

Town of Flower Mound Town Council

Melissa D. Northern
Mayor

Steve Dixon
Place 1

Al Filidoro
Mayor Pro Tem
Place 2

Mike Wallace
Place 3

Steve Lyda
Place 4

Tom Hayden
Deputy Mayor Pro Tem
Place 5

Town Administration

Harlan Jefferson
Town Manager

Chuck Springer
Assistant Town Manager/CFO

Kent Collins
Assistant Town Manager

Tracy Knierim
Executive Director
Community Relations

Edith Marvin
Town Engineer
Infrastructure Services

Kenneth Brooker
Police Chief
Police Services

Eric Metzger
Fire Chief
Fire and Emergency Services

Gary Sims
Executive Director
Community Services

Doug Powell
Executive Director
Development Services

Vacant
Town Secretary
Legislative Services



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Flower Mound
Texas**

For the Fiscal Year Beginning

October 1, 2009

President

Executive Director

Adopted Budget Fiscal Year 2010-2011

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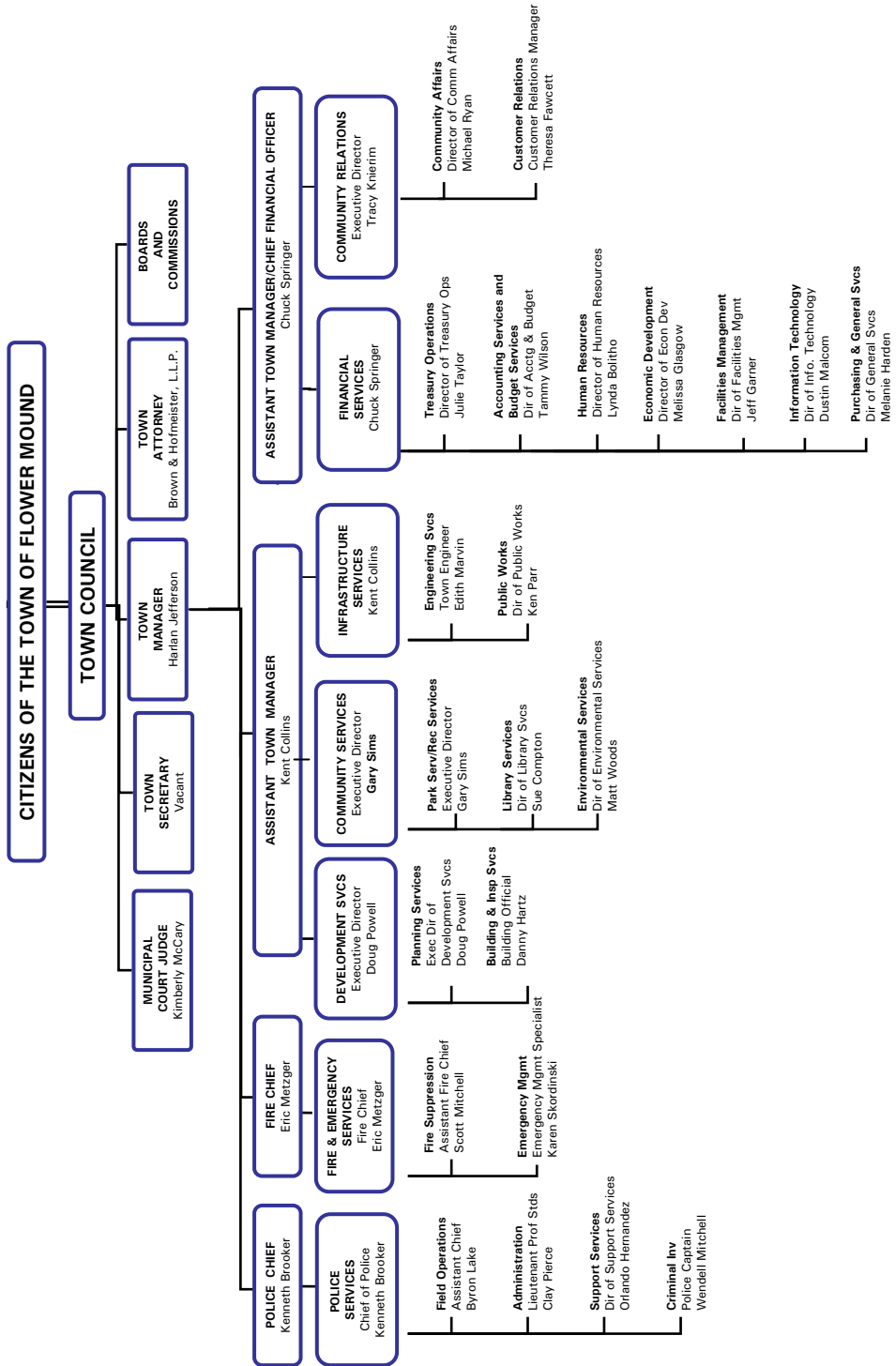
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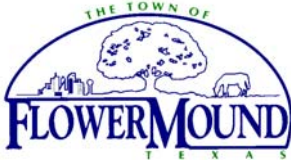
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Town Organization Chart





October 1, 2010

Honorable Mayor and Town Council:

INTRODUCTION

The Adopted Budget for the Town for FY 2010-2011, beginning October 1, 2010 and ending September 30, 2011, is presented as approved by the Town Council on September 20, 2010. The Adopted Budget is intended to serve as:

- ***A plan of financial operations embodying the adopted expenditures and revenues for the next fiscal year.***
- ***An operational plan for the use and deployment of manpower, material and other resources during the next fiscal year.***

The current operating projection and a five-year capital improvement plan have been prepared simultaneously. In addition, staff has created a three-year financial forecast of the "operational" needs and "capital" requirements of the Town. While the overall goal is to maintain current levels of service in order to keep pace with continuing growth, it should be noted that the FY 2010-2011 Adopted Budget will also improve services through the opening of a temporary Senior Center building and more frequent monitoring of gas wells and air quality. Additionally, the FY 2010-2011 Adopted Budget focuses on limiting any additional financial burden on citizens and businesses as the community weathers the economic recovery together.

CHANGES FROM THE PROPOSED BUDGET

Changes from the Proposed Budget were made and are described below.

Revenues increased by \$451,700 from the Proposed Budget. The revenue increases are due to changes to two revenue sources, alarm permits and oil and gas well inspection fees. By changing to annual alarm permits, an additional \$175,000 will be generated. Some of this revenue will provide for additional costs of administering the alarm permit program. An increase in the oil and gas well annual inspection fee will generate an additional \$280,500, which will fund monthly air monitoring and an additional staff member to conduct monthly oil and gas well inspections. A decrease in Denton County's contribution to the library will reduce revenues by \$3,800.

