



**CITY OF CELINA'S ADOPTED
ANNUAL OPERATING BUDGET
FISCAL YEAR 2013—2014**



COVER PAGE

Recorded votes for adoption of FY 2013-2014 Annual Budget:

George Kendrick (Place #1)	Yes	Wayne Nabors (Place #2)	Yes
Vincent Ramos (Place #3)	Yes	Carmen Roberts (Place #4)	Yes
Bill Webber (Place #5)	Yes	Chad Anderson (Place #6)	Yes

Recorded votes for adoption FY 2013-2014 Tax Rate:

George Kendrick (Place #1)	Yes	Wayne Nabors (Place #2)	Yes
Vincent Ramos (Place #3)	Yes	Carmen Roberts (Place #4)	Yes
Bill Webber (Place #5)	Yes	Chad Anderson (Place #6)	Yes

Property Tax Rate	FY 2012-2013	FY 2013-2014
	\$0.64500	\$0.64500

Total Debt Obligations	FY 2012-2013	FY 2013-2014
	\$28,342,720.00	\$34,559,675.00

This budget will raise less revenue from property taxes than last year's budget by an amount of \$-57,808, which is a -1.73 percent decrease from last year's budget.

The property tax revenue to be raised from new property added to the tax roll this year is \$94,152.



City of Celina Annual Budget

For the Fiscal year
OCTOBER 1, 2013 Through SEPTEMBER 30, 2014

CITY LEADERSHIP:

SEAN TERRY Mayor
CARMEN ROBERTS Mayor Pro-Tem Place #4

George Kendrick Place #1
Wayne Nabors Place #2
Vincent Ramos Place #3
Bill Webber Place #5
Chad Anderson Place #6

PROPOSED AND SUBMITTED BY:
MIKE FOREMAN City Manager

PREPARED BY:
JAY TOUTOUNCHIAN Director of Finance

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Published in accordance with the City of Celina Home Rule Charter

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Budget Message

City Manager's Message

Budget Message



September 10, 2013

**The Honorable Mayor, Mayor Pro-tem and City Council
City of Celina, Texas**

Dear Honorable Mayor Terry, Mayor Pro-tem Roberts and City Council:

As the City Manager of Celina, I have the distinguished pleasure of leading a team of employees who are responsive to citizens needs and who act in an ethical way to provide high performance solutions to the challenges and needs of our community.

The employees of the City of Celina serve as a bridge between you and the citizens. Their job is to provide vision, goals and objectives that use the available resources to deliver the services needed to provide innovative change for the present and the future.

With the new developments and growth in the upcoming years, our budget will allow for expanded customer service such as repairs of existing streets, sidewalks and storm drainage that have been on our Capital Improvement Project Plan for some time now. Although the fiscal challenges of the past are improving with slight increases in revenues, our staff will continue to maintain an eye for improving service delivery methods while continuing a fiscally conservative management style that meets or exceeds our expanding needs.

During the past year our staff has been able to implement various programs to improve our response to citizens and to promote quality of life through managing our City's unique resources. We have reviewed and made changes to the City's website, made improvements to public safety through continuing our Best Practices Program in our Police Department and are implementing a similar program in our Fire Department. Additionally the City of Celina



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purchased a fire station site and additional parkland to aid in the continuance of our Park Master Plan. The Dallas Business Journal recognized The City of Celina for the Best Real Estate Deals in the Single- Family/Planned Community category for the Light Farms Master Planned Community.

We hired a new Recreation Manager who continued to create new programs for kids and adults to use our existing parks for relaxation and competition. We continued to invest in our Main Street program by hiring a full time Main Street Director who has expanded the program to include new and exciting special events that provide additional avenues for our citizens, young and old, to enjoy our historic downtown square. Some of these successful events were our First Annual Cajun and Crawfish Festival, Splash and Blast Festival and 20th Annual Main Street Golf Tournament. Additional businesses have invested in our downtown and provided an economic boost to our square.

The City Council, Economic Development Corporation and City Staff have used a teamwork approach, along with a common vision and goals to recruit new businesses to our community. While Texas leads the nation in economic recovery, we diligently continue to identify the future economic development needs of Celina. In the near future there will be a fierce competition between local governments for development in this new rising economy. This strategy will ensure that the City provides ample opportunity for developers to put down roots in Celina.

We have continued to expand our communication mediums by including citizens in ongoing meetings onsite and online this year in such successful missions as our Comprehensive Development Plan, Thoroughfare Plan, and Water and Sewer Master Plan. We have also updated zoning districts to allow for quality development that will complement the historic qualities of our community. The City continued to work with developers to create fair



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partnerships that provide opportunities for quality growth in Celina while placing less of a burden on our existing citizens.

The Public Works Department planned and received grant funding for the expansion of Frontier Parkway on the border of our neighboring city, Prosper. They partnered with TxDOT to relocate utilities and strategically plan median openings and drive approaches for the widening of Preston Road, a project that will be completed in the spring of 2015. The Water and Sewer Departments used grant funding to replace a sanitary sewer lift station with a sewer line that connects Carter Ranch subdivision with the Doe Branch sewer line. They also used grant funding to make repairs to come into compliance with TCEQ regulations at our existing sewer plant.

Our Finance Department was able to reissue bonds to provide savings on interest for several previous bond issuances. They continued to creatively develop long-term capital investment and financing plans that have stabilized our financial condition while maintaining compliance with a constantly changing regulatory environment.

The Library has constantly strived to meet our citizen's needs by keeping up with the evolution of technology thru providing Wi-Fi hotspots on the square and e-readers that can be used to access a variety of publications. Although budgets have been tight and grants harder to find, they have expanded our children's section and are partnering with outside agencies to continue to meet their needs.

Remember that our staff is always available to you for questions and suggestions. We are a participatory form of government with many opportunities for you to volunteer to serve your



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City Manager's Message

community. We are also a focused team that has an extreme customer service perspective. Many of our employees have served other communities for many years and bring their expertise here to Celina to provide a positive community experience while striving for economic viability, increased citizen involvement and uncommon vision for the future of this community.

Mike Foreman

City Manager

City of Celina





September 10, 2013

**The Honorable Mayor, Mayor Pro-tem and City Council
City of Celina, Texas**

Dear Honorable Mayor Terry, Mayor Pro-tem Roberts and City Council:

Presented herewith is the City of Celina's adopted operating budget for fiscal year October 1, 2013 through September 30, 2014. This document contains spending plans and revenue estimates for the General Fund, the Debt Service Fund and the Water and Wastewater Fund.

The total adopted operating budget is \$15,876,692. This spending plan provides \$6,600,018 for the General Fund and transfers, \$1,905,086 for the Debt Service Fund, \$3,578,973 for the Water and Wastewater Fund, and \$3,792,615 for the Capital Outlay Fund.

This operating budget provides funding for basic services, critical needs, equipment replacement and facility upgrades. The city's operating departments have continued the development of the budget that identifies the impacts of current year programs and commitments for the future.

As shown in the Budget Summary Section, this budget plan adheres to the City's financial policies and preserves the City's strong financial position while providing excellent level of service to its citizens.

Document Organization and Presentation

This budget document is intended to give the reader a comprehensive view of funding for the City's day-to-day operations, scheduled capital improvement expenditures, and principal and interest payments for outstanding long-term debt and capital leases. The operations are organized into programs of service or operating departments to give the public a clear idea of how resources are allocated.



The City Profile section presents an informative overview of Celina, a list of Council members and an organizational chart of City operations. In this tab we have provided a series of charts and graphs illustrating historical trends for important operating influences such as building activities, sales tax and taxable property values.

The Budget Summaries section includes a summary of revenue and expenditures for each operating fund. This section will combine the revenue and expenditures along with chart and graph.

The General Fund section contains line item detail for all operating revenues, including last year's operating budget, last year end estimate for comparison. This section provides a program of service overview for each operating department outlining major business functions, key customers, and customer expectation and requirements. Additionally, staffing levels and expenditure summaries for each General Fund Department with prior year budget and actual for comparison purpose.

Similar presentations are provided for the Water/ Wastewater Utility Fund.

The Debt Service Funds section provides a summary of the annual principal and interest payments for all outstanding bonded debt. This section also contains line item detail for the Interest & Sinking General Obligation Bonded fund and Interest & Sinking Revenue Bonded fund revenues.

The Tax Information and Levy section provides calculation of the city property tax; along with a historical presentation of the property tax rate, and a property tax and debt summary schedule.

Budget Development Process

Definition of the Budget Process

The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets. A good budget process is far more than the preparation of a legal document that appropriates funds for a series of line items. Good budgeting is a broadly defined process that has political, managerial, planning, communication, and financial dimensions. The following definition recognizes the broad scope of the budget process and provides a base for improvement of the budget process.

The budget process consists of activities that encompass the development, implementation and evaluation of a plan for the provision of services and capital assets.

The Mission of the Budget Process

The mission statement below identifies the central goal of the budget process. It incorporates both political and managerial aspects, as well as a responsibility to report and account for the provision of services and use of resources. Communication and involvement with citizens and other stakeholders is stressed. The broad nature of the mission allows issues to be addressed that have limited the success of budgeting in the past.

The mission of the budget process is to help decision makers make informed choices for the provision of services and capital assets and to promote stakeholder participation in the decision process.



The City’s budget is a complex document and represents the culmination of months of preparation and discussion among Council, City Manager, Finance Director and the departments regarding the best ways to provide services to the community at the greatest value. This budget was developed consistent with the City’s high performing philosophy which strives to simultaneously delivery high products and service quality, outstanding customer value and sound financial performance. City departments worked very closely with the Finance Department to draft a budget that fit within revenue expectations and key departmental goals.

As required by the City’s Charter, the proposed budget was provided to the city council by July 30th. Concurrently, copies of the proposed budget are made available to the public on the City’s website and on file at the City Secretary’s Office. The City Council considers the proposed budget and provides public hearings where public input regarding the budget programs and financial impact is heard.

The budget is formally adopted by the City Council during the regular City Council meeting in September. The budget goes into effect on October 1.

Budget Key Dates

February	Budget Kickoff
March - April	Departmental submission of budget documents
May	Executive review of Departmental Proposed Budget
June	Budget Retreat
July	Tax roll certification by Chief Appraiser City Manager submits Proposed Budget to the City Council
August	Publication of proposed tax rate
September	Proposed Budget submitted and approved by the City Council



October Budget becomes effective

Performance Measurement

The management of the City of Celina believes that it is important to not only plan for and provide adequate levels of quality service, but to also provide a means of measuring and reporting the result of its efforts. The Finance Department provides quarterly reports that discuss how each department is performing which ultimately can determine the value of programs and opportunities for improvements.

This budget attempts to provide basic measurement data regarding changes in funding for various departments. The manner in which this measurement data is presented is a standard bar chart reflecting comparative expenditures for the current and most recent fiscal year. Due to the nature and complex operation of each department, it is next to impossible to provide a single or even a few statistical measures. However funding comparisons provide a broad view of changes in level of service for the departments.

With regard to the fiscal year ending on September 30, 2013, the City of Celina anticipates another solid performance in terms of financial condition and quality of service provided to its citizen. Financial policies will be met and the City's strong financial position will be maintained. Substantial progress has been made toward the goals set by the Council for the City and its departments and levels of service have continued to meet the demand of the City of Celina's growing community.

Trend Analysis

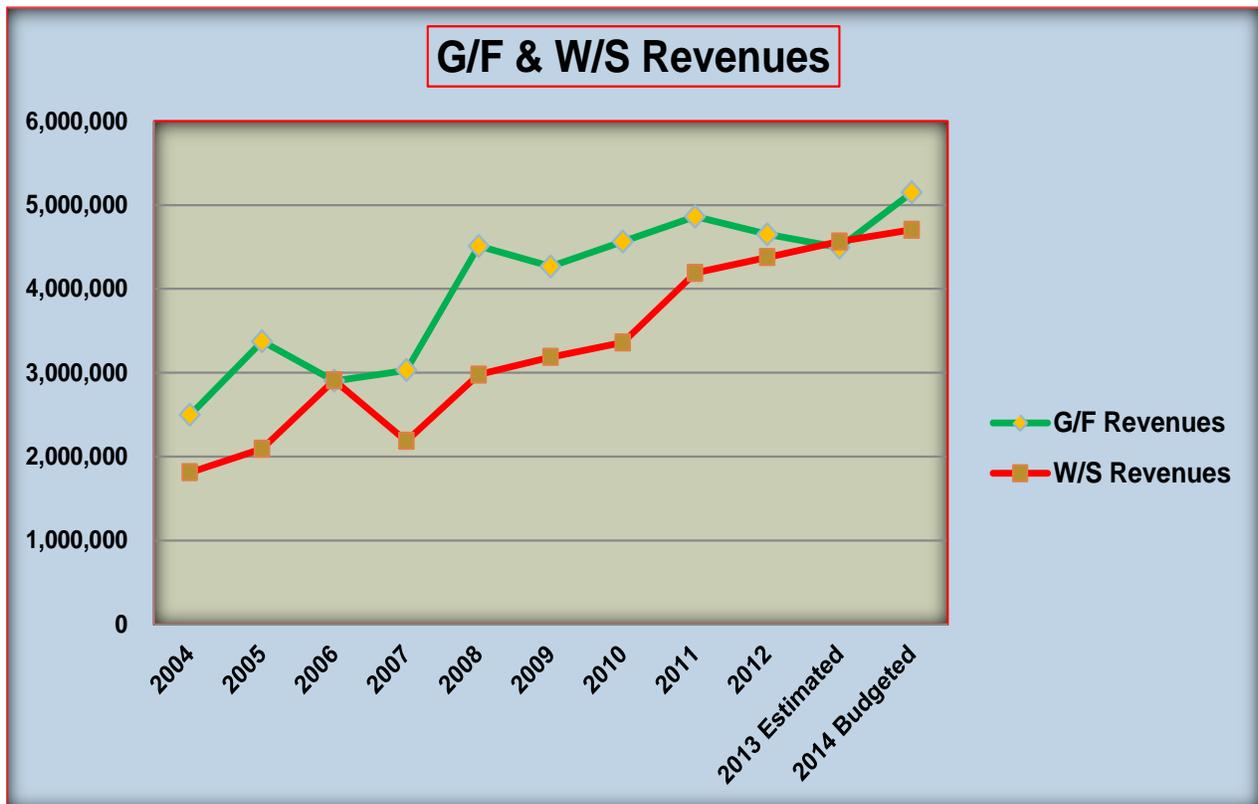
The City of Celina utilizes a fiscally conservative strategy when projecting revenues and expenditures.

Revenues and expenditures are closely monitored by the Finance Department along with oversight from City Manager's office so that adjustments to spending levels can be

implemented, if needed. The City considers many factors as presented through this budget document along with trend analysis to develop and manage the budget as year progresses.

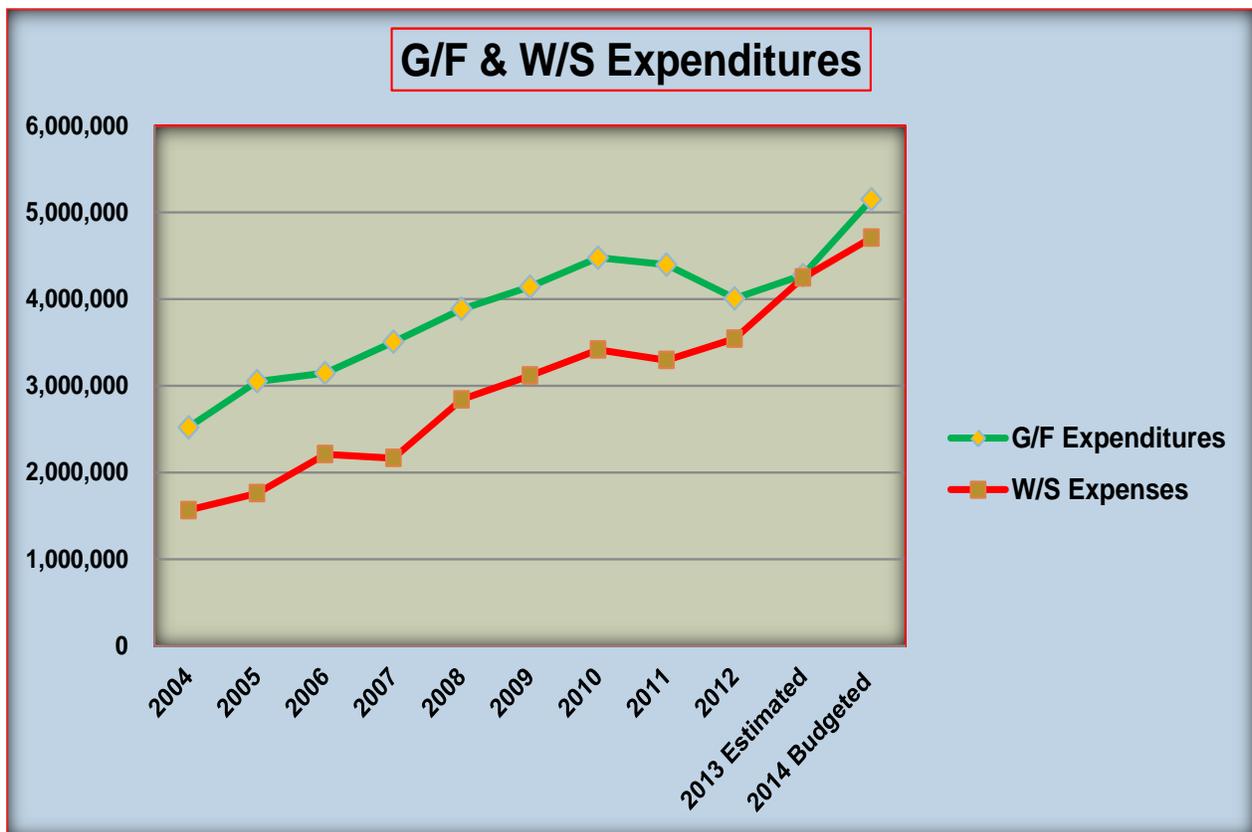
Revenue Trends

The City of Celina utilizes a fiscally conservative strategy when projecting revenues. Residential and commercial growths, along with economic expectations, are primary drivers in estimating revenues. In the past several years the City of Celina has enjoyed a relatively stable upward revenue trend. This trend was caused by growth in population, property values, sales tax and improvement in housing sector. The economic slowdown had some effect on General Fund and Utility Fund revenues, but as can be seen in the graph this slowdown movement has leveled off and we anticipate this stabilization continuing in the near future.



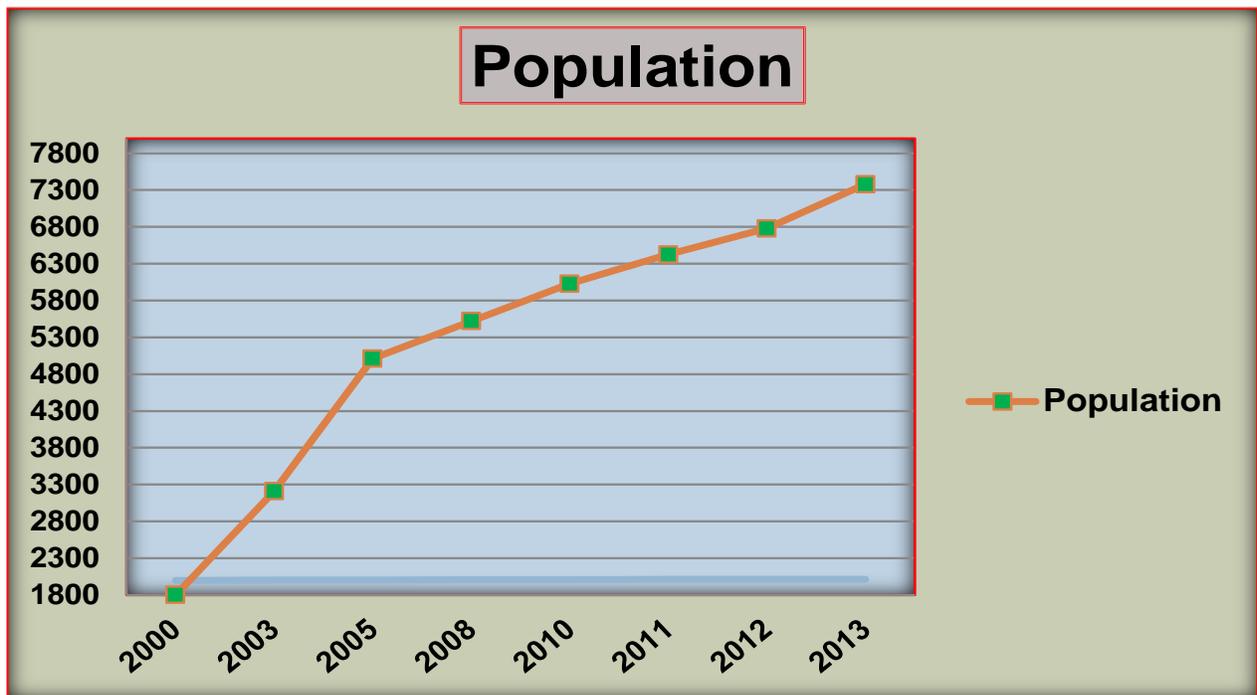
Expenditures Trends

Expenditures trends are projected using prior year's spending patterns in conjunction with assessing the impact of current year influences such as departmental objectives and goals. In this year's budget we have applied the same fiscally conservative strategy that allows us to modify spending, if needed.



