops when the reverse occurs. An operating surplus or deficit may be created intentionally, by a policy decision, or unintentionally, because of the difficulty of precisely predicting revenues and expenditures or trends in the underlying local and national economies. Deficits are usually funded from unreserved fund balances; surpluses are usually used to increase fund balances. The accumulation of operating surpluses builds reserves, which provide a financial cushion against the loss of a revenue source; an economic downturn; unanticipated expenditures required by natural disasters and the like; unexpected capital expenditures; uneven cash flows; and similar items.

Operating Ratio-
Primary Government



An operating deficit in any one year may not be cause for concern, but frequent and increasing deficits can indicate that current revenues are not supporting current expenditures and that serious problems may lie ahead or it could simply represent changes in policy decisions.

Measurement: Total primary government revenues divided by total primary government expenses. (Source: Statement of Activities – Primary Government, City of Farmers Branch Comprehensive Annual Financial Report)

Warning Signs: Credit rating agencies consider the following occurrences to be warning trends: two consecutive years of operating deficits, a current deficit greater than the previous year, deficits in two or more of the last five years, or an abnormally large deficit (greater than 10% of revenues) in any one year.

Analysis: Monitor Trend. By industry standards, the City's operating ratio is considered a negative trend as the City has incurred operating deficits in six of the last ten years. However, these deficits were a result of policy change decisions during the review period to reduce General Fund fund balance target levels, to reduce staffing levels by implementing a buy-out plan, and to replace capital assets that had previously been deferred, all of which resulted in planned increases in expenditures during the review period. As the City planned for use of fund balance, this indicator is not considered negative.

Fund Balance as a Percentage of Net Operating Revenue, Governmental Funds

How does our budgetary carryover position look? This statistic measures the amount of resources available to meet City obligations in the Governmental Funds in comparison to annual revenues in these funds.

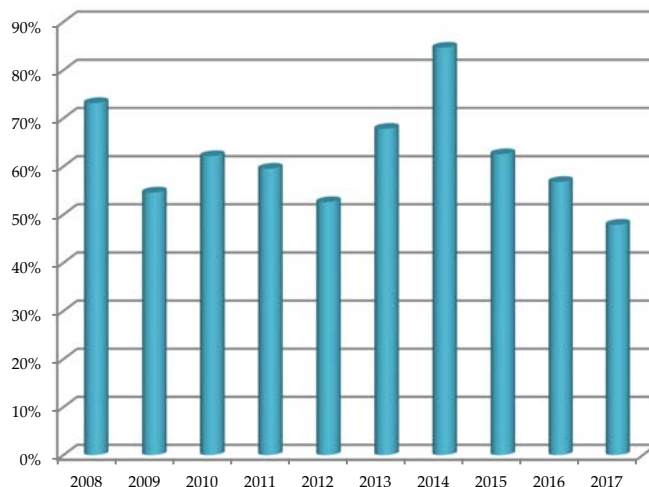
Financial Condition Analysis

Measurement: Total Governmental Fund ending fund balances divided by total Governmental Fund revenues. (Source: *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds, City of Farmers Branch Comprehensive Annual Financial Report*)

Warning Signs: A substantial decrease in any one year or a trend of decreases could indicate the City's ability to meet its obligations was being eroded.

Analysis: Monitor Trend. Fund balance as a percentage of net operating revenue has remained relatively stable, but a trend of decreases began in 2008-09 as the impact of a sluggish economy proved greater than expected. However, the City has a very healthy level of Governmental Fund-fund balance, which provides sufficient resources to respond to emergencies or the loss of a major revenue source. Decline in 2015, 2016 and 2017 fund balances was primarily due to use of bond proceeds from debt issued in previous years for construction projects including street improvements and an aquatics facility.

