

City of Richwood

Adopted Budget Fiscal Year 2018-2019



Focused on the Future

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

CITY OF RICHWOOD
Fiscal Year 2018-2019
Budget Cover Page

This budget will raise less revenue from property taxes than last year's budget by an amount of \$-20,654, which is a -1.11 percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$36,844.

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

FOR: FRANK BLANKS
MIKE JOHNSON
MARK GUTHRIE

AGAINST: MARK BROWN II
KATY JOHNSON

PRESENT and not voting: n/a

ABSENT: SARAH REED

Property Tax Rate Comparison

	2018-2019	2017-2018
Property Tax Rate:	\$0.670204/100	\$0.634444/100
Effective Tax Rate:	\$0.691118/100	\$0.634444/100
Effective Maintenance & Operations Tax Rate:	\$0.626605/100	\$0.567208/100
Rollback Tax Rate:	\$0.737310/100	\$0.671805/100
Debt Rate:	\$0.060577/100	\$0.059221/100

Total debt obligation for CITY OF RICHWOOD secured by property taxes:
\$1,461,472.84

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 sustainable growth opportunities for families and businesses dedicated to serving our community 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, (Building Official, City Secretary, Finance Director, Police Chief, and the Public Works Director) who are responsible for the general administration of the City on a daily basis. The City Council is 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. The City has grown to close to 6,000 people with a tax base in excess of \$274,500,000.

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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October 1, 2018

Dear Citizen:

I am pleased to present to you the FY 2018-2019 Adopted Budget, which is a culmination of months of work by our City Council and Staff. This transmittal letter will discuss the changes that were made to the proposed budget that was submitted on Monday, July 9, 2018. These changes were discussed over the course of five public meetings and adopted on Monday, September 10, 2018.

FY 2018-2019 Budget Changes

General Fund

Ad Valorem Taxes. Based off the preliminary property values, staff proposed the adoption of the estimated effective tax rate, which was \$0.688455 per \$100 of assessed value and \$0.054011 higher than the 2017 Tax Rate of \$0.634444. Due to the final property values coming in higher than expected, City Council was able to reduce the tax rate to \$0.670204 while on decreasing property tax revenues by \$1.00. The final effective tax rate, as calculated using the State’s formula, was \$0.691118, meaning that City Council approved an average property tax decrease of 3.03%.

Auditor’s Fee. Due to the additional complexities related to transitioning to a new accounting software, the auditors estimated that an additional \$14,500 will be needed to conduct the FY 2017-2018 Financial Audit.

Police Shift Change. After the proposed budget was submitted, Chief Mayer requested to reduce the 15 minutes that had been historically added to each shift for shift changes. Meaning officers will no longer be expected to arrive early for their scheduled shifts. The adopted budget includes the estimated \$10,784 in savings that will be generated from this change.

Equipment Replacement Transfer. This amendment increases the budgeted savings for future equipment replacement from \$43,000 to \$59,533. To serve as a reference, for FY 2017 – 2018 the General Fund’s vehicles and equipment depreciated by just over \$170,000.

Utility Fund Debt Repayment. The City Council decided to convert into a loan approximately \$582,000 of debt owed by the Utility Fund to the General Fund. This action increased General Fund revenues by \$20,250. Included below is the repayment schedule that was adopted for the loan.

Year	Principal	Interest	Payment	Year End Balance
FY 2019	9,185.16	11,064.84	20,250.00	573,174.64
FY 2020	14,359.68	10,890.32	25,250.00	558,814.96
FY 2021	19,632.52	10,617.48	30,250.00	539,182.44
FY 2022	25,005.53	10,244.47	35,250.00	514,176.91
FY 2023	30,480.64	9,769.36	40,250.00	483,696.27
FY 2024	36,059.77	9,190.23	45,250.00	447,636.50
FY 2025	41,744.91	8,505.09	50,250.00	405,891.59
FY 2026	47,538.06	7,711.94	55,250.00	358,353.53
FY 2027	48,441.28	6,808.72	55,250.00	309,912.25
FY 2028	49,361.67	5,888.33	55,250.00	260,550.58
FY 2029	50,299.54	4,950.46	55,250.00	210,251.04
FY 2030	51,255.23	3,994.77	55,250.00	158,995.81
FY 2031	52,229.08	3,020.92	55,250.00	106,766.73
FY 2032	53,221.43	2,028.57	55,250.00	53,545.30
FY 2033	53,545.30	1,017.36	54,562.66	-
TOTAL	582,359.80	105,702.86	688,062.66	

Utility Fund

Utility Fund Debt Repayment. As a result of converting the Utility Fund's debt into a loan, the transfer to the General Fund was increased by \$20,250.

Transfer to Capital Improvements. This transfer was reduced by \$7,686 to help fund the new loan payment to the General Fund.

Transfer to Equipment Replacement. This transfer was reduced by \$12,564 to help fund the new loan payment to the General Fund.

Other Funds

Crime Control & Prevention. Sales tax revenues were increased by \$2,501 to match the updated projections. In addition to the funds from the sales tax increase, \$78,832 was transferred from the capital expenses line item to fund a new investigator position.


Capital Improvements. The funds revenues were decreased by \$7,686 to account for the lower transfer from the Utility Fund.

Equipment Replacement. Between the changes from the General Fund and Utility Fund transfers, total revenues increased by \$2,936.

Conclusion

In summary, the Adopted FY 2017-2018 Budget is very similar to the budget that was originally proposed to City Council. The key changes include reducing the proposed tax rate, converting the Utility Fund's debt into a loan, and adding a new investigator position in the Police Department.

Sincerely,



Michael Coon
City Manager

AMENDMENTS TO PROPOSED BUDGET - AS SUBMITTED 7/9/2018

GENERAL FUND

GENERAL FUND OPTION 2

Revenue	
Increase Transfer From Utility Fund for Debt Repayment	\$20,250
Decrease Property Tax Revenues	(\$1)
NET INCREASE (DECREASE)	<u>\$20,249</u>

Expenditures	
Increase Auditor's Fee	\$14,500
Reduce Police Shift Change	(\$10,784)
Increase Equipment Replacement Transfer	\$16,533
NET INCREASE (DECREASE)	<u>\$20,249</u>

GENERAL FUND REVISED REVENUES	\$2,730,418
GENERAL FUND REVISED EXPENDITURES	\$2,730,418

AMENDMENTS TO PROPOSED BUDGET - AS SUBMITTED 7/9/2018

UTILITY FUND

UTILITY FUND

Revenue	
N/A	\$0
NET INCREASE (DECREASE)	<u>\$0</u>

Expenditures	
Increase Transfer to General Fund for Debt Repayment	\$20,250
Decrease Transfer to Capital Improvements	(\$7,686)
Decrease Transfer to Equipment Replacement	(\$12,564)
NET INCREASE (DECREASE)	<u>\$0</u>

UTILITY FUND REVISED REVENUES	\$2,171,768
UTILITY FUND REVISED EXPENSES	\$2,171,768

AMENDMENTS TO PROPOSED BUDGET - AS SUBMITTED 7/9/2018

CCPD FUND

CCPD FUND

Revenue	
Increase Sales Tax to Match Updated Projections	\$2,501
NET INCREASE (DECREASE)	<u>\$2,501</u>
Expenditures	
Increase Personnel Costs to Add Investigator Position	\$81,333
Decrease Capital Expenses	(\$78,832)
NET INCREASE (DECREASE)	<u>\$2,501</u>
<i>CCPD FUND REVISED REVENUES</i>	<i>\$117,000</i>
<i>CCPD FUND REVISED EXPENDITURES</i>	<i>\$117,000</i>

AMENDMENTS TO PROPOSED BUDGET - AS SUBMITTED 7/9/2018

UTILITY CAPITAL IMPROVEMENT FUND

UTILITY CAPITAL IMPROVEMENT FUND

Revenue	
Decrease Transfer from Utility Fund	<u>(\$7,686)</u>
NET INCREASE (DECREASE)	<u>(\$7,686)</u>
Expenditures	
NET INCREASE (DECREASE)	<u>\$0</u>
<i>UTILITY CAPITAL IMPROVEMENT FUND REVISED REVENUES</i>	<i>\$149,324</i>
<i>UTILITY CAPITAL IMPROVEMENT FUND REVISED EXPENSES</i>	<i>\$128,790</i>

AMENDMENTS TO PROPOSED BUDGET - AS SUBMITTED 7/9/2018

EQUIPMENT REPLACEMENT FUND

EQUIPMENT REPLACEMENT OPTION 2

Revenue

Increase Transfer from General Fund	\$16,533
Decrease Transfer from Utility Fund	(\$12,564)
NET INCREASE (DECREASE)	<u>\$3,969</u>

Expenditures

NET INCREASE (DECREASE)	<u>\$0</u>
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<i>EQUIPMENT REPLACEMENT FUND REVISED REVENUES</i>	<i>\$99,533</i>
<i>EQUIPMENT REPLACEMENT FUND REVISED EXPENDITURES</i>	<i>\$40,000</i>

RESOLUTION 18-R-10

A RESOLUTION ADOPTING THE BUDGET FOR THE CITY OF RICHWOOD, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019

WHEREAS, on July 9, 2018, 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 9, 2018, the City Manager of the City of Richwood filed with the City Secretary the proposed Budget for the City of Richwood Fiscal Year 2018-2019; and

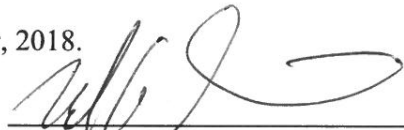
WHEREAS, a public hearing on said budget was duly held on August 27, 2018 and all interested persons were given an opportunity to be heard for or against any item thereof.

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 as amended for the fiscal year beginning October 1, 2018 through September 30, 2019 and hereby appropriates the amounts as specified therein at the fund level.

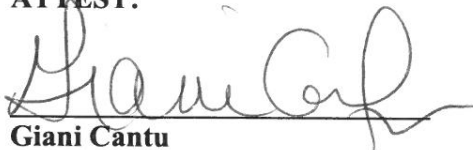
SECTION 2: That the City Manager shall cause copies of the budget to be filed with the City Secretary and the County Clerk of Brazoria County.

PASSED AND APPROVED 10th day of September, 2018.



Mark Guthrie
Mayor

ATTEST:



Giani Cantu
City Secretary

ORDINANCE NO. 18-434

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, 2018 through September 30, 2019, 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 \$0.670204 on each \$100 assessed value of all taxable property.

Section 2: That of the total tax \$ 0.609627 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 \$ 0.060577 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 BUDGET WILL RAISE LESS REVENUE FROM PROPERTY TAXES THAN LAST YEAR'S BUDGET BY AN AMOUNT OF \$-20,654, WHICH IS A -1.11 PERCENT DECREASE FROM LAST YEAR'S BUDGET. THE PROPERTY TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR IS \$36,844.

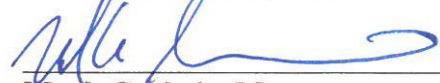
Section 5: That for enforcement of the collection of taxes hereby levied, the City of Richwood shall have available all rights and remedies provided by law.

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.

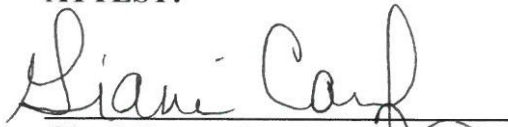
PASSED AND APPROVED on the first and final reading this 10th day of September, 2018.

CITY OF RICHWOOD




Mark Guthrie, Mayor

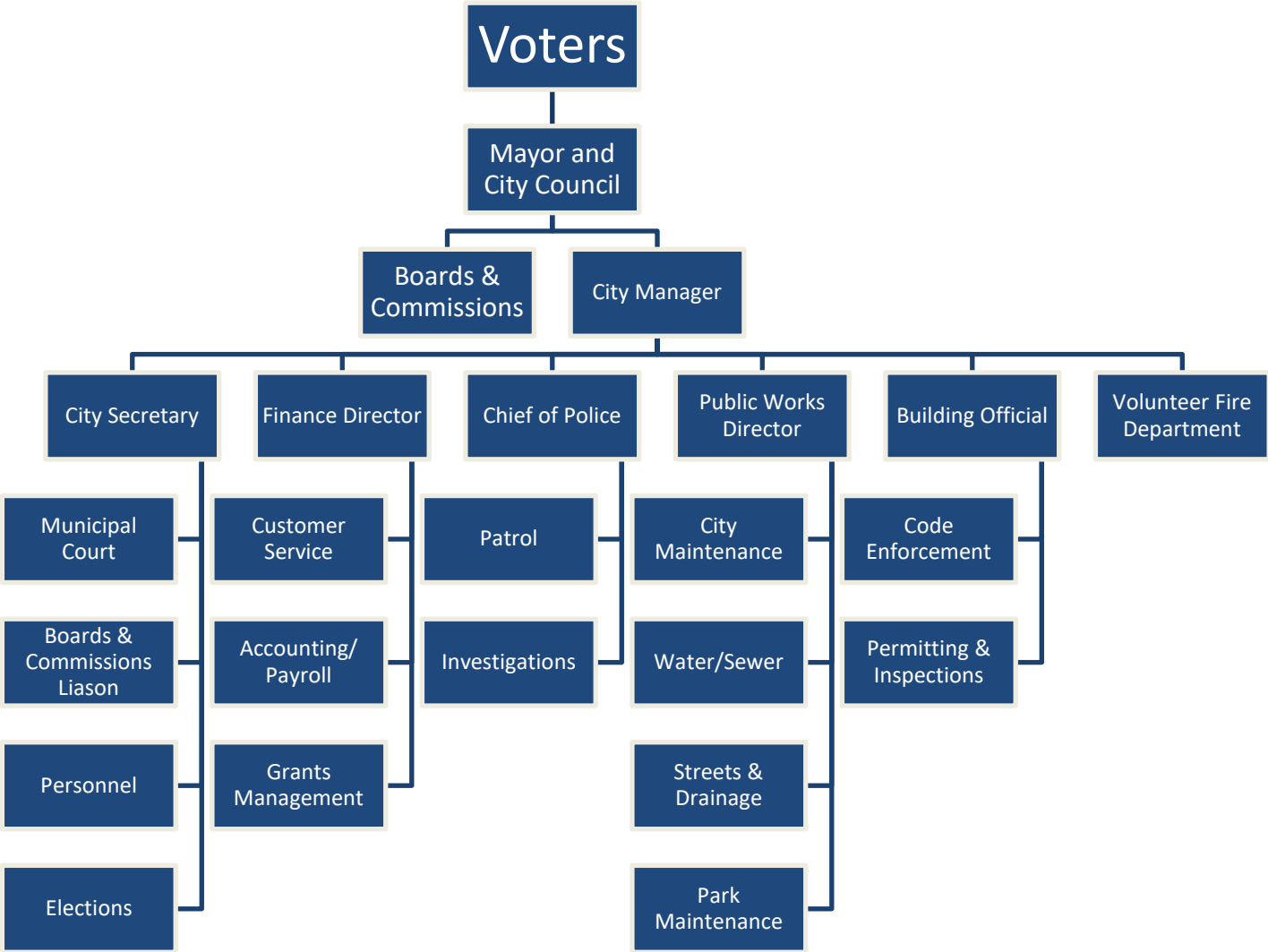
ATTEST:


