



**FY 2022 BUDGET
CITY HALL**

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	673,264	728,917	736,000	735,000	756,100
Supplies	19,425	17,260	17,400	28,400	24,200
Contractual	44,130	49,934	53,950	52,950	48,400
Utilities	21,637	13,776	18,700	23,800	24,200
Sundry	21,763	18,727	26,050	40,000	23,700
Maintenance	16,574	2,548	6,600	12,200	8,700
Capital Items	-	-	-	-	-
Total	796,794	831,163	858,700	892,350	885,300

PERFORMANCE MEASURES

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Open Records Requests	5	4	6	4	30	7
Average Number of Utility Accounts	2,470	2,461	2,430	2,416	2,420	2,407
Average Work Order Completions	1 Day	1 Day	1 Day	1 Day	1 Day	1 Day
Houses Built in City-Sold Lots	n/a	n/a	n/a	n/a	0	0
GFOA Budget Award Received	Yes	Yes	Yes	Yes	Yes	Yes

HIGHLIGHTS – FY 2022 Proposed Budget Change From FY 2021 Estimate

- Personnel Services: Increases in Salaries (\$4,300) is primarily the result of personnel staffing levels and compensation adjustments
- Supplies: Declines in Materials (\$4,000), Computer Equipment (\$500), and Wearing Apparel (\$200) are offset by an increase in Postage (\$300)
- Contractual: Decrease in Car Allowance (\$3,600)
- Sundry: New Staff needs reinstituted prior Training (\$5,000) allocations more than offset by reductions from Personnel Study/Payroll Plan (\$21,500)
- Maintenance: Reducing Bldg Structure/Grounds (\$1,500)



**FY 2022 BUDGET
MUNICIPAL COURT - #613**

Provide lawful notice to those individuals receiving a citation from the Center Police Department; guarantee due process is followed and serve the Citizens of Center by ensuring proper justice is served.

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	45,080	51,980	53,800	51,100	54,800
Supplies	1,044	669	1,300	1,000	1,300
Contractual	56,467	59,646	58,800	58,300	58,300
Utilities	-	-	1,000	1,000	1,000
Sundry	2,344	759	1,900	1,300	1,900
Maintenance	-	-	300	-	-
Capital Items	-	-	-	-	-
Total	104,934	113,054	117,100	112,700	117,300

DESCRIPTION

- Review citations issued; issue arrest warrants when necessary; turn violators into collection service if necessary.
- Provide outstanding customer service by being polite and professional
- Maintain education in latest changes in the law
- Court Clerk Supervisor earned State Certification as Municipal Court Clerk Manager

HIGHLIGHTS – FY 2022 Proposed Budget Change From FY 2021 Estimate

- Personnel Services: Increase in Salaries (\$800), Pension (\$200) by compensation adjustments
- Supplies: Increase is the result of an enlargement of Postage (\$300)
- Sundry: Increase in Training (\$400) for Court Clerk to maintain certification

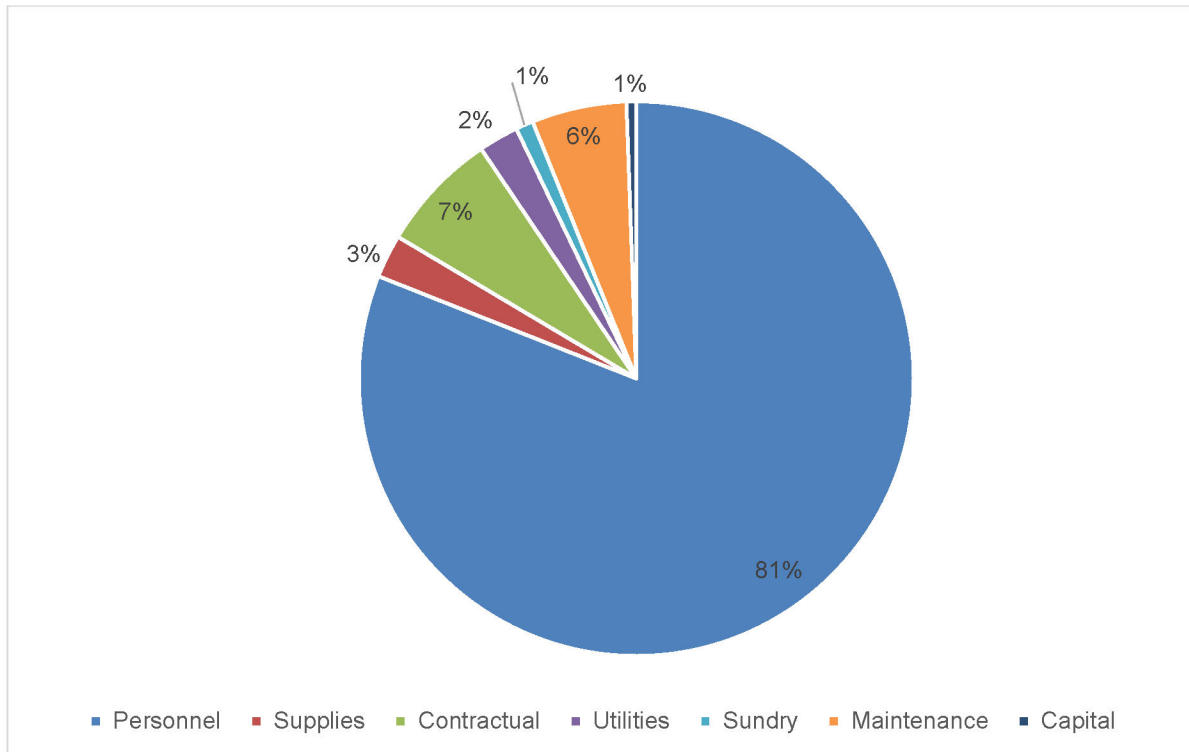
DEPARTMENT STAFFING

Title	Current Staffing
Court Clerk	1



**FY 2022 BUDGET
EXPENDITURE SUMMARY
PUBLIC SAFETY**

Totals	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Police	2,034,021	2,059,062	2,113,100	2,227,050	2,288,050
Fire	472,556	497,977	521,100	580,500	550,600
Animal Control	23,926	23,053	27,300	25,700	28,900
Subtotal	2,530,502	2,580,093	2,661,500	2,833,250	2,867,550
Personnel	2,047,662	2,132,412	2,129,600	2,253,000	2,323,300
Supplies	49,041	68,328	68,600	72,100	72,800
Contractual	159,637	173,115	194,200	189,300	200,400
Utilities	66,347	59,124	70,500	61,800	67,200
Sundry	16,371	16,151	28,300	32,450	28,950
Maintenance	169,396	122,302	163,300	162,800	158,900
Capital	22,049	8,661	7,000	61,800	16,000
Total	2,530,502	2,580,093	2,661,500	2,833,250	2,867,550





FY 2022 BUDGET
POLICE DEPARTMENT - #603

To preserve order and protect life and property through the enforcement of laws and municipal ordinances.

DESCRIPTION

- Oversee all major criminal investigations within the City.
- Respond to calls from the public requesting police emergency services.
- Respond to traffic-related incidents and accidents; issues citations for traffic violations
- Provide assistance to victims of crime or persons in distress.
- Provide assistance to surrounding law enforcement agencies

FY 2021 ACCOMPLISHMENTS

Unit upgrades to continue initiative to modernize police units
Conducted "Threat Assessment" reviews
Received grant from US DoJ to add two additional patrol officers
Performed community outreach with K-9 units
Cooperated with area agencies and the District Attorney's office to help prosecute cases

Council Direction/Strategic Plan

Goal E. Objective 4

FY 2022 GOALS

Conduct Warrant Roundup
Perform maintenance on Police Station physical plant
Expand code enforcement activities
Monitor Complaint Areas for Traffic Enforcement

Goal E. Objective 4

DEPARTMENT STAFFING

Title	Current Staffing
Police Chief	1
Lieutenant	1
Sergeants	3
Corporals	2
Patrol Officers	12
Admin. Assistant	1
Dispatchers	5.5
Janitor	1



**FY 2022 BUDGET
POLICE DEPARTMENT**

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	1,644,187	1,713,988	1,708,100	1,816,200	1,881,000
Supplies	35,349	54,347	49,000	54,900	51,400
Contractual	124,358	134,791	153,500	146,600	156,500
Utilities	56,621	49,696	58,700	51,500	56,200
Sundry	8,580	8,842	17,000	15,850	16,150
Maintenance	142,876	94,468	124,800	136,300	121,800
Capital Items	22,049	2,930	2,000	5,700	5,000
Total	2,034,021	2,059,062	2,113,100	2,227,050	2,288,050

PERFORMANCE MEASURES

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Citations Issued	2,594	2,076	2,304	2,103	2,513	1,750
Average Warrants Outstanding	1,506	1,464	1,691	1,713	1,671	1,604
Average Value of Outstanding Warrants	376,428	404,410	525,747	541,594	542,223	538,237
Average Response Time (Minutes)	4.03	3.46	2.41	2.79	1.48	1.04
Calls for Service	5,337	6,075	6,414	8,185	10,113	7,507
Traffic Accidents	159	156	173	129	299	181
UCR Part 1 Crimes per 1,000 population	65.2	58	57.1	54.3	72.3	59.8

** New E-Force system has different reporting parameters that can change some data reporting

HIGHLIGHTS – FY 2022 Proposed Budget Change From FY 2021 Estimate

- Personnel Services: City receiving COPS grant for two new Officer positions combines with personnel compensation adjustments results in increases in Salaries (\$40,200), Health Insurance (\$11,300), Pension (\$4,700), Social Security (\$3,100), and Worker's Comp (\$5,800)
- Supplies: Overall decline in Supplies is result of decreases in Ammunition (\$400), and Equipment (\$6,500) due to non-repetitive Grant purchases
- Contractual: Additional vehicles result in increase in Lease transfer to Vehicle Replacement Fund (\$8,400) with corresponding enlargement of Insurance (\$500)
- Utilities: Increases in Telephone (\$4,000) and Electricity (\$500)
- Maintenance: Reduction in Bldg/Grounds Maintenance (\$27,500) from expected completion of rehabilitation work, expanded fleet and increasing prices enhance Gas/Fuel (\$12,500)



FY 2022 BUDGET
FIRE DEPARTMENT - #604

Protect lives and property from fire and man-made or natural disasters. Provide emergency management procedures for the City and investigate all suspicious fires within the City.

DESCRIPTION

- Response area included 525 square miles, of which 3.25 is inside the Center City Limits
- Respond to and extinguishes structure, vehicle, grass and brush fires in the City of Center (primary) and surrounding rural areas (secondary).
- Respond to other emergency situations in conjunction with the Police department and other emergency agencies.
- Assist in fire prevention activities.
- Coordinate all planning and preparedness activities for emergency management.
- Investigate fires to determine cause and origin.

FY 2021 ACCOMPLISHMENTS

**Council
Direction/Strategic Plan**

Reduced the number of fire calls by increasing fire prevention programs
Increased fire inspections and pre-fire surveys
Upgraded staff certification through hiring for Inspection, Fire Code and Arson Investigator/Fire Marshal
Maintained vehicles and equipment by regular maintenance and daily inspections
Purchased new PPE (bunker gear) for Personnel & Volunteers through Emergency Grant Funding

Goal E. Objective 4

FY 2022 GOALS

Continue to enhance the fire prevention program to decrease fires in the community.
Continue replacement plans for PPE (bunker gear), station furnishing and apparatus
Expand emergency billing to increase funding from non-City calls
Introduce new SOP's to satisfy new rules and regulations introduced by the Texas Commission on Fire Protection

Goal E. Objective 4

DEPARTMENT STAFFING

Title	Current Staffing
Fire Chief	1
Firefighters	5



**FY 2022 BUDGET
FIRE DEPARTMENT**

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	403,475	418,424	421,500	436,800	442,300
Supplies	7,491	9,110	13,600	12,600	14,800
Contractual	20,947	23,754	24,700	25,700	26,900
Utilities	8,867	7,754	10,000	8,700	9,200
Sundry	5,257	5,370	8,800	14,100	10,300
Maintenance	26,520	27,834	37,500	26,500	36,100
Capital Items	-	5,731	5,000	56,100	11,000
Total	472,556	497,977	521,100	580,500	550,600

PERFORMANCE MEASURES

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Number of Calls	268	217	156	211	202	186
Fires and Explosions	135	107	75	117	115	73
Fire Fighter Accidents	0	0	0	0	0	0
Percent Response under 5 Minutes	51.5	52	52.5	52.2	52	53
False Alarm Calls/Rate	37/14%	26/12%	12/8%	18/8%	12/7%	18/10%

HIGHLIGHTS – FY 2022 Proposed Budget Change From FY 2021 Estimate

- Personnel Services: Compensation adjustments result in increases in Salaries (\$1,600), Health Insurance (\$1,200)
- Supplies: Increases in Wearing Apparel (\$300) and Equipment (\$1,000)
- Utilities: Increase in Electricity (\$500)
- Sundry: Reduced Subscriptions/Dues from 1-time Volunteer Pension Increase (\$6,300)
- Maintenance: Enlarged Gas//Fuel (\$2,000) for price increases and Vehicle Maintenance (\$7,000) with less than normal repairs in FY 2021
- Capital: Elimination of Emergency Equipment (\$56,100) that was Grant purchased Bunker Gear and Equipment



**FY 2022 BUDGET
ANIMAL CONTROL - #612**

To control and contain stray animals within the City limits through enforcement of City ordinances and removal of deceased animals.

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	-	-	-	-	-
Supplies	6,201	4,871	6,000	4,600	6,600
Contractual	14,332	14,570	16,000	17,000	17,000
Utilities	859	1,673	1,800	1,600	1,800
Sundry	2,534	1,939	2,500	2,500	2,500
Maintenance	-	-	1,000	-	1,000
Capital Items	-	-	-	-	-
Total	23,926	23,053	27,300	25,700	28,900

DESCRIPTION

- Provides pickup and transport of stray animals within the City limits.
- Provides disposal of dead animals within the City limits.
- Follows through on all animal bite reports and ensures that animal owners follow State quarantine laws.
- Completes and maintains information for reporting to City management and State agencies.
- Provides information for prosecution of cases involving cruelty of animals.

PERFORMANCE MEASUREMENTS

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Animal Calls	234	195	204	210	284	171

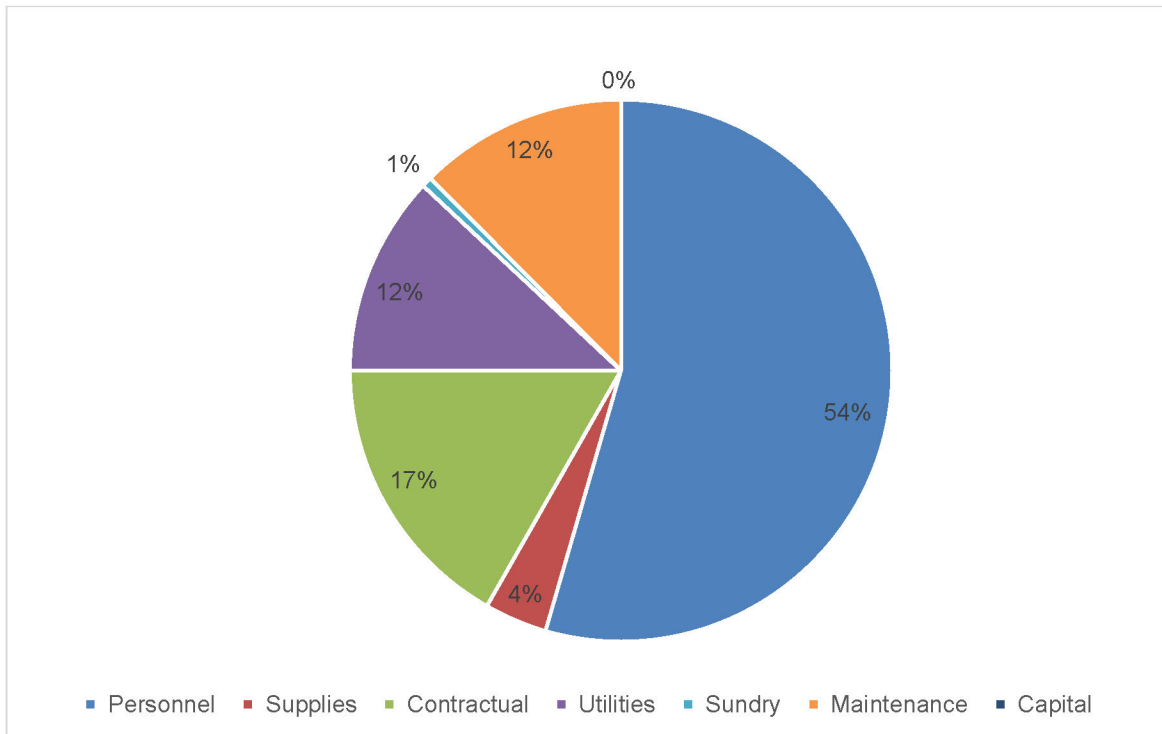
HIGHLIGHTS – FY 2022 Proposed Budget Change From FY 2021 Estimate

- Supplies: Increase in Equipment (\$1,000)



**FY 2022 BUDGET
EXPENDITURE SUMMARY
PUBLIC WORKS**

Totals	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Streets	338,794	392,847	413,100	399,650	462,100
Parks	232,269	226,993	233,500	292,800	259,300
Inspection	43,499	55,148	66,700	46,700	88,900
Cemetery	22,610	23,356	23,300	22,800	22,800
Subtotal	637,173	698,344	736,600	761,950	833,100
Personnel	244,057	357,098	379,800	365,300	454,000
Supplies	18,093	29,124	27,000	26,650	31,300
Contractual	94,416	115,399	130,700	116,700	139,700
Utilities	93,276	94,954	96,300	98,300	99,300
Sundry	11,158	3,272	5,100	700	5,300
Maintenance	106,473	98,497	96,400	94,000	103,500
Capital	69,700	-	1,300	60,300	-
Total	637,173	698,344	736,600	761,950	833,100





FY 2022 BUDGET
STREET DEPARTMENT - #605

To provide and maintain a transportation system of streets, alleys and sidewalks for safe and efficient vehicular and pedestrian traffic, and to provide and maintain a storm water management system to efficiently convey storm water and prevent flooding.

DESCRIPTION

- Repair streets for damage caused by water line breaks and failure of road base material.
- Plan and supervise the annual street maintenance and reconstruction program of the 4B EDC
- Herbicide and Pesticide Programs for Right of Way vegetation control and Mosquito spraying
- Install and maintains traffic control signs and paving markers.
- Mow rights-of-way and maintain street and alley shoulders.
- Maintain storm drains

FY 2021 ACCOMPLISHMENTS

Managed the annual street reconstruction program, a 4B EDC funded program, including drainage work
Staff obtained herbicide & pesticide application license
Continued the community banner decoration and Downtown building lights programs
Acquired gutter broom for Street/gutter cleaning
Assisted the Utility Departments with repairs from major water and wastewater leaks

Council Direction/Strategic Plan

FY 2022 GOALS

Maintain pedestrian right of ways and downtown area
Complete Downtown Bldg light replacement
Expand gutter cleaning/sweeping program
Roadway tree trimming
Manage annual street reconstruction program
Update, clean and replace traffic signage

DEPARTMENT STAFFING

Title	Current Staffing
Public Works Supt	0.5
Maintenance	4.75



**FY 2022 BUDGET
STREET DEPARTMENT**

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	135,937	194,082	219,500	203,900	243,800
Supplies	7,193	12,060	16,000	13,150	14,800
Contractual	13,014	30,044	22,700	23,400	43,400
Utilities	82,792	83,560	83,600	84,600	85,600
Sundry	8,024	935	1,500	300	800
Maintenance	87,334	72,166	68,500	73,000	73,700
Capital Items	4,500	-	1,300	1,300	-
Total	338,794	392,847	413,100	399,650	462,100

PERFORMANCE MEASURES

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Unpaved Streets – Linear Miles	0	0	0	0	0	0
Gravel Streets	0	0	0	0	0	0
Asphalt Streets	34.55	34.55	34.55	34.55	34.55	34.55
Concrete Streets	9.08	9.08	9.08	9.08	9.08	9.08

HIGHLIGHTS – FY 2022 Proposed Budget Change From FY 2021 Estimate

- Personnel Services: Staffing reallocations, filled vacancies and compensation adjustments result in enlargement in Salaries (\$31,300), Health Insurance (\$800), Workers Comp (\$300), Social Security (\$2,400) and Pension (\$4,600)
- Supplies: Chemicals for Mosquito Spraying (\$1,500)
- Contractual: Large equipment purchase results in Vehicle Lease increase (\$15,000), reinstitution of Special Projects (\$5,000)
- Utilities: Projected increase in Electricity (\$1,000) from added lights/downtown



FY 2022 BUDGET
PARKS DEPARTMENT - #609

To provide clean, safe, and well-maintained outdoor recreation space and park lands to the citizens of Center.

