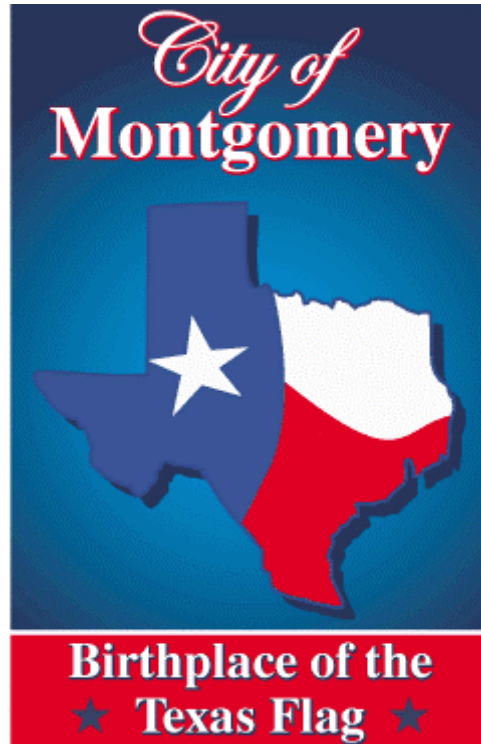


City of Montgomery



FY 2017-2018 Annual Operating Budget

Notice

“This budget will raise more total property taxes than last year’s budget by \$127,111, a 16.6% percentage increase, and of that amount, \$92,619 is tax revenue to be raised from new property added to the roll this year.”

2017 City Tax Rate - \$0.4155

Maintenance & Operations - \$0.2043

Debt Service - \$0.2112

*Budget Adopted: September 12, 2017
Ordinance No. 2017-20*

CITY OF MONTGOMERY

FY 2017-18 OPERATING BUDGET

Table of Contents

Table of Contents	2
Mayor and Members of the City Council	3
FY 2017-2018 Budget Letter and Acknowledgements	4
City's 2017 Tax Ordinance	6
City Information and Area Demographics	9
City 2017-2018 Budget Ordinance	12
Budget Summary	15
City of Montgomery Organizational Chart	24
General Fund	25
Summary	26
Administration	32
Police	36
Municipal Court	39
Public Works	42
Water and Sewer Fund	46
Debt Service Fund	52
Capital Projects Fund	55
Hotel Occupancy Tax Fund	59
Court Technology Fund	62
Court Security Fund	65
Police Asset Forfeiture Fund	68
Appendices	71
Appendix A – Glossary of Terms	72
Appendix B – Bond Debt Service	75
Appendix C – General Obligation Refunding Bonds, Series 2012	77
Appendix D – Tax and Rev Certificates of Obligation, Series 2012	79
Appendix E – General Obligation Refunding Bonds, Series 2015	81
Appendix F – Tax & Surplus Rev Certificates of Obligation, Series 2017A – CWSRF (TWDB)	82
Appendix G – Tax & Surplus Rev Certificates of Obligation, Series 2017B – DWSRF (TWDB)	84



City of Montgomery

Mayor and Members of the City Council

Kirk Jones

Mayor

Term: 2016-2018

Jon Bickford

City Council Member, Place #1

Term: 2017-2019

John Champagne

City Council Member, Place #2

Term: 2016-2018

T.J. Wilkerson

City Council Member, Place #3

Term: 2017-2019

Rebecca Huss

City Council Member, Place #4

Mayor Pro-Tem

Term: 2016-2018

Dave McCorquodale

City Council Member, Place #5

Term: 2017-2019

Administration

Jack Yates

City Administrator

Susan Hensley
City Secretary

James Napolitano
Police Chief

Rebecca Lehn-Kendall
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 2017-2018 Annual Operating Budget* for the City of Montgomery. This budget has been developed with the goal of providing a wide range of quality services and maintaining the quality of life for the citizens of the City of Montgomery.

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

Budget Preparation –The City begins preparing the projections and estimates needed to compile the Budget in April. Department heads meet with the City Administrator to review their goals, objectives, and financial needs for the coming fiscal year. A public hearing on the proposed budget was held on August 22, 2017 and the FY 2017-2018 budget and 2017 tax rate will be considered at a meeting of City Council on September 12, 2017.

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."

Kirk Jones
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 Susan Hensley, Municipal Court Administrator Becky Lehn-Kendall 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 Ed Shackleford, City Engineers with Jones and Carter, Municipal Accounts, Fernland and all City employees for their hard work and dedication to the City of Montgomery.



ORDINANCE NO. 2017-21

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 2017 AT A RATE OF \$0.4155 PER ONE HUNDRED DOLLARS (\$100.00) VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF MONTGOMERY AS OF JANUARY 1, 2017 SPECIFYING SEPARATE COMPONENTS OF SUCH RATE FOR OPERATIONS AND MAINTENANCE AND FOR DEBT SERVICE; LEVYING AN AD VALOREM TAX FOR THE YEAR 2017 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 w/collector has submitted the appraisal roll for the City showing \$201,466,662 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 2017 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 \$0.4155 per one hundred dollars (\$100.00) assessed valuation is hereby adopted for the 2017 calendar year, such rate consisting of the following specified components:

- a) For maintenance and operations, \$0.2043 per one hundred dollars (\$100.00) assessed valuation.
- b) For debt service \$0.2112 per one hundred dollars (\$100.00) assessed valuation.

Section 2. That an ad valorem tax for the 2017 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 2018, 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 4.50 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.00.

Those Members Present Were:

- | | |
|--|---|
| 1. <u>Kirk Jones, 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. _____ |

Those Members Voting For:

- | | |
|--|---|
| 1. <u>Jon Bickford, Council Member</u> | 4. <u>Dave McCorquodale, Council Member</u> |
| 2. <u>T.J. Wilkerson, Council Member</u> | 5. _____ |
| 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>Kirk Jones, Mayor</u> | 2. _____ |
|-----------------------------|----------|



Those Members Absent:

1. John Champagne 2. _____

PASSED AND ADOPTED this the 12th day of September, 2017.

Kirk Jones
Kirk Jones, Mayor

ATTEST:

Susan Hensley
Susan Hensley, City Secretary



APPROVED AS TO FORM:

Larry Foerster
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	2017
Montgomery	356	489	621	960
Montgomery RTA	N/A	24,822	40,837	58,200
Montgomery County	182,201	293,768	455,760	582,008
Houston MSA	3,321,911	4,715,407	5,920,416	6,725,252

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

Unemployment

	2005	2010	2017
Montgomery County	4.6	7.3	3.8
Houston MSA	5.3	8.2	4.5
Texas	5.6	8.4	4.1
USA	5.1	9.6	4.3

Education

Montgomery ISD:

- 1 senior high school
- 1 junior high school
- 1 middle school
- 1 intermediate school
- 4 elementary schools

Higher Education:

Montgomery County

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



Area Colleges

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

Utilities

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

Community

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



ORDINANCE NO. 2017-20

**AN ORDINANCE OF THE CITY OF MONTGOMERY, TEXAS
ADOPTING AN OPERATING BUDGET FOR THE FISCAL YEAR 2017-2018.**

WHEREAS, applicable law requires the City of Montgomery, Texas to adopt a budget for the fiscal year 2017-2018; and

WHEREAS, a budget has been prepared for the fiscal year 2017-2018 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, 2017 and ending September 30, 2018.

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.

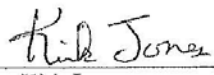
Section 4. That the City Administrator may, at any time, transfer any unencumbered appropriate from one line item to another line item within the same department, provided however, that no unencumbered appropriation may be transferred from one department to another except upon the express approval of 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 12th day of September, 2017.

CITY OF MONTGOMERY, TEXAS

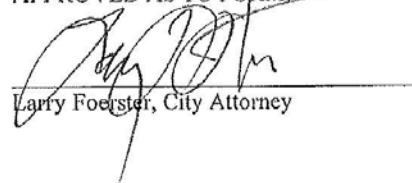


Mayor Kirk Jones

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, 2017 and ends on September 30, 2018 (FY 2017-2018). 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 2017-2018 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 2017-2018 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 limited primarily to residences and small retailers, residents have access to employment opportunities throughout the northern Houston MSA which is undergoing rapid economic growth. County unemployment is 4.0% in May 2016, which was below state and national rates.

The City's tax bases have benefited from the growth occurring in the region. City sales tax collections have increased 23% over two years ending in fiscal 2016 with \$1.78 million. Taxable assessed valuation (AV) has increased by 26.5% 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 2017-18
Base Budget**

Summary of All Funds

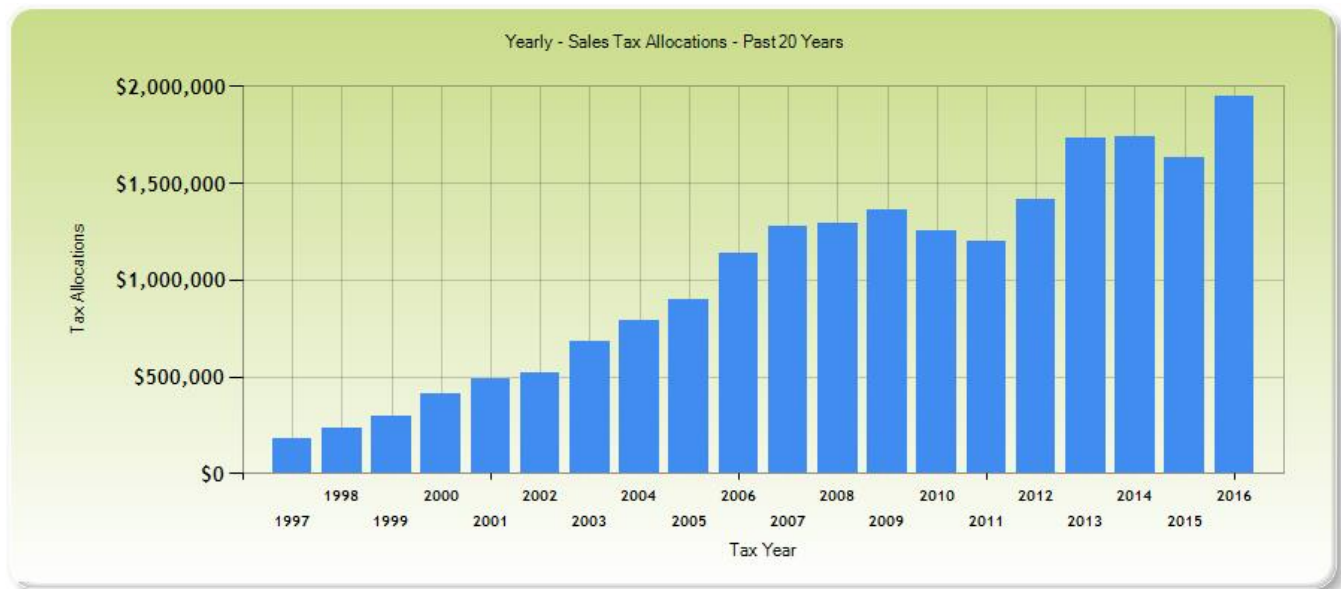
	Proj. Balance 9/30/2017	FY 2017-18 Proj. Expense	FY 2017-18 Proj. Transfer	FY 2017-18 Proj. Revenue	Proj. Balance 9/30/2018
Governmental Funds					
General Fund	\$ 1,345,657	\$ 3,109,992	\$ 40,900	\$ 3,069,092	\$ 1,345,657
Debt Service Fund	188,453	669,096	313,040	417,502	\$ 249,899
Capital Projects Fund (Grants/ Etc)	1,092	4,942,200	461,200	4,485,000	\$ 5,092
Hotel Occupancy Fund	9,400	1,500	-	605	\$ 8,505
Court Technology Fund	23,647	5,000	-	10,002	\$ 28,649
Court Security Fund	5,745	500	(3,600)	6,005	\$ 7,650
Police Asset Forfeiture Fund	4,272	-	-	100	\$ 4,372
Total Governmental Funds	\$ 1,578,266	\$ 8,728,288	\$ 811,540	\$ 7,988,306	\$ 1,649,824
Non-Governmental Funds					
Water & Sewer Fund	352,084	1,545,976	(153,040)	1,737,780	\$ 390,848
Total Non-Governmental Funds	\$ 352,084	\$ 1,545,976	\$ (153,040)	\$ 1,737,780	\$ 390,848
Total All Funds	\$ 1,930,350	\$ 10,274,264	\$ 658,500	\$ 9,726,086	\$ 2,040,672

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

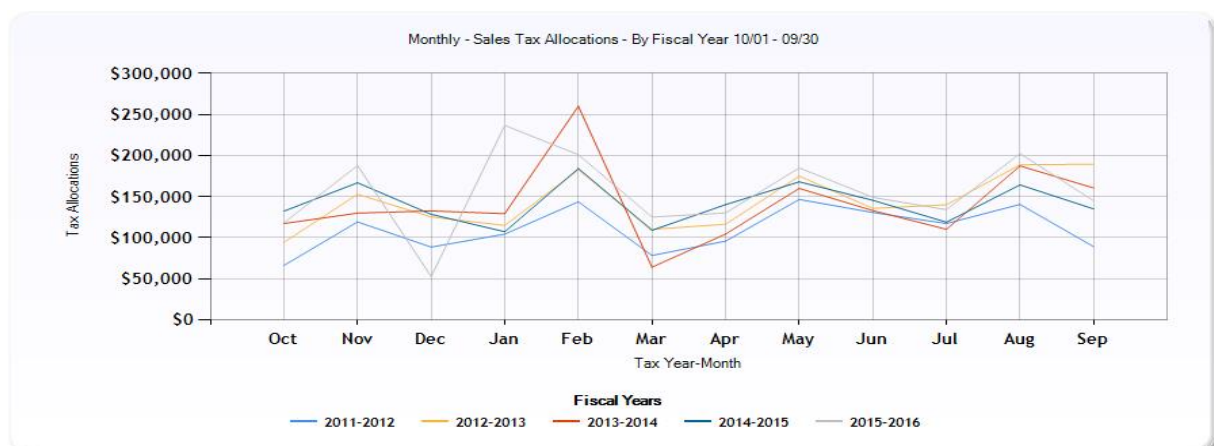


Sales Tax

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 28%.



