



ECONOMIC DEVELOPMENT

The City maintains the accounting and financial statements for two component units. The Sachse Economic Development Corporation is reported as a discrete component unit on the government wide financial statements. The George Bush Turnpike Reinvestment Zone is reported as a blended component unit and is a major fund.

The Sachse Economic Development Corporation (SEDC) serves all citizens of the City and is governed by a seven member board of directors appointed by the Sachse City Council. A Chief Executive Director is appointed by the SEDC seven member board to carry out the Board's administrative and policy initiatives. The SEDC is a 4B Corporation and is supported by a half-cent sales tax voted by referendum in 1994. The scope of public service of the SEDC benefits the City and its citizens and is operated primarily within geographic boundaries of the City.





2012-2013 Budget

September, 2012

Board of Directors

Kenneth Thomas, President

Darrell Lensch, Vice President

Jared Patterson

Brian Poff

Mark Caldwell

Eric Dumois

Suzanne Politz

Carlos Vigil, Executive Director

September 12, 2012

To the Mayor, City Council and City Manager:

The Sachse Economic Development Corporation is submitting the 2012-2013 proposed budget for your review, consideration and approval. The Sachse Economic Development Corporation has reviewed and unanimously approved the attached budget at the regular scheduled Board meeting on August 8, 2012.

The budget includes set-aside funds for projects to be funded in 2012 that are of a discretionary purpose and ultimately require City Council approval before any funds are disbursed.

In this budget package you will find;

Submittal Letter

Resolution No. 081012

Budgetary Summary

Line Item Backup Sheets

The Sachse Economic Development Board of Directors will continue to fulfill the mission of the Economic Development Corporation which is, *to act on behalf of the City of Sachse in promoting and developing authorized projects, while supporting economic development activities to retain, expand and attract businesses for the purpose of diversifying the tax base and improving the quality of life of the citizens of Sachse.*

We respectfully submit the SEDC 2012 – 2013 budget for consideration.

SEDC Board of Directors

Kenneth Thomas, President

Jared Patterson

Mark Caldwell

Suzanne Politz

Darrell Lensch, Vice President

Brian Poff

Eric Dumois

RESOLUTION NO. 030812

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SACHSE ECONOMIC DEVELOPMENT CORPORATION ("SEDC") APPROVING AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2012, AND ENDING SEPTEMBER 30, 2013; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Executive Director of the Sachse Economic Development Corporation has prepared and submitted to the Sachse Economic Development Corporation Board of Directors a budget estimate of expenditures and revenues for the fiscal year beginning October 1, 2012 and ending September 30, 2013; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SACHSE ECONOMIC DEVELOPMENT CORPORATION:

Section 1. That the above recitals are hereby found to be true and correct and incorporated herein for all purposes.

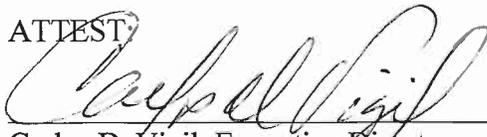
Section 2. That for the purpose of providing the funds necessary and proposed to be expended in the budget of the Sachse Economic Development Corporation for the fiscal year beginning October 1, 2012 and ending September 30, 2013, the budget heretofore prepared by the Executive Director and submitted to the Board of Directors of the Sachse Economic Development Corporation is hereby approved.

Section 3. That this resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY RESOLVED AND ADOPTED by the Board of Directors of the Sachse Economic Development Corporation, on this the 8th day of AUGUST, 2012.

SACHSE ECONOMIC DEVELOPMENT CORPORATION


Kenneth Thomas, President

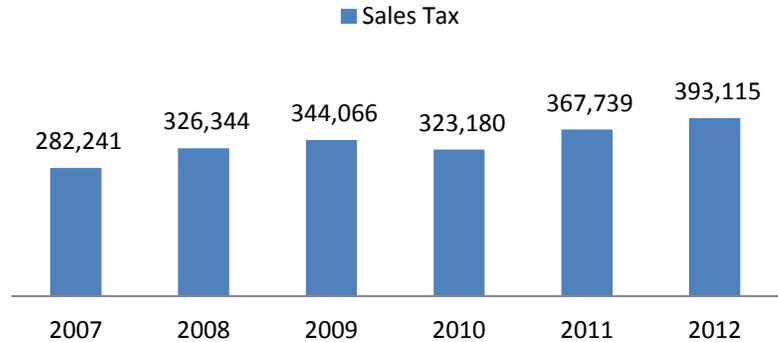
ATTEST:

Carlos D. Vigil, Executive Director

SACHSE ECONOMIC DEVELOPMENT CORPORATION

Sales Tax (98%)

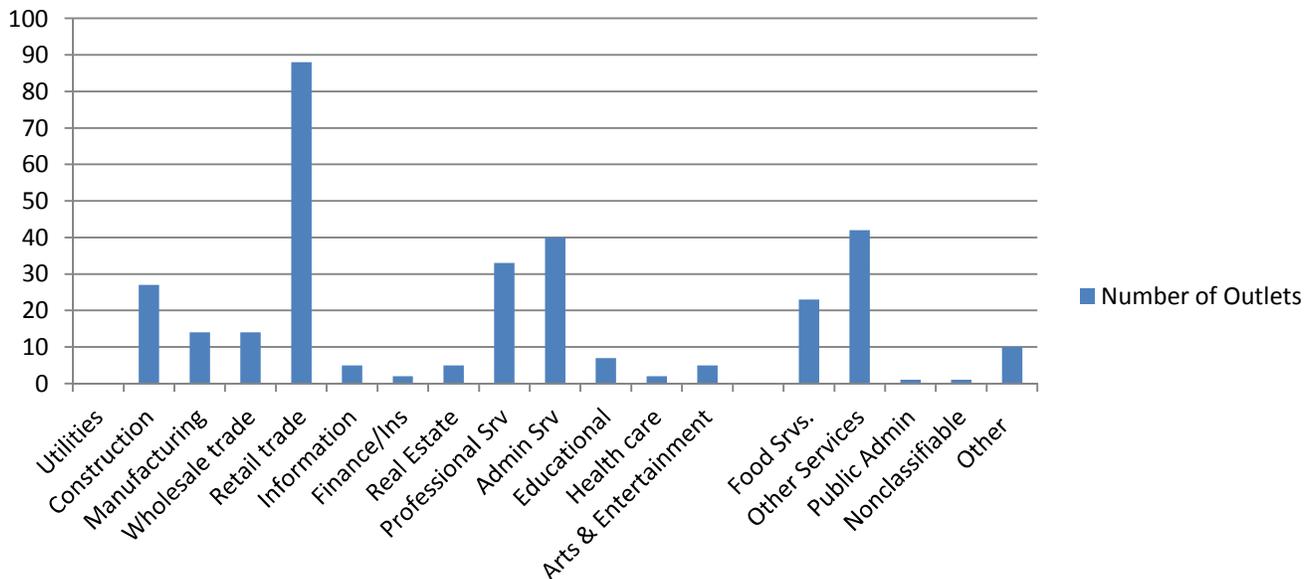
State Sales and Use tax is imposed on all retail sales, leases and rental of most goods, as well as taxable services. The combined total of state and local taxes is 7.75%: City, 1.0%, SEDC 4B, .5%; State 6.25%.

Sales Tax



| Forecast Methodology | Assumptions about Environmental Factors | Revenue Assumptions | 2012 Revenue Projection | 2013 Revenue Projection |
|--|---|-------------------------|-------------------------|-------------------------|
| Formula: (A/B) Where: A = April Sales Tax Revenue B = Avg 5 yr % collected (April) | 1. Administered by Texas Comptroller's Office | A. 227,003.66 B. 57% | \$ 398,252 | \$ 410,252 |

Sales Tax Outlets by Category (1st qtr 2012)



| | | |
|--|--|-----------------------------|
| DEPARTMENT: ECONOMIC DEVELOPMENT FUND | | FUND: SEDC |
| MISSION STATEMENT & PROGRAM DESCRIPTION | | |
| <p>The mission of the Sachse Economic Development Corporation is to act on behalf of the City of Sachse in promoting and developing authorized projects, while supporting economic development activities to retain, expand and attract business for the purpose of diversifying the tax base and improving the quality of life for the citizens of Sachse.</p> | | |
| <p>The 4B Sales tax provides cities with a wider range of uses for the tax revenues because it is intended to give communities an opportunity to undertake a project for quality of life improvements, including economic development that will attract and retain primary employers. Cities may use money raised by this sales tax for a wide variety of projects including land, buildings, equipment, facilities, expenditures and improvements related to projects defined by the board of directors to be required or suitable for use for: (1) professional and amateur sports (including children's sports) and athletic facilities; tourism and entertainment facilities; convention and public park purposes and events, (including stadiums, ballparks, auditoriums, amphitheaters, concert halls, parks and open space improvements, museums, exhibition facilities); (2) related store, restaurant, concession, parking and transportation facilities; (3) related street, water and sewer facilities; and (4) affordable housing.</p> | | |
| <p>To promote and develop new and expanded business enterprises that create or retain primary jobs, a city may provide: (1) public safety facilities; (2) recycling facilities; (3) streets and roads; (4) drainage and related improvements; (5) demolition of existing structures; (6) general municipally owned improvements; (7) maintenance and operating costs associated with projects; and (8) any other project that the board determines will contribute to the promotion or development of new or expanded business enterprises that create or retain primary jobs.</p> | | |
| STRATEGIC OBJECTIVES | GOALS | |
| Enhance community aesthetics and promote positive environmental image | <p>Continue to promote and develop authorized projects that meet all codes and ordinance requirements for aesthetics and a positive City image.</p> <p>Continue brand development for the City of Sachse.</p> | |
| Ensure financial stability | <p>Continue to utilize all funding options including incentives to promote new development and upgrade infrastructure.</p> | |
| Promote business incentives | <p>Investigate incentive programs in other regions and offerings of direct competitors to develop industry specific incentives.</p> <p>Explore tax abatement and property tax options to create a pro-business/pro-development process.</p> <p>Facilitate a fast tracking approval process.</p> <p>Assign a "Project Manager."</p> | |
| Plan, Expand, Upgrade, and Maintain infrastructure | <p>Identify an anchor for the PGBT district.</p> <p>Develop infrastructure in the PGBT district to include utilities, sewer and roadway and "service" roads.</p> <p>Facilitate the redevelopment and enhancement of Highway 78 Corridor by marketing and promoting opportunities to current owners.</p> <p>Investigate "flex" redevelopment/expansion of Highway 78 Corridor with a view to securing a suitable anchor.</p> <p>Consider demolition options along Highway 78 Corridor.</p> <p>Facilitate the construction of a bridge to attract future business for the Woodbridge West Development.</p> | |
| Ensure effective communication exchange | <p>Continue to promote the City of Sachse through networking, cooperative municipal efforts and use of media including the City website to answer development questions and provide contact information.</p> <p>Market identified business incentives through the available media offerings to include internet, social media and brochures.</p> <p>Develop ideal methods to gather feedback and specific data on possible complaints and ideas of improvements when promoting business incentives.</p> | |

| | |
|--|-----------------------------|
| DEPARTMENT: ECONOMIC DEVELOPMENT FUND | FUND: SEDC |
|--|-----------------------------|

MAJOR ACCOMPLISHMENTS IN FISCAL YEAR 2012

Strategic Objective: Enhance community aesthetics and promote positive environmental image

Action: Wal-Mart, McDonald's, Frankie's, Colonial Savings, Panda Chef, Pawsmotology, Discover Dentistry, Hallmark Store.

Strategic Objective: Ensure financial stability

Action: Funding for Brookview Center, Tacos y Salsas, City entry sign, Sachse Historical Society, and Fireworks Special Event.

Strategic Objective: Plan, expand, upgrade and maintain infrastructure

Action: Created Highway 78 Redevelopment Plan.
Action: Authored an Incentive Policy
Action: Leisure and Art Recreation Concepts (LARC) Feasibility

Strategic Objective: Ensure effective communication exchange

Action: Conducted joint meetings with Chamber of Commerce.
Action: Networking, Angie Chen Button, District State Representative.

Did you know?

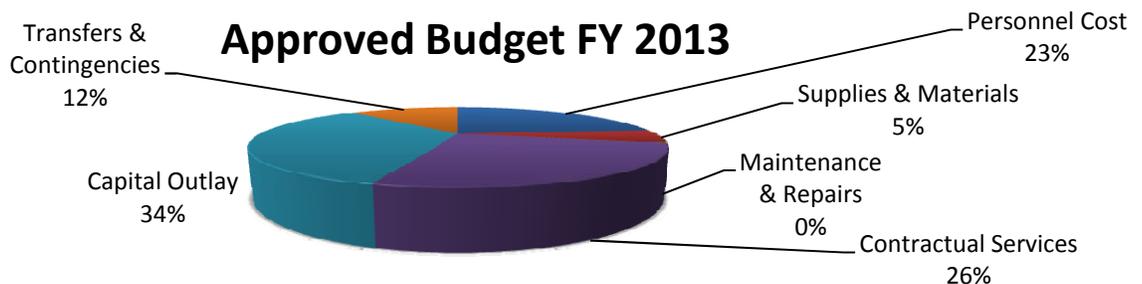
Branding is the City's "personality" - what the City stands for and what it is known for. A brand creates an image in the mind of the business and the consumer. It says something is special - more than business as usual. "If you've got a brand, you're selling a lifestyle and you can sell anything you want."

Steve Manning, managing director of Igor, a branding and naming firm based in San Francisco.

