



ANNUAL BUDGET
2018-2019



ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2018-19

This budget will raise more total property taxes than last year's budget by \$163,131 or 7.48%, and of that amount, \$12,871 is tax revenue to be raised from new property added to the tax roll this year.

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City Council Record Vote

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

FOR: J. HERING; A. HENDERSON, SR.; A. OCAMPO, P. ALLISON;
D. TAYLOR AND J. DOUGLAS

AGAINST: NONE

PRESENT and not voting: NONE

ABSENT: NONE

Tax Rate		Adopted FY 2018
Property Tax Rate		0.594010
Effective Tax Rate		0.554004
Effective M&O Rate		0.383053
Rollback Tax Rate		0.594010
Debt Rate		0.180313
COMPARISON OF PROPOSED TAX RATE AND CURRENT TAX RATE		
Tax Rate	Proposed FY 2018-19	Adopted FY 2017-18
M&O Rate	0.413697	0.410714
Debt Tax Rate	0.180313	0.183296
Total	0.594010	0.594010

The total amount of municipal debt obligation secured by property taxes for the City of McGregor is \$10,831,013.

**City of McGregor, Texas
Fiscal Year 2019
Proposed Annual Budget**

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City of McGregor, Texas
City Officials

Elected Officials:

Mayor	Jimmy Hering	At-Large
Mayor Pro-Tem	Andrew Henderson, Sr	Ward 1
Council Member	Anthony Ocampo	At-Large
Council Member	Paul Allison	Ward 2
Council Member	David Taylor	Ward 3
Council Member	Jeff Douglas	Ward 4

Appointed Officials:

City Manager	Kevin P. Evans
Assistant City Manager	Paul Kilpatrick
Chief of Police	James W. Burson, Sr.
City Secretary	Angelia Sloan
Airport Manager	Robert Blanchard
Finance Director	Carolyn Baker
Code Enforcement Director	Bryan Edds
Community Development Director	Michael T. Olson



Vision

The City of McGregor is committed to providing excellent services to the citizens of McGregor, enhancing the quality of life, building and maintaining relationships and promoting a sense of community.

Mission

To provide unparalleled services and protection for the community with trust and integrity while promoting the highest quality of life in a wholesome small town atmosphere.

Values

Integrity
Commitment to quality services
Intuitive
Treating Citizens respectfully
Innovative

Strategic Areas of Emphasis

1. Public Safety: McGregor residents enjoy a safe community.
2. Infrastructure: McGregor is updating and revitalizing infrastructure to support the developing community.
3. Economic Development: McGregor is continuing to develop new growth creating an economically diverse community.
4. Service: McGregor strives to provide excellent public and customer services.
5. Quality of Life: McGregor is a wholesome, small town where residents enjoy diversity, parks, recreation, and educational opportunities.

City of McGregor, Texas
Preliminary Budget Calendar
Fiscal Year 2019

<u>Date</u>	<u>Activity</u>
May 7	Distribute INCODE budget material to Directors
May 14	Payroll changes due
June 7	Budget requests and decision package requests due
June 7 – 30	Finance budget analysis
May 7 – June 13	Review and revise revenue projections
June 25 – 29	Present Preliminary budget for City Manager review
July 5-July 9	Division Managers present proposed budgets to City Manager
July - 9	Council Budget Priorities/Workshop
July 10 – 16	Finance completes budget revisions and summaries
July 25	Tax roll due from McLennan County Appraisal District
July 26-27	Budget revisions as needed, calculation of tax rates
July 27	City Manager's proposed budget filed with City Secretary
July 30	Council review of proposed budget and any proposed changes
July 31	Approval of proposed tax rate to report to McLennan County Tax Department for Publication and Notification of Public Hearings
August 9	Publication of effective, roll back, and proposed tax rates (includes Public Hearing info)
August 20	Public Hearing on FY 2018-19 Proposed Tax Rate/Budget
August 23	Public Hearing on FY 2018-19 Proposed Tax Rate/Budget
August 27	Reading of ordinances to ratify property tax increase and adopt certified rolls, budget and tax rate
September	Budgets distributed to staff

INTRODUCTION

A municipal budget is more than a book of numbers, charts and graphs. The budget is a tool for prioritization, communication, and allocation of resources that go toward the implementation of programs, projects and services. It is the duty of those fortunate enough to serve the citizens of McGregor to operate in a transparent, efficient, and ethical manner and the budget is a tool that allows us to do just that.

BUDGET DOCUMENT KEY ELEMENTS

The following is a summary of key elements included in the City of McGregor Fiscal Year 2018 budget, which begins October 1, 2017 and ends September 30, 2018. The City Council adopts the budget annually by ordinance.

Budgets are prepared for the full range of municipal services provided by the City: public safety, community services, utility services, housing services, general administrative and support services.

Annual operating budgets are adopted for the General Fund, Special Revenue Funds, Enterprise Funds, and Debt Service Fund.

BUDGET DOCUMENT STRUCTURE

This budget is presented in several sections:

- Introduction section includes the City's mission statement, strategic areas of emphasis and describes the budget process and policies.
- Budget Overview provides narrative and graphical summary presentations of all funds, including the General Fund, Enterprise Funds, Special Revenue Funds and the Debt Service Fund.
- Appendix includes supplementary material including the Tax Rate Ordinance and Budget Ordinance. A glossary of Terms and Acronyms are also included in the Appendix.

The budget document is designed to give both decision makers and citizens a better view of the resources utilized in fulfilling the City's mission for the community as defined by the Council.

FINANCIAL STRUCTURE

The accounts of the City are organized on the basis of funds and account groups, each of which operate separately and independently of each other. The operations of each fund are accounted for with a separate set of self-balancing accounts that are comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses. Following is a description of the various funds and account groups:

Governmental Fund Types

Governmental funds are used to account for general government operations and include the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Project Funds.

- **General Fund:** The General Fund is the general operating fund and is used to account for all financial transactions not properly included in other funds. Resources are generated through property tax, sales tax, other general taxes, franchise fees, fines, licenses, and fees for services. This fund supports all general governmental purposes such as public safety, streets, facility maintenance, recreation, and administrative functions.
- **Special Revenue Funds:** These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.
- **Debt Service Fund:** Is utilized to account for the payment of interest and principal on all general obligation bonds and other long-term debt.
- **Capital Improvement Program Funds:** These funds are used to account for the expenditures of resources accumulated from the sale of debt

instruments earmarked for such projects. These funds are allocated from debt proceeds on a project length basis rather than a fiscal year basis.

Proprietary Fund Types

Proprietary funds are used to account for the City's activities that are similar to commercial enterprise accounting.

- Enterprise Funds: These funds are used to account for services that are financed and operated in a manner similar to private business, where the intent of the governing body is that the cost of providing goods and services to the general public will be financed or recovered primarily through user charges or fees.

BUDGET BASIS OF PRESENTATION

Governmental fund budgets are presented on a modified accrual basis; revenues are budgeted when they are measurable and available and expenditures are budgeted in the period in which the liability is incurred which is in accordance with Generally Accepted Accounting Principles (GAAP). The fund balance approach of Governmental Funds or working capital approach can be described as current assets minus current liabilities. The enterprise funds are budgeted using a flow of economic resources and use the accrual basis of accounting. These are same methods as used in the City of McGregor's Comprehensive Annual Financial Report (CAFR). Contrary to Generally Accepted Accounting Principles of recording depreciation in the income statements and recording effects of retirements of principal and capital purchases on the balance sheet, the City does not budget for depreciation or amortization of assets, but does include capital expenses and debt principal retirement in the annual budget. Cash equivalents are presented as operating funds. The cash equivalent approach for the City is defined as:

$$\begin{aligned} &\text{Cash} + \text{Investments} + \text{Accounts Receivable} + \text{Prepaid} - \\ &\quad \text{Accounts Payable (Current Liabilities)} \end{aligned}$$

BALANCED BUDGET

The operating budget presented is a balanced budget in which combined projected resources (current revenues plus fund balances) equal or exceed estimated expenditures. When the current revenues for a particular fund are less than the current expenditures of that fund, the deficit is funded through fund balance. A summary of the effect of the FY 2018 budget upon the fund balances is presented in the Budget Overview section of this document. The change in operating funds can be found with the detail relating to each fund.

The City avoids budgetary procedures that balance the budget at the expense of future years' budgets, such as, postponing expenditures or accruing future years' revenues.

Budget monitoring and reporting occurs throughout the year. Departments typically begin budget preparation and development in March. Instructions and forms are distributed to the department directors to determine the allocation of their respective base budgets. The Finance Department coordinates the development of revenue projections for all City funds. Historical trends, economic factors, and departmental input all play a role in developing revenue projections.

After all budget requests have been submitted by the departments, the finance director reviews and compiles the information. This data is assembled and distributed to the City Manager for review in advance of any budget workshop session or the presentation of the Preliminary Proposed Budget.

The Council sets the property tax rate necessary to support the adopted expenditure budget. The process of adopting the property tax rate is dictated by the truth-in-taxation guidance issued by the Texas Legislature. The truth-in-taxation regulations govern the conduct of public hearings, publication of notices, and amounts by which tax rates may be increased without voter approval. The property tax rate is adopted in two components – one funds the maintenance and operations of the organization and the other funds the general obligation debt service requirements of the city. The property tax rate is adopted by ordinance of the City Council.

FY 2019 FINANCIAL POLICIES

Section 5.2 of the City Charter states the City Manager is responsible for preparing and submitting an annual budget to the City Council for which he will be responsible for its administration after adoption. The adopted budget must include the outstanding debt obligations of the City; the financial resources to the credit of each fund; the funds received from all sources during the preceding year; the funds available from all sources during the ensuing year; the estimated revenue available to cover the adopted budget; and the estimated tax rate required to cover the adopted budget (Texas Local Government Code Chapter 102).

At least one public hearing must be scheduled on the budget. The City Secretary must post the notice of the public hearing at the City Hall Annex, on the City's internet webpage, and publish the notice in a newspaper of general circulation at least ten days prior to the public hearing.

After the public hearing, the City Council may consider the budget ordinance for adoption with or without amendment for the first of two required readings. The second reading, which signifies adoption, must occur at a subsequent meeting. The vote has to be a record vote and the adoption of the budget must occur prior to beginning the new fiscal year.

Expenditures are controlled at the fund level for all funds and may not exceed appropriations at that level. Budget transfers between departments within the same fund require approval of the City Manager. Since expenditures may not legally exceed budget appropriations, amendments to the budget are occasionally required. Budget amendments are processed when necessary to increase appropriations, or to allow for increased transfers between funds. At any time in the fiscal year the City Council may make emergency appropriations to meet unforeseen need for public expenditure in order to protect the public health, safety, or welfare.

At the end of each fiscal year, any unencumbered appropriation balances lapse or revert to the undesignated fund balance.

In compliance with the Space X contract, each budget year 15% of all lease and purchase revenue received from the Industrial Park will be transferred to the

Industrial Park Fund (Fund 80). These monies will be utilized to cover building and infrastructure repairs, maintenance, and other improvement expenses as deemed necessary by the City Manager.

Following the adoption of a bond ordinance by the City Council and prior to the delivery of any such bonds issued, the City Finance Director and the City Manager will be delivered a copy of the final bond cash flows, including the final amortization schedule, attached to the corresponding bond ordinance adopted by the City Council. These will be submitted independently by the financial advisor and the paying agent/registrar to the City Finance Director and the City Manager. The City Finance Director will provide written acknowledgment that the debt amortization schedules provided independently by the financial advisor and paying agent/registrar are matching prior to the delivery of any bonds.

CAPITALIZATION POLICY

The purpose of this policy is to ensure adequate and appropriate control of the City's assets and to establish guidelines for capitalization in accordance with generally accepted accounting principles.

The City of McGregor Purchasing Policy states "Purchases \$500 and above require a written purchase order and the approval of the Department Manager..." By definition, capital assets cost \$5,000 or more, so they must be purchased via a purchase order.

Capital assets (or "fixed assets") are defined as real or personal property used in the City's operations. They are not repair or supply items and are not acquired for the purpose of resale. Generally, items must be capitalized if they meet all of the following criteria:

- A. The expected useful life is three (3) years or more.
- B. The item belongs to one of the general classes of property that is considered capital assets as defined by general accounting terms. Below are the broad capital asset classes:
 - 1. Land
 - 2. Buildings and Improvements
 - 3. Equipment

4. Improvements other than Buildings
5. Infrastructure

ACCOUNTING, AUDITING AND FINANCIAL REPORTING

The City will maintain accounting practices that conform to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB), the authoritative standard setting board for units of local government. Monthly interim finance reports are prepared on a cash basis and will be reported as budgeted. The Annual financial statements will be prepared and reported using the economic resources measurement focus and the accrual basis of accounting.

Pursuant to state statute, the City shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The audit shall be performed by a certified public accounting (CPA) firm, licensed to practice in the State of Texas.

As required by the Securities and Exchange Commission (SEC) Rule 15c2-12, the City, with support of the City's financial advisor and bond counsel, will provide certain annual financial information to various information repositories through disclosure documents or set of documents that include the necessary information.

**CITY OF MCGREGOR
BUDGET SUMMARY
FISCAL YEAR 9/30/19**

	GENERAL FUND	WATER FUND	SEWER FUND	AIRPORT FUND	CEMETERY FUND	COURT TECH FUND	HOTEL/MOTEL FUND	DEBT SERVICE	TOTAL BUDGET
REVENUES	<u>\$4,658,253</u>	<u>\$3,083,941</u>	<u>\$1,370,634</u>	<u>\$244,416</u>	<u>\$34,000</u>	<u>\$3,800</u>	<u>\$25,000</u>	<u>\$714,959</u>	<u>\$10,135,003</u>
DEPARTMENTAL EXPENDITURES									
#10-500-NON DEPARTMENTAL	531,493								531,493
#10-520-CITY SECRETARY/HR	107,720								107,720
#10-521-FIRE	140,350								140,350
#10-522-STREET/DRAINAGE	742,425								742,425
#10-523-POLICE	1,406,106								1,406,106
#10-524-PARKS	320,688								320,688
#10-525-CITY COUNCIL	125,669								125,669
#10-526-CITY MANAGER	224,331								224,331
#10-527-COMMUNITY DEVELOPMENT	214,592								214,592
#10-528-MUNICIPAL COURT	109,347								109,347
#10-529-CODE ENFORCEMENT	213,633								213,633
#10-530 FLEET MAINTENANCE	144,322								144,322
#10-531 FINANCE	227,184								227,184
#20-500-WATER		2,696,265							2,696,265
#46-500-HOTEL/MOTEL									
#30-500-SEWER			773,125				23,000		773,125
#50-500-AIRPORT				233,535					233,535
#90-500 CEMETERY					22,200				22,200
GRANTS/SPECIAL REVENUES									
SUBTOTAL DEPARTMENTAL EXPENSES	<u>4,507,863</u>	<u>2,696,265</u>	<u>773,125</u>	<u>233,535</u>	<u>22,200</u>	<u>425</u>	<u>23,000</u>	<u>0</u>	<u>8,256,410</u>
OTHER DIRECT EXPENDITURES									
DEBT SERVICE-2018 CO'S		76,885	25,228						102,113
DEBT SERVICE-2017 CO'S		74,675	37,375					78,488	190,538
DEBT SERVICE-2014 CO'S			249,875						249,875
DEBT SERVICE-2013 CO'S		87,313							87,313
DEBT SERVICE-2016 CO								412,280	412,280
DEBT SERVICE-2010 CO'S		88,418	177,101						265,519
DEBT SERVICE-2004 BONDS		26,005	78,016						104,021
DEBT SERVICE-2003 BONDS								97,150	97,150
DEBT SERVICE-1995 EMHA			20,734					148,430	148,430
DEBT SERVICE-2018A BONDS								67,491	67,491
FIRE TRUCK				34,019				34,019	34,019
NOTE AT FNB	20,879	9,180	9,180					11,091	50,330
LEASE PAYMENTS								2,400	2,400
OTHER NON-DEPARTMENTAL									
FRANCHISE TAXES		25,200							25,200
TOTAL DIRECT EXPENDITURES	<u>4,528,742</u>	<u>3,083,941</u>	<u>1,370,634</u>	<u>267,554</u>	<u>22,200</u>	<u>425</u>	<u>23,000</u>	<u>817,330</u>	<u>10,113,823</u>
TRANSFERS IN	148,430							102,371	250,801
TRANSFERS (OUT)	<u>(277,941)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(277,941)</u>
NET REV (LOSSES)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$23,138)</u>	<u>\$11,800</u>	<u>\$3,375</u>	<u>\$2,000</u>	<u>\$0</u>	<u>(5,960)</u>
BEGINNING WORKING CAPITAL	<u>1,950,889</u>	<u>211,283</u>	<u>184,754</u>	<u>544,158</u>	<u>296,612</u>	<u>29,475</u>	<u>53,757</u>	<u>120,831</u>	<u>\$3,391,759</u>
ESTIMATED WORKING CAPITAL, ENDING	<u>1,950,889</u>	<u>211,283</u>	<u>184,754</u>	<u>521,020</u>	<u>308,412</u>	<u>40,833</u>	<u>55,757</u>	<u>120,831</u>	<u>3,385,799</u>

Working capital = Current assets minus current liabilities
Estimated working capital, ending = Current assets minus current liabilities, plus net revenue

FY 2019 BUDGET SUMMARY

The following is a summary of the FY 2019 annual budget for the City of McGregor, Texas.

BUDGET REVENUES

The City of McGregor FY2019 revenues exclusive of transfers are proposed at \$10,135,003 for all funds except construction in progress.

The chart "Revenues by Category" lists revenues by type. Revenue types include tax revenues, franchise fees, charges for services, permits and fees, service fees, administrative fees, land leases, recreation fees, fines, and investment/miscellaneous revenues.

Below is a brief summary of the FY 2019 revenue types:

- Tax revenues which include property tax, sales tax, and hotel occupancy tax, are estimated at \$3,30,765 or 33% of the City's revenue base.
- Franchise taxes are assessed to utility companies, including telephone, cable, and gas. For FY 2019, franchise taxes are estimated at \$351,600 or 4% of total revenues.
- Licenses and Permits revenues and Administrative Fees are budgeted at \$55,000, or 1% of total revenues.
- Charges for Services primarily represent revenues received by the utilities. Primary sources of charges for services in the General Fund are recreation charges, and public safety charges. Total revenue to be generated for FY 2019 from all services is estimated at \$4,375,885 or 43% of total revenues
- Fines, forfeits, and penalties total \$260,000 or 3% of total revenues for the City.

- Investment earnings and miscellaneous revenues, including proceeds from the sale of property, and donations are budgeted at \$290,391 or 3.0% of total revenues.
- Land leases total \$1,351,745 or 13% of total revenues.

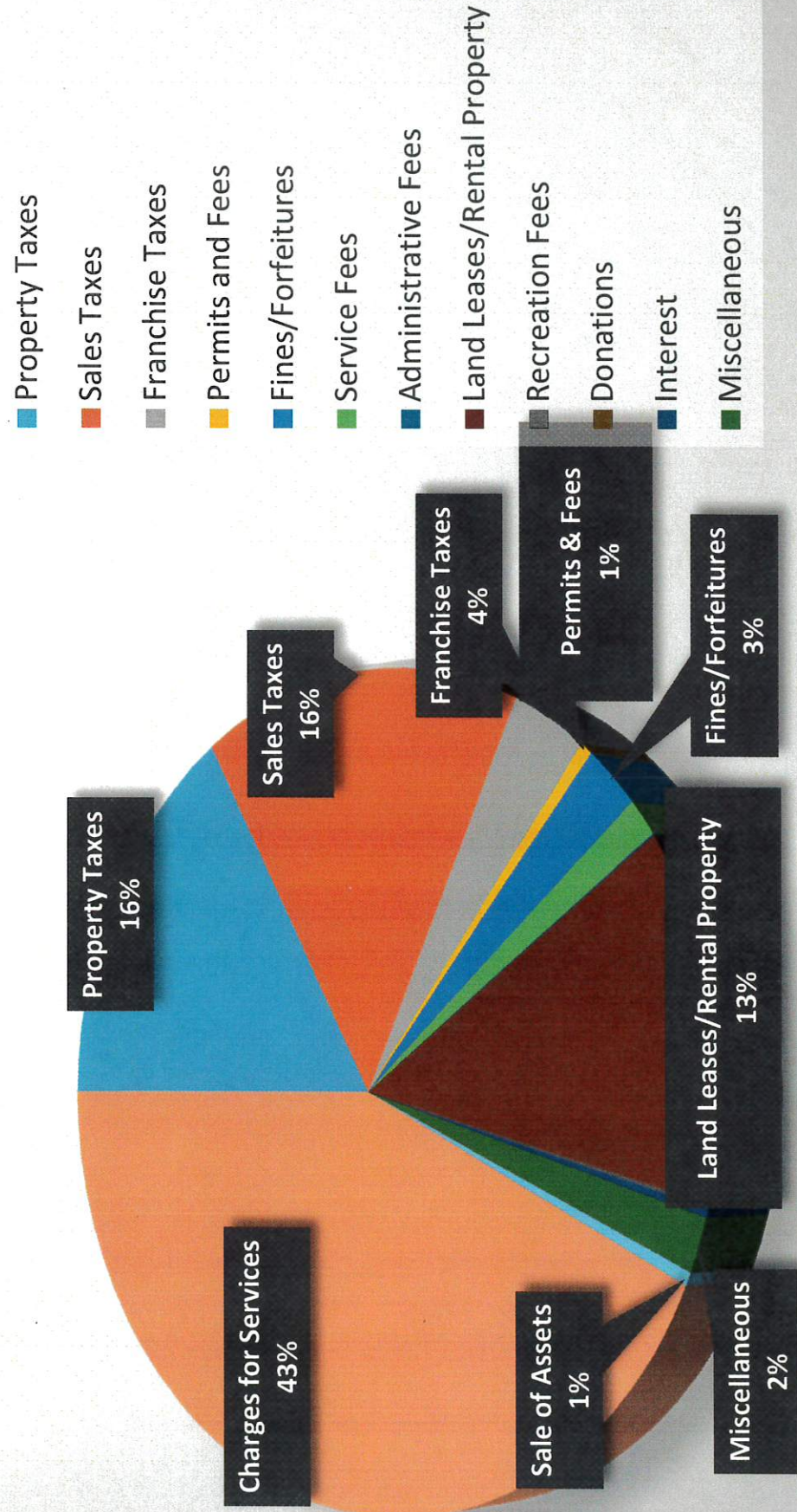
Revenue Assumptions:

Several assumptions were utilized in the projection of revenues for FY2019. Those assumptions include:

- The budget keeps the property tax rate at \$0.594010 per \$100 of assessed valuation. The estimated total tax levy for FY 2019 is \$2,344,353. The General Fund (M&O) tax rate is budgeted at \$0.413697 per \$100 of assessed valuation and the debt service portion tax rate is \$0.180313 per \$100 of assessed valuation. The General Fund property tax levy is estimated at \$1,608,229 with an additional \$50,762 budgeted for penalty, interest and delinquent taxes. Debt Service property tax is estimated at \$700,959.
- Sales tax revenue assumes a t 12% growth over the FY 2018 projected revenue.
- The 2019 budget reflects water and wastewater rate increases of 5%.

The following chart summarizes the City's revenues by type.

COMBINED REVENUE - ALL FUNDS



BUDGETED APPROPRIATION OF EXPENDITURES

The City of McGregor Fiscal Year 2019 budget appropriation of expenditures for all funds is \$10,113,823.

