



City of Melissa

Fiscal Year 2010 Annual Budget

October 1, 2009

CITY OF MELISSA, TEXAS



OPERATING BUDGET

**FISCAL YEAR 2010
OCTOBER 1, 2009 - SEPTEMBER 30, 2010**

**AS APPROVED BY
THE MAYOR AND THE CITY COUNCIL**

**MAYOR
REED GREER**

**MAYOR PRO TEM
DAN TROTT**

**CITY COUNCIL MEMBERS
WILLIAM FARMER
RANDY KAISER
STAN MERCER
SHARON WEIDEMAN**

STAFF:

**CITY ADMINISTRATOR – JASON LITTLE
FINANCE DIRECTOR – GAIL DANSBY
CITY SECRETARY – LINDA BANNISTER
POLICE CHIEF – DUANE SMITH
FIRE CHIEF – PERRY ELLIOTT
DEVELOPMENT & NEIGHBORHOOD SERVICES DIRECTOR – DANA NIXON
CITY LIBRARIAN – JAN CLARK
PUBLIC WORKS DIRECTOR – JEFF HOGAN, P.E.
CITY ENGINEER – BOB HELMBERGER, P.E.
CITY ATTORNEY – REBECCA BREWER**

DISTINGUISHED BUDGET PRESENTATION AWARD



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Melissa, Texas for the Annual Budget beginning October 01, 2008.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

TABLE OF CONTENTS

OVERVIEW

BUDGET MESSAGE – CITY ADMINISTRATOR	1
VISION AND MISSION	4
ORGANIZATIONAL CHART	5

BUDGET PROCESS

BUDGET CALENDAR	6
BUDGET PREPARATION PROCEDURES AND POLICIES	7
FINANCIAL POLICIES	8

FUND OVERVIEW

FUND DESCRIPTIONS	10
FUND STRUCTURE	12
GENERAL FUND	13
WATER FUND	20

FINANCIAL SUMMARY

TOTAL FUNDS BUDGET OVERVIEW	22
GENERAL FUND SUMMARY	23
WATER FUND SUMMARY	25
FUND BALANCE OVERVIEW	26
TAX RATE COMPARISONS	27

OPERATING BUDGET

ADMINISTRATION SUMMARY	28
DEVELOPMENT AND NEIGHBORHOOD SERVICES SUMMARY	31
PARKS SUMMARY	34
MUNICIPAL COURT SUMMARY	37
POLICE SUMMARY	40
STREETS SUMMARY	43
FIRE SUMMARY	46
LIBRARY SUMMARY	49
BUILDING MAINTENANCE SUMMARY	52
WATER SUMMARY	55
WASTEWATER SUMMARY	58
UTILITY BILLING SUMMARY	61

PERSONNEL OVERVIEW

PERSONNEL OVERVIEW – 3-YEAR DATA	64
BENEFITS SUMMARY	65

TABLE OF CONTENTS CONT.

CAPITAL OVERVIEW

CAPITAL IMPROVEMENT PROGRAM	66
-----------------------------	----

DEBT SERVICE SUMMARY

DEBT SERVICE SUMMARY	68
DEBT SERVICE SUMMARY SCHEDULE	70

PLANNING PROCESSES

PLANNING SUMMARIES	71
--------------------	----

SUPPLEMENTAL REFERENCES

COMMUNITY PROFILE	73
ADVISORY BOARDS & COMMISSION	80
OUTSOURCED SERVICES	81
2009 – COUNCIL INPUT RESPONSES & PRIORITIES	82
BUDGET ORDINANCE	86
TAX RATE AND LEVY ORDINANCE	99
GLOSSARY	102

OVERVIEW





December 1, 2009

Mayor Reed Greer
City Council Members
Community of Melissa, Texas

To the Honorable Mayor and City Council:

On behalf of the entire Management Team, I am pleased to present to you the Fiscal Year 2010 (FY10) City of Melissa Annual Budget. The City Budget is, in essence, the Financial Plan for the ensuing year and will serve as a wealth of information about the City and its many programs.

We have come a long way. By all measures, Melissa is a city on the rise and continues to attract new residents at a brisk pace. The 2000 Census estimated the population to be 1,350, while the 2009 population estimate is roughly 5,000 residents. Even with the national economic slowdown, people continue to relocate to Melissa in large numbers because it is a great place to live and raise a family, and the City has taken the initiative through comprehensive planning to define what it wants to look like in the face of the future growth.

Budget Purpose

The budget is meant to serve the following four major purposes:

1. To serve as a **Policy Guide**, as promulgated by the City Council.
2. To serve as an **Operating Guide** for management staff to aid in the control of financial resources, while complying with State requirements for General Law cities and generally accepted accounting principles for government.
3. To present the City's **Financial Plan** for the fiscal year, illustrating appropriations and projected revenues by which the appropriations are funded.
4. To serve as a **Communication Document** for the citizens of Melissa who wish to understand how the City operates and the methods used to finance those operations.

As readers will notice from this point forward, the document looks much different than it did in years past as a result of the four purposes stated above. The City will again submit this document to the Government Finance Officers Association of

America for review and consideration for the Distinguished Budget Award, which the City received for the FY09 budget document. Melissa was one of a handful of entities in Collin County to receive this award in FY09.

Summary of the Fiscal Year 2010 Budget

The FY10 Approved Budget totals \$24,842,053. The property tax revenue within the FY10 budget is based on an ad valorem tax rate of \$.61 per \$100 of valuation, no change from the previous fiscal year. More details on the General Fund are included in the General Fund Overview and throughout the document.

On the Enterprise Fund side, the City of Melissa's water rates are being increased as a result from the increase in wholesale rates set by the North Texas Municipal Water District (NTMWD), the City's water supplier and wastewater treatment provider. In addition to the increases, the City also shifted to a unified rate structure for its two water systems. The City is mostly serviced through a surface water system delivered by NTMWD. There is also the Country Ridge Water Supply that services the Country Ridge neighborhood with well water. Over the past three years, the City system has supported the Country Ridge system in times of high demand or in times of well repair. This has now become an annual issue to deal with, so the rates were blended to ensure equity to all water customers. While any future increases are not known at this time, the City Council is committed to review the water and wastewater rates annually to ensure the rates are competitive in the area and will support the water and wastewater system.

Like any community, the City of Melissa has many needs and desires but limited resources. Resource constraints compel a community to set priorities. The City Council's goal setting session in February of each year develops the priorities that are heavily weighted in the budget. The funding priorities for FY10 area as follows:

- Debt
- Reserves
- Capital
- Operations & Maintenance
- Personnel/Benefits Adjustments

Other important items to note about the FY10 budget:

- **Conservative revenue projections:** The FY10 budget experienced a 7% reduction in revenues in order to help minimize the potential impacts of an uncertain economy. Property taxes, the largest source of revenue for Melissa, is higher than last year, and the City continues to estimate a 97% collection rate when 100%+ has been experienced over the past six years. Sales taxes contribute approximately 17% of General Fund revenues and has declined due to general economic conditions coupled with Stock Building Supply filing for bankruptcy in early 2009. Other accounts are conservatively estimated due to the potential volatility; however, line items such as interest earnings, franchise fees, and fines have historically exceeded the revenue projections. It is also important to note that certain revenue categories have expense accounts tied to the performance of that particular revenue. For example, the City contracts out

building inspections, and if permitting revenues are down, the building inspection expenses are down as well.

- **Protect fund balances:** Since 2007, the City has budgeted funds to help the City weather any unforeseen economic issues that may arise. This financial management philosophy is strongly recommended by the City's financial advisor and is a leading factor in the City having its bond rating increased by Standard and Poor's again in 2009. The FY10 budget continues to designate funds for this account, although the amount is significantly less than previous years. The City Council has adopted a financial policy that commits to the building of these funds and remains committed to protecting these funds in order to ensure Melissa's financial health.
- **Services to remain stable:** In light of reduced revenues, no additional services are contemplated and efficiencies will continue to be the focus for existing services. The City does not anticipate that residents or businesses will have any service impacts but the service demands will need to be monitored in the future so as to not overload the existing staff.
- **Protect current employee positions, thus no personnel salary or benefit adjustments:** The City has made significant improvements in the past couple years to improve the overall salary and benefit package for employees. The focus of this year was primarily to protect current employee positions in the current budget period along with future budget periods. The Collin County Appraisal District has advised all cities to approach FY 11 with caution and anticipate flat or decreases in property value. Because of this, the City collectively decided that employees would forgo raises during this fiscal year so that the existing positions would be protected and not subject to layoff. This was the first time in many years, if ever, that employees were not given a cost of living adjustment. The City Council is very cognizant of the direction to create a salary and benefit structure that not only allows Melissa to attract quality talent but to also ensure Melissa retains its employees.

Acknowledgment

Overall, every effort has been made within the Fiscal Year 2010 budget to allocate resources in a sound manner that enables the effective delivery of municipal services for the safety, health, and welfare of the citizens of the City of Melissa. The City Administration sincerely appreciates the cooperation and assistance of the City Council and staff in crafting the Fiscal Year 2010 budget.

Finally, as always, we look forward to your comments and suggestions as to this budget presentation so that we may continue to refine the document so it will be as readable and useful as possible to the City Council and to the community.

Respectfully submitted,

Jason Little
City Administrator

City of Melissa Vision

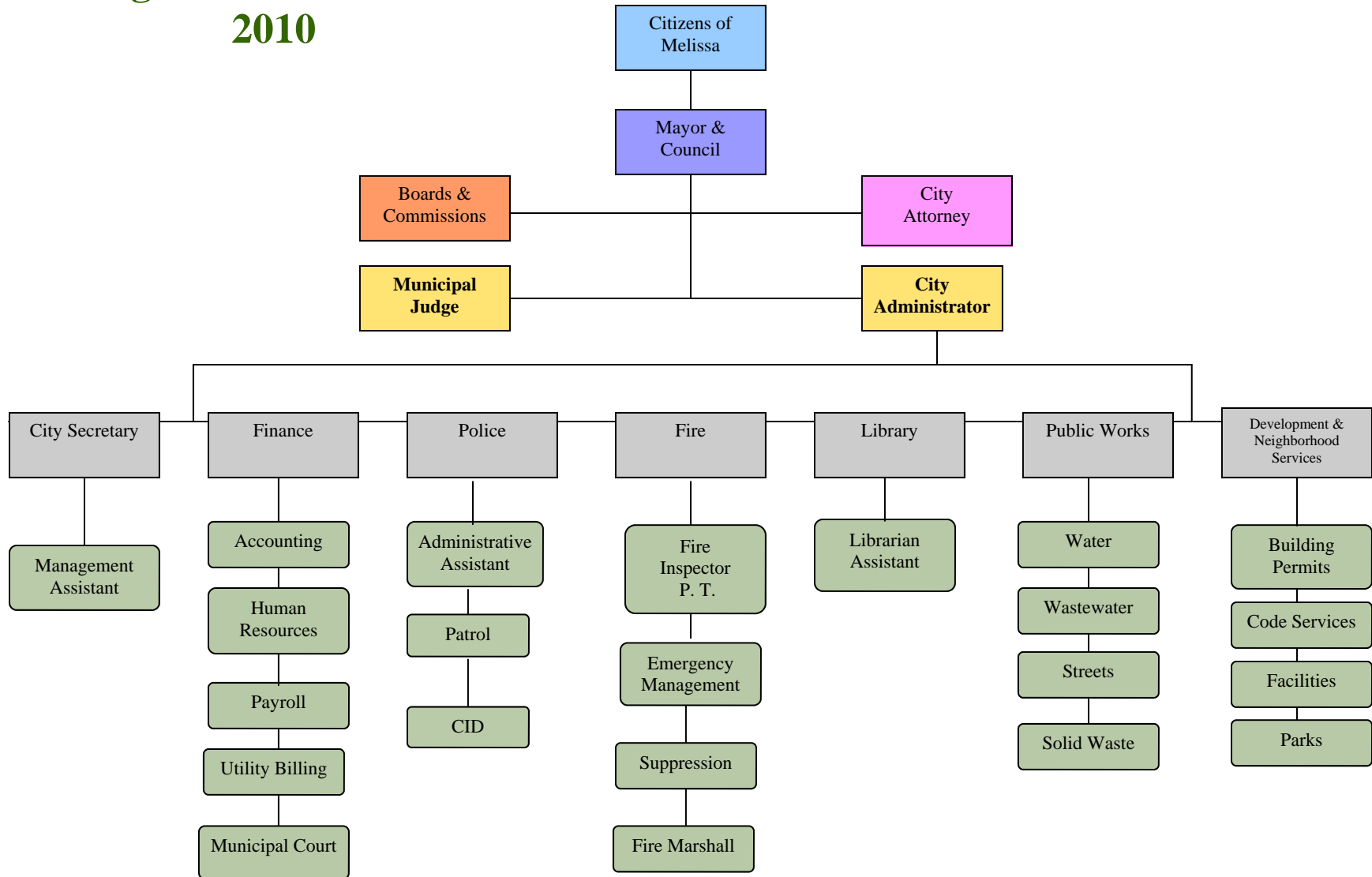
Professional citizen-servants leading a growing community by providing responsible public administration and reliable municipal services; enforcing reasonable standards of development and safety which protect property values and ensure a quality community atmosphere; dedicated to fiscal responsibility and stewardship based on honesty, integrity, fairness, and accountability with service above self and excellence in all we do.

City of Melissa Mission

Serve the citizens of Melissa by prosecuting a system of government through which our citizens and businesses prosper.

- Ensure a safe, quality environment for residents and businesses.
- Provide effective, reasonable priced municipal services and administration.
- Establish and enforce reasonable standards pertinent to the City with all due respect for established State and Federal laws.
- Control development to ensure opportunity for growth, retention of property values, and preservation of our rural heritage with an emphasis on city beautification.
- Maintain a vision of the future and plan for services, which support that vision.
- Execute these responsibilities in harmony with our neighbor communities, State and Federal government without discrimination based on race, color, creed, or national origin.

City of Melissa Organizational Chart 2010



BUDGET PROCESS



City of Melissa Budget Calendar 2009

May

May 1
Department Revenue Projection
Submitted

May 14
Budget Direction & Forms
Distributed to Departments

May 29
Department Budgets Submitted

June

Administration Conducts
Budget Reviews

July

July 9
Draft Budget Distributed for
Work Session

July 15
Budget Work Session

Week of July 27
Receipt of Certified Tax Roll

August/September

August 11 & 25 and September 8
Public Hearing
Budget & Tax Rate Adopted

Budget Preparation Procedures and Policies

The City Council held its annual planning session prior to budget completion to identify specific issues within the community that the Council would like to strategically address over time. A Service Survey was completed by all City Council Members to consolidate the collective opinion of priorities within the community to begin to work on. The FY10 budget attempts to address these needs in some manner. The needs list will be reviewed annually for budgetary impacts and priorities.

The Budget Preparation Manual was distributed on May 14, 2009 to all members of the management team. The Budget Preparation Manual includes the Budget Preparation/FY 10 message from the City Administrator, the standard forms to be used, along with item by item instructions.

The City of Melissa accounting records for all Governmental Funds are accounted for and budgeted for using the modified accrual basis and the Enterprise Funds are accounted for and budgeted for using the accrual basis of the accounting in accordance with generally accepted accounting principals.

Each department director submitted to the City Administrator a budget of estimated expenditures for the coming fiscal year. These expenditure projections were reviewed extensively for accuracy, justification, and cost-effectiveness. The City Administrator also reviewed the key indicators of performance, benchmarks and objectives on all budgets submitted.

The City Administrator, upon completing all necessary reviews of the budget, submitted the preliminary document to the City Council during the Budget Worksession on July 15, 2009. Key points of 09-10 programs of services were presented by the City Administrator and staff. An overview of funds and major revenue sources were discussed, as well as the results of the annual Water Rate study.

A public hearing concerning the budget and proposed tax rate was conducted before adoption. Prior to the public hearing, a draft copy of the budget is placed for public review with the City Secretary. Information about the budget ordinance is published in the newspaper of record. The budget was adopted September 8, 2009.

During the fiscal year, the Finance Director is responsible for overall budgetary control while the management team retains responsibility for departmental budgetary performance.

Departmental appropriations that have not been expended by the end of the fiscal year shall become part of the undesignated fund balance. The City Administrator is authorized to transfer budgeted amounts within and among departments at the fund level. Any revisions that alter total expenditures must be approved by the City Council.

City of Melissa

Summary of Financial Policies

2009-2010 Budget

Financial Planning Policies

1. **Balanced Budget** – Each year the budget for each fund shall be balanced. Total resources available, including fund balances plus projected revenue, shall be equal to or greater than the projected expenditures for the coming year. In the event a budget deviates from being presented as balanced, full disclosure and City Council approval will be required including the factors affecting the budget such as economic factors or emergency capital expenditures.

2. **Long-Range Planning** – The City will annually prepare a Five-Year Forecast for each fund. The forecast will include estimated operating costs and revenues of future capital improvements included in the capital budget.

3. **Asset Inventory** – Fixed assets include equipment, computers, furniture and vehicles. Once purchased, all capital items are maintained in the physical inventory until disposed. All vehicles are maintained for maximum life and use through each department's fleet management and maintenance programs.

Revenue Policies

1. **Revenue Diversification** - The City will strive to identify new revenue streams for the organization. These fees will be reviewed by the City Council in conjunction with the budget process.

2. **Fees and Charges** - In conjunction with the annual budget process, departments will review the cost of providing services against the fee charged. For those services which the costs exceed the fees collected, the City Council will be presented analysis for each proposed fee increase. The City Council will be the determinate of if the fees are amended, but the responsibility for the identification of these fees will be the organization.

3. **Use of One-time Revenues** – Use of one-time revenues will be reserved for the highest priorities of the current budget to include any revenue shortfalls impacting current budget, reducing and managing debt, use in considering one-time capital purchases and fund balance reserves. One-time revenues will not be used to maintain or establish ongoing expenditures.

4. **Revenue Collections** – The City will maintain an aggressive policy of collecting all moneys due to the City.

Expenditure Policies

1. **Debt Capacity, Issuance, and Management** - The City of Melissa strives to manage debt issuance by reviewing the Maintenance and Operations allocation against the Interest and Sinking allocation. The City will strive to maintain a 65/35% ratio. This ratio is a guide only and may be amended as our growing communities needs dictate; however, this policy will be used as a measuring device before any debt is issued.
2. **Reserve or Stabilization Accounts** – Unreserved, undesignated fund balance equal to three months annually budgeted expenditures of General Fund and Enterprise Fund maintained for the purpose of providing for emergency and other unplanned expenditures and revenue shortfalls.
3. **Operating/Capital Expenditure Accountability** - The City of Melissa will review expenditures monthly and align City's adopted Fiscal Management Plan that outlines appropriate budget strategies in light of the economic conditions. In addition, the City Council will be presented quarterly reports and an annual alignment action item.

Financial Reporting

1. **GFOA Distinguished Budget Award** - The City of Melissa will annually submit the Operating Budget to the Government Finance Officers Association of America's (GFOA) Distinguished Budget Award Program. The budget document will address comments and suggestions by the GFOA review to continuously improve the quality and usefulness of the budget document.

FUND OVERVIEW



Fund Descriptions

In governmental accounting, the resources of the government are accounted for in “funds.” The City of Melissa uses a general fund, debt service funds, capital projects funds, an enterprise fund and a special financing fund (TIF). A general description of each fund is as follows:

General Fund: The General Fund is the principal fund of the City. The General Fund accounts for the normal recurring operating activities of the City (i.e. public safety, fire services, neighborhood and development services, municipal courts and general government). Principally user fees, property, sales, and franchise taxes fund these activities.

Accounting records and budgets for governmental fund types are accounted for using the modified accrual basis of accounting. That is, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Enterprise Fund: The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to a business. Accounting records for proprietary fund types are maintained on an accrual basis. That is, their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Budget for the Enterprise Fund is prepared on a modified accrual basis. In Melissa, the Enterprise Fund is referred to as the Water Fund and is used for the operation and maintenance of the water, wastewater, and drainage systems.

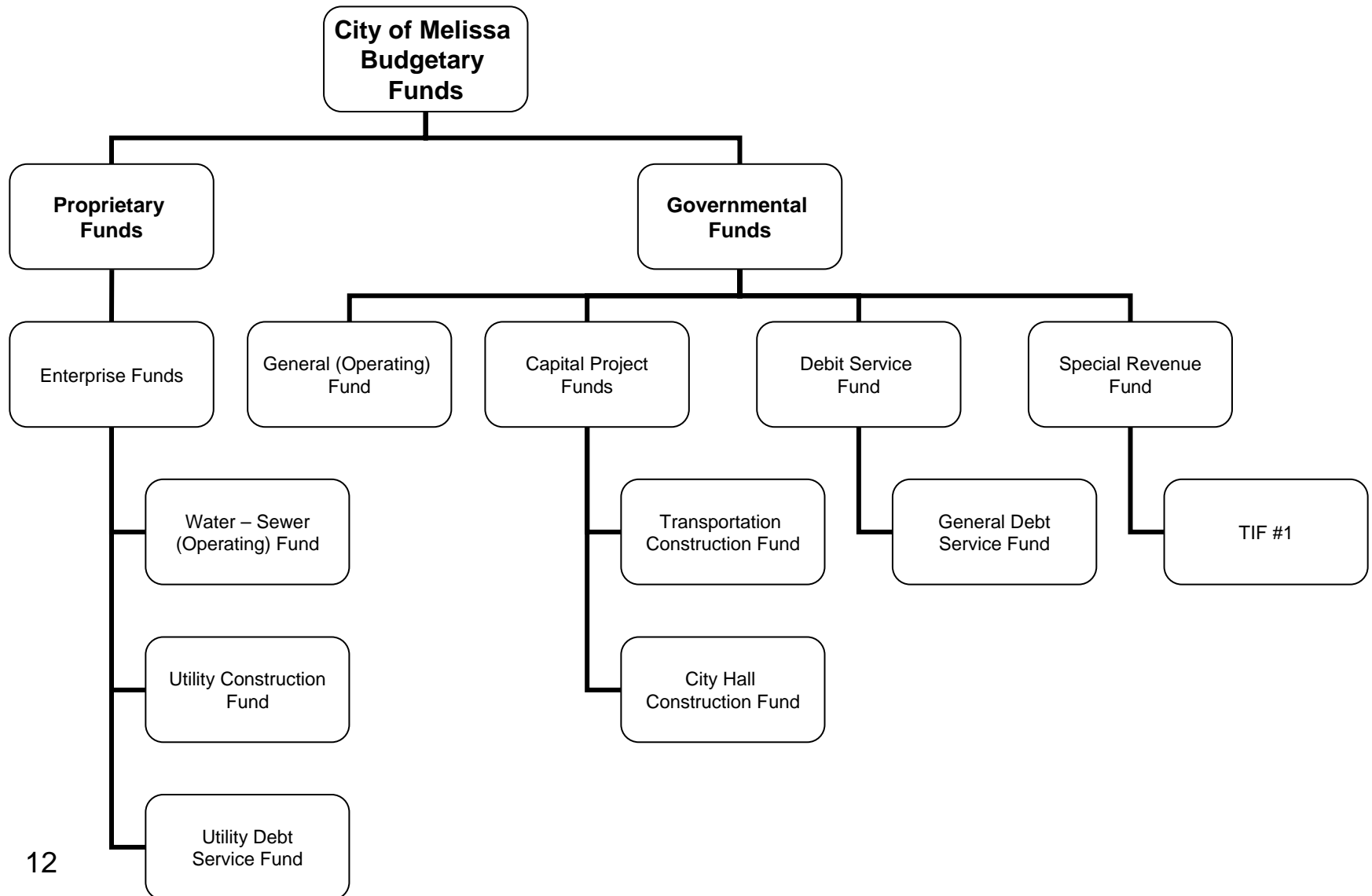
Debt Service Funds: Debt Service Funds account for the payment of long-term principal and interest, as well as the accumulation of money for the repayment of debt payable in installments. For the General Debt Service Fund, the revenue sources are general taxes, 4A and 4B contributions, and transfers in from the Tax Increment Financing District #1 Fund. For the Utility Debt Service Fund, user fees related to utility services and 4A and 4B contributions are the revenue sources for debt associated with water, wastewater, and drainage improvements.

