



**FY 2012 PROPOSED BUDGET
CITY OF CENTER, TEXAS
PRINCIPAL OFFICIALS**

MAYOR

David Chadwick

CITY COUNCIL

Joyce Johnson – District 1 Charles Rushing – District 4
Charlie Byndom – District 2 Jim Forbes – At Large
Chuck Lunsford – District 3 Leigh Porterfield – At Large

CITY MANAGER

Chad D. Nehring

CITY SECRETARY

Barbara Boyd

CITY ATTORNEY

Grover Russell



ACKNOWLEDGEMENTS

Special thanks to all the City employees who contributed to this budget.

ASSISTANT CITY MANAGER

James P. Gibson

FINANCE OFFICER

Robin Folsom Andrews

POLICE CHIEF

Jim Albers

FIRE CHIEF

Keith Byndom

STREET DIRECTOR

Fred Stansberry

UTILITIES SUPERINTENDENT

John Holt

WATER DISTRIBUTION SUPERVISOR

Glynn Bragg

JOHN D. WINDHAM CIVIC CENTER DIRECTOR

Tommy Hughes

HUMAN RESOURCES MANAGER

Debbie Runnels

PURCHASING MANAGER

Michael Boyd



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August 19, 2011

Dear Center Resident:

Welcome to the City of Center operating budget for fiscal year 2012. We expect this document will provide significant information in an easy to read and understand format. I know that the City staff has worked long and hard to make this budget a success. The Council and I express our gratitude to those that have participated in this budget process.

A budget serves many purposes. It is a financial planning tool; a way for the City Council to allocate finite resources in a way that accomplish our goals. It is a communication device; providing information to the Council and public on how the City operates. The budget is also a policy document, whereby the Council establishes certain policy goals and a direction for the City. Finally, the budget is an operations guide, providing insight into what the City departments do and how they accomplish their jobs.

Center is a Home Rule city that provides a full range of municipal services to its citizens. As such, Center is very progressive in using tax payer money to make long term investments back into the community in areas such as public safety improvements, parks, community facilities, and major infrastructure.

Planning the future of our City is not a spectator sport; I would encourage everyone to attend a City Council meeting, or consider volunteering for service on a board or committee.

I do hope that you enjoy the new budget format and if you have any questions you may contact the City Manager, Chad D. Nehring at 936/598-2941.

Sincerely,

David Chadwick
Mayor, City of Center





Date: August 19, 2011
To: Mayor, City Council Members and Residents of Center
From: Chad D. Nehring, City Manager
Subject: FY 2012 Proposed Budget Transmittal Letter

It is my privilege to present the FY 2012 Proposed Budget for your consideration. Both the Council and staff have worked hard to ensure the financial strength of our city and guarantee that the citizens receive the quality services at appropriate yet affordable levels, they have come to expect.

The City's growth through business development and expansion of the local oil/gas industry has continued to materialize despite national economic trends. After last year's relatively flat sales taxes and two years of property value declines, the City has experienced an incredible rebound in sales taxes and slight increase in property values from new construction. Recent growth trends have allowed the focus of the Council and staff to remain on major infrastructure projects, sustainable community growth opportunities, improvements in service delivery and attracting/retaining quality staff.

The City has also been able to maintain an optimum fund balance or "rainy day fund". Financial experts believe that a city of our size should have 25% of annual expenditures in the form of uncommitted, cash reserves. We have achieved this standard and ensured that if a disaster or a significant slowdown in the economy occurred, there would not be an immediate disruption of city services. The conclusion is that the city is not obligated to allocate additional resources to secure our fund balance this year.

City sales tax receipts continue to increase year over year and break records. As additional businesses chose to locate in Center and with the increased activity in the oil and gas industry, Center is experiencing a windfall that many communities envy. FY 2011 sales tax receipts have increased over 2010 by approximately 25%, and continued growth is estimated with the most conservative models. It is with these funds that the City anticipates making key investments in major capital assets.

Another benefit of the sales tax growth is that there is no pressure to increase the property tax rate to offset increasing costs of providing current services. Property owners in Center enjoy one of the lowest property tax rates in the region which is also below the state average. This budget seeks to maintain one of the primary goals of having a relatively low property tax rate.

With this proposed budget, the City is planning substantial capital investments in key infrastructure that will enhance the quality of life in Center and stimulate additional investment in the community. Specific projects include expansions to the City's park system, sidewalks and trails throughout the City, building expansions and renovations at the City Hall, Community House, and Fannie Brown Booth Library. Finally, planned capital equipment purchases include a rescue/ladder truck for the fire department, which will allow the City's ISO rating to be reduced, thereby reducing insurance premiums for all property owners within the City.

In summation, the prospects for the City of Center continue to look promising. Despite recent successes, we believe that we cannot allow for complacency as there are more opportunities to develop Center into a more desirable community. While the City continues to progress, we must remain cognizant and committed to cost effectiveness, efficiency, and fiscal responsibility. We are in an excellent position to realize Center's potential, highlighted by recognition of our community as a place where citizens enjoy well-maintained infrastructure and quality amenities for a very reasonable investment. I encourage your participation and involvement as we continue to work toward this vision.





FY 2012 PROPOSED BUDGET PROFILE OF CENTER, TEXAS

Welcome to the profile section of the City of Center budget. Although the FY 2012 budget document is primarily a financial document, it is also an opportunity to acquaint you with some of the history, highlights, facilities, and economy of Center, which make it a great place to visit, live, and own and operate a business.

City Government

The City of Center operates under a Home Rule Charter with a Council-Manager form of government. The governing body, the Center City Council, is composed to a Mayor, two council members elected “at-large” by city-wide elections, and four members elected from single member districts. The Mayor and Council members serve staggered two year terms. The Mayor and Council are responsible for casting a vision and direction for the city, enacting legislation in the form of ordinances and resolutions, adopting and amending budgets, making appointments to the different boards and commissions, and determining the policies of the City.

The Center City Council meets on the second and fourth Mondays of each month at 5:00 in the council chambers at City Hall, located at 617 Tenaha Street in Center, Texas.

History of Center

Shelby County was one of the original thirteen counties in Texas, being organized by the Republic of Texas Congress in 1837. The county was named for Isaac Shelby, an American military hero and Governor of Kentucky. Shelby County eventually became one of the most populous and prosperous counties in the state because of its proximity to Louisiana and location along the Sabine River.

The settlement which eventually became the City of Center was originally called White Cottage. A post office was established at this settlement on April 6, 1848.

Al Johnson, an East Texas state representative, introduced a bill to have all county seats be as close to the center of the county as possible. R.L. Parker, the County Clerk at the time, arranged to have the county surveyed and the center located. A vote was held in Shelby County to move the seat of county government from Shelbyville, the original county seat, to the center of the county. The result of the vote was in favor of relocating the county seat. The people in Shelbyville organized to protect the county records. However, one night in 1866, a group of men led by Parker entered into the courthouse, confiscated all of the records and relocated them to a log cabin near White Cottage. Shortly after the incident, the community became known as Center, primarily to reflect the requisite location of the county seat.

The Center post office opened in October 1866. In 1869, Confederate veteran Captain Jesse Amason donated fifty acres of land for the town site of Center.

On the night of May 31, 1882, a fire erupted at the courthouse and the building was a complete loss. The county contracted with J.J.E. Gibson, an Irish immigrant, to construct a new courthouse and jail. In November 1885, the new courthouse was completed and remains standing to this day. The courthouse serves as an icon in the downtown city square and has been the hub of commerce and public life in the community ever since.

The City of Center was incorporated in 1893, however, the result of this incorporation was dissolved and the city was reincorporated by means of another charter in 1901. The city developed and adopted a new home rule charter April 7, 1984.



Economy of Center

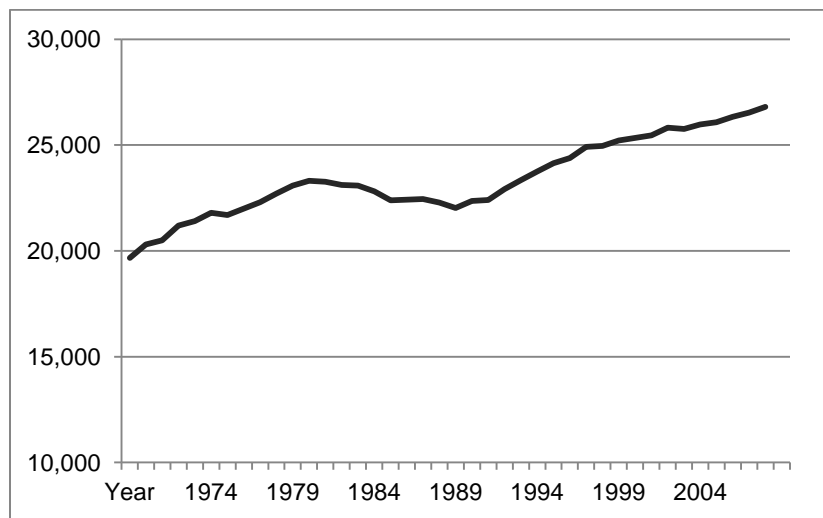
This section of the profile will provide a brief snapshot of the Center and Shelby County economy. The topics discussed will be population change in Shelby County including how this population change occurred, the size of the local labor force and the unemployment rate, and per capita and household income. Finally, data will be presented which will describe the different industry clusters in Shelby County and the location quotients of the County.

The economy of Center has evolved through four distinct stages. The first stage was cotton; Center boasted a number of cotton gins. Cotton production eventually was superseded by timber production; there were two pulpwood mills located in the city. In the 1950's the poultry industry was introduced in Center as the timber industry was not as lucrative. In the early 2000's, the Haynesville Shale gas formation was discovered in Shelby County and natural gas production activity became a staple of the economy.

One of the recurring trends that is illustrated in this section is just how bound Shelby County's economy is to the State of Texas. This is indicated in nearly all of the economic factors discussed below.

Population

The population of Shelby County has changed dramatically over the last 40 years. As graph 1 indicates, the population of the county has increased 36% over this time period, representing about a 1% increase each year.

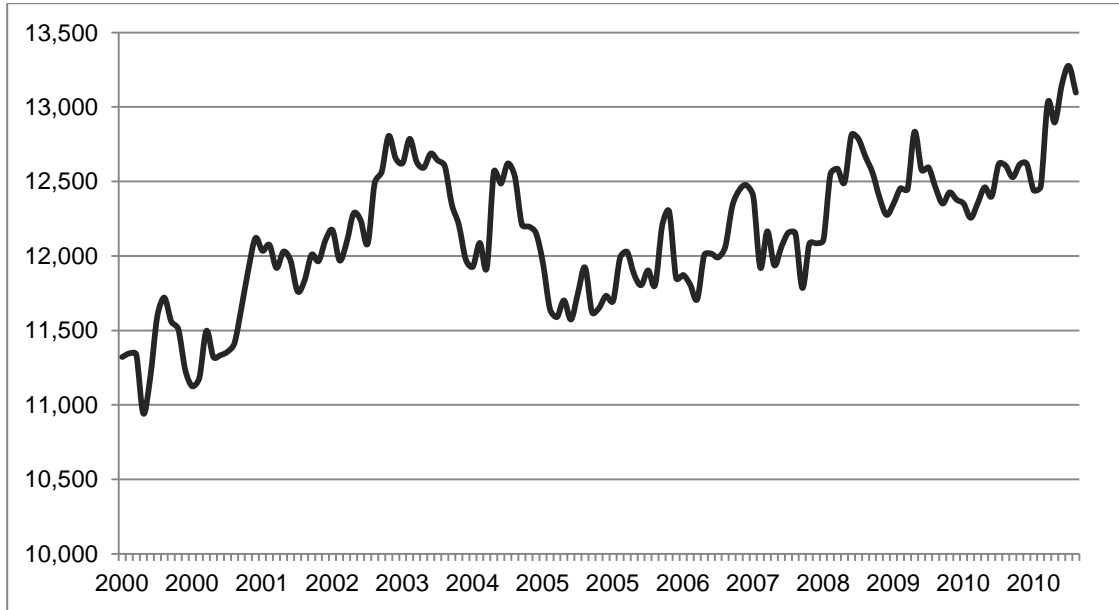


Graph 1 – Population trends in Shelby County
Source: Texas Workforce Commission

The first peak in population in the late 1970's and early 1980's represent a relative prosperous time in the State of Texas prior to the oil bust. The population of the county continued to decline through the late 1980's until making a correction in the early 1990's. The trend of population growth has increased since then, reflecting the overall population growth and demographic changes in the State of Texas.

Labor Force

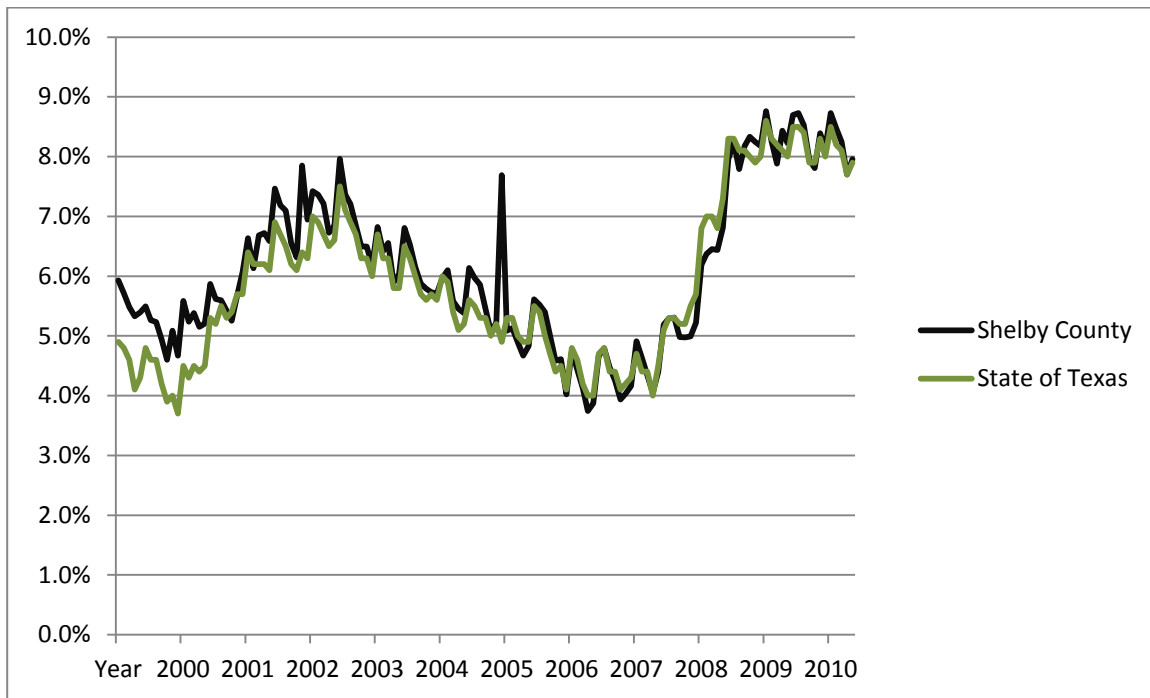
The size of the labor force in a given area can indicate the relative health of the local economy. As graph 2 indicates, the size of the Shelby County labor force is at a record level and continues to maintain a labor force above 13,000. This is significant because it reflects that Shelby County is a place with growing employment opportunities, even through the recent national recession.



