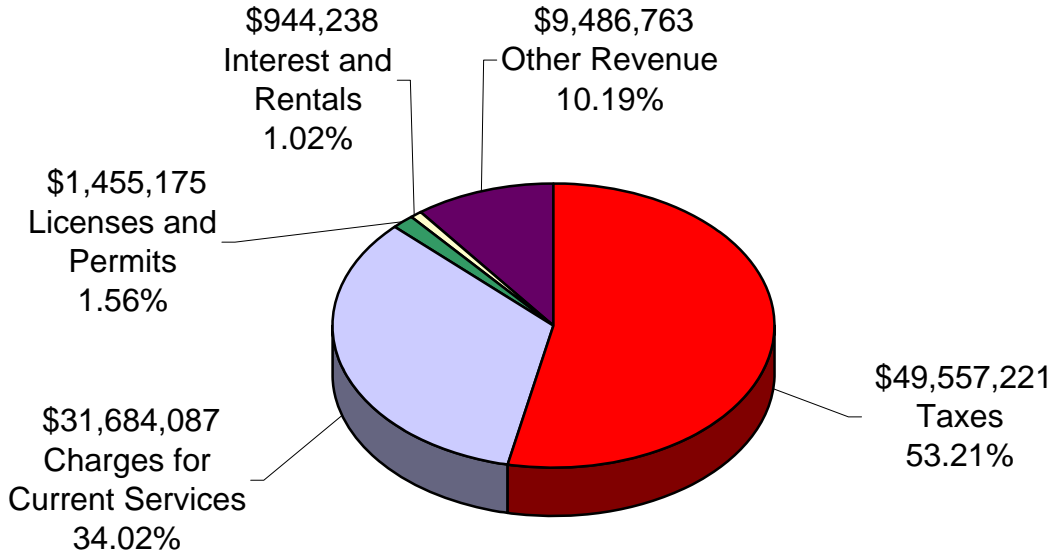


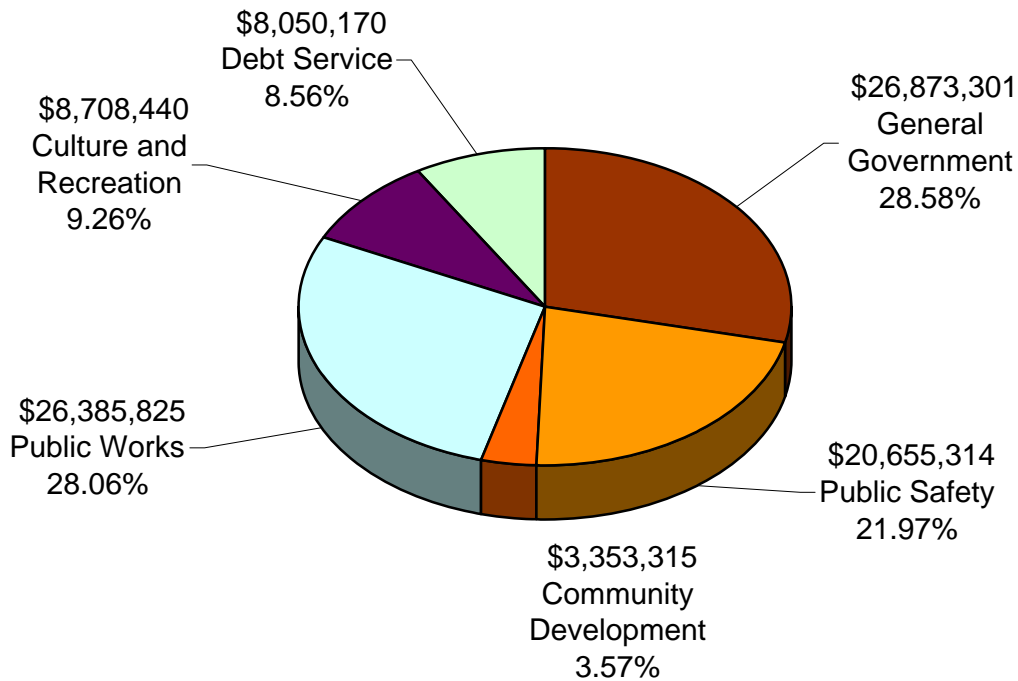
## Consolidated Budget Summary by Fund Fiscal Year 2008-2009

	General Fund	Enterprise Funds	Internal Services Funds	Special Revenue Funds	General Debt Service	Total
<b>Revenues:</b>						
Property Taxes	\$ 22,115,131	\$ -	\$ -	\$ 1,384,832	\$ 8,083,264	\$ 31,583,227
Utility Franchise Taxes	4,480,657	-	-	-	-	4,480,657
Sales Tax Collections	6,960,605	-	-	6,426,996	-	13,387,601
Other Taxes	105,736	-	-	-	-	105,736
Charges for Current Services	1,366,149	28,607,649	-	268,500	-	30,242,298
Licenses and Permits	1,230,175	180,000	-	45,000	-	1,455,175
Fines and Forfeitures	1,381,789	-	-	60,000	-	1,441,789
Interest and Rentals	606,441	122,717	-	165,080	50,000	944,238
Intergovernmental Revenue	316,371	-	-	464,437	-	780,808
Other Revenue	1,408,454	642,759	5,534,296	1,120,446	-	8,705,955
<b>Total Revenues</b>	<b>\$ 39,971,508</b>	<b>\$ 29,553,125</b>	<b>\$ 5,534,296</b>	<b>\$ 9,935,291</b>	<b>\$ 8,133,264</b>	<b>\$ 93,127,484</b>
Beginning Fund Balances	\$7,210,179	\$3,031,952	\$2,535,382	\$5,617,154	\$454,479	\$18,849,164
<b>Total Available Resources</b>	<b>\$47,181,705</b>	<b>\$32,585,077</b>	<b>\$8,069,678</b>	<b>\$15,552,445</b>	<b>\$8,587,743</b>	<b>\$111,976,648</b>
<b>Expenditures:</b>						
General Government	\$ 11,692,589	\$ 7,051,619	\$ 5,542,264	\$ 2,586,829	\$ -	\$ 26,873,301
Public Safety	17,172,787	-	-	3,482,527	-	20,655,314
Community Development	2,660,780	171,354	-	521,181	-	3,353,315
Public Works	2,586,858	22,290,961	-	1,508,006	-	26,385,825
Culture and Recreation	6,648,364	-	-	2,060,076	-	8,708,440
Debt Service	-	-	-	-	8,050,170	8,050,170
<b>Total Expenditures</b>	<b>\$ 40,761,378</b>	<b>\$ 29,513,934</b>	<b>\$ 5,542,264</b>	<b>\$ 10,158,619</b>	<b>\$ 8,050,170</b>	<b>\$ 94,026,365</b>
Ending Fund Balance	\$6,420,327	\$3,071,143	\$2,527,414	\$5,393,826	\$537,573	\$17,950,283
<b>Total Fund Commitments/ Fund Balance</b>	<b>\$ 47,181,705</b>	<b>\$ 32,585,077</b>	<b>\$ 8,069,678</b>	<b>\$ 15,552,445</b>	<b>\$ 8,587,743</b>	<b>\$ 111,976,648</b>

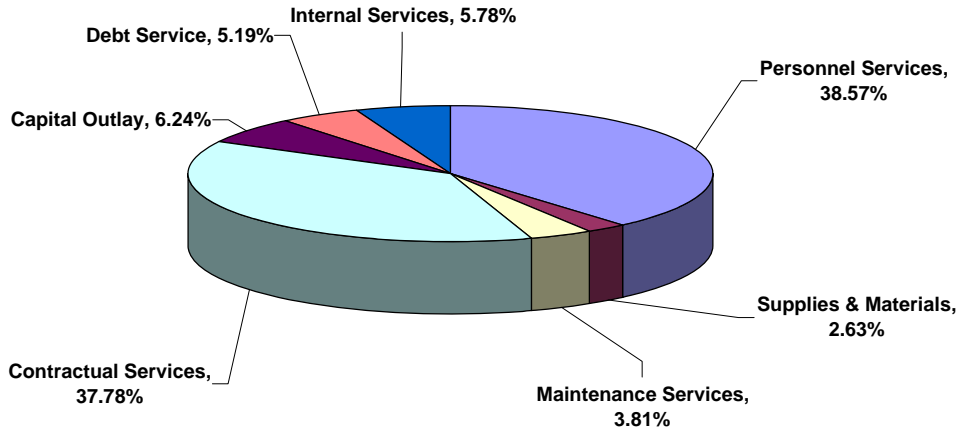
## Consolidated Summary of Revenues by Source



## Consolidated Summary of Expenditures by Function



## Consolidated Budget Summary Expenditures by Object Code Category



	Personnel Services	Supplies & Materials	Maintenance Services	Contractual Services	Capital Outlay	Debt Service	Internal Services	Totals
General Fund	\$ 28,816,017	\$ 1,605,511	\$ 1,642,183	\$ 8,407,934	\$ 289,733	\$ -	\$ -	\$ 40,761,378
Enterprise Funds	5,340,808	640,871	951,408	17,666,817	36,030	4,878,000	-	29,513,934
Internal Services Fund	-	-	-	113,530	-	-	5,428,734	5,542,264
Special Revenue Funds	2,111,096	225,747	990,371	1,286,575	5,544,830	-	-	10,158,619
Debt Service Funds	-	-	-	8,050,170	-	-	-	8,050,170
<b>TOTAL ALL FUNDS</b>	<b>\$ 36,267,921</b>	<b>\$ 2,472,129</b>	<b>\$ 3,583,962</b>	<b>\$ 35,525,026</b>	<b>\$ 5,870,593</b>	<b>\$ 4,878,000</b>	<b>\$ 5,428,734</b>	<b>\$ 94,026,365</b>



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## STATISTICAL ANALYSIS OF THE FY 2008-2009 ADOPTED BUDGET

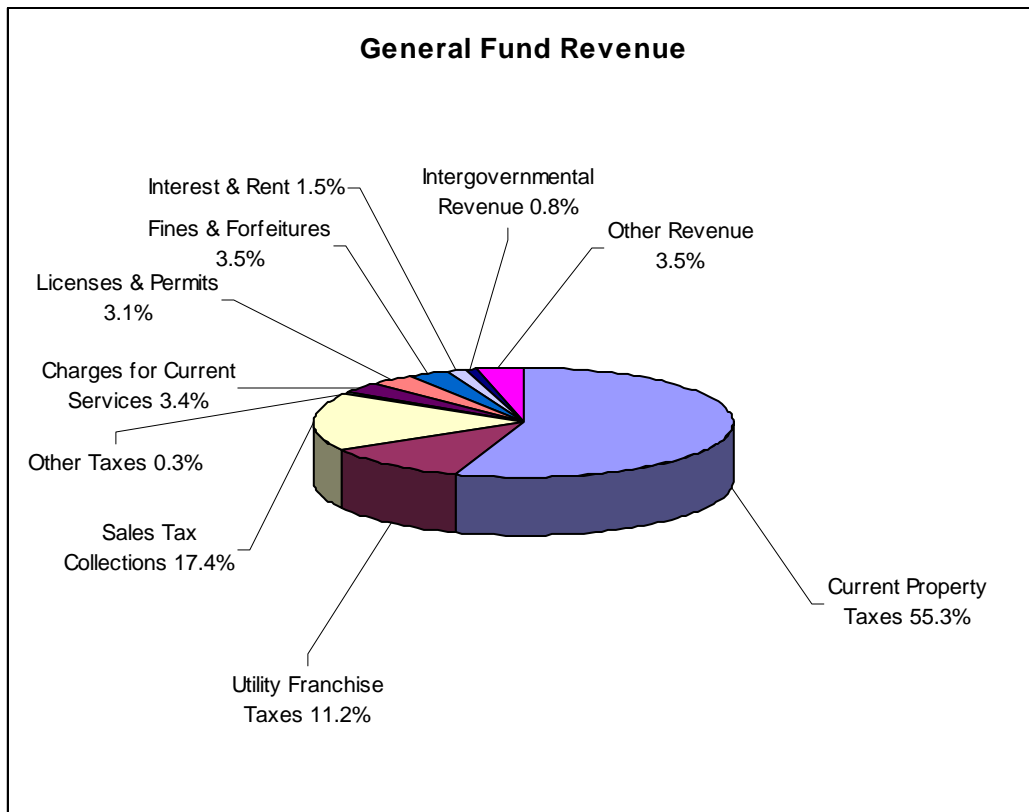
This statistical analysis summarizes the FY 2008-2009 Adopted Budget by providing a summary of the revenue and expenditures of the Town's various funds and provides a comparison to FY 2007-2008 year-end projections.

### GENERAL FUND

The General Fund is the general operating fund of the Town and is used to account for all transactions and operations of governmental units which are not accounted for in another fund and/or which are financed from taxes or other general revenues.

#### Revenue Assumptions:

The budget document assumes a cautious approach in dealing with revenues, especially growth-oriented revenues. Proposed revenues for FY 2008-2009 of \$39,971,508 assume an overall increase of 7.0 percent over FY 2007-2008 year-end projections. Funding of the Town's General Fund operations is derived from nine major revenue categories. Each of these categories is detailed in regards to projections for FY 2008-2009 and the chart below shows the revenue percentage breakdown by category.



**Property Taxes: \$22,115,131 (up \$1,410,964 or 6.81 percent)**

The largest revenue source of the General Fund is the ad valorem tax (property tax). Property taxes are levied each October 1 on the assessed value listed as of the prior January 1, for all real and personal property located within the Town. Assessed values represent the appraised value less applicable exemptions authorized by the Town Council. Appraised values are established by the Denton Central Appraisal District at 100 percent of estimated market values. Property Taxes account for 55.3 percent of all General Fund revenues.

Taxes are levied October 1, immediately following the January 1 lien date, and are delinquent after the following January 31. The property tax calculation includes projections for delinquent property tax and penalties and interest. Historically, the Town's collection rate is over 95 percent resulting in minimum revenue projections for late or no payment fees.

The certified property valuations, which are provided by the Denton Central Appraisal District, totaled \$6,278,448,075 for 2008, an increase of \$374,781,327 over the 2007 certified tax roll. The certified tax roll is reflective of all taxable property in the Town as of January 1, 2008.

