

City of
Palestine

Annual Budget

FISCAL YEAR ENDING 2010



CITY OF PALESTINE

FISCAL YEAR BUDGET 2009-10

Mayor

Bob Herrington

Members of Council

Kathi Masonheimer
Vernon Denmon, Jr.
Vickey Chivers
James H. Yelverton
Andrea Baird
Steve Presley

Dale Brown; City Manager

Robert T. Pennington; Finance Director

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City of Palestine

R. Dale Brown
City Manager

Robert T. Pennington
Finance Director

September 14, 2009

Honorable Mayor and City Council
City of Palestine
504 North Queen Street
Palestine, Texas 75801

Dear Mayor and City Council:

The Finance Department under the direction of the City Manager is pleased to submit the Annual Budget for the City of Palestine, Texas in accordance with Texas Statute and the City Charter. This budget is for the fiscal year beginning October 1, 2009 and ending September 30, 2010. The budget is published to provide the City Council, City staff, our citizens, and other interested parties with detailed information concerning the financial condition and activities of the City government.

The adoption of the budget is the single most important action taken by the City Council each year. The budget establishes the fiscal plan to address various challenges and opportunities presented throughout the year. The foundation of this budget is the council and staff's commitment to a pattern of conservative spending. Expenditures for next year have been closely scrutinized to be certain that the city allocates its resources wisely.

The city's budget is developed through a modified zero base budget process wherein expenditures are presented in a Base Budget and Supplemental Requests format. The base budget represents current service levels and funding balances. Supplemental requests are made for any program enhancement or addition that results in significant funding increases. Approvals of supplemental requests were held to a minimum this year due to the limited funding available.

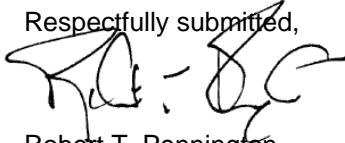
This document is a product of five months of preparation and prior to this finished document, a workbook was formed as the detailed justification for the final and approved budget. You have received presentations by members of city staff and understand the needs of the community exceed the funding. However this budget is presented without raising the tax rate and without reducing services.

The budget is a little different from the prior year with the addition of the Economic Development Administration and the prior tourism functions under the newly created Community Services Department that includes parks and facilities. Additions to staff include an Economic Development Director, Marketing Manager, Administrative Assistant, Community Services Director, Communications Dispatcher, and an additional part-time Information Specialist. The purpose of the restructure is to streamline our long-term goals outlined in the Angelou Report. Many of these newly created positions were created from the existing personnel allocations or supported by the Palestine Economic Development Corporation contract for city services. The Dispatcher position is a truly new addition and the position is required to meet the demand of emergency service calls.

Staff is excited to accomplish major capital improvement programs that are outlined in this budget process. The City will allocate \$1.9 Million to city street reconstruction and an additional \$3.5 Million to the South Pressure Plane improvements. Much of what will be accomplished will be through a Certificate of Obligation Bond totaling \$4.1 Million. Other highlights include a maintenance program for all of the water storage tanks to be rehabilitated and painted within a five year schedule, replacement of specialized equipment, extension of sewer services on Park Street, continuation of the SSES requirements, and minor improvements to existing facilities.

We look forward to another successful year and offer our gratitude to Council in helping shape the development of this year's budget. It shows how much can be accomplished when a hard working council is eager to see this great city shine though tough economic times.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. Pennington', written over a horizontal line.

Robert T. Pennington
Finance Director

**CITY OF PALESTINE
FOR FISCAL YEAR 2009-10**

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INTRODUCTION TO THE BUDGET

**City of Palestine
Annual Budget 2009-2010**

INTRODUCTION TO THE BUDGET

The City of Palestine's budget document represents a definitive policy statement, establishing levels of service and determining the allocation of municipal resources required by the City Charter. The Budget serves as an operational tool and planning guide, where the City's current policies and future plans are provided. The budget text provides the following:

Identification of revenue sources and accounts to provide for services delivered during the upcoming fiscal year.

Approved expenditures necessary to deliver the services provided by the respective departments.

A basis for financial recording and control of the approved expenditures supported by the revenue.

In addition, the budget document serves as the policy document of the City indicating those items that the City Council feels are important. It serves as a guide to departments in spending, establishing priorities, focusing attention or direction, and establishing goals. It is a document for citizens to utilize to better understand the operations of their city. It serves as a tool for continuous dialogue throughout the year between Council and city staff so that the needs, expectations, operations and direction of the city are understood and accomplished.

Organizational Structure/Supervisory Responsibility

The organizational structure is highlighted in the Personnel Allocation section. A detail of personnel allocations and an overview of employees by classification are presented. The organization chart is presented in the Personnel Allocation section. The City Council, made up of the Mayor and Council Members is the legislative governing body. Working directly

under the Council is the City Manager, City Attorney, and City Judge. The City Manager is responsible for all operations of the City. There are eight major departments: Administrative Services, General Services, Finance Services, Police Services, Fire Services, Public Works Services, Utility Services and Development Services.

The budget summary provides a general overview of the activities of all funds, clearly demonstrating transactions between funds. The budget and the accounts of the City are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. Each fund can be generally thought of as a small business. The operations of each fund are maintained using a set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures. City resources are budgeted to the individual funds by activity and are controlled within the individual fund. The various funds are grouped into generic fund types.

Currently Palestine allocates its monies between more than 30 funds. The most important, that is, the largest and most active funds are: General Fund, Tourism Fund, Water Fund, Wastewater Fund and several Capital Improvements Funds. The budget is segmented by department and division to enhance its usability as an operations guide. As an operations guide, the budget provides each department valuable information for guidance in day to day operations.

The Statistical Section provides historical financial information and other pertinent facts which assist the reader in gaining an understanding of the characteristics of the City which affect its present financial status and its future outlook.

management, expenditure control, asset management, debt management, and planning concepts, in order to:

- Present fairly and with full disclosure the financial position and results of the financial operations of the City in conformity to Generally Accepted Accounting Principles (GAAP), and
- Demonstrate compliance with finance related legal and contractual issues in accordance with provisions of state law.

The City Council annually reviews and approves the Fiscal and Budgetary Policy Statements as part of the budget process.

A. **FUND STRUCTURE.** Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The

SUMMARY OF FISCAL AND BUDGETARY POLICIES

I. STATEMENT OF PURPOSE

The Fiscal and Budgetary Policy Statements identify and present an overview of policies dictated by state law, the City Charter, City ordinances and administrative policies. The aim is to achieve a long-term, stable and positive financial condition that encompasses integrity, planning, accountability and full disclosure. These policies provide guidelines to the administration and finance staff in planning and directing the City's day-to-day financial affairs and in developing recommendations to the City Council. The scope of these policies span accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment

“operating budget” is the City’s annual financial operating plan.

1. A separate budget shall be prepared for each fund.
 2. All budgets shall be adopted on a basis consistent with Generally Accepted Accounting Principles as promulgated by the Governmental Accounting Standards Board. Revenues are budgeted when they become measurable and available. Expenditures will be charged against the budget when they are measurable, a fund liability is incurred, and that liability will be liquidated with current resources.
 3. The budget shall be adopted at the lowest level of control which is by division within an individual fund (i.e., the expenditures may not exceed the total for any division within a fund without the City Council’s approval). Department Heads may not exceed budget allocations at the object code level in controllable accounts without amendment to the budget as outlined in Section IV, parts B and D.
 4. A line item budget format shall be used for accuracy and accountability.
 5. The budget shall be sufficiently detailed to identify all available funds. The format will include estimated beginning funds, source of funds, use of funds, and estimated remaining funds at budget year end. An actual prior year, estimated current year and proposed budget shall be presented.
 6. A summary showing the net budget totals will be shown, as well as gross budget totals, in order to prevent the “double counting” of revenues and expenditures. Net budget totals are derived by subtracting inter-fund transfer amounts from the gross budget totals.
 7. The City will maintain a budgetary control system to ensure adherence to the budget and will prepare monthly financial reports comparing actual revenues, expenditures and encumbrances with budgeted amounts.
 8. Proprietary operations shall be totally self-sufficient.
 9. Proprietary fund budgets shall reimburse the General Fund for a proportionate share of administrative costs. Documentation to support the transfer shall be presented to City Council during the budget process.
10. All appropriations lapse at year end. Any encumbered appropriations at year end may be appropriated by the governing body in the subsequent year. However, the appropriation authority for major capital projects and items purchased through the formal purchase order system (i.e., the encumbered portions) carries forward automatically to the subsequent year.
- B. **PREPARATION.** The budget is prepared by the City Manager and Director of Finance with the cooperation of all city departments. The budget is presented to the City Council at least four weeks prior to the fiscal year end, and is adopted by the City Council at least three days prior to the new fiscal year.
1. **Proposed Budget.** The City Charter requires that the City Manager submit a proposed budget to City Council at least 45 days prior to the end of the fiscal year that presents a complete financial plan for the ensuing year.
 - a) The budget shall include four basic segments for review and evaluation: (1) base budget (same level of service) for operations and maintenance costs, (2) supplemental decision packages for capital and other (non-capital) costs, and (3) capital improvements and (4) revenues. In the base budget, the City Manager may elect to include decision package items with a cost of up to \$1,000.00.
 - b) The budget review process shall include City Council participation in the development of each of the four segments of the proposed budget.
 - c) The budget process shall allow sufficient time for the City Council to address policy and fiscal issues.
 - d) A copy of the proposed budget shall be filed with the City Secretary at least 30 days prior to adoption of the tax levy and budget.
 2. **Adoption.** Upon the presentation of a proposed budget document to the City Council, the City Council shall call and publicize a public hearing. The City Council shall subsequently adopt by Ordinance such budget, as it may have been amended, as the City’s Annual Budget, effective for the fiscal year beginning October 1.
- C. **BALANCED BUDGET.** The operating budget shall be balanced using a combination of current revenues and available funds. Current year operating expenses

shall be funded with current year generated revenues. Proprietary Funds with outstanding revenue bonds shall not rely on funds available from the prior year to balance the budget. No budget shall be adopted unless the total of estimated revenues, income, and funds available is equal to or in excess of such budget.

- D. PLANNING. The budget process shall be coordinated so that the City Council has sufficient time to consider major policy issues to be incorporated into the budget.
- E. REPORTING. Periodic financial reports shall be prepared to enable the department heads to manage their budgets and to enable monitoring and control of the budget. A quarterly budget review shall be presented to City Council in sufficient detail to allow decision making.

III. REVENUE MANAGEMENT

- A. CHARACTERISTICS OF THE REVENUE SYSTEM. The City strives for the following optimum characteristics in its revenue system:

1. Simplicity and Certainty. The City shall strive to keep the revenue classification system simple to promote understanding of the revenue sources. The City shall describe its revenue sources and enact consistent collection policies to provide assurances that the revenue base shall materialize according to budgets and plans.
2. Equity. The City shall make every effort to maintain equity in its revenue system structure. The City shall minimize all forms of subsidization between entities, funds, services, utilities, and customers.
3. Conservative Estimates. Revenues are to be estimated realistically. Revenues of volatile nature shall be budgeted conservatively.
4. Centralizing Reporting. Receipts will be submitted daily to the Finance Department for deposit and investment. Daily transaction reports and supporting documentation will be prepared.
5. Review of Fees and Charges. The City shall review all fees and charges annually in order to keep pace with the cost of providing that service.
6. Aggressive Collection Policy. The City shall follow an aggressive policy of collecting revenues. Utility services will be discontinued (i.e. turned off) for non-payment in accordance with established policies and ordinances. The delinquent tax attorney shall be encouraged to

collect delinquent property taxes using an established tax suit policy and sale of real and personal property to satisfy non-payment of property taxes.

- B. NON-RECURRING REVENUES. One time or non-recurring revenues will not be used to finance current ongoing operations. Non-recurring revenues will be used only for one-time expenditures such as capital needs.
- C. PROPERTY TAX REVENUES. All real and business personal property located within the City shall be valued at 100% of the fair market value based on the appraisal supplied by the Anderson County Appraisal District. Reappraisal and reassessment is as provided by the appraisal district. A 98% collection rate shall serve each year as a goal for tax collections and the budgeted revenue projection. Property tax rates shall be maintained at a rate adequate to fund an acceptable and basic service level. Based upon taxable values, rates will be adjusted to fund this service level.
- D. INTEREST INCOME. Interest earned from investment of available monies, whether pooled or not, shall be distributed to the funds in accordance with the equity balance of the fund from which monies were provided to be invested.
- E. USER-BASED FEES AND SERVICE CHARGES. For services associated with a user fee or charge, the direct and indirect costs of that service shall be offset wholly or partially by a fee where possible. There shall be an annual review of fees and charges to ensure that the fees provide adequate coverage of costs of services.
- F. UTILITY RATES. The City shall review and adopt utility rates annually to generate revenues required to cover operating expenditures, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital. This policy does not preclude drawing down cash balances to finance current operations.
- G. COST REIMBURSEMENTS TO THE GENERAL FUND. Proprietary funds shall reimburse the General Fund for a proportionate share of administrative costs. Documentation to support the transfer shall be presented to City Council as part of the budget process.
- H. INTERGOVERNMENTAL REVENUES/GRANTS. Grant revenues shall be spent for the purpose intended. The City shall review grant match requirements and not rely on grants for the basic operating budget.

- I. REVENUE MONITORING. Revenues actually received are to be regularly compared to budgeted revenues and reported to the City Council quarterly.
 - J. REVENUE PROJECTIONS. The City shall project revenues for the next five years and will update this projection annually. Each existing and potential revenue source shall be re-examined annually.
 - K. APPROPRIATIONS. The responsibility for budgetary control lies with the Department Head. Department Heads may not approve expenditures that exceed monies available at the object code level. Capital expenditures are approved by the City Council on a per item basis; cost savings may not be spent for any purpose other than their specifically intended approved purpose. Personnel allocations may not be changed without the approval of City Council.
 - L. AMENDMENTS TO THE BUDGET. The City Council may transfer any unencumbered appropriated balance or portion thereof from any office, department, or agency to another at any time.
 - M. CENTRAL CONTROL. No salary or capital budgetary savings in any department shall be spent without the prior authorization of the City Council.
 - N. CITY MANAGER'S AUTHORITY TO AMEND BUDGET. The City Manager may, without prior City Council approval, authorize transfers of less than \$5,000.00 between budget line items with the exception that:
 - a) regular personnel allocations may not be changed;
 - b) salary and benefit savings due to vacancies may not be transferred; and
 - c) savings from City Council approved capital purchases may not be spent for other than their intended purpose.

All such transfers shall be reported to City Council on a quarterly basis for review by the City Council as part of the regular budget review.
 - O. PURCHASING. All purchases shall be made in accordance with the purchasing procedures manual of the City that clearly defines levels of authority and spending limits.
 - P. PROMPT PAYMENT. All invoices approved for payment by the proper City authorities shall be paid by the Finance Department within thirty (30) calendar days of receipt in accordance with the provisions of state law. Proper procedures shall be established that
 - mandatory project
 - efficiency improvement
- enables the City to take advantage of all purchase discounts, when possible, except in the instance where payments can be reasonably and legally delayed in order to maximize the City's investable cash.
- Q. REPORTING. The Finance Department shall prepare monthly reports showing actual expenditures compared to the approved budget.
- IV. CAPITAL BUDGET AND PROGRAM**
- A. PREPARATION. The city shall budget for capital improvements by fund. Capital budgets are to be prepared annually in conjunction with the operating budget on a fiscal year basis. This will ensure that capital and operating needs are balanced against each other.
 - B. CONTROL. All capital project expenditures must be appropriated in the appropriate capital budget. A funding source and resource availability shall be presented to the City Council at the time a project is presented for funding.
 - C. PROGRAM PLANNING. The City shall make capital improvements in accordance with an adopted capital improvements program. Capital budgets shall be evolved from the Capital Improvements Program. The City shall develop a multi-year plan for capital improvements and update it annually. The planning time frame for the capital improvements project plan will normally be five years.
 - D. FINANCING PROGRAMS. Alternative financing sources will be explored before debt is issued. When debt is issued, it shall be used to acquire major assets with expected lives which equal or exceed the average life of the debt issue. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, which are usually paid from the direct proceeds.
 - E. REPORTING. Periodic financial reports shall be prepared to enable the city staff to manage the capital budgets and to enable the Finance Department to monitor and control the capital budgets as authorized by the City Council. Summary capital project status reports shall be presented to the City Council periodically.
 - F. EVALUATION CRITERIA. Evaluation criteria for selecting which capital assets and projects to include for funding shall include the following:
 - policy area project
 - project's expected useful life

- availability of state/federal grants
- prior commitments
- maintenance project
- project provides a new service extent of usage

G. **PROJECT LENGTH BUDGET.** A budget for a capital project shall be a project length budget. At the end of the fiscal year, the unspent budget of an approved capital project shall automatically carry forward to the subsequent fiscal year.

V. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

A. **ACCOUNTING.** The Finance Director is responsible for establishing the Chart of Accounts and for recording financial transactions.

B. AUDITING.

1. Qualifications of the Auditor. In conformance with the City's Charter, the City shall be audited annually by outside independent accountants ("auditor"). The auditor must be a CPA firm of regional reputation and must demonstrate that it has staff to conduct the City's audit in accordance with generally accepted auditing standards and contractual requirements. The auditor must be licensed by the State of Texas.
2. Responsibility of Auditor to City Council. The auditor is retained by and is accountable directly to the City Council. The auditor shall communicate directly with the City Council as necessary to fulfill its legal and professional responsibilities, or if city staff is unresponsive to auditor recommendations.
3. Selection of Auditor. The City shall request proposals for audit services at least once every three years. The City shall select the auditor by June 30 of each year.
4. Contract with Auditor. The agreement between the independent auditor and the City shall be in form of a written contract. A time schedule for completing of the audit shall be included.
5. Scope of Audit. All general purpose statements, combining statements and individual fund and account group statements and schedules shall be subject to full scope audit. The auditor shall prepare and review the management letter with the City Council.

C. FINANCIAL REPORTING.

- effect of project on operation and maintenance costs
- elimination of hazards

1. External Reporting. As a part of the audit, the auditor shall prepare a written Comprehensive Annual Financial Report (CAFR) to be presented to the City Council within 120 calendar days of the City's fiscal year end. The CAFR shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and shall be presented annually to the Government Finance Officer's Association (GFOA) for evaluation and consideration for the Certificate of Achievement for Excellence in Financial Reporting.
2. Availability of Reports. The comprehensive annual financial report shall be made available to the elected officials, bond rating agencies, creditors and citizens.
3. Internal Reporting. The Finance Department shall prepare internal financial reports, sufficient to plan, monitor, and control the City's financial affairs.

VI. INVESTMENTS AND CASH MANAGEMENT

- A. **DEPOSITING OF FUNDS.** The Finance Director shall promptly deposit all City funds with the Bank Depository Agreement and the City Council approved Investment Policies. Investments and reporting shall strictly adhere to the City Council approved Investment Policies.
- B. **DEPOSITORY BANK.** A depository bank shall be selected by the City Council for a three year period. A request for proposal shall be used as the means of selecting a depository bank. The depository bank shall specifically outline safekeeping requirements.

VII. INVESTMENT POLICY.

- A. All funds shall be invested in accordance with the approved Investment Policy which must be approved annually.
- B. **QUARTERLY REPORT.** A quarterly report on investments shall be prepared and provided to City Council.

VIII. ASSET MANAGEMENT

- A. **FIXED ASSETS AND INVENTORY.** A fixed asset of the City is defined as a purchased or otherwise acquired piece of equipment, vehicle, furniture, fixture, capital improvement, addition to existing capital investments, land, buildings, etc. The cost or value of any such acquisition must be \$5000.00 or more with an expected useful life greater than three years.
- B. **OPERATIONAL PROCEDURES MANUAL.** Records shall be purged that do not meet this criteria and operational procedures shall be in accordance with a fixed asset records procedure manual approved by the City Manager.
- C. **SAFEGUARDING OF ASSETS.** The City's fixed assets will be reasonably safeguarded and properly accounted for. Responsibility for the safeguarding of the City's fixed assets lies with the Department Head in whose department the fixed asset is assigned.
- D. **MAINTENANCE OF RECORDS.** The Finance Department shall maintain the permanent records of the City's fixed assets including description, cost, department of responsibility, date of acquisition and depreciation where applicable.
- E. **ANNUAL INVENTORY.** An annual inventory of assets shall be performed by each department using guidelines established by the Finance Department. Such inventory shall be performed by the Department Head or the department head's designated agent in the presence of a designated person from the division. The Department Head shall be sent a detailed listing annually and shall be responsible for a complete review of assigned fixed assets. A signed inventory list shall be returned to the Finance Department.

IX. DEBT MANAGEMENT

- A. **DEBT ISSUANCE.** The City shall issue debt only as specifically approved by the City Council and expenditure of such monies shall be in strict accordance with the designated purpose.
- B. **ISSUANCE OF LONG-TERM DEBT.** The issuance of long-term debt is limited to capital improvements or projects that cannot be financed from current revenues or resources. For purposes of this policy, current resources are defined as that portion of fund balance in excess of the required reserves. Every effort will be made to limit the payback period of the debt to the estimated useful life of the capital projects or improvements. The City will use long-term debt financing when it can be determined that

future citizens will receive a benefit from the improvement.

- C. **PAYMENT OF DEBT.** When the City utilizes long-term debt financing it will ensure that the debt is financed soundly by: conservatively projecting the revenue sources that will be used to pay the debt; and financing the improvement over a period not greater than the useful life of the improvement.

- D. **BOND RATING AGENCIES.** The City will maintain good communications with bond rating agencies and will try to improve or maintain its current bond rating level.

E. TYPES OF DEBT

1. General Obligation Bonds (G.O.'s). The city has the power to borrow money on the credit of the city and to issue general obligation bonds for permanent public improvements or for any other public purpose not prohibited by the construction and laws of the State of Texas, and to issue refunding bonds to refund outstanding bonds of the city previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas. General Obligation Bonds shall be used only to fund capital assets of the general government, and not used to fund operating needs of the City. General Obligation Bonds are backed by the full faith and credit of the City as well as the ad valorem tax authority of the City. The term of a bond issue shall not exceed the useful life of the asset(s) funded by the bond issue. General Obligation Bonds must be authorized by a vote of the citizens of the City of Palestine.

2. Revenue Bonds (R.B.'s). The City has the power to borrow money for the purpose of constructing, purchasing, improving, extending or repairing public utilities, recreational facilities or any other self liquidating municipal function not prohibited by the construction or laws of the State of Texas, and to issue revenue bonds to evidence the obligation created thereby. Such bonds shall be a charge upon and payable solely from the properties, or interest therein, pledged, or the income there from, or both, and should never be a debt of the city. All such bonds shall be issued in conformity with the laws of the State of Texas. Revenue bonds shall be issued as determined by City Council to

provide for the capital needs of any activities where the capital requirements are necessary for continuation or expansion of a service which produces revenue and for which the asset may reasonably be expected to provide for a revenue stream to fund the debt service requirements. The term of the obligation may not exceed the useful life of the asset(s) to be funded by the bond issue.

3. Certificates of Obligation (C.O.'s). Certificates of Obligation may be used in order to fund capital requirements. Debt service for C.O.'s may be either from general revenues or backed by a specific revenue stream or streams or by a combination of both. The term of the obligation may not exceed the useful life of the asset(s) to be funded by the proceeds of the debt issue.
4. Method of Sale. The City shall use a competitive bidding process in the sale of bonds and certificates of obligation unless otherwise specifically agreed upon by City Council.
5. Financial Advisor. The City shall maintain a contract for services from a financial advisor to oversee all aspect of bond issues.

- F. ANALYSIS OF FINANCING ALTERNATIVES. Staff shall explore alternatives to the issuance of debt for capital acquisitions and construction projects.
- G. DISCLOSURE. Full disclosure of operations shall be made to the bond rating agencies and other users of financial information. The city staff, with the assistance of financial advisors and bond counsel, shall prepare the necessary materials for presentation to the rating agencies, and shall aid in the production of Offering Statements.
- H. DEBT STRUCTURING. The repayment schedule shall approximate a level debt service unless operational matters dictate otherwise.

X. RESERVES/UNALLOCATED FUND BALANCE/WORKING CAPITAL

- A. OPERATING RESERVES/FUND BALANCES. The City shall establish a fund balance reserve in each fund to pay expenditures caused by unforeseen emergencies for shortfalls caused by revenue declines, and to eliminate any short-term borrowing for cash flow purposes. Whenever possible, the fund reserve will be maintained at an amount equal to three months expenditures of the annual budget for each fund.

- B. CAPITAL AND DEBT SERVICE FUNDS. Monies in the Capital Projects Funds shall be expended in accordance with an approved budget. Interest income will be used to offset construction costs. Reserves in the Debt Service Fund shall be maintained as required by outstanding bond indentures. Reduction of reserves shall be done only with City Council approval after conferring with the City's financial advisor and in accordance with bond indentures.
- C. Debt Coverage Ratios shall be maintained as specified by the bond covenants.

XI. INTERNAL CONTROLS

- A. WRITTEN PROCEDURES. Whenever possible, written procedures shall be established and maintained by the Finance Director for all functions involving cash handling and/or accounting throughout the City. These procedures shall embrace the general concepts of fiscal responsibility set forth in this policy statement.
- B. DEPARTMENT HEAD RESPONSIBILITIES. Each Department Head is responsible to ensure that good internal controls are followed throughout his or her Department, that all Finance Department directives or internal controls are implemented, and that all independent auditor internal control recommendations are addressed.

XII. RISK MANAGEMENT

- A. RESPONSIBILITY. The Personnel Director is responsible for the general risk management function of the City.
- B. Periodic reports shall be submitted to Council for review and approval.

BUDGET RELATED ORDINANCES

**City of Palestine
Annual Budget 2009-2010**

TAX ORDINANCE

AN ORDINANCE PROVIDING FOR THE ASSESSMENT, LEVY, AND COLLECTION OF AD VALOREM TAXES BY THE CITY OF PALESTINE, TEXAS, FOR THE YEAR 2009; PROVIDING THE DATE ON WHICH SUCH TAXES SHALL BE DUE AND PAYABLE; PROVIDING FOR PENALTY AND INTEREST ON ALL TAXES NOT TIMELY PAID; AND REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH.

WHEREAS, Section 26.05 of the Texas Property Code provides that by September 30, or as soon thereafter as practicable, the governing body of each taxing unit shall adopt a tax rate for the current tax year; and

WHEREAS, such Section further provides that where the tax rate consists of two components, one of which will impose the amount of taxes needed to pay the unit's debt service and the other of which will impose the amount of taxes needed to fund maintenance and operation expenditures of the unit for the next year, each of the components must be approved separately; and

WHEREAS, the proposed tax rate for the current year of the City of Palestine, Texas, consists of two such components, a rate of \$0.594968 to fund maintenance and operation expenditures, and \$0.044032 for debt service; and

WHEREAS, public hearings were held at a meeting of said City Council on August 31, 2009 and September 8, 2009, at which hearings all citizens and taxpayers of the City had the right to be heard and those who requested to be heard were heard; and

WHEREAS, by separate motions heretofore adopted by the City Council of the City of Palestine, Texas, at a meeting of the City Council held on this 14th day of September, 2009, said City Council has approved separately the rate of each of the components; and

WHEREAS, having thus separately approved the rate for each of such components, it is necessary and appropriate for the City Council to now formally adopt a 2009 tax rate ordinance for the City of Palestine, Texas:

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

1. The facts and recitals set forth in the preamble to this Ordinance are hereby found to be true and correct.
2. There is hereby levied by the City of Palestine, Texas, for the tax year 2009 an ad valorem tax of sixty-three and 9/10 cents (\$0.63900) on each One Hundred Dollars (\$100) of assessed valuation on all property, real, personal, and mixed, within the corporate limits upon which an ad valorem tax is authorized by law to be levied by the City of Palestine, Texas, which taxes shall be apportioned to the following purposes:
 - a. For the maintenance and support of the general government (General Fund), on each \$100 valuation of property: \$0.594968
 - b. For the purpose of paying the accruing interest on, and to provide a sinking fund for the payment of, the bonded indebtedness of the City of Palestine, Texas: \$0.044032
3. All ad valorem taxes levied hereby shall be due and payable on or before January 31, 2010. All ad valorem taxes due the City of Palestine, Texas, for the year 2009 not paid before January 31, 2010 shall bear penalty and interest as prescribed by the Texas Property Tax Code.
4. This tax rate will raise more taxes for maintenance and operations than last year's tax rate. The tax rate will raise taxes for maintenance and operations on a \$100,000 home by approximately \$12.94.
5. All ordinances and parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

PASSED, APPROVED, and ADOPTED by the City Council of the City of Palestine, Texas, at a regular meeting held on this the 14th day of September, 2009.

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALESTINE, TEXAS, TO RATIFY THE PROPERTY TAX INCREASE AS REFLECTED IN THE 2009/2010 CITY OF PALESTINE BUDGET.

WHEREAS, the City Council of the City of Palestine, Texas, has adopted a budget for Fiscal Year 2009/2010 that will require raising more revenue from property taxes than in the previous year; and

WHEREAS, the City Council of the City of Palestine have determined that the needs of the citizens of the City of Palestine require the services provided under that budget; and

WHEREAS, Section 102.007(c) of the Local Government Code, as amended in the Regular Session of the 80th Legislature of the State of Texas, requires a separate vote of the governing body to ratify the property tax increase reflected in the budget:

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PALESTINE, TEXAS:

That the property tax increase reflected in the 2009/2010 City of Palestine Budget, adopted on this date by the City of Palestine, Texas, is hereby ratified.

PASSED and APPROVED by the City Council of the City of Palestine, Texas, at the meeting held on this the 14th day of September, 2009.

BUDGET ORDINANCE

AN ORDINANCE APPROVING AND ADOPTING THE BUDGET OF THE CITY OF PALESTINE, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2009; MAKING APPROPRIATIONS AS REFLECTED IN SAID BUDGET; AND MAKING FINDINGS RELATING TO THE BUDGET.

WHEREAS, on the 11th day of August, 2009, the City Manager filed with the City Secretary a proposed budget of the City of Palestine for the fiscal year 2009-2010; and

WHEREAS, pursuant to notice required by law, a public hearing on the budget was held at

the regular meeting place of the City Council at City Hall, 504 N. Queen St., Palestine, Texas, on the 8th day of September, 2010, at which hearing all citizens and taxpayers of the City had the right to be heard and those who requested to be heard were heard; and

WHEREAS, the City Council has considered the proposed budget and has made such changes therein as in the City Council's judgment are warranted, are permitted by law, and are in the best interest of the citizens and taxpayers of the City of Palestine:

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

1. The facts and recitals set forth in the preamble to this Ordinance are hereby found to be true and correct.
2. In accordance with the statutes of the State of Texas and the Charter of the City of Palestine, the City Council hereby approves and adopts the budget attached hereto and incorporated herein as Exhibit A. The City Secretary is hereby directed to keep such budget on file in her office as a public record, post the budget on the City's website, and to file a copy with the County Clerk of Anderson County.
3. In support of said budget and by virtue of its adoption, there are hereby appropriated out of available cash funds and out of the general and special revenues of the City of Palestine the amounts set forth in said budget for the purposes stated therein.
4. The City Manager is authorized to transfer unencumbered balances, or portions thereof, from one budget account to another budget account within the same office, department, division, or agency.

PASSED, APPROVED, and ADOPTED by the City Council of the City of Palestine, Texas, at a regular meeting held on this the 14th day of September, 2009.

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PERSONNEL ALLOCATION

**City of Palestine
Annual Budget 2009-2010**

City of Palestine Personnel Allocation

Position	FYE 06	FYE 07	FYE 08	FYE 09	FYE 10
City Manager	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	1.0	1.0	1.0	1.0
City Secretary	1.0	1.0	1.0	1.0	1.0
Human Resource Manager	1.0	1.0	1.0	1.0	1.0
Main Street Manager	1.0	1.0	1.0	1.0	0.0
Total Administration:	6.0	5.0	5.0	5.0	4.0
Finance Director	1.0	1.0	1.0	1.0	1.0
Accountant I	0.0	1.0	1.0	1.0	0.0
Accounting Clerk I	1.0	0.0	0.0	0.0	1.0
Accounting Clerk II	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	0.0	0.0	0.0	0.0
Assistant Finance Director	1.0	1.0	1.0	0.0	0.0
Senior Accountant	0.0	0.0	0.0	1.0	1.0
Purchasing Agent	1.0	1.0	1.0	1.0	1.0
Warehouse Specialist	1.0	1.0	1.0	1.0	1.0
City Marshall	1.0	1.0	1.0	1.0	1.0
Court Administrator	1.0	0.0	0.0	1.0	1.0
Court Judge	0.0	0.0	0.0	0.5	0.5
Court Prosecutor	0.0	0.0	0.0	0.5	0.5
Court Clerk I	1.0	1.0	1.0	1.0	1.0
Court Clerk II	1.0	1.0	1.0	1.0	1.0
Court/Customer Service Administrator	0.0	1.0	1.0	0.0	0.0
Court Bailiff	0.0	0.0	0.0	0.5	0.0
Customer Service Coordinator	0.0	1.0	1.0	0.0	0.0
Customer Service Manager	1.0	0.0	0.0	0.0	0.0
Customer Service Supervisor	0.0	1.0	1.0	1.0	1.0
Meter Reader	2.0	2.0	2.0	2.0	2.0
Casher Clerk	2.0	1.0	1.0	2.0	2.0
Casher Clerk I (part-time)	0.0	0.5	0.5	0.5	0.5
Cashier Clerk II	0.0	1.0	1.0	0.0	0.0
Utility Billing Clerk	1.0	0.0	0.0	0.0	0.0
Total Finance:	17.0	16.5	16.5	17.0	16.5
Police Chief	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	2.0	2.0	2.0
Animal Control Officer	0.0	0.0	0.0	2.0	2.0
Assistant Police Chief	1.0	1.0	0.0	0.0	0.0
Dispatch Supervisor	0.0	1.0	1.0	1.0	1.0
Dispatcher	5.0	4.0	4.0	5.0	6.0
Dispatcher (part-time)	0.0	0.0	1.0	0.5	0.5
Police Corporal	5.0	5.0	4.0	1.0	1.0
Police Lieutenant	1.0	1.0	2.0	2.0	2.0
Police Officer	22.0	22.0	22.0	29.0	29.0
Police Record Clerk	1.0	1.0	1.0	1.0	1.0
Police Sergeant	7.0	7.0	7.0	5.0	5.0
Property Room Technician	0.0	0.0	1.0	1.0	1.0
Property Room Technician (part-time)	0.5	0.5	0.5	0.0	0.0
Total Police:	45.5	45.5	46.5	50.5	51.5

City of Palestine Personnel Allocation

Position	FYE 06	FYE 07	FYE 08	FYE 09	FYE 10
Fire Chief	1.0	1.0	1.0	1.0	1.0
Emergency Manager	1.0	1.0	1.0	1.0	1.0
Fire Battalion Chief	3.0	3.0	3.0	3.0	3.0
Fire Captain	3.0	3.0	3.0	3.0	3.0
Fire Driver	6.0	6.0	6.0	6.0	6.0
Fire Lieutenant	3.0	3.0	3.0	3.0	3.0
Fire Marshall	1.0	1.0	1.0	1.0	1.0
Firefighter	21.0	21.0	21.0	21.0	21.0
Total Fire:	39.0	39.0	39.0	39.0	39.0
Public Works Director	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0
Airport Attendant (part-time)	0.0	0.0	0.5	0.5	0.5
Airport Services Supervisor	0.0	0.0	1.0	1.0	1.0
Engineering Technician I	1.0	1.0	1.0	1.0	1.0
Engineering Technician II	1.0	1.0	1.0	1.0	1.0
Equipment Operator	2.0	2.0	2.0	2.0	2.0
Fleet Maintenance Supervisor	1.0	1.0	1.0	1.0	1.0
Heavy Equipment Operator	2.0	2.0	2.0	2.0	2.0
Public Works Inspector	1.0	1.0	1.0	1.0	1.0
Street Maintenance (seasonal part-time)	0.0	0.0	0.5	0.5	0.5
Streets Supervisor	1.0	1.0	1.0	1.0	1.0
Traffic Sign Specialist	1.0	1.0	1.0	1.0	1.0
Truck Driver	3.0	2.0	3.0	3.0	3.0
Vehicle Service Specialist	2.0	2.0	2.0	2.0	2.0
Total Public Works:	17.0	16.0	19.0	19.0	19.0
Utilities Director	1.0	1.0	1.0	1.0	1.0
Crew Leader	2.0	2.0	2.0	2.0	2.0
Equipment Operator	2.0	2.0	2.0	2.0	2.0
Heavy Equipment Operator	1.0	1.0	1.0	1.0	1.0
Lab Technician / IPT	1.0	1.0	1.0	1.0	1.0
Utility Maintenance Supervisor	1.0	1.0	1.0	1.0	1.0
Utility Construction Worker	3.0	3.0	3.0	3.0	3.0
Plant Mechanic II	0.0	0.0	0.0	1.0	1.0
Industrial Pretreatment Coordinator	0.0	0.0	0.0	0.0	1.0
Water Plant Operator	6.0	6.0	6.0	6.0	6.0
Wastewater Plant Operator	2.0	2.0	2.0	2.0	1.0
Water Utility Specialist	1.0	1.0	1.0	1.0	1.0
Wastewater Plant Supervisor	1.0	1.0	1.0	1.0	1.0
Water Plant Supervisor	1.0	1.0	1.0	1.0	1.0
Total Utilities:	22.0	22.0	22.0	23.0	23.0
Community Services Director	0.0	0.0	0.0	0.0	1.0
Crew Leader	2.0	2.0	2.0	2.0	2.0
Custodian	2.5	3.0	3.0	3.0	3.0
Events Coordinator	1.0	1.0	1.0	1.0	1.0
Information Specialist (part-time)	0.0	0.5	0.5	1.0	2.0
Librarian Aide (part-time)	0.0	0.0	0.5	0.5	0.5
Librarian I	3.0	2.0	2.0	2.0	2.0
Librarian II	2.0	3.0	3.0	3.0	4.0
Library Assistant	4.0	4.0	4.0	4.0	3.0
Library Director	1.0	1.0	1.0	1.0	1.0
Library Page	0.0	0.0	0.0	0.5	0.5
Park Maintenance (seasonal part-time)	5.0	5.0	5.0	5.0	5.0
Parks Maintenance Worker	4.0	4.0	4.0	4.0	4.0
Parks Supervisor	1.0	1.0	1.0	1.0	0.0
Sr. Library Assistant	2.0	2.0	2.0	2.0	2.0
Tourism Director	1.0	1.0	1.0	1.0	0.0
Total Community Services:	28.5	29.5	30.0	31.0	31.0

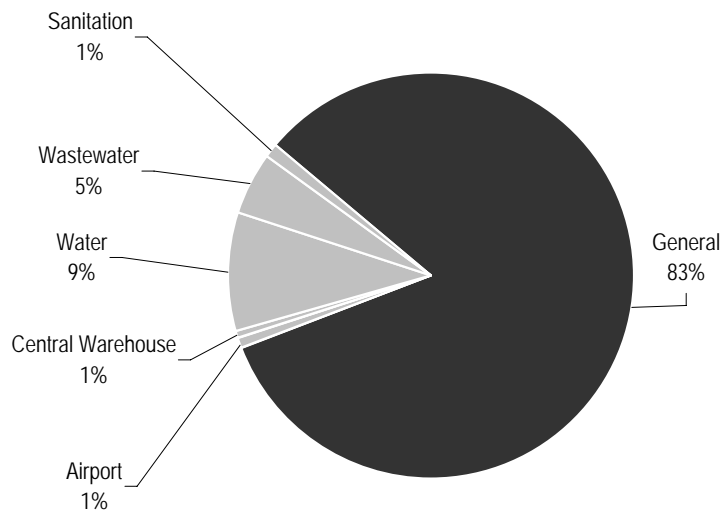
City of Palestine Personnel Allocation

Position	FYE 06	FYE 07	FYE 08	FYE 09	FYE 10
Economic Development Director	0.0	0.0	0.0	0.0	1.0
Administrative Assistant	0.0	0.0	0.0	0.0	1.0
Marketing Manager	0.0	0.0	0.0	0.0	1.0
Main Street Manager	0.0	0.0	0.0	0.0	1.0
Total Economic Development:	0.0	0.0	0.0	0.0	4.0
Development Services Director	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0
Customer Service Coordinator	0.0	0.0	0.0	1.0	1.0
Animal Control Officer	1.0	1.0	1.0	0.0	0.0
Animal Control Officer (part-time)	0.0	0.0	0.5	0.0	0.0
Inspector/Code Officer	4.0	4.0	4.0	4.0	4.0
Total Development Services:	7.0	7.0	7.5	7.0	7.0
Total City:	182.0	180.5	185.5	191.5	195.0

