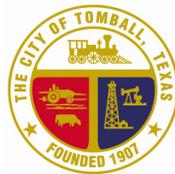


City of Tomball, Texas



Annual Budget
For the Fiscal Year
October 1, 2009 to September 30, 2010

How to Read this Document

Welcome!

You are holding the published City of Tomball, Texas budget for the fiscal year beginning October 1, 2009 and ending September 30, 2010. 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 FY 2010 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 account for 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 of most of the City's operations such as Police, Fire, Municipal Court, Streets, and Parks. Financial statements, including the adopted FY 2010 budget are presented 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 fiscal year 2008 actuals. The ending balance of the actual year becomes the beginning balance of the projected current fiscal year, FY 2009. 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 FY 2010 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's presentation includes a mission statement, accomplishments for the previous fiscal year, and operational objectives for the upcoming year. Selected service levels for each department 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, appendices are presented that more fully describe the budget process, the City's major revenue sources, the long-term financial plans for the General, Debt Service, and Enterprise Funds, and a capital project summary. Also included is a glossary of terms.

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Tomball City Council



Gretchen Fagan
Mayor, Elected Mayor May 12, 2007
Councilman (2004-2007)
Serving 1st Term
gfgan@ci.tomball.tx.us



David Quinn
Councilman, Position 1
Elected May 2005
Serving 2nd Term
dquinn@ci.tomball.tx.us



Mark Stoll
Councilman, Position 2
Elected June 2009
Serving 1st Term
mstoll@ci.tomball.tx.us



Bill Webb
Mayor Pro-Tem
Councilman, Position 3
Mayor (1990-1992)
Elected June 2007
Serving 1st Term
bwebb@ci.tomball.tx.us



Derek Townsend Sr.
Council Position 4
Elected May 2009
Serving 1st Term
dtownsend@ci.tomball.tx.us



Warren Driver
Councilman, Position 5
Elected August 2004
Serving 3rd Term
wdriver@ci.tomball.tx.us



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

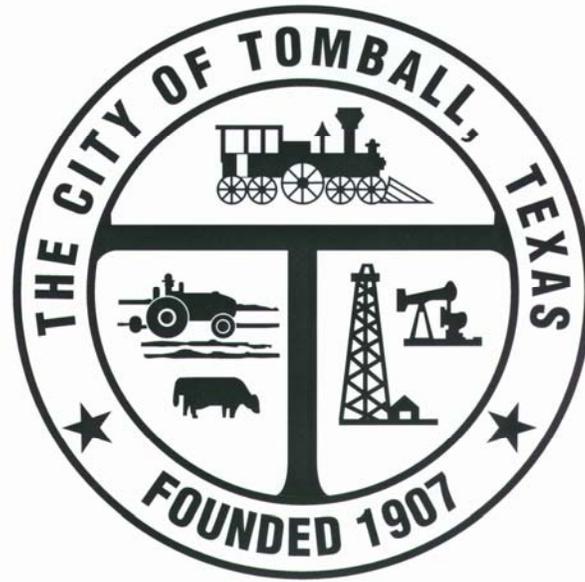
**City of Tomball
Texas**

For the Fiscal Year Beginning

October 1, 2008

President

Executive Director



INTRODUCTION

December 28, 2009

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 2009-10 budget as adopted by Council on September 8, 2009. 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 2009-2013¹ adopted by Council in July 2009. The Strategic Plan will serve as a guiding tool for the budget process through FY 2013. 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.

We initially addressed the daily operations component of the budget equation by asking department directors to evaluate funding existing operations and service levels with funding levels approved by Council in the 2008-09 adopted budget, less 1%. As all the numbers came together, it became apparent that in order to maintain the City's current tax rate additional reductions would be needed. Therefore, staff worked diligently to further reduce operating budgets (other than personnel costs) by an additional 13%. If due to anticipated and justified cost increases the department directors needed to request additional funding to maintain existing service levels, those additional funding requests were then incorporated. The few instances where that was the case resulted primarily from increases in service contracts with outside vendors. Overall, the total operations budget (including personnel costs) decreased by approximately \$914,000 with a large portion of that decrease due to the decreased cost of natural gas supply, decreased fuel costs, decreases in professional services, and decreases in training 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.

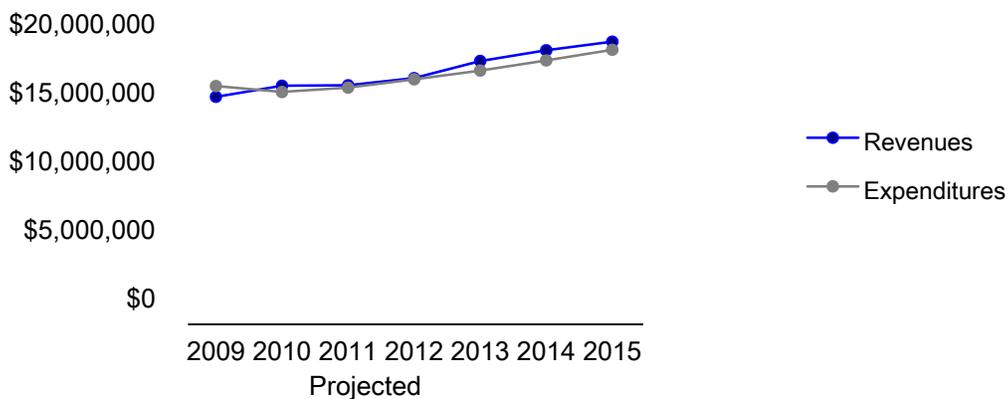
The Budget in Brief The adopted 2009-10 budget was developed in accordance with the City Charter and the financial policies approved by Council². Revenues (excluding bond proceeds and transfers to other funds) for all appropriable funds total \$30,246,693; representing a 6% decrease over the previous year's budget. This

¹ The summary of the City of Tomball Strategic Plan 2009-2013 can be located on page 4 of this document.

² See Appendix B for a complete set of Financial Management Policies.

decrease is primarily due to a decrease in revenues projected to be received from natural gas sales due to a reduction in the price of natural gas (\$1.6 million or 28%) as well as those for interest earnings (\$411,000 or 41%).¹ The taxable appraised values of the City of Tomball, for budgetary purposes, are shown to be flat. Preliminary values received from the appraisal district were missing several major taxable property categories. Knowing the City did have some new commercial construction coming onto the tax rolls and balancing that with reductions in property values due to the state of the national economy, assuming values would remain flat was seen as the conservative budgeting approach. Upon receipt of the certified appraisal rolls and after the tax calculations have been completed, the budget will be amended for any change in revenue. 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 also budgeted to remain at the same level as FY 2009. Sales tax revenues for FY 2009 were down by approximately .9% 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 \$40,676,006 or 4% less than the original adopted 2009 budget. The decrease is primarily due to a reduction in the amount the City will pay for its natural gas supply for its utility operations in addition to reductions in fuel, training, and outside consultant services across nearly all city departments. The budget does not include additional staff positions for FY 2010 nor does it include merit based pay increase for employees due to the state of the economy. It does not include funding for two positions that are frozen for FY 2010. The operations budget does include an average 13% increase in the cost of providing medical and dental benefits to employees. Although a decrease from FY 2009, the budget includes cash funding for the following capital projects: Quinn Road Improvements and Sidewalks (\$314,500), Rudolph Road and Utilities

¹ See Appendix D for a detailed discussion of Major Revenue Sources.

Medical Complex Drive Extension (\$85,500), Tomball Hills Lift Station (\$20,000), and Water Well #5 (\$1,750,000).

The uncertain economy made it a challenging budget process and may bring a challenging year to come; but I believe our staff will rise to the test and shine regardless of what we face. 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 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 "Christal L. Kiewer". The signature is written in a cursive, flowing style.

Christal L. Kiewer
Assistant 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 2009-2013

During fiscal year 2008-09, Council developed a strategic plan which presented their collective vision for the City of Tomball through 2013. 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 which includes a sense of community and a home of which the citizens are proud. 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 that 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 2009-10 Goals

- Engage in a process/workshop to define roles and responsibilities of the Mayor, Council and City Manager and to formally adopt a set of Council Operating Rules.
- City Manager prepares a comprehensive citizen communications policy to enhance citizen communications including cost implications for Council to consider.
- Engage in a workshop to review the progress of the Comprehensive Plan, and how it will be utilized to ensure it is a living document, and not merely a study that sits on a shelf.
- City Manager prepares a financial analysis of the long term forecast of infrastructure needs in the just adopted 10 year Master Plan including an estimate of the total miles/feet of water and sewer line, roads and drainage ways that are in A/B/C/D condition based on age. The information will be used to develop the affiliated cost implications to bring everything up to A condition each year

based on current replacement schedules. This report should also include an analysis of the accumulating cost of unmet infrastructure needs if the schedule is not met.

- Participate in a workshop to understand all of the implications (including cost of projects on tax rate and cost of allowing infrastructure to decay) of all potential capital projects in the 10 year Master Plan just adopted.
- Adopt the Comprehensive Plan.
- Appoint two Citizen Bond Committee Co-Chairs for each major area of the Master Plan including all infrastructure issues therein (drainage, streets, parks, city facilities, etc). The two co-chairs of each individual committee will comprise the overall 2010 Bond Program Steering Committee. Council will also appoint an overall chair and co-chair. Staff support to be assigned by the City Manager for each bond committee.
- Appoint the full committees for each area of the bond program with input from the overall chairs, and the chairs of each major area of the Master Plan.
- Conduct a workshop with the Citizens Bond Committee to ensure they understand the function and significance of the Comprehensive Plan and the 10 Year Master Plan, as well as their role and responsibility.
- Citizens Bond Committees begin meeting on at least a monthly basis.
- Citizen bond committees study each prospective project area and all financial implications and recommend for each specific potential project in their study area:
 - 1) Do not proceed
 - 2) Fund via general fund
 - 3) A bond election
- Council Participates in a workshop with the Citizens Bond Steering Committee to hear and understand all of the committee's recommendations.
- For those items which require a bond election, call a bond election for the November standard election date.
- Hold bond election.
- Based on bond election results, City Manager to prepare a revised comprehensive plan for Council consideration in a series of workshops that are designed to build upon the citizens' committee recommendations and merge into a single cohesive long term master plan for the future of Tomball.

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
					Utility Billing

Comparative Tax Levies

For an average Tomball Single-Family Residence

	2009	2010
Harris County		
Market Value	\$ 138,000	\$ 138,000
Homestead Exemptions	20%	20%
Taxable Value	\$ 110,400	\$ 110,400
Tax Rate/ \$100	0.38923	0.39224
Tax Levy	\$ 429.71	\$ 433.03
Tomball ISD		
Market Value	\$ 138,000	\$ 138,000
Homestead Exemptions	(15,000)	(15,000)
Taxable Value	\$ 123,000	\$ 123,000
Tax Rate/ \$100	1.36	1.36
Tax Levy	\$ 1,672.80	\$ 1,672.80
City of Tomball		
Market Value	\$ 138,000	\$ 138,000
Homestead Exemptions	0	0
Taxable Value	\$ 138,000	\$ 138,000
Tax Rate/ \$100	0.251455	0.25146
Tax Levy	\$ 347.01	\$ 347.01
TOTAL TAX LEVY	\$ 2449.52	\$ 2452.85

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

PROPERTY TAX CALCULATION AND DISTRIBUTION

2009 Certified Tax Roll & Levy

Assessed Valuation (100%)	\$ 1,151,801,538
Rate Per \$100	\$ 0.251455
Total Tax Levy	\$ 2,896,263
Percent of Current Tax Collection	100%
Estimated Current Tax Collections	\$ 2,896,263

Summary of Tax Collections

Current Tax	\$ 2,896,263
Delinquent Tax	58,000
Penalty and Interest	38,000
Total 2009-2010 Tax Collections	<u>\$ 2,992,263</u>

Proposed Distribution:

	Tax Rate*	% of Total	Amount
General Fund:			
Current Tax			\$ 1,398,921
Delinquent Tax			23,000
Penalty and Interest			17,000
Total General Fund	<u>\$ 0.121455</u>	<u>48.30%</u>	<u>\$ 1,438,921</u>
Debt Service Fund:			
Current Tax			\$ 1,497,342
Delinquent Tax			35,000
Penalty and Interest			21,000
Total Debt Service Fund	<u>\$ 0.130000</u>	<u>51.70%</u>	<u>\$ 1,553,342</u>
TOTAL DISTRIBUTION	<u><u>\$ 0.251455</u></u>	<u><u>100.00%</u></u>	<u><u>\$ 2,992,263</u></u>

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

MUNICIPAL TAX RATE COMPARISON

	FY 2009-10 Proposed Tax Rate*
Jersey Village	0.742500
League City	0.630000
Spring Valley	0.548659
Rosenberg	0.506600
Magnolia	0.491400
Conroe	0.420000
Dickinson	0.408600
Huntsville	0.400700
Shenandoah	0.328200
Tomball	0.251455
Webster	0.226000
Humble	0.200000

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

Staffing

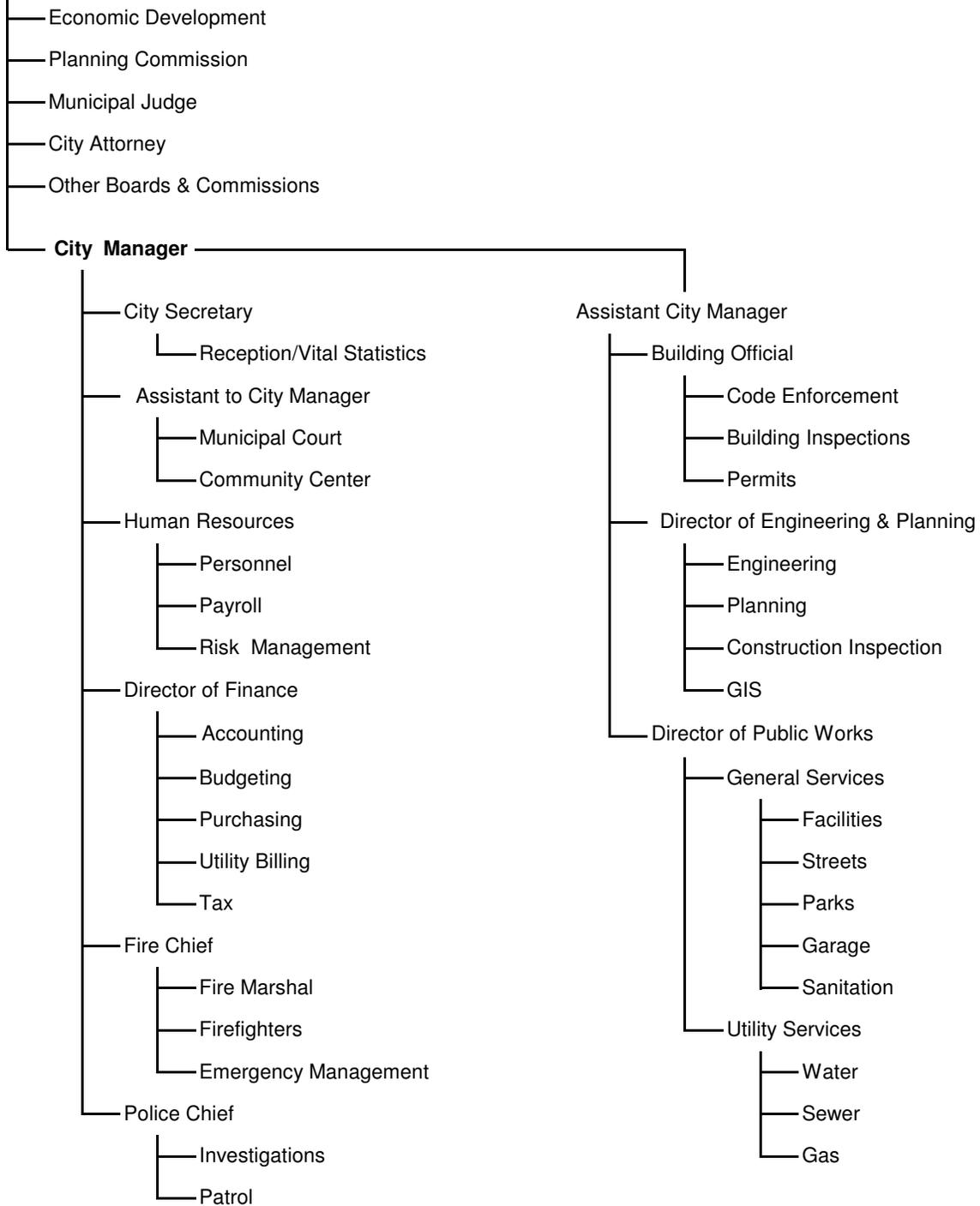
	2007	2008	2009*	2010	Difference 2010-2009
General Fund					
City Hall Administration	9.50	9.50	-	-	-
City Manager's Office	-	-	3.00	3.00	-
City Secretary's Office	-	-	4.50	4.50	-
Human Resources	-	-	2.00	2.00	-
Finance	-	-	5.00	5.00	-
Information Systems	-	-	-	-	-
Legal	-	-	-	-	-
Non Departmental	-	-	-	-	-
Building Permits and Inspections	6.00	6.00	5.00	5.00	-
Police	52.50	55.00	55.00	55.00	-
Fire Department	12.00	14.00	12.00	12.00	-
Fire Marshal's Office	-	-	2.00	2.00	-
Emergency Management	-	-	-	-	-
Municipal Court	4.00	5.00	5.00	5.00	-
Public Works Administration	6.00	9.00	1.00	1.00	-
Engineering and Planning	-	-	7.00	7.00	-
Facilities Maintenance	-	-	1.00	1.00	-
Garage	1.00	1.00	1.00	1.00	-
Streets	7.20	8.20	8.20	8.20	-
Parks	4.20	5.20	5.20	5.20	-
Community Center	3.00	3.00	3.00	3.00	-
Total General Fund	105.40	115.90	119.90	119.90	-
Enterprise Fund					
Utilities Administration	11.50	11.50	3.00	3.00	-
Utility Billing	-	-	7.00	6.00	-1.00
Water	8.20	8.20	6.20	6.20	-
Wastewater	10.20	10.20	10.20	11.20	1.00
Gas	7.20	7.20	6.20	6.20	-
Total Enterprise Fund	37.10	37.10	32.60	32.60	-
Hotel Occupancy Tax Fund	-	-	0.50	0.50	-
Total All Funds	142.50	153.00	153.00	153.00	-

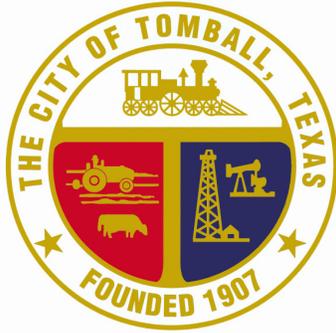
*Major differences shown are due to the fact that independent functions previously lumped into broader departments were broken out and separated into individual departments starting in FY2009.

Staff Organizational Chart

Tomball Citizens

Mayor and City Council





The American city should be a collection of communities where every member has a right to belong. It should be a place where every man feels safe on his streets and in the house of his friends. It should be a place where each individual's dignity and self-respect is strengthened by the respect and affection of his neighbors. It should be a place where each of us can find the satisfaction and warmth which comes from being a member of the community of man. This is what man sought at the dawn of civilization. It is what we seek today.

Lyndon B. Johnson

Fund Summaries

Combined Statement of Revenues and Expenditures and Changes in Fund Balance

All Funds Subject to Appropriation

City Council Adopted FY 2010 Annual Budget

With Comparison to FY 2009 Budget

	General Fund	Special Revenue Funds	Debt Service	2009 Capital Projects	Proprietary Enterprise Fund
Revenues:					
Property taxes	\$ 1,439,221	\$	\$ 1,553,342		\$
Sales taxes	6,200,000	220,000			
Franchise taxes	1,254,540				
Permits and licenses	254,650				
Fines and warrants	731,200	57,500			
Service fees	2,236,000				9,496,000
Contributions	32,000				
Interest	350,000	6,575	25,000		214,000
Other	236,400				879,800
Transfers In	2,810,134				
Total Revenues	\$ 15,544,145	\$ 284,075	\$ 1,578,342	\$ -	\$ 10,589,800
Expenditures:					
General Government	\$ 4,263,763	\$ 50,000	\$	\$	\$
Public Safety	5,865,202	42,156			
Public Works	3,693,255				
Engineering and Planning	813,516				
Parks and Recreation	456,357				
Tourism & Arts		138,000			
Utilities					8,250,147
Capital Projects/Outlay	724,900			8,450,000	2,007,100
Debt Service			2,062,483		1,794,979
Total Expenditures	\$ 15,816,993	\$ 230,156	\$ 2,062,483	\$ 8,450,000	\$ 12,052,226
Other Sources (Uses):					
Transfers	\$ (489,034)	\$	\$	(550,000)	\$ (121,510)
Debt Proceeds				9,000,000	
Total Other Sources (Uses)	\$ (489,034)	\$ -	\$ -	8,450,000	\$ (121,510)
Revenues Over (Under)					
Expenditures	(761,882)	53,919	(484,141)	-	(1,583,936)
Beginning Fund Balance	7,100,773	744,709	1,216,810	-	6,814,204
Ending Fund Balance	\$ 6,338,891	\$ 798,628	\$ 732,669	\$ -	\$ 5,230,268
Reserve Level	43.0%		36.1%		63.5%

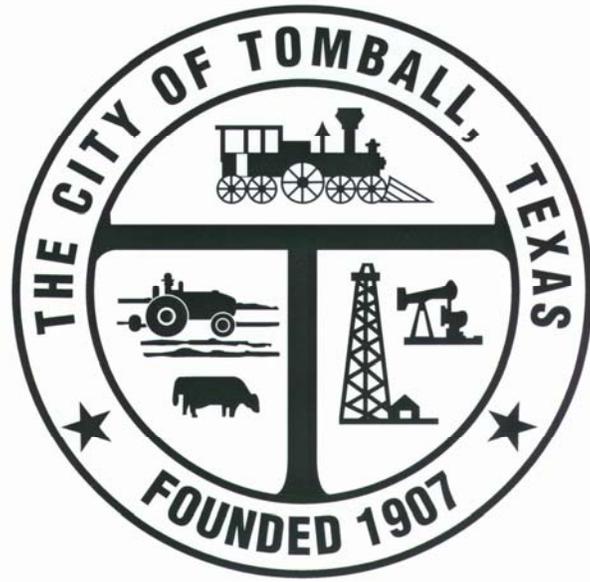
Total Revenues	38,086,149
Decrease in Fund Balance	2,589,857
Total Appropriable Funds	<u>\$ 40,676,006</u>

Total Appropriations \$ 40,676,006

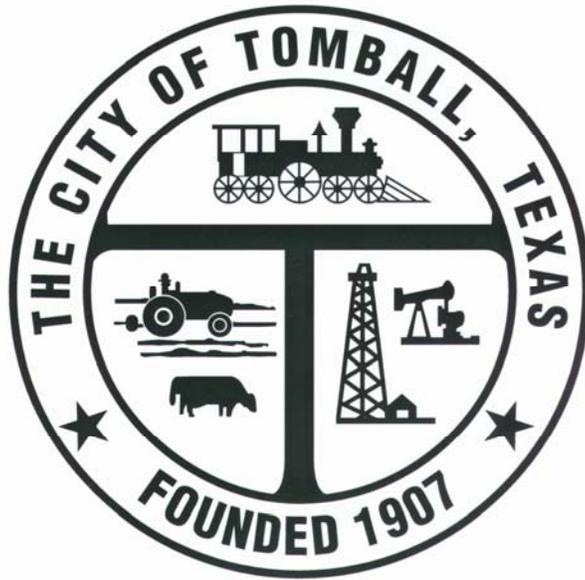
Proprietary

Proprietary		Total All Funds		
Combined Fleet Replacement	Health Insurance Trust Fund	FY 2010	FY 2009	Actual 2008
\$	\$	\$ 2,992,563	\$ 3,016,478	\$ 2,570,805
		6,420,000	6,390,000	7,429,194
		1,254,540	1,179,220	1,149,261
		254,650	318,660	337,925
		788,700	706,700	937,757
		11,732,000	13,069,866	10,399,382
		32,000	131,900	83,314
7,000		602,575	1,013,750	1,034,051
		1,116,200	1,084,280	1,337,155
610,543	1,632,788	5,053,465	2,635,806	3,592,906
<u>\$ 617,543</u>	<u>1,632,788</u>	<u>\$ 30,246,693</u>	<u>\$ 29,546,660</u>	<u>\$ 28,871,750</u>
\$	\$ 1,632,788	\$ 5,946,551	\$ 3,017,789	\$ 2,052,897
		5,907,358	6,837,225	6,532,266
		3,693,255	4,067,927	3,608,349
		813,516	981,411	-
		456,357	627,988	550,513
		138,000	108,000	157,245
		8,250,147	10,479,140	6,891,583
431,360		11,613,360	12,252,768	6,475,644
		3,857,462	4,075,722	3,488,359
<u>\$ 431,360</u>	<u>\$ 1,632,788</u>	<u>\$ 40,676,006</u>	<u>\$ 42,447,970</u>	<u>\$ 29,756,856</u>
\$		\$ (1,160,544)	(838,172)	(1,495,509)
		9,000,000	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,839,456</u>	<u>\$ (838,172)</u>	<u>\$ (1,495,509)</u>
186,183	-	(2,589,857)	(13,739,482)	(2,380,615)
1,163,310	-	17,039,806	29,193,531	31,599,717
<u>\$ 1,349,493</u>	<u>\$ -</u>	<u>\$ 14,449,949</u>	<u>\$ 15,454,049</u>	<u>\$ 29,219,102</u>

35.5%



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 FY2009 is projected to be \$7,100,773. This is \$377,717 or 6% better than budgeted. Revenues for the current fiscal year, budgeted at \$14,740,910 are expected to come in approximately 0.4% or \$60,530 less than budget. This is primarily due to building permits, contributions and interest earnings all coming in below budget due to our current national economic condition. Sales tax revenues are projected to be slightly ahead of budget due to conservative forecasting during the FY2010 budget process. New retail establishments such as Office Depot, Sears Home Appliance, and Petsmart, and the new sales tax generated by these large retail stores was coupled with a vigorous "Shop Tomball" campaign was enough to partially offset the slow down in the economy. Revenues in the "Contributions" category are primarily those received as grants from state and federal agencies. The shortfall in these revenues is due to a firefighter grant that did not materialize as planned. The City was eagerly anticipating the development of 2 new master planned communities that would bring additional commercial development as well as approximately 400 new homes to Tomball. With the housing and mortgage crisis, both developments were put on hold. This was a primary cause of building permit revenue being less than budget by \$29,000. Interest earnings are also projected to fall short of budget by \$180,000. 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 franchise fees (approximately \$40,000), fines and warrants (\$75,500), and service fees (\$50,000). The increase in fines and warrants is primarily due to an efficiency review of the Municipal Court. New procedures implemented have reduced the backlog of case files and have resulted in new citations being entered into the system more quickly. The shorter the lapse of time between the citation being issued and that citation then entering the system to be processed, the more likely the citation will be paid rather than go into warrant status. 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.

