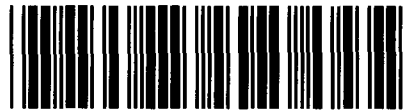




Control Number: 46835



Item Number: 32

Addendum StartPage: 0

PUC DOCKET NO. 46835

**APPLICATION OF THE CITY OF
PRINCETON TO AMEND ITS
CERTIFICATES OF CONVENIENCE
NECESSITY AND TO DECERTIFY A
PORTION OF ALTOGA WATER
SUPPLY CORPORATION'S WATER
SERVICE AREA IN COLLIN COUNTY**

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§

BEFORE THE PUBLIC UTILITY

2018 JUN 13 11:2:36
PUBLIC UTILITY COMMISSION
FILING CLERK

COMMISSION OF TEXAS

**CITY OF PRINCETON'S
RESPONSE TO ORDER NO. 9**

COMES NOW the City of Princeton, Texas ("City" or "Princeton") and files this Response to Order No. 9.

Order No. 9, issued December 4, 2017, requires Princeton to cure deficiencies alleged by the PUC Staff. The Court required the City to cure the deficiencies by January 15, 2018. The City requests leave for this late filed response as January 15, 2018, the PUC was closed as a state holiday. Further, January 16, 2018, an ice storm caused the closure of many state offices and the office of the undersigned.

The City respectfully supplements its application as follows:

Staff Statement: **The Applicant did not include a copy of the TCEQ plans and specifications approval letter or proof that plans and specifications have been submitted to the TCEQ for review and approval.**

City Response: The City is unaware of any rule or regulation that requires the City to have previously submitted such information to the TCEQ prior to requesting a CCN amendment. The City's development patterns are such that the City does not prepare or submit construction drawings to the TCEQ for areas to which it is not currently certificated. In this instance, the area in question is singly certificated to Altoga WSC. Absent approval of the instant application, the City cannot construct any facilities for retail water service in the proposed service area. Thus, the request for CCN within the Altoga service area. However, the City has been planning for growth within its

32

corporate limits and within the proposed service area. Princeton estimates that growth within its corporate limits and surrounding area will grow as follows:

Year	Total Population for Princeton & Surrounding Area
2017	20,234
2020	28,299
2025	48,772
2030	66,284
2035	91,959
2040	100,682
2045	101,592
2050	102,558
2060	103,943
2070	106,943

Because of the growth, the CCN as contemplated by the City and Altoga is essential for water service in the area. The CCN contract is attached hereto as Exhibit A.

Staff Statement: **The Applicant must provide ...Projected Income Statements for years 2017, 2018, 2019, 2020, and 2021.**

City Response: The City's proposed budgets may be found for 2017 (Exhibit B) and 2018 (Exhibit C) attached hereto. For the succeeding years, the City anticipates growth in a fashion that tracks the growth identified in the Table above.

Respectfully submitted,

Russell Rodriguez Hyde Bullock LLP
1633 Williams Drive, Building 2, Suite 200
Georgetown, Texas 78628
(512) 930-1317
(866) 929-1641 (Fax)

/s/ Arturo D. Rodriguez, Jr.
ARTURO D. RODRIGUEZ, JR.
State Bar No. 00791551

**ATTORNEY FOR THE CITY OF
PRINCETON**

CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of January, 2018, a true and correct copy of the foregoing document has been sent via facsimile, first class mail, or hand-delivered to the following counsel of record:

Via Electronic Mail & Facsimile

Landon J. Lill
Attorney – Legal Division
Public Utility Commission of Texas
1701 N. Congress Avenue
Austin, TX 78701
(512) 936-7268 Fax
landon.lill@puc.texas.gov

Anthony S. Corbett
McLean & Howard, LLP
901 South MoPac Expy, Suite 225
Austin, TX 78746
(512) 328-2409 Fax
tcorbett@mcleanhowardlaw.com
Representing North Collin SUD and Altoga WSC

/s/ Arturo D. Rodriguez, Jr.
ARTURO D. RODRIGUEZ, JR.

EXHIBIT A

SETTLEMENT AGREEMENT TO RESOLVE WATER CCN DISPUTE

The parties to this Settlement Agreement to Resolve Water CCN Dispute ("Settlement Agreement") are North Collin Special Utility District ("North Collin"), Altoga Water Supply Corporation ("Altoga"), and the City of Princeton, Texas ("Princeton"), hereinafter individually referred to as a "Party" and collectively as the "Parties".

SECTION 1

RECITALS

1.01 North Collin is a political subdivision of the State of Texas created under the authority of Section 59, Article XVI, Texas Constitution, and operating pursuant to Chapters 49 and 65, Texas Water Code. North Collin holds Certificate of Convenience and Necessity ("CCN") No. 11035 by Order of the Texas Commission on Environmental Quality ("TCEQ"), or its predecessor agency, granting to North Collin the exclusive right to own and operate a retail public water utility system (a/k/a "water system") serving persons located inside a defined geographical service area in north-central Collin County. North Collin is a rural water system so North Collin does not possess a sewer CCN nor does it intend to provide sewer service in the future.

1.02 Altoga is a nonprofit rural water supply corporation organized under Texas Water Code, Chapter 67, for the purposes stated in Water Code § 67.002. Altoga holds CCN No. 12580 issued by the TCEQ, or its predecessor agency, granting to Altoga the exclusive right to own and operate a retail public water utility system serving persons located inside a defined geographical service area in north-central Collin County (the "Altoga System"). Altoga's water service area is located immediately to the east of North Collin's service area. Altoga is a rural water system so Altoga does not possess a sewer CCN nor does it intend to provide sewer service in the future.

1.03 Princeton is a Type-A general law municipal corporation organized and existing under the laws of the State of Texas and located wholly within Collin County, Texas. Princeton holds CCN No. 13195 to provide retail water utility service and CCN No. 21057 to provide retail sewer service to defined service areas covering Princeton's corporate limits and portions of its extra-territorial jurisdiction ("ETJ"). Princeton owns and operates a municipal water system and a municipal sewer system. Princeton's water service area is located immediately to the south of Altoga's water service area. Princeton's sewer service area covers approximately one-third of Altoga's water service area as shown on the map attached hereto as Exhibit "A" and incorporated herein by reference for all purposes.

1.04 Altoga has entered into a contract to convey its water system and to transfer CCN No. 12580 to North Collin. To effect the transfers, on October 18, 2016, Altoga and North Collin filed an application with the Texas Public Utility Commission ("PUC") entitled, *Application of Altoga Water Supply Corporation and North Collin Special Utility District for Sale, Transfer, or Merger of Facilities and Certificate Rights in Collin County*; PUC Docket No. 46452 ("STM Application"). Princeton subsequently filed a request for public contested case hearing on the STM Application. On January 11, 2017, the PUC issued an order referring the STM Application to the State Office of

Administrative Hearings ("SOAH") where it was assigned SOAH Docket No. 473-17-2085.WS ("STM Proceeding"). Princeton filed a motion to intervene as a party to the STM Proceeding, which was granted on February 6, 2017.

1.05 On February 6, 2017, Princeton filed an application with the PUC entitled, *Application of City of Princeton to Amend its Water and Sewer Certificates of Convenience and Necessity and to Decertify a Portion of Altoga Water Supply Corporation's Water Service Area in Collin County*; PUC Docket No. 46835 ("CCN Application"). The PUC has not declared the CCN Application to be administratively complete.

1.06 The Parties acknowledge that the STM Proceeding and the CCN Application described above (collectively, the "PUC Proceedings") reflect bona fide disputes and controversies between the Parties. The PUC Proceedings concern identifying whether North Collin or Princeton will provide water service to different classes of new customers in a certain portion of Altoga's water service area that is also located in Princeton's ETJ.

1.07 Altoga and North Collin are currently indebted to the United States Department of Agriculture/Rural Development (USDA/RD) under the Consolidated Farm and Rural Development Act of 1961, 7 U.S.C. §§ 1921, et seq., for water system improvement loans and have pledged water service revenue and water system facilities as security for the loans. Altoga and North Collin maintain that their state law right to provide water service within Altoga's certificated water service area may not be altered, curtailed or limited by any state court or administrative proceeding, because local and state law is preempted by 7 U.S.C. § 1926(b).

1.08 Following the conveyance of Altoga's water system and CCN No. 12580 to North Collin, North Collin intends to continue operating as rural water system so long as there exists sufficient rural area and a rural customer base to maintain operational effectiveness, fiscal stability, and reasonable water rates. Princeton agrees that North Collin should continue to operate as a rural water system and potable water delivery entity inside Altoga's water service area after taking ownership and control of Altoga's water system.

1.09 For the foreseeable future North Collin intends to operate Altoga's water system separate and apart from North Collin's water system, except for an emergency interconnection between the two water systems.

1.10 Princeton is experiencing rapid development of single-family residential subdivisions within its ETJ and especially to the immediate south of Altoga's water service area. Princeton desires to provide both water and sewer service to certain single-family residential subdivisions located within its ETJ, including that portion of its ETJ that overlaps Altoga's water service area as shown on the map attached hereto as Exhibit "A" (the "CCN Acquisition Area"). North Collin and Altoga agree that Princeton should serve developments located in its ETJ that require sewer service, including within the CCN Acquisition Area.

1.11 The Parties desire to avoid the annoyance, cost, delay, and uncertainty associated

with contested legal and administrative proceedings by settling all disputed water service matters between the Parties with regard to Altoga's water service area defined by CCN No. 12580. Therefore, in order to fully and finally compromise and settle all claims that have been or could have been asserted, and all applications regarding water and sewer service that have been submitted, in the PUC Proceedings - as well as all other matters in controversy between them - the Parties hereby enter into this Settlement Agreement.

SECTION 2

TERMS OF AGREEMENT

In full consideration of the mutual promises and agreements contained in this Settlement Agreement, including the Recitals set forth in Section 1 above, as well as the financial consideration to be paid by Princeton to North Collin for the acquisition of portions of the CCN Acquisition Area by Princeton under Section 2.04 below, if any, the Parties agree as follows:

2.01 CCN Acquisition Area. All territory located inside the CCN Acquisition Area will be geographically certificated to both North Collin and Princeton for single certification by customer class, as follows:

(a) North Collin's CCN will be amended to reflect that it will have the right and duty to serve, pursuant to its Rate Order, and to the exclusion of Princeton, all new retail water customers in the CCN Acquisition Area except those that: (i) are located within the city limits of Princeton as now or hereafter existing; (ii) request sanitary sewer service and are located in a subdivision containing lots of less than one acre; or (iii) request sanitary sewer service for property that contains or will contain uses allowed by Princeton's Comprehensive Zoning Ordinance for Non-Residential Zoning Districts or Special Zoning Districts, regardless of whether the property is within Princeton's corporate limits at the time sewer service is requested.

(b) Princeton's water CCN will be amended to reflect that it has the right and duty to serve, pursuant to its ordinances, and to the exclusion of North Collin, all new retail water customers in the CCN Acquisition Area who: (i) are located within the city limits of Princeton as now or hereafter existing; (ii) request sanitary sewer service and are located in a subdivision containing lots of less than one acre; or (iii) request sanitary sewer service for property that contains or will contain uses allowed by Princeton's Comprehensive Zoning Ordinance for Non-Residential Zoning Districts or Special Zoning Districts, regardless of whether the property is within Princeton's corporate limits at the time sewer service is requested.

(c) The territory presently located inside North Collin's CCN No. 11035 will remain singly certificated to North Collin and is not subject to being acquired by Princeton under this Settlement Agreement.

(d) The map designating the CCN Acquisition Area and attached to this Settlement Agreement as Exhibit "A" is incorporated herein by reference for all purposes.

2.02 USDA Approval. Any acquisition of territory, customers, or facilities located in the CCN Acquisition Area to Princeton must comply with applicable regulations of the USDA/RD, if any apply.

2.03 PUC Proceedings; Amended CCNs. Immediately upon approval of this Settlement Agreement by the Parties, the Parties will withdraw objections or opposition to the STM Application and CCN Application, if any, and Princeton will amend the pending CCN Application to request (i) PUC approval of this Settlement Agreement pursuant to Texas Water Code §§ 13.248 and 13.255, (ii) the issuance of amended CCNs consistent with the terms of this Settlement Agreement, and incorporation of the this Settlement Agreement into each Party's amended water CCN to reflect the CCN Acquisition Area and the customer classes that the Parties are entitled to serve within the CCN Acquisition Area. Princeton shall bear the costs to amend and prosecute the CCN Application before the PUC, and also the State Office of Administrative Hearings should another entity object to the application and be allowed to intervene. The Parties will take all acts necessary to expedite PUC approval of this Settlement Agreement together with the issuance of amended CCNs including, but not limited to, preparation of a proposed agreed final order for submission to the Commissioners for approval under Texas Water Code §§ 13.248 and 13.255, and preparation of maps, forms, or other necessary documents. The Parties expressly waive their rights to file a motion for reconsideration or rehearing of any order entered by the PUC in the PUC Proceedings consistent with this Settlement Agreement.

2.04 Territory and Customer Acquisition. From time-to-time Princeton will acquire territory located in the CCN Acquisition Area so Princeton may facilitate or regulate utility infrastructure for proposed commercial and residential developments that require sewer service. Princeton agrees to pay to North Collin a price of \$200.00 per acre for territory acquired by Princeton under this Section 2. Should the PUC grant expedited release of property located in the CCN Acquisition Area under Texas Water Code § 13.254, Princeton agrees that it remains obligated to pay the \$200 per acre CCN acquisition fee to North Collin provided the owner requests Princeton provide water service to the affected property. Princeton will pay to North Collin the foregoing amount for each acre and partial acre contained within a plat or tract within 10 days of (i) approving a final plat affecting land in the CCN Acquisition Area or (ii) entering into a water and sewer service agreement with the owner of a tract of land in the CCN Acquisition Area that is or will be put to commercial use and that does not require plat approval.

2.05 Area Utility and Service Cooperation.

(a) North Collin shall maintain the water supply and transmission system components of the Altoga System to preserve the Altoga System's integrity, subject to coordination with Princeton when necessary. In the event Princeton approves a development or subdivision having infrastructure that conflicts or interferes with existing waterlines of the Altoga System, Princeton agrees to either (i) relocate the affected

waterlines in a manner that maintains the Altoga System's continuing operations and water pressure, or (ii) to provide North Collin with additional connections to maintain the Altoga System's continuing operations and water pressure. The relocation of an affected waterline shall be at no cost to North Collin unless the affected waterline is located within the public right-of-way of a state highway or farm-to-market road maintained by the Texas Department of Highways and Public Transportation (TxDOT) and relocation is required to accommodate expansion or reconstruction of a state highway or farm-to-market road, in which case North Collin shall be responsible for the cost of relocation as provided for in the Texas Transportation Code and TxDOT regulations.

(b) In the event Princeton desires to acquire a large or vital waterline from the Altoga System as part of a CCN territory acquisition, Princeton shall work with North Collin to identify and implement an acceptable plan to maintain Altoga System operations and water pressure; under this circumstance, Princeton shall pay to North Collin (i) the cost for territory taken from the CCN Acquisition Area as provided for in Section 2.04(a) above, (ii) the cost of any customers acquired from North Collin as provided for in Section 2.04(b), and (iii) the cost to construct a replacement waterline with appurtenances.

2.06 Construction/Waterline/Fire-flow Standards.

(a) It is agreed by the Parties that North Collin will comply with Princeton subdivision regulations and public works construction standards/specifications for the construction of new waterlines and appurtenances and for the replacement of damaged waterlines and appurtenances located, or to be located, within the CCN Acquisition Area. After the PUC issues an order approving this Settlement Agreement, all new or replacement waterlines in the CCN Acquisition Area shall have a minimum diameter of six inches (6") unless Princeton agrees in writing to allow North Collin to install a smaller diameter waterline. It is the intent of Princeton that the 6" minimum diameter standard is for the purpose of insuring that adequate water volume and pressure is available in growth areas and to provide fire flows as transmission lines are upgraded. It is not the intent to prevent the extension of water service or improvement of water service to existing customers in rural areas of the CCN Acquisition Area that are not experiencing or are not anticipated to experience urban development activity. The Parties agree to meet periodically as needed to discuss development trends and line size issues.

(b) At the request of Princeton, North Collin agrees to cooperate with Princeton to prepare a projected waterline size map for the CCN Acquisition Area to delineate areas where waterline size is of significant concern.

(c) All water utility infrastructure to be constructed for new residential and commercial developments in the CCN Acquisition Area and designated for service by North Collin under the terms of this Settlement Agreement must comply with the fire-flow standards set forth in North Collin's duly adopted Rate Order.

2.07 Effective Date. This Settlement Agreement shall be effective on the date that this Settlement Agreement is executed by authorized representatives of the Parties hereto.

SECTION 3
ADDITIONAL TERMS OF AGREEMENT

3.01 This Settlement Agreement is solely for the benefit of the Parties hereto. There are no third party beneficiaries of this Settlement Agreement.

3.02 This Settlement Agreement may be recorded in the real property records or official records of Collin County, Texas.

3.03 Any reference to a state or federal administrative agency in this Settlement Agreement, such as the TCEQ or USDA/RD, includes the named agency's predecessor and successor agencies, if any.

3.04 In executing this Settlement Agreement, the Parties acknowledge that they are not relying on any statement or representation of any other Party regarding the matters in dispute. Each of the Parties is relying on their own judgment and each is represented by attorneys in this matter.

3.05 This Settlement Agreement is a compromise of doubtful and disputed claims. Nothing in this Settlement Agreement is an admission of liability by any of the Parties hereto, and nothing in this Settlement Agreement may be interpreted as an admission of liability. Each Party to this Settlement Agreement expressly denies liability to the other Parties to this Settlement Agreement.

3.06 Without being forced to elect remedies, each Party is entitled to exercise all rights and remedies allowed in equity and under applicable law to enforce this Settlement Agreement. Notwithstanding the foregoing, the Parties expressly have the right to file an action or claim for injunctive relief and/or specific performance to enforce the terms of this Settlement Agreement.

3.07 This Settlement Agreement is made in accordance with the laws of the State of Texas. The Parties agree that this Settlement Agreement is governed by, and will be construed and enforced in accordance with Texas law. Exclusive venue for any lawsuit related in any way to this Settlement Agreement is in Collin County, Texas; however, if the lawsuit involves the enforcement by the TCEQ or PUC of any obligations under the Parties' respective CCNs issued by the TCEQ or PUC, venue is in Travis County, Texas, to the extent required by law.

3.08 This Settlement Agreement is binding on and inures to the benefit of the Parties and their respective administrators, legal representatives, officers, agents, employees, successors and assigns.

3.09 This Settlement Agreement contains the entire agreement between the Parties and it supersedes any and all prior agreements, arrangements or understandings between the Parties

on all subjects in any way related to the transactions or occurrences described in the PUC Proceedings. No oral understandings, statements, promises or inducements contrary to or inconsistent with the terms of this Settlement Agreement exist. This Settlement Agreement is not subject to any oral modification, waiver, addition or deletion, and any modification, waiver, addition or deletion of any provision in this Settlement Agreement must be made in writing and signed by the Parties.