**Governmental Fund Balance
as a Percent of Revenues**

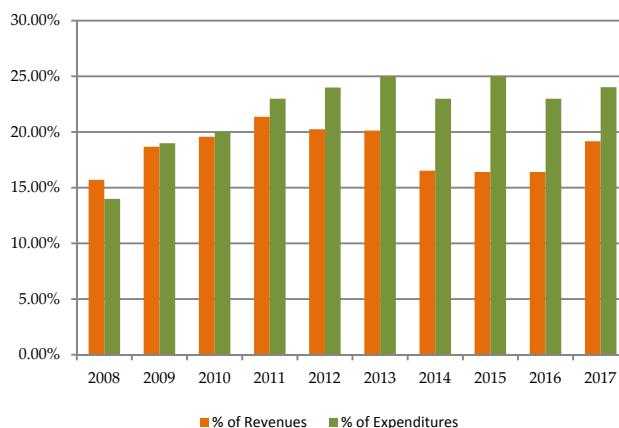


Unassigned Fund Balance as a Percentage of Revenues & Expenditures, General Fund

How much money does the City have available for appropriation in the General Fund? The financial health of the City is partly determined by the level of fund balances available to cushion revenue shortfalls caused by economic downturns, emergencies, or uneven cash flows. To determine the appropriate level of reserves, a government should analyze the elasticity of the revenue base, the level of insurance it maintains, the likelihood and magnitude of natural disasters, and the government's liquidity and ability to borrow.

In October 2012, the City Council passed an ordinance defining a General Fund fund balance target as a target range with a low end of 15% and a high end of 20% of actual GAAP (generally accepted accounting principles) basis expenditures and other financing sources and uses. [From 2004 through 2006, the City's financial policy was to maintain an unallocated fund balance for unanticipated emergencies of 25% of the operating budget of the General Fund; from 2007 through 2012, this amount was reduced to 20%.]

**Unassigned Fund Balance
as a Percentage of Revenues & Expenditures -
General Fund**



Measurement: Total General Fund unassigned fund balance divided by General Fund revenues and General Fund expenditures plus other financing sources (uses). (Source: *Governmental Funds Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances, City of Farmers Branch Comprehensive Annual Financial Report*)

Warning Signs: A declining fund balance or insufficient level of fund balance or sustained trend of decreases. The ICMA considers an unassigned fund balance at or below 5% of net revenues to signal that a City is in financial distress. The ICMA considers a strong fund reserve balance to be at or above 15% of net revenues.

Analysis: Positive Trend. The General Fund unassigned fund balance dropped below policy level in 2008 and 2009 as part of the City's approved financial plan to partially offset significant declines in revenues and soften the impact of an economic downturn on City programs and services. From 2008 to 2010, cost containment efforts (mainly personnel) were implemented in order to

Financial Condition Analysis

offset declining revenues. The City's General Fund unassigned fund balance over the last ten years has consistently been within recommended standards.

Liquidity – Primary Government

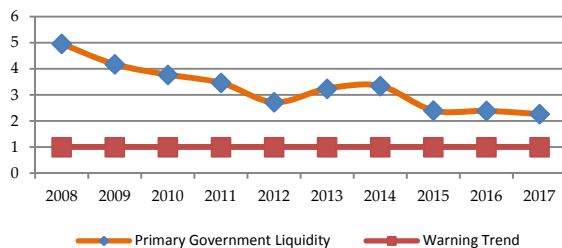
What is the City's cash position? A good measure of a local government's short-run financial condition is its cash position. Cash position, which includes cash on hand and in the bank, as well as other assets that can be easily converted to cash, determines a government's ability to pay its short term obligations. This is also known as liquidity, and the immediate effect of insufficient liquidity is insolvency – the inability to pay bills. Liquidity ratios, therefore, are concerned with a government's ability to pay for its most immediate obligations. The ratios can help determine if, over the next year (or less), a government will have enough cash (or assets that can be quickly converted to cash) on hand to pay the bills that come due. A larger value in the ratios indicates a larger amount of assets are available to cover liabilities, thus a higher level of cash solvency or liquidity. The "cash ratio" and "current ratio" are two common measures of liquidity. The "cash ratio" measures the ratio of cash, cash equivalents and investments to current liabilities and the "current ratio" measures the ratio of current assets to current liabilities to determine net position. Credit agencies review the liquidity of a local government as one of the focuses of their balance sheet examination. This indicator helps to assess the City's ability to sustain a strong financial position.