Economic Outlook and Revenue Projection for Fiscal Year 2013 – 2014

Despite the current U.S. economy nationwide, indicators show that the state and regional economy remains healthy. Unemployment rate is on average one percent lower than the national average and the job creation and housing market are showing strong recovery. In considering this spending plan, it is important to keep in mind the fact that the City of Celina is located within Collin County, which is one of the fast growing counties in the state. A growing population directly influences the housing industry and, ultimately the property tax base. This budget reflects continued growth in and around the city.



The City understands that diversification of Celina’s economy is a key to financial stability. The retail market is bouncing back and the North Texas area has been noted for its strength. The City of Celina’s leadership is working tirelessly to make Celina the major destination for retail business.



Revenue Assumptions

Revenue assumptions in general for the ensuing fiscal year are expected to follow the growth curve of job creation, population growth, retail sales activity and housing start. Other revenues, such as property and sales tax revenue are forecasted using historical data in conjunction with economic condition of the area. The total certified value of all taxable property, as rendered by the Collin County Appraisal District, is shown in the chart below.

	Adopted for FY 2013	Adopted for FY 2014
Total Taxable Value	\$481,096,517	\$505,896,214
Tax Rate	64.50 cents / \$100	64.50 cents / \$100

To fund operations, such as police service, street maintenance, fire and EMS services, library, parks and recreation and debt service on outstanding debt, the City levies a tax on all taxable property. This budget includes a tax rate of 64.50 cents per \$100 of property value which remains unchanged from previous year. This tax rate is less than effective rate, which provides less amount of revenue than collected from properties on the tax roll last year. Sales tax collection is on the rise for the City of Celina. Sales tax revenue for fiscal year 2012-2013 was \$726,928 which includes 25% for EDC and 25% for CDC. The City portion of the sale tax for fiscal year 2012-2013 was \$363,464, which is the remaining 50%. The sales tax revenue source is extremely important to the City in that it reduces property tax and makes up approximately Seven percent of the general revenue. The sales tax as a revenue figure is subject to economic cycles and discretionary buying characteristics of the consumer and, accordingly, must be monitored and projected carefully. This is especially important in fiscal year 2013-2014 due to construction of Texas State Highway 289.



Following are the brief explanation for other revenue categories:

Franchise Fee Revenue

Franchise fee revenue represents a vital portion of the City's general revenues. This revenue is derived from major public utilities operating within the City and is intended to reimburse the City for use of public streets and right of way. The franchise fee revenue growth is expected to reflect population and commercial development growth rates.

Licenses, Permits and Fees

Revenues from these categories are intended to cover the costs of general governmental services such as building inspection, plat recording and consultation, subdivision review, site plan fees to assist in recovering costs associated with the development review process, fire inspection fees for commercial construction and other various services.

Police Department Fines and Costs

Revenues in this category are produced through payment of citations, warrants and court costs. The citations issued by the Police Department are processed through and collected or adjudicated by the Municipal Court. Although the Police Department continues to expand significant resources on Community Oriented Policing; which focuses on reduction of crimes by attacking the root of the problem not the symptoms, revenue is generated due to continued focus on traffic law enforcement.

Recreation Program Fees

The City of Celina created the Parks & Recreation Department to generate revenue through field usage and concession stand fees. These fees help to partially offset the costs of operating the Celina Park system. Fees are established by anticipating membership activity and program usage.



Water/Wastewater Utility Fund Transfer

Transfer from Water/Wastewater Utility Fund to the General Fund is \$325,000.00 that represents approximately 6.9% of the Water/Wastewater Utility Fund's revenues. The transfer is designed to reimburse the General fund for services it provides to the Water/Wastewater Utility Fund such as: office space, financial services, administrative services, engineering services, infrastructure repair, information technology, and various other services and benefits.

Water/Wastewater Utility Fund Revenue

The Water/Wastewater Utility operations are funded primarily through user fees. The City's utility infrastructure and service delivery systems have been carefully planned and have sufficiently met demand for a growing customer base. Providing safe, clean, and reliable drinking water is a critical city service. Investments in drinking water and wastewater systems protect public health, the environment, provide fire protection, and ensure that there is an adequate water supply to support the City's growing population. Adequate water supply is often a determining factor in economic development opportunities. To continue to meet the project service demand of existing and new customers, the Water/Wastewater Utility system faces a significant capital improvement program. The investments are needed to keep pace with the increase population demand, replacing aging lines, the investment is also necessary to ensure compliance with the federally mandated Clean Water Act and Safe water Drinking Act. The City of Celina is in a unique situation unlike any other city in Texas. Celina has an unlimited water supply in its disposal through Upper Trinity water supplier. The City sets utility rate based on the cost of service. This model establishes an equitable rate structure for total cost recovery. In order to fund the capital improvement program and to meet increasing system demand and operational cost pressure, multiple-year rate increases were implemented.

Water/Wastewater Impact Fees

Water and Wastewater impact fees are collected for all new residential and commercial connections to the City's utility. These fees are designed to help offset the costs of serving new connections to the utility system, and under the authority by which these fees are collected; the



fees are restricted in their use. Specifically, impact fees the City collects are set aside for designated utility projects and may also be used toward current debt service on existing facilities, which serve new connections.

Expenditures Assumptions

Personnel

The City currently supports a staff of 52 approved full-time equivalent employees (FTEs) allocated among operating departments. This adopted budget includes a net increase of 3 full-time equivalent employees over last year’s total of 49 FTEs.

New job positions in this budget for the upcoming year are presented below.

Department	FTE	Position Classifications
Planning & Development Services	2	Engineer & Building Inspector
Police	1	Secretary
Total	3	

Personnel Compensation

This adopted budget includes Three percent wage increase and it does intend to compensate staff at current market rate.

Texas Municipal Retirement System (TMRS)

The City provides pension benefits for all of its full-time employees through the state-wide Texas Municipal Retirement System. Over the past several years, significant changes have been adopted by TMRS. The major changes include a change in actuarial cost method, changing the amortization period for actuarial liabilities, and changes to fund structuring. The fund structure changes provide for greater efficiency and reduce the City’s annual contribution rates.



Police Services

For fiscal year 2013-2014 the police department budget includes funding of eight full-time equivalent police personnel as well as one full-time equivalent secretary. This staffing level will allow the department to continue to meet the needs of our growing community.

Fire/EMS Services

The Fire Department personnel funding is for a total of 11 full-time equivalent staff members. This level of service affords an average four-minute response time to Celina residents.

Following table demonstrate an analysis of expenditures for the General Fund as well as Water/wastewater Utility Fund.

General Fund Expenditures Analysis

Departments	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	FY 14 Budget to FY 13 Year End Estimate		FY 2014 Budget to FY 2013 Budget	
					\$	%	\$	%
					Change	Change	Change	Change
Library	126,116	134,600	136,666	136,596	(70)	0%	1,996	1%
City Secretary	100,031	112,545	113,169	115,573	2,404	2%	3,028	3%
Dev. Services	472,329	388,131	421,962	801,053	379,091	90%	412,922	106%
Administration	682,580	711,295	770,936	874,097	103,161	13%	162,802	23%
Court	82,913	74,578	80,805	79,451	(1,354)	-2%	4,873	7%
Fire / EMS	1,062,174	1,070,176	1,082,050	1,197,332	115,282	11%	127,156	12%
Public Works	350,295	430,562	450,006	572,866	122,860	27%	142,304	33%
Police	742,584	801,388	821,951	864,657	42,706	5%	63,270	8%
Parks	288,239	342,554	328,564	442,936	114,371	35%	100,382	29%
Main Street	99,726	123,275	159,858	63,960	(95,148)	-60%	(59,315)	-48%
TOTAL GF EXPENDITURES	4,006,985	4,189,103	4,365,969	5,148,522	783,303	18%	959,419	23%

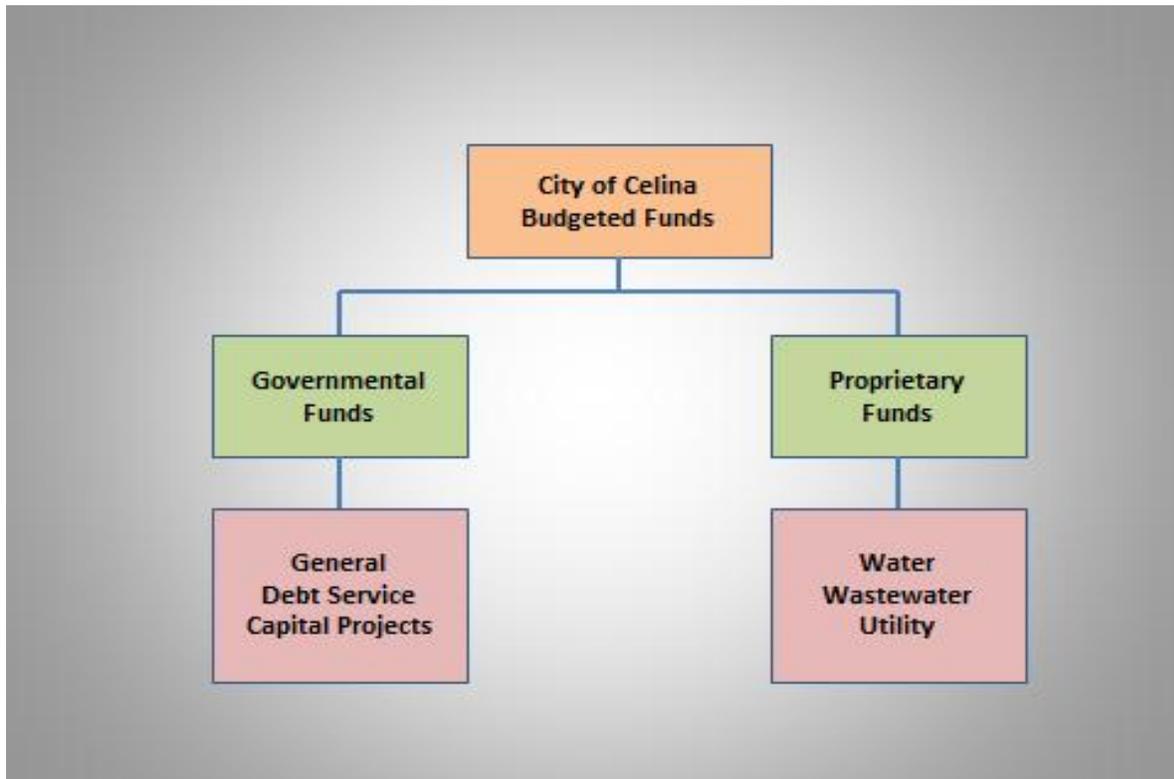
Water/Wastewater Utility Fund Analysis

Departments	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	FY 14 Budget to FY 13 Year End Estimate		FY 2014 Budget to FY 2013 Budget	
					\$ Change	% Change	\$ Change	% Change
Water & Garbage	3,160,803	1,835,297	3,160,804	3,544,651	383,847	12%	1,709,354	93%
Waste Water	1,242,920	560,382	1,054,033	1,160,312	106,279	10%	599,930	107%
TOTAL W/S EXPENSES	4,403,723	2,395,679	4,214,836	4,704,962	490,126	12%	2,309,284	96%

Summary of the City Fund Accounting Structure

The City employs a fund accounting structure that will assist to accomplish this mission.

The identity and functions of these funds are:



- **General Fund** - to account for the resources and expenditures related to the generally recognized governmental services and/or functions provided by the various City departments, including: the Library Services Department, Office of the City Secretary, Development Services, Administration, Municipal Court, Fire and Emergency Medical Services, Public Works (including Street Maintenance and Drainage), Police, Parks & Recreation, and Main Street - a governmental fund type.
- **Debt Service Fund** - to account for the accumulation of resources for, and the payment of, general long term debt principal and interest - a governmental fund type.
- **General Capital Improvement Projects Fund** – to account for the financial resources associated with multi-year and/or major capital improvement projects to be funded from non-utility revenues – a governmental fund type.

- **Utility Fund** - to account for all the activities required for the provision of water and sanitary sewer (through Public Works) and sanitation collection and disposal services to the residents of the City - a proprietary fund type.
- **Utility Capital Improvement Fund** - to account for the financial resources associated with multi-year and/or major capital improvement projects to be funded from utility revenues - a proprietary fund type.
- **Impact Fees Fund** – to account for the resources and expenditures of the Water and Sewer Impact Fees that have been or expect to be collected - a proprietary type fund.
- **Economic Development Corporation Fund** - to account for the resources and expenditures related to the Section 4A Economic Development Corporation - a governmental type fund.
- **Community Development Corporation Fund** - to account for the resources and expenditures related to the Section 4B Community Development Corporation - a governmental type fund.

GENERAL BUDGET POLICY

These general Budget Policies are the basis on which staff develops budget recommendations and establishes funding priorities within the limited revenues the City has available to provide municipal services.

1) Operating Budget - Overall

a) The budget should be a performance, financing and spending plan agreed to by the City Council and Mayor. It should contain information and data regarding expected revenues, expected expenditures and expected performance.



b) The Finance Director shall prepare and the City Manager present the annual budget preparation calendar to Council, Mayor and staff by the end of September each year.

c) Annually, the Finance Director will prepare and refine written policies and goals to guide the preparation of performance, financing and spending plans for the City budget. Adopted budgets will comply with the adopted budget policies and City Council priorities.

d) As a comprehensive business plan, the budget should provide the following critical elements recommended by the Government Finance Officers Association; public policies, and Long-Range Financial Plan.

e) The City's annual budget presentation should display the City's service/delivery performance plan in a friendly format. Therefore, the City will use a program budgeting format to convey the policies for and purposes of the City operations.

The City will also prepare the line item format materials for those who wish to review that information.

f) Decision making for capital improvements will be coordinated with the operating budget to make effective use of the City's limited resources for operating and maintaining facilities.

g) Finance Director has primary responsibility for:

a) formulating budget proposals in line with City Council priority directions.

b) Implementing those proposals once they are approved.

2) Fiscal Integrity

a) Ongoing operating expenditure budgets will not exceed the amount of ongoing revenue budgets to finance these costs. New program request costs will have to identify either a new ongoing source of revenue or identify offsetting/ongoing expenditures to be eliminated.

b) In years when City Council approves operating budgets with ongoing costs exceeding ongoing revenues, the City Council must authorize the use of fund balance reserve to be used.

c) Any available carryover balance will only be used to offset one-time or non-recurring costs. Cash balances in excess of the amount required to maintain strategic reserves will be used to fund one-time or non-recurring costs.

d) The City will maintain the fiscal integrity of its operating and capital improvement



budgets which provide services and maintain certain public facilities, streets and utilities. It is the City's intent to maximize the level of public goods and services while minimizing the level of debt.

- e) Mitigation fees shall be used only for the project or purpose for which they are intended.
- f) The City will maintain a balanced budget which is defined as planned funds available equal planned expenditures and ending fund balance.

3) Revenues

a) Generally revenues estimates shall not assume growth rates in excess of inflation and scheduled rate increases. Actual revenues that are over estimates will be recognized through budgetary adjustments only after it takes place. This minimizes the likelihood of either a reduction in force or service level in the event revenues would be less than anticipated.

b) Investment income earned shall be budgeted on the allocation methodology, i.e., the projected average monthly balance of each participating fund.

4) Reporting

a) A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date.

b) Each quarter, staff will produce a "Quarterly Financial Report" comparing current year to past year actual revenue and expenditure and present the data to City Council.

c) Semi-annually, staff will provide revenue and expenditure projections for the next five years (General Fund Projection Model). Projections will include estimated operating costs for future capital improvements that are included in the capital budget. This data will be presented to the City Council in a form to facilitate annual budget decisions, based on a multi-year strategic planning perspective.

5 Citizen Involvements

a) Citizen involvement during the budget process shall be encouraged through public

hearings, work sessions, website and surveys.

b) Involvement shall also be facilitated through Council appointed boards, commissions and committees that serve in an advisory capacity to the Council and staff.

6) Fees

a) Fees shall be to cover 100% of the costs of service delivery, unless such amount prevents an individual from obtaining essential services. Fees or service charges should not be established to generate money in excess of the cost of providing service.

b) Fees may be less than 100% if other factors, e.g., market forces, competitive position, etc., need to be recognized.

7) Capital Budget – Fiscal Policies

a) Capital project proposals should include as complete, reliable and attainable cost estimates as possible. Project cost estimates for the Capital Budget should be based upon a thorough analysis of the project and are expected to be as reliable as the level of detail known about the project. Project cost estimates should be included in the City's Five Years Capital Improvement Plan (CIP) and should be as reliable as possible; recognizing that Year 1 or Year 2 project cost estimates will be more reliable than cost estimates in the later years.

b) Proposals should include a comprehensive resource plan. This plan should include the amount and type of resources required, a timeline and financing strategies to be employed. The plan should indicate resources necessary to complete any given phase of the project, i.e., design, rights-of-way acquisition, construction, project management, contingency, etc.

c) Capital project proposals should include a discussion on level of service (LOS). At a minimum, the discussion should include current LOS level associated with the proposal and level of LOS after completion of proposal. Proposals with low level LOS will receive higher priority than those with higher levels of LOS. Capital project proposals that either has a current LOS level of 100% or higher or will have a LOS level of 100% of higher after completion of the proposal must include a discussion on impacts to

other services that have a LOS level below 100%.

d) All proposals for capital projects will be presented to the City Council within the framework of a Capital Budget. Consideration will be given to the commitment of capital funds outside the presentation of the annual capital budget review process for emergency capital projects, time sensitive projects, projects funded through grants or other non-city funding sources and for projects that present and answer the following questions for Council consideration:

- 1) Impacts to other projects
- 2) Funding sources

e) Capital project proposals shall include all reasonably attainable cost estimates for operating and maintenance costs necessary for the life cycle of the asset.

f) Major changes in project cost must be presented to the City Council for review and approval. Major changes are defined per City's Procurement Policies & Procedures as amounts greater than \$25,000 for single craft or trade and greater than \$50,000 for two or more crafts or trades.

g) At the time of project awards, each project shall have reasonable contingencies also budgeted:

I) The amount set aside for contingencies shall correspond with industry standards and shall not exceed ten percent (10%), or a percentage of contract as otherwise determined by the City Council.

II) Project contingencies may, unless otherwise determined by the City Council, be used only to compensate for unforeseen circumstances requiring additional funds to complete the project within the original project scope and identified needs.

III) For budgeting purposes, project contingencies are a reasonable estimating tool. At the time of contract award, the project cost will be replaced with an appropriation that includes the contingency as developed above.

h) Staff shall seek ways of ensuring administrative costs of implementing the Capital Budgets are kept at appropriate levels.

i) The Capital Budget shall contain only those projects that can be reasonably expected to be accomplished during the budget period. The detail sheet for each project shall contain a project schedule with milestones indicated.

j) Capital projects that are not expensed during the budget period will be re-budgeted or carried over to the next fiscal period except as reported to the City Council for its approval. Multi-year projects with unexpended funds will be carried over to the next fiscal period.

k) If a proposed capital project will have a direct negative effect on other publicly owned facilities and/or property, or reduce property taxes revenues (for property purchases within the City), mitigation of the negative impact will become part of the proposed capital project costs.

l) A capital project will not be budgeted unless there is a reasonable expectation that funding is available.

9) Debt Policies

a) Debt will not be used for operating costs.

b) Whenever possible, the City shall identify alternative sources of funding and availability to minimize the use of debt financing.

c) Whenever possible, the City shall use special assessment, revenue or other self-supporting debt instead of general obligation debt.

d) Tax Anticipation Notes will be issued only when the City's ability to implement approved programs and projects are seriously hampered by temporary cash flow shortages.

e) Long-term general obligation debt will be issued when necessary to acquire land and/or fixed assets, based upon the City's ability to pay. Long-term general obligation debt will be limited to those capital projects that cannot be financed from existing revenues and only when there is an existing or near-term need for the acquisition or project. The acquisition or project should also be integrated with the City's Long-range Financial Plan and the Capital Improvement Plan (CIP).

f) The maturity date for any debt issued for acquisition or project will not exceed the estimated useful life of the financed acquisition or project.

g) Current revenues or ending fund balance shall be set aside to pay for the subsequent two year's debt service payments. This is intended to immunize the City's bondholders from any short-term volatility in revenues.

h) The City shall establish affordability guidelines in order to preserve credit quality. One such guideline, which may be suspended for emergency purposes or unusual circumstances, is as follows: Debt service as a percent of the City's operating budget should not exceed (Percentage to be determined).