DESCRIPTION

- Manage contract for mowing all City parks, trails and recreation areas.
- Remove trash and debris within City parks, trails and recreation areas.
- Maintain and repair City park facilities and playground equipment as needed.
- Maintain athletic fields and irrigation systems.
- Provide pest and weed control within City parks and facilities.

FY 2021 ACCOMPLISHMENTS

Completed construction of Ballard St. Soccer Complex
Provided assistance for State baseball tournament and youth athletic leagues
Secured grants to leverage funding for Soccer Complex
Obtained grant funding to progress Perry Sampson Park renovation project
Major effort to enhance park facility maintenance-playgrounds

Council Direction/Strategic Plan
Goal C. Objective 3

FY 2022 GOALS

Complete Perry Sampson Park renovation project
Enhanced maintenance standards for all park facilities
Continue to host and expand athletic tournaments

Goal C. Objective 3
Goal C. Objective 2

DEPARTMENT STAFFING

Title	Current Staffing
Parks Foreman	0.5
Maintenance	2



**FY 2022 BUDGET
PARKS DEPARTMENT**

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	92,178	135,426	127,600	136,300	146,600
Supplies	10,229	16,353	10,200	13,500	15,500
Contractual	38,982	40,697	58,000	51,100	54,100
Utilities	8,054	9,092	11,500	12,500	12,500
Sundry	81	633	800	400	1,800
Maintenance	17,546	24,792	25,400	20,000	28,800
Capital Items	65,200	-	-	59,000	-
Total	232,269	226,993	233,500	292,800	259,300

PERFORMANCE MEASUREMENTS

Number of Amenities	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Baseball fields	9	9	9	9	9	9
Softball fields	3	3	3	3	3	3
Playgrounds	4	4	4	4	4	4
Pavilions	4	4	5	5	5	5
Basketball Courts	1	1	3	3	3	3
Sprayground	1	1	1	1	1	1
Trails (Linear Miles)	3.8	3.8	4.3	4.3	4.3	4.3

Total park area (in acres)	124.4
Developed park area	87.5

Developed park area per 1,000 residents

Center	14.1
Mt. Pleasant	11.3
Lufkin	8.3
Mt. Vernon	3.8

Source: MHS Planning: Center Parks Master Plan 2011

HIGHLIGHTS – FY 2022 Proposed Budget Change From FY 2021 Estimate

- **Personnel Services:** Increases from staff changes and payroll adjustments Salaries (\$12,200), Pension (\$1,200), Social Security (\$800) and Worker's Comp (\$400) with reduction of Health Insurance (\$3,100),
- **Supplies:** Net increases from Materials (\$1,500), Chemicals (\$300) and Equipment (\$300)
- **Contractual:** Increase for Insect Control (\$2,000) for monthly spraying of fields & parks
- **Sundry:** Increase in Travel/Training (\$1,400)
- **Maintenance:** Increases in Bldg/Grounds (\$5,000) and Gas/Fuel (\$1,500)
- **Capital:** Replacement of Batting Cages in FY 2021 from Insured damages from the Ice Storm results in elimination (\$59,000)



**FY 2022 BUDGET
INSPECTION SERVICES - #610**

To monitor the orderly growth of the City and foster compliance with the City's development standards and ordinances.

Enforce the City's building, plumbing, electrical and City ordinances and state law to ensure the construction and maintenance of safe residential and commercial structures.

DESCRIPTION

- Review plans and specifications for subdivisions and building projects within the city.
- Represent the City staff and keeps records and minutes for the Planning and Zoning Commission and the Zoning Board of Adjustments.
- Issue permits for building, plumbing, and electrical construction. Also issue permits for garage sales, demolition, and house moving.
- Inspect construction work within the City to verify compliance with adopted codes and standards.
- Initiate and investigate complaints on properties found to be in violation of City ordinances.
- Provide for mosquito spraying/vector control

FY 2021 ACCOMPLISHMENTS

Certified personnel – Certified Code Compliance
Certified personnel – International Electrical Code License

Council Direction/Strategic Plan

FY 2022 GOALS

Staff to obtain required certifications to become a licensed building official

DEPARTMENT STAFFING

Title	Current Staffing
Code Officer/Building Official	1



**FY 2022 BUDGET
INSPECTION SERVICES**

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	15,943	27,590	32,700	25,100	63,600
Supplies	671	711	800	-	1,000
Contractual	19,810	21,688	27,200	19,400	19,400
Utilities	2,429	2,302	1,200	1,200	1,200
Sundry	3,053	1,704	2,800	-	2,700
Maintenance	1,594	1,153	2,000	1,000	1,000
Capital Items	-	-	-	-	-
Total	43,499	55,148	66,700	46,700	88,900

PERFORMANCE MEASUREMENTS

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
New Construction						
Permits Issued	16	22	29	16	4	4
Demolition Permits						
Issued	6	3	1	7	6	9
Rezone/SUP Cases						
Considered	3	0	1	0	6	3

HIGHLIGHTS – FY 2022 Proposed Budget Change From FY 2021 Estimate

- Personnel Services: Shifting one-half of employee dedicated completely to this cost center increases Salaries (\$19,900), Health Insurance (\$7,300), Social Security (\$1,900), Pension (\$2,800) and Worker's Comp (\$2,000)
- Sundry: Enhanced Training/Travel (\$2,000) and Subscriptions/Dues (\$500)
- Maintenance: Increase in Gasoline (\$500)



FY 2022 BUDGET
CEMETERY DEPARTMENT - #608

The Cemetery Department of the City of Center is responsible for the minor maintenance and mowing contract of Fairview, Westview, and Mull Cemeteries.

DEPARTMENT SUMMARY

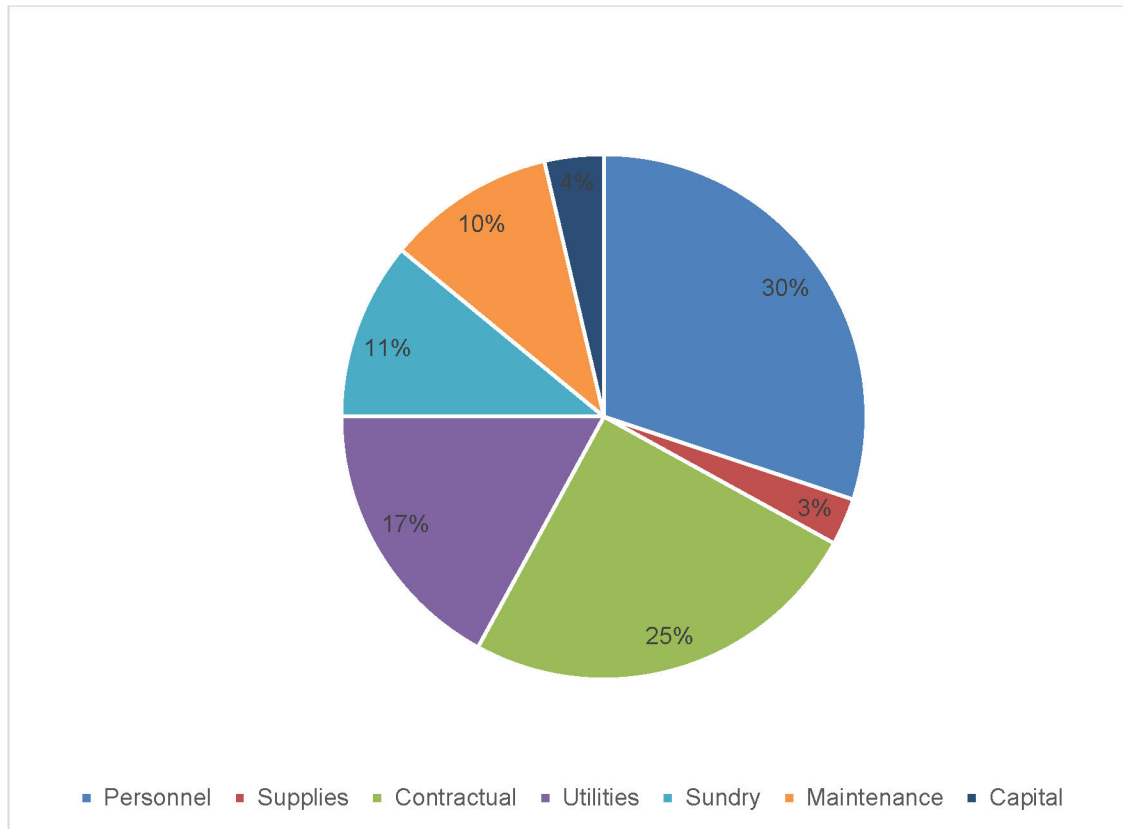
	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	0	0	0	0	0
Supplies	-	-	-	-	-
Contractual	22,610	22,970	22,800	22,800	22,800
Utilities					
Sundry					
Maintenance	-	386	500	-	-
Capital Items					
Total	22,610	23,356	23,300	22,800	22,800

HIGHLIGHTS – FY 2022 Proposed Budget Change From FY 2021 Estimate



**FY 2022 BUDGET
EXPENDITURE SUMMARY
COMMUNITY FACILITIES**

Totals	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Airport	123,744	130,517	100,300	90,750	98,700
Civic Center	206,349	183,280	187,700	162,300	193,700
Community Facilities	89,002	82,369	88,000	84,300	90,700
Subtotal	419,096	396,166	376,000	337,350	383,100
Personnel	138,409	115,649	110,900	104,100	115,300
Supplies	7,297	7,612	11,200	5,500	11,100
Contractual	93,008	111,961	98,100	91,500	95,600
Utilities	64,979	53,570	63,500	56,800	65,400
Sundry	42,471	25,169	39,400	34,800	41,900
Maintenance	32,372	18,225	36,900	30,650	39,800
Capital	40,559	63,980	16,000	14,000	14,000
Total	419,096	396,166	376,000	337,350	383,100





FY 2022 BUDGET
CENTER MUNICIPAL AIRPORT - #607

The mission of the Center Municipal Airport is to provide sufficient air service facilities to aid in economic development, business operations, and recreation. The airport also serves as a fueling station for pilots on an as needed basis.

DESCRIPTION

The Center Municipal Airport consists of one 5,501' lighted runway; other airport facilities include 34 hangars, 1 office and terminal building which includes a pilot's lounge, and one fueling station.

FY 2021 ACCOMPLISHMENTS

Listed hangars available for rent on internet sites
Maintained City owned T-Hangar occupancy
Reinstituted the Airport Advisory Board
Secured reimbursement from TxDOT RAMP grant program
Utilized Special Federal funds with RAMP for AWOS, gate and fuel maintenance items

Council Direction/Strategic Plan

Goal E. Objective 3

FY 2022 GOALS

Enhance Pilots' Lounge
Increase fuel sales
Identify obstructions to be removed in order to get a certified WAAS LPV landing approach
Provide great customer service to visitors and fuel customers

Goal E. Objective 3

DEPARTMENT STAFFING

Title	Current Staffing
Airport Facility Maintenance	0.5



**FY 2022 BUDGET
CENTER MUNICIPAL AIRPORT**

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	21,045	20,664	24,300	20,500	25,600
Supplies	651	963	1,800	1,400	1,400
Contractual	10,182	10,266	10,200	6,900	8,400
Utilities	15,538	14,836	16,000	14,400	15,300
Sundry	39,962	22,499	31,700	31,500	31,700
Maintenance	3,701	2,983	6,300	6,050	6,300
Capital Items	32,665	58,306	10,000	10,000	10,000
Total	123,744	130,517	100,300	90,750	98,700

PERFORMANCE MEASURES

Fuel Sold	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Fuel Transactions	764	384	377	443	494	284
100 LL (gallons)	16,292.2	9,171	7,756.9	9,596.5	10,582.3	5,636.1
Jet A (gallons)	21,042.0	6,6392	5,755	5,227.2	4,724.2	5,229.6

HIGHLIGHTS – FY 2022 Proposed Budget Change From FY 2021 Estimate

- Personnel Services: Payroll adjustments totaling (\$5,100), majority is shift of Health Insurance (\$3,800) into this cost center for the employee designated as half-funded
- Contractual: Enhanced Weed Control (\$1,000) and Janitorial (\$500)



FY 2022 BUDGET
CIVIC CENTER - #616

Manages, maintains, and schedules the use of the Windham Civic Center and the Community House.

DESCRIPTION

- Manage the Windham Civic Center and the Community House, including coordinating events, bookings, lease agreements, and marketing.
- Ensure condition of facilities for events by working with City staff and outside contractors.
- Oversight and scheduling of maintenance and custodial functions at the Windham Civic Center and Community House.
- Schedules and coordinates leasing of Community House.

FY 2021 ACCOMPLISHMENTS

Continued systematic replacement of furniture at the Civic Center to rotate used furniture to the Community House
Repainting the Civic Center and other cleaning and maintenance

Council Direction/Strategic Plan

FY 2022 GOALS

Review staffing levels for optimization
Expand the marketing efforts for the facilities
Maintenance and/or replacement programs for carpet and HVAC

DEPARTMENT STAFFING

Title	Current Staffing
Civic Center Director	1
Facility Maintenance – PT Pool Position	2



**FY 2022 BUDGET
CIVIC CENTER**

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	117,364	94,984	86,600	83,600	89,700
Supplies	6,645	6,648	8,800	4,100	8,600
Contractual	21,478	34,803	24,200	21,300	23,700
Utilities	32,299	24,471	31,600	27,800	30,800
Sundry	2,510	2,525	6,500	3,300	10,000
Maintenance	18,159	14,173	24,000	18,200	26,900
Capital Items	7,895	5,674	6,000	4,000	4,000
Total	206,349	183,280	187,700	162,300	193,700

PERFORMANCE MEASURES

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Event Days Used	240	240	240	224	203	182
Utilization Rate	65%	66%	66%	61%	56%	49%
Approximate Attendance	17,825	17,628	15,754	15,304	14,014	8,730
Cancellations	0	0	0	0	0	0
Total Rental Revenue	\$55,812	\$64,347	\$50,807	\$50,233	\$56,982	\$24,985
Avg. Rental Revenue per Use	\$332	\$368	\$301	\$297	\$281	\$137

HIGHLIGHTS – FY 2022 Proposed Budget Change From FY 2021 Estimate

- Personnel Services: Reinstating part-time staffing levels result in increases in Salaries (\$5,700), Social Security (\$500), and Worker's Comp (\$200)
- Supplies: Reinstalling items removed during COVID reduced usage include Materials (\$200), Furniture (\$1,000), and Office Supplies (\$1,500)
- Contractual: Reactivating potential expenses for Insect Control (\$400) and Janitorial (\$1,500)
- Utilities: More likely use requires Increase in Electricity (\$3,000)
- Sundry: Publishing (\$3,000), Training, (\$600), and Promotional Events (\$2,400) for enhanced advertising and business promotion
- Maintenance: Increase in and Building/Grounds (\$8,000) for further repairs



FY 2022 BUDGET
COMMUNITY FACILITIES - #617

The Community Facilities budget provides funding for the maintenance, operations and upkeep of three different facilities within the City: The Fannie Brown Booth Memorial Library, the Community House, and the Center Senior Nutrition Center.

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	-	-	-	-	-
Supplies	-	-	600	-	1,100
Contractual	61,349	66,892	63,700	63,300	63,500
Utilities	17,142	14,263	15,900	14,600	19,300
Sundry	-	145	1,200	-	200
Maintenance	10,511	1,069	6,600	6,400	6,600
Capital Items	-	-	-	-	-
Total	89,002	82,369	88,000	84,300	90,700

HIGHLIGHTS – FY 2022 Proposed Budget Change From FY 2021 Estimate

- Supplies: Increases for Community House Furnishings (\$500) and Senior Center (\$600)
- Utilities: Increases in Electricity Senior Center (\$3,500) and Electricity Community House (\$800) and Utilities Senior Center Gas (\$400)



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FY 2022 BUDGET ANALYSIS OF STRUCTURAL BALANCE

The City's policy, as expressed in the City Charter, is to adopt a balanced budget where total revenues are greater than or equal to expenditures. A step toward improved governance and financial stewardship is the concept of having a structurally balanced budget. A structurally balanced budget seeks to match stable recurring revenues with ongoing expenditures, and flexible/one-time revenues with special expenditures.

According to the Government Finance Officers Association (GFOA), a recurring revenue is revenue that the City can reasonably expect to receive each year with a degree of predictability. Property taxes are examples of recurring revenue. Sales taxes are also recurring revenue, however, there is a degree of elasticity and a portion of this revenue stream is considered non-recurring. Examples of non-recurring revenues include building inspection fees, grants, interest earnings, airport fuel sales, etc.

Recurring expenditures are similar in that the costs of providing basic City services can be relatively stable. Examples include personnel costs, insurance, utilities, etc. Again, non-recurring expenditures can be large one-time purchases, such as land acquisition or capital maintenance items.

Ideally, a City's basic services would be fully funded by recurring revenues. And that non-recurring expenses would be less than or equal to non-recurring revenues.

The table on the following page shows that the recurring revenues exceed recurring expenditures by \$123,200. 92% of the City's General Fund expenditures are recurring, while the remaining non-recurring expenses are only 8% of the budget. This reflects a situation of where the City of Center has achieved a degree of structural balance. These recurring revenues are, therefore, able to supplement the non-recurring revenues which can fund non-recurring expenses.