Measurement: This indicator is measured using the "cash ratio" [cash, cash equivalents and investments ÷ current liabilities] (includes all liabilities except those listed as noncurrent liabilities) and the "current ratio" [current assets ÷ current liabilities] for the City's primary government. (Source: *Statement of Net Position – Primary Government, City of Farmers Branch Comprehensive Annual Financial Report*)

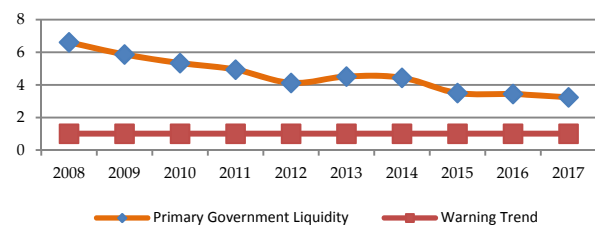
Warning Signs: A substantial decrease in one year or a trend of low or declining liquidity may indicate that the City has overextended itself in the long run and will have trouble meeting obligations in the future. A 1:1 ratio of cash and short-term investments to current liabilities means the City has enough cash on hand to cover accounts payable and other liabilities due within one year. If this ratio is less than 1:1 (or less than 100%), the entity is considered to be facing liquidity problems.

Analysis: Monitor Trend. There was a steady decline in liquidity from 2008 to 2012. However, despite this decline, the City has a high level of liquidity and this is reflected by the City's ability to meet current operating expenditures without having to resort to short-term borrowing. The City's liquidity ratio has remained well above the warning ratios for the entire review period and is considered a healthy level. Utilizing the cash ratio, which is a narrower measure that compares only the most liquid assets of the government, primary government activities current assets for the year ending 2017 are two times greater than current liabilities – meaning the City has \$2 in assets that can be converted rapidly to cash for every \$1 of liabilities. Utilizing the current ratio, primary government activities current assets for the year ending 2017 are three times greater than current liabilities – meaning the City has \$3 in assets for every \$1 of current liabilities.

**Liquidity - Primary Government
(Cash Ratio)**



**Liquidity - Primary Government
(Current Ratio)**



Solvency – Primary Government

What is our future spending ability? Solvency and liquidity are both terms that refer to a state of financial health, but with some notable differences. Solvency refers to the capacity to meet long-term financial commitments. Liquidity refers to the ability to meet short-term obligations and refers to the capability to sell assets quickly to raise cash. A solvent government is one that owns more than it owes; in other words, it has a positive net worth and a manageable debt load. On the other hand, a government with

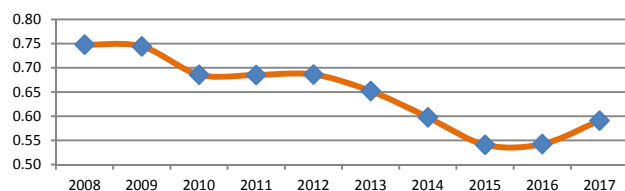
Financial Condition Analysis

adequate liquidity may have enough available to pay its bills, but it may be heading for financial disaster down the road. Solvency and liquidity are equally important, and healthy governments are both solvent and possess adequate liquidity.