Capital Project Funds: Prepared accounting records and budgets for all capital project funds are maintained on a modified accrual basis. The capital project funds are used to account for the construction of major capital projects. The City has 3 Capital Project Funds: Transportation Construction Fund, Utility Construction Fund and City Hall Construction Fund. The City has undertaken a major prioritization process for its Capital Improvements Program (CIP) projects. This budget reflects that prioritization.

Special Financing Fund: The Tax Increment Financing (TIF) #1 Fund accounts for the operations and improvements within the TIF Zone and accumulation of money for the repayment of the 2006 and 2009 Bonds payable in installments through 2034. The principal source of revenue is levying the property tax on the properties located within the TIF.

City of Melissa Fund Structure

2009 - 2010



General Fund

Revenue Projections

The City receives revenues from many sources, most of which must be accounted for separately and their identity kept intact. Revenue projections in the FY 10 budget are estimated using historical information, data collected from various sources including the State Controller, and numerous financial advisors. Trends in sales taxes, home prices, and interest rates are examined. The City utilizes historical data plus a general sense of the economic status of the local community to help predict future revenues. When combined with various data and other indicators noted above, the City normally produces a reasonably good but financially conservative picture of the near future.

General Fund revenue estimates are lower than the previous year by approximately \$153,970 due to the slowdown of the growth and building in Melissa . While there was a decrease to the overall general revenues, there was not a reduction of services contemplated in this fiscal year. Staff has been charged with concentrating on operational efficiencies where applicable and to develop cost saving measures that do not impact services to the Melissa residents. In addition, no cost of living adjustments or raises for City Staff was approved in this budget.

Property Values

According to Collin County Central Appraisal District, the total assessed value in the City of Melissa is over \$341 million, an overall increase of \$1.5 million from the preceding year. While the increase in FY 10 was the lowest in many years for Melissa, an increase was a relief to policy makers and staff, as the County Appraisal District was preparing all entities to see a value decrease in this fiscal year. The Appraisal District warned that FY 11 may be worse than FY 10, and Melissa responded by instituting appropriate financial decisions that will protect the service levels to the community and employee positions with the City. From a historical perspective, assessed property values have rose \$225 million since 2002, as illustrated in the following chart:

Fiscal Year	Taxable Value (in Millions)	% Change
2003	116	
2004	130	12.07%
2005	151	16.15%
2006	197	30.46%
2007	236	19.80%
2008	308	30.51%
2009	340	10.39%
2010	341	1.18%

Proposed Tax Rate

Property Tax is by far the largest source of revenue in the City of Melissa General Fund. Property tax is collected by Collin County and distributed to the City. The City's property tax is remaining at the rate of \$.61 for 2009. The average single family home value is estimated at \$196,967, a decrease from \$208,000 in the previous year. With the existing property tax rate of \$.61, the average single family residence in Melissa would have a City property tax in the amount of \$1,201.50.

Listed below is a historical table depicting the recent history of the City of Melissa property tax rate and associated values.

	Tax Rate	Valuation (\$)
1997	0.32	45,000,000
1998	0.32	49,000,000
1999	0.32	60,000,000
2000	0.42	78,000,000
2001	0.42	97,000,000
2002	0.43	116,000,000
2003	0.437	130,000,000
2004	0.49	151,000,000
2005	0.52	197,000,000
2006	0.52	236,000,000
2007	0.52	308,000,000
2008	0.61	340,000,000
2009	0.61	341,000,000

As you can see in the chart below, Melissa's tax rate is very competitive in comparison to other cities within the area.

Fiscal Year 2009 Tax Rates

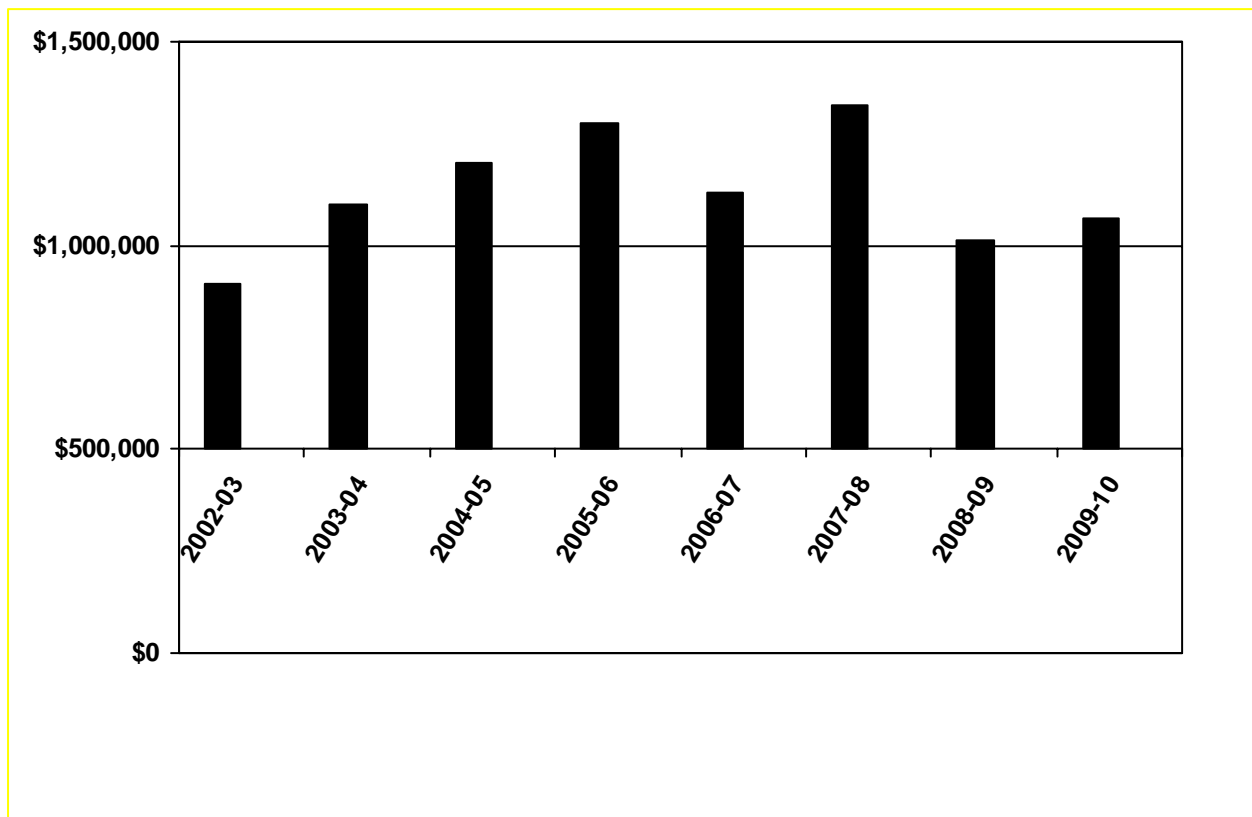
City	O & M	I&S	Total Rate
Wylie	0.55	0.349	0.899
Princeton	0.4604	0.268	0.7284
Celina	0.527	0.118	0.645
Anna	0.5299	0.0928	0.623
Melissa	0.435	0.175	0.61
McKinney	0.407	0.179	0.586
Farmersville	0.438	0.148	0.586
Richardson	0.363	0.212	0.575
Allen	0.4236	0.1323	0.556
Prosper	0.314	0.206	0.52
Plano	0.328	0.16	0.488

Sales Tax

Sales Tax is the second largest source of revenue to the City's General Fund, making up \$534,000 or 17% of total revenues. The City's portion of sales tax is actually split between the 4A and 4B corporations, making the total sales tax collected by the City in excess of \$1.1 million. Sales Tax dipped in 2007, but exceeded the budgeted amount in 2008 and subsequently fell again in 2009. At least one major sales tax payer filed for bankruptcy in 2009, and a general down economy has hurt the retail sales of the business material suppliers within the City. Melissa is going through the financial issues similarly experienced by almost every other government entity in the area, state, and even nation.

Sales tax, by its very nature, is a volatile revenue source, and the city understands this in the budgeting process. While the sales tax receipts are down this year, the majority of other revenue sources will meet or even exceed the budgeted expectations. There is a balancing act that is difficult to predict in revenue estimation, but the collective financial picture from the City is a stable one. During the past years of strong collections, the City has built a working reserve to help weather downturns. These sound financial policies enacted by the City Council have been validated by the financial institutions through the recent increases in the City's bond rating by both Moody's and Standard and Poor's.

GENERAL FUND
Sales Tax Receipts
Comparison to Previous Year



General Fund Expenditures

The General Fund budget, \$3,152,845 for FY 10, is approximately \$243,318 less than the FY 09 budget. This is due to the slowdown of the growth and building in Melissa in addition to the decrease of income generated from building permits, platting and development fees, and the associated expenses through contracted services.

The General Fund budget prioritizes its spending as follows:

Function	General Fund Budget Total	Percentage of Total
Police	\$687,057	22%
Non Departmental	\$544,516	17%
Administration	\$515,598	16%
Fire	\$389,096	12%
Municipal Court	\$330,561	10%
Dev & Neighborhood Services	\$239,705	8%
Parks	\$158,303	5%
Streets	\$148,096	5%
Library	\$120,913	4%
Building Maintenance	\$ 19,000	1%

Personnel Services Overview

The total Personnel Services account for 46% of the General Fund budget since debt has now been segregated into its own fund. Since FY08, the City's personnel schedule has remained very stable, with only a few slight changes in employees. It is the collective direction that the City offers services to which this personnel schedule can provide and look to alternative service delivery methods (i.e. outsourcing, regional opportunities) to expand the services offered.

General Fund	FY 08	FY 09	FY 10
Administration	4.0	4.0	4.0
Building Maintenance	1.0	.5	0
Dev & Neighborhood Services	3.0	3.0	3.0
Fire	0.5	1.5	1.5
Library	2.5	2.5	2.0
Municipal Court	2.5	2.5	2.5
Parks	1.0	1.0	1.0
Police	13.5	13.0	13.5
Streets	1.0	1.0	1.0
General Fund Total	29	29	28.5

Operations Overview

The Operational line items cover all associated costs for providing services and conducting the normal course of business. The line items total 50% of the General Fund budget, an equivalent level with the previous year. No expansion of services or

programs was approved in the budget, and an emphasis of efficiencies will be the focus for departments in the FY10 budget.

The City anticipates that the significant operational impact to this year's budget will be the utility cost of the new facility that is slated to open in June 2010. The new City Hall will replace the services currently being offered at four City facilities, so there are offsetting costs for current utility usage, cleaning, mowing services, etc. However, an increase in utility delivery is accounted for in an estimate only until actual experience will help define the annual utility and maintenance cost.

Capital Overview

Capital line items cover large, one time purchases or the cost for the payment for large pieces of equipment or vehicles over time. In FY10, 5% of the General Fund budget is allocated to routine capital purchases. All capital allocations with the General Fund and Enterprise Fund are for routine purchases consisting of annual payments for equipment such as patrol cars and fire apparatus, and public works equipment including backhoe and skid loader. Exclusive of the continual cost for previous purchases, the FY10 budget will designate funds to purchase routine equipment such as a police cruiser and to accept a grant for a new Fire Brush Truck.

1 Police Cruiser	\$12,000
1 st year of lease-purchase agreement	
2 nd Floor Finish Out at Fire Station	\$40,000
Budget provided for finish out of second floor to accommodate EMS provider being stationed at the City's Fire Station #1 (pending agreement)	
Brush Truck Grant	\$10,000
City's required contribution to match Texas Forest Service Grant to replace Brush Truck that was totaled in 2009	

Capital Improvement Projects are accounted and budgeted for in the Transportation Construction Fund. City Hall construction is accounted for in the City Hall Construction Fund Budget. The Capital Improvement Plans for the City are designed to get ahead of the infrastructure demand and place itself in a positive position to facilitate advanced economic development for Melissa. The FY10 budget did not anticipate any new capital projects being initiated, and thus no operational impacts are contemplated at this point.

Debt Management

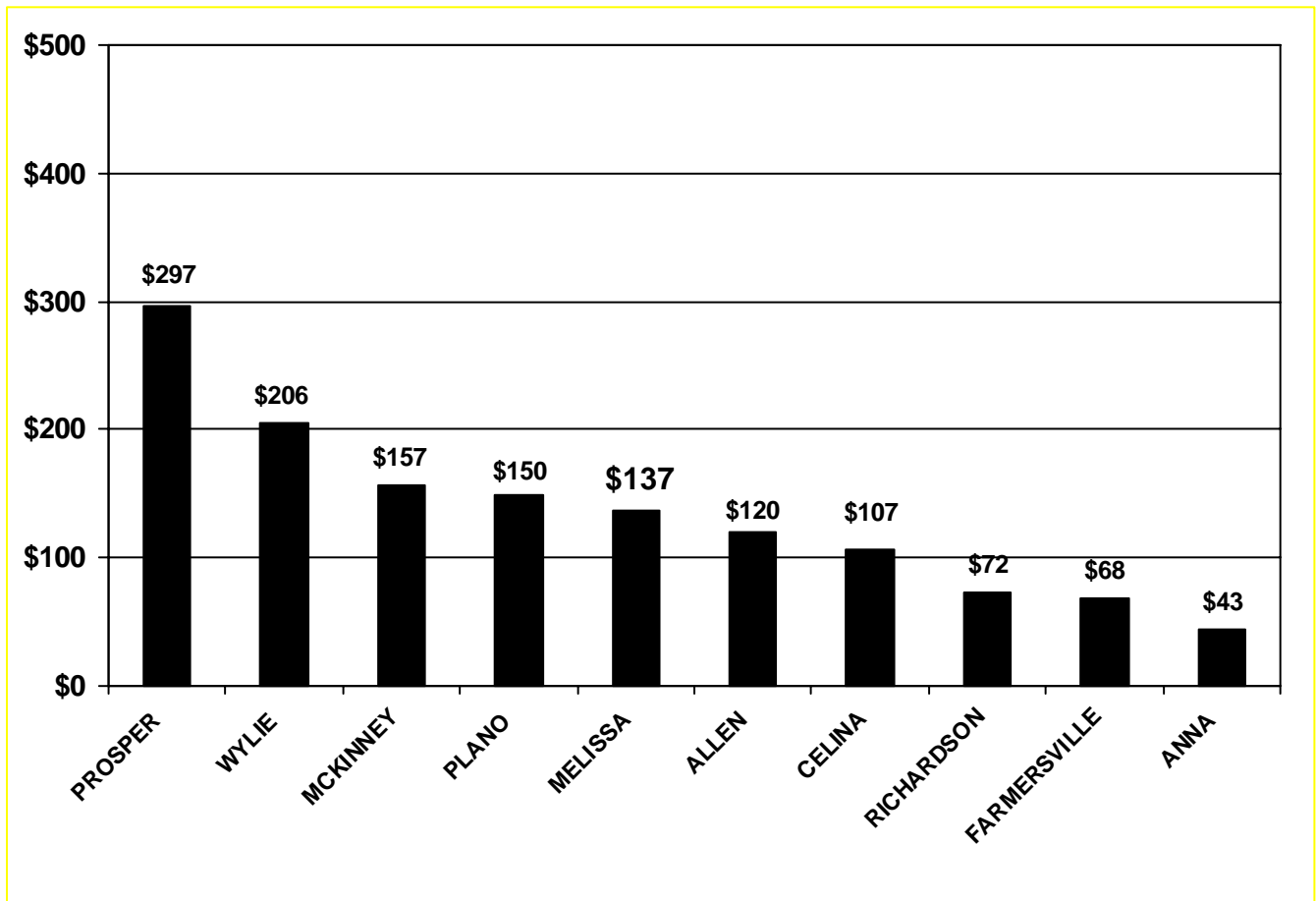
The City has adopted debt management policies and reviews them in conjunction with the budget process. They are included in the debt section of this document.

The City's debt consists of certificates of obligations to fund a variety of city projects. The dollars associated with covering the City's debt payment constitutes \$1,484,158, in the General Debt Services Fund budget. Funding sources include general taxes, 4A and 4B contributions, and transfers from the TIF Fund.

The debt outstanding as of September 30, 2009 is detailed in the table titled “City of Melissa Debt Service Summary.”

It is again important to note how Melissa stands in comparison with area cities on the debt rate. The chart below illustrates, the City of Melissa is at the bottom of the debt rate per capita comparison.

2009 Debt Per Capita



Reserve Funds

The City has reached the original goal of securing 90 days of Undesignated Fund Balance and begins FY10 with 121 days of operating fund balance.

TIF Transfer

The policy decision to begin construction of the new City Hall facility was approved with the understanding that the General Fund may need to support the TIF district in the beginning years. The proforma for the facility was created with an annual allocation from the general fund to the TIF fund when necessary. The TIF board then approved a reimbursement resolution that will reimburse the

General Fund any and all funds contributed at such point in time as the TIF fund is self sustaining. The first contribution was made in FY09 in accordance with the proforma and the FY10 budget provides for a transfer to the TIF for said purpose.

Water Fund

Revenue Projections

The City of Melissa's enterprise fund is commonly referred to as the Water Fund. The revenues derived from any enterprise fund is designed to cover the cost of providing these services to the residents and businesses located in Melissa. In FY 10, water revenues are estimated to be approximately \$1,541,241 and wastewater charges are estimated at \$428,146. The North Texas Municipal Water District (NTMWD) delivers water to the City and treats its wastewater as well. Current wholesale rates were increased by NTMWD, and these increases were passed on to the customer to cover these delivery charges. Water and wastewater rates are reviewed by a water rate study each year.

In addition to the wholesale increases, the City also shifted to a unified rate structure for its two water systems. The City is mostly serviced through a surface water system delivered by NTMWD. There is also the Country Ridge Water Supply that services the Country Ridge neighborhood with well water. Over the past three years, the City system has supported the Country Ridge system in times of high demand or in times of well repair. This has now become an annual issue to deal with, so the rates were blended to ensure equity to all water customers.

Expenditures

The FY 10 budget reflects an increase in water costs due to an anticipated volume of water consumed, as well as the increase wholesale cost and wastewater treatment costs from the district.

The Water Fund Budget is distributed as follows:

Function	Enterprise Fund Budget Total	Percentage of Total
Water	\$1,666,346	69%
Wastewater	\$423,613	17%
Utility Billing	\$167,789	7%
Garbage	\$162,230	7%

Personnel Services Overview

The total Personnel Services account for 13% of the Enterprise Fund budget. The FY 10 budget has no new positions funded.

Enterprise Fund	FY 08	FY 09	FY 10
Water	3.0	3.0	3.0
Wastewater	1.0	1.0	1.0
Utility Billing	3.0	3.0	3.0
Enterprise Fund Total	7.0	7.0	7.0

Operations Overview

The Operational line items cover all associated costs for providing services and conducting the normal course of business. The line items total 60% of the Enterprise Fund budget, a slight increase over the previous year. No expansion of services or programs was approved in the budget, and an emphasis of efficiencies will be the focus for departments in the FY 10 budget.

Capital Improvements

Capital line items cover large, one time purchases or the cost for the payment for large pieces of equipment or vehicles over time. In FY 09, 1% of the Enterprise Fund budget is allocated to routine capital purchases. All capital allocations with the Enterprise Fund are for routine purchases consisting of annual payments for equipment such as public works equipment including backhoe and skid loader. No additional capital purchases are allocated in the FY10 budget.

This year represents the second year of the City's Capital Improvement Program. The ten year planning program will look over time and anticipate, plan, and construct the necessary improvements for the water and wastewater system. In this fiscal year, the City has budgeted over \$2,444,905 in appropriations for wastewater system improvements and expansion in the Utility Construction Fund. The new project will be the construction of the Fitzhugh Sewer Line, which will replace an aged sewer line/lift station that services the west portion of Melissa. This project is being initiated in large part because of a bridge replacement program initiated by the Texas Department of Transportation. Financing will be secured through Greater Texoma Utility Authority for the funding of the Fitzhugh Sewer Line and is reflected in the Water Fund budget for the debt payment

FINANCIAL SUMMARY



CITY OF MELISSA

TOTAL FUNDS BUDGET OVERVIEW

	ACTUAL FY08	ADOPTED FY09	ESTIMATED FY09	PROPOSED FY10
REVENUES				
General Fund	4,603,273	3,308,029	3,356,815	3,202,845
Water Fund	2,447,512	2,525,476	2,519,966	2,442,117
TIF #1		1,006,910	1,005,485	298,360
General Debt Svc Fund		874,305	878,593	1,484,158
Utility Debt Svc Fund		795,015	795,016	863,183
Transportation Construction Fund		1,450,000	1,450,000	
Utility Construction Fund		20,000	22,602	20,000
City Hall Construction Fund				-
Total Revenues	7,050,785	9,979,735	10,028,477	8,310,663
Bond Proceeds	5,230,000	9,840,000	9,840,000	2,480,000
Grant Proceeds	123,000	1,006,000	1,006,000	2,662,000
Other				963,581
TOTAL	12,403,785	20,825,735	20,874,477	14,416,244
APPROPRIATIONS				
General Fund	6,114,071	3,887,270	3,853,750	3,152,845
Water Fund	1,967,307	2,382,248	2,513,748	2,419,978
TIF #1		62,830	63,230	674,647
General Debt Svc Fund		874,167	870,074	1,484,158
Utility Debt Svc Fund		795,015	738,804	863,183
Transportation Construction Fund		1,706,420	2,008,677	6,576,003
Utility Construction Fund		2,091,713	2,052,367	2,444,905
City Hall Construction Fund		2,613,666	3,756,198	7,226,334
Total Appropriations	8,081,378	14,413,329	15,856,848	24,842,053

CITY OF MELISSA

GENERAL FUND SUMMARY - By Dept.

