

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 10th day of August 2017 the City Council of the City of Corinth, Texas met in a Workshop Session at the Corinth City Hall at 5:30 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

Bill Heidemann, Mayor
Joe Harrison, Mayor Pro-Tem
Sam Burke, Council Member
Lowell Johnson, Council Member
Don Glockel, Council Member
Scott Garber, Council Member

Staff Members Present:

Bob Hart, City Manager
Fred Gibbs, Planning and Development Director
Lee Ann Bunselmeyer, Finance Director
Chris Rodriquez, Finance Manager
Cody Collier, Public Works Director
Jason Alexander, Economic Development Corporation Director
Debra Walthall, Chief of Police
Greg Wilkerson, Asst. Chief of Police
Curtis Birt, Fire Chief
Brandon Shepard, Deputy Fire Chief
Kim Pence, City Secretary
Shea Rodgers, Technology Services Manager
Mike Brownlee, City Engineer
Mack Reinwand, City Attorney

Others Present:

Jennifer Bertram, Enterprise Fleet Management

CALL TO ORDER:

Mayor Heidemann called the meeting to order at 5:30 p.m.

BUSINESS:

1. Receive a report, hold a discussion, and provide staff direction on the Fiscal Year 2017-2018 Annual Program of Services and Capital Improvement Program.

Bob Hart, City Manager - presented the annual budget overview to Council.

- Proposed Tax Rate:
- Sales Tax, Special Revenue, Internal Service and Impact Fee Funds:
- Capital Improvement Program:
- Vehicle Life Cycle Program:

Current Tax Rate	\$.58193
Proposed Tax Rate	\$.55000
Effective Tax Rate	\$.53686
Rollback Tax Rate	\$.55032



What is the Effective Tax Rate?

Tax Rate that provides about the same amount of revenue as the prior year

What is the Rollback Tax Rate?

Maximum rate allowed without voter approval

New Value Tax Growth	\$19,490,199
New Value Tax Revenue	\$107,196
Total AV Growth	8.52%
Average Home Value	\$249,112
Average Tax Bill	\$1,370

Property Taxes

	2013	2014	2015	2016	2017 Final <small>(as of July 25, 2017)</small>
Certified Value	\$1,428,952,690	\$1,538,127,064	\$1,638,520,892	\$1,799,383,154	\$1,952,654,794
Change in Value	2.53%	7.64%	6.53%	9.82%	8.52%
Property Tax Rate					
General Fund	\$0.46143	\$0.45143	\$0.44143	\$.44298	\$.44105
Debt Service	0.14346	0.14346	0.14346	0.13895	0.10895
Total Tax Rate	\$0.60489	\$0.59489	\$0.58489	\$0.58193	\$0.55000
Change in Tax Rate	-	(1C)	(1C)	(0.296C)	(3.193C)

Assessed Valuation & Property Tax Historical Comparison

The slide below is the additional funding that we are recommending in the budget that are ongoing revenues. The nine fire fighters (3 per shift) we propose to be funded through the Safer Grant. We would submit an application through the Safer Grant to pay for a portion of this.

The Safer applications would go in around the first of January - March. The approval of the grant would be in June/August time-frame. You would bring them on line the last quarter of next year. This is only a partial year of funding. We would meet with the Lake Cities collectively talk through the funding formula and look at whether or not we could get a longer term contract in place. Certainly by the time the application for the Safer Grant is due in I can give you some indication of our discussions with the Lake Cities. I would suggest to apply for the grant anyway and from the time the grant is submitted and an award is made we will know more of what is going to happen with the Lake Cities. We don't have to accept the grant we will just start down this path but we always have exit points depending on how the conversations go.

Councilmember Glockel - if the Lake Cities severed the contract today we would bring out equipment and our people over and put them in the new fire station but if we hire nine more people and the other 3 cities sever it next year what are we going to do with those people?

Councilmember Burke - that is a four year out problem.

Mayor Heidemann - yes, with our current contract but if we go with the Safer Grant we are off one year. We have to underwrite the cost to add more firemen. We do not have any provisions in our current fire contract to add any additional cost other than incremental increases.

Councilmember Burke - if the other 3 cities terminate our contract with them, the fire station that is over there in Lake Dallas is their facility and they will have to deal with the people that work there. If Lake Dallas terminates the contract and we have staffed our facility that services our citizens that will be a problem but that is life. We can't not do what we need to do because "maybe" we won't be able to get this worked out.

Councilmember Glockel - why are we in such a hurry to get these 9 people? We are only talking 9 but it is really 15 people in the budget. When we were building this we agreed for probably at least a year after it was built they would be a box or maybe another vehicle in there but we were not going to put 9 or 12 people in there. The building is not built yet, we are going to 9 then we are going to 15 before we have a consensus with the other 3 cities of what their intentions are and that is where I am hung up.

Councilmember Burke - I think we are planning a best case scenario. That is what a budget is. I don't know why we are talking about not planning for a best case scenario. What we want to happen is for us to negotiate a long-term contract with them and staff that and to know the amount of money we are going to need. There is no commitment to spend it and I don't see the harm in having it and not spending it but I think we should plan for our best case scenario and budget for it.

Bob Hart, City Manager - we would start working with the other 3 cities at the end of August first of September about a funding formula to lay the ground work for a long-term agreement. By December we should have a fairly good sense of where that is going and we then would shift into contract discussions. At that point we will know whether or not that looks positive enough that we can apply for the grant. Then we would continue with the negotiations until the award which would presumably would be somewhere between April and June and then we can make the decision on whether we want to accept the grant and hire anyone. So we are buying some time there. The flip side to this, let's assume it all goes south and we decide that we don't think this is going to work so then we bring everybody out of the Lake Dallas #1

station and move them over to the 3rd station and now we have two stations operating and we terminate the contract then we have a \$1.8 million dollar deficit that we have to deal with because that is the amount of revenue that we get from those other 3 cities that help to pay for those stations. We have to start with some kind of a plan, something in good faith that we are going to work together long-term and this is that first step. There are two exits points for us to back up, we don't have to spend the money but I also would like to be able to demonstrate good faith on our part that we do have a plan in place and how we are going to start some of this initial staffing.

Councilmember Harrison - if we don't reach an agreement between now and June of next year, We have 4 more years of the existing contract of drawing that money, so the only thing we are having to make up is the safer grant if we bring those on?

Bob Hart, City Manager - yes, if we bring those on.

Councilmember Harrison - I can see your rationale for that. My second point, if the last quarter of 2018, you are going to start drawing for the safer grant, people are going to be on, does the 3 years begin the day that you hire one person?

Curtis Birt, Fire Chief - once you are awarded the safer grant you have 90 days to hire those people and get them on board. Their first check kicks off the years and that is the way it is written for the 2016 grant when the 2017 grant gets published, who knows, it is ready to go for a house vote as soon as the house vote votes they can write the grant for that year.

Bob Hart, City Manager - if this goes south, we come back and start working on plan B or plan C.

Right now the police department is running on 4 shifts, they have 4 officers on two of the shifts, and 5 officers on two of the shifts. We are trying to get 5 officers on each shift and that way it boost the presence on the streets on a day to day basis. This still leaves us short 1 officer for a recommended staffing level but it gets us 5 officers on each shift and that is the reason for the recommendation.

Mayor Heidemann - does that amount include vehicles and all the equipment?

Bob Hart, City Manager - no, the equipment is not included in that. We have it elsewhere in the budget on how we would handle that. We wouldn't need vehicles because they share the vehicles. This does include wages and benefits.

The Combination Inspector we currently have and he is not going to be here for the full year. We have an uptick in building activity and from our perspective is we need to get someone on the ground in a hurry to be able to fill those inspections. The current inspector will vacate his position and we will have to make a decision on what we do at that point. On the short term we need an inspector in there. The alternative is to go out and get a contract inspector but that cost more than hiring someone.

The money for the side is a place holder as we start to go in and look at ways to connect the sidewalk to the trails or we fill in some gaps in the sidewalks. This money is there to do that.

Councilmember Harrison - I don't have a problem with filling up sidewalks but we need to change some of our policies that when people build things they need to have some of that cost when they are building it. These Ordinances should include that.

Bob Hart, City Manager - when developers put the money for escrow for a sidewalk, it is for a specific

sidewalk so in the case of the Millennium the sidewalk in over near Dobbs Street so when that street is built the money is there for that sidewalk.