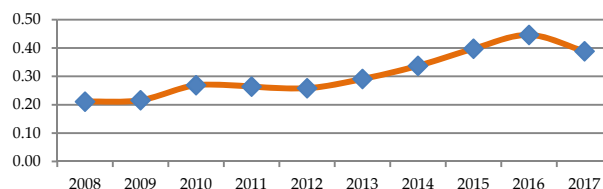
Long-run solvency is measured using the “net assets ratio” and “long-term liability ratio.” The “net assets ratio” measures the portion of net assets compared to total assets and determines what percentage of total assets are paid for and what percentage of total assets is classified as a liability. The “net assets ratio” is designed to provide a clear picture of a government’s future spending and ability, as well as the ability to overcome emergencies and down cycles in the economy. A larger “net assets ratio” indicates a higher level of long-run solvency. The “long-term liability ratio” measures a government’s ability to pay long-term debt by comparing long-term liabilities to total assets. A higher ratio for the “long-term liability ratio” indicates a lower level of ability to pay off long-term debt or a strain on future resources as well as increasing levels of long-term obligation.

Measurement: This indicator is measured using the “net assets ratio” [net assets ÷ total assets] and “long-term liability ratio” (long-term liabilities ÷ total assets) for the City’s primary government. (Source: *Statement of Net Position – Primary Government, City of Farmers Branch Comprehensive Annual Financial Report*)

**Solvency - Primary Government
(Net Assets Ratio)**



**Solvency - Primary Government
(Long-Term Liability Ratio)**



Warning Signs: A low “net assets ratio” indicates a low level of long-run solvency; whereas, a high “long-term liability ratio” indicates a lower level of ability to pay off long-term debt or a strain on future resources. [It should be noted that the net assets and long-term liability ratios should maintain a negative relationship to each other. When combined, the total ratio should be near “1” with current liabilities making up the difference.]

Analysis: Monitor Trend. This ratio has declined from a high of 77 to 54 for the “net assets ratio” and has increased from a low of 19 to 45 for the “long-term liability ratio.” Although the City still maintains satisfactory levels of long-run solvency and the ability to payoff long-term debt, the current trends are gradually increasing debt levels. Net assets ratio for 2017 increased slightly by \$0.68 million. The City held a quality of life bond election in November of 2017 issuing \$15MM in additional general obligation debt. This will be in addition to the second phase of street improvement debt authorized by voters in 2014 that is anticipated to be issued in 2018.

Operating Income in Constant Dollars, Water & Sewer Fund

What is the operating position of the Water & Sewer Fund? This indicator provides information about the ability of the Water & Sewer Fund to generate sufficient operating revenues to offset operating expenses. Measuring the Water & Sewer Fund operating income is important because unlike other City government funds, a local government cannot raise taxes to increase support for an Enterprise Fund – enterprises are subject to the laws of supply and demand.

One of the many challenges in managing a Water & Sewer Fund is that water demand, and thus revenues, vary with weather patterns. Customer water use patterns and conservation efforts also have a very strong influence on revenues and, by extension, on financial performance. Managing the price-usage nexus is critical when navigating between conservation goals and revenue requirements. When sales fall, revenues typically fall with them. But a decrease in water sales, however, does not lead to a commensurate reduction in utility expenses. Without constant attention to pricing levels and structures, consistent decreases in water use from year-to-year can lead to significant revenue shortfalls. While many local governments have an expressed goal of reducing water usage, excessive declines in water use over recent years have caught many cities off-guard, as revenues have fallen below predicted levels.

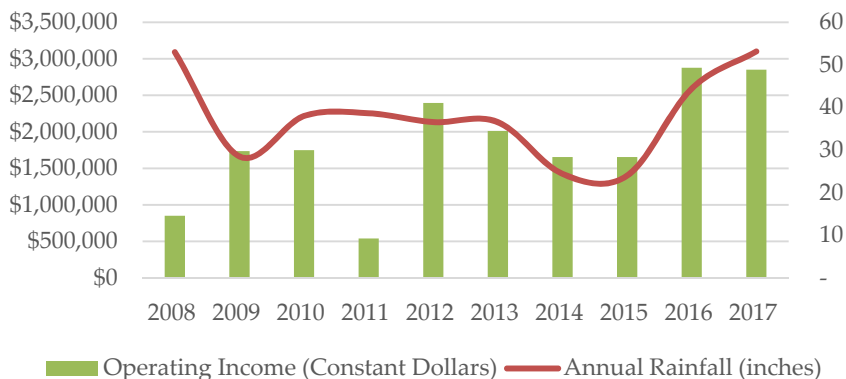
Financial Condition Analysis

Measurement: Operating revenues less operating expenses in constant dollars.

