

# **City of Tomball, Texas**

**Annual Budget**

**For the Fiscal Year**

**October 1, 2008 to September 30, 2009**

## How to Read this Document

### Welcome!

You are holding the published City of Tomball budget for the fiscal year beginning October 1, 2008 and ending September 30, 2009. The document has been prepared to help you, the reader, learn of the issues affecting the Tomball community. Many people believe a city budget is only a financial plan. Although you can learn a great deal about the City's finances from these pages, the 2008-09 budget document has been designed to serve other functions as well. For example, it is a policy document that presents the major policies which guide how the city is managed. It is an operations guide which gives the public, elected officials, and City staff information pertaining to the production and performance of individual City operations. The document is also designed as a communications device in which information is conveyed verbally and graphically.

### Budget Format

The document is divided into three major sections: Introduction, Financial and Operational, and Appendices. The introductory section contains the City Manager's letter which is addressed to the City Council and explains major policies and issues which affected the development of the fiscal year budget. This section also includes the City's organization and staffing charts and the summary of all financial statements.

The Financial/Operational section describes various aspects of the City's organization. This information is grouped first by fund and then by department. Like many local governments, the City uses the fund method of accounting. Simply stated, a fund is a unit of the City which tracks the application of various public resources. For example, the Enterprise Fund is established to keep track of the revenues and expenses of the City's water, sewer, and natural gas operations. Most people are particularly interested in the General Fund which is comprised on most of the City's operations like Police, Fire, Municipal Court, Streets, and Parks. Financial statements, including the adopted 2008-09 budget are present for every fund. The statements show the fund's financial condition over a number of years. Similar to the checking account statement you receive from your bank, the statement shows beginning balances, revenues, expenditures, and ending balances for each year. Each fund statement shows the actual audited amount from the previous fiscal year, or for this document, the 2006-07 fiscal year. The ending balance of the actual year becomes the beginning balance of the projected current fiscal year, 2007-08. The projected column reflects estimated amounts compared to the amounts included in the adopted budget for the current year. The projected ending balance of the current fiscal year then becomes the beginning balance for the projected 2008-09 budget year. Accompanying the statements are narratives and graphs which describe the major features of that particular

fund. Within each fund there may be one or more departments which further describe a component of the City's organization. Each department is presented with a mission statement, accomplishments for the previous fiscal year, and operational objectives for the upcoming year. Selected service levels for various departments are presented graphically. The funding for each department, as well as the unit's staffing are summarized over a number of years.

Tomball Fast Facts as well as the Tomball Journal provide additional information as to the demographic composition of the community, its history, and economic outlook.

Finally, various Appendices are presented towards the back of the document which more fully describe the budget process, the City's major revenue sources, the long-term financial plans for the General, Debt Service, and the Enterprise Funds, and a capital project summary. Also included is a glossary of terms.

# Tomball City Council



**Gretchen Fagan**  
Mayor, Elected Mayor May 12, 2007  
Councilman (2004-2007)  
Serving 1st Term  
[gfagan@ci.tomball.tx.us](mailto:gfagan@ci.tomball.tx.us)



**David Quinn**  
Councilman, Position 1  
Elected May 2005  
Serving 2nd Term  
[dquinn@ci.tomball.tx.us](mailto:dquinn@ci.tomball.tx.us)



**Roy L. Lazenby**  
Councilman, Position 2  
Elected May 2006  
Serving 1st Term  
[rlazenby@ci.tomball.tx.us](mailto:rlazenby@ci.tomball.tx.us)



**Mary Harvey**  
Mayor Pro-Tem  
Councilman, Position 4  
Elected May 2006  
Serving 1st Term  
[mharvey@ci.tomball.tx.us](mailto:mharvey@ci.tomball.tx.us)



**Bill Webb**  
Councilman, Position 3  
Elected June 2007  
Serving 1st Term  
[bwebb@ci.tomball.tx.us](mailto:bwebb@ci.tomball.tx.us)



**Warren Driver**  
Councilman, Position 5  
Elected August 2004  
Serving 3rd Term  
[wdriver@ci.tomball.tx.us](mailto:wdriver@ci.tomball.tx.us)

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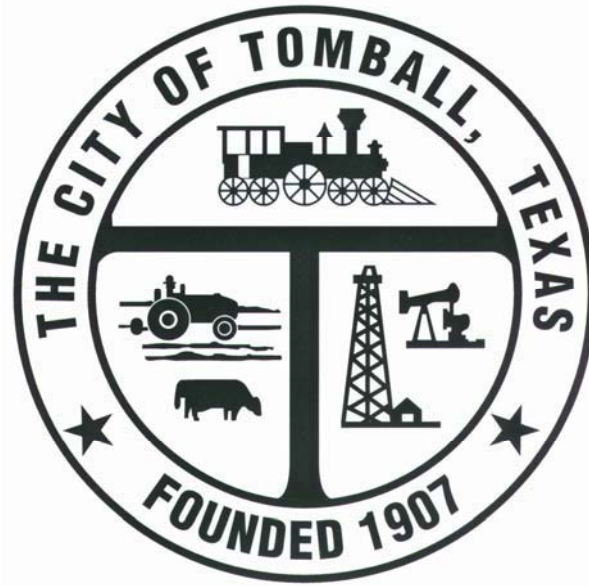
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# INTRODUCTION



City of Tomball  
OFFICE OF THE CITY MANAGER



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[www.ci.tomball.tx.us](http://www.ci.tomball.tx.us)

December 19, 2008

Honorable Mayor and City Council  
City of Tomball  
Tomball, TX 77375

[Dear Mayor and Council Members](#)

I respectfully submit to you the published City of Tomball 2008-09 budget as amended by Council on October 24, 2008. Our objective in developing this budget was to achieve balance; balance between available and future funding, and existing operations and future demands. The budget also addresses the goals established by the Tomball Strategic Plan<sup>1</sup> adopted by Council in February 2008. The Strategic Plan will serve as a guiding tool for the budget process through FY 2012. The budget answers the questions of how we best meet Council's goals and the expectations of the community with the resources available to us. As the City continues to experience growth, we must continue to examine rightsizing the organization to promote maximum effectiveness while we respond to increased demands and requests from those we serve. In order to pursue those goals, we have to achieve a balance between revenues and expenditures that make sense for the City of Tomball.

As the City's growth continues, we are going to be tested to achieve this organization's maximum potential. Creative tension results from the constant demand for more and better services, which we are trying to balance against rising energy costs and other inflationary pressures. We also need to maintain a competitive tax rate that recognizes that as values increase, so does the pressure on people's ability and willingness to pay. In light of the challenges we face in the current economic environment, the 2008-09 budget takes progressive yet conservative steps in the direction of addressing these competing demands.

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<sup>1</sup> The summary of the City of Tomball Strategic Plan can be located on page 6 of this document.



We first addressed the daily operations side of the budget equation by asking department directors to evaluate funding existing operations and service levels with funding levels approved by Council in the 2007-08 adopted budget. We did not prepare a budget that assumes an automatic increase in cost of service delivery. If, due to justified cost increases, the department directors needed to request additional funding to maintain existing service levels, those additional funding requests were then incorporated. Through this exercise, department directors were able to minimize the increase in the operations aspect of the budget and actually found many areas where funding levels could be reduced. Overall, the total operations budget (including personnel costs) increased by approximately \$3.1 million with a large portion of that increase due to the increased cost of natural gas supply, increased fuel costs, increased health care costs and the increased costs of services provided by outside contractors. Another benefit of this exercise is that the General and Enterprise fund long-term plans generate surplus fund balances that can be used to support non-recurring capital purchases, projects and other non-recurring costs. I am confident that we will achieve efficiencies that might not have been discovered had we continued with status quo funding. We will continue to perform long-term analyses of department operations and capital funding.

**The Budget in Brief** The adopted 2008-09 budget was developed in accordance with the City Charter and the financial policies approved by Council<sup>2</sup>. Revenues (excluding bond proceeds) for all appropriable funds total \$26,949,958; representing an 11.7% increase over the previous year's budget. This increase is primarily due to an increase in revenues received from solid waste services (\$200,000 or 10%) as well as those for water, sewer and natural gas sales (\$3,440,000 or 46%).<sup>3</sup> The taxable appraised values of the City of Tomball increased by approximately 16% due to the continued strong commercial growth the City is experiencing and through voluntary annexations completed; resulting in an increase in ad valorem tax revenues of \$958,000. These higher values allowed us to maintain and in some areas increase the level of service provided to our citizens and businesses while maintaining the same tax rate (\$.251455) as that assessed for the 2008-09 fiscal year while at the same time experiencing rising costs. Like taxpayers in other cities, our citizens view the tax rate as the "price tag" of government and one of our objectives in developing the budget is to maintain a competitive rate. Although the Houston Metro Area is not experiencing an economic downturn to the extent of the rest of our nation, sales tax revenues were reduced from their FY 2008 budget level by approximately \$1.6

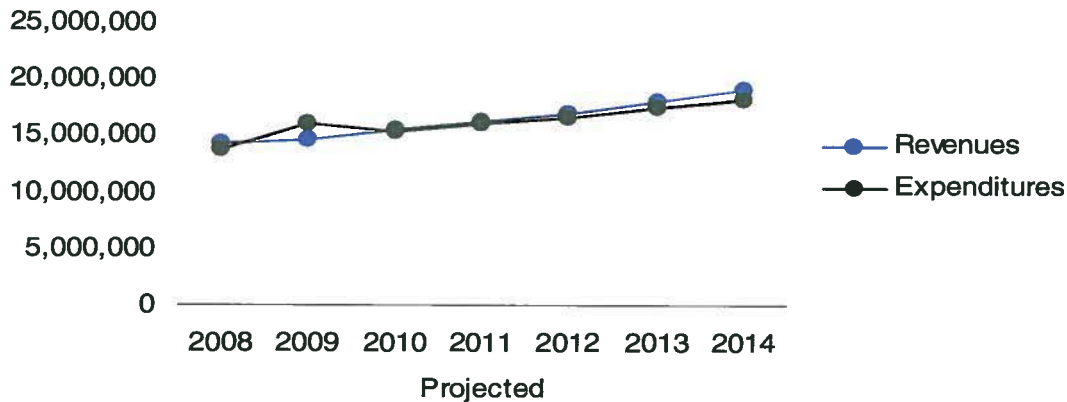
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<sup>2</sup> See Appendix B for a complete set of Financial Management Policies.

<sup>3</sup> See Appendix D for a detailed discussion of Major Revenue Sources.

million or 20%. Sales tax revenues for FY 2008 were down by approximately 3% from the prior year and with the uncertainty as to when the current climate may start to correct, the City chose to take a conservative position on this revenue source rather than have to make reductions in expenditures mid-year due to a more optimistic revenue projection not being realized.

### GENERAL FUND LONG-TERM PLAN



The budget appropriates \$30,926,499 or 19.6% less than the original adopted 2008 budget. The decrease is primarily due to a significant decrease in cash funded capital projects in both the General and Enterprise Funds. The budget does not include additional staff positions for FY 2008. It does include a merit based pay increase for employees of a maximum of 4% effective October 1, 2008. The operations budget also includes an average 13% increase in the cost of providing medical and dental benefits to employees. Although a decrease from FY 2007, the budget does include cash funding for the following capital projects: Mechanic Street (\$550,000), Rudolph Road and Utilities (\$209,000), Brown-Hufsmith Road Extension (\$280,000), Hufsmith Water and Gas Improvements (\$150,000), Medical Complex Drive Extension (\$200,000), and Tomball Hills Lift Station (\$50,000).

With so much uncertainty in the economy, it has been a challenging budget process and may be a challenging year to come; but I believe our staff will rise to test and shine regardless of what we are faced with. As always, staff will continue to be diligent in its review of the City finances and to assist the Council in making decisions that will ensure the long-term fiscal viability of the City. Additionally, staff will continue to evaluate and improve business practices in an effort to find efficiencies that create additional value for the citizens we serve.

Finally, I cannot conclude this budget message without thanking the many devoted employees who have worked countless extra hours late into the night/early mornings preparing this budget.

Without the expertise, professionalism, and steadfast dedication of the staff, this comprehensive budget document could not have been developed. I also thank the Tomball City Council for its leadership as policy makers and the citizens of Tomball for their input and guidance during the development of this budget. We look forward to the Council's continued leadership and will respond to your direction with enthusiasm and dedication in serving the City of Tomball.

Respectfully submitted,

A handwritten signature in black ink that reads "Jan Belcher". The signature is written in a cursive, flowing style.

Jan Belcher

City Manager

This budget publication is the product of processes used by the city council and city staff to create an environment that cultivates initiative to encourage and maintain a dynamic, progressive, quality suburban atmosphere in which to work, play and live.

## City of Tomball Strategic Plan 2008-2012

During fiscal year 2007-08, Council developed a strategic plan which presented their collective vision for the City of Tomball through 2012. Council's plans can be equated to building plans for a house. Accordingly, city staff is charged with building a budget around the foundation that Council provides. By working together, following the plans, and using our resources wisely, Tomball will become a beautiful edifice.

### Clear Vision for Tomball

The City Council envisions major players coming together to create the future of Tomball to include a sense of community and a home that the citizens are proud of. The city should offer a positive business environment and a home town feel through excellent education, healthcare, churches, public safety services, utilities, internet services, public facilities, pedestrian friendly areas and good mobility. In order to make the preceding vision a reality, Council established the following targets...





























































- Identity-Branding: Become a destination city with many activities to draw people here
  - Festivals: Downtown movie night, arts, and music concerts
  - Communicate "brand" to citizens
- Economic Development: Become regional hub for retail, medical, financial, and high tech businesses
- Infrastructure: Improve downtown parking and drainage
- Council-Staff-Public Relations: Improve customer service

### Fiscal Year 2008-09 Goals

- Hire a consultant for a city-wide visioning process
- Plan a summer event series
- Create e-newsletter announcing events
- Create a tax abatement policy
- Improve development process
- Railroad overlay district
- Diversify tax base
- Develop a game plan for downtown
- Depot area improvements
- Improve drainage and parking
- Plans for railroad corridor
- Update phone system
- Increase access to public
- Customer service training
- Accountability for services

# City of Tomball Goal Matrix

The City's goals listed in the Strategic plan on the previous page are presented here in a matrix format. When the mission of a department corresponds with a City goal, it is highlighted in blue on the matrix.

	1) Infrastructure	2) Council-Staff-Public Relations	3) Identity - Branding	4) Economic Development	
					Mayor and Council
					City Manager's Office
					Permits and Inspections
					City Secretary
					Human Resources
					Finance
					Police
					Municipal Court
					Community Center
					Fire
					Public Works Administration
					Parks
					Streets
					Engineering and Planning
					Utilities

## Comparative Tax Levies

For an average Tomball Single-Family Residence

	2008	2009
<b>Harris County</b>		
Market Value	\$ 137,996	\$ 138,000
Homestead Exemptions	20%	20%
Taxable Value	\$ 110,397	\$ 110,400
Tax Rate/ \$100	0.40239	0.38923
Tax Levy	\$ 444.23	\$ 429.71
<b>Tomball ISD</b>		
Market Value	\$ 137,996	\$ 138,000
Homestead Exemptions	(15,000)	(15,000)
Taxable Value	\$ 122,996	\$ 123,000
Tax Rate/ \$100	1.275	1.36
Tax Levy	\$ 1,568.20	\$ 1,672.80
<b>City of Tomball</b>		
Market Value	\$ 137,996	\$ 138,000
Homestead Exemptions	0	0
Taxable Value	\$ 137,996	\$ 138,000
Tax Rate/ \$100	0.251455	0.251455
Tax Levy	\$ 347.00	\$ 347.01
<b>TOTAL TAX LEVY</b>	<b>\$ 2,359.42</b>	<b>\$ 2,449.52</b>

Levy does not include calculation of taxes for Harris County Flood Control District and other overlapping special taxing jurisdictions

## PROPERTY TAX CALCULATION AND DISTRIBUTION

### 2007 Certified Tax Roll & Levy

Assessed Valuation (100%)	\$ 1,161,133,947
Rate Per \$100	\$ 0.251455
Total Tax Levy	\$ 2,919,478
Percent of Current Tax Collection	100%
Estimated Current Tax Collections	\$ 2,919,478

### Summary of Tax Collections

Current Tax	\$ 2,919,478
Delinquent Tax	56,000
Penalty and Interest	40,000
Total 2007-2008 Tax Collections	<u>\$ 3,015,478</u>

### Proposed Distribution:

	Tax Rate	% of Total	Amount
<b>General Fund:</b>			
Current Tax			\$ 1,526,237
Delinquent Tax			21,000
Penalty and Interest			19,000
Total General Fund	<u>\$ 0.131455</u>	<u>52.28%</u>	<u>1,566,237</u>
<b>Debt Service Fund:</b>			
Current Tax			1,393,241
Delinquent Tax			35,000
Penalty and Interest			21,000
Total Debt Service Fund	<u>\$ 0.120000</u>	<u>47.72%</u>	<u>1,449,241</u>
<b>TOTAL DISTRIBUTION</b>	<u><u>\$ 0.251455</u></u>	<u><u>100.00%</u></u>	<u><u>\$ 3,015,478</u></u>

## MUNICIPAL TAX RATE COMPARISON

	FY 2008-09 Tax Rate*
Jersey Village	0.742500
League City	0.608800
Spring Valley	0.548659
Rosenberg	0.520200
Magnolia	0.491400
Conroe	0.420000
Dickinson	0.408600
Huntsville	0.400700
Shenandoah	0.347000
<b>Tomball</b>	<b>0.251455</b>
Webster	0.206000
Humble	0.200000

\* Tax rate is expressed as cents per \$100 of valuation.



# Staffing

	2006	2007	2008	2009	Difference* 09-08
<b>General Fund</b>					
City Hall Administration	9.50	9.50	9.50		(9.50)
City Manager's Office	-	-	-	3.00	3.00
City Secretary's Office	-	-	-	4.50	4.50
Human Resources	-	-	-	2.00	2.00
Finance	-	-	-	5.00	5.00
Information Systems	-	-	-	-	0.00
Legal	-	-	-	-	0.00
Non Departmental	-	-	-	-	0.00
Building Permits and Inspections	5.00	6.00	6.00	5.00	(1.00)
Police	75.50	77.50	80.00	80.00	0.00
Fire Department	9.00	12.00	14.00	12.00	-2.00
Fire Marshal's Office	-	-	-	2.00	2.00
Emergency Management	-	-	-	-	0.00
Municipal Court	4.00	4.00	5.00	5.00	0.00
Public Works Administration	5.50	6.00	9.00	1.00	(8.00)
Engineering and Planning	-	-	-	7.00	7.00
Facilities Maintenance	-	-	-	1.00	1.00
Garage	1.00	1.00	1.00	1.00	0.00
Streets	10.20	7.20	8.20	8.20	0.00
Parks	4.20	4.20	5.20	5.20	0.00
Community Center	3.00	3.00	3.00	3.00	0.00
<b>Total General Fund</b>	<b>126.90</b>	<b>130.40</b>	<b>140.90</b>	<b>144.90</b>	<b>4.00</b>
<b>Enterprise Fund</b>					
Utilities Administration	11.50	11.50	11.50	3.00	(8.50)
Utility Billing	-	-	-	7.00	7.00
Water	8.20	7.20	8.20	6.20	(2.00)
Wastewater	10.20	10.20	10.20	10.20	0.00
Gas	6.20	7.20	7.20	6.20	(1.00)
<b>Total Enterprise Fund</b>	<b>36.10</b>	<b>36.10</b>	<b>37.10</b>	<b>32.60</b>	<b>-4.50</b>
<b>Hotel Occupancy Tax Fund</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.50</b>	<b>0.50</b>
<b>Total All Funds</b>	<b>163.00</b>	<b>166.50</b>	<b>178.00</b>	<b>178.00</b>	<b>0.00</b>

\*Major differences shown are due to the fact that independent functions previously lumped into broader departments will be broken out and separated into individual departments starting in FY2009.

# Staff Organizational Chart

Tomball Citizens

**Mayor and City Council**

- Economic Development
- Planning Commission
- Municipal Judge
- City Attorney
- Other Boards & Commissions

**City Manager**

- City Secretary
  - Reception/Vital Statistics
- Assistant to City Manager
  - Municipal Court
  - Community Center
- Director of Finance
  - Accounting
  - Budgeting
  - Purchasing
  - Utility Billing
  - Tax
- Fire Chief
  - Fire Marshal
  - Firefighters
  - Emergency Management
- Police Chief
  - Investigations
  - Patrol

**Assistant City Manager**

- Building Official
  - Code Enforcement
  - Building Inspections
  - Permits
- Director of Engineering & Planning
  - Engineering
  - Planning
  - Construction Inspection
  - GIS
- Director of Public Works
  - General Services
    - Facilities
    - Streets
    - Parks
    - Garage
    - Sanitation
  - Utility Services
    - Water
    - Sewer
    - Gas

City of Tomball  
 Summary of Department Changes  
 For FY 2009 Adopted Budget

	OLD	NEW	DEPT No.
General Fund 100	City Hall Administration	→ City Manager's Office	111
		→ Mayor and Council	113
		→ City Secretary	114
		→ Human Resources	115
		→ Finance	116
		→ Information Systems	117
		→ Legal	118
		→ Non Departmental	119
		Building & Inspection	→ No change
	Police	→ No change	121
	Fire	→ Fire Department	142
		→ Fire Marshal	141
		→ Emergency Management	143
	Municipal Court	→ No change	122
Public Works Administration	→ Public Works Administration	151	
	→ Engineering & Planning	156	
	→ Facilities Maintenance	157	
Garage	→ No change	152	
Streets	→ No change	154	
Parks	→ No change	153	
Community Center	→ No change	131	
Sanitation	→ No change	155	
Enterprise Fund 600	Utility Administration	→ Utility Administration	611
		→ Utility Billing	612
	Water	→ No change	613
	Wastewater	→ No change	614
	Gas	→ No change	615

This chart shows the departmental changes for the Fiscal Year 2009 budget. In previous years, General Fund personnel costs were charged to both the General Fund and the Enterprise Fund. During the budget process, separate departments were developed in accordance with Best Financial Practices as prescribed by GASB. Please see the General Fund Overview Section for more information.

# Fund Summaries

## Combined Statement of Revenues and Expenditures and Changes in Fund Balance

All Funds Subject to Appropriation

City Manager Proposed FY 2009 Budget

With Comparison to FY 2008 Current Budget

	General Fund	Special Revenue Funds	Debt Service	Capital Projects	Proprietary Enterprise Fund
<b>Revenues:</b>					
Property taxes	\$ 1,567,237	\$	\$ 1,664,295	\$	\$
Sales taxes	6,200,000	190,000			
Franchise taxes	1,179,220				
Permits and licenses	318,660				
Fines and warrants	643,700	63,000			
Service fees	2,100,000				10,969,866
Contributions	131,900				
Interest	580,000	12,800	70,000	525,000	350,000
Other	241,880				122,400
Transfers In	1,778,313				720,000
<b>Total Revenues</b>	<b>\$ 14,740,910</b>	<b>\$ 265,800</b>	<b>\$ 1,734,295</b>	<b>\$ 525,000</b>	<b>\$ 12,162,266</b>
<b>Expenditures:</b>					
General Government	\$ 3,428,793	\$ 6,525	\$	\$	\$
Public Safety	6,365,750				
Public Works	3,977,793				
Engineering and Planning	951,399				
Parks and Recreation	556,440				
Tourism & Arts		108,000			
Utilities					8,729,578
Capital Projects/Outlay	842,000				715,000
Debt Service			2,776,375		2,011,316
<b>Total Expenditures</b>	<b>\$ 16,122,175</b>	<b>\$ 114,525</b>	<b>\$ 2,776,375</b>	<b>\$ -</b>	<b>\$ 11,455,894</b>
<b>Other Sources (Uses):</b>					
Transfers	\$ (716,662)	\$	\$	\$	\$ (1,899,823)
Debt Proceeds					
<b>Total Other Sources (Uses)</b>	<b>\$ (716,662)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,899,823)</b>
<b>Revenues Over (Under)</b>					
<b>Expenditures</b>	(2,097,927)	151,275	(1,042,080)	525,000	(1,193,451)
<b>Beginning Fund Balance</b>	8,041,898	425,474	1,787,597	-	3,684,198
<b>Ending Fund Balance</b>	<b>\$ 5,943,971</b>	<b>\$ 576,749</b>	<b>\$ 745,517</b>	<b>\$ 525,000</b>	<b>\$ 2,490,747</b>
Reserve Level	32.9%		29.5%		24.8%

Total Revenues	27,669,958
Decrease in Fund Balance	3,256,541
<b>Total Appropriable Funds</b>	<b>\$ 30,926,499</b>

**Total Appropriations**                    **\$ 30,926,499**

**Proprietary**

Combined	Total All Funds	
Fleet	Proposed	Total
Replacement	FY 2009	FY 2008

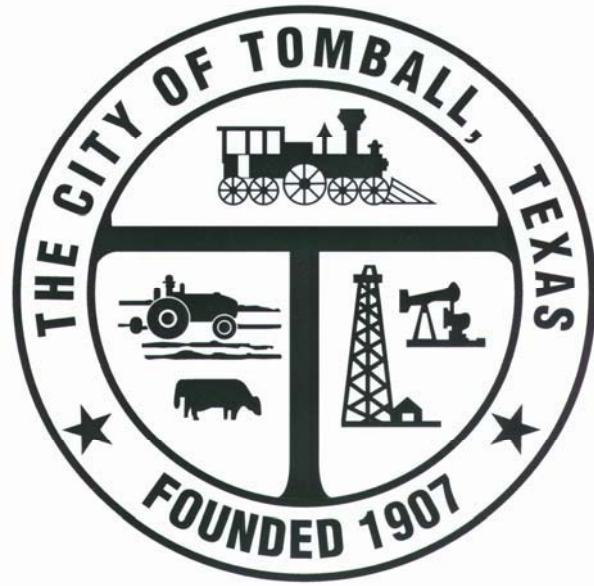
	\$ 3,231,532	\$ 2,273,317
	6,390,000	7,968,000
	1,179,220	1,166,880
	318,660	394,650
	706,700	816,500
	13,069,866	9,429,825
	131,900	136,000
20,000	1,557,800	1,586,300
	364,280	357,260
838,172	3,336,485	3,887,510
858,172	\$ 30,286,443	\$ 28,016,242

	\$ 3,435,318	\$ 2,599,605
	6,365,750	6,430,491
	3,977,793	3,812,958
	951,399	
	556,440	712,601
	108,000	153,000
	8,729,578	7,249,822
457,530	2,014,530	25,840,144
	4,787,691	3,387,768
457,530	\$ 30,926,499	\$ 50,186,389

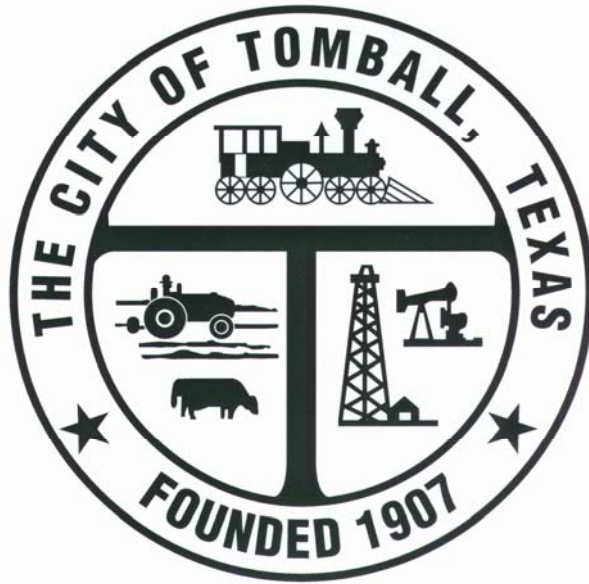
	\$ (2,616,485)	(3,167,510)
	-	7,013,000
-	\$ (2,616,485)	\$ 3,845,490

400,642	(3,256,541)	(18,324,657)
557,010	14,496,177	31,731,799
957,652	\$ 11,239,636	\$ 13,407,142

36.3%



# FINANCIAL/ OPERATIONAL



# GENERAL FUND

## **General Fund**

### **Fund Description**

The fund accounts for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **Fund Narrative**

During the budget process, it is the General Fund that receives the most attention from City staff, the council, and the public. The attention is well deserved because it is this fund that reflects most of the critical issues affecting the community, from establishing a tax rate to determining employee staffing and benefits.

### **Concluding Fiscal Year Financial Performance**

Ending Fund Balance in the General Fund for FY2008 is projected to be \$7,953,011. This is \$103,155 or 1.3% less than budgeted. Revenues for the current fiscal year, budgeted at \$14,500,769 are expected to come in approximately 4% or \$602,394 less than budget. This is primarily due to sales tax, building permits and interest earnings all coming in below budget due to our current national economic condition. Sales tax revenues alone are projected to be approximately \$600,000 less than budget. Although the City of Tomball has had new retail establishments, such as Office Depot and Petsmart, open during the fiscal year, the new sales tax generated by these large retail stores was not enough to offset the slow down in the economy. Going into FY2008, the City was eagerly anticipating the development of 3 new master planned communities that would bring additional commercial development as well as approximately 1,100 new homes to Tomball. With the housing and mortgage crisis, all three developments were put on hold. That was a primary cause of building permit revenue being less than budget by nearly \$97,000. Interest earnings are also projected to fall short of budget by \$300,000. It was anticipated that interest rates would start to rise again during the fiscal year, however with the Federal Reserve continuing to lower rates to record levels, earnings stagnated. Funds were invested in higher yielding callable securities, but with the low rates, those securities were indeed called and the funds were then reinvested at the then lower rates. Offsetting the revenue shortfalls were favorable variances in property tax revenues (approximately \$100,000), service fees (\$200,000) and "other" revenues (\$200,000). Property tax collections exceeded budget due to the budget being based on the original certified roll received from the appraisal district. During the course of the year, as properties that were under protest and other appraisal issues are resolved and those properties come onto the roll, the taxable value and levy increases. However, the City



does not amend the budget each time the roll changes. Service fees were over budget due to the impact of increases in rates (pass through of charges paid to solid waste provider) being greater than projected. Sales of City property are categorized in “other” revenues. The City did sell some parcels of land it owned as well as some heavy equipment that was not being used. These sales caused the favorable variance in this category.

