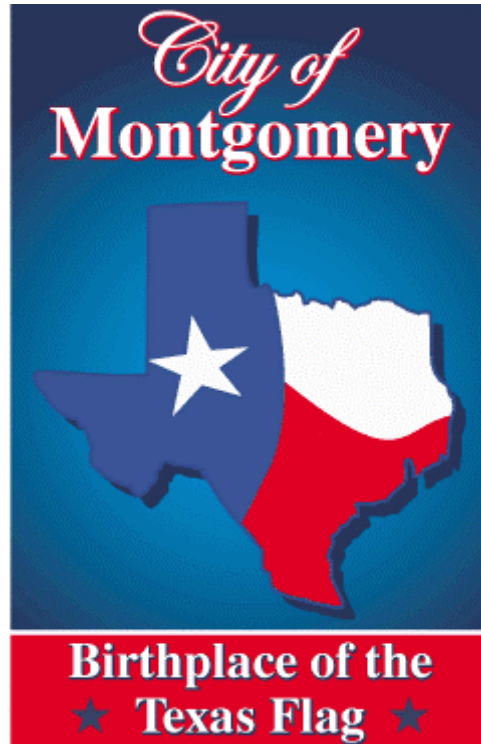


City of Montgomery



FY 2018-2019 Annual Operating Budget

Notice

“This budget will raise more total property taxes than last year’s budget by \$202,893, a 19.7% percentage increase, and of that amount, \$74,617 is tax revenue to be raised from new property added to the roll this year.”

2018 City Tax Rate - \$0.4000

Maintenance & Operations - \$0.2058

Debt Service - \$0.1942

*Budget Adopted: September 11, 2018
Ordinance No. 2018-17*

CITY OF MONTGOMERY

FY 2018-19 OPERATING BUDGET

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City of Montgomery

Mayor and Members of the City Council

Sara Countryman

Mayor

Term: 2018-2020

Jon Bickford

City Council Member, Place #1

Term: 2017-2019

John Champagne, Jr.

City Council Member, Place #2

Term: 2018-2020

T.J. Wilkerson

City Council Member, Place #3

Mayor Pro-Tem

Term: 2017-2019

Rebecca Huss

City Council Member, Place #4

Term: 2018-2020

Dave McCorquodale

City Council Member, Place #5

Term: 2017-2019

Administration

Jack Yates

City Administrator

Susan Hensley

City Secretary &
Director of Administrative
Services

James Napolitano

Police Chief

Kimberly Duckett

Court
Administrator

Mike Muckleroy

Director of Public Works





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 2018-2019 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 June. 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 was held on September 11, 2018 and the FY 2018-2019 budget and 2018 tax rate was considered and approved at a meeting of City Council on September 11, 2018.

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."

Sara Countryman
Mayor

Jack Yates
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 James Napolitano, City Secretary and Director of Administrative Services Susan Hensley, Municipal Court Administrator Kimberly Duckett and Mike Muckleroy, Director of Public Works.

Also, special acknowledgment and consideration goes to the City Council, City residents, members of the appointed boards and commissions, Larry Foerster, City Attorney, Chris Roznovsky and Katherine Vu, City Engineers with Jones and Carter, Municipal Accounts, the Fernland Docents and all City employees for their hard work and dedication to the City of Montgomery.



ORDINANCE NO. 2018-19

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, SETTING THE AD VALOREM TAX RATE OF THE CITY OF MONTGOMERY, FOR THE YEAR 2018 AT A RATE OF \$0.4000 PER ONE HUNDRED DOLLARS (\$100.00) VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF MONTGOMERY AS OF JANUARY 1, 2018 SPECIFYING SEPARATE COMPONENTS OF SUCH RATE FOR OPERATIONS AND MAINTENANCE AND FOR DEBT SERVICE; LEVYING AN AD VALOREM TAX FOR THE YEAR 2018 PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; PROVIDING FOR COLLECTION AND ORDAINING OTHER RELATED MATTERS.

WHEREAS, the appraisal roll of the City of Montgomery, Texas (the City) for 2017 has been prepared and certified by the Central Appraisal District and submitted to the City's tax assessor/collector; and

WHEREAS, the City's tax assessor r/collector has submitted the appraisal roll for the City showing \$18,381,408 total appraised, assessed and taxable value of all property and the total taxable value of new property to the City; and

WHEREAS, following notice and hearing in accordance with applicable legal requirements and based upon said appraisal roll, the City Council has determined a tax rate to be levied for 2018 sufficient to provide the tax revenues required by the City;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS:

Section 1. That an ad valorem tax rate of \$0.4000 per one hundred dollars (\$100.00) assessed valuation is hereby adopted for the 2018 calendar year, such rate consisting of the following specified components:

- a) For maintenance and operations, \$0.2058 per one hundred dollars (\$100.00) assessed valuation.
- b) For debt service \$0.1942 per one hundred dollars (\$100.00) assessed valuation.

Section 2. That an ad valorem tax for the 2018 calendar year in the amount established by the rate hereinabove provided is hereby levied and assessed on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Montgomery, Texas and not otherwise exempt under the Constitution and laws of the State of Texas.



Section 3. That all taxes levied by virtue of this Ordinance shall be due and payable not later than the 31st day of January 2019, and if then not paid, shall be subject to penalties and interest in the manner provided by law.

Section 4. That the Montgomery County tax assessor-collector is hereby authorized to assess and collect the taxes of the City of Montgomery, Texas, employing the above tax rate.

Section 5. That all ordinances and parts of ordinances in conflict with this Ordinance be and the same are hereby repealed to the extent of said conflict.

Section 6. That this ordinance shall take effect immediately of and from the date of adoption.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 7.13 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$1.50.

Those Members Present Were:

- | | |
|--|--|
| 1. <u>Sara Countryman, Mayor</u> | 4. <u>Rebecca Huss, Council Member</u> |
| 2. <u>Jon Bickford, Council Member</u> | 5. <u>Dave McCorquodale, Council Member</u> |
| 3. <u>T.J. Wilkerson, Council Member</u> | 6. <u>John Champagne, Jr. Council Member</u> |

Those Members Voting For:

- | | |
|--|--|
| 1. <u>John Bickford, Council Member</u> | 4. <u>Dave McCorquodale, Council Member</u> |
| 2. <u>T.J. Wilkerson, Council Member</u> | 5. <u>John Champagne, Jr. Council Member</u> |
| 3. <u>Rebecca Huss, Council Member</u> | 6. _____ |

Those Members Voting Against:

- | | |
|----------|----------|
| 1. _____ | 4. _____ |
| 2. _____ | 5. _____ |
| 3. _____ | 6. _____ |

Those Members Present, but Not Voting:

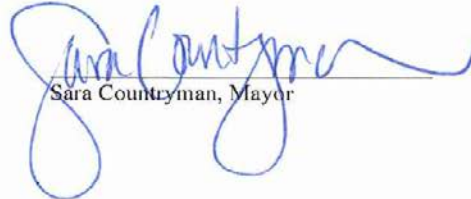
- | | |
|----------------------------------|----------|
| 1. <u>Sara Countryman, Mayor</u> | 2. _____ |
|----------------------------------|----------|



Those Members Absent:

I. _____

PASSED AND ADOPTED this the 11th day of September, 2018.

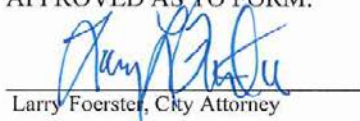

Sara Countryman, Mayor

ATTEST:


Susan Hensley, City Secretary



APPROVED AS TO FORM:


Larry Foerster, City Attorney



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 900 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.



Population

	1990	2000	2010	2018
Montgomery	356	489	621	1,160 (est.)
Montgomery RTA	N/A	24,822	40,837	53,860 (est.)
Montgomery County	182,201	293,768	455,760	582,008 (2017)
Houston MSA	3,321,911	4,715,407	5,920,416	6,725,252 (2017)

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

Unemployment

	2005	2010	2018
Montgomery County	4.6	7.3	3.5
Houston MSA	5.3	8.2	4.3
Texas	5.6	8.4	3.9
USA	5.1	9.6	3.9

Source: Bureau of Labor Statistics

Education

Montgomery ISD: 2 senior high schools
2 junior high schools
6 elementary schools

Higher Education:

Montgomery County Lone Star College-Montgomery, The Woodlands, Conroe
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 Communications Numerous others

Community

Newspaper:	Houston Chronicle (daily) The Conroe 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



ORDINANCE NO. 2018-17

**AN ORDINANCE OF THE CITY OF MONTGOMERY, TEXAS
ADOPTING AN OPERATING BUDGET FOR THE FISCAL YEAR 2018-2019.**

WHEREAS, applicable law requires the City of Montgomery, Texas to adopt a budget for the fiscal year 2018-2019; and

WHEREAS, a budget has been prepared for the fiscal year 2018-2019 as set forth in Exhibit "A" hereto and

WHEREAS, notice having been first given in the manner provided by law, the City Council conducted a public hearing upon such proposed budget; and

WHEREAS, the City Council has considered the proposed budget and made such changes as it considers warranted by law and in the best interest of the municipal taxpayers:

THEREFORE, BE IT ORDAINED by the City Council of the City of Montgomery, Texas:

Section 1. That the budget, including estimated revenues and proposed expenditures within the General Fund and each Special Fund is hereby approved and adopted as the Municipal Budget for the Fiscal Year beginning October 1, 2018 and ending September 30, 2019.

Section 2. That the monies set out within each fund are hereby appropriated out of each such respective fund for the payment of expenses lawfully attributable to such fund, all as itemized in the budget.

Section 3. That the budget may be amended from time to time as provide by law for the purposes of authorizing emergency expenditures or for municipal purposes, provided however, no obligation shall be incurred or any expenditure made except 'in conformity with the budget.


Section 4. That the City Administrator may, at any time, transfer any unencumbered appropriate from one line item to another line item within the same department, provided however, that no unencumbered appropriation may be transferred from one department to another except upon the express approval of the City Council.



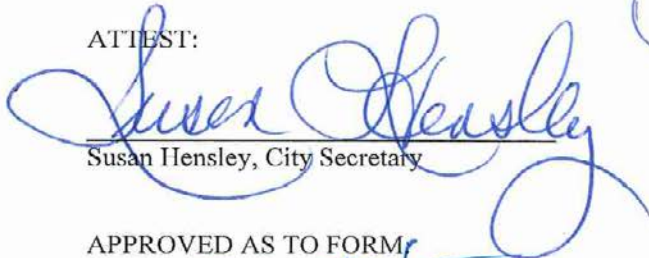
Section 5. That the Mayor of the City of Montgomery, Texas, be, and is hereby authorized to execute the Ordinance on behalf of the City of Montgomery, Texas and the City Council.

PASSED THIS THE 11th day of September, 2018.

CITY OF MONTGOMERY, TEXAS


Mayor Sara Countryman

ATTEST:


Susan Hensley, City Secretary



APPROVED AS TO FORM:

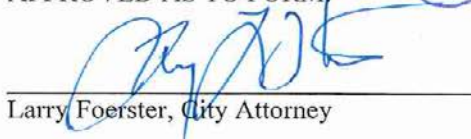

Larry Foerster, City Attorney



EXHIBIT ‘A’



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, 2018 and ends on September 30, 2019 (FY 2018-2019). 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 2018-2019 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 2018-2019 is just over \$3.109 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 primarily comprised of residences and small retailers, residents have access to employment opportunities throughout the northern Houston MSA which is undergoing rapid economic growth. County unemployment is 3.6% in May 2018, which was below state and national rates.

The City's tax base has benefited from the growth occurring in the region. City sales tax collections have increased 45% over two years ending in fiscal 2017 with \$1.47 million. Taxable assessed valuation (AV) has increased by 21.4% over two years ending in 2017 at \$200 million. The tax base is diverse with 10 leading taxpayers accounting for 23% of the AV.



**Fiscal Year 2018-19
Base Budget
Summary of All Funds**

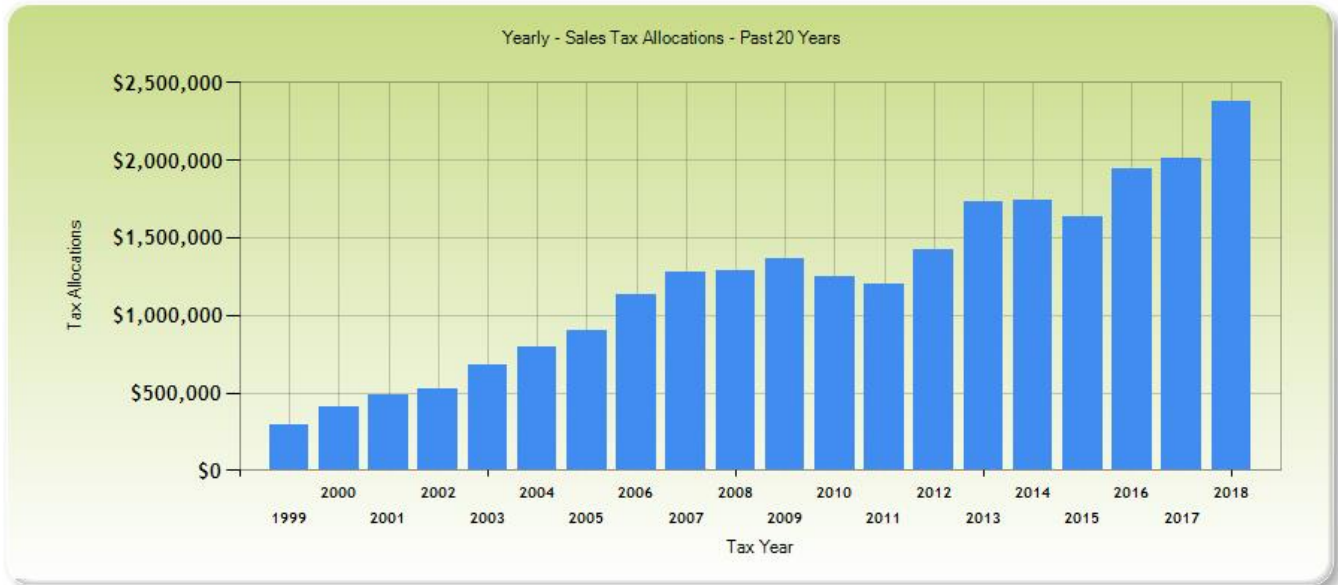
	Proj. Balance 9/30/2018	Proj. Expense FY 2018-19	Proj. Transfers FY 2018-19	Proj. Revenue FY 2018-19	Proj. Balance 9/30/2019
Governmental Funds					
General Fund	\$ 983,302	\$ 3,713,779	\$ 110,380	\$ 3,603,399	\$ 983,302
Debt Service Fund	205,224	671,869	313,040	494,771	\$ 341,166
Capital Projects Fund (Grants/ Etc)	2,763,160	7,773,346	289,200	4,770,446	\$ 49,460
Hotel Occupancy Fund	10,559	4,000	-	1,007	\$ 7,566
Court Technology Fund	29,623	2,000	-	10,002	\$ 37,625
Court Security Fund	8,110	2,600	(3,900)	6,505	\$ 8,115
Police Asset Forfeiture Fund	4,272	-	-	100	\$ 4,372
Total Governmental Funds	\$ 4,004,250	\$ 12,167,594	\$ 708,720	\$ 8,886,230	\$ 1,431,606
Non-Governmental Funds					
Water & Sewer Fund	672,267	1,437,708	(307,840)	1,902,420	\$ 829,139
Total Non-Governmental Funds	\$ 672,267	\$ 1,437,708	\$ (307,840)	\$ 1,902,420	\$ 829,139
Total All Funds	\$ 4,676,517	\$ 13,605,302	\$ 400,880	\$ 10,788,650	\$ 2,260,745