City of Palestine Personnel Allocation by Fund

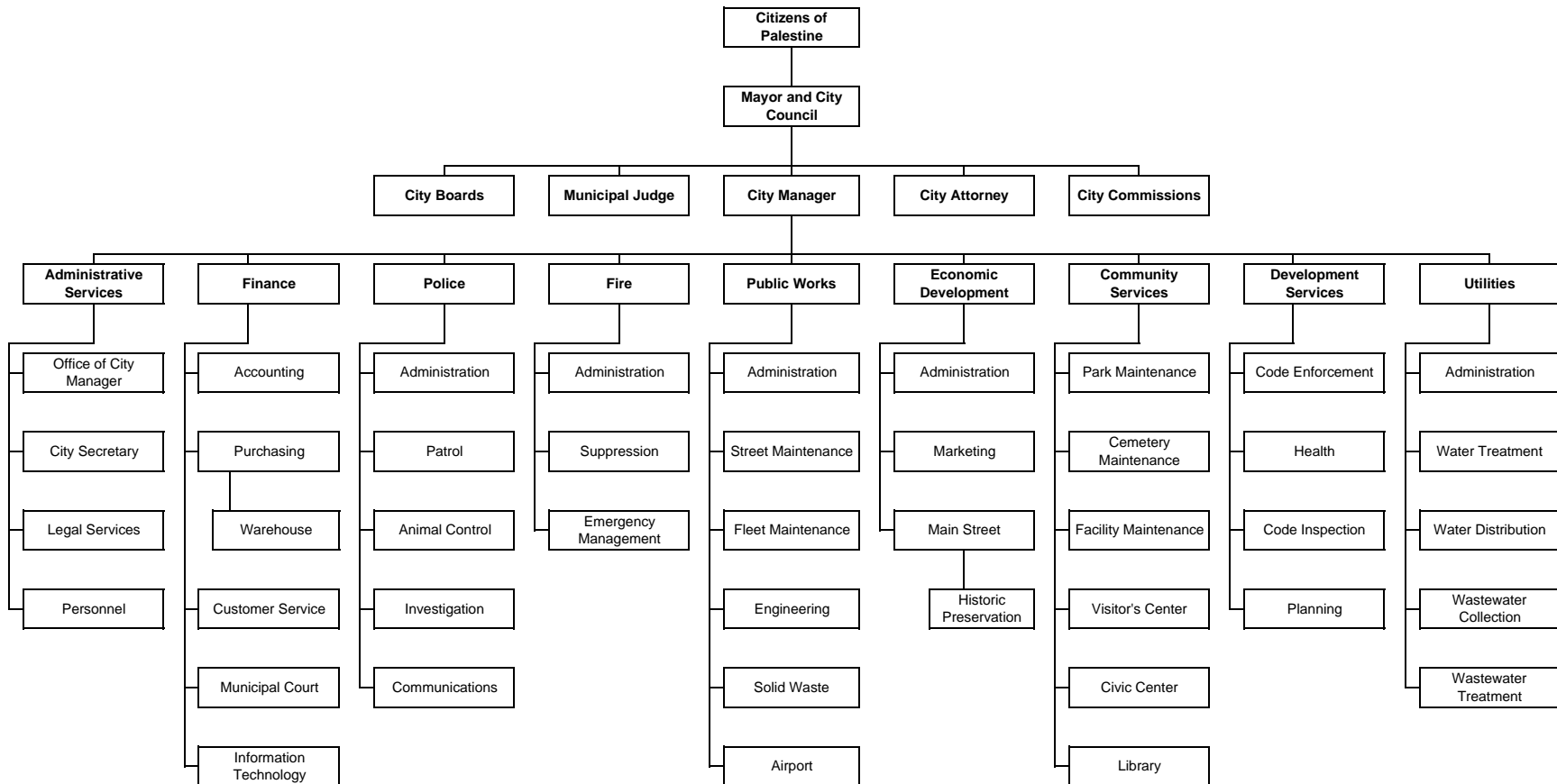
FUND	FYE 06	FYE 07	FYE 08	FYE 09	FYE 10
General	148.5	145.5	149.0	154.0	162.0
Tourism	2.5	3.5	3.5	4.0	0.0
Airport	0.0	0.0	1.5	1.5	1.5
Court Security	0.0	0.0	0.0	0.5	0.0
Central Warehouse	1.0	1.0	1.0	1.0	1.0
Water	19.5	20.5	19.5	18.5	18.5
Wastewater	11.5	11.0	10.0	10.0	10.0
Sanitation	1.0	0.0	2.0	2.0	2.0
Total City:	184.0	181.5	186.5	191.5	195.0

PERSONNEL ALLOCATION BY FUND



CITY OF PALESTINE ORGANIZATIONAL CHART

FISCAL YEAR ENDING 2010



**CITY OF PALESTINE
EMPLOYEE GRADE/STEP SCHEDULE
OCTOBER 1, 2009**

DESCRIPTION	GRADE	STEP																								
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
PART TIME	10	6.00	6.55	7.00	7.25	8.00	9.50	11.67	12.20																	
MAINTENANCE	11	9.13	9.27	9.41	9.55	9.69	9.84	9.98	10.13	10.28	10.44	10.60	10.75	10.92	11.08	11.25	11.41	11.59	11.76	11.94	12.12	12.30	12.48	12.67	12.86	
	12	10.74	10.90	11.06	11.23	11.40	11.57	11.74	11.92	12.10	12.28	12.46	12.65	12.84	13.03	13.23	13.43	13.63	13.83	14.04	14.25	14.47	14.68	14.90	15.13	
	13	12.61	12.80	12.99	13.19	13.38	13.58	13.79	14.00	14.21	14.42	14.63	14.85	15.08	15.30	15.53	15.77	16.00	16.24	16.49	16.73	16.98	17.24	17.50	17.76	
	14	15.14	15.36	15.59	15.83	16.06	16.31	16.55	16.80	17.05	17.31	17.57	17.83	18.10	18.37	18.64	18.92	19.21	19.50	19.79	20.08	20.39	20.69	21.00	21.32	
SUPPORT	21	10.42	10.58	10.73	10.90	11.06	11.23	11.39	11.56	11.74	11.91	12.09	12.27	12.46	12.65	12.83	13.03	13.22	13.42	13.62	13.83	14.03	14.24	14.46	14.68	
	22	11.43	11.60	11.78	11.95	12.13	12.31	12.50	12.69	12.88	13.07	13.26	13.46	13.67	13.87	14.08	14.29	14.50	14.72	14.94	15.17	15.39	15.63	15.86	16.10	
	23	15.14	15.36	15.59	15.83	16.06	16.31	16.55	16.80	17.05	17.31	17.57	17.83	18.10	18.37	18.64	18.92	19.21	19.50	19.79	20.08	20.39	20.69	21.00	21.32	
	24	21.33	21.65	21.97	22.30	22.64	22.98	23.32	23.67	24.03	24.39	24.75	25.12	25.50	25.88	26.27	26.67	27.07	27.47	27.88	28.30	28.73	29.16	29.60	30.04	
PROFESSIONAL/TECHNICAL	31	10.73	10.89	11.05	11.21	11.38	11.55	11.73	11.90	12.08	12.26	12.45	12.63	12.82	13.02	13.21	13.41	13.61	13.81	14.02	14.23	14.45	14.66	14.88	15.10	
	32	15.11	15.34	15.57	15.80	16.04	16.28	16.53	16.77	17.03	17.28	17.54	17.80	18.07	18.34	18.62	18.90	19.18	19.47	19.76	20.06	20.36	20.66	20.97	21.29	
	33	18.21	18.48	18.76	19.04	19.33	19.62	19.91	20.21	20.51	20.82	21.13	21.45	21.77	22.10	22.43	22.77	23.11	23.45	23.81	24.16	24.53	24.89	25.27	25.65	
	34	21.30	21.62	21.94	22.27	22.60	22.94	23.29	23.64	23.99	24.35	24.71	25.09	25.46	25.84	26.23	26.62	27.02	27.43	27.84	28.26	28.68	29.11	29.55	29.99	
FIRE	FIRE RECRUIT	41	8.05																							
	PROBATIONARY FIREFIGHTER	42	10.00																							
	FIREFIGHTER	43	11.08	11.63	11.63	12.22	12.22	12.82	12.82	13.46																
	DRIVER	44	12.07	12.07	12.68	12.68	13.32	13.32	13.99	13.99	14.67															
	LIEUTENANT	45	13.59	13.59	14.27	14.27	14.98	14.98	15.73	15.73	16.51															
	CAPTAIN	46	15.26	15.26	16.04	16.04	16.84	16.84	17.67	17.67	18.56															
	BATTALION CHIEF/TRAINING	47	17.17	17.17	18.03	18.03	18.93	18.93	19.90	19.90	20.87															
	FIRE MARSHAL	48	22.75	22.75	22.89	22.89	25.08	25.08	26.36	26.36	27.65															
	POLICE	CADET	50	14.50																						
PROBATIONARY OFFICER		51	15.54																							
PATROL OFFICER		52	16.29	17.10	17.10	17.96	17.96	18.86	18.86	19.80																
CORPORAL		53	19.72	19.72	20.71	21.74																				
SERGEANT		54	21.35	21.35	22.42	22.42	22.42	22.42	23.54																	
LIEUTENANT		55	24.63	24.63	25.86	25.86	27.15	27.15	28.51																	
ASSISTANT POLICE CHIEF		56	28.32	29.12	29.95	30.80	31.68	32.58																		
SUPERVISORY	61	10.73	10.89	11.05	11.21	11.38	11.55	11.73	11.90	12.08	12.26	12.45	12.63	12.82	13.02	13.21	13.41	13.61	13.81	14.02	14.23	14.45	14.66	14.88	15.10	
	62	15.11	15.34	15.57	15.80	16.04	16.28	16.53	16.77	17.03	17.28	17.54	17.80	18.07	18.34	18.62	18.90	19.18	19.47	19.76	20.06	20.36	20.66	20.97	21.29	
	63	21.30	21.62	21.94	22.27	22.60	22.94	23.29	23.64	23.99	24.35	24.71	25.09	25.46	25.84	26.23	26.62	27.02	27.43	27.84	28.26	28.68	29.11	29.55	29.99	
	64	30.01	30.46	30.91	31.38	31.85	32.33	32.81	33.30	33.80	34.31	34.83	35.35	35.88	36.42	36.96	37.52	38.08	38.65	39.23	39.82	40.42	41.02	41.64	42.26	
ADMINISTRATIVE	CITY SECRETARY	7101	OPEN																							
	DEVELOPMENT SERVICES DIR.	7301	OPEN																							
	UTILITIES DIRECTOR	7401	OPEN																							
	LIBRARY DIRECTOR	7501	OPEN																							
	COMMUNITY SERVICES DIR.	7550	OPEN																							
	FIRE CHIEF	7601	OPEN																							
	FINANCE DIRECTOR	7701	OPEN																							
	PUBLIC WORKS DIRECTOR	7801	OPEN																							
	ECON. DEVELOPEMENT DIRECTOR	7850	OPEN																							
	POLICE CHIEF	7901	OPEN																							
	PROSECUTOR	7950	OPEN																							
MUNICIPAL JUDGE 1	7955	OPEN																								
MUNICIPAL JUDGE 2	7960	OPEN																								
POLICE CHIEF	7901	OPEN																								
EXECUTIVE																										
CITY MANAGER	8001	OPEN																								

**CITY OF PALESTINE
2009-10 ANNUAL BUDGET
CERTIFICATION PAY SCHEDULE**

INCENTIVE LEVEL	CERTIFICATION BY TYPE	MONTHLY ALLOCATION
Level One:	Fire Department EMT Basic	\$ 25.00
Level Two:	Water Treatment/Distribution (C-Certificate) Waste Water Treatment or Class II Collection (C-Certificate)	\$ 40.00
Level Three:	Police Dispatcher Basic Certification Fire Department EMT - Intermediate Court Clerk Certification Police Department Basic Peace Officer License	\$ 50.00
Level Four:	Water Treatment or Distribution (B-Certificate) Waste Water Treatment or Class III Collection (B-Certificate)	\$ 60.00
Level Five:	Police Dispatcher Intermediate Certification	\$ 75.00
Level Six:	Police Department Forensic Hypnotist Police Department Criminal Investigation Division Fire Department Intermediate License Fire Department Paramedic License Police Department Advanced Dispatcher Certification Water Treatment Plant (A-Certification) Waste Water Treatment Plant (A-Certification) Code Enforcement License Building Inspection Plan Review Texas State Certification of Food Management	\$ 100.00
Level Seven:	Police Officer Intermediate License	\$ 150.00
Level Eight:	Firefighter Advanced Certification	\$ 175.00
Level Nine:	Police Department Narcotics Polygraph Examiner	\$ 200.00
Level Ten:	Fire Department Master Certification Police Department Advanced Peace Officer	\$ 250.00
Level Eleven:	Police Department Master Peace Officer License	\$ 350.00

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BUDGET SUMMARY

**City of Palestine
Annual Budget 2009-2010**

**CITY OF PALESTINE
COMBINED SUMMARY OF GENERAL OPERATION REVENUES AND EXPENDITURES**

	General Fund	Debt Service	Special Revenue Funds			COMBINED TOTAL
			Hotel	Airport	Other	
BEGINNING BALANCE	\$ 3,560,568	\$ 188,390	\$ 12,233	\$ (161,029)	\$ 728,646	\$ 4,328,808
REVENUES						
Ad valorem tax	\$ 5,527,000	\$ 403,474	\$ -	\$ -	\$ -	\$ 5,930,474
Non-property tax	5,536,000	-	375,000	-	-	5,911,000
Franchise tax	1,235,000	-	-	-	-	1,235,000
Licenses and permits	186,500	-	-	-	-	186,500
Fines and penalties	496,000	-	-	-	18,700	514,700
Rental income	6,000	-	-	26,000	-	32,000
Service fees	63,500	-	-	-	5,300	68,800
Intergovernmental	341,710	-	-	8,000	2,850	352,560
Interest and other income	259,526	1,500	1,000	396,900	49,000	707,926
TOTAL REVENUES	\$ 13,651,236	\$ 404,974	\$ 376,000	\$ 430,900	\$ 75,850	\$ 14,938,960
Transfers from other funds	\$ 492,401	\$ -	\$ -	\$ 25,000	\$ -	\$ 517,401
TOTAL AVAILABLE RESOURCES	\$ 17,704,205	\$ 593,364	\$ 388,233	\$ 294,871	\$ 804,496	\$ 19,785,169
EXPENDITURES						
Administrative services	\$ 591,699	\$ -	\$ -	\$ -	\$ -	\$ 591,699
Finance	1,119,207	-	-	-	11,700	1,130,907
Police	3,881,692	-	-	-	13,500	3,895,192
Fire	2,931,970	-	-	-	-	2,931,970
Public works	2,087,672	-	-	449,096	-	2,536,768
Community services	2,407,330	-	28,000	-	26,300	2,461,630
Development services	632,753	-	-	-	50,000	682,753
Economic development	378,978	-	-	-	350,400	729,378
Utilities	-	-	-	-	-	-
Operational services	253,000	-	-	-	-	253,000
Debt Service	-	391,574	-	-	-	391,574
Capital projects	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 14,284,301	\$ 391,574	\$ 28,000	\$ 449,096	\$ 451,900	\$ 15,604,871
Transfers to other funds	\$ 25,000	\$ -	\$ 334,427	\$ -	\$ -	\$ 359,427
TOTAL	\$ 14,309,301	\$ 391,574	\$ 362,427	\$ 449,096	\$ 451,900	\$ 15,964,298
ENDING BALANCE	\$ 3,394,904	\$ 201,790	\$ 25,806	\$ (154,225)	\$ 352,596	\$ 3,820,871

**CITY OF PALESTINE
COMBINED SUMMARY OF ENTERPRISE REVENUES AND EXPENDITURES**

	Water Fund	Wastewater Fund	Sanitation Fund	COMBINED TOTAL
REVENUES				
Ad valorem tax	\$ -	\$ -	\$ -	\$ -
Non-property tax	-	-	-	-
Franchise tax	-	-	-	-
Licenses and permits	-	-	-	-
Fines and penalties	-	-	-	-
Rental income	-	-	-	-
Service fees	3,019,200	3,402,000	1,816,000	8,237,200
Integovernmental	30,000	-	-	30,000
Interest and other income	5,000	5,000	1,000	11,000
TOTAL REVENUES	\$ 3,054,200	\$ 3,407,000	\$ 1,817,000	\$ 8,278,200
Transfers from other funds	\$ 250,000	\$ -	\$ -	\$ 250,000
TOTAL AVAILABLE RESOURCES	\$ 3,304,200	\$ 3,407,000	\$ 1,817,000	\$ 8,528,200
EXPENDITURES				
Administrative services	\$ -	\$ -	\$ -	\$ -
Finance	397,259	-	-	397,259
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	1,587,627	1,587,627
Community services	-	-	-	-
Development services	-	-	-	-
Economic development	-	-	-	-
Utilities	2,096,705	1,539,009	-	3,635,714
Operational services	54,500	73,000	20,000	147,500
Debt Service	387,215	1,469,846	-	1,857,061
Capital projects	-	-	-	-
TOTAL EXPENDITURES	\$ 2,935,679	\$ 3,081,855	\$ 1,607,627	\$ 7,625,161
Transfers to other funds	\$ 353,274	\$ 313,400	\$ 126,700	\$ 793,374
TOTAL	\$ 3,288,953	\$ 3,395,255	\$ 1,734,327	\$ 8,418,535
CHANGE IN FUND BALANCE	\$ 15,247	\$ 11,745	\$ 82,673	\$ 109,665

**CITY OF PALESTINE
COMBINED SUMMARY OF GENERAL CAPTIAL IMPROVEMENT REVENUES AND EXPENDITURES**

	GENERAL CIP	CIP 2006 Series	CIP 2010 Series	COMBINED TOTAL
BEGINNING BALANCE	\$ 123,660	\$ 233,289	\$ -	\$ 356,949
REVENUES				
Ad valorem tax	\$ -	\$ -	\$ -	\$ -
Non-property tax	-	-	-	-
Franchise tax	-	-	-	-
Licenses and permits	-	-	-	-
Fines and penalties	-	-	-	-
Rental income	-	-	-	-
Service fees	-	-	-	-
Intergovernmental	-	-	-	-
Interest and other income	4,000	2,000	6,200,000	6,206,000
TOTAL REVENUES	\$ 4,000	\$ 2,000	\$ 6,200,000	\$ 6,206,000
Transfers from other funds	-	-	-	-
TOTAL AVAILABLE RESOURCES	\$ 127,660	\$ 235,289	\$ 6,200,000	\$ 6,562,949
EXPENDITURES				
Administrative services	\$ -	\$ -	\$ -	\$ -
Finance	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Community services	-	-	-	-
Development services	-	-	-	-
Economic development	-	-	-	-
Utlities	-	-	-	-
Operational services	-	-	-	-
Debt Service	-	-	-	-
Capital projects	125,500	229,500	6,196,455	6,551,455
TOTAL EXPENDITURES	\$ 125,500	\$ 229,500	\$ 6,196,455	\$ 6,551,455
Transfers to other funds	-	-	-	-
TOTAL	\$ 125,500	\$ 229,500	\$ 6,196,455	\$ 6,551,455
ENDING BALANCE	\$ 2,160	\$ 5,789	\$ 3,545	\$ 11,494

**CITY OF PALESTINE
COMBINED SUMMARY OF UTILITY CAPTIAL IMPROVEMENT REVENUES AND EXPENDITURES**

	Water CIP	CIP 2008 Series	CIP Wastewater	CIP SSES 771	CIP SSES 772	COMBINED TOTAL
BEGINNING BALANCE	\$ 688,819	\$ 1,420,286	\$ 109,159	\$ 3,858,448	\$ -	\$ 6,076,712
REVENUES						
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-property tax	-	-	-	-	-	-
Franchise tax	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-
Rental income	-	-	-	-	-	-
Service fees	-	-	-	-	-	-
Integovernmental	-	-	-	-	-	-
Interest and other income	1,000	5,000	5,000	10,000	610,000	631,000
TOTAL REVENUES	\$ 1,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 610,000	\$ 631,000
Transfers from other funds	\$ 200,000	\$ -	\$ 185,000	\$ -	\$ -	\$ 385,000
TOTAL AVAILABLE RESOURCES	\$ 889,819	\$ 1,425,286	\$ 299,159	\$ 3,868,448	\$ 610,000	\$ 7,092,712
EXPENDITURES						
Administrative services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Development services	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Operational services	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital projects	540,500	1,415,838	260,500	2,727,180	610,000	5,554,018
TOTAL EXPENDITURES	\$ 540,500	\$ 1,415,838	\$ 260,500	\$ 2,727,180	\$ 610,000	\$ 5,554,018
Transfers to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 540,500	\$ 1,415,838	\$ 260,500	\$ 2,727,180	\$ 610,000	\$ 5,554,018
ENDING BALANCE	\$ 349,319	\$ 9,448	\$ 38,659	\$ 1,141,268	\$ -	\$ 1,538,694

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GENERAL FUND

**City of Palestine
Annual Budget 2009-2010**

GENERAL FUND

The General Fund is the general operating fund for the City of Palestine and is used to account for all current financial resources not required by law or administrative action to be accounted for in other designated funds. This fund accounts for revenue and expenditures that are related to general government services, including fire and police protection, public works, parks, library, community services, code enforcement, tax and fee collection, finance and administration.

General Fund Revenue

Revenues are primarily from property, sales and franchise taxes, fines, fees, grants and earnings on investments. General Fund Revenue is the major source of revenue collection for the City, and it is critical to maintain healthy revenue streams during the course of the operating year. Staff members monitor proposed legislative changes that affect the City's revenue. Property tax is the main source of city revenue and is an ad valorem tax that an owner pays on the value of the property being taxed. The Anderson County Appraisal District performs an independent appraisal of the monetary value for property within the City jurisdiction. A very important benefit of a tax on property is that the revenue always equals the tax levy, unlike income or sales taxes, which can result in shortfalls producing budget deficits. The City Budgeted ad valorem taxes at a rate of \$0.639 per \$100.

Property Taxes

The City of Palestine levies property tax on in order to provide local government services to the jurisdiction. The City's property tax is levied each October 1 on the certified assessed value as of January 1 for all real and personal property. The appraisal of property is the independent responsibility of the Anderson County Appraisal District and maintains the inventory information about improvements to real estate. The assessment is the combination of land and improvement value. Appraisals may be challenged through various appeals and, if necessary, legal action. The City is permitted by the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services including the payment of principal and interest on general obligation long-term debt. The benefit of a tax on property over a tax on sales is that the revenue always equals the tax levy; therefore the municipality that collects a majority of revenue from property tax can project budget revenues with less risk than a municipality that relies too profoundly on sales tax collection.

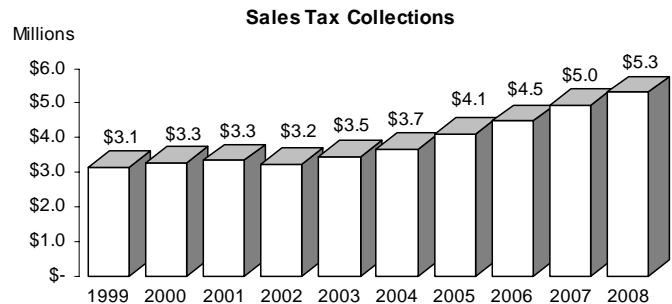
City of Palestine Historical Tax Rate

	General Operations	Debt Service	Total Rate
FYE 2000	0.5182	0.1229	0.6411
FYE 2001	0.5212	0.1199	0.6411
FYE 2002	0.5368	0.1043	0.6411
FYE 2003	0.5506	0.0905	0.6411
FYE 2004	0.5618	0.0793	0.6411
FYE 2005	0.6000	-	0.6000
FYE 2006	0.6200	-	0.6200
FYE 2007	0.5874	0.0326	0.6200
FYE 2008	0.6084	0.0306	0.6390
FYE 2009	0.5944	0.0446	0.6390

Sales Tax

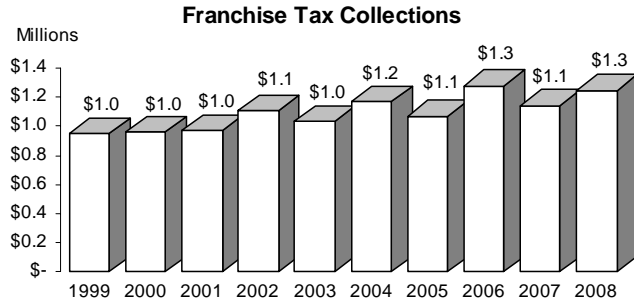
Texas cities have the option of imposing an additional local sales tax for a combined total of state and local taxes of 8.25%. Sales tax is levied on the sale, lease, or rental of all taxable goods and services within the Palestine city limits. Purchasers of these goods and services pay the tax. Certain foods and drugs as well as governmental purchases are exempted from the sales tax. Sales tax is collected by businesses at the time of the sale and then paid periodically to the Texas Comptroller of Public Accounts. The Comptroller then remits that portion due to the locality where the business is located.

State law limits the collection of local sales and use tax to no more than 2 percent. The City of Palestine collects 1.25 percent of the total 2 percent local sales tax allowed by Law as revenue for city operation. It is considered a more popular form of tax collection with the public since it is collected at the point of sale and is calculated on the price of the good being sold. Sales tax collections are volatile since they are directly related to the status of the local economy.



Franchise Fees

The City maintains public rights of way that are designated corridors for public streets and public drainage. These Corridors are an undervalued resource that becomes increasingly congested with the demand for technological infrastructure. In order to maintain rights of way, municipalities provide non-exclusive franchise agreements with utility systems, such as telephone, electric, cable television, and/or internet. The utilities compensate the City for this privileged use through franchise taxes.



Permits

A permit is required in most jurisdictions for new construction, or adding onto pre-existing structures. Generally, the new construction must be inspected during construction and after completion to ensure compliance with national, regional, and local building codes. The necessity of building codes is for public safety and efficient growth. Permit fees defray the cost of code enforcement.

Fines and Warrants

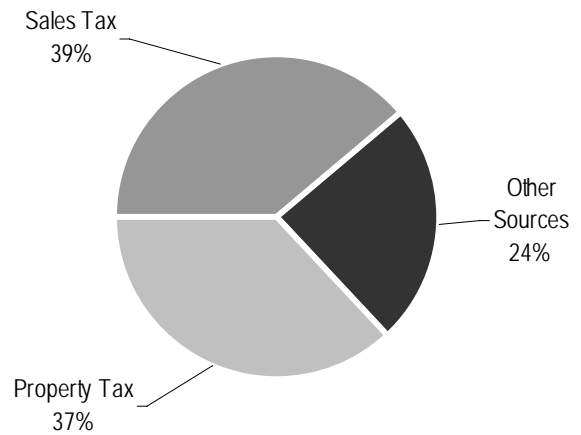
Fines and Warrants is revenue generated to defray the cost of handling a municipal court case. Municipal Court Fines are levied primarily for violations of local ordinances and traffic offenses. The revenue can include the collection of state court cost that is required to be reserved for a designated purpose. Library fines and fees are collected under

this category designation.

Other Revenue Sources

There are other sources of revenue which include a sundry of sources are listed as leases, charges for service, or other income are accounted for in the concluding revenue categories. Other fees include charges for services such as recreational use of the swimming pool and fees for police reports. Also, income from interest on investments is accounted for in general fund revenues.

PROJECTED GENERAL FUND REVENUE COLLECTION



Transfers

Routine transfers into the General Fund are budgeted as reimbursements for specific services that are provided by the fund. In recent years Council has limited transfers into the General Fund, especially from the enterprise funds. Limiting these transfers will allow the enterprise funds to pay additional debt required for utility capital improvements. The following chart provides a detail of transfers into the General Fund:

INTERFUND TRANSFER REQUIREMENTS			
<u>Purpose</u>	<u>From</u>	<u>To</u>	<u>Budgeted</u>
Debt Reimbursement for CO Series 2008	Water	010-4-1942	\$ 144,574
INCODE Maintenance	Water	010-4-1942	3,400
INCODE Maintenance	Wastewater	010-4-1942	3,400
INCODE Maintenance	Sanitation	010-4-1945	1,700
INCODE Maintenance	Court Tech	010-4-1955	4,300
INCODE Maintenance	Cemetery	010-4-1955	600
Reimbursement for Tourism and Marketing	Occupancy Tax	010-4-1944	334,427
			\$ 492,401

010-GENERAL FUND REVENUE

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 3,131,821	\$ 3,432,531	\$ 3,530,660
PROPERTY TAX			
010-4-1001 AD VALOREM TAXES	\$ 4,714,988	\$ 5,123,000	\$ 5,220,000
010-4-1002 PROPERTY TAX DELINQUENT	155,803	135,000	145,000
010-4-1003 PROPERTY TAX PENALTY	102,042	95,000	112,000
010-4-1004 TAX AGENCY FEES	49,950	50,000	50,000
010-4-1010 CITY SALES TAX	5,273,610	4,271,692	4,400,000
010-4-1011 MIXED DRINK	33,194	30,000	35,000
010-4-1012 CITY SALES TAX - PTR	-	1,067,923	1,101,000
010-4-1040 CASH OVER/SHORT	427	(6)	-
TOTAL PROPERTY TAX	\$ 10,330,014	\$ 10,772,609	\$ 11,063,000
FRANCHISE TAX			
010-4-1101 ELECTRICAL FRANCHISE	\$ 840,332	\$ 840,000	\$ 840,000
010-4-1102 GAS FRANCHISE	98,949	110,000	100,000
010-4-1103 TELEPHONE FRANCHISE	135,896	130,000	135,000
010-4-1104 CABLE TV FRANCHISE	132,700	130,000	135,000
010-4-1105 SANITATION FRANCHISE	42,872	42,000	25,000
TOTAL FRANCHISE TAX	\$ 1,250,748	\$ 1,252,000	\$ 1,235,000
LICENSES AND FEES			
010-4-1203 ZONING AND PLAT FEES	\$ 7,946	\$ 5,187	\$ 8,000
010-4-1204 FIRE INSPECTION FEES	95	-	-
010-4-1205 ANIMAL SHELTER FEES	1,560	2,520	2,000
010-4-1209 CONTRACTOR LICENSE	-	6,895	8,500
010-4-1210 IMPOUND FEES	-	800	1,000
TOTAL LICENSES AND FEES	\$ 9,601	\$ 15,402	\$ 19,500
PERMITS			
010-4-1301 BUILDING PERMIT FEES	\$ 54,340	\$ 78,845	\$ 75,000
010-4-1302 ELECTRICAL PERMIT FEES	8,982	13,000	13,000
010-4-1303 PLUMBING PERMIT FEES	9,820	10,000	12,000
010-4-1304 HEALTH PERMITS	19,135	29,475	30,000
010-4-1305 ALARM PERMITS	11,155	27,225	30,000
010-4-1306 MECHANICAL PERMITS	5,130	6,000	5,000
010-4-1307 FIRE OPERATION PERMITS	50	500	500
010-4-1308 FIRE CONSTRUCTION PERMITS	450	500	500
010-4-1309 PUBLIC IMPROVEMENT FEES	-	-	500
010-4-1310 OTHER PERMITS	2,558	325	500
TOTAL PERMITS	\$ 111,620	\$ 165,869	\$ 167,000
FINES AND WARRANTS			
010-4-1401 MUNICIPAL COURT FINES	\$ 362,101	\$ 439,085	\$ 450,000
010-4-1403 LIBRARY FINES	23,639	23,844	25,000
010-4-1404 WARRANT SERVICE FEES	562	285	500
010-4-1405 COURT OMNI FEE	(184)	1	-
010-4-1406 AGENCY COLLECTION FEES	18,165	14,308	20,000
010-4-1407 STATE COURT FEES	18	104	-
010-4-1408 RESTITUTION	-	500	500
TOTAL FINES AND WARRANTS	\$ 404,300	\$ 478,127	\$ 496,000

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
LEASES AND RENTALS			
010-4-1601 AIRPORT RENTAL FEES	\$ 300	\$ -	\$ -
010-4-1602 CELL TOWER RENTAL FEES	5,500	6,000	6,000
010-4-1605 OTHER RENTAL & LEASES	44	100	-
TOTAL LEASES AND RENTALS	\$ 5,844	\$ 6,100	\$ 6,000
CHARGES FOR SERVICE			
010-4-1706 SALE OF EQUIPMENT	\$ 4,100	\$ 2,000	\$ 2,000
010-4-1707 SALE OF MATERIALS	340	2,000	2,000
010-4-1711 OPEN RECORD FEE	-	3,691	3,000
010-4-1713 RECREATION FEE	-	380	1,500
010-4-1714 CIVIC CENTER FEES	-	-	45,000
010-4-1725 ATHLETIC FEES	2,250	3,500	2,500
010-4-1726 SWIMMING POOL FEES	1,510	2,500	2,500
010-4-1727 OTHER SERVICE CHARGES	22,657	5,000	5,000
TOTAL CHARGES FOR SERVICE	\$ 30,857	\$ 19,071	\$ 63,500
OTHER AGENCIES			
010-4-1804 STATE & FEDERAL GRANTS	\$ 98,835	\$ 79,027	\$ 75,000
010-4-1806 COUNTY - LIBRARY	131,250	75,000	75,000
010-4-1807 ECON DEV CORP CONTRACT	-	-	191,710
010-4-1819 PEDC CONTRIBUTION	288,945	-	-
TOTAL OTHER AGENCIES	\$ 519,030	\$ 154,027	\$ 341,710
OTHER INCOME			
010-4-1901 INTEREST ON INVESTMENTS	\$ 148,803	\$ 120,000	\$ 122,026
010-4-1902 INSURANCE RECOVERIES	20,508	100,000	50,000
010-4-1904 ST PAVING ASSESSMENT	(2,741)	-	-
010-4-1905 OTHER REVENUE INCOME	31,007	32,972	50,000
010-4-1910 LOAN PAYMENTS-INTEREST	-	19,368	25,000
010-4-1912 DONATIONS	-	1,000	500
010-4-1916 LOT CLEANUP REIMBURSEMENT	200	500	500
010-4-1917 DEMOLITION REMBURSEMENT	-	1,000	1,000
010-4-1918 LIBRARY REVENUE	8,276	7,054	8,500
010-4-1919 FEMA REIMBURSEMENT	-	26,700	-
010-4-1922 MAIN STREET DONATIONS	115	200	500
010-4-1926 SCRAP METAL	-	1,500	1,500
010-4-1942 TRANSFER FROM WATER	205,826	147,223	147,974
010-4-1943 TRANSFER FROM WASTEWATER	240,611	3,400	3,400
010-4-1944 TSFR FROM OCCUPANCY TAX	-	-	334,427
010-4-1945 TRANSFER FROM SANITATION	2,631	1,700	1,700
010-4-1955 TRANSFER FROM OTHER FUNDS	4,700	4,900	4,900
TOTAL OTHER INCOME	\$ 659,937	\$ 467,518	\$ 751,927
TOTAL REVENUE	\$ 13,321,951	\$ 13,330,723	\$ 14,143,637
TOTAL FUNDS AVAILABLE	\$ 16,453,772	\$ 16,763,254	\$ 17,674,297

CITY COUNCIL

Palestine, a community incorporated in 1871, has a population of 17,598. The City of Palestine is primarily responsible for maintaining a safe, pleasant environment within the community by providing effective governance and the efficient delivery of public services. The City of Palestine is a home-rule city operating under the City Charter originally adopted in 1871, with the present changes adopted in August, 1983. The City is operated by a Council-Manager form of government with a Mayor, six Council members and a City Manager. The Council members are elected from six single-member districts, with the Mayor elected at large. The City Council meets in regular sessions at 5:30 p.m. on the 2nd and 4th Monday of each month.

ELECTED POSITIONS	
POSITION	CURRENT TERM
Mayor	May 2011
Council Position No. 1	May 2010
Council Position No. 2	May 2011
Council Position No. 3	May 2010
Council Position No. 4	May 2011
Council Position No. 5	May 2010
Council Position No. 6	May 2011

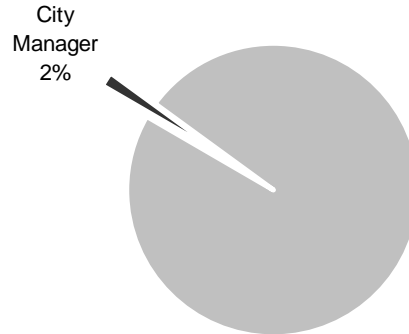
CITY COUNCIL

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-100-1010 SALARIES	\$ 6,000	\$ 6,000	\$ 6,000
010-5-100-1033 CAR ALLOWANCE	6,600	6,600	6,600
010-5-100-1040 SOCIAL SECURITY	963	965	964
010-5-100-1061 WORKER'S COMPENSATION	17	218	217
TOTAL PERSONNEL	\$ 13,581	\$ 13,783	\$ 13,781
SUPPLIES AND MATERIALS			
010-5-100-2010 OFFICE SUPPLIES	\$ -	\$ 50	\$ 200
010-5-100-2020 POSTAGE	-	50	1,000
TOTAL SUPPLIES AND MATERIALS	\$ -	\$ 100	\$ 1,200
SERVICES			
010-5-100-3040 COMMUNICATIONS	\$ 40	\$ -	\$ -
010-5-100-3080 MEMBERSHIP & SUBSCRIP.	5,989	6,000	7,000
010-5-100-3082 TRAVEL AND TRAINING	15,381	2,380	-
010-5-100-3082.01 POSITION 1 TRAVEL	-	2,001	2,000
010-5-100-3082.02 POSITION 2 TRAVEL	-	2,000	2,000
010-5-100-3082.03 POSITION 3 TRAVEL	-	2,000	2,000
010-5-100-3082.04 POSITION 4 TRAVEL	-	2,000	2,000
010-5-100-3082.05 POSITION 5 TRAVEL	-	2,001	2,000
010-5-100-3082.06 POSITION 6 TRAVEL	-	2,001	2,000
010-5-100-3082.07 MAYOR TRAVEL	-	2,000	2,000
010-5-100-3110 ADVERTISING	-	1,500	-
TOTAL SERVICES	\$ 21,409	\$ 23,882	\$ 21,000
SUNDRY			
010-5-100-5070 ADVERTISING	\$ 62	\$ -	\$ -
010-5-100-5200 FOOD	2,012	1,345	2,500
TOTAL SUNDRY	\$ 2,074	\$ 1,345	\$ 2,500
TOTAL CITY COUNCIL	\$ 37,064	\$ 39,110	\$ 38,481

CITY MANAGER

The City Manager is the Chief Executive Officer of the City. It is his/her duty, under the City Charter, to execute and implement policies as established by the City Council. He/she is responsible for the overall coordination of the City's governmental activities, for the efficient operation of the City, for management leadership to the staff and organization, and to communicate organizational goals and values to the public.

DIVISION EXPENDITURES RELATED TO THE GENERAL FUND



PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
City Manager	1.0	1.0
Administrative Assistant	1.0	1.0

CITY MANAGER

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-110-1010 SALARIES	\$ 143,139	\$ 142,142	\$ 146,421
010-5-110-1015 DIFFERED COMPENSATION	8,085	4,083	8,328
010-5-110-1030 LONGEVITY	276	432	576
010-5-110-1031 INCENTIVE	650	1,300	1,200
010-5-110-1033 CAR ALLOWANCE	6,500	6,000	6,000
010-5-110-1036 CELL PHONE ALLOWANCE	-	-	960
010-5-110-1040 SOCIAL SECURITY	10,505	12,085	12,433
010-5-110-1050 HEALTH INSURANCE	24,478	26,453	36,660
010-5-110-1060 UNEMPLOYMENT INSURANCE	3,503	3,633	163
010-5-110-1061 WORKER'S COMPENSATION	424	619	94
010-5-110-1070 RETIREMENT	21,292	22,904	24,558
TOTAL PERSONNEL	\$ 218,852	\$ 219,650	\$ 237,393
SUPPLIES AND MATERIALS			
010-5-110-2010 OFFICE SUPPLIES	\$ 2,733	\$ 5,290	\$ 3,000
010-5-110-2020 POSTAGE	280	731	300
TOTAL SUPPLIES AND MATERIALS	\$ 3,013	\$ 6,020	\$ 3,300
SERVICES			
010-5-110-3031 CONSULTANT SERVICES	\$ 3,663	\$ -	\$ -
010-5-110-3040 COMMUNICATIONS	2,798	3,787	5,500
010-5-110-3080 MEMBERSHIP & SUBSCRIPT.	2,499	2,537	3,700
010-5-110-3082 TRAVEL AND TRAINING	5,091	1,520	4,200
TOTAL SERVICES	\$ 14,050	\$ 7,843	\$ 13,400
MAINTENANCE - EQUIPMENT			
010-5-110-4510 FIXTURE / EQUIPMENT MAINT.	\$ -	\$ -	\$ 1,500
TOTAL MAINTENANCE - EQUIPMENT	\$ -	\$ -	\$ 1,500
SUNDRY			
010-5-110-5200 FOOD	\$ 225	\$ 500	\$ 1,000
TOTAL SUNDRY	\$ 225	\$ 500	\$ 1,000
TOTAL CITY MANAGER	\$ 236,140	\$ 234,014	\$ 256,593

CITY SECRETARY

The City Secretary's Office is responsible for a broad range of administrative and clerical support for city departments and the public. The City Secretary attends all meetings of the City Council, prepares and maintains minutes, ordinances, resolutions, contracts, deeds, easements, and other official documents. Alcoholic beverage, itinerant vendor, peddler, and handbill permits are also issued by this office. As Legal Registrar of Vital Statistics, the City Secretary's Office records and furnishes certificates of all deaths and births within the corporate city limits. Cemetery lots are sold and burial records are maintained by this office. As Election Administrator, the City Secretary is responsible for all city elections. The City Secretary's Office acts as a public information center to visitors upon entering City Hall

and through the operation of the city telephone system. Records requested under the Public Information Act are coordinated by the City Secretary.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
City Secretary	1.0	1.0

SUPPLEMENTAL DECISIONS		
Program	Line	Amount
Laserfiche	3027	\$ 6,450

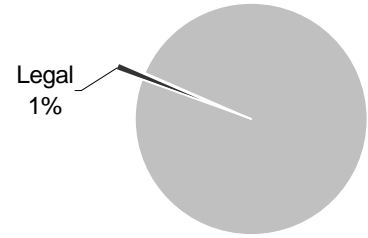
CITY SECRETARY

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-120-1010 SALARIES	\$ 44,951	\$ 46,010	\$ 47,382
010-5-120-1030 LONGEVITY	282	360	432
010-5-120-1031 INCENTIVE	650	1,300	1,200
010-5-120-1040 SOCIAL SECURITY	3,440	3,647	3,750
010-5-120-1050 HEALTH INSURANCE	7,750	8,292	10,409
010-5-120-1060 UNEMPLOYMENT INSURANCE	1,011	1,096	49
010-5-120-1061 WORKER'S COMPENSATION	127	186	28
010-5-120-1070 RETIREMENT	6,208	6,912	7,406
TOTAL PERSONNEL	\$ 64,418	\$ 67,802	\$ 70,656
SUPPLIES AND MATERIALS			
010-5-120-2010 OFFICE SUPPLIES	\$ 2,027	\$ 1,438	\$ 2,000
010-5-120-2020 POSTAGE	507	851	850
010-5-120-2060 PUBLICATIONS	48	201	500
010-5-120-2084 ELECTION EXPENSE	-	15,000	4,000
TOTAL SUPPLIES AND MATERIALS	\$ 2,583	\$ 17,490	\$ 7,350
SERVICES			
010-5-120-3026 CODIFICATION	\$ 6,710	\$ 10,000	\$ 10,000
010-5-120-3027 RECORDS MANAGEMENT	7,051	3,201	9,650
010-5-120-3040 COMMUNICATIONS	4,498	5,500	5,500
010-5-120-3080 MEMBERSHIP & SUBSCRIPT.	43	-	-
010-5-120-3082 TRAVEL AND TRAINING	3,334	3,601	4,600
010-5-120-3110 ADVERTISING	3,650	3,000	3,000
010-5-120-3220 INSURANCE AND BONDS	71	100	100
TOTAL SERVICES	\$ 25,356	\$ 25,402	\$ 32,850
TOTAL CITY SECRETARY	\$ 92,357	\$ 110,694	\$ 110,856

LEGAL

Under a contract basis, the City Attorney provides the City Council and staff legal guidance and assistance, drafts ordinances and resolutions, and represents the City in all legal matters. He/she also is the Chief Legal Advisor for the City Council, all City departments, boards, and commissions and is responsible for the preparation and prosecution of all cases in Municipal Court, securing rights-of-way and any other legal activities as may be required.