Giani Cantu, City Secretary

APPROVED AS TO FORM:


w/ permission by R.P. MATTHEW ALLEN
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
OPERATING BUDGET CYCLE											
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									
BUDGET MAINTENANCE											
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"> Staff Goals & Visioning Kickoff 	Budget Staff
March 5 rd	<ul style="list-style-type: none"> Staff Goals & Visioning Input Forms Due 	Budget Staff
March 20 th	<ul style="list-style-type: none"> Staff Goals & Visioning Exercise 	Budget Staff
March 30 th	<ul style="list-style-type: none"> Complete Draft of 5-Year Forecast 	CM & CS
April 2 nd – 6 th	<ul style="list-style-type: none"> Staff Review & Refine 5-Year Forecast 	Budget Staff
April 9 th	<ul style="list-style-type: none"> City Council Meeting: 5-Year Forecast & Strategic Priorities 	City Council
April 17 th	<ul style="list-style-type: none"> Distribute Department Budget & CIP Worksheets 	CM & CS
May 14 th	<ul style="list-style-type: none"> Deadline for Departmental Submittals 	Budget Staff
May 22 nd	<ul style="list-style-type: none"> Budget Hearing: Administration, GF Revenues, KRB & Parks 	CM & CS
May 23 rd	<ul style="list-style-type: none"> Budget Hearing: Police & CCPD 	CM, CS, & Police Chief
May 24 th	<ul style="list-style-type: none"> Budget Hearing: Public Works & Utility Fund 	CM, CS, & PW Director
May 25 th	<ul style="list-style-type: none"> Budget Hearing: Permitting & Inspections 	CM, CS, & Permitting Director
May 28 th – June 8 th	<ul style="list-style-type: none"> Finalize Preliminary Budget Requests 	Budget Staff
June 2 nd	<ul style="list-style-type: none"> City Council Meeting: Strategic Priorities Follow-up 	City Council
June 18 th – July 6 th	<ul style="list-style-type: none"> Prepare Proposed Budget for Presentation to City Council 	CM & CS
July 9 th	<ul style="list-style-type: none"> City Council Meeting: Proposed Budget Delivered to City Council 	City Council & City Manager
July 16 th	<ul style="list-style-type: none"> Budget Workshop 	City Council & Budget Staff
July 25 th	<ul style="list-style-type: none"> Receive Certified Appraisal Roll, Calculate Effective Tax Rate 	CM & CS
August 3 rd	<ul style="list-style-type: none"> Post 72 Hour Notice for Council Meeting 	City Secretary
August 6 th	<ul style="list-style-type: none"> 2nd budget workshop, if needed 	City Council & Budget Staff
August 13 th	<ul style="list-style-type: none"> City Council Meeting: Regularly Scheduled 	City Secretary
August 23 rd	<ul style="list-style-type: none"> Publish 72 Hour Notice Public Hearing on the Budget 	City Secretary
August 27 th	<ul style="list-style-type: none"> City Council Meeting: Public Hearing on Budget 	City Council
September 7 th	<ul style="list-style-type: none"> Publish 72 Hour Notice for Meeting at which City Council Will Adopt Tax Rate 	City Secretary
September 10 th	<ul style="list-style-type: none"> City Council Meeting: Adopt Tax Rate & Budget 	City Council
September 30 th	<ul style="list-style-type: none"> Last Day to Provide Adopted Tax Rate to Brazoria County 	City Secretary

THE BUDGET PROCESS

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

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

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

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.

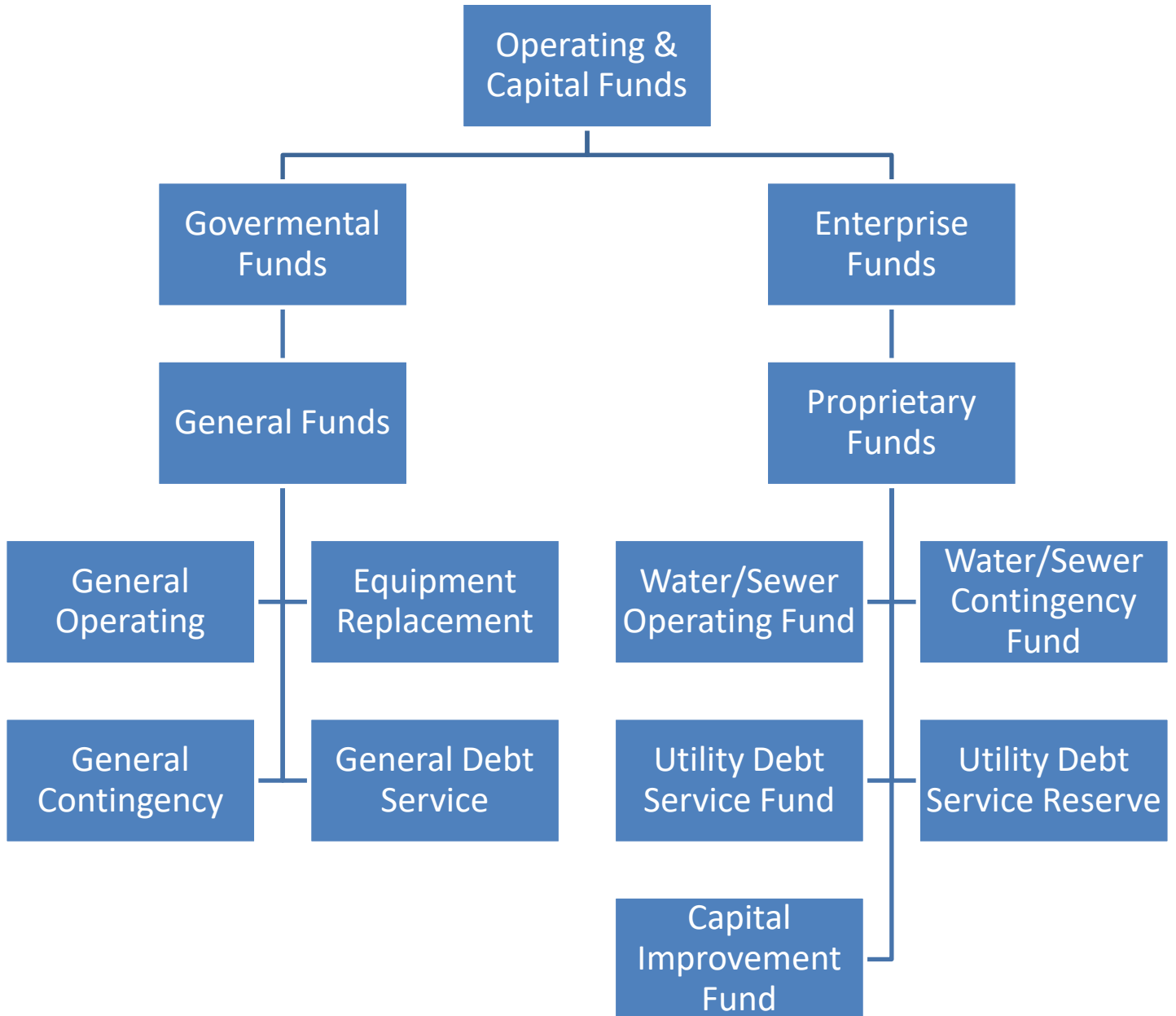
Water/Sewer Contingency Fund - This fund contains money to be used in case of emergency or special expenses.

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 30% and 40% of budgeted expenditures for the General Operating Fund.

Water/Sewer Fund

The City will seek to maintain an undesignated fund balance between 30% and 40% of budgeted expenses 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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Manager's Message

July 7, 2018

The Honorable Mayor and City Council:

Staff has worked hard to put together a balanced budget that best meets Richwood's needs while not exceeding the effective tax rate. To come in at the effective tax rate, there were some tough decisions that had to be made. However, I believe that the FY 2018-2019 Proposed Budget presents a balanced approach that begins to address the unfunded depreciation of the City's assets and equipment, works to ensure that each full-time position is being utilized as efficiently as possible, and establishes a pay system that competitively and equitably compensates our employees.

The remainder of this message will summarize the following aspects of the proposed budget:

1. FY 2017-2018 Overview
2. Council's Vision & Strategic Plan Update
3. Compensation Study & Proposed Pay Plan
4. General Fund Proposed Budget
5. Utility Fund Proposed Budget
6. Other Funds

FY 2017-2018 Overview

Last year the City of Richwood, like many of our neighbors and friends in the greater Houston region, was severely impacted by the flooding from Hurricane Harvey. In total our records show that 340 homes, 16 businesses, and 124 apartment units were flooded and/or damaged from Harvey. Even though many of our residents are back in their homes, a lot of them are still going through one phase or another of the recovery process.

Everyone with the City has also been working hard on recovery efforts from Hurricane Harvey. The City Council has appointed a Flood & Drainage Advisory Committee that has already spearheaded one flood related engineering study and that is working on getting grant funding for another study and a potential diversion channel. Additionally, staff has been working with FEMA to receive reimbursement on over \$170,000 for the costs we incurred responding to the disaster and another estimated \$70,000 in repairs to City facilities and infrastructure. FEMA has not yet officially awarded these funds. So, they are not reflected in the FY 2017-18 Year End Projections nor are the included in the FY 2018-2019 Proposed Budget.

With the recent flooding in mind, City Council decided to postpone a utility rate increase that was planned to come into effect with the FY 2017-2018 Adopted Budget on October 1, 2017. The utility rate increase was implemented starting in April and at the time the Utility Fund's budget was revised from \$2,425,820

to \$2,272,065 that, among other things, required delaying the hiring of two full-time positions until October 1, 2018.

The City’s sales tax revenue was also impacted by the natural disaster and during the first quarter of the fiscal year we experienced a large drop in our sales tax revenues. Seeing the decrease in revenues staff closely monitored our expenses and indefinitely postponed the hiring of a new police officer from the Crime Control & Prevention District, which is funded through sales tax revenues. Thankfully, as the year has progressed sales tax revenues have steadily recovered. Some additional revenues have also come from hiring a contractor to conduct a sales tax compliance audit. The audit has found some revenues that had been mistakenly sent to other entities.

All in all, I am projecting that our revenues will come in higher than our expenditures and that there will be some small savings at the end of FY 2017-2018. The table below summarizes the year end projections.

	FY 17-18 Budget	Projected Revenues	Projected Expenditures	Variance (Revenues to Expenditures)
General Fund	\$3,129,873	\$3,127,839	\$3,095,208	\$32,632
Utility Fund	\$2,272,065	\$2,259,813	\$2,255,240	\$4,573
Other Funds	\$903,523	\$901,668	\$789,550	\$112,118

Council’s Vision & Strategic Plan Update

On Saturday, June 2, 2018 the City Council met with staff to review and update the City’s strategic plan. After reviewing and discussing their vision for the City, the City Council decided to amend the language to clarify that instead of focusing on a thriving economy the City should focus on creating sustainable growth opportunities that would fit well with Richwood’s safe and beautiful neighborhoods. Listed below is the old vision statement and the new vision statement, which is shown in italics

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.

The City of Richwood is a model for safe and beautiful neighborhoods with sustainable growth opportunities for families and businesses dedicated to serving our community for current and future generations.

After reviewing the vision statement Council also looked at the mission statement and decided that the prior statement is still consistent with their vision for Richwood. The mission statement is listed below.

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.

To help guide the staff in carrying out the vision and mission statements, City Council provided the following strategic priorities to consider when planning and creating the budget:

1. Financial Sustainability
2. Economic Development
3. Infrastructure Investments
4. Community Development
5. City Operations

In creating the budget staff was mindful of creating a proposal that would try to strike an appropriate balance among the listed priorities. Two of the main focuses were (1) to start planning better for the future by reserving more funds for capital and equipment replacement projects and (2) to be mindful of our budget constraints while planning a way to maximize our staffing resources.

Compensation Study & Proposed Pay Plan

Going into FY 2017-2018 one of the goals was to work with students from Texas A&M to complete a compensation study for all our positions. We were fortunate enough to work with a great class of students from the Master of Science in Human Resource Management program. During their Fall semester they worked hard gathering and analyzing information that they then presented to the City this past December.

One team of students did an exceptional job of finding four cities to use as comparisons for the study by looking at the size of different cities budgets, their populations, and their distance from the largest cities in Texas. Since December, staff found five additional cities and gathered the salary information from those cities to create a salary survey with a total of nine other cities that are like Richwood. To gain a better perspective of how we compete with other local cities, salary information from Lake Jackson and Clute was included for the non-exempt, or hourly, positions. The table below lists the cities used in the salary survey and the job class categories their information was included in.

	Hourly	Supervisor	Executive	Police
Bellville	X	X	X	X
Brazoria	X	X	X	X
Clute	X			X
Columbus	X	X	X	X
Jacksboro	X	X	X	X
Joshua	X	X	X	X
Krum	X	X	X	X
Lake Jackson	X			X
Rockdale	X	X	X	X
West Columbia	X	X	X	X
Willis	X	X	X	X

After all the comparative data was gathered, the next step was to look at how Richwood employees were paid compared to the market. Overall there was a wide range of scores when looking at where each position was compensated compared to the market. The results ranged from the public works director being paid near the bottom of the reported annual salaries to the police officers being paid at the top of the reported annual salaries. One of the goals of creating a pay plan is to create a pay system that is based off each pay scale being established with a mid-point that is set to the same market position, or percentile. To keep police officer salaries competitive, it was decided to base the mid-point for each pay scale at the 80th percentile of the market data.

After establishing where to base the pay scales, it was then decided that not every position would have its own pay scale and the positions with similar responsibilities would be grouped into the same pay scale based off the average market for those positions. The following table provides a summary of the proposed pay scales based off setting the mid-point at the 80th percentile of market.

Grade	Title	Min	Mid	Max
Hourly-1	Customer Service Representative	\$30,400	\$35,765	\$41,130
Hourly-1	Operator Trainee/Maintenance Tech	\$30,400	\$35,765	\$41,130
Hourly-2	Administrative Assistant	\$35,620	\$41,906	\$48,192
Hourly-2	Court Clerk	\$35,620	\$41,906	\$48,192
Hourly-2	Operator	\$35,620	\$41,906	\$48,192
Supervisor-1	Public Works Foreman	\$44,625	\$52,500	\$60,375
Supervisor -2	Building Official	\$51,670	\$60,788	\$69,906
Executive-1	City Secretary	\$61,815	\$72,724	\$83,633
Executive-1	Director of Public Works	\$61,815	\$72,724	\$83,633
Executive-1	Finance Director	\$61,815	\$72,724	\$83,633
Executive-2	Chief of Police	\$66,732	\$78,508	\$90,284
Executive-3	City Manager	\$90,610	\$106,600	\$122,590
Police-1	Recruit	\$45,348		
Police-2	Patrol Officer	\$47,735	\$53,038	\$58,342
Police-3	Police Sergeant	\$57,281	\$63,646	\$70,011

When creating the pay plan, we also wanted to create a natural progression and to define some roles a little more clearly. So, the Operator Trainee position was created for employees that are working on the water operator licensing and the recruit position was created in the Police Department until a new officer completes their field training. Also of note, is the addition of the finance director position, which is included in the proposed budget, and the elimination of the court administrator position.

To start elevating some of the wage compression problems in some of the departments, the decision of where to place the employees into their new pay scales was based off their longevity in their positions. Based off longevity 12 of the 24 current full-time positions are currently being paid more than their recommended salary under the new system. The proposed budget does not include reducing these employees' salaries, but it is recommended that their salaries be held flat until their recommended salary outgrows their current salary.

General Fund Proposed Budget

The proposed budget for both the General Fund revenues and expenditures is set at \$2,710,169, which is a decrease of \$419,704. However, the overall decrease is due to a large decrease in transfers as the operating budgets are proposed to increase.

General Fund Revenues

As mentioned previously, we are expecting to see a decrease in the total revenues, but an increase in the operating revenues. Please see the following chart below for a summary of these changes.

	FY 17-18	FY 18-19	Variance
Operating Rev.	\$2,477,297	\$2,605,759	\$128,462
Transfers Rev.	\$652,576	\$104,410	(\$548,166)
Total Budget	\$3,129,873	\$2,710,169	(\$419,704)

Transfers In. As shown in the chart, the General Fund revenue coming from transfers is anticipated to decrease by \$548,166. The two reasons for this decrease are (1) the \$296,426 decrease in the transfer from the Utility Fund due to removing a one-time debt payment and (2) reducing a previous transfer of \$251,750 from fund balance to pay for some one-time expenses; e.g., creating a contingency fund, purchasing a new server, and upgrading the City’s enterprise software.