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

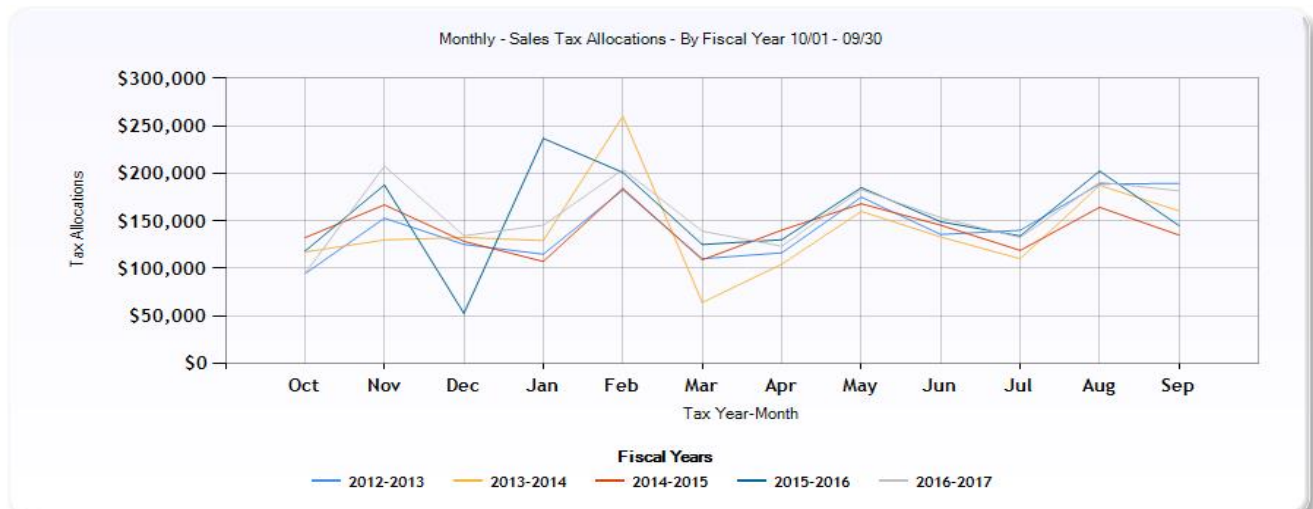


Sales Tax

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 **6.3%**.



This chart shows the City's total sales tax allocations since 1999. From 2008 to 2018, sales tax allocations have increased by over 45 %. In 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.

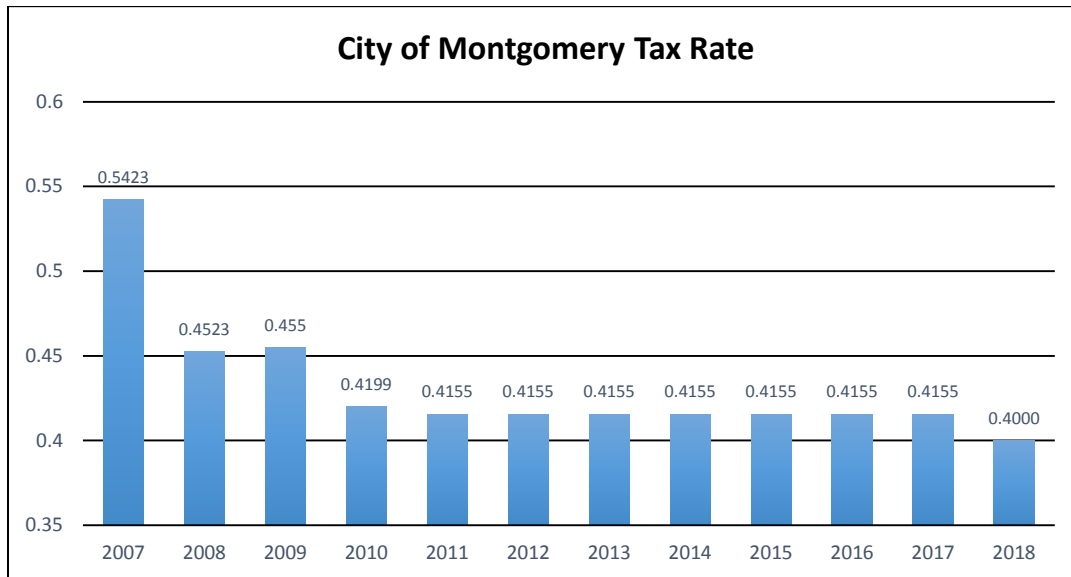


Monthly and Yearly Sales Tax Allocation charts, as reported by the Texas State Comptroller of Public Accounts.



Property Tax

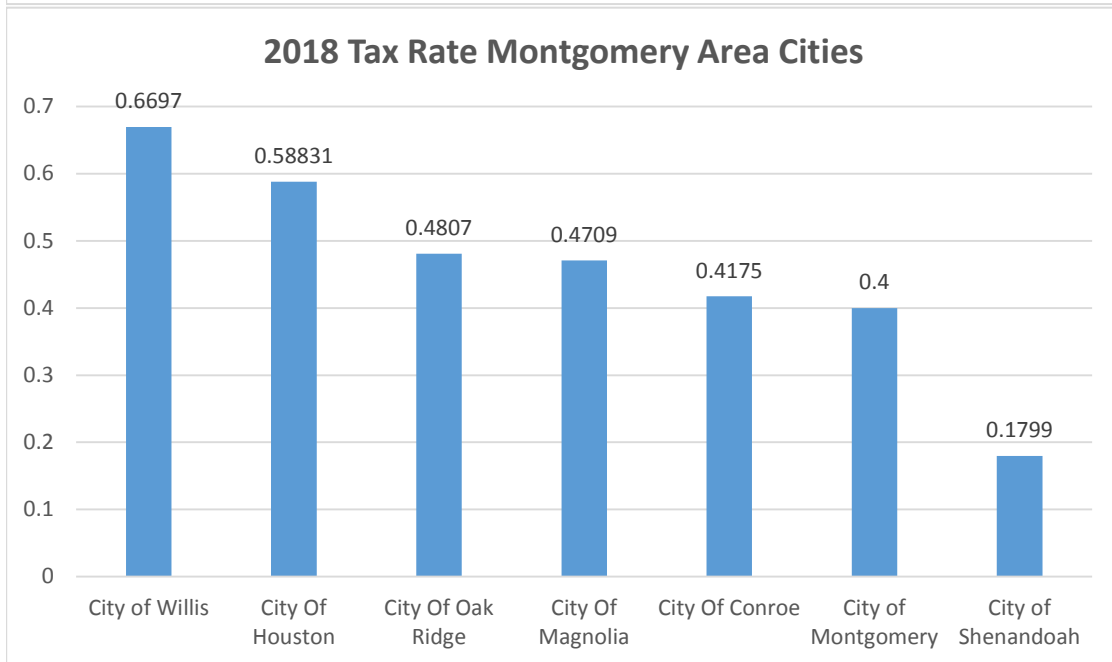
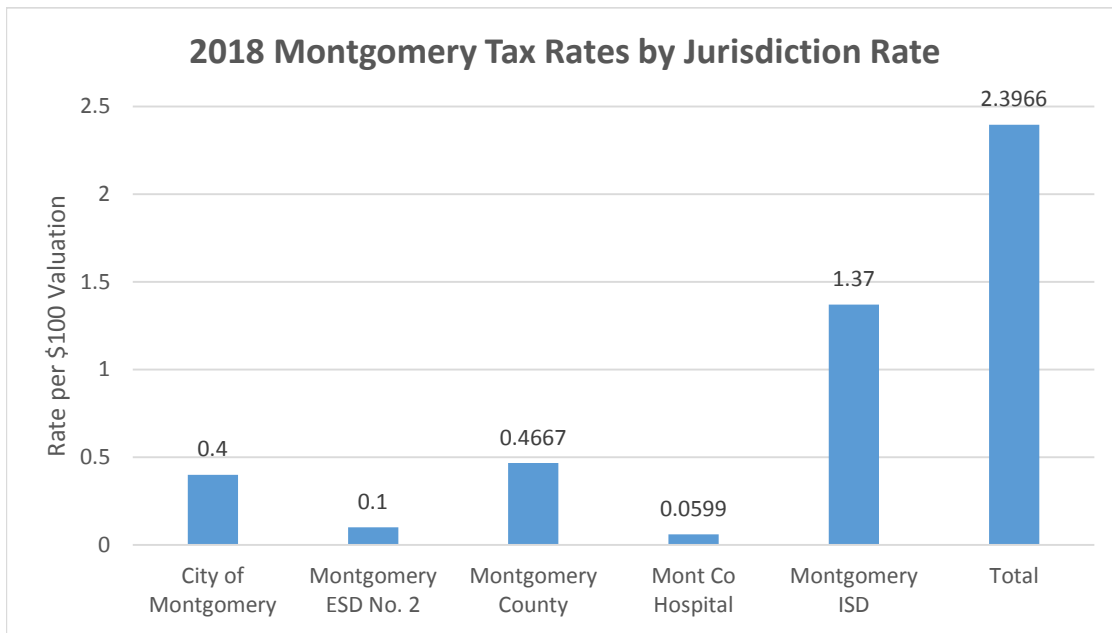
Property tax (also known as ad valorem tax) paid to the City is broken down into two components: maintenance & operations (M&O) and debt service, sometimes known as interest & sinking (I&S). The M&O rate is used to fund general operations of the City. Meanwhile, the debt service rate is calculated to raise enough revenue to make the payments on bonded debt for the upcoming twelve months. The property tax rate for 2018 has been reduced to \$0.4000 per \$100 valuation. The revenue from this property tax is shown in the FY 2018-2019 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 (MCAD) 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 2017 (FY 2016-2017), the total assessed valuation (AV) for property in the City was \$166,000,000. In 2018 (FY 2017-2018), the total assessed valuation for property in the City was \$201,000,000. The 2019 (FY 2018-2019) total assessed value in the City is \$251,000,000.





The first chart illustrates the 2018 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 \$2.25 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 \$2.25 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 \$2.75 per 1,000 gallons of use. The City charges commercial sewer customers a minimum of \$22.50 for up to 2,000 gallons of water usage plus \$4.00 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 for customers located outside the city limits.

A rate analysis by the City Engineer has identified the need for higher rates to fund much needed repairs and investments. This increase was addressed through Council discussions and public hearings in October 2017.

Additionally, the City charges all water customers \$1.65 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 \$19.50 for garbage and recycling pickup, along with \$1.61 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 under the proposed rate. Based upon these figures, Montgomery's rates are below several area cities.

City	2016 Water and Sewer Minimum Bill	2017 Water and Sewer 10,000 Gal. Bill	2018 Water and Sewer 10,000 Gal. Bill
Cleveland	52.94	63.13	80.00
Oak Ridge North	49.45	68.33	68.33
Willis	48.75	120.65	118.80
Conroe	48.53	77.36	91.04
Montgomery	47.56	73.22	76.50
Houston	15.84	127.18	156.38



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 specific 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 fund. 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 2018-2019, the budget calls for revenues and transfers of \$3,603,399 and expenditures of \$3,603,399.

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 2018-2019, the budget proposes revenues of \$1,902,420 and expenditures of \$1,592,508 and a transfer to Debt Service of \$153,040.

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. \$2,667,000 of Texas Water Development debt was made in 2016-2017 Fiscal Year. The FY 2018-2019 budget includes tax and interest revenues of \$491,771, transfers from Montgomery Economic Development Corporation (MEDC) Fund of \$160,000, and transfers from Water and Sewer Fund of \$153,040 to pay expenditures of \$671,869.

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. For FY 2018-2019 a water line



across Buffalo Springs Bridge, the Texas Water Development Board projects, FEMA financed Buffalo Springs Bridge work and \$840,000 of projects will be added, including lift station upgrades and water plant improvements 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 2018-2019, the budget calls for revenues of \$1,000 and expenditures of \$4,000.

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 \$4.00 as a cost of the court. In FY 2018-2019, the budget proposes revenues of \$10,002 and expenditures to equal \$2,000.

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 2018-2019 budget, revenues of \$6,505 and transfers of \$3,900 to General Fund for security expenses and \$2,600 in other 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 2018-2019, projected revenues are \$100 with \$0 expenditures.

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 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 \$530,950 and expenditures of \$649,400.

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.