**Sales and Other Tax Collections: \$7,066,341 (up \$223,938 or 3.27 percent)**

Sales tax receipts are the result of a tax levy on the sale of goods and services within the Town as authorized by the State of Texas. The current sales tax rate for the Town of Flower Mound is one cent per dollar (\$0.0200) on all goods and services deemed taxable although \$0.0100 is for dedicated sales tax not included in the general fund and seven and one-quarter cents per dollar (\$0.0825) when combined with the State's sales tax rate. In addition, the Town also collects a liquor consumption tax for beverages sold at locations for on-site consumption. The State levies the tax of 14.00 percent on the sale of mixed beverages in Texas and the Town receives an allocation of 10.7143 percent. This use tax makes up only a small amount of the sales and use tax collections, but is growing steadily due to the opening of several restaurants in the Town. Sales and use taxes constitute the second largest revenue source for the General Fund. This revenue source accounts for 17.7 percent of all General Fund revenues.

**Utility Franchise Fees: \$4,480,657 (up \$29,849 or 0.67 percent)**

Franchise fees represent those revenues collected from utilities operating within the Town's right-of-way to conduct their business (i.e., Allied Waste Services, ATMOS Gas, Oncor Electric, CoServ, Time Warner Cable, Grande Communication, Verizon, and AT&T). Utility Franchise Fees account for 11.2 percent of all General Fund revenues.

**Charges for Current Services: \$1,366,149 (up \$616,649 or 82.27 percent)**

This revenue category accounts for funds earned by the Town in exchange for specific types of services provided. Examples of services include zoning and platting fees, and inspection fees. FY 2008-2009 revenues are anticipated to increase due to the Community Activity Center (CAC) being open for the full year and offering various classes, special events and fitness memberships. Charges for Current Services account for 3.4 percent of General Fund revenues.

**Licenses and Permits: \$1,230,175 (down \$39,091 or -3.08 percent)**

This revenue category includes license and permit revenue fees charged by the Town for certain types of operator licenses and permits for construction and other items regulated by Town ordinances. Licenses and Permits account for 3.1 percent of all General Fund revenues.

**Fines and Forfeitures: \$1,381,789 (up \$199,513 or 16.88 percent)**

Fines and forfeitures represent revenue generated from the municipal court and other punitive actions such as animal control fees and library fines. Fines and forfeitures are anticipated to be slightly above the prior year. The Town has maintained a high level of operating efficiency and an aggressive traffic enforcement program. This revenue source accounts for 3.5 percent of General Fund revenues.

**Interest and Rent: \$606,441 (down \$104,430 or -14.69 percent)**

The Town conservatively invests available funds in the order of safety, liquidity, and yield. Interest income is projected to decrease due to the deterioration in current market conditions and lower available interest rates. Interest and Rent revenues for next year are budgeted to account for 1.5 percent of General Fund revenues.

**Intergovernmental Revenue: \$316,371 (down \$1,879 or -0.59 percent)**

Intergovernmental revenues are the result of contracts with Denton County for the provision of library, fire, and ambulance services to the unincorporated areas of the county; with Lewisville ISD for one-half of the cost for three School Resource Officers; and with the U.S. Army Corp of Engineers for the provision of security for Corp property adjacent to Lake Grapevine. Revenues in this category are anticipated to decrease due to a change in the U.S. Army Corp of Engineers contract fees. Intergovernmental Revenues account for 0.8 percent of General Fund revenues.

**Other Revenue: \$1,408,454 (up \$278,895 or 24.69 percent)**

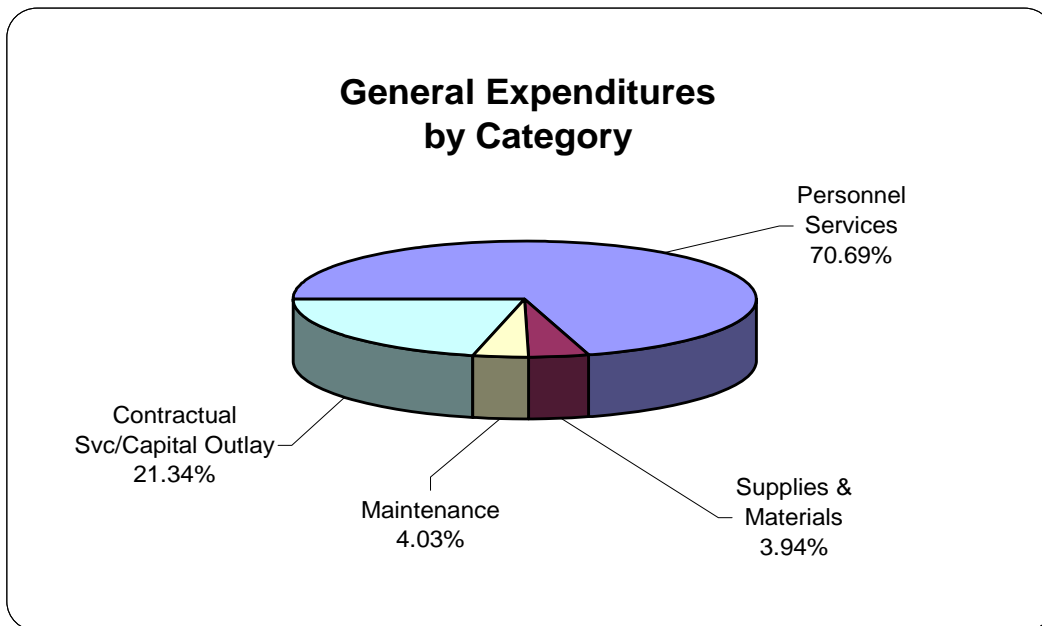
The remaining revenue sources in the General Fund include Allied Waste Services' contribution to the Town's Customer Relations program, contractual-based income, interfund transfers, and other miscellaneous revenues. Other Revenue accounts for 3.5 percent of General Fund revenues.

## Expenditure Synopsis:

The General Fund expenditures total \$40,761,378 for FY 2008-2009, which is an increase of \$2,840,301 or 7.49 percent from the FY 2007-2008 year-end projections. A majority of the increase is due to the CAC being open the whole year. A breakdown and description of the General Fund expenditures by account category and by function is provided below.

### Expenditures by Account Category

The General Fund is broken into 5 major categories which are personnel, supplies, maintenance, contractual, and capital. Personnel costs, including increases in compensation rates are calculated by the Financial Services department. Capital outlay costs consist of large one-time costs and require Town Council approval to be included in the budget. All other costs are based on the previous year's funding level minus any one-time costs from the previous year. In order for departments to receive an increase in funding, either a non-discretionary or decision package must be approved by Town Council. Below is a breakdown of FY 2008-2009 account category expenditures and a brief description is given comparing the categories to the FY 2007-2008 year-end projections.



### Personnel Services: \$28,816,017 (up \$1,879,332 or 6.98 percent)

As the single largest expenditure category, personnel expenses account for 70.69 percent of General Fund expenditures. The increase in personnel expenditures is mainly related to market adjustment increases and reinstatement of pay for performance measures.

**Supplies and Materials: \$1,605,511 (down \$32,897 or -2.01 percent)**

These object classifications are for expendable materials and operating supplies necessary to conduct departmental activities. Expenditures within this classification account for 3.94 percent of all General Fund expenditures.

**Maintenance Services: \$1,642,183 (up \$71,026 or 4.52 percent)**

These object classifications are for expendable upkeep of physical properties in condition for use or occupancy and tangible property of a more or less permanent nature which is used in carrying out operations. The increases in expenditures are associated with increased building maintenance costs for the new Fleet Services building and CAC. Expenditures within these classifications account for 4.03 percent of all General Fund expenditures.

**Contractual Services: \$8,407,934 (up \$256,380 or 3.15 percent)**

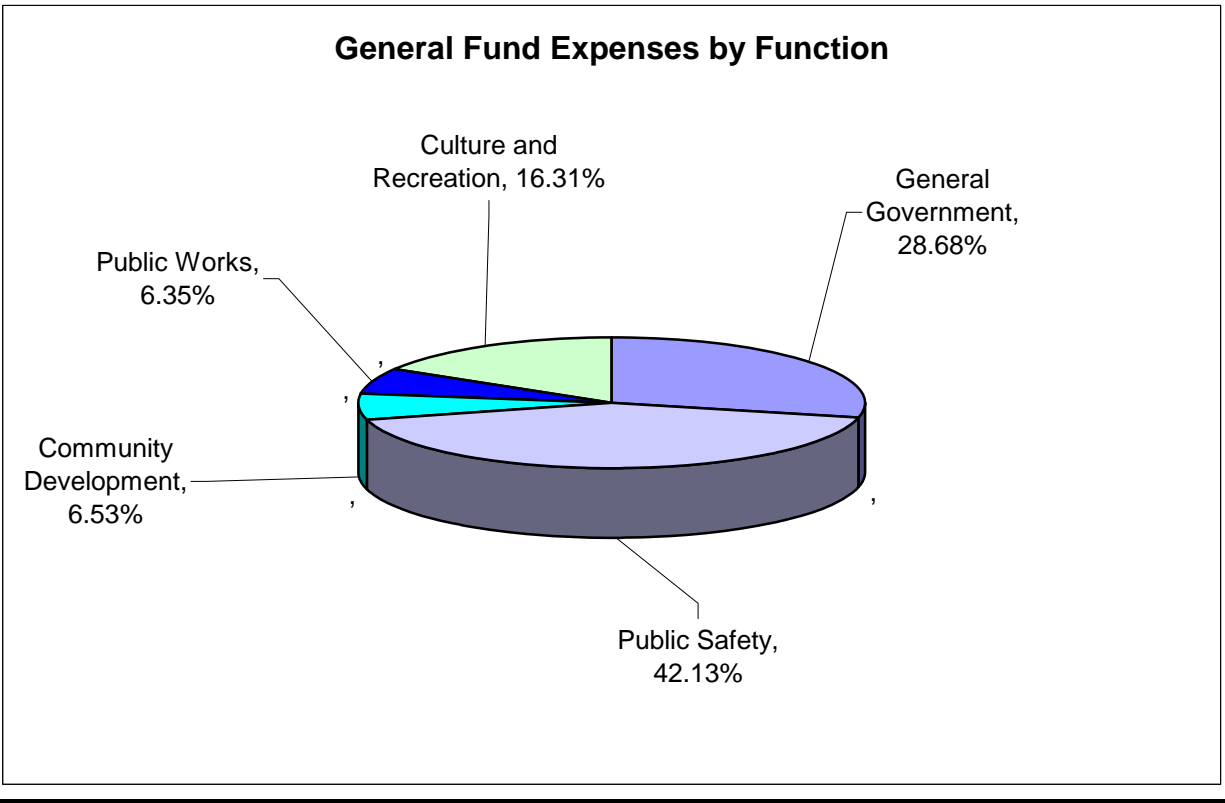
These object classifications are for obligations resulting in services rendered to Town activities by either private firms or other Town departments. The expenditures are expected to increase due to the opening of the Fleet Services building and CAC. In addition, the Community Support program is being funded at a level of \$180,873 which is an increase of \$40,114. The increase will allow the Town to provide Community Support funding to two additional organizations for FY 2008-2009. Expenditures within these classifications account for 20.77 percent of all General Fund expenditures.

**Capital Outlay: \$289,733 (up \$15,185 or 5.53 percent)**

Capital outlay expenditures are those that are large one-time purchases for an item that is expected to have a usefulness span of over a year. With the exception of library books, departments must submit a decision package request to receive capital outlay expenditures and the request must be approved by Town Council as part of the budget adoption process. Library book purchases are the only reoccurring capital cost for the Town. Because the funding is one-time, the costs will vary significantly from year-to-year. Capital Outlay expenditures for FY 2008-2009 account for 0.57 percent of all General Fund expenditures.

**Expenditures by Function**

There are five main functions in the General Fund which are general government, public safety, community development, public works, and culture and recreation. Following is a breakdown of FY 2008-2009 departmental expenditures and a brief description is given comparing the departments to the FY 2007-2008 year-end projections.



**General Government: \$11,692,589 (up by 869,745 or 8.04 percent)**

This function handles the administrative, internal service and financial functions of the Town and is comprised of the following departments: Town Manager's Office, Legislative Services, Financial Services, Community Relations Services and Non-Departmental Services. For FY 2008-2009, general government comprises 28.69 percent of General Fund expenditures. The increase in funding is due to increases in compensation and one-time improvements to various facilities through out the town.

**Public Safety: \$17,172,787 (up by 793,231 or 4.84 percent)**

The Public Safety function handles all aspects related to citizen protection and is made up of the Police Services and Fire and Emergency Medical Services departments. The function remains the largest expense in the General Fund at 42.13 percent which is down from 42.88 percent from the previous year. The increase in funding is related to increases in compensation and one-time purchases of heavy equipment and fuel for fire and emergency medical services vehicles.

**Community Development: \$2,660,780 (up by \$180,833 or 7.29 percent)**

The Community Development function handles both commercial and residential development through the stages of planning, building inspection, health and code enforcement and it also works with the Keep Flower Mound Beautiful Board. The function is comprised of the Development Services department and the Environmental Services division from the Community Services department. This function remains the smallest expenditure of the Town's functions at 6.53 percent which down slightly from 7.18 percent in the previous year. The increase in funding is due to increases in compensation.

**Public Works: \$2,586,858 (down \$208,677 or -7.46 percent)**

In the General fund, the public works function is responsible for street and pavement maintenance and traffic control and is comprised of the Infrastructure department. The function is 6.35 percent of the general fund expenditures, a decrease from 7.55 percent in the previous year. The funding decrease in spending is due to the removal of one-time funding for three traffic signals in FY 2006-2007.

**Culture and Recreation: \$6,648,364 (up \$1,205,078 or 22.14 percent)**

The culture and recreation function maintains the parks, library, and various recreation programs that the Town offers and is comprised of the Community Services department with the exception of the Environmental Services division. The function is 16.31 percent of the General Fund expenditures which is up from 14.65 percent in the previous year. This function had the largest growth of all categories due to the costs related to the opening of the CAC in Spring 2008. In addition to CAC expenditures, the increase was due to new library hardware and software, and staff overtime costs from Community Events.

