



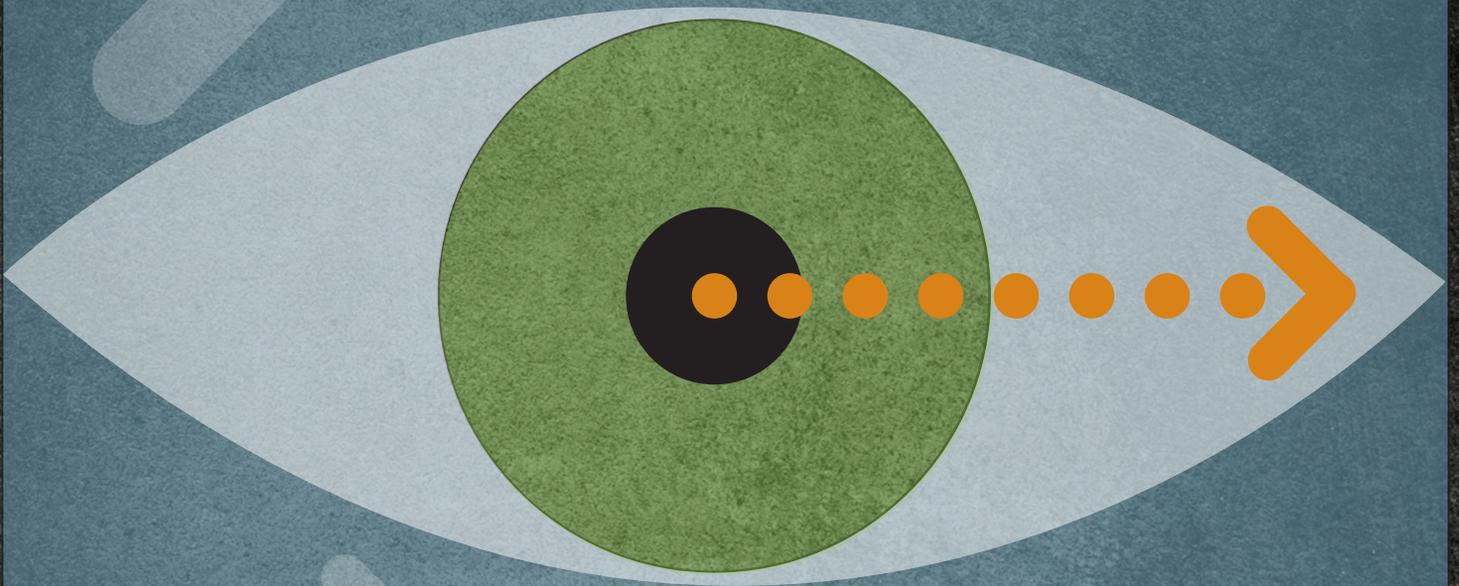
**CITY OF PLANO  
COUNCIL AGENDA ITEM**

<b>CITY SECRETARY'S USE ONLY</b>				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		3/25/13		
Department:		Budget		
Department Head		Karen Rhodes-Whitley		
Agenda Coordinator (include phone #): <b>Anita Bell, 7194</b>				
<b>CAPTION</b>				
Presentation of the 2012-13 Status Report and Three-Year Financial Forecast to City Council.				
<b>FINANCIAL SUMMARY</b>				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: <b>2012-13</b>	<b>Prior Year (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	0	0	0	<b>0</b>
Encumbered/Expended Amount	0	0	0	<b>0</b>
This Item	0	0	0	<b>0</b>
BALANCE	0	0	0	<b>0</b>
FUND(s): <b>N/A</b>				
<b>COMMENTS:</b> This item has no fiscal impact. <b>STRATEGIC PLAN GOAL:</b> Presenting a Status Report and Three-Year Financial Forecast relates to the City's goal of Financially Strong City with Service Excellence.				
<b>SUMMARY OF ITEM</b>				
Presentation of the 2012-13 Status Report and Three-Year Financial Forecast to City Council.				
List of Supporting Documents: 2012-13 Status Report			Other Departments, Boards, Commissions or Agencies	

CITY OF PLANO

# STATUS REPORT

THREE-YEAR FINANCIAL FORECAST  
FISCAL YEAR 2013-14 THROUGH 2015-16



## A LOOK AHEAD

2012-13

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**CITY OF PLANO, TEXAS  
2012-13 STATUS REPORT  
AND**

**THREE-YEAR FINANCIAL FORECAST  
Fiscal Year 2013-14 through 2015-16**

**Phil Dyer, Mayor**

**Mayor Pro Tem  
*Lissa Smith*  
Place 4**

**Deputy Mayor Pro Tem  
*Ben Harris*  
Place 2**

**Council Members**

***Pat Miner*  
Place 1**

***André Davidson*  
Place 3**

***Jim Duggan*  
Place 5**

***Patrick Gallagher*  
Place 7**

***Lee Dunlap*  
Place 8**

**Bruce D. Glasscock, City Manager  
Karen Rhodes-Whitley, Director of Budget & Research  
Casey Srader, Budget Manager**

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Director of Budget & Research  
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**Casey Srader**  
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March 25, 2013

Honorable Mayor & City Council  
City of Plano  
Plano, Texas 75074

Dear Mayor and Council Members:

I am pleased to present to you the City of Plano's Three-Year Financial Forecast for Fiscal Years 2013-14 through 2015-16. The purpose of this forecast is to review the status of the FY 2012-13 Budget and provide the City with the opportunity to take **A Look Ahead** into the future, identifying the challenges and opportunities facing the City of Plano over the next three years. The Three-Year Financial Forecast focuses on the General Fund, General Obligation Debt Fund, and the City's major enterprise funds – Water & Sewer, Sustainability & Environmental Services, Municipal Drainage, Convention & Tourism, Recreation Revolving and the Municipal Golf Course.

The financial projections included in the forecast will become the foundation for the development of the FY 2013-14 Budget. With the identification of significant financial and non-financial trends and issues in this report, Council and Management can proceed in developing goals, objectives and priorities for the coming year as well as the next three years.

Due to the recovery of key financial revenue resources and the City Council and staff working diligently since 2008 to offset the economic effects of the latest economic downturn, the General Fund is projected to end FY 2013-14 at 30 days of working capital. While this is positive news, we are projecting a \$19 million deficit in both FY 2014-15 and FY 2015-16. This is in large part due to the funding of CIP projects coming on-line both this year and throughout the forecast, the funding of the recently revised Capital Reserve Fund policy, and the sales tax cap established in 2008.

It is important to remember that every annual budget adopted by City Council is statutorily required to be balanced, so the unbalanced projected numbers reflect work which must be done every year to get expenditures in-line with revenues. The purpose of including a "deficit" or "additional revenues/expenditure reduction" line in this forecast is to reveal a structural imbalance that must be eliminated. Even though a deficit is identified, one of the keys to this Financial Forecast is the fact that any fund deficits are assumed to be rectified in the year when the deficit is projected to occur.

Phil Dyer Mayor  
Pat Miner Mayor Pro Tem  
Lissa Smith Deputy Mayor Pro Tem  
Ben Harris Place 2  
André Davidson Place 3  
Jim Duggan Place 5  
Patrick Gallagher Place 7  
Lee Dunlap Place 8  
Bruce D. Glasscock City Manager

Based on preliminary discussions with both Collin County and Denton County Central Appraisal Districts, total assessed property values are projected at \$26.2 billion, with the existing property values projected to increase 1%. New property is projected to increase by \$250 million in FY 2013-14, adding \$1.22 million in property tax revenues. The ad valorem tax rate of 48.86 cents per \$100 of assessed property valuation is maintained throughout the forecast, and the amount allocated between debt and operations is adjusted accordingly.

Sales Tax, the General Fund's second largest revenue source, is projected to increase to \$61.1 million during the forecast period. Based on a revised City Council policy, sales tax projections will be based on the past three year average of sales tax collections net any audit adjustments. The \$61.1 million represents the latest three-year average. Any amount collected over the \$61.1 million can be used to purchase one-time expenditures, assigned to the fund balance to be used for offsets in the next fiscal year or can be transferred to the Capital Reserve Fund. Currently, sales tax collections for the first five months of the fiscal year are up \$930,593 excluding audit adjustments. Due to the volatility of this revenue source, higher fuel prices, and the increasing loss of retail market share to surrounding communities, sales tax collections are projected to remain constant at \$61.1 million for the forecast period; however, a positive trend is developing and the City has the potential to collect more than our forecasted amount.

Building and Development related revenues are currently trending the same as last year's collections and have been re-estimated to remain flat for the forecast period.

The North Texas region continued to experience an upswing in the travel-related industry last fiscal year, which has led to increases in Hotel/Motel tax receipts. In addition, we are expecting several new hotels to open within the forecast period including a brand new full-service Hilton Hotel with 293 rooms and 30,000 square feet of meeting rooms in the fall of 2014. Based on the addition of new hotel rooms during the forecast period and direct economic growth, Hotel/Motel receipts are projected to increase to \$5.5 million in FY 2015-16.

Based on the preliminary information received from North Texas Municipal Water District, water rates will be increased dramatically throughout the forecast period. Wholesale water rates are scheduled to increase between 8.7% and 10.6% in each year of the forecast, with annual expenditure increases based on the current take or pay minimum of 26.7 billion gallons. For FY 2013-14, the annual water rate is projected at \$1.88 per thousand gallons, \$2.06 per thousand gallons in FY 2014-15, and \$2.24 per thousand gallons in FY 2015-16. Wastewater costs are projected to increase 6.4% in FY 2013-14, 5.1% in FY 2014-15 and 4.3% in FY 2015-16. The forecast proposes passing through all water and sewer rate increases proposed by NTMWD effective November 1<sup>st</sup> in each year. The forecast also assumes our annual water consumption returning to a more normal consumption of 22 to 23 billion gallons per year.

The Municipal Drainage Fund includes updated residential rates scheduled to go into effect April 1, 2013 and updated commercial rates scheduled at phased-in dates of April 1, 2013, October 1, 2013, and October 1, 2014, to provide sufficient working capital and maintain revenue reserve requirements prescribed in our bond covenants. In addition, projected new debt in the amount of \$11.7 million is projected to support scheduled future projects and is also included in the forecast.

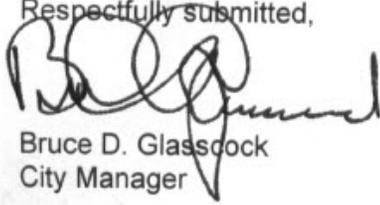
Listed below are additional significant features and issues contained within the forecast.

### Significant Features and Issues of the Forecast

- **Not included** in the fund projections are program enhancements relating to increases for mandates, growth, increased services, technology requests, and other causes for the three-year period. All discretionary items will be examined on their individual merit during the budget development process in each year.
- **No** salary increases have been included for either Civil Service or Non-Civil Service employees in the forecast. In addition, attrition is projected at 3.0% for the General Fund, 1.0% for all other funds.
- **No** inflation has been included in our operating expenditure projections. Even though inflation is currently running around 2%, all inflationary financial increases will be absorbed within the current operating budget.
- **No** health insurance increase has been included in this forecast; but the full phase-in rate of 18.75% for TMRS has been included in the annual salary and wage expenditures. No other benefit cost increases have been included.
- **Assumed to be funded** within the forecast are all operating expenditures associated with CIP Projects coming on-line during the forecast period. For FY 2013-14, the total is \$1,960,496 and includes the remodeling for the Technology Services Building and also the hiring of 9 Fire Rescue Specialists and 6 Lieutenants to develop and implement a Fire Rescue Squad. In FY 2014-15, the total is \$1,379,866 and includes operating costs associated with the Oak Point Nature Preserve, Oak Point Recreation Center expansion and White Rock Community Park. In FY 2015-16, the total is \$1,890,685 and includes costs associated with the expansion of the Senior Center/Wellness Center, Jack Carter Pool renovations, Carpenter Park Rec Center Pool and other Park Improvements. Throughout the forecast period, a cumulative total of \$5,231,047 in additional CIP coming on-line expenditures are projected to be absorbed within the forecast. Details associated with CIP projects coming on-line are located in the Appendix Section of this document.
- The Capital Reserve Fund policy aims to allocate 75.0% of the annual depreciation to be transferred from the General Fund. The transfer to the Capital Reserve Fund is projected to increase from \$12.5 million in FY 2012-13 to \$17.0 million in FY 2015-16 based on the recently updated Capital Reserve Policy goal.
- Funding for the Economic Development Incentive Fund has been included throughout the forecast. The forecast includes the actual two-cent property tax revenue at \$5.2 million for FY 2013-14, \$5.3 million for FY 2014-15 and \$5.5 million for FY 2015-16. The Economic Development Incentive Fund was implemented in FY 2006-07 in order to remain competitive with surrounding neighboring cities in our effort to attract businesses to the area and to provide funding for redevelopment purposes.
- The General Fund includes \$1.0 million for the purchase of library books in each year of the forecast.
- The forecast assumes issuing approximately \$30.0 million in new debt in FY 2013-14 and then \$40.0 million in new debt in FY 2014-15 and FY 2015-16 and includes the passage of all projects listed on the May 11, 2013 Bond Referendum.

My special thanks are offered to all Department Managers, the Executive Team and the Budget & Research Department for their cooperation in putting together this Financial Forecast. In addition, I look forward to discussing this information with you at the March 25<sup>th</sup> Council meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B. Glasscock', written over a light grey rectangular background.

Bruce D. Glasscock  
City Manager

## Looking Ahead, a City of Plano Economic Overview

This Economic Outlook and Overview is intended to serve as a forecast and budgetary planning tool for the citizens and leaders of Plano. This publication makes an effort to provide the reader with a realistic, sensible financial overview of the present and future financial conditions of the City. Presentation of this document to the City Council begins the 2013-14 Budgetary Planning Process for the City of Plano with the united belief that we live, work, and play in one of the finest communities in the nation. Here are a few of the key attributes of our unique community:

**A Prosperous City** One of the marquee cities of the Dallas-Fort Worth Metroplex, Plano is the largest city in Collin County, Texas with an estimated population of 265,100 (January 2013). Regularly recognized for providing an excellent business and living environment, Plano continues to enjoy some of the best economic conditions in the United States, a result of years of well-planned residential and commercial development accompanied by high quality public services. As a city in the final phases of build out, Plano continues work to maintain its distinct charm and vitality. Community leaders are committed to encouraging high-quality new development and support re-development opportunities that are aligned with Plano's civic vision. Residents live in a community with a proud heritage, a stable economic foundation and strong citizen involvement. Plano has the proven ability to provide valuable services that protect and improve the daily lives of residents.



**Location** Plano holds a key ingredient in the global economy: location. As the largest city in Collin County, Plano is located 20 miles north of the Dallas Texas Central Business District and was once considered part of the “outer loop” of the DFW Metroplex ring of suburban cities. Plano is now considered an “inner circle” of suburban city due to continued growth in one of the nation’s leading metropolitan regions. With a prime Metroplex location, Plano city boundaries cover 72.2 square miles and anchor much of the region’s northward growth. The location produces favorable commute times to employment centers outside its city limits thanks to four major regional transportation arteries. Thanks to a sunbelt and central time zone location, Plano enjoys a temperate climate where businesses and residents have the ability to interact with both coasts during normal business hours, and all major U.S. cities are accessible within three hours of flight time. Plano’s membership in the area’s major regional public transportation system, DART, links Plano to Dallas, Fort Worth and most other regional cities via a light rail and bus system. Secure neighborhoods and a wide variety of quality of life amenities identify Plano as a great community for families to call their hometown. After reviewing the local economy, fiscal discipline and standard of living in America’s largest 100 cities, **24/7 Wall Street** named Plano as the best-run city in America.

Fortune 500 companies, established small businesses and entrepreneurial start-ups all do business in Plano, a city where household spending ranked fifth out of America’s 100 most populated cities reviewed in the **2010 Bundle Report: Spending by Cities**. In a business survey conducted in late 2012 by the ETC Institute, nearly 80% of firms surveyed described the business atmosphere in Plano as better or just as good as two years ago. Only 1% of firms were dissatisfied with the overall image of Plano, and 85% of respondents would recommend Plano as a business location. Plano companies gave the local labor pool high marks, and more than one in five businesses had plans to expand their business in Plano.

Plano seeks to keep residents informed about City services and programs using both television and the Internet. The **Plano Television Network (PTN)**, which is city-operated and reaches a large majority of Plano households, has received a number of awards from both state and national government broadcasting organizations for its programming. The

City's list of **eGovernment services** currently includes: utility bills, traffic citations, registration for recreation programs, requests for inspections, garage sale permits, library services, property standards complaints and voter registration. A variety of reports and information regarding Plano's city departments and activities are available at [www.plano.gov](http://www.plano.gov).

Over the years, the City has repeatedly received national accreditations and recognitions, ensuring best practices are in place while providing outstanding levels of services local citizens and businesses. Currently, Building Inspections, Fire, Health, Parks & Recreation, Public Library, Police, Public Safety Communications, Public Works & Engineering and Purchasing Departments all maintain accreditations.

**Excellent Quality of Life** Time and again, Plano is recognized as a great place to live for a variety of people at different stages of their lives. In 2012, for example, Plano was recognized as one of the top 20 American cities with the Happiest Young Professionals (Careerbliss.com), as the "Best City or Suburb to Raise a Child" (Dallas Child Magazine), as one of the healthiest cities for both men and women (Men's Health and Women's Health), and one of the top 10 safest cities in which to drive (Center for Disease Control). Plano's populace enjoys access to over 70 shopping centers, 800 restaurants, 4,276 hotel rooms, and a full-service convention center. Community sites and attractions include the **Heritage Farmstead Museum**; the **Interurban Railway Museum**; **Historic Old Downtown Plano**; **Legacy Town Center**, the **ArtCentre of Plano** and the **Courtyard Theatre**. To support a sense of community and culture, the City annually provides grants and partial funding for a variety of community groups and cultural arts events, such as performing group presentations, outdoor festivals and other entertainment and recreational opportunities. Perhaps the best known of these endeavors is the **Plano Hot Air Balloon Festival** held each September since 1979. Plano's location places guests and residents conveniently close to a multitude of cultural and recreation activities throughout the DFW Metroplex area, which boasts a variety of professional sports teams, world-class museums and first-rate entertainment.

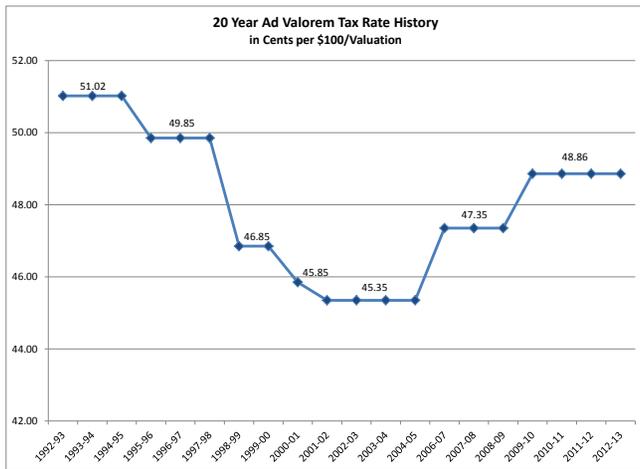
Plano's **Public Library System** has five branch libraries with a collection of over 807,343 books, magazines and audio visual materials with a circulation of 3,919,719 in the most recent fiscal year.

Complementing the collection is a comprehensive online catalog system, web page, public Internet access, research and homework assistance and a wide variety of program offerings that cater to everyone from preschoolers to seniors. Plano Public Libraries were recently recognized by the Texas Municipal Library Directors Association with their 2012 Achievement of Excellence in Libraries award.

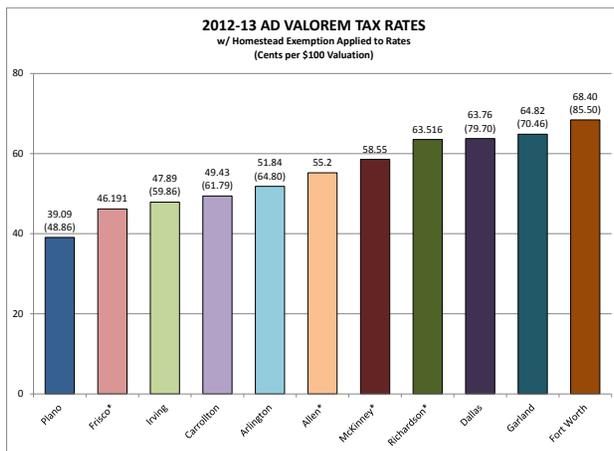
Residents have access to a variety of Parks & Recreation facilities including: 83 public parks, 65 miles of recreational trails, 2 nature preserves, 106 soccer/football fields, 71 softball/baseball fields, 4 recreation centers, a community center, a senior center, 3 theaters/amphitheatres, 1 gazebo/band shell, 11 reserved pavilions, 44 shade shelters, 2 public golf courses, 81 public tennis courts (46 lighted, 35 unlighted), 8 public swimming pools, 177 sports fields and 7 cricket pitches. Plano Parks & Recreation is a three-time winner of the **National Gold Medal for Excellence in Parks and Recreation Management** and the community has been designated a Tree City USA for more than two decades.

**Low Property Taxes** Plano's tax rate remains the lowest rate among large cities in the Dallas-Fort Worth Metroplex. The 2012-13 Budget kept the City of Plano's property tax rate constant at the same rate of 48.86 cents per \$100 valuation. The rate was last increased in 2009-10 by 1.51 cents in order to make up a \$3.9 budget shortfall due to declines in property valuation experienced during the economic downturn. Before that, the last property tax rate increase was in the 2006-07 Budget, where a 2.0 cent increase was implemented solely to raise funds for an **Economic Development Incentive Program**. Revenue from that 2.0 cent increase continues to be used to fund economic development projects and enhance both attraction and retention programs for major businesses. Since this increase went into effect, 16,189 positions have been relocated to Plano by these incentive funds. The City's tax base remains nearly evenly divided between residential and commercial property in value, with the average home in Plano having a value of \$243,118, down slightly from the prior year. End of year 2012 sales statistics provided by the Collin County Association of Realtors displayed significant improvement in the single-family property market in Plano. Despite still not having reached their peak property taxes base from 2008-09, Plano remains the only community in Collin County to offer residents a **20% Homestead Exemption**,

and additional **\$40,000 disability and Over 65 exemptions**. The City also offers a **tax freeze** for homeowners over 65 years of age, their spouses and the disabled. A majority of Plano residents also benefit from living in jurisdictions with low comparative property tax rates for the North Texas region, such as Collin County, Plano ISD and a Collin County Community College District.



The following chart illustrates how Plano's property tax rate compares to the surrounding cities.



Some of the columns on the chart have two numbers; in these cases the smaller number represents the effective tax rate, which includes the homestead exemption. The cities with an asterisk do not offer a homestead exemption, and display only one rate.

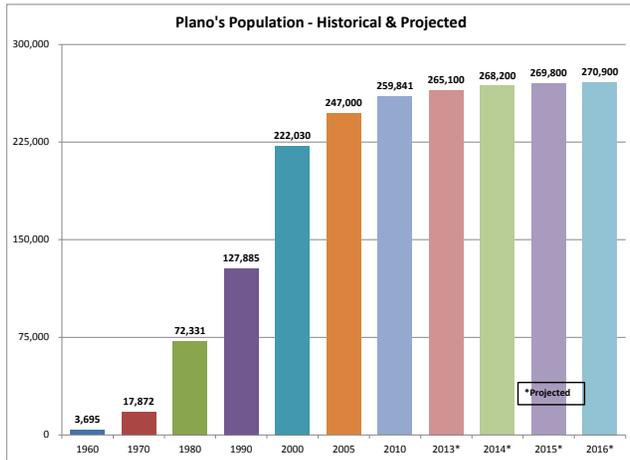
**Sound, AAA Credit Worthy Financial Stewardship**

Plano has long been nationally recognized for innovation and outstanding public managers and employees, as well as the continued ability to provide the quality services and conveniences expected by residents. Holding a **'AAA' Bond rating** since the

year 2000 from three of the nation's major bond rating companies reflects Plano's strong financial operations. Plano is one of the few cities in the United States to consistently receive the highest possible bond ratings from Moody's, Standard & Poor's, and Fitch's IBCA Inc. In their evaluations, the three rating agencies have noted such characteristics as the quality of fiscal management, to the diverse economic development, to the ability to attract and retain corporate headquarters.

**Population and Culture** Plano is one of America's most populous suburbs, with the 9<sup>th</sup> largest population among Texas cities and ranking 71<sup>st</sup> nationwide in the 2010 Census. In the Dallas-Fort Worth Metroplex, only Dallas, Fort Worth and Arlington have larger populations. These figures would have surprised Plano residents a generation ago. In 1960, Plano's population was 3,695; today the estimated January 1, 2013 population is 265,100. Plano is a diverse place with 22.8% of the population born outside of the United States and 31.2% of households speaking a language other than English in their home. In Plano you can hear many foreign languages, see different places of worship and taste foods from throughout the world; however, while the population is diverse, it shares common values and unites around shared institutions and experiences. Almost 66% of Plano residents are homeowners, and more than half of Plano households have lived at their current address for more than seven years.

According to the U.S. Census Bureau, Plano residents are well-educated with more than 54.0% of adults over age 25 holding a bachelor's degree or higher, compared to the Texas average of 26.0%. Plano's median household income is \$82,901, nearly 67% higher than the national median household income of \$49,777. 26.3% of Plano residents are under 18 years of age, while another 8.3% are over 65 years old; Plano's median age is 36.4. Plano has seen its minority population grow with the city; currently the largest minority groups are Asian (17.7%), Hispanic/Latino (14.6%) and African American (7.5%). After booming population growth in the 1970s, 80s and 90s, Plano's population has stabilized; this can be seen in the fact that Plano's population grew by 73.6% in the 1990's and 17.0% in the 2000's.



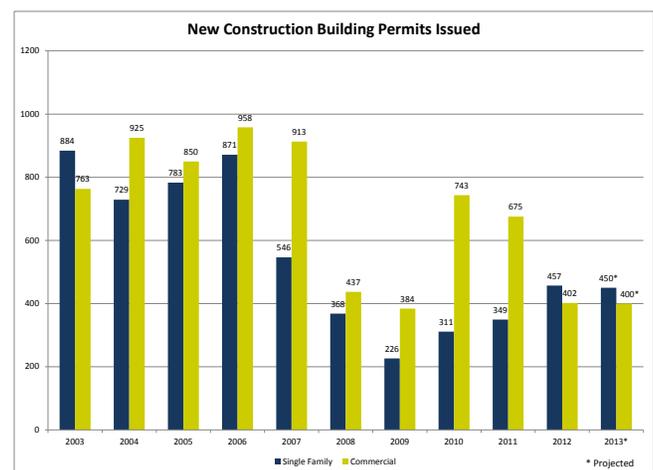
Plano's population growth will continue to level off as the few remaining land parcels are developed and most future residential growth will come from rezoning land and existing development. Reflecting on this fact, City leaders pro-actively prepare, and use forecasts as tools to set the guidelines for the level of service standards preferred by the community. The budget process involves vigilant monitoring, both long-range and short-term planning, combined with balancing the impacts of decreasing revenues and increasing maintenance costs. For purposes of this Forecast, 1.2% annual population growth is projected for 2013-14; 0.6% for 2014-15; and 0.4% for 2015-16.

**Construction, Renovation & Build Out** Plano was not immune to the downward shifts in both residential and commercial real estate started during the 2008-2009 recession, where new housing construction reached a historically low level nationwide and many developers delayed, scaled down or abandoned new projects. Building permits, as indicators of development, are important because they reflect actual construction activity and in turn, indicate changes and additions to the appraisal value for Plano's property tax base.

Nationally, housing is on a modest upswing, with modest gains in observed prices and new construction, and a drop in available inventory and listings from prior years. Texas continues to weather the national real estate crunch without significant damage to property values, as it avoided the over building experienced in some other western and southern states. Home ownership is more affordable than at almost any point in the past forty-one years, according to the National Association of Realtors Homebuyers Affordability Index, which began tracking in 1970. The index reached 193.2 for 2012, with a

monthly index above 200 in six months. A higher index equals more affordable, and a level above 100 signifies that a family earning the median income more than qualifies for a mortgage loan on a median-priced home. This affordability and recent improvements to the economy support this and may improve the demand for housing. Psychological effects of the housing bubble have lingered, dampening optimism for this sector of the economy, yet Plano's residential home market did well in 2012.

In Plano, the average days on market for a home for sale dropped from 92 to 64 days from 2011 to 2012, total sales increased by 18.0% and the median sales price increased by 3.7% to \$223,000. In Texas, housing prices have remained relatively stable when compared to the rest of the nation and Texas has a much lower share of underwater mortgages when compared to the nation's average. In 2012, Plano issued construction permits for 457 new single family homes, the most since 2007, and had more than \$324 million in new commercial building construction take place. However, Plano faces a diminishing amount of land available for initial development in the three years being presented in this forecast. Consequently, after a promising 2012, it is anticipated that new construction in Plano will reflect its maturing character and begin to focus more on in-fill, remodeling and redevelopment rather than the new green field construction which has defined the City for the past several decades. Future revenues related to the number of new construction permits issued are predicted to remain flat for the entire forecast period, similar to the 2011-12 actual permits issued.



The popularity of the Legacy Town Center and redevelopment around downtown Plano are indicative of a trend towards more compacted living spaces such as patio and town homes, duplexes and

pedestrian-friendly multi-purpose developments. Plano faces the challenge of maintaining a balance between residential and commercial properties, which is an integral part of the foundation that makes this community an attractive choice to new residential and commercial investors, aids in business retention, and promotes appreciation of property values for both homeowners and institutional commercial property owners.

**The Texas Job Market** Total nonagricultural employment in Texas added 310,900 jobs in the past 12 months according to the Texas Workforce Commission, with Texas reaching an all-time record level of employment for the 15<sup>th</sup> month in a row in January 2013. The Texas unemployment rate has remained at or below the national employment rate for 74 consecutive months. In the past 12 months three sectors, Leisure and Hospitality, Education and Health Services and Professional Services, accounted for almost 60% of all job growth. According to the Texas State Comptroller, Texas employers replaced all 433,400 job shed during the latest recession by December 2011. The employment situation in Plano remains relatively stable, with a January 2013 unemployment rate of 6.0%, down 0.4% compared to the Texas Workforce Commission in January 2012.

While the national job market shows signs of strengthening, job growth in 2013 is not expected to accelerate greatly. As of December 2012, the Bureau of Labor Statistics reported more than 6.6 million Americans had been unemployed for more than 15 weeks and the average length of unemployment was just over 38 weeks long. While the most recent private employment figures have shown 34 months of consecutive private sector job growth, there are no economic signals that would lead to a significant pick up in hiring or business expansion in the near future.

Plano's employment strength continues to reflect the diversity of its employment base, including a highly educated, talented and motivated workforce. Even in times of national recession, companies continued to relocate here, and businesses already located here plan to stay. City leaders work with the **Plano Economic Development Board** to identify, recruit, and retain businesses, contributing to the community's economic well-being. An impressive and diverse list of corporate citizens mitigates the severity of the economic downturn in Plano when compared to other metropolitan areas in the nation.

Plano is a major employment center with over 5,800 businesses in the city limits. Two major employment districts, Legacy Business Park and the Research and Technology District, and three large retail shopping malls, Collin Creek Mall, the Shops at Willow Bend, and the Shops of Legacy, conjoin with numerous neighborhood retail shops, eateries, and other business to provide opportunities for employment in retail, wholesale, manufacturing, medical, finance, services and high tech fields within city limits. This diverse collection of enterprises across business sectors is one factor that has helped Plano weather the national recession better than most other communities.

**Here and Now** The City of Plano is now at or approaching pre-recession levels for several key revenues such as property taxes, sales tax receipts, and hotel/motel taxes. Even with these positive developments, Plano remains conservative in its outlook and very much aware of "the new normal" that has taken hold for both households and governments since 2008.

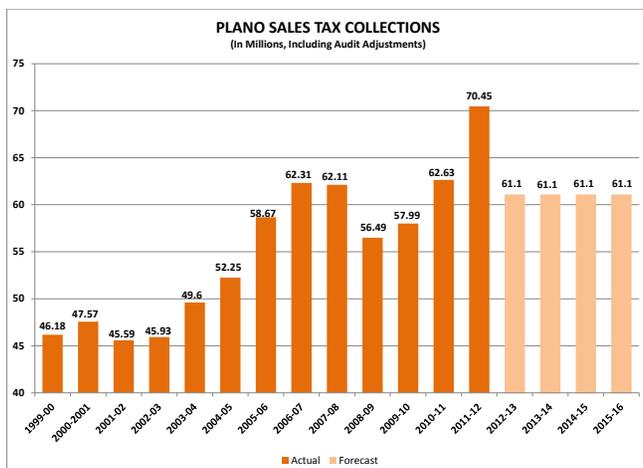
The year 2013 is expected to continue to bring modest economic growth to the area. Although the economic climate of the city and region has been hindered by economic and political uncertainties, the past year continued to show the majority of economic indicators to be positive with an upward momentum. The Dallas-Fort Worth area is expected to outperform the national economy yet again this year. Decisions regarding the level of services for City programs are now part of the budget cycle each year. Water and Sewer Revenues continue to remain an area of concern as they can be adversely affected by unusual weather conditions that cannot be predicted, and are also greatly impacted by regulatory mandates from the EPA and the TCEQ (Texas Commission on Environmental Quality).

