



Burleson

TEXAS

Budget Brief Fiscal Year 2009-2010

The purpose of this Budget Brief is to give the citizens of Burleson a general overview of the City's proposed budget for Fiscal Year 2009-2010. In addition, this Brief will highlight some of the more significant changes to the City's budget. If a more detailed understanding of the budget information is desired, a copy of the complete budget may be obtained from the City Secretary at City Hall.

SUMMARY

The 2009-2010 budget for all City funds totals approximately \$63 million. The City establishes a budget for seventeen separate funds, as illustrated in the following graph. The largest of these is the **General Fund** with budgeted expenditures of \$24.8 million. The General Fund accounts for the majority of City services, including Library, Parks, Police, Fire, Streets, and Administrative Services. The General Fund will be discussed in more detail later, as will the Water and Wastewater Fund.

The second largest fund is the **Water and Wastewater Fund** with budgeted expenditures of \$14.6 million. The

Water and Wastewater Fund accounts for the maintenance and upkeep of the City's water and wastewater system, as well as the purchase of water service and wastewater disposal services provided through long term contracts with the City of Fort Worth.

The **Hidden Creek Golf Course Fund** expenditure budget is \$2 million. It accounts for the maintenance,

operations, and debt service of Hidden Creek Golf Course.

The **Solid Waste Fund** accounts for the operation of the City's solid waste collection service. This year, the Solid Waste budget is \$2.6 million.

The **Debt Service Fund** budget amounts to about \$3.9 million. This provides for the servicing of the City's general obligation debt.

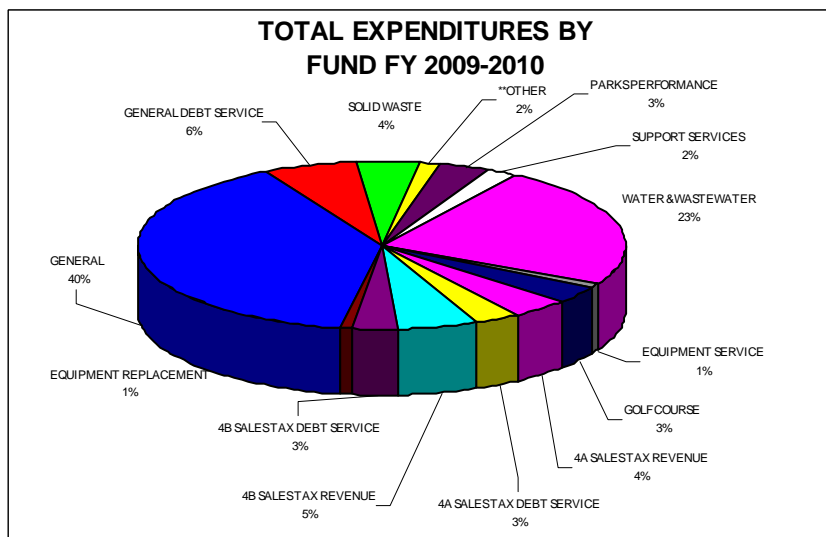
The **Equipment Services Fund** is an internal service fund that accounts for the maintenance of the City's fleet of vehicles and equipment. The Equipment Services Fund has a budget of \$570,000.

Likewise, the **Support Services Fund** is an internal service fund that accounts for the support, maintenance, and replacement of the City's technology systems. This fund's budget is \$1.2 million.

The **Parks Performance Fund** is a special revenue fund that accounts for the operations of the "pay for play" parks

facilities. This fund has a budget of \$2.1 million, with a contribution of \$864 thousand from the BCSDC.

There are two funds of the City whose function is the accumulation of money for replacement of City-owned vehicles and equipment. The **Proprietary Equipment Replacement Fund** is an internal service fund that accounts for the replacement of the



equipment and vehicles used by business-type City departments such as the Water and Wastewater departments.

The **Governmental Equipment Replacement Fund** is an internal service fund that accounts for the replacement of the equipment and vehicles used by other City departments. The Proprietary and Governmental Equipment Replacement Funds have expenditure budgets of \$99,000 and \$495,000, respectively.

The **Hotel/Motel Tax Fund** accounts for the expenditure of revenues derived from a tax imposed on visitors to local hotels and motels. Its budget of \$150,000 goes toward activities to promote Burleson as a tourist destination.

The **Cemetery Fund**, with a budget of \$260,000, accounts for the upkeep of the Burleson Memorial Cemetery.

The **Burleson 4A Economic Development Corporation** is represented in the budget by two funds. The first fund is a special revenue fund that accounts for the revenue from the 1/2 cent sales tax approved

by voters in 2001 and the transfer of this revenue to the debt service fund or capital projects funds. This fund's budget is about \$2.5 million. Approximately \$0.5 million of this is being transferred for a loan from the Governmental Equipment Replacement fund. Approximately \$1.9 million is being transferred to the debt service fund. The debt service fund accounts for the payment of the bonds that are supported by the 4A sales tax. This fund's budget is also about \$1.9 million.