Expenditures increased by \$205,592 from the Proposed Budget. An additional \$75,000 in expenditures was included in the Adopted Budget for the implementation of an annual alarm permit program and \$280,418 in expenditures was added to fund the new oil and gas well inspector position and monthly air monitoring costs. Community Support

funding in the General Fund was decreased by \$16,935. One budget reduction package that would have changed how overtime is calculated was not included in the budget, which added back \$25,000 in expenditures. Debt service expenditures decreased by \$127,891 due to a lower debt service requirement. A decision package for additional street lights was also reduced by \$30,000.

Both the Adopted Budget and Proposed Budget are available for viewing at the Library, Town Hall, and on the internet at www.flower-mound.com. Staff is also available for any questions regarding the Adopted Budget.

EXECUTIVE SUMMARY

The FY 2010-2011 Adopted Budget represents the Town's blueprint of the programs and services it will provide to the citizens of our community. As such, the budget process represents more than an exercise of balancing revenues and expenditures, but also an opportunity for the Town to evaluate its services and plan for improvements in the years to come.

The FY 2010-2011 Adopted Budget, which includes the total resources of \$100,191,015, and expenditures of \$102,822,817, was developed to maintain the Town's fiscal integrity, address the Town Council's priorities, and improve service levels. It is also a communication tool to inform Flower Mound residents of the issues and challenges confronting the community. The Town Council expressed the following priorities for staff consideration while preparing the budget:

- Maintain the current level of services for our residents,
- Be efficient with spending, prioritize expenditures, and eliminate wastefulness,
- Avoid an increase in the property tax rate,
- Increase tax revenue from commercial sources,
- Balance the budget without raising taxes, and
- Reserve as much as possible and spend as little as possible.

A comprehensive list of the responses to the Town Council's Budget Priority Questionnaire can be found in the Appendix. The responses to the Budget Priority Questionnaire serve to guide staff towards achievement of the Town's Strategic Goals.

The FY 2010-2011 Adopted Budget consists of four major components. The first component is the base budget. The base budget provides each department and division with the same funding as the prior fiscal year, less any one-time costs.

The second component consists of non-discretionary requests. Non-discretionary requests are submitted for any proposal that will result in continued or enhanced service that is not optional. The Town simply must fund the non-discretionary requests due to federal or state statutes, ordinances or resolutions, Town Charter requirements, or to reflect best business practices. A list of the adopted non-discretionary requests for all funds can be found in the Appendix.

The third component consists of decision package requests. Decision package requests are submitted for any proposal that will result in a change in the current level of service, the addition of a new program, and all capital items. The Appendix also contains a list of the adopted decision packages for all funds and a list of requests that were removed due

to a lack of available funding. Decision Packages approved for FY 2010-2011 were predominately decision packages associated with one-time costs as opposed to recurring costs. Funding one-time costs allows for more flexibility in following years as the funds become available for reallocation in the following fiscal year.

Budget reductions were introduced in the FY 2010-2011 budget process in order to achieve a balanced budget. For FY 2010-2011, a total of \$148,482 in budget reduction packages are included for the General Fund. A list of the approved budget reduction packages may also be found in the Appendix.

The remainder of this letter discusses the major topics addressed in the FY 2010-2011 Adopted Budget. The topics play a key role in the development of the budget and should be addressed during the budget process in order to properly maintain the Town's financial integrity.

MAJOR TOPICS SUMMARY

I. General Fund Reserve Level – The Town Charter requires a minimum unreserved fund balance of 10%; however, the Town Council has traditionally maintained a higher fund balance. In addition, the Financial Policies adopted on April 4, 2008, require a balance of 15%. In the last five fiscal years, the balance has ranged from 24.51% in FY 2005-2006 to 19.95% in FY 2008-2009. The balance at the end of FY 2009-2010 is projected to be 17.74%. Below is a listing of the unreserved fund balances for the past four years, a projected fund balance for the fiscal year ending September 30, 2010, and the proposed fund balance for the fiscal year ending September 30, 2011.

	As of 9/30/06	As of 9/30/07	As of 9/30/08	As of 9/30/09	Projected 9/30/10	Adopted 9/30/11
Unreserved Balances	\$ 8,023,488	\$ 7,774,176	\$ 7,590,337	\$ 7,995,930	\$ 7,256,155	\$ 7,372,627
% of Total Expenditures	24.51%	22.51%	20.21%	19.95%	17.74%	18.09%

II. Property Tax – The second largest revenue source for the Town is the ad valorem tax. The certified tax rolls submitted by Denton Central Appraisal District and Tarrant Appraisal District excluding the Town's Tax Increment Reinvestment Zone #1 ("TIRZ #1") show an overall decrease of \$164,495,043 or 2.44% from the FY 2009-2010 certified roll. This will result in a decrease of \$739,734 in property tax revenue. The total proposed property tax rate will remain at \$0.4497; however, the General Fund rate will decrease from \$0.3309 to \$0.3231, and the debt service rate will increase from \$0.1188 to \$0.1266. The following table shows the historical trend of property values and tax rates:

**TOWN OF FLOWER MOUND, TEXAS
2010-2011 ANNUAL BUDGET**

	Actual 2006-2007¹	Actual 2007-2008¹	Actual 2008-2009¹	Projected 2009-2010¹	Adopted 2010-2011¹
Taxable Valuation	\$5,613,838,348	\$6,278,448,075	\$6,653,229,402	\$6,755,288,674	\$6,590,793,631
General Fund (Tax Rate Per \$100)	\$.3306	\$.3255	\$.3295	\$.3309	\$.3231
Debt Service Fund (Tax Rate Per \$100)	\$.1191	\$.1242	\$.1202	\$.1188	\$.1266
Total Tax Rate (Per \$100)	\$.4497	\$.4497	\$.4497	\$.4497	\$.4497

¹ Excludes additional value captured in TIRZ #1

III. Compensation – For the General Fund, Utility Fund, and the Crime and Fire District Funds, market adjustments to employee compensation have been included in the Adopted Budget. No merit-based or step pay increases are included for FY 2010-2011.

IV. Organizational Changes – In an effort to improve staff effectiveness and efficiency, as well as realization of cost savings, organizational changes were implemented in June 2010. The changes included the elimination of nine full-time positions and three part-time positions, the reduction of two full-time positions to part-time, and freezing one vacant position for fiscal year 2010-2011. These organizational changes resulted in a savings of \$761,756 in the General Fund and \$5,500 in the Utility Fund.

In order to maintain quality service levels, three additional positions are included in the Adopted Budget. Below is a listing of the new positions and the departments from which they will function. The first two positions will be funded by offsetting decreases in the divisions' overtime and contractual services budgets. The third position will be funded by an increase in the oil and gas well annual inspection fee.

