



FY 2010 Budget Overview

**City of Tomball
City Council Work Session
June 1, 2009**



Budget Structure

- Fund
 - Department (Legal level of Council budgetary responsibility)
 - Category/Objects
 - Personnel Services (Salaries & Benefits)
 - Supplies
 - Maintenance
 - Services & Charges
 - Capital Outlay





Changes from last year

- Kohl's was to be the anchor tenant at Spring Creek Commons Shopping Center
- Weingarten's was close to signing Best Buy and Ross and was in discussions with JC Penny and Marshall's
- New residential subdivision at Holderreith and Hufsmith-Kohrville was approved
- TIRZ at 2920 and Hufsmith-Kohrville was pending capital funding
- Raleigh Creek subdivision was being planned



FY 2010 Budget for General and Enterprise Funds

- What's included:
 - Projected 15% increase in health insurance
 - 1% increase in required contribution to Texas Municipal Retirement System (TMRS)
- What's not included:
 - Merit increases for employees
 - Additional personnel
 - New or expanded programs

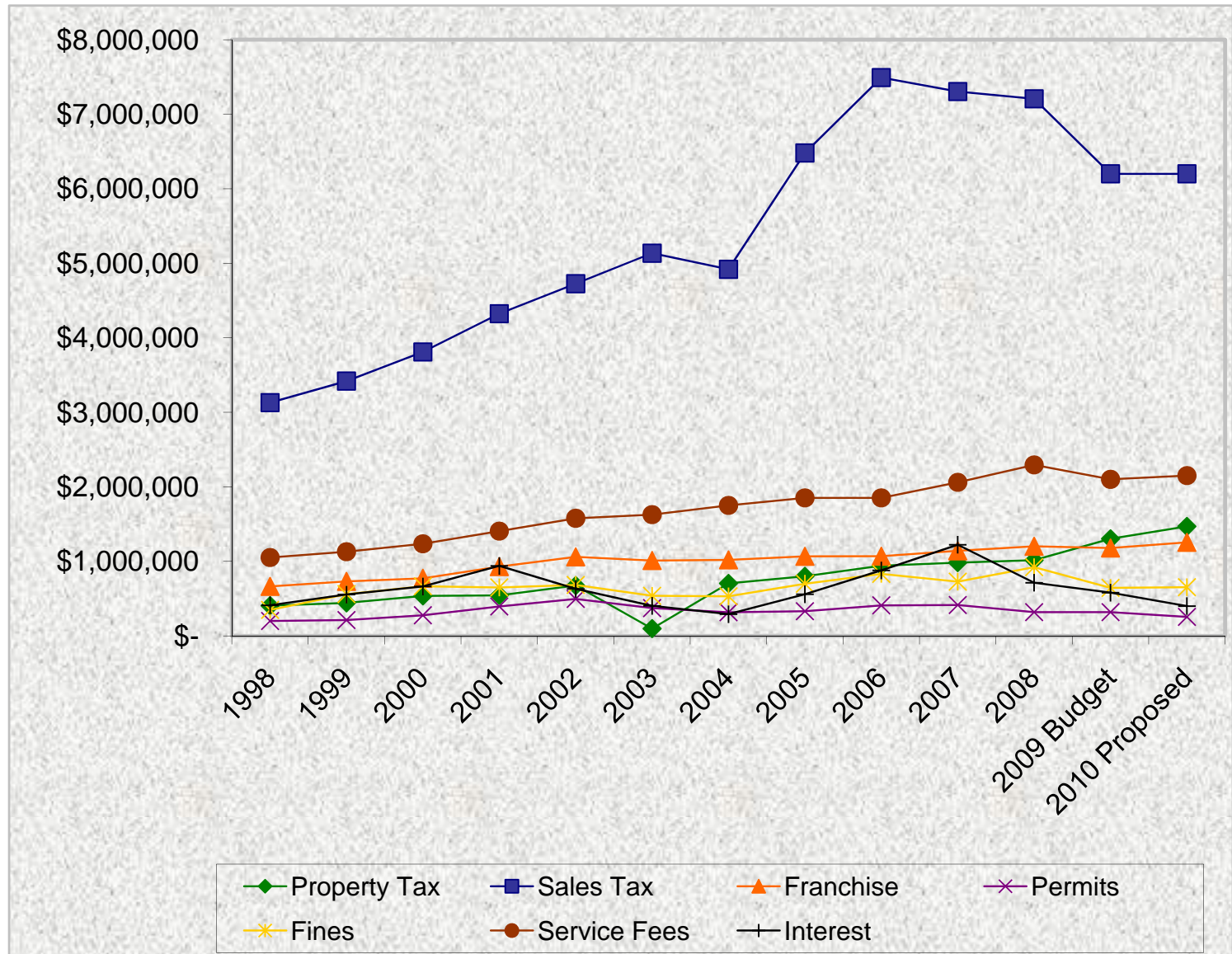


FY 2010 Budget **GENERAL FUND**



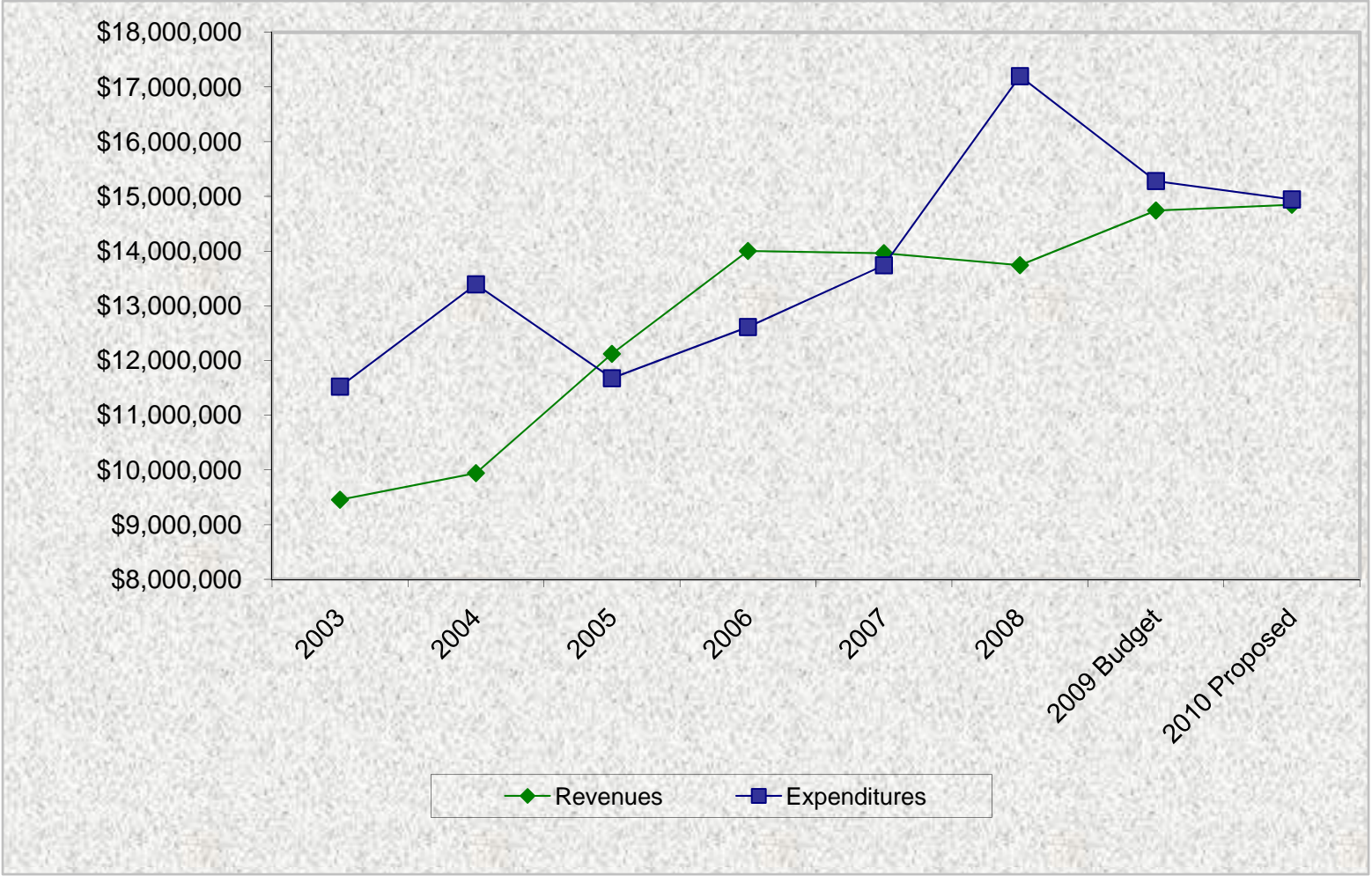


General Fund Major Revenue Trends





General Fund Revenues and Expenditures





General Fund Summary

	FY09 Budget	FY 10 Budget
• Revenue:	\$12.9 MM	\$12.8 MM ¹
• Expenditures:	\$15.1 MM	\$14.9 MM ²
• Transfers In:	\$ 1.7 MM	\$ 2.2 MM ³
• Transfers Out:	\$ 716 K	\$ 489 K ⁴
• Fund Balance:	\$ 7.0 MM (46%)	\$ 7.2 MM (47%)