Operating expenditures for FY2009 are projected to come in approximately \$438,000 less than budget. This is primarily due to various position vacancies throughout the year, legal fees not being needed to the extent projected during the budget process, and a change in the method used to pay monthly medical insurance premiums. All funds budgeted for capital outlay/capital projects expenditures are projected to be spent.

Projected ending Fund Balance of \$7,100,773 represents approximately 40% of operating expenditures. The City's Financial Management policy states that reserves should be between 15% and 20% with a target of 18%¹. With reserve levels being above those required by the policy, a planned reduction of reserves over the next few years will be targeted². 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.

2009 / 2010 Budget

Revenues

Base budget revenues for FY 2010 are \$14,994,145. This amount is \$253,235 or 1.7% more than revenues budgeted for FY 2009. This increase is primarily due to the nearly \$482,000 increase in the 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. Franchise fee revenue is projected to be approximately \$75,000 more than what was budgeted for FY 2009 due to projected increases in fees charged. Fines and warrant revenues are shown to increase by \$87,500 due to greater efficiencies in Municipal Court as discussed above and Service Fees for solid waste service are greater than the FY 2009 budget by \$50,000 which is due to increased rates charged by the service provider which are passed on to the City's customers. Service fees, specifically those for solid waste pick up, are budgeted to increase by \$136,000 compared to the FY 2009 budget. Offsetting these revenues; however, are decreases in property tax revenues (\$128,000)³ due to a reallocation of the tax rate between the General and Debt Service funds, building permit revenues (\$64,000), contributions (\$100,000) and interest earnings (\$230,000). 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.

¹ See Appendix B for the complete set of Financial Management Policies.

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

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

Total proposed revenues of \$15,544,145 include \$550,000 of bond proceeds resulting from a reimbursement resolution passed by City Council in 2009 when General Fund reserves were drawn down to initially fund a capital improvement project that will be included in a bond sale in the Fall of 2009.

Expenditures

The base budget for operating expenditures for FY 2010 is \$614,463 or 4% lower than the adopted budget for FY2009. Due to the current national economic environment, no salary adjustments or merit increases are included in the budget. Health insurance increased by nearly \$437,000 or 13%, however the City was able to increase benefits for the employees while staying within the amount budgeted for health coverage. With no salary increases for FY 2010, the increased insurance benefits were well received by City Council and the City's employees. 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 by nearly \$46,000. 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 2010 budget, the City's rate increase was significantly less than those experienced by other cities across the state. Charges for electricity for City facilities is also budgeted to increase by \$71,000. Offsetting these increases are savings in fuel costs (\$180,000), supplies (\$146,000), reductions in professional fees (legal and special engagement consultants \$330,000) and reductions in training and travel costs that are not related to continuing education requirements to maintain licenses and special certifications (\$45,000).

Total budgeted operating expenditures in the General Fund include an increase in non-recurring expenses of \$180,742 relating to approved Supplemental Programs¹. Staffing for FY 2010 in the General Fund will remain static. Staffing charts shown on each departmental budget page reflect the current positions budgeted.²

Proposed cash funding of Capital Improvement Plan projects in the General Fund for FY 2010 total \$724,900³.

A budgeted decrease in General Fund reserves of \$761,882 results in a budgeted ending fund balance for FY2010 of \$6,338,890. This represents 43% of operating expenditures. The City's target set forth by the Financial Policies adopted by City Council is 18%⁴.

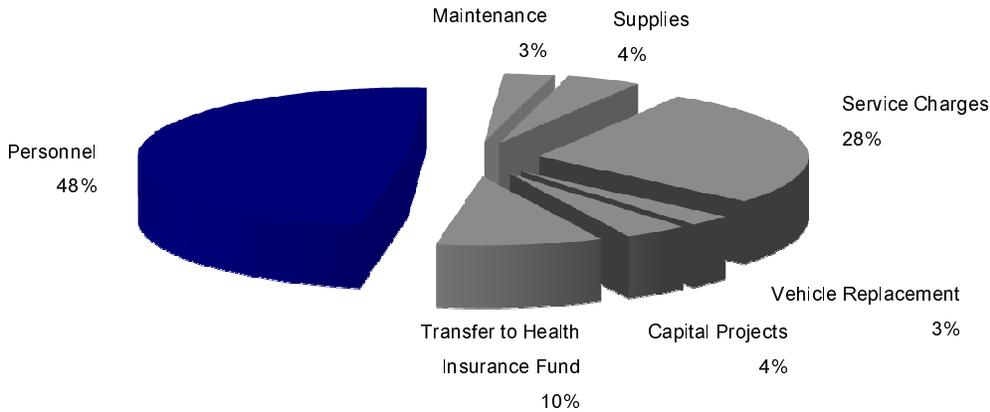
¹ See Appendix G for a complete listing of approved Supplemental Programs for FY 2009.

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

³ See Appendix F for a complete listing of cash funded Capital Improvement Projects

⁴ See Appendix B for a complete set of Financial Management Policies.

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 2007-2008	Budget 2008-2009	Projected 2008-2009	Budget 2009-2010
Personnel Services	\$ 7,268,267	\$ 9,035,625	\$ 8,830,992	\$ 7,890,773
Supplies	974,057	886,192	761,987	631,127
Maintenance	440,297	684,668	700,051	429,023
Services & Charges	3,876,048	4,919,330	4,794,539	4,508,382
Capital Outlay	-	-	-	-
Capital Projects	4,639,236	8,360,207	8,360,207	724,900
Vehicle Replacement	1,248,846	716,662	716,662	489,034
Transfer to Health Insurance Trust Fund*	-	-	-	1,632,788
TOTAL FUND BUDGET	\$ 18,446,751	\$ 24,602,684	\$ 24,164,438	\$ 16,306,027

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.

* During Fiscal Year 2009, a separate trust fund was setup to account for the Health Insurance costs. Transfer from General Fund is for city wide health insurance premiums to Insurance Trust Fund. Prior to establishment of Trust Fund to facilitate tax savings, premiums were budgeted in the individual departments.

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

FY 2010 Adopted Budget

					Tax Rates:		\$ 0.251455
	FY2008	Current	FY2009	FY2010	Recurring	Non-Recur.	FY2010
	Actuals	Budget	Projections	Base Budget	Supplemental	Supplemental	Total
							Budget
Revenues:							
Property taxes	\$ 1,038,149	\$ 1,567,237	\$ 1,564,537	\$ 1,439,221	\$ -	\$ -	\$ 1,439,221
Sales taxes	7,206,713	6,200,000	6,250,000	6,200,000	-	-	6,200,000
Franchise taxes	1,149,261	1,179,220	1,218,000	1,254,540	-	-	1,254,540
Permits and licenses	337,925	318,660	289,650	254,650	-	-	254,650
Fines and warrants	711,362	643,700	719,200	731,200	-	-	731,200
Service fees	2,128,388	2,100,000	2,150,000	2,236,000	-	-	2,236,000
Transfers In	72,000	1,778,313	1,778,313	2,260,134	-	550,000	2,810,134
Contributions	83,314	131,900	57,000	32,000	-	-	32,000
Interest	624,277	580,000	400,000	350,000	-	-	350,000
Other	480,958	241,880	253,680	236,400	-	-	236,400
Total Revenues	13,832,348	14,740,910	14,680,380	14,994,145	-	550,000	15,544,145
Expenditures:							
City Hall Administration	1,561,889						
City Manager's Office		500,313	474,618	413,475	-	628	414,103
Mayor and Council		94,161	78,844	79,968	-	-	79,968
City Secretary		350,719	338,985	303,438	-	1,217	304,655
Human Resources		340,151	306,549	377,815	-	608	378,423
Finance		521,286	516,177	459,929	-	1,521	461,450
Information Systems		308,182	300,682	226,129	-	-	226,129
Legal		244,700	154,000	153,425	-	-	153,425
Non-Departmental		253,751	259,151	1,893,310	-	-	1,893,310
Building Permits and Inspections	460,237	404,526	396,242	350,779	-	1,521	352,300
Police	4,630,821	4,995,163	4,937,433	4,319,357	-	14,905	4,334,262
Fire	1,380,078						
Fire		1,175,791	1,104,300	993,077	-	1,521	994,598
Fire Marshal		199,193	177,115	173,765	-	608	174,373
Emergency Services		17,600	17,550	14,520	-	-	14,520
Municipal Court	366,784	442,953	430,450	346,232	-	1,217	347,449
Public Works Administration	896,001						
Public Works Administration		63,323	58,983	46,938	-	304	47,242
Engineering and Planning		981,411	923,146	661,387	-	152,129	813,516
Facilities Maintenance		450,281	522,746	489,174	-	304	489,478
Garage	78,139	90,087	90,608	68,062	-	304	68,366
Streets	696,442	1,094,002	1,026,661	727,944	-	1,825	729,769
Sanitation	1,937,767	2,370,234	2,355,102	2,358,400	-	-	2,358,400
Parks	367,172	468,417	477,084	318,740	-	1,521	320,261
Community Center	183,341	159,571	141,143	135,488	-	608	136,096
Total Expenditures	12,558,670	15,525,815	15,087,569	14,911,352	-	180,742	15,092,094
Net Income from Operations	1,273,678	(784,905)	(407,189)	82,793	-	369,258	452,051
Other Sources/(Uses):							
Vehicle Replacement	(1,248,846)	(716,662)	(716,662)	(489,034)	-	-	(489,034)
Capital Projects/Outlay	(4,639,236)	(8,360,207)	(8,360,206)	(724,900)	-	-	(724,900)
Transfers Out					-	-	
Total Other Sources/(Uses)	(5,888,082)	(9,076,869)	(9,076,868)	(1,213,934)	-	-	(1,213,934)
Revenues Over/(Under) Expenditures	(4,614,404)	(9,861,774)	(9,484,057)	(1,131,141)	-	369,258	(761,882)
Beginning Fund Balance	21,199,234	16,584,830	16,584,830	7,100,773			7,100,773
Ending Fund Balance	\$ 16,584,830	\$ 6,723,056	\$ 7,100,773	\$ 5,969,632	\$ -	\$ 369,258	\$ 6,338,890
25% of Operating Expenses - Target	132%	43%	47%	40%			43%

**CITY OF TOMBALL
GENERAL FUND
FY 2010 Revenues**

	FY2008		Current	FY2009	FY2010	FY2010		FY2010
ACCOUNT NAME	Actual		Budget	Projections	Base Budget	Recurring	Non-Recur.	Total Budget
Current Taxes	\$ 994,205	\$	1,526,237	\$ 1,526,237	\$ 1,398,921	\$ -	\$ -	\$ 1,398,921
Delinquent Taxes	28,737		21,000	21,000	23,000	-	-	23,000
Penalty, Interest, Attorney Fees	14,547		19,000	17,000	17,000	-	-	17,000
Tax Certificates	490		1,000	300	300	-	-	300
Tax Court Costs	170		-	-	-	-	-	-
TOTAL PROPERTY TAXES	1,038,149		1,567,237	1,564,537	1,439,221	-	-	1,439,221
Sales Tax	7,206,713		6,200,000	6,250,000	6,200,000	-	-	6,200,000
TOTAL SALES TAXES	7,206,713		6,200,000	6,250,000	6,200,000	-	-	6,200,000
Electrical Franchise Tax	653,088		691,740	715,000	736,450	-	-	736,450
T.V. Cable Franchise Tax	105,541		98,400	105,000	108,150	-	-	108,150
Communications Franchise Tax	223,099		226,900	232,000	238,960	-	-	238,960
Sanitation Franchise Tax	167,532		162,180	166,000	170,980	-	-	170,980
TOTAL FRANCHISE TAXES	1,149,261		1,179,220	1,218,000	1,254,540	-	-	1,254,540
Building Permits	176,265		148,000	148,000	138,000	-	-	138,000
Construction Permits	41,677		31,000	37,000	28,000	-	-	28,000
Plumbing Permits	17,754		16,000	16,000	15,000	-	-	15,000
Mechanical Permits	20,151		19,800	18,000	17,000	-	-	17,000
Electrical Permits	26,270		25,000	23,000	21,000	-	-	21,000
Fire Permit Fees	20,787		20,000	20,000	18,000	-	-	18,000
Other Permits	7,286		8,000	3,000	3,000	-	-	3,000
Miscellaneous Permit Fees	40		2,500	750	750	-	-	750
Plat Fees	11,744		15,000	8,000	4,000	-	-	4,000
Rezoning Application Fee	6,036		15,360	6,000	2,000	-	-	2,000
Conditional Use Permit	665		1,800	500	500	-	-	500
Planned Development	2,000		3,000	1,000	1,000	-	-	1,000
Site Plan Review	5,640		9,000	5,000	3,000	-	-	3,000
Zoning Fees	1,020		2,400	2,400	2,400	-	-	2,400
Plan Review Fees-Other	591		1,800	1,000	1,000	-	-	1,000
TOTAL PERMITS AND LICENSES	337,925		318,660	289,650	254,650	-	-	254,650
Municipal Court Fines	436,121		400,000	448,000	455,000	-	-	455,000
Court Costs/Administrative Fees	189,149		160,000	170,000	175,000	-	-	175,000
Court Warrant Fees	77,398		70,000	95,000	95,000	-	-	95,000
Tobacco Course Fees	-		200	200	200	-	-	200
Time Pymt.Fee-10% City Judicial	1,739		2,500	1,500	1,500	-	-	1,500
Time Pymt.Fee-40% For City	6,955		11,000	4,500	4,500	-	-	4,500
TOTAL FINES AND WARRANTS	711,362		643,700	719,200	731,200	-	-	731,200
Sanitation Fees	2,128,388		2,100,000	2,150,000	2,236,000	-	-	2,236,000
TOTAL SERVICE FEES	2,128,388		2,100,000	2,150,000	2,236,000	-	-	2,236,000
Transfer from Debt Service	-		-	-	-	-	-	-
Transfer from Capital Projects	-		-	-	-	-	-	-
Transfer from Enterprise	72,000		1,778,313	1,778,313	2,260,134	-	550,000	2,810,134
TOTAL USE OF PUBLIC R.O.W.	72,000		1,778,313	1,778,313	2,260,134	-	550,000	2,810,134

**CITY OF TOMBALL
GENERAL FUND
FY 2010 Revenues**

ACCOUNT NAME	FY2008 Actual	Current Budget	FY2009 Projections	FY2010 Base Budget	Recurring	Non-Recur.	FY2010 Total Budget
C.J.D. Grants	53,204	50,000	50,000	25,000	-	-	25,000
Other Grants	24,110	75,900	-	-	-	-	-
Grants Thru State - C.O.P.S.	-	-	-	-	-	-	-
TIDC Contributions	6,000	6,000	7,000	7,000	-	-	7,000
TOTAL CONTRIBUTIONS	83,314	131,900	57,000	32,000	-	-	32,000
Bingo Tax	-	7,000	-	-	-	-	-
Alcoholic Beverage Tax	44,585	42,000	42,000	42,000	-	-	42,000
Mixed Beverage License Fee	8,283	10,000	11,000	11,000	-	-	11,000
Birth & Death Certificate Fees	68,379	60,000	60,000	70,000	-	-	70,000
Emergency Service District Fees	48,052	38,000	38,000	45,000	-	-	45,000
Sale of City Property	182,665	25,000	60,000	25,000	-	-	25,000
Rent Revenues	8,350	7,800	15,600	15,600	-	-	15,600
Community Center Fees	6,375	6,780	6,780	7,500	-	-	7,500
Congregate Meals	2,087	-	-	-	-	-	-
Miscellaneous Revenues	91,533	45,000	20,000	20,000	-	-	20,000
Returned Check Fines	420	300	300	300	-	-	300
Sanitation Penalty	20,231	-	-	-	-	-	-
TOTAL OTHER REVENUES	480,958	241,880	253,680	236,400	-	-	236,400
Interest Income	624,277	580,000	400,000	350,000	-	-	350,000
TOTAL INTEREST REVENUE	624,277	580,000	400,000	350,000	-	-	350,000
Debt Proceeds	-	-	-	-	-	-	-
TOTAL DEBT PROCEEDS	-	-	-	-	-	-	-
Transfer to Debt Service	-	-	-	-	-	-	-
TOTAL TRANSFER REVENUES	-	-	-	-	-	-	-
TOTAL REVENUE	\$ 13,832,348	\$ 14,740,910	\$ 14,680,380	\$ 14,994,145	\$ -	\$ 550,000	\$ 15,544,145

**CITY OF TOMBALL
111 - GENERAL - ADMINISTRATIVE DEPARTMENT
2009-2010 BUDGET WORKSHEET**

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	748,057	-	-	-	-	-	-
Supplies	102,343	-	-	-	-	-	-
Maintenance	62,611	-	-	-	-	-	-
Services and charges	648,879	-	-	-	-	-	-
Total Operating Expenditures	1,561,889	-	-	-	-	-	-
Capital Outlay	253,577	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	1,815,466	-	-	-	-	-	-

Staffing	FY2007	FY2008	FY 2009	FY 2010
City Manager	1.00	1.00	0.00	0.00
Assistant City Manager	0.00	0.00	0.00	0.00
City Secretary	1.00	1.00	0.00	0.00
Assistant City Secretary	1.00	1.00	0.00	0.00
Finance Director	0.00	0.00	0.00	0.00
Accounting Supervisor	1.00	1.00	0.00	0.00
HR Director	1.00	1.00	0.00	0.00
Purchasing Agent	0.00	0.00	0.00	0.00
Accounts Payable Clerk	1.00	1.00	0.00	0.00
Tax Collector	1.00	1.00	0.00	0.00
Administrative Secretary	1.00	1.00	0.00	0.00
Office Clerks	0.50	0.50	0.00	0.00
Receptionist	1.00	1.00	0.00	0.00
Total	9.50	9.50	0.00	0.00

This page reflects the previous consolidated Administrative Department. Starting in FY2008-09 separate departments were created for budgeting purposes. The next page shows the page 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 coordinating all municipal programs, enforcing all municipal laws and ordinances, and recommending an annual budget.

Program Narrative

FY 2009 Accomplishments

- Completed Livable Centers study for downtown Tomball
- Completed a Depot Plaza Park Plan as part of the Livable Centers study.
- Acquired property to expand the Depot Plaza Park area.

- Selected the consultant team and began the Comprehensive Plan process.
- Completed the city-wide visioning process as part of the Comprehensive Plan process.
- Obtained funding for the railroad overlay district from the Tomball Economic Development Corporation.
- Successfully recruited and hired a new Assistant City Manager.

Objectives for FY 2010

- Develop City Council workshop outlining cost and tax impact of funding the 10 year Capital Improvements Project Master Plan.
- Create Citizens' Bond Committee structure and appointment process.
- Facilitate Citizens' Bond Committee meetings.
- Increase Tomball's participation in regional partnerships and planning.
- Create a neighborhood involvement program.
- Develop a citizens' outreach program.

Major Budget Items

- Quarterly Newsletters (\$10,640)

CITY OF TOMBALL
111 - GENERAL - CITY MANAGER'S OFFICE
2009-2010 BUDGET WORKSHEET

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	-	406,305	409,497	367,056	-	628	367,684
Supplies	-	6,225	6,100	6,575	-	-	6,575
Maintenance	-	-	-	-	-	-	-
Services and charges	-	87,783	59,021	39,844	-	-	39,844
Total Operating Expenditures	-	500,313	474,618	413,475	-	628	414,103
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	-	500,313	474,618	413,475	-	628	414,103

Supplemental Programs	Page No.	Recurring	Non-Recur.
None			

Staffing	FY2007	FY2008	FY 2009	FY 2010
City Manager	0.00	0.00	1.00	1.00
Assistant City Manager	0.00	0.00	1.00	1.00
Assistant to the City Manager	0.00	0.00	1.00	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
Total	0.00	0.00	3.00	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 2009

- Increased training for employees. One of the inspectors earned 2 code certifications.
- Building official elected as President of the local chapter of B.O.A.T.
- Upgraded to wireless laptops for field inspectors.
- Inspectors attended monthly code meetings.
- Revised permit applications to be more user friendly.
- Completed permit inspections within one business day of request at least 90% of the time.
- Completed building department's plan reviews within 20 days from submittal at least 90% of the time.
- Responded to code complaints within 10 days of initial call at least 90% of the time.

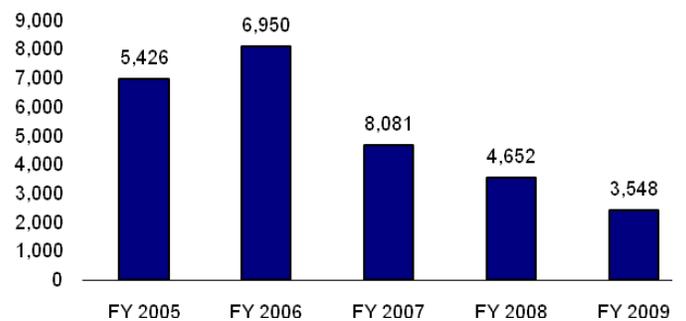
Goals for FY 2010

- Increase wireless capabilities.
- Continue to improve employee training.
- Provide a higher level of construction quality for the City.

Objectives for FY 2010

- Complete permit inspections within one business day of request 90% of the time.
- 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.

Building Inspections

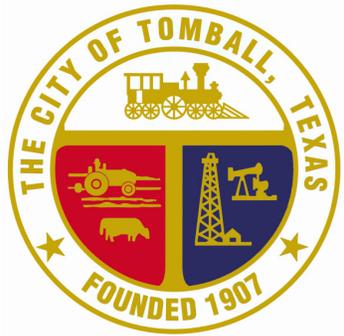


CITY OF TOMBALL
112 - GENERAL FUND - PERMITS & INSPECTIONS
2009-2010 BUDGET WORKSHEET

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	370,714	335,121	334,637	295,652	-	1,521	297,173
Supplies	16,620	13,300	11,400	8,592	-	-	8,592
Maintenance	1,470	900	900	1,000	-	-	1,000
Services and charges	71,433	55,205	49,305	45,535	-	-	45,535
Total Operating Expenditures	460,237	404,526	396,242	350,779	-	1,521	352,300
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	46,400	11,820	11,820	11,820	-	-	11,820
Total Expenditures	506,637	416,346	408,062	362,599	-	1,521	364,120

Supplemental Programs Page No. Recurring Non-Recur.
None

Staffing	FY2007	FY2008	FY2009	FY2010
Building Official	1.00	1.00	1.00	1.00
City Inspector	2.00	2.00	2.00	2.00
Code Enforcement Officer	1.00	1.00	1.00	1.00
Permit Clerk	2.00	2.00	1.00	1.00
Total	6.00	6.00	5.00	5.00



**When you look at a city, it's like reading
the hopes, aspirations and pride of
everyone who built it.**

Hugh Newell Jacobsen

CITY OF TOMBALL
 113 - GENERAL - MAYOR & COUNCIL
 2009-2010 BUDGET WORKSHEET

	FY2008 Actual	FY2009 Budget	FY2009 Projections	FY2010 Base	Recurring	Non-Recur.	FY2010 Total Budget
Personnel services	-	33,827	33,304	33,823	-	-	33,823
Supplies	-	10,885	5,860	8,020	-	-	8,020
Maintenance	-	-	-	-	-	-	-
Services and charges	-	49,449	39,680	38,125	-	-	38,125
Total Operating Expenditures	-	94,161	78,844	79,968	-	-	79,968
Capital Outlay	-	118,000	118,000	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	-	212,161	196,844	79,968	-	-	79,968

Staffing	Name		Elected
Mayor	Gretchen Fagan	Serving 1st Term	May 2007
Mayor Pro-Tem, Councilman, Position 3	Bill Webb	Serving 1st Term	June 2007
Councilman, Position 1	David Quinn	Serving 2nd Term	May 2005
Councilman, Position 2	Mark Stoll	Serving 1st Term	June 2009
Councilman, Position 4	Derek Townsend, Sr.	Serving 1st Term	May 2009
Councilman, Position 5	Warren Driver	Serving 3rd Term	August 2004

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

Accomplishments for FY 2009

- Responded to 80% of requests for information within five business days.
- Scanned over 26,000 pages, which is above the department's goal of 24,000.
- Council agendas were distributed at least four days in advance and the minutes were prepared within five days of the council meeting.
- Birth certificates were issued within 20 minutes 95% of the time.
- Death certificates were issued within 24 hours 95% of the time.