This chart shows the City's total sales tax allocations since 1996. From 2004 to 2016, sales tax allocations have increased by over 19 %. 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.

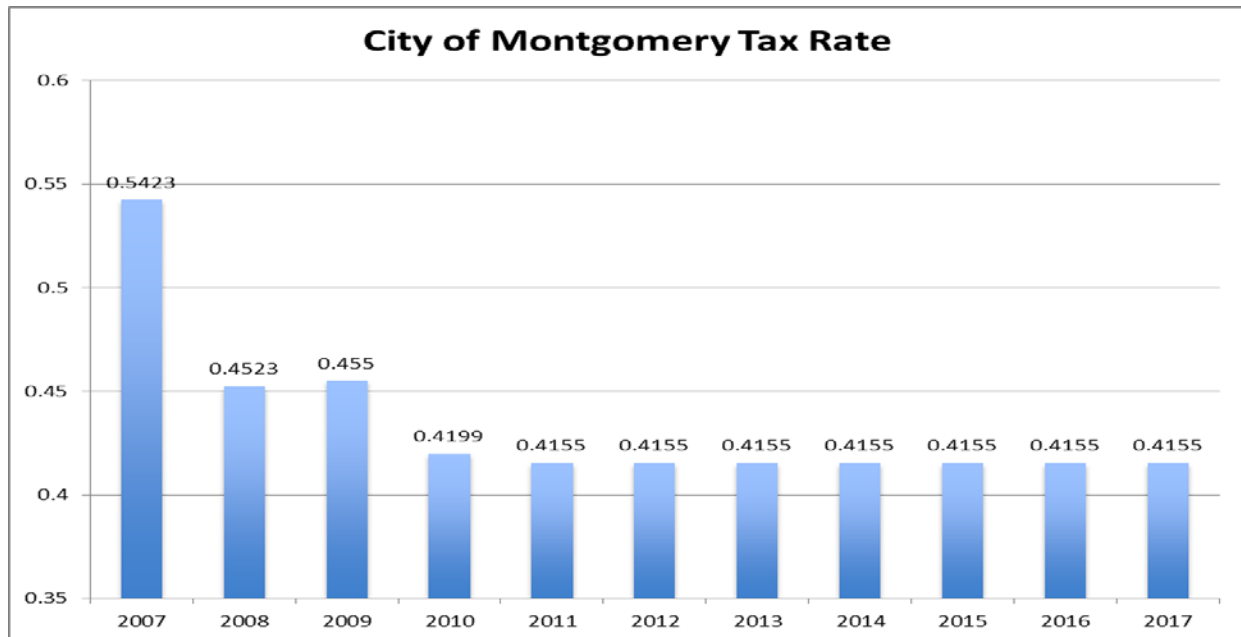


Monthly and Yearly Sales Tax Allocation charts, as reported by the Texas State Comptroller of Public Accounts.



Property Tax

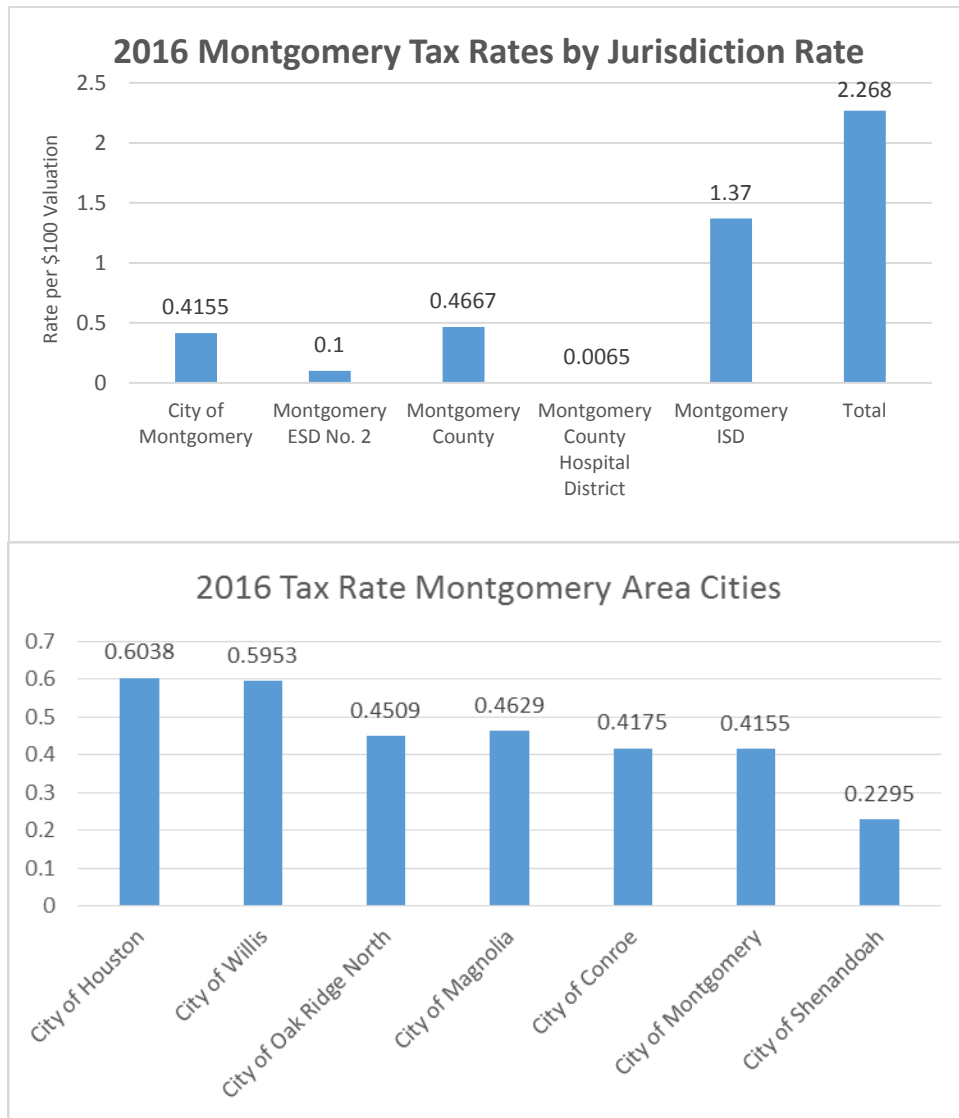
Property tax (also known as ad valorem tax) paid to the City is broken down into two components: maintenance & operations (M&O) and debt service, sometimes known as interest & sinking (I&S). The M&O rate is used to fund general operations of the City. Meanwhile, the debt service rate is calculated to raise enough revenue to make the payments on bonded debt for the upcoming twelve months. The proposed property tax rate for 2017 is unchanged at \$0.4155 per \$100 valuation. The revenue from this property tax is shown in the FY 2017-2018 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 2016 (FY 2016-2017), the total assessed valuation (AV) for property in the City was estimated at \$166,000,000. The estimated preliminary AV in the City for FY 2017-2018 is \$200,000,000.





The first chart illustrates the 2016 property tax rates charged by the taxing entities most applicable to residents of the City, and these rates are configured based upon \$100 of the property's assessed valuation by the Montgomery Central Appraisal District. For example, a tax rate of \$0.5000 would be assessed at 50¢ for each \$100 in value. The average resident pays property taxes to the Montgomery Independent School District, the City, Montgomery County, Emergency Services District #2, and the Montgomery County Hospital District. Also, the second chart compares the property tax rates of Montgomery with several other area municipalities.



Water and Sewer Sales

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

Water and sewer rates bills are invoiced on a monthly basis. For residential customers, the City charges a minimum of \$16.00 up to 2,000 gallons for water usage, with increasing block rates for water use beginning at \$2.50 per 1,000 gallons of use. The City charges residential sewer customers a minimum of \$12.50 for up to 2,000 gallons of water usage plus \$2.75 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 \$21.50 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 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 will be 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 \$19.08 for garbage pickup, along with \$1.63 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	2015 Water and Sewer Minimum Bill	2016 Water and Sewer Minimum Bill	2017 Water and Sewer 10,000 Gal. Bill
Cleveland	52.94	52.94	63.13
Oak Ridge North		49.45	68.33
Willis	48.75	48.75	120.65
Conroe	48.73	48.53	77.36
Montgomery	47.56	47.56	73.22
Houston		15.84	127.18

Fund Overviews



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

General Fund

The General Fund is the City's largest fund, and finances nearly all of the City's services. This fund accounts for revenue, expenditures, and transfers associated with municipal services not directly supported or accounted for in other funds. The primary funding sources for the General Fund are taxes and franchise fees, permits and licenses, and court fines and forfeitures. For FY 2017-2018, the budget calls for revenues and transfers of \$3,069,092 and expenditures of \$3,069,092.

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 2017-2018, the budget proposes revenues of \$1,737,780 and expenditures of \$1,545,976 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 proposed FY 2017-2018 budget includes tax and interest revenues of \$417,502, 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 \$666,096.

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 2017-2018 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 2017-2018, the budget calls for revenues of \$600 and expenditures of \$1,500.

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 2017-2018, the budget proposes revenues of \$10,002 and expenditures to equal \$5,000.

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 2017-2018 budget, revenues of \$6,505 and transfers of \$3,600 to General Fund for security expenses and \$500 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 2017-2018, 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 Lehman Brothers and Federated Investors manage the daily operations of the pool under a contract with the Comptroller. TexPool seeks to maintain a \$1.00 value per share as required by the Texas Public Funds Investment Act, and TexPool investments consist exclusively of U.S.



Government securities, repurchased agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds.

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

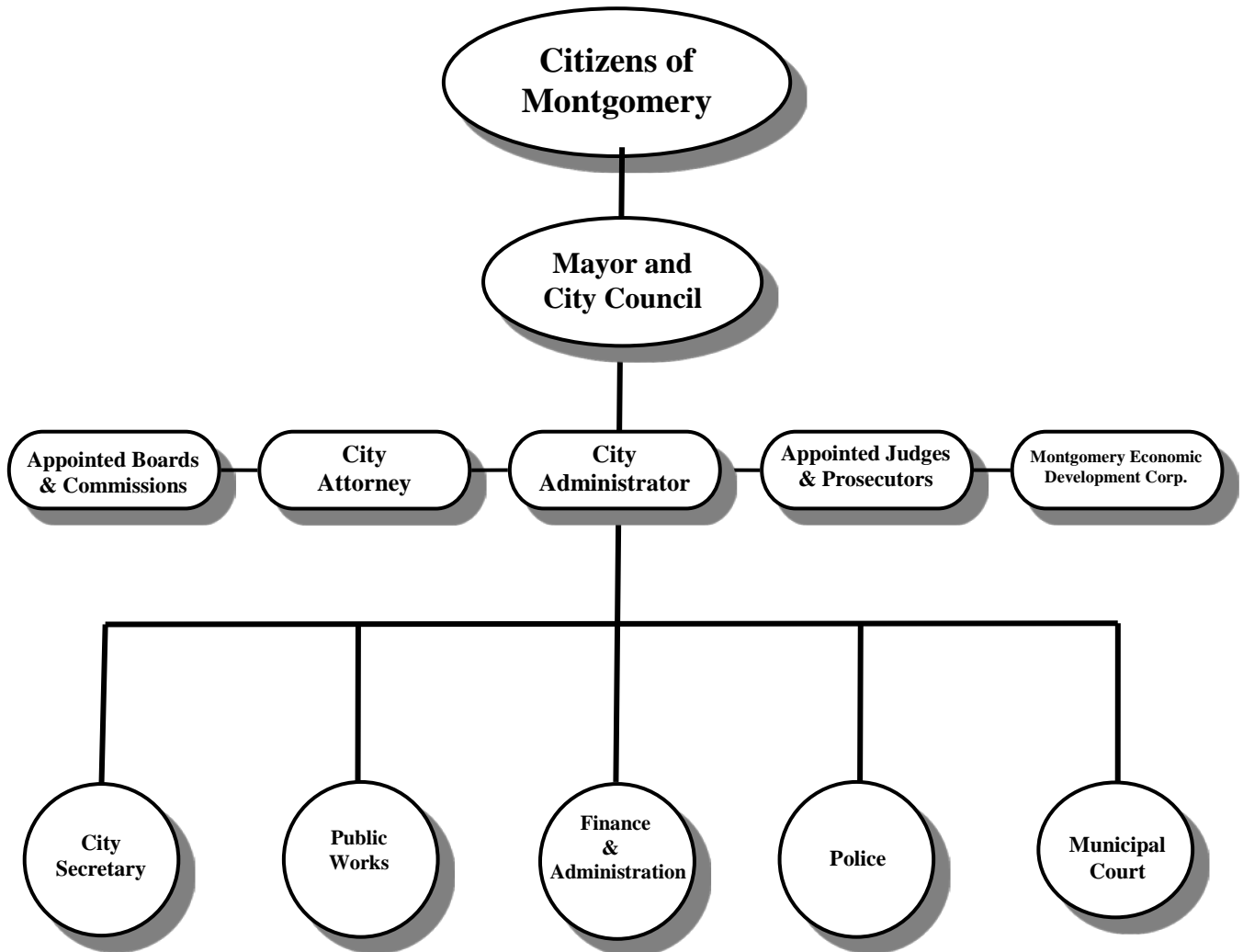
The Police, Drug, and Miscellaneous Account collects money earned through the activities of the Police Department. However, this account is currently separate from the proposed Police Asset Forfeiture Fund and does not currently have an operating budget.