MAJOR BUDGETARY ISSUES

The increased cost of construction for expansions and upgrades of infrastructure are a major constraint that the SEDC will continue to analyze to achieve the best financing options for all economic development projects.

| PERFORMANCE INDICATORS | 2009-2010 | 2010-2011 | 2011-2012 | Budget 2012-2013 |
|-------------------------------|------------------|------------------|------------------|-------------------------|
| Activities: | | | | |
| New Business Contacts | 3 | 6 | 8 | 8 |
| Promotion Packages Sent | 6 | 10 | 18 | 18 |
| New Business Recruitment | 3 | 3 | 8 | 8 |
| Abatement Monitored | 6 | 8 | 3 | 3 |
| Conventions Attended | 1 | 2 | 3 | 3 |
| Board Meetings | 8 | 11 | 14 | 14 |
| Special Called Meetings | 1 | 2 | 3 | 3 |
| Out of Town Networking | 3 | 6 | 6 | 6 |
| Training | 0 | 1 | 1 | 1 |



| | | | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| DEPARTMENT: ECONOMIC DEVELOPMENT FUND | | | | | FUND: SEDC |
| EXPENDITURES | Actual 2009/10 | Actual 2010/11 | Budget 2011/12 | Budget 2012/13 | % Increase/ Decrease |
| Category: | | | | | |
| Personnel Cost | \$ 63,893 | \$ 121,009 | \$ 101,563 | \$ 114,246 | 11% |
| Supplies & Materials | 29,288 | 14,080 | 25,838 | 26,330 | 2% |
| Maintenance & Repairs | 18 | 189 | 800 | 500 | -60% |
| Contractual Services | 92,791 | 65,195 | 137,138 | 126,000 | -9% |
| Capital Outlay | 10,990,986 | 126,988 | 194,000 | 164,000 | -18% |
| Transfers & Contingencies | 45,557 | 58,967 | 56,401 | 56,570 | 0% |
| TOTAL | \$ 11,222,533 | \$ 386,428 | \$ 515,740 | \$ 487,646 | |



FULL-TIME EQUIVALENT (FTE) PERSONNEL SCHEDULE

| Description | Actual 2008/09 | Actual 2009/10 | Actual 2010/11 | Budget 2011/12 | Budget 2012/13 |
|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Full-Time | 1 | 1 | 1 | 1 | 1 |
| Continuous Part-Time | 0 | 0 | 0 | 0 | 0 |
| Temporary | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 1 | 1 | 1 | 1 | 1 |

AVAILABLE INCENTIVE OPTIONS

*Tax Abatement
Skills Development Fund
Texas Enterprise Fund*

*Sign Grants
Infrastructure Improvements
Tax Increment Financing*

*Fee Waivers
380 Agreements
Expedited Permitting*

SACHSE
Economic Development Corporation

A lot to sell, a lot to tell...

WELCOME TO Sachse
Established 1845

DEMOGRAPHIC SNAPSHOT
Population: 180,500 (12 min. drive time)
Households: 60,000 (2013 estimate)
Median Age: 35 to 44 years (current)
Average Household Income: \$89,079 (current)

For More Information, Please Contact:
Carlos Vigil, Sachse Economic Development Corporation
3815 Sachse Rd., Building B • Sachse, Texas 75048 • 469.429.4764 • www.sachseedc.com

**SUMMARY OF REVENUES AND EXPENDITURES
FISCAL YEAR 2012-2013**

SACHSE ECONOMIC DEVELOPMENT FUND

| | Actual FY 2010/11 | Budget FY 2011/12 | Projected FY 2011/12 | Proposed Budget FY 2012/13 |
|---|------------------------------|------------------------------|---------------------------------|---|
| BEGINNING FUND BALANCE | 3,137,617 | 3,123,056 | 3,123,056 | 3,266,772 |
| <u>REVENUES</u> | | | | |
| Other Taxes | \$367,739 | \$380,664 | \$393,115 | \$410,273 |
| Interest, Rent & Leases | 4,128 | 7,500 | 6,986 | 7,500 |
| Grants & Donations | 0 | 100 | 0 | 0 |
| TOTAL REVENUES | \$371,867 | \$388,264 | \$400,101 | \$417,773 |
| <u>EXPENDITURES</u> | | | | |
| Personnel Costs | \$121,009 | \$101,563 | \$107,675 | \$114,246 |
| Supplies & Materials | 14,080 | 25,838 | 7,092 | 26,330 |
| Maintenance & Repairs | 189 | 800 | 118 | 500 |
| Contractual Services | 65,195 | 137,138 | 70,931 | 126,000 |
| Capital Outlays | 126,988 | 194,000 | 14,505 | 164,000 |
| Transfers & Contingencies | 58,967 | 56,401 | 56,064 | 56,570 |
| TOTAL EXPENDITURES | \$386,428 | \$515,740 | \$256,386 | \$487,646 |
| TOTAL REVENUES OVER EXPENDITURES | \$ (14,561) | \$ (127,476) | \$ 143,716 | \$ (69,873) |
| ENDING FUND BALANCE | \$3,123,056 | \$2,995,580 | \$3,266,772 | \$3,196,899 |

**REVENUE
FISCAL YEAR 2012-2013**

SACHSE ECONOMIC DEVELOPMENT FUND

| | <u>Actual FY 2010/11</u> | <u>Budget FY 2011/12</u> | <u>Projected FY 2011/12</u> | <u>Proposed Budget FY 2012/13</u> |
|---|------------------------------|------------------------------|---------------------------------|---|
| <u>OTHER TAXES</u> | | | | |
| Sales Taxes | 367,739 | 380,664 | 393,115 | 410,273 |
| TOTAL OTHER TAXES | <u>\$367,739</u> | <u>\$380,664</u> | <u>\$393,115</u> | <u>\$410,273</u> |
| <u>INTEREST, RENT & LEASES</u> | | | | |
| Interest Income | 4,128 | 7,500 | 6,986 | 7,500 |
| TOTAL INTEREST, RENT & LEASES | <u>\$4,128</u> | <u>\$7,500</u> | <u>\$6,986</u> | <u>\$7,500</u> |
| <u>GRANTS & DONATIONS</u> | | | | |
| Miscellaneous Grants & Donations | 0 | 100 | 0 | 0 |
| TOTAL GRANTS & DONATIONS | <u>\$0</u> | <u>\$100</u> | <u>\$0</u> | <u>\$0</u> |
| TOTAL REVENUES | <u>\$371,867</u> | <u>\$388,264</u> | <u>\$400,101</u> | <u>\$417,773</u> |

**EXPENDITURES
FISCAL YEAR 2012-2013**

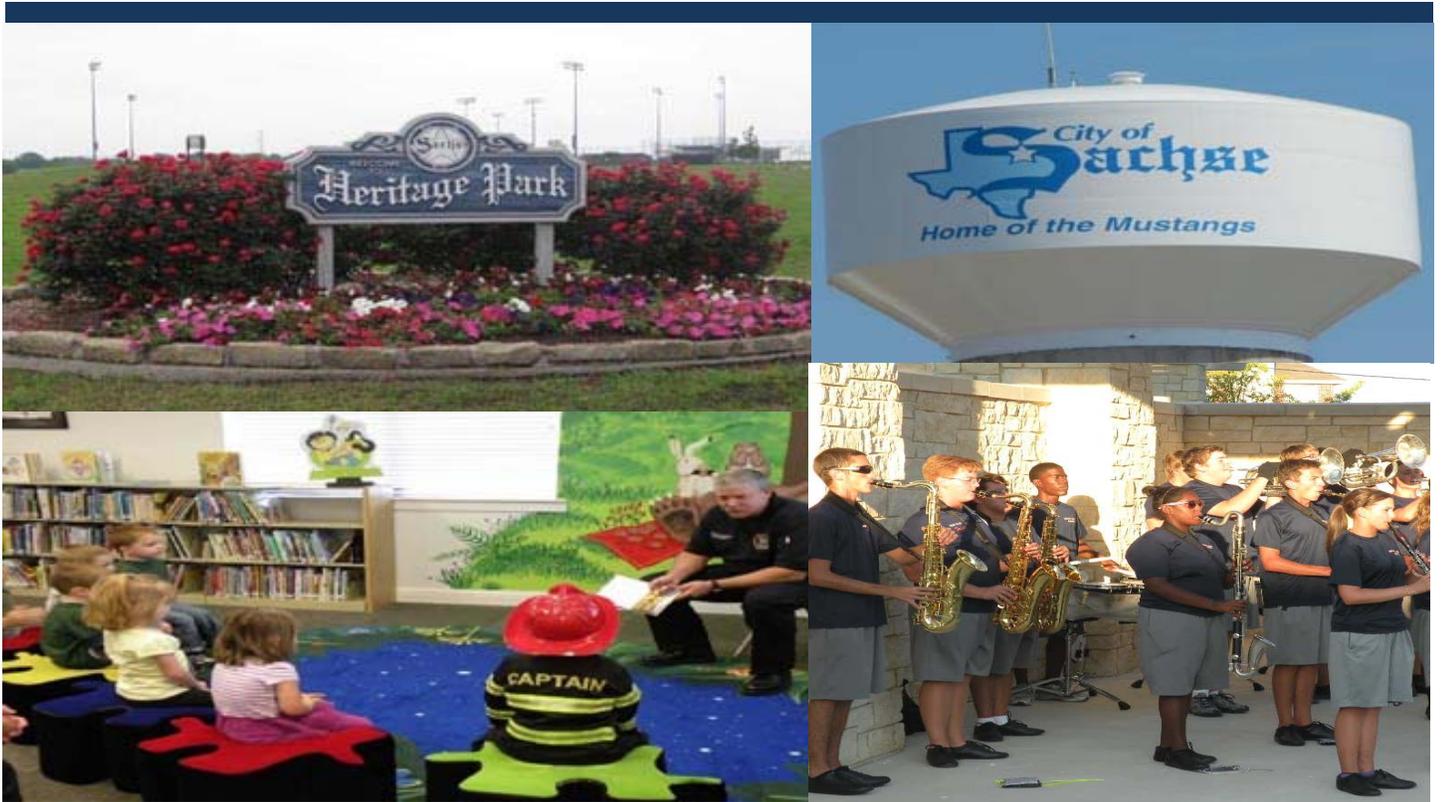
SACHSE ECONOMIC DEVELOPMENT FUND

| | <u>Actual</u> <u>FY 2010/11</u> | <u>Budget</u> <u>FY 2011/12</u> | <u>Projected</u> <u>FY 2011/12</u> | <u>Proposed</u> <u>Budget</u> <u>FY 2012/13</u> |
|---|------------------------------------|------------------------------------|---------------------------------------|---|
| <u>PERSONNEL COSTS</u> | | | | |
| Wages & Salaries | \$98,213 | \$85,000 | \$85,234 | \$88,462 |
| Longevity | 0 | 0 | 76 | 124 |
| Social Security & Med & FICA | 7,163 | 6,503 | 6,597 | 6,777 |
| TMRS Contributions | 10,938 | 9,545 | 9,662 | 10,061 |
| Health Insurance | 4,415 | 0 | 5,515 | 4,914 |
| Dental/Life Insurance | 0 | 0 | 0 | 3,304 |
| Workers Compensation | 202 | 335 | 331 | 343 |
| Unemployment Tax | 78 | 180 | 261 | 261 |
| TOTAL PERSONNEL COSTS | <u>\$121,009</u> | <u>\$101,563</u> | <u>\$107,675</u> | <u>\$114,246</u> |
| <u>SUPPLIES & MATERIALS</u> | | | | |
| Utilities - Communications | \$3,551 | \$1,008 | \$1,491 | \$1,500 |
| Office Supplies | 542 | 2,000 | 553 | 2,000 |
| Postage | 234 | 2,000 | 48 | 2,000 |
| Business Retention Efforts | 105 | 2,500 | 0 | 2,500 |
| Special Programming Supplies | 170 | 5,000 | 140 | 5,000 |
| Small Tools & Equipment | 211 | 1,000 | 0 | 1,000 |
| Fuel & Lubricants | 228 | 0 | 195 | 0 |
| Dues & Subscriptions | 3,117 | 3,580 | 2,870 | 3,580 |
| Employee Training | 5,922 | 8,750 | 1,794 | 8,750 |
| TOTAL SUPPLIES & MATERIALS | <u>\$14,080</u> | <u>\$25,838</u> | <u>\$7,092</u> | <u>\$26,330</u> |
| <u>MAINTENANCE & REPAIRS</u> | | | | |
| Vehicle Repairs & Maintenance | \$189 | \$800 | \$118 | \$500 |
| TOTAL MAINTENANCE & REPAIRS | <u>\$189</u> | <u>\$800</u> | <u>\$118</u> | <u>\$500</u> |
| <u>CONTRACTUAL SERVICES</u> | | | | |
| Professional Fees | \$43,514 | \$66,638 | \$62,686 | \$57,000 |
| Printer Services | 189 | 2,500 | 85 | 2,500 |
| Advertising & Legal Publications | 21,492 | 68,000 | 8,160 | 66,500 |
| TOTAL CONTRACTUAL SERVICES | <u>\$65,195</u> | <u>\$137,138</u> | <u>\$70,931</u> | <u>\$126,000</u> |
| <u>CAPITAL OUTLAY</u> | | | | |
| Local Business Grant Program | 126,988 | 194,000 | 14,505 | 164,000 |
| TOTAL CAPITAL OUTLAY | <u>\$126,988</u> | <u>\$194,000</u> | <u>\$14,505</u> | <u>\$164,000</u> |
| <u>TRANSFERS & CONTINGENCIES</u> | | | | |
| Operating Transfers Out - General Fund | 58,967 | 56,401 | 56,064 | 56,570 |
| TOTAL TRANSFERS & CONTINGENCIES | <u>\$58,967</u> | <u>\$56,401</u> | <u>\$56,064</u> | <u>\$56,570</u> |
| TOTAL EXPENDITURES | <u>\$386,428</u> | <u>\$515,740</u> | <u>\$256,386</u> | <u>\$487,646</u> |