(Source: *Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds, City of Farmers Branch Comprehensive Annual Financial Report*)

Warning Signs: A substantial decrease in operating income in one year or a trend of decreasing operating income over several years. Either of these situations would indicate that the ability of the Water & Sewer Fund to continue operations is being eroded.

**Water and Sewer Operating Income
(Constant Dollars)**



Analysis: Monitor Trend. The City's water and sewer operating income stream has fluctuated considerably over the past ten years and steeply decreased in 2008 due primarily to high levels of rainfall. Income declined in 2010 due to slightly higher rainfall levels and conservation efforts; however, the decline would have been even more pronounced had the City not renegotiated its treated water contract that provided for a one-time opportunity to reduce annual expenditures by approximately \$432,000 (without this adjustment operating income would have been at approximately the same level as in 2004). Increased revenue in 2015, 2016 and 2017 is the result of a rate increases to offset increased charges. As can be seen in the graph, higher levels of rainfall generally result in lower operating income, while lower levels of rainfall usually result in higher operating income. Despite the declines, the Water & Sewer Fund has continued to run on a surplus, with operating revenues exceeding operating expenditures. However, if the declining income trend continues a more thorough evaluation of the fund may be necessary. (See *User Charges by Operating Expenses, Enterprise Fund* for notation on Sabine River Authority dispute)

DEBT STRUCTURE INDICATORS

Debt is an effective way to finance capital improvements, and may even be used to stabilize short-term revenue fluctuations. Its misuse, however, can cause serious financial problems. Even a temporary inability to repay can result in loss of credit rating and increased cost of future borrowing. The most common forms of long-term debts are general obligations, special obligations and revenue bonds. Even when these types of debt are used exclusively for capital projects, the outstanding debt cannot exceed the ability to repay as measured by the wealth of the community in the form of property value or personal income. Another method to evaluate ability to repay is to consider the amount of principal and interest or "debt service" that is obligated to be repaid each year. Also to be considered is "overlapping debt", which is the debt of another jurisdiction that is issued against a tax base within part or all of the boundaries of the community.

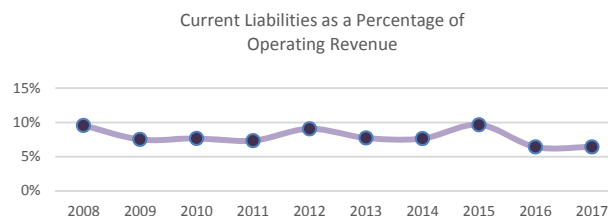
Current Liabilities as a Percentage of Net Operating Revenues

Can the City afford to pay its bills? This ratio indicates the ability of the City to meet its future liabilities with operating revenues. Current liabilities are those that the City has an obligation to pay within one fiscal year.

Measurement: Current liabilities divided by net operating revenues. [Net operating revenues are defined as the total revenues to the General, Special Revenue and Debt Service funds before any interfund transfer and less those revenues legally restricted to capital improvements or other special purposes.] (Source: *City of Farmers Branch Comprehensive Annual Financial Report*)

Financial Condition Analysis

Warning Signs: A trend of increases in current liabilities as a percent of revenues may indicate that the City will not be able to meet its future liabilities due to the lack of sufficient revenues. Credit industry benchmarks consider short-term debt exceeding 5% of operating revenues and a two-year trend of increasing short-term debt outstanding at the end of the fiscal year to be negative factors.



