City of Montgomery

FY 2015 Annual Operating Budget

H.B. 3195 Notice

"This budget will raise more total property taxes than last year's budget by $34,040, and of that amount, $27,680 is the tax revenue to be raised from new property added to the roll this year."

CITY OF MONTGOMERY

FY 2015 OPERATING BUDGET

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City of Montgomery

Mayor and Members of the City Council

John Fox
Mayor
Term: 2014-2016

Jon Bickford
City Council Member, Position #1
Term: 2013-2015

John Champagne
City Council Member, Position #2
Term: 2014-2016

Kirk Jones
City Council Member, Position #3
Term: 2013-2015

Rebecca Huss
City Council Member, Position #4
Term: 2014-2016

Dave McCorquodale
City Council Member, Position #5
Term: 2013-2015

Administration

Bill Kotlan
City Administrator

Carol Langley
City Secretary

Jim Napolitano
Police Chief

City of Montgomery
FY 2015 Annual Operating Budget

Introduction

This document has been prepared to help you learn of the issues affecting the City of Montgomery. The most obvious function of a city budget is to provide a **financial plan** for the coming year. The City of Montgomery's budget is no exception, and as such contains applicable financial schedules and statistics. Financial plans cannot be prepared without defining what the organization intends to accomplish and how it intends to go about reaching its goals. The *FY 2015 Annual Operating Budget* serves as a **policy document** that presents the major policies governing the management of the City. It is also an **action plan** the give the public, elected officials, and city staff information about what the City is doing and how efficiently it is being done. Finally, the *FY 2015 Annual Operating Budget* is intended to be a communications tool, formally transmitting the City's financial and operating plan for the coming year. It should be noted that all prior year numbers reflected in this document are unaudited numbers as of the time of this publication.

Format

The *FY 2015 Operating Budget* is divided into three major sections: *Introductory, Financial/Operational,* and *Appendices.* The Introductory section contains the Mayor's letter addressed to the City Council that explains the major policies and issues that affected the development of the *FY 2015 Annual Operating Budget.* This section also contains a chart showing how the City is organized, and a financial schedule summarizing the budgeted financial activity for all of the City's funds.

The Financial/Operational section of the *FY 2015 Annual Operating Budget* is grouped first by fund and then, if applicable, by department. Like most local governments, the City uses funds to account for its financial activities. A fund is simply a device to segregate and account for public resources. Financial statements, including the adopted 2015 budget are presented for every fund. Like the checking account statement you receive from your bank, these statements show beginning balances, revenues, expenditures, and ending balances for each year. Accompanying the statements are narrative discussions of each fund's financial activity for the prior year and the expected activity for 2015. Graphs and schedules have also been provided to help make certain points clearer.

Funds are divided into departments or projects. Each department's section contains a brief statement describing the department's mission, a list of the department's accomplishments in 2014, and a discussion of what the department hopes to accomplish in 2015. Additional information is included in the accompanying appendices, such as a Glossary of Terms, and a breakdown of the bond debt service.

Should you have any questions regarding the information presented in this document, please contact City Hall.

Dear Citizens of Montgomery:

In compliance with state law, the City's code of ordinances, and good management practices, we are pleased to submit the *FY 2015 Annual Operating Budget* for the City of Montgomery. This budget has been developed with the goal of providing a wide range of quality services and maintaining the quality of life for the citizens of the City of Montgomery.

The budget is a statement of policy, a management and planning document, a financial report, and a means of communication with the citizens of Montgomery. It reviews past accomplishments, identifies future needs, sets objectives for the coming year, and defines the purposes and resources to achieve those objectives.

Budget Preparation –The City begins preparing the projections and estimates needed to compile the Budget in April. Department heads meet with the City Administrator to review their goals, objectives, and financial needs for the coming fiscal year. A public hearing on the proposed budget will be held on August 12, 2014 and the FY 2015 budget and 2014 tax rate will be considered at a meeting of City Council on August 26, 2014.

Financial Policies – An annual budget cannot be prepared without first determining where the organization intends to go and how it intends to get there. The budget is the City's policy statement. It represents priorities for the expenditure of public funds. With this in mind, this budget has been created with recognized and adopted standard municipal financial guidelines.

The city staff is to be commended for their work in creating and preparing this budgetary document. Also, the guidance and support of the City Council in providing direction and assistance in the budgeting process is very much appreciated. Thanks to these efforts, the citizens of Montgomery's quality of life will be protected as the City continues to grow. We are happy to report to our residents and bondholders that on December 10, 2013 Standard and Poor's upgraded the City's credit rating three notches to "AA" based on the "strong economy, very strong budgetary flexibility, strong budgetary performance, very strong liquidity, strong management, very weak debt and liability profile, and strong institutional framework."

John Fox
Mayor

Bill Kotlan
City Administrator

ACKNOWLEDGMENTS

Once again, it is important to recognize the dedication and exceptional service provided by the Department Heads and their staff. Those department heads include Chief of Police Jim Napolitano, City Secretary Carol Langley, Community Development Director Erik Smith, and Municipal Court Administrator Becky Lane.

Also, special acknowledgment and consideration goes to the City Council, City residents, members of the appointed boards and commissions, The Fowler Law Firm, Municipal Accounts, and all City employees for their hard work and devotion to the City of Montgomery.

CITY INFORMATION AND AREA DEMOGRAPHICS

Location and History

Founded in 1837 and recognized as the birthplace of the Texas Lone Star Flag, the City of Montgomery and the surrounding area is rich with historical sites where events occurred that have shaped the history of the City.

Prior to 1837, Montgomery was a trading post situated a mile north of the City's present site. Owen and Margaret Montgomery Shannon, colonists with Stephen F. Austin, had settled on their grant of land and traded with the Indians. In July of 1837, an ad in the *Telegraph and Texas Register* advertised the sale of lots in the newly-organized town of Montgomery. The article stated that a new county was expected to be created and Montgomery, from its central position, would be selected as the seat of justice. Montgomery remained the seat of government until 1889, when the records were moved to Conroe.

In its early days, Montgomery was the trade center for a large farming area, where stagecoach, railroad, and telegraph lines crossed. Civic and religious organizations came early to the City, as well as the first school in 1839. In 1848, the City of Montgomery was officially incorporated, and in 1842, the first Protestant parsonage in Texas was built here.

In the 1850's, Montgomery experienced a building boom. Some of the fine homes built at that time remain today with descendants of the original owners or early owners occupying them. The Civil War stopped much of the progress in the City, but by 1900, numerous mercantile establishments were in business, as well as three cotton gins, railroads active with freight and passengers, five hotels and boarding houses, doctors, dentists, and lawyers. However, with the railroads bypassing the City, and the county seat moving to Conroe, Montgomery reverted back to the little town it is today – quiet, peaceful, and rich in history.

Today, Montgomery is a small and friendly community of approximately 800 residents, and is located in the scenic countryside of west Montgomery County, intersected by Highways 105 and 149. Known for

its large assortment of antiques and crafts stores, Montgomery enjoys a relaxed small-town atmosphere, but due to its close proximity with Conroe, The Woodlands, and Houston, the City is poised for significant growth in the coming years.

Climate

Median January Low Temperature	39.4 °F
Median July High Temperature	94.4 °F
Average Relative Humidity	59.5%
Average Annual Precipitation	41.3 inches

Population

	1990	***2000***	***2010***	***2014***
Montgomery	356	489	621	800
Montgomery RTA	N/A	24,822	40,837	45,799
Montgomery County	182,201	293,768	455,760	499,137
Houston MSA	3,321,911	4,715,407	5,920,416	6,300,000

Note: RTA means Retail Trade Area as defined in Retail Coach Study, 2013
MSA means Metropolitan Statistical Area

Unemployment

	2005	***2010***	***2014***
Montgomery County	4.6	7.3	4.4
Houston MSA	5.3	8.2	5.0
Texas	5.6	8.4	5.1
USA	5.1	9.6	6.1

Education

Montgomery ISD:
1 senior high school
1 junior high school
1 middle school
1 intermediate school
4 elementary schools

Higher Education:

Montgomery County
Lone Star College-Montgomery, The Woodlands
The University Center, The Woodlands

Area Colleges	Prairie View A&M University, Prairie View Rice University, Houston Sam Houston State University, Huntsville Texas A&M University, College Station Texas Southern University, Houston University of Houston, Houston University of St. Thomas, Houston

Utilities

Electric Power:	Supplier	Entergy
Natural Gas:	Supplier	LDC, Centerpoint
Water Supply:	Supplier Water Source	City of Montgomery Jasper and Catahoula Aquifers
Sewer System:	Operator	City of Montgomery
Telephone:	Supplier	Consolidated Numerous others

Community

Newspaper:	Houston Chronicle (daily) The Courier (daily) Montgomery County News (weekly)
Radio:	Numerous stations in the Houston area
Television:	KPRC Channel 2 (NBC) KHOU Channel 11 (CBS) KTRK Channel 13 (ABC) KRIV Channel 26 (FOX) KHTV Channel 39 (WB) Numerous cable channels
Church:	Numerous churches of various denominations
Parks and playgrounds:	4 City parks

BUDGET SUMMARY

This Budget Summary is a condensed overview of the City of Montgomery's budget for the fiscal year that begins on October 1, 2014 and ends on September 30, 2015 (FY 2015). A City's budget presents in financial terms a plan to accomplish certain objectives in a fiscal year. Budget preparation and development is an ongoing process. The City Council sets the vision and direction for the City by establishing priorities, developing proposals or projects, and providing feedback to the staff on a variety of ideas and propositions. The staff's role is to then translate that information into a financial action plan that is reviewed and reformed by the City Council.

The budget for FY 2015 is a balanced, conservative plan that maintains the City's previous commitments towards providing quality services and facilities for the citizens of Montgomery, and addresses opportunities for continual improvements. The total operating budget for FY 2015 is just over $3.4 million. The following is an outline of some general conditions and the key components of this budget.

Basis of Accounting and Budget

The City's accounting and budgeting records for all general governmental funds are maintained on a modified accrual basis. This method recognizes revenues when they are measurable and available, and expenditures when goods and services are received, except for principal and interest on long-term debt, which is recognized when paid.

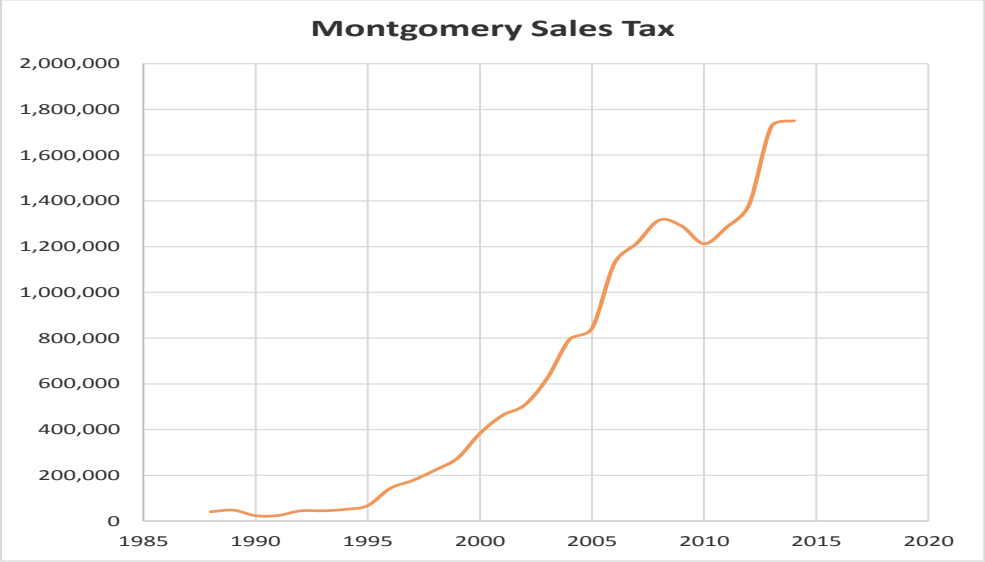
Economic Climate

While the city economy is limited primarily to residences and small retailers, residents have access to employment opportunities throughout the northern Houston MSA which is undergoing rapid economic growth. The projected per capita effective buying income is 111% of the national level. Market value, a wealth indicator is $99,702 per capita. County unemployment is 4.4% in May 2014 which was below state and national rates.