Graph 2 – Size of the labor force – Shelby County
Source: Texas Workforce Commission

Unemployment

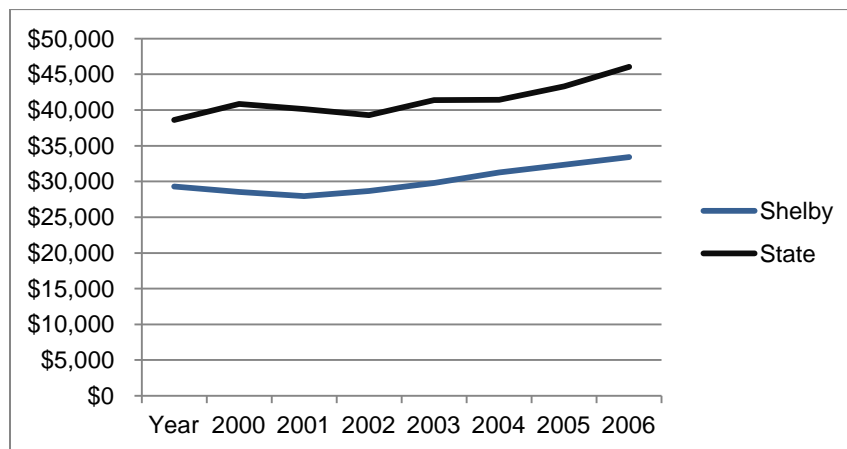
The unemployment rate in Shelby County has been stubbornly high. Along with the nationwide recession and economic downturn, Shelby County has also felt its share of hard times. However, the unemployment rate is not nearly as high as other counties in the state or the Deep East Texas Region. The unemployment rate closely parallels that of the State. When the unemployment rate of the State rises or falls Shelby County makes a similar move both in terms of timing and magnitude.



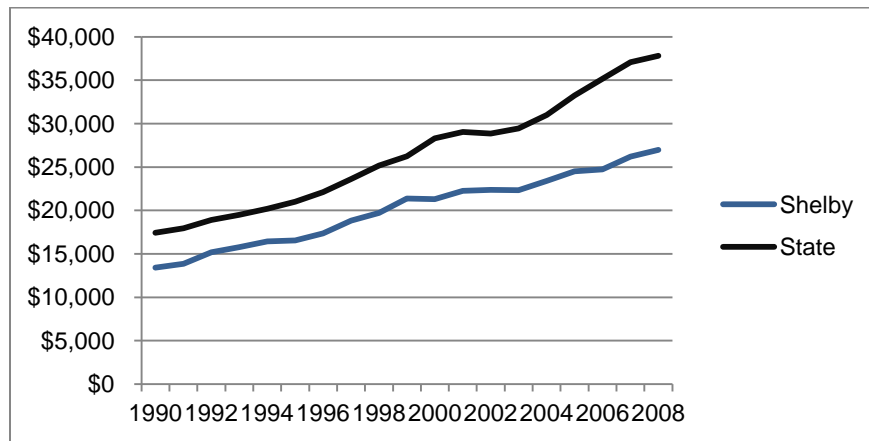
Graph 3 – Unemployment Rate of Shelby County and State of Texas – Not Seasonally Adjusted
Source: Texas Workforce Commission

Income

There are two primary measurements of income that will be used for the budget’s illustrative purposes: per capita and household income. The trend that will be highlighted is that both measurements of income in Shelby County are far exceeded by that of the State of Texas. This is the one economic indicator which Shelby County does not parallel the State. Graph 4 shows the household income and graph 5 shows the per capita income.



Graph 4 – Household income of Shelby County and the State of Texas – 2000 – 2007
Source: Texas Workforce Commission



Graph 5 – Per capita income of Shelby County and the State of Texas – 1990 – 2008
Source: Texas Workforce Commission

Location Quotient

The location quotient of a community looks at the proportion of a type of worker in a given area and the percentage of a worker in a comparison area such as the state or nation and divides those two numbers. A quotient greater than or equal to 1 indicates that there is a strong proportion of an occupation in comparison to another area. Table 1 examines those workers in four different industries and creates a multi-year location quotient compared to the State of Texas.

<u>Industry</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Agriculture, forestry, fishing	10.01	9.41	8.92	10.16	10.24
Mining, oil & gas extraction	1.03	0.68	0.38	0.68	0.33
Manufacturing	3.56	3.60	3.49	3.17	3.08
Retail trade	1.21	1.21	1.22	1.24	1.34

Table 1 – Location Quotients in Shelby County
Source: Bureau of Labor Statistics

These two points of data indicate the strength of the industrial and manufacturing base in Shelby County.

Major Employers

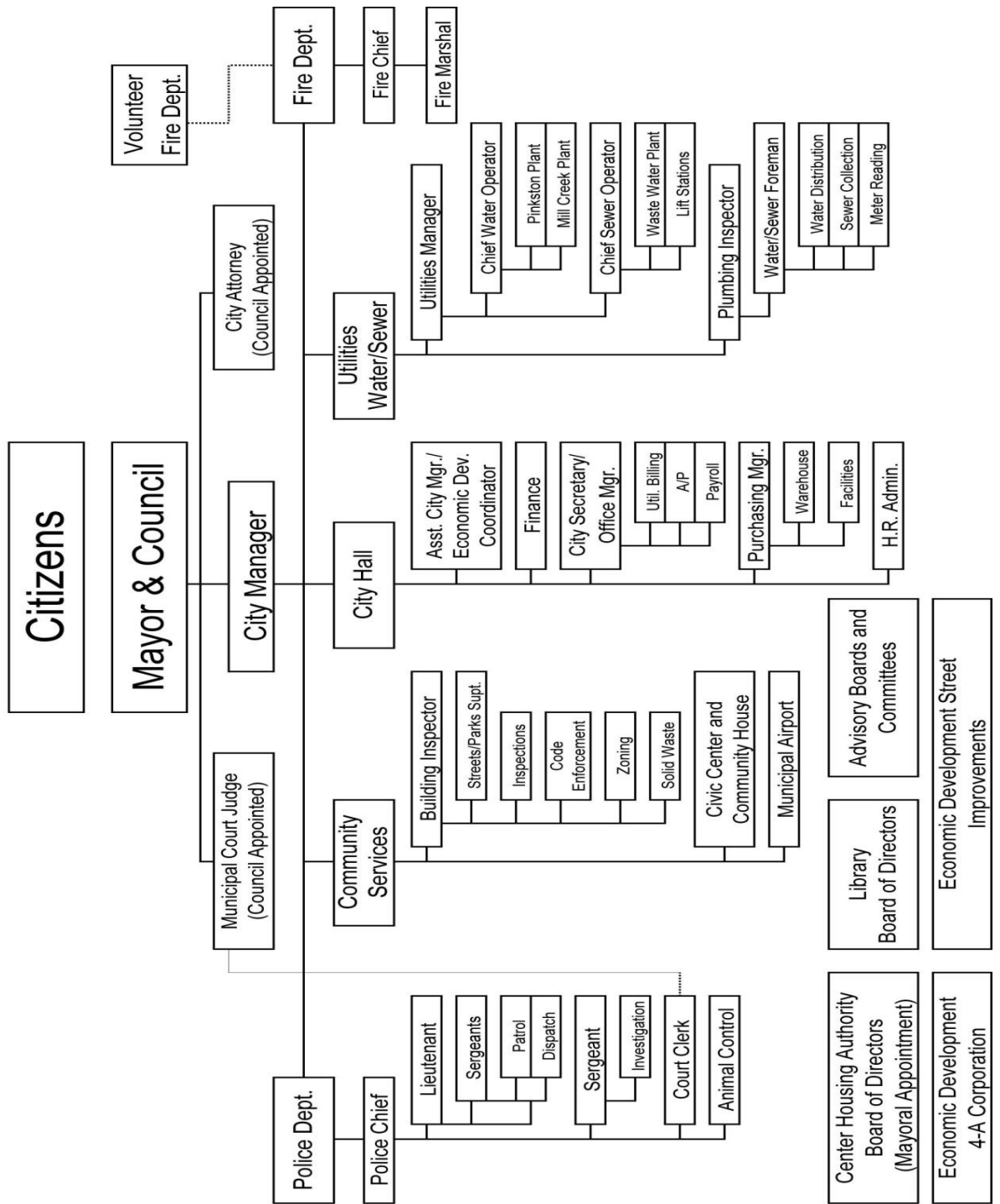
The Center local economy has a relatively strong industrial base. In the Deep East Texas region, Center is the only small city with an employer that has over 1,000 employees. In addition, there is also a health mix of smaller and medium sized businesses in the City. Table 2 lists the major employers in the immediate Center area.



Employer	Product	Number of Employees
Tyson Foods	Poultry	1,400
Center Independent School District	Education	420
Wal-Mart Supercenter	Retail	258
Port-A-Cool LLC	Manufacturing	199
Shelby County	Government	110
Shelby Regional Medical Center	Health Care	83
General Shelters of Texas	Manufacturing	80
City of Center	Government	80
Hallmark Fixtures – Center	Manufacturing	67
Ameri-Tech Building Systems	Manufacturing	60
Pilgrim’s Pride – Center Hatchery	Poultry	22



Organizational Chart







**FY 2012 PROPOSED BUDGET
STAFFING CHART**

Department	Job Title	FY 2011 Amended Budget
GENERAL FUND		Full Time Equivalent
City Hall (Includes annex and warehouse)	City Manager	1
	Asst. City Manager	1
	City Secretary	1
	Finance Officer	1
	Purchasing Agent	1
	HR Manager	1
	Clerks	5
	IT Consultant	0.25
Subtotal - City Hall		11.25
Police Department	Police Chief	1
	Municipal Court Judge	0.25
	Lieutenant	1
	Detective	3
	Sergeant	4
	Patrol Officer	11
	Dispatchers	4.5
	Court Clerk/Secretaries	2.5
	Evidence Room Technician	0.25
	Janitor	1
Subtotal - Police Department		28.5
Fire Department	Fire Chief	1
	Fire Investigator	1
	Fire Fighter	4
Subtotal - Fire Department		6
Street Department	Foreman	1
	Street Maintenance	3.5
Subtotal - Street Department		4.5
Municipal Airport	Airport Manager	1
	Subtotal - Airport	
Parks Department	Parks Maintenance	1
	Subtotal - Parks	
Inspection Services	PW Superintendent	1
	Code Compliance Officer	1.5
	Clerk	1
	Subtotal - Inspection Services	



Civic Center	Civic Center Director	1
	Part Time Assistants	1.5
	Subtotal - Civic Center	2.5
TOTAL GENERAL FUND		58.25
UTILITY FUND		
Water Production	Chief Operator	1
	Lead Operator	1
	Plant Operators	6.5
	Subtotal - Water Production	8.5
Water Distribution	Crew Leader	1
	Maintenance	3
	Subtotal - Water Distribution	4
Sewer Collection	Crew Leader	1
	Maintenance	2
	Subtotal - Sewer Collection	3
Sewer Treatment	Chief Operator	1
	Plant Operator	2
	Electrician/Plant Operator	1
	Subtotal - Sewer Treatment	4
Public Works	Utilities Director	1
	Distribution & Collection Super	1
	Subtotal - Public Works	2
TOTAL UTILITY FUND		21.5
TOTAL CITY EMPLOYEES		79.75



BUDGET FORMAT

The budget format for the FY 2012 Budget is very different than previous City of Center budgets. This budget document seeks to present much more information for the reader to better understand the operations of the City of Center.

The information included in the budget is organized into columns (financial data over time) and budget units. The financial information contained in the budget is as follows.

FY 2010 Actual - Actual revenues, expenditures, and fund balances recorded for the period ending September 30, 2010.

FY 2011 Budget – The budget as approved and amended by the City Council for the current fiscal year ending September 30, 2011, including revenues, expenditures, and fund balances.

FY 2012 Proposed – Budgeted amounts for each category for the fiscal year ending September 30, 2012.

Other City budgets in the past did not create prime account categories. This is a line item which gives a sub-total amount to expense accounts of a similar nature. For example, all accounts associated with personnel costs are sub-totaled to “Personnel Services”. This allows the reader to look at a single number and be able to draw conclusions. This budget employs the following prime accounts:

Personnel – All costs associated with city employees, including salary/wages, retirement contributions (TMRS), health insurance, Social Security, workers comp insurance, etc.

Supplies – All costs associated with purchasing materials to fulfill department objectives

Contractual – All costs associated with securing outside contractual services

Utilities – All costs associated with the operations of a building such as electricity, gas and phone

Maintenance – All costs associated with maintaining equipment, rolling stock, buildings, and infrastructure

Sundry – All costs miscellaneous to the operations of the department

Capital – All costs associated in capital purchases of major equipment, buildings, or other assets

BUDGET PROCESS

The budget process began with requests to the different department heads for budget proposals and capital requests. City staff consolidated those requests and compared them to revenue estimates for the upcoming year. The first draft of the budget showed that all requests could be funded, cost of living wage rate adjustment provided, and projected increases in health insurance while projecting a slight budget surplus. The City Council held extensive budget workshops to prioritize the budget requests and to provide their input on funding priorities.

A more detailed budget calendar is listed on the following page.



BUDGET ADOPTION

The budget must be adopted by the City Council prior to October 1 each year in order to set the property tax rate. Public hearings are held and when completed, it is given final approval by the Mayor and City Council.

AMENDING THE BUDGET

As the fiscal year progresses, situations may sometimes arise that were not anticipated and affect the budget. From time to time, the City Manager may present the council with requests for budget amendments.

BUDGET CALENDAR

Week of May 2, 2011 – Provide budget material to Department Heads

May 18, 2011 – Department Heads return completed work budgets to the accounting department

May 23, 2011 – Copies of initial budget material delivered to City Council

July 25, 2011 – Council may vote to increase the tax rate

August 12, 2011 – Proposed budget filed with the City Secretary; proposed budget is available for public review.

August 22, 2011 – City Council holds public hearing for budget

September 12, 2011 – City Council holds public hearing, adopts tax rate, and approves budget

October 1, 2011 – New budget is implemented

FOR MORE INFORMATION

The budget document summarizes and condenses a substantial amount of information in order to avoid a cumbersome document. However, there are times that more detailed information may be needed or further explanation required. In these instances citizens and users may contact City Hall at 936/598-2941 to have their questions answered. City Hall is open Monday through Friday from 8:30 a.m. to 4:30 p.m.



FY 2012 PROPOSED BUDGET PRIORITIES

In the FY 2012 Proposed Budget, the administration presents its priorities to City Council for a period of discussion and review. The Proposed Budget incorporates those priorities as follows:

1. The realignment of organizational priorities to focus more efforts on those capital projects that will affect long term growth of the City. These projects include quality of life and sustainable growth projects that seek to make Center a more desirable place to live.
2. Providing a stable property tax rate that continues to reduce the property tax burden on citizens and commercial property.
3. Maintaining current levels of service that our citizens have come to expect of the City.
4. Ensuring a competitive city workforce by cultivating a competitive pay and benefits schedule.
5. The maintenance of financial reserves at the current level, to ensure that the city has sufficient cash to continue operations through a short term disruption of income. This is to ensure our ability to provide uninterrupted services during times of disaster or emergency.
6. Continue to be good stewards of the tax payer's money. This is also achieved by keeping a balanced budget where expenditures do not exceed revenue and maintaining a solid and improving credit rating.





**FY 2012 PROPOSED BUDGET
GENERAL FUND REVENUE OVERVIEW**

The General Fund provides financing for the City's governmental services, which excludes water and wastewater utility operations. General Fund services consist of all public safety functions, including police, animal control, and fire services; community services, including sanitation, streets, parks, inspections, planning, library, airport and code enforcement; and administrative functions, which includes general management, finance, human resources and purchasing. The City's main governmental buildings are maintained and operated as assets within the General Fund.

General Fund revenues come from multiple sources but are mostly derived from sales taxes on the purchases of goods and services within the City. The City's largest expenditure category is compensation to City personnel who ensure the provision of the services mentioned.

GENERAL FUND REVENUE

The City of Center receives operating revenue from multiple streams. Much like a well-organized business, the City does not solely rely on one large revenue source, but rather, the revenue is diversified.

Table 1 below illustrates how the vast majority, 80%, of general fund city revenues are collected from four different categories: sales tax receipts, property tax payments, franchise fees, and solid waste collections.