	ACTUAL FY08	ADOPTED FY09	ESTIMATED FY09	PROPOSED FY10
REVENUES				
Current Property Taxes	1,585,293	1,410,995	1,416,340	1,381,884
Delinquent Property Taxes	32,904	40,000	39,850	35,000
Penalties & Interest	16,418	21,000	22,123	20,000
Fines	455,917	430,000	427,290	450,000
Sales Tax	671,859	500,000	506,854	534,136
Franchise Fees/Taxes	131,981	145,000	146,387	145,000
Licenses & Permits	223,721	184,500	206,102	89,200
Fire Department Insurance Reimbursement	16,930	8,000	7,670	15,000
Platting & Development	70,488	-	-	18,150
Lease Revenue	42,000	42,000	43,912	44,700
Transfer In	700,641	199,223	193,960	198,629
Interest	134,009	220,000	225,854	175,000
Park Maintenance/Support	42,180	40,000	43,032	43,945
Fire Dept/Collin County	30,617	30,000	32,756	32,000
Misc Income	79,329	5,900	6,207	-
Collin County/ Library	16,971	16,000	15,907	16,000
Library Donations	-	-	-	-
Lone Star Grant/Library	4,202	4,173	4,173	4,202
Gates HUG Grant - Library	-	-	-	-
Lease Purchase Proceeds	330,728	-	-	-
Grant Proceeds	123,000	-	-	-
Bond Proceeds	5,230,000	-	-	-
Other Revenue	17,084	11,238	18,397	-
Total Revenues	9,956,272	3,308,029	3,356,814	3,202,846
APPROPRIATIONS				
Administration	3,117,774	523,932	536,814	515,598
Non-Departmental	-	1,296,360	1,256,786	544,516
Development & Neighborhood Services	368,947	338,702	349,804	239,705
Parks	462,973	164,426	167,602	158,303
Municipal Court	324,125	332,503	325,923	330,561
Police	718,136	651,839	658,320	687,057
Streets	352,998	126,410	125,836	148,096
Fire	612,353	289,820	292,288	389,096
Library	105,144	120,762	112,778	120,913
Building Maintenance	51,621	42,516	27,599	19,000
Total	6,114,071	3,887,270	3,853,750	3,152,845

CITY OF MELISSA

GENERAL FUND SUMMARY- By Category

	ACTUAL FY08	ADOPTED FY09	ESTIMATED FY09	PROPOSED FY10
REVENUES				
Current Property Taxes	1,585,293	1,410,995	1,416,340	1,381,884
Delinquent Property Taxes	32,904	40,000	39,850	35,000
Penalties & Interest	16,418	21,000	22,123	20,000
Fines	455,917	430,000	427,290	450,000
Sales Tax	671,859	500,000	506,854	534,136
Franchise Fees/Taxes	131,981	145,000	146,387	145,000
Licenses & Permits	223,721	184,500	206,102	89,200
Fire Department Insurance Reimbursement	16,930	8,000	7,670	15,000
Platting & Development	70,488	-	-	18,150
Lease Revenue	42,000	42,000	43,912	44,700
Transfer In	700,641	199,223	193,960	198,629
Interest	134,009	220,000	225,854	175,000
Park Maintenance/Support	42,180	40,000	43,032	43,945
Fire Dept/Collin County	30,617	30,000	32,756	32,000
Misc Income	79,329	5,900	6,207	-
Collin County/ Library	16,971	16,000	15,907	16,000
Library Donations	-	-	-	-
Lone Star Grant/Library	4,202	4,173	4,173	4,202
Gates HUG Grant - Library	-	-	-	-
Lease Purchase Proceeds	330,728	-	-	-
Grant Proceeds	123,000	-	-	-
Bond Proceeds	5,230,000	-	-	-
Other Revenue	17,084	11,238	18,397	-
Total Revenues	9,956,272	3,308,029	3,356,814	3,202,846
APPROPRIATIONS				
Personnel Services	1,337,999	1,446,985	1,450,213	1,450,790
Operations	1,986,128	2,332,897	2,300,378	1,537,926
Capital	2,309,329	107,388	103,159	164,128
Debt Service	480,615	-	-	-
Total	6,114,071	3,887,270	3,853,750	3,152,844

CITY OF MELISSA

WATER FUND SUMMARY-By Division

	ACTUAL FY08	ADOPTED FY09	ESTIMATED FY09	PROPOSED FY10
REVENUES				
Water Sales	1,242,974	1,206,182	1,187,779	1,541,241
Meter Installation Fee	3,650	3,400	3,400	-
Penalties & Reconnects	50,727	58,000	57,867	40,000
Water Tap Fees	137,000	90,000	96,000	116,500
Meter Sales	1,120	-	320	-
Water/Sewer Capital Improvements				-
Sewer Sales	363,491	407,517	399,079	428,146
Sewer Tap Fees	131,675	88,000	93,675	112,000
Throckmorton/Trinity River Funding 4A/4B	191,906	-	-	
Garbage Sales	129,579	139,305	153,033	122,930
Garbage Administration	40,515	44,535	39,270	39,300
Bond Proceeds	-			
Interest	44,603	50,000	50,209	42,000
Franchise fees	6,281	6,330	6,330	-
Misc Income	103,991	432,207	433,004	-
Total Revenues	2,447,512	2,525,476	2,519,966	2,442,117
APPROPRIATIONS				
Water	1,331,180	1,586,912	1,632,630	1,666,346
Wastewater	292,642	435,776	555,107	423,613
Garbage	173,765	183,840	154,660	162,230
Utility Billing	169,720	175,720	171,351	167,789
Total	1,967,307	2,382,248	2,513,748	2,419,978

CITY OF MELISSA

FUND BALANCE OVERVIEW

ACTUAL FY08	ADOPTED FY09	ESTIMATED FY09	PROPOSED FY10
----------------	-----------------	-------------------	------------------

General Fund

Beginning Fund Balance	511,178	1,096,671	1,096,671	1,260,156
Appropriations to Operating Budget				
Undesignated Funds	585,493	120,761	163,485	50,000
ENDING FUND BALANCE	1,096,671	1,217,432	1,260,156	1,310,156
# of Days of Operating Funds	73	117	121	125

Water Fund

Beginning Fund Balance	400,000	520,362	520,362	526,608
Appropriations to Operating Budget				
Undesignated Funds	120,362	125,818	6,246	22,139
ENDING FUND BALANCE	520,362	646,180	526,608	548,747
# of Days of Operating Funds	90	90	79	82

**2009 TOTAL TAX RATE FOR MELISSA
COMPARED TO TOTAL TAX RATES FOR OTHER AREA CITIES
(PER \$100)**

Town of Prosper.....	\$ 0.520000
City of Murphy.....	\$ 0.538405
City of Allen.....	\$ 0.556000
City of McKinney.....	\$ 0.585500
City of Farmersville..	\$ 0.586109
City of Melissa.....	\$ 0.610000
City of Anna.....	\$ 0.622733
City of Celina.....	\$ 0.645000
City of Princeton.....	\$ 0.728394
City of Wylie.....	\$ 0.898900

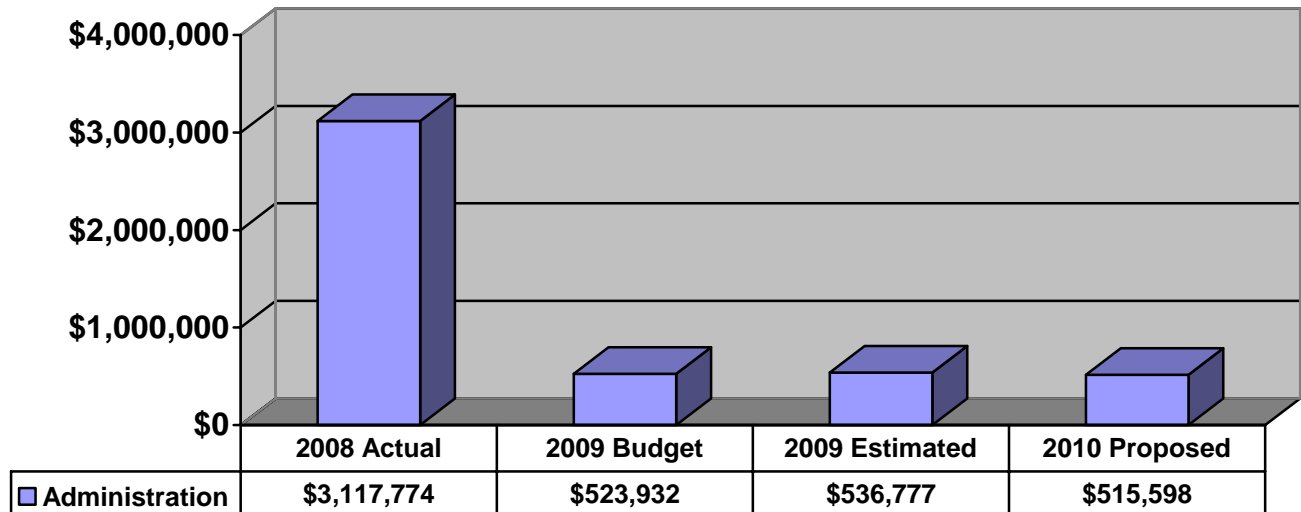
Entity	2008 Tax Rate	2009 Tax Rate	2009 M & O (Operations)	I & S (Debt)
City of Anna	0.575000	0.622733	0.529939	0.092749
City of Celina	0.645000	0.645000	0.527370	0.117630
City of Allen	0.556000	0.556000	0.423695	0.132305
City of Farmersville	0.578958	0.586109	0.437875	0.148234
City of Melissa	0.610000	0.610000	0.434902	0.175098
City of McKinney	0.585500	0.585500	0.406500	0.179000
City of Murphy	0.518300	0.538405	0.334089	0.204316
Town of Prosper	0.520000	0.520000	0.314084	0.205916
City of Princeton	0.728394	0.728394	0.460395	0.267999
City of Wylie	0.898900	0.898900	0.550220	0.348680

OPERATING BUDGET



ADMINISTRATION SUMMARY 2009-2010

Administration Budget Summary

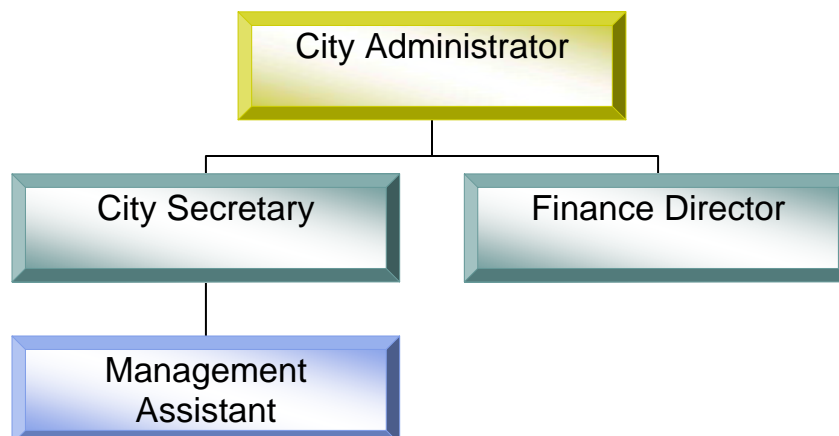


*2008-09 Budget created and separated budgets for Non-departmental expenses, Capital Improvements and Debt Service.

SERVICE OVERVIEW:

The Administration Department Staff coordinates the operational aspects of the City and facilitates the efforts of the City Administrator, City Council, and support roles in responding to the needs of the residents of Melissa. The overall Administration Budget reflects no change in the personnel schedule and line item/categorical increases reflect the maintenance of the services currently offered by the City of Melissa. The Finance Department provides planning and direction for the City's financial activities, including accounting, budgeting, payroll, accounts payable, utility billing, financial reporting, and debt administration. The Finance Department coordinates with the external auditor, hired by City Council, to monitor internal controls and provides financial reporting to the citizens of Melissa, the Council, the City Administrator, City Department heads, bond holders, MIEDC, MCEDC and other Boards and Commissions.

DEPARTMENTAL STRUCTURE:








<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Administration	01

PURPOSE STATEMENT:

It is the mission of the Administration Office to implement the policies established by the City Council, recommend cost effective alternatives for providing City services and meeting Community needs, and provide general management and oversight for the operation of all other City departments. It is the further mission of the Administration Office to provide financial accountability to the City Council and the residents of the City of Melissa.

GOALS & OBJECTIVES

-  To monitor effectiveness of all City Operations.
-  To provide Mayor and City Council with administrative support necessary to implement policy.
-  To respond to citizen's concerns in a timely manner.
-  To communicate clearly and effectively with the City Council and to communicate with the organization on Council policy and direction.
-  Provide financial reporting with generally accepted accounting principles that receives the Government Finance Officer's Association (GFOA) Certificate of Achievement.

KEY INDICATORS OF PERFORMANCE:

	FY 08 Actual	FY09 Estimate	FY10 Projection
Successful completion of budget, strategic planning, and comprehensive plan implementation.	yes	yes	yes
% of General Fund Budgeted Revenues realized	106%	101%	100%
Fund Balance objectives (General Fund) achieved	Yes	Yes	Yes
GFOA Distinguished Budget Award	No	Yes	Yes

<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Administration	01

ITEM	2007-08 Actual	2008-09 Budget	2009-10 Budget
			Proposed

EXPENDITURES:

Personnel	\$308,106	\$358,947	\$356,648
Operations	\$1,365,391	\$164,985	\$158,950
Capital	\$1,237,861	\$0	
Debt Service	<u>\$206,416</u>	_____	_____
Total	\$3,117,774*	\$523,932	\$515,598

*2008-09 Budget created and separated budgets for Non-departmental expenses, Capital Improvements and Debt Service.

PERSONNEL SCHEDULE:

Title	FY 08	FY 09	FY 10
City Administrator	1	1	1
City Secretary	1	1	1
Finance Director	1	1	1
Management Assistant	1	1	1

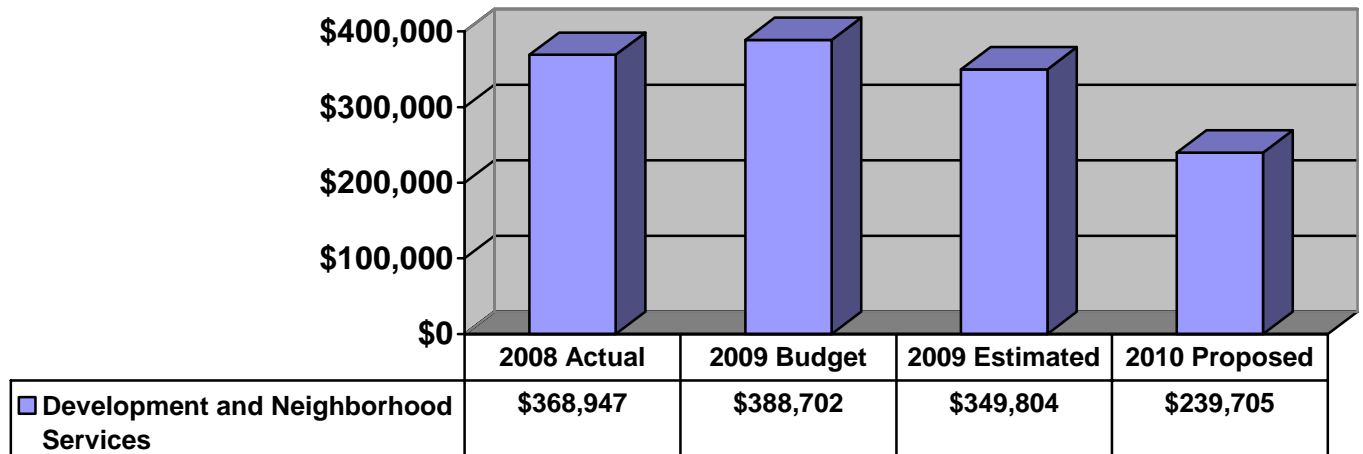
FY 09

Full Time – 4

Part Time – 0

DEVELOPMENT AND NEIGHBORHOOD SERVICES SUMMARY 2009-2010

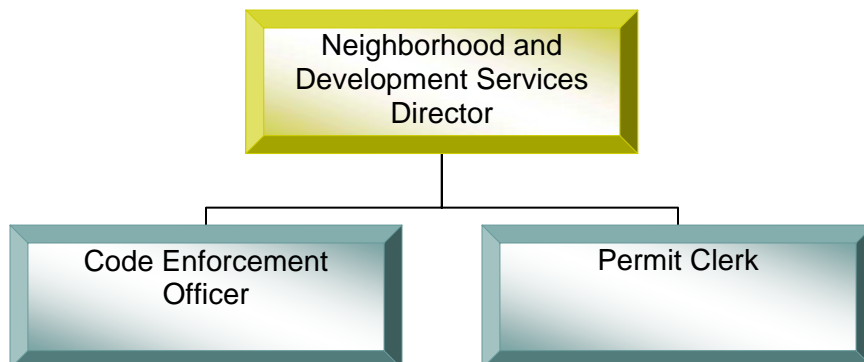
Development and Neighborhood Services Budget Summary



SERVICE OVERVIEW:

The Development and Neighborhood Services Staff coordinates the planning, zoning, permitting and code services of the City. The overall Development and Neighborhood Services Budget reflects the line item/categorical increases reflect the maintenance of the services currently offered by the City of Melissa. Development and Neighborhood Services provides project assistance to citizens, builders and developers. Code Enforcement strives to encourage high community standards by assisting and encouraging citizens to comply with city codes and ordinances.

DEPARTMENTAL STRUCTURE:



<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Development and Neighborhood Services	02

PURPOSE STATEMENT:

It is the mission of the Development and Neighborhood Services Department to provide planning, zoning and permitting services ensuring quality development and construction in the City of Melissa, and to encourage high community standards for all citizens through consistent enforcement of the City of Melissa codes and ordinances.

GOALS & OBJECTIVES:

- ✚ To provide quality customer service at every level.
- ✚ To maintain strong relationships with applicable boards and commissions.
- ✚ To respond to citizen's concerns in a timely manner.
- ✚ To communicate clearly and effectively to citizens the standards and requirements for enforcement of codes and ordinances.

KEY INDICATORS OF PERFORMANCE:

	<u>FY 08</u> <u>Actual</u>	<u>FY09</u> <u>Estimate</u>	<u>FY10</u> <u>Projection</u>
% of Inspections Performed Within 24 hours of Request	100%	100%	100%
% of Code Complaints Investigated Within 24 hours of Receipt	90%	95%	95%

ACTIVITY WORKLOAD:

Number of Permits Issued	97	75	100
Number of Substandard Buildings Identified	4	4	4
Number Junk Vehicle Complaints Investigated	8	10	10
Number Trash/Debris Complaints Investigated	10	10	10
Number of Weed Complaints Investigated	98	100	100
Number of Sign Complaints Investigated	14	20	20

<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Development and Neighborhood Services	02

ITEM	2007-08 Actual	2008-09 Revised	2009-10 Budget
			Proposed

EXPENDITURES:

Personnel	\$139,651	\$150,562	\$149,365
Operations	\$229,295	\$188,140	\$ 90,340
Capital	_____	_____	_____
Total	\$368,946	\$338,702	\$239,705

PERSONNEL SCHEDULE:

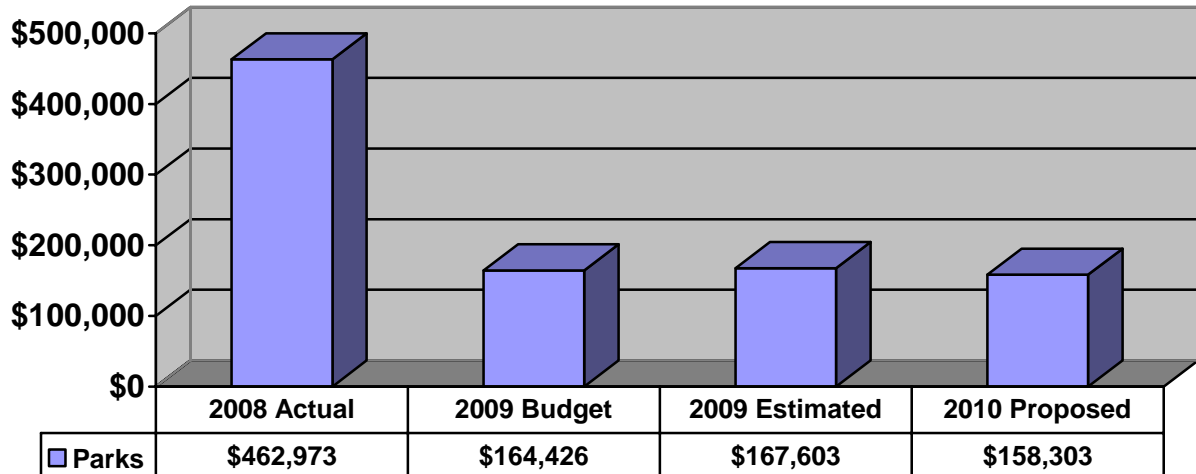
Title	FY 08	FY 09	FY 10
Development and Neighborhood Services Director	1	1	1
Code Enforcement Officer	1	1	1
Permit Clerk	1	1	1

FY 09

Full Time – 3
Part Time – 0

PARKS SUMMARY 2009-2010

Parks Budget Summary



SERVICE OVERVIEW:

The Parks Department maintains the grounds, playground equipment, and city recreation facilities. The Parks Department works as a liaison between the city and maintenance contractors. The overall Parks budget reflects no change in the personnel schedule and line item/categorical increases reflect the maintenance of the services currently offered by the City of Melissa.

DEPARTMENTAL STRUCTURE:



<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Parks	04

PURPOSE STATEMENT:

The Parks Department strives to provide a safe, well-maintained environment at each park location for the public to enjoy.

GOALS & OBJECTIVES:

- ✚ To provide safe and well maintained parks and public recreation facilities.
- ✚ To respond to citizen's concerns in a timely manner.
- ✚ To have open communication with the Park Board through the Development Services Coordinator.