Goals for FY 2010

- 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 2010

- 80% of requests should be processed within five business days
- Scan 34,000 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.
- Issue birth certificates within 20 minutes 95% of the time.
- Issue death certificates within 24 hours 95% of the time.

Major Budget Items

- Recodification of Code (\$15,000)
- Advertising Cost (\$9,500)
- Election Services (\$21,805)

CITY OF TOMBALL
 114 - GENERAL - CITY SECRETARY
 2009-2010 BUDGET WORKSHEET

	FY2008 Actual	FY2009 Budget	FY2009 Projections	FY2010 Base	Recurring	Non-Recur.	FY2010 Total Budget
Personnel services	-	270,378	269,295	234,346	-	1,217	235,563
Supplies	-	12,920	11,345	9,135	-	-	9,135
Maintenance	-	340	340	400	-	-	400
Services and charges	-	67,081	58,005	59,557	-	-	59,557
Total Operating Expenditures	-	350,719	338,985	303,438	-	1,217	304,655
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	-	350,719	338,985	303,438	-	1,217	304,655

Supplemental Programs	Page No.	Recurring	Non-Recur.
None			

Staffing	FY2007	FY2008	FY 2009	FY 2010
City Secretary	0.00	0.00	1.00	1.00
Assistant City Secretary	0.00	0.00	1.00	1.00
Administrative Assistant	0.00	0.00	1.00	1.00
Receptionist	0.00	0.00	1.00	1.00
VOE Student	0.00	0.00	0.50	0.50
Total	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 2009

- Implemented the results of a classification/ compensation study with outside consultants.
- Initiated a study of all employee benefits with an outside consultant resulting in lower costs, improved benefits and the addition of long-term disability coverage for the coming year.
- Hosted financial seminars for all employees.
- Planned, promoted, and hosted our annual "Employee Appreciation Week" to honor all the hard work by the City of Tomball employees.
- Planned, coordinated and hosted a wellness fair utilizing doctors, dentists and other health care providers in the community to provide an opportunity for our employees to visit with

healthcare professionals to address their needs.

- Coordinated and hosted the annual Holiday Appreciation Lunch.
- Assisted departments in recruiting efforts.
- Facilitated a complete review and completion of a new "Human Resources Policies and Employee Handbook".

Goals for FY 2010

- Ensure payroll accuracy by cutting accurate payroll checks 99% of the time.
- Complete performance evaluations on time 95% of the time.
- 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 at least 95% of the time to ensure a timely recruitment process.

Objectives for FY 2010

- 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.
- Coordinate wellness testing and flu shots.
- Complete the modification of all job descriptions to ensure the most accurate information related to job duties and ADA requirements.
- Provide and promote a safe and healthful working environment.

**CITY OF TOMBALL
115 - GENERAL - HUMAN RESOURCES DEPARTMENT
2009-2010 BUDGET WORKSHEET**

	FY2008 Actual	FY2009 Budget	FY2009 Projections	FY2010 Base	Recurring	Non-Recur.	FY2010 Total Budget
Personnel services	-	237,511	233,414	311,050	-	608	311,658
Supplies	-	16,450	14,200	13,950	-	-	13,950
Maintenance	-	-	-	-	-	-	-
Services and charges	-	86,190	58,935	52,815	-	-	52,815
Total Operating Expenditures	-	340,151	306,549	377,815	-	608	378,423
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	-	340,151	306,549	377,815	-	608	378,423

Supplemental Programs	Page No.	Recurring	Non-Recur.
None			

Staffing	FY2007	FY2008	FY 2009	FY 2010
HR Director	0.00	0.00	1.00	1.00
HR Generalist	0.00	0.00	1.00	1.00
Total	0.00	0.00	2.00	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 2009 Accomplishments

- The City of Tomball was awarded the Distinguished Budget Presentation award for the first time.
- Although we did not meet our goal of \$355,000, the average monthly procurement card usage increased by 14.74% over last fiscal year.
- Monthly financials were delivered to staff by the 10th of the following month 10 months out of the fiscal year which equals 83% of the time.
- Accounts Payable checks were sent out each Thursday 100% of the time.
- The total dollar amount of credit card payments received increased by 65% over last year.

Goals for FY 2010

- 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 2010

- Deliver an approved Purchase Order to the vendor within 2 days of receiving a completed requisition 90% of the time.
- 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 \$340,000 or by 3%.
- Mail accounts payable checks out each Thursday 100% of the time.
- Setup and perform internal audit process for procurement cards.
- Provide a couple of training sessions on various subjects in order to educate users on proper purchasing techniques.

Major Budget Items:

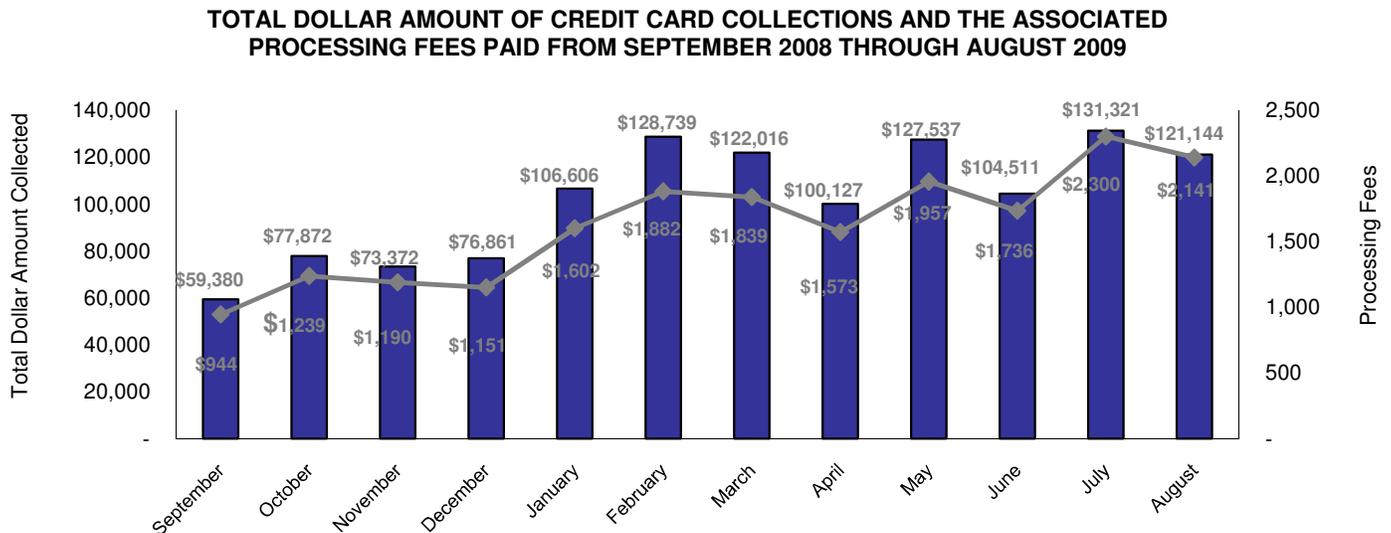
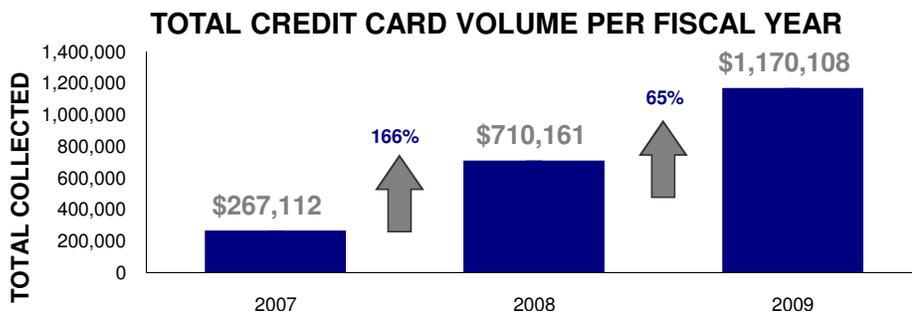
- Annual Audit Costs (\$61,005)
- Appraisal Services (\$26,355)
- Credit Card Processing Fees (\$15,300)
- Harris County Tax Collection Service (\$8,151)

CITY OF TOMBALL
116 - GENERAL - FINANCE DEPARTMENT
2009-2010 BUDGET WORKSHEET

	FY2008 Actual	FY2009 Budget	FY2009 Projections	FY2010 Base	Recurring	Non-Recur.	FY2010 Total Budget
Personnel services	-	374,624	373,456	330,985	-	1,521	332,506
Supplies	-	3,312	3,262	1,988	-	-	1,988
Maintenance	-	300	300	300	-	-	300
Services and charges	-	143,050	139,159	126,656	-	-	126,656
Total Operating Expenditures	-	521,286	516,177	459,929	-	1,521	461,450
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	-	521,286	516,177	459,929	-	1,521	461,450

Supplemental Programs	Page No.	Recurring	Non-Recur.
None			

Staffing	FY2007	FY2008	FY 2009	FY 2010
Finance Director	0.00	0.00	1.00	1.00
Senior Accountant	0.00	0.00	1.00	1.00
Purchasing Agent	0.00	0.00	1.00	1.00
Accounts Payable Clerk	0.00	0.00	1.00	1.00
Budget Analyst/Project Accountant	0.00	0.00	1.00	1.00
Total	0.00	0.00	5.00	5.00



Information Technology

Department Mission

To oversee and coordinate new and existing technology resources that will ensure reliability, availability, serviceability, and security in a timely manner to allow the other city departments to effectively accomplish their missions in accordance with the City's missions and goals and within our allotted budget.

Program Narrative

Accomplishments for FY 2009

- Completed construction of the data center to provide additional space and fortify the environment with sufficient cooling and power protection.
- Completed the installation of environmental monitor devices for the data centers. These devices provide history and alerts for temperature, humidity, and air flow within our server rooms.
- Ten new computers were used to perform a technology refresh replacing older outdated computers.
- Completed installation of new server and network monitoring system. This system provides email alerts for the Tomball servers and network equipment on outages and activities that meet defined thresholds.
- Completed installation of new network switches. This replaces aging equipment and provides redundant connections between data centers.

- Completed implementation of automated helpdesk system. This allows users to send an email to automatically initiate an IT service which also provides tracking and history.
- Completed implementation of Windows Deployment Services. This allows us to capture the image of a workstation and deploy it to a new workstation substantially lowering the amount of time required for software and workstation setup.
- Completed cleanup of server racks by scheduling a maintenance day which allowed us to bring the server environment down to organize cabling and power connections.

Goals for FY 2010

- To better utilize our existing helpdesk system which will allow trends to be identified and better scheduling of time and priorities.
- Proactively assist departments with IT related budget planning.

Objectives for FY 2010

- Installation of new Microsoft Forefront Antivirus software for servers and workstations.
- Upgrade the Fire Departments Visionair Records Management System (RMS) server to new hardware and updated software.
- Installation of Office 2007 for users.
- Upgrade Incode to Version 8.0.
- Consolidate servers from old hardware to our new virtual server environment.

- Move the Exchange email server from its old hardware to a virtual server to increase the disk capacity.

Major Budget Items

- Waypoint Service (\$115,000)

**CITY OF TOMBALL
117 - GENERAL - INFORMATION SYSTEMS
2009-2010 BUDGET WORKSHEET**

	FY2008 Actual	FY2009 Budget	FY2009 Projections	FY2010 Base	Recurring	Non-Recur.	FY2010 Total Budget
Personnel services	-	-	-	-	-	-	-
Supplies	-	46,925	46,925	5,050	-	-	5,050
Maintenance	-	7,500	-	7,500	-	-	7,500
Services and charges	-	253,757	253,757	213,579	-	-	213,579
Total Operating Expenditures	-	308,182	300,682	226,129	-	-	226,129
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	-	308,182	300,682	226,129	-	-	226,129

Supplemental Programs	Page No.	Recurring	Non-Recur.
None			

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

Legal Department

Program Narrative

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.

Objectives for FY 2010

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

Major Budget Items

- Olson and Olson, City's Attorney (\$150,000)

**CITY OF TOMBALL
118 - GENERAL - LEGAL
2009-2010 BUDGET WORKSHEET**

	FY2008 Actual	FY2009 Budget	FY2009 Projections	FY2010 Base	Recurring	Non-Recur.	FY2010 Total Budget
Personnel services	-	-	-	-	-	-	-
Supplies	-	13,200	4,000	3,425	-	-	3,425
Maintenance	-	-	-	-	-	-	-
Services and charges	-	231,500	150,000	150,000	-	-	150,000
Total Operating Expenditures	-	244,700	154,000	153,425	-	-	153,425
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	-	244,700	154,000	153,425	-	-	153,425

Supplemental Programs	Page No.	Recurring	Non-Recur.
None			

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

CITY OF TOMBALL
119 - GENERAL - NONDEPARTMENTAL
2009-2010 BUDGET WORKSHEET

	FY2008 Actual	FY2009 Budget	FY2009 Projections	FY2010 Base	Recurring	Non-Recur.	FY2010 Total Budget
Personnel services	-	-	-	-	-	-	-
Supplies	-	1,402	1,402	1,660	-	-	1,660
Maintenance	-	300	300	300	-	-	300
Services and charges	-	252,049	257,449	258,562	-	-	258,562
Total Operating Expenditures	-	253,751	259,151	260,522	-	-	260,522
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	1,632,788	-	-	1,632,788
Total Expenditures	-	253,751	259,151	1,893,310	-	-	1,893,310

This department consists of expenses incurred by multiple departments including copy charges and insurance.

Police Department

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 2009

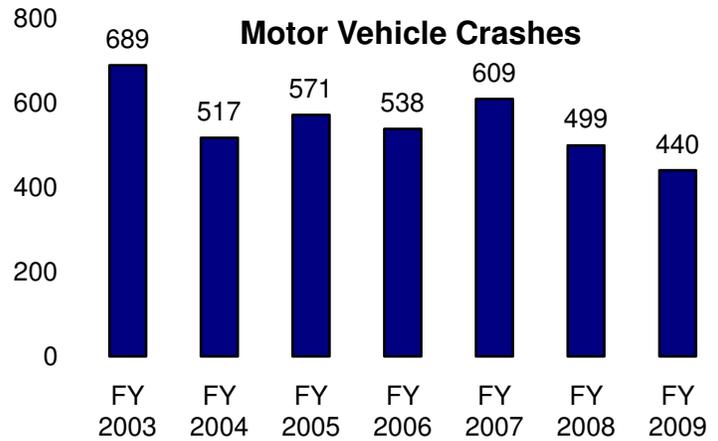
- The total number of motor vehicle crashes during 2009 year to date is 215 compared to 231 for the same period in 2008. This represents a 7% decrease over last year.
 - The automated photo enforcement process has been completed and as a result of managing this process, we have made corrections/enhancements as a means of better serving the community. These include the addition of a part-time hearing officer, the amendment of a City Ordinance, and various business rule revisions.
 - Sick time usage has dropped by 24% when comparing last year to this year resulting in a savings of 228 hours.
 - A training supervisor has been assigned to coordinate and monitor department-wide training program. A training delivery plan and calendar has been established and the TPD mini-academy was redesigned. The training approval process has been improved and all personnel are in compliance with licensing requirements.
 - Response time has increased by 11 seconds to a current average of 4.14 minutes.
- Although, the UCR clearance rate has actually decreased compared to last year, the overall clearance rate is 45% which is 27 % above the national average.
 - Specialized training has been offered in a variety of areas including:
 - Department-wide tactical communications
 - Monthly firearms/tactics training
 - Rape Aggression Defense instructor training
 - Crime Scene Investigation training
 - Crisis Negotiation Training for Strategic Response Team (SWAT) members
 - Leadership training for supervisors
 - Tactical Dispatcher training
 - Patrol K-9 School
 - A Special Investigations Task Force was established to focus on the narcotics, vice, and emerging crime issues. The following are some examples of the successful investigations conducted:
 - In-call prostitution enforcement
 - Backflow preventer valve theft and receiver ring broken up
 - Major stolen motorcycle and chop-shop enterprise destroyed
 - Street-level narcotics enforcement
 - Multiple narcotic search warrants served on supplier locations. In each case narcotics, money, and firearms were recovered.
 - Minimum staffing levels have been maintained throughout the year in both patrol and communications.
 - The reserve program has been significantly enhanced through the assignment of a patrol sergeant as the reserve coordinator. Additionally, we have enhanced the training program and now allow reserve officers to work all facets of patrol after completing required training. This is in addition to warrant details, special deployments,

and community events. Recruitment efforts resulted in the addition of one reserve officer.

- After extensive review of organizational systems and environment issues through a process that included input from sworn and civilian employees at all levels, the “New TPD” reorganization plan was implemented. This thoughtful reorganization included the upgrade of four positions within the sworn and civilian ranks.

Objectives for FY 2010

- Reduce crime through the effective deployment of resources, and the implementation of crime prevention initiatives, while ensuring that crime is not being under reported.
- Reduce the number of traffic collisions by utilizing a holistic approach that focuses on education, enforcement, and engineering.
- Implement cooperative investigative strategies to increase UCR clearance rate.
- 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.
- Complete the CAD integration project, which will create seamless dispatch and data connectivity between TPD, TFD, and NWEMS. Additionally, this will provide for a true “fall-back” dispatch system.
- Increase specialized enforcement efforts in the areas such as vice and narcotics, through the utilization of target specific undercover/ sting operations.
- Enhance overall public safety by maintaining minimum staffing levels throughout the Department.
- Enhance the current reserve officer program through recruitment, training, and operational/deployment efforts.



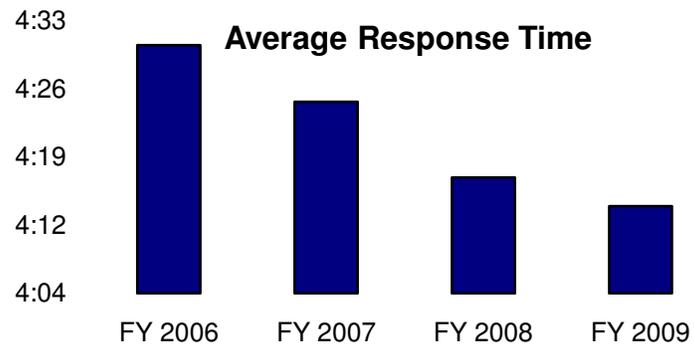
Goals for FY 2010

- Expand the patrol rifle program by adding an additional five officers to the rifle cadre.
- Enhance traffic safety (vehicular and pedestrian) through the completion of a traffic safety plan that is funded with Automated Photo Enforcement funds.
- Complete range master stand and storage building at Firearms Training Facility.
- Establish a Law Enforcement Explorer Post as a means of developing leadership skills and civic understanding in the youth of our community.
- Complete bi-annual training, maintaining TCLEOSE continuing education requirements, and establishing a yearly training delivery plan.
- Establish a single purpose strategy committee to complete a review of the TPD Policy Manual and present recommendations to the Chief of Police.
- Complete storage and impound lot facility through the addition of security lighting and electrical service.
- Reduce average response time to four minutes or less to all calls for service. This will be accomplished through the effective use of

computer aided dispatch and strong supervisor leadership.

Major Budget Items

- Fuel (\$82,000)
- Travel and Training (\$55,000)

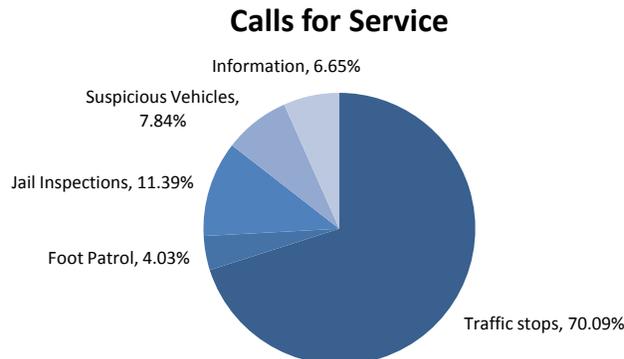


**CITY OF TOMBALL
121 - GENERAL FUND - POLICE DEPARTMENT
2009-2010 BUDGET WORKSHEET**

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	3,856,690	4,489,141	4,463,071	3,890,357	-	14,905	3,905,262
Supplies	305,451	236,000	199,200	188,500	-	-	188,500
Maintenance	113,468	69,450	70,450	61,000	-	-	61,000
Services and charges	355,212	200,572	204,712	179,500	-	-	179,500
Total Operating Expenditures	4,630,821	4,995,163	4,937,433	4,319,357	-	14,905	4,334,262
Capital Outlay	515,678	239,313	239,313	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	441,373	267,466	267,466	202,203	-	-	202,203
Total Expenditures	5,587,872	5,501,942	5,444,212	4,521,560	-	14,905	4,536,464

Supplemental Programs	Page No.	Recurring	Non-Recur.
None			

Staffing	FY2007	FY2008	FY2009	FY2010
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	6.00	6.00
Corporal	1.00	1.00	1.00	1.00
Police Officer	25.50	27.00	28.00	28.00
Public Service Officer	2.00	2.00	2.00	2.00
IT Support Specialist	0.00	1.00	1.00	1.00
Records Clerk	3.00	3.00	3.00	3.00
Dispatcher	9.00	9.00	9.00	9.00
Subtotal	52.50	55.00	55.00	55.00
Police Reserves	25.00	25.00	25.00	25.00
Total	77.50	80.00	80.00	80.00



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 2009

- 50% of Jury trials on standby resolved.
- Backlog of warrants waiting to be issued has been completed. Warrants are now up to date.
- Completion of Court Clerk Level II certification by Senior Court Clerk.
- Processed over 5,000 warrants and 11,000 tickets.

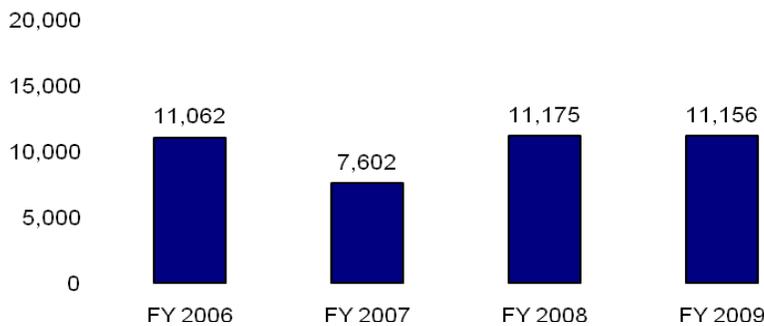
Goals for FY 2010

- Improve warrant collections.
- Improve efficiency with customer relations.

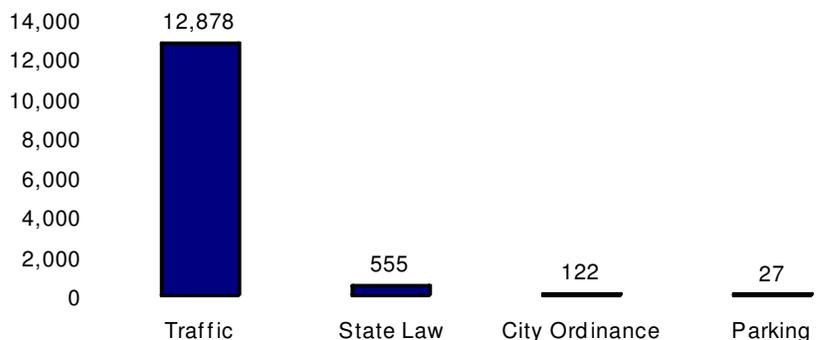
Objectives for FY 2010

- Complete Court Operations Manual.
- Create a warrant postcard mail out.
- Reduce warrant prep time by 10%.

Citations Issued



FY 2009 Violations by Type



**CITY OF TOMBALL
122 - GENERAL FUND - MUNICIPAL COURT
2009-2010 BUDGET WORKSHEET**

	FY2008 Actual	FY2009 Budget	FY2009 Projections	FY2010 Base	Recurring	Non-Recur.	FY2010 Total Budget
Personnel services	288,118	341,868	333,931	260,558	-	1,217	261,775
Supplies	15,251	18,510	16,999	18,420	-	-	18,420
Maintenance	1,739	175	175	195	-	-	195
Services and charges	61,675	82,400	79,345	67,059	-	-	67,059
Total Operating Expenditures	366,784	442,953	430,450	346,232	-	1,217	347,449
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	366,784	442,953	430,450	346,232	-	1,217	347,449

Supplemental Programs Page No. Recurring Non-Recur.
None

Staffing	FY2007	FY2008	FY2009	FY2010
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	1.00 *	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
Total	4.00	5.00	5.00	5.00

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

Community Center

Department Mission

To serve everyone in a fair and equitable manner, so that in serving, the Center will enhance the quality of life for each individual, group, or organization being served.

To provide a staff, both paid and volunteer, who, through their individual and corporate efforts, give positive leadership to the development and administration of programs and activities, which will attract to the Center participants of all age groups.