3.10 For purposes of notice, the addresses, email addresses and fax numbers of the Parties are as follows:

To North Collin and Altoga:

North Collin SUD
Attn: General Manager
2333 Sam Rayburn Hwy.
Melissa, Texas 75454
Fax: (972) 837-2930
Email: aknight@northcollinsud.com

with copy to:

James W. Wilson
Gay, McCall, Isaacks & Roberts, P.C.
777 East 15th Street
Plano, Texas 75074
Email: jwilson@gmigr.com

To Princeton:

City of Princeton
Attn: City Manager
123 West Princeton Drive
Princeton, TX 75407
Fax: (972) 734-2548
Email: dborg@princetontx.us

with copy to:

Arturo D. Rodriguez, Jr.
1633 Williams Drive, Suite 200
Georgetown, Texas 787628
Email: arodriguez@txadminlaw.com

For purposes of notice under this Settlement Agreement, any Party that desires to change its address, email address or fax number must give the other Parties at least seven (7) days prior notice of the change. All notices given pursuant to this Settlement Agreement must be in writing.

3.11 This Settlement Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes.

3.12 This Settlement Agreement has been prepared and drafted by the joint efforts of the respective attorneys for each Party and thus shall be construed equally against all Parties.

3.13 If, after the date of its approval by the PUC or USDA/RD, any provision of this Settlement Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Settlement Agreement, such provision(s) shall be fully severable.

3.14 The Parties agree to cooperate fully and to execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Settlement Agreement.

3.15 The failure of any Party to enforce at any time any provision of this Settlement Agreement shall not be construed to be a waiver of such provision, or to affect the validity of this Settlement Agreement or any part thereof, or to affect any right of any of the Parties to enforce its provisions. No waiver of any breach of this Settlement Agreement shall be held to constitute a waiver of any other breach.

3.16 This Settlement Agreement must be approved by the Princeton City Council and by the Boards of Directors of North Collin and Altoga to become effective, which approval shall be expressly affirmed upon execution of this Settlement Agreement by the respective Mayor and Board Presidents of said Parties.

3.17 The attached Exhibit "A" is incorporated herein by reference for all purposes.

[SIGNATURE PAGES TO FOLLOW.]

APPROVED AND AGREED TO on the 29th day of August, 2017, by:

**NORTH COLLIN SPECIAL UTILITY DISTRICT, a
Texas political subdivision**


By: 
Duke Monson, President

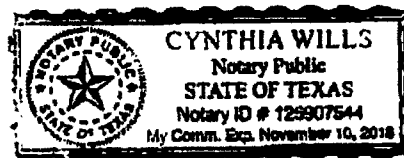
ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

Before me, the undersigned notary public, on this day personally appeared Duke Monson, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of North Collin Special Utility District, a Texas political subdivision, as President of its Board of Directors, for the purposes and consideration therein expressed.

Given under my hand and seal of office this 29 day of August, 2017.


Notary Public, State of Texas



APPROVED AND AGREED TO on the 29 day of August, 2017, by:

ALTOGA WATER SUPPLY CORPORATION, a
Texas nonprofit corporation

By: Billy Boone
Billy Boone, President

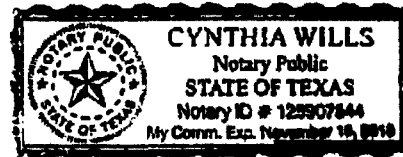
ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

Before me, the undersigned notary public, on this day personally appeared Billy Boone, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of Altoga Water Supply Corporation, a Texas nonprofit corporation, as President of its Board of Directors, for the purposes and consideration therein expressed.

Given under my hand and seal of office this 29 day of August, 2017.

Cynthia A. Wills
Notary Public, State of Texas



APPROVED AND AGREED TO on the 23 day of August, 2017, by:

CITY OF PRINCETON, TEXAS, a Texas
municipal corporation

By: [Signature]
John-Mark Caldwell, Mayor

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

Before me, the undersigned notary public, on this day personally appeared John-Mark Caldwell, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of the City of Princeton, Texas, a Texas municipal corporation, as its Mayor, for the purposes and consideration therein expressed.

Given under my hand and seal of office this 23 day of August, 2017.



[Signature]
Notary Public, State of Texas

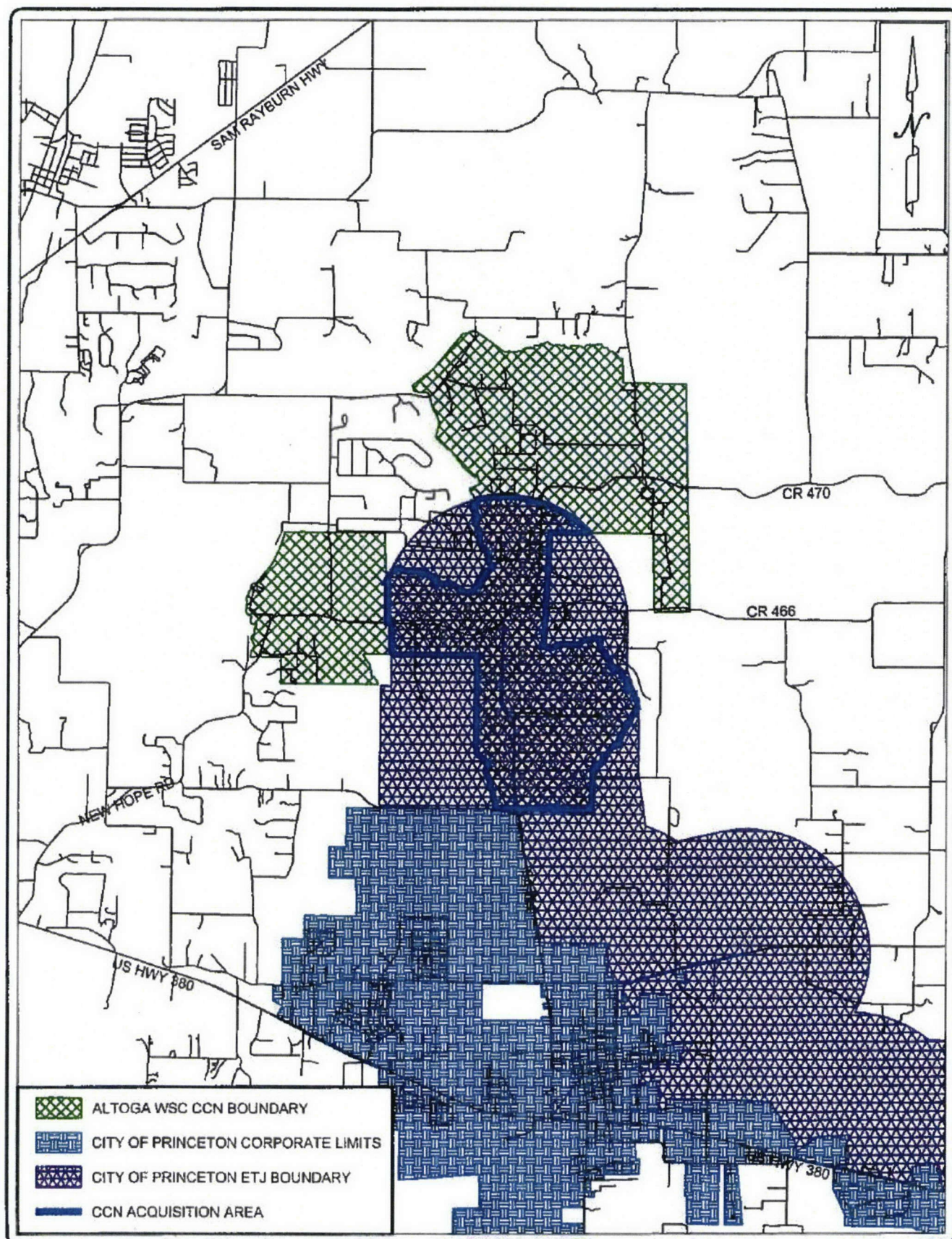


EXHIBIT B

City of Princeton, Texas

FY2016-2017

Budget



"It is the mission of the City of Princeton to provide a high quality of life through essential municipal services, infrastructure, public safety and recreation, while welcoming growth through effective and fiscally responsible government."

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City of Princeton Fiscal Year 2016-2017 Budget Cover Page

This budget will raise more revenue from property taxes than last year's budget by an amount of \$467,416, which is a 17.46 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$277,608.

The members of the governing body voted on the budget as follows:

FOR: 5

AGAINST: 0

PRESENT: 0

ABSENT: 0

Property Tax Rate Comparison

	2016-2017	2015-2016
Property Tax Rate:	\$0.689890/100	\$0.691886/100
Effective Tax Rate:	\$0.641646/100	\$0.642774/100
Effective Maintenance & Operations Tax Rate:	\$0.439429/100	\$0.438877/100
Rollback Tax Rate:	\$0.704963/100	\$0.691886/100
Debt Rate:	\$0.230381/100	\$0.217899/100

Total debt obligation for City of Princeton secured by property taxes:
\$26,737,952

FY 2016-2017

Proposed Annual Operating Budget

SUBMITTED TO:

Mayor The Honorable John-Mark Caldwell
Mayor Pro-Tem, Steve Deffibaugh
Council Member, David Kleiber
Council Member, Mike Guillen
Council Member, Nathan Council

SUBMITTED BY:

Derek Borg
City Manager

PREPARED BY:

Derek Borg, City Manager
Eddie Peacock, CPA, Interim Director of Finance
Cathy Crane, Assistant Director of Finance

Additional Information Contact:

Cathy Crane
Finance Department
123 W. Princeton Dr.
Princeton, Texas 75407
972-736-2416

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City Manager's Budget MessageAugust 27th, 2016**Introduction**

Honorable Mayor and City Council

On behalf of the entire management team it is my pleasure to submit a structurally balanced Operating Budget for Fiscal Year (FY) 2016-2017. The Operating Budget has been developed through an extensive preparation process. Each department has presented to the City Council their vision for FY 2016-2017 including their goals and objectives. As a team the Mayor and Management Staff met with all of the departments individually and evaluated their needs based on their department's individual and organizational demands. This document has been prepared to meet the level of service and the infrastructure needs of the community. The City Council will approve as part of this Budget, the projected Capital Improvement Projects (CIPs) that will start in FY 2016-2017. These projects and their Opinions of Probable Costs, (OPC) are identified within this document.

Comprehensive Annual Financial Report FY2014-2015

Following the close of FY 2014-2015, the City's External Auditor worked with the Management Staff and the City's finance department in order to provide assurance of internal controls and that the financial statements are free from any material misstatements. On March 22nd 2016, the external auditor issued an unmodified ("Clean") opinion of Princeton's financial statements for the year ending September 30, 2015.

The City enjoys an "A+ Positive" rating from Standard and Poor's Rating Service Since September of 2016.

Adhering to the City Councils Goals and Priorities

Throughout the year the City Council provides direction and feedback, guiding the priorities that are identified and included in this Budget. This Budget includes adequate resources to carry out and achieve the City Council's Goals and specific Priorities for FY 2016-2017.

Structural Changes within the Budget for FY 2016-2017

Just prior to FY 2015-2016 the City Council approved the creation of a Tax Increment Reinvestment Zone (TIRZ) along with the creation of the TIRZ Board that will review and approve projects within or benefitting the Zone. This Zone is designed to encourage developers to increase the quality of their developments by allowing certain expenditures within the zone or that directly benefit the zone to be eligible for reimbursement from future incremental increased tax revenues generated by their developments. These funds are held in a Special Revenue Fund. In FY 2016-2017 50% of the increase in property and sales tax revenue generated within the Zone will be allocated for projects approved by the TIRZ Board.

The recently mandated Municipal Separate Storm Sewer System, (MS4) program and costs were previously included in the FY 2015-2016 General Operating Budget. In FY 2016-2017 the City has created a Storm Water Utility that is separately funded through a fee that is attached to the utility bill.

This is now in a separate Proprietary Fund and the proceeds collected are restricted to Storm Water Management and Improvements.

This year the recreations and sports programs grew to include soccer, cheer, football, basketball. For the FY 2016-2017 budget we have separated the Park and Recreation Department from Facilities Maintenance. The Park and Recreation Department will now only be responsible for the management of the sports programs and the maintenance of the associated fields and equipment. The Facilities Department will now take care of the City Facilities including the Rights of Way and the Parks. Within this budget there is an additional employee added to Parks and Recreation, and an additional employee added in the Facilities Department.

Increased Costs Across the Organization

There has been a 20% increase in the cost of employee insurance across the board from Texas Municipal League.

Progress during FY 2015-2016

Throughout the year the City has again focused on the reconstruction of streets in the older part of the City. The City was able to complete the construction of Monterey and El Camino Streets, and also First Street and Fifth Street this year. The City completed the concrete curb and gutter repairs on Prairie Creek along with the repaving of the asphalt Street. Third Street, Allenwood and Sixth Street are bid out and contracted, and should begin reconstruction early this year. Plans are completed on the Safer Routes to School project and construction should start early this budget year on the project.

The City completed the installation of a new water meter reading system that allows the Utility Billing Department to read water meters without having to drive by, or physically open the meter box. The City also replaced over 700 water meters that were the manual read type. Currently approximately 25% of the City can now be read remotely. The new system can also interrogate a meter, showing times and volumes that flowed through the meter. This can be done from inside Utility Billing without having to send out a technician. This can be very helpful when communicating to the user.

Managing the Budget

The coming years will bring new challenges to City leaders as they navigate the changes that will need to take place as the City grows. Long term planning and Sound leadership will play an important role in the growth of the City. As we move to the future and change with the times, we are striving to preserve the heritage of our community while focused on a vision that will allow Princeton to grow in a way that is good for all who live in the community. We are continuing to look forward to the future in order to provide the highest quality of service to the citizens of Princeton. In addition to the General Budget, the staff continues to pursue grant opportunities that will fulfill the City's upcoming needs. This budget document recognizes some previous accomplishments and outlines the changes and the goals for our community in this Budget year.

Adoption

In the coming days, the City Council and community will be afforded several opportunities to become familiar with and ask questions about the Budget. Our goal is to present information transparently, accurately, and timely. In addition, we will provide a high level of analysis with any questions or request for clarification received from the City Council or the community during the budget adoption process. The City Council will hold a public hearing on the budget on August 29th 2016 and two (2) public hearings on the proposed tax rate, one (1) on August 18th and one (1) on August 29th. The City will take out advertisements in a local newspaper, post the Budget on the City's website, and provide an electronic and/or hard copy to anyone who requests it in person, by phone, email, or fax. The final Tax Rate will be adopted at the Regular City Council Meeting on September 12th.

The Budget Document

The format of this budget will provide the reader with an easy to read document. Each section is divided into various components with supporting information and statistics. We as a Staff, look forward to helping ensure that the budget represents the service level that the City Council and Citizens of Princeton expect and deserve.

Budget Policies provide management's direction for the City of Princeton's (City) budget process and budget documents. Various summaries, statistical information, and revenue sources are provided to help define the City's goals, purposes, and assumptions for projections. The budget document and organization of the budget are described below.

Respectfully Submitted,
Derek Borg



City Manager

Community Profile

Princeton is a rapidly growing community in Collin County Texas, located approximately 30 miles north of Dallas. Princeton borders McKinney on the west and Farmersville on the east, its main business district is located along the State Highway 380 corridor. Over the past few years Princeton has seen a steady increase in building permits for single family homes, and has currently developments that will total over 5,000 new home sites. Princeton's growth rate is currently at approximately 13.6 % annually, and the increase in property tax during FY 2015-2016 is at 17.46%. There has also been an increase in commercial development. In May of 2016 the Walmart Corporation completed one of its Super Walmart shopping centers that includes a fuel station, eye care center, and soon will be adding a bank and a restaurant. This business has activated the interest in commercial and retail development in Princeton.

Princeton is within 20 to 45 minutes from several Fortune 500 companies. Beginning in early 2016, the Toyota Automobile Corporation started construction on its new headquarters located in Plano Texas, just 20 minutes from Princeton. Other large employers such as Texas Instruments, Dr. Pepper, and JC Penny are also located within the same reasonable distance. With the current population of 148,559 and the growth taking place in neighboring McKinney, Princeton is the natural choice for those looking to live just outside the big city and enjoy that smaller town environment. Princeton's current population is approximately 11,500 residents and is expected to grow significantly over the next 5 years.

The Princeton Independent School District provides many high level vocational programs such as building trades, agricultural, cosmetology, culinary arts, performing arts, which include college prep education. The Princeton School District has equally grown over the past several years, since 2008 the student population has grown at a rate of 52% thru 2015, and now sits at 4,267 students for 2016. The District completed a new elementary school and is now constructing approximately another 130,000 square feet to the existing high school. This additional space includes a state of the art gymnasium, classrooms and the expansion of the cafeteria. In addition to the expansion of the high school, the District added 1,000 seats to the football stadium and another parking lot for the spectators.



The new homes in Princeton range from at the low end \$150,000 in a newly developed subdivision, to \$500,000 and up, in an elite water ski community with homes and boat docks surrounding a private water ski lake. Princeton offers a wide range of living, from the neighborhood community type atmosphere to the one acre or greater estate type living.



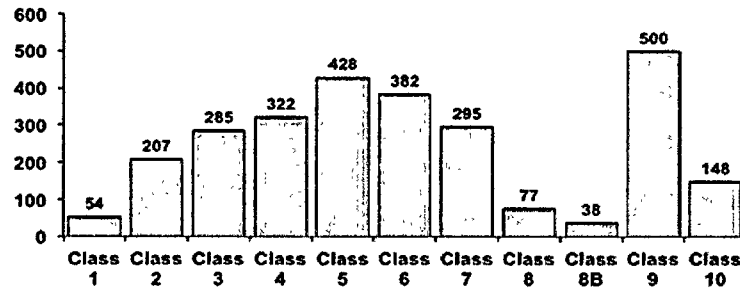
Princeton has a large Community Park that is used for baseball and softball leagues and other community events including a 4th of July celebration that brings in close to 10,000 people from Princeton and the surrounding area. Other events throughout the year include a Fall Festival, Onion Festival, Easter Egg Hunt, Homecoming parade, and the Christmas tree lighting. Other smaller community parks and amenity centers are located in the subdivisions for use by the local residents in these subdivisions. A park trail system that connects the communities and the parks is being developed as the new developments are constructed.

This FY 2016-2017 the City has developed a Parks and Recreation Department that organizes sporting events and tournaments in baseball, softball, basketball, football, cheerleading and soccer. There has been such a growth in the sports programs that the department now requires three employees to run the department and manage the events. The Park and Recreation department has partnered with the Princeton Independent School District for the use of the basketball facilities and some of their fields in order to offer the programs. Partnering with the school district is an important goal in order to create a welcoming community.



The City enjoys an Insurance Service Office, (ISO) 2 rating that affords the City's residents with a reduced rate over most cities. Out of 2,736 rated Cities, Princeton rates among the top 8% in Texas for Fire and Emergency Service protection.

(ISO) Rated Cities in Texas



Strategic Goals

Throughout the year the City Council directs the staff in the direction they desire the City to grow. Building on the City's strengths as a community, and listening to the public for input is top priority.

Goal I- Preserve the Small Town Environment and Heritage in Princeton

- ✦ The small town feel is one of the reasons people come to Princeton. The decisions and efforts as the City develops need to capitalize and build on this important asset.

