



FY 2011-12



Operating Budget and Work Plan



INDEX

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OVERVIEW

MISSION STATEMENT:

The City of New Braunfels will add value to our community by planning for the future, providing quality services, encouraging community involvement and being responsive to those we serve.

CORE VALUES:

Integrity

We operate with integrity, holding ourselves to the highest standards of performance, transparency, accountability, and ethical conduct.

Service

We are responsive and respectful to those we serve with an attitude that everything is worth our best effort.

Visionary Leadership

We anticipate needs, looking to our community's future, and execute to achieve our goals.

Stewardship of Local Resources

We use our resources responsibly. We treasure our unique heritage and natural environment and wish to preserve them for future generations.

Fiscal Responsibility

Our decisions reflect sound fiscal management and prudence.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished
Budget Presentation
Award

PRESENTED TO

City of New Braunfels
Texas

For the Fiscal Year Beginning

October 1, 2010

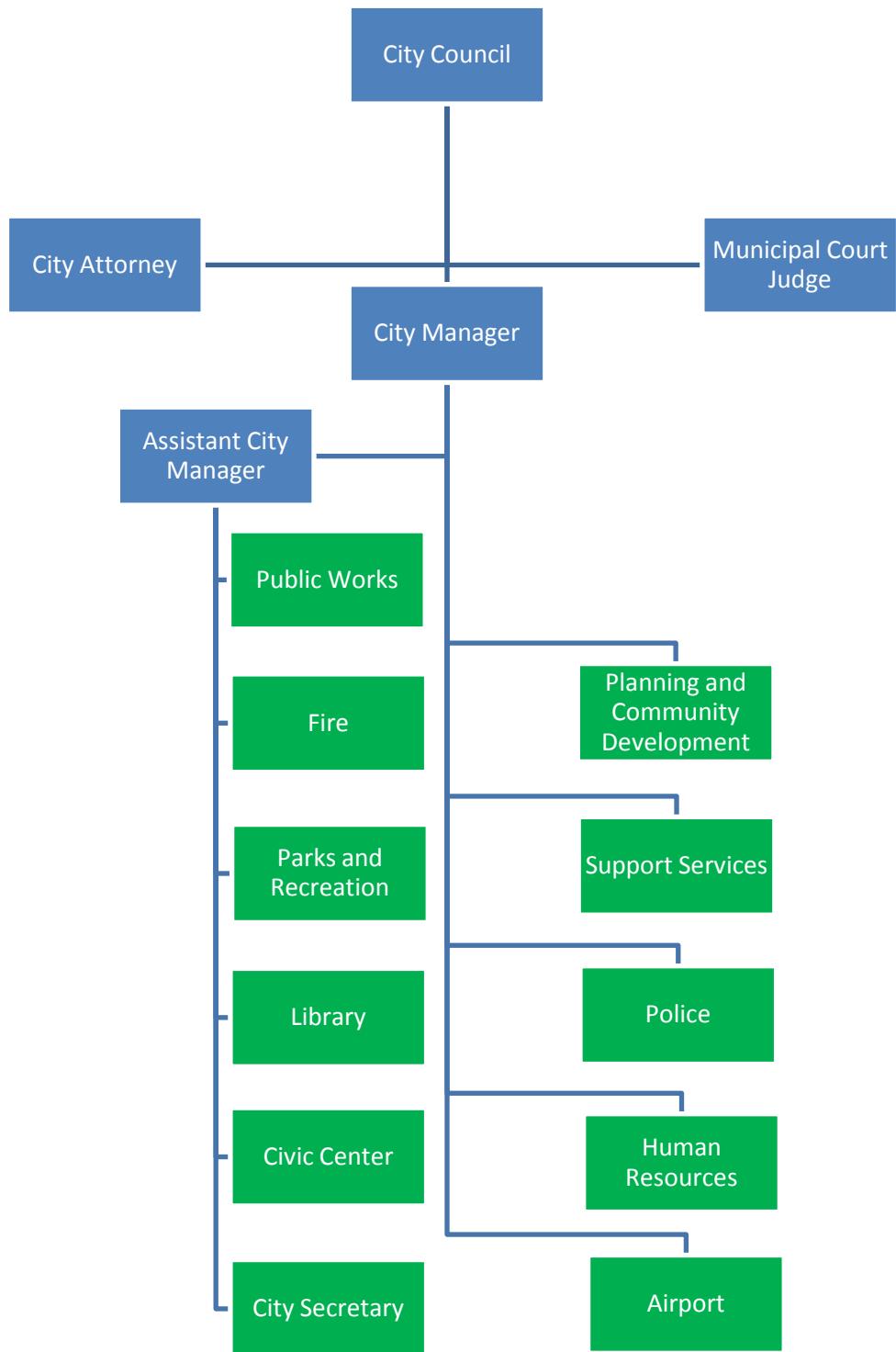
Two handwritten signatures are placed side-by-side within the large circle. The signature on the left is for the President and the signature on the right is for the Executive Director.

President

Executive Director

The Government Finance Officer Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of New Braunfels, Texas for the Annual Budget beginning October 1, 2010. To receive this award, a governmental unit must publish a document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA to determine eligibility for another award.





OFFICE OF THE CITY MANAGER

August 8th, 2011

Honorable Mayor and Members of the City Council:

This year the Census Bureau made official what we all knew. New Braunfels is growing at an incredible rate (58 percent in the last ten years). According to the Census, our 2010 population was 57,740. Our Planning Department estimates that our current population is now 59,780.

With our population growth, demand for services has also increased, even through the economic downturn. Tough economic times often actually increase the demand for City services. Service levels to our community have been maintained over the last two years through a combination of strategies. We have not increased maintenance expenditures for parks and streets for two years. Employees received pay increases once in the last two years. To help meet the rising cost of health insurance, rates, deductibles and co-pays were increased for our employees. Over the last two years, a total of five (5) full time and thirteen (13) seasonal positions have been eliminated. Existing positions have been held vacant and travel has been reduced. We have also made heavy use of our fund balances to pay for recurring expenses. \$4.4 million dollars of fund balance was used to help fund the current year's (FY 2010-11) budget. The tax rate was held constant, which, because of declining property values, resulted in slightly less revenue to the City.

Over the last five years, the tax rate dedicated to operations (the General Fund) has been reduced from \$.368999 to \$.261362 (\$.107637 or 29 percent). During that same time period, the total tax rate was reduced from \$.425614 to \$.409862, and held constant for the last four years. The tax rate for the City of New Braunfels is the second lowest in comparison to cities our size.

Since 2004, the City Council has invested millions of dollars in much needed capital improvements. Drainage projects, street repairs, park improvements, airport improvements and fire stations have all been completed or started. During the same time period, the City's bond rating was upgraded and our per capita debt remains in the lower third for comparator city's our size.

The budget that is being recommended to the Council for Fiscal Year 2011-12 allows us to better meet the demands of a growing city while maintaining our excellent fiscal strength. The combined tax rate that is proposed in this budget is \$.455362, or an increase of 4.55 cents over the current rate. The increase includes 3.85 cents for debt service and .7 cents to meet our operational needs. The budget includes sufficient revenue to meet debt service requirements for the Certificates of Obligation approved by the Council this past spring. This debt will fund a

portion of the Walnut Avenue Widening project, the North Tributary drainage project, the Gruene Crossing drainage improvements, and several other projects. The debt service associated with these projects will require an increase of \$.0385 cents in the debt service tax rate (and the overall tax rate).

The proposed budget continues to meet our targeted fund balance of 35 percent for the General Fund. As we saw in 2010, having sufficient fund balance is critical to the City's recovery after a natural disaster. Given that a third of our revenue is comprised of the relatively variable sales tax, it is important to have sufficient reserves to meet fluctuations in sales tax collections. To meet our future infrastructure needs, the City will almost certainly issue additional debt. The City's fund balance is a major component of our bond rating. The better the bond rating, the lower the interest costs that the City pays on debt issuances.

The proposed budget also partially replenishes the Facilities Maintenance Fund (transfer of \$350,000), which is critical to our ability to replace or repair facilities that experience unexpected building system issues.

All positions that have been previously authorized by the Council are fully funded in FY 2011-12. For the past two years, our departments have been short-staffed. For FY 2011-12, the Police and Fire Departments are fully funded, as are the Library, Public Works and Parks Departments. New positions are being added in a few critical areas.

Police Dispatch will add three new dispatcher positions (\$84,861) to meet the increased volume of calls (one through a reclassification). The Police Department has made several operational changes that will increase the number of officers available during peak call times, without adding officers. Work shifts will change from four shifts of 10 hours to a schedule of three 12 hour shifts. This change gives the Police Chief more flexibility in scheduling to meet high demand times. The second change involves a modification to how our K-9 units are scheduled which will result in more "street" time for the units, thereby supplementing our patrol capabilities. Along with this change is an increase in our K-9 units from two to four. This increase will enhance our drug enforcement capabilities. A mechanic will be added to our Service Center who will be assigned exclusively to the Police Department (\$0 net impact). This position will reduce the down time for our police vehicles and ensure more comprehensive maintenance. Cost of the position will be offset by reducing our use of outside repair shops. The budget also includes funding to upgrade the Police server network and expanding it to include much enhanced back-up and disaster recovery capabilities (\$150,000).

The Parks Department will be adding two maintenance staff (\$79,756). One will assist our arborist in caring for our trees; the other will support general park maintenance, including irrigation. The maintenance facility for Parks and Golf is inadequate, and the budget includes funds to lease a modular maintenance building (\$74,150).

Once New Braunfels passed 50,000 in population, TxDOT handed responsibility for maintenance and repair of most signalized intersections to the City. This, combined with our growing street system and increased traffic, has created the need for traffic engineering expertise. This budget proposes the addition of a Traffic Engineer (\$130,000).

The proposed budget includes an additional \$100,000 for street maintenance, bringing the total amount budgeted to \$1,156,000.

The creation of the Stormwater Utility will provide funding for our drainage needs. To enable the City to maintain our expanding drainage system, the budget includes funding for one additional maintenance worker, one equipment operator and a watershed technician (\$135,735). A stormwater utility manager will also be added (\$77,000). These positions will be supported initially through the General Fund, but will be fully funded by the Stormwater Utility in the future. The creation of the utility will result in a one-time start up expense of \$220,000 which includes payments to New Braunfels Utilities to establish billing services.

Our vehicle repair shop will add an additional mechanic and a parts technician to increase the level of service to all of the City's fleet (\$81,409). Funding for these positions will be provided by the Solid Waste Fund. Solid Waste will also add an administrative clerk to assist in billing (\$47,150). This position will be shared between Solid Waste and the stormwater utility.

In response to our staff development needs, the Teen Court Administrator will move to the Human Resources Department to assist with staff training and our growing City University program, in addition to continuing her Teen Court responsibilities. In addition, an existing vacant position will be reclassified and will have primary responsibility for employment law and policies to include civil service issues.

A Geographic Information System (GIS) Analyst is proposed for our Information Technology Division (\$70,168). GIS plays a critical and growing support role to the organization in areas ranging from parks management to policing to flood mapping. This position will allow us to improve our capabilities in those and other areas.

A second plans examiner will be added during next fiscal year (\$57,512). This position is proposed to be filled after a review to streamline our development fee structure has been completed. The review of fees will be achieved with the participation of the construction community. It is anticipated that a small increase in construction permit fees may be required to fund this position.

An additional code enforcement position is recommended. This position will enforce our parking program downtown and will conduct property code enforcement in the area. Creation of this position will free up some time for our other code enforcement staff and allow them to focus on other areas of the City. There will be some revenue offset from parking and other code enforcement. The net cost to the General Fund is \$54,744 (salary, benefits and a vehicle offset by revenue)

The proposed budget also includes funds for renovation to accommodate the creation of a "One Stop Shop" Development Office. The City of New Braunfels Planning and Community Development Department is committed to improving and sustaining a high performing organization. To accomplish this, staff has been reviewing the functions of each division to determine ways to integrate and cross train to more effectively serve our customers. Staff

believes that the most beneficial approach for all customers and our staff would be integrating all of the department's divisions into one facility with a larger front counter that includes staffing from each division involved with the development process. This configuration would no longer require customers to go back and forth between facilities. It would foster a cross training environment that would prepare individual staff members to answer development related questions since they would be physically present and available to assist each other across disciplines. In addition, one of the continuing problem areas with our permit processing has been the time it takes to input permit information. By consolidating front desk functions and cross training staff, we will be able to reduce processing time without adding additional clerical support.

Having everyone in a centralized location will not only be easier for the customer but also for the staff and we will have additional resources available to help one another. Finally, this arrangement provides an opportunity to build better and stronger relationships between staff, which results in improved teamwork and morale. This is difficult to achieve in the segregated environment they are currently in because there is little opportunity for general interaction at all levels of staffing.

With these staff additions, our staff level per 1,000 population will be approximately the same in FY 2011-12 as the staff per 1,000 population in FY 2007-08. Over the last 10 years, our staffing reached a peak of 9.23 staff per 1,000 in FY 2001-02. We continually look for ways to provide the citizens effective service more efficiently.

Our self insurance fund (which includes the City's health insurance) will have additional changes in the coming year. As part of a multi-year effort to stabilize the fund, employee premiums will once again be increased. Deductibles will go up, as will co-pays. The General Fund will also make a one-time transfer of \$400,000 in FY 2011-12. During the year, we will review the feasibility of creating a Health Savings Account plan option for our employees which has proven in other organizations to be a cost effective way to assist with health coverage.

The FY 2011-12 Budget totals \$147,793,321 for all funds which represents an increase of \$25,808,631 or 21.1 percent from the FY 2010-11 Adopted Budget, mainly due to the 2012 proposed debt issuances. The FY 2011-12 Budget includes \$97,540,460 in total revenue, an increase of \$21,995,627 from the FY 2010-11 Adopted Budget. The FY 2011-12 Budget also includes beginning fund balances of \$50,252,860 an increase of \$3,813,003 from the FY 2010-11 Budget. These balances include the proceeds of certificates of obligation and tax notes issued since 2003. Expenditures for all funds are \$121,745,654 or \$26,527,182 more than the FY 2010-11 Adopted Budget. The FY 2011-12 Budget includes \$21.56 million in proposed new capital expenditures. The FY 2011-12 expenditures include \$42,001,872 for capital improvement projects and \$8,886,013 for debt service. The appropriated fund balance across all funds for FY 2011-12 is \$26,047,667.

The proposed General Fund budget has expenditures of \$43.24 million and revenue of \$40.18 million, a drawdown of \$3.06 million. This budget reduces our reliance on fund balance for recurring expenses by \$1.3 million, but this level of drawdown cannot be expected to be available in the future. Several options exist to help mitigate this drawdown in the future

including available reserves in other funds like the Equipment Replacement Fund, reduction in expenditures and increased revenue once the economy rebounds.

The debt service requirements increase significantly in FY 2011-12 due to the certificates of obligation issued in April 2011. This year's principal and interest payments total \$8,686,013, an increase of \$1,314,225 in comparison to FY 2010-11. This new debt service requirement is driving the need for the \$.0385 increase in the debt service tax rate.

The General Fund budget for FY 2011-12 totals \$58,209,136. This includes a fund balance of \$14,973,118. The total budget (including fund balance) represents an increase of \$1,731,565 or 3.1 percent in comparison to the FY 2010-11 Adopted Budget. The expenditures in the General Fund for FY 2011-12 are budgeted at \$43,236,018, an increase of \$803,300 or 1.9 percent in comparison to the FY 2010-11 Adopted Budget.

The General Fund's estimated ending balance for FY 2011-12 of \$14,973,118 shows a decline of \$3,057,856 or 16.6 percent in comparison to the FY 2010-11 estimates. In the past, staff has worked to use the fund balance (a one-time revenue source) only for one-time expenditures, in other words, working to keep the recurring revenue in balance with recurring expenditures. This goal was easily accomplished until FY 2009-10. That budget posed a challenge regarding this objective, which has continued into FY 2011-12. Progress has been made to reduce the amount of fund balance used for recurring expenditures. As stated, this budget uses \$3.06 million, a reduction from the \$4.4 million in FY 2010-11. Future years' budgets will need to continue to recognize this issue and work to ensure that one-time revenues are not utilized to fund recurring expenditures.

The General Fund's FY 2011-12 appropriated fund balance, on its own, is 34.6 percent of operating expenditures. Since all of the Facilities Maintenance Fund's funding comes from the General Fund and since those monies could be re-prioritized by the Council should the need arise, the City's outside auditors and the bond rating agencies consider the fund as available fund balance. Including these available funds, the reserve equates to 35.8 percent of the General Fund's operating expenditures. The City's current target fund balance is 35 percent.

Also included in the budget for Council's consideration is a proposed issuance of debt during FY 2011-12. The debt issuance will meet our existing obligations for the Walnut Avenue Widening project and the construction of FM 306, along with funding for the Council approved railroad quiet zones, Landa Park retaining walls, replacing the public safety dispatch and records management system, and initial work for downtown pedestrian improvements. Two of these projects (first phase of FM 306 and the runway extension) will be funded by the New Braunfels Industrial Development Corporation. The debt would be part of the City's larger debt issuance.

The Council will be discussing a larger capital improvement program, including drainage needs, this fall. Because of the lead time necessary for design work, construction funds will not be needed until FY 2012-13 for most of the projects. Because of the size of the projects, it is anticipated that any authorized debt would be issued over several years. There will be other debt issuance demands for FY 2012-13 as well.

Due to federal mandates, we will be forced to replace the radio system used by New Braunfels Police and Fire Departments. All public safety organizations will need to be compliant with these mandates prior to February 2014. These changes will require replacement of all dispatch consoles, mobile, and portable radios. There will also be a cost associated with the purchase of additional channels, which will be required to ensure sufficient capacity and coverage. Some of the costs for these additional channels may be covered by AACOG (Alamo Area Council of Governments) and the balance will be the obligation of the City. This mandated change to our public safety radio system will cost somewhere between \$2.5 and \$3 million dollars. The final installment on the Walnut Avenue Widening project will need to be financed, as well as the City's obligation for improvements to FM 306.

For the last five years, we have been able to make great progress in meeting the demands of a growing community without increasing the tax rate. As a community, we are at a critical juncture. We can no longer meet those demands without additional revenue. The recommendation to increase the tax rate is not made lightly. The budget being recommended to the Council maintains our obligation to keep the City fiscally strong while meeting the ever growing needs of our community. The proposed budget falls short of meeting all our department's requests with over \$3 million in unmet needs. Our future ability to keep pace will depend on a combination of high value economic development, a recognition that increasing or maintaining our service levels will require increased revenue (taxes or fees) and a continuing commitment to increasing our efficiency in delivering services.

I want to thank all of the staff for their efforts over the last two years. We would not have succeeded in these challenging times without their dedicated efforts.

I look forward to discussing this budget with the Council in the coming weeks and, together, moving New Braunfels forward.

Sincerely,



Michael Morrison
City Manager

STRATEGIC PLAN

Adopted May 2009

CITY OF NEW BRAUNFELS MISSION

The City of New Braunfels will add value to our community by planning for the future, providing quality services, encouraging community involvement, and being responsive to those we serve.

CITY OF NEW BRAUNFELS CORE VALUES

- **Integrity:** We operate with integrity, holding ourselves to the highest standards of performance, transparency, accountability, and ethical conduct.
- **Service:** We are responsive and respectful to those we serve with an attitude that everything is worth our best effort.
- **Visionary Leadership:** We anticipate needs, look to our community's future, and execute to achieve our goals.
- **Stewardship of Resources:** We use our resources responsibly. We treasure our unique heritage and natural environment and wish to preserve them for future generations.
- **Fiscal Responsibility:** Our decisions reflect sound fiscal management and prudence.

CITY OF NEW BRAUNFELS - 2020 VISION

The City of New Braunfels will be a thriving, self reliant community that builds on its unique history, location, and community spirit. It will be noticed and noted for the following:

- Boulevards, trees, developed park land, clean rivers, historic buildings, and safe, happy citizens.
- A dedication to quality in everything the City accomplishes.
- Capitalizing our heritage into the future by maintaining the best aspects of our history while adapting to future needs and accepting the diversity in our community. We are a well-planned and well-maintained community that retains its historic charm and identity.
- Fostering premium mixed-use development within the community.
- Maintaining a small-town feel while taking advantage of our proximity to major metro areas.
- Keeping New Braunfels a safe, livable, and family-friendly community.
- Engaged community and citizens with strong community involvement. Citizens are proud and happy to live here. Our youth are active in community activities.
- Being business friendly.
- A community that is accepting, welcoming, and open.
- A pedestrian friendly downtown.
- Strong communication within and between all constituent groups.
- A commitment to continually upgrade City services, infrastructure, and development.
- Strong and varied recreation and leisure opportunities including an upgraded hike and bike trail system.
- A balanced economy, low tax rate and strong year-round tourism.

The City of New Braunfels' organization is recognized for providing extraordinary service. It is a place where people want to work and where employees appreciate the opportunity to do important work for the community. The following accurately describes City employees.

- Professional and progressive, always willing to go beyond the “expected.”
- Caring and respectful with the citizens they serve.
- Creative problem-solvers.
- Innovative in anticipating the future needs and crafting efficient and effective service delivery for those needs.
- Empowered and accountable.
- Anticipate and manage intended and unintended consequences of their decisions and actions.
- Continually raise the bar of expectation for excellence.

CITY OF NEW BRAUNFELS STRATEGIC PRIORITIES

Infrastructure - Long-Term Objectives

1. Use a variety of funding sources for operational and capital needs
2. Continue an ongoing program of infrastructure construction and maintenance
3. Develop operating and capital plans considering community input and realistic population and revenue projections

Public Safety - Long-Term Objectives:

4. Maintain and review benchmarks for public safety services delivery
5. Develop and maintain a comprehensive program for watershed issues
6. Continue to develop proactive programs for traffic control
7. Develop and enhance community partnerships with residential neighborhoods, businesses, and other entities

Effective Management - Long-Term Objectives:

8. Maintain fiscal stability of City operations
9. Maintain an ongoing program for improving customer service
10. Create a comprehensive program for communicating with the public
11. Be proactive in influencing legislative policies
12. Promote and encourage a sustainable high-performing workforce and environment

Quality of Life - Long-Term Objectives:

13. Implement comprehensive programs to address quality-of-life issues identified in the community needs assessment, especially as it pertains to youth
14. Ensure expanded age-appropriate recreational, literacy and enrichment opportunities
15. Preserve and improve our open space
16. Protect the integrity of our neighborhoods

Growth and Development - Long-Term Objectives:

17. Establish a vision for the future of the City of New Braunfels
18. Work with existing entities to ensure sustainable quality development
19. Improve the development process to make it more customer friendly
20. Continue to develop year-round tourism
21. Ensure community connectivity and mobility

Definition of Priority Rankings

- *A-Level priorities:* Objectives that are both urgent and important. These are the most pressing objectives based on both strategic value and time-based urgency.
- *B-Level priorities:* Objectives that are important to initiate or continue. These objectives do not share the sense of urgency seen with A-Level priorities and can represent objectives that are being continued.
- *C-Level priorities:* Objectives that we want to continue or maintain at a high quality.

LONG-TERM OBJECTIVE/ACTION ITEMS	COUNCIL PRIORITY/ STATUS	RELATED PLAN/ ACTIVITIES COMPLETED
INFRASTRUCTURE		
<i>Use a variety of funding sources for operational and capital needs</i>	B+	
Action Items for 1 to 3 Year Time Horizon:		
• Explore creative funding alternatives and partnerships	On-going	
• Plan and implement a bond election	Year 3	Parks Master Plan, Comprehensive Plan, Library Master Plan
• Continue to work with Congressional delegation to obtain federal funds	On-going	
• Effectively manage impact fees	On-going	Parks Master Plan, Comprehensive Plan
• Improve capital project expenditure tracking	Planning Stage	Five Year Capital Improvement Program; Implemented new financial management software in June 2011 that improves expenditure tracking.
• Implement comprehensive storm water utility and storm water fees	Underway	Implementation to be completed by July 2012.
<i>Continue an ongoing program of infrastructure construction and maintenance</i>	A	
Action Items for 1 to 3 Year Time Horizon:		
• Implement long-range capital improvement program (CIP) projects	On-going	Five Year Capital Improvement Program
• Continue the annual CIP process with community input	On-going	Five Year Capital Improvement Program
• Expand program to inform public about all capital projects	On-going	Project specific press releases along with updates on project are currently produced for public consumption.
• Manage projects based on street condition survey	On-going	Street condition survey used to update maintenance activities.
• Upgrade City facilities in accordance with Facilities Master Plan	Planning Stage	Fire Station #4 scheduled to be completed in July, 2012.
• Enhance the process for acquiring professional services to effectively implement the CIP program	On-going	Implemented a program to employ local engineering consultants to design maintenance projects and capital improvement projects.
<i>Develop operating and capital plans considering community input and realistic population and revenue projections</i>	A	

LONG-TERM OBJECTIVE/ACTION ITEMS	COUNCIL PRIORITY/ STATUS	RELATED PLAN/ ACTIVITIES COMPLETED
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> • Improve communication with Council and the community regarding CIP process and projects 	On-going	
<ul style="list-style-type: none"> • Identify and work to acquire the human and financial resources needed to implement capital projects 	On-going	Staffing levels adjusted to meet CIP management demands.
<ul style="list-style-type: none"> • Operate the solid waste program within parameters established by the rate study 	On-going	Transition to once a week residential trash and recycling collection accomplished along with rate adjustments.
<ul style="list-style-type: none"> • Develop five-year forecast of the General Fund and Debt Service Fund annually 	Completed	Forecast prepared annually
<ul style="list-style-type: none"> • Work with other public entities to develop consistent population and other growth factor projections 	On-going	
<ul style="list-style-type: none"> • Develop a clear strategic plan for Fire Department 	Planning Stage	Plan will be completed in FY 2011-12
<ul style="list-style-type: none"> • Work with TXDOT to develop a pavement management plan at airport 	On-going	Airport Master Plan
<ul style="list-style-type: none"> • Update Library long-range plan 	Underway	Library Long Range Plan; Firm will be selected in November. 2011
<ul style="list-style-type: none"> • Conduct a citizen survey regarding service needs and satisfaction 	Underway	ICMA National Citizen Survey will be administered in FY 2011-12.
<ul style="list-style-type: none"> • Complete improvements to Landa Park waterways (Landa Dam, spring-fed pool, retaining walls) 	Under design	Landa Park Master Plan; Construction drawings are underway for all projects; project information has been submitted to the Federal Corp of Engineers for permitting.
PUBLIC SAFETY		
<i>Maintain and review benchmarks for public safety services delivery</i>	C	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> • Conduct SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis that includes broad-based participation 	Planning Stage	Benchmarks are accomplished for various specific issues such as debt per capita, staffing levels and tax rates. Citizen survey and performance measures through

LONG-TERM OBJECTIVE/ACTION ITEMS	COUNCIL PRIORITY/ STATUS	RELATED PLAN/ ACTIVITIES COMPLETED
		ICMA will also provide benchmarks/
<ul style="list-style-type: none"> Conduct internal and external surveys of customer needs and customer satisfaction 	On-going	Have begun external surveys.
<ul style="list-style-type: none"> Conduct study to benchmark New Braunfels against comparable cities 	Planning Stage	
<ul style="list-style-type: none"> Review staffing, response protocols, and resource placement to maximize response efficiency 	Underway	The Police Department will be closely analyzing the system used to schedule officers to determine the most efficient way to allocate resources, with the goal of reducing overtime budget by 10%.
<ul style="list-style-type: none"> Improve technology and enhance access to our public 	Year 3	The Police Department is pursuing new CAD/Records Management software that will increase staff capability and enhance officer safety.
<ul style="list-style-type: none"> Establish an emergency response protocol with the Fire Department to provide the airport with aircraft fire and safety services 	Complete	Updated response protocol and signed agreement with airport tower manager.
<i>Develop and maintain a comprehensive program for watershed issues</i>	C	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> Develop storm water runoff regulations 	Underway	Council approved contract with consultant to review drainage criteria and develop federally mandated stormwater requirements. Coordination with Watershed Advisory Committee and stakeholders continues.
<ul style="list-style-type: none"> Expand flood-prone land acquisition 	On-going	Parks Master Plan; The City recently applied for a FEMA disaster mitigation grant to acquire several flood prone properties.
<ul style="list-style-type: none"> Revise ordinances to address building in floodway and floodplain 	Completed	Completed in FY 2010-11
<i>Continue to develop proactive programs for traffic control</i>	B	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> Explore red light camera technologies 	Year 3	

LONG-TERM OBJECTIVE/ACTION ITEMS	COUNCIL PRIORITY/ STATUS	RELATED PLAN/ ACTIVITIES COMPLETED
<ul style="list-style-type: none"> • Improve review process for traffic control issues 	Year 3	A Traffic Engineer has been authorized for FY 2011-12 who will assist in developing a comprehensive plan for traffic control.
<ul style="list-style-type: none"> • Partner with internal and external stakeholders to address proactive programs through design, engineering, traffic calming, and education 	On-going	Comprehensive Plan
<ul style="list-style-type: none"> • Add a traffic planning and engineering function 	Underway	Traffic Engineer has been authorized for FY 2011-12. who will assist in developing a comprehensive plan for traffic control.
<i>Develop and enhance community partnerships with residential neighborhoods, businesses, and other entities</i>	B	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> • Develop communication clarity with developers, builders, and business owners regarding ordinances and code compliance 	On-going	Comprehensive Plan; Continue to clarify ordinances through pre-development meetings; Developing one stop shop solution in FY 2011-12 to improve communication and service.
<ul style="list-style-type: none"> • Evaluate creation of a City youth advisory board 	Year 3	Comprehensive Plan
<ul style="list-style-type: none"> • Enhance youth programs 	On-going	Parks Master Plan, Comprehensive Plan, Community Needs Assessment; Library long range plan will be issued in spring 2012 and will include youth programming issues; Purchase of Westside Community Center will provide more options for youth programming; The Police Department has on-going programs such as Operation Intervention and Kid Print.
<ul style="list-style-type: none"> • Continue to hold community stakeholder meetings 	On-going	
<ul style="list-style-type: none"> • Expand partnerships with school districts 	On-going	Parks Master Plan, Comprehensive Plan, Community Needs

LONG-TERM OBJECTIVE/ACTION ITEMS	COUNCIL PRIORITY/ STATUS	RELATED PLAN/ ACTIVITIES COMPLETED
		Assessment; Library Master Plan includes expanding services to districts.
<ul style="list-style-type: none"> • Develop a Citizens Fire Academy 	Planning Stage	
<ul style="list-style-type: none"> • Enhance local speakers bureau for all departments 	Planning Stage	Police has speakers bureau on website with over 20 available topics
<ul style="list-style-type: none"> • Improve emergency management preparedness and coordination 	On-going	Began training non-public safety employees in emergency management. Conducted exercises with City employees; will complete exercises with external agencies in FY 2010-11; Developed a Community Emergency Response Team (CERT), trained personnel in web Emergency Operations Center (EOC), utilizing planned events to test system. FY 2011-12 will continue training and more in depth exercises.
<ul style="list-style-type: none"> • Encourage City staff participation in community organizations and boards 	On-going	Staff participates in United Way, Lions Club, Rotary Clubs and other community service organizations
EFFECTIVE MANAGEMENT		
<i>Maintain fiscal stability of City operations</i>	A	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> • Explore health clinic in partnership with other entities 	Planning Stage	Employee Benefits Committee will review in FY 2011-12
<ul style="list-style-type: none"> • Complete policy updates 	On-going	Personnel policies update will be completed in January 2012
<ul style="list-style-type: none"> • Develop sound indirect cost rates for enterprise funds and grants 	Year 3	
<ul style="list-style-type: none"> • Implement a “Buy Local” program 	Planning Stage	
<ul style="list-style-type: none"> • Improve performance measurement tracking and reporting (including training) 	On-going	Internal committee has been formed and will work with ICMA for Performance Management.
<ul style="list-style-type: none"> • Develop predictors for property tax value changes 	Planning Stage	

LONG-TERM OBJECTIVE/ACTION ITEMS	COUNCIL PRIORITY/ STATUS	RELATED PLAN/ ACTIVITIES COMPLETED
• Update user fees	Planning Stage	
• Develop NBU payment alternatives	Year 3	
• Implement new finance, purchasing, HR, and budget software	Year 2	Project underway; implementation will be completed by January 2012.
• Provide periodic budget updates to directors with both revenues and expenses	Being provided	Beginning in FY 2011-12, Support Services will conduct quarterly budget meetings with department directors to review revenues and expenses.
• Review workers compensation, property, and health insurance programs and expenditures for efficiencies and possible cost management measures	On-going	Workers compensation policy changed; Initial review of health insurance program completed with some changes implemented; employee committee in place to complete more extensive review.
• Develop and fund heavy equipment replacement program	Year 3	
<i>Maintain an ongoing program for improving customer service</i>	B	
Action Items for 1 to 3 Year Time Horizon:		
• Create a cultural shift to a problem resolution focus	On-going	Implemented Ethics Point in October 2011
• Continue customer service training	On-going	Implemented New Hire and NB101(class for employees about all city departments/services) to include customer service segments
• Continue the focus on the “Good to Great” program	On-going	Incorporated into New Hire Orientation and NB101
• Provide training to educate employees about City services	Year 2	NB101 started in June of 2011 and continues to be provided monthly to all City employees.
• Continue process improvement efforts	On-going	
• Implement front lobby and receptionist customer service efforts	Completed	
• Continue improvements to the development processes including realignment of responsibilities	On-going	Continue to redefine job descriptions to assist in development process. Constant review and adjustment as needed.

LONG-TERM OBJECTIVE/ACTION ITEMS	COUNCIL PRIORITY/ STATUS	RELATED PLAN/ ACTIVITIES COMPLETED
		One stop shop consolidation in the Planning Department will be created in FY 2011-12
<i>Create a comprehensive program for communicating with the public</i>	B	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> • Better utilization of resources — Channel 21 and website 	On-going	Now in use for City-wide emergency communications
<ul style="list-style-type: none"> • Utilize organizations such as service clubs and neighborhood associations to communicate information to the public about the City's activities/successes/etc. 	Planning Stage	
<ul style="list-style-type: none"> • Provide periodic updates on projects to City Council and the community 	On-going	
<ul style="list-style-type: none"> • Expand the City's website 	Underway	A website committee is currently developing recommendations and direction for an upgrade to the City's website that will occur during FY 2011-12.
<ul style="list-style-type: none"> • Expand and publicize the online feedback system 	Planning Stage	
<ul style="list-style-type: none"> • Develop a City public information presentation for various uses 	Year 3	
<ul style="list-style-type: none"> • Use radio and newspapers more proactively 	On-going	Both are contacted when Emergency Operations Center is activated; used throughout emergency
<ul style="list-style-type: none"> • Develop a City of New Braunfels page in the newspaper 	Year 3	
<ul style="list-style-type: none"> • Create a City University 	Completed	Inaugural class was held in spring of 2011. The second session is being held in the fall of 2011; future session will be offered at least once per year.
<ul style="list-style-type: none"> • Publicize Accela on-line services once it goes "live" 	Year 3	
<i>Be proactive in influencing legislative policies</i>	C+	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> • Maintain legislative pressure on Texas local 	On-going	

LONG-TERM OBJECTIVE/ACTION ITEMS	COUNCIL PRIORITY/ STATUS	RELATED PLAN/ ACTIVITIES COMPLETED
delegation to promote local goals (examples: river cleanup costs, Green Valley SUD, Edwards Aquifer, UICID – Word Ranch, and TXG0)		
<ul style="list-style-type: none"> • Monitor and communicate legislation affecting employment 	On-going	
<ul style="list-style-type: none"> • Monitor benefits changes at the federal level as well as in national healthcare 	On-going	Implementing changes in City's employee medical benefits to comply with new federal legislation.
<i>Promote and encourage a sustainable high-performing workforce and environment</i>	B	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> • Promote a “corporate” culture of customer service to employees 	On-going	Customer service training provided; “NB 101”
<ul style="list-style-type: none"> • Develop intern programs 	On-going	Special Projects Coordinator is finalizing this program; will be completed by January 2012.
<ul style="list-style-type: none"> • Continue and promote tuition reimbursement and other learning opportunities 	On-going	Increased participation in program
<ul style="list-style-type: none"> • Develop and expand technology training for City staff 	On-going	Completed One Solution and Executime software training for all staff; Providing Civic Plus (website) training fall 2011
<ul style="list-style-type: none"> • Conduct phone system training 	On-going	Incorporated into New Hire Orientation
<ul style="list-style-type: none"> • Develop online employment application 	Planning Stage	Will implement in spring 2012
<ul style="list-style-type: none"> • Improve how to communicate the benefits of working for the City to applicants 	On-going	Completed and distributed benefits brochure; information on website updated; new hire video currently being developed
<ul style="list-style-type: none"> • Complete personnel policies update 	Underway	Will be completed in FY 2011-12
<ul style="list-style-type: none"> • Keep salaries market competitive 	On-going	Survey was completed May 2011; will be done every two years.
<ul style="list-style-type: none"> • Improve facilities in which employees work 	On-going	
<ul style="list-style-type: none"> • Complete the technology plan implementation 	On-going	
<ul style="list-style-type: none"> • Develop career paths 	Planning Stage	
<ul style="list-style-type: none"> • Initiate succession planning 	Underway	Implemented Management

LONG-TERM OBJECTIVE/ACTION ITEMS	COUNCIL PRIORITY/ STATUS	RELATED PLAN/ ACTIVITIES COMPLETED
		Assistant Program in the Fall of 2011.
<ul style="list-style-type: none"> • Expand the wellness program 	Programs added	Added gym reimbursement and Weight Watchers programs
<ul style="list-style-type: none"> • Continue effective management of employee benefits and insurance programs 	On-going	Held mandatory employee meetings to brief all on employee benefits; active employee benefits committee
<ul style="list-style-type: none"> • Enhance the employee recognition program 	On-going	Expanded service awards luncheon held
<ul style="list-style-type: none"> • Complete and adopt safety policies; analyze safety trends in departments and communicate with departments to reduce accidents 	On-going	Fire Department Standard Operating Procedures include mandated safety policies; City-wide policies included in Personnel Policies which will be completed January 2012.
QUALITY OF LIFE		
<i>Implement comprehensive programs to address quality-of-life issues identified in the community needs assessment, especially as it pertains to youth</i>	A	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> • Partner with other entities to develop appropriate after school and weekend programs 	On-going	Library Long Range Plan, Community Needs Assessment; Parks and Recreation partnering with Communities in Schools for after school program for middle school children.
<ul style="list-style-type: none"> • Expand the Bigs in Blue program (Big Brothers/Big Sisters) 	Planning Stage	Community Needs Assessment.
<ul style="list-style-type: none"> • Increase police officer presence in schools and after school programs 	Year 3	The Police Department has applied for a grant to receive funding for 5 full time officers to serve as School Resource Officers assigned to schools in New Braunfels Independent School District.
<ul style="list-style-type: none"> • Increase partnership with Central Texas Technology Center (CTTC) to prepare the workforce for New Braunfels job opportunities 	Planning Stage	Library Master Plan will include CTTC assessment.

LONG-TERM OBJECTIVE/ACTION ITEMS	COUNCIL PRIORITY/ STATUS	RELATED PLAN/ ACTIVITIES COMPLETED
<ul style="list-style-type: none"> • Increase interdepartmental programs between Parks, Police Department, Fire Department and the Library 	Planning Stage	Community Needs Assessment; WCC will provide opportunities for joint programming targeting youth.
<ul style="list-style-type: none"> • Encourage non-alcohol events and activities targeting youth 	On-going	Community Needs Assessment. On-going programs such as Operation Intervention and Project Graduation; Friday night programs being held at Westside Community Center; Increase in Library teen programs.
<i>Ensure expanded age-appropriate recreational, literacy and enrichment opportunities</i>	B+	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> • Expand off-hours programs for literacy and learning 	Year 3	Library Long Range Plan; Westside Community Center will begin offering programs in a previously underserved area.
<ul style="list-style-type: none"> • Explore mobility options for library outreach 	Year 3	Library Long Range Plan; Library received two grants for outreach through the Westside Community Center and will continue to seek grant opportunities.
<ul style="list-style-type: none"> • Develop intergenerational programming for recreational learning 	On-going	Programs held such as Grandparents tee time, mommy/me classes
<ul style="list-style-type: none"> • Explore options to implement a youth sports complex and recreation center 	Planning Stage	Parks Master Plan, Sports Complex Master Plan, Sports Tourism Study
<ul style="list-style-type: none"> • Expand intradepartmental programs with parks and library 	Planning Stage	Library Long Range Plan, Comprehensive Plan. WCC will provide opportunities for programming targeting youth
<ul style="list-style-type: none"> • Explore a community literacy program such as One Read 	Year 3	Library Long Range Plan
<ul style="list-style-type: none"> • Encourage and promote a healthy community fitness and wellness campaign 	Planning Stage	Parks Master Plan, Comprehensive Plan, Community Need Assessment; inaugural fitness program with elementary school being developed
<ul style="list-style-type: none"> • Explore multiuse facilities in the Library Master Plan 	Year 3	Library Long Range Plan

LONG-TERM OBJECTIVE/ACTION ITEMS	COUNCIL PRIORITY/ STATUS	RELATED PLAN/ ACTIVITIES COMPLETED
<ul style="list-style-type: none"> • Review and possibly update the hike and bike trail plan 	Completed	Parks Master Plan, Comprehensive Plan
<ul style="list-style-type: none"> • Expand career and employment resources and training 	On-going	Library has increased online employment services such as providing classes at the library and the Texas Workforce Commission.
<ul style="list-style-type: none"> • Explore opportunities to involve high school students in City government 	Year 3	
<i>Preserve and improve our open space</i>	B	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> • Complete and implement the Parks, Recreation and Open Space Master Plan 	Complete	Parks Master Plan
<ul style="list-style-type: none"> • Implement Landa Park Master Plan 	Planning Stage	Parks Master Plan, Landa Park Master Plan; Landa Park design principals being developed.
<ul style="list-style-type: none"> • Analyze and implement improvements to river infrastructure 	Underway	River Ad Hoc Committee reviewing and recommending improvements to river operations, which may include infrastructure improvements; will make recommendations in FY 2011-12.
<ul style="list-style-type: none"> • Purchase open space land as opportunities arise 	On-going	Parks Master Plan, Comprehensive Plan
<ul style="list-style-type: none"> • Acquire floodplain properties and riverfront properties 	Some properties acquired; on-going	Parks Master Plan, Comprehensive Plan
<ul style="list-style-type: none"> • Complete Fischer Park Master plan 	Underway	Parks Master Plan; preliminary design completed; construction drawings to be completed early 2012.
<ul style="list-style-type: none"> • Encourage neighborhood adoption of small parks for maintenance and upkeep 	On-going	Parks Master Plan
<i>Protect the integrity of our neighborhoods</i>	A	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> • Continue creation of historic districts 	On-going	Comprehensive Plan
<ul style="list-style-type: none"> • Develop a Neighborhood Action Program to address individual neighborhood concerns 	On-going	Working with neighborhoods to address appropriate zoning options; Fire Department fuel reduction project.
<ul style="list-style-type: none"> • Develop additional options for bulk trash 	On-going	Call in service offered along with quarterly pickups. Household

LONG-TERM OBJECTIVE/ACTION ITEMS	COUNCIL PRIORITY/ STATUS	RELATED PLAN/ ACTIVITIES COMPLETED
pickup		hazardous waste drop off reinitiated.
• Implement railroad quiet zones	Underway	Phase I plans complete; approval on construction is currently pending.
• Review development ordinances to ensure compatible land use	On-going	Comprehensive Plan/ Land Use Plan
GROWTH AND DEVELOPMENT		
<i>Establish a vision for the future of the City of New Braunfels</i>	B+	
Action Items for 1 to 3 Year Time Horizon:		
• Work with other entities and the community to develop a City vision including available resources	On-going	Comprehensive plan will be updated in FY 2011-12.
• Update the Comprehensive Plan to ensure that it matches the City's vision	On-going	Comprehensive Plan
<i>Work with existing entities to ensure sustainable quality development</i>	B	
Action Items for 1 to 3 Year Time Horizon:		
• Define affordable housing for various income levels and determine how it can help attract a great, diversified workforce to New Braunfels	Planning Stage	
• Develop a plan to encourage affordable housing	Year 2 or 3	Reviewing ordinance options for diversified housing; Library is providing training for Habitat for Humanity computer grant; utilizing HOME grant revolving program for housing rehabilitation.
• Revise ordinance regarding residential landscaping	Planning Stage	Comprehensive Plan, Land Use Plan; revising platting and zoning ordinances; updating as a part of federally mandated stormwater regulations.
• Revise Planned Development District ordinance to encourage mixed-use development	Year 2 or 3	Revising zoning ordinance; Comprehensive Plan, Land Use Plan.
• Implement the Downtown Plan (including addressing parking)	On-going	Committee working towards implementation including downtown improvements; Comprehensive Plan, Downtown Implementation Plan

LONG-TERM OBJECTIVE/ACTION ITEMS	COUNCIL PRIORITY/ STATUS	RELATED PLAN/ ACTIVITIES COMPLETED
<ul style="list-style-type: none"> Offer the City's resources to partner organizations to increase their effectiveness (e.g. GIS) 	On-going	
<ul style="list-style-type: none"> Define and document the City's economic development policy 	Year 3	Mayor's Economic Development Summit held in October 2011 to initiate this process.
<i>Improve the development process to make it more customer friendly</i>	A-	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> Continue to streamline the development process 	Underway	One stop shop process will be created and implemented in FY 2011-12.
<i>Continue to develop year-round tourism</i>	B	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> Use the existing tourism study to identify opportunities for year round tourism 	On-going	Cemetery Master Plan almost completed; historic cemetery tour event held; walking tour of historic cemetery being developed; downtown historic walking tour held; Wein and Saengerfest promoted regionally
<ul style="list-style-type: none"> Increase use of the Civic/Convention Center as a meeting destination <ul style="list-style-type: none"> Encourage regional meetings to locate in New Braunfels using employees participation in professional organizations 	On-going	Created webpage: www.nbtexas.org/civiccenter . Submitted photos for www.meetnb.com (Chamber managed site); finalizing a new brochure; listings created on associated websites (wedding, meeting planners). Approved budget for local marketing; TAAF State Meeting in 2012.
<ul style="list-style-type: none"> Focus on developing and marketing hike and bike trails and opportunities 	On-going	Parks and Recreation Master Plan, Hike/Bike portion of Comprehensive Plan
<ul style="list-style-type: none"> Enhance marketing of the Landa Park golf course 	On-going	Parks and Recreation Master Plan, Golf Renovation Plan; implementing new social media initiatives to increase golf course exposure.
<ul style="list-style-type: none"> Attract youth sports tournaments 	On-going	
<ul style="list-style-type: none"> Enhance City services to attract more winter Texans 	On-going	

LONG-TERM OBJECTIVE/ACTION ITEMS	COUNCIL PRIORITY/ STATUS	RELATED PLAN/ ACTIVITIES COMPLETED
<ul style="list-style-type: none"> Explore opportunities to link holiday activities and events to make New Braunfels a destination holiday experience 	On-going	Parks coordinating Tree Lighting Event and Wassailfest
<i>Ensure community connectivity and mobility</i>	A	
Action Items for 1 to 3 Year Time Horizon:		
<ul style="list-style-type: none"> Actively pursue bringing light rail through New Braunfels 	On-going	Work closely with Lone Star Rail; Comprehensive Plan, Thoroughfare Plan
<ul style="list-style-type: none"> Revise platting ordinances to include connectivity issues 	On-going	Address platting ordinance for Fire Code connectivity requirements' consistency and overall City-wide connectivity; Comprehensive Plan, Thoroughfare Plan; Regional Transportation Plan will be adopted in FY 2011-12.
<ul style="list-style-type: none"> Work on a regional transportation plan 	On-going	Comprehensive Plan; Thoroughfare Plan; Regional Transportation Plan will be adopted in FY 2011-12.

RANKING OF OBJECTIVES BY STRATEGIC PRIORITIES

A Level	
Continue an ongoing program of infrastructure construction and maintenance	Infrastructure
Develop operating and capital plans considering community input and realistic population and revenue projections	Infrastructure
Maintain fiscal stability of City operations	Effective Management
Implement comprehensive programs to address quality-of-life issues identified in the community needs assessment, especially as it pertains to youth	Quality of Life
Improve the development process to make it more customer friendly	Growth and Development (A-)
Ensure community connectivity and mobility	Growth and Development
B Level	
Use a variety of funding sources for operational and capital needs	Infrastructure (B+)
Continue to develop proactive programs for traffic control	Public Safety
Develop and enhance community partnerships with residential neighborhoods, businesses and other entities	Public Safety
Maintain an ongoing program for improving customer service	Effective Management
Create a comprehensive program for communicating with the public	Effective Management
Promote and encourage a sustainable high-performing workforce and environment	Effective Management
Ensure expanded age-appropriate recreational, literacy and enrichment opportunities	Quality of Life (B+)
Preserve and improve our open space	Quality of Life
Protect neighborhood integrity	Quality of Life
Establish a vision for the future of the City of New Braunfels	Growth and Development (B+)
Work with existing entities to ensure sustainable quality development	Growth and Development
Continue to develop year-round tourism	Growth and Development
C Level	
Maintain and review benchmarks for public safety services delivery	Public Safety
Develop and maintain a comprehensive program for watershed issues	Public Safety
Be proactive in influencing legislative policies	Effective Management (C+)

BUDGET PROCESS OVERVIEW

Charter Provisions:

- The City Manager shall....*prepare and submit the annual budget and a five (5) year capital improvement program to the City Council* (Sec. 7.01).
- The City Manager shall....*submit to the City Council a proposed budget, which budget shall provide a complete financial plan for the fiscal year and shall contain....a budget message, explanatory of the budget...and...outline of the proposed financial policies of the City* (Sec. 9).

Policy and Management Objectives:

The Budget should serve as a *financial tool* as well as serve other policy and management objectives as follows:

- ***Policy Document*** which outlines the overall policy direction and priorities of the City Council regarding the budget
- ***Operational and Business Plan*** for the City departments for the fiscal year
- ***Communication Tool*** to communicate to and receive input from citizens regarding City issues, policies, and activities.
- ***Planning Process*** which looks ahead several years to develop strategies to address future management and financial issues and challenges.

The graphic on the following page shows the City's planning, forecasting and budget development process as well as the year-long activities that manage and report on the success of the budget and work plan's implementation. Each step is described following the graphic.



Strategic Planning Process:

The City Council completes a full strategic planning process every three years. That process results in the establishment of broad Council policy direction through adopted mission and vision statements as well as strategic goals and objectives. The current strategic plan is documented earlier in this section of the budget document. In addition, annually, the Council reviews the current strategic plan to ensure its continued relevance and to make any updates/improvements that may be warranted by changing conditions or events. Council also then clarifies policy statements, sets priorities and gives direction to staff regarding issues for development of the budget.

Financial Planning and Management Process:

A comprehensive Financial Planning and Management Process which addresses the policy and management objectives outlined above includes the following development steps:

- City Manager, working with all department heads, prepares a *five year financial forecast* of the General Fund and Debt Service Fund to provide the Council with projections regarding the financial position of the City into the future – based on a set of

assumptions. If the assumptions change, the forecast will change. The forecast incorporates the Council's stated strategic priorities.

- City Manager, with the assistance of the Support Services Director and department heads, prepares and submits a comprehensive ***annual budget and work plan as well as a five year capital improvement program*** in accordance with City Council policy direction and priorities for the operation of the City during the fiscal year. Staff works to implement components of the action plans included in the three year forecast, funding the resources needed to carry out those plans.
- City departments are held accountable for implementation of their budgets. Finance personnel provide fiscal information to Council on agenda items with financial implications. Finance staff also ***monitors the budget*** to insure that functions and activities stay within the budget appropriations. If additional funding is required, a budget transfer or amendment is prepared for Council consideration.
- The Support Services Director, under the direction of the City Manager, submits ***monthly reports on the finances and activities*** of the City in accordance with the City Charter.
- City Manager submits the ***annual report and audited financial statements*** as of the end of the fiscal year.

The following component will be added to the Financial Planning and Management Process in future years:

- ***Enhanced Performance Measurement*** to provide Council and citizens with information regarding the efficiency and effectiveness of City functions and program. These measures will better reflect the Council's strategic priorities and the departmental objectives that address these priorities.

General Calendar:

The following is a general calendar for the budget development process.

Budget requests, revenue estimates and all associated schedules due to Support Services	early May
Budget submissions collated, formatted for City Manager review and individual line item questions resolved	May
City Manager review of budgets with department heads	June
Proposed Budget document prepared	July
Proposed Budget document presented to City Council	early August
City Council work sessions on the Proposed Budget	August
Public hearings on the budget and tax rate	late August/early September
Adoption of the budget	by September 20

Budget Amendment Process:

The FY 2011-12 Budget, as adopted by City Council, controls expenditures by fund, department and at the group level for all funds in these categories. These groups are: Employee Expenses, Operations Expenses, Capital Expenses, Interfund Transfers, Debt Service and Contingencies. This means that, although funds are allocated into individual line items in each budget and those line item allocations are adopted as part of the FY 2011-12 Budget, departments have some flexibility in expensing these funds within the group. As long as the total appropriation for a group (for example employee expenses) is not exceeded, one or more line items in the group (for example health insurance) may exceed its budget allocation.

In the CDBG, HOME, Special Revenue, Grant, Capital Improvements, and New Braunfels Industrial Development Corporation (NBIDC) funds budgets, appropriations are controlled at the project level. As the Council accepts federal entitlements and grants, as donations are received from outside sources, and as projects are approved, those proceeds are appropriated and available to departments and to NBIDC to expend for identified City purposes and needs.

The budget may be changed through a budget transfer or a budget amendment only through an action of the City Council. Transfers move appropriations within a fund from one of the appropriation groups listed above to another of those groups, for example from operations expenses to capital expenses. These transfers most often occur within one department but can occur between departments within the same fund. Budget amendments generally reflect changes in revenues and may allocate additional funds into a budget expenditure appropriation. Staff prepares an agenda item for Council consideration that describes the proposed budget amendment or budget transfer. A vote by the majority of the Council is required for approval of changes to the budget.

ACCOUNTING SYSTEM

The City's accounting records for governmental fund types and agency funds are maintained on a modified accrual basis for most funds. Revenues are recorded when available and measurable, and expenditures are recorded when the services or goods are received and the liabilities are incurred. In addition, encumbrances are recorded during the year. Property and sales tax revenues are susceptible to accrual, and are considered available to the extent collected within sixty days after the end of the fiscal year. Proprietary (enterprise)/internal service funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses when they are incurred.

The City of New Braunfels budgets are developed on a cash basis. Revenues are recognized only when collected and expenditures are recognized when paid. The City is required to and annually does adopt a balanced budget – meaning that total budgeted expenditures do not exceed total available funds (a combination of fund balance carried forward and revenues). The City appropriates all available funds, including projected ending fund balances so that they can be used in the event of extraordinary, unexpected occurrences such as floods or hurricanes. Beginning fund balance is the amount of money available from the prior fiscal year (excess revenues over the amount actually expended in that year). It is accounted for and, as stated, appropriated annually in both the City's annual financial reports and budgets.

Appropriations in the capital improvement funds are made on a project basis (from inception to completion) rather than on an annual basis and are carried forward until the projects are completed. Except for capital project, grant and federal entitlement appropriations, or for encumbrances outstanding in any fund, unused appropriations lapse at the end of each fiscal year.

The FY 2011-12 Adopted Budget appropriates funds using the following expenditure groups. Capital expenditures are defined as the purchase of an asset where the individual cost of an item is \$5,000 or greater.

- Employee Expenses
- Operations Expenses
- Capital Expenses
- Debt Service
- Interfund Transfers
- Contingencies

Each expenditure group is the sum of individual, similar line item allocations. (Each group is defined in the Glossary section of the Appendix.) This presentation of budget data is designed to provide departments with detailed information but with greater flexibility in the management and control of their budgets. This system reduces unnecessary bureaucratic control while continuing to provide sound financial and management information. Although budgetary data is presented in the budget document according to expenditure group, detailed line item information has been input into the City's financial management system.

ACCOUNT STRUCTURE AND DESCRIPTION OF FUNDS

The City maintains budgetary control of its operating accounts through the use of various funds. A "fund" is a self-balancing set of accounts with identifiable revenue sources and expenditures. It is segregated for the purposes of measuring a specific activity. Additionally, these funds are further separated into either major funds or non-major funds based on a criterion that compares the amount of assets, liabilities, revenues or expenditures they report in comparison to the total governmental funds or the combination of the governmental funds and the enterprise funds.

The City has two kinds of funds:

- ***Governmental funds*** – Most of the City's basic services are included in governmental funds such as the General Fund and Special Revenue Funds. These funds focus on how cash and other financial assets can readily be converted to cash flow in/out and on the balances left at year-end and available for spending.

The following governmental funds are classified as major funds:

- The General Fund including the Equipment Replacement Fund and the Facilities Maintenance Fund,
- the Hotel/Motel Tax Fund, classified as a Special Revenue Fund.
- the Debt Service Fund,
- the 2008 Certificates of Obligation Capital Improvement Fund,
- the 2009 Certificates of Obligation Capital Improvement Fund,
- the 2011 Certificates of Obligation Capital Improvement Fund, and
- the 2012 Certificates of Obligation Capital Improvement Fund

All other governmental funds are classified as non-major funds.

- ***Proprietary funds*** –
 - ***Enterprise Funds*** – activities that provide a service to customers and then the City imposes a fee to recover the cost to provide the service are generally reported in enterprise funds. These include the City's five enterprise funds – Airport, Solid Waste, Golf, Civic Center, and Stormwater Utility. All of these funds are classified as major funds.
 - ***Internal service funds*** – report activities that provide supplies and services for the City's other programs and activities. Currently, the City's Self Insurance Fund is the only internal service fund and it is classified as a non-major fund.

The following describes each of the City's funds (or groups of funds) that account for all the City's revenues and expenditures.

General Fund – is the City's main fund and includes expenditures for general government, planning and community development, public safety, public works, parks and recreation, and the library. Interfund transfers and capital expenditures related to these activities are also accounted for in this fund.

Enterprise Funds – are used to account for governmental activities that are similar to those found in the private sector. The City has five enterprise funds – the Airport Fund, the Civic/Center Fund, the Golf Fund, the Solid Waste Fund and the Stormwater Utility Fund. Each fund accounts separately for the function it supports.

Airport Fund – The City owns and operates the New Braunfels Regional Airport. Revenue comes from leases, fuel sales and commercial activity fees. Expenses relate to personnel, the cost of fuel sold and other operating expenditures.

Civic/Convention Center Fund – The City owns and operates a 60,000 square foot facility that generates revenue through rental and other user charges. Expenditures include personnel, utilities and other operating costs.

Golf Fund – The City owns and operates the Landa Park Golf Course. Revenues come from greens and cart rental fees as well as other customer charges. Expenditures for personnel and maintenance of the course dominate the budget.

Solid Waste Fund – The City collects refuse (residential and commercial) and transports it to the landfill as well as staffing a vibrant recycling program. This fund receives revenues from customer charges for collection services. Expenditures relate to personnel, the refuse collection vehicles, landfill charges and other operating expenditures.

Stormwater Utility Fund – The City is now responsible by federal mandate to manage stormwater runoff in accordance with MS4 regulations. Effective in the either late spring or early summer of 2012, all residential and commercial customers will pay a stormwater utility fee. The fee amount will be calculated based on the customer's total impervious cover. Expenditures will include personnel and other operating costs associated with maintaining existing and new drainage facilities as well as managing MS4 compliance issues.

Debt Service Fund – is funded through ad valorem property tax and is used to pay principal and interest on all bonds, certificates of obligation, and tax notes issued by the City.

Capital Improvement Funds – include all the funds used by the City to pay for capital improvement projects such as park land purchases and park improvements, streets and drainage improvements, fire station construction and equipment, municipal facilities (land and building construction), the Civic/Convention Center expansion and airport improvements. The City currently has eight active capital improvement funds: the 2004 Certificates of Obligation (C of O's), the 2007 C of O's, the 2008 C of O's, the 2009 C of O's, the 2011 C of O's, the 2012 C of O's, the Parks Improvement, and the Roadway Impact Fees Capital Improvement Funds. Previously, the City had a 2003 Certificates of Obligation fund, a Civic/Convention Center fund and a Streets and Drainage fund. In all three of these funds, all available revenue has been expended and the funds have been closed. For the active funds, most of these funds' revenues come from the proceeds of debt issuances. The Parks Improvement Capital Improvement Fund now receives proceeds from the City's Parks Development Fees which must be used for neighborhood park improvements. The Roadway Development Impact Fees Fund also gets its

funding from impact fees which must be used in the roadway district in which they are generated.

Other City funds are used to provide resources and services for specific purposes and/or to account for funds in the way proscribed by statute. These other active funds include:

Self Insurance Fund – is used to account for the City's cost of providing employees medical, dental and vision insurance as well as the City's wellness program.

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

CDBG Fund – is used to track expenditures of all Community Development Block Grants federal entitlement funds.

Cable Franchise (PEG) Fund – is established as required by recently passed legislation that stipulates that the 1 percent franchise payment that the City receives from the cable service provider to be accounted for in a separate fund. Funds from this account are only to be used for equipment intended for improving broadcast capabilities of the organization.

Cemetery Improvements Fund – is used to pay for maintenance and improvements at the City's cemeteries.

Child Safety Fund – is required by statute to be used to pay for safety programs for school age children including school crossing guards and other projects that enhance child safety, health or nutrition.

Convention and Tourism Fund – is used to account for the funds allocated by Council to the Chamber of Commerce under a contract for the promotion of tourism, marketing and other professional services. The only source of funding for this account is a percentage of the revenue generated from hotel/motel tax.

Court Security Fund – is required by statute to be used to fund security at the City's Municipal Court, including personnel.

Court Technology Fund – is required by statute to be used to fund technology improvements at the City's Municipal Court.

Creekside Tax Increment Reinvestment Zone (TIRZ) Fund – is used to account for sales tax and property tax revenue generated by the City's TIRZ. The proceeds pay for administrative expenses as well as debt service for debt issued to repay the developer for public improvements.

Economic Development Fund – is used to account for expenditures related to economic development projects, such as tax increment investments zones and for which the City receives reimbursement from the developer(s).

Equipment Replacement Fund – is used to account for the replacement of all City-owned vehicles, Solid Waste heavy equipment, computer equipment, residential garbage and recycling containers, ambulances and Fire Department self contained breathing apparatus. The City annually makes contributions into the fund to build up sufficient amounts to purchase replacement equipment when scheduled based on the City's adopted replacement guidelines.

Facilities Maintenance Fund – is used to set aside funds for unexpected repairs on the City's aging infrastructure. Funds are used to address major structural and system repairs in City buildings and parks and for unexpected requirements such as repairs from floods.

Faust Library Fund – was originally funded through a bequest and is used to fund programs and projects at the New Braunfels Library.

Grant Fund – accounts for revenues and expenditures related to any grants the City receives.

Hotel/Motel Tax Fund – accounts for the City's seven percent hotel/motel tax revenue. Expenditures in the fund support the City's convention and visitor's bureau, arts and heritage organizations and the debt service and some operations expenses associated with the expansion of the Civic/Convention Center.

Judicial Efficiency Fund – is required by statute to be used to fund efforts that increase the Municipal Court's efficiency and effectiveness.

Juvenile Case Manager Fund – is required by statute to be used to fund salary and benefits costs of a juvenile case manager who provides services in cases involving juvenile offenders.

NBIDC Fund – the New Braunfels Industrial Development Corporation (4B) works with the City of New Braunfels to promote economic development in the community. This fund receives 25 percent of the sales tax collected in the City to fund various programs and projects that benefit the citizens.

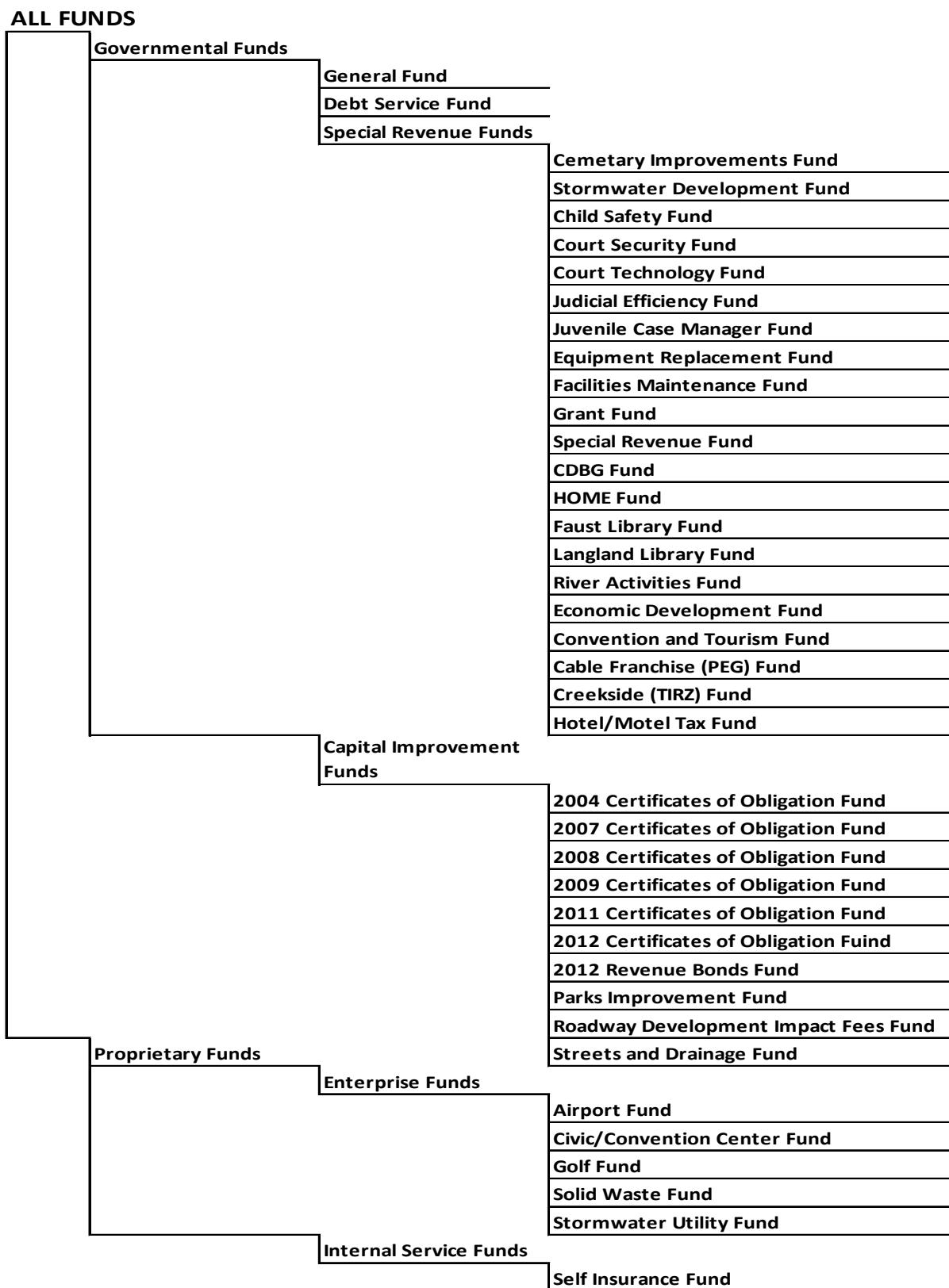
River Activities Fund – accounts for revenue and expenditures related to the City's tourism along the Comal and Guadalupe Rivers. Major activities include public safety and litter clean up.

Special Revenue Fund – is used to account for funds donated from various benefactors – mainly for the library and parks and recreation activities.

Stormwater Development Fund – is used to account for development fees assessed to support drainage maintenance and upkeep.

Langland Library Fund and Dittlinger Library Fund – were originally funded through bequests and were used to fund programs and projects at the New Braunfels Library. These funds have now been closed as all revenue has been expended

Fund Structure Chart



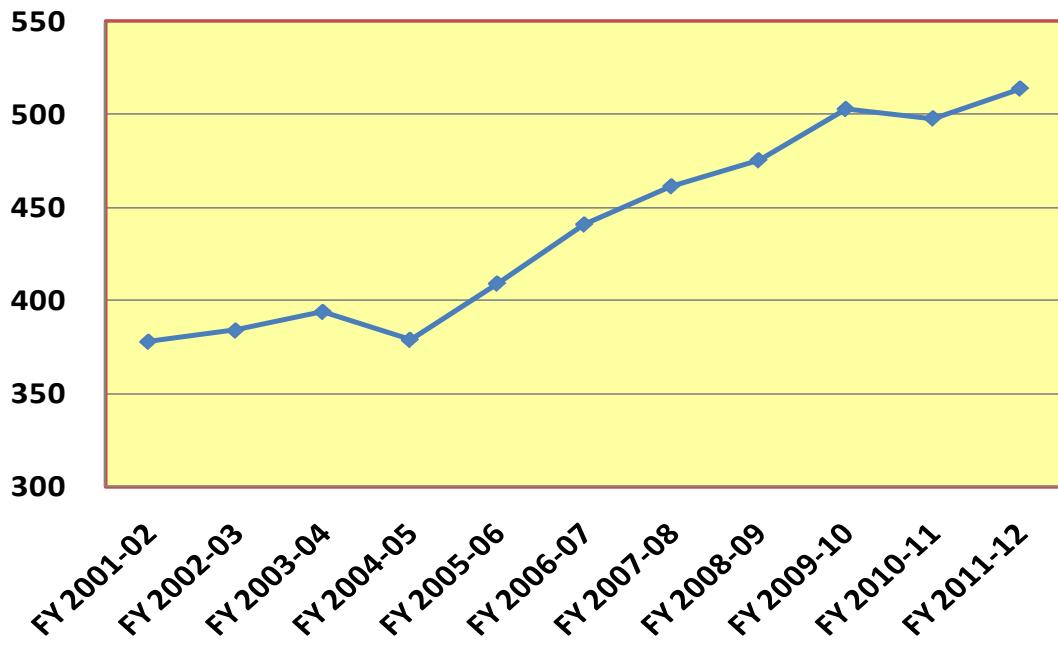
Authorized Positions Listing by Department

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Adopted Budget</u>
Airport Fund	5.5	6	6
City Manager's Office	4	5	5
City Council	1	1	1
City Secretary	3	3	3
City Attorney's Office	3	3	3
Civic/Convention Center Fund	8	8	8
Support Services			
Finance, Purchasing and Budget	9	10	10
Municipal Courts	10	10	9
Information Technology and Geographic Information Systems	5	5	6
<i>Total Support Services</i>	24	25	25
Human Resources	6	6	7
Fire			
Support Services	13	13	13
Operations	102	102	102
Emergency Management	1	1	1
<i>Total Uniform Positions</i>	112	112	112
<i>Total Fire</i>	116	116	116
Library	25.75	26.5	26.5
Parks			
Administration	6.5	7	7
Recreation	18	18	18
Athletics	6.5	6.5	6.5
Aquatics	71	71	71
Rangers	18.5	18.5	17
Maintenance	19.5	19.5	21.5
Golf Fund	13	12	12
<i>Total Parks</i>	153	152.5	153
Planning and Community Development			
Environmental Services	8	8	9
Building Inspection	9	9	10
Planning	7	7	7
Main Street	1	1	1
<i>Total Planning and Community Development</i>	25	25	27

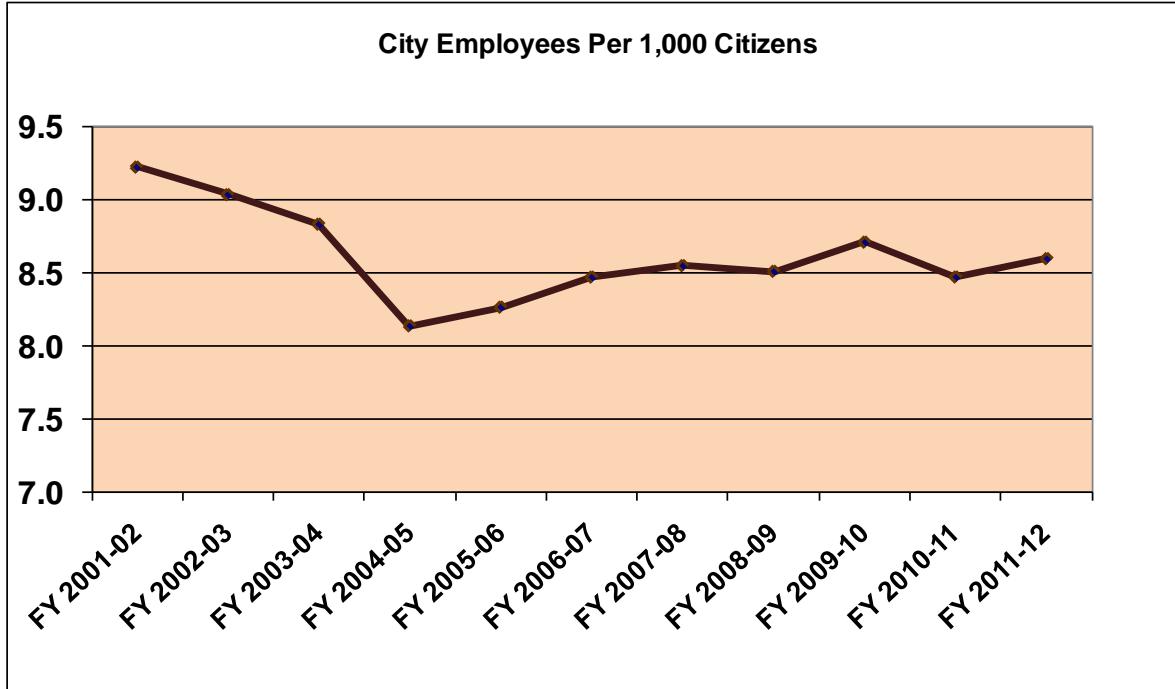
Authorized Positions Listing by Department (continued)

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Adopted Budget</u>
Police			
Administration	3	10	10
Patrol	80	70	70
Criminal Investigations	17	22	22
Support Services	27	25	27
School Crossing Guards (Child Safety Fund)	12	12	13
<i>Total Uniform Positions</i>	<i>101</i>	<i>101</i>	<i>101</i>
<i>Total Police</i>	<i>139</i>	<i>139</i>	<i>142</i>
Public Works			
Engineering	11.5	11.5	12.5
Streets	18	18	18
Drainage	7	7	0
Facilities Maintenance	6	5	5
Facilities Maintenance Fund	0	1	1
River Activities Fund	16	16	16
Solid Waste Fund	50.5	44.5	48
Stormwater Utility Fund	0	0	12.5
<i>Total Public Works</i>	<i>109</i>	<i>103</i>	<i>113</i>
<i>Total – All Positions</i>	<i>624.25</i>	<i>621</i>	<i>637.5</i>
 <i>Full time regular positions</i>	 478	 475	 493
<i>Part time regular positions</i>	<i>27.25</i>	<i>26</i>	<i>26.5</i>
<i>Seasonal positions</i>	<i>119</i>	<i>120</i>	<i>118</i>

Authorized Regular Positions



City Employees Per 1,000 Citizens



Program Changes in Budget

Department/ Division	Description of Program Changes	One-Time Cost	Recurring Cost	Savings/ Revenue	Total
<u>Support Services</u>					
GIS	One GIS Analyst position		\$ 70,168		\$ 70,168
	Total-Support Services	\$ -	\$ 70,168	\$ -	\$ 70,168
<u>Planning</u>					
Environmental Services	One Code Enforcement Officer position	\$ 20,140	\$ 46,604	\$ (20,700)	\$ 46,044
Building	One Plans Examiner position	\$ 3,000	\$ 54,512		\$ 57,512
	Total-Planning	\$ 23,140	\$ 101,116	\$ (20,700)	\$ 103,556
<u>Police</u>					
Support Services	Two Emergency Dispatcher positions		\$ 84,861		\$ 84,861
	Total-Police	\$ -	\$ 84,861	\$ -	\$ 84,861
<u>Public Works</u>					
Engineering	One Traffic Engineer position		\$ 130,000		\$ 130,000
	Total-Public Works	\$ -	\$ 130,000	\$ -	\$ 130,000
<u>Parks</u>					
Rangers	Reclassification of two Seasonal Ranger positions to part time		\$ 4,922		\$ 4,922
Park Operations	Lease modular building (1/3 of the cost is funded in Golf fund)	\$ 52,000	\$ 22,150		\$ 74,150
	Two Parks Maintenance Worker positions		\$ 79,756		\$ 79,756
	Total-Parks	\$ 52,000	\$ 106,828	\$ -	\$ 158,828
	Total General Fund	\$ 75,140	\$ 492,973	\$ (20,700)	\$ 547,413

Department/ Division	Description of Program Changes	One-Time Cost	Recurring Cost	Savings/ Revenue	Total
<u>Solid Waste</u>					
	One Mechanic Assistant position and one Parts Technician position	\$ 3,000	\$ 78,409	\$ 81,409	
	One Mechanic Assistant position assigned full time to the Police Department	\$ 3,000	\$ 39,376	\$ (42,376)	\$ -
	Total-Solid Waste	\$ 6,000	\$ 117,785	\$ (42,376)	\$ 81,409
<u>Golf Fund</u>					
	Contracted janitorial service for clubhouse	\$ 8,400		\$ 8,400	
	Total-Golf	\$ -	\$ 8,400	\$ -	\$ 8,400
<u>Stormwater Utility Fund</u>					
	One Administrative Assistant - 1/2 of the costs funded in Solid Waste budget	\$ 47,150		\$ 47,150	
	One Stormwater Utility Manager	\$ 77,000		\$ 77,000	
	One Equipment Operator, one Maintenance Worker and one Watershed Technician	\$ 25,000	\$ 110,735		\$ 135,735
	Stormwater billing costs (start-up and monthly fee, marketing program and implementation support	\$ 120,000	\$ 120,000		\$ 240,000
	Total-Stormwater Utility	\$ 145,000	\$ 354,885	\$ -	\$ 499,885
	Grand Total	\$ 226,140	\$ 974,043	\$ (63,076)	\$ 1,137,107

FY 2011-12 Capital Purchases

Department and Equipment Description	Cost
<u>Fire</u>	
Zodiac rescue boat	\$ 25,000
Extractor (for cleaning bunker gear)	\$ 12,000
Thermal imaging camera	\$ 10,125
	Total \$ 47,125
<u>Police</u>	
Coban cameras for new vehicles	\$ 100,000
	Total \$ 100,000
<u>Public Works</u>	
54" plotter for the Sign Shop	\$ 12,500
Cabinet for traffic signal equipment/parts	\$ 10,175
Truck for Traffic Signal Technician	\$ 20,000
	Total \$ 42,675
<u>Library</u>	
Multiple disk DVD cleaning machine	\$ 16,000
	Total \$ 16,000
<u>Parks</u>	
Replace pool vacuum unit and additional motor	\$ 2,500
Tree management software	\$ 8,000
Installation of backflow preventors (1/3 of all irrigation systems)	\$ 50,000
Irrigation system for beds at Seguin Avenue and Business 81	\$ 22,000
	Total \$ 82,500
<u>Golf Fund</u>	
Replacement kitchen equipment	\$ 15,000
Triplex mower with baskets	\$ 33,000
	Total \$ 48,000
<u>Stormwater Utility Fund</u>	
Tractor/shredder	\$ 44,000
	Total \$ 44,000
<u>Grand Total</u>	\$ 380,300
<u>General Fund Only</u>	\$ 288,300

FY 2011-12 Capital Purchases

<u>Department and Equipment Description</u>	<u>Cost</u>
<u>Debt Funded</u>	
Flat wheel roller - Public Works	\$ 89,000
Scrap handling bucket and cat rear hydraulic thumb - Public Works	\$ 19,100
Acquisition of a new computer aided dispatch system (CAD and RMS)	\$ 750,000
Replacement playground for Eikel Park - Parks	\$ 80,000
Replacement playground for Jesse Garcia Park - Parks	\$ 80,000
Zero turn radius mower - Airport	\$ 16,000
Tractor and shredder - Airport	\$ 70,000
Total	\$ 1,104,100
<u>Facilities Maintenance Fund</u>	
Replace Wet Willie; amusement feature at springfed pool - Parks	\$ 4,000
Replace the Landa Haus roof and relocate 2 air conditioning units - Parks	\$ 28,750
Total	\$ 32,750

UNMET NEEDS BY DEPARTMENT

Department/ Division	Description of Program Changes	One-Time Cost	Recurring Cost	Total Net Cost/(Savings)
<u>Human Resources</u>				
	One Safety/Risk Management Coordinator position	\$ 3,000	\$ 71,655	\$ 74,655
	One Employee Relations Specialist position	\$ 3,000	\$ 71,655	\$ 74,655
	Total - Human Resources	\$ 6,000	\$ 143,310	\$ 149,310
<u>Support Services</u>				
<i>GIS</i>	Develop a strategic plan for the City support of a regional GIS program	\$ 55,000		\$ 55,000
<i>Information Technology</i>	Information Technology Specialist position	\$ 3,000	\$ 56,228	\$ 59,228
	Total - Support Services	\$ 58,000	\$ 56,228	\$ 114,228
<u>Planning</u>				
<i>Building Inspections</i>	Permit Technician position		\$ 41,382	\$ 41,382
	Total- Planning	\$ -	\$ 41,382	\$ 41,382
<u>Police</u>				
<i>Patrol</i>	Eight new Police Officer positions	\$ 503,392	\$ 517,527	\$ 1,020,919
	Expansion of records division central storage vault linear system	\$ 14,037		\$ 14,037
	Total - Police	\$ 517,429	\$ 517,527	\$ 1,034,956

UNMET NEEDS BY DEPARTMENT

Department/ Division	Description of Program Changes	One-Time Cost	Recurring Cost	Total Net Cost/(Savings)
<u>Fire</u>				
<i>Operations</i>	Three Firefighter positions	\$ 9,500	\$ 173,500	\$ 183,000
	Wild land firefighting gear	\$ 31,000		\$ 31,000
<i>Emergency Management</i>	Vehicle	\$ 24,000		\$ 24,000
	Total - Fire	\$ 64,500	\$ 173,500	\$ 238,000
<u>Public Works</u>				
<i>Engineering</i>	GIS Technician position	\$ 5,000	\$ 56,225	\$ 61,225
<i>Facilities</i>	Additional Custodian position		\$ 36,200	\$ 36,200
	HVAC contract for City Hall	\$ 140,000		\$ 140,000
	Roofing contract for City Hall	\$ 20,000		\$ 20,000
<i>Streets</i>	Vehicle for Signal Technician	\$ 20,000		\$ 20,000
	500 Gallon tank sprayer trailer	\$ 8,044		\$ 8,044
	Total - Public Works	\$ 193,044	\$ 92,425	\$ 285,469
<u>Parks</u>				
<i>Administration</i>	Assistant Director position		\$ 106,192	\$ 106,192
	Park Development Specialist position	\$ 7,320	\$ 58,542	\$ 65,862
	Tree Maintenance Worker position		\$ 70,756	\$ 70,756
	Resistograph - equipment utilized for tree assessment	\$ 4,698		\$ 4,698

UNMET NEEDS BY DEPARTMENT

Department/ Division	Description of Program Changes	One-Time Cost	Recurring Cost	Total Net Cost/(Savings)
<i>Recreation</i>	Special Events Supervisor position	\$ 6,060	\$ 61,605	\$ 67,665
	10 tables/chairs for day camp	\$ 11,500		\$ 11,500
	Landa Park Master Plan completion	\$ 25,250		\$ 25,250
<i>Aquatics</i>	Replace shade canopies at Landa Park Aquatic Complex	\$ 6,000		\$ 6,000
	All Terrain Vehicle	\$ 6,500		\$ 6,500
	Training equipment for Lifeguards	\$ 2,000		\$ 2,000
	Drinking fountain - Landa Park Aquatic Complex	\$ 1,600		\$ 1,600
<i>Rangers</i>	Electric scooter	\$ 4,000		\$ 4,000
	Golf cart	\$ 6,000		\$ 6,000
<i>Athletics</i>	Camp Comal shade structures	\$ 13,200		\$ 13,200
	Camp Comal perimeter fence	\$ 190,000		\$ 190,000
	Three paddle boats	\$ 7,500		\$ 7,500
Total - Parks		\$ 291,628	\$ 297,095	\$ 588,723

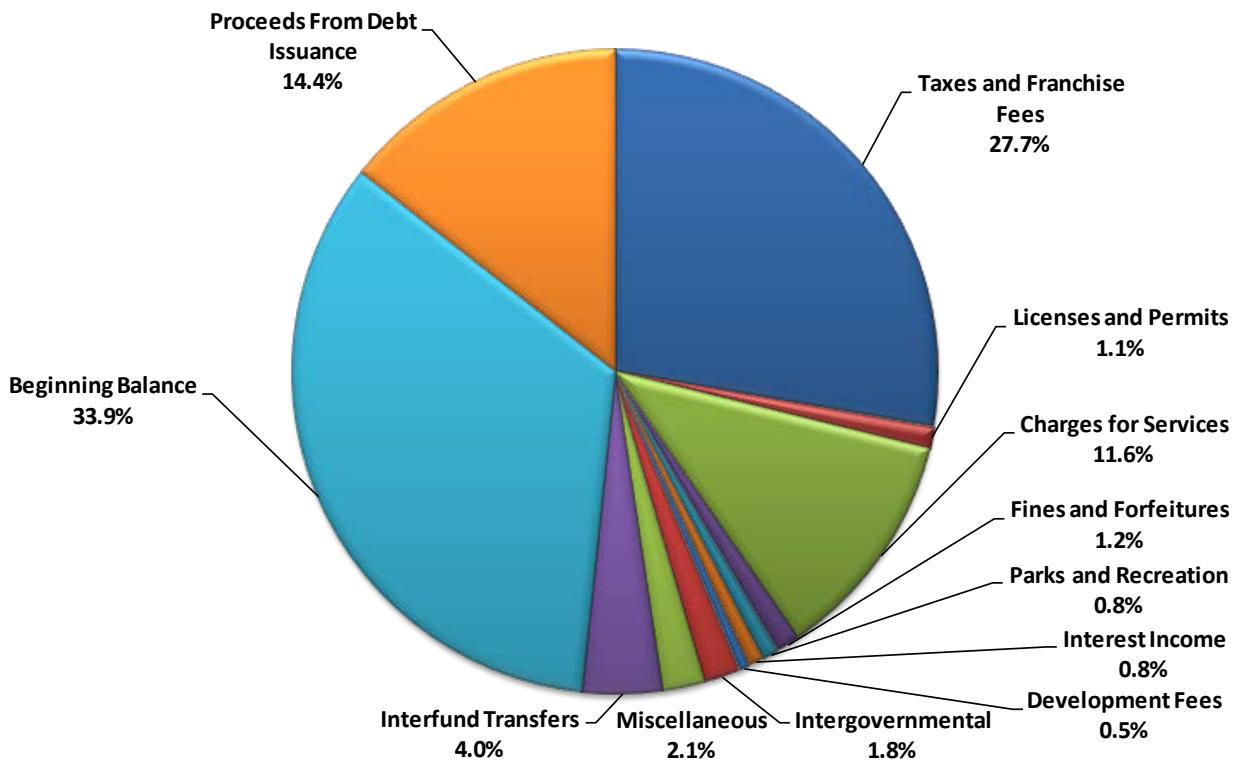
UNMET NEEDS BY DEPARTMENT

Department/ Division	Description of Program Changes	One-Time Cost	Recurring Cost	Total Net Cost/(Savings)
<u>Library</u>	Library bookmobile	\$ 150,000		\$ 150,000
	Carpet replacement	\$ 110,000		\$ 110,000
	Total - Library	\$ 260,000	\$ -	\$ 260,000
General Fund Total		\$1,390,601	\$ 1,321,467	\$ 2,712,068
<u>Airport</u>				
	All Terrain Vehicle	\$ 16,000		\$ 16,000
	Skid-Steer loader	\$ 75,000		\$ 91,000
	Total - Airport	\$ 91,000	\$ -	\$ 107,000
<u>Solid Waste</u>				
<i>Service center</i>	Longbed truck for Fleet Manager	\$ 24,500		\$ 24,500
	Total - Solid Waste	\$ 24,500	\$ -	\$ 24,500
<u>Golf</u>				
	Deep tine aerifier	\$ 30,000		\$ 30,000
	15,000' of cable for perimeter fence	\$ 10,000		\$ 10,000
	Table and chairs for dining rooms	\$ 16,500		\$ 16,500
	Utility equipment	\$ 6,500		\$ 6,500
	Total - Golf	\$ 63,000	\$ -	\$ 63,000

UNMET NEEDS BY DEPARTMENT

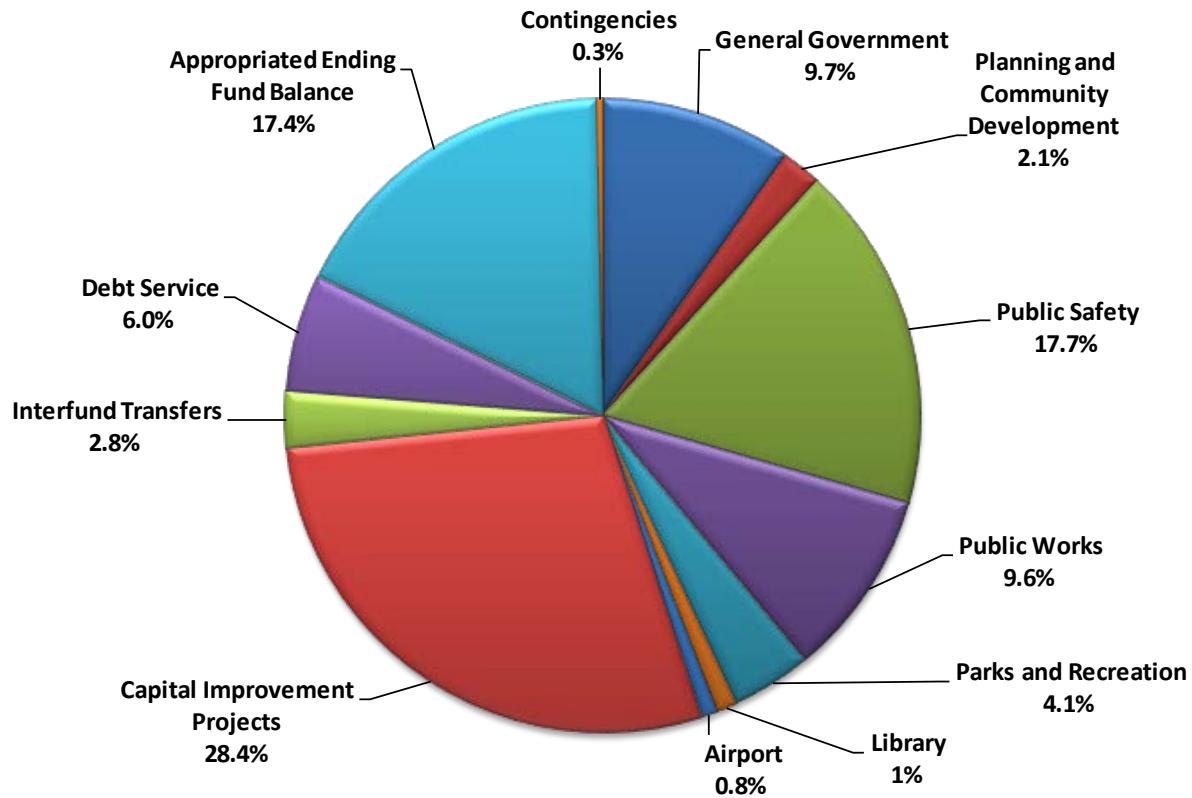
Department/ Division	Description of Program Changes	One-Time Cost	Recurring Cost	Total Net Cost/(Savings)
River	Recreation Coordinator position	\$ 5,000	\$ 53,000	\$ 58,000
	Total - River	\$ 5,000	\$ 53,000	\$ 58,000
Grand Total		\$1,574,101	\$ 1,374,467	\$ 2,948,568

