

As required by the State of Texas Section  
102.005, Local Government Code

## **CITY OF RICHWOOD**

### **Information Required by Texas Senate Bill 656**

This budget will raise more revenue from property taxes than last year's budget by an amount of \$285,708, which is an 18.08 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$287,978.

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

**FOR:**

Lauren LaCount, Council member Position 4  
Frank Blanks, Council member Position 3  
Sarah Reed, Council member Position 2  
Chris Hardison, Council member Position 5

**AGAINST:**

**PRESENT** and not voting:

Mark Guthrie, Mayor – only votes in a tie

**ABSENT:**

Paul Raymond, Council member Position 1

### **Property Tax Rate Comparison**

	<b>2017-2018</b>	<b>2016-2017</b>
Property Tax Rate:	\$0.634444/100	\$0.672580/100
Effective Tax Rate:	\$0.634444/100	\$0.675878/100
Effective Maintenance & Operations Tax Rate:	\$0.567208/100	\$0.600250/100
Rollback Tax Rate:	\$0.671805/100	\$0.719547/100
Debt Rate:	\$0.059221/100	\$0.071277/100

Total debt obligation for CITY OF RICHWOOD secured by property taxes:  
\$1,583,522.51

# CITY OF RICHWOOD

## MISSION STATEMENT

To provide residents, visitors, and the business community with the highest quality of municipal services in an efficient and courteous manner, and to enhance the quality of life through planning and visionary leadership.

## VISION STATEMENT

The City of Richwood is a model for safe and beautiful neighborhoods, with a thriving economy and opportunities for families and businesses by being dedicated to serving our community while providing sustainability and diversity for current and future generations.

## CORE VALUES

- Act as good stewards of City resources
- Lead the City by serving our community
- Foster economic growth for today and tomorrow
- Maintain integrity through transparency
- Promote a positive quality of life for our community

## STRATEGIC GOALS

- Financial Sustainability
- Economic Development
- Infrastructure Investments
- Parks & Beautification of the City
- Delivery of City Service

# CITY OF RICHWOOD

**The City of Richwood** is a Home Rule City operating under the Manager/Council form of government. Your City Council consists of a mayor and five council members, who serve two-year staggered terms, and are elected on an “at large” basis. Your City Council meets every second Monday of the month at 6:00 p.m. in City Hall. You are invited to attend any of these meetings. City Council is the legislative body of city government and appoints the City Manager who is responsible for appointing Department Heads, (City Secretary, Police Chief, and the Public Works Director) who are responsible for the general administration of the City on a daily basis. They are also responsible for appointing the Municipal Judges as well as the members of the boards and commissions, who volunteer their time and energy to the City.

The city is surrounded by Texas history and is built on land that was part of Stephen F. Austin’s original land grant from the Mexican Government and is in close proximity to two major plant plantation sites, the Jackson Plantation and Eagle Island Plantation.

In 1957, it was rumored that the City of Clute was about to annex the area known as Richwood, named after the owner of the land. Members of the community petitioned to become a village and in 1957 an election was held and incorporation was approved. At that time, Richwood was a village with no money, no tax structure, and no place to meet initially. The first City Hall was a one room building on Sycamore Street and has grown to close to 6,000 people and a tax base in excess of \$287,000,000.

From its humble beginnings in 1957 to its present evolvement, Richwood has been a people-oriented community. In the highly competitive marketplace of economic development, Richwood has shined in its greatest commodity—its people. Caring, sharing people who continually give of themselves in various volunteer capacities to maintain and improve the quality of life they have established here. Richwood continues to grow to meet the challenges of the economy and to be a viable leader in all segments of its existence. It is a great place to live, to work, and to be involved.



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Honorable Mayor and City Council  
City of Richwood  
Richwood, Texas

Presented for your review is the Fiscal Year (FY) 2017-18 Annual Budget. A joint cooperative effort of yourselves and staff has culminated in this final budget document.

The annual budget is far more than a financial document. This budget document is also an important planning tool. We set not only next year's expenditures but relying heavily on the input from City Council through the strategic planning process, we set our near and long-term goals and objectives.

### MAJOR ISSUES FOR FY 2017-18

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Due to the impact of Hurricane Harvey, a large portion of the new revenues for this budget year have been placed in a new Storm/Disaster Recovery Department. These funds will be used to assist with the post disaster clean up and to work on exploring improvements to our drainage infrastructure.

This upcoming fiscal year, the Utility Fund's primary focus is to stop the perpetual accounting losses that the fund has historically experienced and to begin to complete more preventative maintenance. One of the keys to doing this is to improve the accuracy of the water and sewer revenue projections. Thankfully with some improvements to the City's software, staff was able to complete a more thorough analysis of the revenues when setting the rate structures.

### THE BUDGET DOCUMENT IN BRIEF

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Our budget document has evolved and improved greatly over the years. City Staff has continued to strive for excellence in the preparation and presentation of the budget. Our budget is much more than just a financial document. It is a planning document. So, not only do we plan for next year's expenditures, but also for our short and long-term future. We examine our policies, measure our successes and failures, and set our future course.

Our budget format remains relatively unchanged and we've incorporated as many of the guidelines established by the Government Finance Officers Association (GFOA) as practicable. All of this is intended to improve the usefulness and readability of the budget.

### OVERVIEW OF THE FY 2017 - 2018 BUDGET

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#### General Fund

The General Fund is projected to collect about \$343,000 more in property taxes from the new growth that we are seeing. However, it is estimated that about \$249,000 of that increase will need to be reimbursed to the 210 Development Group due to the 380 Agreements that they have with the City. Most of the remaining new revenues will be used for our Harvey Recovery Efforts.

An indirect cost transfer has also been added to the General Fund revenues and expenditures. Since the General Fund and Utility Fund should operate independently of each other, the indirect transfers are being set up so that the two funds can charge each other for the services that they are providing. The Utility Fund will be reimbursing the General Fund primarily for overhead related to salaries and our accounting software. The General Fund will be reimbursing the Utility Fund for water usage and half of the public works director's salary.

In addition to the increases in recurring revenues, there are also some one-time revenues that are included in the FY

2017-2018 Budget. It is budgeted that \$251,270 will be used from fund balance to transfer money to a new contingency fund and to make one-time capital purchases. The other major revenue source is that the Utility Fund will be repaying \$318,654 of debt that it owes the General Fund. However, the General Fund will be repaying those revenues right back to the Utility Fund for prior utility bills that have never been assessed to the General Fund.

#### Water/Sewer Fund

Over the prior six fiscal years the Utility Fund has average a financial loss of over \$200,000 per year. The two main causes are that water and sewer revenues have historically come in significantly under budget and that the water and sewer infrastructure are depreciating at a high rate than they are being maintained and replaced. The 2017 – 2018 Water/Sewer Fund Budget is built off a rate increase that would generate about \$216,000 in additional revenues to help fund two new positions to help better maintain the City's infrastructure.

Other increases in this fund include \$165,756 to budget for the fund's debt payments, which historically have not been budgeted as an expense and have been taken out of the water and sewer revenue accounts. There is also about \$37,000 for increase at the Sewer Treatment Plant and another \$32,000 for increases to the BWA water rates.

#### Replacement Fund

The budget for this year is set at \$211,386 and includes replacing our sewer jetter and an old Public Works truck, purchasing a new truck for the two new utility positions, and funding the replacement of the City's server.

#### Capital Projects Fund

This year's budget included \$72,095 to purchase new accounting software, reskin the service center, relocate a fire hydrant, and purchase a phone line recording system for the Police Department.

#### Capital Improvements Fund

There is \$95,855 budgeted in the fund this year to replace the chlorine room, replace a well cover, and to fund a CIP/Impact Fee Study.

#### Transportation Fund

We have budgeted for \$105,000 this year in this fund. The plan is to spend \$50,000 on sidewalks and then to spend \$30,000 and \$25,000 on streets and drainage, respectively.

#### Crime Control and Prevention Fund

This year's budget includes \$116,995 to primarily fund a new police officer position and to continue funding the warrant officer position.

#### Summary

The total budget for the operating funds is \$4,876,119, an increase of 357,030 over the prior year's budget. The maintenance and operations portion of the tax rate will decrease from 60.1303¢ to 57.5223¢ per \$100 of valuation. The Interest and Sinking Fund is 5.9221¢. The tax rate for FY 2017-18 is 63.4444¢.

Sincerely,

Michael Coon  
City Manager



**AMENDMENTS TO PROPOSED BUDGET - AS SUBMITTED 7/10/17**

**GENERAL FUND**

**GENERAL FUND**

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Revenue	
Increase Net Property Tax Revenues to Correct Error	\$3,348
NET INCREASE (DECREASE)	<u>\$3,348</u>
Expenditures	
<b>Administration</b>	
Remove request for Finance Director	(\$86,231)
<b>Storm Recovery</b>	
Increase funds availble for Hurricane Harvey Recovery	\$86,231
<b>Police</b>	
Remove request for part-time Administrative Assitant	(\$24,316)
<b>Fire</b>	
Increase transfer to Equipment Replacement for Engine #1	\$27,664
NET INCREASE (DECREASE)	<u>\$3,348</u>
<b>GENERAL FUND REVISED REVENUES</b>	<b>\$3,129,873</b>
<b>GENERAL FUND REVISED EXPENDITURES</b>	<b>\$3,129,873</b>

**UTILITY FUND**

**UTILITY FUND**

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Revenue	
Decrease Water & Wastewater Revenues	(\$63,950)
NET INCREASE (DECREASE)	<u>(\$63,950)</u>
Expenditures	
Remove Walnut Pipe Bursting from Capital Projects	(\$63,950)
NET INCREASE (DECREASE)	<u>(\$63,950)</u>
<b>UTILITY FUND REVISED REVENUES</b>	<b>\$2,425,820</b>
<b>UTILITY FUND REVISED EXPENSES</b>	<b>\$2,425,820</b>

**ORDINANCE NO. 17-415**

AN ORDINANCE OF THE CITY OF RICHWOOD, TEXAS, MAKING CERTAIN FINDINGS OF FACT REGARDING THE FILING OF A PROPOSED BUDGET FOR SAID CITY BY THE MAYOR THEREOF; ADOPTING A BUDGET FOR SAID CITY FOR THE FISCAL YEAR OCTOBER 1, 2017 - SEPTEMBER 30, 2018; PROVIDING A SEVERANCE CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS ORDINANCE.

**WHEREAS**, on July 10, 2017, the City Manager of the City of Richwood submitted the proposed Budget for the City of Richwood Fiscal Year 2017-2018 to the City Council; and

**WHEREAS**, on July 10, 2017, the City Manager of the City of Richwood filed with the City Secretary the proposed Budget for the City of Richwood Fiscal Year 2017-2018; and

**WHEREAS**, a public hearing on said budget was duly held on August 28, 2017 and all interested persons were given an opportunity to be heard for or against any item thereof.

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

SECTION 1: That the City Council hereby adopts and approves the budget as filed with the City Secretary and amended for the fiscal year beginning October 1, 2017 through September 30, 2018 and hereby appropriates the amounts as specified therein at the fund level.

SECTION 2: That the City Manager shall cause copies of the budget to be filed with the City Secretary and the County Clerk of Brazoria County.

SECTION 3: That in the event any section of provision of this ordinance is found to be unconstitutional, void or inoperative by the final judgment of a court of competent jurisdiction, such defective section or provision, if any, is hereby declared to be severable from the remaining sections and provisions of this ordinance such remaining sections and provisions shall remain in full force and effect.

SECTION 4: This Ordinance shall be effective as of October 1, 2017.

**PASSED AND APPROVED** on the first and final reading this 18<sup>th</sup> day of September, 2017.

**CITY OF RICHWOOD**

**APPROVED AS TO FORM:**

/s/ Mark Guthrie  
**Mark Guthrie, Mayor**

/s/ Jason Cordoba  
**Jason Cordoba, City Attorney**

**ATTEST:**

/s/ Giani Cantu  
**Giani Cantu, City Secretary**

**ORDINANCE NO. 17-416**

**AN ORDINANCE LEVYING THE AD VALOREM TAX OF THE CITY OF RICHWOOD, TEXAS ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY, NOT EXEMPT BY LAW; PROVIDING REVENUES FOR PAYMENT OF CURRENT MUNICIPAL EXPENSES, AND FOR INTEREST AND SINKING FUNDS ON OUTSTANDING CITY OF RICHWOOD BONDS; PROVIDING FOR ENFORCEMENT OF COLLECTION; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

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

**Section 1:** That under the authority of the Charter of the City of Richwood, Texas, and the laws of the State of Texas, there is hereby levied for the fiscal year October 1, 2017 through September 30, 2018, on all taxable property situated within the corporate limits of the City of Richwood, and not exempt by the Constitution and Laws of the State of Texas or by Sections 5 and 6 of the Ordinance, a tax of \$.634444 on each \$100 assessed value of all taxable property.

**Section 2:** That of the total tax \$.0575223 on each \$100 assessed value shall be distributed to the General Fund of the City to fund maintenance and operation expenditures of the City.

**Section 3:** That of the total tax \$.059221 on each \$100 assessed value shall be distributed to pay the City's debt service as provided by Section 26.04 of the Texas Tax Code.

**Section 4:** THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 1.41 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-26.08.

**Section 5:** That for enforcement of the collection of taxes hereby levied, the City of Richwood shall have available all rights and remedies provided by law.

**Section 6:** All monies collected under this ordinance for the specific items therein named, shall be and the same are appropriated and set apart for the specific purpose indicated in the City Budget and the City shall keep these accounts so as to readily and distinctly show the amount collected, and the amounts expended and the amounts on hand at any time belonging to such funds. All receipts for the City not specifically apportioned by the Ordinance are hereby made payable to the General Fund of the City.

**Section 7:** That if any section, subsection, paragraph, sentence, clause, phrase or word in this ordinance, or application thereof to any person or circumstance is held invalid by any court or competent jurisdiction, such holding shall not affect or impair any remaining portions or provisions of this ordinance and the City Council of the City of Richwood, Texas, hereby declares it would have enacted such remaining portions despite any such invalidity.

**PASSED AND APPROVED** on the first and final reading this 25<sup>th</sup> day of September, 2017.

**CITY OF RICHWOOD**

/s/ Mark Guthrie  
**Mark Guthrie, Mayor**

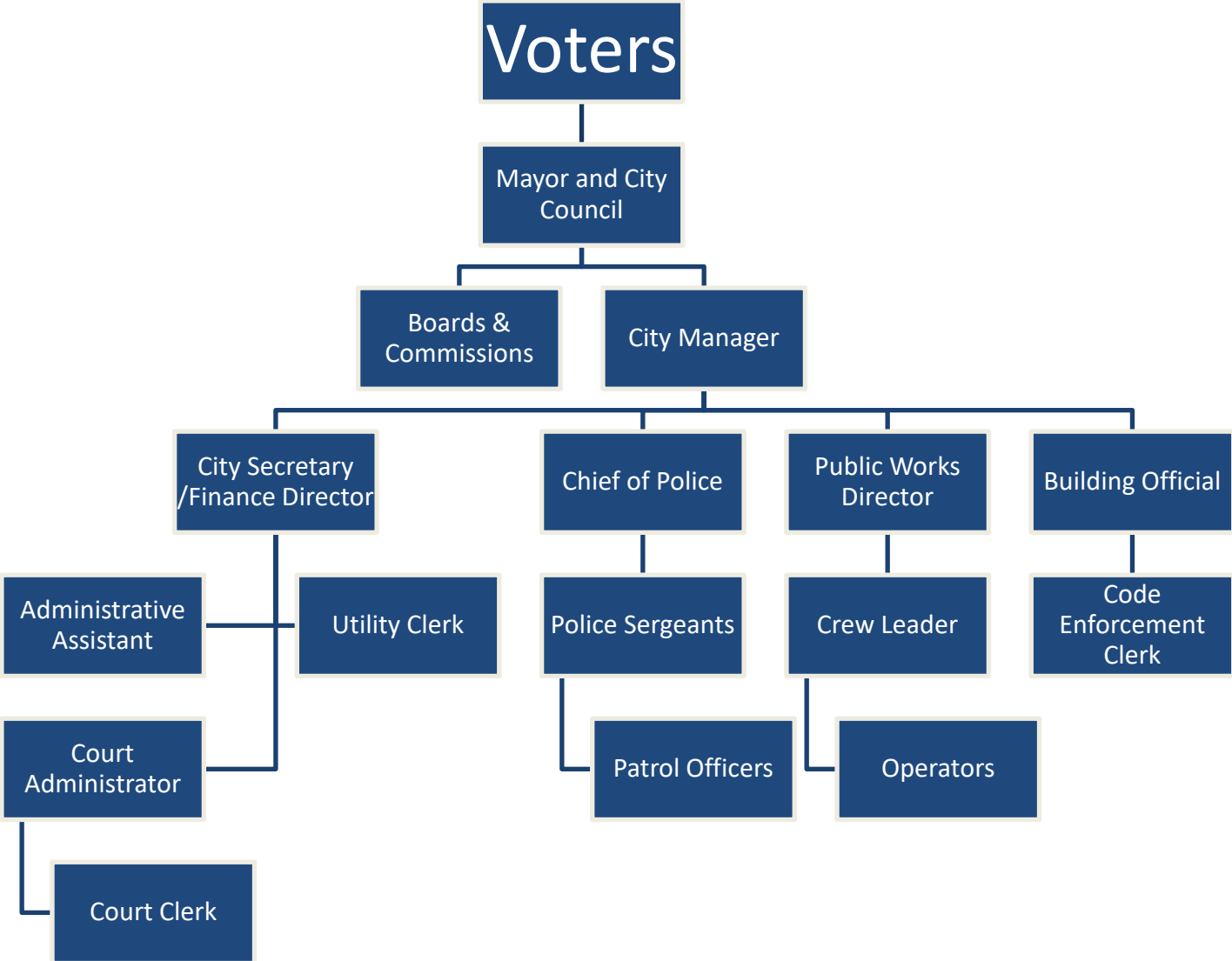
**ATTEST:**

/s/ Giani Cantu  
**Giani Cantu, City Secretary**

**APPROVED AS TO FORM:**

/s/ Jason Cordoba  
**Jason Cordoba, City Attorney**

# ORGANIZATIONAL CHART





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**READER'S GUIDE TO THE  
2017-2018 BUDGET  
AND PROGRAM OF SERVICES**

The Reader's Guide provides an overview of the City of Richwood's budget process. Also included in the next section are the State Laws and Administrative Polices related to budgeting.

The City of Richwood has continuously strived to design a budget designed to meet the highest standards of performance in municipal budgeting. The budget presentation is in a format, which includes line item detail features goals, accomplishments and performance measures for each department. A program description and summary of major budget changes is also included for each department to quickly inform the reader of the responsibilities of the department and budget considerations for the department. Various budget summaries, statistical information, and detailed revenue sources are provided to help the reader assess the budget and make comparisons to prior years. The Manager's Message describes in detail the significant budget issues facing Council and Staff in the upcoming budget year and future years. The message also provides an overview of the proposed budget. The budget process and organization of the budget itself is described below.