Program Narrative

Accomplishments for FY2009

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

Goals for FY 2010

- To increase the availability of a variety of volunteers teaching activities for all ages
- To have as many activities that are cost effective in bringing in more participants of all ages
- To increase the awareness of what the center has to offer and to bring in more rentals
- To have more trips that appeal to all age groups

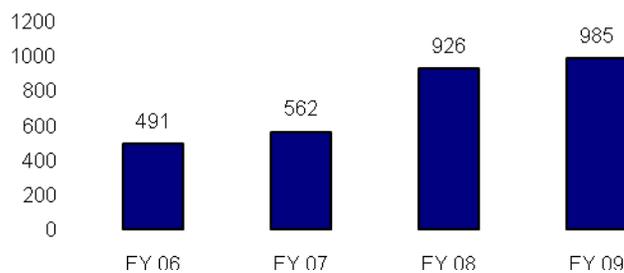
Objectives for FY 2010

- Increase the number of volunteer teaching and training at the center by 25%
- Increase the number of groups that use the center by 50%

Major Budget Items

- None

Bus Trips by Number of Participants



CITY OF TOMBALL
131 - GENERAL FUND - COMMUNITY CENTER
2009-2010 BUDGET WORKSHEET

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total
							Budget
Personnel services	121,200	144,823	127,050	124,092	-	608	124,700
Supplies	14,906	10,513	6,834	8,264	-	-	8,264
Maintenance	9,926	1,019	5,963	967	-	-	967
Services and charges	37,309	3,216	1,296	2,165	-	-	2,165
Total Operating Expenditures	183,341	159,571	141,143	135,488	-	608	136,096
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	19,321	-	-	19,321
Total Expenditures	183,341	159,571	141,143	154,809	-	608	155,417

Supplemental Programs Page No. Recurring Non-Recur.
None

Staffing	FY2007	FY2008	FY2009	FY2010
Manager	1.00	1.00	1.00	1.00
Assistant	1.00	1.00	1.00	1.00
Attendants-Part Time	1.00	1.00	1.00	1.00
Total	3.00	3.00	3.00	3.00

Fire Marshal's Office

Department Mission

Our mission is to ensure that the commercial buildings within the City Limits of Tomball are protected from fire or other hazards through a proactive fire inspection. We also perform a thorough plan review on new commercial buildings and their applicable fire suppression and detection systems. Other responsibilities of our office include origin and cause fire investigations, responding to complaints, environmental hazards, and assisting the fire department with public education programs. We pride ourselves in the work we do, making Tomball a safer place to live, work and play.

Program Narrative

Accomplishments for FY 2009

- Implemented a program for company fire inspections and compiled a list of 180 businesses to be inspected. The list is expected to be completed by October 2009.

- Safety trailer has been at many large City functions during FY 2009.

Objectives for FY 2010

- Respond to Fire Code complaints within the same business day of request 90% of the time.
- Complete plan reviews (civil, building, sprinkler, alarm) within 10 days from submittal 90% of the time.
- Continue to improve specialized employee training pertaining to installation, design, testing and maintenance of suppression and detection systems.
- Upgrade to wireless software for field inspectors.
- Establish district boundaries to conduct fire code inspections more efficiently.
- Create a renewal program for Fire Prevention permits.

Major Budget Items

- Educational Supplies (\$10,450)

CITY OF TOMBALL
141 - GENERAL FUND - FIRE MARSHAL
2009-2010 BUDGET WORKSHEET

	FY2008 Actual	FY2009 Budget	FY2009 Projections	FY2010 Base	Recurring	Non-Recur.	FY2010 Total Budget
Personnel services	-	148,725	130,043	134,463	-	608	135,071
Supplies	-	23,621	23,675	21,549	-	-	21,549
Maintenance	-	3,340	2,140	3,630	-	-	3,630
Services and charges	-	23,507	21,257	14,123	-	-	14,123
Total Operating Expenditures	-	199,193	177,115	173,765	-	608	174,373
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	-	199,193	177,115	173,765	-	608	174,373

Supplemental Programs Page No. Recurring Non-Recur.
None

Staffing	FY2007	FY2008	FY2009	FY2010
Fire Marshal/Inspector	0.00	0.00	1.00	1.00
Fire Inspector	0.00	0.00	1.00	1.00
Total	0.00	0.00	2.00	2.00

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 2009

- Percentage of time that the first arriving first apparatus has arrived on the scene in five minutes or less has risen from 55% in FY 2008 to nearly 67% in FY 2009.
- Through incentives, the desired nighttime staffing level of four firefighters is achieved four out of seven nights per week.
- A site for the location of City Fire Station #3 has been identified.
- One of the goals for FY 2009 was to complete in conjunction with other City of Tomball agencies, an emergency incident exercise. Hurricane Ike replaced the necessity of the exercise.

Objectives for FY 2010

- Increase the percentage of time it takes for the first arriving fire apparatus to arrive on the scene within five minutes of being dispatched to an emergency from approximately 60% to 80%.
- Increase the number of firefighters responding at night and on Sunday on each first out apparatus (one from each station) to four (4).
- Design and complete, in conjunction with other City of Tomball agencies and EMS, one multi-jurisdictional, multi-agency emergency incident tabletop or exercise.
- Acquire the site for the third City of Tomball Fire Department Fire Station.

Major Budget Items:

- Replacement Turnout Gear (\$41,220)
- Fuel (\$42,467)
- Vehicle Maintenance (\$62,640)

**CITY OF TOMBALL
142 - GENERAL FUND - FIRE DEPARTMENT
2009-2010 BUDGET WORKSHEET**

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	649,375	704,602	663,660	627,108	-	1,521	628,629
Supplies	315,469	249,143	224,050	205,800	-	-	205,800
Maintenance	184,875	127,820	133,500	88,585	-	-	88,585
Services and charges	230,359	94,226	83,090	71,584	-	-	71,584
Total Operating Expenditures	1,380,078	1,175,791	1,104,300	993,077	-	1,521	994,598
Capital Outlay	721,307	351,297	351,297	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	121,318	51,879	51,879	51,879	-	-	51,879
Total Expenditures	2,222,703	1,578,967	1,507,476	1,044,956	-	1,521	1,046,477

Supplemental Programs	Page No.	Recurring	Non-Recur.
None			

Staffing	FY2007	FY2008	FY2009	FY2010
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	0.00	0.00
Fire Inspector	1.00	1.00	0.00	0.00
Part Time Fire Fighter/ Fire Inspector	1.00	1.00	0.00	0.00
Fire Fighter	0.00	2.00	2.00	2.00
Part Time Fire Fighter	7.00	7.00	7.00	7.00
Administrative Assistant	1.00	1.00	1.00	1.00
PAID STAFF	13.00	15.00	12.00	12.00
Community Volunteers	60.00	60.00	60.00	60.00
Total	73.00	75.00	72.00	72.00

Emergency Management

Program Narrative

Accomplishments for FY 2009

- Members of the Tomball Area Chamber of Commerce, working through the Tomball Area LEPC and the Office of Emergency Management, have identified at least six local businesses that are willing to provide access to equipment, supplies or other materials that could be needed in an emergency.
- Our volunteer for the Mass Care Annex of the City's Emergency operations Plan has identified three church facilities amenable to providing refuge areas of last resort from natural or man-made disasters. A Memorandum of Understanding is being developed for review to be presented to the churches.

Goals for FY 2010

- Develop and execute a Memorandum of Understanding with 10 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.
- Complete the Continuity of Operations Planning project.

Major Budget Items

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

CITY OF TOMBALL
143 - GENERAL FUND - EMERGENCY MANAGEMENT
2009-2010 BUDGET WORKSHEET

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	-	-	-	-	-	-	-
Supplies	-	2,300	2,450	1,350	-	-	1,350
Maintenance	-	-	-	-	-	-	-
Services and charges	-	15,300	15,100	13,170	-	-	13,170
Total Operating Expenditures	-	17,600	17,550	14,520	-	-	14,520
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	-	17,600	17,550	14,520	-	-	14,520

Supplemental Programs	Page No.	Recurring	Non-Recur.
None			

No staff has been assigned to this department.

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 2009

- Hurricane Ike cleanup: After the storm hit in mid September, the public works department coordinated a five week cleanup effort to remove over 26,000 cubic yards of storm debris. That is enough to cover a football field over 25 feet high.

Goals for FY 2010

- Identify and prioritize the necessary infrastructure maintenance and improvements that will effectively address the current needs of our community.

Major Budget Items

None

CITY OF TOMBALL
151 - GENERAL FUND - PUBLIC WORKS ADMINISTRATION
2009-2010 BUDGET WORKSHEET

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	584,245	56,303	54,599	42,213	-	304	42,517
Supplies	94,386	3,120	2,854	2,150	-	-	2,150
Maintenance	31,915	-	-	-	-	-	-
Services and charges	185,455	3,900	1,530	2,575	-	-	2,575
Total Operating Expenditures	896,001	63,323	58,983	46,938	-	304	47,242
Capital Outlay	27,416	50,000	50,000	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	288,233	61,513	61,513	61,513	-	-	61,513
Total Expenditures	1,211,650	174,836	170,496	108,451	-	304	108,756

Supplemental Programs Page No. Recurring Non-Recur.
None

Staffing	FY2007	FY2008	FY2009	FY2010
Public Works Director of Operations	0.00	0.00	0.00	0.00
Director of Engineering and Planning	1.00	1.00	0.00	0.00
City Engineer	0.00	0.00	0.00	0.00
Assistant City Engineer	1.00	1.00	0.00	0.00
GIS Coordinator	0.00	0.00	0.00	0.00
Park, Street, Drainage Superintendent	1.00	1.00	0.00	0.00
Facilities Maintenance Specialist	1.00	1.00	0.00	0.00
Community Development Coordinator	1.00	1.00	0.00	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	1.00	0.00	0.00
Construction Manager	0.00 *	1.00	0.00	0.00
VOE Student	0.00	0.00	0.00	0.00
Total	6.00	8.00	1.00	1.00

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

Garage

Program Narrative

Accomplishments for FY 2009

- Organized garage work areas and equipment. Eliminated excessive and unnecessary traffic in the garage by moving the time clock and the ice machine. The garage is “authorized personnel only” which has significantly improved safety and efficiency of the operation.
- Replaced worn and unsafe machinery and equipment. Items replaced include the tire changing machine, wheel balancing machine, brake reconditioning machine, and the parts cleaner. Providing fleet maintenance with this equipment enables the department to perform more vehicle maintenance and repairs in-house, thereby creating significant cost savings, reducing repair times, and improving the quality of services for City owned vehicles and equipment.

Objectives for FY 2010

- Look for ways to reallocate existing personnel and seasonal employees to provide additional manpower when needed as the garage currently operates with one mechanic.
- Look for an interim facilities maintenance software program that will assist in the management schedules for a fleet of over 70 vehicles.
- Continue reorganization and restructuring of garage operations to maximize safety and efficiency, and prepare for future upgrades.
- Replace existing shop compressed air system.
- Provide a storage rack for acetylene and oxygen bottles.

**CITY OF TOMBALL
152 - GENERAL FUND - GARAGE DEPARTMENT
2009-2010 BUDGET WORKSHEET**

	FY2008 Actual	FY2009 Budget	FY2009 Projections	FY2010 Base	Recurring	Non-Recur.	FY2010 Total Budget
Personnel services	67,239	74,546	75,240	58,274	-	304	58,578
Supplies	2,396	12,199	12,258	6,696	-	-	6,696
Maintenance	1,229	1,600	1,730	1,600	-	-	1,600
Services and charges	7,274	1,742	1,380	1,492	-	-	1,492
Total Operating Expenditures	78,139	90,087	90,608	68,062	-	304	68,366
Capital Outlay	-	12,552	12,551	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	78,139	102,639	103,159	68,062	-	304	68,366

Supplemental Programs Page No. Recurring Non-Recur.
None

Staffing	FY2007	FY2008	FY2009	FY2010
City Mechanic	1.00	1.00	1.00	1.00
Total	1.00	1.00	1.00	1.00

Parks Department

Program Narrative

Accomplishments for FY 2009

- Improvement to Wayne Stovall Sports Complex: A contract has been executed with KBR for continued improvements which will be completed prior to the Spring 2010 Little League Baseball season. The scope of the planned improvements include: renovations to 16 existing dugouts, improved foul ball protection systems, and a new concrete sidewalk for a major pedestrian corridor within the park.
- Improvements to Jerry Matheson Park-City Pool during 2009 include: replacing the entire plaster surface to the interior of the pool, replacing the pool drains and depth markers to meet new state requirements, replacing all coping tiles, resealing the pool deck and cleaning the pool's sand filtering system.
- Jerry Matheson Park-Tennis Courts improvements completed include: resurfacing courts, reconstructing exterior fencing, and replacing all fence netting.
- New hand cleaner devices were installed at Juergens and Matheson Parks. A new accessibility water fountain was installed at Juergens Park. At Martin Luther King, Jr. Park, the security wire was removed from the fence and the restrooms were painted and restored.

Depot Area Upgrades:

With the growing community events at this location the addition of the new gazebo, the department is responsible for providing additional utilities and system maintenance for the facility. Improvements completed include: expanded electrical services, landscaping, and landscape irrigation; improved hand railing and accessibility ramps, new sidewalks, and a new concrete surface for the multipurpose terrace at the depot plaza.

Objectives for FY 2010

- Complete repairs needed for pumping system for the City pool in time for the 2010 swimming season.
- Provide new PVC rail fence for new gazebo at the Depot Plaza. This will protect the area and new amenities from any vehicle attempting to drive on unpaved areas.
- Provide new distance markers and exercise stations at the Juergens Park walking trail.
- Provide additional improvements for Martin Luther King, Jr. Park.
- Continue improvements for Wayne Stovall Memorial Sports Complex based on available funds.

Major Budget Items

- None

**CITY OF TOMBALL
153 - GENERAL FUND - PARKS DEPARTMENT
2009-2010 BUDGET WORKSHEET**

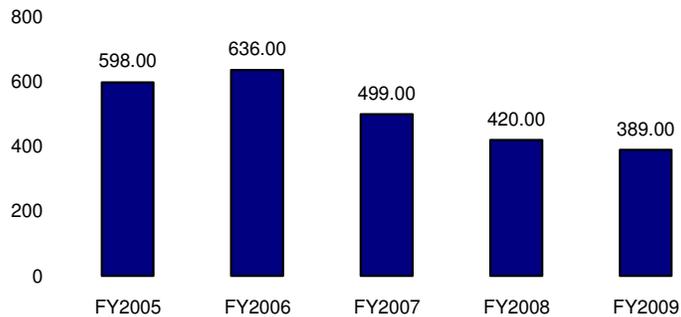
	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	224,125	287,571	286,975	218,533	-	1,521	220,054
Supplies	40,985	57,849	52,467	42,081	-	-	42,081
Maintenance	28,255	90,782	106,515	27,219	-	-	27,219
Services and charges	73,806	32,215	31,127	30,907	-	-	30,907
Total Operating Expenditures	367,172	468,417	477,084	318,740	-	1,521	320,261
Capital Outlay	374,194	403,320	403,320	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	27,313	19,413	19,413	16,455	-	-	16,455
Total Expenditures	768,678	891,150	899,817	335,195	-	1,521	336,716

Supplemental Programs Page No. Recurring Non-Recur.
None

Staffing	FY2007	FY2008	FY2009	FY2010
Park Foreman	1.00	1.00	1.00	1.00
Serviceman	3.00	4.00	4.00	4.00
Crew Worker**	0.20	0.20	0.20	0.20
Total	4.20	5.20	5.20	5.20

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

Acreage Mowed



Streets Department

Program Narrative

Accomplishments for FY 2009

- Engineered Pavement Management Plan
HDR/Claunch & Miller have been authorized by the City to perform an engineering assessment and develop an EPMP for all asphalt streets. The completed program will include a complete inventory of all asphalt streets, repair and maintenance recommendations, and a registered copy of the MicroPaver software program. The software will allow the department to manage and update the EPMP for the next several years. The completed EPMP will enable the City to effectively manage and budget for future repairs and preventive maintenance of all city maintained asphalt streets.
- Concrete Street Maintenance
The Streets department began a maintenance program for the concrete streets in the City. The objective of this initial process is to identify and repair the most significant failures and prevent further deterioration to these areas. Problem areas that have been identified and repaired include areas in Tomball Hills, Hunterwood, and Tomball Terrace. In addition to these areas, damaged sidewalks on Baker Street have been replaced as well.
- Drainage Maintenance Program
The street department developed a program for drainage maintenance designed to improve the maintenance of the drainage system and to address areas experiencing localized flooding problems. Initial phase accomplishments

include ditch resolution and culvert replacements on Belmont Street, Southmore Street, and Anna Street. Also repairs were made in the alley at 700 W Main Street, Walnut Street, and Oxford Street.

Objectives for FY 2010

- Implement completed EPMP's and prepare projects for 2011 based on available funds.
- Develop program for regular maintenance of Main Street to include: routine inspections of downtown sidewalks and ADA ramps, regular maintenance of landscaping, and scheduled cleaning of downtown sidewalks, curbs, and alleys.
- Develop a maintenance program for the City's portion of all new and improved major drainage channels and detention facilities.

Major Budget Items

- Asphalt Street Maintenance (\$75,000)
- Concrete Street Maintenance (\$50,000)
- Drainage System Maintenance (\$50,000)
- Street Light Utility Service (\$119,000)

**CITY OF TOMBALL
154 - GENERAL FUND - STREET DEPARTMENT
2009-2010 BUDGET WORKSHEET**

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	358,504	462,830	417,177	354,493	-	1,825	356,318
Supplies	29,410	60,459	49,459	49,943	-	-	49,943
Maintenance	4,809	314,288	313,534	191,088	-	-	191,088
Services and charges	303,719	256,425	246,491	132,420	-	-	132,420
Total Operating Expenditures	696,442	1,094,002	1,026,661	727,944	-	1,825	729,769
Capital Outlay	2,747,064	7,185,725	7,185,725	724,900	-	-	724,900
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	324,209	304,571	304,571	125,842	-	-	125,842
Total Expenditures	3,767,715	8,584,298	8,516,957	1,578,686	-	1,825	1,580,511

Supplemental Programs	Page No.	Recurring	Non-Recur.
None			

Staffing	FY2007	FY2008	FY2009	FY2010
Street & Drainage Foreman	0.00	0.00	1.00	1.00
Heavy Equipment Operator	2.00	2.00	2.00	2.00
Serviceman	5.00	5.00	5.00	5.00
Crew Worker**	0.20	0.20	0.20	0.20
Total	7.20	7.20	8.20	8.20

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

Sanitation Department

Program Narrative

Accomplishments for FY 2009

- City of Tomball Closed Landfill:
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. The department completed a site grading project to provide a sufficient clayey cap for municipal solid waste disposal areas and to

eliminate ponding water thereby minimizing rain water infiltration which contributes to the leachate issue.

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 2009-2010 BUDGET WORKSHEET

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total
							Budget
Personnel services	-	-	-	-	-	-	-
Supplies	36,840	50,100	34,968	2,400	-	-	2,400
Maintenance	-	-	-	-	-	-	-
Services and charges	1,900,927	2,320,134	2,320,134	2,356,000	-	-	2,356,000
Total Operating Expenditures	1,937,767	2,370,234	2,355,102	2,358,400	-	-	2,358,400
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	1,937,767	2,370,234	2,355,102	2,358,400	-	-	2,358,400

Supplemental Programs	Page No.	Recurring	Non-Recur.
None			

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
2009-2010 BUDGET WORKSHEET

	FY2008 Actual	FY2009 Budget	FY2009 Projections	FY2010 Base	Recurring	Non-Recur.	FY2010 Total Budget
Personnel services	-	52,751	52,701	46,592	-	304	46,896
Supplies	-	13,780	11,625	9,879	-	-	9,879
Maintenance	-	66,854	64,204	45,239	-	-	45,239
Services and charges	-	316,896	394,216	387,464	-	-	387,464
Total Operating Expenditures	-	450,281	522,746	489,174	-	304	489,478
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	-	450,281	522,746	489,174	-	304	489,478

Supplemental Programs Page No. Recurring Non-Recur.
None

Staffing	FY2007	FY2008	FY2009	FY2010
Facilities Maintenance Specialist	0.00	0.00	1.00	1.00
Total	0.00	0.00	1.00	1.00

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 2009

- Executed a professional services agreement to complete CIP standard details for design and construction and final updated standards will be posted on the Engineering and Planning website.
- Completed development of the City minimum CIP technical specifications and general notes and posted them to the website.
- Processed plan reviews in an average time of 3 days through engineering and in an average 12.5 days through planning.
- Comprehensive plan is currently being developed and should be completed by December 2009.
- A contract was executed with HGAC for the Livable Centers project. The plan will go before Council to be adopted in late September.

- Developed a CIP project summary report system and posted on the City's web site.
- A draft list of proposed changes to the zoning ordinance has been developed.
- Prepared rezoning, text amendment and planned development ordinances in conjunction with rezoning requests pertaining to land use and development.

Objectives for FY 2010

- Develop CIP design standards manual and post results to the web.
- Develop water modeling for City system.
- Manage zoning ordinance rewrite project.
- Work on the Downtown Specific Plan.
- Manage, complete and implement the Comprehensive Plan Project.
- Continue to attend and contribute to the DRC meeting
- Begin implementation of Livable Centers Project.
- Prepare a strategic list of capital projects based on the Livable Centers and 2920 Access Management Studies.

Goals for FY 2010

- 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.

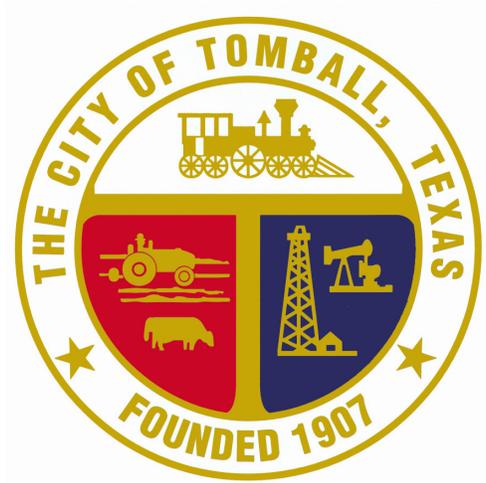
- Propose revisions to Chapter 14 “Buildings and Building Regulations”
- Monitor and update website for up-to-date and relevant content.

**CITY OF TOMBALL
156 - GENERAL FUND - ENGINEERING AND PLANNING
2009-2010 BUDGET WORKSHEET**

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	-	614,699	572,942	530,437	-	2,129	532,566
Supplies	-	23,979	20,654	15,700	-	-	15,700
Maintenance	-	-	-	-	-	-	-
Services and charges	-	342,733	329,550	115,250	-	150,000	265,250
Total Operating Expenditures	-	981,411	923,146	661,387	-	152,129	813,516
Capital Outlay	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
Long Term Debt	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenditures	-	981,411	923,146	661,387	-	152,129	813,516

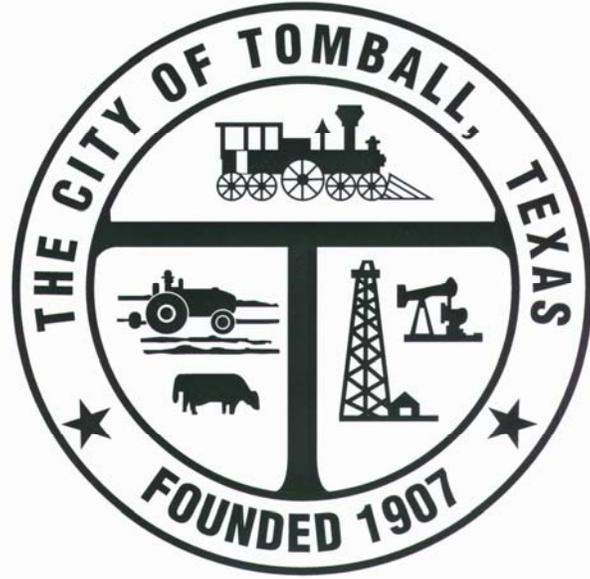
Supplemental Programs	Page No.	Recurring	Non-Recur.
Downtown Specific Plan	Appendix G		75,000
Zoning Ordinance	Appendix G		75,000

Staffing	FY2007	FY2008	FY2009	FY2010
Director of Engineering & Planning	0.00	0.00	1.00	1.00
Assistant City Engineer	0.00	0.00	1.00	1.00
Project Technician	0.00	0.00	1.00	1.00
Community Development Coordinator/ City Planner	0.00	0.00	1.00	1.00
Construction Manager	0.00	0.00	1.00	1.00
Administrative Assistant	0.00	0.00	1.00	1.00
Assistant City Planner	0.00	0.00	1.00	1.00
Total	0.00	0.00	7.00	7.00



In every community there is work to be done. In every nation, there are wounds to heal. In every heart there is the power to do it.

MARIANNE WILLIAMSON



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 “AA-” 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 2009. The City paid \$1,110,500 toward principal on its outstanding tax supported debt as well \$709,110 in interest. The City also paid \$218,540 to pay off its lease obligation on one of the fire trucks. Paying this lease off 2 years in advance saved approximately \$19,000 in interest expense. Projected ending fund balance for FY 2009 of \$1,216,810 represents 59% of FY 2010 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 2010 are budgeted at \$2,045,483. 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 2010.