Councilmember Glockel - is there a holding account set up for that?

Bob Hart, City Manager - there is the money set aside for escrow money and I think we can hold that money for 10 years. It is not in a fund it is accounted for a little differently than those funds because there is a specific location for that to go.

Councilmember Harrison - on FM 2181 and 2499 mowing is the water and irrigation included in that cost?

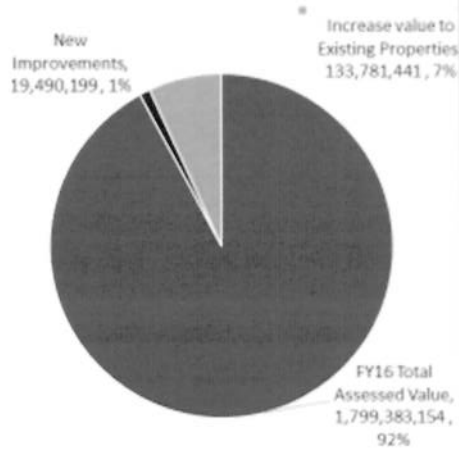
Bob Hart, City Manager - we have an application pending for the Green Ribbon Program. No landscaping has been done and the irrigation has not been put in, that is just the mowing money.

The money in there is for the remainder of FM 2499 when it opens we are going to have to mow that and that is the money for that. FM 2181 was not budgeted and we went back and put that in and that is the reason it is listed like it is.

	Proposed \$.55000	Effective \$.53686	Variance \$.01314
General Fund	\$ 8,612,184	\$8,355,605	\$256,579
Debt Service Fund	2,127,417	2,127,417	0
Total	\$10,739,601	\$10,483,022	\$256,579
Station #3 Staffing- 9 FTE	\$274,684	Public Safety STEP Increases	\$80,738
Police Officers – 2 FTE	161,002	General Employee Merit Increases	121,272
Combination Inspector – 1 FTE	69,526	Health Insurance	170,654
Sidewalk	50,000	Expanded EAP	10,500
FM2181 & FM2499 Mowing	16,692	SPAN bus program	6,000

Effective Tax Rate Analysis

Certified Value as of July 25
\$1,952,654,794



Property Tax Revenue	General Fund	Debt Service Fund	Total
Tax Rate	.44105	.10895	.55000
FY16 Assessed Value	\$7,936,179	\$1,960,428	\$9,896,607
Increase in Existing Properties	590,443	145,755	735,798
New Improvements	85,962	21,235	107,196
Total Property Tax Revenue	\$8,612,184	\$2,127,417	\$10,739,601

Total 2016 Tax Revenue Increase = \$842,994
 General Fund = \$676,005
 Debt Service Fund = \$166,989

FY 2017 Assessed Valuation

	2013	2014	2015	2016	2017 Final (as of July 25, 2017)
New Value Added	\$8,745,330	\$8,830,118	\$15,403,173	\$33,390,497	\$19,490,199
Tax Rate	.60489	.59489	.58489	.58913	.55000
Tax Bill Allocation:					
General Fund	\$40,354	\$39,862	\$67,994	\$147,913	\$85,962
Debt Service Fund	12,546	12,668	22,097	46,396	21,235
Total New Taxes	\$52,900	\$52,529	\$90,092	\$194,309	\$107,196

Five Year Average Growth of \$17,171,863

5 Year Average Annual Tax Revenue Increase on New Value Added = \$99,405
 General Fund = \$76,417 and Debt Service Fund = \$22,988

Assessed Valuation New Value Added

	2017 Market Value	2017 Taxable Value	% of Total City Taxable Value \$1,952,654,794
Boulevard 2010 LLC	\$ 23,931,096	\$ 23,931,096	1.2%
CoServ	21,373,185	21,373,185	1.1%
Oncor Electric Delivery Co	12,343,510	12,318,823	0.6%
AGL Constructors JV	9,823,190	9,823,190	0.5%
Tower Ridge Corinth I, LTD	8,770,582	8,770,582	0.4%
Utter Properties LLC	8,440,606	8,440,606	0.4%
HEB Grocery Company, LP	8,261,218	8,261,218	0.4%
Utter, Bill	7,894,886	7,894,886	0.4%
Anixter Power Solutions	7,569,341	7,569,341	0.4%
Texas Health Resources	7,423,519	7,423,519	0.4%
Kensington Square LP PS	7,190,893	7,190,893	0.4%
DATCU	12,000,000	6,941,486	0.4%
QuikTrip Corp	6,363,802	6,363,802	0.3%
Huffines Denton Auto	6,192,518	6,192,518	0.3%
Pinnell Square LP	6,000,000	6,000,000	0.3%
	\$ 153,578,346	\$ 148,495,145	7.60%

2017 Top Taxpayers



The Corinth housing market remains strong with home prices rising as the demand for single-family homes in the region continues. The average number of days homes are on the market in the City of Corinth is twenty eight (28) days.

	2013	2014	2015	2016	2017 Final (as of May 25, 2017)
Avg Home Value	\$185,042	\$198,248	\$211,926	\$229,765	\$249,112
Tax Rate	.60489	.59489	.58489	.58193	.55000
<u>Average Tax Bill:</u>					
General Fund	\$854	\$895	\$936	\$1,018	\$1,099
Debt Service Fund	265	284	304	319	271
Total Taxes Due	\$1,119	\$1,179	\$1,240	\$1,337	\$1,370

Average Home Values increase:

\$19,347 or 8.4% over the 2016 home values = \$33 increase in tax bill

\$64,070 or 35% since 2013 = \$251 increase in tax bill

Average Home Value

Prioritize Services

Do the Important Things Well

Question Past Patterns of Spending

Spend Within the Organizations' Means

Know the True Cost of Doing Business

Provide Transparency of Community Priorities

Provide Transparency of Service Impact

Demand Accountability of Results



The underlying philosophy of priority-driven budgeting is about how a government entity should invest resources to meet its stated objectives. It helps us to better articulate why the services we offer exist, what price we pay for them, and, consequently, what value they offer citizens.

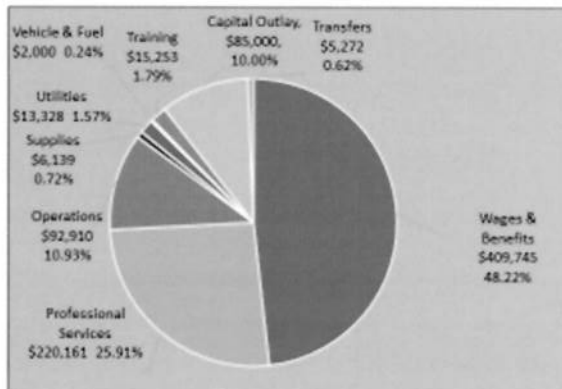
2017-18 Priorities

- ✓ High Performing Government
- ✓ A Safe Community
- ✓ Economic Vitality
- ✓ Strong Neighborhoods and Sense of Community
- ✓ Fiscal Stewardship

Philosophy of Priority-Based Budgeting

City Administration

City Administration, Legal, and City Council Budgets



Department	FTE	Budget
City Administration	2.00	\$392,987
Legal Services		200,550
Council Agenda/Ordinance Publications	1.00	104,341
Capital Outlay		85,000
Utilities & Allocations (Admin & Council)		20,978
Council Admin Services	-	16,067
Communications		11,079
Library Services		10,000
City Election		6,806
Fleet Capital & Maintenance		2,000
Total	3.00	\$849,808

New Program Services:

- ✓ TIRZ Study - \$5,000
- ✓ Community Strategic Plan - \$50,000
- ✓ Expanded EAP - \$10,500
- ✓ Communication Strategy - \$30,000
- ✓ SPAN bus service - \$6,000
- ✓ Council Governance Policies
- ✓ Council /Board Compensation- \$588

Bob Hart, City Manager - the administration department includes the City Manager, City Secretary and the Executive Assistance. I would propose in this budget that the Executive Assistant position would become the Communications person.