Top Revenue Sources		
Sales Taxes	2,312,500	41%
Property Tax	502,500	9%
Franchise Fees	492,000	9%
Solid Waste Collections	1,267,500	22%
Total	4,574,500	80%
Total Revenue	5,696,350	

Table – 1 - Top City Revenue Sources

Sales Taxes

The largest source of City revenues is from sales tax receipts, which are projected to account for 41% of the City's general fund revenue. FY 2012 sales tax revenues are budgeted at \$3,520,000, which represents slight decrease from FY 2011 estimated receipts. The reason for this slight decline is the City's desire to very conservatively budget this revenue source. Please see table 2 for a description of overall City sales tax receipts.

FY 2007 Actual	2,655,690
FY 2008 Actual	2,798,156
FY 2009 Actual	2,975,713
FY 2010 Actual	2,931,706
FY 2011 Estimated	3,720,000
FY 2012 Budgeted	3,700,000

Table 2 - City sales tax receipts



Total sales tax receipts experienced a slight (1.5%) decline in collections in FY 2010. This one year slide was corrected in FY 2011, when the City has experienced a tremendous increase in sales tax receipts, shattering the \$3 million barrier. This growth is directly attributed to the oil and gas activity in Shelby County and the corresponding industrial and commercial development within the community. Center's retail economy has portends additional growth in the coming years as energy industry support businesses continue to locate in Center. There is also anticipated growth in the number of restaurants and other retail outlets that should further accelerate retail trade growth in the near future.

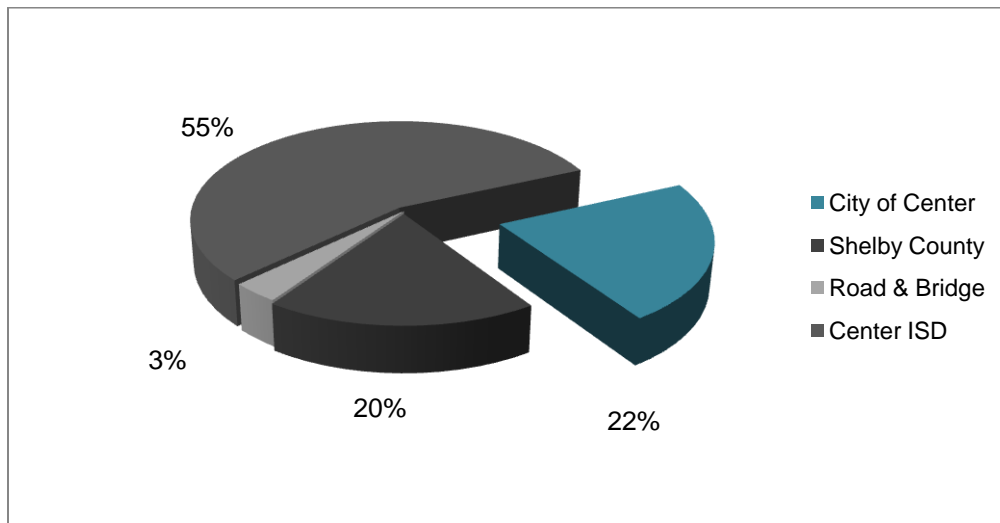
Property Taxes

Table 3 exhibits the increases in appraised value from the 2001 tax year, the peak in the 2009 tax year and several recent years of slight declines. This year's stabilization is in spite of the closure and loss of value of the Armstrong flooring plant. The table also shows how the property tax rate has declined as the total taxable values have increased. One reason for this decline is the effect of the ¼ cent sales tax for property tax relief has generated enough to allow continued rate reductions.

Tax Year	Tax Rate	Appraised Value
2001	.599500	142,671,690
2002	.622856	140,069,602
2003	.604100	151,844,181
2004	.562100	169,059,857
2005	.536750	183,209,901
2006	.536000	189,050,972
2007	.523300	199,725,654
2008	.508780	212,508,699
2009	.476000	227,529,570
2010	.490250	224,839,614
2011	.490250	221,545,028
2012	.500000	221,690,840

Table 3 – City tax rate

Many citizens are often unclear as to how much of their total tax bill represents City taxes compared to other taxing entities. For those property taxpayers in the City, there are three property tax entities: the City, the Center Independent School District, and Shelby County, which also includes a separate Road and Bridge Tax. Chart 1, provides a graphical representation of the most recent tax rates and how the City's rate stands in comparison.



Graph 1 – City of Center taxing entities tax rate comparison

The City of Center portion of a property owner's total tax bill is 22%.

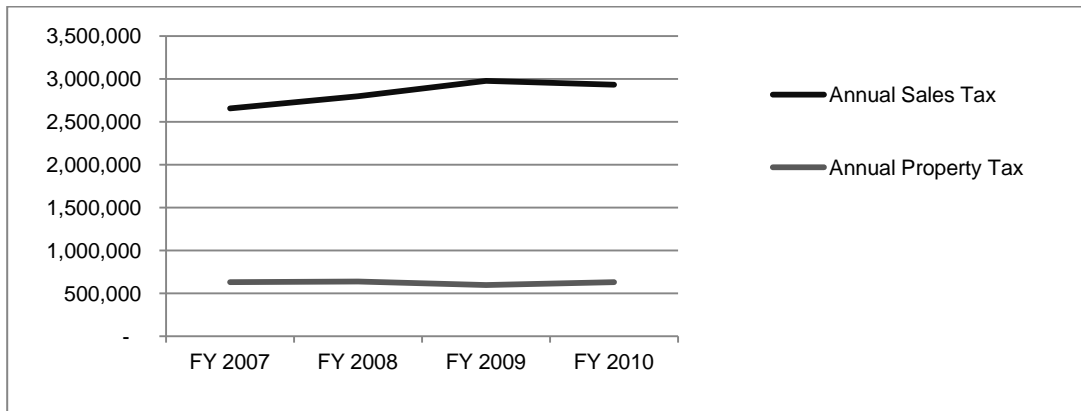
The City of Center provides a very competitive tax rate compared to other cities of similar size.

	Population	Total Net Taxable	Gross Tax Rate
Lufkin	35,067	1,885,824,626	0.5138000
Nacogdoches	33,173	1,325,361,768	0.5693670
Palestine	18,712	896,436,597	0.6390000
Athens	12,710	632,433,077	0.5520760
Henderson	13,712	572,338,488	0.5217000
Carthage	6,813	445,641,190	0.4600000
Cleveland	8,053	291,036,712	0.6850000
Vidor	11,440	280,769,128	0.7545700
Jasper	7,657	270,844,104	0.3082000
Gilmer	5,516	263,549,051	0.6290000
Crockett	7,142	235,475,467	0.4994000
Diboll	5,541	176,921,997	0.5663930
Rusk	5,551	105,000,000	0.4800000
Average	13,161	567,817,862	0.5521928
Center	5,781	221,690,840	0.5000000

Table 4 – Property tax rate comparison
Source: TML Tax and Debt Survey



The final area of analysis regarding sales and property tax revenues is to examine the relationship between these two revenue streams. There is pressure to raise the property tax rate when property tax revenue is greater than sales tax revenue, thereby placing additional tax burden on property owners. To the contrary, when sales tax revenue is greater than or equal to property tax revenues, there may be the financial capacity to complete additional projects or other needs the Council wishes to address. Graph 2 illustrates this relationship where Center's sales tax revenue greatly exceeds property tax revenue for operations. The only caveat to this graph is that there is a portion of sales tax revenue dedicated to property tax relief.



Graph 2 – Relationship between sales tax and property tax revenues

Franchise Fees

Franchise fees are essentially access rights or lease payments from utility companies for the use of City owned and maintained right-of-way. Utility companies locate their service lines along City streets which basically allows them to use City property to provide their services. The franchise fee is paid by the customer on the utility bill but remitted to the City. These revenues are predominately slated towards street repairs and right-of-way maintenance and are relatively stable with prior year revenues.

Solid Waste Collection Fees

The current solid waste contract with Allied Waste was renewed last year and remains in effect through June 2015. Rates were not increased in June as a result of the contractual extension. Customer rates will increase by 1.2% to reflect fuel cost adjustments allowed in the service contract.



**FY 2012 PROPOSED BUDGET
REVENUE SUMMARY**

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Property Taxes	681,270	705,775	554,000
Sales Taxes	1,832,635	1,875,300	2,312,800
Law Enforcement	198,959	226,150	224,200
Franchise Fees	473,970	502,000	492,000
Airport Revenues	143,844	162,300	188,100
Permits & Fees	41,035	42,250	47,500
Interest Revenue	23,696	25,500	15,500
Usage Fees	31,158	72,350	83,850
Miscellaneous	82,618	47,700	74,200
Donations	13,602	8,500	5,000
Solid Waste	1,230,324	1,224,000	1,267,500
Transfers	317,082	365,000	390,000
Grants	44,228	3,700	41,700
TOAL REVENUE	5,114,422	5,312,500	5,696,350

**FY 2012 PROPOSED BUDGET
REVENUE DETAIL**

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Taxes			
Property Tax - Current	631,467	708,750	502,500
Property Tax - Delinquent	27,809	27,500	30,000
Property Tax - Penalty	18,331	17,500	17,500
Mixed Beverage Tax	3,663	4,000	4,000
Total – Property Taxes	681,270	705,775	554,000
General Fund Sales Tax	1,465,853	1,500,000	1,850,000
Discount Sales	319	300	300
M&O Sales Tax	366,463	375,000	462,500
Total – Sales Taxes	1,832,635	1,875,300	2,312,800
Law Enforcement			
Court Service Fees	5,320	6,000	10,000
Court Administrative Fee	990	1,500	1,000
Court Fines	166,320	190,000	185,000
Warrant Fees	13,191	12,500	12,500
Arrest Fees	5,920	7,000	7,000
Court Cost Fees	1,205	1,500	1,500
Brady Bill Fees	0	50	0
Restitution	518	500	500
Prisoner Phone Commiss	470	2,000	1,500
Police Department Copies	1,245	1,000	1,200
Child Safety Program	157	100	0
Time Payment Fees	3,623	4,000	4,000
Total - Law Enforcement	198,959	226,150	224,200



Franchise Fees			
Suddenlink	42,281	42,000	42,000
Centerpoint	53,094	57,500	50,000
AT&T	100,155	102,500	102,500
SWEPCO	270,343	290,000	290,000
Telecom Taxes	8,097	10,000	7,500
Total - Franchise Fees	473,970	502,000	492,000
Airport Revenues			
Fuel Sales	133,000	140,000	162,500
Airport Misc Fees	174	100	500
Airport Gate Entry	100	200	100
Hangar Lease	10,570	22,000	25,000
Total - Airport Revenues	143,844	162,300	188,100
Permits and Fees			
Garage Sale Permits	352	300	300
Zoning Variance Fees	1,200	2,500	1,500
Demolition Permits	50	100	200
Construction Permits	30,373	30,000	35,000
Electrical Permits	3,350	3,500	5,000
Alcohol License	4,005	4,000	4,000
Relocation Permit	750	500	500
Wrecker Permits	50	50	50
Taxi Permits	50	50	50
Miscellaneous Permits	195	200	200
Event Permit	100	200	200
Vendor Permits	530	750	500
Misc. License & Permit Fee	30	0	0
State Inspections	0	100	0
Total - Permits and Fees	41,035	42,250	47,500
Interest Revenue			
Sanitation Interest	494	500	500
General Fund	23,191	25,000	15,000
Other	11	0	0
Total - Interest	23,696	25,500	15,500
Usage Fees			
City Ball Park	1,000	1,000	1,000
Community House Security	300	0	0
Community House Rental	5,850	7,500	10,000
Suddenlink	3,600	3,600	3,600
Senior Citizens Center	125	250	250
Civic Center	16,705	60,000	50,000
Caterer Usage Fee	1,978	0	10,000
Civic Center - Officer	1,600	0	9,000
Total - Usage Fees	31,158	72,350	83,850



Miscellaneous			
Lease Mineral Rights	3,000	0	0
Refunds/Returns	8,794	0	0
Recreation Program Fee	8,080	0	0
Penalty 10% A/R	32	0	0
Garbage Bag Sales	1,608	2,000	1,500
Building Demo/Clean Up	5,728	0	0
RR DR Park Complex	5,000	0	0
Returned Check Fee	25	0	0
Insurance Claims	1,000	0	0
Worker's Comp Discount	8,564	13,000	8,500
Other	3,779	10,000	10,000
Copies	297	200	200
Recycling Receivable	78	0	1,500
Proceeds Sale of Land	13,750	0	0
DETEC Capital Rebate	384	0	0
EDC Street Admin Fee	10,000	10,000	10,000
Economic Devel. Admin	12,500	12,500	42,500
Total - Miscellaneous	82,618	47,700	74,200
Donations			
Recreation Activity	5,702	0	0
Police Department	1,500	1,000	0
Fire Department	6,400	7,500	5,000
Total - Donations	13,602	8,500	5,000
Solid Waste			
Admin/Billing Fee	50,763	49,000	52,500
Residential Charges	364,485	390,000	375,000
Commercial Charges	815,076	785,000	840,000
Total - Solid Waste	1,230,324	1,224,000	1,267,500
Transfers			
Interfund - Water	250,000	270,000	275,000
Interfund - Airport	2,082	0	0
H/M Community House	3,000	5,000	5,000
H/M Civic Center	62,000	90,000	110,000
Total - Transfers	317,082	365,000	390,000
Grants			
JAG Funds	18,871	0	0
COPS grant	0	0	38,000
Police Training	3,859	3,000	3,000
DOJ Grant	2,545	0	0
Arson Investigator	637	700	700
Homeland Security	18,316	0	0
Total - Grants	44,228	3,700	41,700
TOTAL REVENUE	5,114,422	5,312,500	5,696,350





**FY 2012 PROPOSED BUDGET
EXPENDITURE OVERVIEW**

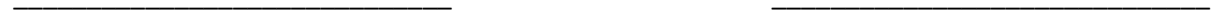
The City of Center general fund is organized into fifteen different departments. For the purposes of this document, each department will have its own section describing its mission statement, what their function is within the organization, some of their achievements for the past fiscal year, and department goals and objectives for the next fiscal year.

This budget includes increases in operational department budgets relating to personnel services. All full-time wage scales are increased by 3% to adjust for cost of living increases tied to changes in the Consumer Price Index. The City employee compensation package also includes retirement pension funding and health insurance. This budget also includes a premium increase of 5% for health insurance benefits. All other notable items are specifically listed on each department's page.

Each department's page will provide financial data on each prime account. There is also a description of the capital purchases within each department and a discussion of differences between last year's budget and the FY 2012 Proposed Budget.

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
BY DEPARTMENT			
Non Departmental **	792,903	247,850	285,250
City Hall	660,365	684,625	794,550
Police Department	1,732,216	1,687,750	1,819,150
Fire Department	409,101	433,950	462,700
Street Department	457,218	525,825	471,350
Sanitation	1,044,402	987,750	1,022,750
Airport	166,125	158,800	190,650
Cemetery	32,552	30,000	33,600
Parks	253,466	121,600	148,700
Inspection Services	180,122	190,650	203,300
Animal Control	12,586	16,100	16,100
Emergency Management	0	1,000	1,000
Recreation Program	19,484	10,000	0
Civic Center	93,935	148,000	167,150
Community Facilities	85,110	68,600	80,100
TOTAL	5,939,584	5,312,500	5,696,350
BY ACCOUNT CATEGORY			
Personnel Services	2,813,578	2,949,125	3,153,000
Supplies	88,434	99,250	99,650
Contractual	1,507,910	1,384,325	1,445,100
Utilities	165,899	172,550	180,050
Sundry	223,390	248,600	277,400
Maintenance	256,903	247,650	267,700
Capital Items	359,605	211,000	273,450
Fund Transfers	523,865	0	0
TOTAL	5,939,584	5,312,500	5,696,350

** FY 2010 Budget included use of fund balance transfer towards cost of capital projects:
John D. Windham Civic Center and Center Park





**FY 2012 PROPOSED BUDGET
REVENUES OVER/(UNDER) EXPENDITURES**

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
REVENUES			
Property Tax	681,270	705,775	554,000
Sales Taxes	1,832,635	1,875,300	2,312,800
Law Enforcement	198,959	226,150	224,200
Franchise Fees	473,970	502,000	492,000
Airport Revenues	143,844	162,300	188,100
Permits & Fees	41,035	42,250	47,500
Interest Revenue	23,696	25,500	15,500
Usage Fees	31,158	72,350	83,850
Miscellaneous	82,618	47,700	74,200
Donations	13,602	8,500	5,000
Solid Waste	1,230,324	1,224,000	1,267,500
Transfers	317,082	365,000	390,000
Grants	44,228	3,700	41,700
TOTAL REVENUE	5,114,422	5,312,500	5,696,350
EXPENDITURES			
Non Departmental **	792,903	247,850	285,250
City Hall	660,365	684,625	794,550
Police Department	1,732,216	1,687,750	1,819,150
Fire Department	409,101	433,950	462,700
Street Department	457,218	525,825	471,350
Sanitation	1,044,402	987,750	1,022,750
Airport	166,125	158,800	190,650
Cemetery	32,552	30,000	33,600
Parks	253,466	121,600	148,700
Inspection Services	180,122	190,650	203,300
Animal Control	12,586	16,100	16,100
Emergency Management	0	1,000	1,000
Recreation Program	19,484	10,000	0
Civic Center	93,935	148,000	167,150
Community Facilities	85,110	68,600	80,100
TOTAL	5,939,584	5,312,500	5,696,350

** FY 2010 Budget included use of fund balance transfer towards cost of capital projects:
John D. Windham Civic Center and Center Park



**FY 2012 PROPOSED BUDGET
NON DEPARTMENTAL - #601**

The Non-Departmental function of the City of Center pays for those areas that are general to the entire organization, such as the annual audit, insurance, and the City Council reimbursements.