The **Burleson Community Services Development Corporation** is also represented in the budget by a revenue fund and a debt service fund. Formed in 1993, the BCSDC administers the 1/2 cent 4B economic development sales tax. The 4B sales tax revenue fund has a budget of about \$3.3 million. The debt service fund has a budget of about \$2.0 million.

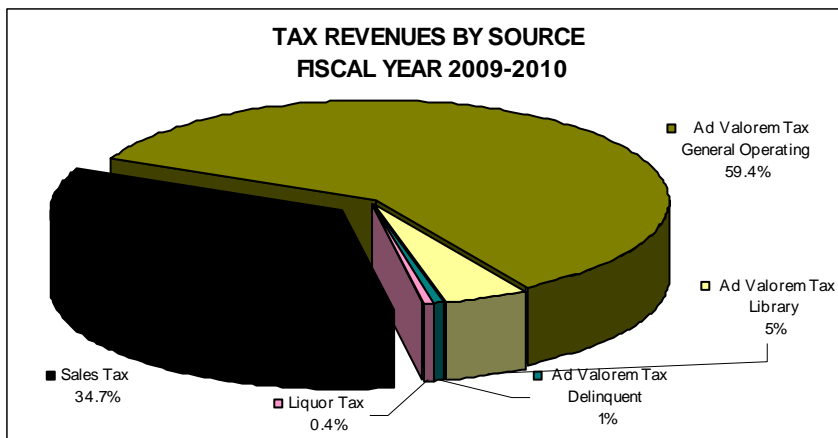
The **Economic Development Incentive Fund** accounts for the cost of incentives offered by the City of Burleson to encourage economic development.

Expenditures in this fund are budgeted at \$451,000.

GENERAL FUND

Significant Changes:

- A 12.5% increase in the costs of employee health insurance coverage.
- A reduction in the amount of salary savings budgeted for employee turnover from 3.5% to 2%, resulting in an increase in personnel costs of \$150,000. Given the tightness of the job market, management anticipates less turnover than in past years.
- Partial year funding of a new School Resource Officer for the new High School set to open August 2010.



• Elimination of the \$44,352 subsidy to Med-Star. Elimination of this subsidy does not affect the service provided by Med-Star for the citizens of Burleson. Under the EMS Interlocal Agreement,

the optional subsidy is used only to adjust the cost of ambulance transport. The City's subsidy lowers cost of a typical transport about \$135. It should also be noted MedStar has a fund balance more than \$2.0 million in excess of a typical operating reserve requirement.

- Extension of the time for replacement of Police patrol vehicles and motorcycles from 3 years to 4 years (traffic vehicles will remain on a 3 year replacement schedule). Currently, a fully equipped police vehicle costs \$29,000 to \$36,000. By extending the time for replacement by one year, the cost/utilization ratio increases and the annual replacement contribution decreases by approximately \$40,000.
- Suspension of funding for the Tuition Reimbursement Program (\$12,000). This funding reimburses employees for college tuition. Approximately 8 employees participate in the program.

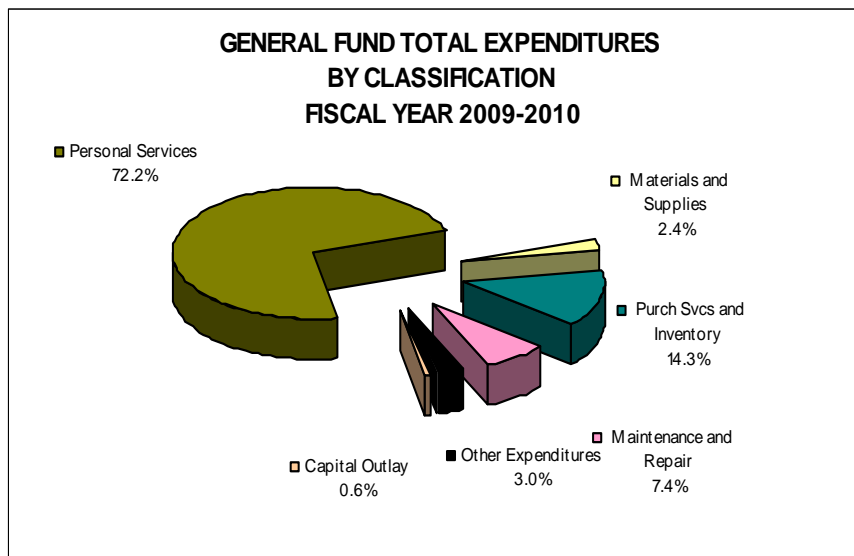
- Full year funding of six firefighters added in August 2009.

