



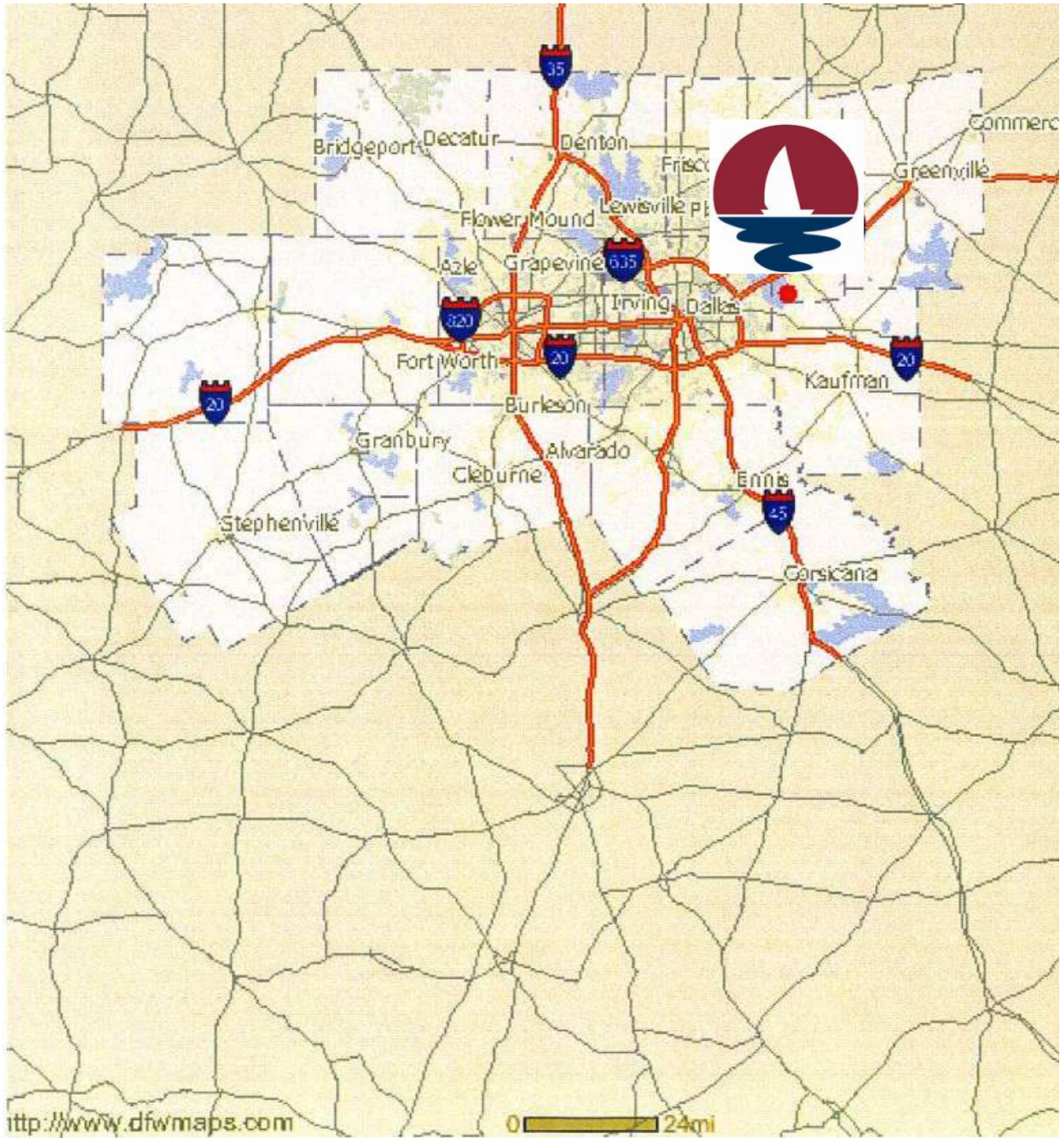
City of Heath
Annual Operating Budget
Fiscal Year 2010 - 2011

CITY OF HEATH
OPERATING BUDGET FISCAL YEAR 2010 - 2011
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OPERATING BUDGET FISCAL YEAR 2010 - 2011
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CITY OF HEATH

OPERATING BUDGET
FISCAL YEAR 2011

CITY OF HEATH
ANNUAL OPERATING BUDGET
FISCAL YEAR
OCTOBER 1, 2010 - SEPTEMBER 30, 2011

CITY COUNCIL

John Ratcliffe, Mayor

Lorne Liechty, Mayor Pro-Tem

Robert Hille, Council Member, Place 1

Karen Lewis, Council Member, Place 2

Julie Zurek, Council Member, Place 3

Steve McKimmey, Council Member, Place 4

Rich Krause, Council Member, Place 6

CITY STAFF

Ed Thatcher, City Manager

Kim Dobbs, Assistant City Manager

Stephanie Galanides, City Secretary

Laurie Mays, Finance

Pete Eckert, City Attorney

Roy Stacy, Municipal Court Judge

Terry Garrett, Department of Public Safety

Public Works

CITY OF HEATH

CITY COUNCIL



Steve McKimney, Robert Hille, Karen Lewis, John Ratcliffe, Julie Zurek, Lorne Liechty, Rich Krause

VISION

A place to call home for a lifetime.

CITY OF HEATH VISION STATEMENT

A lakeside community of premiere neighborhoods with open green spaces, parks and trails, cultural amenities, an exemplary educational system, and distinctive economic development in order to provide the highest level of public services - a place to call home for a lifetime.

CITY OF HEATH

2010-2011 BOARD AND COMMISSION APPOINTMENTS

Board of Adjustment

David Curd, Chairman; Chuck Dale, Jerry Hogan, Lowell Moon, Jr., Susan Satterwhite, Thomas Smith and Ron Wasson.

HEDC/HMBC

Alma Howard, President; Dennis Bailey, D.W. Bobst, Tom Johnson, Lorne Liechty, Cyndi Pitman, James Tunnell, and John Ratcliffe, Ex Officio.

Planning & Zoning Commission

Dennis Conder, Chairman; John Main, Vice Chairman; Pat Kirwan, Jack Wilson, Aidan Flores, Shirley Sutherland, and Bill Satterwhite.

Park Board

Ginny Jackson, Chairman; Jasen Severn, Becky Burkett, John Curtis, Amy Ganci, Kathy Manuel and Bryan Pope.

Take Area Appeals Panel

Ira Berger, Joe Chamberlain, Chris Cuny, Robert Lang, and Ron La Roux.

Special Events Board

Joel Palin, Chairman; Brian Berry, Harry Heinkele, Justin Holland, Gayle Kuhrt, Pamela Miley, and Ross Redden.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Heath
Texas**

For the Fiscal Year Beginning

October 1, 2009

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Heath, Texas** for its annual budget for the fiscal year beginning **October 1, 2009**. In order to receive this award, a governmental unit must publish a budget 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 its eligibility for another award.

CITY OF HEATH, TEXAS
ORDINANCE NO. 100921C

AN ORDINANCE OF THE CITY OF HEATH, TEXAS APPROVING AND ADOPTING A BUDGET FOR THE CITY FOR THE FISCAL YEAR OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City Manager of the City of Heath, Texas, has submitted to the City Council a proposed budget of the expenditures and revenues of all City Departments, Divisions and Offices for the Fiscal Year 2010-2011; and

WHEREAS, the City Council, upon full consideration of the matter, is of the opinion that the budget hereinafter set forth is proper and should be adopted.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS:


SECTION 1. That appropriations as designated for the payment of expenses for the operation of the City Government, hereinafter itemized by a true and correct copy of the Budget Document hereto attached as Exhibit A, are hereby adopted.

SECTION 2. That expenditures during the fiscal year shall be made in accordance with the budget approved by this ordinance, unless otherwise authorized by a duly enacted ordinance of the City, said document being on file for public inspection in the office of the City Secretary.

SECTION 3. That the necessity for making and approving a budget for the fiscal year, as required by the laws of the State of Texas, requires that this ordinance shall take effect immediately from and after its passage, as the law in such cases provides.

DULY PASSED AND APPROVED by the City Council of the City of Heath, Texas, on the 21st day of September 2010.

APPROVED:



Louie Leichty, Mayor Pro Tem

ATTEST:



Stephanie Galanides, City Secretary



**CITY OF HEATH, TEXAS
ORDINANCE NO. 100921D**

AN ORDINANCE OF THE CITY OF HEATH, TEXAS LEVYING AD VALOREM TAXES FOR THE YEAR 2010 AT A RATE OF \$.3433 PER ONE HUNDRED DOLLARS (\$100.00) ASSESSED VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY AS OF JANUARY 1, 2010; TO PROVIDE REVENUES FOR THE PAYMENT OF CURRENT EXPENSES AND TO PROVIDE AN INTEREST AND SINKING FUND ON ALL OUTSTANDING DEBTS OF THE CITY; PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; AND DECLARING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS:

SECTION 1. That there be and is hereby levied for the year 2010 on all taxable property, real, personal and mixed, situated within the limits of the City of Heath, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of \$.3433 on each One Hundred Dollars (\$100.00) assessed value of taxable property, and shall be apportioned and distributed as follows:

- (a) For the purpose of defraying the current expenses of the municipal government of the City, a tax of \$.2786 on each One Hundred Dollars (\$100.00) assessed value of all taxable property.
- (b) For the purpose of creating a sinking fund to pay the interest and principal on all outstanding bonds of the City not otherwise provided for, a tax of \$.0647 on each One Hundred Dollars (\$100.00) assessed value of all taxable property within the City, which shall be applied to the payment of such interest and maturities of all outstanding bonds.

SECTION 2. The following information is provided pursuant to Section 26.05 of the Property Tax Code:

- (a) The Maintenance & Operations Rate remained at .2786 and the Debt Service Rate remained at .0647. The tax rate of .3433 remained unchanged from 2009.

SECTION 3. That all ad valorem taxes shall become due and payable on October 1, 2010 and all ad valorem taxes for the year shall become delinquent after January 31, 2011. There shall be no discount for payment of taxes prior to said January 31, 2011. A delinquent tax shall incur a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent.

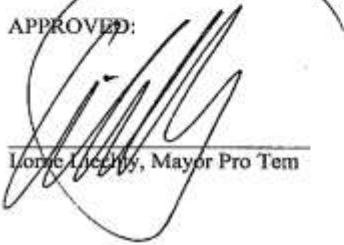
A delinquent tax shall also accrue interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. Taxes that remain delinquent on July 1, 2011, incur an additional penalty of twenty percent (20%) of the amount of taxes, penalty and interest due; such additional penalty is to defray costs of collection due to contract with the City's Attorney pursuant to Section 6.30 of the Property Tax Code.

SECTION 4. That taxes are payable in Rockwall, Texas at the office of the Rockwall Central Appraisal District. The City shall have available all rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

SECTION 5. That it is necessary that this ordinance be enacted in order to authorize the collection of ad valorem taxes for the year 2010, this ordinance shall take effect from and after its passage as the law in such cases provides.

DULY PASSED AND APPROVED by the City Council of the City of Heath, Texas, on the 21st day of September 2010.

APPROVED:



Lorie Lynch, Mayor Pro Tem

ATTEST:



Stephanie Galanides, City Secretary



CITY OF HEATH, TEXAS
ORDINANCE NO. 100921B

AN ORDINANCE OF THE CITY OF HEATH, TEXAS ADOPTING A FEE SCHEDULE FOR THE CITY FOR THE FISCAL YEAR OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011; DECLARING AN EFFECTIVE DATE.

WHEREAS, the City Council has authority to establish fees relating to City applications, permits and services; and

WHEREAS, the City Council conducted several public meetings to discuss and receive input regarding the proposed Budget,

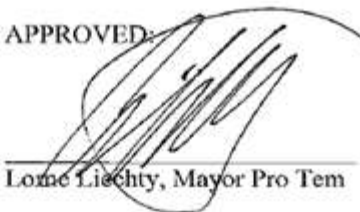
NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HEATH, TEXAS:

SECTION 1. That the Fee Schedule for fiscal year October 1, 2010 through September 30, 2011 be adopted, as shown in Exhibit A.

SECTION 2. That this ordinance shall take effect immediately from and after its passage, as the law in such cases provides.

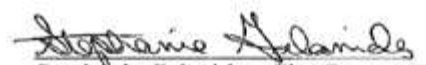
DULY PASSED AND APPROVED by the City Council of the City of Heath, Texas, on the 21st day of September 2010.

APPROVED:



Lorne Liechty, Mayor Pro Tem

ATTEST:



Stephanie Galanides, City Secretary





CITY OF HEATH

200 Laurence Drive, Heath, Texas 75032 | Phone (972) 771-6228 | Fax (972) 961-4932

September 22, 2010

The Honorable Mayor and Members of the City Council:

It is my pleasure to present the adopted budget for Fiscal Year 2011. The Annual Budget is one of the most important documents acted upon by the City Council in any given year. In developing this document, a significant amount of time was devoted by City Council Members and City Staff. The budget was prepared with the objectives of maintaining the financial strength of the City, meeting the needs of the citizens, and implementing the goals of the City Council. The approved expenditure levels act as a control on overall spending for City programs, services and projects. The budget indicates the probable cost of the various programs, services and projects to be carried forth by the City during the Fiscal Year. The budget for FY 2011 totals \$11,165,844.

The budget preparation included many hours of study and review by City Council Members, Department Directors and Management Staff. We focused on the impact of the current economic uncertainties on both current and future revenues and budgeted expenditures accordingly. Salaries were frozen for the second consecutive year and we continue to look for more cost-effective ways of providing services. The basic approach was to maintain the current property tax rate, adjust water and wastewater rates to cover the cost of providing those services, and maintain services at the levels currently provided to our citizens.

Goals and Strategies

City Council and staff have worked diligently to identify goals and strategies for the future. The following goals were developed as a result of these collaborative efforts:

1. Plan and prepare for the current and future needs of a growing city by maintaining a financially sound and stable government, managing growth and development, encouraging economic development, and identifying and addressing infrastructure needs. Priorities in this area include:
 - Prepare and implement a budget which assures a stable tax rate while maintaining satisfactory levels of service
 - Continue to maintain a healthy Fund Balance (target 25%); during times of economic uncertainty the fund balance may exceed the target in anticipation of future revenue shortfalls
 - Actively manage the cost of providing services while looking for ways to reduce expenses
 - Implement the updated Water and Waste Water Rate Study and adjust rates on a timely basis with the goal of making the System self-supporting
 - Encourage upscale commercial, retail, and professional development that embraces the characteristics of well-designed low density neighborhoods

- Continually monitor the Citywide Transportation Study ensuring the optimum network of streets to serve future traffic needs
2. Achieve excellence in city government services by encouraging communication and citizen involvement, providing quality customer service in all departments, and attracting and retaining highly qualified employees. Priorities in this area include:
- Conduct a detailed citizen survey enabling staff and Council to prioritize the needs of our citizens
 - Manage resources to recruit and retain staff who possess the highest standards of professionalism, expertise, and customer service skills
 - Encourage staff development by setting and communicating expectations and providing training opportunities
 - Add new technology to enhance efficiency and effectiveness
3. Promote livability and community pride. Priorities in this area include:
- Promote growth opportunities that enhance recreational, cultural, and social opportunities
 - Create an environment where both individuals and businesses have a vested interest in the community of Heath
 - Use the Towne Center concept to attract businesses to locate in Heath; providing retail and commercial conveniences to citizens
 - Incorporate retail development with unique amenities to compliment residential green space

Accomplishments

- Continued maintenance of healthy fund balances in the General Fund and the Utility Fund
- Completed infrastructure projects in FY 2010:
 - White Road pavement widening and landscaping
 - Key Drive, Rabbit Ridge, and White Road (south) pavement rehabilitation
 - Extension of 12 inch water transmission line on Rabbit Ridge, FM 550, and Jeff Boyd Road
 - Reconstruction of 12 inch water transmission line on FM 740
 - Extended 8 inch water transmission line on White Road
 - Cove Ridge Lift Station reconstruction
- Infrastructure projects started during FY 2010:
 - 1.5 million gallon elevated storage tank planned, designed and funded
 - Planned, designed, and began the bidding process for construction of an equipment shelter and driveway for the Public Works Center
 - FM 740 utility line relocation
 - Bison Meadows Lift Station upgrades
- Identified future City projects including:
 - Buffalo Creek trails repair
 - Infiltration and inflow analysis to aid in controlling the cost of wastewater treatment
- The Economic Development Corporation and Municipal Benefits Corporation held their first annual retreat

- Approved for over \$1 million in funding from the Safe Routes to School grant program
- Annexed approximately 835 acres
- Implemented the web-based "My Fix It" system to track requests or concerns submitted by citizens
- The federally mandated Storm Water Management Program (SWMP) report to the Texas Commission on Environmental Quality was performed in-house for the third consecutive year
- Continued providing the monthly newsletter
- Improved communication with citizens by implementing the use of Twitter, Facebook, and Flickr
- Received the Distinguished Budget Presentation Award from the Government Finance Officers Association.

General Fund

The General Fund is the primary operating fund for the City of Heath. This fund accounts for all financial resources not restricted to special or specific projects and/or funds that are not accounted for in a different fund. The General Fund is required to provide for public safety services, city administration, community services, and public works. This year the budget for the General Fund utilizes a portion of the excess fund balance while leaving the property tax rate unchanged at 34.33 cents per \$100 of valuation.

Revenues

The FY 2011 budget for total General Fund revenue is \$4,498,200, an increase of \$33,300 from the FY 2010 budget. A decrease in taxable assessed valuation of 1.1% resulted in a \$34,000 decrease in property tax revenue from the FY 2010 budget. New construction comprises approximately 1.3% of total assessed value and helped minimize the impact of the decrease in assessed values. The Fiscal Year 2011 decrease in assessed value marks the first time in recent history the City has experienced negative growth.

Projected revenue generated by sales tax, interest earned on idle funds, and delinquent ad valorem tax decreased \$10,000, \$4,500, and \$2,000, respectively. These decreases are attributed to the current economic conditions. Revenue provided by building permits, tower lease, and the reimbursement for school resource officers is projected to increase \$83,000 while the remaining revenue sources are projected to remain relatively flat for FY 2011.

The 2011 budget is based on extremely conservative assumptions; however, if revenues do not materialize, the budget will be reviewed mid-year and necessary action will be taken to accommodate the change. Actions could include a reduction of approved expenditures, reduction of services, and/or use of fund balance.

Expenditures

The FY 2011 budget for General Fund expenditures is \$4,597,200. The amount budgeted for operating expenditures reflects an increase of \$214,000 over the FY 2010 budget. Budgeted spending on salaries and benefits, vehicle and equipment replacement, and park maintenance increased \$116,000, \$63,000, and \$20,000, respectively. The remaining expenditures were budgeted relatively flat.

Capital expenditures necessary to replace aging vehicles and equipment within the General Fund include: (1) the purchase of two police vehicles including equipment, (2) two trucks for the parks department, and (3) outdoor Christmas decorations.

The FY 2011 budget is proposed with no new programs and without cost of living or merit raises for employees.

Water & Sewer Fund

The Water & Sewer Fund, an enterprise fund, is used to account for the services provided to its customers. Revenue is generated, primarily, from the sale of water and the collection and treatment of wastewater. These funds provide for costs associated with acquisition and distribution of water, treatment of wastewater, collection of wastewater, and billing for those services. Additionally, this fund provides for infrastructure improvements to, and maintenance of, the water and wastewater system.

Revenue

The Water & Sewer Fund budget projects revenues of \$4,522,750 for FY 2011, an increase of \$236,500 over the FY 2010 budget. The increase can be attributed to an increase in projected revenue generated from water and waste water sales. Projected revenue is based on historical consumption, the number of customers serviced by the System, and the new rates. The City's small customer base and the rising cost of providing service resulted in increases to both the water and wastewater rates. As economic development occurs, there should be more commercial and residential customers over which to spread these costs. The rate increases were necessary, at this time, to prevent further depletion of fund balance.

Impact fees are projected to increase \$55,000 over the FY 2010 budget and interest earned on idle funds decreased \$2,500 from the FY 2010 budget.

The 2010 budget is based on conservative assumptions; however, if revenues do not materialize, the budget will be reviewed mid-year and necessary action will be taken to accommodate the change. Actions could include a reduction of approved expenditures, reduction of services, and/or use of fund balance reserve.

Expenses

Total budgeted expenses for FY 2011 are \$4,483,938, an increase of approximately \$201,600 over the FY 2010 budget. This change is largely attributable to an increase in scheduled debt service payments and an increase in the cost of purchased water of \$118,000 and \$110,000, respectively.

Capital expenditures within the Utility Fund include the purchase of a sewer pump truck. The cost of this equipment should be offset by contractor savings over the next two to three years.

The FY 2011 budget is proposed with no new programs and without cost of living or merit raises for employees.

Debt Service Fund

The Debt Service Fund is used to collect resources necessary to make annual debt service payments (principal and interest) on outstanding debt that is supported by ad valorem tax dollars. Revenues within this fund are primarily made up of ad valorem taxes and are anticipated to be \$709,000 in FY 2011, a decrease of \$11,000 from FY 2010.

Interest revenue and PID revenue are projected to decrease slightly compared to FY 2010. The \$250,000 transfer from the General Fund was not budgeted in FY 2011; fund balance will be used to subsidize revenue shortfalls. Completion of the 2010 refunding is scheduled for early 2011 and is part of the tax rate management model proposed by the City's financial advisors. We will continue to analyze the adequacy of the current ad valorem tax rate and monitor future refunding opportunities in accordance with the tax rate management model.

The total debt service for outstanding obligations is \$1,331,000. This is an increase of \$38,000 over the FY 2010 budget. The increase results from scheduled changes in debt service payments.

Summary

I want to thank the Mayor and City Council and Staff for their hard work and dedication during this year's budget process. We were faced with some difficult decisions and everyone worked hard to identify and implement realistic resolutions.

We continue to have an excellent city and organization poised to do great things in this fiscal year and beyond. Unlike many cities in a similar position, we are meeting our challenges head on and exploring options to fit our community.

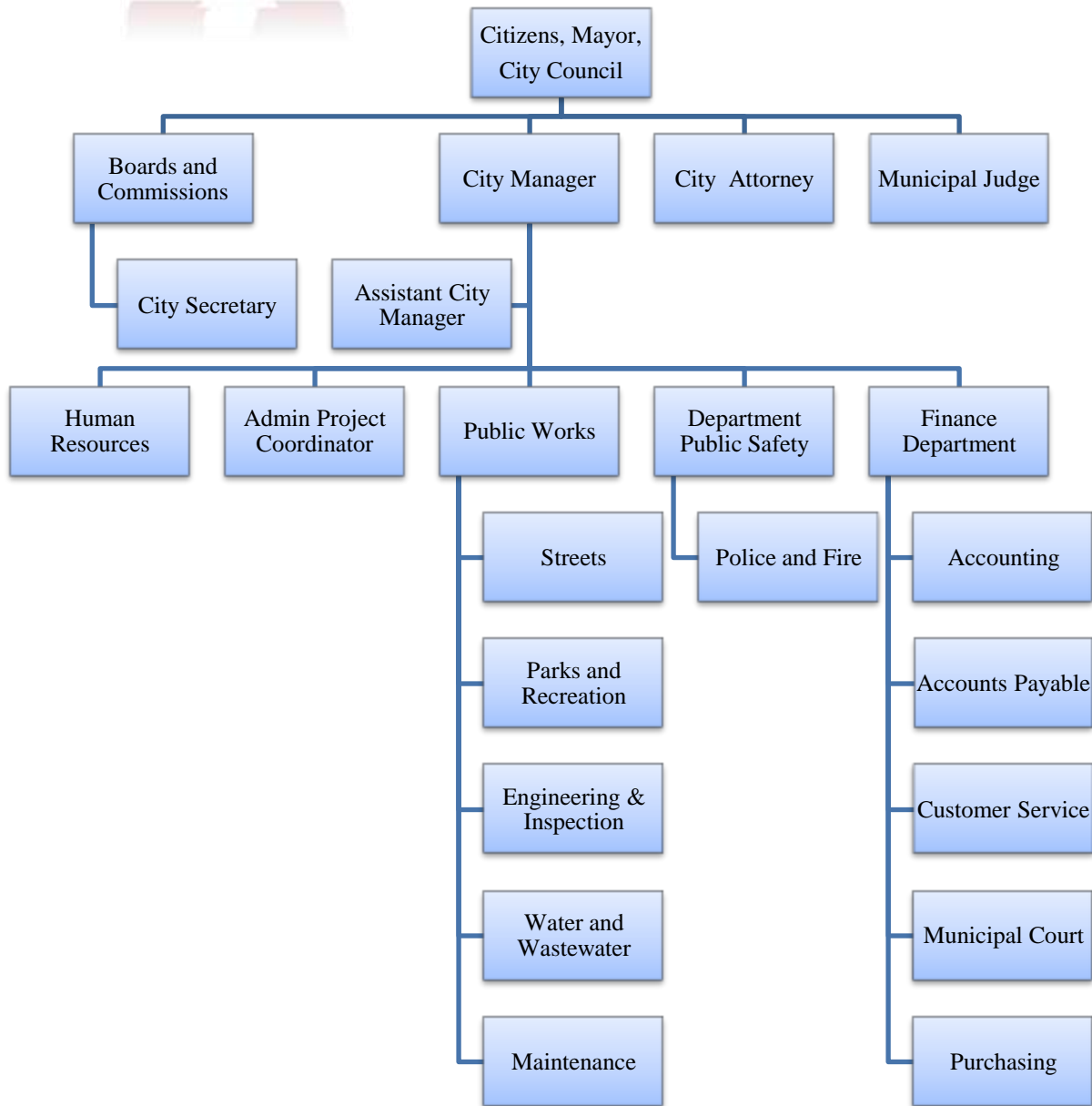
Respectfully submitted,

A handwritten signature in blue ink that reads "Ed Thatcher" with a long horizontal flourish extending to the right.

Ed Thatcher,
City Manger



CITY OF HEATH



CITY OF HEATH
STRATEGIC PLANNING - IDEAL TIMELINE

Date	Action/Event
January	City Council Review of Comprehensive Annual Financial Report
February	City Council Retreat Work Session * Review of the City's Financial Condition * City Council goal setting Forecast models communicated to each department
March	Each department submits revised current year expenditures and estimates for the upcoming year. Capital improvement program impacts and capital equipment needs are evaluated
March - May	Mid-year determination of revenue assumptions and projections for current budget
April	Budget worksheets are presented. Preliminary direction from the City Manager regarding appropriate budget guidelines and strategy is given to each department
April - June	Determination of revenue assumptions and forecast revenue for next fiscal year
Mid May	Submission of Departmental Budget proposals are due Preliminary Taxable values received from Rockwall County Appraisal District
June	Budget Workshops: City Council and Management
July	Certified Tax Roll received from Rockwall County Appraisal District
August	Budget Briefing (s)
September	Budget Public Hearings City Council Approval of the Budget
October	Fiscal Year begins Begin Tracking Performance Measures
December	Holiday in the Park

CITY OF HEATH
BUDGET CALENDAR

Date	Action/Event
Mid May	Receive Preliminary Estimated Taxable Values
June 15	Preliminary Budget Workshop
June 23	Staff Budget Workshop
July 6	Receive certified tax roll from Chief Appraiser
August 3	Council Meeting & Budget Work Session – <i>Council must vote to place a proposal to adopt the tax rate on the agenda of a future (9/21/10) meeting as an action item.</i>
August 17	City Manager presents FY 2010-11 Proposed Budget to City Council
August 18	City Manager files FY 2010-11 Proposed Budget with City Secretary Copies available for public review Local Government Code 102.005 (filing must be before 30 th day before tax rate is adopted)
August 18	Publish Notice of Public Hearing on Annual Budget on City Website
August 20/27	Send to Newspaper to Publish quarter-page Notice of Public Hearing on Annual Budget in August 27 newspaper (Published by City staff at least 7 days before public hearing)
September 7	Public Hearing on Annual Budget (quorum must be present) <i>Council must announce the (9/21/10) date, time and place of the meeting at which it will vote on the tax rate</i>
September 21	Council adopts FY 2010-11 budget and sets tax rate by separate actions with the budget being adopted prior to the tax rate (no less than 3 days but no more than 14 days after public hearing)
October 1	Begin new fiscal year

CITY OF HEATH
STATUTORY REQUIREMENTS
TRUTH-IN-TAXATION

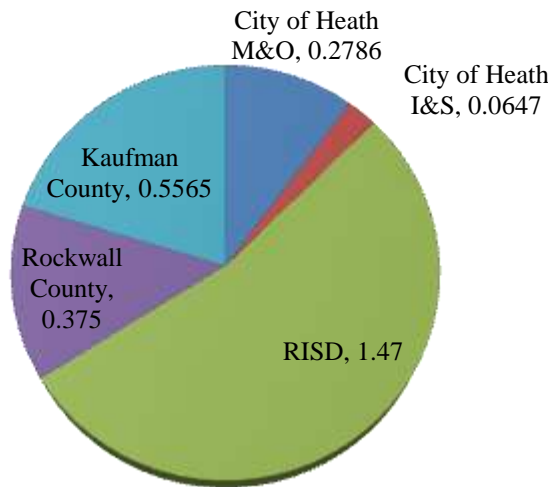
The Texas Constitution and Property Tax Code establish guidelines for taxing units to follow when adopting tax rates. This guide to tax rate setting is also known as "truth-in-taxation." The truth-in-taxation laws have two purposes: (1) to make taxpayers aware of tax rate proposals and, (2) to allow taxpayers, in certain cases, to roll back or limit a tax increase.

Beginning in early August, the City takes the first step toward adopting a tax rate by calculating and publishing the *effective* and *rollback tax rates*.

Effective tax rate: The *effective tax rate* is a calculated rate that would produce the same total taxes as last year when properties taxed in both years are compared. If property values rise, the effective tax rate will go down and vice versa. The objective of the effective tax rate is to generate equal tax revenues using taxable valuations from different years.

Rollback tax rate: The *rollback tax rate* is a calculated maximum rate allowed by law without voter approval. The rollback tax rate provides the City the same amount of tax revenue spent the previous year for day-to-day operations, plus an extra 8 percent increase for those operations, plus sufficient funds to pay debts in the coming year. If an adopted rate is higher than the rollback tax rate, voters can circulate a petition calling for an election to limit the size of the tax increase.

Distribution of Total Tax Rate \$



The total direct and overlapping taxes for our citizens currently are \$2.7448 per \$100 valuation

CITY OF HEATH

GENERAL BUDGET PROCESS

Budgetary control is maintained with the annual adoption by City Council of an operating budget for each fiscal year from October 1 to September 30.

The budget is developed on a departmental level and adopted at the fund level. The Finance Department generates monthly reports that detail expenditures and revenues on a departmental and line item level. The reports provide monthly expenditures with year-to-date totals, with a comparison to budget, giving a budget balance and unexpended percentage. To further aid in projections, the monthly report provides prior year comparison data of expenditures, revenue and budget balances. The monthly comparison allows the Finance Director to closely monitor balances and track revenue streams. By February, forecast models are communicated to each City department regarding budget position.

The adoption process begins with the staff of each department submitting their revised expenditure estimates for the current year and their estimates for the upcoming year by March. An evaluation of the impact of capital expenditure decisions upon annual operations and the City's operating budget are considered. Reoccurring expenditures for plant improvements and equipment represent a consistent percentage of the City's annual operating budget and are financed on a "pay as you go" basis. Current and future capital equipment needs are highlighted with consideration for efficiency and public safety aiding in the discussion process.

In April, budget worksheets are presented and preliminary direction from the City Manager regarding appropriate budget guidelines and strategy is given to each department. This budget planning process helps each department focus on requirements to continue its existing level of service, as well as, evaluate the potential to expand service levels.

Budget proposals are due to Finance by May for incorporation into a working budget document. A May management meeting is scheduled for the City Manager's Office, Finance staff and departments to jointly review all line items.

The Ad Valorem tax projections are a major component of all City budget discussions. When the certified tax roll from the Rockwall County Appraisal District is released in late July, the final preparation for a proposed budget is submitted to the City Council.

July, August, and September have scheduled City Council workshops to discuss the budget with City staff and hold two public hearings. The first public hearing is held mid August; the second public hearing occurs early September. By mid September, the City Council has voted on the tax rate ordinance and the budget ordinance.

The fiscal year begins on October 1. By late December, the completed Budget Document is distributed and made available to the public via website or requested hard copy.

CITY OF HEATH

DESCRIPTION OF FUND STRUCTURE

The financial structure of the budget is organized by funds. A fund is generally defined as a fiscal and accounting entity which has its own self-balancing set of accounts for recording cash and other financial resources, as well as, any liabilities or residual equities or balances. Normally, funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The two types of funds utilized are Governmental and Proprietary. Governmental funds are used for most governmental activities, while Proprietary funds are based on the premise that the city service should be conducted as a business with user fees covering expenses. Governmental funds include: General Fund, Capital Improvements Fund, Debt Service Fund, and Special Revenue Funds. Proprietary funds include: Water and Sewer Fund, and Solid Waste Enterprise Fund.

To maintain clarity and consistency in all reporting, the basis of budgeting and the basis of accounting used for the financial reporting are the same. The basis of budgeting for the Governmental Funds are prepared using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Budgetary control is maintained at the department level in each departmental budget.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and also have been recognized as revenues of the current fiscal period. Sales taxes collected and held by the State and merchants at year end on behalf of the City are also recognized as revenue. Franchise taxes, fines and permits, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Governmental Type Funds

General Fund - the primary operating fund for the City. Financial resources include: property, sales and other taxes, franchise fees, fines, licenses and fees for services. Operating expenditures provide support for traditional tax-supported municipal services such as Public Safety, Parks and Recreation, Administration, and Public Works operations.

Capital Improvements Fund - accounts for the acquisition of capital assets or the construction of major capital projects (such as streets and sidewalks) not being financed by proprietary funds. Financial resources include: proceeds from the sale of obligation bonds, certificates of obligation, TXDOT funds, Impact fees, and operating fund transfers.

Debt Service Fund - accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. Financial resources generated by a tax levy based on property values; used to pay debts incurred through the sale of obligation bonds, certificates of obligation, notes payable, and other debt instruments. The bonds finance long-term capital improvements to streets, parks, buildings, and other infrastructure projects.

Special Revenue Funds - specific revenue sources that are legally restricted to expenditures for specified purposes (not including expendable trusts or major capital projects). Funds under this category include: Drainage Fund, HEDC 4A Sales Tax Revenue Fund, and MBC 4B Sales Tax Revenue Fund.

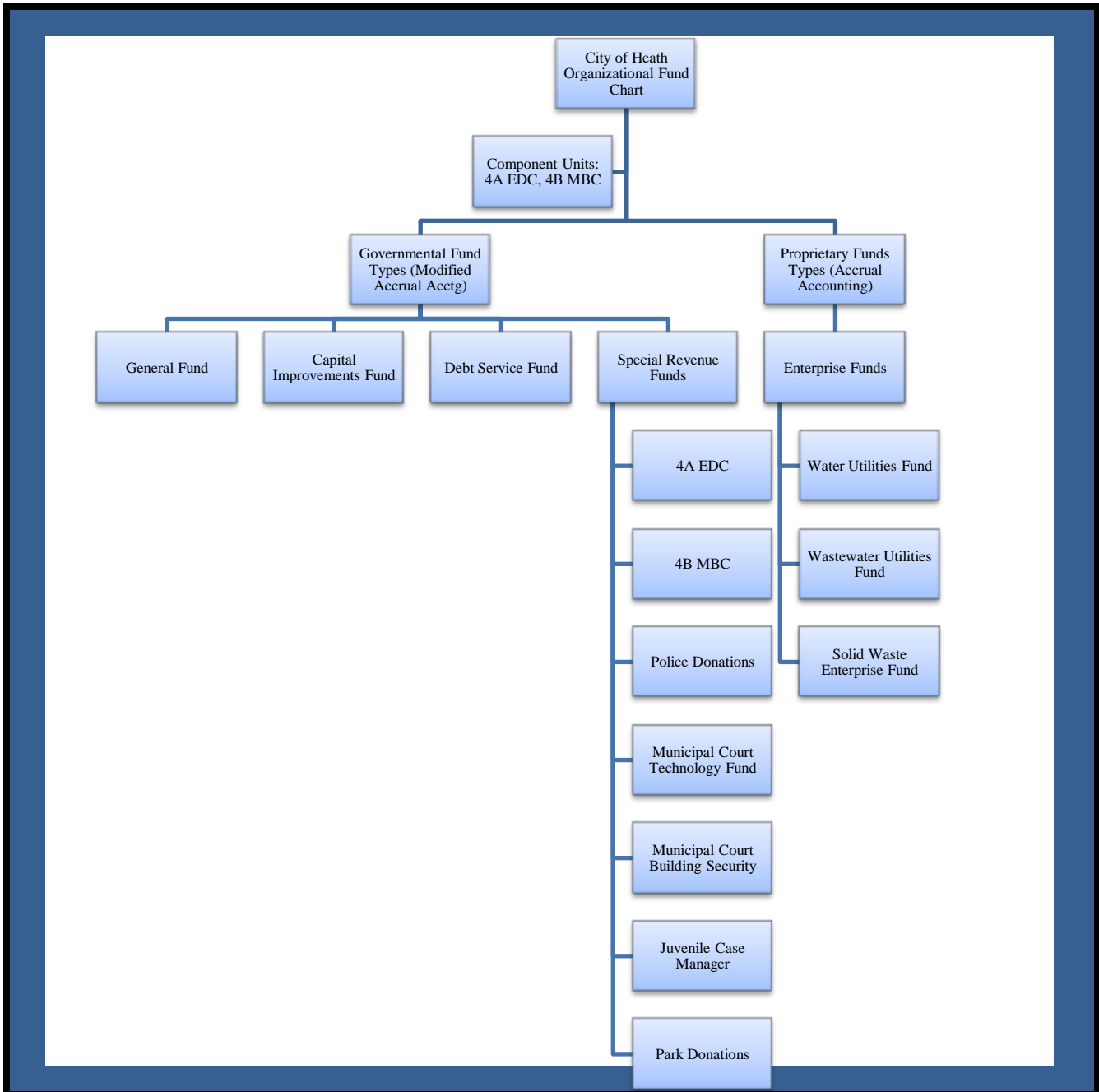
CITY OF HEATH

DESCRIPTION OF FUND STRUCTURE

Proprietary Fund

Enterprise Funds - account for operations that are financed and operated in a manner similar to private businesses; the intent of the City is to provide goods or services to the general public on a continual basis that will be self supporting through the user charges. Two enterprise funds are maintained: **Water and Sewer Fund** - operates the water distribution system and the wastewater treatment plants, wastewater pumping stations, and collection systems; and **Solid Waste Enterprise Fund** - accounts for operations of the sanitation function of the City.

All proprietary funds are accounted for using the accrual basis of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.



CITY OF HEATH

FINANCIAL POLICIES AND PRACTICES

PURPOSE

The purpose of the City of Heath Financial Policies and Practices is to:

1. Demonstrate to the citizens of Heath, the investment community, and the bond rating agencies that the City is committed to a strong fiscal operation.
2. Provide guidelines for future policy-makers and financial managers on common financial goals and strategies.
3. Fairly present and fully disclose the financial position of the City in conformity with Generally Accepted Accounting Principals (GAAP).
4. Demonstrate compliance with finance-related legal and contractual issues in accordance with the Texas Local Government Code and other legal mandates.

ANNUAL BUDGET

1. The budget shall provide a complete financial plan for all City funds and activities and, except as required by law or City Charter, shall be in such form as the City Manager deems desirable or the City Council may require.
2. A budget message explaining the budget both in fiscal terms and in terms of work programs shall be submitted with the budget. It shall outline the proposed financial policies of the City for the ensuing fiscal year, describe the important features of the budget, and indicate any major changes from the current year in financial policies, expenditures, and revenues with reason for such change. It shall also summarize the City's debt position and include such other material as the City Manager deems advisable.
3. The budget shall begin with a clear, general summary of its contents, shall show in detail all estimated income, indicating the proposed property tax levy, and all proposed expenditures for the ensuing fiscal year.
4. Each Director will be responsible for the administration of his/her departmental budget.
5. The goal of the City is to balance the operating budget with current revenues. A balanced budget is a budget in which current revenues equal current expenditures.
6. The legal level of budgetary control is at the divisional (division: a specific functional area within a City department) level. At any time during the fiscal year, the Finance Director may transfer up to \$5,000 of the unencumbered appropriated balance between classifications of expenditure within a division. Transfers exceeding \$5,000 must be approved by the City Manager. A transfer may not be made from the unencumbered appropriated balance in the Personnel Services classification of expenditure. Any revision that alters total expenditures of any department must be approved by the City Council.

AMENDMENT BY CITY COUNCIL BEFORE ADOPTION

1. After public hearings, the City Council may adopt the budget with or without amendment. It may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income plus funds available from prior years.

RESERVES AND FUND BALANCE

Fund Balance is defined as the assets of a fund less liabilities, as determined at the end of each fiscal year.

1. The City will establish reserves for replacement of facilities and equipment.
2. The City will avoid utilizing fund balances for operational expenditures.

CITY OF HEATH

FINANCIAL POLICIES AND PRACTICES

3. The City will strive to maintain fund balance as a percent of operating expenses in the General Fund and General Debt Service Fund and net assets as a percent of operating expenses in the Water/Wastewater Utility Fund and the Sanitation Fund in accordance with the following table:

Fund	Target	Minimum	Maximum
General	25%	20%	30%
Water/Wastewater	25%	20%	30%
Sanitation	25%	20%	30%
Gen Debt Service		1/12 of next years Prin & Int	

In order to achieve the objectives of this policy, the following guidelines shall be adhered to:

- An unreserved fund balance shall be maintained as of October 1 of each year equal to 25% of that year's budgeted expenditures for both the General and Utility Funds.
- As part of the annual budget process, the Finance Director will estimate and prepare a projection of the year-end unreserved fund balances. Such projection will include an analysis of trends in fund balance levels on a historical and future projection basis. The Finance Director shall present the findings to the City Council as part of the budget review process for the ensuing fiscal year.
- Any anticipated balance in excess of the designated General and Utility Fund Balances may be budgeted to reduce the ensuing year's property tax levy and/or utility rates or may be allocated by the City Council during the course of the fiscal year for special projects.
- The City Council may declare a fiscal emergency and withdraw any amount of the unreserved General and Utility Fund Balances for purposes of addressing the fiscal emergency. Any such action must also provide for necessary appropriations to restore the unreserved fund balance to the required balance within a three-year period.

LONG-TERM FINANCIAL PLAN

1. The City will establish and maintain a long-term plan that considers future projects, new revenues, anticipated expenditures, and the City's goals.
2. The annual budget shall be prepared in conjunction with the long-term financial plan's goals and objectives.
3. The City will update replacement and maintenance plans annually and incorporate them into the long-term plan.

FINANCIAL REPORTING

1. The Finance Director shall submit to the City Council at its second formal meeting each month the financial condition of the City by budget items, budget estimates versus actuals for the preceding month and for the fiscal year to date.
2. The Finance Director shall submit to the City Manager, Mayor, and City Council a quarterly investment report. The investment report will include summarized investment strategies employed in the most recent quarter and a description of the portfolio in terms of investment securities, maturities, and investment rate of return for the quarter.
3. A Comprehensive Annual Financial Report (CAFR) shall be prepared at the end of each fiscal year. The report shall be prepared in accordance with generally accepted accounting principles (GAAP) and shall include an opinion from an independent certified public accountant designated by the City Council. The CAFR shall be made available for public inspection and shall become part of the records of the City. The results of the audit will be presented to the City Council no later than March 31 of the following year.

CITY OF HEATH

FINANCIAL POLICIES AND PRACTICES

4. The City will strive to receive and retain the Certificate of Achievement for Excellence in Financial Reporting for its CAFR and the Distinguished Budget Presentation for its annual budget document which are awarded annually by the Government Finance Officers Association of the United States and Canada (GFOA).
5. Every five years, the City will issue requests for proposal to choose an auditor.

BASIS OF ACCOUNTING

1. The City will account for City finances in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board.
2. The City uses the modified accrual basis of accounting for the City's general government activities:
 - Revenues under the modified accrual basis are recognized when they are measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.
 - Expenditures are recognized when the related fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which are recorded when due.
3. The City uses the accrual basis of accounting for the City's enterprise activities:
 - Revenues and expenses are recognized when they occur regardless of the timing of related cash flows.
4. The City will implement and maintain encumbrance accounting whereby purchase orders are utilized to reserve a portion of the annual budgeted appropriations for future payment when due.

OPERATING POLICY

1. Assets will be safeguarded by properly classifying, recording, and tagging each asset. An inventory of assets will be maintained and include the description, cost, date of acquisition, department, location, and asset identification number. Periodic inventory inspections of assets shall be conducted. Assets will be capitalized when they meet the dollar minimum of \$10,000 and have a useful life of more than one year. For constructed assets, the criteria applies to the completed project.
2. The City Manager is authorized to write off bad debt accounts which have been delinquent for more than 120 days. These accounts will be aggressively pursued for collection by any lawful and available means.
3. Rates for water, sewer, and sanitation enterprise activities shall be maintained at levels sufficient to ensure that annual revenues will be available to pay all direct and indirect costs of the enterprise activities, including costs of operations, capital improvements, maintenance, and principal and interest requirements on outstanding debt.
4. In accordance with State law, all uncontested invoices will be paid within 30 days of proper receipt.
5. The City will use due caution in analyzing material incentives that are used to encourage development. A cost/benefit analysis will be performed as part of the evaluation. The City will periodically review the tax abatement policy and perform routine audits on companies receiving tax abatements.

REVENUES

1. The revenue projections will be made conservatively in order that actual revenues should meet or exceed the budgeted revenues for the year.
2. The City will aggressively pursue revenue collection to assure that collectible funds due the City are received in a timely manner.

CITY OF HEATH

FINANCIAL POLICIES AND PRACTICES

3. The City will apply for Federal and State grants that meet City objectives and are cost beneficial. Departments will oversee daily operations of grant programs, monitor performance and compliance, and keep the Finance division informed of grant-related plans and activities. Grant funding must be authorized by City Council.
4. The City will investigate potential new revenue sources, including the capture of user fees.
5. The City will strive to obtain franchise agreements that incorporate a franchise or rental fee with all public utilities. The fee structure will be similar to other cities in the area and allowed by the Public Utility Commission.
6. Interest earned from investments will be distributed among the funds in accordance with the equity balance of the fund from which the money was provided to be invested.
7. Impact fees will be recorded as revenue at the time of assessment.

INVESTMENT POLICY

Investments made by the City will be made in compliance with the City of Heath Investment Policy. It is the policy of the City to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all State of Texas statutes and City ordinances. The primary objectives, in priority order, of the City's investment activities shall be:

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 the City will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.
2. Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
3. Public Trust: All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment officers shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.
4. Yield: The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs. The City's portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U. S. Treasury Bills at a maturity level comparable to the City's weighted average maturity in days. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

CITY OF HEATH

FINANCIAL POLICIES AND PRACTICES

DEBT ISSUANCE POLICY

1. **General Obligation Bonds:** The City shall have the power to borrow money on the credit of the City and to issue general obligation bonds for permanent public improvements or for any other public purpose not prohibited by the Constitution and laws of the State of Texas, and to issue refunding bonds to refund outstanding bonds of the City previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas.
2. **Revenue Bonds:** The City shall have the power to borrow money for the purpose of constructing, purchasing, improving, extending, or repairing public utilities, recreational facilities, or any other self-liquidating function not prohibited by the State of Texas, and to issue revenue bonds to evidence the obligation created thereby. Such bonds shall be a charge upon and payable from properties, or interest therein pledged, or the income there from, or both. The holders of the revenue bonds shall never have the right to demand payment thereof out of monies raised or to be raised by taxation. All such bonds shall be issued in conformity with the laws of the State of Texas.
3. **Bonds Incontestable:** All bonds of the City having been issued and sold and having been delivered to the purchaser thereof shall thereafter be incontestable and all bonds issued to refund in exchange for outstanding bonds previously issued shall and after said exchange, be incontestable.
4. **Use of Bond Funds:** Any and all bond funds approved by a vote of the citizens of Heath will be expended only for the purposes stated in the bond issue.
5. **Certificates of Obligation:** All certificates of obligation issued by the City shall be approved by ordinance and issued in accordance with the laws of the State of Texas.

**CITY OF HEATH
STRATEGIC PLAN**

QUALITY OF LIFE

Strategy A: Quality of Life

Committed to prudent, low density residential growth conducive for recreational, cultural and social opportunities; supporting neighborhood and community events while enjoying a lower tax rate and crime rate.

Goal

Incorporate retail development with unique layout amenities to compliment residential characteristics for green space.

Objective

3-5 years Review comprehensive plan specifying implementation strategy, land use strategy, transportation strategy, and retail development stipulations

Performance Measures:

	FY 2008	FY 2009	FY 2010
Average Home Value	\$ 378,747	\$ 384,294	\$ 385,001
Certified Tax Assessed Value Total	\$1,005,177,768	\$1,101,524,185	\$ 1,089,241,489
Maintained number of park acres	15	15	15
Number of Offenses	369	412	433
Tax Rate	0.3433	0.3433	0.3433

**CITY OF HEATH
STRATEGIC PLAN**

COMMUNITY DEVELOPMENT

Strategy B: Community Development

Encourage upscale commercial, retail, and professional development that embraces a well-designed neighborhood encompassing green space and lower density.

Goal

Detail clarification of the development process while continuing to raise development standards; maintain a low density, rural character; maximize commercial and retail zoning opportunities; allow for housing types other than single-family on a limited basis.

Objective

- 1-5 years Complete Terry Park construction
- 1-5 years Monitor and forecast demographic changes including social and socio-economic evolutions
- 1-5 years Evaluate housing type restrictions
- 3-5 years Review comprehensive plan specifying implementation strategy, land use strategy, transportation strategy, and retail development stipulations

Performance Measures:

Measures:	FY 2008	FY 2009	FY 2010
Developer Impact Fees	\$ 190,000	\$ 140,000	\$ 276,000
Improved commercial/acre property value	110,000	110,000	110,000
Improved residential/acre property value	190,000	190,000	110,000
Rockwall County Property Count	3,510	3,553	3,562

**CITY OF HEATH
STRATEGIC PLAN**

ORGANIZATIONAL DEVELOPMENT

Strategy C: Organizational Development

Manage resources to recruit and retain staff who adhere to the desired highest standards of professionalism, expertise, and customer service; continually striving to proficiently deliver services to the citizenry.

Goal

Demonstrate commitment to employee growth and development; set and communicate expectations for workload; reward outstanding involvement and achievement; provide market competitive compensation.

Objective

- 1-5 years Continually provide training to enhance professional development
- 1-5 years Utilize performance evaluations to promote communication, expectations, and outstanding achievement
- 1-5 years Recognize employees who exemplify the City's vision and values
- 1-5 years Annual pay adjustments inline with general economic trends
- 3-5 years Review market compensation survey

Performance Measures:

Measures:	FY 2008	FY 2009	FY 2010
Turnover Rate	15%	18%	10%
Average Workers' Compensation claims per employee	2%	2%	2%
Market Competitive Compensation - % of Employees at or above 60% market	100%	100%	100%

**CITY OF HEATH
STRATEGIC PLAN**

FINANCIAL MANAGEMENT

Strategy D: Financial Management

Allocate resources to responsibly manage public funds and debt in accordance with the Public Funds Investment Act; maintain and improve cooperative efforts of outside entities to provide timely, accurate reporting.

Goal

Utilize technology to process financial statements and reporting efficiently; examine and implement best practices to respond to annual audit recommendations; protect and enhance the City's credit rating; ensure that key policy decisions are not prohibited by financial challenges or emergencies.

Objective

- 1-5 years Maximize use and capabilities of the centralized financial management system
- 1-5 years Review financial policies and adjust as appropriate
- 1-5 years Monitor and improve key credit criteria
- 1-5 years Maintain key operating reserves

Performance Measures:

Measures:	FY 2008	FY 2009	FY 2010
Bond Rating (General Obligation and Certificates of Obligation):			
Moody's Investors Service	A2	A2	A2
Fitch	AA-	AA-	A+
Standard and Poor's	A	AA	AA
# of Audit Findings	0	0	*
Fund Balance % - Governmental Funds	31%	27%	36%
Fund Balance % - Enterprise Funds	27%	29%	23%

*FY 2010 unaudited prior to Budget Book printing

**CITY OF HEATH
STRATEGIC PLAN**

PUBLIC SAFETY

Strategy E: Public Safety

Supply highly trained personnel with the appropriate resources to continually improve safety, efficiency and security throughout the community.