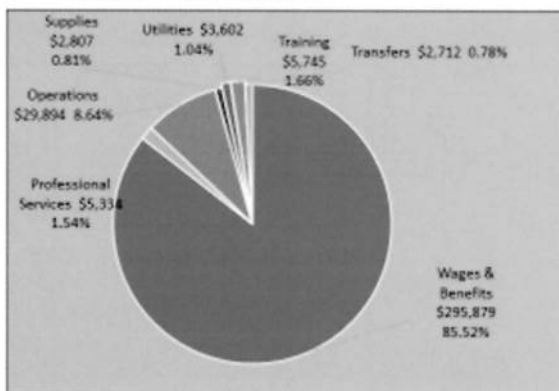
The TIRZ Study for \$5,000 is to look at the potential of a TIRZ or it could be some other strategy for how development could occur around Lynchburg Creek or working with NCTC. That would be some monies there to do some analytics that may need to get done. I suppose you could even expand that to pick up CoServ in terms of what they are trying to do with some of their property.

A community wide strategic plan, this would come out of one time monies, we would get a significant number of people involved (40+) plus the advisory boards involved in terms of doing a community wide strategic plan that would take about six months and be a series of on-going meetings. That would form the basis of a lot of the long-term planning efforts.

Community strategy is coming back in and helping us to think through an overall communication strategy about how we communicate in terms of the community. I've talked to a few folks, mainly thinking about how do you talk about communication in a community like Corinth? There is not a downtown there is not a community gathering place. This is one-time money to get help in defining how to go forward.

Council/Board Compensation was placed in the budget to compensate the board members and the Council as an extra level liability protection. My practice has been you pay everyone \$1.00 a month and that helps from a liability standpoint. You pay once or twice a year based on the attendance schedule so everyone would get a \$6.00 or a \$12.00 check. My experience has been that I have had people accept an appointment over liability concerns.

Human Resources



Department	FTE	Budget
Human Resource Administration	1.00	\$134,728
Employee Legal Compliance	1.00	92,283
Employee Processing	1.00	85,455
Employee Relations & Wellness		11,225
Risk Management		8,689
Utilities & Allocations	-	8,093
Employee Development Programs		5,500
Total	3.00	\$345,973

New Program Services:

- √ Safety Program
- √ Employee Recognition Program

Bob Hart, City Manager - we are spending some time here doing safety and recognition programs.

CITY CONTRIBUTION				EMPLOYEE CONTRIBUTION				
	Current (75%)	Proposed (75%)	Impact	Current (25%)	Blue Essentials		Blue Choice "Buy-Up" Option	
					Proposed (25%)	Impact	Proposed (25%)	Impact
EE Only	\$695.90	\$757.58	\$61.68	\$0	\$0	\$0	\$33.97	\$33.97
EE/Children	1,113.42	1,212.11	98.69	139.18	151.52	12.34	212.67	73.49
EE/Spouse	1,322.20	1,439.39	117.19	208.76	227.28	18.52	302.02	93.26
EE/Family	1,844.12	2,007.59	163.47	382.74	416.66	33.92	525.38	142.64

- Establish Health Insurance Benefits Trust – 1.75% Savings
- Continue High Deductible Insurance Plan with a Health Savings Account (H.S.A.)
- Continues 75% dependent contribution rate
- Continues contribution to employee Health Savings Account of \$1,000

- Projected 8.86% increase -\$207,892
- Blue Essentials network as base plan (\$2,600 Deductible/ 80% to \$4,000)
- Blue Choice network as "buy-up" option (\$2,600 Deductible/ 80% to \$4,000)
- Council consideration August 10, 2017

Health Insurance

Bob Hart, City Manager - this is an item that you have on the agenda tonight. I think we went through this pretty well last week during the workshop session. The reason it is on the agenda tonight is we have to get this in place 30 days prior so the employees can make their selections no later than September 1st. We will be doing that on August 29, 30, and 31.

Councilmember Harrison - what is the total cost of the Cities contribution? What is the total cost for the employee?

Lee Ann Bunselmeyer, Finance Director - the total health insurance cost for the City across all funds is \$2.5 million. The cost of the General Fund alone is right at \$2 million for health insurance cost.

Councilmember Harrison - can you give us something that breaks that down.

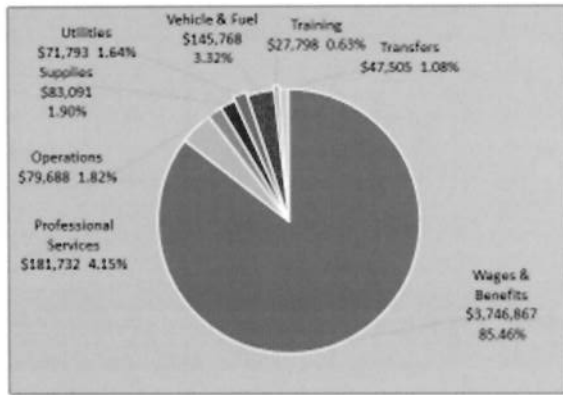
Bob Hart, City Manager - this is what the employees are paying on a monthly basis for their insurance. We have to figure out who is doing children only, spouse or family coverage and then get that breakdown.

Bob Hart, City Manager - The health insurance initial proposal was at 36%. We made the plan modifications we have it down here for just over 7%.

Lee Ann Bunselmeyer, Finance Director - I did a quick calculation and I think the employee contribution is about 25% of what the city contributes so total employee is about \$625,000.

Police Services

Police and Animal Control



Department	FTE	Budget
Field Operations Patrol	23.00	\$2,411,816
Police Administration	5.00	543,958
Criminal Investigations Division	4.00	480,688
School Resource Officers	3.00	327,703
Utilities & Allocations		162,411
Dispatch & IT Maintenance		145,069
Fleet Capital & Maintenance		137,710
Animal Control	2.00	128,224
Emergency Management		12,181
Facility Management		19,134
Public Relations/Events/VIPS		7,643
Citizens Police Academy		3,203
Police Employee Recognition		2,800
Best Practices Program		1,702
Total	37.00	\$4,384,242

New Program Services:

√ 2 full-time police officers - \$161,002

△ Texas Department of Public Safety lab fees - \$20,800

Bob Hart, City Manager - we have two items in here and one is the police officers we talked about earlier and that is in here as an on-going expense. The second one is shaded a little bit differently, we have originally put that in to cover the DPS cost and the governor intervened and they have waived that cost now. The state will continue to do that so that may be a place where we can pick up some savings. The cost was for testing and the lab reports for DWI and things like that.

The recommendation on the pay increases would be 3% for public safety which would be dealing with the step increases and 3% for the general employees.

Mayor Heidemann - is that 3% individual or 3% dollar figure that would be allocated out to different levels within.

Bob Hart, City Manager - it would be allocated out to different level within. We will be going through the evaluations and dealing with employees individually.

Mayor Heidemann - last year we had 1 ½ people for animal control have we added another person for animal control?

Bob Hart, City Manager - we have 1 ½ positions, one was a part time and then we had a part time court bailiff and what we were running into was we could not hire a part time court bailiff and we could not hire a part time animal control officer. When we got into a contract with Lake Dallas for animal control we were going to have to provide some additional coverage in terms of coordinating with them and so we took the bailiff position and the part time position and made it one position and that is how we got to two. So we had 1 ½ and took that part time bailiff and got it to 2.

Bob Hart, City Manager - we are recommending that we add two police officers and then we abolish the court bailiff which is out of the court technology fund and we take that ½ position go over to animal control and combine it with a part time animal control officer to make it a full time animal control officer for a total of 2.

Mayor Heidemann recessed the workshop to go into the Regular Session at 7:00 p.m.

Mayor Heidemann reconvened the Workshop Session at 7:25 p.m.

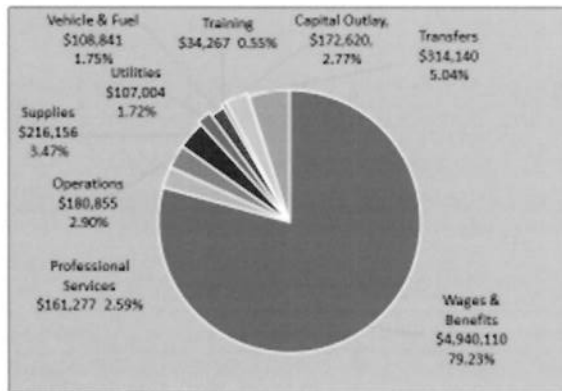
Mayor Heidemann - on the Fleet Capital & Maintenance Fund, this is all based on us approving the Enterprise is that correct?