The Mayor and six Council members act as the elected representatives of the citizens of Center to formulate public policy to meet community needs and assure orderly development in the City.

DESCRIPTION

- Appoint the City Manager, City Attorney, Municipal Court Judge and various citizen boards and commissions.
- Adopt the City's annual budget and ad valorem tax rate.
- Adopt City ordinances and resolutions.
- Establish the fees and rates for City goods and services.
- Approve purchases and contracts as prescribed by the City Charter and State Law.

FY 2011 ACCOMPLISHMENTS

- Adopted City Annexation Plan
- Adopted the Center Parks Master Plan
- Adopted new City logo
- Adopted additional housing development incentives

FY 2012 GOALS

- Create new Council District map
- Begin process of annexations
- Establish Capital Improvement Priorities



**FY 2012 PROPOSED BUDGET
NON DEPARTMENTAL**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	4,548	8,400	8,400
Supplies	2,558	5,750	5,800
Contractual	169,848	146,200	146,200
Utilities	0	0	0
Sundry	58,363	72,500	79,850
Maintenance	2,738	0	0
Capital Items	30,982	15,000	45,000
Fund Transfers	523,865	0	0
Total	792,903	247,850	285,250

HIGHLIGHTS – FY 2012 Proposed Budget Changes From FY 2011 Amended Budget

- Increase in EOY Expense (\$5,000) – City code update
- Purchase and installation of directional signs (\$25,000)
- Additional technology upgrades and improvements (\$2,500)

*** FY 2010 Budget included use of fund balance transfer towards cost of capital projects:
John D. Windham Civic Center
Center Park



**FY 2012 PROPOSED BUDGET
CITY HALL - #602**

To provide professional management and administration of the City, implementing City Council policy decisions by directing, coordinating, monitoring, and evaluating all City government activities.

DESCRIPTION

- Execute the policies established by the City Council and administers the affairs of the City consistent with the City Charter.
- Prepare and maintain minutes, ordinances, resolutions, and proclamations.
- City elections conducted by designated election official.
- Responsible for the collection, investment, disbursement & documentation of all City funds.
- Monitor and approve all City purchases, expenditures, and budget.
- Prepare the City employee payroll and administers employee benefits programs.
- Prepare annual City budget

FY 2011 ACCOMPLISHMENTS

- Developed new City website
- Expand housing and business development initiatives
- Developed tax increment financing (TIF) mechanism for installation of Civic Center Drive
- The audit report was completed with an unqualified opinion
- Produced three promotional videos about Center
- Obtained funding commitment from Texas Water Development Board for major wastewater project

FY 2012 GOALS

- Complete update of personnel handbook
- Review the City's purchasing policy manual
- Manage Capital Improvements Projects
 - TxDOT Pedestrian/Bicycle Path
 - 2011 Texas Water Development Board Hwy 96 interceptor and lift station elimination project
 - 2012 Bond CIPs



**FY 2012 PROPOSED BUDGET
CITY HALL**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	551,842	592,375	692,250
Supplies	13,033	14,150	14,450
Contractual	21,121	22,050	19,800
Utilities	15,106	15,150	15,400
Sundry	15,790	15,100	16,850
Maintenance	16,730	10,800	10,800
Capital Items	26,744	15,000	25,000
Total	660,365	684,625	794,550

HIGHLIGHTS – FY 2012 Proposed Budget Changes From FY 2011 Amended Budget

- \$10,000 for furnishing and equipment related to renovation of front office area and City Council chambers
- Addition of one full time position, Assistant City Manager/Economic Development Coordinator, half of salary and benefits reimbursed by 4A EDC administration fee.



**FY 2012 PROPOSED BUDGET
POLICE DEPARTMENT - #603**

To preserve order and protect life and property through the enforcement of laws and municipal ordinances.

DESCRIPTION

- Oversee all major criminal investigations within the City.
- Respond to calls from the public requesting police emergency services.
- Respond to traffic-related incidents and accidents; issues citations for traffic violations
- Provide assistance to victims of crime or persons in distress.
- Provide assistance to surrounding law enforcement agencies

FY 2011 ACCOMPLISHMENTS

- Purchased two replacement fleet vehicles
- Facilitated the creation of a Shelby County Crimestoppers program
- Expanded uniform personnel with Department of Justice grant funded position
- Replaced computer server for Law Enforcement Center

FY 2012 GOALS

- Replace older computers within the department
- Replace two fleet vehicles and equipment
- Expand training opportunities and offerings
- Replace and upgrade in-car camera systems



**FY 2012 PROPOSED BUDGET
POLICE DEPARTMENT**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	1,437,070	1,451,000	1,552,400
Supplies	43,473	40,550	36,550
Contractual	21,374	17,900	19,900
Utilities	27,019	26,300	27,300
Sundry	24,509	16,400	17,500
Maintenance	81,209	64,600	77,500
Capital Items	97,561	71,000	88,000
Total	1,732,216	1,687,750	1,819,150

HIGHLIGHTS – FY 2012 Proposed Budget Changes From FY 2011 Amended Budget

- Install phone and computer lines to evidence/detectives building (\$6,000).
- Projected increase in fuel costs (\$7,500)
- Increase in equipment maintenance for light bar replacement (\$4,300)
- Purchase of new computers (\$5,000)
- Maintain grant funded patrol officers
- Purchase of two replacement vehicles (\$53,000)

ACTIVITY MEASURES

July 1, 2010 through June 30, 2011

Calls for service	7,379
Arrests	814
Accidents investigated	271
Tickets and warnings issues	3,668



**FY 2012 PROPOSED BUDGET
FIRE DEPARTMENT - #604**

Protect lives and property from fire and man-made or natural disasters. Provide emergency management procedures for the City and investigate all suspicious fires within the City.

DESCRIPTION

- Respond to and extinguishes structure, vehicle, grass and brush fires in the City of Center (primary) and surrounding rural areas (secondary).
- Respond to other emergency situations in conjunction with the Police department and other emergency agencies.
- Assist in fire prevention activities.
- Coordinate all planning and preparedness activities for emergency management.
- Investigate fires to determine cause and origin.

FY 2011 ACCOMPLISHMENTS

- Implemented CodeRED Emergency Notification system
- Purchased new pumper truck which replaced old tanker truck
- Increased the number of volunteers in the Center Volunteer Fire Department
- Improved inspections and training program

FY 2012 GOALS

- Improve training for firefighters
- Improve safety systems for firefighters
- Enhance emergency management planning and response
- Provide more fire prevention classes for local residents and school systems
- Begin Revenue Rescue program
- Explore options for further reduction to City's ISO rating



**FY 2012 PROPOSED BUDGET
FIRE DEPARTMENT**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	341,083	342,850	347,850
Supplies	6,793	7,800	9,400
Contractual	9,765	11,500	12,300
Utilities	11,154	10,350	11,050
Sundry	5,198	13,200	14,300
Maintenance	16,841	24,750	27,600
Capital Items	18,268	23,500	40,200
Total	409,101	433,950	462,700

HIGHLIGHTS – FY 2012 Proposed Budget Change From FY 2011 Amended Budget

- Purchase of two new SCBA units (\$10,000)
- Purchase of deck mounted water gun (\$5,000)
- Increase in fuel costs (\$2,000)

ACTIVITY MEASURES

	FY 2010 ACTUAL	FY 2011 ESTIMATE	FY 2012 PROPOSED
Number of calls	292	320	300
Fire and explosions	133	150	135
Fire fighter accidents	0	0	0
Percent response under 5 minutes	50.2%	51%	52%
Number of volunteers	21	25	25
Response area (square miles)	525	525	525



**FY 2012 PROPOSED BUDGET
STREET DEPARTMENT - #605**

To provide and maintain a transportation system of streets, alleys and sidewalks for safe and efficient vehicular and pedestrian traffic, and to provide and maintain a storm water management system to efficiently convey storm water and prevent flooding.

DESCRIPTION

- Repair streets for damage caused by water line breaks and failure of road base material.
- Prepare street driving surfaces for annual street maintenance program.
- Reconstruct streets to upgrade driving surface and drainage.
- Install and maintains traffic control signs and paving markers.
- Mow rights-of-way and maintains street and alley shoulders.
- Manage the street sweeping contract

FY 2011 ACCOMPLISHMENTS

- Completed annual street reconstruction program, a 4B EDC project
- Started community banner beautification project
- Managed construction of Civic Center Drive and related drainage improvements
- Monitored construction of CATCO Drive

FY 2012 GOALS

- Execute Community Development Block Grant to pave all remaining gravel City streets
- Complete realignment of Austin Street, a 4A EDC funded project
- Plan, design, and construct directional and entryway signage around the City.
- Begin construction of TxDOT Traffic Enhancement sidewalk and trail project
- Begin planning of additional pedestrian trails and sidewalks in the City
- Complete the annual street reconstruction program funded through the 4B Street EDC



**FY 2012 PROPOSED BUDGET
STREET DEPARTMENT**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	199,638	211,575	199,300
Supplies	4,714	14,200	14,600
Contractual	73,321	67,700	68,500
Utilities	72,525	70,000	70,500
Sundry	308	2,300	2,800
Maintenance	91,502	102,050	109,650
Capital Items	15,210	58,000	6,000
Total	457,218	525,825	471,350

HIGHLIGHTS – FY 2012 Proposed Budget Change From FY 2011 Amended Budget

- Net reduction in this department as a result of vehicle purchase in FY 2011 and no major capital budgeted for FY 2012 (\$50,000).
- Increase in fuel (\$4,000).



**FY 2012 PROPOSED BUDGET
CENTER MUNICIPAL AIRPORT - #607**

The mission of the Center Municipal Airport is to provide sufficient air service facilities to aid in local real estate sales, industrial development, business management, banking, and recreation. The airport also serves as a fueling station for pilots on an as needed basis.

DESCRIPTION

The Center Municipal Airport consists of one 5,501' lighted runway; other airport facilities include 34 hangars, 1 office and terminal building which includes a pilot's lounge, and one fueling station.

FY 2011 ACCOMPLISHMENTS

- Provide a courtesy vehicle to pilots and patrons of the airport
- Coordinate with the Shelby County Chamber of Commerce to put on the annual Fly-In event
- Maintain the facility in a neat and professional manner

FY 2012 GOALS

- Work with the engineer to complete the Center Municipal Airport Master Plan
- Replace the runway lights
- Continue to provide great service to all who use the airport
- Purchase and install an automated weather system
- Replace the fence surrounding the airport property



**FY 2012 PROPOSED BUDGET
CENTER MUNICIPAL AIRPORT**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	43,188	44,425	45,500
Supplies	736	1,650	1,850
Contractual	3,043	1,225	3,250
Utilities	6,457	6,300	7,850
Sundry	102,006	94,600	119,600
Maintenance	9,760	9,600	11,600
Capital Items	935	1,000	1,000
Total	166,125	158,800	190,650

HIGHLIGHTS – FY 2012 Proposed Budget Change From FY 2011 Amended Budget

- Increase in janitorial services (\$2,000)
- Increase in the cost of airport fuel (\$25,000)



**FY 2012 PROPOSED BUDGET
PARKS DEPARTMENT - #609**

To provide clean, safe, and well-maintained outdoor recreation space and park lands to the citizens of Center.

DESCRIPTION

- Manage contract for mowing all City parks and recreation areas.
- Pick up trash and debris within City parks and recreation areas.
- Maintain and repair City park facilities and playground equipment as needed.
- Maintain athletic fields and irrigation systems.
- Provide pest and weed control within City parks and facilities.

FY 2011 ACCOMPLISHMENTS

- Began plans for Mini-Park redevelopment
- Installed new lighting at softball field #1
- Completed Phase I trail system design (TxDOT Traffic Enhancement Project)
- Restored restrooms and repainted equipment at Perry Sampson Park
- Cleared out brush and undergrowth by Center Park

FY 2012 GOALS

- Continue assistance to state baseball/softball tournaments
- Start construction of Mini-Park renovation
- Complete the purchase of land for Center Park expansion
- Begin planning and design phase of Center Park expansion



**FY 2012 PROPOSED BUDGET
PARKS DEPARTMENT**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	36,227	38,050	38,650
Supplies	2,052	2,450	2,950
Contractual	44,804	38,000	48,600
Utilities	8,320	8,500	10,000
Sundry	1	0	0
Maintenance	21,898	16,100	6,000
Capital Items	140,165	18,500	42,500
Total	253,466	121,600	148,700

HIGHLIGHTS – FY 2012 Proposed Budget Change From FY 2011 Amended Budget

- Engineering/design work on parks projects (\$12,000)
- Reduction from Bldg., Structure and Grounds Maintenance account (\$10,000)
- Purchase of small backhoe (\$16,000)
- Increase in capital park projects (\$10,000)

ACTIVITY MEASUREMENTS

Number of amenities

Baseball fields	9
Softball fields	3
Playgrounds	3
Pavilions	3
Tennis courts	4
Basketball courts	1
Total park area (in acres)	103.4
Developed park area	65.5

Developed park area per 1,000 residents

Mt. Pleasant	11.3
Center	11.1
Lufkin	8.3
Mt. Vernon	3.8

Source: MHS Planning: Center Parks Master Plan 2011



**FY 2012 PROPOSED BUDGET
INSPECTION SERVICES - #610**

To monitor the orderly growth of the City and foster compliance with the City's development standards and ordinances.

Enforce the City's building, plumbing, electrical and City ordinances and state law to ensure the construction and maintenance of safe residential and commercial structures.

DESCRIPTION

- Review plans and specifications for subdivisions and building projects within the city.
- Represent the City staff and keeps records and minutes for the Planning and Zoning Commission and the Zoning Board of Adjustments.
- Issue permits for building, plumbing, and electrical construction. Also issue permits for garage sales, demolition, and house moving.
- Inspect construction work within the City to verify compliance with adopted codes and standards.
- Initiate and investigate complaints on properties found to be in violation of City ordinances.
- Provide for mosquito spraying/vector control

FY 2011 ACCOMPLISHMENTS

- Rewrote 9-1-1 addressing procedures
- Completed HOME Grant by reconstructing 5 new houses

FY 2012 GOALS

- Participate in HOME Grant by reconstructing 6 new houses
- Continue to respond quickly to plan review requests and inspections to accommodate additional growth in the City



**FY 2012 PROPOSED BUDGET
INSPECTION SERVICES**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	160,002	162,150	170,500
Supplies	3,330	5,000	6,600
Contractual	348	500	500
Utilities	5,211	5,200	6,500
Sundry	3,978	6,300	6,200
Maintenance	4,709	8,500	9,000
Capital Items	2,544	3,000	4,000
Total	180,122	190,650	203,300

HIGHLIGHTS – FY 2012 Proposed Budget Change From FY 2011 Amended Budget

- Purchase of computer for office (\$1,000)
- Increase in fuel costs (\$1,000)
- 3% COLA pay raise, health insurance rate increase and social security contribute to increase in personnel costs (\$8,300)



**FY 2012 PROPOSED BUDGET
CIVIC CENTER - #616**

Manages, maintains, and schedules the use of the Windham Civic Center and the Community House.