Goal II- Promote Community Involvement through Community Events

- ✦ Coordinate events such as the April, City Wide Clean Up, 4th of July Festival, Fall Festival, Tree Lighting, National Night Out, and have representatives from the City at a booth whenever possible to engage the citizens.

Goal III- Do It Right: Promote Smart and Sustainable Designs

- ✦ A city that encourages smart, sustainable design will live long into the future. This includes the ability to walk to stores and other amenities. Advancing these goals also improves the small town feel.

Factors Influencing Decisions

- Public Safety
- Available Funding
- Ability to defer costs or needs
- Necessary timing
- Public input
- Council direction

Priorities and Issues

Street Refurbishment Around the City

One of the main priorities for Princeton is to continue to replace the older infrastructure in order to minimize the impact that catastrophic failures can have on the citizens and the budget. The City is committed to the refurbishment of the local streets within the older part of the City, and has repaved approximately a mile in FY 2015-2016.



Water and Waste Water

The City of Princeton relies on North Texas Municipal Water District for the treatment of waste water. During the last few years the City engineers and Staff have been working with NTMWD for the required improvements to the main pump station to handle the growth. The main pump station located on CR 400 has been scheduled to be increased in capacity during FY2016-2017. This project was expedited by NTMWD due to the recent increase growth within the City.

In July 2016 the City Council approved the design and engineering for water and waste water lines that will serve the most eastern part of the City. The building of these lines will also solve some of the older infrastructure issues that are associated with the areas these lines currently serve.

Sewer line and Water line replacement due to older infrastructure continues to be a priority. The older City lift stations are also in need of upgrading to new standards. Staying ahead of the line replacements and lift station improvements before there is system failures will assure the citizens experience fewer utility outages.

Storm Drainage

During the last few years the City was identified as an Urbanized Area by the Texas Commission on Environmental Quality (TCEQ). This has required the City to obtain a storm water permit and begin managing its storm water system including identifying potential areas of illicit discharge. This FY 2016-2017, the Budget reflects the creation of a stand alone Storm Water Utility. The fees for this will be added to the utility billing and the funds will be restricted to the maintenance and operating of the utility and the projects identified.

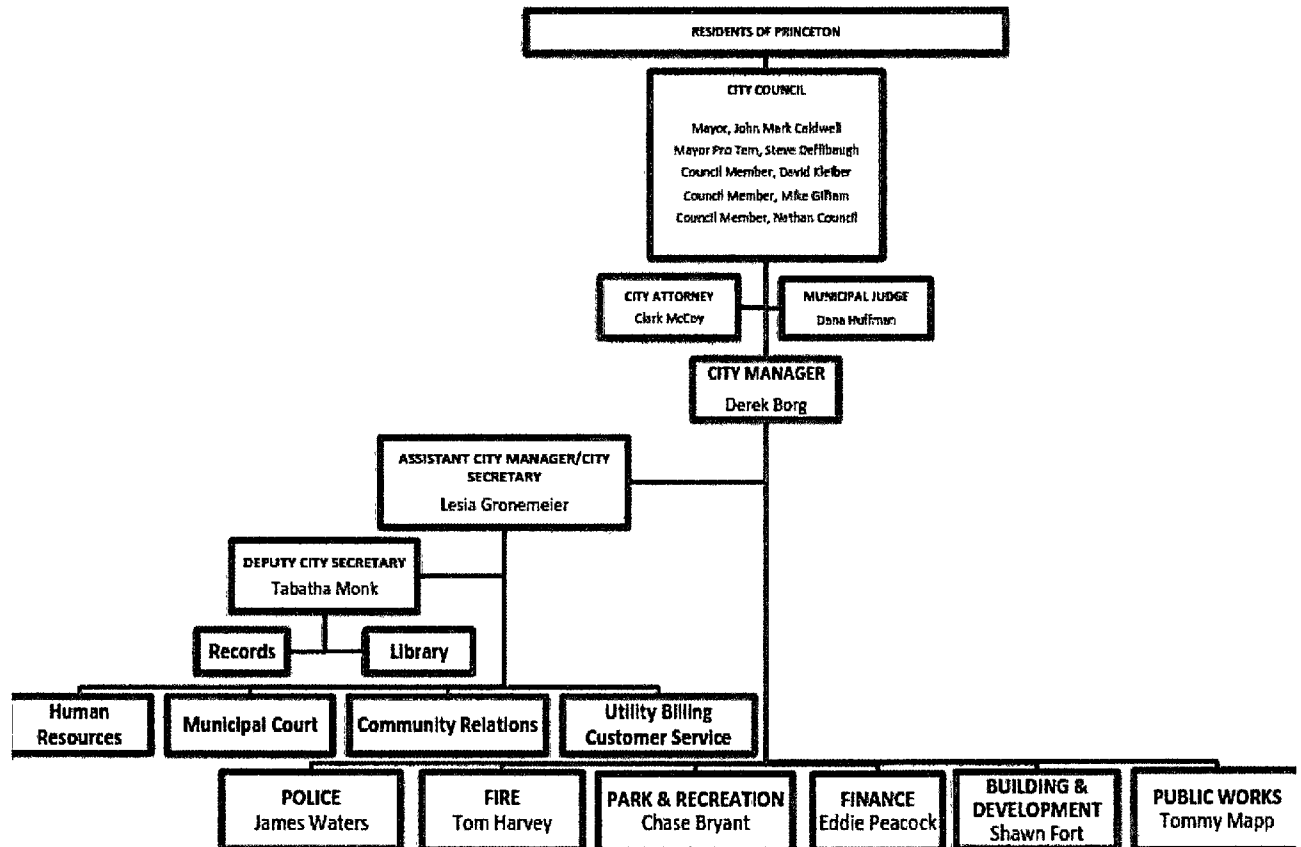
Public Works

In FY2016-2017 the City will be constructing a new Public Works facility on East Monte Carlo Blvd. The design completed and will be going out for competitive bids at the end of FY 2015-2016.



CITY OF PRINCETON

Organizational Chart



CITY OF PRINCETON
SUMMARY OF FULL-TIME EQUIVALENT BUDGETED POSITIONS

	<u>ACTUAL</u> <u>2014-15</u>	<u>BUDGET</u> <u>2015-16</u>	<u>PROJECTED</u> <u>2015-16</u>	<u>PROPOSED</u> <u>2016-17</u>	<u>CHANGE</u> <u>2016-17</u>
Positions by Fund/ Department:					
General Fund					
Mayor	1.00	1.00	1.00	1.00	0.00
Council Members	5.00	5.00	5.00	5.00	0.00
Administration	3.00	3.00	3.00	1.45	-1.55
Finance Department	2.50	2.50	2.50	1.25	-1.25
Library	1.00	2.00	2.00	1.50	-0.50
Community Events	0.00	1.00	1.00	1.00	0.00
Municipal Court	3.00	3.00	3.00	3.00	0.00
Development, Planning & Zoning	2.00	4.00	3.00	3.00	-1.00
Code Enforcement	1.00	1.00	1.00	1.00	0.00
Parks and Recreation	3.00	4.00	3.00	3.00	-1.00
Facilities	0.00	0.00	0.00	3.70	3.70
Streets	2.00	3.00	2.00	2.30	-0.70
Police	14.00	14.00	14.00	16.00	2.00
Fire	1.00	3.00	3.00	9.75	6.75
Fire Marshall	1.00	1.00	1.00	0.95	-0.05
Total General Fund	39.50	47.50	44.50	53.90	6.40
Proprietary (Water and Sewer Enterprise) Fund					
Customer Service/ Utility Billing	3.00	3.00	3.00	3.00	0.00
Water	4.00	5.00	5.00	12.13	7.13
Wastewater	1.00	2.00	2.00	1.95	-0.05
MS4 Drainage	0.00	0.00	0.00	1.80	1.80
Total Proprietary (Water and Sewer Enterprise) Fund	8.00	10.00	10.00	18.88	8.88
GRAND TOTAL	47.50	57.50	54.50	72.78	15.28
Contracted Positions:					
General Fund					
Municipal Court					
Prosecutor	1.00	1.00	1.00	1.00	0.00
Associate Judge	1.00	1.00	1.00	1.00	0.00
Judge	1.00	1.00	1.00	1.00	0.00
Total General Fund	3.00	3.00	3.00	3.00	0.00

Background

The City of Princeton is a Type A, General Law City in the State of Texas. The City prepares a budget based on a fiscal year starting on October 1st and ending on September 30th each year. The City operates under a City Council/City Manager form of government and provides traditional municipal and public enterprise services, as shown below:

Municipal Services

Streets and Thoroughfares
Public Safety, Police and Fire
Library
Planning and Zoning
Parks and Recreation

Public Enterprise Services

Water
Waste Water (sewer)
Solid Waste Management
Storm Water Management

The budget is prepared using Generally Accepted Accounting Principles. The budget differs from the Comprehensive Annual Financial Report (CAFR) in two ways. The budget does not show depreciation expenses and it does not show the City's liabilities. The City Manager is responsible to the Mayor and City Council for the management and implementation of the budget. The City Manager has the discretion to transfer appropriations between departments within a fund, but changes in appropriations between funds must be approved by the City Council.

Though coordinated by the Director of Finance, the development of the Operating and Capital Improvement Program (CIP) Budgets are a cooperative and coordinated effort between the various departments involved in the planning and implementation of the respective budgets. The City departments worked with the City Manager to develop goals and objectives for their respective departments.

Budget preparation takes approximately five months. The Budget Team met on a regular basis with departmental representatives as part of the budget preparation process. Departments began preparing their budget requests and revenue estimates in May. From May through August, the Budget and Executive Team carefully reviewed, evaluated, and prioritized each department's budget submissions for new and additional services, positions, capital outlay, and capital improvement projects. The overall estimated revenues and proposed appropriations were also reviewed. Moreover, remaining mindful of public safety and legal requirements; adhering to the City Council's financial policies; as well as providing the most efficient, effective, and economical service levels possible are major considerations throughout the budget process.

The City of Princeton uses a combined program utilizing a line item budget and finally a summary budget format. This is designed to provide a comprehensive management control and fiscal planning system. This format is aimed at achieving goals and objectives at the operational levels that are consistent with City Council's Goals and Priorities. The budgeting process is an

incremental one, which starts with the requests from the departments, based on historical information, inflationary increases, and/or department knowledge based on upcoming projects. Requests for appropriations are made at the department level and are compiled and initially reviewed by the Director of Finance and the City Manager. Once the Department review is completed, the Budget Team met and reviewed the budget with the Mayor, City Manager and Director of Finance.

Mission Statement:

“It is the mission of the City of Princeton to provide a high quality of life through essential municipal services, infrastructure, public safety and recreation, while welcoming growth through effective and fiscally responsible government.”



Recognition:

As the City Manager and on behalf of the City of Princeton, I would like to thank all of the dedicated personnel that assisted in the preparation of this budget.

Budget Team

Mayor, John-Mark Caldwell

Interim Director of Finance, Eddie Peacock

Assistant Director of Finance, Cathy Crane

Assistant City Manager/City Secretary, Lesia Gronemeier

Departments

Fire Chief, Tom Harvey

Police Chief, James Waters

Public Works Director, Tommy Mapp

Development, Shawn Fort

Municipal Court, Laura Devoe

Community Relations, Stephanie Bowman

Library, Cathy Dunkel

Parks & Recreation, Chase Bryant





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Princeton
Texas**

For the Fiscal Year Beginning

October 1, 2015

A handwritten signature in black ink, appearing to read "Jeffrey R. Graw".

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Princeton, Texas** for the annual Budget beginning **October 01, 2015**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and a communications device.

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



THE BUDGET PROCESS

Each department prepares their division budget by submitting a budget workbook. All operating expenses are evaluated and summarized, and a recommendation is made to the City Manager.

Departmental Budget Workshop – During the department budget workshop the Staff is informed by the City Manager and Director of Finance the budgeting concepts, informed of budget guidelines and educated in budget request workbooks.

Development of City Council Goals – The City Council as a body is requested to provide direction to City Staff regarding priorities and areas, which may need more attention, or funding. A questionnaire is distributed to the Council, completed and returned for review and discussion at a budget workshop. City Council responses and feedback from discussions are then later considered during further budget reviews.

Revenue Projections – The Director of Finance makes revenue projections. Projections are made based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff members. The budget revenue projections occur concurrently with departmental budget development and extends until the budget is adopted based upon the receipt of any new information.

Proposed Budget Compilation – Once the departmental budget requests are completed and are reviewed by the City Manager and the Director of Finance, a preliminary draft of the proposed budget is submitted to the Mayor for review. Following the Mayors review, the draft budget is referenced during budget workshops. At this time the funding level is weighted against available resources. A tax rate may or may not be recommended depending upon the City Council's priorities and issues previously expressed in the budget process.

City Council Budget Workshops – Recommendations concerning the proposed budget are discussed between the staff and City Council. During workshops after the approval of the City Manager, department heads may be asked to give a brief presentation regarding their department. The proposed budget is not actually submitted until after initial discussions regarding major issues are presented to the City Council.

Public Hearing/Budget Adoption – Public hearings on the budget and tax rate are held prior to adoption. Citizens or any other individual may make formal comment either for or against the proposed budget. The public also has the opportunity to attend City Council budget work sessions. City Council may take action to modify the proposed budget per its discretion. The Council may also adopt a tax rate to support adopted funding levels.

BUDGET CALENDAR FY 2016-2017

APRIL 2016						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
MAY 2016						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
JUNE 2016						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		
JULY 2016						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						
AUGUST 2016						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			
SEPTEMBER 2016						
S	M	T	W	T	F	S
					1	2
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

MON. 4/11/2016: CCM Canceled

TUE. 4/12/2016: Pass to dept. director's goals, objectives, accomplishments & budget worksheets.

MON. 4/25/2016: CCM: Give Questionnaires to Mayor and Council Members.

MON. 5/09/2016: CCM: Public Works and Sports and Recreation Budget Presentation.

MON. 5/23/2016: CCM: Development, Code Enforcement and Fire Department Budget Presentation.

MON. 6/13/2016: CCM: Police and Finance Budget Presentation.

MON. 6/27/2016: CCM:

MON. 7/11/2016 CCM:

MON. 7/25/2016 CCM:

MON. 8/01/2016: Receive effective tax rate from Collin County and send to paper for publication on Thursday 8/04/2016.

MON. 8/08/2016: CCM: Discuss tax rates. If proposed tax rate will exceed the Rollback Rate or the Effective Tax Rate (whichever is lower), take record vote and schedule two Public Hearings.

Fri. 8/11/2016: File with City Secretary the Proposed Budget for posting on website 30 days before Tax Levy is adopted.

THUR. 8/18/2016: Special CCM: First Public Hearing on Tax Rate.

MON. 8/29/2016 Special CCM: Second Public Hearing on Tax Rate. May not be earlier than 3 days after First Public Hearing. Schedule and announce meeting to adopt tax rate three to fourteen (3-14) days from this date.

Sept 1st Publish Public Hearing Budget

9/12/2016 CCM: Public Hearing on Proposed Budget at conclusion of hearing action must be taken. A record vote is required. Adoption of a budget that requires raising more revenue than previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. Separate item *Adopt 2016 Tax Rate*.

WED. 9/21/2016: Send Collin County Tax Office copy of Tax Rate Ordinance.



Budget Policies:

DIVISION SUMMARIES

Each division is described by narrative information prior to the expenditure information in order to give the City Council an abbreviated idea of services provided. Summaries include the following information:

Expenditure Summary – The summary of expenditures shows the category of expenses for each division's programs. For a list of expense line items in each category, the Chart of Accounts is provided in a separate publication.

Personnel Summary – This section shows the position or personnel resources budgeted to carry out services.

FINANCIAL POLICIES

Definition of a balanced budget: the annual operating budget submitted to the City Council will be balanced; expenditures not exceeding current year revenues plus available fund balance, reserves, and transfers.

Operating budget policies:

The City of Princeton budgets resources on a fiscal year, which begins October 1 and ends on the following September 30th.

The City of Princeton operating budget will be developed on an annual basis. Appropriations for each year will be approved annually by the City Council.

The operating budget shall be linked to multi-year financial and strategic plans. Future budget issues will be identified in the multi-year financial plan and revenues and expenditures decisions will be made primarily from a long term perspective.

It is the responsibility of the Mayor to present the city's annual operating budget to the City Council for their approval. The City Council has the final responsibility for adopting the budget and for making the necessary appropriations.

The annual adopted budget shall be comprehensive in scope and include all annually budgeted operating funds.

The proposed operating budget shall appropriate sufficient funds for operations to maintain existing quality and scope of City Services.

The basis of budgeting shall be modified accrual in the governmental funds and modified accrual (working capital) in the proprietary funds.

An annual budget calendar shall be prepared including statutory public meeting and tax notice requirements.

Management will review the budget at least quarterly to identify problem areas and enable timely budget adjustments and amendments.

The City Manager is authorized to make budget adjustments and transfers between line items and departments within a fund.

Specific City Council action shall be required to amend the operating budget at the fund level (increase the total appropriations of a fund).

Capital budget policies:

Definition of a capital project – a capital asset expected to have a useful life greater than five years and an estimated cost of \$10,000 or more. Capital projects include the construction, purchase, or major renovation of buildings, utility systems, streets, intersections, or other structures; purchase of land or land rights and major landscaping projects.

Projects meeting the above definition will be included in the Capital Improvement Plan rather than the annual operating budget document.

As a planning document, the City shall adopt a five year rolling projection of the City's capital needs as well as the future financing requirements in the form of a Capital Improvements Plan (CIP).

The CIP shall be linked to the City financial and strategic plans.

As a planning document, the CIP does not impart any spending authority.

Spending authority for capital projects is the capital budget.

The capital budget shall include only capital projects with budgets appropriated by specific City Council action. Capital project budgets shall be appropriated on a project by project, multi-year basis (project budget amounts are approved through completion of the project).

The capital budget does not run concurrently with the operating budget fiscal year. City staff shall identify the estimated costs and project schedule for each capital project proposal before it is submitted to the City Council for approval.

The Finance Department shall identify specific available funding sources for each capital project budget proposal before it is submitted to the City Council for approval.

Expenditure tracking for components of the capital budget will be updated quarterly to ensure project completion against budget and established time lines.

Change orders resulting in a change in the project cost shall require an amendment to the capital budget.

Periodic Reviews

Utility rates will be reviewed annually to adjust operating revenues to meet operating costs and changes in contractual services.

City departments will regularly review programs and services to adjust service levels and operating costs.

Grants

All departments will be responsible for exploring the available grant opportunities and seek those matching City needs.

Fund Balance

The annual budget submitted to the City Council should reflect a minimum unreserved fund balance of 90 days operating expenditures for the General Fund and a minimum working capital equivalent to 90 days of operating expenses for the Water and Sewer fund.

Governmental fund types include the following:

General Fund – is used to account for financial resources used for general operations. This is a budgeted fund and any fund balances are considered resources available for current operations. All revenues and expenditures not required to be accounted for in other funds are accounted for

in this fund. The General Fund appropriations are adopted as part of the annual operating budget process. The General Fund is accounted for and budgeted on the modified accrual basis.