REVENUES	FY 2020 Adopted Budget	FY 2020 Estimate	FY 2021 Proposed	Recurring	Non- Recurring
Property Taxes	1,121,300	1,142,500	1,212,900	1,211,500	1,400
Sales Taxes	2,065,000	2,347,400	2,312,200	2,152,000	160,200
Law Enforcement	225,200	233,500	225,700	175,100	50,600
Franchise Fees	676,400	681,500	692,500	641,000	51,500
Airport	80,600	75,500	78,000	65,500	12,500
Permits	15,700	18,800	15,300	8,400	6,900
Usage Fees	67,600	51,200	64,200	41,100	23,100
Solid Waste	-	-	-	-	-
Miscellaneous	4,200	83,400	4,200	-	4,200
Transfers	790,000	790,000	805,000	795,000	10,000
Interest	20,000	5,000	5,000	5,000	-
Grants	6,600	401,375	81,700	6,700	75,000
TOTAL	5,072,600	5,830,175	5,496,700	5,101,300	395,400

EXPENDITURES	FY 2020 Adopted Budget	FY 2020 Estimate	FY 2021 Proposed	Recurring	Non- Recurring
Non Departmental	322,700	337,255	410,350	327,950	82,400
City Hall	858,700	892,350	885,300	822,800	62,500
Police	2,113,100	2,227,050	2,288,050	2,142,450	145,600
Fire	521,100	580,500	550,600	516,100	34,500
Street	413,100	399,650	462,100	424,600	37,500
Airport	100,300	90,750	98,700	92,200	6,500
Cemetery	23,300	22,800	22,800	20,300	2,500
Parks	233,500	292,800	259,300	232,800	26,500
Inspection	66,700	46,700	88,900	86,400	2,500
Municipal Court	117,100	112,700	117,300	114,050	3,250
Animal Control	27,300	25,700	28,900	27,400	1,500
Civic Center	187,700	162,300	193,700	166,200	27,500
Community Facilities	88,000	84,300	90,700	86,100	4,600
TOTAL	5,072,600	5,274,855	5,496,700	5,059,350	437,350

Personnel	3,412,800	3,511,200	3,741,200	3,574,050	167,150
Supplies	129,000	135,950	144,000	78,750	65,250
Contractual	766,750	751,905	809,900	776,700	33,200
Utilities	250,000	244,700	257,100	256,100	1,000
Sundry	186,250	184,050	195,450	127,950	67,500
Maintenance	303,500	299,650	310,900	241,300	69,600
Capital	24,300	137,100	31,000	4,500	26,500
Fund Transfers	-	10,300	7,150	-	7,150
TOTAL	5,072,600	5,274,855	5,496,700	5,059,350	437,350

Structural Balance/ (Deficit) 41,950



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FY 2022 BUDGET DEBT SERVICE FUND

From time to time, cities will often incur various amounts of debt to fund major capital expenses. Capital expenses are typically classified in one of two ways: either they are assets that have a very large purchase price or a long life expectancy. The City of Center has incurred debt to pay for projects in both of these categories.

Why Debt?

In today's economic environment, there is a great debate over debt and its place in government operations. In short, debt to pay for daily governmental operations is irresponsible; this is a value that the leadership of the City of Center does not subscribe to. The responsible uses of debt to pay for investments that will improve the quality of life in the City or to contribute to further economic and community development are, however, values that City leadership upholds.

The justification for issuing debt to make these purchases fall under a pay-as-you-use perspective. This view holds that future citizens who enjoy the use of certain infrastructure have an obligation to pay for it. For example, a family living in the City five years from now, should help pay for the improvements to the park where they take their children to play. The following sections will illustrate how the City of Center is being responsible with the debt it has issued and intends to issue.

Measures of Capacity – Peer Comparisons

City	Population	2020 Total Net Taxable	Total Tax Rate	Total Ad Valorem Debt	Debt Per Capita	Debt per Taxable Value	Taxable Value per Capita	Per Capita Debt
Whitehouse	8,799	392,236,106	0.7928910	23,243,000	2,642	5.9%	44,577	2,642
Bullard	3,986	278,765,648	0.6053470	4,704,000	1,180	1.7%	69,936	1,180
White Oak	6,544	375,038,130	0.6024000	6,260,000	957	1.7%	57,310	957
Gladewater	6,441	323,869,836	0.7499900	10,462,597	1,624	3.2%	50,283	1,624
Farmersville	3,542	233,629,754	0.7500000	14,785,000	4,174	6.3%	65,960	4,174
El Campo	11,766	667,661,601	0.5688700	29,224,000	2,484	4.4%	56,745	2,484
Gilmer	5,216	321,959,841	0.6295230	5,365,000	1,029	1.7%	61,725	1,029
Jacksonville	14,923	703,210,597	0.6900000	11,177,000	749	1.6%	47,123	749
Crockett	6,950	268,479,800	0.5967910	2,777,470	400	1.0%	38,630	400
Mineola	4,769	267,381,267	0.5624100	32,840,000	6,886	12.3%	56,067	6,886
Mexia	7,539	291,820,888	0.8509000	4,290,000	569	1.5%	38,708	569
Liberty	9,349	697,627,119	0.5851000	15,453,413	1,653	2.2%	74,621	1,653
Sulphur Springs	16,162	976,465,783	0.4400000	35,785,000	2,214	3.7%	60,417	2,214
Decatur	6,989	791,013,848	0.6490000	5,474,250	783	0.7%	113,180	783
Madisonville	4,735	221,072,209	0.6589000	4,330,000	914	2.0%	46,689	914
Sealy	6,538	783,305,040	0.3980700	29,755,000	4,551	3.8%	119,808	4,551
Average	7,639	454,203,694	0.624129	13,883,866	1,931	3.2%	60,268	1,931
Center	5,401	291,329,967	0.6100000	9,833,750	1,821	3.4%	53,940	1,821

Table 1 – Peer City Comparison Source: 2020 Texas Municipal League Annual Tax and Debt Survey

In the Property Tax section of the General Fund budget, there was a discussion on how Center's comparison cities were tabulated. The highlighted cities are from the original list with a few others



excluded. Table 1 of this section provides the comparison cities' data as it relates to their debt levels. The total outstanding debt is a calculation of any General Obligation (GO) debt, Certificates of Obligation (CO) debt, and Tax Notes that are supported by Ad Valorem taxes. The table indicates that Center has one of the lowest levels of outstanding principal, a tax rate that is below the average of the comparison cities – both in terms of the proposed tax rate of \$0.61 and the 2019 rate of \$0.60 – and a reasonable debt per capita ratio.

DEBT LIMITS

The City of Center's Debt Policy (Appendix A on Page 193) states that the City shall not incur property tax supported debt in an amount exceeding 4% of the net taxable value. Given the total taxable value of \$297,860,589, the City's maximum debt service principal to carry would be \$11,914,400. At the end of FY 2020, the City's outstanding ad valorem principal debt balance will be \$8,738,750 or 2.9% of net taxable value, well below self-imposed debt limits.

Calculation of Legal Debt Margin	
Net Taxable Assessed Value	297,860,589
Debt Limit - Four Percent (4%) of Taxable Assessed Value	11,914,424
Amount of Principal Applicable to Debt Limit - Ad Valorem Debt	8,738,750
Percent Principal to Debt Limit	73%
Percent Principal to Net Taxable Assessed Value	2.9%

DEBT SERVICE FUND HIGHLIGHTS

Revenue

The proposed FY 2021 City tax rate is \$0.619233 per \$100 of taxable value. The interest and sinking rate is projected to decrease to \$0.234724. The projected amount to be raised from ad valorem taxes for debt payments is \$633,900.

The inter-fund transfer from the water utility fund is projected to slightly increase by \$3,500 to \$475,000. This is mostly to fund the required payments of the utility project portion of the 2019 CO's

Finally, the inter-fund transfer from hotel occupancy tax receipts, which are to retire the debt from the construction of the Windham Civic Center, are projected to slightly increase by to \$142,000.

In FY 2016, the City received a pledge from Portacool, LLC towards the construction of the expansion at Mini-Park. The City was also awarded a Texas Parks and Wildlife grant to assist with this project's funding. The FY 2020 Proposed Budget allocates some of those funds (\$55,000) to make a portion of the 2016 CO debt instrument's payment.



The City was awarded a grant from the Office of the Governor's Criminal Justice Division to help pay for the Police Technology Enhancement project. These funds were deposited into the debt fund and used to pay on the debt issued to fund the project.

Lastly, the 4B EDC voted to make a 10 year commitment to assist with the funding of the 2019 CO's that were issued to pay for the Downtown Renewal project.

Year	Transfer from 4B EDC
2020	(159,600)
2021	(150,400)
2022	(150,000)
2023	(150,000)
2024	(150,000)
2025	(142,000)
2026	(100,000)
2027	(100,000)
2028	(100,000)
2029	(100,000)
2030	(100,000)

Table 2 – 4B Street EDC Contribution Schedule

Expenditures

Graph 1 of this section illustrates the total projected debt service and from which revenue source the debt will be supported.



Graph 1 – Total existing debt service payments FY 2021 - 2039



The City experienced a 'debt bubble' where FY 2019 and 2020 total debt payments are substantially higher than required payments in 2021 and 2022. This was first identified when the first Financial Forecast was presented to the City Council. Table 3 below shows the total payment schedule for all ad valorem supported debt.

Improving the City's debt position is the fact that in August 2020, the 2014 Tax Notes were fully retired. However, offsetting this development is the fact that the funds received from the Police Technology grant have been fully expensed and the full cost of that note is supported by ad valorem taxes.



	2011 CO's	2012 Refunding	2016 CO's	2019 CO's	PD Technology	Ad Valorem Total
FY 2021	281,000	230,425	66,291	221,800	77,200	876,716
FY 2022	281,000	231,125	65,416	242,550	77,200	897,291
FY 2023	281,000	230,625	65,791	242,050	0	819,466
FY 2024	518,000	0	64,891	236,300	0	819,191
FY 2025	516,700	0	66,041	235,550	0	818,291
FY 2026	514,800	0	65,866	239,550	0	820,216
FY 2027	517,200	0	64,891	234,350	0	816,441
FY 2028	513,900	0	66,294	239,150	0	819,344
FY 2029	514,900	0	66,263	238,550	0	819,713
FY 2030	515,100	0	65,938	237,750	0	818,788
FY 2031	0	0	65,575	349,000	0	414,575
FY 2032	0	0	65,175	352,375	0	417,550
FY 2033	0	0	64,738	350,550	0	415,288
FY 2034	0	0	64,263	352,100	0	416,363
FY 2035	0	0	65,000	353,400	0	418,400
FY 2036	0	0	65,663	349,400	0	415,063
FY 2037	0	0	0	415,250	0	415,250
FY 2038	0	0	0	413,850	0	413,850
FY 2039	0	0	0	417,150	0	417,150
FY 2040	0	0	0	0	0	0

Table 3 – Combined (Principal and Interest) Ad Valorem-supported debt payment schedule

Debt Instruments					
Name	Original Principal Amount	Outstanding Principal	Interest Rate - 2021	Maturity Date	Funding Source
Series 2007 CO's	1,500,000	270,000	4.00%	2/15/2022	HOT Tax
Series 2011 CO's	3,941,314	3,615,000	3.25%	2/15/2030	Ad Valorem
Series 2012 CO's	2,070,000	1,580,000	1.35%	2/15/2035	Revenue
GO Refunding Bonds 2012	1,760,000	660,000	2.00%	8/15/2023	Ad Valorem
Series 2016 CO's	3,960,000	3,330,000	2.00%	8/15/2036	Combination Ad Valorem and Revenue
PD Technology Note	265,117	137,041	3.441%	11/20/2021	Grant and Ad Valorem
Series 2019 CO's	6,220,000	6,160,000	5.00%	8/15/2039	Combination Ad Valorem and Revenue



**FY 2022 BUDGET
DEBT SERVICE FUND**

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Revenue					
Taxes - Current Year	638,478	701,827	718,300	715,000	633,900
Interest - Debt Service	6,429	10,281	3,000	5,000	2,300
Debt Issuance Proceeds	0	0	0	0	0
Interfund Transfers - Water	366,000	350,000	471,500	471,500	475,000
Interfund Transfers - Hotel/Motel	138,400	138,700	138,800	138,800	42,000
Interfund Transfers - Park Fund	70,000	45,000	65,000	65,000	55,000
Transfer from 4B EDC	0	0	159,600	159,600	150,400
CJD Grant	0	132,497	0	0	0
Total - Revenue	1,219,307	1,378,305	1,556,200	1,554,900	1,458,600
Expenditures					
Principal 2007 CO's	115,000	127,900	125,000	125,000	130,000
Principal 2011 Refunding	190,000	190,000	150,000	150,000	155,000
Principal 2012 CO's - TWDB	90,000	90,000	90,000	90,000	90,000
Principal 2012 GO Refunding	170,000	180,000	215,000	215,000	215,000
Principal 2014 Tax Notes	170,000	173,006	190,000	190,000	0
Principal 2016 CO's	160,000	165,000	165,000	165,000	175,000
Principal 2019 CO's	0	0	60,000	60,000	155,000
Police Technology Note	0	72,011	77,200	72,100	77,200
Subtotal Principal	895,000	997,917	1,072,200	1,067,100	997,200
Interest 2007 CO's	22,900	10,300	13,300	13,300	10,800
Interest 2011 Refunding	8,550	2,850	0	0	0
Interest 2011 CO's	126,000	126,000	126,000	126,000	126,000
Interest 2012 CO's - TWDB	40,438	39,875	39,000	39,000	38,000
Interest 2012 GO Refunding	26,725	23,325	19,700	19,700	15,400
Interest 2014 Tax Notes	8,850	3,006	3,200	3,200	0
Interest 2016 CO's	99,963	96,763	93,500	93,500	90,200
Interest 2019 CO's	0	0	246,200	246,200	208,000
Subtotal Interest	333,425	302,119	540,900	540,900	488,400
Debt Issuance Costs					
Tax Repayment	13,165	0	0	0	0
Annual Bank Agent Fees	3,000	2,750	3,500	3,500	3,000
Total - Expenditures	1,244,590	1,302,786	1,616,600	1,611,500	1,488,600
Beginning Fund Balance	133,482	108,199	193,879	183,718	127,118
Difference	(25,283)	75,519	(60,400)	(56,600)	(30,000)
Ending Fund Balance	108,199	183,718	133,479	127,118	97,118



**FY 2022 BUDGET
WATER/SEWER UTILITY FUND**

FUND NARRATIVE

The Water/Sewer Utility Fund is an enterprise fund that includes all water and wastewater system operations. The City provides water and wastewater service within its designated Certificate of Convenience and Necessity (CCN) area to all visitors, businesses and approximately 6,000 residents, including some outside the City limits.

The City produces consumable water from two surface water treatment plants at Lake Pinkston and Old City Lake. The water is transported to the City and is distributed by over 87 miles of water lines.

The City operates one wastewater treatment plant, located on the northeast side of the City. The wastewater collection system utilizes six lift stations throughout the City. The City received funding from the Texas Water Development Board and in 2018 completed construction of a large lift station at one of the lowest points in the area; this allowed for the removal of five lift stations

As the City has experienced rapid growth, there has been a corresponding expansion of the City's utility services area. The City now provides water and wastewater service to more households and businesses than ever before.

This budget provides funding for all positions. The budget also takes into account increases in operating costs such as a higher price of utilities and chemicals – fuel costs are expected to increase from FY 2020. A marginal rate increase for residential and a rate structure realignment for commercial/industrial customers is included in this year's budget.

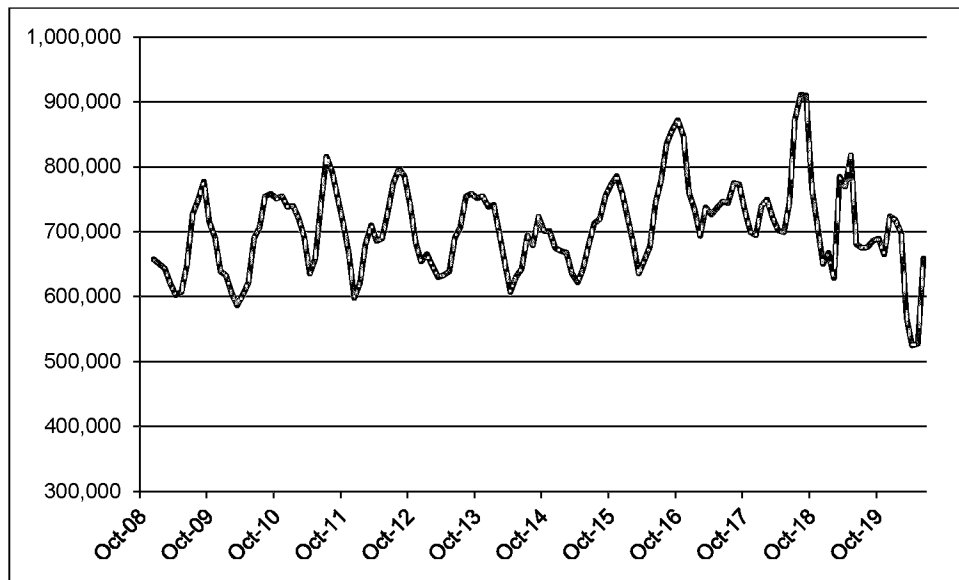
UTILITY FUND REVENUE

Utility revenue is collected by the City as a result of water sales to customers and fees for wastewater (sewer) collection and treatment. Approximately 98% of total revenues into this fund originate from water sales and wastewater fees of which water sales alone account for 73%.

Water sales and wastewater fees are calculated based on metered water consumption. The City completed a transition to radio read water meters which greatly reduces the costs and increases the reliability compared to manually reading each of the approximately 2,500 meters in the system. The meter reading is used to calculate water consumption and is also used to calculate the wastewater fee. Graph 1 in this section illustrates the amount of water consumed. One can witness the peaks during the summer months and the low consumption times of the year during the winter. In this graph, one can



also observe the effects of the severe drought of 2010-2011, where water consumption never dipped to its traditional low. Another factor effecting consumption is the Tyson Foods plant expansion, which was also completed in the summer of 2011. This expansion has created additional demand for the City's water. This information leads to the conclusion that the City's revenue stream from water sales is very stable. The temporary drop in water consumption in FY 2020 can be partially explained with the combination of a very wet Spring 2020 and Tyson closing production for two weeks due to planned capital maintenance. The City also provides water sales to local rural Water Supply Corporations (WSC's). This revenue stream has been greatly reduced because of the WSC's pumping more of their water from wells – when Shelby County experiences a wet year, then the water table is full and the WSC's have sufficient water supply and they purchase less water from the City. This has been the case since FY 2019.



Graph 1 – Monthly Water consumption. October 2008 through June 2020

While most growth in revenue derives from increased consumption, water rate adjustments are being proposed to offset growth in Consumer Price Index (inflation) which results in increased cost of materials, supplies and utilities.

It is also helpful to explore how the City's utility rates compare with other similar-sized communities in the region. Table 1 provides this information which shows that Center's residential utility rates are competitive with other comparison cities. The data also indicate that Center's residential utility rates are well below the state average for similar-sized cities particularly in light of the fact that most systems have some groundwater production which is significantly less expensive to treat.



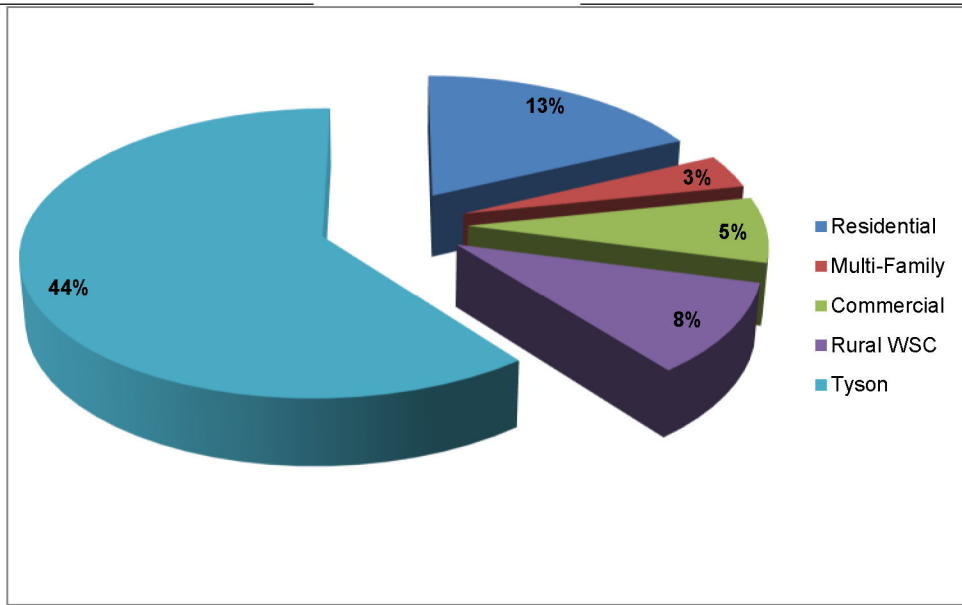
		5000 Gallons - Residential		
City	Population	Water	Wastewater	Total
El Campo	11,766	18.34	134.14	152.48
Farmersville	3,542	40.56	69.79	110.35
Crockett	6,950	49.12	36.77	85.89
Teague	3,527	37.30	47.30	84.60
Decatur	6,989	39.82	42.32	82.14
Athens	13,121	28.72	38.21	66.93
Groesbeck	4,366	48.12	27.21	75.33
Whitehouse	8,799	51.01	23.52	74.53
Kilgore	14,948	34.87	37.86	72.73
Gladewater	6,441	38.00	32.83	70.83
Bullard	3,986	36.45	32.40	68.85
White Oak	6,544	24.00	27.00	51.00
Mineola	4,769	49.40	31.59	80.99
Bowie	5,218	43.61	14.80	58.41
Giddings	5,113	31.00	27.03	58.03
Sulphur Springs	16,162	26.88	30.93	57.81
Henderson	n/a			
Carthage	n/a			
Average	7,640	37.33	40.86	78.18
Center	5,401	31.35	29.68	61.03

Table 1 – 2020 Residential utility rate comparison
Source: Texas Municipal League 2020 Annual Utility Rate Survey

It is also enlightening to examine water consumption by customer class. The City's single largest water customer class is Poultry, which is chiefly consumption from Tyson Foods. The other customer classes are detailed in Table 2 as a percentage of total water sales.