KEY INDICATORS OF PERFORMANCE:

	FY 08 Actual	FY 09 Estimate	FY 10 Projection
% of Park Maintenance Completed On-Schedule	90%	95%	95%
% of Time Spent on Special Projects (not maintenance related)	20%	20%	20%

ACTIVITY WORKLOAD:

Acres of Parks/Grounds Maintained	31	31	31
Hours Spent Maintaining Existing Parks/Recreation Facilities	3,860	4,000	4,000

FYM – First Year Measure

<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Parks	04

ITEM	2007-08 Actual	2008-09 Budget	2009-10 Budget
			Proposed

EXPENDITURES:

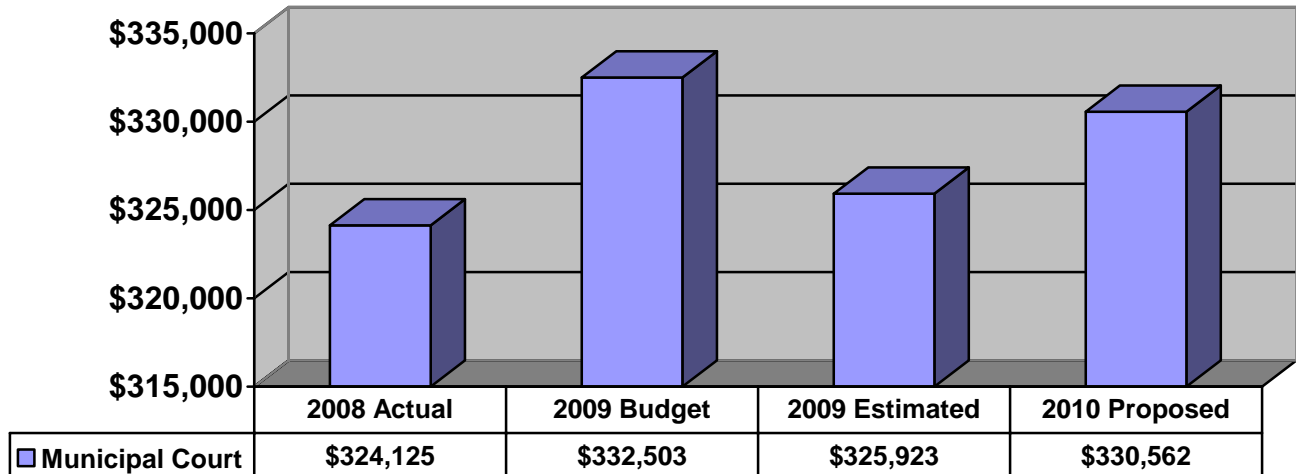
Personnel	\$52,800	\$41,726	\$44,303
Operations	\$131,797	\$122,700	\$114,000
Capital	\$4,177	--	--
Debt	<u>\$274,199</u>	_____	_____
Total	\$462,973	\$164,426	\$158,303

PERSONNEL SCHEDULE:

Title	FY 08	FY 09	FY 10
Maintenance Worker	1	1	1
	<u>FY 10</u>		
	Full Time – 1		
	Part Time – 0		

MUNICIPAL COURT SUMMARY 2009-10

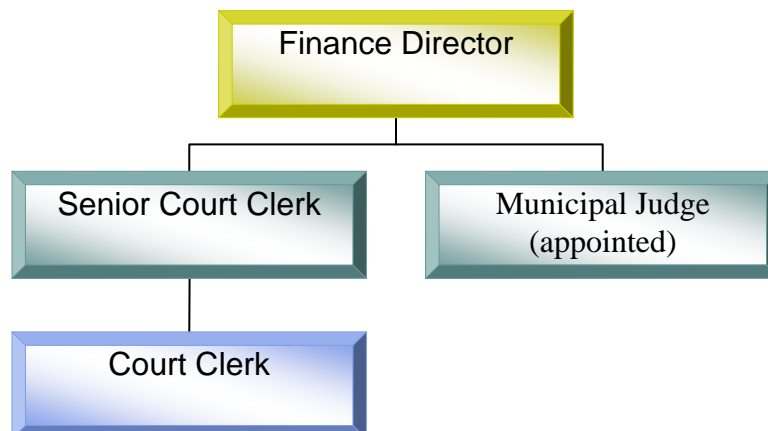
Municipal Court Budget Summary



SERVICE OVERVIEW:

The Municipal Court division is responsible for the judicial processing of Class C misdemeanors that originate from traffic citations, citizen complaints, code violations, and misdemeanor arrests, occurring within the jurisdiction of the City of Melissa. Municipal Court processing is governed by the Texas Code of Criminal Procedure and the Code of Judicial Conduct. The Court prepares dockets, schedules trials, records and collects fine payments, and issues warrants for Violation of Promise to Appear and Failure to Appear. The Municipal Court Judge is appointed by the City Council and is responsible for holding arraignments, juvenile, show cause and trial dockets.

DEPARTMENTAL STRUCTURE:



<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Municipal Court	05

PURPOSE STATEMENT:

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

GOALS & OBJECTIVES:

- ✚ Develop a policy and procedure handbook to improve employee training and ensure consistency in managing court processes.
- ✚ Development of Court Clerks through pursuing certification through the Court Clerk Certification Program.
- ✚ To continue to participate in area and state-wide Warrant Round Ups.
- ✚ To more actively pursue outstanding warrants.

KEY INDICATORS OF PERFORMANCE:

	FY 08 Actual	FY 09 Estimate	FY 10 Projection
Number of Warrants cleared	515	501	700
Warrants cleared through Warrant Round Up	41	80	100
Warrant fine revenue collected during Warrant Round Ups	\$20,526	\$23,014	\$30,000
% of Cases Disposed/Completed	70%	70%	75%

ACTIVITY WORKLOAD:

Number of cases filed	4,207	4,224	5,000
Number of cases scheduled for court appearance	2,213	2,789	3,000
Number of warrants issued	668	653	750
Municipal Court fine revenue retained by City	\$298,849	\$273,743	\$292,500

<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
-------------	-------------------	---------------

ITEM	2007-08 Actual	2008-09 Revised	2009-10 Budget
			Proposed

EXPENDITURES:

Personnel	\$133,202	\$137,963	\$133,447
Operations	\$190,923	\$194,540	\$197,115
Capital	_____	_____	_____
Total	\$324,125	\$332,503	\$330,562

PERSONNEL SCHEDULE:

Title	FY 08	FY 09	FY 10
Senior Court Clerk	1	1	1
Court Clerk	1	1	1
Municipal Court Judge (PT)	1	1	1

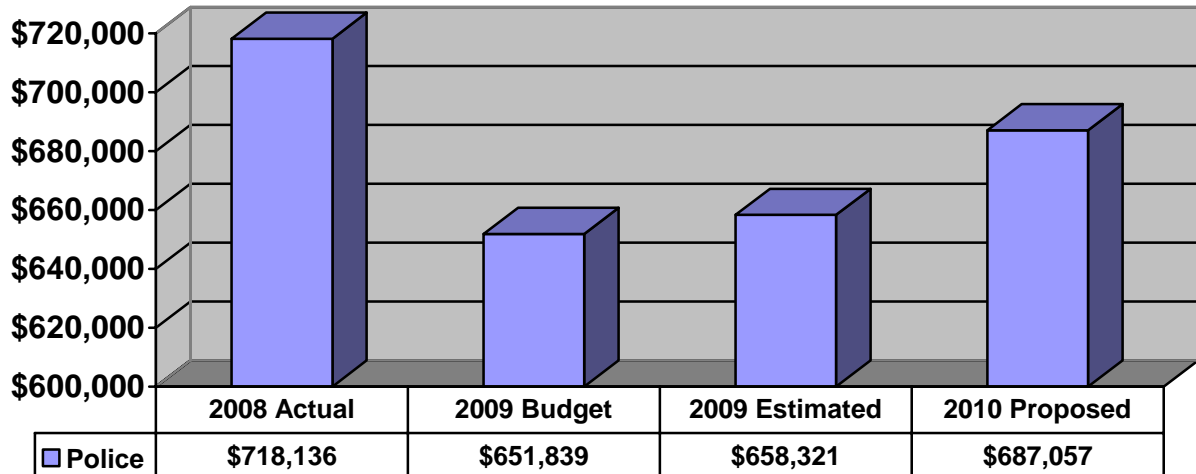
FY 10

Full Time – 2

Part Time – 1

POLICE SUMMARY 2009-2010

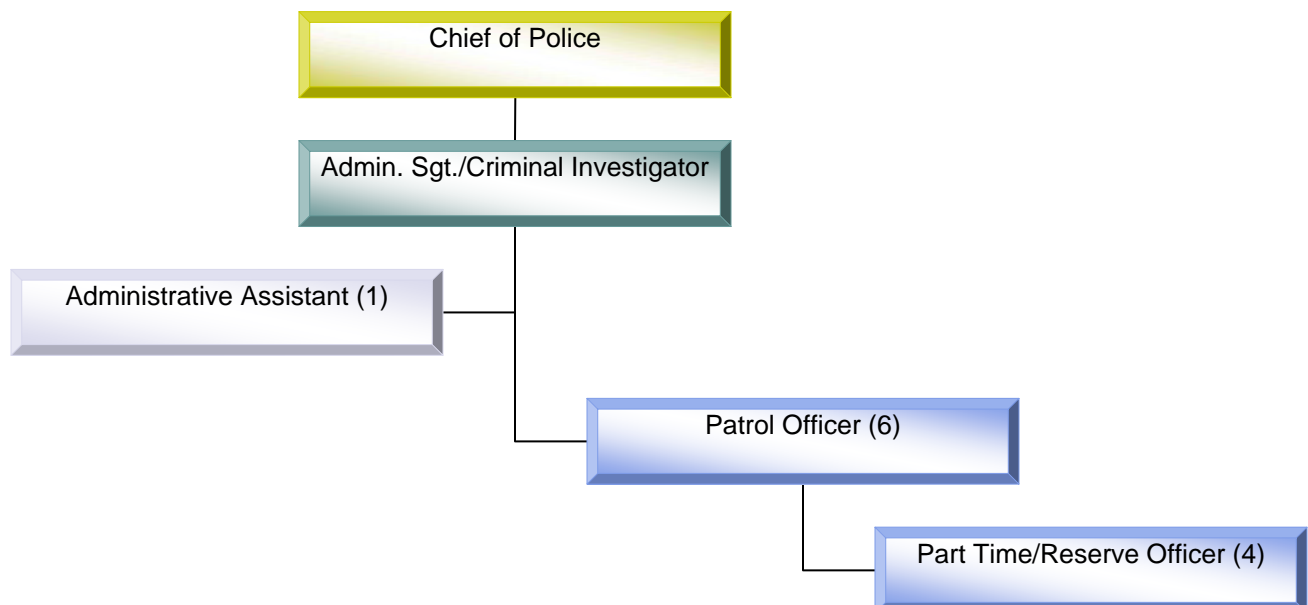
Police Budget Summary



SERVICE OVERVIEW:

The Police Department Service provides protection of life and property to the citizens of Melissa. The Budget reflects a continuation of the personnel schedule. The line item/categorical increases reflect the maintenance of the services currently offered by the City of Melissa.

DEPARTMENTAL STRUCTURE:



<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Police	06

PURPOSE STATEMENT: The Police Department, in serving the people of Melissa, strives to reduce crime and provide a safe city by:

Recognizing that its goal is to help people and provide assistance at every opportunity;

Increasing citizen satisfaction with public safety and obtaining community cooperation through the Department's training, skills, and efforts; and

Realizing that the Police Department alone cannot control crime, but must act in concert with the community and the rest of the Criminal Justice System.

GOALS & OBJECTIVES:

- ✚ To protect the Citizens of Melissa and their property.
- ✚ To continue to foster relationships with the community through special programs such as National Night Out.
- ✚ To provide the Citizens of Melissa with the most professional police services available.

~~✚ To increase needed resources to ensure all service calls are answered in a safe, timely manner.~~

KEY INDICATORS OF PERFORMANCE:

	FY 08 Actual	FY 09 Estimate	FY 10 Projection
Average Number Officer Initiated Calls as a % of Total Calls	Not Tracked	72%	70%
Cases Received/Cleared	414/282 -68%	324/200 - 62%	425/300 -71%

ACTIVITY WORKLOAD:

Calls for Service	6,691	7,272	7,926
Traffic Stops	4,766	4,452	4,600
Citations Issued	3,855	3,840	4,000

<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Police	06

ITEM	2007-08 Actual	2008-09 Revised	2009-10 Budget
			Proposed

EXPENDITURES:

Personnel	\$483,254	\$505,875	\$523,014
Operations	\$130,359	\$108,584	\$119,923
Capital	<u>\$104,523</u>	<u>\$37,380</u>	<u>\$44,120</u>
Total	\$718,136	\$651,839	\$687,057

PERSONNEL SCHEDULE:

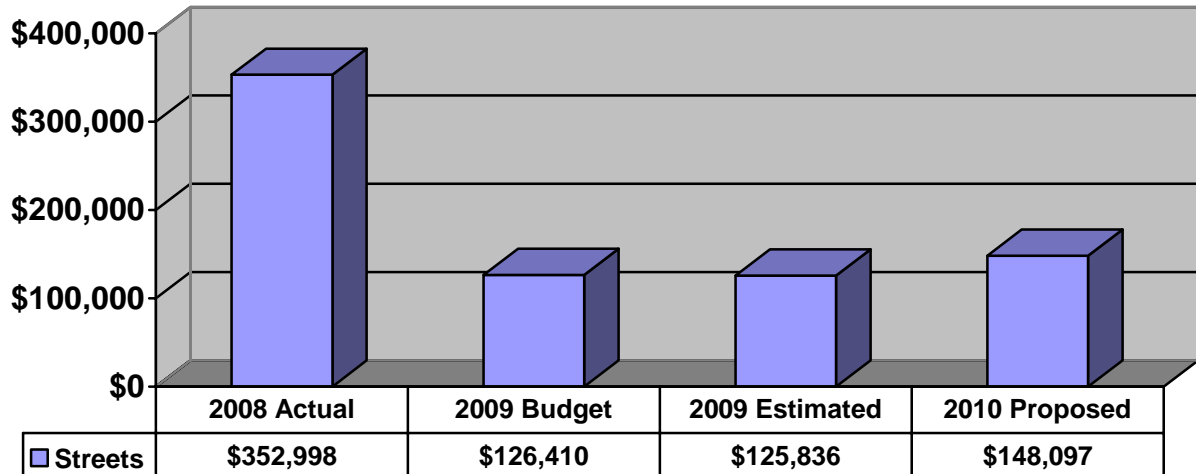
Title	FY 08	FY 09	FY 10
Chief of Police	1	1	1
Sergeant	1	1	1
Criminal Investigator	0	0	0
Patrol Officer	6	6	6.5
Administrative Assistant	1.5	1	1
Reserve Officer	4	4	4

FY 10

Full Time Officer – 8
Full Time Civilian – 1
Part Time Officer – 1
Part Time Civilian – 0
Reserve Officer - 4

STREETS SUMMARY 2009-10

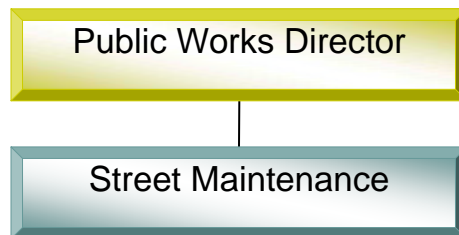
Streets Budget Summary



SERVICE OVERVIEW:

The Street Department maintains all the streets and drainage within the city limits. The overall street budget reflects no change in the personnel schedule and line item/categorical increases reflect the maintenance of the services currently offered by the City of Melissa.

DEPARTMENTAL STRUCTURE:



<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Streets	07

PURPOSE STATEMENT:

The Street Department is committed to maintaining streets and roads that are smooth, pot-hole free, and safe for the citizens of Melissa and all who pass through.

GOALS & OBJECTIVES:

- ✚ Finish chip sealing the streets in the core of Melissa.
- ✚ Implement a pothole reporting system for the citizen's of Melissa.
- ✚ To respond to citizen's concerns in a timely manner.
- ✚ Develop a street repair maintenance program.

KEY INDICATORS OF PERFORMANCE:

	FY 08 Actual	FY 09 Estimate	FY 10 Projection
% of Annual Line Mile Scheduled Maintenance Completed	not tracked	75%	90%
% of Emergency Calls Responded to Within 4 Hours	not tracked	95%	95%

ACTIVITY WORKLOAD:

Number of Street Signs Installed	30	30	50
Tons of Hot Mix Asphalt Concrete Used	205	0	30
Tons of HMAC Used for Street Failure Patches	23	36	50

<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Streets	07

ITEM	2007-08 Actual	2008-09 Revised	2009-10 Budget
			Proposed

EXPENDITURES:

Personnel	\$42,181	\$46,810	\$43,619
Operations	\$165,356	\$79,600	\$104,478
Capital	<u>\$145,461</u>	_____	_____
Total	\$352,998	\$126,410	\$148,097

PERSONNEL SCHEDULE:

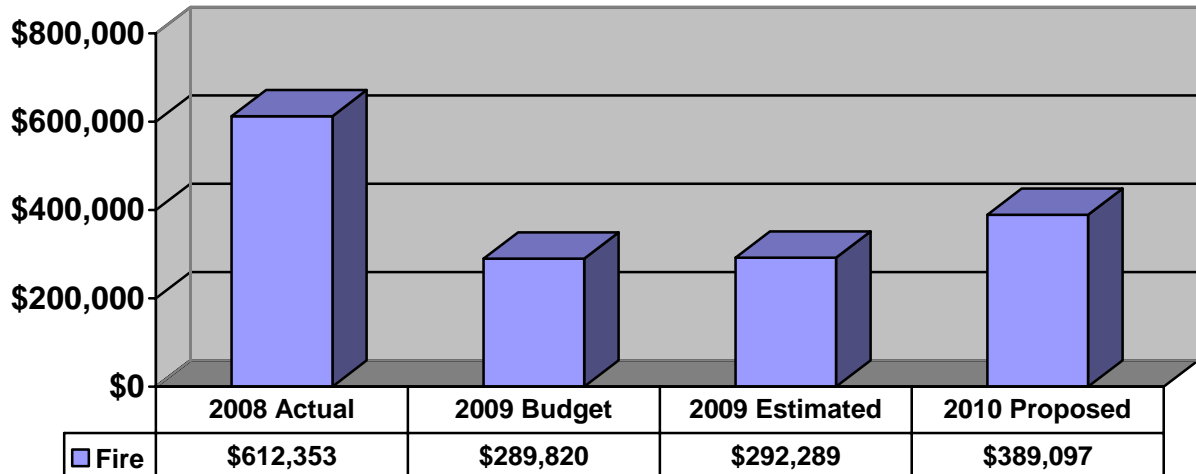
Title	FY 08	FY 09	FY 10
Maintenance Technician	1	1	1

FY 10

Full Time – 1
Part Time – 0

FIRE SUMMARY 2009-2010

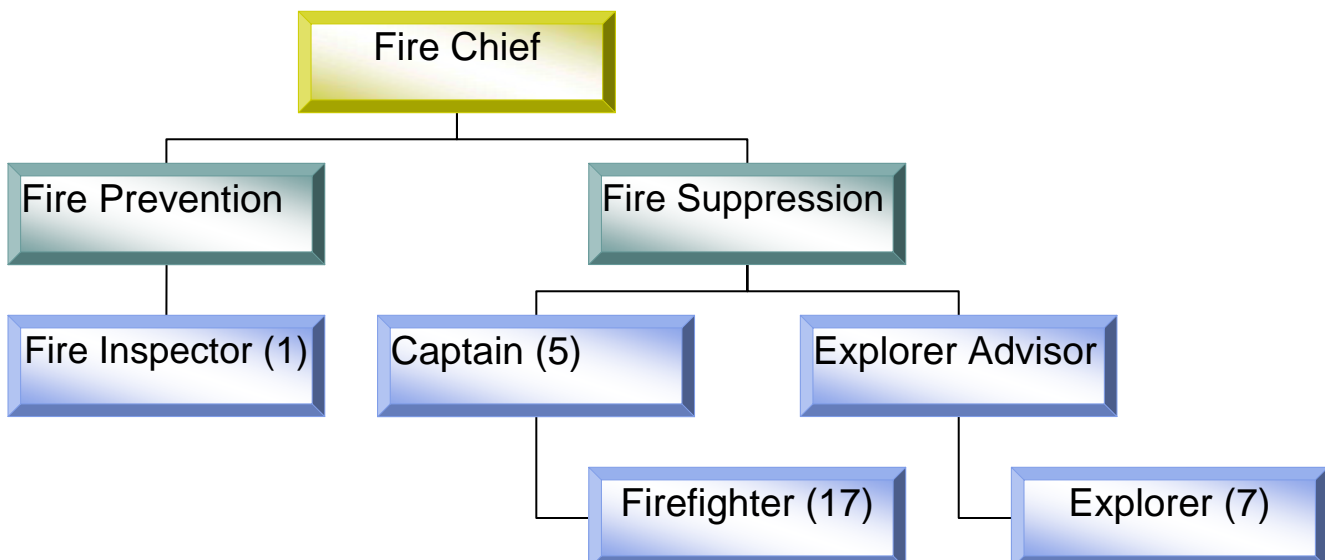
Fire Budget Summary



SERVICE OVERVIEW:

The Melissa Volunteer Fire Department responds to all fire, rescue, medical and other miscellaneous emergency events within the fire district as well as automatic and mutual aid emergency events for our neighboring communities. The Melissa Volunteer Fire Department ensures the fire codes and ordinances are enforced through proper plan reviews and inspection process. The Melissa Volunteer Fire Department promotes fire safety for the citizens of Melissa through public interaction and programs in the schools and community groups. This Melissa Volunteer Fire Department budget reflects the personnel, training and equipment that are necessary for the resolution of potential emergency events; whether by man-made or natural events, that are plausible in a fast growing community. The Melissa Volunteer Fire Department continues to address and monitor the ISO rating process that has recently lowered insurance rates for all home owners and business owners in the City of Melissa for the potential to lower these rates; yet again, in the future.

DEPARTMENTAL STRUCTURE:



FUND
General

DEPARTMENT
Fire

NUMBER
08

PURPOSE STATEMENT:

The Melissa Volunteer Fire Department (MVFD) strives to provide the highest level of life safety and property conservation through the extension of fire prevention, fire suppression, medical rescue and public education services consistent with the prudent utilization of public funds while fostering economic growth through leadership, management and appropriate actions.

GOALS & OBJECTIVES:

- ✚ To provide the appropriate resolution to all emergency events within the MVFD fire district.
- ✚ To minimize loss of life, property and environmental impact for the citizens of Melissa.
- ✚ To follow and enforce fire codes and ordinances that has been established by the City Council of Melissa
- ✚ To provide the highest quality training for the Melissa Volunteer Fire Department personnel.
- ✚ To equip the MVFD fire personnel with highest quality and most appropriate equipment possible.
- ✚ To ensure all Melissa Volunteer Fire Department firefighters return home safely after every call.
- ✚ To provide genuine compassionate care for the citizens of Melissa in their time of need.