Special Revenue Funds – are used to account for resources restricted to, or designated for, specific purposes (such as the 4A Economic Development Corporation and 4B Community Development Corporation funded by sales taxes) or a grantor. Federal and State financial assistance and special tax assessments are generally accounted for in special revenue funds. Normally, unused balances are returned to the grantor at the close of specified project period. Special revenue funds appropriations are adopted as part of the annual operating budget process. Special revenue funds are accounted for and budgeted on the modified accrual basis.

Debt Service Fund – is used to account for tax revenues and for the payment of principal, interest and related costs on long-term debts for which a tax has been dedicated. This is a budgeted fund and a separate bank account is maintained for this fund. The Debt Service fund appropriations are adopted as part of the annual operating budget process. Debt Service Funds are accounted for and budgeted on the modified accrual basis.

General Capital Projects Funds – are used to account for capital outlay projects financed from general debt issued by the City. Capital project funds are not of the annual operating budget adoption process. Capital project fund appropriations require specific action by the City Council, and are adopted on an individual project basis, and may be appropriated on a multi-year basis. General capital project funds are accounted for and budgeted on the modified accrual basis.

The Proprietary fund type includes the following:

Water and Wastewater Utility Fund – accounts for revenues and expenses on a full accrual basis for the delivery of water and wastewater services to the citizens of the City. The total operating, capital and debt costs for delivery of these services is recovered from the utility rates charged for use of the utilities. The water and sewer operating fund appropriations are adopted as part of the annual budget process. The water and sewer operating funds are budgeted on the modified accrual (working capital) basis. Water and sewer fund capital projects are not part of the annual operating budget adoption process. Appropriations for water and wastewater capital projects require specific action by the City Council, are adopted on an individual project basis, and may be appropriated on a multi-year basis.

Storm Water – In 2012 the City of Princeton was designated as part of the McKinney Urbanized Area by the Texas Commission on Environmental Quality, (TCEQ). In December 2013 the City of Princeton was required to acquire a permit from the TCEQ for the City's storm sewer system to comply with the Texas Pollutant Discharge Elimination System regulations. The City was required to develop a program to manage storm water that flows through the city and into Lake Lavon. The Program must include all forms of storm water management, from the time

it leaves the property until its final destination. This is common for growing cities in Texas, and is in the best interest of all of our Citizens to protect our water source.

This is an unfunded mandate that the City must comply with. Up until this year the city has included the initial funding for this program in its General Fund Budget. This year the program requires additional activities that require funding beyond what the General Fund Budget can absorb. The City Council has conducted work sessions with the staff and professional consultants in order to determine the best method that will provide the funding necessary to implement the requirements. The typical mechanism for cities is a Storm Water Utility; with a user based funding program that creates a non-discriminatory, reasonable, and equitable fee that is billed and paid along with a utility bill. At the direction of the City Council, the consultants and staff prepared a study to determine the most reasonable rate. The initial monthly rate will be set at \$4.85 for the first three years. The funds collected are restricted to use within storm water activities and capital improvement projects for storm water management. The FY2016-2017 Enterprise Fund Budget includes these revenues in a separate fund specifically for storm water activities.

Debt Guidelines

- Operating expenses will not be financed with debt.
- The City shall identify alternative sources of funding and availability to minimize the use of debt financing, whenever possible.
- The City shall use special assessment, revenue or other self-supporting debt instead of general obligation debt, whenever prudent.
- Long-term general obligation debt may be issued when necessary to acquire land and/or construction of capital assets or facilities, based upon the City's Long-range Financial Plan and the Capital Improvement Plan (CIP).
- As a general guideline the maturity date for any debt issued for acquisition or project will not exceed the estimated useful life of the financed acquisition or project.

COMMUNITY STANDARDS

Citywide Standards

Public Services: Telephone Assistance: Provide public information in courteous & efficient manner. Telephones will be answered by third ring. Voice mail messages will be responded to within 24 hours unless staff member is away from work premises on other than City business; in that case, staff will leave instructions on voice mail for calling party to talk to alternate staff member. Full assistance will be available Monday through Friday from 8:00 am to 5:00 pm.

Counter Assistance: Provide public information in courteous & efficient manner. Person at counter will be acknowledged cheerfully. Most requests for assistance will be completed at time of visit. Others will be acted upon quickly and response provided in timely manner. On more complicated issues, staff will provide status information to citizen within 3 business days and provide completed response within 10 business days of receipt of request. Full assistance will be available Monday through Friday from 8:00 am to 5:00 pm.

Internet mail: Provide public information. Internet mail will be acknowledged within 3 business days. On more complicated issues, staff will provide completed response within 10 business days of receipt of request.

Written correspondence: Provide public information. Correspondence will be acknowledged within 3 business days. On more complicated issues, staff will provide status information to citizen within 10 business days.

Referrals: Respond to requests for information. Requests will be acknowledged within 3 business days. On more complicated issues, staff will provide status information to citizen within 10 business days.

Accounts Payable: Invoices are mailed to the finance department, dated stamped when received, and then routed to the responsible department for authorization. Responsible departmental staff person will review and approve or reject bills presented within 3 business days of receipt. Upon receipt of authorized request for payment, the finance department will disburse payments to vendors.

Complaint Resolution: Staff will be trained to: take time to listen; not be defensive; obtain facts involved in complaint; determine the desired outcome; act quickly; encourage meetings; provide alternatives and encourage participation in the decision-making process; follow-up (handled by the appropriate department and the most experienced staff member available).

Overall Goals of the City Leadership

- Provide municipal government leadership, which is open and responsive to residents, and is characterized by ethical behavior, stability, promoting public trust, transparency, confidence in the future, and cooperative interaction among civic leaders, residents, business representatives, and staff.
- Provide municipal government leadership, which is open and responsive to residents, and is characterized by ethical behavior, stability, promoting public trust, transparency, confidence in the future, and cooperative interaction among civic leaders, residents, business representatives, and staff.
- Operate City government in a fiscally and managerially responsible and prudent manner to ensure that the City of Princeton becomes and remains a desirable place to live, work, visit, and raise a family.
- Maintain strong commitment to public safety (including Police, Fire, Emergency Medical Services, and Emergency Management) to ensure City is one of the safest Cities in the United States.
- Implement high quality revitalization projects within Princeton and develop a pedestrian-oriented, viable, and self-sustaining “Downtown;” and, continue to support production of long-term affordable housing.

City Council Citywide Goals:

- Continue to replace and repair the City streets, primarily in the original donation part of the City.
- Construct Beauchamp Blvd. from CR400 north to Monte Carlo dr.
- Install sidewalks for Safer Routes to School for initially Lacy Elementary, Godwin Elementary, and the High School
- Work with TxDOT on getting medians and turn lanes on Princeton Dr.
- Increase Economic Development activities and strategies to attract new business.

- Continue to upgrade the water and waste water systems and work with North Texas Municipal Water District to guarantee capacity of water and waste water treatment into the future.
- Develop the infrastructure that will serve the east 380 corridor including the water, waste water, and storm sewer.
- Budget the resources necessary to begin the selection and construction of a Municipal Complex or a City Hall
- Expand the facilities at the JM Caldwell Community Park, including the trail project, additional ball fields and amenities.
- Increase the public engagement through community events such as Movie in the Park, Farmers Market, Concert in the Park, etc.

Note: Citywide Goals are listed randomly and do not reflect comparative levels of importance.

Top 10 Priority Projects of the City Council:

- Streets and associated infrastructure, i.e. Lighting, Signage, Utility Relocations or Replacements.
- Sidewalks and Associated Infrastructure Lighting, crosswalks, etc. (**Safer Routes to School Project**) Partial Grant from TxDOT
- Beauchamp Blvd. “EDC qualified”
- Parkview Heights Park “CDC Qualified”
- Community Park Trail Project “CDC Qualified”
- Design work on new City Hall
- Construct the infrastructure to the eastern 380 corridor
- Construct the new Public Works Building.
- Continue to upgrade the water meter reading system to the AMI Radio Read System

Section III – Citywide Revenues and Influencing Factors

General Statement of Citywide Factors that influenced the Budget

During the past few years the City of Princeton is experienced a significant amount of growth which is expected to continue through the FY 2016-2017 budget. The City has included in its FY 2016-2017 General Operating Budget approximately 80% of what is projected in the Development Department for the FY 2016-2017.

According to the Collin County Central Appraisal District Certified Estimate of Taxable Value, the 2015 Certified Estimated Taxable Value on properties in Princeton, including new construction is up 17.46% from 2015 tax roll. This is not likely to trend quite this high into 2016-2017 budget; however it is likely for property tax value to continue to rise slightly over the next few years. The City does perceive that the work being done to replace the older streets in town is positively affecting the property values in those areas. Also with the continued rise in development, the property tax from new development should continue to increase over the next few years.

Sales Tax revenue increased 39% in FY 2015-2016 compared to FY2014-2015. Based on the information from development, Sales Tax revenue will continue to increase into the future for the next few years.

Several new retail businesses have located in Princeton this last year including Walmart Supercenter, Inspirations Coffee House, and Charlies Concrete. Several others are under construction or in the permitting process. Sales Tax from the new Walmart was only received for the last two months, so for FY 2016-2017 the store should have a large impact to the revenue.

This year the City created a Tax Increment Reinvestment Zone (TIRZ) that incorporates a large amount of undeveloped property. Creating this zone allows property within the zone to directly benefit from the sales tax and property tax revenue collected within the zone. When the properties develop, certain approved projects become eligible for cost share from the taxes that the development creates. This allows the developer or the business that builds in the zone to provide additional amenities, such as parks, trails, better lighting and other enhancements to the communities in the zone. This year the zone produced \$40,239,389 in property Tax and approximately \$6,250 in sales tax for a total of \$40,245,639 available in TIRZ funds. These funds are only available for projects within or benefitting the zone, and are subtracted from the citywide revenues. The Economic and Community Development Corporations continue to receive the full amount of their citywide sales tax revenue. A Zone Map is included later in this document.

North Texas Municipal Water District was able to lift the water restrictions during FY 2015-2016 due to more rainfall. The District is in the process of permitting the Lower Bois de Arch

Creek Reservoir project that will continue to supply water to Collin County well into the future. The permit is about another year out from being approved, and construction will be started after permitting. The City's water and waste water sales have picked up in FY 2015-2016 in comparison to FY 2014-2015. Currently, year to date the water and waste water sales are up from this point last year by 16%. This is mostly due to the new homes and construction projects this year.

The North Texas Municipal Water District has forecasted an increase of approximately 10% per year, for the next 5 years, per 1,000 gallons in the water delivery rate. They have also projected an increase in the waste water rate of 18%, for this year, with additional increases per year, for the next 5 years, per 1000 gallons in the waste water treatment rate. These increases are usually treated as a pass through increase to the customer, and does not affect operating margin for the City. The City Council approved a 5 year rate plan on January 2016 that considered the increases from the District; the plan endeavored to create balanced and fair rates across board and included commercial customers as well as residential customers. The plan will be reviewed periodically to assure its effectiveness.

The City continues to replace and repair the dated water and waste water lines within the system. This was considered in the in city water and waste water study that was conducted in 2015. This year the City completed a water rate study surrounding our wholesale account with Culleoka Water Supply Corporation in order to assure the equitable charges are being collected. The study will be presented to the Culleoka Water Board prior to this budget being adopted.

Texas Municipal League has had another increase in the employee coverage rates for medical and dental across the board for Princeton employees. The increase is 20% on the medical and 10 % on the dental over the previous rate the City paid in FY 2015-2016. This has a dramatic impact on the cost per employee in the FY 2016-2017 budget, and will most likely continue in the upcoming years.

The FY 2016-2017 Budget endeavors to increase the level of service to the citizens in a few areas. The Budget includes the expansion of a Park and Recreation department that will provide for games and tournaments in baseball, softball, soccer, basketball, football, and cheer leagues. The Budget also provides for 3 additional full time personnel for the fire department in order to provide around the clock response with at least two trained Firefighters. These firefighter's positions will be able to be filled in October. Additionally the fire department will be able to phase in 3 new part time firefighters, one hired in January, one new hire in April, and one new hire in August. The staff has forecasted the sustainability of these positions and is comfortable with costs.

After collecting extensive information on the rate of pay for police officers, firefighters, and all the other municipal positions in the region, the police department is budgeted to receive an 8% pay increase across the board starting October 1, 2016 and 8% starting February 1, 2017.

The public works employees were adjusted to meet the median wage identified in the research as well as the rest of the city employees. All of the employees will receive a minimum of a 3% increase. The Increase is based on the Dallas Fort Worth, "*Consumer Price Index or Cost of Living*", printed July 15, 2016, the document supports a cost of living increase of 3.4%.

The City and its municipal services have grown requiring the management to restructure some of the departments. The Park and Recreation department was separated out of the Public Works department into a stand-alone department responsible for only the implementation of sports programs and the maintenance of the ball fields and associated structures. The Park and Recreation Department is budgeted for 3 full time positions. The Public Works department now has a newly formed Facilities department that is responsible for the ongoing maintenance of the park grounds, Right of Ways and the city buildings. The Public Works department has employees that have their pay split up base on their percentage of responsibility between the streets, water, waste water and facilities departments. In the future as the departments become larger, they will become stand-alone and the positions will become full time and duties will no longer be split. In support of day to day operations the position of assistant director of finance was added to the finance department.

In the previous year FY 2015-2016 there was a *Municipal Separate Storm Sewer System*, (MS4) budgeted department in the General Fund. In FY 2016-2017 this has been taken out of the General Fund and now is a stand-alone Proprietary Utility Fund. This is primarily funded through an approved fee that is billed through the existing utility bill. The City has a standing MS4 permit with the Texas Commission on Environmental Quality. This permit requires certain best practices to be implemented over a period of 5 years. The City is in the 3rd year of the implementation requiring a ramp up of responsibility. This department is responsible for identifying outfall locations of storm water and any potential illicit discharge. For the implementation of the requirements this department will require 3 new positions, these positions are budgeted in FY 2016-2017. There is also additional equipment that will need to be purchased. This is an unfunded mandate from the State and Federal agencies.

The Police department has one vacant position that can be filled at any time. This makes a total of 15 sworn peace officers and one administrative assistant. There is 1 new position budgeted for water and waste water in the Public Works department.

This Fiscal Year the City intends on issuing a Certificate of Obligation in the amount of approximately \$8,500,000 for the continuation of Capital Projects that will provide necessary improvements throughout the City. The majority of the funds are dedicated to the construction of much needed streets and roads within the City including incidental water, waste water or storm water associated within the projects. A portion of the funds are set aside for the construction of park improvements and a trail project partially funded by Collin County and sidewalks for *Safer Routes To School*, partially funded by TxDOT. Approximately \$200,000 will be set aside for the design and engineering for a New City Hall. In considering this Bond issue, the City considered that a large portion of this debt will be

eligible for Economic and Community Development support in the near future based on the increase in the sales tax revenue.

It is the goal of the City, through this Budget, to deliver the best services possible to the citizens of Princeton.

City Manager

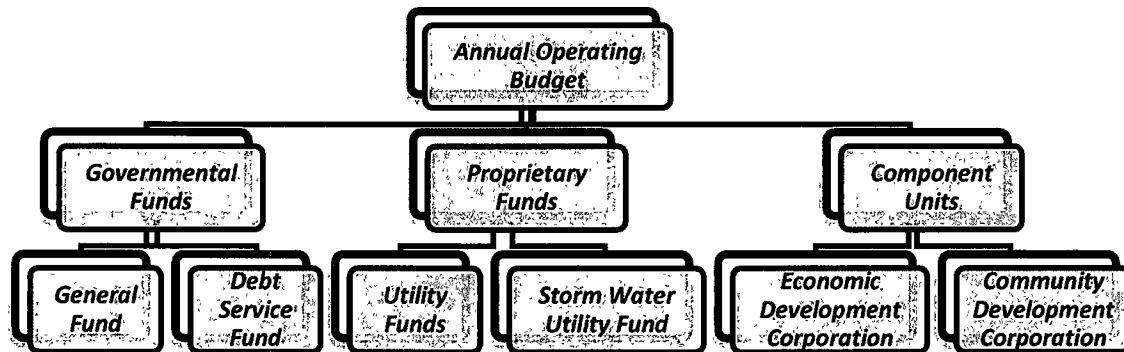


Derek Borg



BASIS OF PRESENTATION

City accounts are organized on the basis of fund and account groups, each of which is considered a separate accounting entity.