Customer Class	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Residential	15%	14%	12%	11%	11%	11%	13%
Multi-Family	19%	3%	2%	3%	2%	2%	3%
Commercial	9%	9%	9%	9%	9%	6%	5%
Rural Water Supply	5%	5%	5%	5%	6%	0%	8%
Tyson	67%	69%	64%	61%	59%	68%	44%

Table 2 – Percentage by customer class to total water consumption



Graph 2 - FY 2020 Year to Date Water Consumption by Customer Class

Residential and commercial water sales projections were developed for the FY 2021 Budget that analyzed the number of accounts by meter size and the amount of total consumption by customer class. This method allows the City to be more precise in estimating utility revenues.

Analysis of Base Charges									
Customer Class	Meter Sizes								Total
	0.75	1	1.5	2	3	4	6	8	
Residential	1,821	0	0	0	0	0	0	0	1,821
Proposed Base Rate	\$13.00								
Base Rate Revenue	273,150								273,150
Commercial									
Car Washes	1	0	0	3	0	0	0	0	4
Beauty Shops	10	0	0	0	0	0	0	0	10
Commercial	202	34	2	36	1	0	1	1	277
Small Commercial	7	1	0	0	0	0	0	0	8
Education Facilities	2	4	3	15	0	1	0	0	25
Restaurants	17	4	0	1	0	0	0	0	22
Grocery Stores	2	0	0	2	0	0	0	0	4
Health Care	14	2	1	4	0	0	0	0	21
Churches	29	8	0	3	0	0	0	0	40
Hotels	6	0	0	3	2	0	0	0	11
State Offices	2	1	0	1	0	0	0	0	4
Apartments	6	0	1	1	2	0	0	0	10
Vehicle Shops	13	2	0	4	0	0	0	0	19
Washaterias	0	0	0	3	0	0	0	0	3
Convenience Stores	9	3	0	0	0	0	0	0	12
County Offices	2	1	0	5	0	0	0	0	8



Total Commercial	322	60	7	81	5	1	1	1	478
Proposed Base Rate	13	19	28	38	56	75	112	1,950	
Base Rate Revenue	50,232	13,680	2,352	36,450	3,360	900	1,344	23,400	131,718

Table 3 – Estimate of Revenue – Base Account Charges

Consumption Model						
Customer Class	FY 2017	FY 2018	FY 2019	Average	EST. 2021	Consumption Revenue
Residential	983,274	1,046,348	967,331	998,984	997,000	
Proposed Consumption Rate		\$4/ 1,000 gallons				
Consumption Rate Revenue						398,000
Commercial						
Car Washes	28,790	28,434	28,794	28,673	28,500	12,825
Beauty Shops	3,145	3,062	3,410	3,206	3,200	1,44
Commercial	295,140	157,540	120,789	191,156	175,000	78,750
Small Commercial	7,928	5,298	4,777	6,001	5,500	2,475
Education Facilities	32,315	28,173	26,230	28,906	26,500	11,925
Restaurants	74,563	66,333	67,085	69,327	68,000	30,600
Grocery Stores	2,749	2,555	3,119	2,808	2,800	1,260
Health Care	106,276	72,971	66,339	81,862	68,000	30,600
Churches	43,760	40,896	18,793	34,483	20,000	9,000
Hotels	59,461	67,767	65,973	64,400	60,000	27,000
State Offices	441	345	428	405	400	180
Apartments	14,852	16,226	31,219	20,766	30,000	13,500
Vehicle Shops	9,806	8,586	4,300	7,564	5,000	2,250
Washaterias	27,275	21,884	24,595	24,585	25,000	11,250
Convenience Stores	22,308	16,485	17,090	18,628	18,500	8,325
County Offices	20,363	16,972	22,142	19,826	20,000	9,000
0Proposed Consumption Rate		\$4.50/ 1,000 gallons				
Consumption Rate Revenue						250,380

Table 4 – Estimate of Revenue – Account Consumption Charges

Putting all these data points together is an analysis how the revenue figures for the residential and commercial water customers are calculated.

It should be noted that these revenue estimates are highly dependent upon customer consumption which can be influenced by general economic conditions and the weather.

	Residential	Commercial
Base Charges	\$273,150	\$131,718



Consumption Charges	\$398,000	\$250,380
Total	\$671,150	\$382,098
FY 2021 Proposed Budget	\$672,000	\$382,000

Finally, the total amount of water sales is illustrated in Table 5, which provides historical data on the amount of total water revenue that the City receives.

	Gross Water Sales - \$
FY 2020 - Est	2,609,300
FY 2019	2,633,930
FY 2018	2,952,983
FY 2017	2,859,710
FY 2016	2,743,645
FY 2015	2,640,472
FY 2014	2,534,007
FY 2013	2,701,104
FY 2012	2,276,832
FY 2011	2,418,146
FY 2010	2,252,937

Table 5 – Annual amount of water sales

COST ALLOCATION

Each year the City updates the cost allocation study for the two main Utility Fund cost centers and how these costs compare with revenue derived based on the rate schedule. The direction provided by Council is that each funding stream should be as self-sufficient as possible.

While the Utility Fund overall is in a healthy position, it is clear that the water rate generates enough funding to subsidize the lagging sewer operations. This has occurred due to a number of factors:

- Much of the debt the Utility Fund is carrying is related to sewer projects. When that is allocated to sewer operations, it inflates the sewer total.
- The Tyson plant is not a sewer customer. Therefore, the large water bill they pay does not have the corresponding sewer fee attached to it. However, the profit margin from the large bill certainly subsidizes the remainder of the system, reducing the cost burden on residential customers.

The City has sought to mitigate this situation by raising the sewer rate at a faster pace than the water rate. However, sewer rate increases may be approaching customer tolerance levels.

Prime Account	Non Departmental	Water Production	Water Distribution	Public Works	TOTAL
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Personnel	300	361,500	241,800	126,000	729,300
Supplies	6,000	246,500	11,700	7,800	272,000
Contractual	16,950	83,900	20,300	21,500	142,650
Utilities	0	236,700	2,400	10,300	249,400
Sundry	9,250	16,000	2,800	2,500	30,550
Maintenance	0	122,700	72,600	5,800	201,100
Capital	0	7,900	46,200	3,500	57,600
Fund Transfers	390,150	0	0	0	390,150
TOTAL	422,650	1,075,200	397,800	177,400	2,073,050

FY 2020 Estimate Water Revenues	(2,609,300)
Other Revenue	(78,350)
Total Allocated Water Revenue	(2,687,650)
Revenues Over/(Under) Expenditures	614,600

Prime Account	Non Departmental	Sewer Collection	Sewer Treatment	Public Works	TOTAL
Personnel	300	146,000	225,600	63,000	434,900
Supplies	6,000	6,300	91,100	3,900	107,300
Contractual	16,950	22,000	132,600	10,750	182,300
Utilities	0	29,400	71,000	5,150	105,550
Sundry	9,250	3,000	21,000	1,200	34,450
Maintenance	0	102,500	58,700	2,900	164,100
Capital	0	57,700	17,000	1,700	76,400
Fund Transfers	472,925	0	0	0	472,925
TOTAL	505,425	366,900	617,000	88,600	1,577,925

FY 2020 Estimate Sewer Revenues	(897,100)
Other Revenue	(78,350)
Total Allocated Sewer Revenue	(975,450)
Revenues Over/(Under) Expenditures	(602,475)

UTILITY FUND EXPENDITURES

This budget includes increases in operational department budgets relating to personnel services. There are monies included in the operating budget for personnel adjustments to be determined later in the fiscal year. All other notable items are specifically listed on each department's page.

FY 2022 BUDGET UTILITY FUND SUMMARY

Revenues	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Water	2,952,983	2,633,930	2,837,450	2,609,300	2,739,700
Sewer	958,574	880,246	943,000	897,100	918,000



Miscellaneous	9,499	8,939	3,500	60,600	3,000
Interest	23,609	31,287	17,300	18,500	12,000
Fees	86,692	87,003	77,100	77,600	77,700
Transfers	0	0	0	0	0
TOTAL	4,030,817	3,641,404	3,878,350	3,663,100	3,750,400

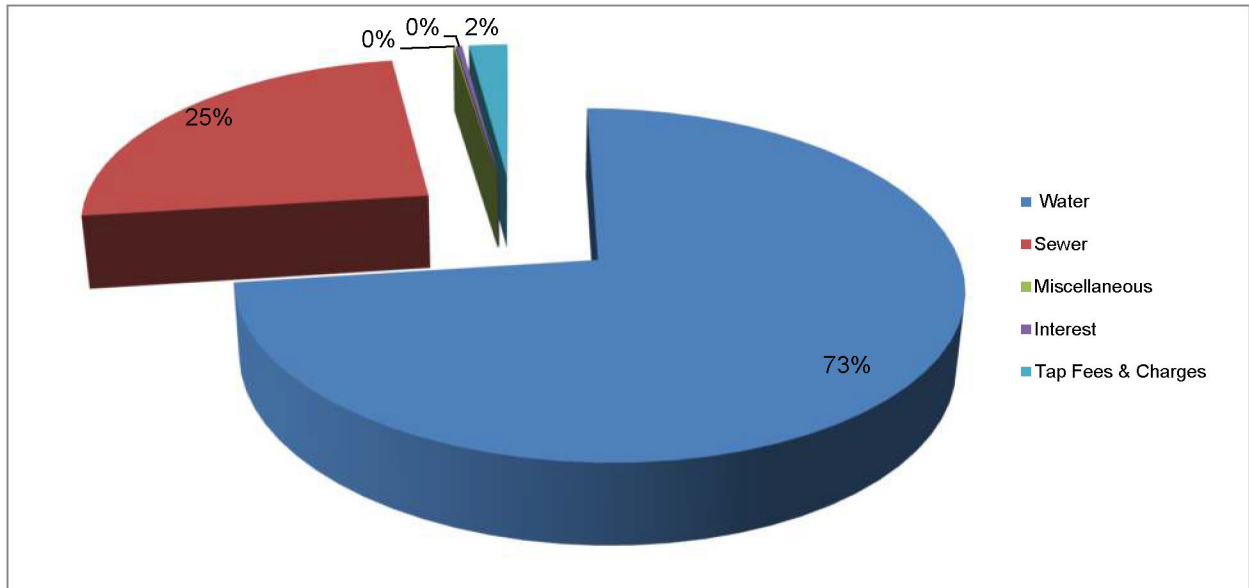
Expenditures

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
BY DEPARTMENT					
Non-Departmental	1,058,057	997,745	1,055,900	1,056,700	1,057,000
Water Production	1,251,071	1,147,564	1,267,700	1,075,200	1,259,600
Water Distribution	401,273	444,787	407,400	397,800	333,900
Sewer Collection	228,157	218,965	312,100	366,900	221,600
Sewer Treatment	588,719	599,182	529,200	617,000	617,000
Public Works	241,731	311,759	306,050	266,000	261,300
TOTAL	3,769,007	3,720,001	3,878,350	3,779,600	3,750,400

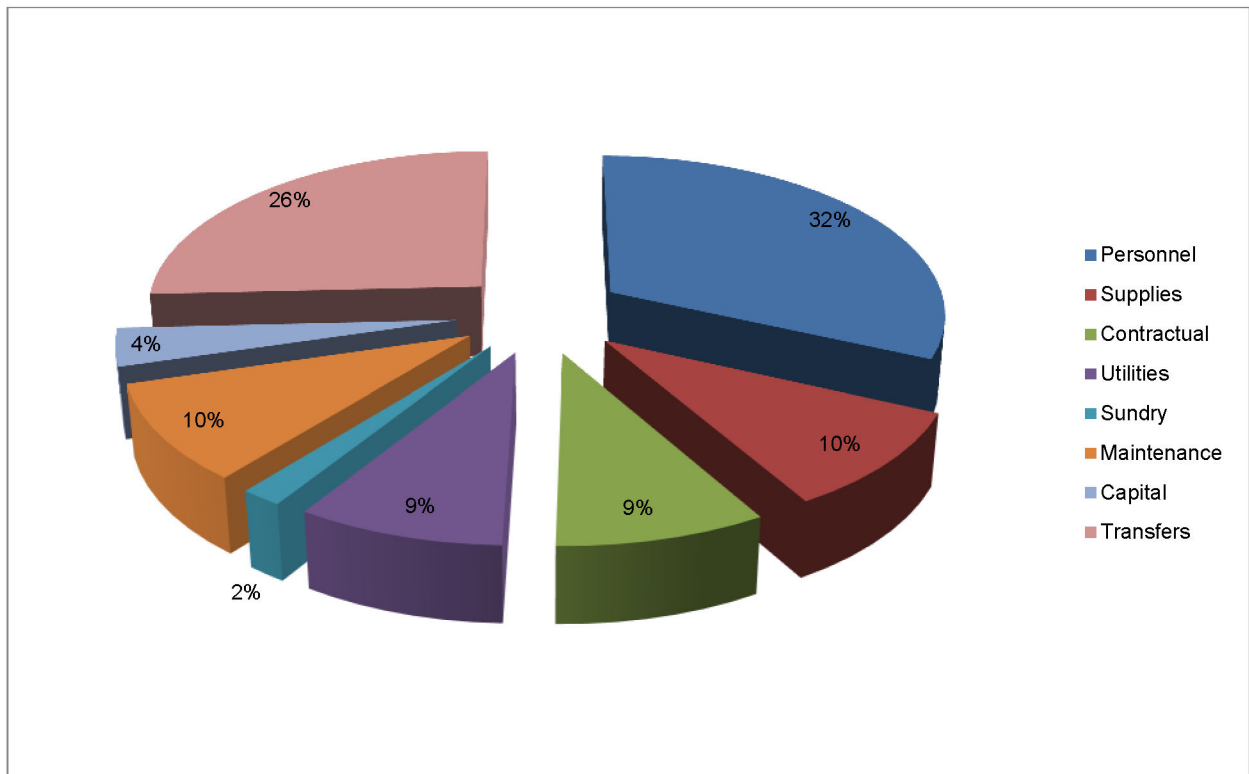
BY ACCOUNT CATEGORY

Personnel Services	1,239,430	1,190,085	1,234,200	1,164,300	1,175,700
Supplies	286,345	410,284	381,300	379,300	386,100
Contractual	326,809	327,757	339,250	324,900	376,000
Utilities	290,302	359,063	333,900	355,000	366,100
Sundry	38,738	35,804	68,100	65,100	56,400
Maintenance	403,276	294,789	374,700	365,200	370,200
Capital Items	164,047	151,926	147,100	134,100	27,000
Fund Transfers	1,020,060	950,292	999,800	991,700	992,900
Total	3,769,007	3,720,001	3,878,350	3,779,600	3,750,400

FY 2021 Budget – Utility Revenues



FY 2021 Budget – Utility Expenditures by Prime Account





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**FY 2022 BUDGET
REVENUE DETAIL**

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Water					
Residential Water	770,217	663,465	765,000	683,100	677,000
Bulk Water Sales	4,815	4,410	4,500	1,000	1,000
Commercial Sales	340,319	317,145	345,000	330,200	387,000
Poultry Processing	1,501,793	1,482,231	1,491,450	1,431,600	1,512,700
Rural Water Systems	176,953	18,297	71,500	15,000	12,000
Industrial	0	0	0	0	0
Outside City Limits	158,886	148,382	160,000	148,400	150,000
Total Water	2,952,983	2,633,930	2,837,450	2,609,300	2,739,700
Sewer					
Billed Sewer	955,019	880,299	940,000	895,100	912,000
Contractual Disposal	3,555	(54)	3,000	2,000	1,000
Total Sewer	958,574	880,246	943,000	897,100	918,000
Miscellaneous					
Returned Check Fee	1,431	10	500	1,000	500
Insurance Claims	0	2,625	0	13,000	0
Worker's Comp Discount	(443)	0	0	0	0
Other	1,503	60	0	100	0
DETEC Capital	1568	2,294	0	0	0
Contractor Damages	0	0	0	0	0
Surplus Equipment	2,325	575	0	600	0
Special Project Revenue	0	0	0	43,200	0
Lease Mineral Rights	3,114	2,944	3,000	2,700	2,500
Utility Contractor Dmg	0	431	0	0	0
Sale of Equipment/Land	0	0	0	0	0
Total Miscellaneous	9,499	8,939	3,500	60,600	3,000
Interest					
Interest Water Fund	20,737	27,990	15,000	16,500	10,000
Interest Water Refund	2,332	3,297	2,300	2,000	2,000
Total Interest	23,069	31,287	17,300	18,500	12,000
Fees Taps & Charges					
Administrative Fees	6,835	6,200	5,800	5,000	6,000
10% Charges	49,501	47,316	45,000	42,000	45,000
10% A/R	116	(104)	0	0	0
Reconnect Fees	21,635	21,745	20,000	20,000	20,000
After Hours Fee	25	200	100	500	100
Water Taps	4,515	4,450	3,000	4,000	3,000
Plumbing Insp. Permit	2,300	4,530	2,200	3,800	2,600
Sewer Taps	1,600	1,200	1,000	2,300	1,000
Total Fees	86,692	87,003	77,100	77,600	77,700
TOTAL REVENUE	4,030,817	3,641,404	3,878,350	3,663,100	3,750,400



FY 2021 BUDGET WATER PRODUCTION - #636

To provide an adequate supply of treated water for the City of Center residents and businesses that meets all federal and state regulations, in the most efficient manner possible

DESCRIPTION

The Water Production Department consists of eight full time operators who staff and maintain the city's two surface water treatment plants, eight storage tanks, three raw water pump stations, three treated water pump stations, and both of the city owned lakes. All operators must be certified by the Texas Commission on Environmental Quality. The Pinkston plant is staffed 24 hours a day, seven days a week and treats water from Lake Pinkston. Average daily production is 3.4 million gallons and peak production capacity is 3.5 million gallons. The Mill Creek plant is staffed five days a week, eight hours a day and treats water from Lake Center (Old City Lake). Average daily production is 200,000 gallons a day with peak production capability of 1.4 million gallons a day.