SUPPLEMENTAL/GLOSSARY



CITY OF SACHSE, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(Unaudited)

| Fiscal Year | Estimated Market Value | | | Total Taxable Assessed Value | Total Direct Tax Rate ^a |
|----------------|------------------------|----------------------|------------------------------|---------------------------------|---------------------------------------|
| | Real Property | Personal Property | Less: Tax-Exempt Property | | |
| 2002 | \$ 703,073,304 | \$ 27,931,382 | \$ 56,691,977 | \$ 674,312,709 | \$ 0.58882 |
| 2003 | 790,350,431 | 27,612,804 | 56,086,207 | 761,877,028 | 0.57540 |
| 2004 | 905,638,916 | 28,172,703 | 58,839,162 | 874,972,457 | 0.56006 |
| 2005 | 972,981,183 | 25,867,428 | 47,340,710 | 951,507,901 | 0.55832 |
| 2006 | 1,056,846,756 | 25,655,260 | 55,782,708 | 1,026,719,308 | 0.55832 |
| 2007 | 1,159,232,775 | 27,492,978 | 54,164,913 | 1,132,560,840 | 0.55832 |
| 2008 | 1,230,433,837 | 30,098,392 | 56,599,871 | 1,203,932,358 | 0.55341 |
| 2009 | 1,247,325,789 | 31,837,705 | 65,308,411 | 1,213,855,083 | 0.61000 |
| 2010 | 1,269,254,588 | 28,781,053 | 104,232,665 | 1,193,802,976 | 0.70582 |
| 2011 | 1,296,895,777 | 29,326,411 | 92,056,890 | 1,234,165,298 | 0.70582 |
| 2012 | 1,305,838,280 | 29,242,328 | 96,519,435 | 1,238,561,173 | 0.77082 |
| 2013 | 1,320,191,067 | 30,495,096 | 101,886,747 | 1,248,799,416 | 0.77082 |

Source: City of Sachse Budget Document
Dallas & Collin Central Appraisal Districts

^a per \$100 of assessed value

CITY OF SACHSE, TEXAS

**DIRECT AND OVERLAPPING PROPERTY TAX RATES (per \$100 of assessed value)
Last Ten Fiscal Year
(Unaudited)**

| Fiscal Year | City Direct Rates | | | Overlapping Rates | | | | | |
|-------------|------------------------|---------------------------------|--------------|-------------------------------------|---------------|------------------------------|-----------------------------------|---------------|------------------------------|
| | Operating/General Rate | General Obligation Debt Service | Total Direct | Garland Independent School District | Dallas County | Total Dallas County Entities | Wylie Independent School District | Collin County | Total Collin County Entities |
| 2002 | \$ 0.52800 | \$ 0.06090 | \$ 0.58890 | \$ 1.45860 | \$ 0.51553 | \$ 2.56303 | \$ 1.56090 | \$ 0.34284 | \$ 2.49264 |
| 2003 | 0.50840 | 0.06700 | 0.57540 | 1.45860 | 0.51550 | 2.54950 | 1.61000 | 0.34195 | 2.52735 |
| 2004 | 0.46650 | 0.09350 | 0.56000 | 1.55850 | 0.54116 | 2.65966 | 1.72000 | 0.34193 | 2.62193 |
| 2005 | 0.47330 | 0.08510 | 0.55840 | 1.62140 | 0.54366 | 2.72346 | 1.80000 | 0.34065 | 2.69905 |
| 2006 | 0.48120 | 0.07716 | 0.55836 | 1.67010 | 0.55480 | 2.78326 | 1.81700 | 0.33942 | 2.71478 |
| 2007 | 0.48116 | 0.07716 | 0.55832 | 1.54490 | 0.55393 | 2.65715 | 1.70250 | 0.33270 | 2.59352 |
| 2008 | 0.49758 | 0.05582 | 0.55341 | 1.25330 | 0.56721 | 2.37392 | 1.39000 | 0.33198 | 2.27539 |
| 2009 | 0.51389 | 0.09611 | 0.61000 | 1.25330 | 0.57643 | 2.43973 | 1.51000 | 0.32899 | 2.44899 |
| 2010 | 0.51389 | 0.19193 | 0.70582 | 1.25330 | 0.60221 | 2.56133 | 1.59000 | 0.32880 | 2.62462 |
| 2011 | 0.53389 | 0.17193 | 0.70582 | 1.25330 | 0.62333 | 2.58245 | 1.64000 | 0.32630 | 2.67212 |
| 2012 | 0.59889 | 0.17193 | 0.77082 | 1.25330 | 0.62377 | 2.64789 | 1.64000 | 0.32630 | 2.73712 |
| 2013 | 0.56889 | 0.20193 | 0.77082 | 1.25330 | 0.64341 | 2.66753 | 1.64000 | 0.32630 | 2.73712 |

Source: Dallas & Collin Central Appraisal Districts and City records

CITY OF SACHSE, TEXAS

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Ten Years Ago

(Unaudited)

| 2012 | | | 2003 | | |
|---------------------------------|-------------------------|---|---------------------------------|------------------------|---|
| Taxpayer | Taxable Assessed Value | Percentage of Total City Taxable Assessed Value | Taxpayer | Taxable Assessed Value | Percentage of Total City Taxable Assessed Value |
| Woodbridge Villas LLC | \$ 11,938,588 | 0.96% | Woodbridge Properties | \$ 15,145,215 | 2.25% |
| Jackson Meadows Partners LP | 7,553,780 | 0.60% | Woodbridge Apartments | 9,112,113 | 1.35% |
| Realty Assoc Iowa Corp | 7,553,418 | 0.60% | Jackson Project I | 4,968,500 | 0.74% |
| Oncor Electric/Texas Utilities | 4,811,730 | 0.39% | Texas Utilities | 4,867,230 | 0.72% |
| Wal-mart Real Estate Business | 3,364,879 | 0.27% | Highland Homes LTD | 4,123,920 | 0.61% |
| Walgreen's | 2,930,770 | 0.23% | Continental Homes of Texas | 3,630,560 | 0.54% |
| Sachse Self Storage Ltd | 2,778,830 | 0.22% | DR Horton TX LTD | 3,109,690 | 0.46% |
| Verizon | 2,769,720 | 0.22% | Harris Land Dev Inc | 2,464,000 | 0.37% |
| Kroger Limited Partnership II | 2,229,096 | 0.18% | Sumeer Homes Inc | 2,024,780 | 0.30% |
| Woodbridge Shopping Center | 2,031,485 | 0.16% | 62 Quail Hollow Ltd | 1,952,061 | 0.29% |
| Total | \$ 47,962,296 | 3.84% | Total | \$ 51,398,069 | 7.62% |
| Total Assessed Valuation | \$ 1,248,799,416 | 100.00% | Total Assessed Valuation | \$ 674,312,709 | 100.00% |

Source: Tax Office

Note: Property is assessed as of January 1 and certified to the city by July 25 for taxable values

CITY OF SACHSE TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(Unaudited)

| Fiscal Year Ended September 30 | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|--------------------------------------|--------------------------------------|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2002 | \$ 3,215,589 | \$ 3,173,235 | 98.7% | \$ 42,094 | \$ 3,215,329 | 100.0% |
| 2003 | 3,881,577 | 3,874,163 | 99.8% | 6,986 | 3,881,149 | 100.0% |
| 2004 | 4,272,432 | 4,226,180 | 98.9% | 45,922 | 4,272,102 | 100.0% |
| 2005 | 4,884,876 | 4,793,144 | 98.1% | 91,280 | 4,884,424 | 100.0% |
| 2006 | 5,281,560 | 5,201,118 | 98.5% | 79,965 | 5,281,083 | 100.0% |
| 2007 | 5,723,724 | 5,649,957 | 98.7% | 71,649 | 5,721,606 | 100.0% |
| 2008 | 6,266,916 | 6,203,890 | 99.0% | 60,970 | 6,264,860 | 100.0% |
| 2009 | 7,227,992 | 7,217,309 | 99.9% | 2,993 | 7,220,302 | 99.9% |
| 2010 | 8,471,702 | 8,446,396 | 99.7% | 17,094 | 8,463,490 | 99.9% |
| 2011 | 8,603,645 | 8,510,978 | 98.9% | 47,519 | 8,583,470 | 99.8% |
| 2012 | 9,444,654 | 9,389,230 | 99.4% | | 9,389,230 | 99.4% |
| 2013 | 9,500,329 | | | | | |

Source: Dallas and Collin County reports.

CITY OF SACHSE, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2011

(Unaudited)

| Governmental Unit | Taxable Assessed Value | Gross Bonded Debt | Percentage of Debt Applicable to Area | Sachse Share of Overlapping Debt |
|---|---------------------------|----------------------|--|---|
| Debt repaid with property taxes | | | | |
| Wylie I.S.D | \$ 3,132,399,613 | \$ 229,767,015 | 12.21% | \$ 28,054,553 |
| Garland I.S.D | 13,338,176,947 | 392,079,638 | 5.43% | 21,289,924 |
| Collin County | 74,351,349,342 | 361,530,000 | 0.54% | 1,952,262 |
| Dallas County | 157,695,612,615 | 129,817,389 | 0.43% | 558,215 |
| Dallas County Hospital District | 157,850,172,270 | 690,717,053 | 0.43% | 2,970,083 |
| Dallas County Schools | 158,179,482,962 | 26,570,000 | 0.43% | 114,251 |
| Collin County Community College District | 74,917,148,963 | 39,724,842 | 0.54% | 214,514 |
| Dallas County Community College District | 164,751,737,568 | <u>374,265,000</u> | <u>0.43%</u> | 1,609,340 |
| Subtotal, overlapping debt | | | | 56,763,142 |
| City of Sachse Direct Debt (includes self-supporting) | | | 100.00% | <u>40,325,000</u> |
| Total direct and overlapping debt | | | | <u>\$ 97,088,142</u> |

Source: Taxing Entities and City

Percentage of debt application to area provided by Municipal Advisory Council of Texas.

CITY OF SACHSE, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Calendar Years

(Unaudited)

| Year | Estimated Population ^a | Personal Income | Per Capita Personal Income ^b | School Enrollment ^c | | Unemployment Rate ^d | |
|------|--------------------------------------|--------------------|---|--------------------------------|--------------|--------------------------------|------------------|
| | | | | Garland ISD | Wylie ISD | Dallas County | Collin County |
| 2002 | 12,195 | \$ 311,338,350 | \$ 25,530 | 51,986 | 4,969 | 7.2% | 6.2% |
| 2003 | 14,959 | 381,903,270 | 25,530 | 53,724 | 5,559 | 6.2% | 6.2% |
| 2004 | 15,210 | 388,311,300 | 25,530 | 55,004 | 6,504 | 5.5% | 4.8% |
| 2005 | 16,150 | 412,309,500 | 25,530 | 55,738 | 8,948 | 5.7% | 4.3% |
| 2006 | 17,300 | 441,669,000 | 25,530 | 56,593 | 9,800 | 4.4% | 3.2% |
| 2007 | 17,650 | 450,604,500 | 25,530 | 57,030 | 10,713 | 5.1% | 4.3% |
| 2008 | 18,050 | 460,816,500 | 25,530 | 56,600 | 11,402 | 5.4% | 4.6% |
| 2009 | 18,750 | 478,687,500 | 25,530 | 57,000 | 11,402 | 8.7% | 7.8% |
| 2010 | 20,329 | 518,999,370 | 25,530 | 57,861 | 11,349 | 8.7% | 7.3% |
| 2011 | 20,570 | 525,152,100 | 25,530 | 57,833 | 12,548 | 8.4% | 7.1% |
| 2012 | 20,570 | 525,152,100 | 25,530 | 58,151 | 12,939 | 6.7% | 5.7% |

Sources: ^aEstimated population provided by the City of Sachse.

^bPer Capita Income provided by North Central Texas Council of Governments.

^cGarland & Wylie Independent School Districts.

^dTexas Workforce Commission.

CITY OF SACHSE, TEXAS

PRINCIPAL EMPLOYERS

**Current Year and Seven Years Ago ^a
(Unaudited)**

| 2011 | | | 2004 | | |
|--------------------------|------------|-------------------------------------|-------------------------------|------------|-------------------------------------|
| Employer | Employees | Percentage of Total City Employment | Employer | Employees | Percentage of Total City Employment |
| Garland ISD | 391 | 4.73% | Garland ISD | 132 | 1.17% |
| City of Sachse | 150 | 1.81% | City of Sachse | 120 | 1.06% |
| Kroger | 136 | 1.65% | First National Bank of Sachse | 20 | 0.18% |
| Wylie ISD | 65 | 0.79% | Metro Store | 19 | 0.17% |
| Steak Kountry | 34 | 0.41% | Marshall Cabinets | 15 | 0.13% |
| Whataburger | 32 | 0.39% | TPC Electric | 13 | 0.12% |
| Sachse Veterinary Clinic | 25 | 0.30% | Sachse Veterinary Clinic | 12 | 0.11% |
| Taco Bueno | 24 | 0.29% | Puerto Escondido | 9 | 0.08% |
| American National Bank | 20 | 0.24% | Ditto Wood Products | 8 | 0.07% |
| Discount Tire | 14 | 0.17% | Country Junction | 6 | 0.05% |
| Total | 891 | 10.78% | | 354 | 3.14% |

8,266

Source: Top ten employers and employee count provided by Sachse Economic Development Corporation.