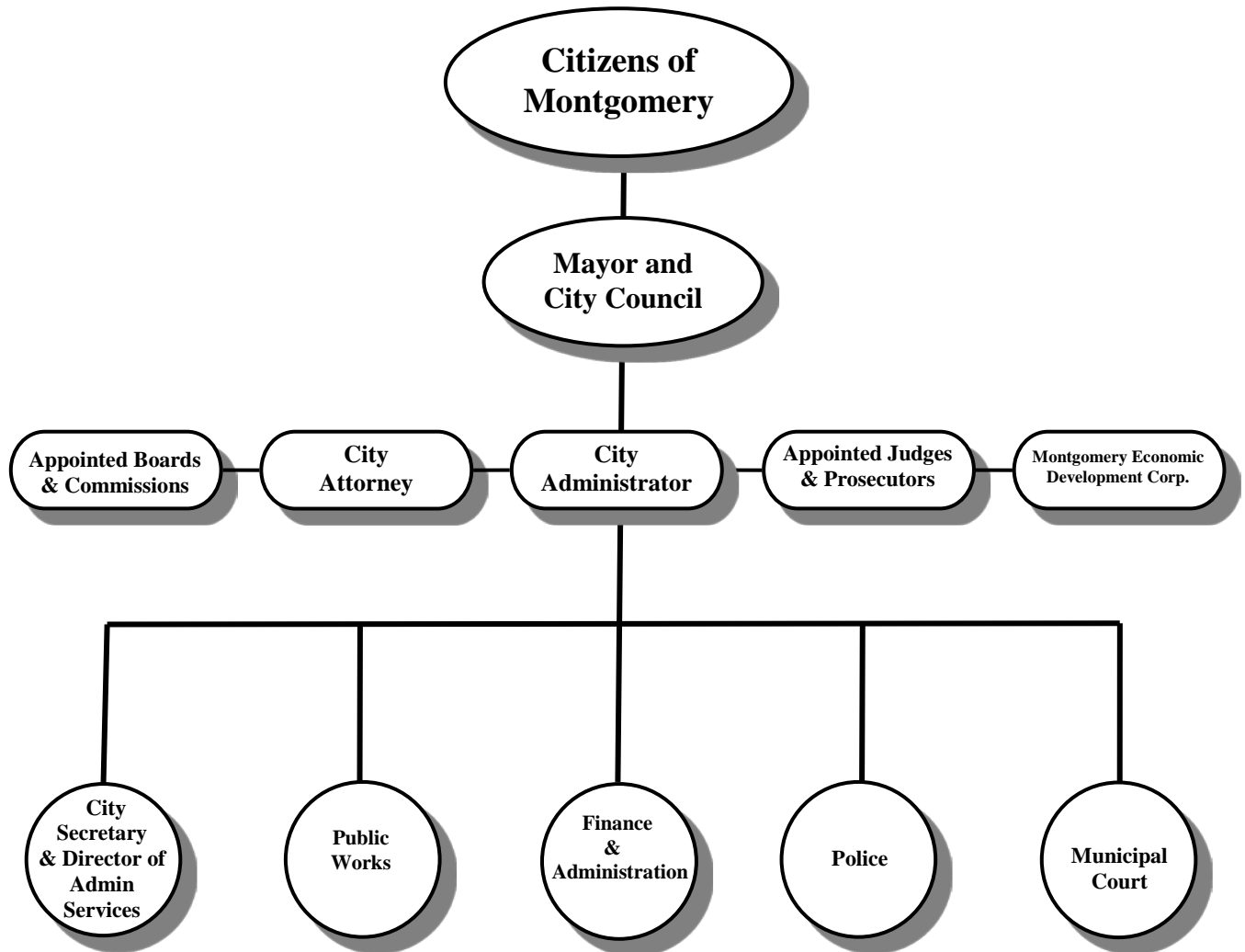
The Police, Drug, and Miscellaneous Account collects money earned through the activities of the Police Department. However, this account is currently separate from the proposed Police Asset Forfeiture Fund and does not currently have an operating budget.

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.

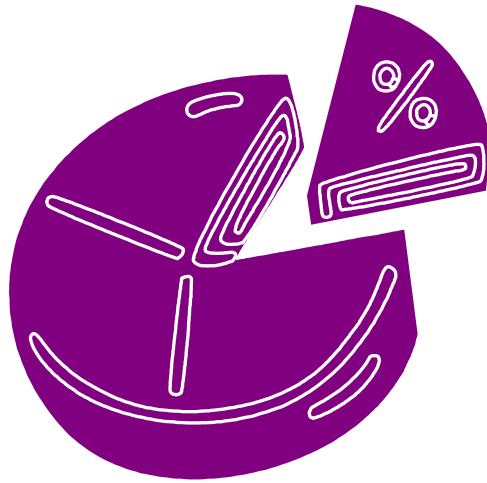
The table on the page 16 is a summary of the City's funds including projected fund balances and the proposed FY 2018-2019 activity for each fund. This table shows the funds available to the City to meet its obligations along with the projected revenue and expenses in each fund. On the following page, a simple organizational chart for the City is presented.



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.

Revenue Projections for 2018-2019. The FY 2017-2018 Budget forecasted revenues to finance the General Fund's services at \$3,068,429. Based on unaudited year-end numbers, revenues are expected to exceed this target, ending FY 2017-2018 with revenues of \$3.34 million.

Expenditure Projections for 2018-2019. The FY 2017-2018 Budget appropriated \$3.60 million. Using unaudited year-end numbers, it appears that actual expenditures will be under this amount, ending FY 2017-2018 with expenditures of \$3.25 million.

Financial Position in 2018-2019. The City of Montgomery's General Fund will close 2018 in sound fiscal condition. The estimated balance available for appropriation will be approximately \$1.105 million, and this amount represents about 30% of estimated 2018-2019 expenses. In other words, the General Fund's operations could be sustained for around five months with no additional revenues.

2018-2019 Budget

Projected 2018-2019 Revenues. The City's General Fund Revenues for FY 2018-2019 are forecasted to increase \$534,970, or 14.9% over 2018-2019 budgeted revenues. Total revenues are expected to be \$3,603,399.

Taxes and franchise fees are projected to be \$592,085. General Fund revenues generated by the City's sales tax are budgeted at \$2,140,539, 18% higher than the \$1,810,800 budgeted in 2017-2018. With a total property valuation within the City appraised at approximately \$251,000,000 million, maintenance and operations property tax revenues are budgeted at \$520,085, which is an increase of 23.0% over 2017-2018 budgeted estimates. Franchise taxes provide \$72,000, or 1% of the City's General Fund revenues, while beverage taxes account for \$12,000, which is less than 1%.

Revenues from permits and licenses are budgeted at \$204,400 because of annexations and increased commercial and residential development. Administrative transfers from MEDC and the Court Security Fund will account for \$110,380. Community building rentals should produce revenues of \$5,500. Revenues related to court fines and forfeitures are budgeted at \$470,000, which is a 15% decrease from the previous year.

Expenditures in 2018-2019. The FY 2018-2019 Budget recommends an appropriation in the amount of \$3,603,399 in the General Fund. The General Fund's 2017-2018 Budget was \$3,115,392, so this budget represents a 13% increase in the total budget.

Personnel costs, including benefits, amount to \$1,692,428 or about 46% of the budget, adding two full-time equivalent positions. Contract services



are budgeted at \$1,066,555, an increase of 15% over last year. Expenditures for capital outlays are budgeted at \$157,825, which is a 25.2% decrease 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.



Fiscal Year 2019 Base Budget

General Fund Revenues Statement of Revenues

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Ordinary Revenue					
Taxes and Franchise Fees					
14103 Beverage Tax	8,172	12,000	11,000	12,000	9%
14111 Franchise Tax	80,891	72,000	72,000	72,000	0%
14320 Ad Valorem Tax	334,114	402,412	402,412	520,085	29%
14320.1 Ad Valorem Tax - PID	0	35,775	0	35,775	0%
14330 AdValorem Tax Penalty and Int	6,695	2,650	2,500	3,000	20%
14331 Rendition Penalties	0	0	200	100	-50%
14600 Sales Tax	1,474,121	2,100,000	1,810,800	1,501,162	-17%
14600.2 Sales Tax ILO Property Tax	0	0	0	739,377	0%
14605 Sales Tax Rev - W/H by State	27,551	0	0	0	0%
14000.1 Total Taxes and Franchise	1,931,544	2,624,837	2,298,912	2,883,499	
Permits and Licenses					
14105 Building Permits	197,918	175,000	175,000	200,000	14%
14146 Vendor Permits	0	3,500	100	500	400%
14611 Sign Fee	2,782	2,000	1,800	1,800	0%
14000.2 Permits and Licenses-Other	0	0	0	100	0%
14612 Miscellaneous Permit Fee	4,236	2,500	2,000	2,000	0%
14000.2 Permits and Licenses	204,936	183,000	178,900	204,400	
Fees for Service					
14380 Community Building Rental	5,385	5,500	5,500	5,500	0%
14381 Kiosk Revenue	0	0	30	30	0%
14385 Right of Way Use Fees	3,034	7,000	2,100	3,000	0%
14000.4 Fees for Service	8,419	12,500	7,630	8,530	
Court Fines and Forfeitures					
14101 Collection Fees	34,563	26,000	24,000	24,000	0%
14102 Asset Forfeitures	0	0	500	400	0%
14104 Bond Fees (Dedicated)	-7,545	0	0	0	0%
14106 Child Belt Fees	1,136	150	1,200	200	-83%
14110 Fines	500,109	480,000	550,000	470,000	-15%
14118 OMNI	2,645	2,000	2,000	2,000	0%
14120 State (Dedicated)	0	0	0	0	0%
14125 Warrant Fees	0	0	50	50	0%
14126 Judicial Efficiency Court (Ded)	1,771	1,500	1,750	1,500	-14%
14130 Accident Reports	186	240	180	220	22%
14000.5 Court Fines and Forfeitures	532,866	509,890	579,680	498,370	



**Fiscal Year 2019
Base Budget**

**General Fund Revenues
Statement of Revenues**

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Other Revenues					
15380 Unanticipated Income	10491	4900	100	2000	1900%
15350 Proceeds from Sales	6,608	0	200	200	0%
15351 Proceeds From Insurance	24,731	0	0	0	0%
15352 Proceeds FEMA Disaster Relief	89,423	0	0	0	0%
15393 Police Grant Revenue	2,302	0	500	300	-40%
15391 Interest Income	237	100	707	600	-15%
15392 Interest on Investments	2,749	5,000	1,800	5,500	206%
14000.6 Other Revenues	136,542	10,000	3,307	8,600	
Net Income	2,814,306	3,340,227	3,068,429	3,603,399	
Grants/ Transfers					
14620.2 MEDC Contributions	37,500	37500	37500	107,500	187%
14620.4 Court Security Contributions	3,400	2880	3400	2,880	-15%
Subtotal Transfers	40,900	40,380	40,900	110,380	
Total Income	2,855,206	3,380,607	3,109,329	3,713,779	





Administration

Administration is responsible for the efficient delivery of City services. The City Administrator, Jack Yates, has day-to-day responsibility for the operation of all City activities and employees.

The City Secretary and Director of Administrative Services, Susan Hensley, is responsible for maintaining ordinances, resolutions, meeting minutes, coordinating the new City web site, and all City documents and required publications. The City Secretary serves as the Human Resources Officer, Benefits Administrator, Records Management Officer and Public Information Officer for the City. The part-time Records Clerk works under the direction of the City Secretary.

The City Attorney, Larry Foerster, 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, city depositories and investments. The City has retained Belt Harris and Pechacek Accountants to audit the financial records.

Accomplishments during 2017-2018

- Completed two supplements to the City's Code of Ordinances.
- Added a full-time Assistant to the City Administrator to assist the City Administrator.
- Completed the Development Pack, which details the procedure for developers in the City.
- Increased the City's Christmas decorations for the annual lighting ceremony.
- Began work on a new City web site.
- Completed repairs and opened the Buffalo Springs Bridge.

Goals for 2018-2019:

- ***Continue to work toward electronic records management for City records reduce the amount of paper copies that are required.***
- ***Manage transition and training for staff and Committees on use of the upgraded City Website.***
- ***Update Personnel Policies and Procedures.***
- ***Administer FEMA, GLO and Texas CDBG Projects.***



Fiscal Year 2019 Base Budget

General Fund Admin Class Expenditures	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Ordinary Expense					
Personnel					
16247 Compensated Benefit		0	0	0	
16353.1 Health Insurance	11,896	16,782	10,500	31,042	195.6%
16353.4 Unemployment Insurance	458	600	600	1,026	71.0%
16353.5 Workers Comp.	712	1,226	900	1,650	83.3%
16353.6 Dental Insurance	1,107	1,305	1,540	2,799	81.8%
16353.7 Life & AD&D Insurance	99	123	140	250	78.6%
16560 Payroll Taxes	15,340	16,930	16,000	26,165	63.5%
16600 Wages	129,365	220,646	225,350	342,016	51.8%
16620 Retirement	6,152	10,946	8,400	13,680	62.9%
16600.1 Overtime	0	523	0	0	0.0%
16600 Personnel - Other	55	6,000	0	0	0.0%
16000 Total Personnel	165,185	275,081	263,430	418,628	
Communications					
16338.1 Legal Notices and Publication	0	4,864	0	2,600	0.0%
16338.2 Recording Fees	0	4,000	0	2,000	0.0%
16338 Advertising/Promotion Other	5,613	2,035	3,127	1,000	-68.0%
16001 Total Communications	5,613	10,899	3,127	5,600	
Contract Services					
16102 General Consultant Fees	3,575	395	6,000	6,000	0.0%
16102.1 Sales Tax Tracking	0	7,000	0	18,480	0.0%
16281 Records Shredding	0	220	0	1,860	0.0%
16299 Inspections/Permits	0	356	0	0	0.0%
16320 Legal	26,130	30,000	32,000	26,000	-18.8%
16320.1 House Abatement Legal	0	80	0	0	0.0%
16321 Audit	18,275	21,150	14,000	22,000	57.1%
16322 Engineering	0	10,000	32,000	32,000	0.0%
16333 Accounting	93,672	100,441	84,000	55,000	-34.5%
16335 Repairs and Maintenance	0	0	3,000	2,000	-33.3%
16340 Printing and Office Supplies	4,174	2,195	2,000	2,000	0.0%
16342 Computers Website	2,793	4,150	4,000	5,000	25.0%
16350 Postage and Delivery	1,552	3,507	2,500	3,000	20.0%
16351 Telephone	13,810	8,080	14,750	6,800	-53.9%
16360 Tax Assessor Fee	6,425	6,000	7,320	7,500	2.5%
16370 Election	0	7,381	16,000	12,000	-25.0%