FY 2020 ACCOMPLISHMENTS

- Zero water treatment violations
- Media replaced at Pinkston water plant old train
- Variable Frequency Drive for High Service Pump #3 replaced
- Rebuilt all actuators in Mill Creek pipe gallery
- Effluent, drain and backwash valves & actuators replaced at Pinkston Old Train
- Continued sludge lagoon cleaning program
- Updated EPA's Risk Management Program to be in compliance

FY 2021 GOALS

- Complete installation of new lagoon at Pinkston plant
- Begin program to refurbish elevated and ground storage water tanks
- Upgrade raw and treated flow meters at Pinkston Plant
- Upgrade lab equipment at Mill Creek Plant to current technology

DEPARTMENT STAFFING

Title	Current Staffing
Chief Operator	1
Operator II	4
Operator I	0
Operator Trainee	3
Total	8



**FY 2021 BUDGET
WATER PRODUCTION**

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	495,158	435,448	449,600	361,500	440,000
Supplies	191,890	258,434	294,000	246,500	265,000
Contractual	155,347	116,312	148,900	83,900	159,100
Utilities	190,911	213,054	232,200	236,700	238,500
Sundry	14,013	12,477	21,500	16,000	14,000
Maintenance	183,113	80,238	121,500	122,700	131,000
Capital Items	20,639	31,600	0	7,900	12,000
Total	1,251,071	1,147,564	1,267,700	1,075,200	1,259,600

PERFORMANCE MEASURES

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 YTD
Total Gallons of Treated Water Produced					0.634
– billion gallons	1.143	1.09	1.106	1.076	
TCEQ Violations	1	2	0	0	0
Treatment Plant Capacity					
Mill Creek	1.4 mgd	1.4 mgd	1.5 mgd	1.5 mgd	1.5 mgd
Pinkston	3.5 mgd	3.5 mgd	4.0 mgd	4.0 mgd	4.0 mgd
Storage Tank Capacity – million gallons	6.25	6.25	6.25	6.25	6.25
Average Cost to Treat 1,000 gallons	\$0.66	\$0.69	\$0.71	\$0.78	\$0.69

HIGHLIGHTS – FY 2021 Amended Budget Change From FY 2020 Estimate

- Personnel Services: Reallocation of personnel results in increases in Salaries (\$53,000), Health Insurance (\$7,900), Pension Fund (\$6,100), and Social Security (\$4,200)
- Supplies: Increase in Chemicals (\$20,000) offset by decreases in Furniture (\$500) and Minor Tools (\$500)
- Contractual: Increase in Sludge Disposal (\$80,000) with corresponding decrease in Other (\$5,000)
- Utilities: Increases in Telephone (\$1,000) and Electricity (\$800)
- Sundry: Reduction in Training (\$2,000)
- Maintenance: Increases in Building Maintenance (\$5,000), Preventative (\$2,000), Chemical Pumping Equipment (\$500), Water Line (\$500), and Chemical Line Repair (\$300)
- Capital: New fence planned for Pinkston water plant (\$12,000)



FY 2021 BUDGET
WATER DISTRIBUTION - #637

The Water Distribution Department's mission is to maintain the potable water supply of the City with a minimum system pressure of 35 psi in compliance with TCEQ regulations, and rapidly respond to customer service calls and system leaks/major line breaks.

DESCRIPTION

- Set water taps and meters for new accounts and customers
- Inspect and replace isolation valves
- Responsible for the flushing of the water system
- Install water mains as needed
- Repair leaks and broken lines
- Comply with TCEQ rules for operation, maintenance, and training

FY 2020 ACCOMPLISHMENTS

- Continued electronic meter replacement program – less than 100 analog meters remain
- Performed numerous water leak repairs, including two to the 18" water line
- Enhanced system testing and monitoring, including installing automatic flushing assemblies
- Extended new water main from Loop 500 to Tyson to support increasing demands
- Install 18" valves to isolate smaller sections of the primary transmission line to reduce repair times
- Zero water distribution violations

FY 2021 GOALS

- Repair or replace 15 fire hydrants
- Maintain current infrastructure
- Increase staff development and training

DEPARTMENT STAFFING

Title	Current Staffing
Monitoring Tech	1
Meter Reader	1
Equipment Operator/Maintenance	1
Maintenance	1
Total	4



**FY 2021 BUDGET
WATER DISTRIBUTION****DEPARTMENT SUMMARY**

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	157,494	192,349	154,100	241,800	203,400
Supplies	9,266	9,066	8,000	11,700	10,700
Contractual	13,083	26,801	19,300	20,300	16,300
Utilities	1,350	1,716	3,300	2,400	2,500
Sundry	1,438	1,554	2,000	2,800	2,000
Maintenance	110,385	129,046	107,600	72,600	99,000
Capital Items	108,257	84,254	110,950	46,200	0
Total	401,273	444,787	405,250	397,800	333,900

PERFORMANCE MEASURES

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Miles of water lines maintained	94	96	96	96	96
Number of fire hydrants	294	296	296	296	296

HIGHLIGHTS – FY 2021 Proposed Budget Change From FY 2020 Estimate

- Personnel Services: Elimination of one position results in decreases in Salaries (\$37,400), Pension (\$5,500), Overtime (\$3,200), and Social Security (\$3,100). Budget correction from FY 2020 results in increase in Health Insurance (\$7,300)
- Supplies: Reduction in Minor Tools (\$900) and Office Supplies (\$100)
- Contractual: Decreases in Engineering (\$3,500) and Other (\$500)
- Utilities: Increase in Cell Phone (\$100)
- Sundry: Reductions in Training (\$500) and elimination of Mileage (\$300)
- Maintenance: Increase in Fire Hydrants (\$24,000) and Water Meters (\$5,000) brings FY 2021 back to FY 2020 budget levels. Offsetting decrease in Water Lines (\$5,000) and other increases in Fuel (\$1,500) and Preventative (\$500)
- Capital: No capital equipment or system improvements are planned for FY 2021.



FY 2021 BUDGET
SEWER COLLECTION - #638

Provide an efficient wastewater collection system to protect the public health, safety, and water quality of the community.

DESCRIPTION

- Maintains the City's wastewater collection system, to include mains, manholes and clean-outs.
- Installs and repairs sewer taps as needed.
- Replaces deteriorated sections of mains, service lines, and manholes.
- Available 24 x 7 for customer service calls

FY 2020 ACCOMPLISHMENTS

- Continued manhole maintenance and rehabilitation program
- Refurbished vital mechanical parts of the vac-truck
- Southside sewer lift station and collector lines became operational; five lift stations removed

FY 2021 GOALS

- Staff training and development to increase the number of certified personnel
- Identify and replace brick manholes
- Complete installation of new sewer main on US 96 South from Roughrider Drive to Southview Circle

DEPARTMENT STAFFING

Title	Current Staffing
Sewer Maintenance	1
Heavy Equipment Operator – Vac Truck	1
Total	2



**FY 2021 BUDGET
SEWER COLLECTION**

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	143,991	100,576	156,700	146,000	100,600
Supplies	4,467	5,627	5,800	6,300	5,800
Contractual	9,505	14,594	12,500	22,000	12,500
Utilities	30,262	34,897	29,400	29,400	32,400
Sundry	430	175	1,300	3,000	1,000
Maintenance	39,501	43,005	82,400	102,500	69,300
Capital Items	0	20,092	24,000	57,700	0
Total	228,157	218,965	312,100	366,900	221,600

PERFORMANCE MEASURES

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Miles of sewer line maintained	75	75	75	75	75
Number of lift stations	14	14	8	8	8

HIGHLIGHTS – FY 2021 Proposed Budget Change From FY 2020 Estimate

- Personnel Services: Elimination of a position results in decreases in Salaries (\$32,600), Pension (\$4,600), Health Insurance (\$2,700), Social Security (\$2,700) and Overtime (\$2,300)
- Supplies: Decrease in Wearing Apparel (\$500)
- Contractual: Reductions in Rental (\$9,000) and Engineering (\$500)
- Utilities: Increase in Electricity (\$3,000)
- Sundry: General reductions in Training (\$500) and Misc. Other (\$300) combined with elimination of Misc. Medical (\$1,100) and Government Fees (\$100)
- Maintenance: Reduction in Vac Truck Maintenance (\$36,000), Equipment (\$1,400) and Vehicle (\$1,000) offset by an increase in Manhole maintenance (\$5,000)
- Capital: No capital equipment or system improvements planned for FY 2021.



FY 2021 BUDGET
SEWER TREATMENT - #639

To process the wastewater generated by the City of Center residents and businesses, in compliance with federal and state requirements, in the most efficient manner possible.

DESCRIPTION

The Wastewater Treatment Department consists of four full time operators who operate and maintain the city's wastewater plant and nine associated pump stations. All operators must be certified by the Texas Commission on Environmental Quality. On average the wastewater plant processes 800,000 gallons of wastewater per day, but during high flow periods flows in excess of 2,000,000 gallons per day have been treated. The current wastewater plant is an extended aeration activated sludge plant which utilizes a belt press for sludge processing. Annually about 1,100 cubic yards of sludge is disposed of in a landfill.

FY 2020 ACCOMPLISHMENTS

- Upgrade treatment technique in the orbital basin to air blowers
- Reduce overall electricity consumption via new solar power system
- Installed new bar screen cleaner, electrical modifications, and grant-funded solar power system

FY 2021 GOALS

- Work to consistently meet all discharge permit limitations, especially metals
- Continue industrial pretreatment monitoring
- Expand SCADA monitoring for treatment enhancement and efficiency
- Ensure electrical cost reductions and performance enhancement from the 2018 rehab project

DEPARTMENT STAFFING

Title	Current Staffing
Chief Operator	1



Operator II	1
Plant Operator/Electrician	1
Plant Maintenance	1
Total	4



**FY 2021 BUDGET
SEWER TREATMENT**

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	238,941	229,629	238,900	225,600	238,200
Supplies	64,191	111,506	55,700	91,100	84,500
Contractual	112,856	107,380	94,100	132,600	121,100
Utilities	55,587	97,063	55,000	71,000	77,000
Sundry	18,104	17,905	23,000	21,000	18,500
Maintenance	63,889	35,699	57,500	58,700	62,700
Capital Items	35,151	0	5,000	17,000	15,000
Total	588,719	599,182	529,200	617,000	617,000

PERFORMANCE MEASURES

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Wastewater Treated – million gallons	411	420	400	397	293
Sludge Disposed – cubic yards	1,040	1,040	1,175	1,040	1,100
Permitted Plant Capacity	1.77 mgd	1.77 mgd	1.77 mgd	1.77 mgd	1.77 mgd
Average Plant Discharge	1.13 mgd	1.20 mgd	1.1 mgd	1.1 mgd	1.12 mgd

HIGHLIGHTS – FY 2021 Proposed Budget Change From FY 2020 Estimate

- Personnel Services: Increases in Health Insurance (\$2,200), Overtime (\$4,500), Salaries (\$800) and Workers Comp (\$600)
- Supplies: Elimination of Furniture (\$2,000) and reduction in Chemicals (\$4,200)
- Contractual: Increases in Mowing (\$3,800) and Lab Tests (\$3,000) are offset by decreases in Sludge Disposal (\$8,000), Vehicle Lease (\$5,000) and elimination of Engineering (\$5,500)
- Utilities: Increase in Electricity (\$6,000)
- Sundry: Elimination of Medical Expense (\$300) and Other (\$200) with a reduction in Training (\$2,000)
- Maintenance: Increases in Fuel (\$2,000) and Lift Station maintenance (\$2,000) – all other accounts offset
- Capital: Net decrease from elimination in Capital Equipment (\$12,000) and increase in Building/Grounds (\$10,000)



FY 2021 BUDGET
PUBLIC WORKS ADMINISTRATION - #641

To provide administrative functions, oversight and support of Water and Sewer departmental operations.

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	199,756	230,377	234,300	188,800	193,500
Supplies	4,400	11,661	5,800	11,700	8,100
Contractual	17,238	33,324	37,450	32,200	33,000
Utilities	12,191	12,333	14,000	15,500	15,700
Sundry	1,757	1,283	3,800	3,800	2,800
Maintenance	6,388	6,801	5,700	8,700	8,200
Capital Items	0	15,980	5,000	5,300	0
Total	241,731	311,759	306,050	266,000	261,300

DESCRIPTION

- Provides supervision for the staff of the Water and Sewer departments.
- Oversight and inspection of City infrastructure projects.
- Funds Warehouse and Vehicle Maintenance building
- Developed an industrial pre-treatment, cross-connection and customer service inspection programs

HIGHLIGHTS – FY 2021 Proposed Budget Change From FY 2020 Estimate

- Personnel Services: Increases in Overtime (\$1,000) and Salaries (\$900) are offset by decreases in Workers Comp (\$200), Unemployment Insurance (\$100) and Pension Fund (\$100)
- Supplies: Elimination of Computer Equipment (\$2,300) and reduction in Furniture (\$1,300)
- Contractual: Increases in Mowing (\$600) and Vehicle Lease (\$400) with a decrease in Janitorial (\$200)
- Maintenance: Elimination of Water Lines (\$100) and reductions in Fuel (\$200) and Building/Ground Maintenance (\$200)
- Capital: Elimination of Capital Grounds Maintenance (\$5,300) due to a one time purchase in FY 2020

DEPARTMENT STAFFING

Title	Current Staffing
Public Works Director	1
Admin. Assistant	1
Utility Superintendent	1
Total	3



**FY 2021 BUDGET
NON-DEPARTMENTAL - #634**

The Non-Departmental function of the City of Center Utility Fund accounts for those areas that are general to the entire utility operation.

DEPARTMENT SUMMARY

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Personnel Services	4,090	1,706	600	600	0
Supplies	12,132	13,990	12,000	12,000	12,000
Contractual	18,779	29,346	27,000	33,900	34,000
Utilities	0	0	0	0	0
Sundry	2,996	2,410	16,500	18,500	18,100
Maintenance	0	0	0	0	0
Capital Items	0	0	0	0	0
Fund Transfers	1,020,060	950,292	999,800	991,700	992,900
Total	1,058,057	997,745	1,055,900	1,056,700	1,057,000

DESCRIPTION

- Pays the postage for all utility bills.
- Pays the utility billing and accounting software.
- Provides funding for the interfund transfers to the General Fund and the Debt Service Fund.

HIGHLIGHTS – FY 2021 Proposed Budget Change From FY 2020 Estimate

- Contractual: Increase in Maintenance Agreement (\$100)
- Sundry: Reductions in Finance Penalties (\$100) and Credit Card Processing Fees (\$200) and the elimination of Subscriptions and Dues (\$100)
- Fund Transfers: Increase in Franchise Fee (\$1,200)



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**CITY OF CENTER
FY 2022 BUDGET
SOLID WASTE FUND**

In 2015, the City Council created the Solid Waste Fund in order to create a more accurate accounting of the solid waste program and activity of the City. The mission of this program is to provide the citizens of Center with timely, safe, cost effective, and environmentally conscious solid waste collection and disposal services. Since 1998, the City has contracted with Republic Services for these activities. The fund collects administration and franchise fees totaling 10%. These fees are transferred to the City's General Fund to defray the costs of street repairs and maintenance and for the billing and administration of services. The Fund is also the cost center for the blight removal program.

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Revenues					
Solid Waste Discount Sales	(15)	(162)	200	200	200
SW Collection – Residential	420,632	429,278	422,000	431,300	422,100
SW Collection – Commercial	1,168,256	1,159,934	1,178,100	1,124,700	1,170,100
Garbage Bag Sales	1,520	1,238	1,500	1,000	1,200
Misc. Recycling Receivable	426	12	0	0	0
Other	26	(28)	0	0	0
Interest	2,001	5,338	3,000	2,400	2,400
Total Revenue	1,592,844	1,595,611	1,604,800	1,559,600	1,596,000
Expenditures					
Personnel	0	0	0	0	0
Supplies	400	1,998	2,000	1,500	2,000
Contractual	1,246,814	1,447,906	1,395,300	1,351,900	1,390,000
Utilities	0	0	0	0	0
Sundry	4,426	777	7,500	2,500	2,500
Maintenance	8,350	2,125	0	1,500	1,500
Capital	0	0	0	2,200	0
Fund Transfers	122,000	200,000	200,000	200,000	200,000
Total Expenditures	1,381,990	1,652,806	1,604,800	1,559,600	1,596,000

DESCRIPTION

- This department is responsible for the collection and disposal of municipal solid waste generated in Center.
- The City Council made the decision in FY 2019 to suspend the recycling program due to changing market conditions for recyclable materials.
- The current contract with Republic Services was extended through 2024.



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**CITY OF CENTER
FY 2022 BUDGET
VEHICLE REPLACEMENT FUND**

In FY 2016, the City Council created the Vehicle Replacement Fund in an effort to level and stabilize required vehicle purchases. At the end of FY 2016, the City infused the fund with cash to begin this effort. In order to make the fund self-sustaining and accelerate certain purchases, other transfers will need to be made.

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget	FY 2023 Projected
Transfer						
General Fund	0	0	0	0	0	0
Utility Fund	80,000	80,000	66,000	66,000	0	0
Total	80,000	80,000	66,000	66,000	0	0
Revenue						
Lease Payments						
General Fund	28,737	57,950	78,200	80,125	93,250	94,000
Utility Fund	27,744	41,335	57,850	52,890	58,000	59,500
Surplus Vehicle Sales	0	6,680	0	0	0	0
Insurance Payments	0	11,565	0	0	0	0
Interest	2,400	3,164	2,400	2,000	3,500	4,500
TOTAL REVENUE	138,881	200,693	204,450	201,015	154,750	158,000
Vehicle Purchases						
Police	69,389	122,089	84,000	75,400	0	42,000
Fire	31,381	25,000	0	0	0	0
Street	0	0	10,000	10,000	0	30,000
Parks	9,122	0	0	0	0	0
Airport	0	0	0	0	0	0
Inspections	21,688	0	0	0	0	0
Water Production	(2,912)	40,000	25,000	24,900	0	0
Water Distribution	22,970	0	0	0	0	0
Sewer Collection	0	0	66,000	66,000	0	0
Sewer Treatment	57,309	0	0	0	0	25,000
Public Works	0	29,490	0	81,700	0	0
TOTAL PURCHASES	208,948	216,579	67,000	258,000	0	97,000
Beginning Fund Balance	224,716	154,649	127,278	138,764	81,778	236,528
Revenues Over/(Under)						
Expenditures	(70,067)	(15,886)	71,450	(56,985)	154,750	61,000
Ending Fund Balance	154,649	138,764	198,728	81,778	236,528	297,528



Vehicles Purchased through Fund

Vehicle	Department	Vehicle	Department
Skid Steer	Street/Public Works	2017 Chevy Silverado	Water Production
2017 Chevy Silverado	Water Distribution	2017 Chevy Tahoe	Police
2017 Ford F350	Sewer Collection	Kawasaki Mule	Parks
2018 Ford F150	Fire	2018 Ford F150	Inspections
2018 Tahoe	Police	2018 Tahoe	Police
2018 Chevy Silverado	Water Production	2018 Chevy Silverado	Sewer Treatment
2018 Chevy Silverado	Public Works	2019 Tahoe	Police
2019 Tahoe	Police	2016 Malibu	Police
2016 Malibu	Police	2016 Malibu	Police
2005 Ford Brush Truck	Fire	2019 Tahoe	Police
2020 Tahoe	Police	2019 Truck	Public Works
2019 Truck	Water Production	Jet Rodder	Sewer Collection
Bucket Truck	Street Dept.		

Current Planned Purchases – FY 2021

No vehicles are planned for purchase in FY 2021

Future Planned Purchases – FY 2021 through FY 2022

Vehicle	Department	Vehicle	Department
2021 Truck – TBD	Water Distribution	2021 Truck – TBD	Water Production
2022 Tahoe	Police	2022 Truck – TBD	Sewer Treatment
		2022 Truck	Street Department



**CITY OF CENTER
FY 2022 BUDGET
TECHNOLOGY FUND**

In FY 2017, the Center City Council created the Technology Fund to set aside funds to ensure that the City can sustain technological improvements to provide City services. At the end of FY 2017, the City supplied the initial transfers to start the Fund.

The Fund is the cost center for the City's IT/Network Administrator, all of the City's software maintenance costs, and for the purchase of new office computers.

