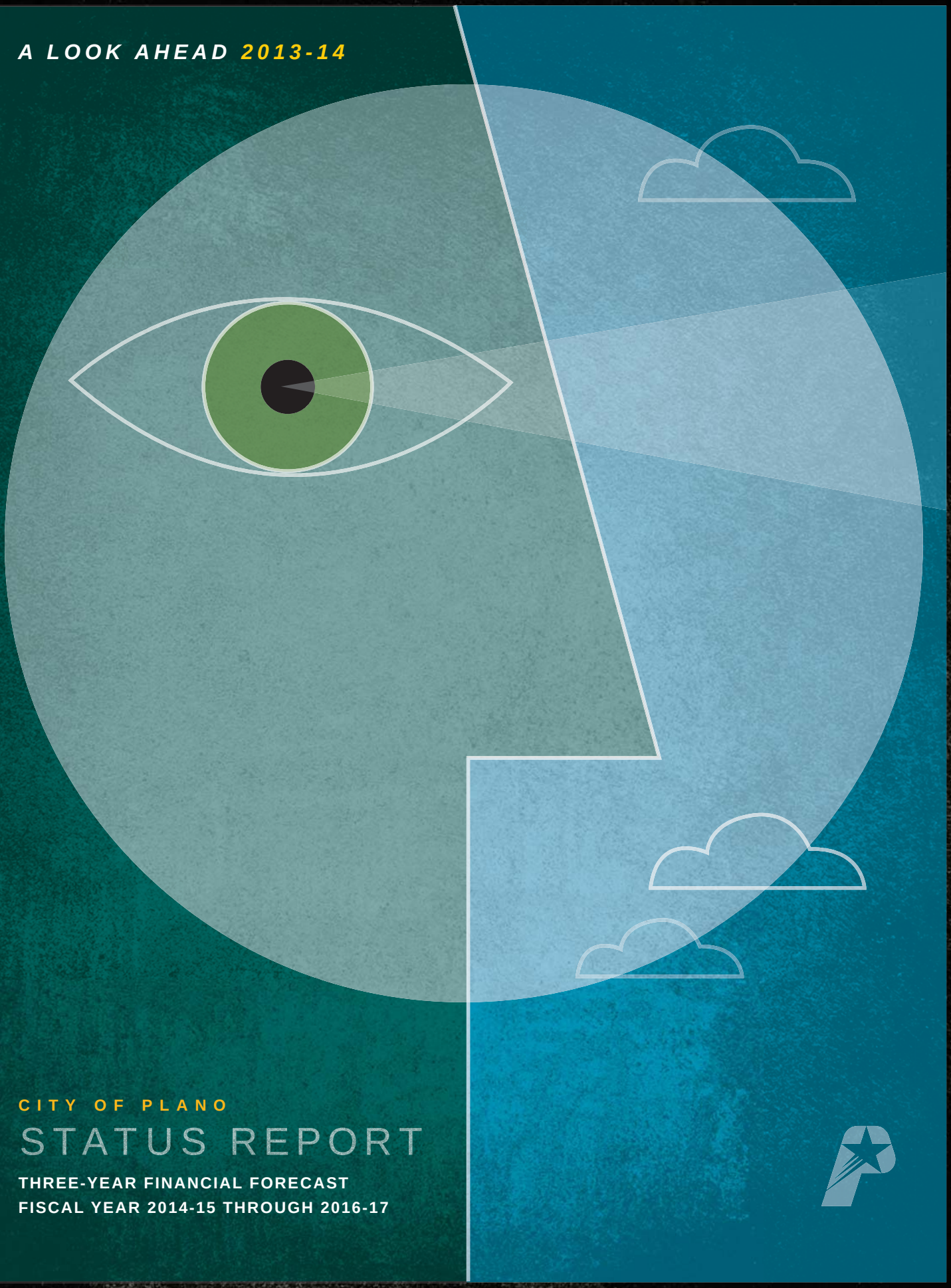
A LOOK AHEAD 2013-14



CITY OF PLANO

STATUS REPORT

THREE-YEAR FINANCIAL FORECAST
FISCAL YEAR 2014-15 THROUGH 2016-17

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CITY OF PLANO, TEXAS
2013-14 STATUS REPORT
AND
THREE-YEAR FINANCIAL FORECAST
Fiscal Year 2014-15 through 2016-17

Harry LaRosiliere, 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
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Patrick Gallagher
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March 24, 2014

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 2014-15 through 2016-17. The purpose of this forecast is to review the status of the FY 2013-14 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 Municipal Golf Course.

The financial projections included in the forecast will become the foundation for the development of the FY 2014-15 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.

The improving local and national economy and the projected increases in existing property values coupled with anticipated new property growth are all factors contributing to projected increases in revenues throughout this forecast. In addition, the City has been vigilant since the economic recession of operating with significantly less revenues and reduced staffing levels while maintaining the service levels our citizens have come to expect. The last several years have been very challenging but as a result of these factors, in FY 2014-15, the General Fund's working capital is currently projected at 43 days or $7.8 million over the 30 days of working capital prescribed in the City's Financial Policies. In FY 2015-16, the General Fund is balanced at 30 days of working capital.

Over the next several months, as we prepare the FY 2014-15 Budget and Community Investment Program, we will continue our focus on quality of services, investment in our workforce, maintaining quality Public Safety services, enhancement of our overall infrastructure maintenance programs, addressing the backlog of capital projects and ensuring our Economic Development Incentive Fund is adequately funded. In addition, we will also ensure that our pillars of service are sustained by continuing to provide outstanding services and facilities through cooperative efforts with citizens that contribute to the overall quality of life.

Based on preliminary discussions with both Collin County and Denton County Central Appraisal Districts, total assessed property values are projected at $28.8 billion, with the existing property values projected to increase 5.0% or $1.3 billion. New property is projected to increase by $480 million in FY 2014-15.

Harry LaRosiliere *Mayor* | **Lissa Smith** *Mayor Pro Tem* | **Ben Harris** *Deputy Mayor Pro Tem* | **Pat Miner** *Place 1* | **André Davidson** *Place 3* | **Jim Duggan** *Place 5* | **Patrick Gallagher** *Place 7* | **David Downs** *Place 8* | **Bruce D. Glasscock** *City Manager*

The combination of these increases translates to a property tax revenue increase of $8.9 million. 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 receipts, the General Fund's second largest source of revenue, are re-estimated for 2013-14 at $65.9 million, up from the initial 2013-14 budgeted amount of $61.5 million. Based on the current City Council policy, sales tax projections will be based on the past three-year average of sales tax collections net any audit adjustments. The $65.9 million represents the latest three-year average. Any amount collected over the $65.9 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 $65.9 million, even though a positive trend has developed and the City has the potential to collect more than our forecasted amount. Additionally, the City can expect to see increases as a result of liquor sales which are now allowed in Plano. Detailed information regarding sales tax collections by geographic area and liquor sales will be presented to Council at an upcoming meeting in April.

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 299 rooms and 35,000 square feet of meeting space 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 $6.3 million in FY 2016-17. As Hotel/Motel tax receipts increase so does the 15% funding allocation for the Support of the Arts and Historic Preservation agencies. At Council's direction, staff will be bringing back for discussion and direction a proposal to cap the funding allocation from the Hotel/Motel tax for the Support of the Arts and Historic Preservation agencies. Detailed information regarding the funding allocation cap will be discussed during the upcoming budget process.

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 8.0% and 10.0% in each year of the forecast, with annual expenditure increases based on the current take or pay minimum of 26.7 billion gallons established in 2001. For FY 2014-15, the annual water rate is projected at $2.06 per thousand gallons, $2.24 per thousand gallons in FY 2015-16, and $2.42 per thousand gallons in FY 2016-17. Wastewater costs are projected to increase 2.3% in FY 2014-15, 3.1% in FY 2015-16 and 1.2% in FY 2016-17. The forecast proposes passing through all water and sewer rate increases proposed by NTMWD effective November 1st in each year. The forecast also assumes our annual water consumption remains at an averaged normal consumption of 22 to 23 billion gallons per year. Overall, Water & Sewer Fund revenues are projected to decrease by 4.1%, or $5.2 million, for the 2013-14 Re-Estimate. Water revenues have been decreased by $5.0 million and Sewer revenues have been decreased slightly by $219,826. These two major revenue decreases are directly related to the mandated NTMWD Stage 3 Water Usage Restrictions and the resulting continued downward trend in water consumption, and are also reflective of a very cold winter in North Texas, both influenced by a continued drought in the area.

The Municipal Drainage Fund includes updated residential and commercial rates which were last amended on April 1 (residential) and October 1 (commercial) of 2013. Currently, one remaining adjustment is forecasted to go into effect on October 1, 2014 for the commercial class fees, which will bring parity between both rate classes after providing commercial customers time to plan and adjust for the latest rates. With the final rate modification, it is projected that drainage fee revenue will provide sufficient working capital and maintain reserve requirements prescribed in the bond covenants. Due to several large capital improvement projects not coming to fruition, the rate structure will be re-evaluated during the upcoming budget process and a shift to pay-as-you go funding of drainage projects plus an

elimination of the last commercial rate increase coupled with the possibility of a residential rate decrease are options that will be examined.

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 three-year period. Operating and maintenance costs associated with Community Investment Projects coming on-line during the forecast period total over $2.7 million. These projects include an expansion of the Oak Point Recreation Center, addition of a pool at Carpenter Park Recreation Center, the Jack Carter pool renovation, the Oak Point Nature Retreat Center, the Liberty Recreation Center expansion, additional Park Improvements, and Facility Additions & Expansions. 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 $15.0 million in FY 2013-14 to $22.0 million in FY 2016-17 based on the recently updated Capital Reserve Policy goal.
- 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. Funding for the Economic Development Incentive Fund has been included throughout the forecast. The forecast includes the transfer of $5.7 million in 2014-15; $6.0 million in 2015-16; and $6.2 million in 2016-17. These forecasted amounts represent only the actual two-cent property tax revenue and does not include any supplemental funding from the General Fund. The increasing competitive nature of the economic development market will challenge the City to ensure our Economic Development program is adequately funded.
- The forecast assumes issuing approximately $40.0 million in new debt in each of the fiscal years funding projects from the 2009 and 2013 Bond Referendums.

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 24th Council meeting.

Respectfully submitted,

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 2014-15 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 266,600 (January 2014). 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.

In the past twelve months, Plano has been the recipient of many accolades:

- **Named the eighty-sixth (86th) best place to live in the United States and second (2nd) in Texas by livability.com.**
- ***Women's Health* listed Plano as the sixth (6th) healthiest city in the United States for women.**
- ***Men's Health* ranked Plano as third (3rd) for the second year in a row as one of the "Best Cities for Men.**
- **Plano can also acknowledge the designation of among the top ten safest cities to drive in according to the Center for *Disease Control Morbidity and Mortality Weekly Report*.**

Unlike many suburbs, Plano has a wide variety of housing options, from historic Victorian homes, to traditional subdivision developments, to loft-style living and new urbanist townhomes and apartments. Plano residents have access to state recognized and award-winning public schools, two campuses within the Collin County Community College District and four college level institutions that help support Plano's educated and motivated population. There are seven area hospitals in Plano, as well as several specialty treatment and rehabilitation centers. The past decade has seen a number of senior living facilities open in Plano, ranging from retirement communities to assisted

living and skilled nursing facilities. Consumers enjoy access to two regional malls, six major shopping areas and more than 70 neighborhood shopping centers, with each venue offering a variety of goods and services. Diners can eat at more than 1,400 establishments through Plano, covering just about every form of cuisine imaginable. Plano has 4,276 hotel rooms within its city limits, with approximately 800 additional rooms coming online in 2014. A number of these hotels are occupied by guests in town for events held at the city-operated Plano Centre, which offers a full-service convention facility with 86,400 square feet and on-site catering and event support.

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**.

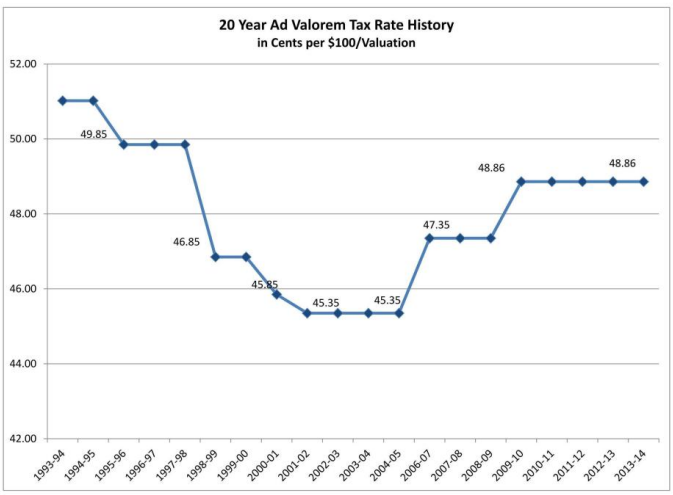
Over the years, the City has repeatedly received national accreditations and recognitions, ensuring best practices are in place while providing outstanding levels of services local citizens and businesses. Currently, Building Inspections, Fire, Health, Parks & Recreation, Public Library, Police, Public 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 2013, for example, Plano was recognized as third nationally among American cities with the Happiest Young Professionals (Careerbliss.com), 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, 1,400 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.

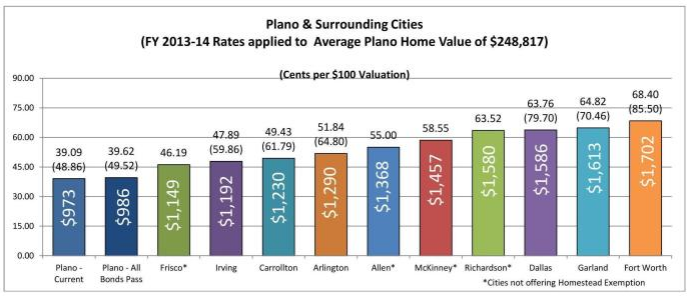
Plano's **Public Library System** has five branch libraries with a collection of over 811,941 books, magazines and audio visual materials with a circulation of 3.9 million. In addition to the collection, Plano Libraries maintain a comprehensive online catalog, offer research and homework assistance, provide public internet access and offer a wide array of programming to all members of the Plano community on a variety of interests, topics and needs. Recent programs and events have been as diverse as SAT prep, free legal aid, opportunities to improve English and foreign language skills, to LEGO activities, a genealogy lock-in and a family movie night.

Residents and visitors to Plano can take advantage of a wonderful collection of parks, recreation facilities and organized activities thanks to Plano's Parks & Recreation Department, which is one of just six Texas park systems accredited by the Commission for Accreditation of Parks and Recreation Agencies (CAPRA). Established in 1968, the department operates and maintains 82 public parks, 65 miles of recreation trails and two nature preserves, which occupy almost 4,000 acres of land in Plano. The department also maintains more than 800 acres of city medians, rights-of-way and public grounds around city facilities, as well as helps Plano maintain the Tree City USA designation it has held for more than two decades. Athletic opportunities are available both through the city and in partnership with a number of non-profit youth and community sports groups, who use Plano's 106 soccer/football fields, 71 softball/baseball fields and seven cricket pitches, two golf municipal golf courses and a 21 court lighted tennis center. Plano also operates four recreation centers that offer fitness, indoor sports and community activities and eight swimming pools. A variety of recreational programs are offered for all segments of the population, from youth to seniors, competitive sports to arts & crafts, therapeutic programs to special events. 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 2013-14 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, (1.35 cents for debt service and 0.16 cent for operation and maintenance). 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. 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 $248,817. End of year 2013 sales statistics provided by the Collin County Association of Realtors displayed continued improvement in the single-family property market in Plano. 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.



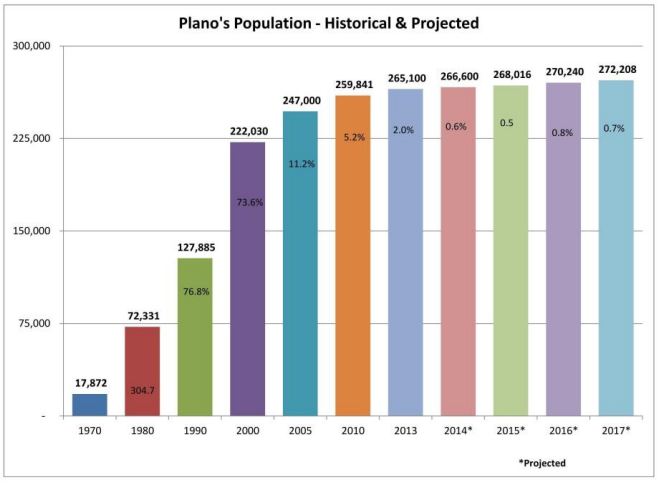
Some of the columns on the chart have two numbers; in these cases the smaller number represents the effective tax rate, which includes the homestead exemption. The cities with an asterisk do not offer a homestead exemption, and display only one rate.

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 two 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 Standard & Poor's, and Fitch's IBCA Inc. In their evaluations, the two 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 9th largest population among Texas cities and ranking 71st 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, 2014 population is 266,600. 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. Approximately two-thirds 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 55% of adults over age 25 holding a bachelor's degree or higher, compared to the Texas average of 26.3%. Plano's median

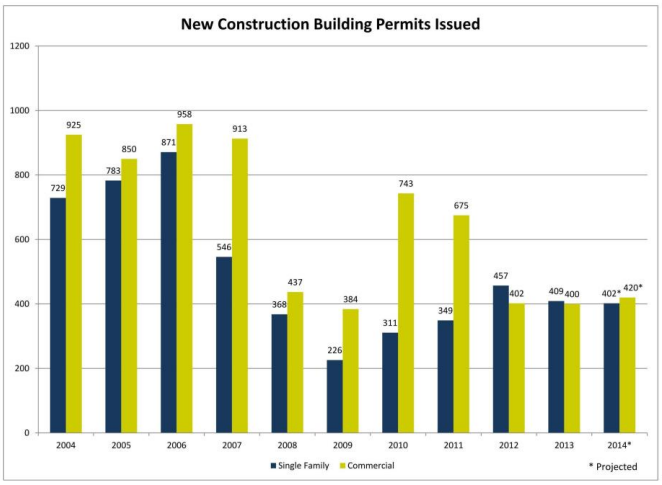
household income is $82,901, nearly 61% higher than the national median household income of $51,563. 28.7% of Plano residents are under 18 years of age, while another 4.9% are over 65 years old; Plano's median age is 37.2. Plano has seen its minority population grow with the city; currently the largest minority groups are Asian (16.8%), Hispanic/Latino (14.7%) and African American (7.4%). 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 18.0% 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, 0.5% annual population growth is projected for 2014-15; 0.8% for 2015-16; and 0.7% for 2016-17.

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-two years, according to the National Association of Realtors Homebuyers Affordability Index, however, higher price demand and lower supply is eroding housing affordability. The index reached 209.2 for 2013, with a monthly index above 200 in three 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 2013. In Plano, the average days on market for a home for sale dropped from 64 to 45 days from 2012 to 2013 and the median sales price increased by 4.0% to $233,341. 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 2013, Plano issued construction permits for 409 new single family homes and had more than $347 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 2013, 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 2012-13 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 243,000 jobs in the past 12 months according to the Texas Workforce Commission, including 230,000 private-sector positions. As of May 2013, Forbes magazine named five Texas metropolitan areas among the top cities for jobs with Dallas/Plano/Irving ranked 6th. The Texas unemployment rate has remained at or below the national employment rate for 86 consecutive months. Pre-recession Texas employment peaked in August 2008, surpassed in November 2011, and by January 2014, Texas added an additional 721,000 jobs.

While the national job market shows signs of strengthening, job growth in 2014 is not expected to accelerate greatly. As of February 2014, the Bureau of Labor Statistics reported more than 7.1 million Americans had been unemployed for more than 15 weeks and the average length of unemployment was just over 37 weeks long. While the most recent private employment figures have shown 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 2014 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 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 in FY 2012-13 remain strong, with $69.2 million collected after peaking in FY 2011-12, with $70.5 million collected which was aided by a positive audit adjustment of $3.2 million. Plano's strong sales tax 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 slowed as new retail options have opened in neighboring communities and consumer confidence (and spending) has only recently approached and surpassed 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, $65.9 million represents the latest three-year average. Any amount collected over the $65.9 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. Texas saw an increase of 1.34% in personal income, which continues the positive trend for personal income growth in the state for 15 of the last 16 quarters. Texas has seen a personal income growth of 5.2% in 2013, with most economists predicting 2014 to remain constant. The Texas housing industry also looks well positioned to take advantage of Texas population growth. Migration of private sector business has resulted in an influx of new Texans. Taking this into account, economists have predicted a strong growth rate for the housing industry. An increase in the number of single family housing permits increased 13% in the past year. This growth is predicted to slightly increase as the economy strengthens and new businesses relocate to Texas.

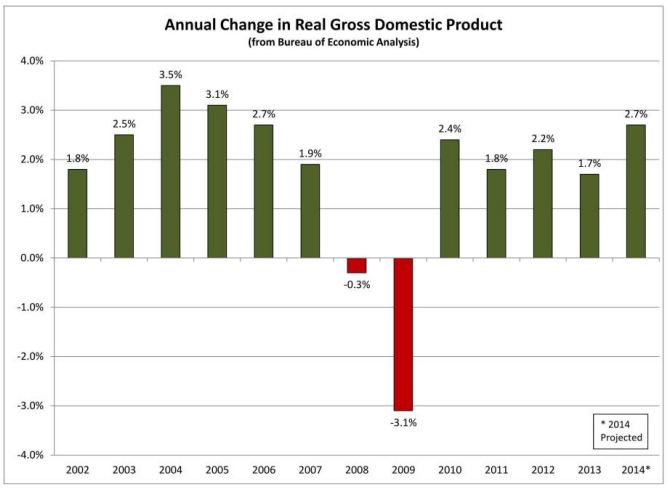
Plano continues to seek out high quality opportunities for economic development and business growth. With a history of attracting new construction and business expansions, Plano remains well positioned to benefit from the internal U.S. migration of people and businesses to Texas. Plano's Economic Development 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, as well as locally, home prices have seen an uptick in value with supply of new and existing homes dwindling. Single family housing permits continue to rise to meet demand for new home buyers in the market. In the housing boom between 2000 and 2007, annual housing starts averaged around 1.8 million per year. During the recession, housing starts dropped to the lowest amount in decades to 540,000 per year. Recently, there is a steady increase in housing starts, with 850,000 in 2013 and a projected 1,000,000 in 2014. 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 5% as households try to replenish some of their losses.

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 2014 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 2014 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.

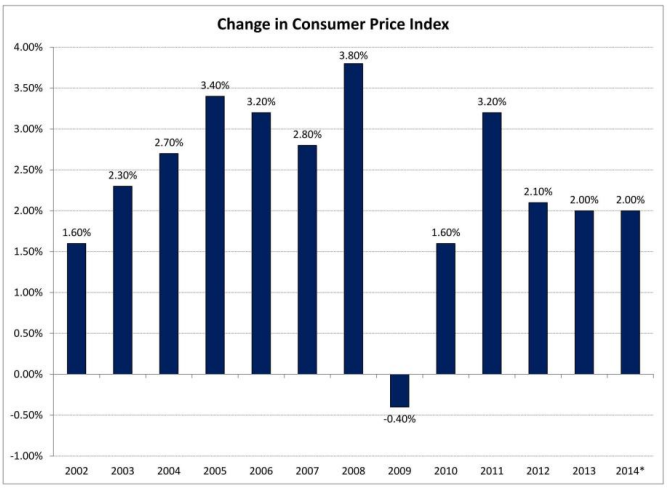


Real GDP has grown for 16 consecutive quarters, but with recent deceleration, the pace needed to significantly lower the national unemployment rate will not be attained in the near future. In Texas, Real GDP grew by 2.4% in 2013, outpacing the nation's 1.7%. Profits at S&P companies continue to be very strong and private domestic investment increased by 10.2% in preliminary BEA figures. The Congressional Budget Office projects that growth will pick up between 3% to 4% in 2015, but the economy will remain below its potential until after 2018 and that unemployment will remain above 6.0% until 2017. Real GDP is projected to grow by 3.1% in 2014 and 3.4% in 2015 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 7.0% 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.

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 1.2% 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 2013 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 2014-15 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 benefitting from a sound economy over the next three years.