Another major factor in recent years has been the energy market. Oil prices fluctuate daily and currently are trending steeply upwards. Consequently, fuel costs are expected to drive increases in the City's cost to maintain and operate vehicles and other rolling stock. Increasing global demands for petroleum, low inventories and extreme political unrest in oil producing regions across the world all play a role in these prices. Energy cost uncertainties and a strong community desire for sustainable energy practices encouraged the implementation of energy efficiencies at City facilities, including adjustments to heating and

cooling systems and building temperatures, as well as modifying lighting fixtures in office areas. These changes, coupled with energy price contracts, have helped to control utility expenditures at the City of Plano. Recently natural gas inventories set new highs, causing natural gas prices to remain low. Electricity and natural gas costs are projected to remain fairly constant in each of the three years of this forecast.

Sales tax revenues were at an all-time high in 2011-12 after a three year recessionary climate, with \$70.5 million collected. Plano's recent sales tax growth can be attributed to a very strong collection of firms whose services and products lend themselves to business to business rather than retail sales. Retail sales in Plano have been slower to recover as new retail options have opened in neighboring communities and consumer confidence (and spending) has only recently begun to approach pre-recession levels. While Plano served as the primary retail destination for Collin County through the middle of last decade, consumers in cities such as Frisco, Allen and McKinney now have the same retail outlets located closer to home. As a result, Plano's share of the regional retailing market is not expected to expand in the near future.

Based on a revised City Council policy, sales tax projections will be based on the past three year average of sales tax collections net any audit adjustments. At this time, \$61.1 million represents the latest three-year average. Any amount collected over the \$61.1 million can be used to purchase one-time expenditures, assigned to the fund balance to be used for offsets in the next fiscal year or can be transferred to the Capital Reserve Fund.



In the near term, Texas's economic growth is expected to continue at a good pace compared to the rest of the nation. A blue chip consensus of economists predicts personal income growth by 5.9% in both 2013 and 2014 across the state, with retail sales in both years growing by 6.3%. The Texas housing industry also looks well positioned to take advantage of Texas population growth. Economists have forecast that migration and new births will increase the number of Texans by 1.7% in 2013 and 1.8% in 2014; and that this population growth will see the number of single-family housing permits increase by 17.8% in 2013 and 18.5% in 2014. By 2014, the same economists expect the number of people employed to increase by 4.5% over 2012 levels.

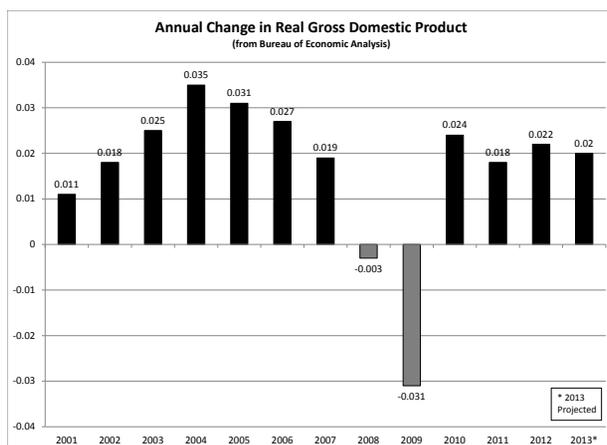
Plano continues to seek out high quality opportunities for economic development and business growth. With a history of attracting new construction and business expansions, Plano remains well positioned to benefit from the internal U.S. migration of people and businesses to Texas. Plano's Economic Development Department works tirelessly to promote the benefits of our city to key business leaders making site and relocation decisions.

**National Economic Trends** The steady, although slow, comeback in the U.S. economy since mid-2009 is clear and the likelihood of a sluggish recovery for the next several years continues. As a country, we have faced numerous challenges over the past few years, yet even with these difficulties, Plano remains strong. The Federal Reserve continues to focus on keeping financing costs low and holding inflationary pressures at bay and has identified these **three keys to the Economic Recovery: Jobs, Housing Starts, and Consumer Spending**. It will take several more years for the nation to reach a total employment figure equal to the peak seen in the labor force of 2007 at recent growth rates. Nationally, home prices seem to have bottomed out; however, new housing starts, which normally exceed one million units per year, are at a current annual pace of about 800,000. This hugely important sector of the economy includes not only construction but everything that feeds off of it. Since 2007, the average household has lost 23% of its net worth. Consumer spending normally accounts for 70% of all economic activity and will remain sluggish. The average household savings rate has gone from 0% in 2007 to almost 6% as households try to replenish some of their losses. According to

the Congressional Budget Office's projections, total age and salary income will grow by only 1.6% in 2013, before increasing to 5.2% in 2014 and 6.4% in 2015.

On a positive note, Texas remains one of the best business climates in the United States. Texas is frequently selected as one of the best areas for business relocation and expansion and has been named a leader in foreign trade zones. A number of factors lead to such a desirable economic environment, including an advantageous location, lower taxes and costs of doing business, free labor markets, a culture seen as business-friendly and good quality of life. According to a February 2013 presentation by the SMU Cox School of Business, over 52% of all American job gains in the past 12 years came from Texas, more than four times the number of the next largest job gaining state.

One indicator of the national economy is Real Gross Domestic Product (GDP), which measures the output of goods and services produced by labor and property located in the United States while taking inflation into account. The graph below shows the changes to this measure over the past decade from the Bureau of Economic Analyses archives, with the 2013 projected rate from the Congressional Budget Office. Preliminary economic projections for the next three years indicate slow, yet positive national growth as businesses continue to review and realign their goals with strategies and plans that are more adaptive to current economic conditions while evolving to a more global economy.



Real GDP has grown for 14 consecutive quarters, but with recent deceleration, the pace needed to significantly lower the national unemployment rate will not be attained in the near future. In Texas, Real

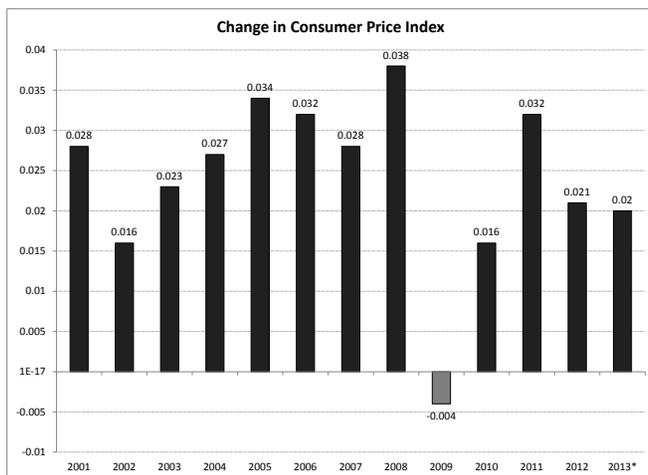
GDP grew by 2.9% in 2012, outpacing the nation's 1.5%. Private sector jobs continue to increase and industrial production is up, with durable goods orders up by over 7% in 2012. Profits at S&P companies continue to be very strong and private domestic investment increased by 9.6% in preliminary BEA figures. The Congressional Budget Office projects that growth will pick up above 4% in 2015, but the economy will remain below its potential until 2018 and that unemployment will remain above 7.0% until 2016. Real GDP is projected to grow by 1.3% in 2013 and 2.6% in 2014 in the CBO's latest economic projections. Economic expansion is evident; however, a variety of potential scenarios might bring the recovery to a standstill. Consumer confidence levels have not yet recovered and the national unemployment rate remains around the 8.1% mark. Both Texas and Plano have historically been below the national unemployment rate averages.

While labor force participation remains below pre-recession levels, it is unlikely that economic growth will reach the robust levels experienced in the middle of the last decade. Economic productivity was robust due to the rapid assimilation of innovative technologies into the workplace and a high proportion of working age people who were employed and working full-time at their jobs. With many companies utilizing new technology to maximize productivity in the hours worked from employees, a standard response to the recession by business managers was to do more with less. As workforces shrank and the job market favored employers, who required higher levels of education and skills than before the recession, many potential workers became discouraged and left the labor force or accepted jobs that didn't match their previous employment. As a result, the larger pool of economically inactive individuals and job seekers has produced drag on economic growth and lead to a significant population that is not captured by the official unemployment rate. Modest economic growth in the U.S. and slower growth throughout much of the rest of the world spell lower inflation this year, and eases pressure on the Federal Reserve to raise interest rates anytime soon. Nationally, corporations have built up large holdings of cash, and as economic activity improves and uncertainties are resolved, businesses should feel more confident increasing their investments in structures, equipment and technology.

Another major factor in the current economic recovery is historically low spending and purchasing by the federal, state, and local governments. According to the latest Real GDP figures, federal spending decreased in both 2011 and 2012 and state and local spending has decreased for the last three years. This decline means that economic growth is more dependent on the private sector than previous recoveries, and that opportunities for governmental economic stimulus are practically non-existent in most present political environments.

An additional measure of the overall economy is the Consumer Price Index (CPI) prepared by the Bureau of Labor Statistics (BLS), a direct indicator of inflation in the economy. A rise in CPI of 2.1% for the DFW urban region over the past 12 months, and a rise of 1.9% nationally, reflects an economic environment that is stable and experiencing only modest growth.

Inflation, as measured by the annual percentage change in the CPI, is expected to remain fairly low. Economists point out that historical data shows that following a recession/depression period, inflation remains fairly level for the next several years. CPI is also influenced by a direct relationship to energy prices. As shown in the following chart, inflation has remained remarkably stable for the last several years. Compared to other areas of the United States, Plano has many helpful price advantages as indicated in the Cost of Living Index. The 2012 Index placed Plano below the national average for such major household costs as Housing, Healthcare and Grocery Items.



This forecast does not include any factors for inflation with the exception of fuel and maintenance and postage. Expenditures for materials and supplies

have been held level for several fiscal years now under the expectation that departments will continue to employ cost containment measures when obtaining goods and contracted services. Any additional operating & maintenance expenditure included in the 2013-14 Budget must be approved by the City Council through a supplemental funding process.

**What this means for Plano** Although economic forecasts for Plano and the region remain generally favorable in light of recent economic stress, residential build-out and the lukewarm pace of economic growth continue to influence the City. Financial sustainability and a looming physical build-out have required a shift in focus from growth to maintenance activities. The demands for additional housing in Plano have been heard and re-zoning in some of the undeveloped areas of the City has begun to occur. The City is aware of the effects of maturation in its neighborhoods and commercial areas, as both private development and public infrastructure have been in place in some areas for more than 20 to 30 years. These circumstances require Plano to continue diligently monitoring financial conditions, while reviewing current policies and guidelines so that a balanced budget is maintained and expenditures are maintainable. Meticulous attention is given to the capital funds, such as the Capital Reserve Fund and Community Investment Program each year. During the annual budget process capital projects are re-examined and ranked, using financial oversight and planning to ensure that the funds are available for these projects as needed. The Council and managers practice visionary planning, with an eye towards the horizon, looking for potential opportunities and anticipating coming challenges to the community.

The City each year anticipates and reviews requests for services that are likely to increase and/or shift as the city matures, while continuing to explore and promote inter-local cooperation with Collin County and other Metroplex municipalities. Such planning is the purpose of this Status Report and Three-Year Financial Summary.

**Forecast Notes** Several years after our regional and state economy experienced the recent economic downturn at a degree much lower than the nation as a whole, Plano remains a bright spot on the economic landscape. Economic expansion continues to generate employment and other business opportunities in Plano, and combines with other

factors to motivate business relocations and new residents to settle in our city. Economists generally agree that the national economy will continue to recover, though not as quickly as most individuals would like.

As is the case with all projections, many developments could cause economic outcomes to differ substantially in one direction or another. External issues can heavily influence economic activity and weaken the economy. Significant outside factors impacting the City of Plano include: unpredictable acts of nature, terrorism or war; uncertainty about interest rates at the Federal Reserve; uncertainty about oil and other energy prices; the implementation of the Patient Protection and Affordable Care act and its impact to U.S. businesses; uncertainty about performance and the creditability of the global financial markets, especially in Europe; and the impacts of inflation or even deflation. Barring any serious developments in these areas, Plano is poised to continue benefiting from a sound economy over the next three years.

<b>Budget Assumption Matrix Revenues and Expenses 2013-14 thru 2015-16</b>				
<b>ASSUMPTION</b>		<b>Projected</b>		
		<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b><u>Population:</u></b>				
January 1, 2013	Current Population: 265,100 (Planning Dept.)			
2013-14	Increase 1.2% to 268,200 (Planning Dept.)	1.20%		
2014-15	Increase 0.6% to 269,800 (Planning Dept.)		0.60%	
2015-16	Increase 0.4% to 270,900 (Planning Dept.)			0.40%
<b><u>Property Values:</u></b>				
<b>Existing Property Value:</b>				
2013-14	Increase 1.0% to \$26,153,979,962 (Central Appraisal District)	1.00%		
2014-15	Increase 1.0% to 26,715,519,762 (Central Appraisal District)		1.00%	
2015-16	Increase 2.0% to \$27,549,830157 (Central Appraisal District)			2.00%
<b>New Property Value:</b>				
2013-14	Increase \$250,000,000 (Based on Central Appraisal District)			
2014-15	Increase \$300,000,000 (Based on Building Permit Projections)			
2015-16	Increase \$300,000,000 (Based on Building Permit Projections)			
<b><u>Revenues:</u></b>				
<b>Taxes</b>				
<b>Ad Valorem Taxes:</b>				
Current	Assume 99.0% collection rate	0.00%	0.00%	0.00%
Delinquent	Assume 1.0% delinquent rate			
Penalty & Interest	Based on historical trends in delinquent accts.			
<b>New Debt</b>				
2013-14	\$30,000,000 (Bond Authority)			
2014-15	\$40,000,000 (Bond Authority)			
2015-16	\$40,000,000 (Bond Authority)			
<b>Interest Earnings</b>				
2013-14	Based on Working Capital balance and historical actuals			
2014-15	Based on Working Capital balance and historical actuals			
2015-16	Based on Working Capital balance and historical actuals			
<b>Building Related Revenues</b>				
2013-14	Remain constant (Bldg. Inspect. Dept. & historical)	0.00%		
2014-15	Remain constant (Bldg. Inspect. Dept. & historical)		0.00%	
2015-16	Remain constant (Bldg. Inspect. Dept. & historical)			0.00%
<b>Direct Population-Based (DP)</b>				
2013-14	Increase 1.2% (Planning Dept.)	1.20%		

<b>Budget Assumption Matrix Revenues and Expenses 2013-14 thru 2015-16</b>				
<b>ASSUMPTION</b>		<b>Projected</b>		
		<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
2014-15	Increase 0.6% (Planning Dept.)		0.60%	
2015-16	Increase 0.4% (Planning Dept.)			0.40%
<b>Indirect Population-Based (IP)</b>				
2013-14	Increase 0.06% (Planning Dept.)	0.60%		
2014-15	Increase 0.30% (Planning Dept.)		0.30%	
2015-16	Increase 0.20% (Planning Dept.)			0.20%
<b>Direct Economy-Based (DE)</b>				
2013-14	Increase 2.00% (Projected inflation rate)	2.00%		
2014-15	Increase 2.00% (Projected inflation rate)		2.00%	
2015-16	Increase 2.00% (Projected inflation rate)			2.00%
<b>Indirect Economy-Based (IE)</b>				
2013-14	Increase 1.00% (Projected inflation rate)	1.00%		
2014-15	Increase 1.00% (Projected inflation rate)		1.00%	
2015-16	Increase 1.00% (Projected inflation rate)			1.00%
<b>GENERAL FUND</b>				
Sales Tax	Based on 3-year average (City Policy)	0.00%	0.00%	0.00%
Mixed Drink Tax	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Bingo Gross Receipts Tax	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
<b>Franchise Fees</b>				
Electrical Franchise	Indirect Economy based increase (IE)	1.00%	1.00%	1.00%
Telephone Franchise	Constant			
Fiber Optics Franchise	Constant			
Gas Franchise	Indirect Economy based increase (IE)	1.00%	1.00%	1.00%
Cable TV Franchise	Indirect Economy based increase (IE)	1.00%	1.00%	1.00%
<b>Fines &amp; Forfeits</b>				
Municipal Court	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Library Fines	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
<b>Miscellaneous Revenue</b>				
Interest Earnings	Based on historical actuals & ending working bal.			
Sale/Rental of Property	Based on rental lease agreements			
Insurance Collections	4.0% per year increase	4.00%	4.00%	4.00%
Sundry	Constant			
<b>Licenses &amp; Permits</b>				
Food Handlers Permits	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Land/Burning/Liquid Waste	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Grease Trap Permits	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Rental Registratin Fees	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Fire Inspection Fees	Constant			
Animal Licenses	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Restaurant Plan Review	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Alarm Permits	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Filing Fees	Based on building & development projection	0.00%	0.00%	0.00%
Fire Protection Plan Review	Based on building & development projection	0.00%	0.00%	0.00%
Building Permits	Based on building & development projection	0.00%	0.00%	0.00%
Electrical Permits	Based on building & development projection	0.00%	0.00%	0.00%
Plumbing Permits	Based on building & development projection	0.00%	0.00%	0.00%

<b>Budget Assumption Matrix Revenues and Expenses 2013-14 thru 2015-16</b>				
		<b>Projected</b>		
<b>ASSUMPTION</b>		<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Heating & A/C Permits	Based on building & development projection	0.00%	0.00%	0.00%
Fence Permits	Based on building & development projection	0.00%	0.00%	0.00%
Swimming Pool Permits	Based on building & development projection	0.00%	0.00%	0.00%
Pool Inspection	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Irrigation Permits	Based on building & development projection	0.00%	0.00%	0.00%
Day Laborer Fees	Constant			
Sign Permits	Based on building & development projection	0.00%	0.00%	0.00%
Reoccupancy Permits	Based on building & development projection	0.00%	0.00%	0.00%
Misc. Licenses & Permits	Constant			
<b>Fees &amp; Charges for Services</b>				
Animal Pound & Adopt. Fee	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Ambulance Service	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
False Alarm Response	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Emergency 911	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Contractor Registration Fee	Based on building & development projection	0.00%	0.00%	0.00%
Engineering Inspection Fee	Based on building & development projection	0.00%	0.00%	0.00%
Residential Building Plan Review	Based on building & development projection	0.00%	0.00%	0.00%
Reinspection Fee	Based on building & development projection	0.00%	0.00%	0.00%
File Searches	Indirect Population based increase (IP)	0.60%	0.03%	0.20%
Same Day Inspection Fee	Based on building & development projection	0.00%	0.00%	0.00%
Convenience Copiers	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Lease Fee	Constant			
Recreation User Fee	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Recreation Rental Fee	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Swimming Fee	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Recreation Membership Card Fee	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Tennis Center Fee	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Food Manager/Handler Training	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Tree Trimming Assessments	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Child Safety Fee	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Sundry	4.0% per year increase	4.00%	4.00%	4.00%
<b>Intergovernmental Revenue</b>				
Payments from Fisd:				
School Liaison	Based upon schedule of costs reimbursed			
Payments from Pisd:				
School Liaisons	Based upon schedule of costs reimbursed			
Plano-Richardson Trng. Ctr./Misc.	Constant			
Interlocal Radio System Access	Constant			
<b>Intragovernmental Transfers</b>				
Intra-Fund Transfers From:				
Water & Sewer Fund	7.0% of selected Water & Sewer revenues; indirect costs; and allocations for additional costs			
Sustainability & Env. Svcs. Fund	7.0% of Residential Collection, Special Refuse Collection, and Landscape Bag revenues			
Recreation Revolving Fund	5.0% of Recreation Fund revenues			
Golf Course Fund	5.0% of Golf Course Fund revenues			
Convention & Tourism Fund	5.0% of Convention & Tourism Fund revenues			

<b>Budget Assumption Matrix Revenues and Expenses 2013-14 thru 2015-16</b>				
		<b>Projected</b>		
<b>ASSUMPTION</b>		<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Municipal Drainage Fund	7.0% of Municipal Drainage Fund revenues			
<b>WATER &amp; SEWER FUND</b>				
Water Income	Direct Population based increase (DP), and North Texas Municipal Water District	9.00%	5.00%	4.00%
Water Taps	Indirect Economy based increase (IE)	1.00%	1.00%	1.00%
Sewer Income	Direct Population based increase (DP), and North Texas Municipal Water District	3.00%	2.00%	2.00%
Water & Sewer Penalties	Direct Population based increase (DP)	1.20%	0.60%	0.40%
Water Meters	Indirect Economy based increase (IE)	1.00%	1.00%	1.00%
Construction Water	Indirect Economy based increase (IE)	1.00%	1.00%	1.00%
Service Connect Fee	Indirect Economy based increase (IE)	1.00%	1.00%	1.00%
Backflow Testing	Indirect Economy based increase (IE)	1.00%	1.00%	1.00%
Sewer Tie-On	Indirect Economy based increase (IE)	1.00%	1.00%	1.00%
Pre-Treatment Permits	Indirect Economy based increase (IE)	1.00%	1.00%	1.00%
Interest Earnings	Based on historical actuals & ending working bal.			
Misc. Income	Indirect Economy based increase (IE)	1.00%	1.00%	1.00%
<b>CONVENTION &amp; TOURISM FUND</b>				
Hotel/Motel Receipts	Direct Economy based increase (DE)	2.00%	2.00%	2.00%
Civic Center Fees	Direct Economy based increase (DE)	2.00%	2.00%	2.00%
Miscellaneous	Constant			
Interest Earnings	Based on historical actuals & ending working bal.			
<b>SUSTAINABILITY &amp; ENVIRONMENTAL SERVICES FUND</b>				
Commercial Franchise	Direct Economy based increase (DE)	2.00%	2.00%	2.00%
Special Refuse Collection	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Residential Collection	Direct Population based increase (DP)	1.20%	0.60%	0.40%
BFI, Inc.	Direct Economy based increase (DE)	2.00%	2.00%	2.00%
Recycling	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Sale of Landscape Bags	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Tipping Fee	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Contributions via Utility Billing	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Sale of Compost	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Miscellaneous	Indirect Economy based increase (IE)	1.00%	1.00%	1.00%
Disposal Reimbursements	Direct Economy based increase (DE)	2.00%	2.00%	2.00%
<b>MUNICIPAL DRAINAGE FUND</b>				
Residential Class Fees	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Commercial Class Fees	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Interest Earnings	Based on historical actuals & ending working bal.			
<b>MUNICIPAL GOLF COURSE FUND</b>				
Golf Fees	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Concessions	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Miscellaneous	Constant			

<b>Budget Assumption Matrix Revenues and Expenses 2013-14 thru 2015-16</b>				
		<b>Projected</b>		
<b>ASSUMPTION</b>		<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Interest Earnings	Based on historical actuals & ending working bal.			
<b>RECREATION REVOLVING FUND</b>				
Recreation Fees	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Contributions	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Sundry	Indirect Population based increase (IP)	0.60%	0.30%	0.20%
Interest	Based on historical actuals & ending working bal.			
<b><u>Expenses:</u></b>				
<b>Inflation</b>				
2013-14	Increase 2.0% (Based on CPI by US Dept. Of Labor)	2.0%		
2014-15	Constant		2.0%	
2015-16	Constant			2.0%
<b>Salaries, Wages &amp; Benefits</b>				
Salaries (Civil & Non-Civil Service)				
2013-14	Increase 0.0% (Management projections)	0.00%		
2014-15	Increase 0.0% (Management projections)		0.00%	
2015-16	Increase 0.0% (Management projections)			0.00%
RSP				
2013-14	Increase to 3.28% of salary (RSP Board)			
2014-15	Remain constant at 3.28% of salary (RSP Board)			
2015-16	Remain constant at 3.28% of salary (RSP Board)			
Life Insurance				
2013-14	Remain constant at 1.00% of salary (Calculation)			
2014-15	Remain constant at 1.00% of salary (Calculation)			
2015-16	Remain constant at 1.00% of salary (Calculation)			
Disability				
2013-14	Increase to 0.08% of salary (Calculation)			
2014-15	Remain constant at 0.08% of salary (Calculation)			
2015-16	Remain constant at 0.08% of salary (Calculation)			
Medicare				
2013-14	Remain constant at 1.45% of salary (Calculation)			

<b>Budget Assumption Matrix Revenues and Expenses 2013-14 thru 2015-16</b>				
		<b>Projected</b>		
<b>ASSUMPTION</b>		<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
2014-15	Remain constant at 1.45% of salary (Calculation)			
2015-16	Remain constant at 1.45% of salary (Calculation)			
<b>TMRS</b>				
2013-14	Increase to 18.75% of salary (Full TMRS Phase in Rate)			
2014-15	Remain constant at 18.75% of salary (Full TMRS Phase in Rate)			
2015-16	Remain constant at 18.75% of salary (Full TMRS Phase in Rate)			
<b>Health Insurance</b>				
2013-14	Remain constant			
2014-15	Remain constant			
2015-16	Remain constant			
<b>OPEB</b>				
2013-14	\$2,244 (Human Resources)			
2014-15	Remain constant at \$2,244			
2015-16	Remain constant at \$2,244			
<b>Attrition</b>				
2013-14	3.0% for General Fund and 1.0% for other Funds			
2014-15	3.0% for General Fund and 1.0% for other Funds			
2015-16	3.0% for General Fund and 1.0% for other Funds			
<b>Depreciation</b>				
2013-14	Method remains constant each year (Historical & ERF)			
2014-15	Method remains constant each year (Historical & ERF)			
2015-16	Method remains constant each year (Historical & ERF)			
<b>Municipal Garage Charges</b>				
2013-14	Increase 5.0% (Equip. Svcs, gas and oil price inc.)	5.00%		
2014-15	Increase 5.0% (Equip. Svcs, gas and oil price inc.)		5.00%	
2015-16	Increase 5.0% (Equip. Svcs, gas and oil price inc.)			5.00%
<b>Postage</b>				
2013-14	Increase 2.0%	2.00%		
2014-15	Increase 2.0%		2.00%	
2015-16	Increase 2.0%			2.00%

<b>Budget Assumption Matrix Revenues and Expenses 2013-14 thru 2015-16</b>				
<b>ASSUMPTION</b>		<b>Projected</b>		
		<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>Electricity</b>				
2013-14	Increase to 2.0% (Dept. Of Energy)	2.00%		
2014-15	Remain constant (Dept. Of Energy)		0.00%	
2015-16	Remain constant (Dept. Of Energy)			0.00%
<b>Natural Gas</b>				
2013-14	Increase to 7.0% (Dept. Of Energy)	7.00%		
2014-15	Remain constant (Dept. Of Energy)		0.00%	
2015-16	Remain constant (Dept. Of Energy)			0.00%
<b>Capital Outlay</b>				
2013-14	\$1,000,000 per year for library books (Historical)			
2014-15	\$1,000,000 per year for library books (Historical)			
2015-16	\$1,000,000 per year for library books (Historical)			
<b>Existing Expenditures</b>				
2013-14	Remain Constant	0.00%		
2014-15	Remain Constant		0.00%	
2015-16	Remain Constant			0.00%
<b>North Texas Municipal Water District (NTMWD)</b>				
<b>Water</b>				
2013-14	Increase \$0.18 per 1,000 gal to \$1.88	9.94%		
2014-15	Increase \$0.18 per 1,000 gal to \$2.06		9.57%	
2015-16	Increase \$0.18 per 1,000 gal to \$2.24			8.74%
<b>Wastewater</b>				
2013-14	Increase \$0.08 per 1,000 gal to \$1.55	5.44%		
2014-15	Increase \$0.06 per 1,000 gal to \$1.61		3.87%	
2015-16	Increase \$0.05 per 1,000 gal to \$1.66			3.11%
<b>Upper East Fork Interceptor System</b>				
2013-14	Increase \$0.03 per 1,000 gal to \$0.85	3.66%		
2014-15	Increase \$0.04 per 1,000 gal to \$0.89		4.71%	
2015-16	Increase \$0.03 per 1,000 gal to \$0.92			3.11%
<b>EWS-Regional Landfill</b>				
2013-14	Price per ton to increase to \$41.47	3.49%		
2014-15	Price per ton to increase to \$42.94		3.54%	
2015-16	Price per ton to increase to \$43.65			1.65%
<b>GENERAL FUND TRANSFERS</b>				
<b>Capital Reserve</b>				
2013-14	Transfer \$15,000,000 (Based on Capital Reserve Policy)			

<b>Budget Assumption Matrix Revenues and Expenses 2013-14 thru 2015-16</b>				
		<b>Projected</b>		
<b>ASSUMPTION</b>		<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
2014-15	Transfer \$17,200,000 (Based on Capital Reserve Policy)			
2015-16	Transfer \$19,500,000 (Based on Capital Reserve Policy)			
<b>Economic Dev. Incentive Fund</b>				
2013-14	Transfer \$5,178,488 (2 cents on tax rate)			
2014-15	Transfer \$5,289,673 (2 cents on tax rate)			
2015-16	Transfer \$5,454,866 (2 cents on tax rate)			
<b>Technology Fund</b>				
2013-14	Total transfer to remain constant @ \$1.4 million a year, divided among Funds who contribute: (Calculation)			
2014-15	General Fund = \$1,000,000			
2015-16	Water & Sewer Fund = \$300,000			
	Sustainability & Env. Svcs. Fund = \$60,000			
	Municipal Drainage Fund = \$20,000			
	Convention & Tourism Fund = \$20,000			
<b>PTN Fund</b>				
2013-14	Transfer \$250,000 (Calculation)			
2014-15	Transfer \$250,000 (Calculation)			
2015-16	Transfer \$250,000 (Calculation)			
<b>Property &amp; Liability Loss</b>				
2013-14	Transfer \$3,300,672 (Calculation)			
2014-15	Transfer \$3,300,672 (Calculation)			
2015-16	Transfer \$3,300,672 (Calculation)			

**General Fund****Recurring Revenue Vs. Recurring Expenditures**

	2011-12	2012-13	2012-13	2013-14	2014-15	2015-16
	Actual	Budget	Re-Est.	Projected	Projected	Projected
<b>Recurring Revenue</b>						
Ad Valorem Taxes	\$78,358,760	\$81,449,338	\$81,449,338	\$84,178,050	\$86,808,623	\$90,514,493
Sales Tax	69,868,331	59,036,697	61,103,635	61,103,635	61,103,635	61,103,635
Franchise Fees	21,895,025	23,258,033	22,519,114	23,019,825	23,019,825	23,019,825
Fines & Forfeits	7,808,267	7,528,935	7,888,945	7,891,063	7,914,736	7,930,565
Building & Development	4,817,946	4,388,502	4,486,577	4,486,577	4,486,577	4,486,577
Licenses & Permits	3,142,321	3,266,410	3,333,348	3,348,829	3,357,384	3,363,105
Fees & Charges for Services	11,129,743	10,573,538	10,990,332	11,079,845	11,157,897	11,278,372
Intergovernmental	1,020,171	1,176,526	1,152,833	1,152,833	1,152,833	1,152,833
Interest Income	525,308	600,000	600,000	600,000	606,000	612,060
Transfers In	18,173,637	18,560,214	18,982,659	19,485,305	19,875,189	20,244,119
CIP Coming On-Line	0	0	0	0	50,000	97,000
Other	2,402,201	2,438,385	2,584,938	2,585,025	2,602,245	2,618,831
<b>Total Recurring Revenue</b>	<b>\$219,141,710</b>	<b>\$212,276,578</b>	<b>\$215,091,719</b>	<b>\$218,930,986</b>	<b>\$222,134,943</b>	<b>\$226,421,415</b>
<b>Recurring Expenditures</b>						
Salaries & Wages	\$145,972,124	\$156,607,912	\$155,534,810	\$159,830,541	\$160,162,211	\$160,310,805
Supplies & Services	44,755,912	51,387,041	53,346,912	51,786,889	52,012,047	52,253,242
Reimbursements	(\$2,394,114)	(\$2,457,350)	(\$2,457,350)	(\$2,457,350)	(\$2,457,350)	(\$2,457,350)
CIP Coming On-Line	0	0	0	1,960,496	3,277,362	5,168,047
Capital Outlay	1,271,121	1,243,000	1,824,430	1,000,000	1,000,000	1,000,000
<b>Total Recurring Expenditures</b>	<b>\$189,605,043</b>	<b>\$206,780,603</b>	<b>\$208,248,802</b>	<b>\$212,120,576</b>	<b>\$213,994,270</b>	<b>\$216,274,744</b>
Transfers Out	21,375,369	23,968,451	23,968,451	24,729,160	27,040,345	29,505,538
<b>Fund Balance - Beginning</b>	<b>\$44,362,353</b>	<b>\$35,571,885</b>	<b>\$52,523,651</b>	<b>\$35,398,117</b>	<b>\$17,479,366</b>	<b>\$17,588,570</b>
<b>Total Recurring Revenue</b>	<b>\$219,141,710</b>	<b>\$212,276,578</b>	<b>\$215,091,719</b>	<b>\$218,930,986</b>	<b>\$222,134,943</b>	<b>\$226,421,415</b>
<b>Total Recurring Expenditures</b>	<b>\$189,605,043</b>	<b>\$206,780,603</b>	<b>\$208,248,802</b>	<b>\$212,120,576</b>	<b>\$213,994,270</b>	<b>\$216,274,744</b>
<b>Less: Transfers Out</b>	<b>\$21,375,369</b>	<b>\$23,968,451</b>	<b>\$23,968,451</b>	<b>\$24,729,160</b>	<b>\$27,040,345</b>	<b>\$29,505,538</b>
<b>Fund Balance - Ending</b>	<b>\$52,523,651</b>	<b>\$17,099,409</b>	<b>\$35,398,117</b>	<b>\$17,479,366</b>	<b>(\$1,420,305)</b>	<b>(\$1,770,297)</b>
<b>Required 30 Day Balance</b>				<b>\$17,434,568</b>	<b>\$17,588,570</b>	<b>\$17,776,006</b>
<b>Add'l Revenues or Program Reductions to Meet 30 Days</b>					<b>\$19,008,876</b>	<b>\$19,546,303</b>
<b>Days of Operation</b>			<b>62</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>Total Assessed Property Value</b>			<b>\$25,647,504,913</b>	<b>\$26,153,979,962</b>	<b>\$26,715,519,762</b>	<b>\$27,549,830,157</b>
<b>Tax Split:</b>						
<b>Debt</b>	<b>0.1737</b>	<b>0.1694</b>	<b>0.1694</b>	<b>0.1652</b>	<b>0.1622</b>	<b>0.1587</b>
<b>Operations</b>	<b>0.3149</b>	<b>0.3192</b>	<b>0.3192</b>	<b>0.3234</b>	<b>0.3264</b>	<b>0.3299</b>
	<b>0.4886</b>	<b>0.4886</b>	<b>0.4886</b>	<b>0.4886</b>	<b>0.4886</b>	<b>0.4886</b>
<b>Operating Tax Rate to be Transferred from Debt Equivalent Amount</b>				<b>0.0042</b>	<b>0.0030</b>	<b>0.0035</b>
				<b>\$1,098,467</b>	<b>\$801,466</b>	<b>\$964,244</b>

The **General Fund** is the City's largest single fund, and serves as the primary operating fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in the General Fund. The sources of revenue that comprise the General Fund are described below:

### **Operating Revenue Sources:**

#### **Ad Valorem Tax**

Ad valorem taxes are levied against the tangible assessed valuation of real and personal property within the city. The property is assessed by both the Central Appraisal Districts of Collin and Denton County at 100% of estimated market value and certified by the Appraisal Review Board.