Goal

Continue to implement education opportunities that involve the public with all facets of public safety; maintain a high quality emergency response system; continually foster a safe neighborhood felt by all in the community.

Objective

- 1-5 years Increase city outreach through safety fairs, school resource officers, citizen publications, and media relations
- 1-5 years Formation and utilization of a citizen volunteer support for public safety incidents
- 1-5 years Receive lower Insurance rating
- 1-5 years Ensure priority calls response time remains low
- 1-5 years Replace aging fire apparatus on an ongoing rotation
- 1-5 years Exceed training minimum per discipline average per year
- 1-5 years Maintain quality of life with a low crime incident rate through minimum staffing requirements of NFPA and TCFP

Performance Measures:

	2008	2009	2010
Measures:			
Crime Rate per 100,000	1,398.90	1,270.10	*
Insurance Rating	5	5	5
Training per discipline average per year	20	20	20
Average Response Time per dispatched call (minutes)	5.04	5.04	5.04

** Statistic based on the calendar year. Available 12/31/10*

**CITY OF HEATH
STRATEGIC PLAN**

INFRASTRUCTURE

Strategy F: Infrastructure

Allocate resources to appropriately and efficiently maintain existing infrastructure while analyzing new development to enhance exceptional reputation.

Goal

Continue to maintain high aesthetic standards implemented through the organization of the Capital Improvement Program (CIP) to the upscale image throughout the community; construct municipal facilities to effectively accommodate needs and services; coordinate the placement of underground utility lines.

Objective

- 1-5 years Update CIP annually
- 1-5 years Monitor roadway integrity for continual improvement using Pavement Condition Index (PCI)
- 1-5 years Re-evaluate Storm Water Management Program
- 5-10 years Design and construct a new municipal complex

Performance Measures:

	FY 2008	FY 2009	FY 2010
Measures:			
Average system water pressure	50	50	50
Total Facility Square Feet	21,635	21,635	21,635
Sewer in-flow/infiltration (miles 1/1 inspection/correction)	15	15	15

**CITY OF HEATH
STRATEGIC PLAN**

TRANSPORTATION

Strategy G: Transportation

Support local and regional planning, development, and maintenance of a comprehensive transportation network.

Goal

Continually monitor and modify the transportation route to provide citizens with the optimum type, mode and expediency of travel; examine and utilize multimodal forms of transportation in appropriate areas of development while ensuring high quality landscaping and illumination in conjunction with all modes.

Objective

- 1-5 years Update transportation study
- 1-5 years Develop a system to monitor traffic movement and survey user satisfaction
- 1-5 years Review trail system plan to connect major areas
- 1-5 years Review Master Plan addressing sidewalk, landscape, and illumination requirements for all transportation corridors
- 1-5 years Continue to encourage TXDOT extension of Highway FM 740 (Phase I and II); and FM549

Performance Measures:

	FY 2008	FY 2009	FY 2010
Measures:			
Average Pavement Condition Index (Estimated Standard of Correction 5.5)	5.75	5.9	5.9
Lane mile maintained per PMS (Pavement Management System) based on one mile pavement 10 ft width	231K	235K	235K
Lane Miles Rehabilitated	2	2	1

**CITY OF HEATH
STRATEGIC PLAN**

DELIVERY OF SERVICES

Strategy H: Delivery of Services

Continually evaluate efficiency methods and standards for delivering high quality services and allocating City resources to meet the current and future community needs.

Goal

Maintain or enhance City staffing levels to effectively and efficiently provide necessary core services; utilize best practices and methods to identify core services; utilize customer centered technology; develop and maintain public engagement in development and delivery of programs and services.

Objective

- 1-5 years Define core City services to be provided
- 1-5 years Analyze processes to included technology to increase efficiency for customers and employees (i.e. online bill payment, real-time updates, etc.)
- 1-5 years Establish city-wide customer survey
- 1-5 years Utilize customer feedback system

Performance Measures:

	FY 2008	FY 2009	FY 2010
Measures:			
Number of Employees	46	47	40.5
Number of Water Customers	1,806	1,842	1,862
Payments processed online	475	1,459	2,182
Payments processed in-house	25,437	26,379	27,527
Number of Re-reads	37	31	614 *

* FY 2010 Implemented service order tracking for all requests whether internal or external for gathering work load statistics.

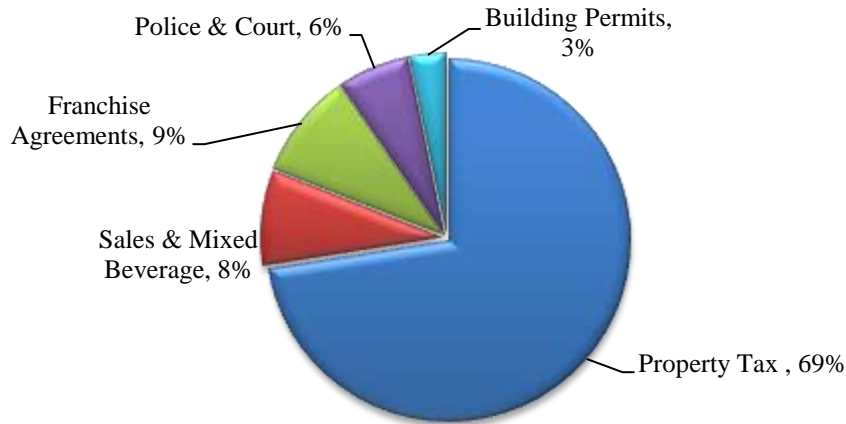


CITY OF HEATH

GENERAL FUND

The General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, service charges, and other types of revenue.

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011
BUDGET OVERVIEW

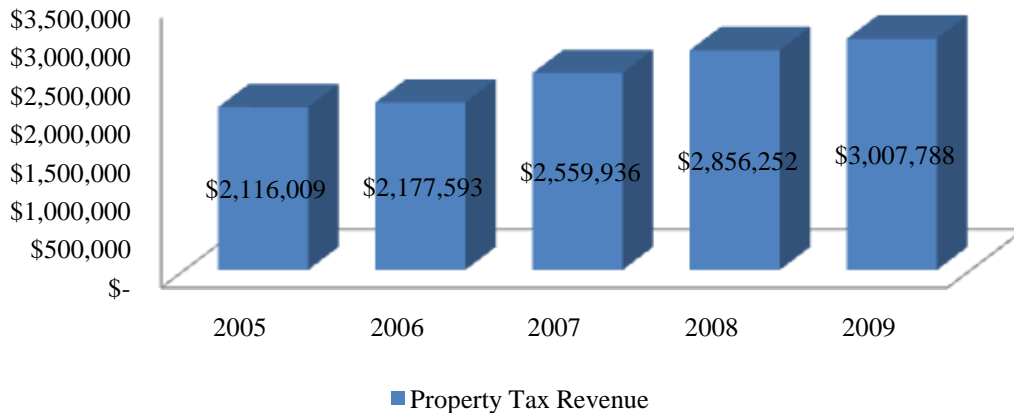


Description of Top 5 Revenues

1) Ad Valorem Property Tax (69%). The Rockwall County Appraisal District (RCAD) and Kaufman County Appraisal District (KCAD) establish the value of each property within the City of Heath. The certified taxable value for FY 2011 is \$1,089,241,489; approximately 1% lower than the FY 2010 certified value of \$1,101,524,185. The M&O tax rate is 27.86 cents per \$100 resulting in projected revenue of \$2,988,000.

Assumption #1: A 98.5% collection rate of ad valorem taxes is built into the revenue assumption. Historically, 98.5% has been used to accurately project ad valorem revenue.

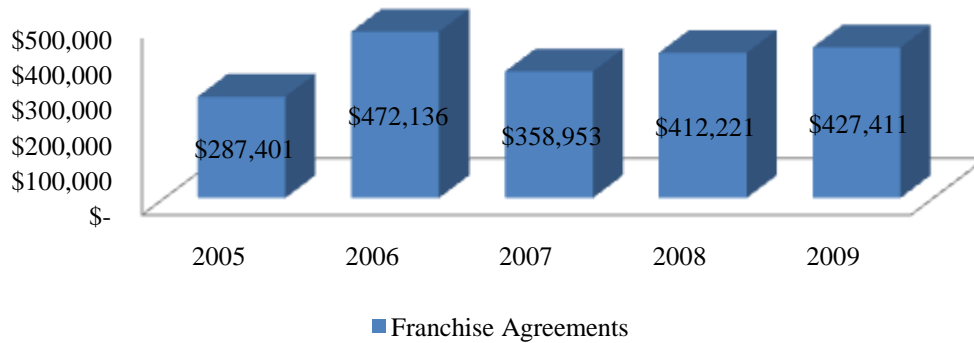
Assumption #2: Historical collection analysis revealed 50% of total Delinquent Ad Valorem Tax Revenue and Penalty & Interest Revenue occurred between May 1st and September 30th. FY 2010 projected actual revenue has meet 2010 budgeted revenue. FY 2011 budgeted revenue is set at prior year collections.



CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011
BUDGET OVERVIEW

2) Franchise Agreements (9%). Franchise Fees are received from an energy provider (66%), telephone providers (29%), and a waste management provider (5%).

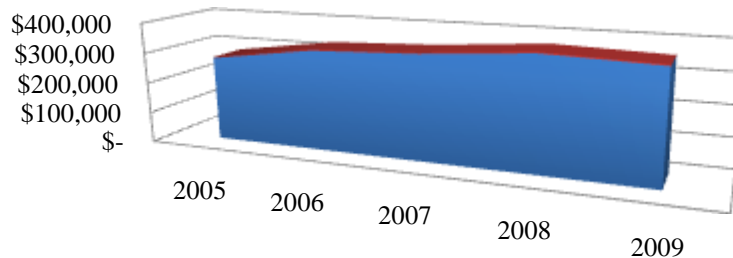
Assumption #1: An increase in franchise fee revenue was incorporated into the FY 2009 revenue projections due to a rate increase in the Atmos franchise fee. FY 2009 actual revenue totaled \$427,411; 38% of the total revenue was collected during the period of May 1st through September 30th. Revenue projections assume 62% of franchise fees have been collected through April yielding projected actuals for FY 2010 of approximately \$409,000. No franchise fee increases or additional providers are expected for FY 2011; revenue projections remain unchanged from FY 2010.



3) Sales & Mixed Beverage Tax (8%). The Texas Comptroller's office lists 131 outlets of all industries subject to sales tax for 2nd quarter 2009; a 12 outlet decline from 2nd quarter 2008. The largest 3 categories of outlets are as follows: Retail Trade - 28 outlets or 21%; Professional/ Scientific/ Technical - 20 outlets or 15%; and Construction - 17 outlets or 13%.

Assumption #1: 2nd and 3rd Quarter 2009 saw an 11% decline in taxable sales. The current year Sales Tax and Mixed Beverage Tax Revenue is only slightly below prior year collections. No new retail establishments or construction are expected in the near future. Based on historical trending for the months of October through May, FY 2011 Sales Tax and Mixed Beverage Tax Revenue was budgeted slightly lower than FY 2010.

Sales & Mixed Beverage Tax



	2005	2006	2007	2008	2009
■ Mixed Beverage	\$3,533	\$3,147	\$2,798	\$3,311	\$3,609
■ Sales Tax Collection	\$276,712	\$325,738	\$339,570	\$365,801	\$355,097

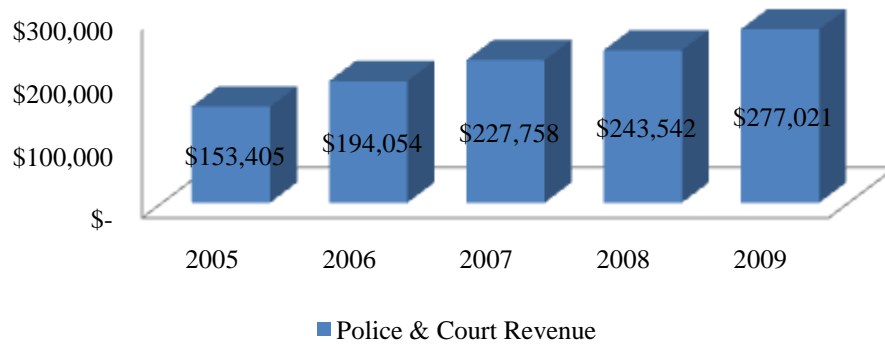
CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011
BUDGET OVERVIEW

4) Police and Court Fines and Fees (6%). Police Revenue benefits from an agreement with Rockwall ISD for contractual services of three School Resource Officers (SRO). RISD reimburses the City for 75% of the SRO's salary and benefits. Municipal Court Revenue contributes the largest remaining portion.

Assumption #1: The RISD contract is based on actual salaries and benefits of SRO's. The budgeted increase results from the assumed increase in the cost of payroll, including health insurance.

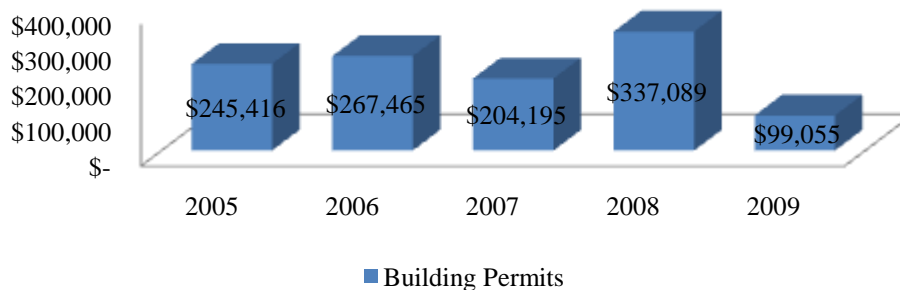
Assumption #2: Additional patrol officer positions are not budgeted in FY 2011. Ticket writing is projected to coincide with historical citation data and remain consistent with prior years. The revenue generated from police and court fines and fees was projected to remain flat.

Assumption #3: Alarm Registration Fees are projected conservatively. 625 residential and commercial alarm registrations are forecast for FY 2010 based on historical trending of registrations during the period of June through September. FY 2011 alarm revenue is projected to be consistent with FY 2010.



5) Building Permits (3%). New construction and restoration of commercial and residential sites require inspections that satisfy City and state codes. Building Permit Fees are collected to offset the costs associated with the inspection process.

Assumption #1: Building Permit revenue collected from October through April averaged 57% of total annual collections consistently over the past five years (FY 2005 - FY 2009). The previous five years have seen the highest permit requests in September, November, January, April, and July. FY 2010 projections, therefore, were based on average collections and are expected to total approximately \$147,000. FY 2011 budgeted revenue is consistent with FY 2010 projected actual revenue.



CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011
BUDGET OVERVIEW

Expenditure Assumptions

1) Salaries and Benefits

Assumption #1: Budgeted Salaries include a 5% increase. See Personnel tab for detail by position.

Assumption #2: The cost of health insurance was estimated to increase 20%.

Assumption #3: The Department of Public Safety applied for a grant which would pay the salary and benefits of one officer for three years. The grant requires that the City pay the salary and benefits the fourth year. The DPS budget includes a line item reserving \$25,000 to partially offset the cost of the position in year 4. We will budget this line item again in FY 2012 and FY 2013 totaling \$50,000 and \$75,000, respectfully. The reserve will minimize the impact of the City's obligation in FY 2014. Any unused funds can be returned to the General Fund fund balance; be used to purchase replacement vehicles and equipment; or used elsewhere in the operating budget.

2) Capital Outlay

Assumption #1: The budget includes the purchase of 4 replacement vehicles.

Assumption #2: The replacement of Christmas decorations and the flagpole for City Hall are included in this year's budget.

Assumption #3: The City's computer equipment is routinely replaced to help maintain an efficient and effective system. This year the budget includes funding for replacement equipment.

3) Operational Expenditures

Assumption #1: To ensure the pristine condition of the City's parks, the Landscape Maintenance budget was increased from the previous year.

Assumption #2: The cost of services provided by the City of Rockwall have increased slightly over the previous years budget.

4) Contingency

Assumption #1: The budget includes \$75,000 for unanticipated expenditures that may arise during the current budget year.

5) Fund Balance

Assumption #1: The budget includes spending \$111,500 of the current fund balance. FY 2011 and FY 2012 are slated to spend fund balance in excess of the 25% target balance set by financial policy to maintain the current property tax rate.

CITY OF HEATH
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Budget Summary	All Funds				
	<i>Projected Beginning Fund Balance 10/01/2010</i>	<i>Proposed Revenue & Financing Sources 2010-2011</i>	<i>Proposed Expenditures & Financing Uses 2010-2011</i>	<i>Budgeted Ending Fund Balance 09/30/2011</i>	<i>Fund Balance Variance by %</i>
Summary of all Funds					
Governmental Operating Funds					
General Fund	1,769,215	4,852,700	4,951,700	1,670,215	-6%
Debt Service Fund	1,209,601	766,300	1,338,710	637,191	-47%
Total Governmental Funds	2,978,816	5,619,000	6,290,410	2,307,406	
Enterprise Funds					
Water Utilities Fund	989,938	4,522,750	4,483,938	1,028,750	4%
Solid Waste Fund	92,871	550,500	569,900	73,471	-21%
Total Enterprise Funds	1,082,809	5,073,250	5,053,838	1,102,221	
Total Operating Funds	4,061,626	10,692,250	11,344,248	3,409,627	
Component Units					
HEDC	669,134	176,200	94,533	750,801	12%
HMBC	958,333	176,800	81,563	1,053,570	10%
Total Component Units	1,627,467	353,000	176,096	1,804,371	
Total of all Funds	5,689,094	11,045,250	11,520,344	5,213,999	

Fund Balance % Variance greater than 10% Explanation

Debt Service Fund: Series 2001 refunding savings were not finalized during budget planning. Original principal and interest debt was budgeted; thus final FY10-11 expenditures will be lower and the ending fund balance will be greater than the reflected variance. Fund balance reserves are significantly above the required minimum.

Solid Waste Fund: The City contracts for disposal services. Administration of bill processing and collections are recorded in this fund. Fund balance will be spent to maintain the current rate.

HEDC: No expenditure increases were forecast. Fund balance reserves will increase for use on future projects.
 HMBC: No expenditure increases were forecast. Fund balance reserves will increase for use on future projects.

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

Combined Summary of Budget by Fund							Summary
	<i>Governmental Funds</i>			<i>Enterprise Funds</i>		<i>Special Revenue</i>	<i>COMBINED TOTAL</i>
	<i>General Fund</i>	<i>4A & 4B Economic Development</i>	<i>Debt Service Fund</i>	<i>Utility Fund</i>	<i>Sanitation Fund</i>	<i>Special Revenue Funds</i>	
Beginning Resources	1,769,215	1,627,467	1,209,601	989,938	92,871	79,009	5,768,101
<i>Current Revenues</i>							
Property Tax Revenue	3,068,000		709,300	-	-	-	3,777,300
Sales and Mixed Beverage Tax	353,600	350,000	-	-	-	-	703,600
Franchise Agreements	409,000		-	-	-	-	409,000
Interest Income	7,500	3,000	28,000	2,750	500	615	42,365
Administrative Revenue	87,750		-	1,500	-	-	89,250
Permits & Fees & Other	158,150		-	269,000	-	-	427,150
PID Revenue	-		29,000	2,300	-	-	31,300
Charges for Services	-		-	4,200,000	550,000	-	4,750,000
Inter-Local/ Inter-Agency	188,000		-	-	-	-	188,000
Police & Court Revenue	32,000		-	-	-	18,000	50,000
Fines and Forfeitures	50,000		-	-	-	-	50,000
Fire Department Revenue	96,000		-	-	-	-	96,000
Park Department Revenue	13,000		-	-	-	-	13,000
All Other	306,500	-	-	-	-	2,243	308,743
Total - Current Revenue	4,769,500	353,000	766,300	4,475,550	550,500	20,858	10,935,708
Transfer from Other Funds	83,200		-	47,200	-	-	130,400
TOTAL AVAILABLE RESOURC	6,621,915	1,980,467	1,975,901	5,512,688	643,371	99,867	16,834,209
<i>Current expenditures</i>							
Personnel Services	3,070,000	1,000	-	852,300	-	-	3,923,300
Supplies & Services	375,725	10,000	-	272,550	-	-	658,275
Telecommunications	23,000	-	-	13,100	-	-	36,100
Operational	422,900	41,200	7,500	1,629,589	475,500	-	2,576,689
Inter-Local/ Inter-Agency	233,000	-	57,817	520,783	-	-	811,600
Materials & Equipment	146,525	-	-	48,100	-	18,000	212,625
Capital Outlay	615,550	50,000	-	37,000	-	-	702,550
Debt Service	-	35,896	1,273,394	1,060,516	-	-	2,369,806
Contingency	65,000	-	-	50,000	-	-	115,000
Capital Projects	-	-	-	-	-	-	-
Total Expenditures	4,951,700	138,096	1,338,711	4,483,938	475,500	18,000	11,405,945
Transfer to Other Funds	-	38,000	-	-	94,400	-	-
ENDING FUND BALANCE	1,670,215	1,804,371	637,190	1,028,750	73,471	81,867	5,428,265
*FUND BALANCE MINIMUM	990,340	-	110,934	896,788	-	-	-
FUND BALANCE SURPLUS	679,875	1,804,371	526,256	131,962	73,471	81,867	-

* Fund balance minimum requirement is 20% of total budgeted expenditures for General Fund and Water/Wastewater

* Fund balance minimum Debt Service requirement is 1/12 of next year's Principal and Interest payments

CITY OF HEATH
Annual Operating Budget
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MULTI-YEAR REVENUE AND EXPENDITURE HISTORY BY TYPE FOR GENERAL FUND

	<i>Actual FY 05-06</i>	<i>Actual FY 06-07</i>	<i>Actual FY 07-08</i>	<i>Actual FY 08-09</i>	<i>Projected Budget FY 09-10</i>	<i>Adopted Budget FY 10-11</i>
Beginning Resources	2,410,935	2,723,390	2,640,109	2,683,094	1,760,640	1,769,215
Revenues						
Property Tax Revenue	2,177,593	2,559,936	2,856,252	3,007,788	3,082,300	3,068,000
Administrative Revenue	1,044,702	991,941	939,635	883,716	865,250	857,850
Permits& Fees & Other	276,066	220,459	369,626	126,521	153,250	158,150
Police & Court Revenue	194,054	227,758	243,542	277,021	263,830	270,000
Fire Department Revenue	41,141	48,000	48,000	48,000	51,500	96,000
Park Department Revenue	163,690	43,095	127,928	18,124	14,950	13,000
External Contributions/Other Sources	-	213,160	-	-	-	306,500
Total Revenue	3,897,245	4,304,349	4,584,983	4,361,170	4,431,080	4,769,500
Transfer from Other Funds		-	-	83,051	81,200	83,200
TOTAL AVAILABLE RESOURCES	6,308,180	7,027,739	7,225,092	7,127,315	6,272,920	6,621,915
Expenditures						
Payroll	1,450,116	1,719,354	2,015,091	2,115,553	1,966,900	1,994,400
Personnel Benefits	728,737	698,007	857,255	847,370	937,900	1,075,600
Subtotal	2,178,853	2,417,361	2,872,346	2,962,923	2,904,800	3,070,000
Supplies & Services	365,475	340,523	312,115	305,019	408,855	398,725
Operational	737,964	613,279	481,413	551,562	609,350	655,900
Materials & Equipment	130,145	458,310	191,123	105,819	160,550	146,525
Capital Outlay	172,354	458,157	195,838	94,728	157,650	615,550
Contingency	-	-	-	-	-	65,000
Total Expenditures	3,584,790	4,287,630	4,052,835	4,020,052	4,241,205	4,951,700
Transfer to Other Funds		100,000	489,163	1,334,288	250,000	-
Restricted Special Revenue	1,500,000	1,000,000	1,233,205	9,132	12,500	12,500
ENDING FUND BALANCE	2,723,390	1,640,109	1,449,889	1,763,844	1,769,215	1,657,715
*EFFECT ON UNRESERVED FUND BALANCE	312,455	(1,083,281)	(1,190,220)	(919,250)	8,575	(111,500)

CITY OF HEATH
Annual Operating Budget
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General Fund Sources and Uses

	<i>F'08-09 Actual</i>	<i>F'09-10 Adopted Budget</i>	<i>F'09-10 Amended Budget</i>	<i>F'09-10 Projected Actual</i>	<i>F'10-11 Adopted/ Amended</i>
Sources of Funds					
<i>Beginning Resources</i>	2,679,889	1,760,640	1,760,640	1,760,640	1,769,215
<i>Current Revenues</i>					
Property Tax Revenue	3,007,788	3,104,100	3,104,100	3,082,300	3,068,000
Administrative Revenue	883,716	841,050	841,050	865,250	857,850
Permit & Fee Revenue	126,521	118,150	118,150	153,250	158,150
Police & Court Revenue	277,021	259,400	259,400	263,830	270,000
Fire Department Revenue **	48,000	48,000	48,000	51,500	96,000
Park Department Revenue	18,124	13,000	13,000	14,950	13,000
Other Sources **	83,051	81,200	81,200	81,200	389,700
<i>Total - Current Revenue</i>	<i>4,444,221</i>	<i>4,464,900</i>	<i>4,464,900</i>	<i>4,512,280</i>	<i>4,852,700</i>
<i>Total Sources of Funds</i>	<i>7,124,110</i>	<i>6,225,540</i>	<i>6,225,540</i>	<i>6,272,920</i>	<i>6,621,915</i>
Uses of Funds					
<i>Current expenditures</i>					
2 Streets Division	250,088	338,225	359,225	359,200	339,225
4 Parks Division	78,711	135,150	136,250	134,000	220,550
6 Engineering & Inspections Divisio	404,487	441,225	443,725	427,450	456,025
8 Municipal Court Division	89,384	110,650	110,650	93,200	104,300
9 Public Safety Division **	2,236,777	2,347,800	2,355,200	2,317,750	2,801,100
40 City Council Division	35,259	42,150	42,150	36,600	38,000
43 City Secretary Division	121,576	116,650	116,650	111,700	125,250
46 City Attorney Division	33,530	36,000	36,000	36,000	36,000
52 City Manager Division	272,313	240,450	242,050	240,400	245,050
55 Finance Division	231,195	220,800	228,200	219,805	232,600
60 Non-Divisional	371,019	354,100	313,100	265,100	353,600
<i>Total Current Expenditures</i>	<i>4,124,339</i>	<i>4,383,200</i>	<i>4,383,200</i>	<i>4,241,205</i>	<i>4,951,700</i>
560-802 Transfer to CIP	230,000	0	0	0	0
560-840 Transfer to Debt Service	1,000,000	250,000	250,000	250,000	0
<i>Ending Resources</i>	<i>1,769,772</i>	<i>1,592,340</i>	<i>1,592,340</i>	<i>1,781,715</i>	<i>1,670,215</i>
<i>Restricted Special Revenue</i>	<i>9,132</i>	<i>9,132</i>	<i>12,500</i>	<i>12,500</i>	<i>12,500</i>
	-	-	-	-	-
<i>Unreserved</i>	<i>1,760,640</i>	<i>1,583,208</i>	<i>1,579,840</i>	<i>1,769,215</i>	<i>1,657,715</i>
<i>Revenue vs. Expenditures - Surplus/(Deficit)</i>	<i>319,883</i>	<i>81,700</i>	<i>81,700</i>	<i>271,075</i>	<i>(99,000)</i>
<i>Impact on Unreserved Fund Balance</i>	<i>310,708</i>	<i>(177,432)</i>	<i>(180,800)</i>	<i>8,575</i>	<i>(111,500)</i>

** Ordinance No. 10109B 10/19/2010 Amended Budget FY 2011 for disposition of fire equipment and fire equipment capital lease. All changes shown in green.

CITY OF HEATH
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Revenue

		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Adopted</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted/</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Amended</i>
<i>General Fund Revenue Detail</i>						
4001	Ad Valorem Taxes	2,923,936	3,022,000	3,022,000	3,000,000	2,987,700
4002	Penalty & Interest	44,516	41,000	41,000	41,000	41,000
4003	Tax Certificate Fees	205	100	100	300	300
4004	Ad Valorem Delinquent Taxes	39,130	41,000	41,000	41,000	39,000
	<i>Total - Property Tax Revenue</i>	<i>3,007,788</i>	<i>3,104,100</i>	<i>3,104,100</i>	<i>3,082,300</i>	<i>3,068,000</i>
4101	Sales Tax	355,097	360,000	360,000	355,000	350,000
4102	Mix Drink Tax	3,609	2,300	2,300	3,600	3,600
4103	Franchise Agreements	427,411	409,000	409,000	409,000	409,000
4104	Civic Center Rentals	2,050	1,650	1,650	1,650	1,650
4106	Interest Earned	23,876	12,000	12,000	7,500	7,500
4107	Other Revenue	45,847	30,000	30,000	30,000	30,000
4110	Tower Lease	18,000	18,000	18,000	48,000	48,000
4114	New Development Electric	0	0	0	0	0
4115	Rezoning Application Fees	0	0	0	2,000	0
4116	Conditional Use Permits	525	0	0	900	0
4117	Plat Fees	2,597	3,000	3,000	3,000	3,000
4118	New Development - 2.5% Fee	0	0	0	0	0
4121	Takeline Lease	4,600	5,000	5,000	4,500	5,000
4160	Collection Fee Revenue	105	100	100	100	100
	<i>Total - Administrative Revenue</i>	<i>883,716</i>	<i>841,050</i>	<i>841,050</i>	<i>865,250</i>	<i>857,850</i>
4201	Building Permits	99,055	100,000	100,000	140,000	140,000
4202	Inspection Fees	350	800	800	100	800
4203	Code Enforcement Admin Fee (Mow)	7,391	1,150	1,150	1,150	1,150
4204	OSSF Permit Fees	5,500	6,200	6,200	2,000	6,200
4209	Contractor Registration Fee	14,075	10,000	10,000	10,000	10,000
4240	Other Land Use Permit Fees	150	0	0	0	0
	<i>Total - Permits & Fee Revenue</i>	<i>126,521</i>	<i>118,150</i>	<i>118,150</i>	<i>153,250</i>	<i>158,150</i>
4300	Judicial Support Fund	251	200	200	200	200
4301	Municipal Court Fines	56,483	50,000	50,000	50,000	50,000
4302	RISD Police Officer	185,274	175,000	175,000	182,000	188,000
4303	Animal Impound Fees	1,660	1,500	1,500	1,650	1,500
4304	Animal Registration Fees	1,530	1,500	1,500	1,500	1,500
4306	Police Report Fees	189	100	100	150	100
4307	Time Payment Fee Revenue	616	800	800	300	500
4308	Court Building Security	1,498	1,250	1,250	1,250	1,250
4309	Municipal Court Technology Fund	1,986	1,500	1,500	1,500	1,500
4311	Judicial Sys. Efficiency	154	100	100	60	100
4315	TLFTA Fees	544	300	300	150	200
4316	LEOSE Training	1,849	1,750	1,750	1,870	1,750
4320	Police Grant Revenue	0	0	0	0	0
4330	Juvenile Case Manager Fee	173	400	400	200	400
4331	Court Appointed Books	0	0	0	0	0
4340	Alarm Registration Fee	23,840	24,000	24,000	22,000	22,000
4341	Alarm Charge (False and Non-Registe	975	1,000	1,000	1,000	1,000
	<i>Total - Police & Court Revenue</i>	<i>277,021</i>	<i>259,400</i>	<i>259,400</i>	<i>263,830</i>	<i>270,000</i>

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

Revenue

		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Adopted</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted/</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Amended</i>
<i>General Fund Revenue Detail</i>						
4401	Rockwall County Fire Runs	48,000	48,000	48,000	48,000	48,000
4403 **	Disposition of Equipment	0	0	0	3,500	48,000
	<i>Total - Fire Department Revenue</i>	<i>48,000</i>	<i>48,000</i>	<i>48,000</i>	<i>51,500</i>	<i>96,000</i>
4852	Transfer from Solid Waste Fund	47,200	47,200	47,200	47,200	47,200
4860	External Contributions	0	0	0	0	0
4854	Transfer from HEDC	17,925	17,000	17,000	17,000	18,000
4853	Transfer from HMBC	17,925	17,000	17,000	17,000	18,000
4896 **	Capital Lease	0	0	0	0	306,500
	<i>Total - Other Sources</i>	<i>83,051</i>	<i>81,200</i>	<i>81,200</i>	<i>81,200</i>	<i>389,700</i>
4901	Park Donations	1,000	0	0	0	0
4920	Special Event Revenue	10,035	8,000	8,000	9,950	8,000
4930	Park User Fees	7,089	5,000	5,000	5,000	5,000
	<i>Total - Park Department Revenue</i>	<i>18,124</i>	<i>13,000</i>	<i>13,000</i>	<i>14,950</i>	<i>13,000</i>
	<i>Total - General Fund Revenue</i>	<i>4,444,221</i>	<i>4,464,900</i>	<i>4,464,900</i>	<i>4,512,280</i>	<i>4,852,700</i>

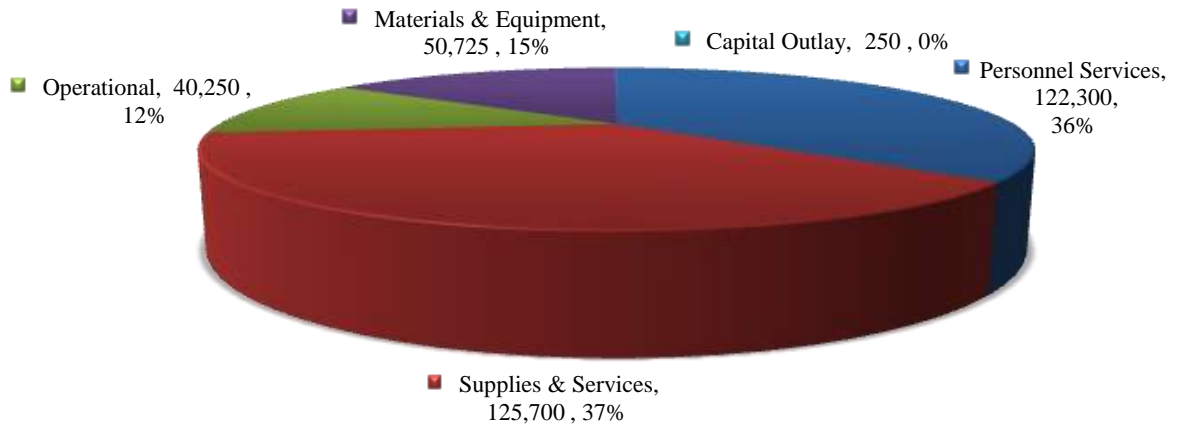
** Ordinance No. 10109B 10/19/2010 Amended Budget FY 2011 for disposition of fire equipment and fire equipment capital lease. All changes indicated in green.

CITY OF HEATH
Annual Operating Budget
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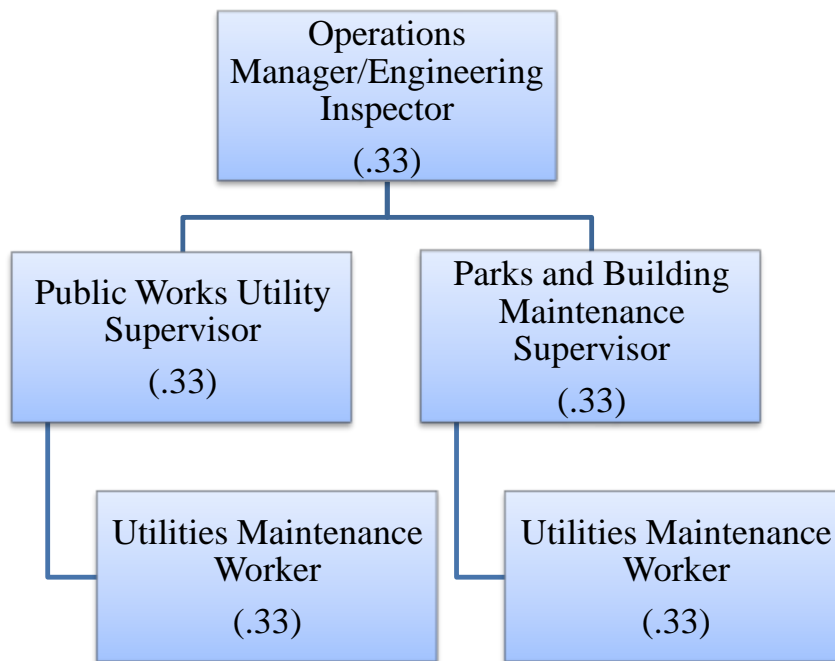
FUND	DEPARTMENT		ACCOUNT			
GENERAL	STREETS		502			
PURPOSE AND DESCRIPTION						
<i>To ensure that all City streets, roadways, and alleys meet or exceed minimum condition standards set by the City Council.</i>						
FY 10 ACCOMPLISHMENTS						
160,000 square feet of asphalt pavement rehabilitated at Key Drive, Rabbit Ridge, and White Road (South).						
8,000 square feet of concrete pavement, and curb and gutter rehabilitated City-wide.						
White Road reconstruction included: 100,000 square feet of concrete pavement widened to 37 feet; 4,500 feet of curb and gutter; and 44,000 square feet of green and landscaping.						
Planned, designed, and began the bidding process for construction of an equipment shelter and driveway for the Public Works Center.						
STRATEGIES AND GOALS						
Continue to identify and prioritize roadway maintenance while increasing the storm water drainage system to prevent streets and structures from flooding.						
Work with all agencies for planning and funding of future roadway improvements with the Texas Department of Transportation, the North Central Texas Council of Governments and others.						
PERFORMANCE INDICATORS						
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	
Street Resurfacing (feet)	57,200	6,936	103,400	88,000	270,000	
Potholes Repaired	750	770	800	800	800	
Streets (miles)	145.84	145.84	145.84	175	175	
STREET EXPENDITURE SUMMARY						
<i>Description</i>	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Amended Budget FY2010</i>	<i>Approved Budget FY2011</i>	<i>% Increase/ Decrease</i>
Personnel Services	\$ 77,182	\$ 106,700	\$ 113,886	\$ 115,200	\$ 122,300	6%
Supplies & Services	139,412	100,000	111,044	151,800	125,700	-21%
Operational	57,250	60,250	43,750	40,250	40,250	0%
Materials & Equipment	1,564,725	135,225	85,725	50,725	50,725	0%
Capital Outlay	250	10,250	4,750	250	250	0%

**CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011**

Approved Budget FY 2011



STREETS 01-502



FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

Description	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Full-time	1.7	1.7	1.7	1.7	1.7
Continuous Part-Time	-	-	-	-	-
Seasonal	-	-	-	-	-
<i>Total</i>	1.7	1.7	1.7	1.7	1.7

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

Streets Division

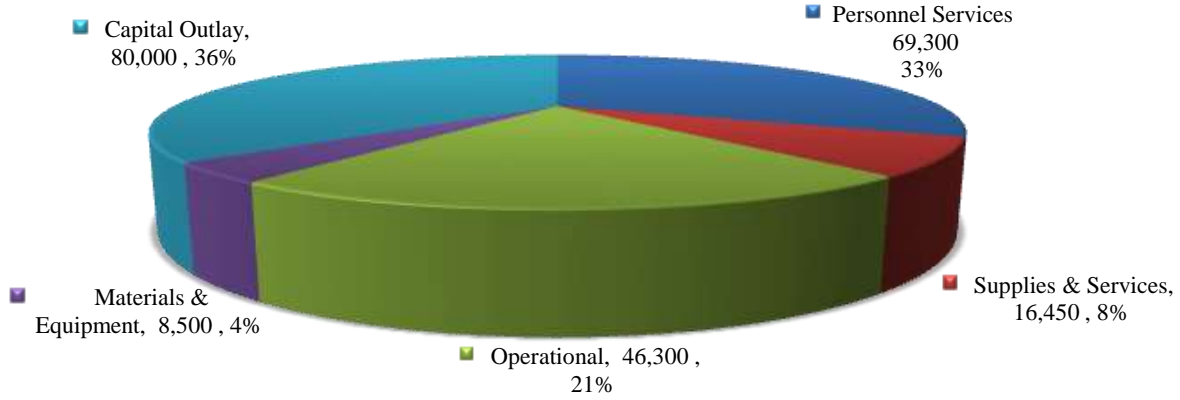
		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Adopted</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
General Fund expenditures authorized for Streets Division						
502-101	Salaries	69,769	73,800	73,800	74,400	77,000
502-102	Health Insurance	11,810	16,800	16,800	16,000	20,100
502-103	Workers' Comp Insurance	2,770	3,300	3,300	2,800	2,900
502-104	Overtime	7,576	6,100	6,100	6,100	6,100
502-105	FICA	5,723	6,200	6,200	6,200	6,400
502-106	Retirement (TMRS)	8,195	8,600	8,600	8,600	9,000
502-107	Unemployment	0	400	400	400	800
	Total - Personnel Services	105,844	115,200	115,200	114,500	122,300
502-201	Electric Service	65,353	116,000	136,000	135,000	110,000
502-204	Telecommunications	430	1,600	1,600	2,200	1,500
502-220	Office Supplies	830	800	800	800	800
502-221	Postage & Freight	11	200	200	100	200
502-222	Printing & Photo	72	100	100	100	100
502-230	Dues/Subscriptions/Publication	0	500	500	250	500
502-231	Conferences & Training	0	1,000	1,000	800	1,000
502-232	Travel, Meals & Lodging	63	500	500	500	500
502-233	Medical Services	0	100	100	50	100
502-234	Uniforms	990	1,000	1,000	1,000	1,000
502-240	Subcontractor Repairs	300	10,000	10,000	7,500	10,000
	Total - Supplies & Services	68,048	131,800	151,800	148,300	125,700
502-311	Legal Publications/Advertising	0	1,000	1,000	750	1,000
502-342	Professional Fees/Consultants	5,286	5,000	5,000	4,000	5,000
502-344	Engineering	3,060	8,000	8,000	8,000	8,000
502-353	Lot Mowing (Code Enforcement)	(1,416)	1,500	1,500	1,500	1,500
502-355	Landscape Maintenance	9,512	7,000	7,000	8,000	7,000
502-361	Storm Water Management	19,679	16,000	16,000	13,000	16,000
502-370	Maintenance & Repair Parts	1,772	1,500	1,500	3,000	1,500
502-399	Miscellaneous Expense	77	250	250	250	250
	Total - Operational Items	37,970	40,250	40,250	38,500	40,250
502-415	Hand Tools	547	1,500	1,500	2,200	1,500
502-420	Drainage Repairs & Improvement	7,380	5,000	5,000	5,000	5,000
502-430	Street Repairs	17,012	20,000	20,000	20,000	20,000
502-431	Street Sign Repair & Maint	5,282	4,500	4,500	4,500	4,500
502-432	Sidewalk Maintenance	0	3,000	3,000	3,000	3,000
502-440	Equipment Repair & Maintenance	1,378	3,000	3,000	2,500	3,000
502-441	Auto Repair & Maintenance	1,674	2,500	2,500	2,000	2,500
502-442	Gas, Oil & Fuel	4,952	5,000	5,000	6,000	5,000
502-443	Structure Repair & Maintenance	0	1,225	1,225	1,225	1,225
502-450	Machinery/Equipment Rental	0	5,000	5,000	4,000	5,000
	Total - Materials & Equipment	38,226	50,725	50,725	50,425	50,725
502-501	Office Furniture/Fixtures/Equip	0	250	250	250	250
	Total - Capital Outlay	0	250	250	250	250
	Total - Streets Division	250,088	338,225	358,225	351,975	339,225

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

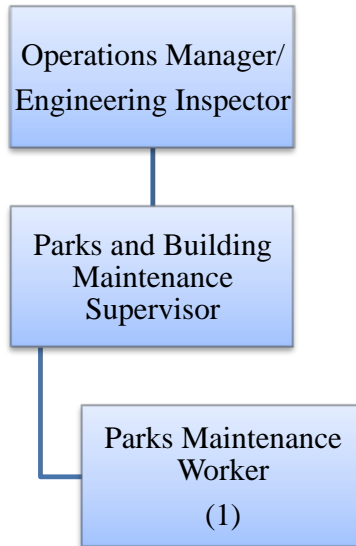
FUND	DEPARTMENT		ACCOUNT			
GENERAL	PARKS		504			
PURPOSE AND DESCRIPTION						
<i>Create an opportunity to serve citizens with integrity and competence through proper management of city parks, open space, facilities, amenities and recreation services enhancing and promoting the "Quality of Life" for the citizens of our community through an enriching environment.</i>						
FY 10 ACCOMPLISHMENTS						
Terry Park construction and all warranty items were completed during its 1st year of operation.						
Saved 16, 10" trunk, Cedar Elm trees by relocation to Terry Park and Terry Lane.						
Extensive landscaping and beautification occurred on White Road; a major City street.						
Recipient of more than \$1 million in funding over four years to be used for infrastructure improvements that will make it safer for Heath children to walk or bike to school; including trails around Cain Middle School, Amy Parks-Heath Elementary, and Dorothy Pullen Elementary Schools.						
STRATEGIES AND GOALS						
Clarify and make more efficient the development process while continuing to raise development standards, protect green space, maximize commercial and retail zoning opportunities, and ensure such development complements the neighborhoods throughout the community.						
Continue to maintain high aesthetic standards and implement such standards through a well-planned Comprehensive Plan to create an inviting and hometown image throughout the community.						
PERFORMANCE INDICATORS						
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	
Park Acreage Maintained	15	15	41	41	41	
Miles of Right-of-way mowing	50	75	100	2,000	2,200	
Playing field mowed May-Oct	30	30	30	30	30	
PARKS EXPENDITURE SUMMARY						
	<i>Adopted</i>	<i>Adopted</i>	<i>Adopted</i>	<i>Amended</i>	<i>Approved</i>	<i>%</i>
	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Increase/</i>
<i>Description</i>	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>FY2011</i>	<i>Decrease</i>
Personnel Services	\$ 83,954	\$ 55,200	\$ 65,384	\$ 66,000	\$ 69,300	5%
Supplies & Services	15,200	9,450	10,889	7,450	16,450	55%
Operational	33,350	30,050	21,300	34,300	46,300	26%
Materials & Equipment	6,700	6,700	8,000	8,000	8,500	6%
Capital Outlay	20,000	64,000	10,000	20,500	80,000	74%

**CITY OF HEATH
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PARKS DEPARTMENT 01-504



FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

Description	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Full-time	1	1	1	1	1
Continuous Part-Time	-	-	-	-	-
Seasonal	-	-	-	-	-
<i>Total</i>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

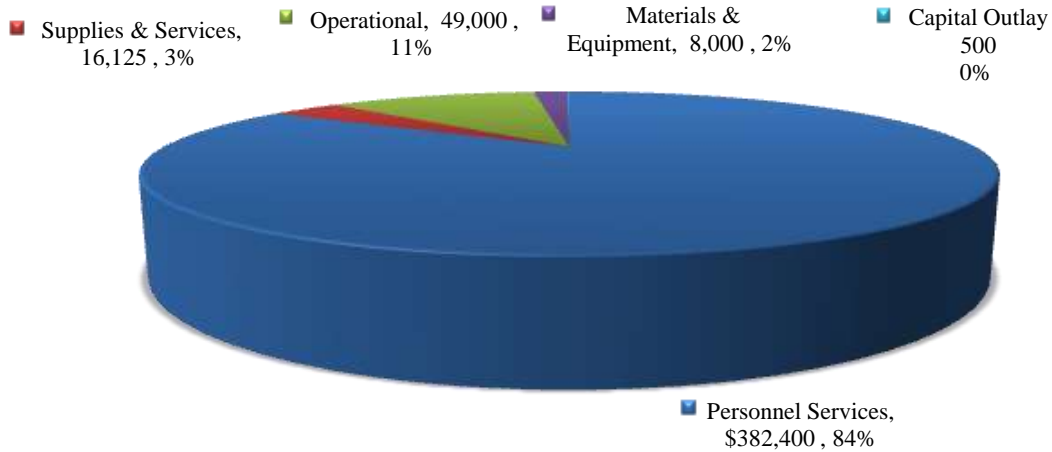
Parks Division			<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>F'08-09</i>	<i>Adopted</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
		<i>Actual</i>	<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
<i>General Fund expenditures authorized for Parks Division</i>						
504-101	Salaries	34,440	33,400	33,400	33,100	33,400
504-102	Health Insurance	13,791	15,600	16,700	16,700	20,000
504-103	Workers' Comp Insurance	966	1,500	1,500	1,100	1,300
504-104	Overtime	119	2,000	2,000	2,000	2,000
504-105	FICA	2,568	3,500	3,500	3,500	3,500
504-106	Retirement (TMRS)	3,480	3,800	3,800	3,600	3,800
504-107	Unemployment	0	300	300	300	500
504-109	Temporary Help	2,820	4,800	4,800	4,800	4,800
	Total - Personnel Services	58,184	64,900	66,000	65,100	69,300
504-201	Electric Service	268	1,500	1,500	4,500	4,000
504-203	Water Service	0	0	0	400	5,500
504-204	Telecommunications	2,442	1,100	1,100	2,300	1,600
504-220	Office Supplies	178	0	0	500	500
504-221	Postage & Freight	(2)	300	300	150	300
504-222	Printing & Photo	133	500	500	400	500
504-230	Dues/Subscriptions/Publication	0	150	150	150	150
504-231	Conferences & Training	0	500	500	300	500
504-232	Travel, Meals & Lodging	0	0	0	0	0
504-233	Medical Services	0	150	150	100	150
504-234	Uniforms	933	1,250	1,250	1,000	1,250
504-240	Subcontractor Repairs	75	2,000	2,000	1,500	2,000
	Total - Supplies & Services	4,027	7,450	7,450	11,300	16,450
504-311	Legal Publications/Advertising	0	300	300	300	300
504-330	Special Events	7,605	10,000	10,000	10,000	10,000
504-342	Professional Fees/Consultants	0	1,000	1,000	1,000	1,000
504-344	Engineering	0	1,000	1,000	1,000	1,000
504-350	Park Equipment Maintenance	373	0	0	0	0
504-355	Park Landscape Maintenance	225	13,000	13,000	17,500	25,000
504-360	Other Operational Supplies	26	0	0	0	0
504-368	Recreation Programming	79	1,000	1,000	700	1,000
504-370	Maintenance & Repair Parts	2,012	8,000	8,000	6,000	8,000
504-399	Miscellaneous Expense	1,702	0	0	0	0
	Total - Operational Items	12,023	34,300	34,300	36,500	46,300
504-415	Hand Tools	1,186	1,500	1,500	1,500	1,500
504-440	Equipment Repair & Maintenance	144	1,000	1,000	1,000	1,000
504-441	Auto Repair & Maintenance	307	1,000	1,000	700	1,000
504-442	Gas, Oil & Fuel	2,839	4,500	4,500	8,000	5,000
504-444	Chemicals	0	0	0	0	0
	Total - Materials & Equipment	4,477	8,000	8,000	11,200	8,500
504-504	Other Equipment	0	10,500	10,500	9,700	20,000
504-517	Land Improvements	0	10,000	10,000	200	10,000
504-532	Vehicles	0	0	0	0	50,000
	Total - Capital Outlay	0	20,500	20,500	9,900	80,000
	Total - Parks Division	78,711	135,150	136,250	134,000	220,550