Fiscal Year 2019 Base Budget

General Fund Admin Class Expenditures	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
17040 Computer Technology	5,997	9,665	6,000	6,500	8.3%
16002 Contract Services	176,403	210,619	223,570	206,140	
Supplies and Equipment					
16358 Copier/Fax	7,570	9,000	8,200	8,100	-1.2%
16460 Operating Supplies	6,189	6,621	5,600	6,000	7.1%
17100 Furniture	0	2,500	1,900	1,200	-36.8%
16003 Supplies and Equipment	13,759	18,121	15,700	15,300	
Staff Development					
16339 Dues/ Subscriptions	2,597	3,500	2,000	3,200	60.0%
16341 Community Relations	145	1,200	1,200	1,250	4.2%
16354 Travel and Training	8,599	12,500	6,500	12,000	84.6%
16004 Staff Development	11,341	17,200	9,700	16,450	
Insurance					
16353.2 Liability Insurance	4,920	5,574	6,080	3,451	-43.2%
16353.3 Property Insurance	1,756	3,851	3,970	4,879	22.9%
16006 Insurance	6,675	9,425	10,050	8,330	-17.1%
Utilities					
16352.6 Utilities - City Hall	3	1,229	0	0	0.0%
16352.7 Utilities - Gas	668	0	820	0	-100.0%
16352.8 Utilities - Community Center	0	1,270	0	0	0.0%
16007 Total Utilities	672	2,499	820	0	
Capital Outlay					
16223 Community Bldg Irrigation	240	0	0	0	0.0%
17071 Computers/ Equipment	4,534	0	3,000	12,500	316.7%
17071.4 Laser Fish Software Equip	0	1,900	1,900	1,900	0.0%
17080 Capital Outlay-Improvements	24,520	0	10,000	5,000	-50.0%
16008 Total Capital Outlay	29,294	1,900	14,900	19,400	
Miscellaneous					
16504 Adams Park Lease	4,365	5,459	3,400	4,200	23.5%
16361.3 Transfer to Debt Service	0	0	0	0	0.0%



Fiscal Year 2019 Base Budget

General Fund Admin Class Expenditures	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
16471 Withheld By State	27,551	0	0	0	0.0%
16590 Miscellaneous	11,050	1,372	932	1,000	7.3%
16590.2 Property 149/105	0	1,555	0	11,500	0.0%
<i>16009 Total Miscellaneous</i>	<i>42,966</i>	<i>8,386</i>	<i>4,332</i>	<i>16,700</i>	
Sales Tax Rebatement					
17500.1 Sales Tax Rebatement	0	0	20,000	169,125	745.6%
17500.2 380 Ad Valorem Tax Rebate	0	0	0	83,408	0%
17500.3 PID Prop Tax Reimbursement	0	35,775	0	35,775	0%
	0	0	0	0	0.0%
<i>17500 Total Sales Tax Rebatement</i>	<i>0</i>	<i>35,775</i>	<i>20,000</i>	<i>288,308</i>	
Total Expense	451,908	589,903	565,629	714,878	





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 J. Napolitano, Lt. Joe Belmares, Patrol Sergeants George Hernandez and James Bracht, five patrol officers, and four reserve officers.

Mission: The Montgomery Police Department is dedicated to improving the quality of life by creating a safe environment in partnership with the community we serve. We act with integrity to reduce crime while treating all with respect, compassion, and fairness.

Vision: To optimize the efficient use of police resources and respond quickly. Professionally address all forms of crime, emergencies, and homeland security concerns. The Montgomery Police Department will partner with all law enforcement, government, and community stakeholders to deter crime. Montgomery Police Department seeks to improve public safety guided by its core values: strong work ethic, integrity, consistency, accountability and teamwork.

Montgomery Police Department participates in a grant-funded program known as the Impaired

Driving Mobilization (IDM) scheduled four times a year. The goal is to increase effective enforcement and adjudication of safety-related traffic laws to reduce fatal and serious injury crashes. The task force is a combination of officers from multiple agencies working together with one common goal.

Goals for 2019:

- Maintain high visibility to deter criminal activity.
- Apply responsible and transparent management of public resources.
- Update the Department Policy Manual.
- Manage, evaluate, and train personnel to maintain a high standard of safety and performance.
- Promote continued education to improve professionalism and personal development.
- Improve communication and awareness with the community by maintaining the flow of data via a community portal.
- Update emergency response procedures.
- Implementation and management of the department's first body-worn cameras as well as its integration into the current video evidence system.



Fiscal Year 2019 Base Budget

General Fund Police Class Expenditures

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Ordinary Expense					
Personnel					
16353.1 Health Insurance	45,605	46,388	53,720	62,660	17%
16353.4 Unemployment Insurance	-1,810	2,451	1,300	2,700	108%
16353.5 Workers Comp.	15,139	20,191	11,000	22,390	104%
16353.6 Dental Insurance	5,744	2,871	6,000	6,700	12%
16353.7 Life & AD&D Insurance	584	216	500	600	20%
16560 Payroll Taxes	42,187	44,929	49,000	59,500	21%
16600 Wages	532,760	549,663	615,480	708,000	15%
16600.1 Overtime	18,382	37,641	14,000	20,000	43%
16620 Retirement	30,405	35,849	25,000	40,000	60%
16000 Personnel	688,997	740,200	776,000	922,550	
Communications					
16338 Advertising/Promotion	312	605	500	500	0%
16001 Communications	312	605	500	500	
Contract Services					
<i>Repairs and Maintenance</i>					
16281 Records Shredding	0	219	0	600	0%
16334 Gas/Oil	22,768	29,575	28,000	30,000	7%
16335 Repairs and Maintenance Othe	11,607	0	0	0	0%
16357 Auto Repairs	19,305	16,453	19,000	22,000	16%
16373 Equipment Repairs	1,212	3,000	5,000	3,500	-30%
16374 Bldg Repairs-City Hall/Comm	0	242	0	0	0%
16335.1 Maint-Vehicles & Equip	0	50	0	0	0%
16376 Building Maintenance	0	0	0	0	0%
16335 Repairs and Maintenance	54,892	49,539	52,000	56,100	
16340 Printing/ Office Supplies	1,329	2,571	2,000	2,600	30%
16342 Computers/ Website	14,868	28,027	18,000	16,000	-11%
16350 Postage/ Delivery	24	618	400	500	25%
16351 Telephone	1,601	2,880	4,000	3,300	-18%
17030 Mobile Data Terminal (Air Fe	14,807	27,231	16,000	16,000	0%
17031 Police Officer Scheduling Syst	376	844	2,000	1,600	-20%
17040 Computer Technology	2,077	180	5,000	2,500	-50%
16002 Contract Services	89,973	111,890	99,400	98,600	



Fiscal Year 2019 Base Budget

General Fund Police Class Expenditures

	Actual	Estimate	Budget	Adopted	%
	2017	2018	2018	2019	Change
Supplies and Equipment					
16244 Radio Fees	420	4,398	4,398	4,398	0%
16328 Uniforms	7,915	8,627	8,000	6,000	-25%
16328.1 Protective Gear	0	2,000	3,000	2,000	-33%
16358 Copier/Fax	5,585	5,933	6,800	6,700	-1%
16460 Operating Supplies - Other	3,058	9,183	3,800	5,000	32%
16460.6 Tools, Etc	0	300	300	300	0%
17010 Emergency Equipment	1,192	3,312	2,000	4,000	100%
17050 Radios	22,915	4,100	4,100	0	-100%
17100 Capital Purchase Furniture	5,493	2,000	6,000	1,500	-75%
16003 Supplies and Equipment	46,578	39,852	38,398	29,898	
Staff Development					
16241 Police Training/ Education	5,408	1,500	6,300	3,500	-44%
16339 Dues/ Subscriptions	249	850	1,000	900	-10%
16341 Community Relations	540	500	1,300	1,000	-23%
16354 Travel and Training	7,657	6,000	6,000	6,000	0%
16004 Staff Development	13,854	8,850	14,600	11,400	
Insurance					
16353.2 Liability Insurance	14,952	15,867	11,960	16,180	35%
16353.3 Property Insurance	2,968	3,515	2,850	4,745	66%
16006 Subtotal Insurance	17,920	19,382	14,810	20,925	
Capital Outlay					
17070 Capital Outlay-Police Cars	82,218	28,142	31,750	0	-100%
17070.1 Emergency Lights, Decals	37,573	17,239	15,000	0	-100%
17070.3 Watch Guard	7,088	55,025	48,400	55,025	14%
17070.4 Tsf To CPF - Vehicle Replace:	0	15,000	15,000	15,000	0%
Vid Tec - In Car	0	0	0	0	0%
17071 Computers/Equipment	14,339	12,000	10,000	10,000	0%
17071.1 Copsync	5,484	6,500	6,500	9,500	46%
17071.2 Radar	3,089	3,000	4,000	8,000	100%
17071.6 Investigative and Testing Equi	477	4,000	4,000	4,000	0%
17071.7 Ballistic Vests and Shields	1,243	9,881	4,700	3,000	-36%
17071.5 Patrol Weapons	0	5,200	5,200	5,200	0%
17071.8 Capital Outlay Misc	0	0	0	25,500	0%
17071.9 In Field Fingerprinter	0	0	0	0	0%
16008 Capital Outlay	151,511	155,987	144,550	135,225	







Municipal Court

The Municipal Court is a trial court of limited jurisdiction. The Municipal Court acts as an impartial fact finder in determining if a City ordinance has been violated. Upon findings or admission of guilt, the court imposes sanctions which are consistent with the nature of the violation within the range of penalties adopted by the ordinance. The Municipal Court processes citations, warrants, court payments, and trials. The Municipal Court Administrator Kimberly Duckett is responsible for the overall operations of the Court, and the Deputy Court Clerk April Dupree assists with these duties.

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

Vision: To be recognized as a leading source of insight, knowledge and technical expertise for continuous improvements, innovations, efficiency and fairness in the area of judicial administration. To create a positive and respectful work environment.

Accomplishments in 2017/2018 Budget Year:

- Court Administrator Kimberly Duckett obtained her Level I Certification with TMCEC.
- City Council appointed Judge Gary Scott as Associate Judge.
- Court Administrator Kimberly Duckett participated in the Montgomery High School Criminal Justice classes speaking to the student regarding safety, functions of the Court and traffic issues.

- Deputy Court Clerk, April Dupree attended “Boot Camp” for new clerks in Austin where she learned valuable information regarding Court procedure and we have implemented a few of those changes to the Court.
- Court Administrator Kimberly Duckett worked with Judge Rosenquist to improve the Deferred Disposition Judgment procedure.
- Court Administrator Kimberly Duckett purchased a walkthrough metal detector to protect the safety of the staff and citizen’s during Court and public meetings.
- Due to the efforts of the Police Department, Municipal Court, and the Collection Agency, \$530,506.64 was collected in revenue during the fiscal year.

Goals for 2019:

- Hire a part time Bailiff/Warrant officer for Court and Council meetings.
- Deputy Court Clerk April Dupree will work to obtain her Level I Certification.
- Court Administrator Kimberly Duckett will work to obtain her Level II Certification.
- Computerize jury selection to streamline the jury process.
- Increase Court dates to ensure the defendants’ rights to a speedy trial and prevent a backlog of cases.



Fiscal Year 2019 Base Budget

General Fund Court Class Expenditures

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Ordinary Expense					
Personnel					
16353.1 Health Insurance	17,848	19,000	23,870	13,480	-43.5%
16353.4 Unemployment Insurance	684	500	710	530	-25.4%
16353.5 Workers Comp.	426	1,165	600	820	36.7%
16353.6 Dental Insurance	2,133	985	2,240	1,120	-50.0%
16353.7 Life & AD&D Insurance	158	135	200	100	-50.0%
16353.8 Crime Insurance	47	265	0	0	0.0%
16560 Payroll Taxes	13,197	10,245	14,350	9,420	-34.4%
16600 Wages	168,983	131,305	188,195	122,300	-35.0%
16600.1 Overtime	3,605	3,000	3,000	4,000	33.3%
16620 Retirement	9,363	8,490	12,000	4,200	-65.0%
16000 Personnel	216,445	175,090	245,165	155,970	
Contract Services					
16100 Admin Expense Misc.					
16102 General Consultant	6,847	5,500	6,000	6,000	0.0%
16220 Omni Expense	2,501	2,200	3,500	4,000	14.3%
16242 Prosecutor	8,550	11,500	11,500	12,500	8.7%
16281 Record Shredding	0	822	0	200	0.0%
16310 Judge	18,000	18,050	18,000	18,000	0.0%
16326 Collection Agent	33,881	38,000	45,000	40,000	-11.1%
16340 Printing/ Office Supplies	1,140	3,180	2,000	2,000	0.0%
16342 Computers/ Website	4,119	600	5,000	4,000	-20.0%
16350 Postage/ Delivery	942	1,080	1,500	1,500	0.0%
16351 Telephone	1,200	1,340	1,200	0	-100.0%
17510 State Portion of Fines	181,649	170,000	200,000	190,000	-5.0%
16002 Contract Services	258,830	252,272	293,700	278,200	
Supplies and Equipment					
16328 Uniforms & Protective Gear	0	100	500	100	-80.0%
16358 Copier/Fax Machine Lease	3,373	3,050	3,500	4,000	14.3%
16003 Supplies and Equipment - Other	823	1,000	3,000	1,500	-50.0%
16460 Operating Supplies	1,505	2,090	3,500	3,500	0.0%
17100 Furniture	3,613	0	3,500	4,000	14.3%
16003 Supplies and Equipment	9,313	6,240	14,000	13,100	



Fiscal Year 2019 Base Budget

General Fund Court Class Expenditures	2017 Actual	2018 Estimate	2018 Budget	2019 ProBudget	% Change
Staff Development					
16004 Staff Development Other	0	100	50	100	0.0%
16339 Dues/ Subscriptions	101	250	250	300	20.0%
16341 Community Relations (Education	0	0	200	200	0.0%
16354 Travel and Training	4,596	4,000	5,000	5,000	0.0%
<i>16004 Staff Development</i>	<i>4,697</i>	<i>4,250</i>	<i>5,450</i>	<i>5,500</i>	
Insurance					
16353.2 Liability Insurance	0	0	25	25	0.0%
16353.3 Property Insurance	0	0	0	1,045	0.0%
<i>16006 Insurance</i>	<i>0</i>	<i>0</i>	<i>25</i>	<i>1,070</i>	
Capital Outlay					
17071.4 Laser Fiche (Software Equip)	0	0	0	0	0.0%
17071 Computers/Equipment	300	3,000	3,000	1,500	-50.0%
<i>16008 Capital Outlay</i>	<i>300</i>	<i>3,000</i>	<i>3,000</i>	<i>1,500</i>	
Miscellaneous	2,231	2,000	3,000	2,000	-33.3%
<i>16590 Miscellaneous</i>	<i>2,231</i>	<i>2,000</i>	<i>3,000</i>	<i>2,000</i>	
Total Expense	491,817	442,852	564,340	457,340	





PUBLIC WORKS

The Department of Public Works is responsible for water and sewer utilities, streets and drainage, parks and recreation, city facilities maintenance, bandit sign enforcement, building permits, and inspections. The department consists of a Public Works Director, Public Works Foreman, and 3 Maintenance Technicians.