Operating expenditures for FY2008 are projected to come in approximately \$270,708 less than budget. This is primarily due to various position vacancies; primarily the Chief of Police, Director of Public Works, and the two new full time fire fighters budgeted for FY2008 but not hired until late August. Capital outlay/capital projects expenditures are projected to \$228,531 less than budget. This is primarily due to savings in various projects.

Projected ending Fund Balance of \$7,953,011 represents approximately 55% of operating expenditures. The City’s Financial Management policy states that reserves should be between 15% and 20% with a target of 18%<sup>1</sup>. With reserve levels being so high when calculated on daily operating costs, a planned reduction of reserves over the next few years will be targeted<sup>2</sup>. The reduction in reserves will be only for one time costs; primarily cash funding of capital projects to reduce the amount of debt issued by the City to facilitate the projects included in the Capital Improvement Plan.

## **2008 / 2009 Budget**

### **Revenues**

Adjusted base budget revenues for FY 2009 are \$14,740,910. This amount is \$240,141 or 1.7% more than revenues budgeted for FY 2008. This increase is primarily due to the nearly \$1.78M administrative reimbursement from the Enterprise Fund to the General Fund. In prior years, General Fund employees were budgeted in the Enterprise Fund to “balance” the costs incurred by the General Fund by providing support for the Enterprise Fund activities. This does not follow Best Financial Practices and it distorts the true cost incurred by the General Fund. Instead, employees were budgeted in their applicable departments and a reimbursement was calculated allocating 40% of certain General Fund department’s budgets to the Enterprise activities which is in accordance with Best Practices. Property tax revenues are also approximately \$647,000 more than those budgeted in FY 2008 which is entirely due to an increase in taxable assessed values<sup>3</sup>. Service fees, specifically

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<sup>1</sup> See Appendix B for the complete set of Financial Management Policies.

<sup>2</sup> See Appendix E for the General Fund Long Range Financial Forecast and assumptions used.

<sup>3</sup> See Appendix D for the discussion of Major Revenue Sources and a more detailed discussion of Property Taxes, Sales Tax, and Solid Waste Fees.

those for solid waste pick up, are budgeted to increase by \$200,000 compared to the FY 2008 budget. Offsetting these revenues; however, are decreases in sales tax (\$1,600,000), building permit revenues (\$76,000), and interest earnings (\$520,000). With the planned decrease in reserve levels and the continued status of historically low interest rates, earnings on funds available for investment is expected to decrease.

## **Expenditures**

The adjusted base budget for operating expenditures for FY 2009 is \$806,798 or 6% higher than the current budget for FY2007. Salaries include a 0-4% increase for merit for those employees who participate in the merit program as well as a total increase across various positions in the General Fund of \$135,478 in a salary adjustment due to the salary survey that was completed during FY 2008 comparing salary ranges at the City of Tomball to similar positions in comparable cities as well as the private sector. Health insurance increased by nearly 9%. The City was initially preparing for an increase of 15-20% but was able to negotiate a lesser increase. Contributions to the Texas Municipal Retirement System (TMRS) also increased 1%. During FY 2008 it was discovered that TMRS was underfunded and various policy changes were enacted by its Board of Directors. For the City of Tomball to “catch up”, the increase in the contribution rate was required. Despite the increase and its impact on the FY 2009 budget, the City’s rate increase was significantly less than those experienced by other cities across the state.

Total budgeted operating expenditures in the General Fund include an increase of \$917,719 due to recurring (\$553,037) and non-recurring (\$364,682) Supplemental Programs for total of \$15,280,171<sup>1</sup>. In addition to the Supplemental Programs budgeted in operations are \$118,000 of supplemental programs involving capital outlay. This amount has been set aside for improvements to the “Depot” area. Staffing for FY 2008-09 in the General Fund will remain static. Staffing charts shown on each departmental budget page reflect the current positions budgeted.<sup>2</sup>

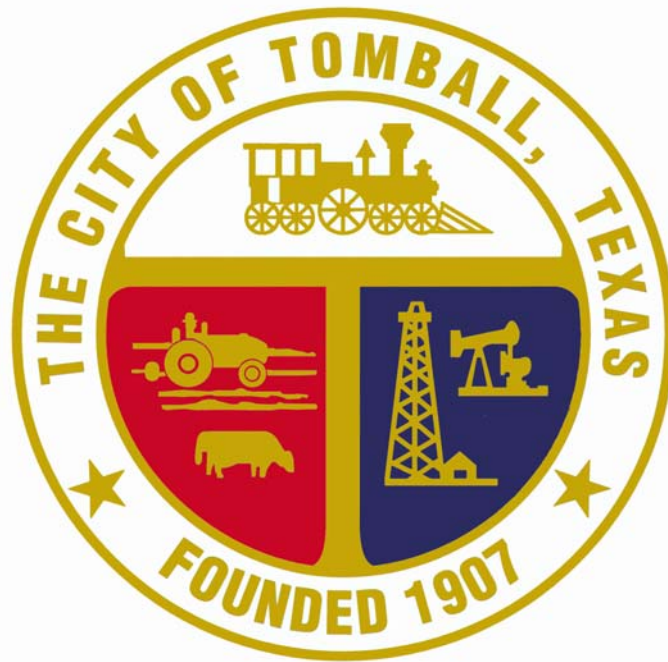
Proposed cash funding of Capital Improvement Plan projects in the General Fund for FY 2008 total \$724,000. A list of projects proposed for cash funding can be found in the Capital Projects section of the Appendix. A budgeted decrease in General Fund reserves of \$2,097,923 results in a budgeted ending fund balance for FY2008 of \$5,855,088. This represents 39.26% of operating expenditures. The City’s target set forth by the Financial Polices adopted by City Council is 18%<sup>3</sup>.

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<sup>1</sup> See Appendix G for a complete listing of approved Supplemental Programs for FY 2009.

<sup>2</sup> See Appendix H for a complete Staffing Chart for the City including a multi-year comparison.

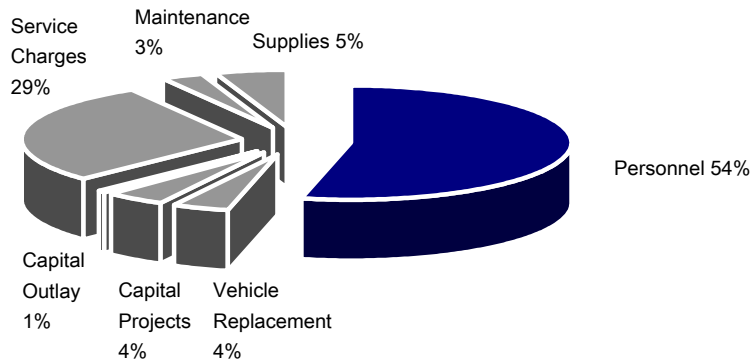
<sup>3</sup> See Appendix B for a complete set of Financial Management Policies.



A wise and frugal  
government, which shall leave  
men free to regulate their own  
pursuits of industry and  
improvement...this is the sum  
of good government.

Thomas Jefferson

**GENERAL FUND EXPENDITURES**



City government is a service industry that relies predominantly on its employees to serve the community. A majority of the costs are associated with employee salaries and benefits.

**BY MAJOR COST CATEGORY**

Category	Actual 2006-2007	Budget 2007-2008	Projected 2007-2008	Budget 2008-2009
Personnel Services	\$ 6,376,244	\$ 7,559,724	\$ 7,444,445	\$ 9,035,624
Supplies	714,385	948,052	1,025,495	889,601
Maintenance	447,385	548,696	483,004	532,821
Services & Charges	3,405,227	4,228,629	4,332,003	4,822,125
Capital Outlay	2,797,456	1,009,395	988,947	118,000
Capital Projects		11,829,940	11,621,857	724,000
Vehicle Replacement		1,248,846	1,248,846	716,662
<b>TOTAL FUND BUDGET</b>	<b>\$ 13,740,696</b>	<b>\$ 27,373,282</b>	<b>\$ 27,144,597</b>	<b>\$ 16,838,833</b>

Prior to the FY 2007-08 budget, capital projects and capital outlay (non construction related projects) were combined in the capital outlay expenditure category. Starting with FY 2007-08, these types of expenditures were separated.

**General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
FY 2009 Adopted Budget**

			Tax Rates:		0.251455	
	FY 2008					
	Current	FY2008	FY2009	Recurring	Non-Recur.	FY2009
	Budget	Projections	Base Budget	Supplemental	Supplemental	Adopted
						Budget
<b>Revenues:</b>						
Property taxes	\$ 919,679	\$ 1,014,900	\$ 1,567,237	\$ -	\$ -	\$ 1,567,237
Sales taxes	7,828,000	7,230,000	6,200,000	-	-	6,200,000
Franchise taxes	1,166,880	1,179,220	1,179,220	-	-	1,179,220
Permits and licenses	394,650	298,625	318,660	-	-	318,660
Fines and warrants	753,500	700,700	643,700	-	-	643,700
Service fees	1,900,000	2,110,000	2,100,000	-	-	2,100,000
Transfer from Enterprise	72,000	72,000	1,778,313	-	-	1,778,313
Contributions	136,000	53,000	131,900	0	-	131,900
Interest	1,100,000	800,000	580,000	-	-	580,000
Other	230,060	439,930	241,880	-	-	241,880
<b>Total Revenues</b>	<b>14,500,769</b>	<b>13,898,375</b>	<b>14,740,910</b>	<b>0</b>	<b>-</b>	<b>14,740,910</b>
<b>Expenditures:</b>						
City Hall Administration	1,728,926	1,720,817				
City Manager's Office			479,913	-	-	479,913
Mayor and Council			93,561	0	-	93,561
City Secretary			345,340	5,379	-	350,719
Human Resources			282,858	52,793	-	335,651
Finance			502,489	18,797	-	521,286
Information Systems			255,650	1,650	50,882	308,182
Legal			244,700	-	-	244,700
Non-Departmental			253,751	-	-	253,751
Building Permits and Inspections	475,238	458,677	394,652	3,424	-	398,076
Police	4,933,144	4,736,128	4,794,907	200,256	0	4,995,163
Fire	1,497,347	1,478,189				
Fire			1,123,139	6,852	23,800	1,153,791
Fire Marshal			192,263	6,930	0	199,193
Emergency Services			17,600	-	-	17,600
Municipal Court	395,441	392,028	437,774	5,179	-	442,953
Public Works Administration	977,899	912,432				
Public Works Administration			63,323	-	-	63,323
Engineering and Planning			776,006	393	175,000	951,399
Facilities Maintenance			449,908	373	0	450,281
Garage	84,226	76,732	89,937	150	0	90,087
Streets	805,154	784,205	668,206	240,796	115,000	1,024,002
Sanitation	1,945,679	2,143,040	2,350,100	-	-	2,350,100
Parks	494,886	383,697	386,805	10,064	0	396,869
Community Center	217,715	199,002	159,571	-	-	159,571
<b>Total Expenditures</b>	<b>13,555,655</b>	<b>13,284,947</b>	<b>14,362,453</b>	<b>553,037</b>	<b>364,682</b>	<b>15,280,171</b>
<b>Net Income from Operations</b>			<b>378,457</b>	<b>(553,037)</b>	<b>(364,682)</b>	<b>(539,261)</b>
<b>Other Sources/(Uses):</b>						
Proceeds from debt	-	-				
Vehicle Replacement	(1,248,847)	(1,248,847)	(716,662)		-	(716,662)
Capital Projects/Outlay	(12,839,335)	(12,610,804)	(724,000)	-	(118,000)	(842,000)
<b>Total Other Sources/(Uses)</b>	<b>(14,088,182)</b>	<b>(13,859,651)</b>	<b>(1,440,662)</b>	<b>-</b>	<b>(118,000)</b>	<b>(1,558,662)</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>(13,143,068)</b>	<b>(13,246,223)</b>	<b>(1,062,205)</b>	<b>(553,037)</b>	<b>(482,682)</b>	<b>(2,097,923)</b>
<b>Beginning Fund Balance</b>	<b>21,199,234</b>	<b>21,199,234</b>	<b>7,953,011</b>			<b>7,953,011</b>
<b>Ending Fund Balance</b>	<b>\$ 8,056,166</b>	<b>\$ 7,953,011</b>	<b>\$ 6,890,806</b>	<b>\$ (553,037)</b>	<b>\$ (482,682)</b>	<b>\$ 5,855,088</b>
18% of Operating Expenses - Target		\$2,391,290	\$2,585,242			\$2,684,788
						39.26%

**CITY OF TOMBALL  
GENERAL FUND  
STATEMENT OF REVENUES BY SOURCE**

	FY2007		Current	FY2008	FY2009			FY2009
ACCOUNT NAME	Actual		Budget	Projections	Base Budget	Recurring	Non-Recur.	Total Budget
Current Taxes	\$ 918,834	\$	877,679	\$ 975,000	\$ 1,526,237	\$	\$	\$ 1,526,237
Delinquent Taxes	35,252		21,000	21,000	21,000			21,000
Penalty, Interest, Attorney Fees	28,110		20,000	18,000	19,000			19,000
Tax Certificates	750		1,000	900	1,000			1,000
Tax Court Costs					0			0
<b>TOTAL PROPERTY TAXES</b>	<b>982,947</b>		<b>919,679</b>	<b>1,014,900</b>	<b>1,567,237</b>	<b>0</b>	<b>0</b>	<b>1,567,237</b>
Sales Tax	7,304,280		7,828,000	7,230,000	6,200,000			6,200,000
<b>TOTAL SALES TAXES</b>	<b>7,304,280</b>		<b>7,828,000</b>	<b>7,230,000</b>	<b>6,200,000</b>	<b>0</b>	<b>0</b>	<b>6,200,000</b>
Electrical Franchise Tax	646,064		704,820	704,820	691,740			691,740
T.V. Cable Franchise Tax	90,519		90,780	95,500	98,400			98,400
Communications Franchise Tax	203,134		209,100	226,900	226,900			226,900
Sanitation Franchise Tax	201,017		162,180	152,000	162,180			162,180
<b>TOTAL FRANCHISE TAXES</b>	<b>1,140,734</b>		<b>1,166,880</b>	<b>1,179,220</b>	<b>1,179,220</b>	<b>0</b>	<b>0</b>	<b>1,179,220</b>
Building Permits	155,510		200,000	159,000	148,000			148,000
Construction Permits	79,395		45,000	30,825	31,000			31,000
Plumbing Permits	25,452		0	16,000	16,000			16,000
Mechanical Permits	12,229		25,000	15,000	19,800			19,800
Electrical Permits	47,323		37,000	25,000	25,000			25,000
Fire Permit Fees	33,395		27,000	18,400	20,000			20,000
Other Permits	9,666		10,000	8,000	8,000			8,000
Miscellaneous Permit Fees	1,375		40,650	100	2,500			2,500
Plat Fees	16,812		10,000	12,000	15,000			15,000
Rezoning Application Fee			0	8,000	15,360			15,360
Conditional Use Permit				1,000	1,800			1,800
Planned Development				1,500	3,000			3,000
Site Plan Review				1,800	9,000			9,000
Zoning Fees				1,000	2,400			2,400
Plan Review Fees-Other				1,000	1,800			1,800
<b>TOTAL PERMITS AND LICENSES</b>	<b>381,157</b>		<b>394,650</b>	<b>298,625</b>	<b>318,660</b>	<b>0</b>	<b>0</b>	<b>318,660</b>
Municipal Court Fines	407,866		463,500	457,000	400,000			400,000
Court Costs/Administrative Fees	156,998		215,000	150,000	160,000			160,000
Municipal Court Bill-Security	0		0		0			0
Court Technology Fee	0		0		0			0
Court Warrant Fees	102,741		60,000	80,000	70,000			70,000
Tobacco Course Fees	0		200	200	200			200
Time Pymt.Fee-10% City Judicial	2,772		2,800	2,500	2,500			2,500
Time Pymt.Fee-40% For City	11,088		12,000	11,000	11,000			11,000
<b>TOTAL FINES AND WARRANTS</b>	<b>681,467</b>		<b>753,500</b>	<b>700,700</b>	<b>643,700</b>	<b>0</b>	<b>0</b>	<b>643,700</b>
Sanitation Fees	1,938,749		1,900,000	2,110,000	2,100,000			2,100,000
<b>TOTAL SERVICE FEES</b>	<b>1,938,749</b>		<b>1,900,000</b>	<b>2,110,000</b>	<b>2,100,000</b>	<b>0</b>	<b>0</b>	<b>2,100,000</b>
Transfer from Enterprise	72,000		72,000	72,000	1,778,313			1,778,313
<b>TOTAL USE OF PUBLIC R.O.W.</b>	<b>72,000</b>		<b>72,000</b>	<b>72,000</b>	<b>1,778,313</b>	<b>0</b>	<b>0</b>	<b>1,778,313</b>
Private Contrib.-Nutrition Prgm.					0			0
Federal Contrib.-Nutrition Prgm.					0			0
C.J.D. Grants	50,649		50,000	47,000	50,000			50,000
Other Grants	40,101		50,000	0	75,900			75,900
Grants Thru State - C.O.P.S.					0			0
TIDC Contributions	6,000		6,000	6,000	6,000			6,000
Tomball Sports Assoc.Contribution			30,000	0	0			0
TXDOT Participation Funds					0			0
<b>TOTAL CONTRIBUTIONS</b>	<b>96,750</b>		<b>136,000</b>	<b>53,000</b>	<b>131,900</b>	<b>0</b>	<b>0</b>	<b>131,900</b>

**CITY OF TOMBALL  
GENERAL FUND  
STATEMENT OF REVENUES BY SOURCE**

<b>ACCOUNT NAME</b>	<b>FY2007 Actual</b>	<b>Current Budget</b>	<b>FY2008 Projections</b>	<b>FY2009 Base Budget</b>	<b>Recurring</b>	<b>Non-Recur.</b>	<b>FY2009 Total Budget</b>
Fees in Lieu of Property Taxes	0			0			0
Hotel/Motel Tax	0	0	0	0			0
Bingo Tax	7,066	7,000	7,000	7,000			7,000
Alcoholic Beverage Tax		0	42,000	42,000			42,000
Mixed Beverage License Fee	50,368	48,960	10,000	10,000			10,000
Birth & Death Certificate Fees	68,646	50,000	61,000	60,000			60,000
Emergency Service District Fees	35,000	35,000	38,000	38,000			38,000
Sale of City Property	71,802	27,000	180,000	25,000			25,000
Rent Revenues	9,750	7,800	8,350	7,800			7,800
Community Center Fees	6,625	6,000	6,780	6,780			6,780
Congregate Meals	2,223	3,000	2,500	0			0
Miscellaneous Revenues	66,734	45,000	84,000	45,000			45,000
Returned Check Fines	389	300	300	300			300
<b>TOTAL OTHER REVENUES</b>	<b>318,604</b>	<b>230,060</b>	<b>439,930</b>	<b>241,880</b>	<b>0</b>	<b>0</b>	<b>241,880</b>
Interest Income	1,116,019	1,100,000	800,000	580,000			580,000
<b>TOTAL INTEREST REVENUE</b>	<b>1,116,019</b>	<b>1,100,000</b>	<b>800,000</b>	<b>580,000</b>	<b>0</b>	<b>0</b>	<b>580,000</b>
Debt Proceeds	0	0	0	0			0
<b>TOTAL DEBT PROCEEDS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transfer to Debt Service	(1,500,000)	0					0
<b>TOTAL TRANSFER REVENUES</b>	<b>(1,500,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL REVENUE</b>	<b>\$ 12,532,706</b>	<b>\$ 14,500,769</b>	<b>\$ 13,898,375</b>	<b>\$ 14,740,910</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 14,740,910</b>



*City Hall  
401 Market Street*



**CITY OF TOMBALL  
111 - GENERAL - ADMINISTRATIVE DEPARTMENT  
2008-2009 BUDGET WORKSHEET**

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	733,329	774,845	764,688	0	0	0	0
Supplies	58,916	86,400	96,629	0	0	0	0
Maintenance	37,151	56,500	55,300	0	0	0	0
Services and charges	497,587	811,181	804,200	0	0	0	0
<b>Total Operating Expenditures</b>	<b>1,326,983</b>	<b>1,728,926</b>	<b>1,720,817</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Capital Outlay	150,586	320,965	20,695	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0
Transfers	94,022	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>1,571,592</b>	<b>2,049,891</b>	<b>1,741,512</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Staffing	FY2006	FY2007	FY2008	FY 2009
City Manager	1.00	1.00	1.00	0.00
Assistant City Manager	0.00	0.00	0.00	0.00
City Secretary	1.00	1.00	1.00	0.00
Assistant City Secretary	0.00 *	1.00	1.00	0.00
Finance Director	0.00	0.00	0.00	0.00
Accounting Supervisor	1.00	1.00	1.00	0.00
HR Director	1.00	1.00	1.00	0.00
Purchasing Agent	0.00	0.00	0.00	0.00
Accounts Payable Clerk	1.00	1.00	1.00	0.00
Tax Collector	1.00	1.00	1.00	0.00
Administrative Secretary	1.00	1.00	1.00	0.00
Office Clerks	1.50 *	0.50	0.50	0.00
Receptionist	1.00	1.00	1.00	0.00
<b>Total</b>	<b>9.50</b>	<b>9.50</b>	<b>9.50</b>	<b>0.00</b>

\* This reflects end result of a staffing change that occurred mid-year.

This page reflects the previous consolidated Administrative Department. Starting in FY 2008-09 separate departments were created for budgeting purposes. The next page shows the budget for the newly developed City Manager's office.

# City Manager's Office

## Department Mission

The City of Tomball has a Council/Manager form of government where the City Council sets policy and the City Manager is charged with carrying out the policies and programs approved by the City Council and providing administrative leadership. The City Manager is responsible for the City's daily operations, hiring department heads, supervising City personnel, directing and coordination all municipal programs, enforcing all municipal laws and ordinances, and recommending an annual budget.

## Program Narrative

### FY 2008 Accomplishments

- E-newsletter created announcing events
- Negotiated real estate contracts for property around the Depot with three different property owners.

- Created a media list and began to send press releases on positive happenings in the City to all media outlets in Harris County.
- Successfully changed from City to County tax collections upon retirement of the Tax Assessor/ Collector.

### Objectives for FY 2009

- Complete Livable Cities program for downtown Tomball.
- Create a plan for depot area improvements.
- Begin study for Rail Road Corridor trails.
- Complete City wide visioning process.
- Begin comprehensive planning process.
- Begin planning process for Rail Road Overlay district.

### Major Budget Items

- Website Redesign (\$15,000)
- Newsletter Printing Cost (10,000)

**CITY OF TOMBALL  
 111 - GENERAL - CITY MANAGER'S OFFICE  
 2008-2009 BUDGET WORKSHEET**

	FY2007 Actual	FY2008 Budget	FY2008 Projections	FY2009 Base	Recurring	Non-Recur.	FY2009 Total Budget
Personnel services				406,305	0	0	406,305
Supplies				6,825	0	0	6,825
Maintenance				0	0	0	0
Services and charges				66,783	0	0	66,783
<b>Total Operating Expenditures</b>	0	0	0	479,913	0	0	479,913
Capital Outlay				0	0	0	0
Bad Debt Expense				0	0	0	0
Long Term Debt				0	0	0	0
Transfers				0	0	0	0
<b>Total Expenditures</b>	0	0	0	479,913	0	0	479,913

Staffing	FY2006	FY2007	FY2008	FY 2009
City Manager	0.00	0.00	0.00	1.00
Assistant City Manager	0.00	0.00	0.00	1.00
Assistant to the City Manager	0.00	0.00	0.00	1.00
City Secretary	0.00	0.00	0.00	0.00
Assistant City Secretary	0.00	0.00	0.00	0.00
Finance Director	0.00	0.00	0.00	0.00
Accounting Supervisor	0.00	0.00	0.00	0.00
HR Director	0.00	0.00	0.00	0.00
Purchasing Agent	0.00	0.00	0.00	0.00
Accounts Payable	0.00	0.00	0.00	0.00
Tax Collector	0.00	0.00	0.00	0.00
Office Clerks	0.00	0.00	0.00	0.00
Receptionist	0.00	0.00	0.00	0.00
<b>Total</b>	0.00	0.00	0.00	3.00

## Permits and Inspections

### Department Mission

To administer the permits and enforce the City's building, plumbing, electrical, gas, and air conditioning codes to insure the construction and maintenance of safe residential and commercial structures.

### Program Narrative

#### Accomplishments for FY 2008

- Increased training for employees. Both inspectors and the permit technician earned code certifications.
- Building official served on the Board of Directors of B.O.A.T.
- Upgraded permit software.
- Installed Code Enforcement software.
- Upgraded building codes.

#### Goals for FY 2009

- Upgrade to wireless software for field inspectors.
- Continue to improve employee training.
- Provide a higher level of constructions quality for the City.
- Encourage employee participation in Code Organizations.
- Improve the department's public image.

#### Objectives for FY 2009

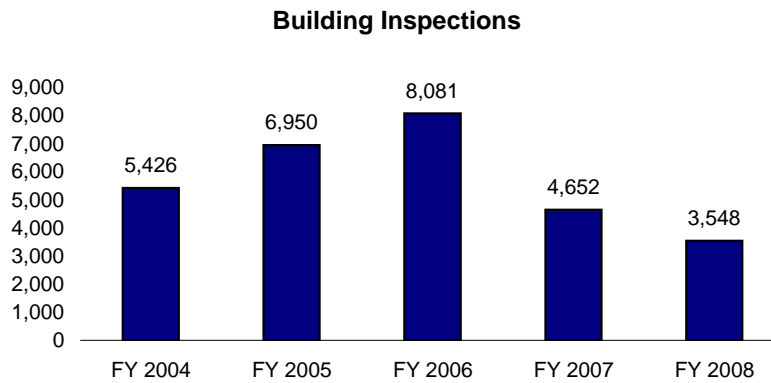
- Complete permit inspections within one business day of request 90% of the time.
- To complete Building Department's plan reviews within 20 days from submittal 90% of the time.
- Respond to Code Complaints within 10 days of initial call 90% of the time.

**CITY OF TOMBALL  
112 - GENERAL FUND - PERMITS & INSPECTIONS  
2008-2009 BUDGET WORKSHEET**

	FY2007 Actual	FY2008 Budget	FY2008 Projections	FY2009 Base	Recurring	Non-Recur.	FY2008 Total Budget
Personnel services	299,029	360,903	371,577	331,697	3,424	0	335,121
Supplies	13,554	13,900	17,100	13,300	0	0	13,300
Maintenance	2,132	2,200	1,100	900	0	0	900
Services and charges	51,077	98,235	68,900	48,755	0	0	48,755
<b>Total Operating Expenditures</b>	<b>365,791</b>	<b>475,238</b>	<b>458,677</b>	<b>394,652</b>	<b>3,424</b>	<b>0</b>	<b>398,076</b>
Capital Outlay	42,060	0	0	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0
Transfers	0	46,400	46,400	11,820	0	0	11,820
<b>Total Expenditures</b>	<b>407,851</b>	<b>521,638</b>	<b>505,077</b>	<b>406,472</b>	<b>3,424</b>	<b>0</b>	<b>409,896</b>

Staffing	FY2006	FY2007	FY2008	FY2009
Building Official	1.00	1.00	1.00	1.00
City Inspector	1.00 *	2.00	2.00	2.00
Code Enforcement Officer	1.00	1.00	1.00	1.00
Permit Clerk	2.00	2.00	2.00	1.00
<b>Total</b>	<b>5.00</b>	<b>6.00</b>	<b>6.00</b>	<b>5.00</b>

\* This reflects end result of a staffing change that occurred mid-year.



CITY OF TOMBALL  
 113 - GENERAL - MAYOR & COUNCIL  
 2008-2009 BUDGET WORKSHEET

	FY2007 Actual	FY2008 Budget	FY2008 Projections	FY2009 Base	Recurring	Non-Recur.	FY2009 Total Budget
Personnel services				33,827	0	0	33,827
Supplies				15,035	0	0	15,035
Maintenance				0	0	0	0
Services and charges				44,699	0	0	44,699
<b>Total Operating Expenditures</b>	0	0	0	93,561	0	0	93,561
Capital Outlay				0	0	118,000	118,000
Bad Debt Expense				0	0	0	0
Long Term Debt				0	0	0	0
Transfers				0	0	0	0
<b>Total Expenditures</b>	0	0	0	93,561	0	118,000	211,561

Staffing	FY2006	FY2007	FY2008	FY 2009
Mayor	1.00	1.00	1.00	1.00
Council Members	5.00	5.00	5.00	5.00
<b>Total</b>	6.00	6.00	6.00	6.00



*City of Tomball Depot  
201 South Elm*

# City Secretary's Office

## Department Mission

To provide quality services and information to the citizens, the City Council, and the City Staff in a courteous and service oriented manner, to enhance the public's participation in Tomball's government processes by providing a welcoming environment to citizens and visitors, to maintain the official city records for historical preservation, and to serve everyone in an equitable and impartial manner.