**CITY OF HEATH
Annual Operating Budget
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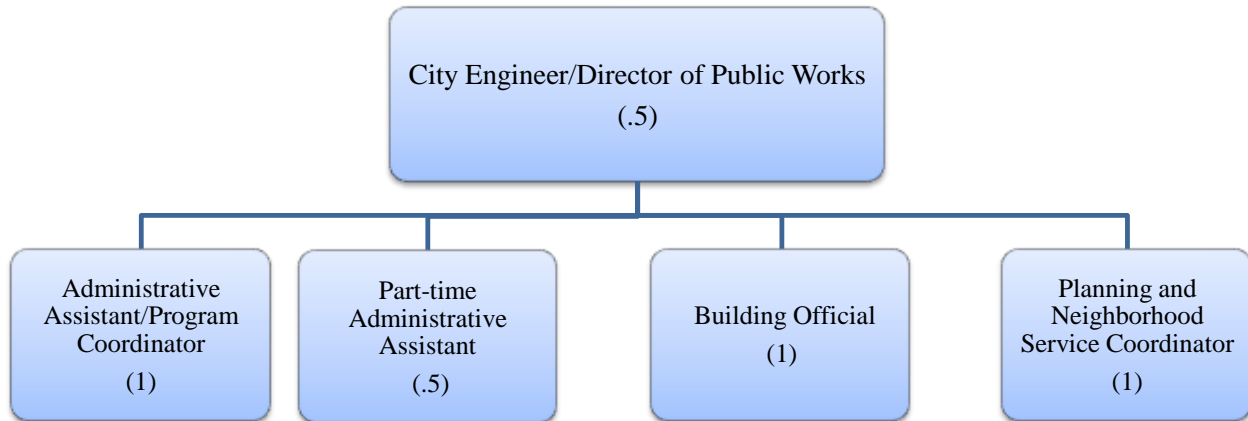
FUND	DEPARTMENT					ACCOUNT
GENERAL	ENGINEERING AND INSPECTION					506
PURPOSE AND DESCRIPTION						
<i>Provide management, administrative, and engineering oversight and support for Public Works/Utilities division, including Water, Wastewater, Streets, Parks, Code Enforcement, Building Inspections.</i>						
FY 10 ACCOMPLISHMENTS						
Storm Water Management Program (SWMP) report to Texas Commission on Environmental Quality performed in-house for third consecutive year; including administrating collection and delivery.						
Consumer Confidence report to Texas Commission on Environmental Quality and Heath residents performed in-house; including data collection and delivery.						
Successfully completed the annual inspection of the City's water infrastructure by Texas Commission on Environmental Quality requiring no future correction (all in-house).						
Managed planning, design, and construction of various Capital Improvement Projects totaling approximately \$8,000,000.						
"My Fix It" request tracker began as a vital tool for storing all resident requests or concerns regarding road repair, code enforcement, or any other infrastructure issue. The Web-based system keeps an inventory of all outstanding requests and allows the registered resident to monitor the progress of the request.						
STRATEGIES AND GOALS						
Continually evaluate the Master Thoroughfare Plan to provide citizens with the optimum type, mode, and expediency of travel.						
Continue to maintain high aesthetic standards and implement such standards through a well-planned Comprehensive Plan to create an inviting and hometown image throughout the community.						
PERFORMANCE INDICATORS						
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	
Building Permits Issued	106	142	23	40	35	
Building Inspections Conducted	905	597	698	800	721	
Projects reviewed	NA	NA	NA	75	60	
Permit Plan reviews	NA	NA	NA	70	80	
NA = Not Available						
ENGINEERING AND INSPECTION EXPENDITURE SUMMARY						
<i>Description</i>	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Amended Budget FY2010</i>	<i>Approved Budget FY2011</i>	<i>% Increase/ Decrease</i>
Personnel Services	\$ 317,995	\$ 375,200	\$ 360,133	\$ 377,600	\$ 382,400	1%
Supplies & Services	18,436	12,975	13,730	17,625	16,125	-9%
Operational	41,000	38,000	38,000	38,500	49,000	21%
Materials & Equipment	6,000	7,000	8,837	8,000	8,000	0%
Capital Outlay	500	25,500	2,000.00	2,000	500	-300%

**CITY OF HEATH
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Approved Budget FY 2011



PUBLIC WORKS ENGINEERING AND INSPECTION DEPARTMENT 01-506



FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

Description	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Full-time	3.5	4.5	4.5	4.5	3.5
Continuous Part-Time	-	-	-	-	0.5
Seasonal	-	-	-	-	-
<i>Total</i>	3.5	4.5	4.5	4.5	4.0

CITY OF HEATH
Annual Operating Budget
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Engineering & Inspections Division

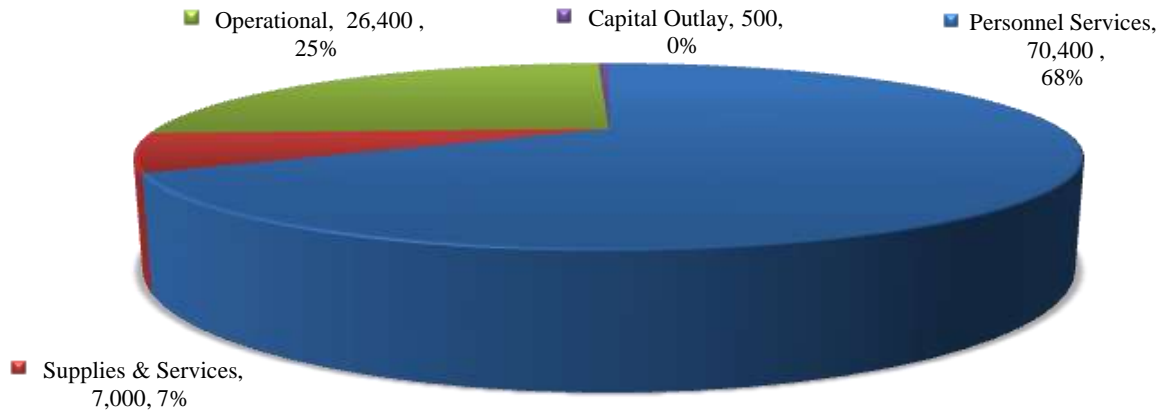
		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Adopted</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
General Fund expenditures authorized for Engineering & Inspections Division						
506-101	Salaries	269,490	270,800	270,800	235,700	261,400
506-102	Health Insurance	45,935	52,500	52,500	53,600	64,400
506-103	Workers' Comp Insurance	1,321	1,700	1,700	1,300	1,600
506-104	Overtime	1,406	1,600	1,600	2,800	3,200
506-105	FICA	18,900	20,900	20,900	16,000	20,300
506-106	Retirement (TMRS)	28,367	29,100	29,100	23,000	28,800
506-107	Unemployment	0	1,000	1,000	1,000	2,700
506-109	Temporary	0	0	0	30,000	0
	Total - Personnel Services	365,418	377,600	377,600	363,400	382,400
506-204	Telecommunications	2,343	2,000	4,500	4,500	3,000
506-220	Office Supplies	1,496	1,800	1,800	2,700	1,800
506-221	Postage & Freight	1,383	1,800	1,800	800	1,800
506-222	Printing & Photo	660	3,000	3,000	1,000	3,000
506-230	Dues/Subscriptions/Publication	915	950	950	1,300	950
506-231	Conferences & Training	1,935	2,050	2,050	2,050	2,050
506-232	Travel, Meals & Lodging	820	2,300	2,300	1,500	2,300
506-233	Medical Services	0	450	450	200	450
506-234	Uniforms	200	775	775	500	775
	Total - Supplies & Services	9,754	15,125	17,625	14,550	16,125
506-311	Legal Publications/Advertising	0	3,000	3,000	1,500	3,000
506-342	Professional Fees/Consultants	1,764	4,500	4,500	4,500	4,500
506-344	Engineering	870	8,500	8,500	13,200	8,500
506-349	Contract Inspections	9,891	8,000	8,000	11,000	15,000
506-353	Code Enforcement	3,689	1,500	1,500	2,500	5,000
506-369	Contract Drafting	5,830	10,000	10,000	6,000	10,000
506-399	Miscellaneous Expense	685	3,000	3,000	1,000	3,000
	Total - Operational Items	22,729	38,500	38,500	39,700	49,000
506-415	Hand Tools	0	500	500	0	500
506-441	Auto Repair & Maintenance	490	1,000	1,000	1,300	1,000
506-442	Gas, Oil & Fuel	5,421	6,500	6,500	8,000	6,500
	Total - Materials & Equipment	5,911	8,000	8,000	9,300	8,000
506-501	Office Furniture/Fixtures/Equip	475	500	500	500	500
506-502	Computer Equipment	200	1,500	1,500	0	0
506-503	Mobile Equipment	0	0	0	0	0
	Total - Capital Outlay	675	2,000	2,000	500	500
	Total - Engineering & Inspections Division	404,487	441,225	443,725	427,450	456,025

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

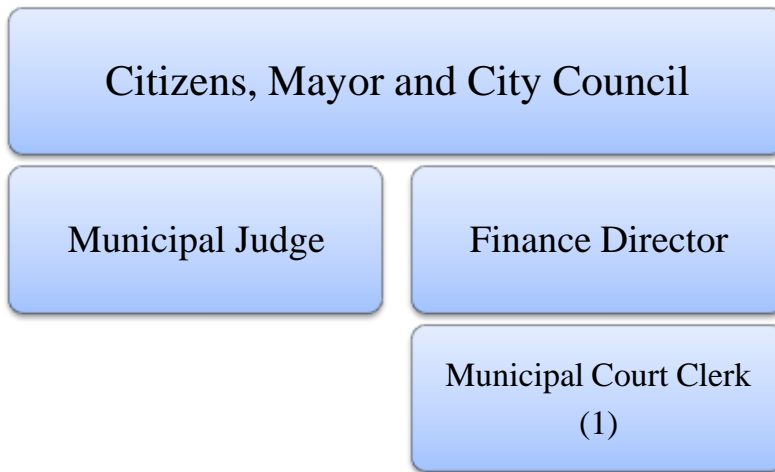
FUND GENERAL	DEPARTMENT MUNICIPAL COURT	ACCOUNT 508				
PURPOSE AND DESCRIPTION						
<i>Assist the public in a positive and friendly manner that assures fair and quality service. To provide professional court proceedings which follow all applicable laws and ensure the rights of all persons are observed.</i>						
FY 10 ACCOMPLISHMENTS						
<p>Two Tickets writers and software were installed by DPS with integration into the Municipal Court software. Data import is an advantage of the ticket writer.</p>						
STRATEGIES AND GOALS						
<p>Utilize and integrate ticket writers with court system to ensure data accuracy.</p> <p>Continually improve municipal court policy and procedures for equality and efficiency.</p> <p>Continually develop ways to educate and communicate with the public with all facets of municipal court.</p> <p>Continually foster an environment for the safety of defendants and court personnel.</p>						
PERFORMANCE INDICATORS						
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	
Citations (Number)	766	794	893	639	438	
Jury Trial	0	0	1	3	0	
Warrants Issued	71	254	388	101	47	
Warrants Released	115	81	154	52	57	
MUNICIPAL COURT EXPENDITURE SUMMARY						
Description	Adopted Budget FY2007	Adopted Budget FY2008	Adopted Budget FY2009	Adopted Budget FY2010	Approved Budget FY2011	% Increase/ Decrease
Personnel Services	\$ 40,764	\$ 56,750	\$ 61,030	\$ 76,900	\$ 70,400	-9%
Supplies & Services	2,000	3,500	4,935	6,850	7,000	2%
Operational	38,050	24,050	27,525	26,400	26,400	0%
Capital Outlay	4,000	1,000	-	500	500	0%

**CITY OF HEATH
Annual Operating Budget
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Approved Budget FY 2011



MUNICIPAL COURT 01-508



FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

Description	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Full-time	1	1	1	1	1
Continuous Part-Time	-	-	-	-	-
Seasonal	-	-	-	-	-
<i>Total</i>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

Municipal Court

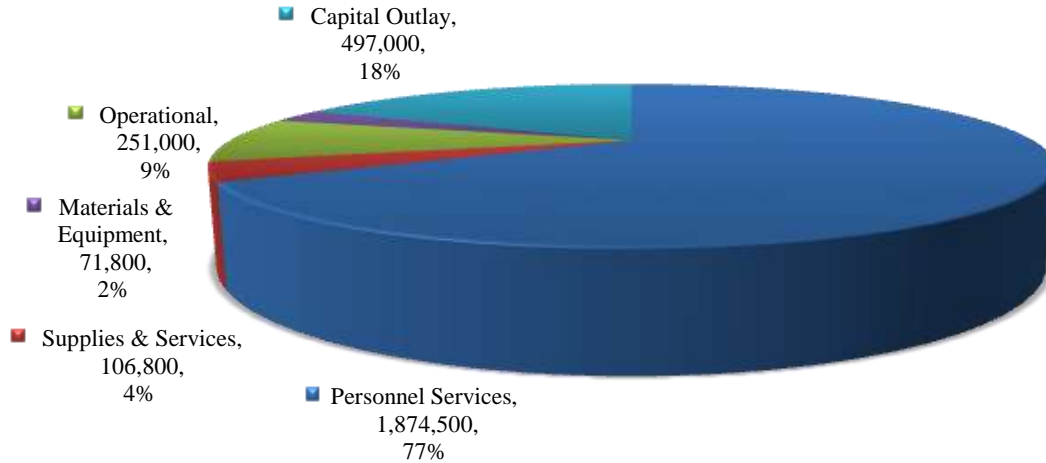
		<i>F'08-09 Actual</i>	<i>F'09-10 Adopted Budget</i>	<i>F'09-10 Amended Budget</i>	<i>F'09-10 Projected Actual</i>	<i>F'10-11 Adopted Budget</i>
<i>General Fund expenditures authorized for Municipal Court Division</i>						
508-101	Salaries	42,787	58,200	58,200	46,000	51,100
508-102	Health Insurance	8,550	6,600	6,600	6,800	8,400
508-103	Workers' Comp Insurance	134	500	500	300	400
508-104	Overtime	54	500	500	300	500
508-105	FICA	3,078	4,600	4,600	3,500	4,000
508-106	Retirement (TMRS)	4,449	6,000	6,000	4,400	5,500
508-107	Unemployment	0	500	500	500	500
	<i>Total - Personnel Services</i>	<i>59,053</i>	<i>76,900</i>	<i>76,900</i>	<i>61,800</i>	<i>70,400</i>
508-204	Telecommunications	528	1,000	1,000	1,000	400
508-220	Office Supplies	2,248	2,500	2,500	1,500	2,500
508-221	Postage & Freight	698	1,000	1,000	800	1,000
508-222	Printing & Photo	409	500	500	200	500
508-230	Dues/Subscriptions/Publication	0	100	100	100	100
508-231	Conferences & Training	52	500	500	1,000	1,000
508-232	Travel, Meals, & Lodging	0	250	250	500	500
508-251	ETS Credit Card Charges	988	1,000	1,000	1,000	1,000
	<i>Total - Supplies & Services</i>	<i>4,923</i>	<i>6,850</i>	<i>6,850</i>	<i>6,100</i>	<i>7,000</i>
508-334	Professional Services/ Judges	10,590	10,500	10,500	10,500	10,500
508-335	Jury Expenses	214	1,000	1,000	0	1,000
508-342	Professional Court Services	13,800	13,900	13,900	13,900	13,900
508-352	Warrant Officer Expense	0	500	500	200	500
508-399	Miscellaneous Expense	255	500	500	200	500
	<i>Total - Operational Items</i>	<i>24,859</i>	<i>26,400</i>	<i>26,400</i>	<i>24,800</i>	<i>26,400</i>
508-501	Office Furniture/Fixtures/Equipment	549	500	500	500	500
	<i>Total - Capital Outlay</i>	<i>549</i>	<i>500</i>	<i>500</i>	<i>500</i>	<i>500</i>
	<i>Total - Municipal Court Division</i>	<i>89,384</i>	<i>110,650</i>	<i>110,650</i>	<i>93,200</i>	<i>104,300</i>

**CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011**

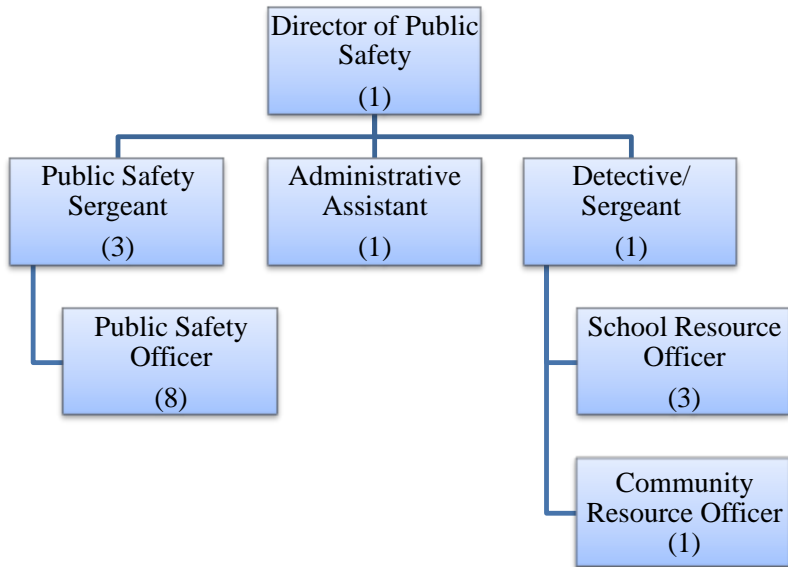
FUND GENERAL	DEPARTMENT PUBLIC SAFETY					ACCOUNT 509
PURPOSE AND DESCRIPTION						
<i>Provide quality law enforcement and fire services to the community including fire extinguishment, rescue, emergency medical treatment, fire prevention, education and safety training.</i>						
FY 10 ACCOMPLISHMENTS						
Two Tickets writers and software were installed with integration into the Municipal Court software. Data import is an advantage of the ticket writer.						
Increase in building fire inspections for potential fire hazards and/or fire code violations.						
STRATEGIES AND GOALS						
Continue to develop ways to educate and communicate with the public with all facets of public safety.						
Continually foster a community environment where citizens are safe and feel safe.						
Maintain a high quality emergency response system that utilizes best practices and involves citizen volunteers.						
PERFORMANCE INDICATORS						
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	
Average Response (minutes)	N/A	5.04	5.04	5.04	5.04	
Police						
Physical Arrests	80	84	53	58	43	
Burglary	23	23	38	14	32	
Robbery	1	0	0	0	0	
Theft	82	82	54	48	50	
Traffic Violations	112	170	189	147	185	
Fire						
Emergency Responses	151	253	316	149	210	
Fires Extinguished	6	9	9	7	10	
Inspections	24	30	48	52	60	
PUBLIC SAFETY						
	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Amended Budget FY2010</i>	<i>Amended Budget FY2011</i>	<i>% Increase/ Decrease</i>
<i>Description</i>						
Personnel Services	\$ 1,241,286	\$ 1,768,700	\$ 1,889,509	\$ 1,789,100	\$ 1,874,500	5%
Supplies & Services	106,350	93,900	126,744	116,800	106,800	-9%
Operational	38,050	24,050	18,500	244,500	251,000	3%
Materials & Equipment	60,500	70,300	75,800	71,800	71,800	0%
Capital Outlay	121,000	83,500	138,775	133,000	497,000	73%

**CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011**

Amended Budget FY 2011



PUBLIC SAFETY 01-509



FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

Description	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Full-time	15	19	20	18	18
Continuous Part-Time	-	-	-	-	-
Seasonal	-	-	-	-	-
<i>Total</i>	<u>15</u>	<u>19</u>	<u>20</u>	<u>18</u>	<u>18</u>

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

Public Safety Division

	<i>F'08-09 Actual</i>	<i>F'09-10 Adopted Budget</i>	<i>F'09-10 Amended Budget</i>	<i>F'09-10 Projected Actual</i>	<i>F'10-11 Adopted/ Amended</i>
General Fund expenditures authorized for Public Safety Division					
509-101 Salaries	1,266,977	1,197,000	1,197,000	1,191,700	1,182,000
509-101 Salaries - Reserved for Grant Funded Position					25,000
509-102 Health Insurance	193,444	209,200	209,200	209,200	271,800
509-103 Workers' Comp Insurance	39,711	47,800	47,800	36,900	41,500
509-104 Overtime	46,889	75,000	75,000	75,000	75,000
509-105 FICA	97,299	98,900	98,900	96,000	98,600
509-106 Retirement (TMRS)	140,441	137,700	137,700	135,000	140,000
509-107 Unemployment	0	3,700	3,700	3,700	8,600
509-110 Certification Compensation	16,059	19,800	19,800	21,000	25,000
509-111 VFD Incentive Compensation	100	0	0	0	7,000
Total - Personnel Services	1,800,920	1,789,100	1,789,100	1,768,500	1,874,500
509-201 Electric Service	4,361	6,200	6,200	5,000	5,000
509-204 Telecommunications	17,520	12,600	20,000	20,000	10,000
509-210 Property & Liability Insurance	10,185	11,600	11,600	11,200	11,500
509-220 Office Supplies	3,665	3,800	3,800	4,500	4,000
509-221 Postage & Freight	301	700	700	500	800
509-222 Printing & Photo	868	2,000	2,000	2,000	2,000
509-224 Janitorial Services & Supplies	40	500	500	500	500
509-225 Crime Prevention	1,546	4,000	4,000	3,500	4,000
509-230 Dues/Subscriptions/Publication	5,584	5,500	5,500	6,500	6,000
509-231 Conferences & Training	11,209	15,000	15,000	15,000	15,000
509-232 Travel, Meals, Lodging	5,600	12,000	12,000	9,000	12,000
509-233 Medical Supplies	306	2,500	2,500	2,000	3,000
509-234 Uniforms	18,601	15,000	15,000	15,000	15,000
509-235 Heavy Uniform Equipment	14,642	18,000	18,000	18,000	18,000
Total - Supplies & Services	94,427	109,400	116,800	112,700	106,800
509-311 Legal Publications/Advertising	90	1,000	1,000	500	1,000
509-330 Special Events	1,227	3,000	3,000	3,000	3,000
509-331 Crime Scene Expenses	753	2,000	2,000	2,500	3,000
509-332 Radio Maint & Operations (InterLocal)	39,286	53,000	53,000	53,000	56,000
509-342 Professional Fees / Consultant	1,559	1,000	1,000	1,000	1,000
509-346 Jail Services	1,267	4,000	4,000	3,000	4,000
509-347 Communications / Dispatch (InterLocal)	68,000	80,000	80,000	80,000	85,000
509-348 Animal Control (InterLocal)	40,491	48,500	48,500	48,500	51,000
509-357 EMS Contract Fees (InterLocal)	29,355	32,000	32,000	32,000	32,000
509-360 Other Operational Supplies	1,493	3,000	3,000	3,100	3,500
509-364 Emergency Mgmt Services (InterLocal)	15,932	16,000	16,000	16,000	9,000
509-399 Miscellaneous Expense	2,303	1,000	1,000	1,000	2,500
Total - Operational Items	201,756	244,500	244,500	243,600	251,000
509-415 Hand Tools	4,511	10,000	10,000	7,000	10,000
509-440 Equipment Repair & Maintenance	5,450	6,800	6,800	5,000	6,800
509-441 Auto Repair & Maintenance	15,186	20,000	20,000	21,000	20,000
509-442 Gas, Oil & Fuel	23,753	30,000	30,000	25,000	30,000
509-443 Structure Repair & Maintenance	6,223	5,000	5,000	7,000	5,000
Total - Materials & Equipment	55,123	71,800	71,800	65,000	71,800

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

Public Safety Division

	<i>F'08-09 Actual</i>	<i>F'09-10 Adopted Budget</i>	<i>F'09-10 Amended Budget</i>	<i>F'09-10 Projected Actual</i>	<i>F'10-11 Adopted/ Amended</i>
<i>General Fund expenditures authorized for Public Safety Division</i>					
509-501 Office Furniture/Fixtures/Equip	3,387	4,000	4,000	2,500	4,000
509-502 Computer Equipment	22,146	0	0	400	7,500
509-503** Mobile Equipment	6,741	15,000	15,000	15,000	369,500
509-504 Firefighting Equipment	4,025	12,000	12,000	12,000	12,000
509-511 Police Vehicle Accessory Equip	21,350	48,000	48,000	45,000	48,000
509-512 Buildings	675	0	0	50	0
509-532 Vehicles	26,227	54,000	54,000	53,000	56,000
<i>Total - Capital Outlay</i>	<i>84,551</i>	<i>133,000</i>	<i>133,000</i>	<i>127,950</i>	<i>497,000</i>
<i>Total - Public Safety Division</i>	<i>2,236,777</i>	<i>2,347,800</i>	<i>2,355,200</i>	<i>2,317,750</i>	<i>2,801,100</i>

** Ordinance No. 10109B 10/19/2010 Amended Budget FY 2011 for fire equipment capital lease (additional \$354,500 in mobile equipment expense). All changes indicated in green.

CITY OF HEATH
Annual Operating Budget
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FUND GENERAL	DEPARTMENT CITY COUNCIL	ACCOUNT 540
PURPOSE AND DESCRIPTION		
<p><i>Provide leadership for the City of Heath, oversee management to ensure effective operation of the local government; make decisions regarding legislative, financial and legal matters; establish policy; formulate programs; measure the effectiveness of the delivery of municipal services; evaluate and prepare for optimal residential and commercial development; preserve, maintain and improve the City's financial resources and capital assets.</i></p>		
FY 10 ACCOMPLISHMENTS		
<p>Bronze Comptroller Leadership Circle winner promoted by the Comptroller of Public Accounts to recognize local governments across Texas that are striving to meet a high standard for financial transparency online.</p> <p>Created 2010 Census Complete Count Committee and participated in the Complete Count campaign.</p> <p>Initiated the design of a survey to obtain citizen input on road and community improvement projects and issues of importance.</p> <p>Continued participation in intergovernmental programs relating to transportation and emergency services.</p> <p>Completed the annexation of 835.25 acres.</p>		
STRATEGIES AND GOALS		
<p>Establish framework to encourage residential and commercial development conducive to recreational, cultural and social opportunities; support neighborhood and community events; provide a diversification of tax base consistent with the goals established in the 2008 Comprehensive Plan.</p> <p>Guide planning decisions with a commitment to open spaces, trails, pathways, connectivity among residential developments, commercial establishments, parks, and public locations as desired by the Heath citizens.</p> <p>Allocate resources to responsibly manage public funds and debt; provide for daily operations; provide for the general protection of the health, welfare, and safety of Heath citizens.</p> <p>Promote effective and timely delivery of high-quality services, allocate resources to meet the current and future needs of the community.</p> <p>Provide highly qualified personnel properly trained and motivated to serve the residents of Heath.</p> <p>Conduct citizen survey on desired future projects to aid City Council in decision making.</p>		

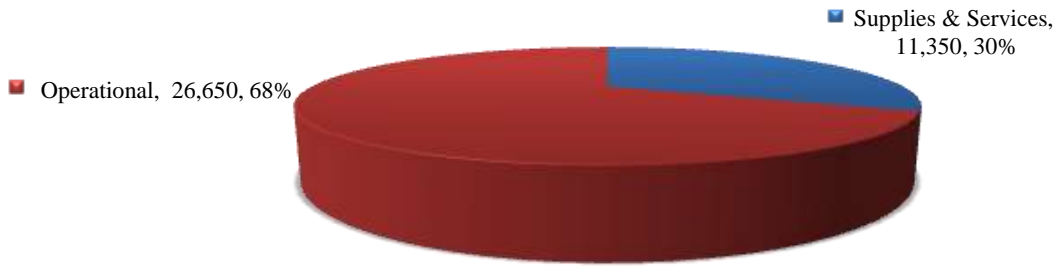
**CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011**

PERFORMANCE INDICATORS					
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Council Meetings with 100% Council Attendance	NA	NA	NA	18	12
Board and Commission new applications received	NA	NA	NA	15	7
Land Use items considered	NA	NA	NA	19	24
Citizens heard at Council meetings	NA	NA	NA	35	51

NA = Not Available

CITY COUNCIL						
<i>Description</i>	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Adopted Budget FY2010</i>	<i>Approved Budget FY2011</i>	<i>% Increase/ Decrease</i>
Supplies & Services	\$ 8,550	\$ 26,750	\$ 15,550	\$ 13,400	\$ 11,350	-16%
Operational	20,000	20,500	25,300	28,750	26,650	12%

Approved Budget FY 2011



City Council

		<i>F'08-09 Actual</i>	<i>F'09-10 Adopted Budget</i>	<i>F'09-10 Amended Budget</i>	<i>F'09-10 Projected Actual</i>	<i>F'10-11 Adopted Budget</i>
General Fund expenditures authorized for City Council Division						
540-204	Telecommunications	4,808	5,500	5,500	2,700	2,000
540-220	Office Supplies	291	250	250	200	250
540-221	Postage & Freight	25	100	100	50	100
540-222	Printing & Photo	32	50	50	50	2,000
540-231	Conferences & Training	1,380	2,500	2,500	2,500	2,500
540-232	Travel, Meals, Lodging	3,723	5,000	5,000	4,500	4,500
	Total - Supplies & Services	10,259	13,400	13,400	10,000	11,350
540-340	Audit Services	25,000	28,750	28,750	26,600	26,650
	Total - Operational Items	25,000	28,750	28,750	26,600	26,650
	Total - City Council Division	35,259	42,150	42,150	36,600	38,000

**CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011**

FUND	DEPARTMENT	ACCOUNT
GENERAL	CITY SECRETARY	543

PURPOSE AND DESCRIPTION

Facilitate, support, and enhance official council business and communications between the council, staff, press, and the citizens through preparation of City Council agendas, meetings, and minutes; elections; open records requests, and records management.

FY 10 ACCOMPLISHMENTS

Annual records destruction executed following the Texas State Library retention schedule for all local governments.

Created record of Board of Adjustment hearings.

Improved dissemination of annexation and addressing information.

Refined records for ordinances, resolutions, and contracts.

STRATEGIES AND GOALS

Continue to update record's storage, retrieval, and destruction procedures.

Implement E-mail Retention Policy.

Prepare request to USPS for Heath Zip Code Boundary Adjustment.

PERFORMANCE INDICATORS

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Agenda/Meeting packets prepared	NA	NA	52	52	66
Ordinances prepared	NA	NA	29	25	20
Proclamations prepared	NA	NA	12	11	13
Resolutions prepared	NA	NA	38	45	23
Elections administered	1	1	2	1	1
Minutes submitted/ approved at next Council Meeting	NA	NA	27	27	25
Public Information requests	NA	NA	NA	30	235 *

*FY 2010 reflects City-wide public information requests. FY 2009 reflects only City Secretary Department.

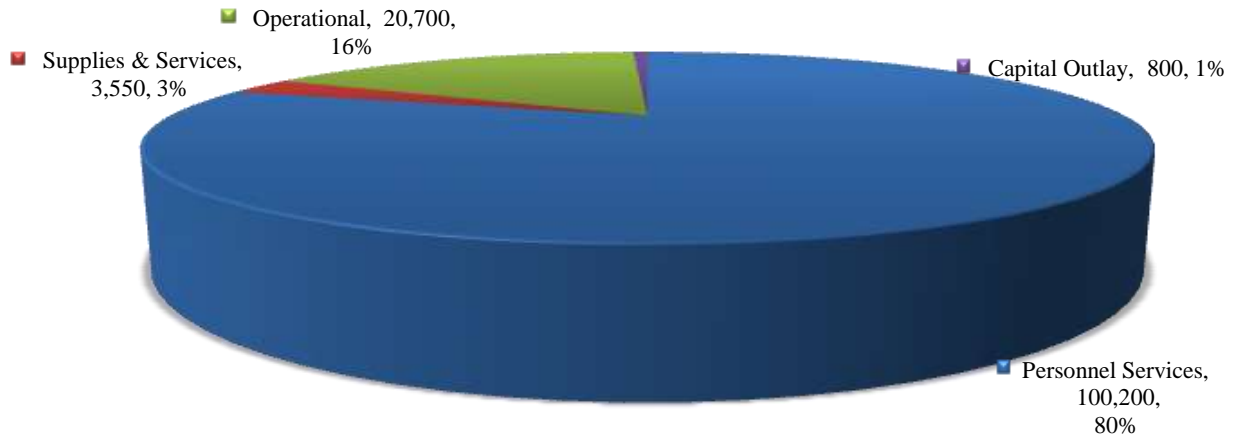
NA = Not Available

CITY SECRETARY

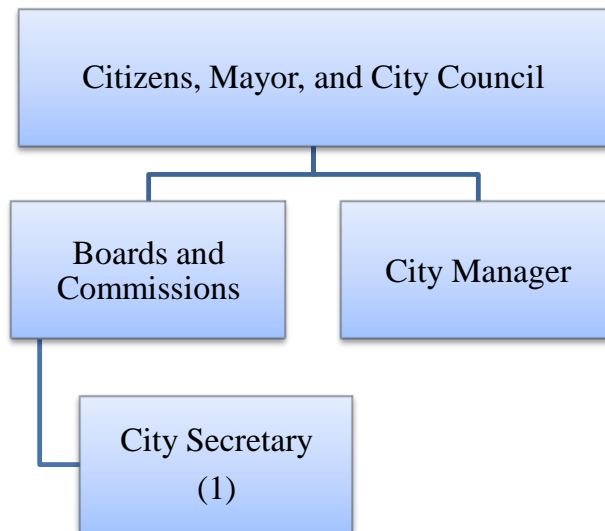
Description	Adopted Budget FY2007	Adopted Budget FY2008	Adopted Budget FY2009	Adopted Budget FY2010	Approved Budget FY2011	% Increase/ Decrease
Personnel Services	\$ 70,018	\$ 90,900	\$ 97,647	\$ 96,900	\$ 100,200	3%
Supplies & Services	6,500	5,950	5,835	3,700	3,550	-4%
Operational	28,000	16,000	18,500	15,250	20,700	26%
Capital Outlay	2,000	1,000	1,000	800	800	0%

**CITY OF HEATH
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Approved Budget FY 2011



CITY SECRETARY 01-543



FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

Description	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Full-time	1	1	1	1	1
Continuous Part-Time	-	-	-	-	-
Seasonal	-	-	-	-	-
<i>Total</i>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

City Secretary

		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Adopted</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
<i>General Fund expenditures authorized for City Secretary Division</i>						
543-101	Salaries	71,888	72,000	72,000	72,000	72,100
543-102	Health Insurance	9,706	10,900	10,900	11,600	13,700
543-103	Workers Comp Insurance	209	400	400	300	400
543-105	FICA	5,244	5,600	5,600	5,600	5,600
543-106	Retirement (TMRS)	7,562	7,700	7,700	7,700	7,900
543-107	Unemployment	0	300	300	300	500
	<i>Total - Personnel Services</i>	<i>94,609</i>	<i>96,900</i>	<i>96,900</i>	<i>97,500</i>	<i>100,200</i>
543-204	Telecommunications	528	700	700	900	450
543-220	Office Supplies	911	600	600	450	600
543-221	Postage & Freight	126	350	350	200	350
543-222	Printing & Photo	111	500	500	400	500
543-230	Dues/Subscriptions/Publications	145	300	300	400	400
543-231	Conferences & Training	525	750	750	750	750
543-232	Travel, Meals, Lodging	68	500	500	600	500
	<i>Total - Supplies & Services</i>	<i>2,414</i>	<i>3,700</i>	<i>3,700</i>	<i>3,700</i>	<i>3,550</i>
543-310	Filing Fees	2,730	2,250	2,250	2,000	2,700
543-311	Legal Publications/Advertising	3,808	3,000	3,000	5,000	5,500
543-320	Elections	15,314	7,500	7,500	200	10,000
543-342	Professional Fees/ Consultants	2,588	2,500	2,500	2,500	2,500
	<i>Total - Operational Items</i>	<i>24,440</i>	<i>15,250</i>	<i>15,250</i>	<i>9,700</i>	<i>20,700</i>
543-501	Office Furniture/Fixtures/Equipment	113	800	800	800	800
	<i>Total - Capital Outlay</i>	<i>113</i>	<i>800</i>	<i>800</i>	<i>800</i>	<i>800</i>
	<i>Total - City Secretary Division</i>	<i>121,576</i>	<i>116,650</i>	<i>116,650</i>	<i>111,700</i>	<i>125,250</i>

City Attorney

		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Adopted</i>	<i>Amended</i>	<i>Projected</i>	<i>Proposed</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
<i>General Fund expenditures authorized for City Attorney Division</i>						
546-221	Postage & Freight	1	0	0	0	0
	<i>Total - Supplies & Services</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
546-341	Legal Services	33,528	36,000	36,000	36,000	36,000
	<i>Total - Operational Items</i>	<i>33,528</i>	<i>36,000</i>	<i>36,000</i>	<i>36,000</i>	<i>36,000</i>
	<i>Total - City Attorney Division</i>	<i>33,530</i>	<i>36,000</i>	<i>36,000</i>	<i>36,000</i>	<i>36,000</i>

CITY OF HEATH
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FUND	DEPARTMENT	ACCOUNT
GENERAL	CITY MANAGER	552

PURPOSE AND DESCRIPTION

Responsible for the provision of municipal services through leadership and direction, including: implementation of City Council vision and goals; direction of departments and administrative functions; provision of day-to-day leadership in policy development and implementation; management of quality assurance for efficient and equitable delivery of City services; initiation and development of short and long-term special projects; oversight of the annual budget process; management of the City's inter-governmental relations and public information functions and the provision of executive-level direction and support for economic development projects.

FY 10 ACCOMPLISHMENTS

- Concluded ongoing negotiations to finalize the acquisition of RCH-WSC assets located within the City and the City's ETJ.
- Initiated construction of FM 740 Phase 1 construction.
- Developed a resident military recognition program.
- Secured an Energy Efficiency & Conservation Block Grant.
- Established an alignment for the intersection for FM 740, FM 550 and FM 549.
- Implemented a Military Leave Policy.
- Participated in the 2010 Census Complete Count campaign.
- Coordinated community special events including the Independence Day Parade, Holiday in the Park, and Heart of Heath 5K run.

STRATEGIES AND GOALS

- Continue to foster a team culture of employee involvement and staff development; recruiting and retaining the highest-quality staff possible.
- Provide executive-level support to elected and appointed Boards and Commissions who serve our community, coordinating resource allocation to implement and communicate the City Council's identified goals and objectives.
- Monitor and analyze demographic characteristics to plan accordingly for future growth and service level requirements.
- Evaluate facility requirements to plan appropriately for development of capital improvements, municipal infrastructure and buildings.

PERFORMANCE INDICATORS

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Newsletters to Council, Staff, and citizens	12	12	12	12	12
Press releases issued	24	36	48	46	38
Meetings with local entities	NA	80	100	100	104
Monthly financial reports to Council	12	12	12	12	12

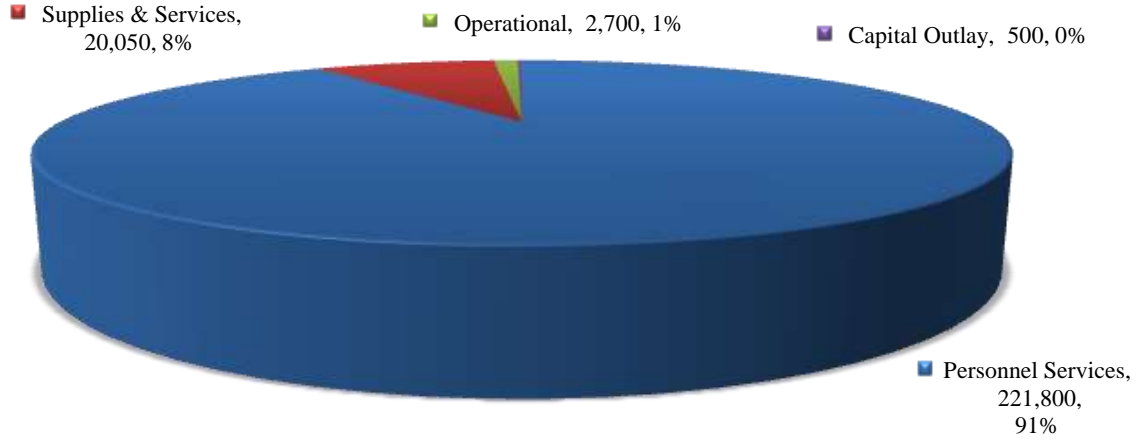
NA = Not Available

CITY MANAGER

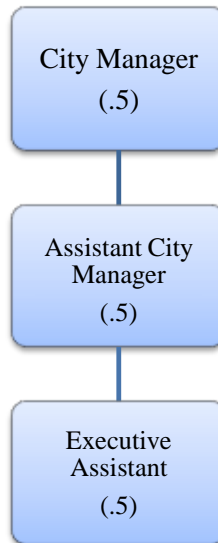
<i>Description</i>	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Amended Budget FY2010</i>	<i>Approved Budget FY2011</i>	<i>% Increase/ Decrease</i>
Personnel Services	\$ 165,757	\$ 238,000	\$ 253,501	\$ 216,300	\$ 221,800	2%
Supplies & Services	39,500	39,100	27,203	22,100	20,050	-10%
Operational	33,500	9,000	6,000	3,150	2,700	-17%
Capital Outlay	5,000	2,000	1,000	500	500	0%

**CITY OF HEATH
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Approved Budget FY 2011



CITY MANAGER 01-552



FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

Description	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Full-time	2	2	2	1.5	1.5
Continuous Part-Time	-	-	-	-	-
Seasonal	-	-	-	-	-
<i>Total</i>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1.5</u>	<u>1.5</u>

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

City Manager

		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Adopted</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
<i>General Fund expenditures authorized for City Manager Division</i>						
552-101	Salaries	195,126	162,000	162,000	162,000	162,300
552-102	Health Insurance	22,083	21,500	23,100	23,100	27,300
552-103	Workers' Comp Insurance	553	600	600	600	600
552-104	Overtime	234	300	300	300	300
552-105	FICA	12,744	12,500	12,500	12,000	12,600
552-106	Retirement (TMRS)	20,525	17,300	17,300	17,800	17,900
552-107	Unemployment	0	500	500	500	800
	<i>Total - Personnel Services</i>	<i>251,265</i>	<i>214,700</i>	<i>216,300</i>	<i>216,300</i>	<i>221,800</i>
552-204	Telecommunications	528	2,000	2,000	1,500	550
552-220	Office Supplies	1,786	2,500	2,500	2,500	2,100
552-221	Postage & Freight	591	700	700	700	600
552-222	Printing & Photo	41	400	400	400	300
552-230	Dues/Subscriptions/Publication	5,682	4,000	4,000	3,500	4,000
552-231	Conferences & Training	3,440	4,500	4,500	4,500	4,500
552-232	Travel, Meals & Lodging	8,366	8,000	8,000	8,000	8,000
	<i>Total - Supplies & Services</i>	<i>20,433</i>	<i>22,100</i>	<i>22,100</i>	<i>21,100</i>	<i>20,050</i>
552-311	Legal Publications/Advertising	0	200	200	200	200
552-342	Professional Fees/Consultants	0	1,000	1,000	800	1,000
552-360	Other Operational Supplies	174	750	750	500	500
552-399	Miscellaneous Expense	398	1,200	1,200	1,000	1,000
	<i>Total - Operational Items</i>	<i>572</i>	<i>3,150</i>	<i>3,150</i>	<i>2,500</i>	<i>2,700</i>
552-442	Gas, Oil & Fuel	43	0	0	0	0
	<i>Total - Materials & Equipment</i>	<i>43</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
552-501	Office Furniture/Fixtures/Equipment	0	500	500	500	500
	<i>Total - Capital Outlay</i>	<i>0</i>	<i>500</i>	<i>500</i>	<i>500</i>	<i>500</i>
	<i>Total - City Manager Division</i>	<i>272,313</i>	<i>240,450</i>	<i>242,050</i>	<i>240,400</i>	<i>245,050</i>

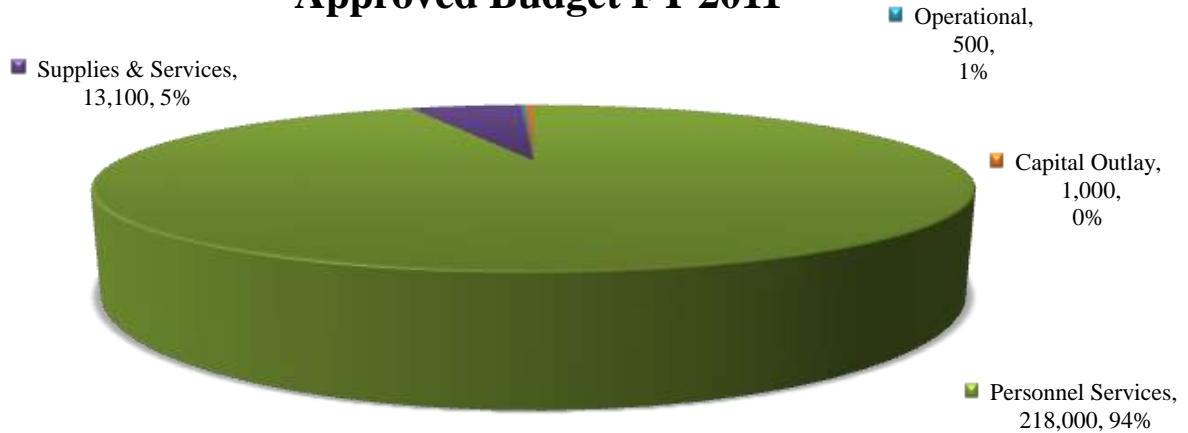
CITY OF HEATH
Annual Operating Budget
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FUND	DEPARTMENT	ACCOUNT			
GENERAL	FINANCE	555			
PURPOSE AND DESCRIPTION					
<i>Provide high quality financial leadership, exercise fiduciary oversight, enhance customer service, and promote public accountability.</i>					
FY 10 ACCOMPLISHMENTS					
GFOA Distinguished Budget Presentation Award recipient, 1 year.					
GFOA Comprehensive Annual Financial Statement Award Program recipient, 1 year.					
Texas Comptroller Bronze Leadership Circle recipient for striving to meet a high standard for financial transparency online.					
STRATEGIES AND GOALS					
Examine and implement measures to respond to annual audit recommendations.					
Protect the City's policy making ability by ensuring that important policy decisions are not controlled by financial challenges or emergencies.					
Assist sound management of the City by providing accurate and timely information on financial condition.					
Protect and enhance the City's credit rating and prevent default on any municipal debts.					
Ensure the legal use of all City funds through a good system of financial security and internal control.					
Ensure compliance with regulatory agencies, grant and bond covenants, and accounting standards.					
PERFORMANCE INDICATORS					
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Close Financial by the 10th of next month	NA	NA	80%	92%	92%
GFOA Budget Award (in # of years)	0	0	0	1	NA
GFOA CAFR Award (in #of years)	0	0	0	1	NA
Investment Policy Certification (in # of years)	0	0	1	2	3
Audit Findings	NA	2	0	0	NA
NA = Not Available					

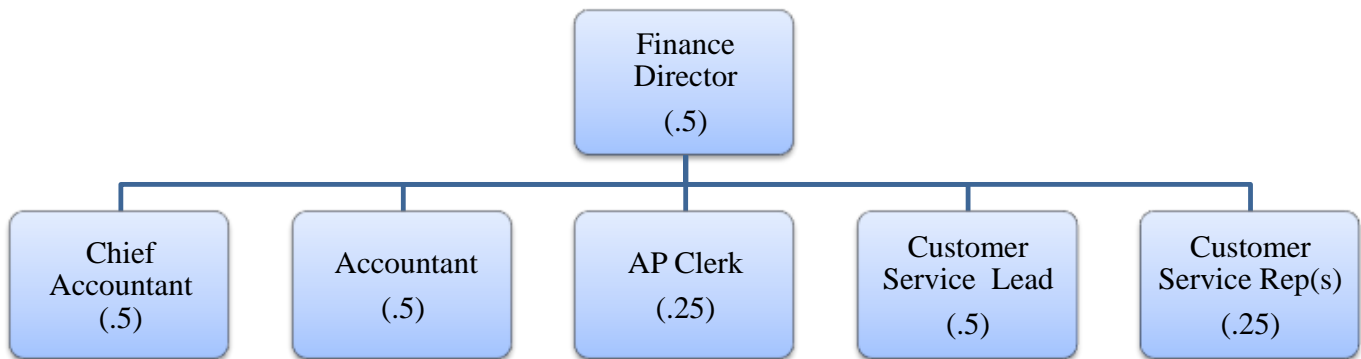
**CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011**

FINANCE						
<i>Description</i>	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Amended Budget FY2010</i>	<i>Approved Budget FY2011</i>	<i>% Increase/Decrease</i>
Personnel Services	\$ 174,936	\$ 251,800	\$ 237,127	\$ 212,500	\$ 218,000	3%
Supplies & Services	23,000	22,500	11,886	11,600	13,100	11%
Operational	-	365	1,100	1,100	500	-120%
Capital Outlay	12,500	5,000	1,500	1,000	1,000	0%

Approved Budget FY 2011



FINANCE 01-555



FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

<i>Description</i>	<i>FY 06-07</i>	<i>FY 07-08</i>	<i>FY 08-09</i>	<i>FY 09-10</i>	<i>FY 10-11</i>
Full-time	2.5	3	2.5	2	2
Continuous Part-Time	0.5	0.5	1.0	0.5	0.5
Seasonal	-	-	-	-	-
<i>Total</i>	<u>3</u>	<u>3.5</u>	<u>3.5</u>	<u>2.5</u>	<u>2.5</u>

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

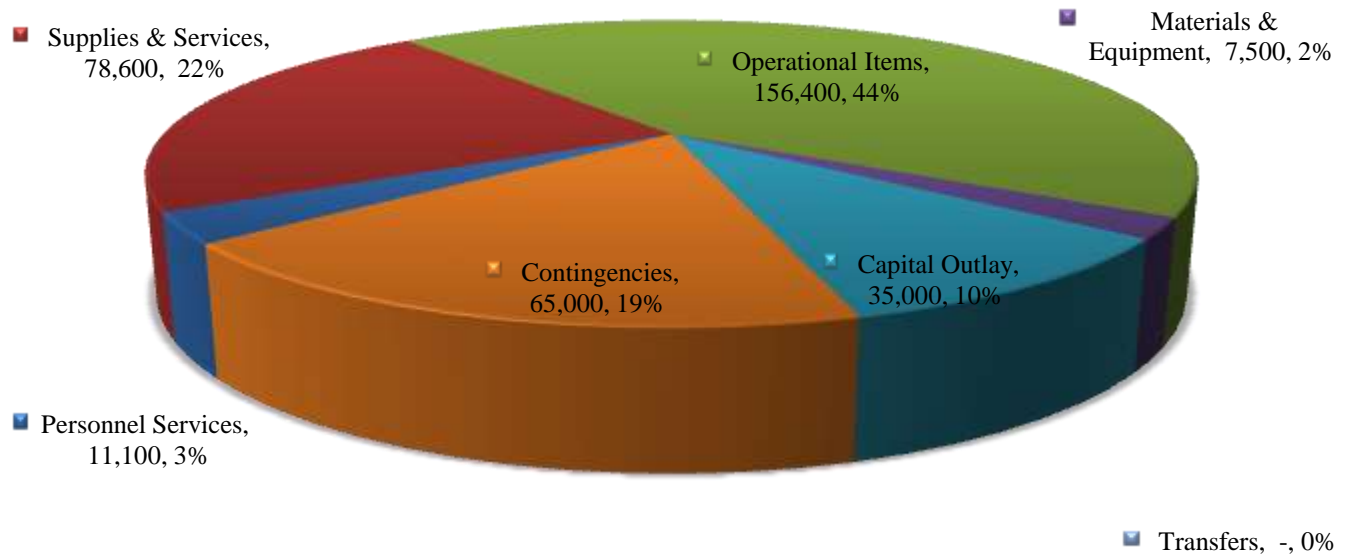
Finance

		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Adopted</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
<i>General Fund expenditures authorized for Finance Division</i>						
555-101	Salaries	165,075	154,500	154,500	152,000	155,100
555-102	Health Insurance	20,887	19,700	25,100	25,100	31,100
555-103	Workers' Comp Insurance	515	600	600	500	600
555-104	Overtime	7	1,200	1,200	600	1,400
555-105	FICA	12,680	12,000	12,000	11,800	12,200
555-106	Retirement (TMRS)	16,590	15,900	15,900	15,200	16,100
555-107	Unemployment	0	700	700	700	1,500
555-109	Temporary Help	6,004	2,500	2,500	700	0
	<i>Total - Personnel Services</i>	<i>221,757</i>	<i>207,100</i>	<i>212,500</i>	<i>206,600</i>	<i>218,000</i>
555-204	Telecommunications	1,008	1,000	3,000	3,000	3,000
555-220	Office Supplies	2,266	2,500	2,500	2,000	2,500
555-221	Postage & Freight	916	1,500	1,500	1,000	1,000
555-222	Printing & Photo	221	0	0	5	0
555-230	Dues/Subscriptions/Publication	2,287	1,600	1,600	1,400	1,600
555-231	Conferences & Training	1,845	3,000	3,000	3,800	3,800
555-232	Travel, Meals & Lodging	511	2,000	2,000	1,200	1,200
	<i>Total - Supplies & Services</i>	<i>9,054</i>	<i>11,600</i>	<i>13,600</i>	<i>12,405</i>	<i>13,100</i>
555-310	Filing Fees	0	600	600	300	0
555-399	Miscellaneous Expense	58	500	500	0	500
	<i>Total - Operational Items</i>	<i>58</i>	<i>1,100</i>	<i>1,100</i>	<i>300</i>	<i>500</i>
555-501	Office Furniture/Fixtures/Equip	326	1,000	1,000	500	1,000
	<i>Total - Capital Outlay</i>	<i>326</i>	<i>1,000</i>	<i>1,000</i>	<i>500</i>	<i>1,000</i>
	<i>Total - Finance Division</i>	<i>231,195</i>	<i>220,800</i>	<i>228,200</i>	<i>219,805</i>	<i>232,600</i>

CITY OF HEATH
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FUND GENERAL	DEPARTMENT NON-DIVISIONAL					ACCOUNT 01-560
NON-DIVISIONAL						
<i>Description</i>	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Amended Budget FY2010</i>	<i>Approved Budget FY2011</i>	<i>% Increase/ Decrease</i>
Personnel Services	\$ -	\$ 17,500	\$ 11,165	\$ 11,100	\$ 11,100	0%
Supplies & Services	48,750	48,250	90,425	84,200	78,600	-7%
Operational Items	148,000	135,250	194,333	159,300	156,400	-2%
Materials & Equipment	8,050	9,000	10,000	7,500	7,500	0%
Capital Outlay	100,000	5,000	10,000	17,000	35,000	51%
Contingencies	345,000	101,900	60,000	37,000	65,000	43%
Transfers	-	420,000	40,000	250,000	-	-100%

Approved Budget FY 2011



FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

Description	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Full-time	-	-	-	-	-
Continuous Part-Time	-	-	-	-	-
Seasonal	0.5	0.5	0.5	0.5	0.5
<i>Total</i>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>

CITY OF HEATH
Annual Operating Budget
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Non-Divisional

		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Adopted</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
General Fund expenditures authorized for Non-Divisional Division						
560-103	Workers Comp	0	100	100	100	100
560-105	FICA	447	1,000	1,000	1,000	1,000
560-109	Temporary Help	5,426	10,000	10,000	10,000	10,000
560-110	Incentive Compensation	0	0	0	0	0
	Total - Personnel Services	5,873	11,100	11,100	11,100	11,100
560-201	Electric Service	11,382	25,000	25,000	20,000	16,000
560-202	Gas Service	1,591	2,500	2,500	2,500	2,500
560-203	Water Service	650	700	700	2,800	2,200
560-204	Telecommunications	12,837	1,900	1,900	1,000	500
560-210	Property & Liability Insurance	15,828	18,600	18,600	18,000	18,600
560-220	Office Supplies	0	0	0	300	300
560-221	Postage & Freight	23	0	0	0	0
560-223	Community Center	4,085	5,000	5,000	4,000	4,500
560-224	Janitorial Service & Supplies	15,854	16,000	16,000	16,000	17,000
560-230	Dues/Subscriptions/Publication	4,148	4,500	4,500	4,500	4,500
560-260	Staff Development	15,278	10,000	10,000	10,000	12,500
	Total - Supplies & Services	81,678	84,200	84,200	79,100	78,600
560-312	Newsletter	7,258	7,500	7,500	7,500	7,500
560-336	Risk Management Consulting	6,850	7,500	7,500	7,500	7,500
560-337	Human Resources Consulting	6,448	7,500	7,500	5,000	5,000
560-338	Public Relations	26,000	24,000	24,000	24,000	24,000
560-339	Takeline Administration	0	5,000	5,000	1,000	2,500
560-342	Professional Fees	2,712	2,400	2,400	4,000	4,000
560-343	Computer Maintenance Services	19,774	13,400	13,400	13,400	15,300
560-343	Incode Maintenance Services	19,774	17,800	17,800	17,800	15,300
560-343	Licenses, Software, Other	19,774	14,700	14,700	14,700	15,300
560-345	CAD Expense	54,806	48,000	48,000	48,000	48,000
560-356	Beautification	0	1,000	1,000	0	1,000
560-360	Other Operational Supplies	2,212	2,000	2,000	1,000	2,000
560-370	Maintenance & Repair Parts	108	1,000	1,000	500	1,000
560-398	Cash Long or Short	0	0	0	0	0
560-399	Miscellaneous Expense	2,913	7,500	7,500	7,500	8,000
	Total - Operational Items	168,628	159,300	159,300	151,900	156,400
560-441	Auto Repair & Maintenance	189	2,000	2,000	500	2,000
560-442	Gas, Oil & Fuel	350	500	500	500	500
560-443	Structure Repair & Maintenance	1,500	5,000	5,000	5,000	5,000
	Total - Materials & Equipment	2,039	7,500	7,500	6,000	7,500
560-502	Computer Equipment	8,515	17,000	17,000	17,000	30,000
560-519	Const Project - City Hall	0	0	0	0	5,000
560-542	Operational Contingency	0	75,000	34,000	0	65,000
	Total - Capital Outlay	8,515	92,000	51,000	17,000	100,000
560-802	Transfer to CIP	260,094	0	0	0	0
560-815	Transfer to Technology	38,293	0	0	0	0
560-840	Transfer to Debt Service	1,035,900	250,000	250,000	250,000	0
	Total - Transfers	1,334,288	250,000	250,000	250,000	0
	Total - General Fund Non-Divisional	1,601,020	604,100	563,100	515,100	353,600



CITY OF HEATH

ENTERPRISE FUND SUMMARIES

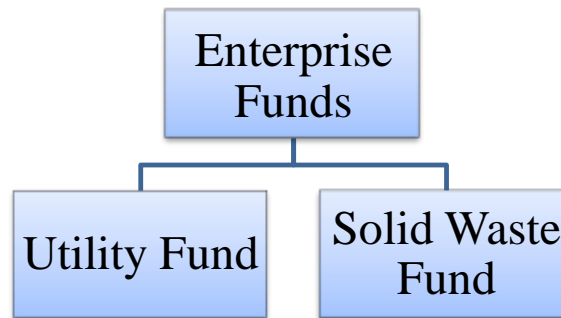
The Enterprise Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

CITY OF HEATH
Annual Operating Budget
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ENTERPRISE FUNDS
BUDGET OVERVIEW

Enterprise Funds are generally 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 that the cost (expenses including depreciation) of providing goods and/or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds may also be used when the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City utilizes the following Enterprise Funds:

- Utility Fund: Accounts for the operations of the water and wastewater utilities.
- Solid Waste Fund: Accounts for the privatized solid waste services for the City.