Budget Assumption Matrix Revenues and Expenses 2014-15 thru 2016-17				
			Projected	
	ASSUMPTION	2014-15	2015-16	2016-17
Population:				
January 1, 2014	Current Population: 266,600 (Planning Dept.)			
2014-15	Increase 0.5% to 268,016 (Planning Dept.)	0.50%		
2015-16	Increase 0.8% to 270,240 (Planning Dept.)		0.80%	
2016-17	Increase 0.7% to 272,208 (Planning Dept.)			0.70%
Property Values:				
Existing Property Value:				
2014-15	Increase 5.0% to $28,751,432,103 (Central Appraisal District)	5.00%		
2015-16	Increase 4.0% to $30,201,489,387 (Central Appraisal District)		4.00%	
2016-17	Increase 3.0% to $31,407,534,068 (Central Appraisal District)			3.00%
New Property Value:				
2014-15	Increase $480,000,000 (Based on Central Appraisal District)			
2015-16	Increase $300,000,000 (Based on Building Permit Projections)			
2016-17	Increase $300,000,000 (Based on Building Permit Projections)			
Revenues:				
Taxes				
Ad Valorem Taxes:				
Current	Assume 99.0% collection rate			
Delinquent	Assume 1.0% delinquent rate			
Penalty & Interest	Based on historical trends in delinquent accts.			
New Debt				
2013-14 Re-Estimate	$21,200,000 (Bond Authority)			
2014-15	$40,000,000 (Bond Authority)			
2015-16	$40,000,000 (Bond Authority)			
2016-17	$40,000,000 (Bond Authority)			
Sales Tax:				
2013-14 Re-Estimate	$65,947,054			
2014-15	$65,947,054 (Constant) Based on 3-year average per City Council			
2015-16	$65,947,054 (Constant)			
2016-17	$65,947,054 (Constant)			
Franchise Taxes:				
2014-15	3.0% increase for Gas and constant for rest			
2015-16	Constant for all			

Budget Assumption Matrix Revenues and Expenses 2014-15 thru 2016-17				
			Projected	
	ASSUMPTION	2014-15	2015-16	2016-17
2016-17	Constant for all			
Interest Earnings				
2014-15	Based on Working Capital balance and historical actuals			
2015-16	Based on Working Capital balance and historical actuals			
2016-17	Based on Working Capital balance and historical actuals			
Building Related Revenues				
2014-15	Flat from 2013-14 Actuals	0.00%		
2015-16	Flat		0.00%	
2016-17	Flat			0.00%
Direct Population-Based (DP)				
2014-15	Increase 0.5% (Planning Dept.)	0.50%		
2015-16	Increase 0.8% (Planning Dept.)		0.80%	
2016-17	Increase 0.7 (Planning Dept.)			0.70%
Indirect Population-Based (IP)				
2014-15	Increase 0.25% (Planning Dept.)	0.25%		
2015-16	Increase 0.40% (Planning Dept.)		0.40%	
2016-17	Increase 0.35% (Planning Dept.)			0.35%
Direct Economy-Based (DE)				
2014-15	Increase 2.00% (Projected inflation rate)	2.00%		
2015-16	Increase 2.00% (Projected inflation rate)		2.00%	
2016-17	Increase 2.00% (Projected inflation rate)			2.00%
Indirect Economy-Based (IE)				
2014-15	Increase 1.00% (Projected inflation rate)	1.00%		
2015-16	Increase 1.00% (Projected inflation rate)		1.00%	
2016-17	Increase 1.00% (Projected inflation rate)			1.00%
GENERAL FUND				
Sales Tax	Based on 3-year average (City Policy)	0.00%	0.00%	0.00%
Mixed Drink Tax	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Bingo Gross Receipts Tax	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Franchise Fees				
Electrical Franchise	Constant	0.00%	0.00%	0.00%
Telephone Franchise	Constant	0.00%	0.00%	0.00%
Fiber Optics Franchise	Constant	0.00%	0.00%	0.00%
Gas Franchise	Increase 3.0% then Constant	3.00%	0.00%	0.00%
Cable TV Franchise	Constant	0.00%	0.00%	0.00%
Fines & Forfeits				
Municipal Court	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Library Fines	Indirect Population based increase (IP)	0.25%	0.40%	0.35%

Budget Assumption Matrix Revenues and Expenses 2014-15 thru 2016-17				
			Projected	
	ASSUMPTION	2014-15	2015-16	2016-17
Miscellaneous Revenue				
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	0.00%	0.00%	0.00%
Licenses & Permits				
Food Handlers Permits	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Land/Burning/Liquid Waste	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Grease Trap Permits	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Rental Registratin Fees	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Fire Inspection Fees	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Animal Licenses	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Restaurant Plan Review	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Alarm Permits	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
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%
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)	0.25%	0.40%	0.35%
Irrigation Permits	Based on building & development projection	0.00%	0.00%	0.00%
Day Laborer Fees	Constant	0.00%	0.00%	0.00%
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	0.00%	0.00%	0.00%
Fees & Charges for Services				
Animal Pound & Adopt. Fee	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Ambulance Service	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
False Alarm Response	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Emergency 911	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
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%

Budget Assumption Matrix Revenues and Expenses 2014-15 thru 2016-17				
			Projected	
	ASSUMPTION	2014-15	2015-16	2016-17
Reinspection Fee	Based on building & development projection	0.00%	0.00%	0.00%
File Searches	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Same Day Inspection Fee	Based on building & development projection	0.00%	0.00%	0.00%
Convenience Copiers	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Lease Fee	Constant	0.00%	0.00%	0.00%
Recreation User Fee	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Recreation Rental Fee	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Swimming Fee	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Recreation Membership Card Fee	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Tennis Center Fee	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Food Manager/Handler Training	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Tree Trimming Assessments	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Child Safety Fee	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Sundry	4.0% per year increase	4.00%	4.00%	4.00%
Intergovernmental Revenue				
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.	Based upon schedule of costs reimbursed			
Interlocal Radio System Access	Constant	0.00%	0.00%	0.00%
Intragovernmental Transfers				
Intra-Fund Transfers From:				
Water & Sewer Fund	5.0% 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			
Municipal Drainage Fund	7.0% of Fees			
WATER & SEWER FUND				
Water Income	Direct Population based increase (DP), and North Texas Municipal Water District	9.68%	8.31%	8.32%
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	2.08%	2.92%	1.49%
Water & Sewer Penalties	Direct Population based increase (DP)	0.50%	0.80%	0.70%
Water Meters	Indirect Economy based increase (IE)	1.00%	1.00%	1.00%

Budget Assumption Matrix Revenues and Expenses 2014-15 thru 2016-17				
			Projected	
	ASSUMPTION	2014-15	2015-16	2016-17
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%
CONVENTION & TOURISM FUND				
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	0.00%	0.00%	0.00%
Interest Earnings	Based on historical actuals & ending working bal.			
SUSTAINABILITY & ENVIRONMENTAL SERVICES FUND				
Commercial Franchise	Direct Economy based increase (DE)	2.00%	2.00%	2.00%
Special Refuse Collection	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Residential Collection	Direct Population based increase (DP)	0.50%	0.80%	0.70%
Allied Waste, Inc.	Direct Economy based increase (DE)	2.00%	2.00%	2.00%
Recycling	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Sale of Landscape Bags	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Tipping Fee	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Contributions via Utility Billing	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Sale of Compost	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
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%
MUNICIPAL DRAINAGE FUND				
Residential Class Fees	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Commercial Class Fees	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Interest Earnings	Based on historical actuals & ending working bal.			
MUNICIPAL GOLF COURSE FUND				
Golf Fees	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Concessions	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Miscellaneous	Constant	0.00%	0.00%	0.00%
Interest Earnings	Based on historical actuals & ending working bal.			
RECREATION REVOLVING FUND				
Recreation Fees	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Contributions	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Sundry	Indirect Population based increase (IP)	0.25%	0.40%	0.35%
Interest	Based on historical actuals & ending working bal.			

Budget Assumption Matrix Revenues and Expenses 2014-15 thru 2016-17				
			Projected	
	ASSUMPTION	2014-15	2015-16	2016-17
Expenses:				
Inflation				
2014-15	Based on CPI/US Dept. of Labor	2.0%		
2015-16	Based on CPI/US Dept. of Labor		2.0%	
2016-17	Based on CPI/US Dept. of Labor			2.0%
Salaries, Wages & Benefits				
Salaries (Civil & Non-Civil Service)				
2014-15	Increase 0.0% (Management projections)	0.00%		
2015-16	Increase 0.0% (Management projections)		0.00%	
2016-17	Increase 0.0% (Management projections)			0.00%
RSP				
2014-15	Remain constant at 3.28% of salary (RSP Board)			
2015-16	Remain constant at 3.28% of salary (RSP Board)			
2016-17	Remain constant at 3.28% of salary (RSP Board)			
Life Insurance				
2014-15	Remain constant at 1.00% of salary (Calculation)			
2015-16	Remain constant at 1.00% of salary (Calculation)			
2016-17	Remain constant at 1.00% of salary (Calculation)			
Disability				
2014-15	Remain constant at 0.07% of salary (Calculation)			
2015-16	Remain constant at 0.07% of salary (Calculation)			
2016-17	Remain constant at 0.07% of salary (Calculation)			
Medicare				
2014-15	Remain constant at 1.45% of salary (Calculation)			
2015-16	Remain constant at 1.45% of salary (Calculation)			
2016-17	Remain constant at 1.45% of salary (Calculation)			
TMRS				
2014-15	Increase to 18.75% of salary (Full TMRS Phase in Rate)			

Budget Assumption Matrix Revenues and Expenses 2014-15 thru 2016-17				
			Projected	
	ASSUMPTION	2014-15	2015-16	2016-17
2015-16	Remain constant at 18.75% of salary (Full TMRS Phase in Rate)			
2016-17	Remain constant at 18.75% of salary (Full TMRS Phase in Rate)			
Health Insurance				
2014-15	Remain constant			
2015-16	Remain constant			
2016-17	Remain constant			
OPEB				
2014-15	$2,244 (Human Resources)			
2015-16	Remain constant at $2,244			
2016-17	Remain constant at $2,244			
Attrition				
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			
2016-17	3.0% for General Fund and 1.0% for other Funds			
Depreciation				
2014-15	Method remains constant each year (Historical & ERF)			
2015-16	Method remains constant each year (Historical & ERF)			
2016-17	Method remains constant each year (Historical & ERF)			
Municipal Garage Charges				
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%	
2016-17	Increase 5.0% (Equip. Svcs, gas and oil price inc.)			5.00%
Postage				
2014-15	Increase 2.0%	2.00%		
2015-16	Increase 2.0%		2.00%	
2016-17	Increase 2.0%			2.00%
Electricity				
2014-15	Remain constant (Dept. Of Energy)	0.00%		
2015-16	Remain constant (Dept. Of Energy)		0.00%	
2016-17	Remain constant (Dept. Of Energy)			0.00%
Natural Gas				
2014-15	Flat (Dept. Of Energy)	0.00%		
2015-16	Increase 4.0% (Dept. Of Energy)		4.00%	

Budget Assumption Matrix Revenues and Expenses 2014-15 thru 2016-17				
			Projected	
	ASSUMPTION	2014-15	2015-16	2016-17
2016-17	Increase 3.0% (Dept. Of Energy)			3.00%
Capital Outlay				
2014-15	$1,000,000 per year for library books (Historical)			
2015-16	$1,000,000 per year for library books (Historical)			
2016-17	$1,000,000 per year for library books (Historical)			
Existing Expenditures				
2014-15	Remain Constant	0.00%		
2015-16	Remain Constant		0.00%	
2016-17	Remain Constant			0.00%
North Texas Municipal Water District (NTMWD)				
Water				
2013-14	Price per 1,000 gal $1.87			
2014-15	Increase $0.19 per 1,000 gal to $2.06	10.16%		
2015-16	Increase $0.18 per 1,000 gal to $2.24		8.74%	
2016-17	Increase $0.18 per 1,000 gal to $2.42			8.04%
Wastewater				
2013-14	Price per 1,000 gal $1.57			
2014-15	Increase $0.04 per 1,000 gal to $1.61	2.55%		
2015-16	Increase $0.05 per 1,000 gal to $1.66		3.11%	
2016-17	Increase $0.02 per 1,000 gal to $1.68			1.20%
Upper East Fork Interceptor System				
2013-14	Price per 1,000 gal $0.90			
2014-15	Increase $0.02 per 1,000 gal to $0.92	2.22%		
2015-16	Increase $0.04 per 1,000 gal to $0.96		4.35%	
2016-17	Increase $0.04 per 1,000 gal to $1.00			4.17%
EWS-Regional Landfill				
2013-14	Price per ton $40.87			
2014-15	Increase to $42.42	3.79%		
2015-16	Increase to $44.11		3.98%	
2016-17	Increase to $44.93			1.86%
GENERAL FUND TRANSFERS				
Capital Reserve				
2014-15	Transfer $17,200,000 (Based on revised Capital Reserve Policy/CIP)			
2015-16	Transfer $19,500,000 (Based on revised Capital Reserve Policy/CIP)			
2016-17	Transfer $22,000,000 (Based on revised Capital Reserve Policy/CIP)			

Budget Assumption Matrix Revenues and Expenses 2014-15 thru 2016-17				
			Projected	
	ASSUMPTION	2014-15	2015-16	2016-17
Economic Dev. Incentive Fund				
2014-15	Transfer $5,692,784 (2 cents on tax rate)			
2015-16	Transfer $5,979,895 (2 cents on tax rate)			
2016-17	Transfer $6,218,692 (2 cents on tax rate)			
Technology Fund				
2014-15	Total transfer to remain constant @ $1.4 million a year, divided among Funds who contribute: (Calculation)			
2015-16	General Fund = $1,000,000			
2016-17	Water & Sewer Fund = $300,000			
	Sustainability & Env. Svcs. Fund = $60,000			
	Municipal Drainage Fund = $20,000			
	Convention & Tourism Fund = $20,000			
PTN Fund				
2014-15	Transfer $250,000 (Calculation)			
2015-16	Transfer $250,000 (Calculation)			
2016-17	Transfer $250,000 (Calculation)			
Property & Liability Loss				
2014-15	Transfer $3,936,027 (Calculation)			
2015-16	Transfer $3,900,000 (Calculation)			
2016-17	Transfer $3,900,000 (Calculation)			

Plano

City of Excellence

General Fund

Recurring Revenue Vs. Recurring Expenditures

	2012-13 Actual	2013-14 Budget	2013-14 Re-Est.	2014-15 Projected	2015-16 Projected	2016-17 Projected
Recurring Revenue						
Ad Valorem Taxes	$81,345,913	$88,281,249	$88,281,249	$97,518,164	$104,242,701	$110,119,487
Sales Tax	68,723,680	61,503,635	65,947,054	65,947,054	65,947,054	65,947,054
Franchise Fees	22,455,606	22,792,394	23,744,572	23,830,281	23,830,281	23,830,281
Fines & Forfeits	8,060,626	8,080,568	7,829,625	7,849,199	7,880,596	7,908,178
Building & Development	5,619,948	4,850,528	5,229,078	5,179,078	5,179,078	5,179,078
Licenses & Permits	3,770,094	3,346,078	3,746,911	3,754,172	3,767,123	3,778,501
Fees & Charges for Services	11,163,450	11,580,259	11,489,014	11,480,510	11,573,770	11,664,869
Intergovernmental	1,026,495	1,027,049	1,041,632	1,041,632	1,041,632	1,041,632
Interest Income	144,258	500,000	150,000	150,000	150,000	150,000
Transfers In	18,690,124	19,196,857	18,801,730	19,335,116	19,795,701	20,254,822
CIP Coming On-Line	0	0	0	50,000	220,000	270,000
Other	3,085,016	2,561,330	2,695,225	2,709,022	2,725,288	2,741,323
Total Recurring Revenue	$224,085,210	$223,719,946	$228,956,089	$238,844,227	$246,353,223	$252,885,225
Recurring Expenditures						
Salaries & Wages	$150,908,874	$164,740,888	$163,047,370	$168,055,365	$167,795,636	$167,948,490
Supplies & Services	46,091,852	53,809,394	59,699,623	54,682,622	54,941,815	55,208,296
Reimbursements	-2,359,999	-2,683,143	-2,683,143	-2,683,143	-2,683,143	-2,683,143
CIP Coming On-Line	0	0	0	735,607	2,011,177	2,734,790
Capital Outlay	1,446,397	1,133,800	1,593,023	1,000,000	1,000,000	1,000,000
Total Recurring Expenditures	$196,087,124	$217,000,939	$221,656,873	$221,790,451	$223,065,485	$224,208,433
Transfers Out	24,654,425	26,623,744	26,536,653	28,078,811	30,629,895	33,368,692
Fund Balance - Beginning	**$52,966,763**	**$37,948,439**	**$56,310,424**	**$37,072,987**	**$26,047,952**	**$18,705,795**
Total Recurring Revenue	**$224,085,210**	**$223,719,946**	**$228,956,089**	**$238,844,227**	**$246,353,223**	**$252,885,225**
Total Recurring Expenditures	**$196,087,124**	**$217,000,939**	**$221,656,873**	**$221,790,451**	**$223,065,485**	**$224,208,433**
Less: Transfers Out	**$24,654,425**	**$26,623,744**	**$26,536,653**	**$28,078,811**	**$30,629,895**	**$33,368,692**
Fund Balance - Ending	**$56,310,424**	**$18,043,702**	**$37,072,987**	**$26,047,952**	**$18,705,795**	**$14,013,894**
Required 30 Day Balance				**$18,229,352**	**$18,705,795**	**$18,428,090**
Add'l Revenues or Program Reductions to Meet 30 Days						**$4,414,196**
Days of Operation			**61**	**43**	**30**	**30**
Total Assessed Property Value			**$26,925,173,431**	**$28,751,432,103**	**$30,201,489,387**	**$31,407,534,068**
Tax Split:						
Debt	**0.1694**	**0.1590**	**0.1590**	**0.1475**	**0.1415**	**0.1360**
Operations	**0.3192**	**0.3296**	**0.3296**	**0.3411**	**0.3471**	**0.3526**
	0.4886	**0.4886**	**0.4886**	**0.4886**	**0.4886**	**0.4886**
Operating Tax Rate to be Transferred from Debt				**0.0115**	**0.0060**	**0.0055**
Equivalent Amount				**$3,306,415**	**$1,812,089**	**$1,727,414**

*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

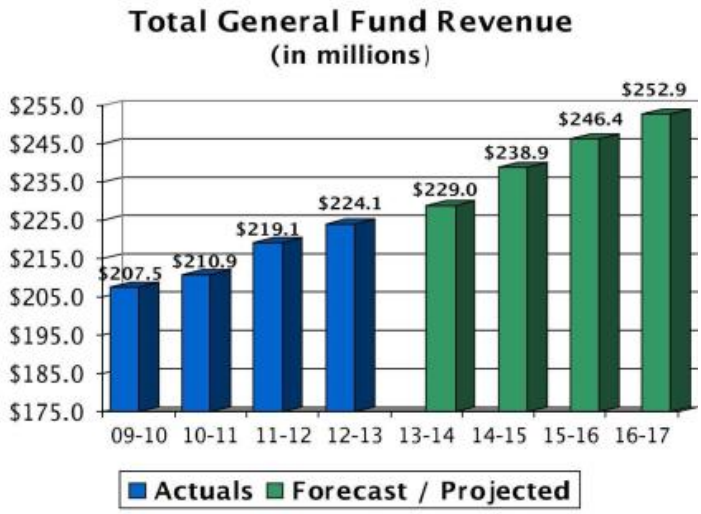
Miscellaneous receipts include revenues such as interest income, rents, and insurance collections.

Other Financing Sources:

Operating Transfers In

Transfers from other City funds.

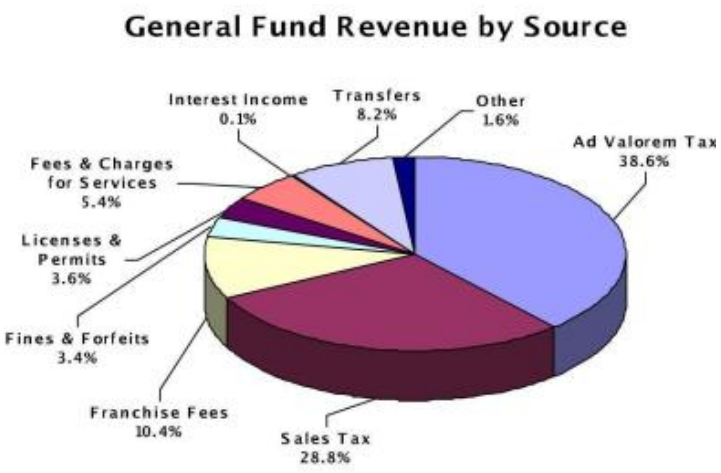
The General Fund accounts for most financial resources except those required for debt or specifically attributable to the enterprise funds. Resources are generated by property (ad valorem) and other taxes, franchise fees, fines & forfeits, licenses & permits, and fee & charges for services.



The graph above shows the historical trends and projections for all General Fund revenues. As illustrated, revenues in the General Fund in 2009-10 and 2010-11 were weak due to the peak of the economic recession; specifically property taxes, sales tax and building and development related revenues were very weak. A rebound occurred beginning in 2011-12 as a result of the improving economy and greater consumer confidence which translated into increased revenue growth for the City.

The rebound continues today and this forecast projects an ending 2014-15 General Fund balance of 43 days of operation which equates to 13 days or $7.8 million over the required 30 days of operation. The improving local and national economy and the projected 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 2016-17, total General Fund revenues are estimated to be $252.9 million.

The major sources that make up the General Fund revenues for 2013-14 include: Ad Valorem Tax (38.6%), Sales Tax (28.8%), Franchise Fees (10.4%), Fines & Forfeits (3.4%), Licenses & Permits (3.6%), Fees & Charges for Services (5.4%), Interest Income (0.1%), Transfers (8.2%), and Other (1.6%). A description of each source as well as a discussion of the outlook over the next three years follows.



Ad Valorem Taxes

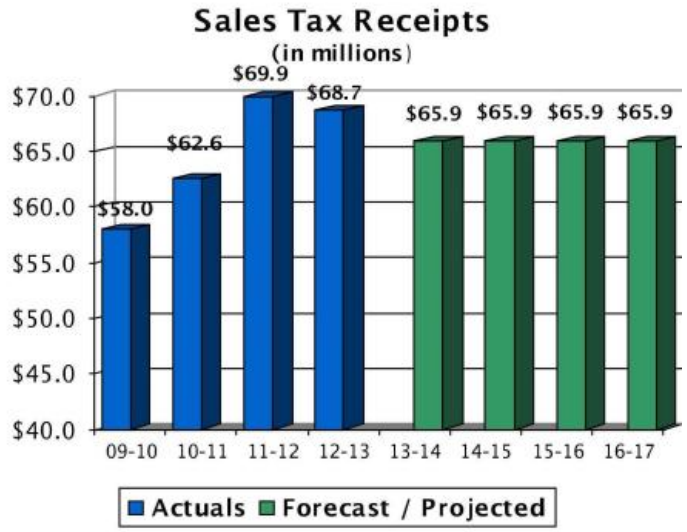
Ad valorem (property) taxes are the City's largest revenue source. Ad valorem tax revenue is determined by two major factors: the total assessed value established by both the Central Appraisal Districts of Collin County and Denton County plus the tax rate established by the City Council. The City's current tax rate of 48.86 cents per $100 of assessed valuation, unchanged since 2009-10, 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 $0.023 cents ($0.0115 in 2014-15, $0.0060 in 2015-16 and $0.0055 in 2016-17) will be transferred back from the General Obligation (G.O.) Debt Fund to fund General Fund Operations.

Based on projections attained by both Central Appraisal Districts, existing property values are projected to increase 5.0% in 2014-15, 4.0% in 2015-16, and 3.0% in 2016-17. New growth is projected at $480.0 million in 2014-15 and then at $300.0 million in 2015-16 and 2016-17.

Sales Tax

Sales tax receipts, the General Fund's second largest source of revenue, are re-estimated for 2013-14 at $65.9 million, up from the initial 2013-14 budgeted amount of $61.5 million. Based on the current City Council policy, sales tax projections will be based on the past three year average of sales tax collections net any audit adjustments. The $65.9 million represents the latest three-year average. Any amount collected over the $65.9 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 $65.9 million, even though a positive trend has developed and the City has the potential to collect more than our forecasted amount. Additionally, the City can expect to see increases as a result of liquor sales which are now allowed in Plano. 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.



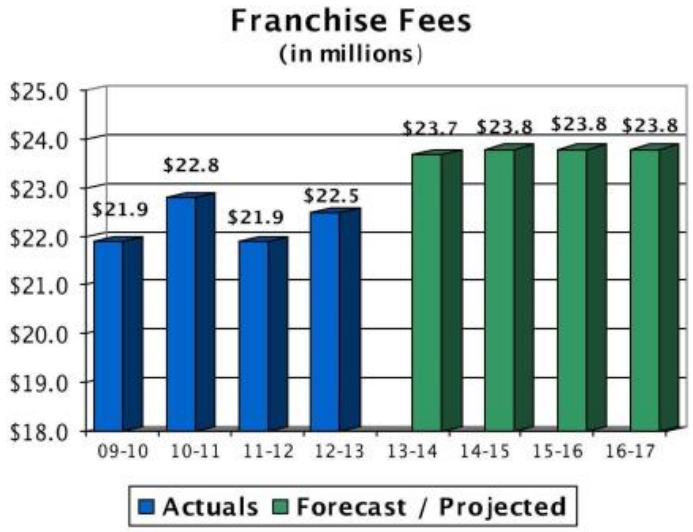
The graph above shows the historical trends and projections for sales tax receipts.

Franchise Fees

Franchise fees for 2013-14 are expected to total $23.7 million, or 10.4% 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, Cable Television, and Electrical franchise fees are all projected to remain relatively constant for the forecast period. Telephone franchise fees are re-estimated for 2013-14 at $4.1 million; Fiber Optics franchise fees are re-estimated for 2013-14 at $42,588; Cable Television franchise fees are re-estimated for 2013-14 at $4.2 million; and Electrical franchise fees are re-estimated for 2013-14 at $12.5 million.

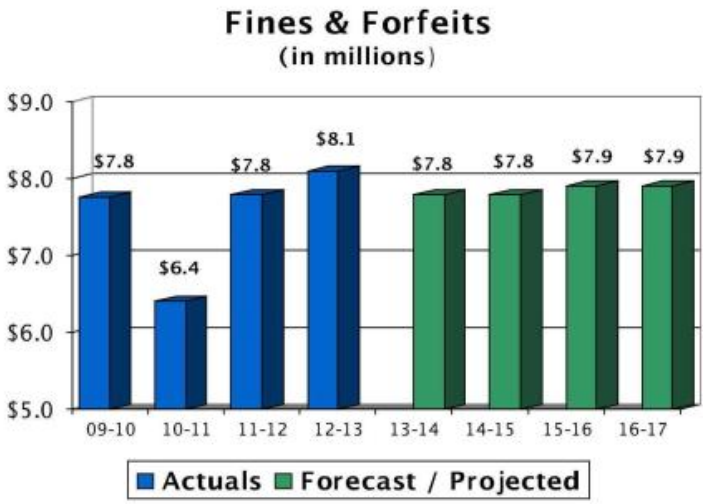
Gas franchise fees are re-estimated up for 2013-14 to $2.9 million from the original budgeted amount of $2.3 million due to unusually cold months near the end of calendar year 2013. Gas franchise fees are projected to increase by 3% for 2014-15 due to the continued cold winter currently being experienced in 2014 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 Natural Gas which assumes a 4% increase in 2015-16 and a 3% increase in 2016-17, as projected by the Department of Energy.