Ad Valorem Taxes. For Tax Year 2017 Richwood had \$294,168,905 in value on the appraisal districts rolls. Due to the damage caused by Hurricane Harvey, we are estimating that for Tax Year 2018 that the total property values will drop by about 9% to \$267,793,504. The appraisal district will release their final values on or around July 25th, at which time we will be able to get exact amounts for the change in value and the effective tax rate.

As mentioned previously, staff has designed the proposed budget around adopting the effective tax rate, which is being estimated at \$0.688455 per \$100 of assessed value, or 0.054011 higher than the 2017 Tax Rate of \$0.634444. For clarification, the effective tax rate is the tax rate that would be required to produce the same amount of taxes if applied to the same properties taxed in both years. On average each property owner would pay the same amount they paid the previous year. However, different property owners will be impacted differently. The following chart provides a quick look at how the proposed tax rate may impact Richwood’s residents and businesses.

Estimated Change in Richwood Property Taxes

Home Value	\$150,000	\$250,000	\$350,000
No Change	\$81.02	\$135.03	\$189.04
8% Increase (Homestead Cap)	\$163.63	\$272.72	\$381.81
10% Decrease	(\$22.25)	(\$37.09)	(\$51.92)
20% Decrease	(\$125.52)	(\$209.20)	(\$292.88)
30% Decrease	(\$228.79)	(\$381.31)	(\$533.84)

Even though we are proposing the adoption of the effective tax rate, we are still projecting that our net property tax revenues will be about \$98,000 higher because one of the new apartment complexes has not met the requirements in their 380 Agreement to receive reimbursements for their property taxes.

Other Revenues. Some of the other revenue areas that are seeing some change are sales tax, building permits, court fines, and the barbeque cookoff. Listed below is a brief explanation for the changes.

- Sales Tax: There is a projected increase of \$36,961 due to working with a third-party consultant to correct errors where Richwood was not receiving the appropriate amount of revenues.
- Building Permits: Revenues are projected to increase \$10,000 due to new growth.
- Court Fines: Are projected to decrease \$19,000 due to lower citation numbers
- Barbeque Cookoff: The Volunteer Fire Department is taking over the event and the budget of \$7,000 has been eliminated. There is also a corresponding decrease in General Fund expenditures.

General Fund Expenditures

The FY 2018-2019 Proposed budget includes a \$53,664 increase in operating expenditures for the General Fund and a decrease of \$473,369 to the transfers to other funds, as shown by the chart below.

	FY 17-18	FY 18-19	Variance
Operating Exp.	\$2,475,435	\$2,529,099	\$53,664
Transfers Exp.	\$654,439	\$181,070	(\$473,369)
Total Budget	\$3,129,873	\$2,710,169	(\$419,704)

Transfers Out. Most of the \$473,369 decrease in transfers out can be attributed to the \$311,681 decrease in a one-time payment to the Utility Fund for water and sewer fees that historically had not been paid. In last year’s budget this transfer out was offset by a transfer in from the Utility Fund to reduce the debt that it owes the General Fund.

The proposed budget also includes a \$66,983 decrease in the transfer to the contingency fund. The fund balance is almost at the maximum amount allowed by the Charter and only \$7,161 dollars is needed this year to reach that maximum amount.

There is also a decrease of \$62,610 for the equipment replacement transfer and \$32,095 for the capital projects transfer. Last year the transfer outs were offset by a one-time payment from the General Fund’s cash balance. This year we are taking a crucial step forward by funding the transfers from the annual revenues. As a City we need to work towards making sure that every year we are pre-funding as much of our capital and equipment replacement needs as possible so that the depreciation does not catch up to us. Also, pre-funding these needs helps to save money by avoiding the interest that comes with financing things.

Administration. This year’s budget is proposed to increase by \$142,593 from \$556,935 to \$699,528. The four major changes proposed in Administration’s budget are summarized below.

- Finance Director: To help move towards the goal of improving Richwood’s financial sustainability, the budget includes an increase of \$97,212 to pay all the costs associated with adding a finance director position. Over the past year the needs for a finance director have become even more apparent as staff has had to work longer and longer hours while still not having the time to accomplish some of the basic financial tasks that should be done on a routine basis.

Understanding the financial constraints that we operate under, staff examined multiple scenarios to help find what we believe to be the most efficient way to achieve our desired results. We

compared our staffing levels to that of our comparison city's and did find that comparatively our number of full-time positions was low. However, one key finding was that the Court had a higher staffing level than our comparison cities, which is one of the key findings that lead to the recommendation to reduce the court administrator position to help fund the finance director position and still have funds available to dedicate to the capital and equipment replacement budgets.

- MuniServices Payments: The Special Services-Miscellaneous budget was increase by \$24,000 to account for the payments to MuniServices for the sales tax corrections they have made.
- Compensation Plan: An increase of \$16,159 is included in the budget to move employees into their designated spots within the new pay structure. Once the pay scales were created, employees were placed into their appropriate pay scale based off longevity in their position.
- Elections: An additional \$6,000 is included to hold bond elections in November 2018.

Judicial. The proposed budget for the Court is being reduced by \$41,482. There are some funds being added to more accurately budget for our attorney fees and software subscriptions. However, \$54,280 is being reduced with the proposed reduction of the court administrator position.

Even though I believe that the court can be efficiently managed by one employee that is overseen by the City Secretary, the decision to lay off the court administrator has been an extremely difficult one. We looked at reclassifying the position and moving it to another department. However, staff couldn't justify the desire to keep the position over the need to provide pre-funding for the City's capital and equipment replacement needs.

Police. Overall it is proposed that the Police Department's budget be increased \$35,682 from \$919,169 to \$954,851. The increase is comprised primarily of the following five changes:

- Overtime: The budget was increased by \$15,236 to more accurately reflect historical expenditures. Overtime in FY 2017-2018 is projected to be about \$47,000 over budget. However, we believe that with some changes to staffing policies that next year overtime can be substantially reduced from this year's projected amount.
- Compensation Plan: There is \$7,712 included to fund the placement of the department's personnel in their appropriate spot within their pay scales. The bulk of this money would go towards increasing the sergeant's salaries, who this year will receive a salary of \$1,508 more than two of the officers.
- Animal Control: The budget has been increased by \$4,600. Historically, Richwood has brought our pets to Angleton's shelter at no cost. However, we are anticipating that will soon change and we will either need to start paying Angleton or to find a new place to take unclaimed pets.
- Jail Expense: An increase of \$3,540 was included in the budget to fund the software for video magistration, which will allow the judges to conduct some of their business offsite.

Other Departments. The summaries below explain changes in three other departments.

- Storm/Disaster: This budget was reduced by \$86,231. It was only intended for one year to help with the Harvey recovery efforts. There are still adequate contingencies and reserves in the General Fund to address any need that arises.

- City Maintenance: The budget was decreased by \$18,320 to better reflect historical expenditures.
- Fire Department: The budget was increased by \$14,347 due to an increase in the number of volunteers and a \$8,000 increase in our EMS contract.

Utility Fund Proposed Budget

The proposed budget for both the Utility Fund revenues and expenditures is set at \$2,171,768, which is a decrease of \$100,297 lower than the FY 2017-2018 Revised Budget. However, the overall decrease is due to a large decrease in transfers as the operating budgets are proposed to increase.

Utility Fund Revenues

Like the General Fund, total revenues in the Utility Fund are expected to decrease due to a large decrease in the transfers. However, there is a projected increase of \$211,384 in the operating revenues. Please see the following chart below for a summary of these changes.

	FY 17-18	FY 18-19	Variance
Operating Rev.	\$1,870,475	\$2,081,859	\$211,384
Transfers Rev.	\$401,590	\$89,909	(\$311,681)
Total Budget	\$2,272,065	\$2,171,768	(\$100,297)

Transfers In. The transfer from the General Fund is budgeted to be \$311,381 lower than FY 2017-2018. The previous transfer includes a large payment for water and sewer services because historically the General Fund had not been paying for its usage. For FY 2018-2019, the transfer is comprised of \$40,419 to help pay for the salary of the public works director and \$49,490 for water and sewer usage.

Water & Sewer Fees. Water and sewer fees are expected to increase \$196,198, or about 12.8 percent, from the previous year. The primary reason for the increase is that the new rates that were implemented in April will be in place for the full year.

Garbage Receipts. For FY 2018-2019 it is expected that the revenue from garbage collections will increase by \$17,261 due to an increase in pricing from Waste Connections.

The current contract with Waste Connections expires at the end of August 2018. So, this spring the City sent out two different requests seeking bids to provide solid waste services to the City of Richwood. The first time the request was sent out there was only one response and it was from Waste Connections. Their proposal included an increase in their charges from \$14.71 for basic service to \$15.85. Since there was an increase of \$1.14, staff wanted to do our due diligence before accepting a price increase. So, we rejected Waste Connections first bid and sent out another request for proposals. However, once again Waste Connections was the only company to submit a proposal and at that point the City accepted their bid.

Since the contract price with Waste Connections is increasing, staff is recommending passing the increase along through the regular base rate. However, staff is recommending that the base rate for seniors be increased to \$15.85, which is the rate that Waste Connections will charge the City. Listed below is a summary of the recommended price increases.

	FY 18 Rate	FY 19 Rate	Change
Base Rate	\$16.00	\$17.14	\$1.14
Base Rate - Over 65	\$14.00	\$15.85	\$1.85
Price per Additional Can	\$8.00	\$8.00	\$0.00

Utility Fund Expenditures

The FY 2018-2019 Proposed budget includes a \$53,664 increase in operating expenditures for the Utility Fund and a decrease of \$473,369 to the transfers to other funds, as shown by the chart below.

	FY 17-18	FY 18-19	Variance
Operating Exp.	\$1,510,729	\$1,680,508	\$169,776
Transfers Exp.	\$761,336	\$491,260	(\$270,076)
Total Budget	\$2,272,065	\$2,171,768	(\$100,297)

Transfers Out. The biggest reason for the overall decrease in the budget for transfers out is a \$296,416 decrease in the transfer to the General Fund, which is due to the reduction of a one-time transfer to help pay off over \$880,000 that was owed to the General Fund. In addition to the changes in the transfer to the General Fund, all the other transfer amounts changed as well. The changes to the other transfers are summarized below.

- Contingency Fund: The transfer is being reduced by \$22,985 from \$47,069 to \$24,084. According to the City Charter, the contingency fund is only allowed to hold up to three percent in reserves. The budgeted transfer for FY 2018-2019 will bring the fund balance to the maximum value allowed.
- Utility Debt Service: The transfer is budgeted to be reduced by \$12,564 due to lower debt payments. However, this is just a one year decrease and the payments for FY 2019-2020 are scheduled to increase by \$16,009.
- Capital Improvements: There is a proposed increase of \$69,324 for FY 2018-2019. The total proposed transfer is \$157,010. About half of the transfer will go to funding the remaining portion of the Water & Sewer Master Plan/Impact Fee Study, which will also produce a capital improvement plan for incorporation into future budgets. The other half will go to rebuilding two of our water wells and other small projects.
- Equipment Replacement: It is proposed that the transfer is decreased from \$59,999 to \$52,564. During the FY 2017-2018 budget the funds were used to purchase a new sewer jetter. In FY 2018-2019 \$40,000 is being used to purchase a new diesel F-250 to provide a vehicle for the two new employees. The remaining funds are being used to pre-fund future equipment replacement needs by starting to build up the fund balance in the Equipment Replacement Fund.

Personnel. The Utility Fund's proposed budget includes an additional \$108,615 to fund the two new positions that were approved, but not funded in the FY 2017-2018 Budget. For many years staffing has been limited in this department, which has not allowed the employees enough time to do some of the basic tasks that should be on their routine maintenance schedule. It is projected that over time these two positions will more than pay for themselves just by properly exercising the valves and hydrants in the water system.

Professional Services. The budgets for professional services in the Utility Fund are being increased by \$31,698. Historically these line items have been underfunded causing professional services to be charged to the Water M&R and Sewer M&R line items, which limited the funds available to make repairs.

Solid Waste Charges. Is being increased by \$15,860 to offset the Waste Connections price increase.

Other Funds

Beautification Fund

The Beautification Fund is projected to spend \$11,650 of their \$16,000 budget for FY 2017-2018. During this past year the executive director has spent most of her time focused on rebuilding her home that flooded during Hurricane Harvey and not as many events were held. However, we are hopeful that all the events will return this next budget year and the proposed budget is the same as the previous year.

Capital Projects Fund

The Capital Projects Fund is used to hold and track the funds for General Fund projects. In FY 2017-2018 it's projected that \$10,000 more will be spent than the original budget of \$72,095. At their meeting on April 9, 2018, the City Council approved spending up to \$10,000 more than originally budgeted for the project to replace the City's enterprise software. The funds to cover the overage are coming from savings on the City's server replacement project.

The fund's proposed budget for FY 2018-2019 is \$40,000 to replace the roof at City Hall. When the building was originally purchased and remodeled, everything was updated by the City except for the roof.

Crime Control Prevention District (CCPD) Fund

Due to the initial decrease in the fund's sales tax revenue after Hurricane Harvey, the decision was made not to hire the new police officer that was originally included in the FY 2017-2018 Adopted Budget. Due primarily to this decision, it is projected that the fund will end the current fiscal year spending about \$59,000 less than original budget of \$117,165.

It is proposed that the budget for FY 2018-2019 be set at \$114,499. Since the CCPD Board met to discuss their budget before the new police chief started working, they proposed that \$18,966 be budgeted to fund the part-time warrant officer position and that the remaining balance of \$95,533 be held in the equipment line item as a place holder. The CCPD Board will be meeting with Chief Mayer on Thursday, July 19th to adopt a spending plan for the remaining balance. This plan will then be presented to the City Council for inclusion into the FY 2018-2019 Adopted Budget.

Equipment Replacement Fund

The equipment replacement fund receives contributions from both the General Fund and the Utility Fund and is designed to fund the City's equipment and vehicle needs. The FY 2017-2018 included \$165,609 to purchase a new server (\$75,000), a sewer jetter (\$59,999), and a replacement truck for Public Works (\$30,610). Due to savings on the server project, it is projected that the fund will spend about \$35,000 less than the original budget.

As discussed in the discussion on the transfers for the General and Utility Funds, for FY 2018-2019 the Equipment Replacement Fund is scheduled to receive \$95,564 in revenues and to spend \$40,000 for a new truck in the Utility Fund. The remaining balance of \$55,564 will be used to start the process of pre-funding the annual depreciation for our equipment and vehicles, which totaled over \$190,000 in FY 2016-2017.

Transportation Fund

For FY 2017-2018 it is estimated that the City will spend \$25,000 less than originally budget in the transportation fund. The City is planning on spending the \$55,000 budgeted for street and drainage projects. Due to the time spent recovering from Hurricane Harvey, it is estimated that only half of the

\$50,000 reserved for sidewalks will be spent. The original plan was to install sidewalks along S. Yaupon, but only the engineering work is being funded for that project this year, in addition to ADA ramp repairs.

Due to new revenue coming in from the newest apartment complexes, the budget is projected to increase by \$31,800 to \$136,800 for FY 2018-2019. The funds will be split equally between streets, sidewalks, and drainage.

Utility Capital Improvement Fund

It is projected that the fund will spend all the \$87,686 budgeted for FY 2017-2018. The proposed budget for FY 2018-2019 is \$157,010, which includes \$75,000 to finish funding the Water & Sewer master Plan/Impact Fee Study, \$53,790 to rebuild water wells 3 & 4, and the remaining balance is being reserved to start saving for some of the capital projects that will come from the study.