^aThe requirement for statistical data is the current year and nine years ago; only the current year and six years ago are available at this time.

CITY OF SACHSE, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

| <u>Function/Program</u> | <u>Fiscal Year</u> | | | | | | | | | |
|---|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Number of Employees | 34 | 36 | 40 | 43 | 43 | 43 | 43 | 43 | 50 | 48 |
| Number of Violations (Citations) | 5,358 | 5,191 | 4,919 | 7,242 | 7,256 | 4,947 | 5,666 | 2,844 | 2,068 | 2,160 |
| Fire | | | | | | | | | | |
| Number of Employees ^a | 4 | 9 | 10 | 13 | 17 | 22 | 24 | 24 | 36 | 44 |
| Number of Volunteers | 22 | 15 | 8 | 5 | 4 | 3 | 4 | 0 | 0 | 0 |
| Number of Fire runs | 195 | 248 | 244 | 313 | 283 | 410 | 491 | 741 | 333 | 340 |
| Number of EMS runs | 489 | 570 | 551 | 638 | 633 | 556 | 572 | 424 | 683 | 732 |
| Public Works | | | | | | | | | | |
| Streets (miles) | 71 | 86 | 105 | 105 | 112 | 120 | 122 | 122 | 122 | 125 |
| Building Permits Issued | 335 | 515 | 446 | 176 | 282 | 186 | 176 | 135 | 138 | 89 |
| Cultural and Recreational | | | | | | | | | | |
| Parks and Recreation | | | | | | | | | | |
| Park maintain & operate per acre | 60 | 82 | 82 | 86 | 86 | 93 | 93 | 110 | 114 | 114 |
| Participants in Parks Programs ^b | N/A | N/A | 637 | 1,665 | 2,741 | 2,630 | 3,570 | 3,952 | 4,446 | 4,660 |
| Participants in Senior Program | N/A | N/A | N/A | N/A | 8,914 | 8,812 | 12,815 | 13,027 | 15,142 | 15,392 |
| Library | | | | | | | | | | |
| Volumes in Collection | N/A | N/A | N/A | 34,757 | 36,722 | 38,481 | 35,879 | 31,757 | 36,484 | 38,161 |
| Water and Sewer | | | | | | | | | | |
| Number of Water Connections | 4,829 | 5,254 | 5,749 | 5,999 | 6,275 | 6,504 | 6,651 | 6,804 | 6,949 | 7,121 |

| | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Number of Sewer Connections | 4,432 | 4,845 | 5,411 | 5,666 | 5,889 | 6,078 | 6,252 | 6,427 | 6,590 | 6,743 |
| Average Daily Water Consumption ^c | 1.647 | 2.145 | 2.270 | 2.467 | 2.889 | 2.032 | 2.545 | 2.484 | 2.560 | 3,146 |
| Maximum Storage Capacity ^c | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 6.9 | 6.9 | 6.9 |

Source: City Departments

Notes: N/A - Data not available.

^a Fire Department Administration and EMS Staff.

^b Parks Programs organized in 2004.

^c Millions of gallons.

CITY OF SACHSE, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

| <u>Function/Program</u> | <u>Fiscal Year</u> | | | | | | | | | |
|----------------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
| Public Safety | | | | | | | | | | |
| Police Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Police Patrol Units | 14 | 15 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 22 |
| Fire Stations | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Police Motorcycle Units | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Works | | | | | | | | | | |
| Streets-Paved | 71 | 86 | 105 | 105 | 112 | 120 | 122 | 122 | 122 | 125 |
| Cultural and Recreational | | | | | | | | | | |
| Parks (acres) | 60 | 82 | 82 | 86 | 86 | 93 | 93 | 110 | 114 | 114 |
| Playgrounds ^a | 2 | 3 | 3 | 3 | 3 | 3 | 4 | 5 | 5 | 5 |
| Library | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Senior Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water and Sewer | | | | | | | | | | |
| Fire Hydrants | 400 | 475 | 543 | 598 | 671 | 688 | 721 | 753 | 753 | 770 |
| Ground Storage Facilities | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Elevated Storage Facilities | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Lift Stations | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |

Source: City Departments

Notes: ^a Does not include HOA playgrounds.

PEER CITY COMPARISON

| <i>Name</i> | <i>Population</i> | <i>Tax Rate FY2012</i> | <i>Tax Rate FY2013</i> | <i>Change</i> |
|---------------|-------------------|------------------------|------------------------|---------------|
| Seagoville | 14,920 | 0.690853 | 0.690853 | 0.0000 |
| Terrell | 15,816 | 0.650000 | 0.650000 | 0.0000 |
| Murphy | 17,708 | 0.565000 | 0.570000 | 0.0050 |
| Ennis | 18,513 | 0.695000 | 0.695000 | 0.0000 |
| Sachse | 20,529 | 0.770819 | 0.770819 | 0.0000 |
| Greenville | 26,030 | 0.699000 | 0.699000 | 0.0000 |
| Little Elm | 26,844 | 0.664971 | 0.664971 | 0.0000 |
| Rockwall | 36,810 | 0.503100 | 0.503100 | 0.0000 |
| Sherman | 38,521 | 0.320000 | 0.320000 | 0.0000 |
| Duncanville | 38,562 | 0.737692 | NA | NA |
| Coppell | 38,950 | 0.690460 | 0.670460 | (0.02) |
| Wylie | 42,804 | 0.898900 | 0.888900 | (0.01) |
| Cedar Hill | 46,829 | 0.685880 | 0.695690 | 0.01 |
| DeSoto | 49,047 | 0.757400 | NA | NA |
| Rowlett | 54,270 | 0.747173 | 0.747173 | 0.00 |
| Allen | 90,618 | 0.553000 | 0.552000 | (0.00) |
| Plano | 268,000 | 0.488600 | 0.488600 | 0.00 |

ORDINANCE NO. 3412

AN ORDINANCE OF THE CITY OF SACHSE, TEXAS, LEVYING AD VALOREM TAXES FOR THE YEAR 2012 (FISCAL YEAR 2012 - 2013) AT A RATE OF \$0.770819 PER ONE HUNDRED DOLLARS (\$100) ASSESSED VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF SACHSE AS OF JANUARY 1, 2012, TO PROVIDE REVENUE FOR THE PAYMENT OF CURRENT EXPENSES; PROVIDING FOR AN INTEREST AND SINKING FUND FOR ALL OUTSTANDING DEBT OF THE CITY OF SACHSE; PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. There is hereby levied for the tax year 2012 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Sachse, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of \$0.770819 on each One Hundred Dollars (\$100) assessed valuation of taxable property, and shall be, apportioned and distributed as follows:

- (a) For the purpose of defraying the current expenditures of the municipal government of the City of Sachse, a tax of \$0.568894 on each and every One Hundred Dollars (\$100) assessed value on all taxable property; and
- (b) For the purpose of creating a sinking fund to pay the interest and principal maturities of all outstanding debt of the City of Sachse, not otherwise provided for, a tax of \$0.201925 on each One Hundred Dollars (\$100) assessed value of taxable property within the City of Sachse, and shall be applied to the payment of interest and maturities of all such outstanding debt of the City.

SECTION 2. All ad valorem taxes shall become due and payable on October 1, 2012, and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2013. There shall be no discount for payment of taxes prior to February 1, 2013. A delinquent tax shall incur all penalty and interest authorized by law, to wit:

- (a) A penalty of six percent on the amount of the tax for the first calendar month it is delinquent, plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent.
- (b) Provided, however, a tax delinquent on July 1, 2013, incurs a total penalty of twelve percent of the amount of delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at the rate of one percent for each month or portion of a month the tax remains

unpaid. Taxes for the year 2012 and taxes for all future years that become delinquent on or after February 1 but not later than May 1, that remain delinquent on July 1 of the year in which they become delinquent, incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and 33.07, as amended. Taxes assessed against tangible personal property for the year 2012 and for all future years that become delinquent on or after February 1 of a year incur an additional penalty on the later of the date the personal property taxes become subject to the delinquent tax attorney's contract, or 60 days after the date the taxes become delinquent, such penalty to be in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 33.11. Taxes for the year 2012 and taxes for all future years that remain delinquent on or after June 1 under Texas Property Tax Code Sections 26.07(f), 26.15(e), 31.03, 31.031, 31.032 or 31.04 incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and Section 33.08, as amended.

SECTION 3. The taxes are payable at the Dallas County Tax Office if the property is located in Dallas County; or, at the Collin County Tax Office if the property is located in Collin County.

SECTION 4. The City shall have available all the rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

SECTION 5. The tax roll as presented to the City Council, together with any supplements thereto, be and the same are hereby approved.

SECTION 6. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance which shall remain in full force and effect.

SECTION 7. All ordinances of the City of Sachse, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed; provided, however, that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 8. This ordinance shall take effect immediately from and after its passage, as the law and charter in such cases provide.

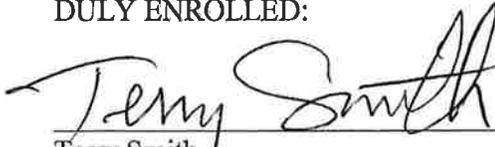
PASSED AND APPROVED by the City Council of the City of Sachse, Texas this the 10 day of SEPTEMBER, 2012.

APPROVED:



Mike Felix
Mayor

DULY ENROLLED:



Terry Smith
City Secretary

APPROVED AS TO FORM:

Peter G. Smith
City Attorney
(JJG/09-05-12/57159)

ORDINANCE NO. 3413

AN ORDINANCE OF THE CITY OF SACHSE, TEXAS, ADOPTING THE BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2012 AND ENDING SEPTEMBER 30, 2013; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; APPROPRIATING AND SETTING ASIDE THE NECESSARY FUNDS OUT OF THE GENERAL AND OTHER REVENUES FOR SAID FISCAL YEAR FOR THE MAINTENANCE AND OPERATION OF THE VARIOUS DEPARTMENTS AND FOR VARIOUS ACTIVITIES AND IMPROVEMENTS OF THE CITY; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, an annual budget for the fiscal year beginning October 1, 2012, and ending September 30, 2013, has been duly created by the financial office of the City of Sachse, Texas, in accordance with Chapter 102.002 of the Local Government Code; and

WHEREAS, as required by Section 7.02 of the City Charter, the City Manager has prepared and submitted to the City Council a proposed budget reflecting financial policies for the year and forecasting revenues and expenditures for conducting the affairs of the City and providing a complete financial plan for the fiscal year beginning October 1, 2012, and ending September 30, 2013; and

WHEREAS, as required by Section 7.04 of the City Charter, the proposed budget has been filed with the office of the City Secretary and the proposed budget was made available for public inspection in accordance with Chapter 102.005 of the Local Government Code and Section 7.04 of the City Charter; and

WHEREAS, a public hearing was held by the City in accordance with Chapter 102.006 of the Local Government Code and Section 7.05 of the City Charter, following due publication of notice thereof, at which time all citizens and parties of interest were given the opportunity to be heard regarding the proposed budget; and

WHEREAS, after full and final consideration, it is the opinion of the Sachse City Council that the 2012-2013 fiscal year budget as hereinafter set forth should be adopted.

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

SECTION 1. That the proposed budget of the revenue and expenditures necessary for conducting the affairs of the City of Sachse, Texas for the fiscal year beginning October 1, 2012, and ending September 30, 2013, as submitted to the City Council by the City Manger, attached hereto as Exhibit "A", be and the same is hereby adopted as the budget of the City of Sachse for the fiscal year beginning October 1, 2012 and ending September 30, 2013.

SECTION 2. That the expenditures during the fiscal year beginning October 1, 2012, and ending September 30, 2013, shall be made in accordance with the budget approved by this resolution unless otherwise authorized by a duly enacted resolution of the City of Sachse, Texas.

SECTION 3. That all budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2011 - 2012 are hereby ratified, and the budget approval for fiscal year 2011 – 2012, heretofore enacted by the City Council, be and the same is hereby amended to the extent of such transfers and amendments for all purposes.

SECTION 4. All ordinances of the City of Sachse, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed; provided, however, that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 5. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance which shall remain in full force and effect.

SECTION 6. This Ordinance shall take effect immediately from and after its passage as the law in such cases provides.

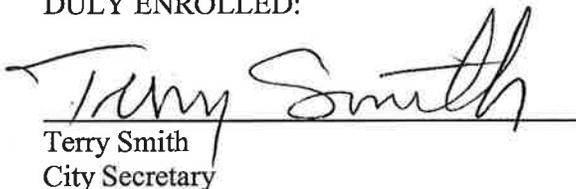
PASSED AND APPROVED by the City Council of the City of Sachse, Texas this the 10 day of SEPTEMBER 2012.

APPROVED:



Mike Felix
Mayor

DULY ENROLLED:



Terry Smith
City Secretary

APPROVED AS TO FORM:

Peter G. Smith
City Attorney
(JJG/09-05-12/57160)

ORDINANCE NO. 3419

AN ORDINANCE OF THE CITY OF SACHSE, TEXAS, AMENDING THE CODE OF ORDINANCES CHAPTER 6 "HEALTH AND SANITATION" BY AMENDING SECTION 6-11A TITLED "SOLID WASTE REGULATIONS" TO PROVIDE AMENDED RATES AND CHARGES FOR THE COLLECTION OF SOLID WASTE MATERIALS; PROVIDING A REPEALING CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000) FOR EACH OFFENSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Sachse, Texas, desires to amend the Code of Ordinances to provide new rates for solid waste regulations.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, THAT:

SECTION 1. The Code of Ordinances, City of Sachse, Texas, is hereby amended by amending Chapter 6 "Health and Sanitation" by amending Section 6-11(A), to read as follows:

"Sec. 6-11. Solid waste regulations.