The Utility Fund includes the following departments: Water, Wastewater, Administration and Customer Service.

WATER UTILITIES

A Utility Rate Study of Water and Sewer Fees for a five year period from 2010 to 2014 was prepared by Willis, Graves & Associates, Inc. of Austin, Texas, in January 2010. The purpose of this study was to "determine rates necessary to recover the City's revenue requirements for utility services, and to ensure that those rates are equitably apportioned among the City's customers. Rates projected in this study are based on the projected timing and magnitude of future events that cannot be known with certainty." Assumptions analyzed include:

1. Cash flow projections (income and expenditures),
2. Total number of residential and commercial customers,
3. Total number of schools and estimated usage,
4. Interest rate projections for debt and cash investments,
5. Estimated annual customer growth and consumption,
6. Refunding debt feasibility.

For this annual operating budget, the assumptions were as follows:

Assumption #1: Water Customer Equivalents: 1,840
Residential 1,760; Commercial 69; Commercial-Schools 11

Assumption #2: Idle 5/8" meters: 25. Idle 1" meter: 1. 1% idle service addresses.

Assumption #3: An increase in the base rate varies with meter size as noted in the *Meter Size Base Rate Change* table. The rate increase resulted in a projected annual increase of approximately \$35,000. Water Sales generate approximately 93% of Water Revenue. Additional revenue is generated by contract sales to Aqua Source and interest revenue.

Assumption #4: Meter equivalent factors are the basis for water rates by meter size. (Note *Meter Size Equivalents* table) Volume rates increase slightly.

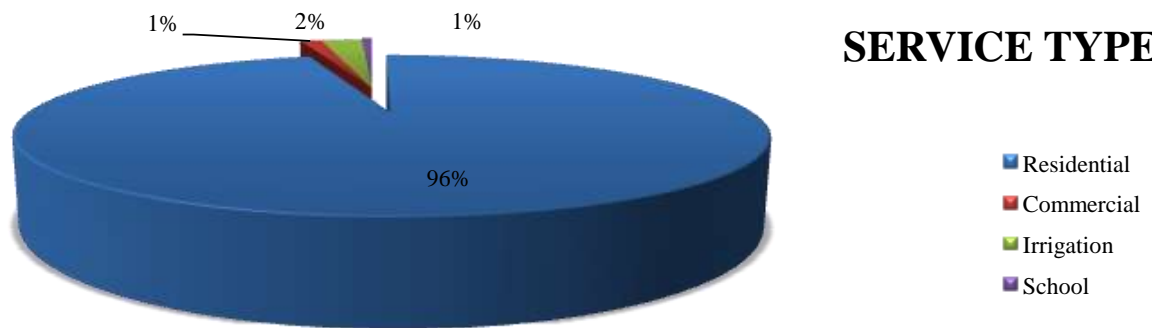
Assumption #5: Funds invested in the investment pool (LGIP) are currently earning 0.15% interest and funds invested in the money market account are currently earning .5%. Interest rates on investments are not expected to increase significantly during the next fiscal year.

**CITY OF HEATH
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**ENTERPRISE FUNDS
BUDGET OVERVIEW**

**METER SIZE
SERVICE TYPE**

	5/8 & 3/4"	1"	1.5"	2"	3"	4" and >	TOTAL
Residential	1,649	110	1	-	-	-	1,760
Commercial	9	8	-	6	-	-	23
Irrigation	19	14	-	13	-	-	46
Schools	3	1	-	4	1	2	11
TOTAL	1,680	133	1	23	1	2	1,840



**METER SIZE
BASE RATE CHANGE**

	5/8 & 3/4"	1"	1.5"	2"	3"	4" and >
FY 2010	24.58	34.64	51.41	71.54	135.27	219.14
FY 2011	24.97	42.06	70.53	104.70	212.91	355.28
\$ Increase	\$ 0.39	\$ 7.42	\$ 19.12	\$ 33.16	\$ 77.64	\$ 136.14
% Change	2%	21%	37%	46%	57%	62%

METER SIZE EQUIVALENTS

Meter Equivalent Factors (AWWA)	Factor
5/8" or 3/4"	1.00
1"	2.50
1 1/2"	5.00
2'	8.00
3"	17.50
4"	30.00

Assumption #6: Consumption based on average seasonal statistics.

Assumption #7: The City will continue its water leak adjustment policy. A customer providing proof of a water leak qualifies for an adjustment to the billing period in which the leak caused the highest volume of loss. Approximately \$6,000 in credits have been granted during FY 2010.

**CITY OF HEATH
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**ENTERPRISE FUNDS
BUDGET OVERVIEW**

Assumption #8: Approximately 1% of billed revenue was uncollectable in the current fiscal year. The uncollectable percentage will decrease as the number of accounts with utility deposits increase. (Ordinance 090120 provided a "grandfather clause" for current customers. Accounts with deposits: 354; Accounts without deposits: 2,199) *See below Revenue Statistics table.*

REVENUE STATISTICS

FISCAL YEAR	WRITE-OFFS	ACTIVE LIENS	UTILITY SALES REVENUE	% UNCOLLECTED
FY06	52,263.91	None Processed	\$ 2,710,839	1.9%
FY07	19,476.22	None Processed	\$ 1,953,628	1.0%
FY08	None Processed	14,459.90	\$ 2,874,808	0.5%
FY09	11,294.84	5,665.72	\$ 3,495,311	0.5%
FY10 as/of 04/15/10	4,348.78	9,537.25	\$ 1,286,555	1.1%
TOTAL	\$ 87,383.75	\$ 29,662.87	\$ 12,321,141	0.9%

Assumption #9: (1) North Texas Municipal Water District fees have substantially increased over the past few years. A rate increase of 18 cents/1,000 gallons is anticipated for FY 2011. (2) The cost of health insurance benefits is projected to increase 20%. (3) A 5% increase in salaries is included in the budget.

Assumption #10: Expected savings from the current refunding of the outstanding Series 2001 bond issues are not reflected in the budget at this time. First Southwest will continue to monitor market fluctuations to capture optimal savings. Once the bonds have been refunded the savings will be included in the budget.

RECOMMENDATION: Incorporate step increase by meter size as recommended by the Utility Rate Study to cover the increased cost of providing water services. The Proposed Utility Fee Schedule is enclosed.

WASTEWATER UTILITIES

Historically, the Wastewater Utility Fund has been subsidized by the Water Utility Fund. A Utility Rate Study of Water and Sewer Fees for a five year period from 2010 to 2014 was prepared by Willis, Graves & Associates, Inc. of Austin, Texas, in January 2010, with a recommended rate design to "eliminate remaining cross-subsidy of sewer by water over a four year period. Rates projected in this study are based on the projected timing and magnitude of future events that cannot be known with certainty." Assumptions analyzed include:

1. Cash flow projections (income and expenditures),
2. Total number of residential and commercial customers,
3. Total number of schools and estimated usage,
4. Interest rate projections for debt and cash investments,
5. Estimated annual customer growth and consumption,
6. Estimation annual inflation rate.

For this annual operating budget, the assumptions were as follows:

Assumption #1: Sewer Customer Equivalents: 1,816.
Residential 1,787; Commercial 19; Commercial-Schools 10

Assumption #2: Sewer Customer water provider breakdown: 1,816
City of Heath: 1,475 Forney Lake: 284 RCH: 57

Assumption #3: Idle Residential accounts total 22. 1% of wastewater accounts are idle addresses.

Assumption #4: A step increase is built into the Wastewater Sales revenue projections. Wastewater Sales generate approximately 88% of Wastewater Revenue. An additional 10% of Wastewater Revenue is generated from contract sales to the Kaufman County MUD.

**CITY OF HEATH
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**ENTERPRISE FUNDS
BUDGET OVERVIEW**

Assumption #5: Funds invested in the investment pool (LGIP) are currently earning 0.15% interest and funds invested in the money market account are currently earning .5%. Interest rates on investments are not expected to increase significantly during the next fiscal year.

Assumption #6: The Utility Rate Study assumes a 3% rate of inflation.

Assumption #7: Approximately 1% of billed revenue was uncollectable in the current fiscal year. The uncollectable percentage will decrease as the number of accounts with utility deposits increases. (Accounts without deposits: 2,256) See above Revenue Statistics table.

Assumption #8: The Sandra PID has 3 remaining assessments expected to provide revenue consistent with historical payments. An outstanding balance of \$9,500 should be paid in full by FY2018.

Assumption #9: (1) Debt service and treatment costs allocated to the City by North Texas Municipal Water District increased almost \$60,000 from FY 2010. Debt Service increased \$81,383 which was partially offset by a \$22,811 decrease in treatment costs. (2) The cost of health insurance benefits is projected to increase 20%. (3) A 5% increase in salaries is included in the budget.

Assumption #10: Expected savings from current refunding of the outstanding Series 2001 bond issues are not reflected in the budget. First Southwest will continue to monitor market fluctuations to capture optimal savings. Once the bonds have been refunded the savings will be included in the budget.

RECOMMENDATION: Incorporate a step increase to \$62.70 for residential customers and a comparable increase for all others to \$6.30 per 1,000 gallons of metered water usage. The Proposed Utility Fee Schedule is enclosed.

SOLID WASTE FUND

Solid Waste Collection and disposal is provided by IESI under contract. Annually, the provider may request a CPI based increase to the fees charged to the City for service.

For this annual operating budget, the assumptions were as follows:

Assumption #1: Number of customers: 2,641. 1% idle addresses.

Assumption #2: Historical averaging was used to project the annual revenue generated from sanitation sales. Seven types of garbage collection are available to residential and commercial customers.

RECOMMENDATION: Rates remain unchanged.

UTILITY FUND CUSTOMER BASE

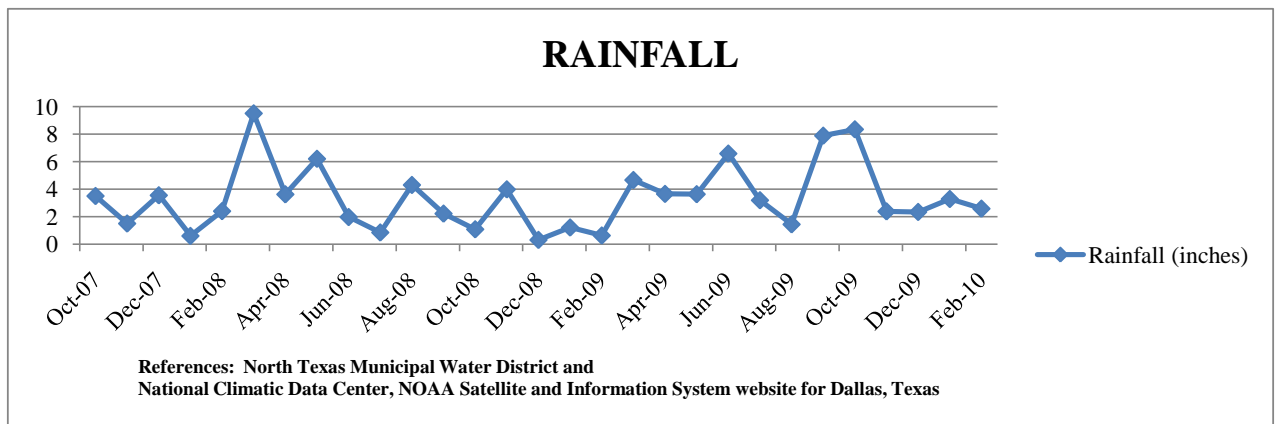
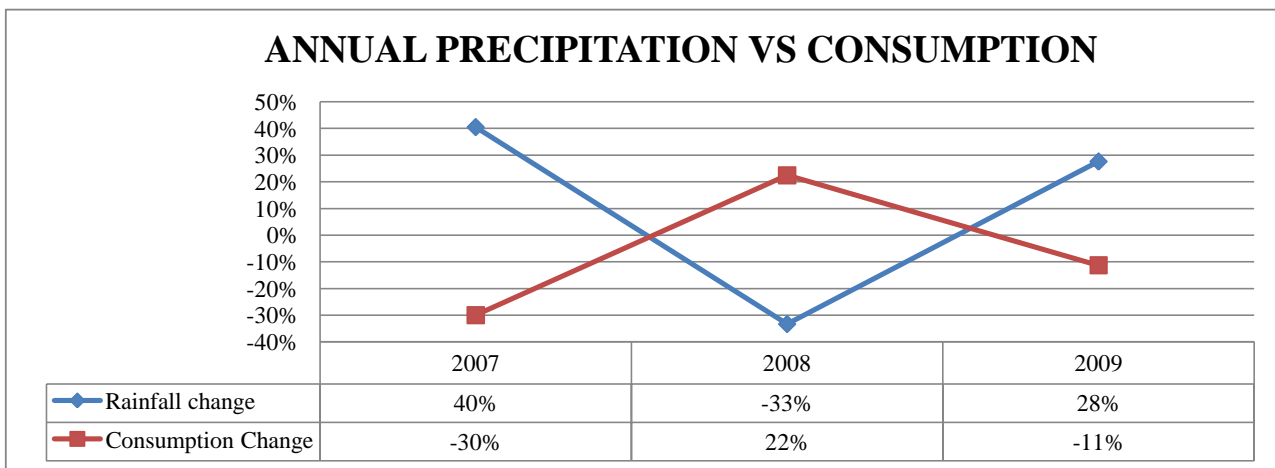
	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
WATER CUSTOMERS	1,494	1,650	1,745	1,793	1,810	1,842	1,855
% CHANGE		10%	6%	3%	1%	2%	0.7%
WASTEWATER CUSTOMERS	1,366	1,470	1,546	1,660	1,748	1,813	1,838
% CHANGE		8%	5%	7%	5%	4%	1.4%
SANITATION CUSTOMERS	2,018	2,122	2,218	2,350	2,498	2,611	2,625
% CHANGE		5%	5%	6%	6%	5%	0.5%

**CITY OF HEATH
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**ENTERPRISE FUNDS
WATER UTILITIES FORECASTING**

Enterprise Fund projections are subjected to volatility imposed by nature. Environmental variables of seasonal rainfall and instability of precipitation forecasts comprise a fraction of the unpredictability. Analysis of annual rainfall, seasonal rainfall, City billed consumption, City water sales totals, City water sales by service type, and customer base changes aid in the establishments of statistical trends beneficial during the annual budgeting process.

Annual change in precipitation between 2007, 2008, 2009 and the change in billed consumption for the same annual time period was evaluated. The inverse relationship between rainfall and water consumption is illustrated below.



Further analysis was explored to reduce the margin of error associated with changes in consumption due to changes in customer base and service types.

Average customer base increased by 34 accounts from 2008 to 2009. Average FY 2008 customers equaled 1,799; while the average in FY 2009 increased to 1,833. As shown by the *2009 Customer Totals*, changes in the seasonal customer base additionally impact consumption, further complicating water sales projections.

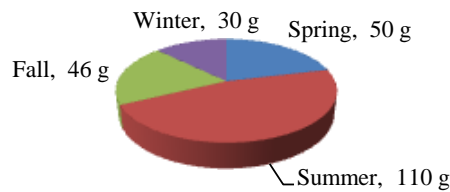
**CITY OF HEATH
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**ENTERPRISE FUNDS
WATER UTILITIES FORECASTING**

2009 CUSTOMER TOTALS

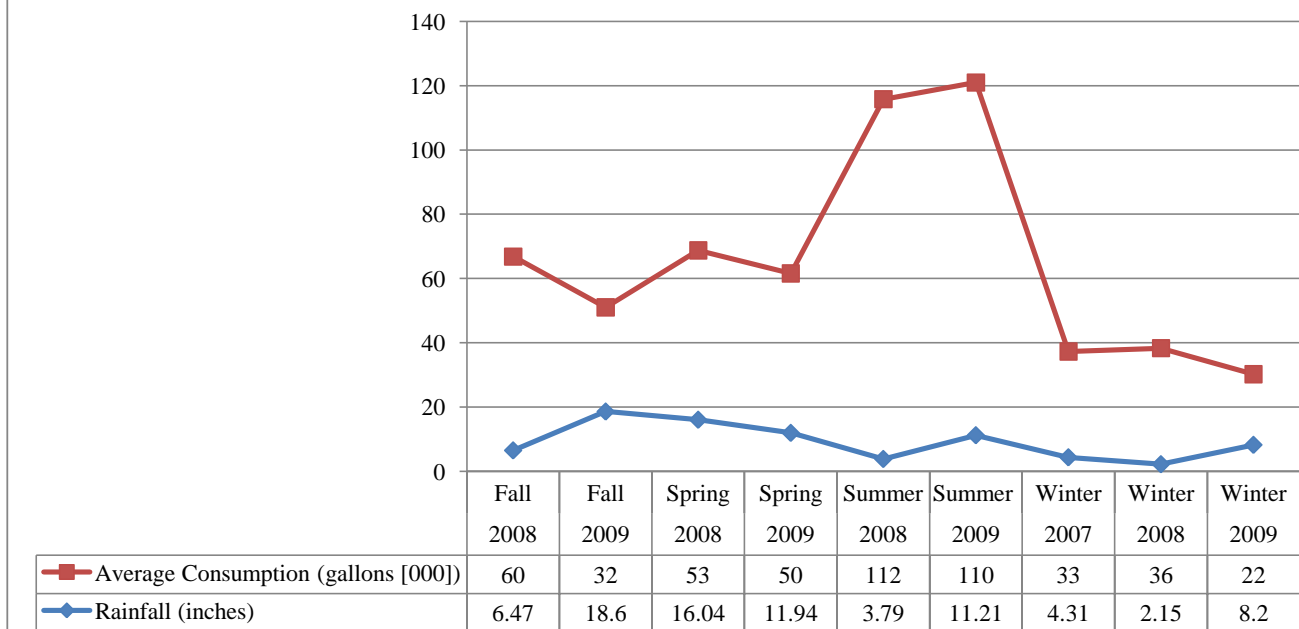


AVERAGE SEASONAL CONSUMPTION (gallons [000])



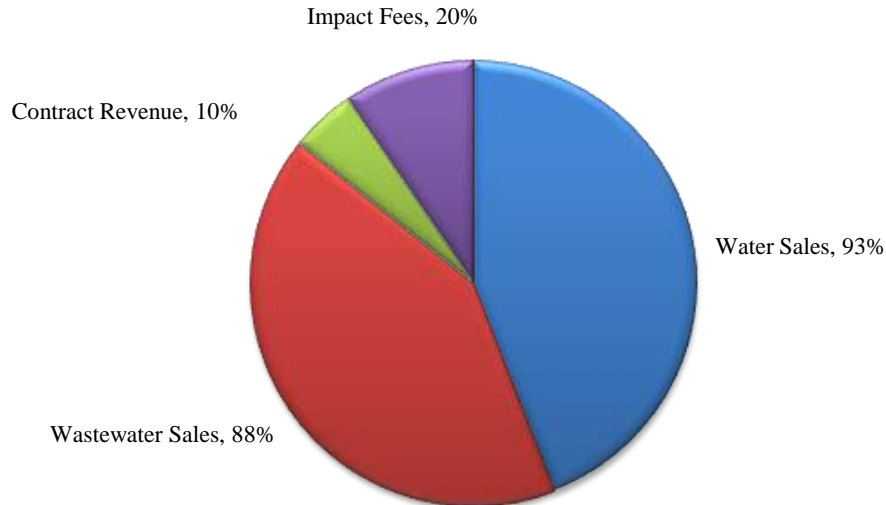
Seasonal Precipitation vs. Consumption illustrates average consumption and rainfall for 2008 seasons and 2009 seasons. Comparison of summer consumption does not follow the seasonal statistics for fall, winter, and spring. The change in rainfall did not significantly impact water consumption during the summer months. Summer consumption averaged 110,000 gallons despite more than triple the amount of rainfall in 2009 over the previous year.

SEASONAL PRECIPITATION VS CONSUMPTION



**CITY OF HEATH
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**ENTERPRISE FUNDS
WATER UTILITIES FUND REVENUE**



Description of Top Revenue

- 1) Water Sales (93 -94%). 93% of FY 2009 total Water Revenue was generated from water sales.
- 2) Wastewater Sales (88%). 88% of FY 2009 total Wastewater Revenue was generated from Wastewater Sales.
- 3) Impact Fees (20%). 20% of total Water Utilities Fund Revenue was generated from Impact Fees in FY 2009.
- 4) Contract Revenue - Wastewater (10%). 10% of FY 2009 total Wastewater Revenue was generated from Contract Revenue (Kaufman County MUD).

For this annual operating budget, the assumptions for each of the noted considerations were as follows:

Assumption #1: Average customer base for FY 2011: 1,830

Assumption #2: Average fall consumption: 46,000 gallons. Average spring consumption: 50,000 gallons. Average summer consumption: 110,000 gallons. Average winter consumption: 30,000 gallons. Average September consumption: 21,000 gallons.

Assumption #3: Seasons defined: Fall= Sept.- Nov.; Spring= March - May; Summer= June - Aug.; Winter = Dec. - Feb. Billed consumption months defined: Fall= Oct. - Dec.; Spring= April - June; Summer= July - Sept.; Winter= Jan - March

CITY OF HEATH
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	ADOPTED FEE SCHEDULE FY 2010-2011	NOTES
COMMUNITY ROOM		
Entire Room	\$75/ 5 hour period	
	\$125 > than 5 hours	
note: HOA's - 4 times/year for 1/2 rate		
Lost Key Charge	\$60.00	
Deposit - Room Condition (Refundable)	\$100.00	
ADMINISTRATIVE - COPIES/FILING		
<i>All copies charged pursuant to Rule §70.3, Chapter 70, Part 3, Title 1, T A C</i>		
County Filing	<i>County specific</i>	
PUBLIC SAFETY		
Fireworks Permit	\$500.00	
Above-Ground Storage Permit (diesel)	\$75.00	
Accident Report	\$4.00	
SECURITY SYSTEM/ALARMS		
<i>Ordinance No. 080916E</i>		
Annual Registration - Residential	\$35.00	
Annual Registration - Commercial	\$50.00	
Non-registration Penalty	\$200.00	
<i>False Alarm Penalty / Year - POLICE</i>		
First - Third False Alarms	No Charge	
Fourth and Fifth False Alarms	\$50.00	
Sixth and Subsequent False Alarms	\$75.00	
<i>Residential False Alarm Penalty / Year - FIRE</i>		
First - Third False Alarms	No Charge	
Fourth False Alarm	\$100.00	
Fifth False Alarm	\$250.00	
Sixth and Subsequent False Alarms	\$500.00	
<i>Commercial False Alarm Penalty / Year - FIRE</i>		
First - Third False Alarms	No Charge	
Fourth False Alarm	\$250.00	
Fifth False Alarm	\$500.00	
Sixth and Subsequent False Alarms	\$750.00	
LAND USE APPLICATIONS		
Request For Zoning Change	\$500.00+\$10.00/ac and advertising cost	
Request For Zoning Change To SF-43 For Tracts	\$250.00+\$10.00/ac and advertising cost	
Conditional Use Permit	\$175 and advertising cost	
Appeal To Board Of Adjustment	\$175 and advertising cost	
Preliminary Plat		
Single-family Residential	\$200.00+\$10.00/lot	
Multi-family Residential	\$225.00+\$10.00/unit	
Non-Residential	\$250.00+\$25.00/ac	
Final Plat		
Short-Form Plat (less than 5 acres)	\$225.00+\$10.00/lot	
Single-family Residential	\$450.00+\$15.00/lot	
Multi-family Residential	\$200.00+\$5.00/unit	
Non-Residential	\$300.00+\$40.00/ac	
Replat or Amending Plat		
Residential	\$200.00 + \$10.00/lot	
Non-Residential	\$225.00+\$35.00/ac	
If Replat requires publishing	\$90.00	
Vacating Plat if Not Filed with a Replat	\$100.00	

CITY OF HEATH
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	ADOPTED FEE SCHEDULE FY 2010-2011	NOTES
Flood Study Review	Cost of Consultation	<i>When an expert consultation is required, the cost bill be passed (without mark up) to the applicant.</i>
Extraordinary Review/Expert Consultation	Cost of Consultation	<i>When an expert consultation is required, the cost will be passed (without mark up) to the applicant.</i>
Extraordinary Review/City Engineer	\$175.00/hour	
Site Plan Review	\$200.00+\$20.00/ac	
Street Name Change Request	\$150.00	<i>plus associated costs pass through</i>
Request to Abandon Right-of-Way or Easement	\$300.00	<i>plus associated costs pass through</i>
Encroachment Agreement	\$200.00	
VARIANCE REQUESTS		
Variance	\$100.00	
Sign Variance	\$250.00	
Sign Variance- Non-Profit Organization	\$0.00	
TAKE AREA		
Annual Sublease Fee - First Year	\$1,500.00	
Annual Sublease Fee - Subsequent Years	\$700.00	
Application for Appeal - Appeals Panel	\$100.00	
Application for Appeal - City Council	\$100.00	
ANIMAL CONTROL		
Annual Dog Registration - Neutered	\$5.00	
Annual Dog Registration - Non-Neutered	\$10.00	
Impoundment - Initial Fee	\$30.00	
Impoundment - 2nd incident	\$50.00	
Impoundment - 3rd incident	\$75.00	
Impoundment - 4th incident or more	\$100.00	
Impoundment - Daily Fee subsequent to Initial Day	\$10.00	
INSPECTIONS - OSSF		
OSSF New or Replacement System	\$500.00	<i>payable at application</i>
OSSF - Existing System Modifications	\$200.00	
INSPECTIONS - FOOD SERVICE		
Restaurant/Club (New or Renewal)	\$250.00	
Convenience Store (New or Renewal)	\$250.00	
Mobile Food Vendor/Commissary (New or Renewal)	\$250.00	
Grocer per Department	\$150.00	
Day Care Facility	\$150.00	
Temporary Event	\$75.00	
RISD	Exempt	
CODE ENFORCEMENT		
Administrative Fee	\$200	
BUILDING PERMITS		
New Single-family Dwelling fee per square foot (<i>entire square feet of building, including non-heated/cooled areas</i>)		
1501 - 2000	\$550.00	
2001 - 2250	\$650.00	
2251 - 2500	\$750.00	
2501 - 3000	\$850.00	
3001 - 3500	\$950.00	
3501 - 4000	\$1,050.00	
4001 - 4500	\$1,150.00	
4501 - 5000	\$1,500.00	
5001 - 5500	\$2,500.00	

**CITY OF HEATH
Annual Operating Budget
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	ADOPTED FEE SCHEDULE FY 2010-2011	NOTES
5501 - 6000	\$3,000.00	
greater than 6000	\$4,000.00	
All Other Work fee per value of work		
\$0-\$5000.00 value	\$25.00	
Greater than \$5000.00 value	1/2 of 1% of value	
Certificate of Occupancy	\$50.00	Amended Fee Schdl Ord No. 101019C 10/19/2010
Re-inspection Fee for Buildings	\$25.00	
Sprinkler/Irrigation Permit	\$25.00	
Fence Permit	\$50.00	
Contractor Registration - Initial	\$50.00	
Sign Contractor Registration	\$50.00	Amended Fee Schdl Ord No. 101019C 10/19/2010
Contractor registration - Renewal	\$25.00	
Penalty for Working without Registration	\$100/occurrence	
<i>Note: per state law, plumbers will not pay registration fee; however, they will be subject to a penalty for failure to register prior to work.</i>		
SIGN PERMITS		
Sign Permit	\$75.00	
Sign Permit - Non-Profit Signs & Temporary Banner	\$0.00	
IMPACT FEES		
Water - 5/8" meter	\$3,900.00	
Water - 1" meter	\$5,350.00	
Sewer - (5/8" water meter)	\$2,100.00	
Sewer - (1" water meter)	\$3,150.00	
Water and Sewer for meter sizes in excess of 1"	Per Rate Structure, FMI Study, March 2006, prorated to nearest \$100	
Roadway per residential unit	\$2,500.00	
PARKS		
Field Rental - Towne Center Park		
Practice - Fields NE and SE of City Hall	\$10.00 / hour	
Games - Fields NE and SE of City Hall		
Soccer, Football, Baseball and Softball	\$20.00/game	
Add lights to any of the above	\$10.00/hour	
Field SW of City Hall	no charge	
Picnic Pavilions		
Towne Center Park	\$25.00/ 3-hr period	
Terry Park -- Heath or Dallas residents	\$50.00/ 3-hr period	
Terry Park -- Non-Heath or Dallas residents	\$100.00/ 3-hr period	
Park Land Dedication Fee in Lieu of Land	\$1,000/unit	<i>Ordinance No. 060817</i>
GARBAGE COLLECTION		
<i>Monthly</i>		
Residential Curbside (inc recycling)	\$15.13	
Residential Carry Out (inc recycling)	\$23.74	
Commercial 2-Cart	\$13.48	
Additional Poly Cart	\$7.35	
Special Collection - Road Conditions	\$27.50	
Commercial - 3 cubic yard container	\$84.52	
Commercial - 4 cubic yard container	\$99.30	
Commercial - 6 cubic yard container	\$122.19	
Commercial - 8 cubic yard container	\$158.33	Amended Fee Schdl 11/16/2010
Recycling	\$3.63	Amended Fee Schdl 11/16/2010
Brush exceeding three cubic yards	\$10/cubic yard	
SANITARY SEWER SERVICE		
<i>Monthly</i>		
Residential	\$62.70	
Non-Residential	calculated per unit	

CITY OF HEATH
Annual Operating Budget
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	ADOPTED FEE SCHEDULE FY 2010-2011	NOTES
WATER SERVICE	<i>Monthly</i>	
Base Rates for 0-2000 gallons / flat rate		
5/8" & 3/4" Meters	\$24.97	
1" Meters	\$42.06	
1 1/2" Meters	\$70.53	
2" Meters	\$104.70	
3" Meters	\$212.91	
4" Meters	\$355.28	
Fire Protection Meter	<i>Check detector is exempt</i>	
Usage Rates	<i>per 1000 gallons</i>	
2,001 - 10,000 gallons	\$3.84	
10,001 - 20,000 gallons	\$3.98	
20,001-30,000 gallons	\$5.37	
Greater than 30,000 gallons	\$6.77	
Hydrant Rate (\$25.00 minimum)	\$6.77	
Late Penalty on Delinquent Balance	10%	
Administration Fee		
During business hours M-F, 8 am-5 pm	\$50.00	
After business hours and weekends until 10 pm	\$100.00	<i>No reconnections after 10 pm</i>
Water Meter Re-read (except initial request)	\$25.00	
Water Meter Testing	\$100.00	
Fire Hydrant Meter Refundable Deposit	\$1,000.00	
Installation & Accessory Fee for 5/8" meter	<i>Actual cost passed through without mark up</i>	
Installation & Accessory Fee for 1" meter	<i>Actual cost passed through without mark up</i>	
GENERAL		
Utility Deposits / refunded per ordinance		
Water/Sewer/Garbage	\$325.00	
Water/Garbage	\$250.00	
Sewer/Garbage	\$125.00	
Garbage Only	\$50.00	
NSF Payment Fee	\$35.00	
Addresses from Utility System - labels	\$50.00	
Addresses from Utility System - electronic	\$25.00	

CITY OF HEATH
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Fiscal Year 2010-2011

Sources and Uses

	<i>F'08-09 Actual</i>	<i>F'09-10 Original Budget</i>	<i>F'09-10 Amended Budget</i>	<i>F'09-10 Projected Actual</i>	<i>F'10-11 Adopted Budget</i>
Water Utilities Fund Sources and Uses					
Sources of Funds					
<i>Beginning Resources</i>	1,483,290	920,593	920,593	920,593	989,938
<i>Current Revenues</i>					
PID Revenue	4,765	2,500	2,500	7,500	2,300
Administrative Revenue	8,909	6,500	6,500	4,000	4,000
Water Revenue	2,449,304	2,769,000	2,769,000	2,620,250	2,809,000
Wastewater Revenue	1,389,038	1,461,000	1,461,000	1,527,300	1,605,250
Non-Divisional	282,129	47,200	47,200	97,200	102,200
Total Water Utilities Fund Revenue	4,134,145	4,286,200	4,286,200	4,256,250	4,522,750
Total Sources of Funds	5,617,435	5,206,793	5,206,793	5,176,843	5,512,688
Uses of Funds					
<i>Current expenditures</i>					
11 Water Division	1,149,330	1,272,125	1,292,125	1,183,600	1,318,900
12 Wastewater Division	620,596	712,879	728,479	728,450	727,889
65 Utility Administrative Services	461,315	518,100	501,600	497,500	529,100
70 Customer Services Division	173,213	161,000	165,800	159,800	171,800
75 Non-Divisional	1,745,150	1,618,156	1,618,156	1,617,556	1,736,249
Total Current Expenditures	4,149,604	4,282,260	4,306,160	4,186,906	4,483,938
Ending Resources	1,467,830	924,534	900,634	989,938	1,028,750
Revenue vs. Expenditures - Surplus/(Deficit)	(15,460)	3,940	(19,960)	69,344	38,812

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

Revenue

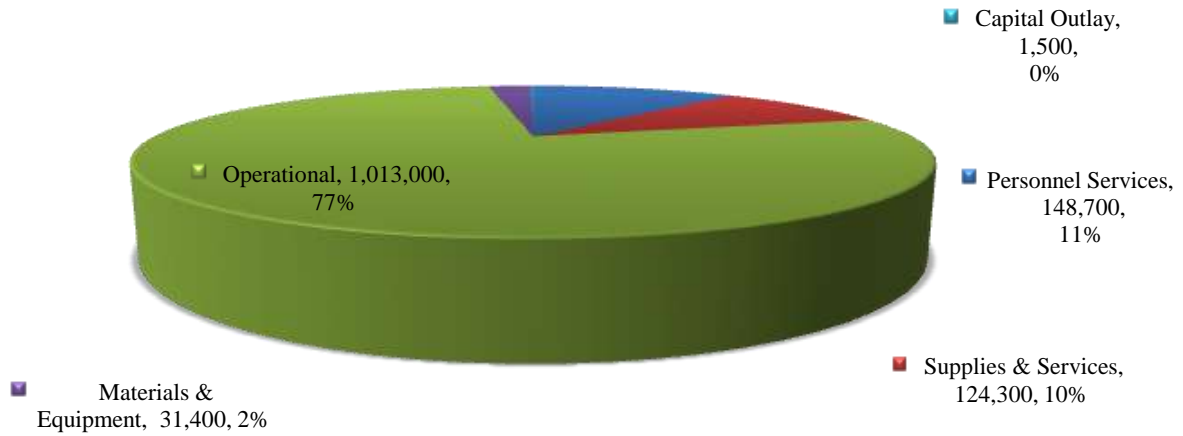
		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Original</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
<i>Water Utilities Fund Revenue Detail</i>						
4106	Interest Earned	7,409	5,000	5,000	2,500	2,500
4160	Collection Fee Revenue (Lien Admin)	1,500	1,500	1,500	1,500	1,500
	<i>Total Administrative Revenue</i>	<i>8,909</i>	<i>6,500</i>	<i>6,500</i>	<i>4,000</i>	<i>4,000</i>
4224	Sandra Drive Principal	3,992	1,500	1,500	6,500	1,800
4225	Sandra Drive Interest	773	1,000	1,000	1,000	500
	<i>Total PID Revenue</i>	<i>4,765</i>	<i>2,500</i>	<i>2,500</i>	<i>7,500</i>	<i>2,300</i>
4501	Water Sales	2,270,534	2,600,000	2,600,000	2,450,000	2,635,000
4505	Hydrant/Other Water Sales	141,512	140,000	140,000	140,000	145,000
4507	Water Penalty	23,817	18,000	18,000	18,000	18,000
4509	Reconnect Fees	10,250	8,000	8,000	7,000	8,000
4510	NSF Fee	1,365	1,000	1,000	700	1,000
4511	Misc Utility Revenue	100	0	0	50	0
4513	Hydrant Meter Installation	300	500	500	500	500
4514	Water Meter/Tap Installation	1,425	1,500	1,500	4,000	1,500
	<i>Total Water Revenue</i>	<i>2,449,304</i>	<i>2,769,000</i>	<i>2,769,000</i>	<i>2,620,250</i>	<i>2,809,000</i>
4601	Wastewater Sales	1,224,777	1,320,000	1,320,000	1,340,000	1,420,000
4606	Interest Earned	1,396	1,000	1,000	300	250
4607	Wastewater Penalty	12,971	10,000	10,000	12,000	10,000
4612	Contract Revenue - Wastewater	149,893	130,000	130,000	175,000	175,000
	<i>Total Wastewater Revenue</i>	<i>1,389,038</i>	<i>1,461,000</i>	<i>1,461,000</i>	<i>1,527,300</i>	<i>1,605,250</i>
4852	Transfer from Sanitation Fund	0	47,200	47,200	47,200	47,200
4860	Impact Fees	282,129	0	0	50,000	55,000
	<i>Total External Contributions</i>	<i>282,129</i>	<i>47,200</i>	<i>47,200</i>	<i>97,200</i>	<i>102,200</i>
	<i>Total Water Utilities Fund Revenue</i>	<i>4,134,145</i>	<i>4,286,200</i>	<i>4,286,200</i>	<i>4,256,250</i>	<i>4,522,750</i>

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

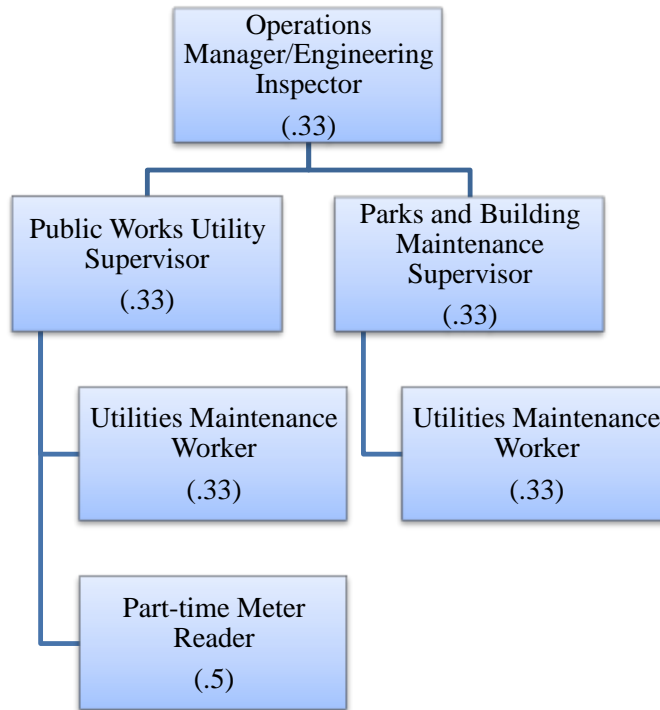
FUND UTILITY	DEPARTMENT WATER	ACCOUNT 511				
PURPOSE AND DESCRIPTION						
<i>Provide Heath citizens with high quality, clean water while maintaining the City's distribution system through repairing water lines, replacing main lines, flushing dead-end lines, taking and analyzing water samples, and the inspecting and operating of valves and hydrants.</i>						
FY 10 ACCOMPLISHMENTS						
700 water meters undergoing conversion to Automated Meter Reading (AMR) system.						
6,000 feet of 12" water line reconstructed on FM 740.						
4,000 feet of 12" water line extended on Rabbit Ridge, FM 550, and Jeff Boyd Road.						
3,500 feet of 8" water line extended on White Road.						
1.5 million gallon elevated storage tank at FM 1140 and FM 740 planned, designed, and funded.						
Routine monthly purging and cleaning of dead end mains and fire hydrants has continued.						
Actively pursued conversion from RCH WSC to Heath publically maintained water system.						
STRATEGIES AND GOALS						
Continue conversion of additional water meters to AMR.						
Build and maintain infrastructure to a high quality of structural and aesthetic standard.						
Continue City policy of improving the water distribution system.						
PERFORMANCE INDICATORS						
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	
New connections	198	171	174	126	90	
Occupant Change	226	195	183	100	88	
Average annual consumption (000's gallons)	575	402	460	466	440	
Replaced water meters	48	20	19	146	46	
Water main line breaks	NA	NA	NA	23	30	
Linear feet of water main lines replaced	NA	NA	NA	400	8,000	
Water mains (miles)	50.24	50.24	50.24	51.61	52	
Fire Hydrants	143	163	183	199	220	
NA = Not Available						
WATER						
<i>Description</i>	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Amended Budget FY2010</i>	<i>Approved Budget FY2011</i>	<i>% Increase/ Decrease</i>
Personnel Services	\$ 79,846	\$ 108,800	\$ 133,900	\$ 134,400	\$ 148,700	10%
Supplies & Services	114,660	99,760	99,565	130,000	124,300	-5%
Operational	838,500	977,900	900,600	903,025	1,013,000	11%
Materials & Equipment	52,950	38,550	26,650	31,400	31,400	0%
Capital Outlay	41,500	88,500	59,300	93,300	1,500	-100%

**CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011**

Approved Budget FY 2011



WATER 10-511



FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

Description	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Full-time	1.7	1.7	1.7	1.7	1.7
Continuous Part-Time	-	-	-	-	0.5
Seasonal	-	-	-	-	-
<i>Total</i>	<u>1.7</u>	<u>1.7</u>	<u>1.7</u>	<u>1.7</u>	<u>2.2</u>

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

Water Division

	<i>F'08-09 Actual</i>	<i>F'09-10 Original Budget</i>	<i>F'09-10 Amended Budget</i>	<i>F'09-10 Projected Actual</i>	<i>F'10-11 Adopted Budget</i>
<i>Water Utilities Fund expenditures authorized for Water Division</i>					
511-101 Salaries	80,187	88,900	88,900	88,900	97,100
511-102 Health Insurance	11,676	16,800	16,800	16,000	20,100
511-103 Workers' Comp Insurance	3,350	3,500	3,500	3,300	3,000
511-104 Overtime	7,474	7,200	7,200	7,200	7,700
511-105 FICA	6,427	7,400	7,400	7,400	8,300
511-106 Retirement (TMRS)	9,130	10,200	10,200	10,200	11,700
511-107 Unemployment	0	400	400	400	800
<i>Total - Personnel Services</i>	<i>118,245</i>	<i>134,400</i>	<i>134,400</i>	<i>133,400</i>	<i>148,700</i>
511-201 Electric Service	67,976	60,000	80,000	80,000	75,000
511-203 Water Service	78	0	0	100	0
511-204 Telecommunications	6,446	7,400	7,400	9,500	6,700
511-220 Office Supplies	483	400	400	400	400
511-221 Postage & Freight	722	1,000	1,000	1,000	1,000
511-222 Printing & Photo	233	2,500	2,500	1,000	2,500
511-230 Dues/Subscriptions/Publication	412	500	500	500	500
511-231 Conferences & Training	493	1,000	1,000	1,200	1,000
511-232 Travel, Meals & Lodging	182	1,000	1,000	500	1,000
511-233 Medical Services	0	500	500	200	500
511-234 Uniforms	512	700	700	1,000	700
511-240 Subcontractor Repairs	34,778	35,000	35,000	34,000	35,000
<i>Total - Supplies & Services</i>	<i>112,315</i>	<i>110,000</i>	<i>130,000</i>	<i>129,400</i>	<i>124,300</i>
511-300 Commodity Purchase	751,268	850,025	850,025	750,000	960,000
511-311 Legal Publications/Advertising	616	1,500	1,500	500	1,500
511-341 Legal Services	70,745	10,000	10,000	13,000	10,000
511-342 Professional Services	20,983	10,000	10,000	5,000	10,000
511-343 Computer Maintenance Services	7,200	7,000	7,000	7,000	7,000
511-344 Engineering	10,261	10,000	10,000	5,000	10,000
511-362 Lab & Testing Services	2,700	4,000	4,000	3,500	4,000
511-369 Contract Drafting	1,775	3,000	3,000	2,500	3,000
511-370 Maintenance & Repair Parts	11,337	5,000	5,000	11,000	5,000
511-399 Miscellaneous Expense	5,755	2,500	2,500	5,000	2,500
<i>Total - Operational Items</i>	<i>882,639</i>	<i>903,025</i>	<i>903,025</i>	<i>802,500</i>	<i>1,013,000</i>

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

Water Division

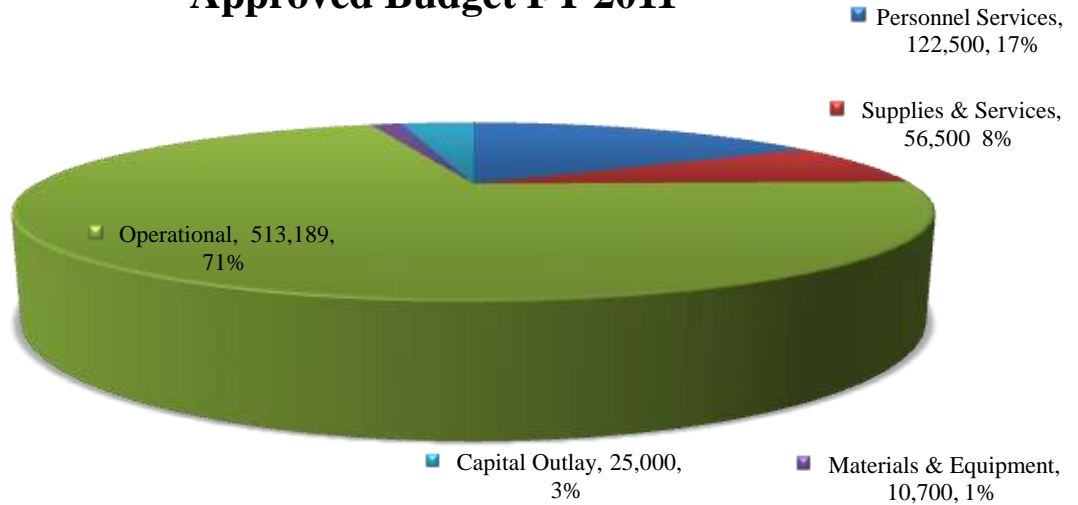
		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Original</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
<i>Water Utilities Fund expenditures authorized for Water Division</i>						
511-410	Water Meters	7,901	9,600	9,600	7,500	9,600
511-415	Hand Tools	1,652	2,500	2,500	2,000	2,500
511-440	Equipment Repair & Maintenance	2,679	5,100	5,100	4,000	5,100
511-441	Auto Repair & Maintenance	1,313	2,000	2,000	2,000	2,000
511-442	Gas, Oil & Fuel	5,513	7,500	7,500	6,000	7,500
511-443	Structure Repair & Maintenance	68	700	700	500	700
511-444	Chemicals	0	1,500	1,500	1,000	1,500
511-450	Machinery/Equipment Rental	1,051	2,500	2,500	2,000	2,500
	<i>Total - Materials & Equipment</i>	<i>20,176</i>	<i>31,400</i>	<i>31,400</i>	<i>25,000</i>	<i>31,400</i>
511-501	Office Furniture/Fixtures/Equipment	0	500	500	500	500
511-512	Buildings	0	1,000	1,000	1,000	1,000
511-520	Capital Account	15,956	91,800	91,800	91,800	0
	<i>Total - Capital Outlay</i>	<i>15,956</i>	<i>93,300</i>	<i>93,300</i>	<i>93,300</i>	<i>1,500</i>
	<i>Total - Water Division</i>	<i>1,149,330</i>	<i>1,272,125</i>	<i>1,292,125</i>	<i>1,183,600</i>	<i>1,318,900</i>