START OF FISCAL YEAR						END OF CURRENT FISCAL YEAR						
OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	
<b>OPERATING BUDGET CYCLE</b>												
City Council Issue Development												
New Fiscal Year Revenue Projections												
Proposed Budget Development												
Proposed Budget Analysis Compilation												
City Council Budget Study												
Public Hearing/Budget Adoption												
		Compilation of Adopted Budget										
<b>BUDGET MAINTENANCE</b>												
START OF NEW FISCAL YEAR						END OF CURRENT FISCAL YEAR						
OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	

## BUDGET CALENDAR

Date Required	Action	Responsible Party
February	<ul style="list-style-type: none"> <li>Staff Goals &amp; Visioning Kickoff</li> </ul>	Budget Staff
March 3 <sup>rd</sup>	<ul style="list-style-type: none"> <li>Staff Goals &amp; Visioning Input Forms Due</li> </ul>	Budget Staff
March 20 <sup>th</sup>	<ul style="list-style-type: none"> <li>Staff Goals &amp; Visioning Exercise</li> </ul>	Budget Staff
April 17 <sup>th</sup>	<ul style="list-style-type: none"> <li>Distribute Department Budget &amp; CIP Worksheets</li> </ul>	CM & CS
May 12 <sup>th</sup>	<ul style="list-style-type: none"> <li>Deadline for Departmental Submittals</li> </ul>	Budget Staff
May 22 <sup>nd</sup>	<ul style="list-style-type: none"> <li>Budget Hearing: Administration, GF Revenues, KRB &amp; Parks</li> </ul>	CM & CS
May 23 <sup>rd</sup>	<ul style="list-style-type: none"> <li>Budget Hearing: Police &amp; CCPD</li> </ul>	CM, CS, & Police Chief
May 24 <sup>th</sup>	<ul style="list-style-type: none"> <li>Budget Hearing: Public Works &amp; Utility Fund</li> </ul>	CM, CS, & PW Director
May 25 <sup>th</sup>	<ul style="list-style-type: none"> <li>Budget Hearing: Permitting &amp; Inspections</li> </ul>	CM, CS, & Permitting Director
May 26 <sup>th</sup> – June 9 <sup>th</sup>	<ul style="list-style-type: none"> <li>Finalize Preliminary Budget Requests</li> </ul>	Budget Staff
June 12 <sup>th</sup>	<ul style="list-style-type: none"> <li>City Council Meeting: Strategic Priorities Follow-up</li> </ul>	City Council
June 20 <sup>th</sup> – July 7 <sup>th</sup>	<ul style="list-style-type: none"> <li>Prepare Proposed Budget for Presentation to City Council</li> </ul>	CM & CS
July 10 <sup>th</sup>	<ul style="list-style-type: none"> <li>City Council Meeting: Proposed Budget Delivered to City Council</li> </ul>	City Council & City Manager
July 17 <sup>th</sup>	<ul style="list-style-type: none"> <li>Budget Workshop</li> </ul>	City Council & Budget Staff
July 25 <sup>th</sup>	<ul style="list-style-type: none"> <li>Receive Certified Appraisal Roll, Calculate Effective Tax Rate</li> </ul>	CM & CS
August 3 <sup>rd</sup>	<ul style="list-style-type: none"> <li>Post 72 Hour Notice for Council Meeting</li> </ul>	City Secretary
August 7 <sup>th</sup>	<ul style="list-style-type: none"> <li>City Council Meeting: discuss tax rate; if increase is more than effective or rollback rate, tax record vote and schedule public hearings, 2<sup>nd</sup> budget workshop</li> </ul>	City Council & City Secretary
August 10 <sup>th</sup>	<ul style="list-style-type: none"> <li>Publish “Notice of Public Hearing on Tax Increase” at least 7 days before public hearing</li> </ul>	City Secretary
August 17 <sup>th</sup>	<ul style="list-style-type: none"> <li>Publish 72 Hour Notice for 1<sup>st</sup> Public Hearing on Tax Rate</li> </ul>	City Secretary
August 21 <sup>st</sup>	<ul style="list-style-type: none"> <li>City Council Meeting: 1<sup>st</sup> Public Hearing on Tax Rate</li> </ul>	City Secretary
August 24 <sup>th</sup>	<ul style="list-style-type: none"> <li>Publish 72 Hour Notice for 2<sup>nd</sup> Public Hearing on Tax Rate &amp; Public Hearing on the Budget</li> </ul>	City Secretary
August 28 <sup>th</sup>	<ul style="list-style-type: none"> <li>City Council Meeting: 2<sup>nd</sup> Public Hearing on Tax Rate &amp; Public Hearing on Budget</li> </ul>	City Council
September 15 <sup>th</sup>	<ul style="list-style-type: none"> <li>Publish 72 Hour Notice for Meeting at which City Council Will Adopt Tax Rate</li> </ul>	City Secretary
September 18 <sup>th</sup>	<ul style="list-style-type: none"> <li>City Council Meeting: Adopt Tax Rate &amp; Budget</li> </ul>	City Council
September 25 <sup>th</sup>	<ul style="list-style-type: none"> <li>Last Day to Provide Adopted Tax Rate to Brazoria County</li> </ul>	City Secretary
October 1st	<ul style="list-style-type: none"> <li>New Fiscal Year Begins</li> </ul>	



## BUDGET ADMINISTRATION PLAN

Step	Responsible Party	Additional Notes
Budget Officer begins budget preparations	The Finance Director is the Budget Officer for the City of Richwood	The City Manager is responsible for overseeing the complete budget process.
Prepare a budget calendar listing all the steps and target dates	City Manager and Finance Director	City Secretary will prepare the calendar at the direction of the City Manager who will monitor to insure completion of each steps
Send budget memo to all department heads	City Manager	The budget memo will state the City's mission and guidelines
Prepare and distribute budget request forms and information packets to all department heads	Finance Director	Budget request forms need to be completed by department heads
Assist department heads with completion of their requests	City Manager and Finance Director	Assistance should be requested as needed
Department heads complete and return their budget requests to the City Secretary	Department heads	
Prepare revenue estimates	City Manager	
Complete the proposed budget	City Manager and Finance Director	The department requests are reviewed and any necessary adjustments are made.
Send proposed budget to City Council	City Manager	Include 1. budget message 2. summary of revenue sources 3. summary of department expenditures with a brief description of each department's requests
City Council reviews the budget and makes any necessary changes	City Council	This is done in budget workshops which are open meetings. Department heads and the public are encouraged to participate. The City Council makes the final decision on what is included in the budget.
When the review is completed, a notice is published for the required hearing	City Secretary	The notice must be published no earlier than 30 days nor less than 10 days before the meeting
A public hearing is held on the budget	City Council and the public	
Budget is adopted by ordinance	City Council	This must be done prior to the end of the fiscal year.
The adopted budget is filed with the City Secretary	City Manager and Finance Director	State law requires the budget to be filed on or before the first day of the fiscal year
The budget is entered into the City's accounting system	City Manager	The budget must correspond exactly with the accounting records
Copies of the budget are distributed to department heads, city staff, news media and other interested parties	City Secretary	The budget is an open record available to all interested parties who request it. It is the public's money and they need to know how their tax dollars are spent.

# **THE BUDGET PROCESS**

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## **City Council Issue Development**

Early in the budget process, the City Council is requested to provide staff with budget priorities to indicate programs and areas which may need more attention or funding as well as any capital improvements that may need to be discussed for later inclusion. Council response and feedback are then later incorporated and considered during budget review and analysis of budget requests.

## **Revenue Projection**

The budget revenue projection for the new year begins mid-year of the current fiscal year. This projection is made by staff with the help of local agencies, trend analysis, anticipated changes in the local and regional economy, and discussion with staff members. Although beginning earlier, the budget revenue projections occurs concurrently with departmental budget development and extends until the budget is adopted based upon the receipt of any additional information.

## **Proposed Budget Development**

During budget development at the department level, the City Manager and Finance Director work with department directors to analyze requests, provide, advise, and lend assistance.

## **Proposed Budget Analysis/Compilation**

Once department budget requests are completed, the City Manager meets with each department to review and discuss their funding requests. The funding requests are weighed against available resources, and a tax increase may or may not be recommended depending upon Council program priorities and issues previously expressed in the budget process.

After meeting with all departments, the total departmental requests are compared to the projected revenues to determine if there are sufficient revenues to fund all requests. In most cases, the funding requests are more than the projected revenues. At this time, staff then discusses what requests will be cut to present a balanced proposed budget.

## **City Council Budget Study**

Several budget work sessions, open to the public, are held with the City Council to review and discuss the proposed budget. At the work sessions, Council reviews major issues and an overview of the budget and department heads present their budget to the City Council.

## **Public Hearing/Budget Adoption**

A public hearing on the budget and tax rate is held in August prior to final budget consideration. At said

hearing, citizens or any other individual may make formal comment either for or against the proposed budget. The public also can attend City Council budget work sessions occurring in July and August.

Budget adoption occurs in late August or early September after City Council deliberations and the public hearing. City Council may take action to modify the proposed budget per its discretion. The City Council also adopts a tax rate to support adopted funding levels.

### **Compilation of Adopted Budget/Budget Maintenance**

An adopted budget is compiled and published as quickly as possible after it has been approved by City Council. The adopted budget is available for public inspection in late September. Ledger accounts are prepared for the new fiscal year October 1.

Budget maintenance is a year-round activity. Spending control mechanisms include monthly review of expenditures by the Department Head and City Council. All purchase requisitions are compared to the line item budget prior to approval. Monthly budget analysis reports are prepared to present budget versus estimated expenditures variances. These reports are reviewed by staff and presented to City Council to identify and communicate any major expenditure variances. Department heads are instructed that expenditures for individual line items may exceed the budgeted amount as long as the department's total expenditures remain less than the budgeted amount. In some cases, department expenditures may exceed the budgeted amount so long as the fund as a whole remains with the budgeted amount. This is the case because the budget is adopted at a fund level. A budget amendment is presented to Council for approval only if the budget for an individual fund is being changed.

### **Budget Amendment**

In some cases, department expenditures may exceed the budgeted amount so long as the department as a whole remains within the budgeted amount. A budget amendment is presented to Council for approval only if the budget for a fund is being changed.

### **Program Goals and Measures**

Finally, program goals and measures are evaluated during the fiscal year to determine effectiveness of program activities and levels of appropriate funding.

## **ORGANIZATION OF THE BUDGET**

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### **BUDGET SUMMARIES**

The Budget Summaries section is designed to provide a quick overview of the budget for all funds of the City. This section includes the following schedules:

#### Combined Funds Summary

Presents the total budgeted revenues and expenditures for each fund. Transfers between funds are subtracted from the total to indicate total dollars in and out of the City.

#### Available Funds Summary

Summarizes the beginning and the current cash balance for each of the funds. This schedule is useful in determining whether cash balances are maintained at sufficient levels.

#### Governmental Fund Types Projected Fund Balances

Summarizes the projected beginning and ending governmental funds. This schedule is useful in determining whether fund balances are maintained at sufficient levels.

#### Enterprise Fund Types Projected Cash Balances

Summarizes the projected beginning and ending cash balance for the enterprise funds. This schedule is useful in determining whether cash balances are maintained at sufficient levels.

#### All Funds Revenues by Category

Presents a breakdown of all City revenues by Category and presents it geographically.

#### All Funds Expenditures by Category

Presents a breakdown of all City expenditures by Category and presents it geographically.

#### Expenditures by Department

Presents the total budgeted revenues and expenditures by department.

#### Personnel Summary

Summarizes authorized positions for the current budget and previous three years. Explains what positions have been added, deleted or reclassified.

## **GENERAL AND WATER/SEWER FUND DEPARTMENTAL DETAIL:**

The detail for each department includes the following information:

### Program Description

This section outlines the duties and responsibilities performed by the department. It is provided to enable the reader to understand the function of each department.

### Goals and Objectives

Each department has provided a summary of specific goals they wish to achieve during the coming fiscal year. They should have a specific time frame or measurable achievement.

### Accomplishments

Each department has provided a listing of major accomplishments for the previous fiscal year.

### Performance Measures

Performance measure indicators to reflect major activities of the department. The measures also indicate the amount of work that has been done in the past and projected workload levels for the current and next years.

### Expenditures by Category

Presents a breakdown of all operating fund expenditures by Category.

### Personnel Summary

The Personnel Summary section shows the positions or personnel resources budgeted to carry out services.

### Major Budget Changes

The summary of major budget changes identifies significant changes in funding levels and organizational alignment. The section also details major new programs and items proposed for funding.

## **BUDGET BASIS**

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Formal budgetary accounting is employed for all funds of the City. Annual operating budgets are adopted at the fund level each fiscal year through the passage of the budget ordinance. All unencumbered budget appropriations lapse at the end of each fiscal year.

The budget for governmental funds types is prepared on a modified accrual basis. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Revenue is considered measurable if sufficient information is available to provide a reasonable (not necessarily precise) estimate of the revenue to be collected. Available is defined as A collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period@. (Usually within 60 days of year end.) Those revenues susceptible to accrual are franchise taxes, interest revenues and charges for services. Sales tax collected and held by the State at year end on behalf of the City is also recognized as revenue. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

Budgets for the proprietary funds are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

## **FINANCIAL STRUCTURE**

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The City's financial records and the Budget consists of many separate funds which are used to report on its financial position and the results of its operations. A fund is generally defined as a fiscal and accounting entity which has its own self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and achieve fiscal accountability by segregating transactions related to certain government functions and activities.

A separate fund may be established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The two types of Funds are utilized in this budget are Governmental and Proprietary. For the City's day to day operations, and for budgetary purposes, some of the funds are broken down into sub-funds.

### General Fund

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. The principal sources of revenues of the General Fund are property taxes, sales taxes, franchise taxes, permit fees and fines. Expenditures are tax supported activities such as administration, city maintenance, public safety, judicial, and parks and recreation. For financial statement purposes, it is represented as a major fund and is comprised of the General Fund, Equipment Replacement Fund, Capital Projects and General Obligation Debt Service. Each of these funds are budgeted independently. According to State Law, the General Fund must balance – revenues must equal expenditures.

General Fund Sub Funds:

**General Operating Fund** - This fund includes the maintenance and operations portion of the tax revenues and tax supported activities such as Police, Fire, Drainage, Streets, Parks and Recreation.

**Equipment Replacement** - The Administration Department has a contingency account line item included in its budget. Any surplus in this line at the end of the fiscal year is then transferred to this fund. Accumulated resources in this fund are then used to purchase new and replacement equipment.

**General Contingency Fund** - This fund contains money to be used in case of emergency or special expenses.

**General Debt Service Fund** - This fund is used to account for the accumulation of resources for the annual payment of debt principal and interest and to provide a reserve for such payment.

**Capital Projects Funds** - This fund is used to account for the acquisition, construction or repair of major capital facilities and equipment other than those financed by proprietary funds.

Enterprise Fund

Enterprise or proprietary funds are considered to be similar to a business enterprise. Expenditures are supported primarily by user fees and charges. The specific sub funds which make up the proprietary fund types are:

**Water/Sewer Operating Fund** - This fund includes the revenues from the Water Sewer charges. It includes the expenditures related to providing these services.

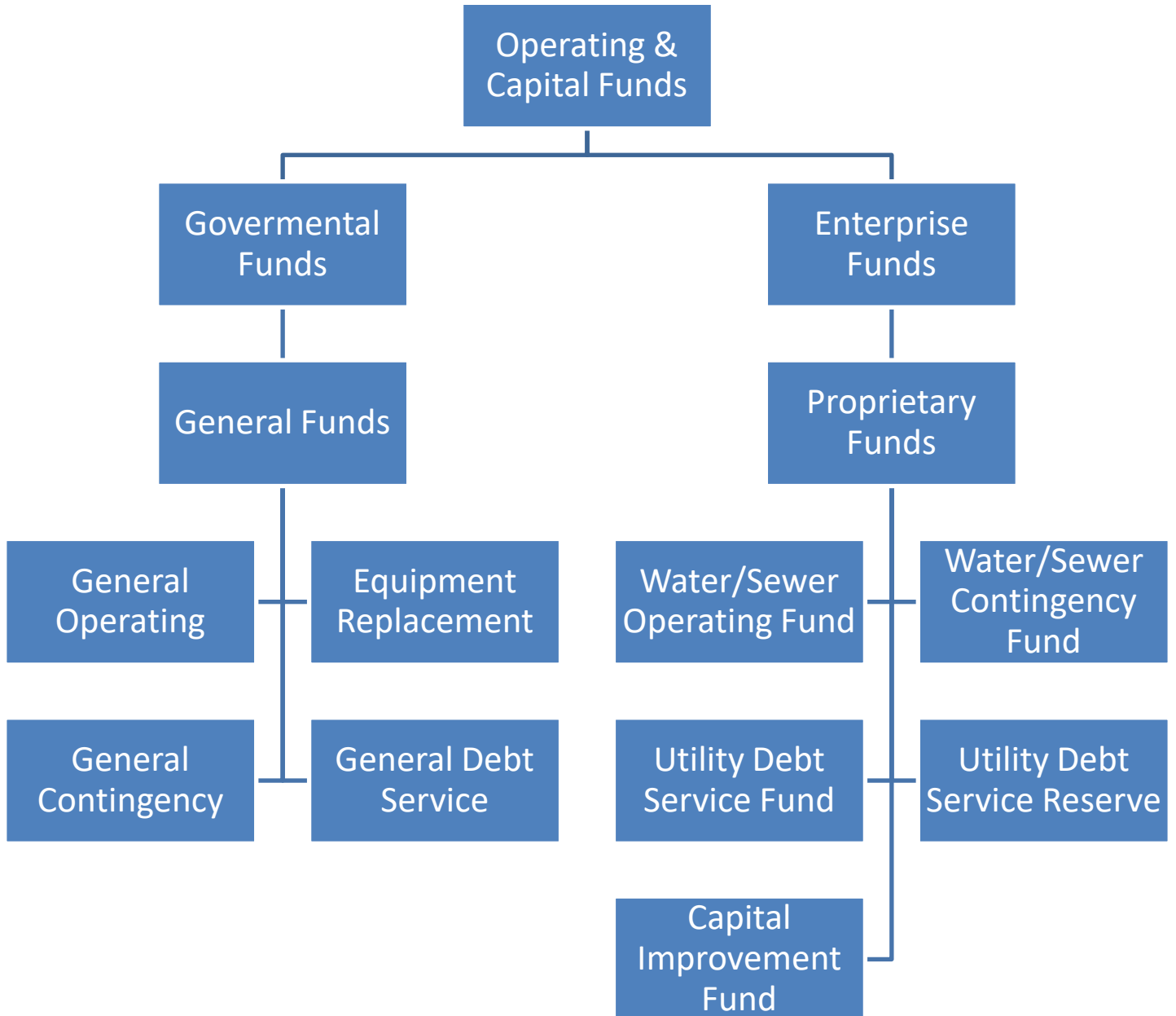
**Water/Sewer Contingency Fund** - This fund contains money to be used in case of emergency or special expenses.

**Utility Debt Service** – This fund is used to provide for the payment of utility related debt service.

**Utility Debt Service Reserve Fund** - This fund is used to provide a reserve for the payment of debt principal and interest. There are no budgeted expenditures amounts in this fund.

**Capital Improvement Fund** - Positive variances in the Water/Sewer Fund are transferred to this fund. Accumulated resources are used for capital projects throughout the City.

# FINANCIAL STRUCTURE





# CITY OF RICHWOOD

## STATE LAW DIRECTIVES

SUBJECT	FISCAL YEAR	LGC 101.042
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The fiscal year of the City of Richwood shall begin on the first day of October and shall end on the last day of September of each year. Such fiscal year shall also constitute the budget and accounting year.

SUBJECT	BUDGET PRESENTATION	LGC 102.002
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The City Manager, between sixty and ninety days prior to the beginning of each fiscal year, shall submit to the Council a proposed budget, which budget shall provide a complete financial plan for the fiscal year, and shall contain the following:

- a) A budget message, explanatory of the budget, which message shall contain an outline of the proposed financial policies of the City for the fiscal year, shall set forth the reasons for salient changes from the previous fiscal year in expenditure and revenue items, and shall explain any major changes in financial policy.
- b) A consolidated statement of anticipated receipts and proposed expenditures for all funds.
- c) An analysis of property valuations.
- d) An analysis of tax rate.
- e) Tax levies and tax collections by years for at least five years.
- f) General fund resources in detail.
- g) Special fund resources in detail.
- h) Summary of proposed expenditures by function, department, and activity.
- i) Detailed summary of expenditures shown separately for each activity to support the summaries. Such estimates of expenditures are to include an itemization of positions showing the number of persons having each title.
- j) A revenue and expense statement for all types of bonds.
- k) A description of all bond issues outstanding showing rate of interest, date of issue, maturity date, amount authorized, amount issued and amount outstanding.
- l) A schedule of requirements for the principal and interest of each issue of bonds.
- m) The appropriation ordinance.