KEY INDICATORS OF PERFORMANCE:

	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>
	Actual	Estimate	Projection
<u>Fire Suppression:</u>			
Total Runs per year:	421	450	500
Total Training hours per year	1,800	2,100	2,400
Certifications earned by firefighters	2	4	5
<u>Fire Prevention:</u>			
ISO Rank	3	3	3
Certificate of Occupancies issued:	11	15	25
Total structures condemned	0	2	2
Fire Inspections	31	80	150

FUND
General

DEPARTMENT
Fire

NUMBER
08

ITEM	2007-08 Actual	2008-09 Revised	2009-10 Budget
			Proposed

EXPENDITURES:

Personnel	\$50,428	\$80,631	\$101,513
Operations	\$142,072	\$139,181	\$167,576
Capital	<u>\$419,853</u>	<u>\$70,008</u>	<u>\$120,008</u>
Total	\$612,353	\$289,820	\$389,097

PERSONNEL SCHEDULE:

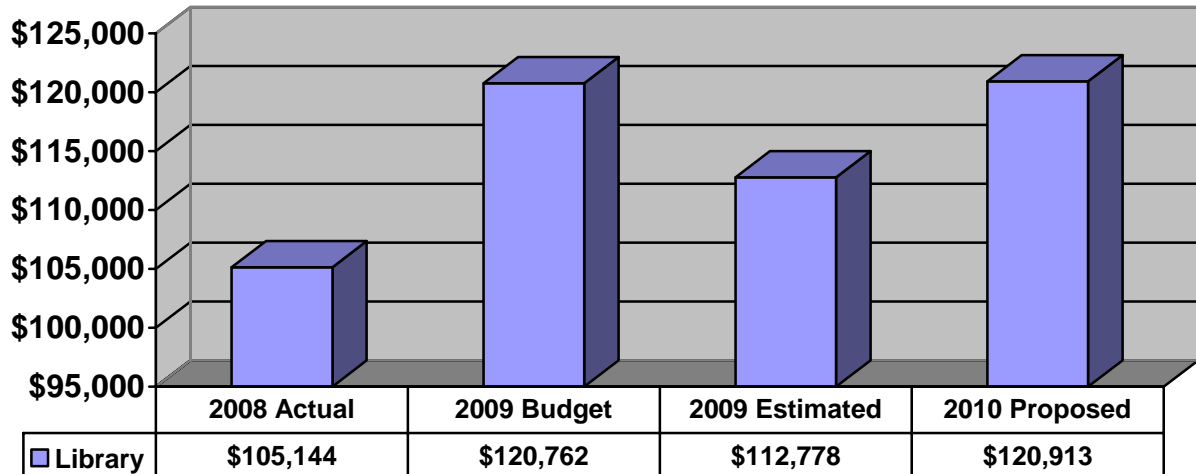
Title	FY 08	FY 09	FY 10
Fire Chief	1	1	1
Fire Inspector	0	1	1
Volunteer Firefighters	23	22	25
Explorers	7	7	7

FY 09

Full Time –	1
Part Time –	1
Volunteers-	32

LIBRARY SUMMARY 2009-2010

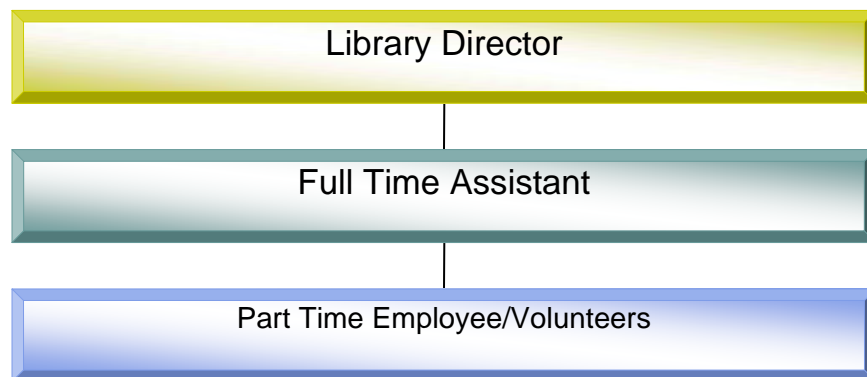
Library Budget Summary



SERVICE OVERVIEW:

The Melissa Public Library strives to offer the best possible service to our patrons. The overall Melissa Public Library Budget reflects a change in the personnel schedule and line item/categorical increases reflect the maintenance of the services.

DEPARTMENTAL STRUCTURE:








<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Library	10

PURPOSE STATEMENT:

The mission of the Melissa Public Library is to enrich and adapt its range of services availability to the community by providing resources to aid in the pursuit of information and provide recreation and cultural enhancement using print, various media products, electronic access and planned quality programs available to all. The Melissa Public Library adheres to its logo—a global reach with local touch.

GOALS & OBJECTIVES:

-  Ensure that library resources are available to all
-  Promote high quality programs and services
-  Provide public access to information technology
-  Provide resources and instruction for online job applications
-  Promote community involvement and encourage diversity

KEY INDICATORS OF PERFORMANCE:

	FY 08 Actual	FY09 Estimate	FY10 Projection
Rate of Collection Turnover	1.04	1.50	2.00
Circulation Per Capita	7.38	8.00	10.00

ACTIVITY WORKLOAD:

Number of Items Circulated	33,883	35,000	40,000
Number of Library Visitors	10,500	12,500	15,000
Library Program Attendance	3,610	3,800	4,250

<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Library	10

ITEM	2007-08 Actual	2008-09 Revised	2009-10 Budget
			Proposed

EXPENDITURES:

Personnel	\$87,492	\$95,680	\$98,885
Operations	\$17,652	\$25,082	\$22,028
Capital	_____	_____	_____
Total	\$105,144	\$120,762	\$120,913

PERSONNEL SCHEDULE:

Title	FY 08	FY 09	FY 10
Library Director	1	1	1
Part Time Assistant	1	1	0
Full Time Assistant	1	1	1

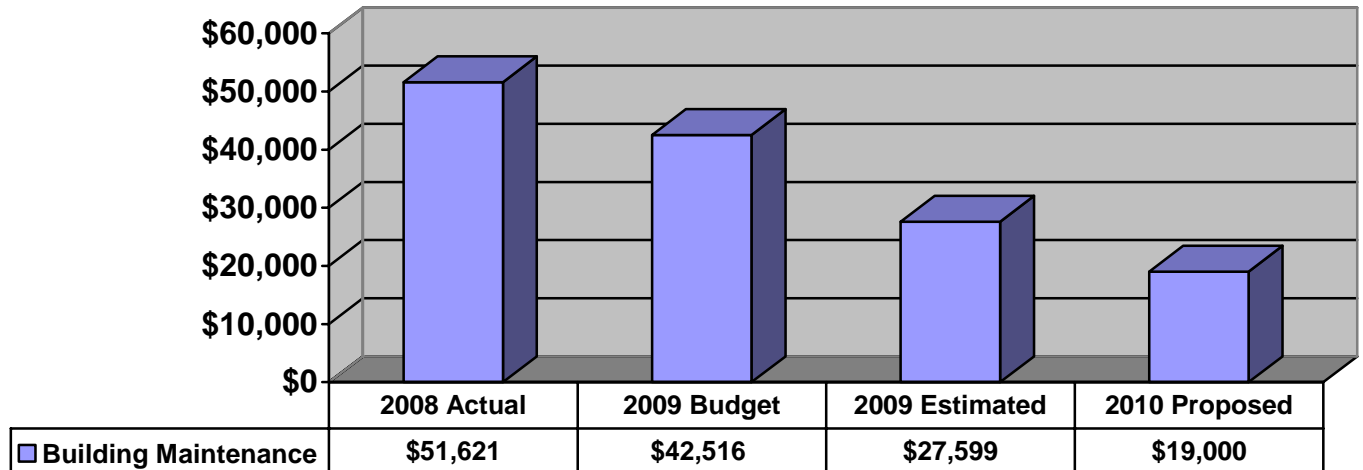
FY 10

Full Time – 2

Part Time – 0

BUILDING MAINTENANCE SUMMARY 2009-2010

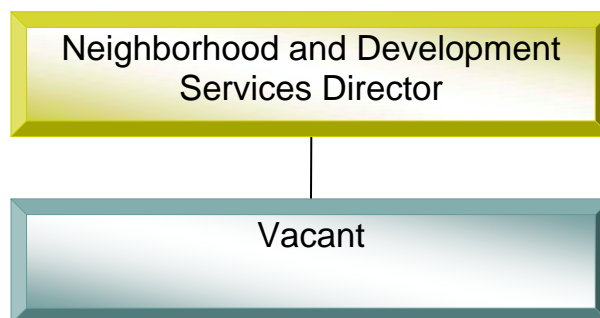
Building Maintenance Budget Summary



SERVICE OVERVIEW:

The Building Maintenance department oversees all the maintenance and repairs for eight city facilities. The overall Building Maintenance Budget reflects a vacancy in the personnel schedule and line item/categorical increases reflect the maintenance of the services currently offered by the City of Melissa. Due to a shift in positions, one full-time employee from the Parks Department manages building maintenance with the assistance of the public works staff on an as needed basis.

DEPARTMENTAL STRUCTURE:



<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Building Maintenance	11

PURPOSE STATEMENT:

The mission of Building Maintenance is to provide a service for the employees of the City of Melissa to ensure a safe, comfortable, and accommodating work place.

GOALS & OBJECTIVES:

✚ To maintain city facilities insuring a safe, comfortable environment for citizens and staff.

✚ To continue to improve the appearance of city parks and grounds.

✚ To respond to citizen's concerns in a timely manner.

KEY INDICATORS OF PERFORMANCE:

	FY 08 Actual	FY 09 Estimate	FY 10 Projection
% of Non-Emergency Service Calls Responded to Within 3 Days	85%	90%	90%
% of Emergency Service Calls Responded to Within 24 Hours	100%	100%	100%

ACTIVITY WORKLOAD:

Number of Request for Service (Work Orders)	140	150	150
Total Square Footage of Buildings and Facilities Maintained	23,299	57,577	57,577
Number of Building and Facilities Maintained	8	7	7

<u>FUND</u>	<u>DEPARTMENT</u>	<u>NUMBER</u>
General	Building Maintenance	11

ITEM	2007-08 Actual	2008-09 Revised	2009-10 Budget
			Proposed

EXPENDITURES:

Personnel	\$40,884	\$28,791	\$0
Operations	\$10,737	\$13,725	\$19,000
Capital	_____	_____	_____
Total	\$51,621	\$42,516	\$19,000

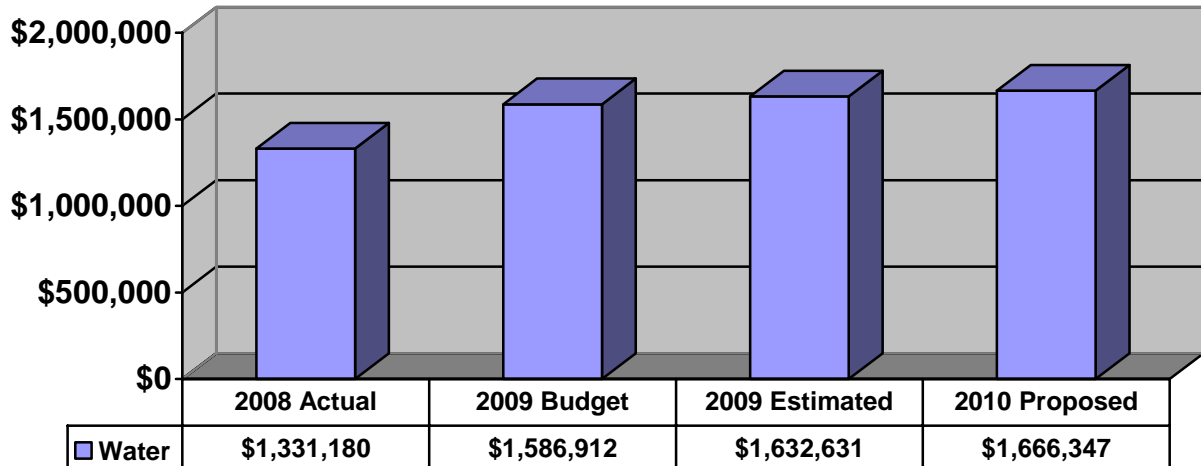
PERSONNEL SCHEDULE:

Title	FY 08	FY 09	FY 10
Vacant Position	1	1	0

FY 10
Full Time – 0
Part Time – 0

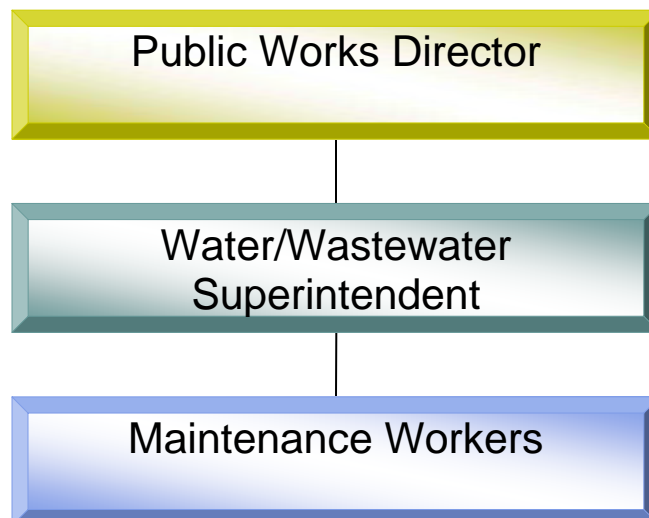
WATER SUMMARY 2009-10

Water Budget Summary



SERVICE OVERVIEW:

The Water Department maintains and repairs a complex water system of valves fire hydrants and customer service meters. While regulating system pressure and water volume through calculated pump efficiencies, tower elevations and electronic controls. The water department maintains adequate pressure and volume with as little interruption in service as possible. The Water Department meets or exceeds regulations set by TCEQ. The City of Melissa Water Department maintains the highest water quality possible. The Water Department budget reflects no change in the personnel schedule and line item/categorical increases reflect the maintenance of the services currently offered by the City of Melissa.



FUND

Water

DEPARTMENT

Water






NUMBER

14

PURPOSE STATEMENT:

To provide the highest quality product as possible and provide continuous service without interruptions.

GOALS & OBJECTIVES:

-  Continue to have no positive E-coli samples.
-  Respond to customer complaints in a timely matter
-  Continue to develop and implement a valve and hydrant maintenance program
-  Review and update radio read capabilities
-  Develop and implement an inventory control plan

KEY INDICATORS OF PERFORMANCE:

	FY 08 Actual	FY 09 Estimate	FY 10 Projection
All meter have been installed with in 72 hours	not tracked	95%	95%
Customer complaints have been addressed with in 24-48 hours or less	not tracked	100	100
Repaired leaks with in 24 hours or less of notification	not tracked	85%	85%

ACTIVITY WORKLOAD:

Meters installed	not tracked	68	121
Customer complaints	not tracked	not tracked	FYM
Work orders completed	not tracked	853	1,000
Line locates	not tracked	599	750

FUND

Water

DEPARTMENT

Water

NUMBER

14

ITEM	*2007-08 Actual	*2008-09 Revised	2009-10 Budget
			Proposed

EXPENDITURES:

Personnel	\$172,002	\$191,076	\$191,663
Operations	\$951,490	\$807,740	\$902,439
Capital	\$0	\$21,972	\$21,972
Debt Service	<u>\$207,688</u>	<u>\$566,124</u>	<u>\$550,273</u>
Total	\$1,331,180	\$1,586,912	\$1,666,347

** 2007-08 Budget will distribute line items differently than were done in previous years; therefore comparisons will be carried forward. 2008-2009 Budget begins the first year of the CIP program with associated debt service.*

PERSONNEL SCHEDULE:

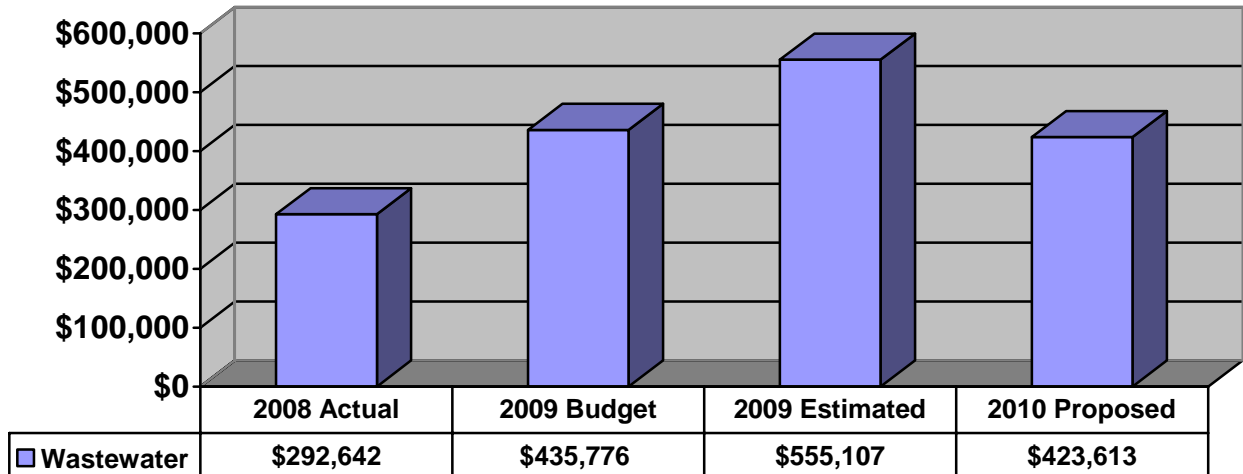
Title	FY 08	FY 09	FY 10
Public Works Director	1	1	1
Water/Wastewater Superintendent	1	1	1
Maintenance Worker	3	3	3

FY 10

Full Time – 4
Contract - 1

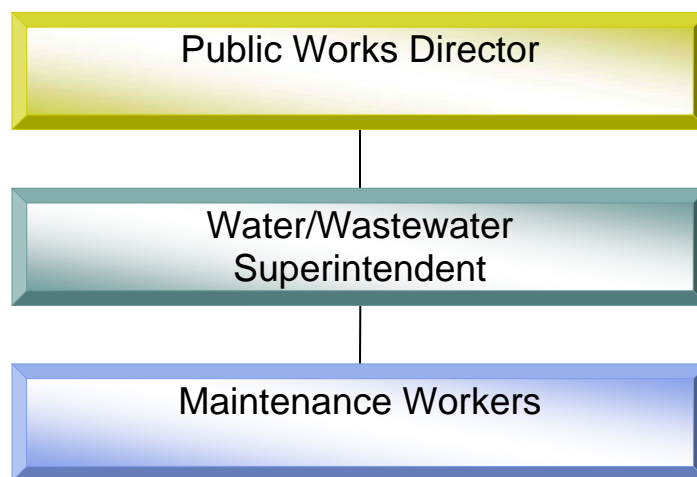
WASTEWATER SUMMARY 2009-2010

Wastewater Budget Summary



SERVICE OVERVIEW:

The Wastewater Department maintains and repairs the City's wastewater lines and lift stations through constant electronic monitoring and visual checks of the system.



FUND

Water

DEPARTMENT

Wastewater





NUMBER

15

PURPOSE STATEMENT:

To provide a wastewater collection service that is continuous, safe, and reliable.

GOALS & OBJECTIVES:

-  To finish smoke testing on the East Fork line.
-  Reduce infiltration by physical checks, maintenance program, and repair of faulty lines.
-  To respond to citizen's concerns in a timely manner.
-  Continue preventive maintenance program.

KEY INDICATORS OF PERFORMANCE:

	FY 08	FY 09	FY 10
	Actual	Estimate	Projection
Response to customer calls with 24/72 hours	not tracked	100%	100%
Work orders identified and solved	not tracked	20	40

ACTIVITY WORKLOAD:

Sewer camera Program (based on new installs)	Not tracked	49	65
Track number of sewer stoppage.	Not tracked	24	30

FUND

Water

DEPARTMENT

Wastewater

NUMBER

15

ITEM	2007-08 Actual	2008-09 Revised	2009-10 Budget
			Proposed

EXPENDITURES:

Personnel	\$0	\$0	\$0
Operations	\$216,116	\$435,776	\$340,690
Debt Service	\$76,526	\$0	\$82,923
Capital	_____	_____	_____
Total	\$292,642	\$435,776	\$423,613

PERSONNEL SCHEDULE:

Title	FY 08	FY 09	FY 10
Public Works Director	1	1	1
Lead Water/wastewater	1	1	1
Maintenance Workers	3	3	3

FY 10

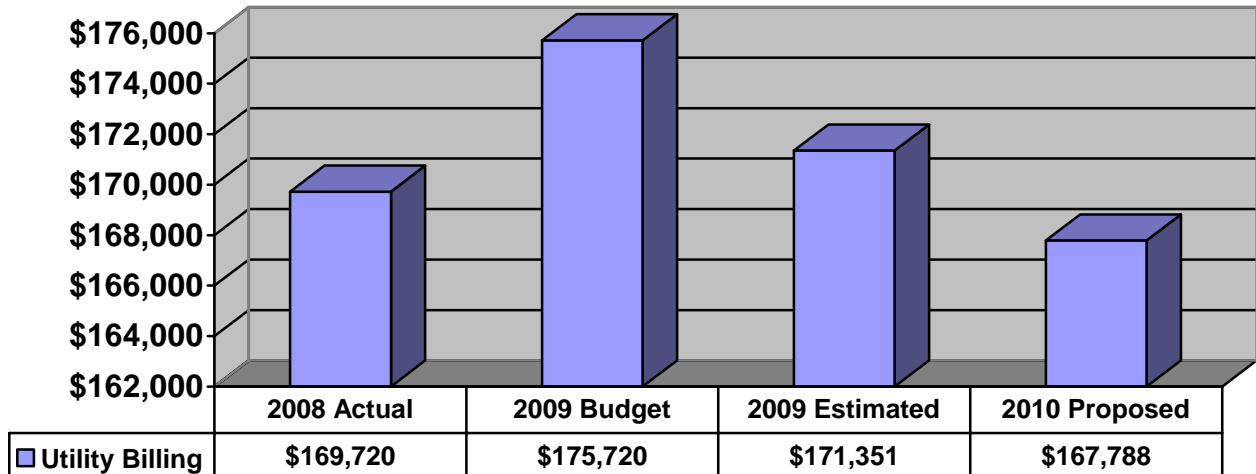
Full Time – 4*

Contract – 1*

*Public Works Personnel support both Water and Wastewater Departments.

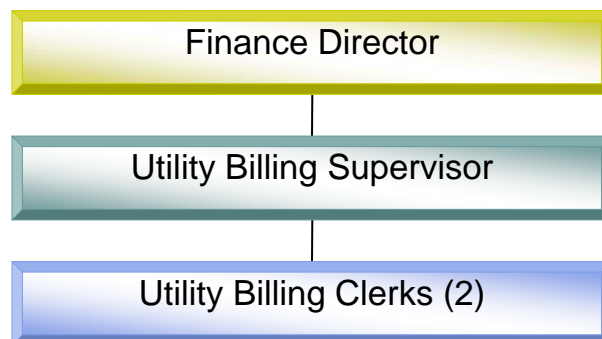
UTILITY BILLING SUMMARY 2009-2010

Utility Billing Budget Summary



SERVICE OVERVIEW:

The Utility Billing division bills and collects for all City utility services and contracted solid waste services and processes requests for new service connections. The staff ensures the timely and accurately billing of accounts and responds to customer requests for information and issues quickly and fairly. The water rates are established through Water Rate Studies performed at the request of and adopted by the City Council. The Utility Billing division bases policy and procedures in accordance with rules established by the Texas Commission on Environmental Quality (TCEQ).



FUND

Water

DEPARTMENT

Utility Billing





NUMBER

24

PURPOSE STATEMENT:

The Utility Billing division is responsible for providing accurate and timely utility billing and customer service to all water, wastewater and solid waste customers in a prompt, friendly and courteous manner.