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

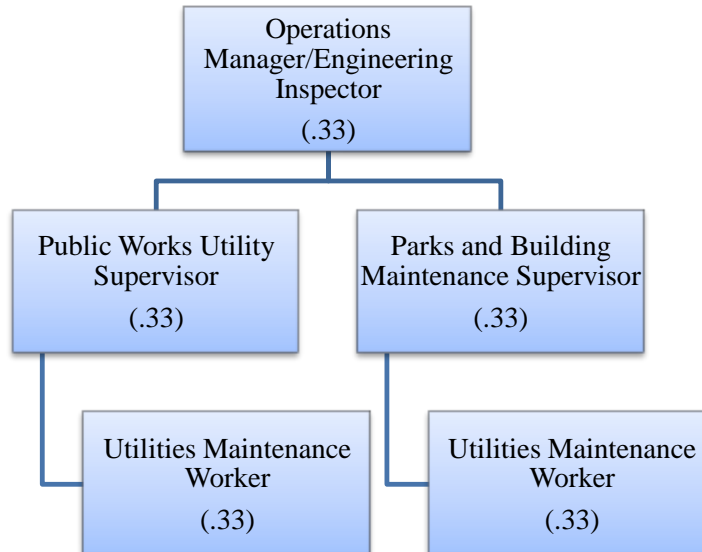
FUND UTILITY	DEPARTMENT WASTEWATER					ACCOUNT 512
PURPOSE AND DESCRIPTION						
<i>Provide Heath citizens with wastewater services while maintaining the City's wastewater system through resolving customer issues associated with the wastewater system, inspecting lift stations and metering stations, maintaining and repairing pumps, motors, and repairing and replacing sewer main lines.</i>						
FY 10 ACCOMPLISHMENTS						
Improved operation of Bison Meadows Lift station by replacing pumps, motors, support structure, and telemetry to reduce illicit discharge and Inflow and Infiltration (I & I).						
Cove Ridge Lift station reconstructed to increase capacity, improve pump and motor's capability, add telemetry, and reduce I & I.						
Combined several sewer pipes with infiltration problems into one larger pipe crossing FM740 widening to reduce maintenance costs and reduce I & I.						
2,500 feet additional sewer pipe installed on White Road to service new customers.						
SCADA added to 3 major lift stations to improve operation and reduce I & I.						
Waterproof liner added to the interior of several sewer manholes to reduce I & I.						
STRATEGIES AND GOALS						
Build and maintain infrastructure to a high quality of structural and aesthetic standard.						
Reduce back flow and improve I & I by utilizing sewer cleaning pump truck to be purchased this budget year.						
Active participation in SWMP by controlling site specific storm water discharges carrying silt, construction material, and other pollutants.						
PERFORMANCE INDICATORS						
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	
Linear feet of sewer main lines cleaned	NA	NA	NA	71,000	78,000	
Linear feet of sewer main lines replaced	0	0	0	0	4,000	
Lift stations maintained	11	11	11	11	11	
Sanitary Sewers (miles)	60.6	60.6	60.6	61.44	62	
Storm Sewers (miles)	12	12	12	12	14	
Total sewage system flow (1,000 gal)	NA	NA	370,665	309,306	389,593	
NA = Not Available						
WASTEWATER						
	<i>Adopted</i>	<i>Adopted</i>	<i>Adopted</i>	<i>Amended</i>	<i>Approved</i>	<i>%</i>
<i>Description</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Increase/</i>
	<i>FY2007</i>	<i>FY2008</i>	<i>FY2009</i>	<i>FY2010</i>	<i>FY2011</i>	<i>Decrease</i>
Personnel Services	\$ 73,429	\$ 97,665	\$ 113,986	\$ 115,600	\$ 122,500	6%
Supplies & Services	35,160	43,920	39,404	66,179	56,500	-17%
Operational	283,666	422,473	484,831	536,000	513,189	-4%
Materials & Equipment	9,200	10,222	10,022	10,700	10,700	0%
Capital Outlay	160,000	44,800	0	0	25,000	100%

**CITY OF HEATH
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WASTEWATER 10-512



FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

Description	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Full-time	1.7	1.7	1.7	1.7	1.7
Continuous Part-Time	-	-	-	-	-
Seasonal	-	-	-	-	-
<i>Total</i>	<u>1.7</u>	<u>1.7</u>	<u>1.7</u>	<u>1.7</u>	<u>1.7</u>

CITY OF HEATH
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Wastewater Division

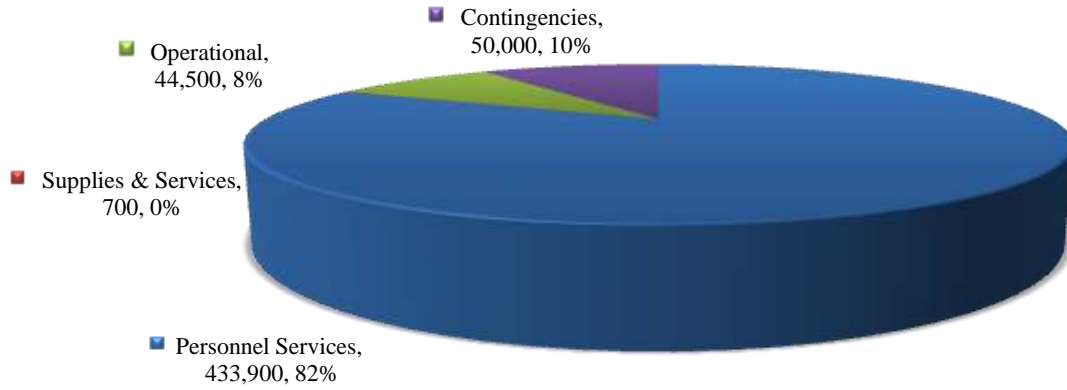
		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Original</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
<i>Water Utilities Fund expenditures authorized for Wastewater Division</i>						
512-101	Salaries	72,140	74,000	74,000	75,600	76,700
512-102	Health Insurance	11,871	16,800	16,800	16,200	20,100
512-103	Workers' Comp Insurance	2,770	3,400	3,400	2,800	2,900
512-104	Overtime	7,598	6,200	6,200	5,800	6,500
512-105	FICA	5,808	6,200	6,200	6,200	6,400
512-106	Retirement (TMRS)	8,312	8,600	8,600	8,600	9,100
512-107	Unemployment	0	400	400	400	800
	<i>Total - Personnel Services</i>	<i>108,500</i>	<i>115,600</i>	<i>115,600</i>	<i>115,600</i>	<i>122,500</i>
512-201	Electric Service	18,162	24,000	38,000	38,000	30,000
512-203	Water Service	78	79	79	100	100
512-204	Telecommunications	3,433	4,300	5,900	5,900	4,200
512-220	Office Supplies	175	200	200	200	200
512-221	Postage & Freight	0	1,750	1,750	1,000	1,750
512-222	Printing & Photo	47	500	500	300	500
512-230	Dues/Subscriptions/Publication	899	250	250	250	250
512-231	Conferences & Training	185	500	500	500	500
512-232	Travel, Meals & Lodging	429	500	500	300	500
512-234	Uniforms	453	500	500	500	500
512-240	Subcontractor Services	25,362	18,000	18,000	21,000	18,000
	<i>Total - Supplies & Services</i>	<i>49,224</i>	<i>50,579</i>	<i>66,179</i>	<i>68,050</i>	<i>56,500</i>
512-300	Commodity Purchase	429,244	495,500	495,500	495,500	472,689
512-311	Legal Publications/Advertising	332	500	500	500	500
512-341	Legal Services	46	0	0	0	0
512-342	Professional Fees/Consultants	6,425	17,000	17,000	11,000	17,000
512-344	Engineering	6,595	10,000	10,000	7,000	10,000
512-369	Contract Drafting	0	2,000	2,000	1,000	2,000
512-370	Maintenance & Repair Parts	8,135	10,000	10,000	19,000	10,000
512-399	Miscellaneous Expense	3,561	1,000	1,000	500	1,000
	<i>Total - Operational Items</i>	<i>454,338</i>	<i>536,000</i>	<i>536,000</i>	<i>534,500</i>	<i>513,189</i>
512-415	Hand Tools	209	1,000	1,000	1,000	1,000
512-440	Equipment Repair & Maintenance	2,746	5,700	5,700	4,500	5,700
512-441	Auto Repair & Maintenance	399	500	500	500	500
512-442	Gas, Oil & Fuel	3,372	2,500	2,500	2,500	2,500
512-450	Machinery/Equipment Rental	1,807	1,000	1,000	1,800	1,000
	<i>Total - Materials & Equipment</i>	<i>8,533</i>	<i>10,700</i>	<i>10,700</i>	<i>10,300</i>	<i>10,700</i>
512-501	Mobile Equipment (Sewer Pump Truck)	0	0	0	0	25,000
	<i>Total - Capital Outlay</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>25,000</i>
	<i>Total - Wastewater Division</i>	<i>620,596</i>	<i>712,879</i>	<i>728,479</i>	<i>728,450</i>	<i>727,889</i>

**CITY OF HEATH
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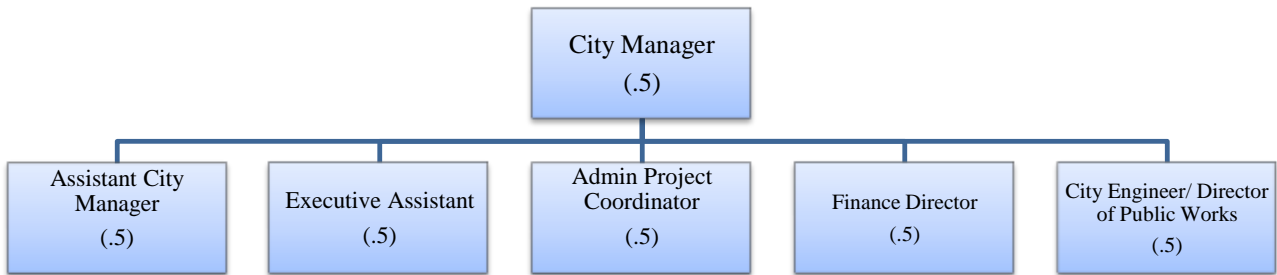
FUND	DEPARTMENT		ACCOUNT			
UTILITY	UTILITY ADMINISTRATIVE SERVICES		565			
PURPOSE AND DESCRIPTION						
<i>Committed to the highest standard of customer care by consistently providing accurate billings and services.</i>						
FY 10 ACCOMPLISHMENTS						
Implemented use of Handheld Meter Reading for meter reading efficiency and data entry efficiency.						
Implemented use of an AMR system to increase meter reading efficiency, data entry efficiency, and promote early leak detection.						
STRATEGIES AND GOALS						
Continually analyze fees and rate structures to ensure they are equitable.						
Assist sound management of the City by providing accurate and timely financial condition.						
Ensure the legal use of all City funds through a good system of financial security and internal control.						
PERFORMANCE INDICATORS						
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	
Newsletters to Council, Staff, and citizen	12	12	12	12	12	
2TurnItOn online connection requests	N/A	N/A	N/A	13	61	
N/A = Not Applicable. Not contracted until FY 2009.						
UTILITY ADMINISTRATIVE SERVICES						
<i>Description</i>	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Adopted Budget FY2010</i>	<i>Approved Budget FY2011</i>	<i>% Increase/ Decrease</i>
Personnel Services	\$ 321,744	\$ 395,700	\$ 432,897	\$ 420,900	\$ 433,900	3%
Supplies & Services	-	-	490	700	700	0%
Operational	-	54,250	49,000	46,500	44,500	-4%
Contingencies	-	-	-	50,000	50,000	0%

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UTILITY ADMINISTRATIVE SERVICES 10-565



FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

Description	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Full-time	3	3	3	2.5	2.5
Continuous Part-Time	-	-	-	0.5	0.5
Seasonal	-	-	-	-	-
<i>Total</i>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3.0</u>	<u>3.0</u>

CITY OF HEATH
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Utility Administrative Services

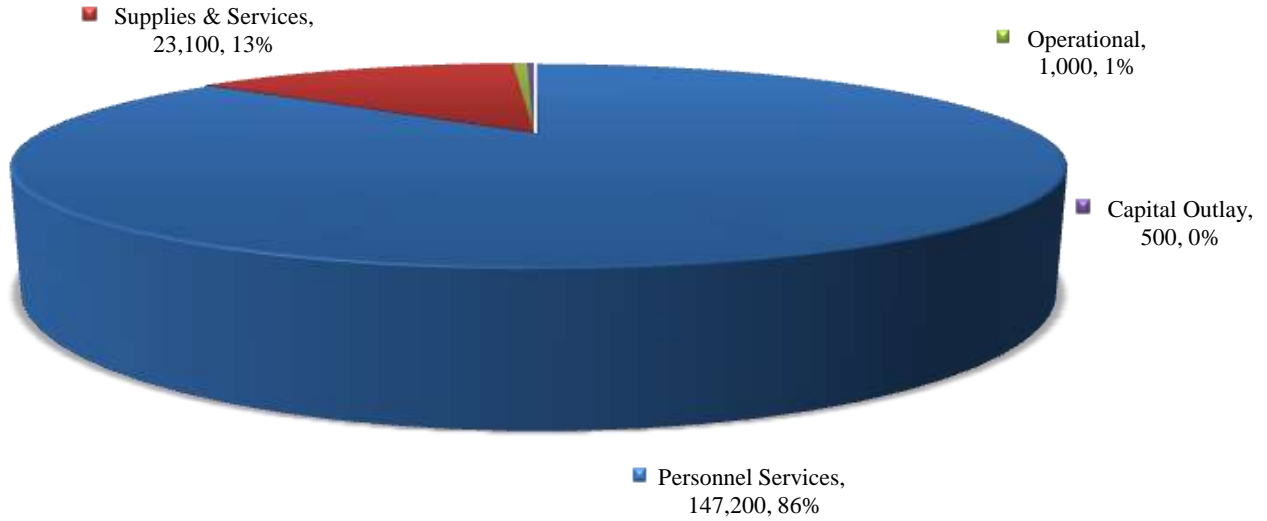
		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Budget</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
<i>Water Utilities Fund expenditures authorized for Administration Division</i>						
565-101	Salaries	322,603	310,900	340,800	340,800	314,300
565-102	Health Insurance	34,963	40,500	44,100	44,100	47,600
565-103	Workers' Comp Insurance	982	1,300	1,300	2,100	1,100
565-104	Overtime	234	300	300	400	300
565-105	FICA	21,002	24,400	24,400	23,100	25,000
565-106	Retirement (TMRS)	32,807	32,800	32,800	32,600	34,100
565-107	Unemployment	0	700	700	700	1,500
565-109	Temporary Help	4,098	10,000	10,000	10,000	10,000
	<i>Total - Personnel Services</i>	<i>416,690</i>	<i>420,900</i>	<i>454,400</i>	<i>453,800</i>	<i>433,900</i>
565-220	Office Supplies	231	500	500	500	500
565-222	Printing & Photo	91	200	200	200	200
	<i>Total - Supplies & Services</i>	<i>322</i>	<i>700</i>	<i>700</i>	<i>700</i>	<i>700</i>
565-312	Newsletter	7,274	7,500	7,500	7,500	7,500
565-336	Risk Management Consulting	6,900	7,500	7,500	7,500	7,500
565-337	Human Resources Consulting	4,075	7,500	7,500	4,000	5,000
565-338	Public Relations	26,055	24,000	24,000	24,000	24,000
565-342	Professional Fees/Consulting	0	0	0	0	500
	<i>Total - Operational Items</i>	<i>44,304</i>	<i>46,500</i>	<i>46,500</i>	<i>43,000</i>	<i>44,500</i>
565-543	General Contingency	0	50,000	0	0	50,000
	<i>Total - Contingencies</i>	<i>0</i>	<i>50,000</i>	<i>0</i>	<i>0</i>	<i>50,000</i>
	<i>Total - Utility Administration Division</i>	<i>461,315</i>	<i>518,100</i>	<i>501,600</i>	<i>497,500</i>	<i>529,100</i>

CITY OF HEATH
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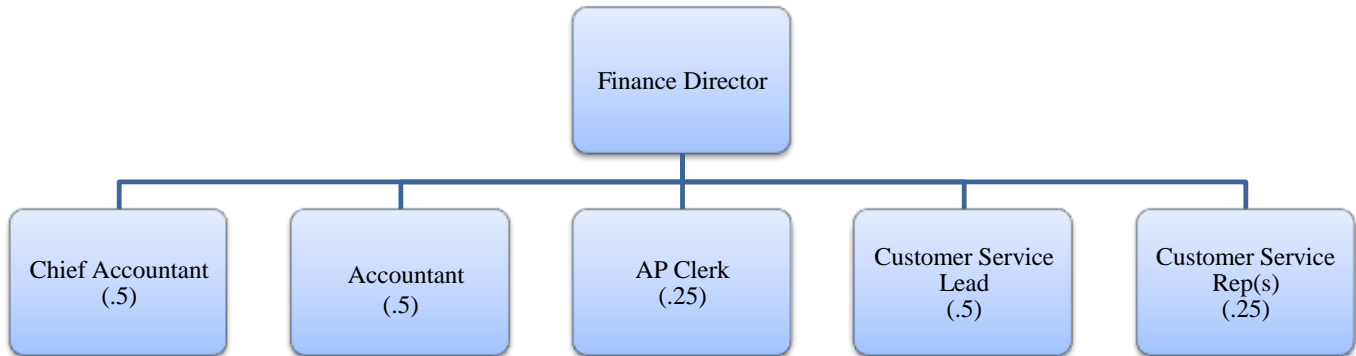
FUND UTILITY	DEPARTMENT CUSTOMER SERVICES					ACCOUNT 570
PURPOSE AND DESCRIPTION						
<i>Committed to the highest standard of customer care by consistently providing accurate billings, services and collections of the City's water, sewer, sanitation fees, responding to customer questions and concerns, enforcing late or non payment practices, and managing changes to the customer database.</i>						
FY 10 ACCOMPLISHMENTS						
Encouraged continued use of Web-based electronic service requests for all utility connections.						
Followed identity theft measures to assure all utility requests are legitimate.						
STRATEGIES AND GOALS						
Explore and implement technology improvements to create more efficient financial processes and reports by implementing hand held meter reading system.						
Assist sound management of the City by providing accurate and timely financial condition.						
Ensure the legal use of all City funds through a good system of financial security and internal control.						
PERFORMANCE INDICATORS						
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	
Number of water customers	1,746	1,789	1,806	1,842	1,862	
Number of wastewater customers			1,751	1,813	1,849	
Customer Inquires with work orders generated	588	547	633	799	1,196*	
Meter re-reads	3	24	37	31	614*	
Payments processed online	N/A	N/A	475	1,459	2,182	
Payments processed in-house	25,341	23,909	25,437	26,379	27,527	
* FY 2010 Implemented service order tracking for all requests whether internal or external for gathering work load statistics. N/A = Not applicable. Online service contracted FY 2008.						
CUSTOMER SERVICES						
<i>Description</i>	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Amended Budget FY2010</i>	<i>Approved Budget FY2011</i>	<i>% Increase/ Decrease</i>
Personnel Services	\$ 80,204	\$ 204,072	\$ 162,791	\$ 141,200	\$ 147,200	4%
Supplies & Services	23,000	24,000	17,879	23,100	23,100	0%
Operational	1,000	1,000	0	1,000	1,000	0%
Capital Outlay	12,500	2,500	0	\$ 500	\$ 500	0%

**CITY OF HEATH
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CUSTOMER SERVICES



FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

Description	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Full-time	2.0	2.5	2.0	1.5	1.5
Continuous Part-Time	0.5	0.5	1.0	0.5	0.5
Seasonal	-	-	-	-	-
<i>Total</i>	<u>2.5</u>	<u>3.0</u>	<u>3.0</u>	<u>2.0</u>	<u>2.0</u>

CITY OF HEATH
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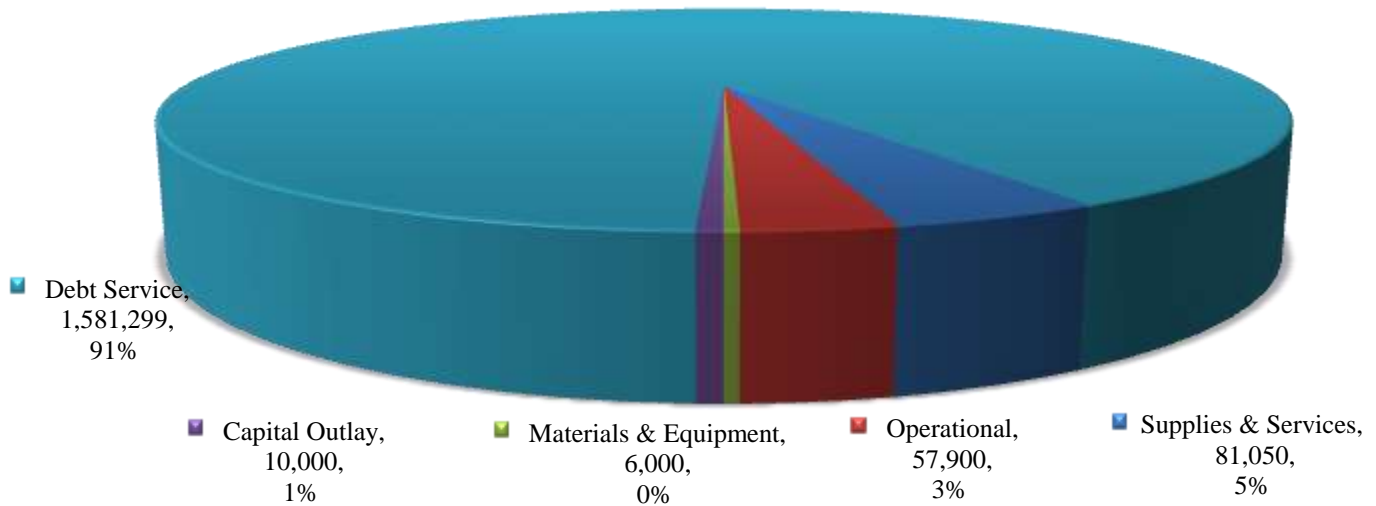
Customer Services

		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Original</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
<i>Water Utilities Fund expenditures authorized for Customer Services Division</i>						
570-101	Salaries	113,109	100,800	100,800	98,000	101,200
570-102	Health Insurance	12,344	11,800	16,600	16,600	20,900
570-103	Workers' Comp Insurance	404	500	500	400	400
570-104	Overtime	0	1,200	1,200	1,200	1,400
570-105	FICA	8,652	8,100	8,100	7,700	8,300
570-106	Retirement (TMRS)	10,958	10,900	10,900	9,700	11,300
570-107	Unemployment	0	600	600	600	1,200
570-109	Temporary Help	6,004	2,500	2,500	1,000	2,500
	<i>Total - Personnel Services</i>	<i>151,470</i>	<i>136,400</i>	<i>141,200</i>	<i>135,200</i>	<i>147,200</i>
570-204	Telecommunications	862	1,400	1,400	1,400	1,400
570-220	Office Supplies	1,327	2,000	2,000	1,500	2,000
570-221	Postage & Freight	13,126	12,000	12,000	15,000	12,000
570-222	Printing & Photo	6,177	6,500	6,500	5,000	6,500
570-230	Dues/Subscriptions/Publication	4	200	200	200	200
570-231	Conferences & Training	0	500	500	500	500
570-232	Travel, Meals & Lodging	0	500	500	0	500
	<i>Total - Supplies & Services</i>	<i>21,495</i>	<i>23,100</i>	<i>23,100</i>	<i>23,600</i>	<i>23,100</i>
570-371	Applicant Screening	248	1,000	1,000	500	1,000
	<i>Total - Operational Items</i>	<i>248</i>	<i>1,000</i>	<i>1,000</i>	<i>500</i>	<i>1,000</i>
570-501	Office Furniture/Fixtures/Equipment	0	500	500	500	500
	<i>Total - Capital Outlay</i>	<i>0</i>	<i>500</i>	<i>500</i>	<i>500</i>	<i>500</i>
	<i>Total - Customer Services Division</i>	<i>173,213</i>	<i>161,000</i>	<i>165,800</i>	<i>159,800</i>	<i>171,800</i>

**CITY OF HEATH
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FUND UTILITY	DEPARTMENT NON-DIVISIONAL				ACCOUNT 10-575	
NON-DIVISIONAL						
<i>Description</i>	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Adopted Budget FY2010</i>	<i>Approved Budget FY2011</i>	<i>% Increase/ Decrease</i>
Supplies & Services	\$ 48,750	\$ 49,100	\$ 81,075	\$ 80,650	\$ 81,050	0.5%
Operational	241,900	1,900	73,033	57,900	57,900	0%
Materials & Equipment	1,200	1,200	7,900	6,000	6,000	0%
Capital Outlay	-	-	10,000	10,000	10,000	0%
Debt Service	971,514	1,580,882	1,514,084	1,463,606	1,581,299	7%
Transfers	-	175,000	40,000	-	-	0%

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FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

Description	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11
Full-time	-	-	-	-	-
Continuous Part-Time	-	-	-	-	-
Seasonal	0.5	0.5	0.5	0.5	0.5
<i>Total</i>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>

CITY OF HEATH
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WUF Non-Divisional

	<i>F'08-09 Actual</i>	<i>F'09-10 Original Budget</i>	<i>F'09-10 Amended Budget</i>	<i>F'09-10 Projected Actual</i>	<i>F'10-11 Adopted Budget</i>
<i>Water Utilities Fund expenditures authorized for Non-Divisional Division</i>					
575-201 Electric Service	11,382	15,000	15,000	21,000	16,000
575-202 Gas Service	1,637	2,500	2,500	2,300	2,500
575-203 Water Service	650	600	600	2,700	2,200
575-204 Telecommunications	13,174	1,900	1,900	800	800
575-210 Property & Liability Insurance	15,828	18,600	18,600	18,000	18,600
575-220 Office Supplies	76	200	200	0	200
575-221 Postage & Freight	0	1,100	1,100	500	500
575-223 Community Center	4,075	4,000	4,000	4,000	4,500
575-224 Janitorial Service & Supplies	15,413	16,000	16,000	15,000	15,000
575-230 Dues/Subscriptions/Publication	50	750	750	750	750
575-251 ETS Credit Card Charges	11,130	15,000	15,000	13,500	15,000
575-260 Staff Development	0	5,000	5,000	5,000	5,000
<i>Total - Supplies & Services</i>	<i>73,416</i>	<i>80,650</i>	<i>80,650</i>	<i>83,550</i>	<i>81,050</i>
575-341 Legal Services	2,576	3,500	3,500	2,500	3,500
575-342 Admin/Professional Fees	1,051	2,000	2,000	2,000	2,000
575-343 Computer Maintenance Services	19,609	13,400	13,400	13,400	13,400
575-343 Incode Maintenance Services	19,609	17,800	17,800	17,800	17,800
575-343 License, Software, Other	19,609	14,700	14,700	14,700	14,700
575-360 Other Operational Supplies	2,530	1,500	1,500	1,500	1,500
575-399 Miscellaneous Expense	2,750	5,000	5,000	5,000	5,000
<i>Total - Operational Items</i>	<i>67,733</i>	<i>57,900</i>	<i>57,900</i>	<i>56,900</i>	<i>57,900</i>
575-441 Auto Repair & Maintenance	17	500	500	250	500
575-442 Gas, Oil & Fuel	68	500	500	250	500
575-443 Structure Repair & Maintenance	567	5,000	5,000	3,000	5,000
<i>Total - Materials & Equipment</i>	<i>653</i>	<i>6,000</i>	<i>6,000</i>	<i>3,500</i>	<i>6,000</i>
575-502 Computer Equipment	8,350	10,000	10,000	10,000	10,000
<i>Total - Capital Outlay</i>	<i>8,350</i>	<i>10,000</i>	<i>10,000</i>	<i>10,000</i>	<i>10,000</i>

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WUF Non-Divisional

		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Budget</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
<i>Water Utilities Fund expenditures authorized for Non-Divisional Division</i>						
575-523	2004 A Tax/Rev CO Refi - Prin	125,000	130,000	130,000	130,000	140,000
575-524	2004 A Tax/Rev CO Refi - Int	47,436	38,456	38,456	38,456	33,672
575-527	NTMWD Debt Service - Ground Storage	24,830	25,100	25,100	25,100	72,844
575-528	NTMWD Debt Service - Interceptor	430,150	414,300	414,300	414,300	447,939
575-529	Series 2007 C O - Principal	167,231	172,868	172,868	172,868	180,384
575-530	Series 2007 C O - Interest	233,193	203,252	203,252	203,252	196,187
575-615	Series 2001 C O - Principal	210,000	217,500	217,500	217,500	258,750
575-616	Series 2001 C O - Interest	306,604	262,130	262,130	262,130	251,523
575-621	Amortization of Bond	12,261				
	<i>Total - Debt Service</i>	<i>1,556,705</i>	<i>1,463,606</i>	<i>1,463,606</i>	<i>1,463,606</i>	<i>1,581,299</i>
575-815	Transfer to Technology	38,293	0	0	0	0
	<i>Total - Transfers</i>	<i>38,293</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
	<i>Total - Non-Divisional</i>	<i>1,745,150</i>	<i>1,618,156</i>	<i>1,618,156</i>	<i>1,617,556</i>	<i>1,736,249</i>

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

FUND	DEPARTMENT	ACCOUNT
SOLID WASTE	SOLID WASTE	25-579

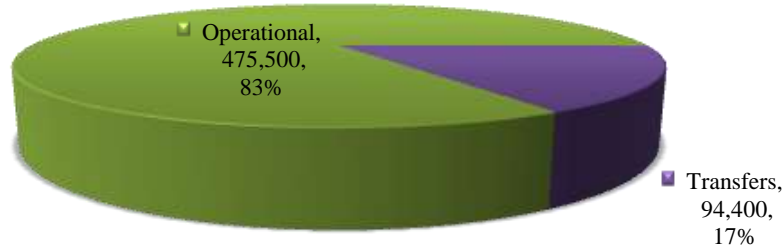
PURPOSE AND DESCRIPTION

The Solid Waste Fund contracts with a firm to collect solid waste and recyclables for disposal at the designated landfill or recycling facility.

SOLID WASTE

<i>Description</i>	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Adopted Budget FY2010</i>	<i>Approved Budget FY2011</i>	<i>% Increase/ Decrease</i>
Operational	\$ 270,550	\$ 350,000	\$ 420,500	\$ 455,500	\$ 475,500	4%
Transfers	106,100	112,100	47,200	94,400	94,400	0%

Approved Budget FY 2011



Solid Waste Fund Sources and Uses

		<i>F'08-09 Actual</i>	<i>F'09-10 Original Budget</i>	<i>F'09-10 Amended Budget</i>	<i>F'09-10 Projected Actual</i>	<i>F'10-11 Adopted Budget</i>
Sources of Funds						
<i>Beginning Resources</i>		72,209	100,271	100,271	100,271	92,871
<i>Current Revenues</i>						
Revenue						
4106	Interest Earned	431	500	500	300	500
4701	Sanitation Fees	504,328	525,000	525,000	545,000	545,000
4707	Late Payment Fees	5,919	5,000	5,000	5,000	5,000
Total Sanitation Revenue		510,678	530,500	530,500	550,300	550,500
Total Sources Of Funds		582,887	630,771	630,771	650,571	643,371
Uses of Funds						
579-300	Commodity Purchase	435,266	455,000	455,000	463,000	475,000
579-341	Legal Services	150	500	500	300	500
Total - Operational Items		435,416	455,500	455,500	463,300	475,500
579-801	Transfer to General Fund	47,200	47,200	47,200	47,200	47,200
579-810	Transfer to Utility Fund	0	47,200	47,200	47,200	47,200
Total Billing & Transfer Fee		47,200	94,400	94,400	94,400	94,400
Total Current Expenditures		482,616	549,900	549,900	557,700	569,900
Ending Resources		100,271	80,871	80,871	92,871	73,471



CITY OF HEATH

DEBT SERVICE FUND

The Debt Service Fund is a special fund established to account for the accumulation and expenditure of resources for payment of principal and interest on tax and utilities support bonded debt. Bonded debt includes general obligation bonds, certificates of obligations, and combination tax and revenue certificates of obligation.

The principal source of revenue is assessed property taxes as established by ordinance.

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

GENERAL OBLIGATION DEBT SERVICE

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values. Payments of principal and interest are made for general obligation bonds, certificates of obligation, and revenue bonds.

Current general outstanding debt, including principal and interest, equals \$16,920,540.04 comprised of general obligation refunded issues and combination tax and surplus revenue certificates of obligation. Three debt obligations are divided by percentage between general obligation debt and the business-type activities. The allocation is as follows:

<i>Issuance</i>	<i>General</i>	<i>Business</i>
Tax & Limited Surplus Revenue CO, series 2007	.6242	.3758
Combination Tax & Surplus Revenue CO, Series 2004	.65	.35 (EDC)
Combination Tax & Revenue CO, Series 2001	.25	.75

For budgeting and debt limit requirements, the outstanding debt is allocated to the Fund responsible for repaying the debt. The projected General Obligation FY 2011 debt requirements total \$1,213,343.84.

The State of Texas limits the ad valorem tax rate to \$2.50 per \$100 valuation. The City of Heath is well below the limitation with a rate of \$0.34333.

The allocation of ad valorem tax levy between the General Fund and the Debt Service Fund are noted below:

	<i>2006-2007</i>	<i>2007-2008</i>	<i>2008-2009</i>	<i>2009-2010</i>	<i>2010-2011</i>
General	0.2786	0.2786	0.2786	0.2786	0.2786
Debt Service	0.0647	0.0647	0.0647	0.0647	0.0647
	0.3433	0.3433	0.3433	0.3433	0.3433

The Aggregate Debt Service Schedule shows principal and interest payment obligations through 2027. Annually, the Debt Service Schedule of obligations and self-supporting revenue (primarily property tax and interest income) is analyzed for stability.

Numerous unforeseen changes in variables make annual analysis vital. Annually, assumptions can be revised to incorporate economical and valuation fluctuations, and refunding options. Analysis will include:

1. Estimated annual growth in the taxable assessed valuation over the life of the debt,
2. Existing amount of GO Debt Service obligations each year for the life of the debt,
3. Other long term debt obligations for the life of the debt,
4. Collection rate of Debt Service (I&S) portion of ad valorem tax levy over the life of the debt,
5. Interest rate projections for the life of the debt,
6. Estimated I&S tax rate for the life of the debt,
7. Refunding feasibility.

For this annual operating budget, the assumptions were as follows:

Assumption #1: The certified taxable value for FY 2011 is \$1,089,241,489; almost 1% lower than the FY 2010 certified value of \$1,101,524,185. The I&S tax rate is 6.47 cents per \$100 resulting in preliminary projected revenue of \$690,400.

**CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011**

GENERAL OBLIGATION DEBT SERVICE

Assumption #2: Ad Valorem Tax Revenue projections are based on a 98.5% collection rate. Historical trending of ad valorem collections supports this rate.

Assumption #3: The budget does not include a transfer from the General Fund.

Assumption #4: Funds invested in the investment pool (LGIP) are currently earning 0.15% interest and funds invested in the money market account are currently earning 0.5%. Interest rates on investments are not expected to increase significantly during the next fiscal year.

Assumption #5: The tax rate remains unchanged at 6.47 cents per \$100 valuation.

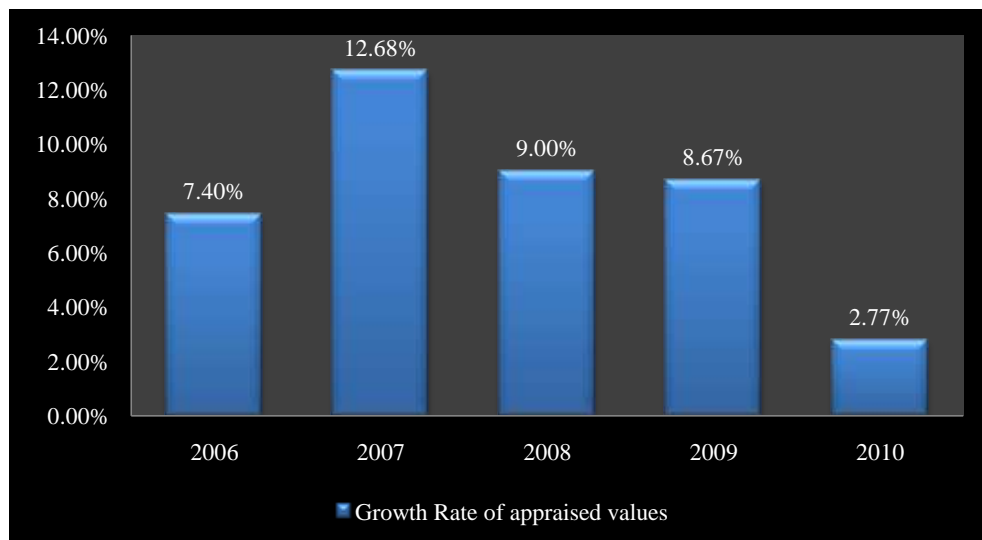
First Southwest proposed a Tax Rate Management Program which supports the City's goal of maintaining the current tax rate. The assumptions include 3% growth in assessed value; use of fund balance for repayment of debt; no new debt issuance; and three series of refunding bonds. The proposed program should enable the City to maintain its current I&S tax rate.

Assumption #6: Expected savings from the current refunding of outstanding Series 2001 bond issues are not reflected in the budget at this time. First Southwest will continue to monitor market fluctuations to capture optimal savings. Once the bonds have been refunded the budget will be updated.

Assumption #7: Five PID assessments have remaining balances. Projections, in line with historical receipts, are expected to yield approximately \$25,000.

PID Effective Date/Mat. Date	# Active	# Making Payments	Outstanding \$ as/of 06/30/2010
Antigua Bay - March 1989/1999	3	1	\$ 23,816.15
Candlelite Park-July 1993/2013	10	5	\$ 62,567.85
Cove Ridge- Feb 1998/undefined	1	1	\$ 5,801.26
K&K-October 1999/2019	6	5	\$ 37,365.27
Twin View-July 1998/2018	4	3	\$ 23,027.49
TOTAL	24	15	\$ 152,578.02

Assumption #8: Other Long-term debt obligations include financing for the animal shelter, gun range, and a fire truck.



Special Report

Recalibration of U.S. Public Finance Ratings

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Related Research

- *Fitch Ratings U.S. Public Finance Transition and Default Study 1999-2009, March 25, 2010*
- *Fitch Comments on Status of Municipal Ratings Framework Review, March 3, 2009*
- *Fitch Defers Final Determination on Municipal Ratings Recalibration, Oct. 7, 2008*
- *Exposure Draft: Reassessment of the Municipal Ratings Framework, July 31, 2008*

Summary

Fitch Ratings is proceeding with the recalibration of certain of its U.S. public finance credit ratings, initially announced in July 2008 (*see Fitch Research on "Exposure Draft: Reassessment of the Municipal Ratings Framework," dated July 31, 2008, available on Fitch's Web site at www.fitchratings.com*). The intent of the recalibration is to ensure a greater degree of comparability across Fitch's global portfolio of credit ratings. This recalibration will affect ratings in the state and local government tax-supported, water/sewer, public power distribution-only, and public higher education sectors. Other U.S. public finance sectors will not be affected.

- State and local general obligation ratings and those dependent on them (e.g. appropriation-backed debt) will be adjusted upward two notches if the GO rating is currently rated 'A' to 'BBB-' and one notch upward if the GO is currently rated 'A+' or higher.
- Special tax-backed bonds currently rated from 'BBB-' to 'AA+' will be adjusted up one notch.
- Water/sewer and public power distribution-only credits will be adjusted upward in the same manner as GO ratings.
- Public higher education ratings will be adjusted up one notch where the rating is currently 'AA-' to 'BBB-'; no adjustment will be made on public higher education ratings of 'AA' and higher.
- Ratings in the affected sectors that are currently below investment grade will be considered for recalibration on a case-by-case basis.

Recalibration Map

Current Rating	Rating Post-Recalibration			
	GO, Water/Sewer, Public Power (Distribution Only)	Appropriation-Backed Debt*	Special Tax	Public Higher Education
AAA	AAA	N.A.	AAA	AAA
AA+	AAA	AA+	AAA	AA+
AA	AA+	AA+	AA+	AA
AA-	AA	AA	AA	AA
A+	AA-	AA-	AA-	AA-
A	AA-	A+	A+	A+
A-	A+	A+	A	A
BBB+	A	A	A-	A-
BBB	A-	A-	BBB+	BBB+
BBB-	BBB+	BBB+	BBB	BBB
Below Investment Grade	Case by Case	Case by Case	Case by Case	Case by Case

*Assumes current appropriation-backed debt rating is one notch below the corresponding GO.

All state ratings will be recalibrated on April 5. The remaining tax-supported ratings and the water/sewer, public power distribution-only, and public higher education ratings will be recalibrated on April 30.

The recalibration of certain public finance ratings should not be interpreted as an improvement in the credit quality of those securities. Rather, they are adjustments to denote a comparable level of credit risk as ratings in other sectors. To be sure, as noted herein, public finance issuers continue to face a range of significant economic, fiscal, and credit challenges. Fitch will continue to monitor all of its public finance ratings and make changes to ratings as Fitch's forward-looking views of credit risk evolve.

Background

Credit ratings provide Fitch's opinion on the relative ability of an entity to meet financial commitments. Fitch uses the same rating scale for all of its international scale ratings, thereby enabling market participants to compare Fitch's perspectives on credit risk across sectors and regions. However, Fitch notes that, in practice, individual ratings in different sectors and regions may demonstrate varying levels of transition, default, and recovery, depending on the historical period considered or the impact of systemic or idiosyncratic factors on a given rated entity. Nonetheless, the aspiration is for Fitch's ratings to demonstrate broadly comparable levels of default patterns over long periods.

By definition, a credit rating is a forward-looking opinion of relative credit risk. A common approach for measuring the performance of ratings over time is through transition and default studies, which measure migration and default patterns over various historical periods. Fitch has cautioned against the simple extrapolation of past performance of ratings into the future. In other words, a sector or issuer that has demonstrated a no- or low-default history or even limited negative ratings migration is not immune from the possibility of prospective worsening in credit risk just based on that past performance, nor is it guaranteed a given rating level going forward based solely on past performance. However, such studies can be instructive in considering the distribution of ratings and comparability of ratings across Fitch's rated portfolio.

Recalibrations may occasionally occur in the rating process in furthering the goal of enhanced comparability. For example, Fitch first reviewed its municipal ratings in 2000 following a default study it performed the prior year (see *Fitch Research on "Municipal Default Risk," dated Sept. 15, 1999, available on Fitch's Web site at www.fitchratings.com*), which indicated very low default rates for certain types of municipal obligations. This review resulted in an upward adjustment of about 25% of Fitch's GO ratings and one-half of its water/sewer revenue bond ratings.

In 2008, Fitch undertook a new review of its municipal ratings framework, the findings of which were published in the July 2008 exposure draft. In this report, Fitch announced that, in light of U.S. public finance's continued very low default history and to achieve comparability with its ratings in other sectors, it was considering revising upward by one-to-two notches its tax-supported and water/sewer ratings. That process was suspended in the fall of 2008 in the midst of the financial crisis.

Subsequent Events

Since the exposure draft was published, some of the challenges facing U.S. public finance issuers, such as reduced tax revenues, depressed housing prices, and retiree benefit funding demands have become more pronounced, while new problems, such as declines in commercial real estate and chronically high unemployment rates, have emerged to further pressure state and local government finances. In fact, Fitch's public finance ratings saw more downgrades in 2009 than any previous year (see *Fitch Research on "Fitch Ratings U.S. Public Finance Transition and Default Study 1999-2009," dated March 25, 2010, available on Fitch's Web site at*

www.fitchratings.com). The lag effects of property value declines, high unemployment rates, and the phasing out of federal stimulus funding will likely continue to exert credit pressure on a large number of municipal entities.

However, Fitch believes that public finance issuers such as state and local governments and certain essential service municipal enterprises have inherent strengths that allow them to maintain fiscal balance, including authority to raise taxes and fees, strong powers to enforce revenue collection, flexibility to cut expenses, and discretion to use accumulated reserves. The rating distribution of U.S. tax-supported and essential service municipal enterprise bonds remains among the highest within the Fitch-rated universe.

Tax-Supported and Essential Service Enterprise Ratings vs. Corporate Ratings

(%)

	AAA	AA	A	BBB	BB	B and Below
Tax-Supported and Essential Service Enterprise ^a	6.2	46.5	39.7	6.8	0.4	0.4
U.S. Corporate Finance Ratings ^b	1.7	20.8	30.5	30.0	12.2	4.8

^a Includes GO, COP and lease, special tax, and water/sewer. ^b Includes financial institutions and industrials.

As reflected in its rating transitions, Fitch believes that while municipal credit risk may be elevated from very low levels in 2008, defaults are expected to be isolated occurrences. After reviewing the various municipal sectors (tax supported, water/sewer, public power, nonprofit healthcare, higher education, and transportation) and comparing them to each other, as well as to certain investment-grade corporate credits, Fitch believes that a recalibration of its municipal ratings, albeit with some adjustments from those initially proposed, is still needed to achieve comparability with other credit sectors.

Rating Recalibration by Sector

State and Local Tax-Supported

GO and Dependent Ratings — One to Two Notches Up

Fitch will go forward with its initial plans to revise upward its state and local GO ratings, as well as those ratings linked to the GO, such as COPs, lease revenue bonds, and state credit enhancement programs. Similar to what was initially planned, these ratings will be revised by two notches if the GOs are rated 'BBB-' to 'A' and one notch if the GOs are rated 'A+' to 'AA+'.

Special Tax-Backed Bonds — One Notch Up

Fitch has observed greater than expected pledged revenue volatility for special tax-backed bonds over the last 18 months, even in those secured by broad-based sales taxes in large, diverse economic areas. This has resulted in notable deterioration of debt service coverage in many of these securities. While Fitch still believes that economic characteristics provide important inputs into both GO and special tax bonds, special tax declines affect the latter much more directly and severely given the inability to compensate for poor performance of the pledged revenues. Therefore, they will be adjusted upward by only one notch at all investment-grade rating levels ('AA+' to 'BBB-'), rather than one notch at the higher levels and two notches at the lower levels, as originally planned. Included in this subsector are broad-based taxes such as sales and income taxes, as well as narrow ones such as hotel occupancy taxes, tax allocation bonds, tax increment financings, special assessment bonds, and payments in-lieu-of taxes (PILOTs).

Essential Service Municipal Enterprises

Water/Sewer Bonds — One to Two Notches Up

Fitch has observed relatively minor revenue pressures on essential service municipal enterprise systems. Their essentiality and monopoly status give them an unusually high degree of flexibility to adjust rates and enforce collections. Furthermore, rates are generally low to moderate relative to both income levels and the costs of other municipal services. Therefore, they are being recalibrated in the same manner as GO bonds. Where there is a senior subordinated bond structure that is rated differently, the recalibration of the subordinate lien will follow that of the senior (e.g. a senior subordinated structure rated 'A+' and 'A' will be recalibrated by one notch to 'AA-' and 'A+').

Public Power (Distribution Only) — One to Two Notches Up

Fitch will recalibrate public power systems that distribute but do not generate power (distribution-only systems) in the same manner as water/sewer systems. Since distribution-only systems act as sole providers of an essential service and, for the most part, are self regulated, they also have flexibility to adjust rates when necessary. Systems that have responsibility for managing their own resource needs, either by self-generating power directly or through contractual arrangements with joint action agencies or generation and transmission cooperatives, are currently rated in a comparable manner with investor-owned utilities and other corporate credits; thus, they are not included in the recalibration.

Public Higher Education — Zero to One Notch Up

Fitch believes a one notch recalibration is appropriate for investment-grade public higher education bonds rated 'AA-' to 'BBB-'. Public higher education bonds already rated 'AA' or higher will not be recalibrated, as Fitch believes state support is less meaningful for those institutions given the size and diversity of their resources. Support of varying degrees by state governments to their public colleges and universities affords these institutions a degree of long-term credit stability generally not shared by their largely tuition-driven private institution counterparts. Still, public higher education institutions face operating pressures similar to private universities that cannot be fully offset by their relationship with their home state, and their level of future state funding is uncertain, particularly given the budget stress facing many states and the near-term discontinuation of federal stimulus funding. While public higher education may be sheltered to some degree from competitive forces and unexpected enrollment declines, the insulation from credit risk is not as strong as for water/sewer or public power distribution systems.

Sectors Not Affected

Public power generating systems, nonprofit healthcare, private higher education, tax-exempt housing, airports, ports, toll roads, grant anticipation revenue vehicles (GARVEEs), state revolving funds (SRFs), bond banks, economic development bond funds, and other municipal enterprises are not being recalibrated, as Fitch's review has led to the conclusion that these ratings are already comparable with those of other sectors.

Short-Term Ratings

Fitch's short-term ratings map to a range of long-term ratings (see table, page 5). Fitch will maintain the same mapping of its long- and short-term ratings after recalibration; hence, recalibrations of long-term ratings will drive revisions in some short-term ratings, most notably bond anticipation notes (BANs) and variable-rate demand notes (VRDNs). According to Fitch's long- and short-term mapping, certain long-term rating levels may map to two possible short-term ratings; for example, an 'A+' long-term rating may map to either 'F1' or 'F1+'. Where the recalibrated long-term rating maps to one of two short-term rating outcomes, the lower short-term rating will generally be maintained.

In certain cases, Fitch's short-term ratings may diverge from the standard mapping, either up or down, where analytically appropriate.

Long- and Short-Term Rating Correspondence

Long-Term Rating	Short-Term Rating
AAA	F1+
AA+	F1+
AA	F1+
AA-	F1+
A+	F1+ or F1
A	F1
A-	F1 or F2
BBB-	F2
BBB	F2 or F3
BBB-	F2 or F3

Dual-Party Pay Ratings

Ratings on certain dual-party pay structures, which are derived from the higher of the unenhanced long-term rating on the municipal bond and the long-term rating on the letter of credit provider, will be recalibrated if the unenhanced rating on the municipal bond is recalibrated and a higher rating is thereby called for based on Fitch's criteria for dual-party pay ratings.

Moral Obligations

Ratings of certain moral obligation supported credits, which are derived from the rating of the primary security and the moral obligation provider, will be recalibrated if the rating on the primary security or moral obligation provider is recalibrated up and a higher rating is thereby called for based on Fitch's criteria for moral obligations.

Tender Option Bonds

Long-term ratings on tender option bonds (TOBs), which are derived from the long-term rating of the bond within the TOB trust, will be recalibrated if the rating on the municipal bond within the TOB trust is recalibrated and a higher rating is thereby called for based on Fitch's criteria for TOBs.