A. *Rate schedule.* Each residential, business and industrial user of the city's waterworks systems shall be charged a monthly rate for the collection of solid waste materials according to the rate of schedule set out herein below:

Customer Class.

| | |
|---|-------------|
| (1) Residential Service: | |
| Per unit charge for monthly collection (Polycart) | \$ 7.31 |
| Per unit charge for recyclable collection | 2.43 |
| Bulk trash fee..... | 2.86 |
| Franchise fee..... | .50 |
| Administrative fee | <u>.26</u> |
| | 13.36 |
| Sales tax | <u>1.03</u> |
| Total per unit monthly charge..... | 14.39 |
| Extra solid waste Polycart | 6.34 |

| | | |
|-----|---|-------|
| (2) | Commercial Container Service: | |
| | Per unit charge for monthly collection | 24.62 |
| | Extra cart | 10.57 |
| (3) | Individual bulk collection at hourly rate (billed direct to customer) | 95.00 |
| (4) | Polycart replacement fee | 75.00 |

....”

SECTION 2. That all provisions of the Ordinances of the City of Sachse, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other provisions of the Ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 3. An offense committed before the effective date of this ordinance is governed by prior law and the provisions of the Code of Ordinances, as amended, in effect when the offense was committed and the former law is continued in effect for this purpose.

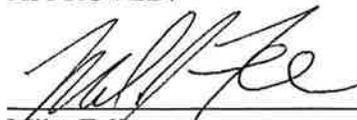
SECTION 4. That should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance, which shall remain in full force and effect.

SECTION 5. That any person violating any of the provisions or terms of this Ordinance shall be subject to the same penalty as provided for in the Code of Ordinances of the City of Sachse as heretofore amended and upon conviction shall be punished by a fine not to exceed the sum of Two Thousand Dollars (\$2,000.00) for each offense.

SECTION 6. This ordinance shall take effect on October 1, 2012.

PASSED AND APPROVED by the City Council of the City of Sachse, Texas this the 17 day of SEPTEMBER, 2012.

APPROVED:



Mike Felix
Mayor

DULY ENROLLED:



Terry Smith
City Secretary

APPROVED AS TO FORM:

Peter G. Smith
City Attorney
(JIG/09-13-12/57282)

CITY OF SACHSE FISCAL AND BUDGETARY POLICY STATEMENTS

I. STATEMENT OF PURPOSE

The intent of the following Fiscal and Budgetary Policy Statements is to enable the City to achieve a long-term stable and positive financial condition. The watchwords of the City's financial management include integrity, stewardship, planning, accountability, and full disclosure.

The more specific purpose is to provide guidelines in planning and directing the City's day-to-day financial affairs and in developing recommendations to the City Manager and City Council.

The scope of these policies generally cover the following areas: accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control, debt management, and planning concepts.

The City Council will annually review and approve the Fiscal and Budgetary Policy Statements as part of the budget process.

II. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

ACCOUNTING. The City is solely responsible for the reporting of its financial affairs, both internally and externally. The Director of Finance is the City's Chief Fiscal Officer and is responsible for establishing the Chart of Accounts and for properly recording financial transactions.

AUDITING. In conformance with the City's Charter and according to the provisions of the Texas Local Government Code, Title 4, Chapter 103, the City will be audited annually by outside independent accountants ("auditor"). The auditor must be a CPA firm of regional reputation and must demonstrate that it has the breadth and depth of staff to conduct the City's audit in accordance with generally accepted auditing standards and contractual requirements. The auditor must be registered as a partnership or corporation of certified public accountants, holding a license under Article 41a-1, Section 9, of the Civil Statutes of Texas, capable of demonstrating that it has sufficient staff which will enable it to conduct the City's audit in accordance with generally accepted auditing standards as required by the City Charter and applicable state and federal laws. The auditor's report on the City's financial statements should be completed within 120 days of the City's fiscal year end, and the auditor will jointly review the management letter with the Council within 30 days of its receipt by the staff.

In conjunction with their review, the Director of Finance shall respond in writing to the City Manager and City Council regarding the auditor's Management Letter, addressing the issues contained therein. Council shall schedule its formal acceptance of the Auditor's Report. The auditor is retained by and is accountable directly to the City Council and will have access to direct communication with the City Council if the City Staff is unresponsive to auditor recommendations

CITY OF SACHSE FISCAL AND BUDGETARY POLICY STATEMENTS

or if the auditor considers such communication necessary to fulfill its legal and professional responsibilities.

BASIS OF ACCOUNTING AND BUDGETING. The City's finances shall be accounted for in accordance with generally accepted accounting principles as established by the Governmental Accounting Standards Board.

The accounts of the City are organized and operated on the basis of funds and account groups. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. Governmental funds are used to account for the government's general government activities and include the General, Special Revenue, Debt Service and Capital Project funds.

Governmental Fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Substantially all revenues are considered to be susceptible to accrual. Ad valorem, sales, franchise and tax revenues recorded in the General Fund, ad valorem tax revenues recorded in the Debt Service Fund and hotel/motel tax revenues in the Special Revenue Hotel/Motel Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources.

The City's Proprietary Fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned, expenses are recorded at the time liabilities are incurred.

The City's annual budgets shall be prepared and adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds except the capital projects funds, which adopt project-length budgets. Depreciation of fixed assets is recognized

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in proprietary fund budgets. All annual appropriations lapse at fiscal year end. Under the City's budgetary process, outstanding encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be reappropriated and honored the subsequent fiscal year.

FINANCIAL REPORTING. Upon completion and acceptance of the annual audit by the City's auditors, the City shall prepare a comprehensive annual financial report (CAFR). The CAFR will be prepared in accordance with generally accepted accounting principles, and will be presented annually to the Government Finance Officers Association (GFOA) for evaluation and awarding of the Certificate of Achievement for Excellence in Financial Reporting. The CAFR should be presented to the City Council within 120 calendar days of the City's fiscal year end. City staffing limitations may preclude such timely reporting. There will be times with new auditing standards and reporting requirements that the CAFR would be delayed. In such case, the Director of Finance will inform the City Manager and the City Manager will inform the City Council of the delay and the reasons therefore.

The Finance Department will prepare internal financial reports, sufficient to plan, monitor, and control the City's financial affairs. Internal reporting objectives are addressed throughout these policies.

III. OPERATING BUDGET

PREPARATION. Budgeting is an essential element of the financial planning, control and evaluation process of municipal government. The City's "operating budget" is the City's annual financial operating plan. It comprises governmental and proprietary funds, special revenue funds and the debt service fund. The City's Capital Budget includes the General Capital Project Fund which includes projects for the life of each project.

The budget is prepared by the Director of Finance with the cooperation of all City departments, and is submitted to the City Manager who makes any necessary changes and transmits the document to the City Council. The budget should be presented to the City Council no later than forty-five (45) days prior to fiscal year end, and should be enacted by the City Council prior to fiscal year end. The City Council shall set the legal and required public hearings.

The budget shall include four basic segments for review and evaluation. These segments are: (1) Personnel Costs, (2) Base Budget for Operations and Maintenance Costs, (3) Decision Packages for Capital and Other Non-capital Projects (i.e., new or expanded programs), and (4) Revenues. The operating budgets are subdivided by personnel costs, consumable supplies, contract services, capital outlays and transfers. The operating budgets are presented by object category with

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comparative data to one prior year of actual audited and estimated financial data. In addition the budget is presented with current year end estimates compared to current budget with percent changes. There shall be supplementary documents to reconcile new operating expenses or programs to the budget.

Revenues shall be summarized and scheduled with comparative and trend analysis for presentation. The Director of Finance shall calculate and prepare a statement of probable income for the City from property taxes supporting the General Fund operating budget and to fund the next year's debt requirements. The proposed budget shall contain a suggested and recommended tax rate to be levied to support the expenditures proposed.

A Combined Budget Summary with scheduled Interfund transfers will be included in the budget presented to the City Council. The Fund Balances will be identified as to restricted and unrestricted.

The budget review process shall include Council participation in the development of each of the four segments of the proposed budget and a Public Hearing to allow for citizen participation in the budget preparation. The budget process shall span sufficient time to address policy and fiscal issues by the Council. The City Council shall pass an appropriation ordinance after conducting a public hearing. An annual tax rate ordinance shall be passed by City Council following compliance with the "truth-in-taxation" procedures as outlined in the Texas Property Tax Code.

A copy of the proposed budget shall be filed with the City Secretary when it is submitted to the City Council in accordance with the provisions of the City Charter.

BALANCED BUDGET. The operating budget should be balanced with current revenues, exclusive of beginning resources, greater than or equal to current expenditures/expenses. One-time revenue sources (i.e. Fund Balances) may be used for one-time expenditures.

PLANNING. The budget process will be coordinated so as to identify major policy issues for City Council consideration several months prior to the budget approval date so that proper decision analysis can be made. Additionally, long range planning will be performed such that revenues for the next three years will be projected and updated annually, examining their diversity and stability in conjunction with other guidelines and using an objective analytical projection process.

REPORTING. Periodic financial reports will be prepared to enable the Department Managers to manage their budgets and to enable the Director of Finance to monitor and control the budget as authorized by the City Manager.

Summary financial reports will be presented to the City Council quarterly within 30 days after the

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end of each quarter. Such reports will be formatted in such a way as to enable the City Council to understand the big picture budget status.

IV. REVENUE MANAGEMENT

The City will strive for the following optimum characteristics in its revenue system:

SIMPLICITY. The City, where possible and without sacrificing accuracy, will strive to keep the revenue system simple in order to reduce compliance costs for the taxpayer or service recipient. A corresponding decrease in the City's costs for collection and a reduction in avoidance to pay will thus result. The City will avoid nuisance taxes or charges as revenue sources.

CERTAINTY. A knowledge and understanding of revenue sources increases the reliability of the revenue system. The City will understand its revenue sources and enact consistent collection policies to provide assurances that the revenue base will materialize according to budgets and plans.

EQUITY. The City shall require that there be a balance in the revenue system; i.e., the revenue base will have the characteristic of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.

ADMINISTRATION. The benefits of revenue will exceed the cost of producing the revenue. The cost of collection will be reviewed annually for cost effectiveness as a part of the indirect cost and cost of services analysis.

DIVERSIFICATION AND STABILITY. In order to protect from fluctuations in a revenue source due to fluctuations in the economy and variations in weather, a diversified revenue source will be pursued and maintained as a stable source of income. A balance between elastic and inelastic sources of revenues also achieves this stability.

CONSERVATIVE ESTIMATION OF REVENUE. In order to mitigate the effects of fluctuations in a revenue source due to fluctuations in the economy and variations in weather, all revenues will be budgeted at 95-98% of anticipated revenues with the exception of property tax and Interfund transfers. Revenue analysis is ongoing but for the budget process all sources of revenue are to be detailed and scheduled and reviewed at all levels of management.

The following considerations and issues will guide the City in its revenue policies concerning specific sources of funds:

COST/BENEFIT OF ABATEMENT. The City will use due caution in the analysis of any tax or fee

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incentives that are used to encourage development. Ideally, a cost/benefit (fiscal impact) analysis will be performed as a part of such caution.

NON-RECURRING REVENUES. One-time or non-recurring revenues will not be used to finance current ongoing operations. Non-recurring revenues should be used only for one-time expenditures such as long-lived capital needs.

PROPERTY TAX REVENUES. All real and business personal property located within the City shall be valued at 100% of the fair market value for any given year based on the current appraisal supplied to the City by the Dallas Central Appraisal District and the Central Appraisal District of Collin County. Reappraisal and reassessment shall be done regularly as required by State law.

A ninety-nine percent (99%) collection rate shall serve each year as a goal for tax collections. All delinquent taxes shall be aggressively pursued with delinquents greater than 150 days being turned over to the Delinquent Tax Attorney in July of each year, and a penalty assessed to compensate the attorney as allowed by State law, and in accordance with the attorney's contract.

USER-BASED FEES. For services associated with a user fee or charge, a fee will offset the direct and indirect costs of that service where possible. There will be an annual review of fees and charges to ensure that fees provide adequate coverage of costs of services. User charges may be classified as "Full Cost Recovery," "Partial Cost Recovery," and "Minimal Cost Recovery," with the supporting tax or rate subsidy identified as where required by City Council policy.

IMPACT FEES. Impact fees will be imposed for Water, Wastewater and Thoroughfare in accordance with the requirements of State law. Additionally, the impact fees will be re-evaluated at least every three (3) years as required by law.

UTILITY RATES. The City will review utility rates annually in order to determine revenue adequacy for covering operational expenditures, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital needs. This policy does not preclude drawing down cash balances to finance current operations; however, it is best that any extra cash balance be used instead to finance capital projects.

Components of the Utility Rates will include a transfer to the General Fund for an administrative fee for services of general overhead, such as administration, finance, personnel and data processing. This fee will be documented annually through a cost allocation procedure or reviewed through review of rate study.

INTERGOVERNMENTAL REVENUES. The reliance placed on intergovernmental revenues will be eliminated. Any potential grants will be examined for matching requirements. These revenue

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sources should only be used for capital improvements that are consistent with the Capital Improvement Program.