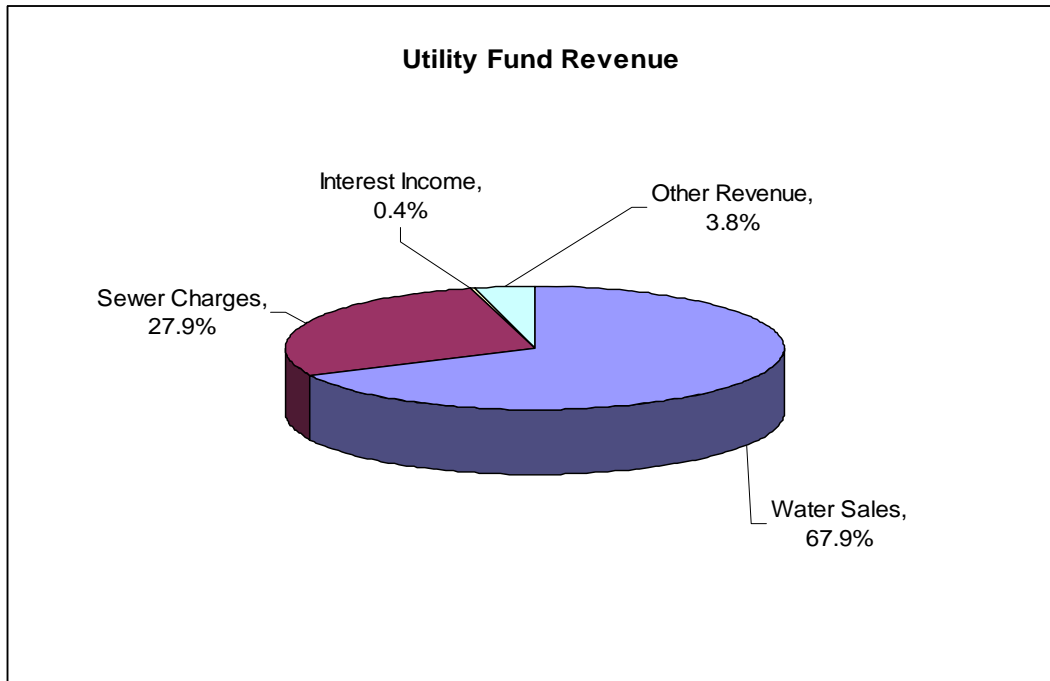
## ENTERPRISE FUNDS

Enterprise Funds are those funds that fully support their own administration, acquisition of facilities, operation, and maintenance through the collection of user charges such as the sale of water and sewer fees. The Town of Flower Mound operates two enterprise funds: the Utility Fund and the Stormwater Utility Fund.

## UTILITY FUND

### Revenue Assumptions:

The Utility Fund revenues for FY 2008-2009 of \$28,354,473 are an increase of 15.63 percent over FY 2007-2008 year-end projections. In the Utility Fund, there are four major revenue categories which are Water Sales, Sewer Charges, Interest Income, and Other Revenue. Following is a breakdown of each revenue category for the Utility Fund and a brief description of how the estimated amounts differ from the previous year.



**Water Sales: \$19,242,705 (up \$2,842,705 or 17.33 percent)**

The Town adopted a utility rate adjustment in FY 2008-2009 to account for increases in wholesale water rates over the past several years. The increase in projected revenue is in part due to the utility rate adjustment. Water Sales account for 67.9 percent of all Utility Fund revenues.

**Sewer Charges: \$7,901,745 (up \$1,418,225 or 21.87 percent)**

Projections in this revenue category reflect a rate adjustment for FY 2008-2009. Sewer Charges account for 27.9 percent of all Utility Fund revenues.

**Interest Income: \$120,000 (down \$53,000 or -30.64 percent)**

The Town conservatively invests available funds in the order of safety, liquidity, and yield. Interest income is projected to decrease due to the deterioration in current market conditions and lower available interest rates. Interest revenues for next year are conservatively budgeted and account for 0.4 percent of Utility Fund revenues.

**Other Revenue: \$1,090,023 (down \$374,287 or -25.56 percent)**

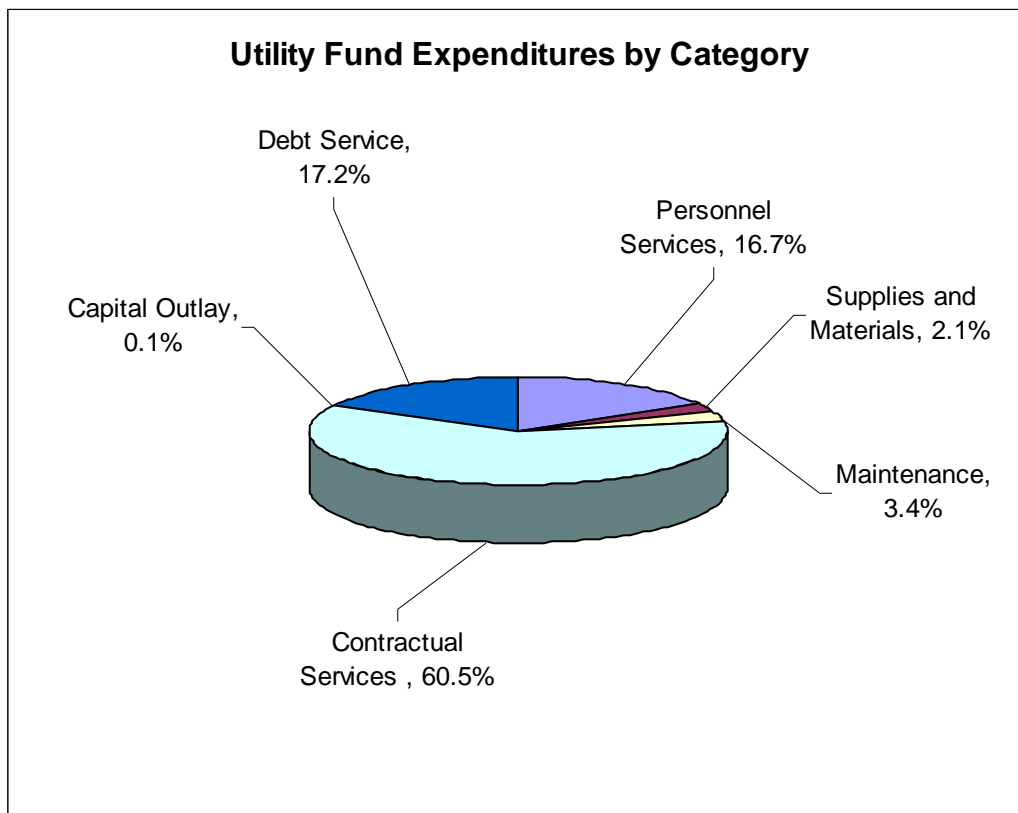
All additional revenues are combined to create the Other Revenue category which includes tap and connection fees and late payment penalties. Other Revenue accounts for 3.8 percent of the Utility Fund revenues and is projected to decrease due to a decrease in new taps being added.

## Expenditure Synopsis:

The Utility Fund expenditures total \$28,283,949 for FY 2008-2009, which is an increase of \$1,301,434 or 17.91 percent from the FY 2007-2008 year-end projections. A breakdown and description of the Utility Fund expenditures by account category and by function is provided below.

### Expenditures by Account Category

The Utility Fund is broken into 6 major categories which are personnel, supplies, debt service, maintenance, contractual, and capital. Personnel costs, including increases in compensation rates are calculated by the Financial Services department. Capital outlay costs consist of large one-time costs and require Town Council approval to be included in the budget. All other costs are based on the previous year's funding level minus any one-time costs from the previous year. In order for departments to receive an increase in funding, either a non-discretionary or decision package must be approved by Town Council. Below is a breakdown of FY 2008-2009 account category expenditures and a brief description is given comparing the categories to the FY 2007-2008 year-end projections.



**Personnel Services: \$4,734,764 (up \$295,914 or 6.67 percent)**

Personnel Services is the third largest expenditure category in the Enterprise Funds, and it accounts for 16.7 percent of the total Utility Fund's expenditures. Increases in FY 2008-2009 are primarily related to the re-instatement of pay for performance.

**Supplies and Materials: \$597,536 (up \$43,916 or 7.93 percent)**

These object classifications are for expendable materials and operating supplies necessary to conduct departmental activities. The purchase of supplies and materials constitutes 2.1 percent of all Utility Fund expenditures.

**Debt Service: \$4,878,000 (up \$2,267,935 or 86.89 percent)**

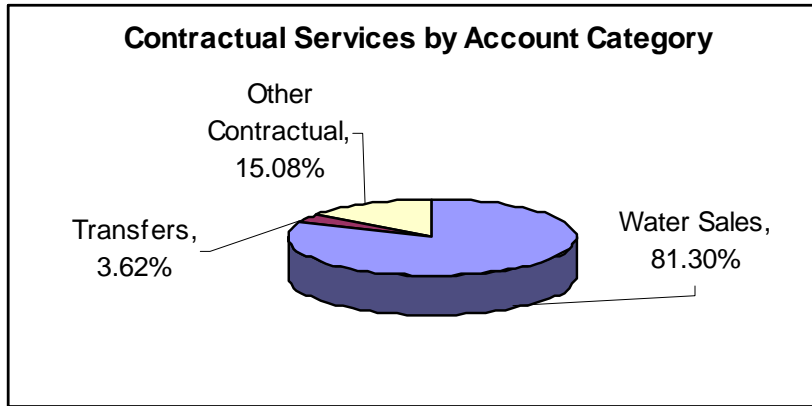
During FY 2007-2008 all debt service activity was rolled into the Utility Fund. Previously debt service had been accounted for in separate funds and with transfers for debt payments made between the funds. Debt service increased significantly due to the use of one-time savings of \$1,800,000 from refunding in FY 2007-2008. These object classifications account for 17.2 percent of all Utility Fund expenditures.

**Maintenance Services: \$924,704 (up \$72,164 or 8.46 percent)**

These object classifications are for upkeep of physical properties in condition for use or occupancy and tangible property of a more or less permanent nature, which is useful in carrying out operations. Expenditures within these classifications account for 3.3 percent of all Utility Fund expenditures. The increase in funding is for line item adjustments in the Public Works divisions in order to help maintain the utility system.

**Contractual Services: \$17,112,915 (up \$1,367,986 or 10.58 percent)**

This is the largest expenditure category in the Utility Fund and accounts for 60.5 percent of the total Utility Fund expenditures. The single largest budgeted expenditure is for water, which the Town purchases from Dallas Water Utilities and the Upper Trinity Regional Water District. Water purchases account for \$13,913,120 in FY 2008-2009. This amount accounts for 81.30% of contractual services expenditures or 49.19% of the total Utility Fund budget. The amount of water the Town will purchase in FY 2008-2009 is directly related to demand, contractual agreements with the above entities, and projected population growth. In addition, transfers out of the fund account for 3.62% of the contractual services expenditures. These transfers include an administrative transfer of \$500,000 and a transfer to the Vehicle, Equipment, and Technology Replacement Fund of \$156,253. Expenditures for water purchases are expected to increase, as a result of proposed rate increases by the Town's water suppliers. A breakdown of the Utility Fund contractual services expenditures is shown below.

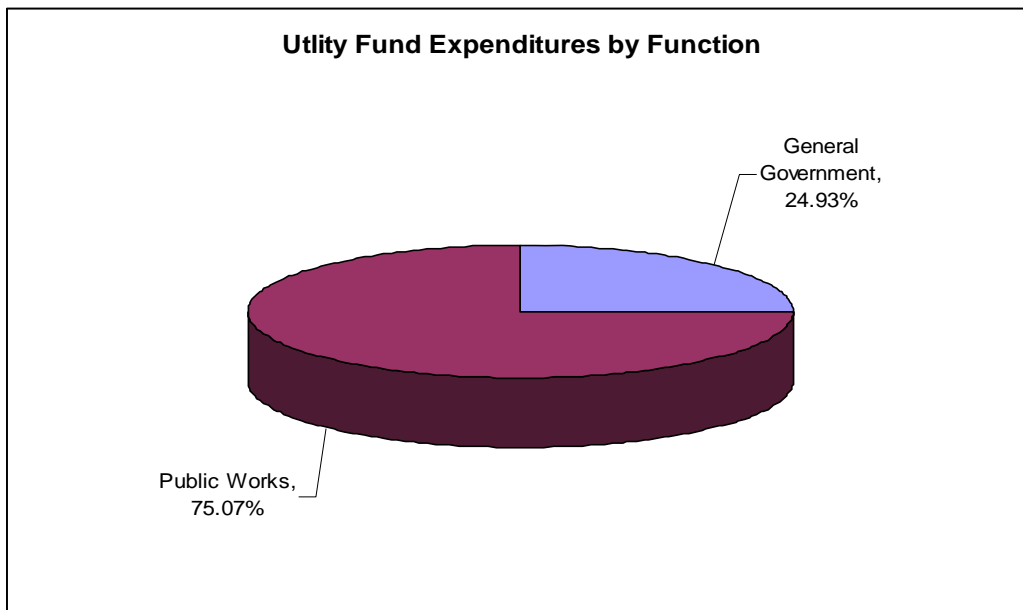


**Capital Outlay: \$36,030 (down \$21,670 or -37.56%)**

Capital outlay expenditures are those that are large one-time purchases for an item that is expected to have a usefulness span of over a year. Departments must submit a decision package request to receive capital outlay expenditures and the request must be approved by Town Council as part of the budget adoption process. Capital Outlay expenditures for FY 2008-2009 account for 0.1% of all Utility Fund expenditures.

**Expenditures by Function**

There are two main functions in the Utility Fund which are general government and public works. Below is a breakdown of FY 2008-2009 departmental expenditures and a brief description is given comparing the departments to the FY 2007-2008 year-end projections.



**General Government: \$7,051,619 (up \$2,560,392 or 57.01 percent)**

This function handles the administrative, internal service and financial functions of the Town and is comprised of the Financial Services and Non-Departmental departments. For FY 2008-2009, general government accounts for 24.93 percent of the budget compared to 21.98 percent in the previous year. The majority of the increase is due to increased debt service costs.