Additional Details

- Recalibrations of investment-grade ratings will be implemented formulaically, without individual reviews of the affected credits.
- Recalibrations of below-investment-grade rated bonds will be considered on a case-by-case basis, as the variety and fluid nature of the risks affecting below-investment-grade municipal bonds make use of a formulaic revision inappropriate. Some below-investment-grade ratings may not be adjusted at all. Recalibration of below-investment-grade ratings will be implemented on the same date as all other ratings in that sector.
- Rating changes made as a result of the new framework will be referred to as "revision ratings," not "upgrades."
- Any Rating Watches currently in place will be carried over post-recalibration.
- Rating Outlooks will also be carried over post-recalibration, with a few exceptions. For GOs, water/sewer systems, and public power distribution-only systems that are rated 'A' with a Positive Rating Outlook and 'A+' with a Negative Rating Outlook, the ratings will be recalibrated to 'AA-' with a Stable Rating Outlook. For dependent credits rated one notch below their corresponding GO that are rated 'A-' with a Positive Rating Outlook and 'A' with a Negative Rating Outlook, the ratings will be recalibrated to 'A+' with a Stable Rating Outlook. For GOs, special tax bonds, water/sewer systems, and public power distribution-only systems that are rated 'AA+' with a Positive Rating Outlook and 'AAA' with a Negative Rating Outlook, the ratings will be recalibrated to 'AAA' with a Stable Rating Outlook. For dependent credits rated one notch below their corresponding GO that are rated 'AA' with a Positive Rating Outlook and 'AA+' with a Negative Rating Outlook, the

ratings will be recalibrated to 'AA+' with a Stable Rating Outlook. For public higher education credits rated 'AA-' with a Positive Rating Outlook and 'AA' with a Negative Rating Outlook, the recalibrated rating will be 'AA' with a Stable Rating Outlook. These exceptions are so the ordinal rankings of these credits are not reversed as a result of the recalibration.

- Recalibrations for states, as well as the District of Columbia, New York City, and Commonwealth of Puerto Rico, will be implemented on April 5. Recalibrations in all the other affected sectors will be implemented on April 30. Between now and the date that recalibration is implemented, all rating actions will reference both the current rating and what the rating will be after recalibration in accompanying Rating Action Commentaries (RACs) and reports.

Ratings Distribution After Recalibration

The rating distribution of the tax-supported, water/sewer, public power distribution systems, and public higher education sectors will shift upward slightly after they have been recalibrated. There will be a compression of credits in the 'AAA' and 'AA' categories and fewer credits rated in the 'A' and 'BBB' categories.

Tax-Supported and Essential Service Enterprise Ratings: Current vs. Expected Rating Distribution

(%)

	AAA	AA	A	BBB	Below Investment Grade
Current Ratings	6	46	40	7	1
Post Recalibration*	15	67	15	2	1

*Estimated.

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CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011
GENERAL OBLIGATION DEBT SERVICE
LEGAL DEBT MARGIN

The City of Heath, Texas does not have a legal debt limit prescribed by state law. However Article XI, Section 5 of the Texas Constitution applicable to cities of more than 5,000 population limits ad valorem tax rates to \$2.50 per \$100 assessed valuation for cities operating under a Home Rule Charter.

The City Charter (Section 8.06) states:

The City shall have the power to borrow money on the credit of the City and to issue general obligation bonds and other evidences of indebtedness for permanent public improvements or for any other public purpose not prohibited by the Constitution and laws of the State of Texas and to issue refunding bonds to refund outstanding bonds and other evidences of indebtedness of the City previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas.

The City Charter (Section 8.06) also states:

The City shall further have the power to borrow money for the purpose of constructing, acquiring, improving, extending or repairing public utilities, recreational facilities or any other self-liquidating municipal function not prohibited by the Constitution and laws of the State of Texas, and to issue revenue bonds to evidence the obligations created thereby.....

Article 11, Section 5 of the State of Texas Constitution states in part:

...but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city, and no debt shall ever be created by any city, unless at the same time provision be made to assess and collect annually a sufficient sum to pay the interest thereon and creating a sinking fund of at least two percent thereon.

The legal debt margin amount is important in that it represents the net amount of external financing resources that is available to the City through the issuance of general obligation (G.O.) bonds. G.O. bonds are debt instruments issued in the name of the government and whose repayment is guaranteed through a pledge of a full faith and credit of the issuer. In layman's terms, when the majority of voters in the City approve a general obligation bond referendum, they are guaranteeing the purchaser of the bond they will pay property taxes in an amount that is sufficient to redeem the bond upon maturity and pay the interest earned on the outstanding bonds.

The legal debt margin is calculated at any point in time by deducting the amount of the current outstanding G.O. debt from the statutory debt limit. The purpose for determining this calculation is to determine the maximum amount of new debt that could be legally issued should the need arise. As provided by law, the issuance of revenue bonds does not count against the legal debt margin.

Tax Year	Assessed Value	Applicable Percentage	Debt Limit	Current G.O. Debt	Legal Debt Margin
2006	\$ 790,658,290	10%	\$ 79,065,829	\$ 6,482,500	\$ 72,583,329
2007	\$ 953,777,200	10%	\$ 95,377,720	\$ 6,179,750	\$ 89,197,970
2008	\$ 1,000,424,437	10%	\$ 100,042,444	\$ 13,000,666	\$ 87,041,778
2009	\$ 1,101,524,185	10%	\$ 110,152,419	\$ 12,647,016	\$ 97,505,403
2010	\$ 1,087,000,000	10%	\$ 108,700,000	\$ 12,010,884	\$ 96,689,116

	2011	2010	2009	2008	2007
Maximum Rate	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50
Total Tax Rate	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.34
Legal Debt Margin	\$ 2.16	\$ 2.16	\$ 2.16	\$ 2.16	\$ 2.16

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

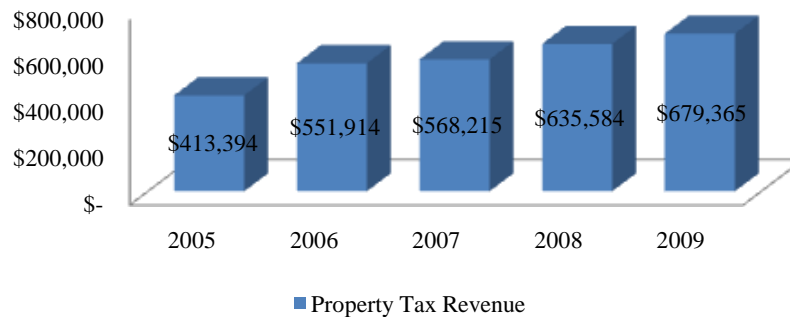
DEBT SERVICE
REVENUE

Description of Revenue

Largest (94%) Ad Valorem Property Tax. The Rockwall County Appraisal District (RCAD) and Kaufman County Appraisal District (KCAD) establish the value of each property within the City of Heath. The certified taxable value for FY 2011 is \$1,089,241,489; almost 1% lower than the FY 2010 certified value of \$1,101,524,185. The I&S tax rate is 6.47 cents per \$100 resulting in preliminary projected revenue of \$690,400.

Assumption #1: A 98.5% collection rate of ad valorem taxes is built into the revenue assumption. Historically, 98.5% collection rate has been an accurate assumption in projecting ad valorem collection revenue.

Assumption #2: Delinquent Ad Valorem and Penalty & Interest FY 2010 actuals are expected to decrease slightly from FY 2009 actual collections of \$19,393. Delinquent Ad Valorem historical collection analysis of the previous 5 years (FY 2005-FY 2009) on average is 79.83% collected by April. Penalty and Interest analysis for the same time period on average is 45% collected by April. Projected FY 2010 revenue, based on the remaining percentage for collections, was \$18,000. FY 2011 is projected to match FY 2010 projections based on 200 homes on the market during mid-May.



Second Largest (4%) Interest Income

Assumption #1: The Local Government Investment Pool rate was .15% during the analysis process. The economic outlook and the Federal fund rate projected to remain low for an "extended period" was the basis for preparing calculations with the current interest rate.

Assumption #2: 2007 Bond Money Market earning the current rate of .5%.

Assumption #3: 2007 Bond interest income is divided between General Capital Improvements (.62) and Utilities Capital Improvements (.38). General Capital Improvements interest income portion is allocated to General Interest & Sinking. Debt Service Fund portion is projected to receive \$15,042.

Assumption #4: FY 2010 Debt Service payments of \$262,817.59 paid from the Debt Service Fund were considered when calculating the FY 2011 interest income projection. Available balance was decreased by the August 15, 2010 payment amount.

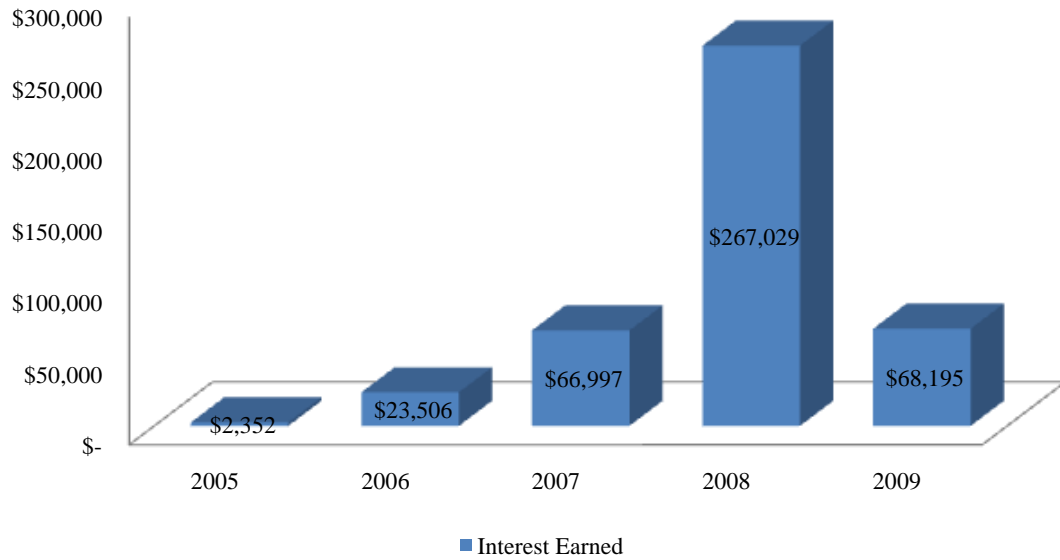
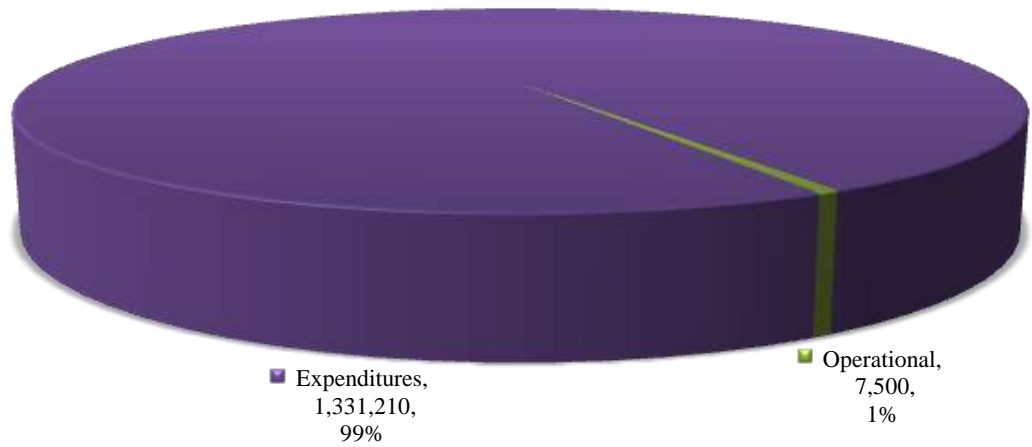
Third Largest (2%) PIDS, Assessments, Escrows. Five PID assessments have remaining balances. Projections, in line with historical receipts, are expected to yield \$25,000.

**CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011**

FUND	ACCOUNT
DEBT SERVICE	40

<i>Description</i>	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Adopted Budget FY2010</i>	<i>Approved Budget FY2011</i>	<i>% Increase/ Decrease</i>
Operational	\$ 7,000	\$ 5,000	\$ 12,500	\$ 7,500	\$ 7,500	0%
Expenditures	671,840	1,242,436	1,223,209	1,293,925	1,331,210	3%

Approved Budget FY 2011



CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

Sources and Uses

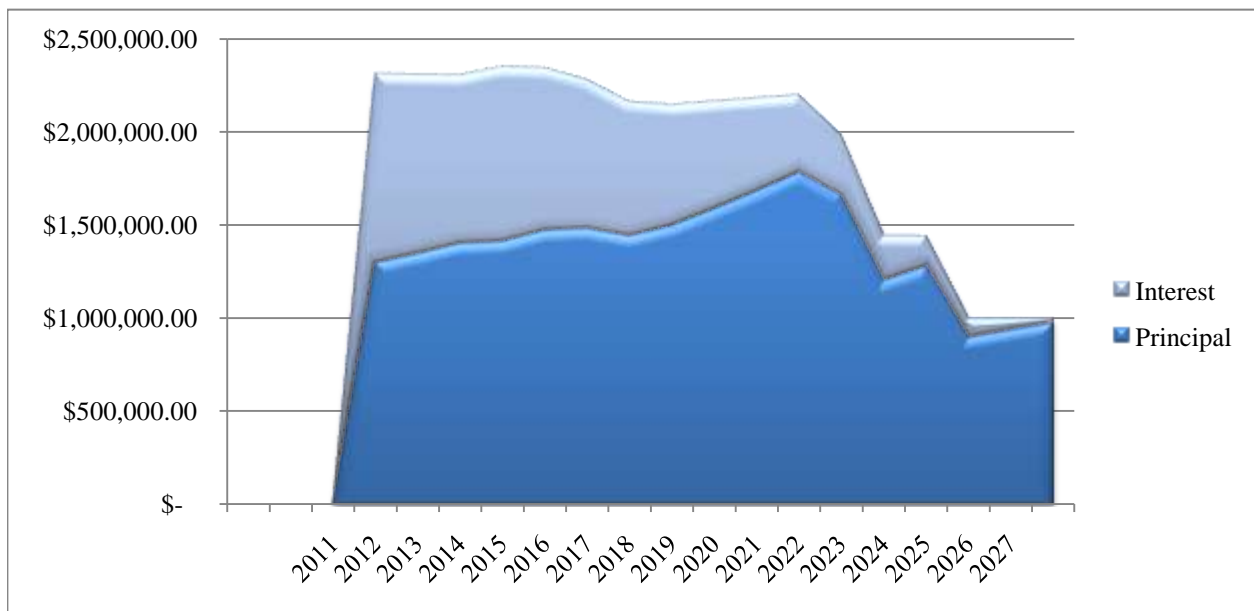
		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Original</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
<i>Debt Service Fund - Sources and Uses</i>						
Sources of Funds						
	<i>Beginning Resources</i>	919,619	1,492,264	1,492,264	1,492,264	1,209,601
	<i>Current Revenues</i>					
4001	Ad Valorem Tax	679,365	701,000	701,000	694,000	690,400
4002	Penalty & Interest	10,370	7,500	7,500	7,500	7,500
4004	Ad Valorem Delinquent Taxes	9,023	12,000	12,000	11,400	11,400
4106	Interest Earned	68,195	30,000	30,000	30,000	28,000
4210-4223	Other (PIDs, Assessments, Escrows)	33,857	32,000	32,000	25,000	29,000
4850	Transfer from General Fund	1,035,900	250,000	250,000	250,000	0
	Total - Debt Service Fund Revenue	1,836,711	1,032,500	1,032,500	1,017,900	766,300
	Total Sources Of Funds	2,756,330	2,524,764	2,524,764	2,510,164	1,975,901
Uses of Funds						
	<i>Current Expenditures</i>					
520-399	Miscellaneous Expense	5,081	7,500	7,500	7,500	7,500
	Total - Operational Items	5,081	7,500	7,500	7,500	7,500
520-613	2001 GO Bond Principal	0	20,000	20,000	20,000	100,000
520-614	2001 GO Bond Interest	34,063	33,623	33,623	33,623	30,933
520-615	2001 CO Bond Principal	70,000	72,500	72,500	72,500	86,250
520-616	2001 CO Bond Interest	90,477	87,377	87,377	87,377	83,841
520-617	2004 CO Principal	71,500	71,500	71,500	71,500	26,000
520-618	2004 CO Interest	45,067	42,458	42,458	42,458	40,664
520-619	2004 GO Ref (93,96) - Principal	175,000	185,000	185,000	185,000	190,000
520-620	2004 GO Ref (93,96) - Interest	43,646	37,076	37,076	37,076	30,176
520-621	2004 Fire Truck - Principal	53,357	53,400	53,400	53,400	53,400
520-622	2004 Fire Truck - Interest	6,645	6,650	6,650	6,650	6,650
520-625	Pistol Range - Principal	0	17,790	17,790	17,790	17,870
520-626	Pistol Range - Interest	6,665	5,921	5,921	5,921	4,910
520-627	2007 Combination-Principal	277,769	287,132	287,132	287,132	299,616
520-628	2007 Combination-Interest	348,897	337,599	337,599	337,599	325,864
520-629	Animal Shelter Principal	26,682	26,619	26,619	26,619	27,445
520-630	Animal Shelter Interest	9,218	8,418	8,418	8,418	7,592
	Total Current Expenditures	1,258,986	1,293,063	1,293,063	1,293,063	1,331,210
	Ending Resources	1,492,264	1,224,201	1,224,201	1,209,601	637,191
	Revenue vs. Expenditures - Surplus/(Deficit)	572,645	(268,062)	(268,063)	(282,663)	(572,410)

City of Heath, Texas

Outstanding General and Business Type and EDC Bonded Debt

Debt Service Schedule Total Aggregate

Date	Principal	Interest	Total Principal + Interest
2011	\$ 1,295,000.00	\$ 1,014,755.52	\$ 2,309,755.52
2012	\$ 1,345,000.00	\$ 961,013.52	\$ 2,306,013.52
2013	\$ 1,400,000.00	\$ 902,211.52	\$ 2,302,211.52
2014	\$ 1,410,000.00	\$ 938,901.52	\$ 2,348,901.52
2015	\$ 1,470,000.00	\$ 871,370.27	\$ 2,341,370.27
2016	\$ 1,480,000.00	\$ 798,169.52	\$ 2,278,169.52
2017	\$ 1,440,000.00	\$ 720,166.89	\$ 2,160,166.89
2018	\$ 1,495,000.00	\$ 649,406.26	\$ 2,144,406.26
2019	\$ 1,585,000.00	\$ 577,626.26	\$ 2,162,626.26
2020	\$ 1,680,000.00	\$ 499,898.13	\$ 2,179,898.13
2021	\$ 1,780,000.00	\$ 415,903.75	\$ 2,195,903.75
2022	\$ 1,655,000.00	\$ 324,212.50	\$ 1,979,212.50
2023	\$ 1,205,000.00	\$ 239,531.25	\$ 1,444,531.25
2024	\$ 1,280,000.00	\$ 163,187.50	\$ 1,443,187.50
2025	\$ 900,000.00	\$ 103,687.50	\$ 1,003,687.50
2026	\$ 940,000.00	\$ 63,437.50	\$ 1,003,437.50
2027	\$ 980,000.00	\$ 21,437.50	\$ 1,001,437.50
Total	\$ 23,340,000.00	\$ 9,264,916.91	\$ 32,604,916.91

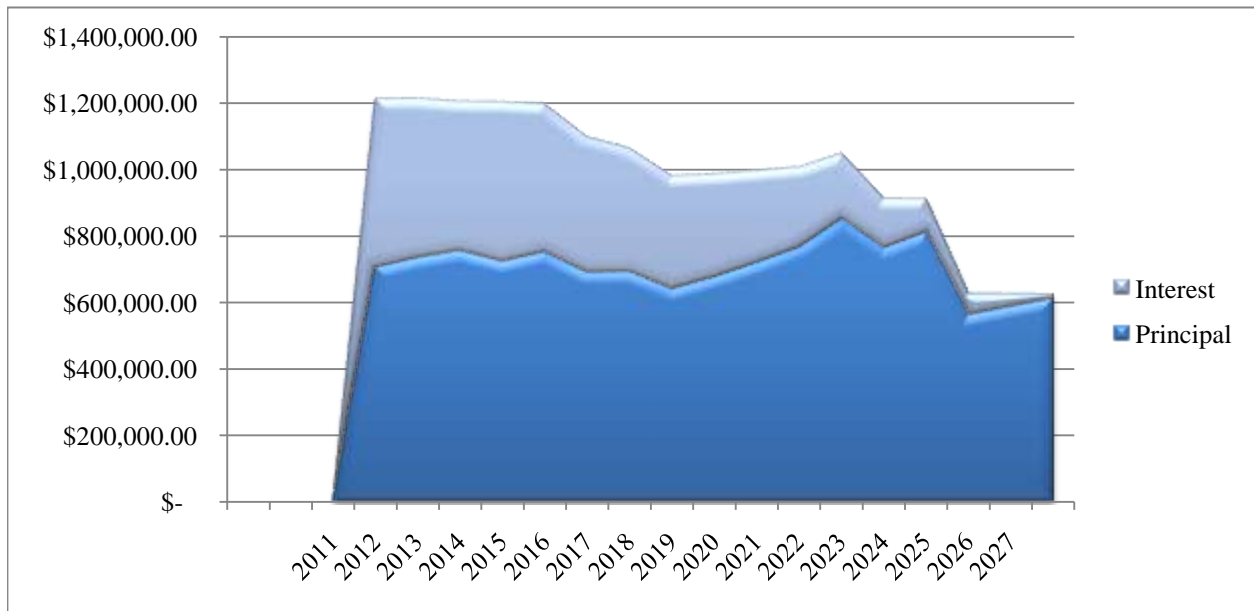


City of Heath, Texas

Outstanding General Bonded Debt

Debt Service Schedule General Bonded Aggregate

Date	Principal	Interest	Total Principal + Interest
2011	\$ 701,866.00	\$ 511,477.84	\$ 1,213,343.84
2012	\$ 731,850.00	\$ 482,581.22	\$ 1,214,431.22
2013	\$ 753,705.00	\$ 450,902.04	\$ 1,204,607.04
2014	\$ 720,810.00	\$ 482,596.02	\$ 1,203,406.02
2015	\$ 749,536.00	\$ 447,677.30	\$ 1,197,213.30
2016	\$ 687,891.00	\$ 410,684.19	\$ 1,098,575.19
2017	\$ 690,238.00	\$ 373,954.87	\$ 1,064,192.87
2018	\$ 638,464.00	\$ 342,053.55	\$ 980,517.55
2019	\$ 674,319.00	\$ 312,292.89	\$ 986,611.89
2020	\$ 717,295.00	\$ 279,864.01	\$ 997,159.01
2021	\$ 763,521.00	\$ 244,307.65	\$ 1,007,828.65
2022	\$ 849,368.00	\$ 200,071.12	\$ 1,049,439.12
2023	\$ 761,965.00	\$ 151,089.21	\$ 913,054.21
2024	\$ 809,812.00	\$ 102,403.44	\$ 912,215.44
2025	\$ 561,780.00	\$ 64,721.74	\$ 626,501.74
2026	\$ 586,748.00	\$ 39,597.69	\$ 626,345.69
2027	\$ 611,716.00	\$ 13,381.29	\$ 625,097.29
Total	\$ 12,010,884.00	\$ 4,909,656.04	\$ 16,920,540.04



\$13,445,000

City of Heath, Texas

Tax & Limited Surplus Revenue Certificates of Obligation, Series 2007

Debt Service Schedule - General Bonded

General Fund: .6242% Business Type: .3758%

Date	Principal	Interest	Principal + Interest	Fiscal Total
02/15/2011	\$ 299,616.00	\$ 165,928.36	\$ 465,544.36	\$ -
08/15/2011	\$ -	\$ 159,936.04	\$ 159,936.04	\$ -
09/30/2011	\$ -	\$ -	\$ -	\$ 625,480.40
02/15/2012	\$ 312,100.00	\$ 159,936.04	\$ 472,036.04	\$ -
08/15/2012	\$ -	\$ 153,694.04	\$ 153,694.04	\$ -
09/30/2012	\$ -	\$ -	\$ -	\$ 625,730.08
02/15/2013	\$ 327,705.00	\$ 153,694.04	\$ 481,399.04	\$ -
08/15/2013	\$ -	\$ 145,501.41	\$ 145,501.41	\$ -
09/30/2013	\$ -	\$ -	\$ -	\$ 626,900.45
02/15/2014	\$ 343,310.00	\$ 145,501.41	\$ 488,811.41	\$ -
08/15/2014	\$ -	\$ 136,918.66	\$ 136,918.66	\$ -
09/30/2014	\$ -	\$ -	\$ -	\$ 625,730.08
02/15/2015	\$ 362,036.00	\$ 136,918.66	\$ 498,954.66	\$ -
08/15/2015	\$ -	\$ 127,867.76	\$ 127,867.76	\$ -
09/30/2015	\$ -	\$ -	\$ -	\$ 626,822.43
02/15/2016	\$ 377,641.00	\$ 127,867.76	\$ 505,508.76	\$ -
08/15/2016	\$ -	\$ 118,426.74	\$ 118,426.74	\$ -
09/30/2016	\$ -	\$ -	\$ -	\$ 623,935.50
02/15/2017	\$ 399,488.00	\$ 118,426.74	\$ 517,914.74	\$ -
08/15/2017	\$ -	\$ 108,439.54	\$ 108,439.54	\$ -
09/30/2017	\$ -	\$ -	\$ -	\$ 626,354.28
02/15/2018	\$ 418,214.00	\$ 108,439.54	\$ 526,653.54	\$ -
08/15/2018	\$ -	\$ 100,075.26	\$ 100,075.26	\$ -
09/30/2018	\$ -	\$ -	\$ -	\$ 626,728.80
02/15/2019	\$ 433,819.00	\$ 100,075.26	\$ 533,894.26	\$ -
08/15/2019	\$ -	\$ 91,398.88	\$ 91,398.88	\$ -
09/30/2019	\$ -	\$ -	\$ -	\$ 625,293.14
02/15/2020	\$ 452,545.00	\$ 91,398.88	\$ 543,943.88	\$ -
08/15/2020	\$ -	\$ 82,065.13	\$ 82,065.13	\$ -
09/30/2020	\$ -	\$ -	\$ -	\$ 626,009.01
02/15/2021	\$ 471,271.00	\$ 82,065.13	\$ 553,336.13	\$ -
08/15/2021	\$ -	\$ 72,286.26	\$ 72,286.26	\$ -
09/30/2021	\$ -	\$ -	\$ -	\$ 625,622.40
02/15/2022	\$ 493,118.00	\$ 72,286.26	\$ 565,404.26	\$ -
08/15/2022	\$ -	\$ 61,191.11	\$ 61,191.11	\$ -
09/30/2022	\$ -	\$ -	\$ -	\$ 626,595.37
02/15/2023	\$ 514,965.00	\$ 61,191.11	\$ 576,156.11	\$ -
08/15/2023	\$ -	\$ 50,248.10	\$ 50,248.10	\$ -
09/30/2023	\$ -	\$ -	\$ -	\$ 626,404.21
02/15/2024	\$ 536,812.00	\$ 50,248.10	\$ 587,060.10	\$ -
08/15/2024	\$ -	\$ 38,505.34	\$ 38,505.34	\$ -
09/30/2024	\$ -	\$ -	\$ -	\$ 625,565.44
02/15/2025	\$ 561,780.00	\$ 38,505.34	\$ 600,285.34	\$ -
08/15/2025	\$ -	\$ 26,216.40	\$ 26,216.40	\$ -
09/30/2025	\$ -	\$ -	\$ -	\$ 626,501.74
02/15/2026	\$ 586,748.00	\$ 26,216.40	\$ 612,964.40	\$ -
08/15/2026	\$ -	\$ 13,381.29	\$ 13,381.29	\$ -
09/30/2026	\$ -	\$ -	\$ -	\$ 626,345.69
02/15/2027	\$ 611,716.00	\$ 13,381.29	\$ 625,097.29	\$ -
09/30/2027	\$ -	\$ -	\$ -	\$ 625,097.29
Total	\$ 7,502,884.00	\$ 3,138,232.27	\$ 10,641,116.27	\$ 10,641,116.27

\$1,835,000

City of Heath, Texas

General Obligation Refunding Bonds, Series 2004

Debt Service Schedule - General Bonded

Date	Principal	Interest	Principal + Interest	Fiscal Total
02/15/2011	\$ 190,000.00	\$ 16,836.00	\$ 206,836.00	\$ -
08/15/2011	\$ -	\$ 13,340.00	\$ 13,340.00	\$ -
09/30/2011	\$ -	\$ -	\$ -	\$ 220,176.00
02/15/2012	\$ 205,000.00	\$ 13,340.00	\$ 218,340.00	\$ -
08/15/2012	\$ -	\$ 9,568.00	\$ 9,568.00	\$ -
09/30/2012	\$ -	\$ -	\$ -	\$ 227,908.00
02/15/2013	\$ 205,000.00	\$ 9,568.00	\$ 214,568.00	\$ -
08/15/2013	\$ -	\$ 5,796.00	\$ 5,796.00	\$ -
09/30/2013	\$ -	\$ -	\$ -	\$ 220,364.00
02/15/2014	\$ 155,000.00	\$ 5,796.00	\$ 160,796.00	\$ -
08/15/2014	\$ -	\$ 2,944.00	\$ 2,944.00	\$ -
09/30/2014	\$ -	\$ -	\$ -	\$ 163,740.00
02/15/2015	\$ 160,000.00	\$ 2,944.00	\$ 162,944.00	\$ -
08/15/2015	\$ -	\$ -	\$ -	\$ -
09/30/2015	\$ -	\$ -	\$ -	\$ 162,944.00
Total	\$ 915,000.00	\$ 80,132.00	\$ 995,132.00	\$ 995,132.00

\$2,190,000

City of Heath, Texas

Combination Tax & Surplus Revenue Certificates of Obligation, Series 2004

Debt Service Schedule - General Bonded

General Fund: .65% Business Type (EDC): .35%

Date	Principal	Interest	Principal + Interest	Fiscal Total
02/15/2011	\$ 26,000.00	\$ 20,571.20	\$ 46,571.20	\$ -
08/15/2011	\$ -	\$ 20,092.80	\$ 20,092.80	\$ -
09/30/2011	\$ -	\$ -	\$ -	\$ 66,664.00
02/15/2012	\$ 26,000.00	\$ 20,092.80	\$ 46,092.80	\$ -
08/15/2012	\$ -	\$ 19,614.40	\$ 19,614.40	\$ -
09/30/2012	\$ -	\$ -	\$ -	\$ 65,707.20
02/15/2013	\$ 26,000.00	\$ 19,614.40	\$ 45,614.40	\$ -
08/15/2013	\$ -	\$ 19,136.00	\$ 19,136.00	\$ -
09/30/2013	\$ -	\$ -	\$ -	\$ 64,750.40
02/15/2014	\$ 16,250.00	\$ 52,000.00	\$ 68,250.00	\$ -
08/15/2014	\$ -	\$ 51,187.50	\$ 51,187.50	\$ -
09/30/2014	\$ -	\$ -	\$ -	\$ 119,437.50
02/15/2015	\$ 16,250.00	\$ 51,187.50	\$ 67,437.50	\$ -
08/15/2015	\$ -	\$ 50,375.00	\$ 50,375.00	\$ -
09/30/2015	\$ -	\$ -	\$ -	\$ 117,812.50
02/15/2016	\$ 87,750.00	\$ 50,375.00	\$ 138,125.00	\$ -
08/15/2016	\$ -	\$ 45,987.50	\$ 45,987.50	\$ -
09/30/2016	\$ -	\$ -	\$ -	\$ 184,112.50
02/15/2017	\$ 19,500.00	\$ 45,987.50	\$ 65,487.50	\$ -
08/15/2017	\$ -	\$ 45,012.50	\$ 45,012.50	\$ -
09/30/2017	\$ -	\$ -	\$ -	\$ 110,500.00
02/15/2018	\$ 22,750.00	\$ 45,012.50	\$ 67,762.50	\$ -
08/15/2018	\$ -	\$ 43,875.00	\$ 43,875.00	\$ -
09/30/2018	\$ -	\$ -	\$ -	\$ 111,637.50
02/15/2019	\$ 29,250.00	\$ 43,875.00	\$ 73,125.00	\$ -
08/15/2019	\$ -	\$ 42,412.50	\$ 42,412.50	\$ -
09/30/2019	\$ -	\$ -	\$ -	\$ 115,537.50
02/15/2020	\$ 42,250.00	\$ 42,412.50	\$ 84,662.50	\$ -
08/15/2020	\$ -	\$ 40,300.00	\$ 40,300.00	\$ -
09/30/2020	\$ -	\$ -	\$ -	\$ 124,962.50
02/15/2021	\$ 58,500.00	\$ 40,300.00	\$ 98,800.00	\$ -
08/15/2021	\$ -	\$ 37,375.00	\$ 37,375.00	\$ -
09/30/2021	\$ -	\$ -	\$ -	\$ 136,175.00
02/15/2022	\$ 227,500.00	\$ 37,375.00	\$ 264,875.00	\$ -
08/15/2022	\$ -	\$ 26,000.00	\$ 26,000.00	\$ -
09/30/2022	\$ -	\$ -	\$ -	\$ 290,875.00
02/15/2023	\$ 247,000.00	\$ 26,000.00	\$ 273,000.00	\$ -
08/15/2023	\$ -	\$ 13,650.00	\$ 13,650.00	\$ -
09/30/2023	\$ -	\$ -	\$ -	\$ 286,650.00
02/15/2024	\$ 273,000.00	\$ 13,650.00	\$ 286,650.00	\$ -
09/30/2024	\$ -	\$ -	\$ -	\$ 286,650.00
Total	\$ 1,118,000.00	\$ 963,471.60	\$ 2,081,471.60	\$ 2,081,471.60

\$730,000

City of Heath, Texas

General Obligation Refunding Bonds, Series 2001

Debt Service Schedule - General Bonded

Date	Principal	Interest	Principal + Interest	Fiscal Total
02/15/2011	\$ 100,000.00	\$ 16,591.25	\$ 116,591.25	\$ -
08/15/2011	\$ -	\$ 14,341.25	\$ 14,341.25	\$ -
09/30/2011	\$ -	\$ -	\$ -	\$ 130,932.50
02/15/2012	\$ 100,000.00	\$ 14,341.25	\$ 114,341.25	\$ -
08/15/2012	\$ -	\$ 12,091.25	\$ 12,091.25	\$ -
09/30/2012	\$ -	\$ -	\$ -	\$ 126,432.50
02/15/2013	\$ 100,000.00	\$ 12,091.25	\$ 112,091.25	\$ -
08/15/2013	\$ -	\$ 9,791.25	\$ 9,791.25	\$ -
09/30/2013	\$ -	\$ -	\$ -	\$ 121,882.50
02/15/2014	\$ 100,000.00	\$ 9,791.25	\$ 109,791.25	\$ -
08/15/2014	\$ -	\$ 7,441.25	\$ 7,441.25	\$ -
09/30/2014	\$ -	\$ -	\$ -	\$ 117,232.50
02/15/2015	\$ 100,000.00	\$ 7,441.25	\$ 107,441.25	\$ -
08/15/2015	\$ -	\$ 5,066.25	\$ 5,066.25	\$ -
09/30/2015	\$ -	\$ -	\$ -	\$ 112,507.50
02/15/2016	\$ 105,000.00	\$ 5,066.25	\$ 110,066.25	\$ -
08/15/2016	\$ -	\$ 2,546.25	\$ 2,546.25	\$ -
09/30/2016	\$ -	\$ -	\$ -	\$ 112,612.50
02/15/2017	\$ 105,000.00	\$ 2,546.25	\$ 107,546.25	\$ -
09/30/2017	\$ -	\$ -	\$ -	\$ 107,546.25
Total	\$ 710,000.00	\$ 119,146.25	\$ 829,146.25	\$ 829,146.25

\$9,200,000

City of Heath, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2001

Debt Service Schedule - General Bonded

General Fund: .25% Business Type: .75%

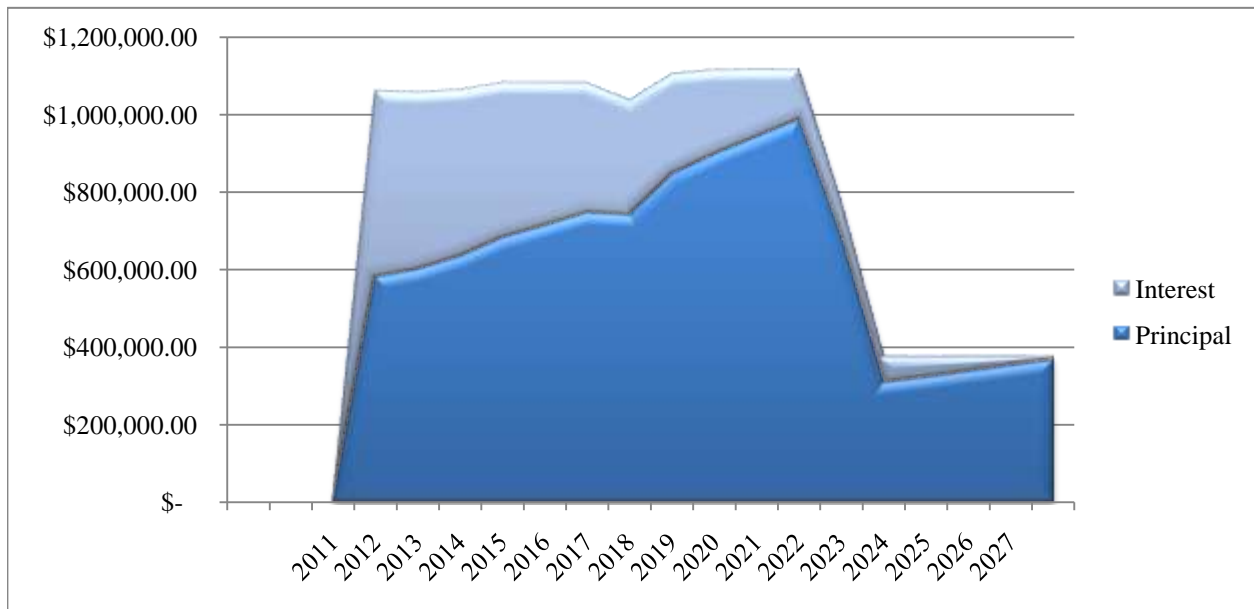
Date	Principal	Interest	Principal + Interest	Fiscal Total
02/15/2011	\$ 86,250.00	\$ 42,890.78	\$ 129,140.78	\$ -
08/15/2011	\$ -	\$ 40,950.16	\$ 40,950.16	\$ -
09/30/2011	\$ -	\$ -	\$ -	\$ 170,090.94
02/15/2012	\$ 88,750.00	\$ 40,950.16	\$ 129,700.16	\$ -
08/15/2012	\$ -	\$ 38,953.28	\$ 38,953.28	\$ -
09/30/2012	\$ -	\$ -	\$ -	\$ 168,653.44
02/15/2013	\$ 95,000.00	\$ 38,953.28	\$ 133,953.28	\$ -
08/15/2013	\$ -	\$ 36,756.41	\$ 36,756.41	\$ -
09/30/2013	\$ -	\$ -	\$ -	\$ 170,709.69
02/15/2014	\$ 106,250.00	\$ 36,756.41	\$ 143,006.41	\$ -
08/15/2014	\$ -	\$ 34,259.53	\$ 34,259.53	\$ -
09/30/2014	\$ -	\$ -	\$ -	\$ 177,265.94
02/15/2015	\$ 111,250.00	\$ 34,259.53	\$ 145,509.53	\$ -
08/15/2015	\$ -	\$ 31,617.35	\$ 31,617.35	\$ -
09/30/2015	\$ -	\$ -	\$ -	\$ 177,126.88
02/15/2016	\$ 117,500.00	\$ 31,617.35	\$ 149,117.35	\$ -
08/15/2016	\$ -	\$ 28,797.35	\$ 28,797.35	\$ -
09/30/2016	\$ -	\$ -	\$ -	\$ 177,914.69
02/15/2017	\$ 166,250.00	\$ 28,797.35	\$ 195,047.35	\$ -
08/15/2017	\$ -	\$ 24,745.00	\$ 24,745.00	\$ -
09/30/2017	\$ -	\$ -	\$ -	\$ 219,792.35
02/15/2018	\$ 197,500.00	\$ 24,745.00	\$ 222,245.00	\$ -
08/15/2018	\$ -	\$ 19,906.25	\$ 19,906.25	\$ -
09/30/2018	\$ -	\$ -	\$ -	\$ 242,151.25
02/15/2019	\$ 211,250.00	\$ 19,906.25	\$ 231,156.25	\$ -
08/15/2019	\$ -	\$ 14,625.00	\$ 14,625.00	\$ -
09/30/2019	\$ -	\$ -	\$ -	\$ 245,781.25
02/15/2020	\$ 222,500.00	\$ 14,625.00	\$ 237,125.00	\$ -
08/15/2020	\$ -	\$ 9,062.50	\$ 9,062.50	\$ -
09/30/2020	\$ -	\$ -	\$ -	\$ 246,187.50
02/15/2021	\$ 233,750.00	\$ 9,062.50	\$ 242,812.50	\$ -
08/15/2021	\$ -	\$ 3,218.75	\$ 3,218.75	\$ -
09/30/2021	\$ -	\$ -	\$ -	\$ 246,031.25
02/15/2022	\$ 128,750.00	\$ 3,218.75	\$ 131,968.75	\$ -
09/30/2022	\$ -	\$ -	\$ -	\$ 131,968.75
Total	\$ 1,765,000.00	\$ 608,673.92	\$ 2,373,673.92	\$ 2,373,673.92

City of Heath, Texas

Outstanding Business-Type Activities

Debt Service Schedule Business-Type Aggregate

Date	Principal	Interest	Total Principal + Interest
2011	\$ 579,134.00	\$ 481,381.68	\$ 1,060,515.68
2012	\$ 599,150.00	\$ 457,051.50	\$ 1,056,201.50
2013	\$ 632,295.00	\$ 430,443.88	\$ 1,062,738.88
2014	\$ 680,440.00	\$ 400,743.00	\$ 1,081,183.00
2015	\$ 711,714.00	\$ 369,005.47	\$ 1,080,719.47
2016	\$ 744,859.00	\$ 335,597.83	\$ 1,080,456.83
2017	\$ 739,262.00	\$ 297,212.02	\$ 1,036,474.02
2018	\$ 844,286.00	\$ 259,490.21	\$ 1,103,776.21
2019	\$ 894,931.00	\$ 218,870.87	\$ 1,113,801.87
2020	\$ 939,955.00	\$ 175,496.62	\$ 1,115,451.62
2021	\$ 984,979.00	\$ 129,771.10	\$ 1,114,750.10
2022	\$ 683,132.00	\$ 90,016.38	\$ 773,148.38
2023	\$ 310,035.00	\$ 67,092.04	\$ 377,127.04
2024	\$ 323,188.00	\$ 53,434.06	\$ 376,622.06
2025	\$ 338,220.00	\$ 38,965.76	\$ 377,185.76
2026	\$ 353,252.00	\$ 23,839.81	\$ 377,091.81
2027	\$ 368,284.00	\$ 8,056.21	\$ 376,340.21
Total	\$ 10,727,116.00	\$ 3,836,468.47	\$ 14,563,584.47



\$13,445,000

City of Heath, Texas

Tax & Limited Surplus Revenue Certificates of Obligation, Series 2007

Debt Service Schedule - Business-Type

General Fund: .6242% Business Type: .3758%

Date	Principal	Interest	Principal + Interest	Fiscal Total
02/15/2011	\$ 180,384.00	\$ 99,897.27	\$ 280,281.27	\$ -
08/15/2011	\$ -	\$ 96,289.59	\$ 96,289.59	\$ -
09/30/2011	\$ -	\$ -	\$ -	\$ 376,570.86
02/15/2012	\$ 187,900.00	\$ 96,289.59	\$ 284,189.59	\$ -
08/15/2012	\$ -	\$ 92,531.59	\$ 92,531.59	\$ -
09/30/2012	\$ -	\$ -	\$ -	\$ 376,721.18
02/15/2013	\$ 197,295.00	\$ 92,531.59	\$ 289,826.59	\$ -
08/15/2013	\$ -	\$ 87,599.22	\$ 87,599.22	\$ -
09/30/2013	\$ -	\$ -	\$ -	\$ 377,425.81
02/15/2014	\$ 206,690.00	\$ 87,599.22	\$ 294,289.22	\$ -
08/15/2014	\$ -	\$ 82,431.97	\$ 82,431.97	\$ -
09/30/2014	\$ -	\$ -	\$ -	\$ 376,721.18
02/15/2015	\$ 217,964.00	\$ 82,431.97	\$ 300,395.97	\$ -
08/15/2015	\$ -	\$ 76,982.87	\$ 76,982.87	\$ -
09/30/2015	\$ -	\$ -	\$ -	\$ 377,378.83
02/15/2016	\$ 227,359.00	\$ 76,982.87	\$ 304,341.87	\$ -
08/15/2016	\$ -	\$ 71,298.89	\$ 71,298.89	\$ -
09/30/2016	\$ -	\$ -	\$ -	\$ 375,640.76
02/15/2017	\$ 240,512.00	\$ 71,298.89	\$ 311,810.89	\$ -
08/15/2017	\$ -	\$ 65,286.09	\$ 65,286.09	\$ -
09/30/2017	\$ -	\$ -	\$ -	\$ 377,096.98
02/15/2018	\$ 251,786.00	\$ 65,286.09	\$ 317,072.09	\$ -
08/15/2018	\$ -	\$ 60,250.37	\$ 60,250.37	\$ -
09/30/2018	\$ -	\$ -	\$ -	\$ 377,322.46
02/15/2019	\$ 261,181.00	\$ 60,250.37	\$ 321,431.37	\$ -
08/15/2019	\$ -	\$ 55,026.75	\$ 55,026.75	\$ -
09/30/2019	\$ -	\$ -	\$ -	\$ 376,458.12
02/15/2020	\$ 272,455.00	\$ 55,026.75	\$ 327,481.75	\$ -
08/15/2020	\$ -	\$ 49,407.37	\$ 49,407.37	\$ -
09/30/2020	\$ -	\$ -	\$ -	\$ 376,889.12
02/15/2021	\$ 283,729.00	\$ 49,407.37	\$ 333,136.37	\$ -
08/15/2021	\$ -	\$ 43,519.99	\$ 43,519.99	\$ -
09/30/2021	\$ -	\$ -	\$ -	\$ 376,656.35
02/15/2022	\$ 296,882.00	\$ 43,519.99	\$ 340,401.99	\$ -
08/15/2022	\$ -	\$ 36,840.14	\$ 36,840.14	\$ -
09/30/2022	\$ -	\$ -	\$ -	\$ 377,242.13
02/15/2023	\$ 310,035.00	\$ 36,840.14	\$ 346,875.14	\$ -
08/15/2023	\$ -	\$ 30,251.90	\$ 30,251.90	\$ -
09/30/2023	\$ -	\$ -	\$ -	\$ 377,127.04
02/15/2024	\$ 323,188.00	\$ 30,251.90	\$ 353,439.90	\$ -
08/15/2024	\$ -	\$ 23,182.16	\$ 23,182.16	\$ -
09/30/2024	\$ -	\$ -	\$ -	\$ 376,622.06
02/15/2025	\$ 338,220.00	\$ 23,182.16	\$ 361,402.16	\$ -
08/15/2025	\$ -	\$ 15,783.60	\$ 15,783.60	\$ -
09/30/2025	\$ -	\$ -	\$ -	\$ 377,185.76
02/15/2026	\$ 353,252.00	\$ 15,783.60	\$ 369,035.60	\$ -
08/15/2026	\$ -	\$ 8,056.21	\$ 8,056.21	\$ -
09/30/2026	\$ -	\$ -	\$ -	\$ 377,091.81
02/15/2027	\$ 368,284.00	\$ 8,056.21	\$ 376,340.21	\$ -
09/30/2027	\$ -	\$ -	\$ -	\$ 376,340.21
Total	\$ 4,517,116.00	\$ 1,889,374.70	\$ 6,406,490.70	\$ 6,406,490.70

\$1,640,000

City of Heath, Texas

Combination Tax & Revenue Refunding Bonds, Series 2004A

Debt Service Schedule - Business-Type

Date	Principal	Interest	Principal + Interest	Fiscal Total
02/15/2011	\$ -	\$ 16,836.00	\$ 16,836.00	\$ -
08/15/2011	\$ 140,000.00	\$ 16,836.00	\$ 156,836.00	\$ -
09/30/2011	\$ -	\$ -	\$ -	\$ 173,672.00
02/15/2012	\$ -	\$ 14,260.00	\$ 14,260.00	\$ -
08/15/2012	\$ 145,000.00	\$ 14,260.00	\$ 159,260.00	\$ -
09/30/2012	\$ -	\$ -	\$ -	\$ 173,520.00
02/15/2013	\$ -	\$ 11,592.00	\$ 11,592.00	\$ -
08/15/2013	\$ 150,000.00	\$ 11,592.00	\$ 161,592.00	\$ -
09/30/2013	\$ -	\$ -	\$ -	\$ 173,184.00
02/15/2014	\$ -	\$ 8,832.00	\$ 8,832.00	\$ -
08/15/2014	\$ 155,000.00	\$ 8,832.00	\$ 163,832.00	\$ -
09/30/2014	\$ -	\$ -	\$ -	\$ 172,664.00
02/15/2015	\$ -	\$ 5,980.00	\$ 5,980.00	\$ -
08/15/2015	\$ 160,000.00	\$ 5,980.00	\$ 165,980.00	\$ -
09/30/2015	\$ -	\$ -	\$ -	\$ 171,960.00
02/15/2016	\$ -	\$ 3,036.00	\$ 3,036.00	\$ -
08/15/2016	\$ 165,000.00	\$ 3,036.00	\$ 168,036.00	\$ -
09/30/2016	\$ -	\$ -	\$ -	\$ 171,072.00
Total	\$ 915,000.00	\$ 121,072.00	\$ 1,036,072.00	\$ 1,036,072.00