#### **Sales Tax**

The City authorizes a 1% local sales and use tax on the receipts from the retail sale of all taxable items within the city. Local sales and use tax revenue is collected by the Comptroller of the State of Texas.

#### **Mixed Drink Tax**

The City receives a portion of the State of Texas tax on mixed beverages sold by private clubs within the city limits.

#### **Bingo Gross Receipts Tax**

The City authorizes a 2% collection of gross receipts resulting from conduct of bingo games by an authorized organization in any calendar month. The first \$2,500 of gross receipts each month are exempted.

#### **Franchise Fees**

Franchise fees are assessments, based upon gross receipts, for electric, telephone, fiber optics, gas, and cable television.

#### **Fines & Forfeits**

This category of revenue includes court fines and forfeitures, traffic fines, and library fines.

#### **Licenses & Permits**

Licenses and permits include revenue for building & development related, food handlers, restaurant plan review, animal, alarm, fire protection plan review, grease trap, and pool inspections.

#### **Fees & Charges for Services**

Fees and charges for services include revenue for animal adoption, ambulance service, 911, false alarm response, charges for parks and recreation programs, contractor registration, engineering inspection, re-inspection, tree trimming, food handler training, and child safety.

#### **Intergovernmental Resources**

These resources are comprised of revenues received from other governmental entities.

#### **Other**

Miscellaneous receipts include revenues such as interest income, rents, and insurance collections.

#### **Other Financing Sources:**

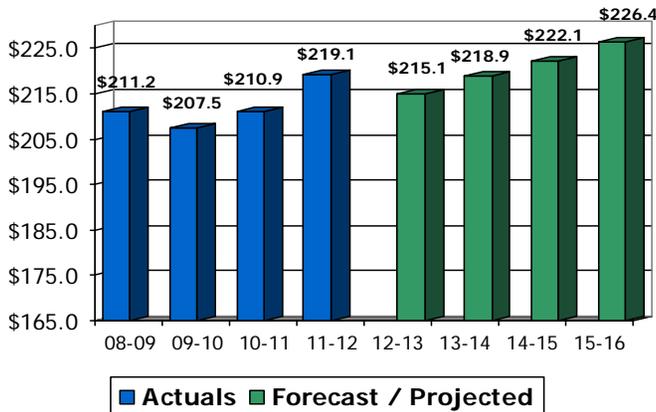
#### **Operating Transfers In**

Transfers from other City funds.

## Operating Revenues

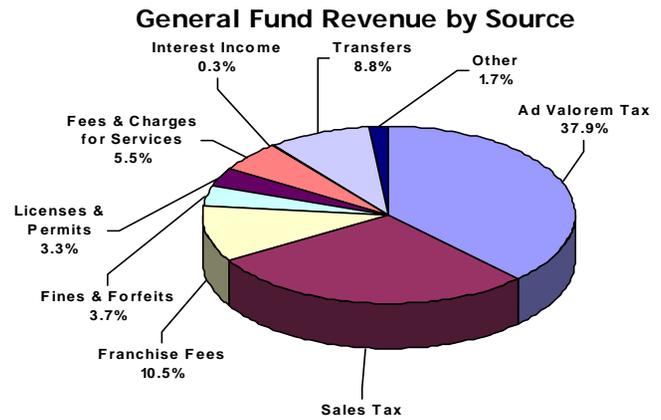
The General Fund accounts for most financial resources except those required for debt or specifically attributable to the enterprise funds. Resources are generated by property (ad valorem) and other taxes, franchise fees, fines & forfeits, licenses & permits, and fee & charges for services.

**Total General Fund Revenue**  
(in millions)



The graph above shows the historical trends and projections for all General Fund revenues. As illustrated, revenues in the General Fund in 2008-09 were strong, specifically sales tax and building and development related revenues. However, 2009-10 saw an overall decrease as compared to the previous fiscal year as a result of the economic recession but a stabilization can be seen in 2010-11 and 2012-13. The improving local and national economy and the projected slight increases in existing property values coupled with anticipated new property growth are all factors contributing to projected overall increases in revenues during the three-year forecast period. By 2015-16, total General Fund revenues are estimated to be \$226.4 million.

The major sources that make up the General Fund revenues for 2012-13 include: Ad Valorem Tax (37.9%), Sales Tax (28.4%), Franchise Fees (10.5%), Fines & Forfeits (3.7%), Licenses & Permits (3.3%), Fees & Charges for Services (5.5%), Interest Income (0.3%), Transfers (8.8%), and Other (1.7%). A description of each source as well as a discussion of the outlook over the next three years follows.

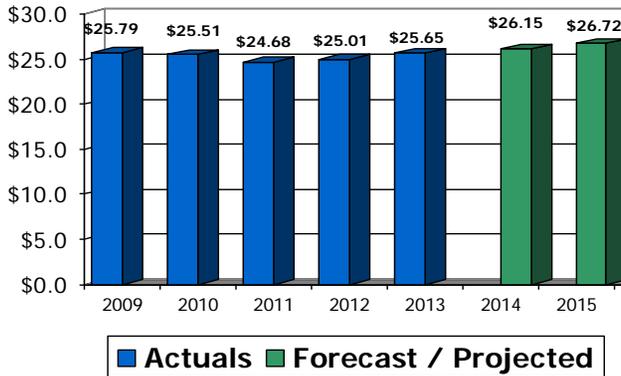


## Ad Valorem Taxes

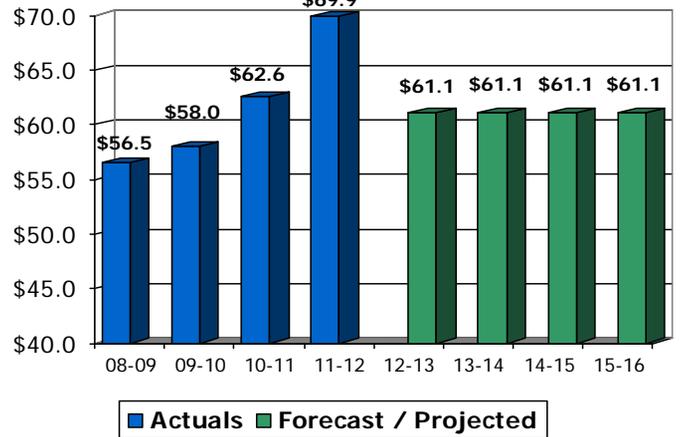
Ad valorem (property) taxes are the City's largest revenue source. Ad valorem tax revenue is determined by two major factors: the total assessed value established by both the Central Appraisal Districts of Collin County and Denton County plus the tax rate established by the City Council. In 2009-10, the City Council approved a 1.51 cent tax rate increase for a total tax rate of 48.86 cents per \$100 of assessed valuation. This same rate is maintained throughout the forecast, and the amount allocated between debt and operations is adjusted accordingly.

Ad valorem tax revenue is based on maintaining the current tax rate of 48.86 cents per \$100 valuation for the next 3 years and assumes a 99.0% collection rate. At no time during the forecast period does the change in distribution between operation and debt exceed the 8.0% rollback operating limit. Due to a projected increase in assessed property values, decline in the size of debt issuances in the forecast period and payoff of existing debt, the debt allocation of the tax rate will decline. Throughout the forecast period, a total of \$0.0107 cents (\$0.0042 in 2013-14, \$0.0030 in 2014-15 and \$0.0030 in 2015-16) will be transferred back from the General Obligation (G.O.) Debt Fund to fund General Fund Operations.

### Assessed Property Valuations (in billions)



### Sales Tax Receipts (in millions)



Based on projections attained by both Central Appraisal Districts, existing property values are projected to increase 1% in both 2013-14 and 2014-15, and then increase 2.0% in 2015-16. New growth is projected at \$250.0 million in 2013-14 and then at \$300.0 million in 2014-15 and 2015-16.

#### Sales Tax

Sales tax receipts, the General Fund's second largest source of revenue, are re-estimated for 2012-13 at \$61.1 million, up from the initial 2012-13 budgeted amount of \$59.0 million. Based on a revised City Council policy, sales tax projections will be based on the past three year average of sales tax collections net any audit adjustments. The \$61.1 million represents the latest three-year average. Any amount collected over the \$61.1 million can be used to purchase one-time expenditures, assigned to the fund balance to be used for offsets in the next fiscal year or can be transferred to the Capital Reserve Fund. For purposes on this forecast, all three forecast years are projected at the same amount of \$61.1 million, even though a positive trend has developed and the City has the potential to collect more than our forecasted amount. With that in mind, we still need to be cognizant of the volatility of this revenue source and factors such as higher fuel prices, the increasing loss of retail market share to surrounding communities and the increasing amount of business to business sales tax collections.

The graph above shows the historical trends and projections for sales tax receipts.

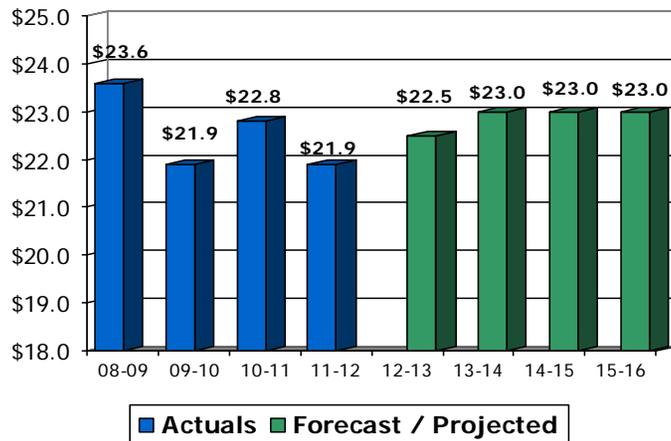
#### Franchise Fees

Franchise fees for 2012-13 are expected to total \$22.5 million, or 10.5% of the total General Fund revenue. Franchise fees are collected from assessments, based upon gross receipts, for electric, telephone, fiber optics, gas, and cable television.

Telephone, Fiber Optics, and Cable Television franchise fees are all projected to remain relatively constant for the forecast period. Telephone franchise fees are re-estimated for 2012-13 at \$4.1 million; Fiber Optics franchise fees are re-estimated for 2012-13 at \$31,903; and Cable Television franchise fees are re-estimated for 2012-13 at \$4.0 million.

Electrical franchise fees are re-estimated for 2012-13 at \$12.1 million and are projected to increase at the indirect economy-based rate for 2013-14 and then remain constant in the last 2 years of the forecast period. Gas franchise fees are re-estimated down for 2012-13 to \$2.3 million, due to a very mild winter season and lower natural gas prices. Gas franchise fees are projected to increase by 15% for 2013-14 and then remain constant in the last 2 years of the forecast period. Even though franchise fee revenues from all sources are either remaining stable or increasing slightly, the expenditures charged cities for these services is assumed to be constant for the entire forecast period, with the exception of Electricity which assumes a 2% increase in 2013-14 only and Natural Gas which assumes a 7% increase in 2013-14 only, as projected by the Department of Energy.

### Franchise Fees (in millions)



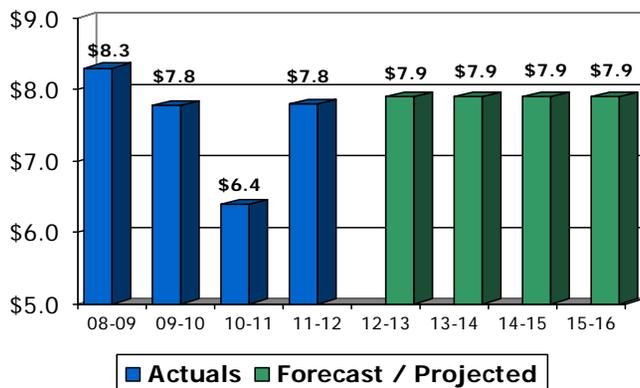
The graph above shows the historical trends and projections for franchise fee revenue. By 2015-16, this revenue source is estimated to reach \$23.0 million, a 5.1% increase over 2011-12 revenues.

### Fines & Forfeits

Fines and forfeits for 2012-13 are expected to increase to \$7.9 million, up \$80,678 from 2011-12 actuals due primarily to an increase in municipal court fines collected. It is anticipated that municipal court fines will remain at this level next year, and then increase by the indirect population-based rate in 2014-15 and 2015-16. This category of revenue includes court fines and forfeitures, traffic fines, and library fines.

Other fines and forfeits are projected to increase at the indirect population-based rate of 0.6% in 2013-14, 0.3% in 2014-15, and 0.2% in 2015-16.

### Fines & Forfeits (in millions)



The graph above shows the historical trends and projections for fines and forfeits revenue. By 2015-16, this revenue source is estimated to reach \$7.9 million, a 1.6% increase over 2011-12 revenues.

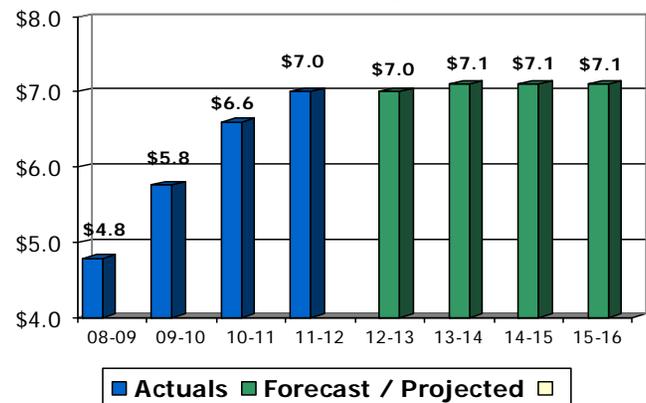
### Licenses & Permits

Licenses and permits for 2012-13 are expected to total \$7.0 million, or 3.3% of the total General Fund revenue. Included within the licenses and permits category are food handlers permits, grease trap permits, animal licenses, alarm permits, most building & development related revenues, and various other permits.

Due to an improving local housing and retail construction market, all building & development related revenues are projected to remain constant at the 2012-13 re-estimated level.

Most other licenses and permits revenues are projected to increase at the indirect population-based rate of 0.6% in 2013-14, 0.3% in 2014-15, and 0.2% in 2015-16.

### Licenses & Permits (in millions)

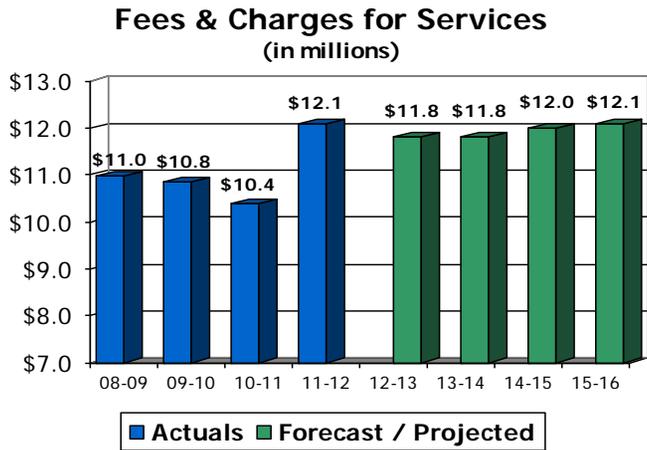


The graph above shows the historical trends and projections for licenses and permits revenue. By 2015-16, this revenue source is estimated to be \$7.1 million, a 1.5% increase over 2011-12 revenues.

### Fees & Charges for Services

Fees and charges for services for 2012-13 are expected to total \$11.8 million, or 5.5% of the total General Fund revenue. Included within the fees and charges for services category are ambulance service fees, emergency 911 fees, false alarm fees, recreation user fees, tennis center fees, engineering inspection fees, re-inspection fees, and various other fees.

Overall, most fees and charges for services are projected to increase at the indirect population-based rate of 0.6% in 2013-14, 0.3% in 2014-15, and 0.2% in 2015-16. Any building & development related revenues within this category are projected to remain constant at the 2012-13 re-estimated level.



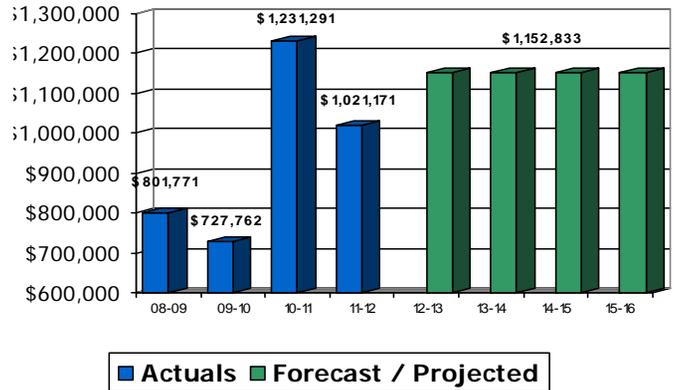
The graph above shows the historical trends and projections for fees and charges for services revenue. By 2015-16, this revenue source is estimated to reach \$12.1 million, a 0.3% increase over 2011-12 revenues.

**Intergovernmental Resources**

Intergovernmental resources for 2012-13 are expected to total \$1.2 million. These resources are comprised of revenues received from other governmental entities such as payments from Frisco I.S.D. and Plano I.S.D. for School Liaison Officers. Also included are Plano-Richardson Police training facility receipts and Interlocal Radio System Access revenue.

Intergovernmental resources are projected to remain constant throughout the forecast period at \$1.2 million.

**Intergovernmental Resources**

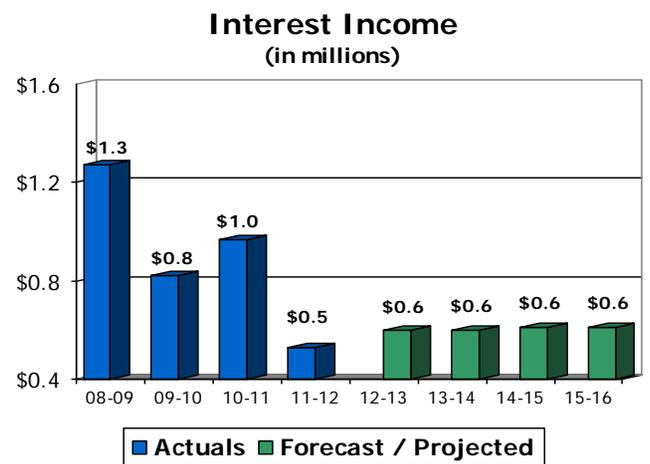


The graph above shows the historical trends and projections for intergovernmental revenue.

**Other**

Miscellaneous revenues for 2012-13 are expected to total \$1.9 million. Miscellaneous receipts include revenues such as interest income, rents, and insurance collections.

Interest income is projected to be \$600,000 in 2013-14 and then increase slightly by 1.0% throughout the remaining forecast period assuming sustained favorable interest rates.



The graph above shows the historical trends and projections for interest income. By 2015-16, this revenue source is estimated to be \$612,060.

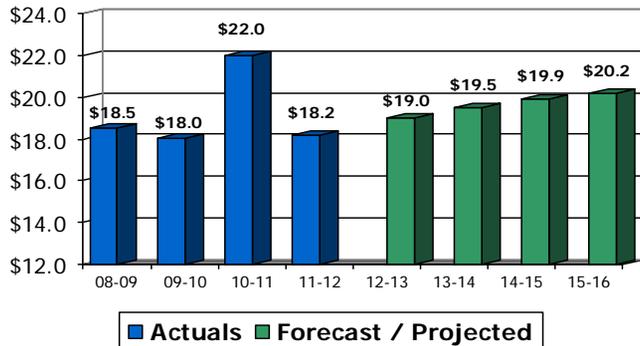
**Other Financing Sources:**

**Operating Transfers In**

Transfers in for 2012-13 are expected to total \$19.0 million, or 8.8% of the total General Fund revenue. Transfers in include intra-fund transfers from the

Water & Sewer Fund, the Sustainability & Environmental Services Fund, the Recreation Revolving Fund, the Municipal Golf Course Fund, the Convention & Tourism Fund, and the Municipal Drainage Fund. All transfers are based on a percentage allocation of revenues received in each of these funds. Therefore, the revenues received in future years depend on revenues generated in each of these funds over the next three years.

**Transfers In**  
(in millions)



The graph above shows the historical trends and projections for transfers in. By 2015-16, this revenue source is estimated to reach \$20.2 million, an 11.4% increase over 2011-12 revenues.

### CIP Coming On-Line

Additional revenues anticipated in the future as a result of new facilities coming on-line include the Oak Point Recreation Center expansion. In 2014-15, \$40,000 in additional revenue is anticipated for a full year operation at the expanded Oak Point Recreation Center. Also included in 2014-15 is \$10,000 in additional swimming fees as a result of the Jack Carter Pool renovation. Finally, in 2015-16, \$35,000 in additional revenue is included for a full year operation at the expanded Carpenter Recreation Center and \$10,000 is included in additional tennis fees as a result of the High Point Tennis Center renovation.

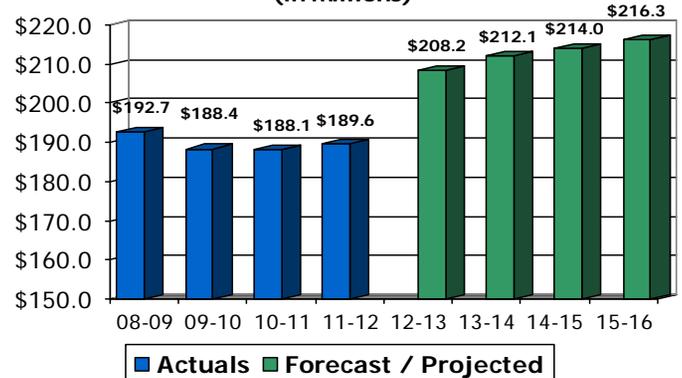
### Operating Expenditures

Four decades of rapid growth stimulated local business and development activity and created generous municipal revenues and opportunities. The community, in turn, placed demands on the City to maintain and/or enhance the services provided for citizens. Careful financial planning and budgeting are integral to the budget process as it is known today.

The following graph shows the historical trends and projections for all General Fund expenditures. As can be seen from the graph, both 2009-10 and 2010-11 showed a continued decrease in overall expenditures. This decrease was necessitated by the economic downturn. In 2011-12, a slight increase in expenditures occurred which was representative of the slow-improving economy.

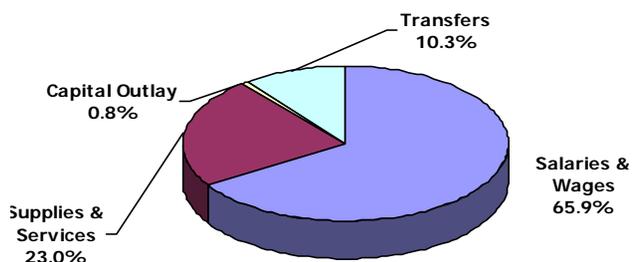
Beginning with the 2012-13 Budget, expenditures show a more significant increase. This increase is in part due to the restoration of services to maintain the quality of services that citizens have come to expect, addressing deferred maintenance of City assets, the inclusion of a salary increase for both civil service and non-civil service employees and the hiring of 15 Fire Rescue Specialist to man Fire Station #13.

**Total General Fund Expenditures**  
(in millions)



The major expenditures that make up the General Fund by category for 2012-13 include: Salaries & Wages (65.9%), Supplies & Services (23.0%), Capital Outlay (0.8%), and Transfers (10.3%). A description of each expenditure category as well as a discussion of the outlook over the next three years follows.

### General Fund Expenditures by Category



### Salaries, Wages and Employee Benefits

No salary increases have been included for either Civil Service or Non-Civil Service employees in the forecast. In addition, attrition is projected at 3.0% for the General Fund. The health insurance rate is expected to remain constant throughout the forecast as Plano's self-funded insurance fund currently has a stable fund balance. TMRS is projected at our full phased-in rate of 18.75% while the RSP rate is expected to remain the same through 2015-16. Other benefit rates are expected to remain constant.

### Supplies & Services

Supplies & services costs are projected to remain constant throughout the forecast period. Municipal garage charges are projected to increase 5.0% through the forecast period due to anticipated rising fuel costs. Postage charges are projected to increase 2.0% in each of the three forecast periods due to the projected increases announced by the Federal Post Office. Finally, electricity charges are projected to increase 2% and natural gas 7% in 2013-14 then remain constant throughout the forecast period.

### Capital Outlay

Capital outlay is projected at \$1,000,000 per year for library books. No other new capital is provided for in the General Fund with the exception of capital outlay related to CIP projects coming on-line.

### Transfers

The Capital Reserve Fund policy aims to allocate 75.0% of the annual depreciation to be transferred from the General Fund. The transfer to the Capital Reserve Fund is projected to increase from \$12.5 million in 2012-13 to \$17.0 million in FY 2015-16 based on the recently updated Capital Reserve Policy.

The Property & Liability Loss Fund transfer is projected based on a three-year average of General Fund losses. The transfer is projected at approximately \$3.3 million in each of the forecast periods. This transfer is necessary to pay Workers Compensation and Judgments & Damages claims.

A transfer to the Technology Fund in the amount of \$1.0 million in all forecast periods is representative of the General Fund's proportionate share for technology related expenses.

The transfer to the PTN Fund was resumed in 2012-13 at \$250,000 and is forecasted at this same amount for each year of the forecast period.

In 2006-07, the City Council approved a 2.00 cent tax rate increase to be dedicated solely for economic development incentives and redevelopment purposes. The forecast includes the transfer to include \$5.2 million in 2013-14; \$5.3 million in 2014-15; and \$5.5 million in 2015-16. These forecasted amounts represent only the actual two-cent property tax revenue and does not include supplemental funding from the General Fund.

Detailed information regarding specific transfers is provided in the Appendix section: *Three-Year Financial Forecast – Transfers*.

### Community Investment Program Impacts

Included in this forecast are new project costs associated with Community Investment Projects coming on-line during the forecast period totaling over \$5.2 million. These projects include hiring 9 Fire Rescue Specialists and 6 Lieutenants to develop and implement a Fire Rescue Squad, an expansion of the Oak Point Recreation Center, addition of a pool at Carpenter Park Recreation Center, the Senior Center expansion and additional Park Improvements. Please refer to *Projected General Fund O&M Expenses – Community Investment Program* in the Appendix Section of this document for a detailed list.

### Outlook & Analysis

Financial policies adopted by City Council stipulate that the General Fund must maintain a working balance of 30 days. Based on this current forecast, this requirement is met for 2013-14 with the General Fund sitting at exactly 30 days. However, beginning in 2014-15, the General Fund will fall short of this Council goal. Specifically, the General Fund will need an additional \$17.6 million in additional revenues, reduced expenditures, or a combination of both to reach the 30 day working balance requirement.

In an effort to help soften the anticipated 2014-15 budget shortfall, we will continue to search for additional potential cost reductions. Part of this process will also include identifying and evaluating any impacts or outcomes that would result from these additional cost reductions and what direct impacts it would have on service level delivery.



The **General Obligation Debt Service Fund** accounts for the accumulation of monies set aside to pay principal and interest on debt incurred through sale of bonds and other debt instruments. These tax bonds finance long-term community investment projects such as streets, parks, buildings, and technology infrastructure projects.

**Operating Revenue Sources:**

**Ad Valorem Tax**

Ad valorem taxes are levied against the tangible assessed valuation of real and personal property within the city. The property is assessed by the Central Appraisal Districts of Collin County and Denton County at 100% of estimated market value and certified by the Appraisal Review Board.

**Other**

Miscellaneous receipts include revenues such as interest income and reimbursements from the other member city (Richardson) for a portion of the debt on the shared Police Academy.

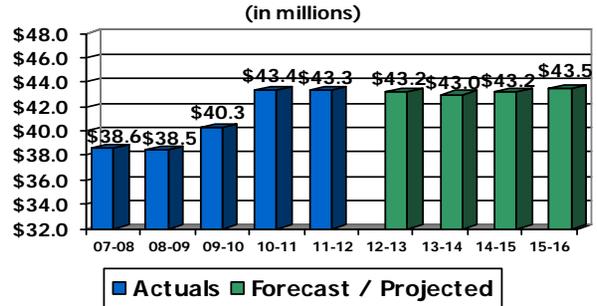
**Other Financing Sources:**

**Operating Revenues**

Ad valorem taxes necessary to be collected in the General Obligation (G.O.) Debt Service Fund are determined by using the projected assessed value for each year, and appropriating the funds required for principal and interest payments on existing and new debt. All additional revenue that is collected in the General Obligation (G.O.) Debt Service Fund, such as interest earnings and reimbursements for Police Academy debt, helps offset the amount of ad valorem tax revenue required to keep the ending fund balance at 2.5% of current taxes.

The graph below shows the historical trends and projections for all General Obligation Debt Service Fund revenues.

**Total General Obligation Debt Service Fund Revenue**



The 2013-14, 2014-15 and 2015-16 total General Obligation (G.O) Debt Service Fund revenues are estimated at \$43.3, \$43.2 and \$43.5 million concurrently.

**Ad Valorem Taxes**

The existing tax rate is used for projections throughout the three-year period. After the debt portion of the tax rate is determined, the remaining amount is available for operations. Due to an increase in assessed property values, decline in the size of debt issuances in the forecast period and payoff of existing debt, the debt allocation of the tax rate is projected to decline from .1694 to .1587 during this forecast period. According to preliminary estimates provided by the Central Appraisal Districts of Collin County and Denton County, the total assessed property value projected for 2013-14 is \$26.2 billion which is an increase of 2.0% compared to \$25.6 billion in 2011-12. Adjustments are made for both TIF Districts and the 380 Agreements.

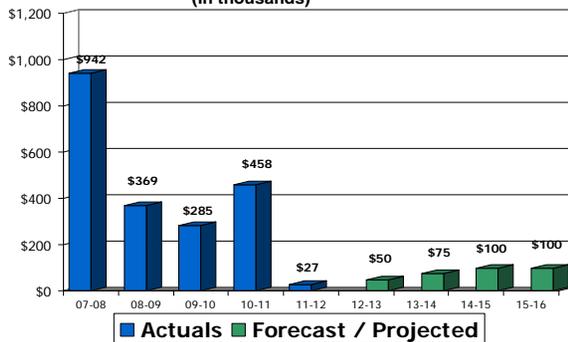
Ad valorem tax revenue is based on maintaining the 2012-13 tax rate of 48.86 cents per \$100 valuation for the next 3 years and assumes a 99.0% collection rate. At no time during the forecast period does the change in distribution between operation and debt exceed the 8.0% rollback operating limit. In FY 2012-13, the 2007 Tax Notes will be paid off and combined with projected growth of in assessed valuation; \$0.0042 is projected to be transferred back from the General Obligation (G.O.) Debt Fund to General Fund Operations. 2008 and 2009 Tax Notes will be paid off in FY 2014-15 and FY 2015-16.

## Other

Miscellaneous revenues for 2011-12 have been re-estimated at a total of \$200,597 and are comprised of interest income and transfers.

Interest income is projected down by \$300,000 to \$50,000 in 2012-13 compared to the original \$350,000 due to low interest rates generating less interest earnings. In January 2012, the Federal Reserve announced they will keep the target range for the federal funds rate at 0 to ¼ percent through 2014. Interest rate earnings are projected to rise to \$75,000 for FY 2013-14 and then rise and remain at \$100,000 in FY 2014-15 and 2015-16.