- ¹ Sales tax, interest earnings, permit fees - flat or down from last year; property tax rate same
- ² Salaries/benefits, street/drainage maintenance programs, engineering/planning studies, etc.
- ³ Administrative reimbursement from Enterprise Fund
- ⁴ To fleet replacement fund



General Fund Summary

	FY 09 Budget	FY 10 Budget	% Change
Prop. taxes:	\$ 1.6 MM	\$ 1.5 MM ¹	-3.7%
Sales taxes:	\$ 6.2 MM	\$ 6.3 MM	1.6%
Franchise tax:	\$ 1.2 MM	\$ 1.3 MM	6.4%
Permits:	\$ 319 K	\$ 255 K	-20.0%
Fines:	\$ 644 K	\$ 628 K	-2.4%
Service fees:	\$ 2.1 MM	\$ 2.2 MM	6.5%
Transfers in:	\$ 1.8 MM	\$ 2.2 MM	21.5%
Contributions:	\$ 132 K	\$ 32 K	-75.7%
Interest:	\$ 580 K	\$ 350 K	-39.7%
Other:	\$ 242 K	\$ 221 K	-8.8%
Total	\$ 14.7 MM	\$14.9 MM	1.4%

¹ Assumes a 5% increase in assessed values; same tax rate

General Fund Summary

	FY 09 Budget	FY 10 Budget	% Change
Personnel Svc:	\$ 9.0 MM	\$ 7.9 MM ^{1,4}	-13%
Supplies:	\$ 870 K	\$ 629 K ²	-28%
Repair & Main:	\$ 666 K	\$ 429 K	-36%
Svc & Charges:	\$ 716 K	\$ 489 K ³	-11%
Op. Transfer:	\$ 0.0	\$ 1.6 MM ⁴	
Total	\$15.5 MM	\$14.9 MM	-4%

¹ Salaries and benefits, payroll taxes, TMRS less health insurance

² All operating supplies and FF&E costing less than \$20K

³ Professional services, utilities, dues, permits, training

⁴ Transfer of health insurance premiums to Insurance Trust Fund. In the past, this was budgeted in Personnel Services.

*FY 10 budget for Supplies, Repair & Maintenance and Services & Charges represents a 16% decrease from the FY 09 budget.

General Fund 5 Year Forecast

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
	Projection	Projection	Projection	Projection	Projection
Revenues	\$ 15,581,838	\$ 16,103,024	\$ 17,463,900	\$ 18,119,812	\$ 18,905,121
Operating Exp.	(15,442,448)	(16,049,541)	(16,688,799)	(17,423,991)	(18,201,950)
Transfers	(488,730)	(485,800)	(474,371)	(450,425)	(436,570)
Capital Outlay	(1,200,000)	(800,000)	(489,000)		
Income/(Loss)	(1,549,340)	(1,232,318)	(188,270)	245,396	266,601
Beginning FB	7,096,446	5,547,106	4,314,788	4,126,518	4,371,914
Ending FB	\$ 5,547,106	\$ 4,314,788	\$ 4,126,518	\$ 4,371,914	\$ 4,638,515
Reserves	36%	27%	25%	25%	25%
Tax Increase		2 cents	6 cents	1 cent	1 cent

This projection rolls the FY 2010 budget forward at existing service levels and at tax rate that funds daily operating costs and maintains reserves.





FY 2010 Budget **ENTERPRISE FUND**





Enterprise Fund Summary

	FY 09	FY 10
	Budget	Budget
Revenue:	\$ 12.2 MM	\$ 10.6 MM
Expenses:	\$ 10.5 MM	\$ 8.0 MM
Debt	\$ 2.0 MM	\$ 2.0 MM
Transfers Out:	\$ 1.9 MM	\$ 2.3 MM ¹
Fund Balance:	\$ 5.7 MM (54%)	\$ 7.2 MM (89%)

¹ Administrative reimbursements to General Fund and Fleet Replacement Fund

Summary and Comparison of FY2010 Proposed Budget ENTERPRISE FUND REVENUES



	FY09 Budget	FY 10 Budget	% Decrease
Water sales:	\$ 2.8 MM	\$ 3.0 MM 1	5.7%
Sewer sales:	\$ 2.4 MM	\$ 2.4 MM	-
Gas sales:	\$ 5.6 MM	\$ 4.1 MM	-27.6%
Tap fees:	\$ 119 K	\$ 32 K	-73.1%
Reconnects:	\$ 28 K	\$ 34 K	21.4%
Interest:	\$ 350 K	\$ 214 K	-38.4%
Other:	\$ 842 K	\$ 880 K	-4.4%
Total	<hr/> \$ 12.2 MM	<hr/> \$10.6 MM	<hr/> -13.0%