\$9,200,000

City of Heath, Texas

Combination Tax & Revenue Certificates of Obligation, Series 2001

Debt Service Schedule - Business-Type

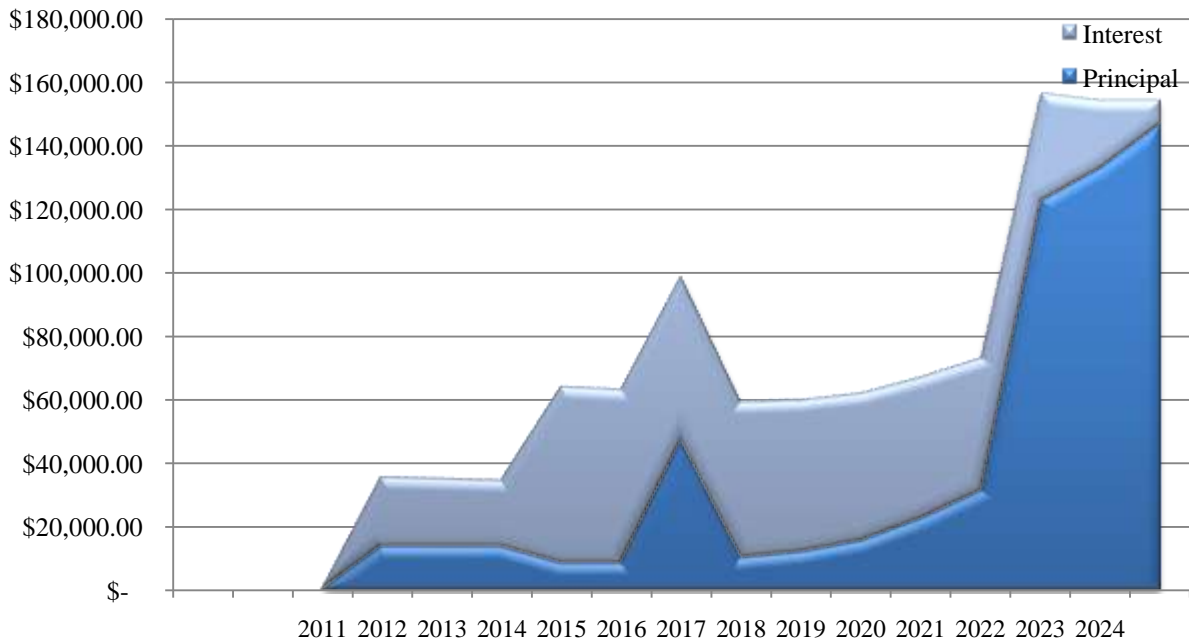
General Fund: .25% Business Type: .75%

Date	Principal	Interest	Principal + Interest	Fiscal Total
02/15/2011	\$ 258,750.00	\$ 128,672.35	\$ 387,422.35	\$ -
08/15/2011	\$ -	\$ 122,850.47	\$ 122,850.47	\$ -
09/30/2011	\$ -	\$ -	\$ -	\$ 510,272.82
02/15/2012	\$ 266,250.00	\$ 122,850.47	\$ 389,100.47	\$ -
08/15/2012	\$ -	\$ 116,859.85	\$ 116,859.85	\$ -
09/30/2012	\$ -	\$ -	\$ -	\$ 505,960.32
02/15/2013	\$ 285,000.00	\$ 116,859.85	\$ 401,859.85	\$ -
08/15/2013	\$ -	\$ 110,269.22	\$ 110,269.22	\$ -
09/30/2013	\$ -	\$ -	\$ -	\$ 512,129.07
02/15/2014	\$ 318,750.00	\$ 110,269.22	\$ 429,019.22	\$ -
08/15/2014	\$ -	\$ 102,778.60	\$ 102,778.60	\$ -
09/30/2014	\$ -	\$ -	\$ -	\$ 531,797.82
02/15/2015	\$ 333,750.00	\$ 102,778.60	\$ 436,528.60	\$ -
08/15/2015	\$ -	\$ 94,852.04	\$ 94,852.04	\$ -
09/30/2015	\$ -	\$ -	\$ -	\$ 531,380.63
02/15/2016	\$ 352,500.00	\$ 94,852.04	\$ 447,352.04	\$ -
08/15/2016	\$ -	\$ 86,392.04	\$ 86,392.04	\$ -
09/30/2016	\$ -	\$ -	\$ -	\$ 533,744.07
02/15/2017	\$ 498,750.00	\$ 86,392.04	\$ 585,142.04	\$ -
08/15/2017	\$ -	\$ 74,235.00	\$ 74,235.00	\$ -
09/30/2017	\$ -	\$ -	\$ -	\$ 659,377.04
02/15/2018	\$ 592,500.00	\$ 74,235.00	\$ 666,735.00	\$ -
08/15/2018	\$ -	\$ 59,718.75	\$ 59,718.75	\$ -
09/30/2018	\$ -	\$ -	\$ -	\$ 726,453.75
02/15/2019	\$ 633,750.00	\$ 59,718.75	\$ 693,468.75	\$ -
08/15/2019	\$ -	\$ 43,875.00	\$ 43,875.00	\$ -
09/30/2019	\$ -	\$ -	\$ -	\$ 737,343.75
02/15/2020	\$ 667,500.00	\$ 43,875.00	\$ 711,375.00	\$ -
08/15/2020	\$ -	\$ 27,187.50	\$ 27,187.50	\$ -
09/30/2020	\$ -	\$ -	\$ -	\$ 738,562.50
02/15/2021	\$ 701,250.00	\$ 27,187.50	\$ 728,437.50	\$ -
08/15/2021	\$ -	\$ 9,656.25	\$ 9,656.25	\$ -
09/30/2021	\$ -	\$ -	\$ -	\$ 738,093.75
02/15/2022	\$ 386,250.00	\$ 9,656.25	\$ 395,906.25	\$ -
09/30/2022	\$ -	\$ -	\$ -	\$ 395,906.25
Total	\$ 5,295,000.00	\$ 1,826,021.77	\$ 7,121,021.77	\$ 7,121,021.77

City of Heath, Texas
 Outstanding EDC and MBC

Debt Service Schedule Component Units Aggregate

Date	Principal	Interest	Total Principal + Interest
2011	\$ 14,000.00	\$ 21,896.00	\$ 35,896.00
2012	\$ 14,000.00	\$ 21,380.80	\$ 35,380.80
2013	\$ 14,000.00	\$ 20,865.60	\$ 34,865.60
2014	\$ 8,750.00	\$ 55,562.50	\$ 64,312.50
2015	\$ 8,750.00	\$ 54,687.50	\$ 63,437.50
2016	\$ 47,250.00	\$ 51,887.50	\$ 99,137.50
2017	\$ 10,500.00	\$ 49,000.00	\$ 59,500.00
2018	\$ 12,250.00	\$ 47,862.50	\$ 60,112.50
2019	\$ 15,750.00	\$ 46,462.50	\$ 62,212.50
2020	\$ 22,750.00	\$ 44,537.50	\$ 67,287.50
2021	\$ 31,500.00	\$ 41,825.00	\$ 73,325.00
2022	\$ 122,500.00	\$ 34,125.00	\$ 156,625.00
2023	\$ 133,000.00	\$ 21,350.00	\$ 154,350.00
2024	\$ 147,000.00	\$ 7,350.00	\$ 154,350.00
2025	\$ -	\$ -	\$ -
2026	\$ -	\$ -	\$ -
2027	\$ -	\$ -	\$ -
Total	\$ 602,000.00	\$ 518,792.40	\$ 1,120,792.40



\$2,190,000

City of Heath, Texas

Combination Tax & Surplus Revenue Certificates of Obligation, Series 2004

Debt Service Schedule - Component Units

General Fund: 65% Business Type : 35% Business type detail: EDC (.371435%) MBC (.62857%)

Date	Principal	Interest	Principal + Interest	Fiscal Total
02/15/2011	\$ 14,000.00	\$ 11,076.80	\$ 25,076.80	\$ -
08/15/2011	\$ -	\$ 10,819.20	\$ 10,819.20	\$ -
09/30/2011	\$ -	\$ -	\$ -	\$ 35,896.00
02/15/2012	\$ 14,000.00	\$ 10,819.20	\$ 24,819.20	\$ -
08/15/2012	\$ -	\$ 10,561.60	\$ 10,561.60	\$ -
09/30/2012	\$ -	\$ -	\$ -	\$ 35,380.80
02/15/2013	\$ 14,000.00	\$ 10,561.60	\$ 24,561.60	\$ -
08/15/2013	\$ -	\$ 10,304.00	\$ 10,304.00	\$ -
09/30/2013	\$ -	\$ -	\$ -	\$ 34,865.60
02/15/2014	\$ 8,750.00	\$ 28,000.00	\$ 36,750.00	\$ -
08/15/2014	\$ -	\$ 27,562.50	\$ 27,562.50	\$ -
09/30/2014	\$ -	\$ -	\$ -	\$ 64,312.50
02/15/2015	\$ 8,750.00	\$ 27,562.50	\$ 36,312.50	\$ -
08/15/2015	\$ -	\$ 27,125.00	\$ 27,125.00	\$ -
09/30/2015	\$ -	\$ -	\$ -	\$ 63,437.50
02/15/2016	\$ 47,250.00	\$ 27,125.00	\$ 74,375.00	\$ -
08/15/2016	\$ -	\$ 24,762.50	\$ 24,762.50	\$ -
09/30/2016	\$ -	\$ -	\$ -	\$ 99,137.50
02/15/2017	\$ 10,500.00	\$ 24,762.50	\$ 35,262.50	\$ -
08/15/2017	\$ -	\$ 24,237.50	\$ 24,237.50	\$ -
09/30/2017	\$ -	\$ -	\$ -	\$ 59,500.00
02/15/2018	\$ 12,250.00	\$ 24,237.50	\$ 36,487.50	\$ -
08/15/2018	\$ -	\$ 23,625.00	\$ 23,625.00	\$ -
09/30/2018	\$ -	\$ -	\$ -	\$ 60,112.50
02/15/2019	\$ 15,750.00	\$ 23,625.00	\$ 39,375.00	\$ -
08/15/2019	\$ -	\$ 22,837.50	\$ 22,837.50	\$ -
09/30/2019	\$ -	\$ -	\$ -	\$ 62,212.50
02/15/2020	\$ 22,750.00	\$ 22,837.50	\$ 45,587.50	\$ -
08/15/2020	\$ -	\$ 21,700.00	\$ 21,700.00	\$ -
09/30/2020	\$ -	\$ -	\$ -	\$ 67,287.50
02/15/2021	\$ 31,500.00	\$ 21,700.00	\$ 53,200.00	\$ -
08/15/2021	\$ -	\$ 20,125.00	\$ 20,125.00	\$ -
09/30/2021	\$ -	\$ -	\$ -	\$ 73,325.00
02/15/2022	\$ 122,500.00	\$ 20,125.00	\$ 142,625.00	\$ -
08/15/2022	\$ -	\$ 14,000.00	\$ 14,000.00	\$ -
09/30/2022	\$ -	\$ -	\$ -	\$ 156,625.00
02/15/2023	\$ 133,000.00	\$ 14,000.00	\$ 147,000.00	\$ -
08/15/2023	\$ -	\$ 7,350.00	\$ 7,350.00	\$ -
09/30/2023	\$ -	\$ -	\$ -	\$ 154,350.00
02/15/2024	\$ 147,000.00	\$ 7,350.00	\$ 154,350.00	\$ -
09/30/2024	\$ -	\$ -	\$ -	\$ 154,350.00
Total	\$ 602,000.00	\$ 518,792.40	\$ 1,120,792.40	\$ 1,120,792.40



COMPONENT UNITS

The Heath Economic Development Corporation (HEDC) is governed by a five member board of directors appointed, at will, by the City Council. Each member is appointed to a term not to exceed 6 years. Although it is legally separate from the City, it is reported as if it was part of the City (blended) since its sole purpose is to act on behalf of the City. HEDC collects a half cent sales tax to support its activities. The City is the primary beneficiary of HEDC's activities.

The Heath Municipal Development Corporation (HMDC) is governed by a seven member board of directors appointed, at will, by the City Council. Three of the seven directors cannot be employees, officers, or members of the city's governing body. The other four directors may be - but are not required to be - members of the governing body or city employees. All directors are appointed to a two-year term under 4B. Although it is legally separate from the City, it is reported as if it was part of the City (blended) since its sole purpose is to act on behalf of the City. HMBC collects a half cent sales tax to support its activities. The City is the primary beneficiary of HMBC's activities.

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

FUND	DEPARTMENT	ACCOUNT
HEDC	Heath Economic Development Corporation	80

MISSION STATEMENT

Attract and facilitate desirable business opportunities within the City of Heath, that benefits the City and it's citizenry and provides responsible and manageable growth.

The 4A Sales tax is primarily intended for manufacturing and industrial development, and cities may use the money raised by this sales tax to acquire land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements for purposes related to: (1) manufacturing and industrial facilities, recycling facilities, distribution centers, small warehouse facilities; (2) research and development facilities, regional or national corporate headquarters facilities, primary job training facilities for use by institutions of higher education, job training classes; (3) a general aviation business service airport that is an integral part of an industrial park; (4) certain infrastructure improvements, which promote or develop new or expanded business enterprises; (5) port-related facilities to support waterborne commerce; and (6) maintenance and operating costs associated with projects.

FY 10 ACCOMPLISHMENTS

Promotional economic brochure available by request from the Website or directors contact form.

Economic Development Survey launched on the Website for resident input of "How the City should grow."

Market analysis study performed for Heath promotion and marketability.

HEDC and HMBC retreat highlighted accomplishments and discussion of future endeavors. Goals were established and prioritized for responsible, manageable growth.

PRIORITIZED GOALS

Development of 75 acre plan to include a food court by year-end 2010; and plat, market, sell, and develop corner(s) of FM 1140 and Chris Cuny Parkway.

Secure a Towne Center Site.

Encourage super market location in Heath.

Enhance ambiance of the City by replacing faded street signs and completing further landscaping.

Encourage restaurants, service businesses, and offsite data storages to locate in Heath.

Develop trail connections from FM 740 to the intersection of FM 549 and FM 550. Begin planning for golf cart path.

Encourage green focus.

<i>Description</i>	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Adopted Budget FY2010</i>	<i>Approved Budget FY2011</i>	<i>% Increase/ Decrease</i>
Personnel Services	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	0%
Supplies & Services	10,000	5,000	5,000	5,000	5,000	0%
Operational	11,600	26,600	26,600	31,700	31,700	0%
Expenditures	44,640	46,196	398,318	65,800	57,333	-15%

Approved Budget FY2011



CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

Sources and Uses		HEDC				
		<i>F'08-09 Actual</i>	<i>F'09-10 Original Budget</i>	<i>F'09-10 Amended Budget</i>	<i>F'09-10 Projected Actual</i>	<i>F'10-11 Adopted Budget</i>
<i>HEDC Revenues and Expenditures</i>						
Sources of Funds						
	<i>Beginning Resources</i>	<i>806,754</i>	<i>593,934</i>	<i>593,934</i>	<i>593,934</i>	<i>669,134</i>
	<i>Current Revenues</i>					
4101	Sales Tax	177,549	180,000	180,000	177,000	175,000
4106	Interest Earned	6,156	3,000	3,000	1,200	1,200
	<i>Total - Revenue</i>	<i>183,705</i>	<i>183,000</i>	<i>183,000</i>	<i>178,200</i>	<i>176,200</i>
	<i>Total Sources Of Funds</i>	<i>990,459</i>	<i>776,934</i>	<i>776,934</i>	<i>772,134</i>	<i>845,334</i>
Uses of Funds						
	<i>Current Expenditures</i>					
580-120	Admin Services	0	500	500	500	500
	<i>Total - Personnel Services</i>	<i>0</i>	<i>500</i>	<i>500</i>	<i>500</i>	<i>500</i>
580-231	Conferences & Training	365	2,500	2,500	2,500	2,500
580-232	Travel, Meals & Lodging	501	2,500	2,500	2,500	2,500
	<i>Total - Supplies & Services</i>	<i>866</i>	<i>5,000</i>	<i>5,000</i>	<i>5,000</i>	<i>5,000</i>
580-311	Legal Publications/Advertising	0	200	200	200	200
580-342	Professional Fees/Consultants	33,276	25,000	25,000	25,000	25,000
580-366	Promotional	0	4,000	4,000	4,000	4,000
580-367	Community Education	27	2,500	2,500	2,500	2,500
	<i>Total - Operational Items</i>	<i>33,303</i>	<i>31,700</i>	<i>31,700</i>	<i>31,700</i>	<i>31,700</i>
580-525	Economic Development Grants	0	25,000	25,000	25,000	25,000
580-550	Capital Improvement Projects	321,117	0	0	0	0
	<i>Total - Capital Outlay</i>	<i>321,117</i>	<i>25,000</i>	<i>25,000</i>	<i>25,000</i>	<i>25,000</i>
580-617	Debt Service - 2004 Principal	14,300	14,300	14,300	14,300	5,200
580-618	Debt Service -2004 Interest	9,014	8,500	8,500	8,500	8,133
	<i>Total - Debt Service</i>	<i>23,314</i>	<i>22,800</i>	<i>22,800</i>	<i>22,800</i>	<i>13,333</i>
580-801	Transfer to General Fund	17,925	18,000	18,000	18,000	19,000
	<i>Total - Transfers</i>	<i>17,925</i>	<i>18,000</i>	<i>18,000</i>	<i>18,000</i>	<i>19,000</i>
	<i>Total Current Expenditures</i>	<i>396,525</i>	<i>103,000</i>	<i>103,000</i>	<i>103,000</i>	<i>94,533</i>
	<i>Ending Resources</i>	<i>593,934</i>	<i>673,934</i>	<i>673,934</i>	<i>669,134</i>	<i>750,801</i>
	<i>Revenue vs. Expenditures - Surplus/(Deficit)</i>	<i>(212,820)</i>	<i>80,000</i>	<i>80,000</i>	<i>75,200</i>	<i>81,667</i>

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

FUND	DEPARTMENT	ACCOUNT
HMBC	Heath Municipal Benefits Corporation	85

MISSION STATEMENT

Attract and facilitate desirable business opportunities within the City of Heath, that benefits the City and it's citizenry and provides responsible and manageable growth.

The 4B Sales tax provides cities with a wider range of uses for the tax revenues because it is intended to give communities an opportunity to undertake a project for quality of life improvements, including economic development that will attract and retain primary employers. Cities may use money raised by this sales tax for a wide variety of projects including land, buildings, equipment, facilities, expenditures, and improvements related to projects defined in 4A or found by the board of directors to be required or suitable for use for: (1) professional and amateur sports (including children's sports) and athletic facilities; tourism and entertainment facilities; convention and public park purposes and events, (including stadiums, ballparks, auditoriums, amphitheaters, concert halls, parks and open space improvements, museums, exhibition facilities); (2) related store, restaurant, concession, parking and transportation facilities; (3) related street, water and sewer facilities; and (4) affordable housing.

To promote and develop new and expanded business enterprises that create or retain primary jobs, a city may provide: (1) public safety facilities; (2) recycling facilities; (3) streets and roads; (4) drainage and related improvements; (5) demolition of existing structures; (6) general municipally owned improvements; (7) maintenance and operating costs associated with projects; and (8) any other project that the board determines will contribute to the promotion or development of new or expanded business enterprises that create or retain primary jobs.

FY 10 ACCOMPLISHMENTS

Promotional economic brochure available by request from the Website or directors contact form.

Economic Development Survey launched on the Website for resident input of "How the City should grow."

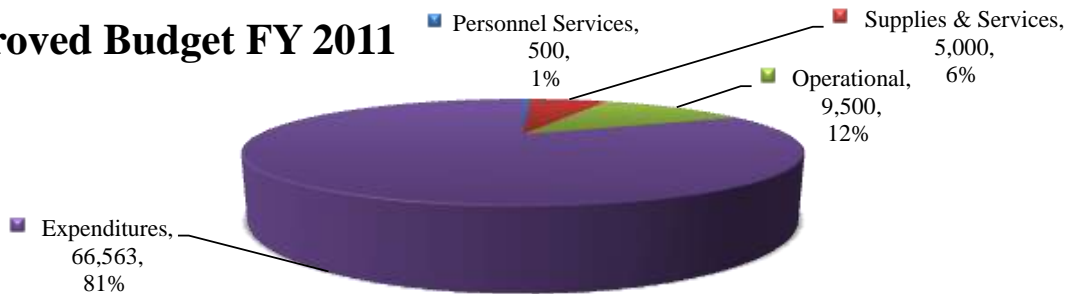
Market analysis study performed for Heath promotion and marketability.

HEDC and HMBC retreat highlighted accomplishments and discussion of future endeavors. Goals were established and prioritized for responsible, manageable growth.

PRIORITIZED GOALS LISTED ON HEDC SUMMARY

<i>Description</i>	<i>Adopted Budget FY2007</i>	<i>Adopted Budget FY2008</i>	<i>Adopted Budget FY2009</i>	<i>Amended Budget FY2010</i>	<i>Approved Budget FY2011</i>	<i>% Increase/ Decrease</i>
Personnel Services	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	0%
Supplies & Services	10,000	5,000	5,000	5,000	5,000	0%
Operational	7,500	7,500	7,500	9,500	9,500	0%
Expenditures	63,238	65,871	64,460	82,460	66,563	-24%

Approved Budget FY 2011



CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

Sources and Uses		HMBC				
		<i>F'08-09</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'09-10</i>	<i>F'10-11</i>
		<i>Actual</i>	<i>Original</i>	<i>Amended</i>	<i>Projected</i>	<i>Adopted</i>
			<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>
<i>HMBC Revenues and Expenditures</i>						
Sources of Funds						
	<i>Beginning Resources</i>	756,255	876,993	876,993	876,993	958,333
	<i>Current Revenues</i>					
4101	Sales Tax	177,549	180,000	180,000	177,000	175,000
4106	Interest Earned	8,688	5,000	5,000	1,800	1,800
	<i>Total - Revenue</i>	186,237	185,000	185,000	178,800	176,800
	<i>Total Sources Of Funds</i>	942,492	1,061,993	1,061,993	1,055,793	1,135,133
Uses of Funds						
	<i>Current Expenditures</i>					
585-120	Admin Services	0	500	500	500	500
	<i>Total - Personnel Services</i>	0	500	500	500	500
585-231	Conferences & Training	312	2,500	2,500	2,500	2,500
585-232	Travel, Meals & Lodging	346	2,500	2,500	2,500	2,500
	<i>Total - Supplies & Services</i>	658	5,000	5,000	5,000	5,000
585-311	Legal Publications/Advertising	0	2,000	2,000	2,000	2,000
585-342	Professional Fees/Consultants	7,462	7,500	7,500	7,500	7,500
585-366	Promotional	0	0	0	0	0
585-399	Miscellaneous Expense	0	0	0	0	0
	<i>Total - Operational Items</i>	7,462	9,500	9,500	9,500	9,500
585-525	Economic Development Grant	0	25,000	25,000	25,000	25,000
585-550	Capital Improvement Projects	0	0	0	0	0
	<i>Total - Capital Outlay</i>	0	25,000	25,000	25,000	25,000
585-617	Debt Service - 2004 Principal	24,200	24,200	24,200	24,200	8,800
585-618	Debt Service - 2004 Interest	15,254	14,500	15,260	15,260	13,763
	<i>Total - Debt Service</i>	39,454	38,700	39,460	39,460	22,563
585-801	Transfer to General Fund	17,925	18,000	18,000	18,000	19,000
	<i>Total - Transfers</i>	17,925	18,000	18,000	18,000	19,000
	<i>Total Current Expenditures</i>	65,498	96,700	97,460	97,460	81,563
	<i>Ending Resources</i>	876,993	965,293	964,533	958,333	1,053,570
	<i>Revenue vs. Expenditures - Surplus/(Deficit)</i>	120,738	88,300	87,540	81,340	95,237



CITY OF HEATH

RESTRICTED FUNDS

Restricted Funds collect revenues that have restricted spending with specific guidelines. For informational purposes, a cash flow statement and fund description is provided for Municipal Court Technology Fund, Municipal Court Building Security Fund, Municipal Court Juvenile Case Manager Fund, Police Donations, and Park Donations. These funds are not budgeted during the annual financial process.

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

FUND	DEPARTMENT	ACCOUNT
SPECIAL REVENUE	POLICE	50
PURPOSE AND DESCRIPTION		
<i>Police receives donations from various organizations and individuals throughout the year for the benefit of the police department.</i>		
POLICE DONATIONS		
		<i>FY 2008</i> <i>FY 2009</i> <i>FY 2010</i>
Beginning Fund Balance	\$ 39,894.10	\$ 56,818.41 \$ 64,691.21
Interest	\$ -	\$ 1,291.44 \$ 656.18
Police Donations	\$ 31,962.45	\$ 29,100.00 \$ 19,000.00
<i>Total Revenue</i>	<u>\$ 71,856.55</u>	<u>\$ 87,209.85 \$ 84,347.39</u>
Expenditures		
509-358 Police Reserves	\$ 15,038.14	\$ 22,518.64 \$ 7,526.61
509-358 Pending Purchase Orders (final shipping charge not available at printing)		\$ 9,819.00
<i>Total Expenditures</i>	<u>\$ 15,038.14</u>	<u>\$ 22,518.64 \$ 17,345.61</u>
Restricted for Training	\$ (12,216.11)	\$ (14,065.15) \$ (15,930.06)
<i>Ending Cash Balance</i>	\$ 56,818.41	\$ 64,691.21 \$ 67,001.78

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

FUND	DEPARTMENT	ACCOUNT
SPECIAL REVENUE	PARK LAND DEDICATION	01-4901
PURPOSE AND DESCRIPTION		
<i>Ordinance 990520A, approved May 20, 1999, established a special fund for the deposit of all sums paid in lieu of land dedication. Money dedicated may only be used for the acquisition or development/improvement of a community park or neighborhood park located within the same general area as the development.</i>		
PARK DONATIONS		
		<i>FY 2008</i> <i>FY 2009</i> <i>FY 2010</i>
Beginning Fund Balance		\$ 188,600.00 \$ 259,094.29 \$ -
Interest		\$ 594.29 \$ - \$ -
Park Donations		\$ 115,000.00 \$ 1,000.00 \$ 1,000.00
<i>Total Revenue</i>		<u>\$ 304,194.29 \$ 260,094.29 \$ 1,000.00</u>
Expenditures		
Terry Park		\$ 45,100.00 \$ 260,094.29 \$ 1,000.00
<i>Total Expenditures</i>		<u>\$ 45,100.00 \$ 260,094.29 \$ 1,000.00</u>
<i>Ending Cash Balance</i>		\$ 259,094.29 \$ - \$ -

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

FUND	DEPARTMENT	ACCOUNT	
SPECIAL REVENUE	MUNICIPAL COURT	01-4308	
PURPOSE AND DESCRIPTION			
<p><i>The Municipal Court Building Security Fund revenues are collected from a \$3.00 charge assessed against any defendant convicted of a misdemeanor offense presented in Municipal Court. Revenue collected for the Building Security Fund can be used only for security personnel, services, and items related to the security of buildings that house the operations of municipal courts. More specifically:</i></p> <ul style="list-style-type: none"> <i>*Purchase or repair of X-ray machine or conveying systems</i> <i>*Handheld and walk-through metal detectors</i> <i>*Identification cards and systems</i> <i>*Electronic locking and surveillance equipment</i> <i>*Bailiffs, acting bailiffs, or contract security personnel while providing appropriate security services</i> <i>*Signage</i> <i>*Confiscated weapon inventory and tracking systems</i> <i>*Locks, chains, alarms, or similar security devices</i> <i>*Purchase or repair of bullet-proof glass</i> <i>*Continuing education on security issues for court personnel and security personnel</i> 			
Building Security Fund			
	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010</i>
Beginning Fund Balance	\$ 5,132.93	\$ 6,454.04	\$ 7,952.35
Receipts	\$ 1,321.11	\$ 1,498.31	\$ 1,160.29
<i>Total Revenue</i>	<u>\$ 6,454.04</u>	<u>\$ 7,952.35</u>	<u>\$ 9,112.64</u>
Expenditures			
<i>Total Expenditures</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Ending Cash Balance</i>	\$ 6,454.04	\$ 7,952.35	\$ 9,112.64

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

FUND	DEPARTMENT	ACCOUNT	
SPECIAL REVENUE	MUNICIPAL COURT	01-4309	
PURPOSE AND DESCRIPTION			
<p><i>The Municipal Court Technology Fund revenues are collected from a \$4.00 charge assessed against any defendant convicted of a misdemeanor offense presented in Municipal Court. Revenue collected for the Municipal Court Technology Fund can be used only for the purchase or maintenance of the following:</i></p> <ul style="list-style-type: none"> <i>*Computer Systems</i> <i>*Computer Networks</i> <i>*Computer Hardware</i> <i>*Computer Software</i> <i>*Imaging Systems</i> <i>*Electronic kiosks</i> <i>*Electronic ticket writers</i> <i>*Docket Management Systems</i> 			
Municipal Court Technology Fund			
	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010</i>
Beginning Fund Balance	\$ 15,211.94	\$ 16,973.38	\$ -
Receipts	<u>\$ 1,761.44</u>	<u>\$ 1,994.72</u>	<u>\$ 1,527.03</u>
<i>Total Revenue</i>	<u><u>\$ 16,973.38</u></u>	<u><u>\$ 18,968.10</u></u>	<u><u>\$ 1,527.03</u></u>
Expenditures			
2 Ticket writers with software and training	<u>\$ -</u>	<u>\$ 18,968.10</u>	<u>\$ -</u>
<i>Total Expenditures</i>	<u><u>\$ -</u></u>	<u><u>\$ 18,968.10</u></u>	<u><u>\$ -</u></u>
<i>Ending Cash Balance</i>	\$ 16,973.38	\$ -	\$ 1,527.03

**CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011**

FUND	DEPARTMENT	ACCOUNT	
SPECIAL REVENUE	MUNICIPAL COURT	01-4330	
PURPOSE AND DESCRIPTION			
<p><i>The Municipal Court Juvenile Case Manager Fund revenues are collected from a \$5.00 charge assessed against any defendant convicted of a criminal or misdemeanor offense as explained below. Revenue collected for the Juvenile Case Manager Fund can be used only for the salary and benefits of a Juvenile Case Manager.</i></p> <p><i>Offenses Included:</i></p> <ul style="list-style-type: none"> <i>*Conviction of all criminal offenses, except where fees were waived due to financial hardship</i> <i>*Conviction of misdemeanor offenses relating to pedestrians or the parking of motor vehicles</i> <i>*Cases disposed of under Code of Criminal Procedure, Article 45.051 – Suspension of Sentence and Deferral of Final Disposition</i> <i>*Cases disposed of under Code of Criminal Procedure, Article 45.0511 – Driving Safety Course or Motorcycle Operator Course Dismissal</i> <i>*Cases disposed of under Code of Criminal Procedure, Article 45.052 – Dismissal of Misdemeanor Charge on Completion of Teen Court Program</i> <i>*Cases disposed of under Code of Criminal Procedure, Article 45.053 – Dismissal of Misdemeanor Charge on Commitment of Chemically Dependent Person</i> <i>*Cases where a defendant is required to attend an alcohol awareness course</i> <i>*Cases disposed of under Health and Safety Code, Section 161.253 – Tobacco Awareness Program</i> <i>*Cases disposed of under Parks and Wildlife Code, Section 31.130 – Boater Education Course Permitted in Lieu of Fine</i> 			
Juvenile Case Manager Fund			
	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010</i>
Beginning Fund Balance	\$ 537.03	\$ 1,006.53	\$ 1,179.28
Receipts	\$ 469.50	\$ 172.75	\$ 188.12
Total Revenue	<u>\$ 1,006.53</u>	<u>\$ 1,179.28</u>	<u>\$ 1,367.40</u>
Expenditures	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Cash Balance	\$ 1,006.53	\$ 1,179.28	\$ 1,367.40



CITY OF HEATH

CAPITAL IMPROVEMENTS PROGRAM

CITY OF HEATH

CAPITAL IMPROVEMENTS PROGRAM

Capital Improvements

A Capital Improvement Program is a schedule of public improvements to be constructed with resources available to finance the projected expenditures. Capital improvements are expenditures for the purchase, construction, rehabilitation, replacement, or expansion of the physical assets of the community when the project is relatively large in size, expensive, long-term, and permanent. Some examples include streets, parks, water and wastewater lines. The City's capitalization threshold is \$10,000.

During the development of the Capital Improvement Program, an evaluation of the impact of capital expenditure decisions upon annual operations and the City's operating budget must be considered. Reoccurring expenditures for plant improvements and equipment represent a consistent percentage of the City's annual operating budget and financed on a "pay as you go" basis. Large, non-recurring capital expenditures require additional funding beyond the fiscal capacity of the City's annual operating budget. Careful consideration of non-recurring expenditures is critical to the financial health and stability of the City for the following reasons:

1. Due to the larger cost and extended life, capital expenditures for long-range public improvements may have to be financed through the issuance of long-term debt;
2. Large capital expenditures may require consistent overseeing effort and funding spanning decades;
3. The economic impact of investments in long-range capital improvements also extends decades;
4. The commitment to invest in long-range capital improvements are often irreversible except at considerable financial and managerial cost to the City.

Capital expenditures are financed from a variety of sources including long and short-term debt, current revenues, grants from other governmental entities and donations from businesses, individuals and non-profit organizations.

The Capital Improvement Program totals \$7,382,491 representing projects in public works, water and wastewater, and public works.

Appropriations

Appropriations for capital improvements in Capital Improvement funds are considered multi-year in nature. Once appropriations are established, they roll forward to subsequent years until the project is complete. The City of Heath has a General CIP Fund and a Utility CIP Fund.

Appropriations for capital improvements funded by the General Fund, and the Utility Fund are for one year. If these funds are not expended or encumbered at the end of the fiscal year, these appropriations do not roll forward to subsequent years.

Functions of the Capital Improvement Program

1. Estimate capital requirements, budget priority projects, and approve funding for proposed improvements;
2. Schedule all capital projects over a fixed period with appropriate planning, implementation, and public notification of projected capital improvements;
3. Coordinate the activities of various departments to meet project schedules;
4. Monitor and evaluate the progress of capital projects.

Methods of Financing Capital Improvements Projects

General Obligation Bonds - Can be sold to finance permanent types of improvements. The taxing power of the jurisdiction is pledged to pay interest and retire the debt. Voter approval required.

Certificates of Obligations - Issued with limited revenues pledged by the water and wastewater systems. Voter approval not required.

Donations - Periodically received from individuals, businesses, foundations, and non-profit organizations.

Earmarked Funds - Money accumulated in advance or set aside for capital construction or purchase. The accumulation may result from a surplus of earmarked operational revenues, collection of impact fees, or sale of capital assets.

Enterprise Funds - Are established from the delivery of specific services where the money paid to administer the services and the expenses associated with providing the services are accounted for separately from the general fund budget of the City.

General Funds - Financing of improvements from revenues such as general taxation, fees, or service charges.

Revenue Bonds - Frequently sold for projects that produce revenues such as water and wastewater systems. Voter Approval not required.

Special Assessments - Public Works that benefit particular properties may be financed more equitably (paid by those who directly benefit) by Special Assessments.

State and Federal Grant programs - Available for financing various projects such as streets, water and sewer facilities, parks and playgrounds. The cost of funding these facilities may be completely by grant or a local share required.

Capital Projects Expenditure Summary FY 2010-11 TO FY 2014-15

as of 07/31/2010

Project #	Project Type	Project	Funding Source	Original Budget	Prior Funding / Expenditure	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2015 and Beyond	Total Spending
S06	Streets	FM740 FM3097 to FM1140 (Phase I)	General CIP	1,000,000	481,498	518,502	-	-	-	-	1,000,000
S11	Public Works	Equipment Structure/Driveway Upgrade	General CIP	160,000	20,142	139,858	-	-	-	-	160,000
tba	Streets	Roadway Impact Fee Study	General CIP	40,000	-	40,000	-	-	-	-	40,000
tba	Streets	Buffalo Creek Trail Repair	General CIP	200,000	-	200,000	-	-	-	-	200,000
W04	Water	Water Line Upgrade/Electronic metering	Utility CIP	200,000	72,605	127,395	-	-	-	-	200,000
W05	Water	CCN Extension and Distribution	Utility CIP	179,000	21,230	157,770	-	-	-	-	179,000
W07	Water	FM740 Utility Relocation	Utility CIP	1,000,000	589,746	410,254	-	-	-	-	1,000,000
W10	Water	12" Water Line (Rabbit Ridge)	Utility CIP	315,000	141,668	173,332	-	-	-	-	315,000
W14	Water	1,500,000 gallon Elevated Storage Tank	Utility CIP	3,900,000	-	3,900,000	-	-	-	-	3,900,000
W15	Water	RCH CCN Purchase	Utility CIP	300,000	-	300,000	-	-	-	-	300,000
tba	Water	Land Purchase	Utility CIP	40,000	-	-	40,000	-	-	-	40,000
W11	Wastewater	Bison Meadows Lift Station	Utility CIP	20,000	3,520	16,480	-	-	-	-	20,000
	General	General Fund Available	General	28,491	-	-	-	-	-	-	-
tba	Wastewater	Southside Lift Station Upgrade	Unfunded	-	-	-	-	-	-	-	-
tba	City	City Hall	Unfunded	12,000,000	-	-	-	-	-	12,000,000	12,000,000
tba	Streets	FM740 FM 1140 to FM 549 (Phase II)	Unfunded	1,600,000	-	-	-	1,600,000	-	-	1,600,000
tba	Streets	FM740 Sidewalk (Phase II)	Unfunded	500,000	-	-	-	500,000	-	-	500,000
tba	Streets	City-Wide Pavement Rehabilitation	Unfunded	500,000	-	-	-	250,000	250,000	-	500,000
tba	Streets	White Road/Heath Crossing (I and II)	Unfunded	6,000,000	-	-	-	-	3,000,000	3,000,000	6,000,000
tba	Wastewater	Infiltration/ Inflow Study	Unfunded	50,000	-	-	50,000	-	-	-	50,000
tba	Wastewater	Infiltration/ Inflow (II) Rehabilitation	Unfunded	5,000,000	-	-	500,000	500,000	500,000	3,500,000	5,000,000
tba	Wastewater	FM 1140/Moraine/Key Lift Station	Unfunded	450,000	-	-	450,000	-	-	-	450,000
tba	Water	3,000,000 gallon Ground Storage Tank	Unfunded	5,000,000	-	-	-	-	-	5,000,000	5,000,000
tba	Water	Water Line Ext. (FM 740S/King/Stevens)	Unfunded	1,000,000	-	-	-	500,000	500,000	-	1,000,000
tba	Water	12" Water Line	Moved to Wtr Twr	-	-	-	-	-	-	-	-
tba	Water	18" Water Line	Moved to Wtr Twr	-	-	-	-	-	-	-	-
		Funded Total		7,382,491	1,330,409	5,983,591	40,000	-	-	-	7,354,000
		Unfunded Total		32,100,000	-	-	1,000,000	3,350,000	4,250,000	23,500,000	32,100,000
		Projects Total		39,482,491	1,330,409	5,983,591	40,000	-	-	-	39,454,000

Improvements by Project Type

Administration	City Hall Remodel. Comp Plan
Parks & Rec	
Public Works	
Streets	
Water	
Wastewater	
EDC	12" Water Line
Total	

	Historical			Actual	Proposed
	FY 07	FY 08	FY 09	FY 10	FY 11
\$	36,017.37	\$ 136,794.27	\$ 17,799.31		\$ -
\$	12,496.00	\$ 87,490.55	\$ 1,477,370.57	\$ 12,631.58	\$ -
	32,861	10,856		20,142	\$ 139,858.00
\$	1,225,888.57	\$ 903,070.32	\$ 2,052,280.93	\$ 256,422.51	\$ 758,502.00
\$	29,494.55	\$ 351,875.93	\$ 292,608.25	\$ 781,248.58	\$ 5,068,750.70
		\$ 135,138.19	\$ 345,593.67	\$ 320,408.60	\$ 16,480.00
			\$ 321,117.00	\$ 3,060.00	\$ -
Total	\$ 1,336,757.54	\$ 1,625,225.26	\$ 4,185,652.73	\$ 1,393,913.27	\$ 5,983,590.70

Funding Sources (All Funds)

Sources of Funds:

2007 General Fund Bond	\$ 6,016,981
2007 Utility Fund Bond	\$ 7,288,019
Developer's Contributions	\$ 230,000
General Fund	\$ 245,000
Grant	\$ 500,000
Roadway Impact Fees	\$ 376,516
Reimbursement for Damages	\$ 24,676
Interest	\$ 159,081
Park Donations	\$ 30,094
Other	\$ 50,460
Street Escrow	\$ 227,438
Total Sources	\$ 15,148,264
Funded Total	\$ 7,382,491
Completed Project Total	\$ 7,218,676
Unallocated	\$ 547,097

CITY OF HEATH

CURRENT CAPITAL IMPROVEMENTS PROGRAM INFORMATION

PROJECT NAME: FM740 FM3097 to FM1140 (Phase I)					
PROJECT NUMBER: S06					
Description: Widen FM 740 from the North loop FM 1140 to the North City a distance of 5,000 ft from current 2 lanes undivided to 4 lanes divided.					
Justification: Improve traffic flow and decrease motorist delay.					
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount	Project to Date	
2007 Bond	Streets	General CIP	\$ 1,000,000	\$ 481,498.24	
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnnel (FTEs)					
Maintenance	3,000	3,000	3,000	3,000	3,000
Materials & Equipment	2,000	2,000	2,000	2,000	2,000
Other Operating Costs					
Total Operating Costs	5,000	5,000	5,000	5,000	5,000

PROJECT NAME: Public Works Center Equipment Structure/ Driveway upgrade					
PROJECT NUMBER: S11					
Description: Construct weather protection equipment shed for Public Works equipment. Upgrade driveway at Operation Center to accommodate traffic flow.					
Justification: Extend equipment life and reduce vehicle maintenance and repair.					
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount	Project to Date	
2007 Bond	Streets	General CIP	\$ 160,000	\$ 20,142.00	
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnnel (FTEs)					
Maintenance	1,000	1,000	1,000	1,000	1,000
Materials & Equipment	1,000	1,000	1,000	1,000	1,000
Other Operating Costs					
Total Operating Costs	2,000	2,000	2,000	2,000	2,000

CITY OF HEATH

CURRENT CAPITAL IMPROVEMENTS PROGRAM INFORMATION

PROJECT NAME: Buffalo Creek Trail Repair					
PROJECT NUMBER: StreetsTBA					
Description: Build embankment and safety rail for existing trail.					
Justification: Prevent erosion of existing infrastructure.					
FINANCIAL INFORMATION					
Source		Project Type	Fund	Amount	Project to Date
2007 Bond		Streets	General CIP	\$ 200,000	\$ -
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	1,000	1,000	1,000	1,000	1,000
Materials & Equipment					
Other Operating Costs					
Total Operating Costs	1,000	1,000	1,000	1,000	1,000

PROJECT NAME: Roadway Impact Fee Study					
PROJECT NUMBER: StreetsTBA					
Description: Identify future roadway projects and estimated costs of construction to serve future development.					
Justification: In accordance with the current State statute, the City may implement a roadway impact fee equal to 50% of the actual calculated cost of construction.					
FINANCIAL INFORMATION					
Source		Project Type	Fund	Amount	Project to Date
2007 Bond		Streets	General CIP	\$ 40,000	\$ -
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance					
Materials & Equipment					
Other Operating Costs					
Total Operating Costs					

CITY OF HEATH

CURRENT CAPITAL IMPROVEMENTS PROGRAM INFORMATION

PROJECT NAME: Water Line Upgrade & Electronic Meter Reading System					
PROJECT NUMBER: W04 / W12					
Description: Upgrade size of water lines from 2", 4" to 6" and larger to meet domestic and fire demands. Datamatic electronic water meter monitoring and reading mechanism.					
Justification: Due to increased development, water demand has risen. Large diameter lines are necessary. Allow leak monitoring and notification. Increase efficiency, reduce misreads and billing calculation errors.					
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount	Project to Date	
2007 Bond	Water Line	Utility CIP	\$ 72,605	\$	22,175.00
2007 Bond	Electronic Meter	Utility CIP	\$ 127,395	\$	42,283.00
			<u>\$ 200,000</u>	\$	<u>64,458</u>
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	6,000	6,000	6,000	6,000	6,000
Materials & Equipment	2,000	2,000	2,000	2,000	2,000
Other Operating Costs					
Total Operating Costs	8,000	8,000	8,000	8,000	8,000

PROJECT NAME: CCN Extension and Distribution Line					
PROJECT NUMBER: W05					
Description: Provide water service to RCH customers.					
Justification: Expansion of water services to Heath citizens (Rabbit Ridge, FM 550, and McDonald).					
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount	Project to Date	
2007 Bond	Water	Utility CIP	\$ 150,000	\$	21,230.00
Interest			<u>\$ 29,000</u>		
			<u>\$ 179,000</u>		
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	1,000	1,000	1,000	1,000	1,000
Materials & Equipment	800	800	800	800	800
Other Operating Costs					
Total Operating Costs	1,800	1,800	1,800	1,800	1,800

CITY OF HEATH

CURRENT CAPITAL IMPROVEMENTS PROGRAM INFORMATION

PROJECT NAME: FM 740 Utility Relocation					
PROJECT NUMBER: W07					
Description: Relocate utilities located along FM 740.					
Justification: FM 740 Widening to 4 lanes to improve traffic flow and decrease congestion.					
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount	Project to Date	
2007 Bond	Streets	Utility CIP	\$ 1,000,000	\$	589,746.25
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance					
Materials & Equipment					
Other Operating Costs					
Total Operating Costs					

PROJECT NAME: 12" Water Line (Rabbit Ridge)					
PROJECT NUMBER: W10					
Description: Installation of approx. 3,000 ft of 12" pipe line on Rabbit Ridge that interconnects between the City's distribution system and the current system supply lines at Hope Drive, Horizon Road, and Manor Drive.					
Justification: Expansion of water services to Heath citizens from RCH.					
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount	Project to Date	
2007 Bond	Water	Utility CIP	\$ 315,000	\$	141,668.30
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	1,000	1,000	1,000	1,000	1,000
Materials & Equipment	800	800	800	800	800
Other Operating Costs					
Total Operating Costs	1,800	1,800	1,800	1,800	1,800

CITY OF HEATH

CURRENT CAPITAL IMPROVEMENTS PROGRAM INFORMATION

PROJECT NAME: 1,500,000 gallon Elevated Storage Tank					
PROJECT NUMBER: W14					
Description: Construct 1.5M gallon Elevated Storage Tank.					
Justification: Due to increased development, water demand has risen.					
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount	Project to Date	
2007 Bond	Water	Utility CIP	\$ 3,838,190	\$	-
Interest			\$ 61,810		
			<u>\$ 3,900,000</u>		
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	30,000	30,000	30,000	30,000	30,000
Materials & Equipment	10,000	10,000	10,000	10,000	10,000
Other Operating Costs					
Total Operating Costs	40,000	40,000	40,000	40,000	40,000

PROJECT NAME: RCH CCN Purchase					
PROJECT NUMBER: W15					
Description: Purchase RCH water lines and right of way.					
Justification: The agreement with RCH allows the City to provide water service to approximately 100 additional citizens.					
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount	Project to Date	
2007 Bond	Water	Utility CIP	\$ 300,000		
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	3,000	3,000	3,000	3,000	3,000
Materials & Equipment					
Other Operating Costs					
Total Operating Costs	3,000	3,000	3,000	3,000	3,000

CITY OF HEATH

CURRENT CAPITAL IMPROVEMENTS PROGRAM INFORMATION

TOTAL CURRENT PROJECTS BY TYPE					
Street			4		
Water			6		
Wastewater			1		
Total Current Projects			11		
TOTAL GENERAL FUND CURRENT OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	5,000	5,000	5,000	5,000	5,000
Materials & Equipment	3,000	3,000	3,000	3,000	3,000
Other Operating Costs					
Total Operating Costs	8,000	8,000	8,000	8,000	8,000
TOTAL ENTERPRISE FUND CURRENT OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	41,000	41,000	41,000	41,000	41,000
Materials & Equipment	13,600	13,600	13,600	13,600	13,600
Other Operating Costs					
Total Operating Costs	54,600	54,600	54,600	54,600	54,600

CITY OF HEATH

COMPLETED FY 2009-2010 CAPITAL IMPROVEMENTS PROGRAM INFORMATION

PROJECT NAME: Terry Park					
PROJECT NUMBER: P01					
Description: Planning, design, and construction of boat ramp, parking facility, and accessories.					
Justification: Underutilized park due to lack of facilities. The City has obtained a Texas Parks and Wild Life grant to assist in design and construction.					
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount	Project to Date	
2007 Bond	Park & Rec	General CIP	\$ 540,906	\$	1,589,988.70
2007 Bond		Utility CIP	\$ -		
Dev Cont		General	\$ 230,000		
General		General	\$ 245,000		
Grant		General	\$ 500,000		
Park Donations		General	\$ 30,094		
Developer's Agreement payable upon sale of lots or 3 years		General	\$ 54,000		
			<u>\$ 1,600,000</u>		
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	10,000	10,000	10,000	10,000	10,000
Materials & Equipment	6,000	6,000	6,000	6,000	6,000
Other Operating Costs					
Total Operating Costs	16,000	16,000	16,000	16,000	16,000

PROJECT NAME: Pavement Transition					
PROJECT NUMBER: S10					
Description: Transition pavement at Rabbit Ridge and Heathland Crossing. (Gregg County: labor and materials)					
Justification: Provide all-weather road for existing homes.					
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount	Project to Date	
2007 Bond	Streets	General CIP	\$ 42,000	\$	42,000.00
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	1,000	1,000	1,000	1,000	1,000
Materials & Equipment					
Other Operating Costs					
Total Operating Costs	1,000	1,000	1,000	1,000	1,000

CITY OF HEATH

COMPLETED FY 2009-2010 CAPITAL IMPROVEMENTS PROGRAM INFORMATION

PROJECT NAME: Key Drive					
PROJECT NUMBER: S12					
Description: Remove existing failed asphalt pavement, stabilize base with cement, and reinstall asphalt top course.					
Justification: Required street improvement.					
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount	Project to Date	
2007 Bond	Streets	General CIP	\$ 49,900	\$	49,900.00
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	1,000	1,000	1,000	1,000	1,000
Materials & Equipment					
Other Operating Costs					
Total Operating Costs	1,000	1,000	1,000	1,000	1,000

PROJECT NAME: Cove Ridge Lift Station					
PROJECT NUMBER: W06					
Description: Replacement of Cove Ridge Lift Station.					
Justification: Malfunctions warrant replacement of the facility.					
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount	Project to Date	
2007 Bond	Wastewater	Utility CIP	\$ 350,000	\$	335,263.56
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	1,000	1,000	1,000	1,000	1,000
Materials & Equipment					
Other Operating Costs					
Total Operating Costs	1,000	1,000	1,000	1,000	1,000

CITY OF HEATH

COMPLETED FY 2009-2010 CAPITAL IMPROVEMENTS PROGRAM INFORMATION

PROJECT NAME: 18" Water Line (Phase II)					
PROJECT NUMBER: W09					
Description: Partial funding to complete loop around McDonald, King, and Stevens.					
Justification: Due to increased development, water demand has risen.					
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount	Project to Date	
2007 Bond	Water	Utility CIP	\$ 300,000	\$	295,187.96
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	4,000	4,000	4,000	4,000	4,000
Materials & Equipment					
Other Operating Costs					
Total Operating Costs	4,000	4,000	4,000	4,000	4,000

PROJECT NAME: White Road Extension					
PROJECT NUMBER: S05					
Description: Widen White Rd from existing 2 lanes to 38 ft wide concrete road with sidewalks and landscaping , a distance of 2400 ft.					
Justification: As Heath Crossing subdivision develops, this widening becomes more critical with increase of traffic attempting to reach I-30.					
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount	Project to Date	
2007 Bond	Streets	General CIP	\$ 1,299,003	\$	1,120,733.29
2007 Bond		Utility CIP	\$ 11,100		
Roadway Impact Fee		General	\$ 332,031		
Damage Reimbursement		General	\$ 24,676		
			<u>\$ 1,666,810</u>		
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	6,000	6,000	6,000	6,000	6,000
Materials & Equipment	4,000	4,000	4,000	4,000	4,000
Other Operating Costs					
Total Operating Costs	10,000	10,000	10,000	10,000	10,000

CITY OF HEATH

COMPLETED FY 2009-2010 CAPITAL IMPROVEMENTS PROGRAM INFORMATION

PRIOR YEAR CIP COMPLETED PROJECTS

PROJECT NAME:	Operation Center	\$	42,647.05
PROJECT NUMBER:	C01 Completed 2008		
PROJECT NAME:	City Hall Remodel	\$	98,340.28
PROJECT NUMBER:	C02 Completed 2008		
PROJECT NAME:	Terry Lane Culvert	\$	692,497.36
PROJECT NUMBER:	S01 Completed 2008		
PROJECT NAME:	Cuny Blvd	\$	803,691.99
PROJECT NUMBER:	S02 Completed 2009		
PROJECT NAME:	Yankee Creek/ McDonald Road	\$	349,699.75
PROJECT NUMBER:	S07 Completed 2008		
PROJECT NAME:	18" Water Line (Phase I)	\$	342,936.80
PROJECT NUMBER:	W01 Completed 2009		
PROJECT NAME:	Southside Sewer System	\$	50,624.22
PROJECT NUMBER:	W08		
PROJECT NAME:	Comprehensive Plan	\$	92,270.67
PROJECT NUMBER:	None Completed 2008		
PROJECT NAME:	Cove Ridge Road	\$	393,618.01
PROJECT NUMBER:	S08 Completed 2009		
PROJECT NAME:	Rush Creek	\$	496,853.68
PROJECT NUMBER:	S03 Completed 2009		
PROJECT NAME:	Shepherd's Glen Lift Station	\$	411,732.68
PROJECT NUMBER:	W03 Completed 2009		
PRIOR YEAR TOTAL		\$	3,774,912.49
CURRENT YEAR TOTAL		\$	3,433,073.51
GRAND TOTAL		\$	7,207,986.00

CITY OF HEATH

FUTURE CAPITAL IMPROVEMENTS PROGRAM INFORMATION

PROJECT NAME: Land Purchase
PROJECT NUMBER: Water TBA

Description: I-30/Hwy 205 pump station site.

Justification: Pump station required to service Heath population.

FINANCIAL INFORMATION				
Source	Project Type	Fund	Amount	Project to Date
2007 Bond	Water	Utility CIP	\$ 6,729	
Interest			\$ 33,271	
			<u>\$ 40,000</u>	

OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance					
Materials & Equipment					
Other Operating Costs					
Total Operating Costs					

PROJECT NAME: Southside Lift Station Upgrade
PROJECT NUMBER: Wastewater TBA

Description: Upgrade Southside Lift Station.

Justification: Improve efficiencies of the wastewater system.