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Capital Contribution	0	0	0	0	0
Misc.	452	(762)	0	0	0
Dept Allocation	143,773	195,800	215,850	215,850	215,850
Interest	1,179	2,459	1,200	1,500	1,000
TOTAL REVENUE	145,405	197,498	217,050	217,350	216,850
Expenditures					
Personnel	64,266	62,041	73,200	67,900	72,800
Supplies	3,809	35,046	12,500	18,500	12,500
Contractual	35,549	47,058	69,200	43,600	69,200
Sundry	0	0	3,000	1,200	3,000
Maintenance	0	0	0	0	0
Capital	9,587	14,970	30,000	25,000	30,000
Total	113,211	159,114	187,900	156,200	187,500
Beginning Fund Balance	48,182	80,376	114,499	118,760	179,910
Revenues Over Expenditures	32,194	38,384	29,150	61,150	29,350
Ending Fund Balance	80,376	118,760	143,649	179,910	209,260

**The fund is accumulating resources to fund the replacement
of certain capital equipment**

E Force system replacement/renewal	\$200,000
PD tablets and other equipment	\$50,000
PD phone system	\$25,000
PD server replacement	\$25,000
PD phone recording system	\$25,000
City Hall server	\$40,000
City Hall phone system	\$25,000
Total	\$390,000



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**CITY OF CENTER
FY 2022 BUDGET
RECREATION FUND**

In FY 2016, the City Council authorized the creation of a Recreation Department to provide assistance to operations of the various youth and adult athletic organizations in the City. The City hired a full-time Recreation Director to oversee the program and started with youth basketball, baseball, softball, and football. The program established a soccer league in 2017. The program is also seeking to create other recreation opportunities for Center residents.

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
REVENUE					
Transfer from General Fund	0	11,720	0	10,000	0
Registration	82,100	66,062	86,500	70,800	89,000
Event Proceeds	39,490	25,069	25,000	20,000	23,000
Concession	33,609	27,342	35,100	15,300	32,500
Gate	3,514	4,658	5,200	5,300	4,800
Miscellaneous	15,576	18,200	15,500	16,500	17,000
Merchandise	1,250	3,247	2,000	0	2,000
Donations	1,671	2,118	2,500	1,000	1,600
TOTAL	177,210	158,416	171,800	139,100	169,900
EXPENDITURES					
Personnel	76,024	78,122	80,000	79,600	79,700
Supplies	58,929	48,725	59,000	43,650	58,600
Contractual	22,555	20,131	22,700	12,850	22,400
Utilities	222	0	500	0	0
Sundry	7,583	2,714	4,500	2,500	4,500
Maintenance	15,200	950	5,100	500	4,700
Capital	0	0	0	0	0
TOTAL	180,513	150,642	171,800	139,100	169,900
Beginning Fund Balance	12,883	8,633	0	0	0
Revenues Over/(Under) Expend.	(4,250)	8,633	0	0	0
Ending Fund Balance	8,633	0	0	0	0

PERFORMANCE MEASUREMENTS

Number of Participants	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Baseball	288	245	251	255	237
Soccer (Fall & Spring)	164	300	421	415	359
Football	118	110	112	115	88
Basketball	166	197	204	192	194
Softball	171	162	174	167	131



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**CITY OF CENTER
FY 2022 BUDGET
PARK FUND**

In 2014, the City Council established a Park Fund in order to properly account for park-specific grants and donations, and to ensure these monies were dedicated to park improvements in accordance with the Parks Master Plan.

The need for a separate fund originally arose in 2014 when the City received pledge donations from the Center Area Softball Association for the new Softball Complex. In 2016, the City received a Texas Department of Parks and Wildlife grant for the expansion at Mini-Park/Portacool Park. This was in combination with a generous donation from Portacool, LLC. A portion of these funds will be transferred to the Debt Fund to make payments on the 2016 CO's.

The Fund also has a dedicated portion for the completion of the Perry Sampson Park renovation project (\$75,000) and renovation of Community Park into the new Ballard Street Soccer Complex. In 2019, the Center Rotary and Lions Clubs made donations towards the Soccer Complex. The City also received a grant from the Harris Foundation to assist with the Soccer Complex project.

In 2020, the City applied for and received a grant from the Laura Jane Musser Foundation to pay for a wildlife/nature preserve feasibility study for land the City acquired from Center ISD.

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Revenues					
Donations/Pledges	66,250	8,406	65,250	68,250	68,250
Grants	293,779	10,000	0	8,000	0
Interest	6,788	9,318	3,500	4,000	2,000
Total Revenue	366,817	27,724	68,750	80,250	70,250
Expenditures					
Project Engineering	0	0	0	0	10,500
Parks Maintenance	11,865	0	0	0	0
Transfer to Debt Service	70,000	45,000	65,000	65,000	55,000
Ballard Street Park Soccer Complex	20,899	58,787	215,700	242,793	0
Total Expenditures	102,764	103,787	280,700	307,793	65,500
Beginning Fund Balance	121,451	385,504	305,554	309,441	11,648
Revenues Over/(Under) Expenditures	264,053	(76,063)	(211,950)	(227,543)	4,750
Ending Fund Balance	385,504	309,441	93,604	81,898	16,398
Ending Balance after Perry Sampson Park Set Aside				11,648	



Ballard Street Soccer Complex Budget

Revenues	
Park Fund Proceeds	250,000
Rotary Club Donation	20,000
Lions Club Donation	20,100
Soccer League Donation	30,000
Harris Foundation Grant	10,000
Total	330,100

Expenditures	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	Total
Survey	2,950	2,750	0	5,700
Design	11,049	11,510	1,034	23,593
Demolition	6,900	0	0	6,900
Dirt Work	0	27,500	0	27,500
Boom Rental	0	2,500	0	2,500
Soccer Field Equipment	0	19,237	0	19,237
White Electric	0	0	90,820	90,820
Irrigation	0	0	25,100	25,100
Concession Building	0	0	118,100	118,100
Park Entrance	0	0	7,739	7,739
TOTAL	20,899	63,497	242,793	327,189

Project Balance 2,911

Items to be scheduled

Parking Improvements TBD

Perry Sampson Park Project**Revenues/Sources of Funds ****

Texas Parks and Wildlife Grant	150,000
City of Center Match	115,000
Tyson Foods Contribution	75,000
Harris Foundation Grant	10,000
Total	350,000

Expenditures	
Basketball Court, Shade Cover, and Lighting	230,500
Pavilion Renovations	30,500
Site Amenities	10,000
Misc. Signage	4,500
Playground	30,000
Tree and Grass Plantings	4,500
Site Fencing	10,000
Design and Engineering	30,000
Total	350,000

** City is to receive pledges from the Sampson Family (\$25,000) and the Perry Sampson Park Community Group (\$50,000). Once receipted, these funds will be used for special park projects.



**FY 2022 BUDGET
LAW ENFORCEMENT SPECIAL FUNDS**

The City is authorized by State Law to collect two additional fees in addition to the state fee and local court costs and fines. One of these fees, the Court Technology fee, is to be used to pay for enhancements to equipment for the municipal court. The Court Security fee is used primarily to fund projects to enhance security features at the Municipal Court. Finally, when the police department is awarded certain assets from the court, such as vehicles and cash, the assets and/or proceeds from the sale of the assets, may be used to pay for certain law enforcement related expenses.

Court Technology Fund

In FY 2015, the City purchased the InCode municipal court module so that court operations could be integrated with other City financial software. The Court Technology Fund fully retired the note in early FY 2018.

Building Security Fund

The Building Security Fund is allowed, by State law, to pay for certain improvements and maintenance costs at the police station and personnel costs associated with a warrant officer. In FY 2014, the City's General Fund was reimbursed eligible building maintenance costs.

Seizure Fund

The Seizure Fund primarily pays for the cost of narcotics investigations, e.g. drug buy money and cell phones. A large award is anticipated in FY 2020 and budget seeks to apply a portion of these funds to assist in purchasing radar equipment for police vehicles and officer body cameras.

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Court Technology					
Court Tech Fee	3,995	3,906	4,500	3,500	4,000
Interest	91	190	150	150	150
Court Tech Total	4,086	4,096	4,650	3,650	4,150
Expenses					
Supplies	0	0	0	0	0
Contractual	2,255	0	0	0	0
Sundry	589	0	700	0	700
Capital	0	0	2,000	0	0
Total	2,844	0	2,700	0	700
Beginning Fund Balance	6,872	8,114	12,984	12,210	15,860
Revenues Over/(Under) Expenses	1,242	4,096	1,950	3,650	3,450
Ending Fund Balance	8,114	12,210	14,934	15,860	19,310



	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Court Building Security					
Building Security Fee	2,996	2,930	3,800	3,000	3,500
Interest	112	228	200	150	150
Building Security Total	3,108	3,158	4,000	3,150	3,650
Expenses					
Sundry	839	0	700	0	0
Capital	0	0	1,000	700	1,000
Transfer to General Fund	0	0	0	0	0
Total	839	0	1,700	700	1,000
Beginning Fund Balance	4,756	7,025	9,925	10,183	12,633
Revenues Over/(Under) Expenses	2,269	3,158	2,300	2,450	2,650
Ending Fund Balance	7,025	10,183	12,225	12,633	15,283

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Law Enforcement Seizure Fund					
Judgment Forfeiture	9,129	0	0	0	0
Judgment Forfeiture – DOJ	0	0	0	0	0
Surplus Equipment	0	0	0	0	0
Interest	477	519	500	150	150
Seizure Fund Total	9,606	519	500	150	150
Expenses					
Supplies Equipment	3,738	0	1,500	0	0
Cell Phone	427	0	800	0	0
Investigation Expense	1,414	0	2,000	2,000	2,000
Vehicle Maintenance	0	0	0	850	0
Software Maintenance	0	5,990	0	0	0
Capital Equipment	0	9,512	0	1,550	0
Total	5,579	15,502	4,300	4,400	2,000
Beginning Fund Balance	30,691	34,718	26,518	19,735	15,485
Revenues Over/(Under) Expenses	4,027	(14,983)	(3,800)	(4,250)	(1,850)
Ending Fund Balance	34,718	19,735	22,718	15,485	13,635



FY 2022 BUDGET TRUST FUND

FUND NARRATIVE

The Trust Fund is a special fund established by the City to collect and hold funds related to a special project or activity whereby the City assumes a fiduciary responsibility. Primarily, the Fund is composed of three parts: the Hotel Occupancy Tax Revenues, the Fairview Cemetery Perpetual Fund, and the Animal Welfare Fund.

ANIMAL WELFARE FUND

In FY 2015, the City was given the fiduciary responsibility of holding monies to be used for a future animal shelter project by the former Shelby County Pet and Animal Welfare Society (PAWS). The City placed the \$40,000 corpus in a separate CD where the interest is booked towards this project.

CEMETERY FUND

The Cemetery Trust Fund does not have any operational expenditures, but rather collects interest into the fund, which was created from perpetual care maintenance fees on plots at Fairview Cemetery and donations. This trend will continue into the future. However, special projects require specific approval of Council. The only allowable use of these funds is for improvements at Fairview Cemetery

HOTEL OCCUPANCY TAX

The City collects a 7% Hotel Occupancy Tax when a person rents a room from a hotel located inside of the city limits. The State of Texas collects an additional 6%, making the total tax rate 13%. The expenditures of the Hotel Occupancy Taxes are managed by a City Council-appointed Hotel/Motel Advisory Board. The Texas Local Government Code is very specific on allowable uses of these funds and allows only certain types of expenditures to be paid from this tax revenue. Essentially, any expenditure has to promote the tourism industry of the community and "put heads in beds".

In fact, the State Law is so specific as to the use of the funds that any expenditure must pass a two part test. The first part is that expenditures must promote tourism and the convention and hotel industry in the City. All expenditures must further fall into one of seven statutory categories:

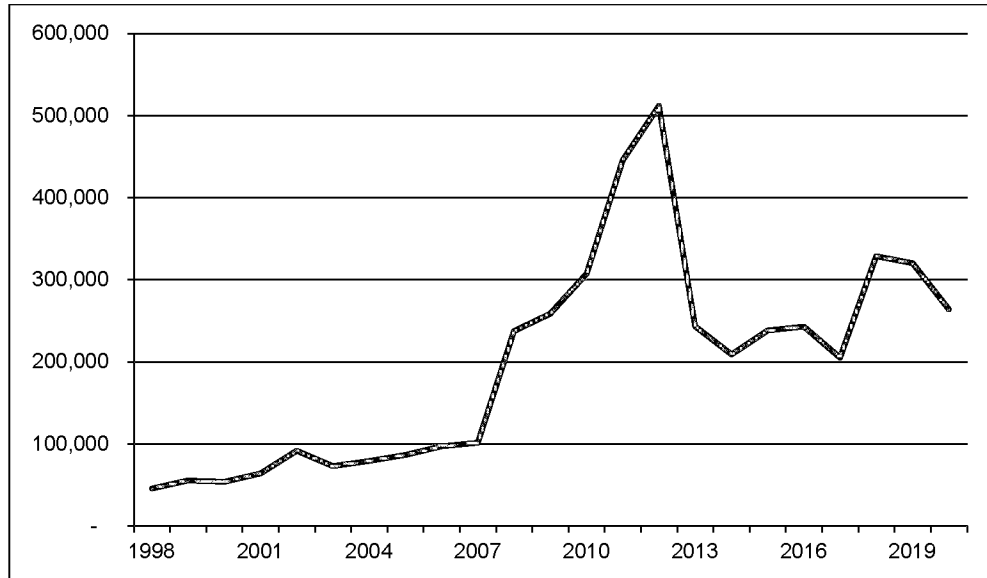
1. The acquisition of sites and the construction and maintenance of convention center facilities and visitor information centers;
2. Expenses associated with the registration of convention delegates;
3. Advertising, solicitations, and promotions that attract tourists and convention delegates to the City;
4. Promotion of the arts;
5. Historical preservation projects;
6. Sporting events that promote tourism in counties of less than one million population, and;
7. Transportation systems that transport tourists from hotels to the commercial center of the City, convention center or other hotels, provided the system does not serve the general public.

The largest type of expenditure in this fund, allowed under category 1, is the debt payment and the maintenance/ operational costs of the John D. Windham Civic Center. The increased revenues generated from Hotel Occupancy Taxes pays the entirety of the facility's debt obligation and greatly subsidizes the facility's operation costs. Additionally, the revenues fund some of the operation and maintenance of the Community House. A portion of funding is provided to support two community festivals which satisfies the community promotion and tourism activities and advertising allowed under



category 3. The fund has also contributed toward community beautification projects and attracting state baseball tournaments to the City, also allowed under category 3.

Graph 1 below highlights the increase in hotel occupancy tax revenues, beginning in approximately 2008 and peaking in 2012 at over \$500,000. This was driven primarily by the influx of temporary workers needed for the development of the local gas fields. With the dramatic fall of natural gas prices, drilling activity has subsequently subsided. FY 2018, saw the trend reverse with a return of local energy industry activity. This trend peaked in FY 2019 and is projected to return to below \$300,000 for the foreseeable future.



Graph 1 – Hotel Occupancy Tax Revenues
FY 1998 – FY 2020

**FY 2022
ANIMAL WELFARE FUND**

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Revenues					
Donation Animal Welfare	0	0	0	0	
Interest Animal Welfare	2	449	800	1,350	1,250
Total	2	449	800	1,350	1,250
 Ending Balance	 41,564	 42,018	 42,727	 43,368	 44,618



**FY 2022 BUDGET
FAIRVIEW CEMETERY FUND**

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Revenues					
Interest Cemetery	2,175	3,075	1,800	1,500	1,500
Total	2,175	3,075	1,800	1,500	1,500
Expenditures					
Capital	0	0	0	0	0
Ending Balance	123,253	126,340	146,815	127,840	129,340

HOTEL OCCUPANCY FUND

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Revenues					
Hotel/Motel Taxes	328,551	344,899	263,600	220,000	240,000
Interest Hotel/Motel	3,577	7,343	3,200	3,000	3,000
Total	332,128	352,242	266,800	223,000	243,000
Expenditures					
Memberships	500	0	1,000	0	1,000
Downtown Banners	6,000	3,275	10,000	10,000	5,000
Athletic Facilities	0	0	0	0	
Baseball Tournaments	20,000	20,000	20,000	20,000	20,000
Community Events	5,050	4,350	6,000	4,350	6,000
Chamber of Commerce	500	1,300	1,000	1,300	1,000
Historical Preservation	2,500	0	0	0	
Downtown Lights	510	458	5,000	1,000	5,000
Civic Center Ops	80,000	80,000	80,000	80,000	80,000
Community House Ops	5,000	5,000	5,000	5,000	5,000
Transfer - Civic Center Debt	138,400	138,700	138,800	138,800	142,000
TOTAL - Hotel Motel	258,460	253,083	266,800	260,450	278,000
Beginning Fund Balance	152,113	225,772	304,215	324,930	287,480
Revenue Over/(Under) Expenditures	73,659	99,159	0	(37,450)	(22,000)
Ending Fund Balance	225,772	324,930	304,215	287,480	265,480



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**CITY OF CENTER
FY 2022 BUDGET
CAPITAL IMPROVEMENT PROGRAM**

In FY 2012, the City Council approved a slate of projects that would substantially enhance the quality of life in Center. That same year, the Council authorized the issuance of tax supported bonds to make a substantial investment into the City's wastewater collection system. These steps represent the initiation of a formalized annual Capital Improvements Program (CIP). Although the City has always re-invested in itself, by adopting a CIP the Council and Citizens can easily see how much is invested and how local dollars are leveraged with donations and grant money.

This section will describe the assorted revenue streams that fund the CIP. These include bond funds, grant monies, local tax dollars, and contributions from the community. Information about each of the projects is then presented, first as an expenditure summary followed by a description of each project, how they will be funded, how much they will cost and a schedule.

Previously Completed Projects

Project	Year Completed	Funding Source
Community House Renovation	2013	2011 CO's
Ladder Truck	2012	2011 CO's
Mini-Park Renovation	2012	2011 CO's
City Hall Expansion	2013	2011 CO's
Softball Complex & Center Park Playground	2013	2011 CO's & 2014 Tax Notes
Hike & Bike Connectivity Trails	2012	TxDOT STEP Grant
Airport Weather Observation System (AWOS)	2013	TxDOT Grant & Donations
Downtown Streetscape Master Plan	2012	2011 CO's
Loop 500 Lift Station Elimination	2013	4A EDC & Local Funds
Lakewood Sewer	2014	2014 Tax Notes & Local Funds
Airport CIP: runway lighting, drainage, pavement	2017	2016 CO's; TxDOT CIP
Portacool Park expansion	2017	2016 CO's; TPWD Grant; Donation
WWTP Solar Project	2017	CFE Grant & Utility Fund match
WWTP Rehab Project	2018	2016 CO's
Southside Sewer System	2018	2012 CO's & 2016 CO's
Police Technology Enhancement	2018	CJD Grant & 2017 debt issue
Airport Taxiway D and Runway Resurfacing	2020	2016 CO's, TxDOT CIP; Donations
US 96 Sewer Line	2020	2019 CO's
Henrietta Tank Rehab	2019	2019 CO's
Pinkston Plant Filter Rehab and Lagoon	2020	2019 CO's

FY 2021 Revenue Notes

Series 2011 Certificates of Obligation Bond Proceeds – The original funding mechanism for the FY 2012 -2014 CIP projects. Bond funds paid for either entire projects or provided the cash match for other projects.

Texas Water Development Board Bond Proceeds – In FY 2011, the City was approved the issuance of a \$2.28 million TWDB bond to fund the Southside Sewer Project.

2014 Tax Notes – The City needed to issue additional debt to fund project's originally funded from the FY 2012-2014 CIP.

Texas Department of Agriculture Grant – The City completed an application in FY 2015 for the Downtown Revitalization Grant to help pay for some Downtown sidewalk improvements.



Series 2016 Certificates of Obligation Bond Proceeds – Council authorized the issuance of \$4 million in ad valorem and utility supported bonds. \$3 million was designated for utility projects, specifically the WWTP rehab and other utility projects. The other \$1 million was directed to fund the Airport CIP match and the Portacool Park expansion.