Conclusion

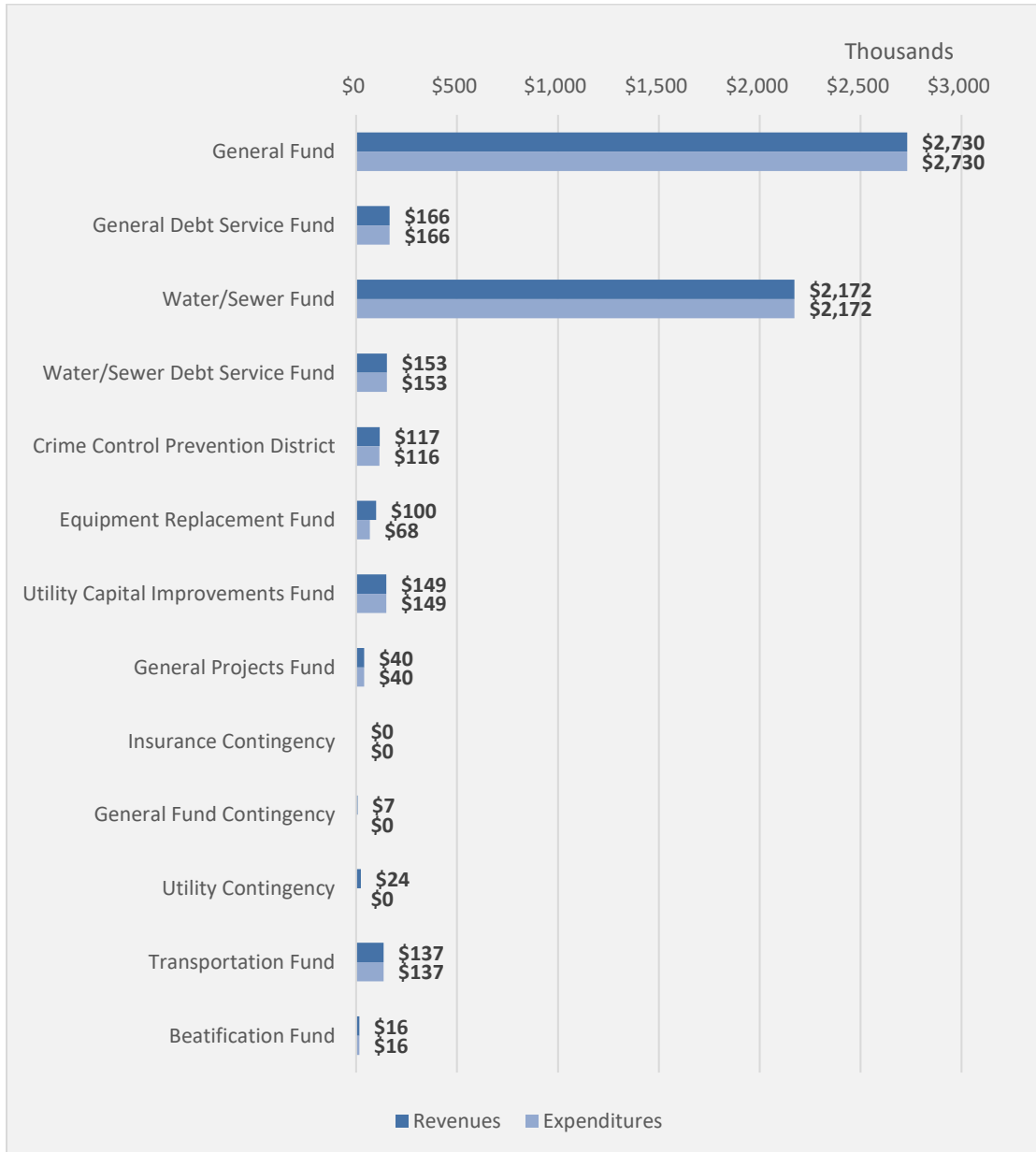
As I stated previously, staff was faced with some tough decisions while putting together the proposed budget. However, in the end we are presenting a budget that does not include an increase in the effective tax rate while (1) beginning to address the City's unfunded depreciation, (2) ensuring that each authorized position is being used as efficiently as possible, and (3) establishing a formal pay system that will compensate our employees at a competitive level and help to prevent future problems with wage compression.

Sincerely,



Michael Coon
City Manger

COMBINED FUNDS REVENUES AND EXPENDITURES



COMBINED FUNDS SUMMARY

TOTAL REVENUES AND EXPENDITURES BY FUND

<i>REVENUES</i>	ACTUAL FY 2016/17	BUDGET FY 2017/18	ESTIMATED FY 2017/18	BUDGET FY 2018/19
General Fund	2,574,567	3,224,924	3,259,956	2,730,418
General Debt Service Fund	168,680	174,211	174,302	166,333
Water/Sewer Fund	1,373,030	2,272,064	2,275,616	2,171,768
Water/Sewer Debt Service Fund	203,321	165,756	165,756	153,192
Crime Control Prevention District	98,021	117,165	105,058	117,000
Equipment Replacement Fund	1,819	155,609	133,280	99,533
Utility Capital Improvements Fund	306	87,886	88,091	149,324
General Projects Fund	-	82,095	82,095	40,000
Insurance Contingency	66	-	66	-
General Fund Contingency	-	74,144	74,144	7,161
Utility Contingency	-	47,069	47,069	24,084
Transportation Fund	129,939	105,000	137,500	136,800
Beatification Fund	14,030	16,000	15,520	16,000
SUBTOTAL	\$4,563,779	\$6,521,923	\$6,558,453	\$5,811,613
INTERFUND TRANSFERS	0	0	0	(688,863)
TOTAL OPERATING & CAPITAL	<u>\$4,563,779</u>	<u>\$6,521,923</u>	<u>\$6,558,453</u>	<u>\$5,122,750</u>

<i>EXPENDITURES</i>	ACTUAL FY 2016/17	BUDGET FY 2017/18	ESTIMATED FY 2017/18	BUDGET FY 2018/19
General Fund	2,392,687	3,189,873	3,204,850	2,730,418
General Debt Service Fund	167,332	174,211	174,212	166,333
Water/Sewer Fund	1,568,533	2,272,065	2,263,519	2,171,768
Water/Sewer Debt Service Fund	57,750	165,756	165,756	153,192
Crime Control Prevention District	101,304	82,165	58,152	116,100
Equipment Replacement Fund	-	165,609	129,999	67,500
Utility Capital Improvements Fund	-	87,686	87,686	149,324
General Projects Fund	-	82,095	82,095	40,000
Insurance Contingency	-	-	-	-
General Fund Contingency	-	-	-	-
Utility Contingency	-	-	-	-
Transportation Fund	19,020	105,000	80,000	136,800
Beatification Fund	12,777	16,000	11,650	16,000
SUBTOTAL	\$4,319,403	\$6,340,460	\$6,257,920	\$5,747,435
INTERFUND TRANSFERS	0	0	0	(688,863)
TOTAL OPERATING & CAPITAL	<u>\$4,319,403</u>	<u>\$6,340,460</u>	<u>\$6,257,920</u>	<u>\$5,058,572</u>

2018/19 BUDGET
ALL FUNDS BY FUND TYPE
OPERATING REVENUES BY CATEGORY

	GENERAL GOVERNMENT	UTILITY SYSTEM	OTHER	TOTAL
Property Tax	1,566,505		166,333	1,732,838
City Sales & Use Tax	584,998		117,000	701,998
Franchise Fees	179,000			179,000
Charges for Services	94,025	2,077,859	151,320	2,323,204
Municipal Court Fines	136,880			136,880
Interest	3,000	500	-	3,500
Miscellaneous	41,350	3,500		44,850
Fund Balance	-		480	480
Total Operating Revenues	<u>\$2,605,758</u>	<u>\$2,081,859</u>	<u>\$435,133</u>	<u>\$5,122,750</u>
Transfers From Other Funds	124,660	89,909	474,294	688,863
Total Available Revenues	<u>\$2,730,418</u>	<u>\$2,171,768</u>	<u>\$909,427</u>	<u>\$5,811,613</u>

2018/19 BUDGET
ALL FUNDS BY FUND TYPE
OPERATING EXPENDITURES BY CATEGORY

	GENERAL GOVERNMENT	UTILITY SYSTEM	OTHER	TOTAL
Personnel Costs	1,557,675	376,460	109,499	2,043,634
Operating Supplies	154,637	34,600	2,100	191,337
Maintenance & Repairs	143,520	128,812	138,800	411,132
Utilities	69,224	57,960		127,184
Professional Services	318,800	171,450	75,000	565,250
Sundry	137,320	51,028	1,800	190,148
Parks & Recreation	7,000			7,000
Capital Outlay	144,639	860,198	198,525	1,203,362
Debt Retirement			319,525	319,525
Total Operating Expenditures	<u>\$2,532,815</u>	<u>\$1,680,508</u>	<u>\$845,249</u>	<u>\$5,058,572</u>
Transfers to Other Funds	197,603	491,260	-	688,863
Total Available Revenues	<u>\$2,730,418</u>	<u>\$2,171,768</u>	<u>\$845,249</u>	<u>\$5,747,435</u>

EXPENDITURES BY DEPARTMENT

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
GENERAL FUND				
ADMINISTRATION	521,629	556,935	593,048	714,028
CITY MAINTENANCE	339,451	243,929	223,689	225,609
STREETS & DRAINAGE	85,856	125,000	122,500	125,000
SPECIAL SERVICES	7,211	18,400	18,400	12,230
POLICE DEPARTMENT	935,423	929,169	925,587	944,067
JUDICIAL	134,793	130,745	132,906	89,263
FIRE DEPARTMENT	176,133	241,434	255,300	205,781
PARKS & RECREATION	34,760	40,994	43,698	46,300
CODE ENFORCEMENT	47,042	53,009	49,968	57,171
PERMITTING & INSPECTIONS	81,607	109,588	108,890	113,366
EMERGENCY/DISASTER	28,782	86,231	96,426	-
TRANSFERS	-	654,439	634,439	197,603
GENERAL FUND TOTAL	2,392,687	3,189,873	3,204,850	2,730,418
UTILITY FUND				
WATER/SEWER	1,568,533	1,510,729	1,508,183	1,680,508
TRANSFERS	-	761,336	755,336	491,260
UTILITY FUND TOTAL	1,568,533	2,272,065	2,263,519	2,171,768
GENERAL DEBT SERVICE	167,332	174,211	174,212	166,333
UTILITY DEBT SERVICE	57,750	165,756	165,756	153,192
CRIME CONTROL & PREVENTION	101,304	82,165	58,152	116,100
EQUIPMENT REPLACEMENT	-	165,609	129,999	67,500
UTILITY CAPITAL IMPROVEMENTS	-	87,686	87,686	149,324
GENERAL PROJECTS FUND	-	82,095	82,095	40,000
INSURANCE CONTINGENCY	-	-	-	-
GENERAL FUND CONTINGENCY	-	-	-	-
UTILITY FUND CONTINGENCY	-	-	-	-
TRANSPORTATION	19,020	105,000	80,000	136,800
BEAUTIFICATION	12,777	16,000	11,650	16,000
GRAND TOTAL	4,319,403	6,340,460	6,257,920	5,747,435
TRANSFERS SUBTOTAL	-	1,415,775	1,389,775	688,863
NET OPERATING TOTAL	4,319,403	4,924,685	4,868,144	5,058,572

AUTHORIZED STAFFING GUIDE

Job Title	FY 16-17	FY 17-18	FY 18-19
Administrative Assistant	1.00	1.00	1.00
City Manager	1.00	1.00	1.00
City Secretary	1.00	1.00	1.00
Code Enforcement	1.00	1.00	-
Court Administrator	1.00	1.00	-
Court Clerk	1.00	1.00	1.00
Crew Leader	1.00	1.00	-
Customer Service Rep.	-	-	2.00
Finance Director	-	-	1.00
Operators	-	-	2.00
Operators in Training	-	-	3.00
P/T Warrant Officer	1.00	1.00	1.00
Patrol Officers	6.00	6.00	6.00
Permitting & Inspection	1.00	1.00	1.00
Police Chief	1.00	1.00	1.00
Police Investigator	-	-	1.00
Police Sergeant	2.00	2.00	2.00
Public Works Director	1.00	1.00	1.00
Public Works Foreman	-	-	1.00
Techs	4.00	4.00	1.00
Utility Clerk	1.00	1.00	-
TOTAL FUNDED POSITIONS	24.00	24.00	27.00

CITY OF RICHWOOD

GENERAL FUND

General Fund Revenues

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
4103 AD VALOREM TAXES	1,392,529	1,692,127	1,649,931	1,673,908
4801 210 DEVELOPERS 380 REBATE	-	(147,104)	(147,104)	(119,720)
4802 CRAWFORD FURNITURE 380 REBATE	-	(6,381)	(7,300)	(7,190)
4803 BIG KOUNTRY 380 REBATE	-	-	-	(4,993)
4104 DELINQUENT TAXES	11,593	12,000	65,000	12,000
4105 PENALTY & INTEREST	12,916	12,500	15,700	12,500
4106 LICENSES & PERMITS	9,371	10,000	8,600	9,100
4107 BUILDING PERMITS	48,884	60,000	64,000	70,000
4109 MUNICIPAL COURTS	205,419	150,000	125,415	131,000
4110 INTEREST EARNED	8,407	3,000	9,000	3,000
4111 FRANCHISE TAXES	185,077	177,189	179,000	179,000
4112 MISCELLANEOUS INCOME	61,418	30,000	42,394	35,000
4114 ANIMAL FINES/LICENSES	175	200	290	350
4116 SALES TAX - STREETS	99,909	109,607	114,735	117,000
4117 SALES TAX	399,636	438,430	458,938	467,998
4118 MUNICIPAL BUILDING RENTALS	5,543	7,314	9,562	9,500
4121 PARKS AND RECREATION	4,100	5,066	5,087	5,075
4221 DEBT PROCEEDS	118,493	-	-	-
4250 BARBEQUE COOKOFF	6,659	7,000	2,454	-
4251 POLICE OFFICER TRAINING	1,213	1,100	1,378	1,350
4253 COURT SECURITY	-	3,300	3,300	2,880
4254 COURT TECHNOLOGY	-	2,000	2,000	3,000
4255 BOBBY FORD PARK	3,065	5,000	5,000	5,000
4257 PARKS & RECREATION	160	-	-	-
4959 TRANSFER IN FROM FUND BAL.	-	251,750	251,750	-
4963 TRANSFER IN FROM UTILITY	-	400,826	400,826	124,660
FUND TOTAL	2,574,567	3,224,924	3,259,956	2,730,418

MAJOR BUDGET CHANGES

380 Agreement Rebates	27,384	The Brazos Crossing 380 Agreement dropping from 100% to 75%. The payment for Eastbanks is no longer budgeted due to the complex value not meeting the required amount.
Sales Tax Line Items	36,961	The projected growth comes from the sales tax revenues from businesses that sales tax revenues hadn't previously been sent correctly to Richwood. MuniServices help make these corrections.
Building Permits	10,000	Anticipated increase from new residential and commercial growth.
Transfer in from Utility (Indirect Cost)	(276,166)	Removed one-time debt payment from Utility Fund.
Transfer in from Fund Balance	(251,750)	Removed transfer that funded one-time expenditures in FY 2018.
Municipal Courts	(19,000)	Revenues projections have been lowered to reflect a lower amount of citations being issued.
Barbeque Cookoff	(7,000)	Revenues are no longer budgeted as the Fire Department will be taking over the management of the event.

GENERAL FUND

Major Revenue Sources

Ad Valorem Taxes (57.4%)

The Ad Valorem Taxes, or Property Taxes, accounts for \$ 1,566,505 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 (21.4%)

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 2018-19 the Sales Tax is projected to bring in \$584,998.

Franchise Fees (6.6%)

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 2018-19 these fees will represent a projected \$179,000.