All Funds Summary - Total Available Funds by Percentage
FY 2011-12 Budget



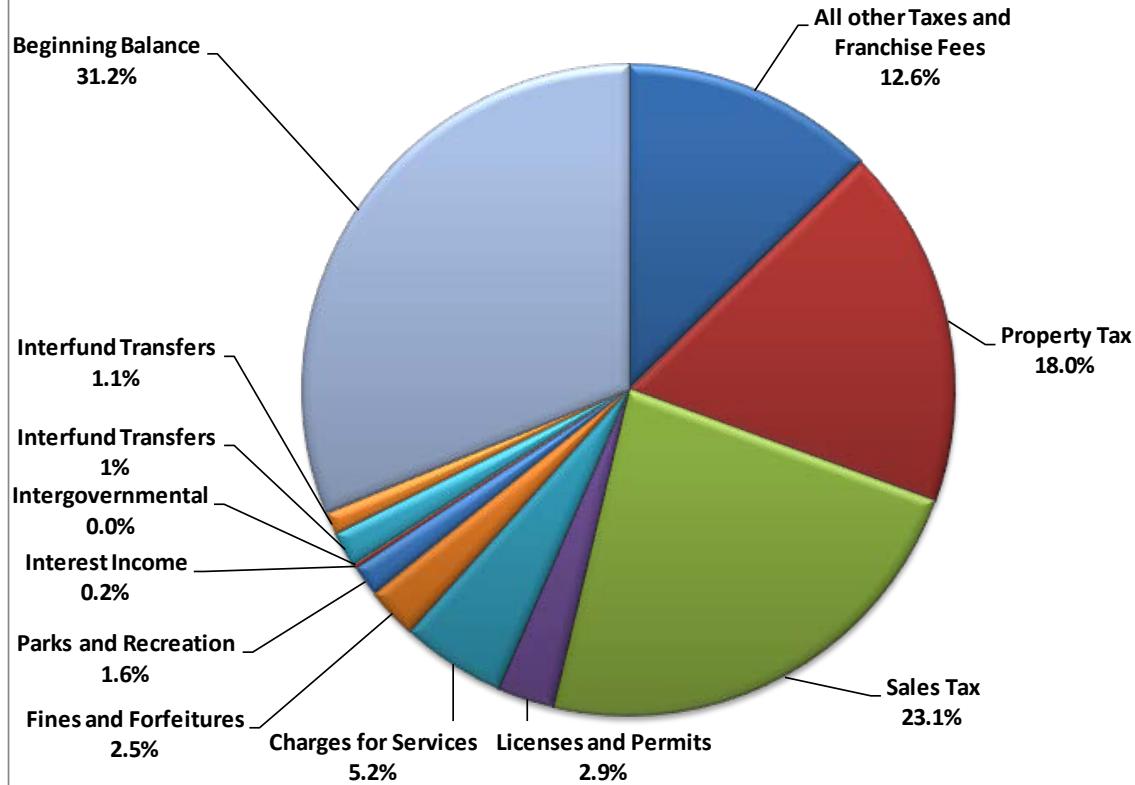
Category	FY 2011-12 Budget
Taxes and Franchise Fees	\$41,037,213
Licenses and Permits	\$1,667,375
Charges for Services	\$17,217,870
Fines and Forfeitures	\$1,734,990
Parks and Recreation	\$1,229,200
Interest Income	\$1,166,190
Development Fees	\$729,500
Intergovernmental	\$2,670,761
Miscellaneous	\$3,157,678
Proceeds from Debt Issuances	\$21,300,000
Interfund Transfers	\$5,861,638
Beginning Balance	\$50,252,860
Total	\$148,025,276

All Funds Summary - Total Appropriations by Percentage FY 2011-12 Budget



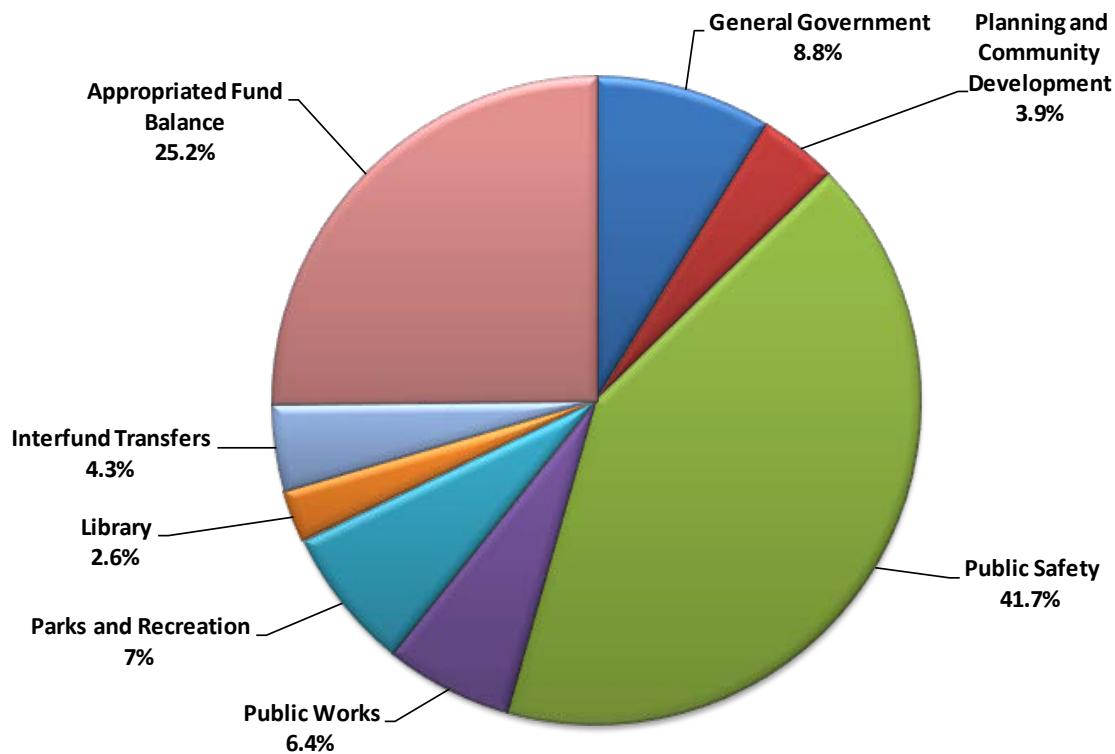
Category	FY 2011-12 Budget
General Government	\$14,333,338
Planning and Community Development	\$3,071,546
Public Safety	\$26,184,467
Public Works	\$14,181,931
Parks and Recreation	\$6,037,818
Library	\$1,609,434
Airport	\$1,240,644
Capital Improvement Projects	\$42,001,872
Interfund Transfers	\$4,209,794
Debt Service	\$8,886,013
Contingencies	\$466,500
Appropriated Ending Fund Balance	\$25,801,919
Total	\$148,025,276

General Fund - Total Available Funds by Percentage
FY 2011-12 Budget



Category	FY 2011-12 Budget
All other Taxes and Franchise Fees	\$7,302,200
Property Tax	\$10,387,825
Sales Tax	\$13,367,000
Licenses and Permits	\$1,659,775
Charges for Services	\$2,995,420
Fines and Forfeitures	\$1,461,590
Parks and Recreation	\$899,200
Interest Income	\$96,000
Miscellaneous	\$1,025,200
Interfund Transfers	\$635,906
Beginning Balance	\$18,030,974
Total	\$57,861,090

General Fund - Total Appropriations by Percentage
FY 2011-12 Budget



Category	FY 2011-12 Budget
General Government	\$4,858,951
Planning and Community Development	\$2,270,162
Public Safety	\$24,215,678
Public Works	\$3,726,783
Parks and Recreation	\$4,129,249
Library	\$1,534,848
Interfund Transfers	\$2,497,349
Appropriated Fund Balance	\$14,628,070
Total	\$57,861,090

SCHEDULES

**City of New Braunfels
Fund Balance Summaries
Fiscal Year Ending September 30, 2012**

	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget

All Funds Summary

Beginning Balance	\$ 59,578,178	\$ 48,058,522	\$ 50,252,860
Total Revenue	\$ 65,343,390	\$ 88,816,087	\$ 97,772,415
Total Available Funds	\$ 124,921,568	\$ 136,874,609	\$ 148,025,274
 Total Expenditures	 \$ 76,863,046	 \$ 86,621,749	 \$ 122,223,356
Ending Fund Balance	\$ 48,058,522	\$ 50,252,860	\$ 25,801,918

General Fund

Beginning Balance	\$ 17,884,995	\$ 19,804,407	\$ 18,030,974
Total Revenue	\$ 38,557,732	\$ 39,690,794	\$ 39,830,116
Total Available Funds	\$ 56,442,727	\$ 59,495,201	\$ 57,861,090
 Total Expenditures	 \$ 36,638,320	 \$ 41,464,227	 \$ 43,232,720
Ending Fund Balance	\$ 19,804,407	\$ 18,030,974	\$ 14,628,370

Special Revenue Funds

Beginning Balance	\$ 6,771,696	\$ 7,639,096	\$ 10,224,350
Total Revenue	\$ 6,463,824	\$ 8,665,329	\$ 8,679,332
Total Available Funds	\$ 13,235,520	\$ 16,304,425	\$ 18,903,682
 Total Expenditures	 \$ 5,596,424	 \$ 6,080,075	 \$ 10,912,431
Ending Fund Balance	\$ 7,639,096	\$ 10,224,350	\$ 7,991,251

Capital Improvement Project Funds

Beginning Balance	\$ 28,732,807	\$ 17,135,274	\$ 19,242,228
Total Revenue	\$ 841,580	\$ 18,911,630	\$ 24,496,347
Total Available Funds	\$ 29,574,387	\$ 36,046,904	\$ 43,738,575
 Total Expenditures	 \$ 12,439,113	 \$ 16,804,676	 \$ 43,030,372
Ending Fund Balance	\$ 17,135,274	\$ 19,242,228	\$ 708,203

Debt Service Fund

Beginning Balance	\$ 1,620,105	\$ 679,114	\$ 604,514
Total Revenue	\$ 6,469,997	\$ 7,297,188	\$ 8,951,133
Total Available Funds	\$ 8,090,102	\$ 7,976,302	\$ 9,555,647
 Total Expenditures	 \$ 7,410,988	 \$ 7,371,788	 \$ 8,686,013
Ending Fund Balance	\$ 679,114	\$ 604,514	\$ 869,634

City of New Braunfels
Fund Balance Summaries
Fiscal Year Ending September 30, 2012

	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget
<u>Airport Fund</u>			
Beginning Balance	\$ (37,395)	\$ 7,887	\$ -
Total Revenue	\$ 1,360,821	\$ 1,316,333	\$ 1,240,644
Total Available Funds	\$ 1,323,426	\$ 1,324,220	\$ 1,240,644
 Total Expenditures	\$ 1,315,539	\$ 1,324,220	\$ 1,240,644
Ending Fund Balance	\$ 7,887	\$ -	\$ -
<u>Civic Center Fund</u>			
Beginning Balance	\$ 435,138	\$ 252,938	\$ 247,000
Total Revenue	\$ 637,305	\$ 654,033	\$ 719,989
Total Available Funds	\$ 1,072,443	\$ 906,971	\$ 966,989
 Total Expenditures	\$ 819,505	\$ 659,971	\$ 966,989
Ending Fund Balance	\$ 252,938	\$ 247,000	\$ -
<u>Golf Fund</u>			
Beginning Balance	\$ 250,935	\$ 223,234	\$ 203,152
Total Revenue	\$ 866,808	\$ 974,193	\$ 984,200
Total Available Funds	\$ 1,117,743	\$ 1,197,427	\$ 1,187,352
 Total Expenditures	\$ 894,509	\$ 994,275	\$ 1,061,635
Ending Fund Balance	\$ 223,234	\$ 203,152	\$ 125,717
<u>Solid Waste Fund</u>			
Beginning Balance	\$ 2,754,980	\$ 2,142,348	\$ 1,307,818
Total Revenue	\$ 5,869,243	\$ 6,270,987	\$ 6,393,800
Total Available Funds	\$ 8,624,223	\$ 8,413,335	\$ 7,701,618
 Total Expenditures	\$ 6,481,875	\$ 7,105,517	\$ 6,499,497
Ending Fund Balance	\$ 2,142,348	\$ 1,307,818	\$ 1,202,121
<u>Stormwater Utility Fund</u>			
Beginning Balance	\$ -	\$ -	\$ -
Total Revenue	\$ -	\$ -	\$ 1,345,255
Total Available Funds	\$ -	\$ -	\$ 1,345,255
 Total Expenditures	\$ -	\$ -	\$ 1,345,255
Ending Fund Balance	\$ -	\$ -	\$ -

City of New Braunfels
Fund Balance Summaries
Fiscal Year Ending September 30, 2012

	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
<u>Self Insurance Fund</u>			
Beginning Balance	\$ 1,164,917	\$ 174,224	\$ 392,824
Total Revenue	\$ 4,276,080	\$ 5,035,600	\$ 5,131,600
Total Available Funds	\$ 5,440,997	\$ 5,209,824	\$ 5,524,424
 Total Expenditures	 \$ 5,266,773	 \$ 4,817,000	 \$ 5,247,800
Ending Fund Balance	\$ 174,224	\$ 392,824	\$ 276,624

City of New Braunfels
All Funds Summary
Fiscal Year Ending September 30, 2012

Available Funds	FY 2011-12	FY 2011-12
	All Funds	General Fund
Beginning Balance		
Undesignated Funds	\$ 50,252,860	\$ 18,030,974
Reserve for Projects	-	
Designated for Encumbrances	-	
Total Beginning Balance	\$ 50,252,860	\$ 18,030,974
Revenue		
Taxes and Franchise Fees	\$ 41,037,213	\$ 31,057,025
Licenses and Permits	1,667,375	1,659,775
Charges for Services	17,217,870	2,995,420
Fines and Forfeitures	1,734,990	1,461,590
Parks and Recreation	1,229,200	899,200
Interest Income	1,166,190	96,000
Development Fees	729,500	
Intergovernmental	2,670,761	-
Contributions	1,731,448	
Proceeds from Debt Issuance	21,300,000	
Miscellaneous	1,426,230	1,025,200
Interfund Transfers	5,861,638	635,906
Total Revenue	\$ 97,772,415	\$ 39,830,116
TOTAL AVAILABLE FUNDS	\$ 148,025,274	\$ 57,861,089
APPROPRIATIONS		
General Government	\$ 14,333,638	\$ 5,118,951
Planning and Community Development	3,071,546	2,270,162
Public Safety	26,184,467	24,215,678
Public Works	14,181,931	3,726,783
Parks and Recreation	6,037,818	4,129,249
Library	1,609,434	1,534,848
Airport	1,240,644	
Capital Improvement Projects	42,001,872	
Interfund Transfers	4,209,794	2,497,349
Debt Service	8,886,013	
Contingencies	466,500	(260,000)
TOTAL APPROPRIATIONS	\$ 122,223,656	\$ 43,233,020
Appropriated Ending Fund Balance	\$ 25,801,619	\$ 14,628,070
TOTAL APPROPRIATIONS	\$ 148,025,276	\$ 57,861,090

City of New Braunfels
All Funds Summary
Fiscal Year Ending September 30, 2012

Enterprise Funds

Available Funds	FY 2011-12	Airport	FY 2011-12	Sanitation	FY 2011-12	Golf
Beginning Balance						
Undesignated Funds	\$	-	\$	1,307,818	\$	203,152
Reserve for Projects						
Designated for Encumbrances						
Total Beginning Balance	\$	-	\$	1,307,818	\$	203,152
Revenue						
Taxes and Franchise Fees						
Licenses and Permits						
Charges for Services		1,133,550		6,350,800		957,500
Fines and Forfeitures						
Parks and Recreation						
Interest Income				5,000		
Development Fees						
Intergovernmental		50,000				
Contributions						
Proceeds from Debt Issuance						
Miscellaneous				38,000		26,700
Interfund Transfers		57,094				
Total Revenue	\$	1,240,644	\$	6,393,800	\$	984,200
TOTAL AVAILABLE FUNDS	\$	1,240,644	\$	7,701,618	\$	1,187,352
APPROPRIATIONS						
General Government						
Planning and Community Development						
Public Safety						
Public Works				5,734,283		
Parks and Recreation						967,944
Library						
Airport		1,240,644				
Capital Improvement Projects					48,000	
Interfund Transfers				765,214		45,691
Debt Service						-
Contingencies		-		-		-
TOTAL APPROPRIATIONS	\$	1,240,644	\$	6,499,497	\$	1,061,635
Appropriated Ending Fund Balance	\$	-	\$	1,202,121	\$	125,717
TOTAL APPROPRIATIONS	\$	1,240,644	\$	7,701,618	\$	1,187,352

City of New Braunfels
All Funds Summary
Fiscal Year Ending September 30, 2012

**Enterprise
Funds**

Available Funds	FY 2011-12 Civic Center	FY 2011-12 Stormwater Util
Beginning Balance		
Undesignated Funds	\$ 247,000	\$ -
Reserve for Projects		
Designated for Encumbrances		
Total Beginning Balance	\$ 247,000	\$ -
Revenue		
Taxes and Franchise Fees		
Licenses and Permits		
Charges for Services	325,000	735,000
Fines and Forfeitures		
Parks and Recreation		
Interest Income		1,000
Development Fees		
Intergovernmental		
Contributions		
Proceeds from Debt Issuance		
Miscellaneous		
Interfund Transfers	394,989	609,255
Total Revenue	\$ 719,989	\$ 1,345,255
TOTAL AVAILABLE FUNDS	\$ 966,989	\$ 1,345,255
APPROPRIATIONS		
General Government	\$ 966,989	
Planning and Community Development		
Public Safety		
Public Works		1,345,255
Parks and Recreation		
Library		
Airport		
Capital Improvement Projects		
Interfund Transfers		
Debt Service		
Contingencies		
TOTAL APPROPRIATIONS	\$ 966,989	\$ 1,345,255
Appropriated Ending Fund Balance	\$ -	\$ -
TOTAL APPROPRIATIONS	\$ 966,989	\$ 1,345,255

City of New Braunfels
All Funds Summary
Fiscal Year Ending September 30, 2012

Special Revenue Funds

Available Funds	FY 2011-12 CDBG	FY 2011-12 Grant	FY 2011-12 Special Revenue
Beginning Balance			
Undesignated Funds	\$ -	\$ -	\$ 143,045
Reserve for Projects			
Designated for Encumbrances			
Total Beginning Balance	\$ -	\$ -	\$ 143,045
Revenue			
Taxes and Franchise Fees			
Licenses and Permits			
Charges for Services			
Fines and Forfeitures			
Parks and Recreation			
Interest Income			-
Development Fees			
Intergovernmental	496,557	1,486,934	
Contributions			118,500
Proceeds from Debt Issuance			
Miscellaneous			-
Interfund Transfers			-
Total Revenue	\$ 496,557	\$ 1,486,934	\$ 118,500
TOTAL AVAILABLE FUNDS	\$ 496,557	\$ 1,486,934	\$ 261,545
APPROPRIATIONS			
General Government		\$ 158,837	\$ 5,000
Planning and Community Development	496,557	254,633	
Public Safety		208,318	40,000
Public Works		860,000	
Parks and Recreation		-	20,000
Library		5,145	35,000
Airport			
Capital Improvement Projects			
Interfund Transfers			-
Debt Service			
Contingencies			
TOTAL APPROPRIATIONS	\$ 496,557	\$ 1,486,934	\$ 100,000
Appropriated Ending Fund Balance	\$ -	\$ -	\$ 161,545
TOTAL APPROPRIATIONS	\$ 496,557	\$ 1,486,934	\$ 261,545

City of New Braunfels
All Funds Summary
Fiscal Year Ending September 30, 2012

Special Revenue Funds

Available Funds	FY 2011-12	River	FY 2011-12	Court Security	FY 2011-12	Judicial Efficiency
Beginning Balance						
Undesignated Funds	\$	-	\$	14,469	\$	7,694
Reserve for Projects						
Designated for Encumbrances						
Total Beginning Balance	\$	-	\$	14,469	\$	7,694
Revenue						
Taxes and Franchise Fees						
Licenses and Permits		5,600				
Charges for Services						
Fines and Forfeitures		130,000		31,200		3,000
Parks and Recreation		330,000				
Interest Income		-		-		-
Development Fees						
Intergovernmental						
Contributions						
Proceeds from Debt Issuance						
Miscellaneous		-				
Interfund Transfers		584,953				
Total Revenue	\$	1,050,553	\$	31,200	\$	3,000
TOTAL AVAILABLE FUNDS	\$	1,050,553	\$	45,669	\$	10,694
APPROPRIATIONS						
General Government						
Planning and Community Development						
Public Safety		618,928		40,354		8,000
Public Works						
Parks and Recreation		431,625				
Library						
Airport						
Capital Improvement Projects						
Interfund Transfers		-				
Debt Service						
Contingencies						
TOTAL APPROPRIATIONS	\$	1,050,553	\$	40,354	\$	8,000
Appropriated Ending Fund Balance	\$	-	\$	5,315	\$	2,694
TOTAL APPROPRIATIONS	\$	1,050,553	\$	45,669	\$	10,694

City of New Braunfels
All Funds Summary
Fiscal Year Ending September 30, 2012

Special Revenue Funds

Available Funds	FY 2011-12 Court Technology	FY 2011-12 Child Safety	FY 2011-12 Stormwater
Beginning Balance			
Undesignated Funds	\$ 23,481	\$ 84,990	\$ 82,738
Reserve for Projects			
Designated for Encumbrances			
Total Beginning Balance	\$ 23,481	\$ 84,990	\$ 82,738
Revenue			
Taxes and Franchise Fees			
Licenses and Permits			
Charges for Services			
Fines and Forfeitures	45,000	15,000	
Parks and Recreation			
Interest Income	-	-	-
Development Fees			35,000
Intergovernmental		77,500	
Contributions			
Proceeds from Debt Issuance			
Miscellaneous			
Interfund Transfers			
Total Revenue	\$ 45,000	\$ 92,500	\$ 35,000
TOTAL AVAILABLE FUNDS	\$ 68,481	\$ 177,490	\$ 117,738
APPROPRIATIONS			
General Government			
Planning and Community Development			
Public Safety	62,000	137,239	
Public Works			110,000
Parks and Recreation			
Library			
Airport			
Capital Improvement Projects			
Interfund Transfers			
Debt Service			
Contingencies			
TOTAL APPROPRIATIONS	\$ 62,000	\$ 137,239	\$ 110,000
Appropriated Ending Fund Balance	\$ 6,481	\$ 40,251	\$ 7,738
TOTAL APPROPRIATIONS	\$ 68,481	\$ 177,490	\$ 117,738

City of New Braunfels
All Funds Summary
Fiscal Year Ending September 30, 2012

Special Revenue Funds

Available Funds	FY 2011-12 Juvenile Case Mgr	FY 2011-12 Faust	FY 2011-12 Economic Dev
Beginning Balance			
Undesignated Funds	\$ 170,228	\$ 34,441	\$ -
Reserve for Projects			
Designated for Encumbrances			
Total Beginning Balance	\$ 170,228	\$ 34,441	\$ -
Revenue			
Taxes and Franchise Fees			
Licenses and Permits			
Charges for Services			
Fines and Forfeitures	49,200		
Parks and Recreation			
Interest Income	-		
Development Fees			
Intergovernmental			
Contributions			
Proceeds from Debt Issuance			
Miscellaneous			
Interfund Transfers			
Total Revenue	\$ 49,200	\$ -	\$ -
TOTAL AVAILABLE FUNDS	\$ 219,428	\$ 34,441	\$ -
APPROPRIATIONS			
General Government		\$ -	
Planning and Community Development			
Public Safety	54,009		
Public Works			
Parks and Recreation			
Library		34,441	
Airport			
Capital Improvement Projects			
Interfund Transfers		\$ -	
Debt Service			
Contingencies			
TOTAL APPROPRIATIONS	\$ 54,009	\$ 34,441	\$ -
Appropriated Ending Fund Balance	\$ 165,419	\$ -	\$ -
TOTAL APPROPRIATIONS	\$ 219,428	\$ 34,441	\$ -

City of New Braunfels
All Funds Summary
Fiscal Year Ending September 30, 2012

Special Revenue Funds

Available Funds	FY 2011-12 PEG Cable Fund	FY 2011-12 Equipment Repl	FY 2011-12 Facilities Maint
Beginning Balance			
Undesignated Funds	\$ -	\$ 8,422,254	\$ 652,710
Reserve for Projects			
Designated for Encumbrances			
Total Beginning Balance	\$ -	\$ 8,422,254	\$ 652,710
Revenue			
Taxes and Franchise Fees	\$ 140,000		
Licenses and Permits			
Charges for Services			
Fines and Forfeitures			
Parks and Recreation			
Interest Income		12,000	2,500
Development Fees			
Intergovernmental			
Contributions			
Proceeds from Debt Issuance			
Miscellaneous		80,000	
Interfund Transfers	265,000	1,926,788	350,000
Total Revenue	\$ 405,000	\$ 2,018,788	\$ 352,500
TOTAL AVAILABLE FUNDS	\$ 405,000	\$ 10,441,042	\$ 1,005,210
APPROPRIATIONS			
General Government	\$ 300,000	\$ 825,000	\$ -
Planning and Community Development		50,194	
Public Safety		799,940	
Public Works		2,229,260	176,350
Parks and Recreation		29,000	310,000
Library			
Airport			
Capital Improvement Projects			
Interfund Transfers			
Debt Service			
Contingencies			
TOTAL APPROPRIATIONS	\$ 300,000	\$ 3,933,394	\$ 486,350
Appropriated Ending Fund Balance	\$ 105,000	\$ 6,507,648	\$ 518,860
TOTAL APPROPRIATIONS	\$ 405,000	\$ 10,441,042	\$ 1,005,210

City of New Braunfels
All Funds Summary
Fiscal Year Ending September 30, 2012

Special Revenue Funds

Available Funds	FY 2011-12	Hotel-Motel	FY 2011-12	Cemetery
Beginning Balance				
Undesignated Funds	\$	443,144	\$	145,156
Reserve for Projects				
Designated for Encumbrances				
Total Beginning Balance	\$	443,144	\$	145,156
Revenue				
Taxes and Franchise Fees	\$	2,492,600		
Licenses and Permits				2,000
Charges for Services				
Fines and Forfeitures				
Parks and Recreation				
Interest Income		-		-
Development Fees				
Intergovernmental				
Contributions				
Proceeds from Debt Issuance				
Miscellaneous		-		
Interfund Transfers				
Total Revenue	\$	2,492,600	\$	2,000
TOTAL AVAILABLE FUNDS	\$	2,935,744	\$	147,156
APPROPRIATIONS				
General Government	\$	1,591,061	\$	120,000
Planning and Community Development				
Public Safety				
Public Works				
Parks and Recreation				
Library				
Airport				
Capital Improvement Projects				
Interfund Transfers		901,540		
Debt Service				
Contingencies				
TOTAL APPROPRIATIONS	\$	2,492,601	\$	120,000
Appropriated Ending Fund Balance	\$	443,143	\$	27,156
TOTAL APPROPRIATIONS	\$	2,935,744	\$	147,156

City of New Braunfels
All Funds Summary
Fiscal Year Ending September 30, 2012

Debt Service Fund **Internal Service Fund**

Available Funds	FY 2011-12 Debt Service	FY 2011-12 Insurance
Beginning Balance		
Undesignated Funds	\$ 604,514	\$ 392,824
Reserve for Projects		
Designated for Encumbrances		
Total Beginning Balance	\$ 604,514	\$ 392,824
Revenue		
Taxes and Franchise Fees	\$ 7,347,587	
Licenses and Permits		
Charges for Services		4,720,600
Fines and Forfeitures		
Parks and Recreation		
Interest Income	500	1,000
Development Fees		
Intergovernmental		
Contributions	990,448	
Proceeds from Debt Issuance		
Miscellaneous	-	10,000
Interfund Transfers	612,598	400,000
Total Revenue	\$ 8,951,133	\$ 5,131,600
TOTAL AVAILABLE FUNDS	\$ 9,555,647	\$ 5,524,424
APPROPRIATIONS		
General Government		\$ 5,247,800
Planning and Community Development		
Public Safety		
Public Works		
Parks and Recreation		
Library		
Airport		
Capital Improvement Projects		
Interfund Transfers		
Debt Service	8,686,013	
Contingencies		
TOTAL APPROPRIATIONS	\$ 8,686,013	\$ 5,247,800
Appropriated Ending Fund Balance	\$ 869,634	\$ 276,624
TOTAL APPROPRIATIONS	\$ 9,555,647	\$ 5,524,424

City of New Braunfels
All Funds Summary
Fiscal Year Ending September 30, 2012

Capital Improvement Funds

Available Funds	FY 2011-12 Parks CIP	FY 2011-12 2004 C of O's	FY 2011-12 2007 C of O's
Beginning Balance			
Undesignated Funds	\$ 218,747	\$ -	772,086
Reserve for Projects			
Designated for Encumbrances			
Total Beginning Balance	\$ 218,747	\$ -	\$ 772,086
Revenue			
Taxes and Franchise Fees			
Licenses and Permits			
Charges for Services			
Fines and Forfeitures			
Parks and Recreation			
Interest Income	130	100,324	601,393
Development Fees	4,500		
Intergovernmental			26,567
Contributions			
Proceeds from Debt Issuance			
Miscellaneous			
Interfund Transfers			25,056
Total Revenue	\$ 4,630	\$ 100,324	\$ 653,016
TOTAL AVAILABLE FUNDS	\$ 223,377	\$ 100,324	\$ 1,425,102
APPROPRIATIONS			
General Government			
Planning and Community Development			
Public Safety			
Public Works			
Parks and Recreation	150,000		
Library			
Airport			
Capital Improvement Projects		100,325	1,425,102
Interfund Transfers			
Debt Service			
Contingencies			
TOTAL APPROPRIATIONS	\$ 150,000	\$ 100,325	\$ 1,425,102
Appropriated Ending Fund Balance	\$ 73,377	\$ -	\$ -
TOTAL APPROPRIATIONS	\$ 223,377	\$ 100,325	\$ 1,425,102

City of New Braunfels
All Funds Summary
Fiscal Year Ending September 30, 2012

Capital Improvement Funds

Available Funds	FY 2011-12 2008 C of O's	FY 2011-12 2009 C of O's	FY 2011-12 2011 C of O's
Beginning Balance			
Undesignated Funds	2,194,269	4,596,722	\$ 9,294,578
Reserve for Projects			
Designated for Encumbrances			
Total Beginning Balance	\$ 2,194,269	\$ 4,596,722	\$ 9,294,578
Revenue			
Taxes and Franchise Fees			
Licenses and Permits			
Charges for Services			
Fines and Forfeitures			
Parks and Recreation			
Interest Income	198,825	53,518	70,000
Development Fees			
Intergovernmental		292,703	
Contributions	622,500		
Proceeds from Debt Issuance			
Miscellaneous	236,330		10,000
Interfund Transfers			
Total Revenue	\$ 1,057,655	\$ 346,221	\$ 80,000
TOTAL AVAILABLE FUNDS	\$ 3,251,924	\$ 4,942,943	\$ 9,374,578
APPROPRIATIONS			
General Government			
Planning and Community Development			
Public Safety			
Public Works			
Parks and Recreation			
Library			
Airport			
Capital Improvement Projects	3,251,924	4,942,943	9,374,578
Interfund Transfers			
Debt Service			
Contingencies		-	-
TOTAL APPROPRIATIONS	\$ 3,251,924	\$ 4,942,943	\$ 9,374,578
Appropriated Ending Fund Balance	\$ -	\$ -	\$ -
TOTAL APPROPRIATIONS	\$ 3,251,924	\$ 4,942,943	\$ 9,374,578

City of New Braunfels
All Funds Summary
Fiscal Year Ending September 30, 2012

Capital Improvement Funds

Available Funds	FY 2011-12 2012 C of O's	FY 2011-12 2012 Rev Bond	FY 2011-12 Rdway Impact Fee
Beginning Balance			
Undesignated Funds			\$ 2,165,826
Reserve for Projects			
Designated for Encumbrances			
Total Beginning Balance	\$ -	\$ -	\$ 2,165,826
Revenue			
Taxes and Franchise Fees			
Licenses and Permits			
Charges for Services			
Fines and Forfeitures			
Parks and Recreation			
Interest Income	10,000	10,000	4,000
Development Fees			690,000
Intergovernmental	240,500		
Contributions			
Proceeds from Debt Issuance	15,500,000	5,800,000	
Miscellaneous			
Interfund Transfers			
Total Revenue	\$ 15,750,500	\$ 5,810,000	\$ 694,000
TOTAL AVAILABLE FUNDS	\$ 15,750,500	\$ 5,810,000	\$ 2,859,826
APPROPRIATIONS			
General Government			
Planning and Community Development			
Public Safety			
Public Works			-
Parks and Recreation			
Library			
Airport			
Capital Improvement Projects	15,034,000	5,600,000	2,225,000
Interfund Transfers			
Debt Service	150,000	50,000	
Contingencies	566,500	160,000	
TOTAL APPROPRIATIONS	\$ 15,750,500	\$ 5,810,000	\$ 2,225,000
Appropriated Ending Fund Balance	\$ -	\$ -	\$ 634,826
TOTAL APPROPRIATIONS	\$ 15,750,500	\$ 5,810,000	\$ 2,859,826

City of New Braunfels

Consolidated Fund Balances

Fiscal Year Ending September 30, 2012

Available Funds	All Funds		
	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 59,578,178	\$ 48,058,522	\$ 50,252,860
Total Beginning Balance	\$ 59,578,178	\$ 48,058,522	\$ 50,252,860
Revenue			
Taxes and Franchise Fees	\$ 37,634,511	\$ 38,759,282	\$ 41,037,213
Licenses and Permits	1,489,829	1,614,580	1,667,375
Charges for Services	15,203,733	16,138,400	17,217,870
Fines and Forfeitures	1,465,443	1,966,100	1,734,990
Parks and Recreation	1,177,309	1,219,200	1,229,200
Interest Income	134,423	121,130	1,166,190
Development Fees	848,126	729,500	729,500
Intergovernmental	921,689	1,179,998	2,670,761
Contributions	1,114,606	1,121,390	1,731,448
Proceeds from Debt Issuance	-	18,213,000	21,300,000
Miscellaneous	1,069,418	1,515,450	1,426,230
Interfund Transfers	4,284,303	6,238,057	5,861,638
Total Revenue	\$ 65,343,390	\$ 88,816,087	\$ 97,772,416
TOTAL AVAILABLE FUNDS	\$ 124,921,568	\$ 136,874,609	\$ 148,025,274
APPROPRIATIONS			
General Government	\$ 11,892,978	\$ 11,802,288	\$ 14,073,337
Planning and Community Development	2,517,537	2,763,268	3,071,546
Public Safety	22,696,345	25,836,300	26,184,467
Public Works	9,066,341	9,046,515	14,181,931
Parks and Recreation	4,969,419	4,858,756	6,037,818
Library	1,493,117	1,471,101	1,609,434
Airport	1,374,646	1,352,947	1,240,644
Capital Improvement Projects	12,412,936	16,804,676	41,890,372
Interfund Transfers	2,968,689	5,257,198	4,209,794
Debt Service	7,471,039	7,428,699	8,686,013
Contingencies	-	-	1,038,000
TOTAL APPROPRIATIONS	\$ 76,863,046	\$ 86,621,749	\$ 122,223,356
Ending Fund Balance	\$ 48,058,522	\$ 50,252,860	\$ 25,801,919
TOTAL APPROPRIATIONS	\$ 124,921,568	\$ 136,874,609	\$ 148,025,275

Consolidated Fund Balances
Fiscal Year Ending September 30, 2012

Available Funds	General Fund		
	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 17,884,995	\$ 19,804,407	\$ 18,030,974
Total Beginning Balance	\$ 17,884,995	\$ 19,804,407	\$ 18,030,974
Revenue			
Taxes and Franchise Fees	\$ 30,288,079	\$ 30,635,782	\$ 31,057,025
Licenses and Permits	1,482,248	1,606,980	1,659,775
Charges for Services	2,989,549	2,959,120	2,995,420
Fines and Forfeitures	1,182,871	1,660,700	1,461,590
Parks and Recreation	898,367	889,200	899,200
Interest Income	88,912	96,000	96,000
Development Fees			
Intergovernmental	37,694	-	-
Contributions			
Proceeds from Debt Issuance			
Miscellaneous	887,162	1,204,200	1,025,200
Interfund Transfers	702,850	638,812	635,906
Total Revenue	\$ 38,557,732	\$ 39,690,794	\$ 39,830,116
TOTAL AVAILABLE FUNDS	\$ 56,442,727	\$ 59,495,201	\$ 57,861,089
APPROPRIATIONS			
General Government	\$ 4,110,922	\$ 4,560,612	\$ 4,858,951
Planning and Community Development	2,047,753	2,252,182	2,270,162
Public Safety	21,486,694	23,721,952	24,215,678
Public Works	3,322,281	4,042,938	3,726,783
Parks and Recreation	3,394,926	3,509,568	4,129,249
Library	1,425,045	1,420,689	1,534,848
Airport			
Capital Improvement Projects			
Interfund Transfers	850,700	1,956,286	2,497,349
Debt Service			
Contingencies			-
TOTAL APPROPRIATIONS	\$ 36,638,320	\$ 41,464,227	\$ 43,233,020
Ending Fund Balance	\$ 19,804,407	\$ 18,030,974	\$ 14,628,070
TOTAL APPROPRIATIONS	\$ 56,442,727	\$ 59,495,201	\$ 57,861,090

City of New Braunfels

Consolidated Fund Balances

Fiscal Year Ending September 30, 2012

Available Funds	Enterprise Funds		
	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 3,403,658	\$ 2,626,407	\$ 1,757,970
Total Beginning Balance	\$ 3,403,658	\$ 2,626,407	\$ 1,757,970
Revenue			
Taxes and Franchise Fees	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Charges for Services	7,964,716	8,654,680	9,501,850
Fines and Forfeitures	-	-	-
Parks and Recreation	-	-	-
Interest Income	14,327	5,000	6,000
Development Fees	-	-	-
Intergovernmental	47,546	50,000	50,000
Contributions	22,600	19,500	-
Proceeds from Debt Issuance			
Miscellaneous	54,492	64,750	64,700
Interfund Transfers	630,496	421,616	1,061,338
Total Revenue	\$ 8,734,177	\$ 9,215,546	\$ 10,683,888
TOTAL AVAILABLE FUNDS	\$ 12,137,835	\$ 11,841,953	\$ 12,441,858
APPROPRIATIONS			
General Government	\$ 819,505	\$ 659,971	\$ 966,989
Planning and Community Development	-	-	-
Public Safety	-	-	-
Public Works	5,225,232	4,696,735	7,079,538
Parks and Recreation	785,659	887,334	967,944
Library	-	-	-
Airport	1,315,539	1,324,220	1,240,644
Capital Improvement Projects	-	-	48,000
Interfund Transfers	1,305,442	2,458,812	810,906
Debt Service	60,051	56,911	-
Contingencies	-	-	-
TOTAL APPROPRIATIONS	\$ 9,511,428	\$ 10,083,983	\$ 11,114,020
Ending Fund Balance	\$ 2,626,407	\$ 1,757,970	\$ 1,327,838
TOTAL APPROPRIATIONS	\$ 12,137,835	\$ 11,841,953	\$ 12,441,858

City of New Braunfels

Consolidated Fund Balances

Fiscal Year Ending September 30, 2012

Available Funds	Special Revenue Funds		
	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 6,771,696	\$ 7,639,096	\$ 10,224,350
Total Beginning Balance	\$ 6,771,696	\$ 7,639,096	\$ 10,224,350
Revenue			
Taxes and Franchise Fees	\$ 2,464,906	\$ 2,420,000	\$ 2,632,600
Licenses and Permits	7,581	7,600	7,600
Charges for Services	-	-	-
Fines and Forfeitures	282,572	305,400	273,400
Parks and Recreation	278,942	330,000	330,000
Interest Income	19,596	14,500	14,500
Development Fees	11,298	35,000	35,000
Intergovernmental	836,449	1,129,998	2,060,991
Contributions	112,336	118,500	118,500
Proceeds from Debt Issuance			
Miscellaneous	105,585	236,500	80,000
Interfund Transfers	2,344,559	4,067,831	3,126,741
Total Revenue	\$ 6,463,824	\$ 8,665,329	\$ 8,679,332
TOTAL AVAILABLE FUNDS	\$ 13,235,520	\$ 16,304,425	\$ 18,903,682
APPROPRIATIONS			
General Government	\$ 1,695,778	\$ 1,764,705	\$ 2,999,897
Planning and Community Development	469,784	511,086	801,384
Public Safety	1,185,649	2,114,348	1,968,788
Public Works	518,828	306,842	3,375,610
Parks and Recreation	786,659	461,854	790,625
Library	68,072	50,412	74,586
Airport	59,107	28,727	-
Capital Improvement Projects	-	-	-
Interfund Transfers	812,547	842,100	901,540
Debt Service	-	-	-
Contingencies	-	-	-
TOTAL APPROPRIATIONS	\$ 5,596,424	\$ 6,080,075	\$ 10,912,431
Ending Fund Balance	\$ 7,639,096	\$ 10,224,350	\$ 7,991,251
TOTAL APPROPRIATIONS	\$ 13,235,520	\$ 16,304,425	\$ 18,903,682

City of New Braunfels

Consolidated Fund Balances

Fiscal Year Ending September 30, 2012

	Capital Project Funds		
	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Available Funds			
Beginning Balance			
Undesignated Funds	\$ 28,732,807	\$ 17,135,274	\$ 19,242,228
Total Beginning Balance	\$ 28,732,807	\$ 17,135,274	\$ 19,242,228
Revenue			
Taxes and Franchise Fees	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Charges for Services	-	-	-
Fines and Forfeitures	-	-	-
Parks and Recreation	-	-	-
Interest Income	4,752	4,130	1,048,191
Development Fees	836,828	694,500	694,500
Intergovernmental	-	-	559,770
Contributions	-	-	622,500
Proceeds from Debt Issuance	-	18,213,000	21,300,000
Miscellaneous	-	-	246,330
Interfund Transfers	-	-	25,056
Total Revenue	\$ 841,580	\$ 18,911,630	\$ 24,496,347
TOTAL AVAILABLE FUNDS	\$ 29,574,387	\$ 36,046,904	\$ 43,738,575
APPROPRIATIONS			
General Government	\$ -	\$ -	\$ -
Planning and Community Development	-	-	-
Public Safety	24,002	-	-
Public Works	-	-	-
Parks and Recreation	2,175	-	150,000
Library	-	-	-
Airport	-	-	-
Capital Improvement Projects	12,412,936	16,804,676	41,842,372
Interfund Transfers	-	-	-
Debt Service	-	-	-
Contingencies	-	-	1,038,000
TOTAL APPROPRIATIONS	\$ 12,439,113	\$ 16,804,676	\$ 43,030,372
Ending Fund Balance	\$ 17,135,274	\$ 19,242,228	\$ 708,203
TOTAL APPROPRIATIONS	\$ 29,574,387	\$ 36,046,904	\$ 43,738,575

City of New Braunfels

Consolidated Fund Balances

Fiscal Year Ending September 30, 2012

	Debt Service Fund		
	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Available Funds			
Beginning Balance			
Undesignated Funds	\$ 1,620,105	\$ 679,114	\$ 604,514
Total Beginning Balance	\$ 1,620,105	\$ 679,114	\$ 604,514
Revenue			
Taxes and Franchise Fees	\$ 4,881,526	\$ 5,703,500	\$ 7,347,587
Licenses and Permits			
Charges for Services			
Fines and Forfeitures			
Parks and Recreation			
Interest Income	2,589	500	500
Development Fees			
Intergovernmental			
Contributions	979,670	983,390	990,448
Proceeds from Debt Issuance			
Miscellaneous	(186)	-	-
Interfund Transfers	606,398	609,798	612,598
Total Revenue	\$ 6,469,997	\$ 7,297,188	\$ 8,951,133
TOTAL AVAILABLE FUNDS	\$ 8,090,102	\$ 7,976,302	\$ 9,555,647
APPROPRIATIONS			
General Government			
Planning and Community Development			
Public Safety			
Public Works			
Parks and Recreation			
Library			
Airport			
Capital Improvement Projects			
Interfund Transfers			
Debt Service	7,410,988	7,371,788	8,686,013
Contingencies			
TOTAL APPROPRIATIONS	\$ 7,410,988	\$ 7,371,788	\$ 8,686,013
Ending Fund Balance	\$ 679,114	\$ 604,514	\$ 869,634
TOTAL APPROPRIATIONS	\$ 8,090,102	\$ 7,976,302	\$ 9,555,647

City of New Braunfels

Consolidated Fund Balances

Fiscal Year Ending September 30, 2012

	Internal Service Fund		
	Fy 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Available Funds			
Beginning Balance			
Undesignated Funds	\$ 1,164,917	\$ 174,224	\$ 392,824
Total Beginning Balance	\$ 1,164,917	\$ 174,224	\$ 392,824
Revenue			
Taxes and Franchise Fees			
Licenses and Permits			
Charges for Services	4,249,468	4,524,600	4,720,600
Fines and Forfeitures			
Parks and Recreation			
Interest Income	4,247	1,000	1,000
Development Fees			
Intergovernmental			
Contributions			
Proceeds from Debt Issuance			
Miscellaneous	22,365	10,000	10,000
Interfund Transfers	-	500,000	400,000
Total Revenue	\$ 4,276,080	\$ 5,035,600	\$ 5,131,600
TOTAL AVAILABLE FUNDS	\$ 5,440,997	\$ 5,209,824	\$ 5,524,424
APPROPRIATIONS			
General Government	\$ 5,266,773	\$ 4,817,000	\$ 5,247,800
Planning and Community Development			
Public Safety			
Public Works			
Parks and Recreation			
Library			
Airport			
Capital Improvement Projects			
Interfund Transfers			
Debt Service			
Contingencies			
TOTAL APPROPRIATIONS	\$ 5,266,773	\$ 4,817,000	\$ 5,247,800
Ending Fund Balance	\$ 174,224	\$ 392,824	\$ 276,624
TOTAL APPROPRIATIONS	\$ 5,440,997	\$ 5,209,824	\$ 5,524,424

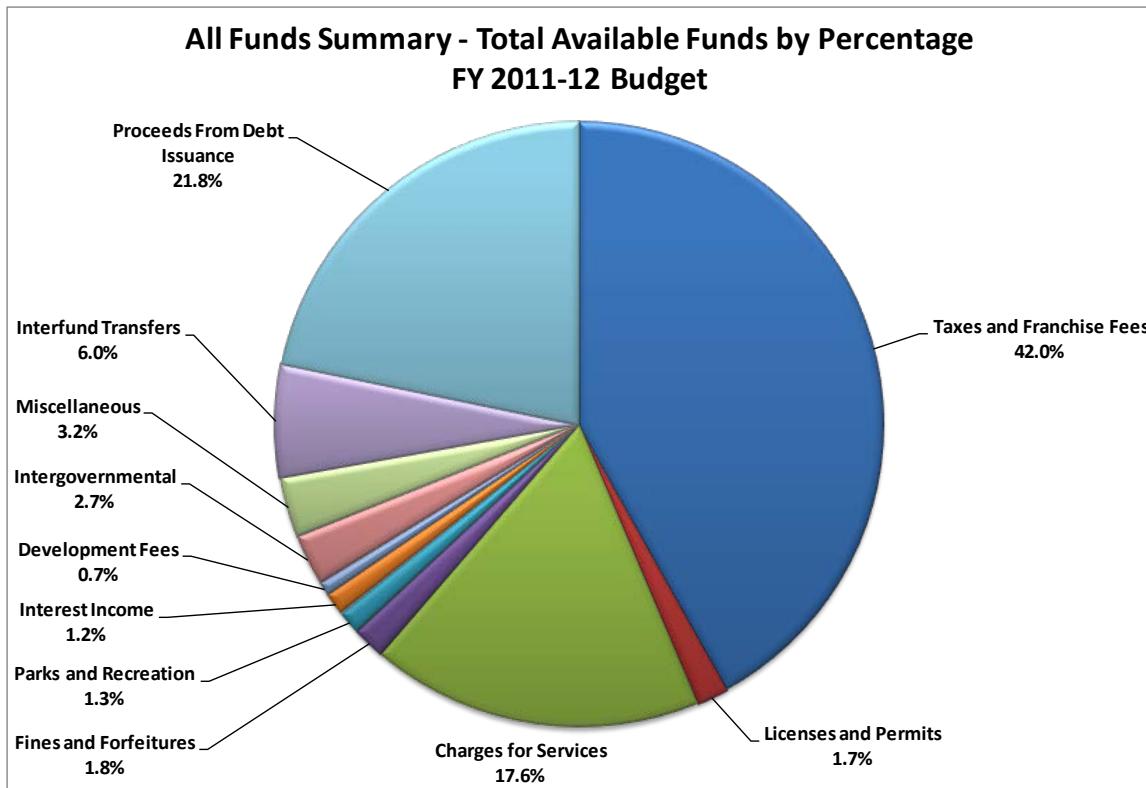
REVENUES

The City, as part of the annual budget development process, projects revenues from all the various sources to determine the amount of funds that will be available to pay for needed programs and projects. Most revenue projections are based on historical trends for that unique revenue source. Of course, recent history weighs more heavily when completing this trend analysis. Licenses and permit revenue is generated from construction activity in the City. Revenue projections are based on an analysis of current and projected future activity in this area. Fines and forfeitures reflect court activity as well as any changes to procedures and ordinances that may impact revenue from this source. For example, several years ago, the City created a traffic unit in the Police Department. This changed the revenue projections from this source. Charges for services include parks and recreation, golf course fees, solid waste collection services and other City functions for which user fees are charged. Solid waste revenue looks at current rates and customer base plus anticipated growth to determine the revenue that will be received.

In addition, several major revenue sources' projections are done using more in-depth analysis. This includes property tax, sales tax and interest income. The revenue from another major source – franchise payments from the New Braunfels Utilities – is set by the utility themselves. This payment is based on their current budget and a reconciliation of prior year's actual revenues versus budgeted revenues.

Property tax revenues are calculated with a different methodology than historical trends. That method is explained below in the property tax section of this revenue narrative. Sales tax has several unique characteristics in the City of New Braunfels that make it more challenging to project. First, sales tax, which is approximately one third of the City's total revenues, is driven to some extent by New Braunfels strong tourism sector in the economy. Second, the City has economic development agreements with two major distributors – one for home furnishings and the other construction materials for contractors. These two businesses contribute a significant portion of the City's sales tax. Their business success, therefore, could impact the City's sales tax revenues. Finally, as is true for all municipalities, sales tax is dependent on the health of the economy. New Braunfels sales tax revenues are developed by separating out the revenue from the two major businesses from the rest of the sales tax. Then, the current economic climate is considered when setting a growth rate for the rest of the sales tax revenue. All this is combined for an overall sales tax revenue budget amount. Before the economic downturn, New Braunfels experienced double digit percentage growth in sales tax revenue. The sluggish economy has dampened that growth with FY 2008-09 showing a reduction in total sales tax revenue and FY 2010-11 showing flat or very moderate growth. The FY 2011-12 Budget assumes a three percent growth in sales tax.

Interest income also has two components – expected fund balances and projected interest rates. These two factors are combined to determine the budget for interest income.



Category	FY 2011-12 Budget
Taxes and Franchise Fees	\$41,037,213
Licenses and Permits	\$1,667,375
Charges for Services	\$17,217,870
Fines and Forfeitures	\$1,734,990
Parks and Recreation	\$1,229,200
Interest Income	\$1,166,190
Development Fees	\$729,500
Intergovernmental	\$2,670,761
Proceeds from Debt Issuance	\$21,300,000
Miscellaneous	\$3,157,678
Interfund Transfers	\$5,861,638
Total	\$97,772,415

As shown in the graph, taxes (ad valorem property and sales tax) and franchise fees (from the City owned utility as well as other cable, telephone and utility operators using the City's rights-of-way and easements) make up \$41,037,213 or 42.0 percent of the City's total revenue. Proceeds from issuances total \$21.3 million (\$15.5 million in certificates of obligation and \$5.8 in revenue bonds) or 21.8 percent of revenue. Charges for services (parks, solid waste collection, golf, airport operations, etc.) are the next largest source of revenue at \$17,217,870 or 17.6 percent. Interfund transfers of \$5,861,638 or 6.0 percent reflect monies moved from one fund to another – mainly from the General Fund and Solid Waste fund for equipment replacement funds as well as a transfer to the City's Self

Insurance Fund. Three other funds receive General Fund support as their revenues do not fully cover their expenditures – Airport Fund, Civic/Convention Center Fund and River Activities Fund. All other revenue sources – Miscellaneous (\$3,157,678), Interest Income (\$1,166,190), Parks and Recreation (\$1,229,200), Fines and Forfeitures (\$1,734,990), Intergovernmental (\$2,670,761), Development Fees (\$729,500), and Licenses and Permits (\$1,667,375) each represent less than 4 percent of the total revenue and total to 12.6 percent of all revenues.

As stated above, the City is heavily dependent on property tax (for the General Fund and the Debt Service Fund) and sales tax (for the General Fund). Property tax is a steady, predictable source of revenue. Sales tax can be much more volatile. The City had experienced steady, robust growth in sales tax until the latter part of FY 2008-09 when the economic downturn hit this revenue source causing its growth to flatten in FY 2008-09 and FY 2009-10. There have been modest gains in sales tax revenue in FY 2010-11 (estimated at 7% for the year. In FY 2011-12, the City is projecting a 3% increase in sales tax revenue based on the FY 2010-11 estimates. Recognizing the nature of sales tax revenue, the City worked to use a portion of this revenue for one-time expenditures and to build up reserves for facilities maintenance and equipment replacement. In addition, the City continually evaluates user fees to determine if they are recovering the appropriate portion – or all – of the costs of providing services. This cost analysis is balanced against what the “market” will bear in terms of cost of services and affordability for citizens. For example, pool admission fees have remained at a very low level so that all of the community as well as tourists can enjoy this low cost activity. Recognizing that a significant portion of the City’s overall revenue – sales tax, hotel/motel tax, even court costs and fines – are driven by tourism activity, the City works constantly to build reserves and manage other revenue sources to protect the overall financial position of the City.

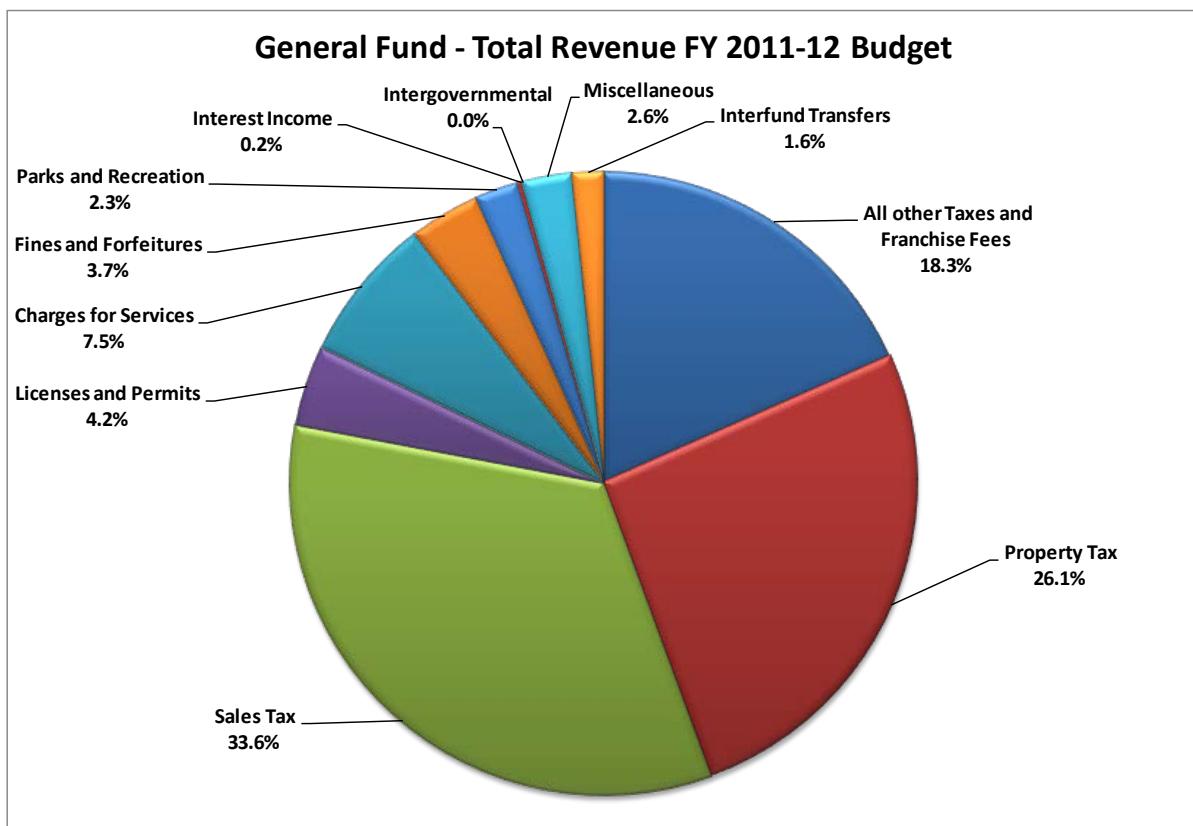
The following describes each fund’s budgeted revenues and compares them to the prior year’s estimated revenue.

General Fund:

The FY 2011-12 Adopted Budget for the General Fund includes total revenues of \$39,830,116. This represents an increase of \$139,322 or .35 percent more than the FY 2010-11 estimated revenues. However, it is an increase of \$ 1,272,384 or 3.3 percent relative to the FY 2009-10 actual revenues. As shown in the graph, the City of New Braunfels General Fund has two major revenue sources – ad valorem (property) tax (\$10,387,825 or 26.1 percent) and sales tax (\$13,367,000 or 33.6 percent). These two sources make up 59.7 percent of the General Fund revenue. The next largest source of revenue is other taxes and franchise payments (\$7,302,200 or 18.3 percent), particularly from New Braunfels Utilities, a City owned water, wastewater and electric service provider. The remaining revenue sources include licenses and permits (\$1,659,775 or 4.2 percent), charges for services (\$2,995,000 or 7.5 percent), court fees and fines (\$1,461,590 or 3.7 percent), parks and recreation fees (\$899,200 or 2.3 percent), intergovernmental revenue (mainly in the form of federal, state and local grants - \$0),

interest income (\$96,000 or .2 percent), interfund transfers (\$635,906 or 1.6 percent) and miscellaneous revenue (\$1,025,200,600 or 2.6 percent). Each of these is explained in more detail below. As shown on the graph below, the City's revenue sources are diverse. When the largest property tax payers or the largest collectors of sales tax are analyzed, these companies are classified as stable such as hospitals that pay property taxes or the City owned utility that collects sales taxes. However, the City has not been immune to the impact of the economic downturn; although not as hard hit as other communities around the nation. Property values, as discussed in more detail below, have remained flat and sales tax growth has slowed significantly but has begun to rebound.

The increase in the budgeted revenues in comparison to the estimate for FY 2010-11 is mostly attributed to projected sales tax revenue for FY 2011-12 (\$389,000 or 3.0 increase from FY 2010-11) The budgeted \$250,825 increase in ad valorem tax revenues are expected to be a result of new property on the appraisal roles in 2011. The City kept the tax rate for Operations and Maintenance at the same level. However, the Debt Service Fund required an additional \$.0385 tax revenue to fully fund the annual principal and interest payments.

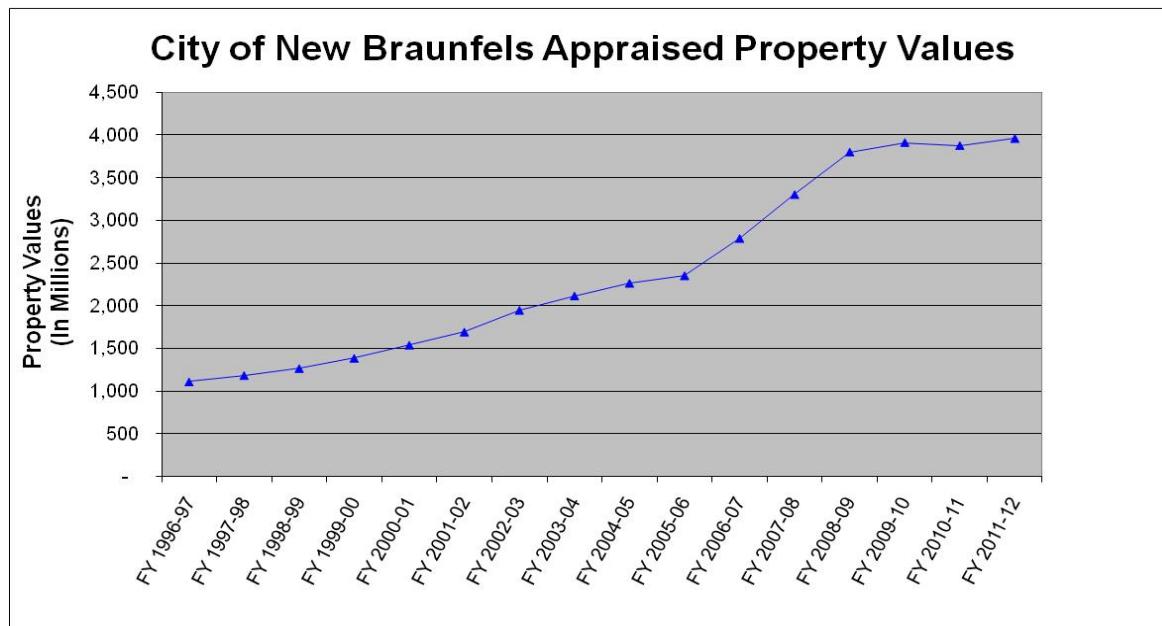


Category	FY 2011-12 Budget
All other Taxes and Franchise Fees	\$7,302,200
Property Tax	\$10,387,825
Sales Tax	\$13,367,000
Licenses and Permits	\$1,659,775
Charges and Services	\$2,995,420
Fines and Forfeitures	\$1,461,590
Parks and Recreation	\$899,200
Interest Income	\$96,000
Miscellaneous	\$1,025,200
Interfund Transfers	\$635,906
Total	\$39,830,116

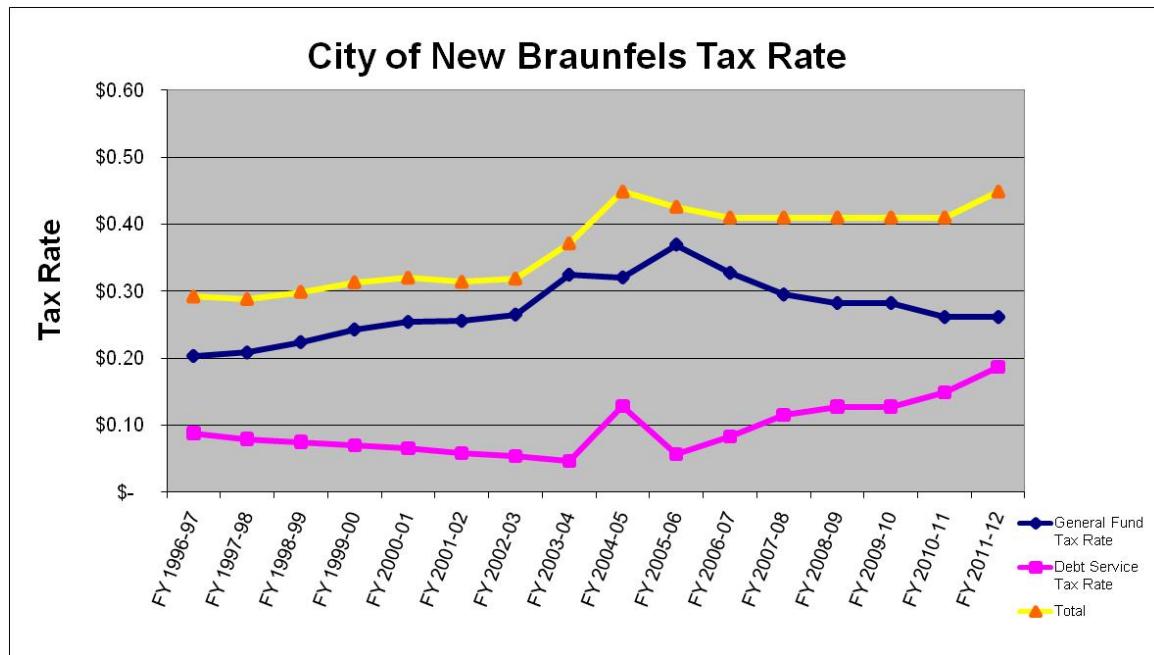
Ad Valorem Taxes

Ad valorem taxes in the General Fund for FY 2011-12 total \$10,387,825 with \$10,082,825 from current collections and \$305,000 from delinquent collections, penalties and interest. This total tax revenue represents an increase of \$250,825 or 2.5 percent more than the FY 2010-11 estimates. The General Fund property tax rate for FY 2011-12 is \$.261362 per \$100 valuation. The FY 2011-12 operations and maintenance rate has not changed when compared to FY 2010-11. Dating back to FY 2005-06, the General Fund has reduced its portion of the tax rate by a total of \$.1076358.

The amount of ad valorem tax revenue budgeted by the City is determined by a combination of the appraised property values and the tax rate set by City Council. The Comal Appraisal District and Guadalupe Appraisal District establish the appraised property values for the City of New Braunfels as it sits in both counties. The graph on the following page illustrates the growth in property values over the last ten years. The average annual growth in values since FY 2000-01 is 9.1 percent. However, values have remained relatively flat in the last three years. In FY 2010-11, property values actually decreased by approximately .9 percent. In FY 2011-12, property values have increased 2.1%. Prior to FY 2010-11, every year since FY 2000-01 has seen some growth in assessed values. The lowest growth occurred in FY 2010-11 with only a 2.1 percent increase. The growth in that year came entirely from new values on the roles as existing property values remained relatively flat. The highest growth occurred in FY 2006-07, which saw an 18.5 percent overall increase in property values. Growth rates were similar in the next two years (18.4 percent and 15.1 percent) for an average annual rate of 17.3 percent in those two years. As the housing market and economy remain uncertain, the City expects property values to continue to remain relatively flat. While new construction is increasing slightly, it is currently the only factor driving the minimal gains in total appraised value.



The chart below shows the changes in the property tax rates since FY 1996-97. Tax rates shown include the overall tax rate as well as the two components that make up that rate – the General Fund and the Debt Service Fund. As the graph illustrates, the City raised the overall tax rate in FY 2011-12 for the first time in seven years. All of the increase went to support debt service. The FY 2011-12 operations and maintenance tax rate remained the same as FY 2010-11

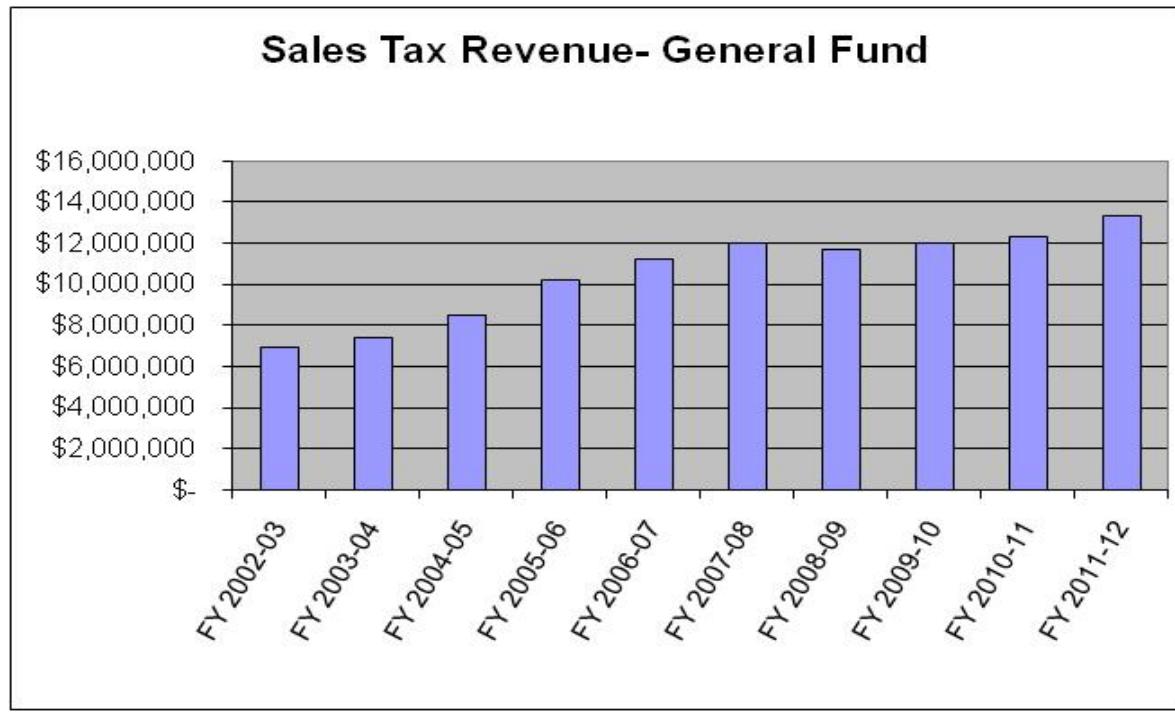


Sales Tax

The General Fund sales tax revenue for FY 2011-12 totals \$13,367,000, an increase of \$389,000 or 3 percent in comparison to the FY 2010-11 estimated revenues. Sales tax revenue shows only modest growth due to the continuing economic slowdown that is projected to impact tourist dollars entering the community as well as general consumer spending.

As shown in the graph below, sales tax revenue showed steady growth through FY 2007-08 (18.1 percent average annual growth over each of the three years up to and including FY 2007-08). During the economic downturn, sales tax revenues stayed relatively flat in FY 2008-09 and FY 2009-10. FY 2010-11 showed a rebound with estimated revenue exceeding the prior year by about seven percent. As stated, there are confirmed moderate gains projected as well for FY 2011-12 (3 percent growth).

The City of New Braunfels recognizes that sales tax revenue has the potential for volatility, since some of this revenue depends on tourism and other seasonal influences as well as on two major businesses and the laws surrounding those operations and sales tax collections. Therefore, the City has worked to use a portion of the sales tax revenue to fund non-recurring expenditures such as vehicle and other capital equipment purchases as well as funding for reserve accounts.



Note: In FY 2003-04, the City changed fiscal years from July 1 through June 30 to October 1 through September 30. The FY 2003-04 data shown here for sales tax is for the twelve month period ending June 30, 2004.

Other Taxes and Franchise Fees

The largest source of other tax revenue comes from payments from the City-owned water, wastewater and electric utility – New Braunfels Utility (NBU). The FY 2011-12

Budget includes \$5,669,000 from this source, which represents 1.5 percent decrease from the FY 2010-11 estimates. NBU pays the City of New Braunfels 16 percent of their gross margin (calculated as available revenue after deducting the cost of purchased power, purchased water and principal payments for hydroelectric generation). There is a significant lag in the reconciliation of NBU's actual revenue to the computed City payment. The payment is set annually based on budgeted revenues, adjusted for prior years' actual.

Other franchise payments include voice communications, cable television and other utilities operating within the City limits and total \$1,413,000. The City also receives a mixed beverage tax (\$220,200). These revenues total \$1,633,200 for FY 2011-12 and represent a decrease of \$132,720 or 7.6 percent in comparison to the FY 2010-11 estimates. This decrease is driven entirely by the establishment of the Cable Franchise (PEG) Fund. \$140,000 moves to this fund for FY 2011-12. Recent legislation requires the City to recognize these funds in a separate account. These funds can only be used to purchase equipment intended to improve broadcast capabilities for the organization.

Licenses and Permits

Revenue from all licenses and permits totals \$1,659,775 for FY 2011-12, an increase of \$52,795 or 3.3 percent compared to the FY 2010-11 estimates. Building permits make up approximately 64 percent of the total revenue in this category (\$1,055,500). In FY 2006-07, activity and revenue declined significantly to the \$678,500 mark. FY 2007-08 saw some rebound, with revenues totaling \$758,369 and FY 2008-09 climbed to \$907,383. In FY 2009-10, this revenue source decreased slightly to \$890,500. As construction has started to rebound from the impact of the economic downturn, revenues have began to increase with the FY 2010-11 estimates and FY 2010-11 Budget at approximately (\$1,055,500). Skilled trade license revenue, which for FY 2011-12 includes general contractor licenses, totals \$132,000, equal to the FY 2010-11 estimates. Alarm permit revenue remains at \$119,000, also equal to FY 2010-11. Other types of permit and licensing fees make up the remainder of the revenue in this category. All these remaining revenue sources remain at the FY 2010-11 levels.

Charges for Services

Charges for services includes four major revenue sources: payments for ambulance services provided through the Fire Department's emergency management response (\$1,809,900); payment from the Emergency Services District #7 created in FY 2009-10 (\$963,120); payments from the landfill located in the City limits (\$125,000); and library fines and fees (\$88,500). Other miscellaneous items contribute to the total FY 2011-12 revenues in this category of \$2,995, 420; this amount is \$36,300 or 1.2 percent more than the FY 2010-11 estimates. The small increase is driven entirely by two factors. First, the City experienced an increase in the demand ambulance services (\$86,500). Secondly, the renegotiated contract with the landfill resulted in a reduction in revenue from the landfill (\$50,000).

Fines

The FY 2011-12 Adopted Budget includes \$1,461,590 in revenues from fines, a decrease of \$199,100 or a 12.0 decrease from FY 2010-11. In FY 2010-11 the elimination of the Municipal Court's backlog and several efforts to increase customer service resulted in increased revenues. The main sources of revenue in this category are traffic violations (\$812,240) and misdemeanors (\$386,000) where individuals pay fines. Tourism activity directly impacts this revenue source. Other revenue comes from ordinance violations, arrest fees, court costs and warrant service fees.

Parks and Recreation

Parks and Recreation charges for various activities and services provided by the City, the largest single source of revenue is the spring-fed and Olympic pools (\$350,000). Park facilities rentals (\$134,400), tube chute entrance fees (\$60,000), and recreation programs (\$235,000) are also major revenue sources in this category. The recreation programs revenue has grown significantly in the last five years due to significant increases in the number and types of programs being offered by Parks. The total Parks and Recreation revenue for FY 2011-12 is \$899,200, flat when compared to FY 2010-11 estimates. There are no fee increases proposed in the FY 2011-12 adopted budget which is the driving factor behind the flat revenue projections.

Interest Income

Interest income represents the return on investments made with available General Fund cash. For FY 2011-12, \$96,000 in interest income is budgeted, the same amount as the FY 2009-10 estimates. The actual amount for FY 2009-10 was \$88,912. This is a significant reduction from the FY 2007-08 actual amount of \$936,955 and even the FY 2008-09 actual amount of \$328,538, entirely because of the current economic conditions and low interest rates available in the market. Interest rates in investment instruments available to municipalities are currently hovering below one percent.

Intergovernmental Revenue

No revenue is budgeted in the Intergovernmental Revenue category for FY 2011-12. This category has previously been used to account for grants received from federal, state and local entities. In FY 2005-06, a new Grant Fund was established. All new grant proceeds are now accounted for in that fund, the reason no revenue is shown in this General Fund revenue category for FY 2011-12. .

Miscellaneous

Miscellaneous revenue for FY 2011-12 totals \$1,025,200, \$179,000 or 14.9 percent less than the FY 2010-11 estimates. Of this amount, \$823,200 represents payments from economic development contracts with businesses that received incentives through the City of New Braunfels Industrial Development Corporation to locate in New Braunfels. Other sources of revenue in this category include leases, merchandise sales for the City sponsored events (Wassail and Saengerfest) and reimbursements from prior years. The driving factor of this decrease is that, due to the restructuring of the agreement between the City and Cemex (a company with which the city has a non-annexation agreement),

several additional payments were received during FY 2010-11 in accordance with the contract.

Interfund Transfers

For FY 2011-12 interfund transfers total \$635,906, a nominal reduction to the FY 2010-11 estimates. The City's enterprise funds (Airport, Golf, Civic/Convention Center, Solid Waste, and Stormwater) all receive support from other City functions such as Information Technology, Finance, Human Resources, the City Attorney, and the City Secretary. The General Fund budgets the full cost of these departments. However, since these other funds receive services, it is appropriate for them to contribute to the cost of those functions. This is accomplished through interfund transfers. In FY 2011-12, two of the City enterprise funds will contribute to the General Fund - \$590,215 from Solid Waste and \$45,691 from Golf. For the Golf Fund, the entire amount represents the contribution for administrative services. For Solid Waste, \$290,215 is the administrative services contribution and \$300,000 is for street use. FY 2011-12 is the third year the Solid Waste Fund will contribute to the General Fund for street use. These funds help offset the cost of street maintenance and repair – paid entirely by the General Fund. The Solid Waste heavy vehicles (mainly refuse collection trucks) create significant wear and tear on the streets. This contribution will help offset the cost of maintaining the streets. The Airport Fund, Civic/Convention Center Fund and the Stormwater Utility Fund will all receive General Fund support in FY 2011-12 to maintain a balanced budget in those funds. Therefore, they will not contribute back to the General Fund for administrative support.

Other Funds

Community Development Block Grant (CDBG) Fund

The CDBG program receives its funding from the U.S. Department of Housing and Urban Development. The FY 2011-12 Budget includes \$496,557 in revenue which represents funding from program years 2009 and 2011 that is still unspent from these two years' funding. The City will request funding for program year 2012.

Grant Fund

The Grant Fund was established in FY 2005-06 to account for all state, federal and local grant proceeds received by the City of New Braunfels. The FY 2011-12 Adopted Budget includes \$1,486,934 in grant revenue from various sources and for differing purposes. These include funds from the Federal Emergency Management Agency (FEMA) for pre-disaster and flood mitigation, the State's Housing Trust Fund (for housing rehabilitation), downtown infrastructure support, and the Comal County Courthouse renovation. As the City receives additional grants during the year, those revenues will be accounted for in this fund.

Special Revenue Fund

Prior to FY 2006-07, the Special Revenue Fund was used to account for grants received from federal, state and local sources as well as for donations from various benefactors. In FY 2006-07, this fund began to be used exclusively for donation accounting. Donations received mainly pertain to police, fire, parks and library activities, with the library

benefiting the most from donations due to the organizations that actively supports the library. The Parks Foundation supports the Parks and Recreation Department's efforts. For the FY 2011-12 Budget, \$118,500 in donations is projected.

Streets and Drainage Fund

This capital improvement fund's main source of revenue was a transfer of available funds from the Infrastructure/Improvement Corporation when it was dissolved in FY 2000-01. Since that time, additional revenue in the form of interest income, grants, and transfers from other City funds have made up the available funds. For FY 2011-12, no additional revenue is expected in this fund as the projects are completed and the funds are completely expended. This fund was closed during FY 2009-10.

River Activities Fund

The River Activities Fund is used by the City to pay for costs associated with management of river activities during the peak summer tourism season. For FY 2011-12, a total of \$1,050,553 is budgeted in revenue, an increase of \$89,041 or 9.3 percent in comparison to FY 2010-11 estimates. Revenue comes from four main sources: fees collected by commercial vendors offering services on the river (tube rentals and shuttle service), the fines assessed for violations on the river, shuttle permits and a transfer from the General Fund to help support these activities. . Increase in anticipated revenues is entirely driven by the interfund transfer to the River Activities Fund. In addition to General Fund support, \$175,000 has been added to the interfund transfer from the Solid Waste Fund for FY 2011-12. This is due to the fact that prior to FY 2011-12, the cost of river cleanup and advertising for the anti-litter campaign was funded and expensed in the Solid Waste Fund. In FY 2011-12, these expenses will be funded by Solid Waste but paid by the River Activities Fund. This strategy will allow for a more accurate representation of the costs of river management.

For FY 2011-12, \$330,000 is budgeted for river usage fees, and \$5,600 for shuttle permits and a total of \$409,953 in transfers from the General Fund.

Court Security Fund

The Court Security Fund was established by the City of New Braunfels in August 2004. The City collects \$3.00 from all defendants convicted of a misdemeanor offense in the Municipal Court. For FY 2011-12, \$31,200 is budgeted in revenue, an amount equal to the FY 2010-11 estimates.

Judicial Efficiency Fund

The Judicial Efficiency Fund receives its revenue from a \$25.00 fee paid by individuals convicted through a municipal court proceeding. One-half of the fee (\$12.50) is sent to the State; one-tenth (\$2.50) is retained locally strictly for judicial efficiency; and four-tenths (\$10.00) is retained locally with no restrictions and, therefore, deposited into the General Fund. For FY 2011-12, the City projects revenue from this source of \$3,000, an amount that is equal to the FY 2010-11 estimates.

Court Technology Fund

Revenues of \$45,000 are included in the FY 2011-12 Budget for the Court Technology Fund, the same amount as the FY 2010-11 estimates. Revenues into this fund come from a fine of \$4.00 that the City collects from all defendants convicted of a misdemeanor offense in the Municipal Court.

Child Safety Fund

The City receives fifty percent of the fines collected for violations of the seat belt and child safety system laws. Most of these fines are paid through Comal County with approximately (\$15,000) being collected directly by the City. The County collects the payments for the violations and pays the City its proportionate share. The remaining fifty percent is required to be remitted to the State. In addition, the City receives a portion of the \$150 fee collected by the County on motor vehicle registrations. For FY 2011-12, the City estimates total revenue into this fund of \$92,500, an amount equal to the FY 2010-11 estimates.

Stormwater Development Fund

The City of New Braunfels began assessing a stormwater development fee in FY 2004-05 and stopped assessing it in FY 2007-08 pending the result of litigation. The fee's basis was changed in FY 2008-09 and the City began once again to assess a storm water development fee. For FY 2011-12, \$35,000 in revenue is anticipated in this fund, an amount equal to the FY 2010-11 estimates.

Juvenile Case Manager Fund

The City established this fund in December 2005, and collects \$5.00 from all defendants convicted of a misdemeanor offense in the municipal court. The fee is expected to generate \$49,200 in FY 2011-12, an amount equal to the FY 2010-11 estimates. The fee was instituted in January 2006.

Equipment Replacement Fund

This fund was created by City Council action in FY 2005-06 with initial funding in the amount of \$1.5 million and is used to account for the replacement of all City-owned light vehicles, some heavy equipment (garbage trucks), as well as for refuse containers, computer hardware such as desktop and network equipment and mobile data terminals, and Fire Department self contained breathing apparatus (SCBA). All revenue into this fund comes from three sources – transfers from the General Fund and enterprise funds with vehicles (\$1,926,788 for FY 2011-12), proceeds from the sale of assets that have been replaced (\$80,000 is budgeted for FY 2011-12), and the remainder from interest income (\$12,000). The largest contributor for FY 2010-11 is from Solid Waste (\$853,766) which primarily supports refuse collection trucks' replacement.

Modifications were made to the vehicle replacement program that changes the replacement schedule and calculation for vehicle contributions. All light vehicles, with the exception of police patrol vehicles, will be replaced on an 8 year or 85,000 mile schedule (whichever comes first). Police patrol vehicles will be replaced at either 6, 7, or 8 years based on mileage accumulation and service demands. The initial parameters for

the program replaced all light vehicles on a 6 year cycle. This change is the driving factor allowing a reduction to departments contributions from FY 2010-11 because contributions are spread over an 8 year span rather than 6. For heavy equipment, the replacement cycle varies depending on the type of equipment. SCBA gear will need to be replaced in 2016 and the annual contribution recognizes this time period to accumulate all the necessary funding.

Facilities Maintenance Fund

This fund provides for repair and maintenance of the City's aged infrastructure. Funds are utilized to address major structural and system repairs to City owned facilities. The fund was established in FY 2006-07 with contributions from the General Fund of \$800,000 as its only revenue. For FY 2007-08, the General Fund again made an \$800,000 contribution, \$300,000 for Parks and \$500,000 for other City facilities. No contributions occurred in FY 2008-09 or FY 2009-10 due to budgetary constraints. In FY 2009-10, the City used a significant amount of the fund's available funding to pay for debris removal and repairs needed as a result of damage to parks and neighborhoods caused by the June 9, 2010 flood event. Therefore, the City made a contribution into this fund in FY 2010-11 of \$300,000. In an effort to rebuild the reserves depleted by expenses from the June 9, 2010 flood event, the FY 2011-12 contribution has been increased to \$350,000. It is anticipated that \$2,500 in interest income will also be generated by this fund.

Economic Development Fund

This fund is used to record reimbursed expenditures that occur as a result of the City's efforts to establish economic incentives for businesses wanting to locate in New Braunfels. All revenue in this fund comes from the reimbursement of expenditures that may occur in these activities. The FY 2011-12 Budget does not include any budgeted revenues in this fund. However, if the City incurs expenditures and reimbursement revenues they will be accounted for in this fund.

2004 Certificates of Obligation Capital Improvements Fund

This fund's original source of revenue was \$26 million in certificates of obligation, issued in April 2004. The proceeds have been used for streets and drainage improvements. For FY 2011-12, \$2,000 in interest income represents the total revenue for this fund.

2007 Certificates of Obligation Capital Improvements Fund

This fund's original source of revenue was \$17.5 million in certificates of obligation, issued in September 2007. The proceeds are being used for streets and drainage improvements, park land purchases and park improvements as well as for construction of fire stations. For FY 2011-12, \$5,000 in interest income is included in this fund's revenue.

2008 Certificates of Obligation Capital Improvements Fund

This fund's original source of revenue was \$2 million in tax notes issued in June 2008 to fund the acquisition of fire apparatus and \$14.3 million in certificates of obligation, issued in September 2008 to fund streets and drainage improvements as well as the land and design costs for new public works and fire training facilities. For FY 2011-12, \$9,000 in interest income is included in this fund's revenue

2009 Certificates of Obligation Capital Improvements Fund

This fund's original source of revenue was \$9.5 million in certificates of obligation issued in August 2009. The proceeds will be used to purchase a new financial and human resources software system, equipment for parks and public works, parks improvements at various locations throughout the City, fire apparatus, police vehicles, fire station construction and a property and structures for a new parks and public works maintenance facility. For FY 2011-12, \$10,000 in interest income is included in this fund as revenue.

2011 Certificates of Obligation Capital Improvements Fund

This fund's original source of revenue was \$18.2 million in certificates of obligation. The proceeds will be used to fund a portion of the construction costs for the Walnut Avenue Widening project, park projects, downtown improvements, public works equipment and projects, airport improvements and the flood warning system,

2012 Certificates of Obligation Capital Improvements Fund

This fund's original source of revenue is proposed to be \$15.5 million in certificates of obligation. The proceeds are expected to fund the next portion of the construction costs for the Walnut Avenue widening project, downtown improvements, park projects, airport equipment, ambulance remounts, software acquisition/implementation and the FM 306 overpasses project. The Fund is also projected to generate \$10,000 in interest income.

2012 Revenue Bonds Capital Improvements Fund

This fund's original source of revenue is proposed to be \$5.8 million in revenue bonds to be supported by user fees from the City's Landa Park Golf Course. The proceeds will fund golf course improvements. Revenue bonds will be guaranteed by the revenue generated by the golf course; no property tax funds will be needed to support this debt. This fund would also generate \$10,000 in interest income.

Civic/Convention Center Renovations Capital Improvements Fund

This fund's original source of revenue was the issuance of \$8 million in certificates of obligation as well as contributions from the City's General Fund, the Hotel/Motel Fund, the New Braunfels Industrial Development Corporation and outside sponsors. The proceeds were used to complete the expansion and renovation of the City's Civic/Convention Center. This fund was closed in FY 2009-10.

Parks Improvement Capital Improvements Fund

For FY 2011-12, the Parks Improvement Fund revenue totals \$4,630 which comes mainly from parks development fees as well as some interest income; the parks development fee was approved by City Council in February 2006.

Road Development Impact Fees Capital Improvements Fund

In FY 2007-08, the City created the Road Development Impact Fees Capital Improvement Fund to account for proceeds from roadway impact fees and expenditures made from those funds for road projects included in the roadway impact study. For FY 2011-12, revenues are projected to total \$694,000, the same amount as the FY 2010-11 estimates.

Debt Service Fund

For FY 2011-12, the revenue for the Debt Service Fund totals \$8,951,133, an increase of \$1,653,945 or 22.7 percent from the FY 2010-11 estimates. This increase results almost entirely from increased ad valorem tax revenues. Tax revenue in FY 2010-11 is estimated at \$5,703,500; revenue from the same source is budgeted for FY 2011-12 at \$7,347,587, an increase of \$1,644,087 or 28.8 percent. This increase in revenue comes entirely from an increase in the ad valorem property tax rate. The debt service rate is \$.187 or \$.0385 higher than the rate for FY 2010-11, needed to fund debt issued in 2011. Other entities contribute to the debt service payments for the City's outstanding debt and serve as a source of revenue to the debt service fund. The Hotel/Motel Tax Fund will contribute \$612,598 from hotel/motel tax proceeds to support debt associated with the expansion/renovation of the Civic/Convention Center. The City of New Braunfels Industrial Development Corporation pays for the debt service associated with 1998 and 2003 certificates of obligations issued by the City as well as \$2.5 million in debt issued in 2007 for park improvements. Their total contribution into the Debt Service Fund for FY 2011-12 is \$990,448. Other revenue into this fund comes from interest income (\$500).