The city's tax bases have benefited from the growth occurring in the region. City sales tax collections have increased 29% over two years ending in fiscal 2013 with $1.76 million. Taxable assessed valuation (AV) has increased by 25% over two years ending in 2013 at $87 million. The tax base is diverse with 10 leading taxpayers accounting for 23% of the AV.

Sales Tax

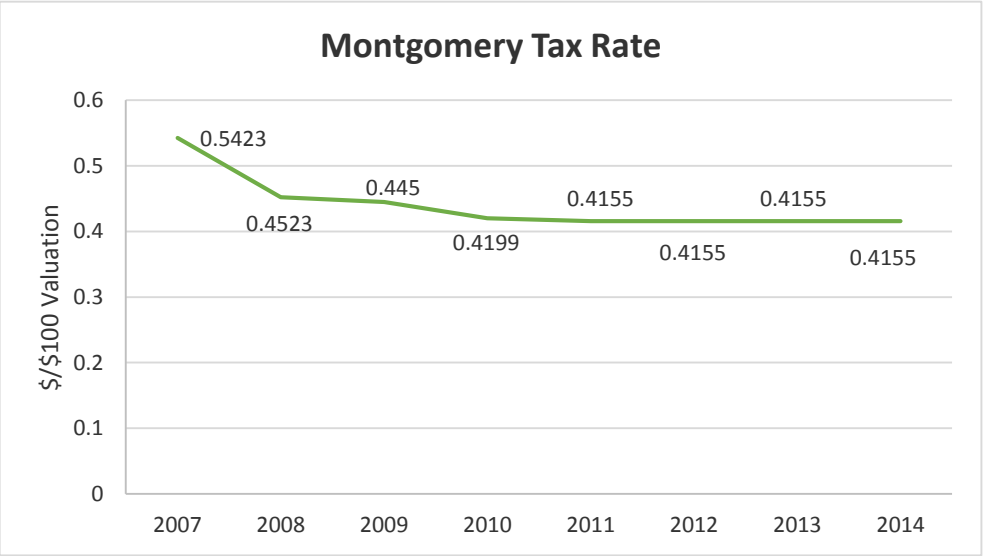
Sales tax is the largest revenue source for the City, accounting for nearly two-thirds of the projected revenues in the General Fund. The City collects 2% from all taxable sales within the city limits. One percent is authorized for general government use, ½ percent is allocated to the Montgomery Economic Development Corporation (MEDC), and the remaining ½ percent is designated for property tax reduction. While sales tax is a major contributor for the City's revenues, it is also highly volatile and can rise and fall unpredictably. In order to try and offset these fluctuations, the City tries to carefully forecast sales tax growth. Based upon this and projected growth rates, the City estimates that sales tax revenues in the General Fund will increase by about 10% to 1.76 million compared to $1.61 budgeted for FY 2014.



This chart shows the City's total sales tax collections since 1988. From 2004 to 2014, sales tax collections have increased by over 120%. It should be noted that on July 1, 2005, the City passed an ordinance authorizing the collection of an additional ½ cent sales tax for use by MEDC, and this revenue is transferred to the MEDC Fund on a monthly basis.

Property Tax

The property tax (also known as ad valorem tax) paid to the City is broken down into two components: Maintenance & Operations (M&O) and debt service, sometimes known as Interest & Sinking (I&S). The M&O rate is used to fund general operations of the City. Meanwhile, the debt service rate is calculated to raise enough revenue to make the payments on bonded debt for the upcoming twelve months. The proposed property tax rate for 2014 is unchanged at $0.4155 per $100 valuation. The revenue from this property tax is shown in the FY 2015 budget.



This tax rate is levied on all property within the City that is classified as real (land), improvements (homes, stores, and other buildings), and business personal property (machinery and equipment used for commercial purposes as well as business inventories). The Montgomery Central Appraisal District is charged with determining the appropriate market value for all of the property in the county, as well as maintaining records for the exemptions and deductions allowed by state law. This comprises the City's property tax roll, and the tax is assessed in October and due by the end of January. The Montgomery County Tax Assessor and Collector's office bills and collects our taxes via an interlocal agreement.

The property tax rolls for the City can be increased in several ways. First, new improvements can be built or additional personal property can be located within the City. Second, exempt property can lose its exemption through a change of use. Third, market conditions can increase the value of existing property and improvements. Finally, the City can also annex additional territory. As the property tax rolls can increase, they can also decrease if the opposite occurs in the examples listed above. In 2013 (FY 2014), the total assessed valuation (AV) for property in the City was estimated at $86,781,468. The estimated preliminary AV in the City for 2014 (FY 2015) is $95,186,853.

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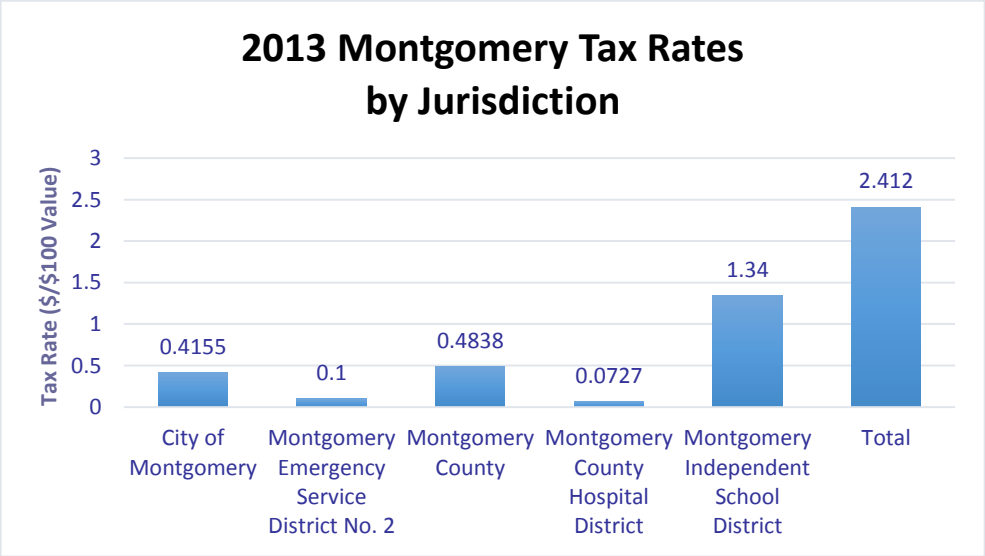
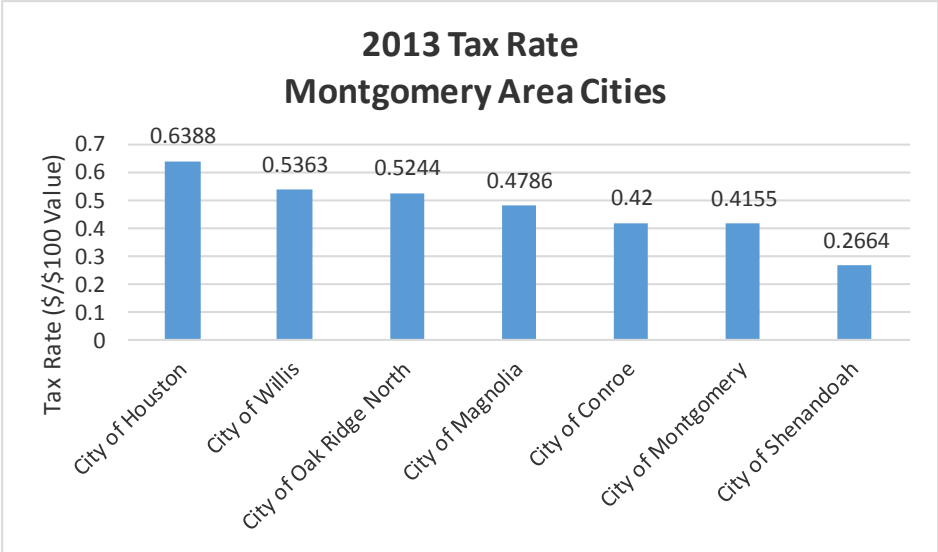




The first chart illustrates the 2013 property tax rates charged by the taxing entities most applicable to residents of the City, and these rates are configured based upon $100 of the property's assessed valuation by the Montgomery Central Appraisal District. For example, a tax rate of $0.5000 would be assessed at 50¢ for each $100 in value. The average resident pays property taxes to the Montgomery Independent School District, the City, Montgomery County, Emergency Services District #2, and the Montgomery County Hospital District. Also, the second chart compares the property tax rates of Montgomery with several other area municipalities.

Water and Sewer Sales

Another major revenue source for the City is water and sewer sales. The Water and Sewer Fund is an Enterprise Fund, which means that the fund operates in a self-sufficient manner to cover the operating costs associated with the water and sewer utilities. Water consumption varies each year in proportion to the amount of rainfall. Essentially, water sales tend to increase in a dry year and decrease in a wet year.

Water and sewer rates bills are invoiced on a monthly basis. For residential customers, the City charges a minimum of $16.00 up to 2,000 gallons for water usage, with increasing block rates for water use beginning at $2.50 per 1,000 gallons of use. The City charges residential sewer customers a minimum of $12.50 for up to 2,000 gallons of water usage plus $1.60 per $1,000 gallons of water used in excess of 2,000 gallons. For commercial customers, the City charges a minimum of $19.50 up to 2,000 gallons for water usage, with increasing block rates for water use beginning at $2.50 per 1,000 gallons of use. The City charges commercial sewer customers a minimum of $21.50 for up to 2,000 gallons of water usage plus $2.00 per $1,000 gallons of water used in excess of 2,000 gallons. Also, it should be noted there are different rates for institutions such as schools as well as customers located outside the city limits. Additionally, the City charges all water customers $1.50 per 1,000 gallons of water used for a Groundwater Reduction Program implemented to satisfy regulations by Lone Star Groundwater Conservation District. Customers are also charged $16.40 for garbage pickup, along with $1.35 in tax.

Each year, the Texas Municipal League (TML) conducts a survey of the water and sewer rates in several Texas cities. The chart below compares Montgomery's rates to other area cities as reported in the TML survey, and these monthly rates are based on 10,000 gallons of water use. Based upon these figures, Montgomery's rates are below several area cities.

City	Water and Sewer Bill
Houston	115.54
Conroe	81.92
Willis	67.70
Montgomery	**76.30**
Cleveland	77.00
Oak Ridge North	91.15
Jersey Village	98.79

Fund Overviews

The City's budget consists of many different funds, and these funds account for the various functions or projects of the government. Some revenue sources, such as water and sewer sales, are dedicated for a specified purpose, so a fund is created to record these activities. Each fund is a stand-alone operation and audited as an individual unit, and the following is a brief outline of the activity in each funds. In order to view more detailed information and figures on these funds, please see their separate sections.

General Fund

The General Fund is the City's largest fund, and finances nearly all of the City's services. This fund accounts for revenue, expenditures, and transfers associated with municipal services not directly supported or accounted for in other funds. The primary funding sources for the General Fund are taxes and franchise fees, permits and licenses, and court fines and forfeitures. For FY 2015, the budget calls for revenues and transfers of $2,158,008 and expenditures of $2,285,303.