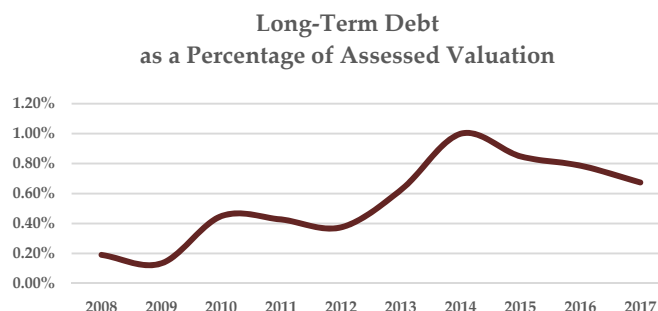
Analysis: Monitor Trend. This ratio decreased from 9.6% in 2008 to 7.5% in 2009. The current ratio is 6.4%, which is the same from the prior year. The City's current liabilities as percentage of net operating revenues has remained below 10% during the review period and has averaged 7.9% over the past ten years, which means that City revenues were always at or more than ten times the amount of its current liabilities. Although this ratio would be considered strong by many cities, credit industry benchmarks consider a ratio above 5% to be a negative factor.

Long-Term Debt as a Percentage of Assessed Valuation

How much does the City owe? This statistic compares the City's assessed valuation to long-term debt and provides an analytical measure of the City's ability to service its current debt obligations as well as its ability to incur further debt if necessary. Daily operating expenditures generally produce benefits in the current period and are funded by current operating revenues. Conversely, capital expenditures produce long-term benefits and are funded over the long-term by issuing debt. Direct long-term debt is bonded debt for which the local government has pledged its full faith and credit. For this analysis long-term debt is General Obligation bonds which are tax supported and have no sinking fund adjustment. An increase in direct debt as a percentage of assessed valuation can indicate that the government's ability to repay is diminishing—because the government depends on property tax to pay its debts. Increasing debt as a percentage of assessed valuation is a warning sign. However, in analyzing this indicator, it is more complicated than just "the lower, the better" because a low debt profile may indicate underinvestment in public infrastructure and capital facilities. Investment in the community enhances growth prospects for the community both in attracting residents and in attracting new businesses.

Measurement: Net direct debt divided by the City's assessed value. (Source: City of Farmers Branch Comprehensive Annual Financial Report)

Warning Signs: A trend of increases in bonded debt as a percent of assessed value may indicate that the City will have trouble meeting its future debt obligations and will not be able to incur further debt; however, the overall debt outstanding and the purposes served by that debt must also be taken into account when rating this indicator.



Analysis: Positive Trend. This indicator puts into perspective the City's outstanding long-term debt in relationship to taxable assessed valuation, thus allowing the City to determine if there is sufficient power to afford current and future debt. Debt issued between fiscal year 2009 and 2014, has caused an increase in this trend; however, the trend remains considerably below the 10% industry benchmark.

Debt Service

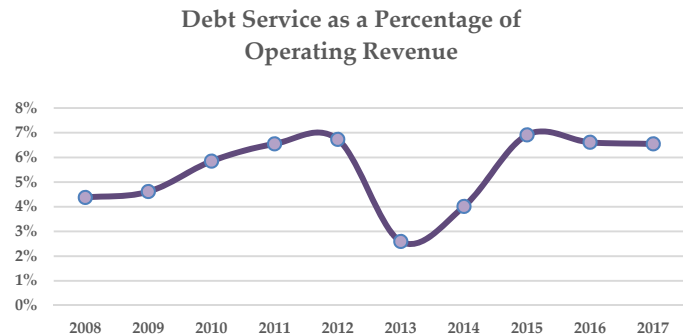
What are the fixed debt service costs? Debt service, in this indicator, is the amount of principal and interest that the City must pay each year on net direct bonded long-term debt plus the interest it must pay on direct short-term debt. Increasing debt service reduces expenditure flexibility by adding to the government's obligations. Increasing debt service costs may also indicate excessive debt and fiscal strain. [Net direct debt is direct debt minus self-supporting debt and is funded by a percentage of property tax exclusively.]