Airport Fund

The FY 2011-12 Budget for the Airport Fund totals \$1,133,550 in revenues. This represents a decrease of \$28,700 or 2.5 percent in comparison to the FY 2010-11 estimates. Currently, lease and rental revenue is expected to decrease slightly in FY 2011-12. This figure could increase or decrease based on new and existing tenants. Fuel sales are also expected to decrease in FY 2011-12 as fuel prices continue to fluctuate.

Airport revenue comes from several main sources: leases and rent (\$334,000), commercial activities fees (\$30,000), sales of fuel and oil (\$750,000) which has an offsetting expense, and fuel flowage fees (\$13,500). Miscellaneous revenues total \$6,000. In addition, the Airport receives support from the General Fund (\$57,094). TXDOT is expected to contribute \$50,000 in the form of grants to offset projects accomplished to maintain and upkeep the airport facilities.

Solid Waste Fund

In the FY 2011-12 Adopted Budget, the total revenues for the Solid Waste Fund are \$6,393,800, increasing \$122,813 or 2.0 percent in comparison to the FY 2010-11 estimates. Commercial rates were increased October 1, 2010 and residential rates increased in April 2011. Charges for services represent the largest revenue source for this fund representing 99 percent of the total revenue (\$6,350,800). This includes commercial and residential which incorporates both garbage and recycling collection and disposal.

Interest income (\$5,000) and miscellaneous revenues (\$38,000) make up the rest of the revenue

Golf Fund

The Golf Fund revenues for FY 2011-12 of \$984,200 represent an increase of \$10,007 or 1.01 percent in comparison to the FY 2010-11 estimates. There are two reasons why the revenues are higher in FY 2010-11. Revenues are projected to be relatively flat for FY 2011-12 as rain days have not been a factor for FY 2010-11 and there are no rate increases proposed in the Adopted Budget. For FY 2010-11, Council approved small rates increases in the green fees (\$.50 per round) and in the cart fees (\$1.50 per round). The main sources of revenue for this fund are fees paid by those patrons of the golf course (greens fees and cart rentals which, at \$856,500 represent 87 percent of the total revenue) as well as merchandise sales from the pro shop (\$78,000). Golf lessons generate \$22,500 in revenue as well and leases and other miscellaneous revenues that garner another \$27,200.

Civic/Convention Center Fund

The Civic/Convention Center operations became an enterprise fund in FY 2008-09. Revenue into the fund comes almost entirely from rental fees (\$325,000). For FY 2011-12, the General Fund will continue to provide financial support to the fund with an interfund transfer budgeted at \$106,047 with the Hotel/Motel Tax Fund contributing \$288,942. Total revenue for the fund is \$719,989. Prior to FY 2008-09, revenues associated with the Civic/Convention Center activities went to the General Fund as all expenditures for the operation were charged there as well.

Stormwater Utility Fund

FY 2011-12 is the first year for the Stormwater Utility Fund. Revenue is generated for this fund via the new stormwater utility fee that all residential and commercial customers will be charged. The fee structure is tiered based on the amount of impervious cover on the property. Currently, it is expected that the utility will collect four months of revenue in FY 2011-12, which totals \$735,000. The General Fund will provide financial support to the utility in FY 2011-12 in the amount of \$609,255 as this is a start-up year for this new facility.

Self Insurance Fund

Revenue into this self insurance fund has come, in the past, entirely from premium payments – both from the City's contribution as well as the employees' contributions – for City sponsored insurances, most particularly medical, dental and vision. However, significantly increased claims costs in FY 2009-10 have required a different funding strategy for FY 2010-11 and FY 2011-12 than the City has used in the past several years. First, both the employee's and the City's contribution through premiums will increase in FY 2011-12, by \$260 annually per employee from each of these funding sources. This will generate another \$196,000 in premium revenue. In addition, the City will make a one-time contribution from the General Fund of \$400,000 to provide funds needed to maintain the Self Insurance Fund's fund balance. A similar contribution of \$500,000 was made in FY 2010-11. Interest income also makes up a small portion (\$1,000 for FY

2011-12) of the revenue. For FY 2011-12, the budgeted revenue totals \$5,131,600, an amount \$96,000 or 1.9 percent greater than the FY 2010-11 estimated revenue.

Library Funds – Langland and Faust

The three library funds – Langland, Dittlinger and Faust – all were originally established through endowments. Currently, no revenue is expected the remaining active fund.

Cemetery Improvements Fund

The City of New Braunfels owns and maintains a cemetery that offers perpetual care. Proceeds from permits make up the revenue for this fund. For FY 2011-12, \$2000 in revenue is expected. This revenue amount equals the FY 2010-11 estimates.

Hotel/Motel Tax Fund

The City currently levies a tax on hotel/motel rooms equal to 7 percent of the room costs. This tax is expected to generate \$2,492,600 in FY 2011-12, an increase of \$72,600 or 3 percent in comparison to the FY 2010-11 estimated revenues. The City uses these tax proceeds to fund economic development through the New Braunfels Chamber of Commerce, improvements to and operation of the expanded and renovated Civic/Convention Center and arts and cultural organizations' activities.

REVENUES	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget

101 General Fund

Taxes

Property Taxes

311.01-00 Ad Valorem Tax - Current	\$ 10,475,766	\$ 9,832,000	\$ 10,082,825
311.02-00 Ad Valorem Tax - Delinquent	230,055	185,000	185,000
311.11-00 Penalties and Interest	132,009	120,000	120,000
<i>Subtotal - Property Taxes</i>	<i>\$ 10,837,830</i>	<i>\$ 10,137,000</i>	<i>\$ 10,387,825</i>

Sales Tax

313.01-00 Municipal Sales Tax	12,222,871	12,978,000	13,367,000
<i>Subtotal - Sales Tax</i>	<i>\$ 12,222,871</i>	<i>\$ 12,978,000</i>	<i>\$ 13,367,000</i>

314.01-00 <u>Mixed Beverage Tax</u>	\$ 220,193	\$ 220,200	\$ 220,200
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Hotel Occupancy Tax

315.02-00 Penalties and Interest	21,070	1,500	-
<i>Subtotal - Hotel Occupancy Tax</i>	<i>\$ 21,070</i>	<i>\$ 1,500</i>	<i>\$ -</i>

Franchise Taxes

316.01-00 GVEC	119,961	118,000	118,000
316.02-00 Phone Lines	355,837	385,000	385,000
316.03-00 Centerpoint/Entex Gas	92,670	209,220	210,000
316.04-00 Cable	767,686	833,000	700,000
316.05-00 New Braunfels Utilities	5,649,961	5,753,862	5,669,000
<i>Subtotal - Franchise Taxes</i>	<i>\$ 6,986,115</i>	<i>\$ 7,299,082</i>	<i>\$ 7,082,000</i>

TOTAL TAXES	\$ 30,288,079	\$ 30,635,782	\$ 31,057,025
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Licenses and Permits

321.02-00 Vehicle Permits	465	360	500
321.03-00 Alarm Permits	114,442	119,000	119,000
321.05-00 Parking Permits	634	750	825
321.11-00 Alcohol License	14,250	20,300	22,500
321.12-00 Beer and Wine License	16,665		
321.13-00 Beer Distributor License	1,150		
321.14-00 Liquor Retailer License	3,840		
321.31-00 Animal Licenses	1,443	1,670	1,650
322.01-00 Food Establishment License	104,988	124,000	124,000
322.02-00 Frozen Dessert License	4,816		
322.03-00 Meat Processing/Wholesale License	1,575		

REVENUES	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget
Licenses and Permits (continued)			
322.04-00 Health Certificates	27,205	34,900	34,900
322.05-00 Miscellaneous Licenses and Permits	100	10,900	10,900
322.06-00 Campground License	1,050		
322.07-00 Mobile Home Permit	2,250		
322.08-00 Waste Disposal Permit	1,010		
323.01-00 Fire Inspection Permit	23,801	27,000	27,000
323.02-00 Plan Review	20,733	23,000	23,000
323.03-00 Zoning/Variance Application	31,592	15,000	15,000
323.04-00 Plat Filing Fees	14,432	12,000	12,000
323.06-00 Zoning Sign Revenue	2,730		
323.07-00 Commercial Plan Check Fee	57,765	63,000	63,000
323.08-00 Engineer Construction P/Rev Fee	13,941	-	
323.09-00 Miscellaneous Permits	4,913	18,000	18,000
325.01-00 Skilled Trade Licenses	30,640	132,000	132,000
325.02-00 General Contractor License	70,610		
325.04-00 Plumbing Contractor Registration Fee	12,620		
325.05-00 Mechanical Contractor Registration Fee	12,300		
326.01-00 Electrical Permits	139,063		
326.02-00 Plumbing and Gas Permits	114,408		
326.03-00 Mechanical Permits	50,515		
326.04-00 Building Permits	554,627	1,005,100	1,055,500
326.06-00 Special Permits	10,715		
326.07-00 Reinspection Fees	20,960		
<i>TOTAL LICENSES AND PERMITS</i>	<i>\$ 1,482,248</i>	<i>\$ 1,606,980</i>	<i>\$ 1,659,775</i>

Intergovernmental Revenue

Federal Government

331.02-00 Public Safety	15,670	-
331.11-01 Federal	16,461	-
<i>Subtotal - Federal Government</i>	<i>\$ 32,131</i>	<i>\$ -</i>

State Government

Attorney General (CID)	5,563	\$	-
<i>Subtotal - State Government</i>	<i>\$ 5,563</i>	<i>\$ -</i>	<i>\$ -</i>

TOTAL INTERGOVERNMENTAL ***\$ 37,694*** ***\$ -*** ***\$ -***

REVENUES	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget

Charges for Services

341.41-00 Reproductions and Miscellaneous	9,817	6,000	6,000
342.01-00 Accident Report Copies	6,430		
342.02-00 Fingerprint Fee	730		
342.51-01 Ambulance Service	1,589,761	1,723,600	1,809,900
342.51-02 Emergency Services District Services	1,051,692	963,120	963,120
344.02-00 Landfill - Percent of Gross	250,000	175,000	125,000
344.21-00 Disposal Reimbursement	4,964	2,900	2,900
346.01-00 Library Fines	75,575	88,500	88,500
TOTAL CHARGES FOR SERVICES	\$ 2,989,549	\$ 2,959,120	\$ 2,995,420

Fines and Forfeitures

351.02-00 Animal Control Fees and Fines	16,310	22,000	22,000
352.01-00 Traffic Violations	716,285	1,000,300	812,240
352.02-00 Arrest Fees	53,130	53,000	53,000
352.03-00 Other Misdemeanors	271,487	386,000	386,000
352.07-00 Child Safety	345	1,000	1,000
353.01-00 Court Costs	72,442	87,500	87,500
353.02-00 Teen Court	910	400	400
354.01-00 Warrant Service Fees	51,962	110,500	99,450
TOTAL FINES AND FORFEITURES	\$ 1,182,871	\$ 1,660,700	\$ 1,461,590

Interest Income (361.01-00)	\$ 88,912	\$ 96,000	\$ 96,000
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Parks and Recreation

372.01-00 Pool	348,252	340,000	350,000
372.04-00 Tube Chute	73,066	60,000	60,000
372.05-00 Shuttle	3,467	1,000	1,000
373.01-00 Recreation	234,169	230,000	235,000
373.05-00 Paddle Boats	41,355	55,000	50,000
373.06-00 Miniature Golf	9,286	10,300	10,300
373.08-00 Youth Sports Contract Fees	11,417	11,500	11,500
374.01-00 Park Rentals	133,690	134,400	134,400
375.02-00 Miniature Train Revenue	35,164	40,000	40,000
375.03-00 L/P Concessions Vending	3,290	3,000	3,000
375.05-00 Parks Miscellaneous Revenue	4,851	4,000	4,000
375.09-00 Merchandise	360		
TOTAL PARKS AND RECREATION	\$ 898,367	\$ 889,200	\$ 899,200

Miscellaneous

382.01-00 Cemetery Lot Sales	3,050	2,000	2,000
381.01-00 Contracts - Industrial District	643,887	980,200	823,200

REVENUES	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Miscellaneous (continued)			
386.01-00 Leases	5,235	10,700	11,000
387.02-00 Signs	2,165	2,000	2,000
387.05-00 Land/Equipment	1,362	-	-
388.01-00 Donations	11,280	9,000	2,000
389.01-00 Miscellaneous	33,069	35,000	35,000
389.01-01 Wassail/Saengerfest Merch	9,708	-	-
389.01-04 Main Street Special Event	6,740	-	-
389.02-00 Reimbursements/Current Yr	87,336		50,000
389.03-00 Reimbursements/Prior Yr	19,082	170,000	100,000
389.07-99 TML Equity Return	64,367		
389.99-00 Over/Short	(119)	(4,700)	-
TOTAL MISCELLANEOUS	\$ 887,162	\$ 1,204,200	\$ 1,025,200
Interfund Transfers (391.01-00)	\$ 702,850	\$ 638,812	\$ 635,906
TOTAL - GENERAL FUND	\$ 38,557,732	\$ 39,690,794	\$ 39,830,116
205 CDBG Fund			
331.03-11 Federal Grant 2008	11,194	7,675	-
331.03-12 Federal Grant 2009	175,925	20,898	33,888
331.03-13 Federal Grant 2010	226,548	138,909	-
331.03-14 Federal Grant 2011	-	171,427	147,354
331.03-03 Federal Grant 2012			315,315
Total - CDBG Fund	\$ 413,667	\$ 338,909	\$ 496,557
210 Creekside Town Center TIRZ Fund			
311.01-00 Ad Valorem Tax	160,709	270,800	270,800
313.01-00 Municipal Sales Tax	338,815	413,000	420,000
361.01-00 Interest Income	238	500	500
Total - Creekside Town Center TIRZ Fund	\$ 499,762	\$ 684,300	\$ 691,300
212 Industrial Development Board Fund			
313.01-00 Municipal Sales Tax	3,848,413	4,041,000	4,162,230
389.15-00 Loan Payment	636,267	637,000	637,000
389.01-00 Reimbursements	127,940	193,200	-
361.01-00 Interest Income	40,123	20,000	20,000
Total - Industrial Development Board Fund	\$ 4,652,743	\$ 4,891,200	\$ 4,819,230
220 Grant Fund			
335.11-01 Public Safety Grants	152,524		
335.11-01 Public Works Grants	144,195		
335.11-01 State Grant Revenue	34,235	713,589	1,486,934
335.15-00 Lone Star Library Grant	14,296		
389.01-00 Miscellaneous	1,800		
391.01-00 Interfund Transfers	10,700		
Total - Grant Fund	\$ 357,750	\$ 713,589	\$ 1,486,934

REVENUES	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget

221 Special Revenue Fund

335.09-00 TCLEOSE	8,912		
335.11-01 State Government		8,500	8,500
353.02-00 Teen Court	1,530		
388.05-00 Donations - Library	53,344		
388.01-01 Donations - Parks	11,274		
388.01-01 Donations	4,464	95,000	95,000
332.01-00 Contributions		15,000	15,000
389.01-00 Miscellaneous	575	1,500	
389.02-00 Reimbursements/Current Year	21,070	41,000	
Total - Special Revenue Fund	\$ 101,169	\$ 161,000	\$ 118,500

224 Streets and Drainage Fund

389.01-00 Miscellaneous	1,000	-	-
361.01-00 Interest Income	54	-	-
Total - Streets and Drainage Fund	\$ 1,054	\$ -	\$ -

225 River Fund Activities

321.02-00 Vehicle Permits	5,306	5,600	5,600
352.03-00 Other Misdemeanors	132,798	160,000	130,000
375.06-00 River Activities Fee	278,942	330,000	330,000
391.01-00 Interfund Transfers - General Fund	365,000	465,912	584,953
Total - River Fund	\$ 782,046	\$ 961,512	\$ 1,050,553

227 Court Security Fund

353.03-00 Court Fees	33,069	31,200	31,200
Total - Court Security Fund	\$ 33,069	\$ 31,200	\$ 31,200

228 Judicial Efficiency Fund

353.04-00 Judicial Efficiency Fee	3,435	5,000	3,000
Total - Judicial Efficiency Fund	\$ 3,435	\$ 5,000	\$ 3,000

229 Court Technology Fund

353.05-00 Court Technology	44,229	45,000	45,000
389.01-00 Miscellaneous	1,238		
Total - Court Technology Fund	\$ 45,467	\$ 45,000	\$ 45,000

REVENUES	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget

230 Child Safety Fund

338.03-00 County Government	77,532	77,500	77,500
352.04-00 Child Safety	14,099	15,000	15,000
Total - Child Safety Fund	\$ 91,699	\$ 92,500	\$ 92,500

232 Stormwater Development Fund

344.30-00 Stormwater Dev Fee	11,298	35,000	35,000
361.01-00 Interest Income	101		
Total - Stormwater Development Fund	\$ 11,399	\$ 35,000	\$ 35,000

240 Juvenile Case Manager Fund

353.06-00 Fines and Forfeitures	54,942	49,200	49,200
361.01-00 Interest Income	85		
Total - Juvenile Case Manager Fund	\$ 55,027	\$ 49,200	\$ 49,200

245 PEG Cable Franchise Fund

316.06-00 Franchise Payments			140,000
391.01-00 Interest Income			265,000
Total - PEG Cable Franchise Fund	\$ -	\$ -	\$ 405,000

260 Equipment Replacement Fund

361.01-00 Interest Income	16,402	12,000	12,000
387.01-00 Sale of Property	59,198	29,000	80,000
389.01-00 Miscellaneous		55,000	
391.01-00 Interfund Transfers	1,968,859	3,300,859	1,926,788
Total - Equipment Replacement Fund	\$ 2,044,459	\$ 3,396,859	\$ 2,018,788

261 Facilities Maintenance Fund

361.01-00 Interest Income	2,545	2,500	2,500
389.01-00 Miscellaneous	21,704	110,000	
391.01-00 Interfund Transfers - General Fund		300,000	350,000
Total - Facilities Maintenance Fund	\$ 24,249	\$ 412,500	\$ 352,500

265 Economic Development Fund

389.08-00 Reimbursement of Expenditures	32,812	-	-
391.01-00 Interfund Transfers		148	
Total - Economic Development Fund	\$ 32,812	\$ 148	\$ -

REVENUES	FY 2009-10		FY 2010-11		FY 2011-12	
	Actual	Estimate	Actual	Estimate	Budget	
304 2004 Certificates of Obligation Capital Improvement Fund						
361.01-00 Interest Income		6,828		2,385		2,000
Total - 2004 C of O Fund	\$	6,828	\$	2,385	\$	2,000
307 2007 Certificates of Obligation Capital Improvement Fund						
361.01-00 Interest Income		18,827		10,500		5,000
389.01-00 Miscellaneous		26,567				
391.01-00 Interfund Transfers		25,056				
Total - 2007 C of O Fund	\$	70,450	\$	10,500	\$	5,000
308 2008 Certificates of Obligation Capital Improvement Fund						
361.01-00 Interest Income		21,280		12,000		9,000
387.09-00 Sale of Property		9,363				
388.03-00 Developer Contributions		150,000				
389.01-00 Miscellaneous		92		164,924		
Total - 2008 C of O Fund	\$	180,735	\$	176,924	\$	9,000
309 2009 Certificates of Obligation Capital Improvement Fund						
361.01-00 Interest Income		21,842		18,000		10,000
338.11-01 County Government		292,703				
Total - 2009 C of O Fund	\$	314,545	\$	18,000	\$	10,000
351 2011 Certificates of Obligation Capital Improvement Fund						
361.01-00 Interest Income				36,000		24,000
389.01-00 Debt Proceeds						
Total - 2011 C of O Fund	\$	-	\$	36,000	\$	24,000
314 Parks Improvements Capital Improvement Fund						
362.01-00 Parks Development Fee		2,400		4,500		4,500
361.01-00 Interest Income		136		130		130
Total - Parks Improvements CIP Fund	\$	2,536	\$	4,630	\$	4,630
325 Civic Center Renovations Capital Improvement Fund						
361.01-00 Interest Income		208				
Total - Civic Center CIP Fund	\$	208	\$	-	\$	-

REVENUES	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget

336 Road Development Impact Fees Fund

363.01-00 Roadway Impact Fees	\$ 834,428	\$ 690,000	\$ 690,000
361.01-00 Interest Income	4,616	4,000	4,000
Total - Road Development Impact Fees Fund	\$ 839,044	\$ 694,000	\$ 694,000

2012 Certificates of Obligation Capital Improvement Projects Fund

339.08-00 Intergovernmental		240,500
361.01-00 Interest Income		10,000
389.01-00 Debt Proceeds		15,500,000
Total - 2012 C of O Fund	\$ -	\$ 15,750,500

2012 Revenue Bonds Capital Improvement Projects Fund

361.01-00 Interest Income		10,000
389.01-00 Debt Proceeds		5,800,000
Total - 2012 Revenue Bonds Fund	\$ -	\$ 5,810,000

401 Debt Service Fund

Property Taxes

311.01-00 Ad Valorem Tax - Current	4,740,598	5,570,000	7,214,087
311.02-00 Ad Valorem Tax - Delinquent	86,434	70,500	70,500
311.11-00 Ad Valorem Tax - Penalties and Interest	54,494	63,000	63,000
332.01-00 Contributions (4B)	979,670	983,390	990,448
361.01-00 Interest Income	2,589	500	500
389.01-00 Miscellaneous	(186)	-	-
391.01-00 Interfund Transfers - Hotel/Motel	606,398	609,798	612,598
Total - Debt Service Fund	\$ 6,469,997	\$ 7,297,188	\$ 8,951,133

501 Airport Fund

Charges for Services

319.01-00 Commercial Activities Fee	29,017	21,000	30,000
319.22-00 Fuel Flowage Fee	15,273	8,000	13,500
386.01-00 Leases and Rents	317,266	343,500	334,000
389.01-00 Miscellaneous	25,964	8,500	6,000
389.50-12 Fuel and Oil	613,526	781,250	750,000
387.01-11 Sale of Property	3,230		
389.50-14 Merchandise	1,945		

REVENUES	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget

501 Airport Fund

Charges for Services (continued)

398.99-00 Over/Short	44	50	
<i>TOTAL CHARGES FOR SERVICES</i>	\$ 1,006,265	\$ 1,162,250	\$ 1,133,550

Intergovernmental Revenue

335.03-10 TXDOT	47,546	50,000	50,000
<i>TOTAL INTERGOVERNMENTAL REVENUE</i>	\$ 47,546	\$ 50,000	\$ 50,000

391.01-00 Interfund Transfers	\$ 307,010	\$ 104,083	\$ 57,094
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Total - Airport Fund	\$ 1,360,821	\$ 1,316,333	\$ 1,240,644
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521 Solid Waste Fund

Charges for Services

344.01-00 Garbage Collection	4,613,693	5,001,000	5,101,000
344.03-00 Recycling Collection	1,135,742	1,140,000	1,162,800
344.11-00 Brush/Special Pick ups	11,150	17,987	17,000
344.12-00 Container Rental	5,160		
344.31-00 Garbage Penalties	62,286	70,000	70,000
344.51-00 Garbage Stickers	437	-	-
344.61-00 Recycle Bins	25	-	-
<i>TOTAL CHARGES FOR SERVICES</i>	\$ 5,828,493	\$ 6,228,987	\$ 6,350,800

361.01-00 Interest Income	14,123	5,000	5,000
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Miscellaneous

389.01-00 Miscellaneous	26,627	37,000	38,000
<i>TOTAL MISCELLANEOUS</i>	\$ 26,627	\$ 37,000	\$ 38,000

Total - Solid Waste Fund	\$ 5,869,243	\$ 6,270,987	\$ 6,393,800
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REVENUES	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget

531 Golf Fund

Charges for Services

371.01-00 Green Fees	414,281	475,000	480,000
371.02-00 Annual Fees	111,930	119,500	119,500
371.04-00 Cart Rental	214,546	252,000	257,000
371.08-00 Proshop Sales	73,359	78,000	78,000
371.11-00 Golf Lessons	23,350	21,443	22,500
371.99-00 Miscellaneous	1,273	500	500
<i>TOTAL CHARGES FOR SERVICES</i>	<i>\$ 838,739</i>	<i>\$ 946,443</i>	<i>\$ 957,500</i>

361.01-00 Interest Income \$ 204

Miscellaneous

386.01-00 Leases	27,530	23,500	23,500
389.01-00 Miscellaneous	30	1,150	100
389.99-00 Over/Short	305	3,100	3,100
<i>TOTAL MISCELLANEOUS</i>	\$ 27,865	\$ 27,750	\$ 26,700

391.01-00 Interfund Transfers

Total - Golf Fund \$ 866,808 \$ 974,193 \$ 984,200

541 Civic/Convention Center Fund

Charges for Services

347.01-00 Civic Center Rental	291,219	317,000	325,000
<i>TOTAL CHARGES FOR SERVICES</i>	<i>\$ 291,219</i>	<i>\$ 317,000</i>	<i>\$ 325,000</i>

Miscellaneous

388.05-00 Contributions	22,600	\$	19,500	-
391.01-00 Interfund Transfers	\$ 323,486		317,533	\$ 394,989
Total - Civic/Convention Center Fund	\$ 637,305	\$ 654,033	\$ 719,989	

REVENUES	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget

551 Stormwater Utility Fund

344.02-00 Stormwater Fees		\$ 735,000	
361.01-00 Interest Income		1,000	
391.01-00 Interfund Transfers		609,255	
Total - Stormwater Utility Fund	\$ -	\$ -	\$ 1,345,255

601 Insurance Fund

345.01-00 Premiums	4,067,441	4,342,800	4,538,800
345.02-00 Cobra	182,027	181,800	181,800
361.01-00 Interest Income	4,247	1,000	1,000
391.01-00 Interfund Transfers		500,000	400,000
389.01-00 Miscellaneous	22,365	10,000	10,000
Total - Insurance Fund	\$ 4,276,080	\$ 5,035,600	\$ 5,131,600

701 Langland Library Fund

391.01-00 Interfund Transfers		912	
Total - Langland Library Fund	\$ -	\$ 912	\$ -
Total - Police Training Fund	\$ -	\$ -	\$ -

781 Cemetery Improvements Fund

326.06-00 Special Permits	2,275	2,000	2,000
361.01-00 Interest Income	95		
Total - Cemetery Perpetual Care	\$ 2,370	\$ 2,000	\$ 2,000

794 Hotel/Motel Tax Fund

315.01-00 Hotel Occupancy Tax	2,464,906	2,420,000	2,492,600
361.01-00 Interest Income	300		
Total - Hotel/Motel Tax Fund	\$ 2,465,206	\$ 2,420,000	\$ 2,492,600

Five Year General Fund History

The historical trends for the City of New Braunfels contribute to a better understanding of the City priorities and its commitment to meet the service demands of its growing population efficiently and effectively. The 2010 census revealed that the current population of New Braunfels is 57,740. This represents a 58.2 percent in total or 5.82 percent average annually when compared to the 2000 census. As the population increases, the demand for services increases as well. Other factors such as inflation, new positions, capital planning initiatives, and employee salary and benefits costs have impacted the City of New Braunfels' budgets and actual expenditures over the last five years.

In FY 2007-08 the General Fund Adopted Budget was \$57.3 million. This budget provided \$42.1 million to support expenditures with the remaining \$15.1 million reserved as fund balance. The \$6.7 million increase from the FY 2006-07 expenditures supported 23 new positions at a cost of \$2.5 million. This included eight sworn positions in the Police Department for a total cost of \$804,000 including equipment, as well as \$691,000 for nine new positions in the Fire Department. Other major funding initiatives included: implementation of a market based compensation study (\$1 million); major hardware and software technology enhancement (\$1 million); and \$1.5 million for replacement reserves to include equipment, technology and major building systems.

The FY 2008-09 General Fund Adopted Budget was \$56.1 million. This budget provided \$42.3 million to support expenditures with the remaining \$13.8 million reserved as fund balance. The \$2.8 million increase from the FY 2007-08 expenditures was driven primarily by changes related to personnel. Program changes support 11 new positions at a cost of \$925,000. Other employee related costs included a cost of living increase for all employees (\$890,000); performance and step pay for both uniformed and non-uniformed personnel (\$510,000); and employee training \$100,000. Although funded, the pay increases were not implemented in FY 2008-09 as a cost saving measure because of the downturn in the economy.

The FY 2009-10 General Fund Adopted Budget was \$53.9 million. This budget provided \$40 million to support expenditures with the remaining \$13.9 million reserved as fund balance. This budget did not include any growth and was reflective of economic uncertainties. In fact, this budget was \$2.2 million less than the FY 2008-09 Adopted General Fund Budget. The budget was balanced without an increase to the tax rate by taking specific actions. These actions included forgoing salary increases, budgeting streets and drainage maintenance at the level actually expended in FY 2008-09, thereby not increasing efforts to address known significant maintenance backlogs; eliminating sixteen seasonal positions and one full time position; reducing administrative budgets and not permitting workforce growth. During the fiscal year, positions were held open (representing about 8 percent of the workforce) to generate savings needed to balance future budgets.

The FY 2010-11 General Fund Adopted Budget was \$56.5 million and included \$42.4 million for expenditures. The appropriated fund balance was \$14.0 million which equated to 33.1 percent of operating appropriations. The General Fund budget did not include any new programs or positions. \$1.2 million in savings was included in the budget that was achieved by continuing to hold open positions for all or part of the fiscal year. The budget was balanced at the same tax rate as FY 2009-10, with \$.0208 moving from the General Fund to the Debt Service Fund to fully fund the debt service requirements. The expenditure appropriations did include some one-time expenditures for needed equipment purchases, mainly to support public safety personnel and road improvements. A one-time transfer to the Self Insurance Fund of \$450,000 was also budgeted to maintain that fund's financial requirements. The budget also funded full implementation of the uniform employees' step pay plan (\$975,000) and performance pay for all other employees (\$336,000).

The FY 2011-12 General Fund Adopted Budget totals \$57.9 million and includes \$43.2 million for expenditures. The appropriated fund balance is \$14.6 million which equates to 33.8 percent of operating appropriations. The General Fund budget includes a total of eight new positions for a total cost of \$372,565 to help meet the continued increasing demand for services. This includes parks maintenance workers, police dispatchers, and staff to support the building permit process as code enforcement efforts. New positions are funded for nine months for FY 2011-12. In addition, the FY 2011-12 General Fund budget fully funds all authorized positions. The overall property tax rate increases \$.0385, entirely to fund debt service requirements for certificates of obligation issued in 2011. The operations and maintenance portion of the property tax rate did not increase or decrease from FY 2010-11 and remains constant at \$.261362. A one-time transfer to the Self Insurance Fund of \$400,000 is also budgeted to maintain that fund's financial requirements. Step pay plan and performance pay increases for employees are not included in the FY 2011-12 General Fund budget. The FY 2011-12 Adopted Budget also creates the Stormwater Utility Fund to account for revenue and expenses associated with meeting federal MS4 Stormwater requirements and to fund drainage systems, maintenance and improvements.

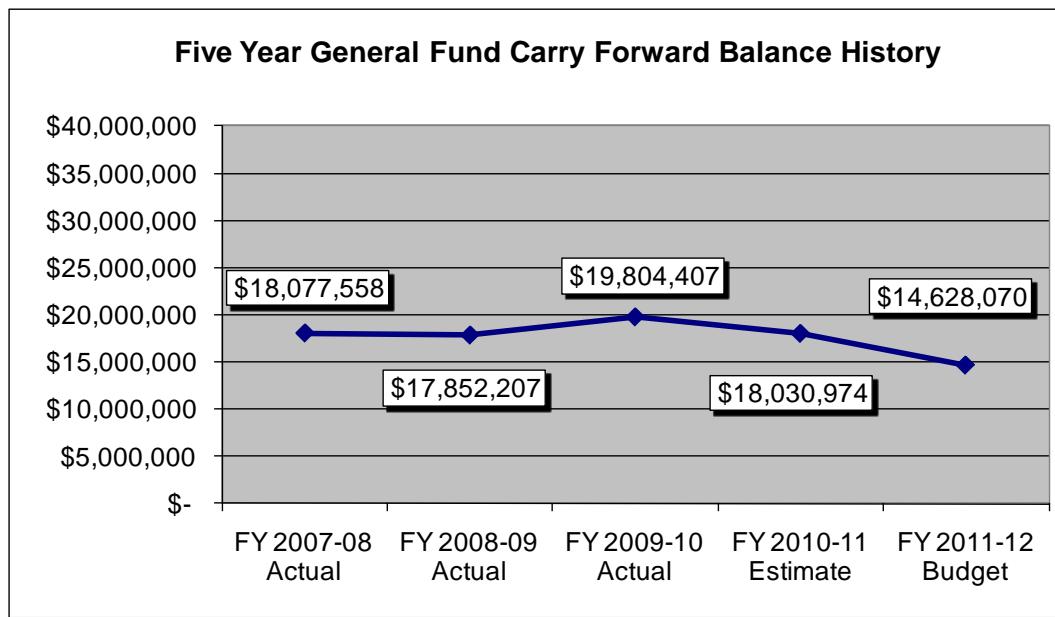
Five Year General Fund Carry Forward Balance History

The carry forward fund balance represents the sum of unspent funds from the previous year. Graph 1 below illustrates the fund balances both realized and anticipated over the past five years in the General Fund. The ending fund balances are budgeted much like any other item. However, these balances are designed to be spent only in emergencies or unexpected, extraordinary circumstances. These balances provide a financial "cushion" for extraordinary events or financial challenges. The City currently has the goal of maintaining a reserve of at least 35 percent of the General Fund's annual operating expenditures. The financial policies adopted by Council require a 25 percent reserve; however the 35 percent remains the practical level to maintain the City's current AA- bond rating.

The fund balances shown below are the *actual* fund balances and do not match *budgeted* fund balances described above. The fund balances described above were *projections* based on anticipated expenditures and projected revenues. The *actual* fund balances (reflecting the audited financial statements) are provided below in Graph 1.

In developing the FY 2006-07 Adopted Budget, it was recognized that existing fund balances were significantly in excess of the Council adopted financial policy and well above the level most public entities strive to maintain. The FY 2005-06 year-end General Fund balance was 65 percent of operating expenditures for that year. This balance was drawn down to address Council identified high priority objectives such as streets and drainage maintenance and staff growth to meet increased service demands driven by rapid growth from both commercial and residential building activity. At year-end FY 2007-08, the City's General Fund balance was \$18,077,558. The FY 2011-12 Budget includes \$14,628,070 in projected fund balance or 33.8 percent of budgeted expenditures an amount in excess of the Council adopted financial policy's requirement. This is a reduction of \$3,449,488 in comparison to FY 2007-08. During the years that the City drew on these reserves, the City's bond rating was raised to A1 by Moody's. This reflects the City's sound management of reserves.

It should be noted that reserves are now (in FY 2010-11) close to the 35 percent City Council goal, and reflect an amount needed to maintain the City's excellent financial position and bond rating, making further reductions unwise. Additional sources of revenue must be found to counter the continued increase to service demands.

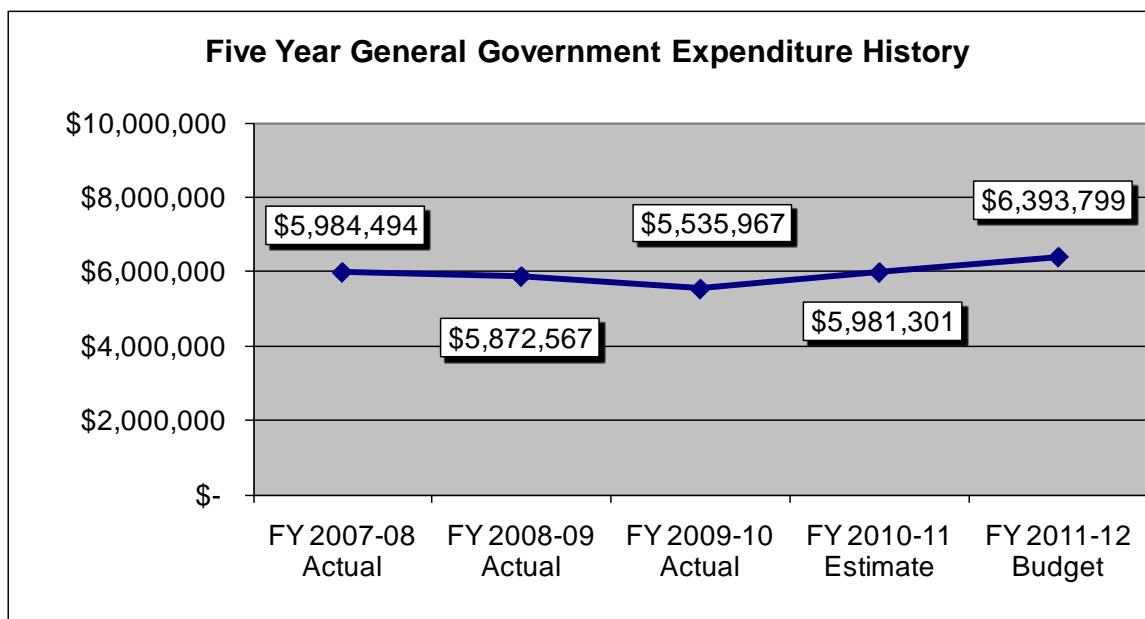


Five Year General Fund General Government Expenditure History

The General Government section includes departments such as the City Council, City Manager, City Attorney, City Secretary, Support Services, Human Resources, and the Library and other costs such as tax collection costs, insurance expenses and some City-

wide services such as legislative support, investment advisors and outside auditors. As the graph below shows, expenditures within this section have generally increased to meet the demand for services that the City's growth generates. Although some of these functions generally provide services to other City departments as well as the public, the demand for their services grows as the other departments such as police, fire, parks and public works grow.

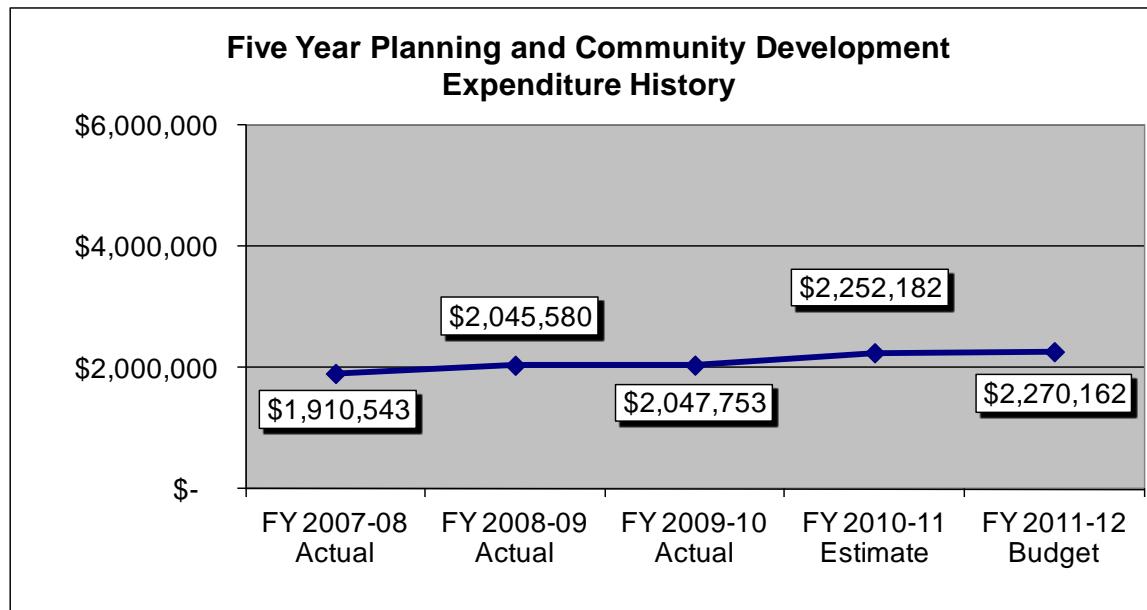
The graph below shows an increase of \$409,005 or 6.8 percent in expenditures in General Government when comparing FY 2007-08 to FY 2011-12. Factors driving this increase include new positions added since FY 2007-08 to meet the growing demand for services. This included an Assistant City Manager, an Emergency Management Coordinator, a Development Coordinator, three library positions including a Librarian, four positions in Human Resources including a director and a customer service specialist, a management and budget coordinator, one purchasing position to continue centralizing purchasing functions in the City, as well as one GIS and two information technology positions to support the City's growing demand for technology. The FY 2011-12 Adopted Budget includes a GIS analyst to increase the capabilities and effort towards implementing GIS throughout other departments.



Five Year Planning and Community Development Expenditure History

The Planning and Community Development function in the City's General Fund includes building inspection, environmental services (animal control, health and sanitation), planning and main street (downtown development). As the graph on the following page shows, expenditures within this section have increased \$359,619 or 18.8 percent since FY 2007-08 – as the City added personnel to meet the demand for services that the City's growth generated. Prior to FY 2008-09, revenues from permits, licenses and inspections increased at a rapid pace as well, as both commercial and residential development drove the community's growth. The City added resources to meet this higher demand. Revenue

collected from permits, licenses and inspections are expected to increase into FY 2011-12 as the construction sector rebounds. In addition, responsibilities pertaining to code enforcement are expected to increase as well. To meet these service demands, the addition of a plans examiner and a code enforcement officer are included in the FY 2011-12 budget.

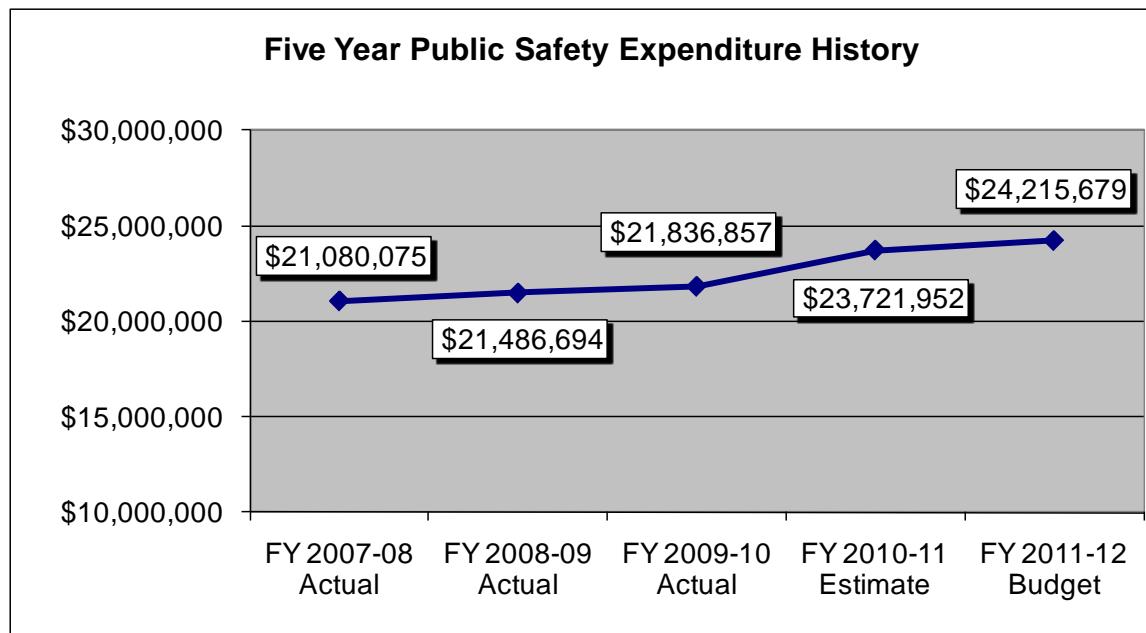


Five Year Public Safety Expenditure History

The General Fund Public Safety expenditures for FY 2007-08 totaled \$21.1 million; for FY 2011-12, the budget for these same functions is \$24.2 million, an increase of \$3.14 million or 14.9 percent. Public Safety includes the City's Police and Fire Departments as well as Municipal Court. Three factors drove this growth, two related to personnel expenditures and the third related to equipment purchases. Over the last five years, vehicles and their associated equipment have been replaced, and in many instances upgraded, to provide personnel the fleet they need to provide services safely and efficiently. The City has purchased a total of 91 police specification vehicles, 13 for new officer positions and 78 replacements. In FY 2007-08, the Fire Department replaced a tanker truck (\$237,000) and a new hazardous materials truck (\$500,000) was added to the fleet.

In FY 2007-08, the City Council approved and funded a market-based compensation study that resulted in significant salary increases for police and fire positions. In two other years, cost-of-living adjustments were authorized by Council. No salary increases occurred in either FY 2008-09 or FY 2009-10; full implementation of the uniform employees step pay plan was postponed because of the impact on the City's revenues from the economic downturn. FY 2010-11 addressed this issue by funding full implementation of that pay plan at an estimated cost of \$975,000.

The Police and Fire Departments have also had significant increases in uniform officers since FY 2007-08. Nineteen sworn officers and 2.5 civilian positions have been added to the Police Department. The positions expanded all areas of their operations and facilitated the creation of a traffic unit and increased focus on juvenile crimes. The Fire Department, during the same time frame, added 21 uniform positions and reduced their civilian force by one position. The new uniform positions include staffing for a new fire station that opened in 2008 as well as additional positions to provide relief for training and when employees are on leave. For the FY 2011-12 Budget, 2 additional dispatcher positions are included to address to growing demands for emergency dispatch services.

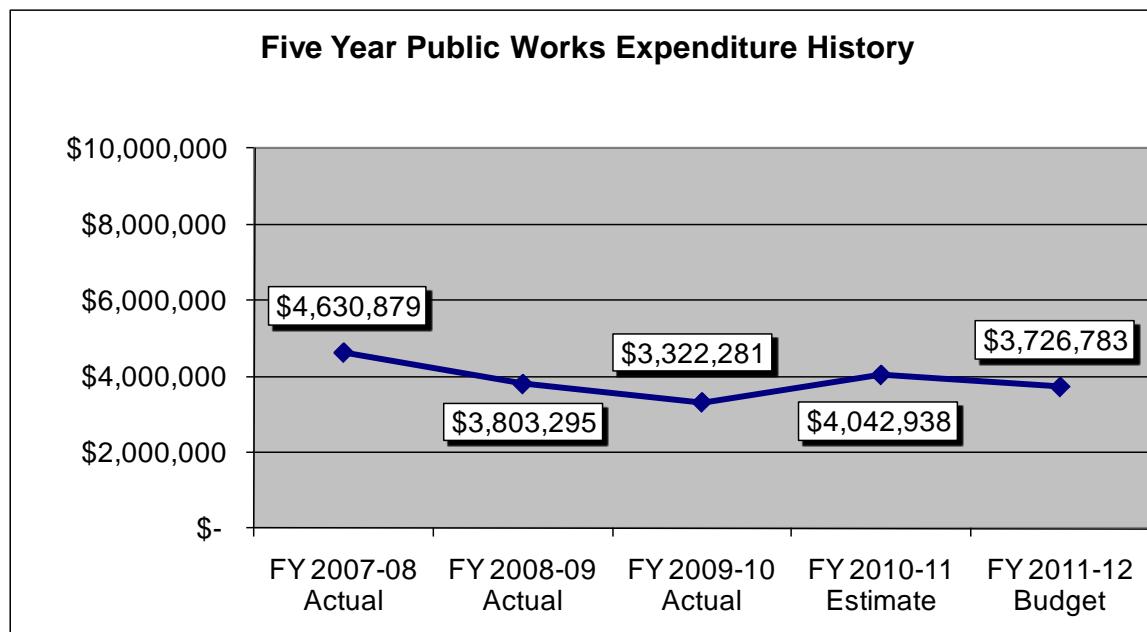


Five Year Public Works Expenditure History

Overall, Public Works expenditures have increased since FY 2007-08; however, changes in funding strategy have impacted general fund spending in this area. In FY 2007-08, the City completed a major expansion and renovation project of the Civic/Convention Center. Prior to completion of the expansion, the costs associated with operations and maintenance of the facility were in the General Fund. Beginning in FY 2008-09, the City made the Civic/Convention Center an enterprise fund, moving \$679,000 in expenditures out of the General Fund. Then, in FY 2009-10, two other changes were implemented that reduced the General Fund cost for public works but did not impact the City's overall expenditures for these important functions. A drainage crew and associated costs were moved to the Stormwater Development Fund (\$330,000) to take advantage of one-time revenues from fees assessed on new development in the community. In addition, engineering staff costs were moved to capital improvement funding since those personnel worked on projects funded through debt (\$268,000). For FY 2010-11, the drainage crew was again funded in the General Fund. \$177,000 in personnel costs was still capitalized. In FY 2011-12, \$275,000 in personnel costs funded with capital improvement funding as

a number of staff continue to work primarily all on debt funded projects. In addition, the implementation of the Stormwater Utility Fund removed all expenses related to drainage out of the General Fund once again, which resulted in a reduction of General Fund expenses of \$609,000. For FY 2011-12, a traffic engineer has been added as a result of new traffic signal responsibilities assumed by the City as a result of officially passing 50,000 in population. Funding for streets maintenance and repair remains at FY 2010-11 levels.

Although not shown in the graph, FY 2005-06 is an important year for comparison of Public Works expenditures. In that year, the City expensed only \$2.8 million in Public Works; by FY 2011-12, the budget totals \$3.73 million reflecting an increase of \$930,000 or 33 percent. In FY 2005-06, the City spent less than \$100,000 for streets and drainage improvements. In contrast, the FY 2011-12 Adopted Budget provides \$1.14 million to support these efforts. In addition, staffing resources have been improved (by upgrading several engineering positions to create a City Engineer and Assistant City Engineer) to manage the City's increased capital improvement program that focuses heavily on streets and drainage improvements. Since FY 2007-08, other positions have been added in Public Works that include two construction inspectors, a sign shop technician and a facilities maintenance manager and foreman.

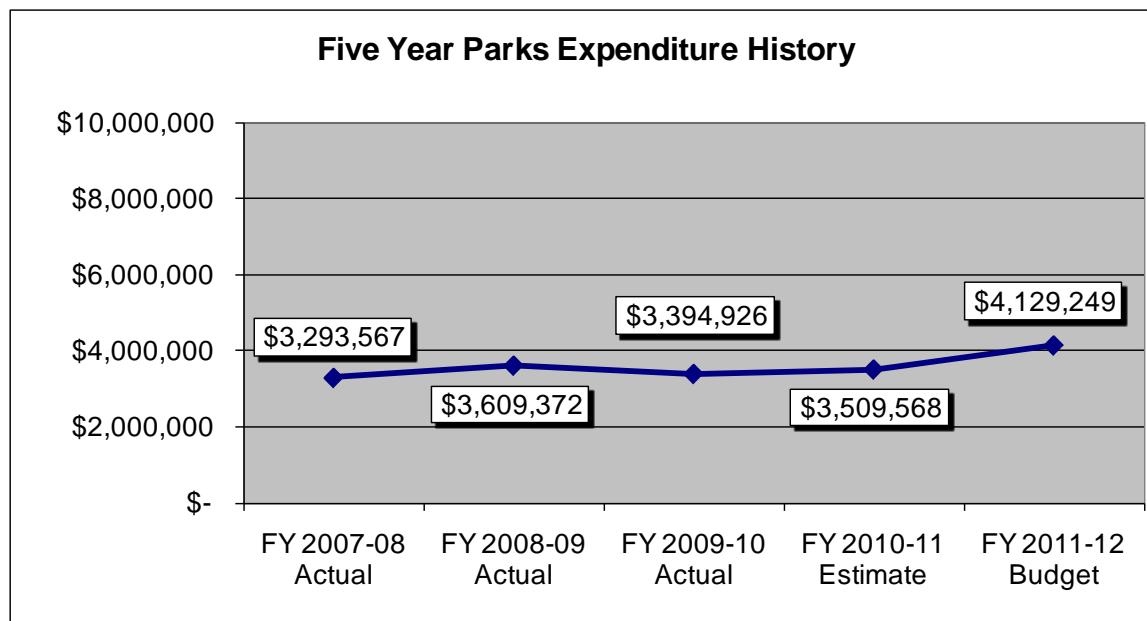


Five Year Parks Expenditure History

Parks expenditures increased significantly from FY 2007-08 to the FY 2011-12, reflecting the City's continued commitment to increase maintenance and parks and recreation programs. In FY 2007-08, the City spent \$3.3 million; the FY 2011-12 Adopted Budget funds \$4.1 million in parks and recreation, an increase of \$836,000 or 25.4 percent. In FY 2011-12, all positions are fully funded. During this time, the City also established a reserve specifically for unexpected parks facilities' maintenance and repair,

providing a total of \$600,000 in funding. These monies were transferred to a separate fund to ensure funds are available if needed. Funding for a litter pick-up contract has been added as well as additional funding for maintenance of Parks infrastructure in addition to the reserves described above. Finally, some additional staffing has been added since FY 2007-08 – an urban forester to manage trees at the City’s historic Landa Park as well as all other parks and City grounds, three maintenance workers and eleven park rangers to provide increased security and service in the parks and on the rivers. Against these increases, a total of nine seasonal positions have been eliminated to bring the actual number of positions closer to the real number of employees hired every year. This reduction focused on aquatics positions. In addition, certain vacancies were not filled immediately in the Parks Department as a result of the economic downturn. In FY 2011-12, funding is provided to install and lease a portable office building to relocate park operations, golf course maintenance and park ranger staff.

During FY 2009-10, the City experienced a major flood event that impacted many of the City’s parks along river fronts. Damage to park facilities included fencing, dams, retaining walls, and bridges. Debris removal was a major effort. Funding for this effort came from the City’s Facilities Maintenance Fund and is estimated to total more than \$1 million.



COMMUNITY PROFILE

New Braunfels is a dynamic and historic Texas community of about 57,740 located on Interstate 35, thirty miles north of San Antonio (the nation's seventh largest city) and forty-five miles south of Austin (the capital of Texas). The population in 2000 was 36,494; so, the City has seen a 58 percent increase in population in the last ten years. For the next five to ten years, the City projects a much more moderate rate of population growth – about 1.7 percent annually. This slow down is a reflection of the expected impact of the economic downturn, which has affected people's mobility and housing purchases.

New Braunfels is the largest city in Comal County and serves as the county seat. The City's geographic corporate boundaries encompass 44.3 square miles. Because of its strategic location between two major cities, New Braunfels has access to a workforce of more than 400,000 as well as 10 colleges and universities within a 30 minute commute. The City attracts businesses and residents interested in living in a smaller city. However, it offers the advantage of proximity to big city attractions and opportunities. This positioning is contributing to the City's strong population and economic growth. Easy accessibility to two major highways – IH10 and IH 35 (a major NAFTA artery) – also promotes New Braunfels strong economic viability.

The City's history is one of the richest in Texas and is cherished by its residents who strive to preserve and protect their heritage that reflects both strong German and Hispanic influences. Often referred to as the "City of a Prince" (because it was founded by Prince Carl of Solms Braunfels), early New Braunfels became an important part of Texas civilization and industry. In the 1960's, the community became more committed to preserving its rich history and this has tied into the strong tourism industry, a major factor in the economy of today's New Braunfels. Visitor attractions abound in New Braunfels and the surrounding area, bringing over two million visitors annually. Central to its economy is the recreational industry generated by the two rivers that bisect the City and by Schlitterbahn, the recipient of top international honors from Amusement Today's Golden Tickets Awards including fourteen consecutive years as World's Best Waterpark.

The City's population demographics include, as indicated, a strong Hispanic population, making up about 35 percent of the current population. About 41 percent of the population is between the ages of 25 and 55 with the median age at 36.9. 85 percent of the population graduated from high school or attained a higher level of education.

Education, health care and social services offer the greatest employment opportunities (at 19 percent) with retail trade (15 percent) and tourism (11 percent) running close behind. Major employers include the school district, The Scooter Store (which provides mobility to individuals in need of mechanized mobility assistance), and the Wal-Mart Distribution Center. The median home value is about \$160,000 and the median household income in 2008 was \$53,471. Per capita income for the same time period was \$25,503. The median family income was \$62,333. About 13 percent of the population is below the poverty level.

As provided in its Home Rule Charter, a Mayor and a six-member City Council govern the City of New Braunfels. The Mayor is elected at large while the remaining Council members represent six Council districts of the City. All policy making decisions are vested in the City Council. Among other duties, the City Council appoints a City Manager who directs the day-to-day operations of the City under guidelines and policies of the City Charter, and the City Council develops the annual budget. Each Council member is elected for a three-year term on a staggered basis. The City Charter limits service to two consecutive terms of office, and not more than three total terms in a lifetime.

The City of New Braunfels is a full service municipal organization that provides a full range of services including police and fire protection; emergency response services; solid waste service and recycling; maintenance of streets and infrastructure; recreational activities; library services; planning and development services; code enforcement and animal control; river management; golf course management; a municipal court; a system of municipal parks; and a regional airport.

The City also has the New Braunfels Industrial Development Corporation (NBIDC), a non-profit corporation that was formed to administer a special 3/8¢ sales tax for economic development. The New Braunfels Utility (NBU) is a City-owned water, wastewater and electric utility serving the City of New Braunfels and some of the surrounding area. The City appoints these board members as well and approves NBU's budget and any proposed debt issuance.

City of New Braunfels
Census Data Comparison
POPULATION AND ETHICITY

2000 Data

	Number	Percent
Total population	36,494	100.0
Male	17,472	47.9
Female	19,022	52.1
Under 5 years	2,574	7.1
5 to 9 years	2,596	7.1
10 to 14 years	2,659	7.3
15 to 19 years	2,512	6.9
20 to 24 years	2,117	5.8
25 to 34 years	5,164	14.2
35 to 44 years	5,200	14.2
45 to 54 years	4,605	12.6
55 to 59 years	1,548	4.2
60 to 64 years	1,364	3.7
65 to 74 years	2,772	7.6
75 to 84 years	2,361	6.5
85 years and over	1,022	2.8
Median age (years)	36.2	(X)
18 years and over	27,125	74.3
Male	12,722	34.9
Female	14,403	39.5
21 years and over	25,755	70.6
62 years and over	6,936	19.0
65 years and over	6,155	16.9
Male	2,362	6.5
Female	3,793	10.4
Ethnicity		
One Ethnicity	35,675	97.8
White	30,763	84.3
Black or African American	501	1.4
American Indian and Alaska Native	201	0.6
Asian	211	0.6
Native Hawaiian and Other Pacific Islander	11	0.0
Ethnicity alone or in combination with one or more other Ethnicities		
White	31,500	86.3
Black or African American	601	1.6
American Indian and Alaska Native	350	1.0
Asian	305	0.8
Native Hawaiian and Other Pacific Islander	26	0.1
Some other Ethnicity	4,555	12.5
HISPANIC OR LATINO AND Ethnicity		
Hispanic or Latino (of any Ethnicity)	12,599	34.5
Mexican	9,308	25.5
Puerto Rican	65	0.2
Cuban	7	0.0
Other Hispanic or Latino	3,219	8.8
Not Hispanic or Latino	23,895	65.5
White alone	22,793	62.5

2010 Data

	Number	Percent
Total population	57,740	100
Male	27,743	48
Female population	29,997	52
Under 5 years	4,320	7.5
5 to 9 years	4,456	7.7
10 to 14 years	4,367	7.6
15 to 19 years	3,840	6.7
20 to 24 years	3,211	5.6
25 to 29 years	4,069	7
30 to 34 years	4,080	7.1
35 to 39 years	4,196	7.3
40 to 44 years	3,884	6.7
45 to 49 years	3,833	6.6
50 to 54 years	3,520	6.1
55 to 59 years	3,175	5.5
60 to 64 years	2,895	5
65 to 69 years	2,190	3.8
70 to 74 years	1,730	3
75 to 79 years	1,557	2.7
80 to 84 years	1,155	2
85 years and over	1,262	2.2
Median age (years)	35.6	(X)
16 years and over	43,747	75.8
18 years and over	42,056	72.8
21 years and over	40,153	69.5
62 years and over	9,594	16.6
65 years and over	7,894	13.7
Ethnicity		
One Ethnicity	56,429	97.7
White	50,132	86.8
Black or African American	1,081	1.9
American Indian and Alaska Native	385	0.7
Asian	595	1
Native Hawaiian and Other Pacific Islander	24	0
Ethnicity alone or in combination with one or more other Ethnicities		
White	51,299	88.8
Black or African American	1,366	2.4
American Indian and Alaska Native	689	1.2
Asian	852	1.5
Native Hawaiian and Other Pacific Islander	92	0.2
Some Other Ethnicity	4,815	8.3
HISPANIC OR LATINO		
Total population	57,740	100
Hispanic or Latino (of any Ethnicity)	20,230	35
Mexican	17,492	30.3
Puerto Rican	295	0.5
Cuban	81	0.1
Other Hispanic or Latino	2,362	4.1
Not Hispanic or Latino	37,510	65
White alone	35,132	60.8

City of New Braunfels
Census Data Comparison
RELATIONSHIPS AND HOUSEHOLDS

2000 Data

RELATIONSHIP		
Total population	36,494	100.0
In households	35,316	96.8
Householder	13,558	37.2
Spouse	7,508	20.6
Child	10,669	29.2
Own child under 18 years	8,265	22.6
Other relatives	2,108	5.8
Under 18 years	920	2.5
Nonrelatives	1,473	4.0
In group quarters	1,178	3.2
Institutionalized population	819	2.2
Noninstitutionalized population	359	1.0
 HOUSEHOLDS BY TYPE		
Total households	13,558	100.0
Family households (families)	9,599	70.8
With own children under 18 years	4,527	33.4
Married-couple family	7,508	55.4
With own children under 18 years	3,328	24.5
Female householder, no husband present	1,565	11.5
With own children under 18 years	922	6.8
Nonfamily households	3,959	29.2
Householder living alone	3,360	24.8
Householder 65 years and over	1,626	12.0
Households with individuals under 18 years	5,019	37.0
Households with individuals 65 years and	3,953	29.2
Average household size	2.60	(X)
Average family size	3.11	(X)
 HOUSING OCCUPANCY		
Total housing units	14,896	100.0
Occupied housing units	13,558	91.0
Vacant housing units	1,338	9.0
For seasonal, recreational, or occasional	250	1.7
Homeowner vacancy rate (percent)	1.4	(X)
Rental vacancy rate (percent)	11.2	(X)
 HOUSING TENURE		
Occupied housing units	13,558	100.0
Owner-occupied housing units	8,735	64.4
Renter-occupied housing units	4,823	35.6
Average household size of owner-occupied	2.69	(X)
Average household size of renter-occupied	2.45	(X)

2010 Data

RELATIONSHIP		
Total population	57,740	100
In households	56,800	98.4
Householder	21,259	36.8
Spouse	11,401	19.7
Child	17,881	31
Own child under 18 years	13,862	24
Other relatives	3,563	6.2
Under 18 years	1,553	2.7
Nonrelatives	2,696	4.7
In group quarters	940	1.6
Institutionalized population	666	1.2
Noninstitutionalized population	274	0.5
 HOUSEHOLDS BY TYPE		
Total households	21,259	100
Family households (families)	15,054	70.8
With own children under 18 years	7,316	34.4
Husband-wife family	11,401	53.6
With own children under 18 years	5,271	24.8
Female householder, no husband present	2,661	12.5
With own children under 18 years	1,530	7.2
Nonfamily households	6,205	29.2
Householder living alone	5,047	23.7
65 years and over	2143	2.1
Households with individuals under 18 years	8,123	38.2
Households with individuals 65 years and	5,549	26.1
Average household size	2.67	(X)
Average family size	3.18	(X)
 HOUSING OCCUPANCY		
Total housing units	23,381	100
Occupied housing units	21,259	90.9
Vacant housing units	2,122	9.1
For seasonal, recreational, or occasional	710	3
Homeowner vacancy rate (percent)	1.9	(X)
Rental vacancy rate (percent)	7.6	(X)
 HOUSING TENURE		
Occupied housing units	21,259	100
Owner-occupied housing units	14,157	66.6
Renter-occupied housing units	7,102	33.4
Average household size of renter-occupied	2.48	(X)
Average household size of owner-occupied	2.77	(X)

ECONOMIC CONDITION AND OUTLOOK

In the ten years prior to FY 2010-11 (the prior fiscal year), the City of New Braunfels enjoyed a very robust, high growth period. Population grew at an average annual rate of 4.4 percent. Property values increased an average of 12 percent annually. Sales tax growth averaged 13.9 percent annually over the same period, both from major new businesses attracted through economic development agreements as well as general retail growth. The City, during that same time frame, attracted some major business generators, positively affecting the City's property tax revenue.

As with most areas around the country, New Braunfels has been impacted by the current economic climate. Sales tax in FY 2009-10 was 1.8 percent below the prior fiscal year. FY 2010-11 sales tax rebounded in January 2010 and may exceed the FY 2009-10 experience by several percent. Although existing property values dropped slightly in FY 2009-10, new property gave the City an overall growth in property values of 2.9 percent that year. For FY 2010-11, property values showed an overall decline of just less than 1 percent. Given the experience of many other communities around the nation, New Braunfels has been much less severely impacted. Other revenue remains fairly flat but permit activity has increased in the last six months, providing some optimism for FY 2011-12.

The City also recognizes the value of commercial development to its economic base and continues to encourage commercial growth that will be beneficial to the tax base and support the citizens' needs. Recently, a major employer in the City – the Scooter Store – expanded their facilities and workforce, creating 500 new jobs. Ashley Furniture located and then expanded a distribution center (adding 150 jobs to the existing 200) in the City and Home Depot Supply sited a new contractor sales facility within the City. These two developments had a very positive impact on the City's sales tax revenue. Most recently, a million plus square foot retail facility began construction in the City. The City created a tax increment reinvestment zone (TIRZ) to provide economic assistance to that development. The final build-out will include major retailers, a movie theater, a hospital and potentially other medical facilities. The current economic climate has impacted this development, slowing the rate of retail space construction. However, the City and the developer continue to explore ways to make this project thrive. A pool manufacturer recently moved its headquarters to New Braunfels and another major mixed use (retail, residential and office space) project has begun development. As stated, the retail developments have been impacted by the recent economic downturn; however, the projections are for the ultimate build out to be achieved, but in a longer time frame than originally planned. The City's industrial development corporation has funding available to offer incentives for businesses to choose New Braunfels, a plus in today's economy.

The long-term economic outlook for the New Braunfels area is positive. National recessions have historically impacted New Braunfels less than other areas of the country and Texas and the area rebounded more quickly from any negative impacts seen. This is the expectation for the current economic downtown. Advantages for the community's economic stability and growth include: the close proximity to both San Antonio and

Austin; the IH 35 Corridor; the availability of choice industrial sites throughout the City; and the strong tourism sector of the economy. The City expects tourism to remain strong because New Braunfels offers great attractions at reasonable prices. Visitors can enjoy local dining, shopping, the “world’s best” water park (Schlitterbahn), and river activities in and along the two rivers running through the heart of the community.

*GENERAL
FUND*

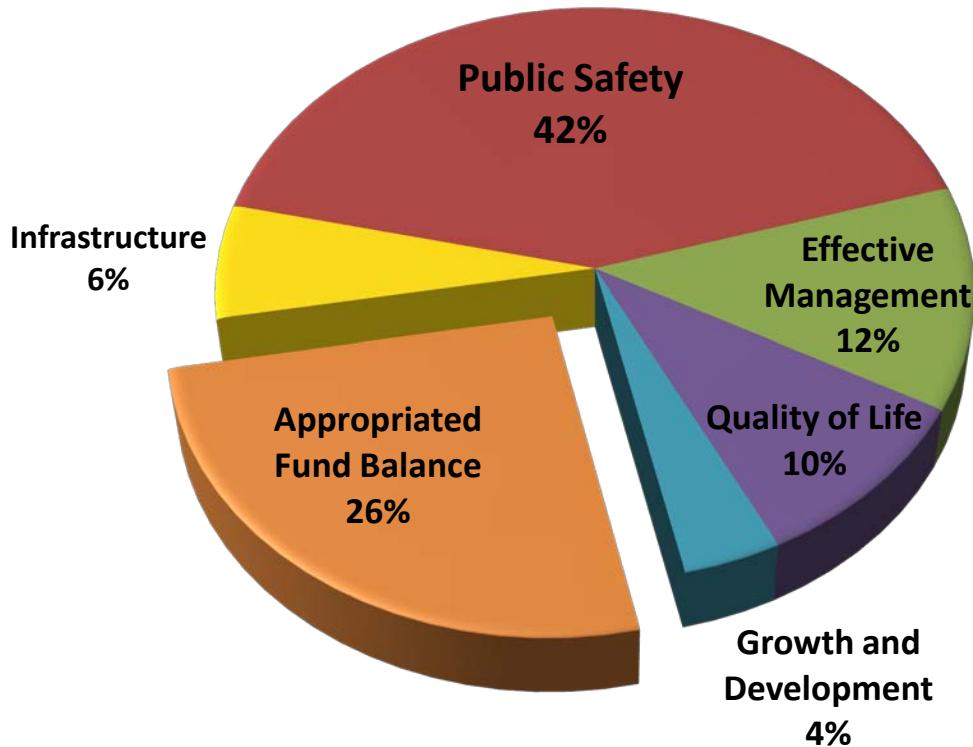
General Fund**Fiscal Year Ending September 30, 2012**

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 17,884,995	\$ 19,804,407	\$ 18,030,974
Revenue			
Property Tax	\$ 10,837,830	\$ 10,137,000	\$ 10,387,825
Sales Tax	12,222,871	12,978,000	13,367,000
Other Taxes and Franchise Fees	7,227,378	7,520,782	7,302,200
Licenses and Permits	1,482,248	1,606,980	1,659,775
Charges for Services	2,989,549	2,959,120	2,995,420
Fines and Forfeitures	1,182,871	1,660,700	1,461,590
Parks and Recreation	898,367	889,200	899,200
Interest Income	88,912	96,000	96,000
Intergovernmental	37,694	-	-
Miscellaneous	887,162	1,204,200	1,025,200
Interfund Transfers	702,850	638,812	635,906
Total Revenue	\$ 38,557,732	\$ 39,690,794	\$ 39,830,116
TOTAL AVAILABLE FUNDS	\$ 56,442,727	\$ 59,495,201	\$ 57,861,089
APPROPRIATIONS			
General Government	\$ 4,110,922	\$ 4,560,612	\$ 4,858,951
Planning and Community Development	2,047,753	2,252,182	2,270,162
Public Safety			
Police	10,387,659	11,649,766	11,963,615
Fire	10,495,865	11,501,625	11,825,992
Municipal Courts	603,170	570,561	426,072
Public Works	3,322,281	4,042,938	3,726,783
Parks and Recreation	3,394,926	3,509,568	4,129,249
Library	1,425,045	1,420,689	1,534,848
Interfund Transfers	850,700	1,956,286	2,497,349
TOTAL OPERATING APPROPRIATIONS	\$ 36,638,320	\$ 41,464,227	\$ 43,233,020
Ending Fund Balance	\$ 19,804,407	\$ 18,030,974	\$ 14,628,070
TOTAL APPROPRIATIONS	\$ 56,442,727	\$ 59,495,201	\$ 57,861,090

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
City Council	\$ 25,466	\$ 22,323	\$ 157,274
City Attorney	501,998	476,029	512,027
City Manager	553,743	534,375	644,203
Emergency Management	-	112,758	100,773
City Secretary	274,719	245,443	247,218
Total Administration	\$ 1,355,926	\$ 1,390,928	\$ 1,661,495
Human Resources	549,307	565,430	611,076
Support Services	648,589	737,618	827,114
Information Technology	563,263	589,409	642,370
GIS	133,199	208,741	272,896
Total Support Services, IT and GIS	\$ 1,345,051	\$ 1,535,768	\$ 1,742,380
Planning and Community Development			
Planning	608,015	810,837	711,304
Environmental Services	662,764	695,855	754,930
Building Inspection	636,954	642,461	704,790
Main Street	140,021	103,029	99,139
Total Planning and Community Development	\$ 2,047,753	\$ 2,252,182	\$ 2,270,162
Police			
Administration	728,491	662,121	1,200,633
Patrol	6,438,111	7,433,756	6,937,013
Criminal Investigations	1,592,766	1,828,823	1,949,306
Support Services	1,628,291	1,725,066	1,876,662
Total Police	\$ 10,387,659	\$ 11,649,766	\$ 11,963,615
Municipal Courts	\$ 603,170	\$ 570,561	\$ 426,072
Fire			
Operations	9,096,800	9,947,038	10,649,878
Support Services	1,399,065	1,554,587	1,176,114
Total Fire	\$ 10,495,865	\$ 11,501,625	\$ 11,825,992
Public Works			
Engineering	571,908	777,908	784,231
Streets	2,406,611	2,359,848	2,607,652
Drainage	-	575,436	-
Facilities Maintenance	343,763	329,746	334,900
Total Public Works	\$ 3,322,281	\$ 4,042,938	\$ 3,726,783
Parks			
Administration	725,358	728,080	794,141
Recreation	281,090	329,267	368,404
Aquatics	421,003	430,737	527,275
Rangers	176,566	177,883	202,072
Maintenance	1,627,727	1,652,850	2,050,650
Athletics	163,182	190,751	186,707
Total Parks	\$ 3,394,926	\$ 3,509,568	\$ 4,129,249

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Library	\$ 1,425,045	\$ 1,420,689	\$ 1,534,848
Non-Departmental - General Government	\$ 860,638	\$ 1,068,486	\$ 1,104,000
Non-Departmental - Public Works	-	-	-
Non-Departmental - Public Safety	-	-	-
Non-Departmental - Parks	-	-	-
Operating Transfers	850,700	1,956,286	2,497,349
Contingencies	-	-	(260,000)
Total Non-Departmental	\$ 1,711,337	\$ 3,024,772	\$ 3,341,349
Total General Fund	\$ 36,638,320	\$ 41,464,227	\$ 43,233,020

General Fund Appropriations by Strategic Priority



Strategic Priority	Allocation
Public Safety	\$24,215,678
Effective Management	\$7,356,299
Quality of Life	\$5,664,097
Growth and Development	\$2,270,162
Infrastructure	\$3,726,783
Appropriated Fund Balance	\$14,628,070
Total	\$57,861,089

FUND BALANCE

ENDING FUND BALANCE General Fund: 101

Program Description:

The FY 2011-12 Budget includes \$14,628,070 as an ending fund balance for the General Fund. This amount will be held as an operating reserve. However, since these funds are not appropriated, they are available if some extraordinary event would require their use. Because the City has some dependence on tourism and the revenue generated from these types of activities, the City, by policy, maintains an operating reserve of at least 25 percent of the budgeted expenditures for the General Fund. For planning and budgeting purposes, over the last five years, the City Council has adopted a budget that includes a 35 percent fund balance reserve.

Appropriations:

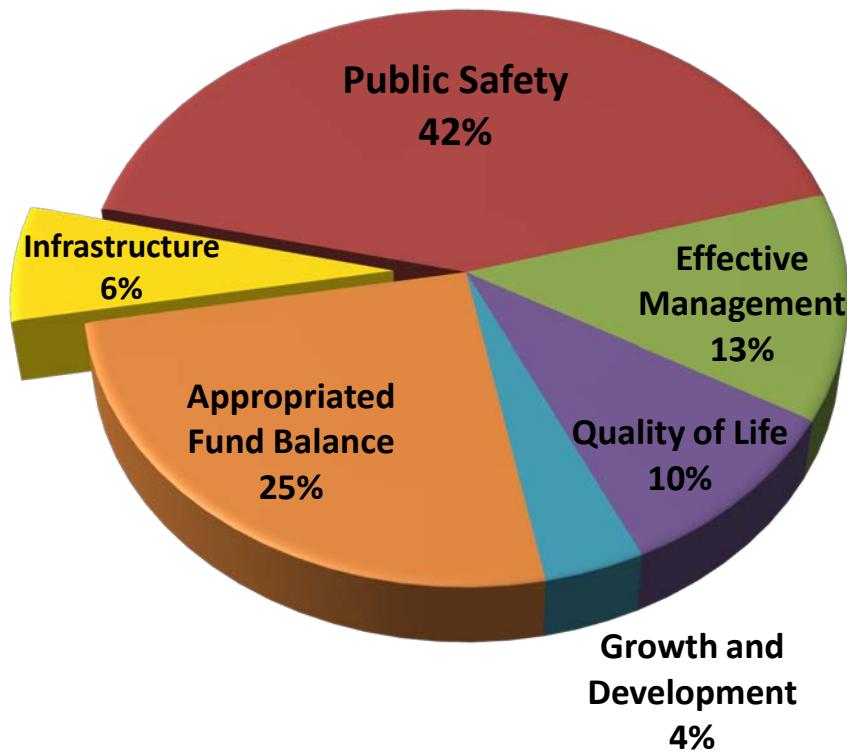
	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Ending Fund Balance	\$19,804,407	\$18,030,974	\$14,628,070
Total Appropriations	\$19,804,407	\$18,030,974	\$14,628,070

Program Justification and Fiscal Analysis:

The City Council has set a policy to maintain a General Fund fund balance equal to at least 25 percent of the budgeted expenditures in this fund. The FY 2011-12 Budget includes an ending balance that exceeds that requirement to protect the City's debt rating and maintain financial stability. The \$14,628,070 fund balance represents 33.8 percent of the budgeted expenditures in the General Fund. Bond rating agencies strongly prefer steady or increasing fund balances but the City needed to keep all the requirements in balance. Six years earlier, the fund balance was 65 percent of expenditures and considered much higher than necessary by normal standards. As mentioned above, the City Council set a policy to keep fund balance levels at a minimum of 25 percent of budgeted expenditures and the City started reducing the fund balance. The current practice is to maintain a fund balance of 35 percent to maintain the current debt rating and to protect the City from unexpected financial requirements. Therefore, mitigating this decline is critical to the City's debt rating on future Certificates of Obligation.

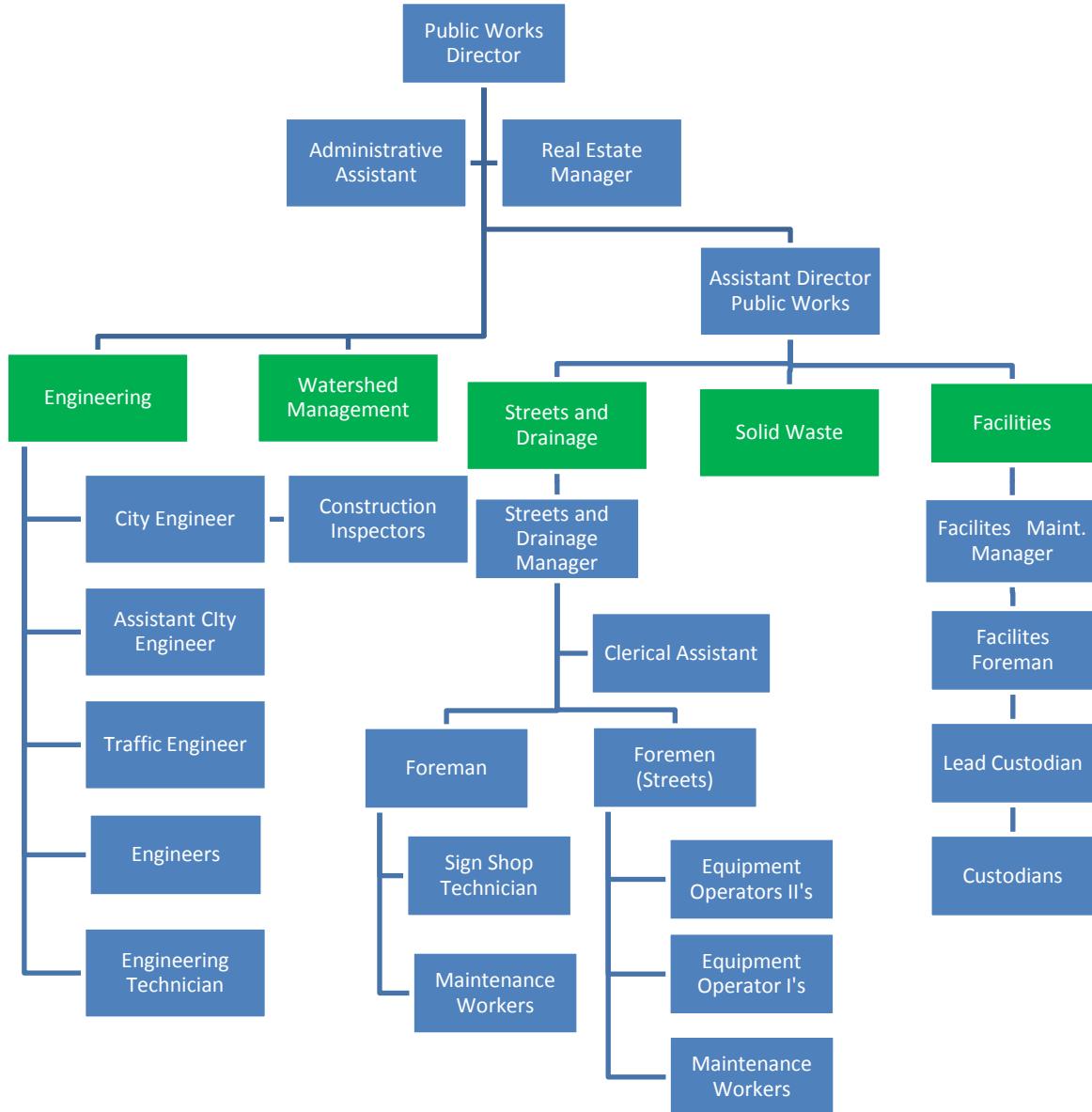
The City has, over the last several years, transferred funds from the General Fund into the Facilities Maintenance Fund and the Equipment Replacement Fund. The Facilities Maintenance Fund is used to pay for extraordinary or unexpected maintenance and repairs for City buildings and parks, as occurred with the June 2010 flood. Since the source of the funds is the General Fund and the Council could, at any time, re-prioritize those funds for other uses, the fund balance available in the Facilities Maintenance Fund is considered part of the available funds to meet the City's current goal of a 35 percent fund balance. Including the FY 2011-12 Ending Fund Balance in that fund, the City brings the fund balance percentage to 35.04 percent. The Equipment Replacement Fund is used to purchase replacement vehicles. Much of its funding also comes from the General Fund. However, since this has a much more specific purpose, staff does not include its available fund balance in the calculation.

General Fund Appropriations by Strategic Priority



INFRASTRUCTURE

PUBLIC WORKS DEPARTMENT



Mission:

To serve the community and make New Braunfels great by being responsive in providing extraordinary capital project management, engineering, field maintenance and waste collection services while respecting the unique heritage of the City and balancing the challenges of an aging infrastructure and continued population growth.

Vision:

A satisfied, healthy and livable community through responsive customer service, department reliability, respect for our unique heritage and natural environment and efficient and cost effective use of resources.

Goals/Objectives:

1. Improve employee productivity and satisfaction through effective team development.
2. Enhance positive community perception through improved information access, friendly service and prompt professional response.
3. Provide cost effective services and management of all departmental and City resources.
4. Facilitate the prompt application of City policy.
5. Continue enhancements of operations and project management to improve efficiencies.
6. Promote, train and retain highly competent staff dedicated to serving the needs of the City.
7. Enhance interdepartmental support activities to improve City-wide efficiencies.

Action Items FY 2011-12***• Implement long-range capital improvement program (CIP) projects***

Public Works staff manages all streets and drainage capital improvement projects to ensure timely completion within budgeted funds. Activities include technical assistance for plan updates, design, bidding and construction management, right-of-way assistance and other services as required.

• Manage projects based on street condition survey

Engineering staff updates the street condition project schedule annually. Streets and drainage staff manages projects based on project priority and schedules. Periodic updates are accomplished to establish new priorities based on field observations and changing needs.

• Enhance the process for acquiring professional services to effectively implement the CIP program

Engineering will process contract extensions with local consultants to facilitate timely design services on streets and drainage projects and will process other selections based on qualifications for larger projects or projects requiring specialized services.

• Implement comprehensive stormwater utility and stormwater fees; Develop stormwater runoff regulations; Revise ordinances to address building in floodway and floodplain

Staff will continue to provide support for development and revisions to stormwater runoff regulations and revisions to address building in the floodway and floodplain. Staff will also support implementation of stormwater utility fees and administration of the program.

- *Continue to develop proactive programs for traffic control*
Engineering will contract out necessary consultant services to provide limited traffic planning and engineering support and the streets division will be taking over maintenance for 41 devices from TXDOT.
- *Improve facilities in which employees work*
Facilities Maintenance staff will be responsive to work requests to improve the facilities in which employees work.
- *Preserve and improve our open space*
Real estate services will assist in purchasing open space and floodplain properties as parcels and funding are identified.
- *Implement railroad quiet zones*
Administer construction on phase one of the railroad quiet zone project and design subsequent phases as funding becomes available.

Department Description:

The Public Works Department is under the direction of the Public Works Director and includes the following divisions: Engineering, including real estate services; Streets and Drainage; Facilities Maintenance; Solid Waste; Stormwater Utility (presented with the other enterprise funds); and Water Resource Management, which includes river operations.

Engineering:

The Engineering Division provides management and guidance for City capital improvement projects, residential and commercial development reviews, utility coordination, drainage management and many other engineering related functions. The division is led by the City Engineer and provides engineering support for Parks and Recreation, Airport and other City departments. Major projects now under design or construction being managed by the Engineering Division include the Walnut Avenue Widening project, the North and South Tributary Regional Flood Control projects, parks and recreation projects and a number of other street and drainage projects. To properly manage City projects, the Engineering Division is continuing to utilize and further develop the City's program management system to streamline effective project management.

Real estate management is also a key function of the department. Property acquisitions associated with streets and drainage projects and other City property purchases and leases are coordinated by the City's Real Estate Manager. In FY 2008-09, the City hired a Real Estate Manager to bring in-house the real estate acquisition function, thus saving contracted services costs. In addition, having this expertise in-house assists the City in timely response to real estate issues. In FY 2008-09, the position was fully funded from the 2004 Certificates of Obligation as this position worked on property acquisition for the Walnut Avenue Widening project. As the City's needs continue to diversify, the funding for this position is changing. One-half of the cost of this position is funded in the 2009 Certificates of Obligation for FY 2011-12, with the remaining half funded through the General Fund in the Public Works Department.

Streets:

The Streets Division is responsible for maintaining and repairing streets, traffic signals, pavement markings and signs throughout the City. The City currently maintains an estimated 310 miles of streets, which has increased approximately 20 percent over the last 10 years. Although City growth has slowed in recent years, aging infrastructure will continue to place significant demands on this division to maintain safe roadways for citizens' use and protection. The Streets

Maintenance Program prioritizes maintenance activities based on actual street conditions. The flood of June 2010 also highlighted drainage needs throughout the City. Projects are scheduled to be constructed with internal resources and outside contractors to ensure efficient use of public funds and are coordinated with New Braunfels Utilities activities. Another factor affecting workload will be the Texas Department of Transportation's transfer of signal maintenance to the City, due to population levels exceeding 50,000. There will be more signal maintenance, and engineering will take on responsibility for signal warrant studies and other traffic-related engineering.

Drainage:

The Drainage Division is responsible for maintaining and repairing drainage facilities throughout the City. City growth continues to place significant demands on the Drainage Division to maintain drainage for citizens' use and protection. Staff is responsible for vegetation control in drainage structures and easements as well as completing small drainage project improvements. In FY 2011-12, the Drainage Division is funded in the Stormwater Utility Fund.

Facilities Maintenance:

The Facilities Maintenance Division maintains and repairs many City buildings, including City Hall, the Library, Police and Municipal Courts building, golf course buildings, and the Parks and Recreation office building. Work activities include janitorial support, light remodeling, heating, ventilation and air conditioning, plumbing and electrical general work and heavy maintenance coordination. This work ensures that employees and citizens have a comfortable and productive work environment.

Water Resource Management:

In FY 2008-09, the water resource management function moved under Public Works. This includes management of the City's recreational activities along the Comal and Guadalupe Rivers. The costs for this effort are budgeted in the River Activities Fund, a Special Revenue Fund (described elsewhere in this document). The City is also the host to Comal Springs, a major water source for not only New Braunfels but other cities and counties downstream. These springs are a key natural resource that influences many of the region's water decisions. New Braunfels is very active in regional water activities. Public Works staff has the experience and expertise and represents the City's interests in regional water planning.

Performance Measures:

	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
<u>Engineering:</u>			
Subdivision plans reviewed within 30 days of receipt	100%	100%	100%
Permits reviewed within 10 days of receipt	100%	100%	100%
<u>Streets:</u>			
Miles of roadway repaired	4	4	4
Signs installed	3,000	3,000	3,000
Miles of Roadway Maintained	280	299	310
<u>Drainage:</u>			
Acres of right-of-way mowed	185	185	188

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$1,576,724	\$2,096,159	\$1,805,489
Operations Expense	1,697,584	1,946,779	1,878,619
Capital Expense	47,974	0	42,675
<i>Total Appropriations</i>	\$3,322,281	\$4,042,938	\$3,726,783

Program Justification and Fiscal Analysis:

The FY 2011-12 Public Works Budget reflects an overall decrease in comparison to FY 2010-11 estimates because all costs associated with the Drainage Division have moved to the Stormwater Utility Fund. This represents a difference in employee expenses and operations expenses of \$787,573.

For all other divisions in Public Works, the employee expense appropriation increases in comparison to FY 2010-11 as all positions are fully funded. In FY 2010-11, positions were held open to achieve savings to reduce the overall expenditures for that year in reaction to the continued economic downturn. As in FY 2010-11, the Real Estate Manager is 50 percent funded in the 2009 Certificates of Obligation Capital Improvement Fund. All salary and benefits costs for the Assistant City Engineer and one Construction Inspector have been charged to capital funds associated with the Walnut Avenue Widening Capital Improvement Project as these two individuals work exclusively on this project. In addition, the annual cost of one Construction Inspector has been charged to other capital improvement funds as this individual will focus entirely on inspecting these important projects. These funding measures constitute a total General Fund savings of \$275,288. The Facilities Maintenance Manager is fully funded in FY 2011-12 Budget in the Facilities Maintenance Fund, which results in a General Fund savings of \$76,176.

Operations expenses for FY 2011-12 have decreased in comparison to the FY 2010-11 Budget as well because of the Drainage Division's change in funding. However, a slight increase in these expenditures occurs in FY 2011-12 (in comparison to FY 2010-11) in the other divisions, mainly due to professional services costs for small street improvement projects. In addition, fuel projections have been increased by 10 percent from FY 2010-11 estimates to provide funding for the fluctuation in gasoline prices.

Capital funding is allocated in FY 2011-12 to provide a vehicle for the signal technician that is currently on staff (\$20,000) and a new plotter for the sign shop (\$12,500). The current plotter is inoperable and if not replaced would result in increased service costs for sign fabrication. \$10,175 is provided to purchase equipment to support the traffic signal maintenance program.

The FY 2011-12 Budget includes one program change for Public Works. One Traffic Engineer position is authorized and funded for nine months for a total General Fund cost of \$97,500 (including salary and benefits) to meet TXDOT requirements. The City's current population has passed the threshold of 50,000. TXDOT requires that any city with over 50,000 population have traffic signal oversight, maintenance and repair. Overseeing traffic signal infrastructure will increase workload and require an engineer that possesses a background capable of dealing with the various issues which will be new to the organization.