Water and Sewer Fund

The Water and Sewer Fund finances the operation and maintenance of the City's water and sewer systems, and the contracted municipal solid waste collection and disposal service. The main source of revenue for the fund is the water and sewer fees that are collected monthly from the customers of the City's systems. In FY 2015, the budget proposes revenues of $794,500 and expenditures of $625,910 and a transfer to Debt Service of $125,300.

Debt Service Fund

The Debt Service Fund was established to account for the payment of principal and interest on outstanding tax supported debt. When this debt was issued, property taxes were pledged to repay the bondholders. The revenue sources for this fund are property taxes and transfers from the MEDC and Water and Sewer Funds. The proposed FY 2015 budget includes tax and interest revenues of $255,500, transfers from Montgomery Economic Development Corporation (MEDC) Fund of $117,500, and transfers from Water and Sewer Fund of $125,300 to pay expenditures of $497,114.

Capital Projects Fund

The Capital Projects Fund was created primarily to finance the purchase or construction of infrastructure projects. Capital projects are characterized by their costs, the long operational life of the asset, and the potential impact these projects would have on a department's operating budget. The main revenue sources for this fund are bonds, grants, transfers from other funds and interest. Several large capital projects were completed in FY 2014. For FY 2015 no projects are planned from this fund.

Hotel Occupancy Tax Fund

The Hotel Occupancy Tax Fund collects taxes from hotels, motels, and bed and breakfasts located in the City. The City collects a 6% hotel tax from local bed and breakfasts. For FY 2015, the budget calls for revenues of $1,270 and expenditures of $0.

Court Technology Fund

The Court Technology Fund is a fund that collects revenues from court fines and utilizes these resources to finance the purchase of technological enhancements for the Municipal Court. Based upon the Texas Code of Criminal Procedure and enabled through a City ordinance, the City created this fund that requires a defendant convicted of a misdemeanor offense to pay a technology fee not to exceed $3.00 as

a cost of the court. In FY 2015, the budget proposes revenues of $6,010 and expenditures to equal $6,000.

Court Security Fund

The Court Security Fund collects revenues from court fines for the purposes of providing funding for the enhancement of Municipal Court security. Also, similar to the Court Technology Fund, the City created this fund based upon the Texas Code of Criminal Procedure and via a City ordinance.. Based upon the FY 2015 budget, revenues of $4,520 and transfers of $2,880 to General Fund for security expenses are proposed.

Police Asset Forfeiture Fund

The Police Asset Forfeiture Fund collects funds related to assets by the Montgomery Police Department. According to state law, expenditures in this fund are to be solely used for law enforcement purposes. For FY 2015, both revenues and expenditures are projected to equal $0.

Other Financial Structures

Besides the above operating funds, the City also maintains several other financial vehicles and accounts that merit some discussion. In the future, the City may decide to consolidate these items or close some of the accounts.

The City maintains its reserve funds with several accounts in TexPool, which is the largest and oldest local government investment pool in the State of Texas, providing investment services to over 1,700 communities throughout the state. The City holds five TexPool accounts (General, Reserve, Utility, Customer Deposits, and MEDC). These funds were placed in TexPool because this fund earns a much higher interest rate than regular banks, but can still be easily accessed. The State Comptroller of Public Accounts oversees TexPool, and Lehman Brothers and Federated Investors manage the daily operations of the pool under a contract with the Comptroller. TexPool seeks to maintain a $1.00 value per share as required by the Texas Public Funds Investment Act, and TexPool investments consist exclusively of U.S. Government securities, repurchased agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds.

The Montgomery Economic Development Corporation (MEDC) Fund accounts for the revenues and expenditures associated with MEDC, the City's 4B economic development corporation. MEDC receives a ½ cent sales tax transfer from the General Fund every month, and its primary goals are to promote the expansion of the City by attracting business activity of all types and encouraging the creation of new businesses. The corporation is managed by a Board of Directors responsible for the allocation of these funds in accordance with State Law and the policies or directives established by the City Council. The funds raised through the sales tax allocation may be used for many projects, including direct contribution to new business enterprises that create and retain primary jobs, attracting new industrial development, assistance with expansions or related infrastructure. Although under a separate budget, MEDC anticipates revenues of $441,667 and expenditures of $480,800.

The Grant and HOME Grant Accounts are designed as a pass-through for the City's grant programs which are funded through other governmental sources, such as the Texas Department of Housing and

Community Affairs. It is anticipated that the projects associated with these grants will soon be completed.

The Police, Drug, and Miscellaneous Account collects money earned through the activities of the Police Department. However, this account is currently separate from the proposed Police Asset Forfeiture Fund and does not currently have an operating budget.

The City's Escrow Account is primarily used for collecting money from developers related to the pending satisfaction of a contractual contingency or condition to safeguard the City from any major financial losses. Finally, the Customer Utility Deposit Account was established to hold the deposits of water and sewer customers.

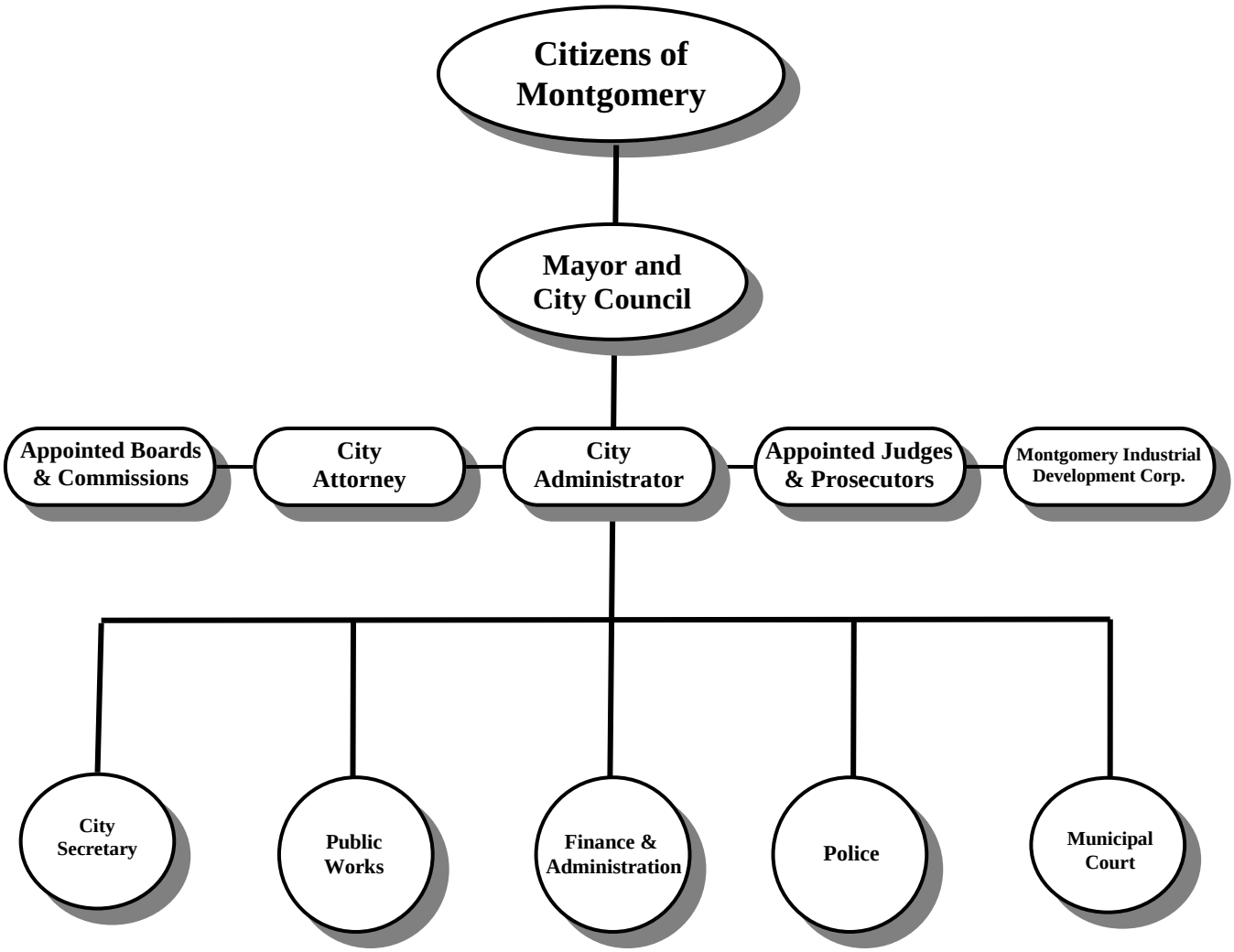
The table on the page 16 is a summary of the City's funds including projected fund balances and the proposed FY 2015 activity for each fund. This table shows the funds available to the City to meet its obligations along with the projected revenue and expenses in each fund. On the following page, a simple organizational chart for the City is presented.

Summary of All Funds

	Fund Balance 10/1/2013	Proj. Balance 9/30/2014	FY 2015 Expense	FY2015 Transfer	FY2015 Revenue	Proj. Balance 9/30/2015
Governmental Funds						
General Fund	$ 1,064,368	$ 1,234,096	$ 2,285,323	$ 2,880	$ 2,155,128	$ 1,106,781
Debt Service Fund	67,610	90,096	497,114	125,300	373,000	91,282
Capital Projects Fund (Grants/	2,251,394	209,107	-	-	1,000	210,107
Hotel Occupancy Fund	5,930	7,767	-	-	1,270	9,037
Court Technology Fund	1,042	5,479	6,000	-	6,010	5,489
Court Security Fund	2,963	4,571	-	(2,880)	4,520	6,211
Police Asset Forfeiture Fund	4,514	4,715	-	-	1,000	5,715
Total Governmental Funds	**$ 3,397,821**	**$ 1,555,831**	**$ 2,788,437**	**$ 125,300**	**$ 2,541,928**	**$ 1,434,622**
Non-Governmental Funds						
Water & Sewer Fund	$ 214,107	$ 352,579	$ 625,910	$ (125,300)	$ 794,500	$ 395,869
Total Non-Governmental Funds	**$ 214,107**	**$ 352,579**	**$ 625,910**	**$ (125,300)**	**$ 794,500**	**$ 395,869**
Total All Funds	**$ 3,611,928**	**$ 1,908,410**	**$ 3,414,347**	**$ -**	**$ 3,336,428**	**$ 1,830,491**

* MIDC Fund is not shown and its transfers are shown as revenues to other funds.

CITY OF MONTGOMERY ORGANIZATIONAL CHART



GENERAL FUND

GENERAL FUND SUMMARY

The General Fund accounts for revenue, expenditures, and transfers associated with municipal services not directly supported or accounted for in other funds.

FUND FINANCIAL ACTIVITY

The General Fund finances nearly all of the City's services. Issues such as the ad valorem tax rate, fees, objectives, levels of service, the number of employees, salaries and benefits are all determined using the preparation of the General Fund's budget. The General Fund is the source of funds for the following City departments: Administration, Police, Municipal Court, and Public Works and Community Development.

Revenue Projections for 2014. The FY 2014 Budget forecasted revenues to finance the General Fund's services at $1.88 million. Based on unaudited year-end numbers, revenues are expected to exceed this target, ending FY 2014 with revenues of $2.12 million.

Expenditure Projections for 2014. The FY 2014 Budget appropriated $1.92 million. Using unaudited year-end numbers, it appears that actual expenditures will be under this amount, ending FY 2014 with expenditures of $1.81 million.

Financial Position in 2014. The City of Montgomery's General Fund will close 2014 in sound fiscal condition. The estimated balance available for appropriation will be approximately $1.22 million, and this amount represents about 67% of estimated 2014 expenses. In other words, the General Fund's operations could be sustained for around eight months with no additional revenues.