The graph above shows the historical trends and projections for franchise fee revenue. By 2016-17, this revenue source is estimated to reach $23.8 million, a 6.1% increase over 2012-13 revenues.

Fines & Forfeits

Fines and forfeits for 2013-14 are expected to decrease slightly to $7.8 million, down $231,001 from 2012-13 actuals primarily due to year to date collections of municipal court fines. All fines and forfeits are projected to increase at the indirect population-based rate of 0.25% in 2014-15, 0.40% in 2015-16, and 0.35% in 2016-17. This category of revenue includes court fines and forfeitures, traffic fines, and library fines.



The graph above shows the historical trends and projections for fines and forfeits revenue. By 2016-17, this revenue source is estimated to be $7.9 million, a 1.9% decrease under 2012-13 revenues.

Licenses & Permits

Licenses and permits for 2013-14 are expected to total $8.2 million, or 3.6% 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 continued strength in the local housing and commercial construction market, all building & development related revenues are projected to remain constant at the 2013-14 re-estimated level and throughout the forecast period.

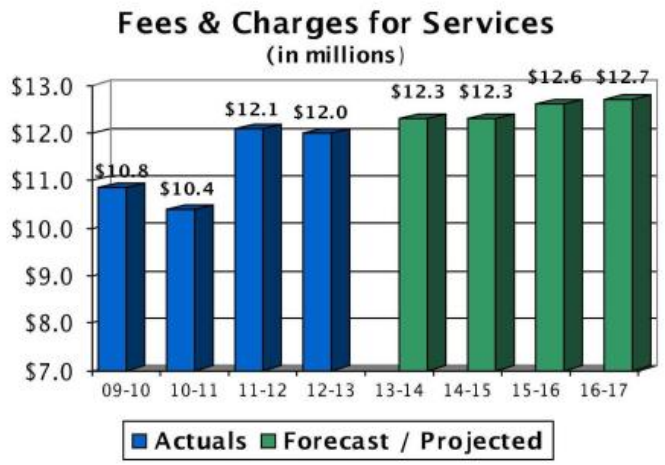
Most other licenses and permits revenues are projected to increase at the indirect population-based rate of 0.25% in 2014-15, 0.40% in 2015-16, and 0.35% in 2016-17.

The graph above shows the historical trends and projections for licenses and permits revenue. By 2016-17, this revenue source is estimated to be $8.2 million, a 3.8% decrease under 2012-13 revenues.

Fees & Charges for Services

Fees and charges for services for 2013-14 are expected to total $12.3 million, or 5.4% 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 0.25% in 2014-15, 0.40% in 2015-16, and 0.35% in 2016-17. Any building & development related revenues within this category are projected to remain constant at the 2013-14 re-estimated level.

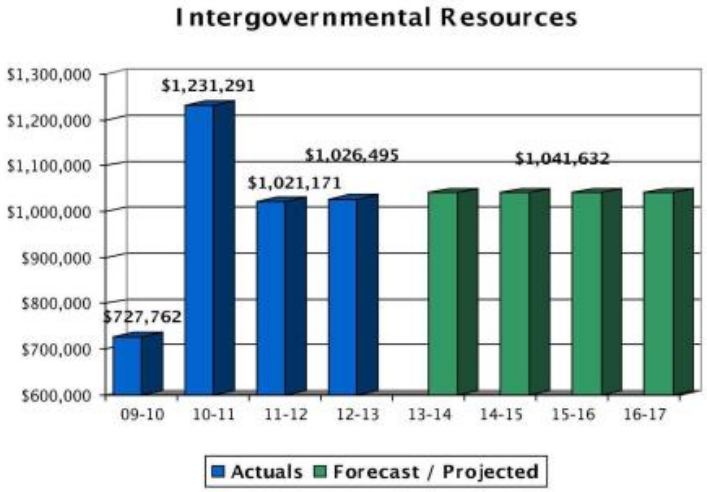


The graph above shows the historical trends and projections for fees and charges for services revenue. By 2016-17, this revenue source is estimated to reach $12.7 million, a 5.5% increase over 2012-13 revenues.

Intergovernmental Resources

Intergovernmental resources for 2013-14 are expected to total $1.0 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 $1.0 million.

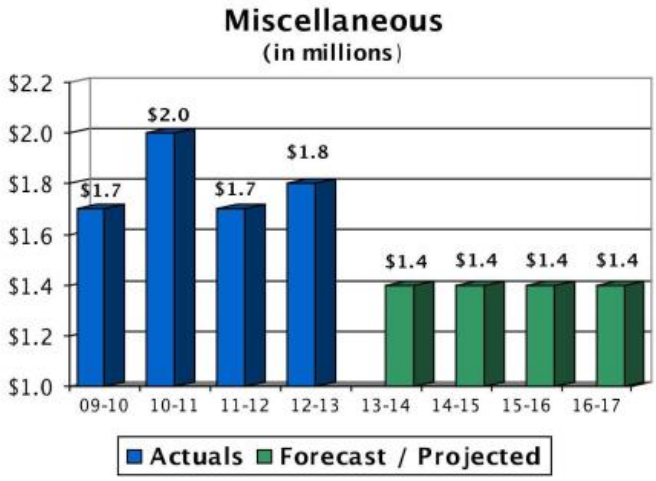


The graph above shows the historical trends and projections for intergovernmental revenue.

Other

Miscellaneous revenues for 2013-14 are expected to total $1.4 million. Miscellaneous receipts include revenues such as interest income, rents, and insurance collections.

Interest income is projected to be $150,000 in 2013-14 and then remain constant throughout the remaining forecast period.

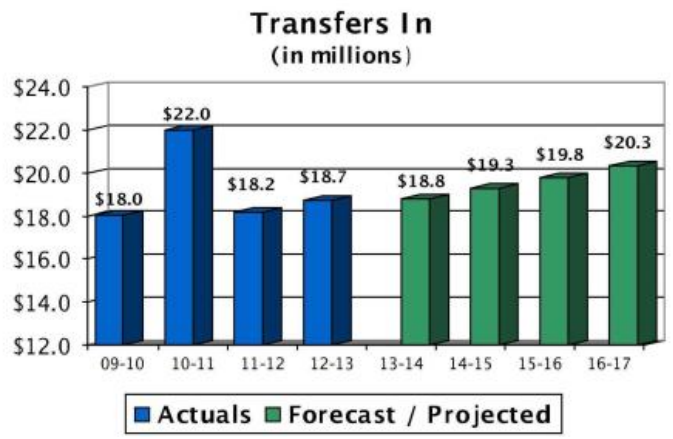


The graph above shows the historical trends and projections for miscellaneous/other revenue. By 2016-17, this revenue source is estimated to be $1.4 million.

Other Financing Sources:

Operating Transfers In

Transfers in for 2013-14 are expected to total $18.8 million, or 8.2% 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.



The graph above shows the historical trends and projections for transfers in. By 2016-17, this revenue source is estimated to reach $20.3 million, an 8.4% increase over 2012-13 revenues.

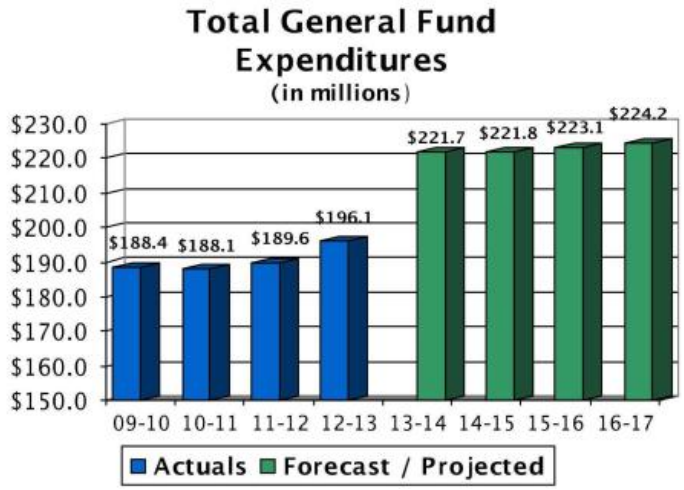
CIP Coming On-Line

Additional revenues anticipated in the future as a result of new facilities coming on-line include the Oak Point Recreation Center expansion, the Oak Point Nature Retreat Center, the Jack Carter Pool renovation, and the Carpenter Recreation Center Pool Addition. In 2014-15, $12,000 in additional revenue is anticipated for a partial year operation at the expanded Oak Point Recreation Center and $38,000 is anticipated for a partial year operation at the Oak Point Park Outdoor Center. In 2015-16, $70,000 in additional swimming fees is included as a result of the Jack Carter Pool renovation; $50,000 in additional user fees is included for a partial year as a result of the Carpenter Recreation Center pool addition; another $12,000 is included for a partial year operation at the expanded Oak Point Park Recreation Center; and another $38,000 is also included for a partial year operation at the Oak Point Nature Retreat Center. Finally, in 2016-17, another $50,000 in additional revenue is included for a partial year operation at the Carpenter Recreation Center as a result of the pool addition.

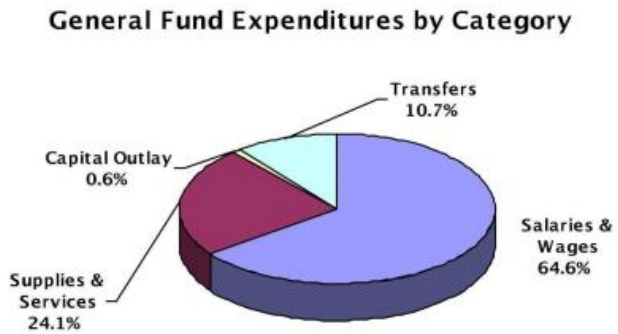
Operating Expenditures

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. As a result of this ever-changing environment, careful financial planning and budgeting are integral to the budget process as it is known today. The latest economic downturn challenged the City to operate with significantly less revenues and reduced staffing levels while maintaining the service levels our citizens have come to expect.

The following graph shows the historical trends and projections for all General Fund expenditures. As can be seen from the graph, expenditures remained relatively constant from 2009-10 to 2012-13. Beginning with the 2013-14 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 twenty (20) new positions which were directly tied to restoration and enhancement of Public Safety programs.



The major expenditures that make up the General Fund by category for 2013-14 include: Salaries & Wages (64.6%), Supplies & Services (24.1%), Capital Outlay (0.6%), and Transfers (10.7%). 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
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 2016-17. 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 and oil costs. Postage charges are projected to increase 2.0% in each of the three forecast periods to coincide with the anticipated inflation rate. Finally, electricity charges are projected to remain constant throughout the forecast period and natural gas is expected to remain flat in 2014-15 and then increase 4.0% in 2015-16 and then 3.0% in 2016-17.

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 $15.0 million in 2013-14 to $17.2 million in 2014-15 based on the recently updated Capital Reserve Policy. In 2015-16, the amount increases to $19.5 million and then in 2016-17, the amount increases to $22.0 million.

The Property & Liability Loss Fund transfer is projected based on a three-year average of General Fund losses. The transfer is projected at approximately $3.9 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 is scheduled at $250,000 for each year of the forecast period.

This forecast continues the transfer to the Economic Development Incentive Fund which was established in 2006-07 when 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 $5.7 million in 2014-15; $6.0 million in 2015-16; and $6.2 million in 2016-17. These forecasted amounts represent only the actual two-cent property tax revenue and does not include any 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 operating and maintenance costs associated with Community Investment Projects coming on-line during the forecast period totaling over $2.7 million. These projects include an expansion of the Oak Point Recreation Center, addition of a pool at Carpenter Park Recreation Center, the Oak Point Nature Retreat Center, the Jack Carter pool renovation, the Liberty Recreation Center expansion, additional Park Improvements, and Facility Additions & Expansions. 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 forecast, the projected working capital is at 43 days or $7.8 million over the financial policy. In 2015-16 the General Fund is balanced at exactly 30 days. However, in 2016-17, the last year of the forecast period, the General Fund will fall short of this Council goal. Specifically, the General Fund will need an additional $4.4 million in additional revenues, reduced expenditures, or a combination of both to reach the 30 day working balance requirement.

Over the next several months, as we prepare the Fiscal Year 2014-15 Budget and Community Investment Program, we will continue our focus on quality of service, investment in our workforce, maintaining addressing the backlog of capital projects and ensuring our Economic Development Incentive Fund is adequately funded. In addition, 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.

General Obligation Debt Service Fund

Recurring Revenue Vs. Recurring Expenditures

	2012-13 Actual	2013-14 Budget	2013-14 Re-Est.	2014-15 Projected	2015-16 Projected	2016-17 Projected
Recurring Revenue						
Ad Valorem Taxes	$43,108,075	$42,263,065	$42,263,065	$41,803,318	$42,074,627	$41,995,686
Interest Income	0	33,000	33,000	33,000	33,000	33,000
Police Academy Reimbursement	147,380	150,597	150,597	150,597	150,597	150,597
Other Revenue	0	0	0	0	0	0
Total Recurring Revenue	$43,255,455	$42,446,662	$42,446,662	$41,986,915	$42,258,224	$42,179,283
Recurring Expenditures						
Principal	$24,150,000	$23,805,000	$23,805,000	$23,445,000	$25,700,144	$25,933,651
Interest	12,796,090	12,585,745	12,492,108	12,606,362	13,478,837	14,221,077
Trans to Tech Infra & Pub Art	241,100	197,612	197,613	200,813	198,588	201,150
Transfer to Tax Notes Moto Mesh	2,085,200	0	0	0	0	0
Transfer to Tx Nt MotoMesh& Radio Sys	2,733,469	2,754,581	2,754,581	2,769,281	0	0
Transfer to Tax Notes Radio System	990,619	999,919	999,919	1,012,275	1,020,075	0
Transfer to CO's Radio System	903,775	906,876	906,876	906,624	906,000	905,400
Exchange Fees	6,516	9,500	9,500	9,500	9,500	9,500
New Debt	0	889,080	492,900	930,000	930,000	930,000
Total Recurring Expenditures	$43,906,769	$42,148,314	$41,658,496	$41,879,854	$42,243,143	$42,200,778
Fund Balance - Beginning	**$2,224,744**	**$1,542,160**	**$1,573,430**	**$2,361,596**	**$2,468,657**	**$2,483,738**
Total Recurring Revenue	**$43,255,455**	**$42,446,662**	**$42,446,662**	**$41,986,915**	**$42,258,224**	**$42,179,283**
Total Recurring Expenditures	**$43,906,769**	**$42,148,314**	**$41,658,496**	**$41,879,854**	**$42,243,143**	**$42,200,778**
Fund Balance - Ending	**$1,573,430**	**$1,840,508**	**$2,361,596**	**$2,468,657**	**$2,483,738**	**$2,462,242**
Total Assessed Property Value			**$26,925,173,431**	**$28,751,432,103**	**$30,201,489,387**	**$31,407,534,068**
Tax Split:						
Debt	**0.1694**	**0.1590**	**0.1590**	**0.1475**	**0.1415**	**0.1360**
Operations	**0.3192**	**0.3296**	**0.3296**	**0.3411**	**0.3471**	**0.3526**
	0.4886	**0.4886**	**0.4886**	**0.4886**	**0.4886**	**0.4886**

*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

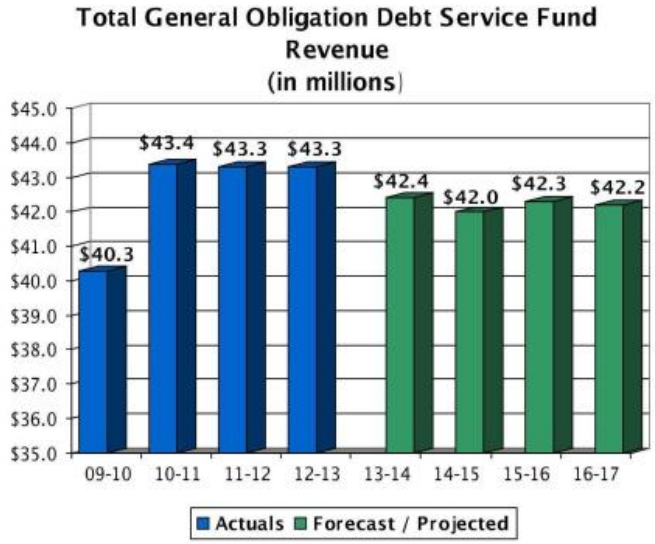
Miscellaneous receipts include revenues such as interest income and reimbursements from the other member city (Richardson) for a portion of the debt on the shared Police Academy.

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 at least 2.5% of the current year debt service levy in the ending fund balance.

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



The 2014-15, 2015-16 and 2016-17 total General Obligation (G.O) Debt Service Fund revenues are estimated at $42.0, $42.3 and $42.2 million respectively.

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, a plan for a moderate level of debt issuances in the forecast period and paying off existing debt, the debt allocation of the tax rate is projected to decline from .1590 to .1360 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 2014-15 is $28.8 billion which is an increase of 6.8% compared to $26.9 billion in 2013-14. Adjustments are made for TIF Districts, 380 Agreements and the Senior Tax Freeze.

Ad valorem tax revenue is based on maintaining the 2013-14 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 were paid off and 2008 and 2009 Tax Notes will be paid off in FY 2014-15 and FY 2015-16 respectively. By the end of the forecast period, 2.3 cents is projected to be transferred from the General Obligation (G.O.) Debt Fund to General Fund Operations.

Other

Miscellaneous revenues for 2013-14 have been re-estimated at a total of $33,000 and are comprised exclusively of interest income

Interest income is projected to remain at the re-estimate level of $33,000 for each of the three years in the forecast period due to expected low returns from securities held by the GO Debt Fund.

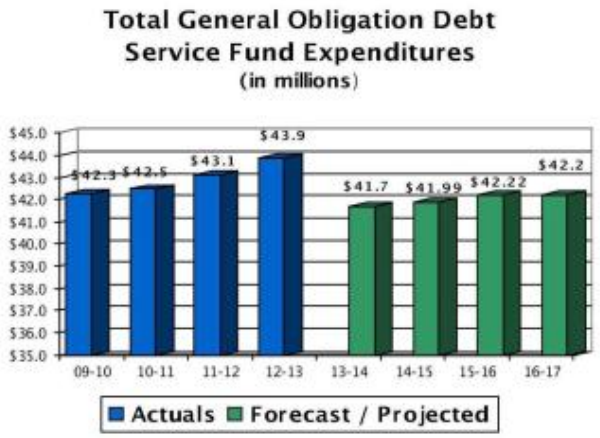
Other Financing Sources:

Operating Transfers In

The Police Academy reimbursement for 2013-14 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.



Existing bond authority will be used to fund community investment projects into 2016-17 from the $56.3 million in remaining authority provided by Plano voters on May 9, 2009 and $93.6 million approved by Plano voters in the May 11, 2013 Bond Referendum Election.

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. A bond sale will take place in April 2014, which will include $21.2 million for new projects and refund approximately $8.4 million in outstanding debt. For the purpose of this forecast, a $40 million bond sale is assumed for each of the three fiscal years 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 in annual bond sales.

Water & Sewer Fund

Recurring Revenue Vs. Recurring Expenditures

	2012-13 Actual	2013-14 Budget	2013-14 Re-Est.	2014-15 Projected	2015-16 Projected	2016-17 Projected
Recurring Revenue						
Water Income	$67,363,201	$72,352,183	$67,307,386	$73,824,083	$79,961,175	$86,612,350
Sewer Income	50,432,745	51,415,572	51,195,746	52,261,919	$53,787,032	$54,590,202
Water Taps	104,885	104,274	104,274	105,317	106,370	107,434
Water & Sewer Penalties	1,347,468	1,405,097	1,405,097	1,412,122	1,423,419	1,433,383
Water Meters	265,623	219,631	271,203	273,915	276,654	279,421
Construction Water	211,894	226,052	226,052	228,313	230,596	232,902
Service Connect Fee	223,438	222,082	222,082	224,303	226,546	228,811
Backflow Testing	477,925	490,431	490,431	495,335	500,289	505,292
Sewer Tie-On	23,450	26,008	26,008	26,268	26,531	26,796
Pre-Treatment Permits	31,540	32,845	32,845	33,173	33,505	33,840
Interest Earnings	63,330	120,000	65,000	65,000	65,000	65,000
Educational Building	157,239	157,239	157,239	0	0	0
W & S Reserve Fund	0	0	0	0	0	2,000,000
Misc. Income	591,341	505,000	606,767	612,835	618,963	625,153
Total Recurring Revenue	$121,294,079	$127,276,413	$122,110,130	$129,562,583	$137,256,080	$146,740,583
Recurring Expenditures						
Salaries & Benefits	$9,314,071	$9,603,370	$9,758,135	$9,951,393	$9,960,221	$9,969,048
Supplies & Services	6,533,742	7,733,328	7,904,707	7,878,905	7,929,626	7,982,688
NTMWD	65,389,534	73,478,070	71,410,872	78,859,604	84,516,213	89,890,854
Retirement of NTMWD Debt	816,511	831,485	831,445	819,950	824,600	836,650
Reimbursements	860,597	875,704	875,704	893,043	893,847	894,651
Capital Outlay	70,534	14,000	20,000	0	0	0
Total Recurring Expenditures	$82,984,989	$92,535,957	$90,800,863	$98,402,895	$104,124,506	$109,573,891
Transfers Out	35,376,352	39,949,030	37,568,904	36,282,490	35,775,214	36,280,255
Fund Balance - Beginning	**$24,451,298**	**$25,567,469**	**$27,384,036**	**$21,124,400**	**$16,001,597**	**$13,357,957**
Total Recurring Revenue	**$121,294,079**	**$127,276,413**	**$122,110,130**	**$129,562,583**	**$137,256,080**	**$146,740,583**
Total Recurring Expenditures	**$82,984,989**	**$92,535,957**	**$90,800,863**	**$98,402,895**	**$104,124,506**	**$109,573,891**
Less: Transfers Out	**$35,376,352**	**$39,949,030**	**$37,568,904**	**$36,282,490**	**$35,775,214**	**$36,280,255**
Fund Balance - Ending	**$27,384,036**	**$20,358,895**	**$21,124,400**	**$16,001,597**	**$13,357,957**	**$14,244,394**
Days of Operation			**85**	**59**	**47**	**47**

*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 25th 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.

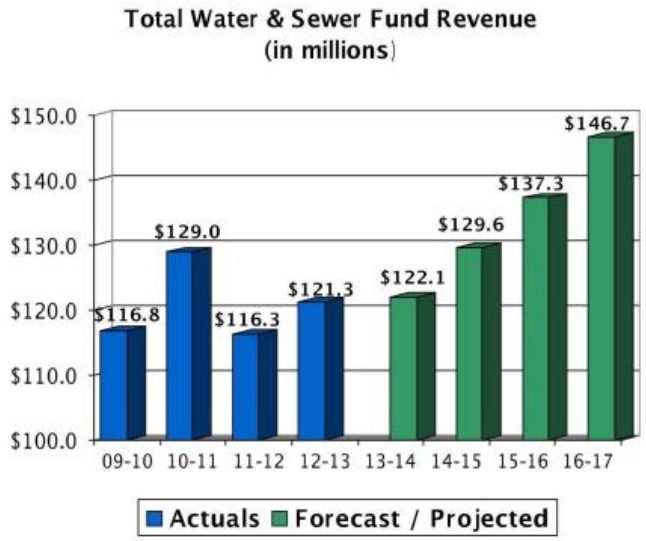
Other Financing Sources:

Operating Transfer In

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

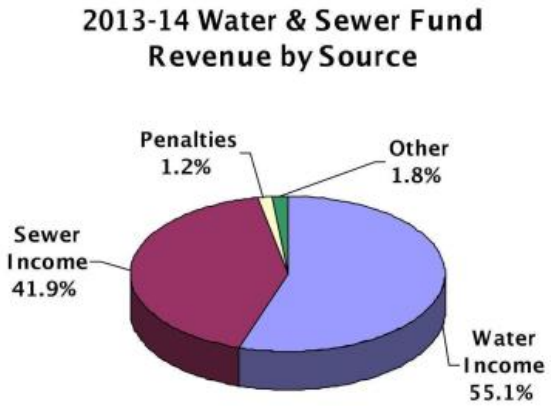
Operating Revenues

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 three regional man-made reservoirs, Lake Lavon, Lake Chapman, and Lake Tawakoni. 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. To keep the operation viable, the City of Plano's Water and Sewer 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, compensate for the building and replacement of water and sewer delivery lines, storage tanks, and other infrastructure, and cover operating costs. Operating costs include maintaining delivery lines, purchasing and servicing equipment, supply expenditures and personnel costs associated with providing potable water and sanitary sewer services.



The graph above shows historical revenue data and future revenue projections for the Water & Sewer Fund. Increases to wholesale water purchases and sewer treatment costs have traditionally been passed through to customers incrementally, and 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 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 experienced a change in water consumption patterns directly related to mandated water conservation, and is also influenced by the City's Sustainability or "green" programs.



The 2013-14 Water and Sewer Fund re-estimated recurring revenues are currently projected at $122,110,130. By category this includes: Water Income (55.1%), Sewer Income (41.9%), Penalties (1.2%), 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 are projected to decrease by 4.1%, or $5.2 million, for the 2013-14 Re-Estimate. Water revenues have been decreased by $5.0 million and Sewer revenues have been decreased slightly at $219,826. These two major revenue decreases are directly related to the mandated NTMWD Stage 3 Water Usage Restrictions and the resulting continued downward trend in water consumption, and are also reflective of a very cold winter in North Texas, both influenced by a continued drought in the area. Sewer revenues are directly correlated 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

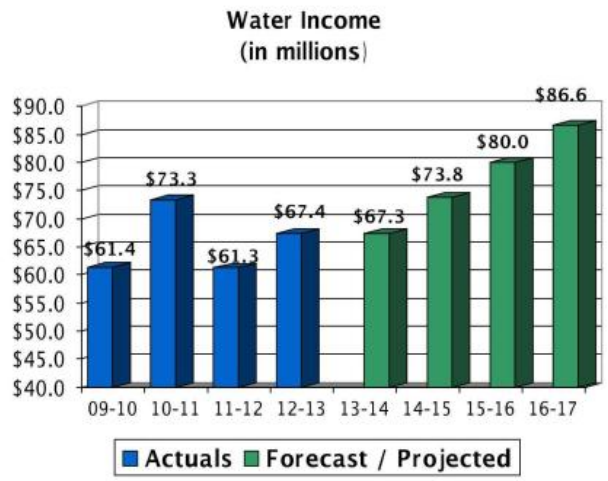
is billed monthly per thousand gallons. Plano purchases water from the NTMWD at a wholesale rate based on a 1,000 gallon basis, subject to a 26.7 billion gallon minimum annual purchase. The "unused" gallons of water from the minimum required purchase inflates the total wholesale water expenditures to 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 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.