Bob Hart, City Manager - yes. As and when we get to that I can show you the consequences one way or the other. The recommended budget is prepared based upon us doing the Enterprise agreement.

Mayor Heidemann - what is the impact if we don't approve that?

Bob Hart, City Manager - we will need to generate some more revenue or cut some services to make up the shortfall.

Fire Services



Department	FTE	Budget
Fire Operations Division	36.00	\$3,406,056
EMS	13.00	1,361,157
Fire Administration	4.00	580,154
Fleet Capital & Maintenance		378,841
Capital Outlay		212,620
Utilities & Allocations		170,302
Facility Management		80,884
Dispatch & IT Support		27,856
Employee Recognition		6,960
Public Education		4,810
Fire Prevention Bureau		3,990
Citizens EM Academy		1,640
Total	53.00	\$6,235,270

New Program Services:

- √ 9 full-time firefighters & hiring costs - \$367,603
- √ Fire House #3 Fleet Equipment - \$172,620
- √ ISO rating review - \$40,000

Bob Hart, City Manager - this is where we pick up the fire fighters per shift. The fire house is the equipment for the truck that would go into the fire house and then the ISO rating and prepare for that. A lot of the questions deal with the strategy or how we go forward with the negotiations and conversations with the Lake Cities. We will start having regular meetings with the staff at the other 3 cities at the end of August first of September and look at a funding formula and a strategy for how we go forward. We will deal with how we staff station 3 and what those costs are going to be, what they can and cannot afford, and we will have several months to work through that process. Then we will have the safer grant that will come up and we will continue those conversations and somewhere through there the strategy is going to emerge on this. At the end of the day all the cities are going to vote in their own best interest.

Councilmember Glockel - what is the bill for the 9 people for the first year \$275,000?

Bob Hart, City Manager - yes for salaries.

Councilmember Glockel - the next year they are going to be on for a full year what is the bill for that?

Bob Hart, City Manager - it is roughly \$1 million dollars.

Councilmember Glockel - and the 3rd year it is more than that because you are paying 65%. If the other cities back out and give us a year contract so now in the 3rd year we could be with 9 employees with a million plus something just for their cost plus the \$1.8 million that the other cities are paying us today under this contract so we could be well over \$3 million dollars extra at the end of the 3rd year if the other cities do not stay with us. We need to be informed if you go talk to Hickory Creek or Lake Dallas every one of us will get a call and we are not going to know anything and that will make it worse.

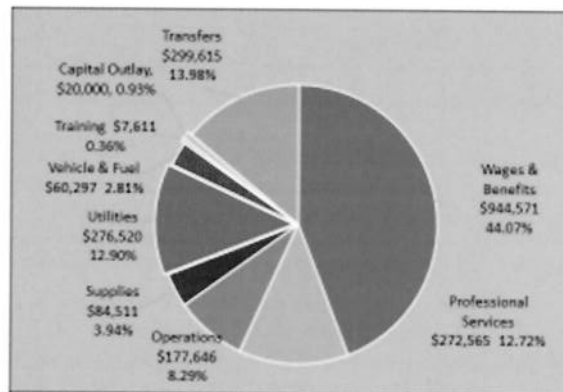
Bob Hart, City Manager - if I am not comfortable with what I am hearing from the other 3 cities then I would not recommend that we move forward on the Safer Grant. I would not go off and spend money unless I am confident in the direction we are going.

Mayor Heidemann - I think the Safer Grant is a good way to go to offset some of your costs but unless there is some commitment I would not proceed with the grant. It would be my hope that the cities would see the beauty of working together.

It was the consensus of the Council for the City Manager to proceed in negotiations with the other 3 cities regarding the Fire contracts and for the City Manager to brief Council and bring back to Council a 6 month plan a 1 year plan and 3 year plan so that everyone is in the loop.

Public Works

Streets and Parks & Recreation Budgets



Department	FTE	Budget
Utilities & Allocations		\$603,115
Community Park Complex	4.00	333,482
Street Repair/Maintenance	4.00	288,763
Sidewalk Repair/Maintenance	3.00	272,782
Neighborhood Parks/Facilities	2.00	168,623
Recreation	3.00	168,081
H.O.A. Maintenance Contracts		101,673
R.O.W. Mowing		89,782
Fleet Capital & Maintenance		58,997
Traffic Mgmt & Signage		27,708
Capital Outlay		20,000
Pond Maintenance & Repair		6,200
Woods Building Maintenance		4,130
Total	16.00	\$2,143,336

New Program Services:

- ✓ Asset Management Program - \$20,000
- ✓ Sidewalk Replacement Program - \$50,000
- ✓ FM2181 & FM2499 Mowing - \$16,892

Bob Hart, City Manager - the mowing and the sidewalk program we talked about earlier.

The Asset Management plan will actually show up in multiple funds. What the Asset Management Plan will do is look at the cost, look at the condition and then look at it on a life cycle basis so that the Council will know when you will need to be replacing for example a water line on Corinth Parkway. So much of this town is built out and typically you will be looking at 30, 40 and 50 year life cycles so you want to start doing some planning for how you will be replacing or making repairs. We would start all this fairly quickly and by February we would have a final report back and merge that with the CIP and start to see

the impacts in preparing next year's budget. It would be all the city's assets.

Councilmember Johnson - I know that there is some GASBE requirements that did this very same thing.

Bob Hart, City Manager - in the US it went to GASBE 34 and became a footnote on the financial statements. You have the numbers but it does not have conditions and you don't have built in schedules for replacements or replacement cost.

Councilmember Burke - \$20,000 is a fraction of the cost, what is the total for this plan?

Bob Hart, City Manager - total cost is \$50,000.

Councilmember Johnson - why is it not part of the CIP?

Bob Hart, City Manager - the CIP would be a Capital Improvement that is when you are building the asset for the future. All you are doing here is documenting and planning for replacement of existing assets. The reason you merge it with the CIP is because when you are looking at building new assets and replacing assets you are going to build up ballots in both of those over the long term.

Planning & Development

Planning and Community Development Budgets

Permits	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2017-18 Projected
Commercial	4	5	2	17	17
Residential	5	47	40	50	75
Total	29	52	42	67	92



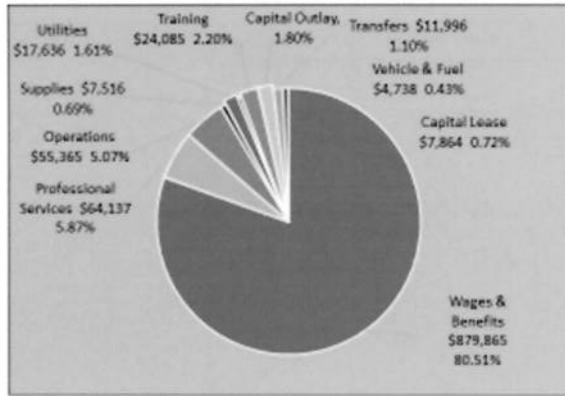
VALUES (millions)	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimated	2017-18 Projected
Commercial	4,711,027	18,283,746	722,277	31,809,145	32,000,000
Residential	12,692,435	23,113,142	15,154,261	37,690,488	56,535,732
Total	\$17,403,462	\$41,396,888	\$15,876,538	\$69,499,633	\$88,535,732



Bob Hart, City Manager - this is just to get a sense of what we think is going to be happening to some building activity primarily driven because we have lots on the ground. This goes back to that inspector issue.