CITY OF PRINCETON, TEXAS FY 2016-2017 PROPOSED BUDGET FUND STRUCTURE

FUND CATEGORY	FUND TYPE	HOW APPROPRIATED	BUDGETARY BASIS	BASIS OF ACCOUNTING
<u>Primary Government</u>				
Governmental Funds				
Major Funds				
General Fund	General	Annual	Modified Accrual	Modified Accrual
General Capital Projects	Capital Project	By Project	Modified Accrual	Modified Accrual
General Debt Service	Debt Service	Annual	Modified Accrual	Modified Accrual
Proprietary Funds				
Major Enterprise Funds				
Water and Sewer	Enterprise	Annual	Working Capital	Accrual
Storm Drainage	Enterprise	Annual	Working Capital	Accrual
<u>Component Units</u>				
Economic Development Corporation	Special Revenue	Annual	Modified Accrual	Modified Accrual
Community Development Corporation	Special Revenue	Annual	Modified Accrual	Modified Accrual

CITY OF PRINCETON ANNUAL APPROPRIATED FUNDS SUMMARY OF PROPOSED MAJOR REVENUES AND EXPENDITURES FY 2016-2017				
PRIMARY GOVERNMENT				
REVENUES/ EXPENDITURES/ OTHER FINANCING SOURCES AND USES	GOVERNMENTAL FUNDS			
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues by department/ type:				
Administration				
Property tax	\$ 2,074,125	\$ 1,059,445	\$ -	\$ 3,133,570
Sales tax	1,109,432	-	-	1,109,432
Park sales tax	-	-	-	-
Street sales tax	-	-	-	-
Mixed beverage tax	2,600	-	-	2,600
Franchise taxes	187,170	-	-	187,170
PDG capital Time Warner cable	7,903	-	-	7,903
In lieu of taxes	-	-	-	-
Municipal ROW fees	9,153	-	-	9,153
Interest	7,323	500	3,014	10,837
Copies	900	-	-	900
Miscellaneous	779	-	-	779
Library	21,908	-	-	21,908
Community Events	16,000	-	-	16,000
Municipal Court	278,840	-	-	278,840
Development	1,005,458	-	-	1,005,458
Facilities	91,457	-	-	91,457
Parks and recreation	198,950	-	-	198,950
Police	72,080	-	-	72,080
Fire	130,448	-	-	130,448
Water sales	-	-	-	-
Wastewater treatment	-	-	-	-
Water impact fees	-	-	-	-
Wastewater impact fees	-	-	-	-
Solid waste collection fee	-	-	-	-
Penalties	-	-	-	-
Utility fees	-	-	-	-
Rental	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Water Meters/ install	-	-	-	-
Drainage fee residential	-	-	-	-
Drainage fee commercial	-	-	-	-
Total Revenues	5,214,526	1,059,945	3,014	6,277,485
Other Financing Sources:				
Debt proceeds	-	-	8,350,000	8,350,000
Transfer from CDC	12,500	-	-	12,500
Transfer from EDC	12,500	75,000	-	87,500
Transfers in	247,703	-	-	247,703
Total Other Financing Sources	272,703	75,000	8,350,000	8,697,703
Total Revenues and Other Financing Sources	5,487,229	1,134,945	8,353,014	14,975,188
Expenditures by Department/ Type:				
Current				
Non-departmental	-	3,559	253,500	257,059
Economic Development	-	-	-	-
Community Development	-	-	-	-
City Council	14,800	-	-	14,800
Administration	409,785	-	-	409,785
Finance	189,166	-	-	189,166
Library	139,167	-	-	139,167
Community Events	140,976	-	-	140,976
Municipal Court	266,605	-	-	266,605
Development	404,349	-	-	404,349
Code Compliance	86,957	-	-	86,957
Facilities	323,829	-	-	323,829
Parks	422,293	-	-	422,293
Streets	388,336	-	-	388,336
Storm Sewer System	-	-	-	-
Emergency Management	9,650	-	-	9,650
Police	1,541,976	-	-	1,541,976
Police SRO	156,950	-	-	156,950
Tue	937,763	-	-	937,763
Tue Marshall	54,627	-	-	54,627
Utility Administration	-	-	-	-
Water	-	-	-	-
Wastewater	-	-	-	-
Drainage operations	-	-	-	-
Total Current	5,487,229	3,559	253,500	5,744,288
Capital outlay	-	-	425,000	425,000
Debt principal	-	547,350	-	547,350
Debt interest	-	555,599	-	555,599
Total Expenditures	5,487,229	1,106,508	678,500	7,272,237
Other Financing Uses:				
Transfer to debt service fund	-	-	-	-
Transfer to general fund	-	-	-	-
Total Other Financing Uses	-	-	-	-
Total Expenditures and Other Financing Uses	5,487,229	1,106,508	678,500	7,272,237
Net Total Revenues, Expenditures, Other Financing Sources and Uses	-	28,438	7,674,514	7,702,952
Beginning Fund Balance, October 1	1,325,650	390,472	2,560,491	4,276,613
Ending Fund Balance, September 30	\$ 1,325,650	\$ 418,910	\$ 10,235,005	\$ 11,979,565

CITY OF PRINCETON
ANNUAL APPROPRIATED FUNDS
SUMMARY OF PROPOSED MAJOR REVENUES AND EXPENDITURES
FY 2016-2017

PRIMARY GOVERNMENT	COMPONENT UNITS			
	PROPRIETARY FUNDS		COMMUNITY DEVELOPMENT CORPORATION	ECONOMIC DEVELOPMENT CORPORATION
REVENUES/ EXPENDITURES/ OTHER FINANCING SOURCES AND USES	WATER AND SEWER OPERATING	MS4 DRAINAGE FUND		
Revenues by department/ type:				
Administration				
Property tax	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	602,337
Park sales tax	-	-	301,168	-
Street sales tax	-	-	301,168	-
Mixed beverage tax	-	-	-	-
Franchise taxes	-	-	-	-
PEG capital time Warner cable	-	-	-	-
In lieu of taxes	-	-	-	-
Municipal ROW fees	-	-	-	-
Interest	-	-	831	1,465
Copies	-	-	-	-
Miscellaneous	-	-	-	-
Library	-	-	-	-
Community Events	-	-	-	-
Municipal Court	-	-	-	-
Development	-	-	-	-
Facilities	-	-	-	-
Parks and recreation	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Water sales	3,433,677	-	-	-
Wastewater treatment	1,563,187	-	-	-
Water impact fees	600,000	-	-	-
Wastewater impact fees	400,000	-	-	-
Solid waste collection fee	557,675	-	-	-
Penalties	94,776	-	-	-
Utility fees	72,634	-	-	-
Rental	22,672	-	-	-
Interest	4,362	-	-	-
Miscellaneous	-	-	-	-
Water Meters/ install	126,803	-	-	-
Drainage fee residential	-	116,535	-	-
Drainage fee commercial	-	96,026	-	-
Total Revenues	6,875,786	212,561	603,167	603,802
Other Financing Sources:				
Debt proceeds	-	-	-	-
Transfer from CDC	-	-	-	-
Transfer from LDC	-	-	-	-
Transfers in	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Revenues and Other Financing Sources	6,875,786	212,561	603,167	603,802
Expenditures by Department/ Type:				
Current				
Non-departmental	15,696	-	-	-
Economic Development	-	-	-	81,425
Community Development	-	-	85,575	-
City Council	-	-	-	-
Administration	-	-	-	-
Finance	-	-	-	-
Library	-	-	-	-
Community Events	-	-	-	-
Municipal Court	-	-	-	-
Development	-	-	-	-
Code Compliance	-	-	-	-
Facilities	-	-	-	-
Parks	-	-	-	-
Streets	-	-	-	-
Storm Sewer System	-	-	-	-
Emergency Management	-	-	-	-
Police	-	-	-	-
Police SRO	-	-	-	-
Fire	-	-	-	-
Fire Marshall	-	-	-	-
Utility Administration	798,342	-	-	-
Water	2,813,925	-	-	-
Wastewater	1,083,909	-	-	-
Drainage operations	-	212,561	-	-
Total Current	4,711,872	212,561	85,575	81,425
Capital outlay	41,000	-	90,000	-
Debt principal	556,816	-	68,250	-
Debt interest	512,680	-	13,733	-
Total Expenditures	5,822,378	212,561	257,558	81,425
Other Financing Uses:				
Transfer to debt service fund	-	-	-	75,000
Transfer to general fund	247,703	-	12,500	12,500
Total Other Financing Uses	247,703	-	12,500	87,500
Total Expenditures and Other Financing Uses	6,070,081	212,561	270,058	168,925
Net Total Revenues, Expenditures, Other Financing Sources and Uses	805,705	-	333,109	434,877
Beginning Fund Balance, October 1	1,870,936	-	47,766	258,591
Ending Fund Balance, September 30	\$ 2,676,641	\$ -	\$ 380,875	\$ 693,468

**CITY OF PRINCETON
ANNUAL APPROPRIATED FUNDS
SUMMARY OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES AND USES, AND
CHANGES IN FUND BALANCES**

	ACTUAL 2014-15	BUDGET 2015-16	PROJECTED 2015-16	PROPOSED 2016-17
GOVERNMENTAL FUNDS				
General Fund				
Revenues	\$ 3,875,072	\$ 4,080,844	\$ 4,786,503	\$ 5,214,526
Expenditures	3,871,242	4,220,844	4,578,945	5,487,229
Excess (deficiency) of revenues over (under) expenditures	3,830	(140,000)	207,558	(272,703)
Other financing sources (uses)				
Capital lease proceeds	29,809	-	-	-
Operating transfers in	146,815	140,000	140,000	272,703
Operating transfers out	-	-	-	-
Net other financing sources (uses)	176,624	140,000	140,000	272,703
Excess of revenues and other financing sources over (under) expenditures and other financing uses	180,454	-	347,558	-
Beginning General Fund Balance, October 1	797,638	978,092	978,092	1,325,650
Ending General Fund Balance, September 30	978,092	978,092	1,325,650	1,325,650
Debt Service Fund				
Revenues	789,514	846,465	902,794	1,059,946
Expenditures	688,392	885,251	900,342	1,106,508
Excess (deficiency) of revenues over (under) expenditures	101,122	(38,786)	2,452	(46,562)
Other financing sources (uses)				
Bond premium	-	-	-	-
Operating transfers in	-	-	-	-
Transfer from FIDC fund	-	-	-	75,000
Transfer to utility fund	(144,234)	-	-	-
Net other financing sources (uses)	(144,234)	-	-	75,000
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(43,112)	(38,786)	2,452	28,438
Beginning Debt Service Fund Balance, October 1	431,132	388,020	388,020	390,472
Ending Debt Service Fund Balance, September 30	388,020	349,234	390,472	418,910
Capital Projects Funds				
Revenues	13,061	-	295,706	3,014
Expenditures	2,186,897	2,925,621	4,324,836	678,500
Excess (deficiency) of revenues over (under) expenditures	(2,173,836)	(2,925,621)	(4,029,130)	(675,486)
Other financing sources (uses)				
Debt proceeds	1,449,052	-	3,447,141	8,350,000
Operating transfers in	908,444	-	692,055	-
Operating transfers out	-	-	-	-
Net other financing sources (uses)	2,357,496	-	4,139,196	8,350,000
Excess of revenues and other financing sources over (under) expenditures and other financing uses	183,660	(2,925,621)	110,066	7,674,514
Beginning Capital Projects Fund Balance, October 1	2,266,764	2,450,425	2,450,425	2,560,491
Ending Capital Projects Fund Balance, September 30	2,450,425	(475,196)	2,560,491	10,235,005
TOTAL GOVERNMENTAL FUNDS				
Revenues	4,677,647	4,927,309	5,985,003	6,277,486
Expenditures	6,746,531	8,031,716	9,804,123	7,272,237
Excess (deficiency) of revenues over (under) expenditures	(2,068,884)	(3,104,407)	(3,819,120)	(994,751)
Other financing sources (uses)				
Debt proceeds	1,478,861	-	3,447,141	8,350,000
Operating transfers in	1,055,259	140,000	832,055	347,703
Operating transfers out	(144,234)	-	-	-
Net other financing sources (uses)	2,389,886	140,000	4,279,196	8,697,703
Excess of revenues and other financing sources over (under) expenditures and other financing uses	321,002	(2,964,407)	460,076	7,702,952
Total Beginning Governmental Funds Balances, September 1	3,495,534	3,816,537	3,816,537	4,276,613
Total Ending Governmental Funds Balances, September 30	\$ 3,816,536	\$ 852,130	\$ 4,276,613	\$ 11,979,565

**CITY OF PRINCETON
ANNUAL APPROPRIATED FUNDS
SUMMARY OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES AND USES, AND
CHANGES IN FUND BALANCES**

	ACTUAL 2013-14	BUDGET 2014-15	PROJECTED 2014-15	PROPOSED 2015-16
PROPRIETARY FUNDS				
Water and Sewer Fund				
Revenues	\$ 5,224,127	\$ 4,804,742	\$ 6,686,958	\$ 6,875,786
Expenditures	4,899,679	5,719,263	6,461,894	5,822,378
Excess (deficiency) of revenues over (under) expenditures	324,448	(914,521)	225,064	1,053,408
Other financing sources (uses)				
Transfers in	144,234	-	-	-
Transfers out	(115,000)	(115,000)	(115,000)	(247,703)
Net other financing sources (uses)	29,234	(115,000)	(115,000)	(247,703)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	353,682	(1,029,521)	110,064	805,705
Beginning working capital, October 1	1,407,190	1,760,872	1,760,872	1,870,936
Ending working capital, September 30	<u>\$ 1,760,872</u>	<u>\$ 731,351</u>	<u>\$ 1,870,936</u>	<u>\$ 2,676,641</u>
MS4 Drainage Fund				
Revenues	\$ -	\$ -	\$ -	\$ 212,561
Expenditures	-	-	-	212,561
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	-
Beginning working capital, October 1	-	-	-	-
Ending working capital, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL PROPRIETARY FUNDS				
Revenues	\$ 5,224,127	\$ 4,804,742	\$ 6,686,958	\$ 7,088,347
Expenditures	4,899,679	5,719,263	6,461,894	6,034,939
Excess (deficiency) of revenues over (under) expenditures	324,448	(914,521)	225,064	1,053,408
Other financing sources (uses)				
Transfers in	144,234	-	-	-
Transfers out	(115,000)	(115,000)	(115,000)	(247,703)
Net other financing sources (uses)	29,234	(115,000)	(115,000)	(247,703)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	353,682	(1,029,521)	110,064	805,705
Beginning working capital, October 1	1,407,190	1,760,872	1,760,872	1,870,936
Ending working capital, September 30	<u>\$ 1,760,872</u>	<u>\$ 731,351</u>	<u>\$ 1,870,936</u>	<u>\$ 2,676,641</u>

**CITY OF PRINCETON
ANNUAL APPROPRIATED FUNDS
SUMMARY OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES AND USES, AND
CHANGES IN FUND BALANCES**

COMPONENT UNITS**Community Development Corporation**

Revenues	\$ 313,606	\$ 339,430	\$ 395,464	\$ 603,167
Expenditures	<u>250,711</u>	<u>255,264</u>	<u>329,981</u>	<u>169,607</u>
Excess (deficiency) of revenues over (under) expenditures	62,895	84,166	65,483	433,560
Other financing sources (uses)				
Transfer to Community Events	<u>(10,000)</u>	<u>(12,500)</u>	<u>(12,500)</u>	<u>(12,500)</u>
Net other financing sources (uses)	(10,000)	(12,500)	(12,500)	(12,500)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	52,895	71,666	52,983	421,060
Beginning Fund Balance, October 1	<u>(54,805)</u>	<u>(1,910)</u>	<u>(1,910)</u>	<u>51,073</u>
Ending Fund Balance, September 30	<u>(1,910)</u>	<u>69,756</u>	<u>51,073</u>	<u>472,133</u>

Economic Development Corporation

Revenues	313,721	339,517	398,500	603,802
Expenditures	<u>211,946</u>	<u>218,036</u>	<u>1,228,332</u>	<u>81,425</u>
Excess (deficiency) of revenues over (under) expenditures	101,775	121,481	(829,832)	522,377
Other financing sources (uses)				
Transfer from Capital Projects Fund	-	-	634,503	-
Transfer to Debt Service Fund	-	-	-	(75,000)
Transfer to Community Events	(10,000)	(12,000)	(12,500)	(12,500)
Transfer to Capital Projects Fund	<u>(216,389)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net other financing sources (uses)	(226,389)	(12,000)	622,003	(87,500)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(124,614)</u>	<u>109,481</u>	<u>(207,829)</u>	<u>434,877</u>
Beginning Fund Balance, October 1	<u>626,490</u>	<u>501,876</u>	<u>501,876</u>	<u>294,047</u>
Ending Fund Balance, September 30	<u>\$ 501,876</u>	<u>\$ 611,357</u>	<u>\$ 294,047</u>	<u>\$ 728,924</u>

**CITY OF PRINCETON
ANNUAL APPROPRIATED FUNDS
SUMMARY OF MAJOR REVENUE SOURCES**

	ACTUAL 2014-15	BUDGET 2015-16	PROJECTED 2015-16	PROPOSED 2016-17
GOVERNMENTAL FUNDS				
Property tax	2,487,656	2,744,486	2,864,005	3,133,570
Sales tax	626,981	678,680	799,208	1,109,432
Development	744,090	679,800	1,214,617	1,005,458
Municipal Court	266,473	330,145	273,040	278,840
Parks and Recreation	-	-	-	198,950
Franchise taxes	198,430	184,918	174,742	187,170
Fire	141,707	130,428	150,029	130,448
Facilities	34,966	45,400	63,420	91,457
Police	84,098	72,097	73,857	72,080
Library	25,525	7,500	24,743	21,908
Community Events	14,774	9,200	17,110	16,000
Interest	6,575	4,984	21,916	10,837
Municipal ROW fees	9,153	22,595	9,153	9,153
PEG capital Time Warner cable	7,839	7,903	7,772	7,903
Mixed beverage tax	2,614	2,500	2,796	2,600
Copies	742	900	1,015	900
Miscellaneous	1,126	912	5,080	779
Intergovernmental	8,920	-	282,500	-
Miscellaneous	6,241	-	-	-
In lieu of taxes	4,905	4,861	-	-
Park Improvements Fees	4,200	-	-	-
Park Donations	500	-	-	-
Streets	132	-	-	-
Grant revenue	-	-	-	-
TOTAL GOVERNMENTAL FUNDS	4,677,647	4,927,309	5,985,003	6,277,485
PROPRIETARY FUNDS				
Water sales	2,422,062	2,513,999	3,083,383	3,433,677
Wastewater treatment	1,402,588	1,522,523	-	1,563,187
Water impact fees	354,110	-	600,000	600,000
Solid waste collection fee	513,495	504,967	-	557,675
Wastewater impact fees	216,293	-	-	400,000
Water Meters/ install	101,791	89,735	184,082	126,803
Drainage Fee Residential	-	-	-	116,535
Drainage Fee Commercial	-	-	-	96,026
Penalties	98,880	94,776	94,776	94,776
Utility fees	62,334	55,972	72,012	72,634
Rental	46,150	22,672	33,843	22,672
Interest	6,005	48	4,937	4,362
Miscellaneous	419	50	608	-
Intergovernmental	-	-	231,150	-
TOTAL PROPRIETARY FUNDS	5,224,127	4,804,742	4,304,791	7,088,347
COMMUNITY DEVELOPMENT CORPORATION				
Park sales tax	156,745	169,670	197,500	301,168
Street sales tax	156,745	169,670	197,500	301,168
Miscellaneous	-	-	49	-
Interest	116	90	415	831
TOTAL COMMUNITY DEVELOPMENT CORPORATION	313,606	339,430	395,464	603,167
ECONOMIC DEVELOPMENT CORPORATION				
Sales Tax	313,491	339,517	395,000	602,337
Miscellaneous	-	-	2,486	-
Interest	230	-	1,014	1,465
TOTAL ECONOMIC DEVELOPMENT CORPORATION	313,721	339,517	398,500	603,802

MAJOR REVENUE SOURCES

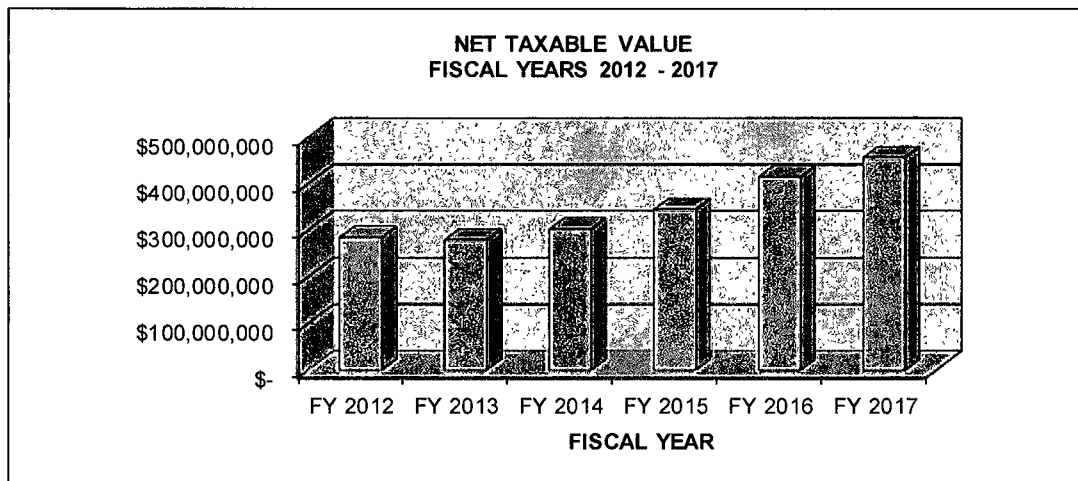
The major revenue sources for the City include ad valorem (property) taxes, sales tax, franchise taxes, water and sewer charges, fees and permits and fines and forfeitures. Each of these sources of revenue plays a vital role in determining the fiscal health of the City.