- One (1) Part-time Sign Compliance Specialist (Environmental Services)- General Fund
- One (1) Maintenance Tech II (Facilities Management) – General Fund
- One (1) Oil and Gas Well Inspector (Environmental Services) – General Fund

V. Community Support Funding – Agencies providing community support for the Town of Flower Mound submitted requests for funding for FY 2010-2011. The FY 2010-2011 Adopted Budget includes \$186,873 for this purpose. The Community Support agencies funding schedule is as follows:

TOWN OF FLOWER MOUND, TEXAS
2010-2011 ANNUAL BUDGET

Organizations	Budget 2008-2009	Budget 2009-2010	Requests 2010-2011	Budget 2010-2011
Cultural Arts				
The Actors Conservatory Theatre	\$ 2,000	\$ 1,600	\$ 3,000	\$ 500
Expressions Theater	12,000	9,600	12,000	12,000
Flower Mound Community Orchestra	15,000	12,000	20,000	15,000
Lewisville Lake Symphony	1,000	800	2,000	1,000
Voices of Flower Mound	-	500	2,500	2,000
Sub-Total	\$ 30,000	\$ 24,500	\$ 39,500	\$ 30,500
Social Services/Volunteerism				
Camp Summit	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
CASA of Denton County, Inc.	4,232	4,232	5,096	4,232
Children's Advocacy Center	11,641	16,641	31,286	14,141
Chisholm Trail/RSVP	8,000	8,000	10,000	8,000
Christian Community Action (CCA)	15,000	15,000	20,000	15,000
Communities in Schools of North Texas	10,000	11,000	12,000	10,000
Day Stay for Adults	5,000	5,000	6,500	5,000
Denton County Friends of the Family	15,000	15,000	15,000	15,000
Flower Mound Humane Society	15,000	15,000	15,000	15,000
Girl Scouts of Northeast Texas	-	-	5,000	-
Lakeside Aquatic Club	-	-	10,000	-
PediPlace	20,000	22,500	25,000	20,000
SPAN, Inc. (Meals on Wheels)	2,000	2,000	10,000	5,000
Youth and Family Counseling	40,000	40,000	40,000	40,000
Sub-Total	\$ 150,873	\$ 159,373	\$ 209,882	\$ 156,373
Total	\$ 180,873	\$ 183,873	\$ 249,382	\$ 186,873

VI. **Strategic Goals and Performance Measures** – The Town Council updated the Strategic Goals for the Town in June, 2010. The Strategic Goals provide specific long-term direction for the Town. With the Strategic Goals as a guide, staff has created performance measures which serve as indicators achieving the goals. The measures provide quantitative and qualitative data that provides insight into departmental workload as it relates to performance.

In addition, Town Council has identified short-term and long-term objectives to help achieve the strategic goals. The short-term objectives are intended to be completed within a year of being assigned and usually correspond to a decision package or current need of the Town. Long-term objectives are intended to be completed over the course of several years.

The Adopted Budget contains a separate section titled Strategic Goals. Each Strategic Goal is defined with a department or departments assigned to oversee it. Objectives, both long-term and short-term, associated with the Strategic Goals are included with the status of the short-term objectives provided. Finally, performance measures associated with each Strategic Goal have been placed at the bottom of the page to help track the Town's performance.

In addition, the FY 2010-2011 Adopted Budget includes an update on the status of the FY 2009-2010 Strategic Goals. The updates can be found at the end of the Strategic Goals section.

- VII. Overview of Capital Improvement Program** – The Five-Year Capital Improvement Program reflects prioritization regarding the scheduling of projects, the related cost of the projects and the funding of the projects. These priorities include adding new projects and modifying the scope, cost, schedule and funding source of existing projects for the General Fund Projects (Streets, Signal, Facilities, and Parks) and Utility Fund Projects (Water and Wastewater). The first year of the Capital Improvement Program for FY 2010-2011 is presented in the following table:

Project Type	Project Costs
General Fund	
Streets	\$ 7,130,000
Street Reconstruction	1,350,000
Signals	275,000
Facilities	-
Parks	2,013,000
General Fund Total	\$ 10,768,000
Utility Fund	
Water	\$ 9,704,000
Stormwater	75,000
Wastewater	4,790,000
Utility Fund Total	\$ 14,569,000
Total	\$ 25,337,000

- VIII. Multi-Year Financial Overview** – To this point, the budget message has primarily focused on short-term financial policies and goals that guide the development of the budget for the upcoming year. Long-term financial goals and issues are examined each year through the preparation and implementation of the Multi-Year Financial Overview. Decisions for the upcoming year are not made without considering the long-term effects. The Overview is an essential component of each year’s budget process. Long-range planning, potential revenue sources, cost-saving strategies, and debt issuance are considered before property tax rate changes or utility rate changes are factored into the plan to balance the projected budgets.

As always, due recognition and credit is given to all staff members and department heads that so effectively contributed their time and energy toward preparation of the Adopted Budget. Please be assured that the same degree of care and effort will be devoted to the effective administration of the Adopted Budget.

The staff is also highly appreciative of the leadership and guidance provided by the Mayor and Town Council during the preparation of the Adopted Budget. Staff thanks each of you for your support of the efforts to provide a comprehensive program of municipal operations and services, while remaining within a framework of conservative financial planning and responsible fiscal control.

Respectfully submitted,

Harlan Jefferson

Harlan Jefferson
Town Manager

Chuck Springer

Chuck Springer
Assistant Town Manager/CFO



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ABOUT FLOWER MOUND

History of the Town of Flower Mound

Flower Mound derives its name from the historical site located near the intersection of FM 2499 and FM 3040. This site, known as The Mound, rises nearly fifty feet above the plains and is home to more than 500 different varieties of wildflowers and native prairie grasses.

In the early 1800s, Wichita Indians were the main inhabitants of the area. The Native Americans protected The Mound, which they considered sacred ground. Today, The Mound is an official historic site preserved by a nonprofit organization called "The Mound Foundation."

Government

Incorporated in 1961, the Town of Flower Mound has a Council-Manager form of government. Mayor Melissa D. Northern heads a Council of five members who are elected at large and serve a staggered two-year term. Elected and appointed Town officials work with community and volunteer groups to make Flower Mound a great American Town. These efforts include a continuing commitment to well-trained, well-equipped public safety services, community support services, economic development, parks, and street improvements.