**Interest Income Revenue**  
(In thousands)



## Other Financing Sources:

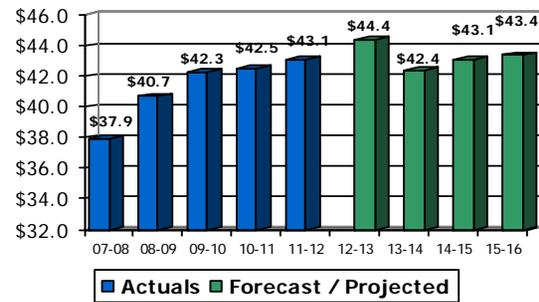
### Operating Transfers In

The Police Academy reimbursement for 2012-13 totals \$150,597 and is scheduled to be received through 2025 when the Police Academy debt is paid off.

### Operating Expenditures

Expenses in this fund are exclusively for support of principal and interest payments on long-term general obligation debt. The following graph shows the historical trends and projections for all General Obligation (G.O.) Debt Service Fund expenditures.

**Total General Obligation Debt  
Service Fund Expenditures**  
(in millions)



Existing bond authority will be used to fund community investment projects into 2015-16 from the \$72.8 million in remaining authority provided by the voters on May 9, 2009 and \$98.3 million if approved by Plano voters in the upcoming May 11, 2013 Bond Referendum Election. Based on the FY 2012-13 Community Investment Program, additional bond authority for street improvement projects will be needed in FY 2013-14.

Plano's last bond sale was conducted on March 5, 2013, and included \$24.8 million in new money using 2009 authority and \$43.0 million in advanced refunding. For the purpose of this forecast, a \$30 million bond sale is scheduled in FY 2013-14, and \$40 million bond sales are scheduled in each remaining fiscal year for the forecast period. The new General Obligation (G.O.) debt forecast issues use an average interest rate of 4.65% and each issuance is projected on mid-year sales with only one interest payment included in the first year.

Primary factors affecting the projections include changes in economic conditions, interest rates, structuring of debt payments and actual amounts of the annual bond sale.

## Water & Sewer Fund

### Recurring Revenue Vs. Recurring Expenditures

	2011-12	2012-13	2012-13	2013-14	2014-15	2015-16
	Actual	Budget	Re-Est.	Projected	Projected	Projected
<b>Recurring Revenue</b>						
Water Income	\$61,280,861	\$66,166,883	\$66,886,137	\$71,695,703	\$76,505,269	\$81,314,834
Sewer Income	49,904,690	52,070,000	\$49,934,717	\$51,098,793	\$52,366,769	\$53,500,205
Water Taps	76,438	85,282	85,282	86,135	86,996	87,866
Water & Sewer Penalties	1,343,323	1,388,436	1,388,436	1,405,097	1,413,528	1,419,182
Water Meters	293,939	217,457	274,580	277,326	280,099	282,900
Construction Water	230,092	211,530	242,243	244,665	247,112	249,583
Service Connect Fee	191,150	187,983	202,380	204,404	206,448	208,512
Backflow Testing	454,065	446,760	462,785	467,413	472,087	476,808
Sewer Tie-On	26,825	25,324	25,750	26,008	26,268	26,530
Pre-Treatment Permits	40,550	41,514	40,550	40,956	41,365	41,779
Interest Earnings	176,155	150,000	150,000	120,000	110,000	100,000
Educational Building	157,239	0	157,239	157,239	0	0
Sale of Land to TIF II	1,631,652	0	0	0	0	0
W & S Reserve Fund	0	0	0	0	0	2,500,000
Misc. Income	497,816	500,000	500,000	505,000	510,050	515,150
<b>Total Recurring Revenue</b>	<b>\$116,304,795</b>	<b>\$121,491,168</b>	<b>\$120,350,099</b>	<b>\$126,328,737</b>	<b>\$132,265,991</b>	<b>\$140,723,350</b>
<b>Recurring Expenditures</b>						
						\$799,458
Salaries & Benefits	\$8,921,095	\$9,323,502	\$9,401,160	\$9,703,360	\$9,711,957	\$9,720,553
Supplies & Services	15,067,813	8,179,628	7,602,314	7,597,604	7,650,532	7,705,877
NTMWD	59,002,349	69,685,956	69,685,956	75,922,531	82,044,972	88,090,313
Retirement of NTMWD Debt	813,498	820,560	820,560	823,075	819,950	824,600
Reimbursements	655,643	810,435	810,435	836,450	837,203	837,956
Capital Outlay	144,530	26,500	66,952	0	0	0
<b>Total Recurring Expenditures</b>	<b>\$84,604,928</b>	<b>\$88,846,581</b>	<b>\$88,387,377</b>	<b>\$94,883,020</b>	<b>\$101,064,613</b>	<b>\$107,179,299</b>
Transfers Out	35,905,974	35,050,982	35,397,260	35,133,495	34,299,436	34,704,053
<b>Fund Balance - Beginning</b>	<b>\$28,657,405</b>	<b>\$19,458,052</b>	<b>\$24,451,298</b>	<b>\$21,016,760</b>	<b>\$17,328,982</b>	<b>\$14,230,923</b>
<b>Total Recurring Revenue</b>	<b>\$116,304,795</b>	<b>\$121,491,168</b>	<b>\$120,350,099</b>	<b>\$126,328,737</b>	<b>\$132,265,991</b>	<b>\$140,723,350</b>
<b>Total Recurring Expenditures</b>	<b>\$84,604,928</b>	<b>\$88,846,581</b>	<b>\$88,387,377</b>	<b>\$94,883,020</b>	<b>\$101,064,613</b>	<b>\$107,179,299</b>
<b>Less: Transfers Out</b>	<b>\$35,905,974</b>	<b>\$35,050,982</b>	<b>\$35,397,260</b>	<b>\$35,133,495</b>	<b>\$34,299,436</b>	<b>\$34,704,053</b>
<b>Fund Balance - Ending</b>	<b>\$24,451,298</b>	<b>\$17,051,657</b>	<b>\$21,016,760</b>	<b>\$17,328,982</b>	<b>\$14,230,923</b>	<b>\$13,070,922</b>
<b>Days of Operation</b>			<b>87</b>	<b>67</b>	<b>51</b>	<b>45</b>

The **Water & Sewer Fund**, an enterprise fund, provides for the administration, operation, and maintenance of the City's water and wastewater system, billing, and collection activities. The services provided by the Water & Sewer Fund are financed through utility customer fees. Common sources of revenue that comprise the Water & Sewer Fund are described below:

### **Operating Revenue Sources:**

#### **Water Income**

Monthly service fees charged for potable water, designed to recover customer costs based on customer class, metered water consumption per thousand gallons and meter line size.

#### **Sewer Income**

Monthly service fees charged for wastewater collection, transmission, and treatment services. Sewer fees are based on customer class, metered gallons of water consumed, and use a rolling three year Winter Quarter Average.

#### **Water Taps**

Fee charged for water line installation and connection from the customer's service line to the meter and the municipal water main.

#### **Water & Sewer Penalties**

A late fee charged for failure to pay the utility bill by the 25<sup>th</sup> day after billing date.

#### **Water Meters**

Fee charged for the installation of water meters. All meters remain the property of the City.

#### **Construction Water**

Fee charged for consumption of water using temporary fire hydrant meters, usually for temporary water connections during construction.

#### **Service Connect Fee**

Fee charged to turn on water service, and for any transfer of service from one name or address to another where no service call is required.

#### **Backflow Testing**

Periodic fee to test the integrity of water system backflow prevention devices to assure that no cross connection has occurred during the installation or

relocation of water lines, sprinkler systems, fire suppression service lines and meters on private property.

#### **Sewer Tie-On**

Fee charged for connection to an existing sanitary sewer line.

#### **Pre-Treatment Permits**

Fee charged for any significant industrial or commercial user which discharges non-domestic waste into the sanitary sewer system.

#### **Miscellaneous Income**

Includes revenues such as interest income related to the fund balance, sewer taps, disconnect and reconnect fees, rental income, insurance collections, and other miscellaneous sources.

### **Other Financing Sources:**

#### **Operating Transfers In**

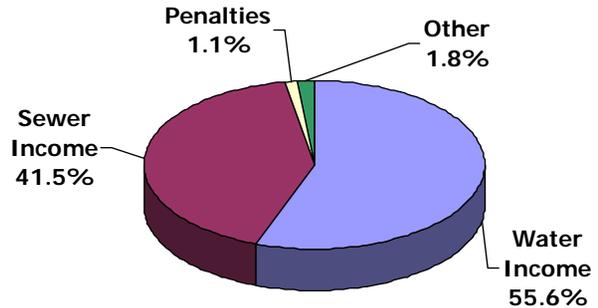
Direct transfers from water and sewer reserve funds and other sources on an as needed/if available basis.

**Operating Revenues**

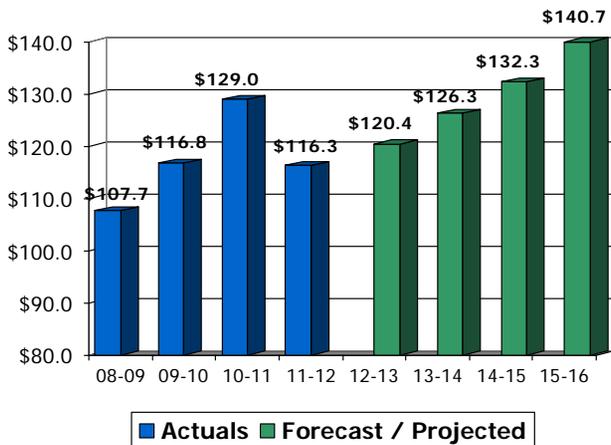
Changes to annual water consumption volumes, whether increasing or decreasing, precipitation or population-driven, dramatically influence the Water and Sewer Fund. The City of Plano procures water supply and sewer services through a contract with the North Texas Municipal Water District (NTMWD). Most of the water supply comes from a regional man-made reservoir, Lake Lavon. The district also provides the City with the facilities required for wastewater treatment (sewage). In turn, Plano residents and commercial customers purchase these services from the City. Customer service rates and fee structures are reviewed annually with the purpose of generating the operating revenues required to fulfill the contractual obligations with the water district, as well as compensate for the building and replacement of water and sewer delivery lines, storage tanks, and other infrastructure. Operating costs also include maintaining delivery lines, equipment, supply expenses and the personnel required to deliver water and sanitary sewer services to the customers.

model is periodically used to ensure that water revenues collected support water costs and sewer revenues support sewer costs); and major sewer and water delivery line repairs. The City has also experienced a change in water consumption patterns directly related to water conservation efforts, including the City’s Sustainability or “green” programs.

**2012-13 Water & Sewer Fund Revenue by Source**



**Total Water & Sewer Fund Revenue (in millions)**



The graph above shows historical revenue data and future revenue projections for the Water & Sewer Fund. In the past, wholesale water and sewer rate increases have been passed through to customers incrementally, only in the amount required to provide the revenues needed to support both water and sewer operations, with the goal of keeping the water revenues paying for the water related programs and projects, and sewer doing the same.

Other factors influencing revenues include: Winter Quarter Averaging for sewer charges based on metered water consumption during the winter months; updates to the Water & Sewer rate model (a rate

The 2012-13 Water and Sewer Fund re-estimated recurring revenues total \$120,350,099. By category this includes: Water Income (55.6%), Sewer Income (41.5%), Penalties (1.1%), and Other (1.8%). A description of each source as well as a discussion of the outlook over the next three years follows. Overall, Water & Sewer Fund revenues have been decreased by 0.9%, or \$1.1 million in the 2012-13 re-estimate. Water revenues have been increased by \$719,254 while the sewer revenues have been decreased by \$2.1 million. Sewer revenues have been adjusted downwards because the rate increase that was planned for 2012-13 will not be enacted until the NTMWD reviews the City’s actual 2012-13 wastewater inflows and they reach a decision regarding volume adjustments to the City’s annual billing. Also, the revenue changes are directly related to changes in consumption patterns. Revenues reflect a second year of drought and the related water use restrictions, and also include a slight decrease in sewer revenues related to Winter Quarter Averaging (reflecting decreased water usage in the winter months stemming from the water restrictions).

**Water Income**

Water & Sewer Fund’s largest revenue source is water income. Water revenues are based directly on the type of customer (residential or nonresidential/commercial), meter size, and

consumption or metered gallons. Usage is billed monthly per thousand gallons. Plano purchases water from the NTMWD at a rate based on a 1,000 gallon basis, subject to a 26.7 billion gallon minimum annual purchase. The “unused” gallons of water from the minimum required purchase inflates the total wholesale water expenditures to the City. Conversely, when the annual minimum usage requirement is exceeded, that amount becomes the new annual minimum purchase required of the City. The NTMWD minimum gallon purchase requirement was last increased/met during 2001-02, based on the usage. Prior to about 2006, the most influential water revenue factors for Plano were new construction activity and the related population increases. In recent years, new issues have developed and present several challenges to forecasting both revenues and wholesale water expenditures.

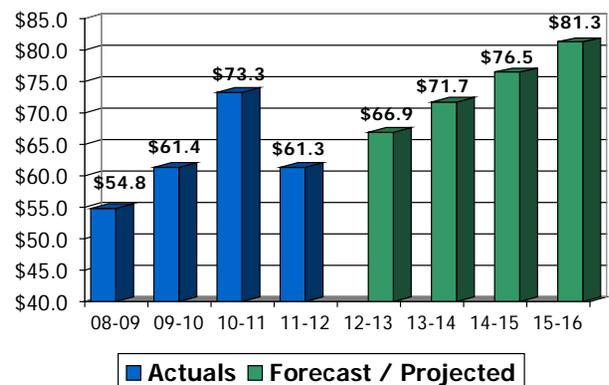
After reaching the peak usage of 26.7 billion gallons, water purchased from NTMWD usually averages about 22.8 billion gallons per year. The last decade experienced erratic precipitation amounts while the population continued to increase, although at a significantly slower rate than previously experienced in Plano. During years 2002-2003-2004, the region experienced above normal rainfall. 2005 and 2006 brought drought and extreme heat, severely impacting area lake levels. (Man-made reservoirs, or lakes, are the single most important commercial source of all water for the region.) During late 2006 and 2007, the weather pattern reversed, yielding above normal rainfall, and the water purchased from NTMWD dropped to a little over 19 billion gallons, a very noticeable 15% consumption reduction. During 2007, water usage had returned to a more normal 22.8 billion gallons per year, until the current drought began in 2010. It continues to affect the raw or untreated water supply.

Enter the current forecast period, which has the City almost “built out” with water usage remaining fairly stable (with the exception of drought years, when usage typically increases, although limited due to mandatory watering restrictions). While the City is contractually obligated to purchase 26.7 billion gallons of water, the City usually sells only 22 to 23 billion gallons. This “gap” costs the City millions of dollars in unsold water each year. Combine normal consumption with the continuation of a record state drought, and add a zebra mussel infestation in Lake Texoma. (Texoma normally supplies about 30% of the water used by the district, and is pumped through

Lake Lavon to the treatment facility. Texoma water cannot be transported into the treatment facility at Lake Lavon because of the federal regulations concerning zebra mussels). To meet current and future demands, NTMWD must improve or increase treatment capacity and raw water supplies, requiring a significant amount of cash for capital outlay to make these improvements. The increased capital outlays at NTMWD require considerable water rate increases for several years into the future. Couple these factors with a campaign to persuade consumers to conserve and reduce water consumption, include landscape watering restrictions which include non-compliance fines and penalties, add a limited raw water supply and impending increases to water delivery costs, and it all becomes a challenge to manage.

Plano ended the contract “water year” of August 1, 2011 – July 31, 2012 using 21.2 billion gallons. Current water restrictions were imposed during the summer of 2011, for the second time in six years, and are projected to continue. Restrictions are now at Stage 2 and will be re-evaluated by April 1, 2013. Restrictions include various limitations to landscape watering and other uses and details can be found on the City’s website at [www.plano.gov](http://www.plano.gov). Based on current long-range weather forecasts, the region could experience drought conditions for a period of five to ten years.

**Water Income  
(in millions)**



Future water revenue projections are based on the assumption that fiscal years 2013-14 through 2015-16 return to a more normal weather pattern with an averaged water volume of approximately 22 to 23 billion gallons per year. The 2012-13 water income is currently re-estimated at \$66.9 million, a 1.1% increase from the original Budget. Water rates were

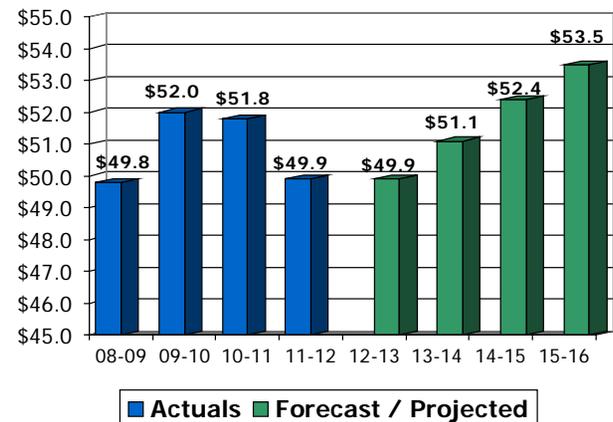
adjusted in November 2012 to allow for the pass-through of a rate increase from NTMWD. The prior rate increase occurred in November 2010. No rate increase was required for Fiscal Year 2011-12 due to a stable fund balance.

The water income graph illustrates historical trends and projections for water income. By 2015-16, water revenues are expected to reach \$81.3 million. Wholesale water cost increases of 10.6% for 2013-14, 9.6% for 2014-15, and 8.7% for 2015-16 are factored into the expenditure section of this forecast, and additional analysis will be performed during the summer budget process to determine the appropriate water rate increase(s) to be passed on to customers for 2013-14.

### Sewer Income

Sewer income represents the Water & Sewer Fund's second largest revenue source, and is based on a Winter Quarter Averaging method. Projected sewer revenues reflect the use of Winter Quarter Averaging to annually re-set the monthly sewer rates for customers. This method uses the water consumption for each customer based on their December, January, February, and March billings. These billings are typically based on November, December, January, and February actual water consumptions. The highest month of consumption of these four billing periods is disregarded, and the remaining three months are averaged. This quarter average is then averaged with the prior two years Winter Quarter Averages to establish the sewer usage charge for billing over the next 12-monthly billing periods. Once the new annual sewer usage rate is established, this amount is billed for the next 12 months. The advantage of the Winter Quarter Averaging program for residents is that lawn watering and other outdoor water usage during the warmer months does not impact the monthly sewer charges.

**Sewer Income  
(in millions)**

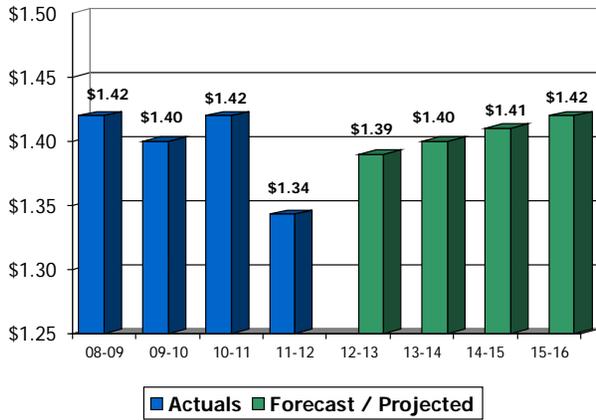


The sewer income graph indicates both the historical trends and projections for sewer income. Using 3-year winter quarter averages for water consumption, the 2012-13 Sewer revenues are re-estimated at \$49.9 million, down -4.1% from the adopted Budget. (Sewer rates were last increased March 1, 2009.) Sewer revenue projections do not include the anticipated treatment and transmission cost increases from NTMWD, but do reflect population driven increases of 1.2% for 2013-14, and 0.6% for 2014-15 and 0.4% for 2015-16. Sewer program revenues are estimated to reach \$53.5 million by 2015-16.

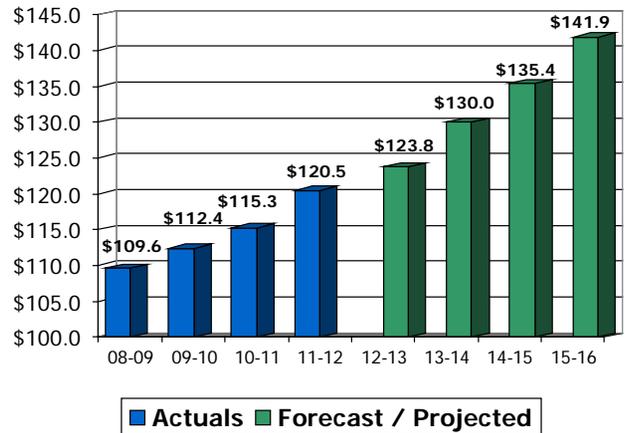
### Water & Sewer Penalties Income

Water & Sewer Penalties usually trend slightly upwards based on economic conditions, population growth and rate increases. Also, weather patterns that increase consumption, combined with water restrictions that force a decrease in consumption, affect the penalty revenues. A penalty is assessed for failure to pay the monthly water and sewer billing by the 25<sup>th</sup> day after the billing date. Water & Sewer penalties are projected at the original budget of \$1.39 million for the 2012-13 Re-Estimate, with very slight increases over the forecast period. The graph below shows the historical trends and projections for Water & Sewer Penalties, reaching \$1.42 million in revenues by 2015-16.

**Water & Sewer Penalties  
(in millions)**



**Water & Sewer Fund Expenditures  
(in millions)**



**Other**

Miscellaneous revenues for 2012-13 are re-estimated at \$2.1 million, or 1.8% of total Water & Sewer Fund Revenues. Miscellaneous sources include revenues such as interest income, water and sewer taps, water meters, transfers in, service connect fees, connection fees, backflow testing, and other miscellaneous sources. Interest income remains unchanged, at \$150,000 for 2012-13, with optimism. Annual interest earnings are affected by the monthly fund balance and the historically low returns on investments due to current federal economic controls and market conditions. Charges and fees related to customer deposits, service call fees, after hour charges, and day of appointment time modification fees were reviewed and slightly modified by ordinance updates in November 2012. The City is no longer collecting water and sewer impact fees related to infrastructure, the City Ordinance was modified to discontinue the program in August 2009. Other miscellaneous fund revenue projections have been reviewed and include small projection changes related to current economic trends.

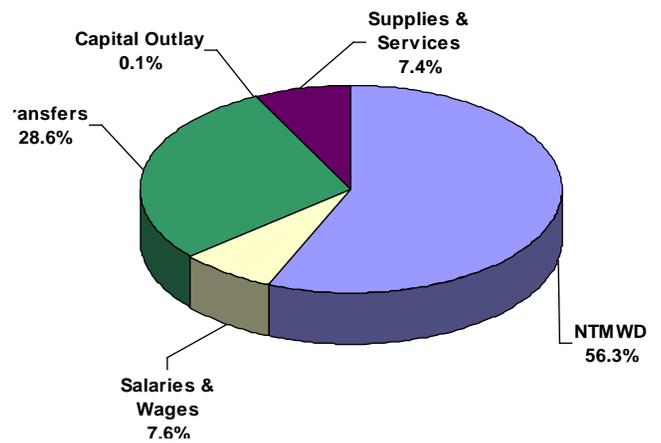
**Operating Expenditures**

The following graph shows the historical trends and forecast period projections for Water & Sewer Fund operating expenditures and transfers.

Total Water & Sewer expenditures for 2015-16 are expected to increase by \$21.4 million, or 17.7% over the 2011-12 actual expenditures. The majority of the increase is tied to the escalating costs of water purchased from NTMWD, with very slight increases for wastewater treatment, garage charges, and postage. No program enhancements, additions or reductions have been included in this forecast.

Major expenditures in the Water & Sewer Fund for the 2012-13 Re-Estimate total \$123.8 million and include: Salaries & Wages, 7.6%; Supplies & Services, 7.4%; NTMWD, 56.3%; Capital Outlay, 0.1%; and Transfers, 28.6%.

**Water & Sewer Fund Expenditures by Category**



**Salaries, Wages and Employee Benefits**

Salary, Wage and Benefit expenses are projected to increase by \$799,458 or 9.0% for the entire five year period from the 2011-12 actual expenditures

compared to 2015-16 projected expenditures. Salary, wage and benefit predictions include salaries for all approved positions with 1.0% attrition. No salary or merit increases, no new positions and no program enhancements have been included in this forecast.

Future benefits expenditure projections include no increases to health insurance or OPEB and increases TMRS to the full phase-in rate of 18.75%. No changes to other benefit costs have been included during the forecast period.

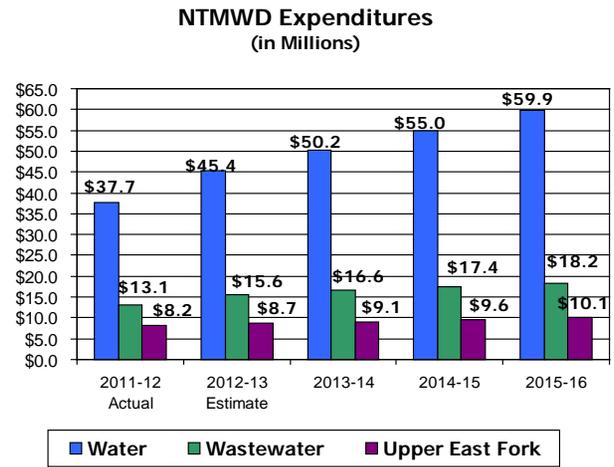
**Supplies & Services**

Supplies & services include materials, supplies, contracts, fuel, repairs, utilities, sundry and reimbursements to other cost centers. Municipal garage charges are programmed to increase by 5% for all years of the forecast. Electricity (for water and wastewater pumping) rates are not projected to increase in the Water & Sewer portion of this forecast due to efficiencies in replacement pumps and the City’s participation in the Texas Coalition for Affordable Power (TCAP) contracted electricity rates.

The Fixed Network Project has been completed, replacing approximately 81,500 meters. The Fixed Network Project replaced the previous electronic meters, accessing the City’s wireless Moto Mesh system, and periodically and automatically uploads consumption data from each meter, saving fuel and labor costs while increasing billing accuracy over the previous Automated Meter Reading system.

**North Texas Municipal Water District**

The following graph outlines the anticipated payments to NTMWD expenditures over the three-year forecast period for Water, Wastewater, and the Upper East Fork Wastewater Interceptor System.



Projected increases from the NTMWD for water and sewer service treatment and delivery during the forecast period total \$29.1 million, a 49.3% total increase over the 2011-12 NTMWD expenditures. Projections for Water and Wastewater treatment costs from NTMWD continue to experience a steady incline.

Proposed NTMWD wholesale water rates include assumptions that the current drought conditions and supply shortage persists through 2016 and includes major additional capital expenditures to increase the water supply and provide for the safe, efficient delivery of water.

During the period of 2001-02 to 2012-13, wholesale water rates increased from \$0.72 per thousand gallons to \$1.70 per thousand. This forecast projects wholesale water costs at \$1.88 per thousand gallons, an increase of 10.6% over the current rate. If the rate of \$1.88 is adopted by NTMWD in late September 2013, it will represent a cumulative 161.1% increase in water rates to the city from the district since October 1, 2001.

Fiscal year 2014-15 and 2015-16 water costs are projected at \$2.06 and \$2.24 per thousand gallons, representing cost increases of 9.6% and 8.7% respectively. Several capital projects have been planned by NTMWD to ensure the availability of water, meet federal and state regulations, and meet the District member cities supply requirements.

Wastewater treatment costs are projected to increase by 6.4% in 2013-14, 5.1% for 2014-15 and 4.3% for 2015-16. Upper East Fork Interceptor Wastewater System costs are projected to increase 4.9% in 2013-14, increase by 5.1% in 2014-15 and 2015-16. These numbers will most likely be adjusted

downwards by the District during the City's budget process this summer (due to a wastewater treatment gallon or volume over-estimate in their 2012-13 projections).

Retirement of NTMWD debt for the water transmission facilities follows the District's loan amortization schedule of \$823,075 for 2013-14, \$819,950 for 2014-15 and \$824,600 for 2015-16.

### Capital Outlay

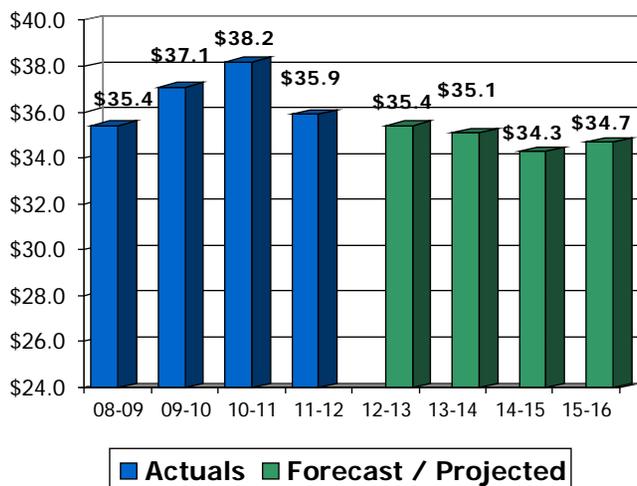
Capital outlay is re-estimated at \$66,952 for 2012-13, for improvements to facilities, upgrades to rolling stock, and computer hardware. No other capital costs have been included for all three future years of this forecast.

### Transfers

Expenditure transfers included in the forecast are to other City of Plano funds for services received, for the payment of Water & Sewer Debt, for planned Water & Sewer Capital Improvements, for projects included in the Capital Reserve Fund, for Technology-related service enhancements, and for Sustainability Educational Programs.

The graph below shows the historical trends and projections for all Water & Sewer Fund transfers to other City funds. Total Transfers decrease \$1.2 million or -3.3% from the 2011-12 actual transfers when compared to 2015-16 projected transfers.

**Transfers**  
(in millions)



A transfer of \$3.0 million in 2010-11 and \$3.0 million in 2011-12 have been set aside as Water & Sewer Fund Reserves to offset the severe impacts to the fund during periods of extreme weather patterns and reduce the impacts of escalating costs from NTMWD. This Forecast includes reserving an additional \$3.0 million in 2012-13, and \$2.0 million in 2013-14, for a total Reserve of \$11.0 million. A prior Reserve Fund balance was completely depleted during 2006-07 when those funds were used to offset a sharp water revenue decline caused by a decrease in consumption related to excess rainfall (precipitation) as well as for expenditures related to a catastrophic sewer line failure in the City. Water & Sewer Fund balance fluctuations have been experienced during periods of extreme weather conditions such as the severe drought and excessive rainfalls previously mentioned. By keeping a Reserve, the City has contained and stabilized the rates charged to Plano's water customers. This forecast includes the partial use of those reserved funds during 2015-16 in the amount of \$2.5 million to help stabilize the water and sewer rates and hold the fund balance at 45 days working capital.

In addition, a second reserve has been established within the Water & Sewer Funds for future Meter and Fixed Network Replacement. The 2012-13 re-estimate includes \$1.5 million, 2013-14 includes an additional \$1.5 million, and both 2014-15 and 2015-16 include \$1.0 million, for a projected total Meter and Fixed Network Replacement Reserve balance of \$5.0 million by 2015-16.

Water & Sewer Fund transfers to the General Fund are based on a percentage of projected Water & Sewer revenues, indirect cost allocations, and an amount in lieu of property taxes (based on total assets). These factors are reviewed each year during the budget process, and the transfer amount is calculated. The annual amount remains fairly stable in this forecast and the transfer to the General Fund for 2015-16 of \$18.2 million is projected to increase by only \$1.8 million or 11.1% over the 2011-12 actual transfer.

The complete retirement of the existing Water & Sewer Debt is projected to occur in 2012-13, using the Water & Sewer Debt Fund balance to make the final payment estimated at \$379,600. No transfer from the Water & Sewer Fund to the Debt Service Fund is required for the final payment.

The Water & Sewer Fund finances Community Investment Projects (CIP) by the “Pay-As-You-Go” method. Transfers for the forecast period from 2013-14 through 2015-16 total \$25.7 million and are based on a schedule of probable repairs and improvements to the City’s aging water & sewer infrastructure and delivery system.

Forecast transfers also include a total of \$9.0 million for the 3-year forecast period to the Capital Reserve Fund for other projects related to Water & Sewer service.

The transfer to the Property & Liability Loss Fund transfer has been projected at \$668,609 for all years of this forecast as the Water & Sewer Fund’s projected share of estimated expenditures from the Property & Liability Loss Fund.

A transfer in the amount of \$300,000 to the Technology Fund is included for each year of the forecast, and is representative of the fund’s share of technology improvements and upgrades to the City information infrastructure, in accordance with the City’s Technology Plan. The transfer is re-evaluated each year during the regular budget process, based on the Technology Fund balance and future projects.

Detailed information regarding specific transfers is provided in the Appendix section: *Three-Year Financial Forecast - Transfers*.

### **Outlook & Analysis**

Based on the projections in this forecast, the return to an average of 22 to 23 billion gallons per year water consumption usage and a continuation of existing service levels, this forecast produces enough working capital to meet the goal of 45 days of operating expenses as established by City Council for all periods.