## Program Narrative

### Goals for FY 2009

- To provide the City information to City staff and others in a timely and efficient manner and in accordance with State law.
- To continue processing City records through Laserfiche and work to provide electronic search, access, and retrieval capabilities to department users. Current agendas, minutes, ordinances, resolutions, contracts, deeds, and other permanent records will be processed on a continuing basis; historical records will be processed as time and workloads permit.
- To expedite provision of information electronically to Mayor and Council, City

staff, and citizens via the City's website, e-blasts, and MuniAgenda.

- To continue to improve the delivery of documents following Council actions and state/federal law changes.

### Objectives for FY 2009

- 80% of requests should be processed within five business days
- Scan 24,000 pages through Laserfiche.
- Deliver Council agendas at least four days in advance.
- Prepare Council minutes within five days of the meeting.
- Send notification of annexations to all of the appropriate agencies with 30 days.
- Notification of ordinances passed sent to website, Municode, and newspapers within 5 days of being passed.
- Contracts should be executed within 10 days of Council action.
- Issue Liquor/Wrecker/Taxi Permits within 48 hours of the request of Council action.

### Major Budget Items

- Recodification of Code (\$15,000)
- Advertising Cost (\$15,000)
- Election Services (\$19,480)



CITY OF TOMBALL  
 114 - GENERAL - CITY SECRETARY  
 2008-2009 BUDGET WORKSHEET

	FY2007 Actual	FY2008 Budget	FY2008 Projections	FY2009 Base	Recurring	Non-Recur.	FY2009 Total Budget
Personnel services				264,999	5,379	0	270,378
Supplies				12,920	0	0	12,920
Maintenance				340	0	0	340
Services and charges				67,081	0	0	67,081
<b>Total Operating Expenditures</b>		0	0	345,340	5,379	0	350,719
Capital Outlay				0	0	0	0
Bad Debt Expense				0	0	0	0
Long Term Debt				0	0	0	0
Transfers				0	0	0	0
<b>Total Expenditures</b>	0	0	0	345,340	5,379	0	350,719

Staffing	FY2006	FY2007	FY2008	FY2009	FY 2009
City Secretary	0.00	0.00	0.00	1.00	1.00
Assistant City Secretary	0.00	0.00	0.00	1.00	1.00
Administrative Assistant	0.00	0.00	0.00	1.00	1.00
Receptionist	0.00	0.00	0.00	1.00	1.00
VOE Student	0.00	0.00	0.00	0.50	0.50
<b>Total</b>	0.00	0.00	0.00	4.50	4.50

# Human Resources

## Department Mission

To further enhance The City of Tomball's effectiveness and capability to provide excellent customer service (internal and external) by:

- Recruiting, Developing, and Retaining a knowledgeable citizen focused work force;
- Contributing to mission accomplishments through constructive performance and conduct employee, supervisory/ management training and development;
- Serving employees and other citizens' needs through Collaboration, Pro-Action, Partnership, and Innovation.

## Program Narrative

### Accomplishments for FY 2008

- Initiated a classification/compensation study with outside consultants to determine new minimum pay levels and job classes.
- Kicked off the Blue Cross Blue Shield "Blue Points" program to encourage better eating habits and regular exercise among our employees.
- Coordinated our annual Retirement seminars for all employees and our special retirement planning day for those eligible to retire within three years.
- Planned, promoted and hosted our annual "Employee Appreciation Week" to honor all the hard work by the City of Tomball employees in the last year.

- Hosted annual wellness testing and Holiday Appreciation Lunch.
- Assisted departments in recruiting efforts of newly budgeted positions.
- Began the complete review and modification of all job descriptions to include more accurate information.

### Objectives for FY 2009

- To ensure the employees have the skills, knowledge, and abilities to perform their job efficiently, effectively and ethically for the city's citizens. This includes training, development, and education to promote individual success and increase overall value to The City of Tomball.
- Retention of valuable employees.
- Expand our efforts to ensure recruitment of the most qualified individuals.
- To create a performance appraisal atmosphere where supervisors and employees work together to set goals for future performance and employee career plans.
- Implementation of a new pay plan as an outcome of the classification/compensation study, with adjustments to minimum pay for assigned grades.
- Conduct a wellness fair to include employee testing and flu shots as well as vendor booths with information pertaining to the physical, mental, and financial wellness of the employees.

- Complete the modification of all job descriptions to ensure the most accurate information related to job duties and ADA requirements.
- Facilitate a complete review and make the necessary modifications to the existing personnel policy.
  - Provide and promote a safe and healthful working environment.
- Encourage health and wellness of the employees through attendance to the wellness fair. The goal is to have at least 80% of the employees participate.
- Monitor, analyze, and strive to keep turnover under 15%.
- List job postings on the same day they become available to ensure a timely recruitment process.

**Goals for FY 2009**

- Ensure payroll accuracy by cutting accurate payroll checks 99% of the time.
- Complete performance evaluations on time 95% of the time.

**CITY OF TOMBALL  
115 - GENERAL - HUMAN RESOURCES DEPARTMENT  
2008-2009 BUDGET WORKSHEET**

	FY2007 Actual	FY2008 Budget	FY2008 Projections	FY2009 Base	Recurring	Non-Recur.	FY2009 Total Budget
Personnel services				205,718	31,793	0	237,511
Supplies				16,450	0	0	16,450
Maintenance				0	0	0	0
Services and charges				60,690	21,000	0	81,690
<b>Total Operating Expenditures</b>	0	0	0	282,858	52,793	0	335,651
Capital Outlay				0	0	0	0
Bad Debt Expense				0	0	0	0
Long Term Debt				0	0	0	0
Transfers				0	0	0	0
<b>Total Expenditures</b>	0	0	0	282,858	52,793	0	335,651
<b>Staffing</b>				<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY 2009</b>
HR Director				0.00	0.00	0.00	1.00
HR Generalist				0.00	0.00	0.00	1.00
<b>Total</b>				0.00	0.00	0.00	2.00

# Finance

## Department Mission

To maintain the financial records of the City in a manner that, at all times, presents fairly its financial condition; to safeguard City assets, and to provide a high level of service to our customers both internal and external.

## Program Narrative

### FY 2008 Accomplishments

- Streamlined the City's Chart of Accounts
- Implemented a City-wide Purchasing Card Program
- Facilitated the Completion of a City-wide Customer Satisfaction Survey
- Facilitated the Completion of a Utility Rate Study
- Implemented the Incode Online Payment package for utility and court payments
- Automated the purchase requisition process to speed up the process and reduce the number of paper forms used and stored.

### Goals for FY 2009

- Encourage procurement card users to utilize their cards in order to maximize the rebate.
- Provide other departments with accurate and timely reports.
- Cut and send vendor checks out routinely each week.
- Minimize account coding errors on invoices through education and guidance.

- Complete a series of internal audits on areas with a potential risk of lost revenues

### Objectives for FY 2009

- To deliver an approved Purchase Order to the vendor within 2 days of receiving a completed requisition 90% of the time.
- To provide monthly financial statements and capital project reports to departments by the 10th day following month end 90% of the time.
- Increase the procurement card charges to \$355,000.
- Mail accounts payable checks out each Thursday 95% of the time.

### Major Budget Items:

- Annual Audit costs ( \$60,401)
- Harris County Tax Collection Service (\$8,151)
- Appraisal Services (\$25,100)
- Travel and Training (\$19,558)

CITY OF TOMBALL  
 116 - GENERAL - FINANCE DEPARTMENT  
 2008-2009 BUDGET WORKSHEET

	FY2007 Actual	FY2008 Budget	FY2008 Projections	FY2009 Base	Recurring	Non-Recur.	FY2009 Total Budget
Personnel services				355,827	18,797	0	374,624
Supplies				3,427	0	0	3,427
Maintenance				300	0	0	300
Services and charges				142,935	0	0	142,935
<b>Total Operating Expenditures</b>	0	0	0	502,489	18,797	0	521,286
Capital Outlay				0	0	0	0
Bad Debt Expense				0	0	0	0
Long Term Debt				0	0	0	0
Transfers				0	0	0	0
<b>Total Expenditures</b>	0	0	0	502,489	18,797	0	521,286

Staffing	FY2006	FY2007	FY2008	FY 2009
Finance Director	0.00	0.00	0.00	1.00
Accounting Supervisor	0.00	0.00	0.00	1.00
Purchasing Agent	0.00	0.00	0.00	1.00
Accounts Payable Clerk	0.00	0.00	0.00	1.00
Budget Analyst/Project Accountant	0.00	0.00	0.00	1.00
<b>Total</b>	0.00	0.00	0.00	5.00

**CITY OF TOMBALL  
 117 - GENERAL - INFORMATION SYSTEMS  
 2008-2009 BUDGET WORKSHEET**

	FY2007 Actual	FY2008 Budget	FY2008 Projections	FY2009 Base	Recurring	Non-Recur.	FY2009 Total Budget
Personnel services				0	0	0	0
Supplies				36,400	0	10,500	46,900
Maintenance				7,500	0	0	7,500
Services and charges				211,750	1,650	40,382	253,782
<b>Total Operating Expenditures</b>	0	0	0	255,650	1,650	50,882	308,182
Capital Outlay				0	0	0	0
Bad Debt Expense				0	0	0	0
Long Term Debt				0	0	0	0
Transfers				0	0	0	0
<b>Total Expenditures</b>	0	0	0	255,650	1,650	50,882	308,182

No staff has been assigned to this department as all services are contracted to a third party.

# Legal Department

## Department Mission

The legal department provides counsel and advice to the Mayor, City Council, and all departments of the City of Tomball. The City Attorney represents the City in litigation, and is responsible for drafting and preparing contracts, resolutions and ordinances.

## Program Narrative

### Objectives for FY 2009

- To provide the Mayor, City Council and City of Tomball with accurate legal advice on matter of concern.
- To draft and prepare legal documents as the need arises.

### Major Budget Items

- Olson and Olson, City 's Attorney (\$201,500)

**CITY OF TOMBALL  
118 - GENERAL - LEGAL  
2008-2009 BUDGET WORKSHEET**

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services				0	0	0	0
Supplies				13,200	0	0	13,200
Maintenance				0	0	0	0
Services and charges				231,500	0	0	231,500
<b>Total Operating Expenditures</b>	0	0	0	244,700	0	0	244,700
Capital Outlay				0	0	0	0
Bad Debt Expense				0	0	0	0
Long Term Debt				0	0	0	0
Transfers				0	0	0	0
<b>Total Expenditures</b>	0	0	0	244,700	0	0	244,700

No staff has been assigned to this department as all services are contracted to a third party.

CITY OF TOMBALL  
 119 - GENERAL - NONDEPARTMENTAL  
 2008-2009 BUDGET WORKSHEET

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total
							Budget
Personnel services				0	0	0	0
Supplies				250	0	0	250
Maintenance				0	0	0	0
Services and charges				253,501	0	0	253,501
<b>Total Operating Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>253,751</b>	<b>0</b>	<b>0</b>	<b>253,751</b>
Capital Outlay				0	0	0	0
Bad Debt Expense				0	0	0	0
Long Term Debt				0	0	0	0
Transfers				0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>253,751</b>	<b>0</b>	<b>0</b>	<b>253,751</b>

This department consists of expenses incurred by multiple departments such as copy charges and liability insurance.





*Theis Attaway Park  
Amphitheater*

## Police Department

→ Transition patrol fleet to a digital video in car recording system

### Department Mission

The mission of the Tomball Police Department is to protect and serve the citizens of Tomball. As members of the Tomball Police Department, we dedicate ourselves to provide fair, impartial and ethical police service to all members of the community, with the highest degree of integrity, professionalism and respect.

### Program Narrative

#### Accomplishments for FY 2008

- Violent crime down by 30.2% (murder, rape, robbery, aggravated assault).
- Uniform Crime Reporting Clearance Rate-45%. The national average for police agencies is 18%.
- Volunteers in Policing (VIP's) donated 2,406 hours of community service to the citizens of Tomball.
- Implementation of Automated Photo Enforcement at red light intersections.
- Reaching out to the community:
  - Blue Day's of Summer
  - Blue Santa & Shop with a Cop
  - Graduation of the 5<sup>th</sup> Citizens Police Academy
- Funding secured for the following capital projects:
  - Police Firearms Training Facility
  - Police/City Server Room Upgrade
  - Police Property/Evidence Room Upgrade

#### Objectives for FY 2009

- Reduce property and violent UCR reported crimes through the effective deployment of resources, and the implementation of crime prevention initiatives.
- Reduce the number of major injury and fatal traffic collisions by utilizing a holistic approach that focuses on education, enforcement, and engineering.
- Increase employee morale through dynamic, thoughtful, and servant-based leadership that results in a decrease in employee use of sick time, and an increase in overall productivity.
- Enhance our training program by completing bi-annual training, maintaining TCLEOSE continuing education requirements, and establish a yearly training delivery plan.
- Enhance the capabilities of personnel by providing specialized training opportunities.
- Increase specialized enforcement efforts in the areas such as vice and narcotics, through the utilization of target specific undercover/sting operations.
- Provide exceptional service to the community by maintaining an average response time of three minutes or less to all calls for service.
- Increase UCR clearance rate by 5%.
- Implement a patrol rifle program.
- Conduct a review and revision to the VIP program policy guide.
- Enhance overall public safety by maintaining minimum staffing levels throughout the Department.

- Complete current capital improvement programs, such as the property/ evidence room remodel and the server room upgrade.
- Enhance the current reserve officer program through recruitment, training, and operational/ deployment efforts.
- Complete a comprehensive organizational, systems, and environmental review to maximize organizational efficiency, ensure effective service delivery, and to maintain a culture of respect that is fully absorbed by all members of the organization.

**Goals for FY 2009**

**Patrol Division**

- Deploy resources & implement initiatives to reduce UCR crime.
- Target traffic enforcement to reduce motor vehicle accidents.
- Complete bi-annual departmental training.

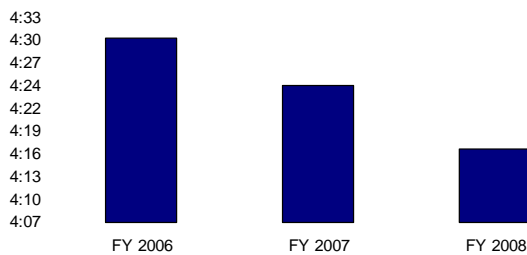
**Criminal Investigations Division**

- Timely response and follow-up on case assignments.
- Increase UCR clearance rate by 6%.
- Enhance the capabilities of CID personnel through specialized training.
- Implement target specific undercover/ sting operations.
- Obtain and maintain 100% staffing level throughout the department.

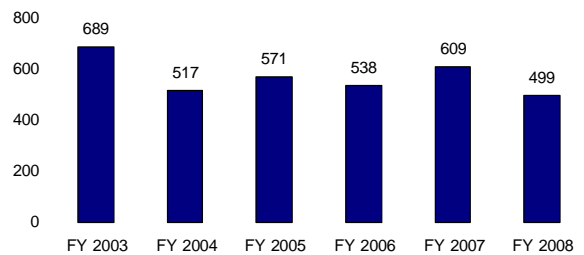
**Major Budget Items**

- Travel and Training (\$64,000)

**Average Response Time**



**Motor Vehicle Crashes**

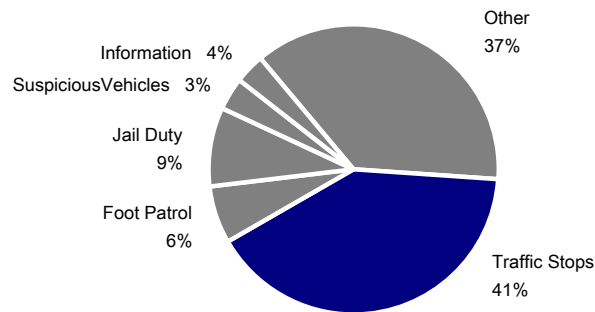


**CITY OF TOMBALL  
121 - GENERAL FUND - POLICE DEPARTMENT  
2008-2009 BUDGET WORKSHEET**

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	3,478,909	4,153,545	3,952,020	4,288,885	200,256	0	4,489,141
Supplies	261,928	298,354	328,636	236,000	0	0	236,000
Maintenance	87,610	102,500	98,500	69,450	0	0	69,450
Services and charges	296,204	378,745	356,972	200,572	0	0	200,572
<b>Total Operating Expenditures</b>	<b>4,124,651</b>	<b>4,933,144</b>	<b>4,736,128</b>	<b>4,794,907</b>	<b>200,256</b>	<b>0</b>	<b>4,995,163</b>
Capital Outlay	866,330	839,371	852,271	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0
Transfers	0	441,373	441,373	267,466	0	0	267,466
<b>Total Expenditures</b>	<b>4,990,981</b>	<b>6,213,888</b>	<b>6,029,772</b>	<b>5,062,373</b>	<b>200,256</b>	<b>0</b>	<b>5,262,629</b>

Staffing	FY2006	FY2007	FY2008	FY2009
Police Chief	1.00	1.00	1.00	1.00
Captain	2.00	2.00	2.00	2.00
Lieutenant	1.00	1.00	1.00	1.00
Detective	1.00	1.00	1.00	1.00
Sergeant	7.00	7.00	7.00	6.00
Corporal	1.00	1.00	1.00	1.00
Police Officer	25.50	25.50	27.00	28.00
Public Service Officer	1.00	2.00	2.00	2.00
IT Support Specialist	0.00	0.00	1.00	1.00
Records Clerk	2.00	3.00	3.00	3.00
Dispatcher	9.00	9.00	9.00	9.00
Subtotal	50.50	52.50	55.00	55.00
Police Reserves	25.00	25.00	25.00	25.00
<b>Total</b>	<b>75.50</b>	<b>77.50</b>	<b>80.00</b>	<b>80.00</b>

**Calls for Service**





*The new Police Department firearms training facility was opened on July 12, 2008. The facility cost about \$428,000 to construct. Pictured above is a training exercise executed at the opening day ceremony.*

# Municipal Court

## Department Mission

To provide fair, impartial, and timely adjudication of misdemeanor offenses committed and filed in the City of Tomball.

## Program Narrative

### Accomplishments for FY 2008

- Completed municipal court audit and began to implement recommended changes.
- Worked on court operations manual.
- Successfully initiated OmniBase failure to appear program to help collect delinquent fees, fines, and warrants through drivers' license renewals.
- Researched and prepared court collections contract.

### Goals for FY 2009

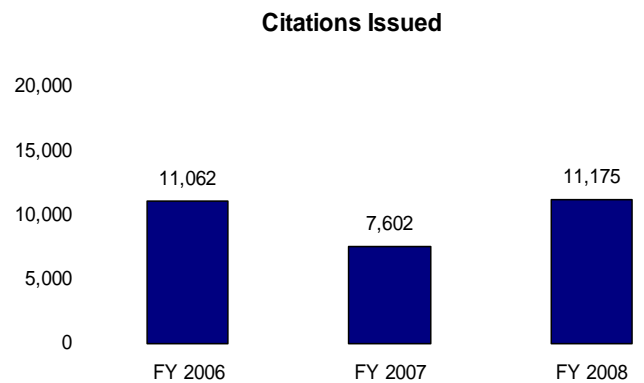
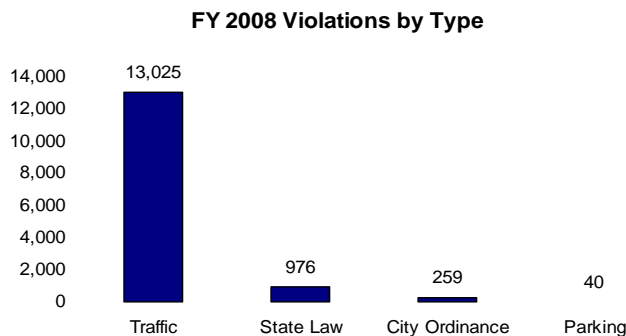
- To process warrants and jury trials in a timely manner.
- To improve communication within the department and with the public.

### Objectives for FY 2009

- Resolve 10% of the jury trials currently on standby.
- Maintain a less than two month backlog on warrants waiting to be issued.
- To create a warrant postcard mail out.

### Major Budget Items

- Legal Service (\$71,000)



CITY OF TOMBALL  
 122 - GENERAL FUND - MUNICIPAL COURT  
 2008-2009 BUDGET WORKSHEET

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	242,165	272,425	294,958	336,689	5,179	0	341,868
Supplies	9,754	33,000	21,200	18,510	0	0	18,510
Maintenance	4,461	7,500	4,354	175	0	0	175
Services and charges	63,039	82,516	71,516	82,400	0	0	82,400
<b>Total Operating Expenditures</b>	<b>319,418</b>	<b>395,441</b>	<b>392,028</b>	<b>437,774</b>	<b>5,179</b>	<b>0</b>	<b>442,953</b>
Capital Outlay	456	0	0	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0
Transfers	193,333	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>513,208</b>	<b>395,441</b>	<b>392,028</b>	<b>437,774</b>	<b>5,179</b>	<b>0</b>	<b>442,953</b>

Staffing	FY2006	FY2007	FY2008	FY2009
Senior Court Clerk	1.00	1.00	1.00	1.00
Municipal Court Clerk	1.00	1.00	1.00	1.00
Assistant Court Clerk	0.00	0.00	1.00 *	1.00
Police Bailiff/Warrant Officer	1.00	1.00	1.00	1.00
Municipal Judge	1.00	1.00	1.00	1.00
<b>Total</b>	<b>4.00</b>	<b>4.00</b>	<b>5.00</b>	<b>5.00</b>

# Community Center

## Department Mission

To serve the needs of citizens of the greater Tomball area by coordinating senior programs, nutrition programs, and scheduling meeting room arrangements for groups and individuals.

## Program Narrative

### Goals for FY 2009

- Work more with outside groups from the area to plan citizen activities within the community.
- Increase the public's interest in using the Community Center by trying to bring in a wider variety of groups.

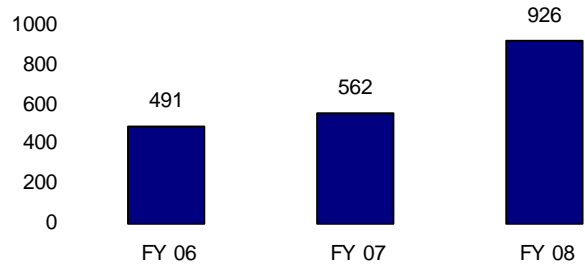
### Objectives for FY 2009

- Increase the number of health seminars and training at the center by 20%.
- Increase the number of groups that use the center by 25%

### Major Budget Items

- None

Bus Trips by Number of Participants



**CITY OF TOMBALL  
131 - GENERAL FUND - COMMUNITY CENTER  
2008-2009 BUDGET WORKSHEET**

	FY2007 Actual	FY2008 Budget	FY2007 Projections	FY2009 Base	Recurring	Non-Recur.	FY2009 Total Budget
Personnel services	108,646	142,918	130,805	144,823	0	0	144,823
Supplies	8,345	20,600	20,075	10,513	0	0	10,513
Maintenance	10,827	12,550	10,700	1,019	0	0	1,019
Services and charges	31,940	41,647	37,422	3,216	0	0	3,216
<b>Total Operating Expenditures</b>	<b>159,758</b>	<b>217,715</b>	<b>199,002</b>	<b>159,571</b>	<b>0</b>	<b>0</b>	<b>159,571</b>
Capital Outlay	0	0	0	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>159,758</b>	<b>217,715</b>	<b>199,002</b>	<b>159,571</b>	<b>0</b>	<b>0</b>	<b>159,571</b>

Staffing	FY2006	FY2007	FY2008	FY2009
Director	1.00	1.00	1.00	1.00
Assistant Director	1.00	1.00	1.00	1.00
Attendants-Part Time	1.00	1.00	1.00	1.00
<b>Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>



# Fire Marshal's Office

## Program Narrative

### Objectives for FY 2009

- Increase the number of inspections of existing commercial buildings by 50% in fiscal year 2008-09
- Complete twenty public education programs per year using the fire safety trailer

- With a documented increase in arson events in 2008, the FMO plans to clear 80% of the cases through investigation. It is also the goal of the FMO to identify and convict the person responsible for the crime in the same percentage of cases.

### Major Budget Items

- None

**CITY OF TOMBALL  
141 - GENERAL FUND - FIRE MARSHAL  
2008-2009 BUDGET WORKSHEET**

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	0	0	0	141,795	6,930	0	148,725
Supplies	0	0	0	23,621	0	0	23,621
Maintenance	0	0	0	3,340	0	0	3,340
Services and charges	0	0	0	23,507	0	0	23,507
<b>Total Operating Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>192,263</b>	<b>6,930</b>	<b>0</b>	<b>199,193</b>
Capital Outlay	0	0	0	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>192,263</b>	<b>6,930</b>	<b>0</b>	<b>199,193</b>

Staffing	FY2006	FY2007	FY2008	FY2009
Fire Marshal/Inspector	0.00	0.00	0.00	1.00
Fire Inspector	0.00	0.00	0.00	1.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.00</b>

# Fire Department

## Department Mission

To protect lives and property of the residents of the City of Tomball, Texas through fire suppression, fire prevention, and education of the public using volunteers from our local community.

## Program Narrative

### Accomplishments for FY 2008

- Developed process and testing to fill the two full-time paid firefighter positions approved in the 07-08 budget.
  - Completed the equipment acquisition for Ladder 2, the new fire truck put in service this summer.
  - Prepared modifications to the City's fee structure to increase the fire department plan review and construction inspection fee schedule.
  - Worked on new engineering of the Central Fire Station improvements with the Engineering and Planning Department.
- Manage the expansion of Tomball Fire Department Station #1.
  - Continue to devise, revise, and implement SOG's for the Tomball Fire Department and the Emergency Management Division.
  - Search for land, possibly to be donated to the City for Tomball Fire Department Station #3.
  - Work with Emergency Service District Commissioners to develop a plan to increase the ESD#15 tax rate by two cents in order to provide funding to construct a fire station or rent space to house Tomball Fire Department apparatus for volunteer response.

### Major Budget Items:

- Replacement Turnout Gear (\$40,820)
- Vehicle Maintenance and Repair (\$78,000)

### Objectives for FY 2009

- Complete Strategic Planning for Tomball Fire Department and integrate into City's 5 year.
- Complete City of Tomball Emergency Operations Plan and submit to GDEM for review and approval.
- Develop, in conjunction with other City Departments, a Continuity of Operations Plan for the City of Tomball.

CITY OF TOMBALL  
142 - GENERAL FUND - FIRE DEPARTMENT  
2008-2009 BUDGET WORKSHEET

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total
							Budget
Personnel services	561,430	794,045	687,420	699,390	5,212	0	704,602
Supplies	212,704	280,755	344,785	242,743	600	5,800	249,143
Maintenance	209,534	185,846	178,000	99,820	0	18,000	117,820
Services and charges	205,288	236,701	267,984	81,186	1,040	0	82,226
<b>Total Operating Expenditures</b>	<b>1,188,956</b>	<b>1,497,347</b>	<b>1,478,189</b>	<b>1,123,139</b>	<b>6,852</b>	<b>23,800</b>	<b>1,153,791</b>
Capital Outlay	104,448	1,155,837	1,157,189	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0
Transfers	0	121,318	121,318	51,879	0	0	51,879
<b>Total Expenditures</b>	<b>1,293,405</b>	<b>2,774,502</b>	<b>2,756,696</b>	<b>1,175,018</b>	<b>6,852</b>	<b>23,800</b>	<b>1,205,670</b>

Staffing	FY2006	FY2007	FY2008	FY2009
Fire Chief	1.00	1.00	1.00	1.00
Assistant Fire Chief	1.00	1.00	1.00	1.00
Fire Marshal/Inspector	1.00	1.00	1.00	0.00
Fire Inspector	0.00	1.00	1.00	0.00
Part Time Fire Fighter/ Fire Inspector	0.00	1.00	1.00	1.00
Fire Fighter	0.00	0.00	2.00	2.00
Part Time Fire Fighter	5.00	7.00	7.00	7.00
Administrative Assistant	1.00	1.00	1.00	1.00
<b>PAID STAFF</b>	<b>9.00</b>	<b>13.00</b>	<b>15.00</b>	<b>13.00</b>
Community Volunteers	60.00	60.00	60.00	60.00
<b>Total</b>	<b>69.00</b>	<b>73.00</b>	<b>75.00</b>	<b>73.00</b>

# Emergency Management

## Program Narrative

### Accomplishments for FY 2008

### Goals for FY 2009

- Identify ten local businesses that may provide equipment or supplies in the event of a catastrophic emergency incident in the Tomball area

- Complete Memorandums of Understanding (MOU) with three additional facilities to provide Refuge of Last Resort to members of the community or those evacuating from other areas but trapped on the roadway during the evacuation.


### Major Budget Items

- Training (\$5,600)
- Code Red Annual Contract (\$7,500)

**CITY OF TOMBALL  
143 - GENERAL FUND - EMERGENCY MANAGEMENT  
2008-2009 BUDGET WORKSHEET**

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	0	0	0	0	0	0	0
Supplies	0	0	0	2,300	0	0	2,300
Maintenance	0	0	0	0	0	0	0
Services and charges	0	0	0	15,300	0	0	15,300
<b>Total Operating Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,600</b>	<b>0</b>	<b>0</b>	<b>17,600</b>
Capital Outlay	0	0	0	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,600</b>	<b>0</b>	<b>0</b>	<b>17,600</b>

No staff has been assigned to this department.



**Individual commitment to a group effort – that is what makes a team work, a company work, a society work and a civilization work.**

Vince Lombardi

# Public Works Administration

## Department Mission

It is the mission of the Public Works Department to strive to continuously improve the maintenance and operations of the City's infrastructure; to provide reliable, quality, safe and efficient service to our customers.