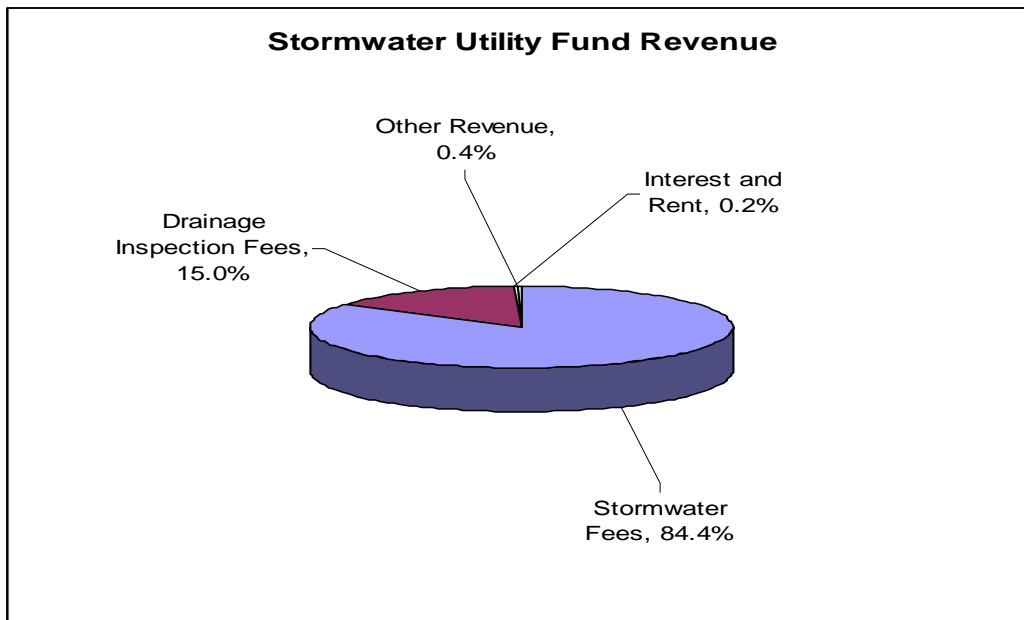
**Public Works: \$21,232,330 (up \$1,735,853 or 8.90 percent)**

In the Utility Fund, the public works function is responsible for water and sewer line maintenance, water distribution, sewer collection, engineering and construction inspection, and capital projects. The function is 75.07 percent of the Utility Fund expenditures. As stated in the account category analysis, water purchases are a significant portion of the Utility Fund costs and accounts for 65.98 percent of the Utility Fund public works function. Water purchases are the main reason for the increase in costs in the public works function as well as line item increases for maintenance and electricity costs to maintain current service levels.

**STORMWATER UTILITY FUND**

**Revenue Assumptions:**

In the Stormwater Utility Fund, there are four major revenue categories which are Stormwater Fees, Drainage Permit Fees, Interest and Rent, and Other Revenue. Stormwater Utility Fund revenues which are budgeted at \$1,198,652 will decrease by 0.93 percent. A breakdown of each revenue category and a brief description of how the estimated amounts differ from FY 2007-2008 year-end projections is below.



**Stormwater Fees: \$1,011,242 (up \$7,242 or 0.72 percent)**

In FY 2002-2003, in order to meet the new Environmental Protection Agency (EPA) National Pollutant Discharge Elimination System (NPDES) Phase II Stormwater requirements, the Town created a Stormwater Utility Fund. Stormwater fee revenues account for 84.4 percent of all Stormwater Utility Fund revenue.

**Drainage Inspection Fees: \$180,000 (down \$20,000 or -10.00 percent)**

Drainage Inspection Fees are also a part of the stormwater program and are charged for drainage-related inspections conducted during the development process. This revenue will account for 15.0 percent of all Stormwater Utility Fund revenues.

**Interest and Rent: \$2,717 (new category)**

Interest and Rent is a new category added in FY 2008-2009. The Town conservatively invests available funds in the order of safety, liquidity, and yield. Interest income is projected to be minimal due to the deterioration in current market conditions and lower available interest rates. It accounts for 0.2 percent of all Stormwater Utility Fund revenues.

**Other Revenue: \$4,693 (down \$1,263 or -21.21%)**

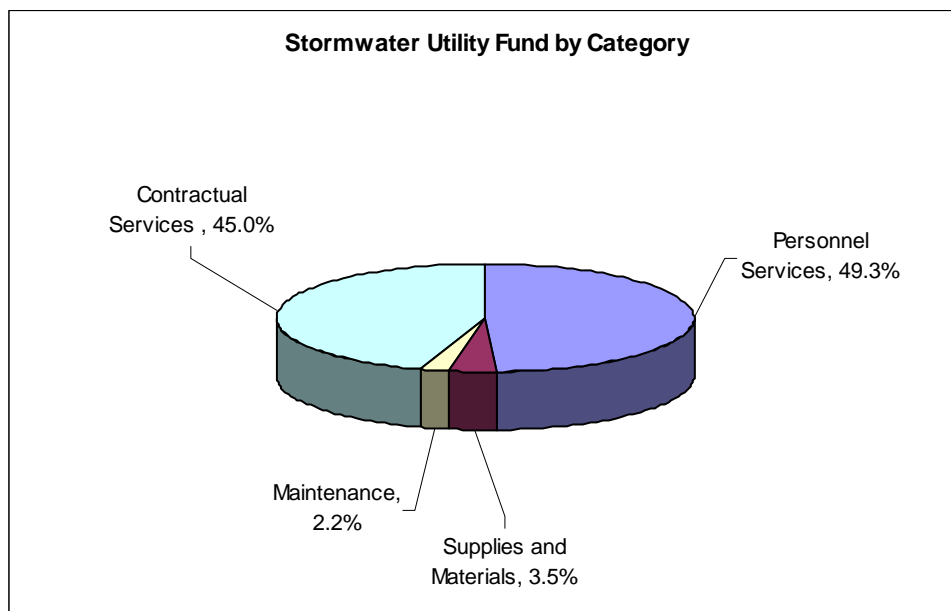
All additional revenues are combined to create the Other Revenue category which includes penalties for late payment. Other Revenue accounts for 0.40 percent of the Stormwater Utility Fund revenues and will decrease to be more in line with the average revenue received for late payment.

**Expenditure Synopsis:**

The Stormwater Utility Fund expenditures total \$1,229,985 for FY 2008-2009, which is an increase of \$38,843 or 3.26 percent from the FY 2007-2008 year-end projections. The increase is related to the addition of two positions. A breakdown and description of the Stormwater Utility Fund expenditures by account category and by function is provided in the following pages.

### **Expenditures by Account Category**

The Stormwater Utility Fund is broken into 5 major categories which are personnel, supplies, maintenance, contractual, and capital. Personnel costs, including increases in compensation rates are calculated by the Financial Services department. Capital outlay costs consist of large one-time costs and require Town Council approval to be included in the budget. All other costs are based on the previous year's funding level minus any one-time costs from the previous year. In order for departments to receive an increase in funding, either a non-discretionary or decision package must be approved by Town Council. Below is a breakdown of FY 2008-2009 account category expenditures and a brief description is given comparing the categories to the FY 2007-2008 year-end projections.



### **Personnel Services: \$606,044 (up \$94,454 or 18.46 percent)**

As the largest expenditure category, personnel expenditures account for 49.3 percent of Stormwater Utility Fund expenditures which is a slight increase from 43.01 percent in the previous year. The increase in personnel expenditures is mainly related to an employee compensation plan and two additional positions.

### **Supplies and Materials: \$43,335 (up \$5,547 or 14.68 percent)**

These object classifications are for expendable materials and operating supplies necessary to conduct departmental activities. The anticipated increase for FY 2008-2009 is primarily related to supply needs for the two new positions. Expenditures within this classification account for 3.5 percent of all expenditures.

**Maintenance Services: \$26,704 (down \$13,341 or -33.32 percent)**

These object classifications are for expendable upkeep of physical properties in condition for use or occupancy and tangible property of a more or less permanent nature which is used in carrying out operations. Expenditures within these classifications account for 2.2 percent of all Stormwater Utility Fund expenditures.

**Contractual Services: \$553,902 (down \$2,817 or -0.51 percent)**

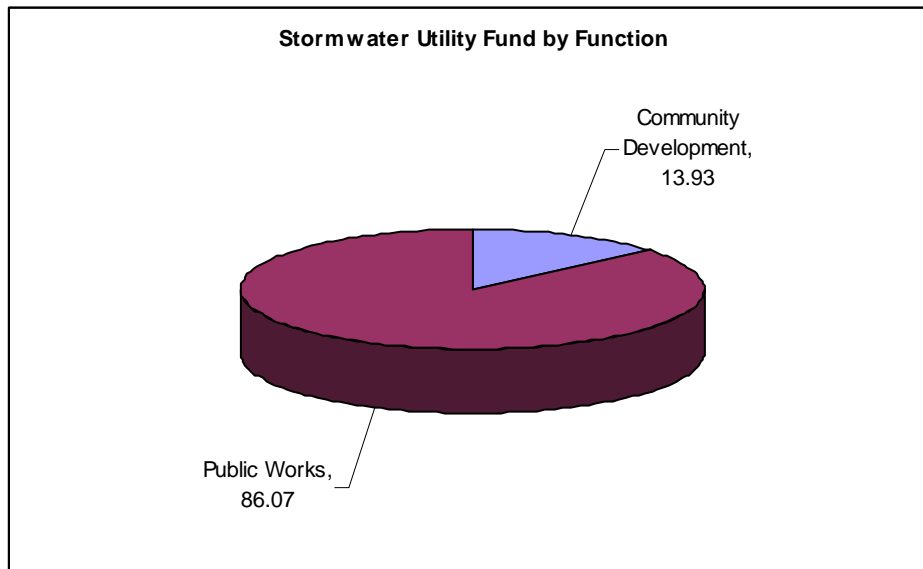
These object classifications are for obligations resulting in services rendered to Town activities by either private firms or other Town departments. With the addition of a transfer to a capital project fund for drainage projects, this category has become the largest category for the Stormwater Utility Fund at 45.0 percent which is down from 47.43 percent in the previous year. Funds are transferred annually as needed for Stormwater drainage projects.

**Capital Outlay: \$0 (down \$45,000 or -100.0 percent)**

Capital outlay expenditures are those that are large one-time purchases for an item that is expected to have a usefulness span of over a year. Departments must submit a decision package request to receive capital outlay expenditures and the request must be approved by Town Council as part of the budget adoption process. Because the funding is on-time, the costs will vary significantly from year-to-year.

**Expenditures by Function**

There are two main functions in the Stormwater Utility Fund which are community development and public works. Below is a breakdown of FY 2008-2009 departmental expenditures and a brief description is given comparing the departments to the FY 2007-2008 year-end projections.



**Community Development: \$171,354 (down by \$11,455 or -6.27 percent)**

The Stormwater Utility Fund Community Development function helps control the level of contaminated stormwater drainage the Town has and funds a Household Hazardous Waste program that allows people to properly dispose chemical wastes. This function is comprised of the Environmental Resources division from the Community Services department. Community Development accounts for 13.93 percent of the fund which is down slightly from 15.54 percent in the previous year.

**Public Works: \$1,058,631 (up \$50,298 or 4.99 percent)**

In the Stormwater Utility Fund, the public works function is responsible for engineering and maintaining the Town's drainage system. The function is 86.07 percent of the Stormwater Utility Fund expenditures which increased from 84.46 percent in the previous year. Beginning in FY 2007-2008, the public works function began transferring funds annually to Capital Improvement Program for drainage engineering projects. The additional expenditure increase is due to increases in employees' compensation and for increases in fuel costs to help maintain the current service level.

## SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of special revenue sources other than expendable trusts or major capital projects. The Special Revenue Funds include, but are not limited to, the Town's Library Development Fund, Park Development Fund, Parks and Recreation Special Activities Fund, Community Development Block Grant Fund (CDBG), Municipal Court Security Fund, Dedicated Sales Tax Funds, Municipal Court Technology Fund, and other grant funds. An analysis of the changes from the projected year-end to the adopted budget is available under the Special Revenue section of the budget.

## GENERAL DEBT SERVICE FUND

The General Debt Service Fund provides the funds necessary to retire the outstanding tax-supported bonded indebtedness of the Town. Debt in this category primarily consists of general obligation bonds (GOs) and certificates of obligation (COs) that are used to pay the cost of various public improvements such as streets, land acquisitions, and the construction of facilities. Revenues are generated for the repayment of the bonds and certificates primarily through ad valorem property taxes.

The Town issued new General Fund supported debt during the FY 2007-2008, which includes the following: \$2,005,443 in COs for fire fighting facilities and park improvements.

<b>General Debt Service Revenues:</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>% Change</b>
Property Taxes	\$7,843,679	\$8,083,264	3.05%
Interest Revenue	<u>100,000</u>	<u>50,000</u>	-50.00%
<b>Total Revenues</b>	<b>\$7,943,679</b>	<b>\$8,033,264</b>	<b>1.13%</b>
<b>2008-2009 General Debt Service Expenditures:</b>	<b>\$7,848,483</b>	<b>\$8,050,170</b>	<b>2.57%</b>



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## Three-Year Forecast

This analysis provides a three-year forecast for the General Fund and Enterprise Funds for the Town based on historical trends including how the projections were derived. Please note, the forecast is meant to be a tool to help with preparing for future funding needs and is not intended to be a guarantee of the future budget numbers.