Financial Condition Analysis

Measurement: Net direct debt service (annual principal and interest payments on debt) divided by net operating revenues. [Net operating revenues are defined as the total revenues to the General, Special Revenue and Debt Service funds before any interfund transfer and less those revenues legally restricted to capital improvements or other special purposes.] (Source: City of Farmers Branch Comprehensive Annual Financial Report and annual budget documents)

Warning Signs: Increasing net direct debt as a percentage of net operating revenues. Credit industry benchmarks consider debt exceeding 20% of operating revenues a potential problem; 10% is considered acceptable.

Analysis: Positive Trend. The City's assessed value is able to sustain significant debt; however, the impact of debt service on operating revenues is important. Since 1992, debt service as a percentage of operating revenues, has consistently been below the credit rating benchmark of 20% and has decreased from 25% in 1990 to 6.54% in 2017. This is a positive trend for the City because it indicates that the City has been borrowing responsibly; too little debt service may indicate that a City is not investing in its future, while too much debt service may indicate financial irresponsibility.

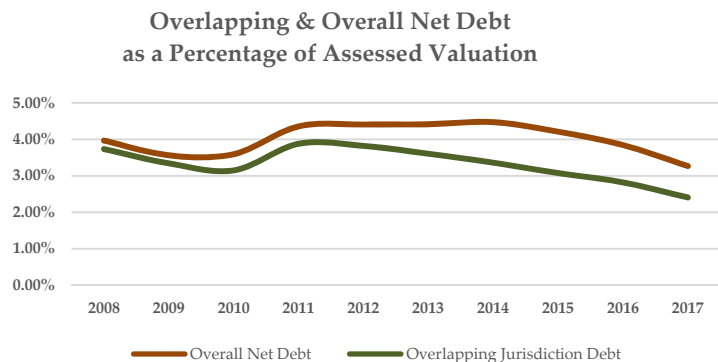


Overlapping & Overall Net Debt

How much do we owe if overlapping jurisdictions default on their debt? Overlapping debt is the net direct bonded debt of another jurisdiction that is issued against a tax base within part or all of the boundaries of the community. The level of overlapping debt is only that debt applicable to the property shared by both jurisdictions. The overlapping debt indicator measures the ability of the community's tax base to repay the debt obligations issued by all of its governmental and quasi-governmental jurisdictions. If other jurisdictions default, a community may have a contingent, moral or political obligation to assume the debt, provide the services, or both.

Credit industry benchmarks for assessing long-term debt often include the net direct bonded debt of the local government, as well as the bonded debt of geographically overlapping jurisdictions that are applicable to the local government. This is referred to as overall net debt.

Measurement: Long-term overlapping bonded debt and overall net debt (City net debt + long-term overlapping bonded debt) divided by total assessed valuation. (Source: City of Farmers Branch Comprehensive Annual Financial Report)



Warning Signs: Increasing long-term overlapping bonded debt as a percentage of assessed valuation; overall net debt exceeding 10% of assessed valuation or that reflects an increase of 20% over the previous year. Continuing increases in this trend may signal a need for the various local governments to coordinate their efforts in terms of long-term financing initiatives.

Analysis: Positive Trend. Overlapping jurisdiction debt has averaged 3.32%, while overall net debt of the City has averaged 4.01% for the ten year review period, both of which are below credit industry benchmarks.

Financial Condition Analysis

Other Long-Term Liabilities, Pensions

What are some of the other long-term debts the City is obligated to pay?

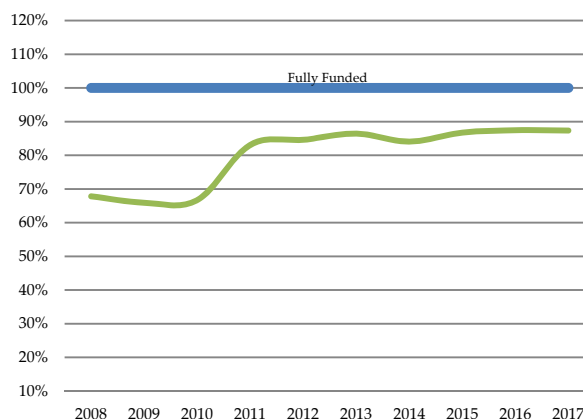
The City provides pension benefits for all eligible employees through a nontraditional, joint contributory, hybrid defined plan in the state-wide Texas Municipal Retirement System (TMRS). The City does not participate in the Social Security system benefits or 7% contributions. The City closely monitors its pension funding and cost levels to ensure both a financially sustainable employee benefit as well as a wise use of taxpayer dollars.