Municipal Court (5.0%)

Fines for violation of City Ordinances, such as speeding, represent a projected \$136,880 in FY 2018-19, or 5.0% of all General Fund Revenues.

Of interest, the projected cost to operate the Police Department in FY 2018-19 will be \$1,060,167. Therefore, fines cover only 12.9% of the cost to operate our Police Department. The cost to operate the Municipal Court in FY 2018-19 is projected to be \$89,263.

Transfers From Other Funds (4.6%)

In FY 2018-2019 the Utility Fund will transfer \$124,660, or 4.6% of all General Fund Revenues, to the General Fund. The transfer from the Utility Fund will be used to cover indirect costs and as a payment towards the Utility Fund's debt to the General Fund.

**2018 Property Tax Rates
Brazoria County Cities**

City	Tax Rate
Holiday Lakes	1.468486
West Columbia	0.820000
Danbury	0.816924
Alvin	0.788000
Sweeny	0.747062
Brookside Village	0.733767
Brazoria	0.721976
Pearland	0.709158
Angleton	0.697580
Manvel	0.690000
Richwood	0.670204
Freeport	0.628005
Clute	0.625000
Jones Creek	0.462691
Hillcrest Village	0.410335
Surfside Beach	0.359506
Lake Jackson	0.335200
Oyster Creek	0.258976
Liverpool	0.189288
Quintana	0.014898

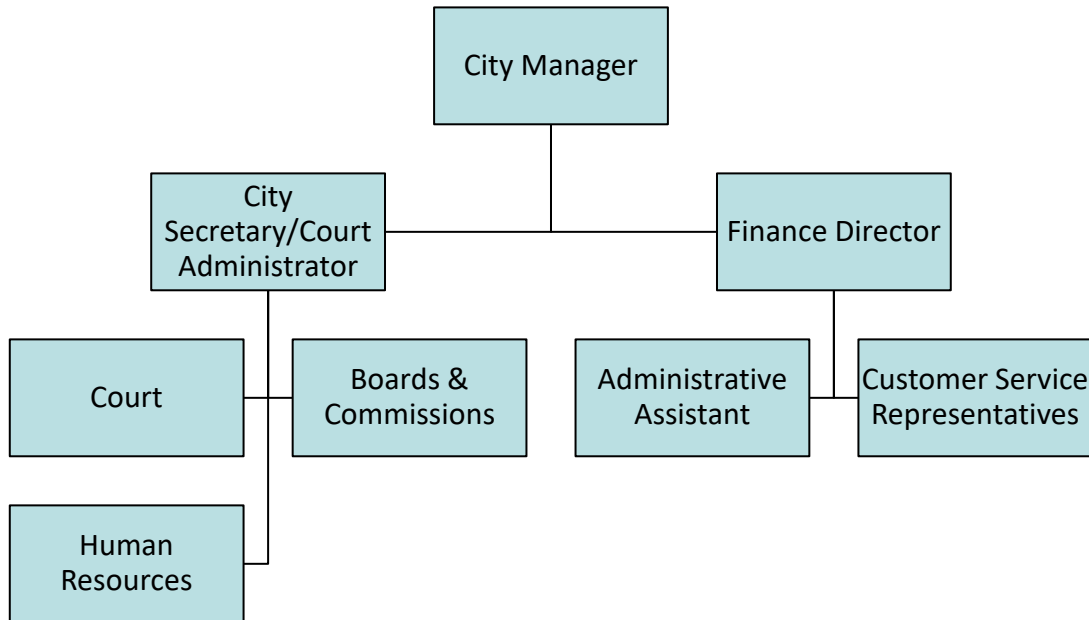
ADMINISTRATION

PROGRAM DESCRIPTION

The Administrative Department includes the City Manager, City Secretary, Finance Director, 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 records management, overseeing the boards & commissions, serving as the court administrator, and overseeing human resource functions. The Finance Director maintenance and administration of the financial records of the City and serves as the City Tax Assessor/Collector. 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 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
PERSONNEL COSTS	289,356	339,199	326,282	445,443
OPERATING COSTS	38,737	44,901	38,620	44,925
MAINTENANCE AND REPAIRS	14,771	15,500	16,500	16,000
UTILITIES AND TELEPHONE	12,026	11,753	11,800	12,240
SERVICES	95,636	90,726	124,546	115,200
SUNDRY	68,654	46,556	67,000	73,420
SUBTOTAL	519,180	548,635	584,748	707,228
CAPITAL OUTLAY	2,449	8,300	8,300	6,800
DEPARTMENT TOTAL	521,629	556,935	593,048	714,028
POSITION TITLE		EMPLOYEE SALARY RANGE		
	NUMBER	MIN	MAX	
CITY MANAGER	1	90,610	122,590	94,210
FINANCE DIRECTOR	1	61,815	83,633	72,717
CITY SECRETARY	1	61,815	83,633	63,989
ADMINISTRATIVE ASSISTANT	1	35,620	48,192	44,800
CUSTOMER SERVICE REP.	1	30,400	41,130	32,364
TOTAL	5			308,080

MAJOR BUDGET CHANGES

Multiple Personnel Line Items	97,212	Added a Finance Director position.
Special Services - Miscellaneous	24,000	Budgeted payment to third-party to review sales tax compliance. Equates to 30 percent of additional estimated sales tax.
Multiple Personnel Line Items	16,159	Implementation of compensation study & establishing formal pay scales for all full-time positions.
Elections	6,000	Increased budget for a November bond election.

**Department
Administration**

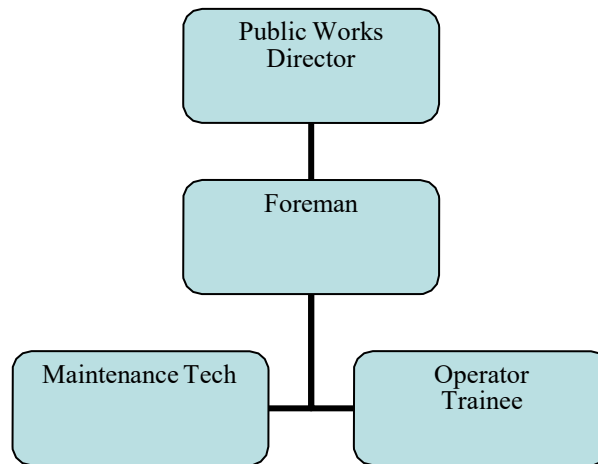
EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5100 PERSONNEL COSTS				
01 ADMINISTRATIVE EXP	170	-		-
02 CONTRACT LABOR	23,596	3,300	28,800	3,300
03 SALARIES	169,581	222,651	203,883	308,080
04 OVERTIME	-	4,202	2,000	3,500
05 RETIREMENT	29,751	40,097	30,000	48,107
07 MEDICARE	594	3,322	3,322	4,611
10 WORKER'S COMP	852	1,050	850	1,210
15 HOSPITALIZATION	41,865	35,933	34,024	47,340
20 UNEMPLOYMENT INS.	34	684	547	855
25 CELL PHONE ALLOWANCE	1,080	1,080	1,080	1,530
26 CAR ALLOWANCE	5,400	5,400	5,400	5,400
30 TRAINING & TRAVEL	15,020	15,480	15,000	19,360
75 EMPLOYEE INCENTIVE	1,150	5,100	1,150	1,250
80 CERTIFICATION PAY	263	900	225	900
TOTAL	289,356	339,199	326,282	445,443
5200 OPERATING SUPPLIES				
01 FOOD	1,432	2,460	2,000	2,220
10 OFFICE SUPPLIES	12,737	20,936	16,000	21,000
15 CUSTODIAL SUPPLIES	238	1,000	500	1,200
25 BOOKS & PERIODICALS	309	885	500	885
40 EXPENDABLE SUPPLIES	24,021	19,620	19,620	19,620
TOTAL	38,737	44,901	38,620	44,925
5300 MAINTENANCE & REPAIRS				
10 BUILDING & GROUNDS	14,527	15,000	16,000	15,000
12 CONTINGENCY FUND M&R	-	-	-	-
20 OFFICE FURNITURE/FIX	244	500	500	1,000
65 OTHER EQUIPMENT M&R	-	-	-	-
TOTAL	14,771	15,500	16,500	16,000
5400 UTILITIES & TELEPHONE				
10 ELECTRICITY	9,150	9,000	9,000	9,500
20 TELEPHONE	2,414	2,040	2,300	2,040
30 NATURAL GAS	462	713	500	700
TOTAL	12,026	11,753	11,800	12,240
5500 SERVICES				
10 ELECTIONS	-	4,000	-	10,000
50 IT SERVICES	4,136	20,726	17,726	20,726
56 CONT. SERVICES - TAXES	12,922	13,000	13,000	11,474
60 ENGINEERING	-	1,000	1,000	-
70 ATTORNEY'S FEES	25,939	17,000	28,000	20,500
72 ECONOMIC DEVELOPMENT	2,549	10,000	10,000	10,000
80 AUDITOR'S FEES	37,770	25,000	42,500	42,500
95 PROFESSIONAL SERVICES	12,320	-	12,320	-
TOTAL	95,636	90,726	124,546	115,200

5600 SUNDRY				
40 INS. - BLDG/LIAB/BOND	17,918	20,000	20,000	20,000
60 DUES & SUBSCRIPTIONS	13,749	11,161	15,000	11,761
85 PUBLISHING & ADVERTISING	13,089	7,995	12,000	9,995
95 SPECIAL SERVICES - MISC	23,898	7,400	20,000	31,664
TOTAL	68,654	46,556	67,000	73,420
5900 CAPITAL OUTLAY				
10 OFFICE EQUIPMENT	-	3,500	3,500	2,000
35 EQUIP - TIME PAYMENT	2,449	4,800	4,800	4,800
50 CONTINGENCY FUND	-	-	-	-
TOTAL	2,449	8,300	8,300	6,800
DEPARTMENT TOTAL	521,629	556,935	593,048	714,028

CITY MAINTENANCE

PROGRAM DESCRIPTION

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.



**Department
City Maintenance**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
PERSONNEL COSTS	112,877	112,175	102,115	109,203
OPERATING COSTS	23,064	22,700	21,100	22,400
MAINTENANCE AND REPAIRS	22,997	21,500	31,000	21,500
UTILITIES AND TELEPHONE	36,021	38,200	33,700	37,400
SERVICES	-	-	-	-
SUNDRY	13,304	22,800	9,220	8,550
SUBTOTAL	208,263	217,375	197,135	199,053
CAPITAL OUTLAY	131,188	26,554	26,554	26,556
DEPARTMENT TOTAL	339,451	243,929	223,689	225,609
POSITION TITLE		EMPLOYEE SALARY RANGE		
	NUMBER	MIN	MAX	
MAINTENANCE TECH	1	30,400	41,130	32,260
OPERATOR TRAINEE	1	30,400	41,130	32,364
TOTAL	2			64,624

MAJOR BUDGET CHANGES

Dues & Subscriptions	(8,500)	Decreased to match historical expenditures.
Special Services - Misc.	(4,100)	Decreased to match historical expenditures.
Multiple Personnel Line Items	(2,972)	Decrease due to turnover and lower salaries for newer employees.
Radio M&R	(2,000)	Decreased to match historical expenditures.

Department
City Maintenance

EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5100 PERSONNEL COSTS				
02 CONTRACT LABOR	2,083	2,500	-	2,500
03 SALARIES	75,604	67,250	60,228	64,624
04 OVERTIME	-	7,601	7,601	7,000
05 RETIREMENT	10,913	8,556	6,225	8,151
07 MEDICARE	-	975	467	1,039
10 WORKER'S COMP	4,618	3,885	6,411	3,261
15 HOSPITALIZATION	17,644	17,966	18,066	18,936
20 UNEMPLOYMENT INS.	18	342	342	342
30 TRAINING & TRAVEL	278	1,500	1,000	1,500
75 LONGEVITY PAY	-	-	175	250
90 UNIFORMS	1,719	1,600	1,600	1,600
TOTAL	112,877	112,175	102,115	109,203
5200 OPERATING SUPPLIES				
10 OFFICE SUPPLIES	106	500	200	200
15 CUSTODIAL SUPPLIES	466	700	600	700
20 TOOLS	2,394	2,500	2,500	2,500
30 GAS, OIL, & LUBRICANTS	9,157	8,000	7,800	8,000
40 EXPENDABLE SUPPLIES	3,139	3,000	2,500	3,000
45 DUMP CHARGES	7,740	6,000	6,000	6,000
70 CHEMICALS	62	2,000	1,500	2,000
TOTAL	23,064	22,700	21,100	22,400
5300 MAINTENANCE & REPAIRS				
10 BUILDING & GROUNDS	5,408	4,000	7,500	5,000
40 VEHICLE M&R	6,857	6,000	11,000	6,000
60 RADIO M&R	714	5,000	500	3,000
65 OTHER EQUIPMENT M&R	3,904	4,000	10,000	5,000
76 SIGNS M&R	6,114	2,500	2,000	2,500
TOTAL	22,997	21,500	31,000	21,500
5400 UTILITIES & TELEPHONE				
10 ELECTRICITY	28,474	31,500	33,000	36,000
20 TELEPHONE	7,159	6,300	300	1,000
30 NATURAL GAS	388	400	400	400
TOTAL	36,021	38,200	33,700	37,400

5600 SUNDRY				
30 INS. - MOTOR VEHICLES	1,437	2,000	2,220	2,250
40 INS. - BLDG/LIAB/BOND	2,034	4,000	3,000	2,100
60 DUES & SUBSCRIPTIONS	6,658	9,000	500	500
85 PUBLISHING & ADVERTISING	-	500	500	500
95 SPECIAL SERVICES - MISC	3,175	7,300	3,000	3,200
TOTAL	13,304	22,800	9,220	8,550
5900 CAPITAL OUTLAY				
30 EQUIPMENT	99,000	-	-	-
35 EQUIP - TIME PAYMENT	514	26,554	26,554	26,556
97 PROMISSORY NOTE - PRINCIPAL	27,526	-	-	-
98 PROMISSORY NOTE - INTEREST	4,148	-	-	-
TOTAL	131,188	26,554	26,554	26,556
DEPARTMENT TOTAL	339,451	243,929	223,689	225,609

STREETS AND DRAINAGE

PROGRAM DESCRIPTION

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 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5300 MAINTENANCE & REPAIRS				
80 STREET M&R	30,015	48,000	48,000	48,000
85 DRAINAGE M&R	5,208	5,000	5,000	5,000
TOTAL	35,223	53,000	53,000	53,000
5500 SERVICES				
60 ENGINEERING	-	5,000	5,000	5,000
TOTAL	-	5,000	5,000	5,000
5900 CAPITAL OUTLAY				
65 STREET PROJECTS	50,633	60,000	60,000	60,000
75 DRAINAGE	-	7,000	4,500	7,000
TOTAL	50,633	67,000	64,500	67,000
DEPARTMENT TOTAL	85,856	125,000	122,500	125,000

MAJOR BUDGET CHANGES

No changes

SPECIAL REVENUES

PROGRAM DESCRIPTION

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

Department Special Revenue

EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5200 OPERATING				
90 BARBEQUE COOKOFF	4,397	7,000	7,000	-
91 POLICE TRAINING	250	1,100	1,100	1,350
93 COURT SECURITY	119	3,300	3,300	2,880
94 COURT TECHNOLOGY	2,445	2,000	2,000	3,000
95 BOBBY FORD PARK	-	5,000	5,000	5,000
TOTAL	7,211	18,400	18,400	12,230
DEPARTMENT TOTAL	7,211	18,400	18,400	12,230

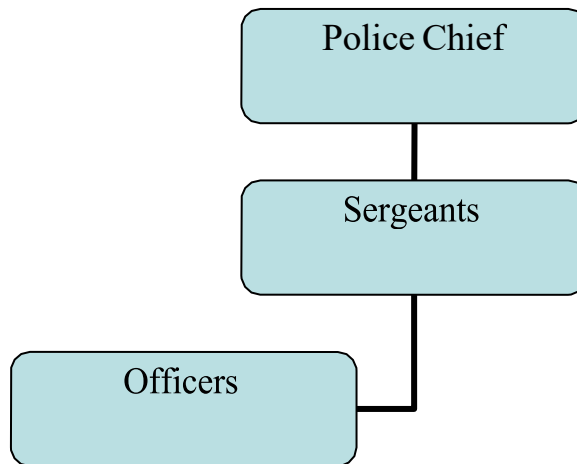
MAJOR BUDGET CHANGES

Barbeque Cookoff	(7,000.00)	During FY 2018 the responsibility & funds for the Cookoff were transferred to the Richwood Volunteer Fire Department.
Various Line Items	830.00	Adjusted to match historical totals for special revenues.