Budget Preparation

The budget preparation process began in April when the departments under Budget Policy guide line and in conjunction with the Finance Director projected current year revenues and expenditures, as well as, proposed the following year's revenues and expenditures. A Budget Review Meeting was held in July for all senior staff members and City Council. The budget process was comprised of three elements: (1) continuation level/target budget (expenditures), (2) budget assessment - improvements, and (3) budget assessment - expenditure reductions.

1. Continuation Level/Target Budget

The continuation level budget (expenditures) is a target budget. Each department's continuation level budget (expenditures) is based upon a target number they cannot exceed. The Fund's continuation level/target budget (expenditures) will not exceed revenue dollars. No additional improvements such as personnel, furniture/equipment and/or other services are included in the continuation level budget (expenditure).

2. Budget Assessment - Improvements

The second element of the budget process is an assessment and inclusion of department service Improvement requests. Service improvements are examples such as additional staff or equipment.

3. Budget Assessment - Expenditure Reductions



The last element in the budget preparation process is an assessment and inclusion of department expenditure reductions. Expenditure reductions will be reviewed annually to assess whether current services can be streamlined and or outsourced at a reduction in cost. Once the continuation level/target budget, reduction, and improvement requests were completed, the City Manager reviewed the department proposals and met with department directors in July.

Several meetings between Staff and the Finance & Government Committees were conducted to review all operating and debt service funds.

The Annual Budget Workshop will be held on June and consisted of an intensive One (1) day work session. During this workshop the Council revised the proposed budget based on presentations made by all of the Department Directors. The City Manager's proposed budget is being submitted to the City Council on July 30th. In September the City Council will conduct a budget hearing. The purpose of the hearing is to seek citizens' involvement by explaining the budget process and looking for suggestions. Budget will be approved in the regular Council meeting along with tax rate in September as required by City Charter. The budget takes effect for the next fiscal year, beginning October 1. The budget can be amended during the fiscal year through City Council approval. A budget amendment ordinance can be prepared increasing a fund's appropriation.

Outlook for the Future

This budget contains a tremendous amount of financial information. It is the staff's desire to continue the transformation of this traditional line item budget into a more programmatic budget, a budget that clearly addresses the various programs of the City and their effectiveness.

This budget will provide a road map for quality service that the citizens of Celina expect. With careful implementation of this budget, we envision the budget plan as a firm cornerstone of the City's future economic development.



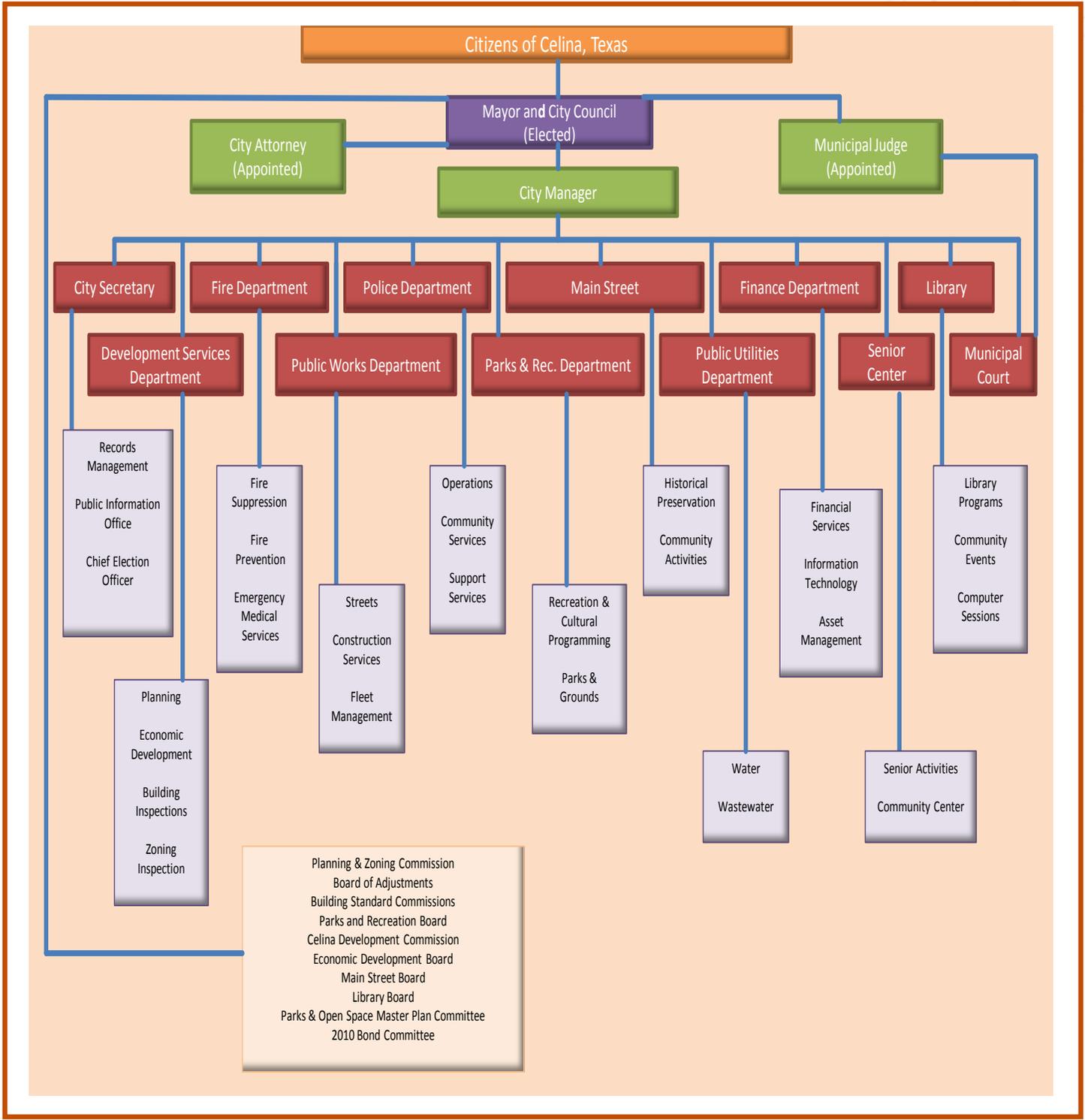
City Profile

- Celina City Council
- City Organizational Chart
- History of Celina
- City of Celina Today
- Summary of Certified Property Values
- Summary of Ad Valorem Tax Rate
- Sales tax revenue analysis
- Property tax per capita
- Building permits



Celina's Mayor and City Council

(From Left to Right) Row 1: Chad Anderson, Wayne Nabors, Vincent Ramos, Carmen Roberts
Row 2: Sean Terry, Mike Foreman,
George Kendrick, Bill Webber





“History of Celina”

Celina, in the Northwest corner of Collin County, was not established until 1876, but settlers came into the area at a much earlier date. These settlers lived the lives of typical pioneers building their homes from logs, or hauling lumber from Jefferson. They traveled by foot, horseback or in wagons, making their clothes at home and raising what they had to eat. These early families, as well as later ones, mainly came from Tennessee or Kentucky.

In October, 1879 a little settlement began to form a few miles southwest of the present day Celina. John T Mulkey, Celina’s first postmaster, named the town after Celina, Tennessee. The Methodist Church was built in 1880, and also doubled as the school for awhile. By 1885, a general store, mill, and a drug store has been opened in “Old Celina”.

About 20 years later, considerable excitement was caused by the news that the Frisco railway was soon to extend its line through this part of the country. However, the right of way was to miss the little town. Shortly thereafter, the merchants of the town made plans to move the town to the railroad. When the time came to move, the businesses and houses were each placed on rollers and pulled to the new site by traction engines. This was done in February, 1902, and the ground was muddy. Some of the buildings became bogged down and had to be left until dry weather. A town site company had secured the land for the new “Celina”, which was part of a pasture belonging to the late William Willock. The company had taken the fences down, marked off the streets, and placed the lots for sale. It was intended that the current Main Street would be the Main Street of town so it was made wider than the other streets and the price of the lots were higher. Because of the higher price, the merchants began locating north of main Street and west of the railroad. A row of wooden buildings was formed facing the railroad. In 1907, the town was officially incorporated with Will Newsom serving as the first mayor.



The businesses looked about the same until 1910, when Fred Smith (who later became the first mayor of University Park in Dallas) began getting ready to lay off the square and erect buildings around it. On July 6, 1911, several of the buildings were ready for use and there was a general moving day. Gravel was put on the streets and Celina took on the appearance of a wide awake, growing little city.

Celina has had a variety of businesses since that time, including an opera house in 1917. A partial listing of businesses and professional services in 1937 included a dry goods store, 7 gas stations, 2 drug stores, and ice cream factory, 2 grain elevators, 1 flour mill, 2 ice houses, 3 cotton gins, laundry, lumber yard, shoe and harness shop, jewelry store, blacksmith, bank, movie theatre, 3 tailor shops, funeral home, 2 dairies, 3 café's, 2 chicken hatcheries, 3 doctors, a dentist, 10 churches, and a modern brick school building.

As in all communities, the establishment of a school is of utmost importance. The first school in the "new" Celina was a small wooden structure that was in the neighborhood of the Jeff Malone residence. In 1906, a 2 story brick school building was completed on the campus where the Celina Independent School District Administrative offices are now. In 1915, this school was destroyed by fire. In 1916, another 2 story brick building with a basement was finished and school began in it. This school was torn down and a new one completed and dedicated in April of 1943. This is the building presently being used for the CISD Administrative Offices. A new high school was built in 1976, and a new elementary school was completed in 1987. Bonds were passed in the spring of 1996 for a new high school and an addition to the elementary. After completion of the new high school, the middle school students will occupy the current Junior High school. In September 2001, bonds were passed for a new elementary school, additions to the high school, new vocational facilities, and renovations to the track. Since then, we have a brand new state of the art elementary school opened in fall of 2003. Today, the Old Town section still contains many historic structures and is the centerpiece of an evolving, historical, recreational and commercial area.

An excerpt from the Celina Record of 1937 states: "If you are casting about for a good place to make you home you should visit Celina and see for yourself what it has to offer. Some here occasionally say the grass is greener elsewhere and move away, but most of them decide there is no use trying find a better place in which to live and rear their families, come back and settle down firmly fixed in their belief that trying is a waste of time".

Thankfully some things never change!

CELINA

-TEXAS-

CELINA BY CHOICE

A premier community of unique heritage, exceptional livability and natural beauty, committed to offering its citizens an array of settings in which to live, work, play and raise a family, while managing quality and environmentally responsible growth. Our strategic location will allow the promotion of a diverse economy while retaining much of its hometown atmosphere.



Celina Town Center

“We are open for business!
Come grow with us!”

Celina will continue to look for ways to create economic and community development. Leadership is taking a proactive approach toward positive development and with this continued effort, Celina will carry on being Celina by Choice - a great place to live, work, play and shop!

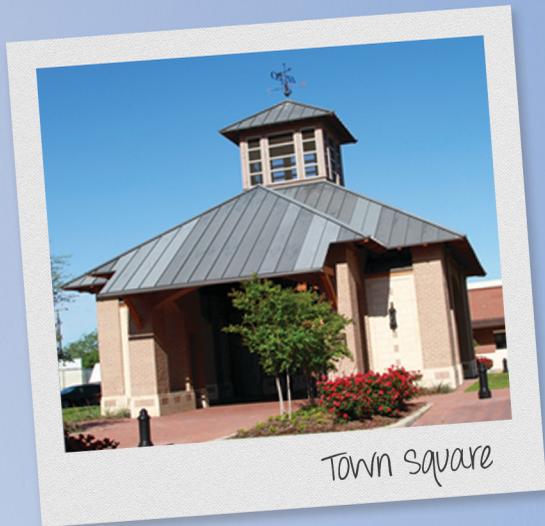
Contact Us

Corbett Howard
Executive Director
corbett@celinaedc.com
Phone: 972-382-8949



CELINA, TEXAS

+15 MINUTE TRADE AREA



POPULATION

7,379

31,200

DEMOGRAPHICS

MEDIAN AGE

37

35

AVERAGE HOUSEHOLD INCOME

\$98,379

\$117,025

EDUCATION

Exemplary School Rating

Celina ISD 3A

Prosper ISD 4A

35 minutes to 4 major universities

*Future home to Collin College

High School Graduates
17.4%

Some College
34.8%

Bachelor's or Higher
40.2%

ECONOMICS

"A+" Bond Rating

Fastest growing county population in Texas

One of the healthiest regional economies in America

Triple Freeport Exemption

Tax abatements: real or personal property

Sales tax agreements - Section 380 Agreement

TIRZ districts

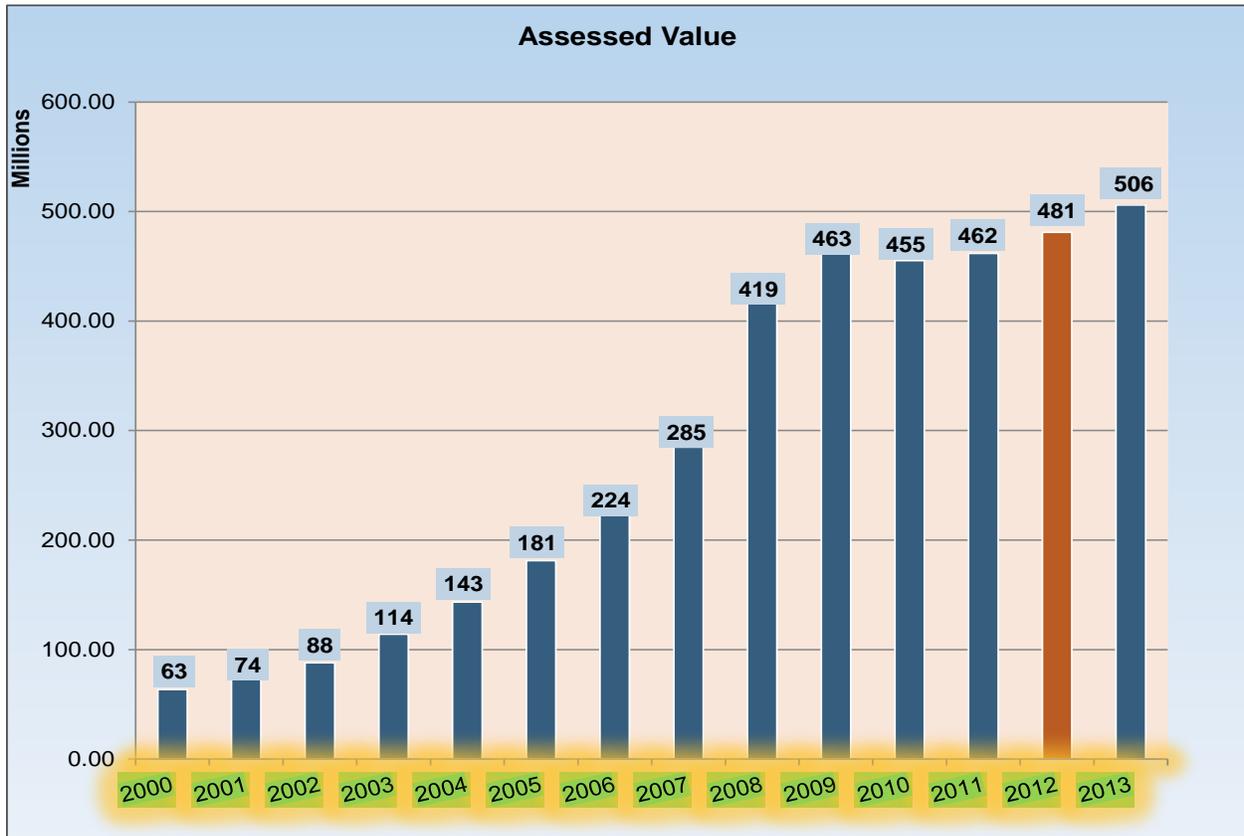




SUMMARY OF CERTIFIED ASSESSED VALUE

The Collin Central Appraisal District and Denton Central Appraisal District issued a certified assessed value for the City of Celina at \$505,896,214, which includes a small percentage that are still under review, but have been conservatively estimated.

Total Appraised Value History (Tax Years)

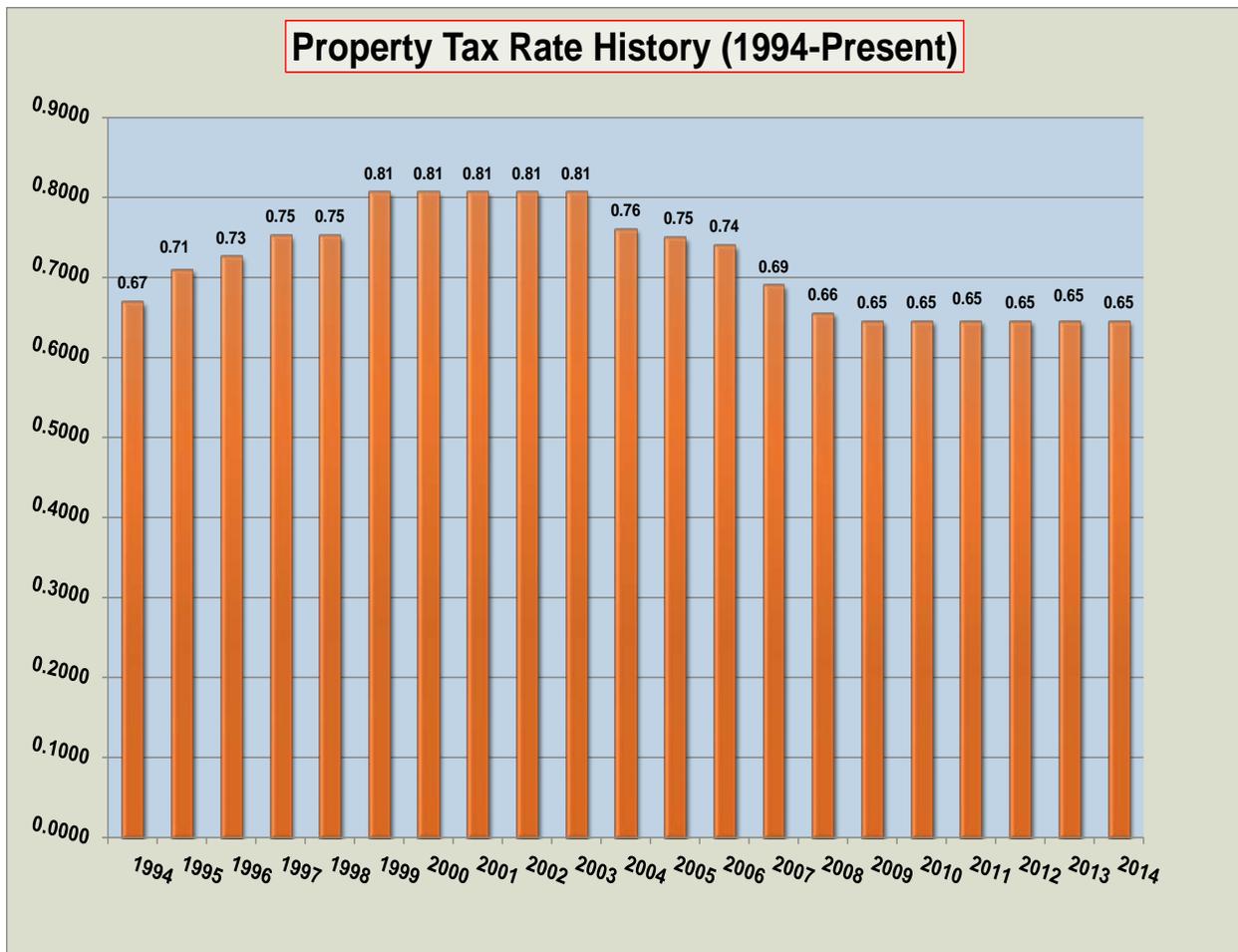


Fiscal Year	Taxable Assesed Value	Fiscal Year	Taxable Assesed Value
2000	63,495,178	2007	284,847,298
2001	74,397,227	2008	418,824,688
2002	87,884,199	2009	463,300,493
2003	114,032,871	2010	455,200,487
2004	143,297,951	2011	461,849,745
2005	181,232,497	2012	481,096,517
2006	224,412,066	2013	505,896,214