The FY 2011-12 Budget includes a total of sixteen Equipment Operator positions in Public Works, some in the General Fund – Streets Division and some in the Stormwater Utility Fund – both Equipment Operator I's and Equipment Operator II's. With the budget, Public Works has the flexibility to promote and/or hire individuals based on their skills, qualifications and certifications into either an Equipment Operator I or II position. They are not restricted by the ten Equipment Operator I or six Equipment Operator II positions authorized here. This may result in more or less Equipment Operator I and/or Equipment Operator II positions than shown in the budget. As long as the total number of Equipment Operator positions does not exceed sixteen, the number of Equipment Operator I and Equipment Operator II's can change

Authorized Positions:

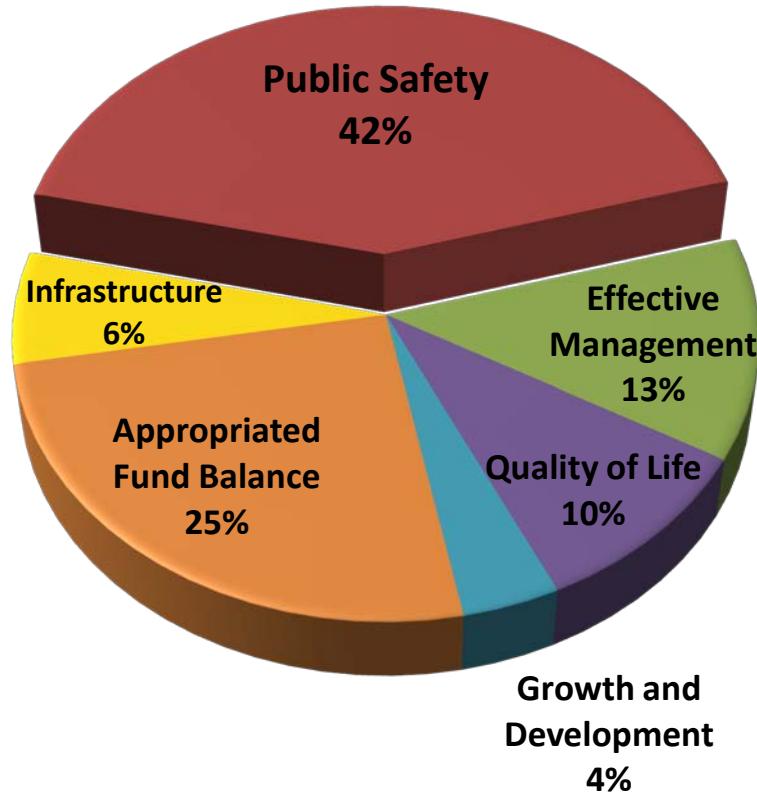
	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<i>Engineering:</i>			
Public Works Director	1	1	1
Assistant City Engineer	1	1	1
Assistant Director of Public Works*	.5	.5	.5
Administrative Assistant	1	1	1
City Engineer	1	1	1
Traffic Engineer	0	0	1
Construction Inspector	2	3	3
Engineer	2	2	2
Engineering Technician	1	1	1
Lead Construction Inspector	1	0	0
Real Estate Manager	<u>1</u>	<u>1</u>	<u>1</u>
Subtotal – Engineering	11.5	11.5	12.5
<i>Streets:</i>			
Clerical Assistant	1	1	1
Equipment Operator I	4	4	4
Equipment Operator II	6	6	6
Foreman	2	2	2
Maintenance Worker	3	2	2
Sign Shop Technician	1	1	1
Streets and Drainage Manager	1	1	1
Traffic Signal Technician	<u>0</u>	<u>1</u>	<u>1</u>
Subtotal - Streets	18	18	18
<i>Drainage:</i>			
Equipment Operator I	5	5	0
Foreman	1	1	0
Maintenance Worker	<u>1</u>	<u>1</u>	<u>0</u>
Subtotal - Drainage	7	7	0

Authorized Positions (continued):	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<u>Facilities Maintenance:</u>			
Custodian	3	3	3
Facilities Foreman	1	1	1
Facilities Manager**	1	0	0
Lead Custodian	<u>1</u>	<u>1</u>	<u>1</u>
Subtotal - Facilities Maintenance	6	5	5
Total Authorized Positions	42.5	42.5	35.5

* 50 percent of the costs associated with the Assistant Director of Public Works are charged to the Solid Waste Fund Budget.

** All costs associated with the Facilities Manager are charged to the Facilities Maintenance Fund in FY 2011-12.

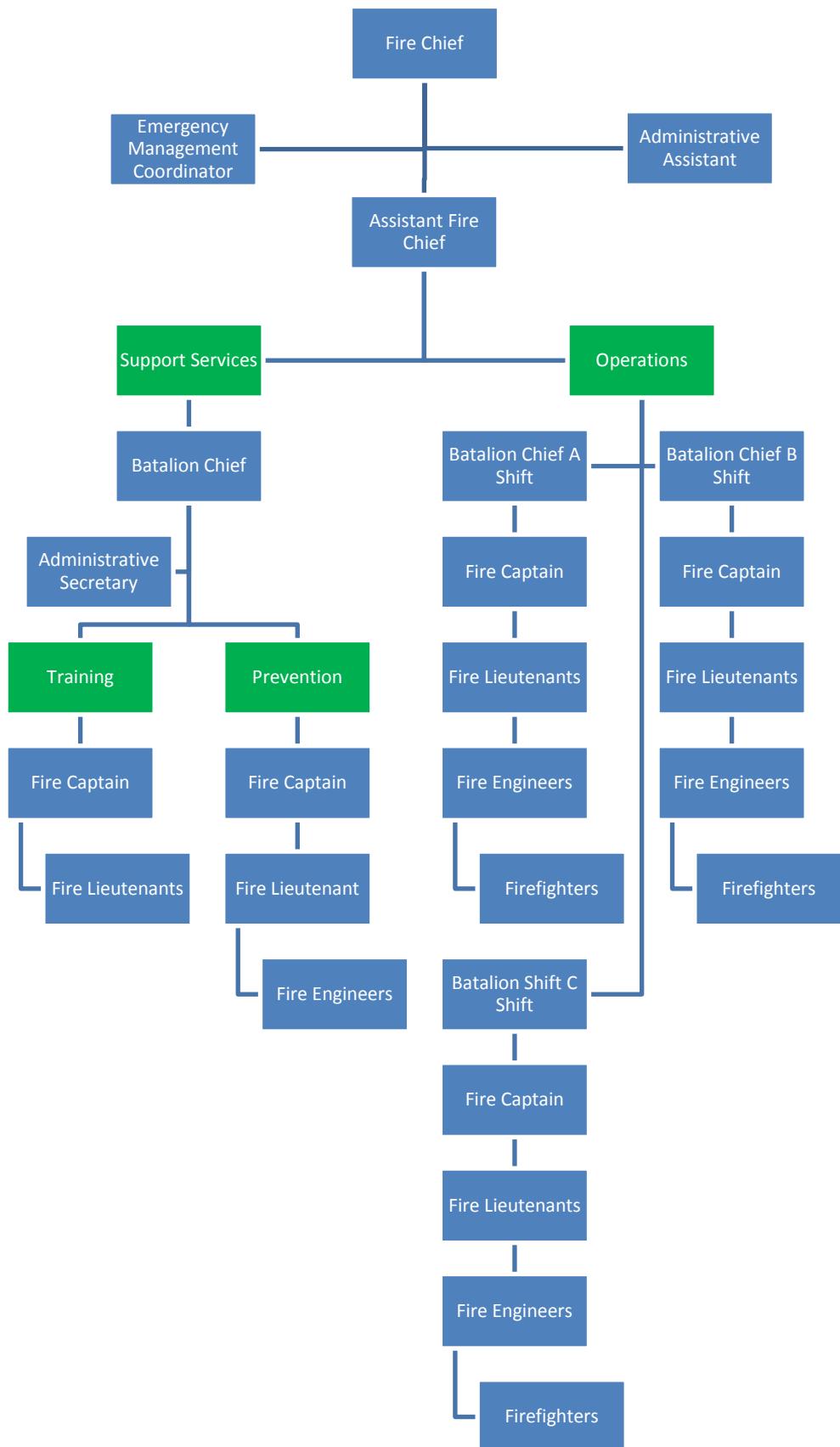
General Fund Appropriations by Strategic Priority



Strategic Priority	Allocation
Public Safety	\$24,215,678
Effective Management	\$7,356,299
Quality of Life	\$5,664,097
Growth and Development	\$2,270,162
Infrastructure	\$3,726,783
Appropriated Fund Balance	\$14,628,070
Total	\$57,861,089

PUBLIC SAFETY

FIRE DEPARTMENT



FIRE DEPARTMENT

General Fund: 101
Department Code: 4000

Mission:

To protect life and property through the delivery of professional fire, rescue and medical services to the citizens of New Braunfels in a manner that is consistent with the mission statement and core values of the City of New Braunfels.

Vision:

To be the benchmark fire department in the State of Texas.

Goals/Objectives

Support Services Division:

Fire Administration:

1. Ensure responsive, proactive and fiscally responsible delivery of emergency and non-emergency services to our citizens and visitors.
2. Evaluate service levels to ensure that we are meeting the needs of our citizens and visitors in a manner consistent with our mission statement and core values.
3. In conjunction with the New Braunfels Emergency Management Coordinator, develop contingency plans to address natural or man-made disasters that are complimentary to those plans developed by the Comal County Department of Emergency Management and are consistent with the National Incident Management System (NIMS).
4. Embrace new and emerging technologies to improve the efficiency and effectiveness of the department.
5. Promote relationships with city, county, regional, state and federal agencies in order to provide the most efficient services possible during emergency operations.

Fire Training:

1. Define priorities to ensure division focus toward delivery of company, multi-company and shift level fire training consistent with industry standards such as the National Fire Protection Association (NFPA).
2. Develop a program to ensure the delivery of required specialized training such as hazardous materials, rope rescue, vehicle extrication and emergency medical services.

Fire Prevention:

1. Increase efficiency and effectiveness of the arson investigation team through continued standard operating guideline (SOG) review and revision, task-specific training, and evaluation of personnel.
2. Ensure fire prevention efforts are age appropriate, hazard specific and delivered in a proactive and timely manner.

Operations Division:

1. Reduce loss of life and property and reduce pain and suffering.
2. Reduce the number of injuries to firefighters, workers compensation claims and injury leave of Fire Department personnel by embracing a culture dedicated to employee safety, fitness and wellness.
3. Increase the standardization of strategies and tactics to achieve the safest, most efficient and effective Fire Department operations possible, uniting the department in concept, philosophy, approach and action.

Action Items:

- *Improve emergency management preparedness and coordination*
Emergency Management has conducted and completed the Hazard Analysis for the City of New Braunfels. In addition, the All Hazards Emergency Operations Plan will be complete by mid-year 2012. The Emergency Management staff has and will develop and train a Community Emergency Response Team (CERT) to assist with the response to major emergencies as well as planned events.
- *Partner with other entities to develop appropriate after school programs*
In partnership with Communities in Schools, staff developed and delivered fire prevention and life safety information to middle school students enrolled in after school programs. Support Services will continue to provide fire and EMS related education to at risk youth.
- *Develop communication clarity with developers, builders, and business owners regarding ordinances and code compliance.*
The Fire Code has been amended to eliminate redundancies and simplify code language. Doing so facilitates compliance through better understanding and more uniform application of the adopted codes. Staff will continue to monitor changes to ensure understanding and compliance in the building community.
- *Complete and adopt safety policies and train personnel to the new standards.*
All high risk Standard Operating Guidelines (SOG's) were reviewed, updated, and implemented in 2010. The balance of the SOG's was completed mid-year 2011. All SOG's will now be reviewed and updated as needed.

Department Description:

The New Braunfels Fire Department provides fire suppression and emergency medical services (EMS), as well as a multitude of other services, emergency and non-emergency in nature, to approximately 58,000 citizens and over one million annual visitors of a city covering an area of 44 square miles. In addition to the 44 square miles within the City limits, the Fire Department also provides fire and EMS services to Emergency Services District 7 of Comal County which comprises approximately 112 square miles. To accomplish this task, the City operates five fire stations, and answers approximately 7,500 emergency calls per year. In addition, the Fire Department accomplishes and performs many activities and services annually with respect to training, building inspections, pre-fire planning or fire hydrant testing and maintenance.

Support Services:

Administration, Training and Fire Prevention form the Support Services Division of the Fire Department.

New Braunfels Fire Department Administration, located at the municipal campus, is responsible for facilitating all of the services and programs provided by the department. This branch also has the responsibility to shorten response times of the operations division through the strategic placement of new fire stations. The department provides the first line of defense to man-made and natural disasters affecting the City of New Braunfels, its citizens and visitors. Administration is responsible and accountable for all budgeting, personnel management, purchasing, reporting, research and development, identification and implementation of technology advancements, records retention, invoice tracking, staff time keeping and other payroll related functions.

The Fire Training branch of the Support Services Division is responsible for the delivery of up-to-date, modern fire suppression and emergency medical information, techniques, procedures

and protocols to the members of the New Braunfels Fire Department. The Fire Training branch must follow all local, State and Federal laws to ensure the department remains compliant with all regulatory agencies that pertain to fire, EMS and law enforcement.

Additional duties of the Training Branch include, but are not limited to: procuring and issuing uniforms, coordinating speakers, managing training records and completing fire and EMS Practical Skills Assessments. Staff also conducts outreach to the community through schools and other venues, creating a high volume of public contacts.

The Fire Prevention branch of the Support Services Division is responsible for public fire education, fire investigations, arson investigations, criminal prosecution with the Office of the District Attorney, code enforcement, commercial plan reviews, plan reviews on subdivision platting, inspections and acceptance testing of fire suppression systems, ordinance updating, fire hydrant maintenance, acceptance testing of all new hydrants and regulation of the transportation, use and storage of hazardous materials.

Fire Operations:

The Operations Division provides fire suppression and emergency medical services (EMS) as well as a multitude of other services, emergency and non-emergency in nature, to the citizens and visitors of the City twenty-four hours a day, seven days a week. These services include: firefighting, EMS response, water rescue, high angle rescue, confined space rescue, emergency response to hazardous materials incidents with minor mitigation, response and emergency actions to incidents involving weapons of mass destruction and incidents involving explosive materials. The Operations Division responds to a wide variety of requests for service, ranging from traffic accidents to heart failure and from house fires to hazardous material situations.

Performance Measures:

	FY 2009-10 <u>Actual</u>	FY 2010-11 <u>Estimate</u>	FY 2011-12 <u>Budget</u>
Fire emergency response time (minutes)	5:39	5:39	5:30
EMS response time (minutes)	5:00	5:00	5:00
Total calls for service	7,125	7,267	7,600
Paramedics as a percentage of total firefighters	68%	70%	72%
Fire Code violations corrected as % of total violations	91%	90%	95%

Appropriations:

	FY 2009-10 <u>Actual</u>	FY 2010-11 <u>Estimate</u>	FY 2011-12 <u>Budget</u>
Employee Expenses	\$9,156,326	\$9,967,445	\$10,085,072
Operations Expenses	1,330,709	1,509,180	\$1,693,920
Capital Expenses	8,830	25,000	\$47,000
<i>Total Appropriations</i>		\$10,495,865	\$11,501,625
			\$11,825,992

Program Justification and Fiscal Analysis:

In comparison to the FY 2010-11 estimates, the General Fund Budget for FY 2011-12 has increased. The main contributing factors to the increase in employee expenses are full year funding for all step pay plan increases done during FY 2010-11 as well as full funding for all

positions. The FY 2010-11 Budget included savings from holding several positions open throughout the fiscal year. Operation expenses in FY 2011-12 have increased for the following reasons. The first self contained breathing apparatus (SCBA) replacement contribution occurred in FY 2010-11. This contribution was funded out of the Non-departmental budget; in FY 2011-12, this program's contribution is funded in the Fire Department's operating budget to better reflect the full cost of this operation. This change results in an increase of approximately \$136,000. The total cost for full replacement of the SCBA's is approximately \$700,000. Acquisition of this equipment is expected to occur in FY 2015-16. In addition, to account for the continual fluctuating (and often rising) price of gasoline, fuel allocation for FY 2011-12 is increased by 10 percent in comparison to the FY 2010-11 estimates. Medical supplies required for outfitting all emergency vehicles are purchased from the Fire Department's operating budget; these supplies continue to experience about a 7 percent increase annually, both from price increases and from increased demand. This also contributed to the increase in FY 2011-12 operation expenses.

Capital funding in FY 2011-12 is provided to purchase one thermal imaging camera (TIC). Total cost for this equipment is \$10,000. This asset assists firefighting personnel during internal search and rescue operations by helping determine areas of hidden fire extension during exterior assessment of structures. The additional \$25,000 is allocated for a Zodiac 420 boat to be utilized for swift water rescue. This will replace a boat in the fleet that is approximately ten years old which does not have the swift water capability of the requested Zodiac model. \$12,000 is provided to purchase an extractor for station two (washing equipment for bunker gear).

The FY 2011-12 Budget includes \$196,000 in funding to complete two ambulance re-mounts for the Fire Department. Ambulances in service are re-mounted on a new chassis after five years. This allows the City to get five more years of useful life from the ambulance "box" before a full replacement occurs. The 2012 Certificates of Obligation Capital Improvement Fund provides this funding in the FY 2011-12 Budget through issuance of proposed tax notes.

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<i>Fire Support Services:</i>			
Fire Chief	1	1	1
Administrative Assistant	1	1	1
Administrative Secretary	1	1	1
Assistant Fire Chief	1	1	1
Battalion Chief	1	1	1
Fire Captain	2	2	2
Fire Engineer	4	4	4
Fire Lieutenant	<u>2</u>	<u>2</u>	<u>2</u>
Total – Fire Support Services	13	13	13

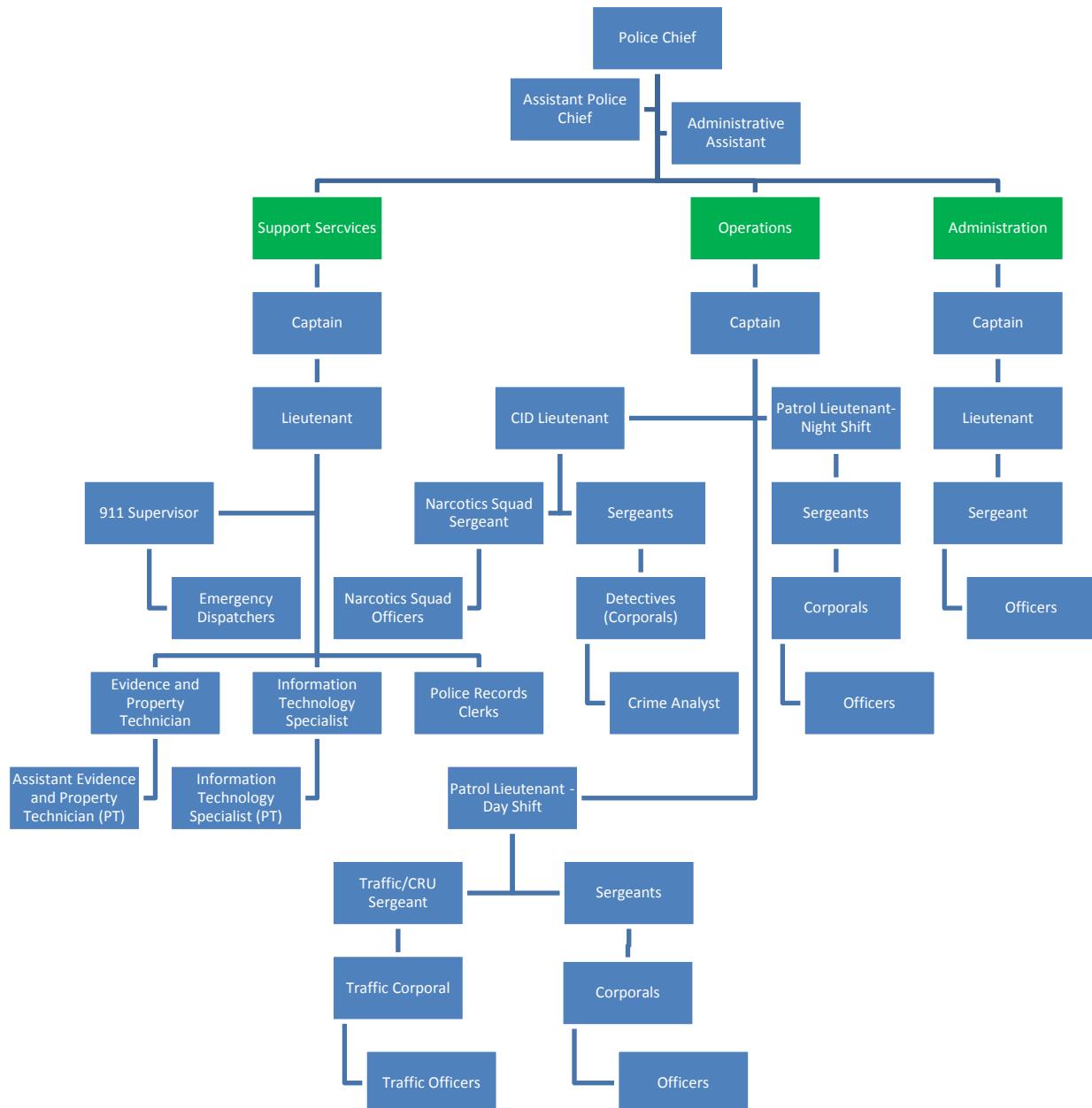
Emergency Management

Emergency Management Coordinator (funded in City

Administration)	<u>1</u>	<u>1</u>	<u>1</u>
Total – Emergency Management	1	1	1

<i>Authorized Positions (Continued):</i>	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<u>Fire Operations:</u>			
Battalion Chief	3	3	3
Fire Captain	3	3	3
Fire Engineer	33	33	33
Fire Lieutenant	15	15	15
Firefighter	<u>48</u>	<u>48</u>	<u>48</u>
Total – Fire Operations	102	102	102
<i>Total Uniform Positions</i>	<i>112</i>	<i>112</i>	<i>112</i>
<i>Total Non-Uniform Positions</i>	<i>4</i>	<i>4</i>	<i>4</i>
<i>Total Authorized Positions</i>	<i>116</i>	<i>116</i>	<i>116</i>

POLICE DEPARTMENT



POLICE DEPARTMENT

General Fund: 101
Department Code: 3000

Mission:

To provide the citizens of New Braunfels with responsive, courteous and professional law enforcement services.

Vision:

To provide extraordinary customer service to the citizens of New Braunfels.

Goals/Objectives:

Support Services:

1. To provide citizens with the most cost effective, courteous and professional service available.
2. To establish communication and positive interaction with citizens through proactive, innovative programs.
3. To address citizen concerns in a manner which encourages an investment in the community on the part of the citizens
4. To constantly improve the quality of life for our citizens.
5. To utilize best practices in call prioritization and dispatching to reduce response time to priority calls.
6. To automate records management and retention processes to improve efficiency.
7. To increase services provided through the Internet while improving customer service.
8. To increase internal training programs and participation.

Patrol:

1. Continue to provide and execute effective law enforcement services with high visibility to maintain a valuable quality of life within the community.
2. Attract, employ and retain the finest quality of officers.
3. Utilize modern, cutting edge technology and innovative policing strategies to provide the best possible customer oriented police services possible, and to provide this technology to all personnel to maximize the effectiveness of our services and resources.
4. To work seamlessly with other City departments and governmental agencies to maximize the effectiveness of services and resources.

Criminal Investigations Division:

1. Increase public awareness of current trends of criminal activity while keeping them informed as to the latest crime prevention techniques.
2. Identify and target criminal activity.
3. Enhance Sex Offender Registration compliance.
4. Increase case clearance rates.
5. Increase the utilization of criminal analysis along with GIS mapping systems.

Action Items:

- *Implement community and problem oriented policing policies and strategies*

The police department will introduce a crime free multi-housing program to the City of New Braunfels. The Police Department will coordinate this policing program, which will be directed towards apartment complexes in an effort to reduce crime and increase safety in these areas. Although the initial statistics will result in an increase in calls for service, the program will produce a reduction in crime in multi-housing areas.

- *Review staffing, response protocols, and resource placement to maximize fiscal efficiency.*

The Police Department will be closely analyze the system used to schedule officers and look to allocate resources as efficiently as possible. From this initiative, the department will strive to reduce overtime costs by 10 percent.

- *Expand partnerships with school districts.*

The Police Department will look for opportunities to increase their presence in the New Braunfels Independent School District. In the FY 10-11 fiscal year, personnel submitted a COPS grant application requesting funding for five full time officers. If granted, the officers will serve as School Resource Officers at the following campuses: New Braunfels High School, New Braunfels Middle School, Oak Run Middle School, the new middle school on Klein Rd currently being built (future high school), and one officer assigned to the remaining elementary schools.

- *Continue to develop proactive programs for traffic control*

Personnel are actively seeking grant funding to purchase motorcycles and introduce a motorcycle division to the Police Department fleet.

- *Increase police officer involvement in schools and after school programs.*

The Police Department has on-going programs and initiatives such as Operation Intervention (hands on education regarding the impact of drinking on reaction time and driving capability) and Kid Print, which has been responsible for fingerprinting hundreds of children.

- *Better utilization of resources – website*

The Police Department is planning to improve technology and enhance access to the public. Acquisition is currently being pursued of new computer aided dispatch and records management software which will improve productivity, reduce employee frustration and enhance officer safety efforts. The current website will be redesigned this fiscal year to make information more accessible for citizens.

Department Description:

Administration

The Administration Division provides contemporary law enforcement services to our community in a professional and ethical manner. This division oversees all matters pertaining to: budget, personnel issues, procurement, analysis, customer service, fleet management, goals, and recruitment of new personnel. Under the direction of the Chief of Police, staff develops and implements programs to address the City's strategic goals, deter crime, address disorder and enforce laws to protect life and property within the City of New Braunfels.

Support Services

The Support Services Division is responsible for administrative functions related to 911 communication operations; dispatch services for Police, Fire and EMS; records processing, filing, and retention; open records responses. Staff is also responsible for community service programs, maintenance, and evidence/property room management and information technology support.

Operations

The Operations division is comprised of the Patrol Division and the Criminal Investigation Division (CID). Patrol is responsible for emergency response and delivering immediate police services to the citizens of the community. Current service responsibilities include a rapidly growing residential and commercial population of about 58,000 residents, a geographical area consisting of over 44 square miles covering two counties, including two recreational rivers which attract thousands of seasonal visitors daily, all of which is surrounded by urban sprawl situated along the IH-35 corridor, one of the busiest sections of interstate in the nation. In addition, the Patrol Division provides police services during numerous, well attended festive events throughout the year. The Traffic Unit and Community Response Unit are both part of the Patrol Division (CID) is responsible for investigating open criminal cases. CID is also responsible for the collection and processing of crime scene evidence, fingerprints, photographs, crime analysis, and polygraph services. CID prepares and files criminal cases with the Office of the District Attorney and Grand Jury. In addition, this division oversees Crimestoppers and sex offender registration and compliance.

Performance Measures:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Number of accident responses	1,492	1,550	1,600
Emergency calls dispatched in under 4 minutes	94%	94%	94%
Emergency calls responded to in under 4 minutes	28%	30%	28%
Total calls for service	30,529	33,000	35,000
Number of differential police reports received	463	500	600
Reports reviewed by CID	14,150	15,000	16,000
CID case clearance rate	29%	29%	29%

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$8,561,796	\$9,567,159	\$10,172,297
Operations Expenses	1,825,863	1,950,307	1,691,318
Capital Expenses	0	132,300	100,000
Total Appropriations	\$10,387,659	\$11,649,766	\$11,963,615

Program Justification and Fiscal Analysis:

The FY 2011-12 Budget shows an increase overall in comparison to the FY 2010-11 estimates, due entirely to personnel costs that include two new positions as program changes. In addition, the FY 2010-11 estimates are significantly higher than the FY 2009-10 actuals. This increase can be attributed to the full implementation of the step pay plan for all uniformed public safety personnel.

As stated, the FY 2011-12 Budget reflects an overall increase in comparison to the FY 2010-11 estimates. During FY 2009-10 and FY 2010-11 several positions were held open given the economic conditions. FY 2010-11 in particular included a savings of \$127,100, which is

equivalent to the salary and benefits costs for two Police Officer positions. The FY 2011-12 Budget represents full funding of all currently authorized positions, which is a leading factor for the increase from the FY 2010-11 estimates in employee expenses. This increase is also driven by a reorganization of the department – at an approximate cost of \$70,000. With the addition of three Captains and one Lieutenant, this reorganization will lead to increased efficiency and consistency throughout the department. The decrease in operations expenses is a result of the following. Certain equipment that has been identified as essential to install with every purchase of patrol vehicles is now being funded in the Equipment Replacement Fund rather than the General Fund. This equipment, such as light bars, is attached to the vehicle and always replaced with the vehicle. Therefore, it is appropriate to fund it from this source. In FY 2010-11, this equipment was purchased from the department's operating budget. In addition, contributions to the Equipment Replacement Fund were reduced by approximately \$138,000 as a result of modifications to the vehicle replacement policy. Under the revised vehicle replacement policy the threshold for accumulated mileage to determine when to replace a police vehicle will remain the same at 85,000 miles. However, patrol vehicles will be replaced either at six, seven or eight years or 85,000 miles (whichever occurs first), based on mileage and service demand factors. Currently, all vehicles are replaced at 85,000 miles or six years, whichever occurs first. Capital expenses in FY 2011-12 include the purchase of cameras for the new vehicles that are to be acquired during the fiscal year. This is the only equipment that is not funded in the Equipment Replacement Fund. The decrease from FY 2010-11 capital expenses is attributed to a reduction in the number of vehicles that are being purchased.

An increasing demand in the emergency call center for the Police Department has resulted in the authorization and funding of two new Emergency Dispatcher positions in the FY 2011-12 Budget, funded for nine months of the fiscal year, at a total cost of \$63,750. In FY 2010-11, a Clerical Specialist position was reclassified to Emergency Dispatcher, thereby adding a total of three new dispatcher positions. As a result, the department will now have 16 dispatchers which will allow them to more effectively staff and manage operations at the call center which operates 24 hours per day seven days a week.

One Mechanic Assistant position has also been authorized and funded in the Police Department budget. This position will be placed organizationally with the City's fleet service center (funded for the most part in the Solid Waste Fund) but will be stationed at the Police facility to provide preventative maintenance for all police fleet vehicles. The Police Department has the largest light vehicle fleet. This new position will allow the City to complete more maintenance in-house, increase the service to the vehicles and, thereby, increasing their useful life. This, in part, is allowing the City to change its replacement policy for police vehicles from six year or 85,000 miles (whichever comes first) to eight years or 85,000 miles (again, whichever comes first). This new position is at no net cost to the General Fund because the cost is offset by a reduction in funding for contracted fleet maintenance services for the Police Department. As a result of this program change, \$30,000 is moved from operations expenses to employee expenses.

Policy Considerations:

The Police Department continues to evaluate ways to operate more efficiently and effectively. Currently under consideration is a change in the way shifts are structured. Now, officers work four ten hour days and are off three days. They are paid 80 hours every two weeks to "smooth out" their pay amounts rather than have one check be less pay than the other (every other check being larger). In addition, overtime is calculated based on four weeks of work rather than two. The proposed change in shifts to twelve hours would eliminate the "short versus long" pay

checks, would allow overtime to be calculated every two weeks rather than every four weeks and would, most importantly, place more officers on the streets during peak demand times. This shift/schedule change is also anticipated to reduce overtime costs by as much as ten percent.

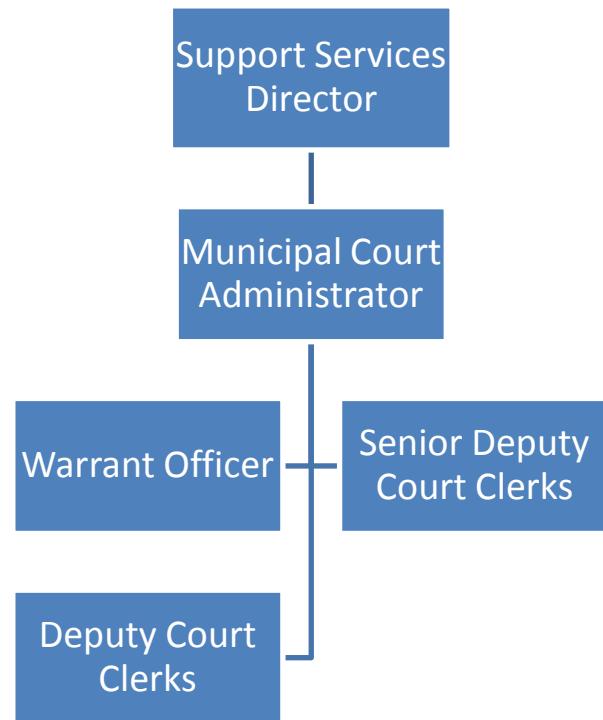
Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<i>Administration:</i>			
Police Chief	1	1	1
Administrative Assistant	1	1	1
Assistant Police Chief	1	1	1
Police Captain	0	3	3
Police Lieutenant	0	1	1
Police Officer	0	2	2
Police Sergeant	<u>0</u>	<u>1</u>	<u>1</u>
Total – Administration	3	10	10
<i>Support Services:</i>			
Assistant Evidence and Property Technician (Part time) (1 at 20 hrs/wk)	.5	.5	.5
Emergency Dispatcher	13	14	16
Evidence and Property Technician	1	1	1
Information Technology Specialist	1	1	1
Information Technology Specialist (Part time)	.5	.5	.5
Police 911 Supervisor	1	1	1
Police Lieutenant	1	1	1
Police Officer	2	1	1
Police Records Clerk	5	5	5
Police Sergeant	1	0	0
Senior Officer	<u>1</u>	<u>0</u>	<u>0</u>
Total – Support Services	27	25	27
<i>Patrol:</i>			
Police Corporal	0	5	5
Police Lieutenant	2	2	2
Police Officer	63	56	56
Police Sergeant	8	7	7
Senior Officer	<u>7</u>	<u>0</u>	<u>0</u>
Total – Patrol	80	70	70

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<i>Criminal Investigation:</i>			
Clerical Specialist	1	0	0
Crime Analyst	1	1	1
Police Corporal	0	12	12
Police Lieutenant	1	1	1
Police Officer	3	5	5
Police Sergeant	2	3	3
Senior Officer	<u>9</u>	<u>0</u>	<u>0</u>
Total – Criminal Investigation	17	22	22
<i>Total Uniform Positions</i>	101	101	101
<i>Total Non-Uniform Positions</i>	26	26	28
<i>Total Authorized Positions</i>	127	127	129

SUPPORT SERVICES DEPARTMENT – MUNICIPAL COURT



MUNICIPAL COURT – SUPPORT SERVICES DEPARTMENT

General Fund: 101
Department Code: 1500

Mission:

To provide courteous, professional and efficient service to the public.

Vision:

To be the model Municipal Court that other jurisdictions model themselves after.

Goals/Objectives:

1. To provide outstanding customer service to all those interacting with Municipal Court.
2. To maximize the use of available technology to make the court as efficient and effective as possible.
3. To bring cases to resolution in a timely manner.

Department Description:

Municipal Court represents the judicial branch of the City's government. More people come into contact with Municipal Court staff on a daily basis than all the other Texas courts combined. This makes it critical for Municipal Court to maintain public confidence. Municipal Court has jurisdiction over all Class C misdemeanors and City ordinances.

In FY 2008-09, the City made some organizational changes; as a result, the administrative function of Municipal Court now reports to the Support Services Director. The court clerks provide this administrative support to the Court. In FY 2008-09, a Court Administrator position was added as part of the organizational changes to provide additional resources to effectively manage the administrative functions and bring the organizational structure in line with the majority of Texas municipal courts. The staff of Municipal Court has various functions and responsibilities. The clerks are responsible for seeing that all of the court's papers are accurate, orderly and complete. The clerks serve the public and support City functions such as police, fire, health inspections, animal control and building inspections. The clerks' primary responsibilities include processing citations, summons, complaints, warrants, past due letters and show cause hearing letters. The clerks maintain the court's docket and coordinate case scheduling. The clerks directly interact with the public, providing all services needed including explanation of court procedures and options to defendants. Clerks also receive payments; summon potential jurors; ensure juror payment; deliver all case documents to County Courts-at-Law should an appeal occur; complete open records requests, report convictions, Drivers Safety Course and alcohol violations to the Texas Department of Public Safety; assist the warrant officer with roundups; and complete all required accounting reports.

The warrant officer has two main duties. As bailiff, he maintains order, security and decorum in the courtroom during proceedings. He attends to the jury, keeping them together and separated from all other citizens during deliberations, and informs the judge when a verdict has been reached. The warrant officer also serves all process or papers issued by the court, such as warrants and summons. He holds a peace officer commission through the New Braunfels Police Department.

The prosecutor for Municipal Court is also the Assistant City Attorney. The prosecutor's duties include preparing and presenting the State's case at all municipal court trials, preparing and drafting complaints, arranging for the appearance of State's witnesses and requesting dismissal of cases under the appropriate circumstances.

The Municipal Court Judge presides over all trials (jury and non-jury) and other court proceedings such as arraignments and show cause hearings. The judge also has magistrate duties, including signing arrest warrants and juvenile warnings and as well as visiting arrested individuals at the jail. The Judge reports directly to the City Council, so this position is authorized and funded in the City Council budget.

Action Items:

- *Continue customer service training*

Two additional Municipal Court employees will attend training to become certified interpreters. The department will then have a total of three interpreters on staff which will allow for someone to be available during operating hours.

Performance Measures:

	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Time from defendant's not guilty plea to pre-trial	45 days	30 days	30 days
Time to issue warrant for failure to appear for trial	75 days	30 days	30 days
Time to issue warrant due to no initial appearance	1 year	75 days	60 days
Online credit card payments	300	1,500	2,000
Follow-up on past due payment plans	2 years	90 days	90 days
Time to issue capiis due to non-payment	2 years	90 days	90 days
Customer Satisfaction (1-5 scale)	N/A	N/A	4

Appropriations:

	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Employee Expenses	\$529,102	\$531,944	\$387,683
Operations Expenses	74,067	38,617	38,389
Total Appropriations	\$603,170	\$570,561	\$426,072

Program Justification and Fiscal Analysis:

In comparison the FY 2010-11 estimates, the FY 2011-12 Budget decreases significantly. The reason for this reduction is that all salary and benefits costs associated with the Municipal Court Judge have been moved to the City Council budget as well as the transfer of the Teen Court Coordinator (explained below). This transfer was made because the Municipal Court Judge reports directly to City Council. Operations expenses for FY 2011-12 have remained flat in comparison to FY 2010-11. In FY 2010-11, the court implemented an online payment system and installed a computer kiosk in the lobby. These two business improvement initiatives have decreased court lobby traffic which has reduced wait time for walk in customers. These

improvements along with the elimination of the court's case backlog have led to a projected 40 percent increase in revenue for FY 2010-11 in comparison to FY 2009-10.

The FY 2011-12 Budget includes a total of seven court clerk positions, both Deputy Court Clerks and Senior Deputy Court Clerks. With the budget, Support Services has the flexibility to promote and/or hire individuals based on their skills, qualifications and certifications into either a Deputy Court Clerk or a Senior Deputy Court Clerk position. They are not restricted by the five Deputy Court Clerks or the two Senior Deputy Court Clerk positions authorized here. This may result in more or less Deputy Court Clerks and/or Senior Deputy Court Clerk positions than shown in the budget. As long as the total number of court clerk positions does not exceed seven, the number of Deputy Court Clerks and Senior Deputy Court Clerks can change.

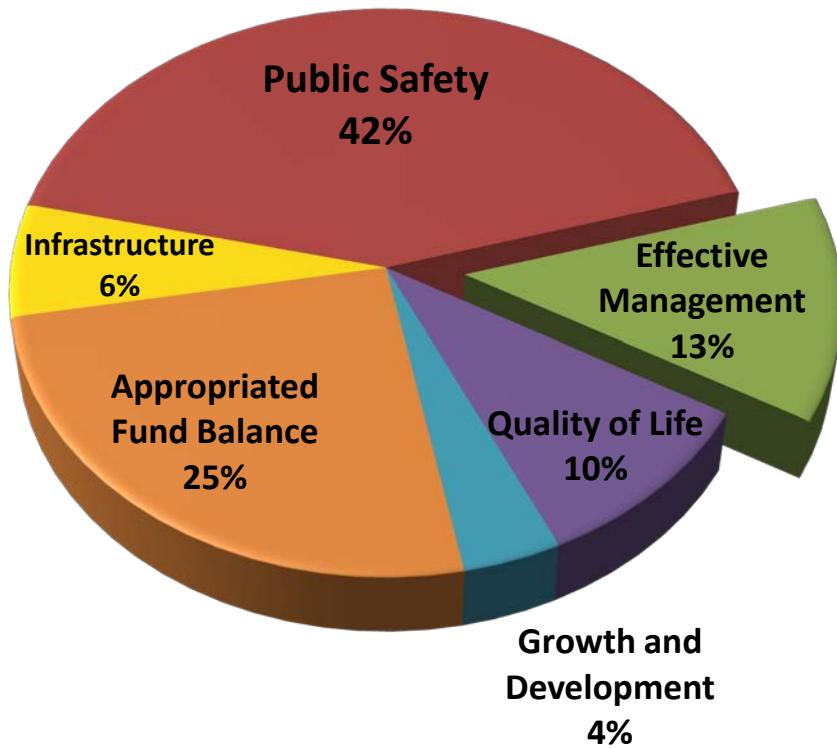
During FY 2010-11, the Teen Court Coordinator's responsibilities were expanded to include support for City-wide programs and projects including such things as City University and other human resources related programs. In recognition of the amount of time spent in these endeavors, the position will now report to the Human Resources Director. However, the position will continue to actively support and manage the teen court program as part of the continued duties and responsibilities. The budget recognizes this by moving the position into the Human Resources Department. The position will also be reclassified to a Special Projects Coordinator. This action also contributes to the lower employee expenses in the FY 2011-12 Budget in comparison to FY 2010-11 estimates.

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Municipal Court Administrator	1	1	1
Court Security Officer	1	0	0
Deputy Court Clerk*	6	5	5
Senior Deputy Court Clerk	1	2	2
Teen Court Coordinator	0	1	0
Warrant Officer	<u>1</u>	<u>1</u>	<u>1</u>
<i>Total Authorized Positions</i>	<i>10</i>	<i>10</i>	<i>9</i>

*One Deputy Court Clerk position is fully funded in the Juvenile Case Manager Fund

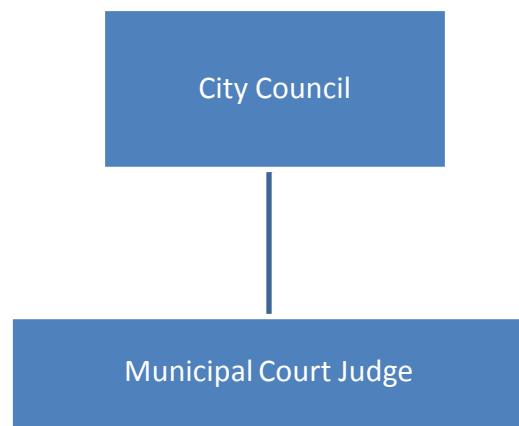
General Fund Appropriations by Strategic Priority



Strategic Priority	Allocation
Public Safety	\$24,215,678
Effective Management	\$7,356,299
Quality of Life	\$5,664,097
Growth and Development	\$2,270,162
Infrastructure	\$3,726,783
Appropriated Fund Balance	\$14,628,070
Total	\$57,861,089

EFFECTIVE MANAGEMENT

CITY COUNCIL



CITY COUNCIL

General Fund: 101
Department Code: 1000

City Mission:

The City of New Braunfels will add value to our community by planning for the future, providing quality services, encouraging community involvement and being responsive to those we serve.

Core Values:

Integrity

We operate with integrity, holding ourselves to the highest standards of performance, transparency, accountability and ethical conduct.

Service

We are responsive and respectful to those we serve with an attitude that everything is worth our best effort.

Visionary Leadership

We anticipate needs, look to our community's future and execute to achieve our goals.

Stewardship of Local Resources

We use our resources responsibly. We treasure our unique heritage and natural environment and wish to preserve them for future generations.

Fiscal Responsibility

Our decisions reflect sound fiscal management and prudence.

Goals/Objectives:

Infrastructure

1. Use a variety of funding sources for operational and capital needs
2. Continue an ongoing program of infrastructure construction and maintenance
3. Develop operating and capital plans that consider community input and realistic population and revenue projections

Public Safety

1. Maintain and review benchmarks for public safety services delivery
2. Develop and maintain a comprehensive program for watershed issues
3. Continue to develop proactive programs for traffic control
4. Develop and enhance community partnerships with residential neighborhoods, businesses, and other entities

Effective Management

1. Maintain fiscal stability of City operations
2. Maintain an ongoing program for improving customer service
3. Create a comprehensive program for communicating with the public
4. Be proactive in influencing legislative policies
5. Promote and encourage a sustainable high-performing workforce and environment

Quality of Life

1. Implement comprehensive programs to address quality-of-life issues identified in the community needs assessment, especially as it pertains to youth
2. Ensure expanded age-appropriate recreational, literacy and enrichment opportunities
3. Preserve and improve our open space
4. Protect the integrity of our neighborhoods

Growth and Development

1. Establish a vision for the future of the City of New Braunfels
2. Work with existing entities to ensure sustainable quality development
3. Improve the development process to make it more customer friendly
4. Continue to develop year-round tourism
5. Ensure community connectivity and mobility

Department Description:

The City Council of the City of New Braunfels is made up of the Mayor, elected City-wide, and six Council members, each elected from a defined precinct. They serve as the governing and managing body for the City. They are supported by the City Manager and his staff. The Council provides policy direction in all aspects of City operations including priorities and strategic objectives for staff to use in carrying out Council's directives.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$0	\$0	\$127,674
Operations Expenses	25,466	22,323	29,600
Total Appropriations	\$25,466	\$22,323	\$157,274

Program Justification and fiscal Analysis:

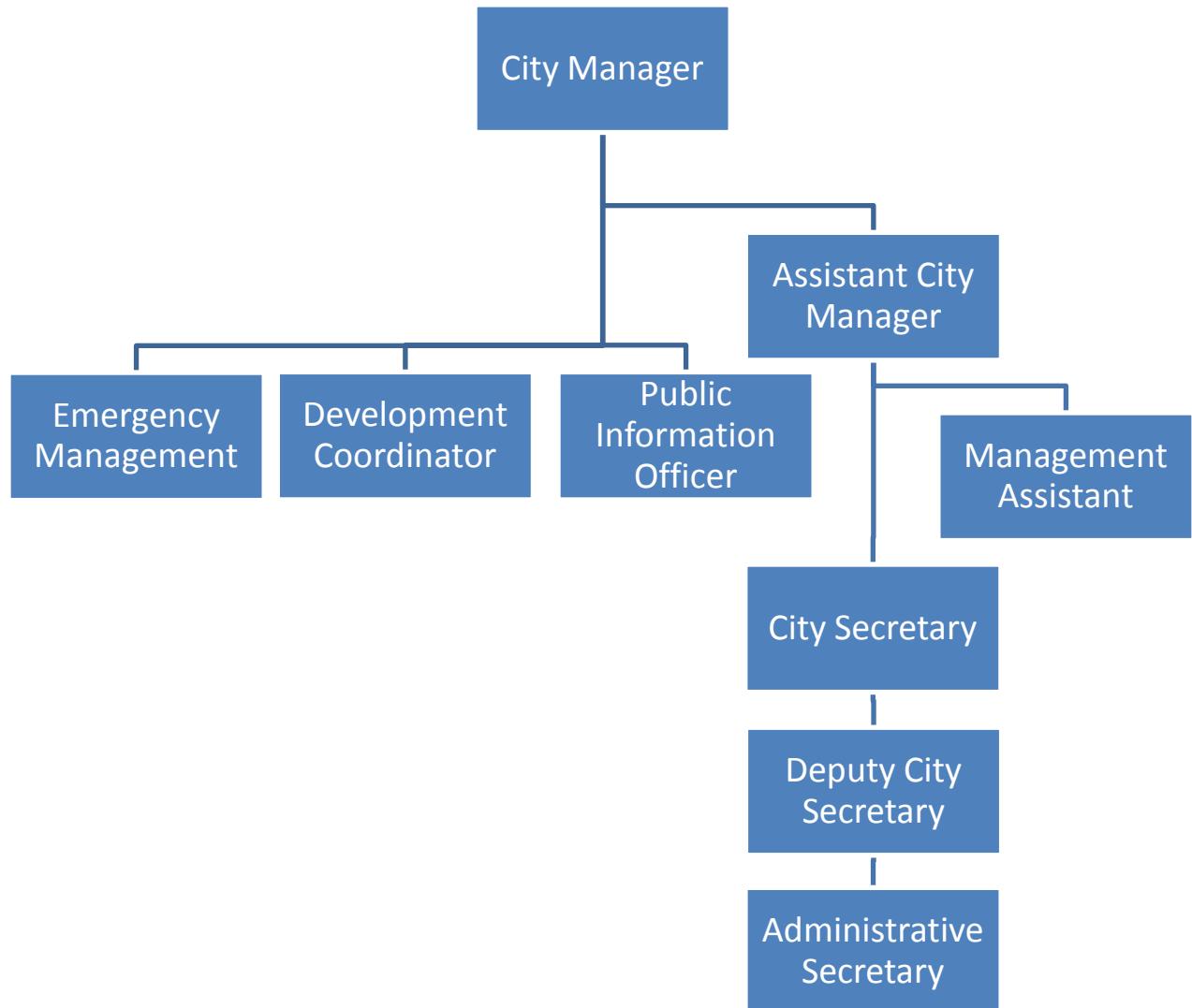
The FY 2011-12 Budget for City Council increases significantly in comparison to the FY 2010-11 estimates. This increase is solely attributed to the transfer of the costs associated with the Municipal Court Judge position into the City Council Budget. The Municipal Court Judge reports directly to the Council; therefore it is appropriate to budget the costs here. The Municipal Court Judge presides over all trials (jury and non-jury) and other court proceedings such as arraignments and show cause hearings. The judge also has magistrate duties, including signing arrest warrants and juvenile warnings as well as visiting arrested individuals at the jail. The judge issues processes such as subpoenas summons and warrants

Operation expenses have increased from FY 2010-11 but reflect an efficient allocation of funds within this account for FY 2011-12.

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Municipal Court Judge	1	1	1
Total Authorized Positions	1	1	1

CITY ADMINISTRATION



CITY ADMINISTRATION

General Fund: 101
Department Codes: 1200

Mission:

City Manager:

To provide the best possible working relationship with the City Council, City department directors, City staff and the citizens of New Braunfels.

City Secretary:

To provide administrative support to the City Council and staff and to manage and preserve the official records of the City of New Braunfels while providing quality assistance to the public in locating government information maintained by the City, as required by law.

Emergency Management:

To protect lives and property from the threat of all types of major emergencies and disasters, both natural and manmade by developing a comprehensive detailed community hazard analysis, providing community-wide leadership, guidance, support and coordination in the areas of mitigation, preparedness, response and recovery.

Vision:

City Manager:

The City Manager's Office is dedicated to enhancing the quality of life in the City of New Braunfels by providing the best possible services through open communication and the mutual support of a team of diverse and highly skilled employees who recognize each other as the City's most valuable assets.

City Secretary:

The City Secretary's Office is dedicated to achieving a superior level of customer service and improving public access to municipal records and related information by utilizing state-of-the-art technology.

Emergency Management

To be the benchmark office of emergency management in the State of Texas.

Goals/Objectives:

The City Manager's Office aligns its' goals and objectives with those of the City Council and aims to provide the best possible service.

City Secretary:

1. Maintain a high level of customer service.
2. Assist the City Council and staff in fulfilling assigned duties and responsibilities.
3. Continue to improve office operations through the use of technology.

Emergency Management:

1. Ensure City staff are informed and instructed on personal preparedness as well as their roles and responsibilities during emergencies/disasters.
2. Continue to partner with and reach out to neighboring jurisdictions to ensure that lines of communications and information flow are open during preparedness and response phases of emergencies/disasters.

3. Continue to develop, evaluate, and disseminate community education preparedness materials to ensure the best, most relevant materials are being used to educate citizens and visitors.
4. Continue to recruit, train and utilize the City of New Braunfels Community Emergency Response Team in planned events as well as during times of emergency/disasters.

Department Description:

City Manager:

The Office of the City Manager provides policy direction and executive leadership for the effective operations of all municipal services for the City of New Braunfels as directed by the City Council. The City Manager serves as the focal point for the management of the City staff.

The Public Information Officer (PIO) is responsible for the dissemination of news, both written and verbal, that originates within the City, and communicates with the public and media to ensure that the City's key messages reach the public. During emergency/disaster responses by the City, the PIO serves as the point-of-contact for the media and is responsible for ensuring timely reporting of information so that citizens are aware of any issues or potential problems. The PIO works with all City departments to effectively "tell the story" of events, activities and services provided by the City to citizens and visitors.

Emergency Management:

Emergency Management is responsible for planning, preparation and coordination of emergency responses. This could be as a result of floods, hurricanes, railroad derailments or other natural or man-made disasters. In an emergency, the City activates an emergency response center that handles all rescue, sheltering and clean-up activities. Emergency management staff also works with the community to build awareness of potential disasters to inform them of evacuation routes, suggested emergency supplies and other important safety information.

City Secretary:

The City Secretary provides administrative and policy support to City Council, boards and commissions, residents and staff in many diverse ways, including carrying out many of the City's statutory and contractual obligations. In conjunction with the Office of the City Manager, the City Secretary prepares and distributes City Council agenda packets to the Council and staff and attends all Council meetings, keeping accurate minutes of the proceedings. The City Secretary is also responsible for the collection and cataloging of ordinances, resolutions and contracts as well as the codification of all City Council adopted ordinances. The staff oversees the records management program for the City and researches records for the Council, the staff and the public. The City Secretary administers all municipal elections, coordinates the appointment process for City boards and commissions and issues various permits related to cemeteries, alcohol, taxis, river shuttles and specialty parking. Additionally, the City Secretary accepts and validates petitions submitted by citizens, serves as staff liaison for the Arts and Heritage Commissions and provides administrative support to the New Braunfels Industrial Development Corporation.

Performance Measures:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<i>City Manager's Office:</i>			
City Manager/employee work group meetings	20	20	25
Number of press releases generated	92	85	100
Media coverage resulting from press releases or “pitched” stories	589	360	425
Annual reports	1	0	1

City Secretary:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<i>Resolutions adopted</i>			
Resolutions adopted	78	85	85
Open records requests processed	220	240	254
Agendas posted	N/A	N/A	230
Permits handled/issued	N/A	N/A	1,360

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses			
Administration	\$726,207	\$661,712	\$820,786
Emergency Management	0	84,458	86,773
Total Employee Expenses	\$726,207	\$746,170	\$907,559
Operations Expense			
Administration	\$102,255	\$118,106	\$70,635
Emergency Management	0	21,300	14,000
Total Operations Expenses	\$102,255	\$139,406	\$84,635
Capital Expenses			
Emergency Management	\$0	\$7,000	\$0
Total Capital Expenses	0	\$7,000	0
<i>Total Appropriations</i>	\$828,462	\$892,576	\$992,194

Program Justification and Fiscal Analysis:

The FY 2011-12 budget for City Administration increases overall in comparison to the FY 2010-11 estimates. This increase is driven entirely by employee expenses. In FY 2010-11, the City identified an increased need for public information efforts and grants coordination. Before FY 2010-11, the Intergovernmental Services Manager was responsible for both of these functions. To better perform the responsibilities associated with these two functions, a Public Information Officer and a Grants Coordinator position were authorized and filled in lieu of the Intergovernmental Services Manager. The Public Information Officer will remain funded in the City Administration Budget; the Grants Coordinator is funded in the Support Services Department’s budget (addressed elsewhere in this document). While the Public Information Officer was authorized in FY 2010-11, it was not filled for much of that fiscal year. FY 2011-12 includes full year funding of that position. In addition, a Development Coordinator was authorized and filled during FY 2010-11 as is fully funded in FY 2011-12. This position was

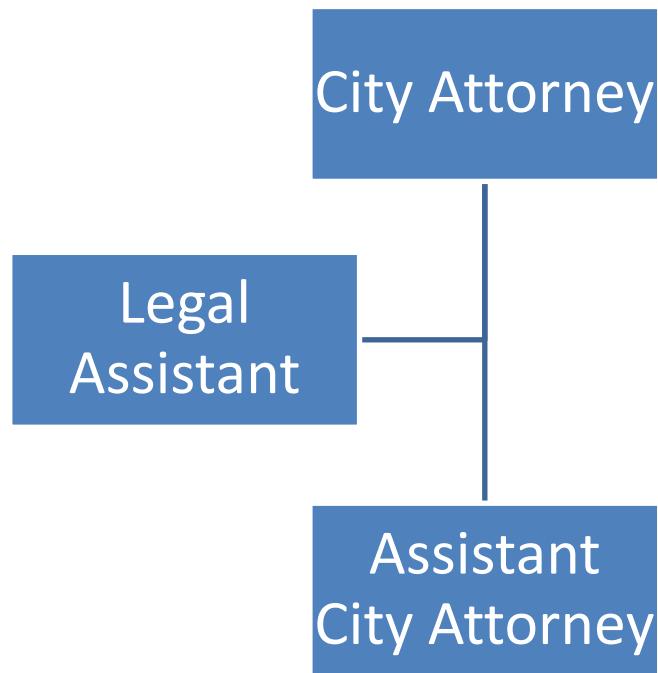
added to address economic development projects and opportunities. These two changes are what drive the increase in employee expenses in FY 2011-12.

FY 2010-11 was the first year that Emergency Management was recognized as a separate division, which continues in FY 2011-12. Operation expenses have decreased significantly in FY 2011-12 in comparison to FY 2010-11. During FY 2010-11, the City Secretary position was vacant for a significant portion of the year. An interim City Secretary worked for the City under contract; therefore, these costs appeared in operations expenses rather than employee expenses. For FY 2011-12, no expenditures of these types are anticipated as the City Secretary position is now filled.

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<i>City Manager's Office:</i>			
City Manager	1	1	1
Assistant City Manager	1	1	1
Development Coordinator	0	1	1
Intergovernmental Services Manager	1	0	0
Management Assistant	1	1	1
Public Information Officer	<u>0</u>	<u>1</u>	<u>1</u>
Total – City Manager	4	5	5
<i>City Secretary:</i>			
City Secretary	1	1	1
Administrative Secretary	1	1	1
Deputy City Secretary	<u>1</u>	<u>1</u>	<u>1</u>
Total – City Secretary	3	3	3
<i>Total Authorized Positions</i>	7	8	8

CITY ATTORNEY



CITY ATTORNEY

General Fund: 101
Department Codes: 1100

Mission:

City Attorney:

To ensure the interests of justice are served, hold offenders accountable, enhance the public's sense of safety and provide proactive, effective and efficient legal services to the City Council, the City's various boards and commissions and the City staff.

Vision:

City Attorney:

The City Attorney's Office is dedicated to enhancing the quality of life in the City of New Braunfels by providing the best possible legal services through open communication and the mutual support of a team of diverse and highly skilled employees who recognize each other as the City's most valuable assets.

Goals/Objectives:

The City Attorney's Office aligns its' goals and objectives with those of the City Council and aims to provide the best possible service.

Department Description:

The Office of the City Attorney handles all aspects of municipal representation for the City of New Braunfels by providing representation and legal advice to the City Council, City employees, the New Braunfels Industrial Development Corporation and approximately 27 boards and commissions. The Office of the City Attorney also handles the prosecution of all municipal offenses.

Performance Measures:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<u><i>City Attorney's Office:</i></u>			
Response time on requests for legal services	2.5 days	2 days	2 days
Litigation handled in-house (versus outsourced)	3 of 7	1 of 6	3 of 6
Attorney General opinions/Legal Memoranda or opinions	75	500	500

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<u><i>Employee Expenses</i></u>			
Employee Expenses	\$295,418	\$239,030	\$304,927
Operations Expense	206,580	236,999	207,100
<i>Total Appropriations</i>	\$501,998	\$476,029	\$512,027

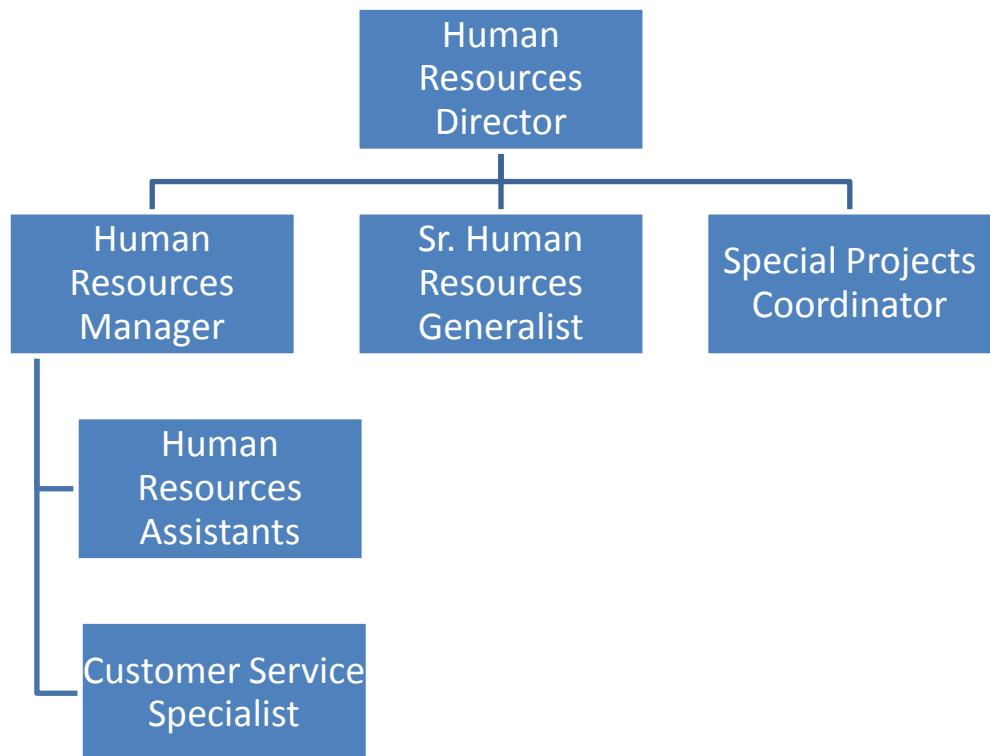
Program Justification and Fiscal Analysis:

In comparison to the FY 2010-11 estimates, the FY 2011-12 Budget increases overall entirely due to higher employee expenses. This increase is related to the vacancies that have occurred in both the City Attorney and Assistant City Attorney positions during FY 2010-11. Full year funding for both positions is included in FY 2011-12. In addition, due to these vacancies, increased funding in contracted legal services was required. The FY 2011-12 Budget includes a reduced funding level for outside legal counsel.

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
City Attorney	1	1	1
Assistant City Attorney	1	1	1
Legal Assistant	<u>1</u>	<u>1</u>	<u>1</u>
<i>Total Authorized Positions</i>	3	3	3

HUMAN RESOURCES DEPARTMENT



HUMAN RESOURCES DEPARTMENT

General Fund: 101
Department Code: 1300

Mission:

To provide quality programs and services in employment, organization development, employee relations, compensation, benefits and risk management, with prompt, effective customer service to all employees, citizens and visitors.

Vision:

To create an environment that facilitates recruitment and retention of a high performing workforce, where all employees matter and where innovation and service excellence is the standard.

Goals/Objectives:

1. Facilitate creation of the environment for the City of New Braunfels to be an “employer of choice” in this region.
2. Partner with departments to provide consulting services to assist with the goal of hiring and retaining high performing employees.
3. Implement innovative employee development programs to cultivate the next generation of leaders.
4. Utilize technology to enhance and streamline our human resources processes.
5. Ensure the City’s benefits and compensation package remains competitive to attract and retain excellent employees; continue to seek enhancements to the benefits package.
6. Implement risk management/proactive safety programs and policies.
7. Maintain an ongoing emphasis and provide training to promote extraordinary customer service throughout the City.
8. Maintain a welcoming, service-oriented environment in the City Hall lobby area.

Action Items:

- *Complete personnel policies update*
Complete Personnel and Safety Policies and associated training.
- *Create a cultural shift to a problem resolution focus*
Complete implementation of EthicsPoint reporting system and associated training.
- *Monitor and communicate legislation*
Human Resources will implement Civil Service in the Police Department and update the Fire and Police local rules.
- *Continue effective management of employee benefits and insurance programs*
Human Resources will educate employees regarding enhanced compensation and benefits programs and implement as authorized.

Department Description:

The Human Resources Department assists City departments in achieving the City’s mission and vision – and the individual departments’ missions and visions – by creating an environment that recruits and retains a high performing work force. This environment is characterized by fair treatment, open communication, accountability, trust, mutual respect, diversity, outstanding performance, innovation and teamwork.

The Human Resources staff manages all aspects of recruitment, compensation, benefits, employee development, employee relations, risk management/safety, policy development and

implementation and support for the Police and Fire Civil Service Commission. This includes: application and new hire processing; development and management of the City's benefits programs; salary survey and compensation plan design; and development and implementation of training programs that support the organization's goals and objectives. Staff is also responsible for policy development and implementation. Human Resources currently manages all property and casualty insurance and is responsible for customer service delivery in the City Hall lobby.

Performance Measures:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Job vacancies posted to City's web-site within 24 hours of receipt	99%	99%	100%
Job description reviewed and drafted within 10 work days of notification	95%	95%	95%
Initial response to employee issue completed within one work day	95%	99%	99%
Total contact training hours	6,120	3,500	5,000
Safety programs conducted	10	8	8
Customer service survey rated satisfactory or above	N/A	85%	N/A

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$420,224	\$435,408	\$490,676
Operations Expenses	129,083	130,022	120,400
<i>Total Appropriations</i>	\$549,307	\$565,430	\$611,076

Program Justification and Fiscal Analysis:

The Human Resources Department was made a separate department in FY 2009-10. The growth in the City's employee base, the need for increased human resources services and the adoption of Civil Service for the Fire Department warranted this action. The Police Department now also operates under Civil Service.

In comparison to the FY 2010-11 estimates, the FY 2011-12 Human Resources Budget has increased due entirely to higher employee expenses, caused by the transfer of an existing position into Human Resources in FY 2011-12. This increase is slightly offset by a decrease in operations expenses, mainly attributed to a decrease in Professional Development services. Staff has been successful in implementing new cost effective training opportunities for City employees which maintain the high quality of the program at a reduced cost. The FY 2011-12 Budget fully funds all positions, including the reclassification of the Human Resources Analyst position to Senior Human Resources Generalist that occurred in FY 2010-11. With the recent passing of Civil Service for all uniformed police personnel, the Senior Human Resources Generalist will be able to assist with this transition. In addition, this position will be focused on employee relations, including issues related to Civil Service, grievances and mediation (should the need arise).

As stated, one position has been transferred into Human Resources. During FY 2010-11, the Teen Court Coordinator's responsibilities were expanded to include support for City-wide programs and projects including such things as City University and other human resources related programs. In recognition of the amount of time spent in these endeavors, the position will now report to the Human Resources Director. However, the position will continue to actively support and manage the teen court program as part of the continued duties and responsibilities. The budget recognizes this by moving the position into the Human Resources Department. The position will also be reclassified to a Special Projects Coordinator. This action also contributes to the higher employee expenses in the FY 2011-12 Budget in comparison to FY 2010-11 estimates. This organizational change provides additional resources into Human Resources, needed in part because of the addition of the police uniform personnel to civil services. Although this position will not work on those issues specifically, it will free up other staff to focus in this area.

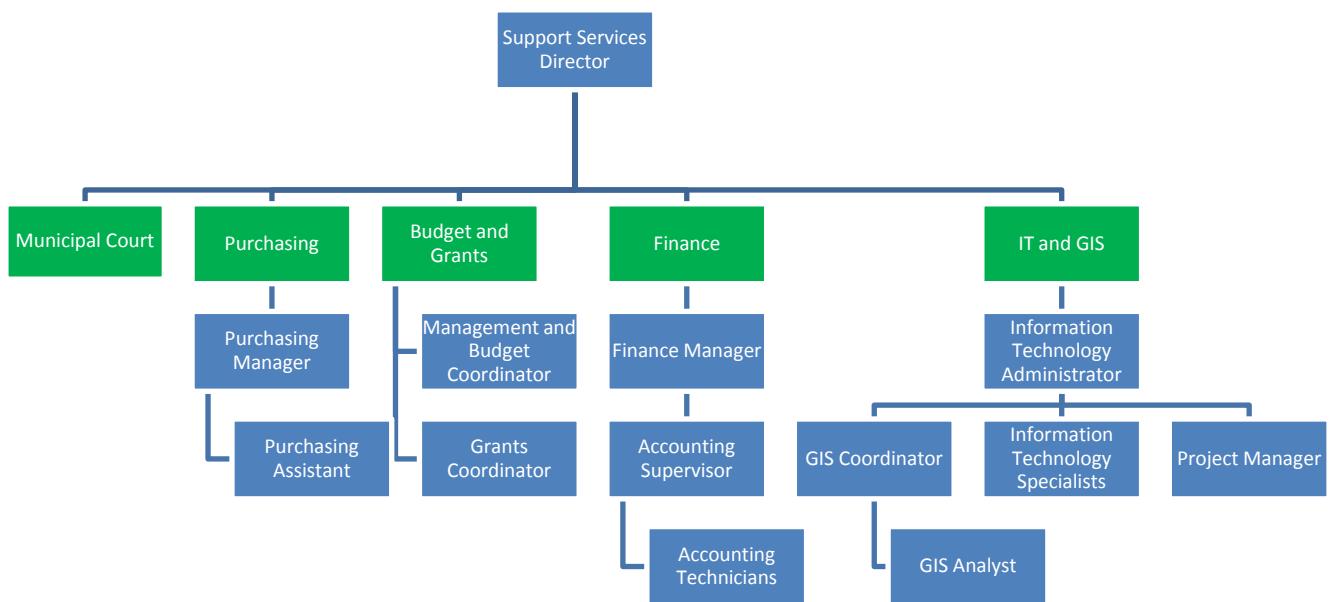
Training: The \$35,000 in funding in the FY 2011-12 Budget for the City-wide training and development program will continue to expand the staff's skills and knowledge, enhancing their ability to provide excellent customer service. Department-specific training has been funded as well as this City-wide effort. Human Resources is working to continuously expand this City-wide training program. During the new fiscal year, the program will continue to focus on customer service, maintaining a safe and productive work environment, developing excellence in management and leadership skills, enhancing computer skills, implementing emergency management training, continuing the "New Braunfels 101" program to educate all employees on City services and providing policy classes to review the new employee handbook. The City of New Braunfels recognizes that the future is its employees; accordingly, the City is dedicated to training and building the next leaders, while continually improving its services to the community.

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<i>Human Resources:</i>			
Human Resources Director	1	1	1
Customer Service Specialist	1	1	1
Human Resources Assistant	2	2	2
Human Resources Manager	1	1	1
Senior Human Resources Generalist	1	1	1
Special Projects Coordinator	0	0	1
<i>Total Authorized Positions</i>	6	6	7

SUPPORT SERVICES DEPARTMENT

FINANCE, PURCHASING, BUDGET, INFORMATION TECHNOLOGY AND GIS



***SUPPORT SERVICES – FINANCE, PURCHASING, BUDGET
INFORMATION TECHNOLOGY, AND
GEOGRAPHIC INFORMATION SYSTEMS***

**General Fund: 101
Department Code: 1500**

Mission:

Finance:

To provide accurate, timely financial and payroll information in a user-friendly manner and to manage and account for City resources efficiently.

Purchasing:

To secure, whenever practical, competitive prices on purchases and to generate fair and open competition to receive the best prices, terms and conditions for the City.

Management and Budget:

To budget and effectively utilize the resources needed to service the citizens efficiently and effectively.

Information Technology:

To support City departments through excellent customer service that is responsive to their communication and technology requirements.

Geographic Information Systems (GIS):

To provide robust geospatial services and accurate, reliable data to support effective decision-making by City departments and the public.

Vision:

Finance and Budget:

To provide budget and financial management information so that the City of New Braunfels can serve the citizens effectively and at the least cost.

Purchasing:

To aid the City in serving the citizens through greater efficiency, both in terms of economy and service to the departments, and procurement of quality supplies, equipment and services.

Information Technology:

To provide all City departments with innovative, cost-effective technology to maximize the efficiency and effectiveness of their business processes.

GIS:

To develop, manage and maintain an efficient, robust enterprise GIS, enabling better service and decision-making through geographic data and geospatial analysis.

Goals/Objectives:

Finance:

1. Provide our customers – other City departments’ staff – with excellent customer service, responding to their issues in a timely manner and with data and information in a user-friendly format.
2. Continue to strengthen the City’s financial position.
3. Promote cost-effective use of City resources and accountability for the use of those resources.
4. Achieve accuracy in all financial and accounting transactions.

Purchasing:

1. Establish policies and procedures that maintain the integrity of the purchasing process, encourage competitiveness and show a cost savings on procurements.
2. Procure goods and services for departments of the requested quality and quantity from an appropriate source using the most efficient and economical means and at the best possible price to have them available when and where they are needed.
3. Improve delivery speed to departments by predetermining appropriate sources of supply before an actual need for a particular item or service becomes known, facilitating potential quantity and special discounts.
4. Comply with all local, state, and federal laws while administering the purchasing function.

Management and Budget:

1. Balance the demands for additional services against the available revenues.
2. Budget the resources required for departments to serve the citizens.
3. Provide all the management information needed by elected officials and department heads.
4. Serve as a management consultant to departments to assist them in increasing the efficiency and effectiveness of their operations by evaluating business processes and identifying areas for improvements.
5. Use performance measures to evaluate budget requests.

Grants Coordination

1. Assist departments in acquiring grants that meet the City’s high priority, unfunded requirements
2. Ensure the City’s compliance with all grant management and reporting requirements.

Information Technology:

1. Provide excellent customer service.
2. Ensure the security and privacy of City information.
3. Provide employees with effective technology.
4. Keep all communications and data systems 100 percent available and working efficiently for the use by City departments and citizens.
5. Manage and use information effectively, collecting it once and using it in multiple systems.

GIS:

1. Develop an environment in which employees and citizens benefit from available geographic information and geospatial services.
2. Establish a centralized enterprise GIS relational database and enterprise GIS data standards.
3. Integrate existing and future systems into the enterprise GIS (where appropriate) and establish policies and standards that govern that integration.

4. Provide robust interactive web-mapping tools to visualize, query, and export geographic data for internal and external users.
5. Provide a comprehensive GIS training program to ensure the most effective use of the GIS data and software.
6. Coordinate and collaborate with external entities to strengthen the regional GIS initiative.

Action Items:

- *Conduct internal and external surveys of customer needs and customer satisfaction*
A survey focused on the use of social media, websites and cable channel communications will be completed in FY 2011-12.
- *Implement new finance, purchasing, human resources and budget software*
The finance, purchasing and budget software modules went live in June 2011 with the human resources and payroll modules following in October 2011. In FY 2011-12, staff will work to implement additional modules to enhance the effectiveness of the system.
- *Fully and effectively utilize ACCELA land and asset management software*
Some system enhancements and corrections as well as report development were completed in September 2011 for the land management software module. In FY 2011-12, additional enhancements and improvements will be completed including implementation of the voice response system and the citizens/contractor access portal.

Department Description:

Finance and Management and Budget:

Finance manages and administers all aspects of the City of New Braunfels financial and payroll transactions and records. This includes accounts payable, accounts receivable, cash management, payroll processing, auditing, and all other accounting activities. Finance is responsible for the City's investment and debt management, determining the highest return on investments while maintaining adequate cash flow for City requirements.

Management and Budget staff annually develops the operating and capital budgets for the City. Expenditures are monitored and monthly financial reports are provided to departments and to City Council. In addition, special studies are conducted to evaluate the costs and benefits of proposed programs and projects. Staff also works as a management consultant with departments on special projects and business process evaluations to ensure the City operates as efficiently and effectively as possible.

Purchasing:

Purchasing facilitates City purchases through competitive processes to ensure the highest quality goods at the lowest price. This applies to procurement of supplies, equipment and services, from pens and pencils to major construction projects. The Purchasing staff: assists City departments in defining requirements; provides advice on products and services; assesses information provided for solicitations; assembles suitable terms, conditions, instructions and provisions for the solicitations; documents all bids and proposals received and reviews them for acceptance; plans and conducts negotiations with selected service providers; notifies unsuccessful bidders; conducts debriefings and handles bid protests; and handles performance disputes between the City and vendors should they arise. Purchasing works with other local public entities to identify and take advantage of, whenever practical, opportunities for joint procurements. Purchasing also accurately maintains and controls the use of the City's fixed asset inventory.

Information Technology:

Information Technology is responsible for supporting all of the City of New Braunfels technology and communications systems, ensuring their efficient and secure operation. This includes critical public safety, public information, finance, human resources, parks management, court management and other systems. Information Technology staff works with departments to install new and maintain existing equipment – hardware, software and communications – to minimize downtime and maximize staff efficiency and effectiveness. In addition to these responsibilities, Information Technology staff maintains the City’s website, facilitates broadcasts of City public meetings, and trains staff on the use of technology. Staff also provides technical assistance to offices and departments acquiring new technology to assist them in improving their business processes and better utilizing their existing resources. A major City-wide technology improvements project continues to progress. This project has already resulted in much needed upgraded technology for City departments, improving their ability to serve the citizens and the community.

GIS:

Geographic Information Systems (GIS) are systems of hardware, software, and procedures to facilitate the management, manipulation, analysis, modeling, representation and visualization of geo-referenced data to solve complex problem regarding the planning and management of resources. Explicitly or implicitly, every department relies on geography to support its day-to-day operations, decision-making and planning. It is widely accepted within the GIS community that almost 90 percent of the information collected by government agencies has a geographic component.

In FY 2007-08, the City provided needed staff resources to GIS by hiring a GIS Coordinator. The GIS Coordinator is responsible for the design, implementation and management of the City’s enterprise geographic information system. The geographic data is stored on a centralized database that can be accessed by all GIS users within the City. This centralized database ensures that all departments have access to the most current data in a standardized format, providing the ability to integrate business processes across departmental lines. Other non-GIS databases can be linked to GIS to allow the visualization and spatial analysis of those data sources, such as the Fire Department’s Firehouse software. The integration between departments can result in large amounts of data transferred across the network and therefore requires a great deal of coordination with the City’s Information Technology staff. Spatial models are being built to automate certain business processes, query and analyze geographic information from diverse data sources, answer important questions, examine patterns and trends and support day-to-day operations. Enterprise base data is either maintained internally or provided by external agencies. For this reason, the GIS Coordinator has established internal and external GIS community relationships. To fully realize an enterprise GIS, sufficient ongoing training must be provided for staff in required City departments. In addition, technical support is provided so that the most current software and business processes are utilized throughout the City. The City continues to work with other public entities in the region to ensure that GIS information is shared and not duplicated by these entities.

Performance Measures:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<i>Finance, Management and Budget:</i>			
Accounts payable checks issued	10,100	10,200	10,400
Percent of checks processed via positive pay	100%	100%	100%
Average days to pay an invoice	5	5	5
<i>Purchasing:</i>			
Number of purchase orders issued	450	500	510
Number of days to process informal requisitions	4	3	3
Annual cost savings realized	\$195,000	\$250,000	\$275,000
<i>IT:</i>			
Number of work orders completed	1,116	1,283	1,400
Percent of network uptime	99%	99%	99%
<i>GIS:</i>			
GIS training sessions per year	12	3	5
GIS website visits per month	35,000	40,000	43,000
Number of data sets available for download	20	25	28
Number of data sets maintained	36	40	42
<i>Appropriations:</i>			
	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$982,754	\$1,081,095	\$1,255,184
Operations Expenses	362,298	434,173	487,196
Capital Expenses	0	20,500	0
<i>Total Appropriations</i>	\$1,345,052	\$1,535,768	\$1,742,380

Program Justification and Fiscal Analysis:

The FY 2011-12 Support Services Budget reflects an increase in comparison to FY 2010-11 estimates. The increase is attributed to two reasons. First, the Grants Coordinator position was created in FY 2010-11 and assigned to Support Services. This position is fully funded in FY 2011-12 and was added to the organization along with the Public Information Officer. Previously, the Intergovernmental Services Manager position had responsibility for both grants management and public information. To better perform the responsibilities associated with each of these two critical functions, a Public Information Officer and a Grants Coordinator position were authorized and filled in lieu of the Intergovernmental Services Manager. Secondly, the Management and Budget Coordinator position was vacant for six months during FY 2010-11 (held open as a budget savings measure). This position is fully funded in FY 2011-12. \$25,000 has been added to the Operations Expenses in FY 2011-12 to purchase software licenses necessary to update the telephone network and equipment that is currently in use, contributing to the increase in this appropriation.

The FY 2011-12 Budget for Support Services includes funding for a program change. One GIS Analyst position is authorized and funded. The nine-month cost for this position (salary and benefits) totals \$55,626. This position will greatly increase the ability to provide services to departments using GIS to solve business issues and increase the efficiency of their operations. This new position will work directly with departments to build models and tools that they can use to analyze and evaluate issues, answer questions and create solutions.

In FY 2009-10, the City made some organizational changes; as a result, the administrative function of Municipal Court reports to the Support Services Director. However, this division is budgeted separately; consequently, more detail with respect to the Municipal Court is provided in another section of this document (Support Services – Municipal Court).

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<i>Support Services:</i>			
Support Services Director	1	1	1
Accounting Supervisor	1	1	1
Accounting Technician	3	3	3
Finance Manager	1	1	1
Grants Coordinator	0	1	1
Management and Budget Coordinator	1	1	1
Purchasing Assistant	1	1	1
Purchasing Manager	<u>1</u>	<u>1</u>	<u>1</u>
Total – Finance	<u>9</u>	<u>10</u>	<u>10</u>
<i>Information Technology and Geographic Information Systems:</i>			
GIS Analyst	0	0	1
GIS Coordinator	1	1	1
Information Technology Administrator	1	1	1
Information Technology Specialist	2	2	2
Project Manager	<u>1</u>	<u>1</u>	<u>1</u>
Total Information Technology and GIS	<u>5</u>	<u>5</u>	<u>6</u>
<i>Total Authorized Positions</i>	<i>14</i>	<i>15</i>	<i>16</i>

NON-DEPARTMENTAL

General Fund: 101
Department Code: 7900

Program Description:

The Non-Departmental budget is used to account for expenditures that benefit multiple departments and/or the City of New Braunfels organization as a whole. This budgetary approach helps the City streamline budgeting and accounting processes. It also provides a mechanism to account for some major, one-time, project related expenditures so that department budgets and expenses show the true recurring costs of those operations. The actual expenditures budgeted here are described in more detail below.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$49,608	\$85,000	\$0
Operations Expenses	811,030	983,486	1,104,000
Interfund Transfers	850,700	1,956,286	2,497,348
Contingencies	0	0	(260,000)
<i>Total Appropriations</i>	\$1,711,337	\$3,024,772	\$3,341,348

Program Justification and Fiscal Analysis:

Tax Collection

The City of New Braunfels, along with all the other taxing entities served by the Comal Appraisal District (CAD) and the Guadalupe Appraisal District (GAD), supports the operations costs of those organizations. The State legislature required, effective with the City's FY 2007-08, that entities spanning more than one County use each county's appraisal district for appraised value services. The City of New Braunfels spans both Comal and Guadalupe County; therefore, the City pays both entities for their services. For FY 2011-12, the City's portion of those costs is projected to total \$163,000. This represents a slight decrease in cost from FY 2010-11 estimates of \$171,000. The City's cost is driven both by the total budgets for the appraisal districts and the City's total share of appraised values across all organizations served by the districts.

Insurance Services

The City's budgeted cost of liability and property insurance for FY 2011-12 totals \$355,000. This amount is budgeted in Non-Departmental and includes insurance for vehicles, facilities and other City property as well as coverage in case of an injury caused by the actions of a City employee. This amount represents an increase in comparison to the FY 2010-11 estimates, due to the increased cost of liability and property insurance.

Employee Programs and Initiatives

Holidays for 2012:

New Year's Day	Monday	January 2, 2012
Martin Luther King, Jr. Day	Monday	January 16, 2012
President's Day	Monday	February 20, 2012
NB Founders' Day	Friday	April 6, 2012
Memorial Day	Monday	May 28, 2012
Independence Day	Wednesday	July 4, 2012

Holidays for 2012 (Continued):

Labor Day	Monday	September 3, 2012
September 11 Remembrance Day	Tuesday	September 11, 2012
Uniform Fire Department personnel only		
Comal County Fair Day	Friday	September 28, 2012
Excluding Uniform Fire Department personnel		
Thanksgiving Day	Thursday	November 22, 2012
Day after Thanksgiving	Friday	November 23, 2012
Christmas Eve	Monday	December 24, 2012
Christmas Day	Tuesday	December 25, 2012

Holiday pay, defined by the Employee Personnel Policies Handbook, is pay received for a legal or declared holiday, and holidays are to be scheduled by the City Manager.

Vacation Policy Changes: Effective October 1, 2011, the vacation accrual schedule for all personnel except uniform police and fire positions (those under the City's public safety uniform employees step pay plan) is as follows:

	<u>Days per year</u>	Accumulation per Pay Period
Years 1 and 2 of employment	10	3.08 hours
Years 3, 4 and 5 of employment	12	3.69 hours
Years 6 through 10 of employment	15	4.62 hours
Years 11 through 15 of employment	17	5.23 hours
Years 16 and over employment	20	6.15 hours

In addition, beginning October 1, 2011, annual leave (vacation) used will no longer count toward productive time when calculating overtime hours and pay for employees. Prior to this date, if an employee used annual leave and then worked hours beyond their normal work week/shifts, the annual leave counted toward hours worked when determining the total number of hours to pay an employee. Again, as of October 1, 2011, annual leave *will not* count toward total hours worked.

Tuition Reimbursement: The expanded tuition reimbursement program encourages employees to further their educations by reimbursing eligible tuition expenses for continuing education. Program parameters have been changed to encourage more employees to participate in this program. Prior to FY 2011-12, all tuition reimbursement was budgeted and paid from the Non-Departmental budget. In FY 2011-12, these budgets and costs have been moved to the individual departments' budgets to better reflect the cost of salary and benefits for employees in each function.

Medical, Dental, Prescription and Vision Employee Benefits Plan: The rising cost of health care is a constant concern nationwide, and for the City of New Braunfels. Over the last five years, many organizations have seen double- digit increases in costs (claims as well as administrative services). With the exception of FY 2009-10, the City of New Braunfels has not seen these types of increased costs. Prior to plan year October 2009 through September 2010, the City of New Braunfels and its employees had effectively managed medical services costs and claims and, therefore, avoided large increases in costs and premiums (both paid by the City and the employees). Due to the City's good experience from October 2006 through September 2009, no increase occurred in the premiums either for the City's contribution or for employees'

contributions for their dependents' coverage. In fact, in plan year 2007-08, Council reduced the employees' contribution for all dependent coverage by \$50 per pay period. Unfortunately, as stated, claims in plan year 2009-10 increased significantly; the total cost for claims and administrative expenses for FY 2009-10 was 31 percent higher than FY 2008-09. This was the result of multiple factors: increases in large claims by individuals, overall increased utilization and rising medical costs. Staff also believes the uncertainty caused by the health care/insurance legislative reform impacted the claims expenses in that year. Current projects for FY 2010-11 show a decrease in claims and administrative expenses for FY 2010-11 - \$444,849 or 8.6 percent. The 8.7 percent increase in these expenses for FY 2011-12 (over the current year estimate) will still actually be less than the poor experience the City had in FY 2009-10. These costs are budgeted in the Self Insurance Fund.

Even with the better claims expense projections for FY 2010-11 and FY 2011-12, significant changes in the City's employee medical insurance program will be required over the next several years to keep the plan and the fund healthy. Currently, premium payments from the employees and the City total about \$4.73 million with recurring expenditures for claims and administrative costs projected at \$5.25 million. This represents a drawdown of fund balance and one-time revenues of \$520,000 annually. As a result, the City has made one-time contributions from the General Fund into the Self Insurance fund - \$500,000 in FY 2010-11 and \$400,000 in FY 2011-12.

An Employee Benefits Committee was formed and worked with Human Resources staff throughout FY 2010-11 to provide input into options and opportunities to manage employee medical insurance. The role of the committee also includes assisting with overall communication about benefits, as well as relaying information to employees about making wise, cost effective choices when utilizing the health plan. As a result of the committee and staff work, the following recommendations have been incorporated into the current medical insurance program.

Over the last several years, Council has taken actions to change premium contributions and plan benefits to mitigate the rising cost of employee medical insurance. This continues in FY 2011-12. In FY 2010-11, Council approved moving from Great West, the City's third party administrator and health network, to CIGNA effective October 1, 2010. This is expected to reduce claims expenses by 3 percent because of the better network discounts offered by CIGNA. It also reduced estimated administrative expenses by about \$53,000 for FY 2010-11.

In FY 2010-11, Council adopted a three-pronged approach to address the need to reduce costs and/or increase revenue into the fund to bring it into balance. First, premiums were increased \$20 per month for all types of coverage under the higher coverage plan (Plan A), including employee only and dependents. This represented the first time employees contributed a premium for employee only coverage. Prior to that year, employee medical, dental, prescription and vision coverage were offered at no charge to the employee. The base coverage plan (Plan B) was still offered at no cost to the employee. The City "matched" this increased contribution by adding \$10 per pay period or \$260 per year to the City's contribution for employee health insurance, increasing the amount from \$7,408 annually to \$7,668 or 3.5 percent. These premium changes generated about \$240,000 annually. For FY 2011-12, this incremental increase to premium costs is continued with employee contributions for Plan A increasing by \$10 per pay period (for employee only and employee plus children) and \$16 and \$17 per pay period (for employee plus family and employee plus spouse respectively). No increases in premiums are included for Plan B (which was offered for the first time in FY 2008-09). This plan has higher

deductibles and co-payments, but lower monthly premiums. This plan will continue to be offered in FY 2011-12 at no cost to the employee for employee only coverage. The City will also again increase its premium contributions by \$10 per pay period per employee (for both Plan A and Plan B). These changes are projected to provide additional revenue of \$196,000 annually.