Community Facilities Enhancement Grant – The Texas Department of Agriculture created a one-time grant opportunity which the City was able to successfully submit an application to fund the installation of solar panels at the WWTP.

Police Technology Enhancement Note – To fund the Police Technology Enhancement Program, the City financed the purchase with a 4 year debt instrument. The Center Police Department was successful in receiving a grant award from the State of Texas which will fund the first 2 years payments of this note.

Texas Parks and Wildlife Department (TPWD) Grant – The City successfully applied for a park grant to assist in the construction of the Softball Complex and received a second grant award for the expansion of Portacool Park

Donations – Portacool, LLC., has generously pledged annual donations which the City has leveraged against a TPWD grant to complete the expansion of Portacool Park. A local foundation also donated \$15,000 for the installation of the City's first entryway sign. The Center Rotary Club, Center Lion's Club, and the Shelby County Youth Soccer League donated \$20,000, \$20,100, and \$30,000 respectively towards the Ballard Street Soccer Complex. The John Harris Foundation gave a \$10,000 grant for an entrance sign at the Soccer Complex. All donations were deposited directly into the Park Fund.

2019 Certificates of Obligation Bond Proceeds – Council authorized the issuance of \$6 million in ad valorem and utility supported bonds to fund Governmental projects (Downtown Renewal and Fire Apparatus) and Utility projects (US 96 sewer line, elevated water tank and tank maintenance, etc.)

UPCOMING/ONGOING PROJECTS AND IMPACT

Airport CIP

The Texas Department of Transportation identified the reconstruction of Taxiway D and runway rehab in their multi-year CIP. The City Council voted to make the local project contribution of \$66,850 for both projects and had to make a supplemental contribution of \$47,150. This project is scheduled for completion in Summer 2020.

Council Goal E. Objective 3

Operating Impact: None

Annual Street Maintenance

Each year the 4B EDC approves a list of streets that will be reconstructed or resurfaced as part of a comprehensive street maintenance program. Reference the Street EDC Budget on Page 190 for more information on the street program.

Council Goal E. Objective 5.1

Operating Impact: None

Ballard Street Soccer Complex



The City intends to use Park Fund resources and other donations to pay for the renovation of Ballard Street Park into the Soccer Complex. A detailed project budget is provided later in the Park Fund section.

Council Goal C. Objective 3

Operating Impact: Utilities increase of \$3,000. Mowing increase of \$2,000

Downtown Renewal Project

In FY 2019, the City completed the design and engineering for the Downtown Renewal project. Construction began on the \$3.9 million project in September of 2019 and is scheduled for completion in January 2021.

Council Goal A. Objective 5 and Goal C. Objective 1

Operating Impact: Additional landscaping maintenance - \$25,000

Pumper/Tanker Replacement

This is to replace an old 1985 pumper with a new pumper/tanker apparatus.

Operating Impact: None, but cost savings by decommissioning older apparatus.

US 96 Sewer Line

The renovation and enlargement of the FL Moffett Elementary School necessitated the need to enlarge the main sewer line serving the west side of the City. This enhanced line will allow for additional growth along the US 96 corridor and will be complete in Fall 2020.

Operating Impact: None

Miscellaneous Utility Projects

- South Loop Elevated Storage Tank – a new elevated storage tank at the South Loop and Hwy 7 that will increase storage capacity and help to regulate water pressure coming into the City. The City anticipates leveraging \$275,000 CDBG funds for this project.

City staff will use FY 2021 to manage ongoing projects and begin to develop future improvements.



Rendering of the Downtown Renewal plan.



POTENTIAL NEW PROJECTS

Staff prepared a list of potential projects for Council consideration as part of the Budget process. These are projects that have been either previously discussed by Council or identified in a prior plan (e.g. Comprehensive Plan Update) and the Council has expressed an interest in further developing the project concept. These projects do not have funding identified for implementation.

By identifying potential projects, the Council can make a project priority determination. Staff is then able to model funding mechanisms, such as debt issuances, in accordance with the financial forecast. And, the Council can evaluate what fiscal steps may be necessary to fund projects (tax or utility rate adjustments, other funding sources, etc.) Lastly, staff can be searching for potential exterior funding sources such as grants or contributions from other entities.

DEPT.	PROJECT	DESCRIPTION	PROJECTED COST	COUNCIL STRATEGIC PLAN
Parks	Baseball and Softball Complex Improvements	Install turf at the existing seven fields and make assorted facility improvements	2,500,000	Goal C. Objective 2 - Tourism Goal C. Objective 3 - Park Development
		Additional miscellaneous improvements & equipment	500,000	
Parks	Perry Sampson Park	Renovation of park with new bathroom facilities and new playground equipment. Field renovations.	350,000 \$75,000 is dedicated in Park Fund	Goal C. Objective 3 - Park Development
Parks	Center trail improvements	Miscellaneous enhancements to Center trail system, including expanded nature trail, widened trail, lighting installation	300,000	Goal C. Objective 3 - Park Development
Police	Police Department remodel	Remodel of Center Police Station - painting, flooring, etc.	100,000	
Civic Center	Civic Center remodel	Remodel of Windham Civic Center - painting, flooring, new floor treatment for Foster Hall	300,000	
	Entryway Signs	Installation of 5 entryway signs	150,000	Goal C. Objective 1.3 - Quality of Life
Public Works	Westside Sewer Project	To install new waste water collection lines to serve the west side of the city	2,000,000	Goal B. Objective 1.2
Public Works	Northside Sewer Project	To install new waste water collection lines to serve the new Loop extension area	3,000,000	



Fund 42 Governmental Projects	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Revenues					
Bond Proceeds	265,117	4,350,000	0	0	0
Interest	3,655	23,246	10,000	50,000	20,000
Transfer	1,650	0	0	178,100	0
Donations	15,000	0	0	0	0
Grant	(35,402)	0	0	0	350,000
Total	250,020	4,373,246	10,000	228,100	370,000
Projects					
Community House Remodel	0	5,800	0	0	0
Downtown Renewal	17,730	171,514	3,937,600	2,583,700	1,886,900
TDA Downtown Sidewalk	4,500	0	0	0	0
Airport CIP Match	0	0	0	47,150	0
Perry Sampson Park	0	0	0	0	0
Ballard Street Park	0	849	0	0	0
Portacool Park	21,924	831	0	0	0
Entryway Sign	19,550	0	0	0	0
Police Technology	239,377	0	0	0	0
Fire Apparatus	0	0	350,000	280,000	0
Total	303,081	178,994	4,287,600	2,910,850	1,886,900
Beginning Fund Balance	88,827	35,766	4,323,902	4,230,018	1,547,268
Revenues Over/(Under)					
Expenses	(53,061)	4,194,252	(4,277,600)	(2,682,750)	(1,516,900)
Ending Fund Balance	35,766	4,230,018	46,302	1,547,268	30,368



	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Fund 44 Utility Projects					
Revenues					
Bond Proceeds	0	2,134,108	0	0	0
Interest	17,123	24,441	15,000	30,500	15,000
Transfers	0	0	0	0	0
Grant**	170,429	0	0	0	0
Total	187,552	2,158,549	15,000	30,500	15,000
Projects					
Southside Sewer Project	160	0	0	0	
Water Tank	3,596	5,886	185,400	190,600	0
Lagoon Improvement	0	1,568	703,800	413,000	0
WWTP Rehab	19,692	2,601	55,000	15,400	0
WWTP Solar Project	13,500	0	0	0	0
Elevated Storage Tank	0	0	356,000	3,000	0
Capital Water Lines	0	0	137,100	166,250	0
Capital Sewer Lines	0	0	1,108,700	937,400	0
Total	19,225	10,062	2,546,000	1,725,650	0
Beginning Fund Balance	536,710	705,037	2,656,787	2,853,524	1,158,374
Revenues Over/(Under)					
Expenses	168,327	2,148,486	(2,531,000)	(1,695,150)	15,000
Ending Fund Balance	705,037	2,853,524	125,787	1,158,374	1,188,374

****City anticipates receiving \$275,000 CDBG funds for new elevated storage tank – cost tbd.**



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**FY 2022 BUDGET
TAX INCREMENT REINVESTMENT DISTRICT #1
FUND NARRATIVE**

A Tax Increment Reinvestment Zone (TIRZ or TIF) is a financing tool enabled by the Texas Legislature in Chapter 311 of the Texas Tax Code, to assist cities in developing or redeveloping blighted areas with substandard infrastructure within their boundaries. Cities may create a TIRZ in areas where the absence of public infrastructure inhibits development.

How Does It Work?

A geographical area is designated as the TIRZ and the area's taxable value is calculated; this represents the base value. The taxing entity still receives the full base value of the property. Typically, the TIRZ borrows money to fund improvements, such as streets and utilities. Any future improvements or development of the property will cause the value to rise; this is the tax increment. The property tax amount is calculated on the increment and then dedicated towards the repayment of the loan. The TIRZ is dissolved once the debt is retired, all projects are complete or expiration of its created term.

TIRZ #1 was created to expedite the development of the vacant properties that have the potential for valuable commercial development. TIRZ #1 consists of a 72.29 acre tract of primarily vacant and agricultural land on the west side of the City. US 96 makes up the eastern boundary, Roughrider Drive is the southern boundary, the Center ISD property (Center High School) serves as the western boundary. The TIRZ #1 has a term of 20 years, beginning on July 15, 2010 and expiring July 14, 2030.



Tax Increment Reinvestment Zone #1 Map



The Center EDC funded the initial debt for the TIRZ project. A 3,800 foot street (Civic Center Drive), water, sewer, and drainage improvements were constructed. The participating taxing entities who contribute to the debt payments are the City of Center, Shelby County, and the Shelby County Road and Bridge. The City, acting as the TIF administrator uses the increment to calculate annual payments credited back to the EDC based on the loan agreement.

Since the TIF's creation, two new hotels and Center Motors have been constructed with other developments being planned.

TIF FUNDED IMPROVEMENTS

Civic Center Drive	\$410,000
Drainage Issues	61,300
Surveying, Engineering & Testing	55,000
Total	\$526,300
ACTUAL PROJECT EXPENDITURES	\$409,427

Due to the decline in the zone's property values in 2014, it became necessary to execute an amendment to the loan agreement in order to reduce the annual payments to a level more commensurate with generated revenues. Also, a stipulation was added that the TIF leave in reserve an amount less than or equal to one half of the annual payment amount.

With the slowdown in regional industry activity and the onset of the COVID-19 pandemic, many of the commercial properties in the zone were reappraised lower to account for current economic conditions.



**FY 2022 BUDGET
TAX INCREMENT FINANCING ZONE #1**

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Total Increment Amount	3,131,611	3,655,371	4,892,711	4,892,711	4,006,771
TIF Revenue					
City of Center	16,403	20,258	28,150	28,144	24,400
Shelby County	18,420	25,686	30,500	34,381	24,900
Road & Bridge	2,490	0	3,900	0	3,100
Interest Earnings	450	929	800	1,000	1,000
TOTAL	37,763	46,874	63,350	63,525	53,400
Debt Payments	28,223	28,223	28,250	28,223	28,250
Expenditures Over/(Under)	9,490	18,661	35,100	35,302	25,150
Revenues					
Reserve Amount	30,027	48,688	83,664	83,990	109,140
Loan Balance	261,139	240,750	219,749	219,749	198,118

Payment #	Due Date	Beginning Balance	Scheduled Payment	Principal	Interest	Ending Balance
1	02-01-2015	336,926.74	28,223.20	18,115.40	10,107.80	318,811.34
2	02-01-2016	318,811.34	28,223.20	18,658.86	9,564.34	300,152.48
3	02-01-2017	300,152.48	28,223.20	19,218.63	9,004.57	280,933.85
4	02-01-2018	280,933.85	28,223.20	19,795.19	8,428.02	261,138.67
5	02-01-2019	261,138.67	28,223.20	20,389.04	7,834.16	240,749.63
6	02-01-2020	240,749.63	28,223.20	21,000.71	7,222.49	219,748.92
7	02-01-2021	219,748.92	28,223.20	21,630.73	6,592.47	198,118.18
8	02-01-2022	198,118.18	28,223.20	22,279.66	5,943.55	175,838.53
9	02-01-2023	175,838.53	28,223.20	22,948.05	5,275.16	152,890.48
10	02-01-2024	152,890.48	28,223.20	23,636.49	4,586.71	129,254.00
11	02-01-2025	129,254.00	28,223.20	24,345.58	3,877.62	104,908.48
12	02-01-2026	104,908.41	28,223.20	25,075.95	3,147.25	79,832.47
13	02-01-2027	79,832.47	28,223.20	25,828.23	2,394.97	54,004.24
14	02-01-2028	54,004.24	28,223.20	26,603.07	1,620.13	27,401.17
15	02-01-2029	27,401.17	28,223.20	26,579.13	822.03	0

Original Principal Borrowed from Center EDC: \$409,427

Interest Rate: 3%

Cumulative Interest: \$70,546

June 2014 Loan Amendment

Principal Refinanced: 336,926.74

Interest Rate: 3%

Cumulative Interest \$86,421.27



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FY 2022 BUDGET CENTER ECONOMIC DEVELOPMENT CORPORATIONS

FUND NARRATIVE

The City of Center operates two distinct economic development corporations, a 4A and a 4B corporation as identified by Chapter 342 of the Texas Government Code. The 4B Corporation is dedicated to using sales tax revenue to reconstruct and rehabilitate City streets and thoroughfares. The 4A Corporation is the traditional economic development corporation in that it helps fund projects to locate and expand industry to create primary jobs. The 4B EDC collects a ½ cent sales tax on all taxable purchases inside of the City, and the 4A EDC collects a ¼ cent tax.

4A ECONOMIC DEVELOPMENT CORPORATION

In 1996, the voters in Center adopted a resolution authorizing the creation of a 5-member 4A EDC Board, which is appointed by the City Council.

In FY 2009, the 4A EDC agreed to provide the funding to create a Tax Increment Financing Zone (TIF) to pay for the construction of Civic Center Drive. The TIF borrowed the money from the EDC, and this infrastructure development was meant to create more developable area around the new Civic Center. The additional tax generated from increased values is directed to repaying the EDC. This is reflected as a payable due from the TIF.

Similarly, in FY 2016, the EDC entered into an agreement with VIATRACK, who began operations in the former Armstrong Hardwood Flooring plant. The agreement was for a loan/forgivable loan combination package

The Center EDC has also agreed to sponsor the new AWOS system at Center Municipal Airport. The Corporation also made contributions to extend utility service to areas serviced by the new Loop extension.

The Center EDC created three new programs – one to help entrepreneurs in the start-up process (EMERGE program), one to assist property owners improve their buildings and/or facades (INNOVA program) and the other to document tracts of land to facilitate marketing.

Finally, the EDC makes payments to the City to offset the costs of administration and staff services.

4B ECONOMIC DEVELOPMENT CORPORATION

Each year, the Street EDC allocates nearly \$600,000 for street reconstruction projects. In FY 2016, the EDC funded the match for a Downtown sidewalk grant, completed an update to the long-term street maintenance study, and began the reconstruction of Childs Street. In FY 2019, the EDC Board agreed to scheduled transfers to the Debt Fund to pay for a portion of the Downtown Renewal Project.

Finally, the Street EDC makes payments to the City to offset the costs of administration and staff services.



**FY 2022 BUDGET
4A ECONOMIC DEVELOPMENT CORPORATION**

In February 2020, the Center City Council and the Center Economic Development Corporation Board held a workshop to review the City/EDC's economic development program objectives. The result of this re-evaluation is the following goals:

- Maintain Center's traditional rural economic base by establishing an active business retention & expansion (BRE) program.
- Improve local demographics and attract new firms by building a workforce pipeline of skills for 21st Century jobs.
- Diversify the local economy and tax base by engaging in an aggressive campaign to recruit advanced manufacturing firms.
- Solidify the local economic base by facilitating new institutions to locate in Center.
- Undergird all other goals by attracting new and retaining existing workforce talent by enhancing the City's quality of life/place.
- Plan for sufficient infrastructure to facilitate new growth.

To begin implementation and progress towards these goals, the FY 2021 budget allocates funding for the following activities.

Account	Amount	Description
PC Software	1,000	Annual subscription for Adobe products
Development Assistance	75,000	This amount is included in the FY 2020 Estimate as the reimbursement to the City for the Tyson Shelbyville Street water line. The installation is complete, but Tyson has not connected to the line yet.
Documented Sites	110,000	Fully document an as-yet-identified large tract for future industrial use
Marketing	27,000	Develop dynamic virtual spec building - \$15,000. And \$12,000 to revamp the EDC website
Other	101,000	\$30,000 for City/EDC marketing-branding study. \$30,000 for incentive policy and procedure document. \$40,000 for municipal broadband network business/feasibility study
INNOVA Grants	40,000	Discretionary
Travel	4,000	Currently undefined due to uncertain nature of travel restrictions
Training	3,000	Attendance at IEDC and TEDC conferences
Subscriptions & Dues	3,000	Membership in IEDC, TEDC, and TFCP
Misc.	60,000	\$30,000 for local workforce skills gap analysis. \$30,000 for advanced training feasibility study and program development
Meeting Meals	4,200	\$2,000 for industrial breakfasts, \$1,200 for HR Roundtables, and \$1,000 for Board meetings



**FY 2022 BUDGET
4A ECONOMIC DEVELOPMENT CORPORATION**

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
REVENUE					
Sales Tax	400,734	434,229	418,200	418,200	401,500
Interest	18,876	34,816	24,000	20,000	20,000
Sale of Land	25,652	0	0	0	0
Viatic Payment	15,000	20,000	25,000	28,875	30,000
TIF Note Payments - Principal	19,795	20,389	21,000	21,000	21,650
TIF Note Payments - Interest	8,428	7,440	7,250	7,250	6,600
Other	0	0	0	0	0
Total Revenue	488,485	516,874	495,450	495,325	479,750
EXPENDITURES					
Supplies	0	1,943	0	0	1,000
Contractual	56,622	31,474	216,100	97,700	282,200
Sundry	8,332	13,621	16,000	10,400	76,200
Maintenance	2,983	2,983	3,000	3,000	3,000
Capital	0	0	0	0	0
Fund Transfers	55,000	55,000	60,000	60,000	85,000
Total Expenditures	122,937	105,020	295,100	171,100	447,400
Beginning Fund Balance	1,305,718	1,671,267	2,136,472	2,082,527	2,406,782
Revenues Over/(Under)					
Expenditures	365,549	411,260	200,350	324,255	32,350
Ending Fund Balance	1,671,267	2,082,527	2,336,822	2,406,782	2,439,132
Due from City - TIF Balance	261,136	240,750	219,755	219,755	198,118
Due from Viatic - Industrial Loan	175,000	155,000	130,000	130,000	100,000
Net Liquid Fund Balance	1,298,786	1,686,777	1,987,067	2,057,027	2,166,014

GOALS

Market the Community, seek cost effective advertising methods, attract outside investment, assist entrepreneurs in starting a business in Center



**FY 2022 BUDGET
4B ECONOMIC DEVELOPMENT CORPORATION**

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
REVENUE					
Sales Tax	801,469	838,681	836,400	836,400	803,000
Other	0	0	0	0	0
Interest	15,123	27,184	7,500	15,000	7,500
TOTAL REVENUE	816,592	865,867	843,900	851,400	810,500
EXPENDITURES					
Administration	25,000	25,000	30,000	30,000	30,000
Supplies	0	111	0	0	0
Contractual	3,900	3,910	3,900	3,900	3,900
Sundry	76	0	1,000	1,000	1,000
<u>Projects & Commitments</u>					
Annual Street Program	641,765	507,785	600,000	581,600	600,000
New Sidewalk Development	0	0	0	0	0
New Street Construction	0	0	0	0	0
Transfer to Debt	0	0	159,600	159,600	150,400
Engineering	0	0	40,000	40,000	0
TOTAL EXPENDITURES	670,741	536,805	834,500	821,600	825,300
BEGINNING FUND BALANCE	873,580	1,019,431	1,130,568	1,348,491	1,378,291
REVENUES OVER/(UNDER) EXPENDITURES	145,851	329,060	9,400	29,800	(23,200)
ENDING FUND BALANCE	1,019,431	1,348,491	1,139,968	1,378,291	1,355,091