V. EXPENDITURE CONTROL

APPROPRIATIONS. The level of budgetary control is established at the fund level. When budget adjustments among departments and/or funds are necessary, they must be approved by the City Manager. When budget adjustments are required at the Fund level that would change the total budget of revenues or expenditures, then it would require City Council authorization as outlined in the City Charter. Budget appropriation amendments at lower levels shall be made in accordance with the applicable administrative procedures and City Charter.

CENTRAL CONTROL The Department Director without the prior authorization of the City Manager shall spend no recognized or significant salary or capital budgetary savings in any Department.

MAINTENANCE OF CITY VENDORS Finance Department requires a Form W-9 to be on file for each vendor the City conducts business.

PAYMENTS TO CITY COUNCIL Each payment to a council member will be at the discretion of the mayor and council.

PURCHASING. All City purchases and contracts over \$50,000 shall conform to a competitive bidding process as set forth in Chapter 252 of the 1988 Local Government Code of Texas. Recommendations on purchases and contracts over \$50,000 shall be submitted to the Council by the City Manager for Council approval. Upon Council approval, the City shall confirm the bid award to the successful bidder by means of a written City purchase order. The purchase of goods or services by the City totaling \$50,000 or more shall be awarded to the successful bidder by the formal bidding process. Telephone or written quotes are to be obtained for single item purchases over \$1,000 up to \$10,000. Purchases made over \$10,000 but less than \$50,000 shall require three written quotes or pricing obtained through any interlocal purchasing authority or cooperative. All purchases over \$2,500 are to be pre-approved and pre-authorized by the City Manager. No purchases shall be made from vendors that are not on the approved vendors list as maintained by the Finance Department. Purchase cards are utilized for purchasing of consumable supplies and must comply with the policies and procedures establish for use of purchase cards.

PROMPT PAYMENT. All invoices approved for payment by the proper City authorities shall be paid by the Finance Department within thirty (30) calendar days of receipt in accordance with the provisions of Article 601f, Section 2 of the State of Texas Civil Statutes.

The Director of Finance shall establish and maintain proper procedures which will enable the City

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to take advantage of all purchase discounts, when possible, except in the instance where payments can be reasonably and legally delayed in order to maximize the City's investable cash.

RISK MANAGEMENT. The City will aggressively pursue every opportunity to provide for the Public's and City employees' safety and to minimize the risk of loss of resources through liability claims with an emphasis on safety programs. All reasonable options will be investigated to finance risks. Such options may include risk transfer, risk avoidance, and risk retention. Where risk is retained, reserves will be established based upon actuarial determinations and not be used for purposes other than for financial losses.

VI. ASSET MANAGEMENT

INVESTMENTS. The Director of Finance shall promptly invest all City funds with the Bank Depository in accordance with the provisions of the current Bank Depository Agreement or in any negotiable instrument that the Council has authorized under the provisions of the Public Funds Investment Act of 1987, as amended, and in accordance with the City Council approved Investment Policies.

At the end of each fiscal year a report on investment performance will be provided to the City Council. In conjunction with the financial reports presented to Council, the Director of Finance shall prepare and provide a written recapitulation of the City's investment portfolio to the Council, detailing each City investment instrument with its rate of return and maturity date.

CASH MANAGEMENT. The City's cash flow will be managed to maximize the cash available to invest. Such cash management will entail the centralization of cash collections, where feasible, including property tax payments, utility bills, building and related permits and licenses, and other collection offices as appropriate.

The Finance Department shall use a facsimile check-signing machine, bearing the signatures of two (2) authorized administrative employees one of which must be the Director of Finance. On any one check that exceeds an amount of \$1,500 or more, it shall bare the initial of an authorized check signer.

FIXED ASSETS AND INVENTORY. These assets will be reasonably safeguarded and properly accounted for, and prudently insured. A fixed asset of the City shall be defined as a purchased or otherwise acquired piece of equipment, vehicle, furniture, fixture, capital improvement, addition to existing capital investments, land or buildings, with the cost or value of such acquisition being \$5,000 or more with an expected useful life greater than one year.

Responsibility for the safeguarding of the City's fixed assets lies with the Department Director in

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whose department the fixed asset is assigned. The Finance Department shall supervise the marking of fixed assets with City numbered property tags and shall maintain the permanent records of the City's fixed assets including description, cost, department of responsibility, date of acquisition, depreciation and expected useful life. The Finance Department shall also perform an annual inventory of assets using random sampling at the department level. The Director of Finance or his or her designee agent in the presence of designated department personnel from the department of responsibility shall perform such inventory. The Finance Department has the implied rights and responsibilities to audit all fixed assets of any department of the City.

COMPUTER SYSTEM/DATA SECURITY. The City shall provide security of its computer system and data files through physical security. The computer system (CPU) shall be in a location inaccessible to unauthorized personnel.

VII. CAPITAL BUDGET AND PROGRAM

PREPARATION. The City's capital budget will include all general and proprietary capital project funds and all capital resources. The budget will be prepared annually on a fiscal year basis as capital projects are undertaken. Capital Project Funds continue from year to year or until used up for the purpose for which they were issued.

CONTROL. All capital project expenditures must be appropriated in the capital budget. The Finance Department must certify the availability of resources so any appropriation can be made before a capital project contract is presented to the Council for approval.

PROGRAM PLANNING. The capital budget will be taken from capital improvement program plans for future years. The planning time must be at least five years. The replacement and maintenance for capital items should also be projected for the next five years. Future maintenance and operational costs will be considered so that these costs can be included in the operating budget.

FINANCING PROGRAMS. Where applicable, assessments, impact fees, pro-rata charges, or other fees should be used to fund capital projects that have a primary benefit to specific, identifiable property owners.

Recognizing that long-term debt is usually a more expensive financing method, alternative-financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives that equal or exceed the average life of the debt issue. The exceptions to this requirement are the traditional costs of marketing and issuing debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases.

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INFRASTRUCTURE MAINTENANCE. The City recognizes that deferred maintenance increases future capital costs. Therefore, a portion of the General Fund and Utility Fund Budgets should be set aside each year to maintain the quality of the City's infrastructure where deemed appropriate and within fiscal constraints

Replacement schedules should be developed in order to anticipate this inevitable ongoing obsolescence of infrastructure.

In addition to infrastructure maintenance, the City will plan for the replacement of other assets such as vehicles and equipment by establishing replacement schedules as needed.

VIII. FINANCIAL CONDITIONS, RESERVES, AND STABILITY RATIOS

OPERATIONAL COVERAGE. The City will strive to maintain a balanced budget whereby projected current revenues will equal projected current expenditures. Reserve balances (Fund Balances) may be utilized as one-time sources that would allow revenue and expenditures to be unequal.

Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques. Reserves will be used only for emergencies or non-recurring expenditures, except when balances can be reduced because their levels exceed guideline minimums.

OPERATING RESERVES/FUND BALANCES. The General Fund balance should be at least **15%** of the General Fund annual expenditures. This percentage is the equivalent of 55 days expenditures (little less than 2 mos.). Debt Service Fund reserves are maintained at a level to support interest and principal payments in the event of a delay in property tax collections. The City should set aside resources to fund a reserve for years of decline and/or to fund capital out of current funds for projects that would have otherwise been funded by debt financing.

The Utility Fund working capital should be maintained at a minimum of 20-25% of the total operating expenditures or the equivalent of 75 days.

LIABILITIES AND RECEIVABLES. Procedures will be taken so as to maximize discounts offered by creditors. Current liabilities will be paid within 30 days of receiving the invoice. Accounts Receivable procedures will target for a maximum of 30 days from service and collection notices will be sent out monthly on all past due accounts. The Director of Finance is authorized to write-off bad debt and uncollectible utility accounts that are delinquent for more than 360 days, if the proper delinquency procedures have been followed. The Director of Finance will put in place initiatives to facilitate collection of accounts that are in arrears. Collection services may be utilized as needed to collect on delinquent accounts as needed.

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CAPITAL AND DEBT SERVICE FUNDS. Funds in the Capital Projects Funds will be used within 36 months of receipt. Balances will be used to generate interest income. Revenues in the Debt Service Fund are stable, based exclusively on property tax revenues and transfers from other funds. Reserves in the Debt Service Fund are designed to provide funding between the date of issuance of new debt and the time that property tax levies are adjusted to reflect the additional debt. Reserve levels may be determined by using both General and Utility Debt Service balances where cross-pledged debt occurs. Bond covenants and provisions will be reviewed and complied with.

IX. TREASURE AND DEBT MANAGEMENT

CASH MANAGEMENT. Periodic review of cash flow position will be performed to determine performance of cash management and investment policies. A detailed policy structure will be followed with respect to Cash/Treasury Management. The underlying theme will be that idle cash will be invested with the intent to 1) safeguard assets, 2) maintain liquidity, and 3) maximize return. Where legally permitted, pooling of investments will be done.

The City will adhere to the investments authorized through the Public Funds Investment Act of 1987, as amended, and will additionally establish comprehensive Investment Policies and Guidelines. Such policies will clarify acceptable investment securities, brokers, terms, and other pertinent investment information.

TYPES OF DEBT. Long-term debt will not be used for operating purposes, and the life of a bond will not exceed the useful life of a project finances by that bond issue.

When appropriate, and as approved by Council Policy, self-supporting revenues will pay debt service in lieu of tax revenues.

ANALYSIS OF FINANCING ALTERNATIVES. The City will explore all financing alternatives in addition to long-term debt including leasing, grants and other aid, developer contributions, impact fees, and use of reserves of current monies. Operating capital lease finance options may be exercised to minimize budget and operating impact.

DISCLOSURE. Full disclosure will be made to the bond rating agencies and other users of financial information. The City staff with the assistance of financial advisors and bond counsel, will prepare the necessary materials for presentation to the rating agencies, will aid in the production of Offering Statements, and will take responsibility for the accuracy of all financial information released.

FEDERAL REQUIREMENTS. The City will maintain procedures to comply with arbitrage rebate and

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other Federal requirements.

DEBT STRUCTURE. The structure should approximate level debt service unless operational matters dictate otherwise, or if market conditions indicate a potential savings could result from modifying the level payment stream.

Consideration of market factors, such as the tax-exempt qualification, minimum tax alternative, and so forth will be given during the structuring of long-term debt instruments.

DEBT ISSUANCE. The City will use a competitive bidding process in the sale of bonds unless the nature of the issue warrants a negotiated bid. In situations where a competitive bidding process is not elected, the City will publicly present the reasons why and the City will participate with the financial advisor in the selection of the underwriter or direct purchaser.

DEBT LIMITS. The debt to operations component of the tax rate should not exceed 30%. This initiative is to be evaluated based on the ever changing diversity of the City's revenue sources. The Director of Finance will evaluate the debt margins of the City on annual bases and consult with the City's financial advisors for confirmation.

X. INTERNAL CONTROLS

WRITTEN PROCEDURES. Wherever possible, written procedures will be established and maintained by the Director of Finance for all functions involving cash handling and/or accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.

DEPARTMENT DIRECTOR'S RESPONSIBILITY. Each Department Director is responsible to ensure that good internal controls are followed throughout his or her Department, that all Finance Department directives or internal controls are implemented, and that all independent auditor internal control recommendations are addressed.

XI. STAFFING AND TRAINING

ADEQUATE STAFFING. Staffing levels will be maintained at an adequate level for the fiscal functions of the City to operate effectively and shall be used only to address temporary or seasonal demands that require excessive hours. Workload shedding alternatives will be explored before adding staff.

TRAINING. The City will support the continuing education efforts of all financial staff including the investment in time and materials for maintaining a current perspective concerning financial issues.

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Staff will be held accountable for communicating, teaching, and sharing with other staff members all information and training materials acquired from seminars, conferences, and related education efforts.

AWARDS, CREDENTIALS, RECOGNITION. The City will support efforts and involvement that result in meeting standards and receiving exemplary recitations on behalf of the City's fiscal policies, practices, processes, products, or personnel.

The City will strive to maintain a high level of excellence in its accounting policies and practices as it prepares its CAFR. The CAFR will be presented to the Government Finance Officers Association for review of qualifications necessary to obtain the Certificate of Achievement for Excellence in Financial Reporting. Additionally, the City will submit its annual budget to GFOA for consideration for Distinguished Budget Award.

FISCAL MANAGEMENT CONTINGENCY PLAN

The fiscal management plan will assist City management in guiding future planning efforts. The Plan is a guide only, and is intended to assist in budget balancing strategies. Depending upon management's response to economic and financial conditions, some parts of the plan may be implemented sooner or later, in accordance with direction from the City Council. Economic and budget conditions will be evaluated monthly, and any budget impacts resulting from economic conditions or trends will be identified.

Throughout the contingency plan process, the goal is to protect current service levels, while continuing to provide competitive pay and benefits to all employees.