GOALS & OBJECTIVES:

-  To reduce the error rate in customer billing data which will consequently reduce the number of customer inquiries/complaints.
-  To have all personnel cross-trained in all office operations.
-  Increase emphasis on customer service and UB related training.
-  To increase efforts to optimize receivable accounting accuracy and Finance interface.

KEY INDICATORS OF PERFORMANCE:

	FY 08 Actual	FY 09 Estimate	FY 10 Projection
Percentage of customers using automated payment options	20%	25%	28%
Number of hours of training	8	0	34

ACTIVITY WORKLOAD:

Number of Water Accounts	1,542	1,566	1,626
Number of Automatic Payment customers	320	388	458

FUND

Water

DEPARTMENT

Utility Billing

NUMBER

24

ITEM	*2007-08 Actual	*2008-09 Revised	2009-10 Budget
			Proposed

EXPENDITURES:

Personnel	\$129,829	\$134,315	\$131,303
Operations	\$39,891	\$41,405	\$36,485
Capital	_____	_____	_____
Total	\$169,720	\$175,720	\$167,788

PERSONNEL SCHEDULE:

Title	FY 08	FY 09	FY 10
Utility Billing Supervisor	1	1	1
Utility Billing Clerk	2	2	2

FY 10

Full Time – 3

Part Time – 0

PERSONNEL OVERVIEW



Personnel Overview: 3 Year Data

General Fund	FY 08	FY 09	FY 10
Administration	4.0	4.0	4.0
Building Maintenance	1.0	.5	0
Dev & Neighborhood Services	3.0	3.0	3.0
Fire	0.5	1.5	1.5
Library	2.5	2.5	2.0
Municipal Court	2.5	2.5	2.5
Parks	1.0	1.0	1.0
Police	13.5	13.0	13.5
Streets	1.0	1.0	1.0
General Fund Total	29	29	28.5
Enterprise Fund	FY 08	FY 09	FY 10
Water	3.0	3.0	3.0
Wastewater	1.0	1.0	1.0
Utility Billing	3.0	3.0	3.0
Enterprise Fund Total	7.0	7.0	7.0

As you can see from the table above, the City of Melissa personnel numbers have remained consistent. Since the year 2000, the City has grown on average approximately 20% a year. Over the past three years, the growth rate has slowed due to the national economic climate, but the City growth rate has still exceeded ten percent. The net effect is that the City's employees are providing a high level of services to more residents annually without the offset of more employees to do the work. The City Council recognizes this and has committed to enhancing the salary and benefits package for the employees.



City of Melissa

901 State Hwy. 121
PO Box 409
Melissa, TX 75454

Ph: 972-838-2338
Fax: 972-837-2452
www.cityofmelissa.com

City of Melissa Benefit Summary

As of October 1, 2009

Insurance

TML IEBP (Texas Municipal League Intergovernmental Employee Benefit Pool)

Health and Dental

Employee is 100% covered by the City for Health and Dental

Employee shares cost of dependant coverage

Life Insurance through The Standard (1x Salary Employer paid)

Optional additional Life Insurance up to 3 times employee's annual salary

Optional Life Insurance for dependents

Employee Assistance Program Plan – Employer Paid

Long Term Disability insurance offered with a Buy-up Plan

Optional Vision coverage available

Annual Open Enrollment October 1st

Retirement

TMRs (Texas Municipal Retirement System)

7% Mandatory employee contribution

City matches 2 to 1

Social Security

-City participates & matches

Deferred Compensation Program

ICMA Retirement Corporation or Security Benefit Group

Pre-Tax Savings plan - 457

No Match from the City

Supplemental Insurance - AFLAC

Plan year begins Nov. 1

Flexible Spending – Cafeteria Plan - Administered by AFLAC

Pre-Tax

Health Insurance Premiums, Medical & Dependent Care

Plan year begins Nov. 1

Workers Compensation – TML

Time off

10 Holidays

3 Personal Days after 90 days

2 Week of Vacation – 1-4 years of service, eligible after 6 months

3 Weeks of Vacation – 5-9 years of service

4 Weeks of Vacation – 10+ years of service

48 Hours of sick time each calendar year – eligible after 6 months

96 Hours of Extended Illness accrued annually

Longevity Pay

\$4.00 per month for each full month employed after 1 year service on December 1st

Over Time Hours

Cash or Compensatory Time

CAPITAL OVERVIEW



Capital Improvement Program: Significant Non-recurring Projects

As mentioned in the fund narratives, Capital line items cover large, one time purchases or the cost for the payment for large pieces of equipment or vehicles over time. In FY 10, 5% of the General Fund budget is allocated to routine capital purchases. All capital allocations with the General Fund and Enterprise Fund are for routine purchases consisting of annual payments for equipment such as patrol cars and fire apparatus, and public works equipment including backhoe and skid loader. Exclusive of the continual cost for previous purchases, the FY 10 budget will designate funds to purchase routine equipment such as a police cruiser and accepting a grant for a new Fire Brush Truck.

Other expenses in the FY 10 Budget are to fund the debt service payments for the following projects. There is no additional impact to the General Fund for the current Transportation projects to the FY 10 Budget. The newest Utility CIP project, Fitzhugh Sewer Line, will have the impact of additional debt added to the FY 10 budget with an offset of reduce maintenance of the new Fitzhugh life station. A brief description of the CIP projects in progress in Melissa are outlined below. For debt service costs, please see chart entitled "City of Melissa Debt Service Summary."(page 70)

Transportation CIP:

Melissa Road Phase 2b

Funding Source: Bond Proceeds supported by Ad Valorem Tax Rate

Description: The funds for this project will be used for the design, right of way acquisition, and utility relocation for the second phase of the Melissa Road expansion. The second phase will construct Melissa Road from its current terminus at Highway 5 and connect to State Highway 121. This project will be considered for construction when the appropriate private development necessitates the expansion.

Throckmorton Road E Reconstruction

Funding Source: Bond Proceeds supported by Ad Valorem Tax Rate, Developer's participation and Collin County Bond Program

Description: This project will reconstruct the eastern portion of Throckmorton Road east of State Highway 5. This project will reconstruct the DART railroad crossing to allow for safer ingress and egress for the concrete batching plants and their associated traffic. These funds are for the design, right of way acquisition, utility relocation, and construction. The project is anticipated to be completed in the summer of 2010.

Fannin Road Reconstruction

Funding Source: Bond Proceeds supported by Ad Valorem Tax Rate and TEA Grant

Description: This project will reconstruct Fannin Road from State Highway 5 to the Melissa Road intersection. The road will be widened to 27 feet with 31 feet intersections and incorporate the first phase of the city's hike and trail system, which will give the children and residents of the Hunters Ridge community a safe walking system to the school district facilities along Fannin Road. A portion of this project is being

funded through the Texas Department of Transportation. Construction for the road is anticipated to be completed in the summer of 2010, with the trail construction following shortly after the road completion.

Annual Budget for Rehab Projects

Funding Source: Bond Proceeds supported by Ad Valorem Tax Rate

Description: Included in the 2007 Transportation Bond Election was a commitment to create an organization rehabilitation program for the existing roads within the Melissa community. The initial review of the roads would be condensed into a road inventory survey to help identify and prioritize how the rehabilitation funds could be used.

CR 418

Funding Source: Bond Proceeds supported by Ad Valorem Tax Rate

Description: Funds for this project will be used for the design, right of way acquisition, and utility relocation for the widening of County Road 418. Like the Melissa Road project, the actual construction will begin when an economic need is identified.

Utility CIP:

FM 2933 water main from SH121 to FM545

Funding Source: Bond Proceeds supported by Water Rates

Description: This project will fund the design and right of way acquisition in order to get City water facilities in the northern and eastern corridors of Highway 121.

Southwest mains

Funding Source: Bond Proceeds supported by Water Rates

Description: This project will fund the design and right of way acquisition in order to get City water facilities near the intersection of State Highway 121 and US Highway 75.

Stiff Creek Sewer Improvements

Funding Source: Bond Proceeds supported by Water Rates

Description: This is a companion project of the FM 2933 water main project and will fund the design and right of way acquisition in order to get City sewer facilities in the northern and eastern corridors of Highway 121.

Fitzhugh Sewer Improvements

Funding Source: Bond Proceeds supported by Water Rates

Description: The new project will be the construction of the Fitzhugh Sewer Line, which will replace an aged sewer line/lift station that services the west portion of Melissa. This project is being initiated in large part because of a bridge replacement program initiated by the Texas Department of Transportation. The project is anticipated to begin in early 2010 and be completed by the fall of 2010.

DEBT SERVICE SUMMARY



Debt Service Summary

During the summer of 2008, the City initiated the first phase of its transportation and water capital improvement plan. In doing so, the City was critically evaluated by both Standard and Poor's and Moody's Investor Services for the appropriate bond rating. The table below shows the increases awarded to the City by both agencies. On January 30, 2009, both agencies evaluated the City once again for the issuance of the 2009 Bond for the City Hall construction project. Moody's upgraded the City of Melissa to an A3 at that time. The recent upgrades to the bond ratings for Melissa is a key indicator of the health and stability of the organization and the financial position of the City.

Rating Agency	06-07	8/7/08	1/30/09
Moody's	Baa2	Baa1	A3
Standard and Poor's	BBB-	A	A

The following are the City of Melissa's policies related to debt and debt management as reviewed and approved by the Melissa City Council. The City of Melissa does not currently have a formal debt management policy apart from the policies listed below. These policies are reviewed annually during the budget process and are amended as needed.

- The City of Melissa strives to manage debt issuance by reviewing the Maintenance and Operations allocation against the Interest and Sinking allocation. The City will strive to maintain a 65/35% ratio. This ratio is a guide only and may be amended as our growing community's needs dictate; however, this policy will be used as a measuring device before any debt is issued. The State of Texas Attorney General limits the General Obligation (GO) debt that a city can issue to \$1 on the property tax rate. For 2009, the City's debt tax rate is \$0.174535 per \$100/valuation which is 28% of the \$0.61 total tax rate for 2009.
- Debt will be considered for any purpose that municipalities can fund in accordance with State Law of Texas. Under the direction of the City's financial advisor, any debt type and structure will be considered. Ideally, any debt sold should address a need identified in one of the City's Capital Improvements Plans. The CIP's should be reviewed if any debt is sold that is not included in the plans so that the governing body understands what may be postponed.
- Debt should not be considered if it exceeds 25 years, unless a market standard exists to fund the project at a longer term.
- If excess funds exist after addressing and maintenance and operations, including reserve allocations and debt service commitments, outstanding debt principal amounts should be reviewed

to make advance payments to buy down obligation. This scenario is reviewed during the budget process and approved by the City Council.

- Methods for debt sales will be reviewed and recommended through the City's financial advisor, with approval by the City Council.
- Bond proceed shall be placed in the highest interest bearing account the City has access to, as long as the invested funds are fully collateralized.

Summary of Current Year Liabilities – Debt

Fund	FY 10 Principal	FY 10 Interest	Total FY 10 Payment
General	\$445,000	\$1,039,158	\$1,484,158
Enterprise	\$332,500	\$472,763	\$805,263

City of Melissa									
2009-2010 Budget									
Debt Service Summary									
				2009-2010 Payable			as of 10/01/09		
Date	Description	Maturity Date	Principal	Principal	Interest	Fiscal Total	Commitment	O/S Principal	O/S Interest
12/19/2000	General Obligation Refunding Bonds	9/30/2009	\$ 350,000	\$ -	\$ -	\$ -	Water Fund	\$ -	\$ -
	Refinancing \$275,000 Series 1988 CO and \$50,000 Series 1987 CO, plus expenses								
12/19/2000	Combination Tax and Revenue CO	9/30/2021	\$ 1,475,000	\$ 65,000	\$ 73,330.00	\$ 138,330.00	Water Fund	\$ 1,265,000	\$ 530,900.00
	Water Tower								
7/24/2001	Combination Tax and Revenue CO	9/30/2011	\$ 835,000	\$ 95,000	\$ 9,460.00	\$ 104,460.00	CDC 4B	\$ 195,000	\$ 14,360.00
	Zadow Park								
9/24/2004	Combination Tax and Revenue CO	9/30/2024	\$ 1,400,000	\$ 55,000	\$ 53,951.25	\$ 108,951.25	General Fund	\$ 1,245,000	\$ 462,905.00
	Melissa Rd Phase I								
1/15/2005	Contract Revenue Bonds, Series 2005	9/30/2029	\$ 2,800,000	\$ 75,000	\$ 129,569.50	\$ 204,569.50	Water Fund	\$ 2,480,000	\$ 969,826.50
	Greater Texoma Utility Authority (Collin-Grayson Project)			\$ 18,750	\$ 32,392.38	\$ 51,142.38	Divided by 4 Cities	\$ 620,000	\$ 242,456.63
	Cities of Anna, Howe, Melissa and Van Alstyne								
6/17/2005	Combination Tax and Revenue CO	9/30/2025	\$ 950,000	\$ 35,000	\$ 32,902.50	\$ 67,902.50	General Fund	\$ 820,000	\$ 299,505.00
	Melissa Rd - \$525,000 and Fire Station - \$400,000, plus expenses								
12/29/2005	Combination Tax and Revenue CO, Series 2005A	2/15/2026	\$ 825,000	\$ 30,000	\$ 29,362.50	\$ 59,362.50	CDC 4B	\$ 740,000	\$ 283,702.50
	Fire Station \$100k, Tennis Courts \$250k, BMP \$144k, Hunter's Ridge Park \$5k, Historical House \$300k, plus expenses								
5/31/2006	Combination Tax and Revenue CO, Series 2006	2/15/2026	\$ 2,250,000					\$ 2,100,000	\$ 925,353.75
	\$615k - Country Ridge Water Supply purchase, plus expenses			\$ 25,000	\$ 26,545.00	\$ 51,545.00	Water Fund	\$ 565,000	\$ 248,137.50
	\$1,120,000 - Melissa Rd, plus expenses			\$ 40,000	\$ 48,062.50	\$ 88,062.50	EDC 4A	\$ 1,020,000	\$ 449,533.75
	\$515k - Town Center Architect fees, plus expenses			\$ 20,000	\$ 24,295.00	\$ 44,295.00	TIF	\$ 515,000	\$ 227,682.50
7/15/2006	State Participation Assistance Calculations	9/30/2040	\$ 8,675,000		\$ 100,164.50	\$ 100,164.50	Water Fund	\$ 8,675,000	\$ 13,954,647.50
	GTUA-Collin Grayson Project - w/Anna, Howe and Van Alstyne			\$ -	\$ 25,041.13	\$ 25,041.13	Divided by 4 Cities	\$ 2,168,750	\$ 3,488,661.88
11/1/2006	Contract Revenue Bonds, Series 2006 (TWDB-SRF)	9/30/2026	\$ 1,745,000	\$ 65,000	\$ 54,270.00	\$ 119,270.00	EDC 4A/4B	\$ 1,555,000	\$ 553,037.50
	Melissa-Anna Interceptor Project	(GTUA reserve)			\$ 24,474.72	\$ 24,474.72			
	Throckmorton-Trinity River Sewer Project								
	4A/4B funding		\$ -			\$ (126,142.00)			
2/20/2007	Contract Revenue Bonds, Series 2007	9/30/2020	\$ 5,000,000	\$ 75,000	\$ 259,849.00	\$ 334,849.00	Water Fund	\$ 4,970,000	\$ 4,677,940.00
	GTUA-Collin Grayson Project - w/Anna, Howe and Van Alstyne			\$ 18,750	\$ 64,962.25	\$ 83,712.25	Divided by 4 Cities	\$ 1,242,500	\$ 1,169,485.00
	(GTUA reserve)				\$ 17,256.96	\$ 17,256.96			
1/31/2008	Contract Revenue Bonds, Series 2007 (CWSRF)	9/30/2028	\$ 1,105,000	\$ 40,000	\$ 39,377.50	\$ 79,377.50	EDC 4A/4B	\$ 1,070,000	\$ 460,662.50
	Melissa-Anna Interceptor Project	(GTUA reserve)			\$ 16,188.72	\$ 16,188.72			
	Throckmorton-Trinity River Sewer Project								
	4A/4B funding		\$ -			\$ (78,500.00)			
8/12/2008	General Obligation Bonds, Series 2008	9/30/2028	\$ 5,230,000	\$ 170,000	\$ 230,772.51	\$ 400,772.51	General Fund	\$ 5,075,000	\$ 2,566,315.68
	Transportation Bond CIP - Bond Election Nov 07								
8/12/2008	Certificate of Obligations/Contract Revenue, Series 2008	9/30/2028	\$ 2,250,000	\$ 75,000	\$ 95,723.75	\$ 170,723.75	Water Fund	\$ 2,180,000	\$ 1,076,421.25
	Water/Wastewater CIP Phase 1								
2/10/2009	Combination Tax and Revenue CO, Series 2009	9/30/2034	\$ 9,840,000	\$ -	\$ 610,352.19	\$ 610,352.19	TIF	\$ 9,840,000	\$ 6,895,106.05
	City Hall								
2009-Pending	Contract Revenue Bonds, Series 2009 (GTUA)	9/30/2029	\$ 2,025,000	\$ 25,000	\$ 48,600.00	\$ 73,600.00	Water Fund	\$ 2,025,000	\$ 874,620.00
	Fitzhugh Sewer								
	Summary of Obligations								
	General Fund			\$ 260,000	\$ 317,626.26	\$ 577,626.26		\$ 7,140,000	\$ 3,328,726
	Water Fund			\$ 227,500	\$ 383,851.46	\$ 611,351.46		\$ 10,066,250	\$ 7,630,682
	MIEDC (4A)			\$ 92,500	\$ 94,886	\$ 187,386.25		\$ 2,332,500	\$ 956,384
	MCEDC (4B)			\$ 177,500	\$ 85,646	\$ 263,146.25		\$ 2,247,500	\$ 804,913
	TIF			\$ 20,000	\$ 634,647.19	\$ 654,647.19		\$ 10,355,000	\$ 7,122,789

PLANNING PROCESSES



Planning Processes

Comprehensive Plan:

Overview: The City adopted its first Comprehensive Plan in 2006 with the help of an outside consulting firm. The document reviewed many building blocks for community development including utilities, thoroughfares, parks, facilities, housing, and many other issues. The action steps that were to be considered in the future were outlined in a specific chapter within the document. These action steps were designed to help the City address any existing issues identified through the study or to help the City proceed in the desired direction.

FY10 Budget impact: The action plans identified were revisited during the budget process. None of the items that will be addressed in the FY10 year will have a budgetary impact. The major item that the City will undertake next will be a review and update of the Plan, which may begin in the 2010 calendar year.

Capital Improvement Programs:

Overview: The City adopted Capital Improvement Programs for water, wastewater, and transportation in 2007. The plans are for the ultimate growth of each of these systems and total in excess of \$100 million. Each plan is built upon the assumption of growth in the Melissa tax base/customers/community and established general timelines on what infrastructure needs to be in place if certain growth occurs. If the growth does not occur, the projects are not constructed until the need exists.

FY10 Budget Impact: In the budget process, each Capital Improvement Plan was reviewed to determine if the City met the criteria to accommodate additional infrastructure projects. In FY10, the City's tax base and utility customers did not grow in an amount that allows the City to undertake additional projects unless an unanticipated situation occurs. These projects will slide to the next fiscal year and will be reviewed in the FY11 budget process

SWOT Analysis:

Overview: In August 2009, the City approached the University of Texas (UTA)-Arlington's School of Urban and Public Affairs to conduct an Economic Development Strategic Plan for Melissa. Economic Development is a high priority for Melissa, and an independent review of the City's direction was desired by the policy makers. In this process, UTA conducted a Strengths-Weaknesses-Opportunities-Threats (SWOT) analysis for the Melissa community as it related to economic development and what items the City should be most focused on in the coming years.

Budget Impact: Since this study occurred after the fiscal year began, the impacts will be minimal in FY10, although the City will begin to plan and strategize on the items

identified in the study. The next fiscal year's budget will hopefully be able to address those items that have a budget impact that needs to be addressed in a future year.

Service Summary Planning:

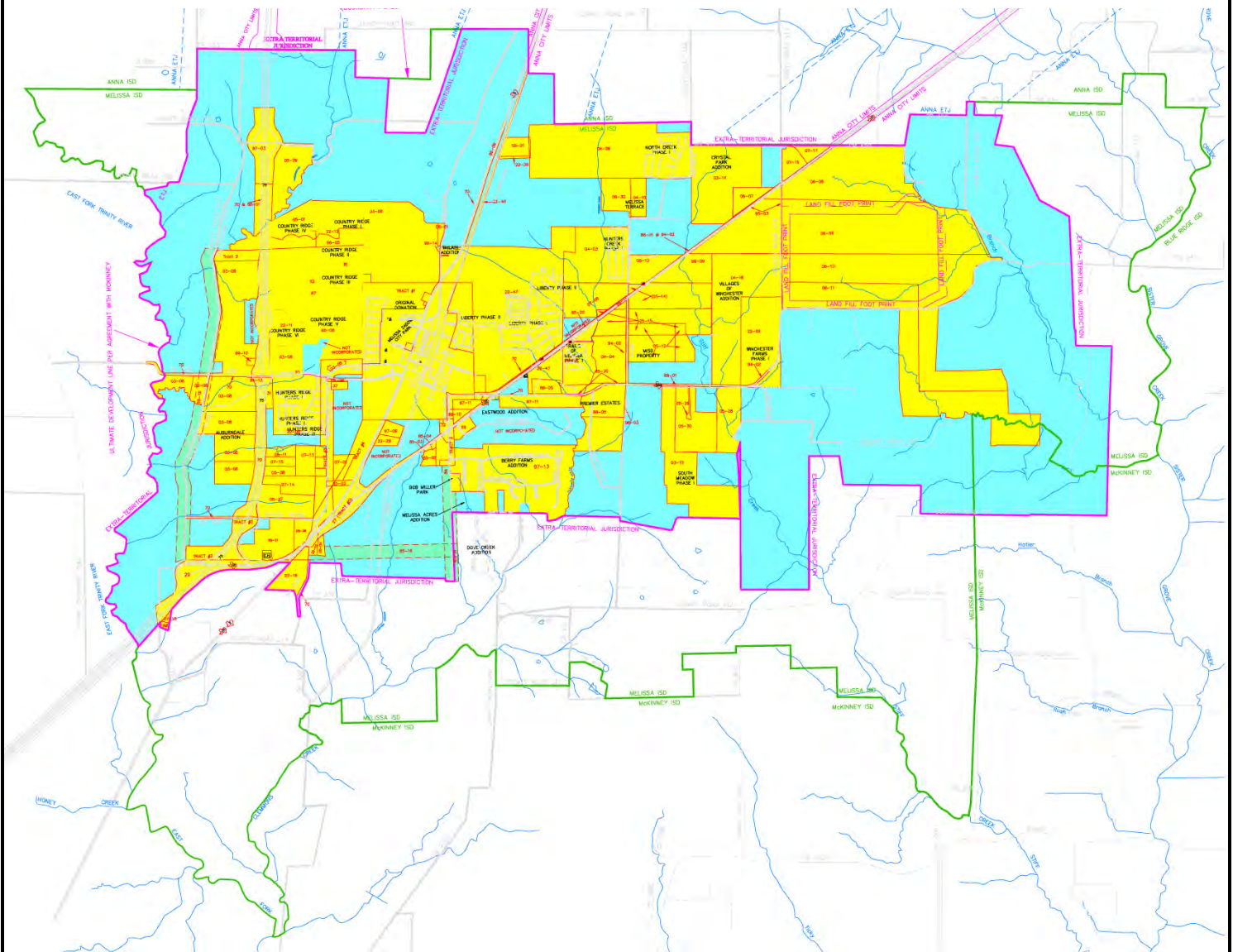
Overview: About every other year, the City conducts a Services Summary with the City Council. The Summary is a tool that gauges City Council opinion on many different topics. The compiled results are then reviewed together to gauge the collective opinion of the City Council. These results help set the direction for the upcoming budget process and to identify those long term items that need to be addressed.