DIVISION EXPENDITURES RELATED TO THE GENERAL FUND



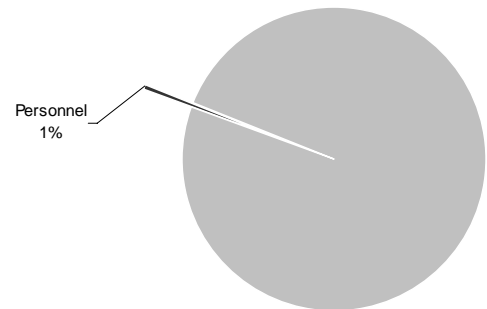
LEGAL

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SERVICES			
010-5-130-3010 LEGAL SERVICES	\$ 104,949	\$ 100,000	\$ 100,000
010-5-130-3011 LITIGATION	-	-	-
TOTAL SERVICES	\$ 104,949	\$ 100,000	\$ 100,000
TOTAL LEGAL	\$ 104,949	\$ 100,000	\$ 100,000

PERSONNEL

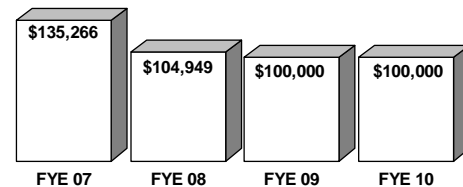
The Personnel Department is responsible for administering and enforcing the personnel ordinances and policies of the City and applicable federal and state laws and regulations. The personnel function includes everything that affects municipal employees. It covers a wide variety of activities, including recruiting job applicants; keeping records of all personnel actions, such as promotions or demotions, and transfers.

DIVISION EXPENDITURES RELATED TO THE GENERAL FUND



PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Human Resource Manager	1.0	1.0

FISCAL YEAR EXPENDITURES FOR LEGAL SERVICES



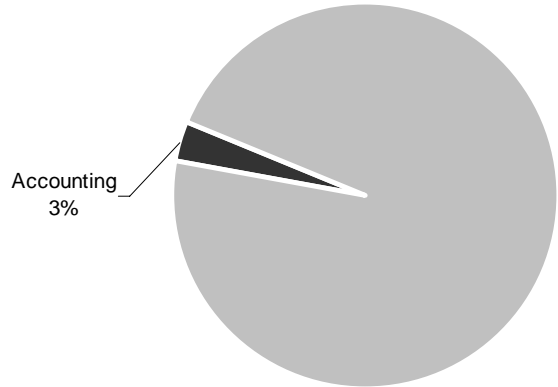
PERSONNEL

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-140-1010 SALARIES	\$ 35,218	\$ 40,568	\$ 41,794
010-5-140-1030 LONGEVITY	141	216	288
010-5-140-1031 INCENTIVES	-	1,000	-
010-5-140-1040 SOCIAL SECURITY	2,754	3,198	3,219
010-5-140-1050 HEALTH INSURANCE	5,688	6,087	6,143
010-5-140-1060 UNEMPLOYMENT INSURANCE	777	962	42
010-5-140-1061 WORKER'S COMPENSATION	98	165	24
010-5-140-1070 RETIREMENT	4,773	6,059	6,359
010-5-140-1090 EMPLOYEE APPRECIATION	4,287	7,223	6,000
TOTAL PERSONNEL	\$ 53,735	\$ 65,477	\$ 63,869
SUPPLIES AND MATERIALS			
010-5-140-2010 OFFICE SUPPLIES	\$ 171	\$ 701	\$ 700
010-5-140-2020 POSTAGE	266	400	400
TOTAL SUPPLIES AND MATERIALS	\$ 437	\$ 1,101	\$ 1,100
SERVICES			
010-5-140-3030 PROFESSIONAL SERVICES	\$ (58)	\$ -	\$ -
010-5-140-3032 SPECIAL STUDIES	2,206	2,400	2,400
010-5-140-3035 MEDICAL/DOCTOR-HOSPITAL	5,620	5,000	5,500
010-5-140-3040 COMMUNICATIONS	1,736	1,500	1,800
010-5-140-3080 MEMBERSHIP & SUBSCRIPT.	3,389	2,701	2,700
010-5-140-3082 TRAVEL AND TRAINING	2,521	2,501	2,500
010-5-140-3110 ADVERTISING	4,954	3,800	3,800
010-5-140-3112 PRINTING SERVICES	1,807	1,500	1,500
010-5-140-3330 CONTRACT SERVICES	449	500	500
TOTAL SERVICES	\$ 22,625	\$ 19,902	\$ 20,700
MAINTENANCE & REPAIR			
010-5-140-4120 EQUIPMENT & MACHINERY	\$ -	\$ 100	\$ 100
TOTAL MAINTENANCE & REPAIR	\$ -	\$ 100	\$ 100
TOTAL PERSONNEL	\$ 76,797	\$ 86,581	\$ 85,769

ACCOUNTING

The Accounting Department is responsible for coordinating and maintaining comprehensive management of the City’s financial activities to ensure proper use and investment of City funds. The department also provides financial information to management and the various departments of the City through the additional functions of accounts payable, payroll, and financial reporting. Accounting is responsible for preparation of the City’s annual operating budget and comprehensive annual financial report.

DIVISION EXPENDITURES RELATED TO THE GENERAL FUND



PERSONNEL ALLOCATION			
POSITION	FYE 09	FYE 10	
Finance Director	1.0	1.0	
Accounting Clerk	2.0	2.0	
Senior Accountant	1.0	1.0	

ACCOUNTING

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-210-1010 SALARIES	\$ 218,101	\$ 190,161	\$ 185,920
010-5-210-1020 OVERTIME	281	1,000	2,500
010-5-210-1030 LONGEVITY	3,537	1,872	2,592
010-5-210-1031 INCENTIVE	-	-	1,200
010-5-210-1040 SOCIAL SECURITY	16,929	14,882	14,704
010-5-210-1050 HEALTH INSURANCE	27,723	40,842	36,750
010-5-210-1060 UNEMPLOYMENT INSURANCE	4,954	4,474	192
010-5-210-1061 WORKER'S COMPENSATION	625	761	111
010-5-210-1070 RETIREMENT	30,217	28,207	29,043
TOTAL PERSONNEL	\$ 302,366	\$ 282,198	\$ 273,012
SUPPLIES AND MATERIALS			
010-5-210-2010 OFFICE SUPPLIES	\$ 2,954	\$ 4,000	\$ 4,000
010-5-210-2020 POSTAGE	2,532	2,600	2,600
TOTAL SUPPLIES AND MATERIALS	\$ 5,486	\$ 6,600	\$ 6,600
SERVICES			
010-5-210-3020 AUDITS, CONTRACTS, SPECI	\$ 82,255	\$ 55,000	\$ 55,000
010-5-210-3021 APPRASIAL DISTRICT	97,736	105,000	95,000
010-5-210-3030 PROFESSIONAL SERVICES	49,415	20,000	20,000
010-5-210-3040 COMMUNICATIONS	4,582	5,000	5,000
010-5-210-3080 MEMBERSHIP & SUBSCRIPT.	369	1,000	1,000
010-5-210-3082 TRAVEL AND TRAINING	5,050	6,000	6,000
010-5-210-3110 ADVERTISING	-	200	1,000
010-5-210-3112 PRINTING SERVICES	194	900	900
010-5-210-3210 FINANCIAL SERVICE CHARGE	10,038	10,070	10,000
TOTAL SERVICES	\$ 249,638	\$ 203,170	\$ 193,900

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
MAINTENANCE - EQUIPMENT			
010-5-210-4510 FIXTURE / EQUIPMENT MAINT.	\$ 48	\$ 200	\$ 500
TOTAL MAINTENANCE - EQUIPMENT	\$ 48	\$ 200	\$ 500
TOTAL ACCOUNTING	\$ 557,537	\$ 492,168	\$ 474,012

PURCHASING

The Purchasing Department is a centralized purchasing office that provides an efficient, economical and effective method of acquiring goods and services to meet the needs of City departments, while insuring a fair and competitive bidding process with equal opportunity for all interested vendors. The Department supervises the bidding process, and ensures that various departments follow the Purchasing Guidelines approved by the City Council. The Purchasing Agent is also responsible for the

central warehouse, auctions of surplus materials, vehicle registration, and performs special projects for finance and the City Manager.

PERSONNEL ALLOCATION		
<u>POSITION</u>	<u>FYE 09</u>	<u>FYE 10</u>
Purchasing Agent	1.0	1.0

PURCHASING

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-230-1010 SALARIES	\$ 41,870	\$ 43,053	\$ 43,987
010-5-230-1030 LONGEVITY	1,950	1,944	2,016
010-5-230-1040 SOCIAL SECURITY	3,412	3,442	3,519
010-5-230-1050 HEALTH INSURANCE	5,688	6,086	6,143
010-5-230-1060 UNEMPLOYMENT INSURANCE	966	1,035	46
010-5-230-1061 WORKER'S COMPENSATION	122	176	27
010-5-230-1070 RETIREMENT	5,931	6,525	6,951
TOTAL PERSONNEL	\$ 59,939	\$ 62,262	\$ 62,689
SUPPLIES AND MATERIALS			
010-5-230-2010 OFFICE SUPPLIES	\$ 701	\$ 800	\$ 800
010-5-230-2020 POSTAGE	235	350	350
TOTAL SUPPLIES AND MATERIALS	\$ 936	\$ 1,150	\$ 1,150
SERVICES			
010-5-230-3040 COMMUNICATIONS	\$ 1,835	\$ 1,700	\$ 1,900
010-5-230-3050 UTILITIES - ELECTRIC	-	475	475
010-5-230-3080 MEMBERSHIP & SUBSCRIPT.	575	940	940
010-5-230-3082 TRAVEL AND TRAINING	1,072	1,500	1,500
010-5-230-3110 ADVERTISING	768	1,000	1,000
TOTAL SERVICES	\$ 4,250	\$ 5,615	\$ 5,815

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
MAINTENANCE & REPAIR			
010-5-230-4120 EQUIPMENT & MACHINERY	\$ 48	\$ 100	\$ 100
TOTAL MAINTENANCE & REPAIR	\$ 48	\$ 100	\$ 100
TOTAL PURCHASING	\$ 65,173	\$ 69,126	\$ 69,754

MUNICIPAL COURT

The City of Palestine Municipal Court's primary function is to process all Class "C" Criminal charges filed by the Police Division, Fire Marshals and Code Enforcement Officers. These include charges filed under the Texas Transportation Code, Penal Code, Alcoholic Beverage Code, Health and Safety Code, Education Code and Palestine Code of Ordinances.

To the right is the personnel allocation for the Municipal Court:

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Court Administrator	1.0	1.0
Court Clerk	2.0	2.0
City Marshall	1.0	1.0
Prosecutor	0.5	0.5
Municipal Court Judge	0.5	0.5

MUNICIPAL COURT

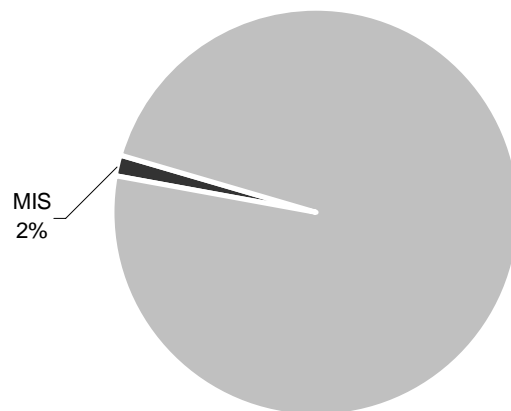
	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-250-1010 SALARIES	\$ 137,280	\$ 202,072	\$ 190,992
010-5-250-1020 OVERTIME	479	500	500
010-5-250-1030 LONGEVITY	3,207	1,000	3,024
010-5-250-1031 INCENTIVE	6,300	5,000	5,400
010-5-250-1036 CELL PHONE ALLOWANCE	-	-	600
010-5-250-1040 SOCIAL SECURITY	11,527	15,756	15,294
010-5-250-1050 HEALTH INSURANCE	28,153	26,550	32,483
010-5-250-1060 UNEMPLOYMENT INSURANCE	3,362	4,737	200
010-5-250-1061 WORKER'S COMPENSATION	1,429	4,405	789
010-5-250-1070 RETIREMENT	19,921	21,799	27,243
TOTAL PERSONNEL	\$ 211,658	\$ 281,817	\$ 276,525
SUPPLIES AND MATERIALS			
010-5-250-2010 OFFICE SUPPLIES	\$ 846	\$ 1,700	\$ 1,800
010-5-250-2020 POSTAGE	1,103	1,500	1,500
010-5-250-2040 UNIFORMS AND APPAREL	584	750	800
010-5-250-2060 PUBLICATIONS	111	400	250
010-5-250-2070 GASOLINE AND OIL	1,416	2,000	2,000
TOTAL SUPPLIES AND MATERIALS	\$ 4,060	\$ 6,349	\$ 6,350

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SERVICES			
010-5-250-3015 MUNICIPAL COURT JUDGE	\$ 33,850	\$ -	\$ -
010-5-250-3016 JURY EXPENSE	600	1,500	1,200
010-5-250-3017 MUNICIPAL PROSECUTORS	6,525	-	1,400
010-5-250-3040 COMMUNICATIONS	3,547	3,500	3,500
010-5-250-3082 TRAVEL AND TRAINING	2,136	5,000	4,500
010-5-250-3110 ADVERTISING	-	250	250
010-5-250-3112 PRINTING SERVICES	209	1,500	1,500
010-5-250-3210 FINANCIAL SERVICE CHARGE	-	528	500
010-5-250-3220 INSURANCE AND BONDS	-	80	-
010-5-250-3330 CONTRACT SERVICES	48,876	56,575	56,575
TOTAL SERVICES	\$ 95,743	\$ 68,933	\$ 69,425
MAINTENANCE & REPAIR			
010-5-250-4110 MOTOR VEHICLES	\$ 466	\$ 1,000	\$ 1,000
010-5-250-4120 EQUIPMENT & MACHINERY	537	1,000	1,000
TOTAL MAINTENANCE & REPAIR	\$ 1,003	\$ 2,000	\$ 2,000
MAINTENANCE - EQUIPMENT			
010-5-250-4520 SOFTWARE MAINTENANCE	\$ 50	\$ 700	\$ 500
TOTAL MAINTENANCE - EQUIPMENT	\$ 50	\$ 700	\$ 500
EQUIPMENT			
010-5-250-8015 COMPUTER EQUIPMENT	\$ -	\$ 200	\$ 200
TOTAL EQUIPMENT	\$ -	\$ 200	\$ 200
TOTAL MUNICIPAL COURT	\$ 312,514	\$ 359,999	\$ 355,000

MANAGEMENT INFORMATION SYSTEMS

This department is responsible for all information processing requirements for all City departments. This includes maintenance of hardware and software as well as supporting computer users with training and technical assistance. This department supports all mid-range and PC computer equipment in use by City departments. The Management Information Systems or MIS is more than information technology; it is a planned system of the collecting, processing, storing and disseminating data in the form of information needed to carry out the functions of management. It is the documentation of the City's daily business activities; which are maintained electronically. This information determines both the strategic and operational capabilities of the administration in designing and developing services for maximum customer satisfaction.

DIVISION EXPENDITURES RELATED TO THE GENERAL FUND



MANAGEMENT INFORMATION SYSTEMS

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SUPPLIES AND MATERIALS			
010-5-260-2010 OFFICE SUPPLIES	\$ 6,815	\$ 5,500	\$ 6,000
010-5-260-2020 POSTAGE	-	1,000	500
TOTAL SUPPLIES AND MATERIALS	\$ 6,815	\$ 6,500	\$ 6,500
SERVICES			
010-5-260-3040 COMMUNICATIONS	\$ 146	\$ 2,000	\$ 2,000
010-5-260-3042 INTERNET SERVICES	1,578	5,000	5,000
010-5-260-3082 TRAVEL AND TRAINING	22	-	-
010-5-260-3310 EQUIPMENT LEASE	22,361	-	-
010-5-260-3330 CONTRACT SERVICES	60,193	52,000	52,000
TOTAL SERVICES	\$ 84,300	\$ 59,000	\$ 59,000
MAINTENANCE & REPAIR			
010-5-260-4120 EQUIPMENT & MACHINERY	\$ 2,621	\$ 25,000	\$ 26,000
TOTAL MAINTENANCE & REPAIR	\$ 2,621	\$ 25,000	\$ 26,000
MAINTENANCE - EQUIPMENT			
010-5-260-4520 SOFTWARE MAINTENANCE	\$ 64,142	\$ 32,440	\$ 40,000
TOTAL MAINTENANCE - EQUIPMENT	\$ 64,142	\$ 32,440	\$ 40,000
EQUIPMENT			
010-5-260-8015 COMPUTER EQUIPMENT	\$ 18,486	\$ 28,000	\$ 33,000
010-5-260-8016 COMPUTER SOFTWARE	-	5,200	6,000
TOTAL EQUIPMENT	\$ 18,486	\$ 33,200	\$ 39,000
INTERFUND ACTIVITY			
010-5-260-9510 EQUIP. PURCHASE CONTRIB.	\$ 49,941	\$ 49,941	\$ 49,941
TOTAL INTERFUND ACTIVITY	\$ 49,941	\$ 49,941	\$ 49,941
TOTAL MIS	\$ 226,306	\$ 206,082	\$ 220,441

GENERAL FUND OPERATIONS

General Fund Operations include expenses related to financial activity of the actual fund such as inter-fund transfers, financial charges and special activity. The following table accounts for the inter-fund activity for the fiscal year:

INTERFUND TRANSFER REQUIREMENTS			
<u>Purpose</u>	<u>To</u>	<u>From</u>	<u>Budgeted</u>
Airport Operations	General	620-5-110-9012	25,000
			\$ 25,000

INTERFUND SERVICES

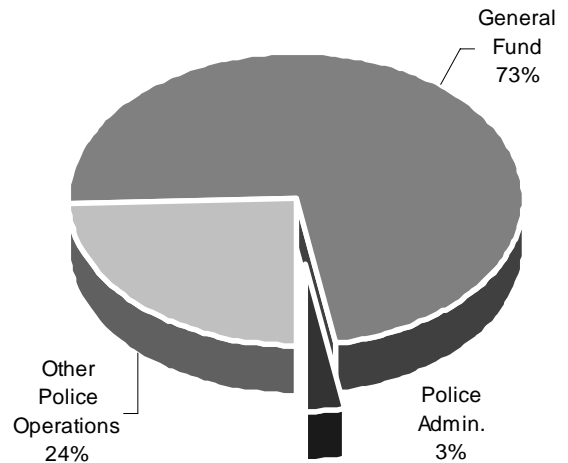
	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SUPPLIES AND MATERIALS			
010-5-270-2020 POSTAGE	\$ 2,000	\$ 2,000	\$ -
TOTAL SUPPLIES AND MATERIALS	\$ 2,000	\$ 2,000	\$ -
SERVICES			
010-5-270-3020 AUDITS & SPECIAL STUDIES	\$ 22,680	\$ -	\$ -
010-5-270-3200 WAREHOUSE SERVICES	35,821	28,000	28,000
010-5-270-3210 FINANCIAL SERVICE CHARGE	1,082	100	-
010-5-270-3211 INVESTMENT CHARGE	5,318	8,000	5,000
010-5-270-3220 INSURANCE AND BONDS	153,249	170,000	160,000
010-5-270-3310 EQUIPMENT RENTAL / LEASE	730	-	-
TOTAL SERVICES	\$ 218,879	\$ 206,100	\$ 193,000
CAPITAL OUTLAY			
010-5-270-7452 CAPGEMINI BLDG. CASH MATCH	\$ 106,711	\$ 60,000	\$ 60,000
TOTAL CAPITAL OUTLAY	\$ 106,711	\$ 60,000	\$ 60,000
INTERFUND ACTIVITY			
010-5-270-9012 TRSF TO AIRPORT FUND	\$ 20,000	\$ 25,000	\$ 25,000
010-5-270-9075 TRSF TO OTHER FUNDS	250,000	-	-
TOTAL INTERFUND ACTIVITY	\$ 270,000	\$ 25,000	\$ 25,000
TOTAL INTERFUND SERVICES	\$ 597,589	\$ 293,100	\$ 278,000

POLICE ADMINISTRATION

The Police Administration Division directs the overall activities of the Police Departments to accomplish the mission and goals of the Department, ensuring that Department resources are used in the most efficient and effective manner. The Administration Division is responsible for coordinating Police Department efforts with other city departments and with other law enforcement agencies.

The Administration Division also works with regional, state and national organizations to enhance the ability of the Police Department to ensure the safety of all persons in the community. The Administration Division is also responsible for submitting law enforcement reports, managing grant funding, updating policies and procedures.

DIVISION EXPENDITURES RELATED TO THE GENERAL FUND



PERSONNEL ALLOCATION			
<u>POSITION</u>	<u>FYE 09</u>	<u>FYE 10</u>	
Police Chief	1.0	1.0	
Police Lieutenant	2.0	2.0	
Administrative Assistant	1.0	1.0	

POLICE ADMINISTRATION

	<u>ACTUAL</u> <u>FYE 2008</u>	<u>ESTIMATED</u> <u>FYE 2009</u>	<u>TOTAL</u> <u>FYE 2010</u>
PERSONNEL			
010-5-310-1010 SALARIES	\$ 223,188	\$ 242,377	\$ 245,631
010-5-310-1020 OVERTIME	21,035	9,321	-
010-5-310-1030 LONGEVITY	3,096	3,168	3,456
010-5-310-1031 INCENTIVE	7,799	9,438	9,438
010-5-310-1034 UNIFORM ALLOWANCE	5,035	7,750	7,750
010-5-310-1036 CELL PHONE ALLOWANCE	-	-	2,880
010-5-310-1040 SOCIAL SECURITY	19,579	20,194	20,370
010-5-310-1050 HEALTH INSURANCE	30,699	35,172	41,024
010-5-310-1060 UNEMPLOYMENT INSURANCE	5,734	6,072	266
010-5-310-1061 WORKER'S COMPENSATION	7,397	10,106	1,832
010-5-310-1070 RETIREMENT	34,959	38,277	40,234
TOTAL PERSONNEL	\$ 358,520	\$ 381,875	\$ 372,881

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SUPPLIES AND MATERIALS			
010-5-310-2010 OFFICE SUPPLIES	\$ 1,102	\$ 1,400	\$ 1,400
010-5-310-2020 POSTAGE	300	450	450
010-5-310-2030 JANITORIAL SUPPLIES	-	65	65
010-5-310-2040 UNIFORMS AND APPAREL	1,164	1,887	-
010-5-310-2063 SPECIAL ACTIVITIES	1,921	2,501	2,500
010-5-310-2070 GASOLINE AND OIL	5,345	4,001	4,000
010-5-310-2080 SMALL TOOLS AND EQUIP.	334	325	325
TOTAL SUPPLIES AND MATERIALS	\$ 10,166	\$ 10,628	\$ 8,740
SERVICES			
010-5-310-3030 PROFESSIONAL SERVICES	\$ 27,387	\$ 2,800	\$ 2,300
010-5-310-3040 COMMUNICATIONS	4,936	5,001	4,000
010-5-310-3080 MEMBERSHIP & SUBSCRIPT.	105	1,000	1,000
010-5-310-3082 TRAVEL AND TRAINING	4,579	5,000	5,000
010-5-310-3112 PRINTING SERVICES	-	570	570
010-5-310-3220 INSURANCE AND BONDS	-	71	71
TOTAL SERVICES	\$ 37,007	\$ 14,442	\$ 12,941
MAINTENANCE & REPAIR			
010-5-310-4110 MOTOR VEHICLES	\$ 836	\$ 2,500	\$ 2,500
010-5-310-4120 EQUIPMENT & MACHINERY	1,108	1,500	1,500
TOTAL MAINTENANCE & REPAIR	\$ 1,944	\$ 4,000	\$ 4,000
MAINTENANCE - EQUIPMENT			
010-5-310-4510 FIXTURE / EQUIPMENT MAINT.	\$ 2,608	\$ 1,000	\$ 1,000
010-5-310-4520 SOFTWARE MAINTENANCE	2,148	2,800	600
010-5-310-4540 OUTSOURCED AUTO REPAIR	-	150	150
TOTAL MAINTENANCE - EQUIPMENT	\$ 4,756	\$ 3,950	\$ 1,750
TOTAL POLICE ADMINISTRATION	\$ 412,393	\$ 414,895	\$ 400,312

POLICE PATROL

The Palestine Police Department Patrol Division have the primary responsibility for responding to calls for service and providing quality basic police services. Patrol provides first response to all calls for service and emergencies.

Employees of the Patrol Division enforce state and local laws and work with the community on an array public safety issues. Patrol officers also write reports, testify in court and are proficient in crime prevention and crime reduction strategies. The Patrol Division is the most visible division of the

police department, providing service to citizens and visitors of Palestine.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Patrol Officer	25.0	25.0
Sergeant	3.0	3.0
Corporal	1.0	1.0

The following are supplemental decisions that were approved by Council and are budgeted in the Police Patrol Division:

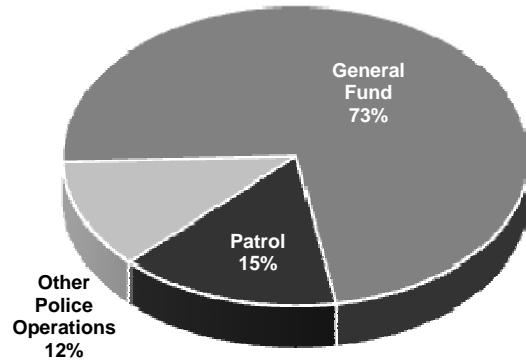
largest of the five divisions and it accounts for over half of the police budget.

SUPPLEMENTAL DECISIONS			
<u>Program</u>	<u>Line</u>		<u>Amount</u>
Overtime Increase	1020	\$	15,000
Lease Purchases	9511	\$	20,000

Overtime increases are necessary in order for officers to cover all shifts. In past budgets, overtime was afforded due to the number of open positions; however the department is projected to remain near full-staff throughout the year and the department will use a portion of allocated overtime for traffic enforcement. The supplemental lease-purchases are related to new vehicle and equipment.

The Police Department accounts for 20 percent of the General Fund Budget and the patrol is the

DIVISION EXPENDITURES RELATED TO THE GENERAL FUND



POLICE PATROL

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-320-1010 SALARIES	\$ 1,090,073	\$ 981,059	\$ 1,070,646
010-5-320-1020 OVERTIME	198,562	152,400	75,000
010-5-320-1021 STEP OVERTIME	-	-	10,000
010-5-320-1030 LONGEVITY	7,113	4,776	6,192
010-5-320-1031 INCENTIVE	34,672	32,755	47,008
010-5-320-1032 SHIFT PAY	8,400	15,325	20,800
010-5-320-1034 UNIFORM ALLOWANCE	50	-	-
010-5-320-1040 SOCIAL SECURITY	101,003	84,441	92,920
010-5-320-1050 HEALTH INSURANCE	285,870	240,830	406,024
010-5-320-1060 UNEMPLOYMENT INSURANCE	29,716	25,746	1,215
010-5-320-1061 WORKER'S COMPENSATION	42,353	37,478	9,834
010-5-320-1070 RETIREMENT	181,145	175,794	183,533
TOTAL PERSONNEL	\$ 1,978,956	\$ 1,750,603	\$ 1,923,172
SUPPLIES AND MATERIALS			
010-5-320-2010 OFFICE SUPPLIES	\$ 2,062	\$ 1,883	\$ 100
010-5-320-2020 POSTAGE	354	293	250
010-5-320-2030 JANITORIAL SUPPLIES	-	100	100
010-5-320-2040 UNIFORMS AND APPAREL	25,899	22,071	20,250
010-5-320-2063 SPECIAL ACTIVITIES	446	558	1,200
010-5-320-2070 GASOLINE AND OIL	64,102	52,811	66,100
010-5-320-2080 SMALL TOOLS AND EQUIP.	21,121	25,342	26,341
010-5-320-2083 ARSENAL	6,745	6,000	6,000
TOTAL SUPPLIES AND MATERIALS	\$ 120,729	\$ 109,059	\$ 120,341

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SERVICES			
010-5-320-3030 PROFESSIONAL SERVICES	\$ 708	\$ 1,461	\$ 600
010-5-320-3035 MEDICAL/DOCTOR-HOSPITAL	-	279	2,000
010-5-320-3040 COMMUNICATIONS	5,402	4,460	3,000
010-5-320-3080 MEMBERSHIP & SUBSCRIPT.	1,385	1,381	2,000
010-5-320-3082 TRAVEL AND TRAINING	20,404	12,081	16,350
010-5-320-3112 PRINTING SERVICES	1,666	2,335	3,000
010-5-320-3220 INSURANCE AND BONDS	-	-	-
010-5-320-3310 EQUIPMENT RENTAL / LEASE	2,328	5,177	6,000
TOTAL SERVICES	\$ 31,894	\$ 27,174	\$ 32,950
MAINTENANCE & REPAIR			
010-5-320-4010 BUILDINGS AND STRUCTURES	\$ -	\$ 651	\$ -
010-5-320-4110 MOTOR VEHICLES	24,784	29,306	30,000
010-5-320-4120 EQUIPMENT & MACHINERY	20,107	19,213	19,609
TOTAL MAINTENANCE & REPAIR	\$ 44,891	\$ 49,170	\$ 49,609
MAINTENANCE - EQUIPMENT			
010-5-320-4510 FIXTURE / EQUIPMENT MAINT.	\$ 4,389	\$ 2,931	\$ 3,000
010-5-320-4540 OUTSOURCED AUTO REPAIR	1,151	3,774	3,650
TOTAL MAINTENANCE - EQUIPMENT	\$ 5,541	\$ 6,705	\$ 6,650
INTERFUND ACTIVITY			
010-5-320-9511 EQUIPMENT USER FEE	\$ 9,096	\$ 40,296	\$ 60,296
TOTAL INTERFUND ACTIVITY	\$ 9,096	\$ 40,296	\$ 60,296
TOTAL POLICE PATROL	\$ 2,191,107	\$ 1,983,005	\$ 2,193,018

POLICE CID

The Detective Division is charged with conducting investigations resulting from criminal offenses reported within the city. In an average year the division receives just fewer than 4,000 cases, approximately 2,800 are sufficient for continued investigation. The division consists of five investigators and a supervisor. The division provides training in promising innovative approaches and technology. The division is the link between the department and the Prosecutor's office, preparing and presenting cases for prosecution. The division provides support services to other city agencies as well as other law enforcement agencies.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Police Sergeant	2.0	2.0
Police Officer	4.0	4.0
Property Room Technician	1.0	1.0
Administrative Assistant	1.0	1.0

POLICE CID

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-330-1010 SALARIES	\$ 359,030	\$ 341,549	\$ 331,120
010-5-330-1020 OVERTIME	31,372	25,000	26,000
010-5-330-1030 LONGEVITY	8,430	8,208	8,136
010-5-330-1031 INCENTIVE	38,343	35,646	35,646
010-5-330-1032 SHIFT PAY	200	-	-
010-5-330-1034 UNIFORM ALLOWANCE	3,850	3,900	3,900
010-5-330-1036 CELL PHONE ALLOWANCE	-	-	3,000
010-5-330-1040 SOCIAL SECURITY	33,524	31,694	30,967
010-5-330-1050 HEALTH INSURANCE	63,147	67,392	85,688
010-5-330-1060 UNEMPLOYMENT INSURANCE	9,614	9,529	405
010-5-330-1061 WORKER'S COMPENSATION	13,973	16,616	2,924
010-5-330-1070 RETIREMENT	57,320	53,302	55,888
TOTAL PERSONNEL	\$ 618,802	\$ 592,837	\$ 583,674
SUPPLIES AND MATERIALS			
010-5-330-2010 OFFICE SUPPLIES	\$ 1,018	\$ 2,501	\$ 1,000
010-5-330-2020 POSTAGE	1,166	1,399	1,400
010-5-330-2030 JANITORIAL SUPPLIES	5	60	60
010-5-330-2040 UNIFORMS AND APPAREL	989	1,700	2,000
010-5-330-2050 MEDICAL SUPPLIES	27	50	50
010-5-330-2062 POLICE INFORMANT	-	2,000	2,000
010-5-330-2070 GASOLINE AND OIL	17,450	15,000	15,000
010-5-330-2080 SMALL TOOLS AND EQUIP.	647	800	900
TOTAL SUPPLIES AND MATERIALS	\$ 21,302	\$ 23,511	\$ 22,410
SERVICES			
010-5-330-3030 PROFESSIONAL SERVICES	\$ 10,641	\$ (398)	\$ 16,000
010-5-330-3035 MEDICAL/DOCTOR-HOSPITAL	-	387	387
010-5-330-3040 COMMUNICATIONS	7,342	5,501	4,000
010-5-330-3080 MEMBERSHIP & SUBSCRIPT.	74	342	886
010-5-330-3082 TRAVEL AND TRAINING	13,286	10,501	11,400
010-5-330-3112 PRINTING SERVICES	221	551	550
010-5-330-3220 INSURANCE AND BONDS	550	675	675
010-5-330-3310 EQUIPMENT RENTAL / LEASE	3,305	4,090	-
TOTAL SERVICES	\$ 35,419	\$ 21,648	\$ 33,898
MAINTENANCE			
010-5-330-4110 MOTOR VEHICLES	\$ 7,703	\$ 5,500	\$ 4,500
010-5-330-4120 EQUIPMENT & MACHINERY	7,437	7,501	7,500
010-5-330-4510 FIXTURE / EQUIPMENT MAINT.	1,339	1,738	2,000
TOTAL MAINTENANCE	\$ 16,479	\$ 14,739	\$ 14,000
EQUIPMENT			
010-5-330-8015 COMPUTER EQUIPMENT	\$ 933	\$ (875)	\$ -
TOTAL EQUIPMENT	\$ 933	\$ (875)	\$ -
TOTAL POLICE CID	\$ 692,934	\$ 651,860	\$ 653,982

ANIMAL CONTROL

Animal Control is charged with the responsibility of responding to calls for service ranging from stray animals to investigations of cruelty to animals and dog fighting, and bringing them to the animal shelter, where the animals are held for a certain time before being returned to their owners, put up for adoption, released back into the wild, or euthanized. The Animal Control Division is also responsible for investigating incidents of human contact with both

wild and domestic animals, such as bites. The Division is part of the Police Department and works closely with the city code enforcement.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Animal Control Officer	2.0	2.0

ANIMAL CONTROL

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-340-1010 SALARIES	\$ 36,950	\$ 47,902	\$ 52,449
010-5-340-1020 OVERTIME	5,588	5,390	6,000
010-5-340-1030 LONGEVITY	1,641	1,584	1,872
010-5-340-1031 INCENTIVE	1,515	3,950	5,940
010-5-340-1036 CELL PHONE ALLOWANCE	-	-	1,200
010-5-340-1040 SOCIAL SECURITY	3,468	4,016	5,161
010-5-340-1050 HEALTH INSURANCE	6,369	11,819	12,285
010-5-340-1060 UNEMPLOYMENT INSURANCE	998	1,206	67
010-5-340-1061 WORKER'S COMPENSATION	850	1,028	265
010-5-340-1070 RETIREMENT	4,748	7,266	10,193
TOTAL PERSONNEL	\$ 62,127	\$ 84,162	\$ 95,432
SUPPLIES AND MATERIALS			
010-5-340-2010 OFFICE SUPPLIES	\$ 62	\$ 100	\$ 100
010-5-340-2020 POSTAGE	1	100	100
010-5-340-2040 UNIFORMS AND APPERAL	877	1,431	1,100
010-5-340-2050 MEDICAL SUPPLIES	-	-	100
010-5-340-2051 ANIMAL MEDICAL SUPPLIE	1,490	1,500	5,440
010-5-340-2070 GASOLINE AND OIL	8,136	4,633	4,000
010-5-340-2080 SMALL TOOLS AND EQUIPMENT	1,575	1,485	2,000
TOTAL SUPPLIES AND MATERIALS	\$ 12,140	\$ 9,249	\$ 12,840
SERVICES			
010-5-340-3040 COMMUNICATIONS	\$ 3,521	\$ 4,130	\$ 3,500
010-5-340-3050 UTILITIES - ELECTRIC	23,980	19,191	25,000
010-5-340-3051 UTILITIES - CITY	-	2,000	2,000
010-5-340-3080 MEMBERSHIP & SUBSCRIPT.	350	150	300
010-5-340-3082 TRAVEL AND TRAINING	1,044	1,530	2,700
010-5-340-3112 PRINTING SERVICES	250	200	600
010-5-340-3330 CONTRACT SERVICES	27,083	21,427	25,000
TOTAL SERVICES	\$ 56,227	\$ 48,628	\$ 59,100

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
MAINTENANCE & REPAIR			
010-5-340-4110 MOTOR VEHICLES	\$ 14	\$ 2,148	\$ 2,000
010-5-340-4120 EQUIPMENT & MACHINERY	-	4,395	5,000
TOTAL MAINTENANCE & REPAIR	\$ 14	\$ 6,543	\$ 7,000
SUNDRY			
010-5-340-5200 ANIMAL FOOD	\$ 46	\$ 300	\$ 1,000
TOTAL SUNDRY	\$ 46	\$ 300	\$ 1,000
TOTAL ANIMAL CONTROL	\$ 130,554	\$ 148,882	\$ 175,372

COMMUNICATIONS

Dispatchers are communications personnel responsible for receiving and transmitting pure and reliable messages receive calls from individuals who need assistance from Firefighters, Police Officers, and Emergency Medical Services. Once information is obtained from the caller, these dispatchers activate the services necessary to respond to the nature of the call for help. The Dispatchers are usually the first point of contact between emergency services and the public. When receiving incoming calls for help, they must ascertain the nature, location, and extent of the emergency. The working conditions of a public safety dispatcher may be particularly stressful, because handling a call in an inappropriate manner may delay or misdirect other emergency personnel, which could result in serious injury or even death.

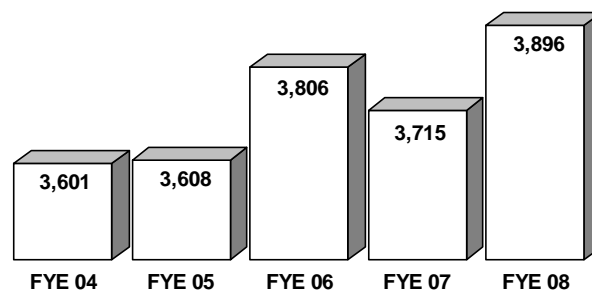
PERSONNEL ALLOCATION		
<u>Position</u>	<u>FYE 09</u>	<u>FYE 10</u>
Dispatch Supervisor	1.0	1.0
Dispatcher	5.0	6.0
Dispatcher (part-time)	0.5	0.5
Records Clerk	1.0	1.0
SUPPLEMENTAL DECISIONS		
<u>Program</u>	<u>Line</u>	<u>Amount</u>
Overtime Increase	1020	\$ 2,500
CRIMES Software	8015	6,000
CRIMES Annual Maintenance	4520	850
Dispatcher Position (1)	1000s	49,691

COMMUNICATIONS

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-350-1010 SALARIES	\$ 127,696	\$ 147,607	\$ 222,967
010-5-350-1020 OVERTIME	15,927	19,568	3,500
010-5-350-1030 LONGEVITY	441	930	2,808
010-5-350-1031 INCENTIVES	1,250	4,375	5,850
010-5-350-1032 SHIFT PAY	3,000	2,600	3,600
010-5-350-1040 SOCIAL SECURITY	11,444	12,204	18,072
010-5-350-1050 HEALTH INSURANCE	29,205	39,051	85,695
010-5-350-1060 UNEMPLOYMENT INSURANCE	3,298	3,669	237
010-5-350-1061 WORKER'S COMPENSATION	452	1,462	214
010-5-350-1070 RETIREMENT	18,624	20,031	34,065
TOTAL PERSONNEL	\$ 211,337	\$ 251,497	\$ 377,008

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SUPPLIES AND MATERIALS			
010-5-350-2010 OFFICE SUPPLIES	\$ 875	\$ 1,001	\$ 1,000
010-5-350-2020 POSTAGE	-	-	50
010-5-350-2040 UNIFORMS AND APPAREL	128	-	-
010-5-350-2080 SMALL TOOLS AND EQUIPM	2,297	2,501	2,500
TOTAL SUPPLIES AND MATERIALS	\$ 3,300	\$ 3,502	\$ 3,550
SERVICES			
010-5-350-3030 PROFESSIONAL SERVICES	\$ 3,977	\$ 4,302	\$ -
010-5-350-3040 COMMUNICATIONS	19,858	20,000	21,000
010-5-350-3080 MEMBERSHIP & SUBSCRIPT.	204	500	500
010-5-350-3082 TRAVEL AND TRAINING	1,237	5,022	6,000
TOTAL SERVICES	\$ 25,275	\$ 29,825	\$ 27,500
MAINTENANCE - EQUIPMENT			
010-5-350-4510 EQUIPMENT MAINTENANCE	\$ 1,727	\$ 2,100	\$ 2,100
010-5-350-4520 SOFTWARE MAINTENANCE	18,000	25,001	25,850
010-5-350-4560 RADIO EQUIPMENT	12,402	27,482	17,000
TOTAL MAINTENANCE - EQUIPMENT	\$ 32,129	\$ 54,583	\$ 44,950
EQUIPMENT			
010-5-350-8010 FURNITURE & OFFICE EQU	\$ 4,430	\$ 5,757	\$ -
010-5-350-8015 COMPUTER EQUIPMENT	-	-	6,000
010-5-350-8030 COMMUNICATION EQUIPMENT	25,340	-	-
TOTAL EQUIPMENT	\$ 29,770	\$ 5,757	\$ 6,000
TOTAL COMMUNICATIONS	\$ 301,810	\$ 345,164	\$ 459,008

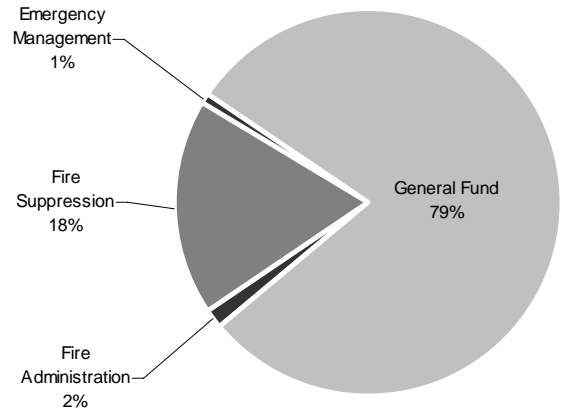
ANNUAL REPORTED CALLS FOR EMERGENCY SERVICES



FIRE ADMINISTRATION

The purpose of this program is to save lives and protect the property of citizens through fire protection efforts and general education of the public. Suppression, inspections, investigations, and answering complaints for the prevention and correction of fire hazards are included in this program.