Location

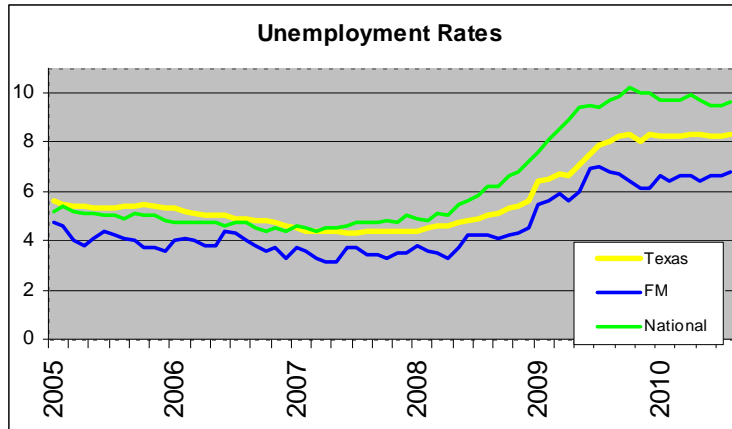
Flower Mound encompasses forty-six square miles in the heart of the Metroplex and is approximately forty-five percent developed. Located in Southern Denton County, Texas, Flower Mound is just twenty-eight miles northwest of Dallas, twenty-five miles northeast of Fort Worth and three miles north of the Dallas/Fort Worth International Airport. Flower Mound is uniquely located between two large lakes, Lake Grapevine at the southern border and Lake Lewisville just minutes to the north.

Climate

The Flower Mound area has an average annual temperature of 76 degrees. Yearly highs average 76 degrees and lows average 55 degrees. The record high is 113 degrees, with a recorded low of two degrees below zero. The Town receives annual rainfall of slightly more than 33 inches, with an average of 79 rainy days.

Demographics

Flower Mound's population has grown from 15,527 in 1990 to 62,950 in 2010, making Flower Mound a rapidly growing community. Flower Mound's average household income is \$157,363 with 53% of Flower Mound residents employed in management/professional occupations, and 27.5 % percent in sales and office occupations. Even as unemployment rises throughout the country, unemployment rates in Flower Mound remain consistently lower than national and state levels.



Property Tax Rate Comparison

In 2010, the estimated number of households was 22,082 with an average household size of 2.8 persons. The average home value is \$290,462 and 59.9% of homes bought in 2009 ranged from \$200,000 to \$499,000. In fiscal year 2009-2010, 91 new residential permits and 51 new commercial permits were issued. Recent economic conditions have caused residential and commercial development to slow, but is expected to recover and return to a stronger growth pattern over the next few years.

Enticing to both residents and businesses, Flower Mound continues to enjoy one of the lowest tax rates in the Metroplex. For the 10th consecutive year, Flower Mound's tax rate has remained at \$0.4497 per \$100 assessed valuation.

City	2009 Tax Rate (per \$100)
1 Grapevine	\$ 0.350000
2 Colleyville	\$ 0.355900
3 Lewisville	\$ 0.440210
4 Flower Mound	\$ 0.449700
5 Southlake	\$ 0.462000
6 Frisco	\$ 0.465000
7 Plano	\$ 0.488600
8 Irving	\$ 0.540600
9 Allen	\$ 0.555000
10 North Richland Hills	\$ 0.570000
11 Richardson	\$ 0.575160
12 McKinney	\$ 0.585500
13 Carrollton	\$ 0.617875
14 Coppell	\$ 0.641460
15 Denton	\$ 0.666520
16 Rowlett	\$ 0.747173
Average	\$ 0.5319
Median	\$ 0.5478

Lifestyle of Residents

During the 1990s, the Town experienced a large boom in residential population in which the Town grew by nearly 30,000. Residents were attracted by a high quality of life, highly ranked educational institutes, and low property tax rates. The Town's commitment to these ideals has led to its distinction as an award winning city. In 2009, Flower Mound was named as the sixth best place to move in the nation and number one in Texas by Forbes. The Town was also recently recognized as the most technologically advanced city in the nation in the population category of 30,000 to 74,999 by the Center for Digital Government (CDG) in November 2009. North Texas Child magazine recently named Flower Mound its choice for top spot to raise a family in their December 2008 "Best for Families" rankings.

Flower Mound takes pride in its ability to offer a large variety of recreational options for its residents. The Town offers over 46 parks with a total of 684 acres of park land. A total of 30 miles of hike and bike trails are located throughout the Town and connect residents to both parks and retail shopping. The Town received the Enjoy Outdoors America Award from the U.S. Department of the Interior for its establishment of the trail system. The Town's Chinn Chapel Soccer Complex features several soccer fields and a concession stand. In addition to Chinn Chapel, the Gerault Park offers softball and baseball fields for public, league, and athletic association use. The Town also operates a state-of-the-art Library that offers a large selection of children's books, several computers for internet research, and large program room with projection equipment. In 2008, the Town opened the new 80,000 square foot Community Activity Center that offers indoor and outdoor pools, activities rooms, and fitness equipment.

The Town is located near two lakes that offer a variety of fishing and boating activities. Lake Grapevine is located along the southern border of the Town and Lake Lewisville is located a few miles to the north. The famous Tour 18 and Bridlewood Golf Courses, both located in Flower Mound, provide challenging shots amid the 300 year-old live oak woodlands.

Flower Mound is home to one of the largest natural hardwood forests in the United States, the Cross Timbers Region. Flower Mound received the Tree City USA Award from the National Arbor Day Foundation for its commitment to environmental improvement and higher levels of tree care. In 2010, Flower Mound was awarded a Gold Scenic City Award, the highest honor of Scenic Texas, an organization that supports and recognizes Texas municipalities that implement high-quality scenic standards for public roadways and public spaces.

State-of-the-art health care is provided by Texas Health Presbyterian Hospital Flower Mound, which opened in April 2010. The project is a catalyst for additional medical-related development in Flower Mound, including the construction of a medical office building by Rainier Medical Investments- it is anticipated to open in 2011 and located adjacent to the new hospital. Hospital Corporation of America also opened a free-standing emergency room in 2009. They join Flower Mound's first free-standing emergency room- First Choice Emergency. Nearby, there is also Medical Center of Lewisville and Baylor Medical Center at Grapevine. Locally, Centerplace medical professional center provides urgent care, extended or primary care, and specialization in physical therapy, sports medicine, radiology, and occupational treatment. Continuum Rehabilitation Hospital, a new 41-bed freestanding inpatient rehabilitation hospital, is scheduled to open in late 2010.

Education

Education is an important factor for Flower Mound businesses and residents. More than 85% of the adult population has had post-secondary education and the Town's highly rated school system provides top-quality instruction for the younger generation. Almost every school in Flower Mound is continuously rated "Exemplary" or "Recognized" by the Texas Education Agency.

The majority of Flower Mound is served by the Lewisville Independent School District (LISD). LISD encompasses 127 square miles and serves nine communities. Flower Mound is also served by Northwest, Argyle, and Denton School Districts.

LISD is surrounded by more than 20 major institutions of higher education including the University of North Texas, Texas Woman's University, Southern Methodist University, and Texas Christian University. Numerous community colleges are also within commuting distance.

In 2010, North Central Texas Community College announced an expansion of their services to Denton County by opening an extension campus in Flower Mound's Parker Square. NCTC will occupy the entire 32,000 square feet at 1200 Parker Square and is scheduled to open with an estimated 1,000 students in January 2011.