Budget Impact: None of the items identified had a significant impact on the FY10 budget. These results will be revisited in the goal setting session in February 2010.

SUPPLEMENTAL REFERENCES



CITY OF MELISSA, TEXAS



LEGEND

- | | |
|--|--|
| [P] POST OFFICE | CITY LIMIT |
| [L] LIBRARY | MELISSA EXTRA-TERRITORIAL JURISDICTION |
| [1] ELEMENTARY SCHOOL | MELISSA-INDEPENDENT SCHOOL DISTRICT |
| [2] JR. HIGH SCHOOL | |
| [3] HIGH SCHOOL | |
| ⊕ #1 CITY WATER WELL & PUMP STA. NO. 1 | LAND FILL FOOT PRINT |
| ⊕ #2 CITY WATER WELL & PUMP STA. NO. 2 | |
| ⊕ #1 CITY WATER TOWER & PUMP STATION NO. 1 | DISANNEXED CITY OF MELISSA |
| [LS] CITY SAN. SEWAGE LIFT STATION | MELISSA EXTRA-TERRITORIAL JURISDICTION |
| [//] UNDEVELOPED STREETS AND ALLEYS | ANNEXED CITY OF MELISSA |
| [—] UNIMPROVED ROADS AND DRIVEWAYS | |

Melissa, Texas



County: Collin

Location: 38 miles north of Dallas on US Hwy 75

Area: 21 square Miles

Form of Government: Mayor/Council

Number on Council: 6

Municipal Police: 8

Paid Fireman: 1

Volunteer Firemen: 25

City Zoning: YES

Master Plan: YES Completed in 2006

(Source: City of Melissa)

History

Melissa settlement began in the 1840s although the town did not take off until the Houston and Texas Central Railway arrived in the early 1870s. The town's namesake is not certain since there were two railroad executives with daughters named Melissa. The town's railroad connection attracted population from Highland, Texas, a small community about 2.5 miles north of Melissa.

A post office was granted in the first half of 1873 and by 1884 the town had a population estimated at 100.

Melissa was on the line of the first Texas Interurban line (the Texas Electric Railway) which ran from Denison to Dallas beginning in 1908. The population increased to 400 by 1914. Melissa's connection to the electric railway insured that the town was "wired" and the townspeople also benefited from paved roads and a telephone exchange. All of this infrastructure was installed prior to 1920.

Melissa had all essential businesses plus a fully-enrolled school. As a shipping point, Melissa sent out 3,000 bales of cotton each year from two cotton gins. Disaster appeared in 1921 in the form of a tornado. In April of that year thirteen people were killed and both businesses and residences were destroyed. To make matters worse, a fire raged through town eight years later consuming many of the replacement buildings. Growth was curtailed by the Great Depression, mechanized farming and Defense industry jobs available in Dallas during WWII. From 500 people in the mid 1920s, Melissa declined to less than 300 by 1949. It increased to 375 by the mid 1960s and to just over 600 in 1980. The 2000 Census shows a substantial increase to over 1,300.

(Source: Melissa, Texas Forum)

Demographics

POPULATION			
	2000	2007	2008
Melissa	1,350	4,047	4,688
Collin County	491,675	731,350	749,590

(Source: Texas State Data Center—UT-SA)

Note: 2009 estimates should be available by the end of October.

TOTAL NUMBER OF HOUSEHOLDS			
	2000	2007	2009
Melissa	501	1,025	1,617
Collin County	194,892	295,237	302,938

(Source NCTCOG)

MEDIAN HOUSEHOLD INCOME			
	2000	2009	2014
Melissa	\$60,761	\$64,376	\$62,054
Collin County	\$70,331	\$97,234	\$102,878

AVERAGE HOUSEHOLD INCOME			
	2000	2009	2014
Melissa	\$77,560	\$87,843	\$92,452
Collin County	\$89,506	\$124,474	\$130,712

PER CAPITA INCOME			
	2000	2009	2014
Melissa	\$26,193	\$31,179	\$32,968
Collin County	\$33,345	\$45,601	\$47,949

(Source: ESRI)

MISCELLANEOUS DEMOGRAPHICS			
	HH Size	Avg. Single Family Home Value	Median Age
Melissa	2.65	\$198,900	36.9

(Source: Collin Central Appraisal District/ESRI)

Employment – Census 2000 Data

Population (16 years and older).....	928
In Labor Force.....	632
Civilian Labor Force.....	632
Employed.....	600
Unemployed.....	32
Armed Forces.....	0
Not in Labor Force.....	296
Employed Civilian Population.....	600
Management, Professional, and related.....	197
Service.....	57
Sales and Office.....	191
Farming, Fishing & Forestry.....	0
Construction, Extraction & Maintenance.....	66
Production, Transportation & Material Moving.....	89

(Source: Census 2000)

Top 10 Major Employers

1. Melissa ISD.....	165
2. Calhar Utility Contractors.....	88
3. Kirk Concrete Construction, Inc.....	75
4. Alpha Industries Fabricated structural steel.....	55
5. City of Melissa City Government.....	30
6. McKinney Lumber.....	30
7. Sonic Drive-In.....	25
8. Bee Builder Supply.....	23
9. Mudpies & Lullabies.....	22
10. CMC Construction Services.....	15

(Source: City of Melissa)

Education

Melissa ISD (A Texas Recognized School District)

Number of Enrolled Students: 1,367

 Elementary (568 Students).....Harry McKillop Elementary

 Middle School (429 Students).....Melissa Ridge Intermediate & Middle School

 High School (370 Students).....Melissa High School

(Source: Melissa ISD)

Area Universities and Colleges

 Collin County College

 Texas A&M Commerce (Commerce)

 Texas Woman's University (Denton)

 University of North Texas (Denton)

 University of Texas—Dallas (Richardson)

 Southern Methodist University (Dallas)

Transportation

Interstate.....US-75
State Highway..... Hwy 121, Hwy 5

Distance in Miles to:

Dallas.....38
Fort Worth..... 65
Houston.....277
Chicago..... 895
Los Angeles.....1,430
New York.....1,541

Air Service

McKinney..... Municipal
DFW International.....International
Dallas Love Field.....Regional
Alliance Airport.....Industrial

Rail Service

Provider..... Southern Pacific

(Source: City of Melissa)

Taxation

Property Tax:

Rate per \$1,000 Valuation..... \$2.48

Breakdown by Entity:

Collin County.....\$0.2425
Special District (Community College).....\$0.0863
Melissa City.....\$0.61
Melissa ISD..... \$1.54

(Source: Collin County Appraisal District)

Sales Tax:

Total Sales Tax Rate.....8.25%

Breakdown by Entity:

Municipal Sales Tax.....1%
State Sales Tax.....6.25%
Economic Development Sales Tax (4A)..... 0.5%
Other Sales Tax (4B).....0.5%

Total Taxable Value..... \$341 Million

(Source: City of Melissa)

2009 Top 5 Property Valuations

1. Hillwood RLD LP.....	\$3,265,810
2. HFG VOM LP.....	\$2,162,000
3. Alpha Industries Inc.....	\$2,153,088
4. McKinney Lumber.....	\$2,087,836
5. Zenith Finance & Construction.....	\$2,047,724

(Source: City of Melissa)

Dollar Value of Permits Issued

2009.....	\$8,294,883 (through 10-13-09)
2008.....	\$14,921,023
2007.....	\$21,396,300
2006.....	\$38,835,826
2005.....	\$31,350,075

(Source: City of Melissa)

Economic Development

Incentives

Tax Abatement.....	NO
Enterprise Zone.....	NO
Industrial Foundation.....	NO
Foreign Trade Zone.....	NO
Reinvestment Zone.....	YES
Freeport Exemption.....	NO
4A & 4B Economic Development Commissions.....	YES
Chamber of Commerce.....	Melissa Area Chamber of Commerce
Planning & Zoning Commission.....	YES

(Source: City of Melissa)

Utilities

Electricity.....	TXU Electric Delivery/Collin Grayson Electrical Cooperative
Natural Gas.....	Atmos Energy
Water Supplier.....	North Texas Municipal Water District
Sewer System.....	North Texas Municipal Water District

(Source: City of Melissa)

Community Information

Media: Local TV Stations and Cable Available

Churches: 6

Recreation:

Parks: 3

Area Lakes: 3

Country Clubs: 1

Public Golf Courses: 1

Library: 1

Area Attractions:

Annual County Live Stock Show

Horse Shows

Collin County Farm Museum

Collin County Youth Park

Community Carnival

Climate:

Annual Average Temperature: 65.7 F

Annual Average Precipitation: 33.22"

Annual Average Snow Fall: 2.70"

Collin County Carbon Monoxide Emissions (Tons): 111.5 in a 24 hour period

Finance:

First National Bank Trenton, Melissa, Texas

(Sources: City of Melissa, NCTCOG)

For More Information



City of Melissa Municipal Center

901 State Highway 121

Melissa, TX 75454-9501

Call (972) 838-2338

Fax (972) 837-2452

Monday - Friday

8:00am to 5:00pm

**City of Melissa, Texas
BOARDS AND COMMISSIONS
DESCRIPTIONS AND FUNCTIONS
2009-2010**

BOARD OF ADJUSTMENTS:

5 Members; two year staggered terms. 4 Alternate members
Generally meets 3rd Monday of each month at 7:00 p.m.; City of Melissa Municipal Center, 901 State Highway 121.
Serves as an appeal body for individuals seeking variances to the Zoning Ordinances or to a decision made by an administrative official enforcing the ordinance.

+++++

PLANNING AND ZONING BOARD:

7 Members; two year terms.
Meets on the 3rd Thursday of each month at 7:00 p.m. at City of Melissa Municipal Center, 901 State Highway 121.
Reviews and considers submitted site plans and plats; makes recommendations to City Council on Zoning Ordinance amendments, Comprehensive Plan Amendments, Specific Use Permits and rezoning requests.

+++++

MELISSA PARK ADVISORY BOARD:

7 Members; two year terms.
Meets on the 2nd Thursday of each month at 7:00 p.m. at City of Melissa Municipal Center, 901 State Hwy 121
Advises City Council on Park related matters.

+++++

LIBRARY ADVISORY BOARD:

7 Members; two year terms
Meets 1st Thursday of each month at 7:00 p.m. at Melissa Christian Church 1708 W. Harrison St.
Advises City Council in matters related to Library Services

+++++

4B (MELISSA COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION):

7 Members; two year terms
Meets on the 4th Thursday of each month at 7:00 p.m. at City of Melissa Municipal Center, 901 State Hwy 121
Identifies and funds community facilities and related projects to maintain and enhance the quality of life in Melissa.

+++++

4A (MELISSA INDUSTRIAL AND ECONOMIC DEVELOPMENT CORPORATION):

5 Members; three year terms
Meets when necessary at The Barker House, 1501 West Harrison, Melissa, TX.
Leads, directs and coordinates the broad-based expansion of the city's business tax base and promotes sustainable job growth, thereby continuously enhancing the quality of life for the citizens of the Melissa area.

Outsourced Services

Information Technology

The City contracts an independent technology consultant to provide IT management services to all City departments, including network administration, hardware installation and support, and systems support on an as needed basis.

City Attorney

Abernathy, Roeder, Boyd & Joplin P.C. serves as our City Attorneys providing legal advice and services in all phases of City business.

Animal Control

The City contracts with Collin County to help enforce state and city laws regarding the care and keeping of domestic animals in the City. They investigate animal abuse complaints, impound and quarantine animals as appropriate, and collect and dispose of dead animals. Our budgeted expenditure is divided by two components: animal control services and animal shelter construction, operation, and use.

Ambulance

The City contracts with Collin County to furnish ambulance and emergency medical services.

Planning and Engineering

R&B Associates merged and joined Bucher, Willis & Ratliff Corporation this past year. R&B Associates has served as our principal City Engineer for the past 9 years. Bucher, Willis & Ratliff provides professional planning, engineering and architectural services for our roads, parks, water and wastewater projects, Capital Improvement Plans and development.

Bucher Willis & Ratliff provides all the inspections of public improvements for streets, drainage, and utility construction projects. Inspectors review construction activities to ensure quality compliance for infrastructure projects associated with developers, as well as public improvements constructed by the City.

Building Inspection

Bureau Veritas (formally Graham Marcus) provides plan reviews and inspections for compliance with all City building codes such as electrical, plumbing, etc. for all residential and commercial construction in the City.

MELISSA CITY COUNCIL INPUT RESPONSES - 2009

1. Utility rates should be structured to accommodate some new improvements and some replacements.

Strongly agree agree mildly agree mildly disagree disagree strongly disagree

|| ||||

2. Utility improvements / expansions to serve new development should be principally funded by the new development to be served and to a lesser extent by Utility System debt.

Strongly agree agree mildly agree mildly disagree disagree strongly disagree

3. Financial reserves are not important for small cities.

Strongly agree agree mildly agree mildly disagree disagree strongly disagree

4. It is important to encourage annexation when possible and actively promote property annexation.

Strongly agree agree mildly agree mildly disagree disagree strongly disagree

5. Utility system replacement / enhancement of aging and undersized infrastructure should be funded by system revenues and system debt.

Strongly agree agree mildly agree mildly disagree disagree strongly disagree

6. New Development should be strongly encouraged to annex prior to development approval, whenever possible.

Strongly agree agree mildly agree mildly disagree disagree strongly disagree

7. A working capital reserve is needed to maintain operations during slow revenue collection periods.

Strongly agree agree mildly agree mildly disagree disagree strongly disagree

8. New Development should be charged a pro rata share of associated utility and capacity consumed.

Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

NR

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

NR

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- Strongly agree agree mildly agree mildly disagree disagree strongly disagree

- 84

Strongly agree agree mildly agree mildly disagree disagree strongly disagree

 || | || |

27. A plan for staffing city services as the community grows would be a highly desirable for future budget planning.

Strongly agree agree mildly agree mildly disagree disagree strongly disagree

 || ||| |

28. Bond ratings and related fiscal management concerns are not concerns for small cities.

Strongly agree agree mildly agree mildly disagree disagree strongly disagree

 || ||||

29. The ability to leverage local funds and secure substantial matching funds should be a major consideration in prioritizing projects (those that can be leveraged versus those where leveraging is not available).

Strongly agree agree mildly agree mildly disagree disagree strongly disagree

 ||| || |

AN ORDINANCE OF THE CITY OF MELISSA, TEXAS APPROVING THE BUDGET FIGURES FOR FISCAL YEAR 2009-2010; ADOPTING A BUDGET AND APPROPRIATING RESOURCES FOR THE CITY OF MELISSA, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2009; PROVIDING FOR REPEALING, SAVINGS AND SEVERABILITY CLAUSES; PROVIDING FOR THE FILING OF THE BUDGET IN THE OFFICE OF THE COLLIN COUNTY CLERK; PROVIDING FOR AN EFFECTIVE DATE OF THIS ORDINANCE; AND PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.

WHEREAS, pursuant to the laws of the State of Texas, the Mayor of the City of Melissa, Texas ("Melissa") has submitted to the City Council of the City of Melissa, Texas (the "City Council") the proposed budget of the revenues and the expenditures for conducting the affairs of Melissa and providing a complete financial plan for the fiscal year beginning October 1, 2009 and ending September 30, 2010 and has filed the same with the City Secretary (the "budget"). A copy of the budget is attached hereto as Exhibit "A" and incorporated herein for all purposes; and

WHEREAS, a public hearing was held by the City Council on said budget on August 25, 2009, at which time said budget was fully considered, and interested taxpayers were given the opportunity to be heard by the City Council; and

WHEREAS, the City Council has studied the budget and listened to the comments of the taxpayers at the public hearings and has investigated and determined that adoption of the budget is in the best interest of Melissa; and

WHEREAS, the City Council finds that all legal notices, hearings, procedures and publishing requirements for the adoption of the budget have been performed or completed in the manner and form set forth by law.

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

SECTION 1: Findings Incorporated. The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2: Adoption of Budget. The proposed budget estimate of revenues and expenditures for Melissa, attached hereto as Exhibit "A", as submitted by the Mayor and appropriated by the City Council for the fiscal year beginning October 1, 2009 and ending September 30, 2010, is hereby approved and adopted.

SECTION 3: Appropriation of Funds. The sums below are hereby appropriated from the respective funds for the payment of expenditures on behalf of Melissa as established in the approved budget:

*filed original
w/ clerk*

Fiscal Year 2010

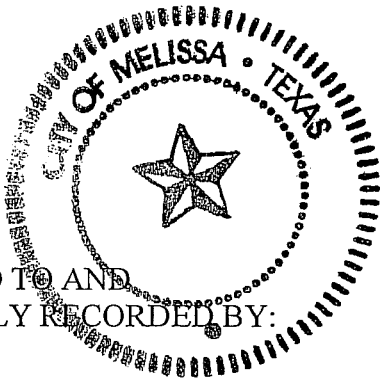
General Fund	\$ 3,202,845.00
Water Fund	\$1,786,783.00
General Debt Service	\$1,484,158.45
Utility Debt Service	\$ 863,183.28
Transportation Construction	\$6,576,003.00
Utility Construction	\$2,444,905.00
TIF #1	\$ 674,647.19
City Hall Construction	\$7,226,334.00

SECTION 4: Savings/ Repealing Clause. All provisions of any ordinance in conflict with this Ordinance are hereby repealed; but such repeal shall not abate any pending prosecution for violation of the repealed Ordinance, nor shall the repeal prevent prosecution from being commenced for any violation if occurring prior to the repeal of the Ordinance. Any remaining portions of conflicting ordinances shall remain in full force and effect.

SECTION 5: Severability. Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. Melissa hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION 6: Filing of Budget. The City Secretary shall file a true and correct copy of the approved budget in the office of the Collin County Clerk.

SECTION 7: Effective Date. This Ordinance shall become effective from and after its passage and publication.



ATTESTED TO AND
CORRECTLY RECORDED BY:

REED GREER, MAYOR

LINDA BANNISTER, City Secretary

City of Melissa General Fund Budget 2009-2010 - Proposed filed with City Secretary 8/10/09													
		Administration	Non-Departmental	Development & Neighborhood Svcs	Parks	Municipal Court	Police	Streets	Fire	Library	Building Maintenance	2009-2010 Proposed Budget	2008-2009 Adopted Budget
	Beginning Fund Balance											1,202,089	1,096,671
	Revenues												
	4110 Current Property Taxes	1,381,884										1,381,884	1,350,985
	4120 Delinquent Property Taxes	35,000										35,000	30,000
	4130 Penalties & Interest	20,000										20,000	15,000
	4140 Fines					450,000						450,000	480,000
	4160 Sales Tax	534,136										534,136	650,000
	4170 Franchise Fees/Taxes	145,000										145,000	115,000
	4180 Licenses & Permits			89,200								89,200	164,500
	4185 Fire Department Insurance Reimbursement								15,000			15,000	15,000
	4190 Plating & Development			18,150								18,150	146,750
	4220 Lease Revenue	44,700										44,700	42,000
	4315 Transfer In	198,629										198,629	199,223
	4330 Interest	175,000										175,000	150,000
	4345 Park Maintenance/Support				43,945							43,945	40,000
	4355 Fire Dept/Collin County								32,000			32,000	30,000
	4380 Misc Income									15,000		15,000	16,000
	4390 Collin County Library									4,202		4,202	1,693
	4395 Library Donations												
	4410 Lone Star Grant/Library												
	Total Revenues	2,534,349	-	107,350	43,945	450,000	-	-	47,000	20,202	-	3,202,845	3,446,161
	Expenditures												
	Personnel												
	5110 Salaries & Wages	292,233	-	119,737	34,076	102,251	403,579	31,576	82,656	78,515	-	1,144,622	1,159,879
	5115 Salaries - Overtime	-	-	-	1,750	2,500	14,000	-	-	-	-	18,250	25,355
	5145 Longevity Pay	804	-	572	68	524	2,024	68	-	808	-	4,868	3,904
	5150 Social Security Expense	17,095	-	7,424	2,221	6,495	25,890	1,958	5,125	4,868	-	71,075	73,123
	5155 Medicare Expense	3,998	-	1,736	519	1,519	6,055	458	1,199	1,138	-	16,622	17,101
	5160 SUTA Expense	180	-	135	45	135	495	45	90	135	-	1,260	2,673
	Long Term Disability	52	-	18	5	15	78	5	9	10	-	181	360
	5165 AFLAC Expense	-	-	-	-	-	-	-	-	-	-	-	360
	5170 TMRs Expense	15,220	-	6,609	1,978	5,782	23,050	1,743	4,563	4,334	-	63,280	91,992
	5190 Contract Labor	-	-	-	-	-	-	-	-	-	-	-	-
	5442 Car Allowance	6,000	-	-	-	-	-	-	-	-	-	6,000	6,000
	5195 Drug Screening	-	-	-	-	-	300	-	-	-	-	300	320
	5194 Psychological Screen	-	-	-	-	-	200	-	-	-	-	200	200
	5510 Health Insurance	21,066	-	13,134	3,641	14,226	47,342	7,766	7,871	9,677	-	124,122	120,052
	Total Personnel Expenditures	356,648	-	149,365	44,303	133,446	523,014	43,618	101,511	98,885	-	1,450,790	1,500,360
	Operations												
	5220 Animal Control	-	28,496	-	-	-	-	-	-	-	-	28,496	23,000
	5230 Appraisal District	-	13,000	-	-	-	-	-	-	-	-	13,000	11,442
	5260 Engineering	-	70,000	-	-	-	-	-	-	-	-	70,000	80,000
	5261 Development Project Eng. Fees	-	-	18,150	-	-	-	-	-	-	-	18,150	146,750
	5270 Inspections	-	-	44,600	-	-	-	-	-	-	-	44,600	82,250
	5390 Professional Services	-	21,000	-	-	-	-	-	-	-	-	21,300	32,400
	5400 Accounting & Audit Fees	-	10,000	-	-	-	-	-	-	-	-	10,000	10,000