Accomplishments in FY 2017-18:

- All sidewalks at Fernland Park upgraded from crushed granite to concrete
- Added Foreman position to staff
- Added Maintenance Technician to staff
- Several ditches excavated with new excavator and grade bucket
- Completed two rounds of asphalt crack sealing in-house
- Created a Public Works page on City website
- Created internal safety inspection reports to increase departmental safety awareness

- Completed total kitchen remodel at Community Center
- Completed hydrant tagging project

Goals for FY 2018-19:

- Add parking at Cedar Brake Park
- Add Maintenance Technician position
- Sanitary sewer smoke testing in-house coordinated with camera inspections
- Purchase mower attachment for excavator
- Expand office space at Public Works yard
- Complete two rounds of in-house crack sealing to streets
- Line striping on several city streets
- Replace all bollards at Cedar Brake park and add to Homecoming Park
- Replace street signs in historical district



Fiscal Year 2019 Base Budget

General Fund Public Works Class Expenditures	2017 Actual	2018 Estimate	2018 Budget	2019 Budget	% Change
Ordinary Expense					
Personnel					
16353.1 Health Insurance	17,369	24,340	17,900	18,620	4%
16353.4 Unemployment Insurance	762	890	500	590	18%
16353.5 Workers Comp.	3,311	4,040	3,310	3,600	9%
16353.6 Dental/Vision Insurance	1,985	1,831	2,000	2,000	0%
16353.7 Life & AD&D Insurance	115	130	130	170	31%
16560 Payroll Taxes	16,798	19,050	10,600	13,000	23%
16600 Wages	191,374	165,032	137,000	146,000	7%
16600.1 Overtime	3,209	5,974	3,000	5,000	67%
16620 Retirement	10,106	10,630	5,200	6,300	21%
16000 Personnel	245,027	231,917	179,640	195,280	
Communications					
16338.1 Legal Notices & Publications	0	846	0	500	0%
16338 Advertising/Promotion	2,425	1,239	1,000	1,300	30%
16001 Communications	2,425	2,085	1,000	1,800	
Contract Services					
16102 General Consultant Fees	200	10,096	20,000	20,000	0%
16280 Mowing	78,282	80,002	80,600	128,000	59%
16281 Record Shredding	0	219	0	200	0%
16299 Inspections/ Permits	102,943	123,934	81,000	115,000	42%
16320 Legal	2,122	888	2,500	2,500	0%
16322 Engineering	106,815	144,192	50,000	100,000	100%
16337 Street Signs	4,947	6,500	6,500	6,000	-8%
16340 Printing and Office Supplies	830	500	1,200	1,200	0%
16342 Computers/ Website	2,770	2,800	2,800	2,940	5%
16350 Postage/ Delivery	498	500	700	700	0%
16351 Telephone	3,924	6,119	4,400	7,500	70%
17040 Computer Technology	12,031	12,185	11,500	12,075	5%
16334 Gas/Oil	5,004	5,814	4,000	6,200	55%
16335 Maintenance -Other	14,061	18,238	15,000	16,500	10%
16335.1 Maintenance -Vehicles & Equip	0	1,000	1,500	2,400	60%
16343 Tractor & Mower	30	500	1,000	1,000	0%
16357 Auto Repairs	1,040	2,500	2,500	3,000	20%
16373 Equipment Repairs	7,794	3,000	4,500	5,000	11%
16374 Building Repairs-City Hall/Comm	3,936	27,155	18,500	18,500	0%



Fiscal Year 2019 Base Budget

General Fund Public Works Class Expenditures	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
16375 Street Repairs	28,845	14,000	33,000	33,900	3%
16332 Downtown Repairs	0	0	0	1,000	0%
16002 Contract Services - Other	854	0	0	0	0%
16002 Total Contract Services	376,924	460,142	341,200	483,615	
Supplies and Equipment					
16328 Uniforms/ Safety Equip	4,288	6,000	6,000	5,500	-8%
16358 Copier/Fax Machine Lease	1,757	2,158	1,800	1,800	0%
16460 Operating Supplies	7,635	7,500	7,500	8,250	0%
16460.1 Streets and drainage	10,150	3,500	3,500	3,675	5%
16460.2 Cedar Brake Park	2,273	3,000	4,000	3,500	-13%
16460.3 Homecoming Park	674	2,000	2,000	2,000	0%
16460.4 Fernland Park	1,276	3,000	2,500	2,625	5%
16460.5 Community Building	2,148	1,500	4,000	2,000	-50%
16460.6 Tools, Etc	1,647	2,711	2,500	2,750	0%
16460.7 Memory Park	1,987	3,000	3,000	3,000	0%
16503 Code Enforcement Expense	0	1,000	1,000	1,000	0%
16003 Supplies and Equipment	33,835	35,368	37,800	36,100	
Staff Development					
16241 Training/Education	0	0	500	1,000	100%
16339 Dues/ Subscriptions	150	250	250	500	100%
16341 Community Relations	25	603	0	500	0%
16354 Travel and Training	7,414	2,247	6,000	5,600	-7%
16004 Staff Development Other	0	75	0	100	0%
16004 Staff Development	7,589	3,175	6,750	7,700	
Maintenance					
16228 Memory Park Maintenance	3,729	4,000	8,500	7,500	-12%
16229 Fernland Park Maintenance	15,798	25,033	23,100	4,000	-83%
16230 CB Park Maintenance	6,516	5,500	6,000	6,300	5%
16231 Homecoming Park Maintenance	1,194	1,500	2,000	3,000	50%
16005 Park Maintenance	27,237	36,033	39,600	20,800	
Insurance					
16353.2 Liability Insurance	1,635	1,843	6,360	2,945	-54%
16353.3 Property Insurance	636	753	1,680	2,052	22%
16006 Insurance	2,271	2,596	8,040	4,997	

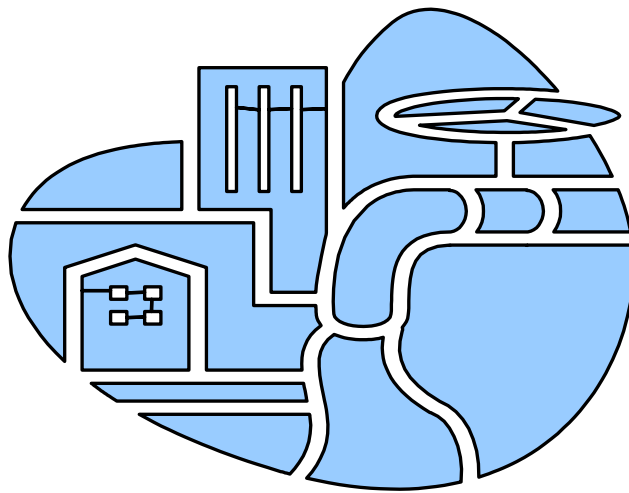


Fiscal Year 2019 Base Budget

General Fund Public Works Class Expenditures	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Utilities					
16352 Electronic Sign-City	546	700	600	600	0%
16352.1 Street Lights	15,448	13,496	14,200	14,900	5%
16352.2 Downtown Utilities	263	340	340	1,200	253%
16352.3 Cedar Brake Park	2,393	2,320	3,000	3,000	0%
16352.4 Homecoming Park	1,216	1,655	1,300	1,365	5%
16352.5 Fernland Park	4,015	4,287	4,900	4,900	0%
16352.6 City Hall Utilities	10,646	10,600	10,600	11,025	4%
16352.8 Community Center Utilities	4,799	4,405	5,400	4,860	-10%
16352.9 Memory Park	11,688	10,137	14,000	14,000	0%
16007 Utilities Other	0	0	100	100	0%
16007 Utilities	51,013	47,939	54,440	55,950	
Capital Outlay					
16233 Community BuildingnProj	135	3,244	1,500	0	-100%
17071.4 Laser Fiche (Software Equip)	1,745	1,725	1,800	2,200	22%
17071 Computers/Equipment	192	180	1,000	1,000	0%
17072 Public Works Items	61,603	54,000	60,000	12,900	-79%
17080 Improvements	10,585	0	5,000	5,000	0%
17081 Drainage Improvements	0	0	0	0	0%
16008 Capital Outlay	74,259	59,149	69,300	21,100	
Miscellaneous					
16356 Contract Labor-Streets	75,615	50,000	129,219	117,700	-9%
16590 Miscellaneous	752	3,845	1,000	1,000	0%
16590.2 Property 149/105	0	2,700	0	93,043	0%
17000 Capital Purchase	24,054	24,500	24,776	3,000	-88%
Miscellaneous/Other	100,422	81,045	154,995	214,743	
Total Expense	921,002	959,449	892,765	1,042,085	



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 with regulations set 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 charges a GRP Fee as a separate line item for all water customers to cover the costs of this program.

FUND FINANCIAL ACTIVITY

The 2018-2019 Budget. The City's Water and Sewer Fund revenues for FY 2018-2019 are projected to be \$1,902,429, a 9.1% increase from the previous year's budget. Revenue increases are based on new customers expected in the budget year. Expenditures for FY 2018-2019 are proposed at \$1,437,708 plus a transfer to debt service of \$153,040 for a total outlay of \$1,590,748.

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. One improvement to operations this year was the conversion to an Automated Meter Reading System where meters are read by radio signal, simplifying and shortening the reading process and billing process. 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.



Fiscal Year 2019 Budget Summary

Water & Sewer Fund Budget at a Glance

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Beginning Balance*	\$ 265,884	\$ 586,411	\$ 586,411	\$ 672,267	14.6%
Revenues					
Fees for Service	\$ 1,388,572	\$ 1,292,025	\$ 1,282,700	\$ 1,452,900	13.3%
Taxes	8,052	8,080	8,000	8,000	0.0%
Groundwater Reduction Revenue	155,286	131,349	126,000	165,000	31.0%
All Other Revenues	1,938	77,688	320,580	276,520	-13.7%
Total Revenues	\$ 1,553,849	\$ 1,509,142	\$ 1,737,280	\$ 1,902,420	
Interfund Transfers					
Transfers In	\$ -	\$ -	\$ -	\$ -	-
Transfers Out	157,689	230,440	307,840	307,840	0.0%
Net Interfund Transfers	\$ (157,689)	\$ (230,440)	\$ (307,840)	\$ (307,840)	
Expenditures					
Personnel	\$ 128,249	\$ 139,753	\$ 213,640	\$ 267,620	25.3%
Contract Services	411,831	409,251	300,231	347,361	15.7%
All Other Operating Expenditures	535,553	609,140	848,105	787,727	-7.1%
Capital Outlay	-	34,700	34,700	35,000	0.9%
Total Expenditures	\$ 1,075,633	\$ 1,192,845	\$ 1,396,676	\$ 1,437,708	
Ending Balance**	\$ 586,411	\$ 672,267	\$ 619,175	\$ 829,139	



**Fiscal Year 2019
Base Budget**

**Water & Sewer Fund
Statement of Revenues**

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Charges for Service					
24100-Water Revenue	\$ 548,886	\$ 480,000	\$ 540,000	\$ 560,000	3.7%
24118-Surface Water Rev	6,590	5,575	6,000	6,000	0.0%
24119-Application Fee	60	-	1,500	1,500	0.0%
24120-Disconnect Reconnect	4,755	4,590	5,500	5,500	0.0%
24200-Sewer Revenue	417,914	425,000	450,000	492,000	9.3%
24310-Tap Fees/ Insp	284,294	250,000	150,000	250,000	66.7%
24319-Grease Trap Inspections	10,400	10,860	10,000	13,200	32.0%
24334-Backflow Revenue	-	-	-	5,000	-
24330-Late Fees	16,158	16,500	15,000	15,000	0.0%
24333-Returned/Miscellaneous Fees	255	600	200	200	0.0%
25403-Solid Waste Revenue	99,261	98,900	104,500	104,500	0.0%
Total Charges for Service	\$ 1,388,572	\$ 1,292,025	\$ 1,282,700	\$ 1,452,900	
Taxes					
24110-Sales Tax on Solid Wast Fees	\$ 8,052	\$ 8,080	\$ 8,000	\$ 8,000	0.0%
Total Taxes	\$ 8,052	\$ 8,080	\$ 8,000	\$ 8,000	
24121-Groundwater Reduction Rev	155,286	131,349	126,000	165,000	31.0%
Other Revenue					
25000.2-Impact Fees - Capital Cost	\$ -	\$ -	\$ 200,000	\$ 200,000	0.0%
25000.1-Impact Fees - Other	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	0.0%
25391-Interest Income	\$ 237	\$ 323	\$ 220	\$ 220	0.0%
25399-Misc Revenue	\$ 905	\$ 1,365	\$ 360	\$ 1,300	261.1%
25000-Unanticipated/Other Revenue	796	-	45,000	-	0.0%
Total Other Revenue	\$ 1,938	\$ 76,688	\$ 320,580	\$ 276,520	
<hr/>					
Grand Total Revenues	\$ 1,553,849	\$ 1,508,142	\$ 1,737,280	\$ 1,902,420	



Fiscal Year 2019 Base Budget

Water & Sewer Fund Expenses

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Personnel					
26600-Wages	\$ 98,101	\$ 105,243	\$ 169,367	\$ 215,250	27.1%
26560-Payroll Taxes	7,420	8,044	12,700	14,400	13.4%
26353.4-Unemployment Insurance	351	443	390	430	10.3%
26353.5-Workers Comp	1,703	3,847	2,733	1,900	-30.5%
26353.8-Crime Insurance	47	263	-	-	-
26353.6-Dental Insurance	1,197	1,450	1,750	2,240	28.0%
26353.7-Life AD&D Insurance	411	666	600	900	50.0%
26501-Retirement	5,344	6,338	6,700	7,500	11.9%
26501-TMRS Pension Esp	1,776	-	-	-	-
26353.1-Group Health Insurance	11,899	13,458	19,400	25,000	28.9%
Total Personnel	\$ 128,249	\$ 139,753	\$ 213,640	\$ 267,620	
26326-Licenses & Permits	13,031	15,000	13,000	19,400	49.2%
26364-Depreciation Expense	-	-	-	-	-
26371-Dues & Subscriptions	\$ 545	\$ 500	\$ 2,000	2,000	0.0%
Supplies					
26485-Uniforms & Protective Gear	\$ 3,010	\$ 2,900	\$ 3,200	\$ 3,200	0.0%
26400.1-Office Supplies & Equip	1,821	1,000	2,000	2,000	0.0%
26460-Operating Supplies	56,760	55,000	70,500	74,000	5.0%
26342-Chemicals	20,518	24,500	18,100	19,000	5.0%
27040-Computer Technology & Equip	4,435	3,664	3,800	3,800	0.0%
26358-Equipment Leases	-	-	3,920	-	-100.0%
Total Supplies & Equipment	\$ 86,544	\$ 87,064	\$ 101,520	\$ 102,000	
Communications					
26338-Advertising/Permotion	\$ 825	\$ 500	\$ 1,055	\$ 1,000	-5.2%
Total Communications	\$ 825	\$ 500	\$ 1,055	\$ 1,000	-5.2%
26401-Groundwater Reduction Exp	\$ 35,476	\$ -	\$ 100	\$ 100	0.0%
Contract Services					
26102-General Consultant Fees	\$ 878	\$ -	\$ 905	\$ 905	0.0%