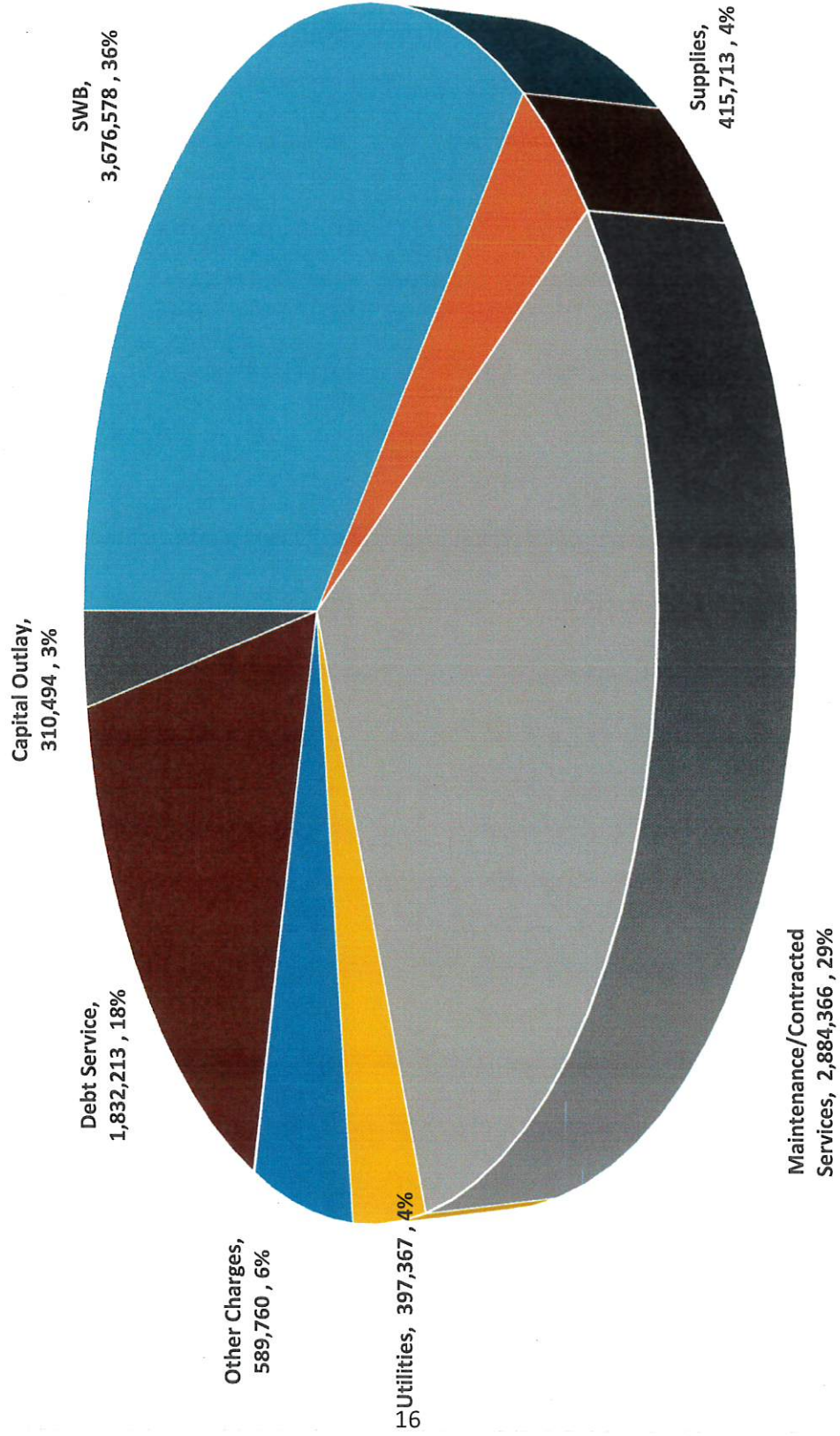
Uses of Appropriated Funds:

The table "Expense by Category" lists appropriations by category. Category types include salary & benefits, supplies, maintenance & services, administrative services, miscellaneous, capital outlay, and debt service. Administrative reimbursements represent services provided by the General Fund to other funds and carried as a reduction to expenditures in the General Fund.

- General Fund budgeted expenditures net of debt for fiscal year 2018 are \$4,507,863 which includes an off-set of \$7,332 for administrative reimbursement costs from other funds for services provided by the General Fund.
- The City's Salaries & Benefits for all funds for FY 2019 are \$3,676,578 or 36% of the total budget. The budget includes a cost of living funding increase of 3% on October 1, 2018 and up to 2% merit on January 2, 2019.
- Supplies, Administrative Fees, Other and Miscellaneous expenditures account for 10% of the total appropriations for FY 2019 or \$1,012,805. The emergency management service expenditures, printing and publications, travel and training are examples of accounts under these categories.
- Maintenance and Contracted Services expenses for FY 2019 are \$2,884,366 and account for 29% of budgeted expenses. These categories include equipment and vehicle maintenance expenses, street maintenance, utilities, professional and consulting fees.
- Debt Service payments for all funds are budgeted at \$1,832,213 or 18% of the total budget for FY 2019.
- Capital outlay for FY 2019 is requested at \$310,494 or 3% of budgeted expense. This category includes capital improvement projects to be funded through operating revenues. Funding for vehicles and equipment is also included in this category.

The following graph provides a summary of outlays by category:

Expenditures By Category-Combined Funds





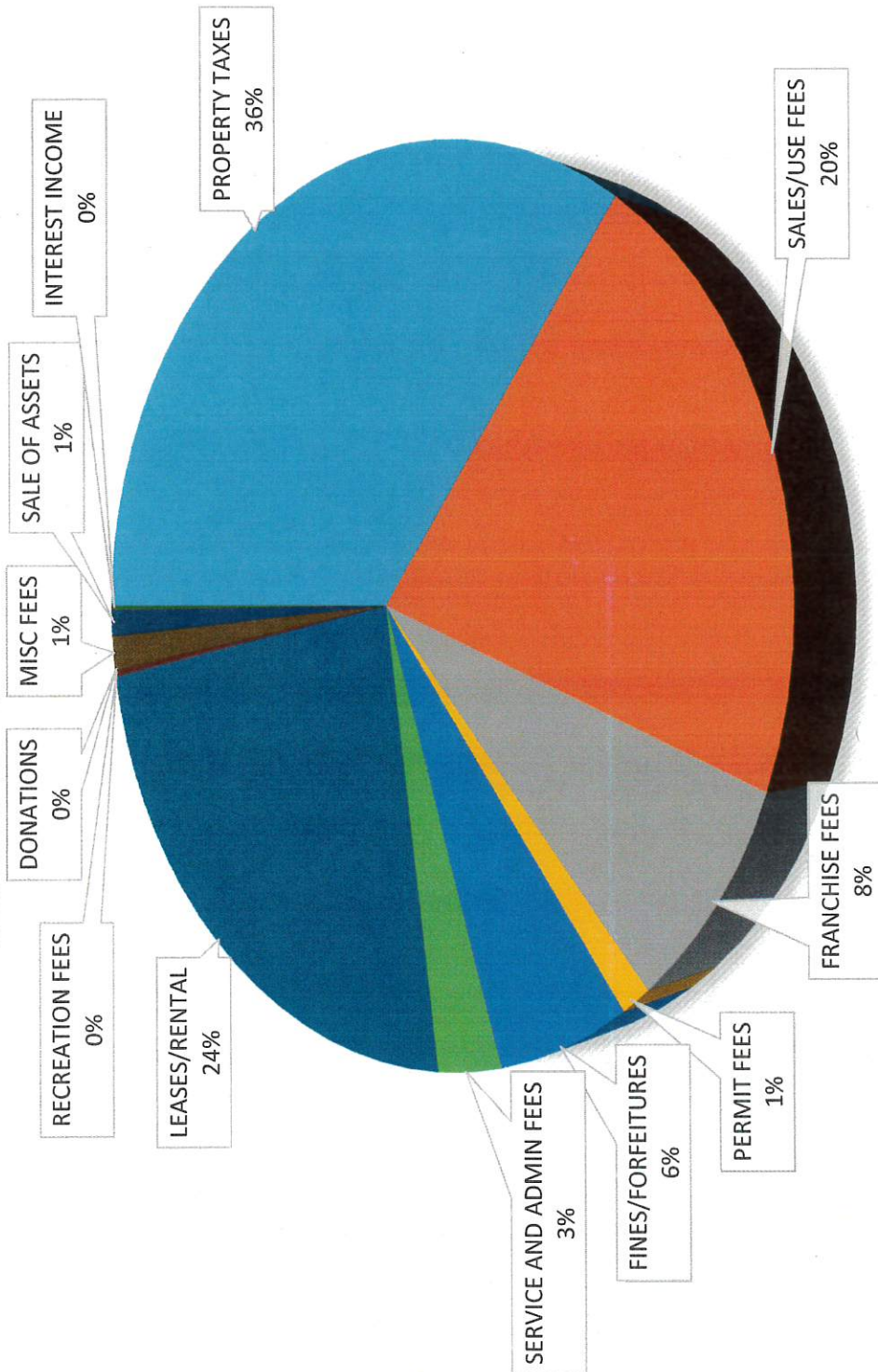
GENERAL FUND

This fund is the General Operating Fund of the City and is supported with property tax, sales tax, other general taxes, franchise fees, licenses and fees for services. This fund supports all general governmental purposes such as public safety, streets, facility maintenance, recreation, and administrative functions.

ANNUAL BUDGET SUMMARY
GENERAL FUND
FY 2018-19

	ACTUAL 2016-17	BUDGET 2017-18	ACTUAL YTD	BUDGET 2018-19
REVENUES				
PROPERTY TAXES	\$ 1,341,426	\$ 1,567,388	\$ 1,486,495	\$ 1,658,991
SALES/ USE FEES	794,137	1,010,000	542,967	922,700
FRANCHISE FEES	349,614	348,100	136,207	351,600
PERMIT FEES	34,462	50,000	36,143	55,000
FINES/FORFITURES	286,387	250,000	94,426	260,000
SERVICE AND ADMIN FEES	142,146	111,369	62,817	133,632
LEASES/RENTALS	1,175,469	1,173,849	788,659	1,138,329
RECREATION FEES	14,113	14,338	1,075	12,600
DONATIONS	304	300	178	300
MISC FEES	223,899	70,630	40,311	66,100
SALE OF ASSETS	1,513	78,500	78,591	50,000
INTEREST INCOME	7,135	7,000	5,438	9,001
TOTAL REVENUES	4,370,605	4,681,474	3,273,309	4,658,253
EXPENDITURES				
NON-DEPARTMENTAL	1,030,246	518,746	338,650	531,493
OFFICE	99,025	106,609	66,050	107,720
FIRE DEPT	117,897	161,065	28,629	140,350
STREETS	940,870	786,047	451,419	763,304
POLICE	1,298,375	1,439,349	816,427	1,406,106
PARKS	422,654	312,704	173,756	320,688
CITY COUNCIL	73,600	108,027	49,511	125,669
CITY MANAGER	206,611	215,841	140,564	224,331
COMMUNITY DEVELOPMENT	137,662	180,322	118,122	214,592
MUNICIPAL COURT	98,971	108,545	59,511	109,347
CODE ENFORCEMENT	213,424	226,459	104,097	213,633
FLEET MAINTENANCE		153,811	84,653	144,322
FINANCE	195,514	215,201	150,836	227,184
TOTAL EXPENDITURES	4,834,849	4,532,727	2,582,226	4,528,741
EXCESS (DEFICIENCY) OF REVENUES	(464,244)	148,748	691,082	129,512
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	1,568,574	31,027	6,205	148,430
TRANSFERS OUT	-	(2,058,703)	(2,058,703)	(277,941)
DEBT PROCEEDS	-	-	-	-
TOTAL OTHER FINANCING SOURCES	1,568,574	(2,027,676) #	(2,052,498) #	(129,511)
NET CHANGE IN FUND BALANCE	\$ 1,104,331	\$ (1,878,928) #	\$ (1,361,415) #	\$ 0

GENERAL FUND REVENUE BY TYPE



CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

10 GENERAL FUND REVENUES

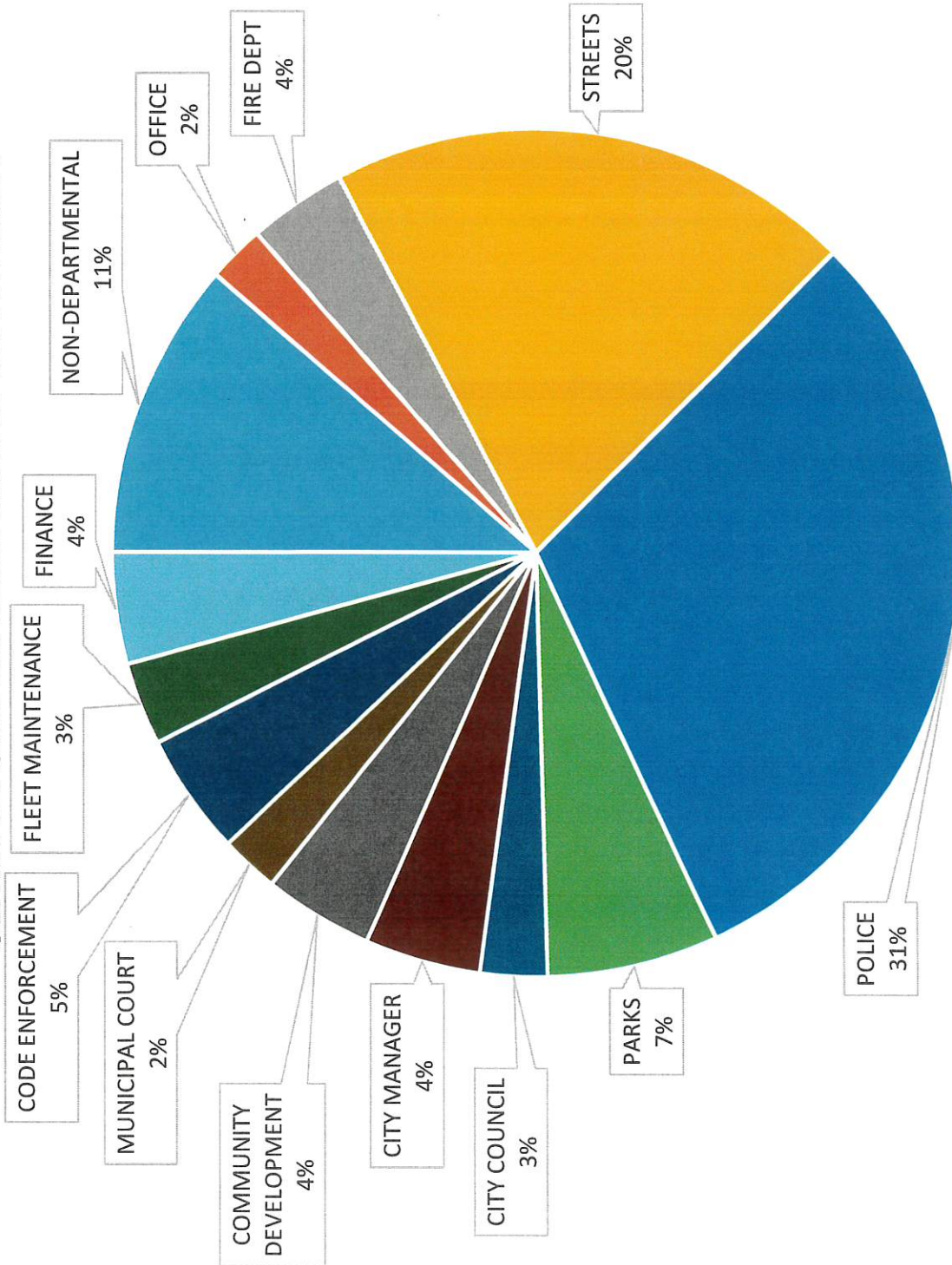
	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	YTD Actual	Projected FYE	Budget FY 2018-19
4008 RETURNED CHECK FEES					35	35	
4020 RECEIVED FOR REIMBURSEMENT	15,987	19,672	6,853	10,000	9,165	10,000	10,000
4025 OVER & SHORT	(56)	100	(3)	-	-	-	-
4050 ADMINISTRATIVE FEE AIRPORT	6,034	6,847	7,753	7,469	4,979	7,469	7,332
4051 R/ARMS ADMIN. FEE	17,155	18,952	9,987	-	-	-	-
4070 REVENUE FROM AMSLER TRUST	242	-	-	-	-	-	-
4101 M & O DELINQUENT	51,293	35,328	40,780	45,000	16,171	20,000	33,262
4102 M & O CURRENT	1,108,568	1,205,564	1,282,799	1,504,888	1,457,856	1,498,000	1,608,229
4104 SALES TAX 1%	809,438	803,403	791,906	1,007,600	540,953	821,000	920,000
4105 MIXED BEVERAGE TAX	3,866	2,711	2,231	2,400	2,014	2,700	2,700
4106 M & O PENALTY & INTEREST	21,337	18,705	17,848	17,500	12,468	19,000	17,500
4110 PLATS/ZONING/PRELIM/FINAL	1,042	50	1,500	5,000	400	1,000	1,000
4116 BRUSH REMOVAL FEES	60,049	60,404	60,830	62,000	41,720	63,100	64,000
4119 SITE/CONSTRUC PLAN REVIEW	1,800	21,496	5,864	2,500	332	1,000	1,000
4200 SENIOR PROGRAM DONATION	488	366	304	300	178	270	300
4201 TIME WARNER CABLE FRAN TAX	43,210	38,970	38,410	40,000	28,624	38,500	38,000
4202 ATMOS GAS FRANCHISE TAX	53,356	46,269	44,287	45,000	47,508	47,508	48,000
4203 TELEPHONE FRANCHISE FEE	16,382	23,822	25,917	25,000	25,894	22,000	22,000
4204 ELECTRIC FRANCHISE FEE	192,853	206,321	206,373	202,100	9,541	200,000	205,000
4205 GARBAGE FRANCHISE/IESI	29,999	33,305	34,628	36,000	24,641	33,500	38,600
4206 VOLUNTARY RELEASED ANIMALS	255	-	-	-	-	-	-
4208 IMPOUND FEES	770	590	425	750	680	900	750
4210 ANIMAL CONTROL LICENSE FEE	40	36	44	100	62	150	100
4211 CONTRACTOR REGISTRATION	5,425	9,555	10,522	6,200	5,111	7,000	7,000
4212 CONSTRUCTION PERMITS	26,222	74,452	34,262	50,000	36,093	55,000	55,000
4213 GARAGE SALE FEES	1,400	1,120	1,180	1,500	500	1,000	1,000
4214 LOT CLEANING FEES	4,325	675	400	1,500	100	100	-
4215 PEDDLERS LICENSE	-	-	10	30	-	-	-
4216 REINSPECTION FEE	-	200	200	500	50	50	-
4221 MISC.SALES/SURPLUS	1,655	1,136	36,642	9,000	2,037	3,000	2,500
4222 CURB & GUTTERS	-	1,321	838	3,000	2,522	3,400	2,400
4224 NOTARY FEES	303	184	163	200	208	300	200
4227 DISPATCHING FEE	4,900	-	-	-	3,400	5,500	5,500
4228 SALE OF SCRAP METAL - IND PARK	-	13,147	-	-	-	-	-
4229 COPY FEES	45	72	22	50	76	85	50
4231 INSURANCE REFUNDS/DIVIDENDS	249	2,572	-	-	4,532	4,532	-
4232 COLLECTIONS/BAD DEBT	-	35	-	-	-	-	-
4233 SALE OF LAND/ALLEY/ROW	64,602	2,030	1,513	78,500	78,591	78,591	50,000
4234 LIEN REIMBURSEMENT	1,400	4,712	4,192	5,000	600	600	5,000
4235 LAND LEASE - SPACE X	547,134	532,135	568,829	568,829	379,219	568,829	568,829
4236 LAND LEASE - CROSSLINK	28,042	14,935	5,100	3,400	3,400	3,400	-
4237 LAND LEASE - INSITUFORM	37,973	32,131	35,921	36,000	24,105	36,000	36,000
4238 LAND LEASE - GRAHAM	112,371	123,589	115,619	115,620	81,935	115,620	121,000
4240 LAND LEASE- C3 (A100 BLDG)	450,000	450,000	450,000	450,000	300,000	450,000	412,500

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

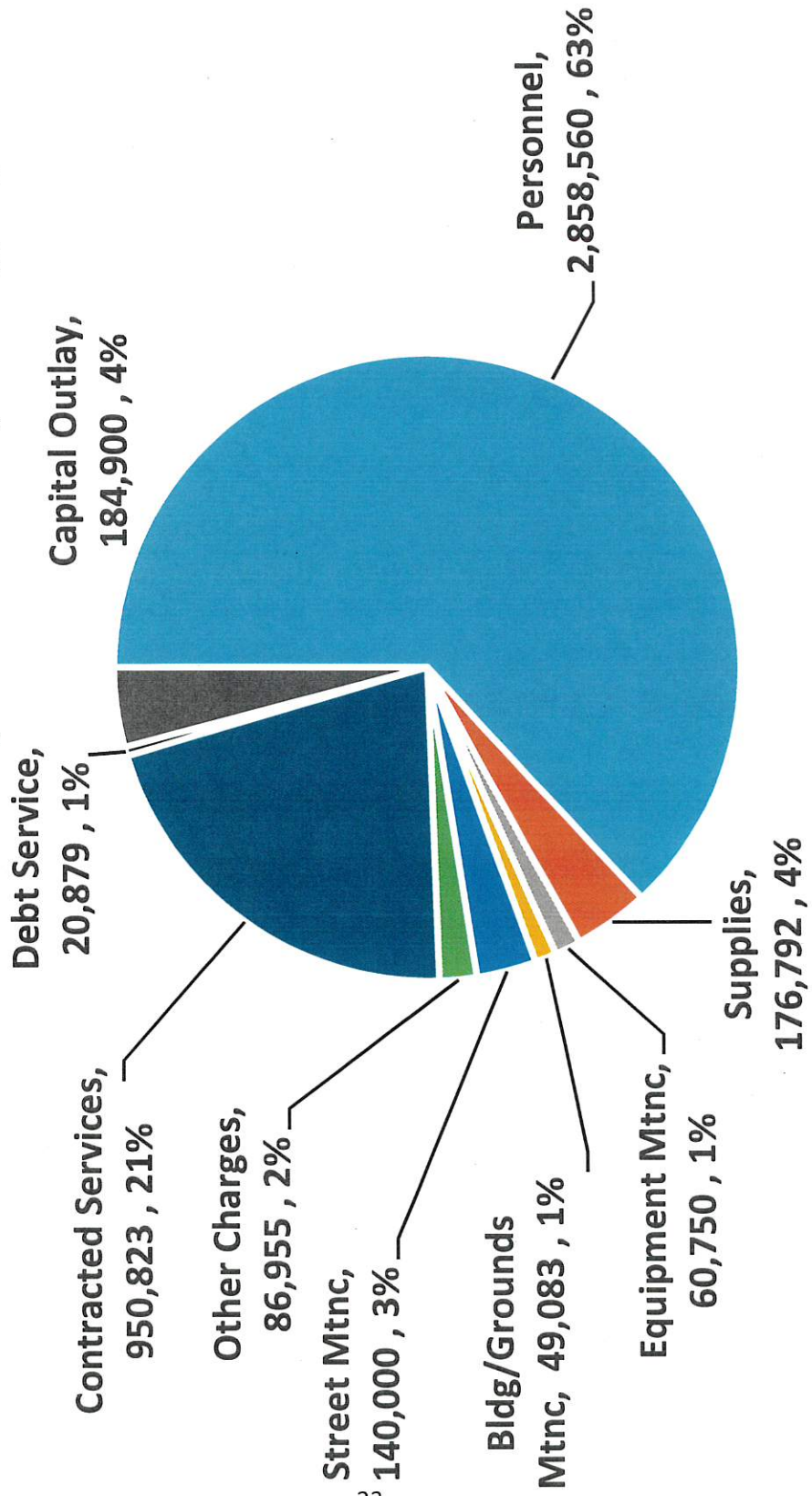
10 GENERAL FUND REVENUES

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
4242 SPACE X OTHER	175,000	235,000	50,000	-	-	-	-
4243 LAND LEASE- X-RAY MARKERS	500	50	-	-	-	-	-
4300 FINES	320,521	253,026	286,387	250,000	94,426	236,000	260,000
4307 COLLECTION AGENT FEE	12,996	23,857	20,220	25,000	12,234	25,000	25,000
4500 SOFTBALL REVENUE	25	35	622	650	200	300	300
4502 POOL-SWIMMING LESSONS		2,130	2,253	2,300	-	1,000	1,000
4503 POOL REGULAR ADMISSION	5,877	8,335	6,313	6,000	-	7,000	7,000
4504 POOL VENDING MACHINE	1,395	2,761	2,283	2,400	-	2,600	2,500
4505 POOL PARTIES	2,875	1,928	850	750	100	300	300
4506 PARK RESERVATION FEE	580	705	1,240	1,600	500	900	1,000
4507 PARK DEPOSITS	225	270	515	600	275	500	500
4508 VOLLEYBALL REC FEES	600	-	38	38	-	-	-
4509 PARK CONTRIBUTIONS	50,000	40,000	25,000	-	-	-	-
4510 MISCELLANEOUS FEES	9,099	7,973	5,986	3,000	2,153	3,000	3,000
4515 CEMETERY ADMINISTRATIVE FEE	2,750	3,450	4,400	2,000	1,300	1,800	2,000
4600 INT POOLED CASH/PARTIAL PAY	4,916	7,592	7,131	7,000	5,438	9,000	9,000
4601 EARNED INTEREST @ RFCU	1	1	4	-	1	1	1
4701 CAPITAL LEASE PROCEEDS		34,065		-	-	-	-
4804 FINGERPRINT PER CARD/PHOTOS	80	132	107	150	18	30	50
4805 ACC REPORT/CERTIFY CRIM LETTER	250	236	209	250	486	550	250
4806 DONATIONS TO POLICE DEPT.	208			-	-	-	-
4810 POLICE TRAINING FUND	3,155	1,275	1,562	1,600	1,610	1,610	1,600
4812 PD ESCORT/FUNERALS/MOVERS	2,750	24,192	47,058	25,200	8,168	45,000	50,000
4818 PROPERTY EVIDENCE SEIZURES	43,710	19,101	64,284	10,000	700	700	10,000
4820 TRANSFER FROM FD 20	77,105	79,400	80,000	15,515	3,103	15,515	-
4830 TRANSFER FROM FUND 30	46,726	45,844	44,000	15,512	3,102	15,512	-
4841 TRANSFER FROM EDC							148,430
4860 TRANSFER FROM 60			1,444,574				
	4,481,497	4,598,271	5,939,180	4,712,501	3,279,514	4,485,422	4,806,683