Planning & Development

Planning and Community Development Budgets



Department	FTE	Budget
Permits & Plan Reviews	2.00	\$214,851
Current Planning Review	2.00	211,159
Planning Administration	1.00	158,061
Building Inspections	2.00	149,564
Long Range Planning Mgmt	1.00	105,524
Geographic Information Systems	1.00	88,649
Code Compliance	1.00	76,225
Utilities & Allocations		41,069
Health Inspection Program		15,498
Capital Outlay		19,700
Fleet Capital & Maintenance		12,602
Total	10.00	\$1,092,902

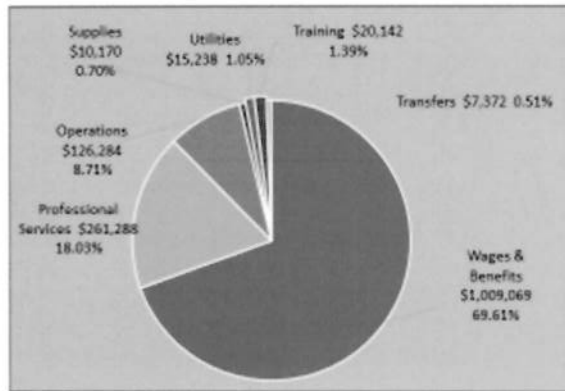
New Program Services:

- ✓ Star Community Program - \$7,500
- ✓ Thriving Earth Exchange Program - \$3,000
- ✓ Scenic City - \$1,000
- ✓ ISWM - \$1,000
- ✓ SolSmart Cities - \$1,000
- ✓ Complete Streets Concept Plan - \$2,000
- ✓ Combination Inspector - \$73,726

Bob Hart, City Manager - for the combination inspector, this includes the inspector and a desk so this is a one-time versus the ongoing. The other items are dealing with this outreach and working within the region. The ISWM, So/SMART, and Complete Streets are all COG initiatives or COG coordinated activities. The Star Community Program is a way of looking at a long-term sustainability of the community where we would like to be participating with other cities across the country in doing measurement. I see that as being important and linking up very close to the strategic plan. The Thrive Earth Exchange Program actually goes back to the earlier conversation on Lynchburg Creek and that is dealing with some potential environmental issues. This program is an initiative of the American Geophysical Union which are the research scientist in the Country and what they do is try to partner with the Cities and provide technical expertise and it is free. I have a little bit of money in there because you have to get maps and surveys to make that work.

Finance & Administrative Services

Finance, Special Events and Municipal Court Budgets

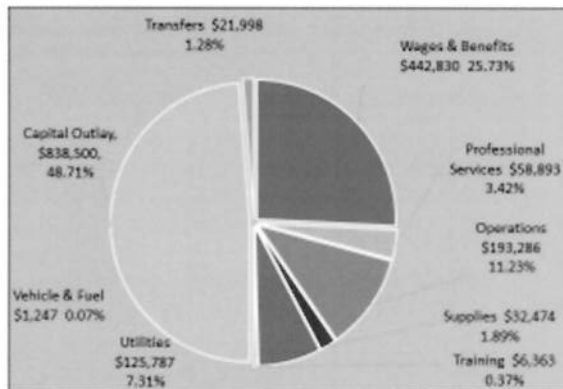


Department	FTE	Budget
Finance & Budget Administration	2.50	\$313,494
Accounting Services	2.00	259,709
Citation Processing	3.00	187,500
Purchasing	2.00	166,993
Courtroom Proceedings	1.00	151,073
Special Events		87,668
Appraisal & Taxation Services		86,375
Payroll Administration	1.00	84,853
Warrant Processing		36,415
Utilities & Allocations		35,552
Jail/Holding Facility		15,000
Budget Administration		12,469
Investment & PFIA Compliance		12,462
Total	11.50	\$1,449,563

New Program Services:
 ✓ No new program funding

Finance & Administrative Services

Technology Services, City Hall, and Public Safety Facilities



Department	FTE	Budget
Capital Outlay		\$838,500
Public Safety Tech Support	2.00	192,559
Tech Administration	1.00	127,761
Network Support	1.00	117,229
Desktop Support	1.00	79,797
Tech/City Hall Utilities & Allocations		74,470
Application Support		62,994
PSF Utilities & Allocations		62,386
City Hall Janitorial		31,518
City Hall System Maintenance		26,009
Website Support		19,342
PSF Janitorial		16,263
Fleet Capital & Maintenance		16,245
Server Support		15,623
PSF Facility Maintenance/Repairs		13,250
City Hall Maintenance/Repairs		12,150
PSF System Maintenance		6,902
City Hall Security		4,421
PSF Security		3,959
Total	5.00	\$1,721,378

New Program Services:
 ✓ Phone System - \$200,000
 ✓ Upgrade INCODE - \$48,125
 ✓ Public Safety Facility Furniture & Fixtures - \$596,000

Bob Hart, City Manager - the increases that you see here are going to be related to the opening of the Public Safety Building and opening of Fire Station #3 and there is an IT expansion that goes there. When we talk about 5 positions, this past year we have had 4 people in IT and we are picking up a 5th person that will be taking care of the public safety building. We had 5 people in the budget last year, one of which was the communications position and we have eliminated that position. We are taking the Communications position and moving that over to Administration taking the Administration Assistant position.

We have two one-time expenditures in here and one is to replace the phone system within city hall and

expand it into the public safety building and the other is to pick up the other versions of INCODE software changes that we are going to have to do sometime over the next 12 months either voluntarily or involuntarily.

	2016-17				
	Projected Actuals	2017-18 Proposed	2018-19 Projected	2019-20 Projected	2020-21 Projected
Ad Valorem Taxes	8,058,437	8,671,684	9,022,859	9,381,971	10,047,612
Sales Tax	1,363,603	1,430,981	1,501,888	1,576,335	1,654,498
Franchise Tax	1,092,969	1,128,227	1,139,511	1,150,906	1,162,416
Development Fees & Permits	841,725	751,334	471,334	468,334	468,334
Fire Services	2,733,898	2,711,950	2,648,692	2,668,023	2,684,349
Other Revenue	2,354,505	2,579,018	2,969,425	2,925,973	2,687,992
Total Resources	16,445,137	17,273,194	17,753,709	18,171,542	18,705,201
Wages & Benefits	11,069,536	12,668,936	13,573,700	13,923,470	14,263,635
Maintenance & Operations	4,146,881	4,284,797	4,388,956	4,445,475	4,500,831
One-Time Expenditures	147,802	1,268,739	-	-	-
Total Expenditures	15,364,219	18,222,472	17,962,656	18,368,945	18,764,466
Net Income	1,080,918	(949,278)	(208,947)	(197,403)	(59,265)
Ending Fund Balance	4,816,026	3,866,748	3,657,801	3,460,398	3,401,133
Fund Requirement - 20%	3,072,844	3,644,494	3,592,531	3,673,789	3,752,893
Effective Fund Balance	31.35%	21.22%	20.36%	18.84%	18.13%

General Fund Long Range Forecast

Lee Ann Bunselmeyer, Finance Director - for Ad Valorem Taxes we have it at 4% it is pretty conservative when you look at the growth that we have had over the last 3 years. We are averaging about 6% over the last 4 years so it is relatively conservative on the property taxes. On sales tax, the trend is still cycling up and we factored in a 5% growth. Your fire Services contract are contractually set for the next 5 years.

Councilmember Harrison - so you are going to take out \$949,000 dollars out of the fund balance?

Bob Hart, City Manager - yes, those are the one-time expenditures that you see in the budget. When we went through and looked at the items in the white that is the cumulative total of all of those.

Councilmember Harrison - we are going into fund balance for \$900,000 in 2017-18 and next year we are projected to go in \$208,000 and what is that?

Bob Hart, City Manager - the fund balance goes up 30% and we are taking about 10% of that and using it for one-time expenditures.

Councilmember Harrison - give me a list of what they are for the out years?

Bob Hart, City Manager - in the out years we are not doing that. All this is, is the difference between revenue and expenses. That is just the projected deficit.

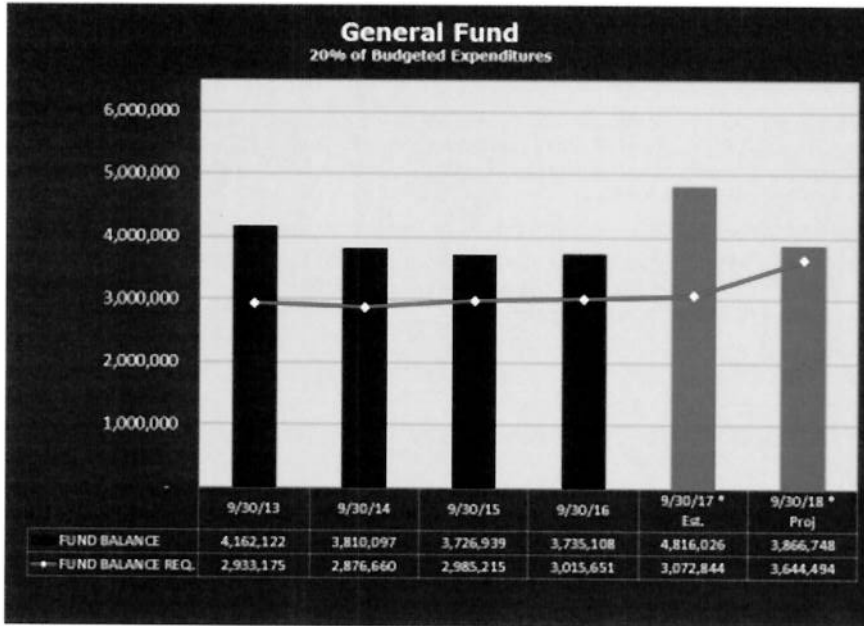
Mayor Heidemann - in other words, in 2018-2019, and 2019-2020 you are projecting that out with a reduction in your safer grant? As part of the wages?