AD VALOREM TAX SUMMARY

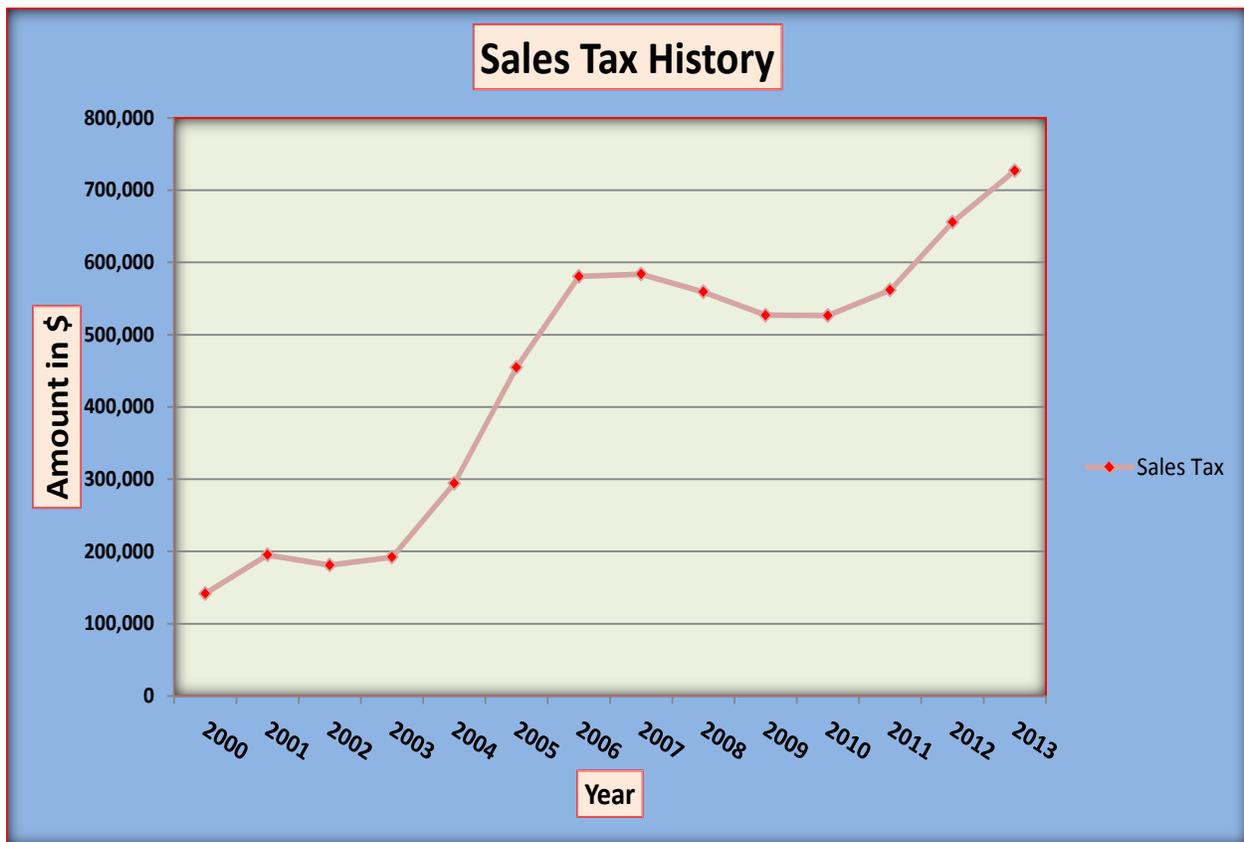
For the current fiscal year, the City Council adopted a 64.5¢ tax rate per \$100 of property valuation. This budget proposes to maintain the existing tax rate. There was modest tax base growth in existing properties, new improvements and annexations of over \$24 million. The value of properties that existed on the tax roll last year increased for a net taxable value of \$10,197,182 or about 2.12%. Charts showing the historical property tax rate since 1994.

Property Tax Rate History (Fiscal Years)



SUMMARY OF SALE TAX REVENUE

Following chart demonstrate growth characteristic in City's commercial and economic base. In 1995 voters authorized an additional ½ cent sales tax designation for the Celina Economic Development Corporation (4A) and again in 2004 another ½ cent sales tax for Celina Community Development Corporation (4B). The total tax has been used for this illustration.

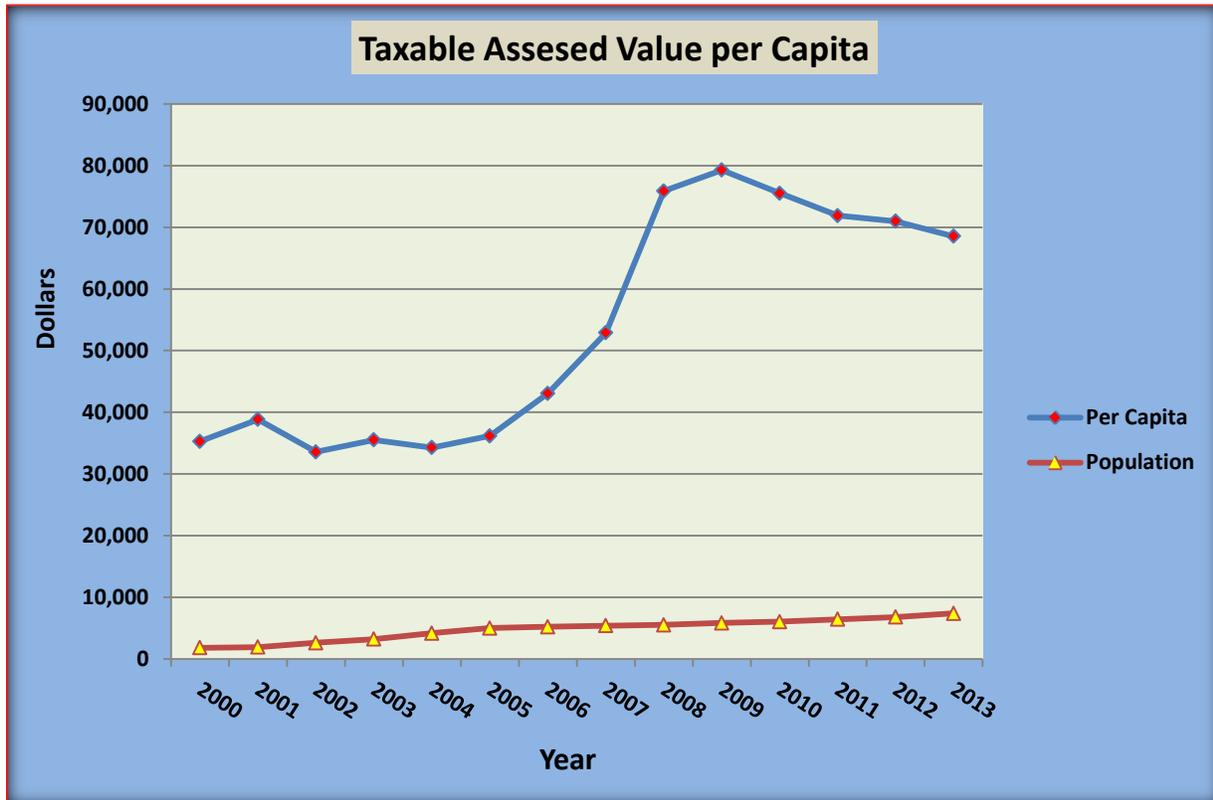


Year	Sales Tax	Year	Sales Tax
2000	141,583.07	2007	583,755.39
2001	194,947.48	2008	559,251.87
2002	180,923.66	2009	526,847.32
2003	191,930.52	2010	526,607.00
2004	294,285.17	2011	561,849.01
2005	454,617.16	2012	655,529.24
2006	580,634.70	2013	726,928.04



SUMMARY OF PROPERTY TAX PER CAPITA

Following chart demonstrate that taxes per capita had been increasing over the past several years, but it is important to remember the reason why. New properties added to the tax rolls are of a higher per capita value, indicating industrial and commercial property growth. This fact also evidenced by the change in taxable assessed valuation shown below.



Fiscal Year	Taxable Assesed Value	Population	Per Capita	Fiscal Year	Taxable Assesed Value	Population	Per Capita
2000	63,495,178	1800	\$ 35,275.10	2007	284,847,298	5385	\$ 52,896.43
2001	74,397,227	1916	\$ 38,829.45	2008	418,824,688	5520	\$ 75,874.04
2002	87,884,199	2618	\$ 33,569.21	2009	463,300,493	5843	\$ 79,291.54
2003	114,032,871	3210	\$ 35,524.26	2010	455,200,487	6028	\$ 75,514.35
2004	143,297,951	4182	\$ 34,265.41	2011	461,849,745	6424	\$ 71,894.42
2005	181,232,497	5012	\$ 36,159.72	2012	481,096,517	6778	\$ 70,979.13
2006	224,412,066	5211	\$ 43,065.07	2013	505,896,214	7379	\$ 68,558.91

SUMMARY OF SINGLE FAMILY BUILDING PERMITS

Following chart illustrate the number of single family residential building permits issued. This information is an indicator of current and future demand for the City services. The City provide water and wastewater to any and all residential and commercial properties within the City's proper.



Fiscal Year	Number of Residential Permits
2008	43
2009	20
2010	60
2011	72
2012	81
2013	86



Budget Summaries

Summary of Fund Balances
Combined Revenue & Expenses for all funds
Revenue & Expenditures Graphs



BUDGET SUMMARY

This budget, including proposed expenditures and transfers out, totals **\$15,876,692**. The budget estimates current revenues and transfers in of **\$11,487,757** or **\$4,388,935** less than planned expenditures. The proposed FY2013 -2014 budget is fully funded with current revenues, with the exception of a planned **spend-down of the general capital fund** for construction-in-progress (CIP) projects, including the design of Celina Parkway, Frontier Parkway, and a **planned spend-down of the utility capital fund** for CIP projects including improvements at the existing wastewater treatment plant and transfer of **\$650,000** from General Fund Reserve. The projected combined beginning fund balance of all funds at October 1, 2013 is **\$9,505,291**. The projected ending fund balance of all funds at September 30, 2014 is **\$5,116,357**, for a net decrease of **\$4,388,934**.

The following table provides estimated beginning fund balances, estimated revenues and transfers in, proposed expenses and transfers out and estimated ending fund balances for FY2013-2014, for all funds:

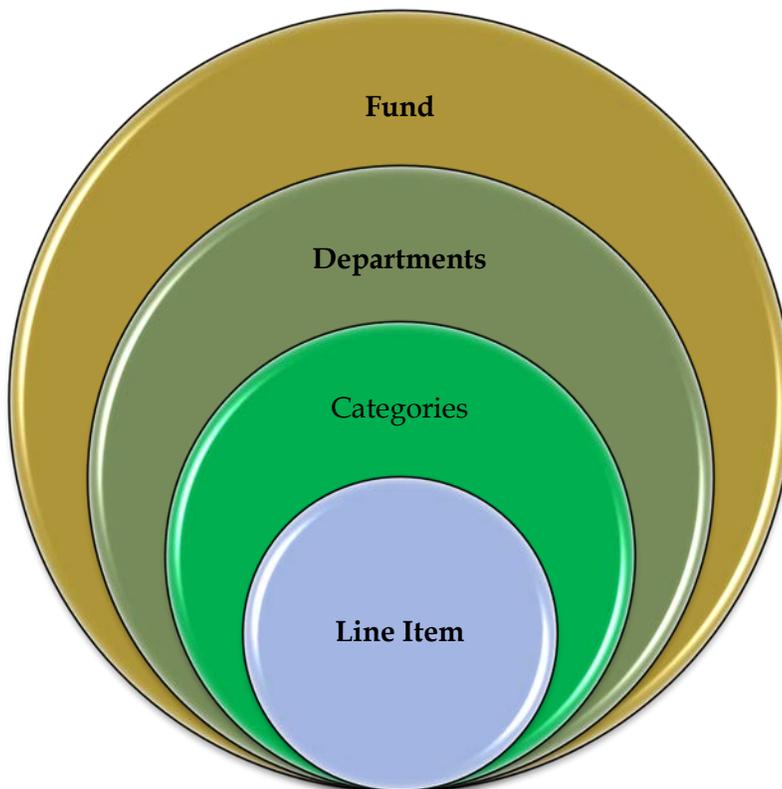
CITY OF CELINA COMBINED BUDGET SUMMARY									FY2013-2014
Fund	Fund Title	Estimated Beginning Balance (10/1/13)	Revenues	Inter-fund Transfers In	Fund Balance Transfers In	Operating Expenses	Capital Outlay	Inter-fund Transfers Out	Estimated Ending Balance (9/30/2014)
102	General Fund	\$ 1,873,062	\$ 4,174,139	\$ 325,000	\$ 650,000	\$ 5,148,522	\$ -	\$ -	\$ 1,223,680
103	Debt Service Fund	\$ 106,183	\$ 934,096	\$ 970,989		\$ 1,905,086	\$ -	\$ -	\$ 106,183
104	General Fund - Capital Project Fund	\$ 6,163,207	\$ -	\$ -		\$ -	\$ 3,578,267	\$ -	\$ 2,584,940
202	Utility Fund	\$ 994,028	\$ 4,704,962	\$ -		\$ 3,578,973	\$ -	\$ 1,125,989	\$ 994,028
203	Impact Fees Fund	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
204	Utility - Capital Project Fund	\$ 214,348	\$ -	\$ -		\$ -	\$ 214,348	\$ -	\$ -
CDC	Community Development Corporation	\$ 29,136	\$ 187,500	\$ -		\$ -	\$ -	\$ 137,500	\$ 79,136
EDC	Economic Development Corporation	\$ 125,327	\$ 191,070	\$ -		\$ 155,507	\$ -	\$ 32,500	\$ 128,390
	TOTALS	\$ 9,505,291	\$10,191,768	\$1,295,989	\$ 650,000	\$10,788,087	\$ 3,792,615	\$1,295,989	\$ 5,116,357

The departmental summaries that follow roll into this combined budget summary, and represent units of the organization arranged within the Funds of the City. As discussed at our work session, the budget we are proposing for each department is broken down into six categories of expenditures. Individual line items roll into the categories and staff will use a line item budget for day-to-day financial management. The six categories are:

- **Personnel** – accounts for the full cost of salaries and all benefits of city employees. This category also includes expenses incident to personnel, such as travel, training, and uniforms.
- **Legal & Professional** – accounts for operating expenses associated with outside consultation with professionals such as attorneys, engineers, and consultants.
- **Materials & Supplies** – accounts for consumable operating supplies, including expenses such as office supplies, chemicals, ammunition, medical supplies, etc.
- **Maintenance** – includes operating expenses for goods and services necessary for the operation and maintenance of our facilities, equipment, and tools including things like fuel, oil changes, tires, vehicle repairs, hardware and software maintenance agreements, etc.
- **Utility Expenses** – accounts for the cost of purchasing utilities such as electricity, phone lines, and natural gas.
- **Other Operating Expenses** – accounts for the variety of other expenses that occur on a day to day basis, such as property insurance, postage,

equipment rental, advertising, library materials, office cleaning, and rent to name a few.

The following graphic is intended to solidify an understanding of the organizing financial structure used to develop this proposed budget. Line items roll into categories, which in turn roll into the departments, which in turn roll into the funds. The budget ordinance that we will present to you in September will request that you appropriate resources at the fund level. These different levels carry different levels of authorization and necessary approval. In the event that a Fund appears that it will exceed the amount that the Council has enacted by ordinance, we will request that you adopt a budget amending ordinance. However, because you do not approve a department-level budget ordinance, if the fund will not be exceeded but an individual department funding level will exceed the level presented in this document, staff will notify the Council, but no formal action will be required. Any budget adjustments below the department level will be managed at a staff level.



General Fund Schedule of Revenues

Revenue Category	FY2013 Approved Budget	FY 2013 Actual As Of 06/30/13	FY 2013 Year End Estimate	FY 2014 Proposed Budget
Fines & Fees	\$ 608,515	\$ 578,687	\$ 774,652	\$ 765,256
Taxes	\$ 2,955,694	\$ 2,751,085	\$ 3,008,058	\$ 3,032,296
Grants	\$ -	\$ -	\$ -	\$ -
Events & Donations	\$ 70,235	\$ 130,521	\$ 137,177	\$ 112,925
Penalties & Interest	\$ 40,000	\$ 20,287	\$ 40,000	\$ 33,000
Other Revenues	\$ 214,190	\$ 207,254	\$ 259,198	\$ 230,662
Transfers In	\$ 325,000	\$ -	\$ 325,000	\$ 975,000
Total Revenues	\$ 4,213,635	\$ 3,687,833	\$ 4,544,086	\$ 5,149,139

General Fund Schedule of Expenditures

Activity Centers	FY2013 Approved Budget	FY 2013 Actual As Of 03/31/13	FY 2013 Year End Estimate	FY 2014 Proposed Budget
Library	134,600	100,962	\$ 136,666	\$ 136,596
City Secretary's Office	112,545	79,060	\$ 113,169	\$ 115,573
Development Services	388,131	303,885	\$ 421,962	\$ 801,053
Administration	711,295	584,689	\$ 770,936	\$ 874,097
Court	74,578	58,758	\$ 80,805	\$ 79,451
Fire	1,070,176	790,468	\$ 1,082,050	\$ 1,197,332
Public Works	430,562	335,850	\$ 450,006	\$ 572,866
Police	801,388	611,459	\$ 821,951	\$ 864,657
Parks	342,554	231,816	\$ 328,564	\$ 442,936
Main Street	123,275	137,286	\$ 159,858	\$ 63,960
Transfers Out	-	-	\$ -	\$ -
Total Expenditures	\$ 4,189,103	\$ 3,234,234	\$ 4,365,969	\$ 5,148,522

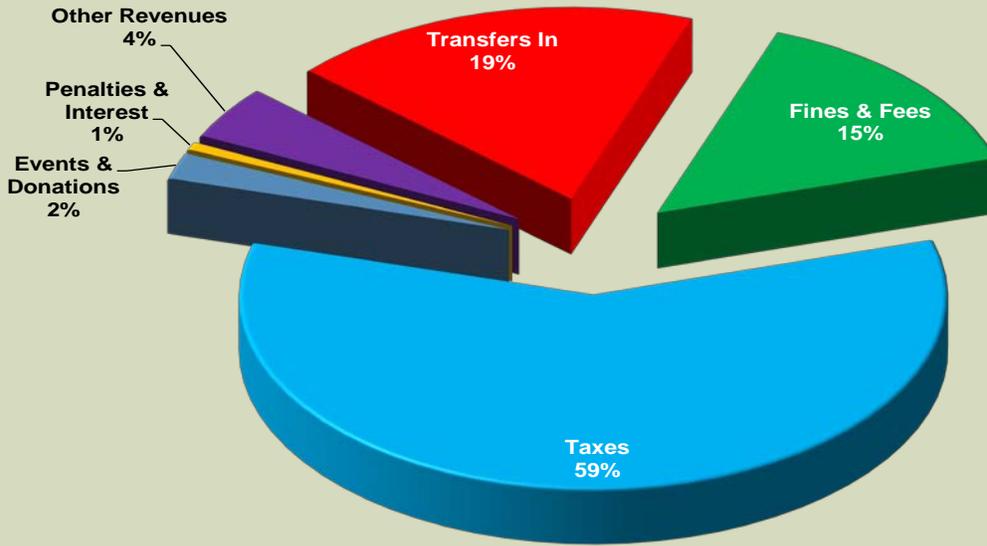
W/S Fund Schedule of Revenues

Revenue Category	FY2013 Approved Budget	FY 2013 Actual As Of 06/30/13	FY 2013 Year End Estimate	FY 2014 Proposed Budget
Sewer Taps	60,750	36,850	\$ 71,680	109,350
Interest Income	6,000	8,109	\$ 10,812	6,000
Garbage Billing	335,951	256,930	\$ 353,009	384,000
Miscellaneous Income	9,870	15,929	\$ 17,354	17,781
Total Revenues	\$ 4,304,076	\$ 2,891,298	\$ 4,399,689	\$ 4,704,962

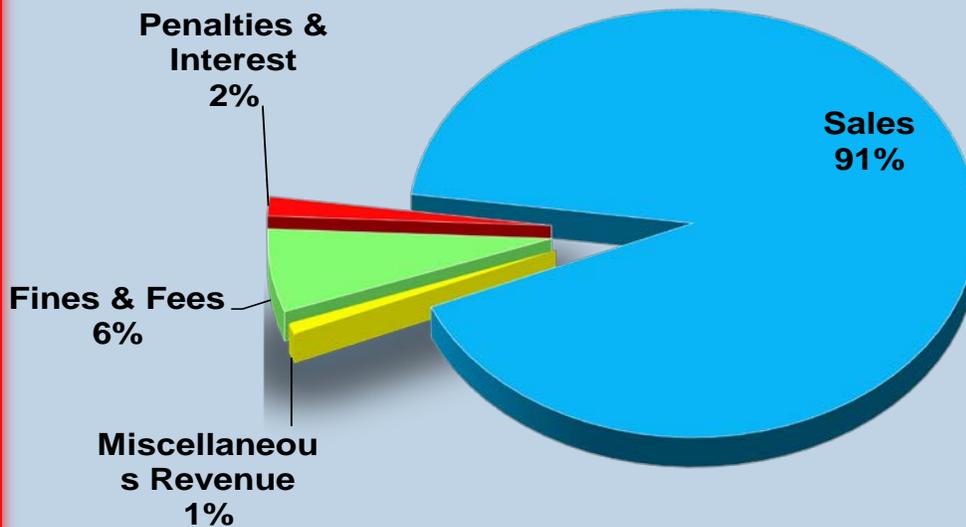
W/S Fund Summary of Expenditures

Activity Centers	FY2013 Approved Budget	FY 2013 Actual As Of 06/30/13	FY 2013 Year End Estimate	FY 2014 Proposed Budget
Water Department	2,824,852	1,581,727	\$ 2,817,234	3,187,073
Sewer Department	1,242,920	560,382	\$ 1,054,033	1,160,312
Trash & Recycling Collection	335,951	253,570	\$ 343,570	357,578
Total	\$ 4,403,722	\$ 2,395,679	\$ 4,214,836	\$ 4,704,962