GENERAL FUND EXPENDITURES BY DEPARTMENT



General Fund Expenditure By Category



CITY OF MCGREGOR
ANNUAL BUDGET
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10 GENERAL FUND SHARED COSTS

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
500-0101 SALARY ADJUSTMENT							19,827
500-0122 SOCIAL SECURITY ADJUSTMENT							1,517
500-0125 RETIREMENT							2,006
500-0201 OFFICE SUPPLIES	7,487	6,193	7,766	7,500	3,782	5,000	6,000
500-0202 SNACK & DRINK MONEY	1,951	598	66	500	568	650	500
500-0217 POSTAGE	4,145	2,273	3,498	3,300	377	3,163	3,000
500-0220 MISCELLANEOUS SUPPLIES	1,381	3,623	3,057	2,500	3,060	4,200	2,000
500-0240 EQUIPMENT & FURN < \$5,000	1,015	3,736	15	-	-	-	-
500-0301 AUTOMOTIVE REPAIRS	109	(109)	10	-	-	-	4,500
500-0401 RENTAL BUILDING REPAIRS	171	296	-	-	-	-	-
500-0403 CITY HALL BUILDING REPAIRS	4,050	543	-	-	-	-	-
500-0601 PRINTING & PUBLICATIONS	7,003	6,330	9,869	7,500	5,159	7,200	8,600
500-0602 DUES AND FEES	1,310	1,944	1,253	838	1,339	1,339	1,400
500-0615 TRANSFER TO FUND 15				434,758	434,758	434,758	-
500-0620 MISC. OTHER	3,644	4,519	333	2,000	674	1,500	1,000
500-0621 FOUNDERS DAY EXPENSES	573	-	-	-	-	-	-
500-0622 HWY 84 PROJECT CONTRIBUTION	42,000	39,000	50,557	-	-	-	-
500-0701 COMPUTER MAINT- LABOR	5,638	6,242	7,773	9,150	4,667	8,203	8,550
500-0702 COMPUTERS, SOFTWARE, SUPPLIES	28,822	34,665	37,554	38,000	28,188	48,000	38,000
500-0703 ELECTRICITY	22,308	27,584	20,308	17,000	14,508	22,731	22,000
500-0704 TELEPHONE	9,054	10,468	9,166	11,000	7,074	13,800	14,000
500-0705 HEAT	2,984	1,381	970	1,200	1,840	2,100	3,500
500-0706 GEN FUND WATER BILL	-	359	1,082	1,200	332	750	800
500-0707 INTERNET SERVICES	2,211	2,581	2,958	3,800	1,735	2,800	2,800
500-0709 COMMUNITY DEVELOPMENT-OTHER	9,677	-	-	-	-	-	-
500-0711 ELECTRICITY - OTH RENTAL BLDG	35,952	(1,631)	-	-	-	-	-
500-0712 C3 WATER BILL	14,575	11,835	12,545	13,000	8,177	13,500	13,000
500-0713 LITTLE LEAGUE ELECTRICITY		-	-	-	-	-	-
500-0714 UNEMPLOYMENT INSURANCE		465	-	-	-	-	-
500-0715 INSURANCE AND BONDS	140,751	148,806	172,922	178,000	142,173	185,700	180,000
500-0717 COMMISSIONS ON RENTAL PROPS	17,282	24,803	-	5,427	5,427	5,427	-
500-0718 WORKERS COMPENSATION		-	-	-	-	-	-
500-0719 LEGAL & CONSULTING	53,896	61,422	73,153	75,000	35,099	50,000	50,000
500-0720 LEGAL - OTHER LEASES		-	-	-	-	-	-
500-0721 APPRAISAL DISTRICT	21,921	20,256	20,778	21,441	12,263	24,526	-
500-0722 PUBLIC HEALTH DISTRICT	5,657	9,463	7,562	7,596	5,697	7,596	9,076
500-0723 INSURANCE CLAIMS	774	125	-	-	-	-	-
500-0725 COUNTY TAX OFFICE	5,263	5,646	5,993	6,000	7,058	9,209	9,300
500-0727 SPACE-X 380 AGREEMENT	-	-	-	-	-	-	43,738
500-0730 JANITORIAL SERVICE	6,500	6,483	5,940	6,300	5,288	8,448	9,500
500-0731 OFFICE MACHINE LEASE	3,318	2,241	2,587	2,200	5,753	8,822	9,000
500-0732 LANDSCAPE/GROUND MTNC		11,213	15,636	-	-	-	-
500-0733 ARCHITECT FEES		-	-	-	-	-	-
500-0734 ENGINEERING	33,273	19,552	13,082	20,000	28,774	39,600	35,000
500-0736 PEST CONTROL	1,745	1,840	1,850	2,760	1,200	1,800	1,800
500-0750 CONSULTING	3,500	14,000	22,982	14,000	14,383	19,050	14,000
500-0904 TRANSFER OUT	118,763	175,445	173,540	1,623,945	1,564,020	1,623,945	277,941
500-0913 COW NOTE-AIRPORT SEWER	7,801	6,702	6,523	8,600	8,159	8,159	8,600
500-1005 COMPUTER EQUIPMENT		5,300	-	-	-	-	-
500-1006 COPIER	5,280	-	-	-	-	-	-
500-1007 CAPITAL OUTLAY		132,594	338,919	52,934	45,819	51,489	8,475
	<u>631,785</u>	<u>808,785</u>	<u>1,030,246</u>	<u>2,577,449</u>	<u>2,397,353</u>	<u>2,613,466</u>	<u>809,431</u>

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

10 CITY SECRETARY/HR

		Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	YTD Actual	Projected FYE	Budget FY 2018-19
520-0101	ADMINISTRATIVE/CITY SECRETARY	57,999	62,105	64,451	67,712	44,167	67,712	71,139
520-0120	SOCIAL SECURITY	3,991	4,406	4,900	5,204	3,555	5,349	5,442
520-0122	GROUP INSURANCE	6,070	6,796	8,201	8,631	5,754	8,631	8,815
520-0123	LIFE INSURANCE	75	75	75	75	50	75	75
520-0125	RETIREMENT	6,410	6,462	7,085	7,237	5,057	7,283	7,199
520-0220	MISCELLANEOUS SUPPLIES	80	212	131	400	203	400	500
520-0240	FURNITURE & EQUIP < \$5,000	330	750		500	438	438	250
520-0601	PRINTING AND PUBLICATIONS	223						
520-0602	DUES AND SUBSCRIPTIONS	371	259	318	350	286	286	300
520-0603	TRAVEL AND TRAINING	2,667	2,898	1,583	3,000	1,413	1,413	2,000
520-0604	EMPLOYEE PHYSICALS	82	-					
520-0609	ELECTION COST			2,707	5,000	2,580	2,580	3,000
520-0620	MISCELLANEOUS OTHER	32						
520-0702	CODIFICATION OF ORDINANCES	3,385	1,340	8,510	6,000	275	6,000	6,000
520-0704	TELEPHONE	1,035	850	1,066	1,000	766	1,000	1,000
520-0706	RECORDS MANAGEMENT	2,616			1,500	1,508	1,508	2,000
		<u>85,367</u>	<u>86,153</u>	<u>99,025</u>	<u>106,609</u>	<u>66,050</u>	<u>102,675</u>	<u>107,720</u>

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

10 FIRE

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
521-0126 FIREMENS RELIEF & RETIREMENT	2,267	1,942	2,175	2,400	1,600	2,400	3,000
521-0128 CAR ALLOWANCE	2,843	1,185		-	-	-	-
521-0203 AUTOMOTIVE SUPPLIES	-	588		1,000	-	-	-
521-0202 VOL FF INCENTIVES				1,000		-	-
521-0208 GAS AND OIL	2,930	2,177	4,169	3,500	2,064	3,200	3,400
521-0220 MISCELLANEOUS/FIRE SUPPLIES	716	674	300	2,500	128	2,900	1,500
521-0240 FURNITURE & EQUIP < \$5,000			9,688	7,000	475	500	-
521-0301 EQUIPMENT REPAIR			1,630	2,000	1,799	3,000	2,000
521-0302 AUTOMOTIVE REPAIR	327	4,829	1,088	3,000	-	150	1,500
521-0304 OTHER EQUIPMENT SERVICES/REPAIR	15	165		1,000	-	-	-
521-0401 BUILDING/GROUNDS REPAIR	718	17,964	1,221	4,000	4,590	4,590	5,000
521-0601 PRINTING AND PUBLICATIONS		210		500	147	147	-
521-0602 DUES & SUBSCRIPTIONS			485	800	77	800	300
521-0603 TRAVEL AND TRAINING		760	2,494	5,000	1,956	5,000	5,000
521-0604 AMBULANCE-CORYELL EMS	52,868	75,000	43,582	75,000	-	75,000	75,000
521-0605 EMERGENCY MANAGEMENT	2,449		3,600	3,600	-	3,600	3,600
521-0608 MEALS	139		45	150	-	-	-
521-0620 MISC. OTHER	450	265	75	400	-	-	-
521-0701 COMPUTER MAINTENANCE		408	1,160	1,365	778	1,500	1,425
521-0702 COMPUTER SOFTWARE, SUPPLIES		995	995	1,000	995	995	1,000
521-0703 ELECTRICITY	5,994	1,264	2,489	2,400	1,669	2,400	2,400
521-0704 TELEPHONE	3,323	3,754	3,995	4,000	2,673	4,000	4,000
521-0705 HEAT	1,346	815	979	1,000	1,035	1,500	1,000
521-0715 INSURANCE AND BONDS	4,736	4,361	3,909	5,000	4,514	5,000	5,000
524-0723 UNIFORMS							
521-0736 PEST CONTROL	972	972	972	1,000	648	1,000	1,000
521-0750 CONSULTING			1,020	1,000	250	2,000	400
521-1002 CAPITAL OUTLAY	4,104	38,518	31,827	31,450	3,231	31,450	23,825
	<u>86,195</u>	<u>156,847</u>	<u>117,897</u>	<u>161,065</u>	<u>28,629</u>	<u>151,132</u>	<u>140,350</u>

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

10 STREETS

		Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
522-0101	SUPERVISOR	64,855	45,799	93,352	48,489	32,029	48,892	50,947
522-0102	LABORERS	142,786	192,079	209,298	238,137	149,618	227,067	239,138
522-0108	ON CALL	3,090	6,330	8,385	7,560	4,710	6,900	7,560
522-0118	CERTIFICATION PAY		30	240	720	160	240	720
522-0119	OVERTIME	7,496	7,568	8,236	9,975	2,322	4,865	9,975
522-0120	SOCIAL SECURITY	17,277	17,706	23,567	23,323	15,016	22,000	23,588
522-0122	GROUP INSURANCE	36,423	47,574	64,579	69,048	38,875	58,295	70,524
522-0123	LIFE INSURANCE	456	525	663	600	458	683	600
522-0125	RETIREMENT	24,045	26,349	34,709	32,439	21,877	31,200	31,348
522-0201	OFFICE SUPPLIES					192	250	200
522-0204	SMALL TOOLS	634	1,544	2,315	2,000	571	2,000	1,500
522-0208	GAS AND OIL	22,789	21,552	37,596	30,000	25,796	37,500	37,500
522-0209	HERBICIDE		-	-	2,500		2,500	2,000
522-0220	MISC. SUPPLIES	4,780	2,195	8,967	2,500	2,969	3,000	2,500
522-0228	MISC SUPPLIES FOR MECHANICS		-	404	-			-
522-0240	EQUIPMENT UNDER \$5,000	4,798	2,956	5,436	1,700	5,000	5,000	3,000
522-0301	EQUIPMENT REPAIR	18,436	36,199	36,989	18,000	44,377	48,000	30,000
522-0302	AUTOMOTIVE REPAIR	14,516	1,719	2,881	2,000	2,055	3,000	3,000
522-0304	RADIO AND BEEPER SERVICE	43	263	-				
522-0306	TRAFFIC SIGNS/DEVICES	9,485	9,440	14,372	8,000	3,147	8,000	3,000
522-0401	BUILDING REPAIR	519	107	3,025	-	1,361	1,500	-
522-0503	STREETS AND ALLEYS	120,383	107,711	113,976	50,000	29,294	50,000	100,000
522-0504	RECLAMITE			47,810	46,256		46,256	-
522-0505	SEAL COAT PROGRAM	1,392	33,051	12,848	50,000		50,000	40,000
522-0507	STORM DRAINAGE			15,878	20,000		-	-
522-0601	PRINTING AND PUBLICATIONS	139	-		158	15	15	100
522-0602	DUES AND SUBSCRIPTIONS	13	595	290	394		300	300
522-0603	TRAVEL AND TRAINING	380	1,160	3,767	5,000	4,840	5,000	3,500
522-0604	PHYSICALS & DRUG TESTING	805	361	985	495	105	495	500
522-0608	MEALS	182	528	1,926	1,000	372	1,000	750
522-0620	MISC. OTHER	146	65					
522-0701	COMPUTER MAINTENANCE	1,494	1,251	1,268	2,145	778	2,145	1,425
522-0703	ELECTRICITY	70,803	51,857	69,064	65,000	47,110	65,000	60,000
522-0704	TELEPHONE	1,883	2,195	2,926	2,232	2,103	2,232	2,250
522-0705	HEAT	710	807	901	941	867	941	900
522-0723	UNIFORMS & UNIF RENTAL	7,672	7,709	10,993	5,256	2,253	10,256	6,300
522-0724	EQUIPMENT RENTAL	427	1,177	2,087	14,300	76	14,300	15,000
522-0734	ENGINEERING FEES	6,133	8,813	3,848	5,000	3,894	6,000	6,000
522-0736	PEST CONTROL			156	-		-	-
522-0908	CAT FRONT END LOADER - PRIN	28,301	28,301	28,301				
522-0912	CAT 259D COMPACT TRACK LOADER (skid)	11,699	11,699	11,699	11,699		11,699	
522-0913	BACKHOE		9,180	9,180	9,180	9,180	9,180	9,180
522-1014	CAPITAL OUTLAY		90,746	47,955				-
		<u>624,989</u>	<u>777,145</u>	<u>940,870</u>	<u>786,047</u>	<u>451,419</u>	<u>785,711</u>	<u>763,304</u>

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

10 POLICE

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
523-0101 ADMINISTRATIVE	198,726	177,230	186,029	113,222	73,853	113,227	118,961
523-0105 PATROLMEN	353,731	364,149	358,557	451,111	275,331	392,013	455,427
523-0106 COMMUNICATION/DISPATCH	196,687	197,493	201,286	218,802	120,645	168,738	213,439
523-0107 ANIMAL CONTROL	30,157	25,511	15,828	36,590	23,419	33,129	38,453
523-0118 CERTIFICATION PAY	420	1,820	2,100	3,120	1,140	1,770	2,160
523-0119 OVERTIME	20,833	16,057	14,616	20,585	14,073	23,464	10,000
523-0120 SOCIAL SECURITY	63,240	53,337	57,950	64,522	39,546	58,600	64,141
523-0122 GROUP INSURANCE	93,717	94,945	117,541	146,727	79,225	149,862	149,862
523-0123 LIFE INSURANCE	1,259	1,238	1,222	1,350	1,538	1,955	1,350
523-0125 RETIREMENT	88,365	81,646	85,232	89,741	58,630	85,600	84,850
523-0201 OFFICE SUPPLIES	2,157	7,295	2,766	4,000	2,676	3,400	3,800
523-0202 SNACK & DRINK	238	6	290	300	133	133	-
523-0203 AUTOMOTIVE SUPPLIES	23	481	8	700		9	300
523-0204 SMALL TOOLS	256	-	-				
523-0205 ANIMAL SUPPLIES/SHELTER	24,492	31,530	28,974	28,913	13,872	23,781	20,642
523-0206 ANIMAL CONTROL MISC EXP		94	124	1,000	132	350	400
523-0207 AMMUNITION		-	696	2,500	854	854	2,500
523-0208 GAS AND OIL	43,036	29,587	42,403	40,000	24,427	42,000	42,000
523-0217 POSTAGE	487	248	852	400	175	388	400
523-0220 OFFICER SUPPLIES	4,011	1,964	1,316	2,500	3,120	3,200	3,000
523-0240 FURNITURE & EQUIP < \$5,000	2,805	5,399	4,543	2,500	2,040	2,040	1,000
523-0301 EQUIPMENT REPAIR	3,346	1,308	1,643	2,000	15	240	500
523-0302 AUTOMOTIVE REPAIR	8,990	12,056	13,966	10,000	15,209	17,429	10,000
523-0401 BUILDING REPAIRS	1,639	2,193	5,933	5,000	1,759	2,335	2,000
523-0601 PRINTING AND PUBLICATIONS	260	625	1,624	1,500	757	1,000	1,000
523-0602 DUES AND SUBSCRIPTIONS	1,074	385	957	800	171	171	1,000
523-0603 TRAVEL AND TRAINING	3,844	1,668	3,717	2,000	2,357	2,357	2,700
523-0604 PHYSICALS & DRUG TESTING	414	434	340	300	739	739	500
523-0608 BUSINESS MEALS	114	143	451	1,000	584	700	1,000
523-0620 MISCELLANEOUS OTHER	1,780	1,411	1,211	1,320	771	1,320	1,400
523-0701 COMPUTER MAINTENANCE	13,644	14,223	14,470	14,700	8,556	15,038	15,675
523-0702 COMPUTER SOFTWARE, SUPPLIES	600	1,101	165	3,000	-	400	500
523-0703 ELECTRICITY	12,430	9,252	11,860	12,500	7,389	13,800	13,000
523-0704 TELEPHONE	9,099	8,511	7,157	7,100	4,225	7,635	9,710
523-0707 INTERNET SERVICES	3,158	2,367	2,444	2,400	1,923	2,942	3,057
523-0708 REC RETENTION & DESTRUCTION	3,207	106	-	550	-	-	400
523-0723 UNIFORMS	684	1,330	4,943	4,000	3,307	3,800	4,000
523-0724 VERIZON INTERNET	2,052	2,718	2,280	2,300	1,419	2,558	2,750
523-0729 LEADSONLINE INTERNET SVC.	2,128	2,128	2,128	2,128	2,128	2,128	2,128
523-0730 JANITORIAL SERVICES		1,185	5,135	4,740	3,310	4,890	4,900
523-0731 EQUIPMENT LEASE/RENTAL	4,383	5,778	4,175	4,500	2,842	4,300	4,000
523-0735 PEST CONTROL	708	649	1,038	828	552	828	900
523-0736 GPS - PATROL CARS(TRIMBLE)	2,808	2,445	2,373	2,600	1,209	2,150	2,300
523-0737 SPECIAL OPS - PROP & EVID ACCT	57,028	16,984	11,428	10,000	7,792	7,792	10,000
523-1003 CAPITAL OUTLAY	68,392	37,045	76,606	112,500	14,586	112,500	100,000
	<u>1,326,422</u>	<u>1,216,073</u>	<u>1,298,375</u>	<u>1,439,349</u>	<u>816,427</u>	<u>1,311,564</u>	<u>1,406,106</u>

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

10 PARKS

		Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
524-0102	LABORERS	84,148	94,255	115,984	126,338	78,636	129,403	134,591
524-0108	ON CALL	2,685	5,745	5,145	6,375	3,810	6,120	8,160
524-0109	POOL MANAGER		5,775	5,955	6,000	-	6,000	6,000
524-0110	LIFEGUARDS	17,056	11,862	9,409	12,000	-	12,000	12,000
524-0111	SEASONAL	2,539	2,731	-	-	-	-	-
524-0118	CERTIFICATION PAY	130	-	240	480	-	-	480
524-0119	OVERTIME	8,496	5,875	3,933	3,000	1,297	3,500	3,000
524-0120	SOCIAL SECURITY	8,983	8,924	10,591	11,796	6,666	11,000	12,564
524-0122	GROUP INSURANCE	23,290	35,499	39,636	34,524	20,858	39,020	35,262
524-0123	LIFE INSURANCE	274	413	294	300	288	438	300
524-0125	RETIREMENT	10,511	10,854	13,468	14,491	9,595	14,400	14,799
524-0201	OFFICE SUPPLIES	30	90	126	200	22	50	50
524-0203	AUTOMOTIVE SUPPLIES	171	6	14	200	-	-	100
524-0204	SMALL TOOLS	1,650	2,104	1,492	2,000	810	1,200	1,000
524-0208	GAS AND OIL	11,267	5,791	7,601	7,000	4,504	6,500	6,500
524-0209	CRIMINAL JUSTICE GAS & OIL	197	563	555	850	309	500	700
524-0210	CHEMICALS	145	456	388	2,000	840	2,000	2,000
524-0211	POOL EQUIPMENT & EXPENSES	19,944	17,062	15,362	12,000	1,392	12,000	11,000
524-0220	MISC. SUPPLIES	2,218	2,063	1,454	1,500	376	500	200
524-0240	FURNITURE & EQUIP < \$5,000	3,984	4,827	8,915	1,500	2,980	2,980	-
524-0250	PARK DEV	18,960	-	11,071	-	-	-	-
524-0301	EQUIPMENT REPAIR	2,882	4,294	3,916	4,000	1,085	3,000	3,000
524-0302	AUTOMOTIVE REPAIR	588	2,041	2,536	2,500	839	1,500	1,500
524-0305	CRIMINAL JUSTICE BUS MAINT.	76	153	49	-	-	-	800
524-0401	BUILDING REPAIR	1,213	1,411	639	2,000	791	850	600
524-0403	EQUIPMENT RENTALS	44	(44)	27	-	-	-	-
524-0404	PARKS MAINTENANCE	736	2,490	5,176	12,000	6,782	8,500	8,983
524-0405	CONTRACTED GROUNDS MAINT.	5,471	1,941	1,898	18,000	11,147	15,985	18,000
524-0602	DUES AND SUBSCRIPTIONS	224	197	-	250	160	160	200
524-0603	TRAVEL AND TRAINING	1,270	863	1,265	2,000	1,088	2,000	3,000
524-0604	CRIMINAL JUSTICE MEALS/SNACKS	2,226	3,276	2,450	3,000	1,531	2,500	2,500
524-0605	CRIMINAL JUSTICE SUPPLIES	231	-	-	-	-	-	-
524-0606	EMPLOYEE PHYSICALS & DRUG TEST	1,788	2,102	1,980	2,000	521	1,400	1,500
524-0608	MEALS	230	375	483	500	793	800	800
524-0620	MISC. OTHER	629	37	-	-	-	-	-
524-0701	COMPUTER MAINT	867	626	634	800	389	801	800
524-0703	ELECTRICITY	7,527	1,993	2,808	4,000	695	10,881	10,000
524-0704	TELEPHONE	1,663	1,772	1,410	2,000	1,054	1,600	2,200
524-0705	HEAT	699	1,178	-	-	-	-	-
524-0723	UNIFORM RENTAL	4,528	5,523	6,131	3,400	1,345	2,400	4,500
524-0724	EQUIPMENT RENTALS				500	-	-	-
524-1005	CAPITAL OUTLAY		24,127	8,652	13,200	13,154	13,154	13,600
		<u>249,571</u>	<u>269,248</u>	<u>291,688</u>	<u>312,704</u>	<u>173,756</u>	<u>313,142</u>	<u>320,688</u>

**CITY OF MCGREGOR
ANNUAL BUDGET
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10 CITY COUNCIL

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
525-0101 COUNCIL PAY	1,200	1,200	1,200	1,200	1,400	1,400	1,200
525-0220 MISC. SUPPLIES	-	47	189	100	541	600	200
525-0240 FURNITURE & EQUIP < \$5,000	500		85	1,000	2,645	3,200	500
525-0400 CITY HALL BLDG MAINT	884	4,535	5,617	5,000	6,797	7,000	4,000
525-0401 BUILDING & GROUNDS	15	745	990	750	1,257	1,257	1,000
525-0402 MILO BUILDINGREPAIR/UTILITIES	3,055	1,496	3,241	3,200	2,044	3,600	3,500
525-0403 SR CENTER MAIN/UTILITIES	7,299	7,201	4,807	5,000	8,610	10,500	7,000
525-0601 PRINTING AND PUBLICATIONS	325	288	400	400	225	400	400
525-0602 DUES AND SUBSCRIPTIONS	-		-				2,500
525-0603 TRAVEL AND TRAINING	2,003	536	180	2,500	234	234	1,000
525-0618 CONTINGENCY	-			36,477			46,569
525-0619 LIBRARY UTILITIES	4,652	3,623	3,764	3,800	3,235	5,200	5,000
525-0620 MISC. OTHER	529	278	371	1,000	1,025	1,025	500
525-0621 LIBRARY CONTRIBUTION	10,844	14,480	14,000	14,000	9,333	14,000	14,000
525-0622 CHAMBER OF COMMERCE	6,047	11,803	13,504	8,000	4,913	9,429	13,000
525-0623 MEMBERSHIP/HOTCOG	1,341	1,341	1,251	1,600	1,251	1,251	1,300
525-0624 CHAMBER BLDG REPAIR		123					
525-0625 FIRE DEPARTMENT		24,000	24,000	24,000	6,000	24,000	24,000
525-0719 LEGAL EXPENSES							
525-0734 ENGINEERING							
525-0750 COMMISSION/CONTRACT FEES							
525-1001 ANNEX REMODEL	29,866						
525-1002 CITY HALL REMODEL		1,134					
525-1003 CHAMBER ROOF REPAIRS		17,425					
	<u>68,560</u>	<u>90,253</u>	<u>73,600</u>	<u>108,027</u>	<u>49,511</u>	<u>83,096</u>	<u>125,669</u>

**CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19**

10 CITY MANAGER

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
526-0101 ADMINISTRATIVE	126,853	135,730	137,913	142,050	92,879	142,050	148,563
526-0120 SOCIAL SECURITY	10,177	9,212	9,654	11,635	6,714	10,262	12,195
526-0122 GROUP INSURANCE	19,002	21,662	24,749	24,057	16,038	24,057	26,463
526-0123 LIFE INSURANCE	75	75	75	75	50	75	75
526-0125 RETIREMENT	14,709	15,335	16,266	16,183	11,396	16,997	16,064
526-0126 457 DEF COMP		3,975	2,755	2,841	1,961	2,835	2,971
526-0128 CAR ALLOWANCE	6,420	7,477	7,200	7,200	4,708	7,200	7,200
526-0220 MISC. SUPPLIES		314					200
526-0240 FURNITURE & EQUIP < \$5,000		-			380	380	-
526-0601 PRINTING AND PUBLICATIONS	175	-	18	200	15	15	100
526-0602 DUES & SUBSCRIPTIONS	2,512	3,611	2,051	3,600	1,351	2,000	3,000
526-0603 TRAVEL AND TRAINING	6,610	8,377	5,769	7,000	4,448	6,800	7,000
526-0620 MISC. OTHER	630	400	160	1,000	625	1,000	500
	<u>187,163</u>	<u>206,169</u>	<u>206,611</u>	<u>215,841</u>	<u>140,564</u>	<u>213,672</u>	<u>224,331</u>

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

10 COMMUNITY DEVELOPMENT

		Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
527-0101	BUILDING OFFICIAL/INSPECTOR	65,004	69,391	82,660	110,142	71,941	110,363	116,084
527-0119	OVERTIME							
527-0120	SOCIAL SECURITY	4,466	4,076	5,171	8,770	5,137	7,739	9,225
527-0122	GROUP INSURANCE	6,576	6,796	9,567	17,262	11,508	17,262	17,631
527-0123	LIFE INSURANCE	88	75	94	150	100	150	150
527-0125	RETIREMENT	7,662	7,706	9,455	12,198	8,571	12,824	12,203
527-0126	CAR ALLOWANCE	4,389	4,673	4,500	4,500	2,942	4,500	4,500
527-0203	AUTOMOTIVE SUPPLIES			65	200	24	100	200
527-0204	SMALL TOOLS			-	300	-	-	900
527-0208	GAS & OIL			479	1,500	1,159	1,950	2,000
527-0220	MISC. SUPPLIES	1,013	1,213	257	500	486	600	500
527-0240	FURNITURE & EQUIP < \$5,000	1,849	5,114	3,349	3,000	5,518	5,518	2,500
527-0302	AUTOMOBILE REPAIR			515		311	600	800
527-0601	PRINTING AND PUBLICATIONS	1,529	173	18	1,000	753	1,200	1,200
527-0602	DUES AND SUBSCRIPTIONS	734	823	1,096	1,000	620	900	1,000
527-0603	TRAVEL AND TRAINING	6,700	2,628	5,895	5,000	7,010	8,000	6,000
527-0604	FILING FEES	680	1,578	371	1,000	-	400	500
527-0608	MEALS	130	410	1,263	1,000	369	600	600
527-0620	MISC. OTHER	874	-		-			
527-0704	TELEPHONE	1,598	2,136	1,351	2,000	1,234	1,900	1,800
527-0716	MOWING/CLEARING LOTS	4,650	-	186	-			
527-0719	LEGAL EXPENSES		-					
527-0723	UNIFORMS				800	439	439	800
527-0726	BUILDING DEMOLITION		-					
527-0734	ENGINEERING FEES		-		-			
527-0750	PLAN REVIEW FEES	1,000	12,347	11,370	10,000	-	-	1,000
527-1001	CAPITAL PURCHASE	-						35,000
		<u>108,942</u>	<u>119,140</u>	<u>137,662</u>	<u>180,322</u>	<u>118,122</u>	<u>175,045</u>	<u>214,592</u>

**CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19**

10 MUNICIPAL COURT

		Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
528-0101	MUNICIPAL JUDGE	8,195	8,195	8,195	8,571	5,464	8,537	8,571
528-0102	COURT CLERK	35,386	38,504	39,946	41,963	27,375	41,970	44,095
528-0120	SOCIAL SECURITY	3,407	3,391	3,622	3,866	2,594	3,901	4,029
528-0122	GROUP INSURANCE	5,565	6,796	8,201	8,631	5,754	8,631	8,815
528-0123	LIFE INSURANCE	75	75	75	75	50	75	75
528-0125	RETIREMENT	3,905	4,006	4,391	4,465	3,134	4,687	4,462
528-0201	OFFICE SUPPLIES		258		-			
528-0220	MISCELLANEOUS SUPPLIES	233	230		325	159	325	200
528-0240	FURNITURE & EQUIP < \$5,000	115	473		750	-	-	-
528-0601	PRINTING & PUBLICATIONS	161	173	216	300	-	200	200
528-0602	DUES & SUBSCRIPTIONS	60	60	146	100	-	140	150
528-0603	TRAVEL AND TRAINING	1,399	1,891	2,844	3,000	2,770	2,770	2,750
528-0604	FILING FEES		24		-	-	-	-
528-0681	OMNIBASE SERVICES	1,494	1,578	1,512	1,500	834	1,800	2,000
528-0719	LEGAL EXPENSES	23,849	12,095	9,603	10,000	3,168	6,500	9,000
528-0722	COLLECTION AGENCY	13,446	23,857	20,220	25,000	8,210	25,000	25,000
		<u>97,290</u>	<u>101,606</u>	<u>98,971</u>	<u>108,545</u>	<u>59,511</u>	<u>104,535</u>	<u>109,347</u>

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

10 CODE ENFORCEMENT

		Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
529-0101	ADMINISTRATIVE	44,664	46,311	48,820	51,290	33,455	51,290	53,886
529-0102	LABORERS	24,832	31,839	45,410	49,033	32,088	49,144	51,513
529-0119	OVERTIME		240					
529-0120	SOCIAL SECURITY	4,440	4,707	6,101	7,675	4,662	6,974	8,063
529-0122	GROUP INSURANCE	11,129	13,593	16,401	17,262	11,508	17,262	17,631
529-0123	LIFE INSURANCE	125	150	219	225	150	225	225
529-0125	RETIREMENT	7,365	7,504	10,275	10,674	7,503	10,803	10,666
529-0203	AUTOMOTIVE SUPPLIES	725	43		500		100	100
529-0208	GAS & OIL	1,660	1,346	2,008	2,000	797	1,600	1,500
529-0220	MISC. SUPPLIES	888	353	146	300	(3)	150	200
529-0240	FURNITURE & EQUIP < \$5,000	2,993	3,028	761	2,000	357	1,000	2,500
529-0300	EQUIPMENT MAINTENANCE	68		-		-		
529-0301	EQUIPMENT REPAIR	124	152	456	250	5	100	150
529-0302	AUTOMOTIVE REPAIR	780	422	187	250		250	500
529-0601	PRINTING AND PUBLICATIONS	15		-	100	15	15	100
529-0602	DUES AND SUBSCRIPTIONS	20	126	20	200	65	100	200
529-0603	TRAVEL AND TRAINING	494		132	2,000	185	1,000	600
529-0604	FILING FEES	208	272	544	600		120	600
529-0606	EMPLOYEE PHYSICALS & DRUG TESTS	216		56	100		-	100
529-0620	MISC. OTHER	85		-			-	
529-0704	TELEPHONE	1,294	1,604	1,334	1,300	755	1,300	1,300
529-0716	MOWING/CLEARING LOTS	499	7,075	4,700	9,500	5,010	8,500	13,000
529-0719	LEGAL EXPENSES	175		-				
529-0723	UNIFORMS	733	1,581	1,973	1,200	45	800	800
529-0726	BUILDING DEMOLITION	8,580	21,692	39,334	70,000	7,500	15,000	50,000
529-1006	CAPITAL OUTLAY			34,548	-			
		<u>112,115</u>	<u>142,038</u>	<u>213,424</u>	<u>226,459</u>	<u>104,097</u>	<u>114,443</u>	<u>213,633</u>

**CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19**

10 FLEET MAINTENANCE

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
530-0101 FLEET MAINTENANCE SUPERVISOR				49,881	32,859	50,916	52,426
530-0102 MECHANICS				33,120	20,999	31,972	31,543
530-0108 ON CALL				2,730	1,785	2,730	2,730
530-0118 CERTIFICATION PAY				960		-	960
530-0119 OVERTIME				2,000	2,185	3,000	2,000
530-0120 SOCIAL SECURITY				6,731	4,394	6,700	6,859
530-0122 GROUP INSURANCE				17,262	11,508	17,262	17,631
530-0123 LIFE INSURANCE				150	100	150	150
530-0125 RETIREMENT				9,437	6,255	10,192	9,073
530-0203 AUTOMOTIVE SUPPLIES				1,000	25	500	500
530-0204 SMALL TOOLS				2,000	219	1,781	1,800
530-0208 GAS & OIL				4,000	733	1,400	2,500
530-0220 MISC. SUPPLIES				1,000	174	500	750
530-0240 FURNITURE & EQUIP < \$5,000				5,000	1,040	5,000	1,000
530-0301 EQUIPMENT REPAIR					90	1,000	2,000
530-0302 AUTOMOTIVE MAINTENANCE					140	1,000	1,800
530-0601 PRINTING AND PUBLICATIONS					15	15	-
530-0602 DUES AND SUBSCRIPTIONS							
530-0603 TRAVEL AND TRAINING				2,750	1,463	2,500	2,200
530-0604 PHYSICALS AND TESTING				200		200	200
530-0608 MEALS				500		500	400
530-0702 COMPUTER MAINTENANCE				340		-	-
530-0704 TELEPHONE				1,500	50	1,500	1,500
530-0723 UNIFORMS				2,700	294	600	1,800
530-0724 EQUIPMENT RENTAL				250	220	220	300
530-0736 PEST CONTROL				200	104	200	200
530-1001 CAPITAL PURCHASE				10,100	-	-	4,000
	-	-	-	153,811	84,653	139,838	144,322

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

10 FINANCE

		Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
531-0101	ADMINISTRATIVE	78,202	81,682	85,797	90,139	58,795	90,139	94,700
531-0106	CLERICAL	41,976	47,004	47,749	50,164	32,722	50,168	52,709
531-0120	SOCIAL SECURITY	9,581	8,964	10,011	10,733	7,272	10,934	11,277
531-0122	GROUP INSURANCE	12,141	13,593	16,401	17,262	11,508	17,262	17,631
531-0123	LIFE INSURANCE	150	150	150	150	100	150	150
531-0125	RETIREMENT	13,269	13,389	14,680	14,928	10,478	15,669	14,918
531-0220	MISCELLANEOUS SUPPLIES			-	350	29	29	-
531-0240	FURN & EQUIP < \$5,000	557	1,293	270	2,000	2,387	2,387	3,000
531-0601	PRINTING & PUBLICATIONS	15		-		15	15	-
531-0602	DUES/SUBSCRIPTIONS	530	530	530	550	231	601	600
531-0603	TRAVEL & TRAINING	1,105	180	684	1,200	485	485	1,500
531-0704	TELEPHONE	260	362	557	800	280	580	700
531-0718	AUDIT	17,000	18,196	16,528	24,400	24,428	24,428	27,000
531-0750	CONSULTANT FEES	150	300	150	300		300	800
531-1000	CAFR MAINT/NEW SOFTWARE	-	1,910	2,006	2,225	2,106	2,106	2,200
		<u>174,936</u>	<u>187,553</u>	<u>195,514</u>	<u>215,201</u>	<u>150,836</u>	<u>215,253</u>	<u>227,184</u>



ENTERPRISE FUNDS

The City's Enterprise Funds include the following:

- Water
- Wastewater
- Municipal Airport

These funds are financed and operated in a manner similar to private business enterprises. The costs of providing products and services to the public are recovered primarily through user charges.

All Enterprise Fund types are accounted for on the accrual basis. Revenues are recognized in the period they are earned and become measurable, and expenses in the period in which they are incurred and measurable. Contrary to Generally Accepted Accounting Principles (GAAP) of recording depreciation in the income statement and recording retirements of principal and capital purchases on the balance sheet, the City does not budget for depreciation or amortization of assets but does budget capital expenses and debt principal on the operating statements.



WATER FUND

Anticipated water revenues are \$2,637,531 which is an increase of \$231,256 from the FY 2018 adopted budget of \$2,406,275. Non-operating revenue sources include water tap/connection fees at \$7,500, penalty revenue of \$46,000, solid waste revenue of \$370,220 and other income of \$22,690.

Anticipated total operating expenses are \$2,675,640 which is an increase of \$278,551 (11.6%) from the FY 2018 adopted operating budget of \$2,397,089.

Non-Operating expenses in FY 2019 are anticipated to be \$362,476. An increase of \$77,865 from the FY 2018 adopted budget.

Capital Outlay budgeted in FY 2018 was \$0, debt service was \$284,611 and transfers out of \$15,515. In the FY 2019 budget, Capital Outlay is \$45,825, debt service is \$362,476 and transfers out are \$0 for an overall increase of \$108,175 (36%).

CITY OF MCGREGOR, TEXAS
ANNUAL BUDGET SUMMARY
WATER FUND
FY 2018-19

	ACTUAL 2016-17	BUDGET 2017-18	YEAR-TO-DATE 2017-18	BUDGET 2018-19
REVENUES				
WATER REVENUE	\$ 2,374,319	\$ 2,406,275	\$ 1,532,830	\$ 2,637,531
WATER TAPS/CONNECTIONS	3,300	37,500	1,800	7,500
SOLID WASTE	361,379	362,558	243,495	370,220
PENALTY REVENUE	47,504	45,000	33,518	46,000
RECONNECT FEES	8,920	7,500	9,890	15,000
INSURANCE PROCEEDS/REFUNDS	83,217		-	
INTEREST INCOME	2,984	2,500	3,842	-
MISCELLANEOUS INCOME	8,177	9,040	6,777	7,690
	<u>2,889,800</u>	<u>2,870,373</u>	<u>1,832,153</u>	<u>3,083,941</u>
TOTAL REVENUES				
	<u>2,889,800</u>	<u>2,870,373</u>	<u>1,832,153</u>	<u>3,083,941</u>
EXPENDITURES				
PERSONNEL	463,841	485,375	333,241	518,598
SUPPLIES	102,564	154,051	57,959	172,900
MAINTENANCE/CONTRACTED SVCS	1,619,342	1,591,661	1,013,625	1,814,455
UTILITIES	115,353	109,900	80,078	107,250
MISCELLANEOUS EXPENSES	45,427	56,101	33,448	62,437
DEBT SERVICE	109,023	284,611	157,723	362,476
CAPITAL OUTLAY/DEPR EXPENSE	239,247	-	-	45,825
	<u>2,694,796</u>	<u>2,681,699</u>	<u>1,676,073</u>	<u>3,083,941</u>
TOTAL EXPENDITURES				
	<u>2,694,796</u>	<u>2,681,699</u>	<u>1,676,073</u>	<u>3,083,941</u>
EXCESS (DEFICIENCY) OF REVENUES	195,004	188,674	156,080	0
OTHER FINANCING SOURCES (USES):				
OTHER- TRFR FROM CIP/LEASE PROCEEDS	734,171		-	
TRANSFERS IN		-	723,041	
TRANSFERS OUT	(80,000)	(15,515)	(3,103)	-
	<u>654,171</u>	<u>(15,515)</u>	<u>719,938</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES				
	<u>654,171</u>	<u>(15,515)</u>	<u>719,938</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 849,175	\$ 173,159	\$ 876,018	\$ 0

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

20 WATER DEPARTMENT

Account	Description	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
4000	WATER REVENUE	1,988,657	2,093,305	2,374,356	2,406,275	1,532,822	2,511,934	2,637,531
4002	WATER TAPS/CONNECTION FEES	12,100	19,781	3,300	37,500	1,800	1,800	7,500
4003	GARBAGE REVENUE	350,263	355,117	361,379	362,558	243,495	364,678	370,220
4004	UNMETERED WATER	131	76	(38)	-	8	8	-
4005	PENALTY REVENUE	48,476	47,861	47,504	45,000	33,518	46,000	46,000
4006	RECONNECT FEES	6,900	8,552	8,920	7,500	9,890	15,000	15,000
4007	SALE OF SCRAP/MISC.	21,627	1,911	4,622	-	802	802	-
4008	RETURN CHECK CHARGES	210	620	735	490	420	490	490
4011	TAMPERING FEE					300	300	-
4015	CUSTOMER SERVICE INSPECTION	875	630	1,245	1,200	295	295	-
4016	PULLED METERS		150				-	-
4017	COURTESY CALL					450	450	-
4025	LONG / (SHORT)	(317)	(226)	(150)		(228)	(228)	-
4077	TRANSFER FROM 77			566,275			-	-
4079	TRANSFER FROM 79	9,117		167,896			-	-
4199	TOWER RENTAL		6,300	7,300	7,200	4,800	7,200	7,200
4231	INSURANCE REFUNDS/DIVIDEND			83,217				
4232	COLLECTIONS/BAD DEBT							
4233	SALE OF LAND		422,767					
4510	MISCELLANEOUS FEES	892	4,175	(5,575)	150	(63)	(30)	-
4600	INTEREST INCOME		425	2,984	2,500	3,842	5,000	-
4701	LEASE PROCEEDS							
4810	TRANSFER FROM FUND 10					722,085	722,085	-
4881	TRANSFER FROM FUND 60					956	956	-
		2,438,930	2,961,444	3,623,971	2,870,373	2,555,194	3,676,740	3,083,941

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

20 WATER DEPARTMENT

Account	Description	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
500-0101	ADMINISTRATIVE	121,008	137,500	158,593	144,872	98,587	147,812	166,722
500-0102	LABORERS	99,716	91,270	85,596	99,262	65,796	96,846	104,097
500-0106	CLERICAL	56,694	45,575	55,554	79,879	49,136	72,000	80,728
500-0108	ON CALL	4,050	8,325	8,760	8,190	6,315	9,265	8,190
500-0118	CERTIFICATION PAY	280	520	600	1,680	640	960	1,680
500-0119	OVERTIME	41,668	41,105	39,807	25,000	24,920	33,000	25,000
500-0120	SOCIAL SECURITY	25,554	22,619	25,181	27,365	19,162	27,900	29,843
500-0122	GROUP INSURANCE	43,505	41,911	55,012	60,417	40,278	60,417	61,708
500-0123	LIFE INSURANCE	566	450	519	525	394	594	525
500-0125	RETIREMENT	30,064	41,114	34,217	38,185	28,013	40,500	40,104
500-0201	OFFICE SUPPLIES	1,858	1,834	2,764	6,500	1,800	3,000	4,000
500-0202	SAFETY EQUIPMENT	302						
500-0203	AUTOMOTIVE SUPPLIES	204	472	153	250	-	250	250
500-0204	SMALL TOOLS	7,208	2,721	5,282	2,000	980	1,000	1,000
500-0208	GAS & OIL	24,292	18,085	17,975	17,000	12,395	20,400	20,000
500-0210	CHEMICALS	7,035	8,887	10,356	11,000	4,020	8,000	8,000
500-0217	POSTAGE	8,998	7,455	8,609	10,000	4,561	4,500	8,000
500-0220	MISCELLANEOUS SUPPLIES	6,701	4,219	3,362	2,000	1,159	1,500	1,500
500-0222	SYSTEM MAINTENANCE	119,396	82,723	40,769	80,000	15,789	40,000	80,000
500-0223	METERS & FIREPLUGS	8,726	3,529	1,477	6,500	6,801	9,400	30,000
500-0224	SAND, GRAVEL & RELATED	15,229	3,772	5,158	6,000	1,501	3,000	6,000
500-0225	SMALL EQUIPMENT	3,424	5,108	190	-			
500-0226	ICE MAKER LEASE	1,500	1,500	1,538	1,600	1,030	1,545	1,600
500-0240	FURN & EQUIP < \$5,000	6,035	1,380	4,930	6,200	6,081	6,081	9,550
500-0301	EQUIPMENT REPAIR	7,462	10,344	6,903	6,000	8,571	13,000	8,000
500-0302	AUTOMOTIVE REPAIR	4,370	8,831	4,804	3,000	5,768	8,000	9,000
500-0305	BACKHOE REPAIR	1,216	335	-	-			
500-0401	BUILDING & GROUNDS REPAIR	17,378	6,522	19,505	3,000	11,790	15,800	5,000
500-0404	INFRASTRUCTURE REPAIRS		395	-	-			
500-0601	PRINTING & PUBLICATIONS	7,463	755	1,446	1,500	1,524	1,600	2,000
500-0602	DUES & SUBSCRIPTIONS	746	554	789	1,000	483	900	1,500
500-0603	TRAVEL AND TRAINING	5,157	3,739	2,737	3,000	2,176	2,776	3,800
500-0604	PHYSICALS & DRUG TESTING	590	271	156	250		71	237
500-0606	TESTING FEES	2,496	920	-				
500-0607	PLANT FEES	11,457	9,092	9,381	11,000	7,702	11,000	16,700
500-0608	MEALS	6,388	1,597	1,399	1,300	788	1,000	1,000
500-0618	CONTINGENCY			298				
500-0620	MISCELLANEOUS OTHER (CREDIT CARD FEES)	8,496	8,426	9,160	10,000	6,182	9,800	12,000
500-0622	HWY 84 PROJECT CONTRIBUTION			-	6,000	-	-	6,000
500-0629	TRANSFER TO FUND 30		187,579	-				
500-0630	TRANSFER TO FUND 10	77,105	79,400	80,000	15,515	3,103	15,515	-
500-0631	FRANCHISE TAX GF - SOLID WASTE	20,764	20,954	21,757	21,753	14,592	21,753	25,200
500-0701	COMPUTER MAINTENANCE	9,139	6,240	5,059	7,300	5,159	7,583	8,500
500-0702	COMPUTER SOFTWARE/SUPPLIES	9,254	532	4,495	5,000	1,842	2,100	3,000
500-0703	ELECTRICITY	67,969	96,727	103,561	98,000	70,201	90,000	93,000
500-0704	TELEPHONE	6,958	7,305	7,268	6,500	6,097	9,479	8,100
500-0705	HEAT	505	213	1,372	1,400	658	860	1,000
500-0707	INTERNET SERVICES	2,376	2,715	3,152	3,400	2,455	3,700	3,000
500-0708	WATER FEES - COW		128	514	600	667	1,000	1,200
500-0709	COM UTILITIES					627	1,000	950
500-0713	EQUIPMENT/PLANT MAINTENANCE	8,285	15,153	1,210	5,000	8,477	10,000	25,000
500-0723	UNIFORMS & UNIF RENTAL	6,338	6,443	7,059	6,400	1,157	2,337	3,000
500-0724	EQUIPMENT RENTAL	6,225	1,034	2,035	2,100	1,060	1,850	3,000
500-0725	COLLECTION AGENCY	172	351	345	500	81	200	500
500-0727	BAD DEBT EXPENSE	45,666		66,503				
500-0731	COPIER LEASE	2,198	2,078	1,994	2,500	1,364	2,100	2,000
500-0732	BLUEBONNET WATER FEES	1,098,792	1,095,009	1,126,776	1,173,800	739,389	1,338,415	1,350,000
500-0733	BRAZOS RIVER AUTH OPTION WTR	10,870	11,375	11,237	11,600	11,057	11,057	12,500
500-0734	ENGINEERING FEES	27,266	26,299	25,165	16,500	13,538	25,538	25,500
500-0736	PEST CONTROL	1,960	1,836	2,296	3,900	1,544	2,300	2,300
500-0739	MC DROUGHT CONTINGENCY WATER					1,653	1,653	1,700
500-0750	CONTRACT LABOR/CONSULTANT FEES	5,644	9,998	4,826	-	275	275	955
500-0751	MONTHLY GARBAGE PAY	336,471	336,677	334,478	344,561	200,842	344,362	346,000
500-0752	SOUTHERN TRINITY GRD WTR DIST	2,868	4,442	4,206	5,500	3,555	5,400	5,500
500-0907	LEASE INTEREST			1,400				
500-0911	TRANSFER TO FUND 75	26,080	26,080	25,359	26,080	18,967	26,080	26,005
500-0918	TRANSFER TO FUND 71	88,784	86,549	83,664	88,914	64,665	88,914	88,418
500-0919	TRANSFER TO FUND 85	89,653	87,853	86,052	89,252	64,911	89,252	87,313
500-0920	DEBT SVC ON BACKHOE				9,180	9,180	9,180	9,180
500-0921	TRANSFER TO FUND 72				71,185	51,771	71,185	74,675
500-0922	TRANSFER TO FUND 74							76,885
500-1008	CAPITAL OUTLAY		41					45,825
500-1560	DEPRECIATION EXPENSE	142,583	198,018	239,247			245,000	
	SALARY ADJUSTMENT							4,070
		2,801,156	2,934,843	2,873,714	2,697,213	1,733,227	3,080,004	3,088,011



WASTEWATER FUND

Operating revenues for FY 2019 are projected to be \$1,345,634. Total revenues are anticipated to be \$1,370,634 with \$25,000 attributed to non-operating sources. Non-operating income is expected to remain constant in FY 2019 at \$25,000.

Total operating expenses are expected to be \$753,356 which is an increase of \$213,660 (39.5%) from the FY 2018 adopted operating budget of \$539,696.

Non-Operating expenses in FY 2019 are anticipated to be \$617,278, a decrease of \$185,014 (19.2%) from the FY 2018 adopted budget of \$802,292.