Bob Hart, City Manager - yes, as part of the wages. Then next year we will know a little better but you

have to have an assumption somewhere and the assumption is that we are going to do the 9 fire fighters over that 4 year period as shown.

Councilmember Harrison - are the phones in that \$900,000?

Bob Hart, City Manager - yes. The list of the one-time purchases is on page 6 in the budget.



In December 2012, the City Council adopted a Fund Balance Policy. The policy established the City's goal to achieve and maintain an unassigned fund balance in the General Fund equal to 20% of expenditures.

Appropriation from the minimum assigned fund balance requires the approval of the Council and may only be utilized for one-time expenditures, such as capital purchases and not for ongoing expenditures.

Fund Balance Historical Analysis

Restricted and Sales Tax Use Funds



Sales Tax Funds Budget Overview

A city can adopt a sales tax if the combined rate of all local sales taxes would not exceed two percent at any location within its territorial limits. The sales tax in Corinth is 8.25% of goods or services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State's Comptroller of Public Accounts on a monthly, and in some cases, a quarterly basis. Of the 8.25% tax, the State retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, 25% to the Crime Control & Prevention District and .50% to the Economic Development Corporation.

Departments	FTE	2017-18	Est. 9/30/18	Budgeted Expenditures
		Proposed Budget	End Fund Balance	
Economic Development	1.00	\$754,828	\$3,316,569	Administrative, utilities and allocation expenses -\$271,217 Business Retention/Expansion - \$56,211 Development Plans - \$86,400 Economic Incentives/Grants - \$166,000 Lake Sharon Extension Lighting - \$175,000
Crime Control & Prevention District	2.00	\$312,403	\$318,865	Wages & benefits -\$171,447 Enterprise Fleet Replacement Program - \$110,567 Thermal Imaging Unit - \$5,249 RFID Asset and Inventory Phase II - \$25,140
Street Maintenance	-	\$385,660	\$709,587	Preventative pavement maintenance - \$310,660 Meadows at Shady Shores Intersection street project -\$75,000

Bob Hart, City Manager - the amount for the Lake Sharon Extension was budgeted prior to bids. We anticipate construction to be complete in mid, 2018.

The Crime Control and Prevention District funds two police officers and this equipment. This will need to be reauthorized by the voters again in 2019.

The Street Maintenance fund has some cost there for the maintenance program for the streets and Meadows and Shady Shores for street improvements and drainage improvements.

Special Revenue Funds Budget Overview

Special Revenue Funds are used to account for general government financial resources that are restricted by law or contractual agreement to specific purposes other than debt service or major capital projects.

Departments	FTE	2017-18	Est. 9/30/18	Budgeted Expenditures
		Proposed Budget	End Fund Balance	
Hotel Occupancy Tax	-	\$103,532	\$117,666	Pumpkin Palooza Music Festival - \$24,132 Administrative services to promote tourism - \$21,000 Special event advertising - \$6,400 Public Safety Facility curator cases - \$52,000
Keep Corinth Beautiful	-	\$5,000	\$23,020	Beautification projects - \$3,500 Tree City USA - \$1,000 Monarch Butterfly Program - \$500
Community Park Improvement	-	\$34,000	\$130	Permanent Dugout Covers - \$34,000
Park Development	-	\$40,000	\$288,557	Neighborhood park fixtures - \$2,000 Parks Master Plan - \$25,000 Park signs - \$13,000
Tree Mitigation	-	\$5,000	\$141,342	Installation of neighborhood park trees - \$5,000

Lee Ann Bunselmeyer, Finance Director - the Public Safety Facility curator cases is used to store historical artifacts. You can use this as an historical category in the Hotel Occupancy Tax and you can provide funding to preserve historical artifacts and so forth. For example the Police Department has uniforms of the first female police officer. The fire has items also and they represent the history of those departments. These curator cases can actually display those in the lobbies of the Public Services Facility.

Bob Hart, City Manager - Tree City USA is a new national program and it helps with the tree mitigation to get that designation.

Councilmember Johnson - we already spent \$25,000 on the Parks Master Plan, we are going to spend another \$25,000?

Bob Hart, City Manager - that was my mistake. I am recommending we set aside about \$5,000 and take the Hike and Bike Trail and the Parks Plan that we did not adopt and merge those, go back through and work with the Council and Planning and Zoning and get to the point where we can have a final document, get it adopted and then use it for some future grant applications.

Special Revenue Funds Budget Overview (Continued)

Special Revenue Funds are used to account for general government financial resources that are restricted by law or contractual agreement to specific purposes other than debt service or major capital projects.

Departments	FTE	2017-18	Est. 9/30/18	Budgeted Expenditures
		Proposed Budget	End Fund Balance	
Child Safety Program	0.50	\$26,956	\$24,805	Denton County Child Advocacy - \$13,543 Crossing Guards - \$13,413
Municipal Court Security	-	\$7,500	\$79,644	Police overtime for court security.
Municipal Court Technology	-	\$25,238	\$33,746	Municipal Court INCODE upgrade - \$12,000 Police Body Cameras - \$7,530 Technology Computer Replacement Transfer - \$5,708



Internal Service Funds Budget Overview

The Internal Service funds were established to accumulate sufficient resources to replace existing vehicles and equipment that has reached or exceeded its useful life. The funds are managed to purchase City vehicles and equipment in a manner that will not create a burden on the City budgets. Vehicles and equipment are replaced based on a schedule established to maintain a safe fleet for public service.

Departments	FTE	2017-18	Est. 9/30/18	Budgeted Expenditures
		Proposed Budget	End. Fund Balance	
General Fund Vehicle & Equipment Replacement	-	\$148,526	\$157,700	Enterprise Fleet Replacement Program - \$65,365 Police Vehicle equipment purchase - \$83,161
Technology Replacement	-	\$78,400	\$93,737	Replace MDTs, printers and computers for Police and Fire.
Fire Vehicle & Equipment Replacement	-	\$358,880	\$229,091	Fire ladder truck - \$97,288 Pumper #1 lease - \$65,075 Medic #2 - \$39,935 Station #3 Engine lease - \$80,000 Enterprise Fleet Replacement Program - \$44,382 Command vehicle equipment - \$32,200
Utility Vehicle & Equipment Replacement	-	\$40,201	\$410,769	W/WW Enterprise Fleet Replacement Program - \$32,186 Drainage Fleet Replacement Program - \$8,015
Utility Meter Replacement	-	\$400,000	\$91,108	New Meter Transponder system Phase II.

Bob Hart, City Manager - this is dealing with replacing vehicles and equipment based on a schedule.

Mayor Heidemann - what would this look like without Enterprise in there in terms of cost?

Bob Hart, City Manager - the Enterprise proposal and bringing them in is they would set up a fleet management program for us and in doing that they would help manage the gasoline, the vehicle operations and maintenance, help us with the disposal of vehicles and the acquisition of vehicles. They do a complete management program. That relieves a lot of the staff time that is there.

Mayor Heidemann - how do we dispose the vehicles now?

Bob Hart, City Manager - we use a third party auctioneer and auction them off. If you look at what we would pay to Enterprise as reflected in the budget of \$220,000 with that we would be able to replace 25 vehicles. We try to replace 3 vehicles a year, in the current year we did not replace any vehicles. We are 3 behind there and we need to get 3 this next year for a total of 6. We have 4 vehicles that we have taken out of the fleet because of carbon monoxide leaks and we are not using them at all and those need to be replaced.

Mayor Heidemann - why do they need to be replaced? Ford Motor Company said they were going to repair them.

Bob Hart, City Manager - today is when Ford made their announcement to do that. When we were working on this stuff I didn't know that. I don't know what the repairs are going to be or the timing is going to be and we will be in line with a whole lot of people.