Summary and Comparison of FY2010 Proposed Budget ENTERPRISE FUND EXPENSES

	FY 09 Budget	FY 10 Budget	% Change
Personnel Svc:	\$ 2.1 MM	\$ 1.6 MM ¹	-22%
Supplies:	\$ 4.2 MM	\$ 2.3 MM ²	-46%
Repair & Main:	\$ 630 K	\$ 436 K	-31%
Svc & Charges:	\$ 1.4 MM	\$ 1.5 MM ³	5%
Op. Transfer:	\$ 1.7	\$ 2.1 MM ⁴	24%
Total	\$10.5 MM	\$ 8.0 MM	-24%

¹ Salaries and benefits, payroll taxes, TMRS

² All operating supplies and FF&E costing less than \$20K

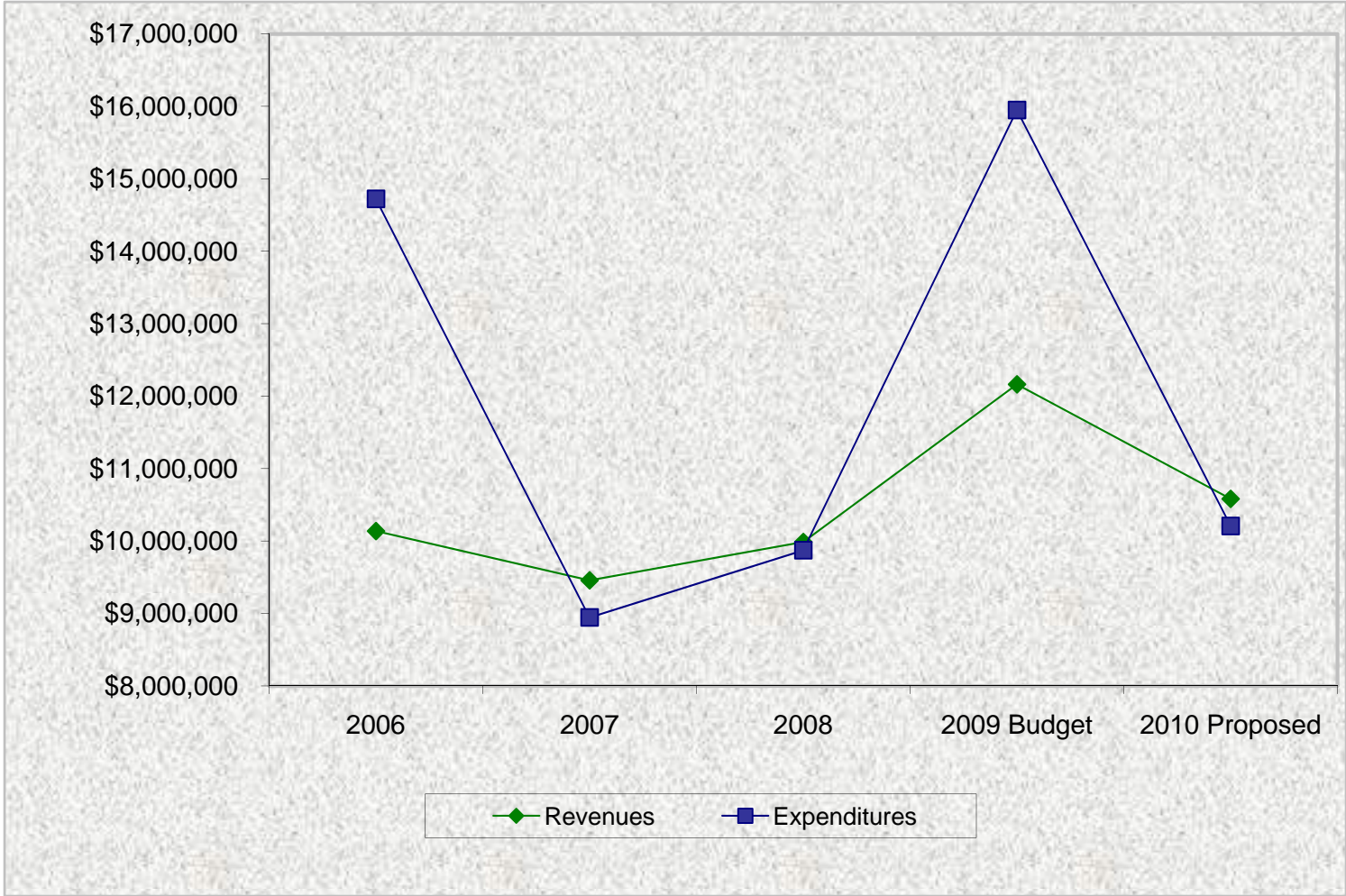
³ Professional services, utilities, dues, permits, training