Capital Outlay in FY 2018 was \$0 debt service was \$597,292 and transfers out of \$15,512. In the FY 2019 budget, Capital Outlay is \$19,769 debt service is \$597,509 and transfers out are \$0 for an overall increase of \$4,474 (>1%).

CITY OF MCGREGOR, TEXAS
ANNUAL BUDGET SUMMARY
WASTEWATER FUND
FY 2018-19

	ACTUAL 2016-17	BUDGET 2017-18	YTD	BUDGET 2018-19
REVENUES				
WASTEWATER REVENUE	\$ 1,397,271	\$ 1,281,556	\$ 960,294	\$ 1,345,634
SEWER TAPS	1,200	1,000	300	-
PENALTY REVENUE	24,025	25,000	16,928	25,000
MISC INCOME	(2,151)	500	-	-
INSURANCE REFUNDS/DIVIDENDS		-	-	-
DONATION	-			
TRANSFER IN FROM CIP	506,182			
	-			
TOTAL REVENUES	1,926,527	1,308,056	977,523	1,370,634
EXPENDITURES				
PERSONNEL	175,183	251,771	133,064	255,178
SUPPLIES	32,498	37,800	22,358	46,386
MAINTENANCE/CONTRACTED SVCS	240,887	163,885	64,838	245,405
UTILITIES	84,466	83,640	56,305	100,400
MISCELLANEOUS EXPENSES	39,282	2,600	1,426	105,987
DEBT SERVICE	513,127	597,292	444,334	597,509
CAPITAL OUTLAY/DEPR EXPENSE	180,142	205,000	-	19,769
TOTAL EXPENDITURES	1,265,586	1,341,988	722,325	1,370,634
EXCESS (DEFICIENCY) OF REVENUES	660,941	(33,932)	255,197	0
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	-	722,085	722,085	-
TRANSFERS OUT	(44,000)	(15,512)	(3,102)	-
TOTAL OTHER FINANCING SOURCES	(44,000)	706,573	718,983	-
NET CHANGE IN FUND BALANCE	\$ 616,941	\$ 672,641	\$ 974,180	\$ 0

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

30 WASTEWATER

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
4000 WASTEWATER REVENUE	1,059,137	1,080,200	1,397,271	1,281,556	960,294	1,367,462	1,345,634
4002 SEWER TAPS	12,000	12,058	1,200	1,000	300	300	-
4005 PENALTY REVENUE	27,602	27,474	24,025	25,000	16,928	24,700	25,000
4020 MISCELLANEOUS INCOME	2,478	4,489	(2,151)	500		-	
4021 TRANSFER FROM FUND 20							
4073 TRANSFER FROM FUND 73			528,128				
4079 TRANSFER FROM FUND 79	1,809,813	187,579	506,182				
4231 INSURANCE REFUNDS/DIVIDENDS			7,881				
4600 DONATIONS							
4701 LEASE PROCEEDS							
4810 TRANSFER FROM FUND 10				722,085	722,085	722,085	
4881 TRANSFER FROM FUND 81							
	2,911,030	1,311,800	2,462,535	2,030,141	1,699,608	2,114,547	1,370,634

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

30 WASTEWATER

		Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
500-0102	LABORERS	165,773	159,055	105,764	146,293	74,230	114,000	150,817
500-0108	ON CALL PAY	4,665	10,665	8,400	9,030	4,920	6,810	10,815
500-0118	CERTIFICATION PAY	310	-	190	720	160	230	1,260
500-0119	OVERTIME	16,420	22,231	12,869	20,000	8,673	13,400	15,000
500-0120	SOCIAL SECURITY	14,611	13,821	9,850	13,467	6,971	11,000	13,609
500-0122	GROUP INSURANCE	23,875	28,945	24,035	43,155	28,051	42,447	44,077
500-0123	LIFE INSURANCE	311	344	206	375	144	225	375
500-0125	RETIREMENT	17,399	24,618	13,869	18,731	9,915	15,500	19,225
500-0201	OFFICE SUPPLIES	1,349	360	644	600	367	600	600
500-0202	SAFETY EQUIPMENT	434	-	20	-			
500-0203	AUTOMOTIVE SUPPLIES	557	316	93	500		500	500
500-0204	SMALL TOOLS	2,607	1,834	3,013	2,500	481	2,500	2,000
500-0208	GAS & OIL	10,429	10,882	7,334	6,000	5,843	8,000	9,675
500-0210	CHEMICALS	9,509	9,321	8,136	10,000	7,231	10,000	14,411
500-0217	POSTAGE	200	200	200	200	3	700	200
500-0220	MISCELLANEOUS SUPPLIES	2,521	4,121	1,857	1,500	894	1,500	1,000
500-0224	SAND, GRAVEL & RELATED	627	1,317		1,500	265	3,000	1,500
500-0226	LAB SUPPLIES	1,742	1,115	1,231	1,500	168	1,500	3,500
500-0227	CHLORINE	10,532	11,697	8,027	12,000	4,871	12,000	12,000
500-0228	MISC SUPPLIES FOR MECHANIC	291	2,853		-			
500-0240	FURN & EQUIP < \$5,000	588	4,042	1,943	1,500	2,235	2,235	1,000
500-0244	JET MACHINE DEGREASER	1,889	-		-			-
500-0301	EQUIPMENT REPAIR	4,460	1,829	268	6,000	1,560	6,000	4,348
500-0302	AUTOMOTIVE REPAIR	2,651	5,028	5,646	2,500	1,083	2,500	2,000
500-0308	CLARIFIER MAINTENANCE	10,000	31,951	26,251	25,000	-		70,000
500-0401	BUILDING & GROUNDS REPAIR	2,502	6,654	4,667	1,000	2,539	2,539	2,000
500-0404	INFRASTRUCTURE REPAIRS	406	-	4,493	-			
500-0405	SLUDGE MAINTENANCE	4,717	4,520	3,554	4,000	607	4,000	4,000
500-0406	RACETRACK MAINTENANCE	200	6,081	2,458	5,000	105	5,000	5,000
500-0407	EFFLUENT DISCHARGE MAINT.	1,058	1,538	1,084	1,000		1,000	1,000
500-0408	LIFT STATION MAINTENANCE	15,731	3,120	32,024	4,000	1,693	4,000	4,000
500-0409	COLLECTION LINES	18,055	13,533	16,867	11,000	1,045	15,000	14,000
500-0601	PRINTING & PUBLICATIONS	22	-		-			
500-0602	DUES & SUBSCRIPTIONS	65	-		100	-	100	220
500-0603	TRAVEL & TRAINING	1,686	1,571	1,233	1,500	1,320	3,000	4,000
500-0604	PHYSICALS & DRUG TESTING	495	929	437	500	158	500	500
500-0607	PLANT FEES	10,030	22,383	22,119	16,000	18,037		23,000
500-0608	BIO MONITORING	19,555	15,584	12,768	17,000	3,032		15,000
500-0609	MEALS	772	738	234	500	106	500	500
500-0618	CONTINGENCY		-					100,767
500-0620	MISCELLANEOUS	154	134		-			
500-0622	HWY 84 PROJECT CONTRIBUTION				6,000			6,000
500-0630	TRANSFER TO FUND 10	46,726	45,844	44,000	15,512	3,102	15,512	-
500-0701	COMPUTER MAINTENANCE	3,112	2,077	2,202	3,675	1,397	2,121	3,675
500-0702	SLUDGE DISPOSAL	18,303	19,978	14,763	17,000	15,337	17,000	20,000
500-0703	ELECTRICITY	49,236	48,385	77,263	75,000	51,748	75,000	90,000
500-0704	TELEPHONE	4,235	4,783	4,134	5,000	1,854	2,500	5,000

**CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19**

30 WASTEWATER

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
500-0705 SSOI PROGRAM		-	5,447	-			
500-0706 AERATOR MAINTENANCE CONTRACT	8,967	4,873		7,500		7,500	7,500
500-0707 INTERNET SERVICES	1,202	1,283	1,382	1,340	804	1,206	1,400
500-0708 SEWER CHARGES-COW	1,452	1,559	1,687	2,300	1,899	2,900	4,000
500-0709 WILDFLOWER PROJECT	1,569	2,636		-		-	-
500-0710 PUMPING SERVICES		32,550	42,250	-	6,700	7,300	3,000
500-0723 UNIFORMS & UNIF RENTAL	6,160	6,484	4,678	5,328	478	1,700	2,000
500-0724 EQUIPMENT RENTAL	4,921	5,351	2,459	5,000	896	5,000	3,000
500-0727 BAD DEBT EXPENSE	7,201	-	31,932	-			
500-0734 ENGINEERING FEES	12,266	19,321	35,854	26,000	9,788	16,200	55,000
500-0736 PEST CONTROL	852	732	576	882	384	576	882
500-0750 CONSULTANT FEE	13,000	9,998	5,908	-			
500-0906 TRANSFER TO FUND 84	20,361	19,994	20,600	20,180	16,144	20,180	20,734
500-0911 TRANSFER TO FUND 75	78,241	78,241	76,680	77,941	79,273	77,941	78,016
500-0913 SEWER LEASE INTEREST			1,400				
500-0918 TRANSFER TO FUND 71	177,835	175,720	167,472	178,006	113,277	178,006	177,101
500-0919 TRANSFER TO FUND 82	248,230	250,475	246,975	248,475	174,303	248,475	249,875
500-0920 DEBT SERVICE-BACKHOE				9,180	9,180	9,180	9,180
500-0921 TRANSFER TO FUND 72				38,282	27,841	38,282	37,375
500-0922 TRANSFER TO FUND 74				25,228	24,316	25,228	25,228
500-1013 CAPITAL PURCHASE				205,000	-		19,769
500-1560 DEPRECIATION EXPENSE	80,769	130,222	180,142			190,000	
	1,163,837	1,283,836	1,309,586	1,357,500	725,428	1,232,093	1,370,634



MUNICIPAL AIRPORT FUND

Operating revenues for FY 2018 are projected to be \$194,800. Total revenues are anticipated to be \$244,416 with \$49,616 attributed to non-operating sources. Non-operating income is expected to increase by \$338 in FY 2019 from \$49,278 to \$49,616.

Total operating expenses are expected to be \$173,535, which is a decrease of \$47,924 from the FY 2018 adopted operating budget of \$221,459.

Non-Operating expenses in FY 2019 are anticipated to be \$94,019. An increase of \$17,100 (22%) from the FY 2018 adopted budget of \$76,919.

Capital Outlay budgeted in FY 2018 was \$42,900, debt service was \$34,019 and administrative charges were \$7,469. In the FY 2019 proposed budget, Capital Outlay is \$60,000, debt service is \$34,019 and administrative charges are \$7,332 or an overall increase of \$16,963.

CITY OF MCGREGOR, TEXAS
ANNUAL BUDGET SUMMARY
EXECUTIVE AIRPORT
FY 2018-19

	ACTUAL 2016-17	BUDGET 2017-18	ACTUAL YTD	BUDGET 2018-19
REVENUES				
AIRPORT REVENUE	249,239	248,979	176,136	244,416
TOTAL REVENUES	249,239	248,979	176,136	244,416
EXPENDITURES				
PERSONNEL	68,061	107,080	47,556	109,823
SUPPLIES	610	4,410	495	3,910
MAINTENANCE/CONTRACTED SVCS	18,877	87,000	31,367	35,600
UTILITIES	7,754	10,600	5,396	10,900
DEBT SERVICE	5,097	34,019	17,368	34,019
MISCELLANEOUS EXPENSES	9,735	12,369	6,356	13,302
OTHER/CONTINGENCY		-		-
CAPITAL OUTLAY/DEPR EXPENSE	55,153	42,900	9,273	60,000
TOTAL EXPENDITURES	165,287	298,378	117,809	267,554
EXCESS (DEFICIENCY) OF REVENUES	83,953	(49,399)	58,327	(23,138)
RESERVES				23,138
NET CHANGE IN FUND BALANCE	\$ 83,953	\$ (0)	\$ 58,327	\$ (0)

**CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19**

50 AIRPORT

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
4000 HANGAR RENT	136,517	165,742	122,098	128,000	101,935	129,000	129,000
4001 FARMLAND LEASE	21,630	30,458	25,000	25,000		25,000	25,000
4002 FUEL FLOWAGE FEE	13,978	18,728	18,447	21,600	15,232	20,200	20,000
4003 AURORA FLIGHT SCHOOL	1,200	1,100	7,549	-	6,600	8,000	8,000
4004 USER FEE	11,286	9,475	16,170	11,500	4,950	7,500	7,500
4005 PRIVATE HANGARS	15,089	12,133	40,943	32,456	27,944	30,000	30,000
4006 STORAGE	3,256	1,629	2,415	1,480	1,480	1,480	1,480
4007 FLIGHT INSTRUCTOR FEE	100	100	100	100	300	300	300
4008 LOAN PROCEEDS							
4009 LATE FEES	293	677	1,025	900	450	750	900
4012 TRANSFER FROM FUND 80							
4013 AERIAL SPRAYING	1,600	1,600	1,600	1,600	1,600	1,600	1,600
4020 MISCELLANEOUS INCOME	4,911	4,725	2,826		2,267		
4025 AIRPORT LAND LEASE			1,103	13,236	8,824	13,236	13,236
4250 JETPRO HANGAR			20	6,045	(210)		-
4251 JAG AVIATION TERMINAL/STORAGE			9,944	7,062	4,764	7,444	7,400
	209,860	246,367	249,239	248,979	176,136	244,510	244,416

**CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19**

50 AIRPORT FUND

		Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
500-0101	ADMINISTRATIVE	49,047	55,149	54,917	58,524	38,174	58,524	61,486
500-0102	LABORER				22,176		5,544	21,754
500-0120	SOCIAL SECURITY	4,096	3,848	4,434	6,357	3,212	5,250	6,551
500-0122	GROUP INSURANCE				8,631		1,439	8,815
500-0123	LIFE INS	75	75	75	150	50	100	150
500-0125	RETIREMENT	4,641	6,991	6,234	8,842	4,551	8,900	8,667
500-0128	CAR ALLOWANCE	1,268	1,350	2,400	2,400	1,569	2,400	2,400
500-0201	OFFICE SUPPLIES	61			300	47	150	300
500-0208	GAS & OIL	36		16				500
500-0217	POSTAGE	200	212	210	210	98	210	210
500-0220	MISCELLANEOUS SUPPLIES	394	24		1,200	112	500	1,200
500-0228	ELECTRICAL SUPPLIES	863	40		1,500	238	500	1,500
500-0229	SAFETY EQUIPMENT	1,424	282	384	200			200
500-0240	FURN & EQUIP < \$5,000		300		200			200
500-0301	EQUIPMENT REPAIR	702	3,592		500			500
500-0302	AUTOMOTIVE REPAIR	33						
500-0401	BUILDING/GROUNDS REPAIR	29,177	6,514	7,162	10,000	18,804	18,804	18,000
500-0410	ASPHALT REPAIRS				60,000		60,000	
500-0601	PRINTING & PUBLICATIONS					15		
500-0602	DUES & SUBSCRIPTIONS					95	95	100
500-0603	TRAVEL & TRAINING	1,031	1,182	765	1,200	1,266	677	1,200
500-0618	CONTINGENCY							
500-0701	COMPUTER MAINTENANCE	1,290	1,409	1,524	1,400	778	1,367	1,500
500-0702	AIRPORT OPERATIONS MAINTENANCE	994	4,858	6,924	5,000	5,595	5,600	5,600
500-0703	ELECTRICITY	6,247	5,269	5,328	7,000	3,910	7,000	7,000
500-0704	TELEPHONE	986	1,171	1,125	2,100	587	978	2,100
500-0706	SEWER	3,383			-			
500-0707	INTERNET SERVICES	1,410	1,368	1,301	1,500	900	1,200	1,800
500-0723	UNIFORMS				100	-	100	970
500-0734	ENGINEERING		4,286		5,000			2,500
500-0736	PEST CONTROL	961	1,057	957	1,500	696	1,500	1,500
500-0737	CONTRACT LABOR	500			-			
500-0738	ELECTRICAL SYSTEM MAINTENANCE	179	456	2,310	3,500	5,494	5,500	5,000
500-0751	ENVIRONMENTAL	838	655	1,217	3,500			3,500
500-0752	UTILITY REPAIRS				1,000			1,000
500-0801	ADMINISTRATIVE FEE	6,034	6,847	7,753	7,469	4,979	7,469	7,332
500-0901	FNB NP 35082 PRIN				29,542	14,699	29,542	31,081
500-0902	FNB NP 35082 INTERST	6,267	5,443	5,097	4,477	2,668	4,477	2,938
500-1001	EQUIPMENT PURCHASE				10,000			-
500-1101	CIP SPECIAL PROJECTS	7,136			32,900	9,273		60,000
500-1560	DEPRECIATION EXPENSE	50,943	52,298	55,153				
		180,215	164,675	165,287	298,378	117,809	227,826	267,554



SPECIAL REVENUE FUNDS

Special Revenue Funds may be used to account for the proceeds of specific revenue sources (other than permanent funds or for major capital projects) that are legally restricted as to expenditure for specified purposes.

As Governmental Funds, they are accounted for by using the current financial resources measurement focus and the modified accrual basis. Revenues are recognized in the accounting period in which they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures in the governmental funds are recognized in the period in which the liability is incurred, if measurable. However, debt service expenditures are recorded only when payment is due.

The City adopts legal budgets for the following Special Revenue Funds:

- Hotel/Motel Tax Fund
- Cemetery Fund
- Court Technology Fund

CITY OF MCGREGOR, TEXAS
ANNUAL BUDGET SUMMARY
HOTEL/MOTEL
FY 2018-19

	ACTUAL 2016-17	BUDGET 2017-18	YTD 2017-18	BUDGET 2018-19
REVENUES				
HOTEL/MOTEL TAX REVENUE	32,989	26,000	17,245	25,000
TOTAL REVENUES	32,989	26,000	17,245	25,000
EXPENDITURES				
MARKETING	15,000	15,000	11,250	15,000
MISC/EVENTS	-	11,000	1,650	8,000
	-	-	-	
TOTAL EXPENDITURES	15,000	26,000	12,900	23,000
EXCESS (DEFICIENCY) OF REVENUES	17,989	-	4,345	2,000
RESERVES		5,000		-
NET CHANGE IN FUND BALANCE	\$ 17,989	\$ 5,000	\$ 4,345	\$ 2,000

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

46 HOTEL/MOTEL TAX

	Actual FY 2014-15	Actual 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
4115 HOTEL TAX REVENUE	10,003	22,213	32,989	26,000	17,245	25,065	25,000
	10,003	22,213	32,989	26,000	17,245	25,065	25,000

**CITY OF MCGREGOR, TEXAS
ANNUAL BUDGET
FY 2018-19**

46 HOTEL/MOTEL TAX

		Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
500-0220	MISC./EVENTS			6,000	11,000	1,650	1,650	8,000
500-0601	PRINTING/ADVERTISING	-	1,250	-	-	-		
500-0616	H.O.T. REGIONAL MKTG EFFORT	15,000	15,000	15,000	15,000	11,250	15,000	15,000
		15,000	16,250	21,000	26,000	12,900	16,650	23,000

**CITY OF MCGREGOR, TEXAS
ANNUAL BUDGET SUMMARY
FY 2018-19
CEMETERY**

	ACTUAL 2016-17	BUDGET 2017-18	YTD	BUDGET 2018-19
REVENUES				
LOT SALES PERPETUAL CARE	\$ 16,280	\$ 10,000	\$ 6,250	\$ 7,500
TRUST AND INTEREST INCOME	\$ 57,056	\$ 14,000	\$ 683	\$ 25,000
MAINTENANCE FEES	\$ 5,970	\$ 1,500	\$ 2,900	\$ 1,500
MISCELLANEOUS INCOME	\$ 100		\$ -	\$ -
TOTAL REVENUES	79,406	25,500	9,833	34,000
EXPENDITURES				
SUPPLIES	5,806	8,250	1,888	7,300
MAINTENANCE/CONTRACTED SERVICES	2,768	23,850	10,587	14,000
UTILITIES	-	1,200	-	900
MISCELLANEOUS EXPENSES	-	3,600		
DEBT SERVICE				
CAPITAL OUTLAY/DEPR EXPENSE	21,000		-	-
TOTAL EXPENDITURES	29,575	36,900	12,475	22,200
EXCESS (DEFICIENCY) OF REVENUES	49,832	(11,400)	(2,642)	11,800
NET CHANGE IN FUND BALANCE	\$ 49,832	\$ (11,400)	\$ (2,642)	\$ 11,800

**CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19**

90 CEMETERY

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
4000 LOT SALES PERPETUAL CARE	8,250	16,280	20,700	10,000	6,250	6,950	7,500
4001 TRUST AND INTEREST INCOME	2,131	57,056	31,212	14,000	683	25,000	25,000
4010 MAINTENANCE FEES	2,750	5,970	8,550	1,500	2,900	3,500	1,500
4020 MISCELLANEOUS INCOME		100	350				-
	13,131	79,406	60,812	25,500	9,833	35,450	34,000

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

90 CEMETERY

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
500-0202 SNACK AND DRINK					14	50	100
500-0203 AUTOMOTIVE SUPPLIES	12	517	25	1,500	-	600	1,500
500-0204 SMALL TOOLS	310	448	1,964	500	20	20	200
500-0208 GAS & OIL	1,536	1,557	2,535	2,600	1,310	1600	2,600
500-0220 MISCELLANEOUS SUPPLIES	267	541	421	900	168	300	900
500-0240 FURNITURE & EQUIP <5,000	1,513	2,743	1,591	2,600	376	500	2,000
500-0301 EQUIPMENT REPAIR	521	885	1,381	1,000	85	500	1,000
500-0302 AUTOMOTIVE REPAIR		80	63	2,000	449	1500	2,000
500-0401 BUILDING MAINTENANCE			6,705	3,500	6,049	6049	1,000
500-0405 GROUND MAINTENANCE	1,195	1,804	11,995	5,000	4,003	5000	5,000
500-0503 STREET REPAIRS		-	6,533	5,000	-	5000	5,000
500-0604 MISCELLANEOUS	238						
500-0702 COMPUTERS, SOFTWARE, SUPPLIES	456						
500-0703 ELECTRICITY	9		19	600	-	600	600
500-0724 RENTAL EQUIPMENT			270	300	-	300	300
500-0730 CONTRACT LABOR	200						
500-0801 ADMIN FEE				-			
500-1003 CAPITAL OUTLAY		21,000	4,977				
	6,258	8,575	38,481	25,500	12,475	21,969	22,200



DEBT SERVICE FUND

The Debt Service Fund, also known as the Interest and Sinking Fund, was established for the payment of principal and interest on general obligation debt.

As one of the governmental funds, the modified accrual basis is used as the basis of accounting in this fund. Revenues are recognized in the accounting period in which they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures in the governmental funds are recognized in the period in which the liability incurred, if measurable. However, debt service expenditures are recorded only when payment is due.

An ad valorem (property tax) rate and tax levy are required to be computed and levied which will be sufficient to product the funding to satisfy annual debt service requirements.

The Debt Service Fund services tax supported debt that includes General Obligation Bonds, Time Warrants, long-term debt and Certificates of Obligation. These types of debt fund public projects such as streets, parks, and facilities and other improvements.

**CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19**

78 GENERAL DEBT SERVICE

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
4001 EARNED INTEREST	997	596	872	-	283	427	-
4002 TRANSFER FROM GENERAL FUND							102,371
4101 I & S DELINQUENT	23,389	15,773	19,678	12,900	8,046	9,050	8,000
4106 I & S PENALTY & INTEREST	11,377	7,955	8,530	7,102	5,945	7,000	6,000
4112 I & S CURRENT	542,685	554,828	642,636	671,611	653,731	671,611	700,959
	<u>578,447</u>	<u>579,153</u>	<u>671,716</u>	<u>691,613</u>	<u>668,005</u>	<u>688,088</u>	<u>817,330</u>

CITY OF MCGREGOR
ANNUAL BUDGET
FY 2018-19

78 GENERAL DEBT SERVICE

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Actual YTD	Projected FYE	Budget FY 2018-19
500-0900 ADMINISTRATIVE FEES			350	2,850	56		2,400
500-0901 PRINCIPAL PAYMENT ON 2003 CO	75,000	75,000	80,000	85,000	-	85,000	85,000
500-0902 INTEREST PAYMENT ON 2003 CO	11,842	17,667	15,879	14,216	6,970	14,216	12,150
500-0903 PRIN PMT ON 2011 TIME WARRANTS	350,000	311,819		-	-	-	-
500-0904 INT PMT ON 2011 TIME WARRANTS	37,861	14,266		-	-	-	-
500-0905 LEASE PAYMENT-JOHN DEERE	11,091	11,091	11,091	11,091	11,091	11,091	11,091
500-0907 ASPHALT ZIPPER LEASE -PRIN	20,193	21,452	21,452	22,117	22,159	22,159	-
500-0906 ASPHALT ZIPPER LEASE -INT	2,605	1,346	1,346	681	651	651	-
500-0908 PRIN-FIRE TRUCK	49,230	51,053	52,945	54,906	54,906	54,906	56,940
500-0909 INT-FIRE TRUCK	18,261	16,437	14,546	12,584	12,584	12,584	10,551
500-0911 PRINCIPAL PAYMENT ON 2016 CO				165,000		165,000	175,000
500-0912 INTEREST PAYMENT ON 2016 CO				243,080	121,715	243,080	237,280
500-0910 UNRESERVED FUND BALANCE							
500-0913 PRINCIPAL PAYMENT ON 2017 CO-GEN			60,000	40,000		40,000	40,000
500-0914 INTEREST PAYMENT ON 2017 CO-GEN			25,256	40,088	25,079	40,088	38,488
500-0915 PRINCIPAL PAYMENT ON 2018A CO							90,000
500-0916 INTEREST PAYMENT ON 2018 CO							58,430
	<u>576,083</u>	<u>520,131</u>	<u>197,609</u>	<u>691,613</u>	<u>255,211</u>	<u>688,775</u>	<u>817,330</u>

CITY OF MCGREGOR, TEXAS
FY 2018-19 ANNUAL BUDGET SUMMARY
DEBT SERVICE FUND (FUNDS 69,71,72,75,76,78,82,84,85, 94)

	ACTUAL 2016-17	BUDGET 2017-18	YTD	BUDGET 2018-19
REVENUES				
TRANSFERS IN - WATER	195,074	275,431	200,314	353,296
TRANSFERS IN - WASTE WATER	511,727	562,884	410,837	588,329
TRANSFERS IN - MEDC				148,430
I & S DELINQUENT	19,678	12,900	8,046	14,067
I & S PENALTY & INTEREST	8,530	7,102	5,945	6,004
I & S CURRENT	642,636	671,611	653,731	648,829
OTHER INCOME	872	-		-
TOTAL REVENUES	1,378,515	1,529,927	1,278,873	1,758,954
EXPENDITURES				
PRINCIPAL ON 1995 GO	7,000	8,000	8,000	9,000
INTEREST ON 1995 GO	12,066	12,180	11,310	11,734
PRINCIPAL ON 2003 BONDS	75,000	85,000	-	85,000
INTEREST ON 2003 BONDS	17,667	14,216	6,970	12,150
PRINCIPAL ON 2004 BONDS	82,439	94,619	-	99,065
INTEREST ON 2004 BONDS	21,282	9,103	4,588	4,656
PRINCIPAL ON 2010 CO	145,000	160,000	-	165,000
INTEREST ON 2010 CO	117,094	106,744	53,372	100,344
PRINCIPAL ON 2011 TIME WARRANTS	311,819	-		-
INTEREST ON 2011 TIME WARRANTS	14,266	-		-
PRINCIPAL ON 2013 CO	65,000	70,000	-	70,000
INTEREST ON 2013 CO	22,853	19,252	9,626	17,313
PRINCIPAL ON 2014 CO	175,000	180,000		185,000
INTEREST ON 2014 CO	71,650	68,150	34,075	64,550
LEASE PAYMENT-JOHN DEERE	11,091	11,091	11,091	11,091
LEASE PAYMENT-ASPHALT ZIPPER-PRIN	21,452	22,117	22,159	-
LEASE PAYMENT-ASPHALT ZIPPER-INT	1,346	681	651	-
FIRE TRUCK PRIN	51,053	54,906	54,906	56,940
FIRE TRUCK INTEREST	16,437	12,584	12,584	10,551
PRINCIPAL ON 2016 CO	-	165,000		175,000
INTEREST ON 2016 CO	-	243,080	121,715	237,280
PRINCIPAL ON 2017 CO	-	65,000	-	100,000
INTEREST ON 2017 CO	-	124,354	25,079	90,338
PRINCIPAL ON 2018 CO				
INTEREST ON 2018 CO				102,113
PRINCIPAL/INTEREST ON 2018A CO				148,430
UNRESERVED FUND BALANCE	64,783	-	-	-
ADMINISTRATIVE FEES	800	3,850	426	3,400
TOTAL EXPENDITURES	1,305,097	1,529,927	376,552	1,758,954
EXCESS (DEFICIENCY) OF REVENUES	73,418	-	902,321	-
NET CHANGE IN FUND BALANCE	\$ 73,418	\$ -	\$ 902,321	\$ -



APPENDIX

The Annual Budget contains specialized and/or technical terminology, along with acronyms, that are unique to public finance and budgeting. To assist the reader in understanding the Annual Budget document, a glossary of terms is provided.

A.D.A.

Americans with Disabilities Act

Account Classification

A basis for distinguishing types of expenditures. The five major classifications used by the City of McGregor are personnel, services (01xx), supplies/materials (02xx), and maintenance (03xx-04xx), street maintenance (05xx), other (06xx), contracted services (07xx), administrative services (08xx), debt service (09xx) and capital outlay (1xxx).

Accretion

In portfolio accounting, a straight line accumulation of capital gains on a discount bond in anticipation of receipt of par at maturity.

Accrual Basis

The basis of accounting under which transactions are recognized when they occur, regardless of the timing of estimated cash flows.

Ad Valorem Tax

Also referred to as property tax, this is the charge levied on all real, personal, and mixed property according to the property's assessed valuation and the tax rate, in compliance with the State Property Tax Code.

Amortization

The repayment of a loan by installment.

Annual Budget

The total budget as approved by the City Council, as revised.

Appropriation

A legal authorization made by the City Council which permits City officials to incur obligations against and to make expenditures of governmental resources.

Assessed Property Valuation

A value established by the McLennan County Appraisal District which approximates market value of real or personal property.

Balanced Budget

A budget adopted by the legislative body and authorized by ordinance where the proposed expenditures are equal or less than the proposed revenues plus resources on hand at the beginning of the fiscal year.

Bond Proceeds

The proceeds from the sale of bonds, notes, and other obligations issued by the City, and reserves and funds maintained by the City for debt service.

Bond

A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayments of the principal are detailed in a bond ordinance. The most common type of bonds are general obligation (G.O.) and revenue bonds. These are most frequently used for

	construction for large capital projects, such as buildings, streets, and water and sewer lines.
Book Value	The original acquisition cost of an investment plus or minus the accrued amortization or accretion.
Budget Document	The compilation of the spending plans for the various funds, along with supporting schedules, tables and charts which, in total, comprises the annual revenue and expenditure plan.
Budget Highlights	Significant changes in expenditures or programs within a fund, department or division.
Budget Summary	Provides a listing of revenues, expenditures, and available resources for all funds.
Budget	A financial plan for a specified period of time (fiscal year) that matches planned revenues with appropriations. The "preliminary" budget designates the financial plan initially developed by departments and presented by the City Manager to the Council for approval. The "adopted budget" is the plan as modified and finally approved by that body. The "approved" budget is authorized by ordinance and thus specifies the legal spending limits for the fiscal year. The budget process in every Texas city must comply with the requirements of the Texas Local Government Code. See description of Budget Compliance in the Financial Policies section of this document.
Budgetary Control	The control or management of a governmental or enterprise fund in accordance with approved budget to keep expenditures within the limitations of available appropriations and revenues.
CAFR	Comprehensive Annual Financial Report
Capital Outlay	Expenditures for equipment, vehicles, or machinery, and other improvements that result in the acquisition of assets with an estimated useful life of more than one year, a unit cost of \$5,000 or more, and capable of being identified as an individual unit of property.
CD	Certificate of Deposit
Certificates of Obligation (C.O.)	Legal debt instruments that finance a variety of public projects such as streets, building, and improvements. These instruments are backed by the full faith and credit of the issuing government and are financed through property tax revenues.
Certified Property Values	To be in compliance with the Property Tax Code, the chief appraiser certifies the approved appraisal roll to each taxing unit on or before July 25.
CIP	Capital Improvements Program

CO	Certificate of Obligation
Crack Seal	An intermediate street maintenance repair technique.
Debt Service Fund	A fund used to account for the monies set aside for the payment of interest and principal to holders of the City's general obligation and revenue bonds, the sale of which finances long-term capital improvements, such as facilities, streets and drainage, parks and water/wastewater systems.
Deficit	An excess of liabilities over assets, of losses over profits, or of expenditure over income.
Delinquent Taxes	Real or personal property taxes that remain unpaid on and after February 1st of each year, and upon which penalties and interest are assessed.
Department	A major administrative segment responsible for management of operating Divisions that provides services within a functional area.
Depreciation	The decrease in value of fixed assets due to use and the passage of time. That portion of the cost of a fixed asset is charged as an expense during a particular period. The cost of the loss of usefulness of a fixed asset is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.
EDC	Economic Development Corporation
Effective Tax Rate	The prior year's taxes divided by the current year's taxable values of properties that were on the tax roll in both years. Excludes taxes on properties no longer in the taxing unit and the current taxable value of new properties.
EMS	Emergency Medical Services
Encumbrances	Commitments for the expenditure of monies.
Enterprise Fund	A fund established to account for operations that are financed and operated in a manner similar to private business. The rate schedules are established to insure that revenues are adequate to meet all necessary expenditures. The Water, Sewer, Airport and Racheal Arms Apartments are enterprise funds in the City of McGregor.
Estimated Revenue	A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.
Expenditure	Resources spent by governmental funds in accordance with budgeted appropriations on assets or goods and services obtained.

Expense	Resources spent by enterprise funds in accordance with budgeted appropriations on assets or goods and services obtained.
FASB	Financial Accounting Standards Board
FBO	Fixed Base Operator
FCC	Federal Communications Commission
Fines & Forfeitures	Monies imposed as penalty for an offense and collected as revenue by the municipal court for the city.
Fiscal Year	A consecutive 12-month period that signifies the beginning and ending dates for recording financial transactions. The City of McGregor's fiscal year begins October 1 and ends September 30 of the following calendar year. This is also called the budget year.
FLSA	Federal Labor Standards Act
FTE	Full Time Employee
Fund Balance	The excess of current assets over current liabilities, representing the cumulative effect of revenues and other financing sources over expenditures and other financing uses.
Fund	An accounting device established to control receipt and disbursement of income from sources set aside to support specific activities or attain certain objectives. Each fund is treated as a distinct fiscal entity with a self-balancing set of accounts. In the budget process, a formal Annual Budget is adopted for the General Fund, General Debt Service Fund, Water Fund, Wastewater Fund, Airport Fund, Rachael Arms Apartments Fund, Hotel/Motel Tax Fund, and Cemetery Fund.
Funds	Public funds in the custody of the City that the City has the authority to invest.
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB 34	Pronouncement of the Government Accounting Standards Board (GASB) that establishes financial reporting standards for state and local governments in presenting information about a government's major funds to aid in measuring the operating results of these funds in the interest of accountability to citizens and stakeholders.

GASB	Government Accounting Standards Board. The agency of the Financial Accounting Foundation that promulgates standards for accounting and financial reporting by governmental entities.
General Fund	The largest governmental fund within the City, the General Fund accounts for the majority of the non-enterprise financial resources of the government. General Fund revenues include property taxes, sales taxes, licenses and permits, service charges, and other type of revenue. This fund includes most of the basic operating functions such as police protection, municipal court, finance, planning and inspection, public works, parks/recreation, and general administration.
General Obligation (G.O.) Bonds	Legal debt instruments that finance a variety of public projects such as streets, building, and improvements. These bonds are backed by the full faith and credit of the issuing government and are financed through property tax revenues. In Texas, G.O. Bonds must be authorized by public referendum.
GF	General Fund
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GO	General Obligation (bond)
Governmental Funds	Funds that are maintained on a modified accrual basis with an emphasis on when cash is expended or obligated and revenues are recorded when measurable and available. Refers to the General Fund, all Special Revenue Funds and the Debt Service Fund.
GPM	Gallons Per Minute
HIPAA	Health Insurance Portability & Accountability Act
HR	Human Resources
HVAC	Heating Vent Air Conditioning
I/I	Inflow & Infiltration
Infrastructure	General fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems.
Intangible Asset	A legal claim to some future benefit, typically a claim to future cash. Goodwill, intellectual property, patents, copyrights and trademarks are examples of intangible assets.

Investment Pool	An entity created under code to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives are (in order of priority) preservation and safety of principal, liquidity, and yield.
IT	Information Technology
L.E.O.S.E.	Law Enforcement Officers Standard Education
LAN	Local Area Network
Levy	To impose or collect by legal authority.
Long Term Debt	Debt with a maturity of more than one year after the date of issuance.
Mandates or Mandated Expenses	Any expense relating to an authoritative command or instruction. Refers to the federal and state mandates governing municipalities, such as regulations establishing testing for water quality.
Market Value	The current face or par value of an investment multiplied by the net selling price of the security as quoted by a recognized market-pricing source quoted on the valuation date.
MG	Million Gallons
MGD	Million Gallons per Day
Modified Accrual Basis	The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under this basis, revenues are recognized when they become both "measurable" and "available to finance expenditures within the current period". Expenditures are recognized when the related liability is incurred except for : (1) inventories of materials and supplies which may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the note to the financial statements; (4) interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earnings on special assessment levies; and (5) principal and interest on long-term debt which are generally recognized when due.
NCIC/TCIC	National Crime Information Center/Texas Crime Information Center
Net Current Assets	The difference between current assets and current liabilities, also known as working capital.

Net Debt	General Obligation Debt net of debt service fund balance and self-supporting debt.
Net Taxable Value	The total assessed value of all property within the city that is available for taxation minus property eligible for tax exemption.
OPEB	Other Post-Employment Benefits.
Operating Budget	Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of the City are controlled. The use of an annual operating budget is required by State law.
Ordinance	A statute or regulation especially enacted by a city government.
Overlapping Debt	The proportionate share of the debts of local governments located wholly or in part within the limits of the reporting government which must be borne by property within each government.
P + Z	Planning + Zoning
Personnel Services	Costs relating to compensating employees, including salaries, wages, insurance, payroll taxes, and retirement contributions.
Property Tax	Also called ad valorem tax, this is the charge levied on all real, personal, and mixed property according to the property's valuation and the tax rate, in compliance with the State Property Tax Code.
Proprietary Fund	A fund established to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
Reserve	An account used to indicate that a portion of fund resources is restricted for a specific purpose, or is not available for appropriation and subsequent spending.
Resolution	A formal statement of a decision, determination or course of action placed before a city council and adopted.
Revenue Bonds	Legal debt instruments that finance public projects for such services as water or sewer. Revenues from the public project are pledged to pay principal and interest of the bonds. In Texas, revenue bonds may or may not be authorized by public referendum.

Revenues	Funds received by the government as income, including tax payments, fees for specific services, receipts from other governments, fines and forfeitures, grants and interest income.
SCADA	Supervisory Control and Data Acquisition
SCBA	Self Contained Breathing Apparatus
Seal Coat	Asphalt restoration and maintenance technique used to recondition city streets and thoroughfares.
Special Revenue Fund	A separate fund that accounts for resources legally restricted to expenditures for specific operational purposes. The Hotel/Motel Tax Fund or the Court Technology Fund would be examples of a special revenue fund.
Tax Rate	The amount of tax levied for each \$100 of assessed value for real, personal, or mixed property. The rate is set each year by the City Council of the City of McGregor, Texas.
Taxes	A sum of money levied on sales, real, personal and mixed property by a government for its support or for specific services.
TIF	Tax Increment Financing.
Unencumbered Balance.	The amount of an appropriation that is neither expended nor encumbered. It is the amount of money still available for future purchases.
Working Capital	Current assets less current liabilities. The term is used to indicate unencumbered fund balances in Enterprise Funds.



Top Ten Taxpayers

Taxpayer Name	Market Value	Taxable Value
Ferguson Enterprises Inc	\$ 77,533,490	\$ 64,497,432
Space X Company	\$ 26,092,095	\$ 26,092,095
Purina Mills, LLC	\$ 4,721,330	\$ 4,721,330
First National Bank of McGregor	\$ 4,400,240	\$ 4,400,240
Progressive Waste Solutions	\$ 4,282,150	\$ 4,282,150
Behlen Manufacturing	\$ 4,206,350	\$ 4,206,350
Oncor Electric Delivery Co LLC	\$ 3,621,270	\$ 3,621,270
Jim Turner Chevrolet	\$ 3,529,270	\$ 3,529,270
Transtech Fabrication LLC	\$ 7,764,820	\$ 3,449,025
Automotive Properties LP	\$ 3,277,210	\$ 3,277,210

City of McGregor
RECAP OF ALL DEBT
FYE 9/30/19

	GENERAL DEBT SERVICE				BANK NOTES			TOTAL ENT FD DEBT OBLIGATION			TOTAL
											ALL DEBT
	Principal	Interest	Total	JD ROLLER (STREETS)	FIRE TRK (FIRE)	JD BACKHOE (STR/W/WW)	FNB (AIRPORT)	Principal	Interest	Total	
2019	390,000	346,348	736,348	11091	67490	27540	34,019	569,619	246,759	816,378	1,692,867
2020	425,000	338,936	763,936	11091	50760		34,019	589,065	227,773	816,838	1,676,644
2021	435,000	323,208	758,208		50760		34,019	495,000	208,140	703,140	1,546,127
2022	460,000	306,937	766,937		50760		32,992	515,000	192,962	707,962	1,558,651
2023	475,000	289,674	764,674		50760			530,000	175,185	705,185	1,520,619
2024	495,000	271,736	766,736		50760			550,000	156,919	706,919	1,524,415
2025	525,000	249,922	774,922		1		1	580,000	137,903	717,903	1,492,826
2026	545,000	226,564	771,564					590,000	117,848	707,848	1,479,412
2027	570,000	209,949	779,949					520,000	97,444	617,444	1,397,393
2028	585,000	193,049	778,049					540,000	79,594	619,594	1,397,643
2029	600,000	175,651	775,651					565,000	60,750	625,750	1,401,401
2030	620,000	157,412	777,412					555,000	40,525	595,525	1,372,937
2031	640,000	138,405	778,405					90,000	20,475	110,475	888,880
2032	660,000	118,529	778,529					90,000	17,325	107,325	885,854
2033	675,000	97,786	772,786					95,000	14,175	109,175	881,961
2034	700,000	76,473	776,473					100,000	10,850	110,850	887,323
2035	720,000	53,809	773,809					105,000	7,350	112,350	886,159
2036	655,000	29,940	684,940					105,000	3,675	108,675	793,615
2037	140,000	7,855									
2038	145,000	2,654									
	10,460,000	3,614,837	13,779,328	22,182	321,291	27,540	135,013	7,183,684	1,815,652	8,999,336	23,284,726

ORDINANCE O-8-18

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS, ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2018 AND ENDING ON SEPTEMBER 30, 2019 AND MAKING APPROPRIATIONS FOR EACH DEPARTMENT, PROJECT, AND ACCOUNT FOR SAID YEAR IN ACCORDANCE WITH THE CITY CHARTER OF THE CITY OF MCGREGOR, TEXAS, AND THE LAWS OF THE STATE OF TEXAS; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Manager of the City of McGregor, Texas, has submitted a proposed budget to the City Council of the City of McGregor, Texas, setting forth the estimated revenues and expenditures of said city as required by Article VII, Section 7.2 of the Home Rule Charter of the city of McGregor; and

WHEREAS, a copy of the budget has been filed with the City Secretary of the city of McGregor, Texas; and

WHEREAS, the City Council finds that all provisions pertaining to the adoption of the budget contained in the Code of Ordinances of said City and the laws of the State of Texas have been in all things complied with; and

WHEREAS, after full and final consideration, the City council has determined that the budget should be approved and adopted and that the appropriations for each department, project and account for said fiscal year should be approved and adopted as proposed;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS, THAT:

SECTION 1. The above recitals are hereby found to be true and correct and are incorporated herein for all purposes.

SECTION 2. The budget containing the estimate of the revenue of the city of McGregor, Texas, and the expenses of conducting the affairs thereof for the fiscal year beginning on October 1, 2018 and ending on September 30, 2019, as submitted to the City Council by the City Manager of Said City, be and the same is, in all things adopted and approved as the budget estimate of all current expenses and fixed charges against said city for the fiscal year ending on September 30, 2019. A copy is attached hereto and incorporated herein for all purposes as Exhibit "A."

SECTION 3. There is hereby appropriated from the funds indicated for such proposed respectively, such sums of money as may be required for the accomplishment of each of the projects, operations, activities, purchases or other expenditures proposed for any department, the total amount of estimated costs of the projects, operations, activities, purchases and other expenditures for such departments.

SECTION 4. The City Manager is hereby authorized to make intra-department and inter-department fund transfers during the fiscal year as becomes necessary in order to avoid over expenditure of a particular account.

SECTION 5. SEVERABILITY CLAUSE. If any section, subsection, paragraph, sentence, clause, phrase or word in this Ordinance or the application thereof to any person or

circumstance is held to be invalid or unconstitutional, such holding shall not affect the validity of the remaining portions of the Ordinance, and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity or unconstitutionality.

SECTION 6. EFFECTIVE DATE. This Ordinance shall take effect immediately from and after its passage, approval and adoption.

PASSED, APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS, THIS THE 27th DAY OF AUGUST, 2018.



CITY OF MCGREGOR


JAMES S. HERING
MAYOR

ATTEST:


ANGELIA SLOAN
CITY SECRETARY

ORDINANCE O-9-18

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS, APPROVING THE 2018 CERTIFIED TAX ROLL FOR THE CITY OF MCGREGOR, TEXAS.

WHEREAS, the McLennan County Appraisal District certifies the tax roll for each entity in McLennan County on an annual basis; and

WHEREAS, the McLennan County Appraisal District has provided a Certified Tax roll for the Tax Year 2018 to be used in the development of the Fiscal Year 2018-2019 Budget for the purpose of providing municipal services to the citizens of McGregor; and

WHEREAS, the City Council of the City of McGregor desires to formally adopt the Certified Tax Roll pursuant to Section 26.09(e) of the Texas Property Tax Code;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS, THAT:

SECTION 1. The above recitals are hereby found to be true and correct and are incorporated herein for all purposes.

SECTION 2. The City Council of the City of McGregor hereby approves and adopts the 2018 Certified Tax Roll of the City of McGregor, Texas in the amount of \$394,665,563 based on the Certified Tax Roll as approved by the McLennan County Appraisal District.

SECTION 3. This Ordinance shall take effect immediately from and after its passage, approval and adoption.

PASSED, APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS, THIS THE 27th DAY OF AUGUST, 2018.



CITY OF MCGREGOR

**JAMES S. HERING
MAYOR**

ATTEST:


**ANGELIA SLOAN
CITY SECRETARY**

ORDINANCE O-10-18

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS, ADOPTING A TAX RATE, PROVIDING FOR THE ASSESSMENT, LEVY AND COLLECTION OF AD VALOREM TAXES FOR THE CITY OF MCGREGOR, TEXAS, FOR THE YEAR 2018 ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY AS OF JANUARY 1, 2018, NOT EXEMPT BY LAW; PROVIDING REVENUES FOR THE PAYMENT OF CURRENT MUNICIPAL EXPENSES; PROVIDING FOR THE COLLECTION OF TAXES AND THE ENFORCEMENT OF COLLECTIONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of McGregor, Texas, has passed, approved and adopted the Budget for the Fiscal Year beginning on October 1, 2018 and ending on September 30, 2019; and

WHEREAS, certain revenues for sources other than ad valorem taxes will be available for a portion of the expenditures in the Budget; and

WHEREAS, ad valorem taxes should be levied and collected with the additional revenues to meet the remaining portion of such expenditures;

WHEREAS, this tax rate will raise more taxes for maintenance and operations than last year's tax rate; and

WHEREAS, the tax rate will effectively be raised by eight percent (8%) and will raise taxes for maintenance and operations on a \$100,000 home by \$2.99.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS, THAT:

SECTION 1. The above recitals are hereby found to be true and correct and are incorporated herein for all purposes.

SECTION 2. The City Council of the City of McGregor does hereby levy and adopt the tax rate on \$100 assessed valuation for the tax year 2018 as follows:

\$0.413697 for the purpose of maintenance and operations;

\$0.180313 for the purpose of principal and interest of debt of the City;

\$0.594010 total tax rate.

SECTION 3. The Tax Assessor/Collector is hereby authorized to assess and collect the taxes of the City of McGregor, Texas.

PASSED, APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS, THIS THE 27TH DAY OF AUGUST, 2018.

CITY OF MCGREGOR



JAMES S. HERING
MAYOR

ATTEST:



ANGELIA SLOAN
CITY SECRETARY

BOARDS AND COMMISSIONS

McGregor Economic Development Corporation

Frank Leos
John Hudson
Anthony Ocampo
Brandon Young

Ottis Foster
Kevin Houchin
Andrew Henderson, Sr.