Since reaching the peak usage of 26.7 billion gallons during the 2001-2002, water purchased from NTMWD has averaged about 22.3 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. This drought pattern 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 we are not experiencing an increase due to mandatory landscape 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 drought, and then 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 both treatment capacity and raw water supplies, all requiring a significant amount of cash for capital outlay. The increased expenditures 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 plus the related increases to water delivery costs, and it all becomes a challenge to manage. The pipeline from Lake Texoma is scheduled to open in June 2014.

Plano ended the contract "water year" of August 1, 2012 – July 31, 2013 using 21.1 billion gallons. Current water restrictions were imposed during the summer of 2011 and are projected to continue throughout this forecast. Restrictions are now at Stage 3 and will soon be re-evaluated. Restrictions include various limitations to landscape watering and other uses and details can be found on the City's website at www.plano.gov. Based on February 2014 NOAA (National Oceanic and Atmospheric Administration) weather forecasts, the current drought continues (or possibly worsens) through May 31, 2014. Recent updates by NOAA to weather projections indicate the strong possibility of the return of an "El Nino" or more of a rainy weather pattern returning to this area of the United States during the summer and fall/winter of 2014-15.

Future water revenue projections are based on assumptions of fiscal years 2014-15 through 2016-17 with an averaged water volume of approximately 22 to 23 billion gallons per year. The 2013-14 water income is currently re-estimated at $67.3, a 7.0% decrease from the original Budget. Water rates were adjusted in December 2013 to allow for the pass-through of a rate increase from NTMWD. A prior rate increase occurred in November 2012. Future forecast years include the continued pass-through of water increases from the district.

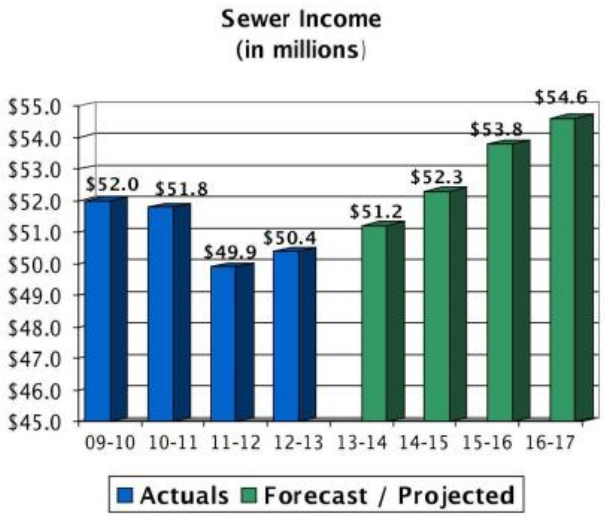


The water income graph illustrates historical trends and projections for water income. By 2016-17, water revenue projections reach $86.6 million, generating revenues sufficient to cover the projected wholesale water rate increases from NTMWD of 10.16% for 2014-15, 8.74% for 2015-16 and 8.04% for 2016-17. Additional analysis will be performed during the annual budget process later this year to determine the appropriate water rate increase(s) to be passed on to customers for 2014-15.

Sewer Income

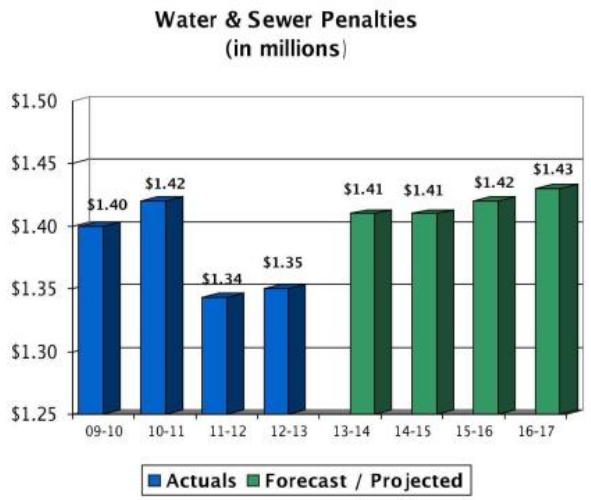
Sewer income represents the Water & Sewer Fund's second largest revenue source. Projected sewer revenues reflect the use of Winter Quarter Averaging to annually re-set the monthly sewer rates for customers. This method uses the water consumption for each customer based on their December, January, February, 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.

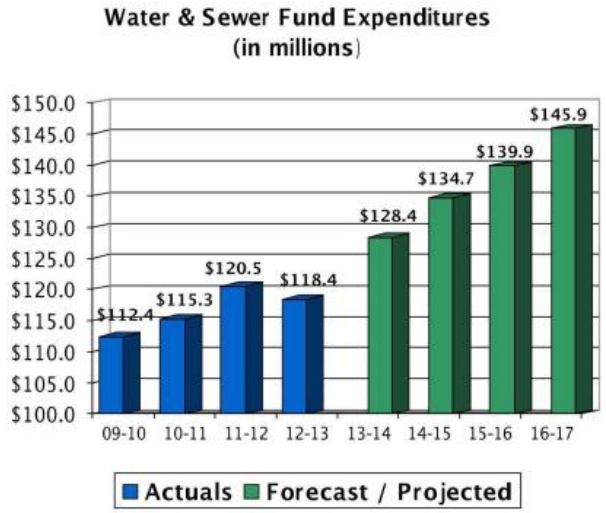
The sewer income graph indicates both the historical trends and projections for sewer income. Using 3-year winter quarter averages for water consumption, the 2013-14 Sewer revenues are re-estimated at $51.2 million, down -0.4% from the adopted Budget. (Sewer rates were last increased March 1, 2009.) Sewer revenue projections do not include the anticipated treatment and transmission cost increases from NTMWD, but do reflect population driven increases of 0.5% for 2014-15, and 0.8% for 2015-16 and 0.7% for 2016-17. Sewer program revenues are estimated to reach $54.6 million by 2016-17.



Water & Sewer Penalties Income

Water & Sewer Penalties usually trend slightly upwards based on economic conditions, population growth and rate increases. Weather patterns directly influence consumption, and when combined with watering restrictions and financial penalties that force conservation and a decrease in consumption, penalty revenues trend slightly upwards each year. A penalty is assessed for failure to pay the monthly water and sewer billing by the 25th day after the billing date, and also for watering landscape on days and times not allowed under the current watering restrictions guidelines set by the NTMWD.





Penalties are projected at the original budget of $1.4 million for the 2013-14 Re-Estimate, with very slight increases over the forecast period. The graph below shows the historical trends and projections for Water & Sewer Penalties, reaching $1.43 million in revenues by 2016-17.

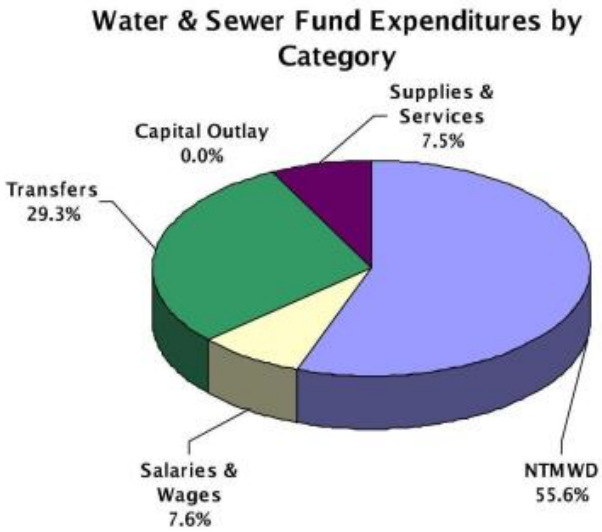
Other Revenues

Miscellaneous revenues for 2013-14 are re-estimated at $2.2 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 has been reduced to $65,000 for 2013-14, based on current markets and a declining fund balance. Annual interest earnings have been affected for several budget cycles of recent years, and consistent with 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, including transfers, for fiscal year 2016-17 are projected to increase by $27.5 million, or 23.37% over the 2012-13 total 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 2013-14 Re-Estimate total $128.3 million and include: Salaries & Wages, 7.6%; Supplies & Services, 7.5%; NTMWD, 55.6%; Capital Outlay, 0.0%; and Transfers, 29.3%.

Salaries, Wages and Employee Benefits

Salary, Wage and Benefit expenses are projected to increase by $654,977 or 7.0% for the entire five year period from the 2012-13 actual expenditures compared to 2016-17 projected expenditures. Salary, wage and benefit predictions include salaries for all approved positions with 1.0% attrition. The 2013-14 Salary Re-Estimate, and all future years, includes (5) new full-time positions added during November 2013 by the City Council. No salary or merit increases, no other new positions and no program enhancements have been included in this forecast.

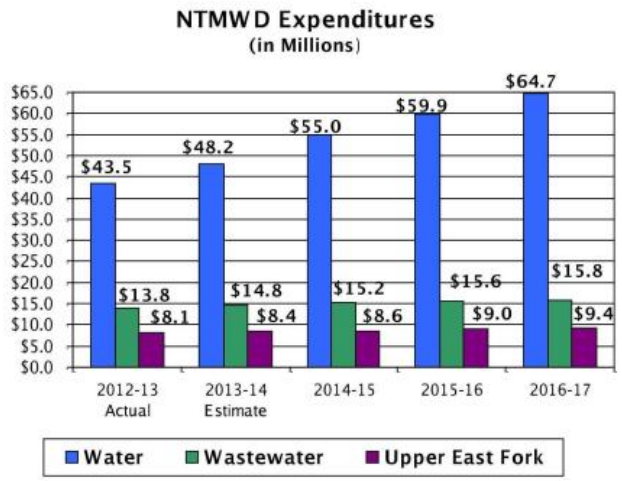
Future benefits expenditure projections include no increases to health insurance or OPEB and increases TMRS to the full phase-in rate of 18.75%. No changes to other benefit costs have been included during the forecast period.

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 through 2018.

North Texas Municipal Water District

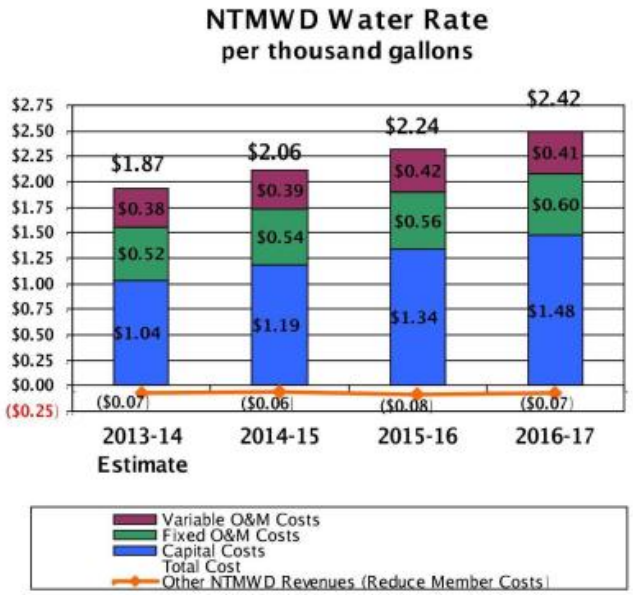
The following graph outlines the anticipated payments to NTMWD expenditures over the three-year forecast period for Water, Wastewater, and the Upper East Fork Wastewater Interceptor System.



The 2013-14 re-estimated water expenditure of $48.2 million assumes a $1.8 million rebate/credit from the district for the unused annual requirement. Future projected increases from the NTMWD for water and sewer service treatment and delivery during the forecast period total $24.5 million, a 37.47% total increase over the 2012-13 NTMWD actual expenditures. Projections for Water purchases and Wastewater treatment costs from NTMWD continue to trend steeply upwards.

During the period of 2001-02 to 2013-14, wholesale water rates increased from $0.72 per thousand gallons to $1.87 per thousand. This forecast projects 2014-15 wholesale water costs at $2.06 per thousand gallons, an increase of 10.2% over the current rate. If the rate of $2.06 is adopted by NTMWD in late September 2014, it will represent a cumulative 186.5% increase in wholesale water rates to the city from the district since 2001-02, the year that the City's "take or pay" water volume reached 26.7 billion gallons.

The projected NTMWD wholesale water rates include assumptions that the current drought conditions and water supply shortage persist through 2017, and include continued population growth in the region served by the district. Those rates also include major additional capital expenditures to meet District member cities' requirements and provide for the safe, efficient delivery of water, while meeting federal and state regulations.



Fiscal year 2015-16 and 2016-17 water costs are projected at $2.24 and $2.42 per thousand gallons, representing cost increases of 8.7% and 8.0% respectively. Several capital projects have been planned by NTMWD to ensure the availability of water, and meet the.

Wastewater treatment costs are projected to increase by 2.55% in 2014-15, 3.11% for 2015-16 and 1.2% for 2016-17. Upper East Fork Interceptor Wastewater System costs are projected to increase 2.22% in 2014-15, and by 4.35% in 2015-16 and 4.17% in 2016-17.

The forecast also includes expenditures for the Retirement of NTMWD Debt for water transmission facilities and follows the District's loan amortization schedule of $819,950 for 2014-15, $824,600 for 2015-16 and $836,650 for 2016-17.

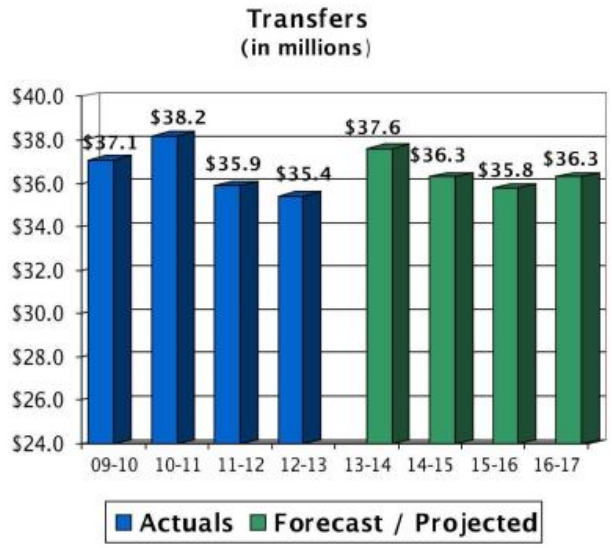
Capital Outlay

Capital outlay is currently re-estimated at $20,000 for 2013-14 for upgrades to rolling stock and a mosquito sprayer. 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, Water & Sewer Capital Improvement Projects, Capital Reserve Fund projects, Technology-related service enhancements. The annual transfer for Sustainability Educational Programs will end in 2013-14.

The graph below shows the historical trends and projections for all Water & Sewer Fund transfers to other City funds. Water & Sewer Fund Transfers increase $903,903 or 2.56% over the 2012-13 actual transfers when compared to 2016-17 projected transfers.



A transfer of $3.0 million during the fiscal years of 2010-11, 2011-12 and 2012-13 totaled $9.0 million and has been designated as Water & Sewer Fund Reserves. The reserves can be used to offset the severe decreases in revenue to the fund during periods of drought, or excessive rainfall, and can help offset the escalating costs from NTMWD. This Forecast removes the $2.0 million transfer originally scheduled for 2013-14, and decreases the reserve transfer to $1.0 million in 2014-15, for projected Reserve Fund Balance of $10.0 million at the end of 2014-15. 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 2016-17 in the amount of $2.0 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. This funding was implemented during the 2012-13 budget process with $1.5 million, 2013-14 includes an additional $1.5 million, and the $1.5 million continues for each year of this forecast with a projected total Meter and Fixed Network Replacement Reserve balance of $7.5 million by 2016-17. The reserve will provide the initial funding for replacement of the fixed network system and water meters, with a possible start date of 2016-17, although no expenditures for the project are included in this forecast. APWA standards project meter replacements every 8 years, depending on testing and accuracy rates of the current meters.

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 transfer to the General Fund for 2016-17 of $18.1 million is projected to increase by only $1.4 million or 8.1% over the 2012-13 actual transfer.

The complete retirement of Water & Sewer Debt occurred in 2012-13, using the Water & Sewer Debt Fund balance to make 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 2014-15 through 2016-17 total $30.0 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 $773,556 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 various water conservation mandates in place for 2 years 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

	2012-13 Actual	2013-14 Budget	2013-14 Re-Est.	2014-15 Projected	2015-16 Projected	2016-17 Projected
Recurring Revenue						
Commercial Franchise	$7,068,059	$7,041,335	$7,061,480	$7,202,710	$7,346,764	$7,493,699
Residential Collection	12,754,877	12,810,487	12,793,440	12,857,407	12,960,266	13,050,988
Special Refuse Collection	75,458	76,196	76,196	76,386	76,692	76,960
Recycling	447,272	415,095	452,027	453,157	454,970	456,562
Sale of Compost	1,679,879	1,483,532	1,684,079	1,688,289	1,695,042	1,700,975
Sale of Landscape Bags	32,536	251,119	32,617	32,699	32,830	32,945
Allied Waste, Inc.	91,443	82,693	82,693	84,347	86,034	87,754
Tipping Fees	762,486	834,701	805,263	807,276	810,505	813,342
Contributions via Utility Billing	9,515	11,716	11,716	11,745	11,792	11,834
Other	582,254	689,472	689,472	698,401	705,385	712,439
Sustainability Program Transfer	100,000	100,000	100,000	0	0	0
Construction & Demolition Program	0	110,000	110,000	110,000	110,000	110,000
Total Recurring Revenue	$23,603,779	$23,906,347	$23,898,983	$24,022,418	$24,290,280	$24,547,498
Recurring Expenditures						
Salaries & Wages	$6,346,465	$6,615,890	$6,501,076	$6,604,782	$6,610,147	$6,615,513
Supplies & Services	7,501,825	8,288,327	8,644,877	8,457,679	8,635,498	8,822,208
NTMWD	6,993,790	6,457,610	6,457,610	7,137,031	7,236,727	7,297,248
Capital Outlay	139,603	45,000	208,500	0	0	0
Total Recurring Expenditures	$20,981,683	$21,406,827	$21,812,063	$22,199,492	$22,482,372	$22,734,969
Transfers Out	1,487,356	1,501,246	1,465,635	1,308,854	1,316,084	1,322,462
Fund Balance - Beginning	**$2,758,454**	**$3,248,177**	**$3,893,194**	**$4,514,479**	**$5,028,552**	**$5,520,376**
Total Recurring Revenue	**$23,603,779**	**$23,906,347**	**$23,898,983**	**$24,022,418**	**$24,290,280**	**$24,547,498**
Total Recurring Expenditures	**$20,981,683**	**$21,406,827**	**$21,812,063**	**$22,199,492**	**$22,482,372**	**$22,734,969**
Less: Transfers Out	**$1,487,356**	**$1,501,246**	**$1,465,635**	**$1,308,854**	**$1,316,084**	**$1,322,462**
Fund Balance - Ending	**$3,893,194**	**$4,246,451**	**$4,514,479**	**$5,028,552**	**$5,520,376**	**$6,010,444**
Days of Operation			**76**	**83**	**90**	**96**

*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 recyclables, 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

City receives 75% 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.

Construction and Demolition Program

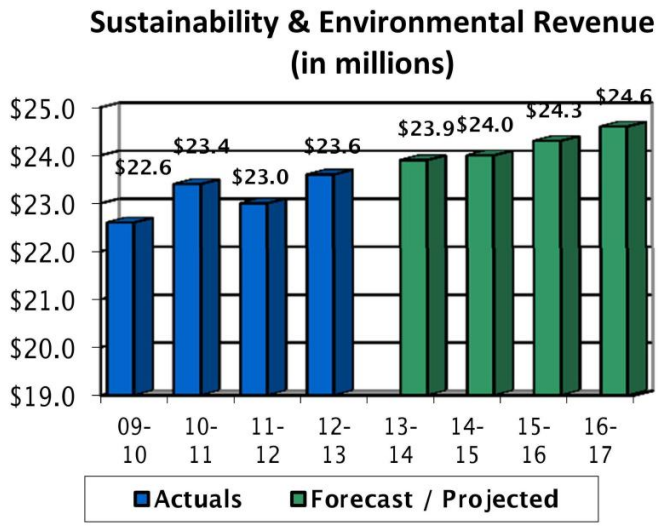
Recycling incentive program which assesses a monetary deposit based on the project's square footage and project type.

Other

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

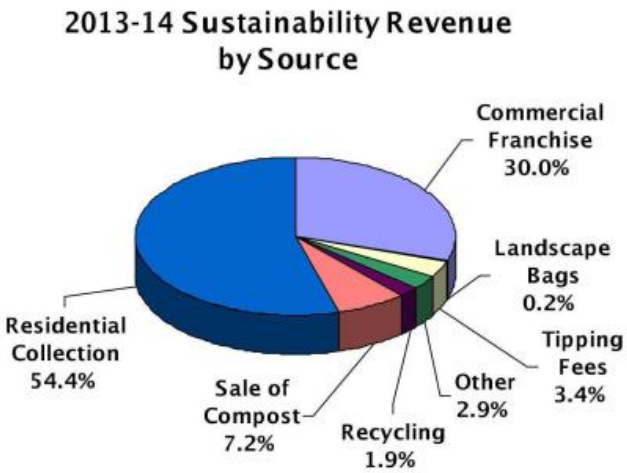
Operating Revenues

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.



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 interned by NTMWD.

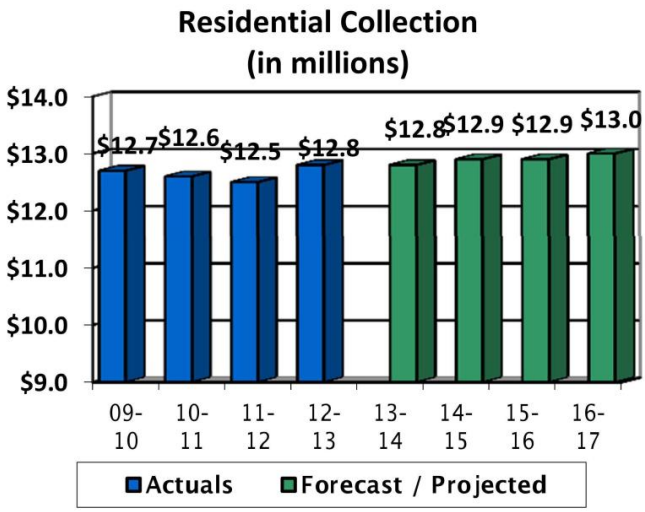
By 2016-17, total Sustainability Fund revenues are estimated to reach $24.6 million. The major sources that make up the Sustainability & Environmental Services Fund revenues for 2013-14 include: Residential Collection (54.4%), Commercial Franchise (30.0%), Recycling (1.9%), Sale of Compost (7.2%), Sale of Landscape Bags (0.1%), Tipping Fees (3.4%), and Other (2.9%). A description of each source as well as a discussion of the outlook over the next three years follows.



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 2014, there are approximately 71,500 single family units billed monthly for residential refuse collection services. Residential collection revenue is projected to increase 0.5% in 2014-15, 0.8% in 2015-16 and 0.7% in 2016-17. 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.

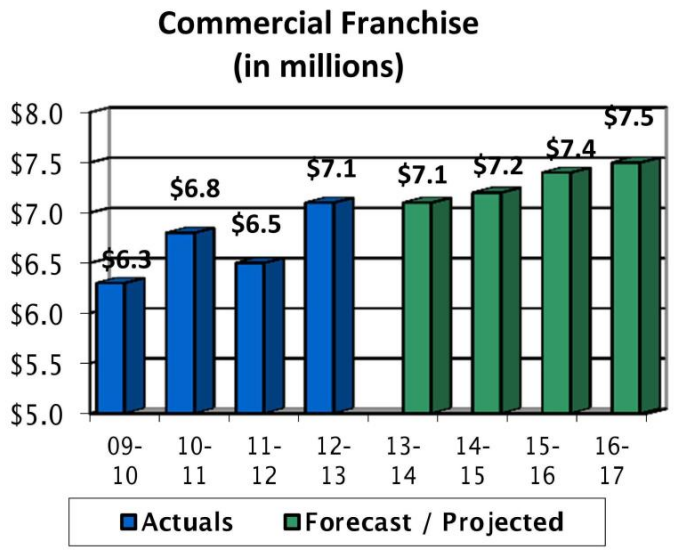


The graph shows the historical trends and projections for residential collection revenue. By 2016-17, this revenue source is estimated to reach $13.0 million.

Commercial Franchise

Commercial franchise revenue represents the Sustainability & Environmental Service Fund's second largest revenue source, currently re-estimated at $7.1 million for 2013-14. 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 2014-15, 2.0% in 2015-16 and 2.0% in 2016-17. The accompanying graph shows the historical trends and projections for commercial franchise revenue. By 2016-17, this revenue source is estimated to reach $7.5 million.