DESCRIPTION

- Manage the Windham Civic Center and the Community House, including coordinating events, bookings, lease agreements, and marketing.
- Ensure condition of facilities for events by working with City staff and outside contractors.
- Oversight and scheduling of maintenance and custodial functions at the Windham Civic Center and Community House.
- Schedules and coordinates leasing of other City park facilities.

FY 2011 ACCOMPLISHMENTS

- The first 12 months of operation saw 209 events with over 13,700 people in attendance
- Developed an effective web presence through Facebook and internet site
- Completed panoramic photo project and promotional videos
- Developed the reputation for being the premier facility in Shelby County to host a variety of events

FY 2012 GOALS

- Complete a facility marketing plan to be conducted by UT-Tyler
- Pursue a diversified calendar to expand how the facility is used
- Foster relationships with local businesses and industry for them to have meetings and events at the facility
- Start some fundraiser events for the facility "Taste of Center" and for social events for the community "Father/Daughter Dance"
- Development of Community House renovation and restoration project



**FY 2012 PROPOSED BUDGET
CIVIC CENTER**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	39,562	98,300	98,150
Supplies	8,973	6,000	5,650
Contractual	11,314	9,950	11,750
Utilities	9,801	21,550	22,250
Sundry	7,491	5,000	2,100
Maintenance	2,597	2,200	6,500
Capital Items	14,197	5,000	20,750
Total	93,935	148,000	167,150

HIGHLIGHTS – FY 2012 Proposed Budget Change From FY 2011 Amended Budget

- Resurfacing of Tolbert and Betty Foster Convention Hall floor (\$5,000)
- Purchase of two large screens with monitors for the Tolbert and Betty Foster Convention Hall (\$18,000)

ACTIVITY MEASURES

May 1, 2010 through April 30, 2011

Percent days booked 57%

Attendees per event 65



**FY 2012 PROPOSED BUDGET
SANITATION DEPARTMENT - #606**

Since 1992, the City has contracted with a private firm for garbage collection services. The Solid Waste department contains the funding for this contract as well as funding for a portion of billing and administrative personnel costs.

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	0	0	0
Supplies	0	0	0
Contractual	1,038,943	975,000	1,010,000
Utilities	0	0	0
Sundry	3,161	10,000	10,000
Maintenance	2,298	2,750	2,750
Capital Items	0	0	0
Total	1,044,402	987,750	1,022,750

DESCRIPTION

- This department is responsible for collecting and disposing of the municipal solid waste generated in Center.
- The Sanitation Department is also provides funding for the demolition of dilapidated structures within the City and for the recycling program, managed by staff from the Inspection Department.

FY 2011 ACCOMPLISHMENTS

- Demolished one condemned house in conjunction with HOME grant.
- Delivered recycling container to plant on a weekly basis

FY 2012 GOALS

- Continue to provide excellent customer service and on-time trash pickups.
- Demolish two dilapidated structures
- Conduct a recycling public education and awareness campaign

HIGHLIGHTS – FY 2012 Proposed Budget Change From FY 2011 Amended Budget

- Projecting an increase in Allied Waste’s contractual cost due to fuel adjustment. The customer rate is to increase 1.2% to accommodate projected increase of \$35,000



**FY 2012 PROPOSED BUDGET
CEMETERY DEPARTMENT - #608**

The Cemetery Department of the City of Center is responsible for the annual maintenance and mowing of all City cemeteries.

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	0	0	0
Supplies	72	500	600
Contractual	32,480	29,500	33,000
Utilities	0	0	0
Sundry	0	0	0
Maintenance	0	0	0
Capital Items	0	0	0
Total	32,552	30,000	33,600

FY 2011 ACCOMPLISHMENTS

- Approved design and construction of new fence and gate at Mull Cemetery

HIGHLIGHTS – FY 2012 Proposed Budget Change From FY 2011 Amended Budget

- Projected increase in the mowing contract as a result of reallocation of mowing costs (\$3,500).



**FY 2012 PROPOSED BUDGET
ANIMAL CONTROL - #612**

To control and contain stray animals within the City limits through enforcement of City ordinances.

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	0	0	0
Supplies	578	1,200	1,200
Contractual	9,792	10,000	10,000
Utilities	123	100	100
Sundry	2,093	2,000	2,000
Maintenance	0	1,800	1,800
Capital Items	0	1,000	1,000
Total	12,586	16,100	16,100

DESCRIPTION

- Provides pickup and transport of stray animals within the City limits.
- Provides disposal of dead animals within the City limits.
- Follows through on all animal bite reports and ensures that animal owners follow State quarantine laws.
- Completes and maintains information for reporting to City management and State agencies.
- Provides information for prosecution of cases involving cruelty of animals.

HIGHLIGHTS – FY 2012 Proposed Budget Change From FY 2011 Amended Budget

- FY 2012 Proposed Budget is identical to FY 2011 Amended Budget



**FY 2012 PROPOSED BUDGET
EMERGENCY MANAGEMENT - #614**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	0	0	0
Supplies	0	0	0
Contractual	0	0	0
Utilities	0	0	0
Sundry	0	1,000	1,000
Maintenance	0	0	0
Capital Items	0	0	0
Total	0	1,000	1,000

HIGHLIGHTS – FY 2012 Proposed Budget Change From FY 2011 Amended Budget

- FY 2012 Proposed Budget is identical to FY 2011 Amended Budget



**FY 2012 PROPOSED BUDGET
RECREATION PROGRAM - #615**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	418	0	0
Supplies	1,924	0	0
Contractual	16,649	0	0
Utilities	0	0	0
Sundry	493	10,000	0
Maintenance	0	0	0
Capital Items	0	0	0
Total	19,484	10,000	0

DESCRIPTION

The Summer Recreation program was a partnership between the Center Independent School District and the City of Center to provide a one-month summer camp for children in the 1st through 5th grade.

HIGHLIGHTS – FY 2012 Proposed Budget Change From FY 2011 Amended Budget

- The summer recreation program was eliminated as a result of state funding reductions to the Center Independent School District.



**FY 2012 PROPOSED BUDGET
COMMUNITY FACILITIES - #617**

The Community Facilities budget provides funding for the maintenance, operations and upkeep of three different facilities within the City: The Fannie Brown Booth Memorial Library, the Community House, and the Center Senior Nutrition Center. This department also provides some limited funds to the Lakes Area Art League.

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	0	0	0
Supplies	198	0	0
Contractual	55,107	54,800	61,300
Utilities	10,184	9,100	9,100
Sundry	0	200	5,200
Maintenance	6,622	4,500	4,500
Capital Items	13,000	0	0
Total	85,110	68,600	80,100

FY 2011 ACCOMPLISHMENTS

- Replaced the roof and air conditioner at the Lakes Area Art League Center.
- Began design work for renovations to the Community House
- Paved the parking lot at the Senior Nutrition Center.

FY 2012 GOALS

- Participate in the development of community facilities per the Capital Improvements Program.

HIGHLIGHTS – FY 2012 Proposed Budget Change From FY 2011 Amended Budget

- FY 2012 Proposed Budget increases Sundry (\$5,000) and contract operations (\$7,000) for Fannie Brown Booth Memorial Library and contract mowing for Community House (\$500)





**FY 2012 PROPOSED BUDGET
WATER/SEWER UTILITY FUND**

FUND NARRATIVE

The Water/Sewer Utility Fund is an enterprise fund that includes all water and wastewater system operations. The City provides water and wastewater service within its' designated CCN area to all visitors, businesses and approximately 6,000 residents, including some outside the City limits.

The City produces consumable water from two surface treatment water plants at Lake Pinkston and Old City Lake. The water is transported to the City and is distributed by over 84 miles of water lines.

The City operates one wastewater treatment plant, located on the northeast side of the City. The wastewater collection system utilizes eleven lift stations oriented throughout the City. The City has received funding approval from the Texas Water Development Board to construct a large lift station at one of the lowest points in the area. This will allow for the removal of seven lift stations and the option of constructing a replacement or secondary wastewater treatment plant on the south side of the City.

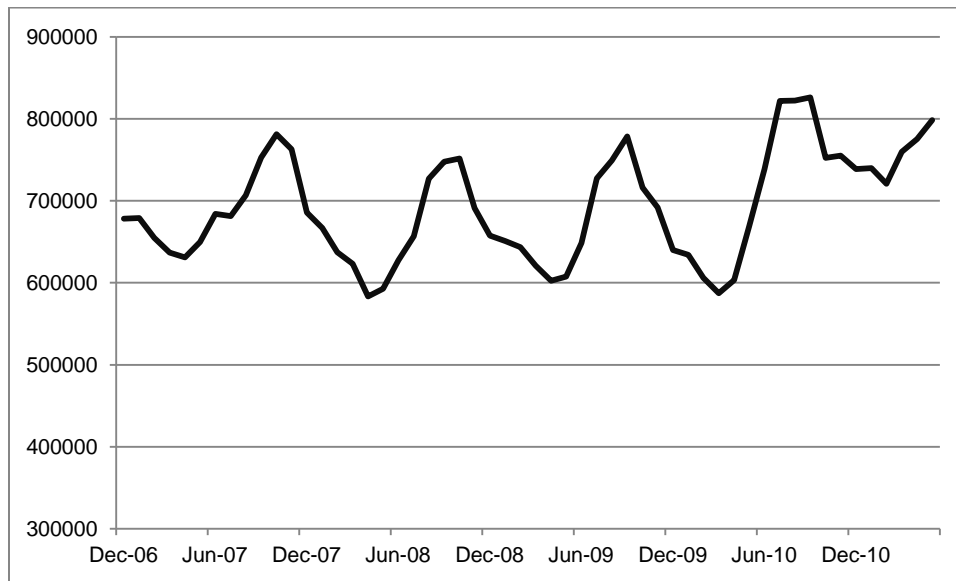
As the City has experienced rapid growth, there has been a corresponding expansion of the City's utility services area. The City now provides water and wastewater service to more households and businesses than ever before.

This budget provides funding for all positions with a cost of living adjustment to all employees, and takes into account increases in operating costs such as a higher price of fuel, utilities and chemicals. No rate increases for residential or business customers are included in this year's budget.

UTILITY FUND REVENUE

Utility revenue is collected by the City as a result of water sales to customers and fees for wastewater (sewer) collection and treatment. Approximately 97% of total revenues into this fund originate from water sales and wastewater fees of which water sales account for 73% of total revenues.

Water sales and wastewater fees are calculated based on metered water consumption. The City has recently completed a transition to radio read water meters which greatly reduces the costs and increased the reliability compared to manually reading each of the approximately 2,500 meters in the system. The meter reading is used to calculate water consumption and is also used to calculate the amount of wastewater fee. Graph 2 in this section illustrates the amount of water consumed. One can witness the peaks during the summer months and the low consumption times of the year during the winter. In this graph, one can also observe the effects of the severe drought of 2010-2011, where water consumption never dipped to its traditional low. Another factor effecting consumption is the Tyson Foods plant expansion, which was also completed in the summer of 2011. This expansion has created additional demand for the City's water. This information leads to the conclusion that the City's revenue stream from water sales is very stable.



Graph 3 – Water consumption

It is also helpful to explore how the City’s utility rates compare with other similar-sized communities in the region. Table 5 provides this information which shows that Center’s residential utility rates are competitive with other cities. The data also indicate that Center’s residential utility rates are well below the state average for cities

	5,000 Gallon Consumption			
	Population	Water	Sewer	Total
Cleveland	8,053	22.80	19.80	42.60
Jasper	7,657	20.29	19.61	39.90
Crockett	7,142	30.00	22.80	52.80
Carthage	6,813	26.25	31.55	57.80
Rusk	5,551	25.60	20.80	46.40
Diboll	5,541	31.02	24.30	55.32
Average Rates		25.99	23.14	49.14
State Average		27.30	23.92	51.22
Center	5,781	24.15	20.48	44.63

Table 1 – Utility rate comparison
Source: Texas Municipal League Annual Utility Rate Survey

It is also enlightening to examine water revenue by customer class. The City’s single largest water customer class is Poultry, which is chiefly consumption from Tyson Foods. The other customer classes are detailed in Table 6 as a percentage of total water sales.



Customer Class	FY 2010
Poultry	38%
Residential – In Town	28%
Commercial	16%
Outside city limits	9%
Rural water supply	6%
Misc. Industrial	3%

Table 2 – Percentage by customer class to total water sales

Finally, the total amount of water sales are illustrated in Table 7, which provides historical data on the amount of water revenue that the City receives.

	Gross Water Sales
FY 2010	2,188,804
FY 2009	2,062,428
FY 2008	1,980,253
FY 2007	1,837,824

Table 3 – Annual amount of water sales

UTILITY FUND EXPENDITURES

This budget includes increases in operational department budgets relating to personnel services. All full-time wage scales are increased by 3% to adjust for cost of living increases tied to changes in the Consumer Price Index. The City employee compensation package also includes retirement pension funding and health insurance. This budget also includes a premium increase of 5% for health insurance benefits. All other notable items are specifically listed on each department’s page.



**FY 2012 PROPOSED BUDGET
REVENUE DETAIL**

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Water			
Residential Water	627,863	605,000	637,500
Bulk Water Sales	16,318	20,000	30,000
Commercial Sales	354,169	355,000	370,000
Poultry Processing	851,568	830,000	880,000
Rural Water Systems	138,092	135,000	150,000
Industrial	78,863	150,000	120,000
Outside City Limits	186,064	187,500	185,000
Total Water	2,252,937	2,282,500	2,372,500
Sewer			
Billed Sewer	686,476	655,000	670,000
Contractual Disposal	131,391	75,000	100,000
Total Sewer	817,867	730,000	770,000
Miscellaneous			
Returned Check Fee	1,425	1,500	1,500
Worker's Comp Discount	3,120	5,000	3,000
Other	569	500	1,000
DETEC Capital	991	0	0
Total Miscellaneous	6,105	7,000	5,500
Permits			
Plumbing Insp. Permit	3,750	3,500	3,500
Total Permits	3,750	3,500	3,500
Interest			
Interest Water Fund	10,920	20,000	7,500
Interest Water Refund	1,793	3,000	1,500
Total Interest	12,713	23,000	9,000
Fees Taps & Charges			
Administrative Fees	6,420	7,500	6,500
10% Charges	47,680	45,000	45,000
10% A/R	4,761	2,500	2,000
Reconnect Fees	15,225	20,000	15,000
After Hours Fee	449	500	500
Water Taps	12,400	12,000	15,000
Sewer Taps	4,915	5,000	5,000
Lake Pinkston Lease	76	100	100
Lease Mineral Rights	(80,000)	0	0
Total Fees	11,926	92,600	89,100
TOTAL REVENUE	3,105,298	3,138,600	3,249,600



**FY 2012 PROPOSED BUDGET
REVENUE SUMMARY**

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Water	2,252,937	2,282,500	2,372,500
Sewer	817,867	730,000	770,000
Miscellaneous	6,105	7,000	5,500
Permits	3,750	3,500	3,500
Interest	12,713	23,000	9,000
Fees	11,926	92,600	89,100
TOTAL	3,105,298	3,138,600	3,249,600

**FY 2012 PROPOSED BUDGET
EXPENDITURE SUMMARY**

BY DEPARTMENT	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Non-Departmental	789,017	739,500	761,500
Water Production	1,163,252	1,140,050	1,193,750
Water Distribution	407,217	308,425	328,900
Sewer Collection	280,506	203,625	222,750
Sewer Treatment	464,648	593,650	585,150
Public Works	159,967	153,350	157,550
TOTAL	3,264,606	3,138,600	3,249,600

BY ACCOUNT CATEGORY

Personnel Services	940,603	1,002,875	1,032,100
Supplies	371,773	294,250	300,600
Contractual	251,014	289,225	290,750
Utilities	269,780	281,500	309,100
Sundry	58,139	38,700	58,950
Maintenance	318,233	288,550	292,100
Capital Items	316,176	228,500	231,000
Fund Transfers	738,889	715,000	735,000
Total	3,264,606	3,138,600	3,249,600



**FY 2012 PROPOSED BUDGET
WATER PRODUCTION - #636**

To provide an adequate supply of treated water for the City of Center residents and businesses that meets all federal and state regulations, in the most efficient manner possible

DESCRIPTION

The Water Production Department consists of 8 full time operators who operate and maintain the city's two surface water treatment plants, 8 storage tanks, 3 raw water pump stations, 3 treated water pump stations, and both of the city owned lakes. All operators must be certified by the Texas Commission on Environmental Quality. The Pinkston plant is staffed 24 hours a day, 7 days a week and treats water from Lake Pinkston. Average daily production is 2.5 million gallons and peak production capacity is 3.5 million gallons. The Mill Creek plant is staffed 5 days a week, 16 hours a day and treats water from Lake Center (Mill Creek). Average daily production is 500,000 gallons a day with peak production capability of 1.4 million gallons a day.