Total outstanding general obligation debt	\$23,355,000
Less self-supporting debt from the Enterprise Fund	<u>7,777,000</u>
NET OUTSTANDING GENERAL OBLIGATION DEBT	<u><u>\$15,578,000</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 2010 Adopted Budget

	FY2008 Actual	FY2009 Current Budget	FY 2009 Projections	FY2010 Budget
Revenues:				
Current taxes	\$ 1,469,920	\$ 1,393,241	\$ 1,393,241	\$ 1,497,342
Delinquent taxes	41,219	35,000	35,000	35,000
Penalty and interest	21,517	21,000	21,000	21,000
Interest	71,796	70,000	20,000	25,000
Total Revenues	1,604,452	1,519,241	1,469,241	1,578,342
Expenditures:				
Principal	1,158,174	1,110,500	1,110,500	1,135,500
Interest	770,368	708,256	709,110	659,983
Lease Payment		218,540	218,021	-
FY2010				250,000
FY2011				
Fees	25,115	27,110	26,775	17,000
Total Expenditures	1,953,656	2,064,406	2,064,406	2,062,483
Other Sources/(Uses):				
Transfers				
Total Other Sources/(Uses)	-	-	-	-
Revenues Over/(Under) Expenditures	(349,204)	(545,165)	(595,165)	(484,141)
Beginning Fund Balance	2,161,179	1,811,975	1,811,975	1,216,810
Ending Fund Balance	\$ 1,811,975	\$ 1,266,810	\$ 1,216,810	\$ 732,669
Ending FB as % of Next Year's Debt Service Requirement	88.93%	61.42%	59.00%	36.14%

Bond Debt Service Schedule
 Combination Tax and Revenue Certification of Obligation
 Series 1995

Maturity Date: 2/15/2011

Payment Date	Principal	Coupon Rate	Interest	Total	Fiscal Total
2/15/2010	100,000.00	5.100%	5,112.50	105,112.50	
8/15/2010			2,562.50	2,562.50	107,675.00
2/15/2011	100,000.00	5.125%	2,562.50	102,562.50	102,562.50
Total	\$ 200,000.00		\$ 10,237.50	\$ 210,237.50	\$ 210,237.50

Bond Debt Service Schedule
 Combination Tax and Revenue Certification of Obligation
 Series 1998

Maturity Date: 2/15/2018

Payment Date	Principal	Coupon Rate	Interest	Total	Fiscal Total
2/15/2010	205,000.00	4.500%	53,602.50	258,602.50	
8/15/2010			48,990.00	48,990.00	307,592.50
2/15/2011	215,000.00	4.700%	48,990.00	263,990.00	
8/15/2011			43,937.50	43,937.50	307,927.50
2/15/2012	225,000.00	4.750%	43,937.50	268,937.50	
8/15/2012			38,593.75	38,593.75	307,531.25
2/15/2013	240,000.00	4.750%	38,593.75	278,593.75	
8/15/2013			32,893.75	32,893.75	311,487.50
2/15/2014	250,000.00	4.750%	32,893.75	282,893.75	
8/15/2014			26,956.25	26,956.25	309,850.00
2/15/2015	265,000.00	4.750%	26,956.25	291,956.25	
8/15/2015			20,662.50	20,662.50	312,618.75
2/15/2016	275,000.00	4.750%	20,662.50	295,662.50	
8/15/2016			14,131.25	14,131.25	309,793.75
2/15/2017	290,000.00	4.750%	14,131.25	304,131.25	
8/15/2017			7,243.75	7,243.75	311,375.00
2/15/2018	305,000.00	4.750%	7,243.75	312,243.75	312,243.75
Total	\$ 2,270,000.00		\$520,420.00	\$2,790,420.00	\$ 2,790,420.00

Bond Debt Service Schedule
 Combination Tax and Revenue Certification of Obligation
 Series 2002

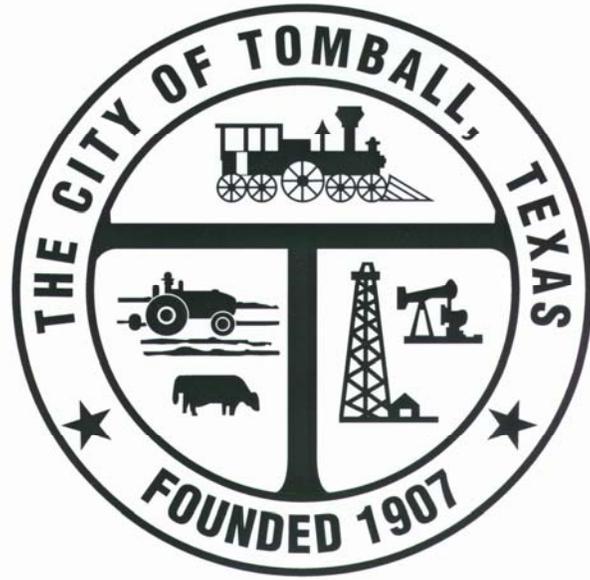
Maturity Date: 2/15/2022

Payment Date	Principal	Coupon Rate	Interest	Total	Fiscal Total
2/15/2010	490,500.00	4.250%	148,105.69	638,605.69	
8/15/2010			137,682.56	137,682.56	776,288.25
2/15/2011	490,500.00	4.500%	137,682.56	628,182.56	
8/15/2011			126,646.31	126,646.31	754,828.87
2/15/2012	490,500.00	4.250%	126,646.31	617,146.31	
8/15/2012			116,223.19	116,223.19	733,369.50
2/15/2013	490,500.00	4.400%	116,223.19	606,723.19	
8/15/2013			105,432.19	105,432.19	712,155.38
2/15/2014	490,500.00	4.500%	105,432.19	595,932.19	
8/15/2014			94,395.94	94,395.94	690,328.13
2/15/2015	490,500.00	4.500%	94,395.94	584,895.94	
8/15/2015			83,359.69	83,359.69	668,255.63
2/15/2016	490,500.00	4.625%	83,359.69	573,859.69	
8/15/2016			72,016.88	72,016.88	645,876.57
2/15/2017	488,250.00	4.750%	72,016.88	560,266.88	
8/15/2017			60,420.94	60,420.94	620,687.82
2/15/2018	488,250.00	4.750%	60,420.94	548,670.94	
8/15/2018			48,825.00	48,825.00	597,495.94
2/15/2019	488,250.00	5.000%	48,850.00	537,100.00	
8/15/2019			36,618.75	36,618.75	573,718.75
2/15/2020	488,250.00	5.000%	36,618.75	524,868.75	
8/15/2020			24,412.50	24,412.50	549,281.25
2/15/2021	488,250.00	5.000%	24,412.50	512,662.50	
8/15/2021			12,206.25	12,206.25	524,868.75
2/15/2022	488,250.00	5.000%	12,206.25	500,456.25	500,456.25
Total	\$ 6,363,000.00		\$ 1,984,611.09	\$8,347,611.09	\$ 8,347,611.09

Bond Debt Service Schedule
 Combination Tax and Revenue Certification of Obligation
 Series 2003

Maturity Date: 2/15/2023

Payment Date	Principal	Coupon Rate	Interest	Total	Fiscal Total
2/15/2010	340,000.00	3.500%	134,938.75	474,938.75	
8/15/2010			128,988.75	128,988.75	603,927.50
2/15/2011	360,000.00	3.200%	128,988.75	488,988.75	
8/15/2011			123,228.75	123,228.75	612,217.50
2/15/2012	375,000.00	3.500%	123,228.75	498,228.75	
8/15/2012			116,666.25	116,666.25	614,895.00
2/15/2013	395,000.00	3.600%	116,666.25	511,666.25	
8/15/2013			109,556.25	109,556.25	621,222.50
2/15/2014	415,000.00	3.700%	109,556.25	524,556.25	
8/15/2014			101,878.75	101,878.75	626,435.00
2/15/2015	440,000.00	3.750%	101,878.75	541,878.75	
8/15/2015			93,628.75	93,628.75	635,507.50
2/15/2016	460,000.00	3.875%	93,628.75	553,628.75	
8/15/2016			84,716.25	84,716.25	638,345.00
2/15/2017	485,000.00	3.900%	84,716.25	569,716.25	
8/15/2017			75,258.75	75,258.75	644,975.00
2/15/2018	510,000.00	4.125%	75,258.75	585,258.75	
8/15/2018			64,740.00	64,740.00	649,998.75
2/15/2019	535,000.00	4.200%	64,740.00	599,740.00	
8/15/2019			53,505.00	53,505.00	653,245.00
2/15/2020	565,000.00	4.300%	53,505.00	618,505.00	
8/15/2020			41,357.50	41,357.50	659,862.50
2/15/2021	590,000.00	4.400%	41,357.50	631,357.50	
8/15/2021			28,377.50	28,377.50	659,735.00
2/15/2022	620,000.00	4.400%	28,377.50	648,377.50	
8/15/2022			14,737.50	14,737.50	663,115.00
2/15/2023	655,000.00	4.500%	14,737.50	669,737.50	684,475.00
Total	\$ 6,090,000.00		\$ 2,178,743.75	\$8,268,743.75	\$ 7,620,366.25



SPECIAL REVENUE FUNDS

Special Revenue Funds

Statement of Revenues, Expenditures and Changes in Fund Balance

FY 2010 Adopted Budget

	FY 2009 Budget	FY 2009 Projections	FY 2010 Budget
Revenues:			
Occupancy tax	\$ 190,000	\$ 220,000	\$ 220,000
Fines and warrants	63,000	191,000	57,500
Grants	-	-	-
Interest	13,750	4,300	6,575
Transfers and other	-	26,145	-
Total	266,750	441,445	284,075
Expenditures:			
General Special	-	10,200	50,000
Senior Housing	-	8,150	-
Court Building Security	-	-	39,031
Court Building Technology	6,525	6,525	3,125
Hotel Occupancy	108,000	151,500	138,000
Total	114,525	176,375	230,156
Revenues Over (Under)			
Expenditures	152,225	265,070	53,919
Beginning Fund Balance	479,639	479,639	744,709
Ending Fund Balance	\$ 631,864	\$ 744,709	\$ 798,628

General Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

FY 2010 Adopted Budget

	FY 2008 Actual	FY 2009 Budget	FY 2009 Projections	FY 2010 Budget
Revenues:				
Abandoned vehicles	\$	\$	\$	\$
Seized funds			134,000	
Child safety	15,685	10,000	7,000	7,500
Interest	812	800	500	750
Other				
Total	16,497	10,800	141,500	8,250
Expenditures:				
Supplies	18,907		4,200	10,000
Maintenance			6,000	
Services and charges				
Capital				40,000
Total	18,907	-	10,200	50,000
Revenues Over (Under)				
Expenditures	(2,410)	10,800	131,300	(41,750)
Beginning Fund Balance	25,571	23,161	23,161	154,461
Ending Fund Balance	\$ 23,161	\$ 33,961	\$ 154,461	\$ 112,711

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 2010 Adopted Budget

	FY 2008 Actual	FY 2009 Budget	FY 2009 Projections	FY 2010 Budget
Revenues:				
Grants	\$	\$	\$	\$
Interest	1,048	950	200	125
Other				
Total	1,048	950	200	125
Expenditures:				
Supplies	11,864		50	
Maintenance				
Services and charges			8,100	
Capital				
Total	11,864	-	8,150	-
Revenues Over (Under)				
Expenditures	(10,816)	950	(7,950)	125
Beginning Fund Balance	39,076	28,260	28,260	20,310
Ending Fund Balance	\$ 28,260	\$ 29,210	\$ 20,310	\$ 20,435

Municipal Court Building Security Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

FY 2010 Adopted Budget

	FY 2008 Actual	FY 2009 Budget	FY 2009 Projections	FY 2010 Budget
Revenues:				
Fines and warrants	\$ 21,944	\$ 22,000	\$ 22,000	\$ 22,000
Interest	5,617	6,000	1,300	1,500
Transfers in				
Total	27,561	28,000	23,300	23,500
Expenditures:				
Personnel				39,031
Supplies	18,760			
Total	18,760	-	-	39,031
Revenues Over (Under) Expenditures	8,801	28,000	23,300	(15,531)
Beginning Fund Balance	162,173	170,974	170,974	194,274
Ending Fund Balance	\$ 170,974	\$ 198,974	\$ 194,274	\$ 178,743

Fund Description

The Court Security Fund is a fund that collects revenues from court fines and forfeitures for the purpose of providing funding for the enhancement of Municipal Court security. Also, the origins and requirements of the Court Security Fund are similar to the Court Technology Fund. According to Article 102.017 in the Texas Code of Criminal Procedure, a city may create a municipal court building security fund by ordinance and may require a defendant convicted of a misdemeanor offense to pay a technology fee not to exceed \$3.00 as a cost of the court.

Some items that may be funded through the Court Technology Fund include:

- X-ray machines and metal detectors
- Identification cards and systems
- Electronic locking and surveillance equipment
- Bailiffs
- Continuing education on security issues for court and security personnel

Fund Narrative

For FY 2010, the budget anticipates that funds generated by the building security fee will fund a portion of the salary and benefits for the court bailiff/warrant officer.

Municipal Court Technology Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

FY 2010 Adopted Budget

	FY 2008 Actual	FY 2009 Budget	FY 2009 Projections	FY 2010 Budget
Revenues:				
Fines and warrants	\$ 29,198	\$ 31,000	\$ 28,000	\$ 28,000
Interest	3,133	3,000	1,000	1,200
Transfers in				
Total	32,331	34,000	29,000	29,200
Expenditures:				
Supplies	1,775	3,400	3,400	-
Maintenance		3,125	3,125	3,125
Total	1,775	6,525	6,525	3,125
Revenues Over (Under)				
Expenditures	30,556	27,475	22,475	26,075
Beginning Fund Balance	84,204	114,760	114,760	137,235
Ending Fund Balance	\$ 114,760	\$ 142,235	\$ 137,235	\$ 163,310

Fund Description

The Court Technology Fund is a fund that collects revenues from court fines and forfeitures and utilizes these resources to finance the purchase of technological enhancements for the Municipal Court. Based upon Article 102.0172 in the Texas Code of Criminal Procedure, a City may create a municipal court technology fund by ordinance and may require a defendant convicted of a misdemeanor offense to pay a technology fee not to exceed \$4.00 as a cost of the court.

Some of the items that may be purchased in the Court Technology Fund include:

- Computer systems, networks, hardware and software
- Imaging systems
- Electronic kiosks
- Electronic ticket writing equipment

Fund Narrative

For FY 2010, the funding generated by the court technology fee will go towards the annual maintenance agreement on the court software.

Hotel Occupancy Tax Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

FY 2010 Adopted Budget

	FY 2008 Actual	FY 2009 Budget	FY 2009 Projections	FY 2010 Budget
Revenues:				
Occupancy tax	\$ 222,548	\$ 190,000	\$ 220,000	\$ 220,000
Interest	3,691	3,000	1,300	3,000
Miscellaneous income	-	-	26,145	-
Total	226,239	193,000	247,445	223,000
Expenditures:				
Personnel services	3,095	8,000	8,000	8,000
Greater Tomball Chamber	35,000	35,000	35,000	35,000
Spring Creek Historical	5,500	-	-	-
The Regional Arts Council	8,750	-	-	-
Tomball Community Chorus	5,000	-	-	-
Chaparral Genealogical	5,000	-	-	-
Tomball Sister City	15,000	15,000	15,000	15,000
Second Saturday Events	-	30,000	21,500	30,000
Grants	-	-	-	30,000
Other	79,900	20,000	72,000	20,000
Total	157,245	108,000	151,500	138,000
Revenues Over (Under)				
Expenditures	68,994	85,000	95,945	85,000
Beginning Fund Balance	73,490	142,484	142,484	238,429
Ending Fund Balance	\$ 142,484	\$ 227,484	\$ 238,429	\$ 323,429

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.

Fund Narrative

For FY 2009, the budget anticipates distributing receipts of occupancy tax to the organizations listed above. In order to receive a distribution of funds, each organization is required to submit a grant application that specifically states how the occupancy tax funds will be utilized. In order to be awarded a grant of occupancy tax funds, the proposed utilization of the funds must comply with state law. In addition to the organizations listed above, the City will budget an additional \$30,000 to award to applicants. The \$20,000 budgeted in "Other" is for the annual City of Tomball 4th of July fireworks display which brings people into town from surrounding cities as well as unincorporated areas.



WELCOME



OLD TOWN
TOMBALL

MORE SHOPS ON
COMMERCE ST.



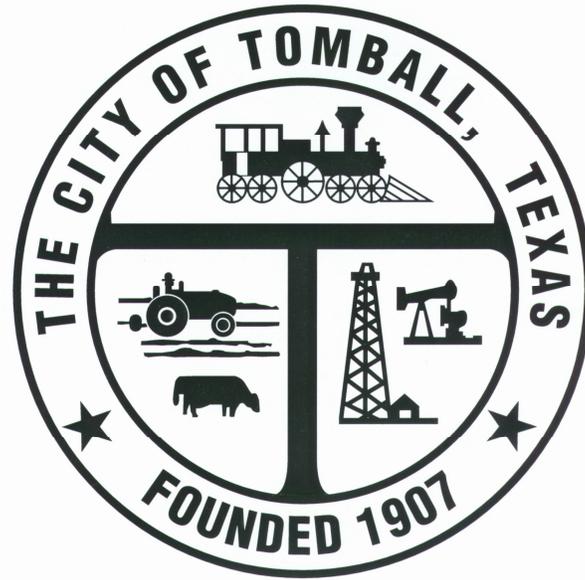
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HOUSTON
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CAPITAL IMPROVEMENT PROJECTS

Capital Improvement Projects

Funding Description

The newly developed Comprehensive Plan in conjunction with the Zoning Ordinance provide a roadmap for future capital improvement planning. The City reviews the Capital Improvement Plan annually and makes updates as necessary. All ongoing and proposed projects are ranked by priority and then funded based on the available financial resources.

Impact on the Future Operations Budget

Most of the planned capital expenditures involve improvements on the City's storm drainage system. A small portion of the expenditures will result in a very minor increase to the City's network of streets, sidewalks, and utility lines. The overall impact to the future operating budget is not considered material.

General Fund
 Capital Improvement Plan
 FY 2010 Proposed Cash Funding

Project	Ranking	Phase	FY 2010	FY 2011	FY 2012	FY 2013	Total
Quinn Rd. Sidewalk Improvements - 45% GF	1	Land	9,900				9,900
		Other	45,000				45,000
		Construction	247,500				247,500
Rudolph Rd. & Utilities (Phase 1) - 71% GF		Design	35,500				35,500
		Other	142,000				142,000
							-
Total for 1 Ranking Category			\$ 479,900	\$ -	\$ -	\$ -	\$ 479,900
Brown Rd Extension (Phase 2) - 70% GF	2	Design	35,000				35,000
		Land	210,000				210,000
		Other		140,000			140,000
		Construction		666,400			666,400
Total for 2 Ranking Category			\$ 245,000	\$ 806,400	\$ -	\$ -	\$ 1,051,400
M124 Drainage Channel	3	Other			200,000		200,000
Medical Complex Drive (Seg 3) - 75% GF	3	Other			150,000		150,000
Total for 3 Ranking Category			\$ -	\$ -	\$ 350,000	\$ -	\$ 350,000
Total per Fiscal Year			\$ 724,900	\$ 806,400	\$ 350,000	\$ -	\$ 1,881,300

General Fund
Capital Improvement Plan
Proposed Certificate of Obligation Funding - FY 2010

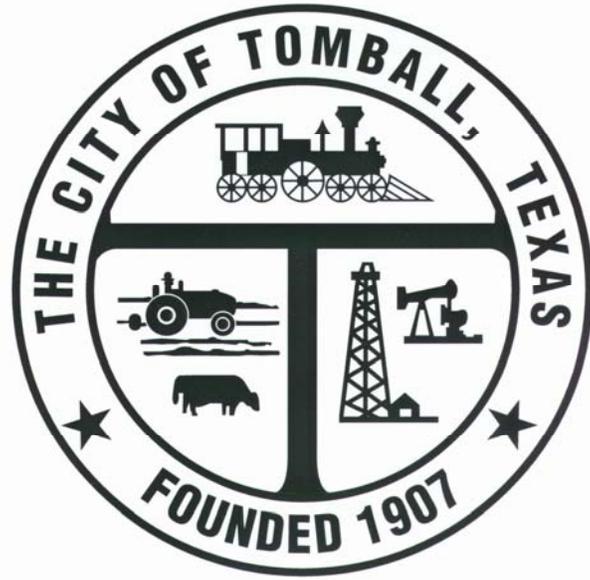
Project	Ranking	Phase	FY 2010	FY 2011	FY 2012	FY 2013	Total	
M121 West Drainage Channel	1	Design	300,000				\$ 300,000	
		Land	970,000				970,000	
		Other		1,432,000			1,432,000	
		Construction			8,700,000		8,700,000	
Medical Complex Drive (Seg. 2) - 91% GF	1	Land	864,500				864,500	
							-	
							-	
Rudolph Rd. & Utilities (Phase 1) - 71% GF	1	Construction	942,250				942,250	
							-	
							-	
Reimbursement Resolution for Michel Rd.			550,000				550,000	
Total for 1 Ranking Category			\$ 3,626,750	\$ 1,432,000	\$ 8,700,000	\$ -	\$ 13,758,750	
M118 Drainage Channel (South of Holderrieth)	2	Design	580,000				580,000	
		Construction	2,900,000				2,900,000	
		Other	200,000				200,000	
Total for 2 Ranking Category			\$ 3,680,000	\$ -	\$ -	\$ -	\$ 3,680,000	
M121 East Drainage Channel	3	Design	300,000				300,000	
		Land		580,000			580,000	
							-	
M124 Drainage Channel	3	Design	1,127,000				1,127,000	
		Land		1,005,000	1,005,000		2,010,000	
							-	
							-	
M118 Drainage Channel (North of Holderrieth)	3	Design		180,000			180,000	
		Land		980,000			980,000	
							-	
							-	
Medical Complex Drive (Seg 3) - 75% GF	3	Design	659,125				659,125	
		Land	600,000				600,000	
		Other			150,000		150,000	
		Construction			3,295,625		3,295,625	
Total for 3 Ranking Category			\$ 2,686,125	\$ 2,745,000	\$ 4,450,625	\$ -	\$ 9,881,750	
Fire Trucks				450,000	450,000		900,000	
				\$ -	\$ 450,000	\$ 450,000	\$ -	\$ 900,000
Total per Fiscal Year			\$ 9,992,875	\$ 4,627,000	\$ 13,600,625	\$ -	\$ 28,220,500	

Enterprise Fund
Capital Improvement Plan
FY 2010 Proposed Cash Funding

Project	Ranking	Phase	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
Tomball Hills Lift Station	1	Land	20,000					20,000
Quinn Road Improvements - 55% EF	1	Land	12,100					12,100
Medical Complex Dr. (Seg 2) - 9% EF	1	Land	85,500					85,500
Hufsmith Sanitary Sewer Improvements	1	Land	110,000					110,000
Water Well #5		Construction	1,750,000					1,750,000
Rudolph Rd & Utilities (Phase 1) - 29% EF	1	Design	14,500					14,500
Total for 1 Ranking Category			\$ 1,992,100	\$ -	\$ -	\$ -	\$ -	\$1,992,100
Brown Rd Extension (Phase 2) - 30% EF	2	Design	15,000					15,000
		Other		60,000				60,000
		Construction		285,600				285,600
Hufsmith Water & Gas Improvements	2	Land		590,000				590,000
		Design			30,000			30,000
		Other			100,000			100,000
		Construction			750,000			750,000
Total for 2 Ranking Category			\$ 15,000	\$ 935,600	\$ 880,000	\$ -	\$ -	\$ 1,830,600
Medical Complex Drive (Seg 3)	3	Other			50,000			50,000
		Construction				1,098,542		1,098,542
Total for 3 Ranking Category			\$ -	\$ -	\$ 50,000	\$ 1,098,542	\$ -	\$ 1,148,542
Totals per Fiscal Year			\$ 2,007,100	\$ 935,600	\$ 930,000	\$ 1,098,542	\$ -	\$ 4,971,242

Enterprise Fund
 Capital Improvement Plan
 Proposed Revenue Bond Funding - FY 2010

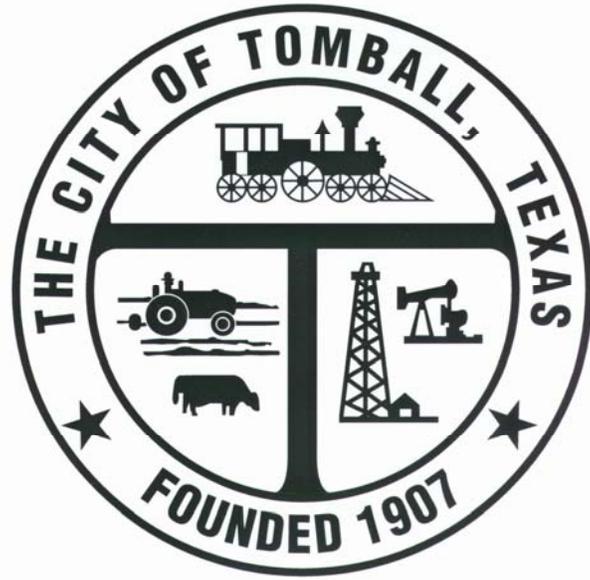
Project	Ranking	Phase	FY 2010	FY 2011	FY 2012	FY 2013	Total
Tomball Hills Lift Station	1	Design	60,000				60,000
		Other	70,000				70,000
		Construction	300,000				300,000
Quinn Road Improvements - 55% EF	1	Design	55,000				55,000
		Construction	302,500				302,500
Rudolph Rd & Utilities (Phase 1) - 29% EF	1	Construction	485,750				485,750
Total for 1 Ranking Category			\$ 1,273,250	\$ -	\$ -	\$ -	\$1,273,250
Brown Rd Extension (Phase 2) - 30% EF			90,000				90,000
Total for 2 Ranking Category			\$ 90,000	\$ -	\$ -	\$ -	\$ 90,000
Medical Complex Drive (Seg 3)	3	Design	219,708				219,708
		Land	200,000				200,000
Total for 3 Ranking Category			\$ 419,708	\$ -	\$ -	\$ -	\$ 419,708
Total per Fiscal Year			\$ 1,782,958	\$ -	\$ -	\$ -	\$ 1,782,958



ENTERPRISE FUNDS



The Gazebo was added to the Railroad Depot area in the March of 2009. The Centennial Commission dedicated the Gazebo to the City of Tomball to commemorate the City's 100th birthday.