Revenue Forecasting

Revenue forecasts are largely based on trend analysis, with an emphasis on current and expected future economic conditions with the national, state, and local economy. Any changes in law that might affect revenue streams must also be considered.

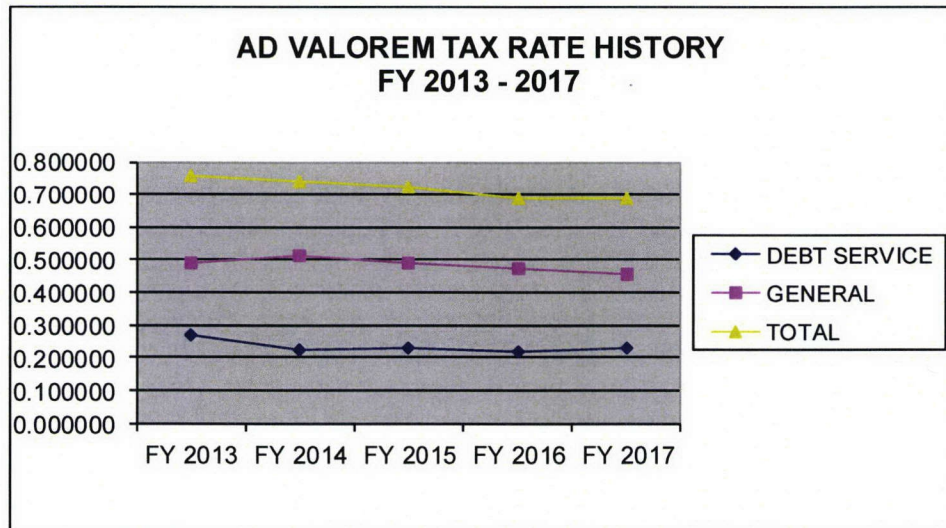
Ad Valorem Taxes – Net Taxable Value

Ad valorem taxes attach an enforceable lien on all real, personal, and business property in the City of Princeton. The amounts of property taxes that the City expects to collect are based on the certified roll calculated by the Collin County Appraisal District, on behalf of the City. The FY 2017 net taxable value of \$455,875,372 is a 12.09% increase over the FY 2016 net taxable value of \$414,288,902.



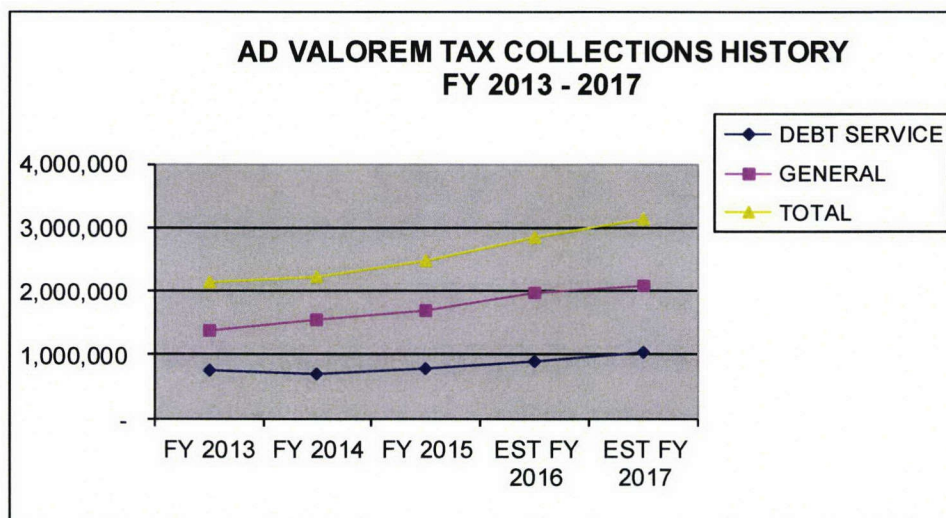
Ad Valorem Taxes – Adopted Tax Rate

The adopted fiscal year (FY) 2016-17 tax rate of \$0.689890 per \$100 valuation is a 0.2885% decrease from the prior year's tax rate of \$0.691886. This rate is the sum of two components, the maintenance and operations (M&O) rate of 0.459509 (a 3.05% decrease from the prior year M&O rate), plus the interest and sinking (I&S) rate of 0.230381 (a 5.73% increase from the prior year I&S rate). These two components combine to equal the overall tax rate.



Ad Valorem Taxes - Collections

For the 2016-17 operating year, the total estimated property tax collections amount to \$3,124,375, an increase of 9.58% over the 2015-16 tax collections amount of \$2,851,291.

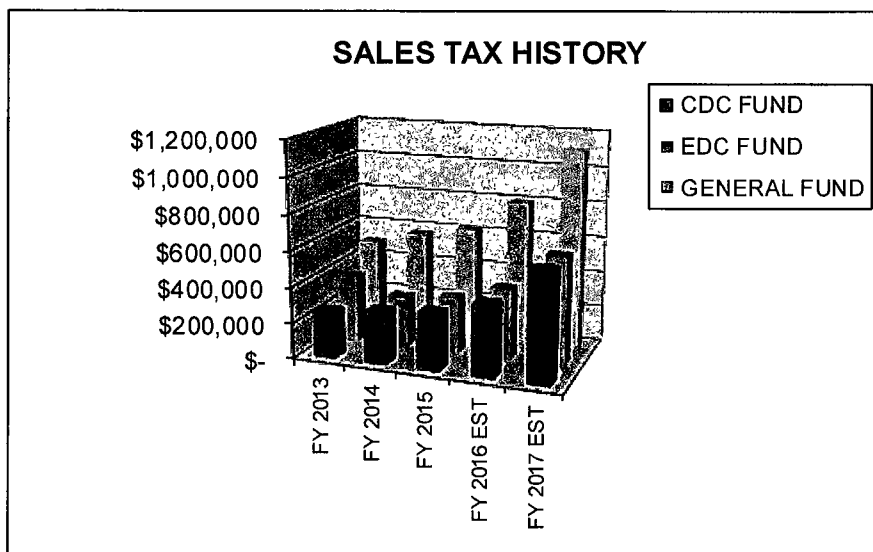


SALES TAX

Sales tax collections are based on economic activity and vary with changes in the local economy.

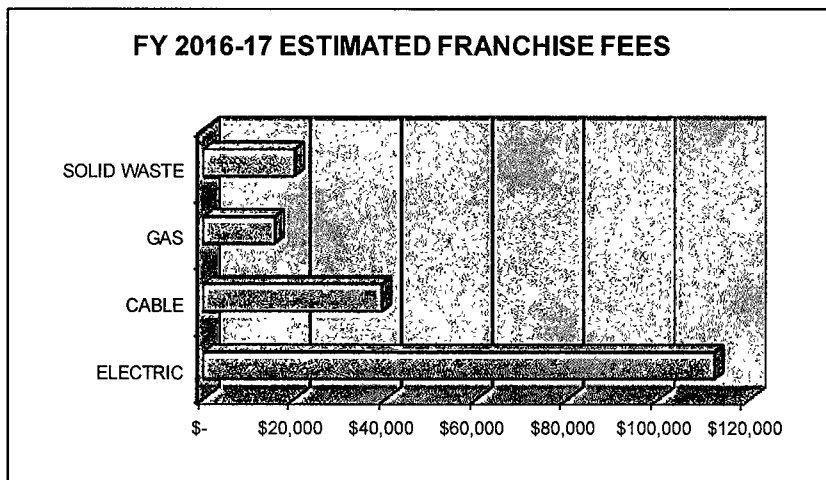
The estimate of FY 2016-17 sales tax revenue (in the General Fund) of \$1,109,432 reflects an increase in estimated sales tax revenues due to economic growth of the community. Given the volatile nature of sales tax revenues, the general fund sales tax revenue is estimated at a 38.81% increase over of the current year estimate of \$799,208.

The local sales tax rate is 8.25%. Businesses within the city limits collect the tax and remit the tax to the State Comptroller. Of the 8.25%, 6.25% is retained by the State of Texas. The remainder of the sales tax collected by the State is disbursed between the City, 1.0%, Economic Development Corporation, 0.5%, Community Development Corporation, 0.5%.



FRANCHISE FEES

The City of Princeton receives franchise fee payments for the use of its streets and right-of-ways. Companies involved in sanitation, cable, natural gas, and electric utilities must pay the City for the use of its streets and right-of-ways. Franchise fees are a significant source of income for the City, amounting to an estimated \$187,156 for the 2016-17 fiscal year.

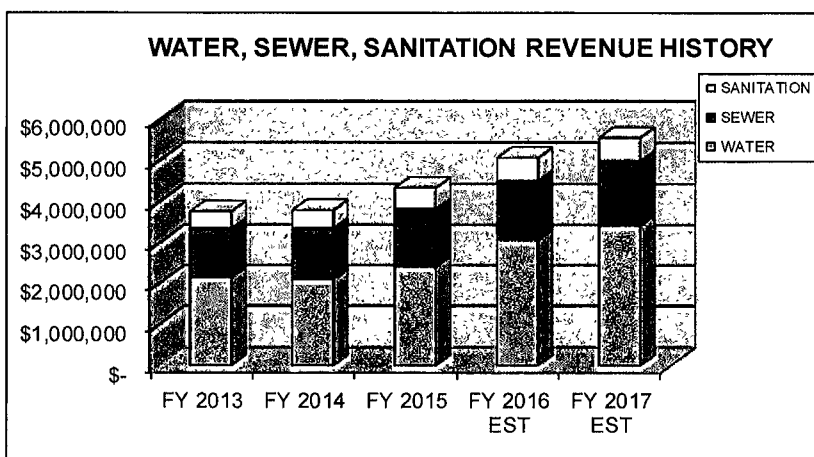


OTHER GOVERNMENTAL FUND REVENUE SOURCES

The City has many other smaller ways in which it collects revenue. Two larger categories are fines and forfeits, and licenses, permits and fees. Fines and forfeits include municipal court fines and are expected to bring in \$278,840. Estimated building permits are \$1,005,158.

WATER AND SEWER FUND REVENUES

The City's Water and Sewer Fund is a proprietary fund that is set up to run much like that of a private business; to recover operating, debt and capital costs from user charges. There are three main revenue sources including water, sewer and sanitation waste charges. Revenue projections for FY 2016-17 were developed using the rate increases included in the adopted Water/Wastewater Rate Plan. Water revenue projections are a challenge to estimate due to water usage is closely associated with seasonal weather conditions at the time of usage.

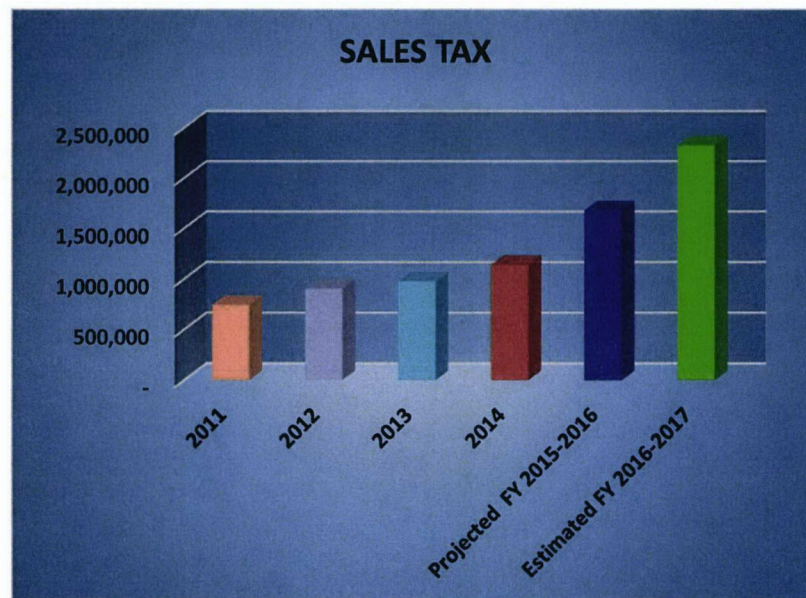


Top Sales Tax Producers

The following companies generate the largest amount of sales tax within the City of Princeton. They are listed in alphabetical order.

- Allsup's
- Auto Zone
- Charlie's Concrete
- CVS
- Brookshire Brothers Grocery
- Dollar General
- Family Dollar
- McDonalds
- O'Riley's Auto Parts
- Walmart

Sales Tax Collection past 6 Years



**CITY OF PRINCETON
GENERAL FUND SUMMARY**

	ACTUAL 2014-15	BUDGET 2015-16	PROJECTED 2015-16	PROPOSED 2016-17
Revenues by department/ type:				
Administration				
Property tax	\$ 1,698,371	\$ 1,898,237	\$ 1,962,615	\$ 2,074,125
Sales tax	626,981	678,680	799,208	1,109,432
Mixed beverage tax	2,614	2,500	2,796	2,600
Franchise taxes	198,430	184,918	174,742	187,170
PEG capital Time Warner cable	7,839	7,903	7,772	7,903
In lieu of taxes	4,905	4,861	-	-
Municipal ROW fees	9,153	22,595	9,153	9,153
Interest	4,226	4,768	7,306	7,323
Grant Revenue	8,920	-	-	-
Copies - public information requests	742	900	1,015	900
Miscellaneous	1,126	912	5,080	779
Total Administration	2,563,307	2,806,274	2,969,687	3,399,385
Library				
Grant Revenue	-	-	-	-
Interest	-	-	-	-
Donations	1,650	500	900	1,300
Collin County Library Fd	16,913	-	17,598	14,308
Copy/ printing fees	5,286	5,000	5,000	5,000
Fines	1,329	1,600	850	1,000
Book sales	347	400	395	300
Total Library	25,525	7,500	24,743	21,908
Community Events:				
Donations	7,467	6,000	9,210	10,000
Fees	7,307	3,200	7,900	6,000
Total Community Events	14,774	9,200	17,110	16,000
Municipal Court				
Fines	251,795	313,145	258,540	264,340
Security	6,287	7,000	6,000	6,000
Technology	8,391	10,000	8,500	8,500
Total Municipal Court	266,473	330,145	273,040	278,840
Development				
Building permits	742,668	679,100	1,212,654	1,005,158
Code Compliance	1,422	700	1,963	300
Other	-	-	-	-
Total Development	744,090	679,800	1,214,617	1,005,458
Facilities				
Park use fee	363	400	400	400
Other	34,603	45,000	63,020	91,057
Total Facilities	34,966	45,400	63,420	91,457
Parks and Recreation				
Sports game registration	-	-	-	113,750
Sports tournament fees	-	-	-	55,200
Sports & recreation	-	-	-	30,000
Total Parks and Recreation	-	-	-	198,950

**CITY OF PRINCETON
GENERAL FUND SUMMARY**

	<u>ACTUAL</u> <u>2014-15</u>	<u>BUDGET</u> <u>2015-16</u>	<u>PROJECTED</u> <u>2015-16</u>	<u>PROPOSED</u> <u>2016-17</u>
Streets.				
Miscellaneous	132	-	-	-
Total Streets	132	-	-	-
Police				
Miscellaneous	507	-	2,119	-
BVP grant	-	1,500	-	1,500
LEOSE grant	1,417	1,417	1,400	1,400
Seizure fund	1,218	-	-	-
Donations	1,320	950	2,108	950
SRO reimbursement	79,636	68,230	68,230	68,230
Total Police	84,098	72,097	73,857	72,080
Fire				
Forest grant	8,921	-	5,454	-
SECO Grant	-	-	-	-
Intergovernmental	-	-	-	-
AMR housing	11,000	12,000	16,802	12,000
Collin County fire support	108,988	108,988	100,124	108,988
Fire Inspections	2,947	1,200	1,600	1,000
False Alarm Fee	-	-	150	150
Donations	3,512	3,200	3,500	3,200
Fire Grant Revenue	1,000	-	-	-
Miscellaneous	-	-	6,805	-
Interest	50	40	169	110
Miscellaneous revenue Fire Marshall	-	-	10,825	-
Plan Review Fire Marshall	5,289	5,000	4,600	5,000
Total Fire	141,707	130,428	150,029	130,448
Total Revenues	3,875,072	4,080,844	4,786,503	5,214,526
Other Financing Sources:				
Capital lease proceeds	29,809	-	-	-
Transfer from CDC	10,000	12,500	12,500	12,500
Transfer from EDC	10,000	12,500	12,500	12,500
Transfer from Utility Fund	126,815	115,000	115,000	247,703
Total Other Financing Sources:	176,624	140,000	140,000	272,703
Total Revenues and Other Financing Sources	4,051,696	4,220,844	4,926,503	5,487,229
Expenditures by Department:				
Non-Departmental				
Personnel	20,721	-	-	-
Supplies	-	-	-	-
Maintenance	-	-	-	-
Other Expenses	-	-	-	-
Total Non-Departmental	20,721	-	-	-

GENERAL FUND SUMMARY

	ACTUAL 2014-15	BUDGET 2015-16	PROJECTED 2015-16	PROPOSED 2016-17
City Council:				
Personnel	3,230	269	270	-
Supplies	4,483	8,010	18,912	4,300
Maintenance	-	-	-	1,500
Other Expenses	97	300	-	9,000
Capital outlay	-	-	-	-
Debt principal	-	-	-	-
Debt interest	-	-	-	-
Total City Council	7,810	8,579	19,182	14,800
Administration:				
Personnel	149,924	153,439	161,734	166,388
Supplies	16,220	14,600	21,908	17,650
Maintenance	9,470	14,700	15,580	21,000
Other Expenses	126,117	201,165	184,681	204,747
Capital outlay	-	-	-	-
Capital Lease	-	-	-	-
Debt interest	-	-	-	-
Total Administration	301,731	383,904	383,903	409,785
Finance Department:				
Personnel	76,241	84,289	84,141	84,841
Supplies	22,497	26,572	29,507	30,300
Maintenance	7,219	10,000	10,000	13,500
Other Expenses	24,625	32,065	66,240	60,525
Capital outlay	-	-	-	-
Capital Lease	-	-	-	-
Debt interest	-	-	-	-
Total Finance Department	130,582	152,926	189,888	189,166
Library:				
Personnel	71,961	75,094	77,748	79,392
Supplies	10,084	3,803	10,930	14,600
Maintenance	7,042	9,000	14,360	24,000
Other Expenses	14,518	15,425	36,679	21,175
Capital outlay	-	-	-	-
Capital Lease	-	-	-	-
Debt interest	-	-	-	-
Total Library	103,605	103,322	139,717	139,167
Community Events:				
Personnel	57,222	61,679	61,932	66,717
Supplies	29,402	36,145	33,921	39,543
Maintenance	5,322	5,200	5,200	5,200
Other Expenses	14,897	21,297	30,883	29,516
Capital outlay	-	-	-	-
Capital Lease	-	-	-	-
Debt interest	-	-	-	-
Total Community Events	106,843	124,321	131,936	140,976