POLICE DEPARTMENT

PROGRAM DESCRIPTION

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 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
PERSONNEL COSTS	801,364	775,428	784,343	778,289
OPERATING COSTS	42,712	39,104	38,710	41,982
MAINTENANCE AND REPAIRS	11,330	14,880	13,797	14,020
UTILITIES AND TELEPHONE	6,082	11,772	8,207	12,624
SERVICES	47,726	63,460	53,200	70,350
SUNDRY	24,269	22,912	24,093	22,314
SUBTOTAL	933,483	927,556	922,350	939,579
CAPITAL OUTLAY	1,940	1,613	3,237	4,488
DEPARTMENT TOTAL	935,423	929,169	925,587	944,067

POSITION TITLE	NUMBER	EMPLOYEE SALARY RANGE		
		MIN	MAX	
POLICE CHIEF	1	66,732	90,284	75,005
SERGEANT	1	57,281	70,011	61,372
SERGEANT	1	57,281	70,011	59,990
OFFICER	1	47,735	58,342	56,985
OFFICER	1	47,735	58,342	56,194
OFFICER	1	47,735	58,342	52,569
OFFICER	1	47,735	58,342	52,569
OFFICER	1	47,735	58,342	52,525
OFFICER	1	47,735	58,342	48,965
TOTAL	9			516,174

MAJOR BUDGET CHANGES

Overtime	15,236	Increased budget to better match historical expenditures. The Police Department is also implementing new practices to better provide shift coverage without using as much overtime.
Multiple Personnel Line Items	7,712	Implementation of compensation study & establishing formal pay scales for all full-time positions.
Animal Control	4,600	Historically, unclaimed pets have been brought to Angleton's shelter at no cost. However, we are anticipating that to change.
Jail Expense	3,540	Purchased new software that will allow for video magistration.
Shift Change	(13,590)	Eliminated 15 minute roll-call before each shift.

**Department
Police**

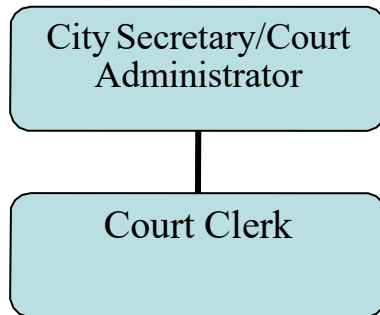
EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5100 PERSONNEL COSTS				
03 SALARIES	625,375	525,707	519,037	516,174
04 OVERTIME	-	46,764	49,089	52,000
05 RETIREMENT	73,200	64,352	68,636	64,720
07 MEDICARE	-	7,631	8,745	8,246
10 WORKER'S COMP	10,817	24,547	24,373	18,881
15 HOSPITALIZATION	76,898	80,848	88,568	85,212
20 UNEMPLOYMENT INS.	239	1,539	1,804	1,539
25 CELL PHONE ALLOWANCE	-	540	540	540
30 TRAINING & TRAVEL	4,968	11,300	7,000	15,740
75 EMPLOYEE INCENTIVE	6,500	-	2,150	1,850
80 CERTIFICATION PAY	-	8,400	8,400	7,800
90 UNIFORMS	3,367	3,800	6,000	5,587
TOTAL	801,364	775,428	784,343	778,289
5200 OPERATING SUPPLIES				
01 FOOD	116	1,850	1,000	1,850
10 OFFICE SUPPLIES	12,620	4,600	3,500	2,280
15 CUSTODIAL SUPPLIES	28	-	10	50
20 TOOLS	1,670	1,816	1,741	1,816
30 GAS, OIL, & LUBRICANTS	25,257	30,208	30,208	33,846
40 EXPENDABLE SUPPLIES	3,521	630	1,300	1,540
87 COMMUNITY OUTREACH	(500)	-	951	600
TOTAL	42,712	39,104	38,710	41,982
5300 MAINTENANCE & REPAIRS				
10 BUILDING & GROUNDS	34	-	-	-
20 OFFICE FURNITURE/FIX	-	-	30	1,000
40 VEHICLE M&R	10,089	11,000	9,887	9,500
50 RADAR M&R	320	400	400	400
60 RADIO M&R	-	2,540	2,540	2,540
65 OTHER EQUIPMENT M&R	887	940	940	580
TOTAL	11,330	14,880	13,797	14,020
5400 UTILITIES & TELEPHONE				
20 TELEPHONE	6,082	11,772	8,207	12,624
TOTAL	6,082	11,772	8,207	12,624
5500 SERVICES				
40 DISPATCH SERVICES	43,000	45,000	43,000	43,000
42 JAIL EXPENSE	3,236	4,500	2,500	8,040
50 IT SERVICES	-	1,560	3,000	2,310
58 ANIMAL CONTROL	264	7,400	1,500	12,000
70 ATTORNEY'S FEES	1,226	5,000	3,200	5,000
TOTAL	47,726	63,460	53,200	70,350

5600 SUNDRY				
30 INS. - MOTOR VEHICLES	7,079	6,100	6,522	6,522
40 INS. - BLDG/LIAB/BOND	5,816	6,500	6,082	6,500
60 DUES & SUBSCRIPTIONS	968	7,092	7,092	7,092
85 PUBLISHING & ADVERTISING	2,394	2,220	750	2,200
95 SPECIAL SERVICES - MISC	8,012	1,000	3,647	-
TOTAL	24,269	22,912	24,093	22,314
5900 CAPITAL OUTLAY				
20 MOTOR VEHICLES	-	-	-	-
30 EQUIPMENT	528	-	-	-
35 EQUIP - TIME PAYMENT	1,412	1,613	3,237	4,488
TOTAL	1,940	1,613	3,237	4,488
DEPARTMENT TOTAL	935,423	929,169	925,587	944,067

JUDICIAL DEPARTMENT

PROGRAM DESCRIPTION

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 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
PERSONNEL COSTS	116,687	114,845	110,724	64,763
OPERATING COSTS	6,036	5,700	3,400	5,000
MAINTENANCE AND REPAIRS	-	-	-	-
UTILITIES AND TELEPHONE	-	-	-	-
SERVICES	13,207	10,000	14,983	16,000
SUNDRY	(1,137)	200	3,800	3,500
SUBTOTAL	134,793	130,745	132,906	89,263
CAPITAL OUTLAY	-	-	-	-
DEPARTMENT TOTAL	134,793	130,745	132,906	89,263
POSITION TITLE	EMPLOYEE SALARY RANGE			
	NUMBER	MIN	MAX	
COURT CLERK	1	35,620	48,192	37,366
JUDGE	1	3,600	3,600	3,600
ALTERNATE JUDGE	1	3,600	3,600	3,600
TOTAL	3			44,566

MAJOR BUDGET CHANGES

Multiple Personnel Line Items	(54,280)	After conducting a comparative analysis of court staffing levels in other cities similar to Richwood, it was determined that only one position is need to effiecently handle the workload in our court.
Attorney's Fees	5,500.00	Increased to better match historical expenditures.
Dues & Subscriptions	3,300.00	Increased to account for the court software.

**Department
Judicial**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5100 PERSONNEL COSTS				
03 SALARIES	84,216	81,327	79,183	44,566
04 OVERTIME	-	1,000	500	1,000
05 RETIREMENT	12,640	8,587	7,315	4,366
07 MEDICARE	-	1,211	1,211	660
10 WORKERS COMP	356	370	391	165
15 HOSPITALIZATION	16,985	17,966	18,074	9,468
20 UNEMPLOYMENT INSURANCE	179	684	300	513
30 TRAINING & TRAVEL	2,311	2,500	3,200	3,000
75 LONGEVITY PAY	-	-	250	125
80 CERTIFICATION PAY	-	1,200	300	900
TOTAL	116,687	114,845	110,724	64,763
5200 OPERATING SUPPLIES				
10 OFFICE SUPPLIES	5,693	5,200	2,600	4,200
25 BOOKS & PERIODICALS	120	-	300	300
40 EXPENDABLE SUPPLIES	223	500	500	500
TOTAL	6,036	5,700	3,400	5,000
5500 SERVICES				
50 IT SERVICES	-	-	83	500
65 JURY EXPENSE	-	500	500	500
70 ATTORNEY'S FEES	13,207	9,500	14,400	15,000
TOTAL	13,207	10,000	14,983	16,000
5600 SUNDRY				
10 CREDIT CARD DISCOUNT FEES	(1,359)	-	500	-
60 DUES & SUBSCRIPTIONS	222	200	3,300	3,500
TOTAL	(1,137)	200	3,800	3,500
DEPARTMENT TOTAL	134,793	130,745	132,906	89,263

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 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
PERSONNEL COSTS	25,989	22,520	30,550	29,390
OPERATING COSTS	32,832	17,500	17,700	17,500
MAINTENANCE AND REPAIRS	17,138	14,500	14,500	9,500
UTILITIES AND TELEPHONE	3,995	4,750	4,600	4,560
SERVICES	75,000	85,000	85,000	93,000
SUNDRY	10,537	11,500	11,436	12,036
SUBTOTAL	165,491	155,770	163,786	165,986
CAPITAL OUTLAY	10,642	85,664	91,514	39,795
DEPARTMENT TOTAL	176,133	241,434	255,300	205,781

MAJOR BUDGET CHANGES

EMS Services	8,000	The EMS contract was rebid and the winning bid was \$8,000 higher than the previous contract amount.
Multiple Personnel Line Items	6,870	Increased costs associated with higher number of volunteers.
Motor Vehicles	(50,000)	Reduced one-time down payment for Fire Engine

**Department
Fire Department**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5100 PERSONNEL COSTS				
06 PENSION PLAN	13,725	13,860	14,650	16,490
10 WORKER'S COMP	277	660	3,900	3,400
30 TRAINING & TRAVEL	296	500	-	500
90 UNIFORMS	11,691	7,500	12,000	9,000
TOTAL	25,989	22,520	30,550	29,390
5200 OPERATING SUPPLIES				
10 OFFICE SUPPLIES	52	1,500	2,200	1,500
20 TOOLS	30,610	12,000	12,000	12,000
30 GAS, OIL, & LUBRICANTS	1,857	3,000	2,500	3,000
40 EXPENDABLE SUPPLIES	313	-	-	-
85 FIRE PREVENTION SUPPLIES	-	1,000	1,000	1,000
TOTAL	32,832	17,500	17,700	17,500
5300 MAINTENANCE & REPAIRS				
10 BUILDING & GROUNDS	10,775	8,000	8,000	3,000
40 VEHICLE M&R	5,943	6,000	6,000	6,000
60 RADIO M&R	420	500	500	500
TOTAL	17,138	14,500	14,500	9,500
5400 UTILITIES & TELEPHONE				
10 ELECTRICITY	1,561	2,250	1,800	1,800
20 TELEPHONE	2,227	2,200	2,350	2,400
30 NATURAL GAS	207	300	450	360
TOTAL	3,995	4,750	4,600	4,560
5500 SERVICES				
66 CONTRACT - AMBULANCE	75,000	85,000	85,000	93,000
TOTAL	75,000	85,000	85,000	93,000
5600 SUNDRY				
30 INS. - MOTOR VEHICLES	4,678	4,700	5,336	5,336
40 INS. - BLDG/LIAB/BOND	3,151	4,000	3,300	3,300
60 DUES & SUBSCRIPTIONS	2,708	2,800	2,800	3,400
TOTAL	10,537	11,500	11,436	12,036
5900 CAPITAL OUTLAY				
20 MOTOR VEHICLES	-	50,000	50,000	-
30 EQUIPMENT	10,642	-	5,850	-
35 EQUIP - TIME PAYMENT	-	8,000	8,000	39,795
62 EQUIPMENT REPLACEMENT	-	27,664	27,664	-
TOTAL	10,642	85,664	91,514	39,795
DEPARTMENT TOTAL	176,133	241,434	255,300	205,781

PARKS AND RECREATION

PROGRAM DESCRIPTION

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 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
PERSONNEL COSTS	-	-	-	-
OPERATING COSTS	3,360	4,500	3,200	4,000
MAINTENANCE AND REPAIRS	21,371	22,500	29,000	27,500
UTILITIES AND TELEPHONE SERVICES	852	1,694	2,400	2,400
SUNDRY	-	-	-	-
SUNDRY	3,396	5,300	3,250	5,400
PARKS AND RECREATION	5,781	7,000	5,848	7,000
SUBTOTAL	34,760	40,994	43,698	46,300
CAPITAL OUTLAY	-	-	-	-
DEPARTMENT TOTAL	34,760	40,994	43,698	46,300

MAJOR BUDGET CHANGES

Building & Grounds M&R 5,000 Increased budget to better take care of aging park facilities.

**Department
Parks and Recreation**

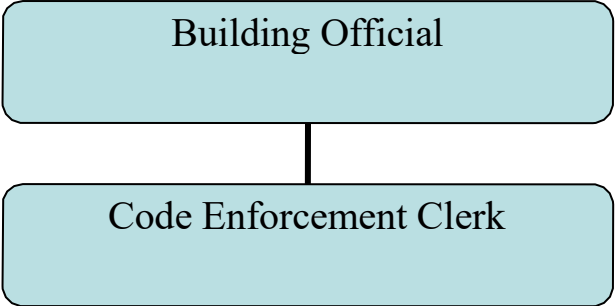
EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5200 OPERATING SUPPLIES				
10 OFFICE SUPPLIES	181	-	-	-
15 CUSTODIAL SUPPLIES	897	1,500	1,200	1,500
40 EXPENDABLE SUPPLIES	244	1,000	500	500
70 CHEMICALS	2,038	2,000	1,500	2,000
TOTAL	3,360	4,500	3,200	4,000
5300 MAINTENANCE & REPAIRS				
10 BUILDING & GROUNDS	14,445	15,000	25,000	20,000
65 OTHER EQUIPMENT M&R	6,926	7,500	4,000	7,500
TOTAL	21,371	22,500	29,000	27,500
5400 UTILITIES & TELEPHONE				
10 ELECTRICITY	852	1,694	2,400	2,400
TOTAL	852	1,694	2,400	2,400
5600 SUNDRY				
40 INS. - BLDG/LIAB/BOND	1,747	3,800	2,500	3,800
85 PUBLISHING & ADVERTISING	1,649	1,500	750	1,600
TOTAL	3,396	5,300	3,250	5,400
5800 PARKS AND RECEPTION				
50 BEAUTIFICATION	27	-	348	-
51 EVENTS	5,754	7,000	5,500	7,000
TOTAL	5,781	7,000	5,848	7,000
DEPARTMENT TOTAL	34,760	40,994	43,698	46,300

CODE ENFORCEMENT

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 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
PERSONNEL COSTS	42,863	46,909	46,003	47,621
OPERATING COSTS	1,249	2,000	1,850	2,500
MAINTENANCE AND REPAIRS	1,646	600	15	-
UTILITIES AND TELEPHONE	-	-	-	-
SERVICES	761	2,500	1,500	6,250
SUNDRY	523	1,000	600	800
SUBTOTAL	47,042	53,009	49,968	57,171
CAPITAL OUTLAY	-	-	-	-
DEPARTMENT TOTAL	47,042	53,009	49,968	57,171
POSITION TITLE	EMPLOYEE SALARY RANGE			
	NUMBER	MIN	MAX	
CUSTOMER SERVICE REP.	1	30,400	41,130	32,260
TOTAL	1			32,260

MAJOR BUDGET CHANGES

Attorney's Fees 2,500 Historically most these fees had been charged to Administration. Increasing the budget allows the expenditures to be recodred in the proper department.