We need to replace 3 vehicles in the Fire Department. You can pull of the \$195,000 and that puts you at \$435,000 and that will take care of 7 vehicles. This is simply a cost saving strategy partly because their approach of dealing with these vehicles is looking at cost of the vehicle operation and that resale value.

Mayor Heidemann - when the residual value goes below what they established when they stated that

lease, who has to absorb the difference?

Jennifer Bertram, Enterprise Fleet Management - hypothetically the difference would be on the City so if it sells for more you would get that as well. How we structure it is very conservative. We look at how many miles is the vehicle going and how does that depreciate the value over its life, what is the condition going to be? The police vehicles will have a lot more aftermarket on them and we take all that into consideration when we set a residual value. The risk really is we could continue to run it if we chose, we could pay off the residual value or buy out the payoff of the vehicle.

Mayor Heidemann - so that is going to be over and above that \$220,000?

Jennifer Bertram, Enterprise Fleet Management - from a capital standpoint yes.

Mayor Heidemann - when you go out and lease that vehicle you are going to replace it in 3 years so we pay the lease payments for those 3 years and say you had a \$10,000 residual value all of sudden that dropped down to \$6,000 that \$4,000 dollar difference that you had in that value the city has to come up and pay that \$4,000?

Jennifer Bertram, Enterprise Fleet Management - One, we are implementing an account team that is watching that throughout the term. You are not required that year to pay off the residual, you have options because it is open-ended. If you got to the end of the term and worse-case scenario happened then you could pay off the residual by financing the rest of the value to zero and essentially own the vehicle at that point.

We are going to implement an account team that is going to watch all of the trends. We have to be really conservative on the front end, how much of that principal we should be paying down to put you at an equitable position, if something were to change in the market to know that we could adjust those if we had to. If one of the public works trucks starts going 50,000 miles a year instead of 10,000 that we predicted, if we needed to speed up the principal portion of the payment or that depreciation we could speed that portion of the payment up at any time so it gives us flexibility if there were a change. We look at the trend on every single vehicle that we are replacing and determine how many miles on average does that person or that position go and then we will depreciate accordingly. You are essentially creating an internal replacement fund on the backend.

The \$220,000 is the annual cash outlay for the 25 vehicles.

Mayor Heidemann - which is an estimate?

Jennifer Bertram, Enterprise Fleet Management - no it is not an estimate that is the actual cost.

Councilmember Burke - that is the contract and if you are conservative we will recover some of that and if you all are wrong we extend the payment and keep the cars.

Bob Hart, City Manager - I know this is a radically different program from what you are used to traditionally. When I was first exposed to this your initial reaction is this is too good to be true. But if you go back and look at the formula it makes all the sense in the world to me. If you look at the two proposals the alternate proposal you are looking at 10 vehicles for \$640,000 and the Enterprise proposal we are getting 25 vehicles for \$220,000.

Councilmember Glockel - so if you don't add another vehicle for 3 years you are going to pay \$220,000

if you don't add another vehicle and next year you replace 25 vehicles just to keep it even and now you are paying \$440,000 a year because this is just the lease on these 25 vehicles. All the time we are adding you are adding this lease payment of whatever it is to the direct proportion to the number of vehicles. What is the highest we will be paying on lease payments based on your research a year? This year it will be \$220,000, next year it will be what?

Lee Ann Bunselmeyer, Finance Director - wants the program is fully operational we are looking just under \$600,000 in the 5th year. Your impact to the General Fund on the 5th year will be a little less than \$160,000. What we are doing is putting the police vehicles in the Crime Control District and that is where the biggest fleet of the general fund is, is your police vehicles.

Councilmember Harrison - where are the 13 vehicles that you are going to eliminate?

Lee Ann Bunselmeyer Finance Director - there are two or three vans in the recreation department that we currently have. The Council approved the contract with Lake Dallas to use their bus services for \$4,500 a year. 3 of those vans we are no longer using. In our current process on how we do things is a lot of our departments have back up vehicles so with the underutilized vehicles it eliminates all those vehicles that we currently have in our fleet as back up vehicles because with Enterprise if a vehicle goes down within 24 hours they will have a new one here to be able to use. So a lot of those is just the backup vehicles that we are not going to need.

Bob Hart, City Manager - it would cost us a lot more than that just to replace what we are already behind but these you almost have to do now because we are so far behind. There is not going to be a good way to get out of this outside of a program like this.

Councilmember Glockel - I am not opposed to the program I think it has a lot of possibilities but is this something that we should have bid?

Bob Hart, City Manager - Enterprise is already bid on a state wide basis so the bid has already been done. We can go in on one of those pools and accept the bid that has already been done. So did we go off and write specs and get a bid the answer is no. But the state has gone out and bid it with these purchasing pools and we will go in there. That is the way we buy vehicles today, we go to a purchasing pool that has already been bid to buy it.

Jennifer Bertram, Enterprise Fleet Management - the TIPS Cooperative is the cooperative that we have been a part of for about 3 years now. They go out to bid and they do their due diligence and all the cities and counties are piggybacking off of so they don't have to do their own. It has made it a lot easier for cities to come on board because most cities don't want to do their own because of all the time that it takes and we have seen a lot of growth over the last few years.

Enterprise Proposal

- Fleet Management Program
 - Gasoline
 - Vehicle O&M
 - Disposal
 - Acquisition
- 2017-18 Lease Payments - \$220,314
 - Replace 25 vehicles
 - General \$65,365
 - Crime Control \$110,567
 - LCFD \$44,382

Alternate Proposal

- Police Department
 - Replace 6 patrol units-\$390,000
 - Replace 3 Ford Interceptors - \$195,000
- Fire Department
 - Replace 1 Fire Command Unit- \$55,000
- Does not address Street/Parks and full Fire Needs
- Total Funding needed - \$640,000

Vehicle Life cycle program

Impact/Escrow Funds Budget Overview

Impact fees are paid by developers for construction of water, wastewater, roadway, and drainage projects. Impact fees are restricted by law for use only on projects deemed necessary for development by an impact fee study which establishes fees appropriate to fund identified projects.

Departments	FTE	2017-18 Proposed Budget	Est. 9/30/18 End Fund Balance	Budgeted Expenditures
Water Impact Fee	-	\$400,000	\$49,852	Elevated storage tank design.
Wastewater Impact Fee	-	\$0	\$299,343	No budgeted expenditures
Roadway Impact Fee	-	\$300,000	\$14,422	Lake Sharon/Dobbs alignment
Storm Drainage Impact Fee	-	\$0	\$91,193	No budgeted expenditures
Street Escrow	-	\$0	\$152,865	No budgeted expenditures

Bob Hart, City Manager - on Impact fee and Escrow, we don't have any budgeted expenditures on these.

Capital Improvement Program



CAPITAL COSTS	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Public Works Facility	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
Elevated Storage Tank	-	1,700,000	-	-	5,500,000	-	7,200,000
Qual Run/Dobbs Road Water Lines	-	-	-	2,100,000	-	-	2,100,000
Lake Sharon Pump Station & 3mg Ground Storage Tank	-	-	-	-	-	3,900,000	3,900,000
24" and 20" line along Lake Sharon	-	-	-	-	-	2,000,000	2,000,000
16" line along S. Corinth street	-	-	-	-	-	250,000	250,000
12" line along FM2181	-	-	-	-	-	2,000,000	2,000,000
Total	\$ -	\$ 3,200,000	\$ -	\$ 2,100,000	\$ 5,500,000	\$ 8,150,000	\$ 18,950,000

FUNDING SOURCES	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Unissued/Unauthorized Bond Proceeds	\$ -	\$ -	\$ -	\$ 2,100,000	\$ 5,500,000	\$ 8,150,000	\$ 15,750,000
2017 C.O.	-	1,500,000	-	-	-	-	1,500,000
2016 C.O.	-	1,300,000	-	-	-	-	1,300,000
Impact Fees/Escrow Funds	-	400,000	-	-	-	-	400,000
Total	\$ -	\$ 3,200,000	\$ -	\$ 2,100,000	\$ 5,500,000	\$ 8,150,000	\$ 18,950,000

Capital Improvement Program - Water System Improvements

Bob Hart, City Manager - you will see the same charts again next week with the proprietary funds because when we talk about water, wastewater and drainage. One of the things that we are recommending taking a look at is the Public Works facility. With the CO package we have freed up some funds that we can do that. You looked at this last year and set it aside so I would like to bring that back to the table for some more conversation on trying to renovate, and expand and get that building in good shape. That would leave us in good shape on all of the buildings. A lot of the items listed we will discuss next week when we discuss the water rates.