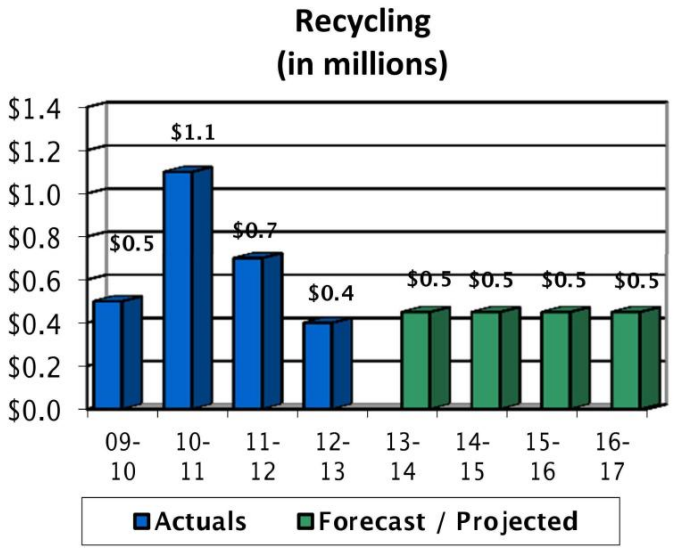


Recycling

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 $452,027 in the 2013-14 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.

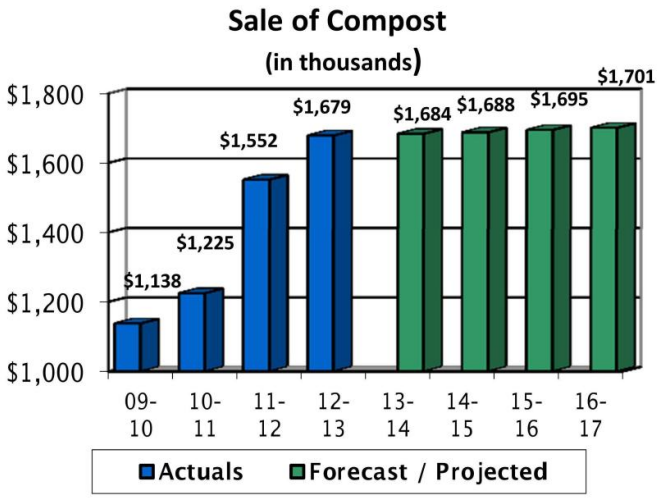
By 2016-17, annual recycling revenues are projected to be $456,562, down from their high of $1.3 million in 2007-08. The graph above shows the historical trends and projections for recycling revenue.



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.

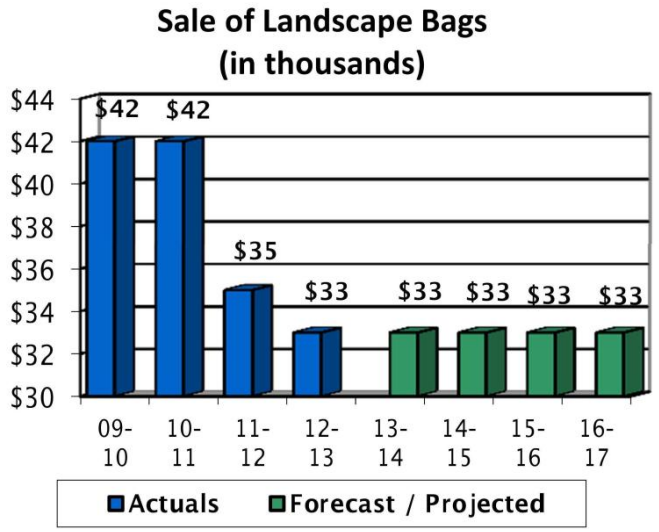
Sale of compost revenue is projected to increase .25% in 14-15 and 0.40% in 2015-16, and 0.35% in 2016-17 based on indirect population-based increases.



The graph above shows the historical trends and projections for sale of compost revenues. By 2016-17, this revenue source is estimated to reach $1,700,975.

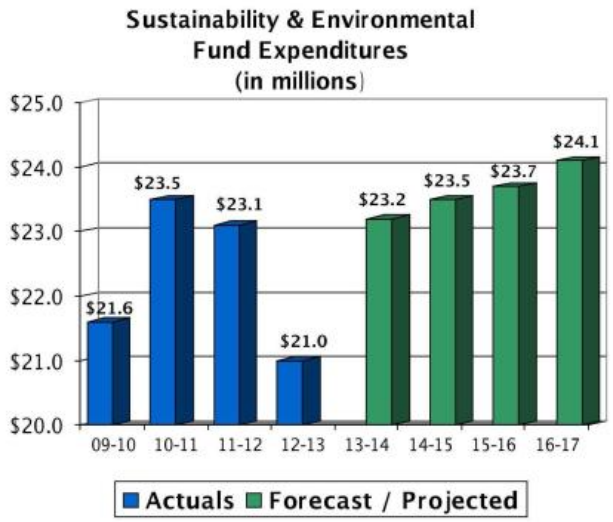
Sale of Landscape Bags

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

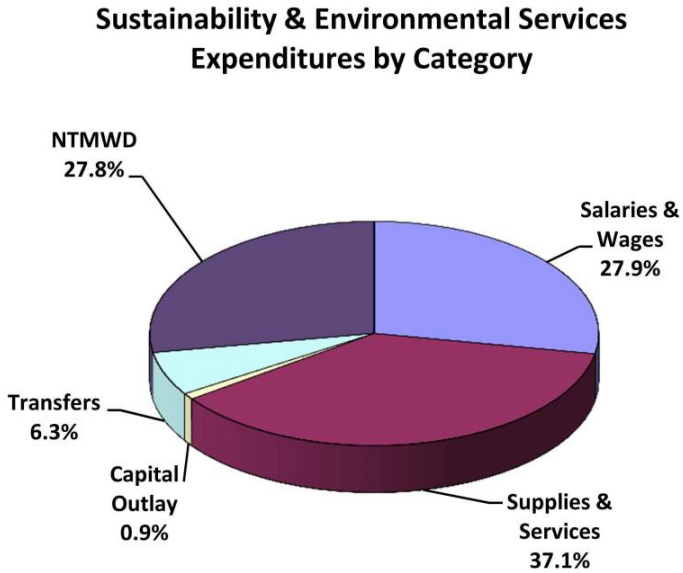


The City received $32,536 in 2012-13 from biodegradable compost and mulch bag sales. Collection vehicles pick these parcels up at each residential waste collection site for use in the compost operation. Landscape bag revenues are currently re-estimated at $32,617 in 2013-14. The Sustainability & Environmental Services fund will begin utilizing resources available through the Construction & Demolition Program in the amount of $110,000. A final transfer of $100,000 from the Water & Sewer Fund for expenditures related to the Sustainability program is scheduled for FY 2013-14.

Operating Expenditures



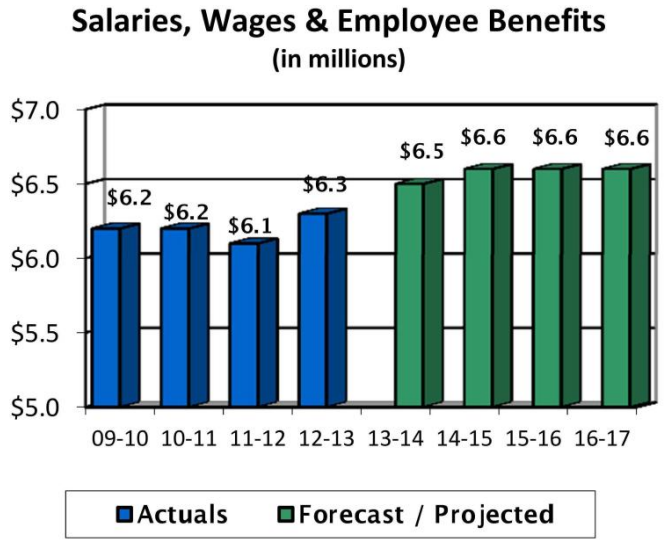
The graph above shows the historical trends and projections for the Sustainability & Environmental Services Fund. Expenditure increases can fluctuate from year-to-year mainly due to the cost of fuel and capital outlay expenditures.



The major expenditures that make up the Sustainability Fund by category for 2013-14 include: Salaries & Wages (27.0%), Supplies & Services (37.1%), NTMWD (27.7%), Capital Outlay (0.9%), and Transfers (6.3%). A description of each expenditure category as well as a discussion of the outlook over the next three years follows.

Salaries, Wages & Employee Benefits

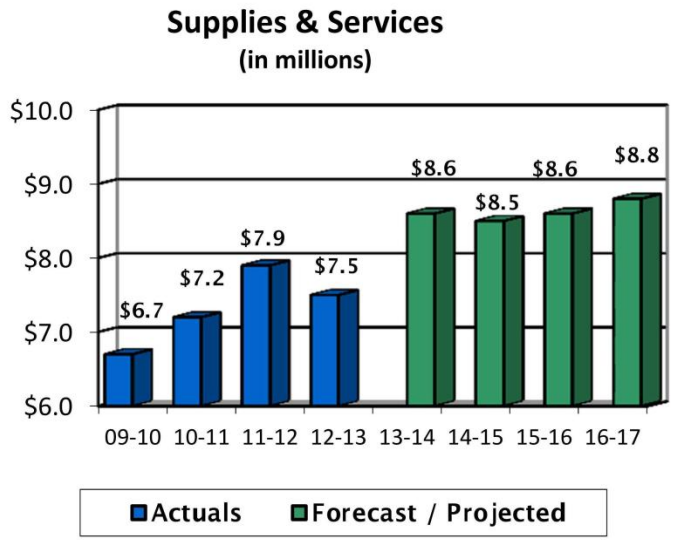
Salary projections assume no salary increases or attrition throughout the forecast period, and assume that the current staffing levels remain constant over the next three years. The health insurance rate is also expected to remain constant throughout the forecast as Plano's self-funded insurance fund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



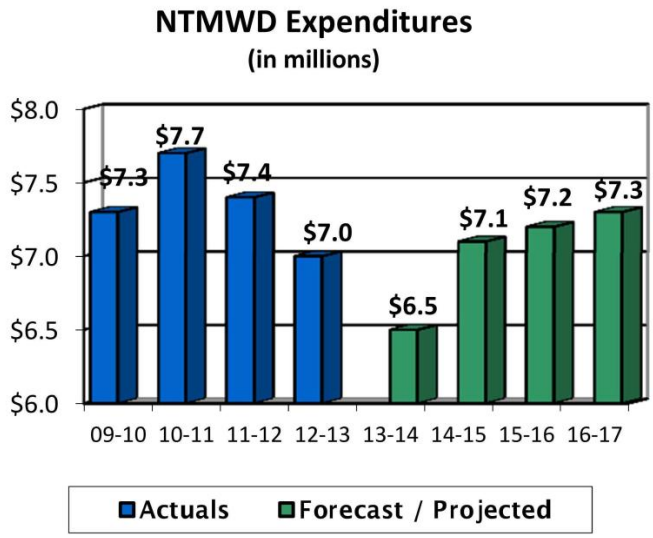
Supplies & Services

Supplies & services costs are projected to stay relatively flat across all three years of this financial forecast. Municipal Garage charges are projected to increase 5.0% in 2014-15, 2015-16 and 2016-17.

The following Supplies & Services graph shows historical trends and estimates for supplies & services. By 2016-17, operating expenditures for supplies and services are projected at $8.8 million.



NTMWD landfill contracted expenditures are projected to increase to $7.3 million during the forecast period.



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 2013-14 transfer is projected at $345,238 and is projected to stay relatively flat over the forecast period's three years.

Outlook & Analysis

The Sustainability & Environmental Services Fund is required to have a fund balance equal to 30 days of operations according to Plano's Financial Policies. The current forecast projects this requirement to be met through the end of FY 2016-17; however, rates will continue to be examined annually to insure ample revenue continues to be collected to support this enterprise fund.

Municipal Drainage Fund

Recurring Revenue Vs. Recurring Expenditures

	2012-13 Actual	2013-14 Budget	2013-14 Re-Est.	2014-15 Projected	2015-16 Projected	2016-17 Projected
Recurring Revenue						
Residential Class Fees	$3,352,680	$3,805,130	$3,968,800	$3,978,722	$3,994,637	$4,008,618
Commercial Class Fees	2,930,780	3,453,886	3,610,574	4,005,691	4,021,714	4,035,790
Interest Income	7,716	40,900	7,670	7,670	7,670	7,670
Other	15,440	6,000	6,000	6,000	6,000	6,000
Total Recurring Revenue	$6,306,616	$7,305,916	$7,593,044	$7,998,084	$8,030,021	$8,058,078
Recurring Expenditures						
Salaries & Wages	$1,341,603	$1,463,701	$1,557,393	$1,578,060	$1,579,675	$1,581,291
Supplies & Services	863,625	1,010,714	1,129,891	1,035,034	1,042,219	1,049,764
Reimbursements	310,981	344,360	344,360	344,360	344,360	344,360
Capital Outlay	0	0	4,931	0	0	0
Total Recurring Expenditures	$2,516,209	$2,818,775	$3,036,575	$2,957,454	$2,966,254	$2,975,415
Transfer to General Fund	$428,370	$508,131	$530,556	$558,909	$561,145	$563,109
Transfer to Technology Fund	20,000	20,000	20,000	20,000	20,000	20,000
Transfer to Drainage CIP Fund	0	0	0	2,700,000	2,835,000	2,976,750
Transfer to Revenue Debt	2,913,352	3,010,927	2,917,927	2,597,683	2,599,908	2,291,958
Transfers Out	3,361,722	3,539,058	3,468,483	5,876,591	6,016,052	5,851,816
Fund Balance - Beginning	**$3,406,069**	**$2,006,368**	**$3,834,754**	**$3,520,562**	**$2,684,600**	**$1,732,314**
Total Recurring Revenue	**$6,306,616**	**$7,305,916**	**$7,593,044**	**$7,998,084**	**$8,030,021**	**$8,058,078**
Total Recurring Expenditures	**$2,516,209**	**$2,818,775**	**$3,036,575**	**$2,957,454**	**$2,966,254**	**$2,975,415**
Less: Transfers Out	**$3,361,722**	**$3,539,058**	**$3,468,483**	**$5,876,591**	**$6,016,052**	**$5,851,816**
Less: Est Reserve Requirement			**$1,402,178**			
Fund Balance - Ending	**$3,834,754**	**$2,954,451**	**$3,520,562**	**$2,684,600**	**$1,732,314**	**$963,162**
Days of Operation			**423**	**331**	**213**	**118**

*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.

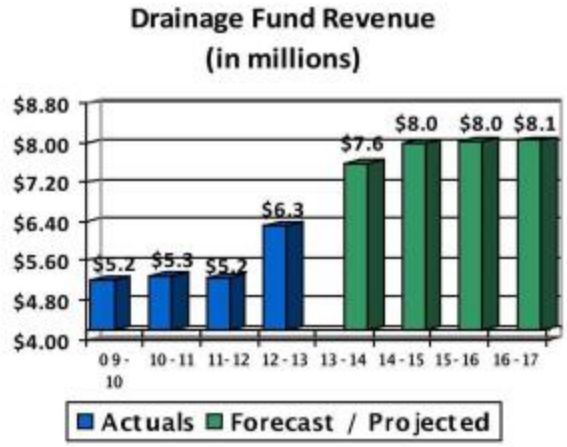
Operating Revenues

Drainage Fees

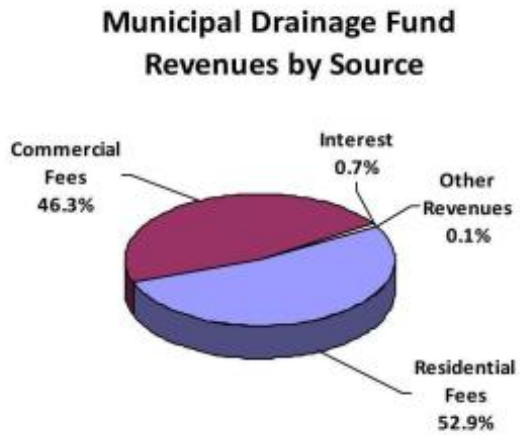
Drainage fees are the Municipal Drainage Fund's primary revenue source. Drainage fees are divided into residential class fees and commercial class fees, which were last amended on April 1 (residential) and October 1 (commercial) of 2013. Currently, one remaining adjustment is forecasted to go into effect on October 1, 2014 for commercial class fees, which will bring parity between both rate classes after providing commercial customers time to plan and adjust for the latest rates. With the final rate modification, it is projected that drainage fee revenue will provide sufficient working capital and maintain reserve requirements prescribed in the bond covenants. The Budget Department will evaluate rates in the Drainage Rate Model during the upcoming budget process to insure appropriate rates are in place to meet all of the requirements associated with operating a high quality municipal drainage system.

The Community Investment Program for drainage infrastructure projects is expected to progress consistently at or near current annual levels, consequently no unanticipated rate adjustments are projected in this forecast as necessary.

Drainage fees are usually projected to increase based on indirect population increases; however, the implementation of the final commercial rate increase at the start of FY 2014-15 causes drainage fee revenues to increase 5.3%, between the 2013-14 Re-Estimate and the 2014-15 Projected budget in this forecast. In the two following years of this forecast, drainage fee revenue is expected to increase in-line with the indirect population increases of 0.4% in 2015-16 and 0.35% in 2016-17.



The graph above shows the historical trends and projections for drainage fees, while the graph below shows the Re-Estimated 13-14 Revenues by Source.

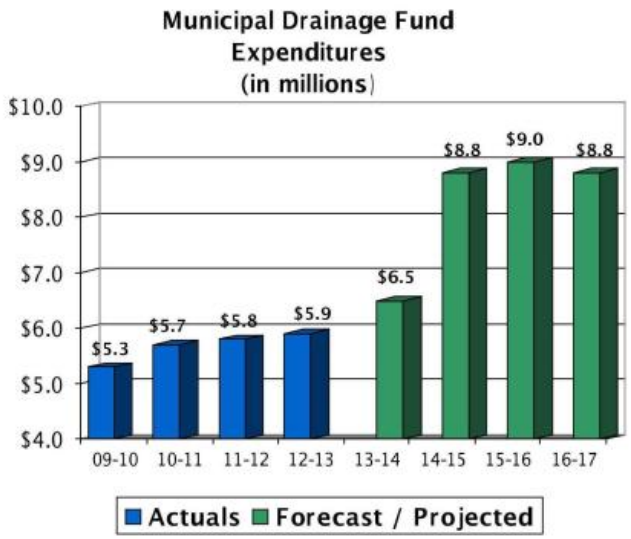


Other

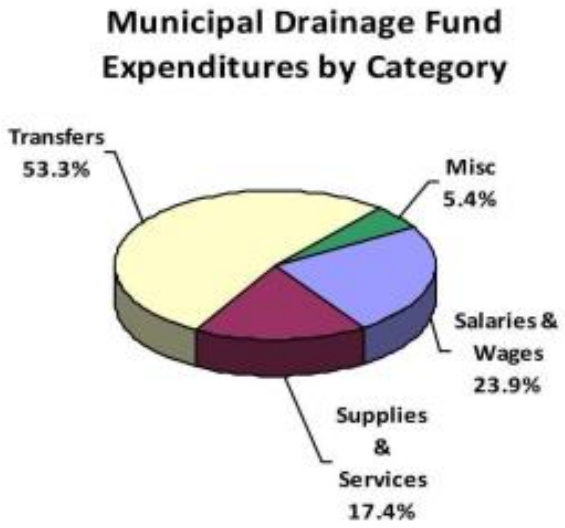
Miscellaneous revenues for 2013-14 are expected to total $13,670. Miscellaneous revenues are comprised mostly of interest income. Interest income is projected at $7,670 for all three years of three years of the forecast based on low projected returns available from investments held by the fund.

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.



The major expenditures that make up the Municipal Drainage Fund by category for 2013-14 include: Salaries & Wages (23.9%), Supplies & Services (17.4%), Reimbursements & Capital Outlays (5.4%) and Transfers (53.3%). 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 increase throughout the forecast period. Benefit expenditure projections assume no increase in health insurance costs, TMRS contributions and that all other benefit expenditures remain constant.

Supplies & Services

Supplies & services are budgeted with no inflation increases throughout the forecast period. The only exception to this projection are Municipal garage charges, which are forecast to increase 5% in 2014-15, 2015-16 and 2016-17.

Capital Outlay

This forecast includes no new capital outlay items in the Municipal Drainage Fund from 2014-15 through 2016-17.

Transfers

Transfers from the Municipal Drainage Fund total $17.7 million for the three-year forecast period and is divided into the separate funds. The transfer to the General Fund is based on a fixed percentage of the total Municipal Drainage revenue and totals approximately $1.7 million for the three-year period.

The Municipal Drainage Fund transfer for revenue debt for the three forecast years totals $7.5 million. This projected amount is substantially lower than prior year projections because this forecast assumes that the City of Plano will not issue additional revenue bonds backed by drainage fee revenues. Instead, Plano will evaluate a shift to taking a pay-as-you- go approach to funding drainage projects during the upcoming budget process for FY 2014-15. This change in approach to funding capital project expenditures is illustrated in this three-year forecast for demonstrative purposes. A little more than $8.5 million is expected to be transferred from the Municipal Drainage Fund to the Municipal Drainage CIP Fund to support various drainage projects that are necessary to remove storm water from properties and city streets.

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 covenants associated with issuing revenue bonds for capital drainage projects. This forecast projects that the Municipal Drainage Fund will meet these requirements over the next three years. This fund will continue to be closely monitored, and further rate studies will be conducted annually to assure compliance with bond covenants.

Convention & Tourism Fund

Recurring Revenue Vs. Recurring Expenditures

	2012-13 Actual	2013-14 Budget	2013-14 Re-Est.	2014-15 Projected	2015-16 Projected	2016-17 Projected
Recurring Revenue						
Hotel/Motel Receipts	$5,095,504	$5,123,120	$5,497,219	$5,977,446	$6,126,882	$6,280,054
Civic Center Fees	1,757,811	1,847,732	1,538,678	1,444,200	1,683,000	1,716,660
Interest Income	5,555	20,000	6,000	6,000	6,060	6,121
Other	2,101	3,000	2,100	2,100	2,121	2,142
Total Recurring Revenue	$6,860,971	$6,993,852	$7,043,997	$7,429,746	$7,818,063	$8,004,977
Recurring Expenditures						
Salaries & Wages	$2,465,292	$2,837,520	$2,912,520	$2,932,321	$2,934,514	$2,936,706
Supplies & Services	2,627,722	2,893,181	2,990,751	2,687,291	2,735,202	2,784,085
Support of the Arts	733,488	768,468	768,468	896,617	919,032	942,008
Historic Preservation	727,704	768,468	768,468	896,617	919,032	942,008
Special Events	184,726	165,000	165,000	165,000	168,300	171,666
Capital Outlay	8,054	89,000	89,000	0	0	0
Total Recurring Expenditures	$6,746,986	$7,521,637	$7,694,207	$7,577,847	$7,676,081	$7,776,473
Transfers Out	356,976	369,693	372,200	391,487	410,903	420,249
Fund Balance - Beginning	**$2,429,176**	**$1,468,474**	**$2,186,185**	**$1,163,775**	**$624,188**	**$630,911**
Total Recurring Revenue	**$6,860,971**	**$6,993,852**	**$7,043,997**	**$7,429,746**	**$7,818,063**	**$8,004,977**
Total Recurring Expenditures	**$6,746,986**	**$7,521,637**	**$7,694,207**	**$7,577,847**	**$7,676,081**	**$7,776,473**
Less: Transfers Out	**$356,976**	**$369,693**	**$372,200**	**$391,487**	**$410,903**	**$420,249**
Fund Balance - Ending	**$2,186,185**	**$570,997**	**$1,163,775**	**$624,188**	**$355,267**	**$439,166**
Required 30 Day Balance				**$622,837**	**$630,911**	**$639,162**
Add'l Revenues or Program Reductions to Meet 30 Days					**$275,643**	**$199,996**
Days of Operation			**55**	**30**	**30**	**30**

*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

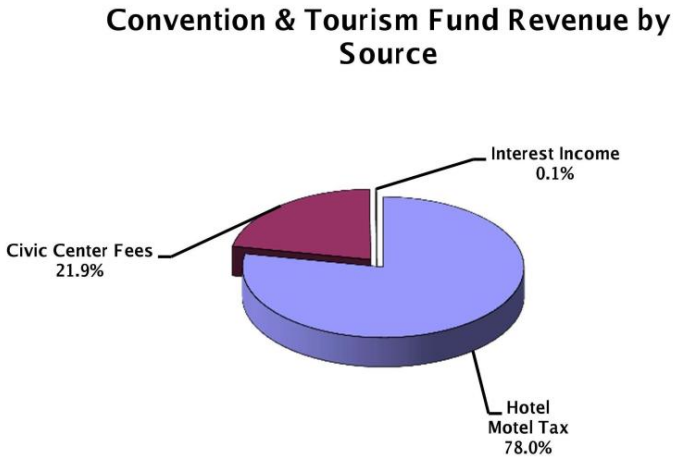
Hotel/Motel taxes are levied upon the cost of occupancy of any sleeping room furnished by a hotel or motel in the city. The current rate is 7.0% of taxable receipts.

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

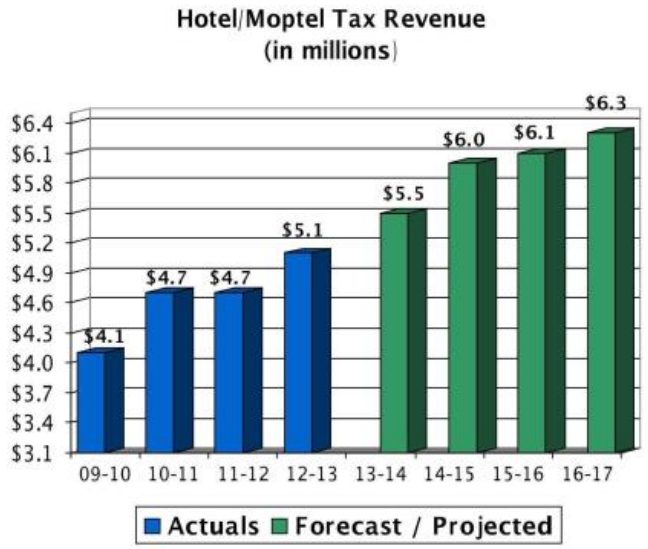
The major sources that make up the Convention & Tourism Fund revenues for 2013-14 include: Hotel/Motel Tax Receipts (78.0%), Civic Center Fees (21.9%), and Interest Income/Other (0.1%). A description of each source as well as a discussion of the outlook over the next three years follows.