2015 Budget

Projected 2015 Revenues. The City's General Fund Revenues for FY 2015 are forecasted to increase $237,000, or 12.6% over 2014 budgeted revenues. Total revenues are expected to be $2,117,628.

Taxes and franchise fees are projected to be $1,532,398. General Fund revenues generated by the City's sales tax are budgeted at $1,325,000, 10% higher than the $1,210,000 budgeted in 2014. With a total property valuation within the City appraised at approximately $95 million, maintenance and operations property tax revenues are budgeted at $141,148, which is an increase of 8% over 2014 budgeted estimates. Franchise taxes provide $63,000, or 4% of the City's General Fund revenues, while beverage taxes account for $1,500, which is less than 1%.

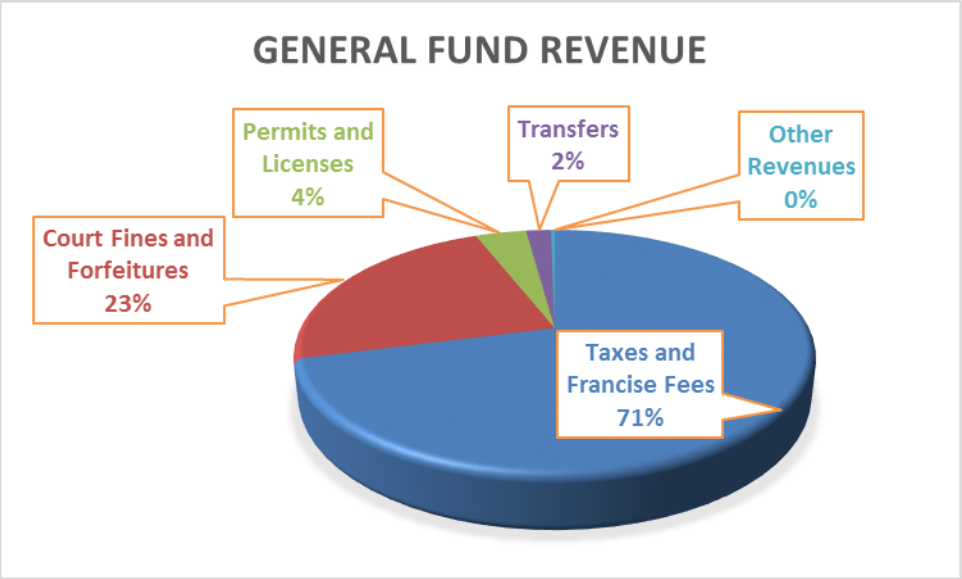
Revenues from permits and licenses are budgeted at $80,000 because of annexations and increased commercial and residential development. Administrative transfers from MEDC and the Court Security Fund will account for $40,380. Community building rentals should produce revenues of $4,000. Revenues related to court fines and forfeitures are budgeted at $496,180, which is a 23% increase from the previous year.

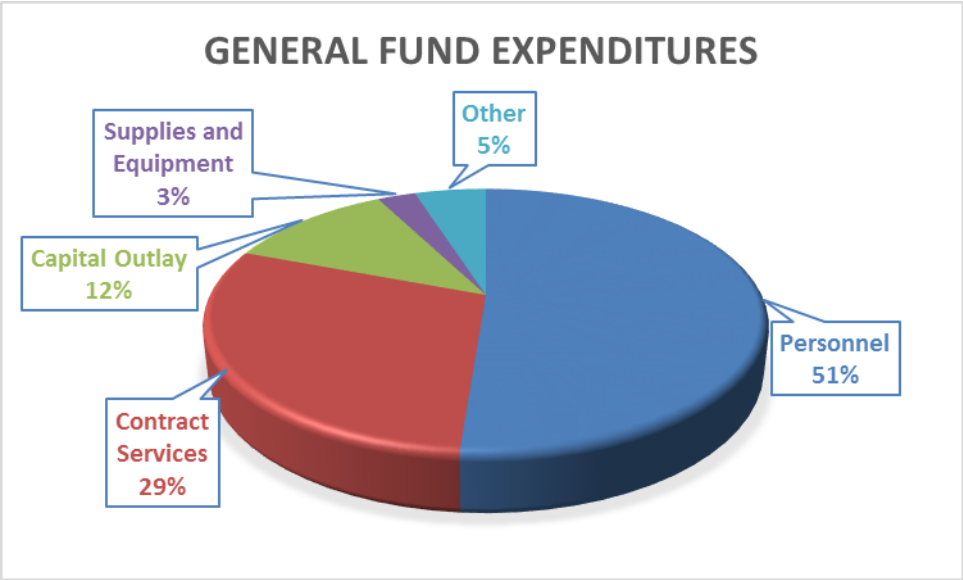
Expenditures in 2015. The FY 2015 Budget recommends an appropriation in the amount of $2,285,323 in the General Fund. The General Fund's 2014 Budget was $1,919,754, so this budget represents a 19% increase in the total budget.

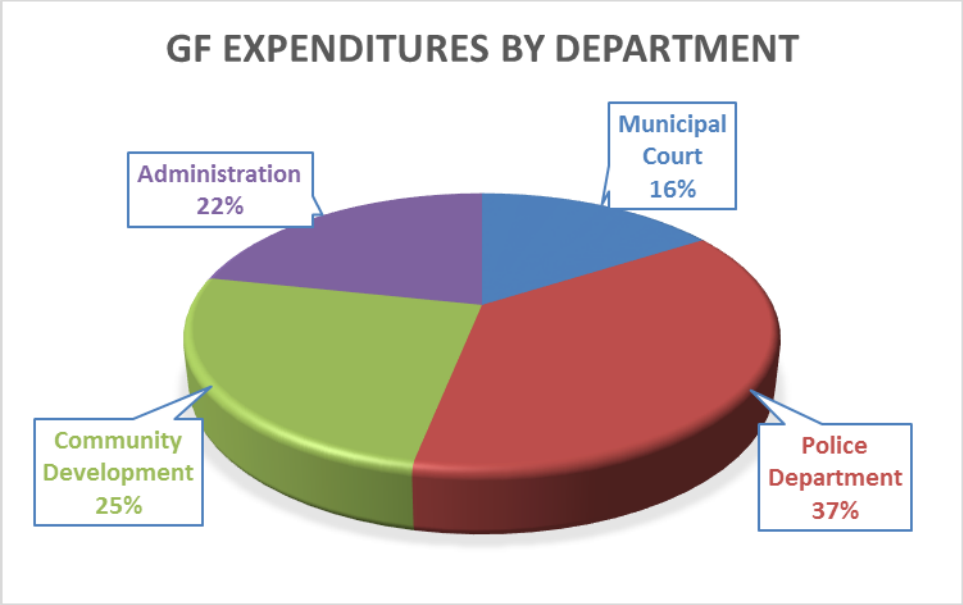
Personnel costs, including benefits, amount to $1,170,623 or about 51% of the budget, which is roughly the same percentage as last year. Contract

services are budgeted at $675,150, an increase of 10% over last year. Expenditures for capital outlays are budgeted at $266,200, which is a 74% increase from last year. Expenditures related to communications, supplies and equipment, staff development, insurance, and utilities have modest increases from last year. Meanwhile, expenditures for maintenance and miscellaneous expenses will decrease slightly, with spending for contingency purposes remaining stable.

It is anticipated than there will be an amendment to the FY 2014 Budget to account for increased revenue and expenses in this fiscal year. These figures are not shown on the tables in the FY 2015 budget.




GENERAL FUND EXPENDITURES
Supplies and Equipment 3%
Other 5%
Capital Outlay 12%
Personnel 51%
Contract Services 29%


GF EXPENDITURES BY DEPARTMENT
Municipal Court 16%
Administration 22%
Community Development 25%
Police Department 37%

General Fund Budget at a Glance		2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Beginning Fund Balance		**750,929**	**912,779**	**883,505**	**1,224,098**	
Revenue						
14000.1	Taxes and Francise Fees	1,482,163	1,510,445	1,409,757	1,532,398	8.7%
14000.2	Permits and Licenses	64,880	82,989	63,400	82,800	30.6%
14000.4	Fees For Service	3,600	3,771	4,000	4,000	0.0%
14000.5	Court Fines and Forfeitures	329,919	467,304	402,275	496,180	23.3%
14000.6	Other Revenues	52,480	16,590	1,500	2,250	50.0%
	Revenue	*1,933,042*	*2,081,098*	*1,880,932*	*2,117,628*	*12.6%*
Expenditures						
16000	Personnel	795,909	902,354	997,944	1,170,623	17.3%
16001	Communications	2,503	3,007	3,000	5,000	66.7%
16002	Contract Services	528,700	568,286	611,970	675,150	10.3%
16003	Supplies and Equipment	64,574	73,071	48,850	60,250	23.3%
16004	Staff Development	16,918	25,527	24,250	34,250	41.2%
16005	Maintenance	11,030	30,185	33,000	25,000	-24.2%
16006	Insurance	12,513	16,000	16,580	17,320	4.5%
16007	Utilities	28,887	29,849	28,460	29,330	3.1%
16008	Capital Outlay	226,310	160,181	153,000	266,200	74.0%
16010	Miscellanous/ Contingency	1,025	1,700	2,700	2,200	-18.5%
	Expenditures	*1,688,369*	*1,810,160*	*1,919,754*	*2,285,323*	*19.0%*
Net Ordinary Income		*244,673*	*270,939*	*-38,822*	*-167,695*	
Interfund Transfers						
	Transfers In	47,880	40,380	47,880	40,380	-16%
	Transfers Out	130,703	0	0	0	
	Net Transfers	*-82,823*	*40,380*	*47,880*	*40,380*	*-16%*
Net Income		**161,850**	**311,319**	**9,058**	**-127,315**	
Ending Fund Balance		**912,779**	**1,224,098**	**983,302**	**1,096,782**	

Administration

Administration is responsible for the efficient delivery of City services. The City Administrator, Bill Kotlan, has day-to-day responsibility for the operation of all City activities and employees. The City Secretary, Carol Langley, is responsible for maintaining ordinances, resolutions, meeting minutes, and legally required publications. The City Attorney, Bryan Fowler, serves as a consultant, providing the City with general counsel, litigation, contract review, and ordinance review. The contract Bookkeeper, Municipal Accounts records the financial activities of the City and assists in managing payroll and city depositories and investments. The City has retained Van Wassehnova & Associates to audit the financial records.

Budget Changes:

- Added a part time Administrative Assistant.

Accomplishments in 2014:

- Implemented electronic record-keeping system.
- Received upgraded bond rating by Standard and Poor's to "AA."

Goals for 2015:

- Codify city ordinances.
- Review and update contracts with city consultants and vendors.
- Update personnel policies and procedures.
- Develop new electronic record-keeping policies and processes.