Principal Employers

PRINCIPAL PUBLIC & PRIVATE EMPLOYERS IN FLOWER MOUND

<u>Employer</u>	<u>Employees</u>
Lewisville Independent School District	1,693
Town of Flower Mound	550
Stryker Communications	388
Best Buy Distribution & Service Center	175
HD Supply	154
Premier Manufacturing	140
Kroger	128
Ivie & Associates	126
FUNimation Entertainment	120
Tom Thumb	113
Total	<u>3,587</u>

Source: Town Economic Development Division

Economic Development

During the 1990s, Flower Mound was the destination of preference for the relocation of over 30,000 new residents to North Texas. The rapid and intense urbanization has given rise to initiatives to bring balance to the local economic picture. The Town's SMARTGrowth Program, Economic Development Strategic and Marketing Plan, and the Master Plan each have specific and integrated economic development elements. This coordinated approach to economic development and managed growth provides for adequate infrastructure, a favorable tax structure for development, and policies to give substance to the term "business friendly."

The Town's commercial development picture is bright. The heralded 1,500-acre Lakeside Business District is a planned campus commercial and campus industrial development that has in excess of \$22,000,000 of development-ready infrastructure. Negotiated development agreements are currently in place with landowners to provide incentives under the State's 380 provisions that provide long-term benefits for developers and tenants. Over 30 businesses are currently operating in this district and include Stryker Communications, Communication Test Design Inc., ThermoTek, HD Supply, Best Buy Distribution and Service Center, Heat & Control, Kohler, and FUNimation.

The retail environment is also taking hold in Flower Mound with twenty-five shopping centers, including the Highland's of Flower Mound hosting top retailers such as Super Target, World Market, Party City, and several restaurants. The Highland's Ranch is anchored by Lowe's Home Improvement Center with junior anchors Best Buy, PetSmart, and Office Max. The current expansion of Parker Square will allow for more retailers and restaurants to move in, and will make it one of the top shopping and dining destinations in Flower Mound. The Pines of Flower Mound located at FM 3040 and Morriss Road, which is anchored by a Kroger Signature store, has quickly become a well-known shopping and dining destination. The newest development is Robertson Creek, anchored by a JC Penney and Belks, and includes several junior anchors and restaurants. The development continues to grow by adding new space for tenants such as Old Navy, Dick's Sporting Goods, and Verizon Wireless.

Top Ten Property Taxpayers

Taxpayer Name	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Robertsons Creek 1031, LLC	\$ 37,262,450	0.54%
SFERS Real Estate Corp MM	29,738,320	0.43%
SDCO Highlands Denton County LP	26,980,662	0.39%
Prologis	25,636,650	0.37%
FMBP Industrial I LP	22,700,000	0.33%
Parker Prop 800 LTD P/S	22,274,333	0.32%
CS Lakeside 20 LTD LLLP	21,330,000	0.31%
Inland American Flower Mound Cross Timbers LTD PS	20,575,040	0.30%
Oncor Elec Delivery Co FKA: TXU U	20,254,650	0.30%
Lantana Marquis LP	19,600,000	0.29%
Totals	<u>\$ 246,352,105</u>	<u>3.59%</u>

Source: Denton Central Appraisal District

Infrastructure and Utilities

Flower Mound's rapid growth has been enhanced by its infrastructure development including a superior water supply and quality roads. The utility companies serving Flower Mound include Oncor Electric, Atmos Energy (Gas), and CoServ Electric and Gas; the four cable franchises include Time Warner, Verizon, AT&T, and Grande Communications; and the two incumbent telecommunication service providers include Verizon and AT&T. Water and sewer services are provided by the Town of Flower Mound.

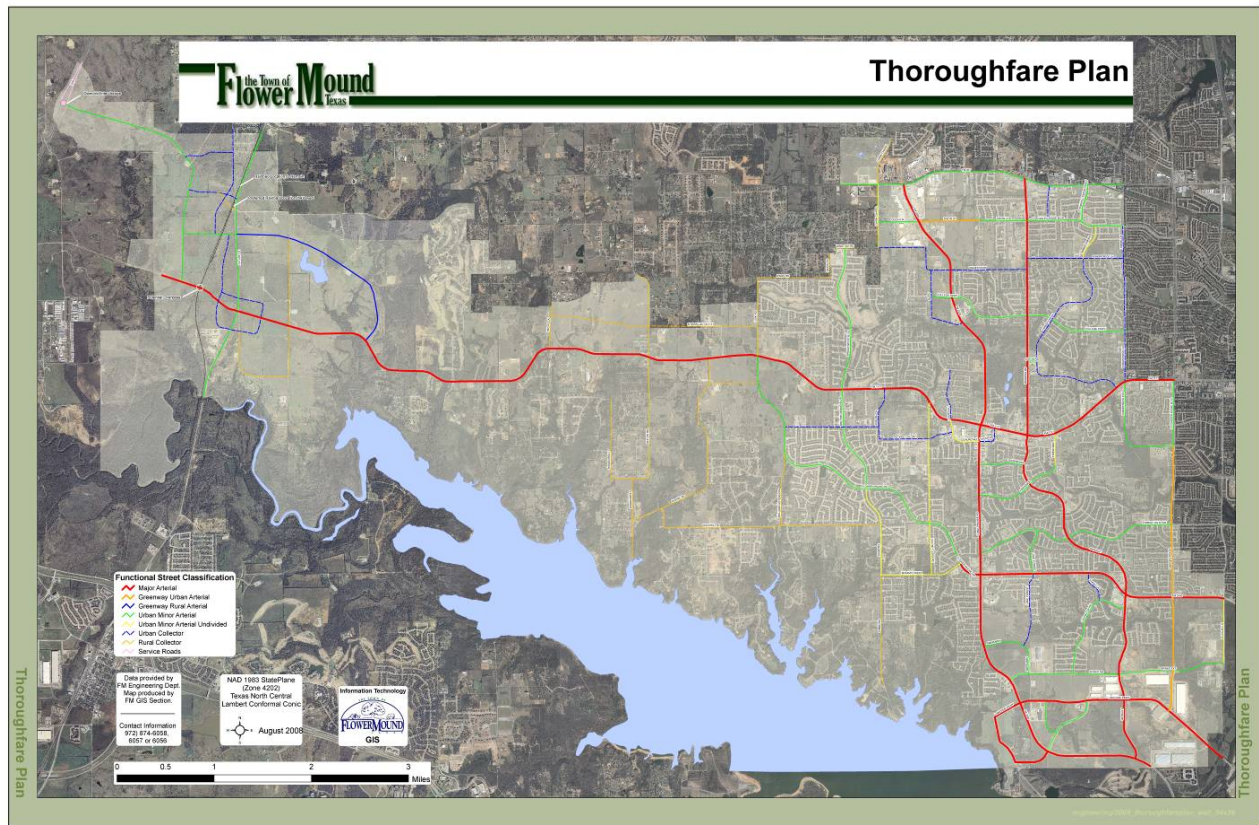
Roads and Airports

The main north/south corridor in Flower Mound is International Parkway/Long Prairie/FM 2499 which is the primary route to both downtown Dallas and Fort Worth, and connects to State Highways 635, 121, and 114. This major artery is planned to continue north from DFW Airport, through Flower Mound to Denton.