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 299 rooms and 35,000 square feet of meeting rooms in the Fall of 2014.

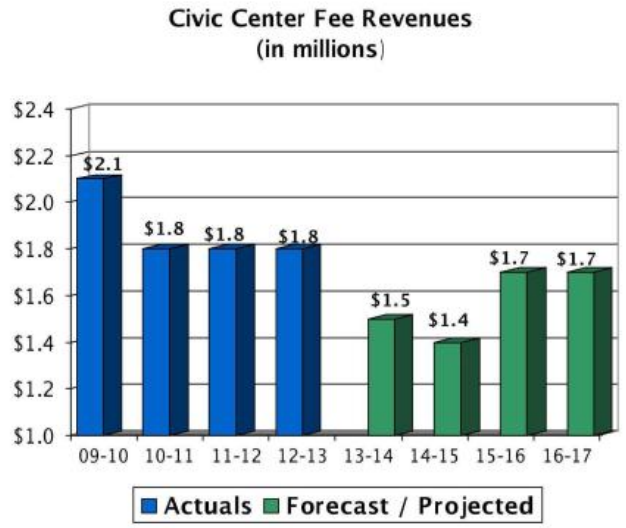
Hotel/Motel receipts are estimated to increase for the 2013-14 Re-Estimate. Based on the addition of new hotel rooms during the forecast period and direct economic growth, Hotel/Motel receipts are projected to increase 8.74% in 2014-15; 2.5% increase in 2015-16 and 2.5% increase in 2016-17.



The graph above shows the historical trends and projections for Hotel/Motel tax receipts. By 2016-17, this revenue source is estimated to reach $6.3 million.

Civic Center Fees

Civic Center fees have started to taper off due to a slight decrease in room rentals and catering events. A decrease of $309,054 for the 2013-14 Re-Estimate is included in this forecast based on actual revenues received. Fees are expected to dip to $1,444,200 for FY 2014-15 in response to the remodeling of the Civic Center.



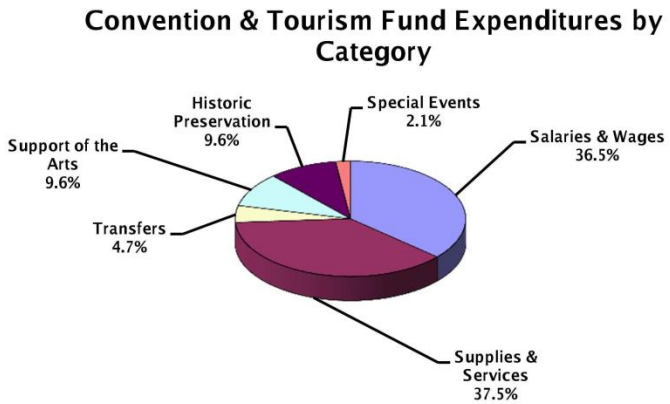
The graph above shows the historical trends and projections for Civic Center fees. In 2016-17, this revenue source is estimated to generate approximately $1.7 million.

Other

Miscellaneous revenues for 2013-14 are expected to total $8,100. Miscellaneous revenues are comprised mostly of interest income.

<u>Operating Expenditures</u>

The major expenditures that make up the Convention & Tourism Fund by category for 2013-14 include: Salaries & Wages (36.5%), Supplies & Services (37.5%), Support of the Arts (9.6%), Historic Preservation (9.6%), 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.



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 remain flat in 2013-14 and 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. At Council's direction, staff will be bringing back for discussion and direction a proposal to cap the funding allocation from the Hotel/Motel tax for the Support of the Arts and Historic Preservation agencies.

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 2013-14 equals $352,200.

A transfer to the Technology Fund in the amount of $20,000 in 2013-14 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 2014-15. During the following year, 2015-16, the fund is forecasted to dip 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.

Recreation Revolving Fund

Recurring Revenue Vs. Recurring Expenditures

	2012-13 Actual	2013-14 Budget	2013-14 Re-Est.	2014-15 Projected	2015-16 Projected	2016-17 Projected
Recurring Revenue						
Recreation Fees	$3,743,559	$3,772,500	$3,772,500	$3,781,931	$3,797,059	$3,810,349
Contributions	5,941	14,034	14,034	14,069	14,125	14,175
Interest Income	4,004	20,500	4,000	4,000	4,000	4,000
Other	70,858	40,642	70,000	70,000	70,280	70,526
Total Recurring Revenue	$3,824,362	$3,847,676	$3,860,534	$3,870,000	$3,885,464	$3,899,049
Recurring Expenditures						
Salaries & Wages	$1,275,161	$1,352,886	$1,331,308	$1,363,362	$1,363,766	$1,364,170
Supplies & Services	2,009,417	2,060,059	2,079,091	2,060,413	2,096,592	2,133,514
Capital Outlay	0	0	0	0	0	0
Total Recurring Expenditures	$3,284,578	$3,412,945	$3,410,399	$3,423,775	$3,460,358	$3,497,684
Transfers Out	191,130	192,384	193,027	193,500	194,273	194,952
Fund Balance - Beginning	**$1,139,824**	**$1,357,141**	**$1,488,478**	**$1,745,586**	**$1,998,312**	**$2,229,145**
Total Recurring Revenue	**$3,824,362**	**$3,847,676**	**$3,860,534**	**$3,870,000**	**$3,885,464**	**$3,899,049**
Total Recurring Expenditures	**$3,284,578**	**$3,412,945**	**$3,410,399**	**$3,423,775**	**$3,460,358**	**$3,497,684**
Less: Transfers Out	**$191,130**	**$192,384**	**$193,027**	**$193,500**	**$194,273**	**$194,952**
Fund Balance - Ending	**$1,488,478**	**$1,599,488**	**$1,745,586**	**$1,998,312**	**$2,229,145**	**$2,435,557**
Days of Operation			**187**	**213**	**235**	**254**

*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

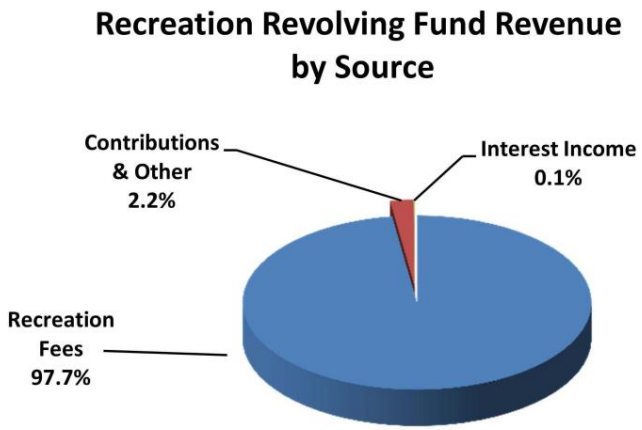
Recreation fees are charged for participation in Parks & Recreation classes, sessions and events. These fees are used to cover the cost of instruction, materials and supplies. Also included are user fees for the use of the City's public facilities to aid in recovery of the cost of facility maintenance 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 2013-14 include: Recreation Fees (97.7%), Interest Income (0.1%), Contributions and Other (2.2%). A description of each source as well as a discussion of the outlook over the next three years follows.

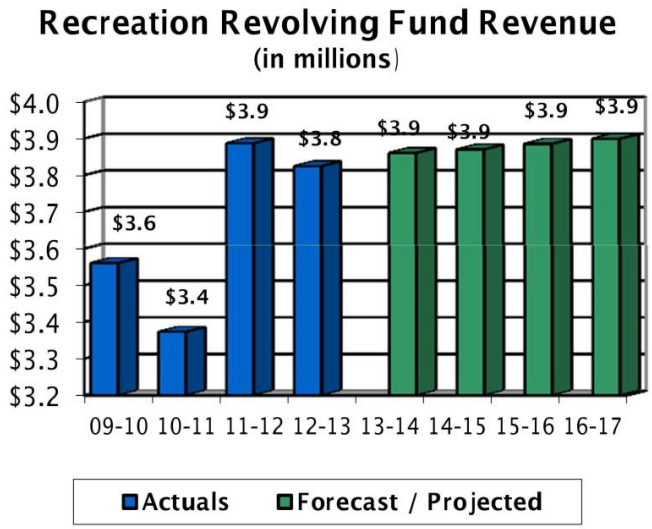


Recreation Fees

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. Recreation fees continue to remain strong and are projected to remain in line with the original FY 2013-14 budget.

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.



The graph above shows the historical trends and projections for recreation fees. In 2016-17, this revenue source is expected to be $3.9 million.

Contributions

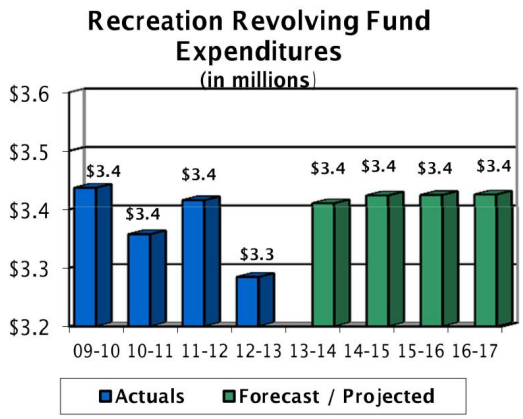
The Recreation Revolving Fund enjoys a dependable flow of contribution revenue from the community. Contribution revenue is projected to remain fairly constant, at slightly around $14,000 per year over the three-year period forecast.

Other

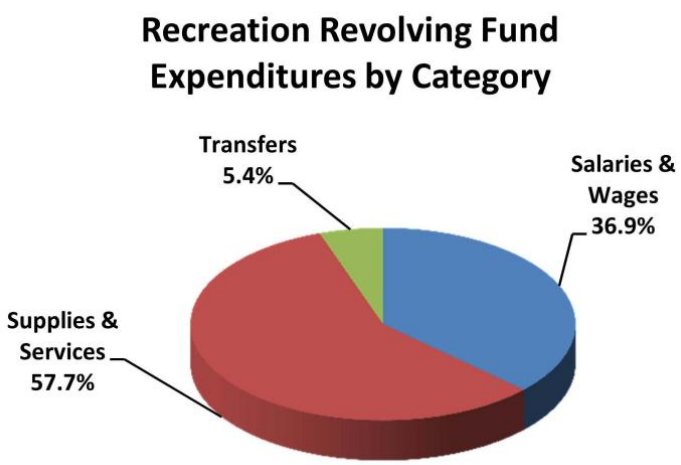
Miscellaneous revenues for 2013-14 are re-estimated at $74,000. Interest income comprises $4,000 of that amount and is projected to remain constant over the three-year forecast period through 2016-17.

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.



The major expenditures that make up the Recreation Revolving Fund by category for 2013-14 include: Salaries & Wages (36.9%), Supplies & Services (57.7%), 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 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% throughout the forecast period.

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 2013-14 is $193,027. 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 2016-17.

Golf Course Fund

Recurring Revenues Vs. Recurring Expenditures

	2012-13 Actual	2013-14 Budget	2013-14 Re-Est.	2014-15 Projected	2015-16 Projected	2016-17 Projected
Recurring Revenue						
Golf Fees	$937,927	$991,395	$945,000	$947,363	$951,152	$954,481
Concessions	56,063	54,386	54,386	54,521	54,740	54,931
Interest Income	214	1,000	200	200	200	200
Other	135	0	0	0	0	0
Total Recurring Revenue	$994,339	$1,046,780	$999,586	$1,002,084	$1,006,091	$1,009,612
Recurring Expenditures						
Salaries & Wages	$537,783	$539,195	$537,685	$572,101	$572,562	573,024
Supplies & Services	312,974	310,413	310,115	311,506	312,351	314,479
Capital Outlay	0	0	25,488	0	0	0
Total Recurring Expenditures	$850,757	$849,608	$873,288	$883,607	$884,913	887,503
Transfers Out	50,288	52,339	49,979	50,104	50,305	50,481
Fund Balance - Beginning	**$34,014**	**$126,942**	**$127,308**	**$203,626**	**$272,000**	**$342,874**
Total Recurring Revenue	**$994,339**	**$1,046,780**	**$999,586**	**$1,002,084**	**$1,006,091**	**$1,009,612**
Total Recurring Expenditures	**$850,757**	**$849,608**	**$873,288**	**$883,607**	**$884,913**	**$887,503**
Less: Transfers Out-Transfers In	**$50,288**	**$52,339**	**$49,979**	**$50,104**	**$50,305**	**$50,481**
Fund Balance - Ending	**$127,308**	**$271,775**	**$203,626**	**$272,000**	**$342,874**	**$414,502**
Days of Operation			**85**	**112**	**141**	**170**

*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

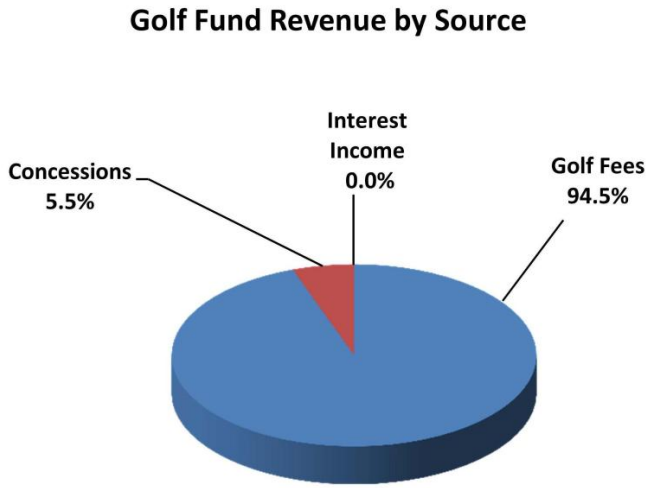
Golf fees are charged for the use of the City's municipal golf course.

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

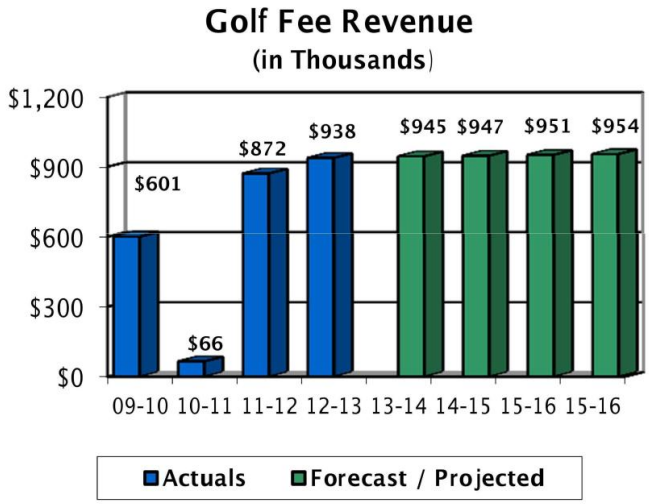
The major sources that make up the Municipal Golf Course Fund revenues for 2013-14 include: Golf Fees (94.5%), Concessions (5.5%), Interest Income (0.0%). A description of each source as well as a discussion of the outlook over the next three years follows.



Golf 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. However, 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 new golfers and receive more rounds of play.

Golf fees are projected to increase 0.25% to $947,363 for 2014-15, and 0.40% for 2015-16 and 0.35% for 2016-17. These projections assume a stable demand for golf rounds and normal weather patterns over the years forecast.



The graph above shows the historical trends and projections for golf fees. During 2010-11 the course was closed for major renovation. By 2016-17, this revenue source is estimated to reach $954,481.

Concessions
Room Rental Fees

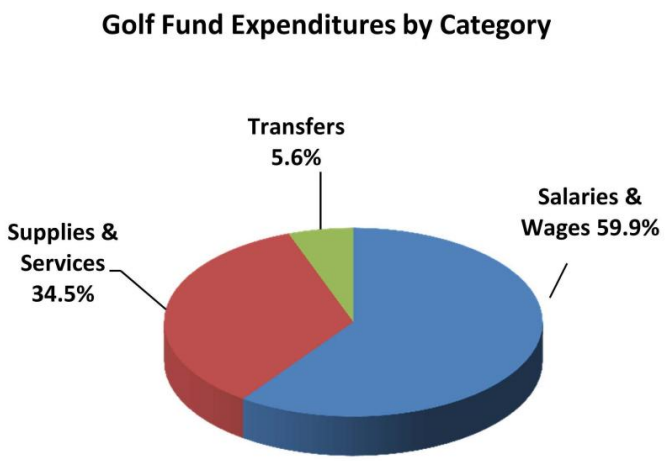
Based on the current agreement with the golf course pro, the City receives concession and room rental fee revenues. Combined concession and room rental fee revenues are projected at $54,386 for the 2013-14 Re-Estimate and are forecasted to increase slightly for the next three years.

Other

Miscellaneous revenues for 2013-14 are re-estimated to be $200 and throughout the remaining forecast period.

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 2013-14 include: Salaries & Wages (59.9%), Supplies & Services (34.5%), and Transfers (5.6%). 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 other benefit rates are expected to remain constant.

Supplies & Services

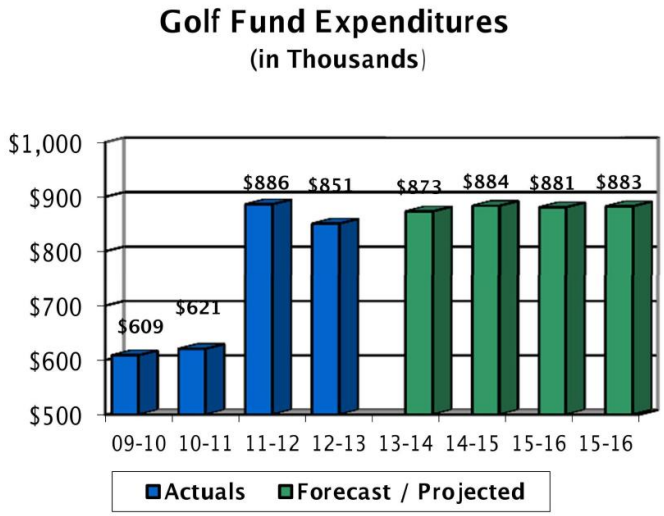
Supplies & services costs are projected to increase slightly for each year of the three-year forecast. Municipal garage charges are projected to increase 5.0% in 2014-15, 5.0% in 2015-16, and 5.0% in 2016-17. Electric charges are projected to remain flat in 2013-14 and throughout the remaining forecast period.

Capital Outlay

For FY 2013-14, a new aerator was purchased in order to maintain existing turf surfaces and to further reduce the maintenance in future years. No new capital outlay is projected for the remaining years in 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 2013-14 equals $50,104. This transfer compensates the General Fund for expenses related to the administration of the Municipal Golf Course.



Outlook & Analysis

Based on projections, the Municipal Golf Course Fund is forecasted to maintain a healthy fund balance through fiscal year 2016-17.

Combined Budget

	Actuals 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	Variance Bud to Bud	Variance Est to Bud
BEGINNING BALANCES						
Operating Funds:						
General Fund	$52,966,763	$37,948,439	$56,310,424	$37,072,987	-2.3%	-34.2%
Water & Sewer Fund	24,451,298	25,567,469	27,384,036	21,124,400	-17.4%	-22.9%
Sustainability & Env. Svc. Fund	2,758,454	3,248,177	3,893,194	4,514,479	39.0%	16.0%
Convention & Tourism Fund	2,429,176	1,468,474	2,186,185	1,163,775	-20.7%	-46.8%
Municipal Drainage Utility Fund	3,406,069	2,006,368	3,834,754	3,520,562	75.5%	-8.2%
Recreation Revolving Fund	1,139,824	1,357,141	1,488,478	1,745,586	28.6%	17.3%
Municipal Golf Course Fund	34,014	126,942	127,308	203,626	60.4%	59.9%
PTN Fund	784,862	5,394	657,806	412,973	7556.2%	-37.2%
TOTAL OPERATING FUNDS	$87,970,460	$71,728,404	$95,882,184	$69,758,388	-2.7%	-27.2%
Debt Service Funds:						
General Obligation	$2,224,744	$1,542,160	$1,573,430	$2,361,596	53.1%	50.1%
Water & Sewer Revenue	387,918	0	0	0	0.0%	0.0%
TOTAL DEBT SERVICE FUNDS	$2,612,662	$1,542,160	$1,573,430	$2,361,596	53.1%	50.1%
TOTAL BEGINNING BALANCES	$90,583,122	$73,270,563	$97,455,615	$72,119,984	-1.6%	-26.0%
REVENUES & TRANSFERS IN						
Operating Funds:						
General Fund	$224,085,210	$223,719,945	$228,956,089	$238,844,345	6.8%	4.3%
Water & Sewer Fund	121,294,079	127,276,413	122,110,130	129,562,583	1.8%	6.1%
Sustainability & Env. Svc. Fund	23,603,779	23,906,347	23,898,983	24,022,418	0.5%	0.5%
Convention & Tourism Fund	6,860,971	6,993,852	7,043,997	7,429,746	6.2%	5.5%
Municipal Drainage Utility Fund	6,306,616	7,305,916	7,593,044	7,998,084	9.5%	5.3%
HUD Grant Fund	1,918,253	1,535,127	1,732,087	1,535,127	0.0%	-11.4%
Recreation Revolving Fund	3,824,362	3,847,676	3,860,534	3,870,000	0.6%	0.2%
Municipal Golf Course Fund	994,339	1,046,780	999,586	1,002,083	-4.3%	0.2%
PTN Fund	1,333,310	1,287,156	1,330,991	1,332,232	3.5%	0.1%
TOTAL OPERATING FUNDS	$390,220,918	$396,919,214	$397,525,441	$415,596,618	4.7%	4.5%
Debt Service Funds:						
General Obligation	$43,255,455	$42,446,662	$42,446,662	$41,986,915	-1.1%	-1.1%
Water & Sewer Revenue	388,277	0	0	0	0.0%	0.0%
TOTAL DEBT SERVICE FUNDS	$43,643,732	$42,446,662	$42,446,662	$41,986,915	-1.1%	-1.1%
TOTAL REVENUE & TRANSFERS IN	$433,864,650	$439,365,876	$439,972,102	$457,583,533	4.1%	4.0%
Less: Interfund Transfers	19,190,124	19,696,857	19,306,528	19,846,273	0.8%	2.8%
NET BUDGET REVENUE	$414,674,526	$419,669,019	$420,665,574	$437,737,261	4.3%	4.1%
TOTAL AVAILABLE FUNDS	$505,257,648	$492,939,582	$518,121,189	$509,857,244	3.4%	-1.6%
APPROPRIATIONS & TRANSFERS OUT						
Operations:						
General Fund	$220,741,549	$243,624,683	$248,193,526	$249,869,262	2.6%	0.7%
Water & Sewer Fund	118,361,341	132,484,987	128,369,766	134,685,386	1.7%	4.9%
Sustainability & Env. Svc. Fund	22,469,039	22,908,073	23,277,698	23,508,345	2.6%	1.0%
Convention & Tourism Fund	7,103,962	7,891,330	8,066,407	7,969,333	1.0%	-1.2%
Municipal Drainage Utility Fund	5,877,931	6,357,833	6,505,058	8,834,046	38.9%	35.8%
HUD Grant Fund	1,918,253	1,535,127	1,732,087	1,535,127	0.0%	-11.4%
Recreation Revolving Fund	3,475,708	3,605,329	3,603,426	3,617,275	0.3%	0.4%
Municipal Golf Course Fund	901,045	901,947	923,267	933,711	3.5%	1.1%
PTN Fund	1,460,366	1,229,495	1,575,824	1,613,461	31.2%	2.4%
TOTAL OPERATIONS	$382,309,194	$420,538,803	$422,247,059	$432,565,945	2.9%	2.4%

	Actuals 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	*Variance* *Bud to Bud*	*Est to Bud*
Debt Service Funds:						
General Obligation	$43,906,769	$42,148,314	$41,658,496	$41,879,854	*-0.6%*	*0.5%*
Water & Sewer Revenue	388,277	0	0	0	*0.0%*	*0.0%*
TOTAL DEBT SERVICE FUNDS	$44,295,046	$42,148,314	$41,658,496	$41,879,854	*-0.6%*	*0.5%*
TOTAL APPROPRIATIONS & TRANSFERS OUT	$426,604,239	$462,687,117	$463,905,555	$474,445,799	*2.5%*	*2.3%*
Less: Interfund Transfers	19,190,124	19,696,857	19,306,528	19,846,273	*0.8%*	*2.8%*
NET BUDGET APPROPRIATIONS	$407,414,115	$442,990,260	$444,599,027	$454,599,526	*2.6%*	*2.2%*
ENDING BALANCES						
Operating Funds:						
General Fund	$56,310,424	$18,043,701	$37,072,987	$26,048,070	*44.4%*	*-29.7%*
Water & Sewer Fund	27,384,036	20,358,895	21,124,400	16,001,597	*-21.4%*	*-24.3%*
Sustainability & Env. Svc. Fund	3,893,194	4,246,450	4,514,479	5,028,552	*18.4%*	*11.4%*
Convention & Tourism Fund	2,186,185	570,997	1,163,775	624,188	*9.3%*	*-46.4%*
Municipal Drainage Utility Fund	3,834,754	2,954,452	3,520,562	2,684,600	*-9.1%*	*-23.7%*
Recreation Revolving Fund	1,488,478	1,599,488	1,745,586	1,998,312	*24.9%*	*14.5%*
Municipal Golf Course Fund	127,308	271,777	203,626	271,999	*0.1%*	*33.6%*
PTN Fund	657,806	63,055	412,973	131,744	*108.9%*	*-68.1%*
TOTAL OPERATING FUNDS	$95,882,184	$48,108,815	$69,758,388	$52,789,061	*9.7%*	*-24.3%*
Debt Service Funds:						
General Obligation	$1,573,430	$1,840,508	$2,361,596	$2,468,657	*34.1%*	*4.5%*
Water & Sewer Revenue	0	0	0	0	*0.0%*	*0.0%*
TOTAL DEBT SERVICE FUNDS	$1,573,430	$1,840,508	$2,361,596	$2,468,657	*34.1%*	*4.5%*
TOTAL ENDING BALANCES	$97,455,615	$49,949,322	$72,119,984	$55,257,718	*10.6%*	*-23.4%*
TOTAL APPROPRIATIONS & ENDING BALANCES	$504,869,730	$492,939,583	$516,719,011	$509,857,244	*3.4%*	*-1.3%*