With recent fluctuations to rainfall in the area and the anticipated cost increases from NTMWD, the Water & Sewer Fund continues to require vigilant monitoring of the water and sewer rates and sales volume.

## Sustainability & Environmental Services Fund

### Recurring Revenue Vs. Recurring Expenditures

	2011-12	2012-13	2012-13	2013-14	2014-15	2015-16
	Actual	Budget	Re-Est.	Projected	Projected	Projected
<b>Recurring Revenue</b>						
Commercial Franchise	\$6,498,108	\$6,903,270	\$6,903,270	\$7,041,335	\$7,182,162	\$7,325,805
Residential Collection	12,524,494	12,658,584	12,658,584	12,810,487	12,887,350	12,938,899
Special Refuse Collection	72,130	53,680	53,680	54,002	54,164	54,272
Recycling	653,706	713,080	713,080	717,358	719,511	720,950
Sale of Compost	1,551,979	1,474,684	1,474,684	1,483,532	1,487,983	1,490,959
Sale of Landscape Bags	34,922	249,621	249,621	251,119	251,872	252,376
Allied Waste, Inc.	90,092	81,072	81,072	82,693	84,347	86,034
Tipping Fees	839,137	829,723	829,723	834,701	837,205	838,880
Contributions via Utility Billing	9,908	11,646	11,646	11,716	11,751	11,775
Other	605,982	653,328	653,328	661,583	668,198	674,880
Sustainability Program Transfer	100,000	100,000	100,000	100,000	100,000	100,000
<b>Total Recurring Revenue</b>	<b>\$22,980,458</b>	<b>\$23,728,688</b>	<b>\$23,728,688</b>	<b>\$24,048,527</b>	<b>\$24,284,544</b>	<b>\$24,494,830</b>
<b>Recurring Expenditures</b>						
Salaries & Wages	\$6,139,567	\$6,284,005	\$6,489,581	\$6,590,851	\$6,596,159	\$6,601,467
Supplies & Services	7,893,442	8,255,517	8,485,932	8,426,749	8,606,543	8,795,326
NTMWD	7,398,953	7,569,187	7,370,779	7,553,044	7,742,320	7,791,798
Capital Outlay	285,539	147,000	295,000	0	0	0
<b>Total Recurring Expenditures</b>	<b>\$21,717,501</b>	<b>\$22,255,709</b>	<b>\$22,641,292</b>	<b>\$22,570,644</b>	<b>\$22,945,022</b>	<b>\$23,188,591</b>
Transfers Out	1,423,402	1,285,330	1,442,569	1,454,176	1,302,382	1,306,033
<b>Fund Balance - Beginning</b>	<b>\$2,918,899</b>	<b>\$2,319,565</b>	<b>\$2,758,454</b>	<b>\$2,403,281</b>	<b>\$2,426,988</b>	<b>\$2,464,128</b>
<b>Total Recurring Revenue</b>	<b>\$22,980,458</b>	<b>\$23,728,688</b>	<b>\$23,728,688</b>	<b>\$24,048,527</b>	<b>\$24,284,544</b>	<b>\$24,494,830</b>
<b>Total Recurring Expenditures</b>	<b>\$21,717,501</b>	<b>\$22,255,709</b>	<b>\$22,641,292</b>	<b>\$22,570,644</b>	<b>\$22,945,022</b>	<b>\$23,188,591</b>
<b>Less: Transfers Out</b>	<b>\$1,423,402</b>	<b>\$1,285,330</b>	<b>\$1,442,569</b>	<b>\$1,454,176</b>	<b>\$1,302,382</b>	<b>\$1,306,033</b>
<b>Fund Balance - Ending</b>	<b>\$2,758,454</b>	<b>\$2,507,214</b>	<b>\$2,403,281</b>	<b>\$2,426,988</b>	<b>\$2,464,128</b>	<b>\$2,464,334</b>
<b>Days of Operation</b>			<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>

*The **Sustainability & Environmental Services Fund**, an enterprise fund, provides for the administration, operation, and maintenance of the City's environmental waste system. Commercial Franchise and Residential Collection fees finance the greatest portion of the services provided by the Environmental Waste Division. All sources of revenue that comprise the Sustainability & Environmental Services Fund are described below:*

### **Operating Revenue Sources:**

#### **Commercial Franchise**

A franchise agreement between the City and Allied Waste Systems, Inc., whereby Allied Systems has exclusive franchise for collection and disposal of solid waste for commercial customers located within the City of Plano and a non-exclusive franchise for collection of recyclable materials from commercial customers located in the City of Plano.

The City receives 5% of gross receipts collected monthly which includes: revenues for monthly service, rental on roll-off containers, delivery charges, fees for late payment and additional collections. Allied Systems also reimburses the City all costs associated with the commercial disposal of solid waste.

#### **Residential Collection**

Fee charged for once a week collection and disposal of solid waste and yard debris, bi-weekly collection of recyclable, monthly collection of bulky waste, on-call collection of household hazardous waste, collection of litter along medians, operation of composting and household hazardous waste facilities, Keep Plano Beautiful program, Commercial Diversion program, and all education/public awareness programs.

#### **Special Refuse Collection**

Fee charged for collections in addition to the regular weekly collection schedule. Each household is granted one special refuse collection per fiscal year at no charge. After the first collection, a fee is charged for subsequent collections.

#### **Recycling**

The City receives 80% of revenues from current recycling processing contractor after paying processing fees.

#### **Sale of Compost**

Proceeds from the sale of compost and compost-related products.

#### **Sale of Landscape Bags**

Proceeds from the sale of boxes of biodegradable refuse bags.

#### **Tipping Fees**

Fee charged to commercial landscapers for disposal of yard debris waste.

#### **Other**

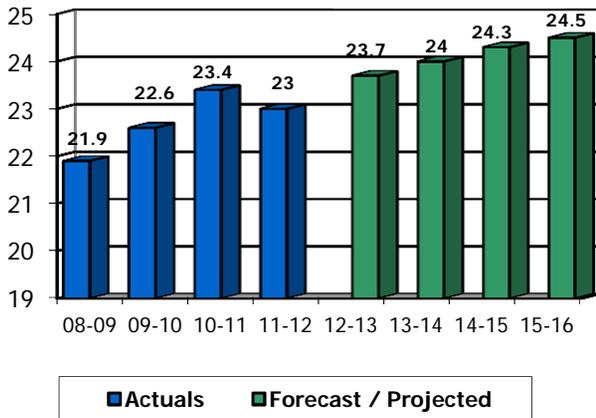
Miscellaneous receipts include revenues such as interest income, contributions and insurance collections.

The Sustainability & Environmental Services Fund, an enterprise fund, provides for administration, operation, and maintenance of the City's environmental waste collection & disposal, recycling, collection & sales, as well as the incorporation of sustainable practices into City operations.

## Operating Revenues

The City of Plano contracts for services with the North Texas Municipal Water District (NTMWD), whereby NTMWD agrees to provide a solid waste disposal system for the benefit of the City of Plano and other cities. Each participating city agrees to pay its share of an annual requirement for the operating expenses and debt service of NTMWD to be calculated in the same manner as the wastewater contract. The Sustainability & Environmental Services Fund accounts for the provision of solid waste collection and disposal services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.

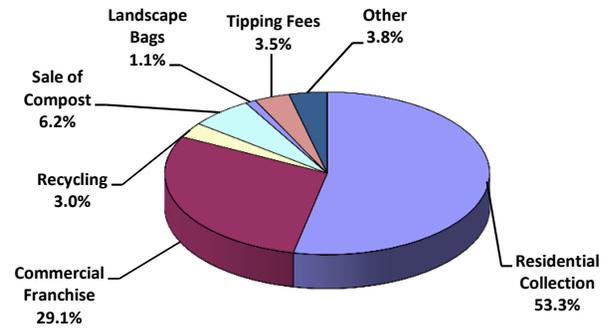
**Sustainability & Environmental Revenue**  
(in millions)



The graph above shows the historical trends and projections for Sustainability Fund revenues. The last change to residential collection rates occurred in October 2008, when rates were increased by \$1.25 per month to \$15.10 for the 95-gallon container while the annual contract amount paid to NTMWD has fluctuated annually based on tonnage interred by NTMWD.

By 2015-16, total Sustainability Fund revenues are estimated to reach \$24.5 million. The major sources that make up the Sustainability & Environmental Services Fund revenues for 2012-13 include: Residential Collection (53.3%), Commercial Franchise (29.1%), Recycling (3.0%), Sale of Compost (6.2%), Sale of Landscape Bags (1.1%), Tipping Fees (3.5%), and Other (3.8%). A description of each source as well as a discussion of the outlook over the next three years follows.

**Sustainability & Environmental Services Revenue**  
by Source

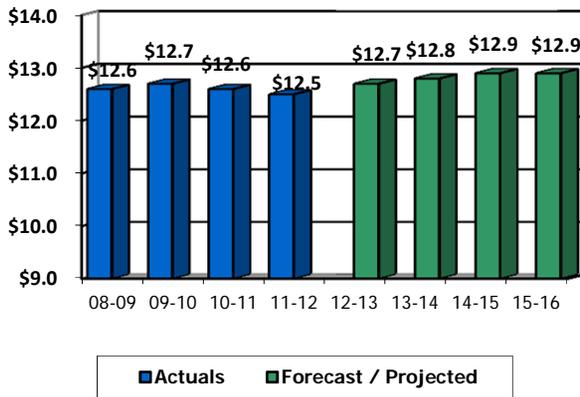


## Residential Collection

Residential collection revenues represent the Sustainability & Environmental Services Fund's largest revenue source. Customers who wish to use a 68-gallon refuse cart pay a monthly rate of \$11.25 and customers who choose to use the 95-gallon cart pay a monthly rate of \$15.10. The variable rates continue to allow the City to implement environmental programs that will reduce NTMWD disposal tonnage costs and encourage waste minimization and recycling.

As of March 2013, there are approximately 71,618 single family units billed monthly for residential refuse collection services. Residential collection revenue is projected to increase 1.2% in 2013-14, 0.6% in 2014-15 and 0.4% in 2015-16. The amounts indicated in the revenue forecast assume no future changes in the rate structure and projection estimates with the two customer variable rates, based on container size.

**Residential Collection**  
(in millions)



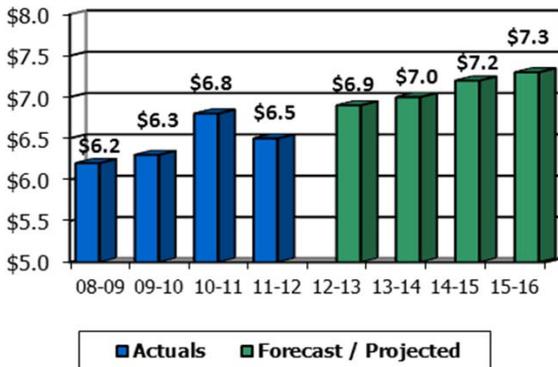
The graph shows the historical trends and projections for residential collection revenue. By 2015-16, this revenue source is estimated to reach \$12.9 million.

**Commercial Franchise**

Commercial franchise revenue represents the Sustainability & Environmental Service Fund’s second largest revenue source, currently re-estimated at \$6.9 million for 2012-13. This revenue source consists of a franchise agreement between the City of Plano and Allied Waste Systems, Inc.

Commercial franchise revenue, based on anticipated direct economic growth, is estimated to increase by 2.0% in 2013-14, 2014-15 and 2015-16. The accompanying graph shows the historical trends and projections for commercial franchise revenue. By 2015-16, this revenue source is estimated to reach \$7.3 million.

**Commercial Franchise**  
(in millions)

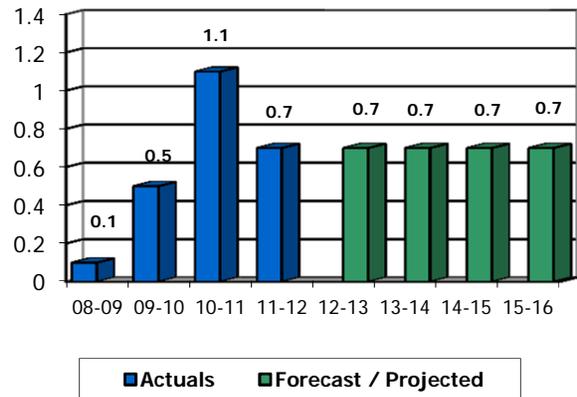


**Recycling**

Contracted recycling revenue is tied to market prices for individual recycling commodities. As an industry, the per ton value of the recycling materials fluctuates greatly by both season and year to year, depending on supply of current recycling materials and market demand. The City receives 80% of revenues from its current recycling processing contracts after paying processing fees.

Recycling revenues are currently projected at \$713,000 in the 2012-13 re-estimate budget, and are expected to continue moving slightly upwards over the next three years along with Plano’s population. That said, recycling revenues can be extremely volatile and are dramatically affected by global market fluctuations in demand for materials.

**Recycling**  
(in millions)

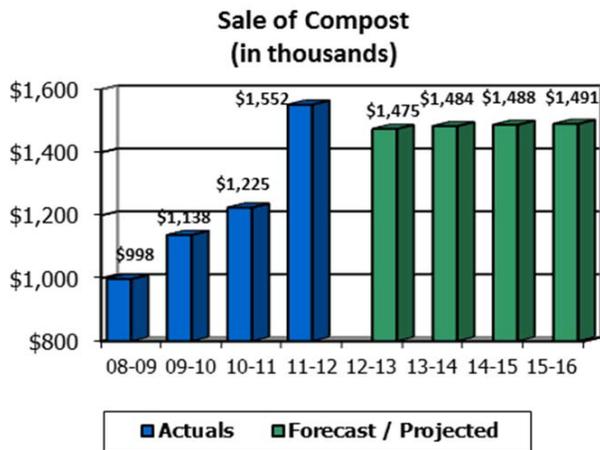


By 2015-16, annual recycling revenues are projected to be \$719,511, down from their high of \$1.3 million in 2007-08. The graph above shows the historical trends and projections for recycling revenue.

**Sale of Compost**

Market demands for quality compost products are increasing annually. The City retains proceeds from the sale of compost and compost-related products, while diverting an estimated 72,500 tons of waste from the landfill, which in turn, creates an estimated 79,000 cubic yards of commercial product.

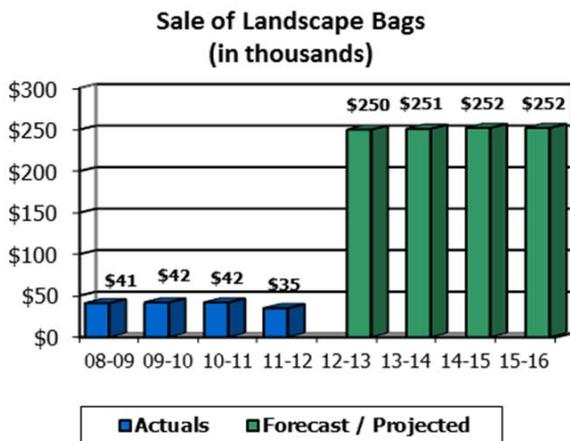
Sale of compost revenue is projected to increase .6% in 13-14 and 0.3% in 2014-15, and 0.2% in 2015-16 based on indirect population-based increases.



The graph above shows the historical trends and projections for sale of compost revenues. By 2015-16, this revenue source is estimated to reach \$1,490,959.

### Sale of Landscape Bags

A program closely tied to composting is the sale of landscape waste collection bags.



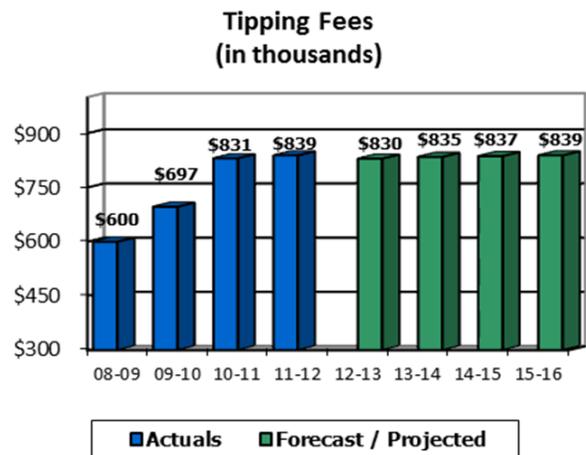
The City received \$34,922 in 2011-12 from biodegradable compost and mulch bag sales. Collection vehicles pick these parcels up at each residential waste collection site for use in the compost operation. Landscape bag revenues are currently re-estimated at \$249,621 in 2012-13 to reflect expanded efforts in expanding this revenue source, which has seen a large amount of capital expenditures budgeted in FY 2012-13 for increased bagging capacity. Increases in future years are expected to be 0.6% in 2013-14, and 0.3% in 2014-15 and 0.2% in 2015-16, based on indirect population-based increases.

The Sale of Landscape Bags graph shows the historical trends and projections for sale of landscape bags revenues. By 2015-16, this revenue source is anticipated to reach \$252,376.

### Tipping Fees

Tipping fees consist of revenue received from commercial landscapers for disposal of yard debris waste. The City began charging tipping fees during 2003-04.

Tipping fee revenue is currently projected to remain consistent in the near future, increasing by 0.6% in 2013-14 and then by 0.3% in 2014-15 and 0.2% in 2015-16, in line with indirect population growth.

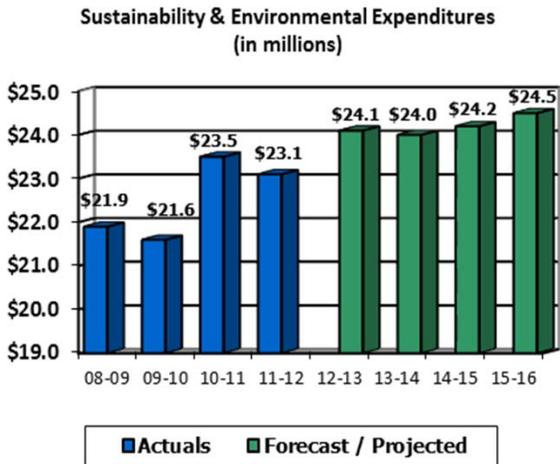


The graph above shows the historical trends and projections for tipping fee revenue. By 2015-16, this revenue source is estimated to reach \$838,880.

### Other

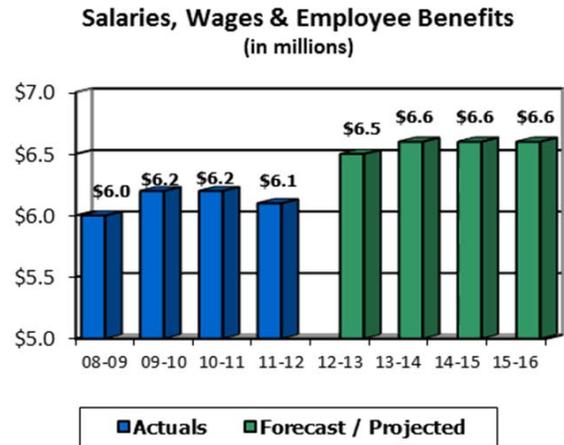
Miscellaneous revenues for 2012-13 are expected to total \$653,328 or 3.8%, of the total Sustainability & Environmental Services Fund Revenues. Miscellaneous revenues are comprised of several varied sources and include reimbursement from the Water & Sewer Fund for personnel and operating expenses related to water conservation, \$172,131; Special Refuse Collection fees \$53,680; Citizen and Commercial Contributions, \$29,146; and Other Sources including reimbursements from other city departments as well as other miscellaneous revenues, \$255,957. Additionally, the Sustainability & Environmental Services fund will also receive a transfer of \$100,000 from the Water & Sewer Fund for expenditures related to the Sustainability program.

**Operating Expenditures**



The graph above shows the historical trends and projections for the Sustainability & Environmental Services Fund. Expenditure increases can fluctuate from year-to-year mainly due to the cost of fuel and capital outlay expenditures.

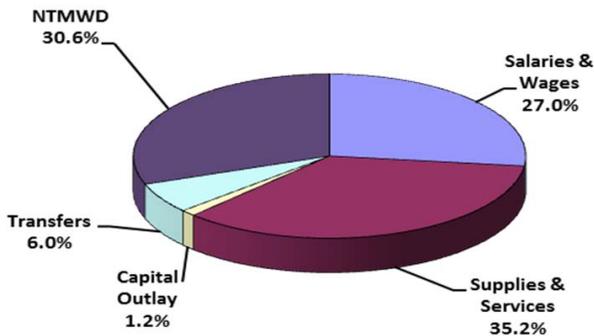
also expected to remain constant throughout the forecast as Plano's self-funded insurance fund currently has a stable fund balance. TMRS is set to be funded at the full phased in rate of 18.75%, while the other benefit rates are expected to remain constant.



**Supplies & Services**

Supplies & services costs are projected to stay flat across all three years of this financial forecast. Municipal Garage charges are projected to increase 5.0% in 2013-14, 2014-15 and 2015-16.

**Sustainability & Environmental Services Expenditures by Category**



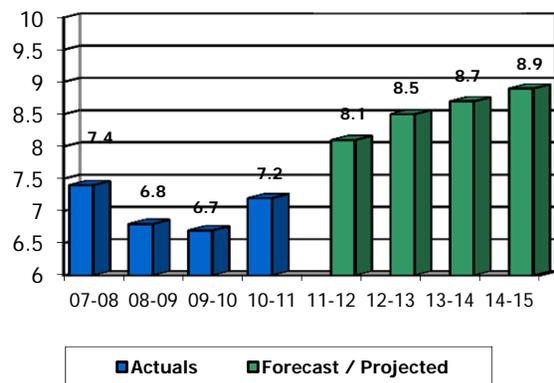
The major expenditures that make up the Sustainability Fund by category for 2012-13 include: Salaries & Wages (27.0%), Supplies & Services (35.2%), NTMWD (30.6%), Capital Outlay (1.2%), and Transfers (6.0%). A description of each expenditure category as well as a discussion of the outlook over the next three years follows.

The following Supplies & Services graph shows historical trends and estimates for supplies & services. By 2015-16, operating expenditures for supplies and services are projected at \$8.8 million.

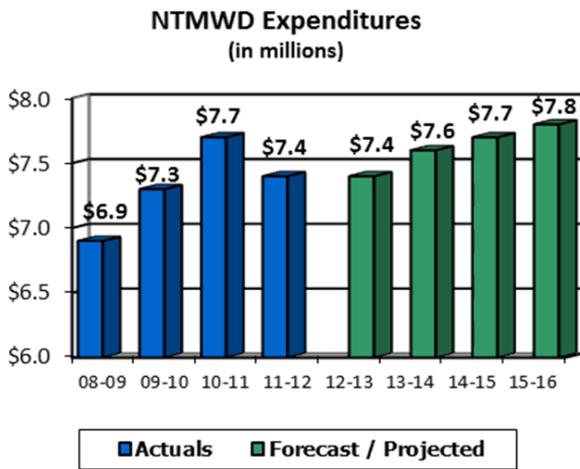
**Salaries, Wages & Employee Benefits**

Salary projections assume no salary increases or attrition throughout the forecast period, and assume that the current staffing levels remain constant over the next three years. The health insurance rate is

**Supplies & Services (in millions)**



NTMWD landfill contracted expenditures are projected to increase to \$7.8 million during the forecast period.



## Outlook & Analysis

The Sustainability & Environmental Services Fund is required to have a fund balance equal to 15 days of operations according to Plano's Financial Policies. The current forecast projects this requirement to be met through the end of FY 2015-16; however, rates will continue to be examined annually to insure ample revenue continues to be collected to support this enterprise fund.

## Capital Outlay

No additional funding for capital outlay has been included for the three-year forecast period.

## Transfers

The transfers to the General Fund for services received are based on Residential Collection fees, Special Collection fees, and Sale of Landscape Bags revenue. The transfer is based on 7.0% of the total of these revenue sources. The transfer amount increases each year of the forecast period with projected increases in revenues.

A \$60,000 transfer to the Technology Fund is included in each year of the forecast, representative of the fund share of technology improvements and provide funding for improvements and upgrades to City information infrastructure, in accordance with the City's Technology Plan.

A final transfer of \$157,239 from Sustainability to the Water & Sewer Fund is scheduled for FY 2013-14. This amount pays off a five-year loan that was used for the construction of the Environmental Education Building.

The Property/Liability Loss Fund transfer is representative of the Sustainability Fund's proportionate share of anticipated expenses related to Judgments, Damages and Workers' Compensation claims. The 2012-13 transfer is projected at \$317,998 and is projected to increase to \$318,845 over the forecast period's three years.

## Municipal Drainage Fund

### Recurring Revenue Vs. Recurring Expenditures

	2011-12	2012-13	2012-13	2013-14	2014-15	2015-16
	Actual	Budget	Re-Est.	Projected	Projected	Projected
<b>Recurring Revenue</b>						
Residential Class Fees	\$2,749,810	\$2,770,791	\$3,261,540	\$3,805,130	\$3,810,837	\$3,818,459
Commercial Class Fees	2,458,165	2,475,297	2,858,028	3,453,886	3,829,581	3,837,240
Interest Income	29,346	40,900	40,900	40,900	26,735	28,264
Other	8,505	6,000	6,000	6,000	6,000	6,000
<b>Total Recurring Revenue</b>	<b>\$5,245,826</b>	<b>\$5,292,988</b>	<b>\$6,166,468</b>	<b>\$7,305,916</b>	<b>\$7,673,153</b>	<b>\$7,689,963</b>
<b>Recurring Expenditures</b>						
Salaries & Wages	\$1,235,784	\$1,325,734	\$1,340,502	\$1,415,984	\$1,417,311	\$1,418,639
Supplies & Services	1,005,514	1,093,510	1,116,253	1,103,878	1,114,763	1,126,194
Reimbursements	300,944	317,896	317,896	317,896	317,896	317,896
Capital Outlay	3,347	0	981	0	0	0
<b>Total Recurring Expenditures</b>	<b>\$2,545,589</b>	<b>\$2,737,140</b>	<b>\$2,775,632</b>	<b>\$2,837,758</b>	<b>\$2,849,970</b>	<b>\$2,862,729</b>
Transfer to General Fund	\$361,076	\$367,226	\$428,370	\$508,131	\$534,829	\$535,899
Transfer to Technology Fund	20,000	20,000	20,000	20,000	20,000	20,000
Transfer to Revenue Debt	2,909,614	2,913,352	2,913,352	3,189,952	3,656,833	3,775,875
Transfers Out	3,290,690	3,300,578	3,361,722	3,718,083	4,211,662	4,331,774
<b>Fund Balance - Beginning</b>	<b>\$3,996,522</b>	<b>\$1,740,414</b>	<b>\$3,406,069</b>	<b>\$1,943,844</b>	<b>\$2,693,920</b>	<b>\$3,305,440</b>
<b>Total Recurring Revenue</b>	<b>\$5,245,826</b>	<b>\$5,292,988</b>	<b>\$6,166,468</b>	<b>\$7,305,916</b>	<b>\$7,673,153</b>	<b>\$7,689,963</b>
<b>Total Recurring Expenditures</b>	<b>\$2,545,589</b>	<b>\$2,737,140</b>	<b>\$2,775,632</b>	<b>\$2,837,758</b>	<b>\$2,849,970</b>	<b>\$2,862,729</b>
<b>Less: Transfers Out</b>	<b>\$3,290,690</b>	<b>\$3,300,578</b>	<b>\$3,361,722</b>	<b>\$3,718,083</b>	<b>\$4,211,662</b>	<b>\$4,331,774</b>
<b>Less: Est Reserve Requirement</b>			<b>\$1,491,339</b>			
<b>Fund Balance - Ending</b>	<b>\$3,406,069</b>	<b>\$995,684</b>	<b>\$1,943,844</b>	<b>\$2,693,920</b>	<b>\$3,305,440</b>	<b>\$3,800,901</b>
<b>Days of Operation</b>			<b>256</b>	<b>346</b>	<b>423</b>	<b>485</b>

The **Municipal Drainage Fund**, an enterprise fund, provides for the administration, operation, and maintenance of the City's storm water management program, in compliance with EPA storm water runoff and treatment requirements. The services provided by the Municipal Drainage Fund are financed primarily by Commercial and Residential fees.

### Operating Revenue Sources:

#### Drainage Fees

Drainage fees are charged upon municipal water customers to provide funding for compliance with the U.S. Environmental Protection Agency's enforcement of the National Pollutant Discharge Elimination System – a program for storm water runoff monitoring and management.

#### Operating Revenues

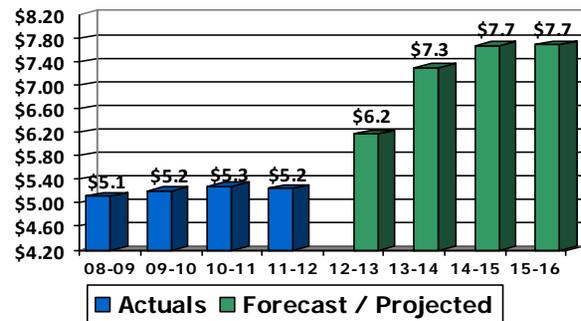
##### Drainage Fees

Drainage fees are the Municipal Drainage Fund's primary revenue source. Drainage fees are divided into residential class fees and commercial class fees. Updated rates are expected to go into effect April 1, 2013 to provide sufficient working capital and maintain revenue reserve requirements prescribed in the bond covenants.

The Community Investment Program has been adjusted to include additional projects through 2016-17 and the debt service needed to finance these projects. The program did not require an issuance of new debt this year. Projected new debt in the amount of \$11.7 million will be needed in FY 2013-14 to support scheduled future projects.

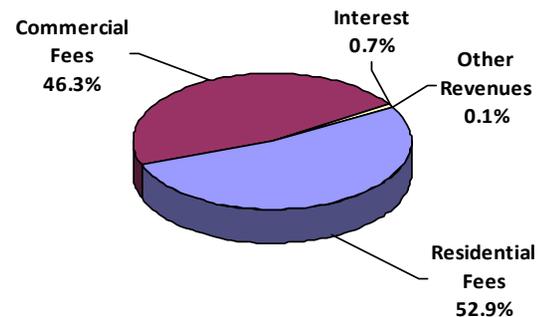
Drainage fees are usually projected to increase based on indirect population increases; however, the implementation of a new residential and commercial rate structure through FY 2014-15 causes drainage fee revenues to increase considerably in this forecast. The revenue garnered is projected to increase 38.4% from budget 12-13 revenues in 2013-14, 5.3% in 2014-15 and 0.20% in 2015-16. These additional revenues are expected to provide sufficient revenues to maintain revenue reserve requirements prescribed in the bond covenants. The Budget Department will continue to evaluate rates in the Drainage Rate Model to insure appropriate rates are in place to meet all of the requirements associated with operating a high quality municipal drainage system.

**Drainage Fund Revenue**  
(in millions)



The graph above shows the historical trends and projections for drainage fees, while the graph below shows the Re-Estimated 12-13 Revenues by Source.

**Municipal Drainage Fund**  
**Revenues by Source**



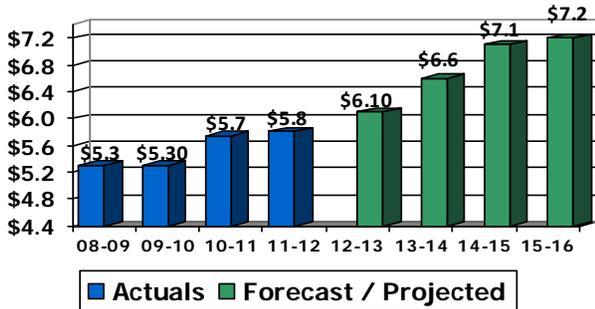
##### Other

Miscellaneous revenues for 2012-13 are expected to total \$46,900. Miscellaneous revenues are comprised mostly of interest income. Interest income is projected at \$40,900 for all three years of the forecast based on projected increase in fund balance offset by low market interest rates.

**Operating Expenditures**

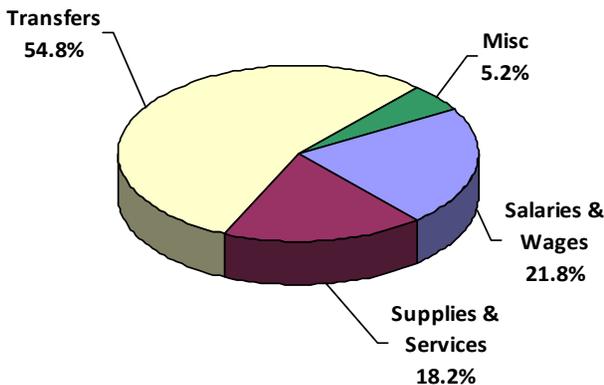
The following graph shows the historical trends and projections for all Municipal Drainage Fund expenditures. Expenditure increases can fluctuate from year-to-year mainly due to one-time expenditures and transfers to debt service for CIP projects.

**Municipal Drainage Fund Expenditures (in millions)**



The major expenditures that make up the Municipal Drainage Fund by category for 2012-13 include: Salaries & Wages (21.8%), Supplies & Services (18.2%), Reimbursements (5.2%) and Transfers (54.8%). A description of each expenditure category as well as a discussion of the outlook over the next three years follows.