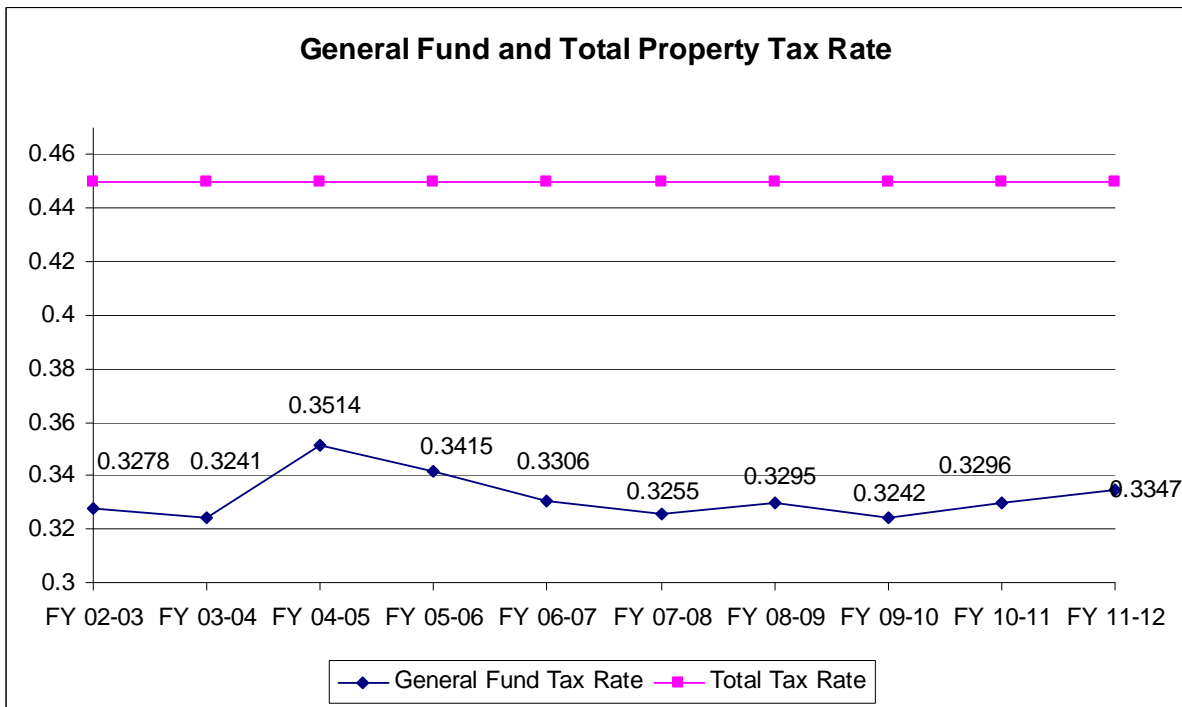
### General Fund

#### General Fund Revenues

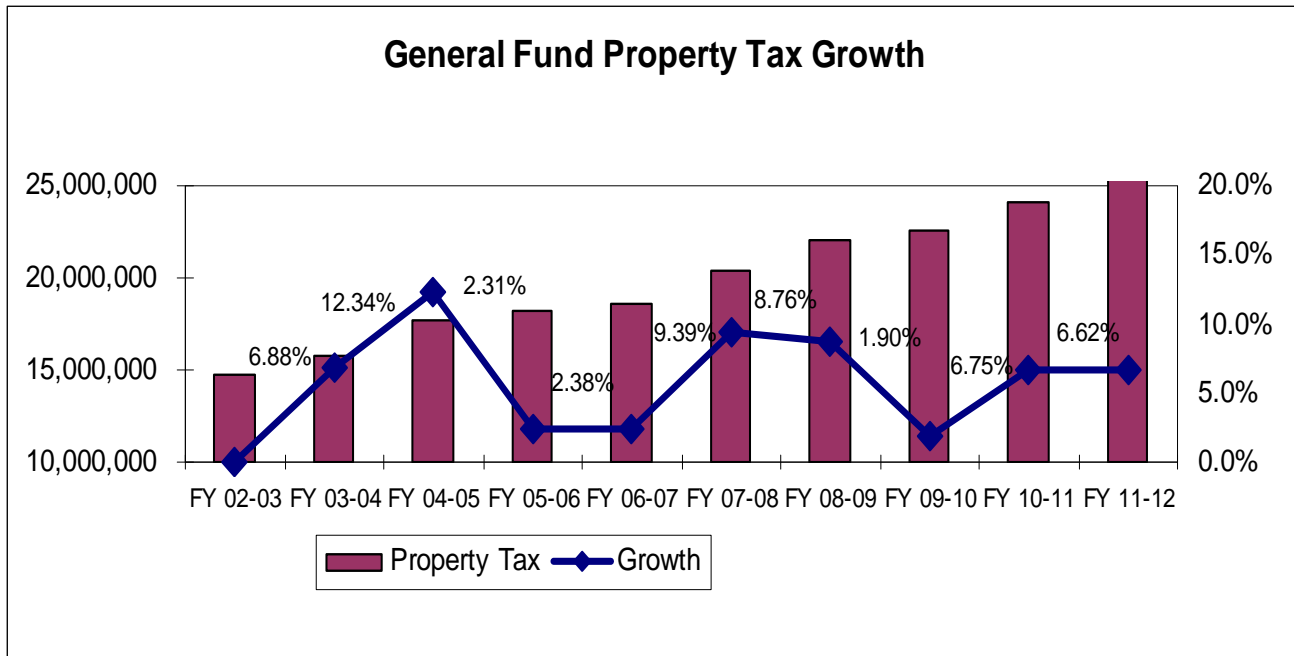
The General Fund Revenues can be broken into four main categories for analysis: Property Tax, Sales and Use Taxes, Utility Franchise Tax, and Other Revenue. The first three comprise approximately 75% of General Fund revenue annually, and therefore all other revenues are placed into an Other Revenue category for analysis. The categories are discussed in detail below.

#### Property Tax

Property tax is the main source of revenue for the General Fund and accounts for 55.33 of anticipated revenue in FY 2008-2009. Annually, Property Tax will account for approximately 50% of the General Fund revenue. In future years, General Fund Property Tax will increase because less property tax will be used to pay debt service. The total Property Tax rate for the Town is projected to remain at the current level of \$0.4497/\$100, which has been the tax rate since FY 2001-2002. The graph below shows the increase in General Fund Property Tax rate.



Between FY 2002-2003 and FY 2008-2009, the Property Tax revenue has grown on average at 6.8%. However, there was a large increase in FY 2007-2008 due to new developments. In the upcoming years, there are no known developments that will create a similar increase in growth. The graph and chart below show the growth of the General Fund Property Tax. The Three Year Forecast assumes a 5% annual growth rate in assessed value and issuance of debt to fund the adopted capital budget for the next three fiscal years.

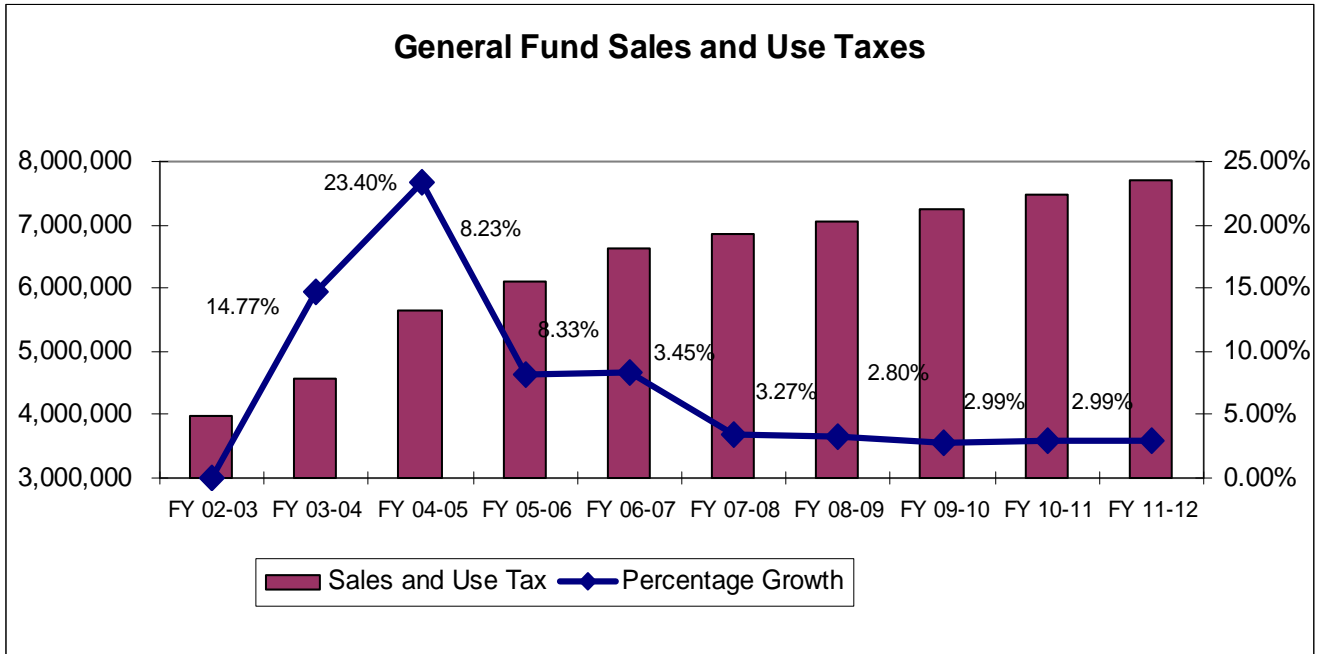


General Fund Property Tax										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimated FY 09-10	Estimated FY 10-11	Estimated FY 11-12
Total	14,780,531	15,797,715	17,747,859	18,157,532	18,589,336	20,334,167	22,115,131	22,536,407	24,058,077	25,651,816
Growth	-	6.88%	12.34%	2.31%	2.38%	9.39%	8.76%	1.90%	6.75%	6.62%

### Sales and Use Taxes

Sales and use taxes is the second largest General Fund revenue source for the Town and accounts for 17.68% of the FY 2008-2009 anticipated General Fund revenue. This revenue source is mainly comprised of sales tax which is generally 98-99% of the sales and use taxes revenue. A state-levied Liquor Tax placed on alcoholic beverages made for on-premise consumption comprises the other 1-2%. Between FY 2002-2003 and FY 2008-2009, the average growth for this revenue source has been 10.24% which is due in part to the opening of several large retail stores. In spring 2007, the anchor stores for the Robertson Creek development opened. FY 2007-2008 was the first year a full year of sales tax for the new retail stores was included. This growth rate should begin to decline throughout FY 2008-2009, and then begin to stabilize in future years, which is why a projection of about 3% growth is

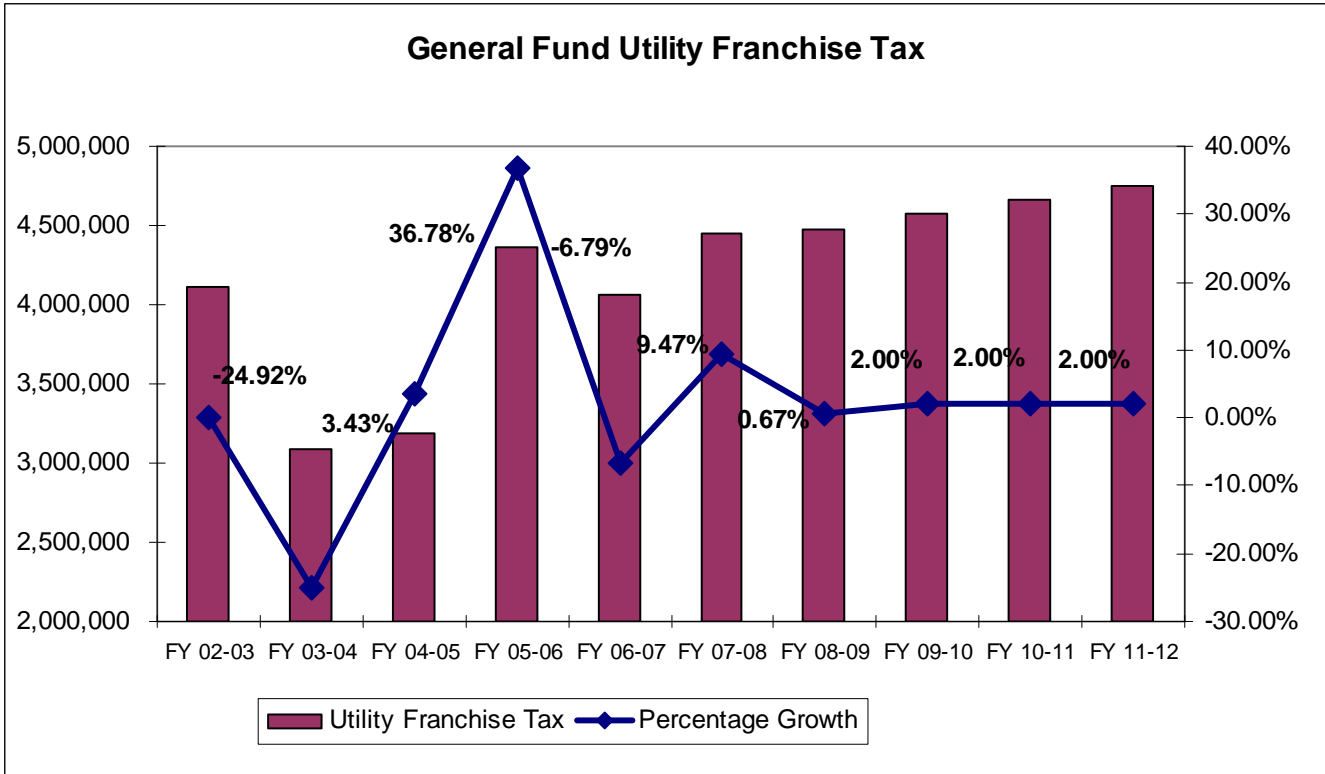
expected. The expected total growth in sales and use taxes is comprised of 3% expected growth in sales tax and 2% expected growth in the Liquor Tax. The following graph and chart show the growth of the sales and use taxes.



General Fund Sales and Use Tax										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimated FY 09-10	Estimated FY 10-11	Estimated FY 11-12
Total	3,983,312	4,571,617	5,641,386	6,105,551	6,614,018	6,842,403	7,066,341	7,264,399	7,481,253	7,704,590
Growth	-	14.77%	23.40%	8.23%	8.33%	3.45%	3.27%	2.80%	2.99%	2.99%

### Utility Franchise Tax

The Utility franchise tax is the third largest General Fund revenue source and accounts for 11.2% of the anticipated FY 2008-2009 revenues. This revenue source is derived from utility companies being taxed for use of the Town's right-of-way areas and is calculated based on either the customer usage of the utility within the Town, such as kilowatt hours of energy for an electric company, or by gross receipts for the total amount of service provided to consumers in Town. The current average growth rate for the utility franchise tax rate is 3.10%. A conservative growth rate of 2.00% has been used to make future projections. The following graph and chart show the growth of the Utility Franchise Tax.