## Program Narrative

### Accomplishments for FY 2008

- Provided proactive maintenance of the City's infrastructure. The advanced preventive maintenance practices have enabled the department to detect and repair potential system failures while maintaining uninterrupted quality services to our customers.
- Provided proactive customer service through positive leadership and accountability practices. The department has established a level of customer service that is to be provided by all Public Works employees. The department continues to receive comments that indicate that the expected level of services is being achieved.
- Improved accessibility and response. Public Works administrative staff has implemented measures designed to improve our accessibility and response to customer concerns. This has been accomplished by improving coordination and management of incoming calls, revising and streamlining

recorded greetings, and upgrading and redistributing public notices and reminders.

### Goals for FY 2009

- Provide the necessary management tools and programs designed to identify and prioritize the infrastructure maintenance and improvements needs that will effectively address the City's current needs.

### Major Budget Items

None

**CITY OF TOMBALL  
151 - GENERAL FUND - PUBLIC WORKS ADMINISTRATION  
2008-2009 BUDGET WORKSHEET**

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	372,988	643,542	596,448	56,303	0	0	56,303
Supplies	61,166	94,950	85,891	3,120	0	0	3,120
Maintenance	52,370	45,500	30,212	0	0	0	0
Services and charges	206,164	193,907	199,881	3,900	0	0	3,900
<b>Total Operating Expenditures</b>	<b>692,688</b>	<b>977,899</b>	<b>912,432</b>	<b>63,323</b>	<b>0</b>	<b>0</b>	<b>63,323</b>
Capital Outlay	231,015	80,000	236,000	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0
Transfers	0	288,233	288,233	61,513	0	0	61,513
<b>Total Expenditures</b>	<b>923,703</b>	<b>1,346,132</b>	<b>1,436,665</b>	<b>124,836</b>	<b>0</b>	<b>0</b>	<b>124,836</b>

Staffing	FY2006	FY2007	FY2008	FY2009
Public Works Director of Operations	0.00	0.00	0.00	0.00
Director of Engineering and Planning	0.00	1.00 *	1.00	0.00
City Engineer	1.00	0.00 *	0.00	0.00
Assistant City Engineer	0.00	1.00	1.00	0.00
GIS Coordinator	1.00	0.00	0.00	0.00
Park, Street, Drainage Superintendent	1.00	1.00	1.00	0.00
Facilities Maintenance Specialist	1.00	1.00	1.00	0.00
Community Development Coordinator	0.00	1.00 *	1.00	0.00
Inventory Control Specialist	0.00	0.00	0.00	0.00
Receptionist/Office Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	0.00	0.00	1.00	0.00
Construction Manager	0.00	0.00	1.00 *	0.00
VOE Student	0.50	0.00	0.00	0.00
<b>Total</b>	<b>5.50</b>	<b>6.00</b>	<b>8.00</b>	<b>1.00</b>

\* This reflects end result of a staffing change that occurred mid-year.

# Garage/Fleet Maintenance

## Program Narrative

### Accomplishments for FY 2008

- Hired new mechanic with ASA certification
- Organized garage work areas, office, files, tools, and power equipment
- Assessed the condition of existing facilities, tools and equipment and developed a needs inventory

- Reviewed and prepared recommendations for fleet management system

### Objectives for FY 2009

- Complete reorganization and restructuring of garage operations to maximize safety and efficiency, and prepare for future upgrades.

### Major Budget Items

- None

**CITY OF TOMBALL  
152 - GENERAL FUND - GARAGE DEPARTMENT  
2008-2009 BUDGET WORKSHEET**

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	65,177	67,137	64,643	74,546	0	0	74,546
Supplies	1,030	4,000	3,973	12,199	0	0	12,199
Maintenance	278	5,100	2,063	1,600	0	0	1,600
Services and charges	4,578	7,989	6,053	1,592	150	0	1,742
<b>Total Operating Expenditures</b>	<b>71,063</b>	<b>84,226</b>	<b>76,732</b>	<b>89,937</b>	<b>150</b>	<b>0</b>	<b>90,087</b>
Capital Outlay	0	0	0	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>71,063</b>	<b>84,226</b>	<b>76,732</b>	<b>89,937</b>	<b>150</b>	<b>0</b>	<b>90,087</b>

Staffing	FY2006	FY2007	FY2008	FY2009
Lead Mechanic	1.00	1.00	1.00	1.00
<b>Total</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>





*The December 2008 Second Saturday at the Depot Event featured a German Market, Tree Lighting Ceremony, and fireworks. The highlight of the evening was the unveiling and dedication of a statue created in the likeness of the City's namesake, Thomas Ball.*

# Parks Department

## Program Narrative

### Accomplishments for FY 2008

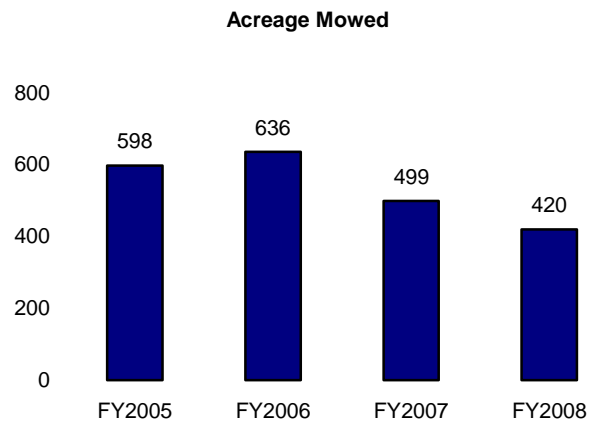
- In FY 2008, improvements were made to the Wayne Stovall Memorial Sports Complex including several projects completed in-house. The parks division also maintained communication with the Tomball Sports Association to coordinate needed improvements. After TSA and the City developed a needs inventory, a schedule was developed so that the improvements could be made.
- Improvements to Jerry Matheson Park/City Pool made in FY 2008 included painting the pool building, executing new contracts for pool maintenance and operations with YMCA, and relocating and anchoring benches and tables. Locks, signs, and the water fountain were all replaced.
- Improvements were made to the Tennis Courts at Matheson park including resurfacing the courts, reconstructing exterior fencing, and replacing all fence netting.

### Objectives for FY 2009

- Complete major repairs needed for the City Pool
- Perform additional improvements to the Wayne Stovall Sports Complex
- Continue improvements to enhance the appearance and usability of the downtown area and the Depot.

### Major Budget Items

- None



CITY OF TOMBALL  
 153 - GENERAL FUND - PARKS DEPARTMENT  
 2008-2009 BUDGET WORKSHEET

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	200,809	269,166	221,303	277,506	10,064	0	287,570
Supplies	26,764	44,253	41,173	57,849	0	0	57,849
Maintenance	29,308	41,000	27,165	19,235	0	0	19,235
Services and charges	64,001	140,467	94,056	32,215	0	0	32,215
<b>Total Operating Expenditures</b>	<b>320,882</b>	<b>494,886</b>	<b>383,697</b>	<b>386,805</b>	<b>10,064</b>	<b>0</b>	<b>396,869</b>
Capital Outlay	190,897	347,818	462,618	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0
Transfers	0	27,313	27,313	19,413	0	0	19,413
<b>Total Expenditures</b>	<b>511,779</b>	<b>870,017</b>	<b>873,628</b>	<b>406,218</b>	<b>10,064</b>	<b>0</b>	<b>416,282</b>

Staffing	FY2006	FY2007	FY2008	FY2009
Park Foreman	1.00	1.00	1.00	1.00
Serviceman	3.00	3.00	4.00	4.00
Crew Worker**	0.20	0.20	0.20	0.20
<b>Total</b>	<b>4.20</b>	<b>4.20</b>	<b>5.20</b>	<b>5.20</b>

\*\* Equivalent of 1 Full Time person using Part Time summer labor distributed equally to Streets, Parks, Water, Sewer, and Gas Departments.

# Streets Department

## Program Narrative

### Accomplishments for FY 2008

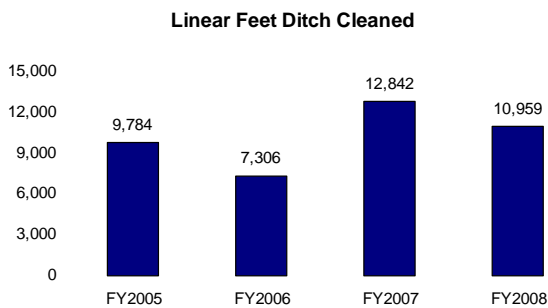
- While the City is planning to engage in the development of an engineered comprehensive street inventory; the street division has developed an interim street inventory in order to address current needs. This year's street resurfacing project was completed in September of this year.
- The Public Works Department has authorized Raba Kistner Consulting to perform the necessary leachate removal within existing landfill gas vents as well as the necessary monitoring and reporting activities that will facilitate closure of this landfill.

### Objectives for FY 2009

- Complete engineering assessment of City streets and develop priority based street inventory.
- Implement the necessary streets and drainage maintenance programs that will enable the City to analyze, prioritize, and plan for the appropriate maintenance and repairs of existing pavement and drainage systems.

### Major Budget Items

- Street Lights (\$116,000)
- Streets and Drainage Maintenance Programs (\$315,000)



CITY OF TOMBALL  
 154 - GENERAL FUND - STREET DEPARTMENT  
 2008-2009 BUDGET WORKSHEET

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total
							Budget
Personnel services	317,618	351,752	360,583	447,034	15,796	0	462,830
Supplies	31,829	35,000	29,193	60,459	0	0	60,459
Maintenance	13,715	90,000	75,610	19,288	225,000	0	244,288
Services and charges	151,101	328,402	318,819	141,425	0	115,000	256,425
<b>Total Operating Expenditures</b>	<b>514,262</b>	<b>805,154</b>	<b>784,205</b>	<b>668,206</b>	<b>240,796</b>	<b>115,000</b>	<b>1,024,002</b>
Capital Outlay	1,211,663	9,995,344	7,505,173	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0
Transfers	0	324,209	324,209	304,571	0	0	304,571
<b>Total Expenditures</b>	<b>1,725,926</b>	<b>11,124,707</b>	<b>8,613,587</b>	<b>972,777</b>	<b>240,796</b>	<b>115,000</b>	<b>1,328,573</b>

Staffing	FY2006	FY2007	FY2008	FY2009
Street & Drainage Foreman	1.00	0.00	0.00	1.00
Heavy Equipment Operator	2.00	2.00	2.00	2.00
Serviceman *	7.00	5.00	5.00	5.00
Crew Worker**	0.20	0.20	0.20	0.20
<b>Total</b>	<b>10.20</b>	<b>7.20</b>	<b>7.20</b>	<b>8.20</b>

\* Meter Reader position moved to Water Dept. in 2006-2007

\*\* Equivalent of 1 Full Time person using Part Time summer labor distributed equally to Streets, Parks, Water, Sewer, and Gas Departments.

# Engineering and Planning

## Department Mission

To plan, design, construct City of Tomball's public infrastructure in a coordinated, efficient and environmentally responsible manner-providing excellent customer service, superior drinking water, safe streets and mobility, and effective drainage, wastewater collection and treatment. To implement the City's land use policies by providing guidance to the public to manage growth and maintain a sustainable community.

## Program Narrative

### Accomplishments for FY 2008

- Developed procedures for zoning/plan review, construction review and acceptance, CIP invoicing procedures.
- Implemented by contract approval for design and/or construction, all projects listed in CIP current FY plan.
- Implemented Zoning Ordinance and created zoning fee schedule.
- Developed format for public notifications, maps, staff reports, and applications.
- Developed, established, and trained Board of Adjustments process and Planning and Zoning process.
- Developed scope of work for Comprehensive Plan project and for the Livable Centers project and successfully negotiated contracts for both.
- Developed LED sign ordinance.

- Transferred Planning and Zoning Commission, Board of Adjustments, and Building Standards Commission administrative duties from the City Secretary's office to Engineering and Planning.

### Objectives for FY 2009

- Develop CIP standard details for design and construction and post to web.
- Develop Minimum Construction Standards and post to web.
- Process plan reviews in a timely manner.
- Attend and contribute to the Development Review Committee process.
- Process Zoning and Board of Adjustment cases in timely manner.
- Update zoning ordinance.
- Research, evaluate, and prepare ordinances pertaining to land use and development and present to Planning and Zoning and City Council.

### Goals for FY 2009

- Process plan reviews separately through Engineering and Planning within an average of fourteen business days and twenty-one days respectively.
- Process Zoning and Board of Adjustments cases by all required deadlines.

CITY OF TOMBALL  
 156 - GENERAL FUND - ENGINEERING AND PLANNING  
 2008-2009 BUDGET WORKSHEET

	FY2007 Actual	FY2008 Budget	FY2008 Projections	FY2009 Base	Recurring	Non-Recur.	FY2009 Total Budget
Personnel services				614,306	393	0	614,699
Supplies				23,700	0	0	23,700
Maintenance				0	0	0	0
Services and charges				138,000	0	175,000	313,000
<b>Total Operating Expenditures</b>	0	0	0	776,006	393	175,000	951,399
Capital Outlay				0	0	0	0
Bad Debt Expense				0	0	0	0
Long Term Debt				0	0	0	0
Transfers				0	0	0	0
<b>Total Expenditures</b>	0	0	0	776,006	393	175,000	951,399

Staffing	FY2006	FY2007	FY2008	FY2009
Director of Engineering & Planning	0.00	0.00	0.00	1.00
Assistant City Engineer	0.00	0.00	0.00	1.00
Project Technician	0.00	0.00	0.00	1.00
Community Development Coordinator	0.00	0.00	0.00	1.00
Assistant City Planner	0.00	0.00	0.00	1.00
Construction Manager	0.00	0.00	0.00	1.00
Administrative Assistant	0.00	0.00	0.00	1.00
<b>Total</b>	0.00	0.00	0.00	7.00

# Sanitation Department

## Department Mission

To provide consistent quality trash pickup for residential and commercial customers at a competitive price.

## Major Budget Items

- Annual plastic garbage bags (\$50,100)
- Leachate removal (\$100,000)
- Contract garbage services (\$2,100,000)
- Methane gauging and ground water monitoring (\$100,000)

**CITY OF TOMBALL  
155 - GENERAL FUND - SANITATION DEPARTMENT  
2008-2009 BUDGET WORKSHEET**

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	(3,856)	0	0	0	0	0	0
Supplies	28,394	36,840	36,840	50,100	0	0	50,100
Maintenance	0	0	0	0	0	0	0
Services and charges	1,834,249	1,908,839	2,106,200	2,300,000	0	0	2,300,000
<b>Total Operating Expenditures</b>	<b>1,858,788</b>	<b>1,945,679</b>	<b>2,143,040</b>	<b>2,350,100</b>	<b>0</b>	<b>0</b>	<b>2,350,100</b>
Capital Outlay	0	100,000	0	0	0	0	0
Bad Debt Expense	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>1,858,788</b>	<b>2,045,679</b>	<b>2,143,040</b>	<b>2,350,100</b>	<b>0</b>	<b>0</b>	<b>2,350,100</b>

No staff has been assigned to this department as all services are contracted to a third party.

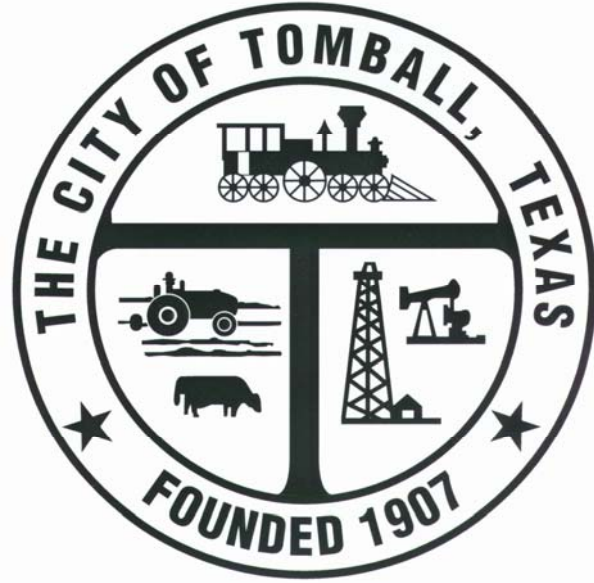


CITY OF TOMBALL  
 157 - GENERAL FUND - FACILITIES MAINTENANCE  
 2008-2009 BUDGET WORKSHEET

	FY2007 Actual	FY2008 Budget	FY2008 Projections	FY2009 Base	Recurring	Non-Recur.	FY2009 Total Budget
Personnel services				52,378	373	0	52,751
Supplies				13,780	0	0	13,780
Maintenance				66,854	0	0	66,854
Services and charges				316,896	0	0	316,896
<b>Total Operating Expenditures</b>	0	0	0	449,908	373	0	450,281
Capital Outlay				0	0	0	0
Bad Debt Expense				0	0	0	0
Long Term Debt				0	0	0	0
Transfers				0	0	0	0
<b>Total Expenditures</b>	0	0	0	449,908	373	0	450,281

Staffing	FY2006	FY2007	FY2008	FY2009
Facilities Maintenance Specialist	0.00	0.00	0.00	1.00
<b>Total</b>	0.00	0.00	0.00	1.00





# DEBT SERVICE FUND

## Debt Service Fund

### Fund Description

The debt service fund, also known as the interest and sinking fund, is established by ordinance authorizing the issuance of bonds and providing for the payment of bond principal and interest as they come due. In the General Obligation Debt Service fund, an ad valorem (property) tax rate and tax levy is required to be computed and levied that will be sufficient to produce the money to satisfy annual debt service requirements. General Obligation Bonds of the City of Tomball carry an “A” rating from Standard and Poor’s and an “A2” rating from Moody’s Investor Services.

### Fund Narrative

No additional debt was issued by the City of Tomball during FY 2008. The City paid \$1,085,500 toward principal on its outstanding tax supported debt as well \$755,906 in interest. Also, the City paid 87,176 on the Fire Truck lease. Projected ending fund balance for FY 2008 of \$1,787,597 represents 87.76% of FY 2009 principal and interest payments on debt. Over the next 3 years, the City will work to draw down fund balance in the Debt Service fund and target a fund balance range of 18%-22% of the next year’s debt service. Total debt service payments for FY 2008 are budgeted at \$2,036,875. As discussed in the General Fund narrative, the City of Tomball will be drawing down reserves in that fund to cash fund capital projects or portions of capital projects. This will also enable the City to reduce the amount of debt issued in the future.

Shown below is the City’s debt position as of the beginning of FY 2009.

Total outstanding general obligation debt	\$25,065,000
Less self-supporting debt from the Enterprise Fund	<u>8,376,500</u>
NET OUTSTANDING GENERAL OBLIGATION DEBT	<u><u>\$16,688,500</u></u>

The City’s legal capacity for additional debt is very large. Rules promulgated by the Office of the Attorney General of Texas stipulate that such Office will not approve tax bonds of any city unless the city can demonstrate its ability to pay debt service requirements on all outstanding tax debt, including the issue to be approved, from a levy of \$1.50 per \$100 of valuation, bond on 90% collection of the tax. The City does not have a debt limit outlined in its Charter.

# Debt Service Fund

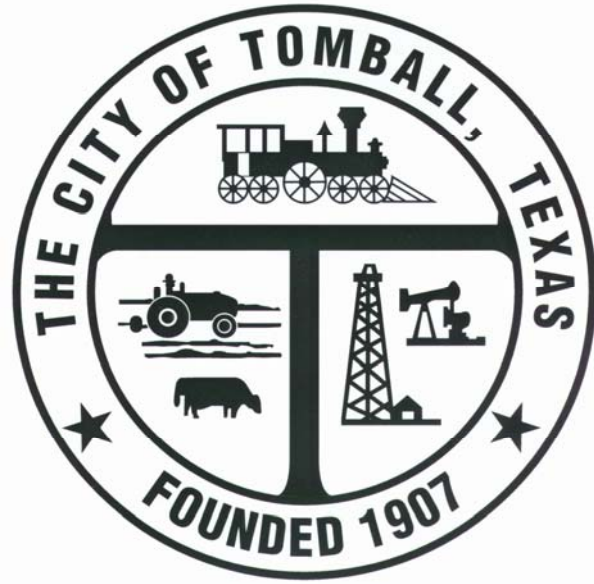
## Statement of Revenues, Expenditures and Changes in Fund Balance

FY 2009 Adopted Budget

	FY 2007 Actual	FY2008 Current Budget	FY 2008 Projections	\$0.251455 FY2009 Budget
<b>Revenues:</b>				
Current taxes	\$ 1,328,065	\$ 1,297,638	\$ 1,420,000	\$ 1,393,241
Delinquent taxes		35,000	35,000	35,000
Penalty and interest		21,000	21,000	21,000
Interest	96,069	82,000	82,000	70,000
<b>Total Revenues</b>	<b>1,424,134</b>	<b>1,435,638</b>	<b>1,558,000</b>	<b>1,519,241</b>
<b>Expenditures:</b>				
Principal	1,138,174	1,085,500	1,085,500	1,110,500
Interest	830,330	755,906	755,906	707,835
Lease Payment			87,176	218,540
FY2009				0
FY2010				
FY2011				
Fees		5,000	3,000	5,000
<b>Total Expenditures</b>	<b>1,968,504</b>	<b>1,846,406</b>	<b>1,931,582</b>	<b>2,041,875</b>
<b>Other Sources/(Uses):</b>				
Transfers	1,500,000			
<b>Total Other Sources/(Uses)</b>	<b>1,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>955,630</b>	<b>(410,768)</b>	<b>(373,582)</b>	<b>(522,634)</b>
<b>Beginning Fund Balance</b>	<b>1,205,549</b>	<b>2,161,179</b>	<b>2,161,179</b>	<b>1,787,597</b>
<b>Ending Fund Balance</b>	<b>\$ 2,161,179</b>	<b>\$ 1,750,411</b>	<b>\$ 1,787,597</b>	<b>\$ 1,264,963</b>
Ending FB as % of Next Year's Debt Service Requirement	112.06%	85.94%	87.76%	49.66%



*Brown-Hufsmith Road was opened on November 24, 2008. This project was completed in cooperation with the Texas Department of Transportation . The City of Tomball spent nearly \$3 million for the construction of the road and the utilities.*



# SPECIAL REVENUE FUNDS

## Special Revenue Funds

### Statement of Revenues, Expenditures and Changes in Fund Balance

#### FY 2009 City Manager Proposed Budget

	FY 2007 Actual	FY 2008 Budget	FY 2008 Projections	FY 2009 Budget
<b>Revenues:</b>				
Occupancy tax	\$ 174,437	\$ 140,000	\$ 190,000	\$ 190,000
Fines and warrants	60,348	63,000	40,500	63,000
Grants	-	-	-	-
Interest	9,428	14,300	7,950	12,800
Transfers and other	332,355	-	-	-
<b>Total</b>	<b>576,568</b>	<b>217,300</b>	<b>238,450</b>	<b>265,800</b>
<b>Expenditures:</b>				
General Special	12,624	-	6,600	-
Senior Housing	7,174	-	7,225	-
Court Building Security	0	24,325.00	20,665	-
Court Building Technology	0	-	-	6,525
Hotel Occupancy	195,590	153,000	163,000	108,000
<b>Total</b>	<b>215,388</b>	<b>177,325</b>	<b>197,490</b>	<b>114,525</b>
<b>Revenues Over (Under)</b>				
<b>Expenditures</b>	361,180	39,975	40,960	151,275
<b>Beginning Fund Balance</b>	23,333	384,514	384,514	425,474
<b>Ending Fund Balance</b>	<b>\$ 384,513</b>	<b>\$ 424,489</b>	<b>\$ 425,474</b>	<b>\$ 576,749</b>



## General Special Revenue Fund

### Statement of Revenues, Expenditures and Changes in Fund Balance

#### FY 2009 City Manager Proposed Budget

	FY 2007 Actual	FY 2008 Budget	FY 2008 Projections	FY 2009 Budget
<b>Revenues:</b>				
Abandoned vehicles	\$	\$	\$	\$
Seized funds				
Child safety	13,667	10,000	10,000	10,000
Interest	1,195	1,300	800	800
Other				
<b>Total</b>	<b>14,862</b>	<b>11,300</b>	<b>10,800</b>	<b>10,800</b>
<b>Expenditures:</b>				
Supplies	2,020		2,100	
Maintenance			4,500	
Services and charges	10,604			
Capital				
<b>Total</b>	<b>12,624</b>	<b>0</b>	<b>6,600</b>	<b>-</b>
<b>Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>2,238</b>	<b>11,300</b>	<b>4,200</b>	<b>10,800</b>
<b>Beginning Fund Balance</b>	<b>23,333</b>	<b>25,571</b>	<b>25,571</b>	<b>29,771</b>
<b>Ending Fund Balance</b>	<b>\$ 25,571</b>	<b>\$ 36,871</b>	<b>\$ 29,771</b>	<b>\$ 40,571</b>

#### Fund Description

The General Special Revenue fund accounts for Police forfeiture funds and Child Safety fees. Forfeiture funds are awards of monies or property by the courts related to cases that involve the Tomball Police Department. According to Chapter 59, Article 6, Paragraph (d) of the Code of Criminal Procedure, "Proceeds awarded under this chapter to a law enforcement agency may be spent by the agency after a budget for the expenditures of the proceeds has been submitted to the governing body of the municipality." Child Safety Fees are received through the Harris County Tax Assessor/Collector. These fees represent a portion of each citation written by the Tomball Police Department. The State of Texas allocates a percentage of each court fee to the Child Safety Program and is remitted back to the municipality to be used for educational material for children, coloring books, pencils, goody bags, etc and are distributed at various community events each year.

# Housing Trust Fund

Statement of Revenues, Expenditures and Changes in Fund Balance  
 FY 2009 City Manager Proposed Budget

	FY 2007 Actual	FY 2008 Budget	FY 2008 Projections	FY 2009 Budget
<b>Revenues:</b>				
Grants	\$	\$	\$	\$
Interest	1,250		950	
Other	45,000			
<b>Total</b>	<b>46,250</b>	<b>-</b>	<b>950</b>	<b>-</b>
<b>Expenditures:</b>				
Supplies				
Maintenance				
Services and charges	7,174		7,225	
Capital				
<b>Total</b>	<b>7,174</b>	<b>-</b>	<b>7,225</b>	<b>-</b>
<b>Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>39,076</b>	<b>-</b>	<b>(6,275)</b>	<b>-</b>
<b>Beginning Fund Balance</b>	<b>0</b>	<b>39,076</b>	<b>39,076</b>	<b>32,801</b>
<b>Ending Fund Balance</b>	<b>\$ 39,076</b>	<b>\$ 39,076</b>	<b>\$ 32,801</b>	<b>\$ 32,801</b>

## Municipal Court Building Security Fund

### Statement of Revenues, Expenditures and Changes in Fund Balance

#### FY 2009 City Manager Proposed Budget

	FY 2007 Actual	FY 2008 Budget	FY 2008 Projections	FY 2009 Budget
<b>Revenues:</b>				
Fines and warrants	\$ 20,045	\$ 22,000	\$	\$ 22,000
Interest	4,278	6,000		6,000
Transfers in	137,850			
<b>Total</b>	<b>162,173</b>	<b>28,000</b>	<b>-</b>	<b>28,000</b>
<b>Expenditures:</b>				
Personnel				
Supplies		3,660		
Maintenance				
Services and charges				
Capital		20,665	20,665	
<b>Total</b>	<b>-</b>	<b>24,325.00</b>	<b>20,665</b>	<b>-</b>
<b>Revenues Over (Under)</b>				
<b>Expenditures</b>	162,173	3,675	(20,665)	28,000
<b>Beginning Fund Balance</b>	0	162,173	162,173	141,508
<b>Ending Fund Balance</b>	\$ 162,173	\$ 165,848	\$ 141,508	\$ 169,508

#### Fund Description

In prior years, the General Fund accounted for the City's court building security fees. In order to more accurately account for these funds, in FY 2006-07, the City created the Municipal Court Building Security Fee fund. These fees are generated from court fines. By law, these funds can only be spent on the City's municipal court.

## Municipal Court Technology Fund

### Statement of Revenues, Expenditures and Changes in Fund Balance

#### FY 2009 City Manager Proposed Budget

	FY 2007 Actual	FY 2008 Budget	FY 2008 Projections	FY 2009 Budget
<b>Revenues:</b>				
Fines and warrants	\$ 26,636	\$ 31,000	\$ 30,500	\$ 31,000
Interest	2,084	3,000	3,000	3,000
Transfers in	55,483			
<b>Total</b>	<b>84,203</b>	<b>34,000</b>	<b>33,500</b>	<b>34,000</b>
<b>Expenditures:</b>				
Supplies				3,400
Maintenance				3,125
Services and charges				
Capital				
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,525</b>
<b>Revenues Over (Under)</b>				
<b>Expenditures</b>	84,203	34,000	33,500	27,475
<b>Beginning Fund Balance</b>	0	84,204	84,204	117,704
<b>Ending Fund Balance</b>	<b>\$ 84,203</b>	<b>\$ 118,204</b>	<b>\$ 117,704</b>	<b>\$ 145,179</b>

#### Fund Description

In prior years, the General Fund accounted for the City's court technology fees. In order to more accurately account for these funds, in FY 2006-07, the City created the Municipal Court Technology Fund. These fees are generated from court fines. By law, these funds can only be spent on the City's municipal court.

#### Fund Narrative

For FY 2009, the budget anticipates that funds generated by the technology fee will fund the replacement of three computers and the annual maintenance fee for the software used by the court.