The main east/west corridor is Cross Timbers Road/FM 1171, and is planned to be a six-lane divided roadway with curbs and medians. The other east/west corridor, FM 3040, is a six lane roadway from Lewisville to FM 2499/International Parkway.

Flower Mound also has access to two internationally renowned airports. The DFW International Airport, just three miles south of Flower Mound, is the 5th busiest airport in the world within 4 hours fly time to nearly anywhere in the United States. The airport is a leader in the aviation industry and a major economic generator for North Texas.

Alliance Airport, located ten miles southwest of Flower Mound, is a 9,600-acre master planned development anchored by the world's first industrial airport. The convergence of air, rail, and highway in one central location ensures maximum efficiency of cost and time. It is a public airport that exclusively serves the needs of industrial, business, and general aviation users rather than commercial airlines. The airport operates 24 hours a day, year-round, and offers direct taxiway access to nearby business facilities.





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GUIDE TO USING THE FY 2010-2011 ADOPTED BUDGET DOCUMENT

The Town of Flower Mound's FY 2010-2011 Annual Budget is the result of many hours of deliberation as well as responses to both internal and external forces that have imposed fiscal constraints in its preparation. The "Annual Budget" provides information on all aspects of the Town's financial operations. The Annual Budget document is organized logically and is designed to help the reader locate information, both financial and non-financial, with ease. The "Guide To Using The 2010-2011 Annual Budget" section has been added to assist readers with using this document. The FY 2010-2011 Annual Budget document contains important information that helps the reader to better understand the structure of the Town of Flower Mound, and the issues it faces. The discussion that follows sets forth and summarizes the contents of this document.

Overview discusses major initiatives, concerns, and issues considered in developing the Adopted Budget. In addition, the Overview contains demographic and statistical information about the Town of Flower Mound.

Executive Summary contains information on all revenues and expenditures, and a statistical analysis explaining the revenue assumptions for FY 2010-2011. It also includes a "Fund-by-Fund" and "Department-by-Department" synopsis of expenditure changes. The "Fund-by-Fund" analysis allows one to get a general feel for overall changes, and provides information that assists in assessing significant changes between years.

Strategic Goals outlines the goals and priorities of the Town as directed by the Town Council. There are seven strategic goals with associated objectives and action items. The status of the prior year's strategic goals is also discussed.

General Fund contains the General Fund Summary of Revenues and Expenditures, department organizational charts, a description of all General Fund departments/divisions, expenditure summaries, personnel summary, and summaries of the decision packages.

Utility Fund, Stormwater Utility Fund, and the Internal Service Funds contain information on the Utility Fund, Stormwater Utility Fund, Vehicle, Equipment and Technology Replacement Fund, and Health/Flex Fund.

Special Revenue Funds includes information on all Special Revenue Funds, including the Town's Library Development Fund, Park Development Fund, Tree Preservation Fund, Parks and Recreation Special Activities Fund, Police Seizure Fund, Dedicated Sales Tax Funds, Animal Care Fund, Community Development Block Grant Fund, Municipal Court Security Fund, and the Municipal Court Technology Fund. This section also includes a summary of revenues and expenditures, and information similar to that included in the General Fund and the Enterprise Funds.

Debt Service Fund contains a summary of all debt service revenues and expenditures, and a detailed listing of the General Debt Service Fund, and general Debt Service requirements.

Capital Improvement Program Funds includes all Capital Improvement Program (CIP) projects and an explanation of each project's adopted funding sources.

Appendix includes information supporting the Adopted Budget information, including the financial and budgetary policies, pay plans, glossary of terms, and chart of accounts.

OVERVIEW OF THE BUDGET PROCESS

The Town of Flower Mound's budget process is the mechanism that changes taxpayer requests and resources into government services and expenditures. The budget serves as a financial plan for a fiscal year of operations that matches all planned revenues and expenditures with the services provided to the residents of the Town, based on established budgetary policies. The Town Charter establishes that the Town's fiscal year shall begin on the first day of October and end on the last day of September of each calendar year. Below is an overview of the budget process of the Town. The budget calendar is attached for additional detail regarding the current year's budget process.

PREPARATION

The process of developing and preparing the Annual Budget of the Town begins during March of each year, at which time an initial operating and capital budget kickoff meeting is held with all department heads and administrative budget staff. During the kickoff meeting, the Budget Division distributes the budget calendar, budget preparation manual and divisional base budget target numbers. Departments work with the Budget Division to create budget submittals for the upcoming fiscal year. The departmental submittal includes base budget, non-discretionary packages, and decision packages and is submitted at the end of April.

For FY 2010-2011, an Efficiency Committee was established to determine options for balancing the budget and increasing efficiency throughout the Town. The suggestions of the Efficiency Committee were turned into budget reduction packages, which were evaluated and ranked by the Town Manager and Assistant Town Managers.

The departmental budgets are reviewed and verified by the Budget Division. The departments meet with the Assistant Town Manager/CFO and Budget Division to discuss budget submittals and any necessary changes are made. After this review, the Town Manager and Assistant Town Managers evaluate the non-discretionary packages and rank the decision packages for consideration in the Proposed Budget. The Town Council is asked to rank the decision packages based upon their priorities. These rankings will be discussed at the Budget Work Session in August and can result in changes from the Proposed Budget to the Adopted Budget.

As part of the preparation process, staff requests that the Town Council assist in identifying agencies eligible for Community Support funding. The financial support helps non-profits provide activities, programs and services to the citizens of the Town and surrounding communities. At the Budget Workshop in August, Town Council approves the amounts granted to each organization.

Multi-year projections using historical trends and growth assumptions are created to provide projections of the Town's future fiscal position. The multi-year projections identify any potential problems in matching projected revenues with anticipated growth in expenditures. The multi-year projections allow the Town to look at alternative funding and expenditure strategies to assist in balancing future budgets. In addition, the projections help determine when tax-supported bonds can be sold without affecting the tax rate, therefore, drawing together the operating budgets and the Capital Improvement Program.

PROPOSED BUDGET

On July 25, the Appraisal Districts provide the Town with the certified property tax rolls which are used to project property tax revenue. After review of the property tax revenue projection and revised multi-year projections, Budget Services can determine the level of funding that is available for the upcoming fiscal year. A proposed budget is created that accounts for the updated revenue projections and uses the Town Manager decision package rankings as a funding guide.