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 17 is a summary of the City's funds including projected fund balances and the proposed FY 2017-2018 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 2016-2017. The FY 2016-2017 Budget forecasted revenues to finance the General Fund's services at \$2,992,042 million. Based on unaudited year-end numbers, revenues are expected to exceed this target, ending FY 2015-2016 with revenues of \$2.74 million.

Expenditure Projections for 2016-2017. The FY 2016-2017 Budget appropriated \$2.88 million. Using unaudited year-end numbers, it appears that actual expenditures will be under this amount, ending FY 2015-2016 with expenditures of \$2.20million.

Financial Position in 2016-2017. The City of Montgomery's General Fund will close 2016 in sound fiscal condition. The estimated balance available for appropriation will be approximately \$983,300 thousand, and this amount represents about 66% of estimated 2015-2016 expenses. In other words, the General Fund's operations could be sustained for around eight months with no additional revenues.

2017-2018 Budget

Projected 2017-2018 Revenues. The City's General Fund Revenues for FY 2016-2017 are forecasted to increase \$117,950, or 3.9% over 2017-2018 budgeted revenues. Total revenues are expected to be \$3,069,092.

Taxes and franchise fees are projected to be \$488,112. General Fund revenues generated by the City's sales tax are budgeted at \$1,810,800, 9% higher than the \$1,650,000 budgeted in 2015-2016. With a total property valuation within the City appraised at approximately \$200,000,000 million, maintenance and operations property tax revenues are budgeted at \$402,412, which is an increase of 15.7% over 2016-2017 budgeted estimates. Franchise taxes provide \$72,000, or 1% of the City's General Fund revenues, while beverage taxes account for \$11,000, which is less than 1%.

Revenues from permits and licenses are budgeted at \$178,900 because of annexations and increased commercial and residential development. Administrative transfers from MEDC and the Court Security Fund will account for \$40,900. Community building rentals should produce revenues of \$5,500. Revenues related to court fines and forfeitures are budgeted at \$550,000, which is a 4% increase from the previous year.

Expenditures in 2017-2018. The FY 2017-2018 Budget recommends an appropriation in the amount of \$3,069,092 in the General Fund. The General Fund's 2016-2017 Budget was \$2,494,304, so this budget represents a 18% increase in the total budget.

Personnel costs, including benefits, amount to \$1,477,560 or about 48% of the budget, adding two full-time equivalent positions. Contract services



are budgeted at \$957,857, an increase of 5% over last year. Expenditures for capital outlays are budgeted at \$210,850, which is a 1.3% 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.



GENERAL FUND - ALL 2017-18 ADOPTED

	2015-16 ACTUAL	TOTAL EST 2016-17 ACTUAL	2016-17 ADOPTED BUDGET	ADOPTED 2017- 18 BUDGET (7/12/17)	% OF CHANGE
Ordinary Income/Expense					
Beginning Balance	985,247.05	1,155,205.98		1,345,657.12	
Income					
14000.1 · Taxes & Franchise Fees					
14103 · Beverage Tax	4,823.08	9,720.78	4,000.00	11,000.00	175.00%
14111 · Franchise Tax	70,224.55	72,140.29	70,000.00	72,000.00	2.86%
14320 · Ad Valorem Taxes	253,942.31	332,094.30	339,912.00	402,412.00	18.39%
14330 · Penalties & Interest on Adv Tax	3,531.59	2,571.10	2,500.00	2,500.00	0.00%
14331 · Rendition Penalties	0.00	0.00	200.00	200.00	0.00%
14600 · Sales Tax	1,456,952.49	1,366,463.13	1,650,000.00	1,810,800.00	9.75%
Total 14000.1 · Taxes & Franchise Fees	1,789,474.02	1,782,989.60	2,066,612.00	2,298,912.00	
14000.2 · Permits & Licenses					
14105 · Building Permits	129,361.79	176,455.26	130,000.00	175,000.00	34.62%
14146 · Vendor Permits	0.00	0.00	100.00	100.00	0.00%
14611 · Sign Fee	1,335.30	2,482.00	1,500.00	1,800.00	20.00%
14612 · Misc Permit Fees(plats & Zoning	14,538.68	2,652.66	2,000.00	2,000.00	0.00%
Total 14000.2 · Permits & Licenses	145,235.77	181,589.92	133,600.00	178,900.00	
14000.4 · Fees for Service					
14380 · Community Bldg Rental	8,280.00	5,655.00	5,800.00	5,500.00	-5.17%
14381 · Kiosk Revenue	0.00	0.00	30.00	30.00	0.00%
14385 · Right of Way Use Fees	4,038.45	2,163.64	2,750.00	2,100.00	-23.64%
Total 14000.4 · Fees for Service	12,318.45	7,818.64	8,580.00	7,630.00	
14000.5 · Court Fines & Forfeitures					
14101 · Collection Fees	25,239.63	28,824.30	24,000.00	24,000.00	0.00%
14102 · Assets Forfeitures Child Belt/Safety (Dedicat	0.00	0.00	1,100.00	500.00	-54.55%
14104 · Bond Fees (Dedicated)	0.00	0.00	(500.00)	-	-
14106 · Child Belt/Safety (Dedicated)	1,739.71	1,460.55	2,000.00	1,200.00	-40.00%
14110 · Fines	582,722.49	523,519.85	500,000.00	550,000.00	10.00%
14118 · OMNI	1,722.59	2,854.52	2,000.00	2,000.00	0.00%
14120 · State (Dedicated)	0.00	0.00	200,000.00	-	-100.00%
14125 · Warrant Fees	0.00	0.00	50.00	50.00	0.00%
14126 · Judicial Efficiency (Dedicated)	2,240.68	1,960.88	2,000.00	1,750.00	-12.50%
14130 · Accident Reports	299.00	198.00	200.00	180.00	-10.00%
Total 14000.5 · Court Fines & Forfeitures	613,964.10	558,818.10	730,850.00	579,680.00	
14000.6 · Other Revenues					
15380 · Unanticipated Income	38,064.14	12,265.35	-	1,000.00	-
15391 · Interest Income	538.79	473.38	500.00	470.00	-6.00%
15392 · Interest on Investments	1,446.41	1,802.61	1,000.00	1,800.00	80.00%
Total 14000.6 · Other Revenues	40,049.34	14,541.34	1,500.00	3,270.00	
15350 · Proceeds from Sales	0.00	3,000.00	10,000.00	200.00	-98.00%
15352 · Proceeds/FEMA - (due to CPF)	0.00	92,796.62	-	-	-
15393 · Police Grant Revenue	0.00	2,301.88	-	500.00	-
Total Income	2,601,041.68	2,643,856.10	2,951,142.00	3,069,092.00	
Expense					
16000 · Personnel					
16353.1 · Health Ins.	95,107.24	94,707.05	98,560.00	105,990.00	7.54%
16353.4 · Unemployment Ins.	3,506.38	87.67	4,960.00	3,110.00	-37.30%
16353.5 · Workers Comp.	17,724.60	19,588.23	19,910.00	15,810.00	-20.59%
16353.6 · Dental & Vision Insurance	9,752.14	11,155.74	11,400.00	11,780.00	3.33%
16353.7 · Life & AD&D Insurance	678.44	973.00	1,450.00	970.00	-33.10%



GENERAL FUND - ALL 2017-18 ADOPTED

	2015-16 ACTUAL	TOTAL EST 2016-17 ACTUAL	2016-17 ADOPTED BUDGET	ADOPTED 2017- 18 BUDGET (7/12/17)	% OF CHANGE
16560 · Payroll Taxes	79,802.09	88,728.98	81,990.00	89,950.00	9.71%
16600 · Wages	963,526.17	964,503.52	1,040,560.00	1,179,350.00	13.34%
16600.1 · Overtime	26,689.47	26,490.76	19,500.00	20,000.00	2.56%
16620 · Retirement Expense	41,097.72	56,913.26	42,520.00	50,600.00	19.00%
Total 16000 · Personnel	1,237,884.25	1,263,148.21	1,320,850.00	1,477,560.00	
16001 · Communications					
16338 · Advertising/Promotion	4,392.44	5,571.00	9,000.00	4,626.98	-48.59%
Total 16001 · Communications	4,392.44	5,571.00	9,000.00	4,626.98	
16002 · Contract Services					
16102 · General Consultant Fees	22,125.56	9,984.79	61,200.00	32,000.00	-47.71%
16220 · Omni Expense	1,830.00	3,195.45	3,500.00	3,500.00	0.00%
16242 · Prosecutors Fees	10,350.00	8,550.00	11,500.00	11,500.00	0.00%
16280 · Mowing	63,050.30	78,281.70	85,000.00	80,600.00	-5.18%
16299 · Inspections/Permits	55,296.16	79,361.83	55,000.00	81,000.00	47.27%
16310 · Judge's Fee	13,000.00	18,000.00	18,000.00	18,000.00	0.00%
16320 · Legal	40,139.41	23,324.96	38,000.00	34,500.00	-9.21%
16321 · Audit Fees	17,350.00	13,925.00	19,000.00	14,000.00	-26.32%
16322 · Engineering	85,471.20	54,755.25	75,000.00	82,000.00	9.33%
16326 · Collection Agency Fees	23,496.03	44,725.21	30,000.00	45,000.00	50.00%
16333 · Accounting Fees	81,075.69	92,304.75	79,000.00	84,000.00	6.33%
16335 · Repairs & Maintenance					
16335.1 · Maintenance - Vehicles & Equip					
16334 · Gas/Oil	26,733.28	28,890.82	29,500.00	32,000.00	8.47%
16343 · Tractor & Mower	135.23	60.11	2,000.00	1,000.00	-50.00%
16357 · Auto Repairs	22,831.55	19,277.29	17,500.00	21,500.00	22.86%
16373 · Equipment repairs	5,676.66	5,641.35	6,500.00	9,500.00	46.15%
16374 · Building Repairs-City Hall/Comm	22,562.91	3,268.38	18,500.00	18,500.00	0.00%
16375 · Street Repairs - Minor					
16375.1 · Streets-Preventive Maintenance	0.00	10,975.00	18,000.00	18,000.00	0.00%
16375 · Street Repairs - Minor - Other	12,212.93	11,999.35	15,000.00	15,000.00	0.00%
Total 16375 · Street Repairs - Minor	12,212.93	22,974.35	33,000.00	33,000.00	
16335.1 · Maintenance - Vehicles & Equip - C	51.00	15.00	-	1,500.00	-
Total 16335.1 · Maintenance - Vehicles & Equip	90,203.56	80,127.30	107,000.00	117,000.00	
16335 · Repairs & Maintenance - Other	11,362.09	8,239.98	21,300.00	18,000.00	-15.49%
Total 16335 · Repairs & Maintenance	101,565.65	88,367.28	128,300.00	135,000.00	
16337 · Street Signs	5,497.44	8,668.21	6,500.00	6,500.00	0.00%
16340 · Printing & Office supplies	8,821.31	4,075.33	8,000.00	7,200.00	-10.00%
16342 · Computers/Website	25,740.55	19,409.25	14,800.00	29,800.00	101.35%
16350 · Postage/Delivery	3,293.16	3,200.50	5,300.00	5,100.00	-3.77%
16351 · Telephone	18,047.28	20,786.08	31,900.00	22,350.00	-29.94%
16360 · Tax Assessor Fees	4,516.00	5,046.87	4,500.00	7,320.00	62.67%
16370 · Elections	0.00	0.00	16,000.00	16,000.00	0.00%
17030 · Mobil Data Terminal	21,882.30	15,095.20	8,000.00	16,000.00	100.00%
17031 · Police Officer Scheduling Serv	2,091.35	376.29	2,000.00	2,000.00	0.00%
17040 · Computer/Technology	22,810.21	17,918.41	14,000.00	24,500.00	75.00%
17510 · State Portion of Fines/Payouts	221,099.56	199,489.31	200,000.00	200,000.00	0.00%
Total 16002 · Contract Services	848,549.16	808,841.67	914,500.00	957,870.00	
16003 · Supplies & Equipment					
16244 · Radio Fees	4,270.14	420.00	5,000.00	4,398.24	-12.04%