General Fund Admin Class Expenditures		2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Ordinary Expense						
Personnel						
16247	Compensated Benefit			4,000		
16353.1	Health Insurance	11,725	13,976	15,840	13,749	-13.2%
16353.4	Unemployment Insurance	-2,693	745	522	522	0.0%
16353.5	Workers Comp.	317	364	543	638	17.6%
16353.6	Dental Insurance	1,225	1,820	1,000	1,352	35.2%
16353.7	Life & AD&D Insurance	133	134	160	153	-4.3%
16560	Payroll Taxes	12,146	13,160	12,964	17,611	35.8%
16600	Wages	158,777	161,158	167,696	230,208	37.3%
16620	Retirement	5,403	5,661	5,135	7,961	55.0%
16000	*Personnel*	*187,033*	*197,016*	*207,860*	*272,196*	*31.0%*
Communications						
16338	Advertising/Promotion	2,146	3,007	2,000	3,000	50.0%
16001	*Communications*	*2,146*	*3,007*	*2,000*	*3,000*	*50.0%*
Contract Services						
16320	Legal	28,331	26,294	35,000	30,000	-14.3%
16321	Audit	14,750	15,800	13,500	16,000	18.5%
16322	Engineering	1,078		5,000	0	-100.0%
16333	Accounting	57,130	54,987	65,000	65,000	0.0%
16335	Repairs and Maintenance	11,942	10,857	6,000	11,000	83.3%
16340	Printing and Office Supplies	87	56	500	500	0.0%
16342	Computers Website	2,689	1,200	2,500	2,500	0.0%
16350	Postage and Delivery	721	2,103	520	2,000	284.6%
16351	Telephone	11,481	12,149	12,000	12,000	0.0%
16360	Tax Assessor Fee	2,415	2,500	2,500	2,500	0.0%
16370	Election	6,470	0	25,000	15,000	-40.0%
17040	Computer Technology	8,042	6,000	6,000	20,000	233.3%
16002	*Contract Services*	*145,136*	*131,947*	*173,520*	*176,500*	*1.7%*
Supplies and Equipment						
16358	Copier/Fax	1,960	2,286	2,500	2,500	0.0%
16460	Operating Supplies	11,941	9,000	9,000	9,000	0.0%
17100	Furniture	6,152	2,200	2,200	2,200	0.0%
16003	*Supplies and Equipment*	*20,053*	*13,486*	*13,700*	*13,700*	*0.0%*

General Fund Admin Class Expenditures		2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Staff Development						
16339	Dues/ Subscriptions	2,409	2,472	3,000	3,000	0.0%
16341	Employee Relations	1,257	965	1,000	1,000	0.0%
16354	Travel and Training	7,759	7,769	7,500	7,500	0.0%
16004	*Staff Development*	*11,425*	*11,206*	*11,500*	*11,500*	*0.0%*
Insurance						
16353.2	Liability Insurance	3,963	5,649	5,100	5,700	11.8%
16353.3	Property Insurance	1,242	1,615	1,560	1,700	9.0%
16006	*Insurance*	*5,205*	*7,263*	*6,660*	*7,400*	*11.1%*
Utilities						
16352.6	Utilities - City Hall	3,604	1,060	3,000	3,000	0.0%
16352.7	Utilities - Gas	819	1,890	1,200	2,000	66.7%
16352.8	Utilities - Community Center	762	0	1,200	0	-100.0%
16007	*Utilities*	*5,185*	*2,950*	*5,400*	*5,000*	*-7.4%*
Capital Outlay						
16223	Community Bldg Irrigation	7,999				
17071	Computers/ Equipment	1,923	4,000		5,500	
16336	Capital projects					
16008	*Capital Outlay*	*9,922*	*4,000*	*0*	*5,500*	
Miscellaneous						
16504	Adams Park Lease		1,475			
16590	Miscellaneous		25			
	Miscellaneous	0	1,500	0	0	
Total Expense		**386,105**	**372,375**	**420,640**	**494,796**	***17.6%***

Police

Montgomery Police Department is a constituted body of persons empowered by the state to enforce the law, protect property, and limit civil disorder. Montgomery Police Department includes the Police Chief Jim Napolitano, Lt. Joe Belmares, Patrol Sergeant Miguel Rosario, Administrative Sergeant Becky Lehn, five patrol officers, and several reserve officers.

Mission: The mission of the Montgomery Police Department is to enhance the quality of life in the City of Montgomery by working with the public and within the guidelines of the US Constitution to enforce the laws, preserve peace, reduce fear, and provide a safe environment.

Vision: To optimize the efficient use of the police resources and respond quickly and professionally to all forms of crime, emergencies, and homeland security concerns. The Montgomery Police Department and its community stakeholders will partner with other law enforcement, government, and civic groups to address all crime and disorder issues. Montgomery Police Department seeks to improve public safety guided by its core values: respect, dignity, integrity, and fairness.

Montgomery Police Department participates in a grant funded program known as the DWI task force to prevent loss of life by apprehending violators operating a motor vehicle on our public roadways under the influence of an alcoholic beverage or substance which causes a level of intoxication. This task force works closely with other law enforcement agencies and the District Attorney to reduce the number of violators on the roads particularly during holiday weekends.

***Goals for 2015*:**

- Maintain high visibility to reduce criminal activity.
- Practice fiscal responsibility and accountability in the management of public resources.
- Update the Department Policy Manual.
- Manage purchase and use of equipment to assist officers in provide effective service in a timely and safe manner.
- Manage, evaluate, and train personnel to maintain safety, high standards of performance. Provide continuing education to improve professionalism and personal development.
- Improve communication and cooperation with the community by implementing new web page, by utilizing other media such as Nixle, and by participating in community partnerships and programs that promote our mission and values.
- Update emergency response procedures.

General Fund Police Class Expenditures		2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Ordinary Expense						
Personnel						
16247	Compensated Benefit	0	0	5,000	5,000	0%
16353.1	Health Insurance	35,023	40,399	62,900	51,284	-18%
16353.4	Unemployment Insurance	2,033	2,375	2,088	2,610	25%
16353.5	Workers Comp.	4,923	7,542	8,400	12,970	54%
16353.6	Dental Insurance	3,870	5,659	4,500	6,423	43%
16353.7	Life & AD&D Insurance	422	630	600	728	21%
16560	Payroll Taxes	22,851	28,826	28,960	33,755	17%
16600	Wages	288,534	340,648	357,294	441,236	23%
16600.1	Overtime	10,398	16,934	12,000	12,000	0%
16620	Retirement	10,223	11,745	11,470	18,223	59%
16000	*Personnel*	*378,277*	*454,759*	*493,212*	*584,228*	*18%*
Communications						
16338	Advertising/Promotion			1,000	2,000	100%
16001	*Communications*	*0*	*0*	*1,000*	*2,000*	*100%*
Contract Services						
Repairs and Maintenance						
16334	Gas/Oil	27,913	28,644	31,500	35,000	11%
16357	Auto Repairs	9,722	14,551	14,000	9,000	-36%
16373	Equipment Repairs	451	1,070	500	2,500	400%
16335	*Repairs and Maintenance*	*38,086*	*44,265*	*46,000*	*46,500*	1%
16102	General Consulting (Racial Profiling)				0	
16340	Printing/ Office Supplies	467	1,222	1,500	1,500	0%
16342	Computers/ Website	399	2,000	2,000	2,000	0%
16350	Postage/ Delivery	93	195	500	500	0%
16351	Telephone	7,372	5,061	4,000	5,000	25%
16376	Building Maintenance	462	550			
17030	Mobile Data Terminal (Air Fees	2,254	4,500	4,500	6,000	33%
17040	Computer Technology	1,667	8,000	8,000	0	-100%
16002	*Contract Services*	*50,800*	*65,793*	*66,500*	*61,500*	-8%

General Fund Police Class Expenditures		2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Supplies and Equipment						
16244	Radio Fees	2,579	2,578	2,800	2,800	0%
16328	Uniforms	7,947	9,195	6,000	6,000	0%
16358	Copier/Fax	1,960	1,959	2,500	2,500	0%
16460	Operating Supplies	5,010	7,793	4,100	5,000	22%
17010	Emergency Equipment	2,705	2,403	1,500	1,500	0%
17100	Furniture		3,000	500	2,000	300%
16003	*Supplies and Equipment*	*20,201*	*26,929*	*17,400*	*19,800*	14%
Staff Development						
16241	Police Training/ Education	580	2,890	3,500	6,000	71%
16339	Dues/ Subscriptions	195	240	1,500	1,500	0%
16341	Employee Relations			1,000	1,000	0%
16354	Travel and Training	2,212	2,739	2,000	4,000	100%
16004	*Staff Development*	*2,987*	*5,870*	*8,000*	*12,500*	*56%*
Insurance						
16353.2	Liability Insurance	5,667	6,362	7,000	7,000	0%
16353.3	Property Insurance	790	1,329	1,500	1,500	0%
16006	*Subtotal Insurance*	*6,457*	*7,690*	*8,500*	*8,500*	0%
Capital Outlay						
17070	Police Cars	67,821	73,681	72,500	54,300	-25%
	Emergency Lights, Decals				25,400	0%
	Coban Video Eqiuipment				18,000	0%
17071	Computers/Equipment (MDT)	9,983	17,185	15,000	18,000	20%
17071.1	Copsync	12,986				0%
17071.2	Radar	1,910				0%
	Investigative and Testing Equip				4,000	0%
	Ballistic Vests and Shields				10,000	0%
	Patrol Rifles				4,000	0%
17050	Radios		132	500	26,000	5100%
17080	Improvements	8,000	0			0
16008	*Capital Outlay*	*100,700*	*90,998*	*88,000*	*159,700*	81%
Other/ Miscellaneous						
16590	Miscellaneous			500	2,000	300%
16010	Contingency			2,000		-100%
16356	Contract Labor	16,800	19,600			0%
Total Expense		**576,222**	**671,639**	**685,112**	***850,228***	**24%**

Municipal Court

The Municipal Court is a trial court of limited jurisdiction. The court acts as an impartial fact finder in determining if a City ordinance has been violated. The Municipal Court processes citations, warrants, court payments, and trials. Municipal Court Administrator Becky Lehn is responsible for the overall operations of the court and supervises Deputy Court Clerk Krystal Gonzalez.

Mission: To provide individuals a fair and impartial judicial process in a timely and efficient manner.

Accomplishments in FY 2014:

- Deputy Court Clerk, Krystal Gonzalez, earned her Level I Court Clerk Certification.
- Court Administrator, Becky Lehn, was invited to sit on faculty for the Texas Court Clerk Association and completed the necessary training to instruct/teach both the Level I and Level II Court Clerk Certification classes throughout Texas.
- Perdue, Brandon, Fielder, Collins & Mott were hired as the City's Collection Agency to pursue all outstanding warrants owed.
- Due to the efforts of the Police Department, Court, and the Collection Agency, $156,895.52 has been collected in outstanding warrants so far this fiscal year compared to $128,714.60 for last year. This is an increase of $28,180.92.

Goals for FY 2015:

- Provide employees with customer service training that focuses on customer services issues. Develop and distribute customer service questionnaires. Track customer satisfaction and complaints to identify and solve problems.
- Judge and staff will actively participate in City and State Court organizations to promote continuous court knowledge and excellence.
- Continue to develop and improve procedures to collect past-due payments for fines and fees.
- Continue to improve electronic technology for Municipal Court record keeping.