State Law requires the Town must calculate the effective and rollback property tax rates. The effective tax rate is the tax rate required to raise the same amount of property tax revenue as the current fiscal year based upon the new certified roll. The rollback rate is essentially 1.08 times the effective maintenance and operations rate plus the required debt rate. If the proposed tax rate is higher than the rollback rate, then citizens can petition for a rollback election in which the voters can approve the usage of either the proposed rate or the rollback rate.

By Town Charter Section 9.02, the Town Manager shall, between sixty and ninety days prior to the beginning of each fiscal year, submit to the Town Council a Proposed Budget, which shall provide a complete financial plan for the fiscal year, and shall contain, but not be limited to the following:

- A budget message that shall consist of an outline explaining the proposed financial policies of the Town for the upcoming fiscal year, and that shall set forth the reasons for changes from the previous year in expenditures and revenue items, and that shall explain any major changes in financial policy.
- A consolidated statement of anticipated receipts and proposed expenditures of all funds.
- An analysis of property valuations, the tax rate and tax levies and collections by years for at least five (5) years.
- General fund resources in detail and special revenue fund resources in detail.
- Summary of proposed expenditures and detailed estimates of expenditures by function, department and activity.
- A revenue and expense statement for all service funds.
- A description of all bond issues outstanding, showing rate of interest, date of issue, maturity date, amount authorized, amount issued and amount outstanding.
- A schedule of requirements for the principal and interest of each issue of bonds.
- The appropriation ordinance and the tax levying ordinance.
- A comparative schedule showing the amount of bonded debt at the beginning of the fiscal year and projected at the end of the fiscal year based on the approved capital budget.

In addition to being given to Town Council, the proposed budget is placed on display at Town Hall and at the Library. An ad is placed in the paper of record stating that the proposed budget is available for public viewing. This allows Council and citizens time to review the proposed budget prior to the Budget Work Session.

ADOPTION

A Town Council Work Session is held in August to discuss the Proposed Budget with Town Council, the Town Manager, and staff. The workshop allows staff to describe the functions, activities and goals that will be funded by the proposed revenues and expenditures. In addition, the Work Session allows Council to review the budget to see how it addresses council and citizen priorities. Council may direct staff to change or modify the proposed budget to better address the needs of the Town. The Work Session includes a review of the proposed decision packages and budget reduction packages, and Council may direct staff to add, modify or remove decision packages. Any Council recommended changes or modifications will be discussed at the Public Hearings on the budget and reflected in the Adopted Budget once approved.

After the Budget Work Session, public notice is posted at both Town Hall and published in the newspaper of record to notify the general public of the time and location of the required public hearings on the Proposed Budget and Tax Rate. The hearings give all interested persons an opportunity to be heard, for or against, any expenditure amount or revenue estimate and the proposed tax rate. After the public hearing, Council may choose to amend the proposed budget before it becomes adopted. The Town Council, by ordinance, adopts the Proposed Budget with any modifications from either the Budget Work Session or Public Hearings and then adopts the tax rate by ordinance. State law requires that the budget be adopted prior to the tax rate. If a budget is not adopted by October 1, then the current year's budget becomes effective until Council can adopt a budget. If a tax rate is not adopted by September 30, then by state law, the lower of the effective tax rate or current tax rate is implemented as the tax rate, and this cannot be changed.

IMPLEMENTATION

On October 1 of the fiscal year, the budget is loaded into the Accounting software system. Departments must operate within their adopted budgets. Budgetary control is established and maintained after adoption of the budget by the preparation of monthly revenue and expenditure statements, which provide monthly and year-to-date amounts and percentages of budgeted appropriations expended by fund, department and division. These monthly statements are distributed to the Mayor, Town Council and all department heads.

If necessary, a transfer or amendment can be approved in order to better match funding with actual expenditures. Transfers can be processed between line items in a division and between divisions in a department in the same fund. A transfer cannot change the total budget for a department, only line item allocations. Amendments can be made to transfer funds which can change the total budget. Section 9.14 of the Town Charter provides Town Council the authority to amend the budget and reads:

During the fiscal year, the Town Council shall have the power to transfer funds allocated by the budget from one department to another department, and to re-estimate revenues and expenditures. If the Town Council determines it is in the best interest of the Town to apply for and accept a private, county, state or federal grant of funds for a particular purpose, the Council's action in accepting the award of said grant and any corresponding expenditures shall constitute a budget appropriation in the amount of said grant funds.

BUDGETARY CONTROL

The source of budgetary control is at the category and department level budget in the General Fund and Utility Fund, and at the fund level in all other funds. When budget adjustments between department, and/or funds are necessary, they must be approved by the Town Council, and must meet other requirements as outlined in the Town Charter.

Budget transfers within a department may be made with approval of the Chief Financial Officer unless the transfers involve salaries or capital expenditures which must also be approved by the Town Manager. Transfers between departments will be allowed only by Town Council approval.

Department heads will be responsible and accountable for the budget of their respective departments. Each department head will prepare his/her budget with diligent effort and foresight to provide the citizens of Flower Mound with the most cost efficient and effective services. Each individual department head will review the budgeted expenditures to determine if the level of service, as determined by Town Council, can be maintained with the budgeted funds.

FY 2010-2011 Budget Preparation Calendar

<u>Date</u>	<u>Activity</u>	<u>Participants</u>
January-10		
January 22-23, 2010	Council Retreat	
February-10		
Friday, February 12, 2010	Memorandum to Departments and Divisions requesting completed JDQs, New Position Request Forms, and/or Reclassification Forms for FY 2010-2011.	Human Resources
March-10		
Friday, March 05, 2010	Deadline for Departments/Divisions to submit completed JDQs, New Position Request Forms and/or Reclassification Forms for FY 2009-2010 to Human Resources.	All Departments/Divisions
March 08-19, 2010	HR analyzes positions	Human Resources
Tuesday, March 23, 2010	Operating and Capital Budget Kickoff & Budget Software Training	ATM/CFO, Executive Team, Division Heads, Budget Coordinator
March 24 - April 21, 2010	Departments/Divisions create budgets.	Department/Division Heads, Budget Coordinator
April-10		
Friday, April 02, 2010	Additional Budget Training (if needed).	Budget Coordinator
Monday, April 19, 2010	Proposed CIP Project Summary Sheets due to CIP.	CIP Manager, Department/Division heads
Wednesday, April 21, 2010	Human Resources finalizes classifications based on discussion with the Town Manager. Revenue Detail Forms & Budget Submittals due to Budget Services.	Human Resources Department Heads, Designated Staff
April 21 - May 16, 2009	Budget Submittal Reviews - Attempt to return to departments within 3 days of receiving - Departmental updates should be made within 5 days of receiving edits.	Budget Coordinator
Thursday, April 22, 2010	Send out a letter and application form to Community Support Organizations asking them to submit a request for funding. Advertise that Community Support funding is available. Check the Denton Record Chronical website for when to submit	Budget Coordinator Budget Coordinator
Friday, April 23, 2010	Human Resources provides the re-classification documentation to the Financial Services Department and notifies Departments and Divisions of decisions.	Human Resources, Budget Coordinator
May-10		
May 3-11, 2010	Department Budget Submittal Meetings w/ ATM/CFO	ATM/CFO, Director of Accounting and Budget, Budget Coordinator, Department/Division Heads
Friday, May 14, 2010	Preliminary Appraisal Roll due from Denton Central Appraisal District.	Denton Central Appraisal District
Thursday, May 20, 2010	Town Council Budget Priority Work Session Meeting	Town Council, Town Manager, ATM/CFO, Director of Accounting and Budget, Budget Coordinator