GENERAL FUND - ALL 2017-18 ADOPTED

	2015-16 ACTUAL	TOTAL EST 2016-17 ACTUAL	2016-17 ADOPTED BUDGET	ADOPTED 2017- 18 BUDGET (7/12/17)	% OF CHANGE
16328 · Uniforms	11,483.08	6,142.93	16,000.00	14,500.00	-9.38%
16328.1 · Protective Gear	0.00	0.00	-	3,000.00	-
16358 · Copier/Fax Machine Lease	14,016.06	18,699.22	14,000.00	20,300.00	45.00%
16460 · Operating Supplies (Office)					
16460.1 · Streets and Drainage	4,800.08	1,853.20	3,500.00	3,500.00	0.00%
16460.2 · Cedar Brake Park	2,066.90	2,143.65	4,000.00	4,000.00	0.00%
16460.3 · Homecoming Park	1,056.54	504.86	6,000.00	2,000.00	-66.67%
16460.4 · Fernland Park	1,564.96	1,100.69	3,000.00	2,500.00	-16.67%
16460.5 · Community Building	3,605.99	2,840.42	5,000.00	4,000.00	-20.00%
16460.6 · Tools, Etc	1,528.95	2,128.94	2,000.00	2,800.00	40.00%
16460.7 · Memory Park	1,509.69	1,696.04	3,000.00	3,000.00	0.00%
16460 · Operating Supplies (Office) - Other	21,118.89	15,297.30	25,600.00	20,400.00	-20.31%
Total 16460 · Operating Supplies (Office)	37,252.00	27,565.10	52,100.00	42,200.00	
16503 · Code Enforcement Expenses	0.00	0.00	1,000.00	1,000.00	0.00%
17010 · Emergency Equipment	0.00	0.00	3,000.00	2,000.00	-33.33%
17050 · Radios	25,844.00	22,915.29	25,000.00	25,000.00	0.00%
17100 · Capital Purchase Furniture	0.00	11,359.11	23,200.00	11,400.00	-50.86%
16003 · Supplies & Equipment - Other	2,701.95	733.07	7,000.00	3,000.00	-57.14%
Total 16003 · Supplies & Equipment	84,084.15	81,691.79	130,300.00	126,798.24	
16004 · Staff Development					
16241 · Police Training/Education	5,145.11	4,396.15	7,000.00	6,300.00	-10.00%
16339 · Dues & Subscriptions	3,279.00	2,959.16	4,000.00	3,500.00	-12.50%
16341 · Community Relations (Education)	4,922.69	1,203.24	3,200.00	3,200.00	0.00%
16354 · Travel & Training (Travel)	15,489.60	24,419.34	20,500.00	22,500.00	9.76%
16004 · Staff Development - Other	25.00	25.00	-	-	-
Total 16004 · Staff Development	28,861.40	33,002.89	34,700.00	35,500.00	
16005 · Maintenance					
16228 · Park Maint-Memory Pk	6,990.25	958.76	8,500.00	8,500.00	0.00%
16229 · Park Maint - Fernland	2,486.93	2,630.19	9,800.00	23,100.00	135.71%
16230 · Park Maint-Cedar Brake Park	5,219.45	5,563.52	6,000.00	6,000.00	0.00%
16231 · Park Maint. - Homecoming Park	174.63	1,035.62	2,500.00	2,000.00	-20.00%
Total 16005 · Maintenance	14,871.26	10,188.09	26,800.00	39,600.00	
16006 · Insurance					
16353.2 · Liability Ins.	17,152.36	21,505.92	16,620.00	14,100.00	-15.16%
16353.3 · Property Ins.	4,431.00	5,482.88	4,600.00	5,500.00	19.57%
Total 16006 · Insurance	21,583.36	26,988.80	21,220.00	19,600.00	
16007 · Utilities					
16351.1 · Memory Park Water	0.00	0.00	0.00	4,000.00	-
16351.2 · Fernland Park Water	0.00	0.00	0.00	700.00	-
16352.0 · Electronic Sign-City	4,129.84	568.31	500.00	600.00	20.00%
16352.1 · Street Lights	417.55	13,798.60	13,000.00	14,200.00	9.23%
16352.2 · Traffic Lights	452.62	320.23	1,200.00	340.00	-71.67%
16352.3 · Cedar Brake Park	13,176.72	2,432.35	3,200.00	2,600.00	-18.75%
16352.4 · Homecoming Park	330.04	1,259.97	1,200.00	1,300.00	8.33%
16352.5 · Fernland Park	1,637.07	4,088.99	3,100.00	4,200.00	35.48%
16352.6 · Utilities - City Hall	789.87	10,086.55	8,000.00	10,500.00	31.25%
16352.7 · Utilities - Gas	2,230.58	756.95	1,200.00	920.00	-23.33%
16352.8 · Utilities - Comm Center Bldg	6,739.01	5,202.60	7,500.00	5,400.00	-28.00%



GENERAL FUND - ALL 2017-18 ADOPTED

	2015-16 ACTUAL	TOTAL EST 2016-17 ACTUAL	2016-17 ADOPTED BUDGET	ADOPTED 2017- 18 BUDGET (7/12/17)	% OF CHANGE
16352.9 · Utilities-Memory Pk	718.69	11,426.48	15,000.00	10,000.00	-33.33%
16007 · Utilities - Other	3,137.04	73.42	-	100.00	-
Total 16007 · Utilities	33,759.03	50,014.45	53,900.00	54,860.00	
16008 · Capital Outlay					
16233 · Cap Outlay- Com Building Proj	0.00	134.84	2,000.00	1,500.00	-25.00%
17070 · Capital Outlay - Police Cars					
17070.1 · Emergency Lights, Decals	19,158.54	16,669.53	25,000.00	15,000.00	-40.00%
17070.3 · Vid Tec - In Car	0.00	0.00	12,000.00	27,500.00	129.17%
17070.4 · Tsf to CPF-Vehicle ReplacementVid Te	0.00	0.00	-	15,000.00	-
17070 · Capital Outlay - Police Cars - Other	53,877.98	49,404.35	63,000.00	31,750.00	-49.60%
Total 17070 · Capital Outlay - Police Cars	73,036.52	66,073.88	100,000.00	89,250.00	
17071 · Cap Purchase - Computers/Equip					
17071.1 · Copsync	5,285.16	5,483.88	6,500.00	6,500.00	0.00%
17071.2 · Radar	3,445.88	1,733.00	4,000.00	4,000.00	0.00%
17071.4 · Laser Fish (Software Equip)	0.00	3,489.20	1,000.00	3,700.00	270.00%
17071.6 · Investigative and Testing Equip	0.00	0.00	3,000.00	4,000.00	33.33%
17071.7 · Ballistic Vests & Shields	0.00	0.00	5,000.00	4,700.00	-6.00%
17071 · Cap Purchase - Computers/Equip - Other	20,040.90	15,425.22	22,700.00	17,000.00	-25.11%
Total 17071 · Cap Purchase - Computers/Equip	28,771.94	26,131.30	42,200.00	39,900.00	
17071.5 · Patrol Weapons	0.00	0.00	4,000.00	5,200.00	30.00%
17072 · Capital Outlay-PWorks Items	39,733.43	56,168.84	56,400.00	60,000.00	6.38%
17080 · Capital Outlay-Improvements	1,010.13	35,105.15	10,000.00	15,000.00	50.00%
Total 16008 · Capital Outlay	142,552.02	183,614.01	214,600.00	210,850.00	
16009 · Miscellaneous Expenses					
16590 · Misc. Expense	26,524.54	3,545.35	3,600.00	4,932.15	37.00%
16009 · Miscellaneous Expenses - Other	940.13	280.00	-	300.00	-
Total 16009 · Miscellaneous Expenses	27,464.67	3,825.35	3,600.00	5,232.15	
16010 · Contingency	0.00	0.00	100.00	100.00	0.00%
16356 · Contract Labor Streets	24,820.00	0.00	-	129,219.01	-
16500 · Leases - Parks and Recreation					
16504 · Adams Park	2,641.01	3,364.70	3,800.00	3,400.00	-10.53%
Total 16500 · Leases - Parks and Recreation	2,641.01	3,364.70	3,800.00	3,400.00	
17000 · Capital Purchase	0.00	24,054.00	-	24,775.62	-
17500 · Sales Tax Rebatement	0.00	0.00	148,000.00	20,000.00	-86.49%
Total Expense	2,471,462.75	2,494,304.96	2,881,370.00	3,109,992.00	
Net Ordinary Income	129,578.93	149,551.14	69,772.00	-40,900.00	
Other Income/Expense					
Other Income					
14000.3 · Transfers In					
14620.2 · Admin Transfer from MEDC	37,500.00	37,500.00	37,500.00	37,500.00	0.00%
14620.4 · Admin Trf from Court Security	2,880.00	3,400.00	3,400.00	3,400.00	0.00%
Total 14000.3 · Transfers In	40,380.00	40,900.00	40,900.00	40,900.00	
Total Other Income	40,380.00	40,900.00	40,900.00	40,900.00	
Net Other Income	40,380.00	40,900.00	40,900.00	40,900.00	
Net Income	169,958.93	190,451.14	110,672.00	-0.00	
Enoio Balance	1,155,205.98	1,345,657.12		1,345,657.12	





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, Susan Hensley, is responsible for maintaining ordinances, resolutions, meeting minutes, 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 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 2016-2017

- Completed Re-Codification of City's Code of Ordinances, submitting ordinances from 2005 through current.
- Added a part-time records and administrative clerk to assist with the duties of the City Secretary.
- Implemented new sign ordinance and new building codes.

- Worked with numerous developers on growth related issues.
- Set up Administrative Archive Room to provide a working location to scan and organize all City's files.
- Converted the City's Records Management Schedule to the Texas State Library and Archives Schedule.
- Preparation and implementation of the lighting, tree preservation and landscaping ordinances.
- Conducted complete inventory of City assets for liability and property coverage.
- Expanded the City's Christmas decorations to include three Christmas Trees.
- Administered FEMA funds regarding debris, Flagship Blvd. and Buffalo Springs Bridge.

Goals for 2017-2018:

- ***Consult with the Texas State Library and Archives Commission to convert to electronic records management for City records, which are not required to be maintained in paper copy.***
- ***Inventory and organize all records in the Archive Room used by all departments.***
- ***Update Personnel Policies and Procedures.***
- ***Continue with growth and development of the City.***



Goals for 2017-2018:

- *Coordinate full-time Administrative Assistant position with wide variety of duties.*
- *Administer FEMA, GLO and Texas CDBG Projects.*



ADMIN CLASS 2017-18 ADOPTED

	TOTAL Est		Adopted 2017-18	
	2015-16 Actual	2016-17 Actual	2016-17 Budget	Budget (7/12/17)
Ordinary Income/Expense				
Expense				
16000 · Personnel				
16353.1 · Health Ins.	11,673.36	11,896.36	12,000.00	10,500.00
16353.4 · Unemployment Ins.	569.52	448.02	370.00	600.00
16353.5 · Workers Comp.	721.92	712.03	650.00	900.00
16353.6 · Dental & Vision Insurance	1,035.44	1,106.88	1,400.00	1,540.00
16353.7 · Life & AD&D Insurance	99.12	99.12	160.00	140.00
16560 · Payroll Taxes	13,367.44	16,117.70	14,630.00	16,000.00
16600 · Wages	168,634.51	145,837.22	184,500.00	230,350.00
16620 · Retirement Expense	6,610.79	7,355.54	6,410.00	8,400.00
Total 16000 · Personnel	202,712.10	183,572.87	220,120.00	268,430.00
16001 · Communications				
16338 · Advertising/Promotion	2,842.90	3,035.90	7,000.00	3,126.98
Total 16001 · Communications	2,842.90	3,035.90	7,000.00	3,126.98
16002 · Contract Services				
16102 · General Consultant Fees	0.00	3,575.00	34,200.00	6,000.00
16320 · Legal	40,139.41	21,282.96	33,000.00	32,000.00
16321 · Audit Fees	17,350.00	13,925.00	19,000.00	14,000.00
16322 · Engineering	0.00	20,000.00	40,000.00	32,000.00
16333 · Accounting Fees	81,075.69	92,304.75	79,000.00	84,000.00
16335 · Repairs & Maintenance	1,350.00	0.00	6,300.00	3,000.00
16340 · Printing & Office supplies	2,581.59	1,891.77	3,000.00	2,000.00
16342 · Computers/Website	1,200.00	780.52	3,000.00	4,000.00
16350 · Postage/Delivery	1,099.67	1,941.10	2,400.00	2,500.00
16351 · Telephone	13,031.12	14,010.26	13,000.00	14,750.00
16370 · Election	0.00	0.00	16,000.00	16,000.00
16360 · Tax Assessor Fees	4,516.00	5,046.87	4,500.00	7,320.00
17040 · Computer/Technology	4,431.24	5,559.79	10,000.00	6,000.00
Total 16002 · Contract Services	166,774.72	180,318.02	263,400.00	223,570.00
16003 · Supplies & Equipment				
16358 · Copier/Fax Machine Lease	7,640.38	7,806.96	8,000.00	8,200.00
16460 · Operating Supplies (Office)	10,537.52	4,239.61	10,600.00	5,600.00
17100 · Capital Purchase Furniture	0.00	0.00	3,200.00	1,900.00
Total 16003 · Supplies & Equipment	18,177.90	12,046.57	21,800.00	15,700.00
16004 · Staff Development				
16339 · Dues & Subscriptions	2,166.50	2,039.16	1,500.00	2,000.00
16341 · Community Relations (Education)	2,320.39	145.00	1,400.00	1,200.00
16354 · Travel & Training (Travel)	4,597.99	8,500.00	6,000.00	6,500.00
16004 · Staff Development - Other	25.00	0.00	0.00	0.00
Total 16004 · Staff Development	9,109.88	10,684.16	8,900.00	9,700.00
16006 · Insurance				
16353.2 · Liability Ins.	4,587.28	4,919.52	6,900.00	3,080.00
16353.3 · Property Ins.	1,595.40	1,878.88	2,200.00	1,970.00
Total 16006 · Insurance	6,182.68	6,798.40	9,100.00	5,050.00
16007 · Utilities				
16352.0 · Electronic Sign-City	109.63	0.00	0.00	0.00