City of Melissa General Fund Budget 2009-2010 - Proposed filed with City Secretary 8/10/09														2008-2009 Adopted Budget		
														2009-2010 Proposed Budget	2008-2009 Adopted Budget	
		Administration	Non-Departmental	Development & Neighborhood Svcs	Parks	Municipal Court	Police	Streets	Fire	Library	Building Maintenance					
	5385	Vehicle Fuel	-	1,000	1,500	-	25,000	500	5,500	-	-	-	-	33,500	54,000	
	5554	Loan Star Grant Purchases	-	-	-	-	-	-	-	4,202	-	-	-	4,202	4,202	
	5557	Other Library Grant Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5556	Library Inventory Purchases	-	-	-	-	-	-	-	6,700	-	-	-	6,700	6,700	
	5505	Park Expenses	-	-	-	-	-	-	-	-	-	-	-	-	8,000	
	5506	Park Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5618	Condemned Property Demolition	-	-	-	-	-	-	3,000	-	-	-	-	3,000	3,000	
	5509	Property Tax exp	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5571	Fire Collection Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5572	Disposition Services	-	-	-	13,500	-	-	-	-	-	-	-	13,500	13,500	
	5573	Inmate Boarding	-	-	-	4,000	-	-	-	-	-	-	-	4,000	4,000	
	5576	National Night Out	-	-	-	10,000	-	-	-	-	-	-	-	10,000	10,000	
		Celebration of Freedom	12,500	-	-	-	-	-	-	-	-	-	-	12,500	4,000	
	5240	City Council	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5250	Election Expense	10,000	-	-	-	-	-	-	-	-	-	-	10,000	7,000	
	5500	Miscellaneous Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5580	Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5640	Street Repairs	-	-	-	-	-	20,000	-	-	-	-	-	20,000	30,000	
	5650	Street Signs	-	-	-	-	-	2,000	-	-	-	-	-	2,000	2,500	
	5950	Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Transfer Out - 4A4B EDC participation	25,000	125,000	-	-	-	-	-	-	-	-	-	125,000	150,000	
		Reserved Fund Balance	-	50,000	-	-	-	-	-	-	-	-	-	25,000	-	
			-	-	-	-	-	-	-	-	-	-	-	50,000	105,418	
		Total Operations Expenditures	168,950	594,516	90,340	197,115	119,923	104,478	167,576	22,028	19,000	-	-	1,587,326	1,834,315	
Capital																
	5530	Capital Outlay Vehicle - Debt Service	-	-	-	-	44,120	-	80,008	-	-	-	-	124,128	107,388	
	5910	Capital Outlay	-	-	-	-	-	-	40,000	-	-	-	-	40,000	3,500	
		Total Capital Expenditures	-	-	-	-	44,120	-	120,008	-	-	-	-	164,128	110,888	
		Total Expenditures	615,598	594,516	239,705	330,561	687,057	149,096	389,096	120,913	19,000	-	-	3,202,845	3,446,163	
		Projected Ending Fund Balance												1,252,089	1,202,089	

City of Melissa							
Water Fund Budget							
2009 - 2010 Proposed							
		Water	Wastewater	Garbage	Utility Billing	2009-2010 Proposed Budget	2008-2009 Adopted Budget
Fund Balance - 10/1/09 projected						646,180	400,000
Revenues							
4230	Water Sales	1,541,241				1,541,241	1,296,182
4235	Penalties & Reconnects	40,000				40,000	40,000
4240	Water Tap Fees	116,500				116,500	202,500
4250	Sewer Sales		428,146			428,146	407,517
4260	Sewer Tap Fees		112,000			112,000	198,000
4270	Garbage Sales			122,930		122,930	139,305
4290	Garbage Administration			39,300		39,300	44,535
4330	Interest	42,000				42,000	42,000
Total Revenues		1,739,741	540,146	162,230	-	2,442,117	2,370,039
Expenditures							
Personnel							
5110	Salaries & Wages	142,177	-	-	100,927	243,104	245,394
5115	Salaries - Overtime	10,000	-	-	-	10,000	10,000
5145	Longevity Pay	528	-	-	464	992	872
5111	Employee Incentive Compensation	-	-	-	-	-	-
5150	Social Security Expense	9,435	-	-	6,257	15,692	15,214
5155	Medicare Expense	2,207	-	-	1,463	3,670	3,558
5160	SUTA Expense	180	-	-	135	315	693
5165	AFLAC Expense	-	-	-	-	-	-
5170	TMRS Expense	8,400	-	-	5,571	13,971	19,921
5190	Contract Labor	-	-	-	-	-	-
5442	Car Allowance	-	-	-	-	-	-
5195	Drug Screening	-	-	-	-	-	34
5194	Psychological Screen	-	-	-	-	-	-
5510	Health Insurance	18,736	-	-	16,486	35,222	37,185
Total Personnel Expenditures		191,663	-	-	131,304	322,967	332,871
Operations							
5260	Engineering	64,210	11,550	-	-	75,760	86,721
5270	Inspections	1,500	-	-	-	1,500	-
5390	Professional Services	20,000	-	-	-	20,000	20,000
5400	Accounting & Audit Fees	8,000	-	-	-	8,000	7,000
5410	Legal Fees	25,000	-	-	-	25,000	25,000
5395	License Fees	500	700	-	-	1,200	1,000
5280	Office Supplies	1,500	-	-	1,500	3,000	4,500
5436	Computer Expense	1,500	-	-	1,600	3,100	14,000
5437	UB Statement Processing	-	-	-	14,000	14,000	12,000
5290	Security	-	-	-	-	-	-
5310	Dues & Memberships	300	-	-	35	335	955
5320	Postage and Delivery	-	-	-	1,250	1,250	1,150
5321	Shipping & Courier Svc	-	-	-	-	-	500
5330	Publications	300	-	-	-	300	250
5335	Credit Card fees/Bank Charges	-	-	-	10,000	10,000	6,000
5355	Public Education	-	-	-	-	-	-
5340	Advertising	-	-	-	-	-	-
5341	Promotional Material	-	-	-	-	-	-
5350	Printing & Reproduction	500	-	-	1,000	1,500	2,000
5351	Newsletter	-	-	-	-	-	-
5420	Insurance	-	-	-	-	-	-
5635	Charitable Contributions	-	-	-	-	-	-
5430	Telephone	7,500	-	-	2,500	10,000	10,700
5435	Internet Service	-	-	-	-	-	-
5431	Beeper Service	-	-	-	-	-	-
5432	Wireless Telephone	3,000	-	-	-	3,000	2,400
5377	Lease/Rent Expense	-	-	-	-	-	-
5470	Utilities	92,000	3,500	-	-	95,500	95,000
5439	Business Meals	-	-	-	-	-	-
5440	Travel	500	-	-	-	500	4,500
5441	Employee Mileage Reimbursement	2,500	-	-	1,000	3,500	6,000
5450	Uniforms	1,200	-	-	-	1,200	1,200
5460	Training	2,000	-	-	3,600	5,600	4,500
5196	Misc Employee Expense	-	-	-	-	-	-
5550	Supplies	40,000	4,000	-	-	44,000	44,000
5630	Miscellaneous Supplies	-	-	-	-	-	-
5990	Depreciation Expense	-	-	-	-	-	-
5360	Equipment	2,000	-	-	-	2,000	2,000
5361	Equipment Rental	2,000	-	-	-	2,000	2,000
5370	Repairs & Maintenance	30,000	5,000	-	-	35,000	24,940

City of Melissa			
Melissa Tax Increment Financing Zone #1 Fund			
2009-2010 - Proposed			
			2009-2010
			Proposed Budget
Beginning Fund Balance (estimated)			924,960
Revenues			
	4110	Current Property Taxes	81,911
		County's Participation - Property Taxes (2009)	16,449
		Interest Income	75,000
		Transfer from General Fund	125,000
		Total Revenues	298,360
Expenditures			
		Professional Services	20,000
Debt Service			
		Transfer to Debt Fund for CO 2006, Town Center Architecture Fees	44,295
		Transfer to Debt Fund for CO 2009 - City Hall Construction	610,352
		Total TIF Expenditures	674,647.19
		Revenues less Expenditures	(376,287.19)
		Ending Fund Balance	548,672.47

City of Melissa					
General Debt Service Fund					
2009-2010 - Proposed					
					2009-2010
					Proposed Budget
Beginning Fund Balance - I & S Acct					25,137.71
Revenues					
4110	Current Property Taxes - I & S Portion				\$ 577,626.26
4315	Transfer In				
	EDC 4A - Series 2006 CO - Melissa Rd	88,062.50			
	Transfer In - EDC 4A Total				88,062.50
	EDC 4B - Series 2001 CO - Zadow Park	104,460.00			
	EDC 4B - Series 2005A CO - Fire St/Tennis/Barker/BMP	59,362.50			
	Transfer In - EDC 4B Total				163,822.50
	TIF - Series 2006 CO - Town Center Architect	44,295.00			
	TIF - Series 2009 CO - City Hall	610,352.19			
	Transfer In - TIF Fund Total				654,647.19
	Total Revenues				1,484,158.45
Expenditures					
Debt Service					
		Principal	Interest	Reserve	
5560	Debt Service - Series 2001 CO - Zadow Park	95,000.00	9,460.00		
5660	Debt Service - Series 2004 CO - Melissa Rd	55,000.00	53,951.25		
	Debt Service - Series 2005 - CO - Mel Rd/Fire St	35,000.00	32,902.50		
	Debt Service - Series 2005A CO - Fire St/Tennis/Barker/BMP	30,000.00	29,362.50		
	Debt Service - Series 2006 CO - Melissa Rd 1,120,000 4A	40,000.00	48,062.50		
5678	Debt Service - Series 2006 CO - Town Center Arch 515K TIF	20,000.00	24,295.00		
	Debt Service - Series 2008 GO - Transportation Bond	170,000.00	230,772.51		
	Debt Service - Series 2009 CO - City Hall	-	610,352.19		
		445,000.00	1,039,158.45	-	
	Principal Reduction				445,000.00
	Interest				1,039,158.45
	Paying Agent Fees/Other				-
	Total Debt Service Expenditures				1,484,158.45
	Ending Fund Balance				25,137.71

City of Melissa					
Utility Debt Service Fund					
2009-2010 - Proposed					
					2009-2010
					Proposed Budget
Revenues					
4315	Transfer In				
	Water Fund - Series 2000 GO	-			
	Water Fund - Series 2000 Combo Tax/Rev CO	138,330.00			
	Water Fund - Series 2005 - Rev Bond GTUA CGMA	51,142.38			
	Water Fund - Series 2006 CO - Country Ridge	51,545.00			
	Water Fund - 2006 State Part Assist-GTUA - CGMA	37,562.00			
	Water Fund - Series 2007 Rev Bond - GTUA CGMA	100,969.21			
	Water Fund - Series 2008 Combo Tax/Rev CO - CIP	170,723.75			
	Water Fund - Series 2009 Fitzhugh Sewer - GTUA	73,600.00			
	Water Fund - Reserves supplement TR/TC Sewer	9,322.94			
	Transfer In - Water Fund Total				633,195.28
	EDC 4A - Throckmorton/Trinity River Commitment	114,994.00			
	Transfer In - EDC 4A Total				114,994.00
	EDC 4B - Throckmorton/Trinity River Commitment	114,994.00			
	Transfer In - EDC 4B Total				114,994.00
	Total Revenues				863,183.28
Expenditures					
Debt Service		Principal	Interest	Reserve	
5672	Debt Service - Series 2000 GO Water Upgrade	-	-		
5675	Debt Service- Series 2000 CO - Water Tower	65,000.00	73,330.00		138,330.00
	Debt Service - Series 2005 - Rev Bond GTUA CGMA	18,750.00	32,392.38		51,142.38
5677	Debt Service - Series 2006 CO - Country Ridge 615k Water	25,000.00	26,545.00		51,545.00
	Debt Service - 2006 State Part Assist-GTUA - CGMA	-	37,562.00		37,562.00
5373	Debt Service - Series 2006 - Rev Bond GTUA TR/TC Sewer	65,000.00	54,270.00	24,474.72	143,744.72
	Debt Service - Series 2007 Rev Bond - GTUA - CGMA	18,750.00	64,962.25	17,256.96	100,969.21
	Debt Service - Series 2007 Rev Bond - GTUA TR/TC Sewer	40,000.00	39,377.50	16,188.72	95,566.22
	Debt Service - Series 2008 Combo Tax/Rev - Water/Wastewater CIP	75,000.00	95,723.75		170,723.75
	Debt Service - Series 2009 - Fitzhugh Sewer - GTUA	25,000.00	48,600.00		73,600.00
		332,500.00	472,762.88	57,920.40	
	Principal Reduction				332,500.00
	Interest				472,762.88
	Paying Agent Fees/Other				57,920.40
	Total Debt Service Expenditures				863,183.28

City of Melissa			
Transportation Construction Fund			
2009-2010 Proposed			
			2009-2010
			Proposed Budget
Beginning Fund Balance (estimated)			3,098,405
Revenues			
	4225	Bond Proceeds - General Obligation 2008	
		TEA Grant - Fannin Road	963,581
		Collin County Bond Program - Melissa Rd Phase 2b	
		Collin County Bond Program/Developer - Throckmorton Road	2,662,000
		Interest Income	
		Road Escrow	
		Total Revenues	3,625,581
Expenditures			
Capital Improvement Appropriations			
		Fannin Road (East/West TEA Grant)	1,981,133
		Throckmorton Road East of Hwy 5	3,535,626
		Melissa Road Phase 2b	586,989
		County Road 418	290,340
		Annual Budget for Rehab Projects	168,447
		Impact Fee Study/TDM Signalization Plan and Access Mgmt Plan	-
		Bond Issuance Costs	
		Program Management	13,468
		Total Expenditures	6,576,003.00
		Ending Fund Balance	147,983.00

City of Melissa					
Utility Construction Fund					
2009-2010 Proposed					
			2009-2010		
			Proposed Budget		
Beginning Fund Balance (estimated)			622,541	Capital Improvements Funds	
			322,083	CO CIP Funds	
Revenues					
	4225	Bond Proceeds - Combo Tax and Revenue CO 2009	2,480,000		
		Interest	20,000		
		Total Revenues	2,500,000		
Expenditures					
Capital Improvements Appropriations					
		Berry Road Water Line	-		
		FM 2933 Water Main from SH121 to FM 545	39,187		
		Southwest Mains	128,911		
		East Water Facility Transmission Lines	-		
		Stiff Creek Sewer Improvements	104,802		
		Davis Road Gravity Sewer Interceptor	-		
		Bond Issuance Costs	-		
		Transfer to Water/Wastewater Fund			
		Program Management	50,000		
		Fitzhugh Sewer	2,122,005		
		Total Expenditures	2,444,905		
		Ending Fund Balance	19,183	CO CIP Funds	
			622,541	Capital Improvement Funds	

City of Melissa			
City Hall Construction Fund			
2009-2010			
			2009-2010
			Budget
Beginning Fund Balance (estimated)			7,226,334
Revenues			
	4225	Bond Proceeds - Combo Tax and Revenue CO 2009	-
		Interest	
		Total Revenues	-
Expenditures			
Capital Improvements Appropriations			
		City Hall Construction expense	7,226,334
		Bond Issuance Costs	-
		Total Expenditures	7,226,334.00
		Ending Fund Balance	-

AN ORDINANCE OF THE CITY OF MELISSA, TEXAS LEVYING TAXES FOR THE 2009 TAX YEAR AT THE RATE OF \$0.6100 PER ONE HUNDRED DOLLARS (\$100.00) ASSESSED VALUE ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF MELISSA, TEXAS; PROVIDING FOR A DATE ON WHICH SUCH TAXES BECOME DUE AND DELINQUENT TOGETHER WITH PENALTIES AND INTEREST THEREON; PROVIDING FOR REPEALING, SAVINGS AND SEVERABILITY CLAUSES; PROVIDING FOR AN EFFECTIVE DATE OF THIS ORDINANCE; AND PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.

WHEREAS, the City Council of the City of Melissa, Texas (hereinafter referred to as the "City") hereby finds that the tax for the fiscal year beginning October 1, 2009, and ending September 30, 2010, hereinafter levied for current expenditures of the City and the general improvements of the City and its property must be levied to provide the revenue requirements of the budget for the ensuing year; and

WHEREAS, the City Council has approved, by a separate ordinance to be adopted on the 8th day of September, 2009, the budget for the fiscal year beginning October 1, 2009, and ending September 30, 2010; and

WHEREAS, all statutory and constitutional requirements concerning the levying and assessing of ad valorem taxes have been complied with.

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

SECTION 1: Findings Incorporated. The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2: Tax Levied. There is hereby levied and ordered to be assessed and collected for the fiscal year beginning October 1, 2009, and ending September 30, 2010, and for each fiscal year thereafter until it be otherwise provided by and ordained on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Melissa, Texas, and not exempt from taxation by the Constitution of the State and valid State laws, an ad valorem tax for the general operations of the City at a rate of \$0.6100 on each One Hundred Dollars (\$100.00) assessed value of taxable property, and shall be apportioned and distributed as follows:

- a. For the purpose of defraying the current expenses of the municipal government of the City, a tax of \$0.435465 on each One Hundred Dollars (\$100.00) assessed value of all taxable property.
- b. For the purpose of creating an interest and sinking fund to pay the interest and principal on all outstanding debt, capital lease payments, and related fees of the City, not otherwise provided for, a tax of \$0.174535 on each One Hundred Dollars (\$100.00) assessed value of all taxable property, within the City which

shall be applied to the payment of such interest and maturities of all outstanding debt.

Total tax rate of \$0.6100 is based on one hundred percent (100%) market value on each One Hundred Dollars (\$100.00) of all taxable property within said City.

SECTION 3: Due Date of Taxes. The taxes assessed and levied hereby are payable anytime after the approval and publication of this Ordinance and not later than January 31 of the year following the year in which the taxes are assessed. The penalties and interest provided for herein shall accrue after January 31 of the year following the year in which the taxes are assessed. However, if the entire taxes due as provided herein are paid in full by January 31 of the year following the year in which the taxes are assessed, no penalty or interest shall be due.

SECTION 4: Penalties and Interest. A delinquent tax shall incur the maximum penalty and interest authorized by Section 33.01, Texas Property Tax Code, to-wit: a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1st of the year in which it becomes delinquent.

Provided, however, a tax that is delinquent on July 1st of the year in which it becomes delinquent shall incur a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. Taxes that remain delinquent on July 1 of the year in which they become delinquent shall incur an additional penalty of fifteen percent (15%) of the amount of taxes, penalty and interest due; such additional penalty is to defray the costs of collection as authorized by Section 6.30, Texas Property Tax Code.

SECTION 5: Place of Payment/Collection. Taxes are payable at the office of the City Tax Assessor/Collector. The City shall have available all rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

SECTION 6: Tax Roll. The tax roll, as presented to the City Council, together with any supplement thereto, is hereby accepted.

SECTION 7: Rollback Taxes. All rollback taxes collected during the 2010 fiscal year shall be deposited only in the General Fund of the City of Melissa, Texas and said funds shall not be allocated, in whole or in part, to the Debt Service fund of the City.

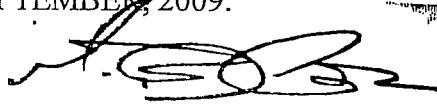
SECTION 8: Savings/Repealing Clause. All provisions of any ordinance in conflict with this Ordinance are hereby repealed; but such repeal shall not abate any pending prosecution for violation of the repealed Ordinance, nor shall the repeal prevent prosecution from being commenced for any violation if occurring prior to the repeal of the Ordinance. Any remaining portions of conflicting ordinances shall remain in full force and effect.

SECTION 9: Severability. Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full

force and effect. City hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION 10: This Ordinance shall become effective from and after its adoption and publication as required by law.

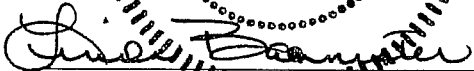
DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MELISSA, TEXAS, ON THIS 8th DAY OF SEPTEMBER, 2009.



REED GREER, MAYOR



ATTESTED TO AND
CORRECTLY RECORDED BY



LINDA BANNISTER, City Secretary

Date of Publication: Sept 10 + 11th, 2009, *The McKinney Courier-Gazette*

GLOSSARY OF TERMS

4A: Melissa Industrial and Economic Development Corporation

4B: Melissa Community and Economic Development Corporation

Accrual Basis: The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

Activity: A service performed by a department or division.

Ad Valorem Tax: A tax computed from the assessed evaluation of land and improvements.

Appropriation: A legal authorization granted by a legislative body (City Council) to make expenditures and to incur obligations for specific purposes.

Assets: Resources owned or held by the city, which have monetary value.

Balanced Budget: A balanced budget occurs when the total sum of money a government collects in a year is equal to the amount it spends on goods, services, and debt interest.

Budget: The city's financial plan for a specific fiscal year that contains both the estimated revenue to be received during the year and the proposed expenditures to be incurred to achieve related objectives.

Capital Improvement Program (CIP): The process of planning, monitoring, programming, and budgeting over a multi-year period used to allocate the City's capital monies.

Certificates of Obligations (CO's): Similar to general obligations bonds except the certificates requires no voter approval.

Debt Service Fund: A fund used to account for the monies set aside for the payment of interest and principal to holder's 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.

Department: A functional unit of the city containing one or more divisions or activities.

Division: A section of a department.

Encumbrances: Obligations in the form of purchase orders, contracts or salary commitments which are chargeable to appropriation and for which a part of the

appropriation is reserved. When paid, the encumbrance is liquidated.

Enterprise Fund: A fund established 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.

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

Fund: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objective in accordance with special regulations, restrictions, or limitations.

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*.

FYM: First Year Measure

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

General Obligation Bonds: Bonds backed by the full faith and credit of the issuing government. In issuing its general obligation bonds, the City pledges to levy whatever property tax is needed to repay the bonds for any particular year. Bonds cannot be issued without voter approval and are usually issued with maturities of between 15 and 30 years.

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 government unit.

Governmental Funds: Those funds through which most governmental functions typically are financed. The acquisition, use and financial resources and the related current liabilities are accounted for through governmental funds (General, Capital Projects and Debt Service Funds).

Liabilities: Debt or other legal obligations arising out of transactions in the past which must be liquidated,

GLOSSARY OF TERMS

renewed, or refunded at some future date. This term does not include encumbrances.

been officially assigned a particular purpose by the governmental board.

Modified Accrual Basis: The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under this basis, revenues are recognized when they become both “measurable and available to finance expenditures with the current period”. Expenditures are recognized when the related fund liability is incurred.

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.

Performance Measures: Specific quantitative measure of work performed within an activity or program. They may also measure results obtained through an activity or program.

Purpose Statement: The mission statement articulates the Department’s purpose both for those in the organization and for the public.

Position: A full-time employee working at least 40 hours per week. For example, an activity requiring three full-time and one part-time employees would have 3 ½ positions.

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.

Revenues: All amounts of money received by a government from external sources.

Supplemental Requests: A request to budget an activity above current service levels in order to achieve increased or additional objectives.

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.

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

TIF: Melissa Tax Increment Financing Zone #1 was established in 2005 for the purpose of revitalization of the downtown and town center of Melissa. The new City Hall is being constructed in the TIF and financed through this special financing fund.

Undesignated fund balance: The excess of a fund’s assets over its liabilities and reserves which has not