FY 2010-2011 Budget Preparation Calendar

June-10

Tuesday, June 01, 2010	Submissions due from Community Support Organizations.	All Community Support Organizations
Saturday, June 05, 2010	Town Council Retreat for Goal and Budgetary Priority Setting	Town Manager, ATM/CFO
Monday, June 07, 2010	Vote: Consider approval of an Interlocal Cooperation Agreement with Denton County for the assessment and collection of ad valorem taxes for FY 2010-2011	Town Council, Town Manager, ATM/CFO, Executive Team, Director of Accounting and Budget, Budget Coordinator
Tuesday, June 15, 2010	Town Hall Budget Meeting	ATM/CFO, Director of Accounting and Budget, and Budget Coordinator
Thursday, June 17, 2010	Community Support Organizations make presentations before the Town Council (if needed) (Work Session).	Town Council, Town Manager, ATM/CFO, Director of Accounting and Budget, Budget Coordinator, Community Support Organizations
Late June - Early July	Provide Council with Council Decision Package Ranking Binder - Due on late July Council meeting date	

July-10

Monday, July 26, 2010	Chief Appraiser certifies appraisal role.	DCAD
Monday, July 26, 2010	Calculate the Effective Tax Rate.	Denton County Tax Assessor/Collector, Director of Accounting and Budget
Friday, July 30, 2010	Proposed Budget placed on file. (Charter Requirement, 9.02., L.G.C., 102.005a)	Budget Coordinator

August-10

Early August	Begin to update Presentations for Workshop and Public Hearings	Budget Coordinator
Thursday, August 12, 2010	Town Council Budget Work Session.	Town Council, Town Manager, ATM/CFO, Executive Team, Division Heads, Director of Accounting and Budget, Budget Coordinator,
Monday, August 16, 2010	<p>Publish "Notice of Hearing on Budget" (after delivery to the Town Council, but at least 10 days prior to the public hearing) (Charter requirement 9.06, L.G.C. 102.0065(a and b)).</p> <p>Vote to consider a tax revenue increase (if needed) and vote to schedule a Public Hearing on August 26 and September 7, 2010 (Special Council Meeting).</p> <p>Vote to schedule a Public Hearing for the Town Budget, Crime District, and Fire District on August 26, 2010. (Charter Requirement 9.06 and L.G.C. 102.006(1-c) 9) (10 day publishing notice (Special Council Meeting).</p> <p>Submission of effective and rollback tax rates to the Town Council. Approval of appraisal roll (P.T.C. 26.04(b) (Regular Council Meeting).</p>	<p>Budget Coordinator</p> <p>Town Council, Town Manager, ATM/CFO, Executive Team, Director of Accounting and Budget, Budget Coordinator</p> <p>Town Council, Town Manager, ATM/CFO, Executive Team, Director of Accounting and Budget, Budget Coordinator</p> <p>Town Council, Town Manager, ATM/CFO, Executive Team, Director of Accounting and Budget, Budget Coordinator</p>
Wednesday, August 18, 2010	<p>Publish "2010 Property Tax Rates in Town of Flower Mound" (Effective & Roll Back Tax Rates) (to be published after submission to the Town Council). (P.T.C. 26.04(e))</p> <p>Publish "Notice of Public Hearing on Tax Increase" by this date (quarter-page notice to be published at least seven days in advance of the first hearing), if needed (P.T.C. 26.06(a)).</p>	<p>Director of Accounting and Budget/ Denton County Tax Assessor/Collector</p> <p>Director of Accounting and Budget</p>
Thursday, August 26, 2010	<p>Public Hearing on the Town budget, Crime District, and Fire District. Hearing must be held more than 15 days after the budget is filed with the Town Secretary, but before the tax rate is adopted (L.G.C. 102.006(b)).</p> <p>Public Hearing on tax increase (if needed).</p>	<p>Town Council, Town Manager, ATM/CFO, Executive Team, Director of Accounting and Budget, Budget Coordinator</p> <p>Town Council, Town Manager, ATM/CFO, Executive Team, Director of Accounting and Budget, Budget Coordinator</p>

FY 2010-2011 Budget Preparation Calendar

September-10

Tuesday, September 07, 2010	2nd Public Hearing for tax increase (if needed). Adoption date must be set between three to fourteen days from this date (Special Council Meeting).	Town Council, Town Manager, ATM/CFO, Executive Team, Director of Accounting and Budget, Special Projects Manager, Budget Coordinator
Wednesday, September 08, 2010	Publish "Notice of Tax Revenue Increase." (if needed) (second quarter page notice - after public hearing but before adoption) (P.T.C. 26.06(d)).	Director of Accounting and Budget
Monday, September 20, 2010	Vote on adoption of Crime District and Fire District Budgets by resolution	Town Council, Town Manager, ATM/CFO, Executive Team, Director of Accounting and Budget, Budget Coordinator
	Vote on adoption of Budget by ordinance; Send email to staff announcing budget approval; attach list of NDs and DPs and Rev/Exp summary of dept. and div. budgets	Town Council, Town Manager, ATM/CFO, Executive Team, Director of Accounting and Budget, Budget Coordinator
	Vote on adoption of 2010 Tax Rate	Town Council, Town Manager, ATM/CFO, Executive Team, Director of Accounting and Budget, Budget Coordinator

October-10

Friday, October 01, 2010	Fiscal year begins.	N/A
Monday, October 04, 2010	Vote- Consider approval of an ordinance adopting the 2010 tax rolls for the Town of Flower Mound	Town Council, Town Manager, ATM/CFO, Executive Team, Director of Accounting and Budget, Budget Coordinator
Within 10 Days of October 1	Send grant letters to Community Support organizations. Include lump payments for those eligible and have submitted all required materials	Budget Coordinator; Accounts Payable
Wednesday, October 13, 2010	Distribute the "Budget-In-Brief" Document.	Budget Coordinator

November-10

Monday, November 29, 2010	Receive and distribute Adopted Budget.	Budget Coordinator
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December-10

Monday, December 06, 2010	FY 2010-2011 Year-End Budget Amendment Ordinance (Regular Council Meeting).	Budget Coordinator
Sunday, December 19, 2010	Adopted Budget to GFOA by this date; 90 days after adoption	Budget Coordinator