ADMIN CLASS 2017-18 ADOPTED

	TOTAL Est		Adopted 2017-18	
	2015-16 Actual	2016-17 Actual	2016-17 Budget	Budget (7/12/17)
16352.7 · Utilities - Gas	718.69	756.95	0.00	820.00
Total 16007 · Utilities	828.32	756.95	0.00	820.00
16008 · Capital Outlay				
17071 · Cap Purchase - Computers/Equip				
17071.4 · Laser Fish (Software Equip)	1,722.94	1,744.60	0.00	1,900.00
17071 · Cap Purchase - Computers/Equip - Other	77.23	594.18	2,700.00	3,000.00
Total 17071 · Cap Purchase - Computers/Equip	1,800.17	2,338.78	2,700.00	4,900.00
17072 · Capital Outlay - PW Items	139.05	0.00	0.00	0.00
17080 · Capital Outlay-Improvements	0.00	24,520.00	0.00	10,000.00
Total 16008 · Capital Outlay	1,939.22	26,858.78	2,700.00	14,900.00
16009 · Miscellaneous Expenses				
16590 · Misc. Expense	19,660.03	905.00	0.00	932.15
16009 · Misc Expenses - Other	54.51	0.00	0.00	0.00
Total 16009 · Miscellaneous Expenses	19,714.54	905.00	0.00	932.15
16500 · Leases - Parks and Recreation				
16504 · Adams Park	2,641.01	3,364.70	3,800.00	3,400.00
Total 16500 · Leases - Parks and Recreation	2,641.01	3,364.70	3,800.00	3,400.00
17500 · Sales Tax Rebatement	0.00	0.00	148,000.00	20,000.00
Total Expense	430,923.27	428,341.35	684,820.00	565,629.13
Net Ordinary Income	-430,923.27	-428,341.35	-684,820.00	-565,629.13
Net Income	-430,923.27	-428,341.35	-684,820.00	-565,629.13





Police

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

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

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

Montgomery Police Department participates in a grant funded program known as the DWI task force to prevent loss of life by apprehending violators operating a motor vehicle on our public roadways under the influence of an alcoholic beverage or

substance which causes a level of intoxication. This task force works closely with other law enforcement agencies and the District Attorney to reduce the number of violators on the roads particularly during holiday weekends.

Goals for 2017:

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



POLICE CLASS 2017-18 ADOPTED

	TOTAL Est 2016-17		Adopted 2017-18	
	2015-16 Actual	Actual	2016-17 Budget	Budget (7/12/17)
Ordinary Income/Expense				
Expense				
16000 · Personnel				
16353.1 · Health Ins.	54,317.48	47,594.24	50,000.00	53,720.00
16353.4 · Unemployment Ins.	1,888.16	-1,815.62	3,600.00	1,300.00
16353.5 · Workers Comp.	13,146.62	15,139.20	14,500.00	11,000.00
16353.6 · Dental & Vision Insurance	5,622.80	5,930.34	6,000.00	6,000.00
16353.7 · Life & AD&D Insurance	532.52	600.98	750.00	500.00
16560 · Payroll Taxes	43,941.43	40,158.78	44,000.00	49,000.00
16600 · Wages	534,036.41	502,271.31	552,600.00	618,480.00
16600.1 · Overtime	19,691.92	20,755.82	16,000.00	14,000.00
16620 · Retirement Expense	23,722.68	28,843.89	23,500.00	25,000.00
Total 16000 · Personnel	696,900.02	659,478.94	710,950.00	779,000.00
16001 · Communications				
16338 · Advertising/Promotion	802.04	312.00	2,000.00	500.00
Total 16001 · Communications	802.04	312.00	2,000.00	500.00
16002 · Contract Services				
16335 · Repairs & Maintenance				
16335.1 · Maintenance - Vehicles & Equip				
16334 · Gas/Oil	23,143.68	25,136.06	26,000.00	28,000.00
16357 · Auto Repairs	21,251.99	18,253.77	15,000.00	19,000.00
16373 · Equipment repairs	2,302.83	1,312.47	3,000.00	5,000.00
16335.1 · Maintenance - Vehicles & Equip	36.00	0.00	0.00	0.00
Total 16335.1 · Maintenance - Vehicles & Equip	46,734.50	44,702.30	44,000.00	52,000.00
Total 16335 · Repairs & Maintenance	46,734.50	44,702.30	44,000.00	52,000.00
16340 · Printing & Office supplies	3,842.03	400.16	2,000.00	2,000.00
16342 · Computers/Website	17,982.62	12,940.08	4,000.00	18,000.00
16350 · Postage	46.57	0.00	700.00	400.00
16351 · Telephone	1,098.88	1,636.78	15,000.00	2,000.00
17030 · Mobil Data Terminal	21,882.30	14,713.52	8,000.00	16,000.00
17031 · Police Officer Scheduling Serv	2,091.35	376.29	2,000.00	2,000.00
17040 · Computer/Technology (GTIN/Tokens)	7,971.27	1,212.71	2,000.00	7,000.00
Total 16002 · Contract Services	101,649.52	75,981.84	77,700.00	99,400.00
16003 · Supplies & Equipment				
16244 · Radio Fees	4,270.14	420.00	5,000.00	4,398.24
16328 · Uniforms	7,864.41	8,981.50	8,000.00	8,000.00
16328.1 · Protective Gear	0.00	0.00	0.00	3,000.00
16358 · Copier/Fax Machine Lease	4,449.59	5,762.78	3,000.00	6,800.00
16460 · Operating Supplies (Office)				
17010 · Emergency Equip	93.25	0.00	3,000.00	2,000.00
16460.6 · Tools, Etc	0.00	18.63	0.00	300.00
16460 · Operating Supplies (Office) - Other	4,704.43	2,521.03	5,000.00	3,800.00
Total 16460 · Operating Supplies (Office)	4,797.68	2,539.66	8,000.00	6,100.00
17050 · Radios	25,844.00	22,915.29	25,000.00	25,000.00



POLICE CLASS 2017-18 ADOPTED

	TOTAL Est		Adopted 2017-18	
	2015-16 Actual	2016-17 Actual	2016-17 Budget	Budget (7/12/17)
17100 · Capital Purchase Furniture	0.00	2,966.28	15,000.00	6,000.00
Total 16003 · Supplies & Equipment	47,225.82	43,585.51	64,000.00	59,298.24
16004 · Staff Development				
16241 · Police Training/Education	5,145.11	4,396.15	7,000.00	6,300.00
16339 · Dues & Subscriptions	670.50	569.00	2,000.00	1,000.00
16341 · Community Relations (Education)	1,340.30	1,029.03	1,300.00	1,300.00
16354 · Travel & Training (Travel)	6,926.68	5,662.44	5,000.00	6,000.00
Total 16004 · Staff Development	14,082.59	11,656.62	15,300.00	14,600.00
16006 · Insurance				
16353.2 · Liability Ins.	11,311.08	14,951.88	8,500.00	8,960.00
16353.3 · Property Ins.	2,335.20	2,967.96	2,000.00	2,850.00
Total 16006 · Insurance	13,646.28	17,919.84	10,500.00	11,810.00
16008 · Capital Outlay				
17070 · Capital Outlay - Police Cars				
17070.1 · Emergency Lights, Decals	19,158.54	16,669.53	25,000.00	15,000.00
17070.3 · Vid Tec - In Car Emergency Lights, Decals	1,376.18	0.00	12,000.00	27,500.00
17070.4 · Transfer to CPF-Vehicle Replacement	0.00	0.00	0.00	15,000.00
17070 · Capital Outlay - Police Cars - Other	52,501.80	49,404.35	63,000.00	31,750.00
Total 17070 · Capital Outlay - Police Cars	73,036.52	66,073.88	100,000.00	89,250.00
17071 · Cap Purchase - Computers/Equip				
17071.1 · Copsync	5,285.16	5,483.88	6,500.00	6,500.00
17071.6 · Investigative and Testing Equip	142.77	0.00	3,000.00	4,000.00
17071.7 · Ballistic Vests & Shields Radar	1,936.02	0.00	5,000.00	4,700.00
17071.2 · Radar	0.00	1,733.00	4,000.00	4,000.00
17071 · Cap Purchase - Computers/Equip - Other	16,771.35	14,339.04	15,000.00	10,000.00
Total 17071 · Cap Purchase - Computers/Equip	24,135.30	21,555.92	33,500.00	29,200.00
17071.5 · Patrol Weapons	1,010.13	0.00	4,000.00	5,200.00
Total 16008 · Capital Outlay	98,181.95	87,629.80	137,500.00	123,650.00
16009 · Miscellaneous Exp	35.62	0.00	1,000.00	300.00
16010 · Contingency	500.00	0.00	100.00	100.00
Total Expense	973,023.84	896,564.55	1,019,050.00	1,088,658.24
Net Ordinary Income	-973,023.84	-896,564.55	-1,019,050.00	-1,088,658.24
Net Income	-973,023.84	-896,564.55	-1,019,050.00	-1,088,658.24





Municipal Court

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

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

Accomplishments achieved in FY 2016-2017:

- Deputy Court Clerk Krystal Gonzalez attended her Level II Court Clerk Certification school
- Deputy Court Clerk Kimberly Duckett, attended Level I court Clerk Certification school and took her test – waiting on results
- Court Administrator Becky Kendall, was invited, again this year, to sit on faculty for the Texas Court Clerk Association to instruct/teach both the Level I and Level II Court Clerk Certification classes throughout Texas.
- Officer Angelina Flores was transferred over to the Court as the Warrant/Bailiff Officer.
- Total revenue collected is at an all-time high in the Court due to collaborated efforts by the Court staff, Police Department and Collection Agency.

Goals for FY 2017-2018:

- Provide employees with customer service training that focuses on our specific customer services issues.
- Coordinate and manage full-time Warrant Officer position.
- Judge and staff will actively participate in City and State Court Organizations to promote continuous court knowledge and excellence.
- Judge, Prosecutor and staff will increase court dates to insure a timely process for the increased number of defendants.
- Continue to develop and improve procedures to collect past-due payments for fines and fees.
- Continue to improve electronic technology for Municipal Court record keeping and processing.
- Deputy Court Clerk Krystal Gonzalez to obtain her Level II Court Clerk Certification.
- Deputy Court Clerk Kimberly Duckett to obtain her Level II Court Clerk Certification.
- Court Administrator to continue working on achieving her Bachelor of Arts in Criminal Justice degree.