Fiscal Year 2019 Base Budget

Water & Sewer Fund Expenses

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
26320-Legal Fees	16,180	\$ 21,560	\$ 17,053	\$ 17,053	0.0%
26322-Engineering	165,669	132,000	75,000	75,000	0.0%
26323-Operator	39,200	39,600	40,380	40,380	0.0%
26324-Billing Collecting	16,906	22,758	11,820	21,400	81.0%
26328-Testing	11,160	16,065	11,460	14,400	25.7%
26331-Sales Tax for Solid Waste	8,117	9,021	8,213	\$ 8,623	5.0%
26333-Accounting Fees	5,800	4,800	4,800	4,800	0.0%
26336-Sludge Hauling	15,872	20,384	17,500	19,250	10.0%
26340-Printing	90	90	-	100	-
26350-Postage	2,359	4,082	3,200	3,700	15.6%
26351-Telephone	2,812	4,183	4,500	4,750	5.6%
26370-Taps & Insp	33,352	30,000	10,000	30,000	200.0%
26399-Garbage	93,436	104,707	95,400	107,000	12.2%
26200-Contract Serv - Other	-	-	-	-	-
Total Contract Services	\$ 411,831	\$ 409,251	\$ 300,231	\$ 347,361	
Maintenance					
26335-Maint. & Repairs	\$ 191,150	\$ 160,330	\$ 215,000	\$ 225,750	5.0%
26335.1-Maint. & Repairs - Vehicles	67	200	1,000	1,500	50.0%
26349-Gas and Oil	4,508	5,555	4,400	6,200	40.9%
Total Vehicles & Equipment	\$ 195,724	\$ 166,085	\$ 220,400	\$ 233,450	
Staff Development					
26355-Employee Relations/Education	276	200	200	200	0.0%
26354-Travel & Training	2,733	2,000	5,000	5,500	10.0%
Total Staff Development	\$ 3,009	\$ 2,200	\$ 5,200	\$ 5,700	
Insurance Expense					
26353.2-Liability	\$ 2,118	\$ 2,678	\$ 2,500	\$ 2,945	17.8%
26353.3-Property	10,988	21,527	17,000	20,932	23.1%
Total General Expenses	\$ 13,106	\$ 24,205	\$ 19,500	\$ 23,877	



**Fiscal Year 2019
Base Budget**

**Water & Sewer Fund
Expenses**

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Utilities Expense					
26352.1-Utilities - Gas for Gen	\$ 638	\$ 834	\$ 700	\$ 1,000	42.9%
26352.2-Water Plants	61,956	70,185	66,000	69,300	5.0%
26352.3-WW Treatment Plants	35,167	31,000	38,540	40,500	5.1%
26352.4-Lift Stations	13,232	17,502	12,200	14,200	16.4%
Security Light	134	-	140	-	-100.0%
Buffalo Sp STP Water Usage	7,670	-	350	-	-100.0%
Total Utilities	\$ 118,797	\$ 119,521	\$ 117,930	\$ 125,000	
26900.4-Capital Outlay -Sew Plnt Imp	\$ -	\$ 34,700	\$ 34,700	\$ 35,000	0.9%
26901-Utilities Proj Prev Maint -Other	\$ 65,048	\$ 25,000	\$ -	\$ -	-
26901.1-Util Prev Maint - Tsf to CPF	\$ -	\$ 6,171	\$ 91,400	\$ 91,400	0.0%
26901.2-Capital Costs-Tsf to CPF	\$ -	\$ 155,286	\$ 200,000	\$ 91,400	-54.3%
26901.3-Impact Fees - Tsf to CPF	\$ -	\$ -	\$ 75,000	\$ 91,400	21.9%
Total Util Projects/Prev Maint	\$ 65,048	\$ 186,457	\$ 366,400	\$ 274,200	
Miscellaneous	\$ -	\$ -	\$ -	\$ -	-
26361-Miscellaneous Exp/ETS Fees	3,448	7,608	1,000	1,000	0.0%
Total Miscellaneous	\$ 3,448	\$ 7,608	\$ 1,000	\$ 1,000	
Transfers In / Out					
27001.2-Tsf out-Debt Service/GRP	\$ 125,600	\$ 153,040	\$ 153,040	\$ 153,040	0.0%
27002-Transfer out-Construction Fund	\$ 32,089	\$ 77,400	\$ 154,800	\$ 154,800	0.0%
Total Transfers in / Out	\$ 157,689	\$ 230,440	\$ 307,840	\$ 307,840	
Grand Total Expenditures	\$ 1,233,322	\$ 1,423,285	\$ 1,704,516	\$ 1,745,548	



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, principal 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 2018-2019, the Debt Service Fund will expend \$671,869 for debt service, a less than 1% increase over the \$669,096 funded in FY 2017-2018. The income budgeted for FY 2018-2019 includes \$490,771 from ad valorem taxes and interest, a transfer from Water and Sewer Fund of \$153,040, and a transfer from MEDC of \$160,000. The projected fund balance at the end of FY 2018-2019 is \$341,166 or 49% of expenditures. There are five outstanding debt issues that the City is currently financing:

- Tax & Revenue Certificate of Obligation, Series 2005 were refunded during the 2015 and are related to water and sewer improvements
- 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.
- Texas Water Development Board Certificates of Obligation 2017A and 2017 B, which were issued for construction projects associated with improvements to the City's water and sanitary sewer systems.

FUTURE ACTIVITY

No anticipated borrowing is foreseen, though funds are available, for 2018-2019.

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.



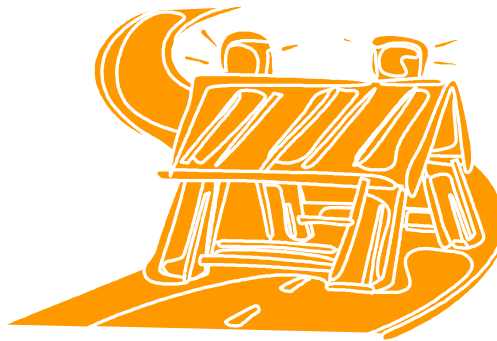
**Fiscal Year 2019
Base Budget**

Debt Service Fund

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Beginning Balance	\$ 122,002	\$ 143,665	\$ 143,665	\$ 205,224	42.8%
Revenues					
Ad Valorem Tax	\$ 356,222	\$ 417,200	\$ 417,202	\$ 490,771	17.6%
All Other Revenues	208	415	300	4,000	1233.3%
Total Revenues	\$ 356,430	\$ 417,615	\$ 417,502	\$ 494,771	
Interfund Transfers					
Transfers In	\$ 189,350	\$ 313,040	\$ 313,040	\$ 313,040	0.0%
Transfers Out	-	-	-	-	-
Net Interfund Transfers	\$ 189,350	\$ 313,040	\$ 313,040	\$ 313,040	
Expenditures					
Debt Service	\$ 523,242	\$ 666,596	\$ 666,596	\$ 669,369	0.4%
Contract Services	860	2,500	2,500	2,500	0.0%
All Other Operating Expenditures	-	-	-	-	-
Total Expenditures	\$ 524,102	\$ 669,096	\$ 669,096	\$ 671,869	
<hr/>					
Ending Balance*	\$ 143,665	\$ 205,224	\$ 205,112	\$ 341,166	



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 2018-2019, the Capital Projects Fund started with a fund balance of \$2,763,160, plus \$5,059,646

of grant funds, GLO proceeds, and FEMA funding for a total of \$7,822,806. Estimated engineering and construction costs in FY 2018 - 2019 for water supply and street projects total \$7,773,346 leaving a balance of \$49,460.

FUTURE ACTIVITY

Due to anticipated growth in the City, this Fund was greatly expanded this year. The City anticipates that there will be increased spending related to numerous annexations; residential and commercial growth; and infrastructure planning, construction, and maintenance.



**Fiscal Year 2019
Base Budget
Summary Page**

Capital Projects Fund

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Beginning Balance*	\$ 2,577	\$ 2,759,160	\$ 2,759,160	\$ 2,763,160	0.1%
Revenues					
43956 Proceeds-TWDB 2017 A /B	\$ 2,820,000	\$ -	\$ 2,606,000	\$ -	0.0%
43952.3 Proceeds-GLO	-	-	-	2,306,000	-
43901 Total Trans from - MEDC/General	69,988	71,640	-	-	-
43961 CDBG Grant Funds	-	216,770	300,000	388,230	100.0%
43959 FEMA Grant Revenue	-	951,716	1,575,000	1,626,616	-35.5%
Other Source Revenue	-	490,959	-	437,500	-
45391 Interest	3,427	20,708	4,000	12,100	202.5%
Total Revenues	\$ 2,893,414	\$ 1,751,793	\$ 4,485,000	\$ 4,770,446	
Interfund Transfers					
45392 Transfers In (43947/43949)	\$ 102,077	\$ 465,928	\$ 461,200	\$ 289,200	-37.3%
43002 Transfers Out	-	-	-	-	-
Net Interfund Transfers	\$ 102,077	\$ 465,928	\$ 461,200	\$ 289,200	
Grand Total Revenues	\$ 2,995,491	\$ 2,217,721	\$ 4,946,200	\$ 5,059,646	
Expenditures					
43889 Grant Administrative Services	\$ -	\$ 49,962	\$ -	\$ 188,800	-
43890 Engineering	50,567	246,030	318,000	990,000	211.3%
44000-Wastewater System	-	-	715,000	1,302,500	82.2%
45000-Water System Cap Projects	93,125	5,510	1,117,000	1,843,000	65.0%
46000 Roadway Projects	-	456,892	1,800,000	849,846	-52.8%
43995-Const Cost-Contingencies	-	-	456,000	456,000	0.0%
47000-Capital Costs Projects	-	-	200,000	200,000	0.0%
48000-Cap Outlay-Fac, Equip, Etc	1,290	214,191	336,200	1,943,200	478.0%
47395 Other/Cost of Issuance	187,939	-	-	-	-
Total Expenditures	\$ 332,920	\$ 972,585	\$ 4,942,200	\$ 7,773,346	
Ending Balance**	\$ 2,759,160	\$ 4,004,297	\$ 2,763,160	\$ 49,460	



**Fiscal Year 2019
Base Budget**

**Capital Projects Fund
Statement of Revenues**

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Sources of Funding					
43956/43964 Series 2017A&B	2,820,000	-	\$ 2,606,000	-	0.0%
43952.3 Proceeds GLO	-	-	-	2,306,000	-
43901.1 Tsf from MEDC-Hou St.	69,988	50,013			
43901.2 Tsf from Gen-Hou St.		21,628			
43901 Total Trans from - MEDC/General	2,889,988	71,640	2,606,000	2,306,000	
43947A-Tsf Fr Util-GRP		77,400	154,800	-	0.0%
43947B-Tsf From Util-Maint		18,242	91,400	91,400	0.0%
43947C-Tsf from Util-Cap Costs Proj	\$ 32,089	155,286	200,000	91,400	0.0%
43947D-Rev for Lift St #1 Replacement		200,000	-	91,400	-
43947 Total Transfers In	32,089	450,928	446,200	274,200	
43961 Grant Funds CDBG					
43961.1 CDBG Block Grant-DR	-	216,770	300,000	88,230	-70.6%
43961.2 CDBG Block Grant-Baja	-	-	-	300,000	-
43959 FEMA Grant Revenue					
43956.1 FEMA Buff Sp Bridge	-	951,716	1,200,000	641,616	-46.5%
43956.2 FEMA Plez Morgan St.			300,000	250,000	
43956.3 Impact Fees	-		75,000	-	-100.0%
43956.4 FEMA Hurricane Harvey	-			435,000	-
43956.5 FEMA Baja Proj	-			300,000	-
43949.1 Tsf from Gen-Pol Veh Replacement		15,000	15,000	15,000	0.0%
43952.1-380 Agt-1st Htfd-18" SS Line		437,500	-	437,500	-
43952.2-Util Ext Proj-Waterstone on LC		36,219	-	-	-
43952 - Other (Heritage Pl-Hou St.)		17,240	-	-	-
43949/43952 Other Source Revenue	-	505,959	15,000	452,500	
Total Transfers, Bonds, Grants	\$ 2,922,077	\$ 2,197,013	\$ 4,942,200	\$ 5,047,546	
Other Revenue					
Interest Income	3,427	20,708	4,000	12,100	202.5%
Total Other Revenue	\$ 3,427	\$ 20,708	\$ 4,000	\$ 12,100	
<hr/>					
Grand Total Revenues	\$ 2,925,503	\$ 2,217,721	\$ 4,946,200	\$ 5,059,646	\$ -