Budgetary Revenue Shortfall Contingency Plan

- A. The City will establish a plan to address economic situations that cause revenue to be significantly less than the adopted budget revenue. The plan is comprised of the following components:
- Indicators – Serve as warnings that potential budgetary revenue shortfalls are increasing in probability. Staff will monitor state and national economic indicators to identify recessionary or inflationary trends that could negatively impact consumer spending or property values.
 - Levels – Serve to classify and communicate the severity of the estimated budgetary revenue shortfalls and identify the actions to be taken at the given phase.
 - Actions – Preplanned steps to be taken in order to prudently address and counteract the estimated budgetary revenue shortfall.
- B. The actions listed in Levels I through IV are intended to be short-term in nature. In the event the underlying economic situation is expected to last for consecutive years, more permanent actions will be taken.
- C. The City Manager or designee will apprise City Council at the regular City Council meeting immediately following any action taken through this plan. Information such as underlying economic condition, economic indicators, estimated budgetary revenue shortfalls, actions taken and expected duration will be presented to City Council.
- D. The City Council may appropriate available fund balance as needed to cover any estimated revenue shortfall. Appropriation of fund balance must be carefully weighed and long-term budgetary impacts must be considered in conjunction with the projected length of the economic downturn.
- E. Actions taken through this plan must always consider the impact on revenue generation. Actions taken should reduce expenses well in excess of resulting revenue losses.
- F. The following is a summary of classifications and the corresponding actions to be taken.
1. Level I: The estimated annual revenue is below budget projections for 3 consecutive months. Current economic conditions and indicators may continue.
 - a. Expenditures:
 - i. Freeze newly created positions.
 - ii. Implement a time delay for hiring vacant positions.
 - iii. Increase/decrease temperatures in all City Buildings during hours not open to the public.
 - b. Revenues:
 - i. Identify any potential new revenue sources.
 - c. Service Level Impacts:
 - i. Minor service level disruptions and/or delays.
 - ii. New projects may be postponed or deferred.
 - iii. Begin planning for Levels II through IV.

FISCAL MANAGEMENT CONTINGENCY PLAN

- iv. Implement Community Communication Plan in order to communicate to citizens any service levels that may be impacted.
 - d. Improvement in Economic Conditions. When the estimated annual revenue equals or exceeds the budget projections for 3 consecutive months, *and economic indicators are anticipated to continue to improve*, initiate normal operating procedures.
- 2. Level II: The estimated annual revenue is below budget projections for 6 consecutive months. Current economic conditions and indicators are anticipated to continue.
 - a. Expenditures:
 - i. Implement a managed-hiring program for vacant positions.
 - ii. Reduce the hours/number of part-time and seasonal employees as per Reduction In Force Policy.
 - iii. Reduce travel and training expenses.
 - iv. Review and prioritize reductions of operating and capital expenditures.
 - v. Eliminate or defer capital outlay expenses.
 - vi. Review and prioritize expenses for professional and contracted services.
 - b. Revenues:
 - i. Evaluate user fees in order to remain competitive.
 - ii. Identify and/or implement new revenue sources.
 - iii. Evaluate property tax rate increase.
 - iv. Evaluate water and wastewater rate increases.
 - v. Evaluate use of available fund balance.
 - c. Service Levels Impacts:
 - i. Cutbacks or reductions in non-essential day-to-day operations (number of times parks are mowed, hours of operations of facilities).
 - ii. Adjust service hours for City Facilities. (example: increase hours of City Hall from 9 to 11 for four days and close one day per week with increased/decreased temperatures or adjust hours of Library, etc.)
 - iii. Defer general (non essential) maintenance.
 - iv. Prioritize and defer or freeze vehicle replacements, computer upgrades and new computer purchases. Replacements for essential non-working equipment are allowed, subject to approval by the City Manager.
 - v. Reduce or defer non-essential repair and maintenance expenses. Examples – vehicles, communications, office equipment, machinery and buildings. Repair and maintenance of essential non-working equipment is permitted, subject to approval by the City Manager.
 - d. Improvement in Economic Conditions. When the estimated annual revenue equals or exceeds the budget projections for 3 consecutive months, *and economic indicators are anticipated to continue to improve*, initiate Level I.
- 3. Level III: The estimated annual revenue is below budget projections for 9 consecutive months, or is below budget projections by more than 6% for 6 consecutive months. Current economic conditions and indicators are anticipated to continue or possibly worsen.
 - a. Expenditures:
 - i. Prepare for implementation of a Reduction in Force Plan.
 - ii. Implement a compensation freeze.
 - iii. Identify overtime expenses that may likely be reduced.
 - iv. Reduce external program funding.
 - v. Eliminate or defer pending capital improvement projects.
 - vi. Consider deferring payments to City-owned utilities – water and wastewater services.
 - b. Revenues:

FISCAL MANAGEMENT CONTINGENCY PLAN

- i. Recommend property tax increase.
 - ii. Recommend water and/or wastewater rate increase.
 - iii. Recommend new revenues, or increases in current fees.
 - iv. Recommend use of available fund balance.
 - c. Service Level Impacts:
 - i. Significant reductions in service levels.
 - ii. Evaluate and/or recommend a reduction in hours of operation at all facilities.
 - iii. Essential programs and services will be evaluated for reductions.
 - iv. Reduce energy costs through reduction in hours of operations.
 - d. Improvement in Economic Conditions. When the estimated annual revenue equals or exceeds the budget projections for 3 consecutive months, *and economic indicators are anticipated to continue to improve*, initiate Level II.
- 4. Level IV: The estimated annual revenue is below budget projections for 12 consecutive months, or is below budget projections by more than 6% for 9 consecutive months. Current economic conditions and indicators are anticipated to continue and are likely to worsen.
 - a. Expenditures:
 - i. Implement Reduction in Force Plan (reduce employee personnel costs, including an employee furlough plan for time off without pay and/or four-day work weeks, laying off of personnel, etc).
 - ii. Consider other cost reduction strategies.
 - iii. Reduce departmental budgets by a fixed percentage or dollar amount.
 - iv. Eliminate external program funding.
 - v. Reduce and/or eliminate overtime expenses throughout departments.
 - b. Revenues:
 - i. Implement property tax rate increase.
 - ii. Implement water and wastewater rate increase.
 - iii. Increase user fees.
 - iv. Implement use of available fund balance.
 - c. Service Level Impacts:
 - i. Reduce hours of operations of all facilities.
 - ii. Implement service level reductions throughout all departments and/or eliminate specific programs.
 - iii. Departments will prioritize service levels and programs according to City Council goals and objectives.
 - iv. Defer infrastructure and street overlay maintenance.
 - d. Improvement in Economic Conditions. When the estimated annual revenue equals or exceeds the budget projections for 3 consecutive months, *and economic indicators are anticipated to continue to improve*, initiate Level III.

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CITY CHARTER

ARTICLE VII. - BUDGET AND FINANCE

Sec. 7.01 - FISCAL YEAR

The fiscal year of the city shall begin on the first (1st) day of October and end on the last day of September of the next succeeding year. Such fiscal year shall also constitute the budget and accounting year.

Sec. 7.02 - SUBMISSION OF BUDGET AND BUDGET MESSAGE

The city manager, shall, during the month of August of each year, prepare and submit the budget, covering the next ensuing fiscal year, to the city council. In preparing this budget, each employee, officer, board, and department shall assist the city manager by furnishing all necessary information. The city manager's budget document shall contain:

(1)The city manager's budget message outlining the proposed financial policies for the next fiscal year with explanations of any changes from preceding years in expenditures and any major changes of policy and a complete statement regarding the financial condition of the city.

(2)An estimate of all revenue from taxes and other sources, including the present tax structure rates and property evaluations for the ensuing year.

(3)The proposed goals and objectives and expenditures for current operations during the ensuing fiscal year, detailed for each fund by organization unit, and program, purpose or activity, and the method of financing such expenditures.

(4)A description of all outstanding bonded indebtedness, showing amount, purchaser, date of issue, rate of interest, and maturity date, as well as any other indebtedness which the city has incurred and which has not been paid.

(5)A statement proposing any capital expenditures necessary for undertaking during the next budget year and recommended provision for financing.

(6)A list of capital projects which should be undertaken within the next five (5) succeeding years.

(Election of May 13, 2006)

Sec. 7.03 - BUDGET MESSAGE

The city manager's message shall explain the budget both in fiscal terms and in terms of the work programs. It shall outline the proposed financial policies of the city for the ensuing fiscal year, describe the important features of the budget, indicate major changes from the current year in financial policies, expenditures and revenues together with the reasons for such changes, summarize the city's debt position and include such other material as the city manager deems advisable and necessary to fully appraise the city council of the financial status of the city.

(Election of April 5, 1986)

Sec. 7.04 - BUDGET: A PUBLIC RECORD

The final budget, all supporting schedules and the budget message shall be filed with the city secretary when submitted to the city council and shall be opened to public inspection by anyone interested. The city manager shall provide copies of the final budget, at a reasonable charge, to all interested citizens.

(Election of May 7, 1988)

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Sec. 7.05 - PUBLIC HEARING ON BUDGET

At the city council meeting when the budget is submitted, the city council shall name the date and place of a public hearing and shall have published in the official newspaper of the city the time and place, which will be not less than ten (10) days nor more than thirty (30) days after the date of the notice. At this hearing, interested citizens may express their opinions concerning items of expenditures, giving their reasons for wishing to increase or decrease any items of expense.

Sec. 7.06 - PROCEEDING ON ADOPTION OF BUDGET

After public hearing, the city council shall analyze the budget, making any additions or deletions which they feel appropriate, and shall, at least ten (10) days prior to the beginning of the next fiscal year, adopt the budget by a favorable majority vote of the full membership of the city council. Should the city council take no final action on or prior to such day, the current budget shall be in force on a month-to-month basis until a new budget is adopted.

Sec. 7.07 - BUDGET, APPROPRIATION AND AMOUNT TO BE RAISED BY TAXATION

On final adoption, the budget shall be in effect for the budget year. Final adoption of the budget by the city council shall constitute the official appropriations as proposed by expenditures for the current year and shall constitute the basis of official levy of the property tax as the amount of tax to be assessed and collected for the corresponding tax year. Estimated expenditures will in no case exceed proposed revenue plus cash on hand. Unused appropriations may be transferred to any item required for the same general purpose.

Sec. 7.08 - CONTINGENT APPROPRIATION

Provision shall be made in the annual budget and in the appropriation ordinance for a contingent appropriation in an amount not more than seven (7) percent of the total general fund expenditures. This contingent appropriation shall apply to current operating expenses and shall not include any reserve funds of the city. Such contingent appropriation shall be under the control of the city manager and distributed by him only after prior approval by the city council. The proceeds of the contingent appropriation shall be disbursed only by transfer to other departmental appropriation, the spending of which shall be charged to the departments or activities which the appropriations are made.

Sec. 7.09 - AMENDING THE BUDGET

Under conditions which may arise and which could not reasonably have been foreseen in the normal process of planning the budget, the city council may, by a majority vote of the full membership, amend or change the budget to provide for any additional expense in which the general welfare of the citizenry is involved. These amendments shall be by ordinance, and shall become an attachment to the original budget.

Sec. 7.10 - CERTIFICATION: COPIES MADE AVAILABLE

A copy of the budget, as fully adopted, shall be filed with the city secretary and such other places required by state law or as the city council shall designate. The final budget shall be printed, mimeographed or otherwise reproduced and sufficient copies shall be made available for the use of all offices, agencies, and for the use of interested persons and civic organizations.

Sec. 7.11 - CAPITAL PROGRAM

The city manager shall submit a five-year capital program, in keeping with the city's then current Master Plan, as an attachment to the annual budget. The program as submitted shall include:

(a) A clear general summary of its contents;

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(b)A list of all capital improvements which are proposed to be undertaken during the five (5) fiscal years succeeding the budget year, with appropriate supporting information as to the necessity for such improvements;

(c)Cost estimates, method of financing and recommended time schedules for each improvement;

(d)The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

The above information may be revised and extended each year with regard to capital improvements still pending or in the process of construction or acquisition.

Sec. 7.12 - DEFECT SHALL NOT INVALIDATE THE TAX LEVY

Errors or defects in the form or preparation of the budget or the failure to perform any procedural requirements shall not nullify the tax levy or the tax rate.

Sec. 7.13 - LAPSE OF APPROPRIATIONS

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned. The purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation. Any funds not expended, disbursed or encumbered shall be deemed excess funds.

Sec. 7.14 - BORROWING

(1)*Power to Borrow.* The city shall have the right and power, except as prohibited by law or this Charter, to borrow money by whatever method it may deem to be in the public interest.

(2)*Tax Obligation Bonds—General.*

(a)The city shall have the power to borrow money on the credit of the city and to issue general obligation bonds for permanent public improvements or any other public purpose not prohibited by law of [or] this Charter, and to issue refunding bonds to refund outstanding bonds previously issued. All such bonds or certificates of obligation shall be issued in conformity with the laws of the State of Texas and shall be used only for purposes for which they were issued.

(b)Any bonds issued under the provisions of this section shall not be issued without an election. The city council shall prescribe the procedure for calling and holding such elections, shall define the voting precincts and shall provide for the return and canvass of the ballots cast at such elections.

(c)If at such elections a majority of the vote shall be in favor of creating such a debt or refunding outstanding valid bonds of the city, it shall be lawful for the city council to issue bonds as proposed in the ordinance submitting same. If, however, a majority of the vote polled shall be against the creation of such debt or refunding such bonds, the city council shall be without authority to issue the bonds. In all cases when the city council shall order an election for the issuance of bonds of the city, it shall, at the same time, submit the question of whether or not a tax shall be levied upon the property within the city for the purpose of paying the interest on the bonds and to create a sinking fund for their redemption.

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(3)*Revenue Bonds.* The city shall have the power to borrow money for the purpose of any self-liquidating municipal function not prohibited by the Constitution and the laws of the State of Texas. With an affirmative vote of at least five (5) members of the city council, it shall have the power to issue revenue bonds and to evidence the obligation created thereby. Such bonds shall be in charge upon and payable from the properties, or interest therein pledged, or the income therein gained from, or both. The holder(s) of the revenue bonds shall never have the right to demand payment thereof out of the monies raised or to be raised by taxation. All such bonds shall be issued in conformity with the laws of the State of Texas and shall be used only for the purpose for which they were issued.