COURT CLASS 2017-18 ADOPTED

	2015-16 Actual	TOTAL Est 2016-17 Actual	2016-17 Budget	Adopted 2017- 18 Budget 7/12/17
Ordinary Income/Expense				
Expense				
16000 · Personnel				
16353.1 · Health Ins.	17,469.84	17,847.84	19,500.00	23,870.00
16353.4 · Unemployment Ins.	522.00	684.00	590.00	710.00
16353.5 · Workers Comp.	481.71	426.35	360.00	600.00
16353.6 · Dental & Vision Insurance	1,841.86	2,133.10	1,600.00	2,240.00
16353.7 · Life & AD&D Insurance	150.12	158.26	220.00	200.00
16560 · Payroll Taxes	12,217.52	14,415.77	11,680.00	14,350.00
16600 · Wages	150,653.16	180,695.90	152,700.00	187,520.00
16600.1 · Overtime	4,310.61	3,467.05	1,500.00	3,000.00
16620 · Retirement Expense	6,595.95	10,049.92	6,310.00	12,000.00
Total 16000 · Personnel	194,242.77	229,878.19	194,460.00	244,490.00
16002 · Contract Services				
16102 · General Consultant Fees	5,574.31	6,409.79	4,000.00	6,000.00
16220 · Omni Expense	1,830.00	3,195.45	3,500.00	3,500.00
16242 · Prosecutors Fees	10,350.00	8,550.00	11,500.00	11,500.00
16310 · Judge's Fee	13,000.00	18,000.00	18,000.00	18,000.00
16326 · Collection Agency Fees	23,496.03	44,725.21	30,000.00	45,000.00
16340 · Printing & Office supplies	2,064.38	661.37	2,500.00	2,000.00
16342 · Computers/Website	4,637.96	2,918.65	5,500.00	5,000.00
16350 · Postage/Delivery	1,458.46	1,259.40	1,500.00	1,500.00
16351 · Telephone	1,200.00	1,154.00	1,200.00	1,200.00
17040 · Computer/Technology	500.00	0.00	0.00	0.00
17510 · State Portion of Fines/Payouts	221,099.56	199,489.31	200,000.00	200,000.00
Total 16002 · Contract Services	285,210.70	286,363.18	277,700.00	293,700.00
16003 · Supplies & Equipment				
16328 · Uniforms & Protective Gear	0.00	0.00	500.00	500.00
16358 · Copier/Fax Machine Lease	1,140.10	3,372.78	2,000.00	3,500.00
16460 · Operating Supplies (Office)	1,123.72	1,386.50	4,000.00	3,500.00
17100 · Capital Purchase Furniture	0.00	3,613.15	5,000.00	3,500.00
16003 · Supplies & Equipment - Other	2,608.70	733.07	7,000.00	3,000.00
Total 16003 · Supplies & Equipment	4,872.52	9,105.50	18,500.00	14,000.00
16004 · Staff Development				
16339 · Dues & Subscriptions	307.00	201.00	250.00	250.00
16341 · Community Relations (Education)	520.00	29.21	0.00	200.00
16354 · Travel & Training (Travel)	3,142.08	4,764.47	5,000.00	4,000.00
Total 16004 · Staff Development	3,969.08	4,994.68	5,250.00	4,450.00
16006 - Liability Ins				
16353.2 - Liability Ins.	0.00	0.00	450.00	700.00
Total 16008 · Capital Outlay	0.00	0.00	450.00	700.00
16008 · Capital Outlay				
17071 · Cap Purchase - Computers/Equip	905.53	300.00	3,000.00	3,000.00



COURT CLASS 2017-18 ADOPTED

	2015-16 Actual	TOTAL Est 2016-17 Actual	2016-17 Budget	Adopted 2017- 18 Budget 7/12/17
17071 · Cap Purchase - Computers/Equip	905.53	300.00	3,000.00	3,000.00
Total 16008 · Capital Outlay	905.53	300.00	3,000.00	3,000.00
16009 · Miscellaneous Expenses				
16590 · Misc. Expense	3,444.73	3,164.35	2,500.00	3,000.00
Total 16009 · Miscellaneous Expenses	3,444.73	3,164.35	2,500.00	3,000.00
Total Expense	492,645.33	533,805.90	501,860.00	563,340.00
Net Ordinary Income	-492,645.33	-533,805.90	-501,860.00	-563,340.00
Net Income	-492,645.33	-533,805.90	-501,860.00	-563,340.00





PUBLIC WORKS

The Department of Public Works and Community Development is responsible for engineering, water and sewer utilities, streets and drainage, parks and recreation, city facilities maintenance, planning, code enforcement, building permits, and inspections. The department consists of a Public Works Foreman, 2 maintenance technicians, and a utility/permits clerk.

Accomplishments in FY 2016:

- Christmas Tree electrical
- Replaced drinking water fountain lines at Cedar Brake Park.
- 11 new trees planted at Cedar Brake Park.
- Painted all fire hydrants.
- Drainage improvements on Harley Drive, Martin Luther King Blvd.
- Commercial backflow survey completed.
- Painted Simonton building at Fernland Park.
- Repaired bridge at Memory Park.

Goals for FY 2017:

- *Update public works section of website*
- *Major ditch improvements with new equipment*
- *Add Foreman position*
- *Replace sidewalks at Fernland*
- *Accomplish In-house crack sealing*
- *Add maintenance technician position*
- *More attention and time dedicated to parks*
- *Continue sanitary sewer smoke testing*
- *Continue repairs to city streets*
- *Add more parking for Cedar Brake Park*
- *Sidewalk improvements at Memory and Fernland Parks*



PUBLIC WORKS CLASS
2017-18 ADOPTED

	2015-16 Actual	TOTAL Est 2016-17 Actual	2016.17 Budget	Adopted 2017-18 Budget 7/12/17
Ordinary Income/Expense				
Expense				
16000 · Personnel				
16353.1 · Health Ins.	11,646.56	17,368.61	17,060.00	17,900.00
16353.4 · Unemployment Ins.	526.70	762.76	400.00	500.00
16353.5 · Workers Comp.	3,374.35	3,310.65	4,400.00	3,310.00
16353.6 · Dental & Vision Insurance	1,252.04	1,985.42	2,400.00	2,000.00
16353.7 · Life & AD&D Insurance	282.12	114.64	320.00	130.00
16560 · Payroll Taxes	10,275.70	18,002.47	11,680.00	10,600.00
16600 · Wages	95,748.28	135,231.09	150,760.00	143,000.00
16600.1 · Overtime	2,686.94	2,267.89	2,000.00	3,000.00
16620 · Retirement Expense	4,168.30	10,681.87	6,300.00	5,200.00
Total 16000 · Personnel	129,960.99	189,725.40	195,320.00	185,640.00
16001 · Communications				
16338 · Advertising/Promotion	747.50	2,223.10	0.00	1,000.00
Total 16001 · Communications	747.50	2,223.10	0.00	1,000.00
16002 · Contract Services				
16102 -Gen Consultant Fee	16,551.25	0.00	23,000.00	20,000.00
16280 · Mowing	63,050.30	78,281.70	85,000.00	80,600.00
16299 · Inspections/Permits	55,296.16	79,361.83	55,000.00	81,000.00
16320 · Legal	0.00	2,042.00	5,000.00	2,500.00
16322 · Engineering	86,531.45	54,755.25	35,000.00	50,000.00
16335 · Repairs & Maintenance				
16335.1 · Maintenance - Vehicles & Equip				
16334 · Gas/Oil	3,589.60	3,754.76	3,500.00	4,000.00
16343 · Tractor & Mower	135.23	60.11	2,000.00	1,000.00
16357 · Auto Repairs	1,579.56	1,023.52	2,500.00	2,500.00
16373 · Equipment repairs	3,373.83	4,328.88	3,500.00	4,500.00
16374 · Building Repairs-City Hall/Comm	22,562.91	3,268.38	18,500.00	18,500.00
16375 · Street Repairs - Minor				
16375.1 · Streets-Preventive Maintenance	0.00	10,975.00	18,000.00	18,000.00
16375 · Street Repairs - Minor - Other	12,212.93	11,999.35	15,000.00	15,000.00
Total 16375 · Street Repairs - Minor	12,212.93	22,974.35	33,000.00	33,000.00
16335.1 · Maintenance - Vehicles & Equip - O	15.00	15.00	0.00	1,500.00
Total 16335.1 · Maintenance - Vehicles & Equip	43,469.06	35,425.00	63,000.00	65,000.00
16335 · Repairs & Maintenance - Other	10,974.14	8,239.98	15,000.00	15,000.00
Total 16335 · Repairs & Maintenance	54,443.20	43,664.98	78,000.00	80,000.00
16337 · Street Signs	5,497.44	8,668.21	6,500.00	6,500.00
16340 · Printing & Office supplies	624.31	1,122.03	500.00	1,200.00
16342 · Computers/Website	1,919.97	2,770.00	2,300.00	2,800.00
16350 · Postage/Delivery	688.46	0.00	700.00	700.00
16351 · Telephone	2,717.28	3,985.04	2,700.00	4,400.00



PUBLIC WORKS CLASS
2017-18 ADOPTED

	2015-16 Actual	TOTAL Est 2016-17 Actual	2016.17 Budget	Adopted 2017-18 Budget 7/12/17
17040 · Computer/Technology	15,647.70	11,145.91	2,000.00	11,500.00
Total 16002 · Contract Services	302,967.52	285,796.95	295,700.00	341,200.00
16003 · Supplies & Equipment				
16328 · Uniforms	3,618.67	4,082.64	7,500.00	6,000.00
16328.1 · Protective Gear	0.00	0.00	0.00	0.00
16358 · Copier/Fax Machine Lease	785.99	1,756.70	1,000.00	1,800.00
16460 · Operating Supplies (Office)				
16460.1 · Streets and Drainage	4,800.08	1,853.20	3,500.00	3,500.00
16460.2 · Cedar Brake Park	2,066.90	2,131.67	4,000.00	4,000.00
16460.3 · Homecoming Park	1,056.54	492.88	6,000.00	2,000.00
16460.4 · Fernland Park	1,564.96	1,088.70	3,000.00	2,500.00
16460.5 · Community Building	3,605.99	2,840.42	5,000.00	4,000.00
16460.6 · Tools, Etc	1,528.95	2,128.94	2,000.00	2,500.00
16460.7 · Memory Park	1,509.69	1,684.05	3,000.00	3,000.00
16460 · Operating Supplies (Office) - Other	4,801.97	7,177.91	6,000.00	7,500.00
Total 16460 · Operating Supplies (Office)	20,935.08	19,397.77	32,500.00	29,000.00
16503- Code Enforcement Expense	0.00	0.00	1,000.00	1,000.00
Total 16003 · Supplies & Equipment	25,339.74	25,237.11	42,000.00	37,800.00
16004 · Staff Development				
16339 · Dues & Subscriptions	135.00	150.00	250.00	250.00
16354 · Travel & Training (Travel)	923.85	6,686.30	4,500.00	6,000.00
16341 · Staff Development/community relations	742.00	25.00	500.00	500.00
Total 16004 · Staff Development	1,800.85	6,861.30	5,250.00	6,750.00
16005 · Maintenance				
16228 · Park Maint-Memory Pk	6,990.25	958.76	8,500.00	8,500.00
16229 · Park Maint - Fernland	2,486.93	2,630.19	9,800.00	23,100.00
16230 · Park Maint-Cedar Brake Park	5,219.45	5,563.52	6,000.00	6,000.00
16231 · Park Maint. - Homecoming Park	174.63	1,035.62	2,500.00	2,000.00
Total 16005 · Maintenance	14,871.26	10,188.09	26,800.00	39,600.00
16006 · Insurance				
16353.2 · Liability Ins.	1,254.00	1,634.52	770.00	1,360.00
16353.3 · Property Ins.	500.40	636.04	400.00	680.00
Total 16006 · Insurance	1,754.40	2,270.56	1,170.00	2,040.00
16007 · Utilities				
16351.1 · Memory Park Water	4,129.84	0.00	0.00	4,000.00
16351.2 · Fernland Park Water	417.55	0.00	0.00	700.00
16352.0 · Electronic Sign-City	342.99	568.31	500.00	600.00
16352.1 · Street Lights	13,176.72	13,798.60	13,000.00	14,200.00
16352.2 · Traffic Lights	330.04	320.23	1,200.00	340.00

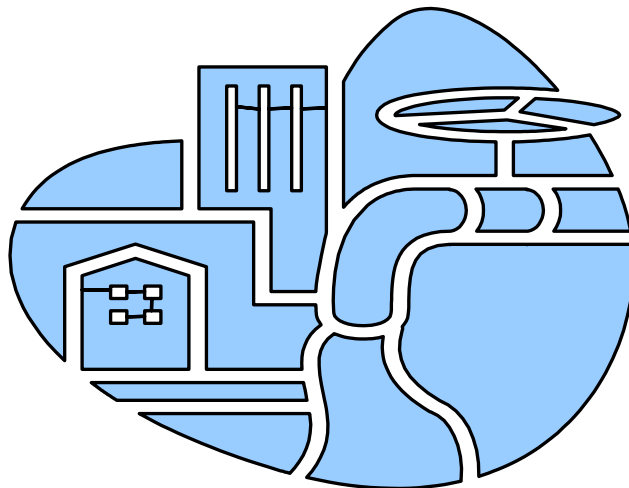


PUBLIC WORKS CLASS
2017-18 ADOPTED

	2015-16 Actual	TOTAL Est 2016-17 Actual	2016.17 Budget	Adopted 2017-18 Budget 7/12/17
16352.4 · Homecoming Park	789.87	1,259.97	1,200.00	1,300.00
16352.5 · Fernland Park	2,230.58	4,088.99	3,100.00	4,200.00
16352.6 · Utilities - City Hall	6,739.01	10,086.55	8,000.00	10,500.00
16352.7 · Utilities - Gas	0.00	0.00	1,200.00	100.00
16352.8 · Utilities - Comm Center Bldg	3,137.04	5,202.60	7,500.00	5,400.00
16352.9 · Utilities-Memory Pk	0.00	11,426.48	15,000.00	10,000.00
16007 · Utilities - Other	0.00	73.42	0.00	100.00
Total 16007 · Utilities	32,930.71	49,257.50	53,900.00	54,040.00
16008 · Capital Outlay				
16233 · Cap Outlay- Com Building Proj	0.00	134.84	2,000.00	1,500.00
17071 · Cap Purchase - Computers/Equip				
17071.4 · Laser Fish (Software Equip)	1,722.94	1,744.60	1,000.00	1,800.00
17071 · Cap Purchase - Computers/Equip - Other	208.00	192.00	2,000.00	1,000.00
Total 17071 · Cap Purchase - Computers/Equip	1,930.94	1,936.60	3,000.00	2,800.00
17072 · Capital Outlay-PWorks Items	39,594.38	54,973.84	56,400.00	60,000.00
17080 · Capital Outlay-Improvements	0.00	10,585.15	10,000.00	5,000.00
Total 16008 · Capital Outlay	41,525.32	67,630.43	71,400.00	69,300.00
16009 · Miscellaneous Expenses				
16590 · Misc. Expense	3,419.78	851.51	100.00	1,000.00
16009 · Miscellaneous Expenses - Other	0.00	280.00	0.00	0.00
Total 16009 · Miscellaneous Expenses	3,419.78	1,131.51	100.00	1,000.00
16356 · Contract Labor Streets	24,320.00	0.00	0.00	129,219.01
17000 · Capital Purchase	0.00	24,054.00	0.00	24,775.62
Total Expense	579,638.07	664,375.95	691,640.00	892,364.63
Net Ordinary Income	-579,638.07	-664,375.95	-691,640.00	-892,364.63
Net Income	-579,638.07	-664,375.95	-691,640.00	-892,364.63



WATER AND SEWER FUND



WATER AND SEWER FUND SUMMARY

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

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

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

The City of Montgomery has implemented a Groundwater Reduction Program (GRP) to reduce the withdrawal of water from the Jasper Aquifer in compliance of regulations by the Lone Star Groundwater District. The City's program included development of a Catahoula aquifer water well and related treatment equipment at Water Plant No. 3. The City is also a partner with

Montgomery County Utility Districts 3 and 4 in the development of their GRP until 2016. The City charges a GRP Fee as a separate line item for all water customers to cover the costs of this program.