General Fund Court Class Expenditures		2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Ordinary Expense						
Personnel						
16353.1	Health Insurance	12,523	10,534	16,074	9,795	-39.1%
16353.4	Unemployment Insurance	555	745	522	522	0.0%
16353.5	Workers Comp.	188	214	1,429	309	-78.4%
16353.6	Dental Insurance	1,176	1,436	794	1,352	70.3%
16353.7	Life & AD&D Insurance	150	160	132	153	16.0%
16560	Payroll Taxes	5,952	6,149	5,998	7,244	20.8%
16600	Wages	74,884	73,993	76,910	93,196	21.2%
16600.1	Overtime	1,653	1,354	1,500	1,500	0.0%
16620	Retirement	2,620	2,644	2,376	3,911	64.6%
16000	*Personnel*	*99,701*	*97,229*	*105,735*	*117,982*	*11.6%*
Contract Services						
16100	Admin Expense Misc.					
16102	General Consultant	1,055	660	1,800	1,800	0.0%
16220	Omni Expense	2,970	2,667	2,500	3,000	20.0%
16242	Prosecutor	7,300	18,171	9,000	9,000	0.0%
16310	Judge	11,000	0	12,000	12,000	0.0%
16326	Collection Agent	1,011	34,634	20,000	35,000	75.0%
16340	Printing/ Office Supplies	304	521	600	600	0.0%
16342	Computers/ Website	4,156	3,405	2,000	2,500	25.0%
16350	Postage/ Delivery	549	578	750	750	0.0%
16351	Telephone	1,200	1,200		1,200	
17040	Computer Technology	1,208	0			
17510	State Portion of Fines	114,388	130,107	120,000	170,000	41.7%
16002	*Contract Services*	*145,141*	*191,943*	*168,650*	*235,850*	*39.8%*
Supplies and Equipment						
16003	Supplies and Equipment - Other			2,500		
16460	Operating Supplies	1,788	2,030	2,500	2,500	0.0%
17100	Furniture	2,926	0			
16003	*Supplies and Equipment*	*4,714*	*2,030*	*5,000*	*2,500*	*-50.0%*
Staff Development						
16339	Dues/ Subscriptions	254	338	250	250	0.0%
16354	Travel and Training	2,079	5,378	3,500	5,000	42.9%
16004	*Staff Development*	*2,333*	*5,715*	*3,750*	*5,250*	*40.0%*

General Fund Court Class Expenditures	2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Insurance					
16353.2 Liability Insurance	140	140	400	400	0.0%
16006 Insurance	*140*	*140*	*400*	*400*	*0.0%*
Capital Outlay					
17071 Computers/Equipment	5,101	5,500	5,000	2,000	
16008 Capital Outlay	*5,101*	*5,500*	*5,000*	*2,000*	*-60.0%*
Miscellaneous					
16590 Miscellaneous			200	200	*0.0%*
Total Expense	**257,130**	**302,557**	**288,735**	**364,182**	**26.1%**

Public Works and Community Development

The Department of Public Works and Community Development is responsible for engineering, utilities, streets, city maintenance, parks and recreation, planning, code enforcement, and building permits and inspections. The department consists of a Community Development Director, Erik Smith, a Maintenance Foreman and a Maintenance Technician.

Budget Changes:

- Added Maintenance Foreman Position
- Removed funds for IT Services to Administration
- Placed maintenance focus from Fernland Park to Memory Park

Accomplishments for FY 2014:

- Re-Asphalted City Streets
- Abated unsafe homes
- Adoption of updated Zoning Ordinance
- Adoption of Design Criteria Manual
- Opening of Fernland Park with Docents
- Implementation of Work Order Program
- Opened downtown bathrooms

Goals for FY 2015:

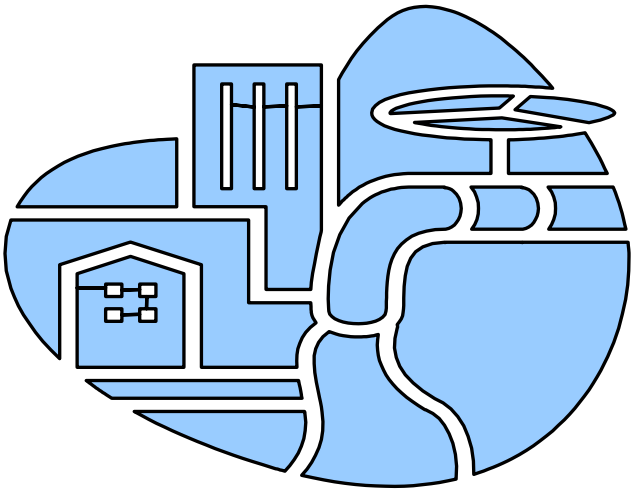
- Continue repairs to City Streets
- Repair broken park equipment
- New piece of playground equipment for Community Building
- Make repairs to pump at Memory Park
- Continue abatement of unsafe homes
- Update Public Works and Community Development webpages.

General Fund Public Works Class Expenditures		2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Ordinary Expense						
Personnel						
16353.1	Health Insurance	13,953	14,983	23,712	14,693	-38%
16353.4	Unemployment Insurance	402	983	1,044	1,363	31%
16353.5	Workers Comp.	1,833	2,135	3,992	3,801	-5%
16353.6	Dental Insurance	1,470	1,701	1,589	2,028	28%
16353.7	Life & AD&D Insurance	167	189	199	230	15%
16560	Payroll Taxes	7,634	9,475	11,198	11,975	7%
16600	Wages	98,924	118,000	142,231	153,529	8%
16600.1	Overtime	3,061	2,003	3,000	3,001	0%
16620	Retirement	3,454	3,881	4,172	5,597	34%
16000	*Personnel*	*130,898*	*153,350*	*191,137*	*196,217*	*3%*
Communications						
16338	Advertising/Promotion	357				
16001	*Communications*	*357*	*0*	*0*	*0*	
Contract Services						
16113	Public Works Mgmt	2,070	0			
16232	General Park Maintenance	2,097	0			
16280	Mowing	68,363	63,698	75,000	75,000	0%
16299	Inspections/ Permits	21,608	23,638	40,000	40,000	0%
16320	Legal		3,552			
16322	Engineering	49,518	34,975	50,000	35,000	-30%
16337	Street Signs	1,735	1,272	1,500	1,500	0%
16340	Printing and Office Supplies	243	0	500	500	0%
16342	Computers/ Website		1,371	800	1,500	88%
16350	Postage/ Delivery	243	213	400	400	0%
16351	Telephone	3,084	3,171	2,100	3,200	52%
17040	Computer Technology		1,530		5,200	
16334	Gas/Oil	*6,073*	*7,017*	*6,000*	*7,500*	25%
16335	Maintenance -Other	*17,698*	*14,220*	*20,000*	*15,000*	-25%
16343	Tractor & Mower	*343*	*485*		*1,000*	
16357	Auto Repairs	*4,375*	*3,216*	*4,000*	*4,000*	0%
16373	Equipment Repairs	*2,232*	*792*	*3,000*	*3,000*	0%
16374	Building Repairs	*5,094*	*18,235*		*6,000*	
16375	Street Repairs	*2,847*	*1,066*		*2,500*	
16002	*Contract Services*	*187,623*	*178,451*	*203,300*	*201,300*	*-1%*

General Fund Public Works Class Expenditures		2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Supplies and Equipment						
16328	Uniforms/ Protective Gear	2,685	3,465	2,750	2,750	0%
16460	Operating Supplies	16,921	16,623	10,000		-100%
16460.1	Streets and rainage		152		1,000	
164602	Cedar Brake Park		2,283		3,500	
16460.3	Homecoming Park		738		1,500	
16460.4	Fernland Park		1,330		2,000	
16460.5	Community Buildign		4,750		7,500	
1640.7	Memory Park		745		1,000	
16503	Code Enforcement Expense		540		5,000	
16003	*Supplies and Equipment*	*19,606*	*30,626*	*12,750*	*24,250*	*90%*
Staff Development						
16339	Dues/ Subscriptions			0		
16341	Employee Relations	75	0	500	500	0%
16354	Travel and Training	98	2,736	500	4,500	800%
16004	*Staff Development*	*173*	*2,736*	*1,000*	*5,000*	*400%*
Maintenance						
16228	Memory Park Maintenance	1,181	1,685	2,500	10,000	300%
16229	Fernland Park Maintenance	115	20,500	20,500	7,500	-63%
16230	CB Park Maintenance	7,253	6,000	7,500	5,000	-33%
16231	Homecoming Park Maintenanc	2,481	2,000	2,500	2,500	0%
16005	*Park Maintenance*	*11,030*	*30,185*	*33,000*	*25,000*	-24%
Insurance						
16353.2	Liability Insurance	509	572	720	720	0%
16353.3	Property Insurance	202	334	300	300	0%
16006	*Insurance*	*711*	*906*	*1,020*	*1,020*	0%
Utilities						
16352	Utilities - Gas					
16352.1	Street Lights	12,534	17,292	13,000	14,000	8%
16352.2	Traffic Lights	141	243	180	250	39%
16352.3	Cedar Brake Park	1,949	1,747	1,500	1,800	20%
16352.4	Homecoming Park	661	453	480	480	0%
16352.5	Fernland Park	961	1,234	1,000	1,500	50%
16352.6	City Hall Utilities	4,505	3,192	2,500	3,500	40%
16352.8	Community Center Utilities	2,951	2,738	2,200	2,800	27%
16352.9	Memory Park Utilities			2,200		-100%
16007	*Utilities*	*23,702*	*26,899*	*23,060*	*24,330*	6%

General Fund Public Works Class Expenditures	2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Capital Outlay					
16233 Community Building				10,000	
16336 Capital projects				0	
17071 Computers/Equipment	1,535	10,000		2,000	
17072 Public Works Items	9,222	10,683		27,000	
17080 Improvements	99,830	39,000	60,000	60,000	
16008 Capital Outlay	*110,587*	*59,683*	*60,000*	*99,000*	65%
Miscellaneous					
16356 Contract Labor		200			
16590 Miscellaneous	25				
16500 Lease	1,000				
Miscellaneous/Other	1,025	200	0	0	0
Total Expense	**485,712**	**483,036**	**525,267**	**576,117**	***10%***

WATER AND SEWER FUND



WATER AND SEWER FUND SUMMARY

The Water and Sewer Fund is an Enterprise Fund. Enterprise funds are operated and accounted for like business enterprises in the private sector, and are specifically meant to be self-sufficient. The Water and Sewer Fund accounts for the revenue, expenditures, and transfers associated with the operation of the water and sanitary sewer system as well as municipal solid waste collection. User fees finance the system and its services.

The Utility Billing Coordinator and Utility Technician are City staff members assigned to the Water and Sewer Department and are supervised by the City Administrator.

Water and sewer service fees must reflect the cost of operation, maintenance and replacement of costly water and sewer facilities. The replacement cost of facilities is reflected in the water and sewer rates by charging a rate sufficient to cover the operating costs and the debt service costs associated with major capital maintenance or replacement.

The City of Montgomery has implemented a Groundwater Reduction Program (GRP) to reduce the withdrawal of water from the Jasper Aquifer in compliance of regulations by the Lone Star Groundwater District. The City's program included development of a Catahoula aquifer water well and related treatment equipment at Water Plant No. 3. The City is also a partner with Montgomery County Utility Districts 3 and 4 in the development of their GRP until 2016. The City charges a GRP Fee as a separate line item for all water customers to cover the costs of this program.

FUND FINANCIAL ACTIVITY

2014 Financial Activity. For FY 2014, budgeted revenues were $757,700 and budgeted expenditures were $626,839 plus a $50,000 transfer to Debt Service. The estimated revenues for last year were $744,554, with the estimated expenditures and transfers being $651,583.

The 2015 Budget. The City's Water and Sewer Fund revenues for FY 2015 are projected to be $794,500, a 4.9% increase from the previous year's budget. Revenue increases are based on new customers expected in the budget year. Expenditures for FY 2015 are proposed at $625,910 plus a transfer to debt service of $125,300 for a total outlay of $751,210.

For the Future. The Water and Sewer Fund is the most difficult of all of the City's funds to predict, as water usage can vary dramatically with the weather. Due to anticipated growth, the City will need to continue invest in additional utility infrastructure. The City is currently in the process of evaluating water rates to better balance goals of promoting conservation while generating sufficient revenue to cover expenses and debt service.