## Hotel Occupancy Tax Fund

### Statement of Revenues, Expenditures and Changes in Fund Balance FY 2009 City Manager Proposed Budget

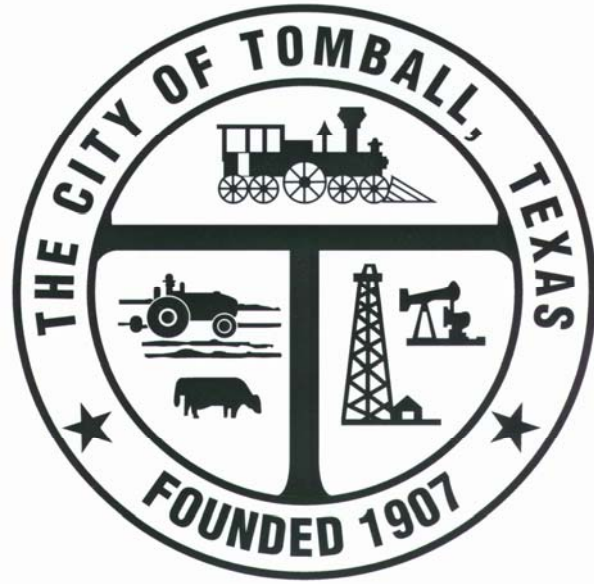
	FY 2007 Actual	FY 2008 Budget	FY 2008 Projections	FY 2009 Base	Supplemental Program	FY 2009 Budget
<b>Revenues:</b>						
Occupancy tax	\$ 174,437	\$ 140,000	\$ 190,000	\$ 190,000		\$ 190,000
Interest	621	4,000	3,200	3,000		3,000
Transfers in	94,022					
<b>Total</b>	<b>269,080</b>	<b>144,000</b>	<b>193,200</b>	<b>193,000</b>	<b>-</b>	<b>193,000</b>
<b>Expenditures:</b>						
Services and charges						
Professional Services				8,000		8,000
Greater Tomball Chamber	35,000	35,000	35,000	35,000		35,000
Spring Creek Historical	8,250	11,000	11,000			-
The Regional Arts Council	10,000	10,000	10,000			-
Tomball Community Chorus	5,000	5,000	5,000			-
Chaparral Genealogical	5,000	5,000	5,000			-
Tomball Sister City	5,000	15,000	15,000	15,000		15,000
Second Saturday Events			10,000		30,000	30,000
Other*	127,340	72,000	72,000	60,000		20,000
<b>Total</b>	<b>195,590</b>	<b>153,000</b>	<b>163,000</b>	<b>118,000</b>	<b>30,000</b>	<b>108,000</b>
<b>Revenues Over (Under)</b>						
<b>Expenditures</b>	73,490	(9,000)	30,200	75,000	(30,000)	85,000
<b>Beginning Fund Balance</b>		73,490	73,490	103,690		103,690
<b>Ending Fund Balance</b>	\$ 73,490	\$ 64,490	\$ 103,690	\$ 178,690	\$ (30,000)	\$ 188,690

Staffing	FY2006	FY2007	FY2008	FY 2009
Community Event Coordinator	0.00	0.00	0.50	0.50
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

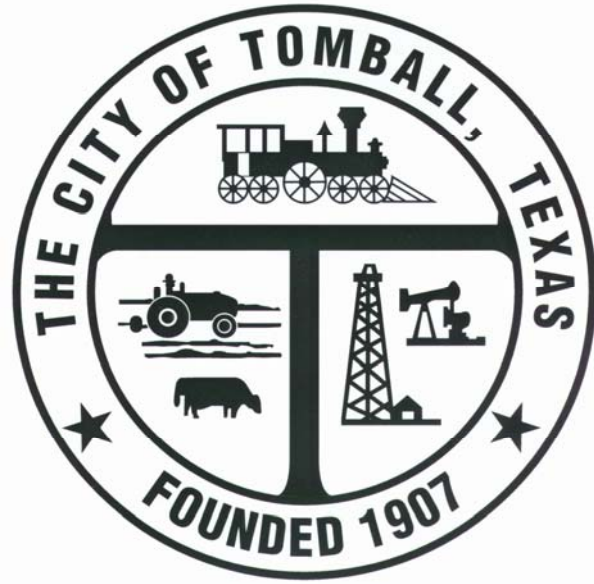
#### Fund Description

In prior years, the General Fund accounted for the City's Hotel/Motel Occupancy Tax. In order to more accurately account for these funds, in FY 2006-07 the City created the Hotel/Motel Occupancy Tax Fund. These funds are generated through the charge of a special tax on hotel/motel nightly room charges. Restricted by State legislation, these funds may only be used to directly enhance and promote tourism, the arts and the convention and hotel industry.

\* Other consists of \$20,000 for the Fourth of July Fireworks display.



# ENTERPRISE FUNDS



# ENTERPRISE UTILITY FUND

## Enterprise Fund

### Fund Description

The City's water, wastewater and gas utilities are financed and operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges.

### Fund Narrative

#### Concluding Fiscal Year Financial Performance

Ending Fund Balance in the Enterprise Fund is projected to be \$3,684,198 which is \$670,494 more than budget. Revenues for the current fiscal year, budgeted at \$10,327,025 are expected to come in approximately 6% or \$615,771 more than budget. This is primarily due to a fund balance transfer amounting to \$425,396 more than budgeted. Prior to FY2008, the Enterprise system supported debt was recorded in a separate fund. Early in the fiscal year, the funds were combined. Another contributing factor is gas sales are projected to be \$258,500 more than budgeted. This variance is due to higher demand over the winter months than what is usual for the area. The rate charged to customers did not change during FY 2008, so the increase in revenues was all due to higher demand. Slightly offsetting these positive variances were shortfalls in water, sewer, and gas tap fees. With the slow down in development, as discussed with building permits, these revenues were down.

Operating expenses for FY2007 are projected to come in approximately \$5,200 less than budget. Due to the increase in demand for natural gas, gas purchases are expected to exceed budget by approximately \$450,000. This is offset however by savings in professional services, chemical purchases for the water and wastewater treatment plants and savings in salaries and benefits. Projected ending Fund Balance of \$3,684,198 represents just over 50% of operating expenses in the Enterprise fund. The City's Financial Management Policy states that reserves should be between 15 and 20% with a target level of 18%<sup>1</sup>.

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<sup>1</sup> See Appendix B for a complete set of Financial Management Policies.



## 2008 / 2009 Budget

### Revenues

Adjusted base budget revenues for FY 2008 are \$12,162,266. This amount is \$1,835,241 or 18% more than revenues budgeted for FY 2008. This increase is primarily due to budgeted increases in water, sewer, and gas rates charged by the City.<sup>1</sup>

During FY 2008 a comprehensive utility rate study was completed. This type of study, conducted by an outside consulting firm, is used to evaluate the rates needed to keep the Enterprise Fund operations self-supporting similar to a private sector business while also generating sufficient revenues to provide required debt ratios on outstanding revenue debt and projected new debt to facilitate needed infrastructure projects. Another goal of the rate study is to insure that the structure of the rate system is equitable between user classes and that those customers who place the most demand on the utility system are paying more than those who put less demand on the system. It was recommended in the study that there be a 25% difference between the rates charged to the various customer classes. Rates approved for FY2008 were set in accordance with that recommendation. Due to an increase in the cost of natural gas as well as the overall cost associated with operating and maintaining the natural gas utility, gas rates were increased by approximately 25% which is significantly less than the increase needed earlier in the budget process. The City was anticipating that the cost of gas would nearly double, however, rates dropped unexpectedly and the City was able to lock in a much lower rate for a 12 month period starting November 1, 2008.

### Expenditures

The adjusted base budget for operating expenses for FY 2008 is \$2,645,504 or 36% more than the current budget for FY2008. Salaries include a 4% increase for merit for those employees who participate in the merit program and well as a total increase across various positions in the Enterprise Fund of \$48,771 in a salary adjustment due to the salary survey that was recently completed comparing salary ranges at the City of Tomball to similar positions in comparable cities as well as the private sector. Health insurance increased by nearly 9% and contributions to the Texas Municipal Retirement System also increased 1% as in the General Fund.

Total budgeted operating expenses in the Enterprise Fund include an increase of \$583,813 due to recurring (\$258,813) and non-recurring (\$325,000) Supplemental Programs for total of \$10,479,139<sup>2</sup>.

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<sup>1</sup> For a more detailed discussion of Utility Fees, see Appendix D, Major Revenue Sources.

<sup>2</sup> See Appendix G for a complete list of Council Approved Supplemental Programs.

The single largest supply increase in the Enterprise Fund is the cost of natural gas which is budgeted at \$1,964,600 more than FY 2008. In the past, expenses for certain departments were split between the General Fund and the Enterprise Fund. Starting in the 2009 fiscal year, the Enterprise Fund will reimburse the General Fund for cost incurred supporting Enterprise Fund operations. The transfer for this year is budgeted at \$1,749,561.

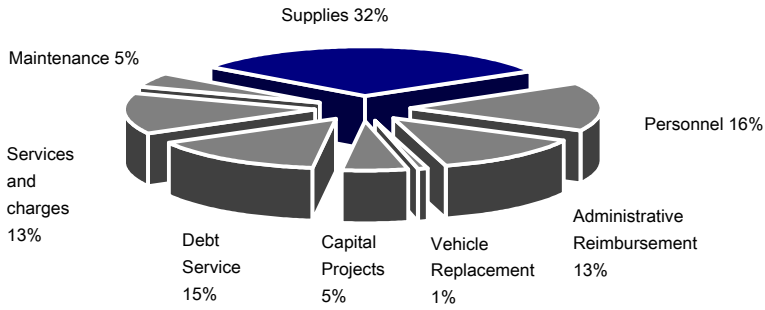
Proposed cash funding of Capital Improvement Plan projects in the Enterprise Fund for FY 2009 total \$715,000. A list of projects proposed for cash funding can be found in the Capital Projects section of the Appendix. Principle and interest payments on system supported debt is budgeted to increase by nearly \$500,000 with a revenue bond issue planned for the spring of 2009 for water, sewer, and gas infrastructure projects.

Budgeted ending Fund Balance for FY 2009 of \$2,519,499 represents 24.8% of operating expenses. Budgeted net system revenues available for debt service of \$1,683,127 provide a debt coverage ratio on revenue bond debt of 163% and on total system supported debt (revenue bonds and certificates of obligation) of almost 83.7%. The debt coverage ratio required by the revenue bond covenants is 125%.

# *Ulrich Water Tower*



**ENTERPRISE FUND EXPENDITURES**



**BY MAJOR COST CATEGORY**

Category	Actual 2006-2007	Budget 2007-2008	Projected 2007-2008	Budget 2008-2009
Personnel Services	\$ 2,104,478	\$ 2,488,205	\$ 2,377,514	\$ 2,103,243
Supplies	2,452,259	2,324,700	2,720,038	4,228,595
Maintenance	155,491	267,000	286,783	630,112
Services & Charges	1,554,531	2,169,917	1,860,230	1,767,628
Capital Outlay	1,354,613	282,258	169,293	-
Debt Service	1,565,235	1,541,362	1,536,362	2,011,316
Capital Projects		4,430,136	4,498,636	715,000
Vehicle Replacement		246,663	246,663	121,510
Administrative Reimbursement				1,749,561
<b>TOTAL FUND BUDGET</b>	<b>\$ 9,186,607</b>	<b>\$ 13,750,241</b>	<b>\$ 13,695,519</b>	<b>\$ 13,326,965</b>

Prior to the FY 2007-08 budget, capital projects and capital outlay (non construction related projects) were combined in the capital outlay expense category. Starting with FY 2007-08, these types of expenditures were separated.

**Enterprise Fund**  
**Income Statement**  
**FY 2009 Adopted Budget**


	FY2008 Current Budget	FY2008 Projections	FY2009 Adjusted Base Budget	Recurring Supplemental	Non-Recur. Supplemental	FY2009 Total Budget
<b>Operating Revenues:</b>						
Water sales	\$ 2,662,550	\$ 2,680,000	\$ 2,814,000	\$ -	\$ -	\$ 2,814,000
Sewer sales	1,331,275	1,248,000	1,372,800	-	-	1,372,800
Gas sales	3,391,500	3,650,000	4,015,000	-	-	4,015,000
Tap fees	116,500	119,000	119,000	-	-	119,000
Reconnect fees	28,000	28,000	28,000	-	-	28,000
Interest	350,000	350,000	350,000	-	-	350,000
Other	847,200	842,400	842,400	-	-	842,400
Transfers	1,600,000	2,025,396	0	-	-	0
<b>Total Operating Revenues</b>	<b>10,327,025</b>	<b>10,942,796</b>	<b>9,541,200</b>	<b>-</b>	<b>-</b>	<b>9,541,200</b>
<b>Expenses:</b>						
Enterprise Administration	1,533,703	1,445,585	310,916	-	-	310,916
Utility Billing			400,855	-	-	400,855
Water	1,898,602	1,604,495	1,736,585	200,000	-	1,936,585
Wastewater	1,331,984	1,288,936	1,342,328	0	200,000	1,542,328
Gas	2,485,533	2,905,549	3,250,481	0	0	3,250,481
<b>Total Operating Expenses</b>	<b>7,249,822</b>	<b>7,244,565</b>	<b>7,041,165</b>	<b>200,000</b>	<b>200,000</b>	<b>7,441,165</b>
<b>Net Revenue Available for Debt</b>	<b>3,077,203</b>	<b>3,698,231</b>	<b>2,500,035</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>2,100,035</b>
<b>Debt Service</b>						
Revenue Bonds	535,232	535,231	538,595	-	-	538,595
Certificates of Obligation	998,630	998,630	973,901	-	-	973,901
Fiscal Fees	7,500	2,500	5,000	-	-	5,000
<b>Total Debt Service</b>	<b>1,541,362</b>	<b>1,536,362</b>	<b>1,517,496</b>	<b>-</b>	<b>-</b>	<b>1,517,496</b>
<b>Non-Operating Revenues (expenses)</b>						
Proceeds from debt	0					
Transfers	0	(196,615)	0	-	-	(90,152)
Vehicle replacement	(246,663)	(246,663)	(1,797,439)	-	-	(1,797,439)
Capital outlay	(4,712,394)	(4,667,929)	0	-	(85,000)	(85,000)
<b>Total Non-Operating Revenue</b>	<b>(4,959,057)</b>	<b>(5,111,207)</b>	<b>(1,797,439)</b>	<b>0</b>	<b>(85,000)</b>	<b>(1,972,591)</b>
<b>Net Income (Excluding Depr.)</b>	<b>(3,423,216)</b>	<b>(2,949,338)</b>	<b>(814,900)</b>	<b>(200,000)</b>	<b>(285,000)</b>	<b>(1,390,052)</b>
<b>Beginning Fund Balance</b>	<b>6,386,872</b>	<b>6,386,872</b>	<b>3,437,535</b>			<b>3,437,535</b>
<b>Ending Fund Balance</b>	<b>\$ 2,963,656</b>	<b>\$ 3,437,535</b>	<b>\$ 2,622,635</b>	<b>\$ (200,000)</b>	<b>\$ (285,000)</b>	<b>\$ 2,047,483</b>
Days of Operating Cost in FB	149.21	173.19	135.95			100.43
Debt Coverage on Revenue Debt			464%			390%
Debt Coverage on Total Debt			165.3%			138.8%

# ENTERPRISE FUND

## REVENUES

FY 2008-2009

ACCOUNT NAME	FY2007		FY2008		FY2009		FY2009
	Actual	Current Budget	Projections	Adjusted Base Budget	Recurring	Non-Recur.	Total Budget
Water Sales	\$ 2,610,313	2,662,550	\$ 2,680,000	\$ 2,830,163	\$	\$	\$ 2,830,163
TOTAL WATER SALES	2,610,313	2,662,550	2,680,000	2,830,163	-	-	2,830,163
Sewer Sales	1,246,786	1,331,275	1,248,000	2,355,403			2,355,403
TOTAL SEWER SALES	1,246,786	1,331,275	1,248,000	2,355,403	-	-	2,355,403
Gas Sales	3,649,172	3,391,500	3,650,000	5,637,300			5,637,300
TOTAL GAS SALES	3,649,172	3,391,500	3,650,000	5,637,300	-	-	5,637,300
Water taps	51,365	62,500	57,500	57,500			57,500
Sewer taps	26,040	27,000	21,500	21,500			21,500
Gas taps	26,580	27,000	40,000	40,000			40,000
TOTAL TAP FEES	103,985	116,500	119,000	119,000	-	-	119,000
Reconnect fees	28,400	28,000	28,000	28,000			28,000
TOTAL RECONNECT FEES	28,400	28,000	28,000	28,000	-	-	28,000
Interest income	372,178	350,000	350,000	350,000			350,000
TOTAL INTEREST INCOME	372,178	350,000	350,000	350,000	-	-	350,000
Penalties	59,066	84,000	72,500	72,500			72,500
Administrative charges	40,106	38,500	40,000	40,000			40,000
Returned checks	1,950	1,700	1,900	1,900			1,900
Miscellaneous	19,441	3,000	8,000	8,000			8,000
Sale of property				-			-
TEDC contributions	0	720,000	720,000	720,000			720,000
Other reimbursements	39,993			-			-
TOTAL OTHER REVENUES	160,556	847,200	842,400	842,400	-	-	842,400
Debt Proceeds		0	-	-			-
TOTAL DEBT PROCEEDS	-	0	-	-	-	-	-
Transfer from Rev Bond Sinking		1,600,000	2,025,396	0			0
TOTAL TRANSFER REVENUES	-	1,600,000	2,025,396	0	-	-	0
TOTAL ENTERPRISE REVENUE	8,171,390	10,327,025	\$ 10,942,796	\$ 12,162,266	\$	\$	\$ 12,162,266



**Without a sense of caring,  
there can be no sense of  
community.**

**Anthony J. D'Angelo**

## Utility Department (Administrative, Water, Sewer, and Gas)

### Mission Statement

Strive to continuously improve the maintenance and operations of the City's infrastructure and provide reliable, quality, safe, and efficient service to the citizens of Tomball.

### Program Narrative

#### Accomplishments for FY 2008

- All utility personnel have obtained Natural Gas Operator Qualification (O.Q.) recertification or have been newly certified per Railroad Commission of Texas requirements. Therefore; all utility personnel, with exception to the meter technicians, are qualified to perform repairs and maintenance on the City's natural gas system. This capability vastly improves this division's efficiency and could be critical during a natural gas emergency. The O.Q. certification is valid for 3 years.
- The final phase of the City's Automated Meter Reading (AMR) program has been implemented and completed this fiscal year.
- In addition to approximately 8,000 LF of utility lines installed to facilitate new development; the division has completed an additional 3,000 LF of line replacements as part of the Infrastructure Replacement Program.

#### Objectives for FY 2009

- Provide additional preventive maintenance for essential components of the WWTP operations that will prevent; potential system failure, costly repairs, and enforcement actions. (Includes repairs to centrifuge and centrifuge control panel.)
- Implement a sanitary sewer infiltration and inflow (I&I) prevention program that will minimize the inflow of rain water into the City's sewer collection and treatment systems.
- Continue the City's Utility Infrastructure Replacement Program to ensure adequate progress for the necessary replacements of aged and undersized utility lines in the old town areas.

#### Major Budget Items:

- Utility Replacement Program (\$200,000)
- Harris County Regional Water Authority (\$930,000)
- Sewer Transmission and Collection I & I Program (\$200,000)
- Replace Centrifuge Panel (\$75,000)



CITY OF TOMBALL  
 611 - ENTERPRISE - ADMINISTRATIVE DEPARTMENT  
 2008-2009 BUDGET WORKSHEET

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	\$ 868,439	\$ 972,599	\$ 884,188	\$ 279,181	\$ 10,085	\$ -	\$ 289,266
Supplies	118,152	116,100	134,667	7,826	-	-	7,826
Maintenance	38,029	41,000	24,244	389	-	-	389
Services and charges	375,455	404,004	402,486	23,520	-	125,000	148,520
<b>Total Operating</b>	<b>1,400,075</b>	<b>1,533,703</b>	<b>1,445,585</b>	<b>310,916</b>	<b>10,085</b>	<b>125,000</b>	<b>446,001</b>
Capital Outlay	1,344,063	50,000	10,000	-	-	-	-
Transfers	-	50,048	50,048	1,780,919	-	-	1,780,919
<b>Total Expenses</b>	<b>\$ 2,744,139</b>	<b>\$ 1,633,751</b>	<b>\$ 1,505,633</b>	<b>\$ 2,091,835</b>	<b>\$ 10,085</b>	<b>\$ 125,000</b>	<b>\$ 2,226,920</b>

Staffing	FY2006	FY2007	FY2008	FY2009
City Manager	0.00	0.00	0.00	0.00
Assistant City Manager	1.00	1.00	1.00	0.00
Public Works Director of Operations	1.00	1.00	1.00	1.00
Finance Director	1.00	1.00	1.00	0.00
Director of Engineering and Planning	0.00	0.00	0.00	0.00
City Engineer	0.00	0.00	0.00	0.00
GIS Coordinator	0.00	0.00	0.00	0.00
Utility Superintendent	1.00	1.00	0.00	1.00
Accounting Supervisor	0.00	0.00	1.00	0.00
HR Coordinator	0.00	0.00	0.00	0.00
HR Generalist	1.00	1.00	0.00	0.00
Purchasing Agent	1.00	1.00	1.00	0.00
Inventory Control	1.00	1.00	1.00	1.00
Billing Supervisor	1.00	1.00	1.00	0.00
Office Clerks	2.50	2.50	1.00	0.00
Reception/Office Assistant	1.00	1.00	2.50	0.00
Budget Analyst/Project Accountant	0.00	0.00	1.00	0.00
<b>Total</b>	<b>11.50</b>	<b>11.50</b>	<b>11.50</b>	<b>3.00</b>

# Utility Billing Department

## Department Mission

To actively maintain and present a friendly, professional and efficient customer service and billing department by being sensitive to customer needs and dedicated to their satisfaction. Also being committed to continuing education, attending seminars and having department interaction to provide responsive service to the customers.

## Program Narrative

### Accomplishments for FY 2008

### Goals for FY 2009

- Continue to increase training for department employees through Career Track and Skill Path courses

- Investigate the availability of changing to statement billing
- Improve the department's image with training and education
- Examine alternative debt collection agencies

### Objectives for FY 2009

- Strive to get bills out by the 5th working day of the month at least 95% of the time
- Develop a testing schedule on 10% of the large meters annually
- Strive to have a 24 hour turn around on service order completion 90% of the time

### Major Budget Items

- None

CITY OF TOMBALL  
 612 - ENTERPRISE - ADMINISTRATIVE DEPARTMENT  
 2007-2008 BUDGET WORKSHEET

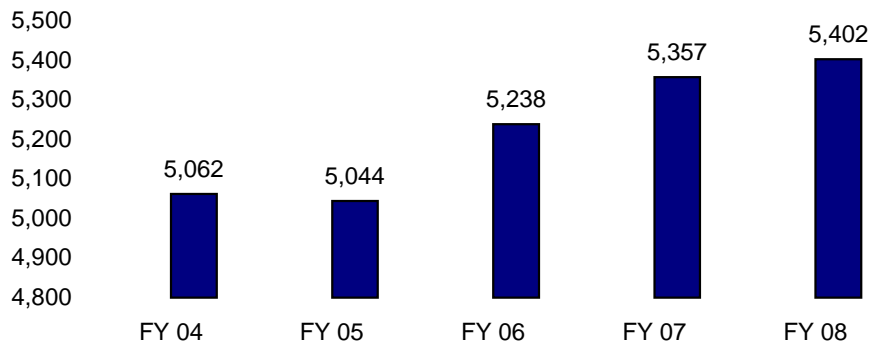
Department Mission

To oversee and guide the Water, Wastewater and Gas utility departments.

	FY2007 Actual	FY2008 Budget	FY2008 Projections	FY2009 Base	Recurring	Non-Recur.	FY2009 Total Budget
Personnel services			\$	\$ 361,545	\$ 0	\$ 0	\$ 361,545
Supplies				30,090	0	0	30,090
Maintenance				0	0	0	0
Services and charges				9,220	0	0	9,220
<b>Total Operating</b>	0	0	0	400,855	0	0	400,855
Capital Outlay				-	-	-	-
Transfers				-	-	-	-
<b>Total Expenses</b>	\$ 0	\$ 0	\$ 0	\$ 400,855	\$ 0	\$ 0	\$ 400,855

Staffing	FY2006	FY2007	FY2008	FY2009
Billing Supervisor	0.00	0.00	0.00	1.00
Office Clerks	0.00	0.00	0.00	3.00
Utilities Serviceperson	0.00	0.00	0.00	3.00
<b>Total</b>	0.00 #	0.00 #	0.00 #	7.00

Number of Utility Accounts



**CITY OF TOMBALL  
613 - ENTERPRISE FUND - WATER DEPARTMENT  
2007-2008 BUDGET WORKSHEET**

**Department Mission**

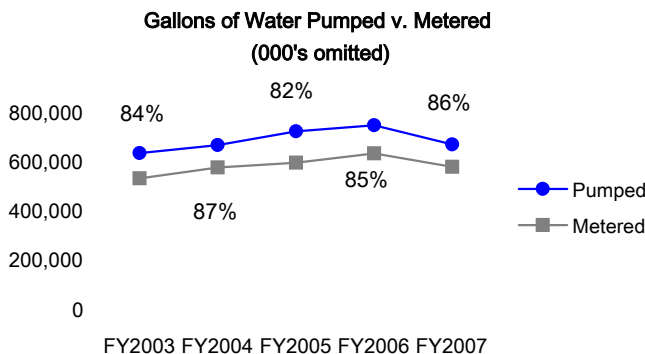
To supply safe, uninterrupted water service to residents and businesses while maintaining over 46 miles of water distribution mains, 3 wells, 2 elevated storage tanks and 1 ground storage tank.

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	\$ 378,539	\$ 443,525	\$ 411,363	\$ 355,044	\$ 0	\$ -	\$ 355,044
Supplies	133,141	164,100	107,255	141,007	0	-	141,007
Maintenance	43,317	108,000	146,600	55,188	200,000	-	255,188
Services and charges	759,012	1,182,977	939,277	1,185,346	0	-	1,185,346
<b>Total Operating</b>	<b>1,314,009</b>	<b>1,898,602</b>	<b>1,604,495</b>	<b>1,736,585</b>	<b>200,000.00</b>	<b>-</b>	<b>1,936,585</b>
Capital Outlay	10,364	3,704,161	3,746,161	0	-	-	0
Transfers	0	165,290	165,290	65,937.00	-	-	65,937.00
<b>Total Expenses</b>	<b>\$ 1,262,311</b>	<b>\$ 5,768,053</b>	<b>\$ 5,515,946</b>	<b>\$ 1,802,522</b>	<b>\$ 200,000.00</b>	<b>\$ -</b>	<b>\$ 2,002,522</b>

Supplemental Programs	Page No.	Recurring	Non-Recur.
Utility Replacement Program		200,000	

Staffing	FY2006	FY2007	FY2008	FY2009
Foreman	1.00	1.00	1.00	1.00
Crew Chief	1.00	1.00	1.00	1.00
Technician	0.00	0.00	0.00	0.00
Heavy Equipment Operator	1.00	1.00	1.00	1.00
Serviceman	3.00	3.00	4.00	2.00
Locator	1.00	1.00	1.00	1.00
Utilities Laborer*	0.20	0.20	0.20	0.20
<b>Total</b>	<b>7.20</b>	<b>7.20</b>	<b>8.20</b>	<b>6.20</b>

\* Equivalent of 1 Full Time person using Part Time Summer labor distributed equally to Streets, Parks, Water, Sewer and Gas Departments.



**Major Budget Items:**

- Maintenance parts (\$75,000)
- Chemicals (\$75,000)
- System maintenance (\$100,000)
- Harris Co Regional Water Authority (\$850,000)
- Electricity (\$200,000)
- System expansion (\$136,500)

**CITY OF TOMBALL  
614 - ENTERPRISE FUND - WASTEWATER DEPARTMENT  
2007-2008 BUDGET WORKSHEET**

**Department Mission**

To supply safe, uninterrupted wastewater service to residents and businesses while maintaining 9 liftstations, 13 miles of storm sewer line and 35 miles of sanitary sewer line.

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	\$ 530,128	\$ 645,325	\$ 626,094	\$ 677,223	\$ -	\$ -	\$ 677,223
Supplies	75,011	83,500	86,284	112,077	-	-	112,077
Maintenance	69,832	103,000	108,312	165,071	-	200,000.00	365,071
Services and charges	379,956	500,159	468,246	387,957	-	-	387,957
<b>Total Operating</b>	<b>1,054,926</b>	<b>1,331,984</b>	<b>1,288,936</b>	<b>1,342,328</b>	<b>-</b>	<b>200,000.00</b>	<b>1,542,328</b>
Capital Outlay	186	899,072	734,107	-	0	85,000	85,000
Transfers	0	20,625	20,625	13,515.00	-	-	13,515.00
<b>Total Expenses</b>	<b>\$ 1,055,112</b>	<b>\$ 2,251,681</b>	<b>\$ 2,043,668</b>	<b>\$ 1,355,843</b>	<b>\$ 0</b>	<b>\$ 285,000</b>	<b>\$ 1,640,843</b>

Supplemental Programs	Page No.	Recurring	Non-Recur.
Heavy Duty Service Crew Truck			85,000
Sanitary Sewer Collection and Transmission Line Program			200,000

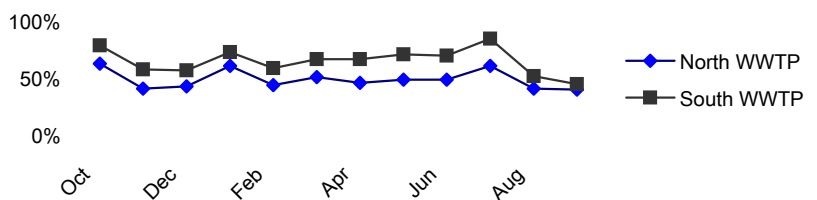
Staffing	FY2006	FY2007	FY2008	FY2009
Crew Chief	1.00	2.00	2.00	2.00
Plant Supervisor	1.00	1.00	1.00	1.00
Plant Operator	2.00	2.00	2.00	2.00
Technician	1.00	1.00	1.00	1.00
Serviceman	4.00	4.00	4.00	4.00
Part Time Laborer*	0.20	0.20	0.20	0.20
<b>Total</b>	<b>9.20</b>	<b>10.20</b>	<b>10.20</b>	<b>10.20</b>

\* Equivalent of 1 Full Time person using Part Time Summer labor distributed equally to Streets, Parks, Water, Sewer and Gas Departments.