# CITY OF RICHWOOD

## STATE LAW DIRECTIVES

SUBJECT	ANTICIPATED REVENUES	LGC 102.003
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In preparing the budget, the following shall be placed in parallel columns opposite the several items of revenue: the actual amount of each for the last completed fiscal year, the budgeted amount for the current fiscal year, and the proposed amount for the ensuing fiscal year.

SUBJECT	PROPOSED EXPENDITURES	LGC 102.003
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In preparing the budget, the following shall be placed in parallel columns opposite the various items of expenditures: the actual amount of each for the last completed fiscal year, the budgeted amount for the current fiscal year, and the proposed amount for the ensuing fiscal year.

SUBJECT	PUBLIC RECORD	LGC 102.005
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The budget and all supporting schedules shall be filed with the person performing the duties of City Secretary, submitted to the City Council and shall be a public record. The City Secretary shall provide copies for distribution to all interested persons.

SUBJECT	PUBLIC HEARING	LGC 102.006
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At the meeting of the City Council at which the budget is submitted, the City Council shall fix the time and place of public hearing on the budget and shall cause to be published in the official newspaper of the City of Richwood, a notice of the hearing setting forth the time and place thereof at least ten (10) days before the date of such hearing.

At the time and place set forth in the notice, all interested persons shall be given an opportunity to be heard for or against any item or the amount of any item therein contained.

After the conclusion of such public hearing, the City Council may insert new items or may increase or decrease the items of the budget, except items in proposed expenditures fixed by law, but where it shall increase in the total proposed expenditures, it shall also provide for an increase in the total anticipated revenue to at least equal such proposed expenditures.

# CITY OF RICHWOOD

## STATE LAW DIRECTIVES

SUBJECT	BUDGET ADOPTION	LGC 102.007
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### Vote required for adoption

The budget shall be adopted by the favorable vote of majority of the members of the whole City Council. The budget shall be finally adopted prior to the beginning of the fiscal year, and should the City Council fail to so adopt a budget, then the existing budget together with its tax-levying ordinance and its appropriation ordinance, shall remain in effect for the ensuing fiscal year, but only until such time as the Council passes a budget and tax-levying ordinance for the new fiscal year.

### Effective date of budget; certification; copies made available

Upon final adoption, the budget shall be in effect for the fiscal year. A copy of the budget, as finally adopted, shall be filed with the person performing the duties of the City Secretary. The final budget shall be printed, mimeographed or otherwise reproduced and copies shall be made available for the use of all offices, departments and agencies and for the use of interested persons and civic organizations.

### Budget establishes appropriations

From the effective date of the budget, the several amounts stated therein as the proposed expenditures shall be and become appropriated to the several objects and purposes therein named.

### Budget establishes amount to be raised by property tax

From the effective date of the budget, the amount stated therein as the amount to be raised by property tax shall constitute a determination of the amount of the levy for the purposes of the City in the corresponding tax year, provided, however, that in no event shall such a levy exceed the legal limit provided by the laws and constitution of the State of Texas.

SUBJECT	EMERGENCY APPROPRIATION	LGC 102.009
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The City budget may be amended, and appropriations altered in accordance therewith in cases of public necessity, the actual fact of which shall have been declared by the City Council.

SUBJECT	TAXATION	TO 182-024
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The City Council shall have the power under the provisions of the state law to levy, assess and collect an annual tax upon real and personal property within the City to maximum provided by the Constitution and general laws of the State of Texas.

# CITY OF RICHWOOD

## ADMINISTRATIVE POLICY

SUBJECT	BALANCED BUDGET REQUIREMENT	SEC. IV
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The total estimated expenditures of the general fund and debt service fund shall not exceed the total estimated resources of each fund (protective income plus cash on hand). The classification of revenue and expenditure accounts shall conform as nearly as local conditions will permit to the uniform classification as promulgated by the National Committee on Governmental Accounting or some other nationally accepted classification.

SUBJECT	REVENUES	SEC. VI
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### Development of Revenue Projection

During the budget process the City will estimate its future revenues using an objective analytical process. Past trends will be examined as well as expected future events.

### User Charges and Fees

User charges and fees will be examined and compared to the cost of providing the service.

For Enterprise Funds, the City shall establish user fees and charges which fully support the total direct and indirect cost of the fund. Indirect cost includes the cost of administration borne by other operating funds.

SUBJECT	EXPENDITURES	SEC. VII
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Budgeted expenditures in the General Operating Fund and Utility Operating Fund will not exceed projected revenues.

Core services will be budgeted in order that outstanding quality services will be provided. Generally, only when known increases in revenues are going to take place or are planned (such as increased fees) will new or expanded services be provided.

SUBJECT	FUND BALANCE	SEC. IX
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### General Fund

The City will seek to maintain an undesignated fund balance between 25% and 33% of budgeted expenditures for the General Operating Fund.

### Water/Sewer Fund

The City will seek to maintain an undesignated fund balance between 25% and 33% of budgeted expenditures for the Utility Operating Fund.

# CITY OF RICHWOOD

## ADMINISTRATIVE POLICY

SUBJECT	CONTINGENT APPROPRIATION	SEC. V
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Provisions shall be made in the annual budget and in the appropriation for a contingent appropriation in an amount not more than three percent of the budget, to be used in case of unforeseen items of expenditure. Such contingent appropriation shall be under the control of the Mayor and distributed by her, after approval of the City Council. Expenditures from this appropriation shall be made only in case of established emergencies and detailed account of such expenditures shall be recorded and reported.

SUBJECT	FUNDING OF CAPITAL PROJECT EQUIPMENT PURCHASES	SEC. V
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### Transfer to Equipment Replacement Fund

At the end of each fiscal year, after taking into consideration the desired fund balance, positive budget variances in the General Fund are transferred to the Equipment Replacement Fund.

### Transfer to Capital Improvements Fund

At the end of each fiscal year, after taking into consideration the desired fund balance, positive variances in the Water/Sewer Fund are transferred to the Utility Projects Fund.

SUBJECT	INVESTMENTS	SEC. VIII
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The City maintains a written Investment Policy in accordance with Section 5 of the Public Funds Investment Act of 1987. The Investment Policy shall be reviewed annually and amendments must be authorized by the City Council.

SUBJECT	DEBT MANAGEMENT	SEC. X
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Recognizing that debt is usually a more expensive financing method, alternative financing sources will be explored before a debt is issued. When debt is issued, it will be used to acquire major assets with expected lives which equal or exceed the average life of the debt issue. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for the design and construction of capital projects, and small component parts which are attached to major equipment purchases.

The City will explore all financing alternatives in addition to long-term debt including leasing, grants and other aid, developer contributions, impact fees, and use of reserves or current monies. When appropriate, self-supporting revenues are used to pay debt service in lieu of tax revenues.



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**DEBT SERVICE REQUIREMENTS TO MATURITY**  
**General Obligation Bonds**  
as of September, 2017

Year Ended September 30,	General Obligation Tax Refunding Bonds Series 2011		Total Requirements
	Principal	Interest	
2018	\$ 60,000.00	\$ 13,772.00	\$ 73,772.00
2019	\$ 55,000.00	\$ 11,894.00	\$ 66,894.00
2020	\$ 60,000.00	\$ 10,172.50	\$ 70,172.50
2021	\$ 65,000.00	\$ 8,294.50	\$ 73,294.50
2022	\$ 65,000.00	\$ 6,260.00	\$ 71,260.00
2023	\$ 65,000.00	\$ 4,225.50	\$ 69,225.50
2024	<u>\$ 70,000.00</u>	<u>\$ 2,191.00</u>	<u>\$ 72,191.00</u>
	<b>\$ 440,000.00</b>	<b>\$ 56,809.50</b>	<b>\$ 496,809.50</b>

Year Ended September 30,	FNBLJ Loan - 2013		Total Requirements
	Principal	Interest	
2018	\$12,049.67	\$9,338.97	\$21,388.64
2019	\$12,507.94	\$8,880.70	\$21,388.64
2020	\$12,983.62	\$8,405.02	\$21,388.64
2021	\$13,477.38	\$7,911.25	\$21,388.64
2022	\$13,989.95	\$7,398.69	\$21,388.64
2023	\$14,521.99	\$6,866.65	\$21,388.64
2024	\$15,074.27	\$6,314.36	\$21,388.64
2025	\$15,647.56	\$5,741.08	\$21,388.64
2026	\$16,242.64	\$5,146.00	\$21,388.64
2027	\$16,860.36	\$4,528.28	\$21,388.64
2028	\$17,501.57	\$3,887.06	\$21,388.64
2029	\$18,167.16	\$3,221.47	\$21,388.64
2030	\$18,858.08	\$2,530.56	\$21,388.64
2031	\$19,575.26	\$1,813.38	\$21,388.64
2032	\$20,319.72	\$1,068.92	\$21,388.64
2033	<u>\$15,745.34</u>	<u>\$296.14</u>	<u>\$16,041.48</u>
	<b>\$ 253,522.51</b>	<b>\$ 83,348.53</b>	<b>\$ 336,871.08</b>

**DEBT SERVICE REQUIREMENTS TO MATURITY**  
**General Obligation Bonds**  
as of September, 2017

Year Ended September 30,	Certificates of Obligation - Series 2012 Principal	Interest	Total Requirements
2018	\$ 50,000.00	\$ 29,050.00	\$79,050.00
2019	\$ 50,000.00	\$ 28,050.00	\$78,050.00
2020	\$ 50,000.00	\$ 27,050.00	\$77,050.00
2021	\$ 50,000.00	\$ 25,550.00	\$75,550.00
2022	\$ 55,000.00	\$ 24,050.00	\$79,050.00
2023	\$ 55,000.00	\$ 22,400.00	\$77,400.00
2024	\$ 55,000.00	\$ 20,475.00	\$75,475.00
2025	\$ 60,000.00	\$ 18,550.00	\$78,550.00
2026	\$ 60,000.00	\$ 16,450.00	\$76,450.00
2027	\$ 65,000.00	\$ 14,350.00	\$79,350.00
2028	\$ 65,000.00	\$ 12,075.00	\$77,075.00
2029	\$ 65,000.00	\$ 9,800.00	\$74,800.00
2030	\$ 70,000.00	\$ 7,525.00	\$77,525.00
2031	\$ 70,000.00	\$ 5,075.00	\$75,075.00
2032	<u>\$ 70,000.00</u>	<u>\$ 2,625.00</u>	<u>\$72,625.00</u>
	<b>\$ 890,000.00</b>	<b>\$ 263,075.00</b>	<b>\$1,153,075.00</b>



**DEBT SERVICE REQUIREMENTS TO MATURITY**  
**Summary of General Fund Debt**  
as of September, 2017

Year Ended September 30,	Principal	Interest	Total Requirements
2018	\$122,049.67	\$52,160.97	\$174,210.64
2019	\$117,507.94	\$48,824.70	\$166,332.64
2020	\$122,983.62	\$45,627.52	\$168,611.14
2021	\$128,477.38	\$41,755.75	\$170,233.13
2022	\$133,989.95	\$37,708.69	\$171,698.64
2023	\$134,521.99	\$33,492.15	\$168,014.14
2024	\$140,074.27	\$28,980.36	\$169,054.63
2025	\$75,647.56	\$24,291.08	\$99,938.64
2026	\$76,242.64	\$21,596.00	\$97,838.64
2027	\$81,860.36	\$18,878.28	\$100,738.64
2028	\$82,501.57	\$15,962.06	\$98,463.63
2029	\$83,167.16	\$13,021.47	\$96,188.63
2030	\$88,858.08	\$10,055.56	\$98,913.64
2031	\$89,575.26	\$6,888.38	\$96,463.64
2032	\$90,319.72	\$3,693.92	\$94,013.64
2033	\$15,745.34	\$296.14	\$16,041.48
	<b>\$1,583,522.51</b>	<b>\$403,233.03</b>	<b>\$1,986,755.54</b>

**DEBT SERVICE REQUIREMENTS TO  
MATURITY  
Water and Sewer System Revenue Bonds  
as of September, 2017**

Year Ended September 30,	Certificates of Obligation - Series 2004 Principal Requirements	Interest	Total
2018	25,000.00	13,625.00	38,625.00
2019	30,000.00	12,187.50	42,187.50
2020	30,000.00	10,597.50	40,597.50
2021	30,000.00	8,977.50	38,977.50
2022	35,000.00	7,188.75	42,188.75
2023	35,000.00	5,237.50	40,237.50
2024	35,000.00	3,268.75	38,268.75
2025	40,000.00	1,140.00	41,140.00
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	\$260,000.00	\$62,222.50	\$322,222.50

Year Ended September 30,	Certificates of Obligation - Series 2011 Principal Requirements	Interest	Total
2018	30,000.00	23,340.00	53,340.00
2019	35,000.00	22,173.00	57,173.00
2020	35,000.00	20,811.50	55,811.50
2021	35,000.00	19,450.00	54,450.00
2022	35,000.00	18,088.50	53,088.50
2023	40,000.00	16,727.00	56,727.00
2024	40,000.00	15,171.00	55,171.00
2025	45,000.00	13,615.00	58,615.00
2026	45,000.00	11,864.50	56,864.50
2027	45,000.00	10,114.00	55,114.00
2028	50,000.00	8,363.50	58,363.50
2029	50,000.00	6,418.50	56,418.50
2030	55,000.00	4,473.50	59,473.50
2031	60,000.00	2,334.00	62,334.00
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	\$ 600,000.00	\$ 192,944.00	\$ 792,944.00

**DEBT SERVICE REQUIREMENTS TO MATURITY**  
**Summary of Water and Sewer System Revenue Bonds**  
as of September 30, 2017

Year Ended	Total Principal	Interest	Total Requirements
2018	55,000.00	36,965.00	91,965.00
2019	65,000.00	34,360.50	99,360.50
2020	65,000.00	31,409.00	96,409.00
2021	65,000.00	28,427.50	93,427.50
2022	70,000.00	25,277.25	95,277.25
2023	75,000.00	21,964.50	96,964.50
2024	75,000.00	18,439.75	93,439.75
2025	85,000.00	14,755.00	99,755.00
2026	45,000.00	11,864.50	56,864.50
2027	45,000.00	10,114.00	55,114.00
2028	50,000.00	8,363.50	58,363.50
2029	50,000.00	6,418.50	56,418.50
2030	55,000.00	4,473.50	59,473.50
2031	60,000.00	2,334.00	62,334.00
	<b>\$ 860,000.00</b>	<b>\$ 255,166.50</b>	<b>\$ 1,115,166.50</b>

**Summary of Outstanding Debt As of 9/30/2017**

Outstanding debt obligation	Description	Type	Interest Rate	Date of Issue	Maturity Date	Amount Authorized	Amount Issued	Amount Outstanding
C.O. Series 2012	New Municipal Building	General Obligation	3.43%	7/10/2015	8/15/2032	\$ 1,115,000	\$ 1,115,000	\$ 890,000
G.O. Refunding Bonds Series 2011	Two new water wells	General Obligation	3.13%	7/12/2011	8/15/2024	\$ 740,000	\$ 740,000	\$ 440,000
FNBLJ Loan - 2013	New Municipal Building	General Obligation	3.75%	4/18/2013	8/15/2033	\$ 300,000	\$ 300,000	\$ 253,523
C.O. Series 2011 (Water Wells)	New water tower and park expansion	Utility Revenue	3.89%	7/12/2011	8/15/2031	\$ 1,035,000	\$ 1,035,000	\$ 600,000
C.O. Series 2004	Replacement of sewer lines in Glenwood Bayou S/D	Utility Revenue	5.58%	7/15/2004	8/15/2025	\$ 500,000	\$ 500,000	\$ 260,000

**ESTIMATED AD VALOREM TAX COLLECTION & PROPOSED DISTRIBUTION FOR  
FISCAL YEAR 2017-2018**

Assessed Valuation for 2016	\$ 234,975,183
Gain (Loss) in Value	<u>59,193,722</u>
Assessed Valuation for 2017	294,168,905
Tax Rate Per \$100 Valuation	0.634444
Revenue from 2017 Tax Roll	1,866,338
Estimated Collections	<u>100%</u>
Total Funds Available	<u>\$ 1,186,338</u>

**SCHEDULE OF TAX LEVY AND COLLECTION RATE**

<b>YEAR</b>	<b>LEVY</b>	<b>BALANCE DUE AS OF 9/30/17</b>	<b>PERCENT COLLECTED</b>
2016	1,580,396.09	27,681.27	98.25%
2015	1,526,596.14	9,717.07	99.36%
2014	1,345,054.78	5,675.75	99.58%
2013	1,243,473.20	4,508.66	99.64%
2012	1,158,718.03	2,655.24	99.77%
2011	1,134,497.42	2,054.25	99.82%
2010	1,119,707.25	2,810.23	99.75%
2009	904,900.38	2,254.58	99.75%
2008	829,523.51	1,410.79	99.83%
2007	761,103.64	1,935.13	99.75%
2006	663,944.44	962.80	99.85%
2005	607,763.29	65.43	99.99%

**DISTRIBUTION OF COLLECTED TAXES**

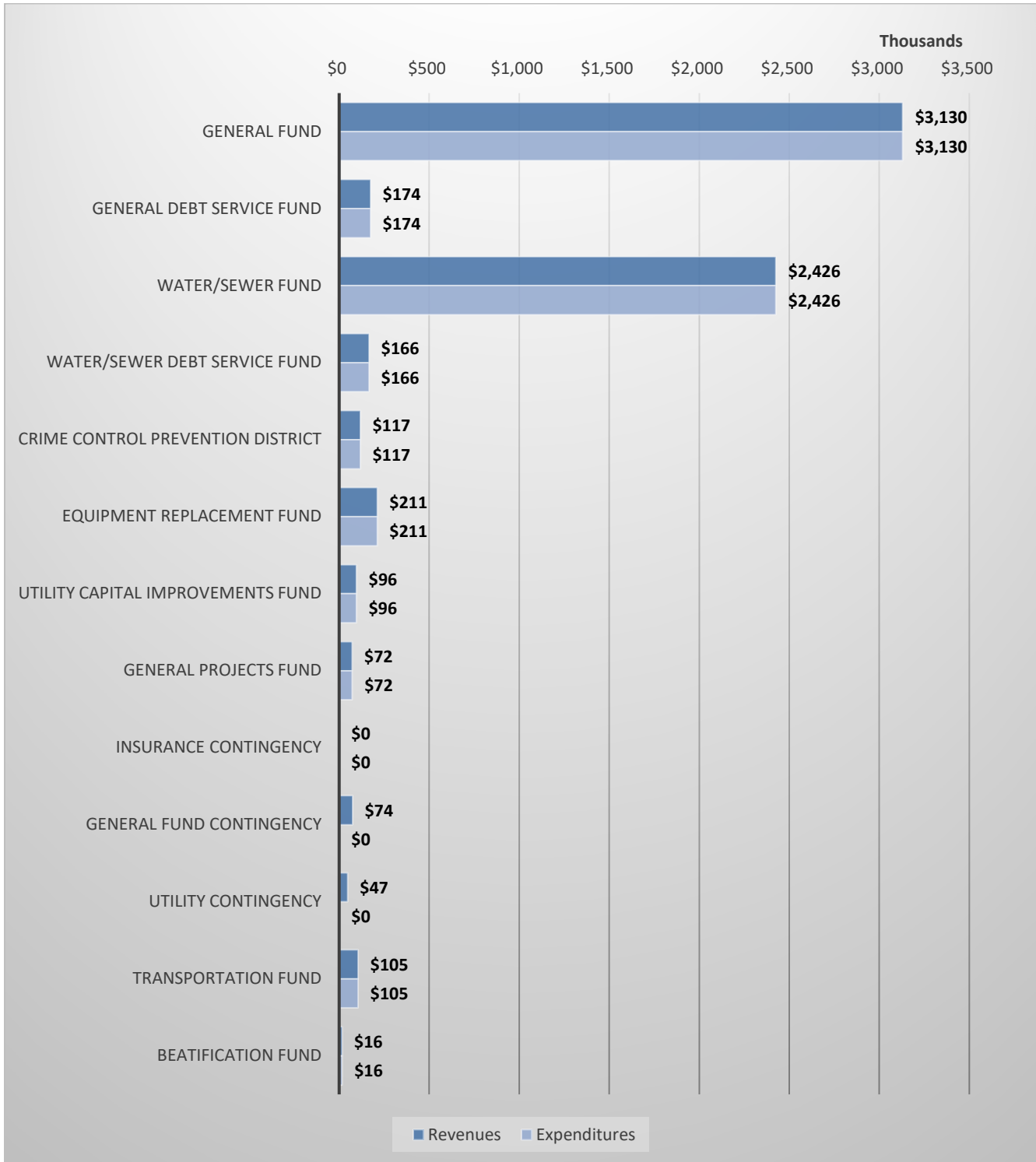
<b>FUND</b>	<b>ADOPTED TAX RATE 2016-17</b>	<b>ADOPTED TAX RATE 2017-18</b>	<b>PROPOSED AMOUNT 2017-18</b>	<b>%</b>
General Fund	0.601303	0.575223	1,692,127	100
General Debt Service Fund	0.071277	0.059221	174,211	100
<b>TOTAL</b>	<b>0.672580</b>	<b>0.634444</b>	<b>1,866,338</b>	<b>100</b>