Measurement: All long-term liabilities associated with the City's pension include contributions to pension plan based on actuarial estimates. Funding ratio is the assets divided by the liabilities. Basically the dollar amount that is required to meet future benefits of current participants. This ratio should increase over time until fully funded. A public pension system is considered healthy at a ratio of 80% or greater. Pension payments can be a major component of costs. Measured as a percentage of net operating expenses. A rising percentage is an indication of fiscal strain. The City's goal is to maintain this percentage at 12% or less.

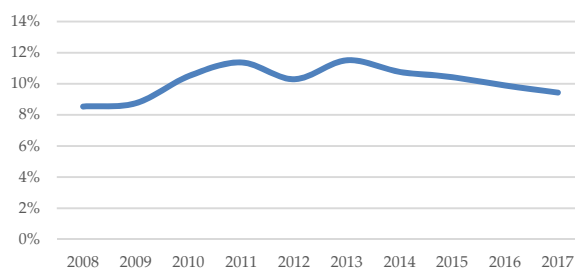
Warning Signs: Underfunded pension plan adds to obligations the City must already meet and reduces its ability to fund current operations.

Analysis: Positive Trend. The trends for pension, on average, remain stable. Since 2010 the funding ratio has been on a steady increase as the percentage of payments to net operating expenses has remained relatively stable.

TMRS Funded Ratio



Pension Payments as % of Net Operating Expense



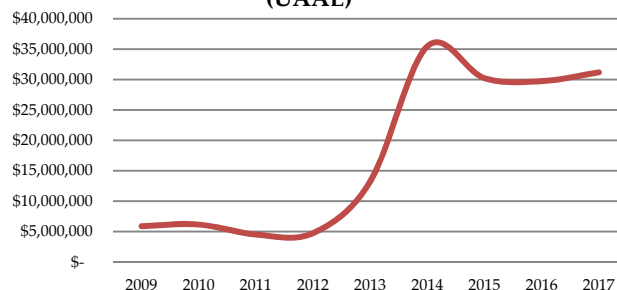
Other Long-Term Liabilities, Other Postemployment Benefits

The City also has liabilities with postemployment benefits other than pension (OPEB). These benefits are primarily made up of healthcare benefits for retirees.

Measurement: Liabilities associated with other postemployment benefits other than pension divided by net operating expenses.

Analysis: Monitor Trend. GASB requirements for recording OPEB started in 2009 and were gradually phased in to 2011. Significant plan design changes in 2015 accounting requirements sharply reduced this liability

Unfunded Actuarial Accrued Liability (UAAL)



Other Long-Term Liabilities, Landfill

Long-term liabilities that are anticipated for the closure of the City owned Camelot landfill. Increase reduces resources available to other City projects. The amount recognized as a liability is based on the landfill capacity used as of the balance sheet date. In 2017 the Texas Commission on Environmental Quality (TCEQ) approved a major improvement amendment application which increased the site capacity from 24.5 million cubic yards to 53.2 million cubic yards and reducing the City's liability.

Measurement: Liabilities associated with anticipated closure and post closure care costs of the City owned Camelot landfill.

Analysis: **Monitor Trend.** From 2008 to 2016 trend shows increase in current dollars however when adjusted for inflation the liabilities associated with the Camelot landfill were flat. With the TCEQ more than doubling the landfills capacity, therefore reducing the liability, the trend is expected to stabilize.