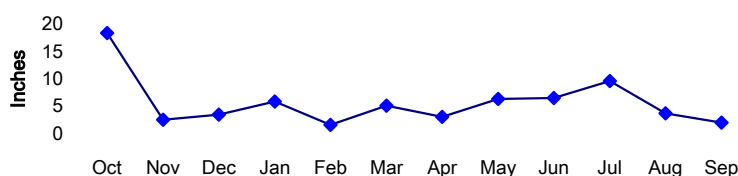
**Major Budget Items:**

- Chemical supplies (\$50,000)
- System maintenance (\$100,000)
- Electricity (\$210,000)
- Portable generator (\$35,000)
- Mini-excavator (\$30,000)
- Sanitary TV & Cleaning program (\$200,000)

**Plant Capacity - Percentage Reached**



**Average Rainfall**



The percentage of permitted plant capacity reached can be seen to fluctuate with the average recorded rainfall each month. This reveals the issue of inflow and infiltration that the City is working to reduce.

Average rainfall was calculated using recorded rainfall at each of the WWTP plants.

**CITY OF TOMBALL  
615 - ENTERPRISE FUND - GAS DEPARTMENT  
2007-2008 BUDGET WORKSHEET**

**Department Mission**

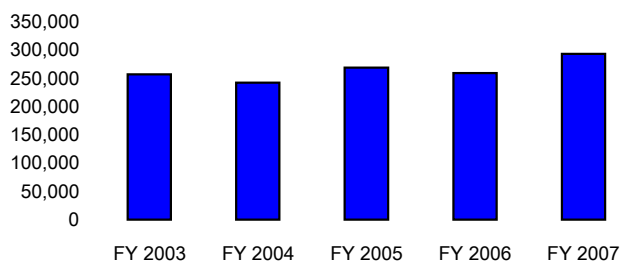
To deliver an uninterrupted supply of gas to Tomball residents and businesses in a safe environment.

	FY2007	FY2008	FY2008	FY2009			FY2009
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	\$ 326,372	\$ 426,756	\$ 455,869	\$ 371,437	\$ -	\$ -	\$ 371,437
Supplies	2,125,955	1,961,000	2,391,832	2,832,995	-	-	2,832,995
Maintenance	4,313	15,000	7,627	9,464	-	-	9,464
Services and charges	40,108	82,777	50,221	36,585	-	-	36,585
<b>Total Operating</b>	<b>2,496,748</b>	<b>2,485,533</b>	<b>2,905,549</b>	<b>3,250,481</b>	<b>-</b>	<b>-</b>	<b>3,250,481</b>
Capital Outlay	0	59,161	177,661	-	-	-	-
Transfers	0	10,700	10,700	10,700.00	-	-	10,700.00
<b>Total Expenses</b>	<b>\$ 2,496,748</b>	<b>\$ 2,555,394</b>	<b>\$ 3,093,910</b>	<b>\$ 3,261,181</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,261,181</b>

Staffing	FY2006	FY2007	FY2008	FY2009
Foreman	1.00	1.00	1.00	1.00
Crew Chief	1.00	1.00	1.00	1.00
Technician	1.00	1.00	1.00	1.00
Heavy Equipment Operator	0.00	0.00	0.00	0.00
Serviceman	3.00	4.00	4.00	3.00
Part Time Laborer*	0.20	0.20	0.20	0.20
<b>Total</b>	<b>6.20</b>	<b>7.20</b>	<b>7.20</b>	<b>6.20</b>

\* Equivalent of 1 Full Time person using Part Time Summer labor distributed equally to Streets, Parks, Water, Sewer and Gas Departments.

**Natural Gas Pumped (MCF's)**



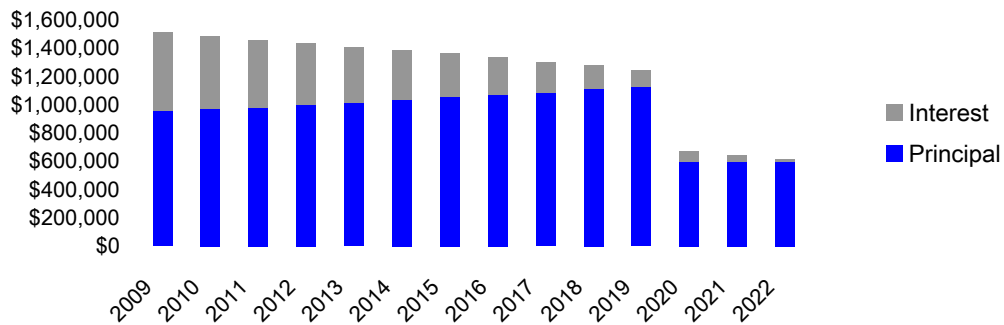
**Major Budget Items:**

Gas purchases (\$1,900,000)

CITY OF TOMBALL  
 616 - ENTERPRISE FUND - DEBT DEPARTMENT  
 2008-2009 BUDGET WORKSHEET

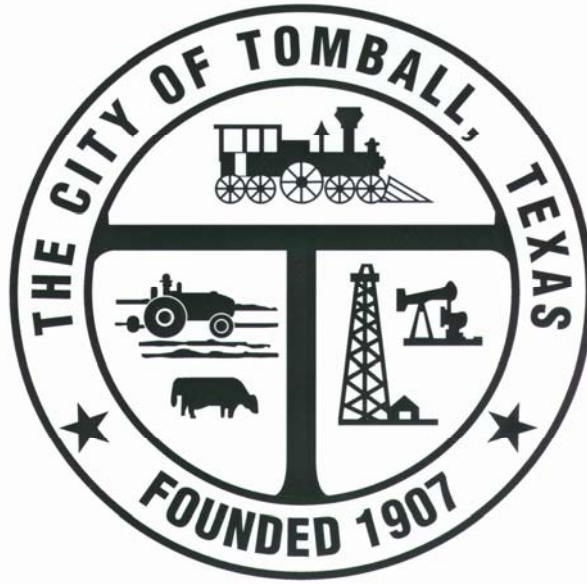
	FY2008 Budget	FY2008 Projections	FY2009 Adjusted Base	Recurring	Non-Recur.	FY2009 Total Budget
<b>Revenue Bonds</b>						
Principal	\$ 345,000	\$ 345,000	\$ 360,000	\$ -	\$ -	\$ 360,000
Interest	190,232	190,231	178,595	-	-	178,595
New Debt				-	-	493,820
<b>Total Revenue Debt</b>	<b>535,232</b>	<b>535,231</b>	<b>538,595</b>	<b>-</b>	<b>-</b>	<b>1,032,415</b>
<b>Certificates</b>						
Principal	599,500	599,500	599,500	-	-	599,500
Interest	399,130	399,130	374,401	-	-	374,401
New Debt				-	-	0
<b>Total CO Debt</b>	<b>998,630</b>	<b>998,630</b>	<b>973,901</b>	<b>-</b>	<b>-</b>	<b>973,901</b>
Fiscal fees	7,500	2,500	5,000			5,000
<b>Total Expenses</b>	<b>\$ 1,541,362</b>	<b>\$ 1,536,362</b>	<b>\$ 1,517,496</b>	<b>\$ 0</b>	<b>\$ -</b>	<b>\$ 2,011,316</b>

Enterprise System Debt









# CAPITAL REPLACEMENT FUND

# Capital Replacement Fund

## Fund Description

This fund was established to accumulate sufficient resources to replace existing vehicles and equipment (with values over \$5,000) which have reached or exceeded their useful lives. Resources are acquired through charges to operating departments in the General and Enterprise funds. The charges are calculated using a straight-line amortization of each piece of equipment based upon the item's expected useful life and estimated replacement cost. When a piece of equipment has reached the end of its useful life, the equipment is automatically scheduled for replacement in the appropriate budget year. If however, it is determined that the cost of continuing to maintain the equipment does not exceed its value at the time of replacement, a department may request that the equipment not be replaced until a later date and the equipment will be kept in service. Once the equipment is fully amortized however, the department will not continue to make payments to the fund. When the equipment is finally retired and replaced, payments for the amortization of the new equipment/vehicle will begin. Interest income earned by the fund and the sale of surplus equipment included in the replacement program will be used to offset the impact of inflation on the replacement cost of the equipment beyond that which had been projected.

The fund's financial summary is distinguished from those of the other funds in that it resembles the income statements of private corporations similar to the City's Enterprise Fund.

### Equipment to be replaced during FY 2008-09 include:

#### **Police Department**

1 SUV	\$ 20,500
4 Sedans	111,330

#### **Street Department**

Gradeall	\$ 230,500
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#### **Parks Department**

Mower with 60" Deck	\$ 10,200
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#### **Wastewater Dept.**

Heavy Duty Truck w/ Crane	\$ 85,000
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## Capital Replacement Fund - General Fund

### Income Statement

FY 2009 Adopted Budget

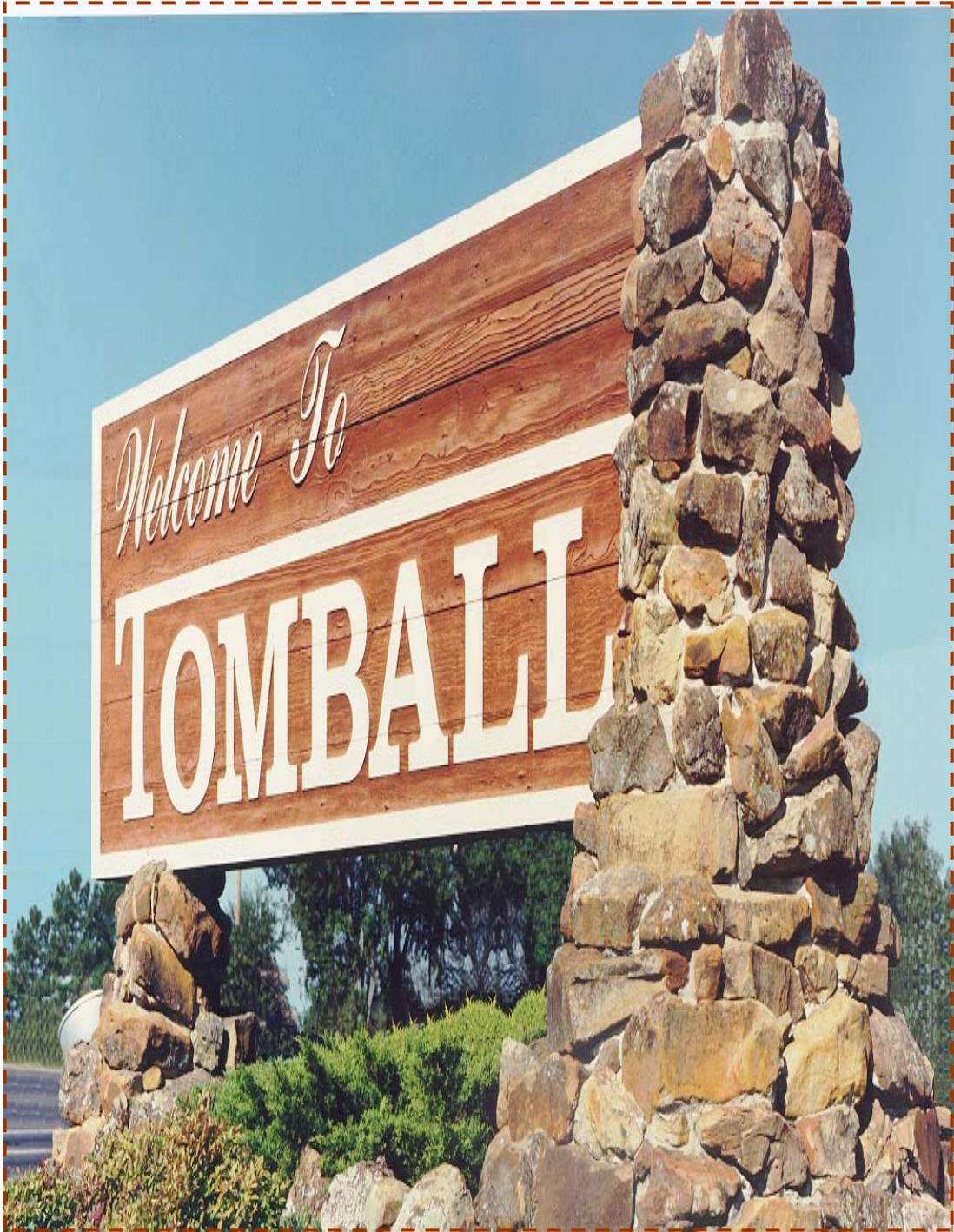
	<b>FY 2009 Budget</b>
<b>Revenues:</b>	
Transfers	\$ 735,984
Interest	-
<b>Total</b>	<b>735,984</b>
<b>Expenditures:</b>	
Capital Outlay	372,530
<b>Total</b>	<b>372,530</b>
<b>Revenues Over (Under) Expenditures</b>	<b>363,454</b>
<b>Beginning Fund Balance</b>	<b>451,347</b>
<b>Ending Fund Balance</b>	<b>\$ 814,801</b>

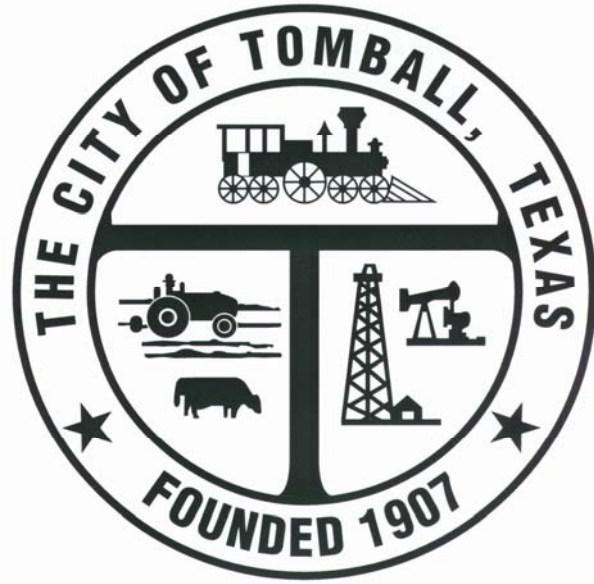
## Capital Replacement Fund - Enterprise Fund

### Income Statement

FY 2009 Adopted Budget

	<b>FY 2009 Budget</b>
<b>Revenues:</b>	
Transfers	\$ 121,509
Interest	-
<b>Total</b>	<b>121,509</b>
<b>Expenditures:</b>	
Capital Outlay	85,000
<b>Total</b>	<b>85,000</b>
<b>Revenues Over (Under) Expenditures</b>	<b>36,509</b>
<b>Beginning Fund Balance</b>	<b>105,663</b>
<b>Ending Fund Balance</b>	<b>\$ 142,172</b>





# CITY JOURNAL

## Tomball Fast Facts\*

2008 Population: 11,800

2008 Assessed Value: \$1,161,133,947

Median Age: 36.8 years

Median Household Income: \$50,401

Average Household Income: \$59,072

Number of Households: 4,440

Employed Labor Force (Greater Tomball Area – within 30 minutes of Tomball): 96.1%

Square Miles: 11.711 square miles

Education Level (Population 25 years +): 23.9% with a Bachelor's Degree or higher

Major Employers in Tomball (non retail):

- Tomball Regional Medical Center

- Tomball ISD

- Tomball College

- BJ Services

\*Source: Tomball Economic Development Corporation

# Tomball Journal

## City Description

The area that is now Tomball, Texas was settled in the early 1900's by European, primarily German, settlers. They were attracted by the many streams, rolling fields and pastures, as well as the numerous pine trees that dotted the landscape. It was perfect setting for farming and raising cattle. By 1906, the community had become known as Peck. However, on December 2, 1907, the City was officially renamed Tom Ball, later shortened to Tomball, in honor of Thomas Henry Ball, a four-term U.S. congressman and railroad attorney, who was responsible for routing the Houston-to-Dallas railway through the area.

In 1933, life in Tomball completely changed when oil was discovered by the Magnolia Oil Company. Shortly afterwards, hundreds of wells owned by many different oil and gas companies were located in or near Tomball. Workers relocated to be near the wells, and many oil companies provided housing.

Move forward 100 years and see what Tomball has become in 2007 as it celebrated its Centennial birthday. Tomball has become known as a quintessential American haven, "*A Hometown with a Heart.*" Despite rapid growth and monumental change in the area in the last decade, Tomball is still widely known for its spirit of community. Suburban pressures have fueled subdivision development and steady population growth.

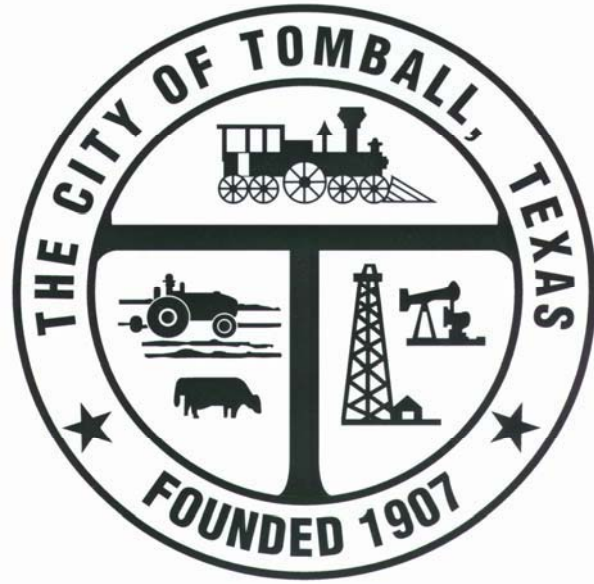
The City's light industrial base also continues to grow with the relocation of Eagle Gasket and Specialty Steel into the community. Retail development also continues to thrive with the relocation and expansion of Academy Sports and the opening of Petsmart and Office Depot. The City enjoys a varied manufacturing and technology base that adds to the relative stability of the unemployment rate. Major industries with headquarters or divisions located within the City's boundaries or in close proximity include the international headquarters for a large oil related corporation, a regional hospital with related health care facilities, and computer hardware and software manufacturers.

During fiscal year 2007-2008, Council developed a strategic plan which identifies their goals for the community through 2012. A citizen survey was also conducted last year. The City staff worked to develop a budget with these two items in mind. Growth and change will definitely continue to be underlying themes in the Tomball of the 21<sup>st</sup> Century. The City of Tomball and its citizens will continue to work hard to foster continued growth while maintaining the hometown atmosphere it is known for.



*Heritage Plaza*





# APPENDICES

## Appendix A      The Budget Process

February 20	1	Budget Schedule Distributed to City Staff
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May 2	2	Department Submit Year End Projections
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May 16	3	Departments Submit Base Budgets and any Adjustments to Base
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June 10	4	Preliminary appraisal rolls from Harris County Appraisal District are received
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May 23	5	Departments Submit Supplemental Program Requests
-----------	---	--

June 2-6	6	Departmental Budget Meetings
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June 30	7	2008-09 City Manager Proposed Budget
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July 28 - 29 and August 5 and 14	8	Budget Workshops with City Council
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1) The Finance Director presents the Budget Schedule and Manual during the Management Team Meeting.

2) Department Directors submit their year end projections on their current year budget. This information provides the starting point for planning for the new budget.

3) Department Directors submit their budget request for funding needed to continue operations as they currently exist and any funding adjustments needed due either changes in price or operating procedures.

4) Preliminary appraisal rolls are received from the Harris County Appraisal District showing initial taxable values of \$1,094,078,354.

5) Department Director submit their budget requests for new positions and programs or significant expansions of existing programs.

6) A series of meetings are conducted by the City Manager and Finance Director with individual departments to discuss their budget requests.

7) City Manager's proposed budget is filed with the City Secretary and is distributed to the City Council for review. It is also posted on the City's website and is available for public review.

8) The Mayor and City Council meet with the City Manager and Administrative Staff to discuss various aspects of the proposed budget.

September  
2 - 8      9      Public Hearings Held and  
First Reading of Ordinance  
Adopting the budget

9) Following the required newspaper notices, public hearings are scheduled on the proposed budget. The first reading of the adoption ordinance is held September 8th.

September  
15      10      Second Reading of Ordinance  
Adopting the Budget

10) Second reading of the budget adoption ordinance is approved by City Council.

August  
28      11      Certified Appraisals  
Rolls received

11) Certified appraisal rolls from the Harris County Appraisal District are received showing taxable values of \$1,161,133,947.

September  
15      12      Effective Tax Rate Published

12) Upon receipt of certified appraisal rolls, the City Finance Director performs the net effective tax rate calculation as required by State Law. The net effective rate is \$.22262 with a rollback rate of \$.357232.

September  
29 and  
October 6      13      Public Hearings Held

13) Public Hearings are held as required by State Law on the proposed tax rate of \$.31455.

October  
20      14      Adoption of FY 2008-09 tax  
rate

14) The City Council meets to vote on the proposed tax rate of \$.31455. Two readings of the ordinance are required by City Charter. Proposed tax rate was not approved during first reading. Budget amended and new tax rate of \$.251455 was approved on October 24th and October 27th.

December  
15      15      2008/2009 Budget Document  
is published

15) Finance staff works to develop final budget document which is then printed and distributed to users.

Quarterly  
16      Budget is Amended

16) Typically, the budget is reviewed on a quarterly basis and amendments are proposed to Council if needed. Budget amendments also require two readings.

## Appendix B Financial Management Policies

### Introduction

The City of Tomball has an important responsibility to its citizens to carefully account for public funds, to manage municipal finance wisely, and to plan for adequate funding of services desired by the public.

The overriding goal of the Financial Management Policy is to enable the City to achieve a long-term stable and positive financial condition. The watchwords of the City's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure.

The purpose of the Financial Management Policy is to provide guidelines for planning and directing the City's day to day financial affairs and to assist staff in developing recommendations to the Tomball City Council. Specifically, this policy framework mandates the pursuit of the following fiscal objectives:

*Revenues:* Design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.

*Expenditures:* Identify priority services, establish and define appropriate service levels and

administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services.

### *Capital Expenditures and Improvements:*

Annually review and monitor the condition of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.

### *Staffing and Training:*

Staffing levels shall be adequate for the fiscal departments of the City to function effectively. Overtime shall be used only to address temporary or seasonal demands that require excessive hours. Possible ways to increase efficiency shall be explored before adding staff. However, the staffing levels shall not be inadequate or marginal such that the internal controls are jeopardized or personnel turnover rates are unacceptable.

The City shall support the continuing education efforts of all financial staff including the investment in time and materials for maintaining a current perspective concerning financial issues. Staff shall be held accountable for communicating, teaching, and sharing with other staff members all information and training materials acquired from seminars, conferences and related educational efforts.

*Fund Balance/ Working Capital/ Retained Earnings:* Maintain the fund balance, working capital and retained earnings of the various operating funds at levels sufficient to protect the City's credit worthiness as well as its financial position from the emergencies.

*Debt Management:* Establish guidelines for debt financing that will provide needed capital equipment and infrastructure improvements while minimizing the impact of the debt payments on current and future revenues.

*Investments:* Invest the City's operating cash to ensure its safety, provide necessary liquidity optimize yield.

*Intergovernmental Relations:* Coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing governmental services on an equitable basis and support appropriate favorable legislation at the state and federal level.

*Grants:* Aggressively investigate, pursue and effectively administer federal, state and foundation grants-in-aid which address the City's current priorities and policy objectives.

*Economic Development:* Initiate, encourage and participate in economic development efforts to create job opportunities, and strengthen the local economy and tax base.

*Fiscal Monitoring:* Prepare and present reports for the current and multi-year periods that analyze, evaluate, and forecast the city's financial performance and economic condition.

*Accounting, Auditing, and Financial Reporting:* Comply with prevailing federal, state and local statues and regulations. Conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officer's Association (GFOA).

*Internal Controls:* Maintain an environment to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition.

*Risk Management:* Prevent and/or reduce financial impact to the City due to claims and losses through prevention, through transfer of liability, and/or through a program of self-insuring of the liability.

*Budget:* Develop and maintain a balanced budget which presents a clear understanding of goals, service levels, and performance standards and which shall be to the extent possible "user friendly" for citizens.

## Revenues

1. Balance and Diversification in Revenue Sources: The City shall strive to maintain a balanced diversified revenue system to protect the City from fluctuation in any one source due to changes in economic conditions which adversely impact that source.
2. User Fees: For services that benefit specific users, where possible the City shall establish and collect fees to recover the cost of those services. Where feasible and desirable, the City shall seek to recover full direct and indirect costs whereas not to prohibit economic development. City staff shall review user fees on a regular basis to calculate their full costs recovery levels, to compare them to the current fee structure, and to recommend adjustments where necessary.
3. Property Tax Revenues/Tax Rate: The City shall endeavor to balance its reliance on property tax revenues by revenue diversification, implementation and continued use of user fees, and economic development. The City shall also strive to minimize tax rate increases.
4. Utility/Enterprise Funds User Fees: Utility rates and enterprise funds user fees shall be set at levels sufficient to cover operating expenditures, meet debt obligations, provide additional funding for capital improvements,

and provide adequate levels of working capital.

5. Administrative Service Charges: The City shall prepare a cost allocation plan annually to determine the administrative service charges due the General Fund from enterprise funds for overhead and staff support. Where appropriate, the enterprise funds shall pay the General Fund for direct services rendered.
6. Revenue Estimates for Budgeting: In order to maintain a stable level of services, the City shall use a conservative, objective, and analytical approach when preparing revenue estimates for current and multi-year periods. The process shall include the analysis and probability of economic changes and their impacts on revenues, historical collection rates, and trends in revenues. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year and mid-year service reductions.

## Expenditures

1. Current Funding Basis: The City shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues plus the planned use of fund balance accumulated through prior year's savings.

2. **Contracted Labor:** The City will utilize contracted labor for the provision of City services whenever private contractors can perform the established level of service at less expense to the City, as determined by regular evaluation of city-provided services. The City will regularly evaluate its agreements with private contractors to ensure the established levels of service are performed at the least expense to the City.
3. **Avoidance of Operating Deficits:** The City shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue estimates are such that an operating deficit is projected at year-end.
4. **Maintenance of Capital Assets:** Through the Fleet Replacement Fund and within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to continue service levels.
5. **Periodic Program Reviews:** Periodic program reviews for efficiency and effectiveness shall be performed. Programs not meeting efficiency or effectiveness shall be brought up to required standards or be subject to reduction or elimination.
6. **Purchasing:** The City shall make every effort to maximize any discounts offered by creditors/vendors. Vendors with balances due the City will have payments due the vendor offset against the amount due the City. The City will follow state law concerning

the amount of the purchase requiring formal bidding procedures and approval by the City Council. For purchases where competitive bidding is not required, the City shall obtain the most favorable terms and pricing possible. Every effort will be made to include minority business enterprises in the bidding process.

### Capital Expenditures and Improvements

1. **Capital Improvements Planning Program:** The City shall annually review the Capital Improvement Plan ("CIP"), the current status of the City's infrastructure, replacement and renovation needs, and potential new projects and update the plan as appropriate. All projects, ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. For every project, all operation, maintenance and replacement costs shall be fully estimated and disclosed. The CIP shall also present the City's long-term borrowing plan, debt payment schedules, and other debt outstanding or planned including general obligation bonds, revenue bonds, certificates of obligation, and lease/purchase agreements when appropriate.
2. **Capital Assets:** A capital asset will be defined as equipment that exceeds \$20,000 and has a useful life that exceeds 3 years.
3. **Replacement of Fleet Capital Assets on a Regular Schedule:** The City shall annually prepare a schedule for the replacement of its fleet and fleet related capital assets

associated with General Fund and Enterprise Fund operations through the Fleet Replacement Fund. Capital assets included in this fund will be authorized by charges to the departments using the assets. The amortization charges will be sufficient for replacing the capital equipment at the end of its expected useful life. The amortization charges and application of those funds for replacement purposes will be accounted for in the Fleet Replacement Fund.

4. Capital Expenditure Financing: The City recognizes that there are several methods of financing capital requirements: budget the funds from current revenues; take the funds from fund balance/retained earnings as allowed by the Fund Balance/ Retained Earnings Policy; utilize funds from grants and foundation; or borrow money through debt. Debt financing includes general obligation bonds, revenue bonds, certificates of obligations, and lease/purchase agreements when appropriate.

## Fund Balance

1. General Fund Undesignated Fund Balance: The City shall strive to maintain the General Fund undesignated fund balance at a target of 18% of current year budgeted operating expenditures with the minimum being 15% and the maximum balance being 20%.
2. Debt Service Fund Balance: The City shall strive to maintain the Debt Service Fund fund balance at a target of 18% of the next year's total principle and interest requirements on

bonded debt with the minimum being 15% and the maximum balance being 20%.