**City of Richwood**  
 2015 American Community Survey Demographics

**Education**

Population				Educational Attainment Persons 25 Yrs. +		
	Total	% Male	% Female	Total	% High School Graduates	% Bachelor's Degree+
Texas	27,862,596	50%	50%	16,765,143	82.9%	28.9%
Brazoria County	354,195	50%	50%	230,238	87.7%	27.5%
Richwood	3,686	51%	49%	2,134	89.2%	22.0%

## COMBINED FUNDS REVENUES AND EXPENDITURES



## COMBINED FUNDS SUMMARY

### TOTAL REVENUES AND EXPENDITURES BY FUND

<i>REVENUES</i>	<b>ACTUAL FY 2015/16</b>	<b>BUDGET FY 2016/17</b>	<b>ESTIMATED FY 2016/17</b>	<b>BUDGET FY 2017/18</b>
General Fund	2,317,219	2,354,288	2,376,114	3,129,873
General Debt Service Fund	172,434	171,594	171,594	174,211
Water/Sewer Fund	1,057,398	1,584,197	1,258,337	2,425,820
Water/Sewer Debt Service Fund	126,301	168,210	168,210	165,756
Crime Control Prevention District	103,376	125,000	107,857	117,165
Equipment Replacement Fund	69	35	1,790	211,386
Utility Capital Improvements Fund	160	65	200	96,055
General Projects Fund	-	-	-	72,095
Insurance Contingency	99	110	75	-
General Fund Contingency	-	-	-	74,144
Utility Contingency	-	-	-	47,069
Transportation Fund	96,562	136,000	116,000	105,000
Beatification Fund	15,813	16,500	14,800	16,000
SUBTOTAL	\$3,889,431	\$4,555,999	\$4,214,977	\$6,634,574
INTERFUND TRANSFERS	0	0	0	(1,469,721)
<b>TOTAL OPERATING &amp; CAPITAL</b>	<b><u>\$3,889,431</u></b>	<b><u>\$4,555,999</u></b>	<b><u>\$4,214,977</u></b>	<b><u>\$5,164,853</u></b>

<i>EXPENDITURES</i>	<b>ACTUAL FY 2015/16</b>	<b>BUDGET FY 2016/17</b>	<b>ESTIMATED FY 2016/17</b>	<b>BUDGET FY 2017/18</b>
General Fund	2,099,795	2,354,288	2,325,593	3,129,873
General Debt Service Fund	159,260	171,394	172,180	174,211
Water/Sewer Fund	1,212,205	1,585,197	1,258,337	2,425,820
Water/Sewer Debt Service Fund	171,131	168,210	168,210	165,756
Crime Control Prevention District	104,462	125,000	107,113	117,165
Equipment Replacement Fund	22,250	-	-	211,386
Utility Capital Improvements Fund	-	-	-	95,855
General Projects Fund	-	-	-	72,095
Insurance Contingency	-	-	-	-
General Fund Contingency	-	-	-	-
Utility Contingency	-	-	-	-
Transportation Fund	67,364	116,000	116,000	105,000
Beatification Fund	19,590	16,500	14,767	16,000
SUBTOTAL	\$3,856,056	\$4,536,589	\$4,162,200	\$6,513,161
INTERFUND TRANSFERS	0	0	0	(1,469,721)
<b>TOTAL OPERATING &amp; CAPITAL</b>	<b><u>\$3,856,056</u></b>	<b><u>\$4,536,589</u></b>	<b><u>\$4,162,200</u></b>	<b><u>\$5,043,440</u></b>

**2017/18 BUDGET**  
**ALL FUNDS BY FUND TYPE**  
*OPERATING REVENUES BY CATEGORY*

	<b>GENERAL GOVERNMENT</b>	<b>UTILITY SYSTEM</b>	<b>OTHER</b>	<b>TOTAL</b>
Property Tax	1,468,091		174,211	1,642,302
City Sales & Use Tax	548,037		109,607	657,644
Franchise Fees	177,189			177,189
Charges for Services	82,580	2,017,730	118,800	2,219,110
Municipal Court Fines	155,300			155,300
Interest	3,000	500	200	3,700
Miscellaneous	43,100	6,000		49,100
Fund Balance	251,750		8,758	260,508
<b>Total Operating Revenues</b>	<b><u>\$2,729,047</u></b>	<b><u>\$2,024,230</u></b>	<b><u>\$411,576</u></b>	<b><u>\$5,164,853</u></b>
Transfers From Other Funds	400,826	401,590	667,305	1,469,721
<b>Total Available Revenues</b>	<b><u>\$3,129,873</u></b>	<b><u>\$2,425,820</u></b>	<b><u>\$1,078,881</u></b>	<b><u>\$6,634,574</u></b>

**2017/18 BUDGET**  
**ALL FUNDS BY FUND TYPE**  
*OPERATING EXPENDITURES BY CATEGORY*

	<b>GENERAL GOVERNMENT</b>	<b>UTILITY SYSTEM</b>	<b>OTHER</b>	<b>TOTAL</b>
Personnel Costs	1,464,414	359,522	124,520	1,948,456
Operating Supplies	196,005	33,000	2,100	231,105
Maintenance & Repairs	143,990	122,404	107,000	373,394
Utilities	68,169	50,100		118,269
Professional Services	311,617	139,752	75,000	526,369
Sundry	121,568	50,111	1,800	173,479
Parks & Recreation	7,000			7,000
Capital Outlay	162,671	855,649	307,081	1,325,401
Debt Retirement			339,967	339,967
<b>Total Operating Expenditures</b>	<b><u>\$2,475,434</u></b>	<b><u>\$1,610,538</u></b>	<b><u>\$957,468</u></b>	<b><u>\$5,043,440</u></b>
Transfers to Other Funds	654,439	815,282		1,469,721
<b>Total Available Revenues</b>	<b><u>\$3,129,873</u></b>	<b><u>\$2,425,820</u></b>	<b><u>\$957,468</u></b>	<b><u>\$6,513,161</u></b>



## EXPENDITURES BY DEPARTMENT

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>GENERAL FUND</b>				
ADMINISTRATION	621,902	642,070	606,866	556,935
CITY MAINTENANCE	245,513	243,890	229,095	243,929
STREETS & DRAINAGE	90,013	125,000	125,000	125,000
SPECIAL SERVICES	15,945	18,400	16,465	18,400
POLICE DEPARTMENT	762,618	839,555	875,387	919,169
JUDICIAL	110,900	128,888	124,767	130,745
FIRE DEPARTMENT	149,034	165,250	169,698	191,434
PARKS & RECREATION	33,614	39,500	42,981	40,994
CODE ENFORCEMENT	47,571	60,454	49,725	53,009
PERMITTING & INSPECTIONS	22,685	91,281	85,609	109,588
EMERGENCY/DISASTER	-	-	-	86,231
TRANSFERS	-	-	-	654,439
<b>GENERAL FUND TOTAL</b>	<b>2,099,795</b>	<b>2,354,288</b>	<b>2,325,593</b>	<b>3,129,873</b>
<b>UTILITY FUND</b>				
WATER/SEWER	1,212,205	1,585,197	1,258,337	1,610,538
TRANSFERS	-	-	-	815,282
<b>UTILITY FUND TOTAL</b>	<b>1,212,205</b>	<b>1,585,197</b>	<b>1,258,337</b>	<b>2,425,820</b>
GENERAL DEBT SERVICE	159,260	171,394	172,180	174,211
UTILITY DEBT SERVICE	171,131	168,210	168,210	165,756
CRIME CONTROL & PREVENTION	104,462	125,000	107,113	117,165
EQUIPMENT REPLACEMENT	22,250	-	-	211,386
UTILITY CAPITAL IMPROVEMENTS	-	-	-	95,855
GENERAL PROJECTS FUND	-	-	-	72,095
INSURANCE CONTINGENCY	-	-	-	-
GENERAL FUND CONTINGENCY	-	-	-	-
UTILITY FUND CONTINGENCY	-	-	-	-
TRANSPORTATION	67,364	116,000	116,000	105,000
BEAUTIFICATION	19,590	16,500	14,767	16,000
<b>GRAND TOTAL</b>	<b>3,856,056</b>	<b>4,536,589</b>	<b>4,162,200</b>	<b>6,513,161</b>
<b>TRANSFERS SUBTOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,469,721</b>
<b>NET OPERATING TOTAL</b>	<b>3,856,056</b>	<b>4,536,589</b>	<b>4,162,200</b>	<b>5,043,440</b>

## AUTHORIZED STAFFING GUIDE

	<u><b>FY 15-16</b></u>	<u><b>FY 16-17</b></u>	<u><b>FY 17-18</b></u>
<b>City Manager</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>City Secretary</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Administrative Assistant</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Utility Clerk</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Police Chief</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Police Sergeant</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Patrol Officers</b>	<b>6</b>	<b>6</b>	<b>8</b>
<b>Court Administrator</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Court Clerk</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Public Works Director</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Crew Leader</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Permitting &amp; Inspection</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Code Enforcement</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Techs</b>	<b>4</b>	<b>4</b>	<b>6</b>

# ***CITY OF RICHWOOD***

## **GENERAL FUND**

**General Fund  
Revenues**

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
4103 AD VALOREM TAXES	1,340,264	1,348,960	1,348,960	1,692,127
4801 210 DEVELOPERS 380 REBATE	-	-	-	(242,155)
4802 CRAWFORD FURNITURE 380 REBATE	-	-	-	(6,381)
4104 DELINQUENT TAXES	11,580	30,000	12,000	12,000
4105 PENALTY & INTEREST	13,251	22,000	10,000	12,500
4106 LICENSES & PERMITS	6,356	10,000	10,000	10,000
4107 BUILDING PERMITS	35,658	35,000	35,000	60,000
4109 MUNICIPAL COURTS	119,361	115,000	147,576	150,000
4110 INTEREST EARNED	2,057	1,000	2,364	3,000
4111 FRANCHISE TAXES	213,095	250,000	177,189	177,189
4112 MISCELLANEOUS INCOME	29,142	20,000	82,408	30,000
4114 ANIMAL FINES/LICENSES	195	500	200	200
4116 SALES TAX - STREETS	105,095	125,000	107,607	109,607
4117 SALES TAX	420,379	366,228	430,430	438,430
4118 MUNICIPAL BUILDING RENTALS	7,791	-	7,314	7,314
4121 PARKS AND RECREATION	4,338	10,000	5,066	5,066
4250 BARBEQUE COOKOFF	7,661	7,000	-	7,000
4251 POLICE OFFICER TRAINING	1,094	1,100	-	1,100
4253 COURT SECURITY	(2,029)	3,300	-	3,300
4254 COURT TECHNOLOGY	787	4,200	-	2,000
4255 BOBBY FORD PARK	1,144	5,000	-	5,000
4959 TRANSFER IN FROM FUND BAL.	-	-	-	251,750
4963 TRANSFER IN FROM UTILITY	-	-	-	400,826
<b>FUND TOTAL</b>	<b>2,317,219</b>	<b>2,354,288</b>	<b>2,376,114</b>	<b>3,129,873</b>

**MAJOR BUDGET CHANGES**

Ad Valorem Taxes	343,167.00	New revenues came from growth and new construction.
380 Agreement Rebates	(248,536.00)	Through different economic development agreements these funds are being rebated to Crawford Furniture and the new apartments.
Building Permits	25,000.00	Estimated increase from Creek Bend permits & update fee structure.
Transfer in from Fund Balance	251,750.00	Covers General Fund transfers to a new Contingency Fund (\$74,144), Capital Projects (\$72,095), and Equipment Replacement (\$105,610). The fund balance is still projected to be above 33% after the transfer.
Transfer in from Utility	400,826.00	Reimbursement for services being provided to the Utility Fund and a \$318,654 debt payment.

## **GENERAL FUND**

### **Major Revenue Sources**

#### Ad Valorem Taxes (46.9%)

The Ad Valorem Taxes, or Property Taxes, accounts for \$ 1,468,091 in General Fund Revenues. Besides the current year tax payments, the total ad valorem taxes include 380 Agreement tax rebates, delinquent collections, and penalty & interest.

#### Sales Tax (17.5%)

The State of Texas authorizes municipalities to collect a 1 cent sales tax for general operating purposes. Richwood voters have approved an 0.25 additional sales tax for street maintenance and repairs.

In FY 2017-18 the Sales Tax is projected to bring in \$548,037, or 17.5% of all General Fund Revenues.

#### Franchise Fees (5.7%)

Utility companies, such as CenterPoint Energy, AT&T, and Comcast use the City's rights-of-way and easements to conduct their business. In exchange for the right to use public-rights-of-way and easements, the companies pay a franchise or rental use fee. In FY 2017-18 these fees will represent a projected \$177,189, or 5.7% of all General Fund Revenues.

#### Municipal Court (5.0%)

Fines for violation of City Ordinances, such as speeding, represent a projected \$155,300 in FY 2017-18, or 5.0% of all General Fund Revenues.

Of interest, the projected cost to operate the Police Department in FY 2017-18 will be \$1,036,334. Therefore, fines cover only 15.0% of the cost to operate our Police Department. The cost to operate the Municipal Court in FY 2017-18 is projected to be \$130,745.

#### Fund Balance (8.0%)

In FY 2017-2018 the General Fund will use \$251,750 in fund balance, or 8.0% of all General Fund Revenues, towards one-time expenditures. The transfer from fund balance will be used to create a General Contingency Fund (\$74,144), to fund capital projects (\$72,095), and to for equipment replacement (\$105,610).

#### Transfers From Other Funds (12.8%)

In FY 2017-2018 the Utility Fund will transfer \$400,826, or 12.8% of all General Fund Revenues, to the General Fund. The transfer from the Utility Fund will be used to eliminate \$318,654 in debt that is owed to the General Fund and it will cover \$82,172 in indirect costs.

**2017 Property Tax Rates  
Brazoria County Cities**

City	Tax Rate
Town of Holiday Lakes	1.010761
City of West Columbia	0.820000
City of Alvin	0.788000
City of Danbury	0.765672
City of Sweeny	0.747062
City of Brazoria	0.721976
City of Angleton	0.707598
City of Pearland	0.685059
<b>City of Richwood</b>	<b>0.634444</b>
City of Freeport	0.628005
City of Clute	0.625000
City of Manvel	0.570000
Village of Brookside	0.528600
City of Iowa Colony	0.429500
Village of Jones Creek	0.410000
City of Hillcrest Village	0.407932
Village of Surfside	0.359506
City of Lake Jackson	0.337500
City of Oyster Creek	0.303816
City of Liverpool	0.189288
Village of Bailey's Prairie	0.069706
Town of Quintana	0.013830

# ADMINISTRATION

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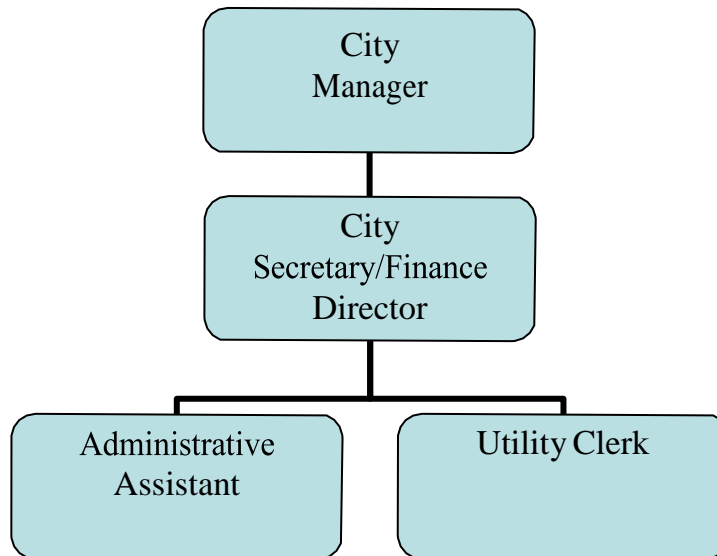
## PROGRAM DESCRIPTION

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The Administrative Department includes the City Manager, City Secretary, and office staff. This department is charged with the administration of the policies of the City Council and enforcement of the ordinances and the orderly operation of the City. The City Manager is responsible for the day to day operation of the City and to guarantee the goals, policies and objectives of the City Council are adhered to. The City Secretary is responsible for the maintenance and administration of the financial records of the City and serves as the City Tax Assessor/Collector and Records Management Officer. This department is charged with the responsibility of record keeping systems for the financial transactions of the City. The various funds of the City are recorded and disbursed through this office. The Administrative Department is responsible for keeping the official minutes of Council meetings and is responsible for the safekeeping of City ordinances, resolutions and other official documents. This department is always charged with the responsibility of holding the annual elections for members of City Council. In addition to its normal functions, general oversees the daily operation of the collection of monies for the City.

Legislative costs are also included in this department. The Legislative Branch of the City consists of the Mayor and five Councilmembers, elected by the electorate of the City and are the people's representatives in the most local of all forms of government.

The City Council is charged with the duties and powers as given them by the laws and constitution of the State of Texas and the United States. Final responsibility for the operation of the city government of the City of Richwood rests with the City Council.