FUND FINANCIAL ACTIVITY

The 2017-2018 Budget. The City's Water and Sewer Fund revenues for FY 2017-2018 are projected to be \$1,737,780, a 42% increase from the previous year's budget. Revenue increases are based on new customers expected in the budget year. Expenditures for FY 2017-2018 are proposed at \$1,545,976 plus a transfer to debt service of \$153,040 for a total outlay of \$1,699,016.

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.



**W S ADOPTED
FOR YE 2017-18**

	2015-16 ACTUAL	TOTAL EST 2016-17 ACTUAL	2016-17 ADOPTED BUDGET	ADOPTED 2017-18 BUDGET	% OF CHANGE
Ordinary Income/Expense					
Beginning Balance	139,942.41	198,128.70		352,083.73	
Income					
24000 · Charges for Service					
24100 · Water Revenue	386,278.12	494,000.00	491,260.00	540,000.00	9.92%
24118 · Surface Water Revenue	6,206.12	5,546.00	5,000.00	6,000.00	20.00%
24119 · Application Fee	70.61	120.00	200.00	1,500.00	650.00%
24120 · Disconnect Reconnect	5,025.00	5,300.00	3,200.00	5,500.00	71.88%
24200 · Sewer Revenue	213,913.74	405,100.00	310,000.00	450,000.00	45.16%
24310 · Tap Fees/Inspections	157,627.50	205,000.00	50,000.00	150,000.00	200.00%
24319 · Grease Trap Inspections	9,892.86	10,200.00	10,000.00	10,000.00	0.00%
24330 · Late Charges	17,568.70	14,000.00	10,390.00	15,000.00	44.37%
24333 · Returned Ck Fee	150.00	280.00	-	200.00	-
25000.1 · Impact Fees	0.00	0.00	-	75,000.00	-
25000.2 · Capital Cost Fees	0.00	0.00	-	200,000.00	-
25403 · Solid Waste Revenue	84,640.89	97,346.74	80,000.00	104,500.00	30.63%
Total 24000 · Charges for Service	881,373.54	1,236,892.74	960,050.00	1,557,700.00	
24101 · Taxes and Franchise Fees					
24110 · Sales Tax Rev for Solid Waste	6,696.57	7,904.24	5,600.00	8,000.00	42.86%
Total 24101 · Taxes and Franchise Fees	6,696.57	7,904.24	5,600.00	8,000.00	
24121 · Groundwater Reduction Revenue	143,844.74	126,464.50	125,300.00	126,000.00	0.56%
25000 · Other Revenues					
25391 · Interest Income	73.71	112.41	100.00	110.00	10.00%
25392 · Interest earned on Investments	118.23	109.08	150.00	110.00	-26.67%
25394 · Admin Fund Balance (Carry Over)	0.00	0.00	-	45,500.00	-
25399 · Miscellaneous Revenue	1,317.88	16,774.10	360.00	360.00	0.00%
Total 25000 · Other Revenues	1,509.82	16,995.59	610.00	46,080.00	(0.17)
Total Income	1,033,424.67	1,388,257.07	1,091,560.00	1,737,780.00	



**W S ADOPTED
FOR YE 2017-18**

	2015-16 ACTUAL	TOTAL EST 2016-17 ACTUAL	2016-17 ADOPTED BUDGET	ADOPTED 2017-18 BUDGET	% OF CHANGE
Expense					
26001 · Personnel					
26353.1 · Health Ins.	11,646.56	14,906.36	12,063.00	19,400.00	60.82%
26353.4 · Unemployment Ins	342.00	350.00	350.00	390.00	11.43%
26353.5 · Workers Comp.	1,356.33	1,851.97	1,850.00	2,100.00	13.51%
26353.6 · Dental Insurance	1,035.44	1,386.72	1,045.00	1,750.00	67.46%
26353.7 · Life & AD&D Insurance	333.60	475.62	340.00	600.00	76.47%
26501 · Retirement Expense	3,883.40	5,115.78	4,600.00	6,700.00	45.65%
26560 · Payroll Taxes	6,911.76	7,192.21	7,500.00	12,700.00	69.33%
26600 · Wages	91,773.29	93,131.94	97,252.00	170,000.00	74.80%
Total 26001 · Personnel	117,282.38	124,410.60	125,000.00	213,640.00	
26200 · Contract Services					
26102 · General Consultant Fees	531.33	878.42	0.00	905.00	-
26320 · Legal Fees	19,800.00	16,556.49	20,000.00	17,053.00	-14.74%
26322 · Engineering	92,772.52	123,803.00	34,900.00	75,000.00	114.90%
26323 · Operator	38,115.00	39,200.00	40,000.00	40,380.00	0.95%
26324 · Billing and Collections	6,236.79	11,475.56	6,500.00	11,820.00	81.85%
26328 · Testing	8,012.45	11,128.72	8,000.00	11,460.00	43.25%
26331 · Sales Tax for Solid Waste	6,775.74	7,973.62	7,000.00	8,213.00	17.33%
26333 · Accounting Fees	4,800.00	5,800.00	4,800.00	4,800.00	0.00%
26336 · Sludge Hauling	33,492.84	16,658.42	34,000.00	17,500.00	-48.53%
26350 · Postage	3,274.86	3,080.01	3,600.00	3,200.00	-11.11%
26351 · Telephone	2,149.44	2,091.10	2,200.00	4,500.00	104.55%
26370 · Tap Fees & Inspections	6,504.63	19,133.00	0.00	10,000.00	-
26399 · Garbage Pickup	88,396.69	92,626.77	90,000.00	95,400.00	6.00%
Total 26200 · Contract Services	310,862.29	350,405.11	251,000.00	300,231.00	



**W S ADOPTED
FOR YE 2017-18**

	2015-16 ACTUAL	TOTAL EST 2016-17 ACTUAL	2016-17 ADOPTED BUDGET	ADOPTED 2017-18 BUDGET	% OF CHANGE
26300 · Communications					
26338 · Advertising/Promotion	1,300.00	1,024.78	900.00	1,055.00	17.22%
Total 26300 · Communications	1,300.00	1,024.78	900.00	1,055.00	
26326 · Permits & Licenses	12,043.15	13,140.53	23,000.00	13,000.00	-43.48%
26371 · Dues & Subscriptions	545.00	1,045.00	2,000.00	2,000.00	0.00%
26400.1 · Supplies & Equipment					
26342 · Chemicals	15,179.03	17,532.79	16,000.00	18,100.00	13.13%
26358 · Copier/Fax Machine Lease	653.34	3,500.00	3,920.00	3,920.00	0.00%
26460 · Operating Supplies	21,560.19	60,539.88	22,000.00	70,500.00	220.45%
26485 · Uniforms	1,757.65	2,902.03	1,900.00	3,200.00	68.42%
27040 · ComputerTechnology Equipment	3,390.72	3,663.78	1,900.00	3,800.00	100.00%
26400.1 · Supplies & Equipment - Other	2,932.25	1,697.96	3,380.00	2,000.00	-40.83%
Total 26400.1 · Supplies & Equipment	45,473.18	89,836.44	49,100.00	101,520.00	
26401 · Groundwater Reduction Expenses	56,993.18	35,476.00	30,000.00	100.00	-99.67%
26500 · Staff Development					
26354 · Travel & Training (Travel)	1,638.38	4,995.13	5,000.00	5,000.00	0.00%
26355 · Employee Relations (Education)	100.00	200.00	200.00	200.00	0.00%
Total 26500 · Staff Development	1,738.38	5,195.13	5,200.00	5,200.00	
26600.2 · Maintenance					
26335 · Repairs & Maintenance	183,155.75	196,389.15	147,000.00	215,000.00	46.26%
26335.1 · Vehicle Rep. & Maint.	164.26	112.11	1,000.00	1,000.00	0.00%
26349 · Gas & Oil	3,299.52	4,084.75	4,000.00	4,400.00	10.00%
Total 26600.2 · Maintenance	186,619.53	200,586.01	152,000.00	220,400.00	
26700 · Insurance Expense					
26353.2 · Liability Ins.	4,458.65	2,118.00	2,120.00	2,000.00	-5.66%
26353.3 · Property Ins.	7,095.03	11,687.16	8,880.00	12,000.00	35.14%
Total 26700 · Insurance Expense	11,553.68	13,805.16	11,000.00	14,000.00	
26800 · Utilities Expense					
26352.1 · Utilities - Gas for Generators	1,140.05	675.99	422.00	700.00	65.88%
26352.2 · Utilities-Water Plants	58,373.21	58,750.12	60,000.00	66,000.00	10.00%



**W S ADOPTED
FOR YE 2017-18**

	2015-16 ACTUAL	TOTAL EST 2016-17 ACTUAL	2016-17 ADOPTED BUDGET	ADOPTED 2017-18 BUDGET	% OF CHANGE
26352.3 · Utilities-WW Treatment Plants	20,736.98	37,412.33	35,000.00	38,540.00	10.11%
26352.4 · Utilities - Lift Stations	17,485.03	11,567.01	2,000.00	12,200.00	510.00%
26352.5 · Utilities - Security Light	127.10	134.52	128.00	140.00	9.38%
26800.1 · Buffalo Springs STP- Water Usag	0.00	7,669.12	0.00	350.00 -	
Total 26800 · Utilities Expense	97,862.37	116,209.09	97,550.00	117,930.00	
26900.5 · Capital Outlay - Transfer to CPF	1,040.00	96,500.00	125,300.00	154,800.00	23.54%
26900.2 · Capital Outlay - Vehicles	0.00	0.00	0.00	34,700.00 -	
26901.1 · Util Proj/Prev Maint-Transfer to CPF	7,773.00	58,000.00	74,700.00	91,400.00	22.36%
26901.2 · Capital Costs-Transfer to CPF	0.00	0.00	0.00	200,000.00 -	
26901.3 · Impact Fees -Transfer to CPF	0.00	0.00	0.00	75,000.00 -	
27000 · Miscellaneous Expenses					
26359 · Misc Expense	-1,447.76	3,068.19	1,000.00	1,000.00	0.00%
27000 · Miscellaneous Expenses - Other	0.00	0.00	0.00	0.00 -	
Total 27000 · Miscellaneous Expenses	(1,447.76)	3,068.19	1,000.00	1,000.00	
Total Expense	849,638.38	1,108,702.04	947,750.00	1,545,976.00	
Net Ordinary Income	183,786.29	279,555.03	143,810.00	191,804.00	
Other Income/Expense					
Other Expense					
27001 · Other Expenses					
27001.2 · Transfer to Debt Service	125,600.00	125,600.00	125,600.00	153,040.00	21.85%
Total 27001 · Other Expenses	125,600.00	125,600.00	125,600.00	153,040.00	
Total Other Expense	125,600.00	125,600.00	125,600.00	153,040.00	
Net Other Income	(125,600.00)	(125,600.00)	(125,600.00)	(153,040.00)	
Net Income	58,186.29	153,955.03	18,210.00	38,764.00	
Ending Balance	198,128.70	352,083.73		390,847.73	



DEBT SERVICE FUND



DEBT SERVICE FUND SUMMARY

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

FUND ACTIVITY

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

In FY 2017-2018, the Debt Service Fund will expend \$669,096 for debt service, a 19% increase over the \$546,867 funded in FY 2015-2016. The income budgeted for FY 2017-2018 includes \$416,002 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 2017-2018 is \$249,900 or 23% 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 2017-2018.

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.