General Fund

	Actual 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	Variance Bud to Bud	Variance Est to Bud
UNAPPROPRIATED FUND BALANCE	**$52,966,763**	**$37,948,439**	**$53,252,925**	**$37,072,987**	***-2.3%***	***-34.2%***
Encumbrance Adjustment			3,057,499			
Revenues						
Taxes	$151,531,053	$151,088,983	$155,666,297	$164,906,609	*9.1%*	*5.9%*
Franchise Fees	22,455,606	22,792,394	23,744,572	23,830,281	*4.6%*	*0.4%*
Fines & Forfeits	8,060,626	8,080,568	7,829,625	7,849,199	*-2.9%*	*0.2%*
Miscellaneous Revenue	1,767,814	1,757,231	1,407,231	1,417,631	*-19.3%*	*0.7%*
Licenses & Permits	8,514,995	7,434,133	8,163,516	8,170,777	*9.9%*	*0.1%*
Charges for Services	12,038,497	12,342,731	12,301,486	12,292,982	*-0.4%*	*-0.1%*
Intergovernmental Revenue	1,026,495	1,027,049	1,041,632	1,041,632	*1.4%*	*0.0%*
Subtotal Revenues	$205,395,086	$204,523,089	$210,154,359	$219,509,111	*7.3%*	*4.5%*
Intragovernmental Transfers	18,690,124	19,196,857	18,801,730	19,335,234	*0.7%*	*2.8%*
TOTAL REVENUES & TRANSFERS	$224,085,210	$223,719,945	$228,956,089	$238,844,345	*6.8%*	*4.3%*
TOTAL RESOURCES	$277,051,973	$261,668,384	$285,266,513	$275,917,332	*5.4%*	*-3.3%*
APPROPRIATIONS						
Operating Expense						
Salaries & Wages	$150,908,874	$164,740,888	$163,047,370	$168,055,365	*2.0%*	*3.1%*
Materials & Supplies	5,885,705	6,985,366	7,746,741	6,991,807	*0.1%*	*-9.7%*
Contractual	39,148,215	44,495,568	49,433,746	45,479,873	*2.2%*	*-8.0%*
Community Services Agencies	263,500	385,533	385,533	268,016	*-30.5%*	*-30.5%*
Sundry	794,432	1,942,927	2,133,603	1,942,927	*0.0%*	*-8.9%*
CIP Coming On-Line	0	0	0	735,607	*100.0%*	*100.0%*
Reimbursements	(2,359,999)	(2,683,143)	(2,683,143)	(2,683,143)	*0.0%*	*0.0%*
Subtotal	$194,640,727	$215,867,139	$220,063,850	$220,790,451	*2.3%*	*0.3%*
Capital Outlay	1,446,397	1,133,800	1,593,023	1,000,000	*-11.8%*	*-37.2%*
TOTAL OPERATIONS	$196,087,124	$217,000,939	$221,656,873	$221,790,451	*2.2%*	*0.1%*
Capital Reserve	$12,875,000	$15,000,000	$15,000,000	$17,200,000	*14.7%*	*14.7%*
Property & Liability Loss Fund	3,986,646	4,032,565	3,945,474	3,936,027	*-2.4%*	*-0.2%*
Technology Fund	1,000,000	1,000,000	1,000,000	1,000,000	*0.0%*	*0.0%*
PTN Fund	250,000	250,000	250,000	250,000	*0.0%*	*0.0%*
Economic Development Incentive Fund	6,542,779	6,341,179	6,341,179	5,692,784	*-10.2%*	*-10.2%*
TOTAL TRANSFERS	$24,654,425	$26,623,744	$26,536,653	$28,078,811	*5.5%*	*5.8%*
TOTAL APPROPRIATIONS	$220,741,549	$243,624,683	$248,193,526	$249,869,262	*2.6%*	*0.7%*
UNAPPROPRIATED FUND BALANCE	$56,310,424	$18,043,701	$37,072,987	$26,048,070	*44.4%*	*-29.7%*
Days of Operation				43		

General Fund Revenue by Source

	Actual 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	Variance Bud to Bud	Variance Est to Bud
SOURCE OF INCOME						
Taxes						
Ad Valorem Taxes:						
Current	$80,676,496	$86,947,572	$87,447,572	$96,047,097	10.5%	9.8%
Delinquent	245,973	889,118	389,118	980,711	10.3%	152.0%
Penalty & Interest	423,444	444,559	444,559	490,356	10.3%	10.3%
Sales Tax	68,723,680	61,503,635	65,947,054	65,947,054	7.2%	0.0%
Mixed Drink Tax	1,277,913	1,144,018	1,277,913	1,281,108	12.0%	0.2%
Bingo Gross Receipts Tax	80,525	81,010	81,010	81,213	0.2%	0.2%
Excess Proceeds on Taxes	103,022	79,071	79,071	79,071	0.0%	0.0%
TOTAL TAXES	$151,531,053	$151,088,983	$155,666,297	$164,906,609	9.1%	5.9%
Franchise Fees						
Electrical Franchise	$11,771,988	$12,122,087	$12,518,716	$12,518,716	3.3%	0.0%
Telephone Franchise	4,201,454	4,128,796	4,128,796	4,128,796	0.0%	0.0%
Fiber Optics Franchise	42,588	31,903	42,588	42,588	33.5%	0.0%
Gas Franchise	2,263,676	2,297,630	2,856,957	2,942,666	28.1%	3.0%
Cable TV Franchise	4,175,900	4,211,978	4,197,515	4,197,515	-0.3%	0.0%
TOTAL FRANCHISE FEES	$22,455,606	$22,792,394	$23,744,572	$23,830,281	4.6%	0.4%
Fines & Forfeits						
Municipal Court	$7,666,120	$7,725,515	$7,474,572	$7,493,258	-3.0%	0.2%
Library Fines	394,506	355,053	355,053	355,941	0.3%	0.3%
TOTAL FINES & FORFEITS	$8,060,626	$8,080,568	$7,829,625	$7,849,199	-2.9%	0.2%
Miscellaneous Revenue						
Interest Earnings	$144,258	$500,000	$150,000	$150,000	-70.0%	0.0%
Sale/Rental of Property	485,330	491,391	491,391	491,391	0.0%	0.0%
Insurance Collections	385,107	260,000	260,000	270,400	4.0%	4.0%
Sundry	753,119	505,840	505,840	505,840	0.0%	0.0%
TOTAL MISCELLANEOUS REVENUE	$1,767,814	$1,757,231	$1,407,231	$1,417,631	-19.3%	0.7%
Licenses and Permits						
Food Handlers Permits	$593,060	$598,567	$598,567	$600,063	0.2%	0.2%
Land / Burning / Liquid Waste	27,095	27,258	27,258	27,326	0.2%	0.2%
Grease Trap Permits	39,500	41,204	41,204	41,307	0.2%	0.2%
Fire Inspection Fees	315,795	250,000	326,500	326,500	30.6%	0.0%
Rental Registration Fees	259,960	247,973	283,397	284,105	14.6%	0.2%
Animal Licenses	152,635	134,743	134,743	135,080	0.2%	0.2%
Restaurant Plan Review	39,000	36,216	36,216	36,307	0.3%	0.3%
Alarm Permits	1,715,848	1,426,938	1,715,848	1,720,138	20.5%	0.2%
Filing Fees	362,810	263,600	293,760	293,760	11.4%	0.0%
Fire Protection Plan Review	264,537	267,391	267,391	267,391	0.0%	0.0%
Building Permits	3,395,036	2,867,229	3,165,619	3,165,619	10.4%	0.0%
Electrical Permits	115,649	101,948	101,948	101,948	0.0%	0.0%
Plumbing Permits	275,823	280,429	280,429	280,429	0.0%	0.0%
Heating & A/C Permits	138,145	134,173	134,173	134,173	0.0%	0.0%
Fence Permits	46,968	46,567	46,567	46,567	0.0%	0.0%
Swimming Pool Permits	39,816	40,541	40,541	40,541	0.0%	0.0%
Pool Inspection	62,950	66,890	66,890	67,057	0.2%	0.2%
Irrigation Permits	67,135	65,506	65,506	65,506	0.0%	0.0%
Day Laborer Fees	17,020	16,630	16,630	16,630	0.0%	0.0%
Sign Permits	148,331	139,294	139,294	139,294	0.0%	0.0%
Reoccupancy Permits	138,168	132,140	132,140	132,140	0.0%	0.0%
Misc. Licenses & Permits	299,714	248,898	248,898	248,898	0.0%	0.0%
TOTAL LICENSES & PERMITS	$8,514,995	$7,434,133	$8,163,516	$8,170,777	9.9%	0.1%

	Actual 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	Variance Bud to Bud	Variance Est to Bud
Fees & Service Charges						
Animal Pound & Adoption Fee	$237,868	$234,203	$234,203	$234,789	0.2%	0.2%
Ambulance Service	3,698,585	3,870,888	3,870,888	3,880,565	0.2%	0.2%
False Alarm Response	195,348	254,274	204,274	204,785	-19.5%	0.2%
Emergency 911	1,011,804	990,172	990,172	992,647	0.2%	0.2%
Contractor Registration Fee	219,792	215,138	215,138	215,138	0.0%	0.0%
Engineering Inspection Fee	470,364	350,000	400,000	350,000	0.0%	-12.5%
Residential Building Plan Review	48,925	52,230	52,230	52,230	0.0%	0.0%
Reinspection Fee	63,046	69,994	69,994	69,994	0.0%	0.0%
File Searches	43,092	41,858	41,858	41,963	0.2%	0.2%
Same Day Inspection Fee	72,920	75,110	75,110	75,110	0.0%	0.0%
Convenience Copiers	10,502	10,631	10,631	10,658	0.2%	0.2%
Lease Fees	161,470	162,122	161,470	161,470	-0.4%	0.0%
Recreation User Fee	451,305	660,358	660,358	664,009	0.6%	0.6%
Recreation Rental Fee	182,777	171,670	171,670	210,099	22.4%	22.4%
Swimming Fees	782,322	816,211	798,321	715,633	-12.3%	-10.4%
Recreation Membership Card Fee	2,605,507	2,580,276	2,580,276	2,596,727	0.6%	0.6%
Tennis Center Fee	225,512	221,671	221,671	222,225	0.2%	0.2%
Food Manager/Handler Training	50,770	62,019	51,000	51,128	-17.6%	0.2%
Tree Trimming Assessments	115,405	112,802	112,802	113,084	0.2%	0.2%
Child Safety Fees	104,505	114,812	103,127	103,385	-10.0%	0.2%
Sundry	1,286,678	1,276,293	1,276,293	1,327,345	4.0%	4.0%
TOTAL FEES & SVC CHARGES	$12,038,497	$12,342,731	$12,301,486	$12,292,982	-0.4%	-0.1%
Intergovernmental Revenue						
FISD School Liaisons	112,320	107,917	115,316	115,316	6.9%	0.0%
PISD School Liaisons	577,176	554,448	589,317	589,317	6.3%	0.0%
Plano-Richardson Trng. Ctr. / Misc.	132,315	160,000	132,315	132,315	-17.3%	0.0%
Interlocal Radio System Access	204,684	204,684	204,684	204,684	0.0%	0.0%
TOTAL INTERGOVT'L REVENUE	$1,026,495	$1,027,049	$1,041,632	$1,041,632	1.4%	0.0%
TOTAL REVENUE	$205,395,086	$204,523,089	$210,154,360	$219,509,111	7.3%	4.5%
Intragovernmental Transfers						
Intra-Fund Transfers From:						
Water & Sewer Fund	$16,774,484	$17,174,664	$16,772,810	$17,253,579	0.5%	2.9%
Sustain. & Environ. Services Fund	908,876	919,646	903,158	907,654	-1.3%	0.5%
Recreation Revolving Fund	191,130	192,384	193,027	193,500	0.6%	0.2%
Golf Course Fund	50,288	52,339	49,979	50,104	-4.3%	0.2%
Convention & Tourism Fund	336,976	349,693	352,200	371,487	6.2%	5.5%
Municipal Drainage Fund	428,370	508,131	530,556	558,909	10.0%	5.3%
TOTAL INTRAGOVT'L TRANSFERS	$18,690,124	$19,196,857	$18,801,730	$19,335,234	0.7%	2.8%
TOTAL GENERAL FUND	$224,085,210	$223,719,945	$228,956,089	$238,844,345	6.8%	4.3%

General Obligation Debt Service

	Actual 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	*Variance* *Bud to Bud*	*Est to Bud*
UNAPPROPRIATED FUND BALANCE	**$2,224,744**	**$1,542,160**	**$1,573,430**	**$2,361,596**	***53.1%***	***50.1%***
Revenues						
Property Tax						
Current	$42,815,158	$41,663,710	$41,663,710	$41,209,601	*-1.1%*	*-1.1%*
Delinquent	114,615	428,110	428,110	424,084	*-0.9%*	*-0.9%*
Penalty & Interest	178,302	171,244	171,244	169,633	*-0.9%*	*-0.9%*
Fund Interest Income	0	33,000	33,000	33,000	*0.0%*	*0.0%*
Police Academy Reimbursement	147,380	150,597	150,597	150,597	*0.0%*	*0.0%*
TOTAL REVENUES	$43,255,455	$42,446,662	$42,446,662	$41,986,915	*-1.1%*	*-1.1%*
TOTAL RESOURCES	$45,480,199	$43,988,822	$44,020,092	$44,348,511	*0.8%*	*0.7%*
APPROPRIATIONS						
Bond and Certificates						
Principal	$24,150,000	$23,805,000	$23,805,000	$23,445,000	*-1.5%*	*-1.5%*
Interest	12,796,090	12,585,745	12,492,108	12,606,362	*0.2%*	*0.9%*
Transfer to Tech Infrastructure & Public Art	241,100	197,612	197,613	200,813	*1.6%*	*1.6%*
Transfer to Tax Notes Moto Mesh	2,085,200	0	0	0	*0.0%*	*0.0%*
Transfer to Tax Notes MotoMesh&Radio System Replacement	2,733,469	2,754,581	2,754,581	2,769,281	*0.5%*	*0.5%*
Transfer to Tax Notes Radio Sys Repl	990,619	999,919	999,919	1,012,275	*1.2%*	*1.2%*
Transfer to CO's Radio Sys Repl	903,775	906,876	906,876	906,624	*-0.0%*	*-0.0%*
Exchanges Fees & Bond Sale Expense	6,516	9,500	9,500	9,500	*0.0%*	*0.0%*
Subtotal	$43,906,769	$41,259,234	$41,165,596	$40,949,854	*-0.7%*	*-0.5%*
New Debt	0	889,080	492,900	930,000	*4.6%*	*88.7%*
TOTAL APPROPRIATIONS	$43,906,769	$42,148,314	$41,658,496	$41,879,854	*-0.6%*	*0.5%*
UNAPPROPRIATED FUND BALANCE	$1,573,430	$1,840,508	$2,361,596	$2,468,657	*34.1%*	*4.5%*

Water & Sewer

	Actual 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	Variance Bud to Bud	Variance Est to Bud
WORKING CAPITAL	**$24,451,298**	**$25,567,469**	**$27,384,036**	**$21,124,400**	***-17.4%***	***-22.9%***
Revenues						
Water Income	$67,363,201	$72,352,183	$67,307,386	$73,824,083	*2.0%*	*9.7%*
Sewer Income	50,432,745	51,415,572	51,195,746	52,261,919	*1.6%*	*2.1%*
Water Taps	104,885	104,274	104,274	105,317	*1.0%*	*1.0%*
Water & Sewer Penalties	1,347,468	1,405,097	1,405,097	1,412,122	*0.5%*	*0.5%*
Water Meters	265,623	219,631	271,203	273,915	*24.7%*	*1.0%*
Construction Water	211,894	226,052	226,052	228,313	*1.0%*	*1.0%*
Service Connect Fee	223,438	222,082	222,082	224,303	*1.0%*	*1.0%*
Backflow Testing	477,925	490,431	490,431	495,335	*1.0%*	*1.0%*
Sewer Tie-On	23,450	26,008	26,008	26,268	*1.0%*	*1.0%*
Pre-Treatment Permits	31,540	32,845	32,845	33,173	*1.0%*	*1.0%*
Interest Earnings	63,330	120,000	65,000	65,000	*-45.8%*	*0.0%*
Education Building	157,239	157,239	157,239	0	*100.0%*	*-100.0%*
Misc. Income	591,341	505,000	606,767	612,835	*21.4%*	*1.0%*
TOTAL REVENUES	$121,294,079	$127,276,413	$122,110,130	$129,562,583	*1.8%*	*6.1%*
TOTAL RESOURCES	$145,745,377	$152,843,882	$149,494,166	$150,686,983	*-1.4%*	*0.8%*
APPROPRIATIONS		74,309,555				
Operating Expense						
Salaries & Wages	$9,314,071	$9,603,370	$9,758,135	$9,951,393	*3.6%*	*2.0%*
Materials & Supplies	1,541,250	2,021,087	2,095,338	2,028,622	*0.4%*	*-3.2%*
Contractual	3,912,663	5,064,333	5,161,264	5,202,178	*2.7%*	*0.8%*
NTMWD - Water	43,476,849	50,233,241	48,166,043	55,042,807	*9.6%*	*14.3%*
NTMWD - Wastewater	13,810,600	14,824,489	14,824,489	15,168,798	*2.3%*	*2.3%*
NTMWD - Upper E. Fork Interceptor	8,102,085	8,420,340	8,420,340	8,648,000	*2.7%*	*2.7%*
Retirement of NTMWD Debt	816,511	831,485	831,445	819,950	*-1.4%*	*-1.4%*
Sundry	1,079,829	647,908	648,105	648,105	*0.0%*	*0.0%*
Reimbursements	860,597	875,704	875,704	893,043	*2.0%*	*2.0%*
Subtotal	$82,914,455	$92,521,957	$90,780,863	$98,402,896	*6.4%*	*8.4%*
Capital Outlay	70,534	14,000	20,000	0	*-100.0%*	*-100.0%*
TOTAL OPERATIONS	$82,984,989	$92,535,957	$90,800,863	$98,402,896	*6.3%*	*8.4%*
Transfer to General Fund	$16,774,484	$17,174,664	$16,772,810	$17,253,579	*0.5%*	*2.9%*
Transfer to W & S CIP	7,461,484	12,730,742	12,730,742	10,000,000	*-21.4%*	*-21.4%*
Transfer to Capital Reserve	3,000,000	3,000,000	3,000,000	3,000,000	*0.0%*	*0.0%*
Transfer to Loss Fund	753,639	759,784	781,512	773,556	*1.8%*	*-1.0%*
Transfer to Technology Fund	300,000	300,000	300,000	300,000	*0.0%*	*0.0%*
Transfer to Reserve Fund	3,000,000	2,000,000	0	1,000,000	*-50.0%*	*#DIV/0!*
Transfer to Meter/AMR Rep. Fund	1,500,000	1,500,000	1,500,000	1,500,000	*0.0%*	*0.0%*
Transfer to Technology Services	2,486,745	2,383,840	2,383,840	2,455,355	*3.0%*	*3.0%*
Transfer for Sustainability	100,000	100,000	100,000	0	*-100.0%*	*-100.0%*
TOTAL TRANSFERS	$35,376,352	$39,949,030	$37,568,904	$36,282,490	*-9.2%*	*-3.4%*
TOTAL APPROPRIATIONS	$118,361,341	$132,484,987	$128,369,766	$134,685,386	*1.7%*	*4.9%*
WORKING CAPITAL	$27,384,036	$20,358,895	$21,124,400	$16,001,597	*-21.4%*	*-24.3%*
Days of Operation				59		

Sustainability & Environmental Services

	Actual 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	Variance Bud to Bud	Variance Est to Bud
WORKING CAPITAL	**$2,758,454**	**$3,248,177**	**$3,893,194**	**$4,514,479**	***39.0%***	***16.0%***
Revenues						
Commercial Franchise	$7,068,059	$7,041,335	$7,061,480	$7,202,710	*2.3%*	*2.0%*
Special Refuse Collection	75,458	76,196	76,196	76,386	*0.2%*	*0.2%*
Residential Collection	12,754,877	12,810,487	12,793,440	12,857,407	*0.4%*	*0.5%*
Allied Waste, Inc.	91,443	82,693	82,693	84,347	*2.0%*	*2.0%*
Recycling	447,272	415,095	452,027	453,157	*9.2%*	*0.3%*
Sales of Landscape Bags	32,536	251,119	32,617	32,699	*-87.0%*	*0.2%*
Contributions via Utility Billing	9,515	11,716	11,716	11,745	*0.2%*	*0.2%*
Sale of Compost	1,679,879	1,483,532	1,684,079	1,688,289	*13.8%*	*0.3%*
Tipping Fees	762,486	834,701	805,263	807,276	*-3.3%*	*0.2%*
Miscellaneous	428,059	486,009	486,009	490,869	*1.0%*	*1.0%*
Reimbursements	154,195	203,463	203,463	207,532	*2.0%*	*2.0%*
Sustainability Program Transfer	100,000	100,000	100,000	0	*-100.0%*	*-100.0%*
Construction & Demolition Program	0	110,000	110,000	110,000	*100.0%*	*100.0%*
TOTAL REVENUES	$23,603,779	$23,906,347	$23,898,983	$24,022,418	*0.5%*	*0.5%*
TOTAL RESOURCES	$26,362,233	$27,154,524	$27,792,177	$28,536,897	*5.1%*	*2.7%*
APPROPRIATIONS						
Operating Expense						
Salaries & Wages	$6,346,465	$6,615,890	$6,501,076	$6,604,782	*-0.2%*	*1.6%*
Materials & Supplies	419,840	453,426	527,378	453,426	*0.0%*	*-14.0%*
Contractual	6,772,175	7,614,403	7,896,445	7,783,755	*2.2%*	*-1.4%*
NTMWD	6,993,790	6,457,610	6,457,610	7,137,031	*10.5%*	*10.5%*
Sundry	282,791	127,784	128,340	127,784	*0.0%*	*-0.4%*
Reimbursements	27,019	92,714	92,714	92,714	*100.0%*	*0.0%*
Subtotal	$20,842,080	$21,361,827	$21,603,563	$22,199,492	*3.9%*	*2.8%*
Capital Outlay	139,603	45,000	208,500	0	*-100.0%*	*-100.0%*
TOTAL OPERATIONS	$20,981,683	$21,406,827	$21,812,063	$22,199,492	*3.7%*	*1.8%*
Transfer to General Fund	$908,876	$919,646	$903,158	$907,654	*-1.3%*	*0.5%*
Transfer to Technology Fund	60,000	60,000	60,000	60,000	*0.0%*	*0.0%*
Transfer to W&S Fund-Env. Ed. Bldg.	157,239	157,239	157,239	0	*100.0%*	*-100.0%*
Transfer to Loss Fund	361,241	364,361	345,238	341,199	*-6.4%*	*-1.2%*
TOTAL TRANSFERS	$1,487,356	$1,501,246	$1,465,635	$1,308,854	*-12.8%*	*-10.7%*
TOTAL APPROPRIATIONS	$22,469,039	$22,908,073	$23,277,698	$23,508,345	*2.6%*	*1.0%*
WORKING CAPITAL	$3,893,194	$4,246,451	$4,514,479	$5,028,552	*18.4%*	*11.4%*
Days of Operation				83		

Municipal Drainage Utility

	Actual 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	Variance Bud to Bud	Variance Est to Bud
WORKING CAPITAL	**$3,406,069**	**$2,006,368**	**$3,834,754**	**$3,520,562**	***75.5%***	***-8.2%***
Revenues						
Environmental Assessment Fees:						
Residential Class Fees	$3,352,680	$3,805,130	$3,968,800	$3,978,722	*4.6%*	*0.2%*
Commercial Class Fees	$2,930,780	3,453,886	3,610,574	4,005,691	*16.0%*	*10.9%*
Miscellaneous	15,440	6,000	6,000	6,000	*0.0%*	*0.0%*
Interest Income	7,716	40,900	7,670	7,670	*-81.2%*	*0.0%*
TOTAL REVENUES	$6,306,616	$7,305,916	$7,593,044	$7,998,084	*9.5%*	*5.3%*
TOTAL RESOURCES	$9,712,685	$9,312,284	$11,427,798	$11,518,645	*23.7%*	*0.8%*
APPROPRIATIONS						
Operating Expense						
Salaries & Wages	$1,341,603	$1,463,701	$1,557,393	$1,578,060	*7.8%*	*1.3%*
Materials & Supplies	261,248	344,652	358,591	351,545	*2.0%*	*-2.0%*
Contractual	579,514	663,284	768,497	680,656	*2.6%*	*-11.4%*
Sundry	22,863	2,778	2,803	2,834	*2.0%*	*1.1%*
Reimbursements	310,981	344,360	344,360	344,360	*0.0%*	*0.0%*
Subtotal	$2,516,209	$2,818,775	$3,031,644	$2,957,454	*4.9%*	*-2.4%*
Capital Outlay	0	0	4,931	0	*0.0%*	*-100.0%*
TOTAL OPERATIONS	$2,516,209	$2,818,775	$3,036,575	$2,957,454	*4.9%*	*-2.6%*
Transfer to General Fund	$428,370	$508,131	$530,556	$558,909	*10.0%*	*5.3%*
Transfer to Drainage CIP	0	0	0	2,700,000	*100.0%*	*100.0%*
Transfer to Technology Fund	20,000	20,000	20,000	20,000	*0.0%*	*0.0%*
Transfer to Revenue Debt	2,913,352	3,010,927	2,917,927	2,597,683	*-13.7%*	*-11.0%*
TOTAL TRANSFERS	$3,361,722	$3,539,058	$3,468,483	$5,876,591	*66.0%*	*69.4%*
TOTAL APPROPRIATIONS	$5,877,931	$6,357,833	$6,505,058	$8,834,046	*38.9%*	*35.8%*
EST. RESERVE REQUIREMENT	0	0	1,402,178	0	*0.0%*	*-100.0%*
WORKING CAPITAL	$3,834,754	$2,954,451	$3,520,562	$2,684,600	*-9.1%*	*-23.7%*
Days of Operation				331		