3. Utility Working Capital and Retained Earnings of Other Operating Funds: In other operating funds, the City shall strive to maintain a positive retained earnings position to provide sufficient reserves for emergencies and revenue shortfalls. In addition, the minimum working capital in the Water, Wastewater and Natural Gas funds shall be a target level of 18% of current year budgeted operating expenditures with the minimum being 15% and the maximum balance being 20%.
4. Use of Fund Balance/ Retained Earnings: Fund Balance/Retained Earnings shall be used only for emergencies, non-recurring expenditures, or major capital purchases and capital projects that cannot be accommodated through current year savings. Should such use reduce the balance below the minimum level set as the objective for that fund, recommendations will be made on how to restore it.

## Debt Management

1. Use of Debt Financing: Debt financing to include general obligation bonds, revenue bonds, certificates of obligation, certificates of participation, and lease/purchase agreements, shall only be used to purchase capital assets.
2. Amortization of Debt: Amortization of debt shall be structured in accordance with a multi-year capital improvement plan. The



term of a debt issue will never exceed the useful life of the capital asset being financed.

3. Affordability Targets: The City shall use an objective analytical approach to determine whether it can afford to assume new debt beyond the amount it retires each year. This process shall compare generally accepted standards of affordability to the current values for the City. These standards shall include debt per capita, debt as a percent of taxable value, debt service payments as a percent of current revenues and current expenditures, and the level of overlapping net debt of all local taxing jurisdictions. The process shall also examine the direct costs and benefits of the proposed expenditures as determined in the City's annual update to the Capital Improvement Plan. The decision on whether or not to assume new debt shall be based on these costs and benefits.

4. Bidding Parameters: The notice of sale will be carefully constructed so as to ensure the best possible bid for the City, in light of the existing market conditions and other prevailing factors. Parameters to be examined include:

- Limits between lowest and highest coupons
- Coupon requirements relative to the yield curve
- Method of underwriter compensation, discount or premium coupons
- Use of True Interest Costs (TIC) vs. Net Interest Cost (NIC)
- Use of bond insurance

- Deep discount bonds
- Variable rate bonds
- Call provisions

5. Bond Issuance Advisory Fees and Costs: The City will be actively involved in the selection of all financial advisors, underwriters, paying agents, and bond counsel. The City shall evaluate the merits of rotating professional advisors and consultants as well as the kinds of services and fee structures available from independent financial advisors, investment banking firms, and commercial banks. The City will carefully itemize and scrutinize all costs associated with the issuance of the bonds.

6. Sale Process: The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated bid.

7. Rating Agencies Presentation: Full disclosure of operations and open lines of communication shall be made to the rating agencies. City staff, with assistance of financial advisors, shall prepare the necessary materials and presentation to the rating agencies.

8. Continuing Disclosure: The City is committed to continuing disclosure of financial and pertinent credit information relevant to the City's outstanding securities.

9. Debt Refunding: City staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. A proposed refunding of debt should provide a

present value benefit as a percent of refunded principal of at least 3.5%.

### Investments

The City's cash shall be invested in such a manner so as to ensure the absolute safety of principal and interest, to meet the liquidity needs of the City, and to achieve the highest possible yield in accordance with the City's Investment Policy. Interest earned from investment shall be provided. Cash forecasting models and procedures will be employed to maximize the amount of investment funds.

### Intergovernmental Relations

1. Interlocal Cooperation in Delivery Service: In order to promote the effective and efficient delivery of services, the City shall work with other local jurisdictions to share on an equitable basis the costs of services, to share facilities, and to develop joint programs to improve service to its citizens.
2. Legislative Program: The City shall cooperate with other jurisdictions to actively oppose any state or federal regulation or proposal that mandates additional City programs or services and does not provide the funding from implementation.

### Grants

1. Grant Guidelines: The City shall seek, apply for, and obtain those grants that are consistent with priority needs and objectives

identified by Council.

2. Indirect Costs: The City shall recover indirect costs to the maximum amount allowed by the funding source. The city may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.
3. Grant Review: The City shall review all grant submittals for their cash or in-kind match requirement, their potential impact on the operating budget, and the extent to which they meet the City's policy objectives. If there are cash match requirements, the source of funding shall be identified and approved prior to application. An annual report on the status of grant programs and their effectiveness shall also be prepared.
4. Grant Program Termination: The City shall terminate grant-funded programs and associated positions as directed by the City Council when grant funds are no longer available unless alternate funding is identified.

### Economic Development

1. Commitment to Expansion and Diversification: The City shall encourage and participate in economic development efforts to expand Tomball's economy and tax base, to increase local employment and to invest when there is defined specific long-term return. These efforts shall not only focus on new areas but on inner city areas, and other established sections of Tomball where development can generate additional jobs

and other economic benefits.

2. **Tax Abatements:** The City shall develop and maintain a tax abatement policy to encourage commercial and/or industrial growth and development throughout Tomball. The City shall balance the long-term benefits of tax abatements with the short-term loss of tax revenues by granting the abatement. Factors considered in evaluating proposed abatements for development include the location of the project, its size, the number of temporary and permanent jobs created, the costs and benefits for the City and its impact on Tomball's economy and other factors.
3. **Coordinate Efforts with Other Jurisdictions:** The City's economic development program shall encourage close cooperation with other local jurisdictions to promote economic well-being of this area.

#### Fiscal Monitoring

1. **Financial Status Reports:** Monthly reports shall be prepared and distributed to executive and managerial staff comparing expenditures and revenues to current budget, for the month and fiscal year-to-date. Quarterly financial reports of the City's major funds (General Fund, Debt Service Fund, and Enterprise Fund) shall be presented to City Council to highlight the City's financial performance to date as well as outline any remedial actions necessary to maintain the City's financial position in light of unfavorable variances that are not anticipated to reserve by fiscal year end.

2. **Five-Year Forecast of Revenues and Expenditures:** A five-year forecast of revenues and expenditures that includes a discussion of major trends affecting the City's financial position shall be prepared. The forecast shall also examine critical issues facing the City, economic conditions, and the outlook for the upcoming budget year. The document shall provide insight into the City's financial position and serve as planning tool to alert the Council to potential problem areas requiring attention.
3. **Performance Measurement and Benchmarking Reporting System:** The City staff shall work to establish a performance measurement and benchmarking program to demonstrate its commitment to the achievement of Council established goals, fiscal accountability and quality delivery of services. Performance measures, goals and benchmarks will be presented to City Council during each budget process. Progress reports will be submitted to Council as part of the quarterly report.

#### Accounting, Auditing, and Financial Reporting

The City shall comply with prevailing local, state and federal regulations. Its accounting practices and financial reporting shall conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Governmental Finance Officers Association

(GFOA). The City Council shall select an independent firm of certified public accountants to perform an annual audit of all operations. The City will follow a five-year review and optional rotation of outside (independent) auditors. The audit firm must demonstrate that they have the breadth and depth of staff to handle they have the breadth and depth of staff to handle the City's audit in a timely manner. The audited financial statements should be prepared and presented to Council for approval within 120 days of the close of the fiscal year.

The City's audited annual financial report and the City's adopted budget will be posted on the City's website for access by the public. In addition, copies will be on file in the City Secretary's office.

### Internal Controls

The Director of Finance is responsible for developing citywide written guidelines on purchasing, cash handling, internal controls and other financial matters. The Director of Finance will assist department managers as needed in tailoring these guidelines into detailed written procedures to fit each department's specific requirements.

Each department manager is responsible to ensure that good internal controls are followed throughout his or her department, that all finance department guidelines on purchasing and internal controls are implemented, and that all independent auditor control recommendations are addressed.

### Risk Management

The City will utilize a safety program, an employee health program, and a risk management program to prevent and/or reduce the financial impact to the City due claims and losses. Transfer of liability for claims through transfer to other entities through insurance and/or by contract will be utilized where appropriate. Prevention of claims through the safety program and the employee health program will be employed.

### Operating Budget

The City shall establish an operating budget hat shall link revenues and expenditures to goals, objectives, and service and performance standards. The operation budget shall also incorporate a minimum of five (5) years projections. It will be the City's goal to obtain the distinguished Budget Presentation Award from the Government Finance Officers Association each year.

## Appendix C Basis of Accounting and Budgeting

The City's finances are accounted for in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board.

- The accounts of the City are organized and operated on the basis of funds and account groups. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded in those funds. Governmental funds are used to account for the government's general government activities and include the General, Special Revenue, Debt Service and Capital Project Funds.
- Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be

determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Substantially all revenues are considered to be susceptible to accrual. Ad valorem, sales, hotel, franchise and tax revenues recorded in the General fund and ad valorem revenues recorded in the Debt Service fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except earnings on investments) are recorded as revenues when they are received in cash because they are generally not measurable until they are actually received. Investment earnings are recorded as earned since they are measurable and available. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources.

- The City utilizes encumbrance accounting for its Governmental fund types, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation
- The City's Proprietary fund types are

accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

- The City's annual budgets are prepared and adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds except the capital projects funds, which adopt project-length budgets. Also, depreciation of fixed assets is not recognized in proprietary budgets. All annual appropriations lapse at fiscal year end. Under the City's budgetary process, outstanding encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be reappropriated and honored the subsequent fiscal year.
- The issuance of Statement 34 by the Governmental Accounting Standards Board has influenced the creation and reporting of individual funds. GASB 34

essentially mandates dual accounting systems; one for government-wide (i.e. the government as a single entity) reporting and another for individual fund reporting. Under GASB 34 for individual funds, the City will continue utilizing the accounting and budgeting process as described above. However, because GASB 34 mandates the flow of economic resources measurement focus and accrual basis of accounting for the government-wide reporting, extensive reconciliation must be performed to present aggregated fund information in the government-wide reporting model. Therefore, individual operating funds will be created with the objective of reducing fund to government-wide reconciliation as much as possible. When appropriate, individual funds will be examined as to whether it will be appropriate to account for them as proprietary fund types. Also, the City will limit the use of internal service funds and incorporate the financial transactions of those funds into other governmental funds.

## Appendix D Major Revenue Sources

The revenue sources described in this section account for \$22,691,398 or 75% of the City's total operating revenues (excludes interfund transfers and charges).

### Property Taxes

Property (ad valorem) taxes attach as an enforceable lien on property as of each January 1<sup>st</sup>. The City's property tax is levied each November on the assessed value listed as of the prior January 1<sup>st</sup> for all real and business personal property located in the City. Assessed values are established by the Harris County Appraisal District at 100% of the estimated market value and are certified by the Appraisal Review Board. The assessed taxable value for the roll of January 1, 2008, upon which the fiscal 2009 levy is based, is \$1,161,133,947. The assessed taxable value is net of approximately \$310,400,966 (representing 26.7% of taxable value) of agricultural, over-65, disabled veteran, and other exemptions. The 2008 taxable roll is 15.98% more than the 2007 certified roll. Over the last several years, the local economy has improved with an influx of commercial and retail growth. With additional commercial/retail projects scheduled, and several new residential subdivisions approved bringing approximately 1,100 new homes to the City, we believe future appraisals will remain strong.

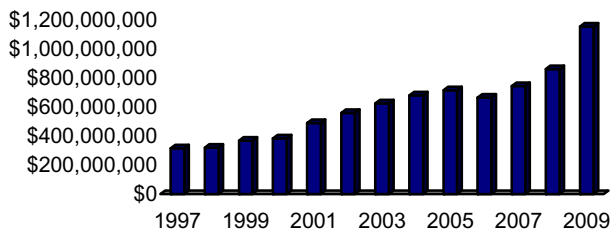
The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to

\$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long term debt. The tax rate for the year ending September 30, 2009 is \$.251455 per \$100 of which \$.121455 is allocated for general government operation and maintenance and \$.130000 is allocated for retirement of general obligation long-term debt.

In Texas, county-wide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the district through various appeals and, if necessary, legal action. Under this arrangement, the City continues to set tax rates on property. However, if the tax rate, excluding tax rates for retirement of bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8% above the tax rate of the previous year, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year. The tax rate that equates to an 8% increase above the prior year rate is known as the rollback rate.

Taxes are due January 31<sup>st</sup> following the November levy and are considered delinquent after January 31<sup>st</sup> of each year.

### Assessed Valuation of Taxable Property



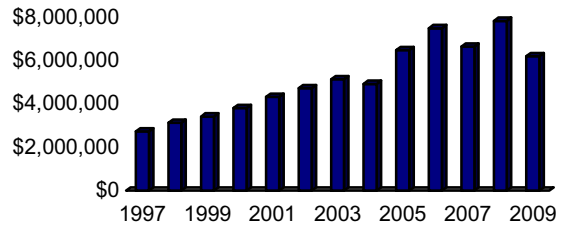
### Sales Tax

The sales tax in Tomball is 8.25% of goods or services sold within the City’s boundaries. The tax is collected by businesses making the sale and is remitted to the State’s Comptroller of Public Accounts on a monthly basis, and in some cases, a quarterly basis. Of the 8.25% tax, the State retains 6.25% and distributes 2% to the City of Tomball. The state distributes tax proceeds to local entities within forty days following the period for which the tax is collected by the businesses.

For the year ending September 30, 2009, the City of Tomball expects to receive \$6,200,000 in sales and use tax revenue. This amount represents a 13.9% decrease over fiscal 2008 estimated collections. With additional retail establishments scheduled to open during FY 2009, it is anticipated that the amount budgeted for sales tax is very conservative. However, with the state of the

economy and the uncertainty as to when it may turn coupled with the reliance on sales tax in funding the City’s budget, a conservative rather than optimistic assumption was made in an attempt to avoid a possible mid-year adjustment due to revenue shortfalls. Economic indicators across the country reported that sales tax revenues were down by an average of 4%.

### Sales Tax Revenues



### Utility Fees

The City of Tomball charges fees for the provision of water, sewer, and natural gas services to residents and businesses located within the City. The town utilizes a rate structure which is based upon charging minimum bills for customer classifications depending upon the demand each classification places upon the system. This structure allows the fund to equitably recover a greater portion of its fixed expenses through a relatively constant revenue stream.

Utility rates are established not only to recover the cost of daily operations but also to support the debt service associated with capital projects of previous years and future capital projects needed to



maintain the City's water, sewer and natural gas systems. For example, a single-family customer will pay a minimum bill of \$10.90 for water and will then pay a volume charge of \$2.85 for each 1,000 gallons used. A large commercial user (uses 50,000+ gallons/month) however will pay a base rate of \$51.99 and a volume charge of \$5.40 for each 1,000 gallons used. Sewer charges are dependent upon the volume of water consumed and are structured similar to the water rates except that residential customers have their sewer charge averaged based on a "Winter Rate" (November – February) and "Summer Rate" (March – October) schedule. Natural gas charges are the same for all customer classes and include a base rate of \$15.50 for the first 1,000 cubic feet (MCF) used and \$15.50 for each 1,000 cubic feet used after that. The combined monthly base water, sewer and gas bill for a single-family residence is \$34.91.

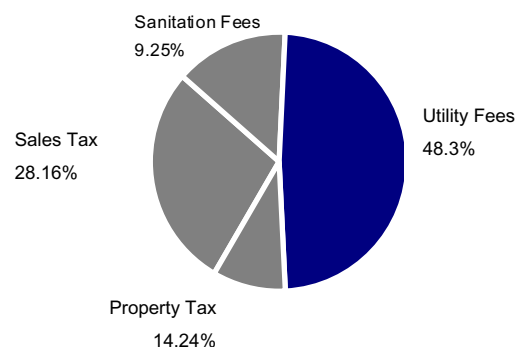
The rates discussed above as well as those for sewer service (not discussed) do reflect a rate increase that went into affect October 1, 2008. In January of 2008, the City contracted with a consultant to have a utility rate study performed on the water and sewer rates. This was the first time the City had a study performed by an outside consultant. The study made several recommendations as to the structure of the rates and the amounts paid by the various user classifications. The rates adopted by the City Council for FY 2009 encompass those recommendations. The only recommendation that was not implemented but will be in the future is establishing some form of conservation rate structure for residential customers. Commercial

rates due reflect a conservation structure. The rate study did not address natural gas rates, however the model used to calculate gas rates for customers is similar to that used for the water and sewer rates and is updated each year during the budget process as well.

### Solid Waste Fees

The City of Tomball also charges customers within its city limits for solid waste collection. Rates charged to customers are primarily a pass through of the cost paid to the City's contracted service provider as well as an amount to cover City overhead costs. Residential rates are \$14.95 per month which provides for two pick up days per week. The rate paid by commercial customers depends on the type and size of container they request as well as the number of times per week the container is emptied. Fees budgeted for solid waste collections are 10.5% higher than those budgeted for fiscal 2008. This is primarily due to an increase in the contract price of service; including a price adjustment for the rising cost of fuel.

**Major Sources of Revenues**



## Appendix E Long Term Financial Plan

The 2008-09 budget was developed in context of long term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenues and expenses. Plans have been developed for the City's major operating funds: General and Enterprise and for the City's Debt Service Fund. Each plan presents the fund over eight fiscal years: two previous years, the adopted "base year" budget for fiscal year 2009, and the five projected years. There are several benefits to these plans. First, the plans give future Councils a valuable perspective when considering budgets within each plan's five year horizon. Second, the plans impart a measure of discipline on staff. The plans establish funding ceilings on recurring operating expenditures. Department heads present to the City Manager base budget adjustment request. Operating budgets are increased when the City Manager approves these requests during the budget process and Council then approves the final budget for the fiscal year.

### General Fund Long Term Plan

The plan reflects the following assumptions based on historic trends and knowledge of economic conditions present when the budget was developed:

#### Revenues:

- Ad valorem tax rates are based on annual increases in taxable assessed value of 7.5%. Increase in certified roll assessed values for FY2009 was nearly 16%.
- Sales tax revenue increase by 3% per year.
- Franchise fee revenue increases by 3% per year.
- With the new residential and commercial developments currently approved, building permit & license revenues increase by 4% per year for FY10 -12 and then remain at FY12 levels for FY13 and FY14.
- Court fines and warrant revenues increase by an average of 4% per year.
- Sanitation fee revenue increases by 4.5% per year
- Grant revenues will decline over the next five years to incorporate the annual decrease in the grant receive for the two full time firefighters. TEDC will remain at \$7,000 per year.
- Birth and death certificate fees remain constant at \$50,000 per year. Emergency Service District fees and Miscellaneous revenues increase annually by 5% and 2% respectively.
- Interest revenues gradually decrease with the decreasing fund balance and assumed decrease in interest rates.
- The transfer from the Enterprise Fund to the General Fund will increase by 4% per year.

Expenditures:

- Salaries (FT & PT) increase by 3.5% annually. Payroll deductions are calculated on increased pay.
- Health insurance increase by 13% per year.
- Property and liability insurance increases by 10% per year.
- The supplies, maintenance, services and charges categories increase by 2%, 2.5%, and 3% respectively.

### Debt Service Long-Term Plan

Revenues:

- Ad valorem tax rates are based on annual increases of 7.5%. Increase in certified roll assessed values for FY2009 was nearly 16%.

Expenditures:

- The plan recognizes the debt service associated with the issuance of \$7.9 million in FY 2010 to fund multiple road and drainage projects as well as two fire trucks and an issue of \$4.85 million in 2012 to fund road projects.
- Bond issues are for a twenty year amortization period.

### Enterprise Fund Long-Term Plan

Revenues:

- Water and wastewater revenues are shown to increase by 14% during the first three fiscal years and then by 6% in the final two shown in the plan. In prior years, an 8% increase was shown (5% for rate increase

and 3% for growth). A comprehensive rate study was completed during FY08 resulting in the new projected increases.

- For FY2009, tap fees are budgeted at levels consistent with the projected revenue for FY2008. With the new residential and commercial developments currently approved, tap fee revenues are forecasted to increase by 3% per year during FY10 and FY11 and then level out during FY12-14.
- Reconnect fees and various revenues referred to as "other revenues" increase by 2.5% per year.
- Tomball Economic Development Corporation (TEDC) contributions remain at \$720,000 per year for debt service on bonds issued to facilitate infrastructure projects partnered in by TEDC.
- Interest revenues will gradually decrease with decreasing fund balance and assumed decrease in interest rates.

Expenditures:

- Salaries (FT & PT) increase by 3.5% annually. Payroll deductions are calculated on increased pay.
- Health insurance increases by 13% per year.
- Property and liability insurance increases by 10% per year.
- The supplies, maintenance, services and charges categories increase by 2%, 2.5%, and 3% respectively.

GENERAL FUND LONG-TERM FINANCIAL PLAN BASED ON AMENDED BUDGET

Tax Rates: \$ 0.251455

	FY2009 Base Budget	Recurring Supplemental	Non-Recur. Supplemental	FY2009 Total Budget
<b>Revenues:</b>				
Property taxes	\$ 1,567,237	\$ -	\$ -	\$ 1,567,237
Sales taxes	6,200,000	-	-	6,200,000
Franchise taxes	1,179,220	-	-	1,179,220
Permits and licenses	318,660	-	-	318,660
Fines and warrants	643,700	-	-	643,700
Service fees	2,100,000	-	-	2,100,000
Transfers In	1,778,313	-	-	1,778,313
Contributions	131,900	-	-	131,900
Interest	580,000	-	-	580,000
Other	241,880	-	-	241,880
<b>Total Revenues</b>	<b>14,740,910</b>	<b>-</b>	<b>-</b>	<b>14,740,910</b>
<b>Expenditures:</b>				
City Hall Administration				
City Manager's Office	479,913	-	-	479,913
Mayor and Council	93,561	-	-	93,561
City Secretary	353,649	(2,930)	-	350,719
Human Resources	282,858	52,793	-	335,651
Finance	520,143	1,143	-	521,286
Information Systems	255,650	1,650	50,882	308,182
Legal	244,700	-	-	244,700
Non-Departmental	253,751	-	-	253,751
Building Permits and Inspections	394,652	3,424	-	398,076
Police	4,825,890	169,273	-	4,995,163
Fire				
Fire	1,135,019	(5,028)	23,800	1,153,791
Fire Marshal	194,946	4,247	-	199,193
Emergency Services	17,600	-	-	17,600
Municipal Court	439,957	2,996	-	442,953
Public Works Administration				
Public Works Administration	63,323	-	-	63,323
Engineering and Planning	777,679	(1,280)	175,000	951,399
Facilities Maintenance	448,339	1,942	-	450,281
Garage	88,609	1,478	-	90,087
Streets	672,606	236,396	115,000	1,024,002
Sanitation	2,350,100	-	-	2,350,100
Parks	391,305	5,564	-	396,869
Community Center	159,571	-	-	159,571
<b>Total Expenditures</b>	<b>14,443,821</b>	<b>471,669</b>	<b>364,682</b>	<b>15,280,172</b>
<b>Net Income from Operations</b>	<b>297,089</b>	<b>(471,669)</b>	<b>(364,682)</b>	<b>(539,262)</b>
<b>Other Sources/(Uses):</b>				
Proceeds from debt				
Vehicle Replacement	(716,662)	-	-	(716,662)
Capital Projects/Outlay	(724,000)	-	(100,000)	(824,000)
<b>Total Other Sources/(Uses)</b>	<b>(1,440,662)</b>	<b>-</b>	<b>(100,000)</b>	<b>(1,540,662)</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>(1,143,573)</b>	<b>(471,669)</b>	<b>(464,682)</b>	<b>(2,079,924)</b>
<b>Beginning Fund Balance</b>	<b>7,763,786</b>			<b>7,763,786</b>
<b>Ending Fund Balance</b>	<b>\$ 6,620,213</b>	<b>\$ (471,669)</b>	<b>\$ (464,682)</b>	<b>\$ 5,683,862</b>
18% of Operating Expenses - Target	\$2,599,888			\$2,684,788
				38.11%

\$ 0.301455 \$ 0.3500 \$ 0.3500 \$ 0.3500 \$ 0.3500

	FY2010 Projection	FY2011 Projection	FY2012 Projection	FY2013 Projection	FY2014 Projection
\$	1,932,432	\$ 2,391,251	\$ 2,496,401	\$ 2,914,079	\$ 3,297,130
	6,386,000	6,577,580	6,906,459	7,251,782	7,614,371
	1,214,597	1,251,035	1,288,566	1,327,223	1,367,039
	302,952	315,070	327,673	340,780	354,411
	667,774	692,777	718,747	745,720	773,737
	2,194,500	2,293,253	2,396,449	2,504,289	2,616,982
	1,834,653	1,916,070	2,001,337	2,093,878	2,192,795
	190,920	140,320	106,660	56,000	56,000
	600,000	550,000	550,000	550,000	600,000
	237,918	244,196	250,726	257,519	264,586
	15,561,745	16,371,552	17,043,017	18,041,269	19,137,051

499,848	521,877	545,217	569,980	596,287
143,472	146,475	149,572	152,765	156,059
373,543	391,363	410,460	430,960	453,006
333,228	347,968	363,674	380,434	398,351
540,337	564,632	587,242	614,664	643,936
309,582	317,111	324,857	332,827	341,028
296,874	304,296	311,939	319,808	327,911
276,269	300,953	328,017	357,698	390,253
374,692	393,827	414,324	436,316	459,952
5,259,668	5,518,306	5,797,861	6,097,339	6,418,680

1,135,082	1,180,607	1,228,866	1,280,104	1,334,595
244,846	254,402	264,566	275,394	286,948
51,450	51,969	52,504	53,054	53,621
459,186	480,151	502,437	526,165	551,466

77,209	81,115	84,851	89,440	94,436
811,266	850,394	892,194	936,922	984,862
452,757	467,348	482,485	498,197	514,517
97,557	102,817	108,509	114,682	121,389
725,097	754,566	783,237	816,935	853,132
2,417,603	2,437,131	2,458,745	2,532,507	2,608,483
414,783	435,414	457,609	481,529	507,359
166,050	174,584	183,775	193,697	204,435
15,460,398	16,077,307	16,732,943	17,491,420	18,300,705

101,347	294,244	310,075	549,850	836,346
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550,000				
(488,730)	(485,800)	(474,371)	(450,425)	(436,570)
(1,620,000)	(489,000)	-	-	-
(1,558,730)	(974,800)	(474,371)	(450,425)	(436,570)

(1,457,383)	(680,556)	(164,296)	99,425	399,776
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5,683,862	4,226,479	3,545,924	3,381,627	3,481,052
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\$	4,226,479	\$ 3,545,924	\$ 3,381,627	\$ 3,481,052	\$ 3,880,827
	\$2,782,872	\$2,893,915	\$3,011,930	\$3,148,456	\$3,294,127
	27.34%	22.06%	20.21%	19.90%	21.21%

## DEBT SERVICE LONG-TERM FINANCIAL PLAN

	FY 2007	FY2008	FY 2008	\$0.251455
	Actual	Current	Projections	FY2009
		Budget		Budget
<b>Revenues:</b>				
Current taxes	\$ 1,328,065	\$ 1,297,638	\$ 1,420,000	\$ 1,393,241
Delinquent taxes		35,000	35,000	35,000
Penalty and interest		21,000	21,000	21,000
Interest	96,069	82,000	82,000	70,000
<b>Total Revenues</b>	<b>1,424,134</b>	<b>1,435,638</b>	<b>1,558,000</b>	<b>1,519,241</b>
<b>Expenditures:</b>				
Principal	1,138,174	1,085,500	1,085,500	1,110,500
Interest	830,330	755,906	755,906	707,835
Lease Payment			87,176	218,540
FY2009				
FY2010				
FY2011				
Fees		5,000	3,000	5,000
<b>Total Expenditures</b>	<b>1,968,504</b>	<b>1,846,406</b>	<b>1,931,582</b>	<b>2,041,875</b>
<b>Other Sources/(Uses):</b>				
Transfers	1,500,000			
<b>Total Other Sources/(Uses)</b>	<b>1,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>955,630</b>	<b>(410,768)</b>	<b>(373,582)</b>	<b>(522,634)</b>
<b>Beginning Fund Balance</b>	<b>1,205,549</b>	<b>2,161,179</b>	<b>2,161,179</b>	<b>1,787,597</b>
<b>Ending Fund Balance</b>	<b>\$ 2,161,179</b>	<b>\$ 1,750,411</b>	<b>\$ 1,787,597</b>	<b>\$ 1,264,963</b>
Ending FB as % of Next Year's Debt Service Requirement	112.06%	85.94%	87.76%	49.12%

**Tax Rates**

	\$0.301455	\$0.350000	\$0.350000	\$0.350000	\$0.350000
	FY2010	FY2011	FY2012	FY2013	FY2014
	Projection	Projection	Projection	Projection	Projection
\$	1,872,167	\$ 2,348,010	\$ 2,596,228	\$ 2,558,366	\$ 2,583,562
	35,000	40,000	40,000	45,000	45,000
	21,500	22,000	22,500	23,000	23,000
	78,000	60,000	55,000	65,000	65,000
	2,006,667	2,470,010	2,713,728	2,691,366	2,716,562
	1,135,500	1,165,500	1,090,500	1,125,500	1,155,500
	659,983	612,036	565,295	519,365	471,113
	780,000	780,000	780,000	780,000	780,000
			238,600	238,600	238,600
	5,000	5,000	5,000	5,000	5,000
	2,580,483	2,562,536	2,679,395	2,668,465	2,650,213
	-	-	-	-	-
	(573,816)	(92,526)	34,333	22,901	66,349
	1,264,963	691,147	598,621	632,954	655,855
\$	691,147	\$ 598,621	\$ 632,954	\$ 655,855	\$ 722,204
	27.02%	22.38%	23.76%	24.79%	27.41%