**Department  
Administration**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
PERSONNEL COSTS	256,326	298,708	275,623	339,199
OPERATING COSTS	45,643	56,000	50,538	44,901
MAINTENANCE AND REPAIRS	12,212	24,500	9,793	15,500
UTILITIES AND TELEPHONE	11,419	14,000	11,103	11,753
SERVICES	63,409	73,000	57,727	90,726
SUNDRY	26,281	34,500	30,439	46,556
SUBTOTAL	415,290	500,708	435,223	548,635
CAPITAL OUTLAY	206,612	141,362	171,643	8,300
<b>DEPARTMENT TOTAL</b>	621,902	642,070	606,866	556,935
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE		
CITY MANAGER	1	7,211		86,532
CITY SECRETARY	1	5,166		61,992
ADMINISTRATIVE ASSISTANT	1	3,365		40,384
CLERK	1	2,812		33,743
	4	18,554		222,651
<b>TOTAL SALARIES</b>				222,651

**MAJOR BUDGET CHANGES**

Contingency Fund	(130,862)	Reduced in operating budget to create an separate Contingency Fund. Also, the City's Charter limits contingencies to 3%.
Multiple Line Items	(9,481)	Reduced spending to match historical actuals and moved budgets for certain expenditures to more appropriate line items.
Salaries & Wages	41,718	Took out adjustment for admin overhead in lieu of an indirect cost transfer.
Multiple Personnel Line Items	7,436	3% Salary increase for all employees.
Multiple Personnel Line Items	6,054	Adjustment to increase Directors' pay to 5% above Sergeants' pay.



**Department  
Administration**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5100 PERSONNEL COSTS</b>				
01 ADMINISTRATIVE EXP	11,500	29,512	32,879	-
02 CONTRACT LABOR	7,230	14,488	15,863	3,300
03 SALARIES	169,519	162,968	147,125	222,651
04 OVERTIME	-	-	-	4,202
05 RETIREMENT	23,112	29,180	23,719	40,097
07 MEDICARE	-	-	-	3,322
10 WORKER'S COMP	535	700	527	1,050
15 HOSPITALIZATION	29,613	35,360	28,838	35,933
20 UNEMPLOYMENT INS.	624	1,500	1,672	684
25 CELL PHONE ALLOWANCE	-	-	-	1,080
26 CAR ALLOWANCE	-	-	-	5,400
30 TRAINING & TRAVEL	14,193	15,000	15,000	15,480
75 EMPLOYEE INCENTIVE	-	10,000	10,000	5,100
80 CERTIFICATION PAY	-	-	-	900
<b>TOTAL</b>	<b>256,326</b>	<b>298,708</b>	<b>275,623</b>	<b>339,199</b>
<b>5200 OPERATING SUPPLIES</b>				
01 FOOD	-	-	200	2,460
10 OFFICE SUPPLIES	25,829	30,000	32,087	20,936
15 CUSTODIAL SUPPLIES	863	1,000	1,000	1,000
25 BOOKS & PERIODICALS	-	-	-	885
40 EXPENDABLE SUPPLIES	18,951	25,000	17,251	19,620
<b>TOTAL</b>	<b>45,643</b>	<b>56,000</b>	<b>50,538</b>	<b>44,901</b>
<b>5300 MAINTENANCE &amp; REPAIRS</b>				
10 BUILDING & GROUNDS	9,114	15,000	6,093	15,000
12 CONTINGENCY FUND M&R	3,000	9,000	3,000	-
20 OFFICE FURNITURE/FIX	-	500	500	500
65 OTHER EQUIPMENT M&R	98	-	200	-
<b>TOTAL</b>	<b>12,212</b>	<b>24,500</b>	<b>9,793</b>	<b>15,500</b>
<b>5400 UTILITIES &amp; TELEPHONE</b>				
10 ELECTRICITY	9,233	10,000	9,233	9,000
20 TELEPHONE	1,759	2,500	1,500	2,040
30 NATURAL GAS	427	1,500	370	713
<b>TOTAL</b>	<b>11,419</b>	<b>14,000</b>	<b>11,103</b>	<b>11,753</b>
<b>5500 SERVICES</b>				
10 ELECTIONS	1,855	4,000	-	4,000
50 IT SERVICES	-	-	700	20,726
56 CONT. SERVICES - TAXES	11,339	15,000	12,500	13,000
60 ENGINEERING	3,200	1,000	-	1,000
70 ATTORNEY'S FEES	23,942	17,000	7,500	17,000
72 ECONOMIC DEVELOPMENT	-	10,000	10,000	10,000
80 AUDITOR'S FEES	23,073	25,000	27,027	25,000
95 AUDITOR'S FEES	-	1,000	-	-
<b>TOTAL</b>	<b>63,409</b>	<b>73,000</b>	<b>57,727</b>	<b>90,726</b>

<b>5600 SUNDRY</b>				
40 INS. - BLDG/LIAB/BOND	16,812	20,000	16,812	20,000
60 DUES & SUBSCRIPTIONS	6,797	9,000	9,000	11,161
85 PUBLISHING & ADVERTISING	2,672	5,500	4,627	7,995
95 SPECIAL SERVICES - MISC	-	-	-	7,400
<b>TOTAL</b>	<b>26,281</b>	<b>34,500</b>	<b>30,439</b>	<b>46,556</b>
<b>5900 CAPITAL OUTLAY</b>				
10 OFFICE EQUIPMENT	-	-	182	3,500
35 EQUIP - TIME PAYMENT	6,048	5,500	5,599	4,800
50 CONTINGENCY FUND	200,564	130,862	130,862	-
60 TRANSFER TO CAPITAL	-	5,000	35,000	-
<b>TOTAL</b>	<b>206,612</b>	<b>141,362</b>	<b>171,643</b>	<b>8,300</b>
<b>DEPARTMENT TOTAL</b>	<b>621,902</b>	<b>642,070</b>	<b>606,866</b>	<b>556,935</b>

# CITY MAINTENANCE

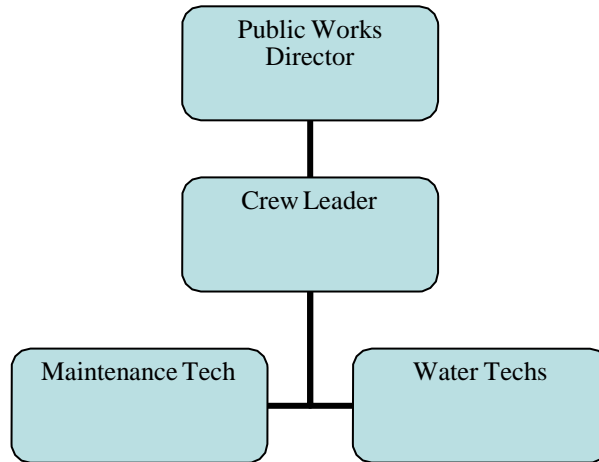
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## PROGRAM DESCRIPTION

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This department is responsible for the maintaining and repairing all public streets and alleys, the erection and maintenance of street signs, mowing of rights-of-way, and the maintenance and construction of all drainage ditches. The actual costs of the materials for the maintenance streets and drainage are reflected in another department. This department is also responsible for the repair and maintenance of all city-owned vehicles and equipment on a routine basis.

The Public Works Director also serves as the City's Building Official who provides a variety of direct services which includes plan review, permit issuance, rental property inspections, enforcement of related codes and ordinances and consultations with persons planning any construction within the City. He also insures that all housing meets minimum housing codes standards.



**Department  
City Maintenance**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
PERSONNEL COSTS	140,432	111,936	98,181	112,175
OPERATING COSTS	14,142	20,700	24,810	22,700
MAINTENANCE AND REPAIRS	15,124	18,500	20,000	21,500
UTILITIES AND TELEPHONE	45,039	38,400	36,750	38,200
SERVICES	-	5,000	-	-
SUNDRY	21,776	22,800	22,800	22,800
<b>SUBTOTAL</b>	<b>236,513</b>	<b>217,336</b>		<b>217,375</b>
<b>CAPITAL OUTLAY</b>	<b>9,000</b>	<b>26,554</b>	<b>26,554</b>	<b>26,554</b>
<b>DEPARTMENT TOTAL</b>	<b>245,513</b>	<b>243,890</b>	<b>229,095</b>	<b>243,929</b>
POSITION TITLE		EMPLOYEE		
	NUMBER	SALARY RANGE		
MAINTENANCE TECH	1	2,926		35,114
MAINTENANCE TECH	1	2,678		32,136
	2	5,604		67,250
<b>TOTAL SALARIES</b>				<b>67,250</b>

**MAJOR BUDGET CHANGES**

Contract Labor	(4,500.00)	Moved budget for contract inspections to appropriate department.
Attorney's Fees	(5,000.00)	Moved budget to Police Department.
Dump Charges	3,300.00	Increased to match historical expenditures and increasing rates.
Building & Grounds M&R	3,000.00	Increased to match historical expenditures.
Multiple Personnel Line Items	2,571.00	3% Salary increase for all employees.

**Department**  
**City Maintenance**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5100 PERSONNEL COSTS</b>				
02 CONTRACT LABOR	1,815	7,000	2,500	2,500
03 SALARIES	98,592	68,166	62,572	67,250
04 OVERTIME	-	-	-	7,601
05 RETIREMENT	11,756	11,000	7,677	8,556
07 MEDICARE	-	-	-	975
10 WORKER'S COMP	3,500	4,000	4,618	3,885
15 HOSPITALIZATION	21,164	17,670	17,751	17,966
20 UNEMPLOYMENT INS.	365	500	463	342
30 TRAINING & TRAVEL	1,493	2,000	1,000	1,500
90 UNIFORMS	1,747	1,600	1,600	1,600
<b>TOTAL</b>	<b>140,432</b>	<b>111,936</b>	<b>98,181</b>	<b>112,175</b>
<b>5200 OPERATING SUPPLIES</b>				
10 OFFICE SUPPLIES	834	500	110	500
15 CUSTODIAL SUPPLIES	394	500	700	700
20 TOOLS	2,141	2,000	2,500	2,500
30 GAS, OIL, & LUBRICANTS	7,034	10,000	12,000	8,000
40 EXPENDABLE SUPPLIES	184	3,000	3,000	3,000
45 DUMP CHARGES	3,246	2,700	6,000	6,000
70 CHEMICALS	309	2,000	500	2,000
<b>TOTAL</b>	<b>14,142</b>	<b>20,700</b>	<b>24,810</b>	<b>22,700</b>
<b>5300 MAINTENANCE &amp; REPAIRS</b>				
10 BUILDING & GROUNDS	662	1,000	4,000	4,000
40 VEHICLE M&R	6,196	6,000	6,000	6,000
60 RADIO M&R	3,001	5,000	2,500	5,000
65 OTHER EQUIPMENT M&R	3,657	4,000	5,000	4,000
76 SIGNS M&R	1,608	2,500	2,500	2,500
<b>TOTAL</b>	<b>15,124</b>	<b>18,500</b>	<b>20,000</b>	<b>21,500</b>
<b>5400 UTILITIES &amp; TELEPHONE</b>				
10 ELECTRICITY	37,693	35,000	30,000	31,500
20 TELEPHONE	6,795	3,000	6,300	6,300
30 NATURAL GAS	551	400	450	400
<b>TOTAL</b>	<b>45,039</b>	<b>38,400</b>	<b>36,750</b>	<b>38,200</b>
<b>5500 SERVICES</b>				
70 ATTORNEY'S FEES	-	5,000	-	-
<b>TOTAL</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>-</b>

<b>5600 SUNDRY</b>				
30 INS. - MOTOR VEHICLES	1,350	2,000	2,000	2,000
40 INS. - BLDG/LIAB/BOND	1,875	4,000	4,000	4,000
60 DUES & SUBSCRIPTIONS	12,158	9,000	9,000	9,000
85 PUBLISHING & ADVERTISING	393	500	500	500
95 SPECIAL SERVICES - MISC	6,000	7,300	7,300	7,300
<b>TOTAL</b>	<b>21,776</b>	<b>22,800</b>	<b>22,800</b>	<b>22,800</b>
<b>5900 CAPITAL OUTLAY</b>				
30 EQUIPMENT	9,000	26,554	-	-
35 EQUIP - TIME PAYMENT	-	-	26,554	26,554
<b>TOTAL</b>	<b>9,000</b>	<b>26,554</b>	<b>26,554</b>	<b>26,554</b>
<b>DEPARTMENT TOTAL</b>	<b>245,513</b>	<b>243,890</b>	<b>229,095</b>	<b>243,929</b>

## **STREETS AND DRAINAGE**

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<b>PROGRAM DESCRIPTION</b>
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The costs for the materials necessary for the repair and maintenance of city streets and the maintenance and construction of all drainage ditches, drainage facilities and improvements related to drainage in the city are recorded in this department.

**Department  
Streets and Drainage**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5300 MAINTENANCE &amp; REPAIRS</b>				
80 STREET M&R	75,621	48,000	48,000	48,000
85 DRAINAGE M&R	2,260	5,000	5,000	5,000
<b>TOTAL</b>	<b>77,881</b>	<b>53,000</b>	<b>53,000</b>	<b>53,000</b>
<b>5500 SERVICES</b>				
60 ENGINEERING	-	5,000	5,000	5,000
<b>TOTAL</b>	<b>-</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b>5900 CAPITAL OUTLAY</b>				
65 STREET PROJECTS	12,132	60,000	60,000	60,000
75 DRAINAGE	-	7,000	7,000	7,000
<b>TOTAL</b>	<b>12,132</b>	<b>67,000</b>	<b>67,000</b>	<b>67,000</b>
<b>DEPARTMENT TOTAL</b>	<b>90,013</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>

**MAJOR BUDGET CHANGES**

No changes



## SPECIAL REVENUES

PROGRAM DESCRIPTION
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These items are tied to special revenue items and are self-funding.

### Department Special Revenue

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5200 OPERATING</b>				
90 BARBEQUE COOKOFF	4,310	7,000	7,000	7,000
91 POLICE TRAINING	535	1,100	1,100	1,100
92 SEIZURE & FORFEITURE	-	-	-	-
93 COURT SECURITY	2,403	3,300	3,300	3,300
94 COURT TECHNOLOGY	4,682	2,000	2,000	2,000
95 BOBBY FORD PARK	4,015	5,000	3,065	5,000
<b>TOTAL</b>	15,945	18,400	16,465	18,400
<b>DEPARTMENT TOTAL</b>	15,945	18,400	16,465	18,400

### MAJOR BUDGET CHANGES

No changes

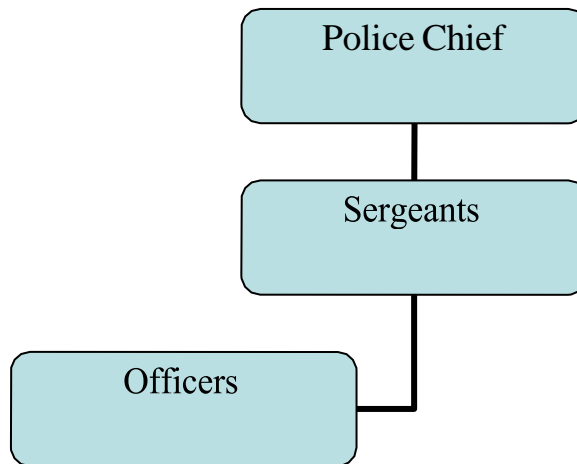
# POLICE DEPARTMENT

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PROGRAM DESCRIPTION

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As always the main goal of the Richwood Police Department is to serve the citizens of this city with the very best policing this department can offer. By making the listed changes our overall ability to meet this goal is even more obtainable than by just mere patrol techniques alone. The city is one of change, change in growth and potential future business. It is the goal of this police department to be as proactive as possible to these changes and continue to offer the services that Richwood citizens have come to deserve and expect.



**Department**  
**Police Department**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
PERSONNEL COSTS	635,604	691,675	735,095	741,888
OPERATING COSTS	30,988	38,208	38,000	39,104
MAINTENANCE AND REPAIRS	12,844	13,900	13,602	14,880
UTILITIES AND TELEPHONE	5,542	8,000	8,000	11,772
SERVICES	49,097	56,900	52,726	63,460
SUNDRY	23,328	28,772	25,745	22,912
<b>SUBTOTAL</b>	<b>757,403</b>	<b>837,455</b>	<b>873,168</b>	<b>894,016</b>
CAPITAL OUTLAY	5,215	2,100	2,219	25,153
<b>DEPARTMENT TOTAL</b>	<b>762,618</b>	<b>839,555</b>	<b>875,387</b>	<b>919,169</b>
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE		
POLICE CHIEF	1	6,075		72,905
SERGEANT	1	4,920		59,040
SERGEANT	1	4,920		59,040
OFFICER	1	4,780		57,364
OFFICER	1	4,780		57,364
OFFICER	1	4,780		57,364
OFFICER	1	4,612		55,343
OFFICER	1	4,472		53,667
OFFICER	1	4,468		53,620
	9	43,809		525,707
<b>TOTAL SALARIES</b>				<b>525,707</b>

**MAJOR BUDGET CHANGES**

Multiple Personnel Line Items	29,436.00	Correctly budgeted personnel for 2230 hours and not 2080 hours.
Multiple Personnel Line Items	19,191.00	3% Salary increase for all employees.
Hospitalization	11,848.00	Corrected error in budget and included 8% increase from insurance provider.
Attorney's Fees	5,000.00	Moved budget from City Maintenance where it wasn't used.

**Department  
Police**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5100 PERSONNEL COSTS</b>				
03 SALARIES	471,083	523,375	558,774	525,707
04 OVERTIME	-	-	-	13,224
05 RETIREMENT	66,662	62,000	61,547	64,352
07 MEDICARE	-	-	-	7,631
10 WORKER'S COMP	10,173	12,000	10,817	24,547
15 HOSPITALIZATION	64,866	69,000	77,008	80,848
20 UNEMPLOYMENT INS.	1,954	2,000	3,949	1,539
25 CELL PHONE ALLOWANCE	-	-	-	540
30 TRAINING & TRAVEL	8,095	11,300	11,200	11,300
75 EMPLOYEE INCENTIVE	8,450	8,200	8,100	-
80 CERTIFICATION PAY	-	-	-	8,400
90 UNIFORMS	4,321	3,800	3,700	3,800
<b>TOTAL</b>	<b>635,604</b>	<b>691,675</b>	<b>735,095</b>	<b>741,888</b>
<b>5200 OPERATING SUPPLIES</b>				
01 FOOD	-	-	-	1,850
10 OFFICE SUPPLIES	5,089	5,000	5,000	4,600
20 TOOLS	1,666	1,500	1,500	1,816
30 GAS, OIL, & LUBRICANTS	26,815	30,208	30,000	30,208
40 EXPENDABLE SUPPLIES	(2,582)	1,500	1,500	630
<b>TOTAL</b>	<b>30,988</b>	<b>38,208</b>	<b>38,000</b>	<b>39,104</b>
<b>5300 MAINTENANCE &amp; REPAIRS</b>				
10 BUILDING & GROUNDS	441	-	2	-
40 VEHICLE M&R	9,704	11,000	10,700	11,000
50 RADAR M&R	320	400	400	400
60 RADIO M&R	-	-	-	2,540
65 OTHER EQUIPMENT M&R	2,379	2,500	2,500	940
<b>TOTAL</b>	<b>12,844</b>	<b>13,900</b>	<b>13,602</b>	<b>14,880</b>
<b>5400 UTILITIES &amp; TELEPHONE</b>				
20 TELEPHONE	5,542	8,000	8,000	11,772
<b>TOTAL</b>	<b>5,542</b>	<b>8,000</b>	<b>8,000</b>	<b>11,772</b>
<b>5500 SERVICES</b>				
40 DISPATCH SERVICES	34,000	45,000	45,000	45,000
42 JAIL EXPENSE	1,935	4,500	4,500	4,500
50 IT SERVICES	-	-	-	1,560
58 ANIMAL CONTROL	9,594	7,400	2,000	7,400
70 ATTORNEY'S FEES	3,568	-	1,226	5,000
<b>TOTAL</b>	<b>49,097</b>	<b>56,900</b>	<b>52,726</b>	<b>63,460</b>

<b>5600 SUNDRY</b>				
30 INS. - MOTOR VEHICLES	5,898	6,000	6,079	6,100
40 INS. - BLDG/LIAB/BOND	5,509	8,000	5,816	6,500
60 DUES & SUBSCRIPTIONS	1,077	1,900	1,850	7,092
85 PUBLISHING & ADVERTISING	2,395	4,000	3,200	2,220
95 SPECIAL SERVICES - MISC	8,449	8,872	8,800	1,000
<b>TOTAL</b>	<b>23,328</b>	<b>28,772</b>	<b>25,745</b>	<b>22,912</b>
<b>5900 CAPITAL OUTLAY</b>				
20 MOTOR VEHICLES	20	-	-	-
30 EQUIPMENT	4,051	-	119	-
35 EQUIP - TIME PAYMENT	1,144	2,100	2,100	1,613
COPS GRANT RESERVE	-	-	-	23,540
<b>TOTAL</b>	<b>5,215</b>	<b>2,100</b>	<b>2,219</b>	<b>25,153</b>
<b>DEPARTMENT TOTAL</b>	<b>762,618</b>	<b>839,555</b>	<b>875,387</b>	<b>919,169</b>

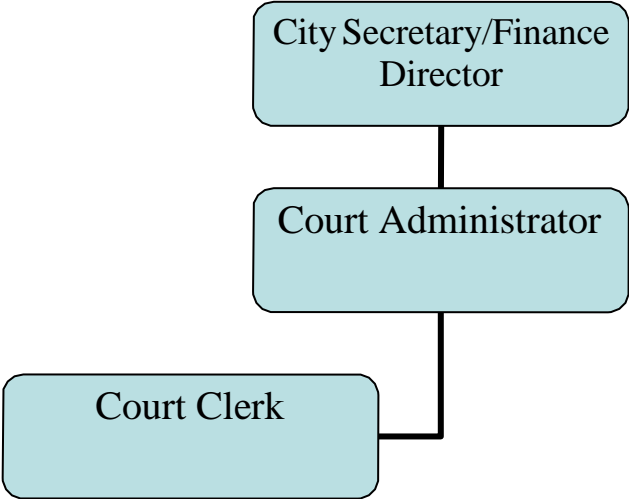
# JUDICIAL DEPARTMENT

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PROGRAM DESCRIPTION

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This department is charged with carrying out responsibilities as outlined in the laws of the State of Texas and ordinances of the City in its function as the judicial branch of the municipal government. The Municipal Court is responsible for administering the disposition of Class C misdemeanor charges brought against persons within the geographical boundaries of the City. The Court Clerk is responsible for the maintenance of the Municipal Court Docket and monitoring collection of fines assessed by the Municipal Judges, reporting traffic offense convictions to the Department of Public Safety, reporting monthly case statistics and revenue to the State Office of Court Administration and State Quarterly tax reports of court costs collected. The Judges preside over all Court hearings which include docket calls of each week and jury trials.