Professional Services 1,000 Increased budget to allow for outside consultations.

**Department
Code Enforcement**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5100 PERSONNEL COSTS				
03 SALARIES	29,019	32,136	31,665	32,260
04 OVERTIME	-	300	300	300
05 RETIREMENT	5,587	3,707	3,180	3,706
07 MEDICARE	-	466	466	473
10 WORKERS COMP	216	146	278	118
15 HOSPITALIZATION	7,083	8,983	9,810	9,468
20 UNEMPLOYMENT INSURANCE	125	171	179	171
30 TRAINING & TRAVEL	614	1,000	-	1,000
75 LONGEVITY PAY	-	-	125	125
90 UNIFORMS	219	-	-	-
TOTAL	42,863	46,909	46,003	47,621
5200 OPERATING SUPPLIES				
01 FOOD	109	-	-	-
10 OFFICE SUPPLIES	651	1,000	650	1,000
15 CUSTODIAL SUPPLIES	7	-	-	-
20 TOOLS	22	1,000	1,000	1,000
40 EXPENDABLE SUPPLIES	460	-	200	500
TOTAL	1,249	2,000	1,850	2,500
5300 MAINTENANCE & REPAIRS				
20 OFFICE FURNITURE/FIX	645	600	-	-
40 VEHICLE M&R	1,001	-	15	-
TOTAL	1,646	600	15	-
5500 SERVICES				
50 IT SERVICES	-	-	-	250
70 ATTORNEY'S FEES	390	2,500	1,500	5,000
95 SPECIAL SERVICES - MISC	371	-	-	1,000
TOTAL	761	2,500	1,500	6,250
5600 SUNDRY				
60 DUES & SUBSCRIPTIONS	234	500	300	300
85 PUBLISHING & ADVERTISING	289	500	300	500
TOTAL	523	1,000	600	800
DEPARTMENT TOTAL	47,042	53,009	49,968	57,171

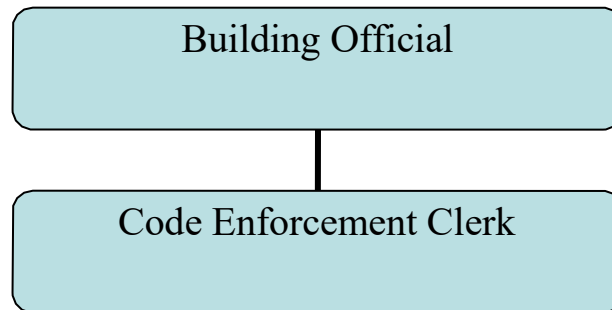
PERMITTING AND INSPECTIONS

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 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
PERSONNEL COSTS	75,266.00	86,878	82,640	82,966
OPERATING COSTS	1,073.00	5,600	2,850	4,100
MAINTENANCE AND REPAIRS	226.00	2,110	1,400	2,000
UTILITIES AND TELEPHONE	-			-
SERVICES	600.00	3,700	9,000	13,000
SUNDRY	4,442.00	11,300	13,000	11,300
SUBTOTAL	81,607.00	109,588	108,890	113,366
CAPITAL OUTLAY	-	-	-	-
DEPARTMENT TOTAL	81,607.00	109,588.00	108,890.25	113,366.00
POSITION TITLE		EMPLOYEE SALARY RANGE		
	NUMBER	MIN	MAX	
BUILDING OFFICIAL	1	51,670	69,906	55,204
TOTAL	1			55,204

MAJOR BUDGET CHANGES

Multiple Personnel Line Items

(7,872) In FY 2018 the Permitting & Inspections Director position was reclassified to Building Official.

Multiple Line Items

12,300 Budgets for third-party inspections and plan reviews increased due to growth. The fees that are collected will offset these increases.

**Department
Permitting & Inspections**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5100 PERSONNEL COSTS				
02 CONTRACT LABOR	1,400	4,500	8,500	7,500
03 SALARIES	58,527	61,992	55,203	55,204
05 RETIREMENT	6,779	7,147	6,624	6,344
07 MEDICARE	-	907	200	809
10 WORKER'S COMP	-	638	284	455
15 HOSPITALIZATION	8,440	8,983	9,813	9,468
20 UNEMPLOYMENT INS.	9	171	75	171
25 CELL PHONE ALLOWANCE	-	540	540	540
30 TRAINING & TRAVEL	111	1,800	750	1,800
75 LONGEVITY PAY	-	-	450	475
90 UNIFORMS	-	200	200	200
TOTAL	75,266	86,878	82,640	82,966
5200 OPERATING SUPPLIES				
10 OFFICE SUPPLIES	337	100	100	100
20 TOOLS	-	500	250	500
30 GAS, OIL & LUBRICANTS	736	5,000	2,500	3,500
TOTAL	1,073	5,600	2,850	4,100
5300 MAINTENANCE & REPAIRS				
40 VEHICLE M&R	124	2,000	1,000	1,500
60 RADIO M&R	102	110	400	500
TOTAL	226	2,110	1,400	2,000
5500 SERVICES				
70 ATTORNEY'S FEES	-	500	3,000	3,000
95 SPECIAL SERVICES - MISC	600	3,200	6,000	10,000
TOTAL	600	3,700	9,000	13,000
5600 SUNDRY				
30 INS. MOTOR VEHICLES	-	500	1,600	500
60 DUES & SUBSCRIPTIONS	4,442	10,800	11,400	10,800
TOTAL	4,442	11,300	13,000	11,300
DEPARTMENT TOTAL	81,607	109,588	108,890	113,366

Emergency/Disaster

PROGRAM DESCRIPTION

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

Department Storm/Disaster

EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5100 PERSONNEL COSTS				
02 CONTRACT LABOR	2,700	-	3,000	-
TOTAL	2,700	-	3,000	-
5200 OPERATING SUPPLIES				
01 FOOD	1,013	-	-	-
10 OFFICE SUPPLIES	77	-	-	-
15 CUSTODIAL SUPPLIES	95	-	-	-
20 TOOLS	679	-	1,339	-
30 GAS, OIL, & LUBRICANTS	4,526	-	-	-
40 EXPENDABLE SUPPLIES	699	-	-	-
45 DUMP CHARGES	-	35,000	35,000	-
TOTAL	7,089	35,000	36,339	-
5300 MAINTENANCE & REPAIRS				
10 BUILDING & GROUNDS	1,166	-	88	-
65 OTHER EQUIPMENT M&R	17,827	-	5,768	-
TOTAL	18,993	-	5,856	-
5500 SERVICES				
95 PROFESSIONAL SERVICES	-	51,231	51,231	-
TOTAL	-	51,231	51,231	-
DEPARTMENT TOTAL	28,782	86,231	96,426	-

Transfers

PROGRAM DESCRIPTION

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 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5900 TRANSFERS OUT				
50 CONTINGENCY FUND	-	74,144	74,144	7,161
60 CAPITAL PROJECTS	-	82,095	82,095	40,000
61 UTILITY FUND	-	401,590	401,590	89,909
62 EQUIPMENT REPLACEMENT	-	95,610	75,610	59,533
63 BEAUTIFICATION FUND	-	1,000	1,000	1,000
TOTAL	-	654,439	634,439	197,603
DEPARTMENT TOTAL	-	654,439	634,439	197,603

MAJOR BUDGET CHANGES

Utility Fund (Indirect Cost)	(311,681)	Removed one-time payment to Utility Fund for water and
Contingency Fund	(66,983)	Reduced transfer to amount needed to reach a balance of 3% of General Fund Operating Budget.
Equipment Replacement	(36,077)	Reduced one-time purchases budgeted in FY 2018.
Capital Projects	(42,095)	Reduced one-time purchases budgeted in FY 2018.

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 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
4103 AD VALOREM TAXES	165,362	174,211	174,211	166,333
4104 DELINQUENT TAXES	1,447	-	-	-
4105 PENALTY & INTEREST	1,533	-	-	-
4110 INTEREST EARNED	338	-	91	-
FUND TOTAL	168,680	174,211	174,302	166,333

Expenditures

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5900 CAPITAL OUTLAY				
12 2012 BOND FEES	500	-	-	-
60 BANK LOAN	9,888	21,389	21,390	21,389
65 STREET PROJECTS	11,500	-	-	-
70 1999 CERTIFICATES OF OBLIGATION	45,000	-	-	-
80 CO SERIES 2012	29,950	79,050	79,050	78,050
85 2011 PRINCIPAL	55,000	-	-	-
92 CO SERIES 2011 REFUNDING	15,494	73,772	73,772	66,894
FUND TOTAL	167,332	174,211	174,212	166,333

CITY OF RICHWOOD

WATER AND SEWER FUND

Water/Sewer Fund

Revenues

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
4000 SALE OF PROPERTY	10,000	-	-	-
4110 INTEREST EARNED	1,066	500	850	500
4112 MISCELLANEOUS	1,238	6,000	6,000	3,500
4410 WATER FEES	706,689	820,127	833,905	935,631
4411 WATER DISCOUNTS	-	(10,264)	(6,000)	(24,641)
4420 SEWER FEES	603,113	728,818	741,218	835,949
4421 SEWER DISCOUNTS	-	(9,803)	(4,500)	(21,862)
4422 RECLAIMED WATER	-	12,500	-	12,500
4430 DELINQUENT CHARGES	26,857	23,000	22,000	23,000
4440 WATER TAPS	11,248	14,050	12,483	14,050
4450 SEWER TAPS	1,500	2,000	1,150	575
4460 RECONNECT FEES	2,734	2,150	10,000	4,000
4470 GARBAGE RECEIPTS	8,585	281,396	256,920	298,657
4961 TRANSFER IN GEN. FUND	-	401,590	401,590	89,909
FUND TOTAL	1,373,030	2,272,064	2,275,616	2,171,768

MAJOR BUDGET CHANGES

Transfer In from General Fund (Indirect Cost)	(311,681)	Removed one-time payment from General Fund for water and sewer fees that historically hadn't been paid.
Water & Sewer Fees	196,199	Increase from full year of new rates that were
Garbage Receipts	17,261	Pass through rate increases from Waste Connections.

WATER/SEWER FUND
MAJOR REVENUE SOURCES

Water Sales (41.9%)

Water Sales account for \$910,990 (41.9%) of Utility Revenues projected for FY 2018-2019.

The City buys 235,000 gallons of water per day (on a take or pay basis) from the Brazosport Water Authority for \$3.12 per 1,000 gallons of water. The City charges the following for water:

	Base Rate (2,000 gallons)	\$24.40 per month
	2,000+	\$ 4.35 per 1,000 gallons
Over 65		
	Base rate (2,000 gallons)	\$7.50 credit per month
Fire Department		
	Base rate (4,000 gallons)	free
	Over 4,000 gallons	\$ 4.35 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 (37.5%)

Sewer Sales are projected to be \$814,087 in FY 2018-19.

The current sewer rates are:

	Base Rate (2,000 gallons)	\$22.40 per month
	2,000 +	\$ 4.35 per 1,000 gallons
Over 65		
	Base rate (2,000 gallons)	\$7.50 credit per month
Fire Department		
	Base rate (4,000 gallons)	free
	Over 4,000 gallons	\$ 4.35 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

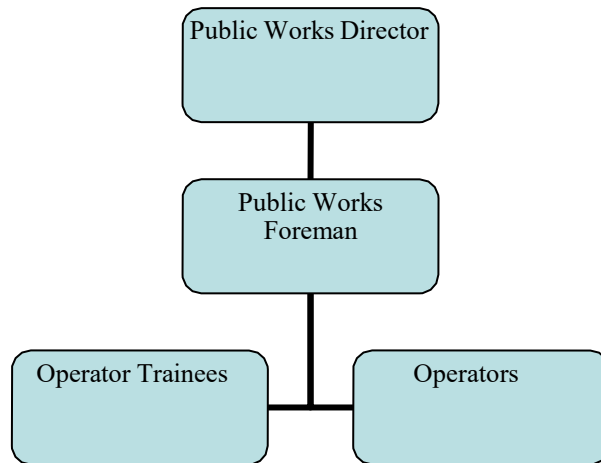
PROGRAM DESCRIPTION

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 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
PERSONNEL COSTS	290,099	259,917	258,435	376,460
OPERATING COSTS	32,001	33,000	37,100	34,600
MAINTENANCE AND REPAIRS	141,173	122,200	119,046	128,812
UTILITIES AND TELEPHONE	48,156	50,100	50,570	57,960
SERVICES	139,332	139,752	159,602	171,450
SUNDRY	43,747	50,111	49,352	51,028
SUBTOTAL	694,508	655,080	674,105	820,310
CAPITAL OUTLAY	874,025	855,649	834,078	860,198
TRANSFERS OUT	-	761,336	755,336	491,260
DEPARTMENT TOTAL	1,568,533	2,272,065	2,263,519	2,171,768
POSITION TITLE		EMPLOYEE SALARY RANGE		
	NUMBER	MIN	MAX	
PUBLIC WORKS DIRECTOR	1	61,815	83,633	65,452
FOREMAN	1	44,625	60,375	44,788
OPERATOR	1	35,620	48,192	36,510
OPERATOR	1	35,620	48,192	35,620
OPERATOR TRAINEE	1	30,400	41,130	32,364
OPERATOR TRAINEE	1	30,400	41,130	31,320
TOTAL	6			246,052

MAJOR BUDGET CHANGES

General Fund Transfer (Indirect Cost)	(276,166)	Reduced one-time debt payment to General Fund.
Multiple Personnel Line Items	108,615	Funding for two positions originally approved in FY 2018 Budget.
Capital Improvements Transfer	61,638	Increased transfer to fund rebuilds on wells 3 & 4 and other small projects.
Multiple Line Items within Services Category	31,698	Increased fees for professional services to allow more room for M&R budgets to better maintain water and sewer lines.
Solid Waste Charges	15,860	Increase in Waste Connections Contract.
Telephone	8,100	Moved SCADA phone charges from M&R line items to allow more room for M&R budgets to better maintain water and sewer lines.
Other Transfers	(55,548)	Decreases for transfers to the Contingency Fund, Debt Service, and Equipment Replacement Fund.