FIRE DEPARTMENT EXPENDITURES RELATED TO THE GENERAL FUND



PERSONNEL ALLOCATION			
<u>POSITION</u>	<u>FYE 09</u>	<u>FYE 10</u>	
Fire Chief	1.0	1.0	
Fire Marshall	1.0	1.0	

FIRE ADMINISTRATION

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-410-1010 SALARIES	\$ 124,471	\$ 131,560	\$ 132,350
010-5-410-1030 LONGEVITY	3,639	4,536	4,680
010-5-410-1031 INCENTIVE	12,991	10,824	10,824
010-5-410-1040 SOCIAL SECURITY	10,498	11,240	11,311
010-5-410-1050 HEALTH INSURANCE	27,491	29,415	36,660
010-5-410-1060 UNEMPLOYMENT INSURANCE	3,110	3,379	148
010-5-410-1061 WORKER'S COMPENSATION	3,327	4,658	1,013
010-5-410-1070 RETIREMENT	19,100	21,303	22,341
TOTAL PERSONNEL	\$ 204,628	\$ 216,915	\$ 219,327
SUPPLIES AND MATERIALS			
010-5-410-2010 OFFICE SUPPLIES	\$ 2,596	\$ 3,000	\$ 3,000
010-5-410-2020 POSTAGE	35	200	200
010-5-410-2030 JANITORIAL SUPPLIES	69	150	150
010-5-410-2040 UNIFORMS AND APPAREL	529	550	600
010-5-410-2070 GASOLINE AND OIL	6,140	5,000	5,000
TOTAL SUPPLIES AND MATERIALS	\$ 9,368	\$ 8,900	\$ 8,950
SERVICES			
010-5-410-3035 MEDICAL/DOCTOR-HOSPITAL	\$ -	\$ -	\$ 300
010-5-410-3040 COMMUNICATIONS	5,879	6,500	6,500
010-5-410-3050 UTILITIES - ELECTRIC	6,239	7,000	7,000
010-5-410-3051 UTILITIES - CITY	-	1,000	1,000
010-5-410-3080 MEMBERSHIP & SUBSCRIPT.	100	-	-
010-5-410-3082 TRAVEL AND TRAINING	1,926	2,700	2,700
TOTAL SERVICES	\$ 14,143	\$ 17,200	\$ 17,500

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
MAINTENANCE & REPAIR			
010-5-410-4010 BUILDINGS AND STRUCTURES	\$ 1,193	\$ 600	\$ 1,200
010-5-410-4110 MOTOR VEHICLES	760	1,250	1,250
010-5-410-4120 EQUIPMENT & MACHINERY	3,620	4,000	4,000
TOTAL MAINTENANCE & REPAIR	\$ 5,573	\$ 5,850	\$ 6,450
MAINTENANCE - EQUIPMENT			
010-5-410-4560 RADIO/RADAR EQUIPMENT	\$ -	\$ 500	\$ 500
TOTAL MAINTENANCE - EQUIPMENT	\$ -	\$ 500	\$ 500
TOTAL FIRE ADMINISTRATION	\$ 233,713	\$ 249,365	\$ 252,727

FIRE SUPPRESSION

The purpose of this program is to save lives and protect the property of citizens through fire protection efforts and general education of the public. Suppression, inspection, investigations, and answering complaints for the prevention and correction of fire hazards are included in this program. Fire Suppression is considered the heart of the fire department operation with the majority of fire department positions and specialized equipment being funded from this division.

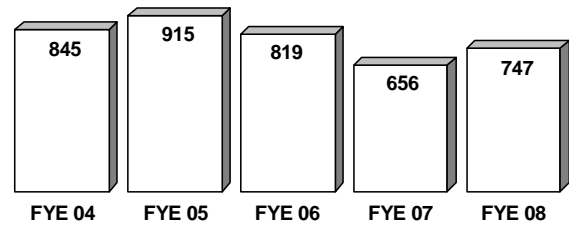
The Council agreed to purchase a reserve pumper truck for the Fire Department. Since the purchase of a fire truck takes a year to order, the lease-purchase will begin in fiscal year ending 2011; therefore Council has agreed to begin the purchase contribution to the Equipment Replacement Fund in fiscal year ending 2011. The following chart is the approved supplemental program:

SUPPLEMENTAL DECISIONS		
<u>Program</u>	<u>Line</u>	<u>Amount</u>
Reserve Pumper Truck	9511	\$ -

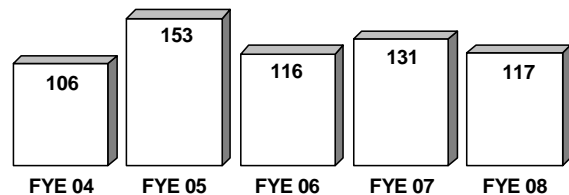
The chart above is the allocation of personnel within the Fire Suppression Division:

PERSONNEL ALLOCATION		
<u>POSITION</u>	<u>FYE 09</u>	<u>FYE 10</u>
Firefighter	21.0	21.0
Driver	3.0	3.0
Lieutenant	6.0	6.0
Captain	3.0	3.0
Battalion Chief	3.0	3.0

EMERGENCY REPONSES



FIRE INCIDENTS



FIRE SUPPRESSION

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-420-1010 SALARIES	\$ 1,375,686	\$ 1,435,667	\$ 1,441,252
010-5-420-1020 OVERTIME	20,196	25,000	25,000
010-5-420-1030 LONGEVITY	28,584	32,688	35,640
010-5-420-1031 INCENTIVE	72,607	74,398	74,398
010-5-420-1040 SOCIAL SECURITY	111,383	119,627	120,586
010-5-420-1050 HEALTH INSURANCE	349,227	377,922	489,836
010-5-420-1060 UNEMPLOYMENT INSURANCE	33,024	35,967	1,576
010-5-420-1061 WORKER'S COMPENSATION	35,322	49,579	10,799
010-5-420-1070 RETIREMENT	202,562	226,745	238,177
TOTAL PERSONNEL	\$ 2,228,590	\$ 2,377,593	\$ 2,437,264
SUPPLIES AND MATERIALS			
010-5-420-2010 OFFICE SUPPLIES	\$ 844	\$ 1,250	\$ 1,200
010-5-420-2020 POSTAGE	91	250	250
010-5-420-2030 JANITORIAL SUPPLIES	4,674	4,500	4,500
010-5-420-2031 CHEMICALS	28	600	600
010-5-420-2040 UNIFORMS AND APPAREL	8,138	8,500	8,500
010-5-420-2050 MEDICAL SUPPLIES	693	-	-
010-5-420-2070 GASOLINE AND OIL	20,478	17,000	17,000
TOTAL SUPPLIES AND MATERIALS	\$ 34,946	\$ 32,101	\$ 32,050
SERVICES			
010-5-420-3035 MEDICAL/DOCTOR-HOSPITAL	\$ 314	\$ 500	\$ 1,000
010-5-420-3040 COMMUNICATIONS	4,110	5,000	4,500
010-5-420-3050 UTILITIES - ELECTRIC	35,235	32,000	29,500
010-5-420-3051 UTILITIES - CITY	328	2,500	2,500
010-5-420-3070 UNIFORM SERVICES	197	200	200
010-5-420-3082 TRAVEL AND TRAINING	2,301	3,500	6,900
TOTAL SERVICES	\$ 42,485	\$ 43,699	\$ 44,600
MAINTENANCE & REPAIR			
010-5-420-4010 BUILDINGS AND STRUCTURES	\$ 2,904	\$ 2,500	\$ 4,000
010-5-420-4110 MOTOR VEHICLES	9,079	17,000	15,000
010-5-420-4120 EQUIPMENT & MACHINERY	35,537	34,000	34,000
TOTAL MAINTENANCE & REPAIR	\$ 47,520	\$ 53,501	\$ 53,000
MAINTENANCE - EQUIPMENT			
010-5-420-4560 RADIO/RADAR EQUIPMENT	\$ 465	\$ 1,400	\$ 1,400
TOTAL MAINTENANCE - EQUIPMENT	\$ 465	\$ 1,400	\$ 1,400
INTERFUND ACTIVITY			
010-5-420-9511 EQUIPMENT USER FEE	\$ 67,917	\$ 10,000	\$ 10,000
TOTAL INTERFUND ACTIVITY	\$ 67,917	\$ 10,000	\$ 10,000
TOTAL FIRE SUPPRESSION	\$ 2,421,923	\$ 2,518,293	\$ 2,578,314

EMERGENCY MANAGEMENT

The purpose of Emergency Management is to provide critical response so the City of Palestine will be better prepared to meet the challenges of serving our citizens during a natural disaster or other emergency. The Emergency Management division keeps the "Emergency Operations Plan" updated as required by Federal Emergency Management Agency. The division conducts annual response exercises with a strong emphasis on hazardous materials transported and stored within the city

limits. Also the division conducts county-wide emergency exercises in order to maintain the ability to communicate between agencies during a major public emergency.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Emergency Manager	1.0	1.0

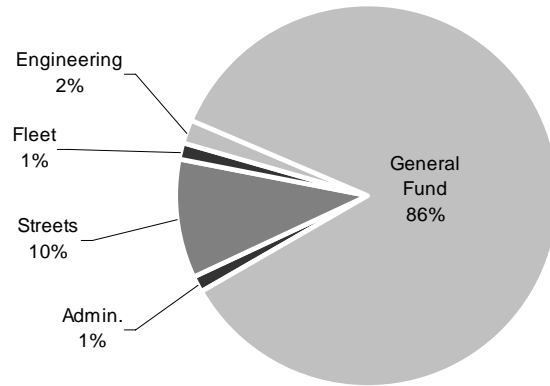
EMERGENCY MANAGEMENT

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-430-1010 SALARIES	\$ 60,271	\$ 59,912	\$ 59,912
010-5-430-1020 OVERTIME	87	-	-
010-5-430-1030 LONGEVITY	1,950	1,800	1,800
010-5-430-1031 INCENTIVE	3,913	6,012	6,012
010-5-430-1040 SOCIAL SECURITY	5,037	5,181	5,181
010-5-430-1050 HEALTH INSURANCE	7,627	8,292	10,409
010-5-430-1060 UNEMPLOYMENT INSURANCE	1,461	1,557	68
010-5-430-1061 WORKER'S COMPENSATION	1,563	2,147	464
010-5-430-1070 RETIREMENT	8,961	9,820	10,233
TOTAL PERSONNEL	\$ 90,871	\$ 94,721	\$ 94,079
SUPPLIES AND MATERIALS			
010-5-430-2010 OFFICE SUPPLIES	\$ 405	\$ 800	\$ 800
010-5-430-2020 POSTAGE	13	100	100
010-5-430-2030 JANITORIAL SUPPLIES	-	75	75
010-5-430-2040 UNIFORMS AND APPAREL	-	275	275
010-5-430-2070 GASOLINE AND OIL	996	1,500	1,500
TOTAL SUPPLIES AND MATERIALS	\$ 1,414	\$ 2,751	\$ 2,750
SERVICES			
010-5-430-3035 MEDICAL/DOCTOR-HOSPITAL	\$ -	\$ 150	\$ 150
010-5-430-3040 COMMUNICATIONS	479	1,000	1,000
010-5-430-3082 TRAVEL AND TRAINING	889	750	750
TOTAL SERVICES	\$ 1,368	\$ 1,900	\$ 1,900
MAINTENANCE & REPAIR			
010-5-430-4110 MOTOR VEHICLES	\$ 1,100	\$ 1,200	\$ 1,200
010-5-430-4120 EQUIPMENT & MACHINERY	130	700	700
TOTAL MAINTENANCE & REPAIR	\$ 1,230	\$ 1,900	\$ 1,900
MAINTENANCE - EQUIPMENT			
010-5-430-4560 RADIO/RADAR EQUIPMENT	\$ -	\$ 300	\$ 300
TOTAL MAINTENANCE - EQUIPMENT	\$ -	\$ 300	\$ 300
TOTAL EMERGENCY MANAGEMENT	\$ 94,883	\$ 101,572	\$ 100,929

PUBLIC WORKS ADMINISTRATION

The Public Works Administration Department is responsible for the management of the Public Works Department. This division includes the City Engineer who is the department director. An administrative assistant position is also included within the division and job duties are shared with the administrative needs of the Utility Director. Public Works contains several budgetary departments as well as separate funds for airport and sanitation.

PUBLIC WORKS EXPENDITURES RELATED TO THE GENERAL FUND



PERSONNEL ALLOCATION			
POSITION	FYE 09	FYE 10	
Public Works Director	1.0	1.0	
Administrative Assistant	1.0	1.0	

PUBLIC WORKS ADMINISTRATION

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-510-1010 SALARIES	\$ 110,454	\$ 118,786	\$ 119,638
010-5-510-1020 OVERTIME	-	500	500
010-5-510-1030 LONGEVITY	432	576	720
010-5-510-1033 CAR ALLOWANCE	5,200	5,200	5,200
010-5-510-1036 CELL PHONE ALLOWANCE	-	-	600
010-5-510-1040 SOCIAL SECURITY	8,859	9,567	9,689
010-5-510-1050 HEALTH INSURANCE	16,891	17,842	24,465
010-5-510-1060 UNEMPLOYMENT INSURANCE	2,560	2,876	127
010-5-510-1061 WORKER'S COMPENSATION	7,054	9,205	1,590
010-5-510-1070 RETIREMENT	15,718	18,134	19,138
TOTAL PERSONNEL	\$ 167,168	\$ 182,687	\$ 181,667
SUPPLIES AND MATERIALS			
010-5-510-2010 OFFICE SUPPLIES	\$ 3,187	\$ 4,000	\$ 4,500
010-5-510-2020 POSTAGE	49	500	650
TOTAL SUPPLIES AND MATERIALS	\$ 3,236	\$ 4,500	\$ 5,150
SERVICES			
010-5-510-3040 COMMUNICATIONS	\$ 2,860	\$ 2,750	\$ 2,750
010-5-510-3080 MEMBERSHIP & CERTIFICATE	143	601	600
010-5-510-3082 TRAVEL AND TRAINING	1,424	3,000	3,500
010-5-510-3330 CONTRACT SERVICES	-	6,000	6,000
TOTAL SERVICES	\$ 4,427	\$ 12,352	\$ 12,850
MAINTENANCE & REPAIR			
010-5-510-4010 BUILDINGS AND STRUCTURES	\$ 47	\$ -	\$ -
010-5-510-4120 EQUIPMENT & MACHINERY	17	100	-
TOTAL MAINTENANCE & REPAIR	\$ 65	\$ 100	\$ -
TOTAL PUBLIC WORKS ADMIN	\$ 174,896	\$ 199,639	\$ 199,667

STREET MAINTENANCE

The Street Maintenance Division provides maintenance for 178 miles of streets, roads and drainage facilities inside the city limits. Maintenance ranges from street sweeping, patching, rebuilding minor streets, curbing and guttering, and maintenance of storm sewer systems. The City strives to insure safety of its streets through cost effective maintenance. The City has financed major capital improvement projects to existing streets and these budgeted projects can be found in the designated CIP funds.

The charts to the right are the supplemental items that were approved by Council for fiscal year ending 2010 and the personnel allocation for the division budget:

SUPPLEMENTAL DECISIONS		
Program	Line	Amount
Safety Materials	2061	\$ 3,400
Electric Utility Increase	3050	14,000
Ornamental Street Lights	4550	5,000
Truck Lease-Purchase	9511	5,000

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Street Supervisor	1.0	1.0
Equipment Operator	2.0	2.0
Heavy Equip. Operator	2.0	2.0
Traffic Sign Specialist	1.0	1.0
Truck Driver	2.0	2.0
Street Laborer	0.5	0.5

STREET MAINTENANCE

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-520-1010 SALARIES	\$ 261,679	\$ 250,721	\$ 262,793
010-5-520-1020 OVERTIME	11,129	10,000	10,000
010-5-520-1030 LONGEVITY	7,689	6,120	6,696
010-5-520-1031 INCENTIVE	1,350	1,300	3,600
010-5-520-1036 CELL PHONE ALLOWANCE	-	-	5,520
010-5-520-1040 SOCIAL SECURITY	21,180	20,513	21,656
010-5-520-1050 HEALTH INSURANCE	70,696	71,601	105,803
010-5-520-1060 UNEMPLOYMENT INSURANCE	5,988	6,167	283
010-5-520-1061 WORKER'S COMPENSATION	22,092	22,604	4,255
010-5-520-1070 RETIREMENT	35,401	37,787	41,635
TOTAL PERSONNEL	\$ 437,204	\$ 426,813	\$ 462,241
SUPPLIES AND MATERIALS			
010-5-520-2030 JANITORIAL SUPPLIES	\$ 469	\$ 860	\$ 860
010-5-520-2031 CHEMICALS	4,112	7,000	7,500
010-5-520-2040 UNIFORMS AND APPAREL	4,155	5,000	5,000
010-5-520-2061 SAFETY MATERIALS	7,284	5,500	7,000
010-5-520-2070 GASOLINE AND OIL	44,241	50,000	50,000
010-5-520-2080 SMALL TOOLS AND EQUIP.	6,343	10,105	10,500
TOTAL SUPPLIES AND MATERIALS	\$ 66,603	\$ 78,465	\$ 80,860

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SERVICES			
010-5-520-3030 PROFESSIONAL SERVICES	\$ 200	\$ -	\$ -
010-5-520-3040 COMMUNICATIONS	7,213	6,200	4,200
010-5-520-3050 UTILITIES - ELECTRIC	464,006	463,500	477,500
010-5-520-3051 UTILITIES - CITY	-	7,000	7,000
010-5-520-3082 TRAVEL AND TRAINING	3,059	4,500	4,500
010-5-520-3310 EQUIPMENT RENTAL / LEASE	4,639	4,045	4,000
010-5-520-3330 CONTRACT SERVICES	17,716	5,000	6,000
010-5-520-3331 CHIP SEAL OUTSOURCE	-	75,000	75,000
010-5-520-3332 CRACK SEAL OUTSOURCE	-	38,400	38,400
TOTAL SERVICES	\$ 496,831	\$ 603,646	\$ 616,600
MAINTENANCE & REPAIR			
010-5-520-4010 BUILDINGS AND STRUCTURES	\$ 564	\$ 500	\$ 500
010-5-520-4020 STREET MAINTENANCE	138,758	170,000	170,000
010-5-520-4021 STREET SIGNS	49,081	37,896	37,895
010-5-520-4110 MOTOR VEHICLES	22,318	18,500	18,500
010-5-520-4120 EQUIPMENT & MACHINERY	2,125	4,001	4,000
TOTAL MAINTENANCE & REPAIR	\$ 212,845	\$ 230,897	\$ 230,895
MAINTENANCE - EQUIPMENT			
010-5-520-4510 FIXTURE / EQUIPMENT MAINT.	\$ -	\$ 500	\$ 500
010-5-520-4550 ORNAMENTAL STREET LIGHTS	10,463	6,000	9,000
TOTAL MAINTENANCE - EQUIPMENT	\$ 10,463	\$ 6,500	\$ 9,500
EQUIPMENT			
010-5-520-8010 FURNITURE & OFFICE EQUIP.	\$ 11,225	\$ -	\$ -
TOTAL EQUIPMENT	\$ 11,225	\$ -	\$ -
INTERFUND ACTIVITY			
010-5-520-9511 EQUIPMENT USER FEE	\$ 67,788	\$ 50,004	\$ 25,835
TOTAL INTERFUND ACTIVITY	\$ 67,788	\$ 50,004	\$ 25,835
TOTAL STREET MAINTENANCE	\$ 1,302,958	\$ 1,396,325	\$ 1,425,931

FLEET MAINTENANCE

Fleet maintenance provides maintenance of all vehicles used by City personnel. Equipment maintained are light trucks, grass mowers, police cars, dump trucks and backhoes, and other large and small equipment required to maintain city facilities. A majority of city equipment is maintained by this public work's division.

The charts to the right are the supplemental items that were approved by Council for fiscal year ending 2010 and the personnel allocation for the division budget:

SUPPLEMENTAL DECISIONS		
<u>Program</u>	<u>Line</u>	<u>Amount</u>
Shop Supply Increase	2081	\$ 2,000
PERSONNEL ALLOCATION		
<u>POSITION</u>	<u>FYE 09</u>	<u>FYE 10</u>
Fleet Supervisor	1.0	1.0
Vehicle Service Specialist	2.0	2.0

FLEET MAINTENANCE

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-540-1010 SALARIES	\$ 82,684	\$ 85,054	\$ 87,630
010-5-540-1020 OVERTIME	717	2,100	2,100
010-5-540-1030 LONGEVITY	2,808	2,952	3,168
010-5-540-1031 INCENTIVE	-	5,200	4,800
010-5-540-1035 TOOL ALLOWANCE	2,600	2,400	2,400
010-5-540-1036 CELL PHONE ALLOWANCE	-	-	1,200
010-5-540-1040 SOCIAL SECURITY	6,532	7,474	7,657
010-5-540-1050 HEALTH INSURANCE	27,183	29,086	34,882
010-5-540-1060 UNEMPLOYMENT INSURANCE	1,960	2,248	100
010-5-540-1061 WORKER'S COMPENSATION	2,488	3,779	645
010-5-540-1070 RETIREMENT	12,019	14,167	15,125
TOTAL PERSONNEL	\$ 138,991	\$ 154,460	\$ 159,707
SUPPLIES AND MATERIALS			
010-5-540-2010 OFFICE SUPPLIES	\$ 79	\$ 30	\$ -
010-5-540-2030 JANITORIAL SUPPLIES	123	600	600
010-5-540-2040 UNIFORMS AND APPAREL	1,415	1,870	2,000
010-5-540-2070 GASOLINE AND OIL	3,662	8,200	8,200
010-5-540-2080 SMALL TOOLS AND EQUIP.	2,458	4,492	4,500
010-5-540-2081 MINOR SHOP SUPPLIES	8,560	5,000	7,000
TOTAL SUPPLIES AND MATERIALS	\$ 16,297	\$ 20,192	\$ 22,300
SERVICES			
010-5-540-3040 COMMUNICATIONS	\$ 1,149	\$ 2,360	\$ 2,360
010-5-540-3082 TRAVEL AND TRAINING	399	-	-
TOTAL SERVICES	\$ 1,548	\$ 2,360	\$ 2,360
MAINTENANCE & REPAIR			
010-5-540-4010 BUILDINGS AND STRUCTURES	\$ -	\$ 1,000	\$ 1,000
010-5-540-4110 MOTOR VEHICLES	2,995	6,000	6,000
010-5-540-4120 EQUIPMENT & MACHINERY	1,455	3,000	3,000
TOTAL MAINTENANCE & REPAIR	\$ 4,450	\$ 10,000	\$ 10,000
MAINTENANCE - EQUIPMENT			
010-5-540-4520 SOFTWARE MAINTENANCE	\$ 5,128	\$ 3,000	\$ 4,000
TOTAL MAINTENANCE - EQUIPMENT	\$ 5,128	\$ 3,000	\$ 4,000
EQUIPMENT			
010-5-540-8010 FURNITURE & OFFICE EQUIP.	\$ 126	\$ 3,900	\$ 3,900
010-5-540-8020 MACHINERY	-	1,200	1,200
TOTAL EQUIPMENT	\$ 126	\$ 5,100	\$ 5,100
TOTAL FLEET MAINTENANCE	\$ 166,541	\$ 195,111	\$ 203,467

ENGINEERING

The Engineering Department provides support services to all city departments and citizens and maintains the records of the City's water and wastewater distribution system. The department is responsible for the management of GIS/CAD related functions and minor engineering needs. Major engineering is contracted out on a project by project basis.

The charts to the right are the supplemental items that were approved by Council for fiscal year ending 2010 and the personnel allocation for the division budget:

SUPPLEMENTAL DECISIONS		
Program	Line	Amount
Overtime	1020	\$ 3,000

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Engineering Technician I	1.0	1.0
Engineering Technician II	1.0	1.0
Public Works Inspector	1.0	1.0

ENGINEERING

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-560-1010 SALARIES	\$ 118,793	\$ 123,012	\$ 125,533
010-5-560-1020 OVERTIME	51	3,520	3,000
010-5-560-1030 LONGEVITY	1,167	1,440	1,656
010-5-560-1031 INCENTIVES	-	-	4,200
010-5-560-1036 CELL PHONE ALLOWANCE	-	-	1,200
010-5-560-1040 SOCIAL SECURITY	8,988	9,521	10,051
010-5-560-1050 HEALTH INSURANCE	26,572	29,086	34,882
010-5-560-1060 UNEMPLOYMENT INSURANCE	2,646	2,862	131
010-5-560-1061 WORKERS COMPENSATION	1,889	846	141
010-5-560-1070 RETIREMENT	16,246	18,046	19,853
TOTAL PERSONNEL	\$ 176,352	\$ 188,334	\$ 200,647
SUPPLIES AND MATERIALS			
010-5-560-2010 OFFICE SUPPLIES	\$ 2,235	\$ 3,200	\$ 3,500
010-5-560-2020 POSTAGE	190	500	500
010-5-560-2070 GASOLINE AND OIL	2,807	2,800	3,200
010-5-560-2080 SMALL TOOLS AND EQUIP.	1,255	2,010	2,500
TOTAL SUPPLIES AND MATERIALS	\$ 6,486	\$ 8,509	\$ 9,700
SERVICES			
010-5-560-3030 PROFESSIONAL SERVICES	\$ 10,388	\$ 20,000	\$ 20,000
010-5-560-3040 COMMUNICATIONS	3,214	4,160	4,160
010-5-560-3080 MEMBERSHIP & SUBSCRIPT.	215	450	500
010-5-560-3082 TRAVEL AND TRAINING	2,018	3,600	3,600
010-5-560-3310 EQUIPMENT RENTAL/LEASE	1,969	2,000	2,000
010-5-560-3330 CONTRACT SERVICES	118	5,000	5,000
TOTAL SERVICES	\$ 17,922	\$ 35,210	\$ 35,260

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
MAINTENANCE & REPAIR			
010-5-560-4110 MOTOR VEHICLES	\$ 144	\$ 1,500	\$ 1,500
010-5-560-4120 EQUIPMENT & MACHINERY	-	1,500	1,500
TOTAL MAINTENANCE & REPAIR	\$ 144	\$ 3,000	\$ 3,000
MAINTENANCE - EQUIPMENT			
010-5-560-4510 FIXTURE/EQUIPMENT MAINT.	\$ -	\$ 1,000	\$ 1,000
010-5-560-4520 SOFTWARE MAINTENANCE	4,265	4,500	5,500
TOTAL MAINTENANCE - EQUIPMENT	\$ 4,265	\$ 5,500	\$ 6,500
EQUIPMENT			
010-5-560-8010 FURNITURE AND EQUIPMENT	\$ 168	\$ 1,000	\$ 1,000
010-5-560-8015 COMPUTER EQUIPMENT	206	2,500	2,500
TOTAL EQUIPMENT	\$ 374	\$ 3,500	\$ 3,500
TOTAL ENGINEERING	\$ 205,543	\$ 244,054	\$ 258,607

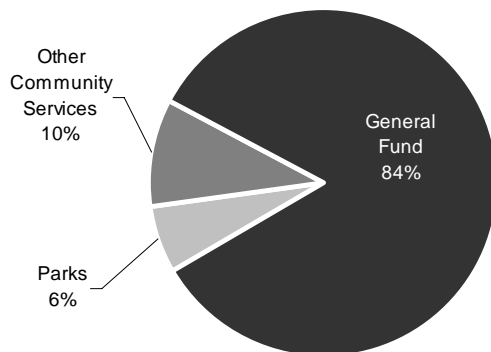
PARKS

This department ensures adequate, safe, well-maintained terrain of over 1,023 acres of parkland, which includes athletic fields and playgrounds to enhance the quality of life for all citizens. The landscaping, maintenance of the playground equipment, shelters, tables and restrooms and the general upkeep of all of these facilities are the responsibility of this department. The City of Palestine is committed to excellence in our parks and is proud to offer some of the best parks in the region. Our dedication ranges from protecting

natural resources for future generations to providing recreational amenities for people of all ages and abilities.

SUPPLEMENTAL DECISIONS		
<u>Program</u>	<u>Line</u>	<u>Amount</u>
Tool Supply Increase	2080	\$ 2,000

PARKS EXPENDITURES RELATED TO THE GENERAL FUND



PERSONNEL ALLOCATION		
<u>POSITION</u>	<u>FYE 09</u>	<u>FYE 10</u>
Community Service Director	0.0	1.0
Parks Supervisor	1.0	0.0
Crew Leader	1.0	1.0
Parks Maintenance Worker	4.0	4.0
Parks Seasonal (FTE)	3.0	3.0

PARKS

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-610-1010 SALARIES	\$ 210,973	\$ 224,041	\$ 291,575
010-5-610-1020 OVERTIME	8,911	10,000	10,000
010-5-610-1030 LONGEVITY	5,496	4,824	5,256
010-5-610-1036 CELL PHONE ALLOWANCE	-	-	3,960
010-5-610-1040 SOCIAL SECURITY	17,109	17,972	23,473
010-5-610-1050 HEALTH INSURANCE	40,472	50,807	61,223
010-5-610-1060 UNEMPLOYMENT INSURANCE	4,575	5,404	307
010-5-610-1061 WORKER'S COMPENSATION	6,085	11,627	3,423
010-5-610-1070 RETIREMENT	25,662	27,505	32,691
TOTAL PERSONNEL	\$ 319,282	\$ 352,179	\$ 431,908
SUPPLIES AND MATERIALS			
010-5-610-2010 OFFICE SUPPLIES	\$ 73	\$ -	\$ -
010-5-610-2020 POSTAGE	42	-	-
010-5-610-2030 JANITORIAL SUPPLIES	3,126	5,200	3,000
010-5-610-2031 CHEMICALS	5,839	8,000	8,600
010-5-610-2040 UNIFORMS AND APPAREL	1,795	2,500	2,500
010-5-610-2063 SPECIAL ACTIVITIES	25,194	24,000	24,000
010-5-610-2070 GASOLINE AND OIL	25,187	20,001	20,000
010-5-610-2080 SMALL TOOLS AND EQUIP.	6,142	6,800	8,800
TOTAL SUPPLIES AND MATERIALS	\$ 67,399	\$ 66,500	\$ 66,900
SERVICES			
010-5-610-3040 COMMUNICATIONS	\$ 6,774	\$ 6,836	\$ 3,500
010-5-610-3050 UTILITIES - ELECTRIC	129,328	104,000	104,000
010-5-610-3051 UTILITIES - CITY	(49)	22,978	23,000
010-5-610-3082 TRAVEL AND TRAINING	51	4,000	4,000
010-5-610-3110 ADVERTISING	-	350	-
010-5-610-3310 EQUIPMENT RENTAL / LEASE	552	1,000	1,000
010-5-610-3330 CONTRACT SERVICES	1,445	2,600	1,000
010-5-610-3331 BENNETT POOL/YMCA SERV	62,382	73,000	73,000
TOTAL SERVICES	\$ 200,484	\$ 214,763	\$ 209,500
MAINTENANCE & REPAIR			
010-5-610-4010 BUILDINGS AND STRUCTURES	\$ 60,277	\$ 57,000	\$ 57,000
010-5-610-4030 PARK MAINTENANCE	569	1	-
010-5-610-4031 POOL MAINTENANCE	821	-	-
010-5-610-4110 MOTOR VEHICLES	14,730	16,100	16,100
010-5-610-4120 EQUIPMENT & MACHINERY	7,296	15,000	15,000
TOTAL MAINTENANCE & REPAIR	\$ 83,693	\$ 88,101	\$ 88,100
SUNDRY			
010-5-610-5200 FOOD	\$ 29,856	\$ 56,000	\$ 56,000
TOTAL SUNDRY	\$ 29,856	\$ 56,000	\$ 56,000
INTERFUND ACTIVITY			
010-5-610-9511 EQUIPMENT USER FEE	\$ 9,737	\$ 5,680	\$ 9,737
TOTAL INTERFUND ACTIVITY	\$ 9,737	\$ 5,680	\$ 9,737
TOTAL PARKS	\$ 710,451	\$ 783,224	\$ 862,145

CEMETERY MAINTENANCE

The maintenance of the cemetery is important to the community and families it serves. The City and the cemetery maintenance crew take great care and respect in preserving these landmarks for all to revere those who have preceded us in the inevitable and final passing of life. The Cemetery Maintenance Division maintains five city owned cemeteries: New Addition, East Hill, Old Town, Middle and Memorial.

SUPPLEMENTAL DECISIONS		
Program	Line	Amount
Gasoline Increase	2070	\$ 1,500
Water Line Repair	4010	5,000

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Crew Leader	1.0	1.0
Parks Seasonal (FTE)	2.0	2.0

CEMETERY MAINTENANCE

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-620-1010 SALARIES	\$ 38,648	\$ 61,042	\$ 92,135
010-5-620-1020 OVERTIME	744	1,628	1,628
010-5-620-1030 LONGEVITY	429	1,080	1,152
010-5-620-1036 CELL PHONE ALLOWANCE	-	-	600
010-5-620-1040 SOCIAL SECURITY	3,079	4,877	7,261
010-5-620-1050 HEALTH INSURANCE	4,851	6,086	6,143
010-5-620-1060 UNEMPLOYMENT INSURANCE	872	1,466	95
010-5-620-1061 WORKER'S COMPENSATION	1,884	3,853	1,228
010-5-620-1070 RETIREMENT	3,196	4,871	5,227
TOTAL PERSONNEL	\$ 53,704	\$ 84,903	\$ 115,469
SUPPLIES AND MATERIALS			
010-5-620-2031 CHEMICALS	\$ -	\$ 1,500	\$ 1,500
010-5-620-2040 UNIFORMS AND APPAREL	454	520	520
010-5-620-2070 GASOLINE AND OIL	4,696	9,300	10,800
010-5-620-2080 SMALL TOOLS AND EQUIP.	1,483	2,000	2,500
TOTAL SUPPLIES AND MATERIALS	\$ 6,634	\$ 13,321	\$ 15,320
SERVICES			
010-5-620-3082 TRAVEL AND TRAINING	\$ -	\$ 500	\$ 500
010-5-620-3310 EQUIPMENT RENTAL / LEASE	-	500	500
TOTAL SERVICES	\$ -	\$ 1,000	\$ 1,000
MAINTENANCE & REPAIR			
010-5-620-4010 BUILDINGS AND STRUCTURES	\$ 147	\$ 2,000	\$ 2,000
010-5-620-4110 MOTOR VEHICLES	2,131	4,000	4,000
010-5-620-4120 EQUIPMENT & MACHINERY	1,880	6,026	3,500
TOTAL MAINTENANCE & REPAIR	\$ 4,158	\$ 12,026	\$ 9,500
TOTAL CEMETERY	\$ 64,496	\$ 111,251	\$ 141,289

SENIOR CITIZENS CENTER

This program was for the support of the Senior Center building and grounds. The Senior Services is a Meals on Wheels program that has relocated into a nonprofit facility not owned or operated by the City of Palestine. The budget division expenditures were consolidated into the facility maintenance division prior to fiscal year ending 2009.

SENIOR CITIZENS CENTER

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SERVICES			
010-5-630-3050 UTILITIES - ELECTRIC	\$ 158	\$ -	\$ -
TOTAL SERVICES	\$ 158	\$ -	\$ -
TOTAL SENIOR CITIZENS CENTER	\$ 158	\$ -	\$ -

FACILITY MAINTENANCE

This program maintains the City's Public buildings and grounds to assure attractive, safe, workable conditions. This division also covers the cost for facilities that are an extension of city services such as the museum and the Howard House.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Custodian	1.0	1.0

FACILITY MAINTENANCE

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-640-1010 SALARIES	\$ 20,205	\$ 19,930	\$ 21,360
010-5-640-1020 OVERTIME	15	1,000	1,000
010-5-640-1030 LONGEVITY	114	216	288
010-5-640-1040 SOCIAL SECURITY	1,583	1,679	1,733
010-5-640-1050 HEALTH INSURANCE	5,688	6,086	6,143
010-5-640-1060 UNEMPLOYMENT INSURANCE	448	505	23
010-5-640-1061 WORKER'S COMPENSATION	752	1,050	209
010-5-640-1070 RETIREMENT	2,753	3,183	3,422
TOTAL PERSONNEL	\$ 31,558	\$ 33,648	\$ 34,178
SUPPLIES AND MATERIALS			
010-5-640-2030 JANITORIAL SUPPLIES	\$ 6,616	\$ 8,050	\$ 8,050
010-5-640-2040 UNIFORMS AND APPAREL	425	500	500
010-5-640-2060 PUBLICATIONS	5	-	-
010-5-640-2080 SMALL TOOLS AND EQUIPMENT	-	3,750	-
TOTAL SUPPLIES AND MATERIALS	\$ 7,046	\$ 12,300	\$ 8,550

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SERVICES			
010-5-640-3030 PROFESSIONAL SERVICES	\$ 9,385	\$ 10,000	\$ 10,000
010-5-640-3040 COMMUNICATIONS	1,792	-	-
010-5-640-3050 UTILITIES - ELECTRIC	78,139	60,000	60,000
010-5-640-3082 TRAVEL AND TRAINING	-	-	500
010-5-640-3320 RENTAL OF REAL ESTATE	12,318	11,000	11,000
010-5-640-3512 REAGAN HIGH BLDG.	14,750	15,000	15,000
010-5-640-3513 SENIOR CENTER	27,266	23,003	23,000
TOTAL SERVICES	\$ 143,650	\$ 119,003	\$ 119,500
MAINTENANCE & REPAIR			
010-5-640-4010 BUIDINGS AND STRUCTURES	\$ 68,405	\$ 93,300	\$ 98,300
TOTAL MAINTENANCE & REPAIR	\$ 68,405	\$ 93,300	\$ 98,300
TOTAL FACILITY MAINTENANCE	\$ 250,659	\$ 258,252	\$ 260,528

VISITOR CENTER

The Visitor Center is located at the west end of downtown as the gateway to providing visitors with information on the area's attractions, lodgings, maps, and other items relevant to local tourism. The Center is ultimately supported by occupancy tax revenue.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Tourism Director	1.0	0.0
Information Specialist (FTE)	1.5	2.0

VISITOR CENTER

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-650-1010 SALARIES	\$ -	\$ -	\$ 20,097
010-5-650-1040 SOCIAL SECURITY	-	-	1,537
010-5-650-1060 UNEMPLOYMENT INSURANCE	-	-	20
010-5-650-1061 WORKER'S COMPENSATION	-	-	156
TOTAL PERSONNEL	\$ -	\$ -	\$ 21,810
SUPPLIES AND MATERIALS			
010-5-650-2010 OFFICE SUPPLIES	\$ -	\$ -	\$ 1,000
010-5-650-2020 POSTAGE	-	-	500
TOTAL SUPPLIES AND MATERIALS	\$ -	\$ -	\$ 1,500

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SERVICES			
010-5-650-3030 PROFESSIONAL SERVICES	\$ -	\$ -	\$ 2,000
010-5-650-3040 COMMUNICATIONS	-	-	5,000
010-5-650-3050 UTILITIES - ELECTRIC	-	-	3,000
010-5-650-3051 UTILITIES - CITY	-	-	800
010-5-650-3060 JANITORIAL SERVICES	-	-	600
010-5-650-3082 TRAVEL AND TRAINING	-	-	1,000
010-5-650-3112 PRINTING SERVICES	-	-	5,000
010-5-650-3210 FINANCIAL SERVICE CHAR	-	-	300
010-5-650-3310 EQUIPMENT RENTAL / LEASE	-	-	2,000
010-5-650-3330 CONTRACT SERVICES	-	-	1,500
010-5-650-3340 SALES AND PROMOTIONS	-	-	1,500
TOTAL SERVICES	\$ -	\$ -	\$ 22,700
MAINTENANCE & REPAIR			
010-5-650-4010 BUILDINGS AND STRUCTURES	\$ -	\$ -	\$ 2,000
TOTAL MAINTENANCE & REPAIR	\$ -	\$ -	\$ 2,000
MAINTENANCE - EQUIPMENT			
010-5-650-4520 SOFTWARE MAINTENANCE	\$ -	\$ -	\$ 1,500
TOTAL MAINTENANCE - EQUIPMENT	\$ -	\$ -	\$ 1,500
EQUIPMENT			
010-5-650-8010 FURNITURE & OFFICE EQUIP.	\$ -	\$ -	\$ 500
010-5-650-8015 COMPUTER EQUIPMENT	-	-	1,200
TOTAL EQUIPMENT	\$ -	\$ -	\$ 1,700
TOTAL VISITOR CENTER	\$ -	\$ -	\$ 51,210

CIVIC CENTER

The Palestine Civic Center serves as an outstanding community performing arts center, accessible to all, where people may be educated, entertained and enlightened.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Events Coordinator	1.0	1.0
Custodian	1.0	1.0

CIVIC CENTER

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-660-1010 SALARIES	\$ -	\$ -	\$ 53,432
010-5-660-1030 LONGEVITY	-	-	720
010-5-660-1031 INCENTIVES	-	-	1,200
010-5-660-1036 CELL PHONE ALLOWANCE	-	-	650
010-5-660-1040 SOCIAL SECURITY	-	-	4,284
010-5-660-1050 HEALTH INSURANCE	-	-	32,385
010-5-660-1060 UNEMPLOYMENT INSURANCE	-	-	56
010-5-660-1061 WORKER'S COMPENSATION	-	-	32
010-5-660-1070 RETIREMENT	-	-	8,462
TOTAL PERSONNEL	\$ -	\$ -	\$ 101,221

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SUPPLIES AND MATERIALS			
010-5-660-2010 OFFICE SUPPLIES	\$ -	\$ -	\$ 500
010-5-660-2020 POSTAGE	-	-	100
010-5-660-2030 JANITORIAL SUPPLIES	-	-	3,000
010-5-660-2220 SPECIAL EVENT MATERIAL	-	-	2,000
TOTAL SUPPLIES AND MATERIALS	\$ -	\$ -	\$ 5,600
SERVICES			
010-5-660-3040 COMMUNICATIONS	\$ -	\$ -	\$ 1,000
010-5-660-3050 UTILITIES - ELECTRIC	-	-	50,000
010-5-660-3080 MEMBERSHIP & SUBSCRIPT.	-	-	500
010-5-660-3082 TRAVEL AND TRAINING	-	-	500
010-5-660-3211 INVESTMENT SERVICE CHA	-	-	50
010-5-660-3310 EQUIPMENT RENTAL / LEA	-	-	2,000
010-5-660-3330 CONTRACT SERVICES	-	-	2,000
TOTAL SERVICES	\$ -	\$ -	\$ 56,050
MAINTENANCE & REPAIR			
010-5-660-4010 BUILDINGS AND STRUCTURES	\$ -	\$ -	\$ 25,000
TOTAL MAINTENANCE & REPAIR	\$ -	\$ -	\$ 25,000
MAINTENANCE - EQUIPMENT			
010-5-660-4510 FIXTURE / EQUIPMENT MAINT.	\$ -	\$ -	\$ 2,500
TOTAL MAINTENANCE - EQUIPMENT	\$ -	\$ -	\$ 2,500
EQUIPMENT			
010-5-660-8010 FURNITURE & OFFICE EQUIP.	\$ -	\$ -	\$ 5,000
010-5-660-8015 COMPUTER EQUIPMENT	-	-	1,200
TOTAL EQUIPMENT	\$ -	\$ -	\$ 6,200
TOTAL CIVIC CENTER	\$ -	\$ -	\$ 196,571

LIBRARY

The Palestine Library has an extensive community history that began in 1882. The Palestine Public Library provides library service for Palestine/Anderson County residents. The Library enables residents to have access to ideas, information, experiences, and materials that support and enrich the lives of all members of the community. The Library creates an environment for all residents to learn, to explore, to enjoy, to create, and to be inspired. Library staff acquires and maintain an up-to-date collection of fiction, non-fiction, historical, and reference materials in a variety of formats including but not limited to books, magazines, newspapers, audio materials, CDs, DVDs, and databases.