Revenues projected in the 2009-2010 General Fund budget total \$24.6 million. This is an increase of about \$202 thousand over the 2008-2009 budget.

Sources of Revenue

The largest source of General Fund revenue is Ad Valorem Taxes. The proposed 2009-2010 rate is \$0.6940 per \$100 valuation. This is the same as last year’s rate. The maintenance and operations portion of the tax rate (\$0.5318/\$100) is expected to provide \$11.1 million.

The City has numerous, diverse revenue sources to try to limit its reliance on property taxes. The City expects sales tax to provide \$5.9 million, and other taxes to provide another \$176,000; Franchise Fees \$2.0 million; License and Permit Fees \$902,000; Charges for Services \$145,000; Fines and Forfeitures \$1.2 million; Interest \$100,000; Miscellaneous \$1.0 million; and Other Sources \$2.2 million.



Classification of Expenditures

The General Fund budget can be divided into six classifications of expenditures. The largest of these classifications, representing 72% of total expenditures, is Personal Services. This class includes the cost of all personnel salaries, benefits, payroll taxes, and training.

WATER & WASTEWATER FUND

The Water & Wastewater Fund is an “enterprise” fund. An enterprise fund runs as a business and is expected to be self-supporting, without requiring tax subsidy. The City purchases its water and wastewater treatment from the City of Fort Worth.

Water Rates:

The FY 2009-2010 budget does not require a change in water rates. The base water rates will be tiered based on meter size ranging from \$7.50/month for 5/8” meters to \$819.70/month for 12” meters. Monthly Volume Charges (per 1,000 gallons) will remain at \$3.40 for the first 10,000 gallons. The cost for the next 10,000 gallons used will remain at \$4.10 and anything over 20,000 gallons will cost \$4.75. Rates for water used for gas well drilling will increase from \$9.99 per 1,000 gallons to \$11.39 per 1,000 gallons.

Wastewater Rates:

The flat base rate for all meter sizes will increase from \$11.20 to \$12.60. The variable residential wastewater rate will increase from \$3.26 to \$3.67 per 1,000 gallons. With an average residence contributing 5,500 gallons of wastewater per month (winter average), this increase will cost an average residence about \$3.66 per month.

Significant changes in the Water/Wastewater Fund include funding Impact Fee and Master Plan studies, and for the first year of a meter replacement plan.

SOLID WASTE FUND

The purpose of the enterprise fund for Solid Waste is to fully account for all costs associated with the City’s solid waste collection operations.

The proposed budget assumes the continuation of the current rates (\$16.05/month) adopted in July.

Expenditures are projected at \$2,554,000. This is 2% less than the FY 2009-2010 adopted budget. The primary reason for this decrease is the outsourcing of waste collection services.

JUST THE FACTS

TOTAL EXPENDITURES (in thousands)

	Fiscal Year 2008-09	Fiscal Year 2009-10
General Fund	24,569	24,772
Water & Wastewater Fund	13,766	14,626
Golf Course Fund	1,991	2,031
Solid Waste Fund	2,607	2,554
General Debt Service Fund	3,654	3,875
Gov Equip Rep Fund	536	495
Proprietary Equip Rep Fund	280	99
Equipment Service Fund	579	570
Hotel/Motel Fund	108	150
Cemetery Fund	1	260
4A Sales Tax Revenue Fund	2,384	2,477
4A Sales Tax Debt Svc Fund	1,892	1,894
4B Sales Tax Revenue Fund	2,328	3,296
4B Sales Tax Debt Svc Fund	1,949	1,952
Parks Performance Fund		2,093
Support Services Fund		1,192
Economic Development Fund	369	451
TOTAL EXPENDITURES	57,013	62,787

GENERAL FUND REVENUES (in thousands)

	Fiscal Year 2008-09	Fiscal Year 2009-10
Taxes	15,897	17,193
Franchise Fees	1,889	1,969
Other Sources	2,725	2,223
Charges for Services	315	145
Fines and Forfeitures	1,342	1,239
Licenses and Permits	983	902
Interest	310	100
Miscellaneous	1,108	1,001
TOTAL REVENUES	\$ 24,569	\$ 24,772

GENERAL FUND TAX REVENUES BY SOURCE (in thousands)

	Fiscal Year 2008-09	Fiscal Year 2009-10
General Ad Valorem	9,575	10,211
Sales Tax	5,470	5,963
Library Ad Valorem	686	843
Delinquent Ad Valorem	100	100
Liquor Tax	66	76
TOTAL	\$ 15,897	\$ 17,193

SCHEDULE OF GENERAL FUND EXPENDITURES BY FUNCTION