FY 2011 ACCOMPLISHMENTS

- B level certification obtained by existing city operator, giving the city a total of 4 B level certified operators.
- Began tank inspections with live divers instead of remote cameras, which provide more details about tank conditions.
- Had zero production related TCEQ violations.

FY 2012 GOALS

- Continue to operate without any TCEQ violations
- Encourage staff development and have one more operator certified to B level.



**FY 2012 PROPOSED BUDGET
WATER PRODUCTION**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	82,897	398,600	414,300
Supplies	306,824	238,550	238,800
Contractual	116,755	138,000	130,200
Utilities	183,364	187,450	214,750
Sundry	19,425	8,600	15,100
Maintenance	104,744	104,600	105,850
Capital Items	49,243	64,250	74,750
Total	1,163,252	1,140,050	1,193,750

HIGHLIGHTS – FY 2012 Proposed Budget Changes From FY 2011 Amended Budget

- Increases in electricity cost in utilities account (\$27,000).
- Upgrade of SCADA software (\$10,000), placement of flow meters for Mill Creek plant.
- Purchase of forklift for use at the Lake Pinkston plant.

ACTIVITY MEASURES

Miles of water lines	81.53
Total gallons of treated water produced	1.029 billion gallons
Number of water violations from TCEQ	0
Percent water loss through system	17%
Treatment plant capacity	
Mill Creek	1.4 mgd
Pinkston	3.5 mgd
Storage tank capacity	6.25 million gallons
Cost to produce and transmit 1,000 gallons of water	\$1.75



**FY 2012 PROPOSED BUDGET
WATER DISTRIBUTION - #637**

The Water Distribution Department's mission is to maintain the potable water supply of the City with a minimum system pressure of 35 psi in compliance with TCEQ regulations, and rapidly respond to customer service calls

DESCRIPTION

- Set water taps and meters for new accounts and customers
- Inspect and replace isolation valves
- Responsible for the flushing of the water system
- Install water mains as needed
- Repair leaks and broken lines
- Comply with TCEQ rules for operation, maintenance, and training

FY 2011 ACCOMPLISHMENTS

- Looped Hwy 87 E to Hwy 7 E with an 8" water line to promote growth around Loop 500
- Looped Express Drive to Hwy 87 W for new hotel development
- Upgraded water lines as needed
- Upgraded water meters to electronic read from manual read

FY 2012 GOALS

- Continue to upgrade water mains to accommodate the growth of Center
- Continue the process of upgrading the meter system and installing replacement meters
- Continue the installation and replacement of fire hydrants
- Installation of additional isolation valves



**FY 2012 PROPOSED BUDGET
WATER DISTRIBUTION**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	160,819	167,325	172,500
Supplies	3,074	2,600	4,300
Contractual	3,796	2,800	4,100
Utilities	1,226	2,100	2,500
Sundry	1,135	3,350	3,900
Maintenance	69,456	61,750	62,100
Capital Items	167,711	68,500	79,500
Total	407,217	308,425	328,900

HIGHLIGHTS – FY 2012 Proposed Budget Changes From FY 2011 Amended Budget

- Increase in Capital by \$11,000 to purchase a new vehicle for the department with various offsetting reductions.

ACTIVITY MEASURES

Miles of water lines maintained	84
Number of fire hydrants	282



**FY 2012 PROPOSED BUDGET
SEWER COLLECTION - #638**

Provide an efficient wastewater collection system to protect the public health, safety, and water quality of the community.

DESCRIPTION

- Maintains the City's wastewater collection system, to include mains, manholes and clean-outs.
- Installs and repairs sewer taps as needed.
- Replaces deteriorated sections of mains and service lines.
- Available 24 x 7 for customer service calls

FY 2011 ACCOMPLISHMENTS

- Expanded sewer service in the city by construction two new lift stations
 - Hwy 87 E
 - Northeast section of Loop 500 and Hwy 7 E
- Provided sewer service to new business on Hwy 96 S
- Maintained preventative maintenance program of inspecting each manhole once a month

FY 2012 GOALS

- Start a program to identify areas of I & I in the collection system and plan for remediation
- Install a curbside cleanout for each residential and commercial customer
- Upgrade sewer mains
- Provide for additional growth in the city



**FY 2012 PROPOSED BUDGET
SEWER COLLECTION**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	116,199	119,400	122,600
Supplies	4,177	5,150	6,150
Contractual	27,897	12,625	7,650
Utilities	20,303	21,400	18,900
Sundry	711	750	1,250
Maintenance	30,546	26,300	32,200
Capital Items	80,673	18,000	34,000
Total	280,506	203,625	222,750

HIGHLIGHTS – FY 2012 Proposed Budget Changes From FY 2011 Amended Budget

- Net reductions in Engineering Fees (\$5,000) and Electricity (\$2,500).
- Increase in Maintenance Equipment (\$1,500), Fuel (\$2,000), and Sewer Line Maintenance (\$2,000)
- Addition of \$20,000 in Capital Sewer Line with an offsetting reduction in Sewer Manholes account (\$4,000).

ACTIVITY MEASURES

Miles of sewer line maintained	70
Number of lift stations	11
Number of manholes	434



**FY 2012 PROPOSED BUDGET
SEWER TREATMENT - #639**

To process the wastewater stream generated by the City of Center residents and businesses, to federal and state requirements, in the most efficient manner possible.

DESCRIPTION

The Wastewater Treatment Department consists of 4 full time operators who operate and maintain the city's wastewater plant and 15 associated pump stations. All operators must be certified by the Texas Commission on Environmental Quality. On average the wastewater plant processes 800,000 gallons of wastewater per day, but during high flow periods flows in excess of 2,000,000 gallons per day have been treated. The current wastewater plant is an extended aeration activated sludge plant which utilizes a belt press for sludge processing. Annually about 1,100 cubic yards of sludge is disposed of in a landfill.

FY 2011 ACCOMPLISHMENTS

- Employment of B level certified operator to become chief operator, freeing up the Utilities Director for other projects.
- Construction of 2 additional lift stations to provide sewer service to along Loop 500 and Hwy 87 East where commercial development is increasing.
- Re-permitting current treatment plant with the TCEQ.
- Continued to increase bulk waste revenue through adding customers.

FY 2012 GOALS

- Work to consistently meet the all permit limitations, especially mercury, which are set by the TCEQ.
- Begin construction on the new southside lift station project.



**FY 2012 PROPOSED BUDGET
SEWER TREATMENT**

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	145,914	186,400	190,950
Supplies	31,251	35,200	37,700
Contractual	86,278	122,200	133,200
Utilities	54,711	60,900	63,300
Sundry	17,542	19,250	29,250
Maintenance	112,990	94,450	90,500
Capital Items	15,961	75,250	40,250
Total	464,648	593,650	585,150

HIGHLIGHTS – FY 2012 Proposed Budget Changes From FY 2011 Amended Budget

- Increase in Laboratory Tests (\$6,000) and Engineering (\$5,000).
- Increase in Electricity (\$1,500) and Telephone (\$900)
- Increase in Sundry Governmental Fees for TCEQ Permit Renewal (\$9,000)
- Lift Station Maintenance reduced by \$5,000.
- Replacement of A/C and heating unit at the lab building (\$5,000) and replacement of submersible pump on Riggs Street lift station (\$15,000) are offset by reductions in Capital Equipment and Buildings.

ACTIVITY MEASURES

Amount of wastewater treated	357 million gallons
Annual amount of sludge disposed	1,100 cubic yards
Permitted capacity of the plant	1.7 mgd
Average discharge of the plant	0.8 mgd



**FY 2012 PROPOSED BUDGET
PUBLIC WORKS ADMINISTRATION - #641**

To provide administrative functions, oversight and support of Water and Sewer departmental operations.

To provide timely billing and collection of City provided water, sewer and refuse services in a courteous and responsive manner.

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	136,126	131,150	131,750
Supplies	1,722	2,750	3,650
Contractual	5,742	5,100	7,100
Utilities	10,177	9,650	9,650
Sundry	1,142	750	1,450
Maintenance	497	1,450	1,450
Capital Items	4,561	2,500	2,500
Total	159,967	153,350	157,550

DESCRIPTION

- Provides supervision for the staff of the Water and Sewer departments.
- Oversight and inspection of City infrastructure projects.
- Funds Warehouse and Vehicle Maintenance building

HIGHLIGHTS – FY 2012 Proposed Budget Changes From FY 2011 Amended Budget

- Increases of Janitorial Services (\$2,000), Furniture and Fixtures account (\$500), and Mileage (\$500).



**FY 2012 PROPOSED BUDGET
NON-DEPARTMENTAL - #634**

The Non-Departmental function of the City of Center pays for those areas that are general to the entire city, such as the annual audit and the City Council reimbursements.

DEPARTMENT SUMMARY

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Personnel Services	(1,352)	0	0
Supplies	24,725	10,000	10,000
Contractual	10,545	8,500	8,500
Utilities	0	0	0
Sundry	18,184	6,000	8,000
Maintenance	0	0	0
Capital Items	0	0	0
Fund Transfers	738,889	715,000	735,000
Total	790,992	739,500	761,500

DESCRIPTION

- Pays for the postage for all utility bills.
- Pays for the utility billing and accounting software.
- Provides funding for the interfund transfers to the General Fund and the Debt Service Fund.

HIGHLIGHTS – FY 2012 Proposed Budget Changes From FY 2011 Amended Budget

The FY 2012 Proposed Budget is identical to the FY 2011 Amended Budget except that Sundry is increased by \$2,000 and Fund Transfers are increased by \$15,000 for increase debt principal and interest payments.



**FY 2012 PROPOSED BUDGET
LAW ENFORCEMENT SPECIAL FUNDS**

The City is authorized by State Law to collect two additional fees in addition to the state fee and local court costs and fines. One of these fees, the Court Technology fee, is to be used to fund enhancements to and additional technology equipment for the municipal court. The Court Security fee is used primarily to fund projects to enhance security features at the Municipal Court. Finally, when the police department seizes and is awarded from the court certain assets, such as vehicles and cash, the assets may be used to pay for certain law enforcement related expenses.

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Revenues	15,156	18,650	15,000
TOTAL REVENUES	15,156	18,650	15,000
Court Technology			
Contractual	7,113	5,000	2,250
Sundry	468	400	2,250
Capital	0	1,000	500
Total	7,581	6,400	5,000
Court Security			
Sundry	68	750	0
Capital	949	4,000	4,000
Total	1,017	4,750	4,000
Seized Asset Fund			
Supplies	0	0	200
Utilities	550	600	600
Sundry	8,875	6,900	5,200
Maintenance	672	0	0
Capital	0	0	0
Total	10,097	7,500	6,000
TOTAL EXPENDITURES	18,695	18,650	15,000



**FY 2012 PROPOSED BUDGET
TRUST FUND**

FUND NARRATIVE

The Trust Fund is a special revenue fund for the purpose of managing the Hotel Occupancy Tax and Cemetery Trust Funds. The City collects a 7% Hotel Occupancy Tax from the hotels located inside of the city limits. The expenditures of the Hotel Occupancy Taxes are managed by a Hotel/Motel Advisory Board. State law allows only certain types of expenditures to be paid from this tax revenue. Essentially, any expenditure has to promote the tourism industry of the community and “put heads in beds”.

One type of expenditure, and the largest in this fund, is the debt payment and maintenance/operational costs of the John D. Windham Civic Center. The increased revenues generated from Hotel Occupancy Taxes have been so dramatic that this facility and its’ operation is fully funded by Hotel Occupancy Taxes. The revenues additionally fund some of the operation and maintenance of the Community House. A portion of funding is provided to the Shelby County Chamber of Commerce to underwrite some of their community promotion and tourism activities and advertising. The fund has also contributed toward community beautification projects and attracting baseball tournaments to the City.

The Cemetery Trust Fund does not have any operational expenditure, but rather collects interest into the fund, which was created from perpetual care maintenance fees on plots at Eastview Cemetery. This trend will continue into the future.

Hotel/Motel Tax Revenue

Hotel Occupancy Taxes are collected when a person rents a room at a local hotel. The City receives a 7% tax and the State of Texas collects an additional 6%; therefore the total rate is 13%. All hotels inside of the City of Center collect this tax. The Local Government Code is very specific on allowable uses of this money. The general guidance is that any expenditure should put “heads in beds” and support the local tourism/travel industry.

The revenues generated from this tax have increased dramatically with the construction of new hotel properties in Center in recent years.

These funds are managed by the Hotel/Motel Advisory Board, appointed by the City Council which makes recommendations for the expenditure of these funds. Primary use of this money is for the debt and operation of the Windham Civic Center, community advertising initiatives lead by the Shelby County Chamber of Commerce, support for local athletic organizations, and the local art league.



**FY 2012 PROPOSED BUDGET
TRUST FUND**

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Revenues			
Hotel/Motel Taxes	306,818	380,000	575,000
PP Weaver	10,000	0	0
PP Weaver	10,000	0	0
PP Middleton	15,000	0	0
PP Motley	15,000	0	0
Interest Hotel/Motel	1,309	1,250	500
Interest Cemetery	2,673	2,500	1,500
Interfund PP	16,500	0	0
Total	377,301	383,750	577,000
Expenditures			
Hotel Motel			
Other	15,110	2,000	25,000
Downtown Banners	0	20,000	0
CISD Rec Program	0	30,000	0
Baseball Tournaments	0	23,000	20,000
Community House Improvements	0	0	0
Chamber of Commerce	1,500	20,000	35,000
Transfer - Civic Center Constr.	435,615	0	0
Civic Center Ops	62,000	90,000	110,000
Community House Ops	3,000	5,000	5,000
Transfer - Civic Center Debt	120,000	140,000	140,000
TOTAL - Hotel Motel	637,225	330,000	335,000



**FY 2012 PROPOSED BUDGET
DEBT SERVICE FUND**

From time to time, cities will often incur various amounts of debt to fund major capital expenses. Capital expenses are typically classified in one of two ways either they are assets that have a very large purchase price or a long life expectancy. The City of Center has incurred debt to pay for projects in both of these categories.

Why Debt?

In today's economic environment, there is a great debate over debt and its place in government operations. In short, debt to pay for daily governmental operations is irresponsible; this is a value that the leadership of the City of Center does not subscribe to. The responsible uses of debt to pay for items that will improve the quality of life in the City or to contribute to further economic and community development are, however, values that City leadership upholds.