GENERAL FUND SUMMARY

	ACTUAL 2014-15	BUDGET 2015-16	PROJECTED 2015-16	PROPOSED 2016-17
Municipal Court:				
Personnel	174,019	198,364	196,005	194,530
Supplies	6,804	5,625	8,000	6,200
Maintenance	9,626	12,500	12,500	12,500
Other Expenses	38,535	54,000	44,028	53,375
Capital outlay	-	-	-	-
Capital Lease	-	-	-	-
Debt interest	-	-	-	-
Total Municipal Court	228,984	270,489	260,533	266,605
Development:				
Personnel	154,374	166,201	134,884	215,781
Supplies	10,803	16,412	13,320	14,000
Maintenance	6,818	9,000	11,469	11,500
Other Expenses	168,114	170,295	229,317	146,345
Capital outlay	-	-	-	1,000
Capital Lease	7,012	13,684	13,683	15,723
Debt interest	-	-	-	-
Total Development	347,121	375,592	402,673	404,349
Code Compliance				
Personnel	54,240	58,098	58,098	59,607
Supplies	4,910	4,750	5,589	6,000
Maintenance	6,471	7,000	6,500	7,000
Other Expenses	6,776	11,198	12,434	14,350
Capital outlay	-	-	-	-
Capital Lease	-	-	-	-
Debt interest	-	-	-	-
Total Code Compliance	72,397	81,046	82,621	86,957
Facilities:				
Personnel	216,437	236,525	262,632	231,819
Supplies	23,863	23,500	16,800	17,700
Maintenance	92,693	39,500	59,748	47,500
Other Expenses	88,049	61,810	101,087	9,930
Capital outlay	-	9,900	10,900	6,000
Capital Lease	10,880	11,880	10,499	10,880
Debt interest	-	-	381	-
Total Facilities	431,922	383,115	462,047	323,829
Streets				
Personnel	51,119	84,447	72,001	139,231
Supplies	33,234	20,775	33,625	37,875
Maintenance	131,777	110,450	93,250	100,500
Other Expenses	90,794	66,350	105,619	86,350
Capital outlay	-	3,500	3,500	13,500
Capital Lease	10,881	10,881	10,880	10,880
Debt interest	-	-	-	-
Total Streets	317,805	296,403	318,875	388,336

GENERAL FUND SUMMARY

	ACTUAL 2014-15	BUDGET 2015-16	PROJECTED 2015-16	PROPOSED 2016-17
Parks and Recreation				
Personnel	-	-	-	166,869
Supplies	-	-	-	77,250
Maintenance	-	-	-	24,860
Other Expenses	-	-	-	116,560
Capital outlay	-	-	-	22,754
Capital Lease	-	-	-	14,000
Debt interest	-	-	-	-
Total Parks and Recreation	-	-	-	422,293
Municipal Storm Sewer System				
Personnel	-	-	-	-
Supplies	-	-	-	-
Maintenance	-	-	-	-
Other Expenses	3,918	8,500	25,000	-
Capital outlay	-	-	-	-
Capital Lease	-	-	-	-
Debt interest	-	-	-	-
Total Municipal Storm Sewer System	3,918	8,500	25,000	-
Emergency Management				
Personnel	-	-	-	-
Supplies	1,740	1,300	975	1,500
Maintenance	9,999	1,500	2,834	500
Other Expenses	5,131	7,000	5,385	7,650
Capital outlay	-	-	-	-
Capital Lease	-	-	-	-
Debt interest	-	-	-	-
Total Emergency Management	16,870	9,800	9,194	9,650
Police.				
Personnel	766,781	853,066	849,889	1,045,271
Supplies	54,280	83,620	57,623	72,120
Maintenance	57,229	56,655	98,721	78,155
Other Expenses	179,794	197,182	240,058	222,103
Capital outlay	-	2,000	52,000	22,000
Capital Lease	64,700	67,500	47,794	86,711
Debt interest	-	-	6,678	15,616
Total Police	1,122,784	1,260,023	1,352,763	1,541,976
Police School Resource Officer				
Personnel	134,251	137,207	137,207	144,203
Supplies	6,405	5,249	6,378	5,750
Maintenance	-	1,000	900	1,000
Other Expenses	840	500	500	500
Capital outlay	-	-	5,497	-
Capital Lease	-	5,497	-	5,497
Debt interest	-	-	-	-
Total Police School Resource Officer	141,496	149,453	150,482	156,950

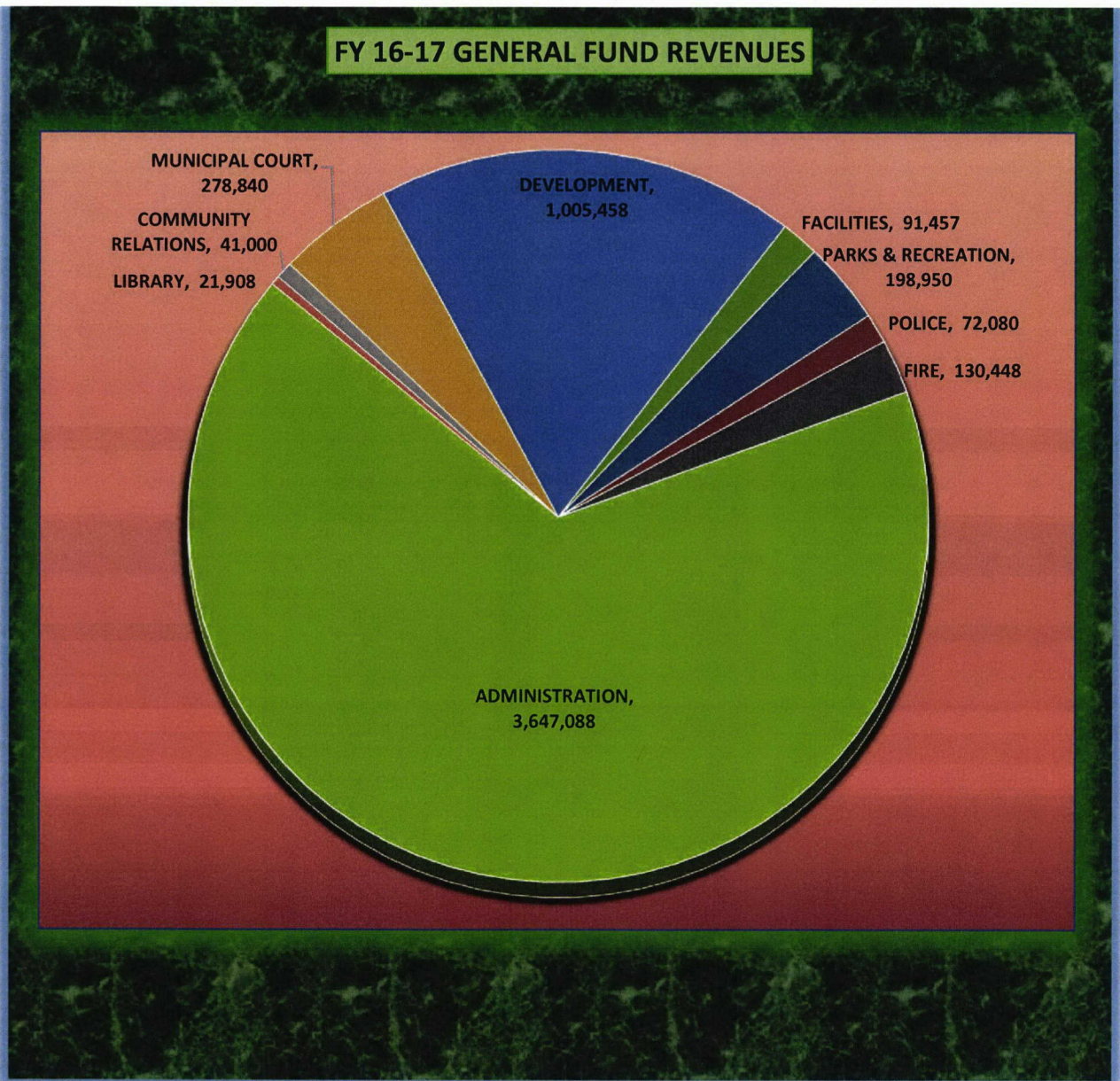
GENERAL FUND SUMMARY

	ACTUAL 2014-15	BUDGET 2015-16	PROJECTED 2015-16	PROPOSED 2016-17
Fire.				
Personnel	210,783	329,458	320,573	676,563
Supplies	44,389	41,000	39,000	48,000
Maintenance	44,937	38,750	73,283	50,750
Other Expenses	148,033	146,373	157,558	160,450
Capital outlay	40,000	2,000	-	2,000
Capital Lease	-	-	-	-
Debt interest	-	-	-	-
Total Fire	488,142	557,581	590,414	937,763
Fire Marshall				
Personnel	20,600	37,515	33,421	40,002
Supplies	1,559	3,000	2,300	4,500
Maintenance	1,137	6,800	5,350	2,000
Other Expenses	5,215	8,475	18,646	8,125
Capital outlay	-	-	-	-
Capital Lease	-	-	-	-
Debt interest	-	-	-	-
Total Fire Marshall	28,511	55,790	59,717	54,627
All Departments				
Personnel	2,161,903	2,475,651	2,450,535	3,311,214
Supplies	270,673	294,361	298,788	397,288
Maintenance	389,740	322,055	409,695	401,465
Other Expenses	915,453	1,001,935	1,258,115	1,150,701
Capital outlay	40,000	17,400	71,897	67,254
Capital Lease	93,473	109,442	82,856	143,691
Debt interest	-	-	7,059	15,616
Total All Departments	3,871,242	4,220,844	4,578,945	5,487,229
Total Expenditures	3,871,242	4,220,844	4,578,945	5,487,229
Net Total Revenues, Expenditures, Other Financing Sources (Uses)	180,454	-	347,558	-
Beginning Fund Balance, October 1	797,638	978,092	978,092	1,325,650
Ending Fund Balance, September 30	\$ 978,092	\$ 978,092	\$ 1,325,650	\$ 1,325,650

General Fund Departmental Revenue Summary**Revenue Summary:****Fiscal Year: 2016/2017****Fund: General Fund**

Revenues	FY 2015-2016 Budget	FY 2015-2016 Projected Actual	FY 2016-2017 Budget	% Change from FY 2015-2016
Administration	2,921,274	3,084,467	3,647,088	25%
Library	7,500	24,743	21,908	192%
Community Relations	34,200	42,110	41,000	20%
Municipal Court	330,145	273,040	278,840	-18%
Development	679,800	1,214,617	1,005,458	48%
Facilities Parks & Recreation & Streets)	45,000	63,420	91,457	103%
Parks & Recreation splits out from Facilities.	0	0	198,950	100%
Police	72,097	73,857	72,080	-.02%
Fire	130,428	150,029	130,448	.02%

General Fund Revenue Graph



General Fund Departmental Expenditure Summary:**Expenditure Summary:****Fiscal Year: 2016-/2017****Fund: General Fund**

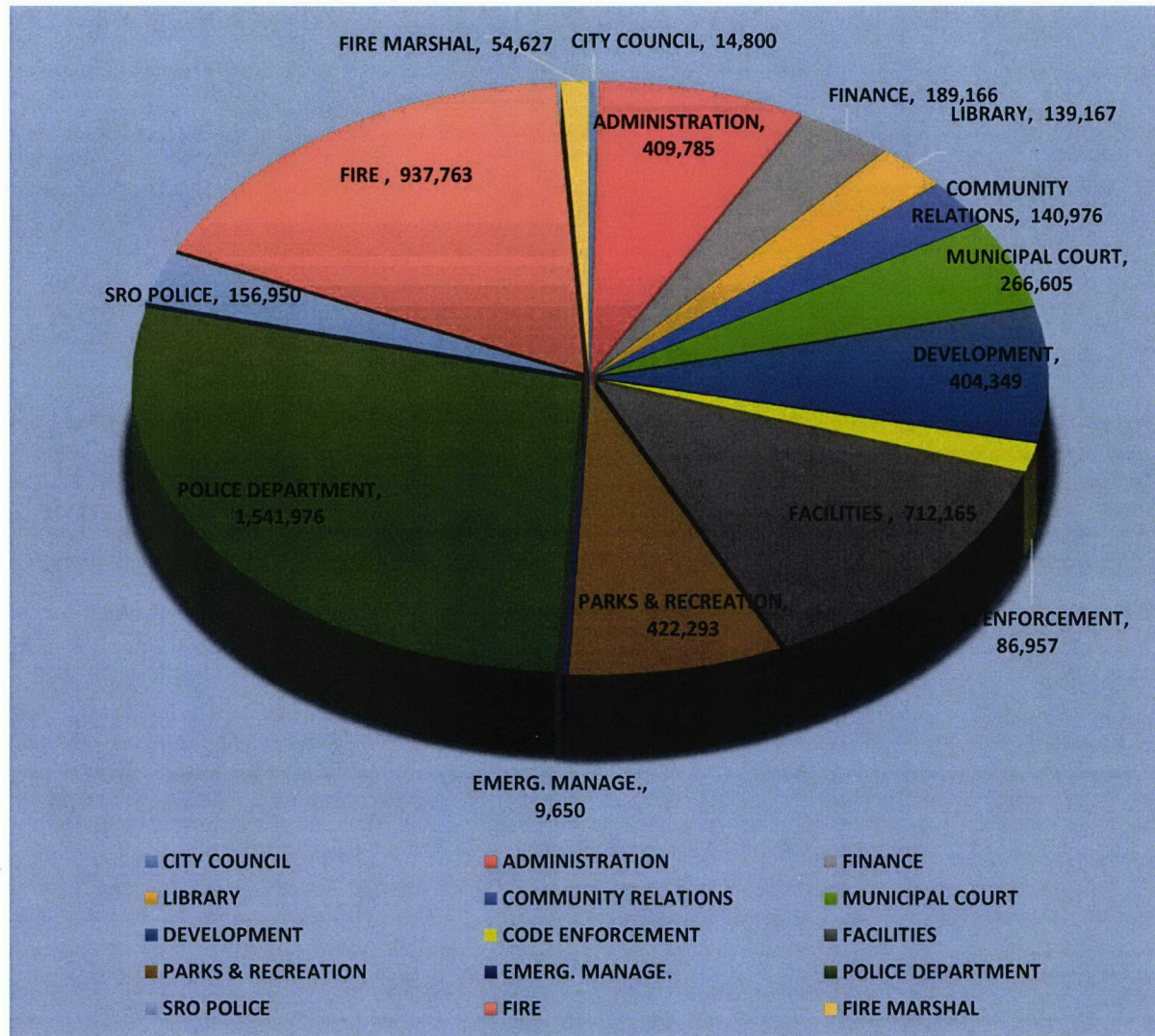
Expenditures	FY 2015-2016 Budget	FY 2015-2016 Projected Actual	FY 2016-2017 Budget	% Change from FY 2015-2016
City Council	8,579	19,182	14,800	73%
Administration	383,904	383,903	409,785	7%
Finance	152,926	189,888	189,166	24%
Library	103,322	139,717	139,167	35%
Community Relations	124,321	131,936	140,976	14%
Municipal Court	270,489	260,523	266,605	-2%
Development	375,592	402,673	404,349	8%
Code Enforcement	81,046	82,621	86,957	8%
Facilities Park & Streets	688,018	805,922	712,165	4%
PW Parks & Recreation	0	0	422,293	100%
Emergency Management	9,800	9,194	9,650	-2%
Police	1,260,023	1,352,763	1,541,976	23%
Police SRO	149,453	150,482	156,950	5%
Fire	557,581	590,414	937,763	69%
Fire Marshal	55,790	59,717	54,627	-3%

General Fund Departmental Revenue over Expenditure Summary:**Fiscal Year: 2016-/2017****Fund: General Fund**

General Fund Summary	FY 2015-2016	FY 2015-2016	FY 2016-2017	% Change from FY 2016-2017
	Budget	Projected Actual	Budget	
Total General Fund Revenue	4,220,844	4,926,503	5,487,229	30%
Total General Fund Expenditures	<u>4,220,844</u>	<u>4,578,945</u>	<u>5,487,229</u>	<u>30%</u>
Over/Under, Expenditures	0	347,558	0	0%



General Fund Expenditures Graph:



Section IV – General Fund Division Summaries**Expenditure Summary: City Council****Fiscal Year:** 2016-2017**Fund:** General Fund**Account Group:** 01-(601-10) and (501-10)

Expenditures	FY 2015-2016 Budget	FY 2015-2016 Projected Actual	FY 2016-2017 Budget	% Change from FY 2015-2016
Personnel	269	270	0	0%
Supplies	8,010	18,912	4,300	-86%
Maintenance	0	0	1,500	100%
Other Expenses	300	0	9,000	2,900%
Total Expenses	8,579	19,182	14,800	73%

Personnel	2015-2016 Budget	2015-2016 Actual	2016-2017 Budget	Change in Personnel
Mayor	1	1	1	0
Council Members	5	5	5	0

Mission Statement:

It is the Mission of the City Council of Princeton is to provide a safe and inviting community that operates through a fiscally responsible, transparent and open government.

Responsibilities:

- Set policy
- Approve annual budget and plans for capital improvements
- Determines tax rate
- Along with the Mayor, appoints City Manager, Police and Fire Chief, City Attorney, City Auditor, City Secretary, Municipal Court Judges, and Citizen Boards and Commissions
- Issues and sells Municipal Bonds
- Establishes City Departments
- Holds Council Meetings
- Approves City Ordinances
- Determine level of City services

Accomplishments:

- The City council approved the FY 2015-2016 Annual Operating Budget.
- Approved the capital improvements that included the street reconstruction projects for FY 2015-2016.
- Addressed specific concerns identified by Citizens.
- Approved the engineering of the Eastern water and sewer lines for east Princeton Dr.
- Approved the final engineering of both North and South Beauchamp Blvd.
- Approved the Creation of “TIF1” a Tax Increment Reinvestment Zone.
- Approved the five year Water and Waste Water Rate Study.
- Approved the updated Zoning Ordinance.
- Approved the expansion of the space at City Hall for a Mayors Office.

Goals:

Provide good policy for the effective management of the City resources.

Adopt ordinances in the best interest of the citizens.

Determine the appropriate level of services within the City without overburdening the taxpayer.

Continue to reconstruct the dated City streets.

Significant Budget Changes:

There are no significant changes within the City Council Budget this fiscal year.



Division Summary: Administration**Fiscal Year:** 2016-2017**Fund:** General Fund**Account Group:** 01-(601) and (501)

Expenditures	FY 2015-2016 Budget	FY 2015-2016 Projected Actual	FY 2016-2017 Budget	% Change from FY 2015-2016
Personnel	153,439	161,734	166,388	9%
Supplies	14,600	21,908	17,650	21%
Maintenance	14,700	15,580	21,000	43%
Other Expenses	201,165	184,681	204,747	2%
Total Expenses	383,904	383,903	409,785	7%

Personnel	2015-2016 Budget	2015-2016 Actual	2016-2017 Budget	Change in Personnel
City Manager	1	1	1	0
Asst. City Manager/City Secretary	1	1	1	0
Deputy City Secretary/PIO	1	1	1	0

Mission Statement:

It is the Mission of the Administration to provide effective leadership with a focus on fiscal responsibility while providing the highest level of service to the citizens of Princeton.

Responsibilities:

To execute the policies of the City Council and provide the management of the day to day operations of the City. Providing oversight over the individual departments and developing challenging goals for the overall organization. The Administration is also responsible for identifying and assuring the citizen's concerns are met and resolved in a timely and professional manner.