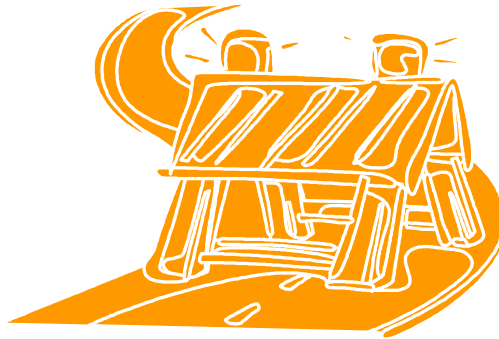
**Fiscal Year 2017-18
Base Budget**

Debt Service Fund

	Actual 2015-16	Estimate 2016-17	Budget 2016-17	Adopted 2017-18	% Change
Beginning Balance	\$ 122,449	\$ 122,002	\$ 122,002	\$ 188,453	54.5%
Revenues					
Ad Valorem Tax	\$ 267,968	\$ 343,000	\$ 351,391	\$ 416,002	18.4%
All Other Revenues	109	3,469	1,500	1,500	0.0%
Total Revenues	\$ 268,077	\$ 346,469	\$ 352,891	\$ 417,502	18.3%
Interfund Transfers					
Transfers In	\$ 242,800	\$ 253,100	\$ 253,100	\$ 313,040	23.7%
Transfers Out	-	-	-	-	-
Net Interfund Transfers	\$ 242,800	\$ 253,100	\$ 253,100	\$ 313,040	23.7%
Expenditures					
Debt Service	\$ 510,810	\$ 532,118	\$ 544,367	\$ 666,596	22.5%
Contract Services	500	1,000	2,500	2,500	0.0%
All Other Operating Expenditures	-	-	-	-	-
Total Expenditures	\$ 511,310	\$ 533,118	\$ 546,867	\$ 669,096	22.4%
Ending Balance*	\$ 122,002	\$ 188,453	\$ 181,127	\$ 249,900	32.6%



CAPITAL PROJECTS FUND



CAPITAL PROJECTS FUND SUMMARY

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

FUND ACTIVITY

In FY 2017-2018, the Capital Projects Fund started with a fund balance of \$1,092. Estimated

engineering and construction costs in FY 2017 - 2018 for water supply and street projects total \$4,927,200 leaving approximately \$15,000 available for future purchase of a police vehicle.

:

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.



**City of Montgomery - Capital Projects Acct
Adopted 2017-18**

	TOTAL-Est				
	Actual 2015-16	2016-17 Actual	2016-17 Budget	Adopted 2017-18	% of Change
Ordinary Income/Expense					
Beginning Balance	218,550.33	2,576.77		1,092.00	
Income					
43956 · Proceeds-TWDB 2017 A&B (carry over)	0.00	0.00	2,667,000.00	2,606,000.00	-2.29%
43947A · Transfer from Utility - Capital	0.00	0.00	0.00	154,800.00	100.00%
43947B · Transfer from Utility - Maint	0.00	0.00	0.00	91,400.00	100.00%
43947C · Tsfr from Utility - Cap Costs Proj	0.00	0.00	0.00	200,000.00	100.00%
43949.1 · Tsfr from General - Police Veh. Replacem	0.00	0.00	0.00	15,000.00	100.00%
43956.1 · FEMA - Bridge	0.00	0.00	0.00	1,200,000.00	100.00%
43956.2 · FEMA - Plez Morgan St.	0.00	0.00	0.00	300,000.00	100.00%
43956.3 · Impact Fees	0.00	0.00	0.00	75,000.00	100.00%
43957 · Proceeds-Other	0.00	333,195.84	0.00	0.00	100.00%
43961.1 · CDBG Disaster Relief	0.00	0.00	0.00	300,000.00	100.00%
45391 · Interest Earned	238.00	3.73	100.00	4,000.00	3900.00%
Total Income	238.00	333,199.57	2,667,100.00	4,946,200.00	
Expense					
43890 · Engineering Costs					
43890.1 · Eng-Catahoula Aquifer WW	1,062.72	0.00	0.00	0.00	-
43890.2 · Eng-WP #3 Improvements	3,768.67	0.00	0.00	115,000.00	100.00%
43890.3 · Eng-LS#1 Replacement/Expansion	0.00	0.00	0.00	90,000.00	100.00%
43890.5 · Eng-LS#3 Force Main Re-Route	0.00	0.00	0.00	19,000.00	100.00%
43890.7 · Eng-Downtown/SH 105 Improve	0.00	0.00	0.00	94,000.00	100.00%
43890 · Engineering Costs- Other	29,994.17	1,488.50	319,920.00	0.00	-100.00%
Total 43890 · Engineering -Series 2012	34,825.56	1,488.50	319,920.00	318,000.00	
43995 · Construction Cost Contingencies					
43995.1 · Cont's-LS#3 Force Main Re-Route	0.00	0.00	0.00	36,000.00	100.00%
43995.2 · Cont's-LS#1 Replacement/Expansion	0.00	0.00	0.00	140,000.00	100.00%
43995.3 · Cont's-WP#3 Improvements	0.00	0.00	0.00	154,000.00	100.00%
43995.4 · Cont's-Downtown/SH105 Improvemen	0.00	0.00	0.00	126,000.00	100.00%
Total 43890 · Engineering -Series 2012	0.00	0.00	0.00	456,000.00	
44000 Wastewater System - Capital					
44006 · LS#1 Replacement/Expansion			756,800.00	570,000.00	-24.68%
44007 · LS#3 Force Main Re-Route	0.00	0.00	176,000.00	145,000.00	-17.61%
Total 44000 · Wastewater System Capital	0.00	0.00	932,800.00	715,000.00	
45000 Water System - Capital Projects					
43976.1 · Downtown/SH105 Improvements			635,360.00	502,000.00	-20.99%
43992.1 · WP#3 Improvements			777,920.00	440,000.00	-43.44%
43992.4 · WP#3 Improvements Other Costs			0.00	175,000.00	100.00%
46000.1 · Water - Meters	181,386.00	0.00	0.00	0.00	-
Total 45000 · Water System Capital Projects	181,386.00	0.00	1,413,280.00	1,117,000.00	
46000 - Roadway System Improvements					
46001 · Plez Morgan St.	0.00	0.00	0.00	300,000.00	100.00%
46002 · Buffalo Springs Bridge	0.00	0.00	0.00	1,500,000.00	100.00%
Total 46000 · Roadway System Improvements	0.00	0.00	0.00	1,800,000.00	
47000 · Cap Cost Projects	0.00	0.00	0.00	200,000.00	100.00%
48000 · Cap Outlay-Fac, Equip. & Plng					



**City of Montgomery - Capital Projects Acct
Adopted 2017-18**

	Actual 2015-	TOTAL-Est 2016-17 Actual	2016-17 Budget	Adopted 2017- 18	% of Change
	16				
48000.2 - Kroger Project	0.00	333,195.84	0.00	0.00	-
48001 - GRP Capital Projects	0.00	0.00	0.00	89,800.00	100.00%
48002 - Utility Projects/Prev. Maint	0.00	0.00	0.00	91,400.00	100.00%
48003 - Buffalo Springs Connection	0.00	0.00	0.00	65,000.00	100.00%
48004 - Police Vehicle Replacement	0.00	0.00	0.00	15,000.00	100.00%
Total 48000 - Cap Outlay- Fac, Equip. & Png	0.00	333,195.84	0.00	261,200.00	
49000 - Impact Fee Projects				75,000.00	100.00%
Total Expense	216,211.56	334,684.34	2,346,080.00	4,942,200.00	
Net Ordinary Income	-215,973.56	-1,484.77	321,020.00	4,000.00	
Net Income	-215,973.56	-1,484.77	321,020.00	4,000.00	
Ending Balance	2,576.77	1,092.00		5,092.00	



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 2017- 2018, the City projects there will be \$605 in revenues derived primarily from hotel taxes. The \$1,500 expenditures budgeted from this fund in FY 2017 – 2018 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 2012
Base Budget**

Hotel Occupancy Tax Fund

	Actual 2015-16	Estimate 2016-17	Budget 2016-17	Adopted 2017-18	% Change
Beginning Balance	\$ 9,400	\$ 9,400	\$ 9,400	\$ 9,400	0.0%
Revenues					
Hotel Occupancy Tax	\$ -	\$ -	\$ 600	\$ 600	0.0%
All Other Revenues	-	-	10	5	-50.0%
Total Revenues	\$ -	\$ -	\$ 610	\$ 605	-0.8%
Interfund Transfers					
Transfers In	\$ -	\$ -	\$ -	\$ -	-
Transfers Out	-	-	-	-	-
Net Interfund Transfers	\$ -	\$ -	\$ -	\$ -	-
Expenditures					
Contract Services	-	-	-	-	-
All Other Operating Expenditures	-	-	100	1,500	1400.0%
Total Expenditures	\$ -	\$ -	\$ 100	\$ 1,500	1400.0%
Ending Balance*	\$ 9,400	\$ 9,400	\$ 9,910	\$ 8,505	-9.5%



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 2017-2018, the City projects \$10,002 in revenues and \$5,000 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 2017-18
Base Budget**

Court Technology Fund

	Actual 2015-16	Estimate 2016-17	Budget 2016-17	Adopted 2017-18	% Change
Beginning Balance	\$ 7,827	\$ 18,101	\$ 18,101	\$ 23,647	30.6%
Revenues					
Court Technology Fees	\$ 11,992	\$ 10,343	\$ 6,000	\$ 10,000	66.7%
All Other Revenues	1	3	2	2	0.0%
Total Revenues	<u>\$ 11,993</u>	<u>\$ 10,346</u>	<u>\$ 6,002</u>	<u>\$ 10,002</u>	<u>66.6%</u>
Interfund Transfers					
Transfers In	\$ -	\$ -	\$ -	\$ -	-
Transfers Out	-	-	-	-	-
Net Interfund Transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Expenditures					
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -	-
Contract Services	1,719	4,800	4,800	5,000	4.2%
All Other Operating Expenditures	-	-	-	-	-
Total Expenditures	<u>\$ 1,719</u>	<u>\$ 4,800</u>	<u>\$ 4,800</u>	<u>\$ 5,000</u>	<u>4.2%</u>
Ending Balance*	<u>\$ 18,101</u>	<u>\$ 23,647</u>	<u>\$ 19,303</u>	<u>\$ 28,649</u>	<u>21.2%</u>



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 2017 - 2018, this fund will have projected revenues of \$6,005, \$500 in expenses, and a transfer of \$3,600 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 2017-18

Base Budget

Court Security Fund

	Actual 2015-16	Estimate 2016-17	Budget 2016-17	Adopted 2017-18	% Chang
Beginning Balance	\$ 11,736	\$ 17,827	\$ 17,827	\$ 5,745	-67.8
Revenues					
Court Security Fees	\$ 8,969	\$ 8,085	\$ 5,500	\$ 6,000	9.1
All Other Revenues	3	3	5	5	0.0
Total Revenues	\$ 8,972	\$ 8,088	\$ 5,505	\$ 6,005	9.1
Interfund Transfers					
Transfers In	\$ -	\$ -	\$ -	\$ -	
Transfers Out	2,880	3,400	3,400	3,600	5.9
Net Interfund Transfers	\$ (2,880)	\$ (3,400)	\$ (3,400)	\$ (3,600)	
Expenditures					
Contract Services	-	16,770	-	-	
All Other Operating Expenditures	-	-	1,000	500	-50.0
Total Expenditures	\$ -	\$ 16,770	\$ 1,000	\$ 500	-50.0
Ending Balance*	\$ 17,827	\$ 5,745	\$ 18,932	\$ 7,650	33.2



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 2017-2018, 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.



**Fiscal Year 2017-18
Base Budget**

Police Asset Forfeiture Fund

	Actual 2015-16	Estimate 2016-17	Budget 2016-17	Adopted 2017-18	% Change
Beginning Balance	\$ 186	\$ 4,272	\$ 4,272	\$ 4,272	0.0%
Court Fines and Fees					
Asset Forfeitures	\$ 4,087	\$ -	\$ 1,000	\$ 100	-90.0%
All Other Revenues	-	-	-	-	-
Total Revenues	\$ 4,087	\$ -	\$ 1,000	\$ 100	-90.0%
Interfund Transfers					
Transfers In	\$ -	\$ -	\$ -	\$ -	-
Transfers Out	-	-	-	-	-
Net Interfund Transfers	\$ -	\$ -	\$ -	\$ -	-
Expenditures					
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -	-
Contract Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
All Other Operating Expenditures	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -	-
Ending Balance*	\$ 4,272	\$ 4,272	\$ 5,272	\$ 4,372	2.3%



● 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 account owing to private persons or organizations for goods and services received by a government but not including amounts due to other funds of the same government or to other governments.

Accounts Receivable: 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 legislature to provide appraisals of property located within the county. These county-wide appraisals are provided to the county, school districts, cities, and municipal utility districts for basis of taxation.

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

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

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

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

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

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

Fiscal Year: A twelve month period at the end of which the City determines its financial condition and the results of its operations and closes 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	219,937.50
09/01/2035			10,762.50	10,762.50	
09/30/2035	200,000	3.500%	10,762.50	210,762.50	218,025.00
03/01/2036			7,262.50	7,262.50	
09/30/2036	205,000	3.500%	7,262.50	212,262.50	215,937.50
03/01/2037			3,675.00	3,675.00	
09/30/2037	210,000	3.500%	3,675.00	213,675.00	213,675.00
03/01/2038					
09/30/2038					
	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