The justification for issuing debt to make these purchases fall under a pay-as-you-use perspective. This view believes that future citizens who enjoy the use of certain infrastructure have an obligation to pay for it. For example, a family living in the City five years from now, should help pay for the improvements to the park where they take their children to play. The following sections will illustrate how the City of Center is being responsible with the debt it has issued and intends to issue.

Measures of Capacity – Peer Comparisons

Table 1 of this section provides a comparison of other cities in the East Texas region who have incurred certificate of obligation (CO) debt. Some of the cities are larger than Center, but most are of a comparable size. The table indicates that Center has one of the lowest levels of debt, a tax rate that is below the average of the comparison cities, an outstanding debt per capita ratio that is below the other cities and an outstanding debt to taxable value ratio that is below that of the comparison cities.

City	Population	Total Net Taxable	Gross Tax Rate	Total Certificates of Obligation	Outstanding CO Debt Per Capita	Outstanding CO Debt as % of Taxable Value
Lufkin	35,067	1,885,824,626	0.5138000	37,935,000	1,082	2.01%
Henderson	13,712	572,338,488	0.5217000	2,545,000	186	0.44%
Athens	12,710	632,433,077	0.5520760	5,430,000	427	0.86%
Vidor	11,440	280,769,128	0.7545700	7,525,000	658	2.68%
Crockett	7,142	235,475,467	0.4994000	4,625,000	648	1.96%
Rusk	5,551	105,000,000	0.4800000	1,110,000	200	1.06%
Diboll	5,541	176,921,997	0.5663930	6,615,000	1,194	3.74%
Average			0.5554199	9,397,857	628	1.82%
Center	5,781	221,532,434	0.5000000	3,145,000	544	1.42%

Table 1 – Comparison of Center debt to other cities
Source: Texas Municipal League Annual Tax and Debt Survey



DEBT SERVICE FUND HIGHLIGHTS

Revenue

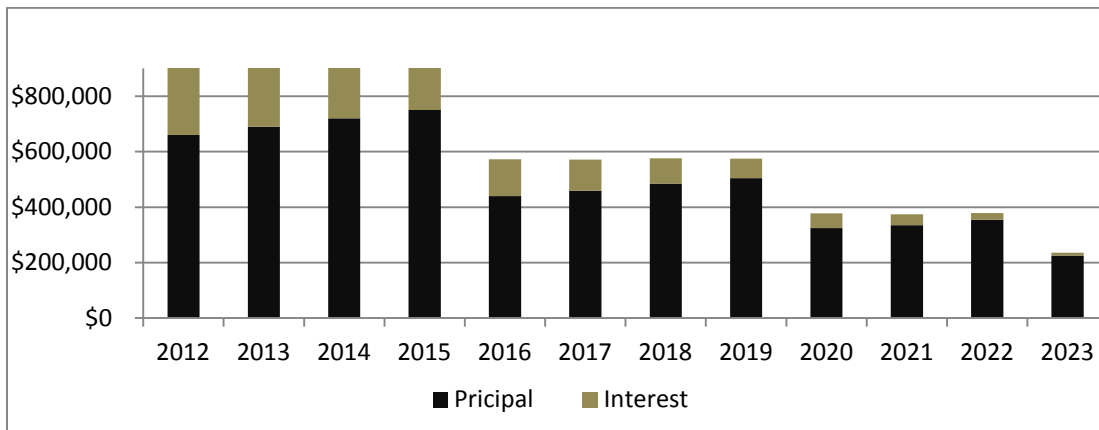
The proposed City tax rate is to remain at \$0.50 per \$100 of taxable value. However, the interest and sinking rate is projected to increase to \$0.255 and the maintenance and operation rate is projected to decrease to \$0.245. In other words, the City will be able to take on additional tax supported debt without having to raise the overall tax rate. The increases in sales tax revenue are being diverted to pay a larger share of the maintenance and operation of the City, thereby freeing up resources to pay additional annual debt service.

The inter-fund transfer from the water utility fund is projected to slightly increase to \$460,000 from \$445,000. This is included without projecting any form of utility rate increase.

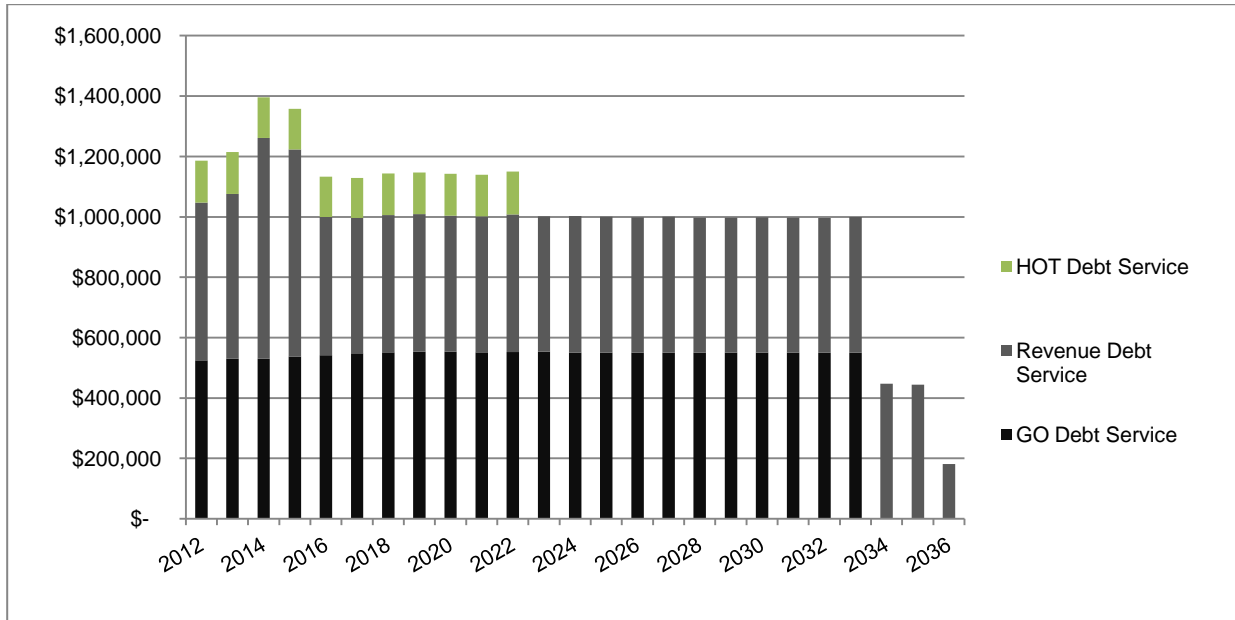
Finally, the inter-fund transfer from hotel occupancy tax receipts, which are to retire the debt from the construction of the Windham Civic Center, are projected to remain at last year's budget levels.

Expenditures

Graph 1 of this section shows the existing debt structure of the City, while Graph 2 illustrates what the total debt service is projected to be with the two debt issuances planned for FY 2012.



Graph 1 – Total existing debt service payments FY 2012 - 2023



Graph 2 – Projected total debt payments FY 2012 – 2023

In summary, incurring additional debt to fund capital projects will increase the City’s overall debt payments by approximately \$260,000 in the first year. As the debt payments move forward in time, there is a significant increase in debt payments in years 2014-2015. City staff will look for ways to smooth this payment bubble. Otherwise, the debt payments are to remain relatively stable moving into the future.

The proposed projects that will be funded with debt are those that will increase the quality of life in Center and help to accomplish the goal of making Center a more desirable community to live in and own and operate a business. The next section will provide details into the specific projects.



**FY 2012 PROPOSED BUDGET
DEBT SERVICE FUND**

	FY 2010 Actual	FY 2011 Amended Budget	FY 2012 Proposed Budget
Revenue			
Taxes - Current Year	422,530	345,000	530,000
Interest - Debt Service	2,276	2,000	1,800
Interfund Transfers - Water	380,000	445,000	460,000
Interfund Transfers - Hotel/Motel	120,000	140,000	140,000
Total - Revenue	924,805	932,000	1,131,800
Expenditures			
Principal 1998 CO's	355,000	370,000	385,000
Principal 2003 CO's	35,000	35,000	40,000
Principal 2005 Refunding	140,000	145,000	150,000
Principal 2007 CO's	75,000	80,000	85,000
Interest 1998 CO's	107,915	92,118	75,283
Interest 2003 CO's	87,591	85,666	83,741
Interest 2005 Refunding	61,855	56,868	51,668
Interest 2007 CO's	62,606	58,344	53,806
Annual Fees	2,254	3,275	2,275
Bonds – Adv 2005/2012	0	0	205,000
Total - Expenditures	927,222	926,271	1,131,773



**CITY OF CENTER
FY 2012 PROPOSED BUDGET
CAPITAL IMPROVEMENT PROGRAM**

The City is proposing a slate of projects for completion within the next budget year that will substantially enhance the quality of life in Center and make a significant investment into the sewer collection system.

In FY 2011, following the rapid growth and development of the City's sales tax revenues, the City Council planned these new resources to make investments into the community to accomplish a number of goals.

The funding for these projects will come from two different sources. The first slate of projects will be funded through Certificates of Obligation. These notes are to be secured by the City's debt portion of the property tax rate. The second funding source is a loan from the Texas Water Development Board, which will pay for the southside sewer expansion project.

This section will explain each component project in detail, provide an estimate of cost and an estimated completion date, if available.

CITY HALL RENOVATIONS

This project would construct new city council chambers as an extension of the existing City Hall facility. Also proposed are some interior renovations to include additional office space, maximizing space to allow for storage, reface the front of the building, repaint the interior and repaint parts of the exterior. Also involved would be some work in the parking lot and sidewalks.

Estimated Cost

Construction	
Addition for new Council Chambers – 700 square feet at \$110/sq ft	\$77,000
Remodel of old Council Chambers – 1,000 square feet at \$89/sq ft	89,000
Remodel of front office area – 1,000 square feet at \$100/sq ft	100,000
Facade and sidewalk	50,000
Subtotal - Construction	316,000
Paving	50,000
Design/Engineering	25,500
TOTAL	\$391,500

Justification

Additional staff has been added as the City has grown and expanded. Also, with additional customers and other regulations, more demands have been placed on the City's records retention requirements. In short, there are no more options for storage of records and equipment.

Timeline

If approved, design work could be completed by November 1, 2011; bid packets could be sent for proposals by February 1, 2012, and the construction contract awarded by February 28. Construction could begin approximately on April 15, 2012, with an estimated completion date of August 15, 2012.



MINI-PARK ENHANCEMENTS

The Mini-Park project is the primary project identified in the Center Parks Master Plan. To date, the project involves installing a splash pad or spray ground, new playground equipment, a new pavilion, restrooms, a short walking trail, landscaping, and additional picnic tables, benches, and trashcans. Also, the existing playground equipment will be repaired and refurbished.

Estimated Cost

Construction	\$500,000
Design services	45,000
TOTAL	\$545,000

Justification

This project represents the continuation of the ambitious program to enhance the Center Parks system and improve the quality of life in the community. Furthermore, Mini-Park is one of the most frequently used parks in the City. The amenities that are planned to be included in the park will greatly enhance the desirability of the park as a place to recreate; it will also serve as an attraction for people outside of the city to visit.

Timeline

The plans are already 60% completed; construction could begin within three months of approval.

FANNIE BROWN BOOTH MEMORIAL LIBRARY EXPANSION

This project would seek to fund an expansion of the Fannie Brown Booth Library. This expansion would allow for the construction of an additional wing or library area. It would also provide funds to remodel the interior of the library, including ADA accessible bathrooms, and new counter and office space. This project will also provide for the purchase of equipment and furnishings for the new expansion.

IRS tax regulations stipulate that only 5% of tax exempt bond proceeds can be used on a private use (i.e. independent library with exclusive building use) project. Therefore, at most \$200,000 of the project is eligible to be paid from the Series 2011 bond issuance. The remaining project cost would have to be financed from other sources.

Estimated Cost

Construction	
Construction of additional space – 1,500 square feet at \$150/sq ft	\$225,000
Remodel of existing area – 3,000 square feet at \$50/sq ft	150,000
Subtotal - Construction	375,000
Equipment/Furnishings	\$20,000
Design/Engineering	\$25,000
TOTAL	\$420,000

Justification

The existing library space is too small to meet the service demands of the existing service territory, as well as to meet future demands. This expansion will allow for the improvement of the quality of life in



Center and increase the desirability of the community to new residents. The expansion of the library will also allow it to increase its programmatic services to the people of Center.

Timeline

Design work on the project could begin as soon as possible, with coordination from the Library Board and City and Library Staff.

COMMUNITY HOUSE RENOVATION

The Community House facility is in dire need of renovation. This project would fund the cost of enhancements and renovations to the facility. The project was identified in the Parks Master Plan. The project would also pave the parking lot in front of the Community House.

Estimated Cost

Construction	\$400,000
Paving	50,000
Design/Engineering	30,000
TOTAL	\$480,000

Timeline

The Council has already approved the design contract with Goodwin-Lassiter. The design needs to be approved by Council; construction may begin as soon as possible.

DOWNTOWN LANDSCAPING

This project seeks to enhance the attractiveness of the downtown square area by landscaping some key locations. It is anticipated that this would also encourage other property owners to invest to improve the attractiveness of their property in particular and all of downtown as a whole. The middle concrete median will be used as a location to plant some greenery. Some parking spots along the sidewalks may be used to also install some landscaping features. Finally, decorative street signs and poles could be purchased with this money to match the decorative street lights already in place.

Estimated cost

Construction	\$100,000
Design/Engineering	5,000
Total	\$105,000

Justification

Any city's downtown area is the heart and soul of the community. It is an indicator to other visitors and potential investors of the pride that the community places on themselves. From an economic development perspective, potential investors may become enamored by downtown and that could be a deciding factor in a site selection. Furthermore, enhancing downtown will increase the attractiveness of Center as a tourist destination.



Timeline

Design work would begin on the project as soon as possible. There may be potential issues to resolve with TxDOT which may delay the project and affect the size and scope of the project.

NEW LADDER TRUCK

One service that can be provided to the property owners of the City is to improve the ISO rating resulting in lower property insurance rates within the City. This will serve to make the City of Center a more desirable place to live or own a business. The staff is about to embark on a program to look for areas to enhance the ISO rating of the City. This will involve identifying those pieces of equipment that will be necessary to improve the ISO rating. Also, staff will be looking for other deficiencies in the scoring matrix that are an obstacle to the improvement of the City's ISO rating. One of these obstacles to an improved ISO rating is the lack of a ladder truck for the fire department. Not only will the ladder truck affect the ISO rating, but with the addition of multiple story buildings in the City, the overall fire protection services will be enhanced.

Estimated Cost

Cost of truck and equipment	\$585,000
TOTAL	\$585,000

Timeline

The order for the truck may be placed as soon as funds are secured.

TxDOT SIDEWALK AND TRAIL PROJECT

The City received a grant from TxDOT to construct a sidewalk and trail system to tie together the downtown square to some of the educational and retail areas of the City. Please see attached drawing of the approximate location of the sidewalk system. This project would fund the City's match for the grant.

Estimated Cost

Construction/Grant match	\$250,000
TOTAL	\$250,000

Timeline

The grant has already been secured. The design work for the sidewalk project is already underway. To move forward, the City has to secure the matching funds.

SIDEWALK PROJECT

There are many old and non-functional sidewalks running through town. There are also some populations in the City who are either pedestrians and do not own a car or who live within walking distance of their work to justify the expense of installing a sidewalk. A sidewalk project will also



provide an opportunity to do some landscaping in selected areas along the street to enhance the attractiveness of that area. Overall, the sidewalk project will allow for pedestrian traffic to move safely off the street and link together different parts of the City. One of the proposed areas would be from the square down Shelbyville Street to MLK Drive. A second would go from the square to the Community House. A third sidewalk would be an extension of the TxDOT sidewalk project, continuing along Tenaha Street up to the Library and Mini-Park. There are many sections of sidewalk in these three areas that simply need reconstruction. These three sidewalks are also included in the Parks Master Plan as part of a larger city wide trail system.