**Department  
Judicial**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
PERSONNEL COSTS	101,641	112,788	109,715	114,845
OPERATING COSTS	4,494	6,900	6,822	5,700
MAINTENANCE AND REPAIRS	-	-	-	-
UTILITIES AND TELEPHONE	-	-	-	-
SERVICES	4,651	9,080	8,030	10,000
SUNDRY	114	120	200	200
SUBTOTAL	110,900	128,888		130,745
CAPITAL OUTLAY	-	-	-	-
<b>DEPARTMENT TOTAL</b>	110,900	128,888	124,767	130,745
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE		
COURT ADMINISTRATOR	1	3,365		40,384
COURT CLERK	1	2,812		33,743
JUDGE	1	300		3,600
ALTERNATE JUDGE	1	300		3,600
	4	6,777		81,327
<b>TOTAL SALARIES</b>				81,327

**MAJOR BUDGET CHANGES**

Multiple Personnel Line Items                      2,447.00    3% Salary increase for all employees.

**Department  
Judicial**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5100 PERSONNEL COSTS</b>				
02 CONTRACT LABOR	260	-	-	-
03 SALARIES	75,947	81,438	79,205	81,327
04 OVERTIME	-	-	-	1,000
05 RETIREMENT	9,508	11,000	9,436	8,587
07 MEDICARE	-	-	-	1,211
10 WORKERS COMP	276	300	356	370
15 HOSPITALIZATION	14,369	17,300	17,082	17,966
20 UNEMPLOYMENT INSURANCE	449	750	965	684
30 TRAINING & TRAVEL	832	2,000	2,671	2,500
80 CERTIFICATION PAY	-	-	-	1,200
<b>TOTAL</b>	<b>101,641</b>	<b>112,788</b>	<b>109,715</b>	<b>114,845</b>
<b>5200 OPERATING SUPPLIES</b>				
10 OFFICE SUPPLIES	4,929	6,700	6,700	5,200
40 EXPENDABLE SUPPLIES	(435)	200	122	500
<b>TOTAL</b>	<b>4,494</b>	<b>6,900</b>	<b>6,822</b>	<b>5,700</b>
<b>5500 SERVICES</b>				
65 JURY EXPENSE	-	200	200	500
70 ATTORNEY'S FEES	4,651	8,880	7,830	9,500
<b>TOTAL</b>	<b>4,651</b>	<b>9,080</b>	<b>8,030</b>	<b>10,000</b>
<b>5600 SUNDRY</b>				
60 DUES & SUBSCRIPTIONS	114	120	200	200
<b>TOTAL</b>	<b>114</b>	<b>120</b>	<b>200</b>	<b>200</b>
<b>DEPARTMENT TOTAL</b>	<b>110,900</b>	<b>128,888</b>	<b>124,767</b>	<b>130,745</b>



# FIRE DEPARTMENT

PROGRAM DESCRIPTION

This department is charged with the responsibilities of firefighting operations and fire prevention within the City and its extra-territorial jurisdiction and is also responsible for mutual aid assistance 24 hours a day, 365 days a year.

## Department Fire Department

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
PERSONNEL COSTS	14,984	25,350	23,274	22,520
OPERATING COSTS	15,116	18,000	15,354	17,500
MAINTENANCE AND REPAIRS	9,023	9,500	17,195	14,500
UTILITIES AND TELEPHONE	4,604	4,200	4,997	4,750
SERVICES	75,000	80,000	80,000	85,000
SUNDRY	8,697	10,200	10,537	11,500
SUBTOTAL	127,424	147,250	151,357	155,770
CAPITAL OUTLAY	21,610	18,000	18,341	35,664
<b>DEPARTMENT TOTAL</b>	149,034	165,250	169,698	191,434

### MAJOR BUDGET CHANGES

Pension Plan	(2,340.00)	The benefit was increased to \$165 per month, but the total number of eligible volunteers has declined.
Multiple Line Items	1,000.00	Adjust spending to match historical actuals and current needs.
Capital Outlay	17,664.00	Increased funding to purchase new a new fire engine.

**Department**  
**Fire Department**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5100 PERSONNEL COSTS</b>				
06 PENSION PLAN	9,375	16,200	14,700	13,860
10 WORKER'S COMP	450	650	277	660
30 TRAINING & TRAVEL	(21)	500	297	500
90 UNIFORMS	5,180	8,000	8,000	7,500
<b>TOTAL</b>	<b>14,984</b>	<b>25,350</b>	<b>23,274</b>	<b>22,520</b>
<b>5200 OPERATING SUPPLIES</b>				
10 OFFICE SUPPLIES	(1,875)	500	52	1,500
15 CUSTODIAL SUPPLIES	-	1,500	-	-
20 TOOLS	14,436	12,000	12,000	12,000
30 GAS, OIL, & LUBRICANTS	2,489	3,000	3,000	3,000
40 EXPENDABLE SUPPLIES	66	-	302	-
85 FIRE PREVENTION SUPPLIES	-	1,000	-	1,000
<b>TOTAL</b>	<b>15,116</b>	<b>18,000</b>	<b>15,354</b>	<b>17,500</b>
<b>5300 MAINTENANCE &amp; REPAIRS</b>				
10 BUILDING & GROUNDS	1,460	3,000	10,775	8,000
40 VEHICLE M&R	3,953	6,000	6,000	6,000
60 RADIO M&R	2,084	500	420	500
65 OTHER EQUIPMENT M&R	1,526	-	-	-
<b>TOTAL</b>	<b>9,023</b>	<b>9,500</b>	<b>17,195</b>	<b>14,500</b>
<b>5400 UTILITIES &amp; TELEPHONE</b>				
10 ELECTRICTY	2,271	2,500	2,500	2,250
20 TELEPHONE	2,033	1,400	2,197	2,200
30 NATURAL GAS	300	300	300	300
<b>TOTAL</b>	<b>4,604</b>	<b>4,200</b>	<b>4,997</b>	<b>4,750</b>
<b>5500 SERVICES</b>				
66 CONTRACT - AMBULANCE	75,000	80,000	80,000	85,000
<b>TOTAL</b>	<b>75,000</b>	<b>80,000</b>	<b>80,000</b>	<b>85,000</b>
<b>5600 SUNDRY</b>				
30 INS. - MOTOR VEHICLES	3,687	4,000	4,678	4,700
40 INS. - BLDG/LIAB/BOND	3,357	4,000	3,151	4,000
60 DUES & SUBSCRIPTIONS	1,653	2,200	2,708	2,800
<b>TOTAL</b>	<b>8,697</b>	<b>10,200</b>	<b>10,537</b>	<b>11,500</b>
<b>5900 CAPITAL OUTLAY</b>				
30 EQUIPMENT	21,610	18,000	11,009	-
35 EQUIP - TIME PAYMENT	-	-	7,332	8,000
62 EQUIPMENT REPLACEMENT	-	-	-	27,664
<b>TOTAL</b>	<b>21,610</b>	<b>18,000</b>	<b>18,341</b>	<b>35,664</b>
<b>DEPARTMENT TOTAL</b>	<b>149,034</b>	<b>165,250</b>	<b>169,698</b>	<b>191,434</b>

# **PARKS AND RECREATION**

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<b>PROGRAM DESCRIPTION</b>
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This department is responsible for the function of directing and managing a program of developing and providing parks and recreational facilities and services for the residents of the City of Richwood.

This department maintains and develops our City parks, parkways, landscaping projects, and green areas surrounding City buildings and facilities. Areas are maintained according to standards which insure safe and aesthetically pleasing places of leisure through mowing, horticulture practices, repair, cleaning and litter removal.

It also provides recreational, education, and physical activities for the public. The programs provided utilize our City facilities and parks and are a vital contribution to the enhancement of the quality of life in our community.

Included in this budget is a line item for the Richwood Beautification Committee which is a commission of the City of Richwood and charged with the restoration, preservation and enhancement of scenic beauty of the City of Richwood. The all-volunteer Committee promotes anti-litter awareness, recycling, proper solid waste management and overall city cleanliness through an aggressive program which includes education, city-wide clean ups, recycling programs, law enforcement and public awareness.

## **Department Parks and Recreation**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
PERSONNEL COSTS	-	-	-	-
OPERATING COSTS	3,680	5,500	4,681	4,500
MAINTENANCE AND REPAIRS	13,480	17,000	22,500	22,500
UTILITIES AND TELEPHONE	1,473	2,500	2,500	1,694
SERVICES	-	-	-	-
SUNDRY	5,345	6,500	5,300	5,300
PARKS AND RECREATION	9,636	8,000	8,000	7,000
SUBTOTAL	33,614	39,500	42,981	40,994
CAPITAL OUTLAY	-	-	-	-
<b>DEPARTMENT TOTAL</b>	33,614	39,500	42,981	40,994

### **MAJOR BUDGET CHANGES**

Multiple Line Items 1,494.00 Adjust spending to match historical actuals and current needs.

**Department  
Parks and Recreation**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5200 OPERATING SUPPLIES</b>				
10 OFFICE SUPPLIES	-	-	181	-
15 CUSTODIAL SUPPLIES	1,009	1,500	1,500	1,500
40 EXPENDABLE SUPPLIES	521	2,000	1,000	1,000
70 CHEMICALS	2,150	2,000	2,000	2,000
<b>TOTAL</b>	<b>3,680</b>	<b>5,500</b>	<b>4,681</b>	<b>4,500</b>
<b>5300 MAINTENANCE &amp; REPAIRS</b>				
10 BUILDING & GROUNDS	11,626	15,000	15,000	15,000
65 OTHER EQUIPMENT M&R	1,854	2,000	7,500	7,500
<b>TOTAL</b>	<b>13,480</b>	<b>17,000</b>	<b>22,500</b>	<b>22,500</b>
<b>5400 UTILITIES &amp; TELEPHONE</b>				
10 ELECTRICITY	1,473	2,500	2,500	1,694
<b>TOTAL</b>	<b>1,473</b>	<b>2,500</b>	<b>2,500</b>	<b>1,694</b>
<b>5600 SUNDRY</b>				
40 INS. - BLDG/LIAB/BOND	3,798	5,500	3,800	3,800
85 PUBLISHING & ADVERTISING	1,547	1,000	1,500	1,500
<b>TOTAL</b>	<b>5,345</b>	<b>6,500</b>	<b>5,300</b>	<b>5,300</b>
<b>5800 PARKS AND RECREATION</b>				
50 BEAUTIFICATION	868	1,000	1,000	-
51 EVENTS	8,768	7,000	7,000	7,000
<b>TOTAL</b>	<b>9,636</b>	<b>8,000</b>	<b>8,000</b>	<b>7,000</b>
<b>DEPARTMENT TOTAL</b>	<b>33,614</b>	<b>39,500</b>	<b>42,981</b>	<b>40,994</b>

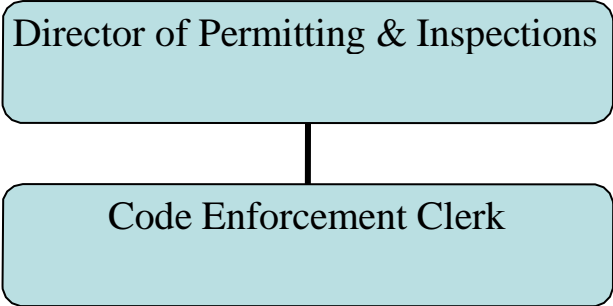
# CODE ENFORCEMENT

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PROGRAM DESCRIPTION

The purpose of the code enforcement department is to establish and maintain a standard of quality of life for all citizens by providing quality inspections and bringing about improvements and rehabilitation to the neighborhoods and communities that are served.

Code enforcement involves the inspection, improvement, and rehabilitation of environmental hazards in public and private premises by determining the presence of fire or health hazards, nuisance violations, unsafe building conditions, and violations of any fire, health, or building regulation, statute or ordinance.



**Department  
Code Enforcement**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
PERSONNEL COSTS	45,061	47,550	41,945	46,909
OPERATING COSTS	1,748	4,404	2,314	2,600
MAINTENANCE AND REPAIRS	571	3,000	2,145	-
UTILITIES AND TELEPHONE SERVICES	45	3,500	2,371	2,500
SUNDRY	146	2,000	950	1,000
<b>SUBTOTAL</b>	<b>47,571</b>	<b>60,454</b>	<b>49,725</b>	<b>53,009</b>
CAPITAL OUTLAY	-	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>47,571</b>	<b>60,454</b>	<b>49,725</b>	<b>53,009</b>
POSITION TITLE		EMPLOYEE		
	NUMBER	SALARY RANGE		
CLERK	1	2,678		32,136
	1	2,678		32,136
<b>TOTAL SALARIES</b>				<b>32,136</b>

**MAJOR BUDGET CHANGES**

Multiple Line Items (4,000.00) Moved vehicle related expenses to Permitting & Inspections.  
 Multiple Line Items (4,506.00) Adjusted various items to better match historical spending.  
 Multiple Personnel Line Items 1,061.00 3% Salary increase for all employees.

**Department  
Code Enforcement**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5100 PERSONNEL COSTS</b>				
03 SALARIES	32,306	31,200	27,993	32,136
04 OVERTIME	-	-	-	300
05 RETIREMENT	3,137	5,000	4,155	3,707
07 MEDICARE	-	-	-	466
10 WORKERS COMP	321	1,000	216	146
15 HOSPITALIZATION	6,842	9,450	7,860	8,983
20 UNEMPLOYMENT INSURANCE	139	400	421	171
30 TRAINING & TRAVEL	1,972	-	1,000	1,000
90 UNIFORMS	344	500	300	-
<b>TOTAL</b>	<b>45,061</b>	<b>47,550</b>	<b>41,945</b>	<b>46,909</b>
<b>5200 OPERATING SUPPLIES</b>				
10 OFFICE SUPPLIES	613	1,500	1,000	1,000
20 TOOLS	292	2,000	714	1,000
30 GAS, OIL & LUBRICANTS	507	-	-	-
40 EXPENDABLE SUPPLIES	336	904	600	600
<b>TOTAL</b>	<b>1,748</b>	<b>4,404</b>	<b>2,314</b>	<b>2,600</b>
<b>5300 MAINTENANCE &amp; REPAIRS</b>				
20 OFFICE FURNITURE/FIX	-	-	645	-
40 VEHICLE M&R	571	3,000	1,500	-
<b>TOTAL</b>	<b>571</b>	<b>3,000</b>	<b>2,145</b>	<b>-</b>
<b>5500 SERVICES</b>				
70 ATTORNEY'S FEES	45	3,500	2,000	2,500
95 SPECIAL SERVICES - MISC	-	-	371	-
<b>TOTAL</b>	<b>45</b>	<b>3,500</b>	<b>2,371</b>	<b>2,500</b>
<b>5600 SUNDRY</b>				
30 INS. MOTOR VEHICLES	-	1,000	-	-
60 DUES & SUBSCRIPTIONS	146	500	450	500
85 PUBLISHING & ADVERTISING	-	500	500	500
<b>TOTAL</b>	<b>146</b>	<b>2,000</b>	<b>950</b>	<b>1,000</b>
<b>DEPARTMENT TOTAL</b>	<b>47,571</b>	<b>60,454</b>	<b>49,725</b>	<b>53,009</b>

## PERMITTING AND INSPECTIONS

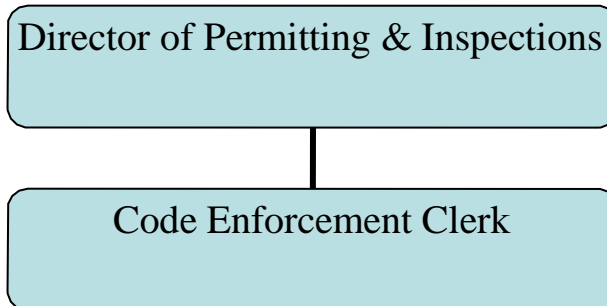
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### PROGRAM DESCRIPTION

This department ensures all land uses conform to the comprehensive land use plan and zoning ordinances and all construction in City of Richwood meets all codes adopted by the city. The department provides a variety of direct services to any construction within the City of Richwood. This includes, but is not limited to, the following:

- Consultation with architects, engineers, contractors, and homeowners
- Enforcement of related codes and ordinances
- Inspections
- Permit issuance
- Plan review

This department is also responsible for the Rental Property Inspection Program. The Rental Housing Inspection program was designed to inspect all residential rental properties within the city limits on a routine and comprehensive basis to assure the overall quality of the rental unit meets the requirements of the City of Richwood's Code of Ordinances.