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 \$6,814,204 which is \$1,136,800 more than budget. Revenues for the current fiscal year, budgeted at \$12,162,266 are expected to come in approximately 4.5% or \$544,000 less than budget. This is primarily due to natural gas sales being less than budgeted due to less demand than anticipated. The lower demand was likely due to the combination of a fairly mild winter and customers not using as much gas due to the increased cost per Mcf. Tap revenues are also projected to be less than budget with the slow down in growth within the City. Due to historically low interest rates, interest earnings will also fall short of budget.

Operating expenses for FY2009 are projected to come in approximately \$768,000 less than budget. Payments to the Harris County Regional Water Authority were less than anticipated, and as mentioned above, demand for natural gas was less than projected which resulted in less natural gas being purchased to supply the system. Funds budgeted for maintenance of the utility systems are also anticipated to be less than budget.

Projected ending Fund Balance of \$6,814,204 represents 70% 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%¹. Projected net revenues will have provided debt coverage ratios of 354% for revenue bond debt and 126% coverage on total system supported debt.

2009 / 2010 Budget

Revenues

Budget revenues for FY 2010 are \$10,589,800. This amount is approximately \$1.03 million or 9% less than revenues budgeted for FY 2009. This decrease is primarily due to proposed rate decreases for natural gas due to the City's lower contract purchase price for FY 2010.² There are also decreases in revenues budgeted from tap fees due to the lack of new development and a reduction in interest earnings due to the historically low interest rates.

¹ See Appendix B for a complete set of Financial Management Policies.

² For a more detailed discussion of Utility Fees, see Appendix D, Major Revenue Sources.

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 was to bring the rate structure into compliance with legislation adopted by the State of Texas in 2007 requiring utilities to adopt conservation rate structures. The conservation rate structure was implemented during FY 2009 for commercial customers. It was said at that time that the conservation structure would be implemented for residential customers in the FY 2010 budget. The water revenues budgeted do reflect the change in residential rates. On average 76% of the City's utility customers fall in the 10,000 gallon or less/month user class. These are Tier 1 customers, and they will not experience an increase in rates for FY 2010. Customers in Tier II, those using 11,000 – 15,000 gallons will have a 15% increase on their base rate and a 25% increase on volume rate. The Tier III users, those using 16,000+ gallons will have a base rate 15% higher and a volume rate 25% higher than the Tier II users. All commercial rates as well as rates for wastewater will remain the same as those adopted for FY 2009.

The cost to the City for its natural gas supply was \$8.50 per Mcf for FY 2009 which is the delivered cost of the gas, not the raw rate. Starting in November of 2009, the City's cost will drop to \$6.03 per Mcf which is a \$2.47 per Mcf or 18% decrease in the rate. The rate charge to customers not only cover the cost of the natural gas itself but also pay for the daily operations of the natural gas system, system maintenance, capital projects, and a proportionate share of annual debt payments.

Expenditures

The base budget for operating expenses for FY 2010 is \$8,250,147 which is \$2.23 million or 21% less than the current budget for FY 2009. As discussed in the General Fund, the Enterprise Fund budget includes a projected 13% increase in the cost of health insurance and a 1% increase in the City's contribution to the Texas Municipal Retirement System. More than offsetting these increases however is a reduction in the amount budgeted for natural gas purchases (primary reduction) due to the reduction in cost and a slight reduction in budgeted volume as well as a reduction in the amount to be paid to the Regional Water Authority. As in the General Fund, each line item was carefully reviewed and various reductions in expenses were made across all departments. The proposed budget for the Enterprise Fund does include 3 non-recurring supplemental programs totaling \$109,125¹.

The budget does provide for an issue of approximately \$4 million in revenue bonds. This issue was originally slated for early FY 2009, but due to the state of the municipal bond market, this issue was postponed. It is now anticipated to move forward in early fall.

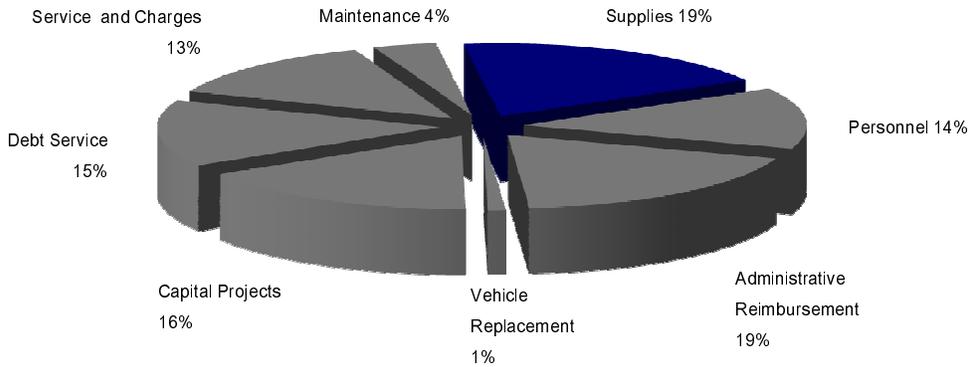
¹ See Appendix G for a complete listing of approved Supplemental Programs for FY2010.

Proposed cash funding of Capital Improvement Plan projects in the Enterprise Fund for FY 2010 totals just over \$2 million¹. Due to excess reserve balances in the Enterprise Fund, it is recommended to use cash to complete the construction phase of this project rather than include this amount in a planned Revenue Bond issue.

Budgeted ending Fund Balance for FY 2010 of \$5,230,267 provides fund balance reserves of 64% of operating expenses. Budgeted net system revenues available for debt service of \$2.3 million provide a debt coverage ratio on revenue bond debt of 280% and on total system supported debt (revenue bonds and certificates of obligation) of 131%. The debt coverage ratio required by the revenue bond covenants is 125%. Although the system is not required to provide a 125% coverage for total system supported debt, it is a goal of Enterprise Fund to provide this level of coverage to demonstrate the strength of the system and increase the City's bond rating on Enterprise debt. Earlier this year, the City was awarded an increase in its revenue bond rating to an AA- and high debt coverage ratios were a contributing factor in receiving the rating upgrade.

¹ See Appendix F for a complete listing of cash funded Capital Improvement Projects

ENTERPRISE FUND EXPENDITURES



BY MAJOR COST CATEGORY

Category	Actual 2007-2008	Budget 2008-2009	Projected 2008-2009	Budget 2009-2010
Personnel Services	\$ 2,282,533	\$ 2,103,243	\$ 2,059,668	\$ 1,650,380
Supplies	2,596,221	4,221,678	3,920,771	2,279,150
Maintenance	265,626	630,027	445,848	436,314
Services & Charges	1,747,203	1,774,630	1,661,462	1,624,170
Capital Outlay	38,710	-	-	-
Debt Service	1,534,703	2,011,316	1,517,496	1,794,979
Capital Projects	1,112,076	3,337,101	2,918,059	2,007,100
Vehicle Replacement	246,663	121,510	121,510	121,510
Administrative Reimbursement		1,749,561	1,749,561	2,260,134
TOTAL FUND BUDGET	\$ 9,823,735	\$ 15,949,066	\$ 14,394,375	\$ 12,173,737

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 2010 Adopted Budget**

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actuals	Current Budget	Projections	Adjusted Base Budget	Recurring Supplemental	Non-Recur. Supplemental	Total Budget
Operating Revenues:							
Water sales	\$ 3,120,427	\$ 2,830,163	\$ 2,900,000	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000
Sewer sales	1,310,508	2,355,403	2,350,000	2,350,000	-	-	2,350,000
Gas sales	3,715,224	5,637,300	5,073,570	4,080,000	-	-	4,080,000
Tap fees	99,310	119,000	40,000	32,000	-	-	32,000
Reconnect fees	25,525	28,000	34,000	34,000	-	-	34,000
Interest	298,602	350,000	214,000	214,000	-	-	214,000
Other	838,154	842,400	1,006,800	879,800	-	-	879,800
Transfers	2,025,396	-	-	-	-	-	-
Total Operating Revenues	11,433,147	12,162,266	11,618,370	10,589,800	-	-	10,589,800
Expenses:							
Enterprise Administration	1,322,714	446,001	439,171	267,437	-	913	268,350
Utility Billing		417,316	392,817	265,644	-	1,521	267,165
Water	1,709,929	1,947,015	1,729,282	1,728,717	-	52,129	1,780,846
Wastewater	1,143,229	1,555,759	1,423,299	1,246,492	-	2,738	1,249,230
Gas	2,715,711	4,363,487	3,977,176	2,372,598	-	51,825	2,424,423
Administrative Transfer to General Fund		1,749,561	1,749,561	2,260,134	-	-	2,260,134
Total Operating Expenses	6,891,583	10,479,140	9,711,306	8,141,022	-	109,125	8,250,147
Net Revenue Available for Debt	4,541,563	1,683,126	1,907,064	2,448,778	-	(109,125)	2,339,653
Debt Service							
Revenue Bonds	535,231	1,032,415	538,595	536,183	300,000	-	836,183
Certificates of Obligation	998,630	973,901	973,901	948,797	-	-	948,797
Fiscal Fees	841	5,000	5,000	10,000	-	-	10,000
Total Debt Service	1,534,703	2,011,316	1,517,496	1,494,979	300,000	-	1,794,979
Non-Operating Revenues (expenses)							
Proceeds from debt	-	-	-	-	-	-	-
Vehicle replacement	(246,663)	(121,510)	(121,510)	(121,510)	-	-	(121,510)
Capital outlay	(1,150,784)	(3,337,101)	(2,918,059)	(1,750,000)	-	-	(2,007,100)
Short Term Financing							
Total Non-Operating Revenue	(1,397,447)	(3,458,611)	(3,039,569)	(1,871,510)	-	-	(2,128,610)
Net Income (Excluding Depr.)	1,609,413	(3,786,801)	(2,650,001)	(917,711)	(300,000)	(109,125)	(1,583,937)
Beginning Fund Balance	7,854,791	9,464,204	9,464,204	6,814,204			6,814,204
Ending Fund Balance	\$ 9,464,204	\$ 5,677,404	\$ 6,814,204	\$ 5,896,492	\$ (300,000)	\$ (109,125)	\$ 5,230,267
Fund Balance as % of Operating Costs		54.2%	70.2%	72.4%			64.2%
Debt Coverage on Revenue Debt			354%	457%			280%
Debt Coverage on Total Debt			126.1%	164.9%			131.1%

ENTERPRISE FUND

REVENUES

2009-2010 BUDGET WORKSHEET

ACCOUNT NAME	FY2008		FY2009		FY2010		FY2010
	Actual	Current Budget	Projections	Adjusted Base Budget	Recurring	Non-Recur.	Total Budget
Water Sales	\$ 3,120,427	\$ 2,830,163	\$ 2,900,000	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000
TOTAL WATER SALES	3,120,427	2,830,163	2,900,000	3,000,000	-	-	3,000,000
Sewer Sales	1,310,508	2,355,403	2,350,000	2,350,000	-	-	2,350,000
TOTAL SEWER SALES	1,310,508	2,355,403	2,350,000	2,350,000	-	-	2,350,000
Gas Sales	3,715,224	5,637,300	5,073,570	4,080,000	-	-	4,080,000
TOTAL GAS SALES	3,715,224	5,637,300	5,073,570	4,080,000	-	-	4,080,000
Water taps	44,200	57,500	18,000	15,000	-	-	15,000
Sewer taps	18,600	21,500	5,000	3,000	-	-	3,000
Gas taps	36,510	40,000	17,000	14,000	-	-	14,000
TOTAL TAP FEES	99,310	119,000	40,000	32,000	-	-	32,000
Reconnect fees	25,525	28,000	34,000	34,000	-	-	34,000
TOTAL RECONNECT FEES	25,525	28,000	34,000	34,000	-	-	34,000
Interest income	298,602	350,000	214,000	214,000	-	-	214,000
TOTAL INTEREST INCOME	298,602	350,000	214,000	214,000	-	-	214,000
Penalties	69,553	72,500	95,000	95,000	-	-	95,000
Administrative charges	40,801	40,000	41,000	41,000	-	-	41,000
Returned checks	1,950	1,900	1,800	1,800	-	-	1,800
Miscellaneous	5,850	8,000	2,000	2,000	-	-	2,000
Sale of property	-	-	147,000	20,000	-	-	20,000
TEDC contributions	720,000	720,000	720,000	720,000	-	-	720,000
Other reimbursements	-	-	-	-	-	-	-
TOTAL OTHER REVENUES	838,154	842,400	1,006,800	879,800	-	-	879,800
Debt Proceeds	-	-	-	-	-	-	-
TOTAL DEBT PROCEEDS	-	-	-	-	-	-	-
Transfer from Rev Bond Sinking	2,025,396	-	-	-	-	-	-
TOTAL TRANSFER REVENUES	2,025,396	-	-	-	-	-	-
TOTAL ENTERPRISE REVENUE	\$ 11,433,147	\$ 12,162,266	\$ 11,618,370	\$ 10,589,800	\$ -	\$ -	\$ 10,589,800

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 2009

- Technician Qualifications:
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 the exception of 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.
- Infrastructure Replacement Program:
The department has continued with progress made for this ongoing program that is designed to replace aged and undersized utilities in the older neighborhoods of the City. The division has completed additional line replacements and system improvements on McPhail Street, South Cherry Street,

Southmore Street, Belmont Street, and Anna Street.

Objectives for FY 2010

- Provide additional preventive maintenance for essential components of the WWTP operations that will prevent potential system failure, costly repairs, and enforcement actions.
- Conduct additional performance testing for the City's water production wells, so that potential deficiencies are identified and addressed during low demand periods.
- Implement the next phase of the 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:

- None

CITY OF TOMBALL
611 - ENTERPRISE - ADMINISTRATIVE DEPARTMENT
2009-2010 BUDGET WORKSHEET

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	876,308	289,266	288,290	245,007	-	913	245,920
Supplies	127,863	5,414	4,826	5,520	-	-	5,520
Maintenance	23,075	239	239	239	-	-	239
Services and charges	295,467	151,082	145,816	16,671	-	-	16,671
Total Operating	1,322,714	446,001	439,171	267,437	-	913	268,350
Capital Outlay	-	-	-	-	-	-	-
Transfers	50,048	1,780,919	1,780,919	2,291,492	-	-	2,291,492
Total Expenses	\$ 1,372,762	\$ 2,226,920	\$ 2,220,090	\$ 2,558,929	\$ -	\$ 913	\$ 2,559,842

Supplemental Programs	Page No.	Recurring	Non-Recur.
None			

Staffing	FY2007	FY2008	FY2009	FY2010
City Manager	0.00	0.00	0.00	0.00
Assistant City Manager	1.00	1.00	0.00	0.00
Public Works Director of Operations	1.00	1.00	1.00	1.00
Finance Director	1.00	1.00	0.00	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	0.00	1.00	1.00
Accounting Supervisor	0.00	1.00	0.00	0.00
HR Coordinator	0.00	0.00	0.00	0.00
HR Generalist	1.00	0.00	0.00	0.00
Purchasing Agent	1.00	1.00	0.00	0.00
Inventory Control	1.00	1.00	1.00	1.00
Billing Supervisor	1.00	1.00	0.00	0.00
Office Clerks	2.50	1.00	0.00	0.00
Reception/Office Assistant	1.00	2.50	0.00	0.00
Budget Analyst/Project Accountant	0.00	1.00	0.00	0.00
Total	11.50	11.50	3.00	3.00

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 2009

- Bills were mailed by the 5th working day of the month 100% of the time.
- We accomplished the 24 hour turn around on the service orders 90% of the time.
- Upgraded the Badger Meter Reading system.

Goals for FY 2010

- Continue to increase training for department employees through Career Track and Skill Path courses.
- Research the availability of statement billing
- Improve the department's image through training and education.
- Examine alternative debt collection agencies.

Objectives for FY 2010

- Strive to get bills out by the 4th 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

- Postage (\$15,000)

**CITY OF TOMBALL
612 - ENTERPRISE - UTILITY BILLING DEPARTMENT
2009-2010 BUDGET WORKSHEET**

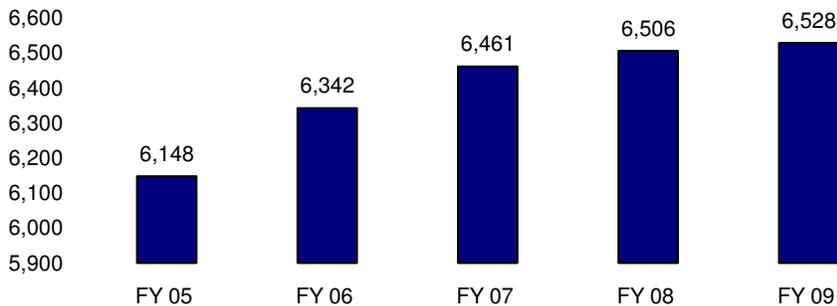
	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	-	378,006	363,287	235,924	-	1,521	237,445
Supplies	-	30,225	24,397	24,500	-	-	24,500
Maintenance	-	65	200	160	-	-	160
Services and charges	-	9,020	4,933	5,060	-	-	5,060
Total Operating	-	417,316	392,817	265,644	-	1,521	267,165
Capital Outlay	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total Expenses	\$ -	\$ 417,316	\$ 392,817	\$ 265,644	\$ -	\$ 1,521	\$ 267,165

Supplemental Programs Page No. Recurring Non-Recur.
None

Staffing	FY2007	FY2008	FY2009	FY2010
Billing Supervisor	0.00	0.00	1.00	1.00
Office Clerks	0.00	0.00	3.00	3.00
Utilities Serviceperson	0.00	0.00	3.00	2.00 *
Total	0.00	0.00	7.00	6.00

* One of the utilities serviceperson positions will be moved to the Sewer Department beginning in fiscal year 2010.

Number of Utility Accounts



Major Budget Items:
Postage (\$15,000)

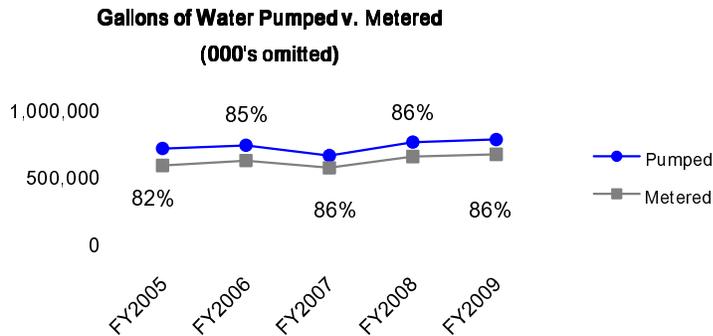
**CITY OF TOMBALL
613 - ENTERPRISE FUND - WATER DEPARTMENT
2009-2010 BUDGET WORKSHEET**

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total
							Budget
Personnel services	407,299	365,474	364,937	341,344	-	2,129	343,473
Supplies	115,818	140,021	132,609	137,153	-	-	137,153
Maintenance	126,576	255,188	134,908	154,292	-	-	154,292
Services and charges	1,060,236	1,186,332	1,096,828	1,095,928	-	50,000	1,145,928
Total Operating	1,709,929	1,947,015	1,729,282	1,728,717	-	52,129	1,780,846
Capital Outlay	607,714	2,076,108	1,887,796	-	-	-	-
Transfers	165,290	65,937	65,937	65,937	-	-	65,937
Total Expenses	\$ 2,482,933	\$ 4,089,060	\$ 3,683,015	\$ 1,794,654	\$ -	\$ 52,129	\$ 1,846,783

Supplemental Programs	Page No.	Recurring	Non-Recur.
GIS Consulting			50,000

Staffing	FY2007	FY2008	FY2009	FY2010
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	4.00	2.00	2.00
Locator	1.00	1.00	1.00	1.00
Utilities Laborer*	0.20	0.20	0.20	0.20
Total	7.20	8.20	6.20	6.20

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



Major Budget Items:

- Materials and Parts (\$44,200)
- Chemicals (\$66,000)
- System Maintenance (\$150,000)
- Harris Co Regional Water Authority (\$851,194)
- Electricity (\$201,509)
- GIS Consulting (\$50,000)

**CITY OF TOMBALL
614 - ENTERPRISE FUND - WASTEWATER DEPARTMENT
2009-2010 BUDGET WORKSHEET**

	FY2008 Actual	FY2009 Budget	FY2009 Projections	FY2010 Base	Recurring	Non-Recur.	FY2010 Total Budget
Personnel services	614,554	690,654	668,265	508,938	-	2,738	511,676
Supplies	71,151	112,077	87,395	93,963	-	-	93,963
Maintenance	98,468	365,071	305,301	274,267	-	-	274,267
Services and charges	359,057	387,957	362,338	369,324	-	-	369,324
Total Operating	1,143,229	1,555,759	1,423,299	1,246,492	-	2,738	1,249,230
Capital Outlay	405,299	825,738	681,261	-	-	-	-
Transfers	20,625	13,515	13,515	13,515	-	-	13,515
Total Expenses	\$ 1,569,154	\$ 2,395,012	\$ 2,118,075	\$ 1,260,007	\$ -	\$ 2,738	\$ 1,262,745

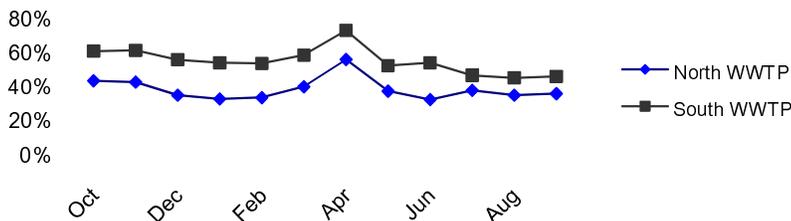
Supplemental Programs Page No. Recurring Non-Recur.

Staffing	FY2007	FY2008	FY2009	FY2010
Crew Chief	2.00	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	5.00 **
Part Time Laborer*	0.20	0.20	0.20	0.20
Total	10.20	10.20	10.20	11.20

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

** One of the utilities serviceperson positions will be moved to the Sewer Department beginning in fiscal year 2010.

Plant Capacity - Percentage Reached



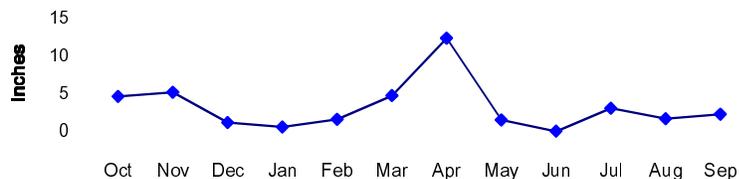
Major Budget Items:

- Chemicals (\$58,200)
- Utility Line Replacement Program (\$200,000)
- Electricity (\$249,998)
- GIS Consulting (\$50,000)
- Studies and Analysis (\$38,371)

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.