Water and Sewer Fund	2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Beginning Fund Balance	**133,622**	**259,608**	**138,836**	**352,579**	
Revenue					
24000 Charges for Service	668,008	732,638	751,700	783,400	4.2%
24101 Taxes and Francise Fees	4,912	5,914	5,000	5,500	10.0%
25000 Other Revenues	11,260	6,002	1,000	5,600	460.0%
Income	*684,180*	*744,554*	*757,700*	*794,500*	4.9%
Expenditures					
26001 Personnel	103,188	94,803	108,469	122,040	12.5%
26200 Contract Services	147,651	122,599	179,400	190,400	6.1%
26300 Communications	818	0	500	500	0.0%
26326 Permits and Licenses	15,183	21,338	15,000	15,000	0.0%
26400 Supplies and Equipment	41,673	35,376	45,600	45,600	0.0%
26500 Staff Development	1,616	1,869	3,150	3,150	0.0%
26600 Maintenance	77,008	71,931	102,000	102,000	0.0%
26700 Insurance	8,471	10,844	10,620	10,620	0.0%
26800 Utilities	50,043	66,447	65,600	65,600	0.0%
26900 Capital	0	60,000	60,000	60,000	0.0%
27000 Misc./ Contingency/ GRP	82,543	86,378	56,500	11,000	-80.5%
Expenditures	*528,194*	*571,583*	*646,839*	*625,910*	-3.2%
Net Ordinary Income	*155,986*	*172,971*	*110,861*	*168,590*	52.1%
Interfund Transfers					
Transfers In	0	0	0	0	
Net GRP Fees		0	0	0	
Transfers Out	30,000	80,000	50,000	125,300	150.6%
Net Transfers	*-30,000*	*-80,000*	*-50,000*	*-125,300*	150.6%
Net Income	**125,986**	**92,971**	**60,861**	**43,290**	**-28.9%**
Ending Fund Balance	**259,608**	**352,579**	**199,697**	**395,869**	

DEBT SERVICE FUND

DEBT SERVICE FUND SUMMARY

The Debt Service Fund is established by ordinances authorizing the issuance of general obligation bonds. These same ordinances call for an ad valorem tax to be levied in sufficient amount to produce the funds needed to satisfy the City's annual debt service requirements for its general obligation bonds.

FUND ACTIVITY

The City of Montgomery uses debt financing to fund large capital investments. Streets, drainage, water and waste water systems are primarily constructed with borrowed funds. The Debt Service Fund expenditures include the interest, principle and fees related to the City's debt. The revenue used to pay these expenditures comes from ad valorem taxes and transfers from Montgomery Economic Development Corporation (MEDC) and Water and Sewer Fund.

In FY 2015, the Debt Service Fund will expend $497,114 for debt service, a 27% increase over the $392,414 funded in FY 2014. The income budgeted for FY 2015 includes $255,500 from ad valorem taxes and interest, a transfer from Water and Sewer Fund of $125,300, and a transfer from MEDC of $117,500. The projected fund balance at the end of FY 2015 is $91,282 or 18% of expenditures. There are three outstanding debt issues that the City is currently financing:

- Tax & Revenue Certificate of Obligation, Series 2005, which were issued for construction projects associated with improvements to the City's water and sanitary sewer systems.
- General Obligation Refunding Bonds, Series 2012, which were issued to refinance debt related to the city hall and utility improvements.
- Tax & Obligation Certificates of Obligation, Series 2012, which were issued for construction projects associated with improvements to the City's water and sanitary sewer systems.

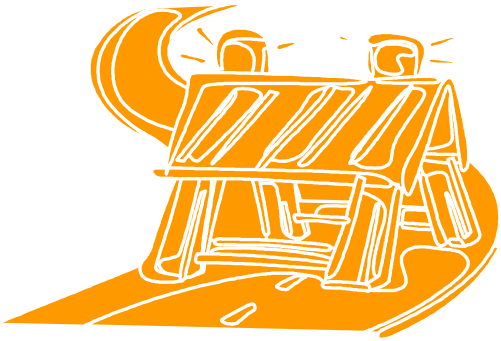
FUTURE ACTIVITY

In December 2013, Standard and Poor's upgraded the City's Tax & Obligation Certificate of Obligations from "A" to "AA".' In the future, this should increase the City's bond market ability and decrease bond issuance related costs.

Debt Service Fund

	2012 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Beginning Balance		**$ 42,805**	**$ 42,805**	**$ 90,096**	**110.5%**
Revenues					
Ad Valorem Tax	$ 184,359	$ 235,000	$ 229,531	$ 254,000	10.7%
All Other Revenues	3,755	1,500	1,500	1,500	0.0%
Total Revenues	**$ 188,114**	**$ 236,500**	**$ 231,031**	**$ 255,500**	**10.6%**
Interfund Transfers					
Transfers In	$ 107,900	$ 197,500	$ 167,500	$ 242,800	45.0%
Transfers Out	-	-	-	-	0.0%
Net Interfund Transfers	**$ 107,900**	**$ 197,500**	**$ 167,500**	**$ 242,800**	**45.0%**
Expenditures					
Debt Service	$ 217,234	$ 385,209	$ 389,914	$ 494,614	26.9%
Contract Services	1,500	1,500	2,500	2,500	0.0%
All Other Operating Expenditures	-	-	-	-	0.0%
Total Expenditures	**$ 218,734**	**$ 386,709**	**$ 392,414**	**$ 497,114**	**26.7%**
Ending Balance	**$ 77,442**	**$ 90,096**	**$ 48,922**	**$ 91,282**	**86.6%**

CAPITAL PROJECTS FUND



CAPITAL PROJECTS FUND SUMMARY

The Capital Projects Fund is designed to finance the purchase or construction of infrastructure projects (i.e. roads and water/waste water system improvements), equipment and vehicles having very long service lives, property, and buildings. Capital projects are characterized by their costs, which normally exceed $25,000, the long operational life of the completed asset, and the impact they would have on a department's operating budget. Capital Projects are financed by debt proceeds, General Fund transfers, reserves, intergovernmental grants, developer participation, and interest earned on investments.

FUND ACTIVITY

In FY 2014, the Capital Projects Fund started with a fund balance of $2,184,893 from The Series 2012 Tax & Obligation Certificates of Obligation and some insurance proceeds. Estimated engineering and construction costs in FY 2014 for water supply and street projects total $1,983,786 leaving approximately $209,000 available for future construction projects.

Projects underway at budget are expected to be completed in FY 2014. They include:

Water Well No. 4: This water well has been completed and is awaiting construction approval by the state environmental authority.

Water Plant No. 3 Improvements: This project is 90% complete and expected to be complete prior to October 1.

State Highway 105 Water Line Improvements: This project is complete and in service.

At this time, no projects are scheduled for FY 2015 and no additional funding is proposed for FY 2015.

FUTURE ACTIVITY

Due to anticipated growth in the City, this Fund will likely expand in future years. The City anticipates that there will be increased spending related to numerous annexations; residential and commercial growth; and infrastructure planning, construction, and maintenance. The City plans to complete a Capital Improvement Project in FY 2015 in Water and Sewer Fund to identify projects needed in the next five years.

Capital Projects Fund

	2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Beginning Balance*	**$ 10**	**$ 2,184,893**	**$ 2,792,530**	**$ 209,107**	
Revenues					
43960-Series 2012B	$ 3,760,000	$ -	$ -	$ -	-
CDBG Block Grant	-	-	-	-	0.0%
FEMA Hazard Mitiga	-	-	-	-	0.0%
Insurance Proceeds	33,388	-	-	-	0.0%
45391-Interest	1,992	8,000	8,000	1,000	-87.5%
Total Revenues	**$ 3,795,380**	**$ 8,000**	**$ 8,000**	**$ 1,000**	**-88%**
Interfund Transfers					
45392-Transfers In	$ -	$ -	$ -	$ -	0.0%
43002-Transfers Ou	122,319	-	-	-	0.0%
Net Interfund Transfe	**$ (122,319)**	**$ -**	**$ -**	**$ -**	**0.0%**
Expenditures					
43890 Engineering	$ 456,210	$ 230,000	$ 273,950	$ -	-100.0%
44002-Wastewater	-	-	-	-	0.0%
48000-Water Projec	1,370,678	1,496,462	1,073,000	-	-100.0%
46000-Roadway Pro	-	257,324	250,000	-	-100.0%
Other	117,500	-	-	-	0.0%
Total Expenditures	**$ 1,488,178**	**$ 1,983,786**	**$ 1,596,950**	**$ -**	**-100.0%**
Ending Balance	**$ 2,184,893**	**$ 209,107**	**$ 1,203,580**	**$ 210,107**	**-82.5%**

HOTEL OCCUPANCY TAX FUND

HOTEL OCCUPANCY TAX FUND SUMMARY

The Hotel Occupancy Tax Fund collects taxes from hotels, motels, and bed and breakfasts within the City. For the purposes of the tax, a hotel is considered to be any building in which members of the public rent sleeping accommodations for $15 or more per day, and local hotel taxes apply to sleeping rooms costing $2 or more per day. While the state's hotel tax rate is 6%, local taxing authorities are also allowed to levy hotel tax rates up to 7%. The City collects a 6% hotel tax that may only be used for specified purposes related to promoting the hotel and convention industry such as tourism marketing. The funds may not be used for other general governmental functions.

FUTURE ACTIVITY

In FY 2015, the City projects there will be $1,270 in revenues derived primarily from hotel taxes. There are not expenditures budgeted from this fund in FY 2015. In the future, as the City adds hotels, motels, as well as additional bed and breakfasts, these revenues should rise accordingly.

Hotel Occupancy Tax Fund

	2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Beginning Balance	**$ 4,729**	**$ 5,936**	**$ 5,936**	**$ 7,767**	**30.8%**
Revenues					
Hotel Occupancy Tax	$ 1,187	$ 1,819	$ 1,250	$ 1,250	0.0%
All Other Revenues	20	12	20	20	0.0%
Total Revenues	**$ 1,207**	**$ 1,831**	**$ 1,270**	**$ 1,270**	**0.0%**
Interfund Transfers					
Transfers In	$ -	$ -	$ -	$ -	0.0%
Transfers Out	-	-	-	-	0.0%
Net Interfund Transfers	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
Expenditures					
Contract Services	-	-	-	-	0.0%
All Other Operating Exp	-	-	-	-	0.0%
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
Ending Balance	**$ 5,936**	**$ 7,767**	**$ 7,206**	**$ 9,037**	**25.4%**

COURT TECHNOLOGY FUND

COURT TECHNOLOGY FUND SUMMARY

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 in accordance with Article 102.0172 in the Texas Code of Criminal Procedure.

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

1. Computer systems, networks, hardware, and software
2. Imaging systems
3. Electronic kiosks
4. Electronic ticket writers
5. Docket management systems

FUND/FUTURE ACTIVITY

During FY 2015, the City projects that the revenues and the expenditures in this fund will be $6,100 and $6,000 respectively. As the operations and scope of the Municipal Court expands, this fund should be flexible enough to meet further technological needs.

Court Technology Fund

	2013 Actual	2014 Estimate	2014 Budget	2015 budget	% Change
Beginning Balance	**$ 887**	**$ 2,677**	**$ 2,677**	**$ 5,479**	**104.7%**
Revenues					
Court Technology Fees	$ 5,973	$ 5,900	$ 6,000	$ 6,000	0.0%
All Other Revenues	2	2	10	10	0.0%
Total Revenues	**$ 5,975**	**$ 5,902**	**$ 6,010**	**$ 6,010**	**0.0%**
Interfund Transfers					
Transfers In	$ -	$ -	$ -	$ -	0.0%
Transfers Out	-	-	-	-	0.0%
Net Interfund Transfers	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
Expenditures					
Supplies & Equipment	$ 4,185	$ -	$ -	$ -	0.0%
Contract Services	-	3,100	6,340	6,000	-5.4%
All Other Operating Exp	-	-	-	-	0.0%
Total Expenditures	**$ 4,185**	**$ 3,100**	**$ 6,340**	**$ 6,000**	**-5.4%**
Ending Balance	**$ 2,677**	**$ 5,479**	**$ 2,347**	**$ 5,489**	**133.9%**

COURT SECURITY FUND

COURT SECURITY FUND SUMMARY

The Court Security Fund is a fund that collects revenues from court fines and forfeitures for the purposes of providing funding for the enhancement of Municipal Court security. The Court Security Fund collects fees in accordance with Article 102.017 in the Texas Code of Criminal Procedures.