SUPPLEMENTAL DECISIONS			
<u>Program</u>	<u>Line</u>	<u>Amount</u>	
RFID Lease	8015	\$	8,160
Automation Server Lease	8015		1,200
PERSONNEL ALLOCATION			
<u>POSITION</u>	<u>FYE 09</u>	<u>FYE 10</u>	
Library Director	1.0		1.0
Librarian I	2.0		2.0
Librarian II	4.0		4.0
Sr. Librarian Asst.	2.0		2.0
Library Assistant	3.0		3.0
Custodian	1.0		1.0
Library Page	0.5		0.5

LIBRARY

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-710-1010 SALARIES	\$ 325,653	\$ 405,542	\$ 406,938
010-5-710-1020 OVERTIME	1,059	-	-
010-5-710-1030 LONGEVITY	2,913	4,248	5,328
010-5-710-1031 INCENTIVE	650	1,300	1,200
010-5-710-1040 SOCIAL SECURITY	25,293	31,731	31,630
010-5-710-1050 HEALTH INSURANCE	64,767	121,480	124,321
010-5-710-1060 UNEMPLOYMENT INSURANCE	7,263	9,540	413
010-5-710-1061 WORKER'S COMPENSATION	1,635	3,820	762
010-5-710-1070 RETIREMENT	41,885	59,051	61,335
TOTAL PERSONNEL	\$ 471,119	\$ 636,712	\$ 631,927
SUPPLIES AND MATERIALS			
010-5-710-2010 OFFICE SUPPLIES	\$ 20,110	\$ 20,000	\$ 19,000
010-5-710-2020 POSTAGE	2,599	5,500	6,500
010-5-710-2030 JANITORIAL SUPPLIES	2,848	2,800	3,300
010-5-710-2040 UNIFORMS AND APPAREL	419	450	500
010-5-710-2060 PUBLICATIONS - STAFF	-	400	500
010-5-710-2070 GASOLINE AND OIL	517	800	800
TOTAL SUPPLIES AND MATERIALS	\$ 26,494	\$ 29,950	\$ 30,600
SERVICES			
010-5-710-3040 COMMUNICATIONS	\$ 20,037	\$ 16,920	\$ 14,000
010-5-710-3050 UTILITIES - ELECTRIC	67,754	62,750	50,000
010-5-710-3051 UTILITIES - CITY	-	4,000	4,000
010-5-710-3080 MEMBERSHIP & SUBSCRIPT.	4,213	9,700	10,000
010-5-710-3081 TUITION REIMBURSEMENTS	-	2,100	4,200
010-5-710-3082 TRAVEL AND TRAINING	3,230	6,000	8,400
010-5-710-3110 ADVERTISING	1,806	3,000	2,500
010-5-710-3112 PRINTING SERVICES	2,421	2,600	3,000
010-5-710-3210 FINANCIAL SERVICE CHAR	-	791	1,000
010-5-710-3310 EQUIPMENT RENTAL / LEASE	6,612	6,000	6,600
010-5-710-3330 CONTRACT SERVICES	22,245	13,875	14,000
TOTAL SERVICES	\$ 128,319	\$ 127,735	\$ 117,700
MAINTENANCE & REPAIR			
010-5-710-4010 BUILDINGS AND STRUCTURES	\$ 19,010	\$ 8,000	\$ 7,500
010-5-710-4120 EQUIPMENT & MACHINERY	3,117	3,800	4,500
TOTAL MAINTENANCE & REPAIR	\$ 22,127	\$ 11,800	\$ 12,000
MAINTENANCE - EQUIPMENT			
010-5-710-4520 SOFTWARE MAINTENANCE	\$ 21,216	\$ 27,090	\$ 27,500
TOTAL MAINTENANCE - EQUIPMENT	\$ 21,216	\$ 27,090	\$ 27,500
EQUIPMENT			
010-5-710-8010 FURNITURE & OFFICE EQUIP	\$ 19,310	\$ 25,000	\$ -
010-5-710-8012 LOAN STAR GRANT	11,142	10,558	-
010-5-710-8015 COMPUTER EQUIPMENT	-	-	9,360
010-5-710-8050 LIBRARY BOOKS - CAPITAL	66,137	65,800	66,500
TOTAL EQUIPMENT	\$ 96,589	\$ 101,358	\$ 75,860
TOTAL LIBRARY	\$ 765,864	\$ 934,644	\$ 895,587

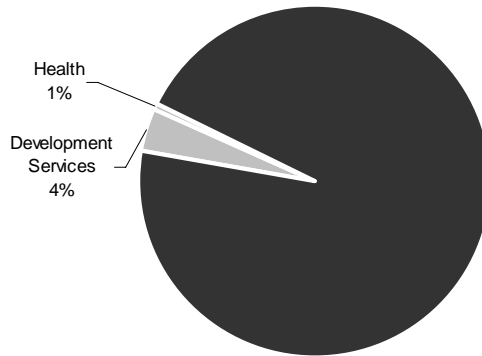
DEVELOPMENT SERVICES

The Development Services Department reviews major codes and makes recommendations to the respective boards which oversee them; administers the permitting procedures, record-keeping, legal issues, zoning applications, demolition program; and enforces the codes and responds to related complaints. It also enforces illegal dumping activities, weeded lots, substandard structures and enforcing various other codes/ordinances in the City of Palestine.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Development Services Dir.	1.0	1.0
Cust. Service Coordinator	1.0	1.0
Administrative Assistant	1.0	1.0
Inspector/Code Officer	3.0	3.0

SUPPLEMENTAL DECISIONS		
Program	Line	Amount
Substandard Structures	3330	10,000

DEPARTMENT EXPENDITURES RELATED TO THE GENERAL FUND



DEVELOPMENT SERVICES

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-810-1010 SALARIES	\$ 218,009	\$ 250,119	\$ 254,813
010-5-810-1020 OVERTIME	612	5,000	5,000
010-5-810-1030 LONGEVITY	3,960	4,536	4,752
010-5-810-1031 INCENTIVE	1,400	8,450	8,450
010-5-810-1036 CELL PHONE ALLOWANCE	-	-	2,400
010-5-810-1040 SOCIAL SECURITY	16,821	20,680	21,292
010-5-810-1050 HEALTH INSURANCE	46,231	55,732	84,962
010-5-810-1060 UNEMPLOYMENT INSURANCE	4,938	6,218	278
010-5-810-1061 WORKER'S COMPENSATION	1,581	2,731	524
010-5-810-1070 RETIREMENT	30,308	39,198	42,055
TOTAL PERSONNEL	\$ 323,861	\$ 392,665	\$ 424,526
SUPPLIES AND MATERIALS			
010-5-810-2010 OFFICE SUPPLIES	\$ 2,928	\$ 8,200	\$ 8,200
010-5-810-2020 POSTAGE	11,122	10,500	11,000
010-5-810-2040 UNIFORMS AND APPAREL	434	1,500	1,500
010-5-810-2070 GASOLINE AND OIL	6,752	7,400	7,400
010-5-810-2080 SMALL TOOLS AND EQUIPM	55	1,301	1,300
TOTAL SUPPLIES AND MATERIALS	\$ 21,291	\$ 28,901	\$ 29,400

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SERVICES			
010-5-810-3040 COMMUNICATIONS	\$ 4,632	\$ 6,000	\$ 6,000
010-5-810-3080 MEMBERSHIP & SUBSCRIPT.	625	1,000	1,000
010-5-810-3082 TRAVEL AND TRAINING	8,808	12,500	13,500
010-5-810-3112 PRINTING SERVICES	402	700	700
010-5-810-3330 CONTRACT SERVICES	44,017	55,000	65,000
TOTAL SERVICES	\$ 58,485	\$ 75,201	\$ 86,200
MAINTENANCE & REPAIR			
010-5-810-4110 MOTOR VEHICLES	\$ 10	\$ 2,200	\$ 2,200
010-5-810-4120 EQUIPMENT & MACHINERY	433	2,800	2,800
TOTAL MAINTENANCE & REPAIR	\$ 443	\$ 5,000	\$ 5,000
TOTAL DEVELOPMENT SERVICES	\$ 404,080	\$ 501,766	\$ 545,126

HEALTH

This program provides for the enhancement of the quality of life within the City of Palestine through the enforcement of ordinances regulating the Health Codes inside the city limits by conducting routine inspections and investigating food services and sales facilities to decrease the threat of food-borne illnesses.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Inspector/Code Officer	1.0	1.0

HEALTH

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-830-1010 SALARIES	\$ 42,649	\$ 43,757	\$ 44,283
010-5-830-1020 OVERTIME	762	2,500	2,500
010-5-830-1030 LONGEVITY	1,830	1,800	1,872
010-5-830-1031 INCENTIVE	1,375	1,950	1,800
010-5-830-1036 CELL PHONE ALLOWANCE	-	-	600
010-5-830-1040 SOCIAL SECURITY	3,568	3,826	3,906
010-5-830-1050 HEALTH INSURANCE	5,708	6,086	6,143
010-5-830-1060 UNEMPLOYMENT INSURANCE	1,028	1,150	51
010-5-830-1061 WORKER'S COMPENSATION	438	833	128
010-5-830-1070 RETIREMENT	6,308	7,251	7,714
TOTAL PERSONNEL	\$ 63,666	\$ 69,152	\$ 68,997
SUPPLIES AND MATERIALS			
010-5-830-2010 OFFICE SUPPLIES	\$ 661	\$ 981	\$ 980
010-5-830-2020 POSTAGE	1,111	1,001	1,000
010-5-830-2031 CHEMICALS	-	3,000	3,000
010-5-830-2040 UNIFORMS AND APPAREL	49	200	200
010-5-830-2070 GASOLINE AND OIL	278	1,600	1,600
010-5-830-2080 SMALL TOOLS AND EQUIP.	286	500	500
010-5-830-2200 OTHER (SPECIFY)	17	-	-
TOTAL SUPPLIES AND MATERIALS	\$ 2,401	\$ 7,281	\$ 7,280

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SERVICES			
010-5-830-3030 PROFESSIONAL SERVICES	\$ 1,200	\$ 1,200	\$ 1,200
010-5-830-3040 COMMUNICATIONS	2,543	3,051	3,050
010-5-830-3050 UTILITIES - ELECTRIC	-	100	-
010-5-830-3080 MEMBERSHIP & SUBSCRIPT.	80	1,180	1,180
010-5-830-3082 TRAVEL AND TRAINING	2,111	4,650	4,650
010-5-830-3112 PRINTING SERVICES	68	570	570
TOTAL SERVICES	\$ 6,003	\$ 10,751	\$ 10,650
MAINTENANCE & REPAIR			
010-5-830-4110 MOTOR VEHICLES	\$ 8	\$ 450	\$ 450
010-5-830-4120 EQUIPMENT & MACHINERY	48	100	100
TOTAL MAINTENANCE & REPAIR	\$ 55	\$ 550	\$ 550
SUNDRY			
010-5-830-5200 FOOD	\$ 71	\$ 150	\$ 150
TOTAL SUNDRY	\$ 71	\$ 150	\$ 150
TOTAL HEALTH	\$ 72,197	\$ 87,884	\$ 87,627

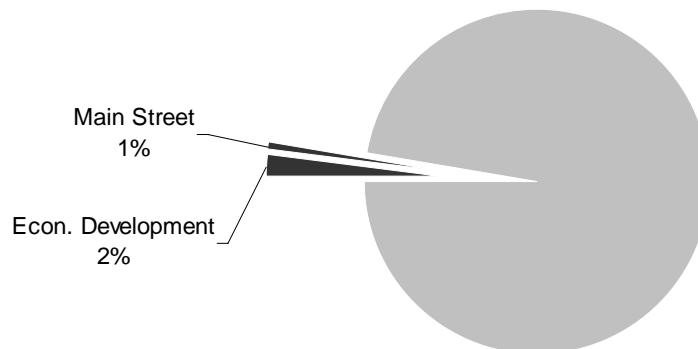
ECONOMIC DEVELOPMENT ADMINISTRATION

Recently the City Council and the Economic Development Corporation adopted the Angelou Economic Development Strategic Plan. The City restructured the existing organization of PEDC in order to improve the effectiveness of its goals and overall vision. The city contracts with the Economic Development Corporation to provide operational services for the board. Under this structure, an annual contract provides funding from 4B tax for two city employees, travel and operations that will be directly related to economic development activities.

The city also appropriates funding from hotel occupancy tax to support the Marketing Manager and cost for the promotion of tourism.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Econ. Development Dir.	0.0	1.0
Administrative Assistant	0.0	1.0
Marketing Manger	0.0	1.0

DEPARTMENT EXPENDITURES RELATED TO THE GENERAL FUND



ECONOMIC DEVELOPMENT ADMINISTRATION

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-860-1010 SALARIES	\$ -	\$ -	\$ 147,561
010-5-860-1033 CAR ALLOWANCE	-	-	5,200
010-5-860-1036 CELL PHONE ALLOWANCE	-	-	1,920
010-5-860-1040 SOCIAL SECURITY	-	-	11,833
010-5-860-1050 HEALTH INSURANCE	-	-	18,428
010-5-860-1060 UNEMPLOYMENT INSURANCE	-	-	155
010-5-860-1061 WORKER'S COMPENSATION	-	-	89
010-5-860-1070 RETIREMENT	-	-	23,372
TOTAL PERSONNEL	\$ -	\$ -	\$ 208,558
SUPPLIES AND MATERIALS			
010-5-860-2010 OFFICE SUPPLIES	\$ -	\$ -	\$ 6,000
010-5-860-2020 POSTAGE	-	-	3,000
010-5-860-2080 SMALL TOOLS AND EQUIP.	-	-	2,500
TOTAL SUPPLIES AND MATERIALS	\$ -	\$ -	\$ 11,500
SERVICES			
010-5-860-3030 PROFESSIONAL SERVICES	\$ -	\$ -	\$ 5,000
010-5-860-3031 CONSULTANT SERVICES	-	-	1,000
010-5-860-3040 COMMUNICATIONS	-	-	5,000
010-5-860-3080 MEMBERSHIP / SUBSCRIPT.	-	-	2,500
010-5-860-3082 TRAVEL AND TRAINING	-	-	15,000
010-5-860-3110 ADVERTISING	-	-	25,000
010-5-860-3112 PRINTING SERVICES	-	-	5,000
TOTAL SERVICES	\$ -	\$ -	\$ 58,500
TOTAL ECONOMIC DEVELOPMENT ADMIN.	\$ -	\$ -	\$ 278,558

MAIN STREET

Palestine was designated as a provisional Texas Main Street city in 2006 by the Texas Historical Commission. The premise of the Main Street program is that economic revitalization can take place within the context of historic preservation. By following an approach that focuses on organization, promotion, design, and economic restructuring, the program promotes and encourages community involvement, historic preservation, business recruitment and retention, tourism, and the general revitalization of the downtown area.

The current Main Street Division is relocated under the Economic Development Department. The main street manager will report directly to the economic development director.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Main Street Manager	1.0	1.0

MAIN STREET

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
010-5-880-1010 SALARIES	\$ 54,935	\$ 57,054	\$ 58,781
010-5-880-1030 LONGEVITY	57	144	216
010-5-880-1036 CELL PHONE ALLOWANCE	-	-	960
010-5-880-1040 SOCIAL SECURITY	4,270	4,376	4,513
010-5-880-1050 HEALTH INSURNACE	5,841	6,086	6,143
010-5-880-1060 UNEMPOLYMENT INSURANCE	1,212	1,316	59
010-5-880-1061 WORKER'S COMPENSATION	153	224	34
010-5-880-1070 RETIREMENT	7,442	8,294	8,914
TOTAL PERSONNEL	\$ 73,911	\$ 77,495	\$ 79,620
SUPPLIES AND MATERIALS			
010-5-880-2010 OFFICE SUPPLIES	\$ 337	\$ 2,500	\$ 2,500
010-5-880-2020 POSTAGE	3,142	1,840	1,900
010-5-880-2080 SMALL TOOLS AND EQUIPM	656	161	100
TOTAL SUPPLIES AND MATERIALS	\$ 4,135	\$ 4,501	\$ 4,500
SERVICES			
010-5-880-3030 PROFESSIONAL SERVICES	\$ -	\$ 1,000	\$ -
010-5-880-3031 CONSULTANT SERVICES	17,986	15,900	-
010-5-880-3040 COMMUNICATIONS	2,465	3,361	2,400
010-5-880-3080 MEMBERSHIP / SUBSCRIPT.	1,429	1,400	1,400
010-5-880-3082 TRAVEL AND TRAINING	13,599	8,000	8,000
010-5-880-3110 ADVERTISING	2,443	2,501	2,500
010-5-880-3112 PRINTING SERVICES	1,687	2,377	2,000
TOTAL SERVICES	\$ 39,610	\$ 34,539	\$ 16,300
TOTAL MAIN STREET	\$ 117,655	\$ 116,535	\$ 100,420
TOTAL FUND EXPENSES	\$ 13,021,241	\$ 13,232,593	\$ 14,309,301
REVENUE OVER/(UNDER) EXPENDITURES	\$ 300,710	\$ 106,583	\$ (165,664)
PROJECTED ENDING FUND BALANCE	\$ 3,432,531	\$ 3,539,114	\$ 3,373,450

DEBT SERVICE FUND

**City of Palestine
Annual Budget 2009-2010**

GENERAL DEBT SERVICE FUND

The General Debt Service Fund accounts for the accumulation and payment of the principal and interest payment on long-term debt secured by the general taxing powers of the jurisdiction. Debt service funds are expendable each fiscal year to handle debt service payments to offset that year's debt obligation. The first portion of the ad valorem (property) tax rate is required to be calculated and levied to meet the required amount that satisfies annual debt service requirements in order to secure the financial obligation and maintain a positive credit rating.

Municipal bonds are issued by the City to raise funds it cannot or does not desire to pay for immediately with funds on hand. This debt is governed by an extensive system of Federal and State regulations. The issuer of a municipal bond receives a cash payment at the time of issuance in exchange for a promise to repay the investors who provide the cash payment over time.

Because of the special tax-exempt status of most municipal bonds, investors usually accept lower interest payments than on other types of borrowing (assuming comparable risk). This makes the issuance of bonds an attractive source of financing, as the borrowing rate available in the open market is frequently lower than what is available through other borrowing channels.

In 2006, The City issued \$2,000,000 of general obligation bonds that included several capital projects listed in CIP Fund 671. The annual general obligation debt added approximately \$250,000 for the next 10 years for these projects that otherwise could not be funded in one year's time. The City again issued additional certificates of obligation in 2008 relating to relocation of water lines. Debt of this nature would traditionally be supported as a revenue bond; however, the large ratio of debt on existing wastewater projects requires that the 2008 series be supported by the general debt service fund.

Certificates of Obligation - Series 2008

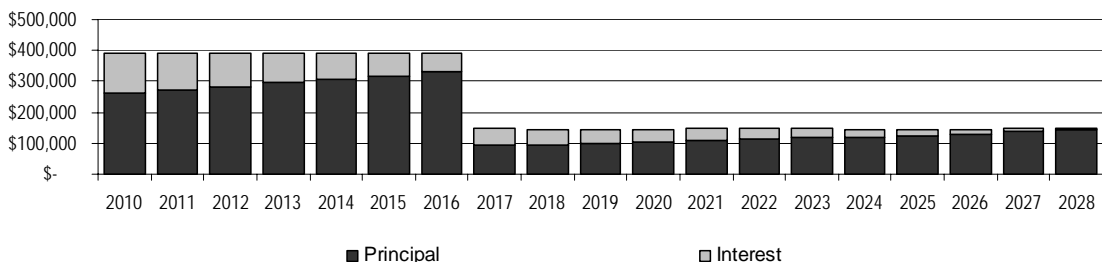
	Principal	Interest	Fiscal Total
2010	\$ 70,000	\$ 74,575	\$ 144,575
2011	75,000	71,766	146,766
2012	75,000	68,859	143,859
2013	80,000	65,858	145,858
2014	85,000	62,662	147,662
2015	85,000	59,369	144,369
2016	90,000	55,979	145,979
2017	95,000	52,396	147,396
2018	95,000	48,716	143,716
2019	100,000	44,938	144,938
2020	105,000	40,968	145,968
2021	110,000	36,803	146,803
2022	115,000	32,445	147,445
2023	120,000	27,893	147,893
2024	120,000	23,244	143,244
2025	125,000	18,499	143,499
2026	130,000	13,559	143,559
2027	140,000	8,329	148,329
2028	145,000	2,809	147,809
Total:	\$ 1,960,000	\$ 809,667	

Certificates of Obligation - Series 2006

	Principal	Interest	Fiscal Total
2010	\$ 190,000	\$ 57,400	\$ 247,400
2011	195,000	49,508	244,508
2012	205,000	41,308	246,308
2013	215,000	32,698	247,698
2014	220,000	23,780	243,780
2015	230,000	14,555	244,555
2016	240,000	4,920	244,920
Total:	\$ 1,495,000	\$ 224,169	

CURRENT REQUIREMENTS - FYE 2009

	PRINCIPAL	INTEREST	TOTAL	DEBT BALANCE
2006 Certificates of Obligation	\$ 180,000	\$ 64,985	\$ 244,985	\$ 1,675,000
2008 Certificates of Obligation	40,000	103,823	143,823	2,000,000
Total:	\$ 220,000	\$ 168,808	\$ 388,808	\$ 3,675,000



GENERAL DEBT SERVICE COLLECTION

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 84,853	\$ 91,978	\$ 188,390
PROPERTY TAX			
310-4-1001 AD VALOREM TAXES	\$ 238,747	\$ 388,808	\$ 391,974
310-4-1002 DELINQUENT TAX REVENUE	6,843	7,000	7,000
310-4-1003 PENALTY & INTEREST TAXES	6,047	4,300	4,500
310-4-1005 MISCELLANEOUS REVENUE	11	-	-
TOTAL PROPERTY TAX	\$ 251,647	\$ 400,108	\$ 403,474
OTHER REVENUE			
310-4-1901 INTEREST ON INVESTMENTS	\$ 4,740	\$ 1,500	\$ 1,500
310-4-1955 TRANSFER FROM OTHER FUNDS	-	15,000	-
TOTAL OTHER INCOME	\$ 4,740	\$ 16,499	\$ 1,500
TOTAL REVENUE	\$ 256,387	\$ 416,607	\$ 404,974
TOTAL FUNDS AVAILABLE	\$ 341,241	\$ 508,586	\$ 593,364

DEBT SERVICE ADMINISTRATION

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
EXPENSES			
310-5-284-5010 BOND ISSUANCE COSTS	\$ 2,000	\$ -	\$ -
310-5-284-5140 PRINCIPAL/DEBT SEV 2007	175,000	180,000	190,000
310-5-284-5141 PRINCIPAL/DEBT SEV 2008	-	40,000	70,000
310-5-284-5150 INTEREST/DEBT SEV 2009	72,263	34,338	57,000
310-5-284-5151 INTEREST/DEBT SERV 2010	-	65,858	74,574
TOTAL FUND EXPENSES	\$ 249,263	\$ 320,196	\$ 391,574
REVENUE OVER/(UNDER) EXPENDITURES	\$ 7,125	\$ 96,412	\$ 13,400
PROJECTED ENDING FUND BALANCE	\$ 91,978	\$ 188,390	\$ 201,790

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SPECIAL REVENUE FUNDS

**City of Palestine
Annual Budget 2009-2010**

HOTEL OCCUPANCY TAX FUND

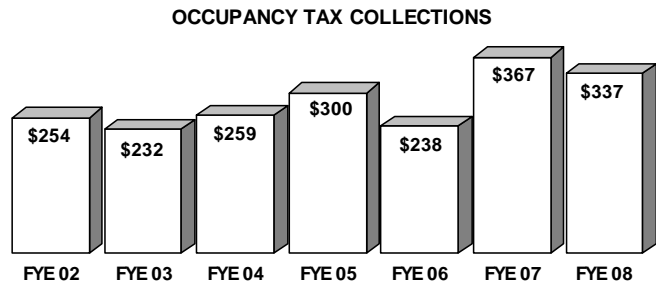
The purpose of the hotel occupancy tax is to raise revenue in effort to attract a tourist who is defined as an individual who travels from a different municipality, county, state, or country for the pleasure, recreation, education, or culture in the vicinity of Palestine.

Revenue from hotel occupancy tax is a funding source that is dedicated for the promotion of tourism and the convention and hotel industry. The City owns and operates a civic center facility that is primarily used to host conventions and meetings. The civic center complex includes a large auditorium, exhibition hall, small meeting rooms and off street parking. The City also owns and operates a visitor information center used to distribute or disseminate information to tourists. Both the operations are supported by the hotel occupancy tax.

Hotel occupancy tax funding may be used for the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms. Currently the City of Palestine contracts with the Chamber of Commerce to offer

arts and cultural services to the community that meet the requirements of the occupancy tax. For several years the Chamber of Commerce has promoted the arts in concurrence with major city festivals. The fund also supports the promotion of *Embrace the Arts* which is a series that includes several applications of the arts that is open to the public. Additionally the fund supports a marketing program in concurrence with economic development in order to attract tourists to Palestine.

Other hotel occupancy tax uses may include historical restoration and preservation projects. This tax application may be used for preservation activities, advertising or promotional programs to encourage tourists to visit preserved historic sites or museums. Palestine may also use this tax for the promotion expenses directly related to a sporting event in which the majority of participants are tourists and increase economic activity at hotels and motels within Palestine.



OCCUPANCY TAX FUND REVENUE

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 158,633	\$ 124,653	\$ 12,233
REVENUE			
150-4-1901 INTEREST REVENUE	\$ 2,260	\$ 1,000	\$ 1,000
150-4-1921 HOTEL OCCUPANCY TAX	336,765	369,132	375,000
150-4-1930 CIVIC AUDITORIUM RENTAL	27,128	33,346	-
150-4-1931 SECURITY GUARD FEES	14,090	12,000	-
150-4-1932 SOUND TECH FEES	3,365	2,400	-
150-4-1955 TSFR FROM OTHER FUNDS	-	2,100	-
150-4-1970 OTHER TOURISM REVENUE	572	500	-
TOTAL REVENUE	\$ 384,180	\$ 420,477	\$ 376,000
TOTAL FUNDS AVAILABLE	\$ 542,813	\$ 545,130	\$ 388,233

OCCUPANCY TAX SERVICES

Occupancy Tax Services include expenses related to financial activity of the actual fund such as inter-fund transfers, financial charges, and application of the arts. A majority of the funds are transferred for occupancy tax uses in the general fund that include the civic center and visitor center.

**INTERFUND TRANSFER REQUIREMENTS
PALESTINE CONVENTION AND VISITOR'S BUREAU**

DESCRIPTION	FYE 2010			
	HOT FUND	COMMUNITY SERVICES	MARKETING SERVICES	BUDGET TOTAL
ESTIMATED EXPENDITURES BY TYPE				
VISITOR CENTER PERSONNEL	\$ -	\$ 21,810	\$ -	\$ 21,810
CIVIC CENTER PERSONNEL	-	101,221	-	101,221
MARKETING PERSONNEL	-	-	63,121	63,121
CIVIC CENTER OPERATIONS	-	95,350	-	95,350
VISITOR'S CENTER OPERATIONS	-	29,410	-	29,410
MARKETING OPERATIONS	-	-	23,515	23,515
ART/CULTURE CHAMBER	16,000	-	-	16,000
HOTEL ADVERTISING	12,000	-	-	12,000
CAPITAL PROJECTS	-	-	-	-
TOTAL EXPENDITURES	\$ 28,000	\$ 247,791	\$ 86,636	\$ 362,427

OCCUPANCY TAX SERVICES

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SERVICES			
150-5-110-3030 PROFESSIONAL SERVICES	\$ -	\$ -	\$ 12,000
TOTAL SERVICES	\$ -	\$ -	\$ 12,000
SUNDRY			
150-5-110-5050 ART/CULTURAL PROJECTS	\$ -	\$ -	\$ 16,000
TOTAL SUNDRY	\$ -	\$ -	\$ 16,000
INTERFUND ACTIVITY			
150-5-110-9010 TSFR TO GENERAL FUND	\$ -	\$ -	\$ 334,427
TOTAL INTERFUND ACTIVITY	\$ -	\$ -	\$ 334,427
TOTAL OCCUPANCY TAX SERVICES	\$ -	\$ -	\$ 362,427

VISITOR CENTER (TOURISM FUND)

The Visitor Center is located at the west end of downtown as the gateway to providing visitors with information on the area's attractions, lodgings, maps, and other items relevant to local tourism. The Center is ultimately supported by occupancy tax revenue. Beginning this fiscal year, the budget program is listed under the general fund.

VISITOR CENTER

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
150-5-750-1010 SALARIES AND WAGES	\$ 81,184	\$ 70,869	\$ -
150-5-750-1012 TEMPORARY EMPLOYMENT	237	-	-
150-5-750-1020 OVERTIME	477	-	-
150-5-750-1030 LONGEVITY	519	288	-
150-5-750-1033 CAR ALLOWANCE	1,050	5,200	-
150-5-750-1040 SOCIAL SECURITY	6,281	5,841	-
150-5-750-1050 HEALTH INSURANCE	16,965	6,086	-
150-5-750-1060 UNEMPLOYMENT INSURANCE	1,843	1,756	-
150-5-750-1061 WORKER'S COMPENSATION	244	890	-
150-5-750-1070 RETIREMENT	10,826	8,885	-
TOTAL PERSONNEL	\$ 119,626	\$ 99,814	\$ -
SUPPLIES AND MATERIALS			
150-5-750-2010 OFFICE SUPPLIES	\$ 3,254	\$ 4,750	\$ -
150-5-750-2020 POSTAGE	5,897	7,491	-
150-5-750-2030 JANITORIAL SUPPLIES	-	600	-
150-5-750-2070 GASOLINE AND OIL	681	25	-
150-5-750-2210 PROMOTIONAL ITEMS	703	256	-
TOTAL SUPPLIES AND MATERIALS	\$ 10,535	\$ 13,121	\$ -
SERVICES			
150-5-750-3030 PROFESSIONAL SERVICES	\$ 15,500	\$ 12,000	\$ -
150-5-750-3040 COMMUNICATIONS	5,834	9,100	-
150-5-750-3050 UTILITIES - ELECTRIC	382	1,000	-
150-5-750-3082 TRAVEL AND TRAINING	6,350	11,000	-
150-5-750-3110 ADVERTISING	31,047	37,000	-
150-5-750-3112 PRINTING SERVICES	12,640	24,500	-
150-5-750-3310 EQUIPMENT RENTAL / LEASE	3,370	3,674	-
150-5-750-3330 CONTRACT SERVICES	896	1,300	-
150-5-750-3340 SALES AND PROMOTIONS	12,759	10,600	-
150-5-750-3360 TRADE SHOWS	2,100	4,000	-
TOTAL SERVICES	\$ 90,880	\$ 114,174	\$ -
MAINTENANCE			
150-5-750-4010 BUILDINGS, STRUCTURES	\$ 1,439	\$ 1,500	\$ -
150-5-750-4110 MOTOR VEHICLES	42	-	-
150-5-750-4520 SOFTWARE MAINTENANCE	-	389	-
TOTAL MAINTENANCE	\$ 1,481	\$ 1,889	\$ -

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SUNDRY			
150-5-750-5050 ART/CULTURAL PROJECTS	\$ 15,000	\$ 15,000	\$ -
TOTAL SUNDRY	\$ 15,000	\$ 15,000	\$ -
EQUIPMENT			
150-5-750-8010 EQUIPMENT	\$ -	\$ 12,000	\$ -
150-5-750-8015 COMPUTER EQUIPMENT	-	3,195	-
TOTAL EQUIPMENT	\$ -	\$ 15,195	\$ -
TOTAL VISITOR CENTER	\$ 237,522	\$ 259,194	\$ -

CIVIC CENTER (TOURISM FUND)

The Palestine Civic Center serves as a performing arts center and provides meeting rooms where people may be educated, entertained and enlightened. Beginning this fiscal year, the budget program is listed under the general fund.

CIVIC CENTER

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
150-5-751-1010 SALARIES AND WAGES	\$ 20,620	\$ 52,475	\$ -
150-5-751-1020 OVERTIME	14,795	17,928	-
150-5-751-1030 LONGEVITY	45	576	-
150-5-751-1031 INCENTIVES	-	1,000	-
150-5-751-1040 SOCIAL SECURITY	2,703	4,135	-
150-5-751-1050 HEALTH INSURANCE	9,231	17,842	-
150-5-751-1060 UNEMPLOYMENT INSURANCE	774	1,243	-
150-5-751-1061 WORKER'S COMPENSATION	1,238	1,123	-
150-5-751-1065 COMPENSATION INCREASE	-	503	-
150-5-751-1070 RETIREMENT	4,724	7,335	-
TOTAL PERSONNEL	\$ 54,131	\$ 104,160	\$ -
SUPPLIES AND MATERIALS			
150-5-751-2010 OFFICE SUPPLIES	\$ 265	\$ 2,000	\$ -
150-5-751-2020 POSTAGE	26	1,250	-
150-5-751-2030 JANITORIAL SUPPLIES	2,371	3,000	-
150-5-751-2220 SPECIAL EVENT MATERIAL	1,137	1,000	-
TOTAL SUPPLIES AND MATERIALS	\$ 3,798	\$ 7,251	\$ -

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SERVICES			
150-5-751-3020 AUDITS AND SPECIAL STUDIES	\$ 22,680	\$ -	\$ -
150-5-751-3031 CONSULTANT SERVICES	-	1,925	-
150-5-751-3040 COMMUNICATIONS	1,403	24,942	-
150-5-751-3050 UTILITIES - ELECTRIC	58,380	25,624	-
150-5-751-3080 MEMBERSHIP & SUBSCRIPT.	898	1,150	-
150-5-751-3210 FINANCIAL SERVICE CHA	36	1,400	-
150-5-751-3211 INVESTMENT CHARGE	34	50	-
150-5-751-3310 EQUIPMENT RENTAL / LEASE	294	1,500	-
150-5-751-3330 CONTRACT SERVICES	3,494	1,750	-
150-5-751-3370 SECURITY GUARDS	9,525	-	-
150-5-751-3371 SOUND & LIGHT TECHNICIAN	3,975	5,000	-
TOTAL SERVICES	\$ 100,718	\$ 63,341	\$ -
MAINTENANCE & REPAIR			
150-5-751-4010 BUILDINGS AND STRUCTURES	\$ 21,990	\$ 20,825	\$ -
150-5-751-4510 EQUIPMENT MAINTENANCE	-	16,776	-
TOTAL MAINTENANCE	\$ 21,990	\$ 37,601	\$ -
EQUIPMENT			
150-5-751-8010 OFFICE EQUIPMENT	\$ -	\$ 53,150	\$ -
150-5-751-8015 COMPUTER EQUIPMENT	-	8,200	-
TOTAL EQUIPMENT	\$ -	\$ 61,350	\$ -
TOTAL CIVIC CENTER	\$ 180,637	\$ 273,703	\$ -
TOTAL FUND EXPENSES	\$ 418,160	\$ 532,898	\$ 362,427
REVENUE OVER/(UNDER) EXPENDITURES	\$ (33,980)	\$ (112,421)	\$ 13,573
PROJECTED ENDING FUND BALANCE	\$ 124,653	\$ 12,233	\$ 25,806

PALESTINE ECONOMIC DEVELOPMENT CORPORATION

The Palestine Economic Development Corporation is a Type B tax taxing entity that has established a corporation under the rules of the Economic Development Act to administer the sales and use tax funds. The city’s governing body must appoint seven directors. Three of the seven directors cannot be employees, officers or members of the city’s governing body. The other four directors may be—but are not required to be—members of the governing body or city employees. All directors are appointed to a two-year term under §4B. The directors of a corporation authorized under §4B must be residents of the city authorizing the sales tax if the city’s population is 20,000 or more. There is no city residency requirement for §4B directors in cities with less than 20,000 population as long as the director is a resident of the county in which the majority of the city is located, or resides within 10 miles of the city and is in a county which borders the county in which a majority of the city is located. The board of directors serves at the pleasure of the governing body and must conduct meetings within the city’s boundaries.

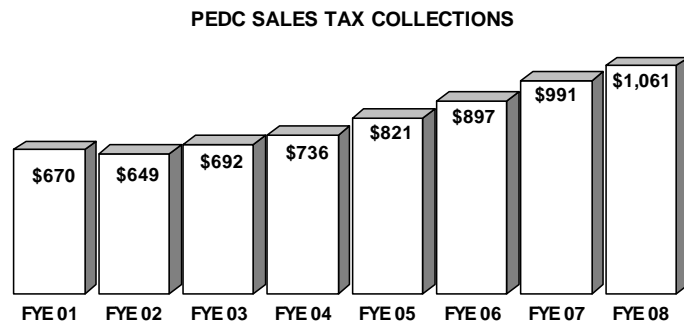
The tax provides cities with a wider range of uses for the tax revenues because it is intended to give communities an opportunity to undertake a project for quality of life improvements, including economic development that will attract and retain primary employers. Before spending Type B sales tax revenue, a corporation is required to hold at least one public hearing on the proposed project that will be funded by this tax. The tax is primarily intended for manufacturing and industrial development, and cities may use the money raised by this sales tax to acquire or pay for land, buildings, equipment,

facilities, expenditures, targeted infrastructure and improvements for other specific purposes.

A Type B city may use money raised by this sales tax for a wide variety of projects including land, buildings, equipment, facilities expenditures and improvements related to projects defined in Type A or found by the board of directors to be required or suitable for use for other specific uses.

If a project of this nature would require an expenditure of more than \$10,000, the governing body of the city creating the corporation would have to adopt a resolution authorizing the project after giving the resolution at least two separate readings. Sewer utilities and site improvements are also allowable infrastructure that all development corporations may fund to promote new or expanded business development.

Type B corporations may, following a separate election to gain voter approval, spend Type B sales tax for a water supply, water conservation program or to clean up contaminated property.



ECONOMIC DEVELOPMENT CORP REVENUE

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PROPERTY TAX			
215-4-1013 EDC SALES TAX	\$ -	\$ -	\$ 1,070,000
TOTAL PROPERTY TAX	\$ -	\$ -	\$ 1,070,000
OTHER INCOME			
215-4-1801 CAP GEMINI - COUNTY	-	-	87,500
215-4-1802 CAP GEMINI - CITY	\$ -	\$ -	\$ 60,000
215-4-1901 INTEREST REVENUE	\$ -	\$ -	\$ 10,000
TOTAL OTHER INCOME	\$ -	\$ -	\$ 157,500
TOTAL REVENUE	\$ -	\$ -	\$ 1,227,500

PALESTINE ECONOMIC DEVELOPMENT OPERATIONS

Recently the City restructured the existing organization of PEDC in order to improve the effectiveness of its goals and overall vision. The city contracts with the Economic Development Corporation to provide operational services for the board. The following budget is related to the operations under the direction of the PEDC Board.

PEDC OPERATIONS

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SERVICES			
215-5-110-3030 PROFESSIONAL SERVICES	\$ -	\$ -	\$ 20,000
215-5-110-3151 MARKETING - FYE 07	-	-	55,806
215-5-110-3152 MARKETING - FYE 08	-	-	19,895
215-5-110-3153 MARKETING - FYE 09	-	-	35,000
215-5-110-3154 MARKETING - FYE 10	-	-	60,000
215-5-110-3330 CONTRACT SERVICES	-	-	191,710
TOTAL SERVICES	\$ -	\$ -	\$ 382,411
MAINTENANCE & REPAIR			
215-5-110-4010 BUSINESS PARK	\$ -	\$ -	\$ 43,000
TOTAL MAINTENANCE & REPAIR	\$ -	\$ -	\$ 43,000
SUNDRY			
215-5-110-5001 CAP GEMINI LOAN	\$ -	\$ -	\$ 327,646
215-5-110-5002 WCBP LOAN	-	-	187,497
TOTAL SUNDRY	\$ -	\$ -	\$ 515,143
EQUIPMENT			
215-5-110-8010 BUSINESS PARK	\$ -	\$ -	\$ 5,000
TOTAL EQUIPMENT	\$ -	\$ -	\$ 5,000
TOTAL OPERATIONS	\$ -	\$ -	\$ 945,554

PEDC SPECIAL SERVICES

PEDC Special Services are projects that are quality of life improvements that will attract and retain primary employers. The tax is primarily intended for manufacturing and industrial development, and cities may use the money raised by this sales tax to acquire or pay for land, buildings, equipment, facilities, expenditures, targeted infrastructure and improvements for other specific purposes. If a project of this nature would require an expenditure of more than \$10,000, the governing body of the city must adopt a resolution authorizing the project. The following budget is special services projects of the Palestine Economic Development Corporation.