The second portion of the strategy involves continuing to make changes in the benefits structure of the medical insurance. In plan year 2008-09, some plan design changes were implemented that affected deductions and co-pay levels. In plan year 2010-11, continuing gradual changes to deductibles and co-pays, and maximum out-of-pockets as well as some other minor changes were made, resulting in reduced the costs of claims to the fund. For FY 2011-12, increased deductibles and maximum out-of-pockets are once again occurring for both Plan A and Plan B. In addition, both plans will now have a \$50 separate deductible for prescriptions. Employees can make smart choices in their medical services (including using network providers rather than non-network providers) that will help them reduce their out-of-pocket costs for services, even with continued these higher deductibles and co-pays. They can also choose to pay for services with their doctor of choice, regardless of the provider's network status. These plan changes are estimated to save about \$120,000 in the FY 2011-12 plan year.

The third component of the recommended strategy involves a transfer of funds from the General Fund into the Self Insurance Fund to maintain a reasonable fund balance. The FY 2010-11 Budget included a \$500,000 transfer into the Self Insurance Fund to begin to address the fund balance shortfall. As stated, plan year 2009-10 was a particularly high year for claims, including some very large single claims. That experience is not recurring (year-to-date) in 2010. However, there still remains a fund balance shortfall because of the FY 2009-10 costs. Therefore, the FY 2011-12 Budget once again provides a transfer from the General Fund into the Self Insurance Fund, of \$400,000. This brings the funds balance to a projected 5 percent of total annual expenses. However, if claims are lower than projected in either or both FY 2010-11 and 2011-12, the fund will have the opportunity to rebound financially, bringing the fund balance more in line with the target level of 25 percent.

Staff continues to work toward a long term strategy to ensure medical coverage for employees at an affordable cost – both to the City and the employees. This includes continuing to work with an employee committee made up of employees from all departments and from various levels so that all perspectives can be brought to the process. Along with this group, staff will develop a three-to-five-year strategy for changes in benefits levels that will reduce the overall cost of claims and/or increases in premiums for employee and dependent coverage. This strategy will take into account all aspects of medical insurance including the impact of health care reform, our loss experiences and the City's overall financial position. It is anticipated that this strategy will make gradual changes in deductibles, co-pays and other benefits to smooth the impact on employees while maintaining the fund's financial stability. Part of this strategy includes offering a health savings account (HSA) medical insurance option, expected to be available in plan year 2012-13. HSA's offer multiple benefits both to the employer and the employee. HSAs work with a high deductible plan. An account is set up for each employee that both the employee and the employer can contribute into. The contributions for the employee are pre-tax. The fund can be used to pay for the cost of medical expenses for the employee and their dependents. Employees have to pay all medical costs until the deductible is met. After that, the plan pays the costs with no co-pays. Any money in the fund not used by the employee for medical expenses is the employee's to keep, even if they leave their employer. It also rolls over from year-to-year. The concept behind an HSA is that, since employees spend their own money first, they are

incentivized to “shop” for services and use them only when really needed. The first costs for services are born entirely by the employee; the savings expected from an HSA come from this plan parameter.

The Human Resources staff will also continue to work with employees to focus on wellness and employee education regarding smart consumerism as it relates to utilization of the health plan to help the City maintain as much as possible its current level of benefits.

Wellness: The FY 2011-12 Budget in the Self Insurance Fund also includes continued funding in the amount of \$75,000 for the City’s wellness program – *Cityfit* – that was established in FY 2007-08. This program is designed to further promote the health and well-being of our employees. Wellness programs are shown, over the long term, to reduce the cost of medical insurance to employers. Since the program is expected to directly impact the claims expenses in this fund, *Cityfit* is funded in the Self Insurance Fund again this budget year. The program was initially established through an outside provider that offers a web-based program that tracks employees’ fitness activities and provides rewards for reaching various levels of activity. This program continues. Some other programs/events held this past year have included: the gym reimbursement program; wellness and fitness seminars; City-wide health screenings; and a Weight Watchers at work program, which has been very successful. To continue building this program, staff is pursuing partnerships with local wellness providers, reviewing additional wellness initiatives, and looking at ways to further tie incentives for good health with reductions in health care costs to the employee, thus reducing costs to the City.

Employee Assistance Program and other wellness efforts: In January 2006, the City began offering an Employee Assistance Program. It provides counseling and referral services for employees and their dependents on a voluntary basis. The response to this program has been positive both from the employees’ and the City’s perspectives. The FY 2011-12 Budget continues funding this program at an annual cost of \$12,000. In the past, this program was funded in the City’s General Fund Non-Departmental Budget. However, this expense is now budgeted in the City’s Self Insurance Fund to reflect its importance as part of the City’s overall wellness effort.

Compensation: In FY 2007-08, the City implemented a new pay plan that was the result of a City-wide classification and market driven compensation study. In October 2008, all employees received a cost of living adjustment (4 percent for non-uniform employees and 5 percent for uniform police and fire employees). The FY 2009-10 Budget also initially included funding for April 2009 salary adjustments that were to include step plan increases and pay for performance increases. The Council did not implement those adjustments due to economic conditions and projected budget shortfalls. However, work continued to prepare for implementation of salary increases once funding became available. In FY 2009-10, training on the performance evaluation tool was conducted, supervisors met with their employees to set goals, and performance evaluations were completed. In FY 2010-11, all employees again received annual performance evaluations. In addition, the full step pay plan design was completed in May 2009, with input from both Fire and Police uniform employees. In October 2010, the Police and Fire Department uniform employee step pay plans were fully implemented with all employees on the plan moving to the appropriate range for their years of service in their current position. In addition, pay for performance for all employees not on the public safety uniform step pay plan was awarded. The FY 2010-11 Adopted Budget stated that future step plan and performance pay increases will depend on available funding and are subject to annual approval by the Council.

The FY 2011-12 Budget does not propose any salary increases for employees, including those on the public safety uniform employees step pay plan. Employees on the step pay plan will remain on the step they are currently on throughout FY 2011-12.

City staff will continue to monitor the established job market to ensure that salaries remain competitive. A salary survey was conducted in 2011 for comparisons of City salaries to the market. This study identified positions where the City is currently behind the market. Staff continues to evaluate this information and look for ways to address these issues.

Performance evaluations will continue to be completed on an annual basis. In addition, a pay plan policy for all employees will be finalized as part of the employee handbook revision.

Services and Programs

The FY 2011-12 Budget includes funding for programs and initiatives based on the strategic priorities identified by City Council. In the Non-Departmental Budget, \$20,000 is included for continuing service by the investment advisory firm engaged by the City to assist in increasing the City's return on its investments. In addition, \$10,000 is set aside to complete annual arbitrage rebate and yield restriction analysis of the City's debt proceeds funds to ensure compliance with Internal Revenue Service (IRS) regulations. A total of \$40,000 is included for costs related to acceptance of credit cards as payment. This reflects the City's commitment to customer service by expanding the number of departments that accept credit cards for payment and offering on-line payment services at Municipal Court. Organization dues for FY 2011-12 total \$62,000 and include the Texas Municipal League, the Greater Austin-San Antonio Corridor Council, the Austin-San Antonio Commuter Rail District and the Alamo Area Council of Governments. In FY 2007-08, the City began engaging firms to help support our legislative efforts at the state and federal levels. For FY 2011-12, \$45,000 is provided to continue support at the federal level. This investment has already been recouped several times over through federal and state funding (through grants and other sources) for needed City programs and projects. As the City more aggressively pursues alternative funding sources, this effort becomes more and more important.

The FY 2011-12 Budget also includes \$20,000 in funding to continue the City's public relations efforts, using various media to extend the City's message about all the positive activities and improvements taking place. The City uses press releases, the website and the government access channel to communicate its messages. Staff is continuing to expand the communication program to make the most effective use of the City's communications resources. As part of this effort, in 2011-12, the City will complete its second annual report. The budget also includes \$15,000 to complete a community survey; the last survey was conducted two years ago. The recently hired Public Information Officer for the City will support both these efforts.

The FY 2011-12 Budget also includes \$25,000 for the management contract for the Westside Community Center. The City acquired this building in FY 2010-11. Programs are already offered in the facility by a non-profit agency. This agency will continue to manage these programs in FY 2011-12 as the City works to transition to complete management and program offerings in this facility. The \$25,000 will help support the agency's programs.

In the FY 2011-12 Budget, funding for the City's outside audit is \$52,000 to reflect the current contract cost for auditing services that began in FY 2009-10. The contract tasks the firm with completing a comprehensive annual financial report which includes statistical data and other

information to improve the communication with citizens and our business partners regarding the City's financial and economic status.

The FY 2011-12 Budget includes \$100,000 to fund various studies and consultant services that may be needed to continue to provide services to the citizens.

In FY 2011-12, \$10,000 is provided to support United Way's continuing work to address the issues identified in the Comal County Needs Assessment.

The municipal/city hall building is at capacity to house staff. Therefore, the FY 2011-12 Budget includes \$75,000 to acquire or lease additional office space.

Technology

In FY 2005-06, the City identified the need to significantly and comprehensively upgrade hardware and software used for voice and data communication. A technology improvement project was initiated to address this issue, and the project continues in FY 2011-12. The City first completed a technology assessment, assisted by an outside consultant that identified the major software systems needed. City staff had already identified the needs and developed the plan to address hardware needs. To date, the voice communication system has been upgraded, a fiber optic network has been installed in partnership with the New Braunfels Independent School District and New Braunfels Utilities, all servers have been replaced, all desktop and laptop computers have been replaced, the City's network has been consolidated under one "umbrella" and tighter network security has been installed. A disaster recovery/failover backup system for the City's network has been installed and implemented. In addition, many of the smaller software programs have been upgraded, and the Accela land and asset management software has been implemented to support a work order system, asset tracking and the entire development review process. This plan also includes upgrades to the City's financial management software which is now hosted off-site by the software company providing the programs, providing disaster recovery and backups efficiently and effectively. To date, a total of \$2.1 million has been spent on these projects. The need for these expenditures is driven by several factors. The City's technology infrastructure had grown on a piece meal basis over the prior five to seven years. This created a technology environment in which information could not be shared between City departments. The City had also outgrown the capacity of that infrastructure.

The hardware components of the system are now upgraded and functioning efficiently and effectively. The City is working through implementation of needed major software systems. As stated above, implementation is completed for an asset management system (including asset tracking and a robust work-order system) and a land development process package that supports inspections of all types as well as the permitting and planning processes. The asset management and land development software systems have extensive customer service components to allow citizens to interact directly with these systems. As a result, citizens can make requests, check the status of those requests and perform other functions. In FY 2010-11, the City upgraded the human resources information system and, in tandem, the financial management/purchasing system. The financial management and purchasing portion of the system went live in June 2011 with the payroll/human resources portion to follow in October 2011. This project is funded in the 2009 Certificates of Obligation and is described more completely in that section. In addition, the 2012 Certificates of Obligation Capital Improvement Fund includes \$750,000 to acquire and implement a new computer aided dispatch/records management software system for the Police Department. The new system will provide efficiencies both for the emergency dispatch center

and the officers writing reports. It is anticipated that the system will allow officers to return to patrol more quickly.

The FY 2011-12 Budget includes a total of \$390,000 in the General Fund to support several technology projects, including: \$280,000 for the purchase of video production equipment to support the City's public relations and emergency management efforts; and \$25,000 for aerial photography needed to maintain the City's geographic information system (GIS) database. Funding is also provided for continued improvements to the Accela software (\$85,000). The Accela funding will allow the City to implement the citizens' access portal and the automated voice response system to allow citizens and contractors to get information and request inspections electronically. The FY 2011-12 Budget also includes \$125,000 in the Equipment Replacement Fund to replace and upgrade the Police Department's server network. This project will provide backups, disaster recovery and a virtual server environment.

Replacement Funds

Replacement of aging City of New Braunfels vehicles in the past occurred through the normal budget process. Departments identified vehicles that needed to be replaced because of age, wear and tear, high maintenance costs and/or combinations of all three. Vehicle replacements had to compete with all other funding needs. Through a budget adjustment in April 2006, City Council set aside \$1.5 million to begin a vehicle replacement program and fund. This program provides funding annually for future vehicle replacements. Replacing the vehicles on a routine basis as they begin to reach high mileage and/or age is cost effective in that higher trade-in values are received and maintenance and repair costs are avoided. The amount of funding contributed by each department has been determined based on criteria established by City Council. Departments contribute a calculated amount into the Equipment Replacement Fund annually (one-fifth of the expected replacement cost less trade-in value). The funds accumulated in that fund are then used to purchase new vehicles when the current vehicle reaches its replacement criteria. The funding for replacement vehicles then becomes an "automatic" part of the budget process rather than competing with other proposed purchases and new programs. In FY 2005-06 and FY 2007-08, the funding for vehicle replacements was included in the Non-Departmental Budget. Since FY 2009-10, those contributions into the Equipment Replacement Fund are included in each department's budget to more accurately reflect their overall cost of operations. The FY 2011-12 Budget includes a total of \$1,059,851 from the General Fund for vehicle replacements (including equipment for police specification vehicles). In future years, heavy equipment and vehicles (such as dump trucks and fire trucks) used by departments funded in the General Fund will be added. The Solid Waste heavy equipment (mainly refuse collection vehicles) is already included in this program; Solid Waste is a separate enterprise fund for the City. In FY 2011-12, the criteria for light vehicle replacement is changing. Currently, vehicles are replaced at six years or 85,000 miles, whichever comes first. Beginning in FY 2011-12, vehicles will be replaced at eight years or 85,000, again whichever comes first. To transition, police specification vehicles will have staggered replacements – six, seven or eight years. This will also help even out the number of vehicles needing to be replaced in a given year.

This same concept has been applied to computer replacements. In FY 2007-08, the City completed the project of replacing all outdated computer equipment (network and desktop). The computer replacement program funding provides sufficient money to replace computers, servers and peripheral equipment every three years, allowing the City to remain current with technology in a systematic manner. The FY 2011-12 Budget allocates \$300,000 to continue this program including the Police Department's MDT's (Mobile Data Terminals). The first replacements

were completed in FY 2009-10; more were accomplished in FY 2010-11, and the FY 2011-12 Budget will continue this effort.

The FY 2010-11 Budget included \$180,000 in funding in the Non-Departmental Budget to begin the replacement program funding for the Fire Department's self contained breathing apparatus (SCBA). This level of funding annually was anticipated to provide sufficient funding in FY 2015-16 to replace all SCBA's, keeping the equipment in compliance with standards and requirements. Beginning in FY 2011-12, this program is funded in the Fire Department's budget to more accurately reflect the full cost of that function.

The City's buildings continue to age. Major, unexpected repairs may be needed such as air conditioning systems or roof repair. The FY 2006-07 Budget set aside \$500,000 in contributions to the new Facilities Maintenance Fund to address these issues as they arise. Providing funding for these types of issues allows the City to complete maintenance and repairs in a timely fashion, thus avoiding both potential additional damage from delays and the need to redirect funds from other priorities if and when problems occur. The FY 2007-08 Budget continued this program by providing another \$500,000 into the fund. In the same way, the FY 2006-07 and 2007-08 Budgets included \$300,000 for parks maintenance funding in the Facilities Replacement Fund to ensure that the parks facilities enjoyed by citizens and tourists alike remain safe and accessible. Due to funding constraints, no transfers were made into this fund in FY 2008-09 or FY 2009-10. In June 2010, a major storm event caused significant flooding in the community and in many City parks. This expenditure of Facilities Maintenance Funds allowed the City to react quickly and effectively to restore the community – both neighborhoods and the river activities that generate tourism dollars to the City. The flood expenditure did significantly deplete the Facilities Maintenance Fund reserves. However, the FY 2010-11 Budget transferred \$300,000 into this fund, beginning to rebuild the fund balance. To continue this effort, the FY 2011-12 Budget once again provides a \$350,000 into the Facilities Maintenance.

Contingencies

The FY 2011-12 Budget sets aside \$250,000 in undesignated funds. These can be used only through Council action to address unforeseen expenditures that may arise. The FY 2011-12 Budget also allocates \$80,000 to be used should the City receive grants that require cash matches. The Non-Departmental Budget includes a general adjustment for savings from turnover. This \$590,000 represents 2 percent of the total personnel budget and is expected to be realized through the normal time lag between one employee's departure and filling the vacated position.

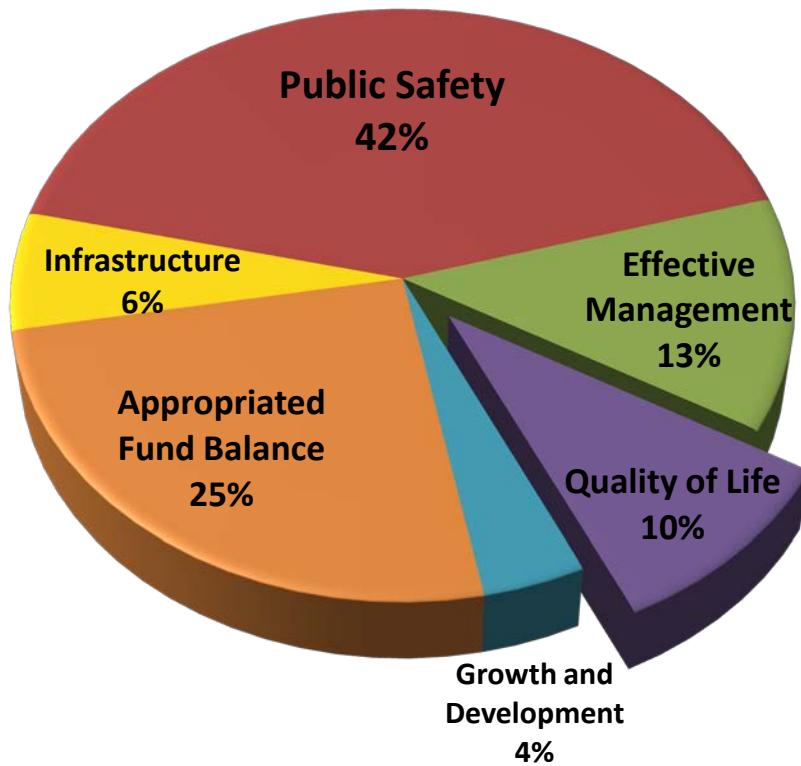
Interfund Transfers

The FY 2011-12 Budget includes \$1,182,348 in interfund transfers to support other funds. The City has a River Activities Fund that supports maintaining a safe and clean environment along the City's rivers. However, the revenue generated from that activity does not support all the related expenditures. Therefore, the General Fund provides \$409,953 in funding for these important efforts. The Civic/Convention Center became an enterprise fund in FY 2009-10 to effectively budget and account for the revenue and expenditures associated with the newly expanded and renovated Civic/Convention Center. The FY 2011-12 Budget continues this practice. However, the Civic/Convention Center is not yet fully self-supporting. Therefore, General Fund support of \$106,047 is needed to fully fund this important economic generator for the community. The Airport Fund also receives some General Fund support - \$57,094 in FY 2011-12. In FY 2011-12, the City will begin collecting a stormwater utility fee. Therefore, an

enterprise fund has been established to account for the revenue and expenses from this function. Because the fees will be collected for only a portion of the year, the General Fund will continue to provide financial resources to this fund in FY 2011-12. In FY 2012-13, the stormwater utility fund is expected to be completely self supporting. Expenses for the drainage function are moving from the General Fund to the Stormwater Utility Fund in FY 2011-12; therefore, it is appropriate for the General Fund to transfer funds to the utility fund this fiscal year. The transfer totals \$609,254.

Also, as described in the Replacement Funds section above, the FY 2011-12 Budget redirects \$350,000 to the Facilities Maintenance Fund for building maintenance and repair, in addition to \$300,000 to the Equipment Replacement Fund to facilitate the computer replacement program. As described above, the final interfund transfer into the City's Self Insurance Fund totals \$400,000 and is used to cover claims expenses in FY 2011-12.

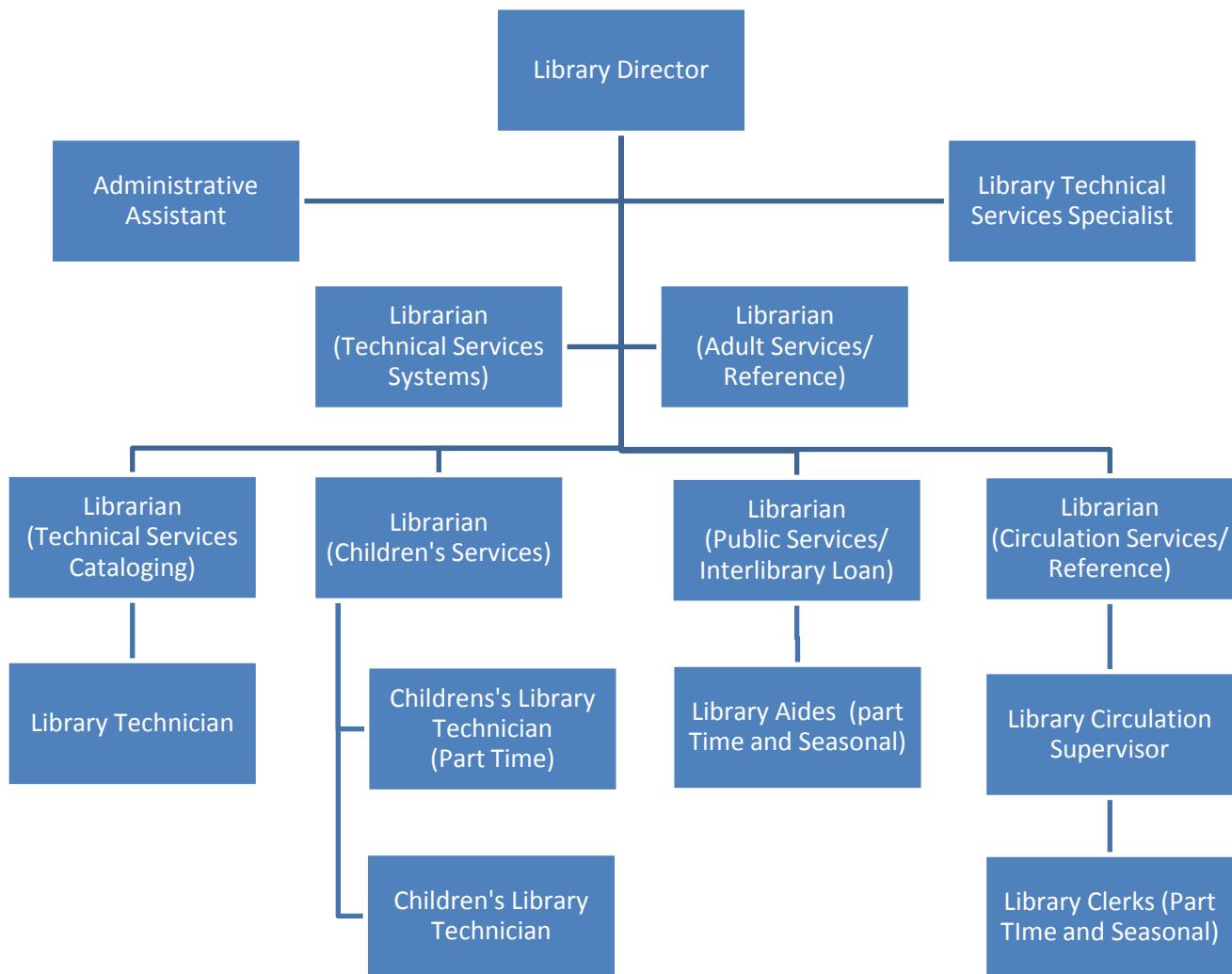
General Fund Appropriations by Strategic Priority



Strategic Priority	Allocation
Public Safety	\$24,215,678
Effective Management	\$7,356,299
Quality of Life	\$5,664,097
Growth and Development	\$2,270,162
Infrastructure	\$3,726,783
Appropriated Fund Balance	\$14,628,070
Total	\$57,861,089

QUALITY OF LIFE

LIBRARY



Mission:

The mission of the New Braunfels Public Library is to provide the community with equal access to physical and virtual environments that support and encourage lifelong learning and enrichment.

Vision:

The New Braunfels Public Library is the community's primary source for information, lifelong learning and enrichment.

Goals/Objectives:

Department goals are aligned with the latest edition of Texas Public Library Standards prepared by the Texas State Library and Archives Commission and the Texas Library Association.

1. To ensure that community readers of all ages will have access to library materials in a variety of formats to satisfy their informational, educational, cultural and recreational needs.
2. To ensure that the current library facility meets the needs of the population served.
3. To provide quality programs and services to satisfy public demand in a fiscally responsible manner.
4. To design and fund public relations programs and services that communicate a positive image of the library to various groups of users and non-users.
5. To identify and develop community stakeholders and educate them so that they become advocates for the library.
6. To provide programs and services for all ages that support lifelong learning and development.
7. To better respond to the demands and interests of the public and extend access to the library's resources and services.
8. To provide access to current technology so that the public can both access information and develop the skills required to function as technology develops.

Action Items:

- *Update Library long-range plan*
Staff will issue a request for proposals in August 2011 for completion of the Library's long range plan update. This plan will also address other Action Items including:
 - *Enhance youth programs*
 - *Explore multiuse facilities in the Library Master Plan*
- *Explore mobility options for library outreach*
Staff will work with stakeholders to explore grant opportunities for a pilot program for outreach of services to the community's west side.

Department Description:

The New Braunfels Public Library provides access to books and materials, information and reference services, programs, meeting rooms and computers for the general public. Individuals with a valid library card may borrow books and other materials. Library staff assists patrons in all aspects of library use. In addition, staff develops and conducts adult and children's programming and fosters literacy and learning in a positive, fun environment.

Performance Measures:

	FY 2009-10 <u>Actual</u>	FY 2010-11 <u>Estimate</u>	FY 2011-12 <u>Budget</u>
Number of library visitors annually	378,000	380,000	380,000
Annual circulation of library materials	802,500	850,000	900,000
Library program attendance	19,150	20,000	20,000

Appropriations:

	FY 2009-10 <u>Actual</u>	FY 2010-11 <u>Estimate</u>	FY 2011-12 <u>Budget</u>
Employee Expenses	\$1,039,233	\$1,039,214	\$1,153,848
Operations Expenses	385,813	381,475	365,000
Capital Expenses	0	0	16,000
Total Appropriations	\$1,425,045	\$1,420,689	\$1,534,848

Program Justification and Fiscal Analysis:

In comparison to the FY 2010-11 estimates, the FY 2011-12 Library Budget increases, due entirely to employee expenses. During FY 2009-10 and FY 2010-11, the library has held positions open on several occasions to help achieve budget savings in light of the economic conditions. The FY 2011-12 General Fund Budget fully funds all authorized positions. An expected decrease in facility maintenance and software licenses are the leading factor to the reduction slight in operations expenses for the FY 2011-12 Budget. \$16,000 is provided in capital funding to purchase a multiple DVD cleaning machine that will both increase staff efficiency and allow the library to provide DVD cleaning services to the public for a nominal charge.

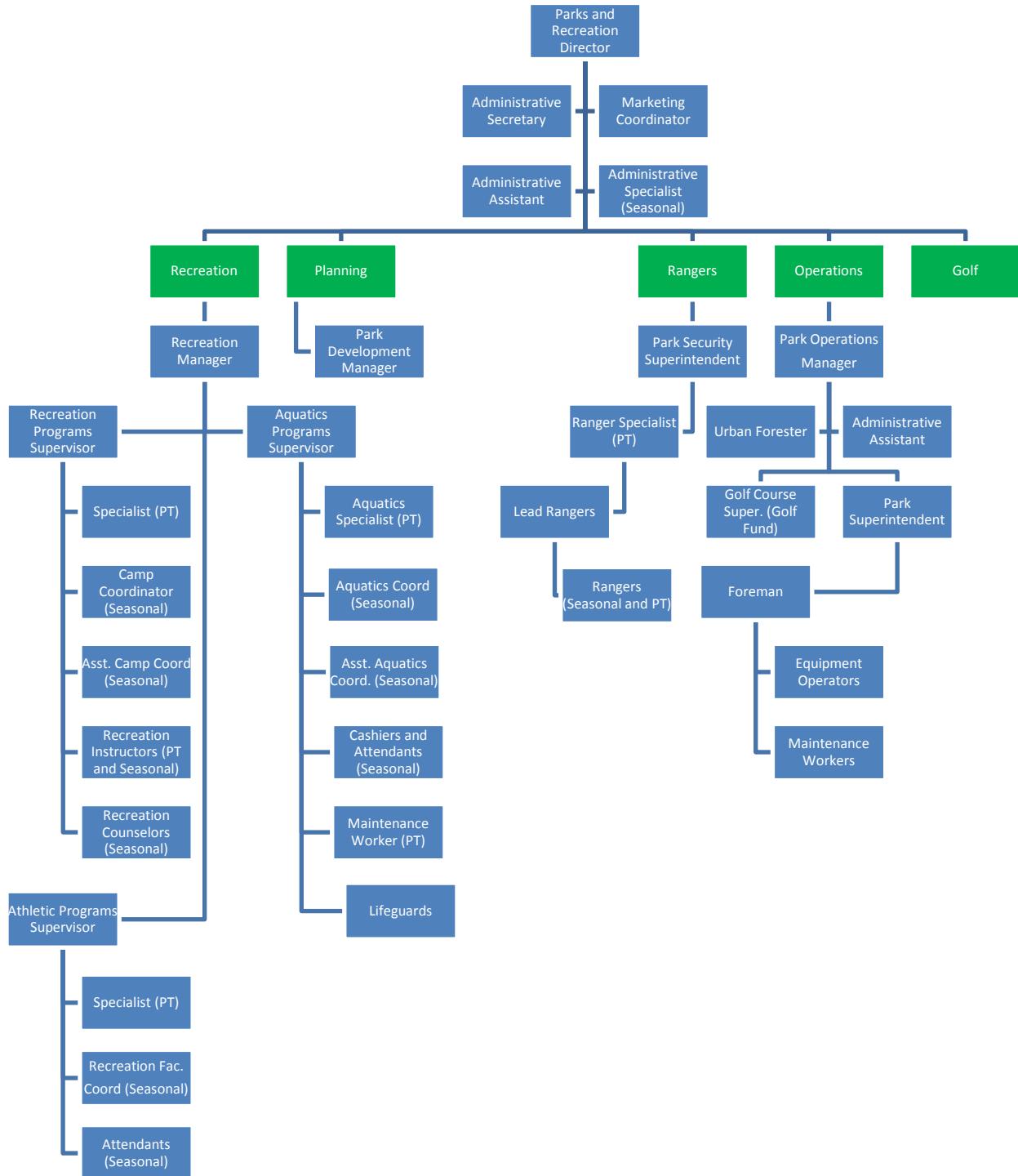
Policy Considerations:

Non-City resident cardholders represent 9.4 percent of the total Library membership and 16.6 percent of total items checked out from the Library. The Library receives approximately \$79,000 from non-City residents, including \$67,500 from Non-City resident adults. 9.4 percent of the Library budget totals \$142,772.

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Library Director	1	1	1
Administrative Assistant	1	1	1
Children's Library Technician	1	1	1
Children's Library Technician (Part time) (3 at 30 hrs/wk)	2.25	2.25	2.25
Librarian	6	6	6
Library Aide (Part time) (4 at 20 hrs/wk)	2.5	2	2
Library Aide – Seasonal	0	1	1
Library Circulation Supervisor	1	1	1
Library Clerk (Part time) (11 at 30 hrs/wk)	9	8.25	8.25
Library Clerk – Seasonal	0	1	1
Library Technical Services Specialist	1	1	1
Library Technician	<u>1</u>	<u>1</u>	<u>1</u>
<i>Total Authorized Positions</i>	<i>25.75</i>	<i>26.5</i>	<i>26.5</i>

PARKS AND RECREATION DEPARTMENT



PARKS AND RECREATION

General Fund: 101
Department Code: 6000

Mission:

To afford diverse opportunities and access for all residents and visitors through innovative programs and facilities, open space preservation and economic enhancement.

Vision:

To enhance the well being of our community through laughter, play, conservation and discovery.

Goals/Objectives:

Administration:

1. Provide excellent customer service.
2. Promote the programs provided by the department and insure good media relations.
3. Develop visionary plans for future and current parks.
4. Provide oversight to department staff and operations.
5. Insure quality programs and events.

Recreation:

1. Maintain professional and customer-service oriented staff.
2. Provide quality, diverse, recreation and leisure-time programs and activities at an affordable price.
3. Improve and expand recreational opportunities for teens, adults, the elderly and the disabled and boost the physical, social, emotional and cultural development of families in the New Braunfels community.

Aquatics:

1. Maintain a safe environment for guests.
2. Provide quality aquatic programs and activities at an affordable price.
3. Maintain professional and customer-service oriented staff.
4. Improve and expand aquatic programs for all guests.

Rangers:

1. Minimize crime, graffiti, speeding and other violations in the parks.
2. Increase the public's awareness of rules and ordinances.
3. Increase the Ranger activity and patrol in the parks.

Maintenance:

1. Identify and eliminate safety hazards within Park Operations areas of responsibility.
2. Provide customers with a professionally kept park system (parks and golf course).
3. Increase customer satisfaction through improved product quality.

Athletics:

1. Maintain professional and customer-service oriented staff.
2. Provide quality, diverse, recreation and leisure-time programs and activities at an affordable price.
3. Improve and expand recreational opportunities for adults, the elderly and the disabled
4. Boost the physical, social, emotional and cultural development of families in the New Braunfels community.

Action Items:

- *Effectively manage capital improvement projects.*
Staff will work to effectively manage projects including County Line – Memorial Trail construction, Walnut Widening landscaping, HEB Soccer Complex improvements, Landa Park Bridge repair/replacements, Landa Park Retaining Wall improvements, Landa Dam/Culvert repairs, Cemetery Wall study, Spring Fed Pool repairs and Prince Solms Park master planning.
- *Partner with other entities to develop appropriate after school and weekend programs*
Parks staff will offer after-school programs in partnership with Communities in Schools. Personnel will also begin planning for community programming at the Westside Community Center.
- *Complete and present for adoption the Landa Park Master Plan*
Parks staff will work to finalize and present for adoption a Master Plan for Landa Park.
- *Use the existing tourism study to identify opportunities for year round tourism.*
The Parks Department will begin to promote historic cemeteries as a part of community heritage tourism. Parks staff will implement a self guided cemetery tour and a historic cemetery event in October 2011.

Department Description:

Administration:

The Parks Administration Division works to provide customer information, administrative support to the other divisions, marketing and publicity, park planning and design, urban forestry and city wide event planning and management.

Recreation:

The Recreation Division is responsible for providing varied programs for both youth and adults. Typical programs include summer day camp, special interest programs, arts classes and special events. An additional partnership was added in FY 2010-11 with Communities in Schools (CIS) in an after-school program at New Braunfels middle school.

Aquatics:

Aquatics is responsible for overseeing the safe use of City aquatic facilities by citizens, area residents and guests to our community. The Aquatics Division provides aquatic education through swim and fitness programs as well as recreational aquatic special events and programs.

Rangers:

The Park Ranger Division works to provide a safe and secure outdoor experience for all patrons of the City of New Braunfels parks. Staff enforces state and local laws, collects fees, provides information and serves as the first point of contact to the public in our parks as well as on the rivers.

Maintenance:

The Park Maintenance Division is responsible for ensuring safe and well maintained parks. This is accomplished with landscape management, facility maintenance, playground safety inspections, construction management, trash removal and special event facilitation.

Athletics:

The Athletics Division is responsible for programming athletic classes, clinics and camps and oversees all adult sports leagues. Staff coordinates tournaments at Camp Comal and Fredericksburg Fields. In addition, this division manages the paddle boats, mini golf and the summer track team. The Athletics Supervisor is also the liaison to all Youth Sports Associations that use City property to run their leagues.

The Golf Division is funded through an enterprise fund and is described in the Enterprise Fund (Golf - Fund 531) section of this document.

Performance Measures:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<u>Administration:</u>			
Increase media contacts	40	60	70
Customer service – satisfied customers	85%	85%	85%
Complete all planned development projects	90%	100%	100%
<u>Recreation:</u>			
Program registrants	2,126	2,179	2,232
Customer service – satisfied/highly satisfied customers	90%	90%	90%
Staff training opportunities (hours per part-time employee)	28	24	24
<u>Aquatics:</u>			
Program registrants	1,347	1,380	1,414
Customer service – satisfied/highly satisfied customers	85%	90%	90%
Staff training opportunities (hours per part-time employee)	12	16	16
<u>Rangers:</u>			
Number of Notices of Violation issued for parking infractions	122	134	148
Graffiti and vandalism violation reports in parks	31	30	25
Park patrol hours	12,490	13,740	15,000
<u>Maintenance:</u>			
Park inspections by supervisor (per park)	12	12	12
Safety related issues resolved	150	200	200
Identified improvement tasks and projects	200	200	200
Complaints received regarding Park Maintenance	50	40	25
<u>Athletics:</u>			
Program registrants	1,050	1,077	1,103
Customer service – satisfied/highly satisfied customers	90%	90%	90%
Staff training opportunities (hours per part-time employee)	24	24	24

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$2,072,170	\$2,101,695	\$2,504,574
Operations Expenses	1,302,803	1,407,873	1,529,675
Capital Expenses	19,953	0	95,000
<i>Total Appropriations</i>	\$3,394,926	\$3,509,568	\$4,129,249

Program Justification and Fiscal Analysis:

The FY 2011-12 Budget for Parks and Recreation increases in comparison to the FY 2010-11 estimates. During FY 2009-10 and FY 2010-11, a number of seasonal, part time and full time positions were held vacant to achieve budget savings needed because of the economic conditions. These open positions are the leading factor to the increase in employee expenses for FY 2011-12 as all position are fully funded in FY 2011-12. There is a slight increase in operations expenses in comparison to FY 2010-11. This increase is attributed to an increase in landscape services as the department continues to acquire and maintain additional parkland as well as funding for project management assistance.

Funding in the amount of \$50,000 is provided in the FY 2011-12 capital budget to install backflow preventer devices for potable water source protection that is mandated by TCEQ. The total cost of this project is \$150,000; funding will be provided to finish the project based on availability of funds in future budgets. \$22,000 of capital funding is allocated to fund the purchase and installation of irrigation systems at the three landscape beds at Seguin Avenue and Business 81. The current above ground system is inefficient and requires someone to manually turn it on and off. The new irrigation system will allow for automatic watering cycles, a reduction in repair costs and an overall improvement to the vegetation in the area.

An increased demand for completion of administrative tasks for Park Operations was identified during FY 2010-11. Because of this need, one vacant Parks Foreman position was eliminated and an Administrative Secretary position was authorized and funded. Full year funding of this change is included in the FY 2011-12 Budget. This reclassification will allow the Parks Operations Manager to spend more time in the field.

The FY 2011-12 Budget includes several program changes for Parks. \$50,000 has been provided to install and lease a modular office building to house Parks and Golf Operations as well as the Ranger Division. Current office space is inadequate and is limiting the ability of staff to manage operations effectively. A third of the total project cost will be charged to the Golf Fund since their staff will also utilize the facility.

The acquisition of new park property and ongoing management of the newly installed Landa Park irrigation system have presented the need for additional Parks Maintenance staff. The FY 2011-12 Budget authorizes and funds two new Parks Maintenance Worker positions. These positions are funded for nine months of the fiscal year for a total cost of \$60,375. In addition, \$23,000 is allocated for the purchase of a truck to be utilized by the two new positions. \$4,922 has also been provided to fund the reclassification of two seasonal Ranger positions to one Part Time Ranger positions. Demand from special events and increased park patrol justifies

additional year round presence. This reclassification allows the supervisor to more effectively prepare and plan during the off season.

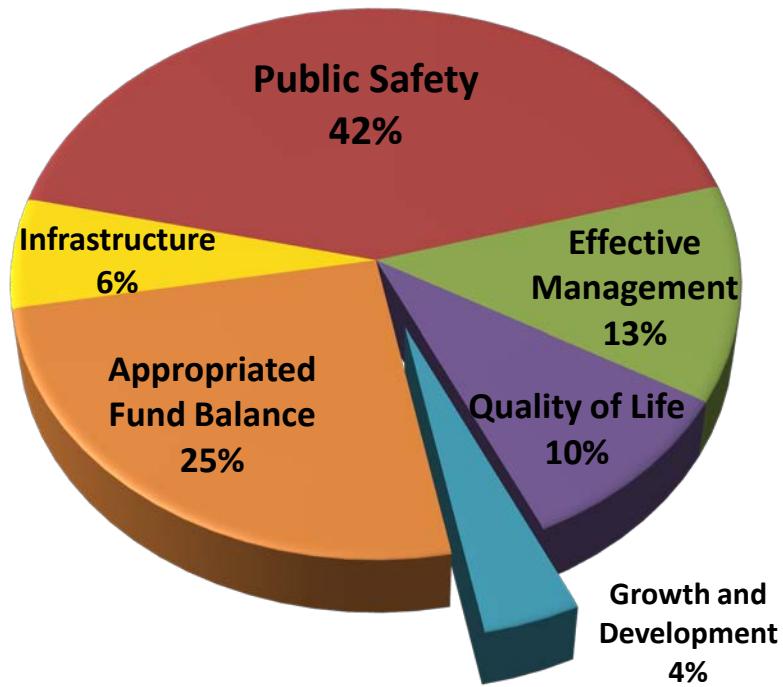
Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<i>Parks - Administration</i>			
Parks and Recreation Director	1	1	1
Administrative Assistant	1	1	1
Administrative Secretary	1	1	1
Administrative Specialist (Part time) (1 at 20 hours)	.5	0	0
Administrative Specialist – Seasonal	0	1	1
Marketing Coordinator	1	1	1
Park Development Manager	1	1	1
Recreation Manager	<u>1</u>	<u>1</u>	<u>1</u>
Total – Administration	6.5	<u>7</u>	<u>7</u>
<i>Parks - Recreation</i>			
Assistant Camp Coordinator (Seasonal)	1	1	1
Camp Coordinator (Seasonal)	1	1	1
Recreation Counselor (Seasonal)	8	8	8
Recreation Instructor (Seasonal)	1	1	1
Recreation Instructor (Part time) (11 at 20 hours)	5.5	5.5	5.5
Recreation Programs Supervisor	1	1	1
Recreation/Athletics Specialist (Part time) (1 at 20 hours)	<u>.5</u>	<u>.5</u>	<u>.5</u>
Total – Recreation	18	<u>18</u>	<u>18</u>
<i>Parks - Athletics</i>			
Athletic Programs Supervisor	1	1	1
Attendant (Seasonal)	4	4	4
Recreation Facilities Coordinator (Seasonal)	1	1	1
Recreation/Athletics Specialist (Part time) (1 at 20 hours)	<u>.5</u>	<u>.5</u>	<u>.5</u>
Total – Athletics	6.5	<u>6.5</u>	<u>6.5</u>
<i>Parks - Aquatics</i>			
Aquatics Coordinator (Seasonal)	2	2	2
Aquatic Programs Supervisor	1	1	1
Aquatics Specialist (Part time) (1 at 20 hours)	.5	.5	.5
Assistant Aquatics Coordinator (Seasonal)	5	5	5
Attendant (Seasonal)	4	4	4
Cashier (Seasonal)	8	8	8
Lifeguard (Seasonal)	50	50	50
Maintenance Worker (Part time) (1 at 20 hours)	<u>.5</u>	<u>.5</u>	<u>.5</u>
Total – Aquatics	71	<u>71</u>	<u>71</u>

Authorized Positions (continued.):

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<i>Parks - Rangers</i>			
Park Security Superintendent	1	1	1
Ranger (Seasonal)	17	17	15
Ranger (Part time)	0	0	.5
Ranger Specialist (Part time) (1 at 20 hours)	.5	.5	.5
Total – Rangers	18.5	18.5	17
<i>Parks - Maintenance</i>			
Equipment Operator I	3	3	3
Field Technician	0	0	1
Foreman	4	4	3
Maintenance Worker	10	10	11
Parks Superintendent	1	1	1
Parks Operations Manager	.5	.5	.5
Administrative Assistant	0	0	1
Urban Forester	1	1	1
Total – Maintenance	19.5	19.5	21.5
<i>Total Regular Positions</i>	38	37.5	40
<i>Total Seasonal Positions</i>	102	103	101
<i>Total Authorized Positions</i>	140	140.5	141

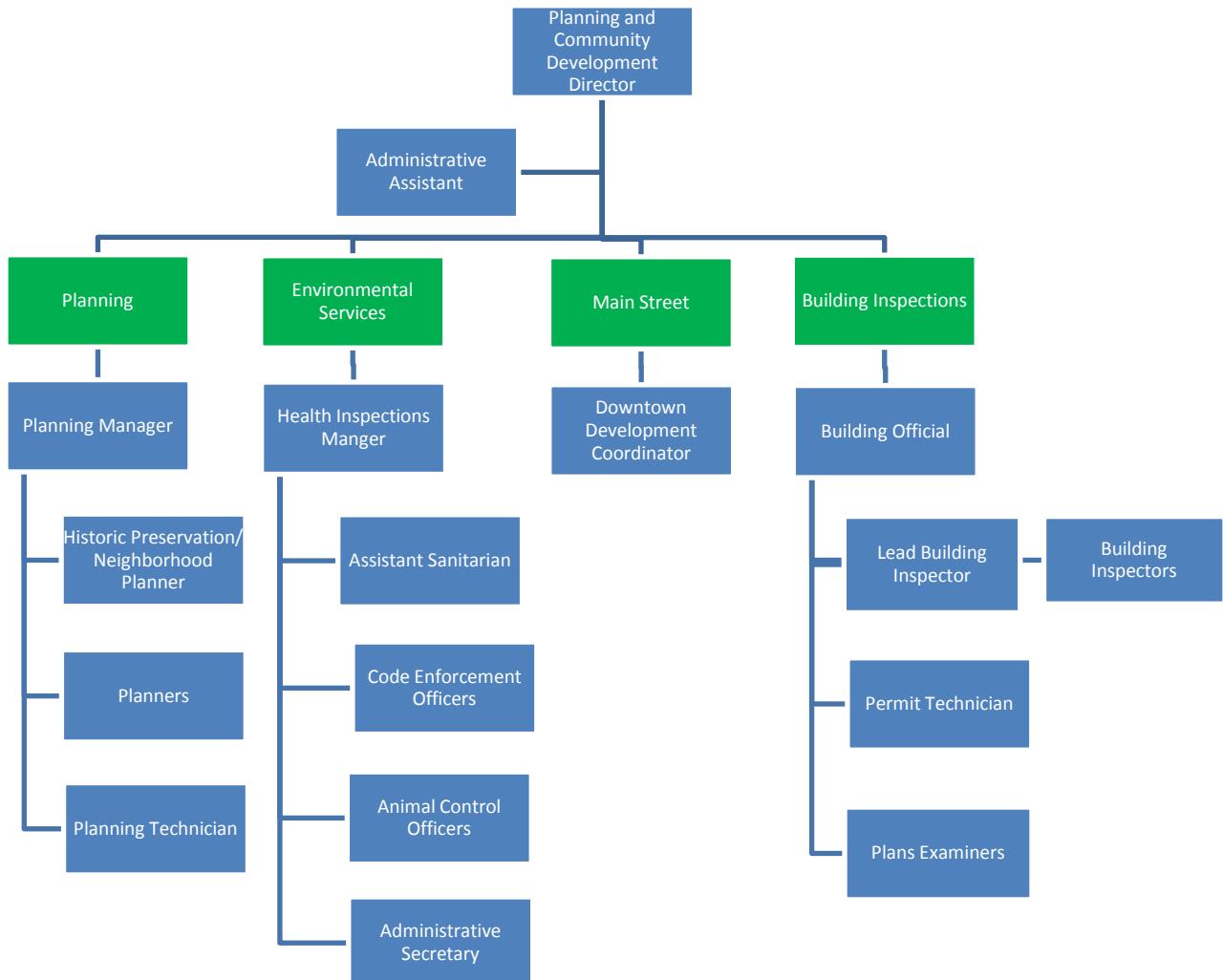
General Fund Appropriations by Strategic Priority



Strategic Priority	Allocation
Public Safety	\$24,215,678
Effective Management	7,356,299
Quality of Life	5,664,097
Growth and Development	2,270,162
Infrastructure	3,726,783
Appropriated Fund Balance	14,628,070
Total	\$57,861,089

GROWTH AND DEVELOPMENT

PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT



PLANNING AND COMMUNITY DEVELOPMENT General Fund: 101
Department Code: 2400

Mission:

To provide the citizens with professional planning services by promoting a coordinated and cost effective approach to the orderly growth and development of the City.

To make Downtown New Braunfels the heart of the community and a recognized destination, providing abundant opportunities for residents and visitors to live, shop, dine, worship, conduct business and enjoy the arts and entertainment in a beautiful and historically rich venue.

Vision:

Building Inspections: Provide high quality customer service to the various groups served, including builders, developers, land owners, neighborhood groups, City commissions/boards, outside agencies and the citizens of the community. Our vision is to be a comprehensive municipal facilities provider, nationally acclaimed for professionally responsible and client-oriented service.

Environmental Services: Dedicate our efforts toward elimination of health and safety hazards in the community through personal and professional excellence. We seek to be known for community service orientation, effectiveness at preventing animal related nuisance violations through community involvement and the provision of a safe living and working environment for the promotion of public health. We will strive for professionalism and integrity by maintaining high ethical and performance standards.

Main Street: Endeavor to preserve and promote the downtown district as the vibrant social, historic, cultural and economic center of the community for residents and visitors through business development, economic reinvestment and historic preservation.

Planning: Ensure that the citizens of New Braunfels can enjoy an enriched quality of life and a distinctive community character by guiding and directing the City's future growth while ensuring the preservation of its attributes.

Goals and Objectives:

Building Inspections:

1. To maintain or exceed the goal of processing commercial permits in ten days and residential permits in four days (processing a permit means that either the permit is issued or a request for additional information has been requested).
2. To provide services for the City of New Braunfels by doing more in-depth quality inspections, especially those dealing with life safety issues to better assure structures are designed and built as per the building codes and City ordinances.
3. To better serve the public by assuring that code compliance reduces the number of complaints concerning un-permitted work and un-licensed contractors.
4. To provide ongoing training and education for various groups we serve, to include builders, developers, land owners, neighborhood groups, City commissions/boards, outside agencies and the citizens of the community.
5. Dedication to minimizing the loss of life and property that is associated with flooding events through flood prevention ordinances.

Goals and Objectives: (cont.)

Environmental Services:

Animal Control:

1. Integrity. We are committed to candor, honesty, and ethical behavior with each other and those we serve.
2. Public Service. We will deliver to the public high quality service, which is fair, courteous, responsive and efficient.
3. Competence. We will maintain high standards of training and expertise and keep abreast of new trends and standards in the field of animal control.
4. Responsibility and Accountability. We will make effective use of our resources and provide a spirit of open communication within our community.
5. Respect for co-workers. We will maintain a workplace environment based on mutual respect which reflects an appreciation of the unique qualities of each individual who contributes to the overall good of our team.

Health and Code Enforcement:

1. Deliver all services fairly, uniformly and ethically.
2. Consider the needs of business operators, customers and statutory requirements when making decisions and recommendations.
3. Reduce the number of critical violations observed on routine food service facility inspections and reduce the number of repeat compliance actions taken each year.
4. Promote food safety using current, preventive, risk-based techniques and promote education and understanding among all of our customers.
5. Place integrity of purpose first when making decisions and recommendations.

Main Street:

1. Implement the downtown implementation plan.
2. Improve and/or increase downtown parking.
3. Increase heritage tourism.
4. Promote additional historic preservation in the downtown area.
5. Create downtown visual enhancements.
6. Increase communication and cooperation with the New Braunfels Downtown Association, the New Braunfels Chamber of Commerce and the Convention and Visitors Bureau.
7. Enhance special events held downtown.
8. Develop a retail recruitment and retention program.
9. Establish a primary funding source for downtown improvements.

Planning:

1. Enhance the distinctive character of the community.
2. Continue to improve the use of GIS (geographic information systems).
3. Continually improve development regulations.
4. Provide a focus on and draw attention to the Comprehensive Plan's action policies and provide an annual report about the status of those action policies.
5. Improve permitting and development review efficiency.

Action Items:

- *Develop communication clarity with developers, builders, and business owners regarding ordinances and code compliance*
Planning staff will begin holding quarterly meetings with the development community in 2011 to discuss ordinance and policy updates and to provide an open forum to achieve a better understanding of current opportunities and issues.
- *Continue improvements to the development processes including realignment of responsibilities*
The Planning Department has initiated the review and realignment of job descriptions to facilitate the overall department's effectiveness. This review and realignment process will be completed during FY 2011-12. This will include consolidation of offices which will allow for enhanced customer service.
- *Review and possibly update the hike and bike trail plan*
The Hike and Bike Plan was adopted by Council in November 2010 and has been incorporated into the City's Comprehensive Plan.
- *Implement the Downtown Plan (including addressing parking)*
This is an on-going effort of the Planning staff. Sub-committees have been formed to address design, marketing, infrastructure, financing and short term projects. Many small improvements have been made downtown and discussions continue regarding the implementation of many areas of the plan. This process will continue in 2011.
- *Work on a regional transportation plan*
Planning staff has worked with the City of Seguin, as well as Comal and Guadalupe counties to establish a cohesive plan for the region as a preface to creating the Metropolitan Planning Organization. Council will consider approval of the draft Regional Transportation Plan in September 2011.

Department Description:

Building Inspections:

The Building Inspection Division's purpose is to inspect the minimum requirements to safeguard the public health, safety and general welfare through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation and safety to life and property from fire and other hazards attributed to the built environment and to provide safety to firefighters and emergency responders during emergency operations. This is achieved through the permitting and inspection process as well as through various boards, such as the Sub-Standard Building Commission, Construction Board and the Contractor's Liaison Meetings.

The City of New Braunfels Building Inspection Division has three areas of responsibility in the residential and commercial construction and development process: permitting, plan review and inspection and enforcement. The Building Inspection Division enforces the adopted building codes and New Braunfels Code of Ordinances and inspects to the minimum requirements of the currently adopted codes of the International Code Council. This is achieved through the permitting and inspection process as well as through the various boards.

The main responsibilities in permitting require detailed knowledge of building permit and inspection operations, as well as processing building, electrical, mechanical and plumbing permits. The staff receives permit applications, processes them, then routes and monitors them through the other reviewing divisions and entities – Planning, Engineering, Fire, Health and New Braunfels Utilities – as necessary. In plan review, commercial and residential construction plans are reviewed for compliance with adopted codes. In the inspection function, the building

inspectors inspect commercial and residential projects that have been approved for permit. In addition, the Building Inspection Division is responsible for all cases that go before both the Sub-Standard Building Commission and the Construction Board. Building Inspection Division staff prepares agendas and transcribes minutes.

The Building Inspection Division is also responsible for the following: registering all contractors (building, electrical, mechanical and plumbing); maintenance of all contractor records; records management of all building applications, permits, inspections and plans; and research of complaints received in reference to building and construction along with preparation and presentation to one of the governing boards or Municipal Court, if necessary. The division also permits subdivision construction and infrastructure.

The Building Inspection Division is also responsible for all development in Special Flood Hazard Areas (SFHA's), the maintenance of all SFHA maps; records management of all flood plain applications, permits, inspections and plans.

Environmental Services:

Animal Control:

Among its responsibilities, the Animal Control Division: enforces City ordinances and statutes that encourage annual rabies vaccination and licensing of pets; requires that all animals be confined; investigates animal bites and cruelty cases; and encourages spaying and neutering of domestic pets to control the stray and unwanted animal population in the community. In addition, officers respond to citizen calls for service; handle complaints and requests from other agencies; explain laws, policies and procedures; mediate and assist in conflict resolution involving animal control issues including property damage, nuisance barking, cruelty, degree of animal confinement and potential or actual danger to or by animals. The Humane Society is an integral partner with the City for Animal Control, as they provide shelter for stray animals as well as other needed services.

Health and Code Compliance:

Health Inspection enforces all applicable statutory health and safety codes and local ordinances. This division is principally engaged in the inspection, licensing, permitting and enforcement of activities involving food and beverage services and related operations. This division is the local designated representative for the Texas Commission on Environmental Quality (TCEQ) statutory OSSF program and for the Texas Department of State Health Services (TDSHS) environmental and food related permitting programs. Health Inspection personnel monitor and inspect food establishments including grocery stores, drinking establishments, bakeries, schools, day care centers, nursing homes and temporary food concessions; investigate sanitation and nuisance complaints; and perform related work in air and water pollution control, insect vector control and indoor air quality review. Staff inspects mobile home parks, tent campgrounds and recreational vehicle (RV) parks for compliance with established minimum health and safety regulations. Staff members offer food handler classes and issue permits to attendees. Preparation and presentation of complaint cases in Municipal Court and/or County Court for violations of health and sanitation codes are also assigned responsibilities. Staff coordinates with testing agencies for water, frozen desserts and other applicable samples and participates in epidemiological investigations with the Comal County Nurse's Office in food-borne investigations.

Main Street:

The Main Street Division is dedicated to coordinating and facilitating implementation of the adopted Downtown Implementation Plan and managing the Texas Main Street Program, which focuses on revitalization of historic commercial districts, preservation, economic restructuring and promotions. Main Street works cooperatively with the Downtown Development Board, Downtown Association, and all merchants to revitalize and promote Downtown as a destination for residents and visitors alike.

Planning:

The Planning Division provides information to the public, development interests, contractors and decision makers concerning growth and development, manages the City's historic preservation efforts and supports neighborhood organizations. The Division provides staff support to a number of appointed boards, commissions and committees including the Planning and Zoning Commission. Staff reviews building plans for compliance with regulations, processes plat and zoning cases and drafts regulations. Planning staff work on all aspects of annexation and non-annexation agreements. The Division also manages the community-wide comprehensive planning program.

The Planning Division will continue its work with individuals, neighborhoods and property owners concerning small area long range planning issues, rezoning neighborhoods, redevelopment, historic preservation and code enforcement. Building on the City's achievements in enriching the community's quality of life and distinctive character, the division will focus on major projects that include fine tuning the new development standards adopted within the last few years, updating the Regional Transportation and Thoroughfare Plan, preserving community character, creating historic districts, supporting neighborhood associations, designating historic landmarks, completing the downtown implementation plan, updating the annexation plan and updating the roadway impact fee plan to include recently annexed areas.

Performance Measures:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<u>Building Inspections:</u>			
Residential permits processed within 4 days	2,116	2,230	2,450
Commercial permits processed within 10 days	310	323	340
Types of inspection per building	21	23	24
Building code complaints handled	250	315	358
Average inspection failure rate	1.2%	1.2%	1.16%

Environmental Services:

Code Enforcement:

Number of code violations investigated	3,990	4,200	4,400
Percent of code cases abated without court action	97%	92%	92%

Health:

Number of health department assessments conducted	3,350	3,500	3,700
Percent of "passing" food establishments	96%	97%	98%

Performance Measures:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<i>Animal Control:</i>			
Number of animal calls for service	5,040	5,775	6,000
Number of impounded animals	3,319	3,300	3,400
<i>Main Street:</i>			
Number of new downtown businesses	9	10	10
Number of new historic landmark designations	3	0	0
Historic preservation reinvestments (public/private)	\$6,309,000	\$6,483,908	\$7,000,000
<i>Planning:</i>			
Development review cases per planner	47	50	85
Ordinance revisions	4	5	7
Code violations abated	40	40	45
Historic landmark designations	7	9	9
Percent of building permit's first response within policy time frame	95%	95%	95%
<i>Appropriations:</i>			
	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$1,647,908	\$1,726,958	\$1,804,805
Operations Expenses	399,845	525,224	445,217
Capital Expenses			20,140
<i>Total Appropriations</i>	\$2,047,753	\$2,252,182	\$2,270,162

Program Justification and Fiscal Analysis:

The FY 2011-12 Budget for Planning and Community Development increases overall in comparison to the FY 2010-11 estimates. This difference is attributed to program changes that are partially offset by a reduction in professional services for studies. This reduction is driven by the transfer of the Roadway Impact Fee study to the Roadway Impact Fund. Studies to be included in FY 2011-12 include \$25,000 for the Comprehensive Plan, \$25,000 for annexation surveys and \$25,000 for the Downtown Implementation Plan. The Roadway Impact Fund includes \$75,000 to complete the required update to the impact fee study. In FY 2010-11, funded studies included an economic development opportunity evaluation, downtown sidewalks and the comprehensive transportation plan.

The FY 2011-12 includes two program changes for Planning and Community Development. \$43,090 (salary and benefits for nine months plus the purchase of a vehicle) has been allocated to authorize and fund one new Code Enforcement Officer position. This new position will assist with the growing workload for programs such as two hour downtown parking, the vehicle for hire program management and the summer recreational river shuttle program. From this new position, there is an expected revenue offset of \$20,700.

The second program change authorizes and funds one additional Plans Examiner position in the Building Division. This position will help meet the growing demand for permit processing and plans review. The nine-month cost of this position is \$43,884. During FY 2011-12, a one-stop shop for the development community will be created by moving existing Building Division staff into the same location as the current Planning staff. This will improve customer service to users of these services. In addition, staff is working to develop new, more simplified fee structures for permitting that are anticipated to generate about 3 percent more revenue. The new Plans Examiner position will be filled once the revenue changes have been considered by Council and the one-stop shop has been established.

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
<i>Building Inspections:</i>			
Building Inspector	4	4	4
Building Official	1	1	1
Lead Building Inspector	1	1	1
Permit Technician	2	2	2
Plans Examiner	<u>1</u>	<u>1</u>	<u>2</u>
Total – Building Inspections	9	9	10
<i>Environmental Services:</i>			
Administrative Secretary	1	1	1
Animal Control Officer	3	3	3
Assistant Sanitarian	1	1	1
Code Enforcement Officer	2	2	3
Health Inspections Manager	<u>1</u>	<u>1</u>	<u>1</u>
Total – Environmental Services	8	8	9
<i>Main Street:</i>			
Downtown Development Coordinator	<u>1</u>	<u>1</u>	<u>1</u>
Total – Main Street	1	1	1
<i>Planning:</i>			
Planning and Community Development Director	1	1	1
Administrative Assistant	1	1	1
Historic Preservation and Neighborhood Planner	1	1	1
Planner	2	2	2
Planning Manager	1	1	1
Planning Technician	<u>1</u>	<u>1</u>	<u>1</u>
Total - Planning	7	7	7
<i>Total Authorized Positions</i>	25	25	27

*SPECIAL
REVENUE
FUNDS*

INFRASTRUCTURE

**City of New Braunfels
Cemetery Improvements Fund
Fiscal Year Ending September 30, 2012**

Fund: 781

Available Funds	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget
Beginning Balance			
Undesignated Funds	\$ 172,860	\$ 148,156	\$ 145,156
Total Beginning Balance	\$ 172,860	\$ 148,156	\$ 145,156
Revenue			
Licenses and Permits	\$ 2,275	\$ 2,000	\$ 2,000
Interest Income	95		
Total Revenue	\$ 2,370	\$ 2,000	\$ 2,000
TOTAL AVAILABLE FUNDS	\$ 175,230	\$ 150,156	\$ 147,156
APPROPRIATIONS			
Operation Expenses	\$ 27,074	\$ 5,000	\$ 120,000
TOTAL OPERATING APPROPRIATIONS	\$ 27,074	\$ 5,000	\$ 120,000
Ending Fund Balance	\$ 148,156	\$ 145,156	\$ 27,156
TOTAL APPROPRIATIONS	\$ 175,230	\$ 150,156	\$ 147,156

CEMETERY IMPROVEMENT FUND

Cemetery Fund: 781
Department Code: 6006

Program Description:

The City of New Braunfels owns and maintains a cemetery located on Peace Avenue. The City's Parks and Recreation Department has responsibility for managing the contractor who provides maintenance and operation services for the site. The contractor ensures that appropriate standards are met, maintains the grounds and landscaping, and facilitates the sale of lots and burials in the facility. In the past, the Cemetery Improvement Fund was named the Cemetery Perpetual Care Fund. However, in this fiscal year as in each previous fiscal year, the costs for upkeep of the grounds are paid from the City's General Fund Parks and Recreation Department budget. The Cemetery Improvement Fund is now used to fund improvements that result from the master planning process and other non-routine improvements, should the need arise.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Operations Expenses	\$27,074	\$5,000	\$120,000
<i>Total Appropriations</i>	\$27,074	\$5,000	\$120,000

Program Justification and Fiscal Analysis:

The City of New Braunfels has committed to perpetual care for the cemetery. Routine maintenance and operations are funded in the City's General Fund budget. In FY 2010-11, the City completed a master plan for the two City cemeteries. This study provides alternatives for the Council to consider in managing the cemeteries into the future. The FY 2011-12 appropriates a total of \$120,000 to implement recommendations offered in the master plan.

Policy Considerations:

One of the City's cemeteries is located adjacent to the Guadalupe River. Erosion from flooding over the years has begun to threaten the stability of the embankment in the cemetery. The City is currently working to identify solutions to this issue. The expectation is that a major capital investment will be required to address this erosion. Funds have not yet been identified for this capital improvement project.

**City of New Braunfels
Stormwater Development Fund
Fiscal Year Ending September 30, 2012**

Fund: 232

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 381,574	\$ 73,961	\$ 82,738
Total Beginning Balance	\$ 381,574	\$ 73,961	\$ 82,738
Revenue			
Development Fees	\$ 11,298	\$ 35,000	\$ 35,000
Interest Income	101		
Total Revenue	\$ 11,399	\$ 35,000	\$ 35,000
TOTAL AVAILABLE FUNDS	\$ 392,973	\$ 108,961	\$ 117,738
APPROPRIATIONS			
Employee Expenses	\$ 310,000	\$ -	\$ -
Operation Expenses	9,012	26,223	30,000
Capital Expenses			80,000
TOTAL OPERATING APPROPRIATIONS	\$ 319,012	\$ 26,223	\$ 110,000
Ending Fund Balance	\$ 73,961	\$ 82,738	\$ 7,738
TOTAL APPROPRIATIONS	\$ 392,973	\$ 108,961	\$ 117,738

STORMWATER DEVELOPMENT FUND

Fund: 232
Department Code: 5001

Program Description:

The City of New Braunfels created the Stormwater Development Fund in FY 2005-06 to account for fees assessed on developments in the community. The revenue may be used to fund operations and maintenance expenses for personnel and equipment that provide upkeep to drainage facilities and easements.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$310,000	\$0	\$0
Operations Expenses	9,012	26,223	30,000
Capital Expenses	0	0	80,000
<i>Total Appropriations</i>	\$319,012	\$26,223	\$110,000

Program Justification and Fiscal Analysis:

In FY 2009-10, the Stormwater Development Fund was used to pay the costs associated with equipment and personnel who are responsible for drainage facilities' maintenance and upkeep; therefore, this was an appropriate expenditure of these funds. In FY 2010-11, there was not sufficient funding to pay these expenses. Therefore, the costs for these personnel were moved back to the City's General Fund. The expenditure in FY 2010-11 reflects a refund for prior fees that were paid. The business constructed a drainage facility so did not need to pay these fees.

This fund does not generate sufficient revenue annually to continue to fund the recurring cost of drainage personnel here. Therefore, in FY 2010-11, these personnel were moved back to the City's General Fund. The \$110,000 appropriated for FY 2011-12 will be used to fund equipment needed to support drainage crew's maintenance efforts funded by the Stormwater Utility Fund.

Policy Considerations:

The City continues to have demands for drainage facilities maintenance as well as for construction of other drainage facilities to help mitigate stormwater runoff. In addition, since the City has officially exceeded the 50,000 population mark with the 2010 Census, New Braunfels will now have to comply with the federal stormwater requirements (MS4). This compliance will require new activities to occur that are currently unfunded in addition to the outstanding needs for drainage facilities. The City is developing funding options to help support these important activities.

PUBLIC SAFETY

**City of New Braunfels
Child Safety Fund
Fiscal Year Ending September 30, 2012**

Fund: 230

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 89,999	\$ 100,790	\$ 84,990
Total Beginning Balance	\$ 89,999	\$ 100,790	\$ 84,990
Revenue			
Fines and Forfeitures	\$ 14,099	\$ 15,000	\$ 15,000
Interest Income	68	-	-
Intergovernmental Revenue	77,532	77,500	77,500
Total Revenue	\$ 91,699	\$ 92,500	\$ 92,500
TOTAL AVAILABLE FUNDS	\$ 181,698	\$ 193,290	\$ 177,490
APPROPRIATIONS			
Employee Expenses	\$ 59,346	\$ 71,300	\$ 77,239
Operation Expenses	21,562	7,000	50,000
Capital Expenses	-	30,000	10,000
TOTAL OPERATING APPROPRIATION	\$ 80,908	\$ 108,300	\$ 137,239
Ending Fund Balance	\$ 100,790	\$ 84,990	\$ 40,251
TOTAL APPROPRIATIONS	\$ 181,698	\$ 193,290	\$ 177,490

CHILD SAFETY FUND

Fund: 230
Department Code: various

Program Description:

The Child Safety Fund revenues are required by statute to be used to fund school crossing guard programs if the municipality operates one. If the municipality does not operate a school crossing guard program or if the money received from court costs from municipal court cases exceeds the amount necessary to fund that program, the municipality may either deposit the additional money in an interest-bearing account or expend it for programs designed to enhance child safety, health or nutrition, including child abuse prevention and intervention and drug and alcohol abuse prevention. The funds must be used for programs for school age children.

The Child Safety Fund receives its revenue from a \$25 court cost assessed for passing a school bus loading and unloading children and for certain traffic offenses that occur in a school crossing zone. The fund also receives revenue from a \$20 fee assessed for juveniles who are cited for failure to attend school and parental contribution to non-attendance.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$59,346	\$71,300	\$77,239
Operations Expenses	21,562	7,000	50,000
Capital Expenses	0	30,000	10,000
<i>Total Appropriations</i>	\$80,908	\$108,300	\$137,239

Program Justification and Fiscal Analysis

The Child Safety Fund annually pays the cost of school crossing guards for intersections at schools in the City limits. The budget also includes funding for equipment and supplies for child safety programs for school age children.

For example, in FY 2005-06, the City purchased a fire safety trailer for use in educating children about how to react to and deal with situations where fire is threatening. In FY 2009-10, funds were used to provide educational tools for pre-teens and teens regarding the effects of driving while intoxicated, including the Operation Intervention Mobile Exhibit. In conjunction with this exhibit, educational materials, handouts, and take-away items are purchased as stocks are depleted.

In FY 2010-11, funds were used by the Municipal Court to improve the quality and security of service offered to juveniles by the court administrators and the City Attorney. Funds appropriated will create a private and secure area for court personnel to meet with juveniles. The Fire Department also accessed these funds for materials used to educate school children about fire safety.

For FY 2011-12, a total of \$60,000 is budgeted for use by City departments to purchase equipment and materials to continue educational and safety programs for school age children. In addition, \$77,239 is budgeted to provide funding for a total of thirteen school crossing guard positions. The Police Department has identified the need for an additional School Crossing Guard. This one additional position is authorized and funded in FY 2001-12 and will serve a Comal Independent School District school.

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
School Crossing Guard (Seasonal)	<u>12</u>	<u>12</u>	<u>13</u>
<i>Total Authorized Positions</i>	<i>12</i>	<i>12</i>	<i>13</i>

**City of New Braunfels
Court Security Fund
Fiscal Year Ending September 30, 2012**

Fund: 227

Available Funds	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget
Beginning Balance			
Undesignated Funds	\$ 7,308	\$ 13,163	\$ 14,469
Total Beginning Balance	\$ 7,308	\$ 13,163	\$ 14,469
Revenue			
Fines and Forfeitures	\$ 33,069	\$ 31,200	\$ 31,200
Total Revenue	\$ 33,069	\$ 31,200	\$ 31,200
TOTAL AVAILABLE FUNDS	\$ 40,377	\$ 44,363	\$ 45,669
APPROPRIATIONS			
Employee Expenses	\$ 27,214	\$ 29,894	\$ 40,354
TOTAL OPERATING APPROPRIATIONS	\$ 27,214	\$ 29,894	\$ 40,354
Ending Fund Balance	\$ 13,163	\$ 14,469	\$ 5,315
TOTAL APPROPRIATIONS	\$ 40,377	\$ 44,363	\$ 45,669

COURT SECURITY FUND

Fund: 227
Department Code: 3301

Mission:

To provide courteous, professional and efficient court services to the public.

Program Description:

Municipal Court represents the judicial branch of the City's government and has jurisdiction over all Class C misdemeanors and City ordinances. The judge presides over all trials (jury and non-jury) and other court proceedings such as arraignments and show cause hearings. The Municipal Court staff serves as the clerks of the court, managing all records as well as providing service to the public. The Municipal Court function is funded mainly from the General Fund. However, several other funds have been established by the State legislature to support various specific court activities and requirements.

The Court Security Fund was established for the City of New Braunfels in August 2004. The City collects \$3.00 from all defendants convicted of a misdemeanor offense in the Municipal Court. Proceeds from this fee can be used for such things as funding security personnel for courts and/or items that enhance security services for buildings housing a court. This can include (but is not limited to) such things as x-ray machines, handheld and walk through metal detectors, identification card systems, electronic locks, surveillance equipment and other security measures such as bullet proof glass and security alarms. Continuing education on security issues for court and security personnel can also be funded here.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$27,214	\$29,894	\$40,354
<i>Total Appropriations</i>	\$27,214	\$29,894	\$40,354

Program Justification and Fiscal Analysis

The Court Security Fund pays for a portion of the salary for the Municipal Court's Warrant Officer position. This position has multiple responsibilities, including acting as bailiff for the court and, therefore, providing security for the Municipal Court judge and other Court personnel. Thus, it is appropriate for these funds to be used for this expenditure.

The FY 2011-12 Budget represents an increase in allocations in comparison to the FY 2010-11 estimate as sufficient funds are available to pay a larger portion of the warrant officer's position. The budget funds about 68 percent of the total cost, up from the 60 percent allocation in prior years.

**City of New Braunfels
Court Technology Fund
Fiscal Year Ending September 30, 2012**

Fund: 229

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
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Beginning Balance

Undesignated Funds	\$ 23,805	\$ 21,481	\$ 23,481
Total Beginning Balance	\$ 23,805	\$ 21,481	\$ 23,481

Revenue

Fines and Forfeitures	\$ 44,229	\$ 45,000	\$ 45,000
Miscellaneous	\$ 1,238	\$ -	\$ -
Total Revenue	\$ 45,467	\$ 45,000	\$ 45,000

TOTAL AVAILABLE FUNDS \$ **69,272** \$ **66,481** \$ **68,481**

APPROPRIATIONS

Operation Expenses	\$ 47,791	\$ 43,000	\$ 62,000
TOTAL OPERATING APPROPRIATION	\$ 47,791	\$ 43,000	\$ 62,000
Ending Fund Balance	\$ 21,481	\$ 23,481	\$ 6,481
TOTAL APPROPRIATIONS	\$ 69,272	\$ 66,481	\$ 68,481

COURT TECHNOLOGY FUND

Fund: 229
Department Code: 7001

Mission:

To provide courteous, professional and efficient court services to the public.

Program Description:

Municipal Court represents the judicial branch of the City's government and has jurisdiction over all Class C misdemeanors and City ordinances. The judge presides over all trials (jury and non-jury) and other court proceedings such as arraignments and show cause hearings. The Municipal Court staff serves as the clerks of the court, managing all records as well as providing service to the public. The Municipal Court function is funded mainly from the General Fund. However, several other funds have been established by the State legislature to support various specific court activities and requirements.

The Court Technology Fund is required by statute to be used to fund technological enhancements for a municipal court. This can include computer hardware and software, imaging systems, docket management systems and electronic ticket writers. The City of New Braunfels established this fund in December 1999. The City collects \$4.00 from all defendants convicted of a misdemeanor offense in the Municipal Court. The City currently uses the funds to purchase and support the municipal court's court management software and other needed computer hardware and software.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Operations Expenses	\$47,791	\$43,000	\$62,000
<i>Total Appropriations</i>	\$47,791	\$43,000	\$62,000

Program Justification and Fiscal Analysis

The Court Technology Fund pays for voice and data management hardware and software as well as other technology requirements that help to continue to improve the efficiency and effectiveness of the Municipal Court's operation. In FY 2010-11, funds were used to purchase several electronic ticket writers for the Fire Department's fire prevention/inspection personnel; these ticket writers work in conjunction with the court's management software. In FY 2011-12 appropriations will primarily support software and license agreements including online credit card payment acceptance, telephone notification and scheduling which were added in FY 2010-11.

**City of New Braunfels
Judicial Efficiency Fund
Fiscal Year Ending September 30, 2012**

Fund: 228

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 3,759	\$ 7,194	\$ 7,694
Total Beginning Balance	\$ 3,759	\$ 7,194	\$ 7,694
Revenue			
Fines and Forfeitures	\$ 3,435	\$ 5,000	\$ 3,000
Total Revenue	\$ 3,435	\$ 5,000	\$ 3,000
TOTAL AVAILABLE FUNDS	\$ 7,194	\$ 12,194	\$ 10,694
APPROPRIATIONS			
Operations Expenses		\$ 4,500	\$ 8,000
TOTAL OPERATING APPROPRIATIONS	\$ -	\$ 4,500	\$ 8,000
Ending Fund Balance	\$ 7,194	\$ 7,694	\$ 2,694
TOTAL APPROPRIATIONS	\$ 7,194	\$ 12,194	\$ 10,694

JUDICIAL EFFICIENCY FUND

Fund: 228
Department Code: 7001

Mission:

To provide courteous, professional and efficient court services to the public.

Program Description:

Municipal Court represents the judicial branch of the City's government and has jurisdiction over all Class C misdemeanors and City ordinances. The judge presides over all trials (jury and non-jury) and other court proceedings such as arraignments and show cause hearings. The Municipal Court staff serves as the clerks of the court, managing all records as well as providing service to the public. The Municipal Court function is funded mainly from the General Fund. However, several other funds have been established by the State legislature to support various specific court activities and requirements.

The Judicial Efficiency Fund receives its revenue from a \$25 fee paid by individuals who pay any portion of their fines and costs thirty-one days after a judgment has been rendered. One-half of the fee (\$12.50) is remitted to the State; \$10 is deposited to the City's General Fund and can be used for any purpose; and \$2.50 is required to be used by the City to increase for judicial efficiency. State law does not define judicial efficiency and allows each City to make that determination. The City of New Braunfels uses the fund for such things as temporary employees to meet peak workload demands during the summer season and software to help improve the court's operational efficiency.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Operations Expenses	\$0	\$4,500	\$8,000
<i>Total Appropriations</i>	\$0	\$4,500	\$8,000

Program Justification and Analysis:

The FY 2011-12 Budget appropriations provides \$8,000 for efficiency improvements at Municipal Court.

**City of New Braunfels
Juvenile Case Manager Fund
Fiscal Year Ending September 30, 2012**

Fund: 240

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 148,231	\$ 164,472	\$ 170,228
Total Beginning Balance	\$ 148,231	\$ 164,472	\$ 170,228
Revenue			
Fines and Forfeitures	\$ 54,942	\$ 49,200	\$ 49,200
Interest Income	85		
Total Revenue	\$ 55,027	\$ 49,200	\$ 49,200
TOTAL AVAILABLE FUNDS	\$ 203,258	\$ 213,672	\$ 219,428
APPROPRIATIONS			
Employee Expenses	\$ 33,788	\$ 43,444	\$ 44,009
Operating Expenses	4,998	-	10,000
TOTAL OPERATING APPROPRIATIONS	\$ 38,786	\$ 43,444	\$ 54,009
Ending Fund Balance	\$ 164,472	\$ 170,228	\$ 165,419
TOTAL APPROPRIATIONS	\$ 203,258	\$ 213,672	\$ 219,428

JUVENILE CASE MANAGER FUND

Fund: 240
Department Code: 7001

Mission:

To provide courteous, professional and efficient court services to the public.

Program Description:

Municipal Court represents the judicial branch of the City's government and has jurisdiction over all Class C misdemeanors and City ordinances. The judge presides over all trials (jury and non-jury) and other court proceedings such as arraignments and show cause hearings. The Municipal Court staff serves as the clerks of the court, managing all records as well as providing service to the public. The Municipal Court function is funded mainly from the General Fund. However, several other funds have been established by the State legislature to support various specific court activities and requirements.

The Juvenile Case Manager Fund must be used to fund the salary and benefits of a juvenile case manager employed under specific statutory provisions. The case manager provides services in cases involving juvenile offenders before a court consistent with the court's statutory powers. The position must work primarily on cases that deal with failure to attend school and parents who contribute to nonattendance. Cities can enter into partnerships with other local entities to garner these services from an individual. Prior to FY 2009-10, the City contracted with Comal County through an interlocal agreement to engage an individual to work with both entities under the guidelines established by the legislation. During FY 2009-10, the City brought the provision of juvenile case management services in-house; the case load warranted this change in approach.

The City established this fund in December 2005, and collects \$5.00 from all defendants convicted of a misdemeanor offense in the municipal court.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$33,788	\$43,444	\$44,009
Operations Expenses	4,998	0	10,000
<i>Total Appropriations</i>	\$38,786	\$43,444	\$54,009

Program Justification and Analysis:

As stated, during FY 2009-10, the City began providing juvenile case management services in-house through a staff position. Prior to that time, the City had a contract with Comal County for this function. The FY 2011-12 Budget continues to appropriate the cost of the salary and benefits of the court clerk assigned the responsibility for juvenile case management.

EFFECTIVE MANAGEMENT

**City of New Braunfels
Cable Franchise PEG Fund
Fiscal Year Ending September 30, 2012**

Fund: 245

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
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Beginning Balance

Undesignated Funds	\$	-
Designated for Encumbrances		-
Total Beginning Balance	\$	-

Revenue

Franchise Payments - Time Warner	\$	140,000
Interfund Transfer		265,000
Total Revenue	\$	405,000

TOTAL AVAILABLE FUNDS	\$	-	\$	-	\$	405,000
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APPROPRIATIONS

Operating Expenses	\$	200,000
Capital Expenses		100,000

TOTAL OPERATING APPROPRIATIONS	\$	-	\$	-	\$	300,000
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Ending Fund Balance	\$	-	\$	-	\$	105,000
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TOTAL APPROPRIATIONS	\$	-	\$	-	\$	405,000
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CABLE FRANCHISE (PEG) FUND

Fund: 260

The Cable Franchise PEG Fund is to account for the one percent payment that the city receives in franchise payments from Time Warner specifically for the purchase of equipment to support the City's cable television broadcast capabilities and services. New legislation passed in 2011 by the Texas legislature requires cities to manage these funds in a separate account. These funds can only be utilized to purchase video and broadcast equipment. The City began receiving payment from Time Warner in January of 2010 and these funds were initially accounted for in the General Fund revenues and expenditures. Beginning in FY 2011-12, the City has established this new fund to separately account for and report activities related to this revenue.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Operations Expenditures	\$0	\$0	\$200,000
Capital Expenditures	0	0	100,000
<i>Total Appropriations</i>	\$0	\$0	\$300,000

Program Justification and Analysis:

As stated, this fund has been created for FY 2011-12 as a result of legislation passed that requires the City to recognize the franchise payments from Time Warner in a separate fund. In addition, these funds are earmarked for video and broadcasting equipment. In FY 2011-12, the City plans to make significant enhancements in broadcasting capabilities in the City Council Chambers. In addition, remote broadcast capabilities will be greatly improved.

**City of New Braunfels
Equipment Replacement Fund
Fiscal Year Ending September 30, 2012**

Fund: 260

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 4,199,281	\$ 5,929,995	\$ 8,422,254
Total Beginning Balance	\$ 4,199,281	\$ 5,929,995	\$ 8,422,254
Revenue			
Interfund Transfers	\$ 1,968,859	\$ 3,300,859	\$ 1,926,788
Miscellaneous	59,198	84,000	80,000
Interest Income	16,402	12,000	12,000
Total Revenue	\$ 2,044,459	\$ 3,396,859	\$ 2,018,788
TOTAL AVAILABLE FUNDS	\$ 6,243,740	\$ 9,326,854	\$ 10,441,042
APPROPRIATIONS			
Computer Replacements	\$ 81,512	\$ 178,000	\$ 825,000
Capital Expenditures - Vehicles			
Planning and Community Development			\$ 50,194
Police	187,235	532,000	616,540
Fire	-	194,600	183,400
Municipal Court			
Public Works			
Parks	14,854		29,000
Airport	30,144		
Golf	-		
Sanitation	-		2,229,260
TOTAL OPERATING APPROPRIATION	\$ 313,745	\$ 904,600	\$ 3,933,394
Ending Fund Balance	\$ 5,929,995	\$ 8,422,254	\$ 6,507,648
TOTAL APPROPRIATIONS	\$ 6,243,740	\$ 9,326,854	\$ 10,441,042

EQUIPMENT REPLACEMENT FUND

Fund: 260

This fund is used to account for the replacement of all City-owned vehicles and computer equipment and other major equipment purchases. Currently, the vehicle program encompasses all light vehicles (1½ tons or less) as well as Solid Waste heavy equipment and vehicles, including refuse collection trucks. In future years, all heavy equipment and vehicles (such as dump trucks and fire trucks) will be included.

This fund was created by City Council action in FY 2005-06 with initial funding provided in the amount of \$1.5 million. Each year, funds are added based on set standards for vehicle useful life. The Council set an initial standard of 85,000 miles or 6 years (whichever occurs first) for all vehicles. Department contributions to this fund were determined by allocating one-fifth of the expected replacement cost less trade-in value (so that funding is available in the year the vehicle turns “six”). This formula was established with the original program with the intent of re-evaluating the criteria once sufficient data was available. This fiscal year (FY 2011-12), the criteria for replacement is changing to 85,000 miles or 8 years. This change is based on the positive experience the City has had with the newer fleet, actual mileage accumulations and the recommendations of the City’s Fleet Manager because of the improved maintenance program implemented for the City’s fleet. Computer equipment is projected to be replaced every three years. The Fire Department’s self contained breathing apparatus (SCBA) are also now part of the replacement program with an expected replacement in 2016.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Operations Expenditures	\$81,512	\$178,000	\$825,000
Capital Expenditures	232,233	726,600	3,108,394
<i>Total Appropriations</i>	\$313,745	\$904,600	\$3,933,394

Program Justification and Analysis:

As stated, this fund was created by City Council action in FY 2005-06 with initial funding provided in the amount of \$1.5 million. Each fiscal year, revenue into this fund also comes from contributions by each department, including enterprise funds and the River Activities Fund that utilize City vehicles. In addition, proceeds from the sale of vehicles that have been replaced goes into this fund. Funding for future computer equipment replacements also comes into this fund as well as automated garbage and recycling containers and, beginning in FY 2010-11, Fire Department self contained breathing apparatus (SCBA) replacements.

In FY 2010-11, \$956,142 was appropriated to purchase 26 vehicles that exceeded their defined useful life as well as an ambulance remount and a replacement urban command vehicle (rescue) truck for the Fire Department. However, due to budget constraints, most of these vehicle purchases did not occur. The FY 2010-11 Budget plans for these purchases to be made as well as those scheduled for FY 2010-11.

In FY 2011-12, contributions into this fund total \$1,926,788 with contributions from Solid Waste of \$853,766 for future replacements of garbage and recycling collection vehicles, \$300,000 for computer replacements, \$136,208 for SCBA replacements and the remaining \$636,814 from various departments, including \$480,075 from the Police Department and \$67,174 from the Fire Department. For FY 2011-12, the Equipment Replacement Fund includes \$183,400 to replace three light vehicles, one pickup truck and a brush truck for the Fire Department. The fund also provides \$616,540 for the Police Department to replace 17 police specification vehicles; \$2,229,260 for Solid Waste to replace 11 heavy equipment vehicles and three light vehicles; \$29,000 for the Parks and Recreation Department to replace one vehicle; and \$50,194 for the Planning and Community Development Department to replace two trucks. In addition, \$825,000 is included in this fund to replace computers City-wide; \$425,000 of this amount is allocated to replace all the mobile data terminals (MDT) in all police patrol vehicles. In addition, \$150,000 is included in this computer replacement allocation to upgrade the Police Department's computer server network, providing an enhanced backup and disaster recovery system.

**City of New Braunfels
Facilities Maintenance Fund
Fiscal Year Ending September 30, 2012**

Fund: 261

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 1,466,718	\$ 710,210	\$ 652,710
Total Beginning Balance	\$ 1,466,718	\$ 710,210	\$ 652,710
Revenue			
Interfund Transfers	\$ -	\$ 300,000	\$ 350,000
Interest Income	2,545	2,500	2,500
Miscellaneous	21,704	110,000	
Total Revenue	\$ 24,249	\$ 412,500	\$ 352,500
TOTAL AVAILABLE FUNDS	\$ 1,490,967	\$ 1,122,710	\$ 1,005,210
APPROPRIATIONS			
Employee Expenses	\$ -	\$ -	\$ 76,350
Parks/River	560,585	195,000	310,000
Public Safety	293	5,000	
Public Works	174,890	250,000	100,000
Facilities Maintenance	16,026		
Airport	28,963	20,000	
TOTAL OPERATING APPROPRIATIONS	\$ 780,757	\$ 470,000	\$ 486,350
Ending Fund Balance	\$ 710,210	\$ 652,710	\$ 518,860
TOTAL APPROPRIATIONS	\$ 1,490,967	\$ 1,122,710	\$ 1,005,210

FACILITIES MAINTENANCE FUND

Fund: 261

The Facilities Maintenance Fund provides for repair and maintenance of the City's aged infrastructure. Funds are utilized to address major structural and system (electrical, heating, cooling, plumbing, etc.) repairs to City owned facilities. Additionally, this fund accommodates parks repair and maintenance in the event of flood, other natural disasters or extraordinary occurrences that require corrective action to ensure the parks can continue to be enjoyed by citizens and visitors alike, keeping them safe and accessible. This proactive funding approach permits the City to complete maintenance and repairs in a timely fashion, thus avoiding both potential additional damage from delays and the need to redirect funds from other priorities if and when problems occur. On June 9, 2010, the City experienced a major storm event, causing flooding of neighborhoods as well as many City parks facilities. This fund was used to pay for the repairs in damaged City parks.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$0	\$0	\$76,350
Operations Expense	560,878	370,000	200,000
Capital Expense	219,879	100,000	210,000
<i>Total Appropriations</i>	\$780,757	\$470,000	\$486,350

Program Justification and Analysis

In June 2010, a major storm event caused significant flooding in the community and in many City parks. Significant expenditures occurred in FY 2009-10 and in FY 2010-11, reflecting the costs of clean up and parks repairs as a result of that event. This expenditure of Facilities Maintenance Funds allowed the City to react quickly and effectively to restore the community – both neighborhoods and river activities that generate tourism dollars to the City. However, it did significantly deplete this fund's reserves. Therefore, in FY 2010-11 and again in FY 2011-12, the City's General Fund will contribute \$300,000 and \$350,000 (respectively) each year to rebuild this fund's available fund balance.