## ENTERPRISE FUND LONG-TERM FINANCIAL PLAN

	FY2008 Current Budget	FY2008 Projections	FY2009 Adopted Budget	FY2010 Projection
Operating Revenues:				
Water sales	\$ 2,662,550	\$ 2,680,000	\$ 2,830,163	\$ 3,226,386
Sewer sales	1,331,275	1,248,000	2,355,403	2,685,159
Gas sales	3,391,500	3,650,000	5,637,300	5,919,165
Tap fees	116,500	119,000	119,000	124,950
Reconnect fees	28,000	28,000	28,000	28,700
Interest	350,000	350,000	350,000	300,000
Other	847,200	842,400	842,400	845,460
Transfers	1,600,000	2,025,396	-	-
<b>Total Operating Revenues</b>	<b>10,327,025</b>	<b>10,942,796</b>	<b>12,162,266</b>	<b>13,129,820</b>
Expenses:				
Enterprise Administration	1,533,703	1,445,585	446,001	325,847
Utility Billing			417,316	442,910
Water	1,898,602	1,604,495	1,947,015	2,017,964
Wastewater	1,331,984	1,288,936	1,555,759	1,626,333
Gas	2,485,533	2,905,549	4,363,487	4,480,368
Transfer to General Fund			1,749,561	1,866,262
<b>Total Operating Expenses</b>	<b>7,249,822</b>	<b>7,244,565</b>	<b>10,479,139</b>	<b>10,759,684</b>
<b>Net Revenue Available for Debt</b>	<b>3,077,203</b>	<b>3,698,231</b>	<b>1,683,127</b>	<b>2,370,136</b>
Debt Service*				
Revenue Bonds	535,232	535,231	1,032,415	1,032,416
Certificates of Obligation	998,630	998,630	973,901	973,901
Fiscal Fees	7,500	2,500	5,000	7,500
<b>Total Debt Service</b>	<b>1,541,362</b>	<b>1,536,362</b>	<b>2,011,316</b>	<b>2,013,817</b>
Non-Operating Revenues (expenses)				
Proceeds from debt				
Transfers	-	-	-	-
Vehicle replacement	(246,663)	(246,663)	(121,510)	(119,080)
Capital outlay	(4,712,394)	(4,667,929)	(715,000)	(100,000)
<b>Total Non-Operating Revenue</b>	<b>(4,959,057)</b>	<b>(4,914,592)</b>	<b>(836,510)</b>	<b>(219,080)</b>
<b>Net Income (Excluding Depr.)</b>	<b>(3,423,216)</b>	<b>(2,752,723)</b>	<b>(1,164,699)</b>	<b>137,239</b>
<b>Beginning Fund Balance</b>	<b>6,386,872</b>	<b>6,386,872</b>	<b>3,634,150</b>	<b>2,469,451</b>
<b>Ending Fund Balance</b>	<b>\$ 2,963,656</b>	<b>\$ 3,634,150</b>	<b>\$ 2,469,451</b>	<b>\$ 2,606,690</b>
Reserve Requirement (18% of Op.)			\$1,827,745	\$1,936,743
Reserve Level			24.3%	24.2%
Debt Coverage on Revenue Bonds			163.0%	229.6%
Debt Coverage on Total Bonds			83.7%	117.7%



	FY2011 Projection	FY2012 Projection	FY2013 Projection	FY2014 Projection
\$	3,678,080	\$ 3,898,765	\$ 4,132,691	\$ 4,380,652
	3,061,082	3,244,747	3,439,431	3,645,797
	6,215,123	6,525,879	6,852,173	7,194,782
	131,198	137,757	137,000	137,000
	29,418	30,153	30,907	31,679
	100,000	50,000	50,000	50,000
	848,597	851,811	855,107	858,484
	-	-	-	-
	14,063,496	14,739,112	15,497,309	16,298,395
	341,669	358,590	376,717	396,167
	466,601	492,160	519,784	549,692
	2,078,587	2,142,029	2,208,498	2,278,222
	1,682,567	1,742,642	1,806,934	1,875,867
	4,583,625	4,690,277	4,800,540	4,914,656
	1,948,800	2,035,153	2,128,914	2,229,106
	11,101,849	11,460,851	11,841,387	12,243,710
	2,961,647	3,278,261	3,655,922	4,054,685
	1,849,630	1,851,413	1,852,279	1,852,198
	948,797	922,569	896,341	870,413
	7,500	7,500	7,500	7,500
	2,805,927	2,781,482	2,756,120	2,730,111
	-	-	-	-
	(119,080)	(119,080)	(115,257)	(103,839)
	(300,000)			
	(419,080)	(119,080)	(115,257)	(103,839)
	(263,360)	377,699	784,545	1,220,735
	2,606,690	2,343,330	2,721,029	3,505,574
\$	2,343,330	\$ 2,721,029	\$ 3,505,574	\$ 4,726,309
	\$1,998,333	\$2,062,953	\$2,131,450	\$2,203,868
	21.1%	23.7%	29.6%	38.6%
	160.1%	177.1%	197.4%	218.9%
	105.5%	117.9%	132.6%	148.5%

## Appendix F Capital Project Funding Summary

	Estimated 2007-08	Budget 2008-09	Projected 2009-10	Projected 2010-11	Projected 2011-12	Projected 2012-13	Budget Plus Projected Total
General Fund	12,610,804	724,000	-	-	-	-	724,000
Mechanic Street		550,000					550,000
Rudolph Road and Utilities		174,000					174,000
Enterprise Fund	4,548,636	715,000	100,000	300,000	-	-	5,663,636
Brown-Hufsmith Road Extension		280,000					280,000
Hufsmith Water and Gas Improvements		150,000					150,000
Medical Complex Extension		200,000	100,000	160,000			460,000
Rudolph Road Utilities		35,000		140,000			175,000
Tomball Hills Lift Station		50,000					50,000
<b>Total Capital Program</b>	<b>17,159,440</b>	<b>1,439,000</b>	<b>100,000</b>	<b>300,000</b>	<b>0</b>	<b>0</b>	<b>8,226,636</b>

## Appendix G Summary of Fiscal Year 2009 Supplemental Programs

	Recurring Revenue/ Savings	Non- Recur. Revenue/ Savings	Recurring Cost	Non Recurring Cost	Net Recurring Cost	Net Non- Recur. Cost
<b>Mayor and Council</b>						
Depot Improvements	\$	\$	\$	118,000	-	\$ (118,000)
<b>Human Resources</b>						
Citywide Training				21,000	-	(21,000)
Certification Pay Program				22,812	-	(22,812)
<b>Information Systems</b>						
Exchange 2007 Upgrade				9,600	-	(9,600)
Systems Monitoring Upgrade				8,800	-	(8,800)
Windows Server 2008 Upgrade				8,000	-	(8,000)
Network Switch Refresh				4,500	-	(4,500)
ArcGIS Extensions				6,000	-	(6,000)
Incode Work Order				15,632	-	(15,632)
<b>Fire Department</b>						
Rapid Intervention Team Packs				5,800	-	(5,800)
Red and Yellow Striping for Trucks				18,000	-	(18,000)
<b>Streets</b>						
Asphalt Steet Maintenance Program			75,000	75,000	(75,000)	(75,000)
Drainage System Maintenance and Improvements Program			75,000	40,000	(75,000)	(40,000)
Concrete Street Maintenance Program			50,000	-	(50,000)	-

<b>Engineering and Planning</b>					
Visioning/Comprehensive Plan	125,000	-	(125,000)		
Railroad Overlay	50,000	-	(50,000)		
<b>Utility Administration</b>					
Visioning/Comprehensive Plan	125,000	-	(125,000)		
<b>Water Department</b>					
Utility Replacement Program	200,000	(200,000)			
<b>TOTAL SUPPLEMENTAL PROGRAMS</b>	<b>\$ 653,144</b>	<b>(400,000)</b>	<b>(653,144)</b>		

## Appendix H Staffing List

	FY2006	FY2007	FY2008	FY2009
<b>General</b>				
<b>Administrative Department</b>				
City Manager	1.00	1.00	1.00	0.00
Assistant City Manager	0.00	0.00	0.00	0.00
City Secretary	1.00	1.00	1.00	0.00
Assistant City Secretary	0.00	1.00	1.00	0.00
Finance Director	0.00	0.00	0.00	0.00
Accounting Supervisor	1.00	1.00	1.00	0.00
HR Director	1.00	1.00	1.00	0.00
Purchasing Agent	0.00	0.00	0.00	0.00
Accounts Payable Clerk	1.00	1.00	1.00	0.00
Tax Collector	1.00	1.00	1.00	0.00
Administrative Secretary	1.00	1.00	1.00	0.00
Office Clerks	1.50	0.50	0.50	0.00
Receptionist	1.00	1.00	1.00	0.00
<b>City Manager's Office</b>				
City Manager	0.00	0.00	0.00	1.00
Assistant City Manager	0.00	0.00	0.00	1.00
Assistant to the City Manager	0.00	0.00	0.00	1.00
<b>Permits</b>				
Building Official	1.00	1.00	1.00	1.00
City Inspector	1.00	2.00	2.00	2.00
Code Enforcement Officer	1.00	1.00	1.00	1.00
Permit Clerk	2.00	2.00	2.00	1.00
<b>City Secretary</b>				
City Secretary	0.00	0.00	0.00	1.00
Assistant City Secretary	0.00	0.00	0.00	1.00
Administrative Assistant	0.00	0.00	0.00	1.00
Receptionist	0.00	0.00	0.00	1.00
VOE Student	0.00	0.00	0.00	0.50
<b>Human Resources</b>				
HR Director	0.00	0.00	0.00	1.00
HR Generalist	0.00	0.00	0.00	1.00
<b>Finance</b>				
Finance Director	0.00	0.00	0.00	1.00
Accounting Supervisor	0.00	0.00	0.00	1.00
Purchasing Agent	0.00	0.00	0.00	1.00
Accounts Payable Clerk	0.00	0.00	0.00	1.00
Budget Analyst/Project Accountant	0.00	0.00	0.00	1.00
<b>Police</b>				
Police Chief	1.00	1.00	1.00	1.00
Captain	2.00	2.00	2.00	2.00
Lieutenant	1.00	1.00	1.00	1.00
Detective	1.00	1.00	1.00	1.00
Sergeant	7.00	7.00	7.00	6.00
Corporal	1.00	1.00	1.00	1.00
Police Officer	25.50	25.50	27.00	28.00
Public Service Officer	1.00	2.00	2.00	2.00
IT Support Specialist	0.00	0.00	1.00	1.00
Records Clerk	2.00	3.00	3.00	3.00
Dispatcher	9.00	9.00	9.00	9.00
<b>Court</b>				
Senior Court Clerk	1.00	1.00	1.00	1.00
Municipal Court Clerk	1.00	1.00	1.00	1.00

## Appendix H Staffing List

	FY2006	FY2007	FY2008	FY2009
<b>General</b>				
<b>Administrative Department</b>				
City Manager	1.00	1.00	1.00	0.00
Assistant City Manager	0.00	0.00	0.00	0.00
City Secretary	1.00	1.00	1.00	0.00
Assistant City Secretary	0.00	1.00	1.00	0.00
Finance Director	0.00	0.00	0.00	0.00
Accounting Supervisor	1.00	1.00	1.00	0.00
HR Director	1.00	1.00	1.00	0.00
Purchasing Agent	0.00	0.00	0.00	0.00
Accounts Payable Clerk	1.00	1.00	1.00	0.00
Tax Collector	1.00	1.00	1.00	0.00
Administrative Secretary	1.00	1.00	1.00	0.00
Office Clerks	1.50	0.50	0.50	0.00
Receptionist	1.00	1.00	1.00	0.00
<b>City Manager's Office</b>				
City Manager	0.00	0.00	0.00	1.00
Assistant City Manager	0.00	0.00	0.00	1.00
Assistant to the City Manager	0.00	0.00	0.00	1.00
<b>Permits</b>				
Building Official	1.00	1.00	1.00	1.00
City Inspector	1.00	2.00	2.00	2.00
Code Enforcement Officer	1.00	1.00	1.00	1.00
Permit Clerk	2.00	2.00	2.00	1.00
<b>City Secretary</b>				
City Secretary	0.00	0.00	0.00	1.00
Assistant City Secretary	0.00	0.00	0.00	1.00
Administrative Assistant	0.00	0.00	0.00	1.00
Receptionist	0.00	0.00	0.00	1.00
VOE Student	0.00	0.00	0.00	0.50
<b>Human Resources</b>				
HR Director	0.00	0.00	0.00	1.00
HR Generalist	0.00	0.00	0.00	1.00
<b>Finance</b>				
Finance Director	0.00	0.00	0.00	1.00
Accounting Supervisor	0.00	0.00	0.00	1.00
Purchasing Agent	0.00	0.00	0.00	1.00
Accounts Payable Clerk	0.00	0.00	0.00	1.00
Budget Analyst/Project Accountant	0.00	0.00	0.00	1.00
<b>Police</b>				
Police Chief	1.00	1.00	1.00	1.00
Captain	2.00	2.00	2.00	2.00
Lieutenant	1.00	1.00	1.00	1.00
Detective	1.00	1.00	1.00	1.00
Sergeant	7.00	7.00	7.00	6.00
Corporal	1.00	1.00	1.00	1.00
Police Officer	25.50	25.50	27.00	28.00
Public Service Officer	1.00	2.00	2.00	2.00
IT Support Specialist	0.00	0.00	1.00	1.00
Records Clerk	2.00	3.00	3.00	3.00
Dispatcher	9.00	9.00	9.00	9.00
<b>Court</b>				
Senior Court Clerk	1.00	1.00	1.00	1.00
Municipal Court Clerk	1.00	1.00	1.00	1.00

## Appendix H Staffing List

	FY2006	FY2007	FY2008	FY2009
Assistant Court Clerk	0.00	0.00	1.00	1.00
Police Bailiff/Warrant Officer	1.00	1.00	1.00	1.00
Municipal Judge	1.00	1.00	1.00	1.00
<b>Community Center</b>				
Director	1.00	1.00	1.00	1.00
Assistant Director	1.00	1.00	1.00	1.00
Attendants-Part Time	1.00	1.00	1.00	1.00
<b>Fire Marshal</b>				
Fire Marshal/Inspector	0.00	0.00	0.00	1.00
Fire Inspector	0.00	0.00	0.00	1.00
<b>Fire</b>				
Fire Chief	1.00	1.00	1.00	1.00
Assistant Fire Chief	1.00	1.00	1.00	1.00
Fire Marshal/Inspector	1.00	1.00	1.00	0.00
Fire Inspector	0.00	1.00	1.00	0.00
Part Time Fire Fighter/ Fire Inspector	0.00	1.00	1.00	1.00
Fire Fighter	0.00	0.00	2.00	2.00
Part Time Fire Fighter	5.00	7.00	7.00	7.00
Administrative Assistant	1.00	1.00	1.00	1.00
Community Volunteers-Not Paid	60.00	60.00	60.00	60.00
<b>Public Works Administrative</b>				
Public Works Director of Operations	0.00	0.00	0.00	0.00
Director of Engineering and Planning	0.00	1.00	1.00	0.00
City Engineer	1.00	0.00	0.00	0.00
Assistant City Engineer	0.00	1.00	1.00	0.00
GIS Coordinator	1.00	0.00	0.00	0.00
Park, Street, Drainage Superintendent	1.00	1.00	1.00	0.00
Facilities Maintenance Specialist	1.00	1.00	1.00	0.00
Community Development Coordinator	0.00	1.00	1.00	0.00
Inventory Control Specialist	0.00	0.00	0.00	0.00
Receptionist/Office Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	0.00	0.00	1.00	0.00
Construction Manager	0.00	0.00	1.00	0.00
VOE Student	0.50	0.00	0.00	0.00
<b>Garage</b>				
Mechanic	1.00	1.00	1.00	1.00
<b>Parks</b>				
Park Foreman	1.00	1.00	1.00	1.00
Serviceman	3.00	3.00	4.00	4.00
Crew Worker	0.20	0.20	0.20	0.20
<b>Streets</b>				
Street & Drainage Foreman	1.00	0.00	0.00	1.00
Heavy Equipment Operator	2.00	2.00	2.00	2.00
Serviceman	7.00	5.00	5.00	5.00
Crew Worker	0.20	0.20	0.20	0.20
<b>Engineering and Planning</b>				
Director of Engineering & Planning	0.00	0.00	0.00	1.00
Assistant City Engineer	0.00	0.00	0.00	1.00
Project Technician	0.00	0.00	0.00	1.00
Community Development Coordinator	0.00	0.00	0.00	1.00
Assistant City Planner	0.00	0.00	0.00	1.00
Construction Manager	0.00	0.00	0.00	1.00
Administrative Assistant	0.00	0.00	0.00	1.00

## Appendix H Staffing List

	FY2006	FY2007	FY2008	FY2009
<b>Facilities Maintenance</b>				
Facilities Maintenance Specialist	0.00	0.00	0.00	1.00
<b>Hotel Occupancy Tax Fund</b>				
Community Events Coordinator	0.00	0.00	0.50	0.50
<b>Enterprise Fund</b>				
<b>Utilities Administrative</b>				
City Manager	0.00	0.00	0.00	0.00
Assistant City Manager	1.00	1.00	1.00	0.00
Public Works Director of Operations	1.00	1.00	1.00	1.00
Finance Director	1.00	1.00	1.00	0.00
Director of Engineering and Planning	0.00	0.00	0.00	0.00
City Engineer	0.00	0.00	0.00	0.00
GIS Coordinator	0.00	0.00	0.00	0.00
Utility Superintendent	1.00	1.00	0.00	1.00
Accounting Supervisor	0.00	0.00	1.00	0.00
HR Coordinator	0.00	0.00	0.00	0.00
HR Generalist	1.00	1.00	0.00	0.00
Purchasing Agent	1.00	1.00	1.00	0.00
Inventory Control	1.00	1.00	1.00	1.00
Billing Supervisor	1.00	1.00	1.00	0.00
Office Clerks	2.50	2.50	1.00	0.00
Reception/Office Assistant	1.00	1.00	2.50	0.00
Budget Analyst/Project Accountant	0.00	0.00	1.00	0.00
<b>Utility Billing</b>				
Billing Supervisor	0.00	0.00	0.00	1.00
Office Clerks	0.00	0.00	0.00	3.00
Utilities Serviceperson	0.00	0.00	0.00	3.00
<b>Water</b>				
Foreman	1.00	1.00	1.00	1.00
Crew Chief	1.00	1.00	1.00	1.00
Technician	0.00	0.00	0.00	0.00
Heavy Equipment Operator	1.00	1.00	1.00	1.00
Serviceman	3.00	3.00	4.00	2.00
Locator	1.00	1.00	1.00	1.00
Utilities Laborer	0.20	0.20	0.20	0.20
<b>Wastewater</b>				
Crew Chief	1.00	2.00	2.00	2.00
Plant Supervisor	1.00	1.00	1.00	1.00
Plant Operator	2.00	2.00	2.00	2.00
Technician	1.00	1.00	1.00	1.00
Serviceman	4.00	4.00	4.00	4.00
Part Time Laborer	0.20	0.20	0.20	0.20
<b>Gas</b>				
Foreman	1.00	1.00	1.00	1.00
Crew Chief	1.00	1.00	1.00	1.00
Technician	1.00	1.00	1.00	1.00
Heavy Equipment Operator	0.00	0.00	0.00	0.00
Serviceman	3.00	4.00	4.00	3.00
Part Time Laborer	0.20	0.20	0.20	0.20



## Appendix I Glossary of Terms

### A

**Accounts Payables** - A liability account reflecting amount of open accounts owing to private persons or organizations for goods and services received by a government (but not including amount due to other funds of the same government or to other governments).

**Accounts Receivable** - An asset account reflecting amounts owing to open accounts from private person or organizations for goods or services furnished by a government.

**Accrual Accounting** – Recognition of the financial effects of transactions, events and circumstances in the period(s) when they occur regardless of when the cash is received or paid.

**Ad Valorem** – Latin for “value of”. Refers to the tax assessed against real (land and building) and personal (equipment and furniture) property.

**Amortization** – Payment of principal plus interest over a fixed period of time.

**Appropriation** – A legal authorization granted by a legislative body (City Council) to make expenditures and incur obligation for designated purposes.

**Arbitrage** – The interest earnings derived from invested bond proceeds or debt service fund balances.

**Assessed Valuation** – A valuation set upon real estate or other property by a government as a basis for levying taxes.

### B

**Balance Sheet** – The basic financial statement, which discloses the assets, liability and equities of an entity at a specific date in conformity with Generally Accepted Accounting Principles (GAAP).

**Balanced Budget** – Annual financial plan in which expenses do not exceed revenues.

**Bond** – A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s).

**Budget** – A plan of financial operation embodying an estimate of proposed expenditures for any given period and the proposed means of financing them.

**Budget Adjustment** – A request submitted for additional funding in departmental budgets for new or existing programs or services.

### C

**Capital Outlays** – Expenditures which result in the acquisition of or addition to fixed assets

which are individually priced at more than \$5,000.

**Certificate of Obligations (CO's)** – Similar to general obligation bonds except the certificates require no voter approval.

**Contractual Services** – The costs related to services performed for the City by individuals, business or utilities.

**Cost** – The amount of money or other consideration exchanged for property or services. Costs may be incurred even before the money is paid; that is, as soon as liability is incurred. Ultimately, however, money or other consideration must be given in exchange.

**Current Asset** – Those assets which are available or can be made readily available to finance current operations or to pay current liabilities. Those assets which will be used up or converted into cash within one year. Some examples are cash, temporary investments, and taxes receivables which will be collected within one year.

**Current Liabilities** – Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded within one year.

## D

**Debt Service/ Lease** – A cost category which typically reflects the repayment of short-term

(less than 5 years) debt associated with the acquisition of capital equipment. Category also includes department contribution to the Capital Replacement Fund.

**Delinquent Taxes** – Taxes remaining unpaid on or after the date on which a penalty for nonpayment is attached.

**Depreciation** – Change in the value of assets (equipment, buildings, etc. with a useful life greater than one year) due to use of the assets.

## E

**Encumbrances** – Commitments related to unperformed contracts for goods and services used in budgeting. Encumbrances are not expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

**Exempt** – Personnel not eligible to receive overtime pay and who expected to put in whatever hours are necessary to complete their job assignments. Compensatory time-off, as partial compensation for overtime hours worked, may be allowed by the respective department head.

**Expanded Level of Service** – A request of additional funding for a service or program that will increase operational efficiency or significantly increase the quality or scope of a service.

**Expenditures** – Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays.

## F

**Fiscal Year** – A 12-month period to which the annual operating budget applies and at the end of which government determines its financial position and the results of its operations. The City of Tomball's fiscal year begins October 1<sup>st</sup> and ends the following September 30<sup>th</sup>. The term FY 2008 denotes the fiscal year beginning October 1<sup>st</sup>, 2007 and ending September 30<sup>th</sup>, 2008.

**FTE** – Acronym for full time equivalent, a measurement of staffing. One FTE is a 40 hours per week position. A part-time position working 20 hours per week or a temporary full-time position working six months would be ½ FTE.

**Fixed Assets** – Assets of a long term character, which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery, and equipment.

**Franchise** – A special privilege granted by a government permitting the continuing use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

**Fund** - A fiscal and accounting entity with a self-balanced set of accounts recording cash and other financial resources, together with all related liabilities and residual equities of balances, and charges therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**Fund Balance** – The difference between governmental fund assets and liabilities also referred to as fund equity.

## G

**GASB** – Acronym for Governmental Accounting Standards Board, an independent, non-profit agency responsible for the promulgation of accounting and financial reporting procedures for governmental entities.

**General Obligation Bonds** – Bonds for the payment of which the full faith and credit of the issuing government is pledged. In issuing its general obligation bonds, the City of Tomball pledges to levy whatever property tax is needed to repay the bonds for a particular year. Bonds cannot be issued without voter approval and are usually issued with maturities of between 15 and 30 years.

**Governmental Funds** – Those funds through which most governmental functions are typically financed. The acquisition, use, and financial resources and the related current liabilities are accounted for through governmental funds

(General, Special Revenue, Capital Projects, and Debt Service Funds).

## M

**Maintenance** – The upkeep of physical properties in condition for use of occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

**Maintenance Project** – A project that needs additional funding in order to maintain the upkeep of physical property.

**Modified Accrual Accounting** – Accounting system in which revenues are recognized and recorded in the accounts when they are measurable, available and collectible in the fiscal year.

## N

**Non-Exempt** – Personnel eligible to receive overtime pay when overtime work has been authorized or requested by the supervisor.

## O

**Operating Expenditure** – Expenditure on an existing item of property or equipment that is not a capital expenditure.

**Ordinance** – A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The

difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments, and service charges, usually require ordinances.

## P

**Proprietary Fund** – Operation that operates like a private commercial operation, in which services are financed through user charges and expenditures include the full cost of operations.

**Purchase Order (PO)** – A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

## R

**Revenues** – In governmental fund type net current assets for other than expenditures refunds and residual equity transfers.

**ROW** – Acronym for right-of-way.

## S

**Slipline** – The process of restoring deteriorated sewer (wastewater) lines. The process involves inserting a “sock” of special material through the length of line, which, when filled with hot water, cures to produce a hard, seamless pipe.

**Special Assessment** – A compulsory levy made against certain properties to defray part or all of

the cost of a specific improvement or service deemed to primarily benefit those properties.

**Special Revenue Fund** – A fund used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Supplies** – A cost category for minor items (individually priced at less than \$5,000) required by departments to conduct their operations.

## T

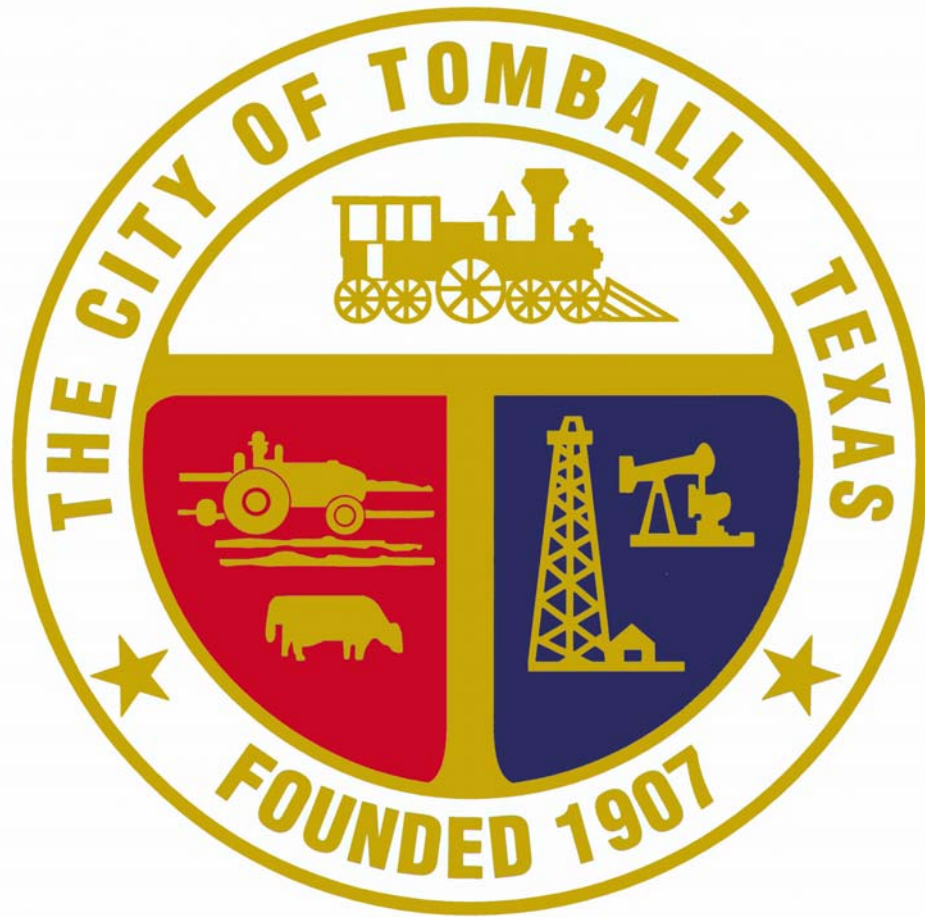
**Taxes** – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessment. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

**TCEQ** – Acronym for Texas Commission on Environmental Quality , a state agency responsible for enforcing federal and state environmental laws.

**TxDOT** - An acronym for Texas Department of Transportation.

## W

**Working Capital** – The amount of current assets which exceeds current liabilities.



## City Staff

City Hall (Main)		281-351-5484
City Manager	Jan Belcher	281-290-1006
Assistant City Manager	Mary Coker	281-290-1009
City Secretary	Doris Speer	281-290-1002
Director of Engineering and Planning	Mark McClure	281-290-1412
Director of Human Resources	Lisa Coe	281-290-1012
Director of Public Works	David Kauffman	281-290-1415
Finance Director	Monica Kohlenberg	281-290-1417
Fire Chief	Randy Parr	281-351-7101
Senior Court Clerk	Maria Morris	281-351-7894
Police Chief	Robert Hauck	281-351-5451
Utility Billing Supervisor	Julie Stafford	281-290-1423
Building Official	Dave Allen	281-290-1406
Community Center Manager	Wanda Sutton	281-290-1024

## Consultants

Attorney		Olson & Olson	713-533-3800
Bond Counsel		Vinson & Elkins	713-758-2222
Financial Advisor	First Southwest	Joe Morrow	713-651-9850
Auditor	Belt Harris & Associates	Robert Belt	713-263-1123