**Department  
Permitting & Inspections**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
PERSONNEL COSTS	-	71,671	69,007	86,878
OPERATING COSTS	-	7,100	4,600	5,600
MAINTENANCE AND REPAIRS	-	1,110	602	2,110
UTILITIES AND TELEPHONE	-			-
SERVICES	-	500	500	3,700
SUNDRY	-	10,900	10,900	11,300
<b>SUBTOTAL</b>	-	91,281	85,609	109,588
<b>CAPITAL OUTLAY</b>	22,685.00	-	-	-
<b>DEPARTMENT TOTAL</b>	22,685.00	91,281.00	85,609.00	109,588.00
<b>POSITION TITLE</b>		<b>EMPLOYEE</b>		
	<b>NUMBER</b>	<b>SALARY RANGE</b>		
DIRECTOR OF PERMITTING	1	4,467		53,601
OVERTIME		-		
	1	4,467		53,601
<b>TOTAL SALARIES</b>				53,601

**MAJOR BUDGET CHANGES**

Multiple Personnel Line Items	7,725.00	Adjustment to increase Directors' pay to 5% above Sergeants' pay.
Contract Labor	4,500.00	Moved budget from City Maintenance for contract inspections.
Multiple Line Items	4,000.00	Moved vehicle related expenses from Code Enforcement.
Multiple Personnel Line Items	1,832.00	3% Salary increase for all employees.

**Department  
Permitting & Inspections**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5100 PERSONNEL COSTS</b>				
02 CONTRACT LABOR	-	-	500.00	4,500.00
03 SALARIES	-	53,601.00	52,671.00	61,992.00
05 RETIREMENT	-	6,500.00	6,118.00	7,147.00
07 MEDICARE	-	-	-	907.00
10 WORKER'S COMP	-	1,000.00	-	638.00
15 HOSPITALIZATION	-	8,250.00	8,490.00	8,983.00
20 UNEMPLOYMENT INS.	-	120.00	378.00	171.00
25 CELL PHONE ALLOWANCE	-	-	-	540.00
30 TRAINING & TRAVEL	-	2,000.00	750.00	1,800.00
90 UNIFORMS	-	200.00	100.00	200.00
<b>TOTAL</b>	-	71,671.00	69,007.00	86,878.00
<b>5200 OPERATING SUPPLIES</b>				
10 OFFICE SUPPLIES	-	100.00	100.00	100.00
20 TOOLS	-	2,000.00	500.00	500.00
30 GAS, OIL & LUBRICANTS	-	5,000.00	4,000.00	5,000.00
<b>TOTAL</b>	-	7,100.00	4,600.00	5,600.00
<b>5300 MAINTENANCE &amp; REPAIRS</b>				
40 VEHICLE M&R	-	1,000.00	500.00	2,000.00
60 RADIO M&R	-	110.00	102.00	110.00
<b>TOTAL</b>	-	1,110.00	602.00	2,110.00
<b>5500 SERVICES</b>				
70 ATTORNEY'S FEES	-	500.00	500.00	500.00
95 SPECIAL SERVICES - MISC	-	-	-	3,200.00
<b>TOTAL</b>	-	500.00	500.00	3,700.00
<b>5600 SUNDRY</b>				
30 INS. MOTOR VEHICLES	-	500.00	500.00	500.00
60 DUES & SUBSCRIPTIONS	-	10,400.00	10,400.00	10,800.00
<b>TOTAL</b>	-	10,900.00	10,900.00	11,300.00
<b>5900 CAPITAL OUTLAY</b>				
50 CONTINGENCY FUND	22,685.00	-	-	-
<b>TOTAL</b>	22,685.00	-	-	-
<b>DEPARTMENT TOTAL</b>	22,685.00	91,281.00	85,609.00	109,588.00

## Emergency/Disaster

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PROGRAM DESCRIPTION
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This department is used to track the City's expenditures in the event of a declared emergency or natural disaster.

### Department Emergency/Disaster

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5200 OPERATING SUPPLIES</b>				
45 DUMP CHARGES	-	-	-	35,000
<b>TOTAL</b>	-	-	-	35,000
<b>5500 SERVICES</b>				
95 PROFESSIONAL SERVICES	-	-	-	51,231
<b>TOTAL</b>	-	-	-	51,231
<b>DEPARTMENT TOTAL</b>	-	-	-	86,231

# Transfers

PROGRAM DESCRIPTION
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This department is used to track the transfers from the General Fund to the City's other funds. These transfers are not shown in the operating budgets of the departments so that it is easier to highlight them and to exclude them from the total operating budget. If these funds were included in the departmental operating budgets than they would be double counted.

## Department Transfers

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>6000 TRANSFERS OUT</b>				
50 CONTINGENCY FUND	-	-	-	74,144
60 CAPITAL PROJECTS	-	-	-	72,095
61 UTILITY FUND	-	-	-	401,590
62 EQUIPMENT REPLACEMENT	-	-	-	105,610
63 BEAUTIFICATION FUND	-	-	-	1,000
<b>TOTAL</b>	-	-	-	654,439
<b>DEPARTMENT TOTAL</b>	-	-	-	654,439

## MAJOR BUDGET CHANGES

Utility Fund (Indirect Cost)	82,936	Payment to the Utility fund for services rendered.
Utility Fund (Pmt. In Arrears)	318,654	Transfer for backpayments owed for water and wastewater services that were never paid. This transfer is being offset by a transfer in from the Utility Fund to reduce that fund's debt to the General Fund.
Contingency Fund	74,144	Transfer to establish a new 3% Contingency Fund.
Capital Projects	72,095	Transfer to Capital Projects to fund this year's requests.
Equipment Replacement	105,610	Transfer to Equipment Replacement to fund this year's requests.
Beautification Fund	1,000	Moved transfer out of Parks budget.

***CITY OF RICHWOOD***

**GENERAL OBLIGATION  
DEBT SERVICE FUND**

## GENERAL OBLIGATION DEBT SERVICE

The General Obligation Debt Service Fund is used for the accumulation of resources to provide for the payment of debt service on the City's General Obligation Bonds and to provide a reserve for such payment. Resources include a portion of the Ad Valorem Tax Levy and earnings from investment of the fund. (The Ad Valorem Tax Levy is pledged as security on outstanding General Obligation Bonds.)

The portion of the current year Tax Levy allocated to General Obligation Debt Service Fund is based on current year principal and interest requirements less anticipated interest earnings on the fund. This calculation gives the necessary dollar figure, the debt service portion of the tax rate is then calculated based on a 100% collection rate.

**Tax Rate Limitations.** The City is a Home Rule City with a maximum authorized rate for all purposes of \$2.50 per \$100 assessed valuation. This maximum tax rate is imposed by the Constitution of the State of Texas.

### General Obligation Debt Revenues

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
4103 INTEREST & SINKING	172,032	171,394	171,394	174,211
4210 TRANS IN-GENERAL FUND				
4110 INTEREST EARNED	402	200	200	-
<b>FUND TOTAL</b>	<b>172,434</b>	<b>171,594</b>	<b>171,594</b>	<b>174,211</b>

### Expenditures

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5900 CAPITAL OUTLAY</b>				
10 BOND FEES	-	1,000	-	-
60 BANK LOAN	19,302	21,390	26,736	21,389
80 CO SERIES 2012	76,350	78,510	74,950	79,050
92 CO SERIES 2011 REFUNDING	63,608	70,494	70,494	73,772
<b>FUND TOTAL</b>	<b>159,260</b>	<b>171,394</b>	<b>172,180</b>	<b>174,211</b>

***CITY OF RICHWOOD***

**WATER AND SEWER FUND**

## Water/Sewer Fund

### Revenues

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
4110 INTEREST EARNED	411	300	500	500
4112 MISCELLANEOUS	7,032	6,000	21,033	6,000
4410 WATER FEES	538,151	775,723	641,336	913,860
4411 WATER DISCOUNTS	-	-	-	(28,290)
4420 SEWER FEES	479,097	755,174	559,302	820,058
4421 SEWER DISCOUNTS	-	-	-	(22,994)
4422 RECLAIMED WATER	-	-	-	12,500
4430 DELINQUENT CHARGES	24,657	25,000	23,528	23,000
4440 WATER TAPS	5,500	8,000	8,500	14,050
4450 SEWER TAPS	(500)	2,000	2,000	2,000
4460 RECONNECT FEES	3,050	7,000	2,138	2,150
4470 GARBAGE RECEIPTS	-	5,000	-	281,396
4961 TRANSFER IN GEN. FUND	-	-	-	401,590
<b>FUND TOTAL</b>	<b>1,057,398</b>	<b>1,584,197</b>	<b>1,258,337</b>	<b>2,425,820</b>

### MAJOR BUDGET CHANGES

Garbage Receipts	276,396.00	Changed to show gross revenues and expenditures instead of net revenue.
Water & Sewer Fees	215,687.00	Rate increases.
Transfer In from General Fund	401,590.00	Payment from General Fund for services rendered and past utility payments owed by General Fund.



**WATER/SEWER FUND**  
**MAJOR REVENUE SOURCES**

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Water Sales (49.0%)

Water Sales account for \$885,570 (36.5%) of Utility Revenues projected for FY 2017-2018.

The City buys 235,000 gallons of water per day (on a take or pay basis) from the Brazosport Water Authority for \$3.05 per 1,000 gallons of water. The City charges the following for water:

	Base Rate (2,000 gallons)	\$19.50 per month
	2,000+	\$ 3.85 per 1,000 gallons
Over 65		
	Base rate (4,000 gallons)	\$19.50 per month
	Over 4,000 gallons	\$ 2.85 per 1,000 gallons
Fire Department		
	Base rate (4,000 gallons)	free
	Over 4,000 gallons	\$ 3.85 per 1,000 gallons

This rate covers the cost of the water purchased from BWA; cost to operate the water well and to maintain the distribution system; and, to cover water portions of debt service requirements.

Sewer Sales (32.9%)

Sewer Sales are projected to be \$797,064 in FY 2017-18.

The current sewer rates are:

	Base Rate (2,000 gallons)	\$17.50 per month
	2,000 +	\$ 3.85 per 1,000 gallons
Over 65		
	Base rate (4,000 gallons)	\$17.50 per month
	Over 4,000 gallons	\$ 2.85 per 1,000 gallons
Fire Department		
	Base rate (4,000 gallons)	free
	Over 4,000 gallons	\$ 3.85 per 1,000 gallons

The sewer rates cover the cost of the City's collection system, including 10 lift stations, the City's portion of the cost to operate the jointly owned Richwood/Clute Sewage Treatment Plant, as well as any Debt Service related to the sewer system.

## **WATER AND SEWER DEPARTMENT**

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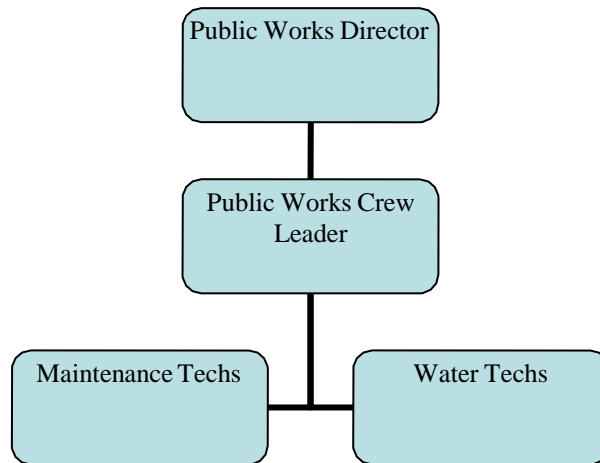
### **PROGRAM DESCRIPTION**

This department is responsible for the production, storage, and the distribution of the potable water throughout the City of Richwood in accordance with requirements of the Texas Natural Resource Conservation Commission, the Texas Department of Health, the Texas Commission on Fire Protection and the United States Environmental Protection Agency. It includes the operation of the booster pumps, repair of lines, meters, and maintenance of other appurtenances associated with the water distribution system. Also included are the City's contracted costs for the operation of the Brazosport Water Authority. The City has a take or pay agreement to purchase 235,000 gallons per day from the BWA. The surface water is supplemented by the City's water well.

The meter reader is also funded out of this department. One half of the personnel costs associated with the Utility Clerk is budgeted from this department. This position is responsible for maintaining all utility customer records, bills for service provided and monitors and collects active and inactive accounts receivable.

This department is also responsible for the collection of all waste water and its transmission to the Sewage Treatment Plant. It includes the operation, maintenance and repair of all lines, manholes and lift stations connected with the sewer collection system up to and included the College Drive lift station.

Costs for the City of Richwood's portion of the operation of the jointly owned Richwood/Clute sewage treatment plant are reflected in this department.



**Department  
Water/Sewer**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
PERSONNEL COSTS	258,233	273,511	293,733	359,522
OPERATING COSTS	48,693	40,500	35,500	33,000
MAINTENANCE AND REPAIRS	138,381	122,200	122,690	122,404
UTILITIES AND TELEPHONE	49,886	48,100	48,100	50,100
SERVICES	151,866	138,411	143,711	139,752
SUNDRY	48,033	30,000	50,541	50,111
SUBTOTAL	695,092	652,722	694,275	754,889
CAPITAL OUTLAY	517,113	932,475	564,062	855,649
TRANSFERS OUT	-	-	-	815,282
<b>DEPARTMENT TOTAL</b>	1,212,205	1,585,197	1,258,337	2,425,820
POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE		
PUBLIC WORKS DIRECTOR	1	5,166		61,992
CREWLEADER	1	3,364		40,363
WATER TECH	1	2,926		35,114
WATER TECH	1	2,860		34,321
WATER TECH	1	2,825		33,904
WATER TECH	1	2,825		33,904
	6	19,967		239,598
<b>TOTAL SALARIES</b>				239,598

**MAJOR BUDGET CHANGES**

General Fund (Debt)	318,654.00	Will reduce the debt of \$880k owed by the Utility Fund and is being offset by a transfer for back payments for utilities from the General Fund.
Waste Connections	257,320.00	Changed to show gross revenues and expenditures instead of net revenue.
Multiple Personnel Line Items	98,517.00	Add two new Water Tech positions.
General Fund (Indirect Cost)	82,936.00	Payment to the General Fund for services rendered.
Contingency Fund	47,069.00	Transfer to establish a new 3% Contingency Fund.
Sewage Treatment Plant	36,998.00	Increase mainly due to payments that are owed to Clute due to corrections in the flow calculations.
Brazosport Water Authority	32,331.00	BWA rate increases.
Multiple Line Items	16,304.00	Reduced depreciation budget to account for equipment replacement and capital improvements and added funds to other line items to adjust for historical expenses.
Multiple Personnel Line Items	8,042.00	Adjustment to increase Directors' pay to 5% above Sergeants' pay.
Multiple Personnel Line Items	6,199.00	3% Salary increase for all employees.

**Department  
Water/Sewer**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5100 PERSONNEL COSTS</b>				
02 CONTRACT LABOR	-	1,000	1,000	1,000
03 SALARIES	195,020	202,671	219,224	234,791
04 OVERTIME	-	-	-	15,000
05 RETIREMENT	24,840	24,100	23,681	28,612
07 MEDICARE	-	-	-	3,412
10 WORKER'S COMP	3,563	4,000	3,762	14,244
15 HOSPITALIZATION	30,834	36,740	40,259	53,189
20 UNEMPLOYMENT INS.	707	1,000	1,807	1,972
25 CELLPHONE ALLOWANCE	-	-	-	540
30 TRAINING & TRAVEL	3,213	4,000	4,000	4,000
80 CERTIFICATION PAY	-	-	-	2,100
90 UNIFORMS	56	-	-	662
<b>TOTAL</b>	<b>258,233</b>	<b>273,511</b>	<b>293,733</b>	<b>359,522</b>
<b>5200 OPERATING SUPPLIES</b>				
10 OFFICE SUPPLIES	15,948	15,000	9,000	6,000
15 CUSTODIAL SUPPLIES	-	300	300	300
20 TOOLS	1,231	2,000	2,000	2,000
30 GAS, OIL, & LUBRICANTS	7,938	15,000	15,000	15,000
40 EXPENDABLE SUPPLIES	21,142	2,200	2,200	2,200
70 CHEMICALS	2,434	6,000	7,000	7,500
<b>TOTAL</b>	<b>48,693</b>	<b>40,500</b>	<b>35,500</b>	<b>33,000</b>
<b>5300 MAINTENANCE &amp; REPAIRS</b>				
10 BUILDING & GROUNDS	509	2,000	2,000	2,000
40 VEHICLE M&R	3,076	3,000	3,000	3,000
60 RADIO M&R	-	-	-	204
65 OTHER EQUIPMENT M&R	11	-	490	-
90 WATER LINES M&R	49,628	45,000	45,000	45,000
92 SEWER LINES M&R	85,157	72,200	72,200	72,200
<b>TOTAL</b>	<b>138,381</b>	<b>122,200</b>	<b>122,690</b>	<b>122,404</b>
<b>5400 UTILITIES &amp; TELEPHONE</b>				
10 ELECTRICITY	46,373	45,000	45,000	47,000
20 TELEPHONE	3,513	2,500	2,500	2,500
30 NATURAL GAS	-	600	600	600
<b>TOTAL</b>	<b>49,886</b>	<b>48,100</b>	<b>48,100</b>	<b>50,100</b>
<b>5500 SERVICES</b>				
05 LEASE EXPENSE	134,366	135,911	135,911	137,252
60 ENGINEERING	17,500	2,500	7,800	2,500
<b>TOTAL</b>	<b>151,866</b>	<b>138,411</b>	<b>143,711</b>	<b>139,752</b>

<b>5600 SUNDRY</b>				
30 INS. - MOTOR VEHICLES	1,350	2,000	2,875	2,875
40 INS. - BLDG/LIAB/BOND	26,064	25,000	25,000	25,000
60 DUES & SUBSCRIPTIONS	18,209	2,500	19,736	19,736
85 PUBLISHING & ADVERTISING	2,410	500	2,930	2,500
<b>TOTAL</b>	<b>48,033</b>	<b>30,000</b>	<b>50,541</b>	<b>50,111</b>
<b>5900 CAPITAL OUTLAY</b>				
30 EQUIPMENT	1,473	-	208	-
35 EQUIP - TIME PAYMENT	20,026	20,000	31,985	20,000
50 CONTINGENCY	-	71,323	-	-
90 SEWAGE TREATMENT PLANT	269,408	279,000	279,000	315,998
94 WASTE CONNECTIONS	-	-	-	257,320
95 BRAZOSPORT WATER AUTH	226,206	230,000	252,869	262,331
96 DEPRECIATION	-	332,152	-	-
<b>TOTAL</b>	<b>517,113</b>	<b>932,475</b>	<b>564,062</b>	<b>855,649</b>
<b>5900 TRANSFERS OUT</b>				
63 GENERAL FUND	-	-	-	400,826
64 CONTINGENCY FUND	-	-	-	47,069
66 CAPITAL IMPROVEMENTS	-	-	-	95,855
67 EQUIPMENT REPLACEMENT	-	-	-	105,776
69 UTILITY DEBT SERVICE	-	-	-	165,756
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>815,282</b>
<b>DEPARTMENT TOTAL</b>	<b>1,212,205</b>	<b>1,585,197</b>	<b>1,258,337</b>	<b>2,425,820</b>



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# ***THE CITY OF RICHWOOD***

## **REVENUE BOND DEBT SERVICE FUND**

**REVENUE BONDS DEBT SERVICE**

The Revenue Bonds Debt Service Fund is used for the accumulation of resources for the payment of Water and Sewer Revenue Bonds and also to provide a reserve as provided by the City’s bond ordinances. These ordinances currently require the City to maintain a balance equal to the succeeding fiscal year’s principal and interest payment.

The Revenue Bond Debt Service is provided by Water and Sewer Fees. Issuance of additional bonds may impact Water and Sewer fees but will have no impact on property tax rates.