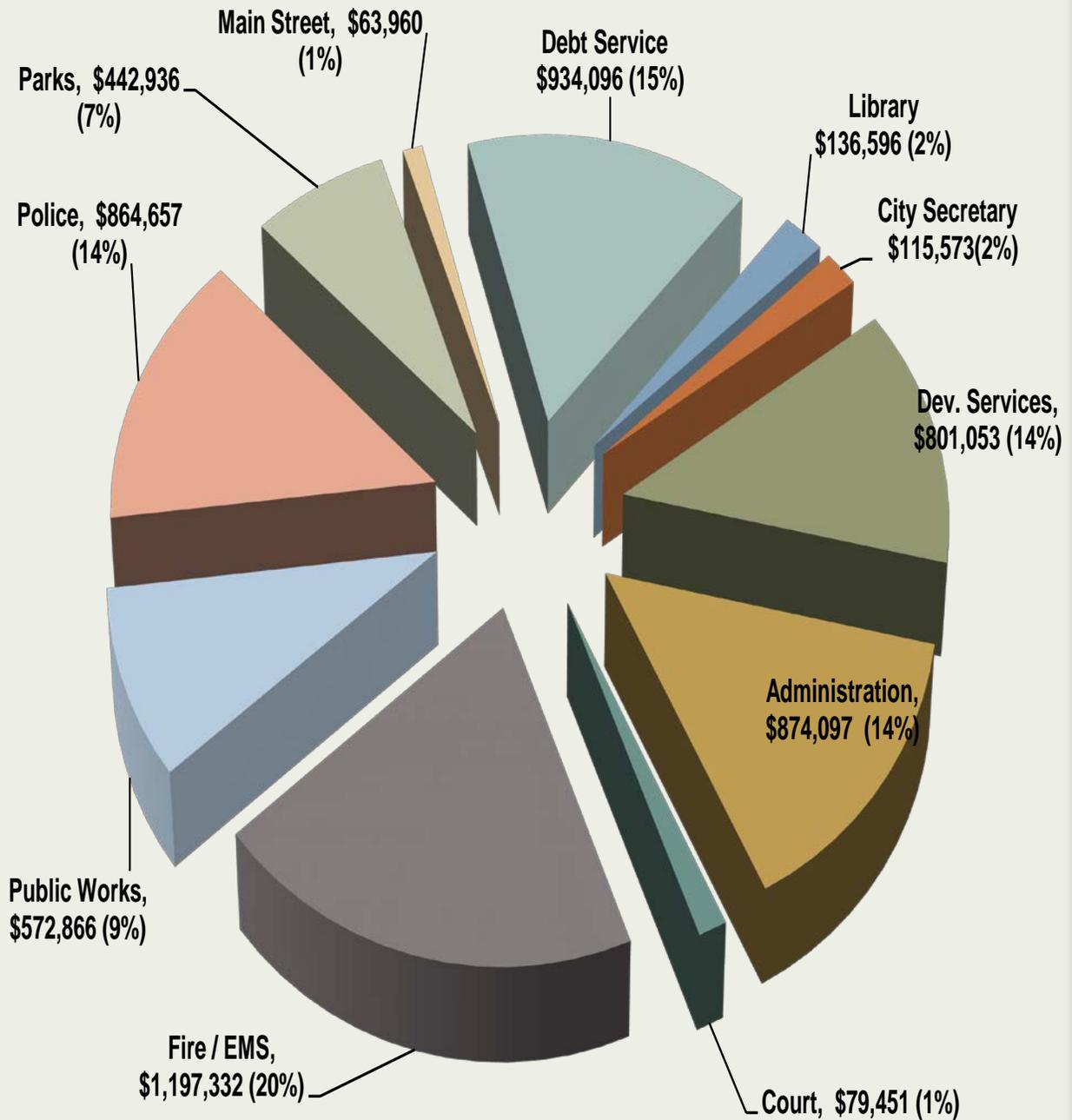
FY2013-14 GF Budgeted Revenues



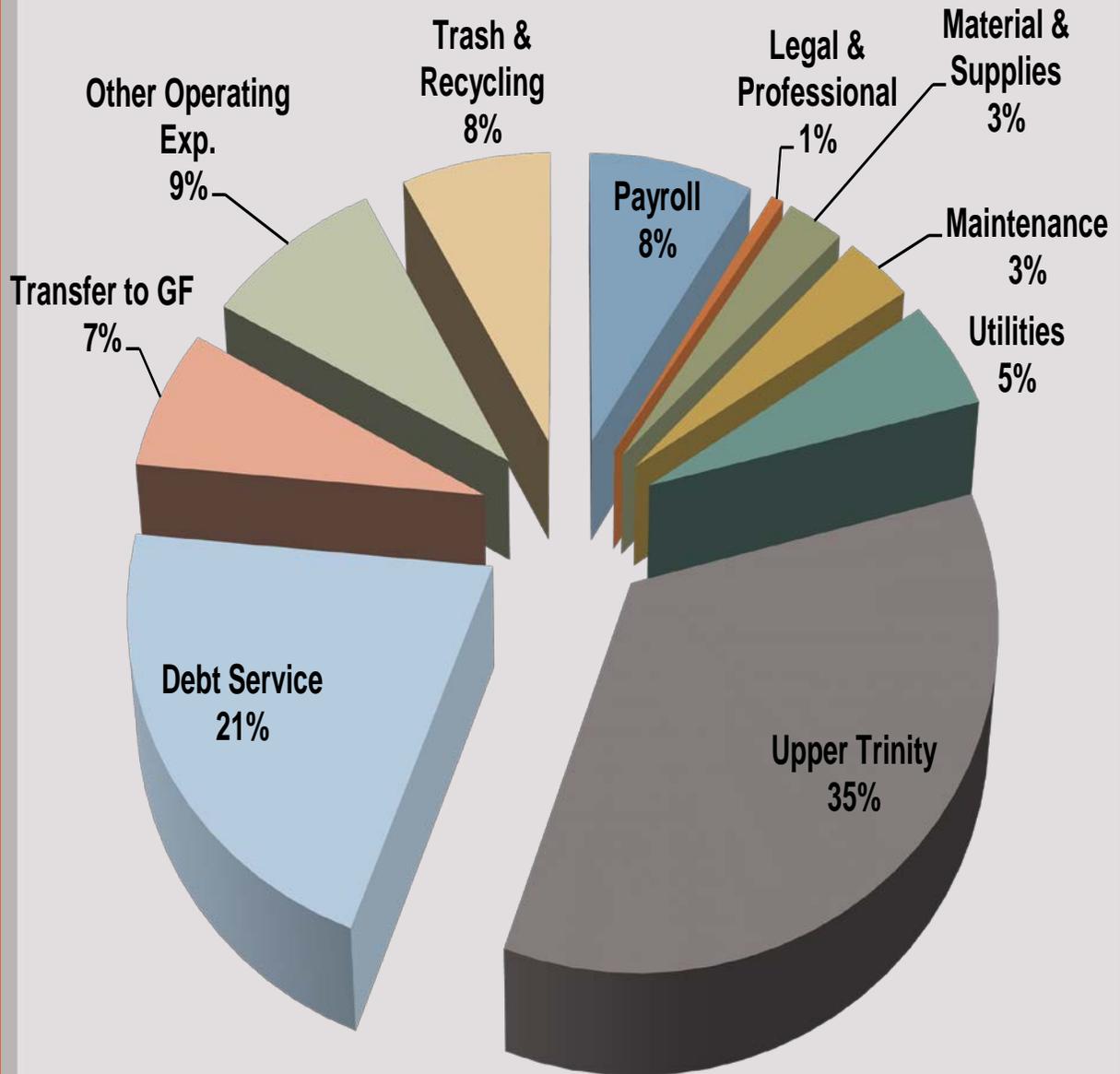
FY2013 - 2014 W/S Budgeted Revenues



FY2014 GF Departmental Expenditures



FY2014 Base Budget for W/S Fund Expenses





SUMMARY OF SIGNIFICANT CHANGES IN FUND BALANCES

The amount of resources available for funding the annual budget is a vital element of budget development. The City is in the position of funding each year’s budget with current revenues and planned spending downs of any particular fund balances.

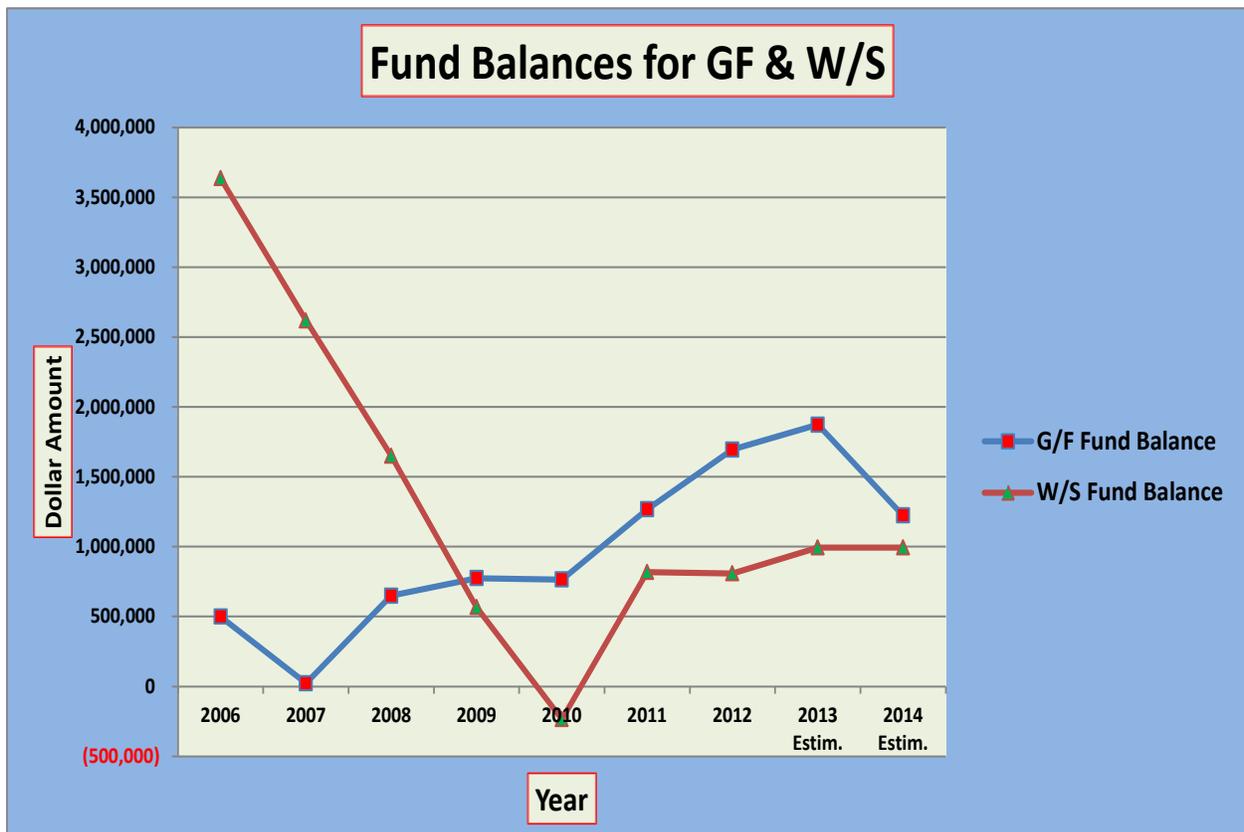
In an effort to standardize the reporting of financial information from both a budgetary and financial reporting aspect, we will recognize undesignated unreserved fund balance in the General Fund and unrestricted net assets in the Utility Fund as available expendable financial resources for City operations. For budgetary representation purposes, Fund Balance refers to undesignated unreserved fund balance and net assets depending upon fund type. Level of reserve is calculated based upon the expected fund balance at the end of the fiscal year divided by the current operating expenses.

Because each fund has unique characteristics regarding the ability to forecast revenues and expenditures, different levels of fund balances are appropriate. One measure of a city’s financial strength is the level of its fund balance. Based on Industry experts and Staff recommends the following level of reserves as targets for each budget year, and to the right is the level of estimated fund balance at the end of this proposed budget period (September 30, 2014):

Reserve and Working Capital Estimates			FY2013-2014
Fund	Fund Title	Recommended Level of Reserve	Estimated Level of Reserve (9/30/2014)
102	General Fund	25%	24%
103	Debt Service Fund	10%	6%
104	General Fund - Capital Project	0%	72%
202	Utility Fund	33%	21%
203	Impact Fees Fund	0%	0%
204	Utility - Capital Project Fund	0%	0%

Since the General Fund balance is above the recommended level, we propose to the Council to transfer \$650,000.00 from General Fund Balance for non-recurring expenses in this budget. Of particular note is the condition of the Utility Fund balance. While the proposed budget still projects it significantly below the recommended reserve level of 33%, the balance position has been considerably improved upon from the approximate One percent fund balance projected at the beginning of FY2012 to 21% by end of FY 2014. The fund is projected to be able to add considerably to the reserve according to this proposed budget. This is due primarily to the adopted and planned water and sewer rate increases which began to show positive net cash results in FY2013. In FY2014 and further out, we will continue to monitor the revenue recovery of the utility fund, and will recommend a decrease in rates as soon as it is financially feasible.

The Following Graph illustrates the progress of Fund Balances for the General Fund & W/S





Fiscal Year	G/F Fund Balance	W/S Fund Balance	Fiscal Year	G/F Fund Balance	W/S Fund Balance
2006	498,746	3,636,874	2011	1,266,989	818,882
2007	23,148	2,618,732	2012	1,694,945	809,175
2008	649,125	1,651,702	2013 Estimated	1,873,062	994,028
2009	775,120	568,021	2014 Estimated	1,223,680	994,028
2010	764,794	(234,357)			

The City implemented GASB Statement 54 standard for classification of fund balance in the governmental funds. The fund balances of governmental funds are defined as follow:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form, such as inventory or prepaid items or because they are legally or contractually required to be maintained intact.

Restricted - amount that can be spent only for specific purposes of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed - amounts that can be used only for specific purpose determined by s formal action of the City Council. The City Council is the highest level of decision making authority for the City. Commitments may be established, modified, or restricted only through a formal resolution of the City Council.

Assigned - amount that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purpose that have been established by the City Council.

Un-assigned - all other spendable amounts in the general fund will fall under this category.



The City Council delegates the responsibility to assign funds to the City Manager, Director of Finance, or other designee as determined by the Council.

When expenditures are incurred for which both restricted and unrestricted fund balances available, the City considers restricted funds to have been spent first. Similarly, committed funds are considered to have been spent first when there is a choice for the use of the less restricted funds, then assigned and then unassigned funds.



General Fund

G/F Summary Schedule of Revenue
G/F Schedule of Expenditures by Departments
Library
City Secretary Office
Planning and Development Services
Administration and Finance
Municipal Court
Fire and EMS
Public Works
Police
Parks
Main Street

General Fund Schedule of Revenues

Revenue Category	FY2013 Approved Budget	FY 2013 Actual As Of 06/30/13	FY 2013 Year End Estimate	FY 2014 Proposed Budget
Fines & Fees	\$ 608,515	\$ 578,687	\$ 774,652	\$ 765,256
<i>Court Fines</i>	117,000	122,319	\$ 152,319	\$ 145,000
<i>Court Security</i>	3,200	3,235	\$ 3,985	\$ 3,500
<i>Court Technology</i>	4,200	4,314	\$ 5,214	\$ 4,500
<i>Court Time Pay</i>	1,200	781	\$ 1,056	\$ 1,000
<i>Court DD</i>	23,000	10,679	\$ 12,721	\$ 13,000
<i>Park Fees</i>	-	1,576	\$ 1,876	\$ -
<i>Permits</i>	260,000	249,059	\$ 366,152	\$ 387,500
<i>EMS Fees</i>	160,000	87,873	\$ 127,164	\$ 160,000
<i>Development Fees</i>	39,915	98,851	\$ 104,166	\$ 50,756
Taxes	\$ 2,955,694	\$ 2,751,085	\$ 3,008,058	\$ 3,032,296
<i>Sales Tax</i>	318,250	267,422	\$ 363,678	\$ 381,862
<i>Property Tax - Current</i>	2,330,444	2,259,569	\$ 2,330,444	\$ 2,328,934
<i>Property Tax - Delinquent</i>	40,000	41,536	\$ 42,736	\$ 44,000
<i>Electric Franchise Taxes</i>	190,000	120,840	\$ 190,000	\$ 192,000
<i>Gas Franchise Taxes</i>	42,000	31,356	\$ 42,000	\$ 45,000
<i>Phone Franchise Taxes</i>	15,000	8,367	\$ 15,000	\$ 15,000
<i>Cable Franchise Taxes</i>	15,000	17,299	\$ 18,000	\$ 19,000
<i>Utilities PEG Fees</i>	5,000	4,695	\$ 6,200	\$ 6,500
Grants	\$ -	\$ -	\$ -	\$ -
<i>FD Training Grant</i>	-	-	\$ -	\$ -
<i>Safer Grant</i>	-	-	\$ -	\$ -
<i>Forest Service Grant</i>	-	-	\$ -	\$ -
<i>Police Grants</i>	-	-	\$ -	\$ -
Events & Donations	\$ 70,235	\$ 130,521	\$ 137,177	\$ 112,925
<i>Main Street Special Event</i>	18,000	18,648	\$ 19,573	\$ 27,000
<i>Main Street Golf Tournament</i>	38,500	52,139	\$ 53,889	\$ 45,000
<i>Main Street Donations</i>	-	-	\$ -	\$ -
<i>Park Donations</i>	-	-	\$ -	\$ -
<i>Police Donations</i>	-	-	\$ -	\$ -
<i>Fire Department Donations</i>	-	700	\$ 700	\$ -
<i>County Library Funds</i>	13,735	11,944	\$ 15,925	\$ 15,925
<i>City Sponsored Events</i>	-	47,090	\$ 47,090	\$ 25,000
Penalties & Interest	\$ 40,000	\$ 20,287	\$ 40,000	\$ 33,000
<i>Interest Income</i>	40,000	20,287	\$ 40,000	\$ 33,000
Other Revenues	\$ 214,190	\$ 207,254	\$ 259,198	\$ 230,662
<i>Police Reports</i>	275	308	\$ 330	\$ 300
<i>Police Seizures</i>	-	597	\$ 597	\$ -
<i>County Rebate of CS</i>	5,000	3,422	\$ 4,562	\$ 5,200
<i>Collin County Fire Fees</i>	38,000	23,056	\$ 46,112	\$ 48,512
<i>Denton County Fire Fees</i>	15,000	11,197	\$ 11,197	\$ 10,950
<i>Capital Lease Proceeds</i>	-	-	\$ -	\$ -
<i>Insurance Proceeds</i>	-	-	\$ -	\$ -
<i>Sale of Fixed Assets</i>	-	23,428	\$ 23,428	\$ -
<i>Property Rental</i>	-	-	\$ -	\$ -
<i>Park Usage Fees</i>	30,000	52,375	\$ 61,470	\$ 60,000
<i>Park Concession revenues</i>	42,000	29,323	\$ 31,605	\$ 35,000
<i>Health Inspection Fees</i>	15,000	7,956	\$ 10,608	\$ 12,000
<i>Fire Inspection Fees</i>	1,350	1,425	\$ 1,525	\$ 1,500
<i>Alarm Permits</i>	2,000	2,050	\$ 2,200	\$ 2,200
<i>Miscellaneous Income</i>	17,500	14,789	\$ 17,500	\$ 15,000
<i>Settlement Reimbursement</i>	-	-	\$ -	\$ -
<i>Library Services Contract</i>	48,065	37,329	\$ 48,065	\$ 40,000
Transfers In	\$ 325,000	\$ -	\$ 325,000	\$ 975,000
Total Revenues	\$ 4,213,635	\$ 3,687,833	\$ 4,544,086	\$ 5,149,139