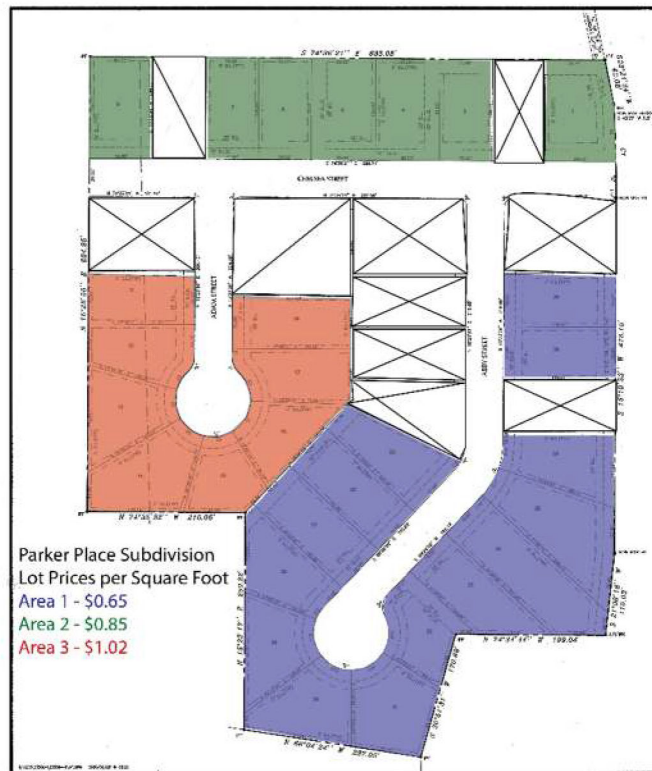
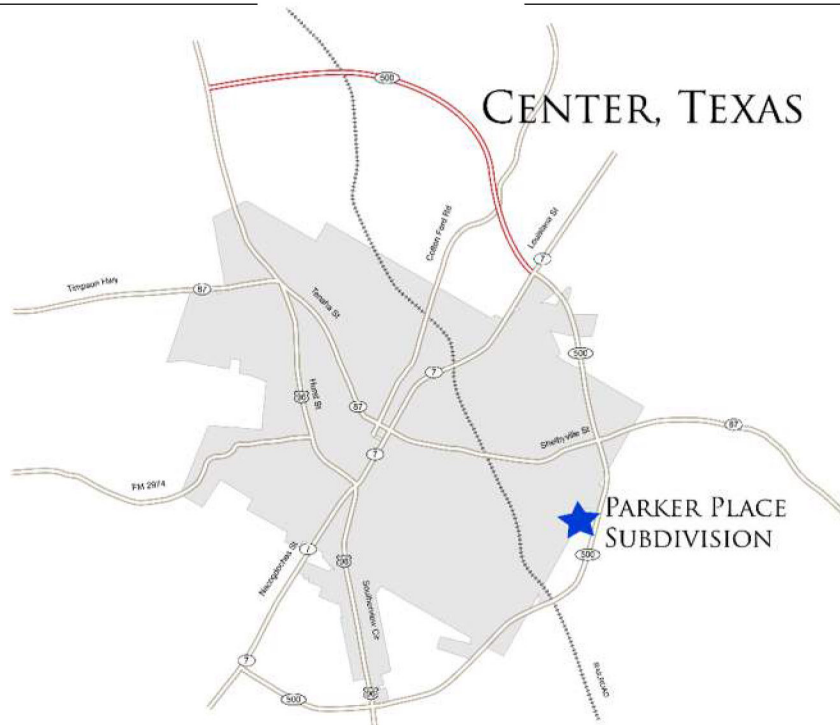
**FY 2022 BUDGET
CENTER LOCAL GOVERNMENT CORPORATION**

The Center Local Government Corporation was formed by the Center City Council in the Fall of 2018 with the mission of holding and managing the assets of the Parker Place subdivision. The City acquired the remaining subdivision lots in 2018 after reaching a settlement agreement with the owner. Following the repayment of a Housing Infrastructure Fund (HIF) grant, the owner wished to sell the lots at a discounted price in return for a release from any obligations to the City. The purpose of this activity is to work to sell the lots to builder or individual homeowners.

The Corporation will receive revenue from lot sale proceeds. The Corporation's expenses consist of minor administrative expenses and property maintenance.

The graphics on the following page shows the approximate location of the property and the number, layout, and price points of the available lots.

	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted Budget	FY 2021 Estimate	FY 2022 Proposed Budget
Revenues					
Contribution from City	0	36,076	0	0	0
Lot Sales	0	0	15,000	0	15,000
Interest	0	0	0	0	0
Total Revenue	0	36,076	15,000	0	15,000
Expenditures					
Personnel	0	0	0	0	0
Supplies	0	0	0	0	0
Contractual	0	562	4,500	1,800	4,500
Utilities	0	0	0	0	0
Sundry	0	0	0	0	0
Maintenance	0	0	0	0	0
Capital	0	0	0	0	0
Total Expenditures	0	562	4,500	1,800	4,500
BEGINNING FUND BALANCE	0	0	35,476	35,514	33,714
REVENUES OVER/(UNDER)					
EXPENDITURES	0	35,514	10,500	(1,800)	10,500
ENDING FUND BALANCE	0	35,514	45,976	33,714	44,214





APPENDIX A

DEBT MANAGEMENT POLICY

INTRODUCTION

The purpose of this policy is to ensure that the City of Center is responsible with the debt it issues and with future debt; that it maintains sufficient amounts of financial reserves to meet its debt service obligations; and, that the City can fund long range capital projects.

By adopting this policy, the Center City Council agrees that some long-range projects should be funded by means of debt. Certain capital projects have a cost which exceeds the ability of the City to save funds and then pay cash. Inflationary costs may push the cost of the project up to a point where it is more financially feasible to pay for the project in current rather than future dollars. Also, the project may be needed in the short term, which precludes the option of saving and then paying cash. Finally, the financial burden of some projects should be borne by those individuals who are receiving the benefit of the project.

POLICY

The City may authorize Certificate of Obligation (CO) bonds in the amount necessary to purchase capital items or fund capital projects.

The City shall issue debt when the use of debt is appropriate and specifically approved by the Center City Council and expenditure of such debt proceeds shall be in strict accordance with the designated purpose.

In no case shall the term of issued debt be longer than a period of 25 years. If the debt issue is for a single project, the term of the debt shall be no longer than the expected life of the project.

Long term debt shall not be used to finance current operations. Long term debt may also not be used to pay personnel costs related to the project management associated with the debt issuance.

The Center City Council shall exhibit a willingness to raise the necessary revenue to fully fund the current year's annual debt service payment.

In the budgetary process, the City Council shall ensure that all debt instruments will be properly funded in accordance with the appropriate bond covenants.

For revenue or tax and revenue supported debt, if system revenues are actually on deposit in the Interest and Sinking Fund prior to the time when ad valorem taxes are levied, then the amount of ad valorem taxes which otherwise would have been required to be levies may be reduced to the extent and by the amount of revenue on deposit in the Interest and Sinking fund.

Debt Limitations

At no time shall the total general fund debt obligation of the City of Center exceed 4% of the total taxable value of property inside the Center City Limits.

In regards to Utility System debt, revenue backed debt may only be issued to fund utility system improvements only when:



1. The benefit is for the overall system, such as water treatment plants, wastewater treatment plants, or means to secure additional water supplies.
2. The proposed project can demonstrate the capability to support the debt service payments.
3. The project will finance utility extensions to areas where the City has desired to annex property. At that point, the City may consider Combination Tax and Revenue Bonds.

Annual contributions to the debt service fund shall not exceed 20% of the total general fund or utility fund expenditure budget.

Debt may be used to finance improvements to extend service life of original capital improvements under the following conditions:

1. The original improvement is at or near the end of its expected service life.
2. The improvement extends the service life by at least 1/3 of the original service life.
3. The life of the financing is shorter than the life of the betterment.

Tax Rate

The City will maintain an overall tax rate at or below regional comparison cities. The Maintenance and Operations (M&O) tax rate and the Interest and Sinking (I&S) tax rate will remain relatively balanced.

Debt Structuring

The City will generally issue debt for a term not to exceed 25 years. In no case shall the term exceed the planned life of the asset purchased. The repayment schedule shall approximate level debt service unless operational matters or emergency situations dictate otherwise or if market conditions indicate a significant potential savings.

Bond Insurance

The City staff will analyze whether the cost of bond insurance outweighs the additional interest cost without bond insurance. The City staff shall recommend which approach saves the City the most in interest payment costs.

Disclosure

Full disclosure of economic conditions and operations shall be made to the bond rating agencies and other consumers of financial information. The City staff with the assistance of the financial advisor and bond counsel, shall prepare the necessary materials for presentation to the rating agencies, and shall aid in the production of Offering Statements.

The City will maintain communication with the financial advisor, bond counsel, and ratings agencies. The City will follow a policy of full disclosure in every financial report and official bond statement.

Debt Refinancing

It is incumbent upon the City Council to be good stewards of taxpayer and customer money. As such, it is the responsibility of the City Council and City Management to save as much money as possible on debt service payments. The Council may authorize the refinancing of debt when:

1. The debt instrument is eligible for refinance.
2. The interest rate will be lower than the current interest rate.
3. The City will realize substantial net savings compared to the existing debt instrument.
4. The refinance will not extend the life of the debt.



Capital Projects

The City will not engage in proposing additional capital projects, which would include incurring additional debt, until all projects in a debt issuance have been completed or will be completed within 3 months of debt package proposal.

Federal Requirements

The City will maintain procedures to comply with arbitrage rebate and other Federal requirements.



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APPENDIX B CITY FUND BALANCE POLICY

The City of Center recognizes the importance of maintaining an appropriate level of Unassigned Fund Balance. After evaluating the City's operating characteristics, diversity of tax base, reliability of non-property tax revenue sources, working capital needs, impact on bond rating, State and local economic outlooks, emergency and disaster risk, and other contingent issues, the City establishes the following goals regarding the Unassigned Fund Balance of the General Fund for the City of Center, Texas.

Beginning in FY 2016 and 2017, the City Council created the Vehicle Replacement Fund and Technology Fund as internal service funds. The City establishes the policy that, in the event of an emergency, the City is allowed to employ those resources.

The goal for this policy is that the City would retain in reserves a minimum of 25% and 30% optimally without any other funds. This equates to 90 to 120 days of operating reserves which would allow the City to continue providing services without receiving additional funding.

Once the City achieves its minimum goal of an appropriate level of Unassigned Fund Balance, any excess funds may be utilized for other municipal fiscal purposes, including without limitation, additional capital improvement needs or tax rate stabilization or reduction purposes.

This policy has been adopted by the City to recognize the financial importance of a stable and sufficient level of the Unassigned Fund Balance. However, the City, by adopting an official action, reserves the right to appropriate funds from the Unassigned Fund Balance for emergencies and other unanticipated requirements the City believes to be in the best interest of the City.

Fund Balance Analysis

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted Budget	FY 2020 Estimate	FY 2021 Proposed Budget
Fund Balance as of October 1 (includes receivables)	1,583,305	1,543,304	1,634,600	1,655,319	1,636,519
Revenues	4,818,939	4,967,015	4,963,000	5,025,600	5,019,000
Expenditures	4,858,940	4,855,000	4,963,000	5,044,400	5,019,000
Fund Balance as of September 30	1,543,304	1,655,319	1,634,600	1,636,519	1,636,519
Fund Balance Goal					
Minimum (25%)	1,214,735	1,213,750	1,240,750	1,261,100	1,254,750
Optimal (30%)	1,457,682	1,456,500	1,488,900	1,513,320	1,505,700
Goal Attainment					
Minimum (25%)	126%	136%	132%	130%	130%
Optimal (30%)	104%	114%	110%	108%	109%
Percent Liquid Fund Balance at Year End	95%	94%	90%	95%	95%



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APPENDIX C INVESTMENT POLICY

I. INTRODUCTION

The purpose of this document is the investment policy and strategy for the City of Center in order to achieve the goals of safety, liquidity, yield, and public trust for all investment activity. The City Council of the City of Center shall review and adopt its investment strategies and the Policy not less than annually. This policy serves to satisfy the statutory requirement (specifically the Public Funds Investment Act, Texas Government Code 2256 (the "Act")) to define, adopt, and review a formal investment strategy and policy.

II. INVESTMENT STRATEGY

The City of Center maintains portfolios which utilize four specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios.

- A. **Operating Funds.** Investment strategies for operating funds and co-mingled pools containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimal volatility during economic cycles. The dollar weighted average maturity of 6 months or less will be calculated using the stated final maturity date of each security.
- B. **Debt Service Funds.** Investment strategies for debt service funds shall have as their primary objective the assurance of investment liquidity adequate to cover the debt service obligations on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date and the next debt service date shall be fully funded before extensions are made. The maximum WAM shall be 9 months.
- C. **Debt Service Reserve Funds.** Investment strategies for debt service reserve funds shall have as their primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund from securities with a low degree of volatility. Securities should be of high credit quality and, except as may be required by the bond ordinance specific to an individual issue, of short to intermediate term maturities. The maximum WAM shall not exceed 9 months.
- D. **Special Projects Funds.** Investment strategies for special projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility and unanticipated project outlays. The stated final maturity dates of securities held should not exceed the estimated project completion date.

III. SCOPE

The investment policy applies to all financial assets of the City of Center. These funds are accounted for in the City's Comprehensive Annual Audit (Audit) and include:

- General Fund
- Special Revenue Fund
- Capital Project Fund
- Enterprise Funds



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- Trust and Agency Funds
 - Other funds as created from time to time

IV. OBJECTIVES

The City of Center shall manage and invest its cash with four objectives, listed in order of priority: Safety, Liquidity, Yield, and Public Trust. The preservation of capital always remains the primary objective. All investments shall be designated and managed in a manner responsive to the public trust and consistent with State and Local law. (Public Funds Investment Act, Texas Government Code 2256.)

A. SAFETY

The primary objective of the City's investment activity is the preservation of capital in the overall portfolio. Each investment transaction shall be conducted in a manner to avoid capital losses, whether they be from securities defaults or erosion of market value. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

B. LIQUIDITY

The City's investment portfolio shall be structured such that the City is able to meet all obligations in a timely manner. This shall be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.

C. YIELD

The City's cash management portfolio shall be designed with the objective of regularly exceeding the average rate of return on three month U.S. Treasury Bills. The investment program shall seek to augment returns above this threshold consistent with risk limitations identified herein and prudent investment policies.

D. PUBLIC TRUST

All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction which might impair public confidence in the City's ability to govern effectively.

V. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES AND BROKER/DEALERS

A list will be maintained of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by conducting a process of due diligence. These may include 'primary' dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1. This list will be reviewed and adopted annually

The investment officer shall determine which financial institutions are authorized to provide investment services to the City. Institutions eligible to transact investment business with the City include primary government dealers as designated by the Federal Reserve Bank; nationally or state chartered banks; the Federal Reserve Bank; and direct issuers of securities eligible for purchase.



The City may contract with an investment management agent registered under the Investment Advisors Act of 1940 and with the State Securities Board to execute discretionary investment transactions and provide management of the investment portfolio within the guidelines of this policy. The advisory contract may not be for a term of more than two years. A renewal or extension of the contract must be made by resolution of the City Council.

The City may execute transactions only through or with entities that have been provided a copy of the City's investment policy and have signed a written instrument acknowledging that the organization has received and reviewed the City's investment policy and that it will limit transactions to those authorized under this policy.

Selection of financial institutions and broker/dealers authorized to engage in transactions with the City shall be at the sole discretion of the City.

VI. RESPONSIBILITY AND CONTROL

A. FINANCE COMMITTEE

A Finance Committee, consisting of appointments by the City of Center Council shall review operational strategies and monitor results. The Finance Committee shall include in its deliberation such topics as: performance reports, economic outlook, portfolio diversification, maturity structure, potential risk to the City's funds and authorized brokers and dealers.

B. DELEGATION OF AUTHORITY AND TRAINING

The authority to manage the City's investment program is derived from a resolution of the City Council. The Director of Finance is designated as investment officer of the City and is responsible for investment decisions and activities. The City Manager is designated as investment officer in the same capacity as the Finance Director in the event the Finance Director is not available or needs assistance. The Director of Finance shall establish written procedures for the operation of the investment program, consistent with this Investment Policy. The investment officers shall attend at least one training session of 10 hours relating to the officer's responsibility under the Act within 12 months after assuming duties and every succeeding two-year period.

C. INTERNAL CONTROLS

The Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Director of Finance shall establish a process for annual independent reviews by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- A. Control of collusion.
- B. Separation of transaction authority from accounting to record keeping.
- C. Custodial safekeeping.



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- D. Electronic transfer of funds and securities.
 - E. Clear delegation of authority to subordinate staff members.
 - F. Written confirmation for telephone (voice) transaction for investments and wire transfers.
 - G. Execution of a wire transfer agreement with the depository bank or third party custodian.

D. PRUDENCE

The standard of prudence to be applied by the investment officer shall be the “prudent investor” rule, which states: “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.” In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration.

- A. The investment of all funds, or funds under the City’s control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment.
- B. Whether the investment decision was consistent with the written investment policy of the City.

The investment officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally liable for a specific security’s credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.

E. ETHICS AND CONFLICTS OF INTEREST

City staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions. City staff shall disclose to the City Manager any material financial interests in financial institutions that conduct business with the City and they shall further disclose positions that could be related to the performance of the City’s portfolio. City staff shall subordinate their personal financial transactions to those of the City, particularly with regard to timing of purchases and sales.

An investment officer of the City who has a personal relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

VII. COMPETITIVE TRANSACTIONS

Competitive bid information will be required on all purchases of investment instruments purchased on the secondary market (new issues are excepted). A competitive bid can be executed through a bidding process involving at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform

VIII. SAFEKEEPING AND CUSTODY



All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment basis (DVP) to ensure that securities are deposited in the City's safekeeping institution prior to the release of funds.

Securities will be held by an independent third-party safekeeping institution selected by the City. All securities will be evidenced by safekeeping receipts in the City's name.

IX. COLLATERAL

Consistent with State law requirements, the City requires all bank deposits to be Federally insured or collateralized with eligible securities. Financial institutions serving as City depositories will execute a Depository Agreement. The safekeeping portion of the Agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations.

A. Time and Demand Collateral. All City time and demand deposits shall be secured above FDIC coverage by pledged collateral. In order to anticipate market changes and provide a level of security for all funds, collateral will be maintained and monitored by the depository at 102% of market value of principal and accrued interest on the deposits. The bank shall review collateral at least quarterly to ensure that the market value of the pledged securities is maintained at 102% or greater.

Collateral pledged to secure deposits shall be held by an independent financial institution outside the holding company of the depository. The City shall require monthly reports from institutions that hold deposits for the City, demonstrating compliance of pledged securities. All collateral shall be subject to inspection and audit by the City or the City's independent auditors.

X. REPORTING

A. QUARTERLY REPORTING

The Director of Finance shall submit a signed quarterly investment report that summarizes current market conditions, economic developments and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter, and describe the portfolio in terms of investment securities, maturities, risk characteristics and shall explain the total investment return for the quarter. The report shall be signed by all investment officers.

B. ANNUAL REPORT

Within 60 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council.

The quarterly investment report shall include detail and a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the City Manager and City Council. The report will include the following:

A. A listing of individual securities held at the end of the reporting period.