⁴ Administrative reimbursement to General Fund





Enterprise Fund Revenues and Expenses



Enterprise Fund 5 Year Forecast

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
	Projection	Projection	Projection	Projection	Projection
Revenues	\$ 11,125,370	\$ 11,426,185	\$ 12,005,812	\$ 12,440,795	\$ 12,785,850
Operating Exp.	(8,512,534)	(8,918,935)	(9,350,715)	(9,812,914)	(10,306,328)
Debt	(1,998,675)	(1,971,158)	(1,946,713)	(1,921,351)	(1,895,342)
Transfers	(119,080)	(119,080)	(119,080)	(115,257)	(103,839)
Capital Outlay	(606,500)	(661,500)	(736,500)	(811,500)	(336,500)
Income/(Loss)	(111,419)	(244,488)	(147,196)	(220,227)	143,841
Beginning FB	7,188,992	7,077,573	6,833,085	6,685,889	6,465,662
Ending FB	\$ 7,077,573	\$ 6,833,085	\$ 6,685,889	\$ 6,465,662	\$ 6,609,503
Reserves	83.1%	76.6%	71.5%	65.9%	64.1%
Debt Coverage	131.2%	127.7%	136.9%	137.3%	131.3%

This forecast rolls forward the FY 2010 budget and does not include any new programs or additional staff.



FY 2010 Budget
DEBT SERVICE FUND





Summary and Comparison of FY 2010 Proposed Budget DEBT SERVICE FUND

	FY 09 Budget	FY 10 Budget
Revenue:	\$ 1.5 MM	\$ 1.7 MM
Expenditures:	\$ 2.1 MM	\$ 2.1 MM
 Fund Balance:	 \$ 1.2 MM (59%)	 \$ 808 K (40%)

Expenditures for FY 10 include the issuance of approximately \$3 MM in certificates of obligation (CO's). The proceeds would reimburse the General Fund reserves for the Michel Rd. project and fund land acquisition and construction for the extension of Brown Rd. as approved by Council. Expenditures are not shown to increase from the debt due to the payment of \$220K budgeted in FY 09 to pay off the financing of a fire truck 2 years early to save the interest cost.



Debt Service Fund - 5 Year Forecast

	FY 2011 Projection		FY 2012 Projection		FY 2013 Projection		FY 2014 Projection		FY 2015 Projection	
Revenues	\$	1,732,320	\$	1,825,361	\$	1,912,529	\$	2,014,030	\$	2,109,582
Debt		(2,044,536)		(1,922,795)		(1,911,865)		(1,893,613)		(1,883,382)
Income/(Loss)		(312,216)		(97,434)		664		120,417		226,200
Beginning FB		807,536		495,320		397,886		398,550		518,967
Ending FB	\$	495,320	\$	397,886	\$	398,550	\$	518,967	\$	745,167
Reserves		25.9%		21.0%		21.2%		27.8%		40.4%

This forecast does not include any additional issuances of debt after the FY 2010 issue of \$3 MM in certificates of obligation.



FY 2010 Budget **SUMMARY OF PERSONNEL**



SUMMARY OF PERSONNEL

SUMMARY OF PERSONNEL - ALL FUNDS							
DEPARTMENT	2004	2005	2006	2007	2008	2009	2010
General Fund	96	102	100	106	115	120	120
Enterprise Fund	32	35	35	37	38	33	33
Total Employees	128	137	135	143	153	153	153

*

- The difference between FY 08 and FY 09 includes 0 new positions and 5 General Fund employees previously charged to Enterprise Fund now budgeted in General Fund
- No new positions are being requested in the FY 2010 budget



Breaking News!

- Preliminary assessed values received from HCAD reflect:
 - Values of \$936,237,579 (16.2% decrease from 2008)
 - Equates to \$469,125 reduction in property tax revenues
 - Preceding information was based on a 5% increase in assessed values (2008 increase was 16%; 2007 increase was 32%)
- The ENTIRE general fund budget must be reworked!!!



General Discussions & Questions