General Fund Schedule of Expenditures

Activity Centers	FY2013 Approved Budget	FY 2013 Actual As Of 03/31/13	FY 2013 Year End Estimate	FY 2014 Proposed Budget
<i>Library</i>	134,600	100,962	\$ 136,666	\$ 136,596
<i>City Secretary's Office</i>	112,545	79,060	\$ 113,169	\$ 115,573
<i>Development Services</i>	388,131	303,885	\$ 421,962	\$ 801,053
<i>Administration</i>	711,295	584,689	\$ 770,936	\$ 874,097
<i>Court</i>	74,578	58,758	\$ 80,805	\$ 79,451
<i>Fire</i>	1,070,176	790,468	\$ 1,082,050	\$ 1,197,332
<i>Public Works</i>	430,562	335,850	\$ 450,006	\$ 572,866
<i>Police</i>	801,388	611,459	\$ 821,951	\$ 864,657
<i>Parks</i>	342,554	231,816	\$ 328,564	\$ 442,936
<i>Main Street</i>	123,275	137,286	\$ 159,858	\$ 63,960
<i>Transfers Out</i>	-	-	\$ -	\$ -
Total Expenditures	\$ 4,189,103	\$ 3,234,234	\$ 4,365,969	\$ 5,148,522



FY 2014 Departmental Summary



Fund:
Department:
Account Group:

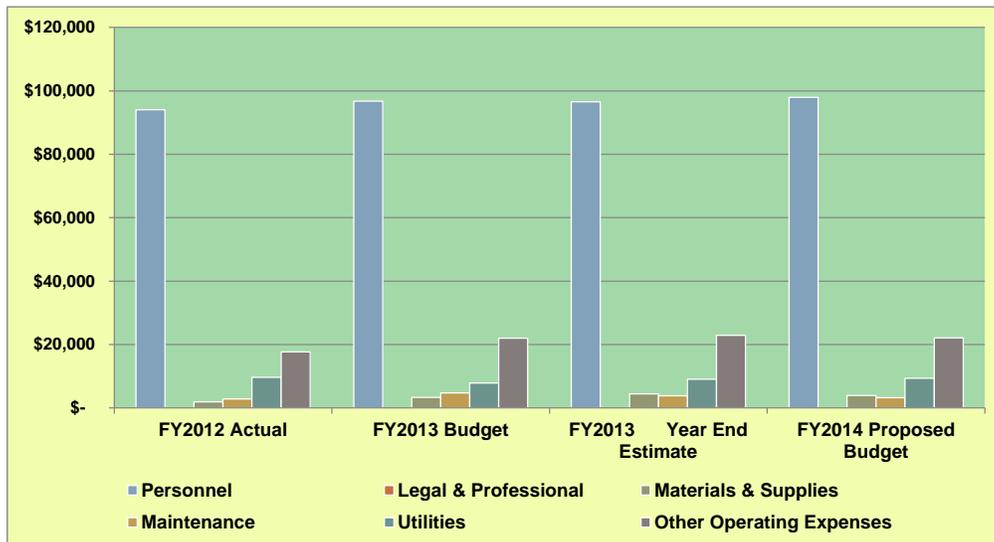
General Fund
All
All

Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ 2,546,869	\$ 2,919,371	\$ 2,895,264	\$ 3,172,844	\$ 277,580	9.59%	\$ 253,473
Legal & Professional	\$ 480,705	\$ 378,696	\$ 413,757	\$ 720,526	\$ 306,769	74%	\$ 341,830
Materials & Supplies	\$ 101,153	\$ 120,125	\$ 119,945	\$ 209,109	\$ 89,164	74%	\$ 88,984
Maintenance	\$ 194,095	\$ 212,025	\$ 209,257	\$ 262,980	\$ 53,723	26%	\$ 50,955
Utilities	\$ 182,236	\$ 187,088	\$ 220,568	\$ 226,181	\$ 5,613	3%	\$ 39,093
Other Operating Expenses	\$ 501,928	\$ 371,798	\$ 507,178	\$ 556,882	\$ 49,704	10%	\$ 185,084
Total Expenditures	\$ 4,006,985	\$ 4,189,103	\$ 4,365,969	\$ 5,148,522	\$ 782,553	17.9%	\$ 959,419

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
Library	1	2	2	2	0
City Secretary's Office	1	1	1	1	0
Development Services	4.5	5	5	7	2
Administration	2	4	4	5	1
Municipal Court	1	1	1	1	0
Fire Department	11	11	11	11	0
Public Works	3.5	4	4	4	0
Police Department	6	8	8	9	1
Parks	3	4	4	4	0
Main Street	0	1	1	0	-1
Total Personnel	33	41	41	44	3

Notes:

Key Points of Proposed Budget



FY 2014 Departmental Summary



Fund:
Department:
Account Group:

General Fund
Library Services
102-508

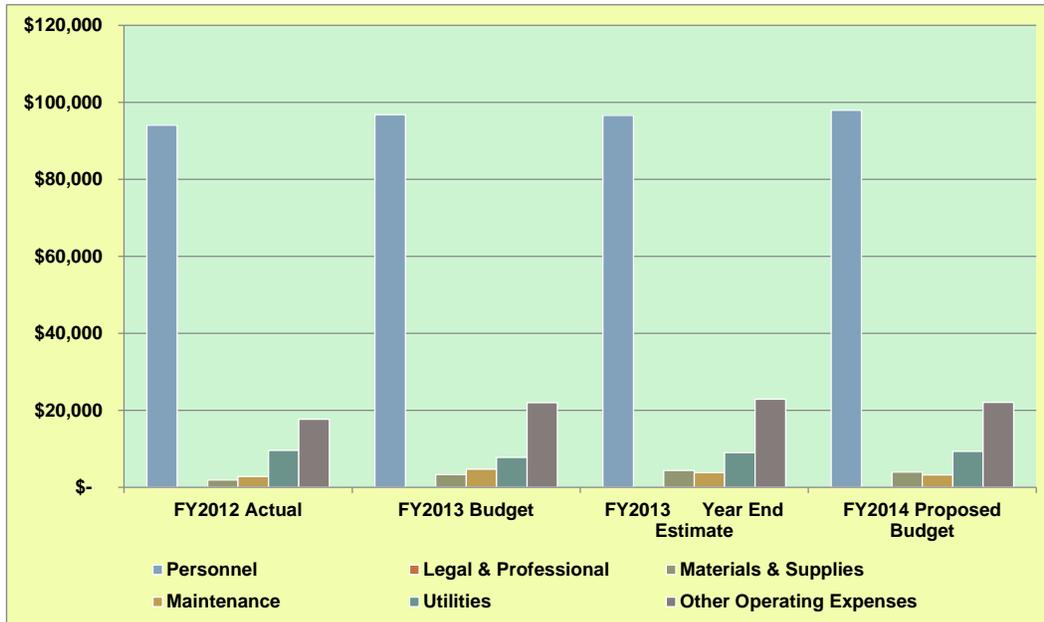
Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ 94,069	\$ 96,772	\$ 96,605	\$ 97,971	\$ 1,366	1%	\$ 1,199
Legal & Professional	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
Materials & Supplies	\$ 1,909	\$ 3,280	\$ 4,377	\$ 3,960	\$ (417)	-10%	\$ 680
Maintenance	\$ 2,828	\$ 4,750	\$ 3,779	\$ 3,250	\$ (529)	-14%	\$ (1,500)
Utilities	\$ 9,621	\$ 7,800	\$ 9,037	\$ 9,375	\$ 338	4%	\$ 1,575
Other Operating Expenses	\$ 17,689	\$ 21,998	\$ 22,868	\$ 22,040	\$ (828)	-4%	\$ 42
Total Expenditures	\$ 126,116	\$ 134,600	\$ 136,666	\$ 136,596	\$ (70)	-0.1%	\$ 1,996

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
Library Director	1	1	1	1	0
Library Clerk (2 part time posit	0	1	1	1	0
Total Personnel	1	2	2	2	0

Notes:

Key Points of Proposed Budget

- Proposed budget allows for fully functional public library service.
- Other Operating Expenses category includes \$15,000 for purchase of new books, media, and periodicals.
- Direct Library revenues in FY2014 = \$53,735.38 which represent a full year contract with Town of Prosper for \$40,000.00 and funds from the Collin County for \$13,735.38.



FY 2014 Departmental Summary



Fund:
Department:
Account Group:

General Fund
City Secretary's Office
102-509

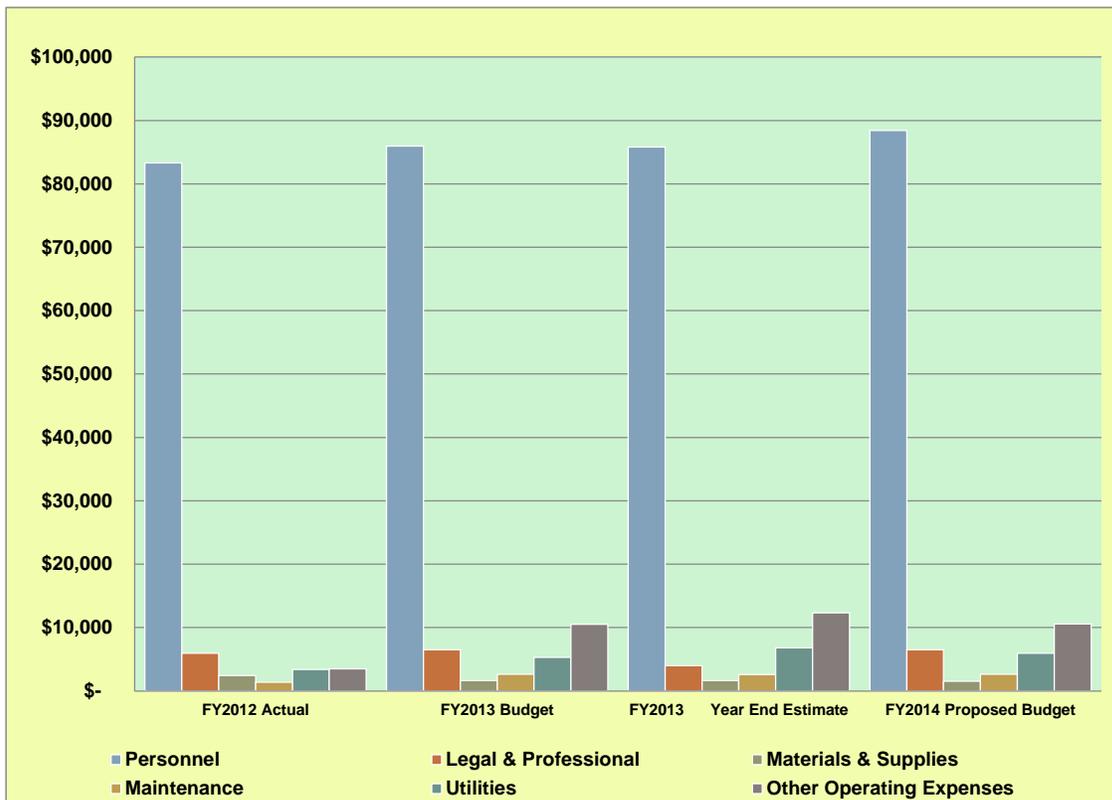
Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ 83,308	\$ 85,947	\$ 85,801	\$ 88,398	\$ 2,597	3%	\$ 2,451
Legal & Professional	\$ 5,950	\$ 6,500	\$ 4,000	\$ 6,500	\$ 2,500	63%	\$ -
Materials & Supplies	\$ 2,460	\$ 1,660	\$ 1,660	\$ 1,550	\$ (110)	-7%	\$ (110)
Maintenance	\$ 1,396	\$ 2,625	\$ 2,600	\$ 2,625	\$ 25	1%	\$ -
Utilities	\$ 3,399	\$ 5,300	\$ 6,785	\$ 5,950	\$ (835)	-12%	\$ 650
Other Operating Expenses	\$ 3,518	\$ 10,513	\$ 12,323	\$ 10,550	\$ (1,773)	-14%	\$ 37
Total Expenditures	\$ 100,031	\$ 112,545	\$ 113,169	\$ 115,573	\$ 2,404	2.1%	\$ 3,028

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
City Secretary	1	1	1	1	0
Total Personnel	1	1	1	1	0

Notes:

Key Points of Proposed Budget

1. No significant changes to programs or personnel proposed for FY 2013-2014.



FY 2014 Departmental Summary



Fund:
Department:
Account Group:

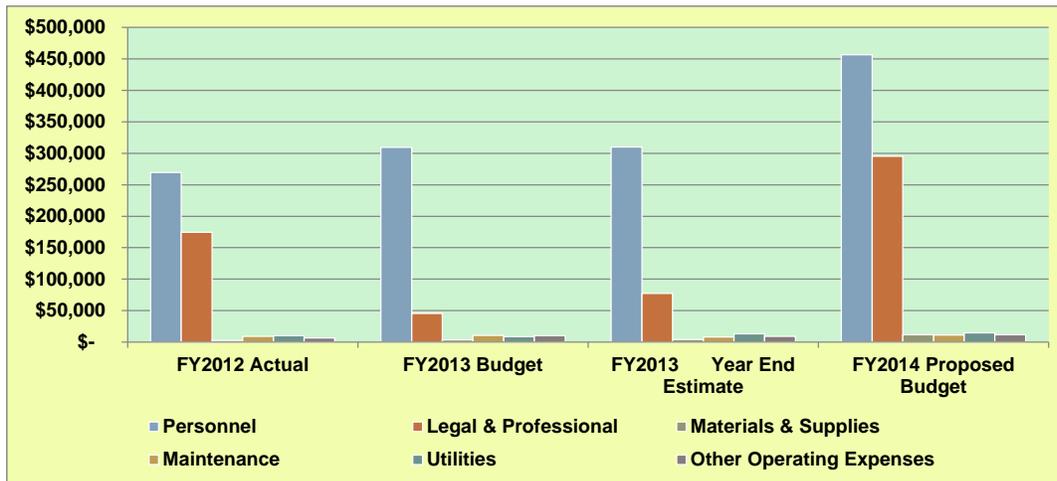
General Fund
Development Services
102-510

Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ 269,561	\$ 309,560	\$ 310,271	\$ 456,648	\$ 146,377	47.18%	\$ 147,088
Legal & Professional	\$ 174,642	\$ 45,500	\$ 77,200	\$ 295,500	\$ 218,300	283%	\$ 250,000
Materials & Supplies	\$ 2,514	\$ 3,760	\$ 4,222	\$ 11,600	\$ 7,378	175%	\$ 7,840
Maintenance	\$ 9,082	\$ 10,900	\$ 8,239	\$ 11,000	\$ 2,761	34%	\$ 100
Utilities	\$ 9,899	\$ 8,500	\$ 13,122	\$ 14,500	\$ 1,378	11%	\$ 6,000
Other Operating Expenses	\$ 6,631	\$ 9,911	\$ 8,908	\$ 11,805	\$ 2,897	33%	\$ 1,894
Total Expenditures	\$ 472,329	\$ 388,131	\$ 421,962	\$ 801,053	\$ 379,091	89.8%	\$ 412,922

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
Director of Planning	1	1	1	1	0
City Engineer	0	0	0	1	1
Planning Technician	0.5	1	1	1	0
Permit Technician	1	1	1	1	0
Building Official	1	1	1	1	0
Building Inspector	0	0	0	1	1
Codes Enforcement Officer	1	1	1	1	0
Total Personnel	4.5	5	5	7	2

Notes:
Key Points of Proposed Budget

1. Proposed budget allows for a full time City Engineer position starting October 1, 2013.
2. Proposed budget allows for a second full time Building Inspector position starting April 1, 2014.
3. Proposed budget allows for \$129,000.00 to be spent on Celina Parkway preliminary engineering.



FY 2014 Departmental Summary



Fund:
Department:
Account Group:

General Fund
Administration
102-511

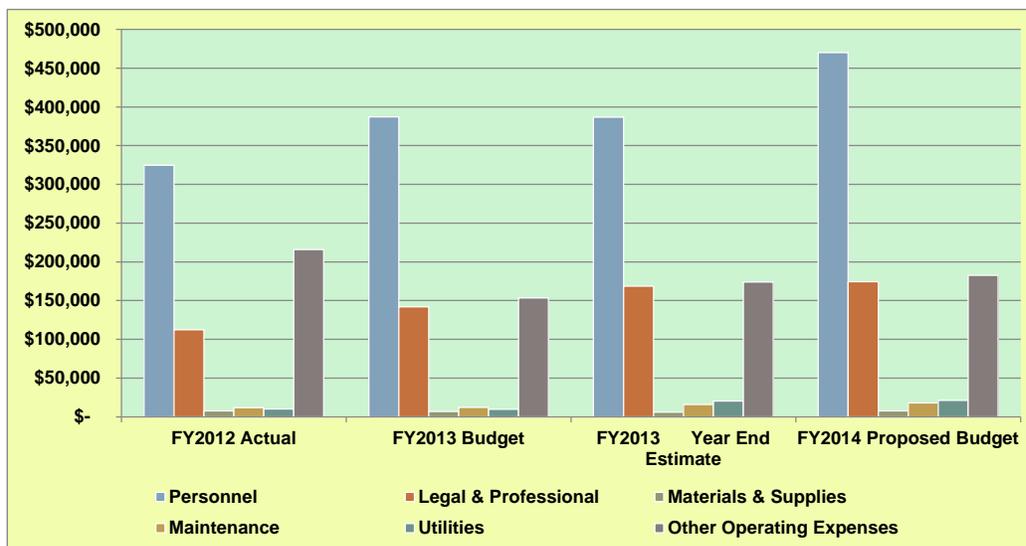
Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ 324,539	\$ 387,205	\$ 386,595	\$ 470,238	\$ 83,643	21.64%	\$ 83,033
Legal & Professional	\$ 112,432	\$ 141,925	\$ 168,547	\$ 174,304	\$ 5,757	3%	\$ 32,379
Materials & Supplies	\$ 7,774	\$ 6,800	\$ 5,800	\$ 7,800	\$ 2,000	34%	\$ 1,000
Maintenance	\$ 11,632	\$ 12,000	\$ 15,700	\$ 18,000	\$ 2,300	15%	\$ 6,000
Utilities	\$ 10,138	\$ 9,800	\$ 20,381	\$ 21,280	\$ 899	4%	\$ 11,480
Other Operating Expenses	\$ 216,066	\$ 153,565	\$ 173,914	\$ 182,475	\$ 8,561	5%	\$ 28,910
Total Expenditures	\$ 682,580	\$ 711,295	\$ 770,936	\$ 874,097	\$ 103,161	13.4%	\$ 162,802

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
City Manager	1	1	1	1	0
Assistant to the City Manager	0	1	1	1	0
Director of Finance	1	1	1	1	0
Accounting Clerk	0	1	1	1	0
Main Street Director	0	0	0	1	1
Total Personnel	2	4	4	5	1

Notes:

Key Points of Proposed Budget

1. In FY 2013-2014 we have added the position of Main Street Director to the Administration budget and removed it from Main Street budget. Annual cost of this change to the Admin. Budget will be approximately \$70,000.00.
2. Proposed budget allows for \$30,000.00 to be added to the legal expense line item based on increase in developments in general and MMD in particular.



FY 2014 Departmental Summary



Fund:
Department:
Account Group:

General Fund
Municipal Court
102-512

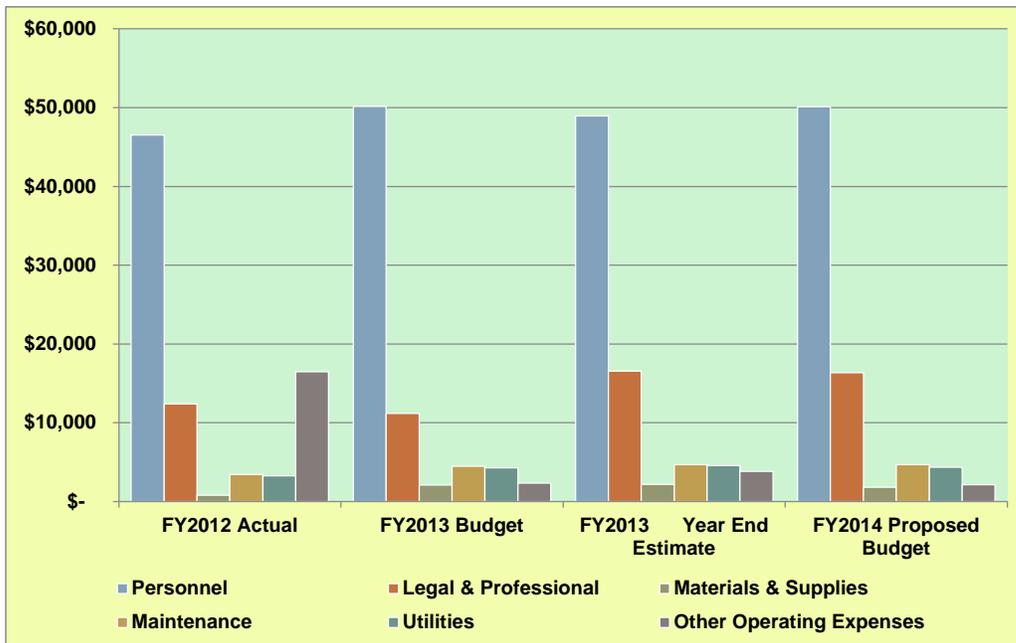
Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ 46,541	\$ 50,157	\$ 48,962	\$ 50,100	\$ 1,138	2%	\$ (57)
Legal & Professional	\$ 12,416	\$ 11,171	\$ 16,571	\$ 16,352	\$ (219)	-1%	\$ 5,181
Materials & Supplies	\$ 803	\$ 2,100	\$ 2,177	\$ 1,814	\$ (363)	-17%	\$ (286)
Maintenance	\$ 3,419	\$ 4,500	\$ 4,705	\$ 4,705	\$ -	0%	\$ 205
Utilities	\$ 3,270	\$ 4,300	\$ 4,555	\$ 4,345	\$ (210)	-5%	\$ 45
Other Operating Expenses	\$ 16,464	\$ 2,350	\$ 3,835	\$ 2,135	\$ (1,700)	-44%	\$ (215)
Total Expenditures	\$ 82,913	\$ 74,578	\$ 80,805	\$ 79,451	\$ (1,354)	-1.7%	\$ 4,873

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
Court Clerk	1	1	1	1	0
Total Personnel	1	1	1	1	0

Notes:

Key Points of Proposed Budget

- Proposed budget allows for an increase in the Legal & professional line item due to increase in billing from the prosecutor.