CAPITAL COSTS	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Sewer line Realignment (L3)	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,000
FM2181 lift station and 14"/12" force main	-	-	-	-	-	700,000	700,000
Lynchburg 15", 12", 10" Sewer Line	-	-	-	-	-	1,300,000	1,300,000
Shady Rest Lift station 18"/21" Sewer Line	-	-	-	-	-	1,700,000	1,700,000
Total	\$225,000	\$ -	\$ -	\$ -	\$ -	\$ 3,700,000	\$3,925,000

FUNDING SOURCES	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Unissued/Unauthorized Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,700,000	\$ 3,700,000
Aid in Construction	225,000	-	-	-	-	-	225,000
Total	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ 3,700,000	\$ 3,925,000

Capital Improvement Program - WasteWater System Improvements

CAPITAL COST	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Public Safety Facility	\$14,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,400,000
City Entrance Signs	-	150,000	-	-	-	-	150,000
Facility Renovations	500,000	-	-	-	-	-	500,000
Total	\$14,900,000	\$150,000	\$ -	\$ -	\$ -	\$ -	\$ 15,050,000

FUNDING SOURCES	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
2016 C.O.	\$13,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$13,000,000
2017 C.O.	1,900,000	-	-	-	-	-	1,900,000
Capital Improvement Fund	-	150,000	-	-	-	-	150,000
Total	\$14,900,000	\$150,000	\$ -	\$ -	\$ -	\$ -	\$ 15,050,000

Capital Improvement Program - General System Improvements

Bob Hart, City Manager - we are recommending setting aside some funds so that we can deal with the gateway sign and an additional entrance sign in or around FM 2181 and FM 2499. This includes a budget place for close to 3 signs. We just opened bids for a street sign in front of City Hall and that came in at about \$49,000 and that will get built between now and the 1st of October. One will be the gateway sign that we have talked about and you will be able to look at that at a future meeting. We will talk about whether you want to proceed and do these in some other locations around the edge of the city.

CAPITAL COSTS	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Lake Sharon Extension	\$6,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,800,000
Meadows/Shady Shores Intersection	-	75,000	-	-	-	-	75,000
Lake Sharon/Dobbs Alignment	-	1,200,000	-	3,100,000	-	-	4,300,000
W. Shady Shores Rd - Collector	-	-	-	-	-	4,100,000	4,100,000
Garrison St. - Collector	-	-	-	-	-	1,100,000	1,100,000
Post Oak Dr - Greenway (1/2)	-	-	-	-	-	2,500,000	2,500,000
Total	\$6,800,000	\$1,275,000	\$ -	\$3,100,000	\$ -	\$7,700,000	\$18,875,000

FUNDING SOURCES	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Unissued/Unauthorized Bond Proceeds	\$ -	\$ -	\$ -	\$3,100,000	\$ -	\$7,700,000	\$10,800,000
2017 C.O.	1,600,000	-	-	-	-	-	1,600,000
2016 C.O.	-	700,000	-	-	-	-	700,000
2007 C.O.	286,129	-	-	-	-	-	286,129
Economic Dev. Operating Funds	175,000	-	-	-	-	-	175,000
Denton County Aid in Construction	3,400,000	-	-	-	-	-	3,400,000
Sales Tax Funds (Street Maintenance)	-	75,000	-	-	-	-	75,000
Impact Fees/Escrow Funds	-	300,000	-	-	-	-	300,000
Capital Improvement Funds	1,338,871	200,000	-	-	-	-	1,538,871
TOTAL	\$6,800,000	\$1,275,000	\$ -	\$3,100,000	\$ -	\$7,700,000	\$18,875,000

Capital Improvement Program – Street Improvements

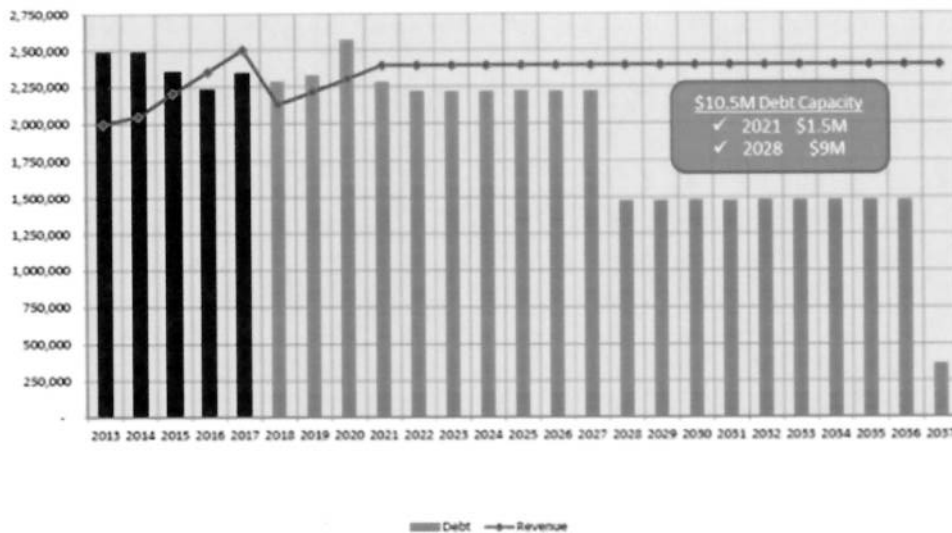
Bob Hart, City Manager - The Lake Sharon Extension is in the current budget. You awarded the bid on that tonight. To start off this process of doing the Lake Sharon/Dobbs Alignment and what we are including in this budget and recommending that we buy the Right-of-Way for Corinth Parkway through Dobbs over to I-35 and then pick up the Right-of-Way on Lake Sharon up to I-35 so it aligns with the TxDOT project. There will be some water lines that will go to that and that will all feed back into the elevated storage tank. This begins that entire process to make that loop connection with Corinth Parkway.

CAPITAL COSTS	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Meadows/Shady Shores Intersection	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Total	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000

FUNDING SOURCES	2016-17	2017-18	2018-19	2019-20	2020-21	Over 5 Years	Total
Drainage Operating Funds	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Total	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000

Capital Improvement Program – Drainage Improvements

8.52% Ad Valorem Growth for 2017-18
4% for 2019-21



General Fund Total
Outstanding Debt as
of October 1, 2017 =
\$36,468,257

FY2017-18 Annual Debt
Service Payment of
\$2,289,552

General Fund Debt Analysis



- Planning – (January)
 - January 14 – Council Goal setting / Strategic Planning Retreat
- Department Budget – (March – April)
 - March 7 – Budget Kickoff
 - March 28 – Departments submit budgets to Finance
 - April 11-22 – Budgets reviewed by City Manager
- City Manager’s Budget – (May – July)
 - June 29 – Council Policy Workshop
 - July 25 – Receive certified tax roll; calculate effective & rollback tax rates
 - July 31 – Submit proposed budget to Council
- City Council’s Budget – (August – September)
 - August 3 – Budget work session; Budget Overview
 - August 10- Budget work session; review governmental funds
 - August 10 – Vote on published tax rate and public hearing dates
 - August 17 – Budget work session; review proprietary funds
 - August 24 & September 7 – Public hearings on tax rate & budget
 - August 31 & September 14 – Budget work session (if needed)
- Adopted Budget – (September - October)
 - September 21 – Adopt budget & tax rate
 - October 1 – Fiscal year begins; implementation of adopted budget

Budget Process Calendar

2. Receive a report, hold a discussion and give staff direction on the Enterprise Fleet Management Program.

Item #2 was covered during the budget discussion.

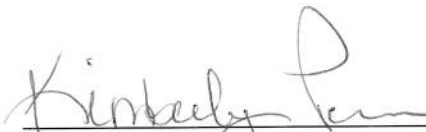
ADJOURN:

Mayor Heidemann adjourned the meeting at 9:23 p.m.

AYES: All

Meeting adjourned.

Approved by Council on the 21st day of September 2017.



Kimberly Pence, City Secretary
City of Corinth, Texas