Convention & Tourism

	Actual 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	Variance Bud to Bud	Variance Est to Bud
WORKING CAPITAL	**$2,429,176**	**$1,468,474**	**$2,186,185**	**$1,163,775**	***-20.7%***	***-46.8%***
Revenues						
Hotel/Motel Receipts	$5,095,504	$5,123,120	$5,497,219	$5,977,446	*16.7%*	*8.7%*
Civic Center Fees	1,757,811	1,847,732	1,538,678	1,444,200	*-21.8%*	*-6.1%*
Miscellaneous	2,101	3,000	2,100	2,100	*-30.0%*	*0.0%*
Interest Income	5,555	20,000	6,000	6,000	*-70.0%*	*0.0%*
TOTAL REVENUES	$6,860,971	$6,993,852	$7,043,997	$7,429,746	*6.2%*	*5.5%*
TOTAL RESOURCES	$9,290,147	$8,462,326	$9,230,182	$8,593,521	*1.6%*	*-6.9%*
APPROPRIATIONS						
Operating Expenses						
Convention & Visitors Bureau	$1,606,165	$1,795,535	$1,851,417	$1,853,551	*3.2%*	*0.1%*
Civic Center Operations	3,486,849	3,735,166	3,851,854	3,716,061	*-0.5%*	*-3.5%*
Support of the Arts	733,488	768,468	768,468	896,617	*16.7%*	*16.7%*
Historic Preservation	727,704	768,468	768,468	896,617	*16.7%*	*16.7%*
Special Events	184,726	165,000	165,000	165,000	*0.0%*	*0.0%*
Civic Center Equip.Rpl. Charge	0	200,000	200,000	50,000	*-75.0%*	*-75.0%*
Subtotal	$6,738,932	$7,432,637	$7,605,207	$7,577,846	*2.0%*	*-0.4%*
Capital Outlay	8,054	89,000	89,000	0	*-100.0%*	*-100.0%*
TOTAL OPERATIONS	$6,746,986	$7,521,637	$7,694,207	$7,577,846	*0.7%*	*-1.5%*
Transfer to General Fund	$336,976	$349,693	$352,200	$371,487	*6.2%*	*5.5%*
Transfer to Technology Fund	20,000	20,000	20,000	20,000	*0.0%*	*0.0%*
TOTAL TRANSFERS	$356,976	$369,693	$372,200	$391,487	*5.9%*	*5.2%*
TOTAL APPROPRIATIONS	$7,103,962	$7,891,330	$8,066,407	$7,969,333	*1.0%*	*-1.2%*
WORKING CAPITAL	$2,186,185	$570,997	$1,163,775	$624,188	*9.3%*	*-46.4%*
Days of Operation				30		

Golf Course

	Actual 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	Variance Bud to Bud	Variance Est to Bud
WORKING CAPITAL	**$34,014**	**$126,942**	**$127,308**	**$203,626**	***60.4%***	***59.9%***
Revenues						
Golf Fees	$937,927	$991,395	$945,000	947,363	*-4.4%*	*0.3%*
Concessions	56,063	54,386	54,386	54,521	*0.2%*	*0.2%*
Interest Income	214	1,000	200	200	*-80.0%*	*0.0%*
Miscellaneous	135	0	0	0	*0.0%*	*0.0%*
TOTAL REVENUES	$994,339	$1,046,780	$999,586	$1,002,083	*-4.3%*	*0.2%*
TOTAL RESOURCES	$1,028,353	$1,173,722	$1,126,894	$1,205,710	*2.7%*	*7.0%*
APPROPRIATIONS						
Operating Expense						
Salaries & Wages	$537,783	$539,195	$537,685	$572,101	*6.1%*	*6.4%*
Supplies	124,924	130,430	130,132	130,430	*0.0%*	*0.2%*
Contractual Services	186,230	178,323	178,323	179,416	*0.6%*	*0.6%*
Sundry Charges	1,819	1,660	1,660	1,660	*0.0%*	*0.0%*
Subtotal	$850,757	$849,608	$847,800	$883,607	*4.0%*	*4.2%*
Capital Outlay	0	0	25,488	0	*0.0%*	*0.0%*
TOTAL OPERATIONS	$850,757	$849,608	$873,288	$883,607	*4.0%*	*1.2%*
Transfer to General Fund	50,288	52,339	49,979	50,104	*-4.3%*	*0.2%*
TOTAL TRANSFERS	$50,288	$52,339	$49,979	$50,104	*-4.3%*	*0.2%*
TOTAL APPROPRIATIONS	$901,045	$901,947	$923,267	$933,711	*3.5%*	*1.1%*
WORKING CAPITAL	$127,308	$271,777	$203,626	$272,000	*0.1%*	*33.6%*
Days of Operation				112		

Recreation Revolving

	Actual 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	Variance Bud to Bud	Variance Est to Bud
WORKING CAPITAL	**$1,139,824**	**$1,357,141**	**$1,488,478**	**$1,745,586**	***28.6%***	***17.3%***
Revenues						
Recreation Fees	$3,743,559	$3,772,500	$3,772,500	$3,781,931	*0.2%*	*0.2%*
Contributions	5,941	14,034	14,034	14,069	*0.2%*	*0.2%*
Interest Income	4,004	20,500	4,000	4,000	*-80.5%*	*0.0%*
Miscellaneous	70,858	40,642	70,000	70,000	*72.2%*	*0.0%*
TOTAL REVENUES	$3,824,362	$3,847,676	$3,860,534	$3,870,000	*0.6%*	*0.2%*
TOTAL RESOURCES	$4,964,186	$5,204,817	$5,349,012	$5,615,587	*7.9%*	*5.0%*
APPROPRIATIONS						
Operating Expense						
Salaries & Wages	$1,275,161	$1,352,886	$1,331,308	$1,363,362	*0.8%*	*2.4%*
Materials & Supplies	216,717	232,334	238,037	232,334	*0.0%*	*-2.4%*
Contractual	1,760,612	1,790,071	1,801,332	1,790,425	*0.0%*	*-0.6%*
Sundry	32,088	37,654	39,722	37,654	*0.0%*	*-5.2%*
Subtotal	$3,284,578	$3,412,945	$3,410,399	$3,423,775	*0.3%*	*0.4%*
Capital Outlay	0	0	0	0	*0.0%*	*0.0%*
TOTAL OPERATIONS	$3,284,578	$3,412,945	$3,410,399	$3,423,775	*0.3%*	*0.4%*
Transfer to General Fund	$191,130	$192,384	$193,027	$193,500	*0.6%*	*0.2%*
TOTAL TRANSFERS	$191,130	$192,384	$193,027	$193,500	*0.6%*	*0.2%*
TOTAL APPROPRIATIONS	$3,475,708	$3,605,329	$3,603,426	$3,617,275	*0.3%*	*0.4%*
WORKING CAPITAL	$1,488,478	$1,599,488	$1,745,586	$1,998,312	*24.9%*	*14.5%*
Days of Operation				213		

PTN

	Actual 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	*Variance* *Bud to Bud*	*Est to Bud*
WORKING CAPITAL	**$784,862**	**$5,394**	**$657,806**	**$412,973**	***7556.2%***	***-37.2%***
Revenues						
Plano Television Network Fee	$827,491	$774,656	$827,491	$828,732	*7.0%*	*0.1%*
Interest Income	2,067	12,000	3,000	3,000	*-75.0%*	*0.0%*
Transfer In Gen Fund - Franch. Fees	250,000	250,000	250,000	250,000	*0.0%*	*0.0%*
Transfer In Technology Fund	250,000	250,000	250,000	250,000	*0.0%*	*0.0%*
Miscellaneous	3,752	500	500	500	*0.0%*	*0.0%*
TOTAL REVENUES	$1,333,310	$1,287,156	$1,330,991	$1,332,232	*3.5%*	*0.1%*
TOTAL RESOURCES	$2,118,172	$1,292,550	$1,988,797	$1,745,205	*35.0%*	*-12.2%*
APPROPRIATIONS						
Operating Expense						
Salaries & Wages	$662,219	$688,320	$609,946	$656,227	*-4.7%*	*7.6%*
Materials & Supplies	46,798	42,600	48,070	48,070	*12.8%*	*0.0%*
Contractual	74,388	118,400	125,489	125,489	*6.0%*	*0.0%*
Sundry	629	3,675	3,675	3,675	*0.0%*	*0.0%*
Equipment Reserve	0	100,000	500,000	780,000	*680.0%*	*100.0%*
Subtotal	784,034	952,995	1,287,180	1,613,461	*69.3%*	*25.3%*
Capital Outlay	676,332	276,500	288,644	0	*-100.0%*	*-100.0%*
TOTAL APPROPRIATIONS	1,460,366	1,229,495	1,575,824	1,613,461	*31.2%*	*2.4%*
WORKING CAPITAL	$657,806	$63,055	$412,973	$131,744	*108.9%*	*-68.1%*
Days of Operation				30		

Property & Liability Loss

	Actual 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	*Variance* *Bud to Bud*	*Est to Bud*
WORKING CAPITAL	**$1,082,298**	**$1,032,384**	**$1,138,193**	**$988,279**	***-4.3%***	***-13.2%***
Resources						
General Fund Transfer In	$3,986,646	$4,032,565	$3,945,474	$3,936,027	*-2.4%*	*-0.2%*
Water & Sewer Fund Transfer In	753,639	759,784	781,512	773,556	*1.8%*	*-1.0%*
Sustain. & Env. Svcs. Fund Transfer In	361,241	364,361	345,238	341,199	*-6.4%*	*-1.2%*
Claims Recovered	211,489	200,000	200,000	200,000	*0.0%*	*0.0%*
Interest Earned	12,444	50,000	13,000	13,000	*-74.0%*	*0.0%*
TOTAL REVENUES	$5,325,459	$5,406,710	$5,285,223	$5,263,782	*-2.6%*	*-0.4%*
TOTAL RESOURCES	$6,407,757	$6,439,094	$6,423,416	$6,252,061	*-2.9%*	*-2.7%*
APPROPRIATIONS						
Workers' Compensation	$2,358,733	$2,200,000	$2,200,000	$2,200,000	*0.0%*	*0.0%*
Judgements and Damages	768,288	1,200,000	1,200,000	1,200,000	*0.0%*	*0.0%*
Risk Management Operations	2,142,543	2,056,624	2,035,137	1,963,696	*-4.5%*	*-3.5%*
TOTAL APPROPRIATIONS	$5,269,564	$5,456,624	$5,435,137	$5,363,696	*-1.7%*	*-1.3%*
UNAPPROPRIATED FUND BALANCE	$1,138,193	$982,470	$988,279	$888,365	*-9.6%*	*-10.1%*

Capital Reserve

	Actual 2012-13	Budget 2013-14	Re-Est 2013-14	Projected 2014-15	Variance Bud to Bud	Variance Est to Bud
WORKING CAPITAL	**$44,716,341**	**$28,887,426**	**$44,431,617**	**$22,871,696**	***-20.8%***	***-48.5%***
Revenues						
General Fund Transfer In	$12,875,000	$15,000,000	$15,000,000	$17,200,000	*14.7%*	*14.7%*
Water & Sewer Transfer In	3,000,000	3,000,000	3,000,000	3,000,000	*0.0%*	*0.0%*
Fund Interest Earnings	115,197	400,000	115,000	115,000	*-71.2%*	*0.0%*
Rollback Taxes	704,467	300,000	300,000	300,000	*0.0%*	*0.0%*
Miscellaneous	1,002,646	1,000,000	0	0	*100.0%*	*0.0%*
Reimbursement from Collin County	0	1,500,000	1,500,000	1,500,000	*0.0%*	*0.0%*
Screening Walls	0	0	0	0	*0.0%*	*0.0%*
TOTAL REVENUE	$17,697,310	$21,200,000	$19,915,000	$22,115,000	*4.3%*	*11.0%*
TOTAL RESOURCES	$62,413,651	$50,087,426	$64,346,617	$44,986,696	*-10.2%*	*-30.1%*
APPROPRIATIONS						
Streets & Drainage Projects	$8,920,777	$15,190,000	$23,845,223	$15,200,000	*0.1%*	*-36.3%*
Park Improvement Projects	4,382,288	6,435,000	7,977,860	4,075,000	*-36.7%*	*-48.9%*
Municipal Facilities Projects	4,288,109	3,566,700	8,576,218	3,241,000	*-9.1%*	*-62.2%*
Water & Sewer Projects	268,905	451,000	1,075,620	626,000	*38.8%*	*-41.8%*
Audit Adjustment	121,955	0	0	0	*0.0%*	*0.0%*
TOTAL OPERATIONS	$17,982,034	$25,642,700	$41,474,921	$23,142,000	*-9.8%*	*-44.2%*
TOTAL APPROPRIATIONS	$17,982,034	$25,642,700	$41,474,921	$23,142,000	*-9.8%*	*-44.2%*
WORKING CAPITAL	$44,431,617	$24,444,726	$22,871,696	$21,844,696	*-10.6%*	*-4.5%*

Budget Calendar

OPERATING BUDGET CALENDAR
Fiscal Year 2014-15

Jan. 22 - Feb. 28 — Update Departmental Core Business Matrix.

Feb. 10 — 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

Feb. 21 — Requests due to service departments for internal review items listed above.

Changes to Personnel worksheets due to Budget & Research Department.

Feb. 28 — 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 2014-15 Personnel requests submitted to Technology Services, Human Resources, and City Manager.

Equipment Services distributes recommendations for vehicle and rolling stock replacements.

March 12 — Cost information and recommendations due back to Departments on internal review items.

March 20, 21, 26 — Budget & Research Department staff provides training on instructions, forms, automation, supplements, and other issues.

March 18 — Budget & Research Department meets with City Manager and Deputy City Managers to present 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.

March 24 — Budget & Research Department presents FY 2013-14 Status Report and Three-Year Financial Summary to City Council for review and input.

March 25 — At Management Team meeting, Budget & Research Department gives overview and distributes instructions, forms, and departmental targets.

April 8 — Budget & Research Department re-assesses revenue estimates for the current and upcoming year and advises the City Manager of these changes.

May 2 — All departmental Operating Budgets due to area Deputy City Managers.

May 9 — All departmental Operating Budget requests due in Budget & Research Department.

May 12 - June 10 — Budget & Research Department compiles total Operating Budget requests and Community Investment Program requests.

June 11 — Budget & Research Department presents total request to the City Manager with highlights, issues, options and recommendations.

June 12 — Technology Services Steering Committee prioritizes all departmental Technology Requests and submits recommendation to the City Manager.

June 11 12, & 13 — City Manager reviews Operating Budgets and Community Investment Program with all department heads.

July 11 — City Manager gives final budget instructions to Budget & Research Department.

July 14 — Budget & Research Department notifies departments of preliminary funded FY 2014-15 requests and/or reductions.

July 21 — Draft Operating Budget and Community Investment Program submitted to City Manager for review.

July 30 — City Manager submits FY 2014-15 Recommended Budget and Proposed Community Investment Program to City Council.

Aug. 6 — Grant Funding - City Council Budget Work Session.

Aug. 11	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.
Aug. 16	City Council/Budget Work Session.
Aug. 25	1st Public Hearing on tax rate. (If Required)
Sept. 3	2nd Public Hearing on tax rate. (If Required)
Sept. 8	City Council adopts Operating Budget, Community Investment Program, and sets Tax Rate.
Oct. 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 2013-14, 2015-16 & 2016-17							
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	$26,925,173,431	$ 337,707,494	$26,587,465,937	$1,277,668,518	4.98%	$939,961,024	3.66%
2015	$28,751,432,103	$ 480,000,000	$28,271,432,103	$1,826,258,672	6.78%	$1,346,258,672	5.00%
2016	$30,201,489,387	$ 300,000,000	$29,901,489,387	$1,450,057,284	5.04%	$1,150,057,284	4.00%
2017	$31,407,534,068	$ 300,000,000	$31,107,534,068	$1,206,044,682	3.99%	$906,044,682	3.00%

Ad Valorem Tax Analysis

Three-Year Financial Forecast Ad Valorem Tax Analysis					
Existing Property Values			**5.00%**	**4.00%**	**3.00%**
New Property Growth			**480,000,000**	**300,000,000**	**300,000,000**
	2012-13 Actual	**2013-14 Budget**	**2014-15 Projected**	**2015-16 Projected**	**2016-17 Projected**
Analysis of Tax Rate					
Total Taxable Value	$25,647,504,913	$26,925,173,431	$28,751,432,103	$30,201,489,387	$31,407,534,069
Change in Total Value ($)	633.461.234	1,277,668,518	1,826,258,672	1,450,057,284	1,206,044,682
Change in Total Value (%)	1.35%	4.98%	6.78%	5.04%	3.99%
Tax Rate	0.4886	0.4886	0.4886	0.4886	0.4886
Levy	125,313,709	131,556,397	140,479,497	147,564,477	153,457,211
Current Collections	123,491,654	130,240,833	139,074,702	146,088,832	151,922,639
Current Collections Percent	98.5%	99.0%	99.0%	99.0%	99.0%
Deliquent Collections	360,588	1,315,564	1,404,795	1,475,645,	1,534,572
Penalty & Interest	601,746	615,803	659,989	695,087	724,572
Total Collections	124,453,988	132,172,200	141,139,486	148,259,564	154,181,783
Total Current Levy	99.3%	100.5%	100.5%	100.5%	100.5%
Debt Allocation					
Rate	0.1694	0.1590	0.1475	0.1415	0.1360
Current Collections	42,815,158	41,663,710	41,301,624	41,533,079	41,397,687
Deliquent Collections	144,615	428,110	424,084,	427,351	427,142
Penalty & Interest	178,302	171,244	169,633	170,940	170,857
General Fund Allocation					
Rate	0.3192	0.3296	0.3411	0.3471	0.3526
Current Collections	80,676,496	86,947,572	96,047,097	102,670,261	108,458,342
Deliquent Collections	245,973	887,454	980,711	1,048,294	1,107,430
Penalty & Interest	423,444	444,559	490,356	524,147	553,715
One Cent Equivalent on Tax Rate			$2,846,392	$2,989,947	$3,109,346

Transfers

Three-Year Financial Forecast
Transfers

GENERAL FUND	2012-13 Actual	2013-14 Budget	2013-14 Re-Est	2014-15 Projected	2015-16 Projected	2016-17 Projected
Transfers To:						
Capital Reserve	$12,875000	$15,000,000	$15,000,000	$17,200,000	$19,500,000	$22,000,000
Property & Liability Loss	3,986,646	4,032,565	3,945,474	3,936,027	3,900,000	3,900,000
Technology Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
PTN Fund	250,000	250,000	250,000	250,000	250,000	250,000
Economic Development	6,542,779	6,341,179	6,341,179	5,692,784	5,979,895	6,218,692
Total Transfers	**$24,654,425**	**$26,623,744**	**$26,536,653**	**$28,078,811**	**$30,629,895**	**$33,368,692**

GENERAL OBLIGATION DEBT FUND	2012-13 Actual	2013-14 Budget	2013-14 Re-Est	2014-15 Projected	2015-16 Projected	2016-17 Projected
Transfers To:						
Tech Infra.& Public Art	$241,100	$197,612	$197,613	$200,813	$198,588	$201,150
Tax Notes - Moto Mesh	2,085,200	0	0	0	0	0
Tax Notes - Moto & Radio	2,733,469	2,754,581	2,754,581	2,769,281	0	0
Tax Notes - Radio Repl.	990,619	999,919	999,919	1,012,275	1,020,075	0
Tax Notes - Radio Repl. (C.O.'s)	903,775	906,876	906,876	906,624	906,000	905,400
Total Transfers	**$6,954,163**	**$4,858,988**	**$4,858,989**	**$4,888,993**	**$2,124,663**	**$1,106,550**

WATER & SEWER FUND	2012-13 Actual	2013-14 Budget	2013-14 Re-Est	2014-15 Projected	2015-16 Projected	2016-17 Projected
Transfer To:						
General Fund	$16,774,484	$17,174,664	$16,772,810	$17,253,529	$17,684,918	$18,127,041
Water & Sewer CIP	7,461,484	12,730,742	12,730,742	10,000,000	10,000,000	10,000,000
Capital Reserve	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Property & Liability Loss	753,639	759,784	781,512	773,556	773,656	773,556
Technology Fund	300,000	300,000	300,000	300,000	300,000	300,000
Technology Services	2.486.745	2,383,840	2,383,840	2,455,355	2,516,739	2,579,658
Reserve Fund	3,000,000	2,000,000	0	1,000,000	0	0
Meter AMR Repl. Fund	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Sustainability	100,000	100,000	100,000	0	0	0
Total Transfers	**$35,376,352**	**$39,949,030**	**$37,568,904**	**$36,282,490**	**$35,775,214**	**$36,280,255**

SUSTAINABILITY & ENVIRONMENTAL SERVICES FUND	2012-13 Actual	2013-14 Budget	2013-14 Re-Est	2014-15 Projected	2015-16 Projected	2016-17 Projected
Transfers To:						
General Fund	$908,876	$919,646	$903,158	$907,654	$914,885	$921,263
Technology Fund	60,000	60,000	60,000	60,000	60,000	60,000
Property & Liability Loss	361,241	364,361	345,238	341,199	341,199	341,199
W&S - Env. Edu. Bldg.	157,239	157,239	157,239	0	0	0
Total Transfers	**$1,487,356**	**$1,501,246**	**$1,465,635**	**$1,308,854**	**$1,316,084**	**$1,322,462**

MUNICIPAL DRAINAGE FUND						
	2012-13 Actual	2013-14 Budget	2013-14 Re-Est	2014-15 Projected	2015-16 Projected	2016-17 Projected
Transfers To:						
General Fund	$428,370	$508,131	$530,556	$558,909	$561,145	$563,109
Technology Fund	20,000	20,000	20,000	20,000	20,000	20,000
Drainage CIP Fund	0	0	0	2,700,000	2,835,000	2,976,750
Revenue Debt	2,913,352	3,010,927	2,917,927	2,669,683	2,904,411	2,788,127
Total Transfers	**$3,361,722**	**$3,539,058**	**$3,468,483**	**$5,876,591**	**$6,016,052**	**$5,851,816**

CONVENTION & TOURISM FUND						
	2012-13 Actual	2013-14 Budget	2013-14 Re-Est	2014-15 Projected	2015-16 Projected	2016-17 Projected
Transfers To:						
General Fund	$336,976	$349,693	$352,200	$371,487	$390,903	$400,249
Technology Fund	20,000	20,000	20,000	20,000	20,000	20,000
Total Transfers	**$356,976**	**$369,693**	**$372,200**	**$391,487**	**$410,903**	**$420,249**

RECREATION REVOLVING FUND						
	2012-13 Actual	2013-14 Budget	2013-14 Re-Est	2014-15 Projected	2015-16 Projected	2016-17 Projected
Transfers To:						
General Fund	$191,130	$192,384	$193,027	$193,500	$194,273	$194,952
Total Transfers	**$191,130**	**$192,384**	**$193,027**	**$193,500**	**$194,273**	**$194,952**

GOLF COURSE FUND						
	2012-13 Actual	2013-14 Budget	2013-14 Re-Est	2014-15 Projected	2015-16 Projected	2016-17 Projected
Transfers To:						
General Fund	$50,288	$52,339	$49,979	$50,104	$50,305	$50,481
Total Transfers	**$50,288**	**$52,339**	**$49,979**	**$50,104**	**$50,305**	**$50,481**

Projected CIP Impact

PROJECTED GENERAL FUND O&M EXPENSES
COMMUNITY INVESTMENT PROGRAM

	2014-15	2015-16	2016-17
CIP O&M EXPENDITURES			
Facilities Maintenance/Facilities Services			
Oak Point Recreation Center Expansion	85,000	85,000	0
Oak Point Nature Retreat Center	68,266	68,266	0
Police Evidence Expansion	49,253	0	0
Fire Station No. 2 Expansion	11,050	0	0
Fire Station No. 6 Expansion	5,520	0	0
Senior Center Expansion	0	155,300	0
Carpenter Park Pool	0	81,185	0
Jack Carter Maintenance Expansion	0	42,537	0
Liberty Recreation Center Expansion	0	0	62,690
Tennis Center Renovation	0	0	20,956
Parks			
Oak Point Nature Retreat Center	80,018	80,018	0
09 Oak Point Park Development	200,000	0	0
09 Land Acquisitions	100,000	0	25,000
13 Park Improvements	40,000	40,000	40,000
13 Recreational Trails	30,000	60,000	60,000
Legacy Trail	20,000	0	0
Archgate Park	15,000	0	0
09 White Rock Community Park	0	217,000	0
Special Use Facilities	0	66,850	0
Jack Carter Maintenance Expansion	0	57,000	0
09 Park Improvements	0	35,000	0
Douglas Area Land	0	5,000	0
13 Oak Point Park & Nature Preserve	0	0	200,000
Recreation			
09 Oak Point Recreation Center Expansion	31,500	31,000	0
09 Carpenter Recreation Center	0	134,968	134,967
Jack Carter Pool Renovation	0	72,750	0
09 Senior Center/Wellness Center	0	43,196	0
Liberty Recreation Center Expansion	0	0	170,000
Tennis Center Renovation	0	0	10,000
Total CIP O&M Expenditures	**$735,607**	**$1,275,570**	**$723,613**
Tax Rate Impact	**0.26**	**0.43**	**0.23**
Cumulative			
New CIP O&M 2014-15	735,607	735,607	735,607
New CIP O&M 2015-16	0	1,275,570	1,275,570
New CIP O&M 2016-17	0	0	723,613
	-	-	
Total Cumulative O&M	**$735,607**	**$2,011,177**	**$2,734,790**