FY 2014 Departmental Summary



Fund:
Department:
Account Group:

General Fund
Fire & EMS
102-513

Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ 858,927	\$ 904,351	\$ 889,485	\$ 918,542	\$ 29,058	3.27%	\$ 14,191
Legal & Professional	\$ 45,056	\$ 22,200	\$ 27,090	\$ 27,500	\$ 410	2%	\$ 5,300
Materials & Supplies	\$ 39,500	\$ 31,725	\$ 32,688	\$ 49,300	\$ 16,612	51%	\$ 17,575
Maintenance	\$ 71,820	\$ 56,150	\$ 66,422	\$ 99,480	\$ 33,058	50%	\$ 43,330
Utilities	\$ 20,731	\$ 23,450	\$ 23,603	\$ 26,040	\$ 2,437	10%	\$ 2,590
Other Operating Expenses	\$ 26,140	\$ 32,300	\$ 42,763	\$ 76,470	\$ 33,707	79%	\$ 44,170
Total Expenditures	\$ 1,062,174	\$ 1,070,176	\$ 1,082,050	\$ 1,197,332	\$ 115,282	10.7%	\$ 127,156

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
Fire Chief	1	1	1	1	0
Deputy Fire Chief	1	1	1	1	0
Firefighters/ Paramedic	9	9	9	9	0
Total Personnel	11	11	11	11	0

Notes:

Key Points of Proposed Budget

1. Increase in Personnel line item is mainly due to increase of overtime and change in holiday pay for the firefighters.
2. Increase in Material and Supplies line item is mainly due to increase in cost of medical supplies and drugs.
3. Increase in Maintenance line item is mainly due to increase in cost of maintenance agreements.
4. Increase in Other Operating Expenses line item is mainly due to purchase of One Storm Siren Unit.



FY 2014 Departmental Summary



Fund:
Department:

General Fund
Public Works
(Streets & Drainage)
102-514

Account Group:

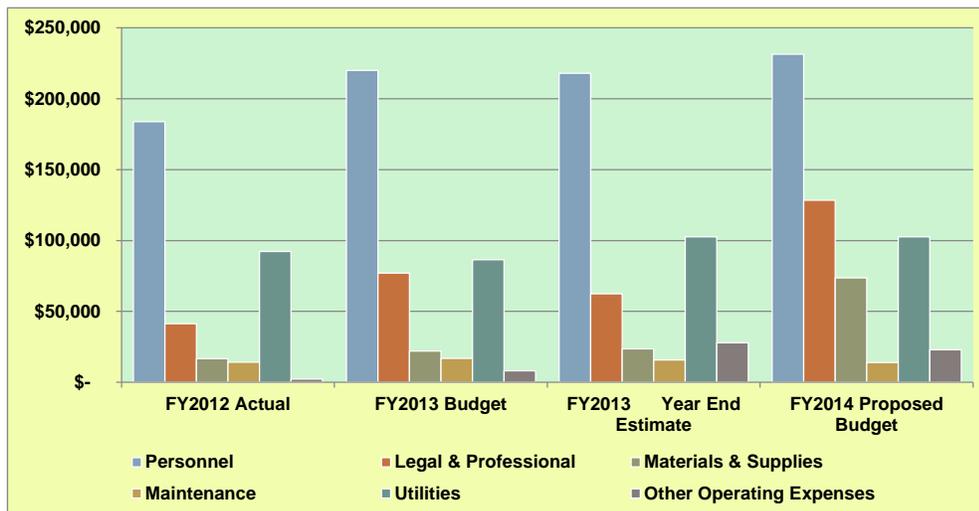
Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ 183,900	\$ 220,001	\$ 217,902	\$ 231,571	\$ 13,669	6.27%	\$ 11,570
Legal & Professional	\$ 41,363	\$ 77,000	\$ 62,346	\$ 128,500	\$ 66,154	106%	\$ 51,500
Materials & Supplies	\$ 16,537	\$ 22,000	\$ 23,600	\$ 73,600	\$ 50,000	212%	\$ 51,600
Maintenance	\$ 14,207	\$ 16,900	\$ 15,800	\$ 13,800	\$ (2,000)	-13%	\$ (3,100)
Utilities	\$ 92,161	\$ 86,500	\$ 102,591	\$ 102,591	\$ -	0%	\$ 16,091
Other Operating Expenses	\$ 2,127	\$ 8,161	\$ 27,767	\$ 22,804	\$ (4,963)	-18%	\$ 14,643
Total Expenditures	\$ 350,295	\$ 430,562	\$ 450,006	\$ 572,866	\$ 122,860	27.3%	\$ 142,304

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
Director of Public Works	1	1	1	1	0
Street & Drainage Superintendent	0	1	1	1	0
Maintenance Worker	2	2	2	2	0
Contract Labor	0.5	0	0	0	0
Total Personnel	3.5	4	4	4	0

Notes: Utilities expense includes electricity for street lighting.

Key Points of Proposed Budget

1. We have added \$8,000.00 to contract labor that will allow for quicker completion of street projects. We have added \$50,000.00 for Thoroughfare Impact Study which is needed for future developments. We have added additional \$7,500.00 to the engineering line item for assistance in integration of GIS and Micro Paver software.
2. Proposed budget allows for an additional \$50,000.00 to be added to the Asphalt & Aggregate line item for maintenance of annexed county roads in Denton & Collin Counties.
3. This budget will allow for a lease of Skid Steer. Impact for FY 2013-2014 will be \$8,714.00.



FY 2014 Departmental Summary



Fund:
Department:
Account Group:

General Fund
Police
102-515

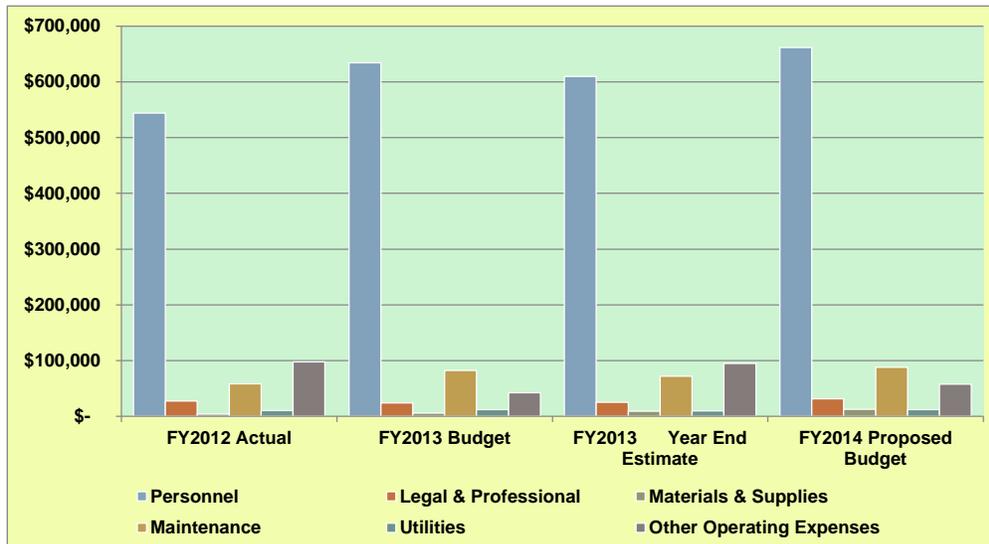
Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ 544,264	\$ 633,938	\$ 609,916	\$ 661,844	\$ 51,928	9%	\$ 27,907
Legal & Professional	\$ 27,825	\$ 24,400	\$ 25,235	\$ 31,870	\$ 6,635	26%	\$ 7,470
Materials & Supplies	\$ 4,183	\$ 6,000	\$ 9,437	\$ 13,000	\$ 3,563	38%	\$ 7,000
Maintenance	\$ 58,491	\$ 82,500	\$ 72,341	\$ 87,920	\$ 15,579	22%	\$ 5,420
Utilities	\$ 10,270	\$ 12,300	\$ 10,182	\$ 12,300	\$ 2,118	21%	\$ -
Other Operating Expenses	\$ 97,550	\$ 42,250	\$ 94,840	\$ 57,723	\$ (37,117)	-39%	\$ 15,473
Total Expenditures	\$ 742,584	\$ 801,388	\$ 821,951	\$ 864,657	\$ 42,706	5.2%	\$ 63,270

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
Police Chief	0	1	1	0	-1
Administrative Assistant	0	0	0	1	1
Sergeant	1	1	1	2	1
Patrol Officer	5	6	6	6	0
Total Personnel	6	8	8	9	1

Notes:

Key Points of Proposed Budget

- Proposed budget allows for promotion of patrol officer to CID Sergeant and addition of a new position of Administrative Assistant. Total impact on the budget will be \$44,304.00.
- Proposed budget will allow for purchase of Special Event uniform and a new ballistic vest with total impact of \$4,000.00.
- Proposed budget will allow for lease of a police vehicle with intention of giving the oldest police vehicle to the building inspector. Total impact for Fiscal Year 2013-2014 will be \$10,973.00.



FY 2014 Departmental Summary



Fund:
Department:
Account Group:

General Fund
Parks
102-516

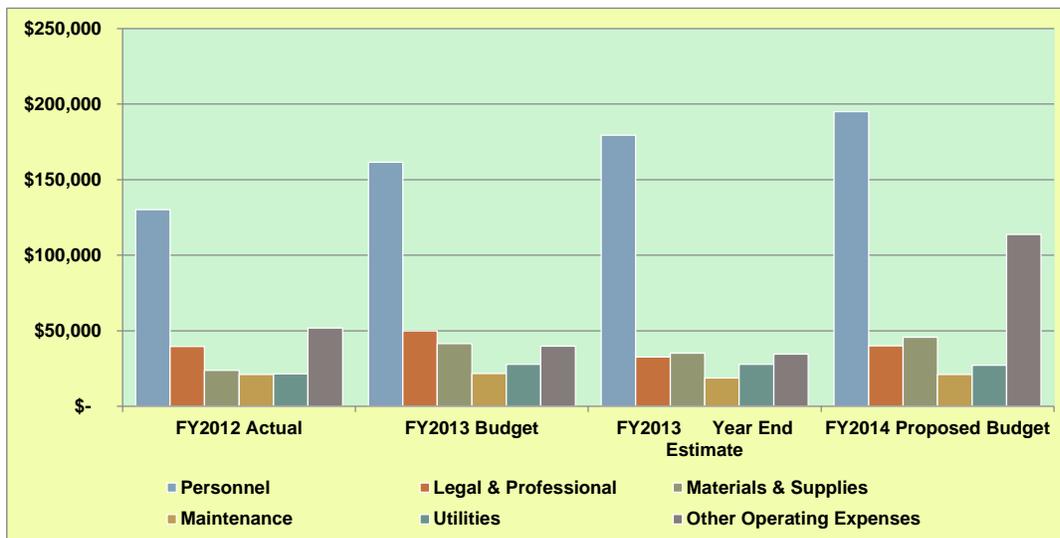
Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ 130,119	\$ 161,566	\$ 179,366	\$ 195,031	\$ 15,665	9%	\$ 33,465
Legal & Professional	\$ 39,658	\$ 50,000	\$ 32,768	\$ 40,000	\$ 7,232	22%	\$ (10,000)
Materials & Supplies	\$ 23,869	\$ 41,500	\$ 35,235	\$ 45,735	\$ 10,500	30%	\$ 4,235
Maintenance	\$ 21,200	\$ 21,700	\$ 18,763	\$ 21,200	\$ 2,437	13%	\$ (500)
Utilities	\$ 21,477	\$ 27,838	\$ 27,838	\$ 27,150	\$ (688)	-2%	\$ (688)
Other Operating Expenses	\$ 51,914	\$ 39,950	\$ 34,594	\$ 113,820	\$ 79,226	229%	\$ 73,870
Total Expenditures	\$ 288,239	\$ 342,554	\$ 328,564	\$ 442,936	\$ 114,371	34.8%	\$ 100,382

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
Park Superintendent	1	1	1	1	0
Crew Leader	1	1	1	1	0
Maintenance Worker	1	1	1	1	0
Park & Recreations Supervisor	0	1	1	1	0
Total Personnel	3	4	4	4	0

Notes:

Key Points of Proposed Budget

- Proposed budget allows for full year of crew leader compensation.
- Proposed budget will allow for lease of new equipment for parks which will be delivered in April 2014. Impact on FY 2014 will be \$33,870.00.
- City Sponsored Events (Cajun Fest & Splash and Blast) have been moved from Main Street budget to Parks budget. Total impact on Parks FY 2014 budget will be \$45,000.00.



FY 2014 Departmental Summary



Fund:
Department:
Account Group:

General Fund
Main Street
102-517

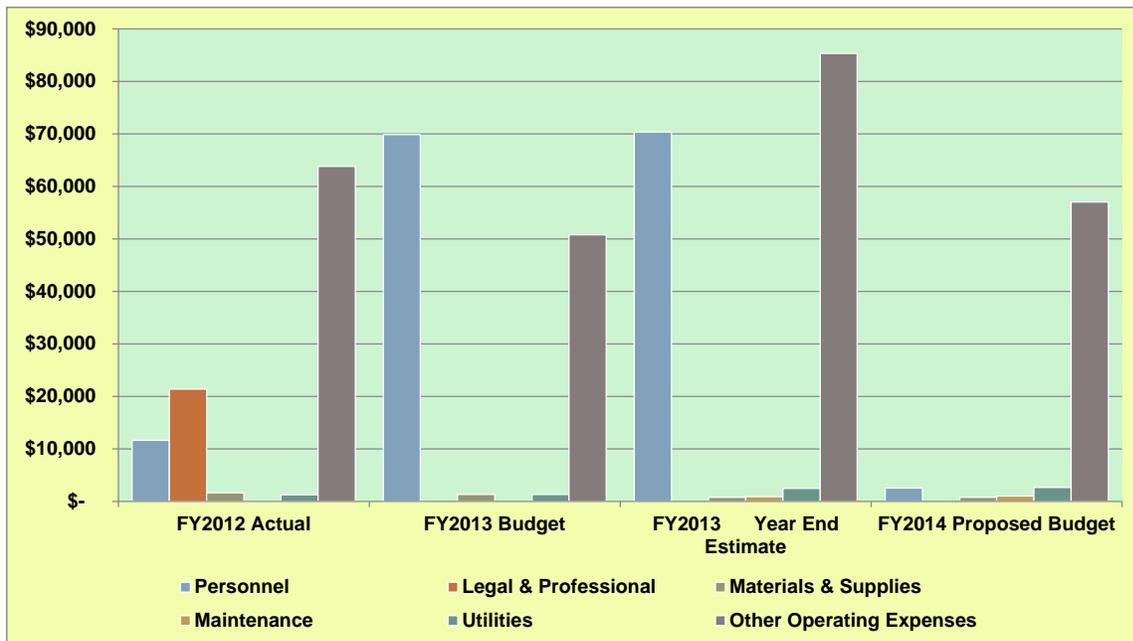
Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ 11,640	\$ 69,875	\$ 70,361	\$ 2,500	\$ (67,861)	-96%	\$ (67,375)
Legal & Professional	\$ 21,364	\$ -	\$ -	\$ -	\$ -	0%	\$ -
Materials & Supplies	\$ 1,604	\$ 1,300	\$ 750	\$ 750	\$ 750	100%	\$ (550)
Maintenance	\$ 20	\$ -	\$ 908	\$ 1,000	\$ 92	0%	\$ 1,000
Utilities	\$ 1,270	\$ 1,300	\$ 2,473	\$ 2,650	\$ 177	7%	\$ 1,350
Other Operating Expenses	\$ 63,829	\$ 50,800	\$ 85,366	\$ 57,060	\$ (28,306)	-33%	\$ 6,260
Total Expenditures	\$ 99,726	\$ 123,275	\$ 159,858	\$ 63,960	\$ (95,148)	-60.0%	\$ (59,315)

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
Main Street Manager	0	1	1	0	-1
Total Personnel	0	1	1	0	-1

Notes:

Key Points of Proposed Budget

1. Main Street Director's payroll has been moved to Administration budget. Net effect is reduction of \$68,000.00 in Main Street personnel budget.
2. For FY 2013-2014 Main Street budget, we have moved the City Sponsored events into Parks budget.





Water and Wastewater Fund

W/S Summary Schedule of Revenue
W/S Schedule of Expenses by Departments
Water
Wastewater
Garbage & Recycling

W/S Fund Schedule of Revenues

Revenue Category	FY2013 Approved Budget	FY 2013 Actual As Of 06/30/13	FY 2013 Year End Estimate	FY 2014 Proposed Budget
Fines & Fees	\$ 199,592	\$ 145,091	\$ 236,182	\$ 295,192
<i>Water Tower Rental Fees</i>	51,892	46,056	\$ 56,526	41,892
<i>Water Impact Fees</i>	0	-	\$ -	-
<i>Sewer Impact Fees</i>	0	-	\$ -	-
<i>Reconnect/Disconnect Fee</i>	14,000	11,000	\$ 14,360	14,000
<i>Customer Service Fees</i>	900	665	\$ 887	900
<i>Transfer Fees</i>	800	550	\$ 850	800
<i>Water Taps</i>	71,250	49,970	\$ 91,880	128,250
<i>Sewer Taps</i>	60,750	36,850	\$ 71,680	109,350
Penalties & Interest	\$ 66,000	\$ 58,340	\$ 77,786	\$ 68,000
<i>Penalties</i>	60,000	50,230	\$ 66,974	62,000
<i>Interest Income</i>	6,000	8,109	\$ 10,812	6,000
Sales	\$ 4,016,239	\$ 2,654,094	\$ 4,043,119	\$ 4,301,714
<i>Water Sales</i>	2,592,644	1,684,981	\$ 2,636,525	2,791,986
<i>Sewer Sales</i>	1,087,644	712,183	\$ 1,053,584	1,125,728
<i>Garbage Billing</i>	335,951	256,930	\$ 353,009	384,000
Other Revenues	\$ 22,245	\$ 33,774	\$ 42,602	\$ 40,056
<i>Radio Read Reserve</i>	12,375	8,531	\$ 15,934	22,275
<i>Bond Proceeds</i>	-	9,314	\$ 9,314	-
<i>Insurance Proceeds</i>	-	-	\$ -	-
<i>Sales of Fixed Assets</i>	-	-	\$ -	-
<i>Contributions</i>	-	-	\$ -	-
<i>Miscellaneous Income</i>	9,870	15,929	\$ 17,354	17,781
Total Revenues	\$ 4,304,076	\$ 2,891,298	\$ 4,399,689	\$ 4,704,962

W/S Fund Summary of Expenditures

Activity Centers	FY2013 Approved Budget	FY 2013 Actual As Of 06/30/13	FY 2013 Year End Estimate	FY 2014 Proposed Budget
<i>Water Department</i>	2,824,852	1,581,727	\$ 2,817,234	3,187,073
<i>Sewer Department</i>	1,242,920	560,382	\$ 1,054,033	1,160,312
<i>Trash & Recycling Collection</i>	335,951	253,570	\$ 343,570	357,578
Total	\$ 4,403,722	\$ 2,395,679	\$ 4,214,836	\$ 4,704,962