**Municipal Drainage Fund Expenditures by Category**



**Salaries, Wages and Employee Benefits**

Salary projections assume no salary increase throughout the forecast period. Benefit expenditure projections assume no increase in health insurance

cost for all periods of the forecast and an increase to TMRS phase-in rate of 18.75% for all years of the forecast. Other benefit rate calculations remain constant.

**Supplies & Services**

Supplies & services are budgeted with no inflation increases throughout the forecast period. Municipal garage charges are forecast to increase 5% in 2013-14, 2014-15 and 2015-16. In 2013-14, an \$11.7 million drainage revenue bond sale is scheduled to support the municipal drainage infrastructure projects. The issuance is projected to occur mid-year with one interest payment included in the first year.

**Capital Outlay**

This forecast includes no new capital outlay items in the Municipal Drainage Fund from 2013-14 through 2015-16.

**Transfers**

Transfers from the Municipal Drainage Fund total \$12.3 million for the three-year forecast period and is divided into the separate funds. The transfer to the General Fund is based on a percentage of the total Municipal Drainage revenue and totals approximately \$1.6 million for the three-year period.

The Municipal Drainage Fund transfer for revenue debt for the three forecast years totals \$10.6 million. Total debt expenditures increase in each of the three years of the forecast due to anticipated bond issues in each year forecast. Additionally, the city received a Triple AAA Bond Rating from Standard and Poor’s in the last two drainage issuances (2009 and 2010).

The technology transfer is approximately \$20,000 per year for future hardware and software purchases and improvements. This transfer totals \$60,000 for the three-year period.

**Outlook & Analysis**

It is necessary for the Municipal Drainage Fund to maintain a significant fund balance due to revenue requirements associated with issuing revenue bonds for capital drainage projects. This forecast projects that the Municipal Drainage Fund will meet these requirements in the next three years. This fund will continue to be closely monitored, and further rate studies will be conducted if a decrease in fund balance appears possible.

**Convention & Tourism Fund****Recurring Revenue Vs. Recurring Expenditures**

	2011-12	2012-13	2012-13	2013-14	2014-15	2015-16
	Actual	Budget	Re-Est.	Projected	Projected	Projected
<b>Recurring Revenue</b>						
Hotel/Motel Receipts	\$4,669,257	\$4,905,020	\$4,905,020	\$5,123,120	\$5,426,583	\$5,535,114
Civic Center Fees	1,809,578	1,846,996	1,994,460	2,034,349	2,075,036	2,116,537
Interest Income	22,593	30,000	15,000	20,000	30,000	30,000
Other	3,102	1,030	1,030	1,040	1,051	1,061
<b>Total Recurring Revenue</b>	<b>\$6,504,530</b>	<b>\$6,783,046</b>	<b>\$6,915,510</b>	<b>\$7,178,510</b>	<b>\$7,532,670</b>	<b>\$7,682,713</b>
<b>Recurring Expenditures</b>						
Salaries & Wages	\$2,581,894	\$2,718,963	\$2,710,059	\$2,785,741	\$2,787,761	\$2,790,837
Supplies & Services	2,230,109	3,101,350	3,164,686	3,073,598	3,074,232	3,074,896
Support of the Arts	685,153	735,583	735,583	768,468	813,987	830,267
Historic Preservation	685,153	735,583	735,583	768,468	813,987	830,267
Special Events	139,089	157,190	162,945	157,190	160,334	163,540
Capital Outlay	25,530	10,000	10,000	0	0	0
<b>Total Recurring Expenditures</b>	<b>\$6,346,928</b>	<b>\$7,458,669</b>	<b>\$7,518,856</b>	<b>\$7,553,466</b>	<b>\$7,650,302</b>	<b>\$7,689,808</b>
Transfers Out	349,319	359,153	365,776	378,925	396,633	404,136
<b>Fund Balance - Beginning</b>	<b>\$2,620,893</b>	<b>\$1,999,339</b>	<b>\$2,429,176</b>	<b>\$1,460,054</b>	<b>\$706,173</b>	<b>\$628,792</b>
<b>Total Recurring Revenue</b>	<b>\$6,504,530</b>	<b>\$6,783,046</b>	<b>\$6,915,510</b>	<b>\$7,178,510</b>	<b>\$7,532,670</b>	<b>\$7,682,713</b>
<b>Total Recurring Expenditures</b>	<b>\$6,346,928</b>	<b>\$7,458,669</b>	<b>\$7,518,856</b>	<b>\$7,553,466</b>	<b>\$7,650,302</b>	<b>\$7,689,808</b>
<b>Less: Transfers Out</b>	<b>\$349,319</b>	<b>\$359,153</b>	<b>\$365,776</b>	<b>\$378,925</b>	<b>\$396,633</b>	<b>\$404,136</b>
<b>Fund Balance - Ending</b>	<b>\$2,429,176</b>	<b>\$964,563</b>	<b>\$1,460,054</b>	<b>\$706,173</b>	<b>\$191,907</b>	<b>\$217,561</b>
<b>Required 30 Day Balance</b>				<b>\$620,833</b>	<b>\$628,792</b>	<b>\$632,039</b>
<b>Add'l Revenues or Program Reductions to Meet 30 Days</b>					<b>\$436,885</b>	<b>\$414,478</b>
<b>Days of Operation</b>				<b>71</b>	<b>34</b>	<b>30</b>

The **Convention & Tourism Fund**, an enterprise fund, accounts for the administration, operation, and maintenance of the Plano Centre and the Convention & Visitors Bureau. The fund is supported by the Hotel/Motel Occupancy Tax, which is restricted by State law to tourism promotion, capital construction, the operation of recreation facilities, and the funding of cultural activities.

**Operating Revenue Sources:**

**Hotel/Motel Tax Receipts**

Hotel/Motel taxes are levied upon the cost of occupancy of any sleeping room furnished by a hotel or motel in the city. The current rate is 7.0% of taxable receipts.

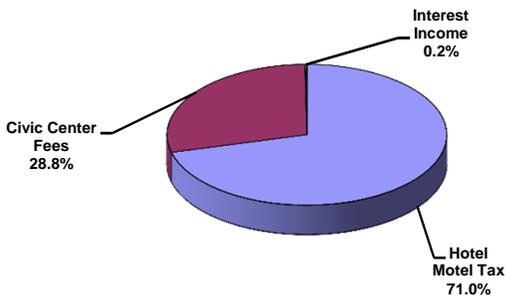
**Civic Center Fees**

Plano Centre administers various service charges and fees for the following items: room rentals, concessions, catering, equipment rentals, and miscellaneous.

**Operating Revenues**

The major sources that make up the Convention & Tourism Fund revenues for 2012-13 include: Hotel/Motel Tax Receipts (71.0%), Civic Center Fees (28.8%), and Interest Income (0.2%). A description of each source as well as a discussion of the outlook over the next three years follows.

**Convention & Tourism Fund Revenue by Source**



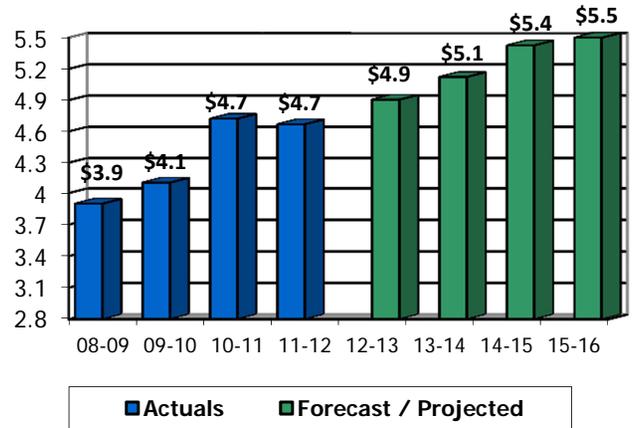
**Hotel/Motel Tax Receipts**

Hotel/Motel tax receipts are the Convention & Tourism Fund’s largest revenue source. The North Texas region continues to experience an upswing in the travel-related industry last fiscal year, which has led to increases in Hotel/Motel tax receipts. In addition, we are expecting several new hotels to open within

the forecast period including a brand new Hilton Hotel with 293 rooms and 30,000 square feet of meeting rooms in the Fall of 2014.

Hotel/Motel receipts are estimated to remain the same for the 2012-13 Re-Estimate. Based on the addition of new hotel rooms during the forecast period and direct economic growth, Hotel/Motel receipts are projected to increase 4.5% in 2013-14; 5.9% increase in 2014-15 and 2.0% increase in 2015-16.

**Hotel/Motel Tax Revenue (in millions)**

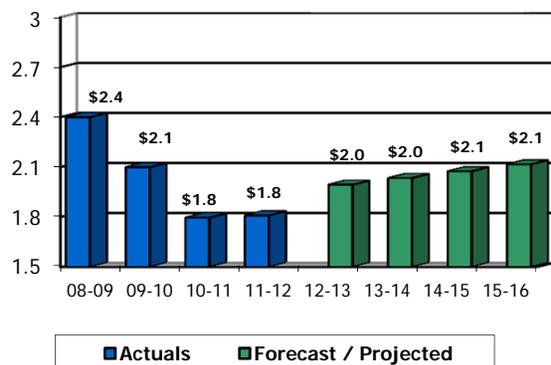


The graph above shows the historical trends and projections for Hotel/Motel tax receipts. By 2015-16, this revenue source is estimated to reach \$5.5 million.

**Civic Center Fees**

Civic Center fees have shown a moderate uptick due to a slight increase in room rentals and catering events. An increase of \$147464 for the 2012-13 Re-Estimate is included in this forecast based on actual revenues received. Civic Center fees are projected to increase 2.0% annually in each of the three years forecast to reflect direct economic growth in Plano.

**Civic Center Fee Revenue**  
(in millions)



The graph above shows the historical trends and projections for Civic Center fees. In 2015-16, this revenue source is estimated to generate approximately \$2.1 million.

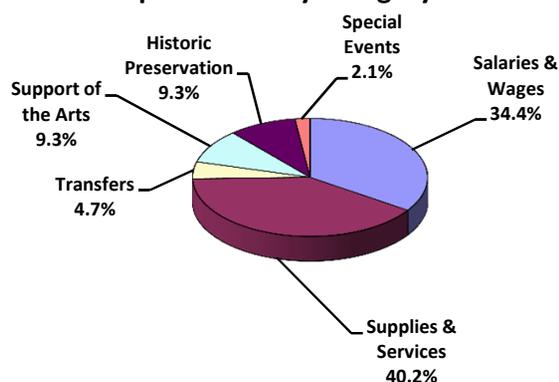
### Other

Miscellaneous revenues for 2012-13 are expected to total \$16,030. Miscellaneous revenues are comprised mostly of interest income.

### Operating Expenditures

The major expenditures that make up the Convention & Tourism Fund by category for 2012-13 include: Salaries & Wages (34.4%), Supplies & Services (40.2%), Support of the Arts (9.3%), Historic Preservation (9.3%), Special Events (2.1%), and Transfers (4.7%). A description of each expenditure category as well as a discussion of the outlook over the next three years follows.

**Convention & Tourism Fund**  
**Expenditures by Category**



### Salaries, Wages and Employee Benefits

Salary projections assume no salary increases or attrition throughout the forecast period, and assume that the current staffing levels remain constant over the next three years. The health insurance rate is also expected to remain constant throughout the forecast as Plano's self-funded insurance fund currently has a stable fund balance. TMRS is set to be funded at the full phased in rate of 18.75%, while the other benefit rates are expected to remain constant.

### Supplies & Services

Supplies & services costs are projected to remain constant in each of the three years forecast. Municipal garage charges are projected to increase 5.0% throughout the forecast period. Also, electricity charges are projected to increase 2.0% in 2013-14 and remain flat in each of the following years forecast.

### Support of the Arts

### Historic Preservation

### Special Events

Hotel/Motel tax is utilized for the promotion of local arts and historic preservation. The amount allocated to each of these areas is based on Hotel/Motel tax receipts, and as these revenues rise, funding to local arts and historic preservation groups will as well in each year forecast. Special Events includes funding for the Plano Balloon Festival.

### Capital Outlay

No new capital outlay is projected for the forecast period. All discretionary expenditure items will be examined on their individual merit during the budget development process in each year.

### Transfers

The transfer to the General Fund is based on 5.0% of total revenues and the amount projected for 2012-13 equals \$365,776.

A transfer to the Technology Fund in the amount of \$20,000 in 2012-13 is representative of the Convention & Tourism Fund's proportionate share of technology related expenditures. This amount is projected to remain constant for the remainder of the forecast.

## **Outlook & Analysis**

Based on projections, the Convention & Tourism Fund is forecasted to maintain at least 30 days of operating funds through 2013-14. During the following year, 2014-15, the fund is forecasted to drop below 30 days of working capital. Historically Plano Centre and Convention & Visitors Bureau management has been able to successfully respond to scarce financial resources by altering service levels with minimal impact to end customers.

**Golf Course Fund****Recurring Revenue Vs. Recurring Expenditures**

	2011-12	2012-13	2012-13	2013-14	2014-15	2015-16
	Actual	Budget	Re-Est.	Projected	Projected	Projected
<b>Recurring Revenue</b>						
Golf Fees	\$871,504	\$931,395	\$931,395	\$936,983	\$939,794	\$941,674
Concessions	52,732	30,000	54,062	54,386	54,549	54,658
Interest Income	0	500	300	1,000	1,500	2,000
Other	9,297	0	0	0	0	0
<b>Total Recurring Revenue</b>	<b>\$933,533</b>	<b>\$961,895</b>	<b>\$985,757</b>	<b>\$992,369</b>	<b>\$995,843</b>	<b>\$998,332</b>
<b>Recurring Expenditures</b>						
Salaries & Wages	\$507,801	\$524,673	\$542,252	\$543,845	\$544,306	\$544,768
Supplies & Services	325,754	312,930	327,277	327,970	328,843	329,759
Capital Outlay	4,681	0	0	0	0	0
<b>Total Recurring Expenditures</b>	<b>\$838,236</b>	<b>\$837,603</b>	<b>\$869,529</b>	<b>\$871,814</b>	<b>\$873,149</b>	<b>\$874,527</b>
Transfers Out	48,025	48,095	49,288	49,618	49,792	49,917
<b>Fund Balance - Beginning</b>	<b>(\$13,258)</b>	<b>\$61,220</b>	<b>\$34,014</b>	<b>\$100,954</b>	<b>\$171,890</b>	<b>\$244,792</b>
<b>Total Recurring Revenue</b>	<b>\$933,533</b>	<b>\$961,895</b>	<b>\$985,757</b>	<b>\$992,369</b>	<b>\$995,843</b>	<b>\$998,332</b>
<b>Total Recurring Expenditures</b>	<b>\$838,236</b>	<b>\$837,603</b>	<b>\$869,529</b>	<b>\$871,814</b>	<b>\$873,149</b>	<b>\$874,527</b>
<b>Less: Transfers Out-Transfers In</b>	<b>\$48,025</b>	<b>\$48,095</b>	<b>\$49,288</b>	<b>\$49,618</b>	<b>\$49,792</b>	<b>\$49,917</b>
<b>Fund Balance - Ending</b>	<b>\$34,014</b>	<b>\$137,417</b>	<b>\$100,954</b>	<b>\$171,890</b>	<b>\$244,792</b>	<b>\$318,680</b>
<b>Days of Operation</b>			<b>42</b>	<b>72</b>	<b>102</b>	<b>133</b>

The Municipal Golf Course fund, an enterprise fund, provides for the administration, operation and maintenance of the City's golf course - Pecan Hollow. All costs are financed through fees charged to patrons.

**Operating Revenue Sources:**

**Golf Fees**

Golf fees are charged for the use of the City's municipal golf course.

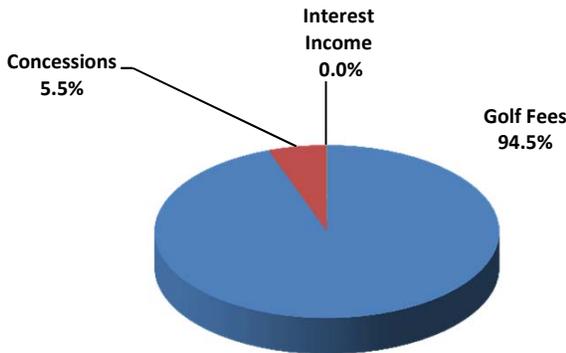
**Concessions**

The Municipal Golf Course Fund receives the greater of 5% of gross sales from the Pro Shop and Pecan Hollow Grille or \$30,000.

**Operating Revenues**

The major sources that make up the Municipal Golf Course Fund revenues for 2012-13 include: Golf Fees (94.5%), Concessions (5.5%), Interest Income (0.0%). A description of each source as well as a discussion of the outlook over the next three years follows.

**Golf Fund Revenue by Source**

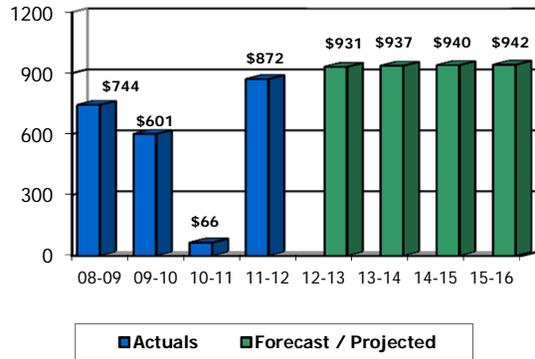


**Golf Fees**

Golf fees are the Municipal Golf Course Fund's largest revenue source. Since the re-opening of Pecan Hollow Golf Course during FY 2011-12 from redevelopment, golf fees were up significantly. Competition from surrounding golf courses, and the national economy has had an effect on golf participation, but since the re-opening revenues have been very strong with new golfers wanting to play the redesigned course. It is anticipated that the new course will continue to attract more golfers and receive more rounds of play.

Golf fees are projected to increase 0.6% to \$936,983 for 2013-14, and 0.3% for 2014-15 and 0.2% for 2015-16. These projections assume a stable demand for golf rounds and normal weather patterns over the years forecast.

**Golf Fee Revenue**  
(in Thousands)



The graph above shows the historical trends and projections for golf fees. During 2010-11 the course was closed for major renovation. By 2015-16, this revenue source is estimated to reach \$941,674.

**Concessions  
Room Rental Fees**

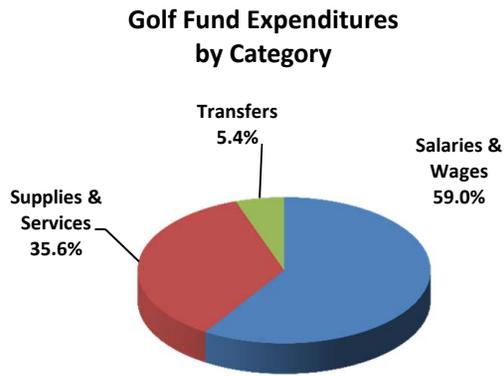
Based on the current agreement with the golf course pro, the City receives concession and room rental fee revenues. Combined concession and room rental fee revenues are projected at \$54,062 for the 2012-13 Re-Estimate and are forecasted to increase slightly for the next three years.

**Other**

Miscellaneous revenues for 2012-13 are re-estimated to be \$300 and are projected to increase to \$2,000 in the remaining years forecast.

**Operating Expenditures**

The following graphs show the historical trends and projections for all Municipal Golf Course Fund expenditures. Expenditure increases can fluctuate from year-to-year mainly due to one-time expenditures for capital equipment or extensive repairs.



The major expenditures that make up the Municipal Golf Course Fund by category for 2011-12 include: Salaries & Wages (59.0%), Supplies & Services (35.6%), and Transfers (5.4%). A description of each expenditure category as well as a discussion of the outlook over the next three years follows.

### Salaries, Wages and Employee Benefits

Salary projections assume no salary increases or attrition throughout the forecast period, and also assume that the current staffing levels remain constant over the next three years. The health insurance rate is also expected to remain constant throughout the forecast as Plano's self-funded insurance fund currently has a stable fund balance. TMRS is set to be funded at the full phased in rate of 18.75%, while the RSP rate is expected to remain the same through 2015-16. Other benefit rates are expected to remain constant.

### Supplies & Services

Supplies & services costs are projected to increase slightly for each year of the three-year forecast. Municipal garage charges are projected to increase 5.0% in 2013-14, 5.0% in 2014-15, and 5.0% in 2015-16. Electric charges are projected to increase 2.0% in 2013-14 and remain flat throughout the remaining forecast period.

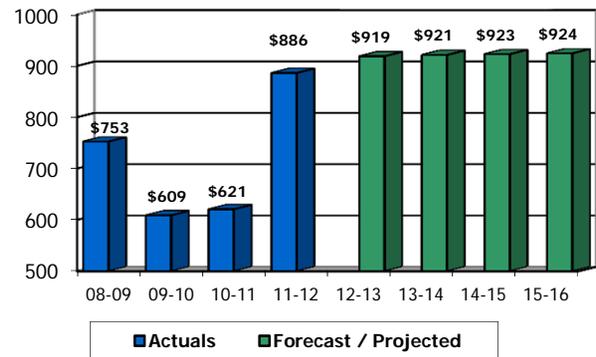
### Capital Outlay

No new capital outlay is projected for this forecast. All discretionary expenditure items will be examined on their individual merit during the budget development process in each year.

### Transfers

The transfer to the General Fund is based on 5.0% of total revenues and the amount projected for 2012-13 equals \$49,288. This transfer compensates the General Fund for expenses related to the administration of the Municipal Golf Course.

**Golf Fund Expenditures  
(in Thousands)**



### Outlook & Analysis

Based on projections, the Municipal Golf Course Fund is forecasted to maintain a healthy fund balance through fiscal year 2015-16.

## Recreation Revolving Fund

### Recurring Revenue Vs. Recurring Expenditures

	2011-12	2012-13	2012-13	2013-14	2014-15	2015-16
	Actual	Budget	Re-Est.	Projected	Projected	Projected
<b>Recurring Revenue</b>						
Recreation Fees	\$3,801,670	\$3,473,955	\$3,750,000	\$3,772,500	\$3,783,817	\$3,791,385
Contributions	8,786	13,950	13,950	14,034	14,076	14,104
Interest Income	16,311	17,700	18,250	20,500	22,000	24,000
Other	60,026	40,400	40,400	40,642	40,764	40,846
<b>Total Recurring Revenue</b>	<b>\$3,886,793</b>	<b>\$3,546,005</b>	<b>\$3,822,600</b>	<b>\$3,847,676</b>	<b>\$3,860,658</b>	<b>\$3,870,335</b>
<b>Recurring Expenditures</b>						
Salaries & Wages	\$1,246,070	\$1,393,025	\$1,418,449	\$1,421,000	\$1,421,462	\$1,421,924
Supplies & Services	1,991,871	2,052,946	2,067,324	2,053,207	2,053,481	2,053,768
Capital Outlay	0	0	0	0	0	0
<b>Total Recurring Expenditures</b>	<b>\$3,237,941</b>	<b>\$3,445,971</b>	<b>\$3,485,773</b>	<b>\$3,474,207</b>	<b>\$3,474,943</b>	<b>\$3,475,692</b>
Transfers Out	177,693	177,300	191,130	192,384	193,033	193,517
<b>Fund Balance - Beginning</b>	<b>\$668,665</b>	<b>\$707,230</b>	<b>\$1,139,824</b>	<b>\$1,285,521</b>	<b>\$1,466,606</b>	<b>\$1,659,289</b>
<b>Total Recurring Revenue</b>	<b>\$3,886,793</b>	<b>\$3,546,005</b>	<b>\$3,822,600</b>	<b>\$3,847,676</b>	<b>\$3,860,658</b>	<b>\$3,870,335</b>
<b>Total Recurring Expenditures</b>	<b>\$3,237,941</b>	<b>\$3,445,971</b>	<b>\$3,485,773</b>	<b>\$3,474,207</b>	<b>\$3,474,943</b>	<b>\$3,475,692</b>
<b>Less: Transfers Out</b>	<b>\$177,693</b>	<b>\$177,300</b>	<b>\$191,130</b>	<b>\$192,384</b>	<b>\$193,033</b>	<b>\$193,517</b>
<b>Fund Balance - Ending</b>	<b>\$1,139,824</b>	<b>\$629,964</b>	<b>\$1,285,521</b>	<b>\$1,466,606</b>	<b>\$1,659,289</b>	<b>\$1,860,415</b>
<b>Days of Operation</b>			<b>135</b>	<b>154</b>	<b>174</b>	<b>195</b>

The **Recreation Revolving Fund**, an enterprise fund, accounts for the recreational programs and activities that are offered to groups and individuals on a fee basis.

### Operating Revenue Sources:

#### Recreation Fees

Recreation fees are charged for participation in Parks & Recreation classes, sessions and events. These fees are used to cover the cost of instruction, materials and supplies. Also included are user fees for the use of the City's public facilities to aid in recovery of the cost of facility maintenance and upkeep.

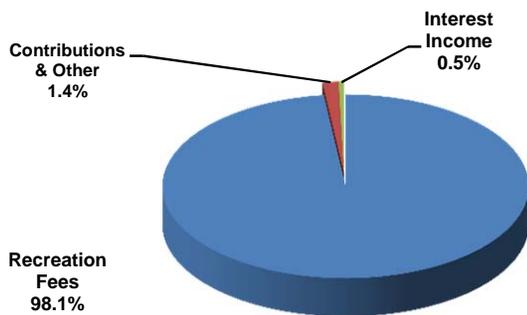
#### Contributions

The City of Plano accepts monetary contributions from businesses, organizations, institutions and individuals which are usually earmarked for specific programs.

#### Operating Revenues

The major sources that make up the Recreation Revolving Fund re-estimated revenues for 2012-13 include: Recreation Fees (98.1%), Interest Income (0.5%), Contributions and Other (1.4%). A description of each source as well as a discussion of the outlook over the next three years follows.

#### Recreation Revolving Fund Revenue by Source



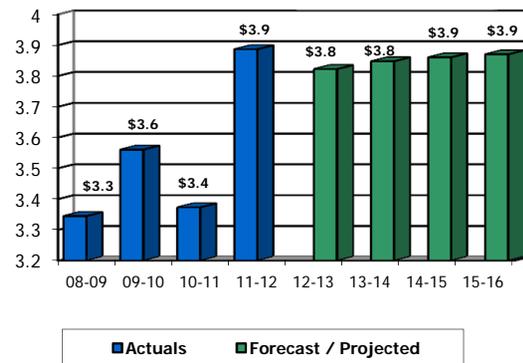
#### Recreation Fees

Recreation fees are the Recreation Revolving Fund's main revenue source. Program fees are constantly reviewed to adequately cover expenditures and allow for continued program growth in the future. Thus, program expenditures are directly correlated to the fees charged for courses and programs.

The Recreation Revolving Fund has remained consistent over the past few years as population growth has slowed and multiple fitness venues have entered the Plano market. Due to strong utilization of offered programs and activities, the 2012-13 recreation fees are forecasted to increase by \$276,045 from the original budget based on the additional revenues.

Recreation courses, class, and facility demands are influenced by population growth and the increases in revenues reflect the current popularity of the programs available through the recreation centers.

Recreation Revolving Fund Revenue  
(in millions)



The graph above shows the historical trends and projections for recreation fees. In 2015-16, this revenue source is expected to be \$3.9 million.

#### Contributions

The Recreation Revolving Fund enjoys a dependable flow of contribution revenue from the community. Contribution revenue is projected to remain fairly constant, at slightly around \$14,000 per year over the three-year period forecast.

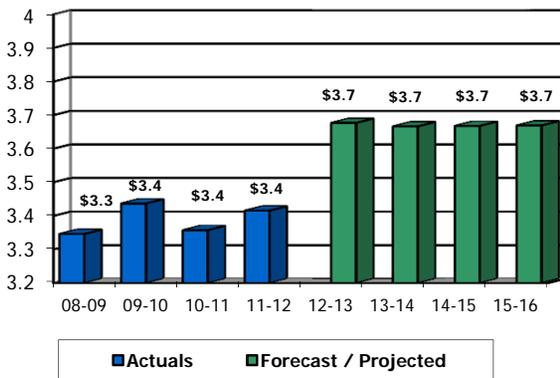
#### Other

Miscellaneous revenues for 2012-13 are re-estimated at \$58,650. Interest income comprises \$18,250 of that amount and is projected to rise over the three-year forecast period to \$24,000 in 2015-16.

**Operating Expenditures**

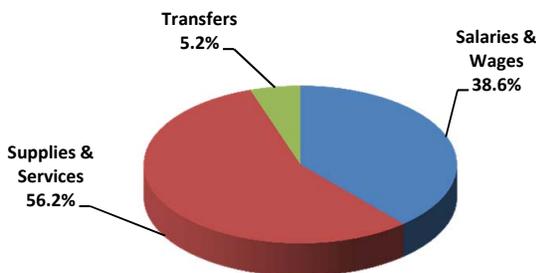
Recreation program expenditures are directly correlated to the fees charged for courses and programs. The following graph shows the historical trends and projections for all Recreation Revolving Fund expenditures. Expenditure increases can fluctuate from year-to-year mainly due to one-time expenditures.

**Recreation Revolving Fund Expenditures**  
(in millions)



The major expenditures that make up the Recreation Revolving Fund by category for 2012-13 include: Salaries & Wages (38.6%), Supplies & Services (56.2%), and Transfers (5.2%). A description of each expenditure category as well as a discussion of the outlook over the next three years follows.

**Recreation Revolving Fund Expenditures by Category**



**Salaries, Wages and Employee Benefits**

Salary projections assume no salary increases or attrition throughout the forecast period, and also assume that the current staffing levels remain constant over the next three years. The health insurance rate is also expected to remain constant

throughout the forecast as Plano’s self-funded insurance fund currently has a stable fund balance. TMRS is set to be funded at the full phased in rate of 18.75%, while the other benefit rates are expected to remain constant.

**Supplies & Services**

Supplies & services costs are projected to remain the same in future years due to low population growth, while Municipal garage charges are projected to increase 5.0% in 2013-14, 5.0% in 2014-15 and 5.0% in 2015-16.

**Capital Outlay**

No new capital outlay is projected for the forecast period. All discretionary expenditure items will be examined on their individual merit during the budget development process in each year.

**Transfers**

The transfer to the General Fund is based on 5.0% of total revenues each year of the forecast period. The amount projected for 2012-13 is \$191,130. This transfer reimburses the General Fund for expenses incurred in the administration of the Recreation Revolving Fund and programs.

**Outlook & Analysis**

Based on projections, the Recreation Revolving Fund is forecasted to maintain a positive fund balance through fiscal year 2015-16.