**Department
Water/Sewer**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5100 PERSONNEL COSTS				
02 CONTRACT LABOR	-	1,000	-	1,000
03 SALARIES	225,249	166,983	167,314	246,052
04 OVERTIME	-	15,000	16,500	16,500
05 RETIREMENT	26,179	20,862	17,733	29,940
07 MEDICARE	-	2,429	1,191	3,814
10 WORKER'S COMP	3,762	10,386	9,251	11,975
15 HOSPITALIZATION	32,455	35,933	39,197	56,808
20 UNEMPLOYMENT INS.	150	684	684	1,026
25 CELLPHONE ALLOWANCE	-	540	540	540
30 TRAINING & TRAVEL	2,302	4,000	4,000	5,000
75 LONGEVITY PAY	-	-	525	805
80 CERTIFICATION PAY	-	2,100	1,500	3,000
90 UNIFORMS	2	-	-	-
TOTAL	290,099	259,917	258,435	376,460
5200 OPERATING SUPPLIES				
01 FOOD	-	-	-	500
10 OFFICE SUPPLIES	9,540	6,000	7,000	6,000
15 CUSTODIAL SUPPLIES	54	300	100	100
20 TOOLS	989	2,000	7,000	2,000
30 GAS, OIL, & LUBRICANTS	10,553	15,000	11,000	15,000
40 EXPENDABLE SUPPLIES	3,434	2,200	3,000	3,500
70 CHEMICALS	7,431	7,500	9,000	7,500
TOTAL	32,001	33,000	37,100	34,600
5300 MAINTENANCE & REPAIRS				
10 BUILDING & GROUNDS	3,367	2,000	2,900	3,000
40 VEHICLE M&R	8,945	3,000	3,034	3,000
60 RADIO M&R	-	-	612	1,612
65 OTHER EQUIPMENT M&R	690	-	3,500	4,000
90 WATER LINES M&R	59,447	45,000	53,000	45,000
92 SEWER LINES M&R	67,951	72,200	56,000	72,200
TOTAL	141,173	122,200	119,046	128,812
5400 UTILITIES & TELEPHONE				
10 ELECTRICITY	45,552	47,000	40,470	47,000
20 TELEPHONE	2,559	2,500	9,700	10,600
30 NATURAL GAS	45	600	400	360
TOTAL	48,156	50,100	50,570	57,960

5500 SERVICES				
05 LEASE EXPENSE	135,592	137,252	137,252	139,550
60 ENGINEERING	-	2,500	750	10,000
70 ATTORNEY'S FEES	3,740	-	2,200	2,500
95 PROFESSIONAL SERVICES	-	-	19,400	19,400
TOTAL	139,332	139,752	159,602	171,450
5600 SUNDRY				
30 INS. - MOTOR VEHICLES	1,437	2,875	3,116	3,200
40 INS. - BLDG/LIAB/BOND	22,505	25,000	25,000	25,000
60 DUES & SUBSCRIPTIONS	18,340	19,736	19,736	20,328
85 PUBLISHING & ADVERTISING	1,465	2,500	1,500	2,500
TOTAL	43,747	50,111	49,352	51,028
5900 CAPITAL OUTLAY				
30 EQUIPMENT	-	-	-	-
35 EQUIP - TIME PAYMENT	17,908	20,000	20,000	4,092
90 SEWAGE TREATMENT PLANT	265,263	315,998	305,000	314,575
94 WASTE CONNECTIONS	-	257,320	246,747	273,180
95 BRAZOSPORT WATER AUTH	252,179	262,331	262,331	268,351
99 DEPRECIATION	338,675	-	-	-
TOTAL	874,025	855,649	834,078	860,198
5900 TRANSFERS OUT				
63 GENERAL FUND	-	400,826	400,826	124,660
64 CONTINGENCY FUND	-	47,069	41,069	24,084
66 CAPITAL IMPROVEMENTS	-	87,686	87,686	149,324
67 EQUIPMENT REPLACEMENT	-	59,999	59,999	40,000
69 UTILITY DEBT SERVICE	-	165,756	165,756	153,192
TOTAL	-	761,336	755,336	491,260
DEPARTMENT TOTAL	1,568,533	2,272,065	2,263,519	2,171,768



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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 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
4113 TRANS IN FROM REVENUE	146,910	-	-	-
4410 WATER FEES	33,032	-	-	-
4420 SEWER FEES	23,379	-	-	-
4969 TRANS FROM UTILITY FUND	-	165,756	165,756	153,192
FUND TOTAL	203,321	165,756	165,756	153,192

Expenditures

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5900 CAPITAL OUTLAY				
60 CO SERIES 2013	18,247	73,791	73,791	73,791
70 CO SERIES 2011	-	53,340	53,340	37,213
90 SERIES 2004 BOND FEES	500	-	-	-
91 RB I&S SERIES 2004	14,752	38,625	38,625	42,188
93 2011 CD INTEREST EXPENSE	24,251	-	-	-
FUND TOTAL	57,750	165,756	165,756	153,192

CITY OF RICHWOOD

SPECIAL FUNDS

SPECIAL FUNDS

PROGRAM DESCRIPTION

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 2018-19

Utility Capital Improvement Fund

- Water/Sewer Master Plan & Impact Fee Study - \$75,000
- Water Well Rebuild - \$53,790
- Misc. CIP Projects - \$20,534

Equipment Replacement Fund

- New Diesel Truck - \$40,000
- Fire Department Air Packs - \$27,500
- Pre-Fund Future Replacements - \$28,064

Capital Projects Fund

- City Hall Roof Repair - \$40,000

Utility Capital Improvement Revenues

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
4110 INTEREST	306	200	405	-
4966 TRANSFER FROM UTILITY FUND	-	87,686	87,686	149,324
FUND TOTAL	306	87,886	88,091	149,324

Utility Capital Improvement Expenditures

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5560 ENGINEERING	-	66,831	66,831	75,000
5915 CAPITAL OUTLAY	-	20,855	20,855	74,324
FUND TOTAL	-	87,686	87,686	149,324

Equipment Replacement Revenues

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
4110 INTEREST	119	-	134	-
4112 MISCELLANEOUS	1,700	-	7,537	-
4962 TRANSFER FROM GENERAL FUND	-	95,610	65,610	59,533
4967 TRANSFER FROM UTILITY FUND	-	59,999	59,999	40,000
FUND TOTAL	1,819	155,609	133,280	99,533

Equipment Replacement Expenditures

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5915 CAPITAL EXPENDITURES	-	-	-	-
5920 MOTOR VEHICLES	-	30,610	35,000	40,000
5930 EQUIPMENT	-	134,999	94,999	27,500
FUND TOTAL	-	165,609	129,999	67,500

**Capital Projects
Revenues**

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
4110 INTEREST	-	-	-	-
4960 TRANSFER FROM GENERAL FUND	-	82,095	82,095	40,000
FUND TOTAL	-	82,095	82,095	40,000

**Capital Projects
Expenditures**

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5930 EQUIPMENT	-	34,345	34,345	-
5915 CAPITAL OUTLAY	-	47,750	47,750	40,000
FUND TOTAL	-	82,095	82,095	40,000

**Insurance Contingency
Revenues**

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
4110 INTEREST	66	-	66	-
FUND TOTAL	66	-	66	-

**Insurance Contingency
Expenditures**

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5240 EXPENDABLE	-	-	-	-
FUND TOTAL	-	-	-	-

**General Fund Contingency
Revenues**

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
4950 TRANSFER FROM GENERAL FUND	-	74,144	74,144	7,161
FUND TOTAL	-	74,144	74,144	7,161

**General Fund Contingency
Expenditures**

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5240 EXPENDABLE	-	-	-	-
FUND TOTAL	-	-	-	-

**Utility Fund Contingency
Revenues**

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
4964 TRANSFER FROM UTILITY FUND	-	47,069	47,069	24,084
FUND TOTAL	-	47,069	47,069	24,084

**Utility Fund Contingency
Expenditures**

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5240 EXPENDABLE	-	-	-	-
FUND TOTAL	-	-	-	-

MAJOR BUDGET CHANGES

Utility Capital Improvement	\$75,000 to finish funding the Utility Master Plan & Impact Fee Study; \$53,790 to rebuild water wells 3 & 4; \$20,534 is being reserved for projects resulting from the CIP that will be created during the study.
Equipment Replacement	\$40,000 to purchase a new diesel truck in Utilities:\$27,500 to replace 5 air packs for the Fire Department. Between the General Fund and the Utility Fund there is over \$200,000 per year in depreciation on equipment and vehicles.
General Capital Projects	\$40,000 to replace the roof on City Hall, which was the only thing not done when the building was purchased and remodeled.

CRIME CONTROL AND PREVENTION DISTRICT

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 2018-19

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

Fund an investigator position and refurbish one vehicle.

Crime Control and Prevention Revenues

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
4110 INTEREST	266	-	250	-
4117 SALES TAX	97,755	109,607	104,808	117,000
4959 TRANS IN - FUND BALANCE	-	7,558	-	-
FUND TOTAL	98,021	117,165	105,058	117,000

Crime Control and Prevention Expenditures

EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5100 PERSONNEL COSTS				
03 SALARIES	15,470	23,655	30,838	73,889
05 RETIREMENT	-	8,762	-	6,639
07 MEDICARE	-	1,111	447	1,072
10 WORKER'S COMP	-	3,342	1,280	2,938
15 HOSPITALIZATION	-	8,983	-	9,468
20 UNEMPLOYMENT INS.	-	1,160	342	342
30 TRAINING & TRAVEL	-	900	-	4,051
90 UNIFORMS	4,093	1,007	4,500	1,000
TOTAL	19,563	48,920	37,407	99,399
5200 SUPPLIES				
20 TOOLS	1,663	-	-	-
TOTAL	1,663	-	-	-
5500 SERVICES				
50 IT SERVICES	1,216	-	-	-
TOTAL	1,216	-	-	-
5900 CAPITAL				
20 MOTOR VEHICLES	73,842	-	-	-
30 EQUIPMENT	5,020	20,745	20,745	16,701
	78,862	20,745	20,745	16,701
6000 TRANSFERS OUT				
75 COPS GRANT	-	12,500	-	-
TOTAL	-	12,500	-	-
FUND TOTAL	101,304	82,165	58,152	116,100

MAJOR BUDGET CHANGES

Sales Tax Revenue	7,393	Adjusted budget to match current forecast.
Multiple Expenditure Line Items	50,479	Reallocated budgets to move funds from equipment and vehicles to fund a new investigator position.

TRANSPORTATION FUND

PROGRAM DESCRIPTION

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 2018-19

-
- South Yaupon sidewalk installation
 - Drainage ditch regarding
 - Road maintenance

**Transportation Fund
Revenues**

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
4110 INTEREST	648	-	700	-
4125 TRANSPORTATION FEE	129,291	105,000	136,800	136,800
FUND TOTAL	129,939	105,000	137,500	136,800

**Transportation Fund
Expenditures**

EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5300 MAINTENANCE & REPAIR				
80 STREETS M&R	4,839	30,000	30,000	45,600
82 SIDEWALKS M&R	81	50,000	25,000	45,600
85 DRAINAGE M&R	14,100	25,000	25,000	45,600
TOTAL	19,020	105,000	80,000	136,800
FUND TOTAL	19,020	105,000	80,000	136,800

MAJOR BUDGET CHANGES

Transportation Fee	31,800	Now that both apartment complexes are complete, we should see at least \$11,400 per month in transportation fee revenues.
Multiple Line Items	31,800	Reallocated budget to divide funds equally between the three areas.

BEAUTIFICATION FUND

PROGRAM DESCRIPTION

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

Beautification Revenues

DESCRIPTION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
4124 BEATIFICATION REVENUES	14,030	13,800	14,520	14,520
4959 TRANS IN - FUND BALANCE	-	1,200	-	480
4963 Transfer from General Fund	-	1,000	1,000	1,000
FUND TOTAL	14,030	16,000	15,520	16,000

Beautification Expenditures

EXPENDITURE CLASSIFICATION	ACTUAL FY 2016/17	BUDGET FY 2017/18	PROJECTED FY 2017/18	BUDGET FY 2018/19
5100 PERSONNEL COSTS				
02 CONTRACT LABOR	8,175	8,500	8,500	8,500
30 TRAINING & TRAVEL	1,012	1,600	-	1,600
TOTAL	9,187	10,100	8,500	10,100
5200 SUPPLIES				
10 OFFICE SUPPLIES	25	100	100	100
20 TOOLS	-	500	-	500
40 EXPENDABLE	821	1,500	500	1,500
TOTAL	821	2,100	600	2,100
5300 MAINTENANCE & REPAIRS				
10 BUILDING & GROUNDS	1,540	2,000	1,600	2,000
TOTAL	1,540	2,000	1,600	2,000
5600 SUNDRY				
60 DUES AND SUBSCRIPTIONS	637	800	650	800
85 PUBLISHING & ADVERTISING	390	1,000	300	1,000
95 SPECIAL SERVICES - MISC	202	-	-	-
TOTAL	1,229	1,800	950	1,800
FUND TOTAL	12,777	16,000	11,650	16,000

DEBT SERVICE REQUIREMENTS TO MATURITY
General Obligation Bonds
as of September, 2018

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>
	\$ 440,000.00	\$ 56,809.50	\$ 496,809.50

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>
	\$ 253,522.51	\$ 83,348.53	\$ 336,871.08

DEBT SERVICE REQUIREMENTS TO MATURITY
General Obligation Bonds
as of September, 2018

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>
	\$ 890,000.00	\$ 263,075.00	\$1,153,075.00

DEBT SERVICE REQUIREMENTS TO MATURITY
Summary of General Fund Debt
as of September, 2018

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
	\$1,583,522.51	\$403,233.03	\$1,986,755.54

**DEBT SERVICE REQUIREMENTS TO
MATURITY
Water and Sewer System Revenue Bonds
as of September, 2018**

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
	\$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
	\$ 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, 2018

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
\$	860,000.00	\$ 255,166.50	\$ 1,115,166.50

Summary of Tax-Supported Debt Outstanding by Series
As of Fiscal Year End September 30, 2018

No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Partially Secured by Ad Valorem Taxes	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Tax & Revenue Certificates of Obligation, Series 2004	Capital Improvements	\$500,000.00	\$235,000.00	\$283,597.50	\$59.43	\$71.72	02/01/2025	Yes	\$500,000.00	\$500,000.00	\$0.00
2	General Obligation Refunding Bonds, Series 2011	Refunding at a lower interest rate, etc.	\$740,000.00	\$380,000.00	\$423,037.50	\$96.11	\$106.99	08/15/2024	Yes	\$740,000.00	\$740,000.00	\$0.00
3	Tax & Revenue Certificates of Obligation, Series 2011	Capital Improvements	\$770,000.00	\$570,000.00	\$739,604.00	\$144.16	\$187.05	08/15/2031	Yes	\$770,000.00	\$770,000.00	\$0.00
4	Combination Tax and Revenue Certificates of Obligation, Series 2012	Capital Improvements	\$1,115,000.00	\$845,000.00	\$1,079,025.00	\$213.71	\$272.89	08/15/2032	Yes	\$1,145,702.38	\$1,145,702.38	\$0.00
Totals:			\$3,125,000.00	\$2,030,000.00	\$2,525,264.00	\$513.40	\$638.66			\$3,155,702.38	\$3,155,702.38	\$0.00

**ESTIMATED AD VALOREM TAX COLLECTION & PROPOSED DISTRIBUTION FOR
FISCAL YEAR 2018-2019**

Assessed Valuation for 2017	\$ 294,168,905
Gain (Loss) in Value	<u>(19,589,885)</u>
Assessed Valuation for 2018	274,579,020
Tax Rate Per \$100 Valuation	0.670204
Revenue from 2018 Tax Roll	1,840,240
Estimated Collections	<u>100%</u>
Total Funds Available	<u>\$ 1,840,240</u>

SCHEDULE OF TAX LEVY AND COLLECTION RATE

YEAR	LEVY	BALANCE DUE AS OF 9/30/18	PERCENT COLLECTED
2017	1,692,127.20	18,225.23	98.92%
2016	1,580,396.09	8,470.69	99.46%
2015	1,526,596.14	7,005.87	99.54%
2014	1,345,054.78	4,169.26	99.69%
2013	1,243,473.20	3,644.76	99.71%
2012	1,158,718.03	2,003.91	99.83%
2011	1,134,497.42	1,439.39	99.87%
2010	1,119,707.25	2,195.37	99.80%
2009	904,900.38	1,484.46	99.84%
2008	829,523.51	742.04	99.91%
2007	761,103.64	1,279.93	99.83%
2006	663,944.44	667.53	99.90%
2005	607,763.29	63.85	99.99%

DISTRIBUTION OF COLLECTED TAXES

FUND	ADOPTED TAX RATE 2017-18	ADOPTED TAX RATE 2018-19	PROPOSED AMOUNT 2018-19	%
General Fund	0.575223	0.609627	1,673,908	100
General Debt Service Fund	0.059221	0.060577	166,332	100
TOTAL	0.634444	0.670204	1,840,240	100

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%

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 30th.

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.

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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.

City of Richwood
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