Fiscal Year 2019 Base Budget

Capital Projects Fund Expenditures

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
43889-Grant Admin Services					
43889.1 - Bridge - CDBG Proj	-	28,000	-	5,000	0.0%
43889.2 - Baja Proj - CDBG	-	21,962	-	20,000	0.0%
43889.3 - GLO - All Projects	-	-	-	163,800	0.0%
	-	-	-	-	-
Total Grant Administrative	\$ -	\$ 49,962	\$ -	\$ 188,800	
43890-Engineering					
43890.2 - WP #3 Imp	-	-	115,000	115,000	0.0%
43890.3 - Lift St #1 Expansion	-	51,990	90,000	90,000	0.0%
43890.4 - WL Replace/HouSt	44,007	2,956	-	-	0.0%
43890.5-L St #3 Forcemain Re-route	6,560	14,309	19,000	19,000	0.0%
43890.7-Downtown/SH105 Imp	-	46,359	94,000	94,000	0.0%
43890.8 - 18" SS Gravity Line	-	46,819	-	57,000	0.0%
43890.9 - Bridge Wtr Line	-	7,769	-	10,000	0.0%
43890.A - Baja Project	-	21,962	-	40,000	0.0%
43890.B-B Sp Brdg Emb Rep-FEMA	-	53,866	-	60,000	0.0%
43890.C-Hurricane Harvey	-	-	-	140,000	0.0%
43890.D-B Sp Brdg - CDBG	-	-	-	15,000	0.0%
43890.E-Eng All GLO	-	-	-	300,000	0.0%
43890.F-Plez Morgan FEMA	-	-	-	50,000	0.0%
	-	-	-	-	-
Total Engineering	\$ 50,567	\$ 246,030	\$ 318,000	\$ 990,000	
43995-Const Cost Contingencies					
43995.1-LS #3 Force Main Re-route	-	-	36,000	36,000	0.0%
43995.2-Lift St #1 Expansion	-	-	140,000	140,000	0.0%
43995.3-Lift St #3 Imp	-	-	154,000	154,000	0.0%
43995.4-Downtown/SH105 Imp	-	-	126,000	126,000	0.0%
	-	-	-	-	-
Total Const Cost Contingencies	\$ -	\$ -	\$ 456,000	\$ 456,000	



Fiscal Year 2019 Base Budget

Capital Projects Fund Expenditures

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
44000-Wastewater System					
44006-LS #1 Replacement/Expansion	-	-	570,000	570,000	0.0%
44007-LS #3 Forcemain Re-route	-	-	145,000	145,000	0.0%
44008-18" Gravity SS Line Const	-	-	-	437,500	0.0%
44009-LS #3 Improvement-GLO	-	-	-	150,000	0.0%
	-	-	-	-	-
Total Wastewater System	\$ -	\$ -	\$ 715,000	\$ 1,302,500	-
45000-Water System					
43975-WP ## Generator-GLO	-	-	-	486,000	0.0%
43976.1-Dwntn/SH105 Water Line Imp	93,125	5,510	502,000	502,000	0.0%
43992.1-Water P #3 - Imp	-	-	440,000	440,000	0.0%
43992.4-WP #3 Imp - Other Costs	-	-	175,000	175,000	0.0%
43992.5-CDBG - Baja	-	-	-	240,000	-
Total Water System	\$ 93,125	\$ 5,510	\$ 1,117,000	\$ 1,843,000	
46000-Roadway System Imp					
46001-Plez Morgan St (Fema 4272)	-	-	300,000	200,000	-30.5%
46002-Buff Sp Brdg Rep (Fema 4272-C)	-	456,892	1,500,000	581,616	-30.5%
46006-Buff Sp Brdg (CDBG7307)	-	-	-	68,230	-30.5%
Total Roadway System	\$ -	\$ 456,892	\$ 1,800,000	\$ 849,846	
47395-Cost of Issuance Exp					
47395.1 - Cost of Issu Series 2017A	77,615	-	-	-	-
47395.2 - Cost of Issu Series 2017B	110,324	-	-	-	-
	-	-	-	-	-
47395-Total Cost of Issuance Exp	\$ 187,939	\$ -	\$ -	\$ -	-
47000-Capital - LS #1 Relocation	-	-	200,000	200,000	0.0%
	-	-	-	-	-
Total Capital Cost Projects	\$ -	\$ -	\$ 200,000	\$ 200,000	-



Fiscal Year 2019 Base Budget

Capital Projects Fund Expenditures

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
48000-Facility Equipment and Planning					
48000.3-Hou St Rehab	-	96,504	-	-	0.0%
48001-GRP Capital Projects	-	37,252	89,800	-	99.3%
48002-Utility Proj/Prev Maint	1,290	65,434	91,400	50,000	-45.3%
48003-Buff Spgs - Water Line Util Ext	-	-	65,000	87,000	33.8%
48004-Police Vehicle Replacement	-	15,000	15,000	15,000	0.0%
48005-Baja/MLK Wt/Drg Imp -CDBG	-	-	-	240,000	0.0%
48005.A-Baja/MLK -GLO	-	-	-	716,100	0.0%
48005.B-Baja - FEMA	-	-	-	50,000	0.0%
48006-Hurricane Harvey Exp (FEMA)	-	-	-	295,000	0.0%
48007-Impct Fee Proj-WL Ext Pkwy/Bt	-	-	75,000	-	0.0%
48008-Andres Branch - GLO	-	-	-	490,100	0.0%
	-	-	-	-	-
Total Facilities, Equip, etc	\$ 1,290	\$ 214,191	\$ 336,200	\$ 1,943,200	
<hr/>					
Grand Total Expenditures	\$ 332,920	\$ 972,585	\$ 4,942,200	\$ 7,773,346	



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 2018- 2019, the City projects there will be \$1,000 in revenues derived primarily from hotel taxes. The \$4,000 expenditures budgeted from this fund in FY 2018 – 2019 will be for advertising and other allowed expenditures. In the future, as the City adds hotels, motels, as well as additional bed and breakfasts, these revenues should rise accordingly.



**Fiscal Year 2019
Base Budget**

Hotel Occupancy Tax Fund

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Beginning Balance	\$ 9,400	\$ 9,468	\$ 9,468	\$ 10,559	11.5%
Revenues					
Hotel Occupancy Tax	\$ 68	\$ 1,091	\$ 600	\$ 1,000	66.7%
All Other Revenues	-	0	5	7	40.0%
Total Revenues	\$ 68	\$ 1,091	\$ 605	\$ 1,007	
Interfund Transfers					
Transfers In	\$ -	\$ -	\$ -	\$ -	-
Transfers Out	-	-	-	-	-
Net Interfund Transfers	\$ -	\$ -	\$ -	\$ -	-
Expenditures					
Contract Services	-	-	-	-	-
All Other Operating Expenditures	-	-	1,500	4,000	166.7%
Total Expenditures	\$ -	\$ -	\$ 1,500	\$ 4,000	
<hr/>					
Ending Balance*	\$ 9,468	\$ 10,559	\$ 8,573	\$ 7,566	



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 2018-2019, the City projects \$10,002 in revenues and \$2,000 in expenditures in this fund. As the operations and scope of the Municipal Court expands, this fund should be flexible enough to meet further technological needs.



Fiscal Year 2019 Base Budget

Court Technology Fund

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Beginning Balance	\$ 18,101	\$ 25,426	\$ 25,426	\$ 29,623	16.5%
Revenues					
Court Technology Fees	\$ 10,149	\$ 9,004	\$ 10,000	\$ 10,000	0.0%
All Other Revenues	3	3	2	2	0.0%
Total Revenues	<u>\$ 10,152</u>	<u>\$ 9,007</u>	<u>\$ 10,002</u>	<u>\$ 10,002</u>	
Interfund Transfers					
Transfers In	\$ -	\$ -	\$ -	\$ -	-
Transfers Out	-	-	-	-	-
Net Interfund Transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-
Expenditures					
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -	-
Contract Services	2,827	4,800	5,000	2,000	-60.0%
All Other Operating Expenditures	-	10	-	-	-
Total Expenditures	<u>\$ 2,827</u>	<u>\$ 4,810</u>	<u>\$ 5,000</u>	<u>\$ 2,000</u>	
<hr style="border: 1px solid black;"/>					
Ending Balance*	\$ 25,426	\$ 29,623	\$ 30,428	\$ 37,625	



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 2018 - 2019, this fund will have projected revenues of \$6,505, \$500 in expenses, and a transfer of \$2,600 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.



Fiscal Year 2019 Base Budget

Court Security Fund

	Actual 2017	Estimate 2018	Budget 2018	Adopted 2019	% Change
Beginning Balance	\$ 17,827	\$ 6,210	\$ 6,210	\$ 8,110	30.6%
Revenues					
Court Security Fees	\$ 7,600	\$ 6,000	\$ 6,000	\$ 6,500	8.3%
All Other Revenues	1	-	5	5	0.0%
Total Revenues	\$ 7,601	\$ 6,000	\$ 6,005	\$ 6,505	
Interfund Transfers					
Transfers In	\$ -	\$ -	\$ -	\$ -	-
Transfers Out	2,222	3,600	3,600	3,900	8.3%
Net Interfund Transfers	\$ (2,222)	\$ (3,600)	\$ (3,600)	\$ (3,900)	-
Expenditures					
Contract Services	16,770	-	-	600	-
All Other Operating Expenditures	225	500	500	2,000	300.0%
Total Expenditures	\$ 16,995	\$ 500	\$ 500	\$ 2,600	
<hr/>					
Ending Balance*	\$ 6,210	\$ 8,110	\$ 8,115	\$ 8,115	



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 2018-2019, this fund will start with a beginning balance of \$4,272, and will have projected revenues of \$100 and no expenditures. In the future, this fund will likely continue to increase as the Police Department obtains more revenues through seized assets.





● APPENDICES

Appendices

Appendix A - Glossary of Terms

Appendix B - Bond Debt Service

Appendix C - General Obligation Refunding Bonds, Series 2012

Appendix D - Tax and Rev Certificates of Obligation, Series 2012

Appendix E - General Obligation Refunding Bonds, Series 2015

Appendix F - Tax & Surplus Rev Certificates of Obligation, Series 2017A – CWSRF (TWDB)

Appendix G - Tax & Surplus Rev Certificates of Obligation, Series 2017B – DWSRF (TWDB)



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 accounts 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: An 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.



Appendix A

Central Appraisal District: A county-wide district formed by legislation 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 and temporary investments.

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 principal 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 Tax 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 its 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.



Appendix A

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.



Appendix B

BOND DEBT SERVICE

City of Montgomery, Texas
Outstanding Debt Service
Semi-Annual Payments

Date	Principal	Interest	Debt Service
03/01/2017	305,000.00	106,358.13	411,358.13
09/01/2017		111,884.21	111,884.21
03/01/2018	435,000.00	117,532.63	552,532.63
09/01/2018		114,062.63	114,062.63
03/01/2019	445,000.00	114,062.63	559,062.63
09/01/2019		110,307.00	110,307.00
03/01/2020	455,000.00	110,307.00	565,307.00
09/01/2020		106,265.50	106,265.50
03/01/2021	455,000.00	106,265.50	561,265.50
09/01/2021		101,926.00	101,926.00
03/01/2022	465,000.00	101,926.00	566,926.00
09/01/2022		97,279.75	97,279.75
03/01/2023	480,000.00	97,279.75	577,279.75
09/01/2023		92,096.25	92,096.25
03/01/2024	490,000.00	92,096.25	582,096.25
09/01/2024		86,578.00	86,578.00
03/01/2025	510,000.00	86,578.00	596,578.00
09/01/2025		80,547.50	80,547.50
03/01/2026	420,000.00	80,547.50	500,547.50
09/01/2026		75,299.00	75,299.00
03/01/2027	430,000.00	75,299.00	505,299.00
09/01/2027		69,649.25	69,649.25
03/01/2028	440,000.00	69,649.25	509,649.25
09/01/2028		63,753.75	63,753.75
03/01/2029	450,000.00	63,753.75	513,753.75
09/01/2029		57,257.00	57,257.00
03/01/2030	470,000.00	57,257.00	527,257.00
09/01/2030		50,378.00	50,378.00
03/01/2031	430,000.00	50,378.00	480,378.00
09/01/2031		44,190.00	44,190.00
03/01/2032	440,000.00	44,190.00	484,190.00
09/01/2032		37,762.75	37,762.75
03/01/2033	465,000.00	37,762.75	502,762.75
09/01/2033		30,730.25	30,730.25
03/01/2034	470,000.00	30,730.25	500,730.25
09/01/2034		23,608.00	23,608.00
03/01/2035	480,000.00	23,608.00	503,608.00
09/01/2035		16,259.50	16,259.50
03/01/2036	490,000.00	16,259.50	506,259.50
09/01/2036		8,692.50	8,692.50
03/01/2037	365,000.00	8,692.50	373,692.50
09/01/2037		3,675.00	3,675.00
03/01/2038	210,000.00	3,675.00	213,675.00
	9,600,000.00	2,876,410.23	12,476,410.23



Appendix B

BOND DEBT SERVICE

City of Montgomery, Texas
Outstanding Debt Service
Annual Payments

Date	Principal	Interest	Debt Service
09/30/2017	305,000.00	218,242.34	523,242.34
09/30/2018	435,000.00	231,595.26	666,595.26
09/30/2019	445,000.00	224,369.63	669,369.63
09/30/2020	455,000.00	216,572.50	671,572.50
09/30/2021	455,000.00	208,191.50	663,191.50
09/30/2022	465,000.00	199,205.75	664,205.75
09/30/2023	480,000.00	189,376.00	669,376.00
09/30/2024	490,000.00	178,674.25	668,674.25
09/30/2025	510,000.00	167,125.50	677,125.50
09/30/2026	420,000.00	155,846.50	575,846.50
09/30/2027	430,000.00	144,948.25	574,948.25
09/30/2028	440,000.00	133,403.00	573,403.00
09/30/2029	450,000.00	121,010.75	571,010.75
09/30/2030	470,000.00	107,635.00	577,635.00
09/30/2031	430,000.00	94,568.00	524,568.00
09/30/2032	440,000.00	81,952.75	521,952.75
09/30/2033	465,000.00	68,493.00	533,493.00
09/30/2034	470,000.00	54,338.25	524,338.25
09/30/2035	480,000.00	39,867.50	519,867.50
09/30/2036	490,000.00	24,952.00	514,952.00
09/30/2037	365,000.00	12,367.50	377,367.50
09/30/2038	210,000.00	3,675.00	213,675.00
	9,600,000.00	2,876,410.23	12,476,410.23