PEDC SPECIAL SERVICES

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SUNDRY			
215-5-111-5001 WEISSKER	\$ -	\$ -	\$ 10,000
215-5-111-5002 MT. PURE INCENTIVE	-	-	45,000
215-5-111-5007 MERRITT	-	-	51,692
215-5-111-5009 WCBP RETENTION POND	-	-	150,000
215-5-111-5010 PROJECT DC	-	-	25,000
215-5-111-5011 BUSINESS RETENTION	-	-	25,000
215-5-111-5063 COM DEV GRANT	-	-	50,000
215-5-111-5088 FACADE PROGRAM	-	-	75,000
TOTAL SUNDRY	\$ -	\$ -	\$ 431,692
TOTAL FUND EXPENSES	\$ -	\$ -	\$ 1,377,246

REVOLVING LOAN FUND

The Business Revolving Loan Fund (RLF) was established to assist small businesses within the City of Palestine. The main focus of the RLF is to promote business expansion inside the Palestine City limits by creating or retaining employment opportunities for low to moderate income persons. The loan funds are designed to leverage private funds in order to bridge the gap between monies and financing needed for the proposed project. Original funding for the RLF was provided by the State of Texas Department Agriculture and semi-annual reports are presented to the Department. The RLF is maintained by the City of Palestine and managed by the Palestine Economic Development Corporation.

REVOLVING LOAN FUND

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 497,106	\$ 387,431	\$ 405,611
REVENUES			
410-4-1901 INTEREST ON INVESTMENTS	\$ 13,343	\$ 7,590	\$ 8,000
410-4-1902 OTHER PROCEEDS-REPAY LOAN	-	15,000	20,000
410-4-1955 TRANSFER FROM OTHER FUNDS	-	15,990	-
TOTAL REVENUE	\$ 13,343	\$ 38,580	\$ 28,000
TOTAL FUNDS AVAILABLE	\$ 510,449	\$ 426,011	\$ 433,611
EXPENSES			
410-5-110-3211 INVESTMENT SERVICE CH	\$ 296	\$ 400	\$ 400
410-5-110-3442 OTHER USES LOAN - E.	\$ 122,723	\$ 20,000	\$ 350,000
TOTAL FUND EXPENSES	\$ 123,018	\$ 20,400	\$ 350,400
REVENUE OVER/(UNDER) EXPENDITURES	\$ (109,675)	\$ 18,180	\$ (322,400)
PROJECTED ENDING FUND BALANCE	\$ 387,431	\$ 405,611	\$ 83,211

AIRPORT FUND

The City of Palestine owns a general aviation airport (PSN), four nautical miles northwest of downtown. The Airport has two operational runways and is located on 524 acres at an elevation of 423 feet. The airport is used broadly by businesses who wish to conduct business located in the Palestine-Anderson County area. Also, the airport serves as an excellent stop for longer flights

that require an extended runway for refueling. The airport’s operations are financed by the City of Palestine as an enterprise fund, where service costs are financed through user charges. The airport has 36 based planes with one jet and two multi-engine aircraft. The airport services 30 planes per day with 34% as transitory general aviation.

Runway Information:

- Airport runway 18/36 is an asphalt surface approximately 5,000 feet in length, running north-south.
- Airport runway 09/27 is an asphalt surface approximately 4,000 feet in length, running east-west.

Flight Services Include:

- Aviation Fuel
- Aircraft Parking
- Passenger Terminal And Lounge
- Flight Training Aircraft Rental
- Pilot Supplies
- Pilots Lounge
- Public Telephone
- Computerized Weather
- Internet Access

AIRPORT FUND REVENUE

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ (50,971)	\$ (130,912)	\$ (161,029)
LEASES AND RENTALS			
240-4-1601 AIRPORT RENTAL FEES	\$ 15,483	\$ 18,444	\$ 20,000
240-4-1602 LAND LEASE FEES	6,061	7,000	6,000
TOTAL LEASES AND RENTALS	\$ 21,544	\$ 25,444	\$ 26,000
OTHER AGENCIES			
240-4-1804 STATE & FEDERAL GRANTS	\$ 1,405	\$ 48,710	\$ 8,000
TOTAL OTHER AGENCIES	\$ 1,405	\$ 48,710	\$ 8,000
OTHER INCOME			
240-4-1901 INTEREST REVENUE	\$ 433	\$ 434	\$ 500
240-4-1905 MISCELLANEOUS SALES	10,172	10,000	10,000
240-4-1907 CALL OUT FEE	-	500	400
240-4-1919 SALE OF FUEL	352,948	375,000	386,000
240-4-1941 TSFR FROM GENERAL FUND	20,000	25,000	25,000
240-4-1955 TSFR FROM OTHER FUNDS	-	600	-
TOTAL OTHER INCOME	\$ 383,553	\$ 411,535	\$ 421,900
TOTAL REVENUE	\$ 406,502	\$ 485,688	\$ 455,900
TOTAL FUNDS AVAILABLE	\$ 355,531	\$ 354,776	\$ 294,871

AIRPORT OPERATIONS

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
240-5-110-1010 SALARIES AND WAGES	\$ 31,998	\$ 33,707	\$ 34,512
240-5-110-1020 OVERTIME	200	-	-
240-5-110-1030 LONGEVITY	27	144	216
240-5-110-1036 CELL PHONE ALLOWANCE	-	-	600
240-5-110-1040 SOCIAL SECURITY	2,406	2,590	2,703
240-5-110-1050 HEALTH INSURANCE	5,688	6,086	6,143
240-5-110-1060 UNEMPLOYMENT INSURANCE	684	779	35
240-5-110-1061 WORKER'S COMPENSATION	86	504	88
240-5-110-1070 RETIREMENT	3,451	3,815	4,199
TOTAL PERSONNEL	\$ 44,541	\$ 47,624	\$ 48,496
SUPPLIES AND MATERIALS			
240-5-110-2010 OFFICE SUPPLIES	\$ 9,121	\$ 1,192	\$ 1,000
240-5-110-2011 COST OF SALES	320	8,000	8,000
240-5-110-2020 POSTAGE	140	500	500
240-5-110-2030 JANITORIAL SUPPLIES	290	500	500
240-5-110-2031 CHEMICALS	2,193	1,500	1,500
240-5-110-2040 UNIFORMS AND APPAREL	87	250	250
240-5-110-2070 GASOLINE AND OIL	719	500	1,000
240-5-110-2072 AVIATION/JET FUEL	313,125	320,000	300,000
240-5-110-2099 CONCESSIONS	1,696	-	-
TOTAL SUPPLIES AND MATERIALS	\$ 327,692	\$ 332,442	\$ 312,750
SERVICES			
240-5-110-3030 PROFESSIONAL SERVICES	\$ 1,294	\$ 1,000	\$ 1,000
240-5-110-3040 COMMUNICATIONS	7,215	40,943	7,800
240-5-110-3050 UTILITIES - ELECTRIC	14,902	14,000	14,000
240-5-110-3051 UTILITIES - CITY	-	500	500
240-5-110-3082 TRAVEL AND TRAINING	254	-	1,000
240-5-110-3200 RETAIL ITEMS	125	46	-
240-5-110-3211 INVESTMENT CHARGE	11	-	-
240-5-110-3330 CONTRACT SERVICES	3,921	295	6,600
TOTAL SERVICES	\$ 27,722	\$ 56,784	\$ 30,900
MAINTENANCE & REPAIR			
240-5-110-4010 BUILDINGS, STRUCTURES	\$ 22,169	\$ 8,000	\$ 6,000
240-5-110-4110 MOTOR VEHICLES	1,196	2,000	2,000
240-5-110-4120 EQUIPMENT & MACHINERY	11,674	8,404	3,000
240-5-110-4310 SEWER SYSTEM MAINT.	-	-	2,000
240-5-110-4510 EQUIPMENT MAINT.	\$ -	\$ 3,000	\$ 3,000
TOTAL MAINTENANCE - EQUIPMENT	\$ 35,039	\$ 21,404	\$ 16,000
EQUIPMENT			
240-5-110-8010 FURNITURE & OFFICE EQUIP.	\$ 3,899	\$ 10,000	\$ -
TOTAL EQUIPMENT	\$ 3,899	\$ 10,000	\$ -
INTERFUND ACTIVITY			
240-5-110-9510 EQUIP. PURCHASE CONT.	\$ 47,550	\$ 47,551	\$ 47,550
TOTAL INTERFUND ACTIVITY	\$ 47,550	\$ 47,551	\$ 47,550
TOTAL FUND EXPENSES	\$ 486,443	\$ 515,806	\$ 455,696
REVENUE OVER/(UNDER) EXPENDITURES	\$ (79,941)	\$ (30,117)	\$ 204
PROJECTED ENDING FUND BALANCE	\$ (130,912)	\$ (161,029)	\$ (160,825)

MUNICIPAL COURT BUILDING SECURITY AND TECHNOLOGY FUNDS

The Court Building Security Fund is designated as Fund Number 250 for fiscal year ending 2010. The Code of Criminal Procedure allows municipalities to collect a fee of \$3.00 as a cost of court from anyone convicted of a misdemeanor offense. The article provides that the funds may be used to finance items for the purpose of providing security services for municipal courts. The City of Palestine court security fees provide the court with security items and training necessary to operate a secure court proceeding.

The Court Technology Fund is designated as Fund Number 260 for fiscal year ending 2010. Technology is

created with the intent of saving valuable time, making processes more expedient and easier to manage. The Texas State Legislature allows municipal governments to create a municipal court technology fund that requires an offender of a misdemeanor offense to pay a technology fee as a cost of court. Proceeds are to be used for the purchase of court technological enhancements. The City is current using several technology tools that improve the processes of municipal court and is researching new technology to make the court more accessible to the public and to process more cases in a shorter measure of time.

COURT BLDG SECURITY FUND

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 12,907	\$ 11,280	\$ 18,784
REVENUES			
250-4-1409 M COURT SECURITY FEES	\$ 6,083	\$ 8,004	\$ 8,000
TOTAL REVENUE	\$ 6,083	\$ 8,004	\$ 8,000
TOTAL FUNDS AVAILABLE	\$ 18,990	\$ 19,284	\$ 26,784
EXPENSES			
250-5-110-3082 TRAVEL AND TRAINING	\$ 526	\$ 500	\$ 1,000
250-5-110-3330 CONTRACT SERVICES	7,185	-	-
TOTAL SERVICES	\$ 7,711	\$ 500	\$ 1,000
TOTAL FUND EXPENSES	\$ 7,711	\$ 500	\$ 1,000
REVENUE OVER/(UNDER) EXPENDITURES	\$ (1,627)	\$ 7,504	\$ 7,000
PROJECTED ENDING FUND BALANCE	\$ 11,280	\$ 18,784	\$ 25,784

COURT TECHNOLOGY FUND

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 18,060	\$ 15,467	\$ 7,471
REVENUES			
260-4-1410 COURT TECHNOLOGY FEES	\$ 8,106	\$ 9,405	\$ 10,700
TOTAL REVENUE	\$ 8,106	\$ 9,405	\$ 10,700
TOTAL FUNDS AVAILABLE	\$ 26,167	\$ 24,872	\$ 18,171
EXPENSES			
260-5-110-8050 COMPUTER EQUIPMENT	\$ -	\$ 6,700	\$ -
260-5-110-9010 TRSF TO GENERAL FUND	4,300	4,300	4,300
260-5-110-9510 EQUIP. PURCHASE CONTRIB.	6,400	6,400	6,400
TOTAL FUND EXPENSES	\$ 10,700	\$ 17,401	\$ 10,700
REVENUE OVER/(UNDER) EXPENDITURES	\$ (2,594)	\$ (7,996)	\$ -
PROJECTED ENDING FUND BALANCE	\$ 15,467	\$ 7,471	\$ 7,471

PERPETUAL CEMETERY FUND

Old cemeteries are markers of human history. They are sources of history and they tell us a great deal about ourselves culturally and socially. Therefore, it is important that cemeteries are responsibly maintained. The City of Palestine affords a basic perpetual fund to maintain the city-owned cemeteries in order to preserve our local heritage. This perpetual fund is applied to sustain the following: East Hill, Old, Memorial, Middle, New Addition, and New Addition Annex. The resources for this fund have not been established as a permanent fund in the sense that only earnings from the resource are used and not the principal. It is the intent that the City create an interest-only perpetual fund to maintain the cemetery operations. Currently, the daily maintenance is supported through the General Fund Community Services Department. Continued revenues from the sale of cemetery lots will depend on future cemetery additions.

400-PERPETUAL CEMETERY REVENUE	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 138,113	\$ 142,316	\$ 155,815
REVENUES			
400-4-1708 CEMETERY LOT SALES	\$ -	\$ 3,800	\$ 3,800
400-4-1901 INTEREST ON INVESTMENTS	5,693	1,500	1,500
400-4-1955 TRANSFER FROM OTHER FUNDS	-	12,000	-
TOTAL REVENUE	\$ 5,693	\$ 17,300	\$ 5,300
TOTAL FUNDS AVAILABLE	\$ 143,805	\$ 159,616	\$ 161,115

PERPETUAL CEMETERY ADMINISTRATION	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SERVICES			
400-5-110-3211 INVESTMENT CHARGE	\$ 189	\$ 500	\$ 500
TOTAL SERVICES	\$ 189	\$ 500	\$ 500
CAPITAL OUTLAY			
400-5-110-7451 CEMETERY SUPPLIES	\$ -	\$ 2,000	\$ 2,000
TOTAL CAPITAL OUTLAY	\$ -	\$ 2,000	\$ 2,000
INTERFUND ACTIVITY			
400-5-110-9010 TRSF TO GENERAL FUND	\$ 600	\$ 600	\$ 600
400-5-110-9510 EQUIP. PURCHASE CONTRIB.	700	700	700
TOTAL INTERFUND ACTIVITY	\$ 1,300	\$ 1,300	\$ 1,300
TOTAL FUND EXPENSES	\$ 1,489	\$ 3,800	\$ 3,800
REVENUE OVER/(UNDER) EXPENDITURES	\$ 4,203	\$ 13,499	\$ 1,500
PROJECTED ENDING FUND BALANCE	\$ 142,316	\$ 155,815	\$ 157,315

COMMUNITY FOREST

The community forest land was used as a source for the municipal water supply until 1968. Since then it has served many functions including recreation, education, sustainable timber harvesting, and wildlife habitat. Currently the City of Palestine is budgeted to develop a responsible and ecologically sensitive long-term forest management master plan which would provide revenues for the development and continued acquisition of managed forest land. This plan is to harvest timber on a sustainable basis; enhance the integrity of the ecology; and provide forest recreational and educational opportunities for the community.

011-COMMUNITY FOREST	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 101,000
REVENUES			
011-4-1001 SALE OF TIMBER	\$ -	\$ 102,000	\$ -
011-4-1901 INTEREST REVENUE	-	-	1,000
TOTAL REVENUE	\$ -	\$ 102,000	\$ 1,000
TOTAL FUNDS AVAILABLE	\$ -	\$ 102,000	\$ 102,000
EXPENSES			
011-5-110-3030 PROFESSIONAL SERVICES	\$ -	\$ 1,000	\$ 52,000
TOTAL FUND EXPENSES	\$ -	\$ 1,000	\$ 52,000
REVENUE OVER/(UNDER) EXPENDITURES	\$ -	\$ 101,000	\$ (51,000)
PROJECTED ENDING FUND BALANCE	\$ -	\$ 101,000	\$ 50,000

LIBRARY MEMORIAL FUND

Memorial donations are accepted to purchase new items for the Palestine Public Library. Donations are accepted and accounted for in this fund in support of the public library, to honor or memorialize a friend or loved one, and to show support of a special event. Funds may designate the item to be purchased, or suggest a particular subject area. The Palestine Public Library Board and staff administer the Memorial Fund and greatly appreciate the many generous donations. The books purchased and received through the Memorial Fund have enhanced the Library's collection.

060-LIBRARY MEMORIAL FUND	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 14,401	\$ 20,595	\$ 16,759
REVENUES			
060-4-1912 CONTRIBUTIONS	\$ 24,437	\$ 17,293	\$ 20,000
TOTAL REVENUE	\$ 24,437	\$ 17,293	\$ 20,000
TOTAL FUNDS AVAILABLE	\$ 38,838	\$ 37,888	\$ 36,759
EXPENSES			
060-5-110-7451 MEMORIAL FUND EXPENSE	\$ 18,244	\$ 21,129	\$ 20,000
TOTAL FUND EXPENSES	\$ 18,244	\$ 21,129	\$ 20,000
REVENUE OVER/(UNDER) EXPENDITURES	\$ 6,194	\$ (3,836)	\$ -
PROJECTED ENDING FUND BALANCE	\$ 20,595	\$ 16,759	\$ 16,759

GATES FOUNDATION - PUBLIC ACCESS COMPUTER HARDWARE UPGRADE GRANTS (PAC HUG)

This Gates Library Grant helps support Internet access to the community so that more opportunities are provided for people to improve their lives. Going online also enables people to participate more fully in the social and economic fabric of their communities and make meaningful contributions to society. This grant updates and replaces hardware. The Grant also has provisions for additional computer workstations.

061-GATES (PAC HUG) GRANT	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 2,500	\$ 2,500	\$ -
TOTAL FUNDS AVAILABLE	\$ 2,500	\$ 2,500	\$ -
EXPENSES			
061-5-110-8050 GRANT EQUIPMENT	\$ -	\$ 2,500	\$ -
TOTAL FUND EXPENSES	\$ -	\$ 2,500	\$ -
REVENUE OVER/(UNDER) EXPENDITURES	\$ -	\$ (2,500)	\$ -
PROJECTED ENDING FUND BALANCE	\$ 2,500	\$ -	\$ -

TABACCO GRANT 2007-08

In 1998 Big Tobacco settled the largest civil case in American history, giving the states \$246 billion to prevent smoking in exchange for dropping their individual lawsuits against the tobacco companies. The State of Texas uses its portion to provide grant funding to cities in an effort to reduce the number of minors who illegally purchase tobacco. Much has been done to lower the statistics of underage smoking and the City of Palestine is utilizing this grant to prevent underage smoking.

130-TOBACCO GRANT 2007-08	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 4,000	\$ 7,800	\$ 3,500
REVENUES			
130-4-1805 ENTITLEMENT FUNDS	\$ 4,000	\$ -	\$ -
TOTAL REVENUE	\$ 4,000	\$ -	\$ -
TOTAL FUNDS AVAILABLE	\$ 8,000	\$ 7,800	\$ 3,500
130-5-110-1020 OVERTIME	\$ -	\$ 2,600	\$ 2,000
130-5-110-2062 POLICE INFORMANT	200	1,700	1,500
TOTAL FUND EXPENSES	\$ 200	\$ 4,300	\$ 3,500
REVENUE OVER/(UNDER) EXPENDITURES	\$ 3,800	\$ (4,300)	\$ (3,500)
PROJECTED ENDING FUND BALANCE	\$ 7,800	\$ 3,500	\$ -

FORFEITURE PROGRAMS

The Department of Justice's Asset Forfeiture Program is a nationwide law enforcement program that continues to be an effective and powerful strategy in the fight against crime. The primary mission of the Department of Justice Asset Forfeiture Program is to make use of asset forfeiture powers in a manner that improves public safety and security. This is accomplished by removing the proceeds of crime and other assets relied upon by criminals and their associates to perpetuate their criminal activity against our society. Asset forfeiture has the power to disrupt or dismantle criminal organizations that would persist if only with the power to convict and incarcerate specific individuals. The Palestine Police Department also receives monies from local property forfeited due to criminal activity. The Texas Code of Criminal Procedures, Articles 59.06, 18.17, and 47.01, authorizes State of Texas seizures.

360-PD-CONFISCATED MONEY	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 18,229	\$ 23,527	\$ 5,127
REVENUES			
360-4-1822 FORFEITED MONIES	\$ 4,271	\$ 500	\$ 500
360-4-1901 INTEREST ON INVESTMENTS	1,057	500	500
360-4-1955 TSFR FROM OTHER FUNDS	-	600	600
TOTAL REVENUE	\$ 5,328	\$ 1,600	\$ 1,600
TOTAL FUNDS AVAILABLE	\$ 23,558	\$ 25,127	\$ 6,727
EXPENSE			
360-5-110-3211 INVESTMENT CHARGE	\$ 31	\$ -	\$ -
360-5-110-8050 EQUIPMENT	-	20,000	-
TOTAL FUND EXPENSES	\$ 31	\$ 20,000	\$ -
REVENUE OVER/(UNDER) EXPENDITURES	\$ 5,297	\$ (18,400)	\$ 1,600
PROJECTED ENDING FUND BALANCE	\$ 23,527	\$ 5,127	\$ 6,727

370-FEDERAL FORFEITURE	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 106,938	\$ 68,322	\$ 14,572
REVENUES			
370-4-1901 INTEREST ON INVESTMENTS	\$ 2,719	\$ 250	\$ 250
370-4-1910 FORFEITURES	15,117	1,000	1,000
TOTAL REVENUE	\$ 17,836	\$ 1,250	\$ 1,250
TOTAL FUNDS AVAILABLE	\$ 124,774	\$ 69,571	\$ 15,822
EXPENSE			
370-5-110-8020 VEHICLES	\$ 29,968	\$ 35,000	\$ -
370-5-110-8050 EQUIPMENT/MACHINERY	26,485	20,000	10,000
TOTAL FUND EXPENSES	\$ 56,453	\$ 55,000	\$ 10,000
REVENUE OVER/(UNDER) EXPENDITURES	\$ (38,617)	\$ (53,750)	\$ (8,750)
PROJECTED ENDING FUND BALANCE	\$ 68,322	\$ 14,572	\$ 5,822

SEARCH AND RECOVERY GRANT

Grants are funds disbursed by one party, often a Government Department, Corporation, Foundation or Trust, to a recipient, often a nonprofit entity, educational institution or business. Such application processes, generally require some form of Grant Writing often referred to as either a proposal or a submission. The following grant is related to emergency equipment and training and is utilized by the Palestine Fire Department.

343-SEARCH & RECOVERY GRANT	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
REVENUES			
343-4-1804 STATE & FEDERAL GRANTS	\$ -	\$ 34,100	\$ -
TOTAL REVENUE	\$ -	\$ 34,100	\$ -
TOTAL FUNDS AVAILABLE	\$ -	\$ 34,100	\$ -
EXPENSES			
343-5-530-2080 EQUIPMENT	\$ -	\$ 24,400	\$ -
343-5-530-3082 TRAVEL AND TRAINING	-	9,700	-
TOTAL FUND EXPENSES	\$ -	\$ 34,100	\$ -

FITNESS GRANT

These grant funds are disbursed by the Department of Health and Human Services and are related to the Governor's Fitness Program.

341-FITNESS GRANT	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
REVENUES			
341-4-1805 ENTITLEMENT FUNDS	\$ -	\$ 59,820	\$ -
TOTAL REVENUE	\$ -	\$ 59,820	\$ -
TOTAL FUNDS AVAILABLE	\$ -	\$ 59,820	\$ -
EXPENSES			
341-5-110-1010 PERSONNEL	\$ -	\$ 9,598	\$ -
341-5-110-1020 OVERTIME	-	3,001	-
341-5-110-1040 SOCIAL SECURITY	-	27	-
341-5-110-1050 HEALTH INSURANCE	-	103	-
341-5-110-1060 UNEMPLOYMENT INSURANCE	-	9	-
341-5-110-1061 WORKERS COMPENSATION	-	1	-
341-5-110-1070 RETIREMENT	-	52	-
341-5-110-2010 SUPPLIES	\$ -	\$ 16,067	\$ -
341-5-110-2080 EQUIPMENT	-	968	-
341-5-110-3082 TRAVEL	\$ -	\$ 395	\$ -
341-5-110-3110 ADVERTISING	-	405	-
341-5-110-3330 CONTRACT SERVICES	-	29,195	-
TOTAL FUND EXPENSES	\$ -	\$ 59,820	\$ -
REVENUE OVER/(UNDER) EXPENDITURES	\$ -	\$ -	\$ -
PROJECTED ENDING FUND BALANCE	\$ -	\$ -	\$ -

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INTERNAL SERVICE FUNDS

**City of Palestine
Annual Budget 2009-2010**

CENTRAL WAREHOUSE REVENUES

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 142,997	\$ 142,997	\$ 99,048
500-4-1750 OPERATION FEES	\$ 56,310	\$ 43,000	\$ 55,000
500-4-1915 GENERAL FUND SALES	92,938	180,000	195,000
500-4-1975 TOURISM SALES	555	2,900	3,500
500-4-1976 SANITATION SALES	4,338	35,000	40,000
500-4-1977 WASTEWATER FUND SALES	9,433	20,000	30,000
500-4-1979 WATER FUND SALES	24,546	52,000	52,000
500-4-1984 AIRPORT SALES	836	550	500
500-4-1988 FITNESS GRANT SALES	-	600	100
TOTAL REVENUE	\$ 188,955	\$ 334,051	\$ 376,100
TOTAL FUNDS AVAILABLE	\$ 331,953	\$ 477,048	\$ 475,148

WAREHOUSE SERVICES

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
500-5-110-1010 SALARIES AND WAGES	\$ 32,719	\$ 31,267	\$ 28,207
500-5-110-1030 LONGEVITY	1,608	504	72
500-5-110-1040 SOCIAL SECURITY	2,723	2,431	2,163
500-5-110-1050 HEALTH INSURANCE	5,688	6,087	6,143
500-5-110-1060 UNEMPLOYMENT INSURANCE	770	901	28
500-5-110-1061 WORKER'S COMPENSATION	97	153	16
500-5-110-1070 RETIREMENT	4,728	3,570	4,273
TOTAL PERSONNEL	\$ 48,333	\$ 44,913	\$ 40,902
SUPPLIES AND MATERIALS			
500-5-110-2010 OFFICE SUPPLIES	\$ 699	\$ 2,359	\$ 700
TOTAL SUPPLIES AND MATERIALS	\$ 699	\$ 2,359	\$ 700
SERVICES			
500-5-110-3040 COMMUNICATIONS	\$ 2,464	\$ 2,500	\$ 2,500
500-5-110-3050 UTILITIES - ELECTRIC	18,302	22,500	22,500
500-5-110-3051 UTILITIES - CITY	-	3,925	3,925
500-5-110-3082 TRAVEL AND TRAINING	-	-	1,200
500-5-110-3112 PRINTING SERVICES	65	150	150
500-5-110-3310 EQUIPMENT RENTAL / LEASE	1,186	1,501	1,500
TOTAL SERVICES	\$ 22,016	\$ 30,576	\$ 31,775
CAPITAL OUTLAY			
500-5-110-7050 INVENTORY PURCHASES	\$ 117,860	\$ 300,000	\$ 300,000
TOTAL CAPITAL OUTLAY	\$ 117,860	\$ 300,000	\$ 300,000
EQUIPMENT			
500-5-110-8010 FURNITURE & OFFICE EQUIP	\$ 48	\$ 151	\$ 150
TOTAL EQUIPMENT	\$ 48	\$ 151	\$ 150
TOTAL FUND EXPENSES	\$ 188,955	\$ 377,999	\$ 373,527
REVENUE OVER/(UNDER) EXPENDITURES	\$ -	\$ (43,949)	\$ 2,573
PROJECTED ENDING FUND BALANCE	\$ 142,997	\$ 99,048	\$ 101,621

HEALTH INSURANCE

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ (188,366)	\$ (538,663)	\$ (647,953)
REVENUES			
530-4-1901 INTEREST ON INVESTMENTS	\$ 1,950	\$ 450	\$ 500
530-4-1941 TRSF FROM GENERAL FUND	66,999	-	-
530-4-1955 TRSF FROM OTHER FUNDS	51,567	65,000	-
530-4-1960 STOP LOSS RECOVERIES	186,027	290,000	290,000
530-4-1980 EMPLOYEE/EMPLOYER CONTRIBUTION	1,607,604	1,638,709	2,102,957
TOTAL REVENUE	\$ 1,914,147	\$ 1,994,160	\$ 2,393,457
TOTAL FUNDS AVAILABLE	\$ 1,725,781	\$ 1,455,497	\$ 1,745,504
EXPENSES			
530-5-110-3030 PROFESSIONAL SERVICES	\$ 46,397	\$ 35,000	\$ 45,000
530-5-110-9601 MEDICAL/LIFE INS PREMIUMUM	2,218,047	2,068,450	2,100,000
TOTAL FUND EXPENSES	\$ 2,264,444	\$ 2,103,449	\$ 2,145,000
REVENUE OVER/(UNDER) EXPENDITURES	\$ (350,297)	\$ (109,290)	\$ 248,457
PROJECTED ENDING FUND BALANCE	\$ (538,663)	\$ (647,953)	\$ (399,496)

EQUIPMENT REPLACEMENT REVENUES

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 1,705,479	\$ 1,748,596	\$ 1,762,428
REVENUES			
540-4-1706 SALE OF EQUIPMENT	\$ 12,950	\$ 5,900	\$ 5,000
540-4-1901 INTEREST ON INVESTMENTS	18,302	2,749	5,000
540-4-1902 INSURANCE RECOVERIES	17,329	646	3,000
540-4-1996 GF - EQUIPMENT USER FEE	204,479	154,487	156,166
540-4-1997 WF - EQUIPMENT USER FEE	63,891	30,441	21,409
540-4-1998 WW- EQUIPMENT USER FEE	61,985	55,064	59,608
540-4-1999 EQUIP. USER FEE - OTHER FUNDS	97,350	97,350	97,350
TOTAL REVENUE	476,286	346,636	347,533
TOTAL FUNDS AVAILABLE	\$ 2,181,765	\$ 2,095,232	\$ 2,109,961
EXPENSES			
540-5-110-3211 INVESTMENT SERVICE CHARGE	\$ 999	\$ -	\$ 1,000
540-5-110-5410 INTEREST EXPENSE	5,496	-	-
540-5-110-5411 INTEREST EXPENSE-FIRE	2,357	-	-
540-5-110-5412 INTEREST EXPENSE-VAC	(86)	-	-
540-5-110-5413 INTEREST EXPENSE-REGIONS	5,461	-	-
540-5-110-5414 INTEREST EXPENSE-AIRPORT	7,952	-	-
540-5-110-5415 INTEREST EXPENSE-TRKS	3,998	-	-
540-5-110-5599 DEPRECIATION EXPENSE	318,878	-	320,000
540-5-110-8040 VEHICLES AND EQUIPMENT	-	1,200	-
540-5-110-8043 EQUIPMENT LEASE	88,114	331,604	347,533
TOTAL FUND EXPENSES	\$ 433,169	\$ 332,804	\$ 668,533
REVENUE OVER/(UNDER) EXPENDITURES	\$ 43,117	\$ 13,832	\$ (321,000)
PROJECTED ENDING FUND BALANCE	\$ 1,748,596	\$ 1,762,428	\$ 1,441,428

WORKERS COMPENSATION

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 222,754	\$ 316,766	\$ 398,838
REVENUES			
560-4-1901 INTEREST ON INVESTMENTS	\$ 6,129	\$ 2,156	\$ 2,200
560-4-1941 TRSF FROM GENERAL FUND	154,568	208,092	42,010
560-4-1942 TRSF FROM WATER FUND	16,845	30,408	6,764
560-4-1943 TRSF FROM WASTEWATER F	10,664	16,395	4,335
560-4-1944 TRSF FROM TOURISM	1,452	1,236	-
560-4-1980 EMPLOYEE/EMPLOYER CONT.	36,372	-	-
560-4-1981 TRANSFER FROM WAREHOUSE	127	137	16
560-4-1982 TRSF FROM AIRPORT FUND	86	157	88
560-4-1983 TRSF FROM SANITATION FUND	1,611	5,880	1,014
560-4-1984 TRSF FROM FITNESS GRAN	-	1	-
560-4-1985 TRSF FROM PEDC	-	110	-
TOTAL REVENUE	\$ 227,853	\$ 264,572	\$ 56,427
TOTAL FUNDS AVAILABLE	\$ 450,606	\$ 581,338	\$ 455,265
EXPENSES			
560-5-110-1070 INSURANCE PREMIUMS	\$ -	\$ 31,364	\$ 32,000
560-5-110-3220 INSURANCE PREMIUMS-TML	133,841	148,636	160,000
560-5-110-7442 ADMINISTRATIVE EXPENSE	-	2,500	5,000
TOTAL FUND EXPENSES	\$ 133,841	\$ 182,501	\$ 197,000
REVENUE OVER/(UNDER) EXPENDITURES	\$ 94,012	\$ 82,072	\$ (140,573)
PROJECTED ENDING FUND BALANCE	\$ 316,766	\$ 398,838	\$ 258,265

UNEMPLOYMENT FUND

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 142,989	\$ 288,495	\$ 435,657
REVENUES			
561-4-1901 INTEREST ON INVESTMENTS	\$ 1,391	\$ 1,162	\$ 1,200
561-4-1941 TRANSFER FROM GENERAL FUND	137,670	145,563	6,729
561-4-1942 TRSF FROM WATER FUND	12,590	13,848	623
561-4-1943 TRSF FROM WASTEWATER FUND	7,755	8,177	393
561-4-1944 TRSF FROM CIVIC CTR/TOURISM	2,617	2,826	-
561-4-1981 TRSF FROM CENTRAL WAREHOUSE	770	807	28
561-4-1982 TRSF FROM AIRPORT FUND	684	1,009	35
561-4-1983 TRSF FROM SANITATION FUND	594	1,569	68
561-4-1984 TRSF FROM FITNESS GRANT	-	9	-
561-4-1985 TRSF FROM PEDC FUND	-	802	-
TOTAL REVENUE	\$ 164,072	\$ 175,771	\$ 9,076
TOTAL FUNDS AVAILABLE	\$ 307,061	\$ 464,267	\$ 444,733
EXPENSES			
561-5-110-9075 TRANSFER TO OTHER FUND	\$ 13,752	\$ -	\$ -
561-5-110-9604 CLAIMS/UNEMPLOYMENT INS.	4,814	28,609	250,000
TOTAL FUND EXPENSES	\$ 18,566	\$ 28,609	\$ 250,000
REVENUE OVER/(UNDER) EXPENDITURES	\$ 145,506	\$ 147,162	\$ (240,924)
PROJECTED ENDING FUND BALANCE	\$ 288,495	\$ 435,657	\$ 194,733

UTILITY DEBT SERVICE FUND

**City of Palestine
Annual Budget 2009-2010**

UTILITY DEBT SERVICE FUND

The modern water industry operates sophisticated and costly water and wastewater networks and sewage treatment plants. In order for this enterprise operation to function efficiently, the City must support a ratio of debt leverage.

The Utility Debt Service Fund is established to provide adequate funding for the payment of bond principal and interest in the enterprise funds as they come due. The City is required to maintain sufficient cash that satisfies annual utility debt service requirements.

These revenue bonds are a special type of municipal bonds significant by their assurance of repayment exclusively from revenues produced by a particular revenue-generating enterprise associated with the purpose of the bonds. Unlike general obligation bonds, only the revenues specified in the legal agreement between the bond holder and bond issuer are necessary to be used for repayment of the principal and interest of the bonds; other revenues such as property tax revenues and the general credit of the issuing agency are not encumbered; and because the pledge of security is not as distinguished as that of general obligation bonds, revenue bonds may carry a somewhat higher interest rate than general obligation bonds. However, revenue bonds are usually considered the second-most secure type of municipal bonds.

A majority of the debt that the City now retains is related to financing the collection of wastewater for proper treatment. Clean water is an obvious importance in every community and the Clean Water Act is the directive of surface water quality for all communities within the United States. The statute exists in an effort to reduce discharges into natural waterways and finance municipal wastewater treatment and distribution systems. The original efforts of the Clean Water Act focused on regulating discharges from facilities such as municipal sewage plants. Starting in the 1980s, EPA efforts to address polluted runoff increased significantly. Unfortunately, the City of Palestine did not address the EPA's concern during this time period and has received stronger mandates requiring specific action and instituting capital projects to

Bond Schedule No. 1 Revenue Bond Series 95-A

	Principal	Interest	Fiscal Total
2010	\$ 370,000	\$ 110,247	\$ 480,247
2011	385,000	94,153	479,153
2012	405,000	77,213	482,213
2013	420,000	59,190	479,190
2014	440,000	40,500	480,500
2015	460,000	20,700	480,700
Total:	\$ 2,480,000	\$ 402,003	

Bond Schedule No. 2 Revenue Bond - Series 1999

	Principal	Interest	Fiscal Total
2010	\$ 75,000	\$ 49,113	\$ 124,113
2011	80,000	45,362	125,362
2012	80,000	41,283	121,283
2013	85,000	37,203	122,203
2014	90,000	32,782	122,782
2015	95,000	28,102	123,102
2016	100,000	23,067	123,067
2017	105,000	17,767	122,767
2018	110,000	12,150	122,150
2019	115,000	6,210	121,210
Total:	\$ 935,000	\$ 293,039	

Bond Schedule No. 3 Revenue Bond - 2002 (Meter Change-Out)

	Principal	Interest	Fiscal Total
2010	\$ 177,293	\$ 19,571	\$ 196,864
2011	185,013	11,851	196,864
2012	176,664	3,794	180,458
Total:	\$ 538,970	\$ 35,216	

Bond Schedule No. 4 Revenue Bond 2003-A (Refunding Portion)

	Principal	Interest	Fiscal Total
2010	\$ 275,000	\$ 50,206	\$ 325,206
2011	280,000	42,988	322,988
2012	295,000	34,938	329,938
2013	300,000	26,088	326,088
2014	245,000	16,713	261,713
2015	250,000	8,750	258,750
Total:	\$ 1,645,000	\$ 179,683	

improve the current sanitary sewer system. These mandated improvements necessitate an extensive amount of debt in order to meet timelines determined by the State and Federal agencies that are responsible for enforcing this act.

The City has completed the first phase of the mandated improvements and is progressing through the second phase during the current fiscal year. Additional debt will be needed to meet the mandate requirement which calls for prudent financial leverage for several future years.

**Bond Schedule No. 5
Revenue Bond - Series 2003 (SSES 1)**

	Principal	Interest	Fiscal Total
2010	\$ 150,000	\$ 96,535	\$ 246,535
2011	345,000	93,835	438,835
2012	345,000	86,935	431,935
2013	355,000	79,518	434,518
2014	155,000	71,530	226,530
2015	160,000	67,810	227,810
2016	240,000	63,810	303,810
2017	245,000	57,570	302,570
2018	250,000	50,955	300,955
2019	260,000	43,955	303,955
2020	390,000	36,415	426,415
2021	400,000	24,910	424,910
2022	410,000	12,710	422,710
Total:	\$ 3,705,000	\$ 786,488	

**Bond Schedule No. 6
Revenue Bond 2003-A (New Money Portion)**

	Principal	Interest	Fiscal Total
2010	\$ 50,000	\$ 31,960	\$ 81,960
2011	50,000	30,648	80,648
2012	55,000	29,210	84,210
2013	55,000	27,560	82,560
2014	55,000	25,841	80,841
2015	60,000	24,053	84,053
2016	60,000	21,954	81,954
2017	65,000	19,794	84,794
2018	65,000	17,438	82,438
2019	70,000	15,000	85,000
2020	70,000	12,287	82,287
2021	75,000	9,487	84,487
2022	75,000	6,393	81,393
2023	80,000	3,300	83,300
Total:	\$ 885,000	\$ 274,925	

**Bond Schedule No. 7
Revenue Bond - Series 2006 (SSES 2A)**

	Principal	Interest	Fiscal Total
2010	\$ 40,000	\$ 19,885	\$ 59,885
2011	40,000	18,985	58,985
2012	40,000	18,065	58,065
2013	40,000	17,125	57,125
2014	40,000	16,165	56,165
2015	45,000	15,165	60,165
2016	45,000	14,018	59,018
2017	45,000	12,848	57,848
2018	45,000	11,655	56,655
2019	50,000	10,440	60,440
2020	50,000	9,065	59,065
2021	50,000	7,665	57,665
2022	50,000	6,265	56,265
2023	55,000	4,840	59,840
2024	55,000	3,245	58,245
2025	55,000	1,623	56,623
Total:	\$ 745,000	\$ 187,053	

**Bond Schedule No. 8
Revenue Bond - Series 2007 (SSES 2B)**

	Principal	Interest	Fiscal Total
2010	\$ 195,000	\$ 99,440	\$ 294,440
2011	200,000	95,636	295,636
2012	205,000	91,638	296,638
2013	210,000	87,538	297,538
2014	210,000	83,126	293,126
2015	215,000	78,716	293,716
2016	220,000	74,094	294,094
2017	225,000	69,254	294,254
2018	230,000	64,192	294,192
2019	235,000	58,902	293,902
2020	240,000	53,380	293,380
2021	250,000	47,620	297,620
2022	255,000	41,620	296,620
2023	260,000	35,374	295,374
2024	265,000	28,874	293,874
2025	275,000	22,116	297,116
2026	280,000	14,966	294,966
2027	290,000	7,686	297,686
Total:	\$ 4,260,000	\$ 1,054,172	

The bond schedules numbered as 5, 7 and 8 are debt related to the EPA requirements for wastewater improvements. The purpose of these bonds is for the reconstruction of the wastewater collection system. Additional debt is for water line relocations on US Route 79 and Texas Loop 256 is funded in the general debt service.

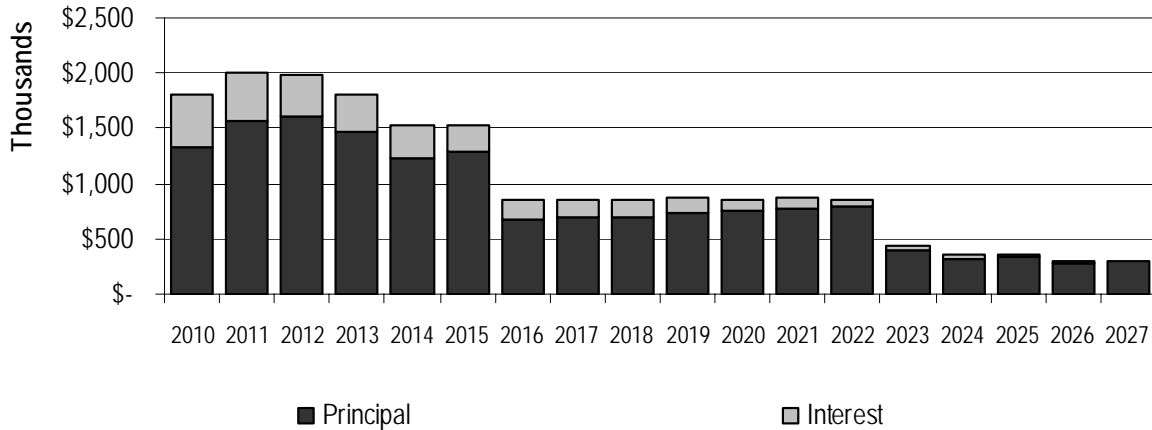
Below is the aggregate debt for the Utility Debt Service Fund. Years of neglect has required the City to reinvest heavily back into the aging water and sanitary sewer system. Exemplified here is a total of eight separate bonds associated with the aggregate utility debt schedule. The first portion of debt scheduled to retire is the bond associated with the meter change-out program in FYE 2012. Two additional bonds are scheduled to retire in FYE 2015. The debt capacity will drop in half, allowing the City to go for further debt financing as leverage for needed capital projects that are programmed as replacement or improvements to the existing utility system. A second drop in debt obligation is illustrated in the graph below and will occur after 2022. The last of the long term debt currently shown is scheduled to retire in FYE 2027.