FY 2014 Departmental Summary



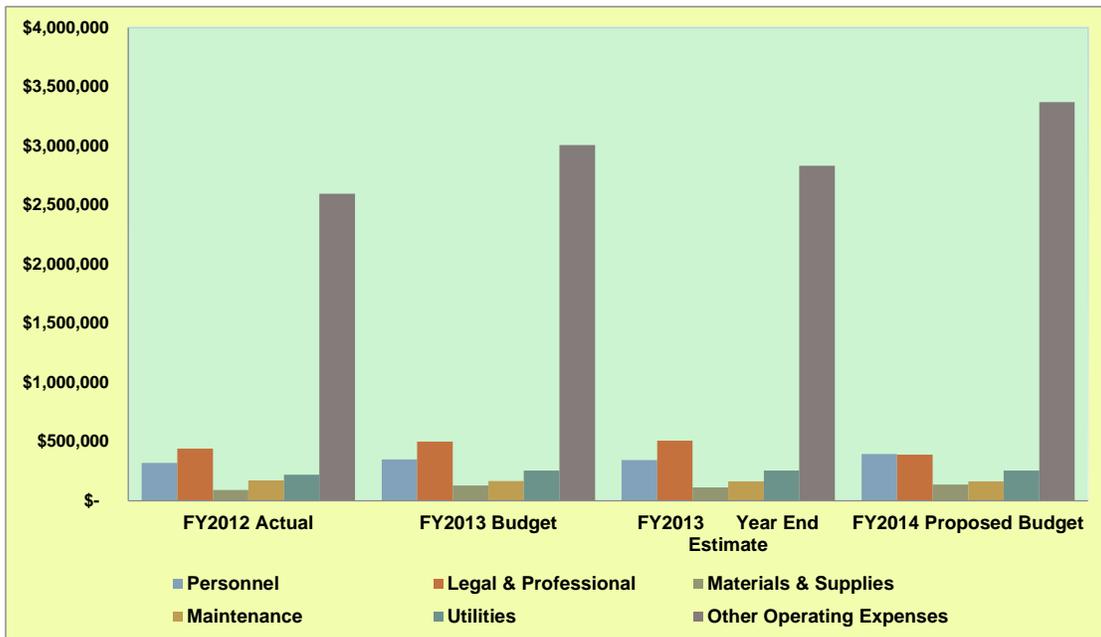
Fund: water & Sewer fund
 Department: All
 Account Group: All

Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ 319,696	\$ 347,977	\$ 344,159	\$ 393,855	\$ 49,696	14%	\$ 45,879
Legal & Professional	\$ 441,050	\$ 498,951	\$ 507,691	\$ 387,578	\$ (120,113)	-24%	\$ (111,373)
Materials & Supplies	\$ 91,468	\$ 127,500	\$ 111,026	\$ 135,026	\$ 24,000	22%	\$ 7,526
Maintenance	\$ 171,886	\$ 166,600	\$ 164,013	\$ 162,984	\$ (1,029)	-1%	\$ (3,616)
Utilities	\$ 218,316	\$ 255,200	\$ 255,200	\$ 255,200	\$ -	0%	\$ -
Other Operating Expenses	\$ 2,595,621	\$ 3,007,496	\$ 2,832,747	\$ 3,370,319	\$ 537,572	19%	\$ 362,823
Total Expenditures	\$ 3,838,037	\$ 4,403,723	\$ 4,214,836	\$ 4,704,962	\$ 490,126	11.6%	\$ 301,240

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
Water	4	4.5	5	5	0
Sewer	2	3	3	3	0
Trash	0	0	0	0	0
Total Personnel	6	7.5	8	8	0

Notes:

Key Points of Proposed Budget



FY 2014 Departmental Summary



Fund:
Department:
Account Group:

Utility Fund
Water
202-521

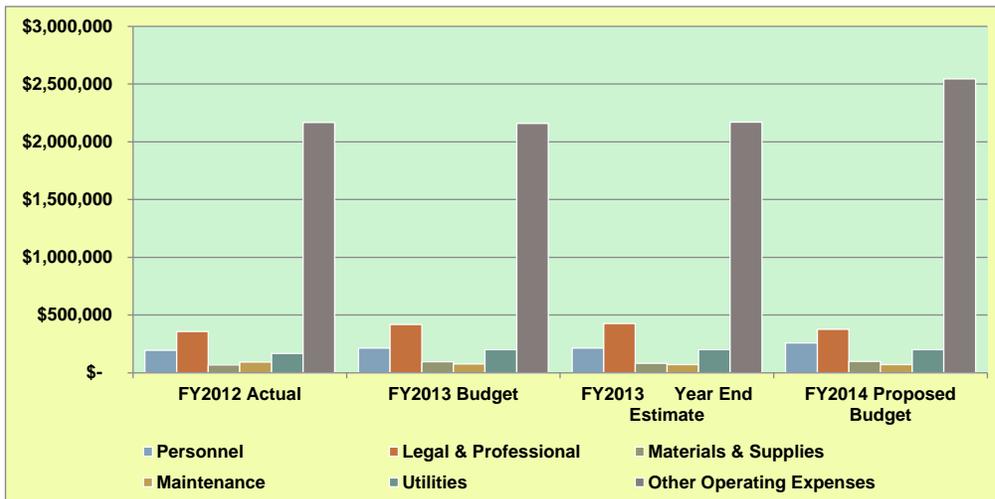
Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ 194,037	\$ 213,552	\$ 213,703	\$ 256,576	\$ 42,873	20%	\$ 43,023
Legal & Professional	\$ 358,117	\$ 417,451	\$ 425,631	\$ 377,578	\$ (48,053)	-11%	\$ (39,873)
Materials & Supplies	\$ 66,479	\$ 95,800	\$ 81,026	\$ 97,026	\$ 16,000	20%	\$ 1,226
Maintenance	\$ 92,355	\$ 75,500	\$ 71,113	\$ 70,084	\$ (1,029)	-1%	\$ (5,416)
Utilities	\$ 165,779	\$ 199,600	\$ 199,700	\$ 199,700	\$ -	0%	\$ 100
Other Operating Expenses	\$ 2,166,429	\$ 2,158,900	\$ 2,169,631	\$ 2,543,687	\$ 374,056	17%	\$ 384,787
Total Expenditures	\$ 3,043,196	\$ 3,160,803	\$ 3,160,804	\$ 3,544,651	\$ 383,847	12.1%	\$ 383,848

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
Water Plant Operator	1	1	1	1	0
Maintenance Worker	2	2	2	2	0
Utility Billing Clerk	1	1	2	2	0
Utility Billing Clerk (Part Time)	0	0.5	0	0	0
Total Personnel	4	4.5	5	5	0

Notes:

Key Points of Proposed Budget

1. UTRWD water cost increasing by about 4%
2. For FY 2013-2014 North Central Texas Ground Water Conservation charges \$14,100.00 based on number of gallons pumped out of the wells times \$0.10 per 1000 gallons of water.
3. Materials and Supplies category continues to increase mainly due to increase in number of new buildings.
4. Proposed budget includes funding of \$175,000 for rehab of downtown water tower.
5. Proposed budget allows for financing of complete Automated Meter Reading (AMR) system. Financing will be for 10 years with approximate annual payment of \$135,000.00.



FY 2014 Departmental Summary



Fund:
Department:
Account Group:

Utility Fund
Sewer
202-522

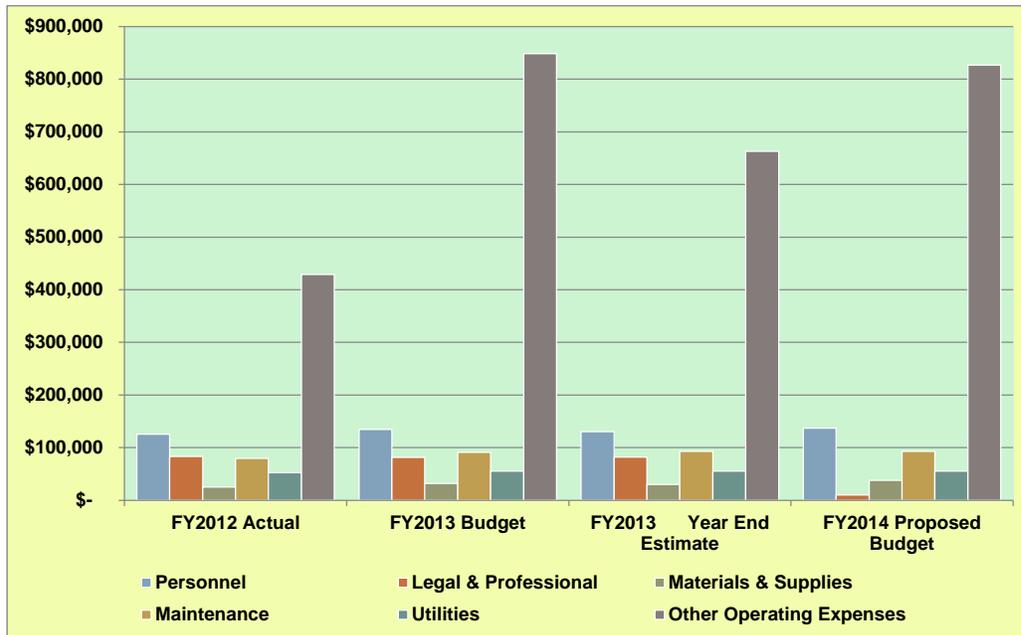
Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ 125,658	\$ 134,424	\$ 130,456	\$ 137,280	\$ 6,824	5%	\$ 2,856
Legal & Professional	\$ 82,933	\$ 81,500	\$ 82,061	\$ 10,000	\$ (72,061)	-88%	\$ (71,500)
Materials & Supplies	\$ 24,989	\$ 31,700	\$ 30,000	\$ 38,000	\$ 8,000	27%	\$ 6,300
Maintenance	\$ 79,531	\$ 91,100	\$ 92,900	\$ 92,900	\$ -	0%	\$ 1,800
Utilities	\$ 52,537	\$ 55,600	\$ 55,500	\$ 55,500	\$ -	0%	\$ (100)
Other Operating Expenses	\$ 429,192	\$ 848,596	\$ 663,116	\$ 826,632	\$ 163,516	25%	\$ (21,964)
Total Expenditures	\$ 794,841	\$ 1,242,920	\$ 1,054,033	\$ 1,160,312	\$ 106,279	10.1%	\$ (82,608)

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
Wastewater Plant Operator	1	1	1	1	0
Maintenance Worker	1	2	2	2	0
Total Personnel	2	3	3	3	0

Notes:

Key Points of Proposed Budget

1. Other Operating Expenses includes 12 months of regional sewer service through the Carter Ranch WW Relief line.
2. UTRWD interest cost on the equity remains the same for FY 2013-2014.
3. Legal & Professional line decrease due to the completion of Water & Sewer master plan.



FY 2014 Departmental Summary



Fund: Utility Fund
 Department: Trash & Recycling
 Account Group: 202-522

Utility Fund
 Trash & Recycling
 202-522

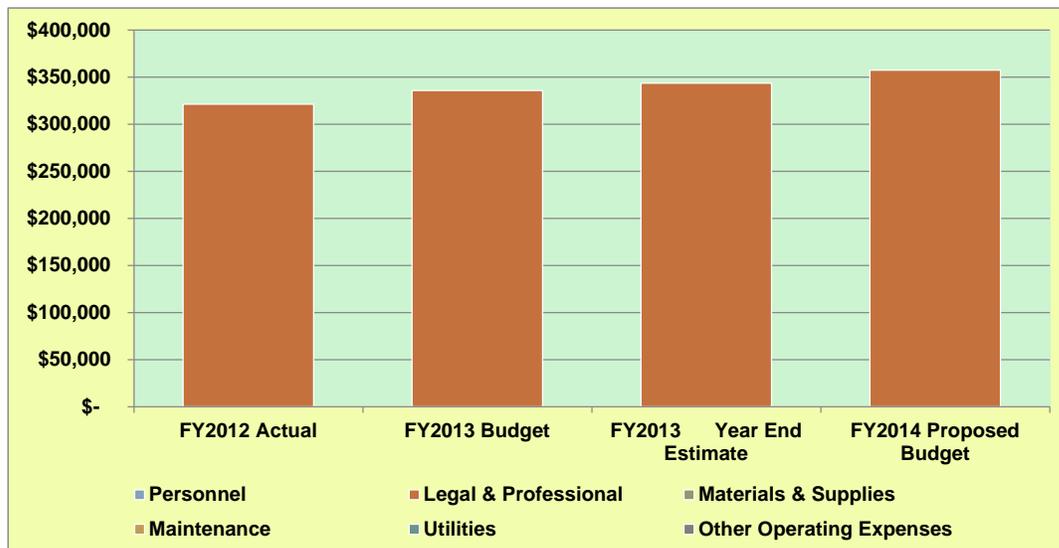
Expenditures	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Dollar Change	Percent Change	Change from FY 2013 Budget
Personnel	\$ -	\$ -	\$ -	\$ -		0%	\$ -
Legal & Professional	\$ 321,236	\$ 335,951	\$ 343,570	\$ 357,578	\$ 14,008	4%	\$ 15,998
Materials & Supplies	\$ -	\$ -	\$ -	\$ -		0%	\$ -
Maintenance	\$ -	\$ -	\$ -	\$ -		0%	\$ -
Utilities	\$ -	\$ -	\$ -	\$ -		0%	\$ -
Other Operating Expenses	\$ -	\$ -	\$ -	\$ -		0%	\$ -
Total Expenditures	\$ 321,236	\$ 335,951	\$ 343,570	\$ 357,578	\$ 14,008	6.4%	\$ 15,998

Personnel	FY2012 Actual	FY2013 Budget	FY2013 Year End Estimate	FY2014 Proposed Budget	Personnel Change
Waste Management	0	0	0	0	0
Total Personnel	0	0	0	0	0

Notes:

Key Points of Proposed Budget

1. Proposed budget includes estimated 4% cost increase due to estimated 135 new homes.





Debt Schedule

Schedule of Bonded Debt
History of Ad Valorem Tax Rate & Components



NET DEBT SERVICE

City of Celina, Texas

All Outstanding TAX Supported Debt

As of July 10, 2013 (After Series 2013 Bond Program)

Period Ending	Principal	Interest	Total Debt Service	CDC/EDC Sales Tax Contribution	Net Debt Service
09/30/2013	451,992.50	157,440.77	609,433.27	(170,000.00)	439,433.27
09/30/2014	495,592.50	608,503.92	1,104,096.42	(170,000.00)	934,096.42
09/30/2015	571,138.00	560,784.12	1,131,922.12	(170,000.00)	961,922.12
09/30/2016	611,125.00	547,061.88	1,158,186.88	(170,000.00)	988,186.88
09/30/2017	627,509.50	532,442.60	1,159,952.10	(170,000.00)	989,952.10
09/30/2018	771,109.50	517,369.56	1,288,479.06	(170,000.00)	1,118,479.06
09/30/2019	788,333.00	499,413.62	1,287,746.62	(170,000.00)	1,117,746.62
09/30/2020	808,320.00	479,463.82	1,287,783.82	(170,000.00)	1,117,783.82
09/30/2021	829,738.50	458,548.48	1,288,286.98	(170,000.00)	1,118,286.98
09/30/2022	854,804.00	437,172.08	1,291,976.08	(170,000.00)	1,121,976.08
09/30/2023	883,962.50	408,665.50	1,292,628.00	(170,000.00)	1,122,628.00
09/30/2024	913,121.00	379,101.16	1,292,222.16	(170,000.00)	1,122,222.16
09/30/2025	946,999.00	346,747.28	1,293,746.28	(170,000.00)	1,123,746.28
09/30/2026	981,157.50	312,077.32	1,293,234.82	(170,000.00)	1,123,234.82
09/30/2027	1,020,035.50	275,973.78	1,296,009.28	(170,000.00)	1,126,009.28
09/30/2028	1,053,913.50	236,484.64	1,290,398.14	(170,000.00)	1,120,398.14
09/30/2029	1,102,511.00	192,784.90	1,295,295.90	(170,000.00)	1,125,295.90
09/30/2030	985,000.00	145,668.76	1,130,668.76		1,130,668.76
09/30/2031	1,010,000.00	106,137.50	1,116,137.50		1,116,137.50
09/30/2032	945,000.00	65,600.00	1,010,600.00		1,010,600.00
09/30/2033	695,000.00	27,800.00	722,800.00		722,800.00
	17,346,362.50	7,295,241.69	24,641,604.19	(2,890,000.00)	21,751,604.19



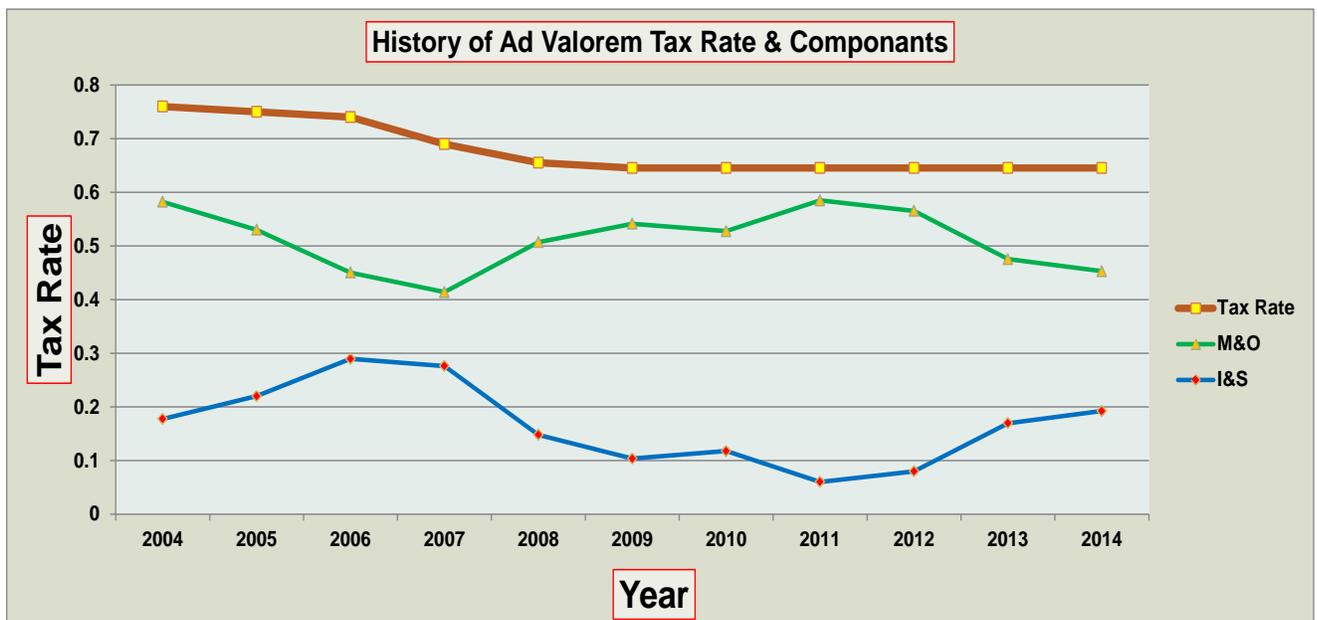
NET DEBT SERVICE

City of Celina, Texas

All Outstanding WATER & SEWER Supported Debt

As of July 10, 2013 (After Series 2013 Bond Program)

Period Ending	Principal	Interest	Total Debt Service	CDC/EDC Sales Tax Contribution	Net Debt Service
09/30/2013	543,007.50	129,240.06	672,247.56		672,247.56
09/30/2014	559,407.50	241,581.74	800,989.24		800,989.24
09/30/2015	808,862.00	223,959.62	1,032,821.62		1,032,821.62
09/30/2016	843,875.00	201,101.88	1,044,976.88		1,044,976.88
09/30/2017	862,490.50	177,048.66	1,039,539.16		1,039,539.16
09/30/2018	883,890.50	152,734.18	1,036,624.68		1,036,624.68
09/30/2019	906,667.00	127,706.40	1,034,373.40		1,034,373.40
09/30/2020	761,680.00	97,573.68	859,253.68		859,253.68
09/30/2021	655,261.50	71,699.04	726,960.54		726,960.54
09/30/2022	470,196.00	50,037.92	520,233.92		520,233.92
09/30/2023	486,037.50	35,669.50	521,707.00		521,707.00
09/30/2024	56,879.00	20,793.86	77,672.86		77,672.86
09/30/2025	63,001.00	18,770.24	81,771.24		81,771.24
09/30/2026	63,842.50	16,335.20	80,177.70		80,177.70
09/30/2027	64,964.50	13,832.48	78,796.98		78,796.98
09/30/2028	66,086.50	11,277.86	77,364.36		77,364.36
09/30/2029	72,489.00	8,671.36	81,160.36		81,160.36
09/30/2030	45,000.00	5,600.00	50,600.00		50,600.00
09/30/2031	45,000.00	3,800.00	48,800.00		48,800.00
09/30/2032	50,000.00	2,000.00	52,000.00		52,000.00
	8,308,637.50	1,609,433.68	9,918,071.18		9,918,071.18



Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Tax Rate	0.760	0.750	0.740	0.690	0.655	0.645	0.645	0.645	0.645	0.645	0.645
M&O	0.582	0.530	0.450	0.414	0.507	0.541	0.527	0.585	0.565	0.476	0.462
I&S	0.178	0.220	0.290	0.276	0.148	0.104	0.118	0.060	0.080	0.170	0.184