**Combined Budget**

	<b>Actuals 2011-12</b>	<b>Budget 2012-13</b>	<b>Re-Est 2012-13</b>	<b>Projected 2013-14</b>	<b>% Change 2013-14</b>
<b>BEGINNING BALANCES</b>					
<b>Operating Funds:</b>					
General Fund	\$44,362,353	\$35,571,885	\$52,523,651	\$35,398,117	-0.5%
Water & Sewer Fund	28,657,405	19,458,052	24,451,298	21,016,760	8.0%
Sustainability & Env. Svc. Fund	2,918,899	2,319,565	2,758,454	2,403,281	3.6%
Convention & Tourism Fund	2,620,893	1,999,338	2,429,176	1,460,054	-27.0%
Municipal Drainage Utility Fund	3,996,522	1,740,414	3,406,069	1,943,844	11.7%
Recreation Revolving Fund	668,665	707,230	1,139,824	1,285,521	81.8%
Municipal Golf Course Fund	-13,258	61,220	34,014	100,954	64.9%
PTN Fund	438,558	246,097	784,862	363,087	47.5%
<b>TOTAL OPERATING FUNDS</b>	<b>\$83,650,037</b>	<b>\$62,103,801</b>	<b>\$87,527,348</b>	<b>\$63,971,619</b>	<b>3.0%</b>
<b>Debt Service Funds:</b>					
General Obligation	\$2,035,641	\$2,183,037	\$2,224,739	\$1,048,172	-52.0%
Water & Sewer Revenue	340,240	389,859	387,918	0	-100.0%
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>\$2,375,881</b>	<b>\$2,572,897</b>	<b>\$2,612,657</b>	<b>\$1,048,172</b>	<b>-59.3%</b>
<b>TOTAL BEGINNING BALANCES</b>	<b>\$86,025,918</b>	<b>\$64,676,698</b>	<b>\$90,140,005</b>	<b>\$65,019,791</b>	<b>0.5%</b>
<b>REVENUES &amp; TRANSFERS IN</b>					
<b>Operating Funds:</b>					
General Fund	\$219,141,710	\$212,276,578	\$215,091,719	\$218,930,986	3.1%
Water & Sewer Fund	116,304,795	121,491,168	120,350,099	126,328,737	4.0%
Sustainability & Env. Svc. Fund	22,980,458	23,728,689	23,728,688	24,048,527	1.3%
Convention & Tourism Fund	6,504,530	6,783,046	6,915,510	7,178,510	5.8%
Municipal Drainage Utility Fund	5,245,826	5,292,988	6,166,468	7,305,916	38.0%
HUD Grant Fund	1,741,795	1,318,704	1,469,173	1,397,869	6.0%
Recreation Revolving Fund	3,886,793	3,546,005	3,822,600	3,847,676	8.5%
Municipal Golf Course Fund	933,533	961,895	985,757	992,369	3.2%
PTN Fund	1,180,234	1,290,808	1,283,996	1,285,156	-0.4%
<b>TOTAL OPERATING FUNDS</b>	<b>\$377,919,674</b>	<b>\$376,689,881</b>	<b>\$379,814,009</b>	<b>\$391,315,746</b>	<b>3.9%</b>
<b>Debt Service Funds:</b>					
General Obligation	\$43,315,679	\$43,516,973	\$43,216,973	\$43,000,513	-1.2%
Water & Sewer Revenue	405,478	5,848	5,000	0	-100.0%
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>\$43,721,157</b>	<b>\$43,522,821</b>	<b>\$43,221,973</b>	<b>\$43,000,513</b>	<b>-1.2%</b>
<b>TOTAL REVENUE &amp; TRANSFERS IN</b>	<b>\$421,640,831</b>	<b>\$420,212,702</b>	<b>\$423,035,982</b>	<b>\$434,316,258</b>	<b>3.4%</b>
Less: Interfund Transfers	18,976,056	19,060,214	19,482,659	19,985,305	4.9%
<b>NET BUDGET REVENUE</b>	<b>\$402,664,775</b>	<b>\$401,152,488</b>	<b>\$403,553,324</b>	<b>\$414,330,953</b>	<b>3.3%</b>
<b>TOTAL AVAILABLE FUNDS</b>	<b>\$488,690,693</b>	<b>\$465,829,187</b>	<b>\$493,693,329</b>	<b>\$479,350,744</b>	<b>2.9%</b>
<b>APPROPRIATIONS &amp; TRANSFERS OUT</b>					
<b>Operations:</b>					
General Fund	\$210,980,412	\$230,749,054	\$232,217,253	\$236,849,736	2.6%
Water & Sewer Fund	120,510,902	123,897,563	123,784,637	130,016,515	4.9%
Sustainability & Env. Svc. Fund	23,140,903	23,541,039	24,083,861	24,024,820	2.1%
Convention & Tourism Fund	6,696,247	7,817,821	7,884,632	7,932,392	1.5%
Municipal Drainage Utility Fund	5,836,279	6,037,718	6,137,354	6,555,840	8.6%
HUD Grant Fund	1,741,795	1,318,704	1,469,173	1,397,869	6.0%
Recreation Revolving Fund	3,415,634	3,623,271	3,676,903	3,666,591	1.2%
Municipal Golf Course Fund	886,261	885,698	918,817	921,433	4.0%
PTN Fund	833,930	1,393,171	1,705,771	1,451,340	4.2%
<b>TOTAL OPERATIONS</b>	<b>\$374,042,363</b>	<b>\$399,264,039</b>	<b>\$401,878,400</b>	<b>\$412,816,537</b>	<b>3.4%</b>

	<b>Actuals 2011-12</b>	<b>Budget 2012-13</b>	<b>Re-Est 2012-13</b>	<b>Projected 2013-14</b>	<b>% Change 2013-14</b>
<b>Debt Service Funds:</b>					
General Obligation	\$43,126,581	\$44,147,296	\$44,393,540	\$42,415,153	-4.1%
Water & Sewer Revenue	357,800	395,707	392,918	0	-100.0%
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>\$43,484,381</b>	<b>\$44,543,003</b>	<b>\$44,786,458</b>	<b>\$42,415,153</b>	<b>-5.0%</b>
<b>TOTAL APPROPRIATIONS &amp; TRANSFERS OUT</b>	<b>\$417,526,744</b>	<b>\$443,807,042</b>	<b>\$446,664,858</b>	<b>\$455,231,690</b>	<b>2.6%</b>
Less: Interfund Transfers	18,976,056	19,060,214	19,482,659	19,985,305	4.9%
<b>NET BUDGET APPROPRIATIONS</b>	<b>\$398,550,688</b>	<b>\$424,746,828</b>	<b>\$427,182,200</b>	<b>\$435,246,384</b>	<b>2.5%</b>
<b>ENDING BALANCES</b>					
<b>Operating Funds:</b>					
General Fund	\$52,523,651	\$17,099,409	\$35,398,117	\$17,479,366	2.2%
Water & Sewer Fund	24,451,298	17,051,657	21,016,759	17,328,982	1.6%
Sustainability & Env. Svc. Fund	2,758,454	2,507,215	2,403,281	2,426,988	-3.2%
Convention & Tourism Fund	2,429,176	964,563	1,460,054	706,173	-26.8%
Municipal Drainage Utility Fund	3,406,069	995,684	1,943,844	2,693,920	170.6%
Recreation Revolving Fund	1,139,824	629,964	1,285,521	1,466,606	132.8%
Municipal Golf Course Fund	34,014	137,417	100,954	171,889	25.1%
PTN Fund	784,862	143,734	363,087	196,903	37.0%
<b>TOTAL OPERATING FUNDS</b>	<b>\$87,527,348</b>	<b>\$39,529,644</b>	<b>\$63,971,618</b>	<b>\$42,470,828</b>	<b>7.4%</b>
<b>Debt Service Funds:</b>					
General Obligation	\$2,224,739	\$1,552,714	\$1,048,172	\$1,633,532	5.2%
Water & Sewer Revenue	387,918	0	0	0	-100.0%
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>\$2,612,657</b>	<b>\$1,552,715</b>	<b>\$1,048,172</b>	<b>\$1,633,532</b>	<b>5.2%</b>
<b>TOTAL ENDING BALANCES</b>	<b>\$90,140,005</b>	<b>\$41,082,359</b>	<b>\$65,019,790</b>	<b>\$44,104,359</b>	<b>7.4%</b>
<b>TOTAL APPROPRIATIONS &amp; ENDING BALANCES</b>	<b>\$488,690,693</b>	<b>\$465,829,185</b>	<b>\$492,201,990</b>	<b>\$479,350,744</b>	<b>2.9%</b>

**General Fund**

	<b>Actual 2011-12</b>	<b>Budget 2012-13</b>	<b>Re-Est 2012-13</b>	<b>Projected 2013-14</b>	<b>% Change 2013-14</b>
<b>UNAPPROPRIATED FUND BALANCE</b>	<b>\$44,362,353</b>	<b>\$35,571,885</b>	<b>\$50,386,953</b>	<b>\$35,398,117</b>	<b>-0.5%</b>
Encumbrance Adjustment			2,136,698		
<b>Revenues</b>					
Taxes	\$149,447,935	\$141,598,867	\$143,832,358	\$146,548,024	3.5%
Franchise Fees	21,895,025	23,258,033	22,519,114	23,019,825	-1.0%
Fines & Forfeits	7,808,267	7,528,935	7,888,945	7,891,063	4.8%
Miscellaneous Revenue	1,706,665	1,925,553	1,905,553	1,918,686	-0.4%
Licenses & Permits	6,976,695	6,992,156	7,049,906	7,065,387	1.0%
Charges for Services	12,113,315	11,236,294	11,760,351	11,849,864	5.5%
Intergovernmental Revenue	1,020,171	1,176,526	1,152,833	1,152,833	-2.0%
Subtotal Revenues	\$200,968,073	\$193,716,364	\$196,109,060	\$199,445,681	3.0%
Intragovernmental Transfers	18,173,637	18,560,214	18,982,659	19,485,305	5.0%
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>\$219,141,710</b>	<b>\$212,276,578</b>	<b>\$215,091,719</b>	<b>\$218,930,986</b>	<b>3.1%</b>
<b>TOTAL RESOURCES</b>	<b>\$263,504,063</b>	<b>\$247,848,463</b>	<b>\$267,615,370</b>	<b>\$254,329,102</b>	<b>2.6%</b>
<b>APPROPRIATIONS</b>					
<b>Operating Expense</b>					
Salaries & Wages	\$145,972,124	\$156,607,912	\$155,534,810	\$159,830,541	2.1%
Materials & Supplies	5,383,883	7,139,103	7,873,898	7,145,865	0.1%
Contractual	38,326,614	42,500,935	43,657,100	42,889,321	0.9%
Community Services Agencies	263,500	263,500	263,500	268,200	1.8%
Sundry	781,915	1,483,503	1,552,414	1,483,503	0.0%
CIP Coming On-Line	0	0	0	1,960,496	100.0%
Reimbursements	(2,394,114)	(2,457,350)	(2,457,350)	(2,457,350)	0.0%
Subtotal	\$188,333,922	\$205,537,603	\$206,424,372	\$211,120,576	2.7%
Capital Outlay	1,271,121	1,243,000	1,824,430	1,000,000	-19.5%
<b>TOTAL OPERATIONS</b>	<b>\$189,605,043</b>	<b>\$206,780,603</b>	<b>\$208,248,802</b>	<b>\$212,120,576</b>	<b>2.6%</b>
Capital Reserve	\$10,500,000	\$12,875,000	\$12,875,000	\$15,000,000	16.5%
Property & Liability Loss Fund	4,788,225	3,300,672	3,300,672	3,300,672	0.0%
Technology Fund	1,000,000	1,000,000	1,000,000	1,000,000	0.0%
PTN Fund	150,000	250,000	250,000	250,000	0.0%
Economic Development Incentive Fund	4,937,144	6,542,779	6,542,779	5,178,488	-20.9%
<b>TOTAL TRANSFERS</b>	<b>\$21,375,369</b>	<b>\$23,968,451</b>	<b>\$23,968,451</b>	<b>\$24,729,160</b>	<b>3.2%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$210,980,412</b>	<b>\$230,749,054</b>	<b>\$232,217,253</b>	<b>\$236,849,736</b>	<b>2.6%</b>
<b>UNAPPROPRIATED FUND BALANCE</b>	<b>\$52,523,651</b>	<b>\$17,099,409</b>	<b>\$35,398,117</b>	<b>\$17,479,366</b>	<b>2.2%</b>
<b>Days of Operation</b>				30	

## General Fund Revenue by Source

	Actual 2011-12	Budget 2012-13	Re-Est 2012-13	Projected 2013-14	% Change 2013-14
<b>SOURCE OF INCOME</b>					
<b>Taxes</b>					
Ad Valorem Taxes:					
Current	\$77,412,520	\$80,221,336	\$80,221,336	\$82,909,320	3.4%
Delinquent	493,543	818,668	818,668	845,820	3.3%
Penalty & Interest	452,697	409,334	409,334	422,910	3.3%
Sales Tax	69,868,331	59,036,697	61,103,635	61,103,635	3.5%
Mixed Drink Tax	1,061,390	953,544	1,099,971	1,106,571	16.0%
Bingo Gross Receipts Tax	80,383	80,216	80,216	80,697	0.6%
Excess Proceeds on Taxes	79,071	79,071	99,198	79,071	-0.0%
<b>TOTAL TAXES</b>	<b>\$149,447,935</b>	<b>\$141,598,867</b>	<b>\$143,832,358</b>	<b>\$146,548,024</b>	<b>3.5%</b>
<b>Franchise Fees</b>					
Electrical Franchise	\$12,195,765	\$12,108,633	\$12,108,633	\$12,229,719	1.0%
Telephone Franchise	4,062,394	4,073,362	4,107,565	4,107,565	0.8%
Fiber Optics Franchise	31,904	31,903	31,903	31,903	0.0%
Gas Franchise	2,629,673	3,140,619	2,263,673	2,603,224	-17.1%
Cable TV Franchise	2,975,289	3,903,515	4,007,340	4,047,413	3.7%
<b>TOTAL FRANCHISE FEES</b>	<b>\$21,895,025</b>	<b>\$23,258,033</b>	<b>\$22,519,114</b>	<b>\$23,019,825</b>	<b>-1.0%</b>
<b>Fines &amp; Forfeits</b>					
Municipal Court	\$7,445,878	\$7,176,000	\$7,536,010	\$7,536,010	5.0%
Library Fines	362,389	352,935	352,935	355,053	0.6%
<b>TOTAL FINES &amp; FORFEITS</b>	<b>\$7,808,267</b>	<b>\$7,528,935</b>	<b>\$7,888,945</b>	<b>\$7,891,063</b>	<b>4.8%</b>
<b>Miscellaneous Revenue</b>					
Interest Earnings	\$525,308	\$600,000	\$600,000	\$600,000	0.0%
Sale/Rental of Property	469,902	491,391	471,391	471,391	-4.1%
Insurance Collections	250,326	328,322	328,322	341,455	4.0%
Sundry	461,129	505,840	505,840	505,840	0.0%
<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>\$1,706,665</b>	<b>\$1,925,553</b>	<b>\$1,905,553</b>	<b>\$1,918,686</b>	<b>-0.4%</b>
<b>Licenses and Permits</b>					
Food Handlers Permits	\$588,920	\$568,036	\$588,975	\$592,509	4.3%
Land / Burning / Liquid Waste	24,970	24,412	24,412	24,558	0.6%
Grease Trap Permits	40,750	40,958	40,958	41,204	0.6%
Fire Inspection Fees	216,035	300,000	256,365	256,365	100.0%
Rental Registration Fees	233,986	274,898	274,898	276,547	0.6%
Animal Licenses	132,952	133,939	133,939	134,743	0.6%
Restaurant Plan Review	30,000	31,848	31,848	32,039	0.6%
Alarm Permits	1,414,445	1,418,427	1,418,427	1,426,938	0.6%
Filing Fees	275,017	261,827	246,712	246,712	-5.8%
Fire Protection Plan Review	241,476	267,391	267,391	267,391	0.0%
Building Permits	2,645,075	2,546,659	2,546,659	2,546,659	0.0%
Electrical Permits	95,305	97,200	97,200	97,200	0.0%
Plumbing Permits	273,759	285,789	285,789	285,789	0.0%
Heating & A/C Permits	138,267	142,014	134,173	134,173	-5.5%
Fence Permits	39,000	38,489	38,489	38,489	0.0%
Swimming Pool Permits	34,637	33,247	39,533	39,533	18.9%
Pool Inspection	62,602	66,491	66,491	66,890	0.6%
Irrigation Permits	55,133	50,682	55,682	55,682	9.9%
Day Laborer Fees	13,870	14,600	14,600	14,600	0.0%
Sign Permits	126,111	124,836	127,318	127,318	2.0%
Reoccupancy Permits	138,200	130,402	130,403	130,403	0.0%
Misc. Licenses & Permits	156,185	140,010	229,645	229,645	64.0%
<b>TOTAL LICENSES &amp; PERMITS</b>	<b>\$6,976,695</b>	<b>\$6,992,156</b>	<b>\$7,049,906</b>	<b>\$7,065,387</b>	<b>1.0%</b>
<b>Fees &amp; Service Charges</b>					
Animal Pound & Adoption Fee	\$228,643	\$232,806	\$232,806	\$234,203	0.6%

	Actual 2011-12	Budget 2012-13	Re-Est 2012-13	Projected 2013-14	% Change 2013-14
Ambulance Service	3,749,187	3,450,187	3,450,187	3,470,888	0.6%
False Alarm Response	234,203	252,757	252,757	254,274	0.6%
Emergency 911	958,003	958,926	1,036,825	1,043,046	8.8%
Contractor Registration Fee	209,906	203,832	215,138	215,138	5.5%
Engineering Inspection Fee	553,326	250,000	350,000	350,000	40.0%
Residential Building Plan Review	48,240	44,295	51,415	51,415	16.1%
Reinspection Fee	91,125	94,519	78,356	78,356	-17.1%
File Searches	40,681	41,608	41,608	41,858	0.6%
Same Day Inspection Fee	80,975	70,110	75,110	75,110	7.1%
Convenience Copiers	11,515	13,923	10,568	10,631	-23.6%
Lease Fees	162,122	150,000	162,122	162,122	8.1%
Recreation User Fee	548,180	605,733	570,968	574,394	-5.2%
Recreation Rental Fee	169,749	170,646	170,646	171,670	0.6%
Swimming Fees	807,832	799,599	799,599	804,397	0.6%
Recreation Membership Card Fee	2,520,297	2,280,276	2,580,276	2,580,276	13.2%
Tennis Center Fee	203,938	212,397	212,397	213,671	0.6%
Food Manager/Handler Training	64,929	61,648	61,649	62,019	0.6%
Tree Trimming Assessments	84,040	82,512	116,592	117,292	42.2%
Child Safety Fees	109,068	103,316	114,127	114,812	11.1%
Sundry	1,237,356	1,157,204	1,177,205	1,224,293	5.8%
<b>TOTAL FEES &amp; SVC CHARGES</b>	<b>\$12,113,315</b>	<b>\$11,236,294</b>	<b>\$11,760,351</b>	<b>\$11,849,864</b>	<b>5.5%</b>
<b>Intergovernmental Revenue</b>					
FISD School Liaisons	107,917	112,320	107,917	107,917	-3.9%
PISD School Liaisons	554,448	577,170	554,448	554,448	-3.9%
Plano-Richardson Trng. Ctr. / Misc.	156,554	285,784	285,784	285,784	0.0%
Interlocal Radio System Access	201,252	201,252	204,684	204,684	1.7%
<b>TOTAL INTERGOVT'L REVENUE</b>	<b>\$1,020,171</b>	<b>\$1,176,526</b>	<b>\$1,152,833</b>	<b>\$1,152,833</b>	<b>-2.0%</b>
<b>TOTAL REVENUE</b>	<b>\$200,968,073</b>	<b>\$193,716,364</b>	<b>\$196,109,060</b>	<b>\$199,445,681</b>	<b>3.0%</b>
<b>Intragovernmental Transfers</b>					
Intra-Fund Transfers From:					
Water & Sewer Fund	\$16,367,049	\$16,721,109	\$17,067,387	\$17,477,927	4.5%
Sustain. & Environ. Services Fund	890,475	907,332	907,332	918,093	1.2%
Recreation Revolving Fund	177,693	177,300	191,130	192,384	8.5%
Golf Course Fund	48,025	48,095	49,288	49,618	3.2%
Convention & Tourism Fund	329,319	339,152	339,152	339,152	0.0%
Municipal Drainage Fund	361,076	367,226	428,370	508,131	38.4%
<b>TOTAL INTRAGOV'T'L TRANSFERS</b>	<b>\$18,173,637</b>	<b>\$18,560,214</b>	<b>\$18,982,659</b>	<b>\$19,485,305</b>	<b>5.0%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$219,141,710</b>	<b>\$212,276,578</b>	<b>\$215,091,719</b>	<b>\$218,930,986</b>	<b>3.1%</b>

## General Obligation Debt Service

	Actual 2011-12	Budget 2012-13	Re-Est 2012-13	Projected 2013-14	% Change 2012-13
<b>UNAPPROPRIATED FUND BALANCE</b>	<b>\$2,035,641</b>	<b>\$2,183,037</b>	<b>\$2,224,739</b>	<b>\$1,048,172</b>	<b>-52.0%</b>
<b>Revenues</b>					
Property Tax					
Current	\$42,699,878	\$42,408,120	\$42,408,120	\$42,170,026	-0.6%
Delinquent	244,463	434,469	434,469	432,064	-0.6%
Penalty & Interest	193,565	173,787	173,787	172,825	-0.6%
Fund Interest Income	27,176	350,000	50,000	75,000	-78.6%
Police Academy Reimbursement	150,597	150,597	150,597	150,597	0.0%
<b>TOTAL REVENUES</b>	<b>\$43,315,679</b>	<b>\$43,516,973</b>	<b>\$43,216,973</b>	<b>\$43,000,513</b>	<b>-1.2%</b>
<b>TOTAL RESOURCES</b>	<b>\$45,351,320</b>	<b>\$45,700,010</b>	<b>\$45,441,712</b>	<b>\$44,048,685</b>	<b>-3.6%</b>
<b>APPROPRIATIONS</b>					
<b>Bond and Certificates</b>					
Principal	\$23,010,000	\$23,885,000	\$23,885,000	\$23,828,189	-0.2%
Interest	13,123,866	12,680,132	13,502,976	12,937,179	2.0%
Transfer to Tech Infrastructure & Public Art	284,376	283,000	283,000	281,412	-0.6%
Transfer to Tax Notes Moto Mesh	2,092,600	2,085,200	2,085,200	0	-100.0%
Transfer to Tax Notes MotoMesh&Radio Sys Repl	2,717,869	2,733,469	2,733,469	2,754,578	0.8%
Transfer to Tax Notes Radio Sys Repl	980,644	990,619	990,619	999,919	0.9%
Transfer to CO's Radio Sys Repl	905,476	903,776	903,776	906,876	0.3%
Exchanges Fees & Bond Sale Expense	11,750	9,500	9,500	9,500	0.0%
Subtotal	\$43,126,581	\$43,570,696	\$44,393,540	\$41,717,653	-4.3%
<b>New Debt</b>	<b>0</b>	<b>576,600</b>	<b>0</b>	<b>697,500</b>	<b>21.0%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$43,126,581</b>	<b>\$44,147,296</b>	<b>\$44,393,540</b>	<b>\$42,415,153</b>	<b>-3.9%</b>
<b>UNAPPROPRIATED FUND BALANCE</b>	<b>\$2,224,739</b>	<b>\$1,552,714</b>	<b>\$1,048,172</b>	<b>\$1,633,532</b>	<b>5.2%</b>

**Water & Sewer**

	<b>Actual 2011-12</b>	<b>Budget 2012-13</b>	<b>Re-Est 2012-13</b>	<b>Projected 2013-14</b>	<b>% Change 2013-14</b>
<b>WORKING CAPITAL</b>	<b>\$28,657,405</b>	<b>\$19,458,052</b>	<b>\$24,451,298</b>	<b>\$21,016,760</b>	<b>8.0%</b>
<b>Revenues</b>					
Water Income	\$61,280,861	\$66,166,883	\$66,886,137	\$71,695,703	8.4%
Sewer Income	49,904,690	52,070,000	49,934,717	51,098,793	-1.9%
Water Taps	76,438	85,282	85,282	86,135	1.0%
Water & Sewer Penalties	1,343,323	1,388,436	1,388,436	1,405,097	1.2%
Water Meters	293,939	217,457	274,580	277,326	27.5%
Construction Water	230,092	211,530	242,243	244,665	15.7%
Service Connect Fee	191,150	187,983	202,380	204,404	8.7%
Backflow Testing	454,065	446,760	462,785	467,413	4.6%
Sewer Tie-On	26,825	25,324	25,750	26,008	2.7%
Pre-Treatment Permits	40,550	41,513	40,550	40,956	-1.3%
Interest Earnings	176,155	150,000	150,000	120,000	-20.0%
Education Building	157,239	0	157,239	157,239	#DIV/0!
Sale of Land to TIF II	1,631,652	0	0	0	#DIV/0!
Misc. Income	497,816	500,000	500,000	505,000	1.0%
<b>TOTAL REVENUES</b>	<b>\$116,304,795</b>	<b>\$121,491,168</b>	<b>\$120,350,099</b>	<b>\$126,328,737</b>	<b>4.0%</b>
<b>TOTAL RESOURCES</b>	<b>\$144,962,200</b>	<b>\$140,949,220</b>	<b>\$144,801,397</b>	<b>\$147,345,497</b>	<b>4.5%</b>
<b>APPROPRIATIONS</b>					
<b>Operating Expense</b>					
Salaries & Wages	\$8,921,095	\$9,323,502	\$9,401,160	\$9,703,360	4.1%
Materials & Supplies	9,541,847	2,018,807	2,073,895	2,026,343	0.4%
Contractual	4,263,633	5,514,698	4,882,050	4,925,138	-10.7%
NTMWD - Water	37,660,182	45,423,675	45,423,675	50,233,241	10.6%
NTMWD - Wastewater	13,148,495	15,581,649	15,581,649	16,581,443	6.4%
NTMWD - Upper E. Fork Interceptor	8,193,672	8,680,632	8,680,632	9,107,847	4.9%
Retirement of NTMWD Debt	813,498	820,560	820,560	823,075	0.3%
Sundry	1,262,333	646,123	646,369	646,123	0.0%
Reimbursements	655,643	810,435	810,435	836,450	3.2%
Subtotal	\$84,460,398	\$88,820,081	\$88,320,425	\$94,883,020	6.8%
Capital Outlay	144,530	26,500	66,952	0	0.0%
<b>TOTAL OPERATIONS</b>	<b>\$84,604,928</b>	<b>\$88,846,581</b>	<b>\$88,387,377</b>	<b>\$94,883,020</b>	<b>6.8%</b>
Transfer to General Fund	\$16,367,049	\$16,721,109	\$17,067,387	\$17,477,927	4.5%
Transfer to Debt Service	402,419	0	0	0	#DIV/0!
Transfer to W & S CIP	9,724,088	7,461,484	7,461,484	7,730,742	3.6%
Transfer to Capital Reserve	3,000,000	3,000,000	3,000,000	3,000,000	0.0%
Transfer to Loss Fund	654,555	658,372	658,372	668,609	1.6%
Transfer to Technology Fund	300,000	300,000	300,000	300,000	0.0%
Transfer to Reserve Fund	3,000,000	3,000,000	3,000,000	2,000,000	100.0%
Transfer to Meter/AMR Rep. Fund	0	1,500,000	1,500,000	1,500,000	100.0%
Transfer to Technology Services	2,357,863	2,310,017	2,310,017	2,356,217	2.0%
Transfer for Sustainability	100,000	100,000	100,000	100,000	0.0%
<b>TOTAL TRANSFERS</b>	<b>\$35,905,974</b>	<b>\$35,050,982</b>	<b>\$35,397,260</b>	<b>\$35,133,495</b>	<b>0.2%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$120,510,902</b>	<b>\$123,897,563</b>	<b>\$123,784,637</b>	<b>\$130,016,515</b>	<b>4.9%</b>
<b>WORKING CAPITAL</b>	<b>\$24,451,298</b>	<b>\$17,051,657</b>	<b>\$21,016,760</b>	<b>\$17,328,982</b>	<b>1.6%</b>
<b>Days of Operation</b>				<b>67</b>	

**Water & Sewer Debt Service**

	<b>Actual 2011-12</b>	<b>Budget 2012-13</b>	<b>Re-Est 2012-13</b>	<b>Projected 2013-14</b>	<b>% Change 2012-13</b>
<b>RESERVE FUND</b>					
<b>WORKING CAPITAL</b>	\$0	\$0	\$0	\$0	0.0%
Fund Interest Income	0	0	0	0	0.0%
Transfer to W&S Debt Service	0	0	0	0	0.0%
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>FUND BALANCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>SINKING FUND</b>					
<b>UNAPPROPRIATED FUND BALANCE</b>	<b>\$340,240</b>	<b>\$389,859</b>	<b>\$387,918</b>	<b>\$0</b>	<b>-100.0%</b>
Transfer In (W & S Fund)	\$402,419	\$0	\$0	\$0	0.0%
Transfer out (W & S Fund)	\$0	\$0	\$0	\$0	0.0%
Transfer In (W & S Reserve)	0	0	0	0	0.0%
Transfer to Escrow & Adj.	0	0	0	0	0.0%
Transfer In (Water Impact Fees)	0	0	0	0	0.0%
Transfer In (Sewer Impact Fees)	0	0	0	0	0.0%
Fund Interest Income	3,059	5,848	5,000	0	0.0%
<b>TOTAL</b>	<b>\$405,478</b>	<b>\$5,848</b>	<b>\$5,000</b>	<b>\$0</b>	<b>-100.0%</b>
<b>TOTAL RESOURCES</b>	<b>\$745,718</b>	<b>\$395,707</b>	<b>\$392,918</b>	<b>\$0</b>	<b>-100.0%</b>
<b>APPROPRIATIONS</b>					
Principal	\$330,000	\$365,000	\$365,000	\$0	-100.0%
Interest	27,800	14,600	14,600	0	-100.0%
Fees		0	0	0	0.0%
Subtotal	\$357,800	\$379,600	\$379,600	\$0	-100.0%
Transfer to Water CIP		16,107	13,318	0	0.0%
<b>TOTAL TRANSFERS</b>	<b>\$0</b>	<b>\$16,107</b>	<b>\$13,318</b>	<b>\$0</b>	<b>0.0%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$357,800</b>	<b>\$395,707</b>	<b>\$392,918</b>	<b>\$0</b>	<b>-100.0%</b>
<b>UNAPPROPRIATED FUND BALANCE</b>	<b>\$387,918</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>

**Sustainability & Environmental Services**

	<b>Actual 2011-12</b>	<b>Budget 2012-13</b>	<b>Re-Est 2012-13</b>	<b>Projected 2013-14</b>	<b>% Change 2013-14</b>
<b>WORKING CAPITAL</b>	<b>\$2,918,899</b>	<b>\$2,319,565</b>	<b>\$2,758,454</b>	<b>\$2,403,281</b>	<b>3.6%</b>
<b>Revenues</b>					
Commercial Franchise	\$6,498,108	\$6,903,270	\$6,903,270	\$7,041,335	2.0%
Special Refuse Collection	72,130	53,680	53,680	54,002	0.6%
Residential Collection	12,524,494	12,658,584	12,658,584	12,810,487	1.2%
Allied Waste, Inc.	90,092	81,072	81,072	82,693	2.0%
Recycling	653,706	713,080	713,080	717,358	0.6%
Sales of Landscape Bags	34,922	249,621	249,621	251,119	0.6%
Contributions via Utility Billing	9,908	11,646	11,646	11,716	0.6%
Sale of Compost	1,551,979	1,474,684	1,474,684	1,483,532	0.6%
Tipping Fees	839,137	829,723	829,723	834,701	0.6%
Miscellaneous	449,331	481,197	481,197	486,009	1.0%
Reimbursements	156,651	172,131	172,131	175,574	2.0%
Sustainability Program Transfer	100,000	100,000	100,000	100,000	0.0%
<b>TOTAL REVENUES</b>	<b>\$22,980,458</b>	<b>\$23,728,688</b>	<b>\$23,728,688</b>	<b>\$24,048,527</b>	<b>1.3%</b>
<b>TOTAL RESOURCES</b>	<b>\$25,899,357</b>	<b>\$26,048,253</b>	<b>\$26,487,142</b>	<b>\$26,451,808</b>	<b>1.5%</b>
<b>APPROPRIATIONS</b>					
<b>Operating Expense</b>					
Salaries & Wages	\$6,139,567	\$6,284,005	\$6,489,581	\$6,590,851	4.9%
Materials & Supplies	388,184	463,592	481,080	463,592	0.0%
Contractual	6,996,691	7,665,627	7,877,814	7,836,859	2.2%
NTMWD	7,398,953	7,569,187	7,370,779	7,553,044	-0.2%
Sundry	378,567	126,298	127,038	126,298	0.0%
Reimbursements	130,000	0	0	0	0.0%
Subtotal	\$21,431,962	\$22,108,709	\$22,346,292	\$22,570,644	2.1%
Capital Outlay	285,539	147,000	295,000	0	-100.0%
<b>TOTAL OPERATIONS</b>	<b>\$21,717,501</b>	<b>\$22,255,709</b>	<b>\$22,641,292</b>	<b>\$22,570,644</b>	<b>1.4%</b>
Transfer to General Fund	\$890,475	\$907,332	\$907,332	\$918,093	1.2%
Transfer to Technology Fund	60,000	60,000	60,000	60,000	0.0%
Transfer to W&S Fund-Env. Ed. Bldg.	157,239	0	157,239	157,239	0.0%
Transfer to Loss Fund	315,688	317,998	317,998	318,845	0.3%
<b>TOTAL TRANSFERS</b>	<b>\$1,423,402</b>	<b>\$1,285,330</b>	<b>\$1,442,569</b>	<b>\$1,454,176</b>	<b>13.1%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$23,140,903</b>	<b>\$23,541,039</b>	<b>\$24,083,861</b>	<b>\$24,024,820</b>	<b>2.1%</b>
<b>WORKING CAPITAL</b>	<b>\$2,758,454</b>	<b>\$2,507,214</b>	<b>\$2,403,281</b>	<b>\$2,426,988</b>	<b>-3.2%</b>
<b>Days of Operation</b>				<b>39</b>	

## Municipal Drainage Utility

	Actual 2011-12	Budget 2012-13	Re-Est 2012-13	Projected 2013-14	% Change 2013-14
<b>WORKING CAPITAL</b>	<b>\$3,996,522</b>	<b>\$1,740,414</b>	<b>\$3,406,069</b>	<b>\$1,943,844</b>	<b>11.7%</b>
<b>Revenues</b>					
Environmental Assessment Fees:					
Residential Class Fees	\$2,749,810	\$2,770,791	\$3,261,540	\$3,805,130	37.3%
Commercial Class Fees	2,458,165	2,475,297	2,858,028	3,453,886	39.5%
Miscellaneous	8,505	6,000	6,000	6,000	0.0%
Interest Income	29,346	40,900	40,900	40,900	0.0%
<b>TOTAL REVENUES</b>	<b>\$5,245,826</b>	<b>\$5,292,988</b>	<b>\$6,166,468</b>	<b>\$7,305,916</b>	<b>38.0%</b>
<b>TOTAL RESOURCES</b>	<b>\$9,242,348</b>	<b>\$7,033,402</b>	<b>\$9,572,537</b>	<b>\$9,249,760</b>	<b>31.5%</b>
<b>APPROPRIATIONS</b>					
<b>Operating Expense</b>					
Salaries & Wages	\$1,235,784	\$1,325,734	\$1,340,502	\$1,415,984	6.8%
Materials & Supplies	285,796	322,532	334,833	322,532	0.0%
Contractual	672,090	768,125	778,542	778,493	1.3%
Sundry	47,628	2,853	2,878	2,853	0.0%
Reimbursements	300,944	317,896	317,896	317,896	0.0%
Subtotal	\$2,542,242	\$2,737,140	\$2,774,651	\$2,837,758	3.7%
Capital Outlay	3,347	0	981	0	0.0%
<b>TOTAL OPERATIONS</b>	<b>\$2,545,589</b>	<b>\$2,737,140</b>	<b>\$2,775,632</b>	<b>\$2,837,758</b>	<b>3.7%</b>
Transfer to General Fund	\$361,076	\$367,226	\$428,370	\$508,131	38.4%
Transfer to Technology Fund	20,000	20,000	20,000	20,000	0.0%
Transfer to Revenue Debt	2,909,614	2,913,352	2,913,352	3,189,952	9.5%
<b>TOTAL TRANSFERS</b>	<b>\$3,290,690</b>	<b>\$3,300,578</b>	<b>\$3,361,722</b>	<b>\$3,718,083</b>	<b>12.6%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$5,836,279</b>	<b>\$6,037,718</b>	<b>\$6,137,354</b>	<b>\$6,555,840</b>	<b>8.6%</b>
<b>EST. RESERVE REQUIREMENT</b>	<b>0</b>	<b>0</b>	<b>1,491,339</b>	<b>0</b>	<b>0.0%</b>
<b>WORKING CAPITAL</b>	<b>\$3,406,069</b>	<b>\$995,684</b>	<b>\$1,943,844</b>	<b>\$2,693,920</b>	<b>170.6%</b>
<b>Days of Operation</b>				<b>346</b>	