Aggregate Utility Debt

	Principal	Interest	
2010	\$ 1,332,293	\$ 476,957	\$ 1,809,250
2011	1,565,013	433,458	1,998,471
2012	1,601,664	383,076	1,984,740
2013	1,465,000	334,222	1,799,222
2014	1,235,000	286,657	1,521,657
2015	1,285,000	243,296	1,528,296
2016	665,000	196,943	861,943
2017	685,000	177,233	862,233
2018	700,000	156,390	856,390
2019	730,000	134,507	864,507
2020	750,000	111,147	861,147
2021	775,000	89,682	864,682
2022	790,000	66,988	856,988
2023	395,000	43,514	438,514
2024	320,000	32,119	352,119
2025	330,000	23,739	353,739
2026	280,000	14,966	294,966
2027	290,000	7,686	297,686
	\$ 15,193,970	\$ 3,212,580	

CURRENT REQUIREMENTS - FYE 2010

	PRINCIPAL	INTEREST	TOTAL	DEBT BALANCE
Bond Schedule No.1	\$ 370,000	\$ 110,247	\$ 480,247	\$ 2,480,000
Bond Schedule No.2	75,000	49,113	124,113	935,000
Bond Schedule No.3	177,293	19,571	196,864	538,970
Bond Schedule No.4	275,000	50,206	325,206	1,645,000
Bond Schedule No.5	150,000	96,535	246,535	3,705,000
Bond Schedule No.6	50,000	31,960	81,960	885,000
Bond Schedule No.7	40,000	19,885	59,885	745,000
Bond Schedule No.8	195,000	99,440	294,440	4,260,000
Total:	\$ 1,332,293	\$ 476,957	\$ 1,809,250	\$ 15,193,970



ENTERPRISE FUNDS

**City of Palestine
Annual Budget 2009-2010**

WATER FUND

The Water Fund is a business enterprise fund that is only supported with the revenues achieved through the sale of water to its customers. Revenues are primarily from sale of water and are accounted for by the water that flows past individual customer meter. Charges for service can include raw water sales and bulk (treated) water.

The monthly water rates or charges to be charged by the city for treated water furnished to its consumers in the city are as follows:

Meter Size		Charge	
.75"	to 1"	= \$	8.98
1"	to 1.5"	= \$	13.31
	2"	= \$	18.06
	3"	= \$	38.06
	4"	= \$	58.00
	6"	= \$	185.42
	8"	= \$	268.13

The minimum monthly charge for the first 3,000 gallons is based on the size of the meter, usually a ¾ or 1 inch meter with a charge of \$ 8.98. Use charges occur beyond the 3,000 gallons per month and the monthly residential use rate is \$2.65 per 1,000 gallons up to 20,000 gallons. The use rate increases to \$2.70 after 20,000 gallons per month. The use charges are as follows:

Type and Use		Charge	
Residential (per 1,000)			
3,000	to 20,000	\$	2.65
		\$	2.70
Commercial (per 1,000)			
3,000	to 20,000	\$	2.68
After	20,000	\$	2.92

Apartment houses or multi-family dwellings or multi-unit buildings designed to house two or more families are charged and billed at the multifamily rate unless each unit is separately metered. Also, mobile home parks and trailer courts are charged and billed at the commercial rate unless each unit is separately metered. All consumers located outside the corporate limits of the city are charged at a rate that is 1.3 times the rates set above. Consumer requesting a reread and it is determined by the city that the first reading was correct, will be a charge of \$16.50 on the next bill of that customer. Payments will be due 20 days from the billing date and a late charge of three percent will be assessed for an account over 20 days past due.

The following information is from a survey performed by the Texas Municipal League. The survey determines that the City provides water at a lower rate than other comparable Texas cities. A household using 5,000 gallons of water per month is paying \$10 less than the average, indicating that Palestine is providing affordable water.

SUMMARY OF THE 2009 TEXAS MUNICIPAL LEAGUE WATER SURVEY IN RELATION TO PALESTINE					
Population Group	Cities Reporting	Residential Water Average Fee For:		Commercial Water Average Fee For:	
		5,000 Gal.	10,000 Gal.	50,000 Gal.	200,000 Gal.
10,001 - 15,000	38	\$ 22.99	\$ 36.68	\$ 196.72	\$ 686.85
15,001 - 20,000	32	23.92	38.93	197.94	691.71
20,001 - 25,000	11	25.93	41.95	205.98	707.99
Total / Averages	81	\$ 24.28	\$ 39.19	200.21	\$ 695.51
Palestine		\$ 14.28	\$ 27.53	142.14	\$ 580.14

Revenue transfers from the Wastewater Fund and the Sanitation Fund are required to support the administration and operations of utility bill collections. The following chart details these transfers into the Water Fund:

INTERFUND TRANSFER REQUIREMENTS			
<u>Purpose</u>	<u>From</u>	<u>To</u>	<u>Budgeted</u>
Reimbursement for Customer Service	Wastewater	600-4-1943	\$ 125,000
Reimbursement for Customer Service	Sanitation	600-4-1945	125,000
			\$ 250,000

600-WATER FUND REVENUE

	<u>ACTUAL</u> <u>FYE 2008</u>	<u>ESTIMATED</u> <u>FYE 2009</u>	<u>TOTAL</u> <u>FYE 2010</u>
BEGINNING FUND BALANCE	\$ 4,542,798	\$ 4,811,685	\$ 5,371,055
CHARGES FOR SERVICE			
600-4-1040 CASH OVER/SHORT	\$ (50)	\$ -	\$ -
600-4-1707 SALE OF MATERIALS	2,995	-	-
600-4-1709 WATER METERED SALES	2,714,441	2,900,600	2,900,000
600-4-1716 BULK WATER SALES	112	1,200	1,200
600-4-1718 WATER TAPS	13,920	15,000	15,000
600-4-1722 SERVICE FEES	25,880	33,000	33,000
600-4-1727 OTHER	3,530	20,000	20,000
600-4-1732 MISC. CHARGES	(336)	-	-
600-4-1733 PENALTY WATER BILLING	60,502	45,000	50,000
TOTAL CHARGES FOR SERVICE	\$ 2,820,994	\$ 3,014,800	\$ 3,019,200
OTHER AGENCIES			
600-4-1813 REIMB. FROM U.N.R.W.A.	\$ 58,368	\$ 28,608	\$ 30,000
TOTAL OTHER AGENCIES	\$ 58,368	\$ 28,608	\$ 30,000
OTHER INCOME			
600-4-1901 INTEREST REVENUE	\$ 10,519	\$ 5,000	\$ 5,000
600-4-1902 INSURANCE RECOVERIES	4,193	-	-
600-4-1905 MISCELLANEOUS REVENUE	(4,678)	-	-
600-4-1943 TRSF FROM WASTEWATER	130,800	125,000	125,000
600-4-1945 TRSF FROM SANITATION	32,700	125,000	125,000
600-4-1946 TRSF FROM DEBT SERVICE	454,579	-	-
600-4-1951 TRSF FROM CIP FUNDS	446,158	-	-
600-4-1955 TRSF FROM OTHER FUNDS	-	20,000	-
TOTAL OTHER INCOME	\$ 1,074,271	\$ 275,000	\$ 255,000
TOTAL REVENUE	\$ 3,953,633	\$ 3,318,407	\$ 3,304,200
TOTAL FUNDS AVAILABLE	\$ 8,496,432	\$ 8,130,092	\$ 8,675,255

WATER OPERATIONS

Water Operations include expenses related to financial activity of the actual fund such as inter-fund transfers, financial charges, depreciation, and bad debt. Some of the activity in this fund is related to year end closing that adjust the funds assets and liabilities that cannot be accounted as a planned revenue or expenditure to the adopted budget. However, the following table accounts for the inter-fund activity for the fiscal year:

INTERFUND TRANSFER REQUIREMENTS			
<u>Purpose</u>	<u>To</u>	<u>From</u>	<u>Budgeted</u>
Debt Reimbursement for CO Series 2008	General	600-5-110-9010	\$ 144,574
INCODE Maintenance Agreement	General	600-5-110-9010	3,400
Debt Principal for 2002 Meter Change-Out	Util. Debt Serv.	600-5-110-9070	88,647
Debt Interest for 2002 Meter Change-Out	Util. Debt Serv.	600-5-110-9070	9,786
Debt Principal for 2003 Refunding Portion	Util. Debt Serv.	600-5-110-9070	244,200
Debt Interest for 2003 Refunding Portion	Util. Debt Serv.	600-5-110-9070	44,582
INCODE Lease	Equip. Replace.	600-5-110-9510	5,300
Capital Improvement Water Projects	Water CIP	600-5-110-9698	200,000
			\$ 740,489

WATER OPERATIONS

	<u>ACTUAL</u>	<u>ESTIMATED</u>	<u>TOTAL</u>
	<u>FYE 2008</u>	<u>FYE 2009</u>	<u>FYE 2010</u>
SERVICES			
600-5-110-3210 FINANCIAL CHARGE	\$ 8,603	\$ 4,620	\$ 10,000
600-5-110-3211 INVESTMENT CHARGE	2,176	3,000	2,500
600-5-110-3220 INSURANCE AND BONDS	-	22,000	22,000
600-5-110-3410 WAREHOUSE SERVICES	(24,834)	10,000	10,000
TOTAL SERVICES	\$ (14,055)	\$ 39,620	\$ 44,500
SUNDRY			
600-5-110-5030 BAD DEBT EXPENSE	\$ 51,426	\$ 10,000	\$ 10,000
600-5-110-5412 INTEREST EXP-2003	28,318	-	-
600-5-110-5414 INTEREST EXP-2003	56,675	-	-
600-5-110-5430 INTEREST EXPENSE	17,054	-	-
600-5-110-5599 DEPRECIATION EXPENSE	379,916	-	-
TOTAL SUNDRY	\$ 533,389	\$ 10,000	\$ 10,000
INTERFUND ACTIVITY			
600-5-110-9010 TRSF TO GENERAL FUND	\$ 205,826	\$ 147,223	\$ 147,974
600-5-110-9031 TRSF EQUIP. REPLACEMNT	5,300	-	-
600-5-110-9070 TRSF UTILITY DEBT SERVICE	708,733	461,197	387,215
600-5-110-9510 EQUIP. PURCHASE CONTRIB.	-	5,300	5,300
600-5-110-9698 TRSF TO WTR CIP	250,000	-	200,000
TOTAL INTERFUND ACTIVITY	\$ 1,169,859	\$ 613,719	\$ 740,489
TOTAL WATER OPERATIONS	\$ 1,689,193	\$ 663,339	\$ 794,989

WATER UTILITY ADMINISTRATION

The Utility Department is an operation covering two major city enterprise funds. The Water Utility Administration is budgeted within the water fund and administers two operating divisions within the water fund: the Water Treatment and Distribution Division. The Customer Service Division is supported by the Finance Department and is responsible for the revenue collections. The Water Utility Administration also manages Wastewater Treatment, Collections and Compliance Monitoring within the Wastewater Fund. The department is responsible for administrative, regulatory, and budgetary support to these areas. Prior to fiscal year ending 2009, the utility administration cost was split between both the

water and wastewater fund. Currently this department is fully supported under the water fund since it is difficult to financially administer a split division across funds. Other cost adjustments are incorporated to compensate the counterpart fund.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Utilities Director	1	1

WATER UTILITY ADMINISTRATION

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
600-5-111-1010 SALARIES AND WAGES	\$ 63,112	\$ 65,718	\$ 66,389
600-5-111-1030 LONGEVITY	774	792	864
600-5-111-1033 CAR ALLOWANCE	1,400	5,200	5,200
600-5-111-1036 CELL PHONE ALLOWANCE	-	-	600
600-5-111-1040 SOCIAL SECURITY	4,877	5,486	5,589
600-5-111-1050 HEALTH INSURANCE	5,688	6,086	6,143
600-5-111-1060 UNEMPLOYMENT INSURANCE	1,380	1,649	73
600-5-111-1061 WORKER'S COMPENSATION	2,284	4,181	912
600-5-111-1070 RETIREMENT	8,468	10,398	11,129
TOTAL PERSONNEL	\$ 87,983	\$ 99,510	\$ 96,899
SUPPLIES AND MATERIALS			
600-5-111-2010 OFFICE SUPPLIES	\$ 36	\$ 431	\$ 1,400
600-5-111-2020 POSTAGE	1,221	2,870	2,870
600-5-111-2030 JANITORIAL SUPPLIES	-	-	-
600-5-111-2070 GASOLINE AND OIL	562	-	-
TOTAL SUPPLIES AND MATERIALS	\$ 1,819	\$ 3,301	\$ 4,270
SERVICES			
600-5-111-3040 COMMUNICATIONS	\$ 2,047	\$ 2,511	\$ 2,500
600-5-111-3082 TRAVEL AND TRAINING	2,650	2,600	3,600
600-5-111-3112 PRINTING SERVICES	-	1,500	1,500
TOTAL SERVICES	\$ 4,696	\$ 6,611	\$ 7,600
MAINTENANCE & REPAIR			
600-5-111-4110 MOTOR VEHICLES	\$ 1,199	\$ -	\$ -
TOTAL MAINTENANCE & REPAIR	\$ 1,199	\$ -	\$ -
TOTAL ADMINISTRATION	\$ 95,698	\$ 109,422	\$ 108,769

CUSTOMER SERVICE

The Customer Service Division is responsible for the revenue collection covering the three major city enterprise funds. Wastewater and Sanitation Funds contribute to the overall cost of this division. This division is also responsible for recording and verifying consumption usage of water and calculating customer billing on a monthly basis. This division manages approximately 7,700 accounts.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Customer Service Supervisor	1.0	1.0
Cashier Clerk	2.0	2.0
Cashier Clerk (part-time)	0.5	0.5
Meter Reader	2.0	2.0

CUSTOMER SERVICE

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
600-5-240-1010 SALARIES AND WAGES	\$ 162,067	\$ 136,700	\$ 137,146
600-5-240-1020 OVERTIME	2,089	5,000	5,000
600-5-240-1030 LONGEVITY	1,131	459	1,224
600-5-240-1031 INCENTIVE	650	1,609	1,200
600-5-240-1036 CELL PHONE ALLOWANCE	-	600	1,200
600-5-240-1040 SOCIAL SECURITY	12,842	6,748	11,151
600-5-240-1050 HEALTH INSURANCE	36,780	30,430	47,160
600-5-240-1060 UNEMPLOYMENT INSURANCE	3,652	3,320	146
600-5-240-1061 WORKER'S COMPENSATION	2,163	3,720	806
600-5-240-1070 RETIREMENT	21,262	20,933	22,026
TOTAL PERSONNEL	\$ 242,637	\$ 209,520	\$ 227,059
SUPPLIES AND MATERIALS			
600-5-240-2010 OFFICE SUPPLIES	\$ 17,595	\$ 17,000	\$ 17,000
600-5-240-2020 POSTAGE	38,052	41,450	42,000
600-5-240-2031 CHEMICALS	20	100	100
600-5-240-2040 UNIFORMS AND APPAREL	860	900	900
600-5-240-2070 GASOLINE AND OIL	6,024	5,500	5,500
600-5-240-2080 SMALL TOOLS AND EQUIP.	1,130	1,860	2,000
TOTAL SUPPLIES AND MATERIALS	\$ 63,680	\$ 66,811	\$ 67,500
SERVICES			
600-5-240-3030 PROFESSIONAL SERVICES	\$ 1,812	\$ 1,000	\$ 2,000
600-5-240-3031 CONSULTANT SERVICES	13	-	-
600-5-240-3040 COMMUNICATIONS	4,563	5,000	4,500
600-5-240-3050 UTILITIES - ELECTRIC	2,295	3,000	3,000
600-5-240-3082 TRAVEL AND TRAINING	730	4,000	4,000
600-5-240-3112 PRINTING SERVICES	423	1,500	1,000
600-5-240-3220 INSURANCE AND BONDS	-	80	100
600-5-240-3310 EQUIPMENT RENTAL / LEASE	5,052	6,000	6,000
TOTAL SERVICES	\$ 14,888	\$ 20,580	\$ 20,600

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
MAINTENANCE & REPAIR			
600-5-240-4110 MOTOR VEHICLES	\$ 937	\$ 2,057	\$ 2,800
600-5-240-4120 EQUIPMENT AND MACHINERY	9,016	5,000	3,000
600-5-240-4220 WATER METERS	-	75,000	75,000
TOTAL MAINTENANCE & REPAIR	\$ 9,953	\$ 82,057	\$ 80,800
MAINTENANCE - EQUIPMENT			
600-5-240-4520 SOFTWARE MAINTENANCE	\$ 1,200	\$ 1,300	\$ 1,300
TOTAL MAINTENANCE - EQUIPMENT	\$ 1,200	\$ 1,300	\$ 1,300
TOTAL CUSTOMER SERVICE	\$ 332,358	\$ 380,268	\$ 397,259

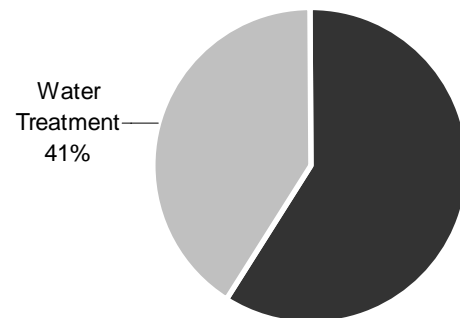
WATER TREATMENT

It is the purpose of the water treatment service to provide a high quality potable water supply to meet state and federal standards for residential, commercial, reserve and fire demand. The City of Palestine has rights to twenty-five (25) million gallons of water a day from Lake Palestine. Two ground water wells are also available for emergency use. The Water Treatment Plant is capable of treating ten (10) million gallons of water a day. An average of three (3) million gallons of water is treated daily. Peak demand for treatment is approximately 6.5 million gallons daily during the month of August. The treatment facility is operational twenty-four (24) hours a day, state approved with all operators' state certified.

SUPPLEMENTAL DECISIONS		
Program	Line	Amount
Overtime Increase	1020	\$ 30,000
Chemicals	2031	10,000
Lab Increase	3032	5,000
Travel and Training	3082	7,800
TCEQ Permitting	3430	5,000
Easement Acquisition	7447	10,000
Equipment Replacement	8020	17,000

DIVISION EXPENDITURES RELATED TO THE WATER FUND

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Water Plant Supervisor	1.0	1.0
Utility Plant Operator	6.0	6.0
Utility Specialist	1.0	1.0



The water treatment budget has the following supplemental decisions that were approved by Council:

WATER TREATMENT

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
600-5-570-1010 SALARIES AND WAGES	\$ 208,827	\$ 217,592	\$ 223,071
600-5-570-1020 OVERTIME	53,022	47,825	48,400
600-5-570-1030 LONGEVITY	5,523	5,328	6,120
600-5-570-1031 INCENTIVE	7,930	10,750	10,750
600-5-570-1036 CELL PHONE ALLOWANCE	-	-	1,200
600-5-570-1040 SOCIAL SECURITY	21,881	19,276	19,855
600-5-570-1050 HEALTH INSURANCE	44,664	68,137	61,320
600-5-570-1060 UNEMPLOYMENT INSURANCE	6,267	5,796	260
600-5-570-1061 WORKER'S COMPENSATION	10,305	14,692	3,239
600-5-570-1070 RETIREMENT	38,166	36,536	39,217
TOTAL PERSONNEL	\$ 396,585	\$ 425,933	\$ 413,432
SUPPLIES AND MATERIALS			
600-5-570-2010 OFFICE SUPPLIES	\$ 2,422	\$ 2,050	\$ 3,000
600-5-570-2030 JANITORIAL SUPPLIES	3,100	1,800	1,800
600-5-570-2031 CHEMICALS	212,444	268,989	288,000
600-5-570-2040 UNIFORMS AND APPAREL	2,551	2,100	3,000
600-5-570-2061 SAFETY MATERIALS	-	1,000	1,000
600-5-570-2070 GASOLINE AND OIL	10,438	10,000	10,000
600-5-570-2080 SMALL TOOLS AND EQUIP.	2,279	2,000	3,000
TOTAL SUPPLIES AND MATERIALS	\$ 233,235	\$ 287,939	\$ 309,800
SERVICES			
600-5-570-3032 SPECIAL STUDIES	\$ 16,124	\$ 14,766	\$ 15,000
600-5-570-3040 COMMUNICATIONS	7,820	8,521	7,500
600-5-570-3050 UTILITIES - ELECTRIC	372,492	356,500	356,500
600-5-570-3082 TRAVEL AND TRAINING	2,327	2,500	10,300
600-5-570-3310 EQUIPMENT RENTAL / LEASE	1,432	2,000	1,240
600-5-570-3341 PLANT TOURS	1,954	-	2,000
600-5-570-3420 RIVER AUTHORITY FEES	162,341	152,656	152,656
600-5-570-3430 TCEQ PERMITTING	6,309	431	5,000
TOTAL SERVICES	\$ 570,798	\$ 537,374	\$ 550,196
MAINTENANCE & REPAIR			
600-5-570-4010 BUILDINGS, STRUCTURES,	\$ 1,407	\$ 980	\$ 1,000
600-5-570-4110 MOTOR VEHICLES	1,383	1,387	5,000
600-5-570-4120 EQUIPMENT & MACHINERY	64,521	34,593	33,000
600-5-570-4212 WATER TANK INSPECTION	2,700	-	-
600-5-570-4220 WATER METERS	19	-	-
TOTAL MAINTENANCE & REPAIR	\$ 70,030	\$ 36,960	\$ 39,000
CAPITAL OUTLAY			
600-5-570-7447 EASEMENT ACQUISITION	\$ -	\$ -	\$ 10,000
TOTAL CAPITAL OUTLAY	\$ -	\$ -	\$ 10,000
EQUIPMENT			
600-5-570-8020 MACHINERY	\$ -	\$ -	\$ 17,000
TOTAL EQUIPMENT	\$ -	\$ -	\$ 17,000

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
INTERFUND ACTIVITY			
600-5-570-9510 EQUIP. PURCHASE CONTRIB.	\$ 4,000	\$ -	\$ -
600-5-570-9511 EQUIPMENT USER FEE	2,020	11,109	11,109
TOTAL INTERFUND ACTIVITY	\$ 6,020	\$ 11,109	\$ 11,109
TOTAL WATER TREATMENT	\$ 1,276,668	\$ 1,299,315	\$ 1,350,537

WATER DISTRIBUTION

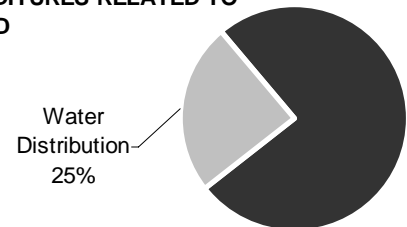
This program is responsible for the operation, maintenance and construction of all water lines and appurtenances with the City's water system including the maintenance of over 250 miles of water lines, and over 705 fire hydrants. The City maintains seven ground/elevated water storage tanks, which when full; contain 4,350,000 gallons of treated water. Up to 10 million gallons per day of treated water can be distributed throughout the city's distribution system.

The water distribution budget has the following supplemental decisions that were approved by Council:

SUPPLEMENTAL DECISIONS		
<u>Program</u>	<u>Line</u>	<u>Amount</u>
Small Tools	2080	\$ 3,000
Water Line Repair	4450	19,000
Tank Maintenance	3330	284,000

PERSONNEL ALLOCATION		
<u>POSITION</u>	<u>FYE 09</u>	<u>FYE 10</u>
Utility Maintenance Supervisor	1.0	1.0
Equipment Operator	1.0	1.0
Utility Crew Leader	1.0	1.0
Utility Maintenance Worker	1.0	1.0

DIVISION EXPENDITURES RELATED TO THE WATER FUND



WATER DISTRIBUTION

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
600-5-571-1010 SALARIES AND WAGES	\$ 51,611	\$ 113,878	\$ 123,306
600-5-571-1020 OVERTIME	9,997	15,000	15,000
600-5-571-1030 LONGEVITY	366	360	720
600-5-571-1031 INCENTIVE	1,910	4,750	4,650
600-5-571-1036 CELL PHONE ALLOWANCE	-	1,125	1,200
600-5-571-1040 SOCIAL SECURITY	4,681	10,250	11,083
600-5-571-1050 HEALTH INSURANCE	23,388	26,550	40,396
600-5-571-1060 UNEMPLOYMENT INSURANCE	1,291	3,082	145
600-5-571-1061 WORKER'S COMPENSATION	2,092	7,812	1,808
600-5-571-1070 RETIREMENT	7,975	19,428	21,891
TOTAL PERSONNEL	\$ 103,310	\$ 202,234	\$ 220,199

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SUPPLIES AND MATERIALS			
600-5-571-2010 OFFICE SUPPLIES	\$ 285	\$ 372	\$ 1,000
600-5-571-2020 POSTAGE	22	-	-
600-5-571-2030 JANITORIAL SUPPLIES	768	1,001	1,000
600-5-571-2040 UNIFORMS AND APPAREL	1,019	1,500	1,500
600-5-571-2070 GASOLINE AND OIL	19,110	11,001	14,200
600-5-571-2080 SMALL TOOLS AND EQUIP.	4,105	5,000	8,000
TOTAL SUPPLIES AND MATERIALS	\$ 25,309	\$ 18,874	\$ 25,700
SERVICES			
600-5-571-3040 COMMUNICATIONS	\$ 1,450	\$ 2,566	\$ 1,500
600-5-571-3050 UTILITIES - ELECTRIC	626	665	1,000
600-5-571-3310 EQUIPMENT RENTAL / LEASE	685	1,500	1,500
600-5-571-3330 CONTRACT SERVICES	-	-	284,000
TOTAL SERVICES	\$ 2,761	\$ 4,731	\$ 288,000
MAINTENANCE & REPAIR			
600-5-571-4010 BUILDINGS & STRUCTURES	\$ 31	\$ 500	\$ 500
600-5-571-4110 MOTOR VEHICLES	3,575	4,625	6,000
600-5-571-4120 EQUIPMENT & MACHINERY	192	999	1,000
600-5-571-4210 WATER SYSTEM MAINTENANCE	-	38	-
600-5-571-4220 WATER METERS	38,521	-	-
600-5-571-4450 WATER LINE REPAIR	70,925	58,501	76,000
TOTAL MAINTENANCE & REPAIR	\$ 113,244	\$ 64,662	\$ 83,500
CAPITAL OUTLAY			
600-5-571-7040 WATER SYSTEMS	\$ -	\$ 11,193	\$ 15,000
TOTAL CAPITAL OUTLAY	\$ -	\$ 11,193	\$ 15,000
INTERFUND ACTIVITY			
600-5-571-9510 EQUIP. PURCHASE CONTRIB.	\$ 47,490	\$ -	\$ -
600-5-571-9511 EQUIPMENT USER FEE	5,081	5,000	5,000
TOTAL INTERFUND ACTIVITY	\$ 52,571	\$ 5,000	\$ 5,000
TOTAL WATER DISTRIBUTION	\$ 297,195	\$ 306,694	\$ 637,399
TOTAL FUND EXPENSES	\$ 3,691,112	\$ 2,759,038	\$ 3,288,953
REVENUE OVER/(UNDER) EXPENDITURES	\$ 262,522	\$ 559,370	\$ 15,247
PROJECTED ENDING FUND BALANCE	\$ 4,805,320	\$ 5,371,055	\$ 5,386,302

WASTEWATER FUND

The Wastewater Fund is a business enterprise fund that is not supported with any tax revenues. The monthly wastewater rates or wastewater charges to be paid by the users of the city sanitary sewer system are computed on the number of gallons of water metered to the consumer. Rates for residential wastewater service will be calculated upon monthly water usage. The rate includes a "winter average," usage for each user as the arithmetical average of the amount of water for which bills were issued during the previous winter period. The winter period is formulated between December 1 and March 31. If a user was not a customer for the entire previous winter period, the average monthly water usage will be the average monthly water usage for all residential users in the same billing cycle. Averages will be recalculated May 1 of every year. The following chart is the current rate for wastewater charges:

Type and Use	Charge
Residential Rate	
First 3,000 Gallons	\$ 8.35
Per 1,000 after 3,000	\$ 3.94
Commercial Rate	
First 3,000 Gallons	\$ 33.00
Per 1,000 after 3,000	\$ 4.00

A temporary surcharge is included to the monthly customer billing for wastewater services in an amount designed to recover the projected increased debt service and operating costs for the EPA-mandated improvement project not otherwise

covered by other revenues. The use charges are as follows:

Type and Use	Charge
Residential Surcharge	
First 3,000 Gallons	\$ 7.81
Per 1,000 after 3,000	\$ 1.20
Commercial Surcharge	
First 3,000 Gallons	\$ 4.92
Per 1,000 after 3,000	\$ 1.23

Apartment houses or multi-family dwellings or multi-unit buildings designed to house two or more families are charged and billed at the multifamily rate unless each unit is separately metered. Also, mobile home parks and trailer courts are charged and billed at the commercial rate unless each unit is separately metered. All consumers located outside the corporate limits of the city are charged at a rate that is 1.3 times the rates set above. Consumer requesting a reread and it is determined by the city that the first reading was correct, will be a charge of \$16.50 on the next bill of that customer. Payments will be due 20 days from the billing date and a late charge of three percent will be assessed for an account over 20 days past due.

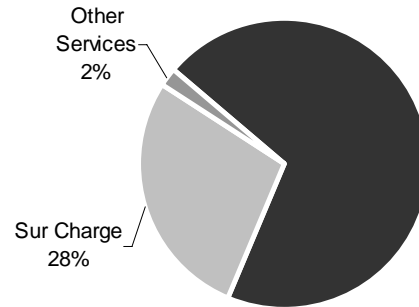
The following information is from a survey performed by the Texas Municipal League. The survey determines that the City provides wastewater at a higher rate than other comparable Texas cities. A household using 5,000 gallons is paying \$3 more than the average, indicating that Palestine is within range of reasonably priced wastewater services.

SUMMARY OF THE 2009 TEXAS MUNICIPAL LEAGUE SEWER SURVEY IN RELATION TO PALESTINE

Population Group	Cities Reporting	Residential Sewer Average Fee For:		Commercial Sewer Average Fee For:	
		5,000 Gal.	10,000 Gal.	50,000 Gal.	200,000 Gal.
10,001 - 15,000	38	\$ 21.86	\$ 33.68	\$ 166.31	\$ 635.94
15,001 - 20,000	32	23.14	37.63	170.98	626.50
20,001 - 25,000	11	25.62	40.22	165.77	632.57
Total / Averages	81	\$ 23.54	\$ 37.18	\$ 167.69	\$ 631.67
Palestine		\$ 26.44	\$ 52.14	\$ 257.74	\$ 1,028.74

Wastewater revenues are dependent on several factors and actual revenues can fluctuate significantly from the projected budget. It is important that revenues are examined during the fiscal year in order to meet budget requirements of this fund. The following is a historical graph of wastewater revenues. The Column in white is the sewer service charges that is allocated for wastewater operations and the shaded column is the sewer surcharge assigned to pay for the annual debt service requirements. Below is the adopted budget for wastewater revenue.

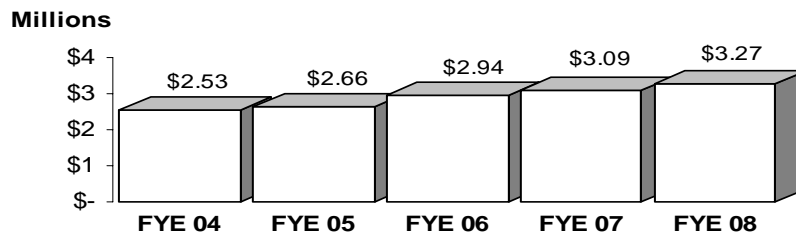
SERVICE REVENUES RELATED TO THE WASTEWATER FUND



610-WASTEWATER REVENUE

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
CHARGES FOR SERVICE			
610-4-1711 SEWER SERVICE CHARGES	\$ 2,389,195	\$ 2,390,000	\$ 2,390,000
610-4-1717 SEWER SUR CHARGE	879,310	931,216	950,000
610-4-1719 SEWER TAPS	7,466	4,500	45,000
610-4-1727 OTHER SERVICES	27,300	16,500	17,000
TOTAL CHARGES FOR SERVICE	\$ 3,303,272	\$ 3,342,216	\$ 3,402,000
OTHER INCOME			
610-4-1901 INTEREST ON INVESTMENTS	\$ 8,396	\$ 5,000	\$ 5,000
610-4-1905 BOND PROCEEDS	710	-	-
610-4-1946 TRANSFER FROM DEBT SERVICE	1,306,950	-	-
610-4-1951 TRANSFER FROM CIP FUNDS	831,502	-	-
610-4-1955 TRANSFER FROM OTHER FUNDS	-	12,000	-
TOTAL OTHER INCOME	\$ 2,147,558	\$ 17,000	\$ 5,000
TOTAL REVENUE	\$ 5,450,830	\$ 3,359,216	\$ 3,407,000

Wastewater Service and Surcharge Revenue



WASTEWATER OPERATIONS

Wastewater Operations include expenses related to financial activity of the actual fund such as inter-fund transfers, financial charges, depreciation, and bad debt. Some of the activity in this fund is related to year end closing that adjust the funds assets and liabilities that cannot be accounted as a planned revenue or expenditure to the adopted budget. However, the following table accounts for the inter-fund activity for the fiscal year:

INTERFUND TRANSFER REQUIREMENTS			
<u>Purpose</u>	<u>To</u>	<u>From</u>	<u>Budgeted</u>
INCODE Maintenance Agreement	General	610-5-110-9010	3,400
Reimbursement for Customer Service	Water	610-5-110-9050	125,000
Debt Principal for 1995 Series 95A	Util. Debt Serv.	610-5-110-9070	370,000
Debt Interest for 1995 Series 95A	Util. Debt Serv.	610-5-110-9070	110,247
Debt Principal for 1999 Series	Util. Debt Serv.	610-5-110-9070	75,000
Debt Interest for 1999 Series	Util. Debt Serv.	610-5-110-9070	49,113
Debt Principal for 2002 Meter Change-Out	Util. Debt Serv.	610-5-110-9070	88,647
Debt Interest for 2002 Meter Change-Out	Util. Debt Serv.	610-5-110-9070	9,786
Debt Principal for 2003 New Money Portion	Util. Debt Serv.	610-5-110-9070	50,000
Debt Interest for 2003 New Money Portion	Util. Debt Serv.	610-5-110-9070	31,960
Debt Principal for 2003 Refunding Portion	Util. Debt Serv.	610-5-110-9070	30,800
Debt Interest for 2003 Refunding Portion	Util. Debt Serv.	610-5-110-9070	5,623
Debt Principal for 2003 SSES	Util. Debt Serv.	610-5-110-9070	150,000
Debt Interest for 2003 SSES	Util. Debt Serv.	610-5-110-9070	96,535
Debt Principal for 2006 SSES	Util. Debt Serv.	610-5-110-9070	40,000
Debt Interest for 2006 SSES	Util. Debt Serv.	610-5-110-9070	19,885
Debt Principal for 2007 SSES	Util. Debt Serv.	610-5-110-9070	195,000
Debt Interest for 2007 SSES	Util. Debt Serv.	610-5-110-9070	99,440
Debt Principal for 2009 SSES	Util. Debt Serv.	610-5-110-9070	20,000
Debt Interest for 2009 SSES	Util. Debt Serv.	610-5-110-9070	27,809
Capital Improvement Wastewater Projects	Wastewater CIP	600-5-110-9698	185,000
			\$ 1,783,245

WASTEWATER OPERATIONS

	<u>ACTUAL</u>	<u>ESTIMATED</u>	<u>TOTAL</u>
	<u>FYE 2008</u>	<u>FYE 2009</u>	<u>FYE 2010</u>
SERVICES			
610-5-110-3210 FINANCIAL SERVICE CHARGE	\$ 8,613	\$ 10,780	\$ 12,000
610-5-110-3211 INVESTMENT CHARGE	3,410	3,000	1,000
610-5-110-3220 INSURANCE AND BONDS	-	15,000	15,000
610-5-110-3410 WAREHOUSE SERVICES	4,702	9,768	10,000
TOTAL SERVICES	\$ 16,725	\$ 38,548	\$ 38,000

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SUNDRY			
610-5-110-5400 BAD DEBT EXPENSE	\$ 39,604	\$ 35,000	\$ 35,000
610-5-110-5410 INTEREST EXPENSE	18,945	-	-
610-5-110-5412 INTEREST EXP-2003	41,721	-	-
610-5-110-5414 INTEREST EXP-2003	7,743	-	-
610-5-110-5416 INTEREST EXPENSE	58,840	-	-
610-5-110-5422 INTEREST EXP 2003A	107,410	-	-
610-5-110-5424 INTEREST EXPENSE-2006	21,359	-	-
610-5-110-5428 INTEREST EXPENSE	150,048	-	-
610-5-110-5432 INTEREST EXP-SSES2B	44,111	-	-
610-5-110-5599 DEPRECIATION EXPENSE	767,263	-	-
TOTAL SUNDRY	\$ 1,257,044	\$ 35,000	\$ 35,000
INTERFUND ACTIVITY			
610-5-110-9010 TRSF TO GENERAL FUND	\$ 240,611	\$ 3,400	\$ 3,400
610-5-110-9031 TRSF EQUIP. REPLACEMENT	5,300	-	-
610-5-110-9050 TRSF TO WATER FUND	130,800	125,000	125,000
610-5-110-9070 TRSF UTILITY DEBT SERVICE	1,229,785	1,295,896	1,469,845
610-5-110-9698 TRANSFER TO WTR-CIP	350,000	-	185,000
TOTAL INTERFUND ACTIVITY	\$ 1,956,496	\$ 1,424,296	\$ 1,783,245
TOTAL WASTEWATER OPERATIONS	\$ 3,230,265	\$ 1,497,844	\$ 1,856,245

WASTEWATER UTILITY ADMINISTRATION

The Utility Department is an operation covering two major city enterprise funds. The Water Utility Administration is budgeted within the water fund. Prior to fiscal year ending 2009, the utility administration cost was split between both the water and wastewater fund. Currently this department is fully supported under the water fund since it is difficult to financially administer a split division

across funds. Other cost adjustments are incorporated to compensate the counterpart fund.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Utilities Director	0.0	0.0

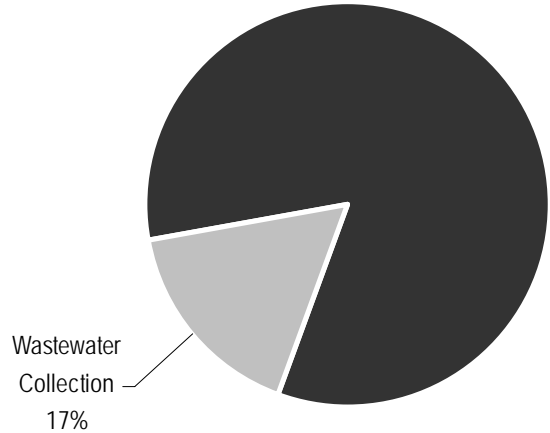
WASTEWATER ADMINISTRATION

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
610-5-111-1010 SALARIES AND WAGES	\$ (2,019)	\$ -	\$ -
610-5-111-2070 GASOLINE AND OIL	\$ 514	\$ -	\$ -
610-5-111-3082 TRAVEL AND TRAINING	\$ 129	\$ -	\$ -
TOTAL ADMINISTRATION	\$ (1,377)	\$ -	\$ -

WASTEWATER COLLECTION

This program is responsible for the collection and transmittal of all residential, commercial and industrial wastewater to the treatment facilities for final processing. There are more than 142 miles of collection and out-fall lines.