Planning and Zoning Board

Bonnie Mullens
David Lillard
Donnell Pollard
Danny Benítez

Pat Richardson
Joe Franks
Wes Byas

Zoning Board of Adjustments

Jeff Burgess
Ella Kelley
Gene Taylor
Chad Saylor (Alt)

Vacant
Dylan Gee
Vacant (Alt)

Building and Standards Commission

Mike Buchanan
William Denton
Don Bohne
Erik Benitez (Alt)

Bernice Danforth
Linda Thomas
George Ehgotz (Alt)

Joint Airport Zoning Board

Chad Ainsworth (McGregor)
Alice Rodriguez (Waco)
Kyle Paschall (McGregor)

Malcolm Duncan (Waco)
Johnny Mankin (McGregor/Waco)

Board of Adjustments for the Airport Zoning Board

Tony Fox (McGregor)
Alice Rodriguez (Waco)
Vacancy (Chair)

Kevin Houchin (McGregor)
Jim Bush (Waco)

Administrative Agency for the Joint Airport

Kevin Evans (McGregor)
Clint Peters (Waco)

Mike Olson (McGregor)
Dale A. Fisseler (Waco)

Historic Commission

Marcie Paschall
Joe Diaz
Dinah Mills

Watson Arnold
Geneva Watley

ORDINANCE O-11-18

AN ORDINANCE OF THE CITY OF MCGREGOR, TEXAS AMENDING APPENDIX A – FEE SCHEDULE TO THE CODE OF ORDINANCES; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of McGregor, Texas is a Home Rule City; and

WHEREAS, the City Council of the City of McGregor desires to provide for the general health, safety and welfare of its citizens; and

WHEREAS, the City Council of the City of McGregor desires to adopt and establish certain fees for services to set forth in the Fee Appendix to the Code of Ordinances; and

WHEREAS, the City Council of the City of McGregor desires to provide a schedule of fines, charges, fees and permits for services provided to the commercial and residential property owners within the corporate limits and the extraterritorial jurisdiction of the City; and

WHEREAS, the City Council deems it to be in the best interest of the City of McGregor to periodically review all pertinent fees, rates, charges, fees and permits recovers the cost associated with providing such services, including operation and maintenance to commercial and residential users within the corporate limits and the extraterritorial jurisdiction of the City; and

WHEREAS, the City Council has conducted a review of its fines, rates, charges, fees and permits and has determined that it is in the best interest of the general health, safety and welfare of the citizens of the City of McGregor to amend and establish the fees herein to recover the cost of service, operation and maintenance associated with these municipal activities; therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MCGREGOR, MCLENNAN COUNTY, TEXAS, AS FOLLOWS:

SECTION 1. All the above premises are hereby found to be true and correct legislative findings of the City and are hereby approved and incorporated herein to the body of this Ordinance as if copied in their entirety.

SECTION 2. The Fee Appendix of the City of McGregor Code of Ordinances is hereby amended as set forth in Exhibit “A” as are attached hereto and incorporated herein for all purposes and such fees are hereby adopted.

SECTION 3. The amended Fee Appendix shall apply to all services provided to commercial and residential users within the corporate limits and extraterritorial jurisdiction of the City.

SECTION 4. REPEAL OF CONFLICTING ORDINANCES. All ordinances, orders, resolutions and fee schedules heretofore passed and adopted by the City Council of the City of McGregor, Texas are hereby repealed to the extent said ordinances, orders, resolutions and fee schedules, or part thereof, are in conflict herewith.

SECTION 5. SEVERABILITY CLAUSE. If any section, article, paragraph, sentence, clause, phrase or work of this Ordinance or application thereto any person or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 6. EFFECTIVE DATE. The fact the present ordinances and regulations of the City of McGregor, Texas, creates an emergency for the immediate preservation of public business, property, health, safety and general welfare of the public that requires that this Ordinance shall become effective from and after October 1, 2018 and it is accordingly so ordained.

PASSED, APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS, THIS THE 27th DAY OF August 2018.

CITY OF MCGREGOR

James S. Hering, Mayor

ATTEST:

Angelia Sloan, City Secretary

EXHIBIT “A”

CITY OF MCGREGOR

FEE APPENDIX (2018)

SCHEDULE I. ADMINISTRATIVE (NON-DEPARTMENTAL)

Check Fees

Returned Check Fee	\$ 35.00
NSF Electronic Check Fee	\$ 35.00

Copies (Non-Standard Size)

Audio/Visual Recording	\$ 2.50
Compact Disc	\$ 3.00
Other Charges	Actual Cost

Fax Charges

Local	\$ 1.00
Long Distance/ Same Area Code (per page)	\$ 1.50
Long Distance/ Other Area Code (per page)	\$ 2.00

Public Information

Paper Copy – Standard Size (8 1/2 x 11) per page	\$.10
Oversized Paper Copies (11x17) per page	\$.50
Color Copies (per page)	\$ 1.00
Posting/Shipping Charges	At Cost

Notary Fee (1 st signature)	\$ 6.00
Notary Fee (each additional)	\$ 1.00

SCHEDULE II. ANIMAL CONTROL

Animal Transportation/Impound fees	\$ 85.00
Dangerous Animal Registration	\$ 50.00

City Licenses

Dogs	\$ 6.00
Cats	\$ 6.00
Duplicate Tag	\$ 6.00
Misc. Service Fee	\$ 75.00

SCHEDULE III. BUILDING, DEVELOPMENT & ZONING

New Residential Construction

Building	\$.21 sq. ft. of living + garage
Electrical	\$.05 sq. ft. of living + garage
Plumbing	\$.05 sq. ft. of living + garage
Mechanical	\$.02 sq. ft. of living + garage

GENERAL PERMITS

Auction/Sales	\$ 60.00
Carport Permit	\$ 50.00 min, \$.20 per sq. ft.
Commercial Accessory	\$ 75.00 min, \$ 9 per \$ 1,000.00
Commercial Building – New	\$ 320.00 min, \$.21 per sq. ft.
Commercial Remodel	\$ 125.00 min, \$ 9 per \$ 1,000.00
Commercial Plan Review (In house)	\$ 1000.00
Commercial Plan Review (Outsourced)	Cost + 15 %
Deck	\$ 30.00
Demolition	\$ 50.00
Duplex	\$ 260.00, \$.21 per sq. ft.
Fence	\$ 35.00
Flat work	\$ 40.00 min, \$.02 per sq. ft.
Foundation Repair	\$ 30.00
Garage Enclosure	\$ 90.00 min, \$ 8 per \$ 1000.00
Gas	\$ 30.00
Hot Tub/ Spa	\$ 100.00
Land Clearing, Filling or Grading	\$ 240.00
Lawn Sprinkler System	\$ 25.00 base, \$ 1.00 per head/\n\$ 10.00 Backflow
Multi Family Building	\$ 290.00 min, \$.20 per sq. ft.
Re-Inspect Fee	\$ 50.00
Residential Accessory Building/Patio Cover	\$ 50.00 min, \$.20 per sq. ft.
Residential Plan Review	\$ 150.00
Roof Permit	\$ 50.00
Residential Remodel	\$ 75.00 min, \$ 8.00 per \$ 1000.00
Other items Not covered in Fee Schedule	\$ 50.00
Ex: add elec circuit, remove or add single wall	

Sign

Up to 72 sq. ft.	\$ 40.00
Up to 200 sq. ft.	\$ 60.00
200sq. ft. & larger	\$ 100.00
Swimming Pool (above/In)	\$ 150.00

Certificate of Occupancy	\$ 50.00
Temporary Certificate of Occupancy – 90 days	\$ 50.00
Temporary Certificate of Occupancy – 30 days	\$ 25.00

Contractor Registration

Registration Fee	\$ 100.00
Less than 90 days	\$ 50.00
Annual Renewal Fee (before January 1)	\$ 75.00

Electrical

New or Change out Service	\$ 50.00
T Pole/Temporary Service	\$ 35.00
Up to 200 amp (per meter)	\$ 50.00
Over 200 amp (per meter)	\$ 100.00
Sign Circuit	\$ 50.00
Swimming Pools	\$ 50.00

Mechanical

Base Fee	\$ 50.00
Heating, Duct, AC	\$ 5.00 (each)

Plumbing

Base Fee	\$ 60.00
Per Drain, Trap, Fixture	\$ 5.00
Water line, Sewer Line	\$ 35.00

Network Nodes

Application Fee	\$ 100.00 for 30 nodes max
Annual Public Right of Way Rate Fee	\$ 25.00 per node
Node Support Pole	\$ 100.00 each
Transfer Facility application fee	\$ 100.00 each
Annual Transfer Facility rental rate	\$ 28.00 monthly per network node site
Collocation of Network Nodes on Service Poles	\$ 20.00 per year per pole

PLANNING & ZONING

Document Copies

Comprehensive Plan	\$ 30.00
Zoning Ordinance	\$ 30.00
Subdivision Ordinance	\$ 30.00
Zoning Map (11x17) Black and white	\$ 10.00
Zoning Map (11x17) Color	\$ 25.00

Plats

Application for Abandonment	
Of Public Right of Way	\$ 300.00
Minor plats/ Replats (Pre&Final)	\$ 400.00
Major Plats over 20 Acres (Preliminary)	\$ 400.00
Major Plats over 20 Acres (Final)	\$ 400.00
Amended Plats	\$ 400.00
Filing Fees	Actual Cost
Rezone Application Fee	\$ 400.00
Specific Use Permit Application Fee	\$ 400.00
Variance Application Fee	\$ 400.00
Adult Oriented Business Permit	\$ 500.00

SCHEDULE IV. BUSINESS LICENSE

Amusement Deposit	\$ 300.00
Amusement Permit	\$ 150.00
Bondsman License	\$ 110.00
Domino Hall License	\$ 60.00
Game room (1 video game only)	\$ 25.00
Game room (8-liners only)	\$ 500.00
Massage Business License (without State License)	\$ 110.00
Masseur/Masseuse License (without State License)	\$ 60.00
Taxi Permits	\$ 60.00
Video/Electric Game License Fee (each)	\$ 15.00
Wrecker License	\$ 85.00
Open Air Vending	\$ 125.00 per year 2 locations max

Peddlers & Solicitor's License

Application Processing	\$ 50.00
Annual	\$ 500.00
Monthly	\$ 100.00

SCHEDULE V. CODE ENFORCEMENT

Garage Sale Permit	\$ 10.00
Junkyard/Wrecking Yard Fee (Annual)	\$ 50.00
Mowing Fee (Code Violations)	\$ 225.00 + cost
Filing fees	At Cost

SCHEDULE VI. ENGINEERING

City Limits & ETJ Map	Actual Cost
City Limits & ETJ Map (Back & White)	Actual Cost
City Limits & ETJ Map (Auto CAD File)	Actual Cost
Color Plots	Actual Cost

Standard Construction Specifications	Actual Cost
Street Map	Actual Cost
Street Map (Black & White)	Actual Cost
Street Map (Auto CAD File)	Actual Cost

SCHEDULE VII. MUNICIPAL COURT

Municipal Court Security Fee	\$ 3.00
Municipal Court Technology Fund	\$ 4.00

SCHEDULE VIII. PARKS AND RECREATION

Park Facilities

Softball Fields	
Deposit (Non-refundable per day)	\$ 25.00
Hourly Rate	\$ 25.00
Day Rental Rate	\$ 100.00
Practice Rate (2 hr session)	\$ 25.00
Lighted Fields (Night Use)	\$ 200.00

Pavilions

Deposit (Non-refundable per day)	\$ 10.00
2 Hour Minimum	\$ 15.00
Day Rental	\$ 25.00

Cemetery

Maintenance	\$ 100.00
Administrative Fee	\$ 50.00
City Resident Lot	\$ 350.00
Non-City Resident	\$ 450.00

Swimming Pool

Admission	
Children (0-5 years of age)	\$ 2.00
Children (Age 6 and Older)	\$ 3.00
Summer Swim Pass (single)	\$ 50.00
Summer Swim Pass (family of 4)	\$ 150.00
Summer Swim Pass (additional family member – each)	\$ 25.00

Lessons

Public Lessons (2 week Session)	\$ 60.00
Private Lessons (2 week Sessions)	\$ 75.00
Water Aerobics (price of regular admission or season pass)	TBA

Rental

Deposit (non-refundable)	\$ 100.00
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Pool Parties (2-hour rental; fee + 2 lifeguards)	\$ 100.00
Additional Fee (51-75 people)	\$ 25.00
Additional Fee (76-100 people)	\$ 50.00
Additional Fee (101-125 people)	\$ 75.00
Additional Lifeguard	\$ 20.00
Other items Not covered in Fee Schedule	\$ 75.00

Schedule IX. POLICE

Adjudicated and Probationary Judgements	\$ 60.00
Alarm Fee (Excessive False Alarm)	\$ 50.00
Bicycle Registration	\$ 2.00
Criminal History Letters	\$ 6.00
Escort Fee (Funerals-per officer)	\$ 50.00
Escort Fee (Movers- per officer)	\$ 50.00
Fingerprints (per card)	\$ 10.00
Notary	\$ 6.00
Offense & Accident Reports	\$ 10.00
Photographs	\$ 5.00
Police Security (Min. 2 Officers @ events with Alcohol)	\$ 35.00/Hr/ Officer
Warrant Insurance Fee	\$ 50.00

SCHEDULE X. STREETS

Signs

Combination (Street and Stop)	\$ 155.00
Stop or Yield (each)	\$ 145.00
Street Sign (each)	\$ 130.00
Street Patch	\$ 31.00 per sq ft
Street Cut Fee	\$ 100.00
Clean up Fee for Spills (8am-5pm)	\$ 550.00 per hr
Clean up Fee for Spills (after Hours)	\$ 1.5 x Standard fee
Other items Not covered in Fee Schedule	\$ 75.00

SCHEDULE XI. UTILITIES

Customer Service

Customer Service Inspection	\$ 35.00
Required Residential Brush Removal (monthly)	\$ 3.00
Brush Removal (Customer Requested)	\$ 65.00 per ton
Late Charge	\$ 25.00
Meter Rereads (If meter is read correctly by City)	\$ 25.00
Meter Data Log Report	\$ 35.00

New Service Connection Fee	\$ 30.00
Disconnect Fee	\$ 20.00
Non-Payment/Admin Fee	\$ 50.00
Connect Fee (After Hours or customer requested)	\$ 100.00
Transfer Fee	\$ 30.00
Water Deposit (No History)	\$ 125.00
Water Deposit (municipal debt of applicant and/or Others residing at same residence)	\$ 250.00
Commercial Deposit	\$ 150.00 Min or two months average whichever is greater
Water Tap Investigation	\$ 25.00
Basic Service Call (8am-5pm)	\$ 50.00 2 trips
Basic Service Call after hrs (5pm-8am)	\$ 100.00
Customer requested meter test in City (plus service call fee)	
Sent to Shop	\$ 100.00
In Field	At Cost
Customer requested meter test outside City	
Sent to shop	\$ 150.00
In Field	At Cost
Tampering/ Obstructed/ Damaged Meter or cutoff	
Pull meter charge/ Unauthorized Usage	\$ 150.00 min
Tampering with the water or wastewater System and its appurtenances	\$ 2000.00 min.
Other items Not covered in Fee Schedule	\$ 75.00

Fire

Fire Hydrant Meter Deposit	\$ 1200.00
Fire Hydrant Rental Charge (monthly)	\$ 60.00
Fire Hydrant water usage fee (per 1000 gallons)	\$ 8.00

Installation and Remodeling of Fire Protection System

Hood and Duct Suppression System	\$ 40.00 plus 2.50 per head
Sprinkler System	\$ 65.00 plus 0.30 per head
Standpipe System	\$ 65.00 plus 5.00 per outlet
Fire Pump Installation	\$ 65.00
Fire Alarm System	\$ 65.00 plus 1.00 per device
Commercial Paint Booth System	\$ 55.00 plus 2.50 per head
Other Fire Suppression System	\$ 35.00 plus 2.50 per head

Facility Inspections

Hospitals, Nursing Homes, Retirement Centers, MHMR homes, Rehab centers, shelters, group homes	\$ 100.00 plus .50 per bed
EXAMPLE 300 bed hospital - $100 + (300 \times .50) = 250.00$	

Daycare Centers, foster homes, pre-school centers \$ 75.00 plus .50 per licensed child
 EXAMPLE Daycare licensed for 10 kids - $75 + (10 \times .50) = 80.00$

Other Operational Permits

Hazardous operations or storage
 (service stations, flammable liquid storage) \$ 35.00 plus 1.00 per nozzle -per
 year
 Installation of underground Fire Mains \$ 65.00
 Re-inspection fee for failed any testing \$ 150.00
 Emergency (afterhours or weekends) inspection fee \$ 200.00

Wastewater

Sewer Taps \$ 300.00
 Sewer tap investigation via CCTV (2hr min) \$ 200.00
 Each additional hour \$ 100.00
 Septic Hauler permit/ 1st truck \$ 25.00 per day
 Additional Truck \$ 15.00 per adl. truck

Wastewater Rates

Demand Fee \$ 35.09
 Flat Rate (per 1000 gal) \$ 3.50
 Residential (Customer Winter Average Dec. – Feb.) Demand Fee + \$ 3.50 per 1000 gal.
 NEW Residential Customer Demand Fee + \$ 3.50 per 1000 gal.
 (City Winter Avg. will be used until Customer
 Winter Average is established)
 Commercial Demand Fee + \$ 3.50 per 1000 gal.
 (Calculated on monthly water usage)

Water Rates

Bulk \$ 9.26 per 1000

Demand Fee	Inside City	Outside City
.750 inch	\$ 36.06	\$ 41.39
1.000 inch	\$ 60.09	\$ 68.93
1.500 inch	\$ 120.16	\$ 137.87
2.000 inch	\$ 192.24	\$ 220.58
3.000 inch	\$ 384.50	\$ 441.18
4.000 inch	\$ 600.79	\$ 689.33
6.000 inch	\$ 1201.56	\$ 1253.32
8.000 inch	\$ 1922.50	\$ 2205.85
10.000 inch	\$ 3076.00	\$ 3537.40

Water Volumetric Rates (gal)	Inside City	Outside City
0-2,000	\$ 3.79	\$ 4.36
2,001-25,000	\$ 6.71	\$ 7.71
25,001-50,000	\$ 7.62	\$ 8.75
Over 50,001	\$ 8.63	\$ 9.91

Water Taps (installed/ meter set only)

.750 inch	\$ 450.00
1.000 inch	\$ 500.00
2.000 inch	\$ At Cost
4.000 inch	\$ At Cost
6.000 inch	\$ At Cost
8.000 inch	\$ At Cost

Water Taps (not installed)

.750 inch	\$ 1700.00
1.000 inch	\$ 1800.00
2.000 inch	\$ 4500.00
4.000 inch	\$ 13450.00
6.000 inch	\$ 15500.00
8.000 inch	\$ 18200.00
10.000 inch	\$ 25000.00

SCHEDULE XII.

AIRPORT

Hangars

1-10 (41'W x 31'D x 14'H)	\$ 130.32
11-20 (41'W x 36'D x 12'H)	\$ 130.32
21 and 30 (44'W x 31'D x 14'H)	\$ 162.90
22-29 (44'W x 31'D x 14'H)	\$ 152.04
31-39 (58'W x 45'D x 16'H)	\$ 190.05
41-48 (41'W x 36'D x 12'H)	\$ 152.04
51-54 (41'W x 33'D x 12'H)	\$ 162.90
55 and 60 (41'W x 33'D x 12'H)	\$ 168.33
56-59 (41'W x 33'D x 12'H)	\$ 162.90
61 (57'W x 33' D x 12'H)	\$ 275.00
62-70 (43'W x 33' D x 12'H)	\$ 250.00
Storage Hangar 1 & 2	\$ 91.45
Security Deposit	\$ 100.00
Aircraft User Fee	\$ 10.00

SCHEDULE XIII.**HEALTH SERVICES****Food Establishments**

Item	Fee Basis	Member	Non-Member
Childcare Food manager Class	Per Student	\$ 40.00	\$ 40.00
Childcare food worker class	Per Student	\$ 20.00	\$ 20.00
Copy State Food establishment rules (TFER) ³		\$ 10.00	\$ 15.00
Duplicate of any Food Class		\$ 1.00	\$ 1.00
Food Establishment with seating permit ²	1-30 seating cap.	\$ 150.00	\$ 200.00
Food Establishment with seating permit ²	31-100 seating cap.	\$ 225.00	\$ 300.00
Food Establishment with seating permit ²	101 or more seating	\$ 350.00	\$ 450.00
Food Establishment w/out seating permit ²	Less than 2500 sq. ft.	\$ 150.00	\$ 200.00
Food Establishment w/out seating permit ²	2501-10000 sq. ft.	\$ 225.00	\$ 300.00
Food Establishment w/out seating permit ²	10001 or more sq. ft.	\$ 350.00	\$ 450.00
Food Manager Certification Course	Per Student	\$ 100.00	\$ 100.00
Food safety Class (for food employees)	Per Student	\$ 20.00	\$ 20.00
Heimlich maneuver poster ³		\$ 5.00	\$ 5.00
Late Payment Fee	Per Month	\$ 20.00	\$ 20.00
Mobile Food Vendor Fee ²	Per Vehicle	\$ 150.00	\$ 200.00
Re inspection Fee		\$ 75.00	\$ 100.00
Re instatement of suspended permit		\$ 75.00	\$ 100.00
School Food Service Permit ²	Based on sq. ft. of kitchen/ food op area		
Temporary Food Establishment permit	Events 1 to 14 days	\$ 40.00	\$ 50.00
Temporary Food Establishment permit	With Coordinator. No Limit		
	# Of Vendors	\$ 100.00	\$ 125.00
Temporary Food Establishment permit	Late Payment Fee	2X Normal	2X Normal

Notes:

¹ No fee for a permit is required for food establishments that are 501(c)(3) non-profit organizations or a religious organization defined as a church in I.R.C. § 170(b)(1)(A)(1).

²Permits renewed annually using same fee schedule.

³One complimentary poster provided per establishment.

Public Swimming Pool and Spa Fees

Item	Fee Basis	Member	Non-Member
Copy of State Department of Health Standard for Public Pools and Spas ¹		\$ 5.00	\$ 7.00
Late permit payment fee (per month)		\$ 20.00	\$ 20.00
Permit to operate pool or spa (each)		\$ 125.00	\$ 150.00
Re inspection Fee		\$ 75.00	\$ 100.00
Wading pool included in facility		No Fee	No Fee

Notes:

¹One complimentary copy provided per permit holder

RESOLUTION R-14-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS, ADOPTING THE INVESTMENT POLICY IN COMPLIANCE WITH THE PUBLIC FUNDS INVESTMENT ACT.

WHEREAS, Chapter 2256 of the Texas Government Code, commonly known as the "Public Funds Investment Act," requires the city to annually adopt an investment policy by rule, order, ordinance or resolution; and

WHEREAS, the Public Funds Investment Act requires the investment officer of the city to attend investment training; and

WHEREAS, the City of McGregor approves of the investment training courses outlined in the investment policy; and

WHEREAS, the investment officer of the city will attend an investment training course, as required by the Public Funds Investment Act; and

WHEREAS, the attached investment policy and incorporated revisions comply with the Public Funds Investment Act, as amended, and authorize the investment of city funds in safe and prudent investments.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS, THAT:

The City of McGregor, Texas has complied with the requirements of the Public Funds Investment Act, and the Investment Policy, as amended, attached hereto as "Exhibit A," is hereby adopted as the investment policy of the city effective October 1, 2018.

PASSED, APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS, THIS THE 8th DAY OF October 2018.



ATTEST:


ANGELIA SLOAN
CITY SECRETARY

CITY OF MCGREGOR


JAMES S. HERING
MAYOR



CITY OF MCGREGOR, TEXAS

INVESTMENT POLICY

October 2018

CITY OF MCGREGOR, TEXAS INVESTMENT POLICY

PREFACE

It is the policy of the City of McGregor (the "City") that after allowing for the anticipated cash flow requirements of the City and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate of return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for City funds. The City's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law. The City will invest public funds in a manner that will provide the maximum security and a market rate of return while meeting the daily cash flow demands of the City.

The City is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written Investment Policy for the investment of public funds. These policies serve to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the "Act"]) to define, adopt and review a formal investment strategy and policy.

**CITY OF MCGREGOR
INVESTMENT POLICY**

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1. PURPOSE. The purpose of this investment policy (the “Policy”) is to set forth specific investment policy and strategy guidelines for the City in order to achieve the goals of safety and liquidity, achieve a market rate of return, and maintain public trust in all investment activities. On an annual basis, the City Council shall review the investment strategy and policy and shall approve Policy revisions, if any, by formal resolution.

2. INVESTMENT STRATEGY. The City maintains a comprehensive and proactive cash management program that is designed to monitor and control all City funds to ensure maximum utilization and yield a market rate of return. (For the purpose of this policy, a “market rate of return” refers to the approximate interest rate that could be earned by an investor in a specific maturity range at any given point in time. For example, an investor seeking to earn a market rate of return while maintaining an investment portfolio with an average maturity of 90 days, would hope to earn approximately the same as a three-month agency discount note. If the investor earns a rate much higher than this, it might signal an inappropriate level of risk.) The basic and underlying strategy of this program is that all of the City’s funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as now exist and are subject to change. The investment strategy emphasizes low credit risk,

diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the investment officers. The allowable investment instruments as defined in Section 6 of this Policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require.

2.1 The primary investment strategy and objectives of the City as specified in this Policy (See Section 4.) are listed below, in their order of importance:

- Safety and preservation of principal;
- Maintenance of sufficient liquidity to meet operating needs;
- Achieve a market rate of return on the investment portfolio; and
- Seek at all times to maintain public trust by adhering to the above stated objectives.

2.2 The list of investments authorized by this Policy intentionally excludes some investments allowed by state law. The restrictions limit possible credit risk and provide the maximum measure of safety. Within the investment objectives, the investment strategy is to utilize authorized investments for maximum advantage to the City. To increase the interest earnings for funds identified as being available for investment over longer periods of time based upon a cash requirements projection, the City will consider the following strategies:

2.2.1 **Strategy No. 1.** Diversifying the City's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the City Council. An investment pool is an entity created to invest public funds jointly on behalf its' participants and whose investment objectives in order of priority match those objectives of the City. Funds are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve diversification. Funds that may be needed on a short-term basis but that are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

2.2.2 **Strategy No. 2.** Building a ladder of Investment Policy authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- It is straight-forward and easily understood;
- It represents a prudent diversification method;
- All investments remain within the approved maturity horizon;

- It will normally allow the City to capture a reasonable portion of the yield curve; and
- It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

2.2.3. **Strategy No. 3.** At this time, the City does not use an investment management firm. Should the City determine a need, the following strategy will apply:

Pursuant to the Public Funds Investment Act (Texas Government Code 2256.003), the City may, at its discretion, contract with an investment management firm registered under the Investment Advisors Act of 1940 (15 U.S.C. Section 80b-1 et seq.) and with the State Securities Board to provide for investment and non-discretionary management of its public funds or other funds under its control.