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

1. X-ray machines and metal detectors
2. Identification cards and systems
3. Electronic locking and surveillance equipment
4. Court bailiff
5. Continuing education on security issues for court and security personnel

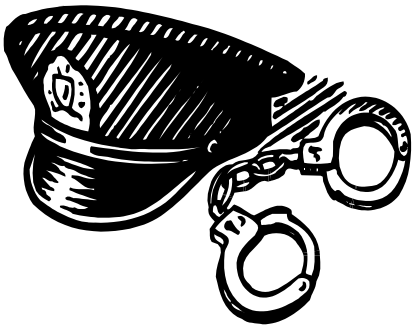
FUND/FUTURE ACTIVITY

For FY 2015, this fund will have projected revenues of $4,520 and a transfer of $2,880 to General Fund to pay for a bailiff officer for Municipal Court. Also, similar to the Court Technology Fund, as the operations and scope of the Municipal Court expands, this fund should be flexible enough to meet further technological needs regarding the Municipal Court.

Court Security Fund

	2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Beginning Balance	**$ 1,055**	**$ 2,963**	**$ 2,545**	**$ 2,545**	**0.0%**
Revenues					
84110.1-Court Security Fees	$ 4,783	$ 4,648	$ 4,500	$ 4,500	0.0%
84120.1-All Other Revenues	5	20	20	20	0.0%
Total Revenues	**$ 4,788**	**$ 4,668**	**$ 4,520**	**$ 4,520**	**0.0%**
Interfund Transfers					
84130-Transfers In	$ -	$ -	$ -	$ -	0.0%
86551-Transfers Out	2,880	2,880	2,880	2,880	0.0%
Net Interfund Transfers	**$ (2,880)**	**$ (2,880)**	**$ (2,880)**	**$ (2,880)**	**0.0%**
Expenditures					
Contract Services	-	-	-	-	0.0%
All Other Operating Expenditure	-	-	-	-	0.0%
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
Ending Balance	**$ 2,963**	**$ 4,751**	**$ 4,185**	**$ 4,185**	**0.0%**

POLICE ASSET FORFEITURE FUND



POLICE ASSET FORFEITURE FUND SUMMARY

The Police Asset Forfeiture Fund is a fund that collects revenues from seized contraband that is used in the commission of certain felonies, and utilizes these resources to finance the purchase of specified items for the Police Department. In this context, contraband refers to property of any nature, including real, personal, tangible, or intangible as defined by Article 59.06 in the Texas Code of Criminal Procedure.

Expenditures within this fund must be used solely for law enforcement purposes, such as salaries and overtime pay for officers, officer training, specialized investigative equipment and supplies, and items used by officers in direct law enforcement duties.

FUND/FUTURE ACTIVITY

For FY 2015, this fund will start with a beginning balance of $4,715, and will have projected revenues of $1,000 and no expenditures. In the future, this fund will likely continue to increase as the Police Department obtains more revenues through seized assets.

Police Asset Forfeiture Fund

	2013 Actual	2014 Estimate	2014 Budget	2015 Budget	% Change
Beginning Balance	**$ 11,862**	**$ 4,515**	**$ 4,515**	**$ 4,715**	**4.4%**
Court Fines and Fees					
Asset Forfeitures	$ 153	$ 200	$ 7,000	$ 1,000	-85.7%
All Other Revenues	-	-	-	-	0.0%
Total Revenues	**$ 153**	**$ 200**	**$ 7,000**	**$ 1,000**	**-85.7%**
Interfund Transfers					
Transfers In	$ -	$ -	$ -	$ -	0.0%
Transfers Out	7,500	-	-	-	0.0%
Net Interfund Transfers	**$ (7,500)**	**$ -**	**$ -**	**$ -**	**0.0%**
Expenditures					
Supplies & Equipment	$ -	$ -	$ 3,000	$ -	-100.0%
Contract Services	-	-	-	-	0.0%
Capital Outlay	-	-	-	-	0.0%
All Other Operating Expenditur	-	-	-	-	0.0%
Total Expenditures	**$ -**	**$ -**	**$ 3,000**	**$ -**	**-100.0%**
Ending Balance	**$ 4,515**	**$ 4,715**	**$ 8,515**	**$ 5,715**	**-32.9%**

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Appendix A
Glossary of Terms

Account: A term used to identify an individual asset, liability, expenditure control, revenue control, encumbrance, or fund balance.

Accounts Payable: A liability account reflecting amounts on open account owing to private persons or organizations for goods and services received by a government but not including amounts due to other funds of the same government or to other governments.

Accounts Receivable: As asset account reflecting amounts owing to open accounts from private persons or organizations for goods and services furnished by a government.

Ad Valorem: Latin for "value of." Refers to the tax assessed against real (land and buildings) and personal (equipment and furniture) property; usually in reference to property taxes.

Appropriation: A legal authorization granted by City Council to make expenditures and incur obligations for designated purposes.

Assessed Valuation: A valuation set upon real estate or other property by a government on a basis for levying taxes.

Balance Sheet: The basic financial statement which discloses the assets, liabilities, and equities of an entity at a specified date in conformity with GAAP.

Bond: A written promise, generally under seal, to pay a specific amount of money, called the face value, at a fixed time in the future, called the maturity date, and carrying interest at fixed rate, usually paid periodically.

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

Budget Ordinance: The official enactment by the City Council establishing the legal authority for City Officials to obligate and expend funds.

Capital Outlays: Expenditures which result in the acquisition of or addition to fixed assets which are individually priced more than $1,000.

Capital Improvements Program: A plan for capital expenditures to be incurred each year over a fixed period of several years setting forth each capital project and the amount and method of financing.

Central Appraisal District: A county-wide district formed by legislature to provide appraisals of property located within the county. These county-wide appraisals are provided to the county, school districts, cities, and municipal utility districts for basis of taxation.

Current Assets: 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

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

Debt Service: A cost category which typically reflects the repayment of general long-term debt principle and interest.

Delinquent Taxes: Property taxes remaining unpaid at the end of the current fiscal year. Although taxes become delinquent and accrue penalties and interest on February 1 of each year, they are carried as current taxes receivable during the current fiscal year.

Effective Interest Rate: The property tax rate set necessary to generate the same tax dollars as the previous tax year.

Encumbrances: Obligations in the form of purchase orders or contracts charged to an appropriation which reserves the fund until it is necessary to pay the bill.

Fiscal Year: A twelve month period at the end of which the City determines its financial condition and the results of its operations and closes it books.

Fixed Assets: Assets of a long-term character which are intended to continue to be held or used, such as land, 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-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes 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.

General Ledger: A book, file, or other device which contains the accounts needed to reflect the financial position and the results of operations of an entity. In double-entry bookkeeping, the debits and credits in the general ledger are equal; therefore, the debit balances equal the credit balances

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

Ordinance: A formal legislative enactment by the governing board 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, universally require ordinances.

Purchase Order: A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

Revenues: Increases in governmental fund type net current assets from other than expenditure funds and residual equity transfers.

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 assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

Tax Rate: The amount of tax levied for each $100 of assessed valuation.

User Fees: The payment of a fee for a direct receipt of a public service by the party benefiting from the service.

Appendix B
Bond Debt Service

Tax & Revenue Certicates of Obligation, Series 2005

FYE September	Interest Rate	Interest Due 1-Mar	Interest Due 1-Sep	Principle March 1	Total
2014	4.6400	$23,841	$23,029	$35,000	$81,870
2015	4.7900	23,029	22,191	35,000	80,220
2016	4.8900	22,191	21,335	35,000	78,526
2017	4.9900	21,335	20,337	40,000	81,672
2018	5.0900	20,337	19,319	40,000	79,656
2019	5.1400	19,319	18,163	45,000	82,482
2020	5.2400	18,163	16,984	45,000	80,147
2021	5.3400	16,984	15,782	45,000	77,766
2022	5.3900	15,782	14,435	50,000	80,217
2023	5.4900	14,435	12,925	55,000	82,360
2024	5.5400	12,925	11,401	55,000	79,326
2025	5.6400	11,401	9,709	60,000	81,110
2026	5.6900	9,709	8,002	60,000	77,711
2027	5.6900	8,002	6,153	65,000	79,155
2028	5.6900	6,153	4,162	70,000	80,315
2029	5.7400	4,162	2,153	70,000	76,315
2030	5.7400	2,153	0	75,000	77,153
Total		$249,921	$226,080	$880,000	$1,356,001

General Obligation Refunding Bonds, Series 2012

FYE September	Interest Rate	Interest Due 1-Mar	Interest Due 1-Sep	Principle March 1	Total
2014	2.0000	$42,259	41,259	$100,000	$183,518
2015	2.0000	41,259	40,259	100,000	181,518
2016	2.0000	40,259	39,209	105,000	184,468
2017	2.0000	39,209	38,159	105,000	182,368
2018	2.0000	38,159	37,109	105,000	180,268
2019	2.1250	37,109	35,994	105,000	178,103
2020	2.2500	35,994	34,756	110,000	180,750
2021	2.5000	34,756	33,319	115,000	183,075
2022	2.5000	33,319	31,881	115,000	180,200
2023	2.7500	31,881	30,231	120,000	182,112
2024	2.7500	30,231	28,513	125,000	183,744
2025	3.0000	28,513	26,563	130,000	185,076
2026	3.0000	26,563	24,613	130,000	181,176
2027	3.2500	24,613	22,419	135,000	182,032
2028	3.2500	22,419	20,144	140,000	182,563
2029	3.7500	20,144	17,425	145,000	182,569
2030	3.7500	17,425	14,519	155,000	186,944
2031	3.7500	14,519	12,456	110,000	136,975
2032	3.7500	12,456	10,300	115,000	137,756
2033	4.0000	10,300	7,800	125,000	143,100
2034	4.0000	7,800	5,300	125,000	138,100
2035	4.0000	5,300	2,700	130,000	138,000
2036	4.0000	2,700	0	135,000	137,700
Total		$597,187	$554,928	$2,780,000	$3,932,115

Tax and Obligation Certificates of Obligation, Series 2012

FYE September	Interest Rate	Interest Due 1-Mar	Interest Due 1-Sep	Principle March 1	Total
2014	3.0000	$62,263	62,263	$0	$124,526
2015	3.0000	62,263	60,613	110,000	232,876
2016	3.0000	60,613	58,888	115,000	234,501
2017	33.0000	58,888	57,088	120,000	235,976
2018	3.0000	57,088	55,288	120,000	232,376
2019	3.0000	55,288	53,413	125,000	233,701
2020	3.0000	53,413	51,463	130,000	234,876
2021	3.0000	51,463	49,513	130,000	230,976
2022	3.0000	49,513	47,488	135,000	232,001
2023	3.0000	47,488	45,388	140,000	232,876
2024	3.0000	45,388	43,213	145,000	233,601
2025	3.0000	43,213	41,038	145,000	229,251
2026	3.5000	41,038	38,413	150,000	229,451
2027	3.5000	38,413	35,700	155,000	229,113
2028	3.5000	35,700	32,900	160,000	228,600
2029	3.5000	32,900	30,013	165,000	227,913
2030	3.5000	30,013	27,038	170,000	227,051
2031	3.5000	27,038	23,975	175,000	226,013
2032	3.5000	23,975	20,825	180,000	224,800
2033	3.5000	20,825	17,500	190,000	228,325
2034	3.5000	17,500	14,185	190,000	221,685
2035	3.5000	14,185	10,763	195,000	219,948
2036	3.5000	10,763	7,263	200,000	218,026
2037	3.5000	7,263	3,675	205,000	215,938
2038	3.5000	3,675	0	210,000	213,675
Total		$950,169	$887,906	$3,760,000	$5,598,075