Accomplishments:

- Facilitated the regular and special Council meetings, reviewed and made recommendation on policy.
- Positively resolved disputes between builders and developers.
- Prepared and presented in house training for the departments.
- Facilitated several voluntary annexations into the City.
- Negotiated with Walmart for the construction of the new Super Walmart on Princeton Dr.

- Administered the bid proposals and contracts for the street reconstruction and other infrastructure projects.
- Negotiated with *TXDOT* to install a new traffic control light at the intersection of Beauchamp Blvd. and Hwy. 380.
- Acquired back-up power and light towers for power outages.
- Implemented community relations and social media management.
- Implemented the Open Government Website tool for Citizens.
- Implemented the new automated meter reading system for the water meters.
- Negotiated with developers on large tract subdivisions and Public Improvement Districts.
- Created the Tax Increment Reinvestment Zone, TIF1.
- Completed the process of updating the Zoning Ordinance.

Goals:

- Continue to work toward economic growth and oversee major capital efforts within the City.
- Seek out alternative sources of funding, including grants for special projects.
- Represent the City's interest with other agencies and government entities.
- Assist the City Council in formulating long term planning activities and goals.
- Maintain a sound fiscal position for the City by responsible budgeting and spending.
- Continue to provide a strong leadership for the organization through training and education programs.

Objectives:

- Continue to execute the goals and expectations of the City Council.
- Develop good policy and make sound recommendation to the City Council as the City experiences growth.

Significant Budget Changes:

There are no significant changes within the administration division for FY 2016-2017.

Performance Measures:

Performance Measure Indicator	FY 2014-2015 Actual	FY 2015-2016 Projected Year End	FY 2016-2017 Projected	Percentage Change from FY 2015-2016
Meetings Prepared and Facilitated	60	60	60	0%
Open Records Requests processed	846	1,221	1,500	22%



Division Summary: Finance**Fiscal Year:** 2016-2017**Fund:** General Fund**Account Group:** 01-(602) and (502)

Expenditures	FY 2015-2016 Budget	FY 2015-2016 Projected Actual	FY 2016-2017 Budget	% Change from FY 2015-2016
Personnel	84,289	84,141	84,841	1%
Supplies	26,572	29,507	30,300	14%
Maintenance	10,000	10,000	13,500	35%
Other Expenses	32,065	66,240	60,525	89%
Total Expenses	152,926	189,888	189,166	24%

Personnel	2015-2016 Budget	2015-2016 Budget	2016-2017 Budget	Change in Personnel
Director Of Finance	1	1	1	0
Assistant Director of Finance	0	1	1	0
Administrative Assist./Payroll	1	1	1	0
Part-Time Finance Clerk	1	1	1	0

Mission Statement:

The Finance Department of the City of Princeton, its management and staff, are committed to providing the highest quality financial management support, fiduciary oversight, and public accountability to the citizens and community of Princeton and its designated officials.

Responsibilities:

Provide timely and accurate financial information to City Manager, City Council, City Departments and the community. Comply with State and Federal regulations regarding financial management, accounting, and control and to meet industry standards of financial management and reporting. Be a resource to the City management on financial matters and operational performance.

Accomplishments:

- Worked with staff to completed Fiscal year 15 Comprehensive Financial Report and submitted to GFOA.
- Received the FY 15 Certificate of Excellence in Financial Reporting.
- Completed Quarterly Financial Budget Reports in accordance with state requirements.
- Worked with management and staff on the fiscal year 16 budget submitted to GFOA for Distinguished Budget Presentation Award and was received.

Goals:

- Continue the Financial Transparency Program with the Texas Leadership Circle Program working towards Gold Status.
- Work with management on preparation of an Annual Budget book to maintain the GFOA Distinguished Budget Presentation Award.
- Continue with the GFOA Certificate of Excellence in Financial Reporting Program.
- Keep the City's financial policies updated.

Objectives:

- Provide timely and accurate financial information for the City's management, departments, and community.

Significant Budget Changes: The position of Assistant Director of Finance was added in February 2016.

Performance Measures:

Performance Measure Indicator	FY 2014-2015 Actual	FY 2015-2016 Estimated Year End	FY 2016-2017 Estimated	Percentage Change
Percentage of vendors paid within 30 days	100%	100%	100%	0%
Payroll Runs	29	29	29	0 %
Bank Reconciliations	300	264	267	2%

Annual Audits	1	1	1	0%
Accounts Payable Runs	48	53	56	17%
Project Accounting Runs	50	47	50	0%
Number of Checks Processed	2795	3,152	3,184	14%
Number of Deposits Processed	1867	1895	1900	2%
Quarterly Reports	20	20	20	0%



Division Summary: Library**Fiscal Year:** 2016-2017**Fund:** General Fund**Account Group:** 01-(603) and (503)

Expenditures	FY 2015-2016 Budget	FY 2015-2016 Projected Actual	FY 2016-2017 Budget	% Change from FY 2015-2016
Personnel	75,094	77,748	79,392	6%
Supplies	3,803	10,930	14,600	284%
Maintenance	9,000	14,360	24,000	167%
Other Expenses	15,425	36,679	21,175	37%
Total Expenses	103,322	139,717	139,167	35%

Personnel	2015-2016 Budget	2015-2016 Actual	2016-2017 Budget	Change in Personnel
Library Director	1	1	1	0
PT Library Clerk	1	1	1	0

Mission Statement:

It is the Mission of the Lois Nelson Public Library to encourage reading and serve the needs of the community by providing free access to ideas and information through a variety of library materials, services and experiences.

Responsibilities:

The Library is responsible for the development and implementation of programs, including developing and managing all Library resources to the Public. Coordinating and implementing services and programs for users of all ages.

Accomplishments:

- Welcomed 10,600 people that visited the library in 2015-2016.
- Registered 4,506 members and 713 new members in 2015-2016.
- Facilitated 17,273 books, magazines, DVDs, audio books checked out.
- Added Department of Labor Senior Community Service Employment Program that average of 20 hours a week that will provide free library services.
- Provided downloadable eBooks and Audio Books to our collection (Overdrive, Inc.).

- Provided Summer Reading Program and Story time every Wednesday in the summer months.
- Added “Movie in the Park” events throughout the year.
- We marketed our services in new ways, such as tours, newspaper articles, Princeton ISD Express E-mail, community events, Facebook and website.
- We recruited outstanding volunteers, adults and teens that have dedication and provide support.
- Received grant funding from Collin County to continue library services for Collin County residents.

Goals:

- Build a capable and proud team who enthusiastically provide excellent services, programs, and resources to the community.
- Continue to provide excellent customer service that leaves every customer with a lasting positive impression of the library.
- Adults may explore interests and hobbies and enjoy a wide variety of materials and programming.
- Children may discover the joy of reading and become lifelong learners.
- Teens/Tweens may find materials, programs, and interactive experiences to enhance their current interests and resources that will help them to develop a better understanding in dealing with issues that they face today.
- The unemployed and underemployed may find materials and programs to help them in their job search.
- Residents and visitors may find information about area places, events, goods, and services.
- Reach and influence the entire community through the library’s vision, services, and programs.
- Provide a place for cultural and recreational meetings and events.
- Find Funding opportunities and alternative resources through grants and donations.

Objectives:

- Residents will have a central source for information about the wide variety of programs, services, and activities provided by community agencies and organizations.
- Residents will have the resources they need to explore topics of personal interest and continue to learn throughout their lives.
- Residents will have safe and welcoming physical places to meet and interact with others or to sit quietly and read and will have open and accessible virtual spaces that support networking.
- Utilize community resources to improve the quality of life for our residents.

Significant Budget Changes:

At this time the Collin County Commissioners are undecided in their support for the Libraries in Collin County for the FY 2016-2017. If they vote to fund the Libraries there will be a decrease in the budget from \$17,598 to \$14,308 of the Library's Revenue funds. However, if they vote to not fund the Libraries there will be a decrease in the budget of \$17,598 to the Revenue funds.

Performance Measures:

Performance Indicator	FY 2014-2015 Actual	FY 2015-2016 Estimated Year End	FY 2016-2017 Estimated	Percentage Change
Books checked out and returned	11,300	17,273	23,000	104%
New Patrons	1,157	955	1,000	-16%

Division Summary: Community Relations**Fiscal Year:** 2016-2017**Fund:** General Fund**Account Group:** 01-(604) and (504)

Expenditures	FY 2015-2016 Budget	FY 2015-2016 Projected Year End	FY 2016-2017 Budget	% Change from FY 2015-2016
Personnel	61,679	61,932	66,717	8%
Supplies	36,145	33,921	39,543	10%
Maintenance	5,200	5,200	5,200	0%
Other Expenses	21,297	30,883	29,516	37%
Total Expenses	124,321	131,936	140,976	14%

Personnel	2015-2016 Budget	2015-2016 Actual	2016-2017 Budget	Change in Personnel
Community Relation Coordinator	1	1	1	1

Mission Statement:

To communicate and inform the citizens on topics of interest within the community, deliver a variety of events that will contribute to their cultural, health, and educational growth.

Responsibilities:

Represent the Community Relations Department in a professional manner consistent with the expectations of the City Council, Administration, and Citizens. To promote and coordinate events that is beneficial and desirable to the community.

Accomplishments:

- Provided the citizens and surrounding community up to date information on the special events, and current issues dealing with the City, through the City's Social Media page.
- Developed a rapport with local and surrounding media and business owners to help promote the City's Special Events.
- Created the first mobile app and Customer Relationship Management, (CRM) for the City to enhance public outreach and citizen involvement (GovQa).
- Processed 9 Special Event Applications and 12 Pavilion/Gazebo reservations.
- Successfully implemented additional events throughout the City.

- Assisted with the development and implementation of the new Parks and Recreation department as it relates to all youth sport sign ups and registration.
- Assisted in implementation of City wide uniforms.

Goals:

- Develop and Implement policies and procedures for the Community Relations Department.
- Continue to add departments to our CRM (GovQa).
- Help with the redesign of the City's current website.
- Promote local business leadership to take active role in events & sponsorships.
- Reach out to Community through City sponsored events.
- Continue training in Marketing & Community Events.
- Continue special events that are currently supported by the City:
 - Christmas
 - Easter
 - July 4th
 - Fall Festival
 - Movie in the Park
 - School Tours
 - Onion Festival
 - Chili Cook off
 - Employee Cookouts
 - Thanksgiving Luncheon
- Incorporate new special events such as:
 - Heart Health Month
 - April Beautification
 - Employment Team Building Training
 - Toys for Tots
 - Battle of the Bridge

Objectives:

To keep the citizens and surrounding communities informed on important and general information and events pertaining to the City of Princeton.

Significant Budget Changes:

Continued Education in Marketing and Community Events.

Performance Measures:

Performance Measure Indicator	FY 2014-2015 Actual	FY 2015-2016 Estimated Year End	FY 2016-2017 Estimated	Percentage Change
Events planned and completed	6	8	16	100%



Division Summary: Municipal Court**Fiscal Year:** 2016-2017**Fund:** General Fund**Account Group:** 01-(607) and (507)

Expenditures	FY 2015-2016 Budget	FY 2015-2016 Projected Actual	FY 2016-2017 Budget	% Change from FY 2015-2016
Personnel	198,364	196,005	194,530	-2%
Supplies	5,625	8,000	6,200	11%
Maintenance	12,500	12,500	12,500	0%
Other Expenses	54,000	44,028	53,375	-2%
Total Expenses	270,489	260,533	266,605	-2%

Personnel	2015-2016 Budget	2015-2016 Actual	2016-2017 Budget	Change in Personnel
Clerk of the Court	1	1	1	0
Deputy Court Clerk	1	1	1	0
Warrant Officer/Bailiff	1	1	1	0
*Prosecutor	1	1	1	0
*Associate Judge	1	1	1	0
*Judge	1	1	1	0

*** Other Expenses, Contracted****Mission Statement:**

The Mission of the Municipal Court is to provide timely, impartial and accurate processing of complaints and violations filed with the City of Princeton Municipal Court. Respond courteously to requests for information from the public and to perform responsible collection of assessed fines and fees and efficient docketing of cases for adjudication.

Responsibilities:

To execute the policies of the Municipal Court and to process payments and organize all case dispositions and court dockets in a proficient and timely manner.

Accomplishments:

- Timely handled all cases and open record requests that came through the office of Municipal Court.
- Implemented new practices on warrant collection.
- Updated the procedures and policies on case disposition to reduce cost and workload.

- Each member of Municipal Court staff attended the required training to renew certifications.

Goals:

- Maintain effective and responsible management and supervision over court practices.
- To provide accurate, consistent, courteous and responsive services to the public.
- To facilitate and promote effective employee performance and behavior.
- Continue to collect on outstanding Princeton warrants, through the State Warrant Round-up in cooperation with Collin County and other agencies.
- Update and revise implemented standing orders while staying current with State mandates.

Objectives:

Provide a responsible Municipal Court that provides good customer service, which operates effectively and economically.

Significant Budget Changes:

There are no significant changes within the Municipal Court division for FY 2015-2016.

Performance Measures:

Performance Indicator	FY 2014-2015 Actual	FY 2015-2016 Projected Year End	FY 2016-2017 Estimated	Percentage Change
Traffic Violations Processed	2279	2,288	2,300	1%
Code Violations Processed	67	40	45	-6%
Open Cases	No Data	1618	1700	5%
Warrants, pending	No Data	3030	3000	-1%

Division Summary: Development, Planning & Zoning**Fiscal Year:** 2016-2017**Fund:** General Fund**Account Group:** 01-(614 and 514)

Expenditures	FY 2015-2016 Budget	FY 2015-2016 Projected Actual	FY 2016-2017 Budget	% Change from FY 2015-2016
Personnel	166,201	134,884	215,781	30%
Supplies	16,412	13,320	14,000	-18%
Maintenance	9,000	11,469	11,500	28%
Other Expenses	183,979	243,000	163,068	-13%
Total Expenses	375,592	402,673	404,349	8%

Personnel	2015-2016 Budget	2015-2016 Actual	2016-20167 Budget	Change in Personnel
Building official	1	1	1	0
Building Inspector	0	1	1	0
Development Planner	0	0	0	0
Permit Technician	1	1	1	0

Mission Statement:

The Development Services Department is committed to creating a high quality, sustainable community for citizens and businesses. We do this by planning, creating, managing and applying the recognized standards for development.

Responsibilities:

The Building Inspection Division is responsible for issuing permits and performing inspections for new buildings including additions and remodeling projects for residential and commercial properties. The Building Inspection Division enforces the building code, electrical code, plumbing code, mechanical code, fuel gas code, energy code, zoning ordinance and certain State Statutes relating to construction.

The Planning and Zoning Division is charged with processing all annexations, zoning, specific use permit, site plans, landscape plans and subdivision plats. The Division is responsible for processing Zoning Board of Adjustment cases as well.

Accomplishments:

- Completed multiple ordinance amendments and implemented more digital record keeping.
- Drafted and Adopted the 2012 Edition of the International Building Codes.
- Completed the adoption and codification of the Zoning Ordinance.

Goals:

- Work with staff to install and implement use of GIS software for viewing/mapping of City infrastructure systems.
- Continue to work on identifying needed ordinance amendments, drafts, and rewrites as needed.
- Implement electronic permit submittal and records keeping for building permits.

Objectives:

Provide quality service to contractors, developers and public while ensuring a safe & sustainable building environment and ensuring a quality environment for citizens throughout the community.

Significant Budget Changes:

Permit Revenues – There has been a significant increase in the budget for building permit revenues due to growth rate and anticipated developments.

Personnel – Development requires an increase in staffing due to the increased workload. There has been one additional inspector budgeted for this year to keep up with the increased inspections.

Planning – Additionally the department has included in the budget for planning professional services, to update the related ordinances and maps.

Performance Measures:

Performance Measure Indicator	FY 2014-2015 Actual	FY 2015-2016 Estimated Year End	FY 2016-2017 Estimated	Percentage Change
Permits processed	1,561	1,600	1,700	6%

Zoning Cases Processed	25	34	40	17%
Inspections Performed	2,436	2,700	3,000	11%



Division Summary: Code Enforcement**Fiscal Year:** 2016-2017**Fund:** General Fund**Account Group:** 01-(614 and 514)

Expenditures	FY 2015-2016 Budget	FY 2015-2016 Projected Actual	FY 2016-2017 Budget	% Change from FY 2015-2016
Personnel	58,098	58,098	59,607	3%
Supplies	4,750	5,589	6,000	27%
Maintenance	7,000	6,500	7,000	0%
Other Expenses	11,198	12,434	14,350	29%
Total Expenses	81,046	82,621	86,957	8%

Personnel	2015-2016 Budget	2015-2016 Actual	2016-2017 Budget	Change in Personnel
Code Enforcement Officer	1	1	1	0

Mission Statement:

The City's Code Enforcement Department assists the residents of our city in providing an optimum environment dedicated to good health and safety of the citizens.

Responsibilities:

Code Enforcement is responsible for inspecting properties within the City to enforce specific City Ordinances related to public nuisances, zoning violations and substandard buildings.

Accomplishments:

- Fully implemented procedures for all code enforcement cases.
- Actively pursued and gained compliance with substandard buildings.
- Successfully reduced the number of substandard structures within Princeton.

Goals:

- Continue to develop procedures, pursue and gain compliance with substandard buildings and all other miscellaneous code issues.

Objectives:

Provide a safe and quality environment for the citizens throughout the community.

Significant Budget Changes:

No Significant Budget Changes

Performance Measures:

Performance Measure Indicator	FY 2014-2015 Actual	FY 2015-2016 Estimated Year End	FY 2016-2017 Estimated	Percentage Change
Cases processed	1,326	1,500	1,600	6%



Division Summary: Facilities**Fiscal Year:** 2016-2017**Fund:** General Fund**Account Group:** 01-515-10

Expenditures	FY 2015-2016 Budget	FY 2015-2016 Projected Actual	FY 2016-2017 Proposed Budget	% Change from FY 2015-2016
Personnel	236,525	262,632	231,819	-2%
Supplies	23,500	16,800	17,700	-38%
Maintenance	39,500	59,748	47,500	27%
Other Expenses	83,590	122,867	26,810	-212%
Total Expenses	383,115	462,047	323,829	-19%

Personnel	2015-2016 Budget	2015-2016 Actual	2016-2017 Budget	Change in Personnel
Facilities Supervisor	1	1	1	0
Facilities Maintenance Worker	3	2	3	0
Seasonal Maintenance Worker	1	1	1	0

Mission Statement:

The Mission of the Facilities Division is to provide well maintained facilities while providing for the enjoyment of our citizens, and visitors to the City.

Responsibilities:

To provide landscape maintenance, and facilities maintenance for our parks, open spaces, right-of-ways, and City owned facilities.

Accomplishments:

- Implemented maintenance policies and schedules.
- Began implementing a city-wide mosquito management program.
- Successfully added more open-spaces and right-of-ways into the maintenance schedule.
- Prepared and maintained park facilities for various events held within in the City.

Goals:

- Continue to become more efficient in landscape maintenance schedule adherence.
- Maintain a high level of cleanliness and visual appeal to all areas of the City.