**Convention & Tourism**

	<b>Actual 2011-12</b>	<b>Budget 2012-13</b>	<b>Re-Est 2012-13</b>	<b>Projected 2013-14</b>	<b>% Change 2013-14</b>
<b>WORKING CAPITAL</b>	<b>\$2,620,893</b>	<b>\$1,999,339</b>	<b>\$2,429,176</b>	<b>\$1,460,054</b>	<b>-27.0%</b>
<b>Revenues</b>					
Hotel/Motel Receipts	\$4,669,257	\$4,905,020	\$4,905,020	\$5,123,120	4.4%
Civic Center Fees	1,809,578	1,846,996	1,994,460	2,034,349	10.1%
Miscellaneous	3,102	1,030	1,030	1,040	0.0%
Interest Income	22,593	30,000	15,000	20,000	-33.3%
<b>TOTAL REVENUES</b>	<b>\$6,504,530</b>	<b>\$6,783,046</b>	<b>\$6,915,510</b>	<b>\$7,178,510</b>	<b>5.8%</b>
<b>TOTAL RESOURCES</b>	<b>\$9,125,423</b>	<b>\$8,782,385</b>	<b>\$9,344,686</b>	<b>\$8,638,564</b>	<b>-1.6%</b>
<b>APPROPRIATIONS</b>					
<b>Operating Expenses</b>					
Convention & Visitors Bureau	\$1,565,440	\$1,861,908	\$1,919,619	\$1,885,980	1.3%
Civic Center Operations	3,115,401	3,473,575	3,470,296	3,523,360	1.4%
Support of the Arts	685,153	735,583	735,583	768,468	4.5%
Historic Preservation	685,153	735,583	735,583	768,468	4.5%
Special Events	139,089	157,190	162,945	157,190	0.0%
Civic Center Equip.Rpl. Charge	131,162	484,830	484,830	450,000	0.0%
Subtotal	\$6,321,398	\$7,448,669	\$7,508,856	\$7,553,466	1.4%
Capital Outlay	25,530	10,000	10,000	0	0.0%
<b>TOTAL OPERATIONS</b>	<b>\$6,346,928</b>	<b>\$7,458,669</b>	<b>\$7,518,856</b>	<b>\$7,553,466</b>	<b>1.3%</b>
Transfer to General Fund	\$349,319	\$339,153	\$345,776	\$358,925	5.8%
Transfer to Technology Fund	0	20,000	20,000	20,000	0.0%
<b>TOTAL TRANSFERS</b>	<b>\$349,319</b>	<b>\$359,153</b>	<b>\$365,776</b>	<b>\$378,925</b>	<b>5.5%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$6,696,247</b>	<b>\$7,817,822</b>	<b>\$7,884,632</b>	<b>\$7,932,392</b>	<b>1.5%</b>
<b>WORKING CAPITAL</b>	<b>\$2,429,176</b>	<b>\$964,563</b>	<b>\$1,460,054</b>	<b>\$706,173</b>	<b>-26.8%</b>
<b>Days of Operation</b>				34	

**Golf Course**

	<b>Actual 2011-12</b>	<b>Budget 2012-13</b>	<b>Re-Est 2012-13</b>	<b>Projected 2013-14</b>	<b>% Change 2013-14</b>
<b>WORKING CAPITAL</b>	<b>(\$13,258)</b>	<b>\$61,220</b>	<b>\$34,014</b>	<b>\$100,954</b>	<b>0.0%</b>
<b>Revenues</b>					
Golf Fees	\$871,504	\$931,395	\$931,395	\$936,983	0.6%
Concessions	52,732	30,000	54,062	54,386	81.3%
Interest Income	0	500	300	1,000	0.0%
Miscellaneous	9,297	0	0	0	0.0%
Reimbursements	0	0	0	0	0.0%
<b>TOTAL REVENUES</b>	<b>\$933,533</b>	<b>\$961,895</b>	<b>\$985,757</b>	<b>\$992,369</b>	<b>3.2%</b>
<b>TOTAL RESOURCES</b>	<b>\$920,275</b>	<b>\$1,023,115</b>	<b>\$1,019,771</b>	<b>\$1,093,323</b>	<b>6.9%</b>
<b>APPROPRIATIONS</b>					
<b>Operating Expense</b>					
Salaries & Wages	\$507,801	\$524,673	\$542,252	\$543,845	3.7%
Supplies	117,286	137,230	139,177	137,230	0.0%
Contractual Services	206,157	173,940	186,340	188,980	8.6%
Sundry Charges	2,311	1,760	1,760	1,760	0.0%
Subtotal	\$833,555	\$837,603	\$869,529	\$871,815	4.1%
Capital Outlay	4,681	0	0	0	0.0%
<b>TOTAL OPERATIONS</b>	<b>\$838,236</b>	<b>\$837,603</b>	<b>\$869,529</b>	<b>\$871,815</b>	<b>4.1%</b>
Transfer to General Fund	48,025	48,095	49,288	49,618	0.0%
<b>TOTAL TRANSFERS</b>	<b>\$48,025</b>	<b>\$48,095</b>	<b>\$49,288</b>	<b>\$49,618</b>	<b>0.0%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$886,261</b>	<b>\$885,698</b>	<b>\$918,817</b>	<b>\$921,433</b>	<b>4.0%</b>
<b>WORKING CAPITAL</b>	<b>\$34,014</b>	<b>\$137,417</b>	<b>\$100,954</b>	<b>\$171,890</b>	<b>0.0%</b>
<b>Days of Operation</b>				72	

## Recreation Revolving

	Actual 2011-12	Budget 2012-13	Re-Est 2012-13	Projected 2013-14	% Change 2013-14
<b>WORKING CAPITAL</b>	<b>\$668,665</b>	<b>\$707,230</b>	<b>\$1,139,824</b>	<b>\$1,285,521</b>	<b>81.8%</b>
<b>Revenues</b>					
Recreation Fees	\$3,801,670	\$3,473,955	\$3,750,000	\$3,772,500	8.6%
Contributions	8,786	13,950	13,950	14,034	0.6%
Interest Income	16,311	17,700	18,250	20,500	15.8%
Miscellaneous	60,026	40,400	40,400	40,642	0.6%
<b>TOTAL REVENUES</b>	<b>\$3,886,793</b>	<b>\$3,546,005</b>	<b>\$3,822,600</b>	<b>\$3,847,676</b>	<b>8.5%</b>
<b>TOTAL RESOURCES</b>	<b>\$4,555,458</b>	<b>\$4,253,235</b>	<b>\$4,962,424</b>	<b>\$5,133,197</b>	<b>20.7%</b>
<b>APPROPRIATIONS</b>					
<b>Operating Expense</b>					
Salaries & Wages	\$1,246,070	\$1,393,025	\$1,418,449	\$1,421,000	2.0%
Materials & Supplies	209,374	229,556	241,260	229,556	0.0%
Contractual	1,758,181	1,784,611	1,786,907	1,784,872	0.0%
Sundry	24,316	38,779	39,157	38,779	0.0%
Subtotal	\$3,237,941	\$3,445,971	\$3,485,773	\$3,474,207	0.8%
Capital Outlay	0	0	0	0	0.0%
<b>TOTAL OPERATIONS</b>	<b>\$3,237,941</b>	<b>\$3,445,971</b>	<b>\$3,485,773</b>	<b>\$3,474,207</b>	<b>0.8%</b>
Transfer to General Fund	\$177,693	\$177,300	\$191,130	\$192,384	8.5%
<b>TOTAL TRANSFERS</b>	<b>\$177,693</b>	<b>\$177,300</b>	<b>\$191,130</b>	<b>\$192,384</b>	<b>8.5%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$3,415,634</b>	<b>\$3,623,271</b>	<b>\$3,676,903</b>	<b>\$3,666,591</b>	<b>1.2%</b>
<b>WORKING CAPITAL</b>	<b>\$1,139,824</b>	<b>\$629,964</b>	<b>\$1,285,521</b>	<b>\$1,466,606</b>	<b>132.8%</b>
<b>Days of Operation</b>				154	

## PTN

	Actual 2011-12	Budget 2012-13	Re-Est 2012-13	Projected 2013-14	% Change 2013-14
<b>WORKING CAPITAL</b>	<b>\$438,558</b>	<b>\$246,097</b>	<b>\$784,862</b>	<b>\$363,087</b>	<b>47.5%</b>
<b>Revenues</b>					
Plano Television Network Fee	\$773,496	\$770,308	\$773,496	\$774,656	0.6%
Interest Income	6,441	20,000	10,000	10,000	-50.0%
Transfer In Gen Fund - Franch. Fees	150,000	250,000	250,000	250,000	0.0%
Transfer In Technology Fund	250,000	250,000	250,000	250,000	0.0%
Miscellaneous	297	500	500	500	0.0%
<b>TOTAL REVENUES</b>	<b>\$1,180,234</b>	<b>\$1,290,808</b>	<b>\$1,283,996</b>	<b>\$1,285,156</b>	<b>-0.4%</b>
<b>TOTAL RESOURCES</b>	<b>\$1,618,792</b>	<b>\$1,536,905</b>	<b>\$2,068,858</b>	<b>\$1,648,243</b>	<b>7.2%</b>
<b>APPROPRIATIONS</b>					
<b>Operating Expense</b>					
Salaries & Wages	\$635,174	\$668,983	\$674,251	\$675,152	0.9%
Materials & Supplies	38,377	62,840	67,928	62,840	0.0%
Contractual	123,271	110,573	161,878	110,573	0.0%
Sundry	698	2,775	2,775	2,775	0.0%
Equipment Reserve	0	350,000	600,000	600,000	71.4%
Subtotal	797,520	1,195,171	1,506,832	1,451,340	21.4%
Capital Outlay	36,410	198,000	198,939	0	0.0%
<b>TOTAL APPROPRIATIONS</b>	<b>833,930</b>	<b>1,393,171</b>	<b>1,705,771</b>	<b>1,451,340</b>	<b>4.2%</b>
<b>WORKING CAPITAL</b>	<b>\$784,862</b>	<b>\$143,734</b>	<b>\$363,087</b>	<b>\$196,903</b>	<b>37.0%</b>
<b>Days of Operation</b>				50	

**Property & Liability Loss**

	<b>Actual 2011-12</b>	<b>Budget 2012-13</b>	<b>Re-Est 2012-13</b>	<b>Projected 2013-14</b>	<b>% Change 2013-14</b>
<b>WORKING CAPITAL</b>	<b>\$192,626</b>	<b>\$786,350</b>	<b>\$1,082,298</b>	<b>\$974,243</b>	<b>19.3%</b>
<b>Resources</b>					
General Fund Transfer In	\$4,844,941	\$3,300,672	\$3,300,672	\$3,300,672	0.0%
Water & Sewer Fund Transfer In	654,555	658,372	658,372	668,609	1.5%
Sustain. & Env. Svcs. Fund Transfer In	315,688	317,998	317,998	318,845	0.3%
Claims Recovered	168,084	200,000	200,000	200,000	0.0%
Interest Earned	43,492	50,000	50,000	50,000	0.0%
<b>TOTAL REVENUES</b>	<b>\$6,026,760</b>	<b>\$4,527,042</b>	<b>\$4,527,042</b>	<b>\$4,538,125</b>	<b>0.2%</b>
<b>TOTAL RESOURCES</b>	<b>\$6,219,386</b>	<b>\$5,313,392</b>	<b>\$5,609,340</b>	<b>\$5,512,368</b>	<b>3.6%</b>
<b>APPROPRIATIONS</b>					
Workers' Compensation	\$2,036,165	\$1,600,000	\$1,600,000	\$1,600,000	0.0%
Judgements and Damages	1,091,736	900,000	900,000	900,000	0.0%
Risk Management Operations	2,009,187	1,987,341	2,135,097	2,001,997	0.7%
<b>TOTAL APPROPRIATIONS</b>	<b>\$5,137,088</b>	<b>\$4,487,341</b>	<b>\$4,635,097</b>	<b>\$4,501,997</b>	<b>0.3%</b>
<b>UNAPPROPRIATED FUND BALANCE</b>	<b>\$1,082,298</b>	<b>\$826,051</b>	<b>\$974,243</b>	<b>\$1,010,371</b>	<b>18.2%</b>

**Capital Reserve**

	<b>Actual 2011-12</b>	<b>Budget 2012-13</b>	<b>Re-Est 2012-13</b>	<b>Projected 2013-14</b>	<b>% Change 2012-13</b>
<b>WORKING CAPITAL</b>	<b>\$43,451,106</b>	<b>\$21,517,511</b>	<b>\$44,716,341</b>	<b>\$17,560,368</b>	<b>-18.4%</b>
<b>Revenues</b>					
General Fund Transfer In	\$10,500,000	\$12,875,000	\$12,875,000	\$15,000,000	16.5%
Water & Sewer Transfer In	3,000,000	3,000,000	3,000,000	3,000,000	0.0%
Fund Interest Earnings	417,422	550,000	400,000	400,000	-27.3%
Rollback Taxes	896,012	150,000	557,942	150,000	0.0%
Miscellaneous	2,325	0	\$0	0	0.0%
Reimbursement from Collin County	0	1,500,000	1,500,000	1,200,000	0.0%
Screening Walls	12,600	0	\$0	0	0.0%
<b>TOTAL REVENUE</b>	<b>\$14,828,359</b>	<b>\$18,075,000</b>	<b>\$18,332,942</b>	<b>\$19,750,000</b>	<b>9.3%</b>
<b>TOTAL RESOURCES</b>	<b>\$58,279,465</b>	<b>\$39,592,511</b>	<b>\$63,049,283</b>	<b>\$37,310,368</b>	<b>-5.8%</b>
<b>APPROPRIATIONS</b>					
Streets & Drainage Projects	\$6,769,891	\$10,100,000	\$24,042,000	\$9,400,000	-6.9%
Park Improvement Projects	3,279,382	6,455,000	9,962,000	4,310,000	-33.2%
Municipal Facilities Projects	3,100,588	2,671,000	10,386,915	2,819,000	5.5%
Water & Sewer Projects	175,724	451,000	1,098,000	451,000	0.0%
Audit Adjustment	237,539	0	\$0	0	
<b>TOTAL OPERATIONS</b>	<b>\$13,563,124</b>	<b>\$19,677,000</b>	<b>\$45,488,915</b>	<b>\$16,980,000</b>	<b>-13.7%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$13,563,124</b>	<b>\$19,677,000</b>	<b>\$45,488,915</b>	<b>\$16,980,000</b>	<b>-13.7%</b>
<b>WORKING CAPITAL</b>	<b>\$44,716,341</b>	<b>\$19,915,511</b>	<b>\$17,560,368</b>	<b>\$20,330,368</b>	<b>2.1%</b>

## Budget Calendar

### OPERATING BUDGET CALENDAR Fiscal Year 2013-14

Jan. 14 - Feb. 15	Update Departmental Core Business Matrix.	March 25	Budget & Research Department presents FY 2012-13 Status Report and Three-Year Financial Summary to City Council for review and input.
Feb. 1 - March 15	ICMA Performance Measurement Process.	March 27	At Management Team meeting, Budget & Research Department gives overview and distributes instructions, forms, and departmental targets.
February 4	Personnel worksheets issued for verification. Budget & Research Department issues calendar and instructions for requesting the following internal review items: building modifications cellular telephones & communications devices copiers furniture and office equipment G.I.S. software/hardware technology requests leased space microfilming radios, radio systems, and maintenance special mail-outs telecommunications and phone equipment/lines vehicles and major equipment other major capital outlay/specialty items	April 8	Budget & Research Department re-assesses revenue estimates for the current and upcoming year and advises the City Manager of these changes.
February 15	Requests due to service departments for internal review items listed above.  Changes to Personnel worksheets due to Budget & Research Department.	April 15 - May 3	Citizen input meetings in community with specific groups, including the Chamber of Commerce and Homeowners Council, as requested.
February 22	Estimated cost list of frequently purchased items due to Budget & Research Department from Purchasing, Public Safety Communications Telecommunications, and Technology Services for inclusion in the Budget Preparation Manual.  Various Departments submit indicators to Budget & Research Department for inclusion in the Budget Preparation Manual.  Preliminary FY 2013-14 Personnel requests submitted to Technology Services, Human Resources, and City Manager.  Equipment Services distributes recommendations for vehicle and rolling stock replacements.	May 3	All departmental Operating Budgets due to area Deputy City Managers.
March 11	Cost information and recommendations due back to Departments on internal review items.	May 10	All departmental Operating Budget requests due in Budget & Research Department.
March 14, 22	Budget & Research Department staff provides training on instructions, forms, automation, supplements, and other issues.	May 11	2013 Bond Referendum Election.
March 18	Budget & Research Department meets with City Manager and Deputy City Managers to present	May 13 - June 14	Budget & Research Department compiles total Operating Budget requests and Community Investment Program requests.
		May 16	Technology Services Steering Committee prioritizes all departmental Technology requests and submits recommendation to the City Manager.
		June 11	Budget & Research Department presents total request to the City Manager with highlights, issues, options and recommendations.
		June 11 12, &	City Manager reviews Operating Budgets and Community Investment Program with all department heads.
		July 8	City Manager gives final budget instructions to Budget & Research Department.
		July 10	Budget & Research Department notifies departments of preliminary funded FY 2013-14 requests and/or reductions.
		July 17	Draft Operating Budget and Community Investment Program submitted to City Manager for review.

mid-year revenue and expenditure forecast, review preliminary assumptions, and set budget parameters, targets, and goals. Status of the Community Investment Program is also discussed.

- July 24 City Manager submits FY 2013-14 Recommended Budget and Proposed Community Investment Program to City Council.
- August 7 Grant Funding - City Council Budget Work Session.
- August 12 Presentation of Proposed Community Investment Program to the City Council.
- Public Hearing on Operating Budget and Community Investment Program.
- Approval of Appraisal Roll.
- Vote on proposed tax rate increase, if necessary.
- August 17 City Council/Budget Work Session.
- August 26 1st Public Hearing on tax rate. (If Required)
- Sept. 4 2nd Public Hearing on tax rate. (If Required)
- Sept. 9 City Council adopts Operating Budget, Community Investment Program, and sets Tax Rate.
- October 1 New fiscal year begins.

***The Budget & Research Department reserves the right to make changes to this calendar, as required or may be appropriate, to facilitate the timely execution of tasks and required productions of publications.***

## History of Tax Base

HISTORY OF TAX BASE IN PLANO AND PROJECTION FOR 2012-13, 2013-14 & 2014-15							
As of Jan. 1	Taxable Value	New Property	Existing Tax Base	Change in Total Value \$	Change in Total %	Change in Base \$	Change in Base %
1999	\$13,318,803,313	\$ 973,732,898	\$12,345,070,415	\$1,659,783,922	14.24%	\$ 686,051,024	5.88%
2000	\$14,970,714,724	\$1,075,343,168	\$13,895,371,556	\$1,651,911,411	12.40%	\$ 576,568,243	4.33%
2001	\$16,951,975,217	\$1,209,831,901	\$15,741,143,316	\$1,981,260,493	13.23%	\$ 771,428,592	5.15%
2002	\$18,923,096,351	\$ 952,719,113	\$17,970,377,238	\$1,971,121,134	11.63%	\$1,018,402,021	6.01%
2003	\$20,194,219,506	\$ 913,900,252	\$19,280,319,254	\$1,271,123,155	6.72%	\$ 357,222,903	1.89%
2004	\$20,398,670,327	\$ 434,730,669	\$19,963,939,658	\$ 204,450,821	1.01%	(\$230,279,848)	-1.14%
2005	\$20,869,734,810	\$ 328,684,415	\$20,541,050,395	\$ 471,064,483	2.31%	\$ 142,380,068	0.70%
2006	\$21,649,265,385	\$ 376,517,872	\$21,272,747,513	\$ 779,530,575	3.74%	\$ 403,012,703	1.93%
2007	\$22,829,141,312	\$ 556,469,319	\$22,272,671,993	\$1,179,875,927	5.45%	\$ 623,406,608	2.88%
2008	\$24,511,500,675	\$ 568,050,666	\$23,943,450,009	\$1,682,359,363	7.37%	\$1,114,308,697	4.88%
2009	\$25,785,315,308	\$ 559,678,673	\$25,225,636,635	\$1,273,814,633	5.20%	\$ 714,135,960	2.91%
2010	\$25,507,218,156	\$ 380,409,056	\$25,126,809,100	(\$278,097,152)	-1.08%	(\$658,506,208)	-2.55%
2011	\$24,680,898,705	\$ 262,876,373	\$24,418,022,332	(\$826,319,451)	-3.24%	(\$1,089,195,824)	-4.27%
2012	\$25,014,043,679	\$ 182,400,018	\$24,831,643,661	\$333,144,974	1.35%	\$150,744,956	0.61%
2013	\$25,647,504,913	\$ 228,485,716	\$25,419,019,197	\$633,461,234	2.53%	\$404,975,518	1.62%
2014	\$26,153,979,962	\$ 250,000,000	\$25,903,979,962	\$506,475,049	1.97%	\$256,475,049	1.00%
2015	\$26,715,519,762	\$ 300,000,000	\$26,415,519,762	\$561,539,800	2.15%	\$261,539,800	1.00%
2016	\$27,549,830,157	\$ 300,000,000	\$27,249,830,157	\$834,310,395	3.12%	\$534,310,395	2.00%

## Ad Valorem Tax Analysis

Three-Year Financial Forecast Ad Valorem Tax Analysis					
Existing Property Values			1.00%	1.00%	2.00%
New Property Growth			250,000,000	300,000,000	300,000,000
	2011-12 Actual	2012-13 Budget	2013-14 Projected	2014-15 Projected	2015-16 Projected
<b>Analysis of Tax Rate</b>					
Total Taxable Value	\$25,014,043,679	\$25,647,504,913	\$26,153,519,762	\$26,715,519,762	\$27,549,830,157
Change in Total Value (\$)	333,144,974	633,461,234	506,475,049	561,539,800	834,310,395
Change in Total Value (%)	-3.24%	2.53%	1.97%	2.15%	3.12%
Tax Rate	0.4886	0.4886	0.4886	0.4886	0.4886
Levy	122,218,617	125,313,709	127,788,346	130,532,030	134,608,470
Current Collections	120,112,398	124,060,572	126,510,463	129,226,709	133,262,385
Current Collections Percent	98.3%	99.0%	99.0%	99.0%	99.0%
Delinquent Collections	738,006	1,253,137	1,277,883	1,305,320	1,346,085
Penalty & Interest	646,262	583,121	595,735	609,328	629,321
Total Collections	121,496,666	125,896,830	128,384,081	131,141,357	135,237,791
Total Current Levy	99.4%	100.5%	100.5%	100.5%	100.5%
<b>Debt Allocation</b>					
Rate	0.1737	0.1694	0.1652	0.1622	0.1587
Current Collections	42,699,878	42,408,120	42,170,026	42,294,962	42,680,080
Delinquent Collections	244,463	434,469	432,064	433,326	437,216
Penalty & Interest	193,565	173,787	172,825	173,330	174,886
<b>General Fund Allocation</b>					
Rate	0.3149	0.3192	0.3234	0.3264	0.3299
Current Collections	77,412,520	80,221,336	82,909,320	85,500,631	89,151,190
Delinquent Collections	493,543	818,668	845,820	871,995	908,869
Penalty & Interest	452,697	409,334	422,910	435,997	454,434
<b>One Cent Equivalent on Tax Rate</b>			\$2,589,244	\$2,644,836	\$2,727,433

## Transfers

Three-Year Financial Forecast  
Transfers

GENERAL FUND						
	2011-12 Actuals	2012-13 Budget	2012-13 Re-Est	2013-14 Projected	2014-15 Projected	2015-16 Projected
<b>Transfers To:</b>						
Capital Reserve	\$10,500,000	\$12,875,000	\$12,875,000	\$15,000,000	\$17,200,000	\$19,500,000
Property & Liability Loss	4,788,225	3,300,672	3,300,672	3,300,672	3,300,672	3,300,672
Technology Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
PTN Fund	150,000	250,000	250,000	250,000	250,000	250,000
Economic Development	4,937,144	6,542,779	6,542,779	5,178,488	5,289,673	5,454,866
<b>Total Transfers</b>	<b>\$21,375,369</b>	<b>\$23,968,451</b>	<b>\$23,968,451</b>	<b>\$24,729,160</b>	<b>\$27,040,345</b>	<b>\$29,505,538</b>

GENERAL OBLIGATION DEBT FUND						
	2011-12 Actuals	2012-13 Budget	2012-13 Re-Est	2013-14 Projected	2014-15 Projected	2015-16 Projected
<b>Transfers To:</b>						
Tech Infra. & Public Art	\$284,376	\$283,000	\$283,000	\$284,612	\$284,612	\$282,388
Tax Notes - Moto Mesh	2,092,600	2,085,200	2,085,200	0	0	0
Tax Notes - Moto & Radio	2,717,869	2,733,469	2,733,469	2,754,578	2,769,821	0
Tax Notes - Radio Repl.	980,644	990,619	990,619	999,919	1,012,275	1,020,075
Tax Notes - Radio Repl. (C.O.'s)	905,476	903,776	903,776	906,876	906,624	906,000
<b>Total Transfers</b>	<b>\$6,980,965</b>	<b>\$6,996,064</b>	<b>\$6,996,064</b>	<b>\$4,972,785</b>	<b>\$4,973,332</b>	<b>\$2,208,463</b>

WATER & SEWER FUND						
	2011-12 Actuals	2012-13 Budget	2012-13 Re-Est	2013-14 Projected	2014-15 Projected	2015-16 Projected
<b>Transfer To:</b>						
General Fund	\$16,376,049	\$16,721,109	\$17,477,927	\$17,477,927	\$17,827,486	\$18,184,035
Debt Service Fund	402,419	0	0	0	0	0
Water & Sewer CIP	9,724,088	7,461,484	7,461,484	7,730,742	9,000,000	9,000,000
Capital Reserve	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Property & Liability Loss	654,555	658,372	658,372	668,609	668,609	668,609
Technology Fund	300,000	300,000	300,000	300,000	300,000	300,000
Technology Services	2,357,863	2,310,017	2,310,017	2,356,217	2,403,342	2,451,409
Reserve Fund	3,000,000	3,000,000	3,000,000	2,000,000	0	0
Meter AMR Repl. Fund	0	1,500,000	1,500,000	1,500,000	1,000,000	1,000,000
Sustainability	100,000	100,000	100,000	100,000	100,000	100,000
<b>Total Transfers</b>	<b>\$35,905,974</b>	<b>\$35,050,982</b>	<b>\$35,397,260</b>	<b>\$35,133,495</b>	<b>\$34,299,436</b>	<b>\$34,704,053</b>

SUSTAINABILITY & ENVIRONMENTAL SERVICES FUND						
	2011-12 Actuals	2012-13 Budget	2012-13 Re-Est	2013-14 Projected	2014-15 Projected	2015-16 Projected
<b>Transfers To:</b>						
General Fund	\$890,475	\$907,332	\$907,332	\$918,093	\$923,537	\$927,188
Technology Fund	60,000	60,000	60,000	60,000	60,000	60,000
Property & Liability Loss	315,688	317,998	317,998	318,845	318,845	318,845
W&S - Env. Edu. Bldg.	157,239	0	157,239	157,239	0	0
<b>Total Transfers</b>	<b>\$1,423,402</b>	<b>\$1,285,330</b>	<b>\$1,442,569</b>	<b>\$1,454,176</b>	<b>\$1,302,382</b>	<b>\$1,306,033</b>

MUNICIPAL DRAINAGE FUND						
	2011-12 Actuals	2012-13 Budget	2012-13 Re-Est	2013-14 Projected	2014-15 Projected	2015-16 Projected
<b>Transfers To:</b>						
General Fund	\$361,076	\$367,226	\$428,370	\$508,131	\$534,829	\$535,899
Technology Fund	20,000	20,000	20,000	20,000	20,000	20,000
Revenue Debt	2,909,614	2,913,352	2,913,352	3,189,952	3,656,833	3,775,875
<b>Total Transfers</b>	<b>\$3,290,690</b>	<b>\$3,300,578</b>	<b>\$3,361,722</b>	<b>\$3,718,083</b>	<b>\$4,211,662</b>	<b>\$4,331,774</b>

CONVENTION & TOURISM FUND						
	2011-12 Actuals	2012-13 Budget	2012-13 Re-Est	2013-14 Projected	2014-15 Projected	2015-16 Projected
<b>Transfers To:</b>						
General Fund	\$349,319	\$339,153	\$345,776	\$358,825	\$376,633	\$384,136
Technology Fund	0	20,000	20,000	20,000	20,000	20,000
<b>Total Transfers</b>	<b>\$349,319</b>	<b>\$359,153</b>	<b>\$365,776</b>	<b>\$378,925</b>	<b>\$396,633</b>	<b>\$404,136</b>

RECREATION REVOLVING FUND						
	2011-12 Actuals	2012-13 Budget	2012-13 Re-Est	2013-14 Projected	2014-15 Projected	2015-16 Projected
<b>Transfers To:</b>						
General Fund	\$177,693	\$177,300	\$191,130	\$192,384	\$193,033	\$193,517
<b>Total Transfers</b>	<b>\$177,693</b>	<b>\$177,300</b>	<b>\$191,130</b>	<b>\$192,384</b>	<b>\$193,033</b>	<b>\$193,517</b>

GOLF COURSE FUND						
	2011-12 Actuals	2012-13 Budget	2012-13 Re-Est	2013-14 Projected	2014-15 Projected	2015-16 Projected
<b>Transfers To:</b>						
General Fund	\$48,025	\$48,095	\$49,288	\$49,618	\$49,792	\$49,917
<b>Total Transfers</b>	<b>\$48,025</b>	<b>\$48,095</b>	<b>\$49,288</b>	<b>\$49,628</b>	<b>\$49,792</b>	<b>\$49,917</b>

## Projected CIP Impact

<b>PROJECTED GENERAL FUND O&amp;M EXPENSES COMMUNITY INVESTMENT PROGRAM</b>			
	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b><u>CIP O&amp;M EXPENDITURES</u></b>			
Fire Rescue Squad	1,690,437	563,479	-
Oak Point Park and Nature Preserve	-	200,000	200,000
Oak Point Park (Outdoor Center)	-	-	621,532
Park Maintenance Facility	14,115	42,537	-
Oak Point Recreation Center Expansion	-	170,000	-
Fire Station No. 2 Expansion	11,050	-	-
Fire Station No. 6 Expansion	5,520	-	-
Technology Services Remodel	69,374	-	-
Legacy Trail	20,000	-	-
Special Use Facilities	-	66,850	-
09 Land Acquisitions	150,000	-	-
White Rock Community Park	-	217,000	-
Maintenance Facility Expansion	-	57,000	-
09 Park Improvements	-	-	35,000
Douglas Area Land	-	-	5,000
Archgate Park	-	-	15,000
Carpenter Park Rec Center Pool	-	-	383,622
Senior Center/Wellness Center	-	-	263,576
Jack Carter Pool Renovations	-	-	106,955
High Point Tennis Center	-	-	10,000
Park Improvements	-	-	250,000
<b>Total CIP O&amp;M Expenditures</b>	<b>\$1,960,496</b>	<b>\$1,316,866</b>	<b>\$1,890,685</b>
<b>Tax Rate Impact</b>	<b>0.76</b>	<b>0.50</b>	<b>0.69</b>
<b><u>Cumulative</u></b>			
New CIP O&M 2013-14	1,960,496	1,960,496	1,960,496
New CIP O&M 2014-15	-	1,316,866	1,316,866
New CIP O&M 2015-16	-	-	1,890,685
	-	-	-
<b>Total Cumulative O&amp;M</b>	<b>\$1,960,496</b>	<b>\$3,277,362</b>	<b>\$5,168,047</b>
<b>Cumulative Tax Rate Impact</b>	<b>0.76</b>	<b>1.24</b>	<b>1.89</b>