(Election of April 5, 1986)

(4)*Emergency Funding.* In any budget year, the city council may, by affirmative vote of a majority of the city council, authorize the borrowing of money for emergency situations as defined in [Section 11.05\(4\)](#) of Article XI of this Charter.

(Election of May 5, 1990)

Sec. 7.15 - PURCHASING

(1)The city council may, by ordinance, give the city manager authority to contract for expenditure without further approval of the city council for all budgeted items not exceeding limits set by the city council. All contracts for expenditures involving more than the set limits must be expressly approved in advance by the city council. All contracts or purchases involving more than the limits set by the city council shall be let to the lowest bidder whose submittal is among those responsive to the needs of the city after there has been opportunity for competitive bidding as provided by law or ordinance. The city council, or the city manager as he is authorized to act for the city, shall have the right to reject any and all bids.

(2)Emergency contracts as authorized by law and this Charter may be negotiated by the city council, or the city manager if given authority by the city council, without competitive bidding. Such emergency shall be declared by the city manager and approved by the city council, or may be declared by the city council.

Sec. 7.16 - ADMINISTRATION OF BUDGET

(1)No payment shall be made or obligation incurred against any allotment or appropriation except in accordance with appropriations duly made unless the city manager or his designee first certifies that there is a sufficient unencumbered balance in such allotment or appropriation and that sufficient funds therefrom are or will be available to cover the claim or meet the obligation when it becomes due and payable.

(2)Any authorization of payment or incurring of obligation in violation of the provisions of this Charter shall be void and any payment so made illegal. Such action shall be cause for removal of any officer who knowingly authorized or made such payment or incurred such debt or obligation, and he shall also be liable to the city for any amount so paid.

(3)This prohibition shall not be construed to prevent the making or authorizing of payments, or making contracts for capital improvements to be financed wholly or partly by the issuance of bonds, time warrants, certificates of indebtedness, or certificates of obligation, or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year, providing that such action is made or approved by ordinance.

(4)The city manager shall submit to the city council each month a report covering revenues and expenditures of the city in such form as requested by the city council.

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Sec. 7.17 - DEPOSITORY

All monies received by any person, department or agency of the city for or in connection with the affairs of the city shall be deposited promptly in the city depository or depositories. City depositories shall be designated by the city council in accordance with such regulations and subject to the requirements established by ordinance and law. Procedures for withdrawal of money or the disbursement of funds from the city depositories shall be as prescribed by ordinance.

Sec. 7.18 - INDEPENDENT AUDIT

At the close of each fiscal year, and at such other times as may be deemed necessary, the city council shall call for an independent audit to be made of all accounts of the city by a certified public accountant. No more than five (5) consecutive annual audits shall be completed by the same firm. The certified public accountant selected shall have no personal interest, directly or indirectly, in the financial affairs of the city or any of its officers. The report of the audit, with the auditor's recommendations will be made to the city council. Upon completion of the audit, copies of the audit will be placed on file in the city secretary's office as a public record.

(Election of May 13, 2006)

Sec. 7.19 - POWER TO TAX

(1)The city shall have the power to levy, assess and collect taxes of every character and type for any municipal purpose not prohibited by the Constitution and laws of the State of Texas as now written or hereafter amended.

(2)The city shall have the power to grant tax exemptions in accordance with the laws of the State of Texas.

Sec. 7.20 - OFFICE OF TAX COLLECTOR

There shall be established an office of taxation to collect taxes, the head of which shall be the city tax collector.

Sec. 7.21 - TAXES: WHEN DUE AND PAYABLE

(1)All taxes due in the City of Sachse shall be payable at the office of the city tax collector, or at such location or locations as may be designated by the city council, and may be paid at any time after the tax rolls for the year have been completed and approved. Taxes for each year shall be paid before February 1st of the next succeeding year, and all such taxes not paid prior to that date shall be deemed delinquent, and shall be subject to penalty and interest as the city council shall provide by ordinance. The city council may provide discounts for the payment of taxes prior to January 1st in amounts not to exceed those established by the laws of the State of Texas.

(2)Failure to levy and assess taxes through omission in preparing the appraisal rolls shall not relieve the person, firm or corporation so omitted from obligation to pay such current or past due taxes as shown to be payable by recheck of the rolls and receipts for the years in question, omitting penalty and interest.

Sec. 7.22 - TAX LIENS, LIABILITIES AND SUITS

(1)All taxable property located in the City of Sachse on January 1st of each year shall stand charged from that date with special lien in favor of the city for taxes due. All persons purchasing any such property on or after January 1st of any year shall take the property subject to the liens provided above. In addition to the liens herein provided, on January 1st of any year, the owner of property subject to taxation by the city shall be personally liable for the taxes due for that year.

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(2)The city shall have the power to sue for and recover personal judgment for taxes without foreclosure, or to foreclose its lien or liens, or to recover both personal judgment and foreclosure. In any such suit where it appears that the description of any property in the city appraisal rolls is insufficient to identify such property, the city shall have the right to plead a good description of the property to be assessed, to prove the same, and to have its judgment foreclosing the tax lien or for personal judgment against the owners for such taxes.



ACRONYMS

ADA: Americans with Disabilities Act

AMR: Automatic Meter Reading.

AWWA: American Water Works Association.

CAFR: Comprehensive Annual Financial Report

CCAD: Collin Central Appraisal District

CDBG: Community Development Block Grant

CIP: Capital Improvement Program

DCAD: Dallas Central Appraisal District

EMS: Emergency Medical Service

EMT: Emergency Medical Technician

EOC: Emergency Operations Center

FLSA: Fair Labor Standards Act

GAAP: Generally Accepted Accounting Principles

GASB: Governmental Accounting Standards Board

GBTP: George Bush Turn Pike

GIS: Geographic Information System

GISD: Garland Independent School District

GFOA: Government Finance Officers Association

G.O. BOND: General Obligation Bond

G. O. DEBT: General Obligation Debt

SEDC: Sachse Economic Development Corporation. A component unit.

ICMA: International City /County Management Association

I & I: Inflow & Infiltration.

NCTCOG: North Central Texas Council of Governments

NTMWD: North Texas Municipal Water District.

PEG Access: Public Education Government Access

ACRONYMS

PID: Public Improvement District

RFP: Request for Proposal

RFQ: Request for Quotes

ROW: Right of Way

SCADA: Supervisory Control And Data Acquisition

SRO: School Resource Officer

SWMP: Storm Water Management Program

TCEQ: Texas Commission on Environmental Quality

TIF: Tax Increment Financing

TMRS: Texas Municipal Retirement System

TNRCC: Texas Natural Resources Conservation Commission

TPDES: Texas Pollutant Discharge Elimination System

TxDOT: Texas Department of Transportation

W&S: Water and Sewer

W1Y: Within 1 year. Time frame expected to fulfill strategic goal.

WISD: Wylie Independent School District

2-5: Two to 5 years. Time frame expected to fulfill strategic goal.

5>: Five years or greater. Time frame expected to fulfill strategic goal.

GLOSSARY

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

ACTIVITY: A specified and distinguishable line of work performed by a division

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

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

APPROPRIATION: An authorization made by the legislative body of a government which permits officials to incur obligations against and to make expenditures of governmental resources. Specific appropriations are usually made at the fund level and are granted for a one year period.

APPROPRIATION ORDINANCE: The official enactment by the legislative body establishing the legal authority for officials to obligate and expend resources.

ARBITRAGE: The ability to obtain tax-exempt bond proceeds and invest the funds in higher yielding taxable securities resulting in a profit. Arbitrage restriction requirements describe the circumstances in which investment in materially high yielding securities is allowed without compromising the tax-exempt status of the bond issue. The rebate requirements identify what must be done with profits earned from those securities under the arbitrage restriction requirement. The ability to obtain tax-exempt bond proceeds and invest the funds in higher yielding taxable securities resulting in a profit. Arbitrage restriction requirements describe the circumstances in which investment in materially high yielding securities is allowed without compromising the tax-exempt status of the bond issue. The rebate requirements identify what must be done with profits earned from those securities under the arbitrage restriction requirement.

ASSESSED VALUATION: A value that is established for real or personal property for use as a basis for levying property taxes. (Note: Property values are established by the Central Appraisal District.)

ASSETS: Resources owned or held by the City which have monetary value.

BALANCED BUDGET: A budget adopted by the legislative body and authority by ordinance where the proposed expenditures are equal to or less than the proposed resources. A budget adopted by the legislative body and authority by ordinance where the proposed expenditures are equal to or less than the proposed resources.

BOND: Bonds A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. Bonds A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds.

BUDGET: A plan of financial operation embodying an estimate of proposed means of financing it. The "operating budget" is the financial plan adopted for a single fiscal year. The "proposed budget" designates the financial plan initially developed by the departments and presented by the City Manager to the Council for approval. The "adopted budget" is the plan as modified and finally approved by that body. The approved budget is authorized by ordinance and thus specifies the legal spending limits for the fiscal year.

GLOSSARY

BUDGET ADJUSTMENT: A legal procedure utilized by the City Staff and City Council to revise a budget appropriation.

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

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

BUDGET CONTROL: The control or management of the organization in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and revenues.

BUDGET DOCUMENT: The compilation of the spending plans for the various funds, along with supporting schedules, tables and charts which, in total, comprises the annual revenue and expenditure plan.

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

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

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

CAPITAL RESERVE (i.e. Street Infrastructure Fund): Funds that have been appropriated from operating revenues which are to be set aside for designated types of maintenance to the existing infrastructure.

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

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

GLOSSARY

CONTINGENCY FUND: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

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

COURT SECURITY FUND: A Special Revenue (Purpose) Fund created to raise resources to be used for the expenditures incurred for the Municipal Court security. A specific portion from every fine paid is segregated for these purposes. A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

CURRENT TAXES: Taxes that are levied and due within one year.

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

DEBT SERVICE FUND: A fund used to account for the monies set aside for the payment of interest and principal to holders of the City's general obligation and revenue bonds, the sale of which finances long-term capital improvements, such as facilities, streets and drainage, parks and water/wastewater systems.

DELINQUENT TAXES: Taxes that remain unpaid on and after the date on which a penalty for non-payment is attached.

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

DEPRECIATION: (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset which is charged as an expense during a particular period.

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

ENCUMBRANCES: Obligations in the form of purchase order, contracts or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. When paid, the encumbrance is liquidated.

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

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

EXPENDITURES: The cost of goods received or services rendered whether cash payments have been made or encumbered.

GLOSSARY

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

FISCAL YEAR: A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Sachse has specified October 1 to September 30 as its fiscal year.

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

FUND: An accounting device established to control receipt and disburse income from sources set aside to support specific activities or attain certain objectives. Each fund is treated as a distinct fiscal entity with a self-balancing set of accounts.

FUND BALANCE: The excess of a fund's current assets over its current liabilities; sometimes called *working capital* in enterprise funds. A negative fund balance is often referred to as a *deficit*.

FUNDING: Provides budgetary resources to cover the total cost of a program or project at the time it is undertaken.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES: Detailed accounting standards and practices for state and local governments as prescribed by the Governmental Accounting Standards Board (GASB).

GENERAL FUND: The fund used to account for all financial resources except those required to be accounted for in another fund. The General Fund is tax supported.

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

GENERAL OBLIGATION DEBT: Monies owed on interest and principal to holders of the City's general obligation bonds. The debt is supported by revenue provided from real property which is assessed through the taxation power of the local governmental unit.

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

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

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

GLOSSARY

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

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

INFRASTRUCTURE: That portion of a city's assets located at or below ground level, including the water system, sewer system, and streets.

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

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

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

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

MISSION STATEMENT: General statement of purpose.

MODIFIED ACCRUAL BASIS OF ACCOUNTING: The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under it, revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the related fund liability is incurred except for (1) inventories of materials and supplies which may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes to the financial statements; (4) interest earnings on special assessment levies; and (5) principal and interest on long-term debt which are generally recognized when due.

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

OBJECTIVE: Performance indicator of a program.

GLOSSARY

OPERATING BUDGET: Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of the City are controlled. The use of annual operating budgets is required by State Law.

ORDINANCE: An authoritative command or order.

PEG ACCESS: Public Education Government access. Refers to a cable channel operated by a local government entity.

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

PERFORMANCE INDICATORS: Specific quantitative measures of work performed within an activity or program. They may also measure results obtained through an activity program.

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

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

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

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

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

REIMBURSEMENT: Repayment to a specific fund for expenditures incurred or services performed by that fund to or for the benefit of another fund.

REPLACEMENT COST: The cost of an asset which can render similar service (but which need not be of the same structural form) as the property to be replaced.

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

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

REVENUES: All amounts of money received by a government from external sources other than expense refunds, capital contributions, and residual equity transfers.

ROLLING STOCK: Capital items such as motor vehicles, heavy equipment, and other apparatus.

GLOSSARY

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

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

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

STRATEGIC PLAN: Document which lists or describes major goals of an organization along with the strategies that will be employed in attaining them.

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

TAX INCREMENT FINANCING (TIF): Tax Increment Financing; a tool to use future gains in property and sales taxes to finance eligible public infrastructure such as streets, drainage, parking garages, parks, trails, and other improvements as allowed by law, within a reinvestment zone.

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

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

TAXABLE VALUE: Estimated value of property on which ad valorem taxes are levied.

TAXES: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