Average Rainfall



**CITY OF TOMBALL
615 - ENTERPRISE FUND - GAS DEPARTMENT
2009-2010 BUDGET WORKSHEET**

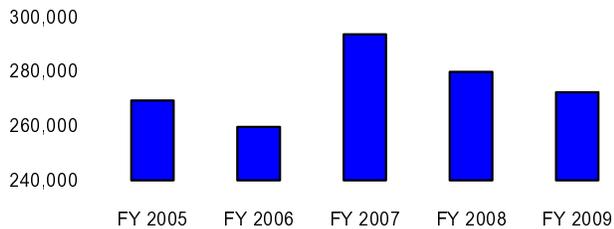
	FY2008	FY2009	FY2009	FY2010			FY2010
	Actual	Budget	Projections	Base	Recurring	Non-Recur.	Total Budget
Personnel services	384,372	379,843	374,889	310,041	-	1,825	311,866
Supplies	2,281,389	3,933,941	3,545,540	2,018,014	-	-	2,018,014
Maintenance	17,507	9,464	5,200	7,356	-	-	7,356
Services and charges	32,443	40,239	51,547	37,187	-	50,000	87,187
Total Operating	2,715,711	4,363,487	3,977,176	2,372,598	-	51,825	2,424,423
Capital Outlay	137,772	435,255	349,002	-	-	-	-
Transfers	10,700	10,700	10,700	10,700	-	-	10,700
Total Expenses	\$ 2,864,183	\$ 4,809,442	\$ 4,336,878	\$ 2,383,298	\$ -	\$ 51,825	\$ 2,435,123

Supplemental Programs	Page No.	Recurring	Non-Recur.
GIS Consulting			50,000

Staffing	FY2007	FY2008	FY2009	FY2010
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	4.00	4.00	3.00	3.00
Part Time Laborer*	0.20	0.20	0.20	0.20
Total	7.20	7.20	6.20	6.20

* 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)



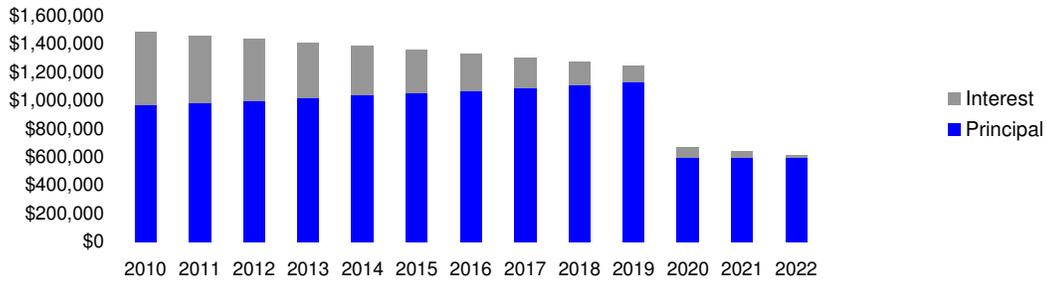
Major Budget Items:

Gas Purchases (\$1,950,000)

**CITY OF TOMBALL
616 - ENTERPRISE FUND - DEBT DEPARTMENT
2009-2010 BUDGET WORKSHEET**

	FY2008 Actual	FY2009 Budget	FY2009 Projections	FY2010 Base	Recurring	Non-Recur.	FY2010 Total Budget
Revenue Bonds							
Principal	345,000	360,000	360,000	370,000	-	-	370,000
Interest	190,231	178,595	178,595	166,183	-	-	166,183
New Debt		493,820		-	300,000	-	300,000
Total Revenue Debt	535,231	1,032,415	538,595	536,183	300,000	-	836,183
Certificates							
Principal	599,500	599,500	599,500	599,500	-	-	599,500
Interest	399,130	374,401	374,401	349,297	-	-	349,297
New Debt				-	-	-	-
Total CO Debt	998,630	973,901	973,901	948,797	-	-	948,797
Fiscal fees	841	5,000	5,000	10,000			10,000
Total Expenses	1,534,703	\$ 2,011,316	\$ 1,517,496	\$ 1,494,979	\$ 300,000	\$ -	\$ 1,794,979

Enterprise System Debt



Bond Debt Service Schedule
 Combination Tax and Revenue Certification of Obligation
 Series 1999

Maturity Date: 2/15/2019

Payment Date	Principal	Coupon Rate	Interest	Total	Fiscal Total
2/15/2010	370,000.00	3.450%	86,282.50	456,282.50	
8/15/2010			79,900.00	79,900.00	536,182.50
2/15/2011	385,000.00	3.550%	79,900.00	464,900.00	
8/15/2011			73,066.25	73,066.25	537,966.25
2/15/2012	400,000.00	3.650%	73,066.25	473,066.25	
8/15/2012			65,766.25	65,766.25	538,832.50
2/15/2013	415,000.00	3.750%	65,766.25	480,766.25	
8/15/2013			57,985.00	57,985.00	538,751.25
2/15/2014	435,000.00	3.800%	57,985.00	492,985.00	
8/15/2014			49,720.00	49,720.00	542,705.00
2/15/2015	455,000.00	3.900%	49,720.00	504,720.00	
8/15/2015			40,847.50	40,847.50	545,567.50
2/15/2016	470,000.00	4.000%	40,847.50	510,847.50	
8/15/2016			31,447.50	31,447.50	542,295.00
2/15/2017	490,000.00	4.050%	31,447.50	521,447.50	
8/15/2017			21,525.00	21,525.00	542,972.50
2/15/2018	515,000.00	4.100%	21,525.00	536,525.00	
8/15/2018			10,967.50	10,967.50	547,492.50
2/15/2019	535,000.00	4.100%	10,967.50	545,967.50	545,967.50
Total	\$ 4,470,000.00		\$ 948,732.50	\$5,418,732.50	\$ 5,418,732.50

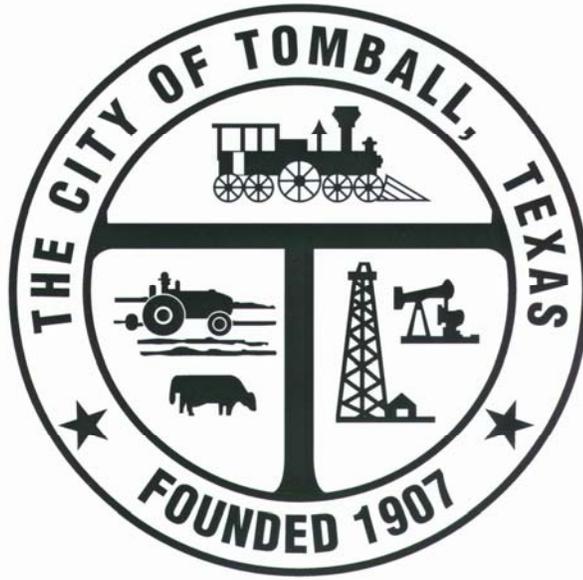
Bond Debt Service Schedule
 Combination Tax and Revenue Certification of Obligation
 Series 2002

Maturity Date: 2/15/2022

Payment Date	Principal	Coupon Rate	Interest	Total	Fiscal Total
2/15/2010	599,500.00	4.250%	181,018.06	780,518.06	
8/15/2010			168,278.69	168,278.69	948,796.75
2/15/2011	599,500.00	4.500%	168,278.69	767,778.69	
8/15/2011			154,789.94	154,789.94	922,568.63
2/15/2012	599,500.00	4.250%	154,789.94	754,289.94	
8/15/2012			142,050.56	142,050.56	896,340.50
2/15/2013	599,500.00	4.400%	142,050.56	741,550.56	
8/15/2013			128,861.56	128,861.56	870,412.12
2/15/2014	599,500.00	4.500%	128,861.56	728,361.56	
8/15/2014			115,372.81	115,372.81	843,734.37
2/15/2015	599,500.00	4.500%	115,372.81	714,872.81	
8/15/2015			101,884.06	101,884.06	816,756.87
2/15/2016	599,500.00	4.625%	101,884.06	701,384.06	
8/15/2016			88,020.63	88,020.63	789,404.69
2/15/2017	596,750.00	4.750%	88,020.63	684,770.63	
8/15/2017			73,847.81	73,847.81	758,618.44
2/15/2018	596,750.00	4.750%	73,847.81	670,597.81	
8/15/2018			59,675.00	59,675.00	730,272.81
2/15/2019	596,750.00	5.000%	59,675.00	656,425.00	
8/15/2019			44,756.25	44,756.25	701,181.25
2/15/2020	596,750.00	5.000%	44,756.25	641,506.25	
8/15/2020			29,837.50	29,837.50	671,343.75
2/15/2021	596,750.00	5.000%	29,837.50	626,587.50	
8/15/2021			14,918.75	14,918.75	641,506.25
2/15/2022	596,750.00	5.000%	14,918.75	611,668.75	611,668.75
Total	\$ 7,777,000.00		\$ 2,425,605.18	\$ 10,202,605.18	\$ 10,202,605.18



M. L. K., Jr Park
403 Chesnut



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 fund. 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 2009-10 include:

Police Department

1 SUV	\$	24,720
12 Sedans		350,860
1 Truck		24,480

Parks Department

Front Mower	\$	10,300
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Capital Replacement Fund -General Fund

Income Statement

FY 2010 Adopted Budget

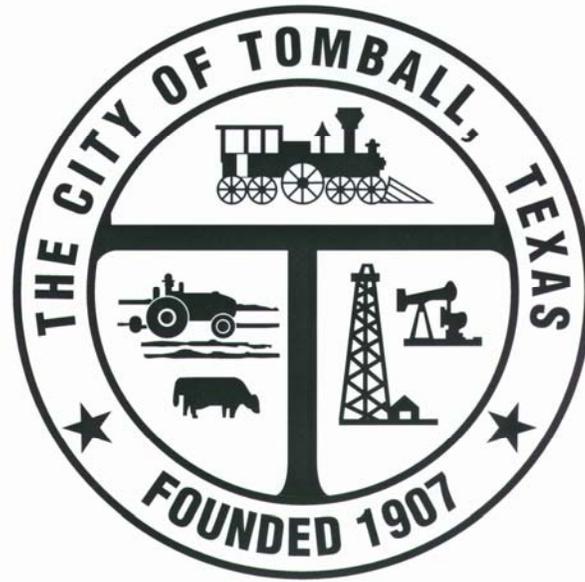
	FY 2008 Actual	FY 2009 Budget	FY 2009 Projections	FY 2010 Proposed
Revenues:				
Transfers	\$ 1,248,846	\$ 735,984	\$ 735,984	\$ 489,034
Other	17,976	-	-	-
Interest	22,270	-	5,700	6,000
Total	1,289,092	735,984	741,684	495,034
Expenditures:				
Capital Outlay	527,615	470,460	470,460	410,360
Total	527,615	470,460	470,460	410,360
Revenues Over (Under)				
Expenditures	761,477	265,524	271,224	84,674
Beginning Fund Balance	-	761,477	761,477	1,032,701
Ending Fund Balance	\$ 761,477	\$ 1,027,001	\$ 1,032,701	\$ 1,117,375

Capital Replacement Fund -Enterprise Fund

Income Statement

FY 2010 Adopted Budget

	FY 2008 Actual	FY 2009 Budget	FY 2009 Projections	FY 2010 Proposed
Revenues:				
Transfers	\$ 246,663	\$ 121,509	\$ 121,509	\$ 121,509
Interest	2,752	-	800	1,000
Total	249,415	121,509	122,309	122,509
Expenditures:				
Capital Outlay	158,009	85,000	83,107	-
Total	158,009	85,000	83,107	-
Revenues Over (Under)				
Expenditures	91,406	36,509	39,202	122,509
Beginning Fund Balance	-	91,406	91,406	130,609
Ending Fund Balance	\$ 91,406	\$ 127,915	\$ 130,609	\$ 253,118



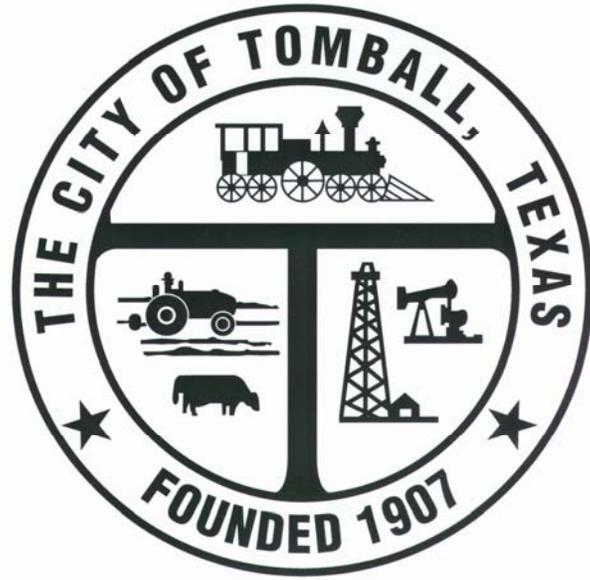
**HEALTH
INSURANCE
TRUST FUND**

City of Tomball
 Health Insurance Trust Fund
 FY 2010 City Manager Proposed Budget

	FY 2009 Budget	FY 2009 Projections	FY 2010 Base	Non- Rec. Supplemental	FY 2010 Proposed
Revenues:					
Transfers	\$	\$	\$ 1,632,788	\$	\$ 1,632,788
Interest					-
Total	-	-	1,632,788	-	1,632,788
Expenditures:					
Health Insurance Costs			1,632,788		1,632,788
Total	-	-	1,632,788	-	1,632,788
Revenues Over (Under)					
Expenditures	-	-	-	-	-
Beginning Fund Balance	-	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -



City of Tomball Depot
201 South Elm



CITY JOURNAL

Tomball Fast Facts*

2008 Population: 11,800

2008 Assessed Value: \$1,151,801,538

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

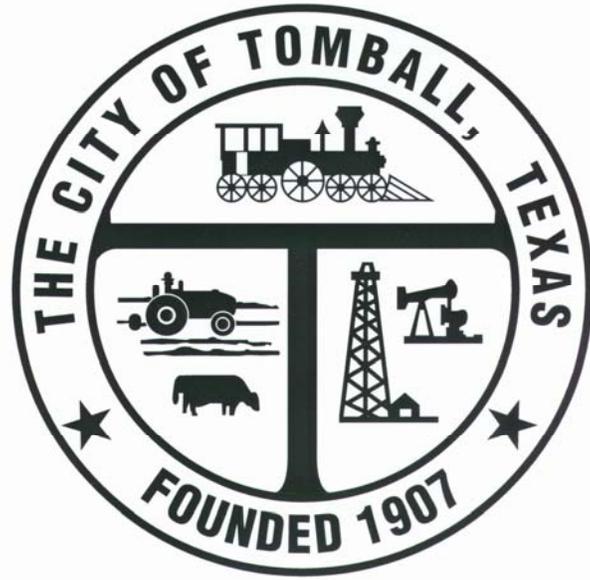
subdivision development and steady population growth.

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 that 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 21st 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.



*City Hall
401 Market Street*



APPENDICES

Appendix A The Budget Process

March 18 1 Budget Schedule Distributed to City Staff

April 20 2 Department Submit Year End Projections

May 4 3 Departments Submit Base Budgets and any Adjustments to Base

June 10 4 Preliminary appraisal rolls from Harris County Appraisal District are received

May 11 5 Departments Submit Supplemental Program Requests

May 18-22 6 Departmental Budget Meetings

June 1 7 Preliminary Budget Workshop

June 2-3 8 Meeting to Discuss Funding

June 15 9 2009-10 City Manager's Proposed Budget

- 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 to 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) Preliminary Budget Workshop with Council to update them on the status of the base budget and to receive direction on their priorities in funding supplementals, proposed CIP and discuss tax rate impact.
- 8) Meeting to discuss and make recommendations for funding of supplemental requests.
- 9) 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.

July 7 and 8 10 Budget Workshops with City Council

August 17 11 Public Hearings Held and First Reading of the Ordinance Adopting the Budget

September 8 12 Second Reading of Ordinance Adopting the Budget

August 30 13 Certified Appraisals Rolls are Received

September 16 14 Effective Tax Rate Published

September 21 and October 5 15 Adoption of FY 2009-10 Tax Rate

September 30 16 2009-2010 Budget Document is Published

Quarterly 17 Budget is Amended

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

11) Following the required newspaper notices, public hearings are scheduled on the proposed budget. The first reading of the adoption ordinance is held August 17th.

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

13) Certified appraisal rolls from the Harris County Appraisal District are received showing taxable values of \$1,151,801,693.

14) Upon receipt of certified appraisal rolls, the Tax Assessor/Collector performs the net effective tax rate calculation as required by State Law. The net effective rate is \$.263373 with a rollback rate of \$.304203.

16) The City Council meets to vote on the proposed tax rate of \$.251455. Two readings of the ordinance are required by City Charter. Public hearings were not held because the proposed rate did not exceed the effective rate or the rollback rate.

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

18) 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.

the local economy and tax base.

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

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 statutes 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 that 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

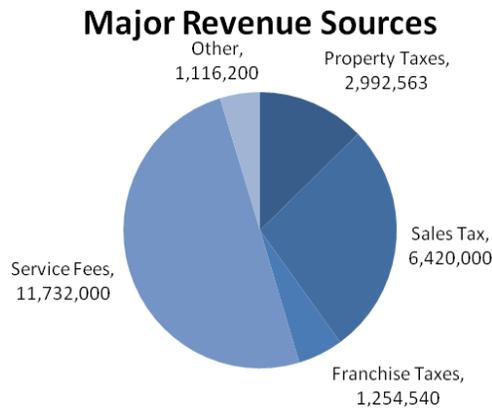
accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

- 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 \$21,144,563 or 84% 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 1st. The City's property tax is levied each November on the assessed value listed as of the prior January 1st 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, 2009, upon which the fiscal 2010 levy is based, is \$1,151,801,693. This represents the adjusted taxable property value for FY 2009 as of June 2009. This amount is net of \$302,914,338 in exemptions representing 21% of total appraised value. The preliminary rolls received by the City in

June from the Harris County Appraisal District were missing several major revenue categories. The City was told that an updated roll would not be available until the certified rolls are sent in mid-September. With the City's charter requirement to adopt the budget at least 15 days prior to the beginning of the new fiscal year, the City will not be able to go through the process of calculating the effective and rollback tax rates and go through the process to adopt a tax rate prior to the budget being adopted. Although the City has seen new commercial growth, with stories of decreasing property values in the media, the City believes it is taking a conservative budget approach by basing the budget off existing or "flat" values rather than projecting any increase due to some growth

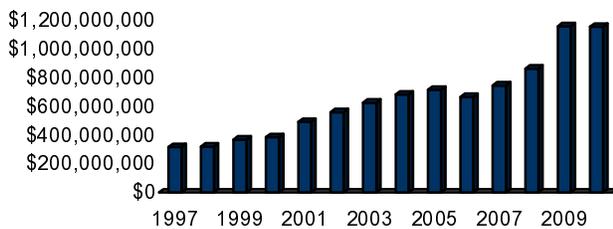
The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long term debt. The tax rate for the year ending September 30, 2010 is, at this time, projected to be \$.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 31st following the November levy and are considered delinquent after January 31st of each year.

Assessed Valuation of Taxable Property



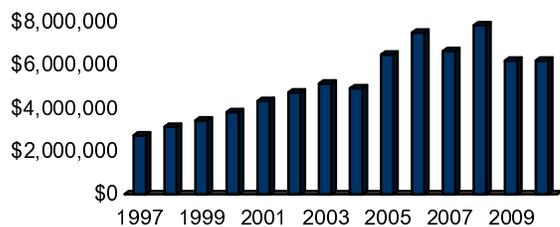
Sales Tax

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, 2010, the City of Tomball expects to receive \$6,200,000 in sales and use tax revenue. This amount represents no increase or decrease over fiscal 2009 budgeted collections. With additional retail establishments scheduled to open during FY 2010, it is anticipated that the amount budgeted for sales tax is 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

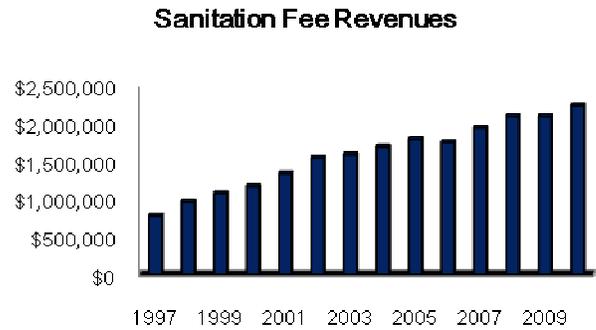
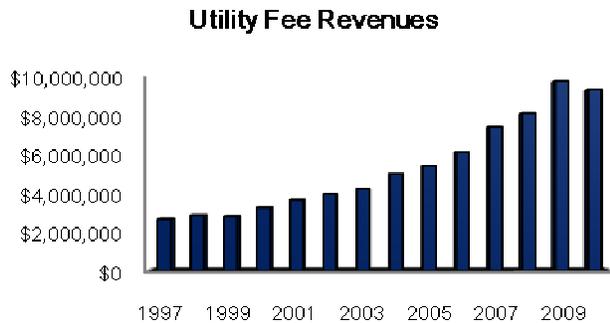
The City of Tomball charges fees for the provision of water, sewer, and natural gas services to residents and businesses located within the City. The city utilizes a rate structure which is based upon charging minimum bills for customer classifications depending upon the demand each classification places 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 \$12.75 for the first 1,000 cubic feet (MCF) used and \$12.75 for each 1,000 cubic feet used after

that. The combined monthly base water, sewer and gas bill for a single-family residence is \$53.46.

During FY 2008, the City had a utility rate study conducted. 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 encompassed those recommendations. The only recommendation that was not implemented at that time was establishing a conservation rate structure for residential customers. That structure has been implemented for the FY 2010 budget. Residential customers were categorized into three user classes. Tier I customers are those who use less than 10,000 gallons per month. For these customers, there will be no increase in water rates for FY 2010. Tier II customers use 11,000 to 15,000 gallons each month. Both the base rate and volume rate for these customers will increase over the Tier I group by 15% and 25% respectively. Tier III customers are those using 16,000 or more gallons. Their base and volume rates will be 15% and 25% higher, respectively, than the rates charged to Tier II customers. There is no rate increase proposed for wastewater rates and Commercial rates will remain the same as those charged in FY 2009. 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. Due to the drop in the price for natural gas, gas rates for FY 2010 will be 18% lower than those charged during FY 2009.

The reduction in natural gas revenues in the Enterprise Fund is due to this reduction in rates.



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 projected to be \$14.55 per month which provides for two pick up days per week. This rate represents a 3% increase in the rate charged during FY 2009. The City will enter into a contract with a new service provider in October. That contract has not been finalized. Therefore, the 3% increase projected may, in the end, be more or less. 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. Total collection fees budgeted for solid waste are 6% higher than those budgeted for fiscal 2008.

Appendix E Long Term Financial Plans

The 2009-10 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 and Capital Projects. Each plan presents the fund over eight fiscal years: two previous years, the City Council adopted budget for fiscal year 2010, and 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 requests. 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 5%. Assessed values were shown to be flat for the FY 2010 budget.

- Sales tax revenues increase by 1% per year until the economy starts to grow again.
- Franchise fee revenue increases by 3% per year.
- Until construction commences on the two new residential developments currently approved, building permit & license revenues are shown to increase by 1% per year.
- Court fines and warrant revenues increase by 2% per year.
- Sanitation fee revenue increases by 4.5% per year.
- TEDC contributions remain constant at \$10,000 per year.
- Birth and death certificate fees remain constant at \$70,000 and Emergency Service District Fees increase by 5% per year. All other Miscellaneous revenues increase annually by 2%.
- Interest revenues gradually decrease with decreasing fund balance and assumed decrease in interest rates.
- The Administrative reimbursement from the Enterprise Fund to the General Fund is calculated as 40% of General Fund operating expenditures for departments that provide support for Enterprise Fund operations.

Expenditures:

- Salaries (FT & PT) increase by 4% annually. Payroll deductions are calculated on increased pay.
- Health insurance increases by 13% per year.
- Property and liability insurance increases by 10% per year.
- Supplies category increases by 2% per year.
- Maintenance category increases by 2.5% per year.
- Services and charges category increases by 3% per year.
- No transfer from General Fund to Debt Service Fund.

Fund Balances:

- Budgeted ending General Fund fund balance is to be no less than 25% of operating expenditures

Debt Service Long-Term Plan

Revenues:

- Ad valorem tax rates are based on annual increases in taxable assessed value of 5%.
- No transfer from General Fund to Debt Service Fund.

Expenditures:

- The plan recognizes the debt service associated with the issuance of \$3 million in certificates of obligation in

2009 to fund multiple road and drainage projects.

- Bond issues are for a 20 year amortization period.

Fund Balances:

- Budgeted ending Debt Service Fund fund balance is to be no less than 25% of the following years expenditures for principal and interest on bonded debt.

Enterprise Fund Long-Term Plan

Revenues:

- Water, wastewater, and natural gas revenues are shown to increase due nominally to growth but primarily to varying percentages of rate increases depending on customer class in following recommendations made in the City's Utility Rate Study that was presented to council in May. Using the Rate Model the City received as a part of the study, rates will be reviewed each year and adjustments will be proposed that has each utility functioning self sufficiently and not being subsidized by any other utility area.
- For FY 2010, tap fees are budgeted at levels slightly below the projected revenue for FY 2009 which is less than budget. Until the new residential developments currently proposed begin construction, tap fee revenues

are forecasted to increase by 2% per year.

- 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 City infrastructure projects partnered in by TEDC.
- Interest revenues gradually decrease with decreasing fund balance and assumed continued low interest rates.

Expenditures:

- Salaries (FT & PT) increase by 4% annually. Payroll deductions are calculated on increased pay.
- Health insurance increases by 13% per year.
- Property and liability insurance increases by 10% per year.
- Supplies category increases by 2% per year; including purchases of natural gas.
- Maintenance category increases by 2.5% per year.
- Services and charges category increases by 3% per year.
- Starting with FY 2009, the Enterprise Fund began making an Administrative Reimbursement to the General Fund per Best Financial Practices. The reimbursement in future years is based on the Long Term forecast for the General Fund.

Fund Equity:

- Budgeted ending fund equity is to be no less than 25% of operating expenses.

Net Revenues:

- Net revenues generated are to provide coverage on revenue bonds of 125% of annual debt service per bond covenants. It is a goal to provide 125% coverage on all system supported debt whether revenue bonds or certificates of obligation.

Capital Project Long-Term Plan

Included in the Capital Projects section of the budget materials are charts that summarize the City’s capital improvement program over the five year planning horizon. The charts report the timing of the projects as well as source funding. To minimize the issuance of debt, the City will attempt to support capital projects with appropriations from operating revenues or excess fund balances (i.e. “pay-as-you-go”) whenever possible.