An appointed Investment Advisor shall act solely in an advisory and administrative capacity, within the guidelines of this Investment Policy. At no time shall the advisor take possession of securities or funds or otherwise be granted discretionary authority to transact business on behalf of the City. Any contract awarded by the City Council for investment advisory services may not exceed two years, with an option to extend by mutual consent of both parties.

Duties of the Investment Advisor shall include, but not be limited to, assistance in purchasing securities, securities clearance, producing required reports, pricing the portfolio, performing due diligence on broker/dealers, market monitoring and economic review.

Any Investment Advisor contracted by the City shall abide by the *Prudent Expert Rule*, whereby investment advice shall, at all times, be given with the judgment and care, under circumstances then prevailing, which persons paid for their special prudence, discretion and intelligence in such matters exercise in the management of their client's affairs, not for speculation by the client or production of fee income by the advisor or broker, but for investment by the client with emphasis on the probable safety of the capital while considering the probable income to be derived.

2.2.4. **Strategy No. 4.** The City will maintain portfolio(s) that utilize four specific investment strategy considerations designed to address the unique characteristics of the fund group(s) represented in the portfolio(s):

2.2.4.1 Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio that will experience minimal volatility during economic cycles through diversification by security type, maturity date and issuer. All security types, as authorized by this policy, are considered suitable investments for the operating and pooled funds.

2.2.4.2 Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date(s). These funds have predictable payment schedules. Therefore investment maturities shall not exceed the anticipated cash flow requirements.

2.2.4.3 Investment strategies for debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund. Managing the Debt Service Reserve Fund's portfolio maturities to not exceed the call provisions of the bond issue will reduce the investment's market risk if the City's bonds are called and the reserve fund liquidated. No investment maturity shall exceed the final maturity of the bond issue.

2.2.4.4 Investment strategies for special projects or capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. Market conditions and arbitrage regulations will influence the investment of capital project funds. When market conditions allow, achieving a positive spread to applicable arbitrage yield is the desired objective, although at no time shall the anticipated expenditure schedule be exceeded in an attempt to increase yield.

2.2.5 **Strategy No. 5 - Hold until Maturity.** The strategy of the City is to maintain sufficient liquidity in its portfolio so that it does not need to sell a security prior to maturity. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the City Manager must be obtained. Securities may be sold prior to maturity by the Investment Officer at or above their book value at any time. The result of all sales of securities prior to maturity shall be reported to the City Manager within two business days of the sale. The report shall provide the amount of proceeds from the sale, including accrued interest to the date of sale, less the current book value and the dollar amount of gain on the sale.

2.2.6 **Strategy No. 6 - Pooling of Deposits and Investments.** All demand deposits of the City will be concentrated with one central depository. This procedure will maximize the City's ability to pool cash for investment purposes, and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the City may be eligible to bid on City investments, subject to the approval of the City Manager.

2.2.7 **Strategy No. 7 - Depository Bank Relationships.** This Policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract that will be managed to a level that minimizes the cost of the banking relationship to the City, while allowing the City to earn an appropriate return on idle demand deposits.

2.2.8 **Strategy No. 8 - Single Pooled Fund Group.** A single strategy is specified, in accordance with the single pooled fund group as defined in this Policy. However, earnings from investments will be allocated on a pro-rata cash basis to

the individual funds and used in a manner that will best service the interests of the City.

2.2.9 Strategy No. 9 - Maximizing Investable Cash Balances. Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

3. SCOPE. The Investment Policy shall govern the investment of all financial assets considered to be part of the City entity and includes the following funds or fund types: the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Funds, Trust and Agency Funds, Debt Service Funds, and any other funds which have been contractually delegated to the City for management purposes. The City may add or delete funds as may be required by law, or for proper accounting procedures. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the City by outside agencies under retirement or deferred compensation programs. Additionally, bond funds (including debt service and reserve funds) are governed by bond ordinances and are subject to the provisions of the Internal Revenue Code and applicable federal regulations governing the investment of bond proceeds.

4. INVESTMENT OBJECTIVES. Funds of the City shall be invested in accordance with all applicable Texas statutes, this Policy and any other approved, written administrative procedures. The four objectives of the City's investment activities shall be as follows (in the order of priority):

4.1 Safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the City. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities, as defined in this Policy, by qualifying the financial institutions with whom the City will transact business and through portfolio diversification. Safety is defined as the undiminished return of the principal on the City's investments.

4.2 Liquidity. The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the City's cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as will provide the liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements, or to otherwise favorably adjust the City's portfolio, in accordance with Section 2.2.5 above.

4.3 Market Rate-of-Return (Yield). The City's investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner that seeks to attain a market rate of return throughout budgetary and economic cycles. The City will not attempt to consistently attain an unrealistic above market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the City's rate of return objective is secondary to those of safety and

liquidity. Rate of return (yield) is defined as the rate of annual income return on an investment, expressed as a percentage.

4.4 Public Trust. All participants in the City's investment program shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might involve a conflict of interest or otherwise impair public confidence in the City's ability to govern effectively. All officials of the City having either a direct or indirect role in the process of investing idle funds shall act responsibly as custodians of the public trust.

5. INVESTMENT RESPONSIBILITY. As provided in this policy, the daily operation and management of the City's investments are the responsibility of the following person.

5.1 Delegation of Authority. The City Manager and the Director of Finance are authorized to deposit, withdraw, invest, transfer or manage in any other manner the funds of the City. Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall establish written procedures for the operation of the investment program, consistent with this Policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. All persons involved in investment activities will be referred to in this Policy as "Investment Officers." No persons may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Director of Finance. The Director of Finance shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate Investment Officials. The system of controls shall be designed to provide reasonable assurance that the assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:

- (1) the cost of a control should not exceed the benefits likely to be derived; and
- (2) the valuation of costs and benefits requires estimates and judgments by management.

Commitment of financial and staffing resources in order to maximize total return through active portfolio management shall be the responsibility of the City Council.

5.2 Prudence. The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:

- 5.2.1 the investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and

5.2.2 whether the investment decision was consistent with the written investment Policy and procedures of the City.

5.3 Due Diligence. The Investment Officer acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments. All Investment Officers involved in investment transactions will be bonded.

5.4 Ethical Standards and Conflicts of Interest. All City Investment Officers having a direct or indirect role in the investment of City funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

5.5 Investment Training. The Investment Officers shall attend at least one training session of at least ten (10) hours relating to the officer's responsibility under the Public Funds Investment Act within twelve (12) months after assuming duties, and attend an investment training session not less than once every two years, receiving an additional ten (10) hours of training. Such training from an independent source shall be approved by the City Manager and endorsed by the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, the North Central Texas Council of Governments, or the University of North Texas Center for Public Management.

6. AUTHORIZED INVESTMENTS. As stated previously, safety of principal is the primary objective in investing public funds and can be accomplished by limiting two types of risk — credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to repay principal and interest in full. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the City's primary objective, only certain investments are authorized as acceptable investments for the City. The following list of authorized investments for the City intentionally excludes some investments authorized by law. These restrictions are placed in order to limit possible risk and provide the maximum measure of safety to City funds.

6.1 Authorized and Acceptable Investments. The authorized list of investment instruments are as follows:

- (1) Obligations of the United States or its agencies and instrumentalities, excluding mortgage-backed securities.
- (2) Direct obligations of the State of Texas, or its agencies and instrumentalities.
- (3) Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-backed securities.
- (4) Collateralized Certificates of Deposit. A certificate of deposit issued by a depository institution that has its main office or a branch office in the state and is:
 - guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - secured by obligations that are described by Section 2256.009(a) of the Public Funds Investment Act, including mortgage backed securities directly issued by a federal agency or instrumentality, but excluding those mortgage backed securities of the nature described in Section 2256.009(b) of the Act; or
 - secured in any other manner and amount provided by law for deposits of the City.

In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principle and interest of each CD federally insured, may be purchased through a selected depository institution with its main office or branch office in Texas.

This depository shall act as the custodian for the various certificates on behalf of the City.

- (5) Eligible Local Government Investment Pools. Public funds investment pools which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code, provided that:
 - the investment pool has been authorized by the City Council;
 - the pool shall have furnished the Investment Officer an offering circular containing the information required by Section 2256.016(b) of the Texas Government Code;
 - the pool shall furnish the Investment Officer investment transaction confirmations with respect to all investments made with it;

- the pool shall furnish to the Investment Officer monthly reports containing the information required under Section 2256.016(c) of the Texas Government Code;
- the pool is continuously rated no lower than "AAA" or "AAA-m" or an equivalent rating by at least one nationally recognized rating service;
- the pool marks its portfolio to market daily;
- the pool's investment objectives shall be to maintain a stable net asset value of one dollar (\$1.00); and
- the pool's investment philosophy and strategy are consistent with this Policy.

(7) Regulated No-Load Money Market Mutual Funds. These investments are authorized, under the following conditions:

- the money market mutual fund is registered with and regulated by the Securities and Exchange Commission;
- the fund provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
- the fund has a dollar-weighted average portfolio maturity of ninety (90) days or less;
- the investment objectives include the maintenance of a stable net asset value of one dollar (\$1.00) per share; and
- the fund is continuously rated no lower than "AAA" or an equivalent rating by at least one nationally recognized rating service.

The City may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund.

(8) Repurchase Agreements, Reverse Repurchase Agreements, Bankers' Acceptances; Commercial Paper. These investments are authorized for the City only to the extent that they are contained in the portfolios of approved public funds investment pools in which the City invests, or as otherwise provided below.

- The direct investment in reverse repurchase agreements, bankers' acceptances, and commercial paper by the City is not authorized.
- Fully flexible repurchase agreements are authorized in this Policy, to the extent authorized under the Public Funds Investment Act (Texas Government Code 2256.001.) The use of flex repos shall be limited to the

investment of bond proceeds and the maturity date of any such agreement shall not exceed the expected proceeds draw schedule.

6.2 Investment Instruments NOT Authorized. The following instruments are eligible for investment by local government according to state law, but they have been intentionally prohibited for the City by this Policy: mortgage-related obligations, guaranteed investment contracts, options, financial futures contracts and, day trading of long-term securities. In addition to these restricted investments, state law specifically prohibits investment in the following securities:

- (1) Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
- (2) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
- (3) Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.
- (4) Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

7. DIVERSIFICATION. Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities, as authorized in this Policy, and fully collateralized Certificates of Deposit, no more than fifty percent (50%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.

7.1 Diversification by Maturities. The longer the maturity of investments, the greater their price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three (3) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The City shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

The entire City portfolio, including funds at the City's depository bank, shall comprise one pooled fund group, and the maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio is two hundred seventy (270) days.

Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, may not exceed three (3) years.

7.2 Diversification by Investment Instrument. Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	<u>Percentage of Portfolio (Maximum)</u>
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities of Government-Sponsored Corporations	80%
Authorized Local Government Investment Pools	90%
Fully Collateralized Certificates of Deposit	100%
SEC-Regulated No-Load Money Market Mutual Funds	50%
Depository Bank	100%

7.3 The City shall invest local funds in investments yielding a market rate-of-return while providing necessary protection of the principal consistent with the operating requirements of this section or written policies.

8. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS. At this time, the City does not use Brokers or Dealers. Should the City determine a need, the following procedures and requirements will apply:

Financial institutions (federally insured banks) with and through whom the City invests shall be state or national banks domiciled in this state. No public deposit shall be made except in a qualified public depository as established by state laws. Brokers/Dealers authorized to provide investment services to the City may include only those authorized by the City Manager. All banking services will be governed by a depository contract awarded by the City Council. In addition, the Director of Finance shall maintain a list of authorized security brokers/dealers, and investment pools that are authorized by the City Manager and/or the City Council.

8.1 All financial institutions with whom the City does business must supply the following as appropriate: (1) audited financial statements; (2) proof of National Association of Securities Dealers (NASD) certification; (3) proof of state registration and completed broker/dealer questionnaire; (4) certification of having read the City's investment policy signed by a qualified representative of the organization, acknowledging that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the City and the organization.

8.2 An annual review of the financial condition and registration of qualified bidders will be conducted by the Director of Finance. The review may include, but is not limited to, review of rating agency reports, review of call reports, and analyses of management, profitability, capitalization, and asset quality. Financial institutions and brokers/dealers desiring to conduct business with the City shall be required to provide

any financial data requested by the City Manager or the Investment Officer. Upon completion of the annual review by the Director of Finance, the financial institutions and brokers/dealers desiring to conduct business with the City shall be approved by the City Manager.

8.3 Selection criteria for federally insured financial institutions shall include the following: (1) the financial institution must be insured by the FDIC and (2) the financial institution must be incorporated under the laws of the State of Texas or of the United States of America.

8.4 The Investment Officer of the City is responsible for monitoring the investments made by a financial institution and/or broker/dealer to determine that they are in compliance with the provisions of the Investment Policy.

9. DELIVERY VERSUS PAYMENT. It is the policy of the City that all security transactions entered into with the City shall be conducted on a "**DELIVERY VERSUS PAYMENT**" (DVP) basis through the Federal Reserve System. By doing this, City funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the City. The notification may be oral, but shall be confirmed in writing.

10. SAFEKEEPING AND COLLATERALIZATION.

10.1 **Safekeeping.** All securities owned by the City shall be held by its safekeeping agent, except the collateral for bank deposits. The collateral for bank deposits will be held in the City's name in the bank's trust department, or alternatively, in a Federal Reserve Bank account in the City's name, or a third-party bank, at the City's discretion. Original safekeeping receipts shall be obtained and held by the City. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure time deposits.

10.2 **Collateralization.** Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all city funds on deposit with a depository bank. The market value of the investments securing the deposit of funds shall be at least equal to the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral shall be held in the City's name, in a segregated account at the Federal Reserve Bank or by an independent third party with whom the City has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the City in the event the City has determined that the depository bank has failed to pay on any matured investments in certificates of deposit, or has determined that the funds of the City are in jeopardy for whatever

reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to the City and retained by the City. Any collateral with a maturity over five (5) years must be approved by the Investment Officer before the transaction is initiated. Release of collateral or substitution of securities must be approved in writing by the Investment Officer. Financial institutions serving as City depositories will be required to sign a "Depository Agreement" with the City and the City safekeeping agent. The collateralized deposit portion of the agreement shall define the City's rights to collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- the Agreement must be in writing;
- the Agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
- the Agreement must be approved by the Board of Directors of the Loan Committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
- the Agreement must be part of the Depository's "official record" continuously since its execution.

10.2.1 The City may accept the following securities as collateral for bank deposits (V.T.C.A., Government Code, Section 2256.001, et. seq, formerly Article 842a-2, Section 2, V.T.C.S., as amended);

- FDIC and FSLIC insurance coverage;
- A bond, certificate of indebtedness, or Treasury Note of the United States, or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States;
- Obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas;
- A bond of the State of Texas or of a county, city, or other political subdivision of the State of Texas having been rated as investment grade (investment rating no less than "A" or its equivalent) by a nationally recognized rating agency with a remaining maturity of ten years or less;
- Surety Bonds that meet the requirements of the Public Funds Investment Act; or
- Federal Home Loan Bank Letters of Credit.

10.2.2 For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market or par, whichever is lower. The market value of collateral will always equal or exceed the principal plus accrued interest of deposits at financial institutions.

10.2.3 Financial institutions, with which the City invests or maintains other deposits, shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the City, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. The City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

11. INTERNAL CONTROL. The Director of Finance shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this Policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the City's established investment policy.

12. PERFORMANCE. The City's investment portfolio shall be designed to obtain a market rate of return on investments consistent with risk constraints and expected cash flow of the City. The benchmark for performance that is appropriate for the City's cash flow cycle will be TexStar (a local government investment pool).

13. REPORTING. The Director of Finance shall submit a signed quarterly investment report that summarizes current market conditions, economic developments and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter, and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter.

13.1 Annual Report. Within 60 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council. The reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.

13.2 Methods. The quarterly investment report shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner that will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will be provided to the City Manager and City Council. The report will include the following:

- A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
- Additions and changes to the market value during the period;
- Fully accrued interest for the reporting period;
- Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
- Listing of investments by maturity date;
- The percentage of the total portfolio which each type of investment represents; and
- Statement of compliance of the City's investment portfolio with State Law and the investment strategy and policy approved by the City Council.

14. INVESTMENT POLICY ADOPTION AND AMENDMENT. The City's Investment Policy shall be adopted and amended by resolution of the City Council only. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. Any changes or modifications to this Investment Policy, if any, shall be approved, and adopted by a formal resolution of the City Council.

GLOSSARY OF TERMS

The Investment Policy contains specialized and technical terminology that is unique to cash management and investment activities. The following glossary of terms is provided to assist in understanding these terms.

Affinity. Related through marriage.

Agencies. See U.S. Agency securities.

Bankers' Acceptances. A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer. When discounted and sold in the secondary market, bankers' acceptances become a short-term investment alternative.

Book Value. The cost of a security as recorded in the City's accounting records. For purposes of evaluating a sale of a security, it is a function of the original cost, the amortization of premium or discount, and the accrued interest. Specifically, it is the face value of the security plus the accrued interest plus any unamortized premium or minus any unamortized discount. Book value is often compared to market value, which is defined below.

Broker. A person or company that, for a fee or commission, brings buyers and sellers of securities together.

Certificate of Deposit. A time deposit with a specific maturity evidenced by a certificate.

Collateral. In general, assets which one party pledges as a guarantee of performance. Specifically, securities pledged by a bank to secure deposits of public monies. In the event of bank failure, the securities become the property of the public entity.

Collateralized Mortgage Obligations (CMO's). Securities based on a pool of home mortgages.

Commercial Paper. An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. The maximum maturity for commercial paper is 270 days, but most frequently maturities do not exceed 30 days. Almost all commercial paper is rated by a rating service.

Consanguinity. Related by blood.

Coupon. The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. Also, a certificate attached to a bond indicating interest due on a payment date.

Credit Risk. The uncertainty that the principal amount of an investment will be returned without loss of value to the default of the borrower.

CUSIP. A unique security identification number assigned to securities maintained and transferred on the Federal Reserve book-entry system.

Dealer. A person or company that endeavors to profit from buying and selling investments for its own account.

Delivery Versus Payment (DVP). A method of delivering securities that requires the simultaneous exchange of the security and the payment. It provides a safeguard against paying for securities before they are received.

Demand Deposits. Deposits at a financial institution that are available to the depositor upon the depositor's demand.

Depository Bank. The primary bank of the City. The relationship between the depository bank and the City is governed by state law and by a depository contract that is approved by the City Council.

Discount. The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale is also considered to be at a discount.

Discount Securities. Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

Diversification. The strategy of dividing investments among a variety of securities offering independent risks and yields. Diversification lessens the likelihood of losing the entire portfolio of investments and averages yields among the investment alternatives.

Discount. The difference between the cost of a security and its value at maturity, in cases where the cost is less than the value at maturity.

Federal Deposit Insurance Corporation (FDIC). A federal agency that insures bank deposits.

Federal Funds Rate. The rate of interest at which Federal funds are traded. This rate is currently set by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB). Created in 1932, this system consists of 12 regional banks, which are owned by private member institutions and regulated by the Federal Housing Finance Board. Functioning as a credit reserve system, it facilitates extension of credit through its owner members. Federal Home Loan Bank issues are joint and several obligations of the 12 Federal Home Loan Banks.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac). A stockholder-owned corporation that provides a continuous flow of funds to mortgage lenders, primarily through developing and maintaining an active nationwide market in conventional mortgages.

Federal National Mortgage Association (FNMA or Fannie Mae). FNMA, a federal corporation, is the largest single provider of residential mortgage funds in the United

States. It is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted.

Fully Flexible Repurchase Agreement ("flex repo"). A specialized contract designed for the short-term investment of proceeds available from the sale of municipal bonds, notes and certificates. Flex repos allow for incremental repurchases, with the buyer/issuer (the City) retaining the right to force the seller to repurchase all, or a portion of, the sold securities held under repurchase agreement, at any time before the maturity date of the agreement, at a fixed rate for the life of the agreement.

Hold Until Maturity. This investment strategy is intended to avoid interest rate risk by maintaining ownership of an investment until it matures. At maturity, the face value of the security is received, but in some cases where a security is sold before maturity, less than the face value and the book value is received. Please see interest rate risk defined below.

Interest Rate Risk. The uncertainty of the return of principal on fixed rate securities that are sold prior to maturity. When interest rates rise, the market value of fixed rate securities decreases.

Internal Control. Policies and procedures that are established to provide reasonable assurance that specific government objectives are achieved and that assets are safeguarded.

Investment. The purchase of securities which, upon analysis, promise safety of principal and a satisfactory return. These factors distinguish investment from speculation.

Investment Objective. The aim, goal or desired end of action of the investment activity.

Investment Pool. An entity created to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are safety, liquidity, and yield. (Sometimes called Local Government Investment Pool.)

Investment Strategy. The overall plan or method proscribed to achieve the investment objectives of the City.

Laddered Maturity. An investment strategy whereby investments are purchased to mature at regular intervals.

Liquidity. The measure of an investment's ability to be converted quickly and easily into cash without a substantial loss of value.

Local Government Investment Pool. See **Investment Pool**.

Market Rate of Return. A general term referring to the approximate interest rate that could be earned by an investor in a specific maturity range at any given point in time. For example, an investor seeking to earn a "market rate of return" while maintaining an investment portfolio with an average maturity of 90 days, would hope to earn approximately the same as a three-month agency discount note. If the investor earns a rate much higher than this, it might signal an inappropriate level of risk.

Market Risk. The uncertainty of the value of the City's portfolio arising from changes in the market conditions of investment securities.

Market Value. The price, including accrued interest, at which a security is trading for which it can be readily sold or purchased.

Maturity. The date upon which the principal or stated value of an investment becomes due and payable.

Money Market Mutual Fund. A mutual fund that purchases short-term debt instruments, such as Treasury Bills, commercial paper, and bankers' acceptances, and which strives to maintain a stable net asset value of \$1.00.

Mutual Fund. Investment companies that sell shares to investors, offering investors diversification and professional portfolio management. Prices generally fluctuate with the performance of the fund.

Net Asset Value. The ratio of the market value of the portfolio divided by the book value of the portfolio.

Par. The value of a security as expressed on its face (face value) without consideration of a discount or premium.

Pledge. The grant of a collateral interest in investment securities by the depository bank as assurance of the safety of City deposits.

Pooled Fund Group. The combination of various accounts and funds of the City in a single, internally-created investing entity.

Portfolio. The collection of securities held by an investor.

Principal. The capital sum of an investment, as distinguished from interest.

Premium. The difference between the cost price and the face value at maturity in cases where the cost price is higher than the face value.

Rate-of-Return. See Yield.

Repurchase Agreement (REPO). An investment arrangement in which the holder of a security sells that security to an investor (the City) with an agreement to repurchase the security at a fixed price and on a fixed date.

Reverse Repurchase Agreement. An investment arrangement by which the City sells a security to a third party, such as a bank or broker/dealer, in return for cash and agrees to repurchase the instrument from the third party at a fixed price and on a fixed date. The City would then use the cash to purchase additional investments. This type of investment is prohibited in the City's portfolio, except to the extent used by local government investment pools with which the City invests.

Safekeeping. An arrangement whereby a bank holds securities and other valuables for protection in exchange for a fee.

Safety. The assurance of the undiminished return of the principal of the City's investments and deposits.

Secondary Market. A market for the purchase and sales of outstanding securities following their initial distribution.

SEC Rule 15C3-1 (Uniform Net Capital Rule). Security and Exchange Commission requirement that member firms and nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1.

Security. A financial instrument that signifies an ownership interest, the right to an ownership interest, or creditor status.

Security Risks. The uncertainty of the value of a security dependent on its particular qualities.

Time Deposits. Deposits at the depository bank that are not due and payable until a specific date.

United States Agency Securities. Debt instruments issued by an executive department, an independent federal establishment, or a corporation or other entity established by Congress which is owned in whole or in part by the United States of America.

United States Treasury Securities. Debt instruments issued by the Treasury of the United States. **Treasury Bills** are issued for short-term borrowings (less than one year); **Treasury Notes** are issued for mid-term borrowings (Two - ten years); **Treasury Bonds** are issued for long-term borrowings (over ten years).

Yield. The rate of annual income return on an investment, expressed as a percentage.

**TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION**

[SAMPLE]

CITY OF MCGREGOR, TEXAS

This certification is executed on behalf of the City of McGregor, Texas (the "City"), and _____ (the "Business Organization"), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the City and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and
2. The Qualified Representative of the Business Organization has received and reviewed the Investment Policy furnished by the City; and
3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City that are not authorized by the City's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of Business Organization

Firm: _____

Signature

Printed Name: _____

Title: _____

Date: _____