In FY 2010-11, the City began funding the Facilities Maintenance Manager position in this fund. However, the position remained vacant in FY 2010-11. For FY 2011-12, this position is fully funded in the Facilities Maintenance Fund. In addition, funds are provided for general maintenance and repair that may arise as well as a few specific projects. These include \$4,000 to replace the "Wet Willie" amusement feature at the City's spring-fed pool as well as \$29,000 to replace the Landa Haus roof and air conditioning units. In FY 2010-11, the Parks and Recreation Department used funds for necessary improvements at Landa Recreation Center, including roof replacement and insulation, new flooring and interior painting. Also appropriated in this fund is \$183,000 from river parking revenue to begin funding improvements to the Prince Solms Park grassy area.

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Facilities Manager	<u>0</u>	<u>1</u>	<u>1</u>
<i>Total Authorized Positions</i>	<i>0</i>	<i>1</i>	<i>1</i>

**City of New Braunfels
Grant Fund
Fiscal Year Ending September 30, 2012**

Fund: 220

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
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Beginning Balance

Undesignated Funds	\$ (61,451)	\$ (90,627)	\$ -
Total Beginning Balance	\$ (61,451)	\$ (90,627)	\$ -

Revenue

Intergovernmental Revenue	\$ 345,250	\$ 713,589	\$ 1,486,933
Miscellaneous	1,800		
Interfund Transfers	10,700		
Total Revenue	\$ 357,750	\$ 713,589	\$ 1,486,933
TOTAL AVAILABLE FUNDS	\$ 296,299	\$ 622,962	\$ 1,486,933

APPROPRIATIONS

General Government	\$ 142,163	\$ -	\$ 158,837
Planning and Community Development	41,116	165,667	254,633
Public Safety	180,106	400,569	208,318
Public Works	8,900	30,619	860,000
Parks and Recreation	292	3,252	
Library	14,349	22,855	5,145
TOTAL OPERATING APPROPRIATIONS	\$ 386,926	\$ 622,962	\$ 1,486,933
Ending Fund Balance	\$ (90,627)	\$ -	\$ -
TOTAL APPROPRIATIONS	\$ 296,299	\$ 622,962	\$ 1,486,933

GRANT FUND

Fund: 220
Department Code: various

Program Description:

The City of New Braunfels continually looks for opportunities to utilize grant funding for needed programs and projects to better serve the citizens. The City has received funding through the Office of Justice Programs for Police Department programs, State Homeland Security Funds through the Alamo Area Council of Governments and Comal County's Emergency Management Coordinator, the Texas Infrastructure Fund for technology upgrade projects and Lone Star grants for improvements to library services, the State of Texas Housing Trust Fund, Texas Parks and Wildlife grants for park related projects and some grants for recycling services.

All grant revenue and expenditures are accounted for in this Grant Fund. Each grant will be accounted for separately to ensure compliance with State and Federal grant-related requirements and reporting.

In FY 2006-07, the City authorized and funded an Intergovernmental Services Manager position that had responsibility for identifying grant opportunities, facilitating the application process and tracking grants and grant reporting for City grant awards. During FY 2010-11, it was recognized that the grant coordination function required full time support. Therefore, the Intergovernmental Services Manager position was eliminated and a Grants Coordinator position was created. (A Public Information Officer position was also created at that time to provide increased attention to this important effort.) The Grants Coordinator continues to work to increase the City's efforts to identify grant opportunities that further the City's goals and objectives as well as to improve the City's chances for grant awards. As shown in the appropriations below, the efforts of staff over the last several years have significantly increased the City's grant funding for important functions and projects.

Appropriations:	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
General Government	\$ 142,163	\$ -	\$ 158,837
Planning and Community Development	41,116	165,667	254,633
Public Safety	180,106	400,569	208,318
Public Works	8,900	30,619	860,000
Parks and Recreation	292	3,252	-
Library	14,349	22,855	5,145
TOTAL OPERATING APPROPRIATIONS	\$ 386,926	\$ 622,962	\$ 1,486,933

**City of New Braunfels
Special Revenue Fund
Fiscal Year Ending September 30, 2012**

Fund: 221

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 61,756	\$ 76,534	\$ 143,045
Total Beginning Balance	\$ 61,756	\$ 76,534	\$ 143,045
Revenue			
Donations and Contributions	\$ 79,524	\$ 118,500	\$ 118,500
Miscellaneous	21,645	42,500	-
Total Revenue	\$ 101,169	\$ 161,000	\$ 118,500
TOTAL AVAILABLE FUNDS	\$ 162,925	\$ 237,534	\$ 261,545
APPROPRIATIONS			
Public Safety	\$ 42,367	\$ 38,478	\$ 40,000
General Government		3,805	5,000
Parks and Recreation	9,065	15,921	20,000
Library	34,959	27,558	35,000
Airport		8,727	
TOTAL OPERATING APPROPRIATIONS	\$ 86,391	\$ 94,489	\$ 100,000
Ending Fund Balance	\$ 76,534	\$ 143,045	\$ 161,545
TOTAL APPROPRIATIONS	\$ 162,925	\$ 237,534	\$ 261,545

SPECIAL REVENUE FUND

Fund: 221
Department Code: Various

Program Description:

The Special Revenue Fund was used in the past by the City of New Braunfels to account for grants received from federal, state and local sources as well as for donations from various benefactors. Beginning in FY 2006-07, this fund is used exclusively for donation accounting. Grants are budgeted and accounted for in the Grant Fund (explained elsewhere in this document). Donations received mainly pertain to Police, Fire, Parks and Recreation and Library activities, with the Library and Parks benefiting from donations due to the active involvement of their support organizations.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Operations Expenses			
Public Safety	\$42,367	\$38,478	\$40,000
Planning and Community Development	0	3,805	5,000
Parks and Recreation	9,065	15,921	20,000
Library	34,959	27,558	35,000
Airport	0	8,727	0
<i>Total Appropriations</i>	\$86,391	\$94,489	\$100,000

Program Justification and Analysis:

In FY 2011-12, the Special Revenue Fund will continue to be used for expenditures funded through outside funds and on a project-by-project basis. The FY 2011-12 Budget shows an increase for the Special Revenue Fund in comparison to the FY 2010-11 estimates. This reflects the City's continued efforts to garner sponsorships and contributions as well as the expenditure of funds reimbursed to the City for various purposes.

QUALITY OF LIFE

**City of New Braunfels
CDBG Fund
Fiscal Year Ending September 30, 2012**

Fund: 205

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 6,510	\$ 6,510	\$ -
Total Beginning Balance	\$ 6,510	\$ 6,510	\$ -
Revenue			
Intergovernmental - Federal grant	\$ 413,667	\$ 338,909	\$ 496,557
Total Revenue	\$ 413,667	\$ 338,909	\$ 496,557
TOTAL AVAILABLE FUNDS	\$ 420,177	\$ 345,419	\$ 496,557
APPROPRIATIONS			
<i>Program Year 2008</i>			
Main Street Façade Improvement	4,075	7,675	-
Minor Home Repair Program	41,682	-	-
Senior Center Home Repair	34,564	-	-
Senior Center Meals on Wheels	6,913	-	-
Senior Center My Friend Haus	6,913	-	-
<i>Program Year 2009</i>			
Any Baby Can of San Antonio	2,149	-	-
Big Brothers Big Sisters	2,101	-	-
CASA of Central Texas	2,765	-	-
Senior Center Meals on Wheels	1,610	-	-
Habitat for Humanity	30,192	898	-
Minor Home Repair Program	14,938	10,000	33,888
Façade Improvement Program	30,000	10,000	-
Administration	5,699	-	-
<i>Program Year 2010</i>			
Prescription Assistance Program	3,300	1,700	-
Big Brothers Big Sisters	-	5,000	-
Children's Advocacy Center	5,415	9,940	-
Senior Center My Friend Haus	6,645	-	-
Senior Center Transportation	-	10,000	-
Senior Center Meals on Wheels	8,904	5,769	-
Habitat for Humanity	-	43,636	-
Senior Center Minor Home Repair Program	70,000	-	-
Children's Advocacy Center	75,000	-	-
Minor Home Repair Program	7,475	37,919	-
Administration	53,327	31,455	-

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
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APPROPRIATIONS (continued)

Program Year 2011

Prescription Assistance Program	3,165	1,055
Big Brothers Big Sisters	3,165	1,055
Children's Advocacy Center	6,330	2,110
Senior Center My Friend Haus	3,165	1,055
Communities in Schools - Project Success	3,165	1,055
Senior Center Meals on Wheels	9,852	-
Habitat for Humanity	40,090	-
Senior Center Minor Home Repair Program	45,000	46,224
Façade Improvements	-	42,200
Children's Advocacy Center	3,165	1,055
Minor Home Repair Program	-	33,760
Ravenstar Outdoor Education	6,330	2,110
Administration	48,000	15,675

Program Year 2012

Prescription Assistance Program	4,122
Big Brothers Big Sisters	4,122
Children's Advocacy Center	8,356
Senior Center My Friend Haus	4,122
Communities in Schools - Project Success	4,122
Senior Center Meals on Wheels	9,754
Habitat for Humanity	39,689
Senior Center Minor Home Repair Program	90,312
Façade Improvements	41,778
Children's Advocacy Center	4,122
Minor Home Repair Program	33,422
Ravenstar Outdoor Education	8,356
Administration	63,038

TOTAL OPERATING APPROPRIATIONS \$ 413,667 \$ 345,419 \$ 496,557

Ending Fund Balance **\$ 6,510** **\$** **-** **\$**

TOTAL APPROPRIATIONS \$ 420,177 \$ 345,419 \$ 496,557

CDBG FUND

CDBG Fund: 205
Department Code: 2301

Mission:

Identify priority areas for the City to pursue on a policy and program basis to meet the needs of the low to moderate income residents of the City of New Braunfels as set out in the most current consolidated plan and strategy.

Vision:

To help residents of the City of New Braunfels achieve an improved quality of life through the development of a better community.

Goals/Objectives:

1. Develop drainage systems that protect personal property, traffic flow and the environment.
2. Aggressively promote existing youth oriented programs, recruit new programs and assist and encourage the development of after school and weekend programs.
3. Support educational opportunities and increase training programs, including community colleges or technical schools.
4. Preserve and rehabilitate the City's existing single family and multi-family housing stock, primarily for extremely low, very low and low income families (0 to 80 percent of median income).
5. Improve living conditions for extremely low, very low and low income renters.
6. Increase opportunities for low and moderate income level home ownership, particularly for first time homebuyers.
7. Preserve, provide and improve social services for residents with special needs, particularly the elderly/frail, the physically disabled and children who are troubled or at risk of inadequate housing.
8. Expand economic opportunities in the community, particularly for lower income residents.
9. Improve the neighborhood environment and facilities used for community services and activities.
10. Support historic preservation initiatives.

Department Description:

Housing and Community Development staff is responsible for application to and administration of the CDBG (Community Development Block Grant) and HOME Program, funded by the Department of Housing and Urban Development.

CDBG funding is utilized for a variety of projects that benefit low and moderate income citizens of the City of New Braunfels. Funded projects have included such activities as drainage improvements, City park improvements, children's shelters, youth programs, prescription assistance programs, historic preservation, minor home repair projects and a first-time homebuyers program.

APPROPRIATIONS	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget
<i>Program Year 2008</i>			
Main Street Façade Improvement	4,075	7,675	-
Minor Home Repair Program	41,682	-	-
Senior Center Home Repair	34,564	-	-
Senior Center Meals on Wheels	6,913	-	-
Senior Center My Friend Haus	6,913	-	-
<i>Program Year 2009</i>			
Any Baby Can of San Antonio	2,149	-	-
Big Brothers Big Sisters	2,101	-	-
CASA of Central Texas	2,765	-	-
Senior Center Meals on Wheels	1,610	-	-
Habitat for Humanity	30,192	898	-
Minor Home Repair Program	14,938	10,000	33,888
Façade Improvement Program	30,000	10,000	-
Administration	5,699	-	-
<i>Program Year 2010</i>			
Prescription Assistance Program	3,300	1,700	-
Big Brothers Big Sisters	-	5,000	-
Children's Advocacy Center	5,415	9,940	-
Senior Center My Friend Haus	6,645	-	-
Senior Center Transportation	-	10,000	-
Senior Center Meals on Wheels	8,904	5,769	-
Habitat for Humanity	-	43,636	-
Senior Center Minor Home Repair Program	70,000	-	-
Children's Advocacy Center	75,000	-	-
Minor Home Repair Program	7,475	37,919	-
Administration	53,327	31,455	-

Appropriations:	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
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Program Year 2011

Prescription Assistance Program	3,165	1,055
Big Brothers Big Sisters	3,165	1,055
Children's Advocacy Center	6,330	2,110
Senior Center My Friend Haus	3,165	1,055
Communities in Schools - Project Success	3,165	1,055
Senior Center Meals on Wheels	9,852	-
Habitat for Humanity	40,090	-
Senior Center Minor Home Repair Program	45,000	46,224
Façade Improvements	-	42,200
Children's Advocacy Center	3,165	1,055
Minor Home Repair Program	-	33,760
Ravenstar Outdoor Education	6,330	2,110
Administration	48,000	15,675

Program Year 2012

Prescription Assistance Program	4,122
Big Brothers Big Sisters	4,122
Children's Advocacy Center	8,356
Senior Center My Friend Haus	4,122
Communities in Schools - Project Success	4,122
Senior Center Meals on Wheels	9,754
Habitat for Humanity	39,689
Senior Center Minor Home Repair Program	90,312
Façade Improvements	41,778
Children's Advocacy Center	4,122
Minor Home Repair Program	33,422
Ravenstar Outdoor Education	8,356
Administration	63,038

TOTAL OPERATING APPROPRIATIONS \$ 413,667 \$ 345,419 \$ 496,557

Program Justification and Fiscal Analysis:

The City has received CDBG funding for the last seventeen years. In program year 2008 and 2009, the City's entitlement for CDBG totaled \$421,770 and \$346,447, respectively. For program year 2010 and 2011, the City received \$375,485 and \$318,781. Cutbacks in the program at the federal level resulted in the lower award to the City of New Braunfels in FY 2010-11. These cutbacks will also affect program year 2012 as the City expects to receive only \$315,315. The City uses CDBG funding to support various programs in the community that assist low to moderate income citizens of all ages. This includes activities such as Big Brothers/Big Sisters, prescription assistance, Meals on Wheels, Habitat for Humanity, minor home repair programs and Communities in Schools/ The FY 2011-12 Budget reflects the \$496,557 still unspent from the last three years of funding as well as the expected 2012 funding. The City will request funding for program year 2012.

**City of New Braunfels
HOME Fund
Fiscal Year Ending September 30, 2012**

Fund: 206

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 23,408	\$ -	\$ -
Total Beginning Balance	\$ 23,408	\$ -	\$ -
Revenue			
Intergovernmental - Federal grant	\$ -	\$ -	\$ -
Total Revenue	\$ -	\$ -	\$ -
TOTAL AVAILABLE FUNDS	\$ 23,408	\$ -	\$ -
APPROPRIATIONS			
Housing Rehabilitation Services	\$ 15,001	\$ -	\$ -
Interfund Transfer	\$ 8,407		
TOTAL OPERATING APPROPRIATIONS	\$ 23,408	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -
TOTAL APPROPRIATIONS	\$ 23,408	\$ -	\$ -

HOME FUND

HOME Fund: 206
Department Code: 2301

Mission:

Identify priority areas for the City to pursue on a policy and program basis to meet the needs of the low to moderate income residents of the City of New Braunfels.

Vision:

To help residents of the City of New Braunfels achieve an improved quality of life through the development of a better community.

Goals/Objectives:

1. Preserve and rehabilitate the City's existing single family housing stock, primarily for residents with special needs. Targeted recipients include the elderly/frail and physically disabled residents who are extremely low, very low, and low income (0-80% of median income).
2. Improve living conditions for extremely low, very low and low income homeowners.

Department Description:

The City's first HOME grant, which totaled \$360,682, was received in Program Year 2006, and was designed to provide health and safety repairs to owner occupied residents of very low, low and moderate income people in the City of New Braunfels. The program offered up to \$25,000 in assistance to qualified applicants. The City received no additional HOME funding for program year 2007 or 2008. In program year 2009, the City was awarded \$390,000 in HOME funding, but never actually received the proceeds from the grant. The City does not expect HOME assistance for program year 2010; therefore, the FY 2011-12 Budget does not include funding from this source.

Appropriations:

	FY 2009-10 <u>Actual</u>	FY 2010-11 <u>Estimate</u>	FY 2011-12 <u>Budget</u>
Operations Expenses	\$23,408	\$0	\$0
<i>Total Appropriations</i>	\$23,408	\$0	\$0

**City of New Braunfels
Faust Library Fund
Fiscal Year Ending September 30, 2012**

Fund: 704

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 34,441	\$ 34,441	\$ 34,441
Total Beginning Balance	\$ 34,441	\$ 34,441	\$ 34,441
Revenue			
Interest Income	\$ -	\$ -	\$ -
Total Revenue	\$ -	\$ -	\$ -
TOTAL AVAILABLE FUNDS	\$ 34,441	\$ 34,441	\$ 34,441
APPROPRIATIONS			
Operation Expenses	\$ -	\$ -	\$ 34,441
TOTAL OPERATING APPROPRIATIONS	\$ -	\$ -	\$ 34,441
Ending Fund Balance	\$ 34,441	\$ 34,441	\$ -
TOTAL APPROPRIATIONS	\$ 34,441	\$ 34,441	\$ 34,441

WALTER FAUST LIBRARY FUND

Fund: 704
Department Code: 7001

The Walter Faust Library Fund helps the New Braunfels Public Library to achieve its vision and mission by providing for the purchase of goods and services not budgeted in the General Fund.

Mission:

The mission of the New Braunfels Public Library is to provide access to informational, educational, cultural and recreational library materials and services in a variety of formats and to be responsive to the public library needs of the community.

Vision:

The New Braunfels Public Library is the primary source the community turns to for information, lifelong learning and enrichment.

Goals/Objectives:

1. **Finance:** Provide quality services to satisfy public demand in a fiscally responsible manner. Continue wise management of existing trust accounts each fiscal year.
2. **Programs and Services:** Ensure that students of all ages will have access to materials and services that will help them attain their educational and lifelong goals.
3. **Technology:** Provide access to current technology to help meet the need for information on topics related to work, school, and personal life.

Program Description:

The New Braunfels Public Library provides access to books and materials, information and reference services, programs, meeting rooms, and computers to the general public. Individuals with a valid library card may borrow books and other materials. Library staff assists patrons in all aspects of library use. In addition, staff develops and conducts adult and children's programs to foster literacy and learning in a positive, fun environment.

The Walter Faust Library Fund was established in 1997. There are no restrictions on its use. Recently, the fund has been used to support library programs and improvement projects.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Operations Expenses	\$0	\$0	\$34,441
<i>Total Appropriations</i>	\$0	\$0	\$34,441

Program Justification and Analysis:

The Walter Faust Library Fund has no restrictions on its use; therefore, the City has used the fund to support library programs and improvement projects. In FY 2011-12, \$34,441 will be used to fund the master plan update for the library.

**City of New Braunfels
Langland Library Fund
Fiscal Year Ending September 30, 2012**

Fund: 701

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 17,852	\$ (912)	\$ -
Total Beginning Balance	\$ 17,852	\$ (912)	\$ -
Revenue			
Interfund Transfers	\$ -	\$ 912	\$ -
Total Revenue	\$ -	\$ 912	\$ -
TOTAL AVAILABLE FUNDS	\$ 17,852	\$ -	\$ -
APPROPRIATIONS			
Operation Expenses	\$ 18,764		
TOTAL OPERATING APPROPRIATIONS	\$ 18,764	\$ -	\$ -
Ending Fund Balance	\$ (912)	\$ -	\$ -
TOTAL APPROPRIATIONS	\$ 17,852	\$ -	\$ -

GRACE LANGLAND LIBRARY FUND

Fund: 701
Department Code: 7001

The Grace Langland Library Fund supports the New Braunfels Public Library in achieving its vision and mission.

Mission:

The mission of the New Braunfels Public Library is to provide access to informational, educational, cultural, and recreational library materials and services in a variety of formats and to be responsive to the public library needs of the community.

Vision:

The New Braunfels Public Library is the primary source the community turns to for information, lifelong learning, and enrichment.

Goals/Objectives:

1. Collection: Ensure that community readers of all ages will have access to books and materials for their recreational pleasure and materials concerning topics of current community interest to satisfy their need for information and opinion.
2. Finance: Provide quality services to satisfy public demand in a fiscally responsible manner.
 - a. Continue wise management of existing trust accounts each fiscal year.
3. Programs and Services: Ensure that students of all ages will have access to materials and services that will help them attain their educational and lifelong goals.
4. Programs and Services: Provide access to recreational reading and programs that support general information gathering and the need for information that facilitates lifelong learning and addresses self-directed personal growth and development opportunities.
5. Programs and Services: Help community residents gain an appreciation of their own cultural heritage and that of others.

Program Description:

The New Braunfels Public Library provides access to books and materials, information and reference services, programs, meeting rooms and computers to the general public. Individuals with a valid library card may borrow books and other materials. Library staff assists patrons in all aspects of library use. In addition, staff develops and conducts adult and children's program to foster literacy and learning in a positive, fun environment.

The Grace Langland Library Fund was established in 1988. The bequest had no restrictions on use of the funds. The Library Advisory Board voted to use the monies for collection development and for special projects not funded by the General Fund. These projects have traditionally included the Summer Reading Program, the Head Start outreach program and the bilingual programs.

This fund was closed out in FY 2010-11 as all funds have been expended.

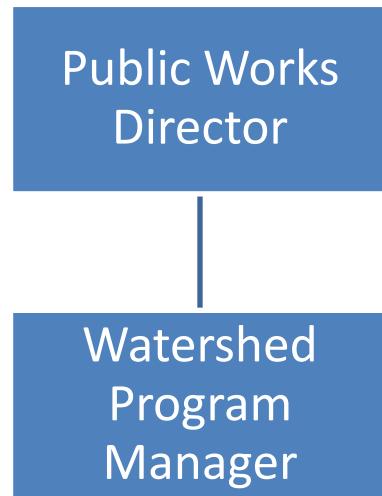
Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Operations Expenses	\$18,764	\$0	\$0
<i>Total Appropriations</i>	\$18,764	\$0	\$0

Program Justification and Analysis:

All budgeted funds were expended in FY 2009-10, and the fund was closed in FY 2010-11; therefore, no appropriations are allocated for FY 2011-12.

RIVER ACTIVITIES FUND



**City of New Braunfels
River Fund
Fiscal Year Ending September 30, 2012**

Fund: 225

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 1,498	\$ 732	\$ -
Total Beginning Balance	\$ 1,498	\$ 732	\$ -
Revenue			
Licenses and Permits	\$ 5,306	\$ 5,600	\$ 5,600
Fines and Forfeitures	\$ 132,798	\$ 160,000	\$ 130,000
Parks and Recreation	\$ 278,942	\$ 330,000	\$ 330,000
Interfund Transfer - General Fund	\$ 365,000	\$ 465,912	\$ 584,953
Total Revenue	\$ 782,046	\$ 961,512	\$ 1,050,553
TOTAL AVAILABLE FUNDS	\$ 783,544	\$ 962,244	\$ 1,050,553
APPROPRIATIONS			
Public Safety	\$ 580,949	\$ 714,563	\$ 618,928
Parks and Recreation	\$ 201,863	\$ 247,681	\$ 431,625
TOTAL OPERATING APPROPRIATION	\$ 782,812	\$ 962,244	\$ 1,050,553
Ending Fund Balance	\$ 732	\$ -	\$ -
TOTAL APPROPRIATIONS	\$ 783,544	\$ 962,244	\$ 1,050,553

RIVER ACTIVITIES FUND

River Activities Fund: 225
Department Code: 6010

Mission:

To achieve healthy, enjoyable and safe water recreation opportunities on the Guadalupe and Comal Rivers and to promote conservation of the unique aquatic natural resources of New Braunfels.

Vision:

Through environmental stewardship and balanced management of our water-oriented natural resources, comply with all applicable environmental regulations while providing an environment that fosters recreation.

Goals/Objectives:

1. Facilitate the development of the federally mandated Municipal Separate Storm Sewer System (FM MS4) Stormwater Management Plan and begin implementation
2. Participate in finalizing the Edwards Aquifer Recovery Implementation Program (EARIP) Habitat Conservation Plan (HCP) and begin planning for the local implementation
3. Continue to enhance litter prevention and collection activities on the Guadalupe and Comal Rivers
4. Continue to participate in local and regional watershed protection plans.
5. Manage and protect the springs, rivers and streams.

Action Items:

- *Implement comprehensive storm water utility and storm water fees*
Watershed management staff will work with other Public Works staff to implement fee collection, budgeting and prioritization of revenue use, and implementation of stormwater activities.
- *Develop stormwater runoff regulations*
Watershed management staff will provide guidance and advice for implementation of FM MS4 regulations.

Program Description:

The Comal and Guadalupe Rivers represent significant assets for the City of New Braunfels, offering activities to visitors while requiring protection of their natural and environmental features. River activities staff work to ensure that the citizens and tourists have a positive experience regarding river activities while striving to maintain the sustainability of the rivers as a long-term renewable natural resource. Specifically, staff is responsible for management of the Comal and Guadalupe Rivers to help ensure a safe environment for river visitors. Staff is also responsible for environmental planning, endangered species concerns, and regional initiatives to protect the water supply.. In FY 2007-08, the water resource management (including river activities) function moved under Public Works. Prior to that time, the main activity of this function was management of the City's recreational activities along the two rivers in the community. More recently, since 2009, recognizing the importance of the rivers as a multifaceted resource, the City has become much more active in regional water activities, resource planning and watershed protection such as: the EARIP, Region L water planning,

Edwards Aquifer activities, water quality testing, stormwater planning, Geronimo/Alligator Creek watershed protection plan, and other programs.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$726,189	\$886,841	\$806,518
Operations Expenses	56,623	75,403	244,035
<i>Total Appropriations</i>	\$782,812	\$962,244	\$1,050,553

Program Justification and Fiscal Analysis:

The River Activities Fund continues to support the cost of police officers and other personnel who work along the river in the summer tourist season. The FY 2011-12 Budget decreases in comparison to the FY 2010-11 estimate, mainly due to personnel expenses. Six officers are funded for the entire tourism season for FY 2011-12 as well as overtime costs related to law enforcement activities. In FY 2010-11, the City's efforts along the Comal River were increased because drought conditions moved many visitors from the Guadalupe River to the Comal River. As the City increased its law enforcement presence along the river to ensure a safe and positive environment for citizens and visitors, the cost of personnel increased. Some of this higher level of effort will continue in FY 2011-12, but somewhat lower costs are projected because of the extreme drought conditions in FY 2010-11.

In FY 2007-08, the City initiated two new programs to enhance services along the rivers. A contractor was engaged to pick up litter along and in the river, and an anti-litter campaign was begun to promote awareness among residents and tourists of ways to "Keep New Braunfels Clean." Both of these programs relate to solid waste and recycling efforts and therefore have been funded through the City's Solid Waste Fund. However, to more accurately represent the full cost of river activities in the River Activities Fund, beginning in FY 2011-12, the cost will be budgeted in the River Activities Fund with an interfund transfer from the Solid Waste Fund. Funds for the anti-litter campaign are used to purchase supplies to implement recycling at the Last Tubers Exit and Cypress Bend Park. It also includes the reprint of hotel table tents, dumpster decals and New Braunfels Utilities (NBU) mailers.

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Lead Ranger (Seasonal)	2	2	2
Ranger (Seasonal)	13	13	13
Watershed Program Manager	<u>1</u>	<u>1</u>	<u>1</u>
<i>Total Authorized Positions</i>	16	16	16

GROWTH AND DEVELOPMENT

**City of New Braunfels
Economic Development Fund
Fiscal Year Ending September 30, 2012**

Fund: 265

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
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Beginning Balance

Undesignated Funds	\$ (8,670)	\$ (148)	\$ -
Total Beginning Balance	\$ (8,670)	\$ (148)	\$ -

Revenue

Contributions and Reimbursements	\$ 32,812	\$ -	\$ -
Interfund Transfers		148	
Total Revenue	\$ 32,812	\$ 148	\$ -
TOTAL AVAILABLE FUNDS	\$ 24,142	\$ -	\$ -

APPROPRIATIONS

Operation Expenses	\$ 24,290		
TOTAL OPERATING APPROPRIATION	\$ 24,290	\$ -	\$ -
Ending Fund Balance	\$ (148)	\$ -	\$ -
TOTAL APPROPRIATIONS	\$ 24,142	\$ -	\$ -

ECONOMIC DEVELOPMENT FUND

Fund: 265

In FY 2006-07, the City entered into an agreement with the Creekside Development partners for a tax increment reinvestment zone (TIRZ). Creekside is a major new retail/commercial/residential development within the City limits. As other economic development agreements are approved, the City may incur expenses to manage those projects as well that will be reimbursed by the developer. This fund is used for these types of activities and their related expenditures.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget
Operation Expenses	\$24,290	\$0	\$0
<i>Total Appropriations</i>	\$24,142	\$0	\$0

Program Justification and Fiscal Analysis

This fund was created in the FY 2007-08 Budget. For FY 2011-12, as in FY 2009-10 and FY 2010-11, if TIRZ or other economic development projects related expenditures occur, they will be paid directly from this fund.

**City of New Braunfels
Hotel/Motel Tax Fund
Fiscal Year Ending September 30, 2012**

Fund: 794

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 202,817	\$ 443,144	\$ 443,144
Designated for Encumbrances			
Total Beginning Balance	\$ 202,817	\$ 443,144	\$ 443,144
Revenue			
Hotel/Motel Tax	\$ 2,464,906	\$ 2,420,000	\$ 2,492,600
Interest Income	300	-	-
Total Revenue	\$ 2,465,206	\$ 2,420,000	\$ 2,492,600
TOTAL AVAILABLE FUNDS	\$ 2,668,023	\$ 2,863,144	\$ 2,935,744
APPROPRIATIONS			
Operating Expenses	\$ 1,420,739	\$ 1,577,900	\$ 1,591,060
Interfund Transfer	804,140	842,100	901,540
TOTAL OPERATING APPROPRIATIONS	\$ 2,224,879	\$ 2,420,000	\$ 2,492,600
Ending Fund Balance	\$ 443,144	\$ 443,144	\$ 443,144
TOTAL APPROPRIATIONS	\$ 2,668,023	\$ 2,863,144	\$ 2,935,744

HOTEL/MOTEL TAX FUND

Hotel/Motel Tax Fund: 794
Department Code: 1001

Program Description:

The City of New Braunfels collects a 7 percent tax on all hotel and motel rooms rented in the City limits. This tax currently generates about \$2.5 million annually. The City Council has adopted the allocation of those funds as follows: up to 50 percent is paid to the New Braunfels Chamber of Commerce under a contract for the promotion of tourism, marketing and other professional services (into the Convention and Tourism Fund – CTF). Prior to January 2007, the Chamber received 55 percent of the tax revenue to fund these efforts. In September 2006, the allocation was changed contractually to provide additional funding for the renovation and expansion of the Civic/Convention Center. The Chamber then received 50 percent of the tax revenue. Effective January 1, 2010, a new contract was executed. Under the new terms, the CTF receives up to 50 percent of the total hotel/motel tax generated; the Council approves the CTF budget and pays only the total actual expenses made under the contract. In addition to the actual expenditures, the contract calls for the City to fund a 25 percent operating reserve for this important function. .

Of the other 50 percent of the tax, 15 percent is currently split among various arts and heritage organizations. The other 35 percent of the hotel/motel tax remains with the City of New Braunfels. Prior to FY 2005-06, 11.3 percent of the City's portion had been used to support the existing operations of the Civic/Convention Center and 19.4 percent had been set aside to help pay for costs associated with the expansion of and renovations to that facility. The City has completed the \$12.35 million project to expand and remodel the facility. The allocation of the 35.7 percent changed under the approved financing strategy for the facility. The City's tax proceeds now fully fund the annual debt service payment associated with the building expansion project (approximately \$610,000 annually). Remaining funds from the City's portion help offset the operating costs of the facility.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Operations Expenses			
Chamber of Commerce Contract	\$1,070,089	\$1,210,000	\$1,217,170
Arts and Heritage Organizations	350,650	367,900	373,890
Interfund Transfers	804,140	842,100	901,540
Total Appropriations	\$2,224,879	\$2,420,000	\$2,492,600

Program Justification and Analysis:

As stated, the hotel/motel tax proceeds are used for three purposes: up to 50 percent goes to support the Chamber of Commerce's tourism and marketing efforts, 15 percent supports arts and heritage organizations and the remaining 35 percent supports the City's costs related to construction and operation of the expanded Civic/Convention Center. The primary use of the City's funds is retirement of debt issued to pay construction costs associated with the facility (\$609,798 in FY 2011-12). The City issued \$8 million in Certificates of Obligation in

September 2006 for this purpose. The City's proportionate share of the hotel/motel tax currently exceeds the debt service requirements. Remaining funds are used to support the increased operations and maintenance expenses for the facility. In FY 2009-10, the City made the Civic Center an enterprise fund; all revenue and expenses related to the facility are accounted for in that fund. The facility is not yet self-supporting. Therefore, in FY 2011-12, hotel/motel tax proceeds are being transferred into that fund and the General Fund will provide funding to make the fund fully solvent. In FY 2010-11, a similar transfer of hotel/motel tax proceeds and additional funding from the General Fund were used to support the Civic Center Fund.

*CAPITAL
IMPROVEMENT
FUNDS*

City of New Braunfels**Fund: 304****2004 Certifications of Obligation Capital Improvement Fund****Fiscal Year Ending September 30, 2012**

	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
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Available Funds

Proceeds from Debt Issuance	\$ 26,000,000	\$ 26,000,000	\$ -
Miscellaneous and Contributions	65,504	65,504	-
Intergovernmental Revenue		-	-
Interest Income	4,103,799	4,003,475	100,324
TOTAL AVAILABLE FUNDS	\$ 30,169,303	\$ 30,068,979	\$ 100,324

APPROPRIATIONS**Projects**

South Tributary Flood Control	\$ 4,296,497		
Engineering	1,231,090	\$ 1,213,932	\$ 17,158
Right-of-Way	1,876,759	1,876,759	-
Construction	1,188,648	1,188,648	-
North Tributary	827,870		
Professional Services	723,000	807,818	(84,818)
Right-of-Way	104,870	9,033	95,837
Churchill Drainage Project	4,627,661		
Engineering	196,426	196,426	-
Right-of-Way	596,423	596,423	-
Construction	3,834,812	3,834,812	-
Katy/Mesquite Drainage - Construction	665,204	665,204	-
Alves Lane	166,997	166,997	-
Gruene Rd. Improvements	10,165	10,165	-
Walnut Ave. Widening - Right of Way	6,047,761	6,047,761	-
Walnut Ave. Ext. to Klien Rd. - Construction	4,530,016	4,530,016	-
Walnut Ave. Ext. to Klien Rd. - Amenities	200,000	127,852	72,148

City of New Braunfels

Fund: 304

2004 Certifications of Obligation Capital Improvement Fund

Fiscal Year Ending September 30, 2012

	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
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APPROPRIATIONS (Continued)

Street Maintenance Projects

2004 Projects

Phase 1	298,332	298,332	-
Phase 2	435,559	435,559	-
Phase 3	349,802	349,802	-

2005 Projects

Phase 1	1,130,385	1,130,385	-
Phase 2	1,838,579	1,838,579	-
Phase 3	874,697	874,697	-

2006 Projects

Phase 1	1,027,526	1,027,526	-
Phase 2	598,628		
Engineering	154,740	154,740	-
Construction	443,889	443,889	-
Phase 3	1,103,000		
Engineering	150,000	150,000	-
Construction	953,000	953,000	-
Subtotal - Street Maintenance Projects	\$ 7,656,508	\$ 7,656,509	\$ -

Total Projects **29,028,679** **28,928,355** **100,325**

Real Estate Manager	141,446	141,446	-
Engineering Staff	134,149	134,149	-
Interfund Transfers	865,029	865,029	-

TOTAL APPROPRIATIONS **\$ 30,169,303** **\$ 30,068,979** **\$ 100,325**

**2004 CERTIFICATES OF OBLIGATION
CAPITAL IMPROVEMENTS PROJECT FUND**

Fund: 304

Program Description:

The City of New Braunfels issued \$26 million in Certificates of Obligation in April 2004 to fund various streets and drainage improvement projects. The debt issuance was originally issued to fund improvements to the South Tributary and the North Tributary for regional flood control, the Bleders Creek detention pond, Bleders Creek - River Road improvements and the Churchill Drainage projects. In addition, \$10 million was set aside to fund other street improvement projects that the City planned to complete in phases. Since that time, the City Council reprioritized funding from this debt issuance to optimize project completion opportunities. Funding for some projects was reduced while others were increased to fully fund projects that were moving ahead and needed additional funding to complete construction. The projects now funded with the 2004 Certificates of Obligation are listed and described below.

Appropriations:	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
Projects			
South Tributary Flood Control	\$ 4,296,497		
Engineering	1,231,090	\$ 1,213,932	\$ 17,158
Right-of-Way	1,876,759	1,876,759	-
Construction	1,188,648	1,188,648	-
North Tributary	827,870		
Professional Services	723,000	807,818	(84,818)
Right-of-Way	104,870	9,033	95,837
Churchill Drainage Project	4,627,661		
Engineering	196,426	196,426	-
Right-of-Way	596,423	596,423	-
Construction	3,834,812	3,834,812	-
Katy/Mesquite Drainage - Construction	665,204	665,204	-
Alves Lane	166,997	166,997	-
Gruene Rd. Improvements	10,165	10,165	-
Walnut Ave. Widening - Right of Way	6,047,761	6,047,761	-
Walnut Ave. Ext. to Klien Rd. - Constructio	4,530,016	4,530,016	-
Walnut Ave. Ext. to Klien Rd. - Amenities	200,000	127,852	72,148
Street Maintenance Projects			
2004 Projects			
Phase 1	298,332	298,332	-
Phase 2	435,559	435,559	-
Phase 3	349,802	349,802	-
2005 Projects			
Phase 1	1,130,385	1,130,385	-
Phase 2	1,838,579	1,838,579	-
Phase 3	874,697	874,697	-
2006 Projects			
Phase 1	1,027,526	1,027,526	-
Phase 2	598,628		
Engineering	154,740	154,740	-
Construction	443,889	443,889	-
Phase 3	1,103,000		
Engineering	150,000	150,000	-
Construction	953,000	953,000	-
Subtotal - Street Maintenance Projects	\$ 7,656,508	\$ 7,656,509	\$ -
Total Projects	29,028,679	28,928,355	100,325
Real Estate Manager	141,446	141,446	-
Engineering Staff	134,149	134,149	-
Interfund Transfers	865,029	865,029	-
TOTAL APPROPRIATIONS	\$ 30,169,303	\$ 30,068,979	\$ 100,325

Program Justification and Fiscal Analysis:

South Tributary Drainage Improvements

The South Tributary drainage project is a regional flood control project that collects run-off from a 1,932 acres watershed. Low-lying areas of the watershed are prone to flooding and the project is intended to confine the 100-year flood plain to City right-of-way. A feasibility analysis was completed that included a detailed investigation of eight alternatives. The selected alternative includes significant channel modifications to the existing South Tributary conveyance system and the construction of a regional detention basin. The budgeted cost for the project in the FY 2008-09 Budget was \$11,228,500. With the very favorable construction market, the bids for the project came in considerably under this estimated amount, which has allowed the City to reduce the budget to the current \$8,126,470. Of that amount, \$4,296,497 is funded in the 2004 Certificates of Obligation, with the remainder in the 2008 Certificates of Obligation. Project design was substantially completed in FY 2007-08 and construction began in 2009. The project was delayed and the channel re-aligned, and the project will be completed before the end of FY 2010-11.

The drainage channel is completed; therefore, the City will incur new operating costs to maintain and mow the area. The FY 2011-12 Adopted Budget has additional appropriations for this and other drainage area maintenance to fund the additional costs to keep the drainage channels free of debris and vegetation. In addition, a Stormwater Utility fee will begin to be assessed in FY 2011-12 to pay for these maintenance costs. The additional funding added to the budget will continue as long as it is needed to pay for this and other new drainage area's upkeep.

North Tributary Flood Control Project

The North Tributary Flood Control Project is a regional flood control project intended to reduce the threat of potential flooding. A significant number of residential and commercial properties within the watershed are currently within the 100-year floodplain. The North Tributary floodplain was studied in detail through a Federal Emergency Management Agency (FEMA) Flood Insurance Study. The study was intended to identify the known risks associated with flooding within New Braunfels and to update floodplain maps. In an effort to reduce the identified risk, the original project included a regional off-line detention pond along the North Tributary. The project scope was later revised to include channelization because the property being considered for the detention pond was commercially developed. The current project consists of three large regional detention ponds, one on either side of Walnut Avenue and one between Walnut Avenue and Old McQueeney Road, and channel improvements from Walnut Avenue to Old McQueeney Road. The projected total cost for the project including channel improvements is \$8,446,804. All funding is currently in place. The 2004 Certificates of Obligation fund \$827,870 which allocated \$723,000 for professional services and \$104,870 for right-of-way acquisition. The 2008 Certificates of Obligation funded additional right-of-way costs of \$415,534 and the 2011 Certificates of Obligation fund the cost of construction of \$6,000,000 plus \$1,093,000 for additional right-of-way costs, \$90,400 for professional services and \$20,400 for in-house staff working on this project. Design was completed in FY 2009-10, construction bids were received in FY 2010-11 and the Army Corp of Engineers gave approval to begin construction in July 2011. It is anticipated that construction will take a year to complete.

The FY 2011-12 operating budget is not affected by this project. When these facilities are accepted by the City, operating costs will increase due to the additional costs needed to keep the

drainage channels free of debris and vegetation. Other additional future operating costs will include the maintenance of the actual structures. The cost is expected to be similar to that for the South Tributary flood control project (described above) and will be funded from the City's newly established Stormwater Utility Fund.

Church Hill Drainage Project

The Church Hill watershed is adjacent to the Union Pacific Railroad and generally runs between the Guadalupe River and FM 306. This area has had significant flooding issues common to Church Hill Drive and Wright Avenue for at least the last decade. This drainage improvement project will be completed in two phases. The construction for the first phase was completed in July 2008. The total cost of the project funded with 2004 Certificates of Obligation was \$4,627,661. The total project cost for this first phase was \$5.47 million with additional funding coming from the City's Streets and Drainage Fund. Funding for the second phase of this project has not been identified.

The FY 2011-12 operating budget continues to fund maintenance costs for this drainage improvements driven by the need to keep the drainage channels free of debris and vegetation and for the maintenance of the actual structures.

Katy/Mesquite Drainage

This project consisted of the installation of a large reinforced concrete box storm drain system on Mesquite Avenue from West San Antonio Street to Katy Street as well as improvements to Katy Street. The City has long recognized a significant nuisance and drainage issue affecting the homeowners along Katy Street and Mesquite Avenue. The drainage system significantly reduces the flooding potential by collecting and passing 100-year storm events. The project bid in July 2008 at a total construction cost of \$871,161 and was completed in June 2009. The City funded a portion of the professional services costs from the General Fund (\$163,000) and the Streets and Drainage Fund (\$46,000), with the remaining engineering funding (\$47,068) coming from the 2007 Certificates of Obligation. The 2004 Certificates of Obligation funded \$665,204 in construction costs for this project. The total project cost was \$1,149,211 (including \$1,000 for right-of-way acquisition).

The FY 2011-12 Adopted Budget has continued appropriations for this and other drainage area maintenance to fund the additional costs to keep the drainage channels free of debris and vegetation, funded by the Stormwater Utility Fund.

Alves Lane

This project included construction of a drainage culvert and street reconstruction in a limited area on Alves Lane. Construction was completed through an agreement with a private developer. The total cost of the project to the City was \$166,997.

The FY 2011-12 Adopted Budget continues to have additional appropriations for the maintenance of this project.

Gruene Road Street and Drainage Improvement

The Historic District of Gruene is a significant tourist destination. Gruene Road, the primary access into this district was, before this project began, a rural road with a noteworthy history of accidents and significant flooding issues. The project consisted of upgrading and straightening

the roadway's geometry to allow it to efficiently and effectively function as a collector. In addition, the project corrected the majority of existing cross drainage issues and added a traffic signal at the intersection of Gruene Road and Common Street. The project extends from Sunnybrook Drive to Common Street. The project was completed in October 2007 at a total cost of \$6,346,950. The 2003 Certificates of Obligation funded all but \$10,165 of this cost. This remaining amount was funded with the 2004 Certificates of Obligation.

Walnut Avenue Widening

This project includes the widening of the Walnut Avenue street section from Business 35 to Katy Street, as well as intersection improvements at Katy Street and Business 35. In addition, the project includes improvements to San Antonio Street at Walnut Avenue. In March 2008, City Council determined that the best approach to this project is to widen Walnut Avenue through the project limits from 60 feet to a total width of 120 feet and, depending on lot configurations, wider in some areas. This approach will allow the street improvements to effectively serve the community for the next fifteen to twenty years. Drainage improvements are also included in the project. In addition, major landscaping and other improvements will be accomplished in the project to create a park-like environment through a portion of this roadway. Right-of-way acquisition and design began in FY 2007-08 and was completed in 2010. Construction began in September 2010 and is projected to be completed in May 2013. The 2004 Certificates of Obligation funded right-of-way acquisition costs of \$6,047,761. Total right-of-way costs are \$7,476,487 with the 2008 Certificates of Obligation providing the remaining funding required (\$1,428,726). The 2007 and 2008 Certificates of Obligation fund the design and engineering costs originally budgeted at \$400,000 and now funded at \$1,085,000, with \$890,000 in the 2007 Certificates of Obligation and the remaining \$195,000 in the 2008 Certificates of Obligation).

This project was divided into Segments 1 (described above) and Segments 2 and 3. The 2008 Certificates of Obligation also funded \$80,000 for right-of-way and \$684,000 for engineering for segments 2 and 3 of the project. The total construction cost of this project – segments 1, 2 and 3 – is \$15.8 million including amenities, underground utilities and construction contingencies. The 2011 Certificates of Obligation included \$5,100,000 in funding for a portion of the total construction costs. Since the construction time line is two-and-one-half years, three debt issuances are proposed over three fiscal years to fully fund this important project. The FY 2011-12 Budget includes proposed 2012 Certificates of Obligation. This debt issuance provides \$6,700,000 for the second phase of construction funding for this important project.

The Assistant City Engineer and one Construction Inspector are also funded in this project as both positions work full time on this project. The FY 2011-12 Budget includes \$354,000 in the 2011 Certificates of Obligation to pay the full salary and benefits costs of these employees for two years.

The FY 2011-12 operating budget will not be impacted by this project that will be under construction for the next 12 to 24 months. After completion, short term operating costs for street maintenance and repair will decrease because new roads require less maintenance for the first five to seven years. After this period, street maintenance costs will begin to climb. Since this project has significant landscaping and park-like improvements, once completed, parks maintenance costs will also increase.

Walnut Avenue Extension to Klein Road – Construction and Amenities

This project consisted of extending Walnut Avenue from County Line Road to Klein Road with a five-lane street section. The road section crosses one major drainage way and, therefore, required storm drain improvements as well. The street is a critical element for north-south travel from County Line Road to Klein Road and is important to the school district to serve a new campus. A portion of the funding for the project (\$4,530,016) comes from the 2004 Certificates of Obligation. Remaining funding comes from the 2007 Certificates of Obligation (\$1,943,153), the 2008 Certificates of Obligation (\$115,554) for right-of-way acquisition and the General Fund which paid for some of the engineering costs (\$258,680) for a total project cost of \$6,847,403. The project began construction in FY 2007-08, and street construction was fully completed in early 2009 with the part serving the school completed in time for opening day.

The FY 2010-12 Budget includes \$200,000 in the 2004 Certificates of Obligation to fund enhancements and amenities to this road improvement that funds additional landscaping.

The additional operating costs for maintenance of landscaping on this new roadway are included in the FY 2011-12 Adopted Budget. In addition, street maintenance costs will decrease slightly in the short term because new roads require less maintenance for the first five to seven years. After this time, street maintenance costs will begin to climb. Since this project has some landscaping improvements, once completed, parks maintenance costs will also increase.

Blieders Creek – Detention Pond and River Road Culverts

In 1972, the City of New Braunfels suffered a devastating flood in the Blieders Creek Watershed that took the lives of sixteen citizens. As a result, the Blieders Creek Regional Flood Control Dam was constructed. The upstream development of the area since the dam's construction has taken the existing facility to capacity. Preliminary conceptual analysis has shown upgrading the existing facility on its own does not solve the problem; a second facility on a contributing tributary may resolve this situation. The facility would reduce the current downstream run-off by approximately 20 percent. The cost of the project was originally estimated at \$2,430,000. Full funding for this project was originally included in the 2004 Certificates of Obligation. However, all of those funds have been re-appropriated.

River Road currently serves as a critical route for emergency vehicles. A second project, the Blieders Creek Culvert Project, was also part of the original 2004 Certificates of Obligation funding that has been moved to other projects. This project will elevate three road crossings above the 25-year flood event. In addition, the project will reduce the level of flooding immediately upstream of River Road. The original budget for the project totaled \$2,660,000 and was funded with 2004 Certificates of Obligation.

Currently, \$360,000 is appropriated in the 2008 Certificates of Obligation Capital Improvement Project Fund to begin design on the River Road portion of this project. The United States Army Corps of Engineers may also participate in the project. The City will continue to evaluate alternative sources of funding for design and construction of these projects.

Street Improvement Projects

In 2003, the City completed a street inventory and condition study that identified an approach to improve the overall street network condition by applying either a timely overlay or reconstruction of the street. The study compared the rate of deterioration and identified projects

and was used to select and schedule projects and for project phasing and funding. The budget for these street projects originally totaled \$10 million. Staff managed these projects in phases. All these projects are now completed. The total amount expended for these projects is \$7,656,509 .

The Phase 2 2005 street maintenance project included improvements to Mill Street. The total project cost was \$2,013,579 with \$1,838,579 funded from the 2004 Certificates of Obligation and the remaining funding of \$175,000 from the 2008 Certificates of Obligation. The project was completed in February 2008.

The Phase 3 2005 street maintenance project included construction on several streets: Gruene Road from Loop 337 to Torrey Street; Torrey Street from Union Avenue to Elizabeth Avenue; Belmont Drive from Brockton to cul-de-sac; Belmead Drive from Bellaire to Briarbend; and Bellaire from Belmead Drive to Broadmoor. The project was completed in FY 2009-10. This project has a total budget of \$874,697.

The Phase 1 2006 street maintenance project included construction of Union Avenue from Common to Lincoln, Basel from Union to Grant and Fredericksburg from Landa Street to Bell Street as Phase 1A. Edgewater Terrace from Elizabeth to Houston, Allen from Edgewater to Dallas, Chicago from Edgewater to Dallas, Elizabeth Avenue from Torrey to Edgewater and Country Club Circle were completed as Phase 1B. The project was awarded for construction in two phases to allow areas of high tourist traffic to flow smoothly. The project was also expanded from its original scope by extending Fredericksburg from Howard to Bell and the addition of Allen and Chicago. Competitive construction bids allowed the City to extend the limits of the project while remaining within the initial budget. The total project budget is \$1,229,877 with \$1,027,526 coming from the 2004 Certificates of Obligation, \$30,000 from the 2007 Certificates of Obligation and the remaining \$172,351 from the 2008 Certificates of Obligation.

The Phase 2 2006 street maintenance project includes construction of Old FM 306 from Common St. to FM 306. The project was completed in FY 2008-09 with a total cost of \$598,628.

The Phase 3 2006 street maintenance project included construction on Mesquite Avenue from Katy Street to W. San Antonio Street, Mill Street from Mesquite Avenue to Chestnut Avenue and Chestnut Avenue from Mill Street to West San Antonio Street. The project was completed in FY 2008-09 with a total project cost of \$1,103,000.

These road improvements, in the short term, reduce the operating costs for maintenance and repair of these stretches of pavement. After the first five to seven years, maintenance costs for these roads are expected to increase.

Real Estate Manager

In FY 2008-09, the City hired a Real Estate Manager to bring in-house the real estate acquisition function, thus saving contracted services costs. In addition, having this expertise in-house assists the City in more timely responses to real estate issues. In FY 2008-09 and in FY 2009-10, the position was fully funded from the 2004 Certificates of Obligation as this position worked on property acquisition for the Walnut Avenue Widening project. As the City's needs continue to diversify, the funding for this position is changing. One-half of the cost of this position is funded in the 2009 Certificates of Obligation for FY 2011-12 (\$54,500), with the remaining half funded through the General Fund in the Public Works Department.

City of New Braunfels**Fund: 307****2007 Certifications of Obligation Capital Improvement Fund****Fiscal Year Ending September 30, 2012**

	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
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Available Funds

Proceeds from Debt Issuance	\$ 17,654,242	\$ 16,882,156	\$ 772,086
Interest Income	601,393	-	601,393
Intergovernmental Revenue	26,567		26,567
Interfund Transfers	25,056	-	25,056
TOTAL AVAILABLE FUNDS	\$ 18,307,258	\$ 16,882,156	\$ 1,425,102

APPROPRIATIONS**Projects**

Gruene Bridge Replacement - ROW and Constr	\$ 544,693	\$ 544,693	\$ -
Walnut Ave. Widening - Engineering	890,000	847,831	42,169
Walnut Ave. Extension to Klein Rd.	1,943,153		
Engineering	867,391	867,391	-
Construction	1,075,762	1,075,762	-
Katy/Mesquite Drainage	47,068		
Engineering	46,068	46,068	-
Right-of-Way	1,000	1,000	-
Highway 46 Improvements - Right-of-Way	181,000	181,000	-
Highway 46 Improvements - Interest Expense	428,675	428,675	-
Gruene Hike and Bike Trail	463,152	463,152	-
Water Lane Improvements - Design	94,408	94,408	-
Gruene Crossing - Design	120,000	120,000	-
Phase I 2006 Street Maintenance	30,000	30,000	-
Landa Park Bathhouse	229,304	229,304	-
Landa Park Restrooms Improvements	-		
Construction	36,943	36,943	-
Park Land Purchases and Improvements	2,589,514		
Fischer Park Land and River Properties	1,014,733	1,014,733	-
Fischer Park Design	608,662	459,300	149,362
Landa Park Irrigation - Construction	444,119	444,119	-
Landa Park Walls and Dams - Design	347,000	347,000	-
Camp Comal Land	150,000		150,000
West Loop Park Site Work/Environmental	25,000	4,900	20,100
Main Plaza Improvements	241,544	241,544	-
Parks Maintenance Building Improvements	83,686	-	83,686

APPROPRIATIONS (Continued)	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
Projects			
Airport Runway/Taxiway Improvements			
Engineering	28,457	28,457	-
Airport Business Plan	83,366	83,366	-
Airport Hanger Apron and Taxiway (match for TXDOT project)	89,577	89,577	-
Underground Utilities - Airport Runway	90,459	90,459	-
Airport tractors and gator	185,103	185,103	-
Airport Fuel Farm	103,525	103,525	-
Eikel Park Skate Park Improvements	175,320	175,320	-
South Tributary Hike and Bike Trail Improvements	1,100,000	1,030,715	69,285
Northridge Park Improvements	49,000	49,000	-
Fisher Park Land	2,284,077	2,284,077	-
Fisher Park Master Plan	19,000	19,000	-
Fire Stations Design and Improvements	330,000	206,573	123,427
Fire Station #6 - Construction and Equipment	2,687,364	2,687,364	-
Drainage Improvements	383,487	383,487	-
New Braunfels Industrial Development Corp.			
Funded Projects			
Spring Fed Pool Improvements	40,310	40,310	-
Landa Park River Front Rehabilitation	207,300	207,300	-
Landa Park Irrigation	48,450	48,450	-
Golf Course Irrigation/Greens Improvements	818,000	174,894	643,106
Fredericksburg Fields Bleachers	30,000	16,076	13,924
Landa Playground Improvements	442,940	380,587	62,353
HEB Soccer Complex Improvements	625,210	557,520	67,690
Eikel Park Skate Park Improvements	91,000	91,000	-
Eikel Field Improvements	102,000	102,000	-
Panther Canyon Improvements	9,450	9,450	-
Camp Comal Lighting	84,290	84,290	-
Total Projects	\$ 18,030,825	\$ 16,605,723	\$ 1,425,102
Debt Issuance Cost	261,233	261,233	-
Engineering Staff	15,200	15,200	-
TOTAL APPROPRIATIONS	\$ 18,307,258	\$ 16,882,156	\$ 1,425,102

**2007 CERTIFICATES OF OBLIGATION
CAPITAL IMPROVEMENTS PROJECT FUND**

Fund: 307

Program Description:

The City of New Braunfels issued \$17.5 million in Certificates of Obligation to fund various needed capital improvement projects (listed and described below). \$2.5 million of this issue will pay for park improvement projects. That debt will be repaid through New Braunfels Industrial Development Corporation (NBIDC) funds that come from sales tax proceeds.

Appropriations:	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
Projects			
Gruene Bridge Replacement - ROW and Constr	\$ 544,693	\$ 544,693	\$ -
Walnut Ave. Widening - Engineering	890,000	847,831	42,169
Walnut Ave. Extension to Klein Rd.	1,943,153		
Engineering	867,391	867,391	-
Construction	1,075,762	1,075,762	-
Katy/Mesquite Drainage	47,068		
Engineering	46,068	46,068	-
Right-of-Way	1,000	1,000	-
Highway 46 Improvements - Right-of-Way	181,000	181,000	-
Highway 46 Improvements - Interest Expense	428,675	428,675	-
Gruene Hike and Bike Trail	463,152	463,152	-
Water Lane Improvements - Design	94,408	94,408	-
Gruene Crossing - Design	120,000	120,000	-
Phase I 2006 Street Maintenance	30,000	30,000	-
Landa Park Bathhouse	229,304	229,304	-
Landa Park Restrooms Improvements	-		
Construction	36,943	36,943	-
Park Land Purchases and Improvements	2,589,514		
Fischer Park Land and River Properties	1,014,733	1,014,733	-
Fischer Park Design	608,662	459,300	149,362
Landa Park Irrigation - Construction	444,119	444,119	-
Landa Park Walls and Dams - Design	347,000	347,000	-
Camp Comal Land	150,000		150,000
West Loop Park Site Work/Environmental	25,000	4,900	20,100
Main Plaza Improvements	241,544	241,544	-
Parks Maintenance Building Improvements	83,686	-	83,686

Appropriations (Continued):	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
Projects			
Airport Runway/Taxiway Improvements			
Engineering	28,457	28,457	-
Airport Business Plan	83,366	83,366	-
Airport Hanger Apron and Taxiway (match for TXDOT project)	89,577	89,577	-
Underground Utilities - Airport Runway	90,459	90,459	-
Airport tractors and gator	185,103	185,103	-
Airport Fuel Farm	103,525	103,525	-
Eikel Park Skate Park Improvements	175,320	175,320	-
South Tributary Hike and Bike Trail Improvements	1,100,000	1,030,715	69,285
Northridge Park Improvements	49,000	49,000	-
Fisher Park Land	2,284,077	2,284,077	-
Fisher Park Master Plan	19,000	19,000	-
Fire Stations Design and Improvements	330,000	206,573	123,427
Fire Station #6 - Construction and Equipment	2,687,364	2,687,364	-
Drainage Improvements	383,487	383,487	-
New Braunfels Industrial Development Corp.			
Funded Projects			
Spring Fed Pool Improvements	40,310	40,310	-
Landa Park River Front Rehabilitation	207,300	207,300	-
Landa Park Irrigation	48,450	48,450	-
Golf Course Irrigation/Greens Improvements	818,000	174,894	643,106
Fredericksburg Fields Bleachers	30,000	16,076	13,924
Landa Playground Improvements	442,940	380,587	62,353
HEB Soccer Complex Improvements	625,210	557,520	67,690
Eikel Park Skate Park Improvements	91,000	91,000	-
Eikel Field Improvements	102,000	102,000	-
Panther Canyon Improvements	9,450	9,450	-
Camp Comal Lighting	84,290	84,290	-
Total Projects	\$ 18,030,825	\$ 16,605,723	\$ 1,425,102
Contingencies	-	-	-
Debt Issuance Cost	261,233	261,233	-
Engineering Staff	15,200	15,200	-
TOTAL APPROPRIATIONS	\$ 18,307,258	\$ 16,882,156	\$ 1,425,102

Program Justification and Fiscal Analysis:

Gruene Bridge Replacement

This project provided funding for the right-of-way and matching funds for construction costs associated with the replacement of the Gruene Bridge as Gruene Road crosses the Guadalupe River. The project was a TxDOT off-system bridge replacement project and replaced the existing structure with a wider and higher deck. Project construction was completed in May 2008, and the total construction cost for the project was \$2.8 million. The City Council adopted a resolution in support of the project on July 14, 2003, agreeing to pay 10 percent of the construction cost and to acquire the right-of-way. Total City costs amounted to \$581,914, with \$544,693 funded in the 2007 Certificates of Obligation and the remaining from the City's General Fund (\$37,221). Since this bridge was recently completed, costs to keep the bridge in satisfactory working condition are not expected to impact the budget for another five years.

Walnut Avenue Widening

This project includes the widening of the Walnut Avenue street section from Business 35 to Katy Street, as well as intersection improvements at Katy Street and Business 35. In addition, the project includes improvements to San Antonio Street at Walnut Avenue. In March 2008, City Council determined that the best approach to this project is to widen Walnut Avenue through the project limits from 60 feet to a total width of 120 feet and, depending on lot configurations, wider in some areas. This approach will allow the street improvements to effectively serve the community for the next fifteen to twenty years. Drainage improvements are also included in the project. In addition, major landscaping and other improvements will be accomplished in the project to create a park-like environment through a portion of this roadway. Right-of-way acquisition and design began in FY 2007-08 and was completed in 2010. Construction began in September 2010 and is projected to be completed in May 2013. The 2004 Certificates of Obligation funded right-of-way acquisition costs of \$6,047,761. Total right-of-way costs are \$7,476,487 with the 2008 Certificates of Obligation providing the remaining funding required (\$1,428,726). The 2007 and 2008 Certificates of Obligation fund the design and engineering costs originally budgeted at \$400,000 and now funded at \$1,085,000, with \$890,000 in the 2007 Certificates of Obligation and the remaining \$195,000 in the 2008 Certificates of Obligation).

This project was divided into Segments 1 (described above) and Segments 2 and 3. The 2008 Certificates of Obligation also funded \$80,000 for right-of-way and \$684,000 for engineering for segments 2 and 3 of the project. The total construction cost of this project – segments 1, 2 and 3 – is \$15.8 million including amenities, underground utilities and construction contingencies. The 2011 Certificates of Obligation included \$5,100,000 in funding for a portion of the total construction costs. Since the construction time line is two-and-one-half years, three debt issuances are proposed over three fiscal years to fully fund this important project. The FY 2011-12 Budget includes proposed 2012 Certificates of Obligation. This debt issuance provides \$6,700,000 for the second phase of construction funding for this important project.

The Assistant City Engineer and one Construction Inspector are also funded in this project as both positions work full time on this project. The FY 2011-12 Budget includes \$354,000 in the 2011 Certificates of Obligation to pay the full salary and benefits costs of these employees for two years.

The FY 2011-12 operating budget will not be impacted by this project because it will be under construction for the next 12 to 24 months. After completion, short term operating costs for street maintenance and repair will decrease because new roads require less maintenance for the first five to seven years. After this period, street maintenance costs will begin to climb. Additionally, since this project has significant landscaping and park-like improvements, once completed, parks maintenance costs will also increase.

Walnut Avenue Extension to Klein Road – Construction and Amenities

This project consisted of extending Walnut Avenue from County Line Road to Klein Road with a five-lane street section. The road section crosses one major drainage way and, therefore, required storm drain improvements as well. The street is a critical element for north-south travel from County Line Road to Klein Road and is important to the school district to serve a new campus. A portion of the funding for the project (\$4,530,016) comes from the 2004 Certificates of Obligation. Remaining funding comes from the 2007 Certificates of Obligation (\$1,943,153), the 2008 Certificates of Obligation (\$115,554) for right-of-way acquisition and the General Fund which paid for some of the engineering costs (\$258,680) for a total project cost of \$6,847,403. The project began construction in FY 2007-08, and street construction was fully completed in early 2009 with the part serving the school completed in time for opening day.

The FY 2010-12 Budget includes \$200,000 in the 2004 Certificates of Obligation to fund enhancements and amenities to this road improvement that funds additional landscaping.

The additional operating costs for maintenance of landscaping on this new roadway are included in the FY 2011-12 Adopted Budget. In addition, street maintenance costs will decrease slightly in the short term because new roads require less maintenance for the first five to seven years. After this time, street maintenance costs will begin to climb. Since this project has some landscaping improvements, once completed, parks maintenance costs will also increase.

Katy Street / Mesquite Avenue Drainage Improvements

This project consisted of the installation of a large reinforced concrete box storm drain system on Mesquite Avenue from West San Antonio Street to Katy Street as well as improvements to Katy Street. The City has long recognized a significant nuisance and drainage issue affecting the homeowners along Katy Street and Mesquite Avenue. The drainage system significantly reduces the flooding potential by collecting and passing 100-year storm events. The project bid in July 2008 at a total construction cost of \$871,161 and was completed in June 2009. The City funded a portion of the professional services costs from the General Fund (\$163,000) and the Streets and Drainage Fund (\$46,000), with the remaining engineering funding (\$47,068) coming from the 2007 Certificates of Obligation. The 2004 Certificates of Obligation funded \$665,204 in construction costs for this project. The total project cost was \$1,149,211 (including \$1,000 for right-of-way acquisition).

The FY 2011-12 Adopted Budget has continued appropriations for this and other drainage area maintenance to fund the additional costs to keep the drainage channels free of debris and vegetation, funded by the Stormwater Utility Fund.

Highway 46 Improvements

This project involves major improvements to Highway 46. TxDOT is managing construction of this project. Both Comal County and the City of New Braunfels have participated in the project

by purchasing right-of-way and providing initial financing that will be repaid by TxDOT once the roadway is completed. The City has a contract with TxDOT to pay the right-of-way costs over a three year period. By participation with the County, the City is taking advantage of the ability to expedite a significant regional transportation project. The 2007 Certificates of Obligation funded the first payment to TxDOT for the right-of-way acquisition for this project (\$181,000). The 2008 Certificates of Obligation will pay a portion of this cost as well as utility relocation within the City limits for this project, funded there at \$333,259. The Roadway Impact Fee Fund also paid a portion of this cost (\$176,600) and has an additional \$300,000 budgeted for costs associated with this project. In addition, the City must pay its proportionate share of interest only costs related to a total of \$16 million in debt issued by Comal County to facilitate construction financing. This debt will be repaid by TxDOT through pass-through financing as citizens begin to use the roadway. The pre-completion interest expenses are an actual (non-reimbursable) cost to the City. The 2007 Certificates of Obligation include appropriations of \$428,675, which funds this interest expense through FY 2011-12. The 2012 Certificates of Obligation include \$172,000 for another year's interest expense. Once the roadway is completed, TxDOT will begin taking traffic counts and begin reimbursing the County for the debt it issued (with reimbursement based on the level of activity along the roadway). Therefore, the interest expense to the City (and the County) is short lived, ending once construction is completed. It is not, as is the case with long term debt issued by the City, for a fifteen or twenty year period. Therefore, it is appropriate to use these one-time funds for this purpose.

Highway 46 will remain a TxDOT maintained roadway; therefore, most of these improvements will not affect the City's operating costs. The City will have costs associated with traffic signal maintenance since the population has reached 50,000. The City must now maintain traffic signals that TxDOT formerly managed. The FY 2011-12 Budget funds traffic signal maintenance throughout the City, including Highway 46 inside the City limits.

Gruene Road Hike and Bike Lane

The Gruene Road Hike and Bike Lane is a partnership project between the City of New Braunfels and the Texas Department of Transportation (TxDOT). This enhancement project costs a total of \$1,244,233 and required the City to provide a 20 percent match of \$211,161. The City also had to fund the professional services cost of \$463,152 bringing the total City cost to \$674,313. The project resulted in a bike trail that links downtown New Braunfels with the Historic District of Gruene. The project was first initiated by the Comal Trails Group. It consisted of lane widening and striping from the Faust Street Bridge to Sunnybrook Drive. The project integrated with the Church Hill Drainage Project, as a significant portion of the project follows the Church Hill alignment to Gruene Road then along Gruene Road to Sunnybrook Drive. \$208,942 was expensed for this project in the 2003 Certificates of Obligation fund. The remaining cost of the project was funded with the 2007 Certificates of Obligation. The FY 2011-12 Budget includes funds to maintain this new hike and bike trail.

Water Lane Improvements – Design

Water Lane from IH 35 to San Antonio Street (approximately 1,170 linear feet) is currently a 20 foot pavement section with open ditch drainage. The street condition assessment indicates the street needs to be re-constructed. City ordinances require local streets serving multifamily, commercial or industrial property to have a 40 foot pavement width. The project will address all these issues. The City recently purchased property and buildings along Water Lane making the improvements even more critical since a fire station will move to this location. The 2007

Certificates of Obligation include funds of \$94,408 to design this project. Design was completed in January 2011. This project will not affect the City's operating budget until construction is completed.

Gruene Crossing Drainage Improvements

The Gruene Crossing project includes investigation of improvement options for the low-water crossing at the entrance to the Gruene Crossing Subdivision. Even small rainfall events produce runoff that prevents access to this residential neighborhood of more than 200 units. Preliminary design suggests the project should be done in two phases. The first phase would include channel upgrades downstream; the second phase would involve construction of culverts at Club Crossing Street. Design for this project is funded at \$120,000 in the 2007 Certificates of Obligation. Construction funding of \$900,000 and right-of-way acquisition expected costs of \$300,000 are funded in the 2011 Certificates of Obligation. Total project cost is \$1,320,000. This project will not affect the City's operating budget until construction is completed.

Street Improvement Projects

The Phase 1 2006 street maintenance project included construction of Union Avenue from Common to Lincoln, Basel from Union to Grant and Fredericksburg from Landa Street to Bell Street as Phase 1A. Edgewater Terrace from Elizabeth to Houston, Allen from Edgewater to Dallas, Chicago from Edgewater to Dallas, Elizabeth Avenue from Torrey to Edgewater and Country Club Circle were completed as Phase 1B. The project was awarded for construction in two phases to allow areas of high tourist traffic to flow smoothly. The project was also expanded from its original scope by extending Fredericksburg from Howard to Bell and the addition of Allen and Chicago. Competitive construction bids allowed the City to extend the limits of the project while remaining within the initial budget. The total project budget is \$1,229,877 with \$1,027,526 coming from the 2004 Certificates of Obligation, \$30,000 from the 2007 Certificates of Obligation and the remaining \$172,351 from the 2008 Certificates of Obligation.

These road improvements will, in the short term, reduce the operating costs for maintenance and repair of these stretches of pavement. After the first five to seven years, maintenance costs for these roads are expected to increase.

Landa Park Bathhouse

This \$500,687 project included the construction costs associated with the renovation of the existing Landa Park pools' bathhouse to improve use of space, customer access, concessions area, and storage areas. The bathhouse at the Aquatic Complex was not optimally configured to support customer service or to access the complex. The bathhouses had not been upgraded for over twenty-five years. Through the reconstruction, a concessions area was constructed to better serve pool customers. Another part of this project relocated storage areas, facilitating the movement of equipment back and forth for swimming lessons and team practices. The Aquatic Coordinator's office has been relocated to provide direct access to and visibility of the pool area, increasing management efficiency and improving their ability to ensure safety for all swimmers. Finally, the lifeguard training room was reconfigured to allow better access in and out and to provide more efficient storage of supplies. In FY 2005-06, the professional services costs associated with this project were appropriated during the April 2006 budget adjustments approved by Council. Construction of this project began in the fall of 2007 and was completed in June 2008. The 2007 Certificates of Obligation provided \$229,304 in funding for construction costs. The Parks Capital Improvements Fund (described below) contributed

\$271,382 of the total cost of \$500,687. This project has, in the short term, reduced operating expenditures as the new facility requires less maintenance and the old structure.

Landa Park Restrooms Improvements

This project provided the funding for the renovation of two existing restrooms in Landa Park: one restroom located by Fredericksburg Road and one by the dance slab. Construction costs are funded with the 2007 Certificates of Obligation in the amount of \$36,943. The remaining funding of \$21,990 came from the General Fund for a total project cost of \$58,933. The project was completed in the spring of 2008. This project has, in the short term, reduced operating expenditures as the new facility requires less maintenance and the old structure.

Park Land Purchases and Improvements

Fischer Park Land and Design

In FY 2007-08, the City purchased 58 acres of land at McQueeney and County Line Roads for development into a park. The land was purchased for \$2,284,077 in January 2007. In July 2009, City Council also completed a master plan study (of which \$19,000 was funded from the 2007 Certificates of Obligation) and accepted the recommended alternative for the park's development. The 2007 Certificates of Obligation include \$269,518 in funding that was used to buy property adjacent to the City's existing property as well as \$608,662 to fund construction drawings and engineering to fully implement the master plan recommendations. Design is now underway for this new park.

The FY 2011-12 Adopted Budget has additional appropriations for this and other open space areas' maintenance to fund the additional costs to control vegetation. .

Riverfront Properties

The City currently owns property along the Guadalupe River (near the New Braunfels Library) that flooded in the last major flood event. The property was purchased because development in this area is discouraged due to its propensity to flood. \$745,215 in funding from the 2007 Certificates of Obligation was used to buy additional properties that are adjacent to those that were already under the City's ownership.

The FY 2011-12 Adopted Budget has additional appropriations for this and other open space areas' maintenance to fund the additional costs to control vegetation

Landa Park Irrigation – Construction

The irrigation system in Landa Park was a manual system that consisted of a combination of galvanized and PVC pipe. The network of existing pipe also supplied potable water to all of the restrooms and drinking fountains within the park. This system has been replaced with new equipment and piping. The new irrigation system for the park includes: all new main lines and water meters that will by-pass the potable water lines; a looped main line to reduce pressure losses; and smart controllers that use soil moisture sensing devices to establish watering schedules. This new system provides a more efficient method of watering the park by increasing watering rates and reducing man hours. The total construction cost for this project was \$492,569 with funding of \$444,119 coming from the 2007 Certificates of Obligation and \$48,450 coming from the New Braunfels Industrial Development Corporation.

The FY 2011-12 Parks and Recreation budget includes additional funds for utilities (electricity for pumps and water charges) for the increased water use by the irrigation system.

Landa Park Riverfront Rehabilitation – Walls and Dam

This project identifies existing Comal river bank locations within Landa Park in need of rehabilitation due to severe soil erosion and damage. Additionally, improvements are needed to the Landa Lake Dam to minimize frequent spillover into the Spring Fed Pool (which causes maintenance issues due to silt infiltration). A study was conducted in FY 2008-09 to determine recommended solutions to these issues. The study recommended rebuilding the retaining walls with MSE block material and raising the Landa Lake Dam by 1.7 feet above the current elevation. The 2007 Certificates of Obligation include \$554,300 for this project, with \$347,000 for the design and \$207,300 for the reconstruction and rehabilitation. In addition, \$847,000 is included in the 2011 Certificates of Obligation to address repairs to the dam and culverts resulting from the June 2010 flood. Design was completed in January 2011.

The FY 2011-12 operating budget will not be impacted by this project. After this project is completed, operating costs are expected to decrease due to elimination of the soil erosion issues. The walls and the dam will need future maintenance but not for the first three to five years.

Camp Comal Land

New Braunfels Utilities (NBU) has proposed an expansion to their Kuehler wastewater treatment plant. The City has ball fields on land adjacent to NBU's property (called Camp Comal). For NBU to complete their project, they need additional property. To maintain Camp Comal, the City will purchase property, donate it to NBU and, in exchange, NBU will donate the current Camp Comal property to the City. This will allow the City to keep Camp Comal as a park. Camp Comal consists of 44 acres with 30 acres as for ball fields; the additional 14 acres are Guadalupe River frontage. The land has not been purchased yet but the total budget for this land purchase is \$150,000 .

The FY 2011-12 Adopted Budget has additional appropriations for this and other park areas' maintenance to fund the additional costs to control vegetation.

West Loop Park – Site Work and Environmental

This project is for the development of a community park that may include an off-leash dog area, among other amenities. The park will be five to ten acres in size and will include separate areas for small and large dogs. Off leash dog areas are one of the most popular types of new parks being developed throughout the United States. These parks provide an opportunity for dogs to play, unleashed, with other canines. Added benefits are increased fitness and socialization for the owners and they interact with their animals and other pet owners. The FY 2007 Certificates of Obligation include \$25,000 for site work and environmental issues at this site.

The FY 2011-12 Adopted Budget has additional appropriations for this and other park areas' maintenance to fund the additional costs to control vegetation.

Main Plaza Improvements

\$241,544 is included in the 2007 Certificates of Obligation provided funding for improvements to the City's plaza at San Antonio and Seguin streets. This area is a focal point for downtown activities and events including the holiday lighting and associated festivities. These funds were

used to upgrade the plaza's electrical infrastructure and sound systems to ensure continued safe and vibrant activities in this area. This project was completed in August 2010.

The FY 2011-12 operating costs are expected to decrease slightly as a result of improvements because less maintenance will be required.

Parks and Recreation Maintenance Facility

Several parks structures utilized as maintenance staff space, equipment and supplies storage and office space have either reached the end of their useful life, were never meant to house personnel or are not of sufficient size given the number of personnel and equipment currently utilizing the facilities. All of these structures are inadequate for the purpose of housing personnel, computers and other sensitive equipment.

These structures include Golf Maintenance, currently housed in a squatters shack built of scrap material that has a dirt/asphalt floor. This building includes the Golf Course Superintendent's office, the central computer for course irrigation control and is also used by six maintenance personnel. Park Operations management staff does not have adequate space

The 2007 Certificates of Obligation include \$83,686 to determine what improvements need to occur at these facilities to allow them to be used into the future.

The FY 2011-12 operating budget is not expected to be impacted by this project as no major changes will occur in this year. However, in future years, maintenance costs will be reduced when the City no longer has personnel in this aging structure.

Airport Runway and Taxiway Improvements

The City and the Texas Department of Transportation (TxDOT) on behalf of the Federal Aviation Administration have identified the need for the rehabilitation of Runway 13/31, taxiway A, North East Apron, Taxiway C, Taxiway F, and City Terminal Aircraft Ramp. These improvements will not only provide a 35 year life span for these surfaces, but they will provide additional strength to accommodate larger corporate aircraft that already exceed the capacity of the airport's pavements. This project is funded through Federal Airport Improvement funds at 90 percent with the City contributing 10 percent. The 2007 Certificates of Obligation include \$28,457 to fund the City's match for the engineering costs for this project. The New Braunfels Industrial Development Corporation will fund the cash match required for the construction costs. A total of \$880,684 is appropriated in their FY 2011-12 Budget for this expense.

Once completed, this project is expected to reduce the operating costs in the short term - for the next three to five years as the new pavement will require less maintenance.

Airport Business Plan and Contract Tower Benefit/Cost Analysis

In recognition of the need for sound planning for the future of the Airport, the City and TxDOT agreed that an Airport Business Plan would provide an independent view of the short and long-term strategy for the airport. The Airport Business Plan serves as a dynamic document that addresses such issues as functions, aesthetics, economic challenges and opportunities, marketing and economic developments issues, financial feasibility of various alternatives, land use, airfield planning, transportation infrastructure, and phasing. TxDOT funded 50 percent of the total estimated cost, and the City funded the remaining from the 2007 Certificate of Obligation

(\$83,366). The business plan is expected to have future positive impacts on the City's operating budget as more activity will generate more revenue, enough to at least offset any added costs for services to the new businesses. The contract tower benefit/cost analysis resulted in the FAA taking over the airport tower operations, saving the City at least \$320,000 annually.

Airport Hanger Apron and Taxiway Improvements

Texas Department of Transportation (TxDOT) has recognized the need for growth and expansion at the airport by funding the construction of a taxiway and apron to accommodate the construction of new hangars. Construction of new regular and/or T-hangars is critical for the growth of the airport as all hangars and T-hangars used to store aircraft are filled to capacity. This project is funded by a TxDOT non-primary entitlement grant funds at 90 percent and requires the City to participate at a 10 percent share. The 2007 Certificates of Obligation include \$89,577 for the City's match for this project.

This project will reduce operating costs for this pavement section in the short term as the new areas will require less maintenance.

Airport Underground Utilities

To accommodate the construction of the apron and taxiway improvements (described above), TxDOT identified the need to place underground electric utilities that are currently overhead. New Braunfels Utilities performed this work at total cost to the City of \$90,459. TxDOT also extended a grant in the amount of \$50,000 to fully fund this project. The FY 2011-12 operating budget was not impacted by this project.

Airport Equipment

The use of inadequate equipment for moving and storing aircraft at the airport has prompted the need to acquire the proper equipment to perform these operations safely. The cost of this equipment was \$185,103 which was funded by the 2007 Certificates of Obligation. The equipment includes tractors, a gator and an airplane tugger. This equipment makes the staff more efficient in their daily responsibilities, allowing them, in the short term, to meet service demand increases as the airport operations grows. In the longer term, maintenance costs will increase slightly to keep this equipment in good working order.

Airport Fuel Farm

To increase safety at the airport and minimize failure of the existing fuel storage and dispensing system, funding of \$103,525 from the 2007 Certificates of Obligation was used to upgrade and refurbish the fuel "farm" to include the following: replacement of the spill containers, hook-up connections, Avgas and jet fuel hose reel; pouring of concrete pads for stainless steel cabinets to house new hose reels and high visibility display for fuel dispensing; installation of additional piping to accommodate relocation of hose reels; replacement of two fuel pumps and two liquid control meters; installation of two sump separators; painting of two 12,000 gallon tanks and associated piping; addition of capability to dispense Jet A fuel via self-service machine; and other miscellaneous upgrades. This project makes self-service fuel sales more efficient, and it makes the process for dispensing Jet A fuel to the Med-Evac helicopter tenant safer. Work on this project was completed in October 2010. The FY 2011-12 operating budget for the Airport Fund was impacted by this project with higher revenues from the increased sale of fuel and decreased costs due to less maintenance of the facility.

Eikel Park Skate Park Improvements

The City completed development of an expanded skate park at Eikel Park. Funding from multiple sources was used for this community project. \$91,000 from the 2007 Certificates of Obligation was appropriated (from the \$2.5 million funded by the New Braunfels Industrial Development Corporation), \$50,000 for the General Fund, along with grants from the Tony Hawk Foundation (\$25,000), LCRA (\$25,000), Wurstfest Association (\$30,000), New Braunfels Rotary (\$25,000) and CDBG (\$25,000). That level of funding allowed for completion of the first phase of this project. The Council appropriated an additional \$175,320 from the 2007 Certificates of Obligation proceeds (not funded by the Industrial Development Corporation) to fully fund all phases of this project. The total cost for all phases of the project was \$446,000. The new skate park benefits the citizens by providing an improved facility that addresses the need for more challenging and various structures for the skating community. It also serves as a course that will draw tournaments and visitors from other cities. Since work on this project was completed in June 2009, the FY 2011-12 budget already includes funds to maintain this new park facility.

South Tributary Hike and Bike Trail

As a part of the South Tributary drainage improvements, an 8-foot-wide concrete trail was placed along the channel. This trail is almost two miles in length and provides hike and bike access between neighborhoods, schools, and parks. Additional improvements, funded here, include trail crossings, landscaping, signage, benches and water fountains. The total project budget for these improvements is \$1,100,000 and is funded in the 2007 Certificates of Obligation.

After this project is complete, maintenance and operating costs are expected to increase due to the increased landscaping and maintenance of these structures. These additional costs will not affect FY 2011-12.

Hoffman (Northridge) Park Improvements

Improvements to Hoffman Park were completed in FY 2008-09 with the installation of a play unit and park benches and the replacement of the basketball court and goals. The total cost of this project was \$77,883 with \$49,000 funded from the 2007 Certificates of Obligation and the remainder from the General Fund. The FY 2011-12 operating budget includes funds for maintenance and upkeep of this facility.

Fire Stations Design and Improvements

The existing Fire Station #2 is more than twenty years old and is completely inadequate to meet the current needs of the Fire Department. The Central Fire Station (Station #1) needs repairs and upgrades. In addition, the City, because of the population growth over the last ten years, needs to add another fire station to effectively serve the citizens of New Braunfels as well as Emergency Service District #7. Fire Station #4 will provide that expansion of service. The 2007 Certificates of Obligation include \$330,000 to complete design updates for new stations and for renovations to Fire Station #1. Design is completed for Fire Station #4 and construction began in July 2011.

Because no new staff will be hired in the short term for fire station #4, there is no new operating expenditures associated with it. Although the facility will be larger, generating increased utilities and other expenses related to square footage, these are anticipated to be offset by reduced

maintenance expenditures because the facility will be new. Once station #2 is replaced and new staff is added, significant additional operating expenses will be incurred by the City, both for staff and operating supplies. Staff for a new fire station currently costs approximately \$1.4 million annually.

Fire Station #6

Construction of the new Fire Station #6 was completed in September 2008. \$2,687,364 million was expended in the 2007 Certificates of Obligation to fund this construction as well as the equipment (emergency service vehicles) needed at the station. Fire Station #6 has three apparatus bays and is capable of housing up to nine fire department staff. The City worked with an architectural firm to establish a prototype fire station. Fire Station #6 is built on this prototype as will all planned future stations. The costs for staffing and operating supplies have already been absorbed in the City's Fire Department operating budget.

Drainage Improvements

The City continues to identify smaller scale drainage improvement projects needing to be addressed. Funding in the amount of \$383,487 is provided in the 2007 Certificates of Obligation to fund design and construction of these projects as they are identified. In addition, the 2008 Certificates of Obligation have an additional \$160,000 in funding. In FY 2007-08, drainage project opportunities included investigation of ten projects. Through the concept design process, the Cedar Elm Street (\$1,611,800 estimated cost), Conrads Road (\$415,305 estimated cost), Post Road (\$5,379,500 estimated cost) and Live Oak Avenue (\$1,783,200 estimated cost) projects were determined to be too costly to complete with the drainage funding available. These projects remain on the City's Capital Improvement Program. The South Bank, Pecan Ridge, Dove Crossing and Landa Street drainage projects were completed in FY 2008-09. The Honeysuckle Lane Project had right-of-way issues, and design revisions indicated drainage would not properly tie to the South Tributary project. The River Terrace drainage project was completed in FY 2009-10 at an approximate cost of \$85,000.

In addition to this funding, the City has established a Watershed Advisory Committee. One of their important responsibilities is to make recommendations to Council regarding identified drainage improvement projects that currently total about \$55 million. Funding has not yet been identified for these projects. The City is establishing a Stormwater Utility fee that could be used in the future to fund drainage improvement projects.

Once the drainage structures are completed, the City incurs new operating costs to maintain and mow the area. The FY 2011-12 Adopted Budget has additional appropriations for new drainage areas' maintenance to fund the additional costs to keep the drainage channels free of debris and vegetation. .

New Braunfels Industrial Development Corporation Funded Projects

The New Braunfels Industrial Development Corporation funded the debt service associated with \$2.5 million of the 2007 Certificates of Obligation issue. The board of that corporation worked with the City to determine the parks improvement projects that will be completed with that funding. The following describes those projects.

Spring Fed Pool, Landa Park River Front and Dam Rehabilitation and Landa Park Irrigation Improvements: The spring fed pool represents a unique and well used asset to the community. It is, however, in need of maintenance and repair to bring to back to pristine condition for the enjoyment of residents and tourists. \$300,000 was originally provided for the study of recommended improvements to the pool. However, due to significant issues with Landa Park irrigation, retaining walls and Landa Lake Dam, these funds were divided to study each of these three important issues. \$48,450 was allocated to design a new irrigation system for Landa Park; \$207,300 was budgeted for river front rehabilitation (retaining walls and Landa Lake Dam) study; and \$40,310 is being used to study improvements to the spring fed pool. The irrigation system and river front rehabilitation were presented to City Council in July 2009. These studies are completed. The FY 2011-12 operating budget was not impacted by this project.

Golf Course Improvements: The original golf course irrigation and greens project included the complete replacement of the failing irrigation system on the Landa Park Golf Course. However, the City completed a golf course master plan that recommended major changes and improvements to the golf course. The irrigation/greens project would not need to be completed if the major course overhaul is done. However, the irrigation system continues to fail routinely and must be addressed. A decision on which approach to pursue will be considered by Council in the next several months. The \$818,000 in funding has been used to complete the archeological survey required and can be used either for the irrigation system replacement (estimated at \$1.2 million) or for the course overhaul. The FY 2011-12 Budget includes revenue bonds of \$5,200,000 can be used to fund the construction of the upgrades. Revenue bonds would be “guaranteed” by the revenue generated by the golf course; no property tax funds would be needed to support this debt.

The FY 2011-12 operating budget will not be impacted by this project. Future fiscal years will see both an increase in revenue from the improved course, should the Council move in that direction, as well as higher costs for maintenance and upkeep. Projections for the golf course show that additional revenues will more than offset higher expenses, including debt service associated with the improvements.

Fredericksburg Fields Bleachers: Existing bleachers at Fredericksburg Fields were dilapidated and beginning to warp and break, which created safety hazards. Funding of \$30,000 provided replacements of two five-row bleachers and two three-row bleachers at Fredericksburg Fields, including shade structures that will provide protection from the sun for youth and families. This amount includes two bleacher shades for youth fields at Fredericksburg Fields and three shades for youth fields at Camp Comal. This project will be completed in FY 2010-11. The FY 2011-12 Operating Budget will see a slight reduction in operations and maintenance costs because the bleachers, once replaced, will not need as much maintenance for three to five years.

Landa Playground Improvements: Landa Park provides residents and visitors with many options for play and enjoyment. The playground areas are one important aspect of this experience. This project provides \$442,940 in funding to upgrade the playground areas and the areas surrounding them. This project will be completed in FY 2011-12. These improvements are not expected to have any significant increase on operating expenses as the areas will continue to be maintained as they have been.

HEB Soccer Complex Improvements: Improvements to the HEB Soccer Complex include improved parking, reclamation of green space, construction of a championship soccer field, new concessions and training rooms, a neighborhood park element with playground and benches, trees and landscaping, signage, shade pavilions, additional goals and fencing improvements. Funding in the amount of \$625,210 is included in the 2007 Certificates of Obligation for this project. Renovation of this complex will allow for better playing conditions, a safer environment for the children through improved parking, the creation of a neighborhood park element to allow neighbors an opportunity for play, and a general improved appearance of the facility. This project began its initial phase in FY 2007-08. Parking lot improvements were completed in July 2009. The remaining improvements will continue into FY 2011-12. These improvements are not expected to have any significant increase on operating expenses as the areas will continue to be maintained as they have been.