Proposed sidewalks

- Library to Timpson Street – 3,500 linear feet
- Community House to Downtown – 1,200 linear feet
- MLK Drive to Downtown – 3,500 linear feet

Estimated Cost

Construction – All three areas	\$250,000
Design/Engineering	20,500
TOTAL	\$270,500

PARK EXPANSIONS

The City is currently in negotiations with a landowner for the purchase of land. This land would allow for the expansion of athletic fields and amenities, as outlined in the Parks Master Plan. This expansion would allow for the construction of three softball fields, concession and restroom facilities, and one playground area. This project would also fund improvements at Perry Sampson Park, such as cover the basketball courts, repair the lights, and improve the entrance area. Finally, this project would also retask Community Park to provide football, soccer, and practice fields where softball fields currently are located.

Estimated Cost

Construction	
Softball fields	825,000
Playground equipment	50,000
Perry Sampson Park improvements	75,000
Community Park improvements	148,000
Design/Engineering	75,000
TOTAL	1,173,000



SOUTHSIDE SEWER EXPANSION PROJECT

The City currently operates and maintains a total of 11 lift stations arranged throughout the City. This project would reorient some of the sewer collection system and lay some additional sewer lines to provide sewer service to additional areas. A new lift station would be constructed at one of the lowest parts of the area. The lift station would then pump the wastewater across to the existing treatment plant. This work would eliminate most of the lift stations in the City's system.

Construction	\$1,675,000
Engineering Fees	\$220,000
Services	\$70,000
Land Acquisition	\$40,000
Loan Fees	\$87,599
Contingency	\$190,401
TOTAL	\$2,283,000

**CITY OF CENTER
CAPITAL IMPROVEMENT PROJECTS**

COST SUMMARY

City Hall Renovations	\$391,500
Mini-Park Enhancements	545,000
Fannie Brown Booth Library Expansion	200,000
Community House Renovation	480,000
Downtown Landscaping	105,000
New Ladder Truck	585,000
TxDOT Sidewalk Match	250,000
Sidewalk Project	270,500
Center Park Expansion	1,173,000
SUBTOTAL – Tax supported bonds	\$4,000,000
Remainder Library Project	220,000
SUBTOTAL – Other Sources	\$220,000
Southside Sewer Expansion Project	\$2,283,000
SUBTOTAL – Utility supported bonds	\$2,283,000
TOTAL ALL PROJECTS	\$6,503,000



**FY 2012 PROPOSED BUDGET
CENTER ECONOMIC DEVELOPMENT CORPORATIONS**

FUND NARRATIVE

The City of Center operates two distinct economic development corporations, a 4A and a 4B corporation as identified by Chapter 342 of the Texas Government Code. The 4B corporation is dedicated to using sales tax revenue to reconstruct and rehabilitate City streets and thoroughfares. The 4A corporation is more of the traditional economic development corporation in that it helps fund projects to locate and expand industry. The 4B EDC collects a ½ cent sales tax on all taxable purchases inside of the City, and the 4A EDC collects a ¼ tax.

4A ECONOMIC DEVELOPMENT CORPORATION

In 1996, the voters in Center adopted a resolution authorizing the creation of a 5-member EDC Board, which is appointed by the City Council.

In FY 2009, the 4A EDC agreed to provide the funding to create a Tax Increment Financing District (TIF) to pay for the construction of Civic Center Drive. The TIF borrowed the money from the EDC, and this infrastructure development was meant to create more developable area around the new Civic Center. The additional tax generated from increased values is directed to repaying the EDC. This is reflected as a payable due from the TIF.

Many years ago, the City agreed to set aside \$1 million to be applied as match for the Loop 500 extension project from SH7 East to US Hwy 96 North. It appears that TxDOT will be able to move forward on this project late 2012. At that time, the EDC will release those funds to TxDOT. It is anticipated that the extension of the Loop will allow additional land to be developed for industrial and commercial use.

The EDC entered into an agreement with a private developer to provide assistance for infrastructure construction in a private industrial park based on job creation. The final payment is scheduled to be made in FY 2012.

The EDC has also provided the funding for sewer service extension in the northeast part of the City and along SH 87 South, in conjunction with the new energy industry-related development in that area. The EDC provided some assistance in the past years for hotel development. The EDC helped to underwrite the cost of the first annual East Texas Energy Expo.

Finally, the EDC makes payments to the City to offset the costs of administration and staff services.

4B ECONOMIC DEVELOPMENT CORPORATION

The Street EDC makes annual debt payments in conjunction with a Series 1997 bond, which was used to resurface many streets in Center.

In the FY 2012 Proposed Budget, the Street EDC will provide the match for the Community Development Block Grant to pave almost all remaining dirt and gravel streets in Center. There is also in excess of \$600,000 dedicated to the annual street maintenance program.

Finally, the Street EDC makes payments to the City to offset the costs of administration and staff services.



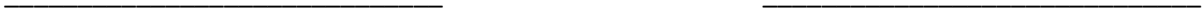
**FY 2012 PROPOSED BUDGET
4A ECONOMIC DEVELOPMENT CORPORATION**

	FY 2010 Actual	FY 2011 Budget	FY 2011 Estimate	FY 2012 Proposed Budget
Fund Balance from Prior Year	1,695,047	1,933,695	1,957,859	1,293,960
REVENUE				
Sales Tax Collection	372,932	372,500	422,500	462,500
Interest Earnings	24,414	40,000	15,615	12,000
TIF Note Payments (P&I)	0	0	0	20,000
Other Income	62,257	0	0	0
TOTAL REVENUE & FUND BALANCE	2,154,650	2,346,195	2,395,973	1,788,460
EXPENDITURES				
Payroll	12,500	12,500	42,500	42,500
Supplies	75	100	75	100
Contractual	2,270	3,050	3,050	3,050
Sundry	10,822	2,500	12,550	16,500
Projects & Commitments	171,124	475,000	1,043,838	400,000
TOTAL EXPENSES & COMMITMENTS	196,791	493,150	1,102,013	462,150
Revenues Over/(Under) Expenditures	262,812	(80,650)	(663,898)	32,350
ENDING FUND BALANCE	1,957,859	1,853,045	1,293,960	1,326,310
Loop 500 - Dedicated Funds	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Due from TIF Note	0	0	350,098	340,598
Fund Balance after Payable/Receivable	957,859	853,045	644,059	666,909



**FY 2012 PROPOSED BUDGET
4B ECONOMIC DEVELOPMENT CORPORATION**

	FY 2010 Actual	FY 2011 Budget	FY 2011 Estimate	FY 2012 Proposed Budget
Investments & Cash	200,666	154,561	197,499	370,545
Reserved Funds	175,000	175,000	175,505	175,000
<u>BEGINNING FUND BALANCE</u>	375,666	329,561	479,680	545,545
REVENUE				
Sales Tax Collection	745,864	750,000	845,000	925,000
Interest Earnings	4,421	5,000	2,946	4,500
<u>ANNUAL REVENUE</u>	750,285	755,000	847,946	929,500
EXPENDITURES				
Administration	10,000	10,000	10,000	10,000
Supplies	75	100	75	100
Contractual	1,050	1,050	1,050	1,050
Sundry	1,237	1,450	2,050	2,250
Debt Service	164,868	165,085	157,382	279,585
Projects & Commitments	469,041	575,000	611,524	630,000
<u>TOTAL EXPENSES</u>	646,271	752,685	782,080	922,985
<u>NET GAIN (LOSS)</u>	104,014	2,315	65,866	6,515
<u>ENDING FUND BALANCE</u>	479,680	331,876	545,545	552,060





BUDGET GLOSSARY

Account number: A code made up of numbers used to classify how specific dollar amount are categorized as revenue or expenditures. Typically, similar revenues or expenditures are classified into the same account

Accounting system: The methods and records established to identify, assemble, analyze, classify, record and report the City's transactions and to maintain accountability for the related assets and liabilities.

Accounts payable: A short term (one year or less) liability reflecting amounts owed for goods and services received by the City.

Accounts receivable: An asset reflecting amounts due from other entities for goods and services provided by the City.

Accrual accounting: A system of accounting in which revenues and expenses are recorded at the time they occur, rather than the time cash is received or expensed by the City.

Ad Valorem taxes: Also known as property taxes, the taxes levied on all real and certain personal property according to the assessed value of the property and the established tax rate.

Appropriation: An authorization made by the City Council which permits the City staff to make expenditures and incur financial obligations.

Asset: The resources and property of the City that can be used or applied to cover liabilities.

Audit: An examination of the City's financial accounts and records. The City is required by law to have an audit completed each year by an independent certified public accountant.

Bond: A written promise to pay a specified amount of money (the principal) at a specified date or dates in time (maturity dates) and carrying interest at a specified rate. The most common form of bonds are general obligation bonds and certificates of obligation. Bonds are usually used to fund large construction projects that have a long life span and/or are too expensive for the City to pay for with cash. Some examples are public buildings, water and sewer infrastructure, and streets.

Bonded debt: The portion of indebtedness represented by unpaid bonds. Or, the amount of principal on all bonds issued by the City.

Budget: A financial plan for a specified period of time (the fiscal year for the City) that includes an estimate of proposed revenues, and estimate of anticipated expenditures, and an analysis of the undedicated fund balance.

Capital Improvements: Expenditures for the construction, purchase or renovation of City facilities or property, usually those projects which have a lifespan of greater than five to seven years.

Capital outlay: Expenditures resulting in the acquisition of or addition to the City's fixed assets.

Cash: Currency on hand and demand deposits with banks and other financial institutions.

Cash basis: A method of accounting in which transactions are recorded when cash is received or disbursed.



Certificates of Obligation (CO): A form of bond used to finance capital improvement projects or purchases. CO's are backed by the full faith and credit of the government issuing them. CO's can be issued by a vote of the City Council and are not necessarily voter approved.

Current taxes: Taxes that are levied and due within the ensuing fiscal year.

Debt service fund: A fund established to account for funds needed to make principal and interest payments on outstanding bonds.

Debt service requirements: The amount of money required to pay interest and principal on outstanding bonds. Sometimes the bond covenants (terms of the bond) may require special requirements such as cash reserves in the debt service fund.

Delinquent taxes – Property taxes remaining unpaid after the due date. Delinquent taxes incur penalties and interest at rates specified by law.

Department – A functional group of the City with related activities aimed at accomplishing a major City service or program.

Depreciation: The proration of the cost of a fixed asset over the estimated service life of the asset. Each period is charged with a portion of such cost, and through this process, the entire cost of the asset is ultimately charged off as an expense.

Effective tax rate: The rate that produces the same amount of property tax revenues compared to the prior year. Based on the total property valuation for the City and how much property tax was levied, the rate is determined by the laws of the State of Texas.

Encumbrance: The commitment of appropriated funds to purchase an item or service. Once an encumbrance is made, a purchase order is issued for the expenditure.

Enterprise fund: See proprietary fund.

Expense: Charges incurred, whether paid or unpaid, for operation, maintenance, interest and other charges which are made within the current fiscal year.

Equity: The difference between assets and liabilities of the fund.

Fiscal year (period): The time period designated by the City signifying the beginning and ending period for recording of financial transactions of the City. The City of Center's fiscal year begins on October 1 of each year and ends on September 30 of the following year.

Fixed assets: Assets of a long term character which are intended to be held or used, such as land, buildings, machinery, furniture and equipment.

Fund: A separate fiscal and accounting entity with their own resources and budgets necessary to carry out specific duties or programs to accomplish certain objectives.

Fund balance: The difference between fund assets and fund liabilities of government and trust funds. Fund balance for general fund usually equates to available cash. In essence, it is the City's cash reserve.



General fund: The largest fund within the City. It accounts for all resources except those that are required to be in a special fund. The general fund contains the activities commonly associated with municipal government, such as police, fire, streets, and parks.

General obligation bonds: Bonds that finance a variety of public capital improvement projects. The repayment of these bonds are typically pledged against property tax revenues. They are backed by the full faith and credit of the City. Voters must approve the issuance of general obligation bonds through a special called bond election.

Grant: Contributions or gifts of cash or other assets from another government to be used for a specific purpose, activity, or facility.

Infrastructure: Long term capital assets that normally are stationary in nature (fixed as compared to rolling stock) and can be preserved for a great number of years. Examples include water and sewer lines, roads, bridges, buildings, etc.

Inter-fund transfers: An amount of money transferred from one fund to another fund. For example, transferring money from the utility enterprise fund to the general fund.

Intergovernmental revenue: Revenues received from another governmental entity, such as county, state or federal governments.

Machinery and equipment: Property that does not lose its identify when removed from its location and is not changed materially or consumed immediately by use.

Maintenance: The act of keeping assets in a state of good repair. It includes preventative maintenance, normal periodic repairs, part replacement and so forth so that it continues to provide normal service.

Mission: The basic purpose of a department, the reason for its existence, what the department aims to accomplish.

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 activities of the City are controlled.

Operating expense: Proprietary fund expenses related directly to the Fund's primary activities.

Operating income: The excess of proprietary fund operating revenues over operating expenses.

Operating revenues: Proprietary fund revenues directly related to the fund's primary activities. They consist primarily of user charges for goods and services.

Ordinance: A formal legislative enactment by the Center City Council.

Principal: The face value of a bond, payable on stated dates of maturity.

Property taxes: See Ad Valorem taxes.

Proprietary fund: Also referred to as an Enterprise Fund. A governmental accounting fund in which the services provided, such as water and sewer service, are financed and operated similarly to those in a private business. The intent is that the costs of providing these services be recovered through user charges.



Refunding: The issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose (a current refunding), or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (advanced refunding).

Resolution: A special or temporary order of the Center City Council. Requires less formality than an ordinance and does not carry with it the force of law.

Revenue bonds: Bonds whose principal and interest are payable exclusively from earnings of a proprietary fund.

Special revenue fund: Accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Taxable value: The assessed value of property less any exemptions available on that specific property. The tax rate is applied to the taxable value to calculate a total tax levy.

Tax base: The total taxable value of all real and personal property in the City as of January 1 of each year as certified by the Shelby Central Appraisal District, less any exemptions.

Tax levy: The resulting product when the tax rate per one hundred dollars is multiplied by the tax base.

Tax rate: The amount of tax levied for each \$100 of taxable value.

TML: The Texas Municipal League is a voluntary coalition of Texas municipalities created for the purpose of furthering and enhancing causes of mutual interest to Texas cities. The League offers educational and training opportunities, legislative activities and legal advisement to its members. Additionally, the League has intergovernmental risk pools that offer insurance coverage.

TMRS: The Texas Municipal Retirement System provides retirement plans to its member cities. Each city selects its own plan and its contributions are computed on each individual city's plan and actuarial information.

User charges: The payment of a fee for direct receipt of a public service by the party benefiting from the service, such as water and sewer fees.



APPENDIX A
CITY FUND BALANCE POLICY

The City of Center recognizes the importance of maintaining an appropriate level of Unassigned Fund Balance. After evaluating the City's operating characteristics, diversity of tax base, reliability of non-property tax revenue sources, working capital needs, impact on bond rating, State and local economic outlooks, emergency and disaster risk, and other contingent issues, the City establishes the following goals regarding the Unassigned Fund Balance of the General Fund for the City of Center, Texas.

The level of fund balance that the City strives to maintain as unassigned is an amount equal to approximately 25% of the City's General Fund Budget, i.e., an amount equal to approximately 3 (three) months of operating expenses from the current operating budget.

Once the City achieves its goal of an appropriate level of Unassigned Fund Balance, any excess funds may be utilized for other municipal fiscal purposes, including without limitation, additional capital improvement needs or tax rate stabilization or reduction purposes. For example, by applying excess fund balances towards payment of capital improvement expenses, the City will reduce the need to incur long-term debt and will avoid creating an operating funding gap for subsequent fiscal years.

This policy has been adopted by the City to recognize the financial importance of a stable and sufficient level of the Unassigned Fund Balance. However, the City, reserves the right to appropriate funds from the Unassigned Fund Balance for emergencies and other unanticipated requirements the City believes to be in the best interest of the City.