DIVISION EXPENDITURES RELATED TO THE WASTEWATER FUND



PERSONNEL ALLOCATION		
<u>POSITION</u>	<u>FYE 09</u>	<u>FYE 10</u>
Equipment Operator	1.0	1.0
Heavy Equipment Operator	1.0	1.0
Utility Crew Leader	1.0	1.0
Utility Maintenance Worker	2.0	2.0

The Wastewater Collection budget has the following supplemental decisions that were approved by Council:

SUPPLEMENTAL DECISIONS		
<u>Program</u>	<u>Line</u>	<u>Amount</u>
Travel and Training	3082	\$ 5,000
Sewer Line Maintenance	4310	10,000
Easement Acquisition	7447	10,000

WASTEWATER COLLECTION

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
610-5-580-1010 SALARIES AND WAGES	\$ 146,598	\$ 123,958	\$ 127,285
610-5-580-1020 OVERTIME	34,142	45,000	45,000
610-5-580-1030 LONGEVITY	861	1,152	1,368
610-5-580-1031 INCENTIVE	10,315	7,950	7,950
610-5-580-1036 CELL PHONE ALLOWANCE	-	500	1,800
610-5-580-1040 SOCIAL SECURITY	14,936	13,619	14,030
610-5-580-1050 HEALTH INSURANCE	39,691	32,636	30,713
610-5-580-1060 UNEMPLOYMENT INSURANCE	4,276	4,095	183
610-5-580-1061 WORKER'S COMPENSATION	6,935	9,847	2,168
610-5-580-1070 RETIREMENT	26,286	25,816	27,712
TOTAL PERSONNEL	\$ 284,041	\$ 264,573	\$ 258,209
SUPPLIES AND MATERIALS			
610-5-580-2030 JANITORIAL SUPPLIES	\$ 200	\$ 275	\$ 300
610-5-580-2031 CHEMICALS	9,103	6,400	6,400
610-5-580-2040 UNIFORMS AND APPAREL	2,875	2,715	2,800
610-5-580-2070 GASOLINE AND OIL	14,525	9,175	18,700
610-5-580-2080 SMALL TOOLS AND EQUIP.	1,588	2,001	2,000
TOTAL SUPPLIES AND MATERIALS	\$ 28,292	\$ 20,567	\$ 30,200

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SERVICES			
610-5-580-3040 COMMUNICATIONS	\$ 3,612	\$ 3,814	\$ 2,500
610-5-580-3050 UTILITIES - ELECTRIC	63,175	80,500	80,500
610-5-580-3082 TRAVEL AND TRAINING	2,820	4,002	9,000
610-5-580-3310 EQUIPMENT RENTAL / LEASE	5,099	5,001	5,000
TOTAL SERVICES	\$ 74,707	\$ 93,316	\$ 97,000
MAINTENANCE & REPAIR			
610-5-580-4110 MOTOR VEHICLES	\$ 8,132	\$ 6,001	\$ 6,000
610-5-580-4120 EQUIPMENT & MACHINERY	10,959	2,500	-
610-5-580-4310 SEWER LINE MAINTENANCE	36,435	50,001	60,000
610-5-580-4311 SEWER PLANT MAINTENANCE	63	5,888	-
610-5-580-4312 LIFT STATION MAINTENAN	49,499	60,001	60,000
TOTAL MAINTENANCE & REPAIR	\$ 105,088	\$ 124,390	\$ 126,000
LEASE PURCHASE			
610-5-580-6510 LEASE PURCHASE CONT.	\$ -	\$ 24,000	\$ -
TOTAL LEASE PURCHASE	\$ -	\$ 24,000	\$ -
CAPITAL OUTLAY			
610-5-580-7040 SEWER SYSTEMS	\$ 64	\$ 1,025	\$ -
610-5-580-7447 EASEMENT AQUISITION	-	-	10,000
TOTAL CAPITAL OUTLAY	\$ 64	\$ 1,025	\$ 10,000
INTERFUND ACTIVITY			
610-5-580-9510 EQUIP. PURCHASE CONTRIB.	\$ 42,665	\$ 15,000	\$ -
610-5-580-9511 EQUIPMENT USER FEE	-	36,092	45,580
TOTAL INTERFUND ACTIVITY	\$ 42,665	\$ 51,092	\$ 45,580
TOTAL WASTEWATER COLLECTION	\$ 534,858	\$ 578,961	\$ 566,989

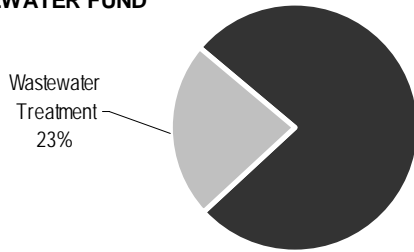
WASTEWATER TREATMENT

The purpose of the Wastewater Department is to treat and dispose of all wastewater discharged into the City's sanitary sewerage system. The treatment facilities are capable of processing 4.7 million gallons of sewage each day which is an average of approximately two (2) million gallons of treated effluent are discharged daily. This department also maintains twenty six (27) lift stations at various locations throughout the City. The Environmental Protection Agency requires that the City have a Pretreatment Program to protect the collection system, treatment facilities, and plant operating staff. Wastewater personnel conduct all activities related to this program. The following personnel allocation has changed from the prior year. Two full time

equivalent positions have been transferred to the newly created Compliance Monitoring Division.

PERSONNEL ALLOCATION		
<u>POSITION</u>	<u>FYE 09</u>	<u>FYE 10</u>
Utility Plant Supervisor	1.0	1.0
Utility Plant Operator	2.0	1.0
Plant Mechanic II	1.0	1.0
Lab Technician	1.0	0.0

DIVISION EXPENDITURES RELATED TO THE WASTEWATER FUND



The Wastewater Treatment budget has the following supplemental decisions that were approved by Council:

SUPPLEMENTAL DECISIONS		
<u>Program</u>	<u>Line</u>	<u>Amount</u>
Computer Workstation	3082	\$ 1,250

WASTEWATER TREATMENT

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
610-5-581-1010 SALARIES AND WAGES	\$ 118,409	\$ 148,909	\$ 95,010
610-5-581-1020 OVERTIME	27,359	20,009	20,000
610-5-581-1030 LONGEVITY	1,245	1,944	864
610-5-581-1031 INCENTIVE	7,560	6,625	5,325
610-5-581-1036 CELL PHONE ALLOWANCE	-	-	2,100
610-5-581-1040 SOCIAL SECURITY	12,012	13,577	9,364
610-5-581-1050 HEALTH INSURANCE	33,365	49,879	30,608
610-5-581-1060 UNEMPLOYMENT INSURANCE	3,479	4,082	122
610-5-581-1061 WORKER'S COMPENSATION	3,729	6,547	843
610-5-581-1070 RETIREMENT	21,231	25,734	18,495
TOTAL PERSONNEL	\$ 228,388	\$ 277,305	\$ 182,731
SUPPLIES AND MATERIALS			
610-5-581-2010 OFFICE SUPPLIES	\$ 529	\$ 1,001	\$ 1,500
610-5-581-2020 POSTAGE	21	-	-
610-5-581-2030 JANITORIAL SUPPLIES	543	850	1,000
610-5-581-2031 CHEMICALS	42,033	50,042	51,000
610-5-581-2040 UNIFORMS AND APPAREL	2,077	2,011	2,100
610-5-581-2050 MEDICAL SUPPLIES	-	150	150
610-5-581-2070 GASOLINE AND OIL	13,087	10,235	8,000
610-5-581-2080 SMALL TOOLS AND EQUIP.	3,101	3,000	4,000
TOTAL SUPPLIES AND MATERIALS	\$ 61,391	\$ 67,289	\$ 67,750
SERVICES			
610-5-581-3032 SPECIAL STUDIES	\$ 20,329	\$ 15,419	\$ -
610-5-581-3040 COMMUNICATIONS	6,339	6,764	5,000
610-5-581-3050 UTILITIES - ELECTRIC	207,560	230,213	219,000
610-5-581-3051 UTILITIES - CITY	14,728	9,456	15,000
610-5-581-3065 SANITARY SLUDGE COLLEC	147,146	173,511	175,000
610-5-581-3082 TRAVEL AND TRAINING	2,749	2,161	5,000
610-5-581-3310 EQUIPMENT RENTAL / LEASE	382	1,000	2,000
610-5-581-3430 TCEQ PERMITTING	23,910	24,260	-
TOTAL SERVICES	\$ 423,142	\$ 462,785	\$ 421,000

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
MAINTENANCE & REPAIR			
610-5-581-4010 BUILDINGS AND STRUCTURES	\$ 462	\$ 1,030	\$ 2,000
610-5-581-4110 MOTOR VEHICLES	5,544	3,230	3,000
610-5-581-4120 EQUIPMENT & MACHINERY	57,403	60,001	30,000
610-5-581-4310 SEWER SYSTEM MAINTENAN	40	-	-
610-5-581-4311 SEWER PLANT MAINTENANC	62,477	29,029	60,000
610-5-581-4312 GRIT DISPOSAL	-	5	-
TOTAL MAINTENANCE & REPAIR	\$ 125,926	\$ 93,294	\$ 95,000
EQUIPMENT			
610-5-581-8015 COMPUTER EQUIPMENT	\$ -	\$ -	\$ 1,250
TOTAL EQUIPMENT	\$ -	\$ -	\$ 1,250
INTERFUND ACTIVITY			
610-5-581-9510 EQUIP. PURCHASE CONTRIB.	\$ 12,000	\$ -	\$ -
610-5-581-9511 EQUIPMENT USER FEE	2,020	14,028	14,028
TOTAL INTERFUND ACTIVITY	\$ 14,020	\$ 14,028	\$ 14,028
TOTAL WASTEWATER TREATMENT	\$ 852,867	\$ 914,701	\$ 781,759

COMPLIANCE MONITORING

The Environmental Protection Agency and Texas Commission on Environmental Quality requires strict guidelines concerning the treatment of wastewater. This division is responsible for meeting all Federal and State rules and regulations relating to wastewater discharge.

Two full time equivalent positions have been transferred to the Compliance Monitoring Division.

PERSONNEL ALLOCATION		
POSITION	FYE 09	FYE 10
Industrial Pretreatment Cord.	0.0	1.0
Lab Technician	0.0	1.0

COMPLIANCE MONITORING

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
610-5-582-1010 SALARIES AND WAGES	\$ -	\$ -	\$ 77,173
610-5-582-1020 OVERTIME	-	-	8,500
610-5-582-1030 LONGEVITY	-	-	1,872
610-5-582-1040 SOCIAL SECURITY	-	-	6,697
610-5-582-1050 HEALTH INSURANCE	-	-	25,379
610-5-582-1060 UNEMPLOYMENT INSURANCE	-	-	88
610-5-582-1061 WORKER'S COMPENSATION	-	-	1,324
610-5-582-1070 RETIREMENT	-	-	13,228
TOTAL PERSONNEL	\$ -	\$ -	\$ 134,261

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
SUPPLIES AND MATERIALS			
610-5-582-2070 GASOLINE AND OIL	\$ -	\$ -	\$ 4,000
TOTAL SUPPLIES AND MATERIALS	\$ -	\$ -	\$ 4,000
SERVICES			
610-5-582-3032 SPECIAL STUDIES	\$ -	\$ -	\$ 20,000
TOTAL SERVICES	\$ -	\$ -	\$ 20,000
MAINTENANCE & REPAIR			
610-5-582-4010 BUILDINGS AND STRUCTURES	\$ -	\$ -	\$ 2,000
610-5-582-4120 EQUIPMENT & MACHINERY	-	-	30,000
TOTAL MAINTENANCE & REPAIR	\$ -	\$ -	\$ 32,000
TOTAL COMPLIANCE MONITORING	\$ -	\$ -	\$ 190,261
TOTAL FUND EXPENSES	\$ 4,616,612	\$ 2,991,507	\$ 3,395,254
REVENUE OVER/(UNDER) EXPENDITURES	\$ 834,218	\$ 367,709	\$ 11,746

SANITATION FUND

The Sanitation Fund is a business enterprise fund that supported with the revenues from solid waste collection. The City contracts with a third party for solid waste collection and the sanitation fees are to be paid with the customer water bills. After fees are collected, the contractor is paid in accordance with the contract. This fund also supports the operation of street sanitation. Council adopted a street sanitation fee to support maintenance and cleaning of city streets.

Residential solid waste curbside collection is provided twice a week. The following chart is a detail for monthly residential service as of October 1, 2009:

Residential	Charge
Collection Cost	\$ 11.59
Fuel Charge	1.39
	\$ 12.98

Commercial poly-cart collection is also provided twice a week. The following chart is a detail for monthly poly-cart service as of October 1, 2009:

Polycart	Charge
Collection Cost	\$ 18.75
Fuel Charge	1.24
	\$ 19.99

The Sanitation Fund also supports a commercial container service. The service fees are contingent on the size of the commercial container and the weekly frequency it is collected. A matrix relating to the commercial container fees is provided at the bottom of this page.

An additional street sanitation fee is collected for each household and commercial entity customer for \$1.79 per month.

COMMERCIAL CONTAINER MATRIX

Container Size	1X	2X	3X	4X	5X	Extra
2 YARD	\$ 53.77	\$ 93.55	\$ 120.51	\$ 147.82	\$ 175.87	\$ 31.35
3 YARD	66.78	107.21	146.61	189.21	228.14	32.61
4 YARD	79.83	134.17	187.33	241.87	296.73	33.88
6 YARD	95.73	184.70	263.27	342.71	420.25	35.19
8 YARD	132.20	236.98	341.68	446.41	551.06	36.47

620-SANITATION FUND REVENUES

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ (8,143)	\$ 52,642	\$ 126,686
CHARGES FOR SERVICE			
620-4-1715 SANITATION COLLECTION	\$ 1,478,280	\$ 1,600,000	\$ 1,648,000
620-4-1721 COLLECTION BAG SALES	28,505	33,130	33,000
620-4-1722 CLEAN STREETS PROGRAM	135,102	135,000	135,000
TOTAL CHARGES FOR SERVICE	\$ 1,641,887	\$ 1,768,131	\$ 1,816,000
OTHER INCOME			
620-4-1901 INTEREST REVENUE	\$ 2,574	\$ 1,000	\$ 1,000
620-4-1955 TRANSFER FROM OTHER FUNDS	-	700	-
TOTAL OTHER INCOME	\$ 2,574	\$ 1,700	\$ 1,000
TOTAL REVENUE	\$ 1,644,461	\$ 1,769,831	\$ 1,817,000
TOTAL FUNDS AVAILABLE	\$ 1,636,318	\$ 1,822,473	\$ 1,943,686

SANITATION OPERATIONS

Sanitation Operations include expenses related to financial activity of the actual fund such as inter-fund transfers, financial charges, depreciation, and bad debt. Some of the activity in this fund is related to year end closing that adjust the funds assets and liabilities that cannot be accounted as a planned revenue or expenditure to the adopted budget. However, the following table accounts for the inter-fund activity for the fiscal year:

INTERFUND TRANSFER REQUIREMENTS			
<u>Purpose</u>	<u>To</u>	<u>From</u>	<u>Budgeted</u>
INCODE Maintenance Agreement	General	620-5-110-9010	1,700
Reimbursement for Customer Service	Water	620-5-110-9050	125,000
			\$ 126,700

SANITATION OPERATIONS

	<u>ACTUAL FYE 2008</u>	<u>ESTIMATED FYE 2009</u>	<u>TOTAL FYE 2010</u>
SERVICES			
620-5-110-3410 WAREHOUSE SERVICES	\$ 4,083	\$ 4,000	\$ 5,000
TOTAL SERVICES	\$ 4,083	\$ 4,000	\$ 5,000
SUNDRY			
620-5-110-5400 BAD DEBT EXPENSE	\$ 12,489	\$ 15,000	\$ 15,000
TOTAL SUNDRY	\$ 12,489	\$ 15,000	\$ 15,000
INTERFUND ACTIVITY			
620-5-110-9010 TRSF TO GENERAL FUND	\$ 2,631	\$ 1,700	\$ 1,700
620-5-110-9031 TRSF TO EQUIP. REPLACEMENT	2,700	-	-
620-5-110-9050 TRANSFER TO WATER FUND	32,700	125,000	125,000
TOTAL INTERFUND ACTIVITY	\$ 38,031	\$ 126,699	\$ 126,700
TOTAL SANITATION OPERATIONS	\$ 54,603	\$ 145,699	\$ 146,700

SOLID WASTE COLLECTION

This program is responsible for the solid waste collection and street sanitation. The City has two street sweepers within the fleet that maintain curbed and guttered streets. This division also affords periodic maintenance of open bar ditches. The solid waste collection budget has the following personnel allocation:

PERSONNEL ALLOCATION		
<u>POSITION</u>	<u>FYE 09</u>	<u>FYE 10</u>
Equipment Operator	2.0	2.0

The solid waste collection budget has the following supplemental decisions that were approved by Council:

SUPPLEMENTAL DECISIONS		
<u>Program</u>	<u>Line</u>	<u>Amount</u>
Gasoline and Oil	2070	\$ 4,200
Street Sweeper Parts	4110	1,000

SOLID WASTE COLLECTION

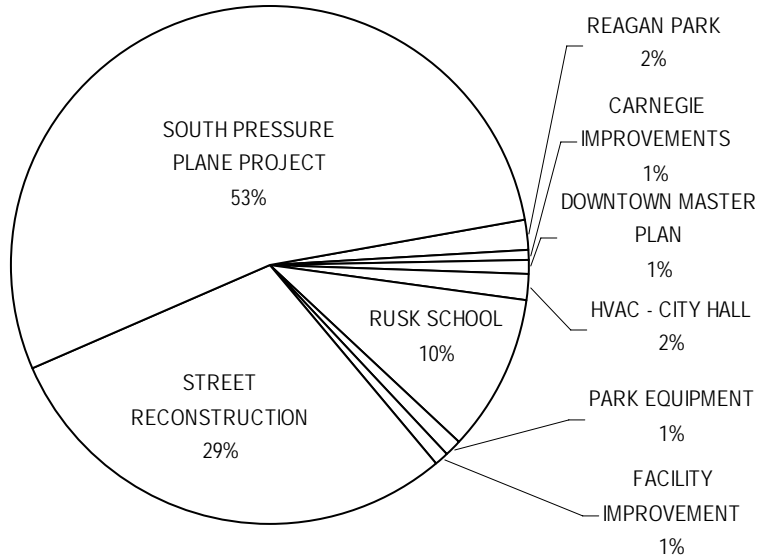
	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
PERSONNEL			
620-5-550-1010 SALARIES AND WAGES	\$ 30,311	\$ 55,812	\$ 54,509
620-5-550-1020 OVERTIME	2,395	8,501	8,500
620-5-550-1030 LONGEVITY	564	3,888	3,960
620-5-550-1031 INCENTIVE	50	-	-
620-5-550-1036 CELL PHONE ALLOWANCE	-	-	1,200
620-5-550-1040 SOCIAL SECURITY	2,001	5,217	5,215
620-5-550-1050 HEALTH INSURANCE	25,920	17,842	24,472
620-5-550-1060 UNEMPLOYMENT INSURANCE	594	1,568	68
620-5-550-1061 WORKER'S COMPENSATION	1,611	5,881	1,014
620-5-550-1070 RETIREMENT	3,508	9,889	10,300
TOTAL PERSONNEL	\$ 66,954	\$ 108,598	\$ 109,238
SUPPLIES AND MATERIALS			
620-5-550-2027 DOWNTOWN RECEPTACLES	\$ 1,900	\$ 3,000	\$ 3,000
620-5-550-2070 GASOLINE AND OIL	2,917	7,000	11,200
620-5-550-2130 GARBAGE BAGS	24,304	35,500	35,500
TOTAL SUPPLIES AND MATERIALS	\$ 29,121	\$ 45,500	\$ 49,700
SERVICES			
620-5-550-3063 RESIDENTIAL COLLECTION	\$ 612,396	\$ 612,501	\$ 630,874
620-5-550-3064 COMMERCIAL COLLECTION	774,389	710,500	731,815
620-5-550-3065 CITY WIDE CLEAN-UP	-	20,001	20,000
620-5-550-3330 CONTRACT SERVICES	6,212	8,788	6,000
TOTAL SERVICES	\$ 1,392,997	\$ 1,351,789	\$ 1,388,689
MAINTENANCE & REPAIR			
620-5-550-4110 MOTOR VEHICLES	\$ -	\$ 1,500	\$ 2,500
TOTAL MAINTENANCE & REPAIR	\$ -	\$ 1,500	\$ 2,500
INTERFUND ACTIVITY			
620-5-550-9510 EQUIP. PURCHASE CONTRIB.	\$ 40,000	\$ -	\$ -
620-5-550-9511 EQUIPMENT USER FEE	-	42,700	42,700
TOTAL INTERFUND ACTIVITY	\$ 40,000	\$ 42,700	\$ 42,700
TOTAL SOLID WASTE COLLECTION	\$ 1,529,072	\$ 1,550,088	\$ 1,592,827
TOTAL FUND EXPENSES	\$ 1,583,676	\$ 1,695,787	\$ 1,739,527
REVENUE OVER/(UNDER) EXPENDITURES	\$ 60,785	\$ 74,043	\$ 77,473
PROJECTED ENDING FUND BALANCE	\$ 52,642	\$ 126,686	\$ 204,159

CAPITAL IMPROVEMENT FUNDS

**City of Palestine
Annual Budget 2009-2010**

CAPITAL IMPROVEMENTS

The Capital Improvement Program (CIP) is budgeted funds that are identified as capital projects with anticipated funding set aside to assist in the planning and scheduling of finances for projects needed for planning, designing, and constructing the established projects. Typically, a CIP project has a dollar amount over \$10,000. The CIP is a format by which the City uses to review the funding of desired capital improvements that compete for scarce financial resources. Generally, there are two primary sources of funding for capital improvements - revenues sources (various) and the issuance of City bonds. Other sources such as grant funding may supplement the funding for projects. Revenue sources range from general and special revenue to enterprise revenue. The issuance of City bonds is another major source of funding for capital improvements. Issuing bonds is not only a common practice among cities; it is the primary and most widely accepted method of funding large capital projects for municipalities throughout the nation. The following schedules for capital improvements are group dependent on the type and funding source:



GENERAL CAPITAL IMPROVEMENT FUND

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 372,127	\$ 219,625	\$ 123,660
REVENUES			
670-4-1901 INTEREST ON INVESTMENTS	\$ 13,874	\$ 4,000	\$ 4,000
670-4-1941 TSFR FROM GENERAL FUND	250,000	-	-
TOTAL REVENUE	\$ 263,874	\$ 4,000	\$ 4,000
TOTAL FUNDS AVAILABLE	\$ 636,001	\$ 223,625	\$ 127,660
EXPENSES			
670-5-110-3211 INVESTMENT CHARGE	\$ 959	\$ 500	\$ 500
670-5-110-7440.005 CARNEGIE IMPROVEMENTS	139	1,000	-
670-5-110-7440.055 ROOF REPAIRS	204,305	-	-
670-5-110-7440.072 REAGAN PARK	-	30,000	125,000
670-5-110-7440.077 RUSK SCHOOL	181,152	2,620	-
670-5-110-7440.082 ECON DEVELOPMENT	21,301	65,845	-
670-5-110-7440.083 AIRPORT IMPROVEMENTS	8,520	-	-
TOTAL FUND EXPENSES	\$ 416,376	\$ 99,965	\$ 125,500
REVENUE OVER/(UNDER) EXPENDITURES	\$ (152,502)	\$ (95,965)	\$ (121,500)
PROJECTED ENDING FUND BALANCE	\$ 219,625	\$ 123,660	\$ 2,160

671 GENERAL CIP -2006 SERIES

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 1,067,720	\$ 231,288	\$ 233,289
REVENUES			
671-4-1901 INTEREST ON INVESTMENTS	\$ 25,860	\$ 2,000	\$ 2,000
TOTAL REVENUE	\$ 25,860	\$ 2,000	\$ 2,000
TOTAL FUNDS AVAILABLE	\$ 1,093,580	\$ 233,289	\$ 235,289
EXPENSES			
671-5-110-3210 FINANCIAL CHARGE	\$ -	\$ -	\$ 500
671-5-110-7440 RUSK SCHOOL	862	862	-
671-5-110-7440.005 CARNEGIE IMPROVEMENTS	-	-	44,000
671-5-110-7440.043 ATHLETIC LIGHTS-BENNET	45,258	-	-
671-5-110-7440.068 CITY LAKE E.A.P. PLAN	77,518	-	-
671-5-110-7440.072 DOWNTOWN MASTER PLAN	-	-	50,000
671-5-110-7440.073 HVAC - CITY HALL	3,000	-	105,000
671-5-110-7440.074 SPRING ST. GREEN SPACE	18,853	-	-
671-5-110-7440.077 RUSK SCHOOL	-	(862)	30,000
671-5-110-7440.081 GREENS PARK IMPROVEMENT	32,506	-	-
671-5-110-7440.511 STREET IMPROVEMENTS	595,577	-	-
671-5-110-7440.603 MAGNOLIA DRAINAGE	53,769	-	-
671-5-110-7440.605 BENNETT PARK DRAINAGE	35,811	-	-
TOTAL FUND EXPENSES	\$ 863,154	\$ -	\$ 229,500
REVENUE OVER/(UNDER) EXPENDITURES	\$ (837,294)	\$ 2,000	\$ (227,500)
PROJECTED ENDING FUND BALANCE	\$ 230,426	\$ 233,289	\$ 5,789

672 GENERAL CIP -2009 SERIES

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
REVENUES			
672-4-1901 INTEREST ON INVESTMENTS	\$ -	\$ -	\$ 50,000
672-4-1904 STATE AND FEDERAL GRANTS	-	-	2,000,000
672-4-1905 BOND PROCEEDS	-	-	4,150,000
TOTAL REVENUE	\$ -	\$ -	\$ 6,200,000
TOTAL FUNDS AVAILABLE	\$ -	\$ -	\$ 6,200,000
EXPENSES			
672-5-110-3210 FINANCIAL CHARGE	\$ -	\$ -	\$ 60,000
672-5-110-7440.077 RUSK SCHOOL	-	-	600,000
672-5-110-7440.606 PARK EQUIPMENT	-	-	75,000
672-5-110-7440.607 FACILITY IMPROVEMENT	-	-	55,000
672-5-110-7440.608 STREET RECONSTRUCTION	-	-	1,900,000
672-5-110-7440.609 SPP PROJECT	-	-	3,506,455
TOTAL FUND EXPENSES	\$ -	\$ -	\$ 6,196,455
REVENUE OVER/(UNDER) EXPENDITURES	\$ -	\$ -	\$ 3,545
PROJECTED ENDING FUND BALANCE	\$ -	\$ -	\$ 3,545

ENTERPRISE CAPITAL IMPROVEMENTS

The Capital Improvement Program (CIP) includes projects that are supported through business-like activities, in most cases - water utilities. These funds are identified as capital projects with anticipated funding set aside to assist in the planning and scheduling of finances for projects needed for planning, designing, and constructing the established enterprise projects. Typically, a project has a dollar amount over \$10,000. Generally, there are revenues sources and the issuance of City bonds to raise funding for these projects. The following schedules for the enterprise capital improvements are group dependent on the type and funding source:

680-CIP WATER

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 542,916	\$ 822,600	\$ 688,819
REVENUES			
680-4-1901 INTEREST ON INVESTMENTS	\$ 23,804	\$ 5,000	\$ 1,000
680-4-1942 TSFR FROM WATER FUND	250,000	-	200,000
TOTAL REVENUE	\$ 273,804	\$ 5,000	\$ 201,000
TOTAL FUNDS AVAILABLE	\$ 816,720	\$ 827,600	\$ 889,819
EXPENSES			
680-5-110-3211 INVESTMENT CHARGE	\$ -	\$ 500	\$ 500
680-5-110-7440.010 HAMLET ELEVATED	-	50,000	-
680-5-110-7440.026 SLUDGE REMOVAL	(5,880)	(111,719)	200,000
680-5-110-7440.028 FILTER MEDIA	-	50,000	60,000
680-5-110-7440.029 POTASSIUM FEEDER	-	-	170,000
680-5-110-7440.034 SCADA SYSTEM	-	-	75,000
680-5-110-7440.037 RAW WATER PUMP II	-	150,000	-
680-5-110-7440.038 WATER PLANT SECURITY	-	-	25,000
680-5-110-7440.039 INSTRUMENTATION UPGRADE	-	-	10,000
TOTAL FUND EXPENSES	\$ (5,880)	\$ 138,781	\$ 540,500
REVENUE OVER/(UNDER) EXPENDITURES	\$ 279,684	\$ (133,781)	\$ (339,500)
PROJECTED ENDING FUND BALANCE	\$ 822,600	\$ 688,819	\$ 349,319

681-WATER CIP -2008 SERIES

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ -	\$ 1,551,904	\$ 1,420,286
REVENUES			
681-4-1901 INTEREST ON INVESTMENTS	\$ 21,347	\$ 12,359	\$ 5,000
681-4-1905 BOND PROCEEDS	\$ 2,000,000	\$ -	\$ -
TOTAL REVENUE	\$ 2,021,347	\$ 12,359	\$ 5,000
TOTAL FUNDS AVAILABLE	\$ 2,021,347	\$ 1,564,264	\$ 1,425,286
EXPENSES			
681-5-110-3023 FINANCIAL ADVISORS	\$ 30,500	\$ -	\$ -
681-5-110-3211 INVESTMENT CHARGE	261	-	2,500
681-5-110-7440.018 SPP PROJECT	-	113,545	450,000
681-5-110-7440.026 SLUDGE REMOVAL	5,880	(1,230)	-
681-5-110-7440.035 RELOCATE - US 79 WEST	-	31,662	768,338
681-5-110-7440.036 RELOCATE - LOOP 256	-	-	195,000
681-5-110-9499 TSFR CIP FUNDS	432,802	-	-
TOTAL FUND EXPENSES	\$ 469,443	\$ 143,977	\$ 1,415,838
REVENUE OVER/(UNDER) EXPENDITURES	\$ 1,551,904	\$ (131,618)	\$ (1,410,838)
PROJECTED ENDING FUND BALANCE	\$ 1,551,904	\$ 1,420,286	\$ 9,448

690-CIP WASTEWATER

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 53,392	\$ 145,277	\$ 109,159
REVENUES			
690-4-1901 INTEREST ON INVESTMENTS	\$ 2,811	\$ 356	\$ 5,000
690-4-1906 PROJECT PARTICIPATION	24,700	-	-
690-4-1943 TSFR FROM WASTEWATER FUND	350,000	-	185,000
TOTAL REVENUE	\$ 377,511	\$ 356	\$ 190,000
TOTAL FUNDS AVAILABLE	\$ 430,903	\$ 145,634	\$ 299,159
EXPENSES			
690-5-110-3211 INVESTMENT CHARGE	\$ 25	\$ -	\$ 500
690-5-110-7440.010 GREGG LP SEWER LINE	-	36,475	260,000
690-5-110-9499 TSFR CIP TO WSTWTR	285,601	-	-
TOTAL FUND EXPENSES	\$ 285,626	\$ 36,475	\$ 260,500
REVENUE OVER/(UNDER) EXPENDITURES	\$ 91,885	\$ (36,119)	\$ (70,500)
PROJECTED ENDING FUND BALANCE	\$ 145,277	\$ 109,159	\$ 38,659

771-SSES PHASE SERIES 2007

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
BEGINNING FUND BALANCE	\$ 5,088,425	\$ 4,596,983	\$ 3,858,448
REVENUES			
771-4-1901 INTEREST ON INVESTMENTS	\$ 44,110	\$ 10,416	\$ 10,000
TOTAL REVENUE	\$ 44,110	\$ 10,416	\$ 10,000
TOTAL FUNDS AVAILABLE	\$ 5,132,534	\$ 4,607,399	\$ 3,868,448
EXPENSES			
771-5-110-3211 INVESTMENT CHARGE	\$ -	\$ 2,000	\$ 2,000
771-5-110-3221 BOND INSURANCE	-	-	-
771-5-110-7441 CITY ENGINEERING EXPENSE	-	72,131	-
771-5-110-7448 GENERAL CONTRACTOR	-	674,820	2,725,180
771-5-110-9499 TSFR CIP FUNDS	535,551	-	-
TOTAL FUND EXPENSES	\$ 535,551	\$ 748,950	\$ 2,727,180
REVENUE OVER/(UNDER) EXPENDITURES	\$ (491,442)	\$ (738,534)	\$ (2,717,180)
PROJECTED ENDING FUND BALANCE	\$ 4,596,983	\$ 3,858,448	\$ 1,141,268

772-SSES PHASE SERIES 2009

	ACTUAL FYE 2008	ESTIMATED FYE 2009	TOTAL FYE 2010
REVENUES			
772-4-1901 INTEREST ON INVESTMENTS	\$ -	\$ -	\$ 10,000
772-4-1905 BOND PROCEEDS	-	-	600,000
TOTAL REVENUE	\$ -	\$ -	\$ 610,000
TOTAL FUNDS AVAILABLE	\$ -	\$ -	\$ 610,000
EXPENSES			
772-5-110-3024 BOND COUNSEL	\$ -	\$ -	\$ 10,000
772-5-110-7440 CONSTRUCTION	-	-	600,000
TOTAL FUND EXPENSES	\$ -	\$ -	\$ 610,000

BUDGET GLOSSARY

**City of Palestine
Annual Budget 2009-2010**

GLOSSARY

ACCOUNTING PROCEDURES. All procedures which discover, record, classify, and summarize financial information to produce financial reports and to provide internal control.

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

ALLOCATION. A part of a lump-sum appropriation which is designated for expenditure by specific organization units and/or for special purposes, activities, or objects.

AMOUNT AVAILABLE IN DEBT SERVICE FUNDS. An "other debit" account in the General Long-Term Debt Account Group which designates the amount of assets available in Debt Service Funds for the retirement of general obligation debt.

ANNUAL BUDGET. A budget applicable to a single fiscal year.

APPRAISAL. (1) The act of appraising, (2) The estimated value resulting from such action.

APPRAISE. To make an estimate of value, particularly of the value of property. If the property is valued for purposes of taxation, the less-inclusive term "assess" is substituted for this term.

APPROPRIATION. A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

ASSESS. To value property officially for the purpose of taxation.

ASSESSED VALUATION. A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSESSMENT. (1) The process of making the official valuation of property for purposes of taxation. (2) The valuation placed upon property as a result of this process.

ASSETS. Resources owned or held by a government which have monetary value.

BOND. A written promise to pay a specified sum of money, called the face value or principal amount, at a

specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate. The difference between a note and a bond is that the latter runs for a longer period of time and requires greater legal formality.

BUDGET. A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the appropriating body. See ANNUAL BUDGET, CAPITAL BUDGET, and CAPITAL PROGRAM.

BUDGET DOCUMENT. The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of three parts. The first part contains a message from the budget-making authority, together with a summary of the proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the information as to past year's actual revenues, expenditures, and other data used in making the estimates.

BUDGET MESSAGE. A discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body. The budget message should contain an explanation of the principal budget items, an outline of the government's experience during the past period and its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

BUDGETARY COMPARISONS. Governmental GAAP financial reports must include comparisons of approved budgeted amounts with actual results of operations. Such reports should be subjected to an independent audit, so that all parties involved in the annual operating budget/legal appropriation process are provided with assurances that the government monies are spent in accordance with the mutually agreed-upon budgetary plan.

CAPITAL BUDGET. A plan of proposed capital outlays and the means of financing them.

CAPITAL OUTLAYS. Expenditures which result in the acquisition of or addition to fixed assets.

CAPITAL PROGRAM. A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

CAPITAL PROJECTS FUND. A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds, and trust funds).

CASH. An asset account reflecting currency, coin, checks, postal and express money orders, and banker's drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits. All cash must be accounted for as a part of the fund to which it belongs. Any restrictions or limitations as to its availability must be indicated in the records and statements. It is not necessary, however, to have a separate bank account for each fund unless required by law.

CASH BASIS. A basis of accounting under which transactions are recognized only when cash changes funds.

COVERAGE. The ratio of net revenue available for debt services to the average annual debt service requirements of an issue of revenue bonds. See NET REVENUE AVAILABLE FOR DEBT SERVICE.

CURRENT. A term which, applied to budgeting and accounting, designates the operations of the present fiscal period as opposed to past or future periods. It usually connotes items likely to be used up or converted into cash within one year.

CURRENT TAXES. Taxes levied and becoming due within one year.

DEBT. An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, notes, and floating debt.

DEBT LIMIT. The maximum amount of gross or net debt which is legally permitted.

DEBT SERVICE FUND. A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Formerly called a SINKING FUND.

DEBT SERVICE FUND REQUIREMENT. The amounts of revenue which must be provided for a Debt Service Fund so that all principal and interest payments can be made in full on schedule.

DELINQUENT TAXES. Taxes remaining unpaid on and after the date on which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or canceled, the unpaid balances continue to be delinquent taxes until abated, canceled, paid or converted into tax liens.

DEPRECIATION. (1) Expiration in the service life of fixed assets, other than wasting assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, an obsolescence. (2) The portion of the cost of a fixed asset other than a wasting asset which is charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

ENCUMBRANCES. Commitments related to unperformed (executor) contracts for goods or services.

ENTERPRISE FUND. A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples of Enterprise Funds are those for water, gas, and electric utilities; swimming pools; airports; parking garages; and solid waste collection and disposal.

EXPENDITURES. Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays. The unmodified use of the term expenditures in this text is intended to mean budgetary expenditure.

EXPENSES. Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

FISCAL PERIOD. Any period at the end of which government determines its financial position and the results of its operations.

FISCAL YEAR. A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations.

FIXED ASSETS. Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

FRANCHISE. A special privilege granted by a government permitting the continuing use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

FULL FAITH AND CREDIT. A pledge of the general taxing power for the payment of debt obligations. Bonds carrying such pledges are referred to as general obligation bonds or full faith and credit bonds.

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 objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE. The fund equity of governmental funds and Trust Funds.

FUND TYPE. In governmental accounting, all funds are classified into eight generic fund types: General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Internal Service, and Trust and Agency.

GENERAL FUND. The fund used to account for all financial resources except those required to be accounted for in another fund.

GENERAL LONG-TERM DEBT. Long-term debt (other than special assessment bonds) expected to be repaid from governmental funds.

GENERALLY ACCEPTED ACCOUNTING PRINCIPALS (GAAP). Uniform minimum standards of and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by

which to measure financial operations. The primary authoritative statement on the application of GAAP to state and local governments is NCGA Statement 1. Every government should prepare and publish financial statements in conformity with GAAP. The objectives of governmental GAAP financial reports are different from, and much broader than, the objectives of business enterprise GAAP financial reports.

GENERAL OBLIGATION BONDS. Bonds for the payment of which the full faith and credit of the issuing government are pledged.

GENERAL REVENUE. The revenues of a government other than those derived from and retained in an enterprise. If a portion of the net income in an Enterprise Fund is contributed to another non-enterprise fund, such as the General Fund, the amounts transferred constitute general revenue of the government.

GOVERNMENTAL ACCOUNTING. The composite activity of analyzing, recording summarizing, reporting, and interpreting the financial transactions of governments.

GRANTS. Contributions of gifts of cash or other assets from another government to be used or expanded for a specified purpose, activity, or facility.

GROSS BONDED DEBT. The total amount of direct debt of a government represented by outstanding bonds before deduction of any assets available and earmarked for their retirement.

IMPROVEMENTS. Buildings, other structures, and other attachments or annexations to land which are intended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains, and sewers. Sidewalks, curbing, sewers, and highways are sometimes referred to as "betterment's," but the term "improvements" is preferred.

INCOME. A term used in proprietary fund type accounting to represent (1) revenues or (2) the excess of revenues over expenses.

INTERNAL CONTROL. A plan of organization under which employees' duties are so arranged and records and procedures so designed as to make it possible to exercise effective accounting control over assets, liabilities, revenues, and expenditures. Under such a system, the work of employees is subdivided so that no single employee performs a complete cycle of operations. Thus, for example, an employee handling cash would not post the accounts receivable records. Moreover, under such a system, the procedures to be followed are definitely laid down and require proper

authorizations by designated officials for all actions to be taken.

INTERNAL SERVICE FUND. A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

LEVY. (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government.

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

MACHINERY AND EQUIPMENT. Tangible property of a more or less permanent nature, other than land or buildings and improvements thereon. Examples are machinery, tools, trucks, cars, furniture, and furnishings.

MUNICIPAL. In its broadest sense, an adjective which denotes the state and all subordinate units of government. In a more restricted sense, an adjective which denotes a city or village as opposed to other local governments.

NET BONDED DEBT. Gross bonded debt less any cash or other assets available and earmarked for its retirement.

NET REVENUES AVAILABLE FOR DEBT SERVICE. Proprietary fund gross operating revenues less operating and maintenance expenses but exclusive of depreciation and bond interest. "Net revenue available for debt service" as thus defined is used to compute "coverage" on revenue bond issues. See **COVERAGE**. Under the laws of some states and the provisions of some revenue bond indentures, "net revenues available for debt service" for computation of revenue bond coverage must be computed on a cash basis rather than in conformity with GAAP.

OBJECT. As used in expenditure classification, this term applies to the article purchased or the service obtained (as distinguished from the results obtained from expenditures). Examples are personal services, contractual services, materials, and supplies.

OBJECT TOTAL. Expenditures classification according to the types of items purchased or services obtained; for example, personal services, materials, supplies, and equipment.

OBLIGATIONS. Amounts which a government may be required legally to meet out of its resources. They include not only actual liabilities, but also unliquidated encumbrances.

OPERATING BUDGET. Plans of current expenditures and the proposed means of financing them. The annual operating budget (or, in the case of some state governments, the biennial operating budget) is the primary means by which most of the financing acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law. Even where not required by law, however, annual operating budgets are essential to sound management and should be adopted by every government.

ORDINANCE. A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Ordinarily, the statutes or charter will specify or imply those legislative actions which must be by ordinance and those which may be by resolution. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, universally require ordinances. See **RESOLUTION**.

OUTLAYS. Synonymous with **EXPENDITURES**.

PRIOR YEAR'S TAX LEVIES. Taxes levied for fiscal periods preceding the current one.

PROPRIETARY ACCOUNTS. Those accounts which show actual financial position and results of operations, such as actual asset liabilities, fund equity balances, revenues, expenditures, and expenses as distinguished from budgetary accounts.

REIMBURSEMENTS. (1) Repayments of amounts remitted on behalf of another party. (2) Interfund transactions which constitute reimbursements of a fund for expenditures or expenses initially made from it which are properly applicable to another fund-e.g., an expenditure properly chargeable to a Special Revenue Fund was initially made from the General Fund, which is subsequently reimbursed. They are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

RESERVE. (1) An account used to earmark a portion of a fund balance to indicate that it is not appropriate for

expenditure; and (2) an account used to earmark a portion of fund equity as legally segregated for a specific future use.

RESOLUTION. A special or temporary order of a legislative body; and order of a legislative body requiring less legal formality than an ordinance or statute. See **ORDINANCE**.

RETAINED EARNINGS. An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund.

REVENUE BONDS. Bonds whose principal and interest are payable exclusively from earnings of an Enterprise Fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the Enterprise Fund's property.

REVENUES. (1) Increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers. Under NCGA Statement 1, general long-term debt proceeds and operating transfers-in are classified as "other financing sources" rather than revenues. (2) Increases in proprietary fund type net total assets from other than expense refunds, capital contributions, and residual equity transfers. Under NCGA Statement 1, operating transfers-in are classified separately from revenues.

STATISTICAL TABLES. Financial presentations included in the Statistical Section of the CAFR which provide detailed data on the physical, economic, social, and political characteristics of the reporting government. They are intended to provide CAFR users with a broader

and more complete understanding of the government and its financial affairs than is possible from the basic financial statements and supporting schedules included in the Financial Section. Statistical tables usually cover more than two fiscal years and often present data from outside the accounting records. In contrast to Financial Section Information, therefore, Statistical Section data are not usually susceptible to independent audit.

SELF-SUPPORTING or LIQUIDATING DEBT. Debt obligations whose principal and interest are payable solely from the earnings of the enterprise for the construction or improvement of which they were originally issued.

TAX LEVY ORDINANCE. An ordinance by means of which taxes are levied.

TAX RATE. The amount of tax stated in terms of a unit of the tax base; for example, 25 cents per \$100 of assessed valuation of taxable property.

TAXES. Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

UNALLOTTED BALANCE OF APPROPRIATION. An appropriation balance available for allotment.