Eikel Park Skate Park Improvements: The City completed development of an expanded skate park at Eikel Park. Funding from multiple sources was used for this community project. \$91,000 from the 2007 Certificates of Obligation was appropriated (from the \$2.5 million funded by the New Braunfels Industrial Development Corporation), \$50,000 for the General Fund, along with grants from the Tony Hawk Foundation (\$25,000), LCRA (\$25,000), Wurstfest Association (\$30,000), New Braunfels Rotary (\$25,000) and CDBG (\$25,000). That level of funding allowed for completion of the first phase of this project. The Council appropriated an additional \$91,000 from the 2007 Certificates of Obligation proceeds (not funded by the Industrial Development Corporation) to fully fund all phases of this project. The total cost for all phases of the project was \$446,000. The new skate park benefits the citizens by providing an improved facility that addresses the need for more challenging and various structures for the skating community. It also serves as a course that will draw tournaments and visitors from other cities. Work on this project was completed in June 2009. This park was completed in FY 2009-10; therefore, the FY 2011-12 budget already includes funds to maintain this new park facility.

Eikel Field Improvements: Improvements to Eikel Field included replacing the asphalt trail with a granite trail, an additional covered picnic pavilion, soccer goals, signage, grills, 35 trees with landscaping, a splash pad/water playground, architectural accents, fencing, and additional sidewalks. Funding in the amount of \$102,000 was provided for this project in the 2007 Certificates of Obligation and was used for trail replacement and relocation of the basketball court. Eikel Field is the major destination park for the west side of town and is used frequently by families for walking and recreation. Expansion of this park provides an alternative to Landa Park. Work on this project began in FY 2007-08 and was completed in early FY 2008-09. The remaining proposed improvements are not yet funded. These improvements are not expected to have any significant increase on operating expenses as the areas will continue to be maintained as they have been.

Panther Canyon:

The 2007 Certificates of Obligation include \$9,450 to complete a study of repairs and improvement needed for low water crossings in Panther Canyon. The current crossings consist of wooden bridges that are constantly vandalized and broken. In addition, the June 2010 caused significant erosion in this area. The study made recommendations on how to best address these issues.

Camp Comal Lighting:

The lighting at one of the fields at Camp Comal needed to be replaced. The lights were, in some cases, failing and all of them required significant maintenance. The fixtures were of sufficient age that parts were difficult and/or expensive to acquire. All of the other fields have new lighting. The cost to replace these fixtures is \$84,290, funded in the 2007 Certificates of Obligation. They have a useful life of at least fifteen years. This project was completed in FY 2009-10. These improvements are not expected to have any significant increase on operating expenses as the lights will continue to be maintained as the previous structures have been.

City of New Braunfels
2008 Certifications of Obligation Capital Improvement Fund
Fiscal Year Ending September 30, 2012

Fund: 308

	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
Available Funds			
Proceeds from Debt Issuance	\$ 16,400,409	\$ 14,206,140	\$ 2,194,269
Interest Income	198,825	-	198,825
Donations, Contributions and Grants	622,500	-	622,500
Reimbursements	165,000	-	165,000
Miscellaneous	71,330	-	71,330
TOTAL AVAILABLE FUNDS	\$ 17,458,064	\$ 14,206,140	\$ 3,251,924
APPROPRIATIONS			
Projects			
Fire Apparatus	\$ 1,970,645	\$ 1,970,645	\$ -
Walnut Avenue Widening - Segment 1	1,623,726	1,623,726	-
Right-of Way Acquisition	1,428,726	1,428,726	-
Engineering Services	195,000	195,000	-
Walnut Ave. Widening Segments 2 & 3	764,000	649,856	114,144
Right-of Way Acquisition	80,000		80,000
Engineering Services	684,000	649,856	34,144
SouthTributary Drainage Improvement - Construction	3,829,973	3,829,973	-
Walnut Extension to Klien Road - Land	115,554	115,554	-
Drainage Improvements	160,000	160,000	-
North Tributary - Land	415,534	98,266	317,268
Gruene Rd. to Post Rd.	72,379	72,379	-
Engineering	72,379	72,379	-
River Road Improvements - Design	360,000	-	360,000
Railroad Quiet Zones	1,339,000	178,832	1,160,168
Engineering	347,000	178,832	168,168
Construction	992,000	-	992,000
Municipal Facilities property acquisition	1,089,790	871,935	217,855
Goodwin Lane	302,843	302,843	-
Morningside Drive	946,932	946,932	-
Public Works Facility Design	1,920,711	1,150,816	769,895
Land	1,120,711	1,120,711	-
Professional Services	800,000	30,105	769,895
Fire Training Facility Design - Prof Svces	300,000	-	300,000
Highway 46 Improvements - Land	333,259	333,259	-
Street Improvement Projects (pavement survey)	1,000,000	987,406	12,594
Street Improvement Project - Phase 1 - 2006	172,351	172,351	-
Street Improvement Project - Phase 2 - 2005	175,000	175,000	-
Oak Run Bridge	217,918	217,918	-
Total Projects	\$ 17,109,615	\$ 13,857,691	\$ 3,251,924
Debt Issuance Expense	242,811	242,811	-
Engineering Staff	105,638	\$ 105,638	-
TOTAL APPROPRIATIONS	\$ 17,458,064	\$ 14,206,140	\$ 3,251,924

**2008 CERTIFICATES OF OBLIGATION CAPITAL
IMPROVEMENTS PROJECT FUND**

Fund: 308

Program Description:

The City of New Braunfels issued \$2 million in tax notes to fund the acquisition of fire apparatus in June 2008. In addition, the City issued \$14.3 million in Certificates of Obligation in September 2008 to fund various needed capital improvement projects. Funding for Walnut Avenue Widening right-of-way acquisition, land purchases as well as design costs for a new Public Works/Fire Training Facilities, improvements to Goodwin Lane and Morningside Drive for the Comal Independent School District and the Oak Run Pedestrian Bridge are included in the 2008 Certificates of Obligation issuance. These projects are described in more detail below.

Appropriations:	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
Projects			
Fire Apparatus	\$ 1,970,645	\$ 1,970,645	\$ -
Walnut Avenue Widening - Segment 1	1,623,726	1,623,726	-
Right-of Way Acquisition	1,428,726	1,428,726	-
Engineering Services	195,000	195,000	-
Walnut Ave. Widening Segments 2 & 3	764,000	649,856	114,144
Right-of Way Acquisition	80,000		80,000
Engineering Services	684,000	649,856	34,144
SouthTributary Drainage Improvement - Construction	3,829,973	3,829,973	-
Walnut Extension to Klien Road - Land	115,554	115,554	-
Drainage Improvements	160,000	160,000	-
North Tributary - Land	415,534	98,266	317,268
Gruene Rd. to Post Rd.	72,379	72,379	-
Engineering	72,379	72,379	-
River Road Improvements - Design	360,000	-	360,000
Railroad Quiet Zones	1,339,000	178,832	1,160,168
Engineering	347,000	178,832	168,168
Construction	992,000	-	992,000
Municipal Facilities property acquisition	1,089,790	871,935	217,855
Goodwin Lane	302,843	302,843	-
Morningside Drive	946,932	946,932	-
Public Works Facility Design	1,920,711	1,150,816	769,895
Land	1,120,711	1,120,711	-
Professional Services	800,000	30,105	769,895
Fire Training Facility Design - Prof Svces	300,000	-	300,000
Highway 46 Improvements - Land	333,259	333,259	-
Street Improvement Projects (pavement survey)	1,000,000	987,406	12,594
Street Improvement Project - Phase 1 - 2006	172,351	172,351	-
Street Improvement Project - Phase 2 - 2005	175,000	175,000	-
Oak Run Bridge	217,918	217,918	-
Total Projects	\$ 17,109,615	\$ 13,857,691	\$ 3,251,924
Debt Issuance Expense	242,811	242,811	-
Engineering Staff	105,638	\$ 105,638	-
TOTAL APPROPRIATIONS	\$ 17,458,064	\$ 14,206,140	\$ 3,251,924

Program Justification and Fiscal Analysis:

Fire Apparatus

A 100-foot platform truck was purchased for the Fire Department to replace an existing 75-foot ladder truck. The replaced truck was incurring significant maintenance costs and showing signs of structural failure. For the safety of the firefighters and to provide the equipment needed to respond effectively to fires, the City purchased this larger apparatus. The move from a 75-foot to a 100-foot ladder addresses the growth in New Braunfels and recognizes the additional reach capabilities required to services new multi-level structures. The 100-foot ladder can also assist with water rescue efforts from major traffic arteries. The tax notes also funded two engines to replace aging equipment that also has high maintenance costs and low reliability. The cost of this apparatus was \$1,896,081. The remaining \$74,564 from the original tax note issuance was used to help fund the new engine being purchased for Fire Station #2. The 2009 Certificates of Obligation include an additional \$478,126 in funding for that engine's purchase. This equipment has been in service for more than two fiscal years; therefore, the maintenance and operating costs are already reflected in the FY 2011-12 operating budget.

Walnut Avenue Widening

This project includes the widening of the Walnut Avenue street section from Business 35 to Katy Street, as well as intersection improvements at Katy Street and Business 35. In addition, the project includes improvements to San Antonio Street at Walnut Avenue. In March 2008, City Council determined that the best approach to this project is to widen Walnut Avenue through the project limits from 60 feet to a total width of 120 feet and, depending on lot configurations, wider in some areas. This approach will allow the street improvements to effectively serve the community for the next fifteen to twenty years. Drainage improvements are also included in the project. In addition, major landscaping and other improvements will be accomplished in the project to create a park-like environment through a portion of this roadway. Right-of-way acquisition and design began in FY 2007-08 and was completed in 2010. Construction began in September 2010 and is projected to be completed in May 2013. The 2004 Certificates of Obligation funded right-of-way acquisition costs of \$6,047,761. Total right-of-way costs are \$7,476,487 with the 2008 Certificates of Obligation providing the remaining funding required (\$1,428,726). The 2007 and 2008 Certificates of Obligation fund the design and engineering costs originally budgeted at \$400,000 and now funded at \$1,085,000, with \$890,000 in the 2007 Certificates of Obligation and the remaining \$195,000 in the 2008 Certificates of Obligation).

This project was divided into Segments 1 (described above) and Segments 2 and 3. The 2008 Certificates of Obligation also funded \$80,000 for right-of-way and \$684,000 for engineering for segments 2 and 3 of the project. The total construction cost of this project – segments 1, 2 and 3 – is \$15.8 million including amenities, underground utilities and construction contingencies. The 2011 Certificates of Obligation included \$5,100,000 in funding for a portion of the total construction costs. Since the construction time line is two-and-one-half years, three debt issuances are proposed over three fiscal years to fully fund this important project. The FY 2011-12 Budget includes proposed 2012 Certificates of Obligation. This debt issuance provides \$6,700,000 for the second phase of construction funding for this important project.

The Assistant City Engineer and one Construction Inspector are also funded in this project as both positions work full time on this project. The FY 2011-12 Budget includes \$354,000 in the 2011 Certificates of Obligation to pay the full salary and benefits costs of these employees for two years.

The FY 2011-12 operating budget will not be impacted by this project that will be under construction for the next 12 to 24 months. After completion, short term operating costs for street maintenance and repair will decrease because new roads require less maintenance for the first five to seven years. After this period, street maintenance costs will begin to climb. Since this project has significant landscaping and park-like improvements, once completed, parks maintenance costs will also increase.

Walnut Avenue Widening Segments 2 and 3 – Preliminary Engineering and Right-of-Way

The Walnut Avenue Project Segment 2 includes reconstructing approximately 1,300 linear feet of Walnut Avenue from IH-35 to Elliott Knox (Business 35). The Walnut Avenue Project Segment 3 includes reconstruction of approximately 3,300 linear feet of Walnut Avenue from Katy Street to Landa Street. Reconstruction of the bridge of the Dry Comal is not required. The new street sections will be four-lane facilities with a center turn lane and will include curb and gutter with sidewalk on at least one side of the roadway depending on available right-of-way. The project will be constructed within existing City right-of-way in these two segments. Engineering and design of these two segments are complete. The 2008 Certificates of Obligation funded this effort at \$684,000. In addition, \$80,000 is funded here for right-of-way acquisition on these segments. The total construction cost for all three segments of the Walnut Avenue Widening project is \$15.8 million including amenities, underground utilities and construction contingencies. The 2011 Certificates of Obligation include \$5,454,000 million in funding for a portion of the total construction costs. Additional construction costs of \$6,700,000 will be funded by the FY2012 Certificates of Obligation. Since the construction time line is two-and-one-half years, three debt issuances are proposed over three fiscal years to fully fund this important project.

The FY 2011-12 operating budget will not be impacted by this project that will be under construction for the next 24 to 36 months. After completion, short term operating costs for street maintenance and repair will decrease because new roads require less maintenance for the first five to seven years. After this period, street maintenance costs will begin to climb. Since this project has significant landscaping and park-like improvements, once completed, parks maintenance costs will increase.

South Tributary Drainage Improvements

The South Tributary drainage project is a regional flood control project that collects run-off from a 1,932 acres watershed. Low-lying areas of the watershed are prone to flooding and the project is intended to confine the 100-year flood plain to City right-of-way. A feasibility analysis was completed that included a detailed investigation of eight alternatives. The selected alternative includes significant channel modifications to the existing South Tributary conveyance system and the construction of a regional detention basin. The budgeted cost for the project in the FY 2008-09 Budget was \$11,228,500. With the very favorable construction market, the bids for the project came in considerably under this estimated amount, which has allowed the City to reduce the budget to the current \$8,126,470. Of that amount, \$4,296,497 is funded in the 2004 Certificates of Obligation, with the remainder in the 2008 Certificates of Obligation. Project design was substantially completed in FY 2007-08 and construction began in 2009. The project was delayed and the channel re-aligned, and the project will be completed before the end of FY 2010-11.

The drainage channel is completed; therefore, the City will incur new operating costs to maintain and mow the area. The FY 2011-12 Adopted Budget has additional appropriations for this and other drainage area maintenance to fund the additional costs to keep the drainage channels free of debris and vegetation. In addition, a Stormwater Utility fee will begin to be assessed in FY 2011-12 to pay for these maintenance costs. The additional funding added to the budget will continue as long as it is needed to pay for this and other new drainage area's upkeep.

Walnut Avenue Extension to Klein Road – Construction and Amenities

This project consisted of extending Walnut Avenue from County Line Road to Klein Road with a five-lane street section. The road section crosses one major drainage way and, therefore, required storm drain improvements as well. The street is a critical element for north-south travel from County Line Road to Klein Road and is important to the school district to serve a new campus. A portion of the funding for the project (\$4,530,016) comes from the 2004 Certificates of Obligation. Remaining funding comes from the 2007 Certificates of Obligation (\$1,943,153), the 2008 Certificates of Obligation (\$115,554) for right-of-way acquisition and the General Fund which paid for some of the engineering costs (\$258,680) for a total project cost of \$6,847,403. The project began construction in FY 2007-08, and street construction was fully completed in early 2009 with the part serving the school completed in time for opening day.

The FY 2010-12 Budget includes \$200,000 in the 2004 Certificates of Obligation to fund enhancements and amenities to this road improvement that funds additional landscaping.

The additional operating costs for maintenance of landscaping on this new roadway are included in the FY 2011-12 Adopted Budget. In addition, street maintenance costs will decrease slightly in the short term because new roads require less maintenance for the first five to seven years. After this time, street maintenance costs will begin to climb. Since this project has some landscaping improvements, once completed, parks maintenance costs will also increase.

Drainage Improvements

The City continues to identify smaller scale drainage improvement projects needing to be addressed. Funding in the amount of \$383,487 is provided in the 2007 Certificates of Obligation to fund design and construction of these projects as they are identified. In addition, the 2008 Certificates of Obligation have an additional \$160,000 in funding. In FY 2007-08, drainage project opportunities included investigation of ten projects. Through the concept design process, the Cedar Elm Street (\$1,611,800 estimated cost), Conrads Road (\$415,305 estimated cost), Post Road (\$5,379,500 estimated cost) and Live Oak Avenue (\$1,783,200 estimated cost) projects were determined to be too costly to complete with the drainage funding available. These projects remain on the City's Capital Improvement Program. The South Bank, Pecan Ridge, Dove Crossing and Landa Street drainage projects were completed in FY 2008-09. The Honeysuckle Lane Project had right-of-way issues, and design revisions indicated drainage would not properly tie to the South Tributary project. The River Terrace drainage project was completed in FY 2009-10 at an approximate cost of \$85,000.

In addition to this funding, the City has established a Watershed Advisory Committee. One of their important responsibilities is to make recommendations to Council regarding identified drainage improvement projects that currently total about \$55 million. Funding has not yet been identified for these projects. The City is establishing a Stormwater Utility fee that could be used in the future to fund drainage improvement projects.

Once the drainage structures are completed, the City incurs new operating costs to maintain and mow the area. The FY 2011-12 Adopted Budget has additional appropriations for new drainage areas' maintenance to fund the additional costs to keep the drainage channels free of debris and vegetation.

North Tributary Flood Control Project

The North Tributary Flood Control Project is a regional flood control project intended to reduce the threat of potential flooding. A significant number of residential and commercial properties within the watershed are currently within the 100-year floodplain. The North Tributary floodplain was studied in detail through a Federal Emergency Management Agency (FEMA) Flood Insurance Study. The study was intended to identify the known risks associated with flooding within New Braunfels and to update floodplain maps. In an effort to reduce the identified risk, the original project included a regional off-line detention pond along the North Tributary. The project scope was later revised to include channelization because the property being considered for the detention pond was commercially developed. The current project consists of three large regional detention ponds, one on either side of Walnut Avenue and one between Walnut Avenue and Old McQueeney Road, and channel improvements from Walnut Avenue to Old McQueeney Road. The projected total cost for the project including channel improvements is \$8,446,804. All funding is currently in place. The 2004 Certificates of Obligation fund \$827,870 which allocated \$723,000 for professional services and \$104,870 for right-of-way acquisition. The 2008 Certificates of Obligation funded additional right-of-way costs of \$415,534 and the 2011 Certificates of Obligation fund the cost of construction of \$6,000,000 plus \$1,093,000 for additional right-of-way costs, \$90,400 for professional services and \$20,400 for in-house staff working on this project. Design was completed in FY 2009-10, construction bids were received in FY 2010-11 and the Army Corp of Engineers gave approval to begin construction in July 2011. It is anticipated that construction will take a year to complete.

The FY 2011-12 operating budget is not affected by this project. When these facilities are accepted by the City, operating costs will increase due to the additional costs needed to keep the drainage channels free of debris and vegetation. Other additional future operating costs will include the maintenance of the actual structures. The cost is expected to be similar to that for the South Tributary flood control project (described above) and will be funded from the City's newly established Stormwater Utility Fund.

Gruene Road to Post Road and Glenbrook Lane

The Gruene Road from Business 35 to Post Road project was initially a part of the Street Maintenance Phase 3 2005 project. It was deleted from that project when the Phase 3 2005 project was separated into Tier 1 and Tier 2 components. The project consists of reconstruction of Gruene Road and Glenbrook Lane, plus a drainage outfall. Design costs are funded in the 2008 Certificates of Obligation at a total of \$72,379. Construction is not currently funded and is estimated at \$750,000. This project will not impact the FY 2011-12 operating budget.

River Road Improvements - Design

The River Road Improvements project involves reconstruction of River Road from Loop 337 to Lakeview and a section of Lakeview across Blieders Creek. The project will raise the elevation of River Road and eliminate two low-water crossings of Blieders Creek. These improvements

will assist in providing access to the hospital from Loop 337. A federal grant will provide a match of \$360,000 for design services. The 2008 Certificates of Obligation appropriate this \$360,000 to begin design of this project. This project will not impact the FY 2011-12 operating budget.

Railroad Quiet Zones

This project includes developing railroad quiet zones for various areas within the City. In February 2009, City staff presented a five-year Railroad Quiet Zone Implementation Program to City Council that identified which quiet zones could be addressed in phases over multiple fiscal years. This project includes designing all and constructing the first phase of the identified quiet zones. These zones are generally from downtown to Rock Street (Union Pacific Railroad line number 2), from Church Hill to Rusk (Union Pacific Railroad line number 1), and from Bridge Street to Coll Street (Union Pacific Railroad line number 1). The first phase also includes from downtown to Live Oak (Union Pacific Railroad line number 2). The total project budget for this phase is \$1,339,000, with \$347,000 of the total budget allocated for engineering and \$992,000 for construction. The FY 2012 Certificates of Obligation will fund the Phase II Construction for a total of \$1,100,000.

This project will not impact the FY 2011-12 operating budget. It is expected that about five years after these projects are constructed and completed, operating costs will increase and impact the operating budget to cover maintenance costs.

Municipal Facilities Property Acquisition

The City has identified various properties that could be used to construct needed City facilities. These properties will serve various purposes including expansion of the City's parks system, additional administrative space, flood property buyouts, and new public safety facilities. The total funding for these purchases in the 2008 Certificates of Obligation is \$1,089,790. The 2009 Certificates of Obligation include an additional \$2,467,000 in funding for these same types of acquisitions.

Funds for mowing and other landscape maintenance are included in the FY 2011-12 Parks and Recreation Department budget.

Goodwin Lane

The Comal Independent School District expanded their infrastructure with construction of the new Oak Creek Elementary School along Goodwin Lane near Conrads Road. The City worked with the school district to support this effort by funding construction of road improvements needed on Goodwin Lane. The school district contracted for and completed this work and the City contributed \$302,843 toward construction costs.

This new roadway will, in the next three to five years, increase operating expenditures for costs related to street maintenance.

Morningside Drive Improvements

In a similar situation, the Comal Independent School District constructed the new Morningside Elementary School along Morningside Drive near Solms Road. The City again partnered with the school district to complete needed road improvements on Morningside Drive by contributing \$946,932 for construction costs related to this street improvement project.

This new roadway will, in the next three to five years, increase operating expenditures for costs related to street maintenance.

Public Works/Fire Training Property and Facility Design

The City-wide Facilities Master Plan was completed in 2007 and indicated a need to increase available building and yard space for the Public Works Streets and Drainage function, the service center, sign shop and solid waste. In addition, the City has identified a need for a full fire training facility. Property has been purchased on Orion Road that will effectively serve both these needs. The 2008 Certificates of Obligation issuance supported the property purchase. The actual cost for this property was \$1,120,711.

In addition, the 2008 Certificates of Obligation include \$800,000 to complete the design of the new Public Works Facility and \$300,000 for design of the Fire Training Facility. The City has completed the master plan for this campus and is working to identify the most cost effective approach to providing these facilities, including phasing in the full build out. The total estimated cost of construction for the first phase is \$12.6 million. Funding will need to be identified for the construction costs of this project.

This project will not impact the FY 2011-12 operating budget as design has just begun. The budget already incorporates the cost of vegetation maintenance. Once the facility becomes operational, the City's operating budget will need to increase to fund utility expenses as well as other maintenance and upkeep requirements.

Highway 46 Improvements

This project involves major improvements to Highway 46. TxDOT is managing construction of this project. Both Comal County and the City of New Braunfels have participated in the project by purchasing right-of-way and providing initial financing that will be repaid by TxDOT once the roadway is completed. The City has a contract with TxDOT to pay the right-of-way costs over a three year period. By participation with the County, the City is taking advantage of the ability to expedite a significant regional transportation project. The 2007 Certificates of Obligation funded the first payment to TxDOT for the right-of-way acquisition for this project (\$181,000). The 2008 Certificates of Obligation will pay a portion of this cost as well as utility relocation within the City limits for this project, funded there at \$333,259. The Roadway Impact Fee Fund also paid a portion of this cost (\$176,600) and has an additional \$300,000 budgeted for costs associated with this project. In addition, the City must pay its proportionate share of interest only costs related to a total of \$16 million in debt issued by Comal County to facilitate construction financing. This debt will be repaid by TxDOT through pass-through financing as citizens begin to use the roadway. The pre-completion interest expenses are an actual (non-reimbursable) cost to the City. The 2007 Certificates of Obligation include appropriations of \$428,675, which funds this interest expense through FY 2011-12. The 2012 Certificates of Obligation include \$172,000 for another year's interest expense. Once the roadway is completed, TxDOT will begin taking traffic counts and begin reimbursing the County for the debt it issued (with reimbursement based on the level of activity along the roadway). Therefore, the interest expense to the City (and the County) is short lived, ending once construction is completed. It is not, as is the case with long term debt issued by the City, for a fifteen or twenty year period. Therefore, it is appropriate to use these one-time funds for this purpose.

Highway 46 will remain a TxDOT maintained roadway; therefore, most of these improvements will not affect the City's operating costs. The City will have costs associated with traffic signal maintenance since the population has reached 50,000. The City must now maintain traffic signals that TxDOT formerly managed. The FY 2011-12 Budget funds traffic signal maintenance throughout the City, including Highway 46 inside the City limits.

The FY 2011-12 Adopted Budget includes \$50,000 for all traffic signal maintenance that will begin in mid 2011.

Street Improvement Projects

In June 2009, the City completed a pavement management survey and assessment. This project included a survey of all City streets to assess their current condition and what improvements may be required on every street segment. The \$1,000,000 included in the 2008 Certificates of Obligation augments the General Fund funding of \$1,156,000 for street maintenance and repair. The \$1 million in this fund has already been used for mill and overlay type projects. Specifically, work was done on Gruene Road from Loop 337 to Sunny Brook, Saur Road from FM 778 to Westmeyer Road, Conrads Lane from IH 35 to Goodwin Lane and Goodwin Lane from Dove Hollow to Conrads Lane at a construction cost of \$566,369. The assessment shows that the City should spend at least \$2 million annually in crack seal (partially funded from the General Fund in FY 2011-12) and mill and overlay to keep pace with needed street maintenance and repair. The study also identified a large number of other street improvement projects that require reconstruction and/or major overhaul. Funding for many of these projects has not yet been identified.

These road improvements will, in the short term, reduce the operating costs for maintenance and repair of these stretches of pavement. After the first three to five years, maintenance costs for these roads are expected to increase.

Street Improvement Project – Phase 1-2006

The Phase 1 2006 street maintenance project included construction of Union Avenue from Common to Lincoln, Basel from Union to Grant and Fredericksburg from Landa Street to Bell Street as Phase 1A. Edgewater Terrace from Elizabeth to Houston, Allen from Edgewater to Dallas, Chicago from Edgewater to Dallas, Elizabeth Avenue from Torrey to Edgewater and Country Club Circle were completed as Phase 1B. The project was awarded for construction in two phases to allow areas of high tourist traffic to flow smoothly. The project was also expanded from its original scope by extending Fredericksburg from Howard to Bell and the addition of Allen and Chicago. Competitive construction bids allowed the City to extend the limits of the project while remaining within the initial budget. The total project budget is \$1,229,877 with \$1,027,526 coming from the 2004 Certificates of Obligation, \$30,000 from the 2007 Certificates of Obligation and the remaining \$172,351 from the 2008 Certificates of Obligation.

These road improvements will, in the short term, reduce the operating costs for maintenance and repair of these stretches of pavement. After the first three to five years, maintenance costs for these roads are expected to increase.

Street Improvement Project – Phase 2-2005

The Phase 2 2005 street maintenance project included improvements to Mill Street. The total project cost was \$2,013,579 with \$1,838,579 funded from the 2004 Certificates of Obligation

and the remaining funding of \$175,000 from the 2008 Certificates of Obligation. The project was completed in February 2008.

These road improvements will, in the short term, reduce the operating costs for maintenance and repair of these stretches of pavement. After the first three to five years, maintenance costs for these roads are expected to increase.

Oak Run Bridge

Students in New Braunfels Independent School District attending the Oak Run School coming from an adjacent neighborhood were exposed to a flooding hazard at a drainage ditch. This project involved construction of a bridge to connect the Oak Run Subdivision to Oak Run School, eliminating the problem. Funding for the project was shared by the City, the school district and a private developer. The City's contribution totaled \$112,500 from the 2008 Certificates of Obligation. The total project cost was \$217,918.

The FY 2011-12 operating budget for Public Works includes resources to maintain this new pedestrian bridge. City crews will provide the necessary maintenance.

City of New Braunfels**Fund: 309****2009 Certifications of Obligation Capital Improvement Fund****Fiscal Year Ending September 30, 2012**

	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
Available Funds			
Proceeds from Debt Issuance	\$ 9,564,480	\$ 4,967,758	\$ 4,596,722
Intergovernmental Revenue	292,703	-	292,703
Interest Income	53,518	-	53,518
TOTAL AVAILABLE FUNDS	\$ 9,910,701	\$ 4,967,758	\$ 4,942,943
APPROPRIATIONS			
Projects			
Human Resources/Finance Software System	\$ 174,000	\$ 100,000	\$ 74,000
Public Works Equipment (pneumatic roller, haul trailer, asphalt paver)	230,988	230,988	-
Public Works Equipment (flat wheel roller, scrap handler)	109,000		109,000
Parks and Recreation Equipment (trailer, aerifier, dump truck, soil aerator, tractor 2 gators, pool fencing, pool chemical storage)	142,100	142,100	-
Springfed Pool Repairs	390,000		390,000
Prince Solms Park Improvements	220,000		220,000
Playgrounds at Jesse Garcia and Eikel Parks	160,000		160,000
Prince Solms Park - Phase 3 and 4	444,692	444,692	-
Wayfinding signs - monuments	197,000	89,413	107,587
Fencing at Camp Comal, Boathouse and Fredericksburg; bleachers at Camp Comal; Torrey Park parking lot	122,832	122,832	-
Fire apparatus for station #2	478,126	478,126	-
Police Vehicles	120,843	120,843	-
Boathouse improvements and boats	6,450	6,450	-
Water Lane property and improvements	1,550,000	1,083,297	466,703
Police Department Facility Improvements	255,000	-	255,000
Fire Station #4 - Construction	2,500,000	-	2,500,000
Property for Municipal Facilities	2,467,000	1,895,790	571,210
Mini Golf Lights replacement	69,031	34,088	34,943
Total Projects	\$ 9,637,062	\$ 4,748,619	\$ 4,888,443
Debt Issuance Cost	\$ 147,639	\$ 147,639	-
Real Estate Manager	100,000	45,500	54,500
Special Projects Manager	26,000	26,000	-
TOTAL APPROPRIATIONS	\$ 9,910,701	\$ 4,967,758	\$ 4,942,943

**2009 CERTIFICATES OF OBLIGATION CAPITAL
IMPROVEMENT FUND**

Fund: 309

Program Description:

The City of New Braunfels issued \$9,500,000 in Certificates of Obligation to fund City wide technology upgrades, Public Works heavy equipment, various Parks projects and equipment, property for municipal facilities, fire station construction and a replacement engine and radios for the Fire Department. The individual projects are listed and described below.

Appropriations:	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
Projects			
Human Resources/Finance Software System	\$ 174,000	\$ 100,000	\$ 74,000
Public Works Equipment (pneumatic roller, haul trailer, asphalt paver)	230,988	230,988	-
Public Works Equipment (flat wheel roller, scrap handler)	109,000		109,000
Parks and Recreation Equipment (trailer, aerifier, dump truck, soil aerator, tractor 2 gators, pool fencing, pool chemical storage)	142,100	142,100	-
Springfed Pool Repairs	390,000		390,000
Prince Solms Park Improvements	220,000		220,000
Playgrounds at Jesse Garcia and Eikel Parks	160,000		160,000
Prince Solms Park - Phase 3 and 4	444,692	444,692	-
Wayfinding signs - monuments	197,000	89,413	107,587
Fencing at Camp Comal, Boathouse and Fredericksburg; bleachers at Camp Comal; Torrey Park parking lot	122,832	122,832	-
Fire apparatus for station #2	478,126	478,126	-
Police Vehicles	120,843	120,843	-
Boathouse improvements and boats	6,450	6,450	-
Water Lane property and improvements	1,550,000	1,083,297	466,703
Police Department Facility Improvements	255,000	-	255,000
Fire Station #4 - Construction	2,500,000	-	2,500,000
Property for Municipal Facilities	2,467,000	1,895,790	571,210
Mini Golf Lights replacement	69,031	34,088	34,943
Total Projects	\$ 9,637,062	\$ 4,748,619	\$ 4,888,443
Debt Issuance Cost	\$ 147,639	\$ 147,639	-
Real Estate Manager	100,000	45,500	54,500
Special Projects Manager	26,000	26,000	-
TOTAL APPROPRIATIONS	\$ 9,910,701	\$ 4,967,758	\$ 4,942,943

Program Justification and Fiscal Analysis:

Human Resources and Financial Management Software Systems:

The City continues to upgrade and add technology systems needed to support operations. The land development process and asset management software systems' implementation were completed in April 2009. The technology needs assessment completed by the City in FY 2005-06 identified a new human resource management information system as the next important technology the City needed to put in place to support its critical business processes. The human resources software will provide expanded capabilities in the areas of benefits management,

position control, employee self service, applicant tracking, employee information tracking, and attendance management. The financial management system must work in conjunction with a human resources system because of the critical payroll function that spans both data sets. For this and other reasons described here, the City is upgrading both the financial software system and the human resources software system at the same time. The City's current vendor offered a unique opportunity to move to a new software platform within their product lines, providing enhanced capabilities at a very low implementation cost. This project will begin in September 2010. The financial/purchasing components of the system went live in June 2011 and the human resources/payroll modules will go live in October 2011. The cost for this upgrade is \$174,000. In addition, the staff person working on the project, the Project Manager in the Support Services Department will have 25 percent of the salary and benefits costs paid from the 2009 Certificates of Obligation as a significant portion of their efforts will be directed to this project. That cost is \$26,000.

It is expected that, although this software implementation will not have any direct dollar impact on the City's operating budget, staff efficiencies will result. Therefore, existing staff will be able to complete more tasks and absorb additional workload as the City grows.

Public Works Equipment

The 2009 Certificates of Obligation include funding for three major pieces of heavy equipment needed by the Public Works Department for street maintenance and improvement efforts: a pneumatic roller, a 50-foot haul trailer (capable of moving the largest pieces of heavy equipment), and an asphalt paver. The pneumatic roller and asphalt paver are replacements for aged equipment that is also undersized and therefore no longer sufficient to handle the City's current needs. The new equipment makes street crews more efficient in their operations. The total cost for this equipment was \$230,988. All equipment has been purchased. Staff efficiencies have resulted from these purchases, allowing staff to complete more work orders during the course of the year.

In FY 2011-12, additional funding for public works equipment is provided. \$89,000 is allocated for the purchase of a flat wheel roller required for the street crews to eliminate the need to rent this equipment. Since this equipment is used very frequently, the cost to rent versus purchase is much higher in the long term. This funding will also purchase a scrap handling bucket and a rear hydraulic thumb needed to improve productivity when picking up and loading brush and debris from drainage channels and culverts (\$20,000). The FY 2009 Certificates of Obligation will provide the additional \$109,000 in funds for these two pieces of equipment.

Expectations are that the operating budget will be reduced for FY 2011-12 due to the purchase of these two pieces of equipment.

Parks and Recreation Equipment

New and replacement equipment was needed to provide the resources needed to maintain park assets. The 2009 debt issuance includes \$142,100 to fund the purchase of a haul trailer (to move Parks equipment), an aerifier, a dump truck, a soil aerator, two gators and a tractor. The dump truck is a replacement; the other equipment provides Parks Maintenance crews with the tools they need to effectively maintain the parks and keep the vegetation and trees healthy and thriving. All equipment was purchased in FY 2008-09. Staff efficiencies have resulted from these purchases, allowing staff to complete more work orders during the course of the year.

Spring Fed Pool Repair

The spring fed pool represents a unique and well used asset to the community. It is, however, in need of maintenance and repair to bring it to back to pristine condition for the enjoyment of residents and tourists. \$300,000 was originally provided for the study of recommended improvements to the pool. However, due to significant issues with Landa Park irrigation, retaining walls and Landa Lake Dam, these funds were divided to study each of these three important issues with one of the issues being to use \$40,310 to study improvements to the spring fed pool. The FY 2009 Certificates of Obligation will fund repairs for the Sprinfed Pool for a total of \$390,000

Until this project is completed the operating budget will not be affected.

Prince Solms Park Improvements

Since parking has been limited to pavement only at Prince Solms Park, the opportunity exists to make improvements to the park for use by local residents and visitors. Improvements could include irrigation, parking and road improvements, benches, trails, landscaping and other amenities. A park master plan is currently underway that will result in the presentation of options for design concepts for Council consideration. The FY 2009 Certificates of Deposit includes \$220,000 to fund the design of the Prince Solms Park Improvements. In addition, \$183,000 is allocated in the Facilities Maintenance Fund for Prince Solms Park improvements. These funds represent the parking revenue from the last year of parking in this area.

This project will not impact the FY 2011-12 operating budget.

Playgrounds at Jesse Garcia and Eikel Parks

The playgrounds at Eikel Park and Jesse Garcia Park have surpassed their recommended life. The existing play structures have begun to require ongoing maintenance to keep them in compliance with national safety standards. The project includes replacement of play structures and playground surfacing. The FY 2009 Certificates of Deposits will fund the \$160,000 cost to complete these upgrades to these parks.

This project will not impact the FY 2011-12 operating budget.

Prince Solms Park Improvements – Phases 3 and 4

In FY 2007-08, the City began a multi-phased project to improve Prince Solms Park. The 2009 Certificates of Obligation include \$444,692 to complete this project. Fencing, ramps, steps and railings in the area around the river were added in the earlier phases of this project. Phases 3 and 4 develop shade for the area, landscaping, stone columns, lighting and a new concrete landing for improved river access. This project was completed in August 2010. This project is not expected to have any significant increase on operating expenses as the area was previously maintained by staff.

Wayfinding Signs Project – Monuments

The City began implementation of the wayfinding signs in FY 2006-07. The project has been implemented in phases. The 2009 debt issuance provides \$197,000 in funding to complete the last phase of the project which includes the gateway monument signs at key entry points into the City and other monument signs at strategic locations including parks and City buildings. The

City is currently working with TxDOT to place the entry wayfinding monuments. This project is expected to be completed in FY 2011-12. Some sign maintenance costs may be experienced in FY 2011-12 but are not expected to have any significant impact on expenditures.

Park Improvements

Several smaller parks improvement projects are funded with the 2009 Certificates of Obligation. Funding for all these projects totals \$198,313. Projects include replacement of fencing that is aged and in disrepair at Camp Comal, Fredericksburg fields and the boathouse as well as replacement bleachers at Camp Comal and parking improvement at Torrey Park (\$122,832). The lighting at the mini golf course will be replaced (\$69,031) and several paddle boats were replaced (\$6,450). These improvements have had a small impact on operating costs as the new equipment has reduced maintenance expenses in the short term. Staff time and funding resources will be used for other critical maintenance and repair projects.

Fire Apparatus

The City has been systematically replacing aged fire apparatus that has become costly to maintain and, in some cases, unreliable. The 2009 Certificates of Obligation include \$478,126 to replace the engine at Fire Station #2. The remaining cost of the apparatus was funded from the original 2008 tax note issuance that had funds remaining for this engine purchase. The replacement equipment will have a lower maintenance and repair cost in the short term.

Police Vehicles and Police Facilities Improvements

The 2009 Certificates of Obligation include shorter-term debt to fund the purchase of five police specification vehicles at a total cost of \$120,843. These vehicles are now used by new officers that were hired in FY 2008-09 when City Council authorized the addition of five positions to create a traffic unit and to enhance the community response team. The FY 2011-12 operating budget includes additional funding for maintenance of these vehicles as well as for fuel and other expendable supplies.

In addition, \$255,000 is included in the 2009 issuance to fund upgrades and enhancements to the Police Department's building to make the existing space more efficient and effective and to better serve the expanded workforce in that facility. This work has not yet begun.

Public Works and Parks Maintenance Campus (Water Lane Property)

The City purchased a former TxDOT facility for use by both the Public Works and Parks Maintenance functions. In addition, the City will construct the new Fire Station #2 on this campus. The existing structures included a maintenance building as well as other smaller structures that have passed their useful life. The City will utilize the maintenance facility and bring in or construct other buildings to house staff. In addition, Comal County is utilizing a portion of the land to construct a new Sheriff's Office. The County paid the City \$289,000 for that land. The total project budget is \$1,550,000 which includes the cost of the County's land. The City paid TxDOT \$1,083,297 for the land and structures. Therefore, \$466,703 is available to structure improvements and/or replacement.

The City is not currently occupying this facility; therefore, the FY 2011-12 operating budget will not be affected by this purchase. Future fiscal years will see an increase in maintenance costs.

Fire Station Construction

The existing Fire Station #2 is more than twenty years old and is completely inadequate to meet the current needs of the Fire Department. In addition, the City, because of the population growth over the last ten years, needs to add another fire station to effectively serve the citizens of New Braunfels as well as Emergency Service District #7. Fire Station #4 will provide that expansion of service. The 2009 Certificates of Obligation include \$2,500,000 to fund construction of Fire Station #4. Staff from Fire Station #2 will then move to this new facility. The City broke ground on this construction in June 2011 and the project is expected to be completed in July of 2012. Because no new staff will be hired in the short term for this fire station and another station will be closed down, there is no new operating expenditures associated with it.

Although the facility will be larger, increase utilities and other expenses related to square footage, these are anticipated to be offset by reduced maintenance expenditures because the facility will be new.

Properties for Municipal Improvements

The City has identified various properties that could be used to construct needed City facilities. These properties will serve various purposes including expansion of the City's parks system, additional administrative space, flood property buyouts, and new public safety facilities. The total funding for these purchases in the 2008 Certificates of Obligation is \$1,089,790. The 2009 Certificates of Obligation include an additional \$2,467,000 in funding for these same types of acquisitions.

Funds for mowing and other landscape maintenance are included in the FY 2011-12 Parks and Recreation Department budget.

Real Estate Manager

In FY 2008-09, the City hired a Real Estate Manager to bring in-house the real estate acquisition function, thus saving contracted services costs. In addition, having this expertise in-house assists the City in more timely responses to real estate issues. In FY 2008-09 and in FY 2009-10, the position was fully funded from the 2004 Certificates of Obligation as this position worked on property acquisition for the Walnut Avenue Widening project. As the City's needs continue to diversify, the funding for this position is changing. One-half of the two year cost for this position is funded in the 2009 Certificates of Obligation for FY 2011-12, with the remaining half funded through the General Fund in the Public Works Department.

City of New Braunfels**Fund: 351****2011 Certifications of Obligation Capital Improvement Fund****Fiscal Year Ending September 30, 2012**

	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
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Available Funds

Proceeds from Debt Issuance	\$ 18,190,000	\$ 8,895,422	\$ 9,294,578
Interest Income	70,000		70,000
Leases	10,000		10,000
TOTAL AVAILABLE FUNDS	\$ 18,270,000	\$ 8,895,422	\$ 9,374,578

APPROPRIATIONS**Projects**

Walnut Avenue Widening Project	\$ 5,454,000	\$ 5,189,217	\$ 264,783
Construction	5,100,000	5,019,217	\$ 80,783
Engineering and Inspection (in-house)	354,000	170,000	184,000
Landa Plaza Property	1,901,862	1,901,862	-
Airport Runway Improvements	70,000	-	70,000
Downtown Improvements - Phase I	234,738		234,738
Flood Warning System	280,000	267,297	12,703
Landa Dam and Culverts Repairs (flood dam)	847,000		847,000
Landa Park Bridge repairs (wading pool, bel	700,000	549,000	151,000
Fredericksburg Field Lighting Replacement	150,000	150,000	-
Highway 46 Interest Expense	172,000		172,000
North Tributary Flood Control Project	7,203,400	717,985	6,485,415
Engineering and Inspecting (in house)	20,000	20,000	-
Professional Services	90,400	-	90,400
Right of Way	1,093,000	697,985	395,015
Construction	6,000,000		6,000,000
Gruene Crossing Drainage Improvement	1,200,000	120,061	1,079,939
Right of Way	300,000	120,061	179,939
Construction	900,000		900,000
Total Projects	\$ 18,213,000	\$ 8,895,422	\$ 9,317,578
In House Construction Inspector	57,000		57,000
TOTAL APPROPRIATIONS	\$ 18,270,000	\$ 8,895,422	\$ 9,374,578

**2011 CERTIFICATES OF OBLIGATION CAPITAL
IMPROVEMENT FUND**

Fund: 351

Program Description:

The FY 2011-12 Budget includes a proposed \$18.19 million issuance of Certificates of Obligation to fund the Walnut Avenue Widening project's construction costs, construction costs for the North Tributary Flood Control project, parks repair and improvement projects, property acquisition, flood warning sirens, airport improvements, downtown improvements, and the Gruene Crossing Drainage Improvement project.

Appropriations:	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
Projects			
Walnut Avenue Widening Project	\$ 5,454,000	\$ 5,189,217	\$ 264,783
Construction	5,100,000	5,019,217	\$ 80,783
Engineering and Inspection (in-house)	354,000	170,000	184,000
Landa Plaza Property	1,901,862	1,901,862	-
Airport Runway Improvements	70,000	-	70,000
Downtown Improvements - Phase I	234,738		234,738
Flood Warning System	280,000	267,297	12,703
Landa Dam and Culverts Repairs (flood dam)	847,000		847,000
Landa Park Bridge repairs (wading pool, bel	700,000	549,000	151,000
Fredericksburg Field Lighting Replacement	150,000	150,000	-
Highway 46 Interest Expense	172,000		172,000
North Tributary Flood Control Project	7,203,400	717,985	6,485,415
Engineering and Inspecting (in house)	20,000	20,000	-
Professional Services	90,400	-	90,400
Right of Way	1,093,000	697,985	395,015
Construction	6,000,000		6,000,000
Gruene Crossing Drainage Improvement	1,200,000	120,061	1,079,939
Right of Way	300,000	120,061	179,939
Construction	900,000		900,000
Total Projects	\$ 18,213,000	\$ 8,895,422	\$ 9,317,578
In House Construction Inspector		57,000	57,000
TOTAL APPROPRIATIONS	\$ 18,270,000	\$ 8,895,422	\$ 9,374,578

Program Justification and Fiscal Analysis:

Walnut Avenue Widening

This project includes the widening of the Walnut Avenue street section from Business 35 to Katy Street, as well as intersection improvements at Katy Street and Business 35. In addition, the project includes improvements to San Antonio Street at Walnut Avenue. In March 2008, City Council determined that the best approach to this project is to widen Walnut Avenue through the project limits from 60 feet to a total width of 120 feet and, depending on lot configurations, wider in some areas. This approach will allow the street improvements to effectively serve the community for the next fifteen to twenty years. Drainage improvements are also included in the project. In addition, major landscaping and other improvements will be accomplished in the project to create a park-like environment through a portion of this roadway. Right-of-way acquisition and design began in FY 2007-08 and was completed in 2010. Construction began in September 2010 and is projected to be completed in May 2013. The 2004 Certificates of Obligation funded right-of-way acquisition costs of \$6,047,761. Total right-of-way costs are \$7,476,487 with the 2008 Certificates of Obligation providing the remaining funding required (\$1,428,726). The 2007 and 2008 Certificates of Obligation fund the design and engineering costs originally budgeted at \$400,000 and now funded at \$1,085,000, with \$890,000 in the 2007 Certificates of Obligation and the remaining \$195,000 in the 2008 Certificates of Obligation).

This project was divided into Segments 1 (described above) and Segments 2 and 3. The 2008 Certificates of Obligation also funded \$80,000 for right-of-way and \$684,000 for engineering for segments 2 and 3 of the project. The total construction cost of this project – segments 1, 2 and 3 – is \$15.8 million including amenities, underground utilities and construction contingencies. The 2011 Certificates of Obligation included \$5,100,000 in funding for a portion of the total construction costs. Since the construction time line is two-and-one-half years, three debt issuances are proposed over three fiscal years to fully fund this important project. The FY 2011-12 Budget includes proposed 2012 Certificates of Obligation. This debt issuance provides \$6,700,000 for the second phase of construction funding for this important project.

The Assistant City Engineer and one Construction Inspector are also funded in this project as both positions work full time on this project. The FY 2011-12 Budget includes \$354,000 in the 2011 Certificates of Obligation to pay the full salary and benefits costs of these employees for two years.

The FY 2011-12 operating budget will not be impacted by this project that will be under construction for the next 12 to 24 months. After completion, short term operating costs for street maintenance and repair will decrease because new roads require less maintenance for the first five to seven years. After this period, street maintenance costs will begin to climb. Since this project has significant landscaping and park-like improvements, once completed, parks maintenance costs will also increase.

Landa Plaza Property

This property known as Landa Plaza located on Landa Street was purchased to provide a location for a future municipal facility. The City has several needs for a number of municipal facilities and has not yet determined which would be most appropriate for this site. The 2011 Certificates of Obligation funded the cost of the land totaling \$1,901,862. The FY 2011-12 Budget includes the cost of maintaining this property.

Airport Runway Extension Improvements

The 2011 Certificates of Obligations include \$70,000 for City's 10 percent cash match for this TxDOT airport improvement project to help fund the design of extension of the Airport runway 13. This project includes the design of the overlay of Runway 13/31 and Taxiways A, B, C ,D and F, the apron in front of the City Terminal, the apron around the City owned T-Hangars, resurfacing of the North East Apron, design for City Terminal apron expansion, design of the new taxiway stub next to the City Terminal, design of a new lighting system for Runway 13/31 and Taxiway A, relocation of the Airport electrical vault, and new marking and striping of the areas to be re-surfaced. The \$480,000 cash match for construction costs for this project will be funded by the New Braunfels Industrial Development Corporation and is included in their FY 2011-12 Budget. Once completed, this project is expected to reduce maintenance costs on these new surfaces.

Downtown Improvements- Phase I

The City completed a downtown implementation plan that included many recommendations for infrastructure improvements in the area. The total project cost is estimated at \$6.3 million. The project will be broken into several phases. This first phase of the project will enhance the sidewalk infrastructure for the downtown area to make the area more accessible, increase pedestrian safety in the area while also increasing the pedestrian traffic to the area, It includes portions of the sidewalk upgrades; other phases will continue these improvement efforts. The 2011 Certificates of Obligation will fund \$234,738 to be used for design costs. Phase I construction costs are funded in the proposed 2012 Certificates of Obligation and is discussed in a different section of this document.

Flood Warning System

The City has purchased and installed flood warning sirens to improve our ability to warn citizens and visitors of potential and/or imminent danger on or near the two rivers flowing through the City. The 2011 Certificates of Obligation fully funded the \$280,000 cost of this project. The system is in place and available for use should the need arise. Maintenance costs for the system have been included in the FY 2011-12 operating budget.

Landa Dam and Culverts Repairs

The Landa Lake Dam has eroded over the past years due to flood events and natural erosion, allowing lake water to enter the spring fed pool and fill it with sediment. This project will raise the height of the dam by 1.7' to prevent frequent overtopping. In addition, after the June 2010 flood, it was discovered that the lake culverts leading into the old channel were severely eroded and in danger of failing. This project will also replace the culverts to prevent possible failure. The sluice gates that control flow into the old channel will also be replaced. This project is funded in the 2011 Certificates of Obligation at \$847,000. These repairs are expected to reduce the FY 2012-13 Operating Budget.

Landa Park Bridge Repairs

The Landa Park wading pool pedestrian bridge was lost during the June 2010 flood. In addition, the bridge into Gazebo Circle at Landa Park was damaged. This project will replace the pedestrian bridge with a sturdier structure that will better withstand future high water and flooding and will repair the other bridge. The FY 2011 Certificates of Obligation will fund the \$700,000 needed to cover these costs. The FY 2011-12 Operating Budget will not be affected by these repairs.

Fredericksburg Field Lighting Replacement

The current lighting system at the Fredericksburg Field is at the end of its useful life and is causing energy inefficiencies. The wooden pools are seriously deteriorating. The system must be replaced to keep the fields viable. The new lighting system will also provide automatic scheduling and increased energy efficiency. The 2011 Certificates of Obligation will fund the cost of this replacement for \$150,000. Some operating costs savings are expected from the more energy efficient lighting.

Highway 46 Interest Expense

This project involves major improvements to Highway 46. TxDOT is managing construction of this project. Both Comal County and the City of New Braunfels have participated in the project by purchasing right-of-way and providing initial financing that will be repaid by TxDOT once the roadway is completed. The City has a contract with TxDOT to pay the right-of-way costs over a three year period. By participation with the County, the City is taking advantage of the ability to expedite a significant regional transportation project. The 2007 Certificates of Obligation funded the first payment to TxDOT for the right-of-way acquisition for this project (\$181,000). The 2008 Certificates of Obligation will pay a portion of this cost as well as utility relocation within the City limits for this project, funded there at \$333,259. The Roadway Impact Fee Fund also paid a portion of this cost (\$176,600) and has an additional \$300,000 budgeted for costs associated with this project. In addition, the City must pay its proportionate share of interest only costs related to a total of \$16 million in debt issued by Comal County to facilitate construction financing. This debt will be repaid by TxDOT through pass-through financing as citizens begin to use the roadway. The pre-completion interest expenses are an actual (non-reimbursable) cost to the City. The 2007 Certificates of Obligation include appropriations of \$428,675, which funds this interest expense through FY 2011-12. The 2011 Certificates of Obligation include \$172,000 for another year's interest expense. Once the roadway is completed, TxDOT will begin taking traffic counts and begin reimbursing the County for the debt it issued (with reimbursement based on the level of activity along the roadway). Therefore, the interest expense to the City (and the County) is short lived, ending once construction is completed. It is not, as is the case with long term debt issued by the City, for a fifteen or twenty year period. Therefore, it is appropriate to use these one-time funds for this purpose.

Highway 46 will remain a TxDOT maintained roadway; therefore, most of these improvements will not affect the City's operating costs. The City will have costs associated with traffic signal maintenance since the population has reached 50,000. The City must now maintain traffic signals that TxDOT formerly managed. The FY 2011-12 Budget funds traffic signal maintenance throughout the City, including Highway 46 inside the City limits.

North Tributary Flood Control Project

The North Tributary Flood Control Project is a regional flood control project intended to reduce the threat of potential flooding. A significant number of residential and commercial properties within the watershed are currently within the 100-year floodplain. The North Tributary floodplain was studied in detail through a Federal Emergency Management Agency (FEMA) Flood Insurance Study. The study was intended to identify the known risks associated with flooding within New Braunfels and to update floodplain maps. In an effort to reduce the identified risk, the original project included a regional off-line detention pond along the North Tributary. The project scope was later revised to include channelization because the property

being considered for the detention pond was commercially developed. The current project consists of three large regional detention ponds, one on either side of Walnut Avenue and one between Walnut Avenue and Old McQueeney Road, and channel improvements from Walnut Avenue to Old McQueeney Road. The projected total cost for the project including channel improvements is \$8,446,804. All funding is currently in place. The 2004 Certificates of Obligation fund \$827,870 which allocated \$723,000 for professional services and \$104,870 for right-of-way acquisition. The 2008 Certificates of Obligation funded additional right-of-way costs of \$415,534 and the 2011 Certificates of Obligation fund the cost of construction of \$6,000,000 plus \$1,093,000 for additional right-of-way costs, \$90,400 for professional services and \$20,400 for in-house staff working on this project. Design was completed in FY 2009-10, construction bids were received in FY 2010-11 and the Army Corp of Engineers gave approval to begin construction in July 2011. It is anticipated that construction will take a year to complete.

The FY 2011-12 operating budget is not affected by this project. When these facilities are accepted by the City, operating costs will increase due to the additional costs needed to keep the drainage channels free of debris and vegetation. Other additional future operating costs will include the maintenance of the actual structures. The cost is expected to be similar to that for the South Tributary flood control project (described above) and will be funded from the City's newly established Stormwater Utility Fund.

Gruene Crossing Drainage Improvement

The Gruene Crossing project includes investigation of improvement options for the low-water crossing at the entrance to the Gruene Crossing Subdivision. Even small rainfall events produce runoff that prevents access to this residential neighborhood of more than 200 units. Preliminary design suggests the project should be done in two phases. The first phase would include channel upgrades downstream; the second phase would involve construction of culverts at Club Crossing Street. Design for this project is funded at \$120,000 in the 2007 Certificates of Obligation. Construction funding of \$900,000 and right-of-way acquisition expected costs of \$300,000 are funded in the 2011 Certificates of Obligation. Total project cost is \$1,320,000. This project will not affect the City's operating budget until construction is completed.

City of New Braunfels
2012 Certifications of Obligation Capital Improvement Fund
Fiscal Year Ending September 30, 2012

	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
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Available Funds

Proceeds from Debt Issuance	\$ 15,500,000	\$ -	\$ 15,500,000
Intergovernmental Revenue	240,500		240,500
Interest Income	10,000		10,000
TOTAL AVAILABLE FUNDS	\$ 15,750,500	\$ -	\$ 15,750,500

APPROPRIATIONS

Projects

Walnut Avenue Widening - Construction	\$ 6,700,000	\$ 6,700,000
FM 306 Overpasses (TXDOT project)	1,500,000	1,500,000
Railroad Quiet Zones - Construction - Phase II	1,100,000	1,100,000
Airport Equipment (tractor and mower)	88,000	88,000
Ambulance Remounts (tax notes)	196,000	196,000
Landa Park Retaining Walls - Construction	2,300,000	2,300,000
Maintenance Shop Structural Repairs	500,000	500,000
Downtown Improvements - Phase I Construction	1,800,000	1,800,000
Computer Aided Dispatch System - Police (tax notes)	850,000	850,000
Total Projects	\$ 15,034,000	\$ -

Debt Issuance Cost	\$ 150,000	\$ -	150,000
Contingencies	566,500	-	566,500

TOTAL APPROPRIATIONS	\$ 15,750,500	\$ -	\$ 15,750,500
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2012 CERTIFICATES OF OBLIGATION CAPITAL IMPROVEMENT FUND

Program Description:

The FY 2011-12 Budget includes a proposed \$15.5 million issuance of Certificates of Obligation in 2012. Projects funded with the proceeds would include additional funds for the Walnut Avenue Widening project, the FM 306 overpass, railroad quiet zones (2nd phase), airport and fire department equipment, parks improvements, downtown improvements and a computer aided dispatch/records management software system for public safety. The New Braunfels Industrial Development Corporation will fund the debt service associated with the FM 306 overpass project (\$1.5 million in debt issuance).

Appropriations:	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
Projects			
Walnut Avenue Widening - Construction	\$ 6,700,000		\$ 6,700,000
FM 306 Overpasses (TXDOT project)	1,500,000		1,500,000
Railroad Quiet Zones - Construction - Phase II	1,100,000		1,100,000
Airport Equipment (tractor and mower)	88,000		88,000
Ambulance Remounts (tax notes)	196,000		196,000
Landa Park Retaining Walls - Construction	2,300,000		2,300,000
Maintenance Shop Structural Repairs	500,000		500,000
Downtown Improvements - Phase I Construction	1,800,000		1,800,000
Computer Aided Dispatch System - Police (tax notes)	850,000		850,000
Total Projects	\$ 15,034,000	\$ -	\$ 15,034,000
Debt Issuance Cost	\$ 150,000	\$ -	150,000
Contingencies	566,500	\$ -	566,500
TOTAL APPROPRIATIONS	\$ 15,750,500	\$ -	\$ 15,750,500

Program Justification and Fiscal Analysis:

Walnut Avenue Widening

This project includes the widening of the Walnut Avenue street section from Business 35 to Katy Street, as well as intersection improvements at Katy Street and Business 35. In addition, the project includes improvements to San Antonio Street at Walnut Avenue. In March 2008, City Council determined that the best approach to this project is to widen Walnut Avenue through the project limits from 60 feet to a total width of 120 feet and, depending on lot configurations, wider in some areas. This approach will allow the street improvements to effectively serve the community for the next fifteen to twenty years. Drainage improvements are also included in the project. In addition, major landscaping and other improvements will be accomplished in the project to create a park-like environment through a portion of this roadway. Right-of-way

acquisition and design began in FY 2007-08 and was completed in 2010. Construction began in September 2010 and is projected to be completed in May 2013. The 2004 Certificates of Obligation funded right-of-way acquisition costs of \$6,047,761. Total right-of-way costs are \$7,476,487 with the 2008 Certificates of Obligation providing the remaining funding required (\$1,428,726). The 2007 and 2008 Certificates of Obligation fund the design and engineering costs originally budgeted at \$400,000 and now funded at \$1,085,000, with \$890,000 in the 2007 Certificates of Obligation and the remaining \$195,000 in the 2008 Certificates of Obligation).

This project was divided into Segments 1 (described above) and Segments 2 and 3. The 2008 Certificates of Obligation also funded \$80,000 for right-of-way and \$684,000 for engineering for segments 2 and 3 of the project. The total construction cost of this project – segments 1, 2 and 3 – is \$15.8 million including amenities, underground utilities and construction contingencies. The 2011 Certificates of Obligation included \$5,100,000 in funding for a portion of the total construction costs. Since the construction time line is two-and-one-half years, three debt issuances are proposed over three fiscal years to fully fund this important project. The FY 2011-12 Budget includes proposed 2012 Certificates of Obligation. This debt issuance provides \$6,700,000 for the second phase of construction funding for this important project.

The Assistant City Engineer and one Construction Inspector are also funded in this project as both positions work full time on this project. The FY 2011-12 Budget includes \$354,000 in the 2011 Certificates of Obligation to pay the full salary and benefits costs of these employees for two years.

The FY 2011-12 operating budget will not be impacted by this project that will be under construction for the next 12 to 24 months. After completion, short term operating costs for street maintenance and repair will decrease because new roads require less maintenance for the first five to seven years. After this period, street maintenance costs will begin to climb. Since this project has significant landscaping and park-like improvements, once completed, parks maintenance costs will also increase.

FM 306 Overpasses (TXDOT project)

This is a TxDOT project and involves improvements to FM 306 from north of Hunter Road to IH 35. It includes two new railroad grade separations and other road features and amenities. The estimated total project cost is \$54.88 million. In April 2011, City Council passed a resolution in support of the project and committed to \$6 million in cost participation. This commitment will be met by \$3 million in New Braunfels Industrial Development Corporation (NBIDC) funding and \$3 in a future certificates of obligation where the debt service will be supported by property tax. Comal County has also committed to \$6 million in funding to meet the local funding requirement of \$12 million. The 2012 Certificates of Obligation will fund the first portion of the City's contribution by issuing \$1.5 in debt where the debt service will be paid by NBIDC and \$1.5 million in a cash contribution, also from NBIDC.

Railroad Quiet Zones – Construction - Phase II

This project includes developing railroad quiet zones for various areas within the City. In February 2009, City staff presented a five-year Railroad Quiet Zone Implementation Program to City Council that identified which quiet zones could be addressed in phases over multiple fiscal years. This project includes designing all and constructing the first phase of the identified quiet zones. These zones are generally from downtown to Rock Street (Union Pacific Railroad line

number 2), from Church Hill to Rusk (Union Pacific Railroad line number 1), and from Bridge Street to Coll Street (Union Pacific Railroad line number 1). The first phase also includes from downtown to Live Oak (Union Pacific Railroad line number 2). The total project budget for this phase is \$1,339,000, with \$347,000 of the total budget allocated for engineering and \$992,000 for construction. The FY 2012 Certificates of Obligation will fund the Phase II Construction for a total of \$1,100,000.

This project will not impact the FY 2011-12 operating budget. It is expected that about five years after these projects are constructed and completed, operating costs will increase and impact the operating budget to cover maintenance costs.

Airport Equipment

The Airport must mow 800 acres in and around the grounds, runways and taxiways to assure that pilots have excellent visibility from aircraft. Currently, the department has two tractors and mowers to keep the area clean and mowed; however, the two mowers are not sufficient for staff to efficiently and effectively keep the areas as required. The additional tractor and mower will allow the department to meet this requirement. The 2012 Certificates of Obligation will fund the \$87,138 needed to fund the purchase of this equipment.

Ambulance Remounts

The City's ambulances require partial replacement (chassis) every five years and full replacement after the second five years. This is an effective way to get the maximum use from the ambulance "box" and equipment that sits on the chassis. In FY 2011-12, two ambulances are due for replacement. \$196,000 is provided in the 2011 debt issuance to fund this cost. It is anticipated that this funding will come from tax notes issued in conjunction with the proposed certificates of obligation.

Landa Park Retaining Walls- Construction

Final construction documents are being prepared for the replacement/repair of the retaining walls in Landa Park. Construction of these walls will prevent further erosion and loss of banks and provide a safe surface from which to stand at the water's edge. The cost to make these repairs of \$ 2,300,000 will be funded by the 2012 Certificates of Obligation. Once this project is complete, the operating budget is expected to decrease.

Maintenance Shop Structural Repairs

The maintenance shop structure was originally built by the Landa Cotton Oil Company as a fireproof hull warehouse in the late 1800's to early 1900's. Currently the Parks and Recreation Department is using it as office space and workspace as well as for storage for supplies and equipment. It provides approximately 12,000 square feet of inadequate space for Parks and Golf operations. There is little or no climate control, potential roof leaks and other structural issues that make it difficult at best for the staff using the facility. Although not currently designated as an historical structure, it is one which would preserve the heritage of this City. The 2012 Certificates of Obligation provide \$500,000 to address problems at this facility. This project is expected to reduce operating costs after the repairs are complete.

Downtown Improvements- Phase I

The City completed a downtown implementation plan that included many recommendations for infrastructure improvements in the area. The total project cost is estimated at \$6.3 million. The project will be broken into several phases. This first phase of the project will enhance the sidewalk infrastructure for the downtown area to make the area more accessible, increase pedestrian safety in the area while also increasing the pedestrian traffic to the area. It includes portions of the sidewalk upgrades; other phases will continue these improvement efforts. The 2012 certificates of obligation will begin to fund the first phase of the project at a cost of \$1,800,000.

This project will not affect the FY 2011-12 Operating Budget. Once the project is complete and accepted by the City operating costs will increase to cover the costs to maintain the sidewalks.

Computer Aided Dispatch System-Police

The Police Department relies heavily on their computer aided dispatch (CAD) and records management software (RMS) daily to dispatch calls and generate all their reports. The Criminal Investigations Divisions also use these systems to assign and manage cases while the communication center uses the same system to manage and dispatch all calls for service for police, fire and animal control. The CAD system proposed for this project is one that will allow the users to complete and submit for approval their field reports utilizing their mobile computers. The RMS allows all documents to be stored electronically for immediate retrieval. Additionally the CAD provides detailed illustrated maps, tracks crime trends and other use data needed to deploy resources. Another important benefit of the CAD system is the AVL or automatic vehicle locator which provides numerous benefits such as allowing the communication operator to identify the best resource when one is needed. The current system does not meet the needs of the Police Department for dispatch and records management. The 2012 Certificates of Obligation will fund the cost of this system for \$850,000. This cost includes the purchase and implementation of the system as well as a project manager for the City to coordinate the project.

The FY 2011-12 operating budget will not be impacted by this purchase. Future maintenance costs for this system will be necessary.

Policy Considerations:

The Five Year Capital Improvement Program accepted by Council included many projects either currently under design or designated as a priority project. Many of these projects remain either totally unfunded, or design is funded and construction is not. In addition, the pavement management study identified the need for significant annual funding for street repair, maintenance and improvements. These projects remain unfunded in the FY 2011-12 Budget.

City of New Braunfels
2012 Revenue Debt Capital Improvement Fund
Fiscal Year Ending September 30, 2012

	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
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Available Funds

Proceeds from Debt Issuance	\$ 5,800,000	\$ -	\$ 5,800,000
Interest Income	10,000		10,000
TOTAL AVAILABLE FUNDS	\$ 5,810,000	\$ -	\$ 5,810,000

APPROPRIATIONS

Projects

Golf Course Improvements	\$ 5,600,000	\$ -	\$ 5,600,000
Total Projects	\$ 5,600,000	\$ -	\$ 5,600,000
Debt Issuance Cost	\$ 50,000		50,000
Contingencies	160,000	-	160,000
TOTAL APPROPRIATIONS	\$ 5,810,000	\$ -	\$ 5,810,000

2012 REVENUE BONDS CAPITAL IMPROVEMENT FUND

Program Description:

The FY 2011-12 Budget includes a proposed \$5.2 million issuance of revenue bonds to fund major golf course improvements.

Appropriations:	Project Revenue/ Expenditures	Activity to Date As of 9/30/2011	FY 2011-12 Funds
Projects			
Golf Course Improvements	\$ 5,600,000		\$ 5,600,000
Total Projects	\$ 5,600,000	\$ -	\$ 5,600,000
Debt Issuance Cost	\$ 50,000		50,000
Contingencies	160,000	-	160,000
TOTAL APPROPRIATIONS	\$ 5,810,000	\$ -	\$ 5,810,000

Program Justification and Fiscal Analysis:

Golf Course Improvements

The original golf course irrigation and greens project included the complete replacement of the failing irrigation system on the Landa Park Golf Course. However, the City completed a golf course master plan that recommended major changes and improvements to the golf course. The irrigation/greens project would not need to be completed if the major course overhaul is done. However, the irrigation system continues to fail routinely and must be addressed. A decision on which approach to pursue will be considered by Council in the next several months. The \$818,000 in funding has been used to complete the archeological survey required and can be used either for the irrigation system replacement (estimated at \$1.2 million) or for the course overhaul. The FY 2011-12 Budget includes revenue bonds of \$5,800,000 that can be used to fund the construction of the upgrades. Revenue bonds would be “guaranteed” by the revenue generated by the golf course; no property tax funds would be needed to support this debt.

The FY 2011-12 operating budget will not be impacted by this project. Future fiscal years will see both an increase in revenue from the improved course, should the Council move in that direction, as well as higher costs for maintenance and upkeep. Projections for the golf course show that additional revenues will more than offset higher expenses, including debt service associated with the improvements.

**City of New Braunfels
Parks Improvements Fund
Fiscal Year Ending September 30, 2012**

Fund: 314

APPROPRIATIONS:	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Funds
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Beginning Balance

Undesignated Funds	\$ 213,756	\$ 214,117	\$ 218,747
Total Beginning Balance	\$ 213,756	\$ 214,117	\$ 218,747

Revenue

Interest Income	\$ 2,400	\$ 4,500	\$ 4,500
Development Fees	136	130	130
Total Revenue	\$ 2,536	\$ 4,630	\$ 4,630

TOTAL AVAILABLE FUNDS	\$ 216,292	\$ 218,747	\$ 223,377
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APPROPRIATIONS

Capital Improvement Projects	\$ 2,175	\$ -	\$ 150,000
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TOTAL OPERATING APPROPRIATIONS	\$ 2,175	\$ -	\$ 150,000
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Ending Fund Balance	\$ 214,117	\$ 218,747	\$ 73,377
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TOTAL APPROPRIATIONS	\$ 216,292	\$ 218,747	\$ 223,377
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PARKS IMPROVEMENT FUND

Fund: 314

Program Description:

The Parks Improvement Fund has been used by the City of New Braunfels to fund capital improvement projects at any of the parks facilities, from picnic tables to the spring fed swimming pool to the tennis courts, as well as for neighborhood parks development under the City's Parks Development Fee program. In the past, funding for projects came from a percentage of the gross receipts from various parks activities such as the swimming pools and tube chute as well as interest income. The revenue from parks activities is no longer a revenue source for this fund. However, in FY 2005-06, the City instituted a new Parks Development Fee. This fee must be used only to develop neighborhood parks. The City is divided into four districts and funds generated by each district must be used in that district. This Parks Improvement Fund is now used to account for this program.

Appropriations:	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Capital Improvement Projects	\$ 2,175	\$ -	\$ 150,000
TOTAL APPROPRIATIONS	\$ 2,175	\$ -	\$ 150,000

Program Justification and Fiscal Analysis:

The Parks Improvement Fund has \$150,000 appropriated to support future neighborhood park development efforts. No specific projects are identified, therefore there is no short term impact on the operating budget including for FY 2011-12.

**City of New Braunfels
Roadway Development Impact Fees Fund
Fiscal Year Ending September 30, 2012**

Fund: 336

APPROPRIATIONS:	FY 2009-10	FY 2010-11	FY 2011-12
	Actual	Estimate	Budget
Beginning Balance			
Undesignated Funds	\$ 1,046,682	\$ 1,669,776	\$ 2,165,826
Total Beginning Balance	\$ 1,046,682	\$ 1,669,776	\$ 2,165,826
Revenue			
Development Fees	\$ 834,428	\$ 690,000	\$ 690,000
Interest Income	4,616	4,000	4,000
Total Revenue	\$ 839,044	\$ 694,000	\$ 694,000
TOTAL AVAILABLE FUNDS	\$ 1,885,726	\$ 2,363,776	\$ 2,859,826
APPROPRIATIONS			
Projects			
Highway 46 Right-of-Way Acquisition	\$ 176,600	\$ 176,600	\$ 300,000
Roadway Impact Fee study update	-	-	75,000
Highway 46 Traffic Signal Projects	6,350	6,350	50,000
Reimbursements	33,000	15,000	1,800,000
TOTAL APPROPRIATIONS	\$ 215,950	\$ 197,950	\$ 2,225,000
Ending Fund Balance	\$ 1,669,776	\$ 2,165,826	\$ 634,826
TOTAL APPROPRIATIONS	\$ 1,885,726	\$ 2,363,776	\$ 2,859,826

ROADWAY DEVELOPMENT IMPACT FEES FUND

Fund: 336

Program Description:

In FY 2007-08, the City instituted roadway development impact fees. Revenue from these fees must be used only to complete roadway improvements in the district in which the funds were generated. The City is divided into six districts. The City completed the required studies to determine the maximum fee per district. Council set the fees as a result of that study.

APPROPRIATIONS:	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Projects			
Highway 46 Right-of-Way Acquisition	\$ 176,600	\$ 176,600	\$ 300,000
Roadway Impact Fee study update	-	-	75,000
Highway 46 Traffic Signal	6,350	6,350	50,000
Projects		-	1,800,000
Reimbursements	33,000	15,000	
TOTAL APPROPRIATIONS	\$ 215,950	\$ 197,950	\$ 2,225,000

Program Justification and Fiscal Analysis:

The Roadway Development Impact Fees Fund has \$1,800,000 appropriated that can be used to fund roadway improvements identified in the impact fee study.

In addition, a total of \$350,000 is appropriated for two purposes related to the Highway 46 improvement project being completed by TxDOT. The City must pay for the costs associated with the acquisition of right-of-way for the portion of the project inside the City limits. In addition, the City must install a traffic signal in the project area. Highway 46 will remain a TxDOT maintained roadway; therefore, most of these improvements will not affect the City's operating costs. The City will have costs associated with traffic signal maintenance since the population has exceeded 50,000. The FY 2011-12 Adopted Budget includes funding for all traffic signal maintenance throughout the City, including this intersection. \$75,000 in funding is also included in the FY 2011-12 Budget to fund the required impact fee study update.

**City of New Braunfels
Streets and Drainage - Capital Improvement Fund
Fiscal Year Ending September 30, 2012**

Fund: 224

	Project Revenue/ Expenditure	Activity to Date As of 9/30/2011	FY 2011-12 Funds
Beginning Balance	\$ -	\$ -	\$ -
Intergovernmental (including CDBG)	\$ 61,070	\$ 61,070	\$ -
Interest Income	266,093	266,093	-
Other	189,644	189,644	-
Residual Equity Transfer	2,875,321	2,875,321	-
Interfund Transfers	794,522	794,522	-
TOTAL AVAILABLE FUNDS	\$ 4,186,650	\$ 4,186,650	\$ -

APPROPRIATIONS

Projects

Canyon Drive drainage	\$ 137,500	\$ 137,500	\$ -
San Antonio Street	138,657	138,657	-
Downtown Master Plan	96,000	96,000	-
Forest Drive Drainage	64,493	64,493	-
Katy/Mesquite Drainage Engineering	46,000	46,000	-
Church Hill watershed project Right of Way	-	-	-
East Common Street	35,819	35,819	-
Gruene Rd. Bridge	-	-	-
Katy Street drainage (Hackberry to Mesquite)	216,755	216,755	-
Orange Avenue drainage (Business 35 to Stonewall)	76,000	76,000	-
Ridge Hill Culvert	68,678	68,678	-
San Antonio St.	25,702	25,702	-
Safe Routes to Schools	-	-	-
Stonewall Street (Peach to Orange)	38,000	38,000	-
Sunset Drive	-	-	-
Water Lane/Katy Street drainage improvements	-	-	-
Flood Gauges on the Dry Comal	28,750	28,750	-
Woodland Avenue repairs	15,496	15,496	-
Branch Lane	11,693	11,693	-
Caddell Lane	62,868	62,868	-
Church Hill/Wright Ave. Phase 1	747,555	747,555	-
Churchhill/Wright Drainage	91,487	91,487	-
Comal Ave. Drainage	370,755	370,755	-

**City of New Braunfels
Streets and Drainage - Capital Improvement Fund
Fiscal Year Ending September 30, 2012**

Fund: 224

	Project Revenue/ Expenditure	Activity to Date As of 9/30/2011	FY 2011-12 Funds
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APPROPRIATIONS (Continued)

Projects

County Line Rd.	78,707	78,707	-
District 1 Sidewalks	4,000	4,000	-
Gardenia & Sunrise Dr.	2,000	2,000	-
Gardenia Dr.	88,010	88,010	-
Gardenia Dr./Sunrise	99,512	99,512	-
Groos Project	6,971	6,971	-
Gruene Rd	42,356	42,356	-
Gruene Rd. Drainage	31,651	31,651	-
Gruene Rd./Overlay	24,638	24,638	-
Hidalgo Ave.	94,976	94,976	-
Impact Fee Drainage Master Plan Study	844,587	844,587	-
La Mesa Drive drainage (Mission to Twin Oaks)	35,770	35,770	-
Lone Star Ave.	47,148	47,148	-
McGaugh Ave.	44,263	44,263	-
Merriweather St.	40,193	40,193	-
Mission Dr.	29,562	29,562	-
Oakland Water Main	42,346	42,346	-
Peach Ave.	46,817	46,817	-
Rhine Terrace	4,663	4,663	-
Schmidt Ave.	900	900	-
Schmidt Ave. Extension	300	300	-
Seville Dr.	4,892	4,892	-
Southland Ave.	17,959	17,959	-
Starcrest Dr.	28,928	28,928	-
Veramendi Street and Drainage	169,936	169,936	-
Waterway Improvement	17,750	17,750	-
West End Ave.	40,552	40,552	-

Miscellaneous

Total Projects	\$	4,161,594	\$	4,161,594	\$	-
Interfund Transfers		25,056		25,056		-
TOTAL APPROPRIATIONS	\$	4,186,650	\$	4,186,650	\$	-

STREETS AND DRAINAGE FUND

Fund: 224
Department Code: 6001

Program Description:

In FY 2000-01, the City of New Braunfels created the Streets and Drainage Fund to pay for needed improvements to City infrastructure. At that time, the major revenue source was a one-time equity transfer (\$2,875,321) from the City's 4A Board; that board was dissolved in 2001. Since that time, revenue into the fund has come from interest income and some federal, state and local grants. All available funds were used by the end of FY 2009-10.

OTHER FUNDS

**City of New Braunfels
Debt Service Fund
Fiscal Year Ending September 30, 2012**

Fund: 401

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 1,620,105	\$ 679,114	\$ 604,514
Total Beginning Balance	\$ 1,620,105	\$ 679,114	\$ 604,514
Revenue			
Taxes	\$ 4,881,526	\$ 5,703,500	\$ 7,347,587
Interest Income	2,589	500	500
Contribution - 4B	979,670	983,390	990,448
Interfund Transfers - Hotel/Motel Tax	606,398	609,798	612,598
Miscellaneous	(186)	-	-
Total Revenue	\$ 6,469,997	\$ 7,297,188	\$ 8,951,133
TOTAL AVAILABLE FUNDS	\$ 8,090,102	\$ 7,976,302	\$ 9,555,647
APPROPRIATIONS			
Debt Service	\$ 7,410,988	\$ 7,371,788	\$ 8,686,013
TOTAL OPERATING APPROPRIATION	\$ 7,410,988	\$ 7,371,788	\$ 8,686,013
Ending Fund Balance	\$ 679,114	\$ 604,514	\$ 869,634
TOTAL APPROPRIATIONS	\$ 8,090,102	\$ 7,976,302	\$ 9,555,647

DEBT SERVICE FUND

Debt Service Fund: 401
Department Code: 1501

Program Description:

The City of New Braunfels issues bonds and certificates of obligation to fund needed capital improvement projects such as streets and drainage improvements, park improvements, library and fire station construction, civic/convention center renovations and additions, airport towers and hangers and other major projects. The amounts budgeted in this fund reflect the principal and interest payments for outstanding debt. The first table below lists the current outstanding Certificates of Obligation (C of O's), refunding bonds and tax note debt issuances, their purpose, issuance date and amount of debt. The second set of tables shows the City's total principal and interest payments for the life of the existing outstanding debt by issuance.

The City does not have a debt limit from the perspective of the total amount that can be issued under current Texas law. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 in population limits the City's total tax rate to \$2.50 per \$100 assessed valuation. The Texas Attorney General has further adopted an administrative policy that generally prohibits the issuance of debt by a municipality, such as the City, if its issuance produces debt service requirements exceeding that which can be paid from a \$1.50 maximum tax rate calculated at 90 percent collection. This \$1.50 is part of the overall \$2.50 limit. The City has adopted a Home Rule Charter which does not limit the City's maximum tax rate limit beyond these limits.

<u>Authorized and Issued Amount</u>	<u>Purpose</u>	<u>Type Debt</u>	<u>Interest Rate</u>	<u>Issue Date/ Maturity Date</u>
\$3.25 million	Library building construction	C of O's	6.0%	August 1, 1998/ September 1, 2018
\$6.27 million	Street improvements and hike/bike trail	C of O's	3.7%	June 15, 2003/ September 30, 2023
\$26 million	Streets and drainage improvements	C of O's	4.2%	April 15, 2004/ September 30, 2020
\$1.6 million	Airport hanger	C of O's	4.3%	September 25, 2006/ September 30, 2021
\$8.0 million	Civic/Convention Center improvements and expansion	C of O's	4.2%	September 25, 2006/ September 30, 2026
\$10.6 million	Refunding	GO Bond	4.0%	December 5, 2006/ September 30, 2025
\$17.5 million	Streets and Drainage, Parks, Fire Station	C of O's	4.2%	September 19, 2007/ September 30, 2027
\$2 million	Tax Notes	Tax Notes	3.4%	June 5, 2008/ September 30, 2015

<u>Authorized and Issued Amount</u>	<u>Purpose</u>	<u>Type Debt</u>	<u>Interest Rate</u>	<u>Issue Date/ Maturity Date</u>
\$14.3 million	Streets and drainage, Public Works facility, fire training facility	C of O's	4.82%	August 11, 2008/ September 30, 2028
\$9.5 million	Public Works, Parks, Police and Fire Equipment, parks improvements, fire station construction, municipal facilities	C of O's	3.99%	August 19, 2009/ September 30, 2029
\$540,000	Refunding	GO Bond	2.00%	October 18, 2010 September 30, 2018
\$18.2 Million	Streets and Drainage, Public Works Parks, Airport, Fire park improvements, drainage projects, Flood warning equip, property acquisition.	C of O's	4.05%	February 1, 2011/ September 30, 2031

The following chart shows the City of New Braunfels total outstanding debt requirements annually through the life of all outstanding debt.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2011-12	4,710,000	3,961,013	8,671,013
FY 2012-13	5,115,000	3,605,181	8,720,181
FY 2013-14	5,340,000	3,389,669	8,729,669
FY 2014-15	5,585,000	3,164,403	8,749,403
FY 2015-16	5,295,000	2,955,241	8,250,241
FY 2016-17	5,490,000	2,707,152	8,197,152
FY 2017-18	5,320,000	2,481,752	7,801,752
FY 2018-19	5,265,000	2,251,868	7,516,868
FY 2019-20	5,365,000	2,018,775	7,383,775
FY 2020-21	5,565,000	1,781,195	7,346,195
FY 2021-22	5,605,000	1,538,805	7,143,805
FY 2022-23	5,810,000	1,292,874	7,102,874
FY 2023-24	5,490,000	1,031,665	6,521,665
FY 2024-25	5,695,000	785,952	6,480,952
FY 2025-26	3,955,000	567,367	4,522,367
FY 2026-27	3345000	384,602	3,729,602
FY 2027-28	2,820,000	243,701	3,063,701
FY 2028-29	1,810,000	142,290	1,952,290
FY 2029-30	1,260,000	78,772	1,338,772
FY 2030-31	1,315000	26,629	1,341,629
Total	\$ 90,155,000	34,408,906	124,563,906

The chart below shows the outstanding obligations for the City of New Braunfels Certificates of Obligation issued in June 2003. The original issue amount was \$6,270,000. This debt service is paid by the New Braunfels Industrial Development Corporation.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2011-12	275,000	164,070	439,070
FY 2012-13	290,000	156,233	446,233
FY 2013-14	305,000	147,533	452,533
FY 2014-15	325,000	138,078	463,078
FY 2015-16	345,000	127,353	472,353
FY 2016-17	360,000	115,623	475,623
FY 2017-18	380,000	103,023	483,023
FY 2018-19	405,000	88,963	493,963
FY 2019-20	425,000	73,775	498,775
FY 2020-21	450,000	57,200	507,200
FY 2021-22	475,000	39,200	514,200
FY 2022-23	505,000	20,200	525,200
Total	\$4,540,000	\$1,231,248	\$5,771,248

The chart below shows the outstanding obligations for the City of New Braunfels Certificates of Obligation issued in April 2004. The original issue amount was \$26,000,000. A portion of this debt was refunded in 2006.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2011-12	1,150,000	562,250	1,712,250
FY 2012-13	1,185,000	509,625	1,694,625
FY 2013-14	1,225,000	449,375	1,674,375
FY 2014-15	1,270,000	387,000	1,657,000
FY 2015-16	1,315,000	322,375	1,637,375
FY 2016-17	1,365,000	255,375	1,620,375
FY 2017-18	1,415,000	185,875	1,600,875
FY 2018-19	1,475,000	113,625	1,588,625
FY 2019-20	1,535,000	38,375	1,573,375
Total	\$11,935,000	\$2,823,875	\$14,758,875

The chart below shows the outstanding obligations for the City of New Braunfels Certificates of Obligation issued in September 2006. The original issue amount was \$8,000,000. This debt is paid entirely with proceeds from the City's hotel/motel tax.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2011-12	320,000	292,598	612,598
FY 2012-13	335,000	276,598	611,598
FY 2013-14	350,000	259,429	609,429
FY 2014-15	370,000	241,929	611,929
FY 2015-16	385,000	227,129	612,129
FY 2016-17	405,000	211,729	616,729
FY 2017-18	425,000	195,529	620,529
FY 2018-19	450,000	178,529	628,529
FY 2019-20	470,000	160,529	630,529
FY 2020-21	495,000	141,259	636,259
FY 2021-22	520,000	120,840	640,840
FY 2022-23	545,000	99,390	644,390
FY 2023-24	570,000	76,500	646,500
FY 2024-25	600,000	52,275	652,275
FY 2025-26	630,000	26,775	656,775
Total	\$6,870,000	\$2,561,035	\$9,431,035

The chart below shows the outstanding obligations for the City of New Braunfels Certificates of Obligation issued in September 2006. The original issue amount was \$1,600,000 and was used to construct a hanger at the New Braunfels Municipal Airport.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2011-12	100,000	53,993	153,993
FY 2012-13	105,000	49,493	154,493
FY 2013-14	110,000	44,768	154,768
FY 2014-15	115,000	39,818	154,818
FY 2015-16	120,000	34,643	154,643
FY 2016-17	125,000	29,243	154,243
FY 2017-18	135,000	24,243	159,243
FY 2018-19	140,000	18,708	158,708
FY 2019-20	145,000	12,828	157,828
FY 2020-21	155,000	6,665	161,665
Total	\$1,250,000	\$314,398	\$1,564,398

The chart below shows the outstanding obligations for the City of New Braunfels Refunding General Obligation issued in December 2006. The original issue amount was \$10,600,000.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2011-12	60,000	423,038	483,038
FY 2012-13	260,000	416,638	676,638
FY 2013-14	270,000	406,038	676,038
FY 2014-15	175,000	397,138	572,138
FY 2015-16	295,000	387,738	682,738
FY 2016-17	310,000	375,638	685,638
FY 2017-18	70,000	368,038	438,038
FY 2018-19	70,000	365,238	435,238
FY 2019-20	75,000	362,338	437,338
FY 2020-21	1,665,000	327,538	1,992,538
FY 2021-22	1,715,000	259,938	1,974,938
FY 2022-23	1,765,000	189,234	1,954,234
FY 2023-24	1,820,000	115,294	1,935,294
FY2024-25	1,885,000	38,878	1,923,878
Total	\$ 10,435,000	\$4,432,719	\$14,867,719

The chart below shows the outstanding obligations for the City of New Braunfels Streets and Drainage, Parks and Fire Station Obligations issued in December 2007. The original issue amount was \$17,500,000.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2011-12	995,000	609,738	1,604,738
FY 2012-13	1,005,000	569,738	1,574,738
FY 2013-14	1,015,000	528,069	1,543,069
FY 2014-15	1,030,000	483,969	1,513,969
FY 2015-16	1,045,000	437,925	1,482,925
FY 2016-17	1,055,000	390,675	1,445,675
FY 2017-18	750,000	350,438	1,100,438
FY 2018-19	750,000	316,688	1,066,688
FY 2019-20	750,000	282,094	1,032,094
FY 2020-21	750,000	246,000	996,000
FY 2021-22	750,000	208,500	958,500
FY 2022-23	750,000	171,000	921,000
FY 2023-24	750,000	132,563	882,563
FY2024-25	750,000	93,188	843,188
FY2025-26	750,000	53,813	803,813
FY2026-27	650,000	17,063	667,063
Total	\$13,545,000	\$4,891,456	\$18,436,456

The chart below shows the outstanding obligations for the City of New Braunfels Tax Note Obligations issued in June 2008. The original issue amount was \$2,000,000.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2011-12	285,000	36,125	321,125
FY 2012-13	295,000	26,265	321,265
FY 2013-14	305,000	16,065	321,065
FY 2014-15	320,000	5,440	325,440
Total	\$ 1,205,000	\$83,895	\$1,288,895

The chart below shows the outstanding obligations for the City of New Braunfels Certificates of Obligation issued in August 2008. The original issue amount was \$14,300,000.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2011-12	520,000	588,609	1,108,609
FY 2012-13	545,000	567,309	1,112,309
FY 2013-14	565,000	545,109	1,110,109
FY 2014-15	590,000	522,009	1,112,009
FY 2015-16	610,000	498,009	1,108,009
FY 2016-17	635,000	473,109	1,108,109
FY 2017-18	665,000	446,776	1,111,776
FY 2018-19	690,000	418,481	1,108,481
FY 2019-20	720,000	387,619	1,107,619
FY 2020-21	755,000	352,544	1,107,544
FY 2021-22	795,000	313,794	1,108,794
FY 2022-23	835,000	272,522	1,107,522
FY 2023-24	880,000	228,575	1,108,575
FY 2024-25	930,000	181,613	1,111,613
FY 2025-26	980,000	131,475	1,111,475
FY 2026-27	1,030,000	80,000	1,110,000
FY 2027-28	1,085,000	27,125	1,112,125
TOTAL	\$12,830,000	\$6,034,676	\$18,864,676

The chart below shows the outstanding obligations for the City of New Braunfels Certificates of Obligation issued in August 2009. The original issue amount was \$9,500,000.