General Fund Utility Franchise Tax										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimated FY 09-10	Estimated FY 10-11	Estimated FY 11-12
Total	4,107,221	3,083,592	3,189,226	4,362,232	4,065,913	4,450,808	4,480,657	4,570,270	4,661,676	4,754,909
Growth	-	-24.92%	3.43%	36.78%	-6.79%	9.47%	0.67%	2.00%	2.00%	2.00%

## Other Revenue

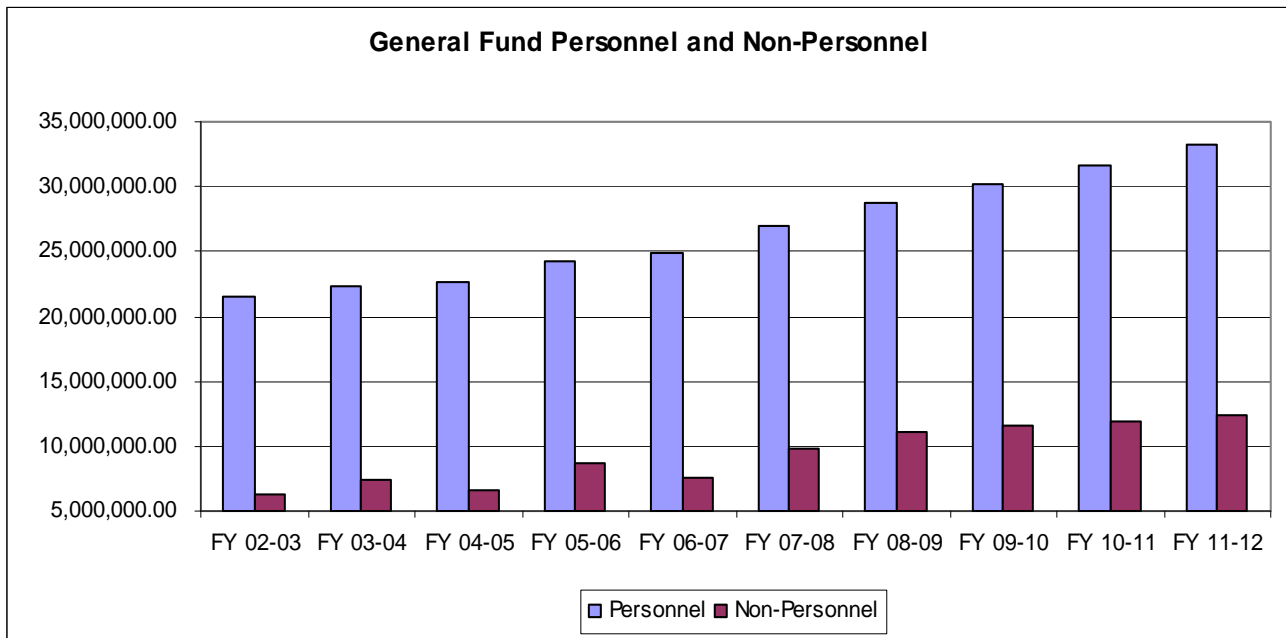
The Property Tax, Sales and Use Taxes, and Franchise Utility Tax comprise 84.22% of the FY 2008-2009 anticipated revenues. Because these categories are a vast majority of the revenues, all other revenue sources have been combined together for this analysis. Other Revenue includes Permits, Building Inspection Fees, Intergovernmental Revenues, Leases and Rentals, Fines and Forfeitures, and Interest Income. The chart on the next page shows the growth of other revenue.

General Fund Other Revenue										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimated FY 09-10	Estimated FY 10-11	Estimated FY 11-12
Total	6,478,942	6,532,059	6,075,047	5,076,826	5,380,142	5,729,722	6,309,379	6,956,432	7,327,890	7,701,778
Growth	-	0.82%	-7.00%	-16.43%	5.97%	6.50%	10.12%	10.26%	5.34%	5.10%

## General Fund Expenditures

In FY 2008-2009, General Fund expenditure budget is \$40,761,378 and is 7.49% higher than the previous year and slightly higher than the average growth, which is 6.72%. Prior to FY 2006-2007, the Information Technology, Facilities Management, Purchasing, and Fleet Services divisions were budgeted as separate Internal Service funds and were funded through transfers from other funds based on usage. In FY 2006-2007, these funds were moved back into the General Fund. Data previous to FY 2006-2007 has been modified to remove the transfer and include the Internal Services expenditures. The average growth rate is 6.43% when adjusting for the Internal Service Funds changes.

General Fund expenditure growth is shown in two categories: personnel and non-personnel. The following graph shows the average ratio between personnel and non-personnel costs is approximately 3 to 1.



## General Fund Personnel

Personnel accounts for approximately 75.00% of the General Fund budget and the average growth is 5.42%. The historical growth for personnel costs is lower than anticipated for future years due to costs saving measures beginning in FY 2004-2005. In FY 2006-2007, a three year compensation plan was implemented to bring the Town back in line with other municipalities. As part of the three year plan, the retirement contribution was increased to 7.00% in FY 2007-2008. In FY 2008-2009, pay for performance increases will be reinstated. The Town is assuming an average increase of 5.0% per year in future years. In FY 2008-2009, the personnel increase includes a full year of personnel costs for the CAC. The chart below shows the annual personnel costs and growth.

General Fund Personnel Expenditures										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimated FY 09-10	Estimated FY 10-11	Estimated FY 11-12
Total	21,551,405	22,348,330	22,635,592	24,262,700	24,903,225	26,936,685	28,755,718	30,193,504	31,703,179	33,288,338
Growth	-	3.70%	1.29%	7.19%	2.64%	8.17%	6.75%	5.00%	5.00%	5.00%

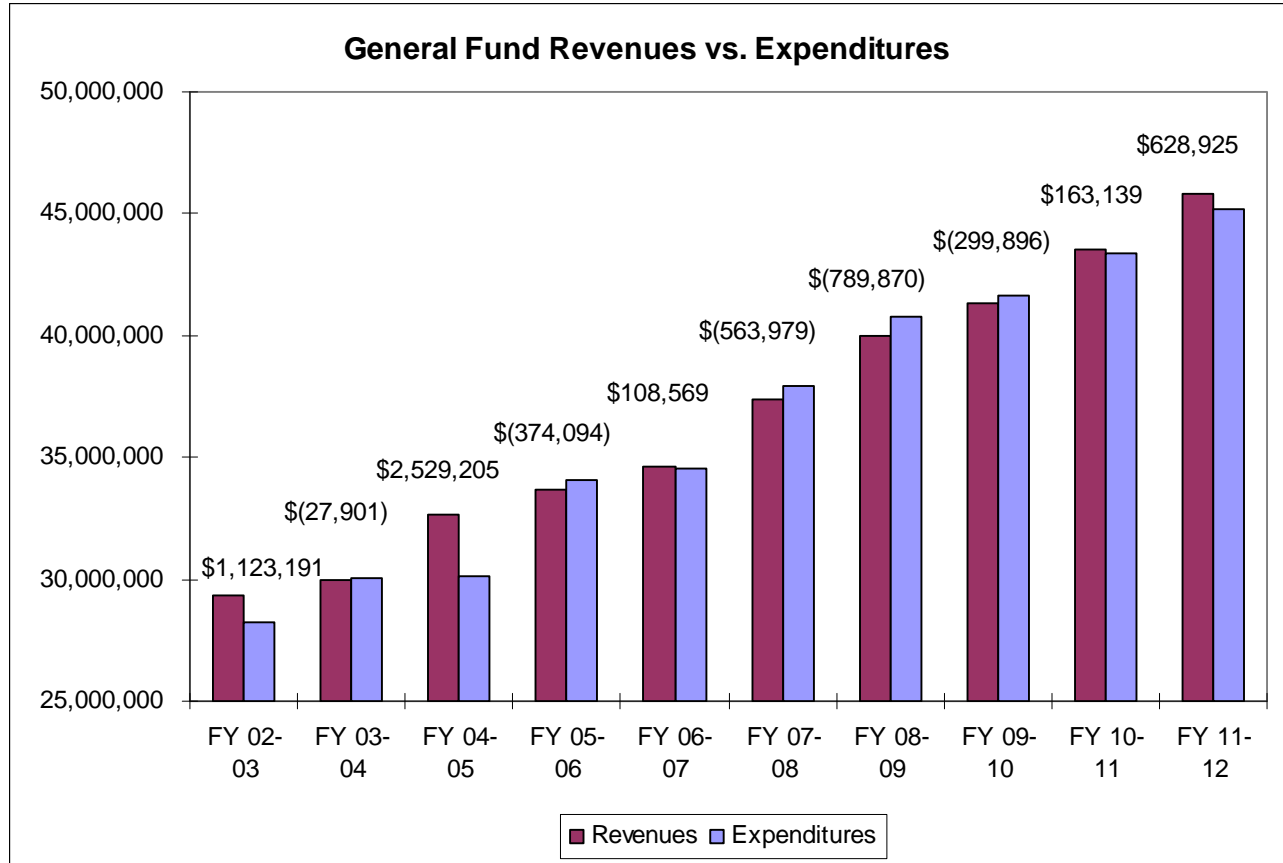
### General Fund Non-Personnel

Within non-personnel expenditures, the costs vary due to the number of one-time costs that are approved. The average growth for non-personnel is 11.93%. The large range in growth is a result of cost reductions implemented in one year and then reinstated the next year. In addition, the Town made a large one-time purchase for park land in FY 2006-2007, and in FY 2007-2008, several one-time decision packages were approved for needed capital items to be purchased prior to the opening of the CAC. Because the CAC will require a full-year of funding the Town will limit new services beginning in FY 2008-2009. The Town is projecting a 9.02% growth for FY 2008-2009 due to the removal of one-time FY 2007-2008 decision packages and the addition of funding for a full-year of CAC operations. The Town is projecting a 2.00% growth to cover non-discretionary costs in future years. The chart below shows the annual non-personnel growth.

General Fund Non-Personnel Expenditures										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimated FY 09-10	Estimated FY 10-11	Estimated FY 11-12
Total	6,515,712	7,518,554	7,021,121	9,246,414	8,566,015	10,838,680	11,815,927	11,577,679	11,965,232	12,373,646
Growth	-	15.39%	-6.62%	31.69%	-7.36%	26.53%	9.02%	-2.02%	3.35%	3.41%

### General Fund Revenues vs. Expenditures

Generally, the Town budgets revenues to either match or exceed expenditures to allow for fund balance to increase and have additional funds for any unforeseen expenditures. Since FY 2005-2006, the Town has adopted budgets that had expenditures higher than revenues as a way to decrease the high levels of fund balance and allow staff to make one-time purchases for out-dated equipment and supplies. For FY 2010-2011 through FY 2011-2012, the Town will again gain fund balance, but if revenues are higher than projections, then some additional funds may be made available for one-time expenses. The following graph shows the comparison between the revenues and expenditures and the annual differences.



## Utility Fund

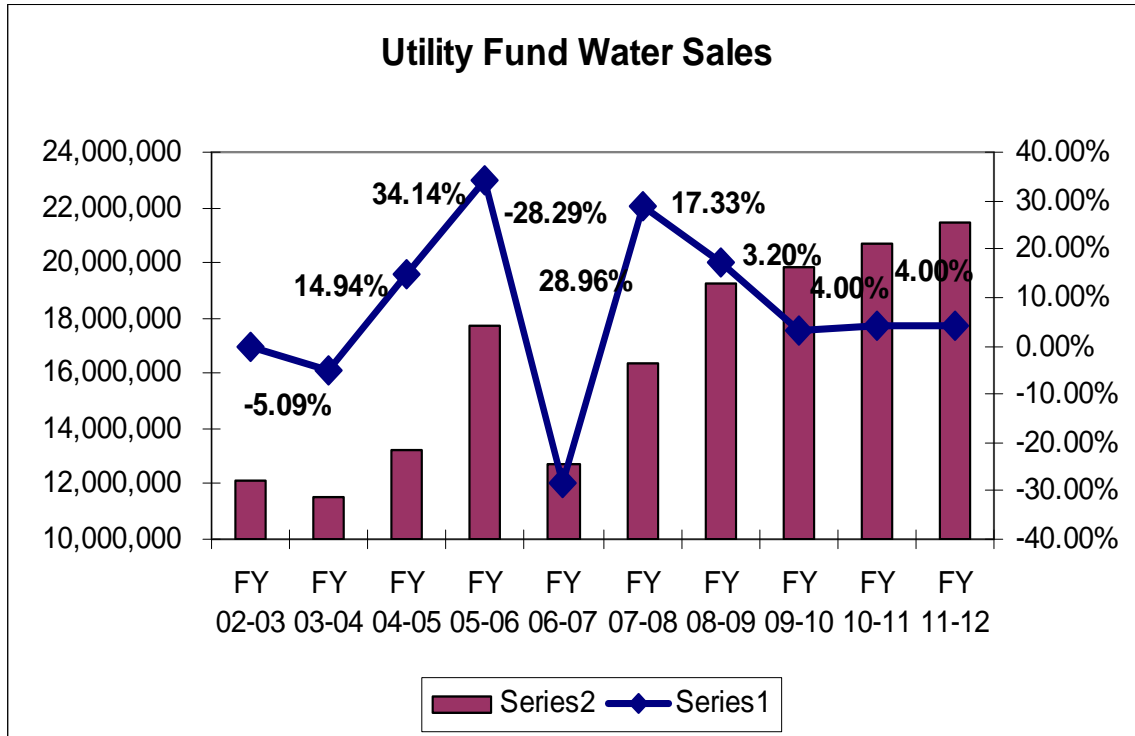
### Utility Fund Revenue

The Utility Fund can be broken into three significant revenue categories: water sales, sewer charges, and other revenue, which includes interest income. The largest of this is water sales which accounts for 67.86% of the FY 2008-2009 total anticipated revenue of \$28,354,473. In FY 2007-2008, the Town adopted a budget that included utility rate adjustments to balance the budget. The rate adjustment was put into effect in January 2008 upon Town Council approval. An additional rate adjustment was put into effect in October 2008 to maintain a balanced budget. Prior to this adjustment, the base water rates had not changed since 1985, but have had incremental adjustments for usage as part of a conservation effort.

### Water Sales

Water Sales are the largest revenue source for the Utility Fund and annually account for approximately 65% of the total Utility Fund revenue. The demand for water is tied to weather conditions and therefore can be variable. The Town Council adopted utility rate adjustments effective in each fiscal year for 2008, 2009, and 2010.