Appendix C

BOND DEBT SERVICE

City of Montgomery, Texas
General Obligation Refunding Bonds, Series 2012

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2017	105,000	2.000%	39,209.38	144,209.38	
09/01/2017			38,159.38	38,159.38	
09/30/2017					182,368.76
03/01/2018	105,000	2.000%	38,159.38	143,159.38	
09/01/2018			37,109.38	37,109.38	
09/30/2018					180,268.76
03/01/2019	105,000	2.125%	37,109.38	142,109.38	
09/01/2019			35,993.75	35,993.75	
09/30/2019					178,103.13
03/01/2020	110,000	2.250%	35,993.75	145,993.75	
09/01/2020			34,756.25	34,756.25	
09/30/2020					180,750.00
03/01/2021	115,000	2.500%	34,756.25	149,756.25	
09/01/2021			33,318.75	33,318.75	
09/30/2021					183,075.00
03/01/2022	115,000	2.500%	33,318.75	148,318.75	
09/01/2022			31,881.25	31,881.25	
09/30/2022					180,200.00
03/01/2023	120,000	2.750%	31,881.25	151,881.25	
09/01/2023			30,231.25	30,231.25	
09/30/2023					182,112.50
03/01/2024	125,000	2.750%	30,231.25	155,231.25	
09/01/2024			28,512.50	28,512.50	
09/30/2024					183,743.75
03/01/2025	130,000	3.000%	28,512.50	158,512.50	
09/01/2025			26,562.50	26,562.50	
09/30/2025					185,075.00
03/01/2026	130,000	3.000%	26,562.50	156,562.50	
09/01/2026			24,612.50	24,612.50	
09/30/2026					181,175.00
03/01/2027	135,000	3.250%	24,612.50	159,612.50	
09/01/2027			22,418.75	22,418.75	
09/30/2027					182,031.25
03/01/2028	140,000	3.250%	22,418.75	162,418.75	
09/01/2028			20,143.75	20,143.75	
09/30/2028					182,562.50
03/01/2029	145,000	3.750%	20,143.75	165,143.75	
09/01/2029			17,425.00	17,425.00	
09/30/2029					182,568.75
03/01/2030	155,000	3.750%	17,425.00	172,425.00	
09/01/2030			14,518.75	14,518.75	
09/30/2030					186,943.75
03/01/2031	110,000	3.750%	14,518.75	124,518.75	
09/01/2031			12,456.25	12,456.25	
09/30/2031					136,975.00
03/01/2032	115,000	3.750%	12,456.25	127,456.25	
09/01/2032			10,300.00	10,300.00	
09/30/2032					137,756.25
03/01/2033	125,000	4.000%	10,300.00	135,300.00	
09/01/2033			7,800.00	7,800.00	
09/30/2033					143,100.00
03/01/2034	125,000	4.000%	7,800.00	132,800.00	
09/01/2034			5,300.00	5,300.00	
09/30/2034					138,100.00



Appendix C

BOND DEBT SERVICE

City of Montgomery, Texas
General Obligation Refunding Bonds, Series 2012

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2035	130,000	4.000%	5,300.00	135,300.00	
09/01/2035			2,700.00	2,700.00	
09/30/2035					138,000.00
03/01/2036	135,000	4.000%	2,700.00	137,700.00	
09/30/2036					137,700.00
	2,475,000		907,609.40	3,382,609.40	3,382,609.40



Appendix D

BOND DEBT SERVICE

City of Montgomery, Texas
Tax & Rev Certificates of Obligation, Series 2012

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2017	120,000	3.000%	58,887.50	178,887.50	
09/01/2017			57,087.50	57,087.50	
09/30/2017					235,975.00
03/01/2018	120,000	3.000%	57,087.50	177,087.50	
09/01/2018			55,287.50	55,287.50	
09/30/2018					232,375.00
03/01/2019	125,000	3.000%	55,287.50	180,287.50	
09/01/2019			53,412.50	53,412.50	
09/30/2019					233,700.00
03/01/2020	130,000	3.000%	53,412.50	183,412.50	
09/01/2020			51,462.50	51,462.50	
09/30/2020					234,875.00
03/01/2021	130,000	3.000%	51,462.50	181,462.50	
09/01/2021			49,512.50	49,512.50	
09/30/2021					230,975.00
03/01/2022	135,000	3.000%	49,512.50	184,512.50	
09/01/2022			47,487.50	47,487.50	
09/30/2022					232,000.00
03/01/2023	140,000	3.000%	47,487.50	187,487.50	
09/01/2023			45,387.50	45,387.50	
09/30/2023					232,875.00
03/01/2024	145,000	3.000%	45,387.50	190,387.50	
09/01/2024			43,212.50	43,212.50	
09/30/2024					233,600.00
03/01/2025	145,000	3.000%	43,212.50	188,212.50	
09/01/2025			41,037.50	41,037.50	
09/30/2025					229,250.00
03/01/2026	150,000	3.500%	41,037.50	191,037.50	
09/01/2026			38,412.50	38,412.50	
09/30/2026					229,450.00
03/01/2027	155,000	3.500%	38,412.50	193,412.50	
09/01/2027			35,700.00	35,700.00	
09/30/2027					229,112.50
03/01/2028	160,000	3.500%	35,700.00	195,700.00	
09/01/2028			32,900.00	32,900.00	
09/30/2028					228,600.00
03/01/2029	165,000	3.500%	32,900.00	197,900.00	
09/01/2029			30,012.50	30,012.50	
09/30/2029					227,912.50
03/01/2030	170,000	3.500%	30,012.50	200,012.50	
09/01/2030			27,037.50	27,037.50	
09/30/2030					227,050.00
03/01/2031	175,000	3.500%	27,037.50	202,037.50	
09/01/2031			23,975.00	23,975.00	
09/30/2031					226,012.50
03/01/2032	180,000	3.500%	23,975.00	203,975.00	
09/01/2032			20,825.00	20,825.00	
09/30/2032					224,800.00
03/01/2033	190,000	3.500%	20,825.00	210,825.00	
09/01/2033			17,500.00	17,500.00	
09/30/2033					228,325.00
03/01/2034	190,000	3.500%	17,500.00	207,500.00	
09/01/2034			14,175.00	14,175.00	
09/30/2034					221,675.00



Appendix D

BOND DEBT SERVICE

City of Montgomery, Texas
Tax & Rev Certificates of Obligation, Series 2012

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2035	195,000	3.500%	14,175.00	209,175.00	
09/01/2035			10,762.50	10,762.50	
09/30/2035					219,937.50
03/01/2036	200,000	3.500%	10,762.50	210,762.50	
09/01/2036			7,262.50	7,262.50	
09/30/2036					218,025.00
03/01/2037	205,000	3.500%	7,262.50	212,262.50	
09/01/2037			3,675.00	3,675.00	
09/30/2037					215,937.50
03/01/2038	210,000	3.500%	3,675.00	213,675.00	
09/30/2038					213,675.00
	3,535,000		1,471,137.50	5,006,137.50	5,006,137.50



Appendix E

BOND DEBT SERVICE

City of Montgomery, Texas
General Obligation Refunding Bonds Series, 2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2017	80,000	1.250%	8,261.25	88,261.25	
09/01/2017			7,761.25	7,761.25	
09/30/2017					96,022.50
03/01/2018	80,000	1.550%	7,761.25	87,761.25	
09/01/2018			7,141.25	7,141.25	
09/30/2018					94,902.50
03/01/2019	85,000	1.800%	7,141.25	92,141.25	
09/01/2019			6,376.25	6,376.25	
09/30/2019					98,517.50
03/01/2020	85,000	2.000%	6,376.25	91,376.25	
09/01/2020			5,526.25	5,526.25	
09/30/2020					96,902.50
03/01/2021	80,000	2.200%	5,526.25	85,526.25	
09/01/2021			4,646.25	4,646.25	
09/30/2021					90,172.50
03/01/2022	85,000	2.350%	4,646.25	89,646.25	
09/01/2022			3,647.50	3,647.50	
09/30/2022					93,293.75
03/01/2023	90,000	2.500%	3,647.50	93,647.50	
09/01/2023			2,522.50	2,522.50	
09/30/2023					96,170.00
03/01/2024	90,000	2.650%	2,522.50	92,522.50	
09/01/2024			1,330.00	1,330.00	
09/30/2024					93,852.50
03/01/2025	95,000	2.800%	1,330.00	96,330.00	
09/30/2025					96,330.00
	770,000		86,163.75	856,163.75	856,163.75



Appendix F

BOND DEBT SERVICE

City of Montgomery, Texas
Tax & Surplus Rev Certificates of Obligation, Series 2017A - CWSRF (TWDB)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2017			2,913.32	2,913.32	
09/30/2017					2,913.32
03/01/2018	50,000		4,767.25	54,767.25	
09/01/2018			4,767.25	4,767.25	
09/30/2018					59,534.50
03/01/2019	50,000		4,767.25	54,767.25	
09/01/2019			4,767.25	4,767.25	
09/30/2019					59,534.50
03/01/2020	50,000		4,767.25	54,767.25	
09/01/2020			4,767.25	4,767.25	
09/30/2020					59,534.50
03/01/2021	50,000		4,767.25	54,767.25	
09/01/2021			4,767.25	4,767.25	
09/30/2021					59,534.50
03/01/2022	50,000	0.100%	4,767.25	54,767.25	
09/01/2022			4,742.25	4,742.25	
09/30/2022					59,509.50
03/01/2023	50,000	0.290%	4,742.25	54,742.25	
09/01/2023			4,669.75	4,669.75	
09/30/2023					59,412.00
03/01/2024	50,000	0.480%	4,669.75	54,669.75	
09/01/2024			4,549.75	4,549.75	
09/30/2024					59,219.50
03/01/2025	55,000	0.640%	4,549.75	59,549.75	
09/01/2025			4,373.75	4,373.75	
09/30/2025					63,923.50
03/01/2026	55,000	0.780%	4,373.75	59,373.75	
09/01/2026			4,159.25	4,159.25	
09/30/2026					63,533.00
03/01/2027	55,000	0.880%	4,159.25	59,159.25	
09/01/2027			3,917.25	3,917.25	
09/30/2027					63,076.50
03/01/2028	55,000	0.990%	3,917.25	58,917.25	
09/01/2028			3,645.00	3,645.00	
09/30/2028					62,562.25
03/01/2029	55,000	1.090%	3,645.00	58,645.00	
09/01/2029			3,345.25	3,345.25	
09/30/2029					61,990.25
03/01/2030	55,000	1.190%	3,345.25	58,345.25	
09/01/2030			3,018.00	3,018.00	
09/30/2030					61,363.25
03/01/2031	55,000	1.280%	3,018.00	58,018.00	
09/01/2031			2,666.00	2,666.00	
09/30/2031					60,684.00
03/01/2032	55,000	1.360%	2,666.00	57,666.00	
09/01/2032			2,292.00	2,292.00	
09/30/2032					59,958.00
03/01/2033	60,000	1.430%	2,292.00	62,292.00	
09/01/2033			1,863.00	1,863.00	
09/30/2033					64,155.00
03/01/2034	60,000	1.490%	1,863.00	61,863.00	
09/01/2034			1,416.00	1,416.00	
09/30/2034					63,279.00
03/01/2035	60,000	1.540%	1,416.00	61,416.00	



Appendix F

BOND DEBT SERVICE

City of Montgomery, Texas
Tax & Surplus Rev Certificates of Obligation, Series 2017A - CWSRF (TWDB)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2035			954.00	954.00	
09/30/2035					62,370.00
03/01/2036	60,000	1.580%	954.00	60,954.00	
09/01/2036			480.00	480.00	
09/30/2036					61,434.00
03/01/2037	60,000	1.600%	480.00	60,480.00	
09/30/2037					60,480.00
	1,090,000		138,001.07	1,228,001.07	1,228,001.07



Appendix G

BOND DEBT SERVICE

City of Montgomery, Texas
Tax & Surplus Rev Certificates of Obligation, Series 2017B - DWSRF (TWDB)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2017			5,962.76	5,962.76	
09/30/2017					5,962.76
03/01/2018	80,000		9,757.25	89,757.25	
09/01/2018			9,757.25	9,757.25	
09/30/2018					99,514.50
03/01/2019	80,000		9,757.25	89,757.25	
09/01/2019			9,757.25	9,757.25	
09/30/2019					99,514.50
03/01/2020	80,000	0.010%	9,757.25	89,757.25	
09/01/2020			9,753.25	9,753.25	
09/30/2020					99,510.50
03/01/2021	80,000	0.180%	9,753.25	89,753.25	
09/01/2021			9,681.25	9,681.25	
09/30/2021					99,434.50
03/01/2022	80,000	0.400%	9,681.25	89,681.25	
09/01/2022			9,521.25	9,521.25	
09/30/2022					99,202.50
03/01/2023	80,000	0.590%	9,521.25	89,521.25	
09/01/2023			9,285.25	9,285.25	
09/30/2023					98,806.50
03/01/2024	80,000	0.780%	9,285.25	89,285.25	
09/01/2024			8,973.25	8,973.25	
09/30/2024					98,258.50
03/01/2025	85,000	0.940%	8,973.25	93,973.25	
09/01/2025			8,573.75	8,573.75	
09/30/2025					102,547.00
03/01/2026	85,000	1.080%	8,573.75	93,573.75	
09/01/2026			8,114.75	8,114.75	
09/30/2026					101,688.50
03/01/2027	85,000	1.180%	8,114.75	93,114.75	
09/01/2027			7,613.25	7,613.25	
09/30/2027					100,728.00
03/01/2028	85,000	1.290%	7,613.25	92,613.25	
09/01/2028			7,065.00	7,065.00	
09/30/2028					99,678.25
03/01/2029	85,000	1.390%	7,065.00	92,065.00	
09/01/2029			6,474.25	6,474.25	
09/30/2029					98,539.25
03/01/2030	90,000	1.490%	6,474.25	96,474.25	
09/01/2030			5,803.75	5,803.75	
09/30/2030					102,278.00
03/01/2031	90,000	1.580%	5,803.75	95,803.75	
09/01/2031			5,092.75	5,092.75	
09/30/2031					100,896.50
03/01/2032	90,000	1.660%	5,092.75	95,092.75	
09/01/2032			4,345.75	4,345.75	
09/30/2032					99,438.50
03/01/2033	90,000	1.730%	4,345.75	94,345.75	
09/01/2033			3,567.25	3,567.25	
09/30/2033					97,913.00
03/01/2034	95,000	1.790%	3,567.25	98,567.25	
09/01/2034			2,717.00	2,717.00	
09/30/2034					101,284.25
03/01/2035	95,000	1.840%	2,717.00	97,717.00	



Appendix G

BOND DEBT SERVICE

City of Montgomery, Texas
Tax & Surplus Rev Certificates of Obligation, Series 2017B - DWSRF (TWDB)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2035			1,843.00	1,843.00	
09/30/2035					99,560.00
03/01/2036	95,000	1.880%	1,843.00	96,843.00	
09/01/2036			950.00	950.00	
09/30/2036					97,793.00
03/01/2037	100,000	1.900%	950.00	100,950.00	
09/30/2037					100,950.00
	1,730,000		273,498.51	2,003,498.51	2,003,498.51