Period Ending	Total Principal	Total Interest	Total Debt Service
FY 2011-12	370,000	327,440	697,440
FY 2012-13	460,000	317,990	777,990
FY 2013-14	535,000	304,215	839,215
FY 2014-15	600,000	287,190	887,190
FY 2015-16	465,000	270,634	735,634
FY 2016-17	490,000	253,890	743,890
FY 2017-18	455,000	236,740	691,740
FY 2018-19	475,000	219,871	694,871
FY 2019-20	405,000	202,865	607,865
FY 2020-21	420,000	186,365	606,365
FY 2021-22	440,000	169,055	609,055
FY 2022-23	460,000	150,715	610,715
FY 2023-24	480,000	131,205	611,205
FY 2024-25	500,000	110,375	610,375
FY 2025-26	525,000	88,206	613,206
FY 2026-27	550,000	64,688	614,688
FY 2027-28	575,000	39,794	614,794
FY 2028-29	600,000	13,500	613,500
TOTAL	\$8,805,000	\$3,374,738	\$12,179,738

The chart below shows the outstanding obligations for the City of New Braunfels General Obligation Refunding Bonds issued in August 2010. This issue refunded the 1998 Certificates of Obligation issued by the City with the debt service paid by the New Braunfels Industrial Development Corporation. The corporation now pays the debt service on this refunding issue. The amount refunded was \$540,000.

Period Ending	Principal	Interest	Debt Service
FY 2011-12	190,000	11,365	201,365
FY 2012-13	0	9,275	9,275
FY 2013-14	0	9,275	9,275
FY 2014-15	105,000	9,275	114,275
FY 2015-16	0	7,228	7,228
FY 2016-17	0	7,228	7,228
FY 2017-18	245,000	7,228	252,228
Total	540,000	\$60,873	\$600,873

The chart below shows the outstanding obligations for the City of New Braunfels Certificates of Obligation issued in February 2011. The original issue amount was \$18,200,000.

Period Ending	Total Principal	Total Interest	Total Debt Service
FY 2011-12	450,000	891,788	1,341,788
FY 2012-13	635,000	706,017	1,341,016
FY 2013-14	660,000	679,793	1,339,793
FY 2014-15	685,000	652,557	1,337,556
FY 2015-16	715,000	642,207	1,339,206
FY 2016-17	745,000	594,642	1,339,641
FY 2017-18	775,000	563,862	1,338,861
FY 2018-19	810,000	531,765	1,341,765
FY 2019-20	840,000	498,352	1,338,353
FY 2020-21	875,000	463,624	1,338,624
FY 2021-22	910,000	427,478	1,337,478
FY 2022-23	950,000	389,813	1,339,813
FY 2023-24	990,000	347,528	1,340,528
FY 2024-25	1,030,000	309,623	1,339,623
FY 2025-26	1,070,000	267,098	1,337,098
FY 2026-27	1,115,000	222,851	1,337,851
FY 2027-28	1,160,000	176,782	1,336,783
FY 2028-29	1,210,000	128,790	1,338,790
FY 2029-30	1,260,000	78,772	1,338,773
FY 2030-31	1,315,000	26,629	1,341,629
TOTAL	\$18,200,000	\$8,584,965	\$26,784,965

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Debt Service	\$7,410,988	\$7,371,788	\$8,686,013
Total Appropriations	\$7,410,988	\$7,371,788	\$8,686,013

Program Justification and Fiscal Analysis:

The FY 2011-12 Budget appropriates \$8,686,013, \$1,314,225 or 17.8 percent more than the FY 2010-11 estimates. This is due entirely to the debt service associated with the certificates of deposit issued by the City in February 2011. The budget amount reflects the full annual debt service requirements for all issues.

Prior to FY 2008-09, the City maintained a fund balance in the Debt Service Fund about equal to one half the annual debt service requirements. Internal Revenue Service regulations discourage public entities from maintaining a fund balance of more than approximately 10 percent of the total annual debt service of an entity. In FY 2008-09, the City began drawing down the debt service fund balance and continued the draw-down in FY 2009-10. In FY 2010-11, the Debt Service Fund reached the desired 10 percent fund balance and remains there for FY 2011-12.

As a result of the additional available funds from the draw-down in FY 2009-10, the City was able to fund additional debt service payments and, therefore, increased the 2009 Certificates of Obligation issuance without having to increase the debt service property tax rate. In FY 2010-11, fund balance was not available to continue to fund the additional debt service payments which required the property tax rate for debt to increase by \$0.020817, which represents a 16.3 percent increase.. The total property tax did will not change for FY 2010-11, however; instead, the portion of the overall tax rate dedicated to operations and maintenance decreased to accommodate the increase in the debt service rate.

For FY 2011-12, a tax rate increase for debt service payments is also included in the budget. For the first time in six years, this increase will not be absorbed by an equivalent decrease in the operations and maintenance tax rate. An additional \$.0385 in tax rate is needed to fully fund the debt service requirements for all outstanding debt. This rate is in addition to the total current tax rate for both debt service and operations and maintenance.

**City of New Braunfels
Self Insurance Fund
Fiscal Year Ending September 30, 2012**

Fund: 601

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 1,164,917	\$ 174,224	\$ 392,824
Total Beginning Balance	\$ 1,164,917	\$ 174,224	\$ 392,824
Revenue			
Premiums	\$ 4,249,468	\$ 4,524,600	\$ 4,720,600
Interest Income	4,247	1,000	1,000
Miscellaneous	22,365	10,000	10,000
Interfund Transfer	-	500,000	400,000
Total Revenue	\$ 4,276,080	\$ 5,035,600	\$ 5,131,600
TOTAL AVAILABLE FUNDS	\$ 5,440,997	\$ 5,209,824	\$ 5,524,424
APPROPRIATIONS			
Premiums and administrative expenses	\$ 5,201,849	\$ 4,757,000	\$ 5,172,800
Wellness program including EAP, other prevention	\$ 64,924	\$ 60,000	\$ 75,000
TOTAL OPERATING APPROPRIATIONS	\$ 5,266,773	\$ 4,817,000	\$ 5,247,800
Ending Fund Balance	\$ 174,224	\$ 392,824	\$ 276,624
TOTAL APPROPRIATIONS	\$ 5,440,997	\$ 5,209,824	\$ 5,524,424

SELF INSURANCE FUND

Fund: 601
Department Code: various

Mission:

To design, maintain and manage a quality, cost-effective benefit program that meets employee needs.

Vision:

To continue to maximize the value and quality of the employee's benefit package to attract and retain highly qualified, productive employees.

Program Description:

The Self Insurance Fund of the City of New Braunfels is used to account for the employee insurance benefits program. Revenue into the fund comes from insurance premiums paid by both the City and the employee. Expenses include: third-party administration; the cost of stop/loss insurance; and actual claims expenses paid for medical (to include prescription), dental and vision services. The employee's medical, vision, dental, accidental death and dismemberment and life insurance become effective the first day of full-time employment. Employees must contribute to the cost of coverage for themselves and their dependents for medical, dental and vision, and they have the option of paying the full cost for themselves and/or for their dependents for other supplementary cafeteria plan benefits offered such as health and dependent care accounts, short term disability, accident and cancer insurance, universal and term life policies and other similar programs.

The City is self insured for medical, dental and vision insurances provided to employees. This means that the City pays a per employee per month premium from the general and enterprise funds into this Self Insurance Fund. The fund then uses that revenue to pay actual claims costs, administrative expenses and stop/loss insurance premiums. Stop/loss provides the City outside insurance for large claims. Once a claim reaches the stop/loss level, currently \$90,000, the City's Self Insurance Fund no longer pays the claim costs; the stop/loss insurer pays the claim costs. This has proven a cost-effective means for the City to control medical insurance expenses.

Beginning in FY 2007-08, the Self Insurance Fund is also used to fund the City's wellness program – *Cityfit* – to further promote employee's health and well-being. In addition, beginning in FY 2009-10, this fund pays the cost of the Employee Assistance Program and other preventive measures such as vaccinations and flu shots.

Appropriations:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$5,201,849	\$4,757,000	\$5,172,800
Operations Expenses	64,924	60,000	75,000
<i>Total Appropriations</i>	\$5,266,773	\$4,817,000	\$5,247,800

Program Justification and Fiscal Analysis:

Medical, Dental, Prescription and Vision Employee Benefits Plan: The rising cost of health care is a constant concern nationwide, and for the City of New Braunfels. Over the last five years, many organizations have seen double- digit increases in costs in claims as well as in administrative service costs. With the exception of FY 2009-10, the City of New Braunfels had not experienced these types of increased costs. Prior to plan year October 2009 through September 2010, the City of New Braunfels and its employees had effectively managed medical services costs and claims and, therefore, avoided large increases in costs and premiums (both paid by the City and the employees). Due to the City's good experience from October 2006 through September 2009, no increases occurred in the premiums either for the City's contribution or for employees' contributions for their dependents' coverage. In fact, in plan year 2007-08, Council reduced the employees' contribution for all dependent coverage by \$50 per pay period. Unfortunately, as stated, claims in plan year 2009-10 increased significantly; the total cost for claims and administrative expenses for FY 2009-10 was 31 percent higher than FY 2008-09. This was the result of multiple factors: increases in large claims by individuals, overall increased utilization and rising medical costs. Staff also believes the uncertainty caused by the health care/insurance legislative reform also impacted the claims expenses in that year. Current projections show a decrease in claims and administrative expenses for FY 2010-11 by-\$444,849 or 8.6 percent. The FY 2011-12 budget has increased 8.7 percent over the FY 2010-11 estimate but will still actually be less than the amount experienced in FY 2009-10.

Even with the better claims expense projections for FY 2010-11 and FY 2011-12, significant changes in the City's employee medical insurance program will be required over the next several years to keep the plan and the fund healthy. Currently, premium payments from the employees and the City total about \$4.73 million with recurring expenditures for claims and administrative costs projected at \$5.25 million. This will require a drawdown from the fund balance and "one-time" revenues of \$520,000 to be transferred into this fund annually. The City has already made one-time contributions from the General Fund into the Self Insurance fund. The first was in FY 2010-11 for \$500,000 and another is budgeted in FY 2011-12 for \$400,000. This is all due to the changes in the medical insurance program.

An Employee Benefits Committee was formed and worked with Human Resources staff throughout FY 2010-11 to provide input into options and opportunities to manage employee medical insurance. The role of the committee also includes assisting with overall communication about benefits, as well as relaying information to employees about making wise, cost effective choices when utilizing the health plan. As a result of the committee and staff work, the following recommendations have been incorporated into the current medical insurance program.

Over the last several years, Council has taken actions to change premium contributions and plan benefits to mitigate the rising cost of employee medical insurance. This continues in FY 2011-12. In FY 2010-11, Council approved moving from Great West, the City's third party administrator and health network, to CIGNA effective October 1, 2010. This is expected to reduce claims expenses by 3 percent because of the better network discounts offered by CIGNA. It also reduced estimated administrative expenses by about \$53,000 for FY 2010-11.

In FY 2010-11, Council adopted a three-pronged approach to address the need to reduce costs and/or increase revenue into the fund to bring it into balance. First, premiums were increased

\$20 per month for all types of coverage under the higher coverage plan (Plan A), including employee only and dependents. This represented the first time employees contributed a premium for employee only coverage. Prior to that year, employee medical, dental, and vision coverage were offered at no charge to the employee. The base coverage plan (Plan B) was still offered at no cost to the employee. The City “matched” this increased contribution by adding \$10 per pay period or \$260 per year to the City’s contribution for employee health insurance, increasing the amount from \$7,408 annually to \$7,668 or 3.5 percent. These premium changes generated about \$240,000 annually. For FY 2011-12, this incremental increase to premium costs is continued with employee contributions for Plan A increasing by \$10 per pay period (for employee only and employee plus children) and \$16 and \$17 per pay period (for employee plus family and employee plus spouse respectively). No increases in premiums are included for Plan B (which was offered for the first time in FY 2008-09). This plan has higher deductibles and co-payments, but lower monthly premiums. This plan will continue to be offered in FY 2011-12 at no cost to the employee for employee only coverage. The City will also again increase its premium contributions by \$10 per pay period per employee (for both Plan A and Plan B). These changes are projected to provide additional revenue of \$196,000 annually.

The second portion of the strategy involves continuing to make changes in the benefits structure of the medical insurance. In plan year 2008-09, some plan design changes were implemented that affected deductions and co-pay levels. In plan year 2010-11, continuing gradual changes to deductibles and co-pays, and maximum out-of-pockets as well as some other minor changes were made, resulting in a reduction of the costs of claims to the fund. For FY 2011-12, increased deductibles and maximum out-of-pockets are once again occurring for both Plan A and Plan B. In addition, both plans will now have a \$50 separate deductible for non-generic prescriptions. Employees can make smart choices in their medical services (including using network providers rather than non-network providers) that will help them reduce their out-of-pocket costs for services, even with continued these higher deductibles and co-pays. They can also choose to pay for services with their doctor of choice, regardless of the provider’s network status. These plan changes are estimated to save about \$120,000 in the FY 2011-12 plan year.

The third component of the recommended strategy involves a transfer of funds from the General Fund into the Self Insurance Fund to maintain a reasonable fund balance. The FY 2010-11 Budget included a \$500,000 transfer into the Self Insurance Fund to begin to address the fund balance shortfall. As stated, plan year 2009-10 was a particularly high year for claims, including some very large single claims. That experience is not recurring (year-to-date) in 2010. However, there still remains a fund balance shortfall because of the FY 2009-10 costs. Therefore, the FY 2011-12 Budget once again provides a transfer from the General Fund into the Self Insurance Fund, of \$400,000. This brings the funds balance to a projected 5 percent of total annual expenses. However, if claims are lower than projected in either or both FY 2010-11 and 2011-12, the fund will have the opportunity to rebound financially, bringing the fund balance more in line with the target level of 25 percent.

Staff continues to work toward a long term strategy to ensure medical coverage for employees at an affordable cost – both to the City and the employees. This includes continuing to work with an employee committee made up of employees from all departments and from various levels so that all perspectives can be brought to the process. Along with this group, staff will develop a three-to-five-year strategy for changes in benefits levels that will reduce the overall cost of claims and/or increases in premiums for employee and dependent coverage. This strategy will

take into account all aspects of medical insurance including the impact of health care reform, our loss experiences and the City's overall financial position. It is anticipated that this strategy will make gradual changes in deductibles, co-pays and other benefits to smooth the impact on employees while maintaining the fund's financial stability. Part of this strategy includes offering a health savings account (HSA) medical insurance option, expected to be available in plan year 2012-13. HSAs offer multiple benefits both to the employer and the employee. HSAs work with a high deductible plan. An account is set up for each employee that both the employee and the employer can contribute into. The contributions for the employee are pre-tax. The fund can be used to pay for the cost of medical expenses for the employee and their dependents. Employees have to pay all medical costs until the deductible is met. After that, the plan pays the costs with no co-pays. Any money in the fund not used by the employee for medical expenses is the employee's to keep, even if they leave their employer. It also rolls over from year-to-year. The concept behind an HSA is that, since employees spend their own money first, they are incentivized to "shop" for services and use them only when really needed. The first costs for services are born entirely by the employee; the savings expected from an HSA come from this plan parameter.

The Human Resources staff will also continue to work with employees to focus on wellness and employee education regarding smart consumerism as it relates to utilization of the health plan to help the City maintain as much as possible its current level of benefits.

Wellness: The FY 2011-12 Budget also includes continued funding in the amount of \$75,000 for the City's wellness program – *Cityfit* – that was established in FY 2007-08. This program is designed to further promote the health and well-being of our employees. Wellness programs are shown, over the long term, to reduce the cost of medical insurance to employers. Since the program is expected to directly impact the claims expenses in this fund, *Cityfit* is funded in the Self Insurance Fund again this budget year. The program was initially established through an outside provider that offers a web-based program that tracks employees' fitness activities and provides rewards for reaching various levels of activity. This program continues. Some other programs/events held this past year have included: the gym reimbursement program; wellness and fitness seminars; City-wide health screenings; and a Weight Watchers at work program, which has been very successful. To continue building this program, staff is pursuing partnerships with local wellness providers, reviewing additional wellness initiatives, and looking at ways to further tie incentives for good health with reductions in health care costs to the employee, thus reducing costs to the City.

Employee Assistance Program and other wellness efforts: In January 2006, the City began offering an Employee Assistance Program. It provides counseling and referral services for employees and their dependents on a voluntary basis. The response to this program has been positive both from the employees' and the City's perspectives. The FY 2011-12 Budget continues funding this program at an annual cost of \$12,000.

Policy Considerations:

The cost of employee benefit programs, particularly medical insurance, continues to rise. The City is taking measured steps to ensure maintenance of a quality benefits package that is affordable for employees. As stated, an Employee Benefits Committee has been formed to assist with overall communication about benefits, as well as relay information to employees about making wise, cost effective choices when utilizing the health plan. Staff will continue to closely

monitor the health plan to determine what additional changes need to be made to continue to have a quality plan that is affordable for employees and the City. City staff will also closely monitor the mandated changes due to health care reform legislation to ensure compliance and cost effectiveness as these changes are implemented. Human Resources staff and the Employee Benefits Committee will continue to make necessary recommendations as appropriate for changes to the health plan design and/or premiums during this fiscal year.

During the next fiscal year, staff plans to work with other local public entities to determine the best course of action for future medical insurance or workers' compensation insurance. This will include exploring partnerships with these entities to increase our risk pool with the objective of reducing or maintaining current costs. The objective will remain to provide quality employee benefits at the most reasonable cost.

Risk management and safety programs are a key component of any strategy to provide effective services to the citizens at the least cost possible. The City currently has training and safety programs in some areas of the organization. However, a City-wide approach to this issue remains to be implemented. Enhanced training programs would also provide additional benefits, as well as cost savings to the worker's compensation program. The safer the work environment, the more productive the employees can be. To address these issues, staff has identified the need for a risk and safety coordinator to manage inherent risks associated with employees' work environments, business processes and safety policies and practices. This position is listed in the FY 2011-12 Budget as an unmet need.

CONVENTION AND TOURISM FUND

Program Description:

The City of New Braunfels collects a 7 percent tax on all hotel and motel rooms rented in the City limits. This tax currently generates about \$2.5 million annually. The City Council has adopted the allocation of those funds with up to 50 percent being paid to the New Braunfels Chamber of Commerce under a contract for the promotion of tourism, marketing and other professional services. Prior to January 2007, the Chamber received 55 percent of the tax revenue to fund these efforts. In September 2006, the allocation was changed contractually to provide additional funding for the renovation and expansion of the Civic/Convention Center. The Chamber then received 50 percent of the tax revenue. Effective January 1, 2010, a new contract was executed. Under the new terms, the Convention and Tourism Fund (CTF) (managed by the Chamber of Commerce Convention and Visitors Bureau) receives up to 50 percent of the total hotel/motel tax generated; the Council approves the CTF budget and pays only the total actual expenses made under the contract. In addition to the actual expenditures, the contract calls for the City to fund a 25 percent operating reserve for this important function.

The Convention and Visitors Bureau represents New Braunfels in their efforts to generate overnight stays. They act as the community's destination marketing organization, promoting growth in tax revenue from hotel/motel stays. They use various trade shows, print media, social network forums, and other technology based outlets to promote conventions and other tourist activities in New Braunfels.

**New Braunfels Convention and Visitors Bureau
FY 2011-12 Budget
Fiscal Year Ending September 30, 2012**

	2010 Actual	FY 2010-11 Estimate (9 Months)	FY 2011-12 Budget
Beginning Fund Balance:	\$ 241,947	\$ 200,349	\$ 262,322
Revenues			
Hotel/Motel Tax	\$ 1,104,774	\$ 1,041,138	\$ 1,212,170
Interest Income	48	200	5,000
Total Revenues	\$ 1,104,822	\$ 1,041,338	\$ 1,217,170
Total Available Funds	\$ 1,346,769	\$ 1,241,687	\$ 1,479,492
Expenditures:			
Administration	\$ 353,433	\$ 284,527	\$ 380,165
Convention Services	33,062	26,282	29,120
Brochure and Graphics/Creative	47,365	54,207	62,000
Telephone	687	1,302	1,500
Postage	15,823	4,255	15,000
Advertising	381,951	298,210	380,665
Operations	118,584	132,202	165,720
Travel Trade	14,838	17,386	20,000
Market Research		5,000	5,000
Direct Mail		5,000	-
Public Relations/Fam	51,717	56,853	68,000
Miscellaneous/Training	12,653	326	13,000
Contingency/Coop	2,828	8,876	12,000
Technology and Emerging Opportunities	55,750	21,583	40,000
Convention Incentives	16,052	13,356	25,000
High Water Event Recovery	41,677		
Cultural Heritage		50,000	
Total Expenditures	\$ 1,146,420	\$ 979,365	\$ 1,217,170
Ending Fund Balance	\$ 200,349	\$ 262,322	\$ 262,322

Program Justification and Fiscal Analysis:

In FY 2010-11, the Convention and Tourism Fund changed its fiscal year from January 1 to December 31 to October 1 to September 30. This action was taken so that the fund's fiscal year would match the City's fiscal year. This change makes budgeting and accounting more manageable because the revenue source for this fund is hotel/motel tax collected by the City and then paid to the Convention and Tourism Fund. As a result, the FY 2010-11 Revised Budget for this fund reflects only nine months of expenditures and revenue. This accounts for the significant increase in expenditures between the FY 2010-11 estimates and the FY 2011-12 Budget. The original twelve month budget for this fund was \$1,210,000. Therefore, in a budget to budget comparison for an equal twelve month period, the budget for FY 2011-12 increases very slightly.

NEW BRAUNFELS INDUSTRIAL DEVELOPMENT CORPORATION FUND

Fund: 212

Program Description:

The New Braunfels Industrial Development Corporation (4B) works with the City of New Braunfels to promote economic development in the community. They receive a portion (25 percent) of the sales tax collected in the City to fund various programs and projects that benefit the citizens. These projects include park improvements, construction of a new airport tower and other airport improvements, loans to businesses relocating and/or expanding in the area (examples include Home Depot, Leisure Pools, Ashley Furniture and the Scooter Store), contributions to the cost of the Civic/Convention Center improvements, training funds for companies moving into the area, and other important efforts. The main focus of 4B is to encourage economic development that brings quality jobs to the community.

As new projects are brought before the board for consideration and approval by both the board and the City Council, the budget is revised during the year.

Program Justification and Fiscal Analysis:

The FY 2011-12 Budget for the New Braunfels Industrial Development Corporation totals \$17,428,362. This includes funding for all projects already approved by the board and the City Council. In addition, \$10,642,000 is available for new projects that may be identified throughout the fiscal year. Annually, about \$4.1 million in new sales tax revenue is generated to fund these important economic development and quality of life projects.

New Braunfels Industrial Development Corp.
Fiscal Year Ending September 30, 2012

	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Fund Balance	\$ 10,929,796	\$ 10,342,507	\$ 12,761,412
Revenue:			
Sales Tax	\$ 3,848,413	\$ 4,041,000	\$ 4,162,230
Interest Income	40,123	20,000	20,000
Donations	-	-	-
Reimbursements	127,940	193,200	-
Loan Payments	636,267	637,000	637,000
Total Revenue	<u>\$ 4,652,743</u>	<u>\$ 4,891,200</u>	<u>\$ 4,819,230</u>
Total Available Funds	<u>\$ 15,582,539</u>	<u>\$ 15,233,707</u>	<u>\$ 17,580,642</u>
Expenditures:			
Administrative (City)	\$ 12,000	\$ 12,000	\$ 50,000
Chamber of Commerce Contract	234,569	290,300	307,100
Miscellaneous	513	1,000	2,000
Airport Tower Operations	307,010		
Downtown Master Plan and Design	50,486		
Downtown Parking Project		4,250	36,750
Brauntex Theater Project		25,000	225,000
Circle Arts Theater Project			50,000
CLARUS Higher Education Study	24,247	7,647	
Goodwin Lane Road Improvements	201,047	888,000	231,000
Ashley Furniture Fire Suppression Improvements			199,000
Ashley Furniture Economic Incentive Loan	1,600,000		1,400,000
CTTC Manufacturing Technology Academy	189,129		
Scooter Store Incentives	949,500		
CTTC Infrastructure		72,500	-
Center for Entrepreneurship			85,000
Symons Corporation			165,000
Buc-cee's			333,333
Ernest Health, Inc.			370,837
FM 306 project - overpasses			1,500,000
Airport Runway/Taxiway Overlay	690,684	152,543	37,457
Airport Hanger Alterations			169,101
Airport Runway Extension			480,000
Airport Improvements - hanger and training (Alpha Aircraft)	1,177	35,664	34,336
Projects			10,642,000
<i>Debt</i>			
1998 Certificates of Obligation	210,138	207,658	
2003 Certificates of Obligation	426,019	431,220	439,070
2006 Refunding	39,400	39,400	39,400
2007 Certificates of Obligation	304,113	305,113	310,613
2010 Refunding			201,365
2012 Debt Issuance for FM 306			120,000
Total Expenditures	<u>5,240,032</u>	<u>2,472,295</u>	<u>17,428,362</u>
Ending Fund Balance	<u>\$ 10,342,507</u>	<u>\$ 12,761,412</u>	<u>\$ 152,280</u>

CREEKSIDE TIRZ

Program Description:

The City of New Braunfels created the Creekside Tax Increment Reinvestment Zone (TIRZ) to support a major new mixed-use development in the City limits that includes retail stores, a hospital complex and, eventually, residential areas. The developer completed and initially funded public improvements that include drainage structures and new and improved roadways. The TIRZ now generates sales tax and property tax revenue. Per the economic development agreement between the City and the developer, the funds will be used for two purposes. Administrative costs for managing the TIRZ will be paid from this revenue and to pay for projected debt service requirements. Debt will be issued in amounts that the revenue can support. The proceeds of the debt will be used to reimburse the developer for the cost of that public infrastructure. In December 2010, the TIRZ issued its first debt - \$7 million in tax increment contract revenue notes. The developer received reimbursement of \$6,769,751. No debt issuance is expected in 2012.

**City of New Braunfels
Creekside Town Creek TIRZ Fund
Fiscal Year Ending September 30, 2012**

Fund: 210

Available Funds	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Balance			
Undesignated Funds	\$ 220,442	\$ 675,204	\$ 852,644
Total Beginning Balance	\$ 220,442	\$ 675,204	\$ 852,644
Revenue			
Property Tax	\$ 160,709	\$ 270,800	\$ 270,800
Municipal Sales Tax	338,815	413,000	420,000
Interest Income	238	500	500
Total Revenue	\$ 499,762	\$ 684,300	\$ 691,300
TOTAL AVAILABLE FUNDS	\$ 720,204	\$ 1,359,504	\$ 1,543,944
APPROPRIATIONS			
Administrative	\$ 45,000	\$ 31,860	\$ 85,000
Debt Service	-	475,000	475,000
TOTAL OPERATING APPROPRIATIONS	\$ 45,000	\$ 506,860	\$ 560,000
Ending Fund Balance	\$ 675,204	\$ 852,644	\$ 983,944
TOTAL APPROPRIATIONS	\$ 720,204	\$ 1,359,504	\$ 1,543,944

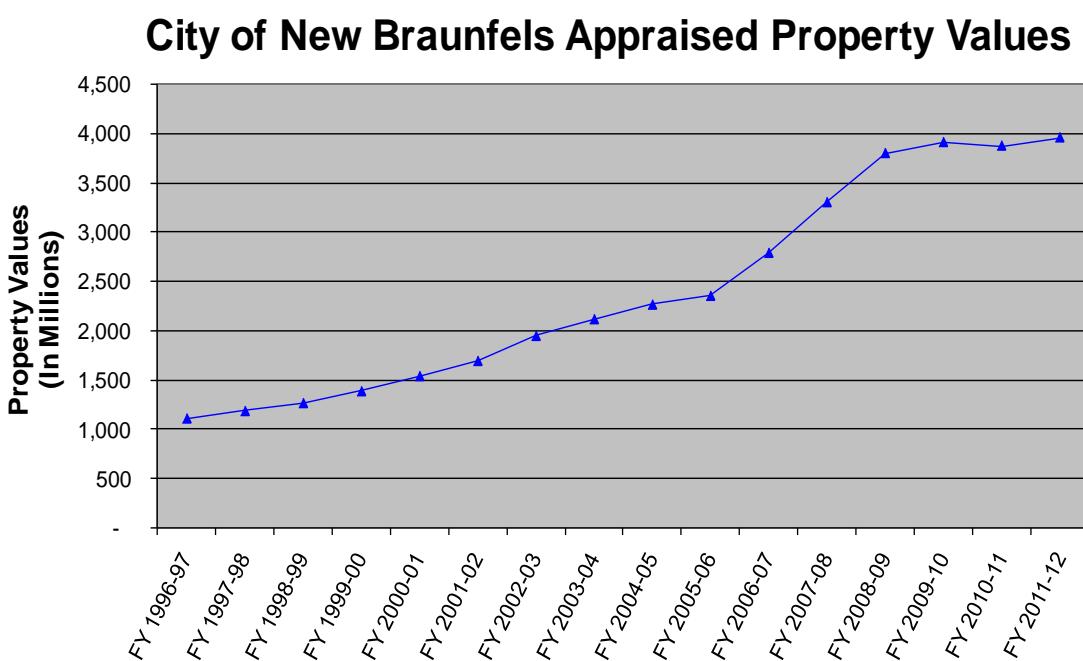
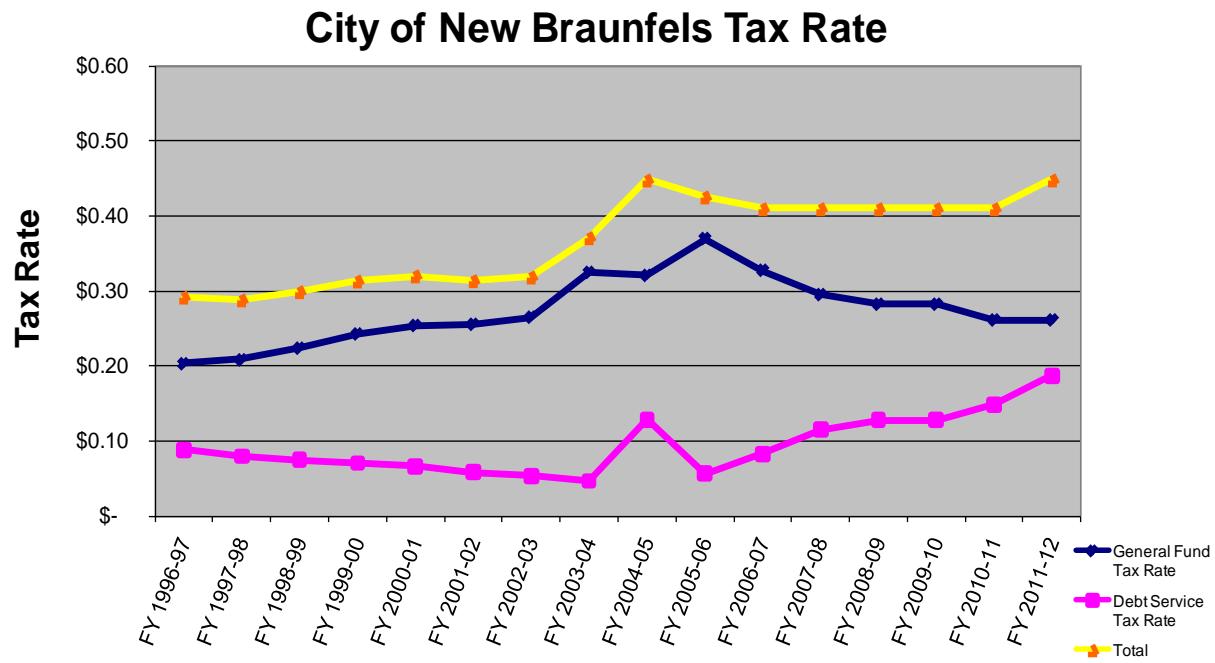
Program Justification and Fiscal Analysis:

The FY 2011-12 Budget for the Creekside TIRZ totals \$560,000 and reflects funding for annual debt service and administrative expenses.

APPENDICES

**2011 PLANNING CALENDAR
FOR BUDGET AND TAX RATE ADOPTION**

Dates	Requirements
Monday, August 8	<ul style="list-style-type: none"> • Submission to Council of Effective and Rollback Tax Rates, Statements and Schedules. • Submission of FY 2011-12 Proposed Budget to Council. • Council sets time and date of public hearings on the FY 2011-12 Proposed Budget and the time and date of the meeting to discuss the tax rate. • File FY 2011-12 Proposed Budget with City Secretary's Office.
Sunday, August 14	<ul style="list-style-type: none"> • Publication of Effective and Rollback Tax Rates, Statements and Schedules. • Notice of Public Hearing on the FY 2011-12 Proposed Budget.
Monday, August 15	<ul style="list-style-type: none"> • Presentation on FY 2011-12 Proposed Budget. • Council discusses tax rate and, if proposed rate will exceed the rollback rate or effective rate (whichever is lower), recorded vote is taken and two public hearings are scheduled.
Tuesday, August 16	<ul style="list-style-type: none"> • Council work session on FY 2011-12 Proposed Budget.
Wednesday, August 17	<ul style="list-style-type: none"> • Notice of First Public Hearing on Tax Increase (if needed). Must include quarter-page ad, television, and website; must be published at least seven days before public hearings.
Thursday, August 18	<ul style="list-style-type: none"> • Council work session on FY 2011-12 Proposed Budget.
Tuesday, August 23	<ul style="list-style-type: none"> • Council work session on FY 2011-12 Proposed Budget.
Wednesday, August 24	<ul style="list-style-type: none"> • Council work session on FY 2011-12 Proposed Budget.
Thursday, August 25	<ul style="list-style-type: none"> • Public Hearing on the FY 2011-12 Proposed Budget. • First Public Hearing on the Proposed Tax Rate; schedule and announce meeting to adopt tax rate.
Thursday, September 1	<ul style="list-style-type: none"> • Second Public Hearing on the Proposed Tax Rate; announce meeting to adopt tax rate 3-14 days from this date.
Sunday, September 4	<ul style="list-style-type: none"> • Notice of Tax Revenue Increase published before meeting to adopt (if needed); second quarter-page notice, television and website; must be published at least seven days before meeting.
Tuesday, September 6	<ul style="list-style-type: none"> • First Reading of Ordinance to adopt the Budget. • First Reading of tax ordinance.
Monday, September 12	<ul style="list-style-type: none"> • Council adopts FY 2011-12 Proposed Budget; second reading of budget ordinance; ratifies property tax revenue increase reflected in the budget (if needed). • Meeting to Adopt Tax Rate; second reading of tax ordinance (must be between 3 and 14 days after Second Public Hearing).



2011 Property Tax Rates in City of New Braunfels

This notice concerns 2011 property tax rates for City of New Braunfels. It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$10,023,378
Last year's debt taxes	\$5,695,058
Last year's total taxes	\$15,718,436
Last year's tax base	\$3,390,945,467
Last year's total tax rate	0.409862/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$13,652,315
÷ This year's adjusted tax base (after subtracting value of new property)	\$3,413,079,877
= This year's effective tax rate	0.399999/\$100

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate and/or enhanced indigent health care expenditures)	\$10,169,844
÷ This year's adjusted tax base	\$3,413,079,877
= This year's effective operating rate	0.297966/\$100
× 1.08 = this year's maximum operating rate	0.321803/\$100
+ This year's debt rate	0.201996/\$100
= This year's rollback rate	0.523799/\$100

A hospital district or city that collects the additional sales tax to reduce property taxes, including one that collects the tax for the first time this year, must insert the following lines:
-Sales tax adjustment rate 0.045652/\$100
=Rollback tax rate 0.478147/\$100

Statement of Increase/Decrease

If City of New Braunfels adopts a 2011 tax rate equal to the effective tax rate of 0.399999 per \$100 of value, taxes would decrease compared to 2010 taxes by \$ 26,637.

Schedule A: Unencumbered Fund Balances:

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
General Fund	18,030,974
Debt Service Fund	604,514

Schedule B: 2011 Debt Service:

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
2004 Certificates of Obligation	1,150,000	562,250	1,000	1,713,250
2006A Certificates of Obligation	100,000	53,993	1,000	154,993
2007 Certificates of Obligation	750,000	544,125	1,000	1,295,125
2008 Certificates of Obligation	520,000	588,609	1,000	1,109,609
2011 Certificates of Obligation	450,000	891,788	1,000	1,342,788
2006 General Obligation Refunding	60,000	383,638	1,000	444,638
2008 Tax Notes	285,000	36,125	1,000	322,125
2009 Certificates of Obligation	370,000	327,440	1,000	698,440

Total required for 2011 debt service	\$7,080,968
- Amount (if any) paid from funds listed in Schedule A	\$0
- Amount (if any) paid from other resources	\$0
- Excess collections last year	\$0
= Total to be paid from taxes in 2011	\$7,080,968
Amount added in anticipation that the unit will collect only 100.000000% of its taxes in 2011	\$0
= Total Debt Levy	\$7,080,968

Schedule C - Expected Revenue from Additional Sales Tax

(For hospital districts, cities and counties with additional sales tax to reduce property taxes)

In calculating its effective and rollback tax rates, the unit estimated that it will receive \$ 1,600,341 in additional sales and use tax revenues. **For County:** The county has excluded any amount that is or will be distributed for economic development grants from this amount of expected sales tax revenue.

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 205 N Seguin Ave, New Braunfels , Tx 78130.

Name of person preparing this notice: Cathy C. Talcott

Title: Comal County Tax Assessor-Collector

Date prepared: July 26, 2011

ORDINANCE NO. 2011-66

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR THE CITY OF NEW BRAUNFELS FOR THE FISCAL YEAR 2011-12; MAKING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2011 AND ENDING SEPTEMBER 30, 2012; AND REGULATING THE PAYMENT OF MONEY OUT OF THE CITY TREASURY.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEW BRAUNFELS, TEXAS:

SECTION 1. The annual budget as more detailed in the attached document – City of New Braunfels FY 2011-12 Proposed Budget - by reference and made a part hereof; and the attached Budget Order are hereby ratified and adopted as the budget for Fiscal Year 2011-12.

SECTION 2. The amounts documented in the City of New Braunfels FY 2011-12 Proposed Budget are hereby appropriated subject as hereinafter set forth in this ordinance for use in maintenance and support of the departments and divisions of the City's government and for the purposes hereinafter mentioned for the fiscal year beginning October 1, 2011, and ending September 30, 2012.

SECTION 3. That revenues included in the City of New Braunfels FY 2011-12 Proposed Budget shall be used to fund the City's required expenditures for FY 2011-12. The amount of revenue raised by taxation shall constitute a determination of the amount of levy for the City's purposes in the corresponding tax year.

SECTION 4. That expenditures of funds for the City of New Braunfels shall hereafter be made in conformance with this budget as adopted; and as set forth in the Charter and ordinances of the City of New Braunfels, Texas.

SECTION 5. This ordinance shall become effective immediately upon its passage as provided by the Charter.

PASSED AND APPROVED: First reading this the 1st day of September, 2011

PASSED AND APPROVED: Second reading this the 7th day of September, 2011

CITY OF NEW BRAUNFELS, TEXAS

BY: Gale Pospisil
Gale Pospisil, Mayor

ATTEST:

Patrick Aten
PATRICK ATEN, City Secretary



APPROVED AS TO FORM:

Jessica D. Richard
PAUL ISHAM, Interim City Attorney
Jessica D. Richard, Assistant

Budget Order
City of New Braunfels
FY 2011-12 Budget
For the period October 1, 2011 through September 30, 2012

Approval of the FY 2011-12 Budget

City Council approves the FY 2011-12 Budget as filed with the City Secretary with the amendments included in the August 19, 2011 memorandum “Recommended Changes to the FY 2011-12 Budget” included here as Attachment 1.

Authorized Positions and Salaries

The positions listed in the FY 2011-12 Budget document under each department or division are the authorized positions for FY 2011-12. These lists include seasonal and part time positions but not temporary positions. Temporary positions are approved during the year at the City Manager’s discretion and depend on available budgeted funds.

No salary increases are authorized for FY 2011-12 including those that would occur for step changes (based on longevity) for employees under the Public Safety Uniform Employees Step Pay Plan.

All new positions in the FY 2011-12 Budget are authorized effective October 1, 2011 and are funded as of January 1, 2012.

General Fund, Enterprise Funds, Special Revenue Funds, and Other Funds (as listed in the designated sections of the FY 2011-12 Budget document)

The FY 2011-12 Budget, as adopted by City Council, controls expenditures by fund, department and at the group level for all funds in these categories. These groups are:

- Employee Expenses
- Operations Expenses
- Capital Expenses
- Interfund Transfers
- Debt Service
- Contingencies

This means that, although funds are allocated into individual line items in each budget and those line item allocations are adopted as part of the FY 2011-12 Budget, departments have some flexibility in expensing these funds within the group. As long as the total appropriation for a group (for example employee expenses) is not exceeded, one or more line items in the group (for example health insurance) may exceed its budget allocation.

In the CDBG, Special Revenue, Grants Funds, and New Braunfels Industrial Development Corporation (NBIDC) Budget, appropriations are controlled at the project level. As the Council accepts federal entitlements and grants, as donations are received from outside sources, and as projects are approved, those proceeds are appropriated and available to departments and to NBIDC to expend for identified City purposes and needs.

Capital Improvement Funds (as listed in the designated section of the FY 2011-12 Budget document)

Capital improvement funds are controlled at the project level. Expenditures within the individual projects may span fiscal years. However, budgetary control is not exercised by fiscal year; it is by the total project cost and total project expenditures. This provides a more realistic approach to budgetary control for these types of activities.

Authority of the City Manager

The City Manager and his authorized and designated employees, at his direction, are authorized to sign or release easements, airport leases, permits, and licenses; to authorize change orders of less than \$25,000; to sign interlocal agreements as authorized by state law; to sign documents authorizing the payment of funds, and to expend public funds as authorized by state law unless otherwise authorized by the City Council; to settle paving assessment, weed mowing, demolition, and other disputes based on legal questions of whether the assessments are enforceable or other extenuating factual circumstances. The City Manager is authorized to adjust compensation, within Council policy guidelines, of any City employee, including appointees, when in his discretion an adjustment needs to be made to hire or retain qualified personnel. The City Manager is authorized to hire temporary employees when needed and if sufficient funds are available within the adopted budget. The intent of this section is to provide the ability to conduct daily affairs of the City, which involves numerous decisions of a routine nature, and to hire and retain qualified personnel.

City Council Approval

The City Council hereby approves grants and contracts that are set out by this budget and authorizes the City Manager and his authorized and designated employees, at his discretion, to sign said federal, state, and other such grant and contract documents, including interlocal agreements, on behalf of the City. The funds for said contracts, agreements, and purchases are hereby approved and appropriated. The intent of this section is to approve and simplify the grant process and approve expenditures that are exempt from the Purchasing and Contracting Authority of Municipalities, Chapter 252 of the Local Government Code.



SUPPORT SERVICES DEPARTMENT

ATTACHMENT 1

To: City Council
From: Deborah Korinchock, Support Services Director
Date: August 23, 2011
Subject: Recommended Changes to the FY 2011-12 Proposed Budget

After Council direction on budget issues and further review of the FY 2011-12 Proposed Budget document submitted to City Council for their consideration, the following changes are recommended.

1. The General Fund Ad Valorem Property Tax – Current revenue is reduced by \$270,046 to reflect the reduction in the tax rate of \$.007.
2. The Police Department has identified the need for one additional School Crossing Guard (Seasonal) position. This position will serve a Comal Independent School District school. As a result, the following changes are recommended to the Child Safety Fund FY 2011-12 Budget. These changes increase the authorized positions from 12 to 13 and add \$6,000 to the employee expense appropriation, reducing the ending fund balance by an equal amount.

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
School Crossing Guard (Seasonal)	<u>12</u>	<u>12</u>	<u>13</u>
Total Authorized Positions	12	12	13

Appropriations:

	FY 2009-10 <u>Actual</u>	FY 2010-11 <u>Estimate</u>	FY 2011-12 <u>Budget</u>
Employee Expenses	\$59,346	\$71,300	\$77,239
Operations Expenses	21,562	7,000	50,000
Capital Expenses	0	30,000	10,000
Total Appropriations	\$80,908	\$108,300	\$137,239
Ending Fund Balance	\$100,790	\$84,990	\$40,252

3. The revised New Braunfels Industrial Development Corporation (NBIDC) FY 2011-12 Budget is attached. The administrative expense to the City of New Braunfels for staff support has increased from \$12,000 to \$50,000. In addition, the Airport Improvements (was \$360,900) project is now the Airport Runway Extension project for a total of \$480,000. The Projects (uncommitted) line item is reduced to \$10,642,000 because of these additional specific allocations.

In addition, General Fund miscellaneous revenue increases by \$50,000 to reflect the payment from NBIDC.

4. New legislation passed in the 2011 Texas legislature requires the City to account for the 1 percent franchise payment from Time Warner that must be used for video and broadcast equipment to be accounted for in a separate fund. The City began receiving this payment in January 2010. The following adjustments to the proposed budget are needed to create this fund, account for new revenue and expenditures and move existing net proceeds from the 1 percent payment into the new fund.

Reduce General Fund Revenue from Time Warner Cable (\$140,000)

Reduce General Fund Non-Departmental Operations Expense Appropriation by: (\$280,000)

Increase General Fund Non-Departmental Interfund Transfer Appropriation by: \$265,000

Establish Cable Franchise (PEG) Fund

Revenues:

Franchise Payments – Time Warner \$140,000
Interfund Transfer \$265,000

Expenses:

Operations Expenses \$200,000
Capital Expenses \$100,000

Ending Fund Balance \$105,000

5. Funding for the litter contract and anti-litter campaign will continue to be funded with the proceeds of Solid Waste revenues (garbage and recycling fees). However, to more accurately

represent the full cost of river activities, the cost will be budgeted in the River Activities Fund with an interfund transfer from the Solid Waste Fund. The following changes are required to facilitate this budgeting approach.

Increase Solid Waste Fund Interfund Transfer appropriation by	\$175,000
Reduce Solid Waste Operations Expense appropriation by	(\$175,000)

Increase River Activities Fund Operations Expense appropriation by:	\$175,000
Increase River Activities Interfund Transfer revenue by	\$175,000

6. The Stormwater Utility Fund authorized positions inadvertently listed three Maintenance Worker positions. The total authorized for FY 2011-12 is 2. Below is the revised position listing.

Authorized Positions:

	FY 2009-10	FY 2010-11	FY 2011-12
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Stormwater Utility Manager	0	0	1
Administrative Assistant *	0	0	.5
Equipment Operator I	0	0	6
Foreman	0	0	1
Maintenance Worker	0	0	2
Watershed Technician	<u>0</u>	<u>0</u>	<u>1</u>
<i>Total Authorized Positions</i>	<i>0</i>	<i>0</i>	<i>11.5</i>

New Braunfels Industrial Development Corp.

Fiscal Year Ending September 30, 2012

	FY 2009-10 Actual	FY 2010-11 Estimate	FY 2011-12 Budget
Beginning Fund Balance	\$ 10,929,796	\$ 10,342,507	\$ 12,761,412
Revenue:			
Sales Tax	\$ 3,848,413	\$ 4,041,000	\$ 4,162,230
Interest Income	40,123	20,000	20,000
Donations	-	-	-
Reimbursements	127,940	193,200	-
Loan Payments	636,267	637,000	637,000
Total Revenue	<u>\$ 4,652,743</u>	<u>\$ 4,891,200</u>	<u>\$ 4,819,230</u>
Total Available Funds	<u>\$ 15,582,539</u>	<u>\$ 15,233,707</u>	<u>\$ 17,580,642</u>
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Administrative (City)	\$ 12,000	\$ 12,000	\$ 50,000
Chamber of Commerce Contract	234,569	290,300	307,100
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Buc-cee's			333,333
Ernest Health, Inc.			370,837
FM 306 project - overpasses			1,500,000
Airport Runway/Taxiway Overlay	690,684	152,543	37,457
Airport Hanger Alterations			169,101
Airport Runway Extension			480,000
Airport Improvements - hanger and training (Alpha Aircraft)	1,177	35,664	34,336
Projects			10,642,000
<i>Debt</i>			
1998 Certificates of Obligation	210,138	207,658	
2003 Certificates of Obligation	426,019	431,220	439,070
2006 Refunding	39,400	39,400	39,400
2007 Certificates of Obligation	304,113	305,113	310,613
2010 Refunding			201,365
2012 Debt Issuance for FM 306			120,000
Total Expenditures	<u>5,240,032</u>	<u>2,472,295</u>	<u>17,428,362</u>
Ending Fund Balance	<u>\$ 10,342,507</u>	<u>\$ 12,761,412</u>	<u>\$ 152,280</u>

ORDINANCE NO. 2011-67

TAX LEVY ORDINANCE

**AN ORDINANCE LEVYING TAXES FOR THE USE AND SUPPORT OF
THE MUNICIPAL GOVERNMENT OF THE CITY OF NEW BRAUNFELS
AND FOR THE TAX DEBT SERVICE FUND FOR PAYMENT OF
INTEREST AND PRINCIPAL REQUIREMENTS FOR THE FISCAL
YEAR OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2012**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEW BRAUNFELS, TEXAS:

SECTION 1. That there is hereby levied and there shall be collected for the use and benefit of the City's General Operating Fund during the Fiscal Year 2011-12, the sum of \$0.261362 on each One Hundred Dollars (\$100.00) of the assessed valuation of taxable property, real, personal and mixed, of said City of New Braunfels, which taxes, when collected, shall be paid into the City's General Operating Fund in the City Treasury. In accordance with the provisions and requirements of Section 26.05 (b) (1) of the Texas Property Tax Code, as amended, the City Council hereby states that **THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.**

SECTION 2. That there is hereby levied and there shall be collected for the use and benefit of the City's Tax Debt Service Fund during the Fiscal Year 2011-12, the sum of \$0.187000 on each One Hundred Dollars (\$100.00) of the assessed valuation of taxable property, real, personal and mixed, of said City of New Braunfels, which taxes, when collected, shall be paid into the City's Tax Debt Service Fund.

SECTION 3. That for the use and support of the Fiscal Year 2011-12 Budget, the total tax levy of \$0.448362 on every One Hundred Dollars (\$100.00) assessed valuation of taxable property in the City of New Braunfels as listed and rated above, shall become due and payable on/about October 1st, 2011, and become and be considered delinquent if not paid by January 31st, 2012. In accordance with the provisions and requirements of Section 26.05 (b) (1) of the Texas Property Tax Code, as amended, the City Council hereby states that **THE TAX RATE WILL EFFECTIVELY BE RAISED BY 9.4 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.**

After January 31, 2012, such taxes shall become delinquent and the penalty and interest designated herein shall be collected for each month or portion of month that the delinquent taxes remain unpaid:

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Penalty	6	7	8	9	10	12	12	12	12	12	12	12
Interest	1	2	3	4	5	6	7	8	9	10	11	12
Total	7%	9%	11%	13%	15%	18%	19%	20%	21%	22%	23%	24%

The rate of interest to be collected on delinquent taxes shall be one percent (1%) per month for each month they remain unpaid. On July 1, the total penalty incurred on delinquent taxes shall be twelve percent (12%) without regard to the number of months the tax is delinquent. Accrual of interest at one percent (1%) per month for each month taxes remain unpaid shall continue to accrue until taxes are paid.

Further, after July 1, 2012, an additional Tax Attorney Fee in the amount of fifteen percent (15%) shall be added to penalty and interest as set forth herein on all delinquent taxes forwarded to the designated Delinquent Tax Attorney for collection of said delinquent taxes.

SECTION 4. All monies collected under this Ordinance for the specific items herein named, be and the same are hereby appropriated and set apart for the specific purposes indicated in such items and that the Assessor-Collector of Taxes, the City Secretary and the City Treasurer shall keep these accounts so as to readily and distinctly show the amount collected, the amounts expended and the amount on hand at any time, belonging to such funds, it is hereby made the duty of the Tax Assessor-Collector of Taxes and every person collecting money for the City of New Braunfels, Texas, for delivery to the City Treasurer and the City Secretary at the time of depositing monies, a statement showing to what funds such deposit shall be made and from what sources received. All receipts for the City not specifically apportioned by this Ordinance are hereby made payable to the General Operating Fund of the City.

SECTION 5. The recorded vote on this Ordinance was as follows:

		1 st Reading	2 nd Reading
District One	Council Member Richard Zapata	yes	yes
District Two	Mayor Pro Tem Mark Goodner	absent	no
District Three	Council Member Mike Ybarra	yes	yes
District Four	Council Member Sandy Nolte	yes	yes
District Five	Council Member Bryan Miranda	yes	yes
District Six	Council Member Steven Digges	yes	no
	Mayor Gale Pospisil	yes	yes

SECTION 6. That all ordinances and parts of ordinances in conflict be and same are hereby repealed.

SECTION 7. This ordinance shall become effective immediately upon its passage as provided by the Charter.

PASSED AND APPROVED: First reading this the 1st day of September, 2011.

PASSED AND APPROVED: Second reading this the 7th day of September, 2011.

CITY OF NEW BRAUNFELS, TEXAS

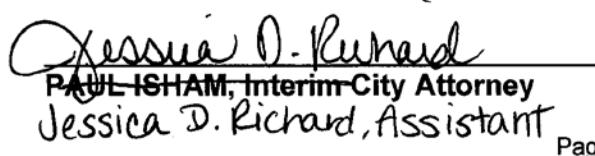
BY: 
Gale Pospisil, Mayor

ATTEST:



PATRICK ATEN, City Secretary

APPROVED AS TO FORM:



PAUL ISHAM, Interim City Attorney
Jessica D. Richard, Assistant

City of New Braunfels

Financial Policies

PURPOSE:

To establish guidelines and procedures for accounting and auditing; financial planning; budgeting and budget transfers; revenues; operating and debt reserves; personnel; purchasing and fixed assets; debt management and investment and cash management.

A. GENERAL

1. The City will operate on a fiscal year which begins on October 1 and ends on September 30.
2. The City will conduct its financial affairs in conformity with state and federal laws. These Financial Policies shall be approved by City Council and reviewed on an annual basis as a part of the budget development process.

B. ACCOUNTING, AUDITING AND FINANCIAL PLANNING

1. The Support Services Department maintains records on a basis consistent with generally accepted accounting principles (GAAP) including standards for local government accounting, as determined by GASB and GFOA.
2. Regular monthly and annual financial reports are issued summarizing financial activity. The monthly financial reports are provided to City Council and departments. A presentation of the financial reports and status is made quarterly to the City Council by the Support Services Director/Chief Financial Officer.
3. A financial audit is performed annually by an independent public accounting firm, and an official opinion and annual financial report is published and issued.
 - a) Annually, City Council will accept the audited Comprehensive Annual Financial Report for the prior fiscal year.

4. Full disclosure is provided in the annual financial and budget reports and bond representations.

C. BUDGETING

1. The City budgets resources on a fiscal year which begins October 1 and ends the following September 30.
2. Since FY 2008-09, the City of New Braunfels has prepared and maintained a long range five year financial forecast which: a) updates reserve and expenditure projections for the next five years; b) projects capital improvement requirements over the five year period, including operating costs associated with all projects; c) projects revenue and expenses for each year in

the period; and d) describes strategic issues that present the City with challenges and opportunities for the future.

3. Information and forms for use in the annual budget preparation process will be distributed to City departments each year at the beginning of the budget development process. All departments must return their budget proposals to the Support Services Director/Chief Financial Officer.
4. A balanced proposed budget will be prepared and distributed to City Council in accordance with the City charter.
5. The proposed budget document shall include:
 - a) A budget message
 - b) Fund balance schedules that include expected revenue and expenditures for all funds
 - c) An analysis of property valuations and tax rates including tax levies and collections for the last five years
 - d) Revenue estimates
 - e) Operating expenditures by department and expense category (delineated below)
 - f) A five year capital improvement program including provisions for financing that plan
 - g) Debt service costs (delineating principal and interest) by issuance and a description of outstanding debt issuances
 - h) A statement of expenditures for debt proceeds
 - i) Descriptions of departments functions and mission
 - j) Performance measures for each department – workload, efficiency and effectiveness
 - k) Descriptions and cost analysis of program changes
 - l) Description of capital projects included for funding in the proposed budget
 - m) A list of authorized positions by department and division (where appropriate)
 - n) The budget and tax ordinances adopted by Council
6. City Council will adopt the tax rate and budget by ordinance in accordance with the City charter and to allow sufficient time to send out property tax statements.
7. Appropriations as approved by the City Council are incorporated into the City's financial records by the Support Services Director/Chief Financial Officer
 - a. The following general categories are used to appropriate funds annually:
 - i. Employee Expenses
 - ii. Operations Expenses
 - iii. Capital Expense
 - iv. Debt Service Expenses
 - v. Contingencies
 - vi. Interfund Transfers

Detailed expenditures by line item and by department (divisions where appropriate) are maintained by the Support Services Director/Chief Financial Officer.

- b. Annually, the budget will be developed for each department at the division level to better represent their organization structures. However, the budget approved by City Council will appropriate funds at the department level and fiscal control shall occur at this level.
- c. Appropriations in the Capital Project Funds are made on a project basis across multiple fiscal years rather than on a single fiscal year basis and are carried forward until the projects are completed.
- d. Appropriations in the grants and donations funds (including CDBG, HOME, the Grant Fund and the Special Revenue Fund) are made on a program year basis and/or by project rather than on a City fiscal year basis.

8. Except for capital projects, grants and federal entitlement programs (CDBG and HOME), and for encumbrances outstanding in any fund at fiscal year end, unused appropriations lapse at the end of each fiscal year.
9. A budget transfer shall be made ONLY when it is submitted in writing, and initiated and signed by the department head. The Support Services Director/Chief Financial Officer shall approve all budget transfers in amounts under \$5,000 except as stated in Section C-10 below. City Council shall approve all budget transfers of \$5,000 or greater.
10. **ALL** budget transfers taking funds from Fund Balance and all budget transfers that move funds between departments require City Council approval, regardless of the amount.
11. Departments are accountable for not exceeding their annual budgetary appropriations.

D. RESERVES

1. The City of New Braunfels will maintain an operating reserve for use in the event of unanticipated, extraordinary expenditures and/or the loss of a major revenue source. In the General Fund, the operating reserve and specified contingencies shall be established at a minimum of twenty-five (25) percent of the General Fund budgeted expenditures for the current fiscal year. For all other Special Revenue Funds, the operating reserve shall equal ten (10) percent of the budgeted annual expenditures. These funds can only be appropriated by an affirmative vote of five of the seven Council members.
2. Capital project funds' reserves will be established by project, not by fund and will, in general, reflect three (3) percent of the total project costs.
3. The City will maintain a balance in the Debt Service Funds equal to not less than ten percent of the principal and interest payments on outstanding debt for each fiscal year. These funds can only be appropriated by an affirmative vote of five of the seven Council members.

E. PERSONNEL

1. At no time shall the number of regular employees on the payroll in each department exceed the total number of positions authorized by City Council. All personnel actions shall at all times be in strict conformance with applicable federal, state and City policies.
2. The City Council may institute a freeze during the fiscal year on hiring, promotions and transfers.
3. City Council shall annually approve all authorized regular positions through the annual budget adoption process and any subsequent additions or deletions to the total number of positions. The City Manager approves reclassifications of positions.
4. The City Manager is authorized to adjust compensation, within Council policy guidelines, of any City employee, including appointees, when in his discretion an adjustment needs to be made to hire or retain qualified personnel. The City Manager is authorized to hire temporary employees when needed and if sufficient funds are available within the adopted budget. The intent of this section is to provide the ability to hire and retain qualified personnel.
5. The City maintains written Personnel Policies adopted by City Council.

F. PURCHASING, CONTRACTING AND FIXED ASSETS

1. All purchases of fixed assets with a value of \$5,000 or more will be placed on the City inventory.
2. The City will maintain these assets at a level adequate to protect the City's capital investments and to minimize future maintenance and replacement costs by:
 - a) Developing and maintaining a five year plan for capital projects and authorizing all capital projects in accordance with this plan; and
 - b) Providing for adequate maintenance of capital plant and equipment replacement in the annual operating budget.
 - c) The City shall maintain reserves for vehicle replacement, computer replacement, facilities maintenance and parks maintenance.
3. Where possible, items in good, safe, useable condition placed in surplus will be used to supplement expenditures for new budgeted capital purchases or to supply needed unbudgeted new and replacement equipment.
4. The City Manager has the authority to declare items with a value of no greater than \$5,000 as surplus and/or salvage for auctioning purposes.
5. Information Technology staff will review and approve all purchases of information and communication technology to ensure compatibility with the City's existing voice and data infrastructure and to protect that infrastructure from viruses and other threats.

6. Any asset seized by forfeiture will be accepted by the City Council and placed into the City inventory, before any expenditure of City budgeted funds is made for or in relation to the asset.
7. The City Manager and his authorized and designated employees, at his direction, are authorized to sign or release easements, permits, licenses and change orders; to sign interlocal agreements as authorized by state law; to sign documents authorizing the payment of funds, and to expend public funds as authorized by state law unless otherwise authorized by the City Council; to settle paving assessment, weed mowing, demolition, and other disputes based on legal questions of whether the assessments are enforceable or other extenuating factual circumstances. The intent of this section is to provide the ability to conduct daily affairs of the City, which involves numerous decisions of a routine nature, and to hire and retain qualified personnel.

G. DEBT MANAGEMENT

1. The City will not use long term debt for current operations.
2. The City will adhere to the following when it finds it necessary to issue debt instruments:
 - a) Average weighted general obligation bond maturities will not exceed twenty (20) years.
 - b) The term of any debt issuance will not exceed the useful life of the capital project, facility or equipment for which the borrowing is intended.
 - c) Debt service for all funds in any year will not exceed twenty-five (25) percent of the total annual operations budgets;
 - d) The City will maintain a balance in the debt service fund equal to not less than ten percent of the principal and interest payments on outstanding debt for each fiscal year for all debt not requiring an earnings coverage;
 - e) Interest earnings on debt service fund balances will be used to make debt service payments;
3. The City will comply with all federal requirements regarding arbitrage on debt issuances to avoid any penalties.
4. The City will consider opportunities to refund existing debt issuances if the savings on the current principal and interest payments over the remaining life of the debt produces present value savings of three (3) percent or greater.

H. INVESTMENT AND CASH MANAGEMENT

1. The City maintains a written Investment Policy adopted by City Council and reviewed annually.



INVESTMENT POLICY

1.0 POLICY

It is the policy of the City of New Braunfels to invest public funds in a manner which will provide the highest reasonable investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds. The Policy complies with and incorporates the Public Funds Investment Act, (the “Act”), Chapter 2256, Texas Government Code and the Public Funds Collateral Act, Chapter 2257, Texas Government Code.

2.0 SCOPE

This Investment Policy applies to all financial assets of the City of New Braunfels. These funds are accounted for in the City’s Comprehensive Annual Financial Report and include:

Funds

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Trust and Agency Funds
- Internal Service Funds

Any new funds created by the City will be incorporated under this Policy unless specifically exempted by Council action.

3.0 PRUDENCE

The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. The standard states:

Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal liability for an individual security’s credit

risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

In determining whether the investment officers have exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds over which the officer had responsibility rather than a consideration as to the prudence of a single investment, and whether the investment decision was consistent with the written investment policy.

4.0 OBJECTIVES

The primary objectives, in priority order, of the City of New Braunfels' investment activities shall be:

4.1 Safety

Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The City shall seek to control the risk of loss due to the failure of a security issuer or guarantor by investing in high credit quality securities, by qualifying and monitoring financial counterparties, through adequate collateralization, through diversification, and by establishing maximum maturities and weighted average maturities.

4.2 Liquidity

The City of New Braunfels' investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

4.3 Diversification

Whenever practical, assets held in the portfolio(s) shall be diversified to minimize the risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer, or a specific market sector. The City's investments shall be reviewed and rebalanced with respect to diversification at least once per calendar quarter.

4.4 Return on Investments

The City of New Braunfels' investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio.

5.0 INVESTMENT STRATEGY

The City maintains one commingled portfolio for investment purposes which incorporates the specific investment strategy considerations and the unique characteristics of the fund groups represented in the portfolio:

- A. The investment strategy for operating, enterprise and special revenue funds has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity

provided. The secondary objective is to create a portfolio structure which will experience minimal volatility. This may be accomplished by purchasing high quality, short- to medium-term maturity securities which will complement each other in a laddered maturity structure permitting some extension for yield enhancement.

- B. The investment strategy for debt service funds shall have as its primary objective the assurance of available funds adequate to fund the debt service obligations on a timely basis. Successive debt service dates will be fully funded before extension.
- C. The investment strategy for debt service reserve funds shall have as its primary objective the ability to generate a revenue stream to the debt service funds from high quality securities with a low degree of volatility. Securities should be high credit quality and, except as may be required by the bond ordinance specific to an individual issue, of short to intermediate-term maturities. The potential for loss shall be further controlled through the purchase of securities within the desired maturity range.
- D. The investment strategy for capital projects or capital project funds will have as its primary objective assurance that anticipated cash flows are matched and provide adequate investment liquidity. The stated final maturity dates of securities held may not exceed the estimated project completion date.

The City intends to match investments with the projected cash flows and liquidity needs of the City. In no case will the dollar-weighted average maturity of the portfolio exceed six (6) months. The maximum final stated maturity of any investment shall not exceed two years.

The City shall pursue an active versus a passive portfolio management strategy. That is, securities may be sold before they mature if market conditions present an opportunity for the City to benefit from the trade.

6.0 DELEGATION OF AUTHORITY AND RESPONSIBILITIES

Management responsibility for the investment program has been delegated by City Council primarily to the City Manager and the Chief Financial Officer, who are designated by resolution as investment officers. A registered investment adviser may also be designated as a City Council appointed Investment Officer. This authority is derived from the Act.

The Investment Officers shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Procedures should include safekeeping controls, documentation, internal controls, repurchase agreements, wire transfers, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer. The Chief Financial Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Each Investment Officer shall attend 10 hours of training in the responsibilities of the position within twelve months of assuming those duties and within every succeeding two-year period as required by the Act.

The Chief Financial Officer shall establish an annual process of independent review by an external auditor for compliance with policies and procedures.

7.0 ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any personal financial/investment relationships that could impact the performance of the City of New Braunfels' investment portfolio. If an Investment Officer has a personal relationship as defined in the Act with a business organization engaging in investment transactions with the City, the Investment Officer must disclose the relationship and file a disclosure with the City Secretary and the Texas Ethics Commission.

8.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Investment Officer(s) or adviser will maintain a list of Council authorized broker/dealers, financial institutions, money market mutual funds and local government investment pools offering to engage in an investment transaction with the City. An annual review of the services provided, financial condition and registrations of these firms will be conducted by the Chief Financial Officer and a list of firms submitted to Council for approval at least once a year. [2256.005]

Broker/dealers may include "primary" dealers as defined by the New York Federal Reserve or regional dealers. Financial institutions shall be qualified public depositories as designated by state law.

All firms desiring to transact investment transactions with the City must complete the City's internal questionnaire and execute a Policy Certification (Appendix A) before any transaction. A current audited financial statement is required to be on file for each firm. Should the City contract with an external investment advisor to execute the City's investment strategy, including the negotiation and execution of investment transactions, a managing officer of the investment advisory firm shall sign the written certification, which shall be included as part of the investment advisory contract.

9.0 AUTHORIZED INVESTMENTS

Authorized investments shall be limited to the following, as further defined by the Act:

9.1 Obligations of the United States or its agencies and instrumentalities excluding mortgage backed securities;

- 9.2** Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities;
- 9.3** Fully insured or collateralized certificates of deposit issued by banks doing business in Texas that are guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, secured by obligations as described by the Policy;
- 9.4** Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a bank doing business in Texas, and secured in accordance with this Policy, purchased under a master repurchase agreement which specifies the rights and obligations of both parties and requires that the securities involved in the transaction be held in a safekeeping account subject to the control of the City with a stated final maturity of one year, except flex repurchase agreements used for bond funds which may extend to match the expenditure plan of the bond proceeds.
- 9.5** AAA rated Security and Exchange Commission registered money market mutual funds with a dollar-weighted average portfolio maturity of 90 days or fewer whose investment objectives include seeking to maintain a stable net asset value of \$1 per share.
- 9.6** Constant-dollar, AAA-rated Texas local government investment pools as defined by the Act.
- 9.7** Collateralized or insured demand deposit accounts in approved depositories approved by City Council under an executed depository agreement.
- 9.8** An SEC registered, no-load mutual fund with a weighted average maturity of less than two years, invested exclusively in obligations approved by the Policy, and continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent.
- 9.9** Obligations of any US state or political subdivision rated AA or better by a nationally recognized rating agency not to exceed two years to maturity.
- 9.10** FDIC insured brokered certificate of deposit securities from a bank in any US state, delivered versus payment to the City's safekeeping depository, not to exceed one year to maturity. Before purchase, the Investment Officer or adviser must verify the FDIC status of the bank on www2.fdic.gov/idasp/main_bankfind.asp to assure that the bank is FDIC insured.

Competitive Bidding Requirement

All investment transactions will be made on a competitive bid/offer basis. It is the policy of the City to require competitive bidding for all individual security purchases except for those transactions with money market mutual funds and local government investment pools which are deemed to be made at prevailing market rates. At least three bids/offers must be obtained. Bids may be solicited in any manner provided by law. For those situations where it may be impractical or unreasonable to receive three bids for a transaction due to a rapidly changing market environment or to secondary market availability, documentation of a competitive market survey of comparable securities or an explanation of the specific circumstance must be included with the bid document. All bids received must be documented and filed for auditing purposes.

Delivery versus Payment

Transactions must be settled on a delivery versus payment (DVP) basis to a City approved depository except for transactions involving mutual funds or investment pool funds. This assures City control of all its funds and assets. No securities shall be held by transaction counter-party.

Change of Authorization or Rating

The City will not be required to liquidate investments that were authorized investments at the time of purchase. The Investment Officer or investment adviser shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer or adviser shall notify the City Manager of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available, within two weeks after the loss of the required rating.

Monitoring FDIC Status

The Investment Officer or Investment Adviser shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the City based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer or Adviser shall immediately liquidate any brokered CD which places the City above the FDIC insurance level.

10.0 COLLATERALIZATION

10.1 Pledged Collateral

The City of New Braunfels requires all time and demand deposits to be insured or collateralized at 102%. City depositories will be required to execute tri-party depository agreements to include safekeeping agents. If the Federal Reserve acts as custodian, the Pledge Agreement of Circular 7 will be executed in lieu of the tri-party FRB signature. The agreement shall define the City's rights to collateral and shall establish a perfected security interest in compliance with federal and state regulations, including:

- A. The agreement shall be in writing;
- B. The agreement shall be executed by the Depository and the City contemporaneously with the acquisition of the asset;
- C. The agreement will include no listing of pledged collateral.

D. The agreement must be approved by the Board of Directors or the Loan Committee of the Depository and a copy of the meeting minutes must be delivered to the City.

If the City's depository offers a collateral pooling program as defined by State Law (Local Government Code 2257) the investment officers will evaluate the program for cost efficiencies and risk before participation. Participation in a collateral pool will require Council approval.

10.2 Owned Repurchase Agreement Collateral

Each counter party to a repurchase transaction is required to execute the Securities Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement. An executed copy of this Agreement must be on file before any transaction is initiated. Collateral will be evidenced by safekeeping receipts clearly denoting City ownership from the safekeeping agent.

10.3 Authorized Collateral

A. Time and Demand Deposits

Eligible securities for collateralization of time and demand deposits are:

- Obligations of the US Government, its agencies and instrumentalities including mortgage backed securities which pass the bank test,
- Obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent.

Eligible collateral does not include surety bonds or letters of credit.

B. Repurchase Agreements

Securities bought and sold as part of a repurchase agreement are limited to:

- U.S. Government, Agencies and Instrumentalities obligations including mortgage backed securities

The eligibility of specific issues may at times be restricted or prohibited by the City because of current market conditions.

10.4 Collateral Substitution or Reduction

The right of collateral substitution or reduction is to be granted on an individual issue basis. Any depository institution requesting substitution or reduction must contact the Chief Financial Officer for approval and settlement. The value will be calculated and substitution/reduction approved if its resulting value is equal to or greater than the required value (see item 10.3 of this policy).

10.5 Collateral Levels for Certain Investments

A. Time and Demand Deposits

The market value of the principal portion of collateral pledged for time and demand deposits must at all times be equal to or greater than 102% of the total value of the time and demand deposits less the applicable level of FDIC insurance. The

Depository shall be liable for monitoring and maintaining the collateral and collateral margins at all times.

B. Repurchase Agreements

A repurchase agreement's total book value equals the par value plus accrued interest. The collateral for the repurchase must be maintained at 102% of the total book value of the repurchase at all times.

10.6 Safekeeping of Collateral

A. Time and Demand Deposits

The market value of the principal portion of collateral pledged for time and demand deposits must at all times be equal to or greater than 102% of the total value of the time and demand deposits less the applicable level of FDIC insurance. The Depository shall be liable for monitoring and maintaining the collateral and collateral margins at all times. The custodian shall be an independent institution outside the holding company of the pledging bank.

B. Repurchase Agreements

The custodian shall be an independent institution.

10.7 Monitoring Collateral Adequacy for Certain Investments

Monthly reports of the pledged securities with the full descriptions and market values are required to be sent directly to the City from the custodian for all time and demand deposits. The Investment Officers will review the adequacy of the collateral. The financial institutions will be contractually liable for the daily monitoring and maintaining the required collateralization levels.

For repurchase agreements, either the counter party or custodian will be held contractually liable for monitoring and maintaining required collateral levels on a daily basis.

The Investment Officers will monitor the adequacy of all collateral underlying repurchase agreements on at least a weekly basis.

10.8 Margin Calls

If any collateral falls below 102% the deposit plus accrued interest less FDIC insurance, if applicable, the counterparty will be notified by the Investment Officers and required to pledge additional securities no later than the end of the next business day.

11.0 DELIVERY VERSUS PAYMENT

All security transactions, including collateral for repurchase agreements, shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third party custodian approved by the Chief Financial Officer and evidenced by original safekeeping receipts.

12.0 DIVERSIFICATION

The City of New Braunfels shall diversify its portfolio by security type and institution. The City will diversify to reduce reliance on any one issuer or financial institution. Risk of principal loss in the portfolio as a whole shall be minimized by diversifying investment types according to the following limitations.

<u>Investment Type</u>	<u>% of Portfolio</u>
U.S. Treasury Notes/Bonds/Bills	90%
U.S. Government Agencies	80%
Certificates of Deposit	50%
Limit per financial institution	10%
Repurchase Agreements	20%
Flex repurchase agreements by bond issue	100%
Money Market Mutual Funds	25%
Local Government Investment Pools	100%

13.0 MAXIMUM MATURITIES

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not invest in securities maturing more than two (2) years from the date of purchase.

14.0 PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a reasonable yield throughout budgetary and economic cycles, commensurate with the investment risk constraint and the cash flow requirements. The benchmark established for the portfolio in keeping with the cash flow requirements of the City shall be the six month U.S. Treasury Bill.

15.0 REPORTING

The Investment Officers shall provide a report on investment activity and returns to the City Council in the quarterly financial report. Investment performance will be monitored and evaluated by the Investment Officers on a monthly basis. This investment report shall be signed and in compliance with the Act and include, at a minimum:

- 1) detail on each investment position of the portfolio,
- 2) the beginning and ending amortized book and market value,
- 3) the change to market value during the period for each portfolio,
- 4) the beginning and ending amortized book and market value for each investment security by asset type and fund type,
- 5) the final stated maturity date of each investment security,
- 6) the dollar weighted average maturity of the portfolio and its comparison to an accepted benchmark, and
- 7) a statement of compliance of the investment portfolio with the Authority's Investment Policy and Strategy and the Act.

Prices used for the calculation of market values will be obtained from independent sources.

16.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the City Council on no less than an annual basis. Any changes to the Policy shall be reflected in the approving resolution of Council.

APPENDIX A:

CITY OF NEW BRAUNFELS
INVESTMENT POLICY CERTIFICATION

Firm: _____
Account Representative: _____
Date of Completion: _____

This certification is executed on behalf of the City of New Braunfels (the "City") and the "Firm" pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code in relation to investment transactions conducted between the City and the Firm.

As the authorized representative of the Firm I hereby acknowledge that I have received and reviewed the attached Investment Policy of the City of New Braunfels.

I hereby further acknowledge that the Firm has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the Firm not authorized by the Investment Policy, except to the extent that this authorization is dependent on analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

Firm Name: _____
Address _____

Representative's Telephone (_____) _____
Representative's FAX (_____) _____
Representative's Email: _____

Signature _____

Printed Name _____

APPENDIX B:

AUTHORIZED BROKER/DEALERS AND COUNTERPARTIES

In accordance with the Texas Public Funds Investment Act, 2256.025 Selection of Authorized Brokers,

The governing body of an entity subject to this subchapter or the designated investment committee of the entity shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the entity.

The authorized list of counterparties is:

Bank of America/Merrill Lynch
Citigroup/Morgan Stanley
G.X. Clark
JPMorgan Chase Securities
Mizuho Securities
Morgan Keegan Capital Markets
Multi-Bank Securities
Stifel Nicolaus

Texpool Local Government Pool
TexStar Local Government Pool
MBIA Class Local Government Pool

JPMorgan Chase Money Market Mutual Fund – Government and Agency

APPENDIX C:

GLOSSARY

AGENCIES: Federal agency securities.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.). See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City of New Braunfels. It includes five (5) combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that bond issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling from his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two (2) methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g. U. S. Treasury Bills.

FEDERAL FUNDS RATE: The rate of interest at which Federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g. Savings and Loans, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A Federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA (see below) was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): The FOMC consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. The security holder is protected by the full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA, or FMHM mortgages. The term "pass throughs" is often used to describe Ginnie Mae. **LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase – reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: the market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER: the price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state — the so-called legal list. In other states, the trustee may invest in a security if it

is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond, the current income return.

REPURCHASE AGREEMENT (RP or REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND EXCHANGE COMMISSION (SEC): Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 1503-1: See Uniform Net Capital Rate.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than 10 years.

TREASURY NOTES: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

GLOSSARY OF TERMS

Accounting System: The total set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

Accrual: Accounts on a balance sheet that represents liabilities, a non cash-based asset used in accrual based accounting.

Activity: A specific unit of work or service.

Appropriation: An authorization adopted by the City Council which allows staff to incur obligations and make expenditures of governmental resources. An appropriation is typically granted for periods of one year and specified for fixed amounts.

Assessed Valuation: An estimated value placed upon real and personal property by the appraisal district as the basis for levying property taxes.

Assets: An economic resource. Tangible or intangible property owned by the City for which a monetary value has been set either through the purchase of the item, the assets have a set monetary value, such as cash, can be converted into cash or through a market assessment study.

Audit: A systematic examination of resource utilization. The audit is a test of management's internal accounting controls and is intended to verify financial positions and the legality of transactions; to identify improvements in accounting systems and accuracy and consistency of transactions; and to certify the stewardship of officials responsible for governmental funds.

Authorized Positions: All positions authorized by City Council for each office and department. This includes full time, part time and seasonal positions. The numbers shown under authorized positions represent the full time equivalents (FTE) except seasonal positions. Seasonal positions are counted as 1 FTE regardless of hours worked.

Balance Sheet: A statement purporting to present the financial position of an entity by disclosing its assets, liabilities, and fund balance as of a specified date.

Balanced Budget: A budget in which planned expenditures on personnel, goods, services and debt are met by income from taxation and other governmental receipts.

Base Budget: Ongoing expenses for personnel, contractual services, supplies, and equipment required to maintain the same level of service as previously authorized by the City Council.

Bond: Bonds are used as long-term debt instruments to pay for capital expenditures. A bond is a written promise to pay a specified sum of money (principal) at a specified future date (maturity date), as well as periodic interest paid at a specified percentage of the principal (interest rate).

Bond Rating: The credit-worthiness of a government's debt as evaluated by independent agencies.

Budget (Operating): A financial and operating plan approved by the City Council to authorize levels of taxing and spending. The plan consists of an estimate of proposed expenditures or expenses for a fiscal year and an estimate of proposed revenues for the same period needed to provide City services. The term is also used to identify the officially approved expenditure levels under which the City and its departments operate.

Budget Calendar: The schedule of key target dates which the City follows in the preparation and adoption of the budget.

Budget Document: An instrument or document presented by the City Manager to the City Council to describe the level of taxing, spending and the level of services to be provided during a certain fiscal year to the citizens of the community. The document is a comprehensive financial program..

Budget Message: It is a message from the City Manager to the City Council and the citizens of the municipality regarding his recommendations relating to those issues that they believe will affect the community. The general discussion of the proposed budget presented in writing as a part of the budget document. .

Capital Assets (Fixed Assets): Assets of significant value (\$5,000 or greater individually) which have a useful life of more than one year.

Capital Improvements Budget: A plan of proposed capital expenditures including expenditures of buildings roads, drainage, park improvements, airport improvements, sidewalks or other structures necessary to run the community and the means of financing the proposed projects.

Capital Expenses: The expenditure group used to fund capital purchases such as furniture, computers, vehicles and heavy equipment like solid waste collection trucks where the individual item costs more than \$5,000. Purchases made from the capital expenditures group become fixed assets of the City.

Capital Improvement Program - CIP: A multi-year plan for capital project expenditures which sets forth each proposed capital project identifies the expected cost for each project and the amount to be expended each year.

Capital Improvements Project Activity: A Capital Improvements Project Activity is one of the following groups of actions usually undertaken in a capital improvements project: planning, design and engineering; right-of-way acquisition; construction; and equipment.

Carry Forward Balance: The difference of revenues and expenditures within the same fund transferred to fund balance from one fiscal year to the next.

Cash Management: The management of cash necessary to fund government services while investing available cash to earn interest revenue. Cash management refers to the activities of forecasting the inflows and the outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds to achieve the highest interest and return available for temporary cash balances.

CDBG: Community Development Block Grant.

Certificate of Deposit: A negotiable or non-negotiable receipt for monies deposited in a bank or financial institution for a specified period for a specified rate of interest. It is a promissory note issued by a bank

Certificates of Obligation – C of O's: An obligation to pay a debt. Debt issued by a governmental entity to support capital improvement programs and projects, equipment purchases, and other assets that have a useful life at least equal to the term of the debt. Public notices are required prior to the sale of this debt.

Commodities: Items of expenditure which, after use, are consumed or show a material change in their physical condition. Commodities are generally of limited value and are characterized by rapid consumption (i.e.: office supplies, motor fuel, etc.).

Contingencies: The expenditure group that includes all funding such as undesignated funds and monies set aside for salary increases

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures.

Contractual Services: Items of expenditure from services the City receives from an outside company through a contractual agreement.

Current Taxes: Taxes that are levied and due within one year.

Debt Service: The obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Delinquent Taxes: Taxes which are unpaid after the due date, in which a penalty is assessed for non-payment.

Department: A major administrative division of the City that reports to the City Manager and that indicates overall management responsibility for the operation of a group of related functions.

Depreciation: Expiration in the service life of capital assets attributable to wear and tear, deterioration, physical elements, inadequacy, or obsolescence. Depreciation is also the portion of the cost of a capital asset which is charged as an expense during a particular accounting period. Depreciation is applied to assets in enterprise funds and internal service funds.

Effective Tax Rate: That tax rate which will generate the same amount of tax revenue on the same tax base in the next fiscal year as in the current fiscal year.

Employee Expenses: The expenditure group that includes all personnel related costs such as salaries, social security and Medicare, retirement, group health insurance, group life insurance and workers compensation premiums.

Encumbrances: Obligations in the form of purchase orders, contracts, or salary commitments which are reserved in specified appropriations. Encumbrances cease to exist when an invoice is paid or when an actual liability is established.

Enterprise Fund: A fund used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is to recover the cost of providing goods or services through fees. Rate schedules for these services are established so that revenues are adequate to meet all necessary expenses including debt service for capital costs.

Estimate: The estimated actual expenditures and revenues for the fiscal year prior to the end of the budget fiscal year. Used to determine the Carry Forward Balance.

Estimated Revenue: The amount of projected revenue to be collected during the budget fiscal year.

Expenditure Group: A grouping of like expenditures used to exercise budgetary control. For example, the Employee Expenses expenditure group includes salaries, social security and Medicare, retirement, group health insurance, group life insurance and workers compensation premiums. A department can over run an individual line item as long as the expenditure group remains within budget.

Expenditures: The cost of goods and services rendered. This is terminology used under the “financial resources measurement focus” used by the governmental funds type of accounts,

Fiscal Year: The time period designated by the City signifying the beginning and ending periods for recording financial transactions. New Braunfels has designated October 1 to September 30 as its fiscal year.

Full Faith and Credit: A pledge of the City's taxing power to repay debt obligations.

Full Time Equivalent – FTE: Equates to one full time authorized position working the equivalent of 40 hours per week for 52 weeks. Part time positions are measured as fractions of one FTE.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts, identifiable revenue sources and expenditures. Funds are segregated for the purpose of completing specific activities or attaining certain objectives.

Fund Balance: is the excess of an entity's revenues over expenditures and encumbrances since the inception of the fund. This number should equal the difference between the revenues and the expenditures reported in a governmental fund. This fund balance is available for emergencies or unforeseen expenditures when appropriated by the City Council.

Governmental Accounting Standards Board – GASB: The current source of generally accepted accounting principles used by state and local governments in the United States. GASB is a private, non-governmental organization.

General Fund: The largest fund within the City, the General Fund accounts for most of the financial resources of the government which may be used for any lawful purpose. General Fund revenues include property taxes, sales tax, franchise fees, court costs and fines, licenses and permits, charges for services, parks and recreation fees and other types of revenue. The General Fund usually includes most of the basic operating services, such as Police, Fire, Parks and Recreation, Library, Public Works, Planning and Community Development, Municipal Court and internal service functions.

General Obligation Bond: General Obligation Bonds must be authorized by public referenda. Bonds become General Obligation Bonds when the City pledges its full faith and credit to the repayment of the issued bonds.

Governmental Fund: Funds used to account for all or most of the City of New Braunfels general activities and services.

Interfund Transfers: The expenditure group used to account for transfers between funds.

Intergovernmental Revenue: Revenue received from another government for a specified purpose.

Internal Service Fund: Funds utilized to account for the financing of goods or services provided by one department or office to other departments or offices within a government. The Self Insurance Fund is the City of New Braunfels only internal service fund.

Investment: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals, or base payments received.

Liability: Debt or other legal obligations arising out of transactions for goods and services received in the past which must be liquidated, renewed, or refunded at some future date. A liability does not include encumbrances.

Long-Term Debt: Debt amount with maturity of more than one year.

Maturities: The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

Major Fund: Any fund that the governmental unit believes to be of particular importance to the users of the statements either because of the nature of the fund or because it meets the “size” criteria set by GASB. The General Fund, by definition, is reported as and/or considered a major fund. If any fund meets the “size” criteria it should be designated as a major fund. It states:

- 1) Ten percent criterion: An individual fund that reports at least 10 percent of **any** of the following
 - a. Total government fund assets
 - b. Total government fund liabilities
 - c. Total government fund revenues
 - d. Total government fund expenditures

- 2) Five percent criterion: An individual governmental fund reports at least 5 percent of the aggregate total for both governmental funds and enterprise funds of any one of the items for which it met the 10 percent criteria

OPEB: Other Post Employment Benefits which are accounting and financial reporting provisions requiring government employers (under GASB) to measure and report the liabilities associated with other (than pension) post employment benefits. A major category of OPEB is retiree medical insurance benefits.

Operating Funds: Resources derived from recurring revenue sources used to finance ongoing operating expenditures and "pay-as-you-go" capital projects.

Operations Expenses: The expenditure group that includes all payments for services. Examples of expenses included in this group are: postage, utilities, professional services, supplies, parts, vehicle and radio repair and maintenance and contributions to other agencies.

Performance Measures: Specific quantitative measures of work performed within an activity or program (i.e. total number of EMS responses by the Fire Department). Types of performance indicators include workload, efficiency (output), effectiveness (outcome) and productivity indicators.

Program Change: Requests submitted by departments during the budget preparation process to change the level of service or method of operation. Generally, these requests are for additional resources including personnel, but may take the form of program reductions or elimination.

Reconciliation: A detailed summary of increases and decreases in departmental expenditures from one budget year to another.

Reserve: An account used to indicate that part of a fund's assets is legally reserved for a specific purpose.

Resources: Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

Revenue: The funds collected by a government.

Revenue Bonds: Government-issued bonds which do not pledge the full faith and credit of the jurisdiction, and must therefore rely on operating revenues other than property taxes to repay the bonded indebtedness. These bonds are used by enterprise funds. For example, the golf course operation could issue revenue bonds backed by greens fees and other charges.

Revenue Estimate: A formal estimate of how much revenue will be earned from a specific revenue source for the upcoming budget period.

Risk Management: An organized attempt to protect a government's assets against accidental loss.

Shortfall: The excess of expenditures over revenues during a single accounting period.

Sales Tax: Revenue generated to the City from a percent tax levied on certain retail goods and services purchases. The current tax is 1.5 percent. This amount is split with 1.125 percent going to the City's General Fund and .375 percent going to the New Braunfels Industrial Development Corporation to fund economic development activities.

Tax Levy (Property): The total amount to be raised by general property taxes for operating and debt service purposes.

Tax Rate (Property): The amount of tax levied for each \$100 of assessed valuation.

Tax Rate Limit: The maximum legal property tax rate at which a City may levy a tax. The limit may apply to taxes raised for a particular purpose or for a general purpose.

Tax Increment Reinvestment Zone – TIRZ: Economic development tool used by the City to foster development. Developer pays for and constructs public infrastructure and is then reimbursed for the expenditure once the commercial activity within the designated zone generates sufficient revenue to support repayment either through current revenues or debt issuances.

Yield: The rate earned on an investment based on the price paid for the investment.

ACRONYMS

CDBG – Community Development Block Grant

CIP – Capital Improvement Program

EMS – Emergency Medical Services

HOME – Home Investment Partnership Act

FTE – Full Time Equivalent

GASB – Governmental Accounting Standards Board

OPEB – Other Post Employment Benefit

TIRZ – Tax Increment Reinvestment Zone

GAAP – Generally Accepted Accounting Principles

GFOA – Government Finance Officers Association