FINANCIAL INFORMATION				
Source	Project Type	Fund	Amount	Project to Date
Unfunded	Wastewater	Utility CIP	\$ -	\$ -

OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance	1,000	1,000	1,000	1,000	1,000
Materials & Equipment					
Other Operating Costs					
Total Operating Costs	1,000	1,000	1,000	1,000	1,000

PROJECT NAME: 12" Water Line
PROJECT NUMBER: Water TBA

Description: Extend 3,800 feet of 12" water line along White Road from Heath Crossing to Buffalo Creek Estates.

Justification: As Heath Crossing subdivision develops to the North, demand for domestic usage and fire protection increases.

FINANCIAL INFORMATION				
Source	Project Type	Fund	Amount	Project to Date
Unfunded	Water		Unfunded	

CITY OF HEATH

FUTURE CAPITAL IMPROVEMENTS PROGRAM INFORMATION

PROJECT NAME: 18" Water Line
PROJECT NUMBER: Water TBA

Description: Extend 2,000 feet of 18" water line from FM 3097 along FM 549 to upgrade the existing line.

Justification: Increase in demand for domestic and fire protection as a result of annexed areas to the East.

FINANCIAL INFORMATION				
Source	Project Type	Fund	Amount	Project to Date
Unfunded	Water		Unfunded	

PROJECT NAME: 3,000,000 gallon Ground Storage Tank
PROJECT NUMBER: Water TBA

Description: Construct 3M gallon Ground Storage Tank.

Justification: Improve efficiencies of the water system.

FINANCIAL INFORMATION				
Source	Project Type	Fund	Amount	Project to Date
Unfunded	Water		≈ \$5,000,000	

PROJECT NAME: Infiltration/Inflow Study
PROJECT NUMBER: Wastewater TBA

Description: Inspect system and identify areas subject to infiltration/inflow.

Justification: Reduction of infiltration/inflow results in lower consumption fees charged by NTMWD.

FINANCIAL INFORMATION				
Source	Project Type	Fund	Amount	Project to Date
Unfunded	Wastewater		≈ \$50,000	

PROJECT NAME: Infiltration/Inflow (I/I) Rehabilitation
PROJECT NUMBER: Wastewater TBA

Description: Rehabilitate 25,000 feet of clay pipes and infrastructure located in Club Estates, Shepherd's Glen, Loch Braeland, and Windward Slope.

Justification: Reduction of infiltration/inflow results in lower consumption fees charged by NTMWD.

FINANCIAL INFORMATION				
Source	Project Type	Fund	Amount	Project to Date
Unfunded	Wastewater		≈ \$5,000,000	

CITY OF HEATH

FY 2010-2011 CAPITAL EQUIPMENT NEEDS INFORMATION

EQUIPMENT: Patrol Vehicle					
DEPARTMENT: Department of Public Safety					
Description:	Necessary vehicle replacement of 2 patrol cars.				
Justification:	Vehicle Replacement Program				
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount		
General 509-532	DPS	General	\$ 54,000		
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Auto Repair & Maintenance	1,000	1,000	1,000	1,500	1,500
Gas, Oil & Fuel	3,300	3,300	3,300	3,300	3,300
Other Operating Costs					
Total Operating Costs	4,300	4,300	4,300	4,800	4,800

EQUIPMENT: Patrol Vehicle Equipment					
DEPARTMENT: Department of Public Safety					
Description:	Standard Equipment for 2 patrol cars.				
Justification:	Vehicle Replacement Program				
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount		
General 509-511	DPS	General	\$ 40,000		
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance		750	750	750	750
Materials & Equipment		750	750	750	750
Other Operating Costs					
Total Operating Costs	0	1,500	1,500	1,500	1,500

EQUIPMENT: Fire Truck					
DEPARTMENT: Department of Public Safety					
Description:	Necessary vehicle replacement.				
Justification:	Vehicle Replacement Program				
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount		
Capital Lease	DPS	Debt Service	\$ 200,000		
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Auto Repair & Maintenance	1,000	1,000	3,000	1,500	1,500
Gas, Oil & Fuel	3,300	3,300	3,300	3,300	3,300
Other Operating Costs					
Total Operating Costs	4,300	4,300	6,300	4,800	4,800

CITY OF HEATH

FY 2010-2011 CAPITAL EQUIPMENT NEEDS INFORMATION

EQUIPMENT: Fire Truck Equipment					
DEPARTMENT: Department of Public Safety					
Description:	Standard equipment for fire truck.				
Justification:	Vehicle Replacement Program				
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount		
Capital Lease	DPS	Debt Service	\$ 80,000		
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance		750	750	750	750
Materials & Equipment		750	750	750	750
Other Operating Costs					
Total Operating Costs	0	1,500	1,500	1,500	1,500

EQUIPMENT: Rescue/Brush Squad					
DEPARTMENT: Department of Public Safety					
Description:	Necessary vehicle replacement (S-1 Replacement),				
Justification:	Vehicle Replacement Program				
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount		
Capital Lease	DPS	Debt Service	\$ 175,000		
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Auto Repair & Maintenance	1,000	1,000	3,000	1,500	1,500
Gas, Oil & Fuel	3,300	3,300	3,300	3,300	3,300
Other Operating Costs					
Total Operating Costs	4,300	4,300	6,300	4,800	4,800

EQUIPMENT: Rescue/Brush Squad Equipment					
DEPARTMENT: Department of Public Safety					
Description:	Standard equipment for fire truck.				
Justification:	Vehicle Replacement Program				
FINANCIAL INFORMATION					
Source	Project Type	Fund	Amount		
Capital Lease	DPS	Debt Service	\$ 80,000		
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance		750	750	750	750
Materials & Equipment		750	750	750	750
Other Operating Costs					
Total Operating Costs	0	1,500	1,500	1,500	1,500

CITY OF HEATH

FY 2010-2011 CAPITAL EQUIPMENT NEEDS INFORMATION

EQUIPMENT: 3/4 Ton Crew Cab					
DEPARTMENT: Park					
Description: Necessary vehicle replacement.					
Justification: Vehicle Replacement Program					
FINANCIAL INFORMATION					
Source		Project Type	Fund	Amount	
General 504-532		Parks	General	\$ 30,000	
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Auto Repair & Maintenance	600	600	600	1,000	1,000
Gas, Oil & Fuel	1,500	1,500	1,500	1,500	1,500
Other Operating Costs					
Total Operating Costs	2,100	2,100	2,100	2,500	2,500

EQUIPMENT: 1/2 Ton Extended Cab					
DEPARTMENT: Park					
Description: Necessary vehicle replacement.					
Justification: Vehicle Replacement Program					
FINANCIAL INFORMATION					
Source		Project Type	Fund	Amount	
General 504-532		Parks	General	\$ 20,000	
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Auto Repair & Maintenance	600	600	600	1,000	1,000
Gas, Oil & Fuel	1,500	1,500	1,500	1,500	1,500
Other Operating Costs					
Total Operating Costs	2,100	2,100	2,100	2,500	2,500

TOTAL OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance		2,250	2,250	2,250	2,250
Materials & Equipment		2,250	2,250	2,250	2,250
Auto Repair & Maintenance	4,200	4,200	8,200	6,500	6,500
Gas, Oil & Fuel	12,900	12,900	12,900	12,900	12,900
Other Operating Costs					
Total Operating Costs	17,100	21,600	25,600	23,900	23,900

CITY OF HEATH

FY 2012-2015 CAPITAL EQUIPMENT NEEDS INFORMATION

EQUIPMENT: Patrol Vehicle					
DEPARTMENT: Department of Public Safety					
Description: 10 Vehicles needed to replace current fleet.					
Justification: Vehicle Replacement Program					
FINANCIAL INFORMATION					
Source		Project Type	Fund	Amount	
Unfunded		DPS		\$ 278,000	
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Auto Repair & Maintenance		2,000	2,000	3,000	3,000
Gas, Oil & Fuel		3,200	3,200	4,800	4,800
Other Operating Costs					
Total Operating Costs	0	5,200	5,200	7,800	7,800

EQUIPMENT: Patrol Vehicle Equipment					
DEPARTMENT: Department of Public Safety					
Description: 10 Sets of Standard Equipment for patrol fleet.					
Justification: Vehicle Replacement Program					
FINANCIAL INFORMATION					
Source		Project Type	Fund	Amount	
Unfunded		DPS		\$ 200,000	
OPERATING IMPACT					
Annual Operating Costs	2011	2012	2013	2014	2015
Additional Personnel (FTEs)					
Maintenance		1,410	1,410	2,250	2,250
Materials & Equipment		1,410	1,410	2,250	2,250
Other Operating Costs					
Total Operating Costs	0	2,820	2,820	4,500	4,500



CITY OF HEATH

PERSONNEL SUMMARY

Personnel allocations occur between the General Fund and the Utility Fund according to job requirements. All personnel performing tasks for both the general fund and the business-type activities are allocated accordingly.

General fund staffing levels for Fiscal Year 2011 changed in the engineering department. One full-time position was eliminated; while one part-time office assistant position was added. The responsibilities of the Building Code Inspector/Code Enforcement were redistributed to engineering personnel.

Budgeted spending in General and Utility Fund reflect 6 month probationary increases for applicable positions.

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2010-2011

PERSONNEL SUMMARY BY DEPARTMENT												
GENERAL FUND												
<i>Department</i>	<i>Adopted Budget FY 2008</i>			<i>Adopted Budget FY 2009</i>			<i>Approved Budget FY 2010</i>			<i>Approved Budget FY 2011</i>		
	<i>FT</i>	<i>PT</i>	<i>Seas</i>	<i>FT</i>	<i>PT</i>	<i>Seas</i>	<i>FT</i>	<i>PT</i>	<i>Seas</i>	<i>FT</i>	<i>PT</i>	<i>Seas</i>
City Manager	2	-	-	2	-	-	1.5	-	-	1.5	-	-
City Secretary	1	-	-	1	-	-	1	-	-	1	-	-
Finance	3	0.5	-	2.5	1	-	2	0.5	-	2	0.5	-
Municipal Court	1	-	-	1	-	-	1	-	-	1	-	-
Streets	1.7	-	-	1.7	-	-	1.7	-	-	1.7	-	-
Parks	1	-	-	1	-	-	1	-	-	1	-	-
Engineering	4.5	-	-	4.5	-	-	4.5	-	-	3.5	0.5	-
Public Safety	19	-	-	20	-	-	18	-	-	18	-	-
Non-Divisional	-	-	1	-	-	1	-	-	0.5	-	-	0.5
Total General Fund	33	0.5	1	34	1	1	31	0.5	0.5	30	1	0.5

PERSONNEL SUMMARY BY DEPARTMENT												
UTILITY FUND												
<i>Department</i>	<i>Adopted Budget FY 2008</i>			<i>Adopted Budget FY 2009</i>			<i>Approved Budget FY 2010</i>			<i>Approved Budget FY 2011</i>		
	<i>FT</i>	<i>PT</i>	<i>Seas</i>	<i>FT</i>	<i>PT</i>	<i>Seas</i>	<i>FT</i>	<i>PT</i>	<i>Seas</i>	<i>FT</i>	<i>PT</i>	<i>Seas</i>
Water	1.7	1	-	1.7	1	-	1.7	0.5	-	1.7	0.5	-
Wastewater	1.7	-	-	1.7	-	-	1.7	-	-	1.7	-	-
Utility Admin	3	-	-	3	-	-	2.5	0.5	-	2.5	0.5	-
Customer Service	2.5	0.5	-	2	1	-	1.5	0.5	-	1.5	0.5	-
Non-Divisional	-	-	1	-	-	1	-	-	0.5	-	-	0.5
Total Utility Fund	9	1.5	1	8	2	1	7	1.5	0.5	7	1.5	0.5

CITY TOTAL	42.0	2.0	2.0	42.0	3.0	2.0	38.0	2.0	1.0	37.0	2.5	1.0
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CITY OF HEATH
Annual Operating Budget
Fiscal Year 2009-2010

PERSONNEL SUMMARY DETAIL FY 2011

Position	General Fund			General Non-Divisional			Utility			Utility Non-Divisional			TOTAL
	FT	PT	Seas	FT	PT	Seas	FT	PT	Seas	FT	PT	Seas	
City Manager													
<i>Full-time</i>													
City Manager	0.50	-	-	-	-	-	0.50	-	-	-	-	-	1.00
Assistant City Manager	0.50	-	-	-	-	-	0.50	-	-	-	-	-	1.00
Executive Assistant	0.50	-	-	-	-	-	0.50	-	-	-	-	-	1.00
<i>Part-time</i>													
Admin. Project Coordinator	-	-	-	-	-	-	-	0.50	-	-	-	-	0.50
City Secretary													
<i>Full-time</i>													
City Secretary	1.00	-	-	-	-	-	-	-	-	-	-	-	1.00
Finance													
<i>Full-time</i>													
Finance Director	0.50	-	-	-	-	-	0.50	-	-	-	-	-	1.00
Chief Accountant	0.50	-	-	-	-	-	0.50	-	-	-	-	-	1.00
Accountant	0.50	-	-	-	-	-	0.50	-	-	-	-	-	1.00
Purchasing Agent	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Service Lead	0.50	-	-	-	-	-	0.50	-	-	-	-	-	1.00
<i>Part-time</i>													
AP Clerk	-	0.25	-	-	-	-	-	0.25	-	-	-	-	0.50
Customer Service Representative	-	0.25	-	-	-	-	-	0.25	-	-	-	-	0.50
Municipal Court													
<i>Full-time</i>													
Municipal Court Clerk	1.00	-	-	-	-	-	-	-	-	-	-	-	1.00
Streets/Water/Wastewater													
<i>Full-time</i>													
Operations Mnger/Engineering Insp	0.33	-	-	-	-	-	0.66	-	-	-	-	-	1.00
Public Works Utility Supervisor	0.33	-	-	-	-	-	0.66	-	-	-	-	-	1.00
Parks and Building Maint. Supervisor	0.33	-	-	-	-	-	0.66	-	-	-	-	-	1.00
Utilities Maint. Worker	0.33	-	-	-	-	-	0.66	-	-	-	-	-	1.00
Utilities Maint. Worker	0.33	-	-	-	-	-	0.66	-	-	-	-	-	1.00
<i>Part-time</i>													
Meter Reader	-	-	-	-	-	-	-	0.50	-	-	-	-	0.50
Parks													
<i>Full-time</i>													
Parks Maint. Worker	1.00	-	-	-	-	-	-	-	-	-	-	-	1.00

CITY OF HEATH
Annual Operating Budget
Fiscal Year 2009-2010

PERSONNEL SUMMARY DETAIL FY 2011

Position	General Fund			General Non-Divisional			Utility			Utility Non-Divisional			TOTAL
	FT	PT	Seas	FT	PT	Seas	FT	PT	Seas	FT	PT	Seas	
<u>Engineering</u>													
<i>Full-time</i>													
City Engineer/Director of PW	0.50	-	-	-	-	-	0.50	-	-	-	-	-	1.00
Admin. Assist./ PW Program Coord.	1.00	-	-	-	-	-	-	-	-	-	-	-	1.00
Building Official	1.00	-	-	-	-	-	-	-	-	-	-	-	1.00
Planning/Neighborhood Srvc. Coord.	1.00	-	-	-	-	-	-	-	-	-	-	-	1.00
Bldg. Code Inspec./Code Enforcement	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Part-time</i>													
Office Assistant	-	0.50	-	-	-	-	-	-	-	-	-	-	0.50
<u>Public Safety</u>													
<i>Full-time</i>													
Director of Public Safety	1.00	-	-	-	-	-	-	-	-	-	-	-	1.00
Public Safety Sergeant	3.00	-	-	-	-	-	-	-	-	-	-	-	3.00
Detective/Sergeant	1.00	-	-	-	-	-	-	-	-	-	-	-	1.00
Administrative Assistant	1.00	-	-	-	-	-	-	-	-	-	-	-	1.00
Public Safety Officer	8.00	-	-	-	-	-	-	-	-	-	-	-	8.00
School Resource Officer	3.00	-	-	-	-	-	-	-	-	-	-	-	3.00
Community Resource Officer	1.00	-	-	-	-	-	-	-	-	-	-	-	1.00
<u>Non-Divisional</u>													
<i>Seasonal</i>													
Intern	-	-	-	-	-	0.50	-	-	-	-	-	0.50	1.00
Total Employees	29.65	1.00	-	-	-	0.50	7.30	1.50	-	-	-	0.50	40.50



CITY OF HEALTH

**SUPPLEMENTAL
INFORMATION**

U.S. NEWS HEADLINES

Tuesday, April 13, 2010

Panel Decides It's Too Soon to Pinpoint Recession's End

by Sudeep Reddy

The National Bureau of Economic Research's Business Cycle Dating Committee decided against setting an end date for the recession. Most of its members believe the downturn ended in mid-2009. But some worry that continued unemployment will drag down the economy.

Tuesday, May 18, 2010

Deflation Threat Likely to Keep Cap on Rates

by Kelly Evans

The U.S. economy may be on the mend, but the specter of deflation remains....This all is likely to reinforce the views of Fed members who still consider deflation a greater threat than inflation, and keep the central bank's interest-rate policy on hold for the remainder of the year. And until European worries pass, the Treasury market is unlikely to challenge that thinking.

WALL STREET JOURNAL

Tuesday, June 29, 2010

Yields Falling as Fears Rise Over Outlook

by Peter A. McKay and Matt Phillips

Many analysts and traders came into 2010 betting that interest rates would rise - and the value of Treasuries would drop - as the economy gained pace and fanned inflation. But expectations for higher interest rates have been pushed further and further into the future.

Tuesday, September 21, 2010

Slump Over, Pain Persists

Bureau Calls End to Recession, Longest since 1930s; Job Recovery Still Slow

by Sarah Murray

It's official: The 2007-2009 recession, which wiped out 7.3 million jobs, cut 4.1% from economic output and cost Americans 21% of their net worth, marked the longest slump since the Great Depression. The end of the recession occurred in June 2009, 18 months after the economy began sliding into a downturn December 2007. But while the declaration marks a milestone, the economy still faces stubbornly slow growth and thus persistently high joblessness.

CITY OF HEATH

COMMUNITY PROFILE



... a premier residential community located along the shores of Lake Ray Hubbard in Rockwall and Kaufman Counties.

Heath is a community of more than 7,400 residents. The City of Heath is committed to preserving a special way of life where rolling hills and the sparkling lake provide a serene backdrop for beautiful neighborhoods and distinctive homes.

While this pastoral setting offers a sense of being removed from the bustle of city life, residents enjoy spectacular views of the Dallas skyline and easy access to the business, cultural and entertainment amenities of the Metroplex.

Heath's growing trail system and two municipal parks, including one along the lake, contribute to an enjoyable lifestyle. First-class recreational opportunities are also offered by Rush Creek Yacht Club, home to Olympic Gold Medalist sailors, and the award-winning Buffalo Creek Golf and Country Club.

Exemplary schools include the state-of-the-art Rockwall-Heath High School. The City welcomes the advent of low-impact businesses to provide goods, services and entertainment to its growing population.

CITY OF HEATH

HOMETOWN EVENTS

The City of Heath hosts 3 annual events that celebrate the history, heritage and spirit of the community.

The fun begins bright and early every 4th of July at the City of Heath's Annual Independence Day Parade. Staging for the parade is at 8 a.m., judging and awards are at 8:30 a.m., and the parade begins at 9 a.m. at Amy Parks-Heath Elementary School at 330 Laurence Drive.



Annual Independence Day Parade, July 3

Any individual, family, neighborhood, business or organization is welcome to participate in the City of Heath parade. A Best Decorated Award is presented in several categories including: Float; Bicycle; Wagon/Stroller; Golf Cart; Off-Road Vehicle; and Antique Car. There are also awards for Best Costume; Most Patriotic Pet; and the Mayor's Award.

Heart of Heath 5k Run/Walk, April



Established in 1994 by a group of dedicated volunteers, the Heart of Heath 5k Run Walk was presented eight consecutive years with proceeds going towards the construction of the Towne Center Park, located behind Heath City Hall.

After a four-year hiatus, the City of Heath Special Events Board picked up the race baton in 2007 to continue the success story of the Heart of Heath. Proceeds from the event benefit the Heath Trail System.

Come welcome the holiday season with your friends and neighbors at the Heath Holiday in the Park, presented by the Special Events Board the first Friday in December at 7 p.m. at the Towne Center Park Pavilion located behind City Hall.



Annual Holiday in the Park, December

This cherished community tradition will feature all of the season's favorites including the Tree Lighting, Santa Claus, and performances by choirs from Amy Parks-Heath and Dorothy Smith Pullen Elementary Schools. After strolling along the beautiful lighted vignettes in the park, warm up inside the Community Room with free cocoa, wassail and cookies.

Be sure to bring your camera to capture your children enjoying their visit with Santa and a ride on the charming miniature train.

CITY OF HEATH HISTORY



In 1840, the Texas Congress ordered a central government road to be built from Austin to the mouth of the Kiamichi Creek at its intersection with the Red River. This road crossed the East fork of the Trinity River in the Black Hills.

The Black Hills was named for the rich, black soil. The black soil provided abundant crops for settlers, immigrants and wild game and home to wild turkeys, deer, geese, ducks and buffalo. The Black Hills also provided plentiful timberland and water. Willow trees were so abundant around the natural water sources that location became known as Willow Springs.

Darr Estates was the stomping ground for free roaming buffalo. Each day at sundown, buffalo would migrate through what is now Darr Estates. Children were summoned inside to the safety of their homes by a ringing bell when the buffalo were on the move.

The late 1800's was a period of steady growth for the Black Hills. Rockwall County assumed the operation of Barnes Bridge (bridge which crossed the East fork of the Trinity at the Black Hills allowing transportation into Dallas County). Businesses located in town. Two schools were established; one in the north on the Pinion farm; one south near the Baptist Church. The two schools were created not from merely growth but due to a quarrel between individuals in the north and south area.

During the 1870's to 1880's, Texas was evolving from an independent territory to a state. Counties were divided and re-divided. The Black Hills was originally zoned in Henderson County, then Nacogdoches County, next Kaufman County. In 1873, a petition was granted situating the Black Hills within the boundaries of the smallest county in Texas. In 1880, the first post office was established for the farming community, by then, commonly referred to as Heath.

In 1902, Heath Independent School District was formed. A new school was constructed on the site of the current Heath City Hall complex.

In 1916, the town of Heath was devastated by fire; the first of three fires that destroyed businesses and slowed the steady growth earlier experienced. The growth was further impacted by the change in livelihood. The once booming farm town no longer provided revenue sufficient to support a family with a small farm; only large farms were profitable. After the 1920's, a decline in population was realized when work began to be sought in the bigger surrounding cities such as Dallas.

In 1949, the town population was 200. Heath school made the decision to close and merged with the Rockwall Independent School District.

The town of Heath was incorporated in October 12, 1959. In 1969, Lake Ray Hubbard became a reality and the City of Heath realized first revenue. One hundred dollars (\$100) was generated by a franchise with Texas Power and Light. By 1970, population had grown to 520 stemming from home construction. Newcomers were (and still are) attracted to the openness of rural living and proximity to Lake Ray Hubbard. Population estimates have blossomed to 7,400.

Heath: A place to call home for a lifetime.

CITY OF HEATH
STATISTICAL DATA

Date of Incorporation	October 12, 1959
Date of City Charter Adoption	September 14, 2002
Form of Government	Home Rule City
Population	7,400
Area-square miles	16
City Limits	10
ETJ	6
Building Permits:	
Permits issued (fiscal year)	524
Building Inspections Conducted	721
Value (fiscal year)	\$26,732,275
City Employees:	
Full-time	38
Part-time	1.5
Seasonal	1
Department of Public Safety:	
Number of Employees	18
Number of Volunteers	2
Recreation:	
Parks (number of acres)	94
Developed	41
Undeveloped potential	53
Municipal Water System:	
Number of customers	1,862
Average consumption (gallons)	20
Water Mains (miles)	52
Fire Hydrants	220
Municipal Sewer System:	
Number of customers	1,849
Sanitary Sewers (miles)	62
Storm Sewers (miles)	14

Source: City of Heath Referenced Department

FORM OF GOVERNANCE

The City Council is comprised of a Mayor and six Council members, elected at large. Each serves a two-year term. No term limits imposed. The City Council elects one of its members as Mayor Pro Tem for a one-year term.

Each candidate for election to the office of Mayor or City Council shall be a qualified voter of the City, shall not be less than twenty-one years old, shall have resided in the City not less than twelve months immediately preceding Election Day and shall meet the requirements of the Texas Election Code. Each Council Member and the Mayor must continually reside within the City during the term of office.

<i>Name</i>	<i>Term Election</i>
John Ratcliffe, Mayor	May 2010
Lorne Liechty, Mayor Pro Tem	May 2010
Robert Hille, Place 1	July 2009
Karen Lewis, Place 2	May 2009
Julie Zurek, Place 3	May 2010
Steve McKimmey, Place 4	May 2009
Rich Krause, Place 6	May 2009

The City Council holds regular meetings on the first and third Tuesday of each month at City Hall.

Regular meetings are held at 7:30 p.m. on the first and third Tuesday of each month unless otherwise ordered by the City Council. Special meetings may be called by the City Secretary. Notice of any regular or special meetings shall state the subject to be considered at the meeting. All official meetings of the City Council and all committees thereof shall be open to the public as provided by State law. A quorum shall consist of four City Council Members.

CITY OF HEATH
STATISTICAL DATA

DEMOGRAPHIC AND ECONOMIC STATISTICS

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Population	4,149	4,130	5,141	5,200	5,350	5,650	6,177	6,350	6,875	7,150
Personal Income (in 000's)	\$211,802	\$221,042	\$262,443	\$265,455	\$273,112	\$288,427	\$315,330	\$324,161	\$350,962	\$365,000
Per Capita Personal Income	\$ 51,049	\$ 51,049	\$ 51,049	\$ 51,049	\$ 51,049	\$ 51,049	\$ 51,049	\$ 51,049	\$ 51,049	\$ 51,049
Median Age	39.3	39.3	39.3	39.3	39.3	39.3	39.3	39.3	39.3	39.3
Education Level in years of schooling	12.0	12.3	12.3	12.3	12.3	12.3	12.5	12.5	12.7	12.7
School Enrollment	1,683	1,802	1,963	1,985	2,117	2,083	3,116	3,696	4,163	4,271
Unemployment	3.0%	4.1%	5.7%	5.9%	5.3%	3.8%	4.5%	0.4%	0.4%	4.8%

Sources: State Department of Planning: Population, median age, and education level information.

State Department of Commerce and Labor: Personal income and unemployment data

Rockwall Independent School District: School enrollment data.

**CITY OF HEATH
STATISTICAL DATA
PRINCIPAL EMPLOYERS**

2009

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Rockwall Independent School District	1,667	1	9.76%
Texas Star Express	484	2	2.83%
Wal-Mart Superstore	450	3	2.63%
Presbyterian Hospital	419	4	2.45%
City of Rockwall	256	5	1.50%
County of Rockwall	253	6	1.48%
Special Products & Manufacturing	205	7	1.20%
Target	200	8	1.17%
Rockwall Nursing Home	160	9	0.94%
Kohl's Department Store	140	10	0.82%
Subtotal	<u>4,234</u>		<u>24.79%</u>
Remaining employees	<u>12,847</u>		
	<u>17,081</u>		

Source: City of Rockwall CAFR FY 2009

Note: Data provided is for Rockwall County as of December 2009.

The City of Heath is a bedroom community with a small business base.

**CITY OF HEATH
STATISTICAL DATA
PRINCIPAL TAXPAYERS**

<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Whittle Development Inc	\$ 5,816,510	1	0.53%
Rainier Baylor Medical	5,712,920	2	0.52%
Oncor Electric Delivery Co	5,509,430	3	0.51%
B C Golf Ltd	4,000,000	4	0.37%
TR Heath Partners Ltd	3,737,440	5	0.34%
Pittman, Clinton Ray	2,669,360	6	0.25%
Paolucci, Raymond J. and Susan M.	2,576,461	7	0.24%
Kirwan, David & Patricia	2,576,430	8	0.24%
Corona Resources Ltd	2,459,250	9	0.23%
Whittle Development Inc	<u>2,402,660</u>	10	0.22%
	<u>\$ 37,460,461</u>		<u>3.44%</u>

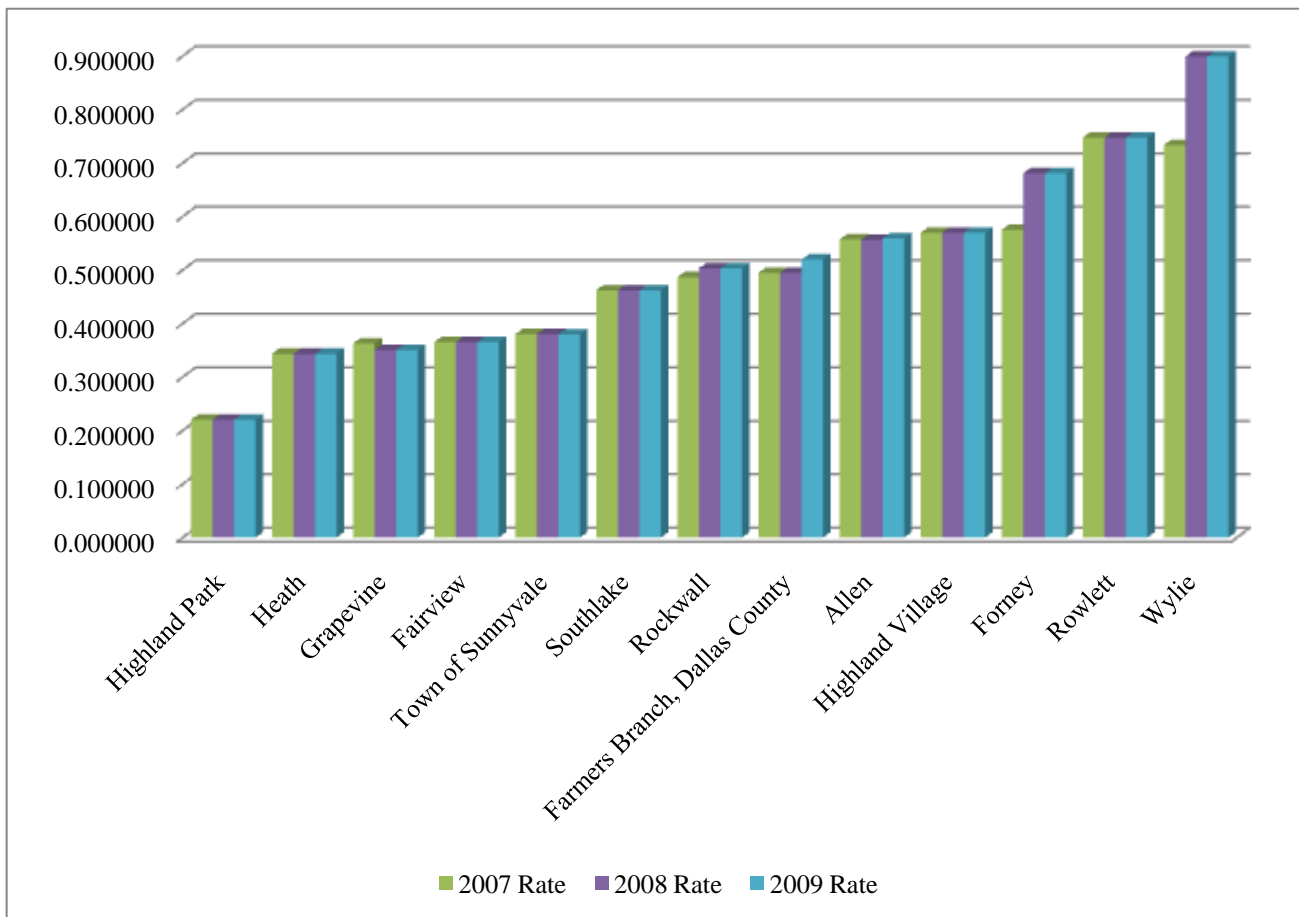
Source: Rockwall County Appraisal District

CITY OF HEATH

STATISTICAL DATA

PROPERTY TAX COMPARISON

	2005 Rate	2006 Rate	2007 Rate	2008 Rate	2009 Rate
Highland Park	0.230000	0.225000	0.220000	0.220000	0.220000
Heath	0.343300	0.343300	0.343300	0.343300	0.343300
Grapevine	0.362500	0.362500	0.362500	0.350000	0.350000
Fairview	0.345000	0.345000	0.365000	0.365000	0.365000
Town of Sunnyvale	0.379970	0.379970	0.379970	0.379970	0.379620
Southlake	0.462000	0.462000	0.462000	0.462000	0.462000
Rockwall	NA	NA	0.486500	0.503100	0.503100
Farmers Branch, Dallas County	0.494500	0.494500	0.494500	0.494500	0.519500
Allen	0.559000	0.558000	0.557000	0.556000	0.559000
Highland Village	0.569630	0.569630	0.569630	0.569630	0.569630
Forney	0.494807	0.494801	0.575040	0.680535	0.680535
Rowlett	0.747173	0.747173	0.747173	0.747173	0.747173
Wylie	0.695000	0.706780	0.733250	0.898900	0.898900



**CITY OF HEATH
STATISTICAL DATA**

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Fiscal Year	City Direct Rates			Overlapping Rates			Total Direct & Overlapping Rate	
	M&O	I&S	Total Direct Rate	Rockwall Independent School District	Rockwall County	Kaufman County		Total Overlapping Rate
2001	0.2696	0.0737	0.3433	1.5785	0.3536	0.4645	2.3966	2.7399
2002	0.2718	0.0715	0.3433	1.8400	0.3534	0.4745	2.6679	3.0112
2003	0.2836	0.0597	0.3433	1.8372	0.3534	0.5556	2.7462	3.0895
2004	0.2911	0.0522	0.3433	1.8800	0.3534	0.5893	2.8227	3.1660
2005	0.2864	0.0569	0.3433	1.8800	0.3507	0.5427	2.7734	3.1167
2006	0.2728	0.0705	0.3433	1.8800	0.3507	0.5377	2.7684	3.1117
2007	0.2786	0.0647	0.3433	1.7100	0.3507	0.5622	2.6229	2.9662
2008	0.2786	0.0647	0.3433	1.4700	0.3500	0.5615	2.3815	2.7248
2009	0.2786	0.0647	0.3433	1.4700	0.3750	0.5565	2.4015	2.7448
2010	0.2786	0.0647	0.3433	1.4700	0.3750	0.5565	2.4015	2.7448

Source: Rockwall County Central Appraisal District

CITY OF HEATH
STATISTICAL DATA

GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Fees</u>	<u>Total</u>
1999	\$ 775,785.17	\$ 124,309.25	\$ 177,146.13	\$ 1,077,240.55
2000	\$ 876,279.61	\$ 162,209.10	\$ 174,333.26	\$ 1,212,821.97
2001	\$ 1,162,023.62	\$ 261,901.40	\$ 215,618.28	\$ 1,639,543.30
2002	\$ 1,361,762.59	\$ 150,569.95	\$ 259,566.64	\$ 1,771,899.18
2003	\$ 1,795,578.93	\$ 140,346.41	\$ 262,725.22	\$ 2,198,650.56
2004	\$ 1,988,760.91	\$ 223,761.23	\$ 277,491.41	\$ 2,490,013.55
2005	\$ 2,116,008.87	\$ 276,712.24	\$ 287,400.96	\$ 2,680,122.07
2006	\$ 2,177,592.89	\$ 325,737.61	\$ 472,135.61	\$ 2,975,466.11
2007	\$ 2,559,936.05	\$ 339,570.00	\$ 358,953.40	\$ 3,258,459.45
2008	\$ 2,856,251.83	\$ 365,801.05	\$ 412,220.50	\$ 3,634,273.38
2009	\$ 3,007,097.23	\$ 355,097.23	\$ 427,410.71	\$ 3,789,605.17
2010	\$ 3,103,964.60	\$ 367,599.67 *	\$ 425,365.98 *	\$ 3,896,930.25

* Final FY 2010 totals not available by compilation

Source: City of Heath Finance Department

**CITY OF HEATH
STATISTICAL DATA
ROCKWALL COUNTY**

Year	Real Property		Personal Property	Total Net Taxable Assessed Value	Total Direct Tax Rate	Property Count
	Residential	Commercial	Commercial			
1999	329,513,458	\$ 3,391,280	\$ 3,776,524	336,681,262	0.3433	2,439
2000	416,866,683	6,086,120	5,043,618	427,996,421	0.3433	2,505
2001	495,396,844	6,816,449	5,356,757	507,570,050	0.3433	2,638
2002	602,559,130	9,338,718	5,654,796	617,552,644	0.3433	2,833
2003	655,473,089	9,692,268	4,868,286	670,033,643	0.3433	2,882
2004	716,137,365	11,431,210	3,695,430	731,264,005	0.3433	2,975
2005	767,900,711	16,210,420	5,318,070	789,429,201	0.3433	3,001
2006	878,134,837	19,455,610	5,172,513	902,762,960	0.3433	3,252
2007	973,926,413	19,796,714	6,701,310	1,000,424,437	0.3433	3,346
2008	1,040,673,919	23,206,300	7,946,530	1,071,826,749	0.3433	3,510
2009	1,066,624,855	27,308,130	7,591,200	1,101,524,185	0.3433	3,553
2010	1,055,895,408	26,353,560	6,992,521	1,089,241,489	0.3433	3,562

Source: Rockwall Central Appraisal District

**CITY OF HEATH
STATISTICAL DATA**

CONSTRUCTION ACTIVITY AND PROPERTY VALUES

<u>Fiscal Year</u>	<u>COMMERCIAL CONSTRUCTION</u>		<u>RESIDENTIAL CONSTRUCTION</u>	
	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>
1999	1	\$ 600,000	129	\$ 35,968,032
2000	0	-	180	\$ 65,700,876
2001	3	\$ 1,880,000	138	\$ 57,589,599
2002	0	\$ -	112	\$ 40,443,237
2003	4	\$ 41,877,000	73	\$ 29,119,830
2004	1	\$ 828,678	95	\$ 44,541,992
2005	3	\$ 1,361,589	117	\$ 57,022,592
2006	1	\$ 5,345,987	147	\$ 76,805,003
2007	2	\$ 1,100,433	87	\$ 53,389,392
2008	6	\$ 25,593,828	42	\$ 23,227,836
2009	0	\$ -	23	\$ 9,545,111
2010	1	\$ 1,673,000	3	\$ 16,803,470

Source: City of Heath Public Works Department



CITY OF HEATH

GLOSSARY

GLOSSARY

ACCRUAL BASIS OF ACCOUNTING: A method of accounting in which revenues are recorded when measurable and earned, and expenses are recognized when a good or service is used.

AD VALOREM TAX: A tax levied on taxable property (land, improvements, and personal property) for the purpose of financing general operations of the City and debt service requirements.

AMR: Acronym for Automatic Meter Reading.

APPRAISED VALUE: The market value of real and personal property located in the City as of January 1 each year, as determined by the Rockwall County Appraisal District.

APPROPRIATION: The maximum level of spending for each fund and for each department as authorized annually by the City Council.

AWWA: Acronym for American Water Works Association.

BALANCED BUDGET: A budget in which current revenues equal current expenditures.

BOND: A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date in the future, called the maturity date, together with periodic interest at a specified rate.

BUDGET: A financial plan for a specified period of time (fiscal year) that matches all planned revenues and expenditures for various municipal services.

BUDGET BASIS: Budgets are adopted on a basis consistent with generally accepted accounting principles ("GAAP"). Governmental Funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Proprietary Funds use the accrual basis of accounting which recognizes revenues when earned and expenses when incurred. Annual operating budgets are adopted for all Governmental Funds except for the Capital Projects Fund in which effective budgetary control is achieved on a project-by-project basis when funding sources become available. All appropriations lapse at year-end, except those for the Capital Projects Fund. It is the intention of the City that appropriations for capital projects continue until completion of the project.

BUDGET CALENDAR: The schedule of key dates or milestones that a government follows in the preparation and adoption of a budget.

BUDGET MESSAGE: A general discussion of the submitted budget presented in writing by the City Manager as a part of the budget document.

CAPITAL OUTLAY: An expenditure which results in the acquisition of or addition to fixed assets, and meets these criteria: has an anticipated useful life or more than one year; can be permanently identified as an individual unit of property; belongs to one of the following categories: Land, Buildings, Structures & Improvements, Equipment; constitutes a tangible, permanent addition to the value of City assets; does not constitute repair or maintenance; and, is not readily susceptible to loss.

CAPITAL PROJECT: A specific and identifiable improvement or purpose for which expenditures are proposed within the capital budget or capital improvement program.

COMPONENT UNIT: Legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): Usually referred to by its abbreviation, this report summarizes financial data for the previous fiscal year in a standardized format. The CAFR is organized by fund and contains two basic types of information: (1) a balance sheet that compares assets with liabilities and fund balance and (2) an operating statement that compares revenues and expenditures.

CONTRACTUAL SERVICES: Services purchased by the City such as utility services, insurance, maintenance contracts, outside consulting.

COURT SECURITY FUND: A Special Revenue (Purpose) Fund created to raise resources to be used for the expenditures incurred for the Municipal Court security. A specific portion from every fine paid is segregated for these purposes.

DEBT SERVICE: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a predetermined payment schedule.

DEPARTMENT: A major administrative division of the City which indicates overall responsibility for an operation or a group of related operations within a functional area.

GLOSSARY

EFFECTIVE TAX RATE: A rate which generates the same amount of revenues from property which is taxed in both years.

ENCUMBRANCES: Obligations in the form of purchase orders and contracts which are chargeable to an appropriation and for which a part of the appropriation is reserved because the goods or services have not been received. When paid, the encumbrance is liquidated.

ENTERPRISE FUND: A fund established 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 that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The following are the current Enterprise Funds for the City: Utility, Sanitation.

EXEMPT/EXEMPTION: Amounts under state law that which are deducted from the appraised value of property for tax purposes. Tax rates are applied to the non-exempt portion of the appraised value to calculate the annual tax levy.

EXPENDITURE: Decreases in (use of) financial resources other than through interfund transfers. This term applies to all governmental type funds.

EXPENSE: A use of financial resources, denoted by its use in the enterprise funds, which is accounted for on a basis consistent with the private business accounting model (full accrual basis).

FISCAL YEAR: The time period designated by the City signifying the beginning and ending period for recording financial transactions. The City has specified October 1 to September 30 as its fiscal year.

FRANCHISE FEE: A fee paid by public service businesses for use of City streets, alleys, and property in providing their services to the citizens of a community. Services requiring franchises include electricity, telephone, natural gas, and cable television.

FUND: An accounting entity with a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues, and expenditures.

FUND BALANCE: The assets of a fund less liabilities, as determined at the end of each fiscal year. Any reservations of fund balance are deducted to result in an “unreserved fund balance.”

GAAP: Acronym for Generally Accepted Accounting Principles

GASB: Acronym for Governmental Accounting Standards Board

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES: Uniform minimum standards used by the state and local governments for financial recording and reporting; established by the accounting profession through the Governmental Accounting Standards Board (GASB).

GENERAL FUND: The largest fund within the City, the General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, park and recreation, public works, and general administration.

GENERAL OBLIGATION BONDS: Bonds that finance public projects such as streets, municipal facilities, and park improvements. The repayment of these bonds is made from property taxes, and these bonds are backed by the full faith and credit of the issuing government.

GFOA: Acronym for Government Finance Officers Association

G.O. BOND: Acronym for General Obligation Bond

GOVERNMENTAL ACCOUNTING STANDARDS BOARD: The body that sets accounting standards specifically for governmental entities at the state and local levels.

GOVERNMENTAL FUND: Fund generally used to account for tax-supported activities. Different types of governmental funds: the general fund, special revenue funds, debt service funds, capital project funds.

HEDC: Acronym for Heath Economic Development Corporation. A component unit.

HMBC: Acronym for Heath Municipal Benefit Corporation. A component unit.

I & I: Acronym for Inflow & Infiltration.

GLOSSARY

INFLOW: Inflow is storm water that enters into sanitary sewer systems at points of direct connection to the systems. Various sources contribute to the inflow, including footing/foundation drains, roof drains or leaders, downspouts, drains from window wells, outdoor basement stairwells, drains from driveways, groundwater/basement sump pumps, and even streams. These sources are typically improperly or illegally connected to sanitary sewer systems, via either direct connections or discharge into sinks or tubs that are directly connected to the sewer system. An improper connection lets water from sources other than sanitary fixtures and drains to enter the sanitary sewer system. That water should be entering the storm water sewer system or allowed to soak into the ground without entering the sanitary sewer system.

INFILTRATION: Infiltration is groundwater that enters sanitary sewer systems through cracks and/or leaks in the sanitary sewer pipes. Cracks or leaks in sanitary sewer pipes or manholes may be caused by age related deterioration, loose joints, poor design, installation or maintenance errors, damage or root infiltration. Groundwater can enter these cracks or leaks wherever sanitary sewer systems lie beneath water tables or the soil above the sewer systems becomes saturated. Often sewer pipes are installed beneath creeks or streams because they are the lowest point in the area and it is more expensive to install the pipe systems beneath a roadway. These sewer pipes are especially susceptible to infiltration when they crack or break and have been known to drain entire streams into sanitary sewer systems. Average sewer pipes are designed to last about 20-50 years, depending on what type of material is used.

INFLOW & INFILTRATION: Inflow and infiltration or I & I are terms used to describe the ways that groundwater and storm water enter into dedicated wastewater or sanitary sewer systems. Dedicated wastewater or sanitary sewers are pipes located in the street or on easements that are designed strictly to transport wastewater from sanitary fixtures inside your house or place of business. Sanitary fixtures include toilets, sinks, bathtubs, showers and lavatories.

LEASE PURCHASE: A method of acquiring high cost equipment or property and spreading the payments over a specified period of time.

LEGAL DEBT MARGIN: The net amount of external financing resources that is available to the City through the issuance of general obligation bonds. For the City of Heath, it is limited to an amount equal to 10% of the assessed value of all taxable property located within the City, less any current general obligation bond debt.

LIABILITY: Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

MILLAGE RATE: The ad valorem tax rate expressed in terms of the levy per thousand dollars of taxable assessed value.

MODIFIED ACCRUAL BASIS OF ACCOUNTING: A form of accrual accounting in which (1) expenditures are recognized when the goods or services are received and (2) revenues, such as taxes, are recognized when measurable and available to pay expenditures in the current accounting period.

NON-DEPARTMENTAL: Includes debt service, operating transfers between funds.

NTMWD: Acronym for North Texas Municipal Water District.

OBJECTIVE: Performance indicator of a program.

OPERATING BUDGET: A financial plan outlining estimated revenues and expenditures and other information for a specified period (usually a fiscal year). The “proposed budget” is the financial plan presented by the City Manager for consideration by the City Council, and the “adopted budget” is the financial plan ultimately approved and authorized by the City Council.

ORDINANCE: An authoritative command or order.

PER CAPITA DEBT: Total tax supported debt outstanding divided by population.

PERFORMANCE MEASURES: Quantitative measure of a program’s effectiveness or efficiency (e.g., average time to dispatch an emergency 911 call). Often used in conjunction with workload measures (e.g. number of emergency 911 calls received) to evaluate and revise resource allocation strategies.

PERSONNEL SERVICES: Expenditures made for salaries and related benefit costs.

PID: Public Improvement District as defined by the Texas Local Government Code, Chapter 373. If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.

POLICY: A definite course of action adopted after a review of information and directed at the realization of goals.

PROPOSED BUDGET: The budget that has been prepared by the City Manager and submitted to the City Council for approval.

GLOSSARY

PROPRIETARY FUND: Fund that focuses on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. The 2 different types of proprietary funds: enterprise fund and internal service funds.

RESERVE: An account used to indicate that a portion of fund resources is restricted for a specific purpose, or is not available for appropriation and subsequent spending.

REVENUE BONDS: Long term debt (bonds) the repayment of which is based upon pledged revenues from a revenue generating facility.

REVENUES: All amounts of money earned or received by the City from external sources.

RISD: Rockwall Independent School District.

SCADA: Acronym for Supervisory Control And Data Acquisition. It generally refers to an industrial control system: a computer system monitoring and controlling a process. The process can be industrial, infrastructure, or facility-based.

SPECIAL ASSESSMENT: A compulsory levy made against certain properties to defray a part of the cost of a specific improvement or services (such as sewer) deemed to primarily benefit those properties.

SPECIAL REVENUE FUND: Fund used to account for a specific revenue source (other than special assessments, expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes, or have been segregated by financial policy to be maintained separately.

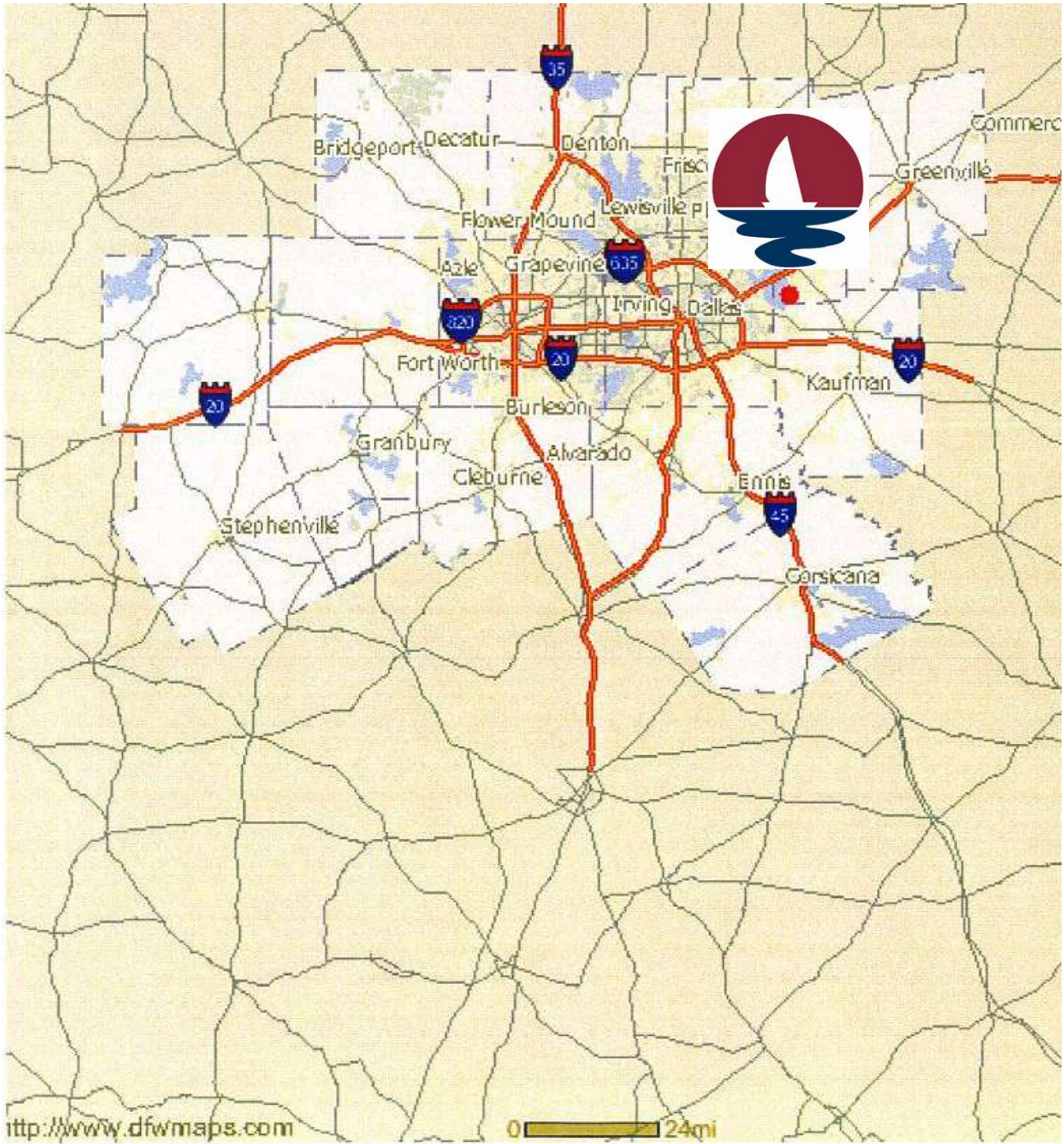
SRO: Acronym for School Resource Officer.

SWMP: Acronym for Storm Water Management Program.

TAX BASE: The total property valuations on which each taxing entity levies its tax rates.

TAX LEVY: A percentage applied to all taxable property to raise general revenues. It is derived by dividing the total tax levy by the taxable net property valuation.

TAX RATE: A percentage applied to all taxable property to raise general revenues. It is derived by dividing the total tax levy by the



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