GENERAL FUND LONG-TERM FINANCIAL PLAN BASED ON FY 2009-2010 ADOPTED BUDGET

					Tax Rates:		\$ 0.251455
	FY2008	Current	FY2009	FY2010	Recurring	Non-Recur.	FY2010
	Actuals	Budget	Projections	Base Budget	Supplemental	Supplemental	Total Budget
Revenues:							
Property taxes	\$ 1,038,149	\$ 1,567,237	\$ 1,564,537	\$ 1,439,221	\$ -	\$ -	1,439,221
Sales taxes	7,206,713	6,200,000	6,250,000	6,200,000	-	-	6,200,000
Franchise taxes	1,149,261	1,179,220	1,218,000	1,254,540	-	-	1,254,540
Permits and licenses	337,925	318,660	289,650	254,650	-	-	254,650
Fines and warrants	711,362	643,700	719,200	731,200	-	-	731,200
Service fees	2,128,388	2,100,000	2,150,000	2,236,000	-	-	2,236,000
Transfers In	72,000	1,778,313	1,778,313	2,260,134	-	550,000	2,810,134
Contributions	83,314	131,900	57,000	32,000	-	-	32,000
Interest	624,277	580,000	400,000	350,000	-	-	350,000
Other	480,958	241,880	253,680	236,400	-	-	236,400
Total Revenues	13,832,348	14,740,910	14,680,380	14,994,145	-	550,000	15,544,145
Expenditures:							
City Hall Administration	1,561,889						
City Manager's Office		500,313	474,618	413,475	-	628	414,103
Mayor and Council		94,161	78,844	79,968	-	-	79,968
City Secretary		350,719	338,985	303,438	-	1,217	304,655
Human Resources		340,151	306,549	377,815	-	608	378,423
Finance		521,286	516,177	459,929	-	1,521	461,450
Information Systems		308,182	300,682	226,129	-	-	226,129
Legal		244,700	154,000	153,425	-	-	153,425
Non-Departmental		253,751	259,151	1,893,310	-	-	1,893,310
Building Permits and Inspections	460,237	404,526	396,242	350,779	-	1,521	352,300
Police	4,630,821	4,995,163	4,937,433	4,319,357	-	14,905	4,334,262
Fire	1,380,078						
Fire		1,175,791	1,104,300	993,077	-	1,521	994,598
Fire Marshal		199,193	177,115	173,765	-	608	174,373
Emergency Services		17,600	17,550	14,520	-	-	14,520
Municipal Court	366,784	442,953	430,450	346,232	-	1,217	347,449
Public Works Administration	896,001						
Public Works Administration		63,323	58,983	46,938	-	304	47,242
Engineering and Planning		981,411	923,146	661,387	-	152,129	813,516
Facilities Maintenance		450,281	522,746	489,174	-	304	489,478
Garage	78,139	90,087	90,608	68,062	-	304	68,366
Streets	696,442	1,094,002	1,026,661	727,944	-	1,825	729,769
Sanitation	1,937,767	2,370,234	2,355,102	2,358,400	-	-	2,358,400
Parks	367,172	468,417	477,084	318,740	-	1,521	320,261
Community Center	183,341	159,571	141,143	135,488	-	608	136,096
Total Expenditures	12,558,670	15,525,815	15,087,569	14,911,352	-	180,742	15,092,093
Net Income from Operations	1,273,678	(784,905)	(407,189)	82,793	-	369,258	452,052
Other Sources/(Uses):							
Vehicle Replacement	(1,248,846)	(716,662)	(716,662)	(489,034)	-	-	(489,034)
Capital Projects/Outlay	(4,639,236)	(8,360,207)	(8,360,206)	(724,900)	-	-	(724,900)
Transfers Out					-	-	
Total Other Sources/(Uses)	(5,888,082)	(9,076,869)	(9,076,868)	(1,213,934)	-	-	(1,213,934)
Revenues Over/(Under) Expenditures	(4,614,404)	(9,861,774)	(9,484,057)	(1,131,141)	-	369,258	(761,882)
Beginning Fund Balance	21,199,234	16,584,830	16,584,830	7,100,773			7,100,773
Ending Fund Balance	\$ 16,584,830	\$ 6,723,056	\$ 7,100,773	\$ 5,969,632	\$ -	\$ 369,258	\$ 6,338,890
25% of Operating Expenses - Target	132%	43%	47%	40%			43%

\$ 0.271455 \$ 0.281455 \$ 0.341455 \$ 0.351455 \$ 0.361455

	FY2011 Projection	FY2012 Projection	FY2013 Projection	FY2014 Projection	FY2015 Projection
\$	1,571,451	\$ 1,776,050	\$ 2,730,549	\$ 3,286,073	\$ 3,522,841
	6,262,000	6,324,620	6,387,866	6,451,745	6,516,262
	1,292,176	1,330,941	1,370,870	1,411,996	1,454,356
	247,198	249,669	252,166	254,688	257,235
	745,824	760,740	775,955	791,474	807,304
	2,336,620	2,441,768	2,551,647	2,666,472	2,786,463
	2,313,685	2,445,302	2,585,383	2,737,773	2,901,984
	60,000	60,000	60,000	60,000	60,000
	400,000	400,000	350,000	225,000	200,000
	242,338	248,525	254,973	261,694	268,701
	15,471,292	16,037,617	17,319,410	18,146,914	18,775,145
	416,164	431,758	447,971	464,831	482,362
	130,566	133,243	136,005	138,855	141,797
	315,469	326,631	338,224	350,264	362,772
	256,919	265,863	275,147	284,786	294,794
	470,690	487,694	502,070	520,282	539,196
	277,739	284,582	291,628	298,883	306,355
	202,933	207,637	212,482	217,471	222,610
	2,078,762	2,282,986	2,507,526	2,754,410	3,025,870
	320,655	333,163	346,175	359,711	373,793
	4,488,002	4,657,664	4,835,485	5,020,415	5,212,746
	993,121	1,025,653	1,059,354	1,094,270	1,130,447
	213,238	219,796	226,603	233,668	241,003
	48,284	48,716	49,161	49,618	50,089
	297,441	308,154	319,272	330,811	342,786
	58,621	60,456	61,874	63,841	65,887
	690,245	715,978	742,709	770,477	799,324
	491,895	507,044	522,658	538,753	555,343
	73,555	76,219	78,988	81,866	84,857
	587,364	604,309	619,324	637,438	656,219
	2,529,152	2,552,027	2,577,087	2,654,400	2,734,032
	328,820	340,257	352,119	364,420	377,179
	139,129	144,617	150,377	156,432	162,812
	15,408,764	16,014,448	16,652,239	17,385,904	18,162,272
	62,528	23,169	667,171	761,010	612,873
	(488,730)	(485,800)	(474,371)	(450,425)	(436,570)
	(806,400)	(350,000)			
	(1,295,130)	(835,800)	(474,371)	(450,425)	(436,570)
	(1,232,602)	(812,631)	192,800	310,585	176,303
	6,338,890	5,106,288	4,293,657	4,486,457	4,797,043
	5,106,288	\$ 4,293,657	\$ 4,486,457	\$ 4,797,043	\$ 4,973,346
	33%	27%	27%	28%	27%

DEBT SERVICE FUND LONG-TERM FINANCIAL PLAN

	FY2008 Actual	FY2009 Current Budget	FY 2009 Projections	FY2010 Budget
Revenues:				
Current taxes	\$ 1,469,920	\$ 1,393,241	\$ 1,393,241	\$ 1,497,342
Delinquent taxes	41,219	35,000	35,000	35,000
Penalty and interest	21,517	21,000	21,000	21,000
Interest	71,796	70,000	20,000	25,000
Total Revenues	1,604,452	1,519,241	1,469,241	1,578,342
Expenditures:				
Principal	1,158,174	1,110,500	1,110,500	1,135,500
Interest	770,368	708,256	709,110	659,983
Lease Payment		218,540	218,021	-
FY2010				250,000
FY2011				
Fees	25,115	27,110	26,775	17,000
Total Expenditures	1,953,656	2,064,406	2,064,406	2,062,483
Other Sources/(Uses):				
Transfers	-	-	-	-
Total Other Sources/(Uses)	-	-	-	-
Revenues Over/(Under) Expenditures	(349,204)	(545,165)	(595,165)	(484,141)
Beginning Fund Balance	2,161,179	1,811,975	1,811,975	1,216,810
Ending Fund Balance	\$ 1,811,975	\$ 1,266,810	\$ 1,216,810	\$ 732,669
Ending FB as % of Next Year's Debt Service Requirement	88.93%	61.42%	59.00%	36.14%

Tax Rates

	\$0.271455	\$0.281455	\$0.341455	\$0.351455	\$0.361455
	FY2011	FY2012	FY2013	FY2014	FY2015
	Projection	Projection	Projection	Projection	Projection
\$	1,753,618	\$ 1,841,299	\$ 1,866,696	\$ 1,680,027	\$ 1,837,529
	35,000	40,000	40,000	45,000	45,000
	21,500	22,000	22,500	23,000	23,000
	25,000	30,000	30,000	35,000	35,000
	1,835,118	1,933,299	1,959,196	1,783,027	1,940,529
	1,165,500	1,090,500	1,125,500	1,155,500	1,195,500
	612,036	565,295	519,365	471,113	420,882
	250,000	250,000	250,000	250,000	250,000
	17,000	17,000	17,000	17,000	17,000
	2,044,536	1,922,795	1,911,865	1,893,613	1,883,382
	-	-	-	-	-
	-	-	-	-	-
	(209,418)	10,504	47,331	(110,586)	57,147
	732,669	523,251	533,755	581,086	470,500
\$	523,251	\$ 533,755	\$ 581,086	\$ 470,500	\$ 527,647
	27.46%	28.17%	30.96%	25.21%	28.61%

ENTERPRISE FUND LONG-TERM FINANCIAL PLAN BASED ON FISCAL YEAR 2010 ADOPTED BUDGET

	FY2008	FY2009	FY2009	FY2010			FY2010
	Actuals	Current Budget	Projections	Adjusted Base Budget	Recurring Supplemental	Non-Recur. Supplemental	Total Budget
Operating Revenues:							
Water sales	\$ 3,120,427	\$ 2,830,163	\$ 2,900,000	\$ 3,000,000	\$ -	\$ -	3,000,000
Sewer sales	1,310,508	2,355,403	2,350,000	2,350,000	-	-	2,350,000
Gas sales	3,715,224	5,637,300	5,073,570	4,080,000	-	-	4,080,000
Tap fees	99,310	119,000	40,000	32,000	-	-	32,000
Reconnect fees	25,525	28,000	34,000	34,000	-	-	34,000
Interest	298,602	350,000	214,000	214,000	-	-	214,000
Other	838,154	842,400	1,006,800	879,800	-	-	879,800
Transfers	2,025,396	-	-	-	-	-	-
Total Operating Revenues	11,433,147	12,162,266	11,618,370	10,589,800	-	-	10,589,800
Expenses:							
Enterprise Administration	1,322,714	446,001	439,171	267,437	-	913	268,350
Utility Billing	-	417,316	392,817	265,644	-	1,521	267,165
Water	1,709,929	1,947,015	1,729,282	1,728,717	-	52,129	1,780,846
Wastewater	1,143,229	1,555,759	1,423,299	1,246,492	-	2,738	1,249,230
Gas	2,715,711	4,363,487	3,977,176	2,372,598	-	51,825	2,424,423
Administrative Transfer to General Fund	0	1,749,561	1,749,561	2,260,134	-	-	2,260,134
Total Operating Expenses	6,891,583	10,479,140	9,711,306	8,141,022	-	109,125	8,250,147
Net Revenue Available for Debt	4,541,563	1,683,126	1,907,064	2,448,778	-	(109,125)	2,339,653
Debt Service							
Revenue Bonds	535,231	1,032,415	538,595	536,183	300,000	-	836,183
Certificates of Obligation	998,630	973,901	973,901	948,797	-	-	948,797
Fiscal Fees	841	5,000	5,000	10,000	-	-	10,000
Total Debt Service	1,534,703	2,011,316	1,517,496	1,494,979	300,000	-	1,794,979
Non-Operating Revenues (expenses)							
Proceeds from debt	-	-	-	-	-	-	-
Vehicle replacement	(246,663)	(121,510)	(121,510)	(121,510)	-	-	(121,510)
Capital outlay	(1,150,784)	(3,337,101)	(2,918,059)	(2,007,100)	-	-	(2,007,100)
Short Term Financing	-	-	-	-	-	-	-
Total Non-Operating Revenue	(1,397,447)	(3,458,611)	(3,039,569)	(2,128,610)	-	-	(2,128,610)
Net Income (Excluding Depr.)	1,609,413	(3,786,801)	(2,650,001)	(1,174,811)	(300,000)	(109,125)	(1,583,937)
Beginning Fund Balance	7,854,791	9,464,204	9,464,204	6,814,204			6,814,204
Ending Fund Balance	\$ 9,464,204	\$ 5,677,404	\$ 6,814,204	\$ 5,639,392	\$ (300,000)	\$ (109,125)	\$ 5,230,267
Fund Balance as % of Operating Costs		54.2%	70.2%	69.3%			64.2%
Debt Coverage on Revenue Debt			354%	457%			280%
Debt Coverage on Total Debt			126.1%	164.9%			131.1%

FY2011 Projection	FY2012 Projection	FY2013 Projection	FY2014 Projection	FY2015 Projection
\$ 3,075,000	\$ 3,198,000	\$ 3,325,920	\$ 3,409,068	\$ 3,494,295
2,408,750	2,505,100	2,605,304	2,670,437	2,737,198
4,182,000	4,349,280	4,523,251	4,636,332	4,752,241
32,640	33,293	33,959	34,638	35,331
34,850	35,721	36,614	37,530	38,468
300,000	100,000	50,000	50,000	50,000
863,295	866,877	870,549	874,313	878,171
10,896,535	11,088,271	11,445,597	11,712,318	11,985,702
291,349	300,304	309,574	319,173	329,112
291,484	300,010	308,835	317,970	327,427
1,733,662	1,780,709	1,829,205	1,879,196	1,930,728
1,337,985	1,367,960	1,398,911	1,430,871	1,463,876
2,488,092	2,602,333	2,722,092	2,847,638	2,979,256
2,311,462	2,443,014	2,583,028	2,735,349	2,899,489
8,454,034	8,794,330	9,151,646	9,530,197	9,929,887
2,442,501	2,293,941	2,293,952	2,182,120	2,055,815
838,596	836,183	837,966	838,832	838,751
973,901	948,797	922,569	896,341	870,413
10,000	10,000	10,000	10,000	10,000
1,822,497	1,794,980	1,770,535	1,745,173	1,719,164
(119,080)	(119,080)	(119,080)	(115,257)	(103,839)
(935,600)	(930,000)	(1,098,542)	-	-
(1,054,680)	(1,049,080)	(1,217,622)	(115,257)	(103,839)
(434,676)	(550,119)	(694,205)	321,690	232,812
5,230,267	4,795,591	4,245,472	3,551,267	3,872,958
\$ 4,795,591	\$ 4,245,472	\$ 3,551,267	\$ 3,872,958	\$ 4,105,770
56.7%	48.3%	38.8%	40.6%	41.3%
291%	274%	274%	260%	245%
134.8%	128.5%	130.3%	125.8%	120.3%

Appendix F Capital Project Funding Summary

	Estimated 2008-09	Budget 2009- 10	Projected 2010-11	Projected 2011-12	Projected 2012-13	Budget Plus Projected Total
General Fund-Cash	8,360,206	724,900	806,400	350,000	-	1,881,300
Quinn Road Sidewalk		302,400				302,400
Rudolph Road		177,500				177,500
Brown Road Extension (Phase 2)		245,000	806,400			1,051,400
M124 Drainage Channel				200,000		200,000
Medical Complex Drive (Seg. 3)				150,000		150,000
General Fund-Bond	-	9,992,875	4,177,000	14,150,625	-	28,320,500
M121 West Drainage Channel		1,270,000	1,432,000	9,700,000		12,402,000
Medical Complex Drive (Seg. 2)		864,500				864,500
Rudolph Road		942,250				942,250
Reimbursement Resolution for Michel Road		550,000				550,000
M118 Drainage Channel (South of Holderrieth)		3,680,000			-	3,680,000
M121 East Drainage Channel		300,000	580,000			880,000
M124 Drainage Channel		1,127,000	1,005,000	1,005,000		3,137,000
M118 Drainage Channel (North of Holderrieth)			1,160,000			1,160,000
Medical Complex Drive (Seg. 3)		1,259,125		3,445,625		4,704,750
Enterprise Fund-Cash	2,918,059	2,007,100	935,600	930,000	1,098,542	4,971,242
Tomball Hills Lift Station		20,000				20,000
Quinn Road Improvements		12,100				12,100
Medical Complex Drive (Seg. 2)		85,500				85,500
Hufsmith Sanitary Sewer Improvements		110,000				110,000
Water Well #5		1,750,000				1,750,000
Rudolph Road & Utilities		14,500			-	14,500
Brown Road Extension (Phase 2)		15,000	345,600			360,600
Hufsmith Water & Gas Improvements			590,000	880,000		1,470,000
Medical Complex Drive (Seg. 3)				50,000	1,098,542	1,148,542
Enterprise Fund-Bond		1,782,958	-	-	-	1,782,958
Tomball Hills Lift Station		430,000				430,000
Quinn Road Improvements		357,500				357,500
Rudolph Road & Utilities		485,750				485,750
Brown Road Extension (Phase 2)		90,000				90,000
Medical Complex Drive (Seg. 3)		419,708				419,708
Total Capital Improvement Projects	\$ 11,278,265	14,507,833	5,919,000	15,430,625	1,098,542	36,956,000

The newly developed Comprehensive Plan in conjunction with Zoning can provide a roadmap for future capital improvement planning. The City reviews the Capital Improvement Plan annually and updates as necessary. All ongoing and proposed projects are ranked by priority and then funded based on the available financial resources. Operation and maintenance costs are calculated during the year that the project is accepted by the City and they are then incorporated into the budget during the next budget cycle.

Appendix G Summary of Fiscal Year 2010 Supplemental Programs

	Recurring Revenue/ Savings	Non- Recur. Revenue/ Savings	Recurring Cost	Non Recurring Cost	Net Recurring Cost	Net Non- Recur. Cost
Engineering and Planning						
Downtown Specific Plan				75,000	-	(75,000)
Zoning Ordinance				75,000	-	(75,000)
Water Department						
GIS Consulting				50,000	-	(50,000)
Gas Department						
Utility Replacement Program				50,000	-	(50,000)
TOTAL SUPPLEMENTAL PROGRAMS	\$ -	-	-	250,000	-	(250,000)

Appendix H Staffing List

	FY2007	FY2008	FY2009	FY2010
General				
Administrative Department				
City Manager	1.00	1.00	0.00	0.00
Assistant City Manager	0.00	0.00	0.00	0.00
City Secretary	1.00	1.00	0.00	0.00
Assistant City Secretary	1.00	1.00	0.00	0.00
Finance Director	0.00	0.00	0.00	0.00
Accounting Supervisor	1.00	1.00	0.00	0.00
HR Director	1.00	1.00	0.00	0.00
Purchasing Agent	0.00	0.00	0.00	0.00
Accounts Payable Clerk	1.00	1.00	0.00	0.00
Tax Collector	1.00	1.00	0.00	0.00
Administrative Secretary	1.00	1.00	0.00	0.00
Office Clerks	0.50	0.50	0.00	0.00
Receptionist	1.00	1.00	0.00	0.00
City Manager's Office				
City Manager	0.00	0.00	1.00	1.00
Assistant City Manager	0.00	0.00	1.00	1.00
Assistant to the City Manager	0.00	0.00	1.00	1.00
Permits				
Building Official	1.00	1.00	1.00	1.00
City Inspector	2.00	2.00	2.00	2.00
Code Enforcement Officer	1.00	1.00	1.00	1.00
Permit Clerk	2.00	2.00	1.00	1.00
City Secretary				
City Secretary	0.00	0.00	1.00	1.00
Assistant City Secretary	0.00	0.00	1.00	1.00
Administrative Assistant	0.00	0.00	1.00	1.00
Receptionist	0.00	0.00	1.00	1.00
VOE Student	0.00	0.00	0.50	0.50
Human Resources				
HR Director	0.00	0.00	1.00	1.00
HR Generalist	0.00	0.00	1.00	1.00
Finance				
Finance Director	0.00	0.00	1.00	1.00
Accounting Supervisor	0.00	0.00	1.00	1.00
Purchasing Agent	0.00	0.00	1.00	1.00
Accounts Payable Clerk	0.00	0.00	1.00	1.00
Budget Analyst/Project Accountant	0.00	0.00	1.00	1.00

Appendix H Staffing List

	FY2007	FY2008	FY2009	FY2010
Police				
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	6.00	6.00
Corporal	1.00	1.00	1.00	1.00
Police Officer	25.50	27.00	28.00	28.00
Public Service Officer	2.00	2.00	2.00	2.00
IT Support Specialist	0.00	1.00	1.00	1.00
Records Clerk	3.00	3.00	3.00	3.00
Dispatcher	9.00	9.00	9.00	9.00
Police Reserves	25.00	25.00	25.00	25.00
Court				
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	1.00	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
Community Center				
Manager	1.00	1.00	1.00	1.00
Assistant	1.00	1.00	1.00	1.00
Attendants-Part Time	1.00	1.00	1.00	1.00
Fire Marshal				
Fire Marshal/Inspector	0.00	0.00	1.00	1.00
Fire Inspector	0.00	0.00	1.00	1.00
Fire				
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	0.00	0.00
Fire Inspector	1.00	1.00	0.00	0.00
Fire Fighter	0.00	2.00	2.00	2.00
Part Time Fire Fighter	7.00	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
Public Works Administrative				
Public Works Director of Operations	0.00	0.00	0.00	0.00
Director of Engineering and Planning	1.00	1.00	0.00	0.00
City Engineer	0.00	0.00	0.00	0.00

Appendix H Staffing List

	FY2007	FY2008	FY2009	FY2010
Public Works Administrative-Continued				
Assistant City Engineer	1.00	1.00	0.00	0.00
GIS Coordinator	0.00	0.00	0.00	0.00
Park, Street, Drainage Superintendent	1.00	1.00	0.00	0.00
Facilities Maintenance Specialist	1.00	1.00	0.00	0.00
Community Development Coordinator	1.00	1.00	0.00	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	1.00	0.00	0.00
Construction Manager	0.00	1.00	0.00	0.00
VOE Student	0.00	0.00	0.00	0.00
Garage				
Mechanic	1.00	1.00	1.00	1.00
Parks				
Park Foreman	1.00	1.00	1.00	1.00
Serviceman	3.00	4.00	4.00	4.00
Crew Worker	0.20	0.20	0.20	0.20
Streets				
Street & Drainage Foreman	0.00	0.00	1.00	1.00
Heavy Equipment Operator	2.00	2.00	2.00	2.00
Serviceman	5.00	5.00	5.00	5.00
Crew Worker	0.20	0.20	0.20	0.20
Engineering and Planning				
Director of Engineering & Planning	0.00	0.00	1.00	1.00
Assistant City Engineer	0.00	0.00	1.00	1.00
Project Technician	0.00	0.00	1.00	1.00
Community Development Coordinator	0.00	0.00	1.00	1.00
Assistant City Planner	0.00	0.00	1.00	1.00
Construction Manager	0.00	0.00	1.00	1.00
Administrative Assistant	0.00	0.00	1.00	1.00
Facilities Maintenance				
Facilities Maintenance Specialist	0.00	0.00	1.00	1.00
Hotel Occupancy Tax Fund				
Community Events Coordinator	0.00	0.50	0.50	0.50
Enterprise Fund				
Utilities Administrative				
City Manager	0.00	0.00	0.00	0.00
Assistant City Manager	1.00	1.00	0.00	0.00
Public Works Director of Operations	1.00	1.00	1.00	1.00
Finance Director	1.00	1.00	0.00	0.00

Appendix H Staffing List

	FY2007	FY2008	FY2009	FY2010
Utilities Administrative-Continued				
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	0.00	1.00	1.00
Accounting Supervisor	0.00	1.00	0.00	0.00
HR Coordinator	0.00	0.00	0.00	0.00
HR Generalist	1.00	0.00	0.00	0.00
Purchasing Agent	1.00	1.00	0.00	0.00
Inventory Control	1.00	1.00	1.00	1.00
Billing Supervisor	1.00	1.00	0.00	0.00
Office Clerks	2.50	1.00	0.00	0.00
Reception/Office Assistant	1.00	2.50	0.00	0.00
Budget Analyst/Project Accountant	0.00	1.00	0.00	0.00
Utility Billing				
Billing Supervisor	0.00	0.00	1.00	1.00
Office Clerks	0.00	0.00	3.00	3.00
Utilities Serviceperson	0.00	0.00	3.00	2.00
Water				
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	4.00	2.00	2.00
Locator	1.00	1.00	1.00	1.00
Utilities Laborer	0.20	0.20	0.20	0.20
Wastewater				
Crew Chief	2.00	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	5.00
Part Time Laborer	0.20	0.20	0.20	0.20
Gas				
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	4.00	4.00	3.00	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 \$20,000.

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 1st and ends the following September 30th. The term FY 2010 denotes the fiscal year beginning October 1st, 2009 and ending September 30th, 2010.

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		281-290-1006
Assistant City Manager	Christal Kliewer	281-290-1009
Assistant to the City Manager	Shawn Cox	281-290-1001
City Secretary	Doris Speer	281-290-1002
Director of Engineering and Planning	Mark McClure	281-290-1412
Human Resources Director	Lisa Coe	281-290-1012
Director of Public Works	David Kauffman	281-290-1415
Finance Director	Glenn Windsor	281-290-1416
Fire Chief	Randy Parr	281-351-7101
Fire Marshal	Doug Sanguedolce	281-290-1440
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

Visit the City of Tomball's website at
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