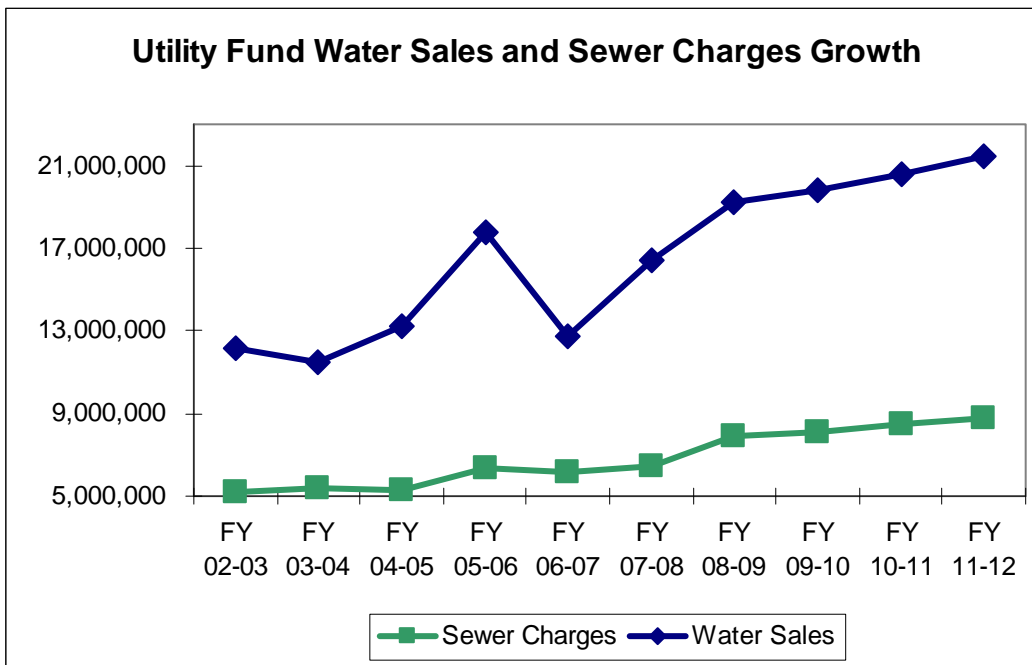
In order to minimize future expenditure losses, the Town is proposing incremental rate adjustments on an annual basis beyond 2010 to cover the utility systems fixed costs. This should help match revenues to increases in wholesale water costs. The increase in revenue anticipation in FY 2008-2009 is due to a revenue projection based upon a normalized weather year. In FY 2009-2010 through FY 2011-2012, growth is expected to increase due to slight increases in demand and annual incremental rate adjustments. The following graph and chart show the current and projected water sales revenue with the anticipated rate adjustments included.



Utility Fund Water Sales										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimated FY 09-10	Estimated FY 10-11	Estimated FY 11-12
Total	12,118,542	11,501,429	13,219,876	17,733,410	12,716,629	16,400,000	19,242,705	19,858,472	20,652,810	21,478,923
Growth	-	-5.09%	14.94%	34.14%	-28.29%	28.96%	17.33%	3.2%	4.00%	4.00%

## Sewer Charges

The Town assesses a sewer use charge based upon the amount of water used on a property by averaging water usage in the months of December, January, and February. Even though the winter usage is more stable, the anticipated revenue is still subject to weather conditions. The sewer charges account for 27.87% of the Utility Fund revenue. In FY 2008-2009, sewer charges increased by 21.87% from the prior year due to increases in the projected water usage. Sewer charges are expected to increase over the following years due to anticipated increases in water usage and rate adjustments. The following graph shows the correlation between water sales and sewer charges and the chart shows projected growth of sewer charges.



Utility Fund Sewer Charges										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimated FY 09-10	Estimated FY 10-11	Estimated FY 11-12
Total	5,150,639	5,340,510	5,299,199	6,313,997	6,128,101	6,483,520	7,901,745	8,138,797	8,464,349	8,802,923
Growth	-	3.69%	-0.77%	19.15%	-2.94%	5.80%	21.87%	3.00%	4.00%	4.00%

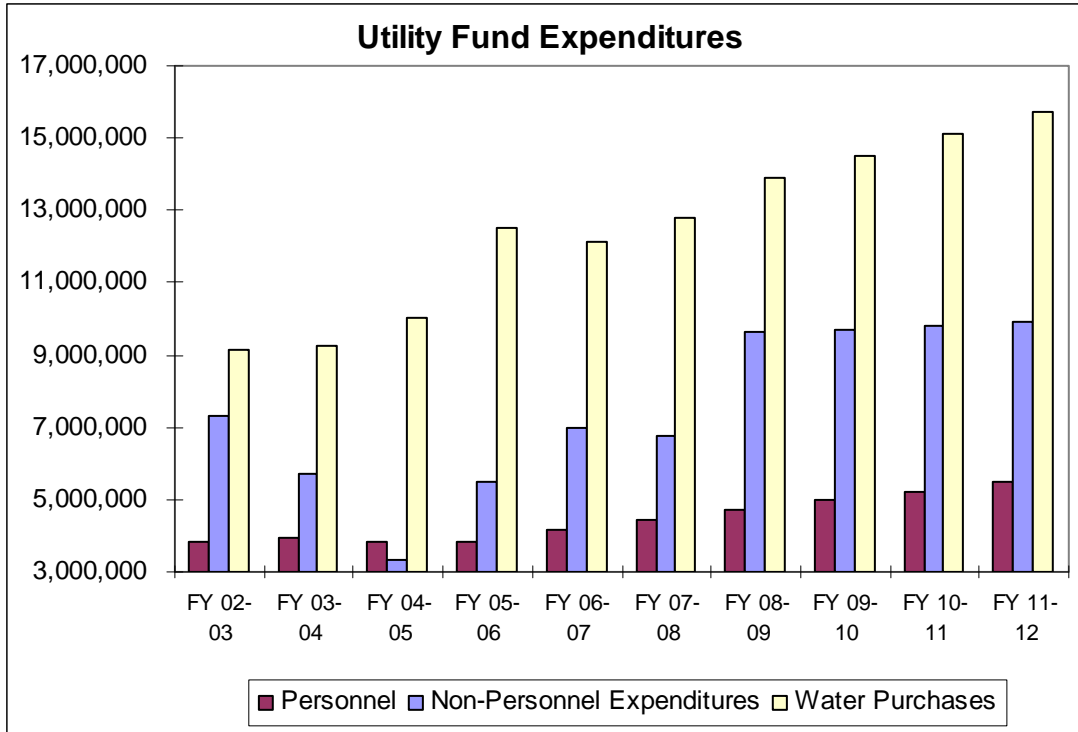
## Other Revenue

The Other Revenue category accounts for all other revenues and in FY 2008-2009 will account for 4.27% of anticipated revenues. This category includes tap and connection fees, late payment fees, and interest income. Other revenue varies significantly from year to year due to new developments being connected to the Town's water system and fluctuation in interest rates. In FY 2008-2009, other revenue is expected to decrease by -26.10% due to a decrease in the number of projected new connections and lower interest income. The following chart shows other revenue growth.

Utility Fund Other Revenue										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimated FY 09-10	Estimated FY 10-11	Estimated FY 11-12
Total	629,263	519,757	732,520	576,474	784,207	1,637,310	1,210,023	1,234,223	1,258,908	1,284,086
Growth	-	-17.40%	40.94%	-21.30%	36.04%	108.79%	-26.10%	2.00%	2.00%	2.00%

## Utility Fund Expenditures

In the Utility Fund, expenditures can be divided into three categories: Personnel, Non-Personnel Expenditures excluding Water Purchases, and Water Purchases. Water Purchases comprise approximately 50% of the Utility Fund budget. As a way to absorb the increase in wholesale water costs, the Town implemented cost saving measures that decreased non-water purchase costs which have affected the growth patterns of the expenditure categories. In FY 2007-2008, the Town began adopting incremental utility rate adjustments to help revenues absorb the water purchase costs rather than lowering service levels. The graph below demonstrates the relationship between the three categories.



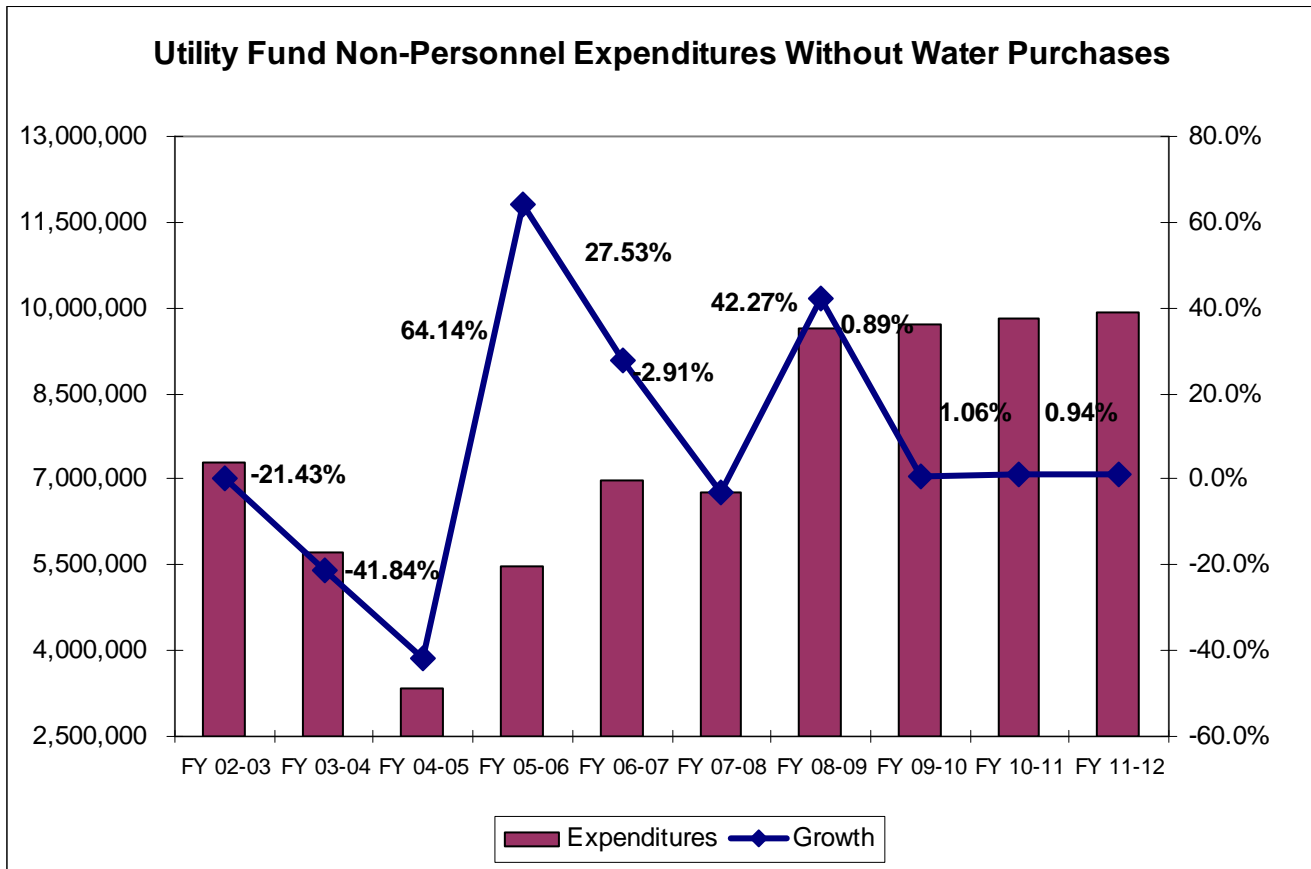
### Utility Fund Personnel

In the Utility Fund, Personnel accounts for approximately 20% of expenditures and in FY 2008-2009 will be 20.23%. The average growth for personnel between FY 2002-2003 and FY 2008-2009 is 3.62% which includes negative growth in FY 2004-2005 due to the freezing of several public works positions. The positions were unfrozen in FY 2006-2007 which created a significant increase. The Town is projecting growth at 5.00% for future years due to the reinstatement of the Pay-Per-Performance program. The following chart shows the growth of personnel expense in the Utility Fund.

Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimate FY 09-10	Estimate FY 10-11	Estimate FY 11-12
Total	3,844,259	3,936,154	3,803,762	3,828,901	4,143,455	4,438,850	4,734,764	4,971,502	5,220,077	5,481,081
Growth	-	2.39%	-3.36%	0.66%	8.22%	7.13%	6.67%	5.00%	5.00%	5.00%

### Utility Fund Non-Personnel without Water Purchases

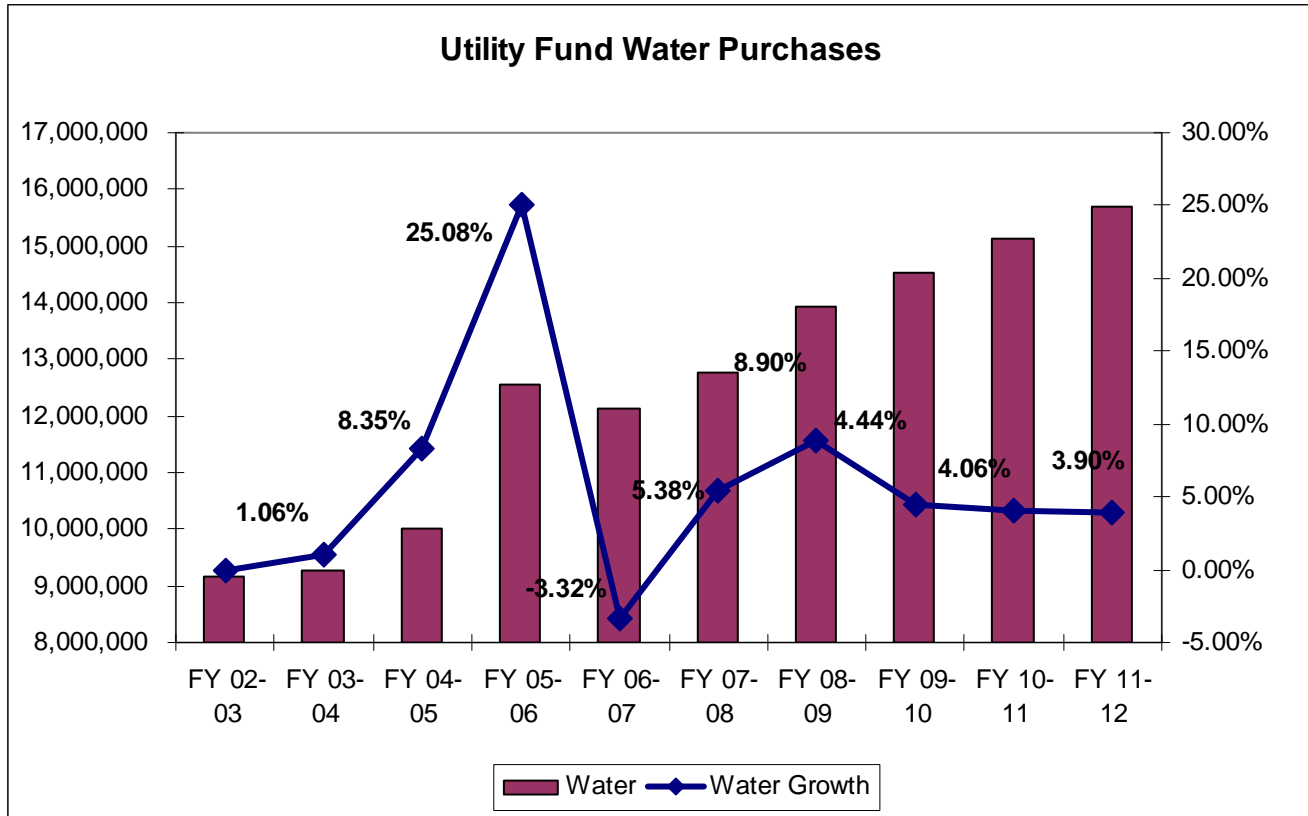
Non-Personnel expenses without water purchases account for the second largest expenditure category in the Utility Fund and are 34.07% in FY 2008-2009 Utility Fund budget. Beginning FY 2007-2008, debt service activity is included in non-personnel expenditures. The average growth from FY 2002-2003 to FY 2008-2009 is 0.40%. The Town Council adopted utility rate adjustments effective in each fiscal year for 2008, 2009, and 2010. In order to minimize future expenditure losses, the Town is proposing incremental rate adjustments on an annual basis beyond 2010 to cover the utility systems fixed costs. The following graph and chart show the growth of non-personnel expenditures without water purchases.



Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Total	7,292,241	5,729,822	3,332,597	5,470,200	6,975,880	6,772,854	9,636,056	9,721,851	9,824,857	9,917,583
Growth	-	-21.43%	-41.84%	64.14%	27.53%	-2.91%	42.27%	0.89%	1.06%	0.94%

### Utility Fund Water Purchases

The Town's water purchases from Upper Trinity Water District and Dallas Water Utilities are the single largest expenditure in the Utility Fund and accounts for 59.44% of the FY 2008-2009 Budget. A water-rate consultant has worked with the Town to determine the level of purchase that the Town will need over the next few years. The analysis indicates only a slight increase in purchases in FY 2008-2009 then increases in future years. The following graph and chart below shows the growth costs and projected percentage increase of water purchases.

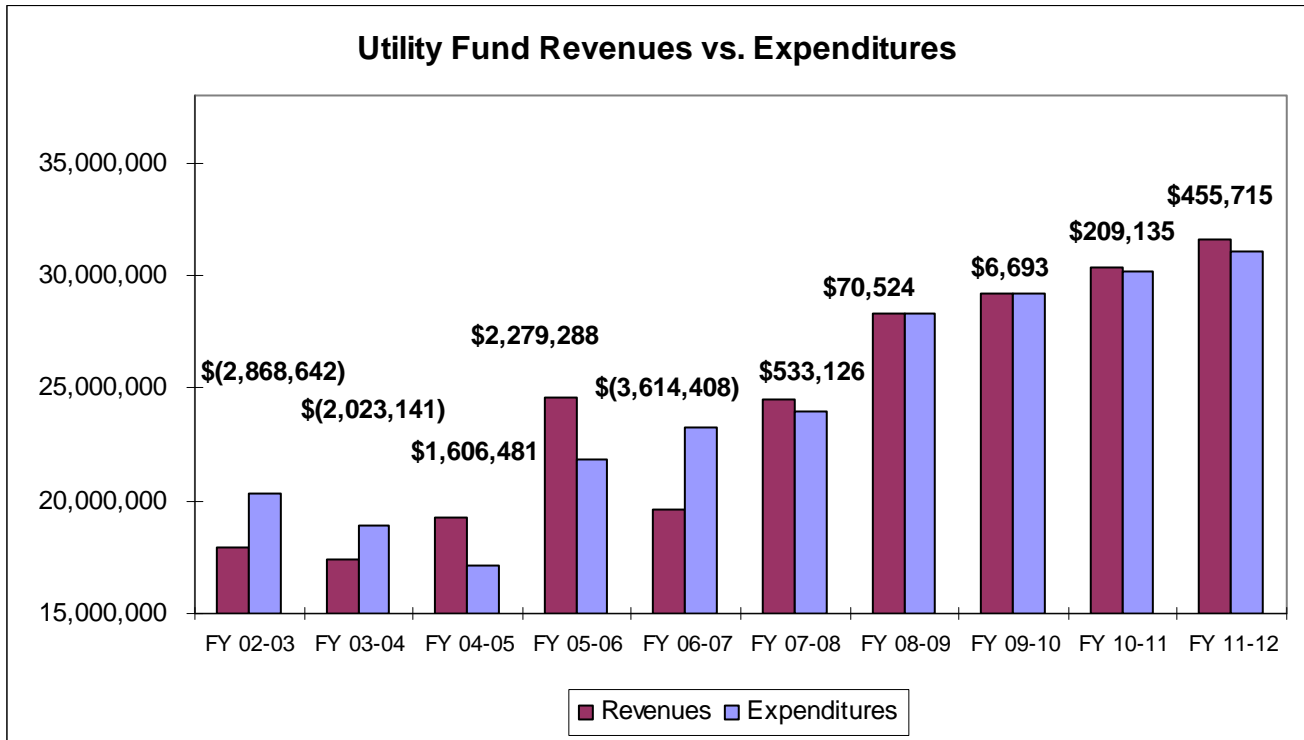


Utility Fund Water Purchases										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimate FY 09-10	Estimate FY 10-11	Estimate FY 11-12
Total	9,156,029	9,252,961	10,025,887	12,540,172	12,124,010	12,776,000	13,913,129	14,531,446	15,121,999	15,711,553
Growth	-	1.06%	8.35%	25.08%	-3.32%	5.38%	8.90%	4.44%	4.06%	3.90%

### Utility Fund Revenue vs. Expenditures

A comparison of water sales revenue to water purchases shows the importance of water sales on the health of the Utility Fund. The Utility Fund has attempted to reduce costs in order to absorb the increases in wholesale water costs rather than increase water rates. In 2008, the Town adopted utility rate adjustments for the next three years that would allow revenues, not

expenditures, to absorb the cost of the wholesale water cost increases. The Town charter requires the fund have a balance of at least 10.00% of expenditures, however, a balance of between 20-25% is a recommended best practice of the Government Finance Officers Association. The following graph shows the revenues and expenditures and includes estimated rate adjustments.



## Stormwater Utility Fund

### Stormwater Utility Revenue

For FY 2008-2009, the Town is anticipating \$1,198,652 in Stormwater Utility revenue. In the Stormwater Utility Fund, revenues can be separated into three main categories: Stormwater Fees, drainage permit fees, and other revenue. Each category is discussed in detail below.

### Stormwater Fees

Stormwater fees are assessed based upon property size, property type and water detention measures. In FY 2008-2009, stormwater fees will be 84.36% of the Stormwater Utility Fund revenues. In FY 2006-2007, the Town implemented the EPA Phase II Stormwater Regulatory Requirements which required the Stormwater Rate fees to be adjusted. The rate adjustment resulted in a large growth rate between FY 2005-2006 and FY 2006-2007. In future years, the Stormwater fees are expected to vary little due to stabilization of land development. The following chart shows the growth of the fees.

Stormwater Fees										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimate FY 09-10	Estimate FY 10-11	Estimate FY 11-12
Total	236,665	379,749	388,168	396,870	973,001	1,004,000	1,011,242	1,051,692	1,093,759	1,137,510
Growth	-	60.46%	2.22%	2.24%	145.17%	3.19%	0.72%	4.00%	4.00%	4.00%

### Drainage Permit Fees

Drainage Permit Fees are the second largest revenue source for the Stormwater Utility Fund and will account for 15.00% of anticipated revenue in FY 2008-2009. The anticipated revenue for FY 2008-2009 is based upon the average annual revenue which results in a decrease from FY 2007-2008. The Town is projecting annual growth conservatively at 4.00%. The chart below shows the Drainage Permit Fees growth.

Drainage Permit Fees										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimate FY 09-10	Estimate FY 10-11	Estimate FY 11-12
Total	160,807	212,073	165,929	126,523	193,699	200,000	180,000	187,200	194,688	202,476
Growth	-	31.88%	-21.76%	-23.75%	53.09%	3.25%	-10.00%	4.00%	4.00%	4.00%

### Other Revenue

Other revenue makes up less than 1.00% of the Stormwater Utility fund revenues. The main source of other revenues is the Penalties for late payment. In FY 2002-2003, a one-time interfund transfer was made into the Stormwater other revenue to help create the fund. If FY 2002-2003 is removed from the average, the growth rate becomes 18.88%. The Town is projecting future years to grow at 4.00% to be conservative. The following chart shows the growth of other revenue in the Stormwater Utility Fund.

Other Revenue										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimate FY 09-10	Estimate FY 10-11	Estimate FY 11-12
Total	222,162	4,339	4,288	5,230	9,880	5,956	7,410	7,706	8,015	8,335
Growth	-	-98.05%	-1.18%	21.97%	88.91%	-39.72%	24.41%	4.00%	4.00%	4.00%

## Stormwater Expenditures

In FY 2006-2007, the Stormwater expenditure budget was increased in order to comply with Stormwater Management Phase II. The increased budget will be maintained in future years in order to maintain compliance. In addition, an annual transfer has been included to fund various Stormwater drainage capital projects. The following chart shows the annual costs and growth.

Stormwater Utility Fund Expenditures										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimate FY 09-10	Estimate FY 10-11	Estimate FY 11-12
Total	520,084	462,612	579,464	614,995	946,317	1,191,142	1,229,985	1,272,766	1,317,312	1,363,703
Growth	-	-11.05%	25.26%	6.13%	53.87%	25.87%	3.26%	3.48%	3.50%	3.52%

## Stormwater Utility Fund Personnel

Personnel expenditures account for the single largest expenditure in the Stormwater Utility Fund and are 49.27% of the FY 2008-2009 budget. The average growth in the category has been 14.13%, which includes significant increases in FY 2004-2005 and FY 2007-2008 due to the addition of new positions. The Town is assuming a 5.00% growth rate for personnel for the Stormwater Utility Fund due to the reinstatement of Pay-for-Performance in FY 2008-2009. The following chart shows the growth of the personnel expenditures.

Stormwater Utility Fund Personnel Expenditures										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimate FY 09-10	Estimate FY 10-11	Estimate FY 11-12
Total	286,545	280,237	401,140	429,828	468,427	511,590	606,044	636,346	668,164	701,572
Growth	-	-2.20%	43.14%	7.15%	8.98%	9.21%	18.46%	5.00%	5.00%	5.00%

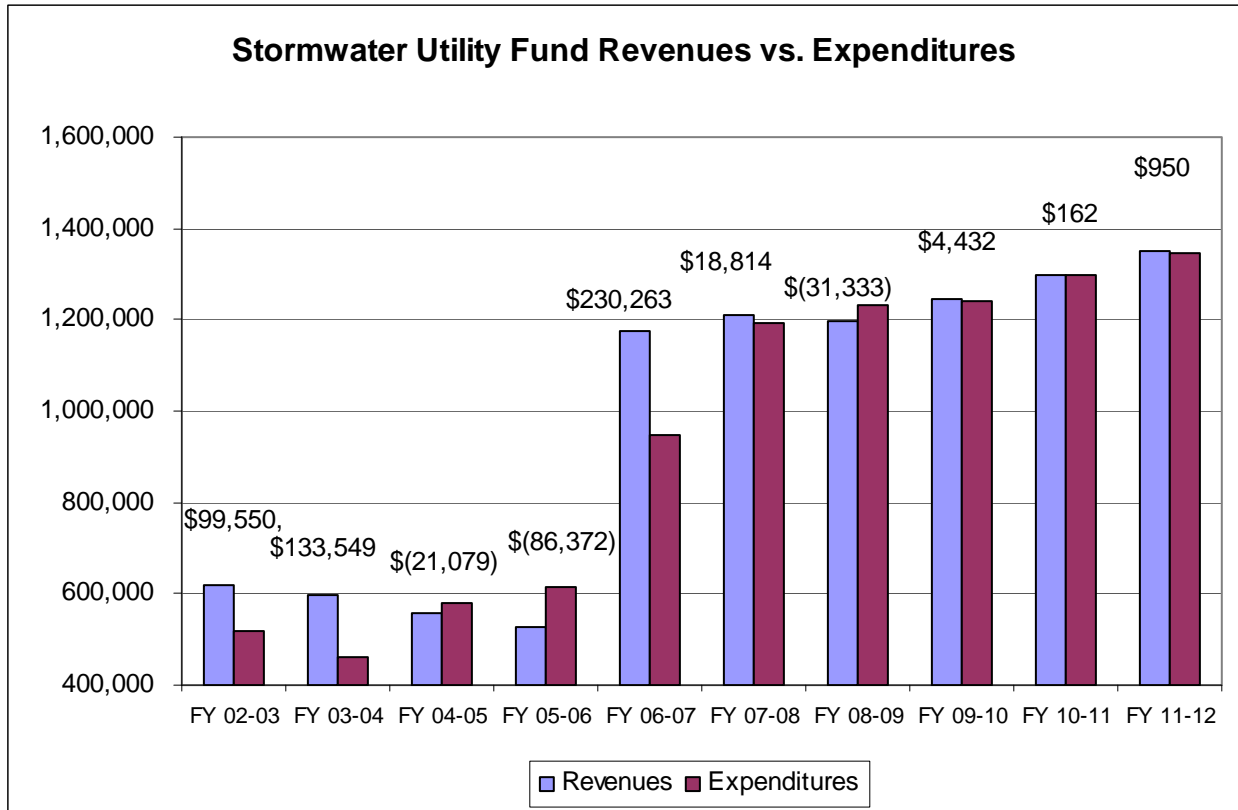
## Stormwater Utility Fund Non-Personnel

In order to comply with Stormwater Management Phase II, the non-personnel expenditure budget was increased significantly in FY 2006-2007. The increased funding will be maintained in future years. In FY 2007-2008, one-time funding for a compact truck loader upgrade was included. The removal of the one-time funding creates an expenditure decrease between FY 2007-2008 and FY 2008-2009. Future years are projected to increase about 2.00% for all non-personnel expenditures while continuing the transfer to fund stormwater drainage projects. The following chart shows the growth of Stormwater Utility Fund non-personnel expenditures.

Stormwater Utility Fund Non-Personnel Expenditures										
Fiscal Year	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Estimate FY 09-10	Estimate FY 10-11	Estimate FY 11-12
Total	233,539	182,375	178,324	185,167	477,890	679,552	623,941	605,820	628,136	645,799
Growth	-	-21.91%	-2.22%	3.84%	158.09%	42.20%	-8.18%	-2.90%	3.68%	2.81%

### Stormwater Utility Fund Revenues vs. Expenditures

In the Stormwater Utility Fund, revenues are projected to be nearly the same as expenditures over the next few years. This is due in part to the leveling of Stormwater fees and the annual adjustment of the transfer for capital projects. The following graph shows the variance between the revenues and expenditures and indicates the net gain.





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