**Revenue Bond Debt  
Revenues**

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
4113 TRANS IN FROM REVENUE	-	-	-	165,756
4410 WATER FEES	66,813	88,061	88,061	-
4420 SEWER FEES	59,488	80,149	80,149	-
<b>FUND TOTAL</b>	<b>126,301</b>	<b>168,210</b>	<b>168,210</b>	<b>165,756</b>

**Expenditures**

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5900 CAPITAL OUTLAY</b>				
60 CO SERIES 2013	73,791	73,791	73,791	73,791
70 CO SERIES 2011	54,503	54,507	54,507	53,340
91 RB I&S SERIES 2004	42,837	39,912	39,912	38,625
<b>FUND TOTAL</b>	<b>171,131</b>	<b>168,210</b>	<b>168,210</b>	<b>165,756</b>



# ***CITY OF RICHWOOD***

## **SPECIAL FUNDS**

## **SPECIAL FUNDS**

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PROGRAM DESCRIPTION
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The City's Special Funds provide funding for a wide range of projects, such as water or sewer projects or equipment replacement

MAJOR PROJECTS FOR FY 2017-18
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### Utility Capital Improvement Fund

- Water/Sewer Master Plan & Impact Fee Study - \$75,000
- Chlorine Room - \$20,255
- Water Well #1 Cover - \$600

### Equipment Replacement Fund

- Replace City Hall Server - \$75,000
- Replace Sewer Jetter - \$59,999
- Purchase New F-250 Diesel - \$45,777
- Replace F-250 Gasoline- \$30,610

### Capital Projects Fund

- Service Center Reskin - \$39,200
- Accounting Software - \$20,000
- Relocate & Replace Fire Station Hydrant - \$8,550
- Police Phone Line Recording System - \$4,345

### Utility Capital Improvement Revenues

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
4110 INTEREST	160	65	200	200
4966 TRANSFER FROM UTILITY FUND	-	-	-	95,855
<b>FUND TOTAL</b>	<b>160</b>	<b>65</b>	<b>200</b>	<b>96,055</b>

### Utility Capital Improvement Expenditures

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
5560 ENGINEERING	-	-	-	75,000
5915 CAPITAL OUTLAY	-	-	-	20,855
<b>FUND TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,855</b>

### Equipment Replacement Revenues

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
4110 INTEREST	69	35	90	-
4112 MISCELLANEOUS	-	-	1,700	-
4962 TRANSFER FROM GENERAL FUND	-	-	-	105,610
4967 TRANSFER FROM UTILITY FUND	-	-	-	105,776
<b>FUND TOTAL</b>	<b>69</b>	<b>35</b>	<b>1,790</b>	<b>211,386</b>

### Equipment Replacement Expenditures

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
5915 CAPITAL EXPENDITURES	22,250	-	-	-
5920 MOTOR VEHICLES	-	-	-	76,387
5930 EQUIPMENT	-	-	-	134,999
<b>FUND TOTAL</b>	<b>22,250</b>	<b>-</b>	<b>-</b>	<b>211,386</b>

**Capital Projects  
Revenues**

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
4110 INTEREST	-	-	-	-
4113 INTRAGOVERNMENTAL	-	-	-	72,095
<b>FUND TOTAL</b>	-	-	-	72,095

**Capital Projects  
Expenditures**

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
5930 EQUIPMENT	-	-	-	24,345
5915 CAPITAL OUTLAY	-	-	-	47,750
<b>FUND TOTAL</b>	-	-	-	72,095

**Insurance Contingency  
Revenues**

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
4110 INTEREST	99	110	75	-
<b>FUND TOTAL</b>	99	110	75	-

**Insurance Contingency  
Expenditures**

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
5240 EXPENDABLE	-	-	-	-
<b>FUND TOTAL</b>	-	-	-	-

**General Fund Contingency  
Revenues**

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
4950 TRANSFER FROM GENERAL FUND	-	-	-	74,144
<b>FUND TOTAL</b>	-	-	-	74,144

**General Fund Contingency  
Expenditures**

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
5240 EXPENDABLE	-	-	-	-
<b>FUND TOTAL</b>	-	-	-	-

**Utility Fund Contingency  
Revenues**

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
4964 TRANSFER FROM UTILITY FUND	-	-	-	47,069
<b>FUND TOTAL</b>	-	-	-	47,069

**Utility Fund Contingency  
Expenditures**

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
5240 EXPENDABLE	-	-	-	-
<b>FUND TOTAL</b>	-	-	-	-

## **CRIME CONTROL AND PREVENTION DISTRICT**

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### **PROGRAM DESCRIPTION**

The Crime Control and Prevention District Fund is a special fund established to record receipts collected by the State for a one-quarter percent sales tax on taxable items sold within the City of Richwood for crime control and prevention programs. District funds are available for crime control and crime prevention programs, including the cost of personnel, administration, expansion, enhancement and capital expenditures related to police and law enforcement programs, community-related crime prevention strategies, treatment and prevention programs, and court and prosecution services.

The original two-year financial plan can be summarized as follows:

- Richwood is a City where people feel safe anywhere, all the time.
- Promote preventative efforts and address any increase in crime as well as any other community concerns related to public safety
- Purchase equipment and tools available to Police Department personnel
- To maintain and support the officers serving the City of Richwood
- Enhance the recruitment of high-quality officers

### **MAJOR PROJECTS FOR FY 2017-18**

To help accomplish the stated goals the following resources/equipment/tools are proposed.

The addition of one new officer and contributing to the matching portion of a COPS Grant for a second new officer.

## Crime Control and Prevention Revenues

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
4110 INTEREST	147	-	250	-
4117 SALES TAX	103,229	125,000	107,607	109,607
4959 TRANS IN - FUND BALANCE	-	-	-	7,558
<b>FUND TOTAL</b>	<b>103,376</b>	<b>125,000</b>	<b>107,857</b>	<b>117,165</b>

## Crime Control and Prevention Expenditures

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5100 PERSONNEL COSTS</b>				
03 SALARIES	44,045	11,724	18,000	76,655
05 RETIREMENT	-	-	-	8,762
07 MEDICARE	-	-	-	1,111
10 WORKER'S COMP	-	-	-	3,342
15 HOSPITALIZATION	-	-	-	8,983
20 UNEMPLOYMENT INS.	-	-	-	1,160
30 TRAINING & TRAVEL	-	-	-	900
90 UNIFORMS	-	-	4,093	1,007
<b>TOTAL</b>	<b>44,045</b>	<b>11,724</b>	<b>22,093</b>	<b>101,920</b>
<b>5200 SUPPLIES</b>				
10 OFFICE SUPPLIES	-	-	-	-
20 TOOLS	3,995	-	-	-
40 EXPENDABLE	8,732	-	-	-
<b>TOTAL</b>	<b>12,727</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5900 CAPITAL</b>				
5920 MOTOR VEHICLES	36,336	85,000	80,000	-
5930 EQUIPMENT	11,354	28,276	5,020	2,745
	47,690	113,276	85,020	2,745
<b>6000 TRANSFERS OUT</b>				
COPS GRANT	-	-	-	12,500
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,500</b>
<b>FUND TOTAL</b>	<b>104,462</b>	<b>125,000</b>	<b>107,113</b>	<b>117,165</b>

### MAJOR BUDGET CHANGES

Sales Tax Revenue	(15,393)	Corrected budget to match historical actuals and current forecast.
Transfer In- Fund Balance	7,558	After transfer required reserves would still be met.
Multiple Line Items	(7,835)	Reallocated budgets to move funds from equipment and vehicles to fund a new officer position.

**TRANSPORTATION FUND**

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PROGRAM DESCRIPTION

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This fund was created by City Council to raise money for streets, sidewalks and drainage. The fund was created as of October, 2012.

MAJOR PROJECTS FOR FY 2017-18

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South Yaupon sidewalk project.



**Transportation Fund  
Revenues**

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
TRANS IN - FUND BALANCE			10,400	
4110 INTEREST	147	-	600	-
4125 TRANSPORTATION FEE	96,415	136,000	105,000	105,000
<b>FUND TOTAL</b>	<b>96,562</b>	<b>136,000</b>	<b>116,000</b>	<b>105,000</b>

**Transportation Fund  
Expenditures**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5300 MAINTENANCE &amp; REPAIR</b>				
5380 STREETS M&R	57,364	41,000	96,000	30,000
5382 SIDEWALKS M&R	-	-	-	50,000
5385 DRAINAGE M&R	10,000	75,000	20,000	25,000
<b>TOTAL</b>	<b>67,364</b>	<b>116,000</b>	<b>116,000</b>	<b>105,000</b>
<b>FUND TOTAL</b>	<b>67,364</b>	<b>116,000</b>	<b>116,000</b>	<b>105,000</b>

**MAJOR BUDGET CHANGES**

Transportation Fee (31,000.00) Corrected budget to match historical actuals and current forecast.  
 Multiple Line Items (11,000.00) Reallocated budgets to fund sidewalks for next year and to match lower revenue projection.

**BEAUTIFICATION FUND**

**PROGRAM DESCRIPTION**

This is used to account for the donations received by Keep Richwood Beautiful.

**Beautification  
Revenues**

DESCRIPTION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
4959 TRANS IN - FUND BALANCE	-	-	-	1,200
4112 MISCELLANEOUS	1,000	500	-	-
4113 INTERGOVERNMENTAL	1,000	1,000	1,000	1,000
4124 BEATIFICATION REVENUES	13,813	15,000	13,800	13,800
<b>FUND TOTAL</b>	<b>15,813</b>	<b>16,500</b>	<b>14,800</b>	<b>16,000</b>

**Expenditures**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2015/16	BUDGET FY 2016/17	PROJECTED FY 2016/17	BUDGET FY 2017/18
<b>5100 PERSONNEL COSTS</b>				
02 CONTRACT LABOR	9,375	9,000	9,000	8,500
30 TRAINING & TRAVEL	550	1,600	1,015	1,600
<b>TOTAL</b>	<b>9,925</b>	<b>10,600</b>	<b>10,015</b>	<b>10,100</b>
<b>5200 SUPPLIES</b>				
10 OFFICE SUPPLIES	-	100	100	100
20 TOOLS	76	700	200	500
40 EXPENDABLE	961	1,500	1,000	1,500
<b>TOTAL</b>	<b>1,037</b>	<b>2,300</b>	<b>1,300</b>	<b>2,100</b>
<b>5300 MAINTENANCE &amp; REPAIRS</b>				
10 BUILDING & GROUNDS	7,265	2,000	1,600	2,000
<b>TOTAL</b>	<b>7,265</b>	<b>2,000</b>	<b>1,600</b>	<b>2,000</b>
<b>5600 SUNDRY</b>				
60 DUES AND SUBSCRIPTIONS	537	600	650	800
85 PUBLISHING & ADVERTISING	826	1,000	1,000	1,000
95 SPECIAL SERVICES - MISC	-	-	202	-
<b>TOTAL</b>	<b>1,363</b>	<b>1,600</b>	<b>1,852</b>	<b>1,800</b>
<b>FUND TOTAL</b>	<b>19,590</b>	<b>16,500</b>	<b>14,767</b>	<b>16,000</b>

## **GLOSSARY**

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget document in understanding these terms, a budget glossary has been included in the document.

**ACCRUAL BASIS** - The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

**ACCRUED EXPENSES** - Expenses incurred but not due until a later date.

**ACCRUED REVENUES** - Revenues earned but not yet received.

**ADMINISTRATIVE OVERHEAD** - Administrative service charges are allocated to all Enterprise Fund activities (water/sewer) for indirect management and administrative support given by general fund departments.

**AD VALOREM TAXES** - (Current) All property, real personal, mixed tangible, intangible, annexations, additions, and improvements to property located within the taxing units jurisdiction which are subject to taxation on January 1 of the current fiscal year. Following the final passage of the appropriations ordinance, City Council sets the tax rate and levy for the current fiscal year beginning October 1 and continuing through the following September 30<sup>th</sup>.

**AD VALOREM TAXES** - (Delinquent) All taxes are due on receipt of bill and are delinquent if not paid before February 1 of the fiscal year in which it is imposed.

**AD VALOREM TAXES** - (Penalty and Interest) A delinquent tax incurs a penalty of six (6%) percent of the amount of the tax for the first calendar month it is delinquent, plus one (1%) percent for each additional month or portion of the month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, the delinquent tax on July 1 incurs a total penalty of twelve (12%) percent of the amount of the delinquent tax without regard to the number of months the tax has been delinquent. If a person exercises the split-payment option, as provided by the Property Tax Code, and fails to make the second payment before July 1, the second payment is delinquent and incurs a penalty of twelve (12%) percent of the amount of the unpaid tax. A delinquent tax incurs at the rate of one (1%) percent for each month or portion of a month the tax remains unpaid.

**APPROPRIATION** - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

**APPROPRIATION ORDINANCE** - The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

**ASSESSED VALUATION** - A value that is established for real or personal property for use as a basis for levying property taxes. (Note: Property values are established by the Brazoria County Appraisal District.)

**BOND** - A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

**BUDGET** - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term budget is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the appropriating body.

**BUDGET ADJUSTMENTS** - A legal procedure utilized by the City staff and City Council to revise a budget appropriation. City staff has the prerogative to adjust expenditures within a departmental budget.

**BUDGET CALENDAR** - The schedule of key dates or milestones which the City departments follow in the preparation, adoption, and administration of the budget.

**BUDGET DOCUMENT** - The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

**BUDGET DOCUMENT** - The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

**BUDGET MESSAGE** - The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the Mayor.

**BUDGETED FUNDS** - Funds that are planned for certain uses but have not been formally or legally appropriated by the legislative body. The budget document that is submitted for Council approval is composed of budgeted funds.

**CASH BASIS** - A basis of accounting under which transactions are recognized only when cash changes hands.

**CASH MANAGEMENT** - The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

**COST** - (1) The amount of money or other consideration exchanged for property or service. (2) Expense.

**COST ACCOUNTING** - That method of accounting which provides for assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operations, or to complete a unit of work or a specific job.

**CURRENT TAXES** - Taxes that are levied and due within one year.

**DEBT SERVICES** - The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

**DEFICIT** - (1) The excess of liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period; or, in the case of proprietary funds, the excess of expense over income during an accounting period.

**DELINQUENT TAXES** - Taxes that remain unpaid on and after the date on which a penalty for non-payment is attached.

**DEPRECIATION** - The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

**ENTERPRISE FUND** - A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) for providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability, or other purposes.

**ENCUMBRANCES** - Commitments related to unperformed (executory) contracts for goods or services.

**EXPENDITURE** - This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds. Note: An encumbrance is not an expenditure. Any encumbrance reserves funds to be expended.

**EXPENSES** - Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest and other charges.

**FISCAL YEAR** - The time period designated by the City signifying the beginning and ending period for recording financial transactions. The City of Richwood has specified October 1 to September 30 as its fiscal year.

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

**FRANCHISE TAX** - This is a charge paid for the use of City streets and public right of way and is in lieu of all other municipal charges, fees, street rentals, pipe taxes or rentals, easement or other like franchise taxes, inspection fees, and/or charges of every kind except Ad Valorem and special assessment taxes for public improvements. Current franchise taxes include: gas, cable TV, electric, telephone, and sanitation.

**FUNCTION** - A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible.

**FUND** - An accounting entity that has a set of self-balancing accounts and that records all financial transactions for specific activities or government functions. Eight commonly used funds in public accounting are: general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, trust and agency funds, internal service funds, and special assessment funds.

**FUND BALANCE** - Fund balance is the excess of assets over liabilities and is therefore also known as surplus funds.

**GENERAL FUND** - The fund used to account for all financial resources except those required to be accounted for in another fund.

**GENERAL OBLIGATION BONDS** - Bonds that finance a variety of public projects such as streets, buildings, and improvements; the repayment of these bonds is usually made from the General Fund, and these bonds are backed by the full faith and credit of the issuing government.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)** - Uniform minimum standards and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. They encompass the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. They provide a standard by which to measure financial presentations.

**GRANTS** - Contributions of gifts of cash or other assets from another government to be used or expended for a specified purpose, activity, or facility.

**INTERFUND TRANSFERS** - Amounts transferred from one fund to another.

**INVESTMENTS** - Securities and real estate held for the production of revenue in the form of interest, dividends, rentals, or lease payments. The term does not include fixed assets used in governmental operations.

**LEVY** - (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government.

**LONG-TERM DEBT** - Debt with a maturity of more than one year after the date of issuance.

**MODIFIED ACCRUAL BASIS** - The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under it, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized when the related fund liability is incurred except for: (1) Inventories of materials and supplies which may be considered expenditures either when purchased or used. (2) Prepaid insurance and similar items which need not be reported. (3) Accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger than normal accumulations must be disclosed in the notes to the financial statements. (4) Principal and interest on long-term debt which are generally recognized when due.

**OBJECT CODE** - Expenditure classification according to the types of items purchased or services obtained; for example, services, materials, supplies and equipment.

**OPERATING BUDGET** - Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law. Even where not required by law, however, annual operating budgets are essential to sound financial management and should be adopted by every government.

**OPERATING EXPENSES** - Proprietary fund expenses which are directly related to the fund's service activities.

**OPERATING GRANTS** - Grants which are restricted by the grantor to operating purposes or which may be used for either capital or operating purposes at the discretion of the grantee.

**OPERATING REVENUES** - Proprietary fund revenues which are directly related to the fund's primary service activities. They consist primarily of user charges for services.

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

**PERFORMANCE AUDITS** - Examinations intended to assess; (1) The economy and efficiency of the audited entity's operations and; (2) Program effectiveness-the extent to which program objectives are being attained.

**PERFORMANCE MEASURES** - Specific quantitative and qualitative measures of work performed as an objective of the department.

**PROGRAM DESCRIPTION** - Describe the nature of service delivery provided at this level of funding.

**PROGRAM OBJECTIVES** - Quantifiable steps toward accomplishing stated goals. They should have a specific time frame or measurable achievement. Objectives should be able to be reached or completed within the current fiscal year.

**PROGRAM GOALS** - Program goals describe the purpose or benefit the division/department plans to provide to the community and/or organization it serves. Goals identify the end result the division/department desires to achieve with its activities, but goals are often ongoing and may not be achieved in one year.

**PROPERTY TAX** - Property taxes are levied on both real and personal property according to the property's valuation and the tax rate.

**RESERVE** - An account to use to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

**REVENUE BONDS** - Bonds whose principal and interest are payable exclusively from earnings of an Enterprise Fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the Enterprise Fund's property.

**REVENUES** - (1) Increases in governmental fund type net current assets from other than expenditures refunds and residual equity transfers. Under NCGA Statement 1, general long-term debt proceeds and operating transfers in are classified as another financing sources rather than revenues. (2) Increases in proprietary fund type net total assets from other than expense refunds, capital contributions, and residual equity transfers. Under NCGA Statement 1, operating transfers in are classified separately from revenues.

**SALES TAX** - A general sales tax is levied on all persons and businesses selling merchandise in the city limits on a retail basis. Monies collected under authorization of this tax is for the use and benefit of the City; however, no city may pledge anticipated revenues from this source to secure the payment of funds or other indebtedness. The current sales tax for the City is 8.00% (1% rebated to the City from the State and the balance retained).

**TAX RATE** - The amount of tax stated in terms of a unit of the tax base; for example, \$.50 per \$100 (one hundred dollars) assessed valuation of taxable property.

**TAX RATE LIMIT** - The maximum rate at which a government may levy a tax. The limit may apply to taxes raised for a particular purpose, or to taxes imposed for all purposes, and may apply to a single government, to a class of governments, or to all governments in a particular area. Overall tax rate limits usually restrict levies for all purposes and of all governments, state and local, having jurisdiction in a given area.

**TAX ROLL** - The official list showing the amount of taxes levied against each taxpayer or property. Frequently, the tax roll and the assessment roll are combined, but even in these cases the two can be distinguished.

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

**TRIAL BALANCE** - A list of the balances of the accounts in a ledger kept by double entry with the debt and credit balances shown in separate columns.

**UNENCUMBERED BALANCE** - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purchases.